

PRESS RELEASE

Press Launch Date:
New York, NY June 30, 2016

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



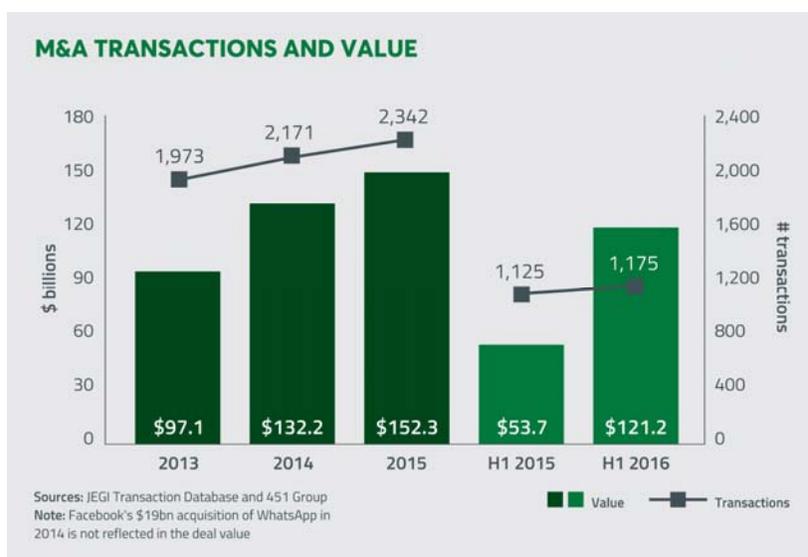
JEGI H1 2016 M&A OVERVIEW

M&A Market Defies Global Economic Uncertainty and Remains Robust in First Half of the Year

Against a backdrop of uncertainty in the global economy, including the fall-out from the surprising UK vote to separate from the EU, strong merger and acquisition activity continued across media, information, marketing, software and tech-enabled services in the first half of 2016, with 1,175 transactions announced at a combined value of \$121.2 billion.

Led by Microsoft's announced acquisition of LinkedIn for more than \$29 billion, deal value increased 126% over H1 2015, which generated \$53.7 billion.

Deal volume across these sectors exceeded H1 2015 (1,125 transactions) by 4% in the first half of 2016, according to JEGI, the leading independent investment bank serving these core markets.



