2018 is off to a strong start for mergers and acquisitions across media, information, marketing, software and tech-enabled services, with more than 500 announced transactions in the first quarter totaling $71.1 billion, a 124% increase over Q1 2017.

Though the number of transactions is down 7%, from 554 in Q1 2017 to 516 in Q1 2018, deal volume is up from 473 transactions in Q4 2017, and the deals being announced and completed are of higher average value.

The largest transactions in 2018 included the Thomson Reuters sale of its Financial and Risk Business to GIC, Canada Pension Plan Investment Board, and Blackstone Group for $11.0 billion; the General Dynamics acquisition of CSRA for $6.9 billion; and the Salesforce acquisition of Mulesoft for $6.8 billion. In total, Q1 2018 saw 11 $1+ billion (megadeal) transactions, as compared to only six in Q1 2017, totaling $50 billion.
Of the 516 announced deals in Q1, 11 transactions are valued at over $1 billion, up 83% from the six $1+ billion deals that were announced in Q1 2017. 2018’s Q1 megadeals totaled $50 billion, a 257% increase from Q1 2017’s $14 billion in megadeal value.

Buyers in the group of megadeals were predominately strategic, though the four financial buyers represented $18 billion of the total $50 billion of capital invested among these 11 transactions. Comparatively, Q1 2017’s six megadeals contained only one financial buyer accounting for $1.2 billion of value. This increase in financial buyer activity is in line with insights from Bain & Company’s annual Global Private Equity Report, which states that although private equity firms maintain a very small share of the global M&A market - completing only 13% of transactions by value and 8% by deal count in 2017 - financial buyer activity has been increasing, specifically within corporate carve-outs, sponsor-to-sponsor deals, and public-to-private transactions. The report also states that global dry powder has been on the rise since 2012, and hit a record $1.7 trillion as of December 2017. The increasing willingness of PE firms to take on challenging M&A situations provides them with more opportunities to utilize this record $1.7 trillion of uninvested capital, while also creating a very attractive M&A environment for sellers.

Q1 Megadeals Dominated by Tech-Enabled Services

The tech-enabled services sector dominated the quarter’s megadeals, both in deal volume and in transaction value. Tech-enabled services accounted for five transactions totaling $24 billion in value, or approximately 48%, of the $50 billion total, substantially more than any other sector reporting a megadeal. Two of these
transactions are also in the top three largest deals of 2018, and with $6+ billion values, will likely remain in
the top 20 transactions of 2018. Tech-enabled services sector megadeals have increased 150% in deal volume
and 253% in deal value from Q1 2017, which saw two transactions surpass $1+ billion in the sector (out of six
megadeals across all sectors) for $6.8 billion in value. The Q1 2017 megadeals in the tech-enabled services
sector were the $4.0 billion Cisco acquisition of AppDynamics, and a special purpose acquisition company
(SPAC) that combined Novitex Enterprise Solutions and SourceHOV for $2.8 billion.

Overall, the tech-enabled services sector saw a strong quarter, with total deal value (for all transactions)
increasing 207%, from $10.2 billion in Q1 2017 to $31.3 billion in Q1 2018. Deal volume in the sector stayed
relatively flat quarter over quarter.

In addition to the aforementioned megadeals, other notable announced Q1 deals in the sector include the:
OnAssignment acquisition of ECS Federal, a provider of technology services and solutions to US Government
departments and agencies, for $775 million; Aegis Limited acquisition of StarTek, a provider of business
process outsourcing services, for $578 million; R1 RCM acquisition of Intermedix, a transaction processing
software and services solution, for $460 million; Exponent Private Equity acquisition of Gartner’s CEB Talent
Assessment Business, for $400 million; Warburg Pincus acquisition of Fiserv’s lending solutions business for
$359 million; West Corporation acquisition of NASDAQ’s public relations and digital media divisions for $335
million; E2open acquisition of Amber Road, a provider of cloud-based global trade management solutions, for
$323 million; Silver Lake Partners acquisition of WPEngine, a provider of managed WordPress hosting, for
$250 million; Clearlake Capital acquisition of ProVation Medical from Wolters Kluwer Health, which provides
decision support and procedure documentation solutions, for $180 million; Virtusa acquisition of
eToch Systems, a technology company specializing in digital web services engineering, for $126 million; and
the K1 Investment Management acquisition of Clarizen, a collaborative work management solution, for $110
million.

