

## INFORMATION INDUSTRY

### *The Production and Provision of Content*

## FULL YEAR 2019 :: Mergers and Acquisitions Trend Report

### 2019 KEY HIGHLIGHTS

- The industry's largest transaction in 2019 was Thomson Reuters and Blackstone's sale of Refinitiv, a financial data analytics provider, to the London Stock Exchange for \$27 billion.
- Strategic acquisitions represented 78 percent of total volume and 65 percent of total value, respectively.

### 2019 KEY TRENDS

- Total transaction volume in 2019 saw a two percent uptick over 2018, from 4,467 to 4,566.
- As for the industry's three horizontal markets, Software volume increased by eight percent; Online & Mobile volume improved by two percent; and Media & Marketing volume declined by six percent.
- Total transaction value in 2019 declined by two percent over 2018, from \$380.40 billion to \$371.56 billion.
- The median revenue multiple moved upward from 2.4x in 2018 to 2.6x in 2019. The median EBITDA multiple shifted slightly from 12.1x in 2018 to 12.3x in 2019.

### M&A MARKET OVERVIEW

Berkery Noyes tracked 13,669 Information Industry transactions between 2017 and 2019, of which 2,630 disclosed financial terms, and calculated the aggregate value to be \$827.20 billion. Based on known transaction values, we project values of 11,039 undisclosed transactions to be \$219.52 billion, totaling \$1.05 trillion 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 11.8x EBITDA.

Out of 13,669 deals tracked by Berkery Noyes between 2017 and 2019, transactions valued at \$160 million and above garnered a median enterprise value multiple of 3.9x revenue. In contrast, companies with transaction values between \$10 million and \$20 million captured a median enterprise value multiple of 1.7x revenue.

#### M&A Market Dynamics

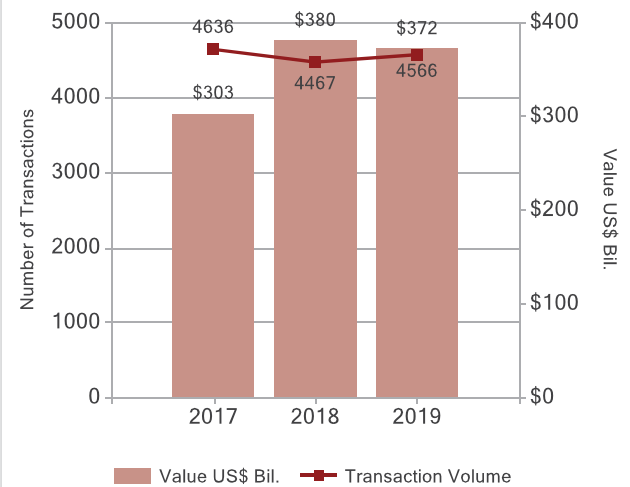


Figure 1. 2017-2019 value and volume comparison.

#### Median Enterprise Value Multiples

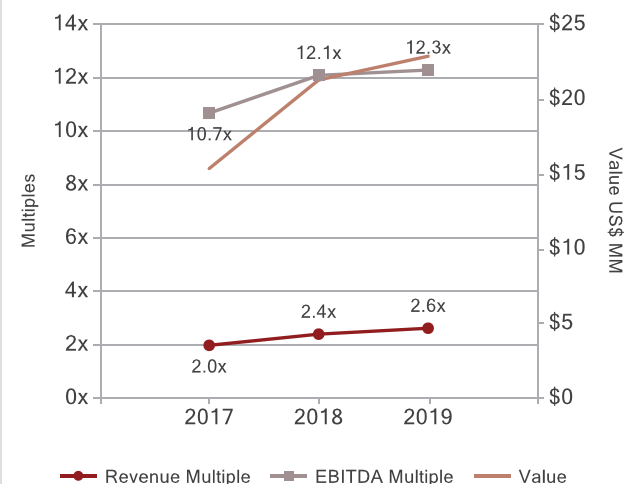
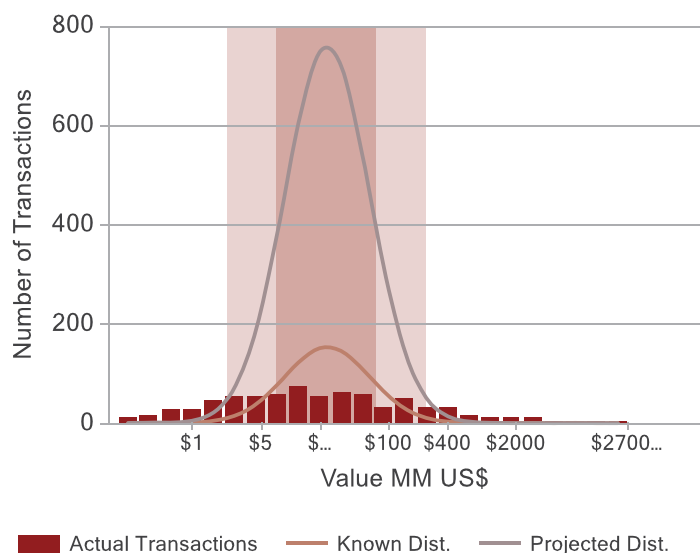


