



## ONLINE & MOBILE INDUSTRY

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

#### 2019 KEY HIGHLIGHTS

- The highest value deal in 2019 was Flutter Entertainment’s announced acquisition of Stars Group, an online gambling company known in particular for PokerStars and other poker brands, for \$10.84 billion.
- Five of the industry’s top ten largest deals in 2019 occurred in the E-Commerce segment: the aforementioned Stars Group acquisition; Takeaway.com’s announced merger with Just Eat for \$6.28 billion; Viagogo’s announced acquisition of StubHub for \$4.05 billion; PayPal’s announced acquisition of Honey Science Corporation for \$4 billion; and Delivery Hero’s announced acquisition of Woowa Brothers Corp for \$3.5 billion.
- There were 664 financially sponsored transactions with an aggregate value of \$80.57 billion, representing 21 percent of the total volume and 39 percent of the total value, respectively.

#### M&A Market Dynamics

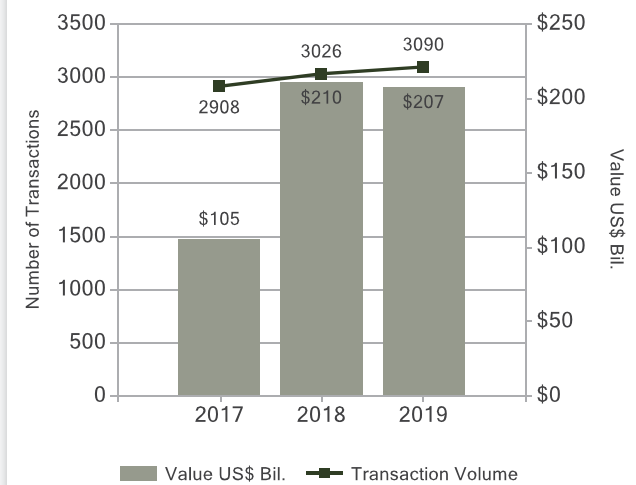


Figure 1. 2017-2019 value and volume comparison.

#### 2019 KEY TRENDS

- Total transaction volume in 2019 saw a two percent uptick over 2018, from 3,026 to 3,090.
- Total transaction value in 2019 declined by one percent over 2018, from \$209.57 billion to \$206.60 billion. However, value doubled in 2018 over 2017.
- The median revenue multiple shifted slightly from 2.5x in 2018 to 2.6x in 2019. The median EBITDA moved upward from 12.2x in 2018 to 14.1x in 2019.
- The segment with the largest rise in volume in 2019 over 2018 was SaaS & Cloud, which increased 13 percent, from 899 to 1,020 transactions.

#### M&A MARKET OVERVIEW

Berkery Noyes tracked 9,024 Online & Mobile transactions between 2017 and 2019, of which 1,727 disclosed financial terms, and calculated the aggregate value to be \$378.27 billion. Based on known transaction values, we project values of 7,297 undisclosed transactions to be \$138.12 billion, totaling \$516.38 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 2.3x revenue and 12.4x EBITDA.