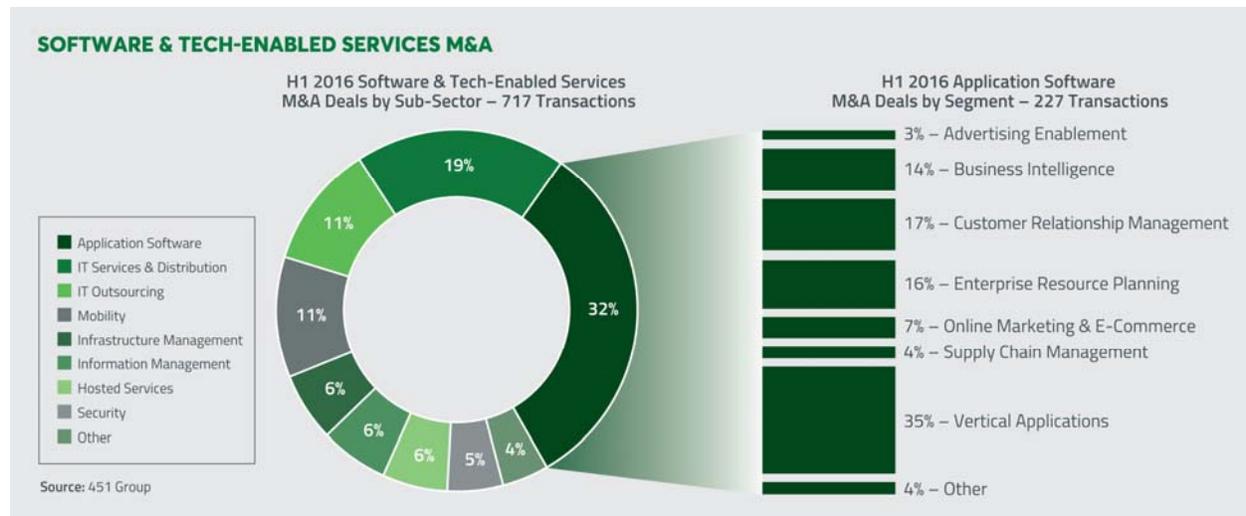
Software & Tech-Enabled Services

The Software & Tech-Enabled Services sector led in both deal activity and value, with 717 transactions valued at \$48.7 billion in the first half of the year. The chart below shows a breakdown of deal volume for this dynamic sector.

Application software was the most active sub-sector, accounting for nearly one-third of deal volume. Notable application software transactions in Q2 2016 included the: Thoma Bravo acquisition of QlikTech, provider of business intelligence analytics software, for \$3 billion; Francisco Partners and Elliott Management acquisition of Dell's corporate IT management software for an estimated \$2 billion; Veritas Capital acquisition of Verisk Health, provider of data services and technologies to improve workflow for healthcare providers, for \$820 million; and several large marketing technology deals that are described below.

The chart below shows a further breakdown of the segments within the application software sub-sector. Vertical applications saw the most deal volume (35%), followed by customer relationship management (17%), enterprise resource planning (16%) and business intelligence (14%).

Following application software, IT services and distribution (19%) was the second most active sub-sector in Software & Tech-Enabled Services and saw CSC's \$6 billion acquisition of HP's Enterprise IT Services division. The next most active sub-sectors were mobility and IT outsourcing, both at 11%.



Marketing Services & Technology

By deal volume, Marketing Services & Technology was the second most active sector in H1 2016, with 333 transactions worth \$13.3 billion. Not surprisingly, nearly half of the deal value was generated in the red-hot marketing technology sub-sector, which saw \$6.5 billion of value across 57 deals. Headline marketing technology deals in the second quarter of 2016 included Salesforce's \$2.9 billion acquisition of Demandware, provider of enterprise cloud commerce technology and services, and Vista Equity Partners' \$1.8 billion buyout of Marketo, provider of cloud-based engagement marketing software.

New market entrants played a significant role in both traditional and digital agency M&A, which accounted for a combined 90 transactions totaling \$1.9 billion. Accenture acquired digital agency IMJ in Q2 and Deloitte Digital acquired ad agency Heat in Q1. IBM was also an active agency acquirer in H1 2016, purchasing three, including leading digital creative agency Resource/Ammirati in Q1 (a JEGI transaction).

MARKETING SERVICES & TECHNOLOGY - M&A BY SUB-SECTOR			
Industry Sub-Sector	2016 January - June		
	# Deals	Value (mil)	% Value
Ad Agency	49	\$674	5.1%
Ad Network / Ad Tech	14	\$721	5.4%
Content Marketing	8	\$148	1.1%
Data & Analytics	39	\$996	7.5%
Digital Agency	41	\$1,225	9.2%
E-Commerce	10	\$82	0.6%
Experiential Marketing	8	\$74	0.6%
Lead Generation	7	\$263	2.0%
Market Research/Consulting	23	\$659	5.0%
Marketing Technology	57	\$6,541	49.4%
Mobile Marketing	8	\$185	1.4%
Out-of-Home Marketing	12	\$635	4.8%
PR Agency	16	\$107	0.8%
Social Media Marketing	16	\$73	0.6%
Video Marketing	7	\$164	1.2%
Other	18	\$704	5.3%
Total	333	\$13,252	100.0%

Source: JEGI Transaction Database



Looking Ahead

Even during a tumultuous global ecosystem, driven by the landmark “Brexit” vote and the upcoming U.S. presidential election, we expect that the M&A market will continue to flourish. The U.S. economy, while not as historically strong from a growth rate perspective, is relatively stable, with low unemployment, strong corporate balance sheets, ample dry powder among strategic corporations and private equity firms, and robust debt markets. As well, China based companies continue outbound acquisition and investment, and Chinese investment in the U.S. so far in 2016 has already surpassed all of 2015’s total. A current JEGI engagement is in post-LOI exclusivity with a Chinese group, and there are several other Chinese groups (both strategic and financial) actively bidding on live JEGI engagements. Bottom line – there are a number of positive indicators, all pointing toward a vibrant M&A market.

