

MEDIA & MARKETING INDUSTRY

FULL YEAR 2019 :: Mergers and Acquisitions Trend Report

2019 KEY HIGHLIGHTS

- The most active acquirer in 2019, either directly or through an affiliated business, was Dentsu Inc. with ten transactions.
- The industry's largest deal in 2019 was Thomson Reuters and Blackstone's sale of Refinitiv, a financial data analytics provider, to the London Stock Exchange for \$27 billion.
- There were 256 financially sponsored transactions with an aggregate value of \$26.83 billion, representing 16 percent of the total volume and 21 percent of the total value, respectively.

2019 KEY TRENDS

- Total transaction volume in 2019 decreased by six percent over 2018, from 1,675 to 1,571.
- Strategic volume in 2019 declined by seven percent over 2018, from 1,417 to 1,317. Private equity backed volume remained nearly constant during this timeframe, at 256.
- Total transaction value in 2019 increased by 16 percent over 2018, from \$109.93 billion to \$127.77 billion.
- The median revenue multiple rose from 2.0x in 2018 to 2.3x in 2019. The median EBITDA multiple fell from 10.7x in 2018 to 8.3x in 2019.

M&A MARKET OVERVIEW

Berkery Noyes tracked 5,113 Media & Marketing transactions between 2017 and 2019, of which 1,027 disclosed financial terms, and calculated the aggregate value to be \$331.78 billion. Based on known transaction values, we project values of 4,086 undisclosed transactions to be \$61.15 billion, totaling \$392.93 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 9.6x EBITDA.

The largest Media & Marketing deal tracked by Berkery Noyes between 2017 and 2019 was The Walt Disney Company's acquisition of 21st Century Fox, which included the Twentieth Century Fox Film and Television studios, along with cable and international TV businesses, for \$66.1 billion in 2017.

M&A Market Dynamics

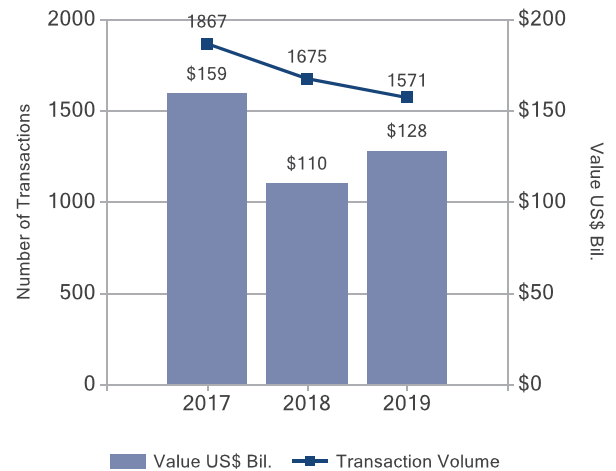


Figure 1. 2017-2019 value and volume comparison.

Median Enterprise Value Multiples

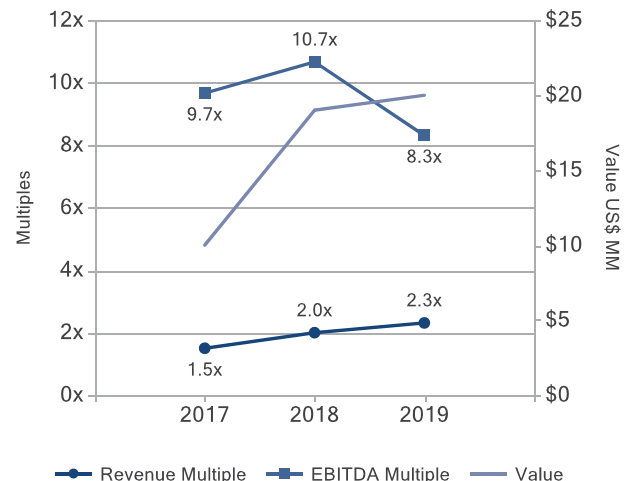
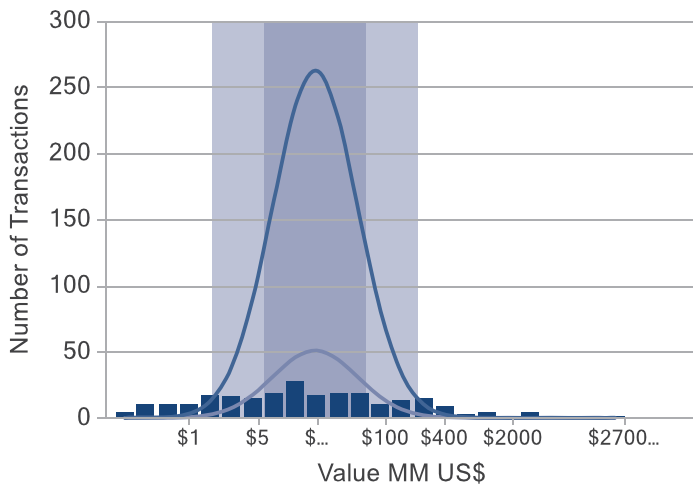


