



MEDIA & MARKETING INDUSTRY

1ST HALF 2016 :: Mergers and Acquisitions Trend Report

1ST HALF 2016 KEY HIGHLIGHTS

- Six of the industry's top ten largest deals in 1st Half 2016 occurred in the Entertainment segment.
- This consisted of Tencent Holdings Ltd.'s announced acquisition of Supercell (video game) for \$8.6 billion; Lionsgate's announced acquisition of Starz, LLC (television network) for \$4.4 billion; NBCUniversal, LLC's announced acquisition of DreamWorks Animation LLC (film studio) for \$4.1 billion; Dalian Wanda Group Co., Ltd.'s acquisition of Legendary Entertainment (film studio) for \$3.5 billion; Corus Entertainment, Inc.'s acquisition of Shaw Media Inc. (television network) for \$1.87 billion; and Kakao's announced acquisition of LOEN Entertainment (music label) for \$1.41 billion.

1ST HALF 2016 KEY TRENDS

- Total transaction volume in 1st Half 2016 decreased by seven percent over 2nd Half 2015, from 949 to 883.
- Total transaction value in 1st Half 2016 rose by 49 percent over 2nd Half 2015, from \$64.91 billion to \$96.72 billion.
- The industry's top ten largest deals accounted for 71 percent of aggregate value in 1st Half 2016, compared to 38 percent in 2nd Half 2015.
- The median revenue multiple increased from 1.7x in 2nd Half 2015 to 11.1x in 1st Half 2016. The median EBITDA multiple improved from 8.8x in 2nd Half 2015 to 11.1x in 1st Half 2016.

M&A MARKET OVERVIEW

Berkery Noyes tracked 4,491 Media & Marketing transactions between 2014 and 1st Half 2016, of which 961 disclosed financial terms, and calculated the aggregate transaction value to be \$224.32 billion. Based on known transaction values, we project values of 3,530 undisclosed transactions to be \$74.18 billion, totaling \$296.52 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 2.0x revenue and 10.0x EBITDA.

M&A Market Dynamics By Half Year

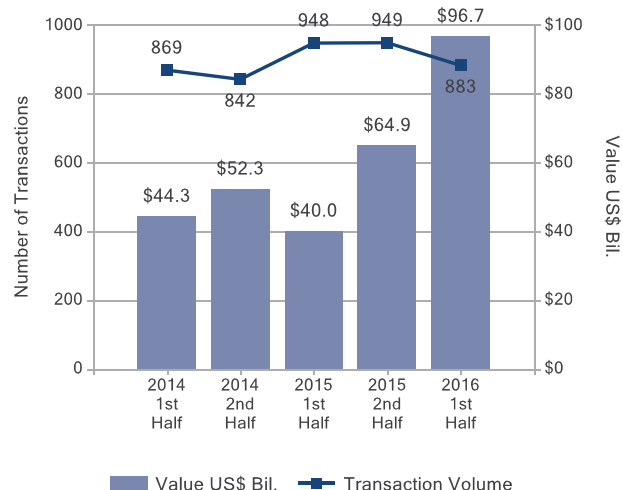


Figure 1. 2014-2016 value and volume comparison.

