



Technology, Media, and Telecommunications (TMT)

Quarterly update
Q2 2019

TMT trends

Artificial Intelligence (AI)¹

- The use of Artificial Intelligence (AI) in cybersecurity is expected to continue to increase in 2019 and the near future, as the number of product offerings grows.
- With security incidents expected to rise again this year, more companies are relying on AI and Machine Learning to help identify harmful network activity.

Automation²

- Increased automation has had a big effect on the current workforce, with employees quitting at the fastest rate since 2001.
- Automation isn't just touching employees, as more companies are leveraging automation as a part of their strategy to create memorable and customizable experiences for customers.



Data analytics³

- Data Analytics was used initially for small parts in the decision making process, but far more end-to-end decision-making platforms will likely be used in the future.
- Analytics is moving towards increased automation, with Gartner predicting that 50 percent of analytical queries will be generated via search, natural language processing, or automated searches.

Business Intelligence (BI)⁴

- Business Intelligence (BI) is becoming a part of normal operations for many smaller companies, as companies with fewer than 100 employees beat out their larger competitors for a higher adoption rate.
- A larger number of companies are converting to self-service BI interfaces, which are predicted to yield more analytical data than data scientists in 2019.

TMT M&A trends

- By the end of the first half of 2019, global TMT deal count reached 2,772. Of these deals, 1,167 transactions occurred in the United States and Canada, 1,014 occurred in Europe, and 440 occurred in the Asia Pacific region. Of the remaining deals, 82 occurred in Africa and the Middle East, and 69 occurred in Latin America and the Caribbean.⁵
- For strategic acquirors, non TMT companies continue to find value and benefit from embedding technology in their product and service offerings. Of the 2,772 TMT transactions in the first half of 2019, 13.1 percent of transactions involved an acquiror outside of the technology sector.⁵
- The technology sector has become private equity's favorite hunting ground, accounting for 23.2 percent of all global buyouts so far this year, up from only 12.8 percent in 2013.⁶
- While breaking up Big Tech is a hotly debated topic, M&A in the Technology sector reached new highs, driven by private equity and the growing demand for data analytics and cloud services from business of all sizes. In June, Salesforce bought Tableau Software for \$15 billion just a week after Alphabet announced its \$2.6 billion acquisition of Looker.⁶

In this update

- TMT trends
- Economic outlook
- Industry analysis
- Select M&A transactions
- Appendix

This update will focus on news and trends in the following areas:

- Artificial Intelligence
- Business Intelligence
- Data Analytics
- Automation
- Mergers & Acquisitions

Who we are

Deloitte Corporate Finance LLC is a leading global middle market M&A adviser. The firm's professionals have extensive knowledge in the TMT space and use their experience to help the firm's clients maximize value.

Contacts

Ron Rivera

Lead – U.S. TMT
rorivera@deloitte.com
+1 (404) 631-3710

Byron Nelson

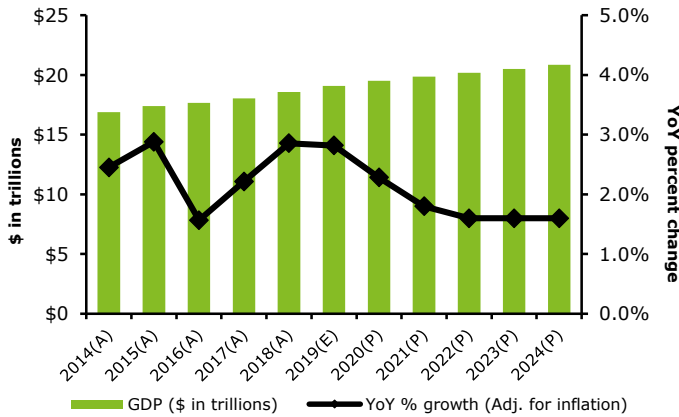
Managing Director
bynelson@deloitte.com
+1 (469) 417-2462

Michael Hakim

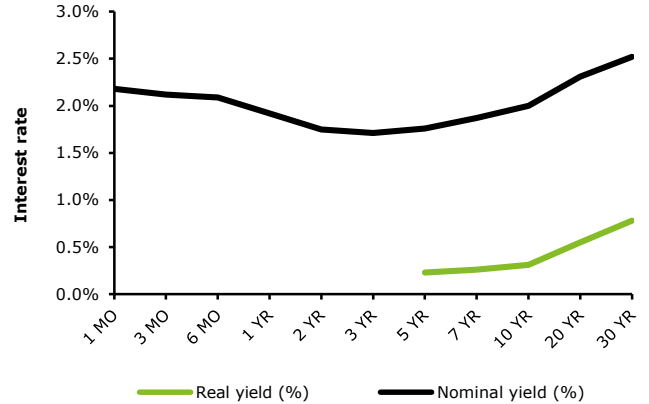
Vice President
mhakim@deloitte.com
+1 (213) 593-4545

Macroeconomic outlook

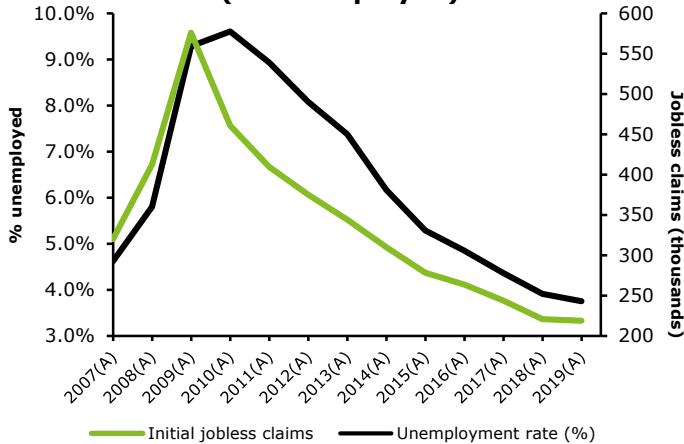
US gross domestic product¹



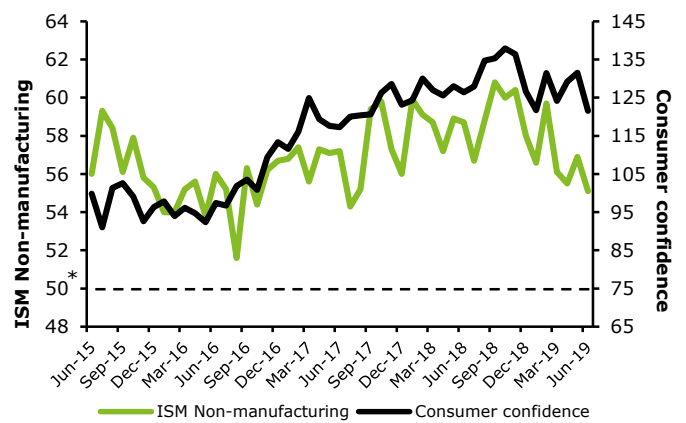
US Treasury yield curve (nominal vs. real)²



US unemployment rate (% unemployed)³



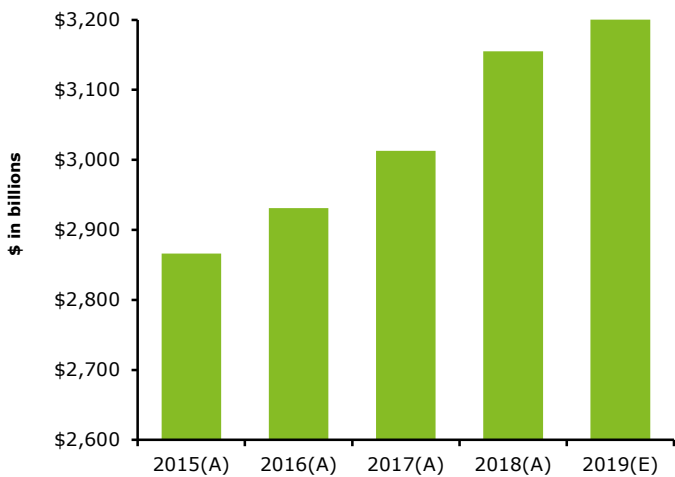
ISM non-manufacturing index and consumer confidence index⁴



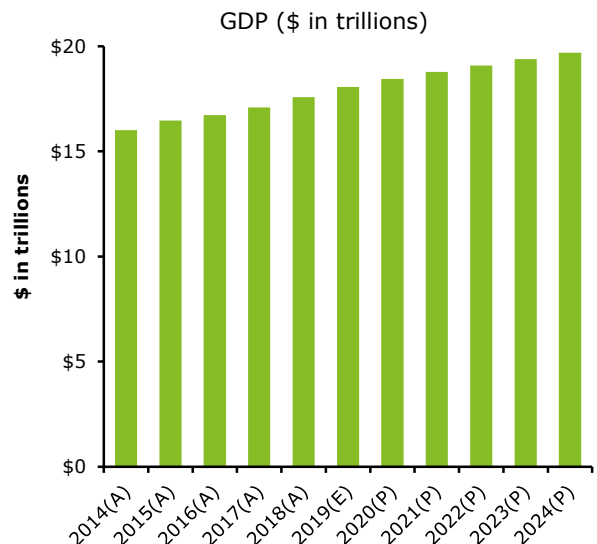
*An ISM non-manufacturing index value above 50 signals economic expansion.

