



## ONLINE & MOBILE INDUSTRY

### 1ST HALF 2015 :: Mergers and Acquisitions Trend Report

#### 1ST HALF 2015 KEY HIGHLIGHTS

- The largest transaction in 1st Half 2015 was Cox Automotive, Inc.'s acquisition of Dealertrack Technologies, a provider of web-based software solutions and services for automotive retailers, for \$4.36 billion.
- The most active segment year-to-date was Saas & Cloud with 406 transactions. This was the segment's third consecutive half year increase and its peak over the previous five half year periods.
- There were 195 financially sponsored transactions with an aggregate value of \$12.21 billion, representing 14 percent of the total volume and 17 percent of the total value, respectively.

#### 1ST HALF 2015 KEY TRENDS

- Total transaction volume in 1st Half 2015 increased by 12 percent over 2nd Half 2014, from 1,252 to 1,406. This was its fourth consecutive gain on a half year basis.
- Total transaction value in 1st Half 2015 rose by nine percent over 2nd Half 2014, from \$64.55 billion to \$70.27 billion.
- The median revenue multiple decreased from 2.6x in 2nd Half 2014 to 2.3x in 1st Half 2015. The median EBITDA multiple declined from 13.7x in 2nd Half 2014 to 10.3x in 1st Half 2015.
- The segment with the largest rise in volume in 1st Half 2015 over 2nd Half 2014 was E-Content with a 20 percent increase, from 221 to 266 transactions.

#### M&A MARKET OVERVIEW

Berkery Noyes tracked 6,111 Online & Mobile transactions between 2013 and 1st Half 2015, of which 1,235 disclosed financial terms, and calculated the aggregate transaction value to be \$180.81 billion. Based on known transaction values, we project values of 4,876 undisclosed transactions to be \$83.11 billion, totaling \$263.92 billion worth of transactions tracked over the past two and a half years.

Disclosed median enterprise value multiples for all segments combined in this report during the last 30 months were 2.3x revenue and 12.0x EBITDA.

#### M&A Market Dynamics By Half Year

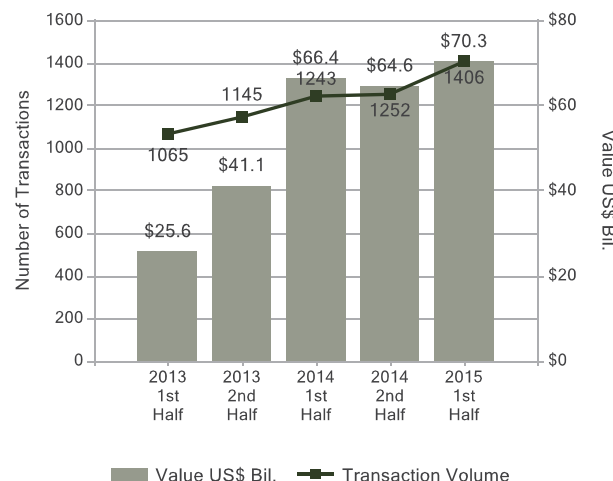


Figure 1. 2013-2015 value and volume comparison.

#### Median Enterprise Value Multiples By Half Year

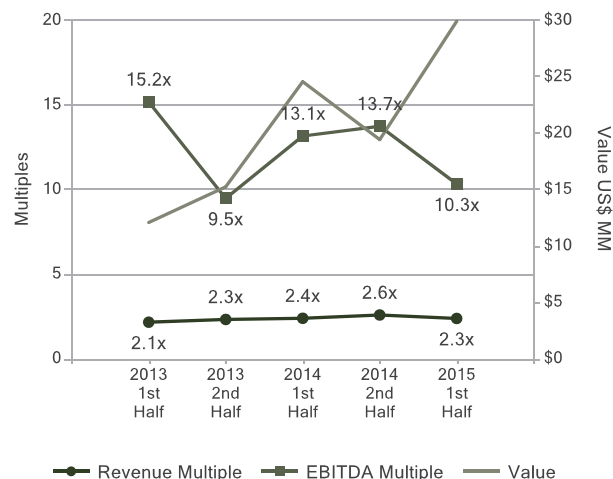
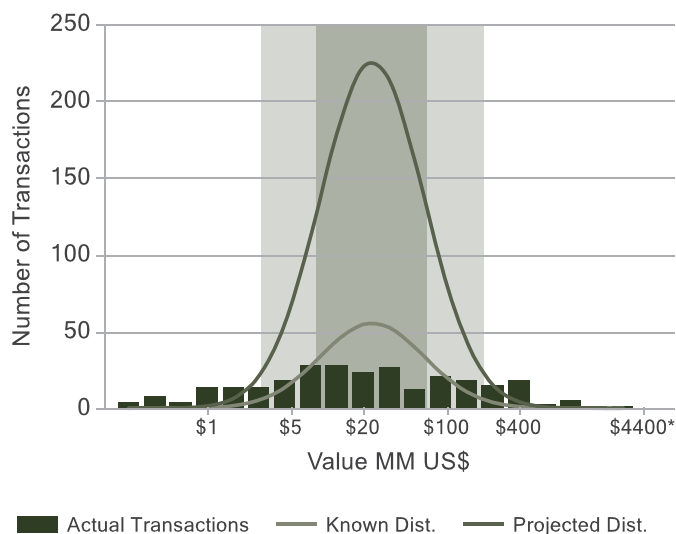


