

# JEGI Press Release

## JEGI Q3 2015 M&A Overview

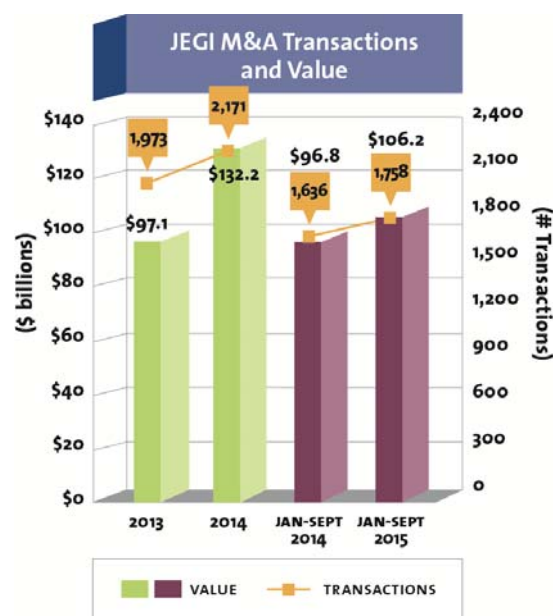
*M&A Activity Shows Steady Growth; Nears Pre-Recession Levels*

**New York, NY October 1, 2015** – Overall M&A activity across the media, information, marketing, software and tech-enabled services sectors was red-hot during the first three quarters of 2015, with 1,758 transactions announced at a total value of \$106.2 billion year to date. Both deal volume and value showed solid gains over the same period in 2014, when 1,636 deals totaled \$96.8 billion in value. With the M&A market continuing its surge, deal activity inched closer to a level not seen since the pre-recession period in 2007, according to The Jordan, Edmiston Group, Inc. (JEGI) ([www.jegi.com](http://www.jegi.com)), the leading independent investment bank across these core markets.

### Large Deals in 2015 YTD

Twenty transactions in these sectors surpassed \$1 billion in value through Q3 2015, including the:

- Fidelity National Information Services \$5.1 billion acquisition of financial software and services provider SunGard
- Verizon \$4.8 billion acquisition of digital media company AOL
- Cox Automotive \$4.5 billion acquisition of DealerTrack Technologies, a provider of web-based marketing solutions to the automotive retail industry
- Media General \$3.1 billion acquisition of diversified consumer media company Meredith
- Audi, BMW and Daimler \$3.1 billion acquisition of Nokia's HERE, a provider of maps and location content for navigation, location-based services and mobile advertising applications
- Verisk Analytics \$2.8 billion acquisition of Wood Mackenzie, a global energy, metals and mining research and consultancy group
- QVC \$2.5 billion acquisition of zulily, the online retailer of merchandise for women, children and housewares
- SS&C Technologies \$2.5 billion acquisition of Advent Software, a provider of vertical applications for the financial services industry
- McGraw Hill Financial \$2.2 billion acquisition of SNL Financial, a provider of analysis and business intelligence on financial institutions



SOURCES: JEGI TRANSACTION DATABASE AND 451 GROUP  
\*FACEBOOK'S \$19B ACQUISITION OF WHATSAPP IN Q1-14 IS NOT REFLECTED IN THE DEAL VALUE



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- Expedia \$1.7 billion acquisition of online travel site Orbitz
- LinkedIn \$1.5 billion acquisition of Lynda.com, a provider of online educational videos for individuals to learn business, software, technology and creative skills
- Nikkei \$1.3 billion acquisition of global business news provider The Financial Times
- TPG Capital, Fosun Industrial Holdings and Caisse de dépôt et placement du Québec joint \$1.2 billion acquisition of consumer entertainment shows creator Cirque du Soleil

