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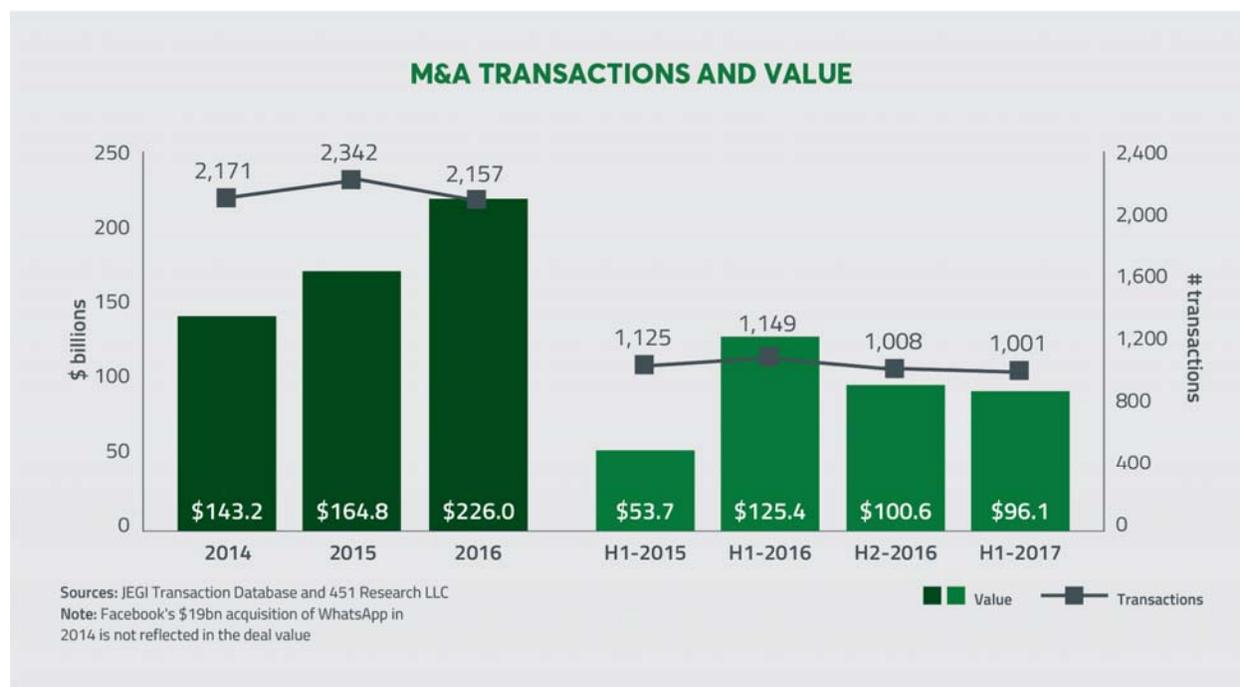
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JEGI FIRST HALF 2017 M&A OVERVIEW

Highly Active M&A Market Driven by Strategic and Financial Acquirers



Buoyed by strong consumer and business confidence, mergers and acquisitions in the first half of 2017 across the media, information, marketing, software and tech-enabled services sectors totalled more than 1,000 announced transactions and nearly \$100 billion in value.

The pace of M&A in 2017 is on track to surpass 2014 and 2015 levels, but may not match last year, given the torrid first half of 2016, which saw Microsoft acquire LinkedIn for \$29 billion and Quintiles Transnational buy IMS Health for \$13.5 billion. In contrast, the largest two deals in H1 2017 were Sinclair Broadcast Group's announced acquisition of Tribune Media for \$7.3 billion and Pamplona Capital's announced buyout of PAREXEL, a drug research company, for \$5.3 billion. As such, while total deal value decreased in the first half of 2017 compared to H1 2016, it remains 79% higher than the first half of 2015.

Top 20 Deals for H1 2017

Continued strong first half M&A was led by 20 top announcements totalling approximately \$50 billion, with 12 of those deals exceeding \$1+ billion and 15 of which took place in the second quarter. Financial acquirers – including private equity firms and SPACs (Special Purpose Acquisition Companies) – completed eight of the top 20.



