

## MEDIA & MARKETING INDUSTRY

### 1ST HALF 2020 :: Mergers and Acquisitions Trend Report

#### 1ST HALF 2020 KEY HIGHLIGHTS

- Five of the industry's top ten largest deals year-to-date occurred in the Internet Media segment. These five acquisitions, with a combined value of \$9.69 billion, accounted for 41 percent of the industry's total value in 1st Half 2020.
- There were 83 financially sponsored transactions with an aggregate value of \$5.51 billion, representing 13 percent of the total volume and 23 percent of the total value, respectively.

#### 1ST HALF 2020 KEY TRENDS

- Total transaction volume in 1st Half 2020 declined by 17 percent over 2nd Half 2019, from 766 to 632.
- Total transaction value in 1st Half 2020 fell by 73 percent over 2nd Half 2019, from \$87.34 billion to \$23.92 billion. Of note, the value surge in 2nd Half 2019 was driven by two deals that reached the \$20 billion threshold. Excluding these two deals, value remained about constant in 2nd Half 2019 and declined 42 percent in 1st Half 2020.
- The median revenue multiple decreased from 2.5x in 2nd Half 2019 to 2.2x in 1st Half 2020. The median EBITDA multiple during this timeframe moved upward from 8.2x to 9.7x.

#### M&A MARKET OVERVIEW

Berkery Noyes tracked 3,882 Media and Marketing transactions between 2018 and 1st Half 2020, of which 707 disclosed financial terms, and calculated the aggregate transaction value to be \$207.76 billion. Based on known transaction values, we project values of 3,175 undisclosed transactions to be \$53.31 billion, totaling \$261.06 billion worth of transactions tracked over the past two and a half years.

Transactions from 1st Half 2018 to 1st Half 2020 with enterprise values above \$80 million received a median revenue multiple of 3.2x, whereas those in the \$20-\$80 million range garnered a median revenue multiple of 2.2x and those in the \$10-\$20 million range had a median revenue multiple of 1.4x.

Disclosed median enterprise value multiples for all segments combined in this report during the last 30 months were 2.1x revenue and 9.6x EBITDA.

M&A Market Dynamics By Half Year

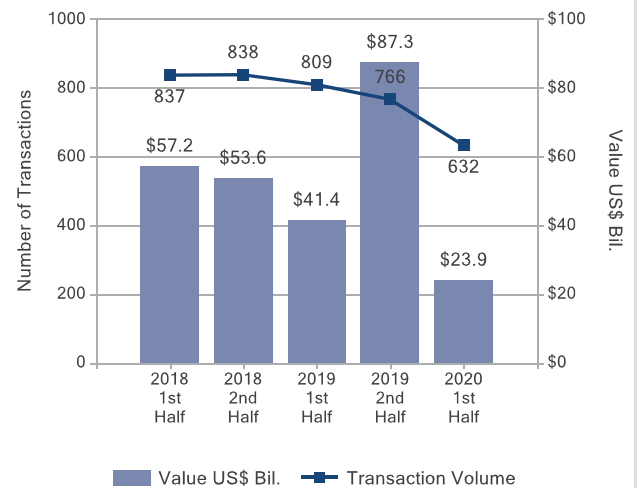


Figure 1. 2018-2020 value and volume comparison.

