



## MEDIA & MARKETING INDUSTRY

### 1ST HALF 2017 :: Mergers and Acquisitions Trend Report

#### 1ST HALF 2017 KEY HIGHLIGHTS

- The industry's largest deal in 1st Half 2017 was Sinclair Broadcast Group's announced acquisition of Tribune Media Company for \$6.55 billion. Tribune owns or operates 42 television stations in 33 markets, cable network WGN America, digital multicast network Antenna TV, minority stakes in the TV Food Network and CareerBuilder, and a variety of real estate assets.
- There were 133 financially sponsored transactions with an aggregate value of \$18.17 billion, representing 14 percent of the total volume and 34 percent of the total value, respectively.

#### 1ST HALF 2017 KEY TRENDS

- Total transaction volume in 1st Half 2017 increased by three percent over 2nd Half 2016, from 893 to 919.
- Total transaction value in 1st Half 2017 fell by 73 percent over 2nd Half 2016, from \$176.03 billion to \$47.22 billion.
- Two of the industry's top three largest deals in 2016 occurred during the second half of the year and accounted for almost half of overall 2016 value. Aggregate value in 1st Half 2017 declined 50 percent on a year-over-year basis but rose 19 percent relative to 1st Half 2015.
- The median revenue multiple decreased from 2.2x in 2nd Half 2016 to 1.6x in 1st Half 2017. The median EBITDA multiple moved downward from 10.8x in 2nd Half 2016 to 10.0x in 1st Half 2017, which was in line with its 1st Half 2016 level.

#### M&A MARKET OVERVIEW

Berkery Noyes tracked 4,636 Media & Marketing transactions between 2015 and 1st Half 2017, of which 982 disclosed financial terms, and calculated the aggregate transaction value to be \$358.58 billion. Based on known transaction values, we project values of 3,654 undisclosed transactions to be \$65.04 billion, totaling \$423.62 billion worth of transactions tracked over the past two and a half years.

Disclosed median enterprise value multiples for all segments combined in this report during the last 30 months were 1.9x revenue and 10.0x EBITDA.

#### M&A Market Dynamics By Half Year

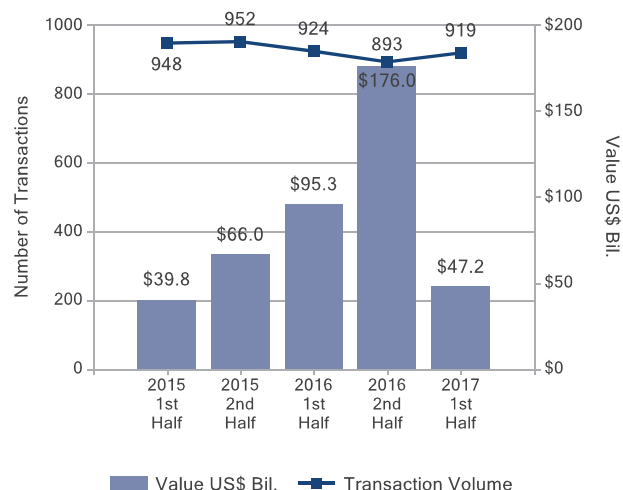


Figure 1. 2015-2017 value and volume comparison.

