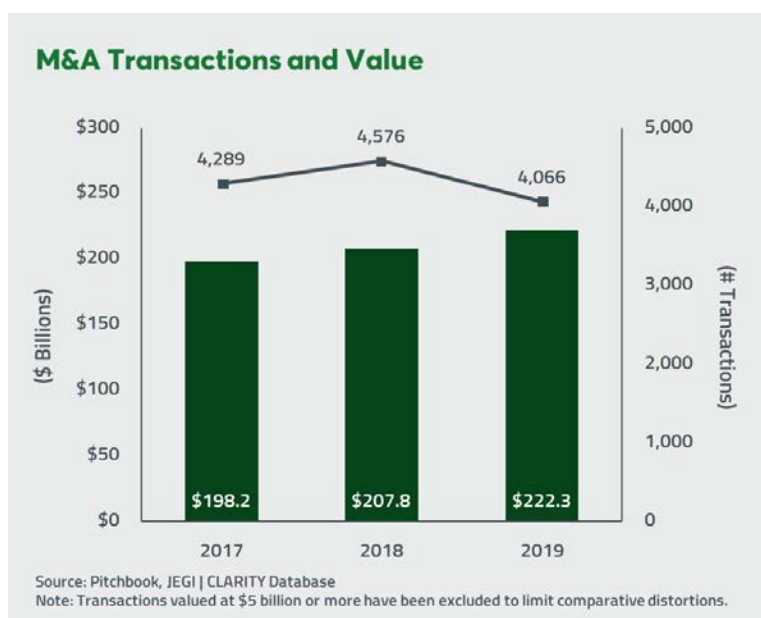


New York, NY  
March 9, 2020



Adam Gross, Managing Director  
O: +1 212 754 0710 | M: +1 917 771 9572  
adamg@jegi.com | www.jegiclarity.com

## 2019 M&A Overview



2019 saw another year of robust M&A activity, with nearly 4,100 transactions driving \$222 billion of deal value. While deal value was up 7% year-over-year, the number of transactions declined 11%. This was primarily due to a decline in the number of PE exits in 2019, despite US PE fundraising hitting record highs. More than \$300 billion was raised for the year, bringing total available PE fund dry powder to more than \$2 trillion. PE firms are completing more add-on acquisitions (up to 68% of PE buyouts in 2019, from 66% in 2018). With median PE buyout multiples at the historically high level of 11x, PE firms are blending down the multiples with smaller and less expensive, add-on acquisitions.

Driving the increase in total deal value are two key factors: 1) the number of \$500+ million deals increased nearly 15% in 2019 to 138; and 2) the consumer media industry saw a 170+% increase in deal value year-over-year, driven by increased consolidation and the streaming wars heating up.

### Notable Sector Transactions and Trends

M&A ACTIVITY BY SECTOR						
Sector	2018		2019		'18-'19 Growth	
	# Deals	Value (\$mn)	# Deals	Value (\$mn)	# Deals	Value
Consumer Media & Content	407	\$12,905	295	\$34,994	(27%)	171%
B2B Media & Marketing	1,070	\$26,145	1,129	\$27,804	5%	6%
AdTech, Martech & Ecommerce	736	\$26,274	648	\$38,673	(12%)	47%
GRC, Legal Tech and HCM	407	\$13,438	366	\$13,620	(10%)	1%
Software	1,956	\$129,005	1,627	\$107,202	(17%)	(17%)
<b>Total</b>	<b>4,576</b>	<b>\$207,767</b>	<b>4,066</b>	<b>\$222,294</b>	<b>(11%)</b>	<b>7%</b>

Note: Transactions valued at \$5 billion or more have been excluded to limit comparative distortions.  
Source: Pitchbook

New York, NY  
March 9, 2020



Adam Gross, Managing Director  
O: +1 212 754 0710 | M: +1 917 771 9572  
adamg@jegi.com | www.jegiclarity.com

## Top 30 Transactions, 2019

As you can see from the top 30 transactions by deal size in 2019, there is a mix of deals across all JEGI | CLARITY's sectors, with a strong emphasis on technology and consumer media. Interestingly, the top 30 deals were split almost evenly between PE and strategic buyers.