Figure 2. 2013-2015 median: value, revenue, EBITDA comparison.

# Transaction Analysis :: January 1, 2015 – June 30, 2015

**Bell Curve - Histogram - 1st Half**



**Figure 3.** Shows the distribution of 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 \$2.7 million to \$244.7 million. Based on this data, we estimate the total transaction value of deals done in 1st Half 2015 at \$70.3 billion.

\* Indicates largest transaction in the industry from Jan. 1, 2015 to June 30, 2015.

**Distribution Table**

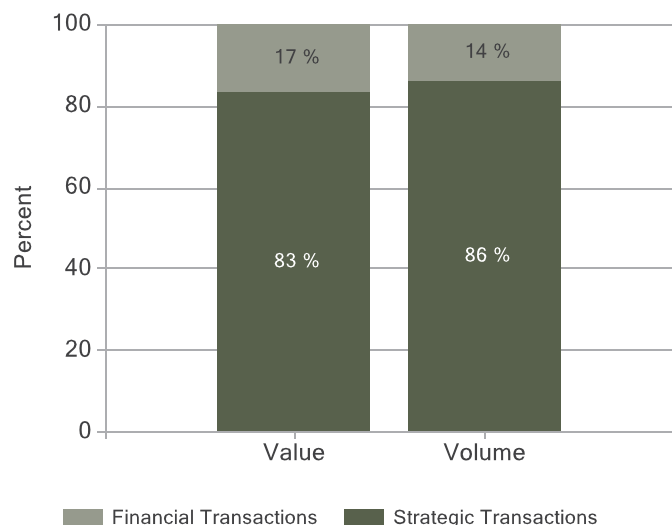
Value in MM US\$	Known Number	Projected Number	Total Number	%	Cumulative %
\$0.2	4	0	4	1 %	1 %
\$0.4	7	0	7	3 %	4 %
\$0.6	4	0	4	1 %	5 %
\$1.0	13	1	14	5 %	10 %
\$1.6	13	6	19	5 %	15 %
\$2.7	13	21	33	5 %	19 %
\$4.5	18	55	72	6 %	26 %
\$7.4	28	112	140	10 %	36 %
\$12.2	28	179	206	10 %	46 %
\$20.1	23	222	244	8 %	55 %
\$33.1	27	214	240	10 %	64 %
\$54.6	12	161	172	4 %	69 %
\$90.0	21	94	115	8 %	76 %
\$148.4	18	43	60	6 %	83 %
\$244.7	15	15	30	5 %	88 %
\$403.4	18	4	22	6 %	95 %
\$665.1	3	1	3	1 %	96 %
\$1,096.6	5	0	5	2 %	97 %
\$1,808.0	1	0	1	0 %	98 %
\$2,981.0	2	0	2	1 %	99 %
Total #	277	1129	1406		
Total \$ Value	\$43,144	\$27,128	\$70,272		
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

