



BUREAU VAN DIJK

**AM&A**

BOARD OF MERGER & ACQUISITION ADVISORS

*zephyr*

# Zephyr Monthly M&A Report

North America Mid-Market, Q3 2015

The following joint report by Bureau van Dijk and the Alliance of Merger & Acquisition Advisors details mid-market mergers and acquisitions activity in North America (incl Mexico) and how it compares to the global M&A landscape in Q3 2015 using data from the Zephyr database.

It focuses on deal activity by target company.

Click [here](#) to access the raw data in an Excel spreadsheet.

### North American midmarket M&A activity weakens in Q3

The volume and value of mergers and acquisitions (M&A) targeting North American midmarket companies fell in the third quarter of 2015 compared to the previous quarter and were substantially lower than the same period last year.

A total of 2,439 transactions worth a combined USD 62,837 million were recorded between July and the end of September, compared to 2,750 worth an aggregate USD 65,414 million in Q2. In monetary terms, this represents a 4 per cent decline, while volume was 11 per cent lower.

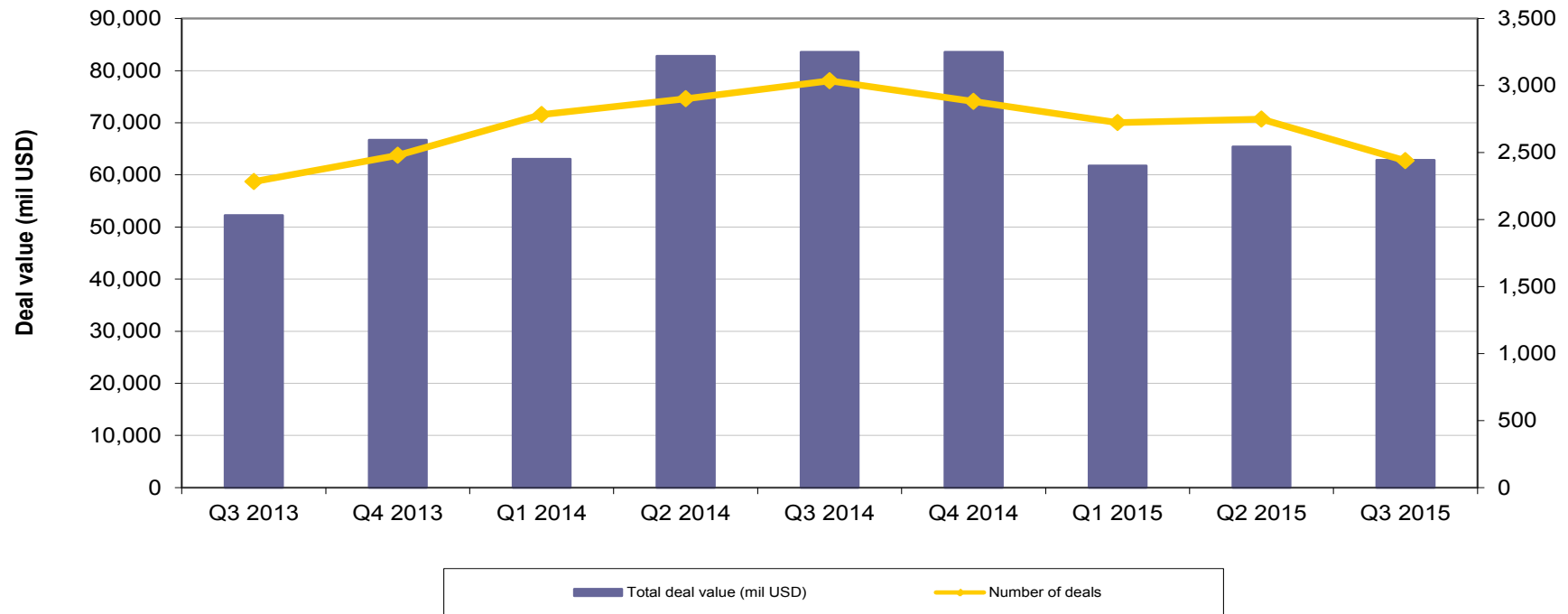
Year-over-year, volume was down by a fifth on the 3,035 transactions announced in Q3 2014 but value fell at the faster rate of 25 per cent from USD 83,584 million.