Figure 2. 2017-2019 median: value, revenue, EBITDA comparison.

# Transaction Analysis :: January 1, 2019 – December 31, 2019

## Bell Curve - Histogram



**Figure 3.** Shows the distribution of Information Industry transactions based on publicly available information and Berkery Noyes estimates. Using a logarithmic scale, we determined that nearly one-third of companies purchased had transaction values of \$7.4 million to \$54.6 million. Based on this data, we estimate the total transaction value of deals done in 2019 at \$371.6 billion.

\* Indicates largest transaction in the industry from Jan. 1, 2019 to Dec. 31, 2019.

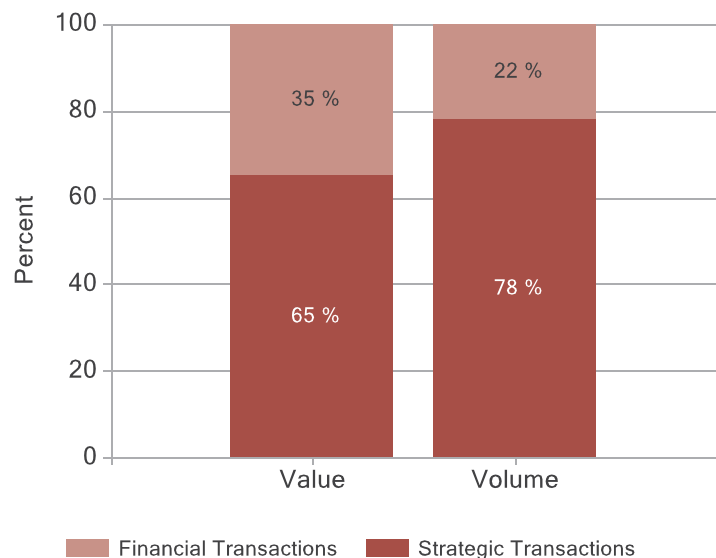
## Distribution Table

Value in MM US\$	Known Number	Projected Number	Total Number	%	Cumulative %
\$0.2	11	0	11	1 %	1 %
\$0.4	18	0	18	2 %	4 %
\$0.6	28	1	28	4 %	7 %
\$1.0	29	5	33	4 %	11 %
\$1.6	46	21	67	6 %	17 %
\$2.7	53	71	124	7 %	24 %
\$4.5	55	186	241	7 %	31 %
\$7.4	58	380	437	8 %	39 %
\$12.2	74	603	677	10 %	49 %
\$20.1	54	746	800	7 %	56 %
\$33.1	64	719	782	8 %	64 %
\$54.6	60	539	599	8 %	72 %
\$90.0	32	315	347	4 %	76 %
\$148.4	49	143	192	6 %	82 %
\$244.7	31	51	81	4 %	86 %
\$403.4	31	14	45	4 %	90 %
\$665.1	18	3	21	2 %	93 %
\$1,096.6	12	1	12	2 %	94 %
\$1,808.0	13	0	13	2 %	96 %
\$2,981.0	11	0	11	1 %	97 %
\$4,914.8	2	0	2	0 %	98 %
\$8,103.1	5	0	5	1 %	98 %
\$13,359.7	2	0	2	0 %	99 %
\$22,026.5	1	0	1	0 %	99 %
Total #	767	3799	4566		
Total \$ Value	\$280,611	\$90,945	\$371,556		
Middle 3rd of Industry Middle 2/3rds of Industry					