Median Enterprise Value Multiples By Half Year

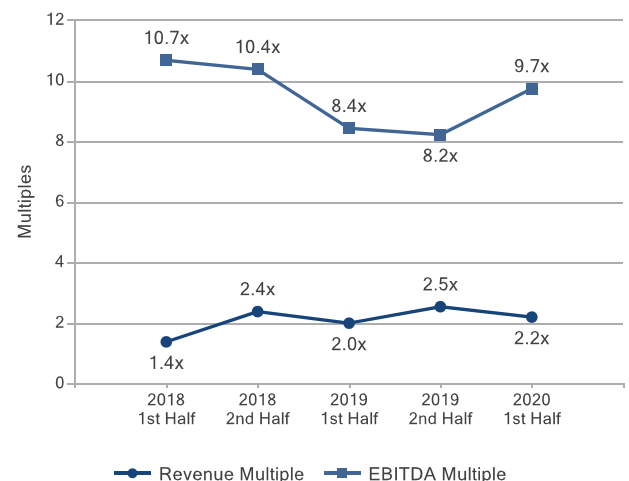
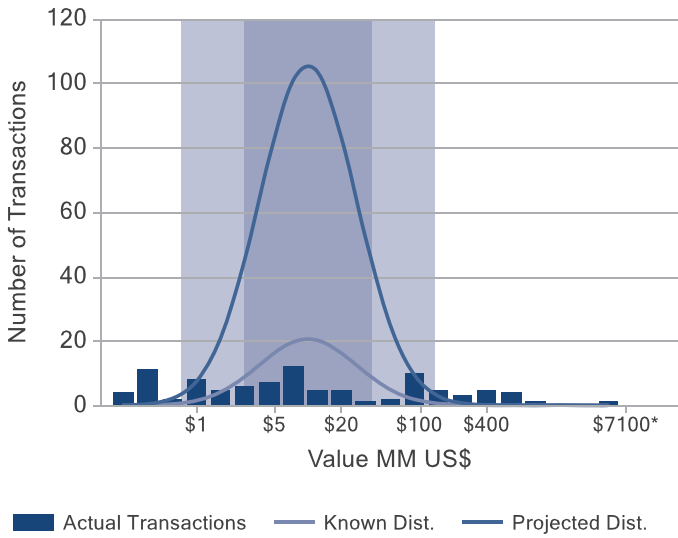


Figure 2. 2018-2020 median revenue and EBITDA comparison.

# Transaction Analysis :: January 1, 2020 – June 30, 2020

## Bell Curve - Histogram - 1st Half



**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 \$0.6 million to \$403.4 million. Based on this data, we estimate total transaction value of deals done in the 1st Half of 2020 at \$23.9 billion.

\*Indicates largest industry transaction from Jan. 1, 2020 to June 30, 2020.

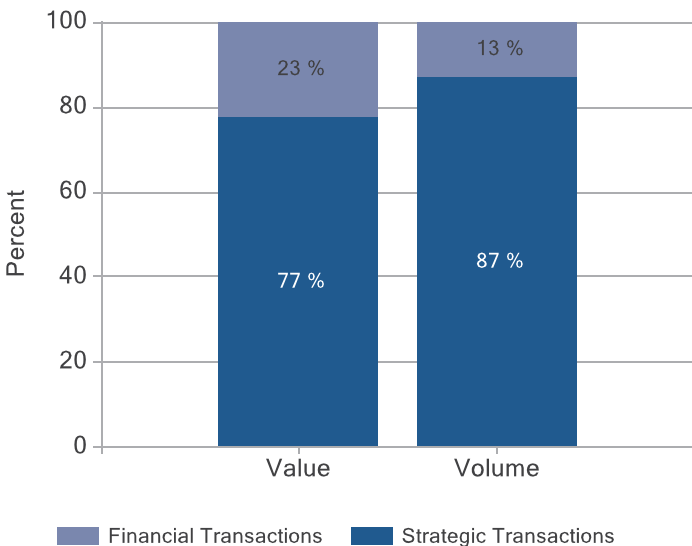
## Distribution Table

Value in MM US\$	Known Number	Projected Number	Total Number	%	Cumulative %
\$0.2	4	0	4	4 %	4 %
\$0.4	11	0	11	11 %	15 %
\$0.6	2	2	4	2 %	17 %
\$1.0	8	7	15	8 %	24 %
\$1.6	5	21	25	5 %	29 %
\$2.7	6	45	51	6 %	35 %
\$4.5	7	76	83	7 %	42 %
\$7.4	12	101	112	12 %	53 %
\$12.2	5	104	108	5 %	58 %
\$20.1	5	83	87	5 %	63 %
\$33.1	1	52	52	1 %	64 %
\$54.6	2	25	27	2 %	66 %
\$90.0	10	9	19	10 %	76 %
\$148.4	5	3	7	5 %	81 %
\$244.7	3	1	3	3 %	83 %
\$403.4	5	0	5	5 %	88 %
\$665.1	4	0	4	4 %	92 %
\$1,096.6	1	0	1	1 %	93 %
\$1,808.0	0	0	0	0 %	93 %
\$2,981.0	0	0	0	0 %	93 %
\$4,914.8	1	0	1	1 %	94 %
<b>Total #</b>	<b>103</b>	<b>529</b>	<b>632</b>		
<b>Total \$ Value</b>	<b>\$18,625</b>	<b>\$5,300</b>	<b>\$23,925</b>		
<b>Middle 3rd of Industry</b>		<b>Middle 2/3rds of Industry</b>			

