



ONLINE & MOBILE INDUSTRY

FULL YEAR 2015 :: Mergers and Acquisitions Trend Report

2015 KEY HIGHLIGHTS

- Five of the top ten largest transactions in 2015 occurred during the fourth quarter. These five deals, with a combined value of \$22.79 billion, accounted for 15 percent of the industry's aggregate value.
- There were 374 financially sponsored transactions with an aggregate value of \$28.33 billion, representing 13 percent of the total volume and 17 percent of the total value, respectively.

2015 KEY TRENDS

- Total transaction volume in 2015 increased by 12 percent over 2014, from 2,493 to 2,798.
- Total transaction value in 2015 rose by 19 percent over 2014, from \$131.16 billion to \$156.49 billion.
- The median revenue multiple decreased from 2.4x in 2014 to 2.2x in 2015. The median EBITDA multiple declined from 13.1x in 2014 to 10.0x in 2015. However, the median value continued its upward trajectory.
- The segment with the largest rise in volume in 2015 over 2014 was SaaS & Cloud with a 21 percent increase, from 658 to 798 transactions.
- In terms of value, the E-Commerce segment's largest acquirer in 2015 was online travel company Expedia with a combined total of \$4.94 billion paid in transaction value. This consisted of HomeAway, Inc. for \$3.24 billion, Orbitz Worldwide for \$1.42 billion, and Travelocity.com Inc. for \$280 million.

M&A MARKET OVERVIEW

Berkery Noyes tracked 7,500 Online & Mobile transactions between 2013 and 2015, of which 1,601 disclosed financial terms, and calculated the aggregate value to be \$248.69 billion. Based on known transaction values, we project values of 5,899 undisclosed transactions to be \$103.40 billion, totaling \$352.09 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 11.8x EBITDA.

M&A Market Dynamics

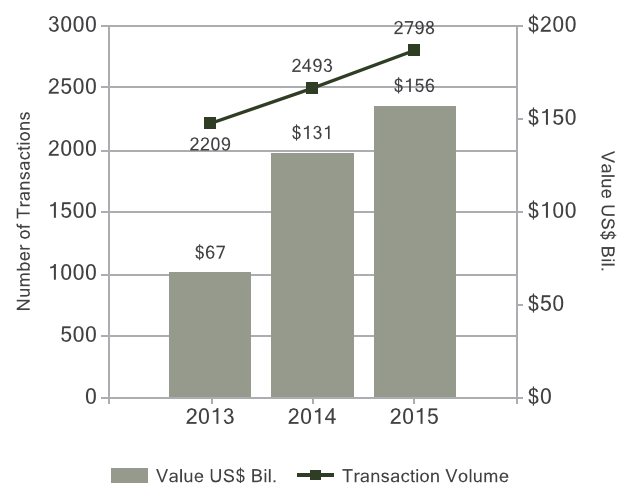


Figure 1. 2013-2015 value and volume comparison.

