

MEDIA & MARKETING INDUSTRY

FULL YEAR 2022 :: Mergers and Acquisitions Trend Report

2022 KEY HIGHLIGHTS

- Microsoft Corporation's acquisition of Activision Blizzard, an interactive entertainment company, was the largest Media & Marketing transaction in 2022, with an acquisition price of \$68.62 billion.
- There were 206 financially sponsored transactions with an aggregate value of \$35.86 billion, representing 17 percent of the total volume and 24 percent of the total value, respectively.

2022 KEY TRENDS

- Total transaction volume in 2022 increased by 14 percent over 2021, from 1,050 to 1,201.
- The segment with the largest transaction volume in 2022 was Marketing with 461 transactions.
- Total transaction value in 2022 decreased by 28 percent over 2021, from \$207.47 billion to \$149.40 billion.
- The median EBITDA multiple declined from 11.7x in 2021 to 11.2x in 2022. The median revenue multiple decreased from 2.9x in 2021 to 2.5x in 2022.
- Notable growth sectors on an annual basis included Exhibitions, Conferences, & Events, which saw M&A activity increase from 22 transactions in 2021 to 55 transactions in 2022.

M&A MARKET OVERVIEW

Berkery Noyes tracked 3,466 Media & Marketing transactions between 2020 and 2022, of which 686 disclosed financial terms, and calculated the aggregate value to be \$387.49 billion. Based on known transaction values, we project values of 2,780 undisclosed transactions to be \$52.57 billion, totaling \$440.07 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 2.7x revenue and 11.0x EBITDA.

Over the past three years, deals in the \$10-\$20 million range received a median enterprise value multiple of 2.2x revenue, compared to 4.6x revenue for those in the \$160 million and above range.

M&A Market Dynamics

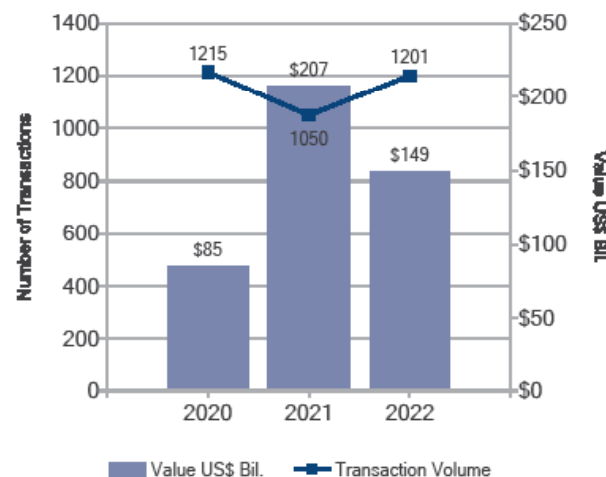


Figure 1. 2020-2022 value and volume comparison.

Median Enterprise Value Multiples

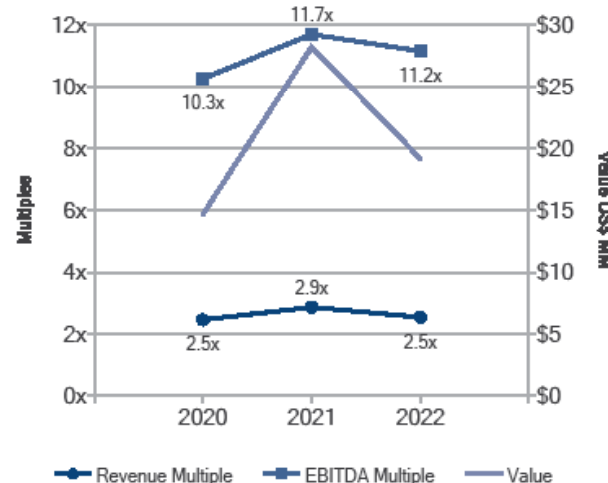
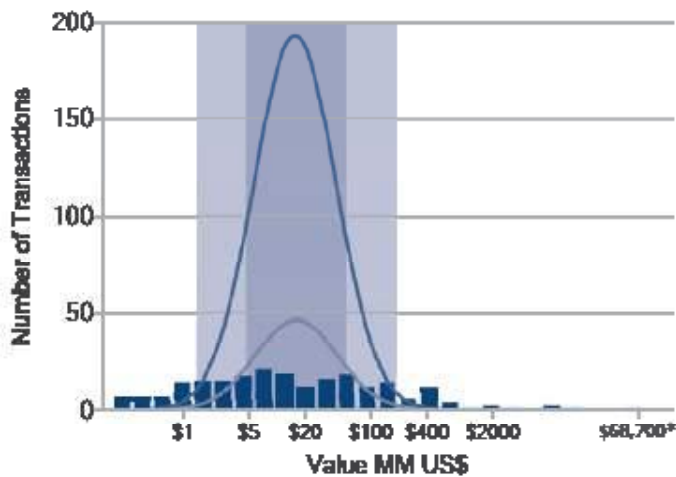


