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M&A and Investments Review

# Technology, Software, and Information & Business Services Industries

■ **1H14 Review of M&A and Investment Activity in the Technology, Software, and Information & Business Services Industries:**

## 1,470 Transactions Totaling a Reported \$80 Billion

- Marketing Technology was the Most Active Segment in 1H14 with 531 Transactions
- Technology & Communications was the Highest Value Segment with \$28.5 Billion in Reported Deal Value

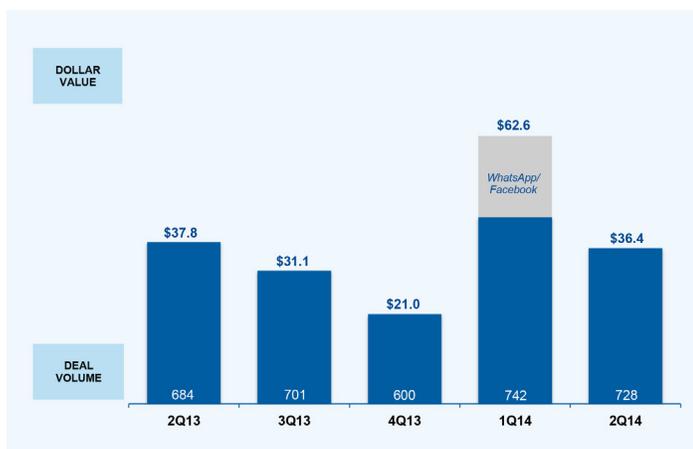
During the first half of 2014, Petsky Prunier tracked 1,470 M&A and investment transactions for a total of \$80 billion across four broad segments: Marketing Technology, Technology & Communications, Software, Information & Business Services. Marketing Technology was the most active segment in 1H14, accounting for 36 percent of total volume during the first six months of the year with 531 transactions, of which 347 were worth \$12.2 billion in aggregate reported value. Technology & Communications was the highest value segment with \$28.5 billion in value. Note, one mega-transaction announced during 1H14, Facebook’s \$19 billion acquisition of WhatsApp, was excluded from this analysis to limit comparative distortions.

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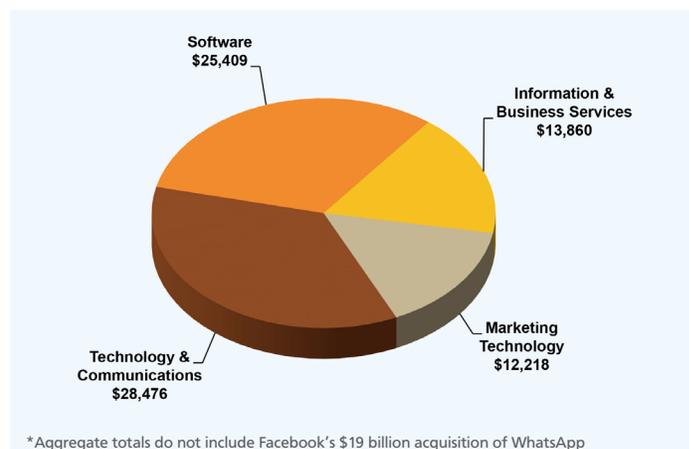
### Technology, Software, and Information & Business Services Industries 2Q13–2Q14 M&A and Investment Activity

(\$ in Billions)



### Technology, Software, and Information & Business Services Industries 1H14 M&A and Investment Activity

(\$ in Millions)



## M&A Activity

Acquisitions accounted for 47 percent of total transactions and 79 percent of reported value in 1H14. Software was the most active M&A segment with 228 acquisitions, of which 56 were worth \$21.2 billion in value. Security Software was the most active M&A subsegment in the Software segment with 41 acquisitions, of which 10 were worth \$999 million in aggregate reported value. The largest acquisitions in the Software segment were:

- Oracle's pending \$5.3 billion acquisition of MICROS Systems, a provider of information technology solutions for the hospitality and retail industries, at a valuation of 3.5x revenue and 17.7x EBITDA
- Star Investment Holdings and Partner Group's \$4.4 billion acquisition of healthcare IT company Multiplan
- Charterhouse Capital Partners' \$2.3 billion purchase of online training company Skillsoft
- BSP's \$864 million purchase of Japan-based data management solutions company Beacon Information Technology
- Dassault Systemes' \$750 million acquisition of Accelrys, a developer of scientific business intelligence software and solutions, at a valuation of 4.5x revenue

Marketing Technology was the next most active M&A segment with 209 acquisitions, of which 49 had an aggregate reported value of \$7 billion. Analytics & Targeting was the most active subsegment in Marketing Technology with 42 acquisitions, of which 11 had reported value totaling \$3.6 billion. Compared to 2H13, acquisition activity in the Social Technology and Analytics & Targeting subsegments increased 182 percent and 62 percent, respectively, with a combined total of 73 control transactions worth \$3.8 billion in reported value, including Berkshire Partners' \$2.5 billion acquisition of Catalina Marketing. Acquisitions in the Marketing Technology segment included:

