

## MEDIA & MARKETING INDUSTRY

### Q3 2016 :: Mergers and Acquisitions Trend Report

#### Q3 2016 KEY HIGHLIGHTS

- The largest transaction in Q3 2016 was AOL Inc.'s announced acquisition of Yahoo's core operating business for \$4.8 billion. This deal doesn't include Yahoo's shares in Alibaba Group Holdings or Yahoo Japan.
- There were 149 financially sponsored transactions in the 1st 3 Quarters of 2016 with an aggregate value of \$20.9 billion, representing 11 percent of the total volume and 17 percent of the total value, respectively.

#### Q3 2016 KEY TRENDS

- Total transaction volume in Q3 2016 declined by seven percent over Q2 2016, from 456 to 423.
- Total transaction value in Q3 2016 fell 47 percent over Q2 2016, from \$56.6 billion to \$30.1 billion. This followed a nearly 50 percent rise in Q2 2016, which was the industry's peak throughout the past seven quarters and mainly attributable to Microsoft's announced acquisition of LinkedIn for \$25.9 billion.

#### MULTIPLES & VALUE TRENDS

- The median revenue multiple from 2015 through the 1st 3 Quarters of 2016 remained almost constant at 2.0x.
- The median EBITDA multiple from 2015 through the 1st 3 Quarters of 2016 increased by 26 percent, from 8.7x to 11.0x.

#### Top Ten Notable Transactions - 1st 3 Quarters 2016

Deal Date	Target Name	Buyer	Value MM US\$
06/13/16	LinkedIn Corporation	Microsoft Corporation	\$25,927
03/21/16	Markit Group Ltd.	IHS, Inc.	\$10,974
06/21/16	Supercell	Tencent Holdings Ltd.	\$8,600
07/25/16	Yahoo! Inc.	AOL Inc.	\$4,826
01/07/16	Media General, Inc.	Nexstar Broadcasting	\$4,500
06/30/16	Starz, LLC	Lionsgate	\$4,400
07/30/16	Playtika Ltd.	Yunfeng Capital, Giant Interactive Group	\$4,400
04/28/16	DreamWorks Animation LLC	NBCUniversal, LLC.	\$4,104
07/11/16	Ultimate Fighting Championship	IMG Worldwide, Inc.	\$4,000
02/18/16	Truven Health Analytics	IBM Watson Health	\$3,579

2016 Aggregate Transaction Value \$124,392

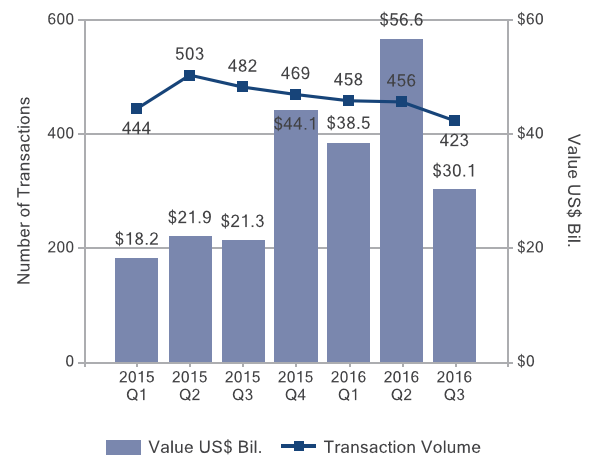
Top 10 Aggregate Transaction Value \$75,309

Top 10 Aggregate Value as a Percentage of All Transactions 61 %

**Figure 3.** Lists the top ten transactions for the 1st 3 Quarters of 2016 and calculates their aggregate transaction value as a percentage of the total aggregate transaction value.

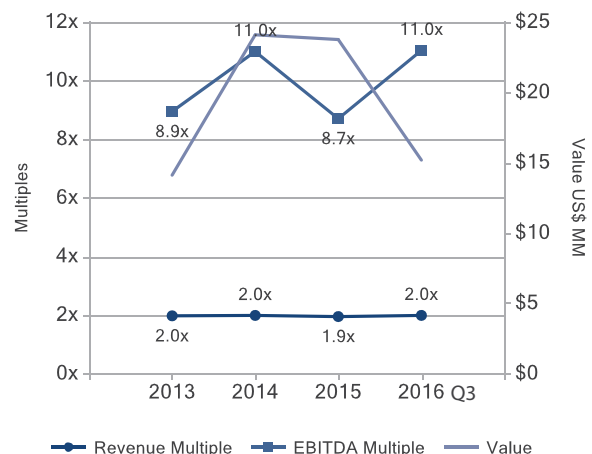
**Note:** Transaction data based on **announced date**.

#### M&A Market Dynamics By Quarter



**Figure 1.** 2015-2016 value and volume comparison.

#### Median Enterprise Value Multiples



**Figure 2.** 2013-2016 median value, revenue, EBITDA comparison through Q3 2016.

#### TOP TEN DEALS THROUGH Q3 2016

The top ten deals by value have seen three new additions since our half year report, including two in the Entertainment segment: a Chinese consortium's announced acquisition of Playtika for \$4.4 billion and IMG Worldwide's acquisition of Ultimate Fighting Championship for \$4 billion.

These three transactions, with an aggregate value of \$13.2 billion, represented 11 percent of transaction value in the 1st 3 Quarters of 2016 and 44 percent of Q3 2016 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. 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



HAS BEEN ACQUIRED BY



Securities Training Corporation

HAS BEEN ACQUIRED BY



A PORTFOLIO COMPANY OF



ELECTRONICS MEDIA PORTFOLIO  
OF



UBM

HAS BEEN ACQUIRED BY



HAS BEEN ACQUIRED BY



A PORTFOLIO COMPANY OF



HOUSINGWIRE

HAS BEEN ACQUIRED BY



The Wellness Network

A SUBSIDIARY OF



HAS BEEN ACQUIRED BY



HAS COMPLETED A RECAPITALIZATION  
OF ITS BUSINESS



HAS ACQUIRED MAJORITY OWNERSHIP FROM  
ITS OTHER CURRENT INVESTORS



Antares Capital

Wilmington plc

HAS ACQUIRED



Sandbox & Co

HAS ACQUIRED

Family Education Network

including



and other select assets from



HAS ACQUIRED THE EDUCATION  
TECHNOLOGY EVENTS



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