Figure 2. 2017-2019 median value, revenue, EBITDA comparison.

Transaction Analysis :: January 1, 2019 – December 31, 2019

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 \$1.6 million to \$244.7 million. Based on this data, we estimate total transaction value of deals done in 2019 at \$127.8 billion.

*Indicates largest industry transaction from Jan. 1, 2019 to Dec. 31, 2019.

Distribution Table

Value in MM US\$	Known Number	Projected Number	Total Number	%	Cumulative %
\$0.2	5	0	5	2 %	2 %
\$0.4	10	0	10	4 %	6 %
\$0.6	10	1	10	4 %	10 %
\$1.0	10	3	13	4 %	14 %
\$1.6	18	13	30	7 %	21 %
\$2.7	16	38	54	6 %	27 %
\$4.5	15	90	105	6 %	33 %
\$7.4	19	165	184	7 %	40 %
\$12.2	28	236	263	11 %	51 %
\$20.1	18	262	280	7 %	58 %
\$33.1	19	227	246	7 %	66 %
\$54.6	19	153	172	7 %	73 %
\$90.0	10	81	90	4 %	77 %
\$148.4	13	33	45	5 %	82 %
\$244.7	15	11	25	6 %	88 %
\$403.4	9	3	11	4 %	92 %
\$665.1	3	1	3	1 %	93 %
\$1,096.6	4	0	4	2 %	95 %
\$1,808.0	2	0	2	1 %	95 %
\$2,981.0	4	0	4	2 %	97 %
\$4,914.8	0	0	0	0 %	97 %
\$8,103.1	1	0	1	0 %	97 %
\$13,359.7	1	0	1	0 %	98 %
\$22,026.5	1	0	1	0 %	98 %
Total #	255	1316	1571		
Total \$ Value	\$102,301	\$25,468	\$127,768		
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

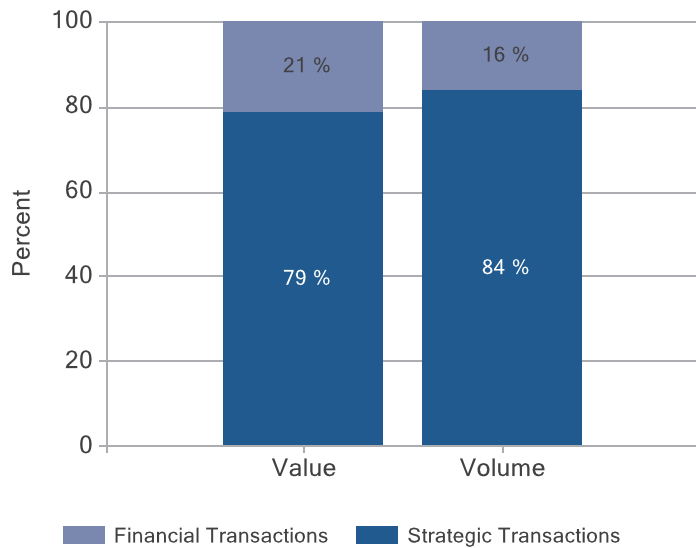


Figure 5. 2019 value and volume comparison by acquirer type.