Figure 2. 2020-2022 median value, revenue, EBITDA comparison.

Transaction Analysis :: January 1, 2022 – December 31, 2022

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 one-third of companies purchased had transaction values of \$4.5 million to \$54.6 million. Based on this data, we estimate total transaction value of deals done in 2022 at \$440.0 billion.

*Indicates largest industry transaction from Jan. 1, 2022 to Dec. 31, 2022.

Distribution Table

| Value in MM US\$ | Known Number | Projected Number | Total Number | % | Cumulative % |
|------------------------|--------------|---------------------------|--------------|-----|--------------|
| \$0.2 | 16 | 0 | 16 | 2 % | 2 % |
| \$0.4 | 25 | 0 | 25 | 4 % | 6 % |
| \$0.6 | 21 | 1 | 22 | 3 % | 9 % |
| \$1.0 | 45 | 7 | 52 | 7 % | 16 % |
| \$1.6 | 43 | 28 | 71 | 6 % | 22 % |
| \$2.7 | 37 | 85 | 121 | 5 % | 27 % |
| \$4.5 | 50 | 197 | 246 | 7 % | 35 % |
| \$7.4 | 59 | 357 | 415 | 9 % | 43 % |
| \$12.2 | 50 | 503 | 553 | 7 % | 50 % |
| \$20.1 | 45 | 554 | 598 | 7 % | 57 % |
| \$33.1 | 40 | 474 | 514 | 6 % | 63 % |
| \$54.6 | 39 | 316 | 355 | 6 % | 69 % |
| \$90.0 | 42 | 164 | 206 | 6 % | 75 % |
| \$148.4 | 42 | 66 | 108 | 6 % | 81 % |
| \$244.7 | 28 | 21 | 48 | 4 % | 85 % |
| \$403.4 | 29 | 5 | 34 | 4 % | 89 % |
| \$665.1 | 13 | 1 | 13 | 2 % | 91 % |
| \$1,096.6 | 12 | 0 | 12 | 2 % | 93 % |
| \$1,808.0 | 13 | 0 | 13 | 2 % | 95 % |
| \$2,981.0 | 6 | 0 | 6 | 1 % | 95 % |
| \$4,914.8 | 5 | 0 | 5 | 1 % | 96 % |
| \$8,103.1 | 4 | 0 | 4 | 1 % | 97 % |
| \$13,359.7 | 1 | 0 | 1 | 0 % | 97 % |
| \$22,026.5 | 0 | 0 | 0 | 0 % | 97 % |
| \$36,315.5 | 0 | 0 | 0 | 0 % | 97 % |
| \$59,874.1 | 1 | 0 | 1 | 0 % | 97 % |
| \$98,715.8 | 1 | 0 | 1 | 0 % | 97 % |
| Total # | 686 | 2780 | 3466 | | |
| Total \$ Value | \$387,493 | \$52,574 | \$440,067 | | |
| 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

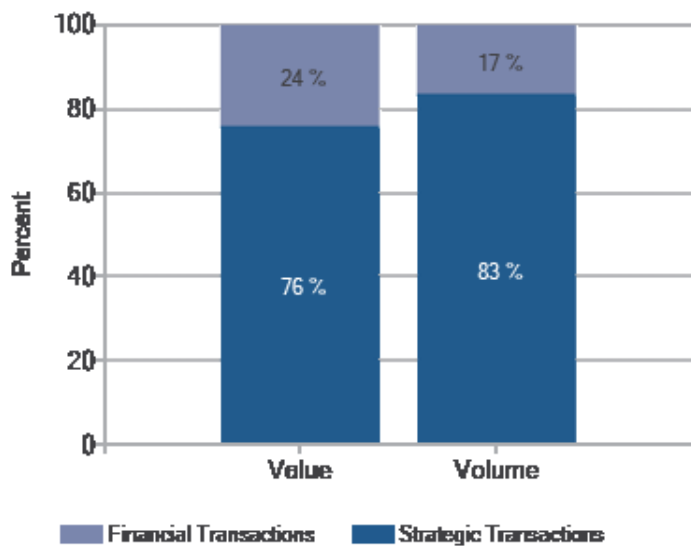


Figure 5. 2022 value and volume comparison by acquirer type.