- Google's \$650 million acquisition of UK-based DeepMind, which develops technologies for eCommerce and game platforms
- Verint Systems' \$514 million purchase of KANA Software, a provider of customer service solutions
- GTCR's \$447 million acquisition of marketing and PR software provider Vocus, valued at 2.4x revenue
- Oracle's acquisition of DMP BlueKai for a reported \$400 million, valued at 6.3x revenue
- Acxiom's \$310 million pending purchase of data onboarder LiveRamp at 8.9x revenue

- AOL's acquisition of attribution company Convertro for approximately \$89 million in cash at closing plus earn-out, while Google acquired competitor Adometry the same day (terms of the Google/Adometry deal were not announced)

Technology & Communications was the highest value segment with 98 deals, of which 30 were reported at \$25.3 billion (not including Facebook's \$19 billion acquisition of mobile messaging provider WhatsApp). Enterprise Mobility was the most active subsegment with 18 acquisitions, three of which were reported at \$1.5 billion in aggregate value. M&A activity in the Financial Technology subsegment was also strong with 13 acquisitions, of which five were worth \$523 million. Technology & Communications transactions included:

- Yahoo Japan's \$3.2 billion purchase of Japan-based mobile internet services provider eAccess
- Elliot Management's \$3.2 billion purchase of Riverbed Technology, which develops solutions for information technology performance, at a reported valuation of 3.2x revenue and 24.8x EBITDA
- Lenovo's \$2.9 billion acquisition of Motorola Mobility
- VMware's \$1.5 billion purchase of AirWatch, an enterprise mobile management and security services provider
- Birch Communications' \$326 million purchase of information technology provider Cbeyond at a valuation of 0.8x revenue and 4.9x EBITDA

## Investment Activity

There were 778 investments during 1H14, of which 691 were worth \$16.4 billion in aggregate reported value. Marketing Technology was the most active and highest reported value segment for investments, accounting for 41 percent of volume and 32 percent of reported value. A total of 322 investments were completed in the Marketing Technology segment, of which 298 had a reported value of \$5.2 billion. Activity in the segment was led by the Analytics & Targeting and Mobile Technology subsegments, which together accounted for 34 percent of investment volume and 25 percent of reported value during the first half of the year. Investments in Marketing Technology included:

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### 1H14 Most Active Investors by Number of Transactions

Investor	Number of Transactions	Representative Targets
Battery Ventures	14	6Sense, Avalara, Datumate, Lotame Solutions, RiskIQ, Smarter Remarketer
New Enterprise Associates	13	Acquia, APX Labs, Captora, Curalate, GuideSpark, MuleSoft
Andreessen Horowitz	10	DigitalOcean, OpenGov, Optimizely, UXPin, Tanium, Mesosphere
Intel	9	Alta Systems, Amplidata, ElasticBox, Helpshift, Schoology, Vizury
Accel Partners	9	Aorato, ForgeRock, LearnVest, Netskope, PeopleDoc, URX
Bessemer Venture Partners	9	BrightBytes, ClearCare, Clio, Dashlane, Intercom App, Virtru

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- Alibaba Group's \$804 million investment for a stake in ChinaVision Media Group, which is involved in TV and film production, print media, and mobile new media
- Insight Venture Partners' \$250 million investment in Australia-based email marketer Campaign Monitor
- The \$120 million investment led by Softbank in China-based Windoujia and its mobile app distribution platform
- Polaris Partners' \$100 million investment in InsideSales.com, a provider of on-demand dialer solutions and lead management software
- The \$90 million funding in social CRM solutions provider Attensity by an unnamed international private equity fund and financial advisor company

Software was the second most active segment with 244 investments, of which 216 were reported at \$4.2 billion. Security Software and Healthcare Software were the most active subsegments with 58 and 28 investments, respectively, for a combined \$1.3 billion in reported value. HR Software was the highest-value Software subsegment at \$957 million, accounting for 23 percent of investment value in the segment. Of the 18 HR software deals, five involved online recruiting platform companies. Investments in the Software segment included:

- The Blackstone Group's and GIC's \$750 million investment for a 44 percent equity stake in workforce management solutions company Kronos
- Kuwait Investment Authority's \$135 million investment in Nant Health, a cloud-based clinical operating systems provider
- The Google Ventures-led \$130 million investment in Flatiron Health, which develops healthcare software for the oncology industry

The Technology & Communications segment had 132 investments in 1H14, of which 118 were worth \$3.1 billion in aggregate reported value. The most active subsegments were Financial Technology, Big Data Technology, and Cloud Storage with 29, 21, and 13 investments, respectively. Data Center Technology was the highest value subsegment; of the 12 Data Center investments, 11 were reported at \$689 million in aggregate reported value. The largest Technology & Communications investments in 1H14 included:

- The Alibaba Group-led \$280 million investment in text and video messaging mobile application Tango
- Wellington Management's \$225 million investment in Pure Storage, a provider of enterprise storage solutions
- T. Rowe Price's \$160 million investment in big data company Cloudera
- The \$100 million co-led investment from BlackRock and Passport Capital in Hortonworks, which develops, distributes, and supports an open source Apache Hadoop data platform
- Tiger Global Capital's \$100 million investment in copy data virtualization specialist Actifi
- The \$75 million Insight Venture Partners-led investment in Tintri, a producer of smart storage for virtualization and cloud environments

## Buyer & Investor Activity

Strategic buyers accounted for 92 percent of all control transactions in 1H14. Thirty-three percent of strategic deal activity (210 transactions) took place in the Software segment, of which 51 transactions were reported for \$19.8 billion in aggregate value. There were 133 strategic acquisitions in the Information & Business Services segment, a 44 percent increase in deal value compared to 2H13. Of these, 27 were worth \$4.5 billion in aggregate reported value.

