



MEDIA & MARKETING INDUSTRY

Q3 2017 :: Mergers and Acquisitions Trend Report

Q3 2017 KEY HIGHLIGHTS

- The largest transaction in Q3 2017 and year-to-date was Discovery Communications' announced acquisition of Scripps Networks Interactive, a developer of lifestyle content for television and the Internet, for \$11.9 billion. Scripps Networks Interactive is well known for several of its brands including HGTV, Food Network, Cooking Channel, and Travel Channel.
- There were 195 financially sponsored transactions in the 1st 3 Quarters of 2017 with an aggregate value of \$25.6 billion, representing 14 percent of the total volume and 30 percent of the total value, respectively.

Q3 2017 KEY TRENDS

- Total transaction volume in Q3 2017 remained almost constant over Q2 2017, from 476 to 470. Volume year-to-date improved by four percent compared to the same timeframe in 2016.
- Total transaction value in Q3 2017 increased by 30 percent over Q2 2017, from \$27.5 billion to \$35.7 billion.

MULTIPLES & VALUE TRENDS

- The median revenue multiple from 2016 through the 1st 3 Quarters of 2017 declined by 24 percent, from 2.1x to 1.6x.
- The median EBITDA multiple from 2016 through the 1st 3 Quarters of 2017 decreased by 14 percent, from 11.5x to 9.9x.

Top Ten Notable Transactions - 1st 3 Quarters 2017

Deal Date	Target Name	Buyer	Value MM US\$
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
06/06/17	Havas	Vivendi SA	\$2,432
02/24/17	DigitalGlobe, Inc.	MacDonald, Dettwiler and Associates Ltd.	\$2,400
04/12/17	Ascend Learning	Blackstone Group LP, CPP Investment Board	\$2,000
07/06/17	HSN Inc.	QVC, Inc.	\$1,796

2017 Aggregate Transaction Value \$83,914

Top 10 Aggregate Transaction Value \$39,259

Top 10 Aggregate Value as a Percentage of All Transactions 47 %

Figure 3. Lists the top ten transactions for the 1st 3 Quarters of 2017 and calculates their aggregate transaction value as a percentage of the total aggregate transaction value.

M&A Market Dynamics By Quarter

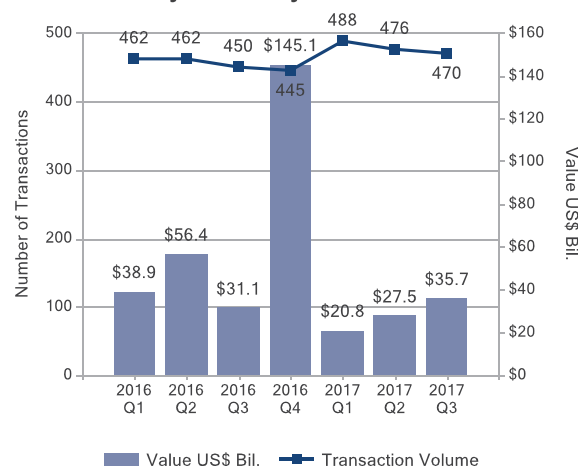


Figure 1. 2016-2017 value and volume comparison.

Median Enterprise Value Multiples

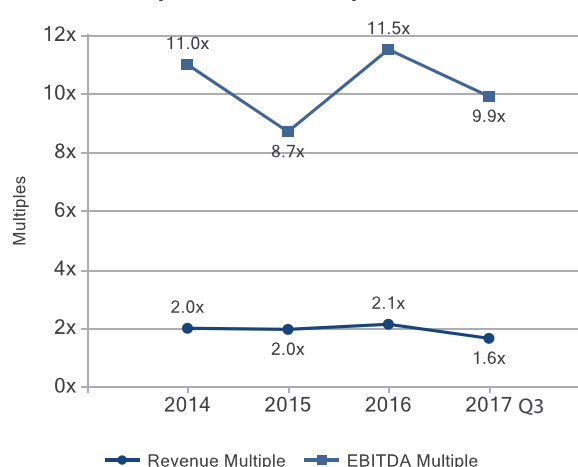


Figure 2. 2014-2017 median value, revenue, EBITDA comparison through Q3 2017.

TOP TEN DEALS THROUGH Q3 2017

The top ten deals by value have seen three new additions since our half year report, including two that involved television networks. In addition to Scripps Networks Interactive, this consisted of video and ecommerce retailer QVC's announced acquisition of its competitor HSN for \$1.8 billion.

These three transactions, with an aggregate value of \$16.5 billion, represented 20 percent of transaction value in the 1st 3 Quarters of 2017 and 46 percent of Q3 2017 transaction value.

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AND

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HAVE ACQUIRED



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