TOP 20 TRANSACTIONS, H1 2017				
Buyer	Seller	Description	Announced Date	Value (\$B)
1 Sinclair Broadcast Group	Tribune Media Company	Media and entertainment company	May 2017*	\$7.3
2 Pamplona Capital Management	PAREXEL International	Contract drug research organization	June 2017*	\$5.3
3 INC Research Holdings	inVentiv Health	Pharmaceutical consulting services	May 2017*	\$4.6
4 Cisco Systems	AppDynamics	IT infrastructure monitoring and analytics	January 2017	\$4.0
5 Gartner	CEB	Practice insight and technology company	January 2017	\$3.5
6 Vivendi	Havas	Advertising, digital and communications services	May 2017*	\$3.4
7 Moody's	Bureau van Dijk Electronic Publishing	Publishes electronic business information	May 2017*	\$3.4
8 PetSmart (Argos Holding)	Chewy	E-commerce portal for the pet industry	April 2017	\$3.4
9 Quinpario Acquisition Corp.	Novitex Enterprise Solutions / SourceHOV	Outsourced IT services	February 2017*	\$2.8
10 Hellman & Friedman	Fairfax Media	Digitally progressive media company	May 2017*	\$2.5
11 Apollo Global Management	West Corporation	Customer care and telecom services	May 2017*	\$2.0
12 eBay; Microsoft; Tencent Holdings	Flipkart Online Services	Online shopping website	April 2017	\$1.4
13 Oracle	Moat	SaaS analytics solutions	April 2017*	\$0.9
14 First Data	CardConnect	Payment processing solutions	May 2017*	\$0.8
15 Capitol Acquisition Corp. III	Cision (GTCR)	PR software	March 2017*	\$0.8
16 Harland Clarke (MacAndrews & Forbes)	RetailMeNot	Savings destination for online and instore purchases	April 2017	\$0.7
17 Eurazeo; Goldman Sachs	Dominion Web Solutions	Digital marketing solutions	May 2017	\$0.7
18 FleetCor Technologies	Cambridge Global Payments	Online payment solutions	May 2017*	\$0.7
19 Amazon	Souq.com	E-commerce platform	March 2017	\$0.7
20 Apollo Global Management	Mood Media	Creative marketing solutions	April 2017*	\$0.6

* Deals are pending

Sources: JEGI Transaction Database and 451 Research LLC

JEGI Very Active in H1 2017

JEGI saw a strong first half, with eight closings and several others moving toward completion. In Q2, we represented AdExchanger, a leading integrated media and events company with highly acclaimed conferences, in its sale to Access Intelligence (a Veronis Suhler Stevenson portfolio company); HGGC in their acquisition of etouches, a leading provider of event management software in the cloud; and Entrada, a leading provider of integrated mobile solutions that improve healthcare efficiencies and outcomes, in its sale to NextGen, a subsidiary of QSI. Stay tuned for additional deal announcements in the coming months.

We are also pleased to announce that JEGI recently welcomed two new Managing Directors to the firm. Kathleen Thomas, a senior B2B media and events M&A banker, joined JEGI in May. Ms. Thomas has over 20 years of experience specializing in mergers and acquisitions advisory, with expertise in content and information, trade shows, conferences, digital media and marketing, and the services that support these businesses. Michael Hirsch joined JEGI in early June. Mr. Hirsch is a 15+ year senior banker covering the Internet, digital media and related software sectors, where he will further expand JEGI's global leadership across these core markets.

Looking Ahead

Market conditions remain favorable heading into the second half of the year. The Conference Board's Consumer Confidence Index increased moderately in June, standing currently at 118.9. Lynn Franco, the Director of Economic Indicators at The Conference Board said, "Consumers' assessment of current conditions improved to a nearly 16-year high. Expectations for the short-term have eased somewhat, but are still upbeat. Overall, consumers anticipate the economy will continue expanding in the months ahead, but they do not foresee the pace of growth accelerating." Similarly, the Bureau of Labor Statistics reported that total nonfarm payroll employment increased by 138,000 in May, with an unemployment rate in the US of 4.3%,



while average hourly earnings increased only slightly. Meanwhile, PNC’s survey in May showed that 88% of small business owners – the highest ever – are optimistic about the U.S. economy, and 94% are highly optimistic about the near-term outlook for their own business. Consumer and small business confidence drives confidence for larger enterprises to plan and invest, which in turn drives mergers and acquisitions.