#### Median Enterprise Value Multiples By Half Year

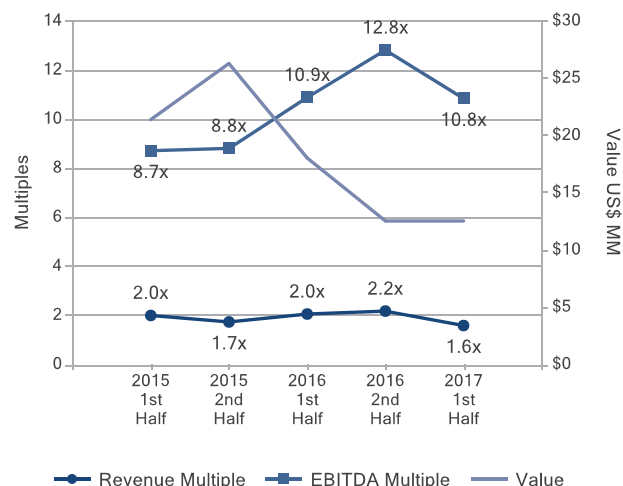
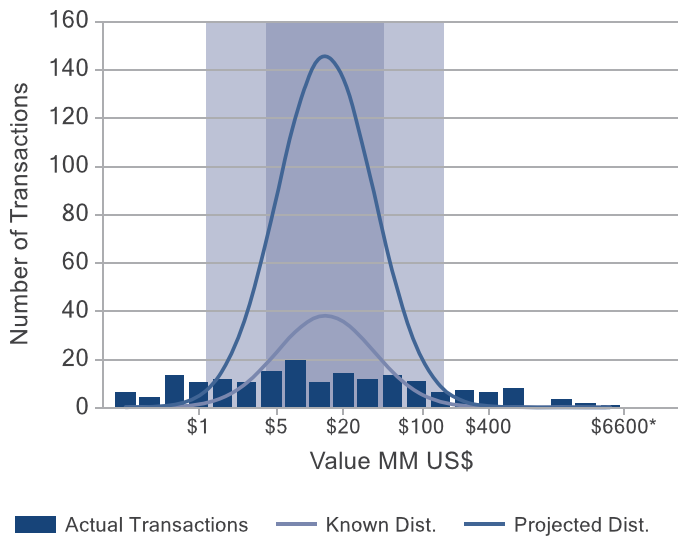


Figure 2. 2015-2017 median: value, revenue, EBITDA comparison.

# Transaction Analysis :: January 1, 2017 – June 30, 2017

**Bell Curve - Histogram - 1st Half**



**Figure 3.** Shows the distribution of 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 \$1.0 million to \$403.4 million. Based on this data, we estimate total transaction value of deals done in the 1st Half of 2017 at \$47.2 billion.

\*Indicates largest industry transaction from Jan. 1, 2017 to June 30, 2017.

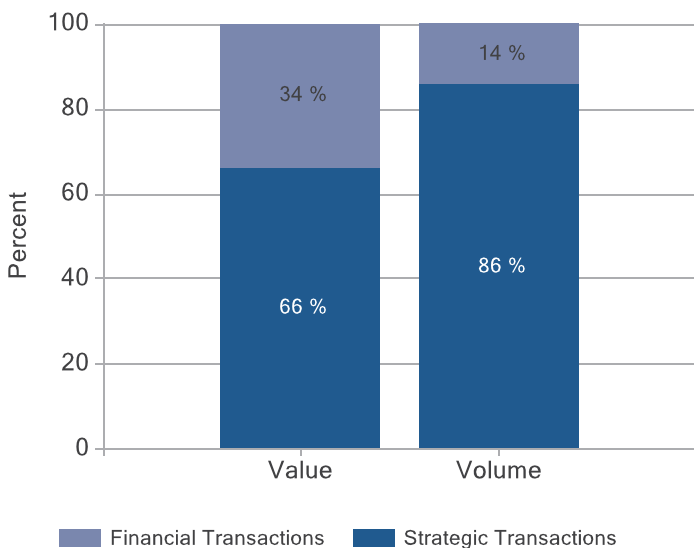
**Distribution Table**

Value in MM US\$	Known Number	Projected Number	Total Number	%	Cumulative %
\$0.2	6	0	6	3 %	3 %
\$0.4	4	0	4	2 %	5 %
\$0.6	13	1	14	7 %	12 %
\$1.0	10	5	14	5 %	17 %
\$1.6	12	15	27	6 %	24 %
\$2.7	10	39	48	5 %	29 %
\$4.5	15	77	91	8 %	37 %
\$7.4	19	119	138	10 %	47 %
\$12.2	10	144	154	5 %	52 %
\$20.1	14	136	149	7 %	59 %
\$33.1	12	99	111	6 %	66 %
\$54.6	13	57	69	7 %	73 %
\$90.0	11	25	36	6 %	78 %
\$148.4	6	9	14	3 %	82 %
\$244.7	7	2	9	4 %	85 %
\$403.4	6	0	6	3 %	88 %
\$665.1	8	0	8	4 %	93 %
\$1,096.6	0	0	0	0 %	93 %
\$1,808.0	3	0	3	2 %	94 %
\$2,981.0	2	0	2	1 %	95 %
\$4,914.8	1	0	1	1 %	96 %
Total #	190	729	919		
Total \$ Value	\$37,115	\$10,101	\$47,216		
Middle 3rd of Industry		Middle 2/3rds of Industry			