Median Enterprise Value Multiples

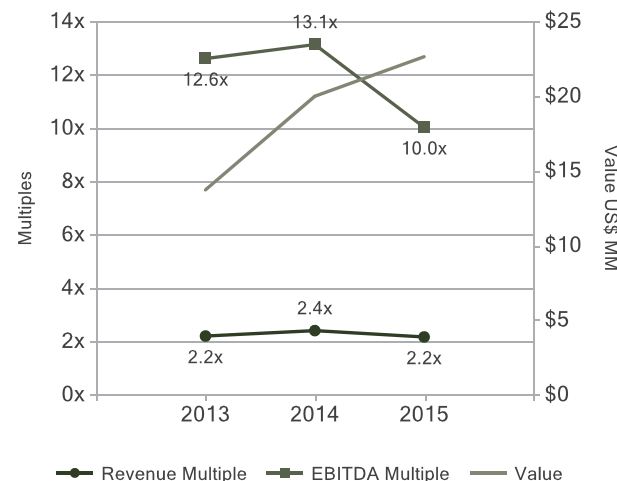
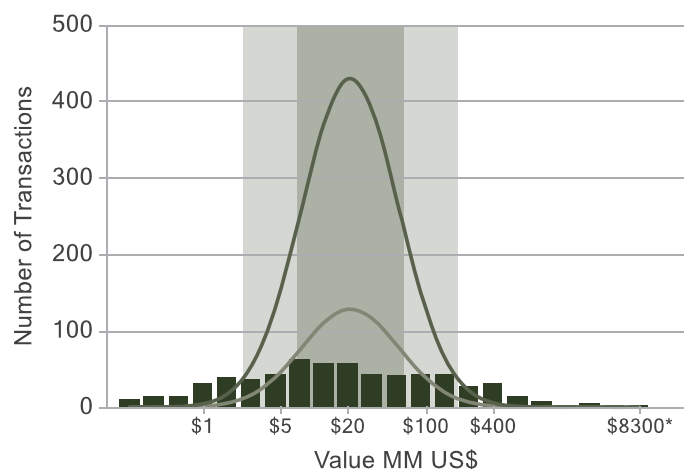


Figure 2. 2013-2015 median value, revenue, EBITDA comparison.

Transaction Analysis :: January 1, 2015 – December 31, 2015

Bell Curve - Histogram



Actual Transactions Known Dist. Projected Dist.

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 \$244.7 million. Based on this data, we estimate the total transaction value of deals done in 2015 at \$156.5 billion.

* Indicates largest transaction in the industry from Jan. 1, 2015 to Dec. 31, 2015.

Distribution Table

Value in MM US\$	Known Number	Projected Number	Total Number	%	Cumulative %
\$0.2	10	0	10	2 %	2 %
\$0.4	16	0	16	2 %	4 %
\$0.6	14	1	14	2 %	6 %
\$1.0	32	4	36	5 %	11 %
\$1.6	39	17	55	6 %	17 %
\$2.7	37	53	89	6 %	23 %
\$4.5	43	129	172	7 %	30 %
\$7.4	62	248	309	10 %	39 %
\$12.2	59	370	428	9 %	49 %
\$20.1	57	429	486	9 %	57 %
\$33.1	43	388	431	7 %	64 %
\$54.6	41	274	314	6 %	70 %
\$90.0	44	150	194	7 %	77 %
\$148.4	44	64	108	7 %	84 %
\$244.7	26	21	47	4 %	88 %
\$403.4	32	6	37	5 %	93 %
\$665.1	14	1	15	2 %	95 %
\$1,096.6	8	0	8	1 %	97 %
\$1,808.0	3	0	3	0 %	97 %
\$2,981.0	6	0	6	1 %	98 %
\$4,914.8	1	0	1	0 %	98 %
\$8,103.1	1	0	1	0 %	98 %
Total #	643	2155	2798		
Total \$ Value	\$111,012	\$45,474	\$156,486		
Middle 3rd of Industry		Middle 2/3rds of Industry			

Figure 4. Presents the data depicted in the bell curve histogram. **Note:** The projected number column is rounded and may produce insignificant errors in the total sum.

Strategic vs. Financial Comparison

M&A Dynamics By Transaction Type

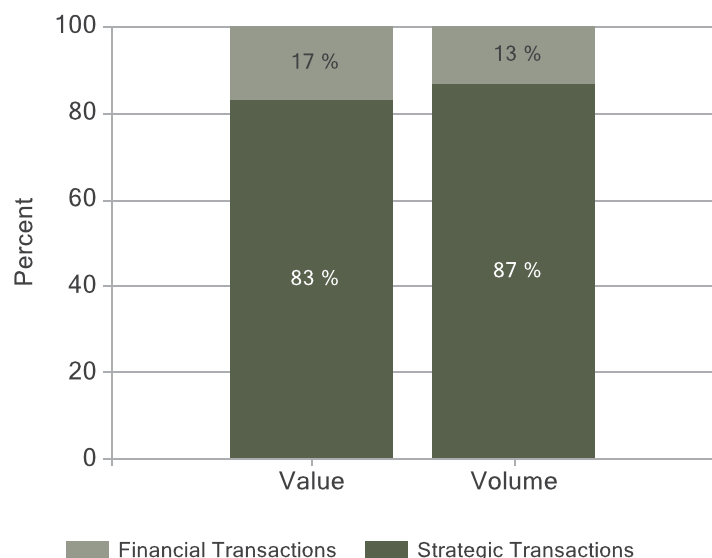


Figure 5. 2015 value and volume comparison by acquirer type.

