



Monthly Newsletter - January 2016

MobileSolve is a boutique investment bank providing M&A, Capital Raising and Financial Advisory services to technology growth companies.*

This newsletter presents short articles on the industry or transaction topic of current interest.

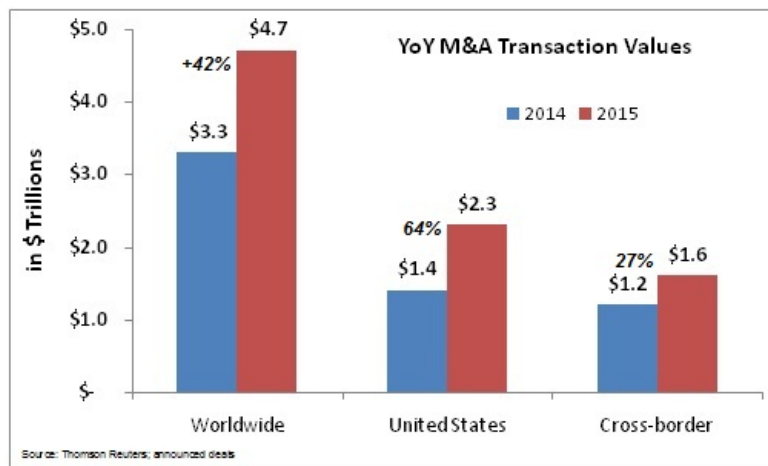
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M&A Prospects for 2016

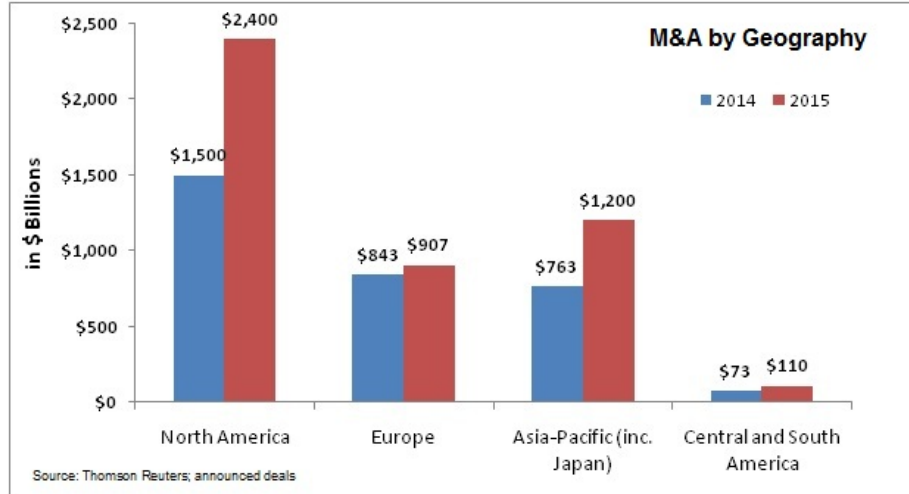
By: Steve Gaynor, Neeraj Baghel, Mansi Srivastava

2015 was a Robust Year

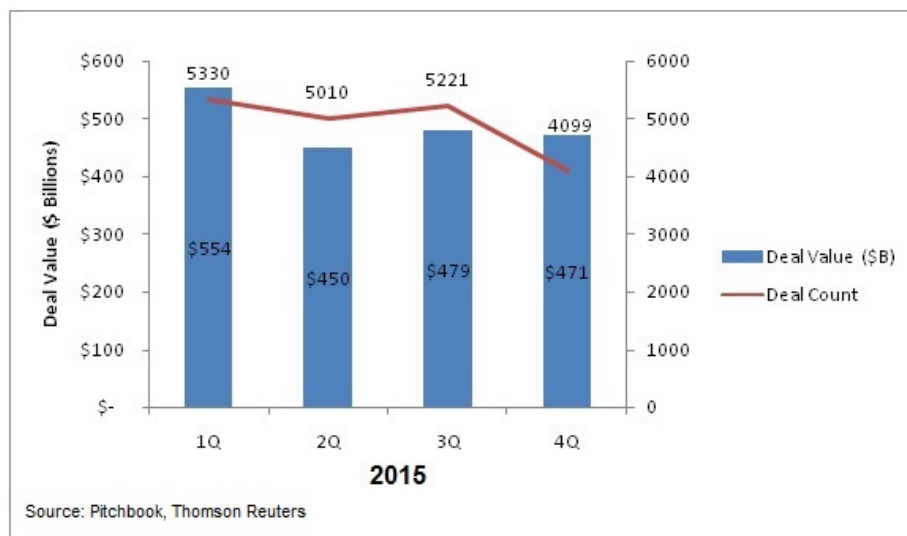
By almost any measure, 2015 was a terrific year for M&A:



While M&A activity was highest in the U.S. in both absolute terms and growth over the prior year, Asia and Europe also turned in a strong year. Only South America was relatively slow:



But the last quarter of 2015 saw a drop in aggregate transaction value, and a sharp 22% decline in the number of deals over the previous quarter (see below). That has led many to question whether the strong deal flow of the past two years will continue.