Deal Date	Buyer	Seller	Brief Description	Deal Size (\$B)
Jul-19	Fiserv	First Data	Payment Processing	\$22,000
Aug-19	Salesforce	Tableau Software	Data Visualization Software	\$15,700
Aug-19	London Stock Exchange Group	Refinitiv	B2B Information - Financial	\$14,800
May-19	Hellman & Friedman	Ultimate Software Group	HR Software	\$11,000
Jan-19	SAP	Qualtrics	Customer Experience Software	\$8,000
Feb-19	Thomas H. Lee	Dun & Bradstreet	Business Intelligence	\$6,900
Sep-19	Nexstar Media	Tribune Media	Diversified Media	\$6,400
Feb-19	Veritas Capital	Athenahealth	Healthcare Technology	\$5,700
Jul-19	Publicis Groupe	Epsilon Data Management	Data-Driven Marketing	\$4,400
Dec-19	Evergreen Coast Capital, Francisco	LogMeIn	Collaboration Software	\$4,300
Nov-19	PayPal	Honey Science	Coupon Services	\$4,000
Nov-19	Apollo Global Management	Cox Media Group	Diversified Media	\$3,100
Feb-19	Twilio	SendGrid	Communication Software	\$2,600
Dec-19	BC Partners	Presidio	IT consulting	\$2,100
Nov-19	New Media Investment Company	Gannett	Diversified Media	\$2,042
Jan-19	CVC Capital Partners	ConvergeOne	Collaboration Software	\$1,800
Jun-19	HCL Technologies	IBM (Marketing Software)	Marketing Software	\$1,800
Mar-19	Advance Publications	Turnitin	Educational Software	\$1,750
Aug-19	Harvest Partners	Integrity Marketing Group	Insurance Marketing	\$1,600
Nov-19	Silver Lake Management	First Advantage	Background Check Solutions	\$1,500
Jan-19	Golden Gate Capital, Koch Equity	Infor Global Solutions	ERP Cloud Software	\$1,500
Jan-19	Cloudera	Hortonworks	Data & Analytics Software	\$1,200
Oct-19	Guidehouse, Veritas Capital	Navigant Consulting	Management Consulting	\$1,125
Nov-19	Vista Equity Partners	Acquia	Digital Experience Software	\$1,000
Jul-19	Kohlberg Kravis Roberts	Corel	Design Software	\$1,000
Feb-19	3M	M*Modal (Health Tech Assets)	Healthcare Technology	\$1,000
Dec-19	Olympus Partners	Soliant Health	Healthcare Staffing	\$911
Jul-19	BlackRock, Jasper Ridge Partners	Authentic Brands Group	Brand Development & Marketing	\$875
Oct-19	Taboola	Outbrain	Content Discovery Platform	\$850
Sep-19	Blackstone	Vungle	Mobile Ad Technology	\$750

Source: Pitchbook

New York, NY  
March 9, 2020

Adam Gross, Managing Director  
O: +1 212 754 0710 | M: +1 917 771 9572  
adamg@jegi.com | [www.jegiclarity.com](http://www.jegiclarity.com)



### **JEGI | CLARITY Active in Q1 2020**

JEGI | CLARITY enjoyed a strong start to the year, with seven closings and several others expected to close over the next few weeks and into Q2. Our firm sold two businesses for Maritz – Mystery Shopping to Ipsos and MaritzCX to InMoment, a portfolio company of Madison Dearborn. The combination of MaritzCX and InMoment creates the #3 player in the customer experience software market behind Qualtrics and Medallia. Other notable deals include the sale of digital agency DEPT to Carlyle Group; World50, a peer-to-peer networking platform and portfolio company of Pamlico Capital, to Morgan Stanley Capital Partners; and Bliss Lawyers, outsourced legal staffing, to Axiom, a portfolio company of Permira.