Weaker M&A value in Canada and Mexico offset slight quarter-on-quarter growth in the US. All three countries were lower than at the same time last year. A decline in private equity investment in the region also suppressed overall M&A results for Q3.

### Deals by volume and value

Announced date	No of deals	Total deal value (mil USD)
Q3 2015	2,439	62,837
Q2 2015	2,750	65,414
Q1 2015	2,724	61,762
Q4 2014	2,882	83,556
Q3 2014	3,035	83,584
Q2 2014	2,901	82,784
Q1 2014	2,784	63,075
Q4 2013	2,480	66,729
Q3 2013	2,283	52,275

Deals by volume and value



### Significant outside investment in the region

A number of the top deals by value targeting North American midmarket companies involved buyers from outside the region in the July to September period. Among these were a UK unit of Indian generic pharmaceuticals manufacturer Cipla acquiring US drug maker InvaGen Pharmaceuticals for USD 500 million. This was part one of two connected acquisitions by Cipla, the other being Exelan Pharmaceuticals for a smaller sum, and is part of the Indian group's strategy of increasing its share in the US generics market.

General Electric agreed to sell its private equity unit GE Capital Equity Investments to French buyout firm Ardian for USD 500 million as part of its strategy to withdraw from financial activities to concentrate on its core industrial manufacturing business.

Buyers from Ireland, Switzerland and Germany also targeted North American midmarket companies in some of the top deals by value in Q3.

### Volume down across the board, slight growth in US M&A value

The volume of deals targeting North American companies declined in Q3 compared to the previous quarter, with the biggest decrease recorded for Canada, where volume fell 27 per cent from 357 transactions to 259. The US was down 9 per cent to 2,154 from 2,360 and Mexico 19 per cent at 30 deals from 37 last quarter.

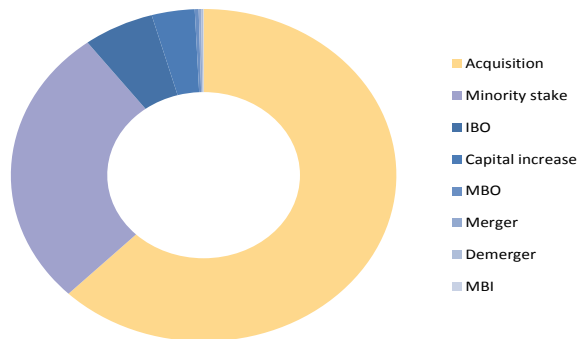
Volume was also weaker than at the same time a year ago, and again, Canada suffered the greatest decline, with volume 32 per cent lower than the 380 announced in Q3 2014.

There was a slight disparity in M&A value targeting the region's constituent countries. Value fell 40 per cent in Canada from USD 8,793 million in Q2 to USD 5,281 million while in Mexico it halved from USD 1,356 million to USD 565 million. However, there was a slight upturn in the US, where deals worth a total USD 56,990 million were recorded, up from USD 55,393 million in Q2. Year-over-year, the result was down by a fifth on USD 71,664 million in Q3 2014.

