



ONLINE & MOBILE INDUSTRY

FULL YEAR 2017 :: Mergers and Acquisitions Trend Report

2017 KEY HIGHLIGHTS

- The largest mobile-based transaction during the year was United Luck Consortium's \$1 billion acquisition of Outfit7, a media franchise with various mobile applications, which have received more than 5 billion downloads.
- Four of the industry's top ten largest deals in 2017 occurred in the E-Content segment: KKR's Internet Brands' announced acquisition of WebMD Corporation for \$2.8 billion; The Walt Disney Company's announced acquisition of a majority stake in BAMTech for \$1.58 billion; Red Ventures' announced acquisition of Bankrate for \$1.44 billion; and Happigo's announced acquisition of Mango TV for \$1.43 billion.
- There were 496 financially sponsored transactions with an aggregate value of \$31.41 billion, representing 17 percent of the total volume and 30 percent of the total value, respectively.

M&A Market Dynamics

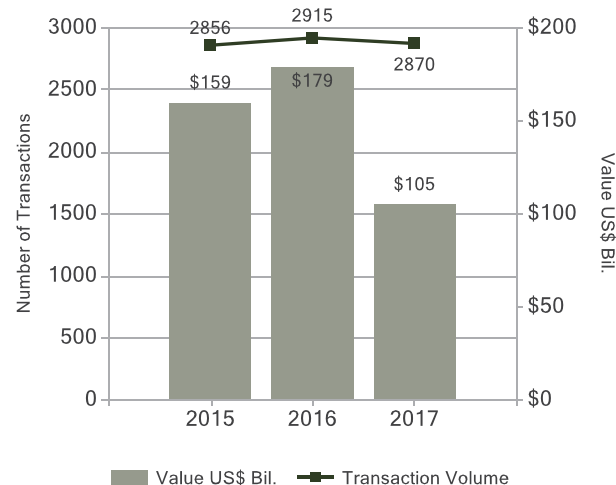


Figure 1. 2015-2017 value and volume comparison.

2017 KEY TRENDS

- Total transaction volume in 2017 declined by two percent over 2016, from 2,915 to 2,870.
- Strategic volume in 2017 decreased five percent over 2016, from 2,498 to 2,374. Private equity backed volume increased 19 percent during this timeframe, from 417 to 496.
- Total transaction value in 2017 fell by 41 percent over 2016, from \$178.88 billion to \$104.67 billion. This followed a 13 percent rise from 2015 to 2016.
- The median revenue multiple moved downward from 2.3x in 2016 to 2.0x in 2017. The median EBITDA shifted slightly from 11.4x in 2016 to 11.6x in 2017.

M&A MARKET OVERVIEW

Berkery Noyes tracked 8,641 Online & Mobile transactions between 2015 and 2017, of which 1,885 disclosed financial terms, and calculated the aggregate value to be \$326.76 billion. Based on known transaction values, we project values of 6,756 undisclosed transactions to be \$115.94 billion, totaling \$442.70 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 2.1x revenue and 11.1x EBITDA.

Median Enterprise Value Multiples

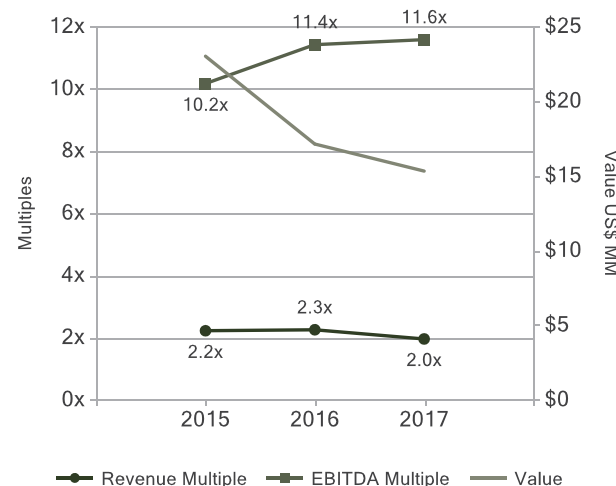
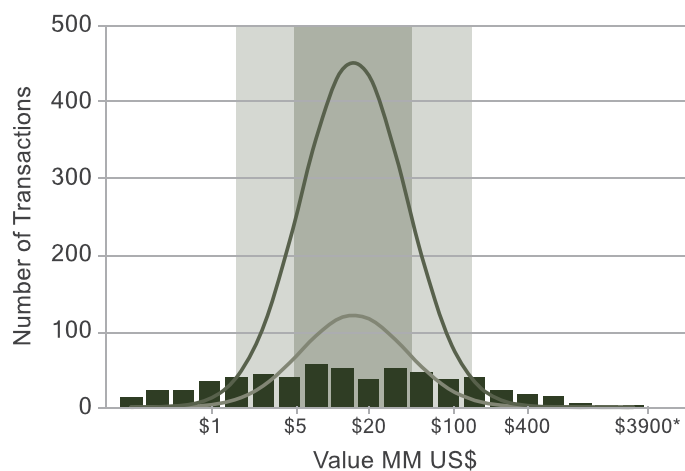


