

# TMT Monthly

**Review of global TMT deal activity**

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*G2Mi.com provides a single point of access to comprehensive data on companies, deals and industry size and structure.....covering the global TMT landscape*

Since the start of 2013, G2Mi Research has tracked close to 8,500 deals in the global TMT sector, of which those where value was disclosed (approximately 4,250 deals) had an aggregate value of USD 560 billion<sup>1</sup>. Whilst a number of landmark deals such as Vodafone/Verizon Wireless, Comcast/Time Warner Cable and Facebook/WhatsApp have attracted the most headlines, the most interesting trends are the continuing high level of venture investment into emerging areas of the media and tech space, and the increasing shift of investors' attention towards emerging markets.

Areas that have attracted high levels of venture investment include:

- Technology platforms that allow management and analysis of digital (and more specifically social) media consumption;
- Companies with a strong focus on development of mobile content and services;
- New approaches to established online segments such as retail, property and travel;
- Alternative payments' platforms – particularly with a focus on mobile.

In terms of emerging markets, India is beginning to see significant levels of investment into areas such as online retail (such as the USD 134 million investment in Snapdeal), mobile advertising and gaming.

In the technology space, targets of both M&A and investment activity have been companies which provide tools and services for the deployment and management of cloud-based solutions and digital security software and solutions. Private equity buyers (including Thoma Bravo, Bain Capital, KKR and Hellman & Friedman) have also been active in acquiring players in the provision of software and processing services (e.g. claims management, call centres) to large enterprises.

In the telecom sector, operators have continued to divest non-core assets and provides of telecom infrastructure and services have acquired businesses to build market share and expand into ancillary areas.

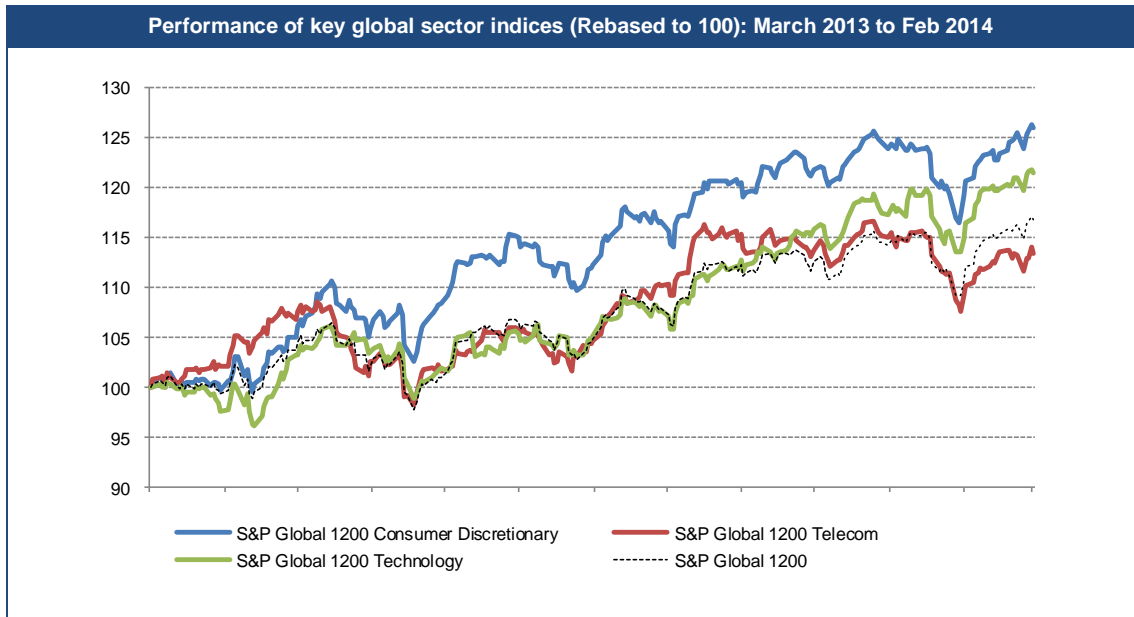
In the media sector, most areas have seen some significant deals (consumer and trade publishing, gaming, entertainment and marketing services); cable TV has been a particularly active sector in both Europe and North America in terms of large deals.

