

PRESS RELEASE

Press Launch Date:
New York, NY April 4, 2017

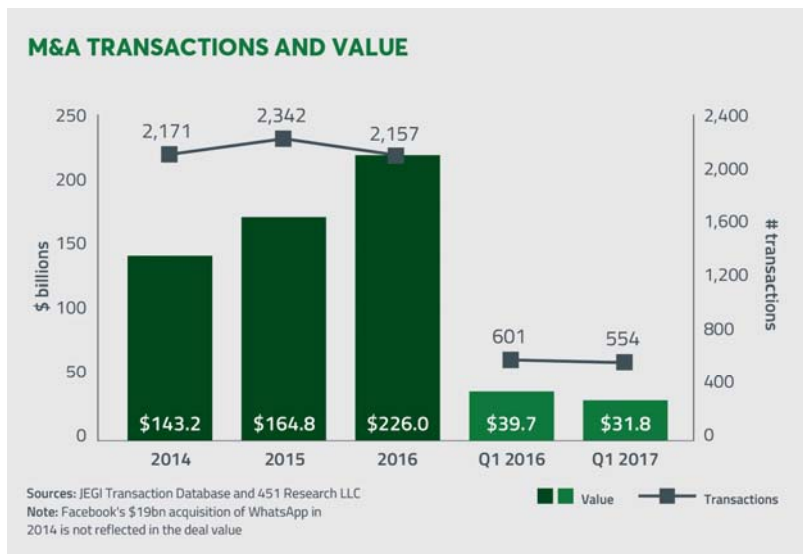
Contact: Adam Gross, Chief Marketing Officer
+1 212 754 0710 | adamg@jegi.com | www.jegi.com



JEGI Q1 2017 M&A OVERVIEW

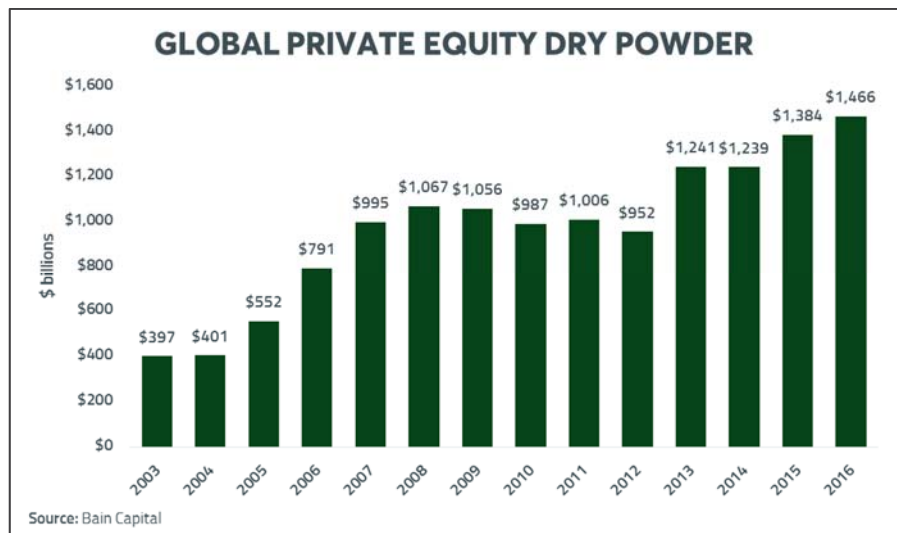
Deals Ramping Up in 2017

In the first quarter of 2017, mergers and acquisitions across the media, information, marketing, software and tech-enabled services sectors totaled 554 announced transactions accounting for \$31.8 billion. While this did not match the Q1 2016 level of 601 deals for \$39.7 billion (which included the IHS/Markit merger for \$6.3 billion and Leidos Holdings' \$5 billion acquisition of Lockheed Martin assets), March 2017 saw a noticeable pickup in activity. This follows three straight years of strong M&A growth, with transaction value reaching more than \$200 billion in 2016, according to JEGI, the leading independent investment bank serving these core markets.



