

ONLINE & MOBILE INDUSTRY

Q1 2017 :: Mergers and Acquisitions Trend Report

Online & Mobile transaction volume increased seven percent over the past three months, from 685 to 735. Deal value declined 49 percent, from \$38.9 billion to \$19.9 billion. Both aggregate volume and value throughout the past five quarters reached their peak in Q2 2016. Strategic acquirers completed each of the industry's top ten highest value deals in Q1 2017.

The number of transactions in the mobile application subsector improved ten percent on a quarterly basis, with a total of 116 acquisitions in Q1 2017. Notable gaming deals completed by Chinese acquirers during the quarter included United Luck Consortium's \$1 billion acquisition of Outfit7, a media franchise with various mobile applications, which have received more than 5 billion downloads; and Take-Two Interactive Software's acquisition of Social Point, a mobile game developer, for \$250 million.

Deal activity in the E-Commerce segment remained about constant for the third consecutive quarter. Notable E-Commerce transactions year-to-date included Amazon's announced acquisition of Souq, a Dubai-based online retailer, for a reported \$650 million; Coty's acquisition of a majority stake in Younique, an online cosmetics retailer and social selling platform, for \$600 million; and Priceline's announced acquisition of Momondo Group, the operator of travel metasearch websites momondo and Cheapflights, for \$550 million, which will be rolled into Priceline's Kayak division.

As for other select industry markets, SaaS & Cloud volume increased 22 percent in Q1 2017. It continued to be the most active Online & Mobile sector, representing almost one-third of the industry's aggregate volume year-to-date. E-Marketing & Search volume improved nine percent during the quarter. M&A volume in the Communications segment stayed nearly the same in Q1 2017, which followed a 55 percent rise in Q4 2016.

M&A Market Dynamics By Quarter

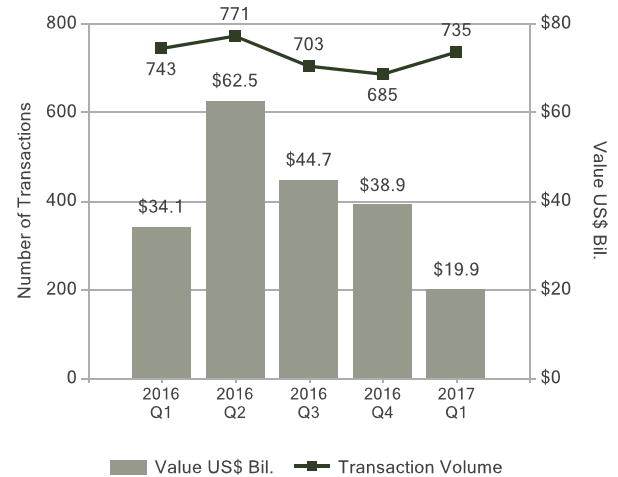


Figure 1. 2016-2017 value and volume comparison by quarter.

Top Ten Notable Transactions Q1 2017

Deal Date	Target Name	Buyer	Value MM US\$
01/25/17	AppDynamics	Cisco Systems, Inc.	\$3,593
01/25/17	Outfit7	United Luck Consortium	\$1,000
01/25/17	CoverMyMeds LLC	McKesson Corporation	\$900
03/23/17	Souq.com	Amazon.com, Inc.	\$650
03/06/17	Veracode, Inc.	CA Technologies, Inc.	\$614
01/10/17	Younique	Coty Inc.	\$600
02/08/17	Momondo Group	Kayak.com	\$550
01/09/17	Trello, Inc	Atlassian Pty Ltd.	\$425
02/22/17	Turn, Inc.	Amobee, Inc.	\$310
03/21/17	Teads	Alice N.V.	\$306

2017 Aggregate Transaction Value \$19,917

Top 10 Aggregate Transaction Value \$8,948

Top 10 Aggregate Value as a Percentage of All Transactions 45 %

Figure 2. Lists the top ten transactions for Q1 2017 and calculates their value as a percentage of the aggregate transaction value as shown in Figure 1.

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

Transactions By Market Segment

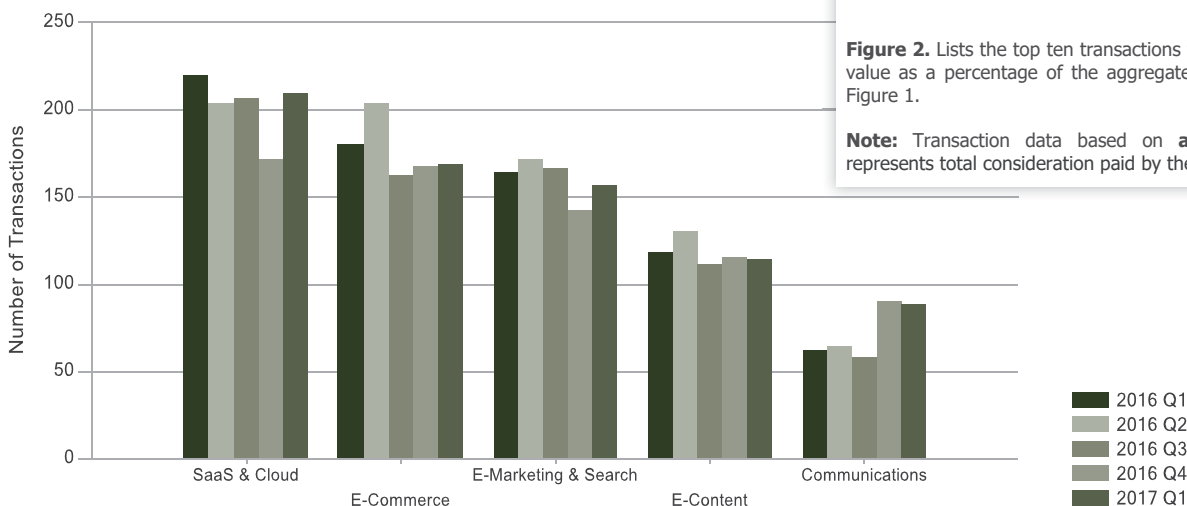


Figure 3. Presents transaction volume by market segment within the Online and Mobile Industry from January 1, 2016 through March 31, 2017.

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RECENT ONLINE & MOBILE TRANSACTIONS

**SPECTRUM
EQUITY**
AND
Cressey & Company
HAVE ACQUIRED



HAS BEEN ACQUIRED BY

**ThermoFisher
SCIENTIFIC**



HAS INVESTED IN



HAS BEEN ACQUIRED BY



HAS RECEIVED A GROWTH
EQUITY INVESTMENT FROM



HAS BEEN ACQUIRED BY



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