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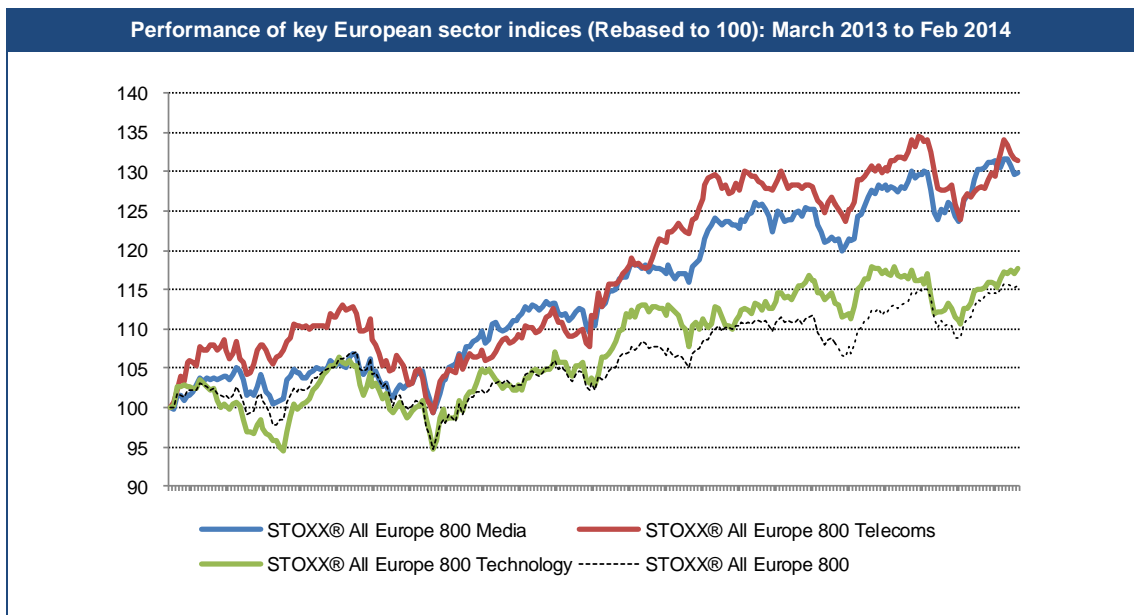
<sup>1</sup> Deals where value is disclosed are referred to as disclosed deals in this note

## Sector performance

An economic recovery led by consumer-spending (benefiting adspend) and strong investor appetite for technology stocks has driven a strong performance by media and technology stocks (in comparison to the overall market).

