

ONLINE & MOBILE INDUSTRY

Q1 2016 :: Mergers and Acquisitions Trend Report

Online & Mobile transaction volume increased 12 percent over the past three months, from 638 to 716. Deal value declined 29 percent, from \$48.5 billion to \$34.5 billion. Volume throughout the past five quarters reached its peak in Q2 2015, whereas value reached its zenith in Q4 2014.

The top ten largest transactions accounted for 54 percent of the industry's total value in Q1 2016, compared to 29 percent in Q1 2015. Also of note, five of the industry's top ten largest acquisitions in Q1 2016 were based outside of the U.S.

Two of the industry's five highest value deals in Q1 2016 were Capital Markets related. Along these lines were IHS' announced merger with Markit Group, a global provider of financial information services, for \$11 billion; and Nasdaq's announced acquisition of The International Securities Exchange, an operator of three electronic options exchanges, from Deutsche Börse Group for \$1.1 billion.

SaaS & Cloud volume improved 20 percent in Q1 2016. It continued to be the most active Online & Mobile market, representing 30 percent of the industry's aggregate volume year-to-date. E-Marketing & Search volume gained 19 percent in Q1 2016, which reversed a downward trend during the preceding two quarters. E-Commerce deal activity remained constant in Q1 2016. This followed a 14 percent rise in Q4 2015.

The number of transactions in the mobile application subsector rose 35 percent, from 88 to 119. Notable acquirers included Microsoft with the announced acquisition of Swiftkey, which provides predictive keyboard technology for Android and iOS devices, with a reported purchase price of approximately \$250 million; and GoPro with the announced acquisitions of video editing apps Replay and Splice for \$105 million.

M&A Market Dynamics By Quarter

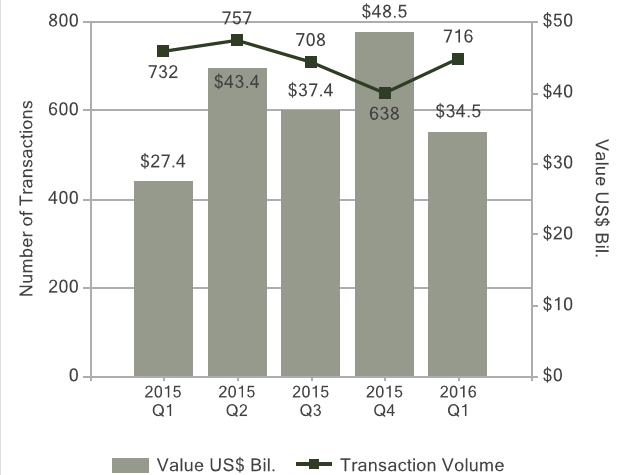


Figure 1. 2015-2016 value and volume comparison by quarter.

Top Ten Notable Transactions Q1 2016

Deal Date	Target Name	Buyer	Value MM US\$
03/21/16	Markit Group Ltd.	IHS, Inc.	\$10,974
01/11/16	LOEN Entertainment	Kakao	\$1,409
02/04/16	Jasper Technologies, Inc.	Cisco Systems, Inc.	\$1,400
02/10/16	Opera Software	Golden Brick Consortium	\$1,268
03/09/16	The International Securities Exchange	Nasdaq, Inc.	\$1,100
02/22/16	Brightree LLC	ResMed	\$800
01/28/16	Union Mobile Pay Ltd.	Haili Metal One	\$462
02/11/16	HealthPlan Services	Wipro, Ltd.	\$460
03/09/16	Dangdang	iMeigu Capital Management	\$447
02/14/16	Diligent	Insight Venture Partners	\$413

2016 Aggregate Transaction Value \$34,458

Top 10 Aggregate Transaction Value \$18,732

Top 10 Aggregate Value as a Percentage of All Transactions 54 %

Figure 2. Lists the top ten transactions for Q1 2016 and calculates their value as a percentage of the aggregate transaction value as shown in Figure 1.

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

Transactions By Market Segment

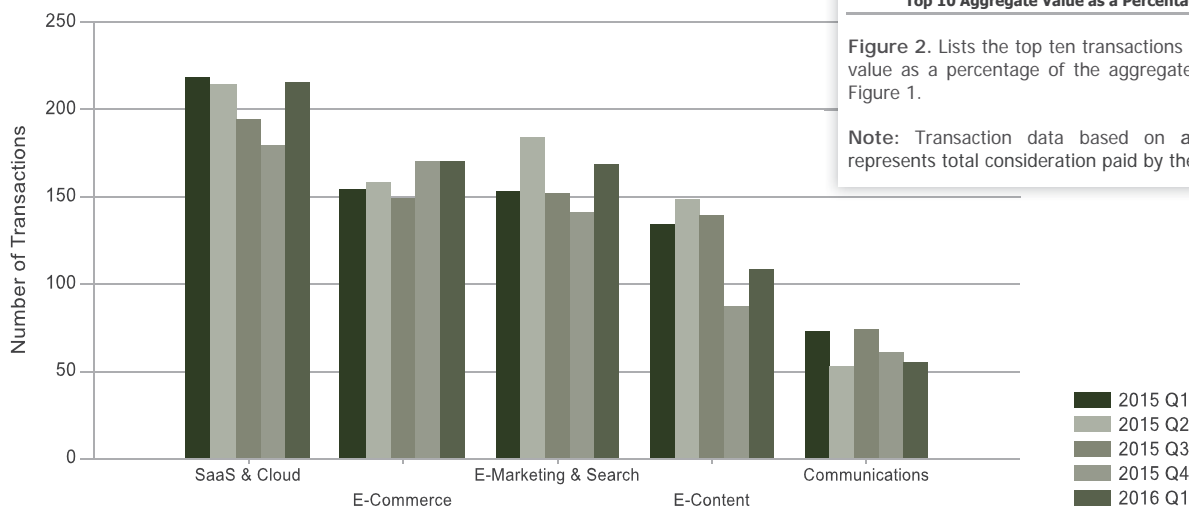


Figure 3. Presents transaction volume by market segment within the Online and Mobile Industry from January 1, 2015 through March 31, 2016.

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