TMT sector outlook

Global technology industry revenue⁵



Private investment in computers and software⁵

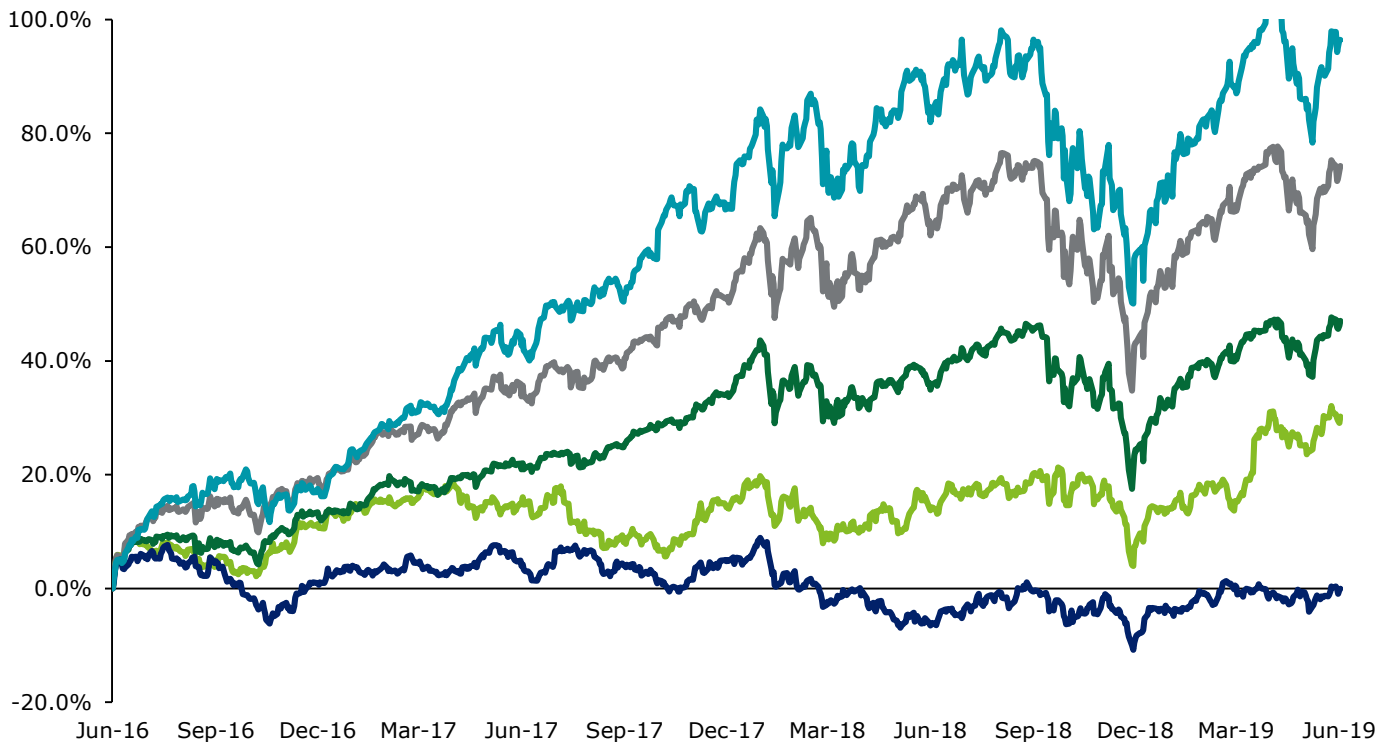


TMT sector breakdown and trading statistics¹

Sector	Number of companies	% of 52 week high	Median revenue CAGR (3 Yr)	Median LTM EBITDA (\$M)	Median EBITDA margin	Median EV (\$M)	LTM		NTM
							EV/Revenue	EV/EBITDA	EV/EBITDA
Application Software / SaaS	21	91.0 %	9.5 %	\$924	24.8 %	\$37,092	8.4 x	30.7 x	23.7 x
Internet & Digital Media	19	77.1	28.7	807	26.6	25,421	7.1	26.9	14.3
IT Services	9	93.0	8.5	3,183	20.4	34,030	2.4	12.0	11.0
Hardware	17	87.1	4.4	5,379	24.8	34,684	2.0	9.2	8.1
Traditional Media	21	88.0	3.4	1,336	18.6	20,513	1.6	9.3	9.0
Telecommunications	20	90.0	1.6	13,723	29.0	81,761	1.9	6.4	5.8
Automotive Technology	8	73.9	5.7	691	14.2	5,905	1.7	11.6	10.2
TMT Index	115	87.6 %	24.1 %	\$2,160	24.1 %	\$31,808	3.3 x	11.1 x	10.1 x

Public comparables three-year stock market performance^{2,3}

S&P 500 index	47.05%
NASDAQ composite index	74.26%
Technology index	96.39%
Media index	30.20%
Telecommunications index	-0.06%



— Media index — S&P 500 (^SPX) — NASDAQ composite index (^COMP)
— Telecommunications index — Technology index

Recent transactions

April 8, 2019 – Pinterest, Inc., (NYSE:PINS), a visual-based search engine website, announced the pricing of its initial public offering of 75,000,000 shares of common stock at a price to the public of \$19.00 per share. Pinterest’s arrival on the stock market occurs amid one of the busiest IPO markets in years, joining fellow high-profile venture-backed tech debuts hoping to test public markets. ^{1,2}

April 15, 2019 – AT&T, (NYSE:T), and Hulu announced an agreement by which AT&T has sold its minority stake in Hulu back to the streaming video joint venture. The transaction valued Hulu at \$15 billion with AT&T’s 9.5 percent interest valued at \$1.43 billion. Along with additional planned sales of non-core assets, the proceeds from the transaction will go towards reducing debt on AT&T’s balance sheet. ³