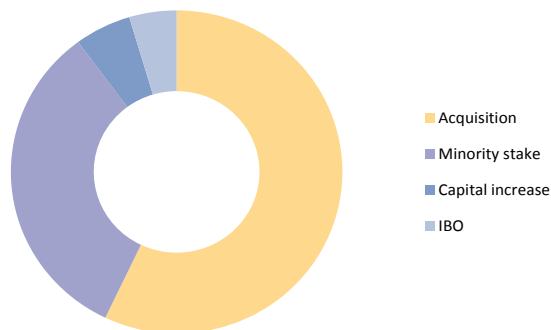
Top 20 Q3 deals by value

	Deal value (mil USD)	Deal type	Target	Target country	Acquiror	Deal status	Announced date
1.	500	Acquisition 100%	InvaGen Pharmaceuticals Inc.	US	Cipla (EU) Ltd	Announced	04/09/2015
2.	500	Acquisition 100%	1010data Inc.	US	Advance/Newhouse Communications Partnership	Completed	03/08/2015
3.	500	Acquisition 100%	GE Capital Equity Investments Inc.	US	Ardian France	Announced	23/09/2015
4.	500	IBO 100%	Internet Pipeline Inc.	US	Thoma Bravo LLC	Completed	05/08/2015
5.	474	Acquisition 100%	Metro Bancorp Inc.	US	FNB Corporation	Announced	04/08/2015
6.	465	Acquisition 100%	Valero Energy Corporation's Corpus Christi Terminal Services Business	US	Valero Energy Partners LP	Completed	23/09/2015
7.	462	Minority stake 4%	Advance Auto Parts Inc.	US	Starboard Value LP	Completed	30/09/2015
8.	458	Acquisition 100%	Twelve Inc.	US	Medtronic plc	Completed	25/08/2015
9.	450	Acquisition 100%	Sunrise Holdings (Delaware) Inc.	US	SunOpta Inc.	Announced	31/07/2015
10.	450	Minority stake	Palantir Technologies Inc.	US	Investors	Completed	08/07/2015
11.	448	Minority stake	Samson Resources Corporation	US	The Anschutz Investment Company; Cerberus Capital Management LP; Silver Point Capital LP	Announced	14/08/2015
12.	443	Acquisition 100%	Schurz Communications Inc.'s television and radio stations	US	Gray Television Inc.	Announced	14/09/2015
13.	436	Acquisition 100%	Amica Mature Lifestyles Inc.	CA	BayBridge Seniors Housing Inc.	Pending	02/09/2015
14.	425	Acquisition 100%	Good Technology Corporation	US	BlackBerry Ltd	Announced	04/09/2015
15.	425	Acquisition 100%	The Steritech Group Inc.	US	Rentokil Initial plc	Announced	01/09/2015
16.	425	Acquisition 100%	GeneWeave Biosciences Inc.	US	Roche Holding AG	Announced	13/08/2015
17.	425	Acquisition 100%	Citigroup Inc.'s Alternative Investor Services business	US	SS&C Technologies Holdings Inc.	Announced	18/08/2015
18.	420	Acquisition 100%	Martin Marietta Materials Inc.'s Californian cement business asset	US	California Portland Cement Company	Completed	04/08/2015
19.	417	Acquisition 100%	Pinova Holdings Inc.	US	Symrise AG	Announced	21/09/2015
20.	415	Acquisition 100%	Renal Ventures Management LLC	US	DaVita Healthcare Partners Inc.	Announced	24/08/2015

### Deal types by volume in Q3



### Deal types by value in Q3



### Deal types by volume

Deal type	Q3 2014	Q2 2015	Q3 2015
Acquisition	1,773	1,613	1,521
Minority stake	908	801	667
IBO	178	162	145
Capital increase	153	156	88
MBO	5	3	8
Merger	12	9	5
Demerger	7	7	4
MBI	1	3	1

### Deal types by value

Deal type	Q3 2014 (mil USD)	Q2 2015 (mil USD)	Q3 2015 (mil USD)
Acquisition	45,845	31,623	35,866
Minority stake	24,912	24,343	20,598
Capital increase	5,997	4,848	3,472
IBO	7,003	4,477	2,900