Figure 2. 2015-2017 median value, revenue, EBITDA comparison.

Transaction Analysis :: January 1, 2017 – December 31, 2017

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 2017 at \$104.67 billion.

* Indicates largest transaction in the industry from Jan. 1, 2017 to Dec. 31, 2017.

Distribution Table

Value in MM US\$	Known Number	Projected Number	Total Number	%	Cumulative %
\$0.2	12	0	12	2 %	2 %
\$0.4	23	0	23	4 %	6 %
\$0.6	22	3	24	4 %	9 %
\$1.0	33	11	44	5 %	15 %
\$1.6	38	39	77	6 %	21 %
\$2.7	43	104	147	7 %	28 %
\$4.5	38	217	254	6 %	35 %
\$7.4	56	351	406	9 %	44 %
\$12.2	50	442	492	8 %	52 %
\$20.1	37	434	470	6 %	58 %
\$33.1	50	331	381	8 %	67 %
\$54.6	45	197	242	7 %	74 %
\$90.0	37	91	128	6 %	80 %
\$148.4	38	33	70	6 %	86 %
\$244.7	23	9	32	4 %	90 %
\$403.4	17	2	19	3 %	93 %
\$665.1	14	0	14	2 %	95 %
\$1,096.6	6	0	6	1 %	96 %
\$1,808.0	2	0	2	0 %	97 %
\$2,981.0	3	0	3	0 %	97 %
Total #		604	2266	2870	
Total \$ Value		\$70,561	\$34,110	\$104,670	
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

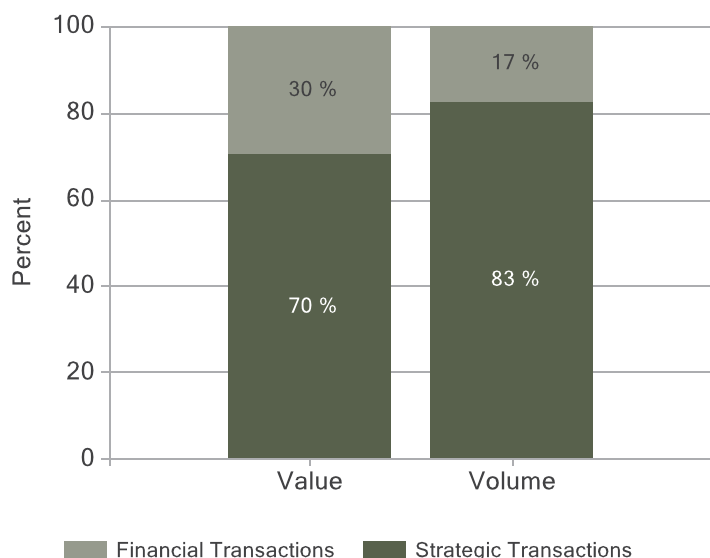


Figure 5. 2017 value and volume comparison by acquirer type.

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

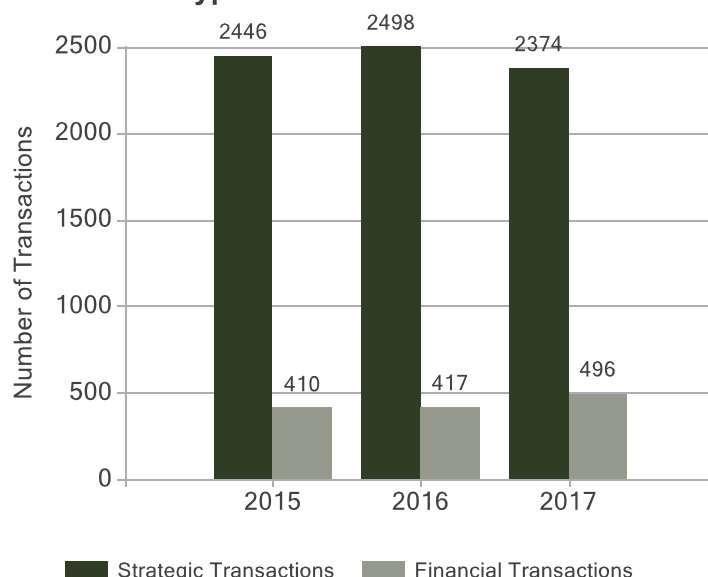


Figure 6. 2015-2017 transaction type comparison.