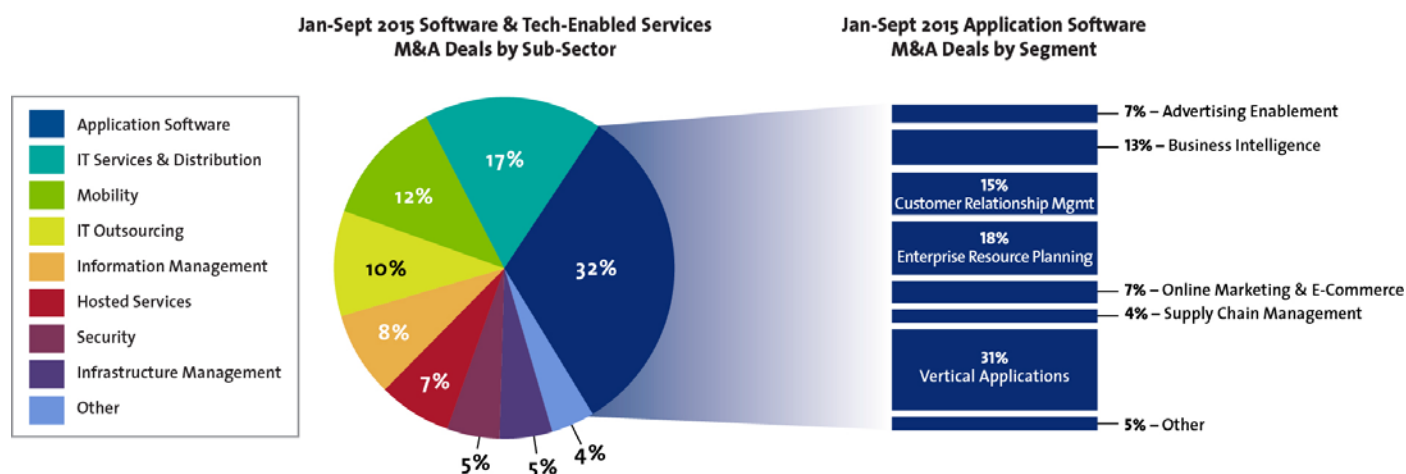
## Software & Tech-Enabled Services

With overall M&A activity booming, the Software & Tech-Enabled Services sector has been leading the charge. Given the rapid advances in global technology, coupled with the increasing convergence of media, marketing, data and technology, companies are investing heavily in growing their software and technology capabilities through M&A.

The most active sector by far, Software & Tech-Enabled Services accounted for more than half of the deal volume and value, with 1,091 transactions totaling \$58.1 billion. The chart below on the left shows a breakdown of deal volume by sub-sector within this red-hot sector.

Application software was the most active sub-sector, with nearly one-third of the Software & Tech-Enabled Services sector deals. Other active sub-sectors were IT services & distribution (17% of the deals), mobility (12%), IT outsourcing (10%) and information management (9%).

The chart below on the right shows a further breakdown of the segments within the application software sub-sector. Vertical applications accounted for the highest deal volume (31%), followed by enterprise resource planning (18%), customer relationship management (15%) and business intelligence (13%).



Source: 451 Group



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## Looking Ahead

In the U.S., M&A activity continues to sizzle, spurred by the stable domestic economy, strong debt markets and increased confidence in the corporate sector. With unprecedented capital reserves and the need for growth, global corporations and private equity firms have healthy appetites for M&A. We also expect Asian buyers to remain active in acquiring U.S. companies, particularly China-based firms with capital parked offshore.

We expect the U.S. economy to continue growing, driven by low unemployment, corporate investment and the political cycle, which will drive increased spending in advertising and data & analytics through November 2016. On the technology front, we foresee further growth in software and tech-enabled services, particularly in marketing technology solutions, as companies continue to build out their marketing stacks.

We believe strong debt markets will continue, despite inevitable interest rate increases by the Federal Reserve down the road. Banks still have robust capital available and continuing interest in building out their loan portfolios. Nonetheless, we remain wary of the volatility in the global stock markets and potential fallout from the economic state in China, as well as the refugee crisis across Europe.

Year to date, JEGI has been very active on the deal front, with a number of recent and pending transaction announcements. In Q3 2015, JEGI announced eight transactions:

- The sale of dmg events' Digital Marketing division, which operates global, market-leading B2B events ad:tech, iMedia and Digital Collective, to Comexposium
- The merger of digital experience design firm Manifest Digital and content marketing agency McMURRY/TMG
- The significant growth investment in Jun Group, the leading mobile video and branded content advertising platform, from Halyard Capital
- The sale of Soonr, a leading provider of enterprise file sharing and collaboration services for IT business managers, to Autotask Corporation, a portfolio company of Vista Equity Partners
- The sale of Kester Capital's Briefing Media, the leading provider of business information and marketing solutions to the UK agricultural sector, to UK-based private equity firm Lyceum Capital (JEGI advised Briefing Media with its UK investment banking partner, Clarity)
- The sale of NavigationArts, a digital strategy and experience design firm, to EPAM Systems
- The sale of Selligent, an international SaaS platform delivering omnichannel audience engagement, to HGGC (JEGI advised Selligent with Clarity)
- Time Inc.'s acquisition of inVNT, an experiential marketing company specializing in live media, digital and traditional advertising, brand environments and creative services



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## M&A Highlights Through Q3 2015

- The **b2b media and technology** sector declined in deal volume in the first three quarters of 2015, with 75 transactions vs. 84 deals over the same period in 2014. Deal value, however, rose 38% to \$5.7 billion, given Nikkei's \$1.3 billion acquisition of The Financial Times in Q3 and LinkedIn's \$1.5 billion acquisition of Lynda.com in Q2. Other notable Q3 2015 transactions included: Exor's acquisition of a 39% stake in global news provider The Economist Group, valuing the company at \$1.2 billion; Axel Springer's acquisition of an 88% stake in business and technology news provider Business Insider, valuing the company at approximately \$390 million; and Lyceum Capital's acquisition of Briefing Media (a JEGI transaction).

JEGI M&A Activity by Sector						
Sector	2014		2015		% Change	
	January - September		January - September		No. of Deals	Value
	No. of Deals	Value (millions)	No. of Deals	Value (millions)		
B2B Media & Technology	84	\$4,140	75	\$5,705	(11%)	38%
Consumer Media & Technology	159	\$14,673	159	\$17,066	0%	16%
Database & Information Services	53	\$3,861	41	\$6,325	(23%)	64%
Exhibitions & Conferences	35	\$434	59	\$3,345	69%	670%
Marketing Services & Technology	450	\$30,029	463	\$19,625	3%	(35%)
Mobile Media & Technology	107	\$3,358	121	\$6,208	13%	85%
Software & Tech-Enabled Services	1079	\$54,068	1091	\$58,120	1%	7%

Sources: JEGI Transaction Database and 451 Group

Notes: Facebook's \$19 billion acquisition of WhatsApp in Q1-14 is not reflected in the transaction values; some Software & Tech-Enabled Services transactions are also duplicated in the Media, Marketing, and Mobile sectors

- The **consumer media and technology** sector's deal volume was flat through Q3 vs. the same period in 2014, at 159 deals. Deal value rose 16%, to \$17.1 billion, due to Media General's \$3.1 billion acquisition of Meredith and QVC's \$2.5 billion acquisition of zulily in Q3. Other notable Q3 deals this year were: Twenty-First Century Fox's acquisition of a 73% stake in National Geographic's media operations, valuing the company at nearly \$1 billion; Match.com's acquisition of online dating site Plentyoffish Media for \$575 million; and Vivendi's acquisition of an 80% stake in online video portal Dailymotion, valuing the company at approximately \$300 million.
- The **database and information services** sector announced 41 deals through Q3, down from 53 deals through September 2014. Deal value, however, rose significantly, to \$6.3 billion, up over 60% from 2014, with Verisk Analytics' \$2.8 billion acquisition of Wood Mackenzie in Q1 and McGraw Hill Financial's \$2.2 billion acquisition of SNL Financial in Q3 leading the way. Other notable deals in Q3 2015 included: Descartes Systems' acquisition of MK Data Services, provider of cloud-based bulk customer screening services, for \$84 million; Intelius Holdings' acquisition of Classmates, provider of



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online high school directories, class lists and year books, for \$30 million; and Wolters Kluwer's acquisition of SureTax, web-based tax calculation engine, for an undisclosed amount.