JEGI Activity in Q2 2016

JEGI saw a strong start to the year, with nine deal closings to date and several others in the final stages. In the second quarter, we represented PrizeLogic, the leader in digital engagement programs for major brands, in a significant investment from Pamlico Capital; Evanta, provider of leadership development and collaborative exchange programs for Fortune 1000 C-suite executives and a Leeds Equity Partners portfolio company, in its sale to CEB for \$275 million; Bisnow, North America’s leading producer of commercial real estate news and events, in its sale to private equity firm Wicks Group; and Business Journals, Inc. (BJI), an integrated media company with a focus on fashion trade shows, in its sale to UBM for \$69 million. We also represented a leading data-driven marketing technology and intelligence platform in a significant investment from an undisclosed investor (this deal has not been announced). Stay tuned for additional deal announcements in the coming weeks.

M&A Highlights for H1 2016

M&A activity for the **b2b media and technology** sector saw exponential growth in deal value in the first half of 2016, thanks to Microsoft’s \$29.4 billion acquisition of LinkedIn. Removing that mega deal from the results, deal value in the sector was down 75% in H1 2016 vs. H1 2015, as there were few other large transactions in the sector. Deal volume rose 14% to 50 deals, compared to 44 in H1 2015, with notable transactions including: Bankrate’s acquisition of NextAdvisor, reviews and ratings of online services, for approximately \$210 million; Wasserstein’s acquisition of Northstar Travel Group, B2B information and marketing solutions for the travel and meetings industries, from Wicks Group; and Wicks Group’s acquisition of Bisnow (a JEGI transaction, as described above).

Deal volume in the **consumer media and technology** sector increased slightly in H1 2016, with 107 transactions vs. 100 in the same period of 2015. Deal value, however, dropped significantly, to \$3.9 billion vs. 2015’s \$9.1 billion, which was fueled by Verizon’s \$4.8 billion acquisition of AOL. Notable transactions in Q2 2016 included the: Rovi acquisition of TiVo, video solutions to enable viewers to consume content across various screens, for approximately \$1.9 billion; Hearst Ventures and Verizon joint acquisition of Complex Media, an online publisher catering to young men, for an estimated \$250 million; and Stubhub’s acquisition of TICKETBIS, an online platform where users can buy and sell event tickets, for a reported \$165 million.

The **database and information services** sector saw a 13% decline in number of transactions announced in H1 2016 vs. H1 2015, with 27 deals compared to 31 last year. However, transaction value increased dramatically in 2016 to \$34.2 billion, due to several mega deals, including Quintiles Transnational Holdings’ \$13.5 billion acquisition of IMS Health, provider of information and technology services to the healthcare industry, in Q2, and the Q1 announced merger of global information company IHS and financial information services provider



Markit, with an estimated deal value of \$10.3 billion. Other notable Q2 deals included: GIC and Silver Lake's large investment in Ancestry.com, the subscription-based provider of family history information, valued at \$2.6 billion; General Atlantic's acquisition of a majority stake in Argus Media, a provider of business intelligence and market data for energy and commodities, valued at approximately \$1.5 billion; and XIO Group's acquisition of J.D. Power & Associates, which tracks consumer satisfaction and buyer behavior on products and services, from S&P Global for \$1.1 billion.

