

November 2017 - Monthly Briefing

6th December 2017

November was a more subdued month for European TMT M&A activity

Bermuda-based, Nasdaq-listed semiconductor company, Marvell Technology Group, announced the largest global TMT deal in November with the acquisition of US-based, Nasdaq-listed Cavium in a transaction valued at about \$6 billion. The transaction combines Marvell's portfolio of leading HDD and SSD storage controllers, networking solutions and high-performance wireless connectivity products with Cavium's portfolio of leading multi-core processing, networking communications, storage connectivity and security solutions. The combined product portfolios provide the scale and breadth to deliver comprehensive end-to-end solutions for customers across the cloud data centre, enterprise and service provider markets, and expands Marvell's serviceable addressable market to more than \$16 billion.

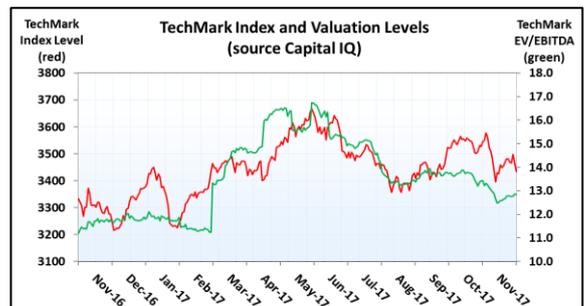
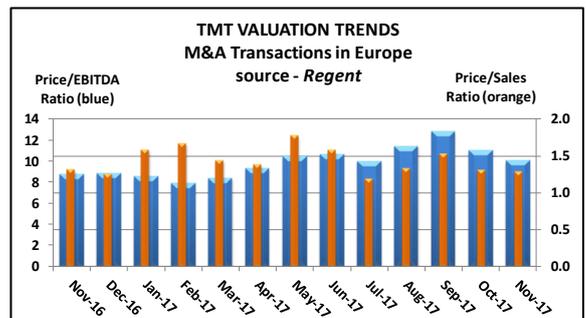
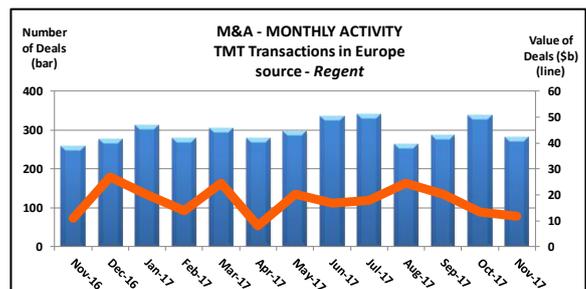
In the US media sector, Meredith Corporation acquired Time for a total transaction value of approximately \$2.8 billion, including the assumption of debt and net of cash acquired. Time is a leading multi-platform consumer media company that engages over 230 million consumers globally every month. The transaction will create a diversified media and marketing company with calendar 2016 combined revenues of \$4.8 billion including \$2.7 billion of total advertising revenues with nearly \$700 million of digital advertising revenues and adjusted EBITDA of \$800 million.

The top TMT deal announcement involving a European company during November was by the French engineering consultancy, Altran, for the acquisition of US-based, Aricent, from a group of investors led by KKR, at a total enterprise value of \$2 billion in an all-cash transaction. Based on data for the 12-month period to June 2017, this corresponds to 10.6x EBITDA pre-synergies. Revenue during this period was \$687 million. Aricent is a global digital leader in integrated design and engineering services, primarily serving clients of the communications and technology, semiconductor and software industries.

In the UK, euNetworks and Stonepeak Infrastructure Partners announced an agreement through which Stonepeak will acquire a majority interest in the company. The transaction will also provide euNetworks with up to \$500 million of committed growth capital for both organic and inorganic development. euNetworks owns and operates dense fibre based metropolitan networks in 14 cities, connected by an intercity backbone covering 49 cities in 15 countries. These networks directly connect into over 300 data centres and more than 1,300 further cell towers, cable landing stations and enterprise buildings. Stonepeak Infrastructure Partners is an infrastructure private equity firm, headquartered in New York, which currently manages approximately \$11.3 billion of capital for its investors.

REGENT's View of the Month

European TMT M&A activity was more subdued in November with the number of deals 7% lower than the 2017 monthly average. The aggregate value of deals in November was also lower at \$12 billion in November from \$13 billion in October. Valuation multiples remain healthy with the Price/Sales ratio unchanged from October at 1.3 although the Price/EBITDA ratio was down from 10.9 in October to 10.0. Listed technology companies, as represented by the UK TechMark index, dropped 3% in November.



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