#### Median Enterprise Value Multiples

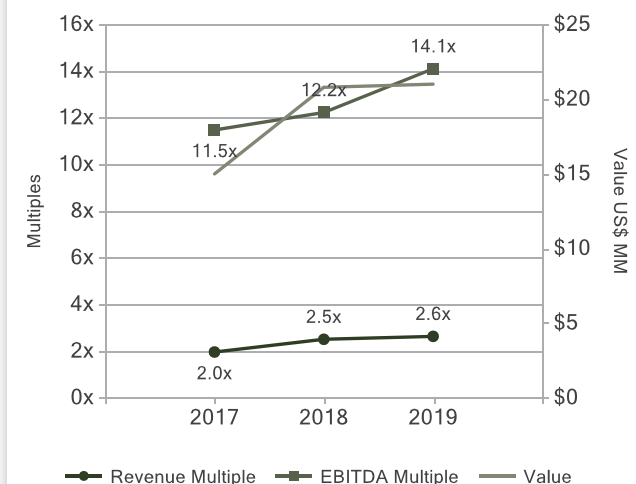
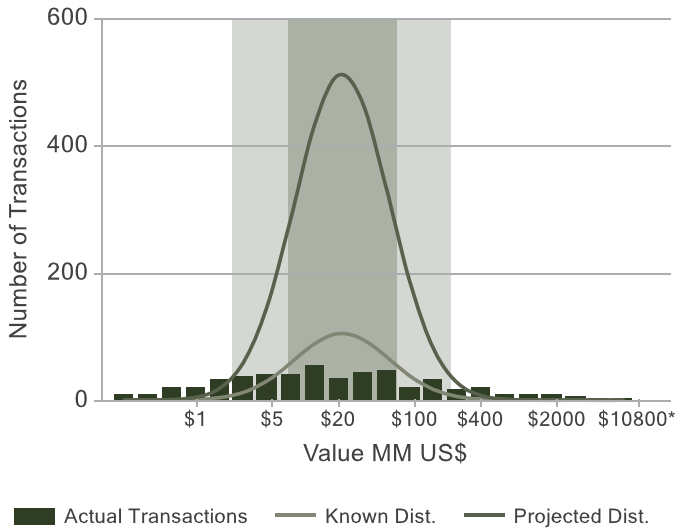


Figure 2. 2017-2019 median value, revenue, EBITDA comparison.

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

**Bell Curve - Histogram**



**Figure 3.** Shows 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 \$403.4 million. Based on this data, we estimate the total transaction value of deals done in 2019 at \$206.6 billion.

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

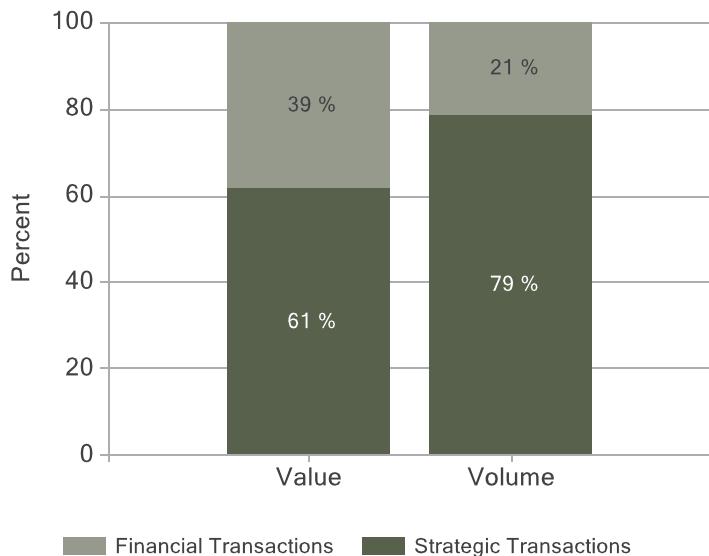
**Distribution Table**

Value in MM US\$	Known Number	Projected Number	Total Number	%	Cumulative %
\$0.2	8	0	8	2 %	2 %
\$0.4	9	0	9	2 %	3 %
\$0.6	20	1	20	4 %	7 %
\$1.0	22	4	26	4 %	11 %
\$1.6	31	18	48	6 %	17 %
\$2.7	38	58	95	7 %	24 %
\$4.5	40	145	185	8 %	32 %
\$7.4	41	283	324	8 %	40 %
\$12.2	54	430	484	10 %	50 %
\$20.1	35	510	544	7 %	57 %
\$33.1	43	470	512	8 %	65 %
\$54.6	46	337	383	9 %	74 %
\$90.0	20	189	208	4 %	78 %
\$148.4	32	82	114	6 %	84 %
\$244.7	19	28	46	4 %	87 %
\$403.4	20	7	27	4 %	91 %
\$665.1	9	2	10	2 %	93 %
\$1,096.6	9	0	9	2 %	94 %
\$1,808.0	8	0	8	2 %	96 %
\$2,981.0	7	0	7	1 %	97 %
\$4,914.8	2	0	2	0 %	98 %
\$8,103.1	4	0	4	1 %	98 %
<b>Total #</b>	<b>525</b>	<b>2565</b>	<b>3090</b>		
<b>Total \$ Value</b>	<b>\$150,357</b>	<b>\$56,242</b>	<b>\$206,599</b>		
<b>Middle 3rd of Industry</b>		<b>Middle 2/3rds of Industry</b>			