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

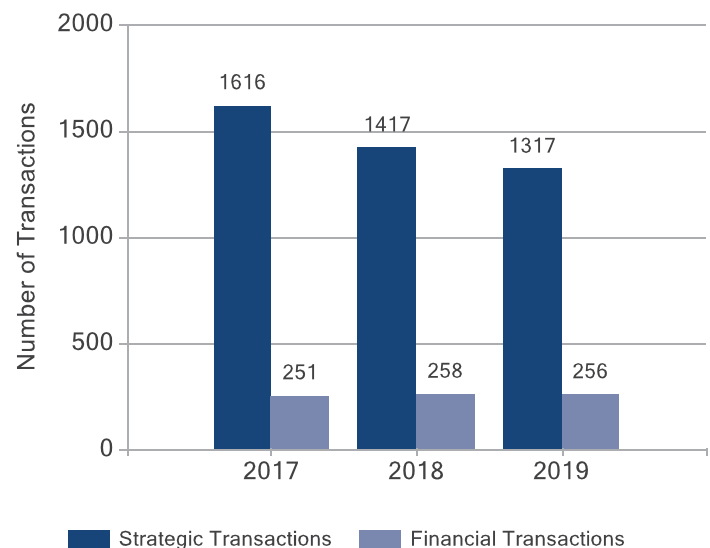


Figure 6. 2017-2019 acquirer type comparison.

Purchaser Analysis

Top Ten Notable Transactions 2019

Deal Date	Target Name	Buyer	Value MM US\$
07/27/19	Refinitiv	London Stock Exchange Group	\$27,000
08/14/19	Viacom Inc.	CBS Corporation	\$19,932
05/03/19	21 Regional Sports Channels from Fox Sports Networks	Sinclair Broadcast Group	\$10,600
04/14/19	Epsilon	Publicis Groupe SA	\$4,400
08/23/19	Entertainment One Ltd	Hasbro, Inc.	\$4,001
11/08/19	MagicLab	Blackstone Group LP	\$3,000
07/11/19	The Kantar Group	Bain Capital	\$2,412
10/26/19	Endemol Shine Group	Banjay Group	\$2,200
10/28/19	Central European Media Enterprises	PPF Group N.V.	\$1,738
06/11/19	Press Ganey Associates, Inc.	Leonard Green & Partners, L.P., Ares Management, L.P.	N/A
2019 Aggregate Transaction Value			\$127,768
Top 9 Aggregate Transaction Value			\$75,283
Top 9 Aggregate Value as a Percentage of All Transactions			59 %

Figure 7. Lists the top ten transactions for 2019 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

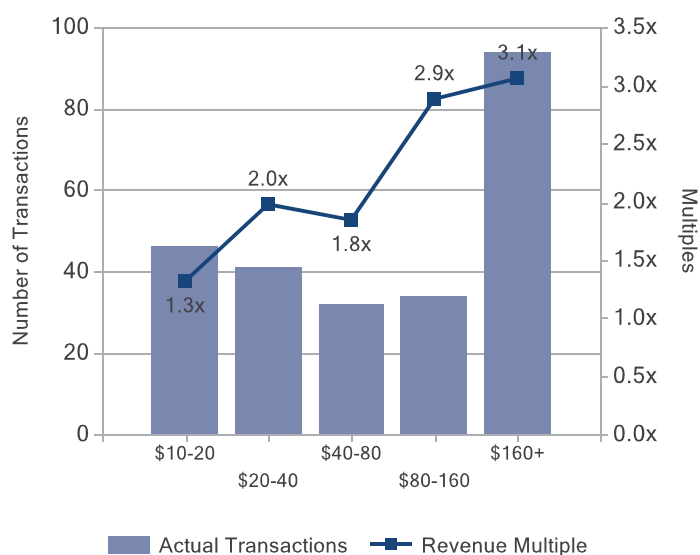


Figure 8. Presents the median enterprise value/revenue multiples paid for companies in the Media and Marketing Industry from Jan. 1, 2017 to Dec. 31, 2019 based on publicly available data.