**Figure 4.** Presents the data depicted in the bell curve histogram.

## Strategic vs. Financial Comparison

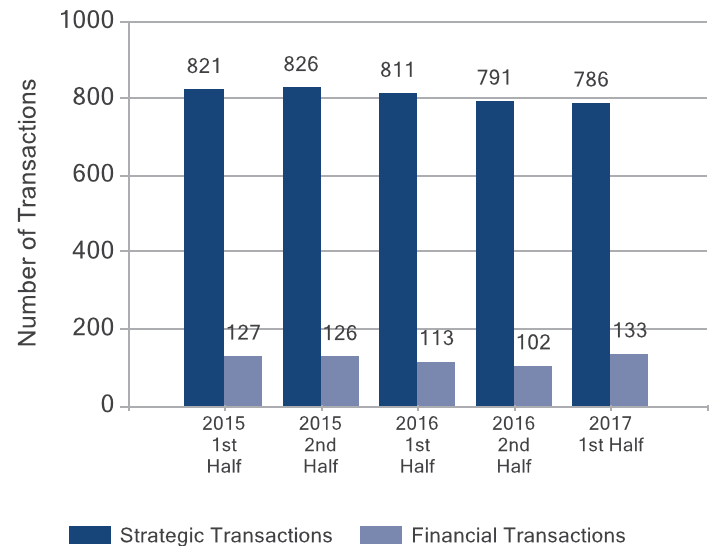
**M&A Dynamics By Transaction Type - 1st Half**



**Figure 5.** 1st Half 2017 value and volume comparison by transaction type.

**Note:** Financial 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 By Half Year**



**Figure 6.** 2015-2017 acquirer type comparison by half year.

# Purchaser Analysis

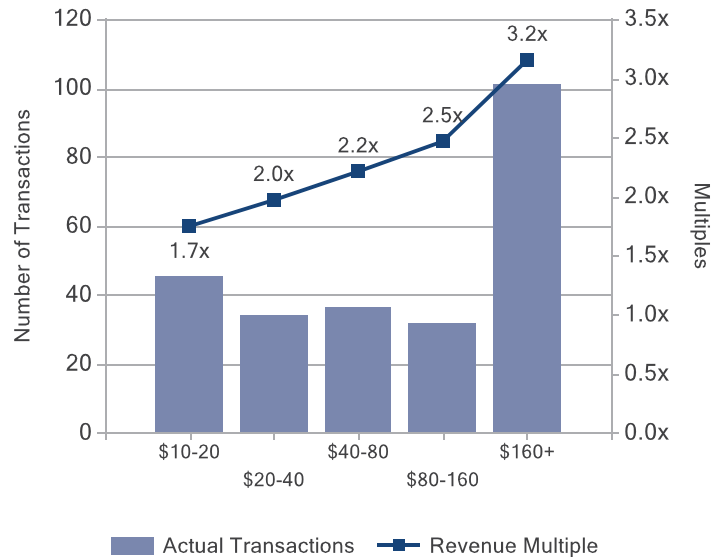
## Top Ten Notable Transactions - 1st Half 2017

Deal Date	Target Name	Buyer	Value MM US\$
05/08/17	Tribune Media Company	Sinclair Broadcast Group	\$6,554
01/05/17	CEB Global	Gartner, Inc.	\$3,300
05/15/17	Bureau van Dijk Electronic Publishing	Moody's Analytics, Inc.	\$3,270
02/02/17	CBS Radio, Inc.	Entercom Communications Corporation	\$2,807
06/06/17	Havas	Vivendi SA	\$2,432
04/12/17	Ascend Learning	Blackstone Group LP, CPP Investment Board	\$2,000
04/05/17	Epix	Metro-Goldwyn-Mayer Studios	\$1,032
01/04/17	SESAC, Inc.	Blackstone Group LP	\$1,000
01/25/17	Outfit7	United Luck Consortium	\$1,000
04/03/17	DTN	TBG AG	\$900
2017 Aggregate Transaction Value			\$47,216
Top 10 Aggregate Transaction Value			\$24,294
Top 10 Aggregate Value as a Percentage of All Transactions			51 %

**Figure 7.** Lists the top ten transactions for 1st Half 2017 and calculates their aggregate transaction value as a percentage of the total aggregate transaction value as shown in Figures 1 & 4.