Median Enterprise Value Multiples By Half Year

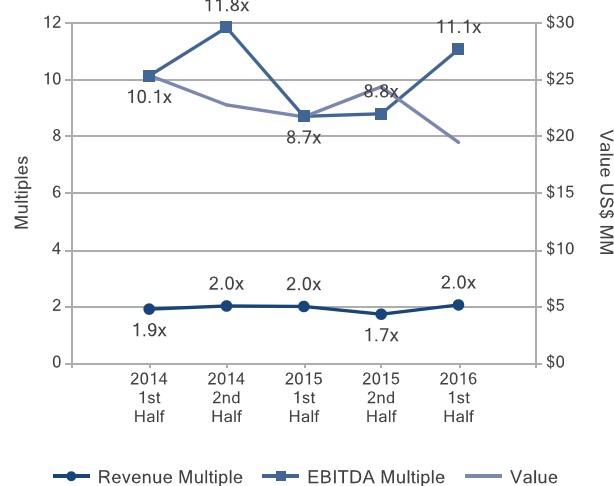
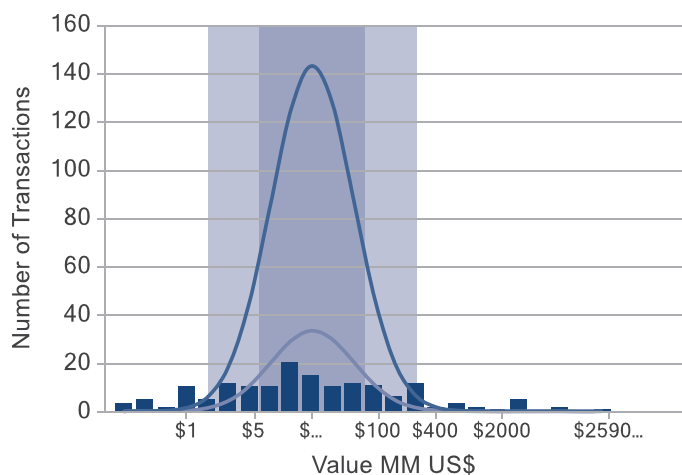


Figure 2. 2014-2016 median: revenue and EBITDA comparison.

Transaction Analysis :: January 1, 2016 – June 30, 2016

Bell Curve - Histogram - 1st Half



Actual Transactions Known Dist. Projected Dist.

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 \$2.7 million to \$665.1 million. Based on this data, we estimate total transaction value of deals done in the 1st Half of 2015 at \$96.7 billion.

*Indicates largest industry transaction from Jan. 1, 2016 to June 30, 2016.

Distribution Table

Value in MM US\$	Known Number	Projected Number	Total Number	%	Cumulative %
\$0.2	3	0	3	2 %	2 %
\$0.4	5	0	5	3 %	5 %
\$0.6	2	0	2	1 %	6 %
\$1.0	10	1	11	6 %	12 %
\$1.6	5	6	10	3 %	15 %
\$2.7	12	18	29	7 %	22 %
\$4.5	10	44	53	6 %	28 %
\$7.4	10	83	93	6 %	34 %
\$12.2	20	124	143	12 %	46 %
\$20.1	15	143	157	9 %	55 %
\$33.1	10	128	138	6 %	61 %
\$54.6	12	90	101	7 %	68 %
\$90.0	11	49	60	7 %	75 %
\$148.4	6	21	26	4 %	78 %
\$244.7	12	7	18	7 %	86 %
\$403.4	2	2	3	1 %	87 %
\$665.1	3	0	3	2 %	89 %
\$1,096.6	2	0	2	1 %	90 %
\$1,808.0	1	0	1	1 %	90 %
\$2,981.0	5	0	5	3 %	93 %
\$4,914.8	0	0	0	0 %	93 %
\$8,103.1	2	0	2	1 %	95 %
\$13,359.7	0	0	0	0 %	95 %
\$22,026.5	1	0	1	1 %	95 %
Total #	167	716	883		
Total \$ Value	\$81,782	\$14,933	\$96,715		
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

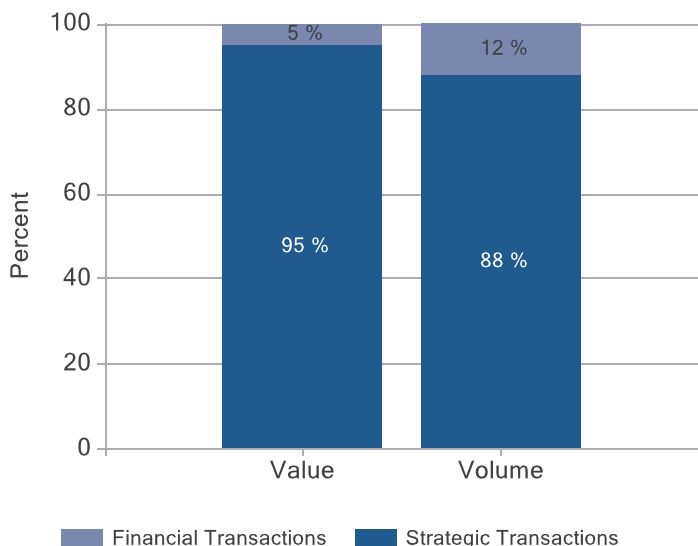


Figure 5. 1st Half 2016 value and volume comparison by transaction type.