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

## Strategic vs. Financial Comparison

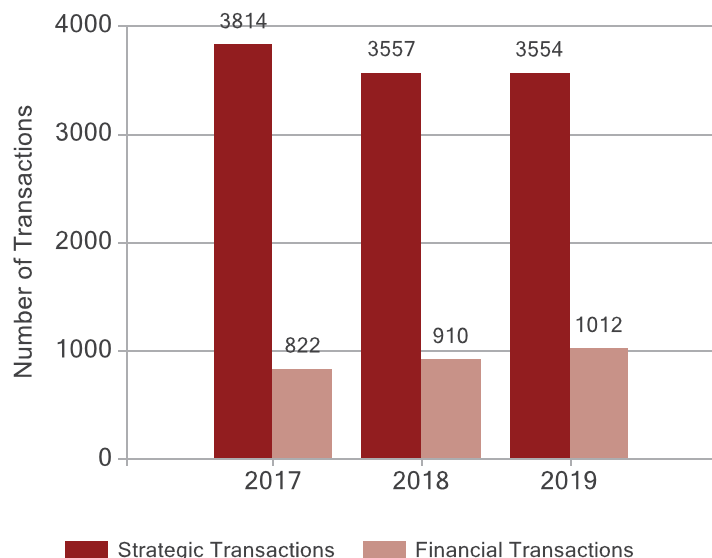
### M&A Dynamics By Transaction Type



**Figure 5.** 2019 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.** 2017-2019 acquirer type comparison by year.

# Purchaser Analysis

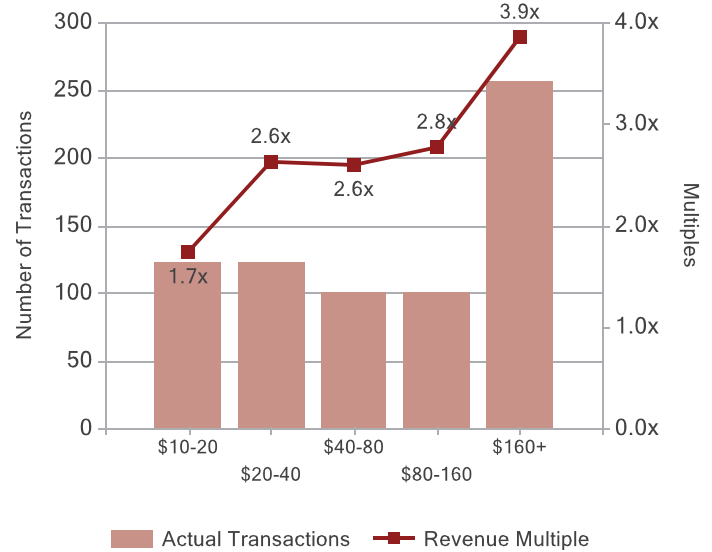
## Top Ten Notable Transactions 2019

Deal Date	Target Name	Buyer	Value MM US\$
07/27/19	Refinitiv	London Stock Exchange Group	\$27,000
08/14/19	Viacom Inc.	CBS Corporation	\$19,932
06/10/19	Tableau Software	Salesforce.com, Inc.	\$15,700
10/02/19	Stars Group Inc.	Flutter Entertainment plc	\$10,839
02/04/19	Ultimate Software Group	Blackstone Group LP, Hellman & Friedman LLC, GIC, JMI Equity, CPP Investment Board	\$10,821
08/08/19	Enterprise Security Business from Symantec Corporation	Broadcom Limited	\$10,700
05/03/19	21 Regional Sports Channels from Fox Sports Networks	Sinclair Broadcast Group	\$10,600
10/30/19	Interxion	Digital Realty Trust	\$8,400
07/29/19	Just Eat	Takeaway.com	\$6,276
06/12/19	Medidata	Dassault Systemes	\$5,822
2019 Aggregate Transaction Value			\$371,556
Top 10 Aggregate Transaction Value			\$126,091
Top 10 Aggregate Value as a Percentage of All Transactions			34 %

**Figure 7.** Lists the top ten transactions for 2019 and calculates their aggregate transaction value as a percentage of the total aggregate transaction value as shown in Figure 1 & 4.

