

**M&A in the IT Industry – Key Trends**

Year	Total no. of transactions	Total value (\$mm)	Median TEV/Revenue	Median TEV/EBITDA
2013	1,660	187,000	1.7x	10.5x
2014	2,020	316,700	2.1x	12.3x
2015	2,100	204,300	1.7x	16.0x
2016	1,790	462,900	2.0x	12.2x

Source: Capital IQ

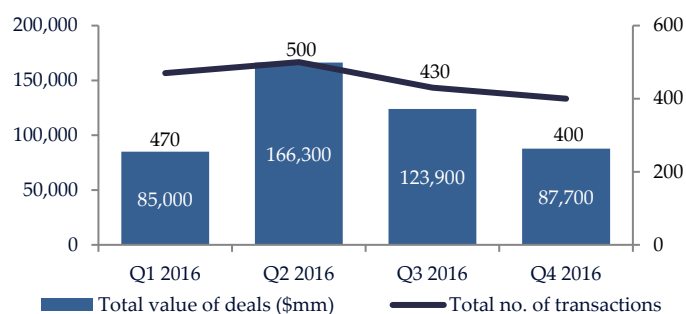
**M&A in the IT Industry – 2016 Overview**

- In 2016, M&A activity in the Information Technology industry shifted towards lower number of transactions with a boom in deal value. The top three deals in 2016 accounted for over \$190 billion in value, almost 100% of the deal value in 2015.
- In 2016, the total deal value in the US and Canada accounted for 59% of the global deal value.
- The total number of global M&A transactions in the IT industry were 7,300 in 2014, 7,700 in 2015, and 6,700 in 2016, indicating a decrease of 13% from 2015 to 2016. Deals in the US and Canada accounted for 23% in 2014, 26%, in 2015, and 27% in 2016 of the global transactions.
- In 2016, valuation multiples for the US and Canada (median TEV/Revenue of 2.0x versus global median of 1.8x and median TEV/EBITDA of 12.2x versus 11.2x) were higher than the global multiples, reflecting better confidence amongst buyers for targets in this region.
- Median TEV/Revenue valuation multiples were stable (2.0x) during the four quarters of 2016.
- 25% disclosed deals in terms of transaction value.

**Activity Summary, Last 5 Quarters**

	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016
Total no. of transactions	560	470	500	430	400
Total value of deals (\$mm)	74,100	85,000	166,300	123,900	87,700
Average deal size (\$mm)	430	700	1,300	1,400	860
Median deal size (\$mm)	34	40	25	124	58
Median Revenue Multiple	2.1x	2.0x	2.1x	2.0x	2.0x
Median EBITDA Multiple	18.9x	17.9x	10.4x	11.6x	11.0x
Mid-market deals, % of total	87%	87%	85%	74%	79%

Source: Capital IQ

**Activity Summary Chart, Last 4 Quarters**

**Deal Breakdown by Type of Buyer in 2016**

Type of Buyer	No. of deals	Disclosed deals	Total value (\$mm)	Avg. transaction value (\$mm)	Median TEV/Revenue	Median TEV/EBITDA
Strategic Buyer	1,500	30	401,100	1,100	1.9x	12.3x
Financial Buyer	177	36	38,000	1,100	3.1x	15.2x
Both	7	3	23,200	7,730	1.9x	10.9x
Not available	63	24	520	20	4.3x	4.5x

Source: Capital IQ

**Middle Market Deals in 2016**

Deal breakdown by size (\$mm)	No. of deals	Total value (\$mm)	Avg. transaction value (\$mm)	Median TEV/Revenue	Median TEV/EBITDA
\$0 - \$50	237	3,100	13	1.7x	8.3x
\$50 - \$250	81	10,300	127	1.5x	13.9x
\$250 - \$500	46	16,700	363	1.5x	14.6x

Source: Capital IQ

**10 Notable Information Technology Transactions in 2016**

Closed date	Target/Issuer	Buyers/Investors	Transaction value (\$mm)	Implied EV/Revenue	Implied EV/EBITDA
May 18	Time Warner Cable Inc.	Charter Communications, Inc. (NasdaqGS:CHTR)	78,700	3.4x	9.8x
September 07	Dell EMC	Dell Technologies Inc. (NYSE:DVMT)	75,700	2.8x	13.3x
February 01	Broadcom Corporation	Broadcom Limited (NasdaqGS:AVGO)	36,900	4.0x	19.0x

December 08	LinkedIn Corporation	Microsoft Corporation (NasdaqGS:MSFT)	29,300	8.2x	98.4x
May 12	SanDisk LLC	Western Digital Technologies, Inc.	19,700	3.1x	12.2x
January 21	Cablevision Systems Corporation	BC Partners; Canada Pension Plan Investment Board; Altice N.V. (ENXTAM:ATC)	19,400	2.9x	10.4x
April 01	Cameron International Corporation	Schlumberger Limited (NYSE:SLB)	16,600	1.5x	8.9x
January 04	Towers Watson & Co.	Willis Towers Watson Public Limited Company (NasdaqGS:WLTW)	8,700	2.2x	11.0x
December 05	Ingram Micro Inc.	Tianjin Tianhai Investment Co., Ltd. (SHSE:900938)	7,300	0.1x	8.1x
November 04	NetSuite Inc.	Oracle Corporation (NYSE:ORCL)	7,100	9.7x	n/a

Source: Capital IQ