- The **exhibitions and conferences** sector saw a sharp increase in deal volume with 59 transactions in the first three quarters of 2015 vs. 35 in the same period of 2014. Deal value rose dramatically to \$3.3 billion in 2015, compared to \$434 million in 2014, led by Q2's \$1.2 billion acquisition of Cirque du Soleil by a group of investors and Dalian Wanda Group's acquisition of World Triathlon Corporation, owner and organizer of the Ironman triathlon events, from Providence Equity Partners for \$650 million in Q3. Other notable transactions for Q3 2015 included: Clarion Events' acquisition of tradeshow producer Urban Expositions; Comexposium's acquisition of dmg events Digital Marketing (a JEGI transaction); and Tarsus Group's acquisition of a 50% stake in tradeshow producer AMB Exhibitions, valuing the company at \$40 million.
- The **marketing services and technology** sector continues to be very active, with deal volume increasing through Q3 2015 to 463 deals vs. 2014's 450 deals. Deal value, however, decreased to \$19.6 billion, compared to \$30 billion in the same time period of 2014, mainly due to several large transactions in 2014. Notable deals for the third quarter of 2015 included the:
  - Carlyle Group acquisition of a 50% stake in PA Consulting, consulting, technology and innovation firm, valuing the company near \$1 billion
  - Sale of eBay Enterprise, provider of commerce technologies, omnichannel operations and marketing solutions, to a conglomerate of investors for \$925 million
  - comScore acquisition of media measurement firm Rentrak for \$850 million
  - WPP and Providence Equity Partners acquisition of an 80% stake in Chime Communications, provider of integrated sports marketing services, valuing the company at approximately \$750 million
  - Advance Publications acquisition of 1010data, provider of big data discovery and data sharing solutions, for \$500 million
  - Technicolor acquisition of The Mill, producer of visual effects projects for the advertising, games, film, TV and music industries, for \$292 million
  - Adidas acquisition of runtastic, provider of products and services that gather sports data and motivate people to link up with like-minded sports enthusiasts, for \$239 million
  - News Corp acquisition of Unruly Group, provider of a global platform for social video advertising, for \$177 million
  - Appriss acquisition of The Retail Equation, provider of real-time transaction optimization solutions for retailers, for an undisclosed amount;
  - HGGC acquisition of omnichannel audience engagement platform Selligent (a JEGI and Clarity transaction)



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- Merger of digital experience design firm Manifest Digital and content marketing agency McMURRY/TMG (a JEGI transaction)
- EPAM Systems acquisition of digital strategy and experience design firm NavigationArts (a JEGI transaction)
- Time Inc. acquisition of experiential marketing company inVNT (a JEGI transaction)
- M&A activity for the **mobile media and technology** sector rose in both number of deals announced and deal value through Q3 2015, to 121 transactions and \$6.2 billion in value vs. 2014's 107 deals and \$3.4 billion in value. The sharp increase in deal value was due to the Audi, BMW and Daimler acquisition of Nokia's HERE for \$3.1 billion. Other notable Q3 2015 deals included: AOL's acquisition of Millennial Media, provider of mobile advertising solutions, for \$253 million; Snapchat's acquisition of Lookery, developer of a mobile selfie imaging app, for a reported \$150 million; and Halyard Capital's growth investment in mobile video ad platform Jun Group (a JEGI transaction).
- The **software and tech-enabled services** sector increased in both deal volume and value, with 1,091 transactions totaling \$58.1 billion for the first three quarters of 2015, compared to 2014's 1,079 transactions at \$54.1 billion. Notable Q3 2015 transactions included: the Carlyle Group and GIC Private Limited acquisition of Symantec Corporation's Veritas division, including storage and information management systems assets, for \$8 billion; Fidelity's \$5.1 billion acquisition of SunGard; Vista Equity Partners' acquisition of Solera Holdings, provider of automotive claims processing software, for \$3.7 billion; Digital Realty Trust's acquisition of Telx Group, provider of interconnection and colocation services, for \$1.9 billion; Emdeon's acquisition of Altegra Health, provider of health and benefits management software, for \$910 million; and Autotask's (a portfolio company of Vista Equity Partners) acquisition of enterprise file sharing and collaboration services provider Soonr (a JEGI transaction).

## About JEGI

The Jordan, Edmiston Group, Inc. (JEGI) has been the leading independent investment bank for the global media, information, marketing, software and tech-enabled services sectors for nearly 28 years. Headquartered in New York, with offices in Boston and Atlanta, as well as affiliates in London and India, JEGI has completed nearly 600 high-profile M&A transactions, serving global corporations; middle-market and emerging companies; entrepreneurial owners and founders; and private equity and venture capital firms. For more information, visit [www.jegi.com](http://www.jegi.com).

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