**JEGI Activity in 2018**

JEGI has had a strong start to the year, with three transactions closing and more expected in the coming
weeks. JEGI | CLARITY represented Kimble Applications, a global leader in professional services automation,
in a significant investment from Accel-KKR. JEGI also represented Answers Corporation in its sale of
Webcollage, a leading product content management SaaS platform for global brands and retailers, to
Gladson, a Wicks portfolio company; and Hargrove, a leading experiential events and exhibitions production
company, in its sale to PSAV, a portfolio company of Goldman Sachs and Olympus Partners.

**Looking Ahead**

The economic outlook for 2018 points to favorable conditions for M&A throughout the remainder of the
year. Consumer and business confidence levels remain strong, with The Conference Board Consumer
Confidence Index standing at 127.7 in March. Lynn Franco, Director of Economic Indicators at The Conference
Board said, “Consumer confidence declined moderately in March after reaching an 18-year high in
February...Consumers’ assessment of current conditions declined slightly, with business conditions being the
primary reason for the moderation. Consumers’ short-term expectations also declined, including their
outlook for the stock market, but overall conditions remain quite favorable. Despite the modest retreat in confidence, index levels remain historically high and suggest further strong growth in the months ahead.”

The Bureau of Labor Statistics reported that total nonfarm payroll employment increased 313,000 in February, far exceeding economists’ forecasts of 200,000 for the month. US unemployment continues to stand at 4.1%, the lowest rate in 17 years. February wages fell short of expectations, rising only 0.1% for the month and 2.6% on an annualized basis. This slower-than-expected wage growth, combined with a modest 0.2% increase in the Consumer Price Index, allayed any fears of inflation and suggested that the Fed’s initial forecast of three rate hikes in 2018 should remain intact.

The National Federation of Independent Businesses (“NFIB”) Index of Small Business Optimism reached a record high of 107.6 in February, suggesting unprecedented confidence in the economy among small business owners. NFIB President and CEO Juanita Duggan said, “When small business owners have confidence and certainty in the economy, they’re able to hire more workers and invest in their business...The historically high readings indicate that policy changes – lower taxes and fewer regulations – are transformative for small businesses. After years of standing on the sidelines and not benefiting from the so-called recovery, Main Street is on fire again.” 43% of small business owners expect the economy to improve, 34% have current job openings, 32% believe now is a good time to expand, 29% have plans to make capital outlays and 28% expect their real sales to be higher. As in prior economic cycles, healthy consumer and small business confidence underpins a strong M&A environment.

M&A Highlights in Q1 2018

<table>
<thead>
<tr>
<th>M&amp;A ACTIVITY BY SECTOR</th>
<th>2017 January - March</th>
<th>2018 January - March</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td># Deals</td>
<td>Value (mil)</td>
<td># Deals</td>
</tr>
<tr>
<td>B2B Media &amp; Technology</td>
<td>26</td>
<td>$999</td>
<td>18</td>
</tr>
<tr>
<td>Consumer Media &amp; Technology</td>
<td>66</td>
<td>$3,516</td>
<td>44</td>
</tr>
<tr>
<td>Database &amp; Information Services</td>
<td>15</td>
<td>$4,465</td>
<td>12</td>
</tr>
<tr>
<td>Exhibitions &amp; Conferences</td>
<td>18</td>
<td>$458</td>
<td>16</td>
</tr>
<tr>
<td>Marketing Services &amp; Technology</td>
<td>160</td>
<td>$4,683</td>
<td>146</td>
</tr>
<tr>
<td>Mobile Media &amp; Technology</td>
<td>39</td>
<td>$586</td>
<td>16</td>
</tr>
<tr>
<td>Software</td>
<td>111</td>
<td>$7,005</td>
<td>146</td>
</tr>
<tr>
<td>Tech-Enabled Services</td>
<td>119</td>
<td>$10,200</td>
<td>118</td>
</tr>
<tr>
<td>TOTAL</td>
<td>554</td>
<td>$31,812</td>
<td>516</td>
</tr>
</tbody>
</table>

