



MEDIA & MARKETING INDUSTRY

FULL YEAR 2017 :: Mergers and Acquisitions Trend Report

2017 KEY HIGHLIGHTS

- The industry's largest deal in 2017 was The Walt Disney Company's announced acquisition of 21st Century Fox, which includes the Twentieth Century Fox Film and Television studios, along with cable and international TV businesses, for \$66.1 billion.
- There were 246 financially sponsored transactions with an aggregate value of \$28.23 billion, representing 13 percent of the total volume and 17 percent of the total value, respectively.

2017 KEY TRENDS

- Total transaction volume in 2017 saw a slight uptick over 2016, from 1,820 to 1,847.
- Total transaction value in 2017 fell by 39 percent over 2016, from \$270.89 billion to \$166.04 billion. However, overall value more than doubled from 2015 to 2016.
- The major rise in value during 2016 was due in large part to AT&T's announced acquisition of Time Warner for \$105.27 billion. Also of note, there were two deals in 2017 with disclosed values above \$10 billion, compared to four such deals in 2016 and none in 2015.
- The median revenue multiple moved downward from 2.1x in 2016 to 1.5x in 2017. The median EBITDA multiple declined from 11.5x in 2016 to 9.8x in 2017.
- The segment with the largest rise in volume in 2017 over 2016 was Broadcasting, which nearly tripled, from 44 to 122 transactions. This was close to the segment's volume level in 2015.

M&A MARKET OVERVIEW

Berkery Noyes tracked 5,566 Media & Marketing transactions between 2015 and 2017, of which 1,208 disclosed financial terms, and calculated the aggregate value to be \$470.78 billion. Based on known transaction values, we project values of 4,358 undisclosed transactions to be \$69.81 billion, totaling \$540.59 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 1.8x revenue and 9.9x EBITDA.

M&A Market Dynamics

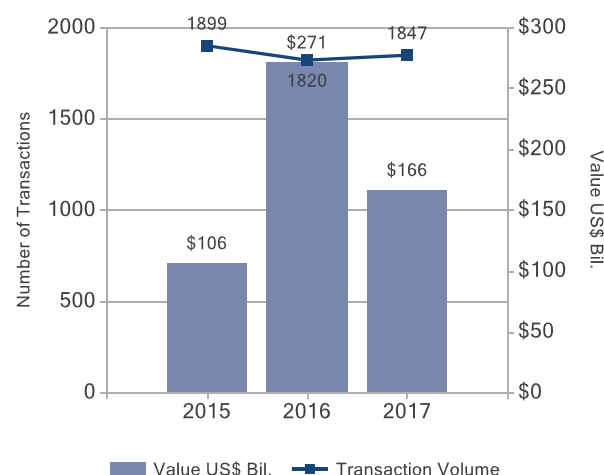


Figure 1. 2015-2017 value and volume comparison.

Median Enterprise Value Multiples

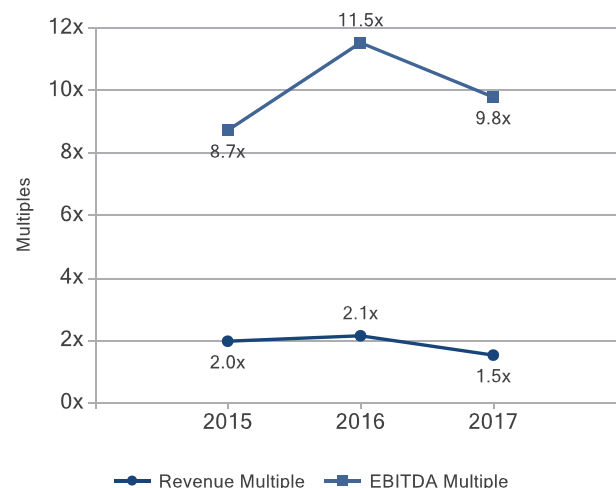
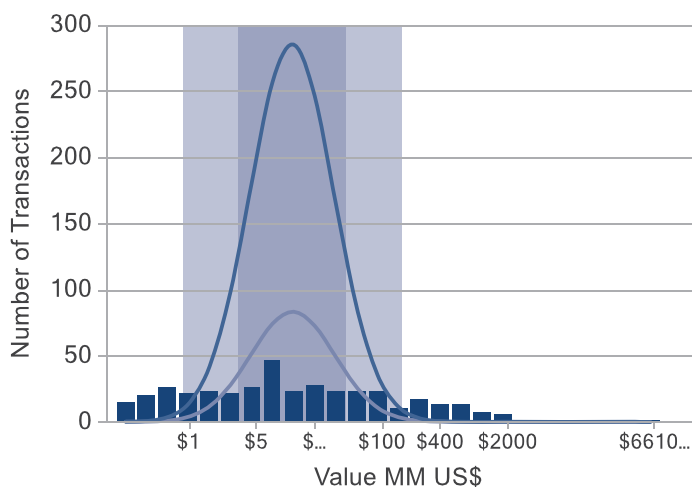


