



## Software & Services M&A Dollar Volume Surges Nearly 450% in Q2

San Diego, CA - July 30, 2010 – SagePoint Advisors announced today that Software & Service M&A dollar volume surged nearly 450% in Q2 from Q1 according to SagePoint’s Q2 2010 Internet, Communications and IT Infrastructure M&A Review. Software & Services M&A dollar volume reached nearly \$12B, with both public and private M&A at their highest dollar volumes in over two years. Equipment M&A dollar volume also bounced back in Q2, more than doubling after a weak Q1. “We are seeing a return to larger M&A transactions as the markets stabilize and technology and telecom companies look to fuel growth through M&A. This was particularly evident in Q2 in the Software & Services and Equipment segments where we saw both strategic buyers and financial buyers becoming more active”, said David Michaels, Founder and Managing Director of SagePoint Advisors.

A number of encouraging observations from SagePoint’s Q2 M&A Review suggest there are reasons to be optimistic about the rebound in M&A activity continuing to gain momentum:

- M&A dollar volume across SagePoint’s Internet, Communications & IT Infrastructure (“ICIT”) Universe was up 100% from Q2’09 and transaction volume was up nearly 20%;
- M&A dollar volume surged nearly 450% in Software & Services and more than 125% in Equipment as buyers are clearly looking to M&A to fuel growth;
- M&A dollar volume in Telecom Services was more than 3 times that of Q2’09 although significantly below Q1 which had two \$10B+ mega mergers;
- Buyers are demonstrating more willingness to write large M&A checks as evidenced by the fact that 29 \$100M+ private deals were announced in Q2, the highest number since Q4’07
- Median revenue multiples across SagePoint’s ICIT Universe increase 40% and are at their highest level in 3 years as distressed sales become less prevalent and buyers are increasingly entertaining larger transactions and premium valuations;
- Private equity buyers were increasingly active in the Software & Services and Equipment segments announcing several notable acquisitions in Q2; and
- There were 30 M&A transactions in Q2 that SagePoint deemed to be strategically impactful, which are profiled and analyzed in more detail in SagePoint’s Q2 M&A Review.

SagePoint’s Q2 M&A Review provides a snapshot of M&A activity levels and valuation trends for the last fourteen quarters along the entire Internet, Communications and IT Infrastructure industry value chain. Metrics examined for each market segment include M&A dollar volume, M&A transaction volume, deal size metrics, valuation multiples, most active buyers and an analysis of certain, strategically impactful transactions. To access the presentations, please visit <http://www.sagepointadvisors.com/Research.html>.

### **About SagePoint Advisors**

SagePoint Advisors is a boutique investment banking firm providing merger, acquisition and

strategic advisory services to technology and telecom companies and their venture backers. SagePoint delivers the senior-level attention, trusted relationships and market insight on \$10-100 million transactions that other investment banks reserve only for much larger transactions. For more information, please visit [www.sagepointadvisors.com](http://www.sagepointadvisors.com) or contact:

David Michaels  
Managing Director & Founder  
SagePoint Advisors LLC  
Office: (858) 926-5950  
Mobile (858) 761-4847  
[dmichaels@sagepointadvisors.com](mailto:dmichaels@sagepointadvisors.com)

Teak Murphy  
Senior Associate  
SagePoint Advisors LLC  
Office (858) 345-2408  
Mobile (858) 692-7820  
[tmurphy@sagepointadvisors.com](mailto:tmurphy@sagepointadvisors.com)