Buyout firms completed 54 deals during the first six months of the year, of which 18 were reported at \$10.3 billion in value. Buyout transactions included:

- TPG Capital's \$1.5 billion purchase of warranty program and service provider The Warranty Group from private equity firm Onex
- Thoma Bravo's \$930 million acquisition of TravelClick, a provider of revenue tracking solutions and market intelligence for hotels
- Cinven's \$915 million acquisition of Medpace, which provides clinical development services for the pharmaceutical and biotechnology markets
- Insight Venture Partners' and GIC's \$752 million pending acquisition of iParadigms, a provider of web-based solutions for plagiarism prevention and student feedback

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### 1H14 Most Active Strategic Buyers by Number of Transactions

Buyer	Number of Transactions	Representative Targets
Google	11	Adometry, Alpental Technologies, Appeta, DeepMind Technologies, Divide, Imperium
Dropbox	6	Droptalk, Loom, Inc., MobileSpan
Oracle	5	Blue Kai, LiveLOOK, Micros Systems
WPP	4	Daedalus Group, Social WaveLength, XTEL
J2 Global Communications	4	Critical Software, Ozefax
Twitter	3	Gnip, SecondSync, TapCommerce
Accenture	3	ClientHouse, I4C Analytics

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- The Summit Partners-led \$550 million strategic investment in ABILITY Network, which offers workflow solutions that simplify clinical and administrative tasks for acute and post-acute healthcare providers

Venture and growth capital investor value increased 82 percent from 2H13. The largest increase in activity occurred in the Information & Business Services segment where 80 investments were made – 25 more than the previous half-year period. Battery Ventures, New Enterprise Associates, and Andreessen Horowitz were the most active investors with 14, 13, and 10 investments, respectively, during 1H14.

## IPO Activity

Eleven companies completed their IPOs during 1H14. Four companies priced at the high-end or above their respective initial filing ranges and closed the period trading above their respective first-day closing stock prices. Within the Software segment, Amber Road closed 1H14 trading up 19 percent from its first-day closing stock price. Castlight Health, Paycom Software, Paylocity Holding Corporation, and Q2 Holdings closed the period trading below their respective first-day closing prices. Within the Technology & Communications segment, Aerohive Networks and Borderfree completed their IPOs. Each priced at the middle or high-end of their initial filing ranges, but closed the period trading below their respective first-day closing prices.

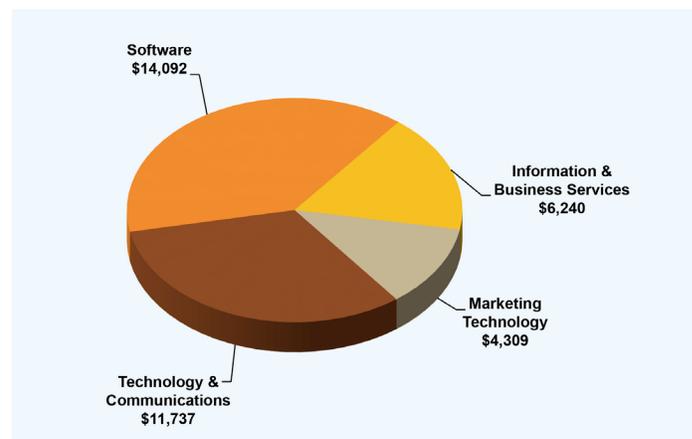
## 2Q14 M&A and Investment Activity

In 2Q14, Petsky Prunier tracked 728 M&A and investment transactions, of which 432 were reported at \$36.4 billion in value. Compared to 1Q14, reported volume and value decreased two percent and 17 percent, respectively. Marketing Technology was the most active segment with 258 investments and M&A transactions; of these, 170 were reported at \$4.3 billion in aggregate value, down 46 percent in value from 1Q14. Acquisitions represented 47 percent of deal activity, with strategic buyers accounting for 91 percent of control transactions. The Software segment accounted for 35 percent of acquisitions and more than \$11.9 billion in reported value. Of 31 private equity buyout transactions, 14 were completed in the Information & Business Services segment. There were 391 venture capital and growth investments during the quarter, of which 344 were reported at \$6.9 billion in value. Marketing Technology was the most active segment among investors with 161 investments, of which 149 were worth \$2.5 billion in aggregate reported value.