Transaction Volume by Segment :: January 1, 2017 – December 31, 2019

Transactions By Market Segment

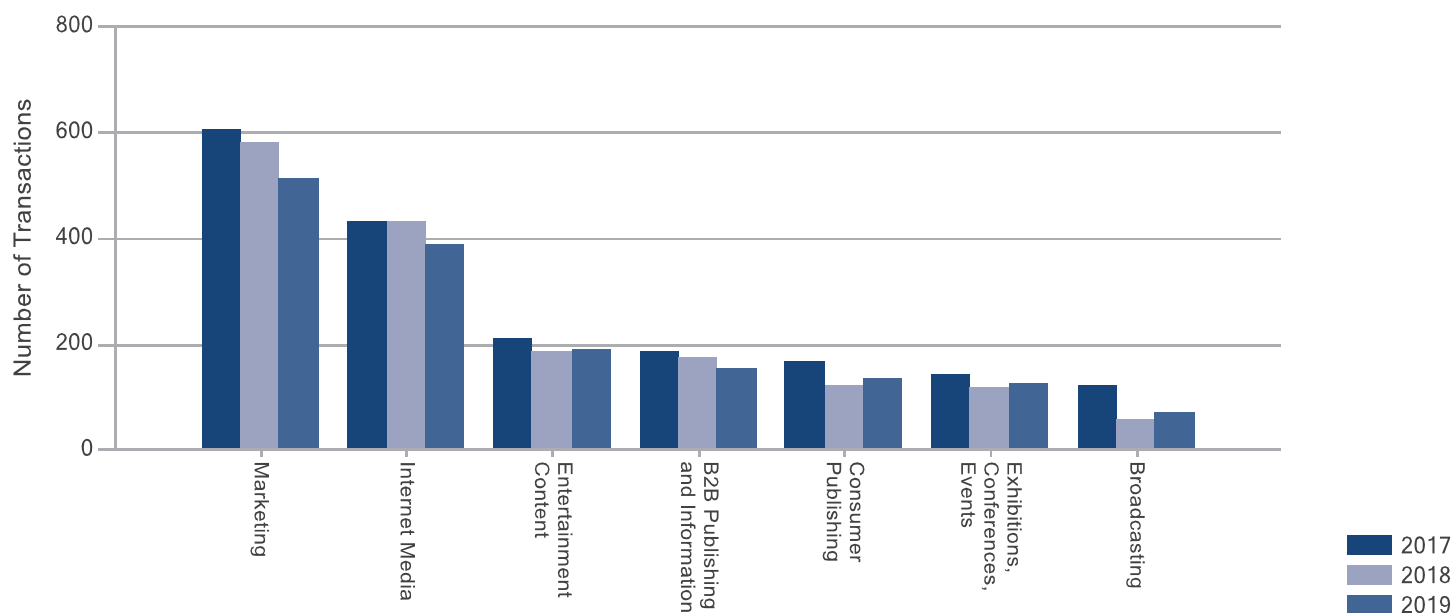


Figure 9. Presents transaction volume by target segment within the Media and Marketing Industry from Jan. 1, 2017 through Dec. 31, 2019.

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JAMES BERKERY

Managing Partner



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

MedTouch

HAS BEEN ACQUIRED BY

PERFICIENT

VISIONPOINT MARKETING

RECAPITALIZATION WITH

CASCADILY

AND

Capitala

THE KIPLINGER WASHINGTON EDITORS, INC.

Kiplinger

HAS BEEN ACQUIRED BY



MULTIPLE OPERATING UNITS OF

PennWell

A SUBSIDIARY OF



Blackstone

HAS BEEN ACQUIRED BY



FMT SOLUTIONS

HAS BEEN ACQUIRED BY

Corridor Capital

fosina
MARKETING GROUP

HAS BEEN ACQUIRED BY

Digital Media Solutions

A PORTFOLIO COMPANY OF
CLAIRVEST



HAS DIVESTED CERTAIN ASSETS TO

KAPLAN

Aries
systems
Publish Faster. Publish Smarter.

HAS BEEN ACQUIRED BY



ELSEVIER

A SUBSIDIARY OF

RELX Group

TGaS Advisors

HAS BEEN ACQUIRED BY

TRINITY PARTNERS

A PORTFOLIO COMPANY OF

PARTHENON CAPITAL PARTNERS

EMERALD EXPOSITIONS

HAS ACQUIRED



CEPro

Commercial INTEGRATOR

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Campus Safety

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