**Figure 4.** Presents the data depicted in the bell curve histogram.

## Strategic vs. Financial Comparison

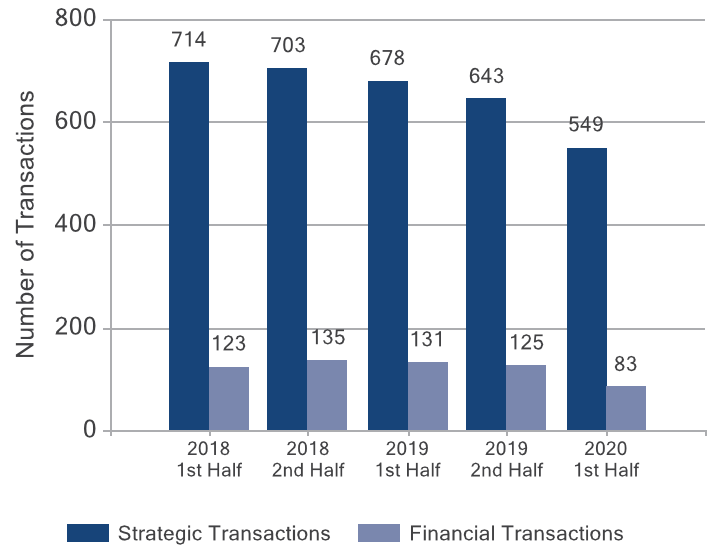
### M&A Dynamics By Transaction Type - 1st Half



**Figure 5.** 1st Half 2020 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.** 2018-2020 acquirer type comparison by half year.

# Purchaser Analysis

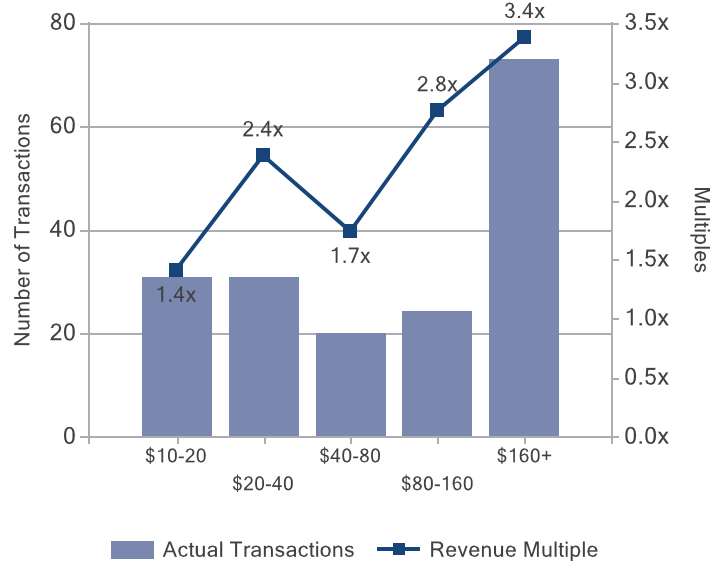
## Top Ten Notable Transactions - 1st Half 2020

