

Convergence is fueling unprecedented M&A and global scale in tech, media and entertainment, and telco (TMT)



New deal flows signal new opportunities and challenges



TMT aggregate deal value from 2014 to 2017 reaches **US\$2.7t¹**

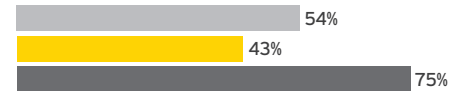


TMT buyers' top two deal rationales illustrate their **drive for greater scale⁴**



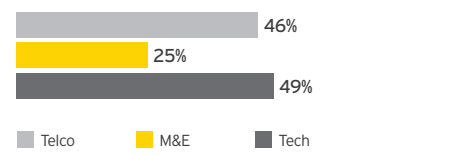
Average deal size (2014-17)² **US\$948m**

Enhance existing product and service portfolio

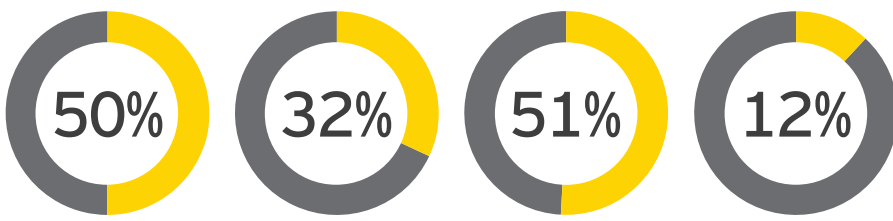


Aggregate value of tech deals **tops dot.com record** in 2015 (US\$460b) and 2016 (US\$467b)³

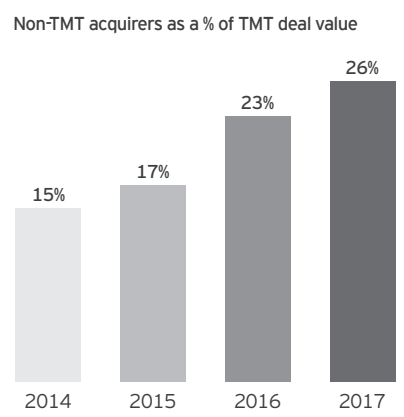
Gain market share in existing segment/geography



Convergence is driving a new wave of M&A between TMT segments and beyond, 2014-17



Buyers have a growing range of backgrounds



And geographic boundaries blur as TMT companies seek global growth, 2014-17

US\$81b:

value of European tech companies bought by North American tech companies

US\$31b:

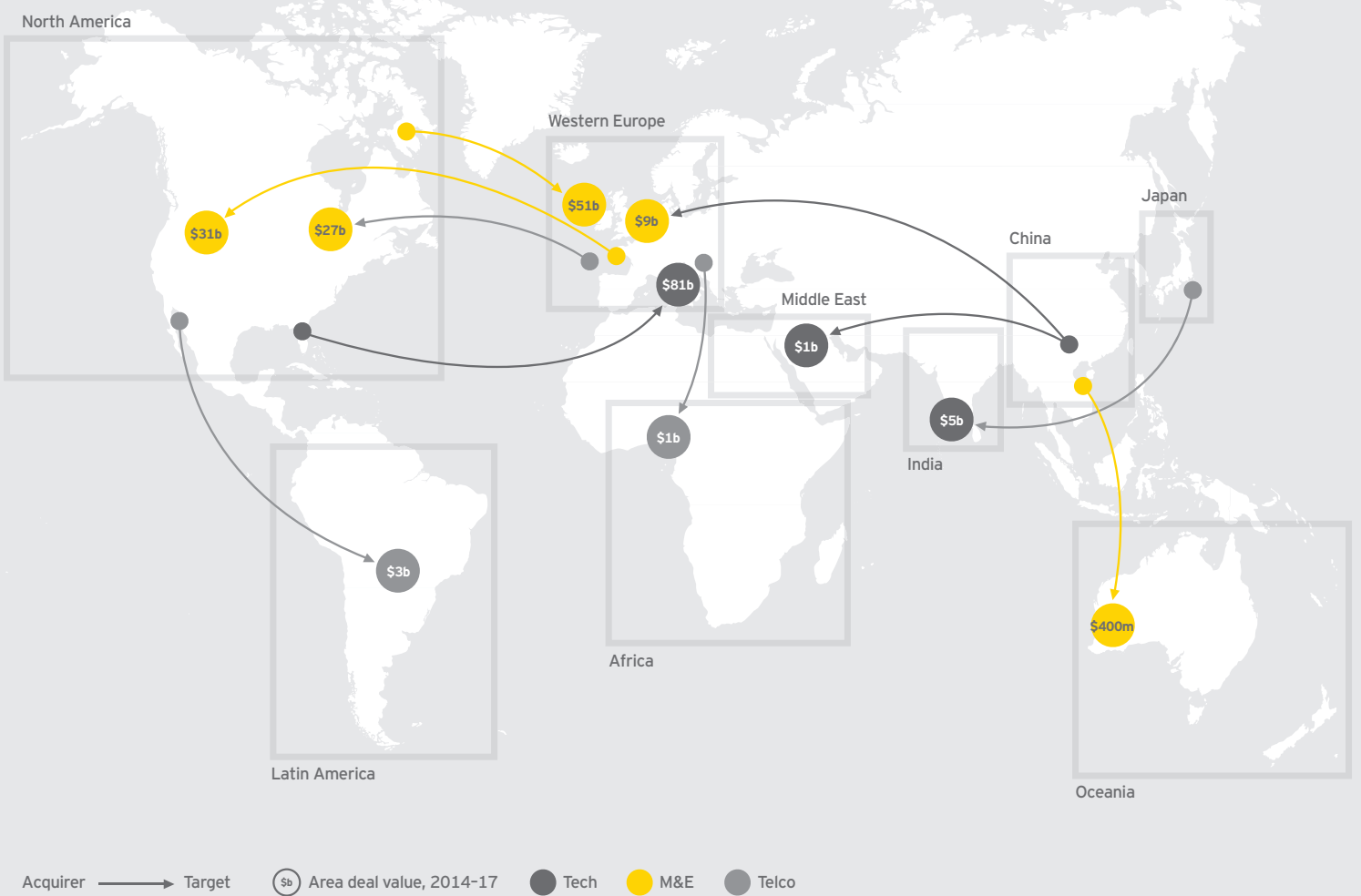
value of North American M&E companies bought by European M&E companies

US\$27b:

value of North American M&E companies bought by European telcos

US\$9b:

value of European M&E companies bought by Chinese tech firms

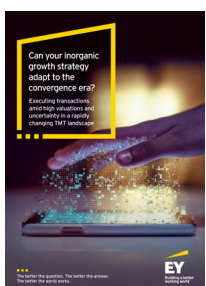


But merger integration capabilities aren't keeping up with TMT's shifting M&A landscape:

92%

of TMT companies report that a recent acquisition failed to meet their expectations, often because of inadequate merger integration planning.⁵

Access insights into the latest merger integration thinking:



Can your inorganic growth strategy adapt to the convergence era? **download the new EY report**



Merger integration in a converging world **download the new EY report**



¹ Unless otherwise noted, all statistics above are based on EY analysis of TMT deals, from 2014 to 2017, with announced values of US\$50m or more, from multiple sources, including The 451 Group, S&P Capital IQ, ThomsonONE.com and Mergermarket.

² Ibid.

³ *Global technology M&A report: digital disruption propels industry shifts – and record annual value*, EY, October-December 2016 and year in review, EYGM Limited, 2017.

⁴ Ibid.

⁵ *Capital Confidence Barometer*, EY, October 2016, EYGM Limited, 2017.