### **Looking Ahead**

Even the experts can't agree on how long the coronavirus will impact the marketplace. There are hopeful signs that the virus is on a downward trajectory in China, with the fewest new cases reported since the outbreak; many still think it will disappear with warm weather, but we shall see.

In the meantime, the capital markets continue to be robust. Sure there are gyrations in the stock market, but a correction was expected in the early part of 2020. Still, PE firms and corporations have a combined ~\$4 trillion of dry powder, and the Fed lowered interest rates by 50 basis points, with indications that another rate reduction could be coming.

As a highly trusted advisor recently said to me, "Smart companies will stay calm, stay confident, and use this blip in the market as an opportunity."

---

### **About JEGI | CLARITY**

JEGI | CLARITY ([www.jegiclarity.com](http://www.jegiclarity.com)) is the leading independent investment bank for the global media, information, marketing, software and tech-enabled services sectors. With offices in New York, Boston, London, and Sydney, the firm has closed more than 700 transactions during its 30+ year history.

## Public Comp Sets

Ad Tech / Marketing Tech							
(\$ millions)						Multiples	
Company	Enterprise Value	2019				2019	
		Revenue	EBITDA	EBITDA Margin	YoY Revenue Growth	TEV/Revenue	TEV/EBITDA
Alphabet	787,746	161,857	48,133	30%	15%	4.9x	16.4x
Facebook	472,407	70,697	29,727	42%	21%	6.7x	15.9x
Oracle	179,046	39,506	16,084	41%	0%	4.5x	11.1x
Adobe	162,712	11,171	3,834	34%	19%	14.6x	42.4x
SAP	157,194	30,921	8,308	27%	9%	5.1x	18.9x
Salesforce	145,158	13,282	1,541	12%	21%	10.9x	NM
Twitter	22,777	3,459	716	21%	12%	6.6x	31.8x
Hubspot	6,817	675	(29)	(4%)	24%	10.1x	NM
<b>Mean</b>				<b>25%</b>	<b>15%</b>	<b>7.9x</b>	<b>22.8x</b>
<b>Median</b>				<b>28%</b>	<b>17%</b>	<b>6.6x</b>	<b>17.6x</b>

Source: S&P Capital IQ, as of March 9, 2020

Agency Services							
(\$ millions)						Multiples	
Company	Enterprise Value	2019				2019	
		Revenue	EBITDA	EBITDA Margin	YoY Revenue Growth	TEV/Revenue	TEV/EBITDA
Omnicom	17,540	14,954	2,307	15%	(2%)	1.2x	7.6x
WPP	16,904	17,527	2,106	12%	(13%)	1.0x	8.0x
Publicis	14,474	12,345	2,694	22%	17%	1.2x	5.4x
IPG	11,817	8,625	1,392	16%	7%	1.4x	8.5x
Dentsu	8,960	9,642	1,475	15%	4%	0.9x	6.1x
Ipsos	2,162	2,248	260	12%	11%	1.0x	8.3x
ICF International	1,866	1,479	131	9%	10%	1.3x	14.3x
Next Fifteen	597	358	52	15%	7%	1.7x	11.4x
Cello <sup>1</sup>	194	213	17	8%	1%	0.9x	11.2x
<b>Mean</b>				<b>14%</b>	<b>4%</b>	<b>1.2x</b>	<b>9.0x</b>
<b>Median</b>				<b>15%</b>	<b>7%</b>	<b>1.2x</b>	<b>8.3x</b>

Source: S&P Capital IQ, as of March 9, 2020

<sup>1</sup> Data is TTM due to pending full year results

## B2B Events, Marketing and Content

(\$ millions)