**Note:** Transaction data based on **announced date**.

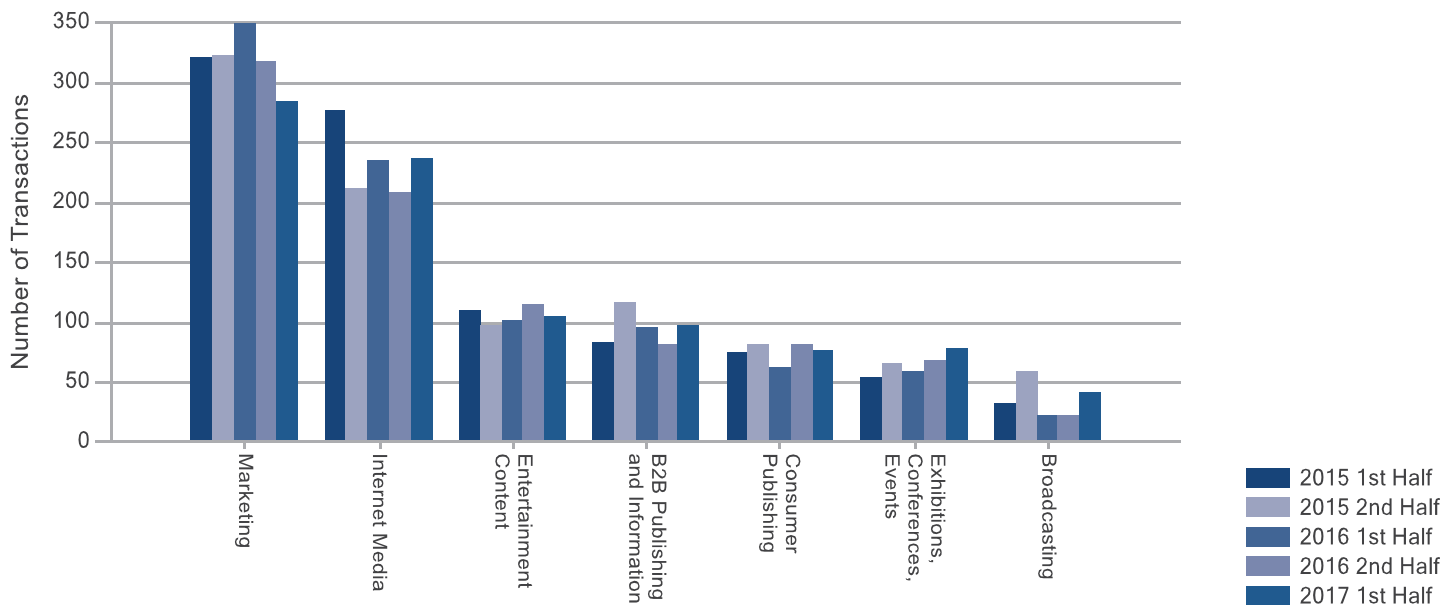
## Median EV/Revenue Multiples By Size



**Figure 8.** Presents the median enterprise value/revenue multiples paid for companies in the Media and Marketing Industry from January 1, 2015 to June 30, 2017 based on publicly available data.

# Transaction Volume by Segment :: January 1, 2015 – June 30, 2017

## Transactions By Market Segment By Half Year



**Figure 9.** Presents transaction volume by market segment within the Media and Marketing Industry from January 1, 2015 through June 30, 2017.

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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. The information contained herein is of a general nature and is not intended to address the circumstances of any particular company, individual, or entity. There can be no guarantee that such information is accurate.

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## RECENT MEDIA & MARKETING TRANSACTIONS

### TEACHERS-TEACHERS.COM

A PORTFOLIO COMPANY OF



HAS BEEN ACQUIRED BY



A PORTFOLIO COMPANY OF



### SPECTRUM EQUITY

AND

**Cressey & Company**

HAVE ACQUIRED



HAS ACQUIRED

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