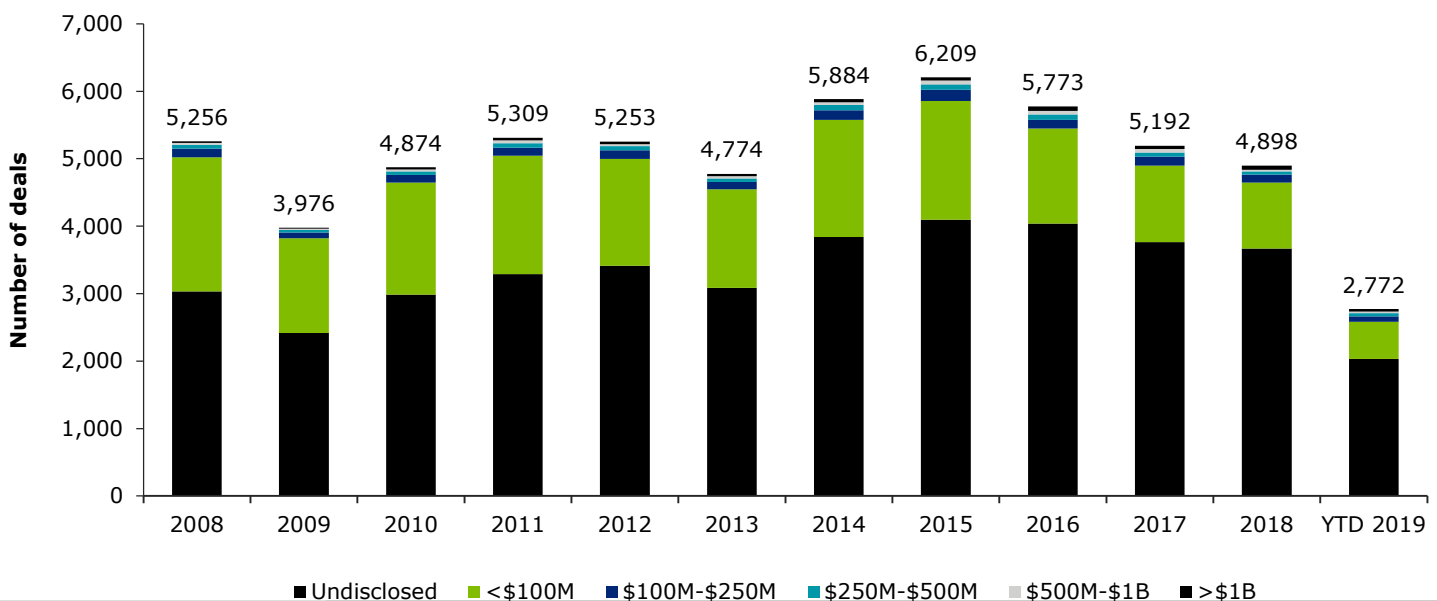
May 17, 2019 - Hewlett Packard Enterprise, (NYSE:HPE), and Cray Inc. (NASDAQ:CRAY), a global supercomputer leader, have entered into a definitive agreement under which HPE will acquire Cray in an all-stock transaction, representing an enterprise value of \$1.3 billion. The transaction enables HPE to tackle their customers’ most data-intensive challenges by merging supercomputing talent with cutting-edge technology. ⁴

May 23, 2019 – Endeavor Group Holdings, Inc., a Los Angeles-based entertainment agency, filed its S-1 document to officially file for an initial public offering. The company aims to pursue growth by developing, selling, and distributing its own entertainment content, positioning themselves to contend against traditional entertainment studios. ⁵

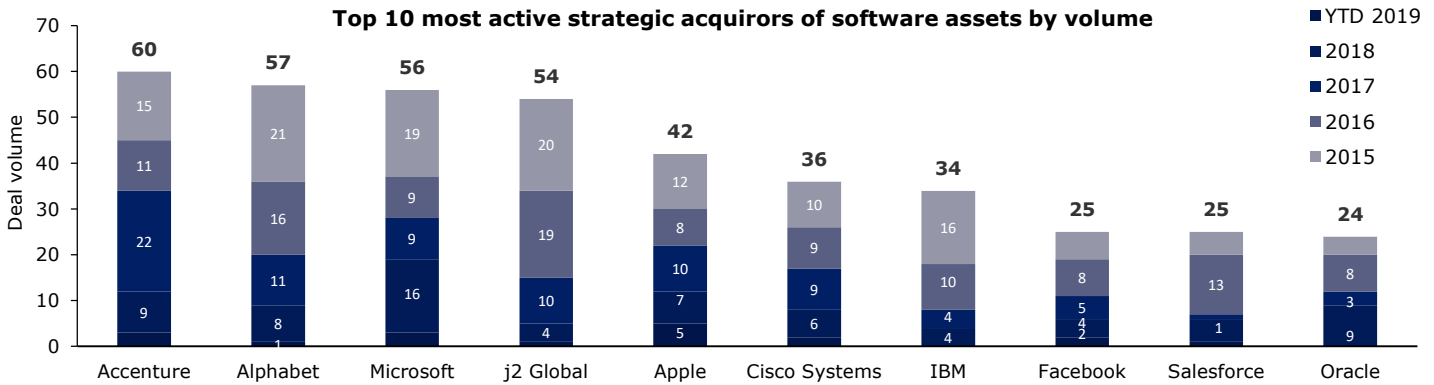
June 10, 2019 – Salesforce (NYSE:CRM), and Tableau Software (NYSE:DATA), a leading analytics platform, have entered into a definitive agreement under which Salesforce will acquire Tableau in all-stock transaction, representing an enterprise value of \$15.7 billion. The transaction represents a merger of a large CRM provider and an industry leading analytics platform, accelerating Salesforce’s opportunity in the \$1.8 trillion digital transformation space and enabling customers to unlock greater value from their data through smarter business decisions. ⁶

June 11, 2019 – CrowdStrike Holdings, Inc. (NASDAQ:CRWD), a cybersecurity technology company, announced the pricing of its initial public offering of 18,000,000 shares of its Class A common stock at a price to the public of \$34.00 per share. CrowdStrike’s public listing continues a procession of technology firms looking to raise money from public markets this year. ⁷

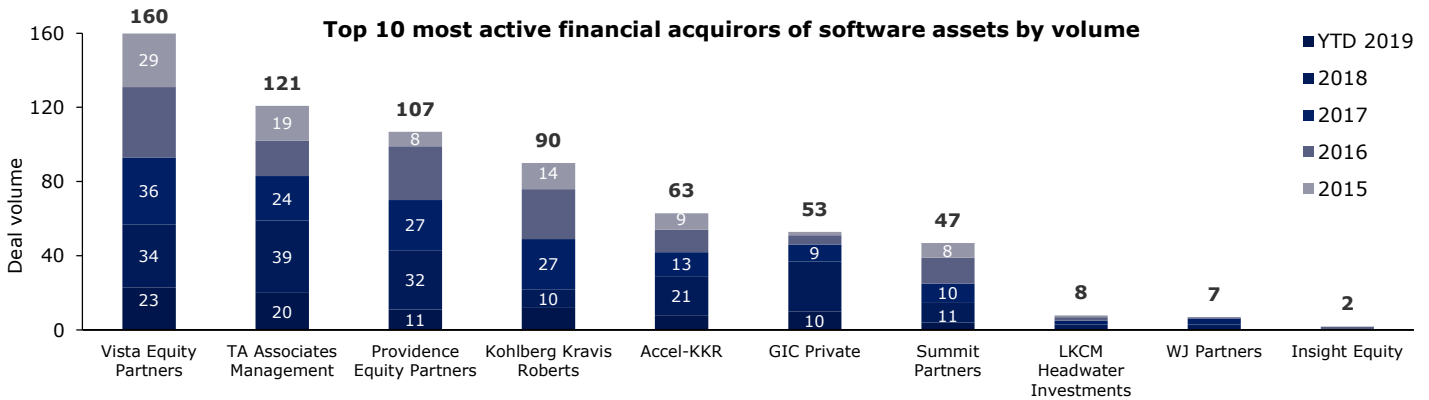
Annual TMT M&A transaction volume⁶



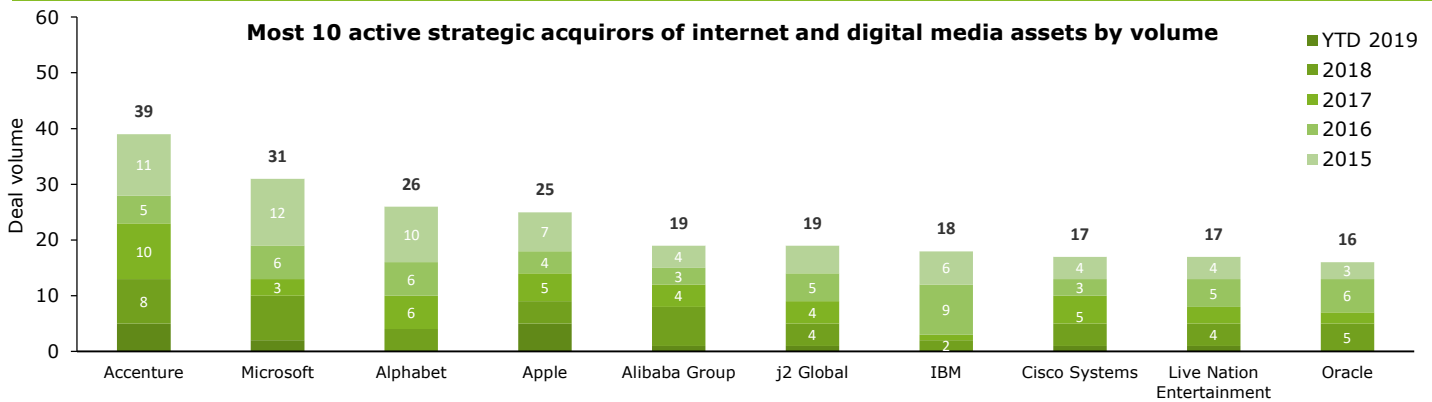
Software acquisition activity – strategic acquirors¹