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

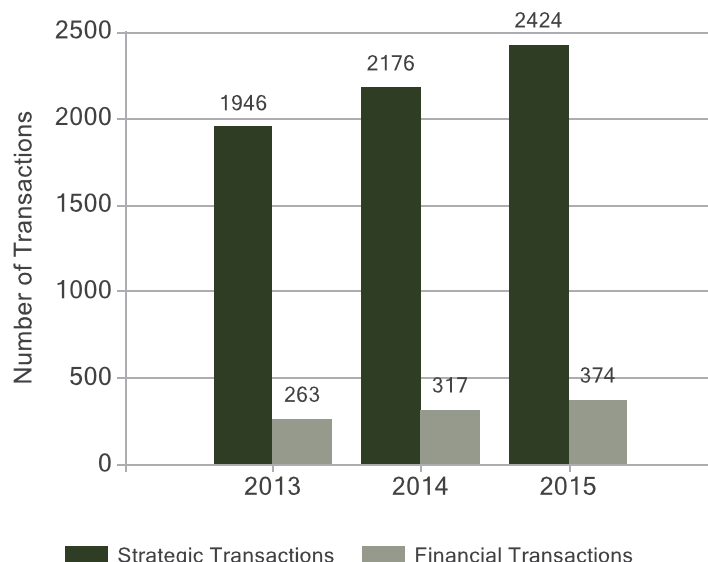


Figure 6. 2013-2015 transaction type comparison.

Purchaser Analysis

Top Ten Notable Transactions 2015

Deal Date	Target Name	Buyer	Value MM US\$
12/18/15	Qihoo 360 Technology Co. Ltd	Qihoo 360 Consortium	\$8,284
11/03/15	King Digital Entertainment plc	Activision Blizzard	\$5,900
06/15/15	Dealertrack Technologies	Cox Automotive, Inc.	\$4,362
05/12/15	AOL Inc.	Verizon Communications	\$4,126
08/14/15	Ellucian	TPG Capital, Leonard Green & Partners, L.P.	\$3,500
11/06/15	Youku Tudou Inc.	Alibaba Group	\$3,365
11/04/15	HomeAway, Inc.	Expedia, Inc.	\$3,242
08/03/15	HERE	BMW Group, Daimler AG, Audi Group	\$3,069
08/17/15	Zulily	QVC, Inc.	\$2,062
10/28/15	The Weather Company	IBM Watson Group	\$2,000
2015 Aggregate Transaction Value			\$156,486
Top 10 Aggregate Transaction Value			\$39,909
Top 10 Aggregate Value as a Percentage of All Transactions			26 %

Figure 7. Lists the top ten transactions for 2015 and calculates their aggregate transaction value as a percentage of the 2015 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

