

# PRESS RELEASE

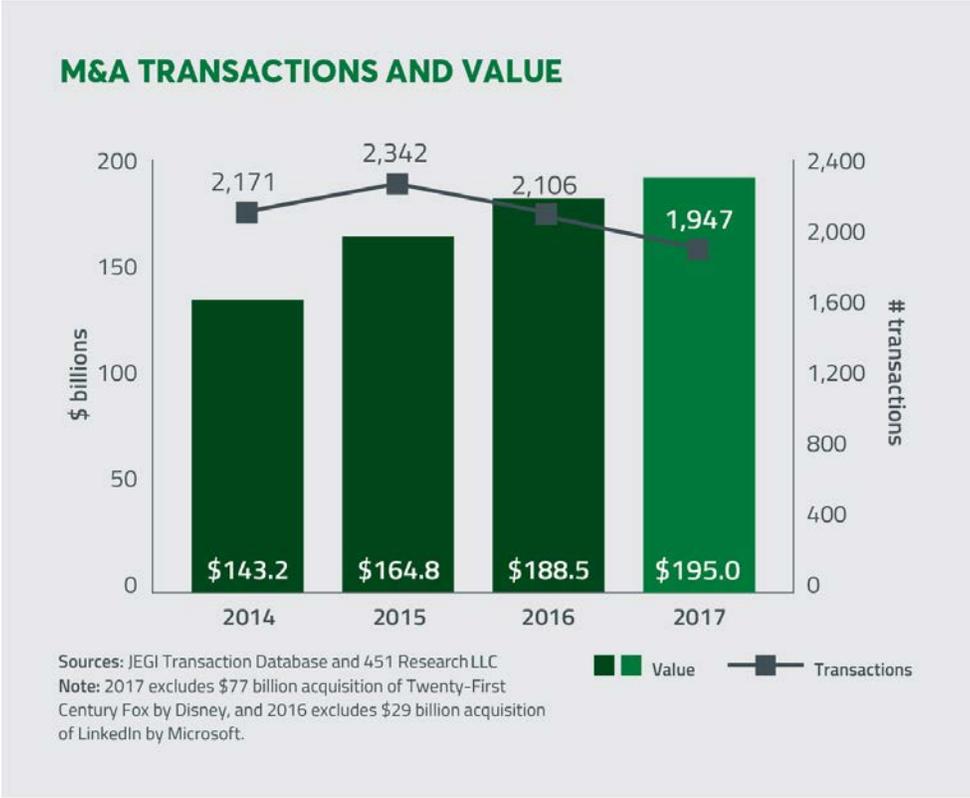
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Contact: Adam Gross, Chief Marketing Officer  
+1 212 754 0710 | adamg@jegi.com | www.jegi.com



## JEGI 2017 M&A OVERVIEW

### M&A Grows for the 4<sup>th</sup> Consecutive Year



2017 was a very active year for mergers and acquisitions across the media, information, marketing, software and tech-enabled services sectors, with nearly 2,000 announced transactions totaling \$195.0 billion in value, marking the fourth consecutive year of increasing M&A transaction value. 2017 also saw the announced \$77.1 billion megadeal, the acquisition of Twenty-First Century Fox by Disney; and 2016 featured the \$29.0 billion acquisition of LinkedIn by Microsoft, both of which are excluded from these annual totals. Including Walt Disney’s acquisition of Twenty-First Century Fox, 2017 topped \$272 billion in aggregate announced deal value. The year ended on a high note, with 473 transactions announced in Q4, compared to 252 in the final quarter of 2016.



## Largest Deals of 2017

In addition to the acquisition of Twenty-First Century Fox by The Walt Disney Company, Q4 2017 saw Meredith announce the acquisition of Time Inc. for \$3.1 billion, and the acquisition of Aricent by Altran US, via financial sponsors KKR and Sequoia Capital, for \$2.0 billion. There were numerous other \$1+ billion deals as well, with strategic buyers accounting for 17 of the top 20 transaction. We expect corporations to remain active buyers in 2018, as they redeploy healthy balance sheets into new avenues for growth.