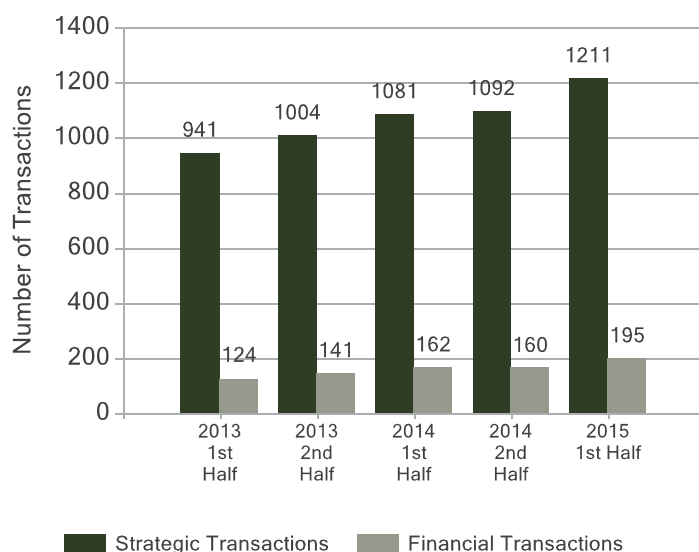
**M&A Dynamics By Transaction Type - 1st Half**



**Figure 5.** 1st Half 2015 value and volume comparison by transaction 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 By Half Year**



**Figure 6.** 2013-2015 acquirer type comparison by half year.

# Purchaser Analysis

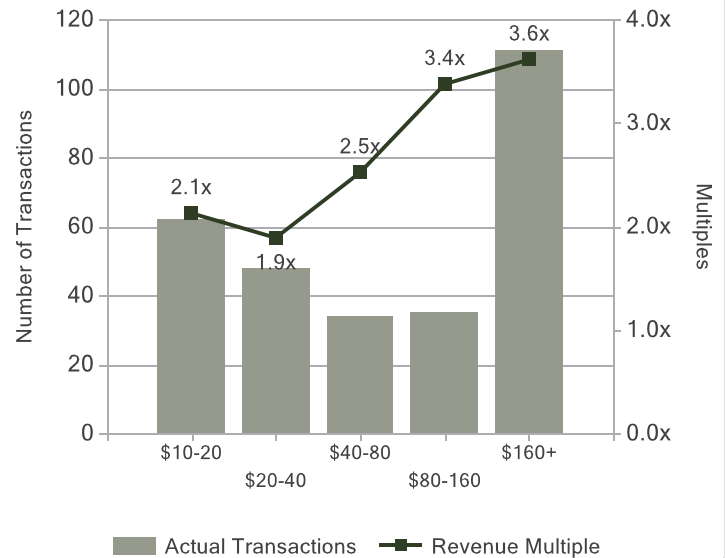
## Top Ten Notable Transactions - 1st Half 2015

Deal Date	Target Name	Buyer	Value MM US\$
06/15/15	Dealertrack Technologies	Cox Automotive, Inc.	\$4,357
05/12/15	AOL Inc.	Verizon Communications	\$4,126
04/20/15	Websense, Inc.	Raytheon Company	\$1,900
03/23/15	Skrill Group	Optimal Payments Plc	\$1,695
02/12/15	Orbitz Worldwide	Expedia, Inc.	\$1,684
04/09/15	Lynda.com	LinkedIn Corporation	\$1,500
03/30/15	FundTech, Ltd.	Davis + Henderson Corporation	\$1,250
05/27/15	Virtustream, Inc.	EMC Corporation	\$1,200
03/31/15	Net-A-Porter Ltd.	Yoox SpA	\$775
06/01/15	Plus500	Playtech plc	\$697
2015 Aggregate Transaction Value			\$70,272
Top 10 Aggregate Transaction Value			\$19,183
Top 10 Aggregate Value as a Percentage of All Transactions			27 %

