

MEDIA & MARKETING INDUSTRY

Q3 2014 :: Mergers and Acquisitions Trend Report

Q3 2014 KEY HIGHLIGHTS

- Publicis Groupe SA was the industry's most active acquirer in Q3 2014 with ten transactions.
- The Entertainment segment's largest transaction in Q3 2014 and year-to-date was Microsoft Corporation's acquisition of Mojang AB, the developer studio that created the video game Minecraft, for \$2.5 billion.
- There were 156 financially sponsored transactions in the 1st 3 Quarters of 2014, with an aggregate value of \$21.8 billion, representing 13 percent of the total volume and 30 percent of the total value, respectively.

Q3 2014 KEY TRENDS

- Total transaction volume in Q3 2014 declined by 11 percent over Q2 2014, from 413 to 366.
- Total transaction value in Q3 2014 increased by eight percent over Q2 2014, from \$22.7 billion to \$24.6 billion.

MULTIPLES & VALUE TRENDS

- The median revenue multiple from 2013 through the 1st 3 Quarters of 2014 remained constant at 2.0x.
- The median EBITDA multiple from 2013 through the 1st 3 Quarters of 2014 decreased by 12 percent, from 9.7x to 8.5x.

Top Ten Notable Transactions - 1st 3 Quarters 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
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
01/21/14	Trader Media Group	Apax Partners	\$1,926
08/05/14	Classified Ventures, LLC	Gannett Co., Inc.	\$1,755
06/03/14	Internet Brands, Inc.	Kohlberg Kravis Roberts & Co.	\$1,100
2014 Aggregate Transaction Value			\$72,522
Top 10 Aggregate Transaction Value			\$23,870
Top 10 Aggregate Value as a Percentage of All Transactions			33 %

Figure 3. Lists the top ten transactions for the 1st 3 Quarters of 2014 and calculates their aggregate transaction value as a percentage of the total aggregate transaction value.

Note: Transaction data based on announced date.

M&A Market Dynamics By Quarter

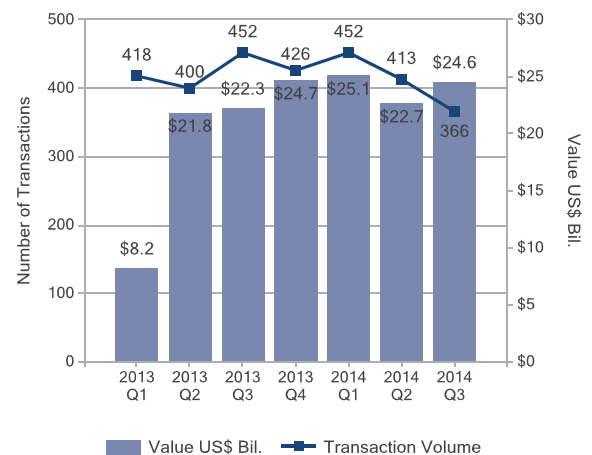


Figure 1. 2013-2014 value and volume comparison.

Median Enterprise Value Multiples

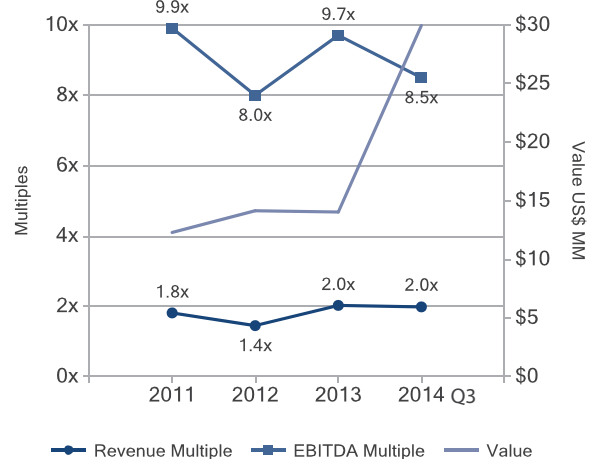


Figure 2. 2011-2014 median value, revenue, EBITDA comparison through Q3 2014.

TOP TEN DEALS THROUGH Q3 2014

The top ten deals by value have seen four new additions since our half year report, including one in the Marketing segment: Alliance Data Systems, Inc.'s acquisition of Conversant, Inc. in the digital marketing subsector. This was also the segment's largest strategic transaction year-to-date.

These four transactions, with an aggregate value of \$9.5 billion, represented 13 percent of transaction value in the 1st 3 Quarters of 2014 and 39 percent of Q3 2014 transaction value.

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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.

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