Increased Activity from Private Equity Acquirers

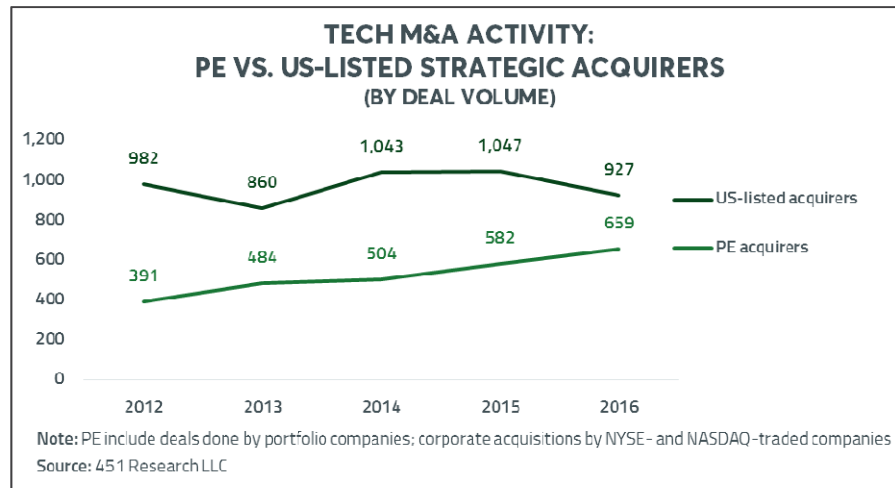
One leading indicator of robust M&A activity is the increasing number of private equity funds. According to Preqin, which provides data and intelligence for the alternative assets industry, the pool of PE firms continues to widen, bringing more potential buyers to market. The 2017 Preqin Global Private Equity & Venture Capital Report states, "A record number of private equity funds are currently in market: 1,829 funds are seeking an





aggregate \$620 billion.” These firms are sitting on an unprecedented level of uninvested “dry powder,” which is approaching nearly \$1.5 trillion globally, according to Bain’s most recent report (see accompanying chart on previous page).

451 Research, a technology-focused research firm, also sees this trend across tech M&A, with strong growth in private equity firms acquiring technology companies. “In the history of the industry, there have never been more tech-focused buyout shops that have had access to more capital, collectively, than right now,” states 451 Research in a recent article.



The growth in the number of financial buyers and the large amount of uninvested capital are positive signs for the overall M&A market, as it will drive competition for assets, support strong valuations and increase certainty to close for sellers.

Looking Ahead

Market conditions are favorable for robust M&A for the remainder of the year. The Conference Board announced that the Consumer Confidence Index hit its highest level in March since December 2000. Separately, the Bureau of Labor Statistics reported that February saw 235,000 new jobs created, with an unemployment rate in the US of 4.7%, while average hourly earnings increased 2.8%.

The positive jobs report cleared the path for a modest interest rate hike by the Federal Reserve in March, with more rate increases expected in 2017, given the Fed’s positive economic outlook. According to Ray Shu, Managing Director & Head of Originations, TMT at Capital One, and sponsor of the 2017 JEGI Media & Technology Conference, “The recent rate hike by the Fed had little impact on the debt markets, given that we’re coming off historically low interest rates, over a prolonged period of time. Investors continue to focus on the strong underlying fundamentals driving the growth of a company.”

The credit markets have been strong, especially for assets with EBITDA greater than \$10 million. Mr. Shu also stated, “Debt multiples were strong in January, and we are now 0.25x-0.50x higher, especially for companies with recurring revenue models that provide visibility into 2017 budgets. Liquidity remains robust in both the debt and private equity markets, and debt multiples are likely to remain high, helping to drive strong M&A activity in 2017.”

Matt Porzio, VP, Strategy & Product Marketing at Intralinks, another conference sponsor, is also bullish on global M&A activity this year, particularly given the growing number of cross-border buyers that are closing deals. With record amounts of cash on hand, we expect both strategic and financial buyers to continue to be very active throughout the year.



JEGI Activity in 2017

JEGI has seen a strong start to the year, with five deal closings and several other transactions on the brink of completion. We represented Active Interest Media, a portfolio company of Wind Point Partners, in its sale of Yachting Promotions, the largest boat show operator in the US, to Informa; Dun & Bradstreet, the global provider of business data, insights and analytics, in its acquisition of Avention, a leading business intelligence and software platform for sales acceleration and a portfolio company of GTCR; and Framestore, a leading global VFX and CG content production company, in the sale of a 75% stake to a consortium of Chinese investors led by Cultural Investment Holdings (the JEGI | Clarity investment banking platform represented Framestore in this transaction). Stay tuned for additional deal announcements in the coming months.