Sources: JEGI Transaction Database and 4F1 Research LLC

Deal value in the **b2b media and technology** sector increased slightly in Q1, up 9% to $978 million from $899 million in Q1 2017. The overall number of deals, however, was down 31% from 26 in 2017 to 18 in 2018, but did see an increase from 12 deals in Q4 2017. Notable transactions in the sector include the: Trimble acquisition of e-Builder, which provides cloud-based construction program management software, for $500 million; MINDBODY acquisition of Booker Software, which offers a commerce platform and management...
software that enables businesses to sell their services online, for $150 million; Forbes acquisition of Memo, a daily online business publication; Diversified Communications acquisition of Mumbrella, an Australian marketing and media news platform; FORUM MEDIA GROUP acquisition of Trade Press Media Group, a B2B media company providing news, education, events, and technology tools for the facilities management, commercial cleaning, and rail transportation industries; Houzz acquisition of Ivy, an online business management tool for interior designers; Mark Allen Holdings acquisition of Miles Publishing Limited, a publisher of monthly business magazines and newsletters; and the Pageant Media acquisition of Institutional Investor Business Journals.

Both deal value and number of deals decreased in the consumer media and technology sector. In Q1 2017, the sector had 66 transactions with a value of $3.5 billion, whereas Q1 2018 saw 44 deals at $2.0 billion in value. Notable first quarter deals in the sector included the: Nant Capital acquisition of the Los Angeles Times and the San Diego Tribune, companies providing local news, entertainment and information in the Southern California area, for $590 million; Entertainment Studios acquisition of Weather Group Television for $300 million; Epiris Managers acquisition of Time’s UK operations from Meredith for $167 million; Francisco Partners acquisition of Discovery Education, a provider of digital content for grades K-12 and community colleges, from Discovery Communications for $120 million; Apple acquisition of Next Issue Media, a provider of applications enabling mobile and tablet access to magazines, for $85 million; Internet Brands acquisition of Avvo, an online legal marketplace that connects consumers and lawyers; Penske Media acquisition of SheKnows, a women’s lifestyle digital media platform; and the Google divestiture of Zagat, a provider of user-generated content, ratings and reviews about restaurants and nightlife.

Deal value in the database and information services sector increased 163% to $11.7 billion in Q1 2018. This increase in value was driven in large part by the $11.0 billion sale of Thomson Reuters’ Financial and Risk Business to GIC, Canada Pension Plan Investment Board and Blackstone. The number of deals declined from 15 in Q1 2017 to 12 in Q1 2018. Other notable deals in the sector include the: Silver Lake Partners and Battery Ventures acquisition of Environmental Data Resources, an environmental risk data SaaS service, for $205 million; Quip acquisition of Attic Labs, the operator of a database software called Noms; NIKE acquisition of Zodiac, a predictive analysis solution that accurately forecasts individualized customer lifetime value based on real-time sales data; S&P Global Market Intelligence acquisition of Panjiva, a provider of business intelligence and big data analytics of global supply chain activity and relationships; ATTOM Data Solutions acquisition of Onboard Informatics, a provider of real estate data information services; Verisk Analytics acquisition of Business Insights, a provider of research and analysis on the change and disruption in areas of key trends; and the Ford Smart Mobility acquisition of TransLoc, a provider of real-time information to transit systems of municipalities and universities.

