



ONLINE & MOBILE INDUSTRY

FULL YEAR 2016 :: Mergers and Acquisitions Trend Report

2016 KEY HIGHLIGHTS

- The industry's most active segment in 2016 was SaaS & Cloud with 794 deals. E-Commerce, with 708 deals, solidified its position over E-Marketing & Search as the second most active segment.
- The largest mobile-based transaction during the year was Tencent Holdings Ltd.'s acquisition of Supercell, the Finnish maker of the "Clash of Clans" game, for \$8.6 billion.
- There were 392 financially sponsored transactions with an aggregate value of \$28.61 billion, representing 14 percent of the total volume and 16 percent of the total value, respectively.

2016 KEY TRENDS

- Total transaction volume in 2016 saw a one percent uptick over 2015, from 2,844 to 2,874.
- Total transaction value in 2016 rose by 12 percent over 2015, from \$157.99 billion to \$177.35 billion.
- The median revenue multiple moved slightly from 2.2x in 2015 to 2.1x in 2016. The median EBITDA multiple improved from 10.0x in 2015 to 11.3x in 2016.
- The segment with the largest rise in volume in 2016 over 2015 was E-Commerce with an 11 percent increase, from 635 to 708 transactions.

M&A MARKET OVERVIEW

Berkery Noyes tracked 8,216 Online & Mobile transactions between 2014 and 2016, of which 1,756 disclosed financial terms, and calculated the aggregate value to be \$346.55 billion. Based on known transaction values, we project values of 6,460 undisclosed transactions to be \$120.61 billion, totaling \$467.16 billion worth of transactions tracked over the past three years.

Disclosed median enterprise value multiples for all segments combined in this report during the last 36 months were 2.3x revenue and 11.5x EBITDA.

The largest Online & Mobile deal tracked by Berkery Noyes between 2014 and 2016 was Microsoft Corporation's acquisition of LinkedIn, a business social networking site, for \$25.93 billion in 2016.

M&A Market Dynamics

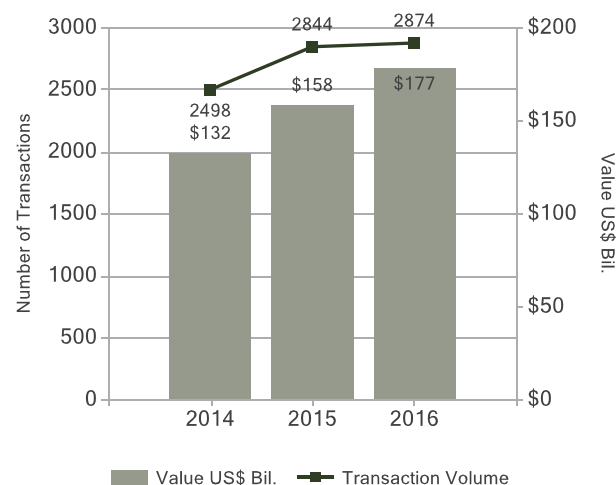


Figure 1. 2014-2016 value and volume comparison.

Median Enterprise Value Multiples

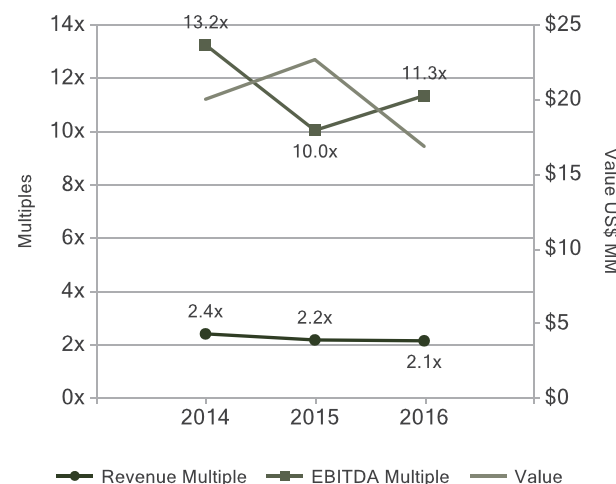
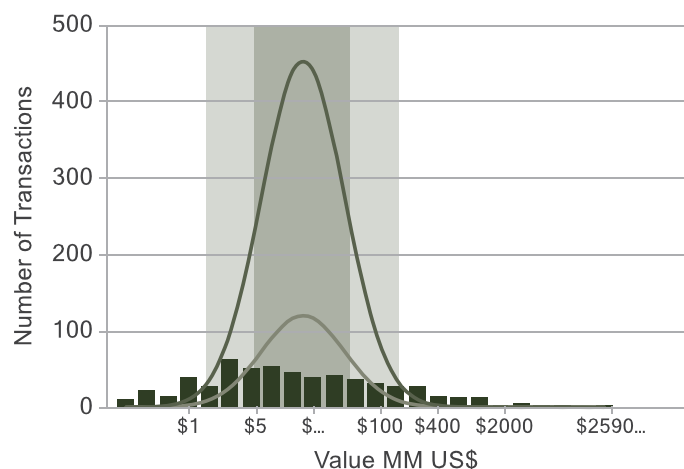