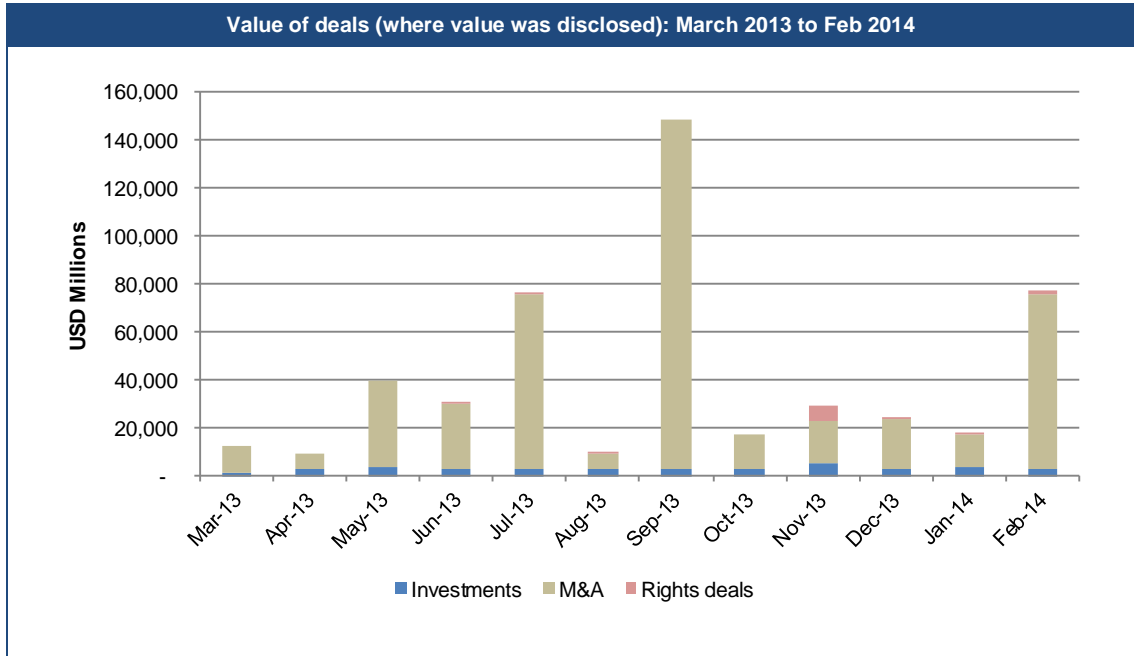


In Europe, technology stocks performed in line with the equities market whilst media and telecom stocks significantly outperformed. The STOXX media index which has a good mix of Pay TV and FTA broadcasters, both trade and consumer publishers and communications' services groups reflects the recovery in the advertising market, good performance from media businesses based on a subscription model (Pay TV) and high expectations of deal activity in sectors such as cable TV. The telecom sector has benefited from robust growth in data revenues and efforts by operators to divest non-core operations.

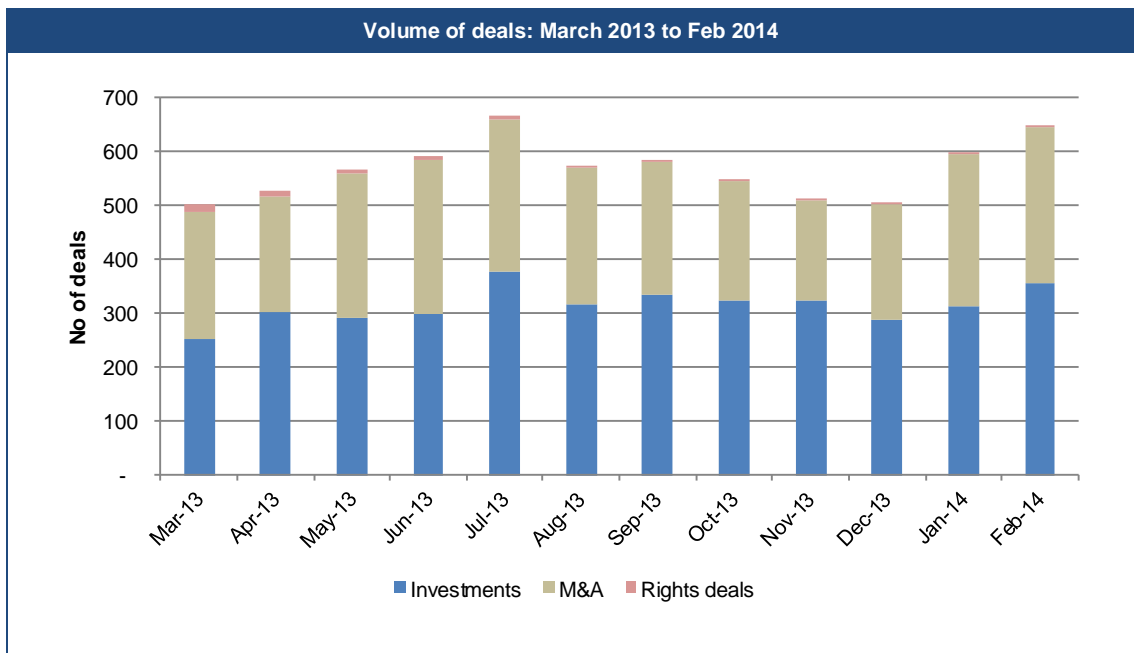


## Deal activity in the last twelve months

The global TMT sector continues to enjoy buoyant levels of deal activity. In the first two months of 2014, the value of disclosed M&A deals was 32% higher than in the same period in 2013 (the 2014 figure is impacted by Facebook's USD 19 billion acquisition of WhatsApp and Comcast's acquisition of Time Warner Cable for USD 45.2 billion).