JEGI M&A ACTIVITY BY SECTOR						
Sector	2015		2016		% Change	
	January - June		January - June		# Deals	Value
	# Deals	Value (mil)	# Deals	Value (mil)		
B2B Media & Technology	44	\$3,086	50	\$30,190	14%	878%
Consumer Media & Technology	100	\$9,053	107	\$3,937	7%	(57%)
Database & Information Services	31	\$3,936	27	\$34,205	(13%)	769%
Exhibitions & Conferences	42	\$2,502	32	\$2,341	(24%)	(6%)
Marketing Services & Technology	278	\$12,673	333	\$13,252	20%	5%
Mobile Media & Technology	87	\$2,388	66	\$1,566	(24%)	(34%)
Software & Tech-Enabled Services	708	\$28,404	717	\$48,735	1%	72%

Sources: JEGI Transaction Database and 451 Group

Notes: Some Software & Tech-Enabled Services transactions are also duplicated in some of the other sectors

M&A activity in the **exhibitions and conferences** sector saw a 24% decline in deal volume and a more modest decline of 6% in deal value in the first half of 2016, with 32 transactions totaling \$2.3 billion in 2016 vs. 42 deals and \$2.5 billion in value in the same period of 2015. Following a weak first quarter, there were several notable deals in Q2 2016, including the: Vista Equity Partners buyout of Cvent, corporate event management software and solutions, for \$1.6 billion; CEB acquisition of Evanta from Leeds Equity for \$275 million (a JEGI transaction, as described above); UBM acquisition of Business Journals, Inc. (BJI) for \$69 million (a JEGI transaction, as described above); and Snow Phipps Group acquisition of ECRM, a platform that enables efficient buyer/seller interactions, from BV Investment Partners.

The **marketing services and technology** sector continues to be very active, with 333 transactions worth \$13.3 billion in value for H1 2016, up from H1 2015's 278 deals and \$12.7 billion in value. Several notable transactions are mentioned above in the Marketing Services & Technology segment. Other notable deals in the second quarter of 2016 included: Axel Springer's acquisition of eMarketer, provider of data and insights on digital marketing, media and commerce, for \$242 million; IBM's acquisition of Bluewolf Group, a Salesforce consulting firm, for \$240 million; Gannett's acquisition of ReachLocal, provider of online marketing and lead generation solutions, for \$170 million; OpenText's acquisition of the customer experience software assets of HP for approximately \$170 million; Pamlico Capital's significant investment in PrizeLogic (a JEGI transaction, as described above); and Nielsen's acquisition of Repucom, provider of sports measurement and intelligence solutions.



M&A activity for the **mobile media and technology** sector declined in both deal volume and value in the first half of 2016, to 66 transactions and \$1.6 billion in value, compared to 87 deals and \$2.4 billion in H1 2015. Notable Q2 2016 deals included the: Spearhead Integrated Marketing Communication Group acquisition of Smaato, a real-time mobile advertising platform, for \$148 million; Spin Master acquisition of TOCA BOCA, developer of children’s mobile apps, from Bonnier Corporation for a reported \$100 million; Verizon acquisition of Telogis, provider of location-based software to manage mobile resources; and Reserve Media acquisition of Dash, provider of mobile point-of-sale payment solutions.

The **software and tech-enabled services** sector remained relatively flat in deal volume with 717 transactions in H1 2016 vs. 708 in H1 2015. Deal value, however, sharply increased by more than 70% to \$48.7 billion, led by several mega transactions, including those listed in the Software & Tech-Enabled Services segment above, as well as several others in the IT services and IT outsourcing sub-sectors. Additional notable transactions in Q2 included: Oracle’s acquisition of Opower, provider of customer engagement and energy efficiency cloud services to utilities, for approximately \$550 million; Accel-KKR’s acquisition of SciQuest, provider of supply chain management software and services, for approximately \$500 million; and OpenText’s acquisition of Recommind, provider of e-discovery and information management solutions, for \$163 million.

ABOUT JEGI

JEGI has been the leading independent investment bank for the global media, information, marketing, software and tech-enabled services sectors for more than 28 years. Headquartered in New York, with offices in Boston and London (via its partnership with **Clarity**), JEGI has completed more than 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.