### Target sectors by volume

Target sector	Q3 2014	Q2 2015	Q3 2015
Business services	969	1,028	935
Engineering, accounting, research, management, and related services	256	272	229
Health services	69	55	87
Chemicals and allied products	98	76	79
Electronic and other electrical equipment and components, except computer equipment	93	85	77
Industrial and commercial machinery and computer equipment	72	56	65
Measuring, analyzing and controlling instruments; photographic, medical and optical goods; watches and clocks	84	85	61
Food and kindred products	62	40	56
Insurance agents, brokers, and service	54	64	54
Electric, gas and sanitary services	50	44	49
Printing, publishing and allied industries	51	59	43
Wholesale trade, durable goods	54	48	42
Depository institutions	74	56	36
Transportation equipment	32	24	36
Security and commodity brokers, dealers, exchanges and services	34	39	35
Holding and other investment offices	49	47	30
Fabricated metal products, except machinery and transportation equipment	50	30	30
Oil and gas extraction	112	63	29

### Target sectors by value

Target sector	Q3 2014 (mil USD)	Q2 2015 (mil USD)	Q3 2015 (mil USD)
Business services	19,221	18,105	17,656
Engineering, accounting, research, management, and related services	4,658	4,679	4,886
Oil and gas extraction	9,650	6,788	3,793
Measuring, analyzing and controlling instruments; photographic, medical and optical goods; watches and clocks	3,068	1,863	2,711
Food and kindred products	1,396	1,208	2,630
Chemicals and allied products	2,855	2,092	2,610
Electric, gas and sanitary services	1,629	2,983	2,386
Holding and other investment offices	2,257	2,038	1,953
Electronic and other electrical equipment and components, except computer equipment	2,593	1,546	1,832
Health services	637	443	1,722
Depository institutions	3,470	1,972	1,334
Security and commodity brokers, dealers, exchanges and services	962	963	1,224
Stone, clay, glass and concrete products	764	692	1,182
Industrial and commercial machinery and computer equipment	1,718	689	1,056
Hotels, rooming houses, camps, and other lodging places	305	795	990
Pipelines, except natural gas	278	1,634	950
Printing, publishing and allied industries	982	758	874
Rubber and miscellaneous plastics products	1,189	926	851

Top acquiror world regions by volume

Acquiror world region	Q3 2014	Q2 2015	Q3 2015
North America (excl. Mexico)	2,591	2,335	2,075
Western Europe	212	207	208
Far East and Central Asia	100	94	86
South and Central America	48	46	43
Middle East	19	24	21
Oceania	18	24	21
Eastern Europe	6	7	12
Africa	5	2	5

Top acquiror world regions by value

Acquiror world region	Q3 2014 (mil USD)	Q2 2015 (mil USD)	Q3 2015 (mil USD)
North America (excl. Mexico)	69,471	54,370	51,099
Western Europe	6,385	5,332	8,900
Far East and Central Asia	3,343	2,529	2,555
South and Central America	2,261	1,430	2,025
Middle East	688	746	595
Oceania	798	832	554
Eastern Europe	93	89	171
Africa	337	15	160



Top target countries by volume

Target country	Q3 2014	Q2 2015	Q3 2015
1 US	2,627	2,360	2,154
2 China	1,070	1,455	1,472
3 UK	928	978	937
4 Spain	534	586	569
5 Germany	436	444	543
6 India	321	378	411
7 France	309	371	331
8 Japan	536	423	322
9 Australia	447	328	276
10 Netherlands	232	329	272
11 Canada	380	357	259
12 Russia	447	318	251
13 South Korea	271	403	230
14 Romania	29	146	212
15 Poland	147	180	183
16 Taiwan	315	369	177
17 Italy	237	222	170
18 Sweden	164	199	152
19 Malaysia	174	155	144
20 Finland	143	190	139
48 Mexico	39	37	30