Figure 2. 2014-2016 median value, revenue, EBITDA comparison.

Transaction Analysis :: January 1, 2016 – December 31, 2016

Bell Curve - Histogram



Actual Transactions Known Dist. Projected Dist.

Figure 3. Shows distribution of transactions among Online and Mobile Industry transactions based on publicly available information and Berkery Noyes estimates. Using a logarithmic scale, we determined that nearly two-thirds of companies purchased had transaction values of \$1.6 million to \$244.7 million. Based on this data, we estimate the total transaction value of deals done in 2016 at \$177.4 billion.

* Indicates largest transaction in the industry from Jan. 1, 2016 to Dec. 31, 2016.

Distribution Table

Value in MM US\$	Known Number	Projected Number	Total Number	%	Cumulative %
\$0.2	11	0	11	2 %	2 %
\$0.4	21	0	21	3 %	5 %
\$0.6	15	2	17	2 %	8 %
\$1.0	38	10	48	6 %	14 %
\$1.6	28	36	63	5 %	19 %
\$2.7	63	97	160	10 %	29 %
\$4.5	50	207	256	8 %	38 %
\$7.4	53	341	394	9 %	46 %
\$12.2	47	439	486	8 %	54 %
\$20.1	40	440	480	7 %	61 %
\$33.1	42	343	385	7 %	68 %
\$54.6	37	209	245	6 %	74 %
\$90.0	32	99	130	5 %	79 %
\$148.4	28	36	64	5 %	84 %
\$244.7	26	10	36	4 %	88 %
\$403.4	16	2	18	3 %	91 %
\$665.1	13	0	13	2 %	93 %
\$1,096.6	12	0	12	2 %	95 %
\$1,808.0	4	0	4	1 %	96 %
\$2,981.0	5	0	5	1 %	97 %
\$4,914.8	1	0	1	0 %	97 %
\$8,103.1	2	0	2	0 %	97 %
\$13,359.7	0	0	0	0 %	97 %
\$22,026.5	1	0	1	0 %	97 %
Total #	601	2274	2875		
Total \$ Value	\$141,659	\$35,713	\$177,372		
Middle 3rd of Industry		Middle 2/3rds of Industry			

Figure 4. Presents the data depicted in the bell curve histogram.

Strategic vs. Financial Comparison

M&A Dynamics By Transaction Type

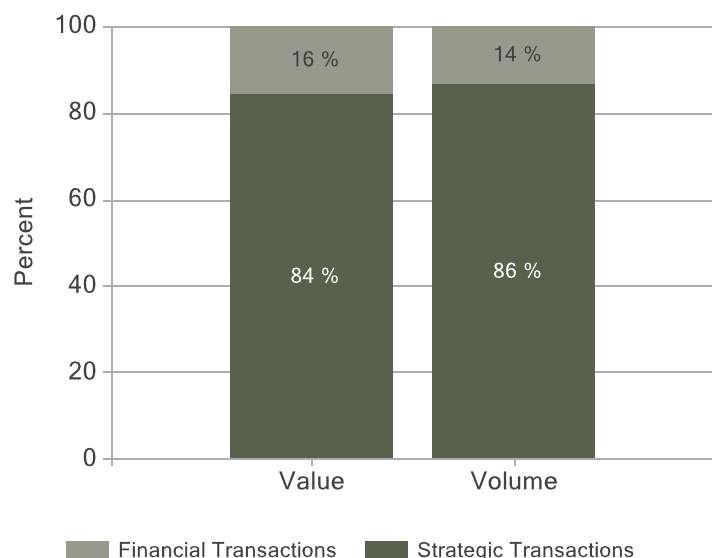


Figure 5. 2016 value and volume comparison by acquirer type.