Purchaser Analysis

Top Ten Notable Transactions 2017

Deal Date	Target Name	Buyer	Value MM US\$
01/24/17	AppDynamics	Cisco Systems, Inc.	\$3,903
04/18/17	Chewy, Inc.	PetSmart, Inc.	\$3,350
02/27/17	CCC Information Services Inc.	Advent International	\$3,000
07/24/17	WebMD Corporation	Internet Brands, Inc.	\$2,800
10/23/17	Broadsoft, Inc.	Cisco Systems, Inc.	\$1,873
08/08/17	BAMTech, LLC	The Walt Disney Company	\$1,580
07/05/17	Bankrate, Inc.	Red Ventures, LLC	\$1,435
09/29/17	Mango TV	Happigo Home Shopping	\$1,428
08/03/17	Communities and Sports Divisions from The Active Network, Inc.	Global Payments, Inc.	\$1,200
12/17/17	Aconex	Oracle Corporation	\$1,171
2017 Aggregate Transaction Value			\$104,670
Top 10 Aggregate Transaction Value			\$21,739
Top 10 Aggregate Value as a Percentage of All Transactions			21 %

Figure 7. Lists the top ten transactions for 2017 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

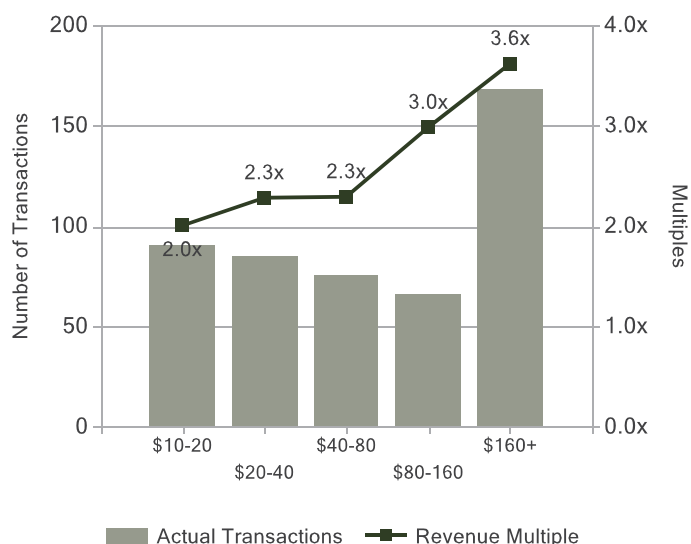


Figure 8. Presents the median enterprise value/revenue multiples paid for companies in the Online and Mobile Industry from Jan. 1, 2015 to Dec. 31, 2017 based on publicly available sales price and revenue data.