Company	Enterprise Value	2019				Multiples	
		Revenue	EBITDA	EBITDA Margin	YoY Revenue Growth	2019	
						TEV/ Revenue	TEV/ EBITDA
RELX Group	54,552	10,428	3,177	30%	8%	5.2x	17.2x
Informa <sup>1</sup>	13,649	3,584	1,130	32%	16%	3.8x	12.1x
DMGT	2,011	1,644	204	12%	(6%)	1.2x	9.9x
GL Events	1,565	1,316	195	15%	9%	1.2x	8.0x
Euromoney	1,392	315	73	23%	(1%)	4.4x	19.2x
Emerald Expo Events	943	361	111	31%	(5%)	2.6x	8.5x
Hyve Group	753	271	58	21%	16%	2.8x	13.0x
Wilmington	322	156	29	19%	(3%)	2.1x	11.1x
Centuar <sup>1</sup>	53	88	7	8%	(2%)	0.6x	7.5x
<b>Mean</b>				<b>21%</b>	<b>4%</b>	<b>2.7x</b>	<b>11.8x</b>
<b>Median</b>				<b>21%</b>	<b>(1%)</b>	<b>2.6x</b>	<b>11.1x</b>

Source: S&P Capital IQ, as of March 9, 2020

<sup>1</sup> Data is TTM due to pending full year results

## Business and Financial Information

(\$ millions)

Company	Enterprise Value	2019				Multiples	
		Revenue	EBITDA	EBITDA Margin	YoY Revenue Growth	2019	
						TEV/ Revenue	TEV/ EBITDA
S&P Global	70,195	6,699	3,363	50%	7%	10.5x	20.9x
Moody's	49,139	4,829	2,271	47%	8%	10.2x	21.6x
Thomson Reuters	38,841	5,906	1,044	18%	7%	6.6x	37.2x
Experian	35,164	4,861	1,509	31%	6%	7.2x	23.3x
Verisk Analytics	29,853	2,607	1,055	40%	8%	11.5x	28.3x
CoStar	24,996	1,400	445	32%	15%	17.9x	56.2x
Equifax	21,818	3,508	806	23%	3%	6.2x	27.1x
Broadridge	13,389	4,362	913	21%	1%	3.1x	14.7x
Fair Isaac	11,345	1,160	283	24%	14%	9.8x	40.1x
FactSet	11,057	1,435	498	35%	6%	7.7x	22.2x
Morningstar	6,297	1,179	246	21%	13%	5.3x	25.6x
CoreLogic	5,690	1,762	370	21%	(1%)	3.2x	15.4x
<b>Mean</b>				<b>30%</b>	<b>7%</b>	<b>8.3x</b>	<b>27.7x</b>
<b>Median</b>				<b>28%</b>	<b>7%</b>	<b>7.5x</b>	<b>24.4x</b>

Source: S&P Capital IQ, as of March 9, 2020

## Consumer / Digital Media

(\$ millions)

Company	Enterprise Value	2019				Multiples	
		Revenue	EBITDA	EBITDA Margin	YoY Revenue Growth	2019	
						TEV/ Revenue	TEV/ EBITDA
Axel Springer <sup>1</sup>	9,877	3,585	728	20%	(2%)	2.8x	13.6x
News Corp	9,191	9,429	1,040	11%	11%	1.0x	8.8x
New York Times	5,869	1,615	218	13%	1%	3.6x	26.9x
Meredith	4,540	3,080	688	22%	31%	1.5x	6.6x
Gannett	2,358	1,868	183	10%	18%	1.3x	12.9x
DMGT	2,011	1,644	204	12%	(6%)	1.2x	9.9x
Tribune Publishing	495	983	68	7%	(5%)	0.5x	7.2x
<b>Mean</b>				<b>14%</b>	<b>7%</b>	<b>1.7x</b>	<b>12.3x</b>
<b>Median</b>				<b>12%</b>	<b>1%</b>	<b>1.3x</b>	<b>9.9x</b>

Source: S&P Capital IQ, as of March 9, 2020

<sup>1</sup> Data is TTM due to pending full year results

## Ecommerce, Marketplaces and Lead Gen

(\$ millions)