The Current Environment

As 2016 begins, the general economic environment continues to be conducive to M&A activity, particularly in the U.S. Major global economies continue their benign slow-growth trajectory. Corporate balance sheets are in good form with substantial liquidity and reasonable leverage. Access to debt financing remains generally available on good terms for all but below low-rated issuers.

As in 2015, this year should see M&A driven by companies executing strategic transactions in response to trends buffeting their industries, to innovations developed by growth companies and to shareholders demanding faster growth. Many will use their stock as currency.

High asset prices and restraints on high leverage mean private equity firms, which accounted for only six percent of global M&A activity in 2015, are again unlikely to be an important aspect in 2016. Recent instability in the high-yield market portends they will continue to be sidelined.

Of course, a deterioration of economic circumstances or conditions in the equity or debt markets can adversely affect the current environment. We are at a late stage in the business cycle. Global political tensions appear to be on the rise. Equity markets have recently been very volatile. Major economies are pursuing different paths with the U.S. withdrawing stimulus while Europe, Japan and possibly China will add stimulus. These factors have produced higher uncertainty, the effect of which has yet to be fully manifested.

M&A in Technology

Technology, along with the health care industry, is expected to be a leading sector driving M&A volume. The semiconductor industry especially saw substantial consolidation in 2015. But M&A activity is likely to be high in most parts of the technology industry.

Products and markets evolve quickly in all sectors of technology. Innovations are introduced quickly, and in some cases disrupt whole industries. Today's friends are tomorrow's competitors. Established companies have to respond to these circumstances, and M&A is among their primary tools.

Outlook for 2016

Absent material adverse developments, strategic corporate transactions should continue because the needs for innovation, growth, consolidation and a global footprint aren't going away. For such companies, synergies and strategic necessities are propelling deals and valuations.

Financial buyers will be helped by anticipated stimulus from various central banks and governments. That will help debt markets, and keep relatively cheap financing available. There is speculation even the U.S. central bank will forego additional interest rate hikes.

Increasing economic uncertainty and market volatility will tend to dampen M&A activity levels.

Nevertheless, strategic buyers executing transactions they deem important for their business prospects will take a long-term view and continue to drive a substantial number of M&A deals, especially in technology.

Sources: Thomson Reuters, PitchBook and MobileSolve Analysis

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Top Articles

[**Equity Crowdfunding - A Potential Revolution in Financing Startup**](#)

[**Enhancing Your Company's Valuation**](#)

[**Berlin, Paris and London: VC Capitals of Europe**](#)

Transactions

The following are notable M&A transactions and capital financings announced or completed in the last month.

Notable M&A Transactions

[**Axway**](#) Acquires Mobile App Development Platform Appcelerator. [See details here...](#)

[**Microchip Technology**](#) acquires Atmel for \$3.56 billion. Atmel develops microcontrollers & touch technology semiconductors for mobile, automotive industries. [Check details here](#)

[**RNTS Media**](#) Completes \$ 45 million Acquisition Of Mobile Ad Company Heyzap. Heyzap is a premier mobile ad network that helps millions of users discover apps they love. [See details here...](#)

[Microsoft](#) to acquire InMobi for \$2 billion. InMobi is a mobile-first platform allowing brands, developers and publishers to engage consumers through mobile advertising. [See details here](#)

[Gaea Mobile](#) acquires Kabam's Classic Mobile Games & Publishing business. Kabam is a mobile gaming company developing free-to-play core games available on mobile devices, the web, and other platforms. [See details here...](#)

[Paytm](#) acquires Shifu to personalize mobile payments experience. Terms of the transaction were not disclosed. [See details here...](#)

Notable Capital Financings

[360 Studios](#) is the developer of MMA Federation, a brand new social game based on the world of MMA, has raised \$1.5 million for development of mobile games. [See funding details...](#)

[Hike Messenger](#) is a new kind of app that is simplifying how people connect with others and will change the way they interact with content and services on mobile. They have raised funds for undisclosed amount from Silicon Valley Veterans [See funding details...](#)

[Mech Mocha](#) , Game Studios is an independent game development studio based in India, has raised funds from Flipkart and Blume Ventures. [See funding details...](#)

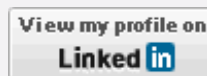
[mPulse](#) Mobile is a mobile engagement solutions provider focused on consumer health and wellness, has raised \$ 8.3 million for healthcare secure messaging. [See details here...](#)

[Nubo Software](#), is the first company to develop Virtual Mobile Infrastructure (VMI) for enterprise mobility, it has raised \$7 millions in Series A Funding from Magma Venture Partners & Motorola Solutions. [See funding details](#)

[Qeexo](#) develops novel interaction techniques for mobile devices, has raised \$4.5 million in Series B. Investors include KTB Networks, Sierra Ventures & Danhua Capital. [See funding details...](#)

STAY CONNECTED:

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