Top target countries by value

Target country	Q3 2014 (mil USD)	Q2 2015 (mil USD)	Q3 2015 (mil USD)
1 China	59,087	101,928	85,321
2 US	71,664	55,393	56,990
3 UK	19,444	21,295	17,482
4 India	7,668	8,315	11,250
5 South Korea	9,782	12,753	7,857
6 France	4,383	8,684	7,843
7 Germany	7,977	7,166	7,259
8 Australia	14,102	11,073	6,617
9 Netherlands	4,768	11,895	6,382
10 Italy	6,864	7,484	6,296
11 Cayman Islands	4,566	12,560	6,157
12 Japan	14,531	12,188	6,051
13 Spain	7,353	6,844	5,942
14 Canada	10,492	8,793	5,281
15 Taiwan	7,068	10,357	4,901
16 Switzerland	1,905	3,561	4,031
17 Russia	6,517	5,340	3,840
18 Singapore	5,067	3,037	3,462
19 British Virgin Islands	4,379	3,774	3,460
20 Brazil	3,430	4,216	2,939
41 Mexico	1,799	1,356	565

### PE value up slightly year-on-year

Like overall M&A activity, private equity and venture capital investment targeting North American midmarket companies weakened in Q3 compared to the previous quarter.

Value fell 14 per cent to USD 21,350 million from USD 24,867 million in Q2, while volume decreased 9 per cent from 884 to 803.

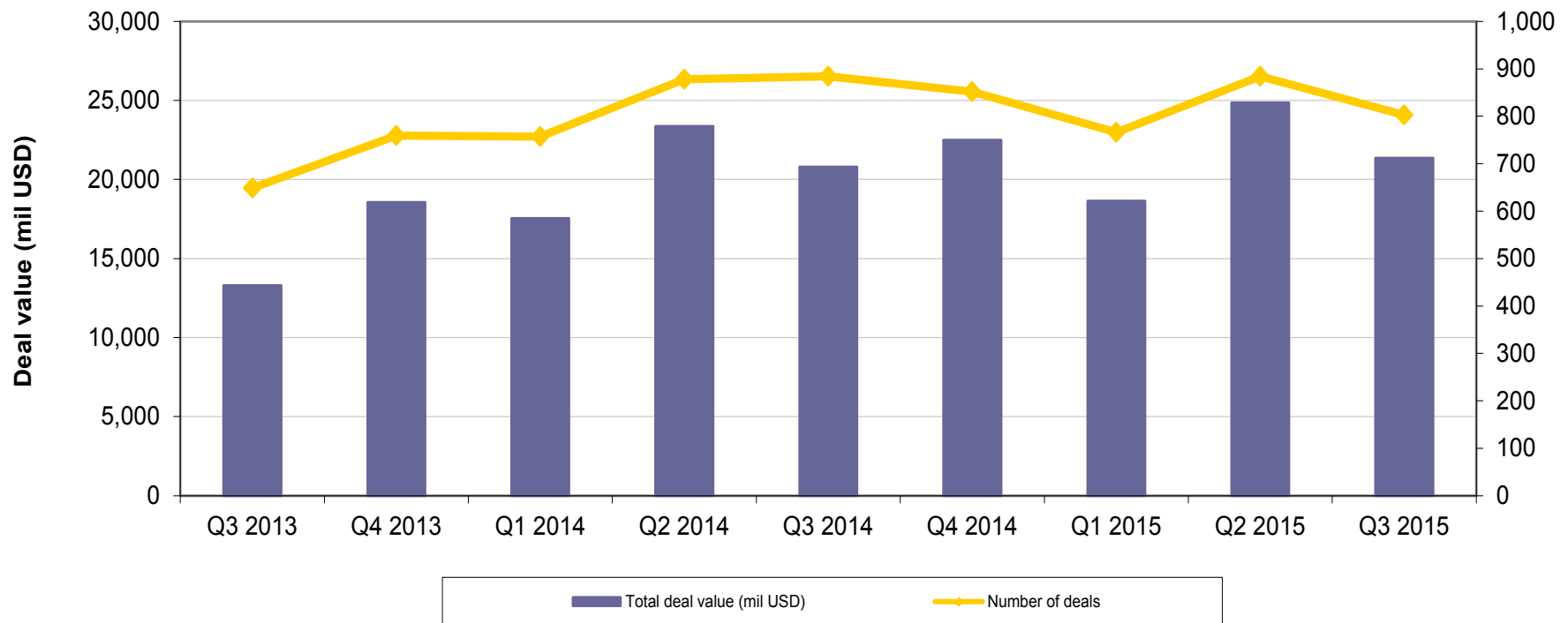
However, in comparison with the same time last year, value was slightly higher than the USD 20,796 million recorded in Q3 2014, while volume was again down 9 per cent on the 884 deals announced.