Deal Date	Target Name	Buyer	Value MM US\$
02/25/20	Credit Karma	Intuit, Inc.	\$7,100
06/01/20	Peak Games	Zynga, Inc.	\$1,800
01/22/20	Decision Resources Group	Clarivate Analytics	\$950
05/04/20	Moovit	Mobileye	\$900
03/26/20	Ironman	Advance, Inc., Orkila Capital, LLC	\$730
01/23/20	Regulatory DataCorp, Inc.	Moody's Corporation	\$700
03/04/20	Huntsworth PLC	Clayton, Dubilier & Rice, Inc.	\$665
03/05/20	Grindr	San Vicente Acquisition LLC	\$609
02/12/20	RentPath, Inc.	CoStar Group	\$588
03/05/20	The Meet Group	NuCom Group	\$496
2020 Aggregate Transaction Value			\$23,925
Top 10 Aggregate Transaction Value			\$14,537
Top 10 Aggregate Value as a Percentage of All Transactions			61 %

**Figure 7.** Lists the top ten transactions for 1st Half 2020 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**.

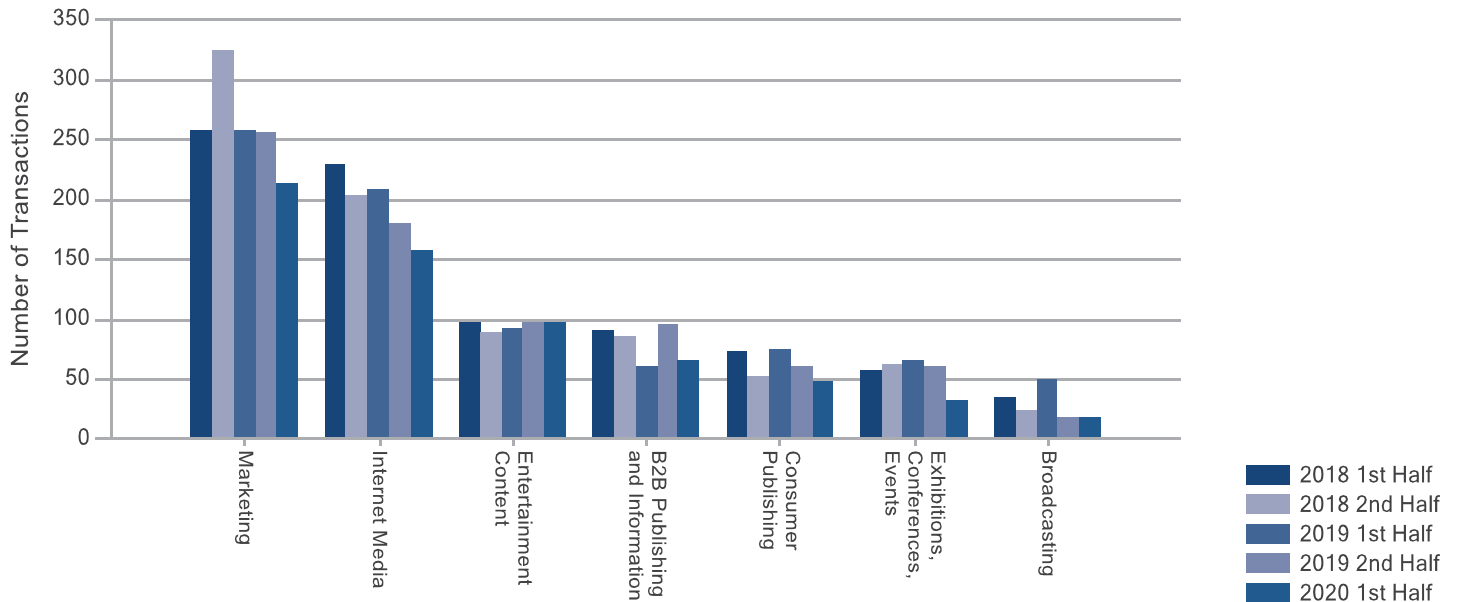
## Median EV/Revenue Multiples By Size



**Figure 8.** Presents the median enterprise value/revenue multiples paid for companies in the Media and Marketing Industry from January 1, 2018 to June 30, 2020 based on publicly available data.

# Transaction Volume by Segment :: January 1, 2018 – June 30, 2020

## Transactions By Market Segment By Half Year



**Figure 9.** Presents transaction volume by market segment within the Media and Marketing Industry from January 1, 2018 through June 30, 2020.

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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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