Technology, Software, and Information & Business Services Industries

## 2Q14 M&A and Investment Activity

(\$ in Millions)



# Marketing Technology

## M&A and Investment Activity

With 258 deals in 2Q14, of which 170 were reported for \$4.3 billion, M&A and investment volume in the Marketing Technology segment decreased five percent from the previous quarter, while value was down by 46 percent. Cloud-based marketing tools were the primary focus of Marketing Technology M&A and investment activity. Transactions in the segment during 2Q14 included:

- IBM's \$270 million acquisition of Silverpop Systems, a provider of email marketing software and services, at a valuation of 3.4x revenue
- Insight Venture Partners' \$250 million investment in Australia-based email marketer Campaign Monitor
- AOL's purchase of attribution company Convertro for approximately \$89 million in cash at closing plus approximately \$2 million in converted stock awards and a \$10 million earn-out
- Google's acquisition of Adometry, another attribution technology provider

Investors drove the majority of activity in the Marketing Technology segment in 2Q14, accounting for 61 percent of deals and 57 percent of reported value in the segment. Together, investments in the Analytics & Targeting and Social Technology subsegments accounted for 33 percent of investment volume in the segment and 26 percent of value in 2Q14. In addition to the 36 investments in analytics providers, venture and growth capital firms also completed investments in social marketing technology companies, including:

- The \$90 million investment in social CRM solutions provider Attensity by unnamed investors
- The \$40 million investment in enterprise social relationship platform Sprinklr led by ICONIQ Capital
- The \$9 million GGV Capital-led investment in BandPage, a social application for artists to grow and interact with their fan bases by sharing their music, videos, photos, and tour dates online

## Most Active Marketing Technology Subsegments

Subsegment	1Q14		2Q14		1H14 vs 2H13 (% Change)		LTM	
	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)
Analytics & Targeting	54	3,412	62	900	68%	220%	185	5,659
Content Management	34	1,228	35	377	35%	295%	120	2,012
Social Technology	37	406	30	245	63%	52%	108	1,079
Mobile Technology	30	380	23	405	8%	(66%)	102	3,095
BI Tools	16	167	15	130	(3%)	(5%)	63	609
Commerce Management	19	905	13	132	23%	347%	58	1,269
SFA/Lead Management	6	88	13	165	73%	(39%)	30	669
CRM	17	196	11	129	(10%)	28%	59	580
Search & Discovery	9	141	8	93	89%	1%	26	467
<b>Subtotal</b>	<b>222</b>	<b>6,924</b>	<b>210</b>	<b>2,576</b>	<b>35%</b>	<b>60%</b>	<b>751</b>	<b>15,440</b>
Other	51	986	48	1,734	11%	(26%)	188	6,386
<b>Total</b>	<b>273</b>	<b>7,909</b>	<b>258</b>	<b>4,309</b>	<b>30%</b>	<b>27%</b>	<b>939</b>	<b>21,826</b>

*"Other" includes Ad Serving, Content Delivery Network, Creative Production Platform, Email/Messaging Platform, Market Research Software, Marketing Asset Management, Media Management System, Product/Price Software, Search & Discovery, Segmentation/Data Mining, SEM/SEO Tools, Teleservices/eServices, Web to Print, and Website Creation/Hosting*

## Buyers

Strategic buyers accounted for 96 percent of control transactions with 93 acquisitions, while private equity buyers completed four transactions. The Analytics & Targeting subsegment accounted for 28 percent of strategic buyer activity in the segment and 22 percent of venture/growth capital investor activity.

## Marketing Technology Transactions by Type of Buyer/Investor

Subsegment	1Q14		2Q14		1H14 vs 2H13 (% Change)		LTM	
	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)
Strategic	108	2,705	93	1,279	53%	(39%)	332	10,568
Private Equity - Buyout	4	2,500	4	522	(33%)	352%	20	3,690
Private Equity - VC/Growth Capital	161	2,704	161	2,509	22%	121%	587	7,569
<b>Total</b>	<b>273</b>	<b>7,909</b>	<b>258</b>	<b>4,309</b>	<b>30%</b>	<b>27%</b>	<b>939</b>	<b>21,826</b>

# Technology & Communications

## M&A and Investment Activity

There were 69 technology and 27 communications transactions in 2Q14 worth \$3.5 billion and \$8.2 billion in reported value, respectively. Total quarter-over-quarter activity in the Technology & Communications segment decreased 28 percent, while reported value fell 30 percent. The most active subsegment was Financial Technology with 14 deals, 11 of which were reported at \$312 million in value, including:

- The \$35-million investment from Index Ventures and Ribbit Capital in automated investment manager Wealthfront
- The \$25 million investment from a consortium of investors in ShopKeep POS, a mobile payments technology company
- The Discover Financial Services-led \$19 million investment in Buzz Points, an online payment system and mobile payments network provider

There were 12 transactions in the Data Center Technology subsegment, of which eight were reported at \$1.8 billion in value, including Sandisk's \$1.2 billion pending acquisition of data center technology developer Fusion-io. Transactions included:

- Wellington Management's \$225 million investment in enterprise storage solutions provider Pure Storage
- A \$24 million investment in Igneous Systems, a data center infrastructure company
- Panduit's acquisition of SynapSense, a provider of data center infrastructure management solutions
- Converged Technology Professional's purchase of data center technology services platform WeVault
- Park Place Technologies' acquisition of the data center maintenance services division of Cycom Canada

## Most Active Technology & Communications Subsegments

Subsegment	1Q14		2Q14		1H14 vs 2H13 (% Change)		LTM	
	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value	Number of Transactions	Reported Value (\$MM)
Financial Technology	28	607	14	312	(28%)	(81%)	100	5,734
Big Data Technology	14	367	13	348	170%	491%	37	837
Cloud Computing Technology	8	74	13	200	11%	114%	40	402
Data Center Technology	7	218	12	1,780	12%	(6%)	36	4,113
Cloud Storage	9	457	10	382	(32%)	249%	47	1,079
Enterprise Mobility	19	1,622	8	32	125%	998%	39	1,805
Communications Software	15	4,468	7	75	(45%)	331%	62	5,596
Mobile Infrastructure	2	12	5	471	(42%)	(70%)	19	2,075
Networking Equipment	14	5,478	5	36	36%	489%	33	6,450
Internet Service Providers	1	3,200	3	8,076	33%	19,207%	7	11,334
Software-Defined Networking	2	10	2	9	100%	(62%)	6	69
Virtualization Technology	6	150	2	16	14%	195%	15	222
<b>Subtotal</b>	<b>117</b>	<b>16,503</b>	<b>90</b>	<b>11,712</b>	<b>(3%)</b>	<b>152%</b>	<b>420</b>	<b>39,425</b>
Other	17	236	6	25	(32%)	(97%)	57	9,016
<b>Total</b>	<b>134</b>	<b>16,739</b>	<b>96</b>	<b>11,737</b>	<b>(7%)</b>	<b>43%</b>	<b>477</b>	<b>48,440</b>

*"Other" includes Internet Service Providers, Messaging & Mediation Software, Satellite & Microwave Equipment, Telephone Equipment, Video Communications Software, VoIP Equipment Software, and Web Conferencing Software*

## Buyers

Strategic buyers had 36 transactions during the quarter, of which 11 were reported for \$10.1 billion in value (86 percent of all deal volume in the segment). There were only three buyout transactions during the quarter. Venture and growth capital investor activity and reported value decreased 24 percent and 35 percent from 1Q14. Of 57 investments in 2Q14, 10 were in the Financial Technology subsegment.

## Technology & Communications Transactions by Type of Buyer/Investor

Subsegment	1Q14		2Q14		1H14 vs 2H13 (% Change)		LTM	
	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value	Number of Transactions	Reported Value (\$MM)
Strategic	58	14,844	36	10,146	13%	65%	177	40,177
Private Equity - Buyout	1	0	3	356	(67%)	(80%)	16	2,091
Private Equity - VC/Growth Capital	75	1,895	57	1,235	(13%)	3%	284	6,172
<b>Total</b>	<b>134</b>	<b>16,739</b>	<b>96</b>	<b>11,737</b>	<b>(7%)</b>	<b>43%</b>	<b>477</b>	<b>48,440</b>

# Software

## M&A and Investment Activity

A total of 245 Software transactions, including 128 minority investments, were announced in 2Q14. Of these, 152 were reported at \$14.1 billion in value. Security Software was the most active subsegment during the quarter with 48 deals, of which 34 were reported at \$585 million in value. Security software deals included:

- Andreessen Horowitz's \$90 million investment in Tanium
- FireEye's \$70 million acquisition of cybersecurity company nPulse Technologies
- The \$40 million investment led by Adams Street Partners in TeleSign, an internet fraud protection and authentication services company

Activity in the Software Development Tools subsegment increased 85 percent in 2Q14 with 24 transactions (12 acquisitions and 12 investments), up from 13 in the previous quarter. Transactions in the Software Development Tools subsegment during 2Q14 included:

- The \$60 million investment from Pine River Capital and Wellington Management in Apigee, a developer of API management software
- Scale Venture Partners' \$21.5 million investment in Pantheon Systems, which provides a professional platform that enables developers to build, launch, and run Drupal and WordPress websites

Healthcare software had 22 transactions (14 acquisitions and eight investments) in 2Q14. Of those deals, 12 were reported at \$3.7 billion in aggregate value. Transactions in the subsegment during the quarter included:

- Amsburg's \$2.4 billion purchase of anesthesia solutions provider Sheridan Healthcare
- West's \$265 million acquisition of Health Advocate, which provides health advocacy and assistance services and solutions
- Kuwait Investment Authority's \$135 million investment in Nant Health, a cloud-based clinical operation systems provider