Figure 2. 2015-2017 median value, revenue, EBITDA comparison.

Transaction Analysis :: January 1, 2017 – December 31, 2017

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 \$1.0 million to \$665.1 million. Based on this data, we estimate total transaction value of deals done in 2017 at \$166 billion.

*Indicates largest industry transaction from Jan. 1, 2017 to Dec. 31, 2017.

Distribution Table

| Value in MM US\$ | Known Number | Projected Number | Total Number | % | Cumulative % |
|--|--------------|------------------|--------------|------|--------------|
| \$0.2 | 15 | 0 | 15 | 4 % | 4 % |
| \$0.4 | 20 | 1 | 20 | 5 % | 8 % |
| \$0.6 | 26 | 4 | 29 | 6 % | 15 % |
| \$1.0 | 22 | 14 | 35 | 5 % | 20 % |
| \$1.6 | 23 | 42 | 64 | 6 % | 25 % |
| \$2.7 | 22 | 98 | 120 | 5 % | 31 % |
| \$4.5 | 26 | 180 | 206 | 6 % | 37 % |
| \$7.4 | 46 | 257 | 302 | 11 % | 48 % |
| \$12.2 | 23 | 285 | 308 | 6 % | 53 % |
| \$20.1 | 27 | 246 | 273 | 6 % | 60 % |
| \$33.1 | 24 | 166 | 189 | 6 % | 66 % |
| \$54.6 | 24 | 87 | 111 | 6 % | 71 % |
| \$90.0 | 23 | 36 | 58 | 6 % | 77 % |
| \$148.4 | 10 | 11 | 21 | 2 % | 79 % |
| \$244.7 | 18 | 3 | 20 | 4 % | 84 % |
| \$403.4 | 13 | 1 | 13 | 3 % | 87 % |
| \$665.1 | 13 | 0 | 13 | 3 % | 90 % |
| \$1,096.6 | 7 | 0 | 7 | 2 % | 92 % |
| \$1,808.0 | 6 | 0 | 6 | 1 % | 93 % |
| \$2,981.0 | 2 | 0 | 2 | 0 % | 94 % |
| \$4,914.8 | 1 | 0 | 1 | 0 % | 94 % |
| \$8,103.1 | 1 | 0 | 1 | 0 % | 94 % |
| \$13,359.7 | 0 | 0 | 0 | 0 % | 94 % |
| \$22,026.5 | 0 | 0 | 0 | 0 % | 94 % |
| \$36,315.5 | 0 | 0 | 0 | 0 % | 94 % |
| \$59,874.1 | 1 | 0 | 1 | 0 % | 94 % |
| Total # | 417 | 1430 | 1847 | | |
| Total \$ Value | \$149,316 | \$16,727 | \$166,043 | | |
| 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