M&A Highlights in Q1 2017

M&A activity for the **b2b media and technology** sector saw strong growth in deal value in the first quarter of 2017, totaling \$899 million vs. \$262 million in Q1 2016, led by a couple of sizeable transactions, including the Atlassian acquisition of Trello, provider of online applications to help teams stay organized and communicate on projects, for \$425 million; Infopro Digital's acquisition of the Insight division of Incisive Media, which includes the Risk.net and Insurance Post brands, for approximately \$150 million; and the Airbnb acquisition of Tilt.com, a funding platform for brands and businesses to collect money, for a reported \$60 million.

M&A ACTIVITY BY SECTOR						
Sector	2016		2017		% Change	
	January - March		January - March		# Deals	Value
	# Deals	Value (mil)	# Deals	Value (mil)		
B2B Media & Technology	25	\$262	26	\$899	4%	243%
Consumer Media & Technology	54	\$939	66	\$3,516	22%	274%
Database & Information Services	11	\$14,977	15	\$4,465	36%	(70%)
Exhibitions & Conferences	19	\$206	18	\$458	(5%)	122%
Marketing Services & Technology	194	\$4,527	160	\$4,683	(18%)	3%
Mobile Media & Technology	45	\$1,115	39	\$586	(13%)	(47%)
Software	147	\$6,617	111	\$7,005	(24%)	6%
Tech-Enabled Services	106	\$11,052	119	\$10,200	12%	(8%)
TOTAL	601	\$39,695	554	\$31,812	(8%)	(20%)

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

Deal volume in the **consumer media and technology** sector jumped to 66 transactions in Q1 2017 vs. 54 deals in Q1 2016. Deal value for the quarter rose exponentially to \$3.5 billion, up from \$939 million in Q1 2016, due to several large transaction announcements, including the: Amazon acquisition of Souq.com, a competing e-commerce platform serving the Middle East and North Africa, for \$650 million; Priceline/Kayak acquisition of Momondo Group, operator of a travel search site, from Great Hill Partners for \$550 million; KKR acquisition of Travelopia, operator of a travel and tours website, for approximately \$400 million; and Hubert Burda Media acquisition of Immediate Media, publisher of special interest magazines, from Exponent Private Equity for \$330 million.



The **database and information services** sector increased in deal volume in the first quarter of 2017, with 15 transactions, compared to 11 deals in the same period of 2016. Deal value, however, saw a significant drop in Q1 2017 from Q1 2016's \$15 billion. This was due in large measure to the IHS/Markit merger for \$6.3 billion that was announced in Q1 2016. Notable Q1 2017 deals included the: Gartner acquisition of CEB, best practices and insights company, for approximately \$3.5 billion; FactSet Research acquisition of BI-SAM Technologies, platform for multi-asset portfolio and market risk analysis and reporting, for \$205 million; Euromoney acquisition of RISI, information and data provider for the global forest products industry, for \$125 million; and Pamlico Capital acquisition of Winsight, provider of market intelligence for the food industry.

M&A activity in the **exhibitions and conferences** sector was relatively steady in terms of deal volume with 18 deals in Q1 2017 vs. 19 deals in the first quarter of 2016. Deal value, however, more than doubled to \$458 million in Q1 2017, over Q1 2016's \$206 million, fueled by the Informa acquisition of Yachting Promotions, the largest operator of yachting and boat shows in the U.S., from Active Interest Media (AIM) for \$133 million (JEGI represented AIM in this transaction). Other notable transactions in the first quarter of 2017 included the: Tarsus acquisition of a majority stake in Foshan Huaxia Textile Development, a home textiles exhibition, for a valuation of nearly \$40 million; Clarion Events acquisition of RetailEX ASEAN, a fast-growing trade exhibition serving retailers in the ASEAN region; and Viad/Global Experience Specialists acquisition of event management technology platform Poken.

The **marketing services and technology** sector continues to be very active, with 160 transactions accounting for \$4.7 billion in value in Q1 2017. Deal count was down 18% from Q1 2016's 194 transactions, though the sector was still the most active for the quarter. Deal value rose slightly, driven by marketing technology transactions, which accounted for 25% of deal value in the sector, with 21 deals worth \$1.2 billion. This sub-sector saw the largest deal of the quarter, which was the Capitol Acquisition Corp. acquisition of a 32% stake in Cision, provider of marketing campaign software for public relations professionals, from GTCR at an enterprise value of \$2.4 billion. In addition, JEGI represented Dun & Bradstreet in its acquisition of Avention, a leading business intelligence and software platform for sales accretion, from GTCR for an undisclosed sum.