Note: Financial transactions are those financed by private equity, venture capital, and other investment firms. This includes acquisitions by portfolio companies of the investment firms.

Transaction Type

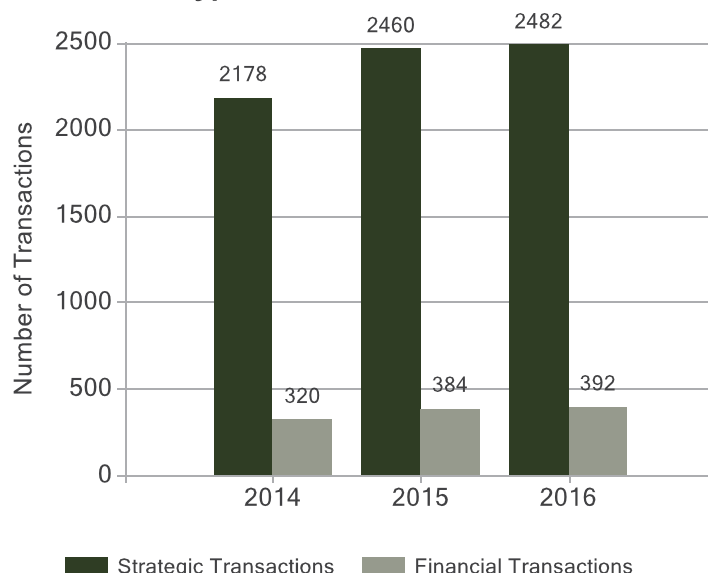


Figure 6. 2014-2016 transaction type comparison.

Purchaser Analysis

Top Ten Notable Transactions 2016

Deal Date	Target Name	Buyer	Value MM US\$
06/13/16	LinkedIn Corporation	Microsoft Corporation	\$25,887
03/21/16	Markit Group Ltd.	IHS, Inc.	\$10,974
06/21/16	Supercell	Tencent Holdings Ltd.	\$8,600
07/28/16	NetSuite, Inc.	Oracle Corporation	\$6,622
07/25/16	Yahoo! Inc.	AOL Inc.	\$4,826
07/30/16	Playtika Ltd.	Yunfeng Capital, Giant Interactive Group	\$4,400
10/19/16	Qunar	Ocean Management Holdings Limited	\$4,034
08/08/16	Jet	Wal-Mart Stores, Inc.	\$3,300
10/14/16	Allegro Group Sp. Ltd.	Cinven, Permira, Mid Europa Partners LLP	\$3,253
06/01/16	Demandware, Inc.	Salesforce.com, Inc.	\$2,662
2016 Aggregate Transaction Value			\$177,372
Top 10 Aggregate Transaction Value			\$74,556
Top 10 Aggregate Value as a Percentage of All Transactions			42 %

Figure 7. Lists the top ten transactions for 2016 and calculates their aggregate transaction value as a percentage of the total aggregate transaction value as shown on Figure 1 & 4.

Note: Transaction data based on **announced date**. Deal value represents total consideration paid by the acquirer.

Median EV/Revenue Multiples By Size

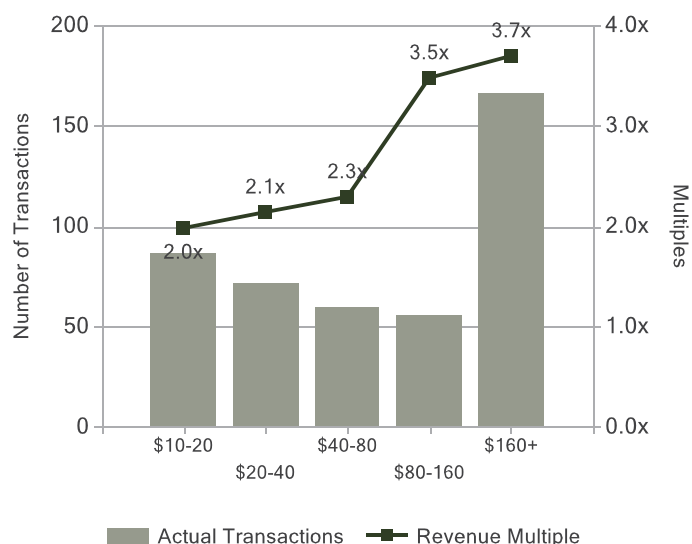


Figure 8. Presents the median enterprise value/revenue multiples paid for companies in the Online and Mobile Industry from Jan. 1, 2014 to Dec. 31, 2016 based on publicly available sales price and revenue data.