TOP 20 TRANSACTIONS, 2017					
Buyer	Seller	Description	Announced Date	Value (\$B)	
1 Walt Disney Company	Twenty-First Century Fox	Diversified media and entertainment company	Dec-17*	\$77.1	
2 Discovery Communications	Scripps Networks Interactive	Lifestyle-oriented TV networks and websites	Jul-17*	\$15.1	
3 Vantiv	Worldpay Group	Payment technology and solutions	Jul-17*	\$11.9	
4 Sinclair Broadcast Group	Tribune Media Company	Media and entertainment company	May-17*	\$7.3	
5 Pamplona Capital Management	PAREXEL International	Contract drug research organization	Jun-17	\$5.3	
6 Internet Brands (KKR)	WebMD Health	Health information services for consumers	Jul-17	\$4.8	
7 INC Research Holdings	inVentiv Health	Pharmaceutical consulting services	May-17	\$4.6	
8 Cisco Systems	AppDynamics	IT infrastructure monitoring and analytics	Jan-17	\$4.0	
9 Gartner	CEB	Practice insight and technology company	Jan-17	\$3.5	
10 Vivendi	Havas	Advertising, digital and communications services	May-17	\$3.4	
11 Moody's Analytics (Moody's Corporation)	Bureau van Dijk Electronic Publishing	Publishes electronic business information	May-17	\$3.4	
12 PetSmart (Argos Holding)	Chewy	E-commerce portal for the pet industry	Apr-17	\$3.4	
13 Meredith	Time	Multi-platform media and content company	Nov-17*	\$3.1	
14 OptimumInsight (UnitedHealthGroup)	Advisory Board Company	Research, insight, technology and consulting company	Aug-17	\$3.0	
15 Altran US (Altran Technologies)	Aricent (KKR & Co; Sequoia Capital)	Innovative design and engineering company	Nov-17*	\$2.0	
16 Red Ventures (General Atlantic)	Bankrate	Publisher of personal finance content	Jul-17	\$1.6	
17 Walt Disney Company	BAM Technologies (MLB Advanced Media)	Web and mobile solutions	Aug-17	\$1.6	
18 Bain Capital Private Equity	Asatsu-DK	Advertising agency	Jun-17	\$1.4	
19 Global Payments	Active Network	SaaS platform for activity and participant management	Aug-17	\$1.2	
20 Siris Capital	Intralinks Holdings	SaaS solution for enterprise content collaboration	Oct-17	\$1.1	