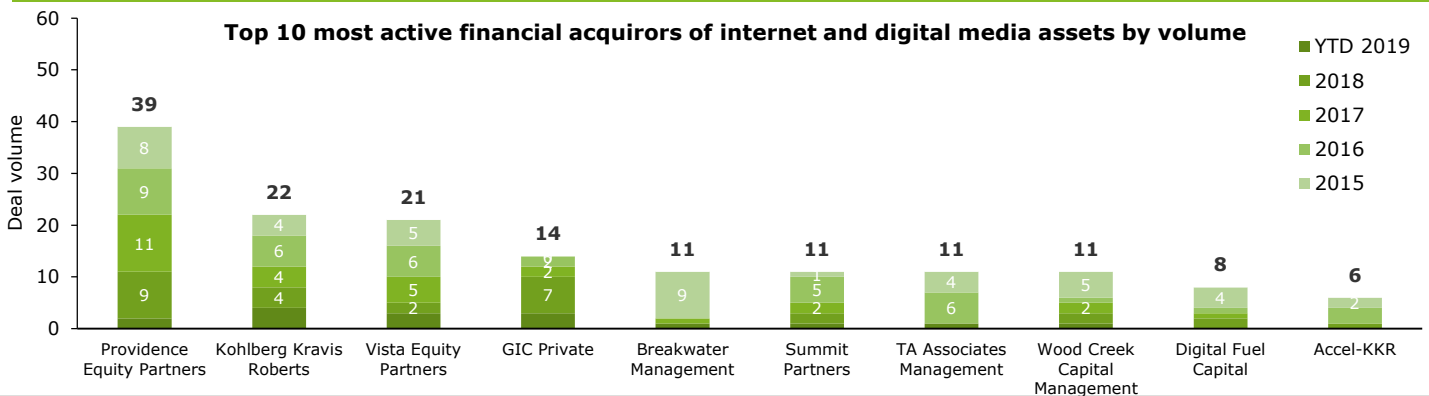
Software acquisition activity – financial acquirors¹



Internet and digital media acquisition activity – strategic acquirors¹



Internet and digital media acquisition activity – financial acquirors¹



Appendix

Public comparables analysis¹

Company (ticker)	% of 52 Week high	LTM revenue	Revenue CAGR (3 Yr)	LTM EBITDA	EBITDA margin	Enterprise value ("EV")	Last twelve months		NTM
							EV/ Revenue	EV/ EBITDA	EV/ EBITDA
(\$ in millions)									
Application Software/SaaS (21)									
Adobe Inc. (NasdaqGS:ADBE)	96.9 %	\$10,101	23.9 %	\$3,368	33.3 %	\$143,692	14.2 x	42.7 x	25.8 x
Autodesk, Inc. (NasdaqGS:ADSK)	91.0	2,745	5.0	193	7.0	37,092	13.5	191.8	36.4
Cerner Corporation (NasdaqGS:CERN)	99.9	5,463	6.7	1,220	22.3	23,531	4.3	19.3	13.4
Check Point Software Technologies Ltd. (NasdaqGS:CHKP)	87.1	1,936	5.2	924	47.7	15,842	8.2	17.1	15.6
DocuSign, Inc. (NasdaqGS:DOCU)	72.7	759	NA	(162)	NM	8,505	11.2	NM	130.7
Dropbox, Inc. (NasdaqGS:DBX)	71.7	1,461	NA	128	8.8	10,078	6.9	78.5	24.8
Fiserv, Inc. (NasdaqGS:FISV)	98.8	5,885	3.5	1,897	32.2	41,580	7.1	21.9	17.4
Intuit Inc. (NasdaqGS:INTU)	96.0	6,593	12.5	1,952	29.6	64,850	9.8	33.2	23.7
Microsoft Corporation (NasdaqGS:MSFT)	96.8	122,211	12.0	51,846	42.4	981,318	8.0	18.9	16.9
Oracle Corporation (NYSE:ORCL)	99.1	39,506	2.2	16,084	40.7	208,612	5.3	13.0	10.8
PagerDuty, Inc. (NYSE:PD)	78.7	130	NA	(46)	NM	3,242	24.9	NM	NM
Salesforce.com, Inc. (NYSE:CRM)	90.6	14,013	25.6	1,761	12.6	118,214	8.4	67.1	26.2
SAP SE (DB:SAP)	100.0	28,661	6.7	7,434	25.9	171,263	6.0	23.0	15.7
Slack Technologies, Inc. (NYSE:WORK)	89.3	454	NA	(144)	NM	18,127	39.9	NM	NM
ServiceNow, Inc. (NYSE:NOW)	93.7	2,809	36.7	135	4.8	50,368	17.9	373.7	49.4
SolarWinds Corporation (NYSE:SWI)	86.4	852	NA	201	23.6	7,106	8.3	35.4	NM
Symantec Corporation (NasdaqGS:SYMC)	87.8	4,731	9.5	1,000	21.1	15,861	3.4	15.9	7.4
VMware, Inc. (NYSE:VMW)	80.9	9,232	NA	2,477	26.8	69,966	7.6	28.2	17.5
Workday, Inc. (NasdaqGS:WDAY)	93.0	3,029	34.0	(270)	NM	46,179	15.2	NM	60.9
Zscaler, Inc. (NasdaqGS:ZS)	93.2	273	NA	(15)	NM	9,278	34.0	NM	252.5
Zoom Video Communications, Inc. (NasdaqGS:ZM)	82.7	392	NA	19	4.7	24,030	61.2	1,293.8	NM
Median	91.0 %	\$3,029	9.5 %	\$924	24.8 %	\$37,092	8.4 x	30.7 x	23.7 x
Mean	89.8 %	\$12,440	14.1 %	\$4,286	24.0 %	\$98,511	15.0 x	142.1 x	43.8 x
Internet & Digital Media (19)									
Alibaba Group Holding Limited (NYSE:BABA)	85.4 %	\$56,148	55.0 %	\$14,682	26.1 %	\$430,915	7.7 x	29.3 x	19.8 x
Alphabet Inc. (NasdaqGS:GOOGL)	83.5	142,012	22.1	42,142	29.7	650,511	4.6	15.4	10.8
Amazon.com, Inc. (NasdaqGS:AMZN)	92.3	241,545	28.7	31,438	13.0	964,279	4.0	30.7	21.8
Baidu, Inc. (NasdaqGS:BIIDU)	42.8	15,956	15.5	4,309	27.0	30,571	1.9	7.1	14.3
eBay Inc. (NasdaqGS:EBAY)	97.4	10,809	7.6	3,062	28.3	39,959	3.7	13.1	10.4
Facebook, Inc. (NasdaqGS:FB)	88.3	58,949	43.9	27,460	46.6	512,883	8.7	18.7	13.2
Fiverr International Ltd. (NYSE:FVRR)	67.1	83	NA	(26)	NM	879	10.7	NM	NM
IQIYI, Inc. (NasdaqGS:IQ)	54.2	4,038	NA	1,093	27.1	14,990	3.7	13.7	NM
Lyft, Inc. (NasdaqGS:LYFT)	74.2	2,535	NA	(1,846)	NM	17,058	6.7	NM	NA
Netflix, Inc. (NasdaqGS:NFLX)	87.5	16,614	32.4	1,705	10.3	168,444	10.1	98.8	47.6
Pinduoduo Inc. (NasdaqGS:PDD)	64.5	2,426	NA	(1,801)	NM	19,461	8.0	NM	NM
Pinterest, Inc. (NYSE:PINS)	77.1	826	NA	(43)	NM	14,288	17.3	NM	NM