Transaction Volume by Segment :: January 1, 2014 – December 31, 2016

Transactions By Market Segment

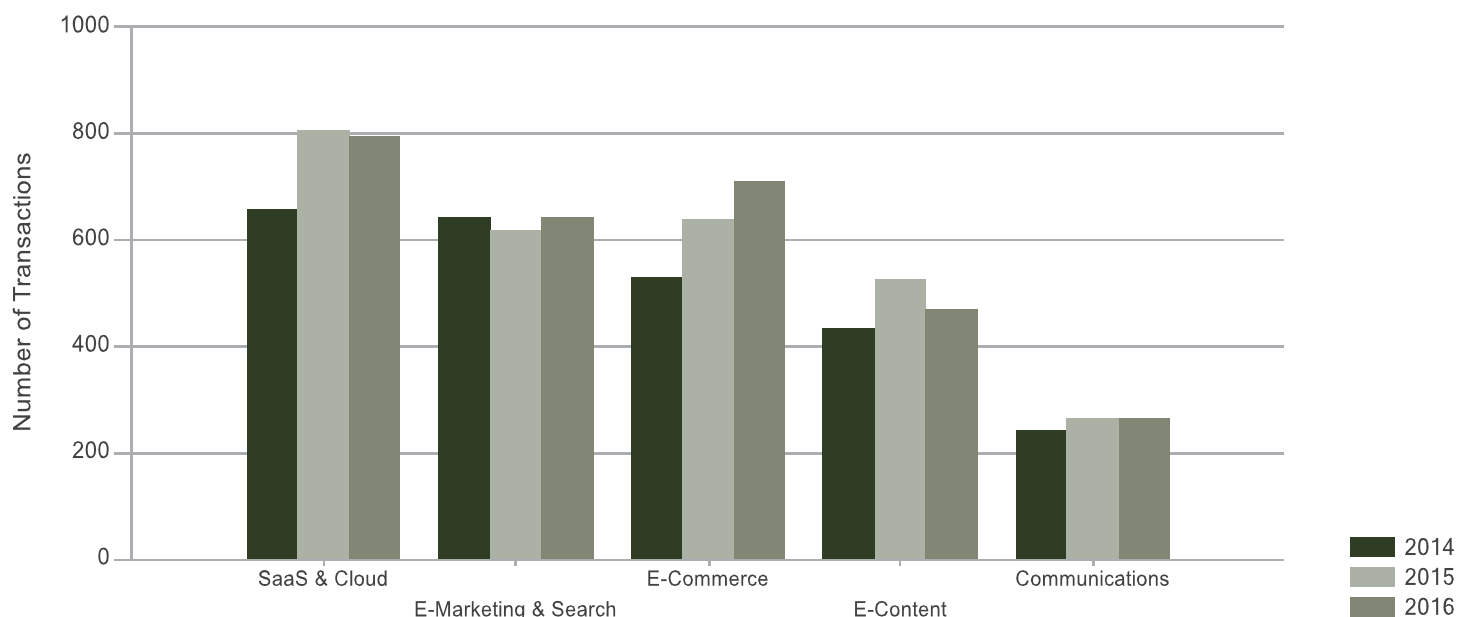


Figure 9. Presents transaction volume by market segment within the Online and Mobile Industry from Jan. 1, 2014 through Dec. 31, 2016.

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HAS BEEN ACQUIRED BY



HAS RECEIVED A GROWTH
EQUITY INVESTMENT FROM



A PORTFOLIO COMPANY OF



HAS BEEN ACQUIRED BY



HAS BEEN ACQUIRED BY



A PORTFOLIO COMPANY OF



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