**Figure 7.** Lists the top ten transactions for 1st Half 2015 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.

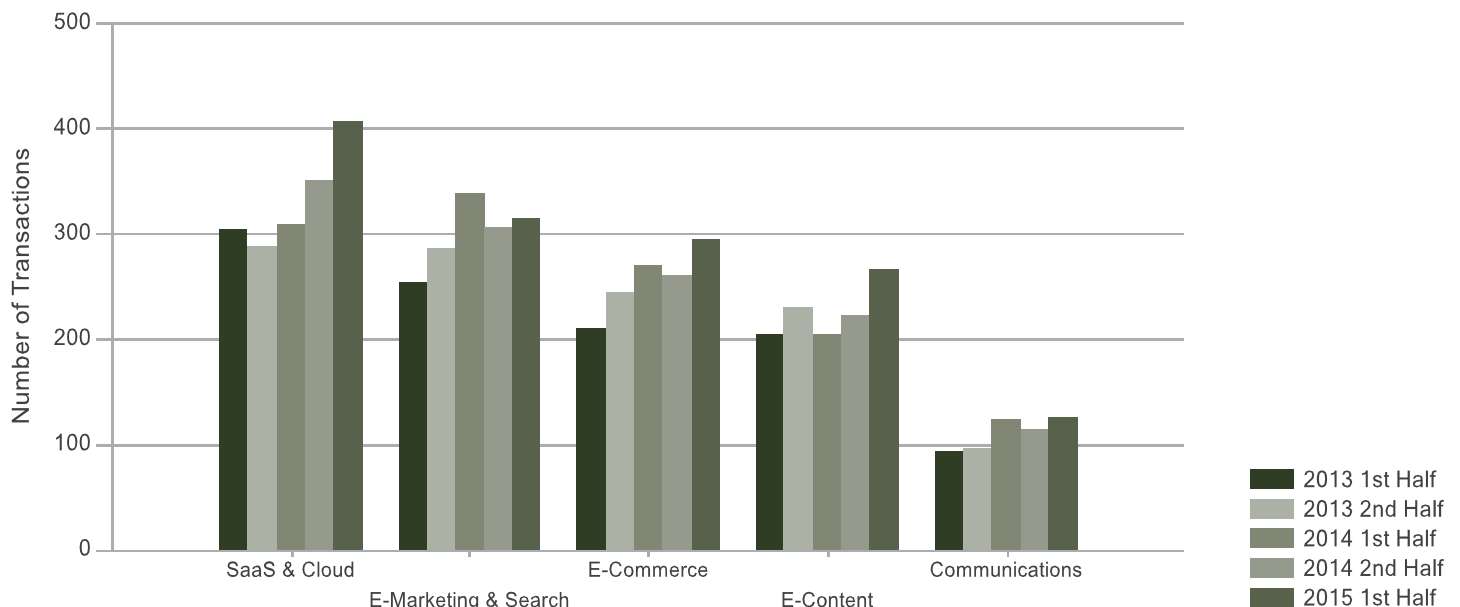
## Median EV/Revenue Multiples By Size



**Figure 8.** Presents the median enterprise value/revenue multiples paid for companies in the Online and Mobile Industry from January 1, 2013 to June 30, 2015 based on publicly available sales price and revenue data.

# Transaction Volume by Segment :: January 1, 2013 – June 30, 2015

## Transactions By Market Segment By Half Year



**Figure 9.** Presents transaction volume by market segment within the Online and Mobile Industry from January 1, 2013 through June 30, 2015.

# 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 475 merger and acquisition transactions for privately held and publicly traded companies in the healthcare, financial services, education, and entertainment markets.

Berkery Noyes is unique among investment banking firms in that we combine independent strategic research and actionable intelligence with senior banking expertise.

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 & Marketing Services Group*

**JOHN GUZZO**

*FinTech Group*

**JONATHAN KRIEGER**

*Healthcare Group*

**THOMAS O'CONNOR**

*Healthcare Group*

**DICK O'DONNELL**

*Finance Group*

**PETER OGNIBENE**

*FinTech Group*

**JEFFREY SMITH**

*Healthcare Group*

**PETER YOON**

*Education Group*

**MARY JO ZANDY**

*Media, Education, Software & Online*

## PARTNERS

**JOSEPH BERKERY**

*Chief Executive Officer*

**JAMES BERKERY**

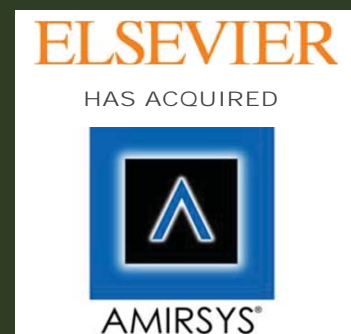
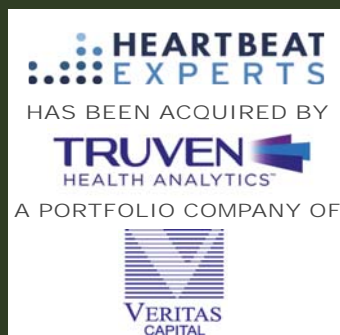
*Chief Information Officer*



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.

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 ONLINE & MOBILE TRANSACTIONS



One Liberty Plaza | New York, New York 10006

[berkerynoyes.com](http://berkerynoyes.com) | 212.668.3022