

MEDIA & MARKETING INDUSTRY

FULL YEAR 2014 :: Mergers and Acquisitions Trend Report

2014 KEY HIGHLIGHTS

- The largest transaction in the Consumer Publishing segment in 2014 was Apax Partners' acquisition of Trader Media Group for \$1.93 billion.
- The most active acquirer in the Entertainment segment in 2014 was Bertelsmann SE & Co. KGaA with eight deals.
- There were 211 financially sponsored transactions with an aggregate value of \$25.47 billion, representing 12 percent of the total volume and 28 percent of the total value, respectively.

2014 KEY TRENDS

- Total transaction volume in 2014 remained nearly constant over 2013, from 1,697 to 1,696.
- Total transaction value in 2014 increased by 22 percent over 2013, from \$75.22 billion to \$91.45 billion.
- The median revenue multiple stayed the same at 2.0x. The median EBITDA multiple improved from 9.7x in 2013 to 10.9x in 2014.
- Based on volume, the segment with the largest increase in 2014 over 2013 was Exhibitions, Conferences, and Seminars with a 16 percent rise, from 74 to 86 transactions. Based on value, the segment with the largest increase was Marketing, which more than tripled from \$7.44 billion to \$24.10 billion.

M&A MARKET OVERVIEW

Berkery Noyes tracked 5,065 Media & Marketing transactions between 2012 and 2014, of which 1,183 disclosed financial terms, and calculated the aggregate value to be \$182.05 billion. Based on known transaction values, we project values of 3,882 undisclosed transactions to be \$58.04 billion, totaling \$240.09 billion worth of transactions tracked over the past three years.

Disclosed median enterprise value multiples for all segments combined in this report during the last 36 months were 1.9x revenue and 9.0x EBITDA.

Out of 5,065 deals tracked by Berkery Noyes between 2012 and 2014, transactions valued at \$160 million and above garnered a median enterprise value multiple of 2.8x revenue. In contrast, companies with transaction values between \$10 million and \$20 million captured a median enterprise value multiple of 1.5x revenue.

M&A Market Dynamics

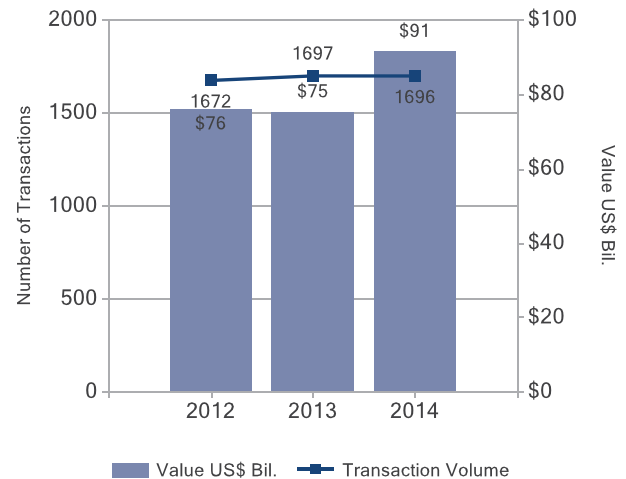


Figure 1. 2012-2014 value and volume comparison.

Median Enterprise Value Multiples

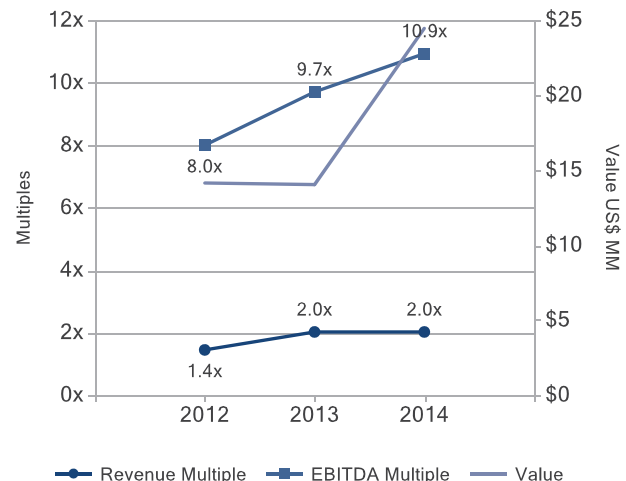
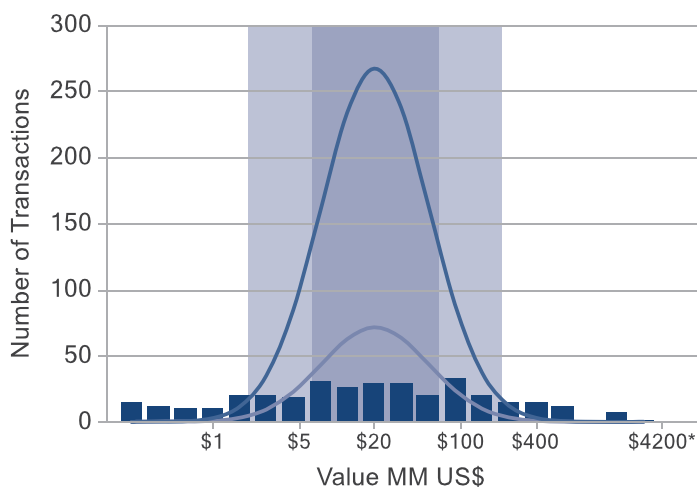