MARKETING SERVICES & TECHNOLOGY - M&A BY SUB-SECTOR			
Industry Sub-Sector	2017 January - March		
	# Deals	Value (mil)	% Value
Ad Agency	36	\$1,013	21.6%
Ad Network / Ad Tech	9	\$416	8.9%
Content Marketing	4	\$59	1.3%
Data & Analytics	24	\$545	11.6%
Digital Agency	17	\$377	8.0%
Experiential Marketing	3	\$44	0.9%
Market Research / Consulting	21	\$729	15.6%
Marketing Technology	21	\$1,171	25.0%
PR Agency	10	\$109	2.3%
Social Media Marketing	3	\$44	0.9%
Video Marketing	4	\$48	1.0%
Other	8	\$128	2.7%
Total	160	\$4,683	100.0%

Source: JEGI Transaction Database

Agency deals, both traditional and digital, accounted for 30% of deal value in the marketing services and technology sector. The leading agency transaction in Q1 2017 was the Bain Capital Private Equity and Yonghui Superstores joint acquisition of Daymon Worldwide, provider of strategy, branding, and consumer experience marketing services for retailers, for \$413 million.



Other notable transactions in Q1 2017 included the: SingTel/Amobee acquisition of ad tech platform Turn for \$310 million; Deluxe acquisition of First Manhattan Consulting Group, provider of strategic and operational consulting services, for \$200 million; Huron Consulting Group acquisition of Innosight, provider of strategy and growth consulting services in business, education and healthcare, for \$134 million; Accenture acquisition of SinnerSchrader, a digital agency based in Germany, for approximately \$113 million; and W Capital Partners and Georgian Partners joint acquisition of Vision Critical Communications, a customer intelligence platform, for an undisclosed sum.

M&A activity for the **mobile media and technology** sector declined in both deal volume and value in Q1 2017, to 39 transactions and \$586 million in value, compared to 45 deals and \$1.1 billion in Q1 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 Q1 2017 transactions included the: MeetMe acquisition of social and mobile technology company If(we) for \$60 million; Yelp acquisition of restaurant reservation mobile application Nowait for \$40 million; Crawford acquisition of Wegolook, a mobile application for third-party verification for inspections and custom tasking, for approximately \$40 million; and Apple acquisition of mobile application DeskConnect, a.k.a. Workflow, which enables users to build custom actions involving multiple applications at once.

The **software** sector saw an approximate 25% decline in deal volume, with 111 transactions in Q1 2017 vs. 147 in Q1 2016. Deal value, however, increased slightly to \$7 billion over Q1 2016's \$6.6 billion. Notable deals in the first quarter of 2017 included the: Keysight Technologies acquisition of enterprise networking performance testing company Ixia for nearly \$1.8 billion; Clearlake Capital Group acquisition of LANDESK Software, provider of systems and security management software, from Thoma Bravo for \$1.2 billion; McKesson acquisition of medication authorization software company CoverMyMeds for approximately \$1.4 billion; Hewlett Packard Enterprise acquisition of SimpliVity, provider of backup and recovery storage systems, for \$650 million; and CA Technologies acquisition of Veracode, provider of application vulnerability testing software, for \$614 million.

The **tech-enabled services** sector led the quarter in terms of deal value, totaling \$10.2 billion, although this was an 8% decline vs. Q1 2016's \$11.1 billion. Deal volume, however, saw an uptick to 119 deals, compared to 106 in the same period of 2016. Notable transactions in Q1 2017 included the: Cisco acquisition of AppDynamics, an integrated suite of software application and IT infrastructure monitoring and analytics products, for approximately \$4 billion; Quinpario Acquisition Corp. acquisition of Novitex Enterprise Solutions and SourceHOV, providers of outsourced IT services, from Apollo Global for \$2.8 billion; Veritas Capital acquisition of Harris Corporation's government IT services business for \$690 million; KeyW acquisition of Sotera Defense Solutions, provider of defense agency systems integration services, from Ares Management for \$235 million; and STG Group acquisition of IT and outsourced services provider Preferred Systems Solutions for approximately \$120 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.