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

## Strategic vs. Financial Comparison

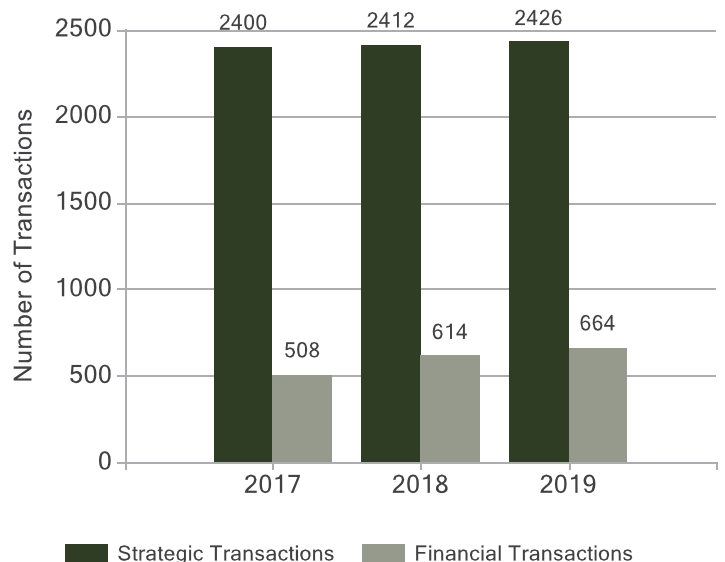
**M&A Dynamics By Transaction Type**



**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 transaction type comparison.

# Purchaser Analysis

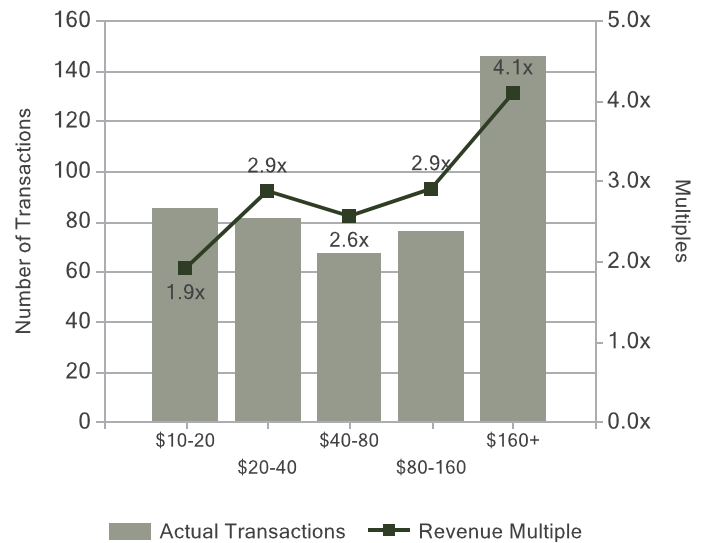
## Top Ten Notable Transactions 2019

Deal Date	Target Name	Buyer	Value MM US\$
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
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
12/18/19	LogMeIn, Inc.	Francisco Partners Management LLC, Elliott Management Corp.	\$4,556
11/25/19	StubHub, Inc	Viagogo	\$4,050
11/20/19	Honey Science Corporation	PayPal, Inc.	\$4,000
12/13/19	Woowa Brothers Corp.	Delivery Hero	\$3,501
2019 Aggregate Transaction Value			\$206,599
Top 10 Aggregate Transaction Value			\$68,965
<b>Top 10 Aggregate Value as a Percentage of All Transactions</b>			<b>33 %</b>