The strong level of activity is reflected in deal volumes too; deal volumes in the first two months of 2014 are 10% higher than in the same period in the previous year.



## Deal activity in February 2014

In February 2014, G2Mi Research monitored 703 deals in the global TMT sector, of which 341 deals (where a value was disclosed) had a combined value of USD 76.9 billion<sup>2</sup>. The G2Mi Transactions database covers M&A activity, private equity/venture capital investments, broadcasting rights deals<sup>3</sup> and major partnerships. The largest deals (where value was disclosed) were Comcast's acquisition of Time Warner Cable and Facebook's acquisition of WhatsApp.

In the M&A space, there were 51 TMT deals (where value was disclosed) with an aggregate value of USD 72.9 billion; the average deal size was USD 1,430 million. Private equity and venture capital investment remained healthy; the average deal size was USD 10.1 million. Key deals include an eBay-led investment of USD 134 million in the Indian discount vouchers' website, SnapDeal. In sports broadcasting rights, Italian broadcaster Mediaset acquired 3 years' broadcasting rights of the UEFA Champions League for USD 909 million.

**Figure 1. No of deals by sector and type (February 2014)<sup>4</sup>**

	Investments	M&A	Rights deals
Business media	6	4	
Consumer publishing		9	
Entertainment		5	
Internet	211	113	
Marketing services	2	26	
Media (General)		1	
Media facilities and solutions		8	
Professional media	4	13	
Sports media		2	56
Technology Hardware	4	2	
Software & Services	121	73	
Telecoms	8	17	
Television and Radio		15	
<b>Total</b>	<b>356</b>	<b>288</b>	<b>56</b>

<sup>2</sup> USD values are calculated from local currency using an average exchange rate for 2014

<sup>3</sup> Rights data is primarily focused on sports broadcasting rights

<sup>4</sup> Three partnerships were also recorded but are not listed here

Below we summarise some key analysis of deal activity in February 2014. Full details of all these transactions are available to G2Mi subscribers.

**Figure 2. Disclosed deal values by sector and region of acquiror/investor<sup>5</sup>**

USD million	Region of acquiror/investor						Total
	Asia	Australasia	Europe	Latin America	Middle East	North America	
Business media			25			4	29
Consumer publishing		2	1				4
Internet	723	60	639	16	11	20,308	21,757
Marketing services	5					178	183
Media (General)						69	69
Media facilities and solutions						33	33
Professional media			2			276	278
Sports media			1,002				1,002
Technology Hardware	8		6			395	408
Software & Services	84	67	1,025		16	4,678	5,870
Telecoms	3		838		1	927	1,769
Television and Radio			52			45,441	45,493
<b>Total</b>	<b>823</b>	<b>130</b>	<b>3,591</b>	<b>16</b>	<b>27</b>	<b>72,309</b>	<b>76,895</b>
<b>% share</b>	<b>1.1%</b>	<b>0.2%</b>	<b>4.7%</b>	<b>0.01%</b>	<b>0.01%</b>	<b>94.0%</b>	<b>100%</b>