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

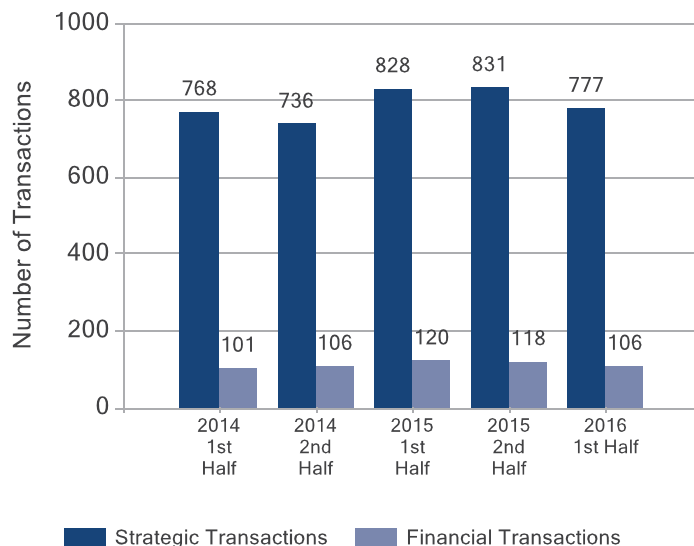


Figure 6. 2014-2016 acquirer type comparison by half year.

Purchaser Analysis

Top Ten Notable Transactions - 1st Half 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
01/07/16	Media General, Inc.	Nexstar Broadcasting	\$4,500
06/30/16	Starz, LLC	Lionsgate	\$4,400
04/28/16	DreamWorks Animation LLC	NBCUniversal, LLC.	\$4,104
02/18/16	Truven Health Analytics	IBM Watson Health	\$3,567
01/05/16	Legendary Entertainment	Dalian Wanda Group Co., Ltd.	\$3,500
01/13/16	Shaw Media Inc.	Corus Entertainment, Inc.	\$1,865
01/11/16	LOEN Entertainment	Kakao	\$1,409
2016 Aggregate Transaction Value			\$96,715
Top 10 Aggregate Transaction Value			\$68,845
Top 10 Aggregate Value as a Percentage of All Transactions			71 %

Figure 7. Lists the top ten transactions for 1st Half 2016 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

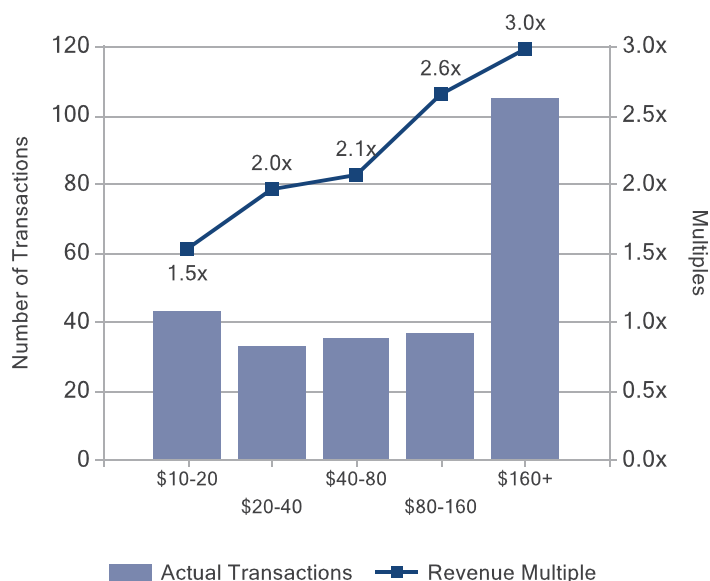


Figure 8. Presents the median enterprise value/revenue multiples paid for companies in the Media and Marketing Industry from January 1, 2014 to June 30, 2016 based on publicly available data.