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

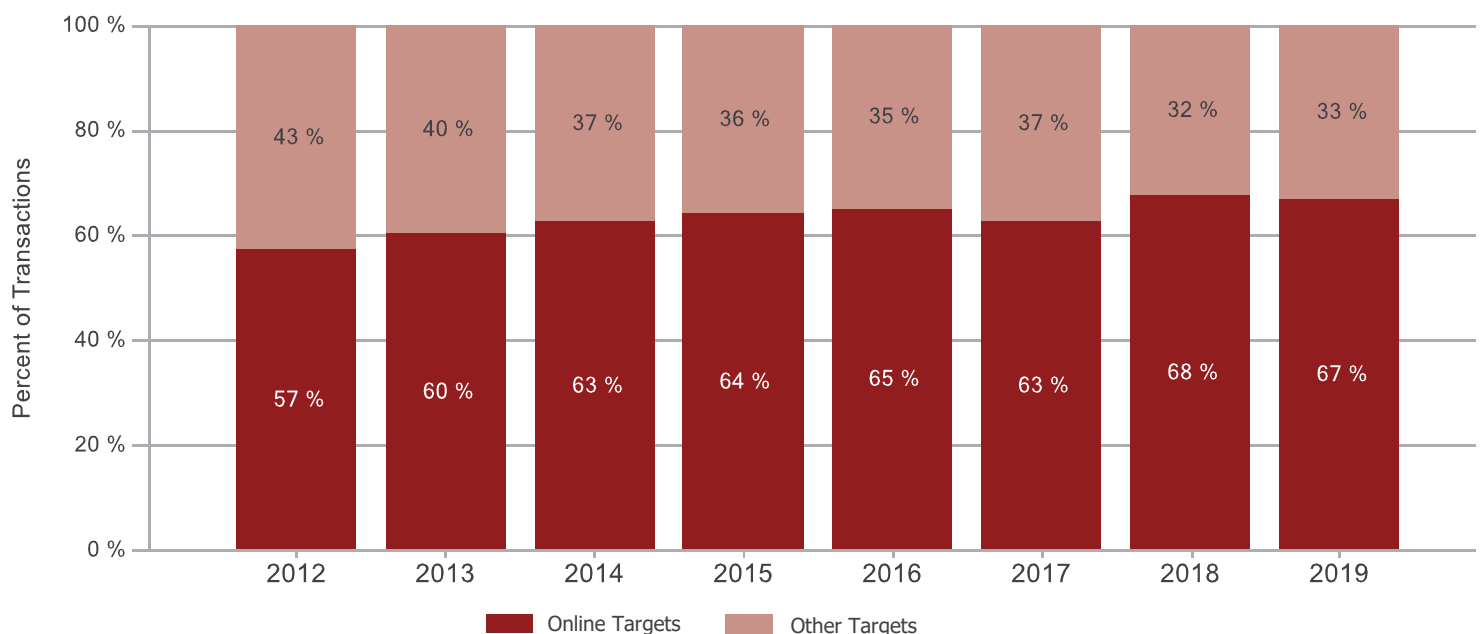
## Median EV/Revenue Multiples By Size



**Figure 8.** Presents the median enterprise value/revenue multiples paid for companies in the Information Industry from Jan. 1, 2017 to Dec. 31, 2019 based on publicly available data.

# Transactions Involving an Online Component

## Transaction Percentages of Online Targets



**Figure 9.** Percentage of total Information Industry transactions where the target company conducts the majority of their business online. The total percentages are measured by year from 2012-2019.

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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](http://www.mandasoft.com)

## RECENT INFORMATION INDUSTRY TRANSACTIONS

 **MedTouch**

HAS BEEN ACQUIRED BY

 **PERFICIENT**

  
**GOLDEN GATE CAPITAL**

HAS ACQUIRED

  
Family of Companies

A PORTFOLIO COMPANY OF

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MARKETING**

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AND

  
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**OpenConnect**

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