**Figure 3. Disclosed deal values by sector and region of target/investee**

USD million	Region of target/investee						Total
	Asia	Australasia	Europe	Latin America	Middle East	North America	
Business media			11			18	29
Consumer publishing			1			2	4
Internet	863	60	201	21	15	20,596	21,757
Marketing services	5		116			63	183
Media (General)						69	69
Media facilities and solutions						33	33
Professional media			2			276	278
Sports media	71		931				1,002
Technology Hardware	8		6			395	408
Software & Services	25	67	947		3	4,827	5,870
Telecoms	3		1,748		1	17	1,769
Television and Radio			52			45,441	45,493
<b>Total</b>	<b>976</b>	<b>127</b>	<b>4,015</b>	<b>21</b>	<b>19</b>	<b>71,737</b>	<b>76,895</b>
<b>% share</b>	<b>1.3%</b>	<b>0.2%</b>	<b>5.2%</b>	<b>0.01%</b>	<b>0.01%</b>	<b>93.3%</b>	<b>100%</b>

<sup>5</sup> For deals where value was disclosed

Company Profiles | Company Analyzer | Sector Snapshots | Transactions Data | Premium Reports

**Basic Search**

Company / Investor name  All text

**Transaction type**

ALL EVENTS  
 M&A  Partnerships  Investments  Rights Deals

**Date range**

all dates

**Location**

-- Choose Region --  -- Choose Country --

**Advanced Search**

**Transaction Value**

--select--  (USD millions est.)

Exclude records where transaction value not available

**Sector group**

ALL SECTORS

Alternative Media  Business Media  
 Consumer Publishing  Entertainment  
 Internet  Marketing Services  
 Media (General)  Media Facilities And Solutions  
 Professional Media  Sports Media  
 Technology Hardware  Technology Software & Services  
 Telecoms  Television And Radio

**Investor/buyer details**

Name

Type  Financial  Trade  Other

Location -- Choose Region --  -- Choose Country --

**Target/Investee details**

Name

Location -- Choose Region --  -- Choose Country --

**Seller details**

Name

Type  Financial  Trade  Other

Location -- Choose Region --  -- Choose Country --

**Search**

## The leading deals' database covering the global TMT sector

G2Mi Research maintains a comprehensive database of deal activity across the global TMT sector. On a daily basis, our analyst team monitor mergers and acquisitions, private equity/venture capital investments, broadcasting rights deals and major partnerships. The database provides an essential tool for industry professionals, advisors and investors keen to analyse activity and trends among TMT companies, private equity/venture funds and rights holders. Subscribers can access, download and process deal data in a range of formats through a secure website.

For further information on G2Mi's services, please visit [G2Mi.com](http://G2Mi.com) or email [service@g2mi.com](mailto:service@g2mi.com).



**Figure 4. Disclosed deals data**

	No of deals	Total value (USD million)	Average value per deal (USD million)
Investments	287	2,914.8	10.2
M&A	51	72,978	1,430.9
Rights deals	3	1,002.4	334.1

**Figure 5. Value of disclosed deals by sector and type**

USD million	Investments	M&A	Rights deals	Total
Business media	4	25		29
Consumer publishing		4		4
Internet	1,783	19,974		21,757
Marketing services	3	181		183
Media (General)		69		69
Media facilities and solutions		33		33
Professional media	23	255		278
Sports media			1,002	1,002
Technology Hardware	14	394		408
Software & Services	1,047	4,823		5,870
Telecoms	41	1,728		1,769
Television and Radio		45,493		45,493
<b>Total</b>	<b>2,915</b>	<b>72,978</b>	<b>1,002</b>	<b>76,895</b>

**Figure 6. Value of disclosed deals by region of target/investee**

USD million	Investments	M&A	Rights deals	Total
Asia	624	281	71	976
Australasia	5	122		127
Europe	264	2,820	931	4,015
Latin America	21			21
Middle East	19			19
North America	1,982	69,755		71,737
<b>Total</b>	<b>2,915</b>	<b>72,978</b>	<b>1,002</b>	<b>76,895</b>



**Figure 7. Value of disclosed deals by region of acquiror/investor**

USD million	Investments	M&A	Rights deals	Total
Asia	516	306		823
Australasia	5	125		130
Europe	276	2,312	1,002	3,591
Latin America	16			16
Middle East	13	15		27
North America	2,089	70,221		72,309
<b>Total</b>	<b>2,915</b>	<b>72,978</b>	<b>1,002</b>	<b>76,895</b>

