

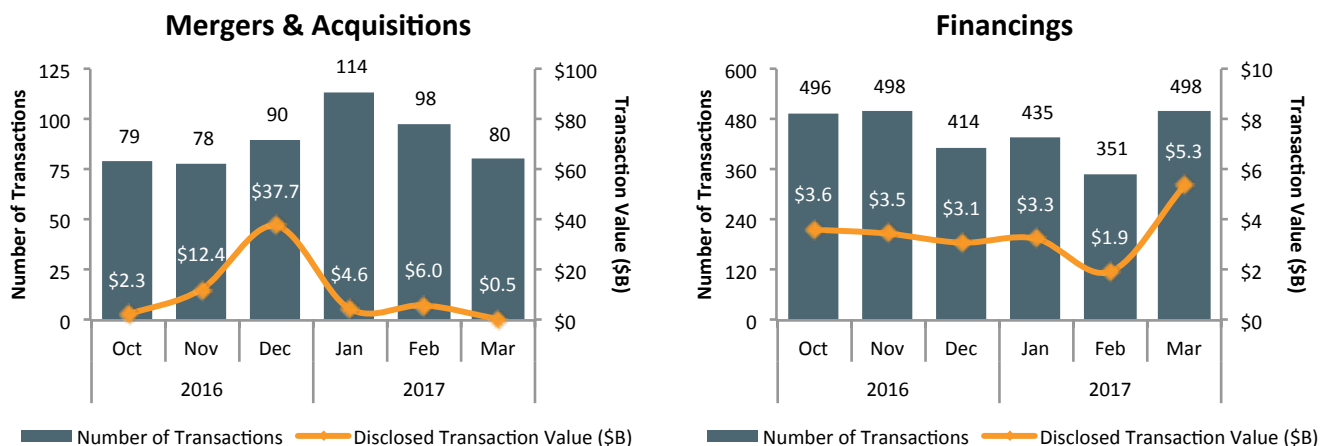
Digital Media Continues Strong Transaction Volume in Q1'17

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Digital Media M&A and financing activity continued at a strong pace in Q1'17, with 292 M&A transactions and more than 1,280 disclosed global financings. Key industry trends driving investments and acquisitions include:

- Increased activity from financial sponsors, with transaction volume from technology-focused private equity firms and their portfolio company's increasing approximately 15% over Q1'16;
- Disruption of traditional retail markets by emerging businesses offering novel delivery models;
- Large financing rounds by venture capital firms in established targets, such as Airbnb, SoFi and Instacart; and
- Continued investment in virtual and augmented reality.

Digital Media Transaction Activity



We hope that this report serves as a useful tool for your business. As you evaluate opportunities, feel free to call us at 310.478.9000 for more pointed insight.

Thank you,



Brandon Quartararo

Senior Vice President

Head of Digital Media

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Recently Closed Transactions and Industry News

Airbnb Raises \$1 Billion at \$31 Billion Valuation

In early March, Airbnb announced that it completed its \$1 billion Series F capital raise at a \$31 billion valuation, solidifying its position as the second most valuable private startup in the U.S. behind Uber. According to multiple sources, the company is now profitable, having generated positive EBITDA for the last six months of 2016. Key investors include CapitalG, TCV, Sequoia and Andreessen Horowitz.



On-Demand Grocery Delivery Service Instacart Raises Over \$400 Million

Instacart raised \$413 million of Series D venture funding in a deal led by Sequoia Capital that places the pre-money valuation at approximately \$3 billion. Additional investors include Wellcome Trust, Y Combinator Continuity, Andreessen Horowitz, FundersClub, Khosla Ventures and Kleiner Perkins, among others. Instacart plans to use the funds to continue to develop its platform and expand in additional markets, while protecting market share from emerging competitors such as Shipt, Postmates and StorePower.



Walmart Continues to Expand eCommerce Capabilities with ModCloth

Following its transformational \$3 billion acquisition of Jet.com in September 2016, Walmart is augmenting Jet.com with a buyout of ModCloth, an online retailer offering fashion-forward apparel available in all sizes, for a purchase price between \$50 million and \$75 million. The acquisition represents a less-than-ideal exit for ModCloth stakeholders, including Norwest Venture Partners, FLOODGATE, First Round, and Accel Partners, which had invested nearly \$80 million in the business.



Atlassian Acquires Project Management Service Trello for \$425 Million

Atlassian, an enterprise software company providing tools for developers and IT professionals, made its largest acquisition to date with the purchase of Trello for \$425 million. Trello, which launched in the TechCrunch Disrupt Battlefield in 2011, had raised more than \$10 million from BoxGroup, Index Ventures and Spark Capital, among others. The target had attracted nearly 20 million users and employed approximately 100 people at the time of the transaction.