M&A Highlights in H1 2017

M&A ACTIVITY BY SECTOR						
Sector	2016 January - June		2017 January - June		% Change	
	# Deals	Value (mil)	# Deals	Value (mil)	# Deals	Value
B2B Media & Technology	50	\$30,190	37	\$1,907	(26%)	(94%)
B2B Media & Technology (w/o Microsoft/LinkedIn)	49	\$1,151	37	\$1,907	(24%)	66%
Consumer Media & Technology	107	\$3,937	118	\$23,094	10%	487%
Database & Information Services	27	\$34,205	22	\$8,097	(19%)	(76%)
Exhibitions & Conferences	32	\$2,341	33	\$1,085	3%	(54%)
Marketing Services & Technology	333	\$13,252	271	\$23,581	(19%)	78%
Mobile Media & Technology	66	\$1,566	54	\$770	(18%)	(51%)
Software	318	\$21,234	214	\$9,751	(33%)	(54%)
Tech-Enabled Services	216	\$18,677	252	\$27,770	17%	49%
TOTAL	1149	\$125,401	1001	\$96,054	(13%)	(23%)
TOTAL (w/o Microsoft/LinkedIn)	1148	\$96,363	1001	\$96,054	(13%)	(0%)

Sources: JEGI Transaction Database and 451 Research LLC

Note: JEGI has refined the classification of the M&A transactions being completed in the markets we cover, updating previously released data

Removing the Microsoft/LinkedIn transaction from H1 2016 data, deal value for the **b2b media and technology** sector increased 66% in H1 2017, totalling \$1.9 billion vs. \$1.2 billion in H1 2016, although the number of transactions was down 24% for the half. H1 2017 M&A activity was driven by the: Blackstone Group acquisition of Global Sources, a B2B media company that provides information and integrated marketing services, for \$489 million; Aurora Capital Group acquisition of Randall Reilly, an integrated B2B media company for trucking and construction markets, for \$230 million; and KAR Auction Services acquisition of Carco Technologies, an online platform and mobile application that enables automotive dealers to acquire used cars, for \$43 million.

Deal volume in the **consumer media and technology** sector jumped to 118 transactions in H1 2017 vs. 107 deals in H1 2016, while deal value rose significantly to \$23.1 billion, up from \$3.9 billion in H1 2016. This tremendous increase in deal value was due to several multi-billion dollar transactions in the sector, including the largest transaction in H1 2017: Sinclair Broadcast’s acquisition of Tribune Media Company for \$7.3 billion. Other notable transactions for Q2 2017 include the: Hellman & Friedman acquisition of Fairfax Media, an Australian media company, for \$2.5 billion; and Harland Clarke acquisition of RetailMeNot, a savings destination for online and instore purchases, for \$682 million.



The number of transactions in the **database and information services** sector declined 19% in the first half of 2017, with 22 transactions, compared to 27 deals in the same period of 2016. Deal value, however, saw a more significant drop in H1 2017 from H1 2016's \$34.2 billion. This was due in large measure to the IHS/Markit merger for \$7.4 billion that was announced in Q1 2016 and Quintiles Transnational Holdings' acquisition of IMS Health for \$13.6 billion, which was announced in Q2 2016. Notable Q2 2017 deals included the: Moody's acquisition of Bureau van Dijk Electronic Publishing, a publisher of electronic business and company information for \$3.4 billion; Garmin acquisition of Active Corporation, operator of an electronic marine database, for an undisclosed amount; and Caterpillar acquisition of Yard Club, a platform to find, order, and track rental equipment to construction professionals, for an undisclosed amount.

M&A activity in the **exhibitions and conferences** sector was relatively steady in terms of deal volume, with 33 transactions in H1 2017 vs. 32 deals in the first half of 2016. Deal value, however, decreased from \$2.3 billion in the first half of 2016 to \$1.1 billion in H1 2017, due to Vista Equity Partners' acquisition of Cvent, a cloud-based enterprise event management platform, for \$1.6 billion in Q2 2016. Notable transactions in H1 2017 included the: Eventbrite acquisition of Ticketfly, a ticketing, marketing and analytics tool for event promoters and venues, for \$200 million; Access Intelligence acquisition of AdExchanger, a leading integrated media and events company with highly acclaimed conferences and media offerings, for an undisclosed sum; and HGGC acquisition of etouches, a leading provider of event management software in the cloud, for an undisclosed sum. JEGI represented AdExchanger and HGGC in the previously mentioned transactions.

The **marketing services and technology** sector continues to be very active, with 271 transactions accounting for \$23.6 billion in value in H1 2017. Deal value increased more than 78% in H1 2017 over H1 2016, even though the number of deals decreased 19% for the sector in the first half of the year. Market research and consulting transactions accounted for 46% of deal value in the sector, with 40 deals worth nearly \$11 billion. This sub-sector saw several multi-billion dollar deals including the: Pamplona Capital Management acquisition of PAREXEL International, a contract drug research organization, for \$5.3 billion; and INC Research Holding acquisition of inVentiv Health, a provider of consulting services to pharmaceutical, biotechnology and healthcare industries worldwide, for \$4.6 billion.