The exhibitions and conferences sector saw an unprecedented increase of 1,320% in deal value, to $6.5 billion in 2018 from just $458 million in 2017. This impressive increase was driven by the groundbreaking Informa acquisition of UBM for $6.3 billion. This deal alone is nearly three times the value of all deals in the sector for all of 2017. The number of deals decreased slightly, from 18 in 2017 to 16 in 2018. Other notable deals in the sector include the: ZMC acquisition of Dynasty Sports and Entertainment, an operator of a technology-driven analytics and solutions provider to live events right holders; AlliedPRA acquisition of Destination Nashville, a provider of destination management services; Opus Events Agency acquisition of CRG Events, an event management company; Live Nation acquisition of Frank Productions, a concert promotion company that provides services for live entertainment events; Elevation Exhibits acquisition of Exhibit Fair International, a company that operates, designs, builds and produces marketing events and trade shows; IMG
Worldwide acquisition of Exhibitions International, an operator and promoter of exhibitions of anatomical specimens; Viacom acquisition of Vidcon, an annual event for video bloggers; Clarion acquisition of the National Grocers Association Show, an exhibition serving independent retailers, wholesalers, food industry executives, food and CPG manufacturers; Shepard Exposition Services acquisition of Production Associate, a provider of comprehensive AV services for association, government, and corporate events; and the PSAV acquisition of Hargrove, a leading experiential events and exhibitions production company. JEGI represented Hargrove in this transaction.

The marketing services and technology sector continues to be very active, with 146 transactions accounting for $8.7 billion in deal value in Q1 2018. Deal volume decreased slightly, by 9% in 2018 versus the same period in 2017, but the sector saw an 85% increase in deal value. Marketing technology accounted for 34% of deal value in the sector, with $2.9 billion across 20 deals, driven in large part by the SAP America acquisition of Calidus Software, a cloud-based marketing and sales performance management solution, for $2.6 billion. Other notable deals in the subsector include the: Bynder acquisition of WebDAM, a provider of cloud-based digital asset management, brand management, and marketing fulfillment solutions, from Shutterstock for $49 million; Diversis Capital acquisition of Marketron Broadcast Solutions, a provider of software solutions and services specializing in revenue management and audience engagement solutions, for $25 million; Output Services Group acquisition of Windsor Circle, a predictive marketing platform; Inside Real Estate acquisition of Circlepix.com, a provider of marketing automation software solutions for the real estate industry; and the Gladson acquisitions of Webcollage, a leading product content management SaaS platform for global brands and retailers, and FSEnet+, a leading product data management and syndication provider. JEGI represented Webcollage in this transaction.

E-commerce transactions accounted for 13% of deal value within the marketing services and technology sector in Q1 2018. This was driven by the GCTR and Sycamore Partners acquisition of CommerceHub, a provider of cloud-based ecommerce fulfillment and marketing solutions to large retailers, marketplaces and consumer brands, for $1.1 billion. Other notable deals within the subsector include the: Salesforce acquisition of Cloudcraze, an enterprise B2B and B2C cross channel ecommerce solution; Accenture acquisition of Altima, a provider of digital commerce design services; and the Valtech acquisition of True Clarity, a leading ecommerce and experience platform services provider. JEGI’s UK partner, CLARITY, represented True Clarity in this transaction.
Digital agency deals accounted for 9.1% of deal value in marketing services and technology, with $787 million across 22 transactions. The largest deal in the subsector this quarter was the $500 million Capgemini acquisition of LiquidHub, a customer engagement company that partners with businesses to improve customer experience and drive growth. Other notable deals in the subsector include the: Salesforce acquisition of Sequence, a developer of customer experiences and builder of digital products for brands; Deloitte Digital acquisition of BrandFirst, an interactive marketing agency; GroupM acquisition of Glitch, a provider of content solutions and digital marketing services; Oliver Wyman acquisition of Draw Group, a provider of digital marketing services; and the Lieberman Research Worldwide acquisition of Strativity Group, a provider of customer experience design, cultural transformation, and strategic planning services.