Figure 2. 2012-2014 median value, revenue, EBITDA comparison.

Transaction Analysis :: January 1, 2014 – December 31, 2014

Bell Curve - Histogram



Actual Transactions Known Dist. Projected Dist.

Figure 3. Shows distribution of transactions among Media and Marketing transactions based on publicly available information and Berkery Noyes estimates. Using a logarithmic scale, we determined that nearly two-thirds of companies purchased had transaction values of \$1.6 million to \$403.4 million. Based on this data, we estimate total transaction value of deals done in 2014 at \$91.4 billion.

*Indicates largest industry transaction from Jan. 1, 2014 to Dec. 31, 2014.

Distribution Table

Value in MM US\$	Known Number	Projected Number	Total Number	%	Cumulative %
\$0.2	15	0	15	4 %	4 %
\$0.4	12	0	12	3 %	8 %
\$0.6	11	1	11	3 %	11 %
\$1.0	10	3	12	3 %	13 %
\$1.6	20	11	31	6 %	19 %
\$2.7	21	35	55	6 %	25 %
\$4.5	19	84	103	5 %	30 %
\$7.4	30	159	189	8 %	39 %
\$12.2	26	234	259	7 %	46 %
\$20.1	29	267	295	8 %	54 %
\$33.1	29	237	266	8 %	62 %
\$54.6	20	165	184	6 %	68 %
\$90.0	34	89	122	9 %	77 %
\$148.4	20	37	57	6 %	83 %
\$244.7	15	12	27	4 %	87 %
\$403.4	15	3	18	4 %	91 %
\$665.1	12	1	12	3 %	94 %
\$1,096.6	2	0	2	1 %	95 %
\$1,808.0	8	0	8	2 %	97 %
\$2,981.0	2	0	2	1 %	98 %
Total #	358	1338	1696		
Total \$ Value	\$64,121	\$27,327	\$91,448		
Middle 3rd of Industry		Middle 2/3rds of Industry			

Figure 4. Presents the data depicted in the bell curve histogram. Note: The projected number column is rounded as a result of the projection and may produce insignificant errors in the total sum.

Strategic vs. Financial Comparison

M&A Dynamics By Transaction Type

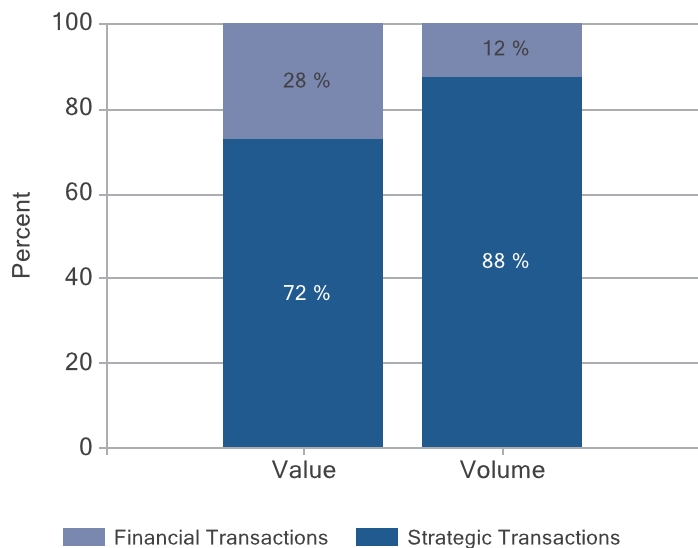


Figure 5. 2014 value and volume comparison by acquirer type.

Note: Financially sponsored transactions are those financed by private equity, venture capital, and other investment firms. This includes acquisitions by portfolio companies of the investment firms.