\* Deals are still pending

Sources: JEGI Transaction Database and 451 Research LLC

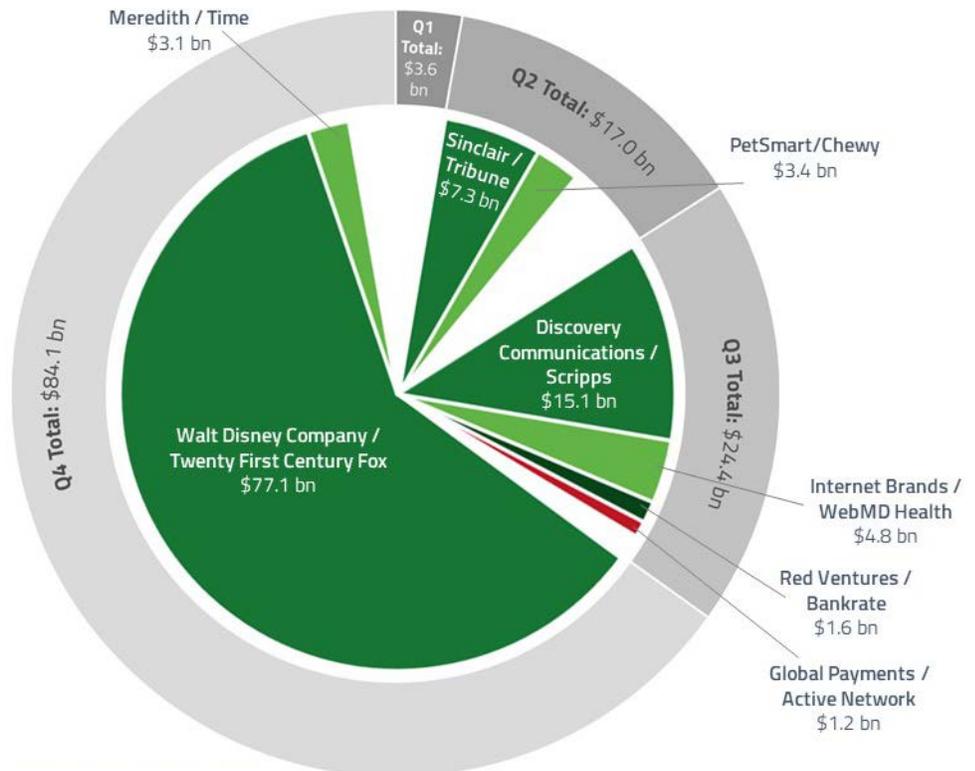
## Consumer Media & Technology Soars

The consumer media and technology sector saw a substantial increase in deal value in 2017, up more than 200% from 2016. The number of deals rose from 194 in 2016 to 208 in 2017, and value increased from \$16.4 billion in 2016 to \$52.1 billion in 2017. This data excludes the acquisition of Twenty-First Century Fox by Walt Disney.

The sector started 2017 with 66 deals in Q1 for a total of \$3.6 billion, with the largest being the Amazon acquisition of Souq.com, an e-commerce platform serving the Middle East and North Africa regions, for \$650 million, and the Kayak acquisition of Momondo Group, an operator of travel search websites, for \$550 million. Q2 2017 was highlighted by 51 deals totaling \$17.0 billion, two of which were more than \$1 billion in value: the Sinclair Broadcast Group acquisition of Tribune Media for \$7.3 billion and the PetSmart acquisition of Chewy for \$3.4 billion.

Q3 2017 saw three top 20 transactions within the sector: the Discovery Communications acquisition of Scripps Networks for \$15.1 billion; the Internet Brands acquisition of WebMD Health for \$4.8 billion; the Red Ventures acquisition of Bankrate for \$1.6 billion; and the Global Payments acquisition of Active Networks for \$1.2 billion. Finally, the sector ended the year with two more deals appearing in the top 20 transactions: the \$77.1 billion Walt Disney acquisition of Twenty-First Century Fox; and the Meredith acquisition of Time Inc. for \$3.1 billion. Overall, the consumer media and technology sector accounted for eight of the top 20 transactions in 2017, and shows no sign of slowing down heading into 2018.

## CONSUMER MEDIA & TECHNOLOGY 2017 Largest Deals



Source: JEGI Transaction Database

### JEGI Activity in 2017

JEGI finished the year with two closings in Q4 and another right after the New Year (not yet announced). In total, JEGI completed 18 transactions in 2017 and has a robust pipeline heading into Q1. In Q4 2017, the firm represented:

- Connecting Point Marketing Group, a leading organizer of senior executive level, highly-curated hosted buyer events, in its sale to Emerald Expositions; and
- DMGT, in the sale of Hobsons Solutions, the leading provider of international enrollment management solutions to universities worldwide, in its sale to Quacquarelli Symonds, a Mitsui & Co. investment.

Stay tuned for additional deal announcements from JEGI in the coming months.

### Looking Ahead

The outlook for the coming year remains optimistic, with the Conference Board anticipating that U.S. GDP will grow by 2.8% in 2018. Consumer and business confidence levels remain strong, with The Conference



Board Consumer Confidence Index closing the year at 122.1 in December. Lynn Franco, Director of Economic Indicators at The Conference Board said, “Consumer confidence retreated in December after reaching a 17-year high in November...consumers’ expectations remain at historically strong levels, suggesting economic growth will continue well into 2018.”

The Bureau of Labor Statistics reported that total nonfarm payroll employment increased by 228,000 in November. U.S. unemployment stood at a very manageable 4.1% in October and November, while average hourly earnings rose five cents in November, for a total of 64 cents or 2.5% throughout 2017.