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

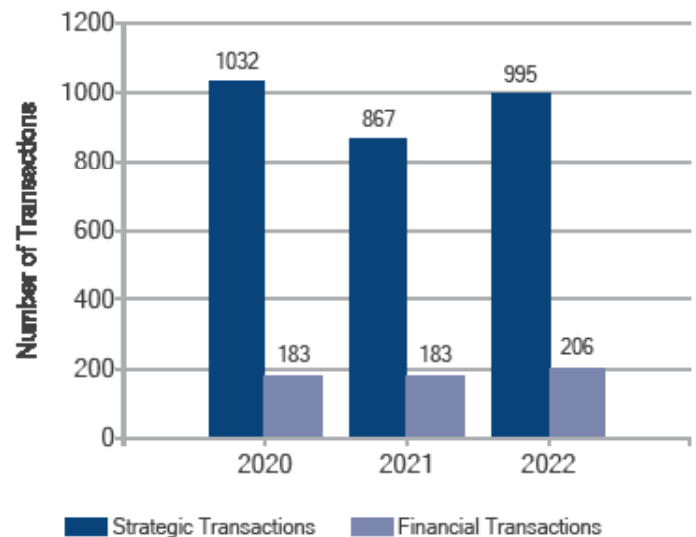


Figure 6. 2020-2022 acquirer type comparison.

Purchaser Analysis

Top Ten Notable Transactions 2022

| Deal Date | Target Name | Buyer | Value MM US\$ |
|--|---------------------------|---|---------------|
| 01/18/22 | Activision Blizzard | Microsoft Corporation | \$68,625 |
| 03/30/22 | The Nielsen Company, Inc. | Elliott Management Corp., Brookfield Asset Management, Inc. | \$15,581 |
| 01/11/22 | Zynga, Inc. | Take-Two Interactive Software, Inc. | \$12,510 |
| 02/22/22 | TEGNA Inc. | Standard General L.P. | \$8,490 |
| 02/01/22 | Bungie, Inc. | Sony Interactive Entertainment LLC | \$3,600 |
| 02/23/22 | Houghton Mifflin Harcourt | Veritas Capital | \$2,671 |
| 10/14/22 | Avito.ru | Kismet Capital Group | \$2,425 |
| 05/10/22 | Grindr | Tiga Acquisition Corp. | \$1,600 |
| 01/24/22 | ESL Gaming | Savvy Gaming Group | \$1,041 |
| 10/12/22 | BrainPOP LLC. | Kirkbi A/S | \$875 |
| 2022 Aggregate Transaction Value | | | \$149,400 |
| Top 10 Aggregate Transaction Value | | | \$117,417 |
| Top 10 Aggregate Value as a Percentage of All Transactions | | | 79 % |

Figure 7. Lists the top ten transactions for 2022 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

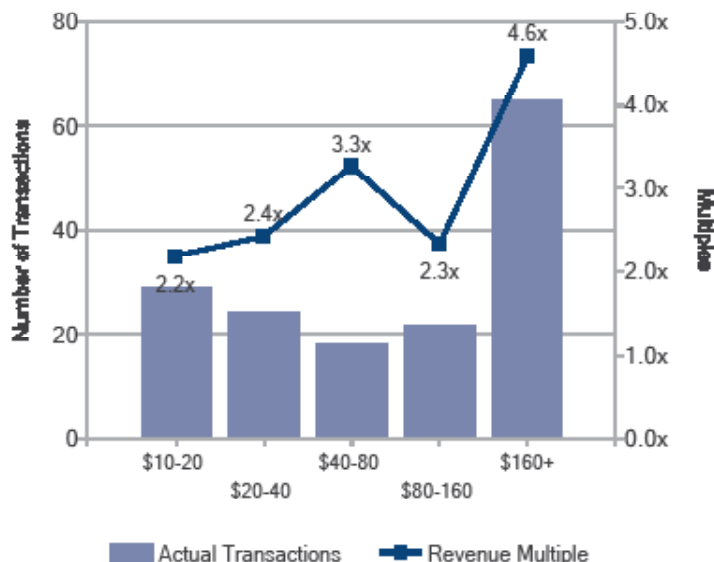


Figure 8. Presents the median enterprise value/revenue multiples paid for companies in the Media and Marketing Industry from Jan. 1, 2020 to Dec. 31, 2022 based on publicly available data.