SoundHound Raises \$75 Million to Drive Growth of AI Voice Technology Platform Houndify

Soundhound announced it has obtained \$75 million of new funding from a group of strategic and financial investors, including NVIDIA GPU Ventures, Samsung Catalyst Fund, Kleiner Perkins and Walden Venture Capital, among others. The company plans to use the capital to accelerate growth of its Houndify platform, which provides developers and business owners technology for voice and AI integration. The transaction yields Soundhound a \$755 million pre-money valuation.

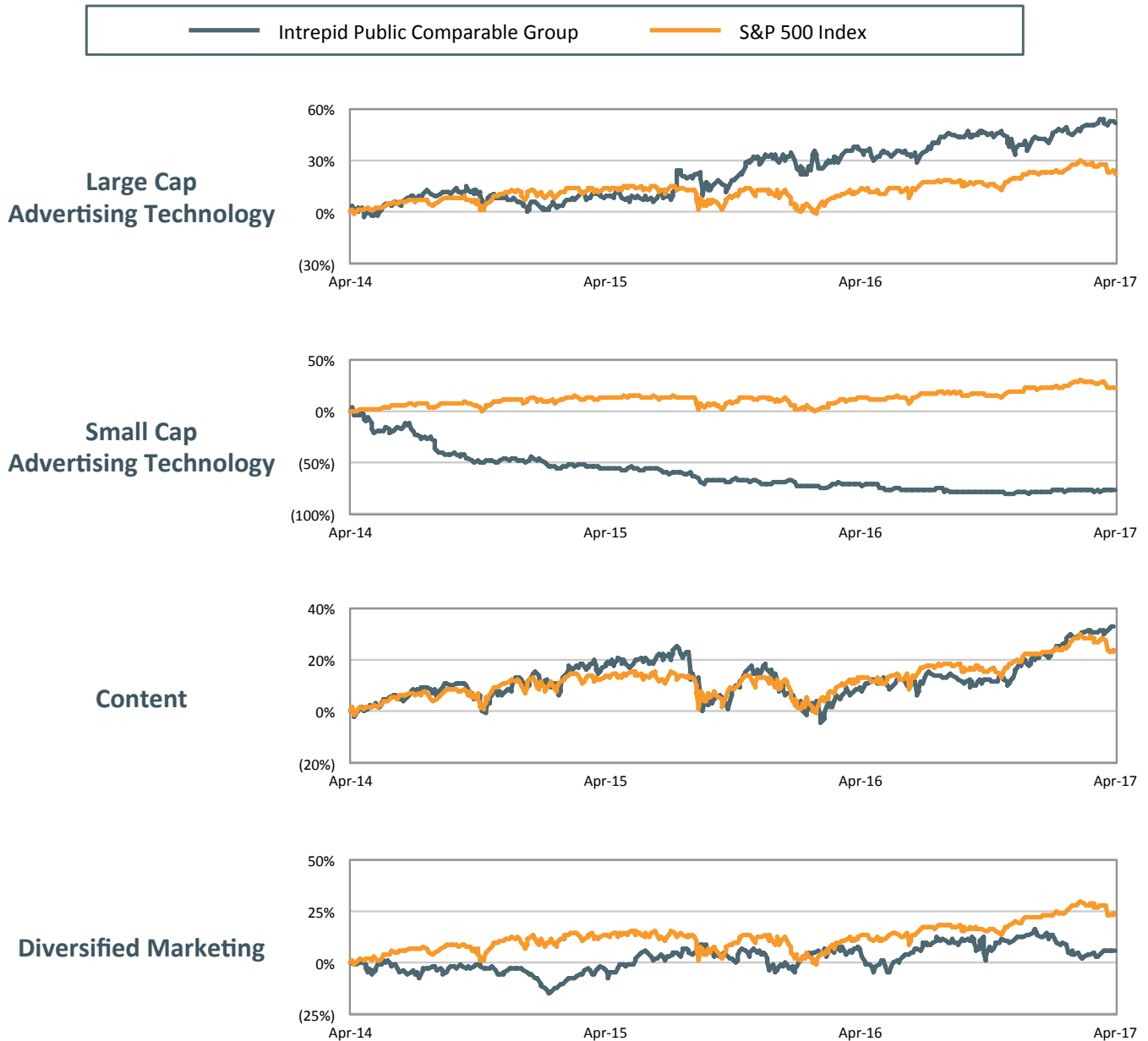


Used Goods Market Platform Letgo Raises \$175 Million

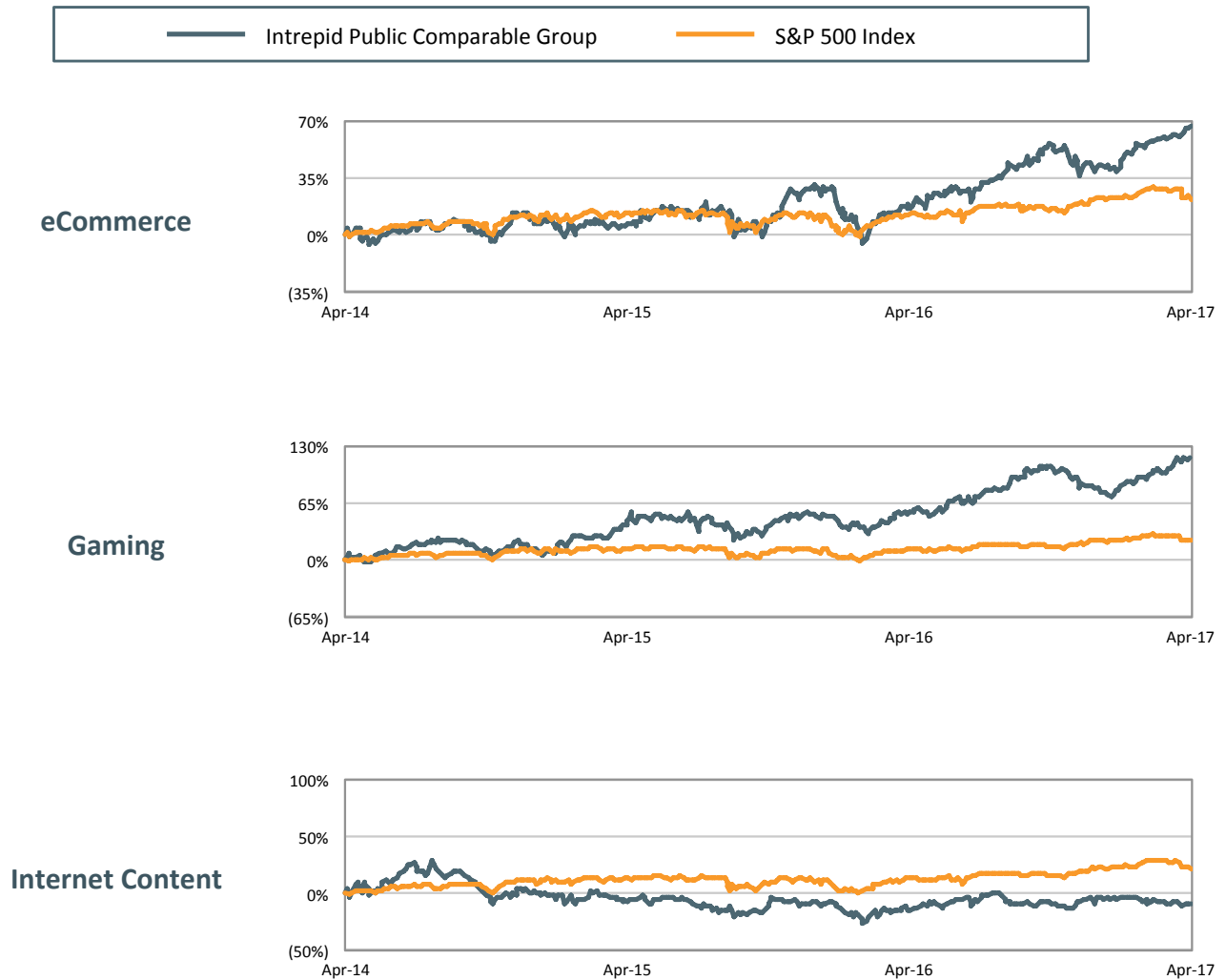
In January, Letgo completed a Series C investment round from its existing investment group of Naspers, Insight Venture Partners, Accel, 14W, Eight Roads Ventures, Mangrove Capital Partners and FJ Labs. Letgo, which utilizes artificial intelligence and image recognition to allow users to post and sell items from a