The National Federation of Independent Businesses (“NFIB”) Index of Small Business Optimism reached 107.5 in November, the second-highest rate in the 44-year history of the index. NFIB President and CEO Juanita Duggan said, “Small business owners are exuberant about the economy, and they are ready to lead the U.S. economy in a period of robust growth.” 48% of small business owners expect the economy to improve, 34% expect their real sales to be higher, 27% believe now is a good time to expand, and 26% have plans to make capital outlays. As in prior economic cycles, healthy consumer and small business confidence underpins a strong M&A environment.

### M&A Highlights in Q4 2017

M&A ACTIVITY BY SECTOR						
Sector	2016		2017		% Change	
	January - December		January - December		# Deals	Value
	# Deals	Value (mil)	# Deals	Value (mil)		
B2B Media & Technology	88	\$3,499	75	\$2,954	(15%)	(16%)
Consumer Media & Technology	194	\$16,441	208	\$52,075	7%	217%
Database & Information Services	56	\$41,659	39	\$10,470	(30%)	(75%)
Exhibitions & Conferences	66	\$3,250	65	\$2,530	(2%)	(22%)
Marketing Services & Technology	630	\$43,511	574	\$41,740	(9%)	(4%)
Mobile Media & Technology	110	\$2,435	85	\$1,704	(23%)	(30%)
Software	572	\$51,845	451	\$30,094	(21%)	(42%)
Tech-Enabled Services	390	\$25,806	450	\$53,439	15%	107%
<b>TOTAL</b>	<b>2,106</b>	<b>\$188,447</b>	<b>1,947</b>	<b>\$195,006</b>	<b>(8%)</b>	<b>3%</b>

Sources: JEGI Transaction Database and 451 Research LLC

Note: 2017 excludes \$77 billion acquisition of Twenty-First Century Fox by Disney, and 2016 excludes \$29 billion acquisition of LinkedIn by Microsoft.

Deal value for the **b2b media and technology** sector decreased 16% for the year, totaling \$3.0 billion versus \$3.5 billion in 2016, excluding the \$29 billion Microsoft/LinkedIn transaction from 2016 data, and the number of transactions declined 15% in 2017. 2016 saw a number of larger deals, including the Informa acquisition of Penton for \$1.5 billion and Ritchie Bros. Auctioneers acquisition of IronPlanet for \$758.5 million. By comparison, the largest b2b media and technology deal in 2017 was the Blackstone acquisition of Global Sources, a b2b media company providing information and integrated marketing services, for \$488.5 million.



Q4 2017 was on par with Q4 2016, with 12 deals in the sector versus 11 last year. Q4 2017 M&A activity was driven by the: Marlin Equity Partners acquisition of Logi Analytics, a business intelligence solutions company serving software, ISV and SaaS providers, for \$130 million; Northstar Travel Group acquisition of Axus Travel, a travel application for travel advisors and tour operators; ENTtech Media acquisition of Paper Communications, a media and marketing company that publishes Paper Magazine and PaperMag.com; Fairchild Media Group acquisition of Sourcing Journal Media, a trade publisher serving apparel and textile executives; Briefing Media acquisition of Urner Barry Publications, a provider of market news and quotations for the red meat, poultry, egg and seafood industries; and QS Quacquarelli Symonds acquisition of DMGT's Hobsons Solutions, a leading provider of international enrollment management solutions to universities worldwide. JEGI represented DMGT/Hobsons Solutions in this transaction.

The number of transactions in the **database and information services** sector declined 30% in 2017, with 39 transactions for the year, as compared to 56 in 2016. Deal value saw a 75% decrease for the year, with a value of \$10.5 billion versus \$41.7 billion in 2016. This was due in large measure to two multi-billion dollar deals in 2016: Quintiles Transnational Holdings acquisition of IMS Health for \$13.6 billion; and the IHS/Markit merger for \$7.4 billion. Q4 2017 transaction announcements included the: Verisk Analytics acquisition of Power Advocate, a provider of market and cost intelligence solutions to energy companies, for \$280 million; Riskconnect acquisition of Aruvio, a provider of cloud-based governance, risk and compliance software; Solovis acquisition of Madrone, a provider of web-based tools that provide data and predictive analytics for individual and institutional investors; Logility acquisition of Halo Business Intelligence, a provider of information discovery and business intelligence solutions for small and mid-sized enterprises; UL acquisition of ChemADVISOR, a provider of database products, training programs and consulting services for handling hazardous materials; TransUnion acquisition of eBureau, a provider of big data, predictive analytics and information services; and TIBCO software's two acquisitions: Alpine Analytics, an operator of an enterprise-grade analytics platform and software solutions for big data predictive insight; and Composite Software, a provider of data virtualization software.