Snap Inc. (NYSE:SNAP)	95.3	1,270	139.2	(1,067)	NM	18,532	14.6	NM	NM
Spotify Technology S.A. (NYSE:SPOT)	73.5	6,320	NA	(29)	NM	25,421	4.0	NM	NM
Tencent Holdings Limited (SEHK:700)	88.1	48,369	42.4	17,602	36.4	429,698	8.9	24.4	19.6
Tencent Music Entertainment Group (NYSE:TME)	75.1	3,070	NA	551	17.9	21,819	7.1	39.6	NM
Twitter, Inc. (NYSE:TWTR)	74.4	3,164	10.0	807	25.5	23,785	7.5	29.5	17.5
Uber Technologies, Inc. (NYSE:UBER)	98.5	11,785	NA	(2,920)	NM	81,440	6.9	NM	(22.9)
Yelp Inc. (NYSE:YELP)	65.1	956	17.5	52	5.5	2,321	2.4	44.2	9.6
Median	77.1 %	\$6,320	28.7 %	\$807	26.6 %	\$25,421	7.1 x	26.9 x	14.3 x
Mean	78.1 %	\$32,993	37.7 %	\$7,220	24.5 %	\$182,487	7.3 x	30.4 x	14.7 x
IT Services (9)									
Accenture plc (NYSE:ACN)	98.6 %	\$41,244	8.5 %	\$6,786	16.5 %	\$112,976	2.7 x	16.6 x	14.8 x
Automatic Data Processing, Inc. (NasdaqGS:ADP)	97.0	13,991	6.9	3,313	23.7	72,125	5.2	21.8	19.6
Cargill Inc. (NYSE:ARG)	91.3	15,110	3.5	1,930	12.8	20,155	1.3	10.4	8.4
Cognizant Technology Solutions Corporation (NasdaqGS:CTSH)	76.1	16,323	8.7	3,183	19.5	34,030	2.1	10.7	10.2
DXC Technology Company (NYSE:DXC)	57.0	20,753	42.9	4,228	20.4	19,207	0.9	4.5	4.2
HCL Technologies Limited (NSEI:HCLTECH)	89.6	8,632	10.4	1,990	23.1	20,086	2.3	10.1	8.7
Infosys Limited (NSEI:INFY)	94.7	11,799	7.5	2,971	25.2	41,593	3.5	14.0	12.9
Tata Consultancy Services Limited (NSEI:TCS)	97.2	21,817	10.2	5,829	26.7	120,474	5.5	20.7	19.0
Wipro Limited (BSE:507685)	93.0	8,456	4.6	1,688	20.0	20,275	2.4	12.0	11.0
Median	93.0 %	\$15,110	8.5 %	\$3,183	20.4 %	\$34,030	2.4 x	12.0 x	11.0 x
Mean	88.3 %	\$17,569	11.5 %	\$3,546	20.9 %	\$51,213	2.9 x	13.4 x	12.1 x
Hardware (17)									
Amphenol Corporation (NYSE:APH)	90.9 %	\$8,294	13.4 %	\$2,029	24.5 %	\$31,414	3.8 x	15.5 x	15.6 x
Apple Inc. (NasdaqGS:AAPL)	84.8	258,490	4.3	77,345	29.9	943,183	3.6	12.2	12.4
Applied Materials, Inc. (NasdaqGS:AMAT)	89.1	15,761	18.1	4,385	27.8	43,728	2.8	10.0	11.4
Canon Inc. (TSE:7751)	85.5	34,796	1.0	5,165	14.8	31,808	0.9	6.2	6.7
Hewlett Packard Enterprise Company (NYSE:HPE)	85.0	30,413	(11.3)	5,379	17.7	29,016	1.0	5.4	5.7
Hitachi, Ltd. (TSE:6501)	95.8	85,557	(1.9)	9,537	11.1	34,684	0.4	3.6	3.2
Intel Corporation (NasdaqGS:INTC)	80.3	70,843	8.0	32,462	45.8	231,383	3.3	7.1	7.0
International Business Machines Corporation (NYSE:IBM)	89.3	78,701	(0.9)	17,119	21.8	159,365	2.0	9.3	8.8
Juniper Networks, Inc. (NYSE:JNPR)	86.5	4,567	(2.2)	792	17.3	7,778	1.7	9.8	8.1
Lenovo Group Limited (SEHK:992)	79.8	51,038	4.4	1,714	3.4	11,007	0.2	6.4	5.0
Murata Manufacturing Co., Ltd. (TSE:6981)	71.7	14,214	9.2	3,531	24.8	27,323	1.9	7.7	7.1
NXP Semiconductors N.V. (NasdaqGS:NXPI)	87.6	9,232	10.4	2,606	28.2	33,186	3.6	12.7	10.1
QUALCOMM Incorporated (NasdaqGS:QCOM)	84.2	21,301	(2.0)	6,552	30.8	98,551	4.6	15.0	13.1
Samsung Electronics Co., Ltd. (KOSX:A005930)	97.0	207,159	5.0	67,150	32.4	202,447	1.0	3.0	4.3
Taiwan Semiconductor Manufacturing Company (TSEC:2330)	87.1	33,408	8.6	22,025	65.9	202,012	6.0	9.2	8.1
Texas Instruments Incorporated (NasdaqGS:TXN)	96.2	15,589	6.6	7,385	47.4	109,736	7.0	14.9	16.5
Xerox Corporation (NYSE:XRX)	99.4	9,601	(0.0)	1,376	14.3	12,417	1.3	9.0	7.4
Median	87.1 %	\$30,413	4.4 %	\$5,379	24.8 %	\$34,684	2.0 x	9.2 x	8.1 x
Mean	87.7 %	\$55,821	4.2 %	\$15,680	26.9 %	\$129,943	2.7 x	9.2 x	8.9 x

