

ONLINE & MOBILE INDUSTRY

Q3 2016 :: Mergers and Acquisitions Trend Report

Q3 2016 KEY HIGHLIGHTS

- The E-Commerce segment's largest transaction in Q3 2016 and year-to-date was Wal-Mart's acquisition of Jet.com for \$3.3 billion, as the retail giant looks to bolster its online operations to better compete with Amazon and others.
- There were 296 financially sponsored transactions in the 1st 3 Quarters of 2016 with an aggregate value of \$20.4 billion, representing 14 percent of the total volume and 14 percent of the total value, respectively.

Q3 2016 KEY TRENDS

- Total transaction volume in Q3 2016 declined by 11 percent over Q2 2016, from 764 to 677.
- Total transaction value in Q3 2016 decreased by 23 percent over Q2 2016, from \$61 billion to \$47.1 billion.
- When compared to the 1st 3 Quarters of 2015, volume year-to-date stayed about the same while value gained 30 percent.

MULTIPLES & VALUE TRENDS

- The median revenue multiple from 2015 through the 1st 3 Quarters of 2016 remained nearly constant at 2.1x.
- The median EBITDA multiple from 2015 through the 1st 3 Quarters of 2016 increased from 10.0x to 11.1x.

Top Ten Notable Transactions - 1st 3 Quarters 2016

Deal Date	Target Name	Buyer	Value MM US\$
06/13/16	LinkedIn Corporation	Microsoft Corporation	\$25,927
03/21/16	Markit Group Ltd.	IHS, Inc.	\$10,974
07/28/16	NetSuite, Inc.	Oracle Corporation	\$9,300
06/21/16	Supercell	Tencent Holdings Ltd.	\$8,600
07/25/16	Yahoo! Inc.	AOL Inc.	\$4,826
07/30/16	Playtika Ltd.	Yunfeng Capital, Giant Interactive Group	\$4,400
08/08/16	Jet	Wal-Mart Stores, Inc.	\$3,300
06/01/16	Demandware, Inc.	Salesforce.com, Inc.	\$2,662
08/01/16	FleetMatics, Inc.	Verizon Communications	\$2,183
07/27/16	Citrix GoTo	LogMeIn, Inc.	\$1,803
2016 Aggregate Transaction Value			\$141,538
Top 10 Aggregate Transaction Value			\$73,974
Top 10 Aggregate Value as a Percentage of All Transactions			52 %

Figure 3. Lists the top ten transactions for the 1st 3 Quarters of 2016 and calculates their aggregate transaction value as a percentage of the total aggregate transaction value.

Note: Transaction data based on announced date.

M&A Market Dynamics By Quarter

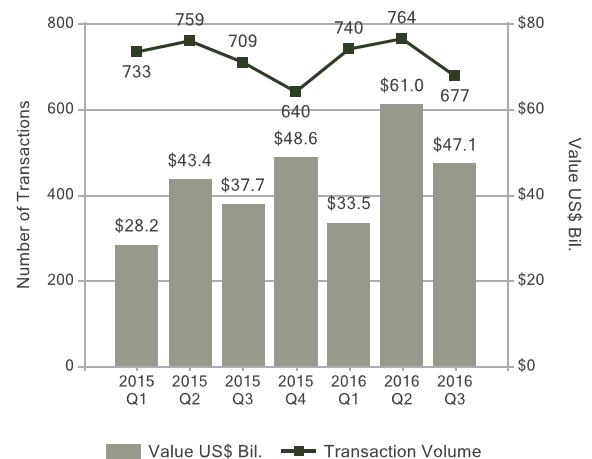


Figure 1. 2015-2016 value and volume comparison.

Median Enterprise Value Multiples

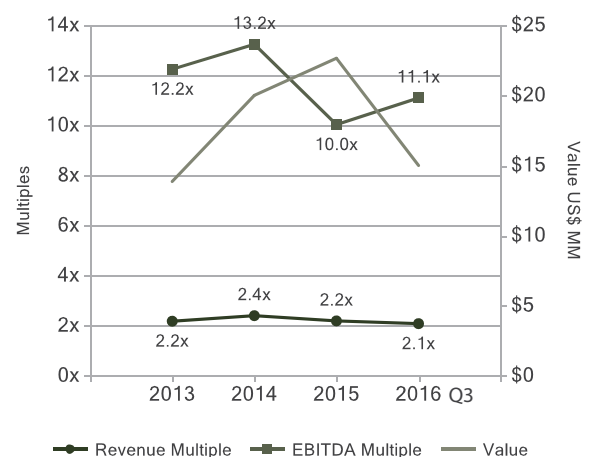


Figure 2. 2013-2016 median value, revenue, EBITDA comparison through Q3 2016.

TOP TEN DEALS THROUGH Q3 2016

The top ten deals by value have seen six new additions since our half year report, one of which was completed by a financial sponsor. The one private equity backed deal was a Chinese consortium's announced acquisition of Playtika, a social and mobile games company based in Israel, for \$4.4 billion.

These six transactions, with an aggregate value of \$25.8 billion, represented 18 percent of transaction value in the 1st 3 Quarters of 2016 and 55 percent of Q3 2016 transaction value.

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