The highest-valued PE deal between July and September was Thoma Bravo acquiring Internet Pipeline, also known as iPipeline, a US-based provider of cloud-based software to the life insurance industry, for a reported USD 500 million.

### Private equity deals by volume and value

Announced date	No of deals	Total deal value (mil USD)
Q3 2015	803	21,350
Q2 2015	884	24,867
Q1 2015	766	18,636
Q4 2014	852	22,506
Q3 2014	884	20,796
Q2 2014	878	23,374
Q1 2014	757	17,540
Q4 2013	759	18,558
Q3 2013	649	13,290

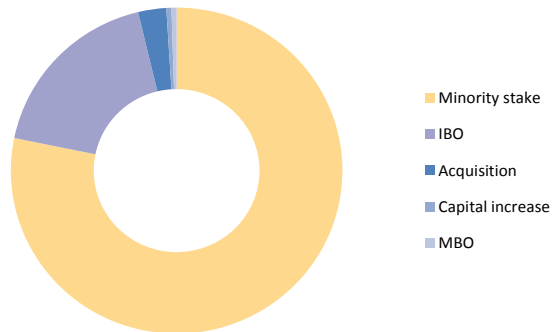
Private equity deals by volume and value



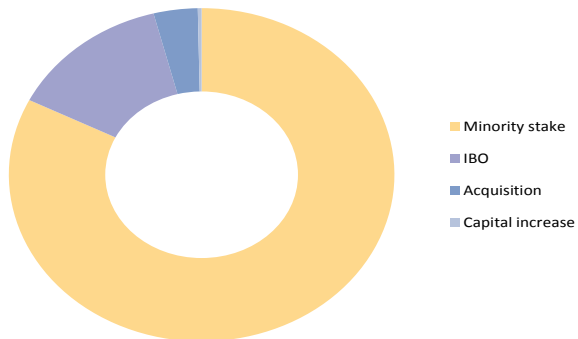
Top 20 Q3 private equity deals by value

	Deal value (mil USD)	Deal type	Target	Target country	General Partner/Fund Manager	Deal status	Announced date
1.	500	IBO 100%	Internet Pipeline Inc.	US	Thoma Bravo LLC	Completed	05/08/2015
2.	450	Minority stake	Palantir Technologies Inc.	US		Completed	08/07/2015
3.	448	Minority stake	Samson Resources Corporation	US	The Anschutz Investment Company; Cerberus Capital Management LP	Announced	14/08/2015
4.	378	IBO 60%	AR Global Investments LLC	US	Apollo Global Management LLC	Completed	06/08/2015
5.	376	IBO 100%	W&T Offshore Inc.'s Yellow Rose field assets in the Permian Basin of West Texas	US	Kelso & Company LP	Completed	01/09/2015
6.	300	IBO majority stake %	Mitrtech Holdings Inc.	US	TA Associates Management LP	Announced	15/09/2015
7.	300	Minority stake	Rangeland Energy LLC	US	EnCap Flatrock Midstream	Completed	04/08/2015
8.	300	Minority stake	Fanatics Inc.	US	Silver Lake Partners LP	Completed	25/08/2015
9.	300	Minority stake	Red Bluff Resources Holdings LLC	US	Pine Brook Road Partners LLC	Completed	05/08/2015
10.	300	Minority stake	Evolution Midstream LLC	US	EnCap Flatrock Midstream	Completed	24/08/2015
11.	300	Minority stake	DraftKings Inc.	US	Wellington Management Company LLP; The National Hockey League; The Kraft Group LLC; GGV Management LLC; The Raine Group LLC; Atlas Venture Inc.; The Madison Square Garden Company; Twenty-First Century Fox Inc.; Major League Soccer LLC; MLB Major League Baseball Ventures; DST Managers Ltd	Completed	27/07/2015
12.	293	Acquisition 89%	IPL Inc.	CA	La Caisse de depot et placement du Quebec	Completed	03/07/2015
13.	275	Minority stake 28%	FanDuel Inc.	US	Kohlberg Kravis Roberts & Company LP; Shamrock Capital Advisors LLC; Pentech Ventures LLP; Time Warner Investments; Bullpen Capital; Piton Capital LLP; Comcast Ventures; NBC Sports Ventures LLC; Turner Sports Inc.; GC I GP LLC	Completed	13/07/2015