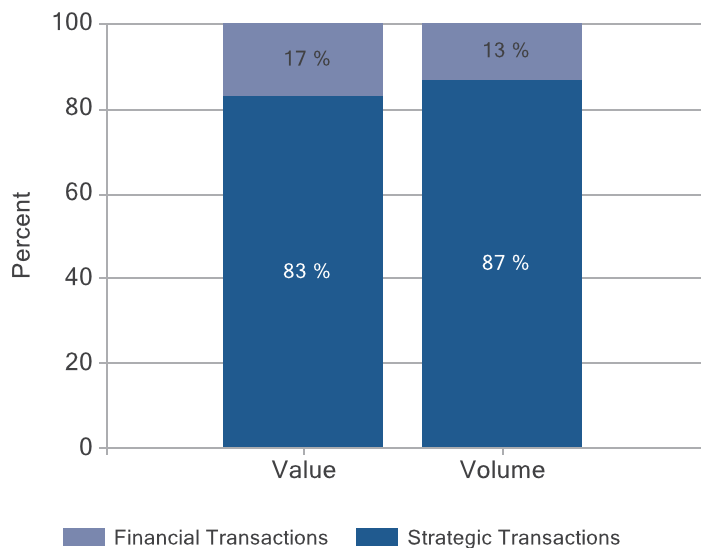


Figure 5. 2017 value and volume comparison by acquirer type.

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

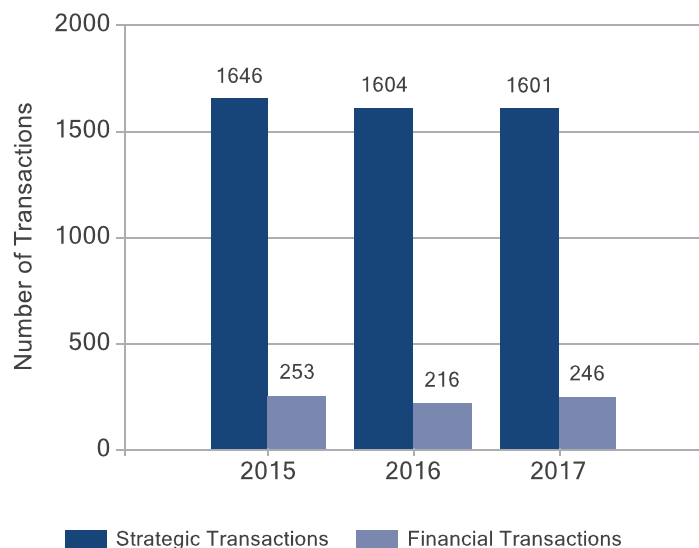


Figure 6. 2015-2017 acquirer type comparison.

Purchaser Analysis

Top Ten Notable Transactions 2017

| Deal Date | Target Name | Buyer | Value MM US\$ |
|--|---------------------------------------|--|---------------|
| 12/14/17 | 21st Century Fox | The Walt Disney Company | \$66,100 |
| 07/31/17 | Scripps Networks Interactive | Discovery Communications | \$11,900 |
| 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 |
| 07/24/17 | WebMD Corporation | Internet Brands, Inc. | \$2,800 |
| 11/26/17 | Time Inc. | Meredith Corporation | \$2,793 |
| 06/06/17 | Havas | Vivendi SA | \$2,432 |
| 02/24/17 | DigitalGlobe, Inc. | MacDonald, Dettwiler and Associates Ltd. | \$2,400 |
| 2017 Aggregate Transaction Value | | | \$166,043 |
| Top 10 Aggregate Transaction Value | | | \$104,355 |
| Top 10 Aggregate Value as a Percentage of All Transactions | | | 63 % |

Figure 7. Lists the top ten transactions for 2017 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

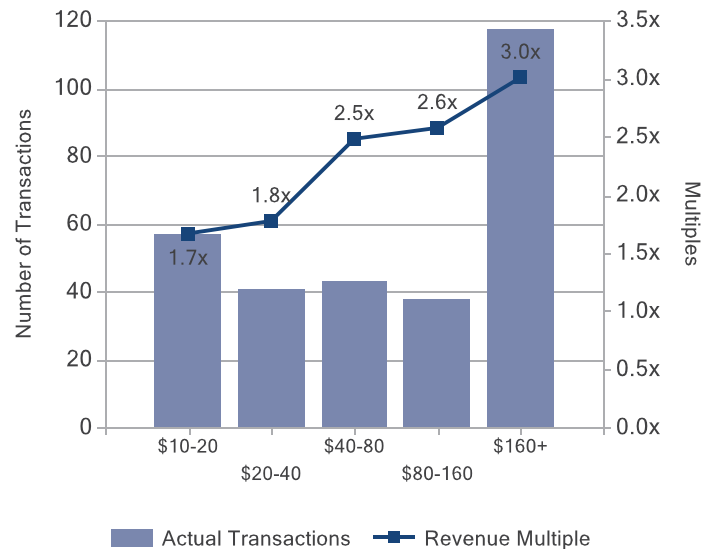


Figure 8. Presents the median enterprise value/revenue multiples paid for companies in the Media and Marketing Industry from Jan. 1, 2015 to Dec. 31, 2017 based on publicly available data.