The market research and consulting subsector saw 22 transactions for a value of $601 million in Q1, accounting for 6.9% of deal value in the marketing services and technology sector. This was driven by the Caixin Global Limited and CITC Capital Partners acquisition of Euromoney Institutional Investor’s Global Market Intelligence Division for $181 million, and the Phoenix Equity Partners acquisition of Capital Economics, an economic research company, for $134 million. Other notable deals in the space included the: Nielsen Media Research acquisition of Ebiquity’s Advertising Intelligence Division for $36.4 million; Capital One Financial acquisition of Notch, a technology consultancy company; Conde Nast acquisition of Lighthouse Datalab, a provider of analytics consulting and software solutions; Kantar Retail acquisition of Mash Strategy, a provider of brand strategy and growth consultancy services; EngineShop acquisition of T Burns Sports Group, a provider of consulting and international sports marketing services; EPAM Systems acquisition of Continuum, a design and consulting services company; and the Dentsu acquisition of Data Artist, a provider of marketing consulting services.

Other notable deals within the marketing services and technology sector include the: InterDigital acquisition of Technicolor’s patent licensing business for $475 million; Ocelot Partners acquisition of Ocean Outdoor, a provider of outdoor advertising services in the UK, for $275 million; Amdocs acquisition of Vubiquity, a provider of multiplatform video services, for $224 million; Endeavor Global acquisitions of NeuLion, a provider of enterprise solutions that enables the delivery and monetization of digital video content, for $240 million, and One Sixty Over Ninety, a branding and creative services agency, for $200 million; GoDaddy acquisition of Main Street Hub, an online marketing platform for local businesses, for $175 million; and the Pandora acquisition of AdsWizz, which provides a technology platform offering digital audio advertising solutions, for $145 million.

M&A activity for the mobile media and technology sector declined 59% in both deal volume and value in Q1 2018, to 16 transactions and $243 million in value, compared to 39 deals and $586 million in value in Q1 2017. Though the sector saw a relatively quiet quarter, it was dominated by large, public strategic buyers. Notable transactions in the sector included the: ADP acquisition of Work Market, a mobile application that helps companies automate work to build and scale a flexible workforce; Apple acquisition of Doe Pics Hit, a mobile iteration platform that enables users to build and deploy mobile applications and gather feedback; Nordstrom acquisition of BevyUp and Message Yes, operators of mobile clienteling and messaging applications; American Express acquisition of Mezi, a provider of executive assistant services using a text messaging interface; and the Facebook acquisition of Confirm, a provider of mobile ID authentication checks on any government-issued IDs.

Software saw an increase in both deal volume and deal value, up 32% to 146 transactions from 111 in 2017, and 38% to $9.7 billion in value from $7.0 billion in Q1 2017. Two multibillion dollar deals contributed to the
surge – the Altra Industrial Motion acquisition of Fortive’s automation & specialty business software assets for $3.0 billion, and the Platinum Equity acquisition of LifeScan, a provider of diabetes management software, for $2.1 billion from Johnson & Johnson. Other notable deals in the sector included the: S&P Global acquisition of Kensho Technologies, financial machine learning and analytics SaaS solutions, for $550 million; Thoma Bravo acquisition of Nintex Group, a business process management SaaS platform, for $540 million; Splunk acquisition of Phantom, a security automation and orchestration software and services platform, for $350 million; PeopleAdmin acquisition of Performance Matters, a student assessment and analytics SaaS platform, for $125 million; Dow Jones acquisition of RiskAverter, an anti-corruption risk assessment software solution; Jonas Software acquisition of Pike13, a membership-based business ERP SaaS solution; Paylocity acquisition of BeneFLEX, HR management software; FitBit acquisition of Twine Health, a workforce health management SaaS platform; GI Partners acquisition of Togetherwork, a payment processing and group management software solution; Daxko acquisition of Club Automation, a health club management SaaS platform; Microsoft acquisition of Chalkup Corp, an education collaboration SaaS solution; Google acquisition of Lytro, a 3D VR image capture software and cameras company; and the Accel-KKR significant investment in Kimble Applications, a global leader in professional services automation. JEGI | CLARITY represented Kimble Applications in this transaction.

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.