14.	273	IBO 100%	Infigen Energy Ltd's US wind business	US	ArLight Capital Holdings LLC	Announced	15/07/2015
15.	250	Minority stake	Stem CentRx Inc.	US	FMR LLC	Completed	31/08/2015
16.	250	Minority stake 10%	GitHub Inc.	US	Sequoia Capital Operations LLC; Andreessen Horowitz LLC; Thrive Capital Management LLC; Institutional Venture Partners	Completed	29/07/2015
17.	225	Minority stake	AvidXchange Inc.	US	KeyCorp; Square 1 Bank; Bain Capital Venture Partners LLC; Foundry Group LLC; Nyca Partners; TPG Capital Management LP	Completed	14/09/2015
18.	218	Minority stake 18%	Entertainment One Ltd	CA	Canada Pension Plan Investment Board	Announced	16/09/2015
19.	208	IBO 100%	Encapsys LLC	US	Sherman Capital Holdings LLC	Completed	04/08/2015
20.	200	Minority stake	Mevion Medical Systems Inc.	US	Venrock Associates LP; CHL Medical Partners LP; ProQuest Management LLC; Hopu Investment Management Co., Ltd; Caxton Alternative Management LP	Announced	04/08/2015

### PE/VC Deal types by volume in Q3



### PE/VC Deal types by value in Q3



### PE/VC Deal types by volume

Deal type	Q3 2014	Q2 2015	Q3 2015
Minority stake	681	701	628
IBO	177	162	145
Acquisition	22	17	22
Capital increase	1	2	4
MBO	1	0	4

### PE/VC Deal types by value

Deal type	Q3 2014 (mil USD)	Q2 2015 (mil USD)	Q3 2015 (mil USD)
Minority stake	13,357	20,300	17,592
IBO	7,003	4,477	2,900
Acquisition	401	0	790
Capital increase	36	90	68
MBO	0	0	0

PE/VC Target sectors by volume

Target sector	Q3 2014	Q2 2015	Q3 2015
Business services	439	479	437
Engineering, accounting, research, management, and related services	79	81	69
Electronic and other electrical equipment and components, except computer equipment	28	27	28
Measuring, analyzing and controlling instruments; photographic, medical and optical goods; watches and clocks	31	40	25
Chemicals and allied products	29	27	24
Industrial and commercial machinery and computer equipment	27	17	20
Health services	11	16	18
Food and kindred products	22	10	15
Transportation equipment	8	6	12
Holding and other investment offices	5	5	9
Eating and drinking places	2	7	8
Printing, publishing and allied industries	5	5	8
Electric, gas and sanitary services	11	9	7
Fabricated metal products, except machinery and transportation equipment	17	11	7
Oil and gas extraction	11	14	7
Real estate	3	8	6