Public comparables analysis¹ (cont.)

Company (ticker)	% of 52 Week high	LTM revenue	Revenue CAGR (3 Yr)	LTM EBITDA	EBITDA margin	Enterprise value ("EV")	Last twelve months		NTM
							EV/ Revenue	EV/ EBITDA	EV/ EBITDA
<i>(\$ in millions)</i>									
Traditional Media (21)									
CBS Corporation (NYSE:CBS)	83.7 %	\$14,920	5.4 %	\$3,125	20.9 %	\$28,596	1.9 x	9.2 x	8.3 x
Discovery, Inc. (NasdaqGS:DISC.A)	88.0	10,953	19.5	5,081	46.4	38,059	3.5	7.5	8.1
Fox Corporation (NasdaqGS:FOXA)	87.3	11,270	NA	2,601	23.1	26,668	2.4	10.3	10.3
Fuji Media Holdings, Inc. (TSE:4676)	72.3	6,039	1.5	469	7.8	3,551	0.6	7.6	7.9
Hakuhodo DY Holdings Inc (TSE:2433)	88.6	13,046	6.0	699	5.4	5,552	0.4	7.9	8.4
Lagardère SCA (ENXTPA:MMB)	85.4	8,405	(0.5)	696	8.3	4,986	0.6	7.2	6.5
Meredith Corporation (NYSE:MDP)	88.2	3,167	24.5	682	21.5	4,894	1.5	7.2	6.5
News Corporation (NasdaqGS:NWSA)	85.4	10,301	8.0	1,126	10.9	7,777	0.8	6.9	6.2
Omnicom Group Inc. (NYSE:OMC)	97.2	15,130	(0.1)	2,341	15.5	21,720	1.4	9.3	9.0
Pearson plc (LSE:PSON)	79.6	5,262	(2.6)	695	13.2	8,372	1.6	12.1	9.1
Publicis Groupe S.A. (ENXTPA:PUB)	76.1	10,269	(2.2)	1,990	19.4	14,283	1.4	7.2	5.7
Sirius XM Holdings Inc. (NasdaqGS:SIRI)	76.5	6,140	9.4	2,133	34.7	33,275	5.4	15.6	14.1
The Interpublic Group of Companies, Inc. (NYSE:IPG)	90.0	8,262	2.5	1,308	15.8	13,536	1.6	10.3	9.1
The New York Times Company (NYSE:NYT)	93.5	1,748	3.9	228	13.1	5,087	2.9	22.3	19.7
The Walt Disney Company (NYSE:DIS)	97.3	59,760	2.9	17,075	28.6	298,163	5.0	17.5	15.4
Thomson Reuters Corporation (TSX:TRI)	95.1	5,609	(20.7)	1,041	18.6	33,527	6.0	32.2	21.5
Tribune Media Company (NYSE:TRCO)	99.5	2,021	4.0	609	30.1	5,882	2.9	9.7	11.2
Viacom Inc. (NasdaqGS:VIAB)	86.7	12,770	(0.6)	3,031	23.7	20,513	1.6	6.8	7.0
Vivendi SA (ENXTPA:VIV)	90.7	15,951	9.0	1,831	11.5	33,900	2.1	18.5	14.2
Wolters Kluwer N.V. (ENXTAM:WKL)	97.1	4,877	0.4	1,336	27.4	22,046	4.5	16.5	14.8
WPP plc (LSE:WPP)	74.8	19,886	8.4	2,346	11.8	20,998	1.1	9.0	7.3
Median	88.0 %	\$10,269	3.4 %	\$1,336	18.6 %	\$20,513	1.6 x	9.3 x	9.0 x
Mean	87.3 %	\$11,704	3.9 %	\$2,402	19.4 %	\$31,018	2.3 x	11.9 x	10.5 x
Telecommunications (20)									
Alice N.V. (ENXTAM:ATC)	90.9 %	\$15,900	(3.1) %	\$4,055	25.5 %	\$47,082	3.0 x	11.6 x	7.6 x
América Móvil, S.A.B. de C.V. (BMV:AMX L)	80.4	53,159	4.7	14,690	27.6	83,940	1.6	5.7	5.1
AT&T Inc. (NYSE:T)	97.7	177,545	4.7	57,883	32.6	434,439	2.4	7.5	7.2
CenturyLink, Inc. (NYSE:CTL)	48.6	23,145	9.0	9,141	39.5	49,933	2.2	5.5	5.5
China Mobile Limited (SEHK:941)	81.1	109,708	2.6	40,954	37.3	123,095	1.1	3.0	2.9
Comcast Corporation (NasdaqGS:CMCS.A)	96.2	98,575	9.3	31,282	31.7	302,202	3.1	9.7	8.6
Deutsche Telekom AG (DB:DTE)	96.0	89,462	3.4	26,122	29.2	167,823	1.9	6.4	5.8
Konica Minolta, Inc. (TSE:4902)	83.7	9,558	0.9	982	10.3	6,158	0.6	6.3	5.5
Liberty Global plc (NasdaqGS:LBTY.A)	90.8	11,762	(13.8)	4,848	41.2	50,499	4.3	10.4	10.5
Motorola Solutions, Inc. (NYSE:MSI)	98.5	7,532	10.0	1,940	25.8	32,573	4.3	16.8	14.5
Nippon Telegraph and Telephone Corporation (TSE:9432)	92.1	107,209	1.0	26,600	24.8	118,131	1.1	4.4	4.2
Nokia Corporation (HLS:NOKIA)	76.0	25,444	14.6	2,707	10.6	26,411	1.0	9.8	7.4
NTT DOCOMO, INC. (TSE:9437)	81.2	43,686	2.3	12,752	29.2	75,608	1.7	5.9	5.7
Orange S.A. (ENXTPA:ORA)	90.9	47,379	0.9	13,723	29.0	72,013	1.5	5.2	4.8
Ricoh Company, Ltd. (TSE:7752)	84.7	18,168	(3.0)	1,456	8.0	13,492	0.7	9.3	7.1
SoftBank Corp. (TSE:9434)	95.6	33,808	NA	NA	NA	88,612	2.6	NA	NA
SoftBank Group Corp. (TSE:9984)	85.4	86,655	1.6	23,601	27.2	193,813	2.2	8.2	7.5
Telefónica, S.A. (BME:TEF)	89.1	55,343	(4.6)	16,967	30.7	101,651	1.8	6.0	5.5
Verizon Communications Inc. (NYSE:VZ)	92.8	131,219	(0.1)	48,578	37.0	370,183	2.8	7.6	7.6
Vodafone Group Plc (LSE:VOD)	67.5	49,008	(4.3)	13,207	26.9	79,581	1.6	6.0	5.0
Median	90.0 %	\$48,194	1.6 %	\$13,723	29.0 %	\$81,761	1.9 x	6.4 x	5.8 x
Mean	86.0 %	\$59,713	1.9 %	\$18,499	27.6 %	\$121,862	2.1 x	7.7 x	6.7 x
Automotive Technology (8)									
Aptiv PLC (NYSE:APTIV)	81.8 %	\$14,380	(2.3) %	\$2,188	15.2 %	\$25,500	1.8 x	11.7 x	10.4 x
CDK Global, Inc. (NasdaqGS:CDK)	72.7	2,316	3.7	749	32.4	8,625	3.7	11.5	10.2
Delphi Technologies PLC (NYSE:DLPH)	43.1	4,713	40.6	633	13.4	3,185	0.7	5.0	4.8
DENSO Corporation (TSE:6902)	75.1	48,396	5.8	5,526	11.4	31,133	0.6	5.6	4.8
MAM Software Group, Inc. (NasdaqCM:MAMS)	94.4	37	5.5	6	14.9	128	3.4	23.0	18.7
NVIDIA Corporation (NasdaqGS:NVDA)	56.1	10,729	27.6	3,163	29.5	94,768	8.8	30.0	28.6
Qiming Information Technology Co.,Ltd (SZSE:002232)	77.4	244	6.3	15	6.1	401	1.6	27.1	NA
Visteon Corporation (NasdaqGS:VC)	42.0	2,907	(3.5)	235	8.1	1,798	0.6	7.7	6.4
Median	73.9 %	\$3,810	5.7 %	\$691	14.2 %	\$5,905	1.7 x	11.6 x	10.2 x
Mean	67.8 %	\$10,465	10.5 %	\$1,564	16.4 %	\$20,692	2.7 x	15.2 x	12.0 x

Recent transactions¹

Target/acquirer	Close date	LTM revenue	LTM EBITDA	EBITDA margin	Enterprise value ("EV")	Last twelve months	
						EV/Revenue	EV/EBITDA
B Communications Ltd Searchlight Capital Partners	Pending	\$9,321.0	\$3,271.0	35.1 %	\$14,070.1	1.5 x	4.3 x
DNA Oyj Telenor ASA	Pending	918.3	290.3	31.6	3,231.4	3.5	11.1
East Group Co.,Ltd Zhuhai Huafa Group Co.,Ltd	Pending	5,941.1	1,002.5	16.9	13,012.9	2.2	13.0
Finisar Corporation II-VI Incorporated	Pending	1,285.2	62.4	4.9	2,657.5	2.1	42.6
First Data Corporation Fiserv, Inc.	Pending	8,679.0	3,301.0	38.0	41,215.6	4.7	12.5
Focus Media Information Technology Co., Ltd. Alibaba (China) Network Technology Co., Ltd.	Pending	13,482.9	6,156.6	45.7	140,995.2	10.5	22.9
IM Flash Technologies, LLC Micron Technology, Inc.	Pending	NA	NA	NA	2,020.4	NA	NA
Mellanox Technologies, Ltd. NVIDIA Corporation	Pending	1,088.7	240.2	22.1	6,900.5	6.3	28.7
Rocket Software, Inc. Bain Capital Private Equity, LP	Pending	450.0	NA	NA	2,000.0	4.4	NA
Versum Materials, Inc. MERCK Kommanditgesellschaft auf Aktien	Pending	1,366.5	453.1	33.2	6,499.5	4.8	14.3
Wi-Fi Connectivity Business of Marvell Tech NXP USA, Inc.	Pending	300.0	NA	NA	1,760.0	5.9	NA
Worldpay, Inc. Fidelity National Information Services, Inc.	Pending	3,925.4	1,547.7	39.4	43,374.8	11.0	28.0
Zayo Group Holdings, Inc. EQT Partners AB	Pending	2,586.2	1,177.1	45.5	14,258.5	5.5	12.1
Red Hat, Inc. International Business Machines Corporation	Jul-19	3,156.6	601.5	19.1	33,923.6	10.7	56.4
L3 Technologies, Inc. Harris Corporation (nka:L3Harris Technologies, Inc.)	Jun-19	10,047.0	1,398.0	13.9	19,216.0	1.9	13.7
Mindtree Limited Larsen & Toubro Limited	Jun-19	70,215.0	10,620.0	15.1	151,182.9	2.3	14.9
Luxoft Holding, Inc. DXC Technology Company	Jun-19	904.4	95.2	10.5	1,964.8	2.2	20.6
Travelport Worldwide Limited Siris Capital Group; Evergreen Coast Capital	May-19	2,536.0	415.4	16.4	4,138.0	1.6	10.0
MYOB Group Limited KKR & Co. Inc.	May-19	438.1	131.7	30.1	2,434.6	5.6	18.5
The Ultimate Software Group, Inc. Hellman & Friedman LLC	May-19	1,140.5	123.0	10.8	10,822.4	9.5	88.0
Ellie Mae, Inc. Siris Capital Group; Evergreen Coast Capital	Apr-19	480.3	56.7	11.8	3,380.7	7.0	59.6
ARRIS International plc (nka:ARRIS Internationa CommScope Holding Company, Inc.	Apr-19	6,694.1	779.7	11.6	7,453.3	1.1	9.6
Antelliq Corporation Merck Animal Health	Apr-19	360.0	NA	NA	3,250.0	9.0	NA
Twenty-First Century Fox, Inc. The Walt Disney Company	Mar-19	29,207.0	6,454.0	22.1	83,203.2	2.8	12.9
Esterline Technologies Corporation TransDigm Group Incorporated	Mar-19	2,034.8	306.4	15.1	3,994.7	2.0	13.0
Cylance Inc. BlackBerry Limited	Feb-19	130.0	NA	NA	1,500.0	11.5	NA
KMD A/S NEC Corporation	Feb-19	5,638.1	1,076.5	19.1	8,000.0	1.4	7.4
athenahealth, Inc. Veritas Capital Fund Management	Feb-19	1,311.4	264.8	20.2	5,638.5	4.3	21.3
ConvergeOne Holdings, Inc. CVC Capital Partners	Jan-19	1,401.3	111.8	8.0	1,640.3	1.2	14.7
Wuhu Token Sciences Co., Ltd. Wuhu Tiejuan Investment Co., Ltd.	Nov-18	9,249.2	1,240.7	13.4	13,313.6	1.4	10.7
Median		\$2,034.8	\$601.5	19.1 %	\$6,700.0	4.3 x	14.3 x
Mean		\$6,699.6	\$1,647.1	22.0 %	\$21,568.4	4.8 x	22.4 x

