

FINANCIAL TECHNOLOGY AND INFORMATION INDUSTRY

Q3 2016 :: Mergers and Acquisitions Trend Report

Q3 2016 KEY HIGHLIGHTS

- The largest transaction in Q3 2016 was CBOE Holdings' announced acquisition of BATS Global Markets for \$3.6 billion. Of note, three of the industry's top five deals by value year-to-date involved major exchange operators.
- The highest value Payments deal in Q3 2016 was MasterCard Incorporated's announced acquisition of VocaLINK, which develops and operates payments infrastructure solutions, for \$924 million.

Q3 2016 KEY TRENDS

- Total transaction volume in the 1st 3 Quarters of 2016 increased by seven percent over the 1st 3 Quarters of 2015, from 321 to 342.
- Total transaction value in the 1st 3 Quarters of 2016 rose by seven percent over the 1st 3 Quarters of 2015, from \$42 billion to \$44.9 billion.

MULTIPLES & VALUE TRENDS

- The median revenue multiple on a year-over-year basis declined from 3.2x to 2.2x.
- The median EBITDA multiple on a year-over-year basis decreased from 15.2x to 12.1x.

Top Ten Notable Transactions - 1st 3 Quarters 2016

Deal Date	Target Name	Buyer	Value MM US\$
03/16/16	London Stock Exchange Group plc	Deutsche Börse Group	\$14,677
03/21/16	Markit Group Ltd.	IHS, Inc.	\$10,974
09/26/16	BATS Global Markets, Inc.	CBOE Holdings, Inc.	\$3,620
01/26/16	TransFirst, LLC	TSYS	\$2,329
03/09/16	The International Securities Exchange	Nasdaq, Inc.	\$1,100
07/21/16	VocaLINK	MasterCard Incorporated	\$924
05/05/16	Xchanging PLC	Computer Sciences Corporation	\$767
07/25/16	OptionsHouse	E-Trade Financial Corp.	\$725
01/28/16	Union Mobile Pay Ltd.	Haili Metal One	\$462
06/15/16	NACC business from DST Systems, Inc.	Broadridge Financial Solutions, Inc.	\$410
2016 Aggregate Transaction Value			\$44,872
Top 10 Aggregate Transaction Value			\$35,987
Top 10 Aggregate Value as a Percentage of All Transactions			80 %

Figure 3. Lists the top ten transactions for the 1st 3 Quarters of 2016 and calculates their aggregate transaction value as a percentage of the total aggregate transaction value. **Note:** Transaction data based on **announced date.**

M&A Market Dynamics



Figure 1. 1st 3 Quarters value and volume comparison from 2013 to 2016.

Median Enterprise Value Multiples

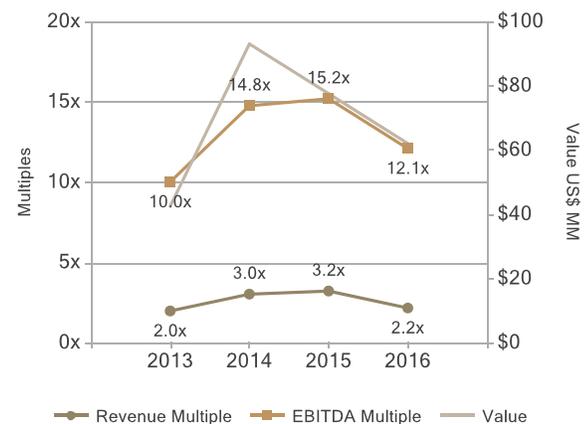


Figure 2. 1st 3 Quarters median value, revenue, EBITDA comparison from 2013 to 2016.

TOP TEN DEALS THROUGH Q3 2016

The top ten deals by value have seen three new additions since our half year report, including two in the Capital Markets segment. This consisted of the aforementioned BATS Global Markets deal and E*TRADE Financial Corporation's acquisition of OptionsHouse for \$725 million.

These three transactions, with an aggregate value of \$5.2 billion, represented 12 percent of transaction value in the 1st 3 Quarters of 2016 and 70 percent of Q3 2016 transaction value.

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 Colibri

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 QUAD-C

 **HW**

HOUSINGWIRE

HAS BEEN ACQUIRED BY

 **RIOMAR**
CAPITAL

 EPIC

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