PE/VC Target sectors by value

Target sector	Q3 2014 (mil USD)	Q2 2015 (mil USD)	Q3 2015 (mil USD)
Business services	8,143	11,540	11,171
Engineering, accounting, research, management, and related services	2,355	2,228	1,929
Oil and gas extraction	1,191	2,750	1,378
Measuring, analyzing and controlling instruments; photographic, medical and optical goods; watches and clocks	882	659	607
Pipelines, except natural gas	0	500	600
Rubber and miscellaneous plastics products	7	0	571
Holding and other investment offices	54	12	549
Electric, gas and sanitary services	39	1,123	458
Industrial and commercial machinery and computer equipment	779	339	436
Security and commodity brokers, dealers, exchanges and services	13	225	378
Chemicals and allied products	634	747	334
Apparel and accessory stores	498	52	308
Electronic and other electrical equipment and components, except computer equipment	633	431	277
Stone, clay, glass and concrete products	0	0	260
Transportation equipment	0	30	228
Motion pictures	10	40	218
Health services	499	71	211
Insurance agents, brokers, and service	100	500	178
Printing, publishing and allied industries	7	16	141

Top equity provider world regions by volume

Acquiror world region	Q3 2014	Q2 2015	Q3 2015
North America (excl. Mexico)	753	765	692
Western Europe	76	89	74
Far East and Central Asia	52	49	51
South and Central America	12	24	18
Middle East	13	19	17
Oceania	6	4	8
Eastern Europe	5	5	6
Africa	1	2	4

Top equity provider world regions by value

Acquiror world region	Q3 2014 (mil USD)	Q2 2015 (mil USD)	Q3 2015 (mil USD)
North America (excl. Mexico)	18,281	22,073	19,101
Western Europe	2,563	2,812	3,037
Far East and Central Asia	1,124	1,005	1,418
South and Central America	263	929	1,005
Middle East	326	280	585
Oceania	50	91	252
Eastern Europe	93	89	150
Africa	8	15	60

### Top PE/VC target countries by volume

Target country	Q3 2014	Q2 2015	Q3 2015
1 US	828	820	758
2 China	205	288	324
3 UK	160	128	170
4 India	73	132	162
5 France	65	75	98
6 Germany	78	90	97
7 Canada	53	55	43
8 Spain	48	25	39
9 Italy	27	30	33
10 Netherlands	34	35	30
11 Israel	16	28	25
12 Sweden	19	21	23
13 Belgium	13	17	16
14 Switzerland	11	7	15
15 Singapore	5	9	14
16 Japan	35	18	14
17 Denmark	11	15	11
18 Australia	11	16	11
19 Poland	10	16	11
20 Brazil	13	23	10
37 Mexico	3	9	4

### Top PE/VC target countries by value

Target country	Q3 2014 (mil USD)	Q2 2015 (mil USD)	Q3 2015 (mil USD)
1 US	20,024	23,649	20,159
2 China	4,179	7,243	8,425
3 UK	6,310	5,618	4,800
4 India	1,276	2,780	4,595
5 France	955	1,192	2,797
6 Spain	1,454	545	2,029
7 Canada	694	632	1,191
8 Germany	923	1,952	738
9 Singapore	220	462	690
10 Israel	269	516	634
11 Italy	363	1,281	571
12 Netherlands	474	1,072	538
13 Chile	0	12	500
14 South Korea	630	1,565	463
15 Australia	1,212	1,471	459
16 Portugal	68	0	450
17 Cayman Islands	344	287	450
18 Sweden	63	191	435
19 Austria	0	139	376
20 Switzerland	1,100	16	376
58 Mexico	79	586	0



### Notes to editors

Activity is based on the activity of the target company

Deal status is announced within the time period

Data refers to deals valued at between USD 5 million and USD 500 million within the time period

The sector breakdown uses targets' activities by US SIC code

Data refers to target companies based in the US, Canada and Mexico except where specified as target countries on pages 8 and 15

The date range is 01/07/2015 - 30/09/2015 inclusive

The search strategy for this report has been altered slightly in order to focus on M&A and Private Equity, thus moving forward all capital raisings by placing and share capital increases have been removed from the search strategy

## About The Alliance

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