Select Deloitte Corporate Finance TMT group transactions

<p>Information Builders Information Builders, Inc. has received a minority investment from  Goldman, Sachs & Co.</p> <p>The undersigned acted as exclusive financial advisor to Information Builders, Inc.</p> <p>Deloitte. Deloitte Corporate Finance LLC</p>	<p> Meredith Corporation has acquired  Allrecipes.com, Inc. from  The Reader's Digest Association, Inc.</p> <p>The undersigned rendered a fairness opinion to Meredith Corporation.</p> <p>Deloitte. Deloitte Corporate Finance LLC</p>	<p> NTT Communications Corporation has acquired 70% of the issued shares of  Frontline System Australia Pty Ltd</p> <p>The undersigned acted as financial advisor to NTT Communications.</p> <p>Deloitte. Deloitte Corporate Finance LLC</p>	<p> IPNet Solutions has been acquired by  inovis a portfolio company of  Golden Gate Capital</p> <p>The undersigned acted as advisor to IPNet Solutions.</p> <p>Deloitte. Deloitte Corporate Finance LLC</p>	<p> NWN CORPORATION NWN Corporation has been acquired by  New State Capital Partners, LLC</p> <p>The undersigned acted as exclusive financial advisor to NWN Corporation.</p> <p>Deloitte. Deloitte Corporate Finance LLC</p>
<p> Wipro Applying Thought Wipro Limited has acquired  NerveWire, Inc.</p> <p>The undersigned acted as advisor to Wipro Limited.</p> <p>Deloitte. Deloitte Corporate Finance LLC</p>	<p> Optimal Payments Plc has acquired  Meritus Payment Solutions</p> <p>The undersigned acted as financial advisor to Optimal Payments Plc.</p> <p>Deloitte. Deloitte Corporate Finance LLC</p>	<p> Global Software, Inc. has completed a majority recapitalization with  Thompson Street Capital Partners</p> <p>The undersigned acted as exclusive financial advisor to Global Software, Inc.</p> <p>Deloitte. Deloitte Corporate Finance LLC</p>	<p> SureID, Inc. has completed a unitranche capital raise with  Goldman Sachs Specialty Lending Group</p> <p>The undersigned acted as exclusive financial advisor to SureID, Inc.</p> <p>Deloitte. Deloitte Corporate Finance LLC</p>	<p> a subsidiary of EPS Financial, LLC  Drake Enterprises, Ltd. has sold its assets to  Meta Financial Group, Inc.</p> <p>The undersigned acted as exclusive financial advisor to EPS Financial, LLC and Drake Enterprises, Ltd.</p> <p>Deloitte. Deloitte Corporate Finance LLC</p>
<p> JVCKENWOOD Corporation has acquired  EF Johnson Technologies, Inc.</p> <p>The undersigned acted as advisor to JVCKENWOOD Corporation.</p> <p>Deloitte. Deloitte Corporate Finance LLC</p>	<p> Volkswagen AG has acquired Bochum, Germany Research and Development Center of  BlackBerry Limited</p> <p>The undersigned acted as exclusive advisor to BlackBerry Limited.</p> <p>Deloitte. Deloitte Corporate Finance LLC</p>	<p> Pillar Technology Group LLC has completed a recapitalization with  NewSpring Capital</p> <p>The undersigned acted as exclusive financial advisor to Pillar Technology Group LLC.</p> <p>Deloitte. Deloitte Corporate Finance LLC</p>	<p> Foxconn Interconnect Technology, Ltd. a subsidiary of  FOXCONN Hon Hai Precision Industry Co., Ltd.  Belkin International, Inc.</p> <p>The undersigned acted as exclusive financial advisor to Foxconn Interconnect Technology, Ltd.</p> <p>Deloitte. Deloitte Corporate Finance LLC</p>	<p> Med Management Technology LLC d/b/a QuickMAR has been acquired</p> <p>The undersigned acted as exclusive financial advisor to Med Management Technology LLC.</p> <p>Deloitte. Deloitte Corporate Finance LLC</p>
<p> Bulk TV & Internet has completed a recapitalization with  Marlin Equity Partners</p> <p>The undersigned acted as exclusive financial advisor to Bulk TV & Internet</p> <p>Deloitte. Deloitte Corporate Finance LLC</p>	<p> Optimal Payments Plc has acquired  Global Merchant Advisors</p> <p>The undersigned acted as financial advisor to Optimal Payments Plc.</p> <p>Deloitte. Deloitte Corporate Finance LLC</p>	<p> General Information Services, Inc. has obtained senior debt financing from  PNC Financial Services</p> <p>The undersigned acted as financial advisor to General Information Services, Inc.</p> <p>Deloitte. Deloitte Corporate Finance LLC</p>	<p> Identity Finder, LLC has been acquired by  Inverness Graham Investments, Inc.</p> <p>The undersigned acted as exclusive financial advisor to Identity Finder, LLC</p> <p>Deloitte. Deloitte Corporate Finance LLC</p>	<p> Pillar Technology Group LLC has been acquired</p> <p>The undersigned acted as exclusive financial advisor to Pillar Technology Group LLC.</p> <p>Deloitte. Deloitte Corporate Finance LLC</p>

Sources cited

Page 2:

1. Modernciso, *2019 Cybersecurity Trends to Watch: IoT, AI, and Machine Learning*, <https://modernciso.com/2019/01/30/2019-cybersecurity-trends-to-watch-iot-ai-and-machine-learning/>, accessed July 9, 2019.
2. HR&Digital Trends, *Prediction 2019: Employee Experience Moves to Center Stage*, January 2, 2019, <https://www.hrdigitaltrends.com/story/14097/prediction-2019-employee-experience-moves-center-stage>, accessed July 9, 2019.
3. Gartner, *Gartner Identifies Top 10 Data and Analytics Technology Trends for 2019*, <https://www.gartner.com/en/newsroom/press-releases/2019-02-18-gartner-identifies-top-10-data-and-analytics-technology>, accessed July 8, 2019.
4. SmartDataCollective, *6 Business Intelligence Trends to Watch For in 2019*, <https://www.smartdatacollective.com/business-intelligence-trends-to-watch-for-2019/>, accessed July 9, 2019.
5. S&P Capital IQ, <https://www.capitaliq.com>, accessed July 2019. Data as of June 30, 2019.
6. Mergermarket, *Global & Regional M&A Report 1H19* Including League Tables of Legal Advisors, accessed July 9, 2019.

