

ONLINE & MOBILE INDUSTRY

Q3 2017 :: Mergers and Acquisitions Trend Report

Q3 2017 KEY HIGHLIGHTS

- The largest transaction in Q3 2017 was KKR's Internet Brands' announced acquisition of WebMD Corporation, an online health information provider, for \$2.8 billion. Internet Brands also acquired DentalPlans.com, a dental and health savings online marketplace, during the quarter.
- There were 365 financially sponsored transactions in the 1st 3 Quarters of 2017 with an aggregate value of \$26.8 billion, representing 17 percent of the total volume and 31 percent of the total value, respectively.

Q3 2017 KEY TRENDS

- Total transaction volume in Q3 2017 declined by nine percent over Q2 2017, from 710 to 644. Volume year-to-date decreased by four percent compared to the same timeframe in 2016.
- Total transaction value in Q3 2017 remained nearly constant over Q2 2017 at \$27.9 billion.

MULTIPLES & VALUE TRENDS

- The median revenue multiple from 2016 through the 1st 3 Quarters of 2017 fell by 14 percent, from 2.2x to 1.9x.
- The median EBITDA multiple from 2016 through the 1st 3 Quarters of 2017 moved downward by nine percent, from 11.3x to 10.3x.

Top Ten Notable Transactions - 1st 3 Quarters 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
08/08/17	BAMTech, LLC	The Walt Disney Company	\$1,580
07/05/17	Bankrate, Inc.	Red Ventures, LLC	\$1,438
08/03/17	Communities and Sports Divisions from The Active Network, Inc.	Global Payments, Inc.	\$1,200
01/25/17	CoverMyMeds LLC	McKesson Corporation	\$1,100
01/20/17	Outfit7	United Luck Consortium	\$1,000
08/02/17	Website Security and Related PKI from Symantec Corporation	DigiCert Inc.	\$950

2017 Aggregate Transaction Value \$81,194

Top 10 Aggregate Transaction Value \$20,321

Top 10 Aggregate Value as a Percentage of All Transactions 25 %

Figure 3. Lists the top ten transactions for the 1st 3 Quarters of 2017 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

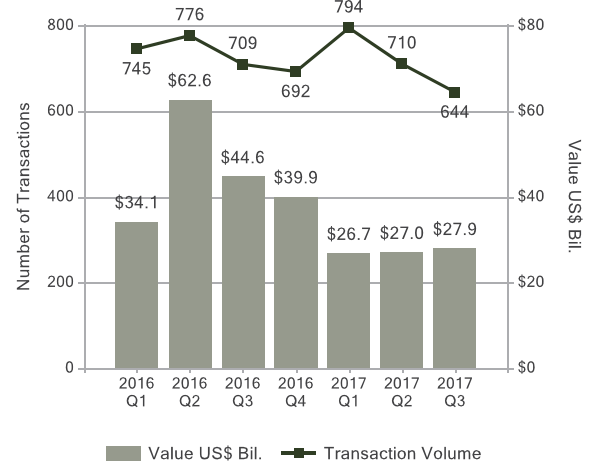


Figure 1. 2016-2017 value and volume comparison.

Median Enterprise Value Multiples

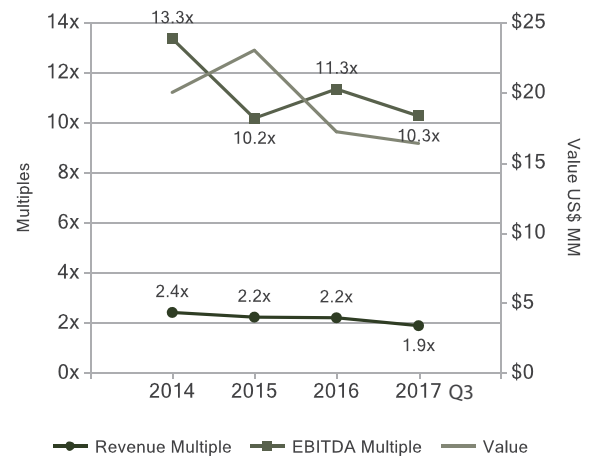


Figure 2. 2014-2017 median value, revenue, EBITDA comparison through Q3 2017.

TOP TEN DEALS THROUGH Q3 2017

The top ten deals by value have seen five new additions since our half year report, three of which occurred in the E-Content segment: the aforementioned acquisition of WebMD Corporation for \$2.8 billion; The Walt Disney Company's announced acquisition of BAMTech for \$1.6 billion; and Red Ventures' announced acquisition of Bankrate for \$1.4 billion.

These five transactions, with an aggregate value of \$8 billion, represented ten percent of transaction value in the 1st 3 Quarters of 2017 and 29 percent of Q3 2017 transaction value.

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 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

HAVE ACQUIRED

CheckMate FACS PROSERVISE
Interacive accreditrust

HAS BEEN ACQUIRED BY

HAS INVESTED IN

HAS BEEN ACQUIRED BY