Transaction Type

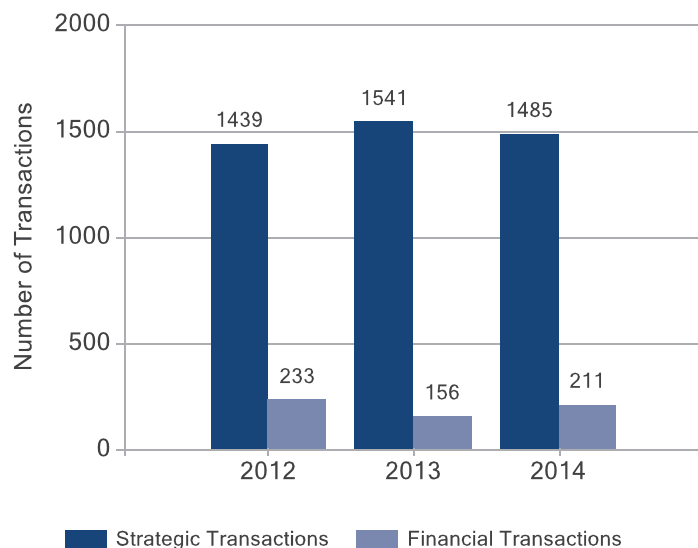


Figure 6. 2012-2014 acquirer type comparison.

Purchaser Analysis

Top Ten Notable Transactions 2014

Deal Date	Target Name	Buyer	Value MM US\$
06/16/14	Advantage Sales and Marketing	Leonard Green & Partners, L.P., CVC Capital Partners	\$4,200
11/03/14	Sapient Corporation	Publicis Groupe SA	\$3,368
07/28/14	Trulia, Inc.	Zillow, Inc.	\$2,908
03/03/14	Catalina	Berkshire Partners LLC	\$2,500
09/15/14	Mojang AB	Microsoft Corporation	\$2,500
03/21/14	LIN Media	Media General, Inc.	\$2,345
09/11/14	Conversant, Inc.	Alliance Data Systems, Inc.	\$2,336
03/14/14	SkillSoft Limited	Charterhouse Capital Partners	\$2,300
12/24/14	Fitch Ratings Ltd.	The Hearst Corporation	\$1,965
01/21/14	Trader Media Group	Apax Partners	\$1,926
2014 Aggregate Transaction Value			\$91,448
Top 10 Aggregate Transaction Value			\$26,348
Top 10 Aggregate Value as a Percentage of All Transactions			29 %

Figure 7. Lists the top ten transactions for 2014 and calculates their aggregate transaction value as a percentage of the total aggregate transaction value as shown in Figure 1 & 4.

Note: Transaction data based on announced date. Deal value represents total consideration paid by the acquirer.

Median EV/Revenue Multiples By Size

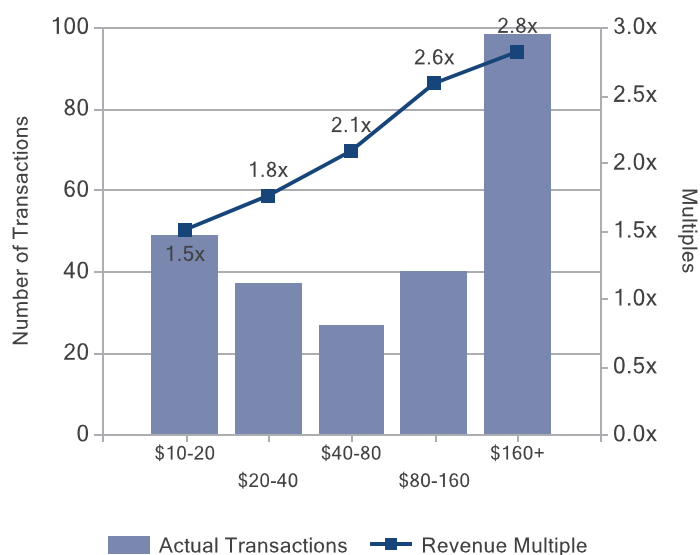


Figure 8. Presents the median enterprise value/revenue multiples paid for companies in the Media and Marketing Industry from Jan. 1, 2012 to Dec. 31, 2014 based on publicly available data.

