

GARTNER ACQUIRES CEB



Transaction Summary

Gartner, Inc. ("Gartner"), an IT research and advisory firm, entered into an agreement to acquire all of the outstanding stock of CEB, Inc. ("CEB" or "the Company"), a provider of best practice and talent management insights, in a cash and stock transaction valued at ~\$2.5bn, and with a total enterprise value of \$3.2bn+, including ~\$0.7bn of CEB net debt. The transaction is expected to be immediately accretive to Gartner's adjusted EPS before cost synergies. Gartner has cited that the companies are highly complementary: Gartner plans to expand CEB's existing client footprint with large enterprises by leveraging Gartner's extensive market presence with mid-size businesses; CEB's existing clients will benefit from Gartner's technology expertise; and Gartner will introduce new products and services using CEB's strength in HR, Sales, Finance, and Legal.

TARGET CEB, Inc. (NYSE:CEB)

Founded in 1979, CEB is a provider of best practice and talent management insights. The Company has two segments: CEB and CEB Talent Assessment. The CEB segment provides research, data analysis, and advisory services; the CEB Talent Assessment segment helps assess talent through various cutting-edge tech-enabled services and solutions. Formerly known as The Corporate Executive Board, the Company changed its name to CEB, Inc. in 2015.

BUYER Gartner, Inc. (NYSE:IT)

Headquartered in Stamford, Connecticut, Gartner is an IT research and advisory company that delivers technology-related insight to aid clients in making decisions. Gartner operates through three segments: Research, Consulting, and Events. The company has 7,900 associates (including over 1,700 research analysts and consultants) and clients in more than 90 countries across the globe.



Deal Commentary

- CEB and Gartner are, no doubt, highly compatible companies. With complementary product and service portfolios (the combined company will tackle IT, decision making, talent, and best practices), and different market footprints in terms of client size, the couple is a natural fit, and will be poised to tackle corporate challenges from many different angles.
- With 2016 in very recent memory, the world is still quaking from the effects of countless events: Brexit, the US election, rising concerns about global international relations, to name a few. Where there is uncertainty, providers of research, data, and insights typically thrive. Gartner's acquisition comes at a time when enterprises need help navigating challenging market dynamics.
- The transaction price represents a modest premium and reasonable / modest multiples relative CEB's historical market metrics and that of research and consulting peers.
- Tom Monahan, chairman and chief executive officer of CEB, said, "We have long admired Gartner for its impact on clients and track record of growth. We're pleased to reach this agreement, which offers compelling benefits to CEB shareholders, clients and employees...The combined company will have unmatched insight into technology, talent and the other drivers of corporate performance. It will also have deep reach into a massive, immediately addressable market with clear need for our support across a range of functional areas."

Transaction Details

Announced Date	Jan-05-2017
Deal Type	Acquisition
<u>Target Information</u>	
# of Employees	4,600
Year Founded	1979
Headquarters	Arlington, VA
<u>Deal Economics</u> (\$ in millions)	
Transaction Enterprise Value	\$3,240.1
LTM Revenue	\$938.6
EV / LTM Revenue	3.5x
LTM Adj. EBITDA ¹	\$225.7
EV / LTM Adj. EBITDA	14.4x
Share Premium Jan-04-2017	25%
Share Premium 30 Days ²	31%