M&A activity in the **exhibitions and conferences** sector remained relatively flat in terms of number of deals announced in 2017 versus 2016, but deal value declined 22% year-over-year. While annual deal value decreased in the sector for the year, Q4 saw the highest total transaction value for any quarter in 2017, at \$1.1 billion. This indicates a strong M&A environment for the sector heading into 2018. Notable transactions announced in Q4 2017 included the: Sodexo acquisition of Centerplate, a provider of event venue catering and hospitality services, for \$675 million; Emerald Expositions acquisition of Connecting Point Marketing Group, a leading organizer or senior executive level, highly-curated hosted buyer events, (JEGI represented Connecting Point in this transaction); UBM acquisition of Aesthetic Show, the operator of a leading annual, multi-disciplinary medical exhibitions and conferences; and Live Nation Entertainment acquisition of United Concerts, a provider of concerts and live musical events.

The **marketing services and technology** sector continues to be very active, with 574 transactions accounting for \$41.7 billion in deal value in 2017. Deal value decreased slightly at 4% in 2017 versus 2016, with deal volume for the sector down 9% from 630 transactions in 2016. Market research and consulting transactions accounted for 37% of deal value in the sector, with \$15.4 billion across 86 deals, driven by the \$5.3 billion Pamplona Capital acquisition of PAREXEL, \$4.6 billion INC Research Holdings acquisition of inVentiv Health, and OptimumInsight acquisition of the Advisory Board Company for \$3.0 billion. This sub-sector saw 17 deals



announced in Q4 including the: Cision acquisition of Prime Research International, a German strategic communications research company; eBay acquisition of Terapeak, a provider of ecommerce research solutions; Deloitte Consulting acquisition of Bug Insights, a market research and human capital analysis consulting services provider; and the Publicis Groupe acquisition of Ella Factory, a communications consulting agency.

Agency deals accounted for 26% of deal value in marketing services and technology, with \$10.8 billion across 105 transactions. Bain Capital's Q4 acquisition of Asatsu-DK, a Japanese advertising agency, for \$1.4 billion, was one of the 20 largest deals of the year across all sectors. Other notable agency transactions in Q4 included the: ModusLink Global Solutions acquisition of IWCO Direct Holdings, a marketing solutions and direct mail production company, for \$476 million; Innocean

Worldwide acquisition of David & Goliath, a marketing strategies and communications solutions agency, for \$71.7 million; Publicis Healthcare Communications Group acquisition of Plowshare, an advertising agency serving non-profit organizations and government agencies; Dentsu acquisition of Swirl, an integrated marketing agency; Havas acquisition of Immerse group, a creative digital agency; and the Madison Square Garden Company's acquisition of Obscura Digital, a creative marketing and presentation solutions company.

The marketing technology subsector accounted for 12% of total marketing deal value at more than \$5 billion for 2017. Notable Q4 2017 marketing technology transactions included the: bpost acquisition of Radial, a provider of commerce technologies, omnichannel operations and marketing solutions for global retailers, for \$820 million; Marlin Equity Partners acquisition of Bazaarvoice, a provider of marketing tools to retailer and brand clients for understanding consumer voice, for \$524 million; Ascential acquisition of Clavis Technology, a provider of online and ecommerce store analytics solutions for consumer packaged goods companies; KAR Auction Services acquisition of NthGen Software, an automotive remarketing business tool, for \$125 million; and Zeta Interactive acquisition of Disqus, a comments and audience development platform, for \$90 million.

Other notable marketing services and technology transactions in Q4 2017 included the: Altran US acquisition of Aricent, a global design and engineering company, for \$2.0 billion; Nielsen acquisition of Visual IQ, a provider of hosted cross channel marketing intelligence software for marketers and advertisers; the Snap acquisition of Metamarkets Group, a provider of interactive customer analytics and related marketing automation services; and the Merkle acquisitions of David Wood and Associates, a provider of b2b digital marketing services, and Oxyma Group, a provider of omnichannel marketing services.