Transaction Volume by Segment :: January 1, 2012 – December 31, 2014

Transactions By Market Segment

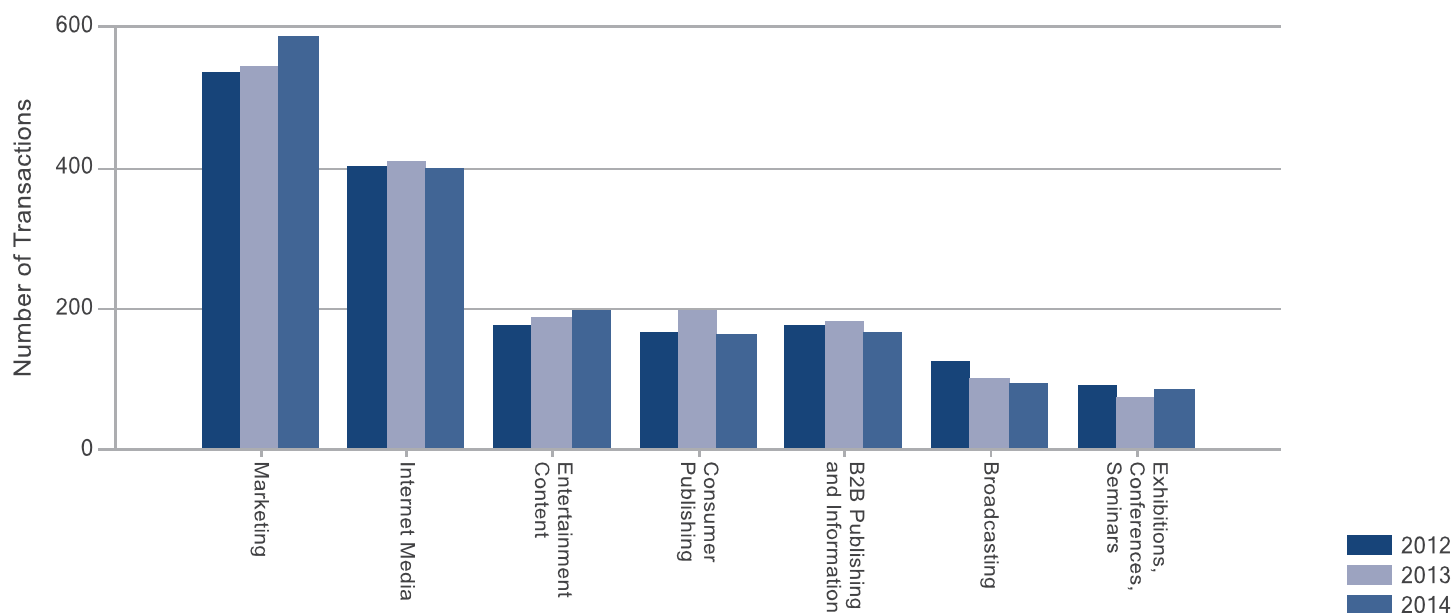


Figure 9. Presents transaction volume by target segment within the Media and Marketing Industry from Jan. 1, 2012 through Dec. 31, 2014.

BERKERY NOYES

INVESTMENT BANKERS

Founded in 1980, Berkery Noyes is a leading independent investment bank serving the information, software, marketing, and technology industries. The firm has initiated, managed, and closed more than 475 merger and acquisition transactions for privately held and publicly traded companies in the healthcare, financial services, education, and entertainment markets.

Berkery Noyes is unique among investment banking firms in that we combine independent strategic research and actionable intelligence with senior banking expertise.

Berkery Noyes Securities LLC assists middle market companies with raising growth capital in the debt and equity markets.

**CONTACT US TODAY FOR A CONFIDENTIAL
DISCUSSION OF YOUR STRATEGIC OPTIONS**

212-668-3022

MANAGING DIRECTORS

EVAN KLEIN

*Media, Entertainment
& Marketing Services*

KATHLEEN THOMAS

Media & Marketing Services Group

MARY JO ZANDY

Media, Education, Software & Online

JOHN GUZZO

FinTech Group

JONATHAN KRIEGER

Healthcare Group

THOMAS O'CONNOR

Healthcare Group

DICK O'DONNELL

Finance Group

PETER OGNIBENE

FinTech Group

JEFFREY SMITH

Healthcare Group

PETER YOON

Education Group

PARTNERS

JOSEPH BERKERY

Chief Executive Officer

JOHN SHEA

Managing Partner



All charts in this report are based on data gathered by Berkery Noyes' research department. All time period statistics are based on the transaction announcement date.

For current intelligence on Mergers and Acquisitions activity in the Information Industry please visit our online service at www.mandasoft.com

RECENT MEDIA & MARKETING TRANSACTIONS



One Liberty Plaza | New York, New York 10006

berkerynoyes.com | 212.668.3022