Agency deals accounted for just over 25% of deal value in the marketing services and technology sector, totalling roughly \$6 billion for the first half of the year. The leading agency transaction in Q2 2017 was Vivendi's acquisition of Havas, provider of advertising, digital and communication services, for \$3.4 billion.

MARKETING SERVICES & TECHNOLOGY - M&A BY SUB-SECTOR			
Industry Sub-Sector	2017 January - June		
	# Deals	Value (mil)	% Value
Ad Agency	56	\$5,978	25.4%
Ad Network / Ad Tech	14	\$475	2.0%
Content Marketing	6	\$91	0.4%
Data & Analytics	35	\$2,408	10.2%
Digital Agency	31	\$709	3.0%
Experiential Marketing	7	\$106	0.5%
Market Research / Consulting	40	\$10,900	46.2%
Marketing Technology	37	\$2,152	9.1%
PR Agency	14	\$172	0.7%
Social Media Marketing	4	\$61	0.3%
Video Marketing	4	\$50	0.2%
Other	23	\$478	2.0%
Total	271	\$23,581	100.0%

Source: JEGI Transaction Database



Other notable transactions in Q1 2017 included the: Oracle acquisition of Moat, the SaaS analytics solution for brand advertisers and publishers, for \$850 million; Wave Systems acquisition of Jive Software, a communication and collaboration solution that enhances marketing engagement and brand advocacy, for \$462 million; Vector Capital acquisition of Experian's Email and Cross-Channel Marketing Business, for \$300 million; and Thales acquisition of Guavus, a big data analytics application for planning, operations, customer experience management and IOT, for \$215 million.

M&A activity for the **mobile media and technology** sector declined in both deal volume and value in H2 2017, to 54 transactions and \$770 million in value, compared to 66 deals and \$1.6 billion in H1 2016. 2016 activity was driven by Microsoft's \$400 million acquisition of mobile application software developer Xamarin and several deals in the \$50-100 million range. Notable Q2 2017 transactions included the: Sirius XM Holdings acquisition of Automatic Labs, operator of mobile phone based driver assist devices and applications, for \$100 million; Quotient Technology acquisition of Crisp Media, a mobile shopper activation company, for \$57.2 million; and NextGen Healthcare Information Systems, a subsidiary of QSI, acquisition of Entrada, a leading provider of integrated mobile solutions that improve healthcare efficiencies and outcomes, for an undisclosed amount. JEGI represented Entrada in this transaction.

The **software** sector saw an approximate 33% decline in deal volume, with 214 transactions in H1 2017 vs. 318 in H1 2016. Deal value decreased as well, from \$21.2 billion in H1 2016 to \$9.8 billion in H1 2017. In Q2 2017, there were no \$1+ billion transactions to offset the three \$2+ billion transactions in Q2 2016. Notable deals in the second quarter of 2017 included the: Cisco Systems acquisition of Viptela, a WAN virtualization company, for \$610 million; GTCR acquisition of Sage Payment Solutions, a provider of transaction procession software, SaaS and services, for \$260 million; True Wind Capital Management acquisition of ARI Network Services, catalog management software and SaaS, for just over \$130 million; and Francisco Partners acquisition of Insight Venture Partners portfolio company SmartBear Software, provider of application and API testing software, for an undisclosed amount.

The **tech-enabled services** sector led the first half of the year in terms of deal value, totalling \$27.8 billion, up 49% over \$18.7 billion from H1 2016. Deal volume also saw an uptick to 252 deals, compared to 216 in the same period of 2016. Notable transactions in Q2 2017 included the: Apollo Global Management acquisition of West Corporation, provider of customer care and telecom services for \$2 billion; First Data acquisition of CardConnect, provider of payment processing solutions, for \$769 million; FleetCor Technologies acquisition of Cambridge Global Payments, online payment solutions provider, for \$675 million; and Vista Equity Partners acquisition of Xactly, cloud-based incentive compensation solution, for \$577 million.

ABOUT JEGI

JEGI has been the leading independent investment bank for the global media, information, marketing, software and tech-enabled services sectors for 30 years. Headquartered in North America, with offices in New York City and Boston, as well as London and Sydney (through its partnership with **Clarity**), JEGI has completed more than 600 high-profile M&A and financing 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.