**Figure 8. No of deals by country**

No of deals by country of target/investee		No of deals by country of acquiror/investor	
Country of target/investee	No of deals	Country of acquiror/investor	No of deals
United States	379	United States	403
United Kingdom	65	United Kingdom	67
India	33	India	29
Canada	18	France	22
China	18	Germany	21
Germany	17	Canada	17
Israel	14	China	16
France	13	Japan	10
Sweden	11	Singapore	10
Spain	10	Australia	9

Figure 9. Selected deals<sup>6</sup>

Sector	Deal type	Country of target	Acquiror / Investor	Target / Investee	Value (USD Million)
Television and Radio	M&A	United States	Comcast Corp.	Times Warner Cable Inc.	45,200
Internet	M&A	United States	Facebook Inc.	WhatsApp Inc.	19,000
Software & Services	M&A	United States	KKR and Sedgwick's management	Sedgwick Claims Management Services Inc.	2,400
Sports media	Rights deals	Italy	Mediaset S.p.A.	3 years broadcasting rights of UEFA Champions League	909
Telecoms	M&A	Cyprus	Rakuten Inc.	Viber Media Ltd.	900
Telecoms	M&A	Czech Republic	Deutsche Telekom AG	T-Mobile Czech Republic AS (T-Mobile CR)	828
Software & Services	M&A	United States	Blackstone Group LP and GIC Pte. Ltd.	Kronos Inc.	750
Software & Services	M&A	Italy	Renova Group	Octo Telematics Spa	526
Internet	M&A	Canada	Essilor International SA	Coastal Contacts Inc.	407
Technology Hardware	M&A	United States	Microchip Technology Inc.	Supertex Inc.	394
Software & Services	M&A	United States	Synopsys Inc.	Coverity Inc.	375
Professional media	M&A	United States	Wolters Kluwer Corporate Legal Services	Third Coast Holdings Inc.	180
Software & Services	M&A	United States	First American Financial Corp.	Interthinx Inc.	155
Software & Services	M&A	Belgium	WABCO Holdings Inc.	Transics International NV	144
Internet	Investment	India	eBay Inc., Kalaari Capital, Nexus VP and Bessemer VP	Jasper Infotech Pvt. Ltd. (Snapdeal.com)	134
Internet	M&A	China	Vipshop Holdings Ltd.	Lefeng.com Ltd.	133
Television and Radio	M&A	United States	Emmis Communications Corp.	WBLS 107.5 FM and WLIB 1190	131
Internet	M&A	Malaysia	Sultan Ibrahim Ismail of Johar	MOL AccessPortal Sdn Bhd	128
Software & Services	Investment	United States	TPG Growth, Dragoneer Investment Group, Fidelity Investments, Morgan Stanley Inv. Mgmt, Salesforce.com, T. Rowe Price and Viking Global Investors	Domo Inc.	125
Internet	M&A	United States	LinkedIn Corp.	Bright Media Corp Inc.	120
Software & Services	M&A	United States	Banco Bilbao Vizcaya Argentaria SA	Simple Finance Technology Corp.	117
Marketing services	M&A	Sweden	GTCR LLC	Cision AB	116
Internet	Investment	India	Group of investors	Ule Trade Co. Ltd.	110
Television and Radio	M&A	United States	E.W. Scripps Co.	WMYD TV and WKBW TV	110
Internet	Investment	China	Alibaba Group, Temasek and Qiming Venture Partners	TutorGroup	100
Software & Services	Investment	United States	Warburg Pincus LLC	Dude Solutions Inc.	100

<sup>6</sup> Only deals where the value was disclosed are included

## Research notes

This analysis is based on the deals, G2Mi Research tracked in the G2Mi transactions database. The data is gathered from publicly available sources and through contact with companies and financial advisors.

The reported date shown is the date on which the deal was made public.



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