Transaction Volume by Segment :: January 1, 2020 – December 31, 2022

Transactions By Market Segment

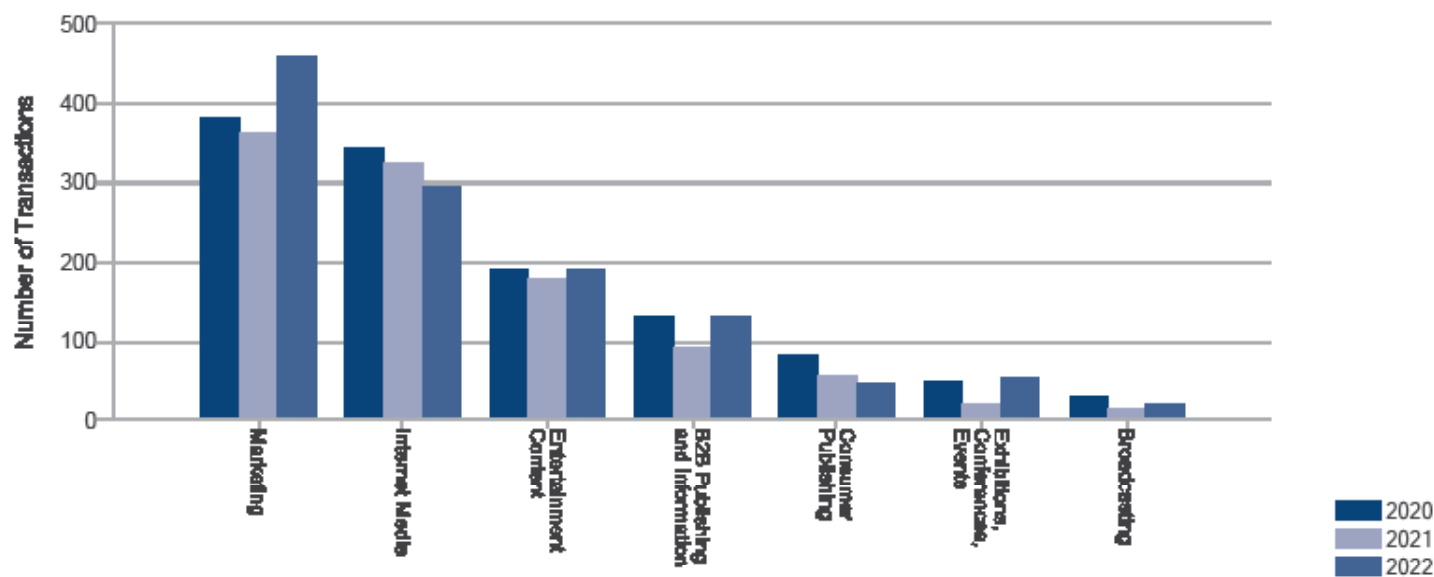


Figure 9. Presents transaction volume by target segment within the Media and Marketing Industry from Jan. 1, 2020 through Dec. 31, 2022.

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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

FilmFreeway

HAS BEEN ACQUIRED BY

BACKSTAGE

A PORTFOLIO COMPANY OF

TA ASSOCIATES

H | CODE

HAS BEEN ACQUIRED BY



FALFURRIAS CAPITAL

kidaptive

HAS BEEN ACQUIRED BY

Mc Graw Hill

bluespire

A PORTFOLIO COMPANY OF

highroad
CAPITAL PARTNERS

HAS BEEN ACQUIRED BY

GLYNNDEVINS **GD**

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9|9 nineonenine marketing co.

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AND



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A DIVISION OF

EH MEDIA

HAS ACQUIRED

TopickZ Inc.

FIND BIOMETRICS **MobileIDWorld**

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HAS BEEN ACQUIRED BY

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