M&A activity for the **mobile media and technology** sector declined in both deal volume and value in 2017, to 85 transactions and \$1.7 billion in value, compared to 110 deals and \$2.4 billion in value in 2016. The sector had a relatively quiet final quarter, with only 16 deals as compared to 23 deals in Q4 2016. Notable Q4 2017 transactions included the: Apple acquisition of Shazam Entertainment, an application connecting artists and

MARKETING SERVICES & TECHNOLOGY - M&A BY SUB-SECTOR			
Industry Sub-Sector	2017		
	January - December		
	# Deals	Value (mil)	% Value
Ad Agency	105	\$10,798	25.9%
Ad Network / Ad Tech	26	\$1,141	2.7%
Content Marketing	13	\$202	0.5%
Data & Analytics	63	\$3,137	7.5%
Digital Agency	86	\$3,588	8.6%
Experiential Marketing	11	\$178	0.4%
Market Research / Consulting	86	\$15,407	36.9%
Marketing Technology	81	\$5,011	12.0%
PR Agency	23	\$330	0.8%
Social Media Marketing	12	\$194	0.5%
Video Marketing	8	\$287	0.7%
Other	60	\$1,466	3.5%
<b>Total</b>	<b>574</b>	<b>\$41,740</b>	<b>100.0%</b>

Source: JEGI Transaction Database



fans through music discovery, for \$400 million; Belgacom International acquisition of Telesign, an operator of a mobile identity company providing phone-based verification, authentication and notification services, for \$230 million; and Facebook acquisition of Midnight Labs, an operator of a mobile application that enables users to give anonymous feedback to friends.

The **software** sector saw a decline in both deal volume and value in 2017, from 572 transactions and \$51.8 billion in value in 2016 to 451 transactions and \$30.1 billion in value this year. 2016 saw numerous multi-billion dollar deals that were not matched in 2017, including the \$9.1 billion Oracle acquisition of NetSuite and KKR acquisition of Epicor Software from Apax Partners for \$3.3 billion. In contrast, Q2 and Q3 2017 saw only one \$1+ billion software transaction: the acquisition of Syncsort by Centerbridge Partners for \$1.3 billion. The software sector saw an uptick in activity in Q4, with notable deals including the: Express Scripts acquisition of eviCore Healthcare, a medical benefits management SaaS platform, for \$3.6 billion; Cisco acquisition of BroadSoft, a managed communications software and services platform, for \$1.7 billion; Elliott Management acquisition of Gigamon, an enterprise network management software platform, for \$1.6 billion; and Thoma Bravo acquisition of Barracuda Networks, a security appliances and software provider, for \$1.6 billion.

Deal value in the **tech-enabled services** sector increased more than twofold in 2017, up 107% to \$53.4 billion in 2017 from \$25.8 billion in 2016. Deal volume in the sector increased as well, with 450 deals in 2017 as compared to 390 in 2016. The substantial increase in deal value can be attributed to several multi-billion dollar transactions, including the Vantiv acquisition of Worldpay Group for \$11.9 billion; the Cisco acquisition of AppDynamics for \$4.0 billion, and the Walt Disney acquisition of BAM Technologies for \$1.6 billion. The sector had a strong finish to 2017, seeing multiple \$1+ billion deals in Q4 including the: Iron Mountain acquisition of IO Data Centers, a provider of colocation and cloud-hosted services, for \$1.3 billion; Forum Merger Corporation acquisition of ConvergeOne, a provider of communications integration and managed services, for \$1.2 billion; Siris Capital Group acquisition of Intralinks Holdings, a provider of SaaS solutions for secure enterprise content collaboration, for \$1.1 billion; and the Total System Services acquisition of Cayan, a provider of payment technologies and processing solutions, for \$1.0 billion.

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## 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 650 high-profile M&A and financing transactions, serving global corporations; middle-market and emerging companies; entrepreneurs; and private equity and venture capital firms. For more information, visit [www.jegi.com](http://www.jegi.com).