## Most Active Software Subsegments

Subsegment	1Q14		2Q14		1H14 vs 2H13 (% Change)		LTM	
	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)
Security	51	1,091	48	585	57%	(58%)	162	5,704
ERP	28	346	33	5,954	49%	37%	102	10,910
Software Development Tools	13	458	24	163	42%	101%	63	930
Healthcare	33	5,781	22	3,663	(27%)	302%	130	11,793
Collaboration	11	125	21	190	28%	53%	57	521
HR	20	957	18	219	36%	81%	66	1,825
Infrastructure	14	624	18	249	10%	(47%)	61	2,511
Application Management	13	41	13	276	13%	26%	49	569
Engineering	2	0	13	552	7%	3,244%	29	568
Financial	10	211	12	447	(29%)	183%	53	890
<b>Subtotal</b>	<b>195</b>	<b>9,633</b>	<b>222</b>	<b>12,298</b>	<b>17%</b>	<b>53%</b>	<b>772</b>	<b>36,221</b>
Other	32	1,683	23	1,794	(4%)	89%	112	5,318
<b>Total</b>	<b>227</b>	<b>11,316</b>	<b>245</b>	<b>14,092</b>	<b>15%</b>	<b>58%</b>	<b>884</b>	<b>41,539</b>

"Other" includes Collaboration, Data Management, Geo-Demo, Legal, and Software Platform

## Buyers

There were 107 strategic acquisitions and 128 transactions completed by venture/growth capital investors in 2Q14. Private equity buyers closed 10 acquisitions, only one of which was reported for \$352 million in value. The most active strategic buyers in the segment included Google, WPP, and Accenture with eight, three, and three transactions, respectively.

## Software Transactions by Type of Buyer/Investor

Subsegment	1Q14		2Q14		1H14 vs 2H13 (% Change)		LTM	
	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)
Strategic	103	8,184	107	11,573	27%	155%	376	27,505
Private Equity - Buyout	8	1,077	10	352	(31%)	(72%)	44	6,593
Private Equity - VC/Growth Capital	116	2,055	128	2,168	11%	31%	464	7,441
<b>Total</b>	<b>227</b>	<b>11,316</b>	<b>245</b>	<b>14,092</b>	<b>15%</b>	<b>58%</b>	<b>884</b>	<b>41,539</b>

# Information & Business Services

## M&A and Investment Activity

The Information & Business Services segment remained active in 2Q14 with 129 transactions, of which 49 were reported at \$6.2 billion in value. An increase in IT budgets and industry demand drove M&A and investment activity in the IT Consulting/Systems Integration subsegment during the quarter, accounting for 29 percent of deals and 19 percent of reported value. The majority of value in the subsegment was a result of Atos' \$924 million acquisition of France-based IT solutions provider Bull Societe Anonyme. Additional IT Consulting transactions included:

- Red Hat's \$175 million purchase of Inktank, an open source professional and support services provider
- The \$42 million investment in Centrifry, a provider of integrated software solutions for cross-platform systems and applications, from investors including Samsung Ventures, Fortinet, and Docomo Capital
- LogMeIn's acquisition of systems integrator Ionia

There were 17 transactions (11 acquisitions and six investments) in the Healthcare Information subsegment during the quarter, of which six reported \$767 million in value. Largely due to Summit Partners' \$550 million acquisition of ABILITY Network, the Financial Information subsegment accounted for 16 percent of reported value in the segment. There were eight Financial Information transactions in 2Q14, including:

- The Blackstone Group and GS Capital Partners' \$975 million acquisition of Ipreo, a provider of market intelligence, data, and technology solutions to participants in the capital markets
- The \$28 million investment by Northwestern Mutual Capital in LearnVest, an online personalized financial planning platform
- Canvas Venture Fund's \$15.5 million investment in online financial advisor platform FutureAdvisor

## Most Active Information & Business Services Subsegments

Subsegment	1Q14		2Q14		1H14 vs 2H13 (% Change)		LTM	
	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)
IT Consulting/Systems Integration	21	26	37	1,170	5%	200%	113	1,595
Healthcare Information	19	261	17	767	200%	400%	48	1,233
Credit/Risk Management Information	2	6	14	422	78%	(75%)	25	2,126
Market Research	6	52	9	576	(29%)	(0%)	36	1,258
Financial Information	1	14	8	1,027	(36%)	48%	23	1,744
Staffing	9	10	8	55	6%	(85%)	33	493
BPO	10	2,355	7	51	(35%)	58%	43	3,932
Logistics	4	2,522	5	259	200%	40,491%	12	2,787
Marketing Data	1	17	4	810	(50%)	391%	15	995
HR Information	4	30	3	0	(59%)	(37%)	24	78
<b>Subtotal</b>	<b>77</b>	<b>5,291</b>	<b>112</b>	<b>5,136</b>	<b>3%</b>	<b>79%</b>	<b>372</b>	<b>16,241</b>
Other	31	2,330	17	1,104	(6%)	530%	99	3,978
<b>Total</b>	<b>108</b>	<b>7,621</b>	<b>129</b>	<b>6,240</b>	<b>1%</b>	<b>118%</b>	<b>471</b>	<b>20,219</b>

*"Other" includes Contact Center, Corporate Training, Credit/Risk Consulting, Data Processing/Enhancement, Engineering Consulting, Financial Consulting, Fulfillment, Geo-Demo Consulting, Geo-Demo Information, Healthcare Consulting, HR Consulting, HR Information, IT Information, Legal Consulting, Legal Information, Logistics, Printing Services, and Product/Price Information*

## Buyers

Strategic buyers made up the majority of activity in the segment during 2Q14, accounting for 54 percent of deals and 55 percent of reported value. Venture and growth capital investment activity was up 29 percent compared to 1Q14 with 45 transactions, up from 35 in the previous quarter. Private equity buyers completed 14 acquisitions, three of which were worth \$1.8 billion in aggregate reported value.