**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 on Figure 1 & 4.

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

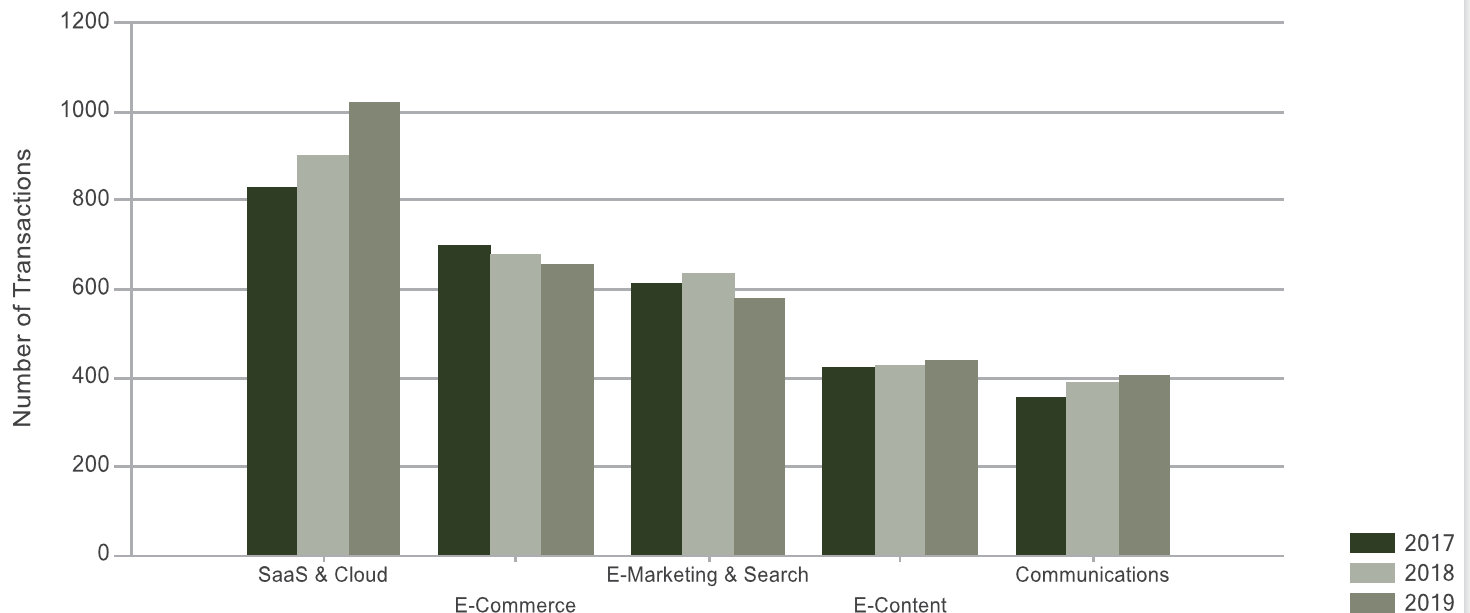
## Median EV/Revenue Multiples By Size



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

# Transaction Volume by Segment :: January 1, 2017 – December 31, 2019

## Transactions By Market Segment



**Figure 9.** Presents transaction volume by market segment within the Online and Mobile Industry from Jan. 1, 2017 through Dec. 31, 2019.

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

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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.

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## RECENT ONLINE & MOBILE TRANSACTIONS



HAS BEEN ACQUIRED BY



HAS BEEN ACQUIRED BY



HAS RECEIVED AN INVESTMENT FROM



HAS BEEN ACQUIRED BY



A PORTFOLIO COMPANY OF



HAS BEEN ACQUIRED BY



A PORTFOLIO COMPANY OF



HAS BEEN ACQUIRED BY



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