Page 3:

1. U.S. Bureau of Economic Analysis, accessed July 2019. Data as of June 30, 2019.
2. U.S. Department of the Treasury, accessed July 2019. Data as of June 30, 2019.
3. Bureau of Labor Statistics, accessed July 2019. Data as of June 30, 2019.
4. S&P Capital IQ, <https://www.capitaliq.com>, accessed July 2019. Data as of June 30, 2019.
5. IBISWorld, <https://www.ibisworld.com>, accessed July 2019. Data as of June 30, 2019.

Page 4:

1. S&P Capital IQ, <https://www.capitaliq.com>, accessed July 2019. Data as of June 30, 2019.
2. S&P Capital IQ, <https://www.capitaliq.com>, accessed July 2019. Data as of June 30, 2019.
3. Technology Index comprised of companies within the Application Software/SaaS, IT Services, Hardware, and Internet & Digital Media buckets on pages 7 and 8. Media Index comprised of companies within the Traditional Media bucket on pages 7 and 8. Telecommunications Index comprised of companies within the Telecommunications bucket on pages 7 and 8.

Page 5:

1. The Wall Street Journal, *Pinterest Prices IPO at \$19 a Share*, www.wsj.com/articles/pinterest-and-zoom-to-test-ipo-market-after-lyfts-stumble-11555493401, accessed July 2019.
2. Pinterest, Inc. *Form S-1 Registration Statement, Pinterest, Inc.*, www.sec.gov/Archives/edgar/data/1506293/000119312519083544/d674330ds1.htm, accessed July 2019.
3. AT&T News, *Wireless and Network Information, Hulu Buys AT&T's Minority Stake in Joint Venture*, about.att.com/story/2019/hulu_buys_att_minority_stake_in_joint_venture.html, accessed July 2019.
4. HPE, *HPE to Acquire Supercomputing Leader Cray*, www.hpe.com/us/en/newsroom/press-release/2019/05/hpe-to-acquire-supercomputing-leader-cray.html, accessed July 2019.
5. Endeavor Group Holdings, Inc. *Form S-1 Registration Statement, Endeavor Group Holdings, Inc.*, www.sec.gov/Archives/edgar/data/1766363/000119312519155034/d681105ds1.htm#tx681105_10, accessed July 2019.
6. Salesforce, *Salesforce Signs Definitive Agreement to Acquire Tableau*, investor.salesforce.com/press-releases/press-release-details/2019/Salesforce-Signs-Definitive-Agreement-to-Acquire-Tableau/default.aspx, accessed July 2019.
7. CrowdStrike, *CrowdStrike Announces Pricing of Initial Public Offering*, www.crowdstrike.com/resources/news/crowdstrike-announces-pricing-of-initial-public-offering, accessed July 2019.

Page 6:

1. PitchBook Data, Inc., <https://www.pitchbook.com>, accessed July 2019. Data as of June 30, 2019.

Pages 7-9:

1. S&P Capital IQ, <https://www.capitaliq.com>, accessed July 2019. Data as of June 30, 2019.

Deloitte Corporate Finance LLC (DCF)

DCF provides deal execution and lead financial advisory services to large corporate, middle market, private equity and venture capital firms. DCF and its affiliates maintain a presence in key US financial centers.

For additional information or to find out more about how DCF can assist the deal initiation and execution process, please contact one of our DCF managing directors:

**Phil Colaco,
CEO**

philcolaco@deloitte.com
+1 704 333 0533

Jonathan Adams

jonadams@deloitte.com
+1 214 840 1779

Keith Adams

keadams@deloitte.com
+1 404 631 3455

Eric Andreozzi

eandreozi@deloitte.com
+1 704 333 0518

Tony Blanchard

anblanchard@deloitte.com
m+1 313 396 3738

Doug Bolt

dbolt@deloitte.com
+1 704 731 7219

Hector Calzada

hcalzada@deloitte.com
+1 404 631 3015

Nick Cirignano

nicirignano@deloitte.com
+1 212 436 3273

John Deering

jdeering@deloitte.com
+1 704 333 0574

Lorin DeMordaunt

ldemordaunt@deloitte.com
+1 704 333 0591

Will Frame

wframe@deloitte.com
+1 312 486 4458

Mike Garcia

migarcia@deloitte.com
+1 213 996 4901

Simon Gisby

sgisby@deloitte.com
+1 212 436 2495

John Hudson

jahudson@deloitte.com
+1 404 631 2837

Bill Kerkam

wkerkam@deloitte.com
+1 980 312 3613

Jamie Lewin

jlewin@deloitte.com
+1 214 840 7057

James Miller

jamesmiller5@deloitte.com
+1 704 731 8230

Byron Nelson

bynelson@deloitte.com
+1 469 417 2462

Jonathan Ohm

johm@deloitte.com
+1 212 436 2287

Lou Paone

lpaone@deloitte.com
+1 704 731 7202

Garett Poston

gposton@deloitte.com
+1 213 593 4544

Matt Preece

mpreece@deloitte.com
+1 704 731 7186

Ron Rivera

rorivera@deloitte.com
+1 404 631 3710

Justin Silber

jsilber@deloitte.com
+1 404 942 6960

Tom Spivey

tspivey@deloitte.com
+1 214 840 7014

Vijay Balasubramanian

vbalasubramanian@deloitte.com
+1 212 313 1723

Charlie Welch

charliewelch@deloitte.com
+1 704 731 7201

Deloitte Corporate Finance Business Development Group:

Brad Heston

Senior Vice President
bheston@deloitte.com
+1 404 631 3839

John Lindsey

Senior Vice President
jlindsey@deloitte.com
+1 469 417 2147

Bill Pucci

Senior Vice President
wpucci@deloitte.com
+1 973 602 4542

www.investmentbanking.deloitte.com

Deloitte.

This newsletter is a periodic compilation of certain completed and announced merger and acquisition activity. Information contained in this newsletter should not be construed as a recommendation to sell or a recommendation to buy any security. Any reference to or omission of any reference to any company in this newsletter shall not be construed as a recommendation to sell, buy or take any other action with respect to any security of any such company. We are not soliciting any action with respect to any security or company based on this newsletter. This newsletter is published solely for the general information of clients and friends of Deloitte Corporate Finance LLC. It does not take into account the particular investment objectives, financial situation, or needs of individual recipients. Certain transactions, including those involving early stage companies, give rise to substantial risk and are not suitable for all investors. This newsletter is based on information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied upon as such. Prediction of future events is inherently subject to both known risks, uncertainties and other factors that may cause actual results to vary materially. We are under no obligation to update the information contained in this newsletter. We and our affiliates and related entities, partners, principals, directors, and employees, including persons involved in the preparation or issuance of this newsletter, may from time to time have “long” and “short” positions in, and buy or sell, the securities, or derivatives (including options) thereof, of companies mentioned herein. The companies mentioned in this newsletter may be: (i) investment banking clients of Deloitte Corporate Finance LLC; or (ii) clients of Deloitte Financial Advisory Services LLP and its related entities. The decision to include any company for mention or discussion in this newsletter is wholly unrelated to any audit or other services that Deloitte Corporate Finance LLC may provide or to any audit services or any services that any of its affiliates or related entities may provide to such company. No part of this newsletter may be copied or duplicated in any form by any means, or redistributed without the prior written consent of Deloitte Corporate Finance LLC.

About Deloitte

Deloitte Corporate Finance LLC (DCF), a broker-dealer registered with the U.S. Securities and Exchange Commission (SEC) and member of the [Financial Industry Regulatory Authority \(FINRA\)](#) and the [Securities Investor Protection Corporation \(SIPC\)](#), is an indirect wholly-owned subsidiary of Deloitte Financial Advisory Services LLP and affiliate of Deloitte Transactions and Business Analytics LLP. Investment banking or other services that would require registration as a broker-dealer with the SEC and membership in FINRA would be provided exclusively by DCF. For more information, visit www.investmentbanking.deloitte.com. Please see www.deloitte.com/us/about for a detailed description of the legal structure of Deloitte LLP and its subsidiaries. Certain services may not be available to attest clients under the rules and regulations of public accounting.

Copyright © 2019 Deloitte Development LLC. All rights reserved.