## Information & Business Services Transactions by Type of Buyer/Investor

Subsegment	1Q14		2Q14		1H14 vs 2H13 (% Change)		LTM	
	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)
Strategic	63	1,086	70	3,431	(15%)	44%	290	7,655
Private Equity - Buyout	10	3,653	14	1,833	9%	94%	46	8,314
Private Equity - VC/Growth Capital	35	2,882	45	976	45%	884%	135	4,250
<b>Total</b>	<b>108</b>	<b>7,621</b>	<b>129</b>	<b>6,240</b>	<b>1%</b>	<b>118%</b>	<b>471</b>	<b>20,219</b>

# Selected Recent Transactions

<p><b>welcome wagon</b> a leading targeted direct marketing company that connects new movers with local businesses has merged with an affiliate of</p> <p><b>MONEY EXCHANGER</b> and <b>MADISON INDUSTRIES</b></p> <p>PetskyPrunier INVESTMENT BANKERS</p>	<p><b>MediaAlpha</b> a disruptive, rapidly expanding marketplace for insurance clicks, calls, and leads has sold a majority stake to</p> <p><b>White Mountains INSURANCE GROUP</b> (NYSE: WTM)</p> <p>PetskyPrunier INVESTMENT BANKERS</p>	<p><b>TagMan</b> a leading global SaaS-based tag management, data management, and marketing attribution provider has been sold to</p> <p><b>ensighten</b></p> <p>PetskyPrunier INVESTMENT BANKERS</p>	<p><b>BRANDERS.COM</b> the largest independent e-Commerce retailer of promotional products has been sold to</p> <p><b>BEL PROMO</b></p> <p>PetskyPrunier INVESTMENT BANKERS</p>	<p><b>CASKEY.de</b> <b>OVERCLOCKERS UK</b> the leading European online supplier of high-performance gaming and PC components a portfolio company of</p> <p><b>AFINUM</b> has been sold to</p> <p><b>EQUISTONE</b></p> <p>PetskyPrunier INVESTMENT BANKERS</p>
<p><b>d+ma</b> a provider of international local networks and service numbers, as well as value-added functions for call centers a subsidiary of</p> <p><b>NETRADA</b> has been sold to</p> <p><b>PARAGON PARTNERS</b></p> <p>PetskyPrunier INVESTMENT BANKERS</p>	<p><b>ClickSquared</b> Marketing Software - No-Code a leading SaaS-based, cross-channel campaign management platform for B2C marketers has been sold to</p> <p><b>Zeta interactive</b></p> <p>PetskyPrunier INVESTMENT BANKERS</p>	<p><b>NEW TRACK MEDIA LLC</b> a consumer enthusiast media and commerce company has been sold to</p> <p><b>fw media</b></p> <p>PetskyPrunier INVESTMENT BANKERS</p>	<p><b>fresh space</b> SALES MEDIA TO A WHOLE NEW PLACE one of the largest independent in-store media companies in the U.S. has been sold to</p> <p><b>ADVANTAGE</b> SALES AND MARKETING</p> <p>PetskyPrunier INVESTMENT BANKERS</p>	<p><b>medimedia</b> a portfolio company of</p> <p><b>VCP</b> has sold</p> <p><b>MediMedia Health Sample Management Business</b> to</p> <p><b>Kiipper</b></p> <p>PetskyPrunier INVESTMENT BANKERS</p>
<p><b>BLACKLANE</b> LONDON a Berlin-based worldwide travel solution provider for premium transportation has received a double-digit million Euro investment led by</p> <p><b>Daimler Mobility Services</b></p> <p>PetskyPrunier INVESTMENT BANKERS</p>	<p><b>Simplifi</b> a technology company delivering highly targeted programmatic marketing solutions using unstructured data has received a \$16MM Series B investment led by</p> <p><b>FrontierCapital</b></p> <p>PetskyPrunier INVESTMENT BANKERS</p>	<p><b>SQAD</b> Real Cost Intelligence a leading provider of transaction-based media cost databases and software for television, radio, and digital advertising cost analysis has been sold to</p> <p><b>CLARION</b> CAPITAL PARTNERS, LLC</p> <p>PetskyPrunier INVESTMENT BANKERS</p>	<p><b>LeacKarma</b> a leading provider of online customer acquisition services to the insurance industry has been sold to</p> <p><b>Bankrate, Inc.</b> (NYSE: RATE)</p> <p>PetskyPrunier INVESTMENT BANKERS</p>	<p><b>DATAMARK</b> a leading provider of data-driven enrollment marketing solutions to higher education institutions has acquired select assets of</p> <p><b>AltusEd</b></p> <p>PetskyPrunier INVESTMENT BANKERS</p>