Transaction Volume by Segment :: January 1, 2015 – December 31, 2017

Transactions By Market Segment

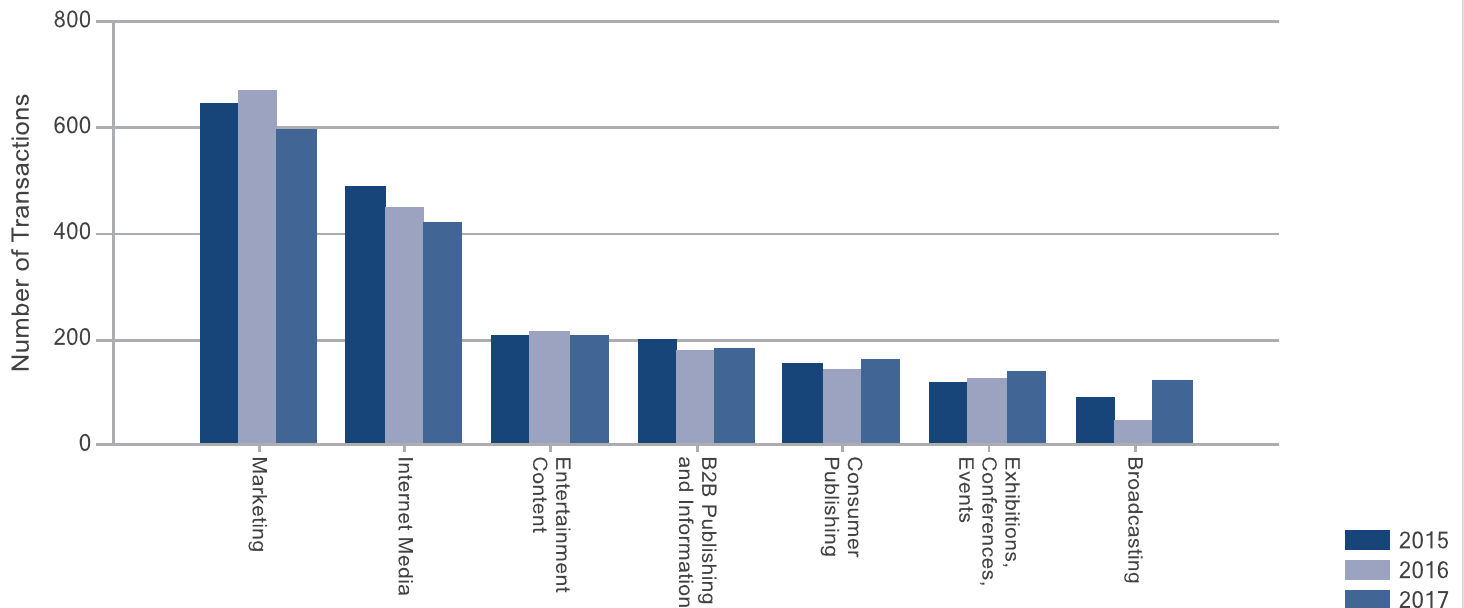


Figure 9. Presents transaction volume by target segment within the Media and Marketing Industry from Jan. 1, 2015 through Dec. 31, 2017.

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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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S&A Holdings, LLC

HAS ACQUIRED



HAS BEEN ACQUIRED BY



A SUBSIDIARY OF



TEACHERS-TEACHERS.COM

A PORTFOLIO COMPANY OF



HAS BEEN ACQUIRED BY



A PORTFOLIO COMPANY OF



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AND

Cressey & Company

HAVE ACQUIRED



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