Transaction Volume by Segment :: January 1, 2014 – June 30, 2016

Transactions By Market Segment By Half Year

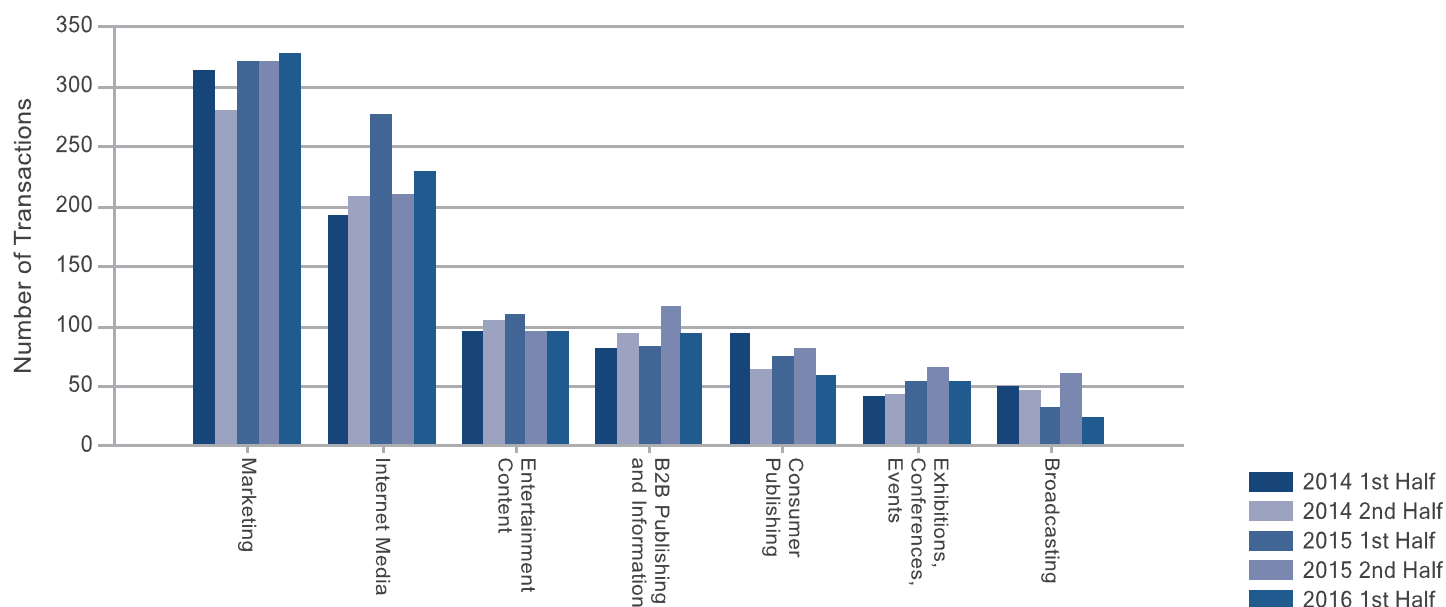


Figure 9. Presents transaction volume by market segment within the Media and Marketing Industry from January 1, 2014 through June 30, 2016.

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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.

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RECENT MEDIA & MARKETING TRANSACTIONS



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A SUBSIDIARY OF



HAS BEEN ACQUIRED BY



HAS COMPLETED A RECAPITALIZATION OF ITS BUSINESS



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HAS ACQUIRED MAJORITY OWNERSHIP FROM ITS OTHER CURRENT INVESTORS



AntaresCapital



HAS ACQUIRED



Sandbox & Co

HAS ACQUIRED

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