<p><b>ASCRIBE</b> a leading UK-based supplier of healthcare software and IT services a portfolio company of</p> <p><b>eci</b> has been sold to</p> <p><b>emis</b> (AIM: EMIS)</p> <p>PetskyPrunier INVESTMENT BANKERS</p>	<p><b>CITIZENHAWK</b> a premier global provider of SaaS-based online brand protection and domain recovery solutions a portfolio company of</p> <p><b>maveron</b> has been sold to</p> <p><b>Wolters Kluwer Corporate Legal Services</b> (Euronext Amsterdam: WKL)</p> <p>PetskyPrunier INVESTMENT BANKERS</p>	<p><b>Engauge</b> one of the largest independent digital agencies has been sold to</p> <p><b>PUBLICIS GROUPE</b> (ENXTPA: PUB)</p> <p>PetskyPrunier INVESTMENT BANKERS</p>	<p><b>SLINGO</b> a leading developer of popular real-money and social gaming has been sold to</p> <p><b>realnetworks</b> (Nasdaq: RNWK)</p> <p>PetskyPrunier INVESTMENT BANKERS</p>	<p><b>brandnetworks</b> POWERING SOCIAL. EMPOWERING CUSTOMERS. a leading provider of social software solutions and digital marketing services for some of the world's largest brands, and one of just thirteen Facebook Strategic Preferred Marketing Developers (PMD) has received a \$68M minority investment from</p> <p><b>AEA Investors</b></p> <p>PetskyPrunier INVESTMENT BANKERS</p>
<p><b>ACCESSVIA</b> the largest provider of cloud-based SaaS tools for printing signs, labels and tags, and publishing digital displays for retailers has been sold to</p> <p><b>perceptivesoftware</b> a unit of</p> <p><b>LEXMARK</b> (NYSE: LXX)</p> <p>PetskyPrunier INVESTMENT BANKERS</p>	<p><b>travora</b> has sold</p> <p><b>10BEST</b> provider of online travel guides for top destinations around the world to</p> <p><b>GANNETT</b> (NYSE: GCI)</p> <p>PetskyPrunier INVESTMENT BANKERS</p>	<p><b>river north</b> has sold</p> <p><b>MARKETING DRIVE</b> along with digital subsidiary <b>WELD</b> specializing in retail, digital, shopper marketing and consumer promotion services to</p> <p><b>match my</b></p> <p>PetskyPrunier INVESTMENT BANKERS</p>	<p><b>Triad Retail Media</b> a portfolio company of</p> <p><b>H I G</b> <b>GROWTH PARTNERS</b> has been sold to</p> <p><b>ROCKBRIDGE GROWTH EQUITY</b> with debt financing from</p> <p><b>FALCON</b></p> <p>PetskyPrunier INVESTMENT BANKERS</p>	<p><b>BRANT SCREEN CRAFT</b> a leading provider of in-store and shopper marketing signage to major North American retailers has been sold to</p> <p><b>HKW</b></p> <p>PetskyPrunier INVESTMENT BANKERS</p>
<p><b>buysight</b> a real-time behavioral advertising company has been sold to</p> <p><b>Aol.</b> (NYSE: AOL)</p> <p>PetskyPrunier INVESTMENT BANKERS</p>	<p><b>avVenta</b> WORLDWIDE a leading provider of digital production services to brands and agencies has been sold to</p> <p><b>accenture</b> (NYSE: ACN)</p> <p>PetskyPrunier INVESTMENT BANKERS</p>	<p><b>mediaFORGE</b> a dynamic display media and retargeting company has been sold to</p> <p><b>Rakuten LINKSHARE</b> (JASDAQ: 4755)</p> <p>PetskyPrunier INVESTMENT BANKERS</p>	<p><b>SHOW MEDIA</b> a leading provider of transportation-based digital media networks has received a mezzanine debt investment from</p> <p><b>BNY MELLON ASSET MANAGEMENT</b> <b>Alcentra</b></p> <p>PetskyPrunier INVESTMENT BANKERS</p>	<p><b>XL MARKETING</b> a leading digital direct marketing company utilizing a proprietary database to provide customer acquisition solutions for major brands has received an equity investment from</p> <p><b>GCP</b> with debt financing from Madison Capital Funding LLC</p> <p>PetskyPrunier INVESTMENT BANKERS</p>

## About Petsky Prunier LLC

Petsky Prunier is one of the leading investment banks in the technology, media, marketing, eCommerce, and healthcare industries. Our firm's mergers and acquisitions and private placements advisory services reflect a unique blend of product specialization and industry expertise. Together with strategic consulting firm Winterberry Group, a Petsky Prunier company, our organization represents one of the largest industry-specific advisors providing strategic and transactional services. In addition, we offer international reach through our partnership with Altium. Established for more than 20 years and privately owned, Altium is an international investment bank operating from eight offices across Europe. Securities transactions are processed through Petsky Prunier Securities LLC, member of FINRA/SIPC.

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