Transaction Volume by Segment :: January 1, 2015 – December 31, 2017

Transactions By Market Segment

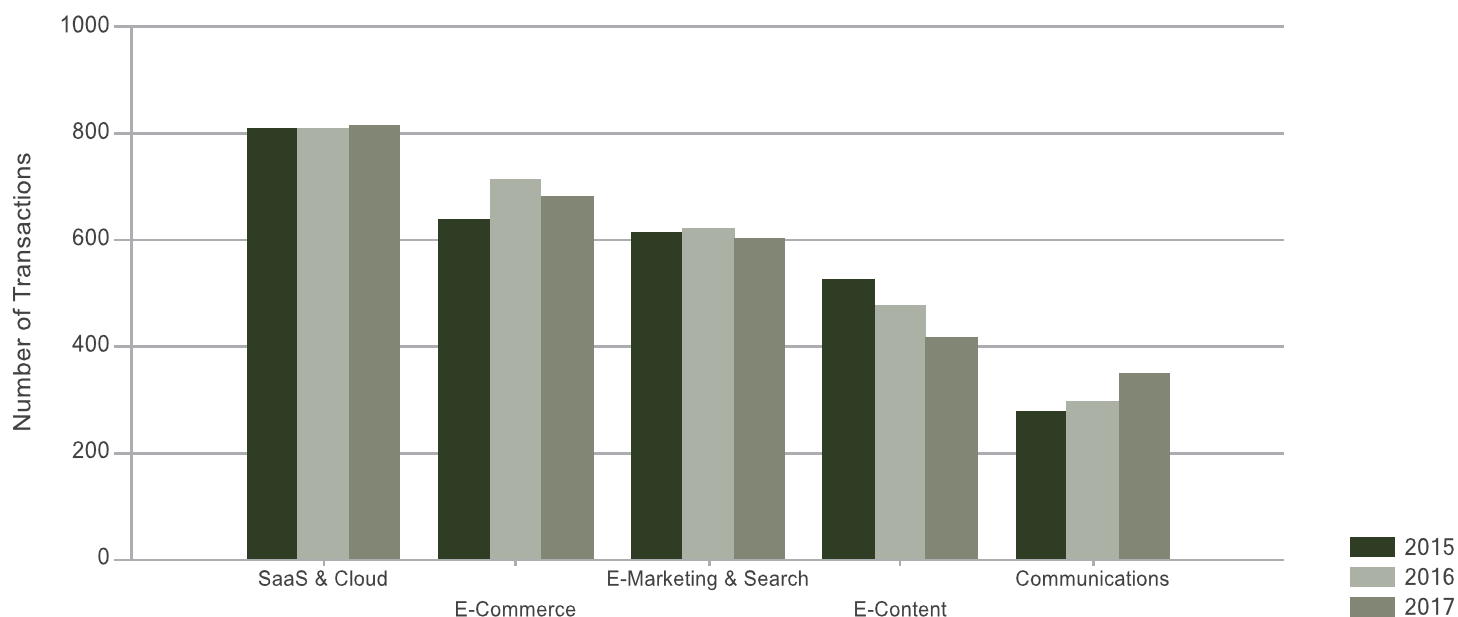


Figure 9. Presents transaction volume by market segment within the Online and Mobile Industry from Jan. 1, 2015 through Dec. 31, 2017.

BERKERY NOYES

INVESTMENT BANKERS

Founded in 1980, Berkery Noyes is a leading independent investment bank serving the information, software, marketing, and technology industries. The firm has initiated, managed, and closed more than 500 merger and acquisition transactions for privately held and publicly traded companies in the healthcare, financial services, education, and entertainment markets.

Berkery Noyes Securities LLC assists middle market companies with raising growth capital in the debt and equity markets.

**CONTACT US TODAY FOR A CONFIDENTIAL
DISCUSSION OF YOUR STRATEGIC OPTIONS**

212-668-3022

MANAGING DIRECTORS

VINEET ASTHANA

Media and Technology Group

JOHN GUZZO

Financial Technology Group

JONATHAN KRIEGER

Healthcare Group

MARTIN MAGIDA

Corporate Finance Group

THOMAS O'CONNOR

Healthcare Group

DICK O'DONNELL

Finance Group

PETER OGNIBENE

Financial Technology Group

SAMEER PAL

Business Software and Services Group

JEFFREY SMITH

Healthcare Group

PETER YOON

Education Group

MARY JO ZANDY

Education, Media, and Generalist Groups

PARTNERS

JOSEPH BERKERY

Chief Executive Officer

JAMES BERKERY

Managing Partner



All charts in this report are based on data gathered by Berkery Noyes' research department. All time period statistics are based on the transaction announcement date. The information contained herein is of a general nature and is not intended to address the circumstances of any particular company, individual, or entity. There can be no guarantee that such information is accurate.

For current intelligence on Mergers and Acquisitions activity in the Information Industry please visit our online service at www.mandasoft.com

RECENT ONLINE & MOBILE TRANSACTIONS



HAS ACQUIRED



HAS BEEN ACQUIRED BY



A PORTFOLIO COMPANY OF



HAS BEEN RECAPITALIZED BY



HAS BEEN ACQUIRED BY



A PORTFOLIO COMPANY OF



HAS RECEIVED AN
INVESTMENT FROM



HAS BEEN ACQUIRED BY



A SUBSIDIARY OF



HAS BEEN ACQUIRED BY



A PORTFOLIO COMPANY OF



HAS BEEN ACQUIRED BY



A PORTFOLIO COMPANY OF



AND



HAVE ACQUIRED



HAS BEEN ACQUIRED BY



245 Park Avenue | New York, New York 10167

berkerynoyes.com | 212.668.3022