In a “slow” month for aggregate disclosed value (by 2015 standards only), non-tech buyers captured more than 40% and drew closer to even with technology companies. July’s numbers also included a sudden increase in non-tech buyer deal volume, emphasizing how technology-enabled digital transformations disrupting multiple industries continue to drive cross-industry blur.

- **Value moderates:** even though July rose 15% above 2014’s average monthly aggregate value, it posted the third lowest 2015 monthly value total so far.

- **Tech buyers:** continued to refocus on core offerings while using M&A to pursue scale and total solutions-oriented breadth in the trend we call “stack to solution.”

- **Non-tech buyers:** after surpassing all of last year’s disclosed value by May 2015, non-tech buyers’ July deal volume spiked about 75% above its average for the previous 18 months. Their aggregate disclosed value of $9.3 billion was 41% of the month’s total value.

- **Private equity (PE) buyers:** posted a high volume of deals but only $1.4 billion in disclosed value for the month.

- **Hidden gems:** divestitures continued to accelerate and accounted for 38% of July value.

- **Deal drivers:** security, whose deal volume accelerated dramatically earlier in the year, matched its average monthly deal volume for the first half of 2015. Meanwhile, July deals targeting technologies for the internet of things (IoT), advertising and marketing, big data analytics, health care IT (HIT) and payments and financial services rose between 23% and 56% above their 1H15 monthly volume averages.
July's aggregate value statistics demonstrate how strongly 2015 has increased over 2014 — which was considered a “blockbuster” technology M&A year until now. At $22.8 billion, July rose 15% above 2014’s monthly value average ($19.8 billion) but was 33% below average for the first six months of 2015 ($34.1 billion).

Non-tech buyers acquired 2 of the month’s top 10 deals and just missed in a third deal. They captured a 41% share ($9.3 billion) of July’s disclosed value, compared with 53% for corporate tech buyers and only 6% for PE buyers. Meanwhile, July deal volume rose 21% over the 1H15 monthly average, riding a wave of accelerating growth in nearly all categories of disruptive technology deal drivers. At July’s volume pace, the innovative technologies driving transformation in technology (and most other industries) would produce 3Q15 M&A volume that bests two out of four quarters during the height of the dotcom bubble in 2000.

**Global top 10 deals, July 2015**

<table>
<thead>
<tr>
<th>Disclosed value ($m)</th>
<th>Buyer</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>$5,100</td>
<td>Honeywell International Inc.*</td>
<td>Elster Group GmbH</td>
</tr>
<tr>
<td>$2,225</td>
<td>McGraw Hill Financial Inc.*</td>
<td>SNL Financial LC</td>
</tr>
<tr>
<td>$2,214</td>
<td>SunEdison, Inc.</td>
<td>Vivint Solar, Inc.</td>
</tr>
<tr>
<td>$1,886</td>
<td>Digital Realty Trust, Inc.</td>
<td>Telx Group, Inc.</td>
</tr>
<tr>
<td>$1,404</td>
<td>B88 Holdings Public Limited Company</td>
<td>bwin.party digital entertainment plc</td>
</tr>
<tr>
<td>$1,085</td>
<td>PayPal Inc.</td>
<td>Xoom Corporation</td>
</tr>
<tr>
<td>$1,000</td>
<td>Sensata Technologies Holding NV</td>
<td>Custom Sensors &amp; Technologies, Inc.</td>
</tr>
<tr>
<td>$925</td>
<td>Sterling Partners/Longview Asset Management/Permira et al.</td>
<td>bwin.party digital entertainment plc</td>
</tr>
<tr>
<td>$910</td>
<td>Emdeon Inc.</td>
<td>Altegra Health Inc.</td>
</tr>
<tr>
<td>$830</td>
<td>Amadeus IT Group SA</td>
<td>Navitaire LLC</td>
</tr>
</tbody>
</table>

*Represents non-tech buyer


"July was all about the blur, with non-tech buyers capturing the month’s top two deals by dollar value, among many others. But I anticipate more transformative deals by tech companies ahead, as they continue pursuing scale and end-to-end solutions."

Jeff Liu
Global Technology Industry Leader
Transaction Advisory Services
EY
Non-tech-buyer volume spikes to 69 deals after averaging 40/month in 1H15.

Cross-border deal value of $10.1b is 44% of July all-deal value.

PE posts only $1.4b in disclosed value.

Analytics growth stays on course to join digital foundation

Our 2015 report suggested that because big data analytics aspects were found in deals targeting virtually all industry segments, as well as in the other deal-driving trends, it could soon join cloud/SaaS and smart mobility as a kind of “background radiation” in global technology M&A. True to form, analytics growth accelerated again in July: volume increased 35% over its prior 2015 monthly average to about three dozen deals. Analytics’ $9.5 billion in July disclosed value pushed its year-to-date (YTD) total to nearly $22 billion, 55% higher than its full-year 2014 total. Analytics were elements in 4 of the month’s top 10 deals and included smart grid, HIT and financial services technologies, to name just a few. Meanwhile, cloud/SaaS (about 125 July deals) and smart mobility (more than 80 deals) rose 17% and 14%, respectively, above their prior 2015 monthly volume averages.

IoT, HIT, advertising and marketing, payment and financial services and ‘hidden gem’ divestitures drive July dealmaking

IoT deal volume and value continued rising; its $6.9 billion July value total increased YTD IoT-driven value to slightly more than $24 billion, 86% higher than full-year 2014. HIT deals had aggregate disclosed value of slightly less than $1 billion, but at more than two dozen deals, July HIT volume was 40% higher than its prior 2015 monthly average. Likewise, volume targeting advertising and marketing technology was 23% higher than the prior 2015 monthly average while posting slightly more than $1 billion in disclosed value. July’s payment and financial services deal volume soared 56% above its prior average, posting $5.5 billion – nearly equal to the quarterly value posted for each of the two previous quarters. Divestitures also continued accelerating: we saw more than 50 in July, nearly 40% above the prior 2015 monthly average. They had $8.6 billion in disclosed value (38% of the July total).

PE volume jumps but with low disclosed value

PE buyers averaged 22 deals per month in 1H15 but jumped to 30 in July. However the largest deal fell short of $1 billion and total PE value was only $1.4 billion. We’ve seen this pattern before: with so many deals happening, expect disclosed value to pop up before quarter’s end.

Cross-border deals post strong volume and value

CB deal volume continued a summer acceleration begun in June, totaling 155 deals in July – 40% higher than the prior 2015 monthly average and 53% above the 2014 average. At $10.1 billion, CB deal value remains strong, though not at the record-setting 2015 level ($43.6 billion).

Note: all data in this report is subject to final verification at the end of the quarter. All values are of disclosed-value deals only (accessed 4 August 2015 via The 451 Group Research M&A KnowledgeBase), and dollar references are in US$ unless otherwise indicated.
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