Company	Enterprise Value	2019				Multiples	
		Revenue	EBITDA	EBITDA Margin	YoY Revenue Growth	2019	
						TEV/ Revenue	TEV/ EBITDA
Amazon.com	968,896	280,522	36,193	13%	17%	3.5x	26.8x
Alibaba Group	531,812	56,148	14,682	26%	29%	9.5x	36.2x
eBay	34,566	10,800	3,079	29%	1%	3.2x	11.2x
IAC	18,011	4,757	814	17%	10%	3.8x	22.1x
Expedia	16,190	12,067	1,315	11%	7%	1.3x	12.3x
Rakuten	12,436	11,630	956	8%	14%	1.1x	13.0x
Zillow	10,444	2,743	(176)	(6%)	51%	3.8x	NM
Etsy	7,210	818	118	14%	26%	8.8x	61.0x
GrubHub	4,955	1,312	80	6%	23%	3.8x	61.6x
Chegg	4,925	411	49	12%	22%	12.0x	NM
Lending Tree	4,001	1,107	138	12%	31%	3.6x	29.0x
Tech Target	581	134	28	21%	9%	4.3x	21.1x
Quin Street	516	455	26	6%	11%	1.1x	19.8x
<b>Mean</b>				<b>13%</b>	<b>19%</b>	<b>4.6x</b>	<b>28.6x</b>
<b>Median</b>				<b>12%</b>	<b>17%</b>	<b>3.8x</b>	<b>22.1x</b>

Source: S&P Capital IQ, as of March 9, 2020

## Marketing and Industry Data / Research

(\$ millions)

						Multiples	
						2019	
Company	Enterprise Value	Revenue	EBITDA	EBITDA Margin	YoY Revenue Growth	TEV/ Revenue	TEV/ EBITDA
Nielsen	14,381	6,498	1,209	19%	(0%)	2.2x	11.9x
Gartner	13,583	4,245	571	13%	9%	3.2x	23.8x
YouGov	910	167	31	19%	8%	5.5x	29.3x
Forrester	862	462	39	8%	23%	1.9x	22.2x
comScore	424	389	(22)	(6%)	(8%)	1.1x	NM
<b>Mean</b>				<b>11%</b>	<b>6%</b>	<b>2.8x</b>	<b>21.8x</b>
<b>Median</b>				<b>13%</b>	<b>8%</b>	<b>2.2x</b>	<b>23.0x</b>

Source: S&P Capital IQ, as of March 9, 2020

## Tech-Enabled /Outsourced Services

(\$ millions)

						Multiples	
						2019	
Company	Enterprise Value	Revenue	EBITDA	EBITDA Margin	YoY Revenue Growth	TEV/ Revenue	TEV/ EBITDA
Accenture	111,508	43,215	6,923	16%	5%	2.6x	16.1x
Infosys	38,106	11,799	2,971	25%	7%	3.2x	12.8x
Cognizant	30,240	16,783	3,291	20%	4%	1.8x	9.2x
HCL Technologies	19,555	8,632	1,990	23%	9%	2.3x	9.8x
Cap Gemini	19,103	15,851	2,368	15%	5%	1.2x	8.1x
Wipro	13,198	8,456	1,688	20%	1%	1.6x	7.8x
Genpact	8,626	3,521	521	15%	15%	2.5x	16.6x
Globant	4,135	659	116	18%	21%	6.3x	35.8x
WNS Holdings	3,247	809	145	18%	6%	4.0x	22.4x
Exlservice Holdings	2,640	991	134	14%	11%	2.7x	19.7x
Reply SPA	2,544	1,265	164	13%	6%	2.0x	15.5x
<b>Mean</b>				<b>18%</b>	<b>8%</b>	<b>2.7x</b>	<b>15.8x</b>
<b>Median</b>				<b>18%</b>	<b>6%</b>	<b>2.5x</b>	<b>15.5x</b>

Source: S&P Capital IQ, as of March 9, 2020