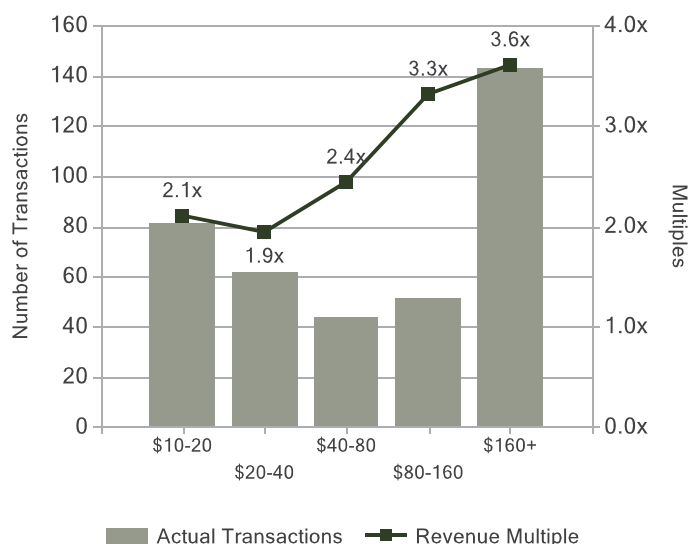


Figure 8. Presents the median enterprise value/revenue multiples paid for companies in the Online and Mobile Industry from Jan. 1, 2013 to Dec. 31, 2015 based on publicly available sales price and revenue data.

Transaction Volume by Segment :: January 1, 2013 – December 31, 2015

Transactions By Market Segment

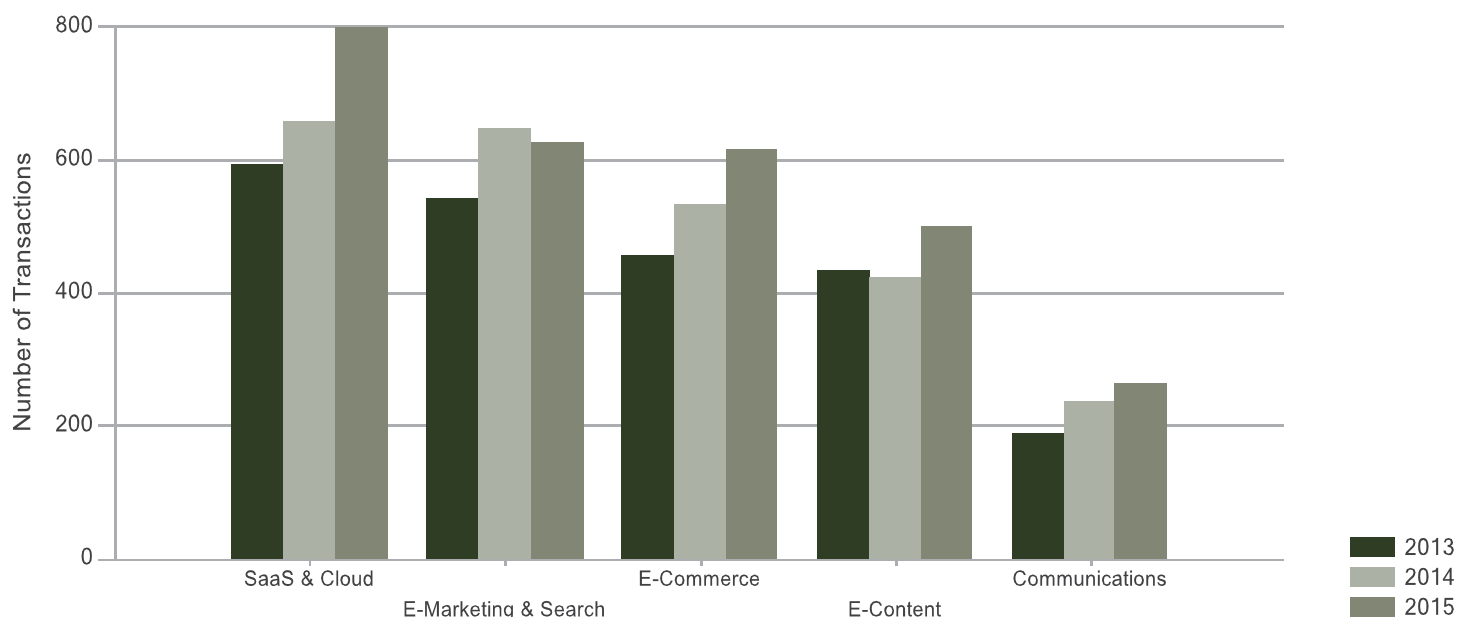


Figure 9. Presents transaction volume by market segment within the Online and Mobile Industry from Jan. 1, 2013 through Dec. 31, 2015.

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