mobile device, boasts 20 million active monthly users and facilitates approximately \$23 billion worth of annual user transactions. The capital raise places the company's pre-money valuation at \$825 million.















Publicly Traded Companies – Stock Valuation Trends



Publicly Traded Companies – Stock Valuation Trends (cont'd)














Publicly Traded Companies – Large Cap Advertising Technology

Company	Share Price	% of 52-Wk High	Enterprise Value	Market Cap	Cash	Debt	Last Twelve Months			EV / LTM Revenue
							Revenue	EBITDA	GM%	
	\$842.60	96.4%	\$493,800	\$576,198	\$86,333	\$3,935	\$90,272	\$29,860	61.1%	5.5x
	141.11	98.4%	377,403	406,852	29,449	0	27,638	14,835	86.3%	13.7x
	48.56	85.3%	305,316	198,374	2,880	108,314	125,980	43,404	59.2%	2.4x
 AllianceData.	249.07	97.7%	33,129	14,039	1,859	20,949	7,138	1,462	22.7%	4.6x
	716.54	90.6%	18,504	20,642	2,785	313	3,341	1,040	100.0%	5.5x
	14.40	54.9%	8,267	10,355	3,775	1,687	2,530	62	65.1%	3.3x
	37.90	73.6%	7,222	8,287	1,203	188	1,205	177	35.0%	6.0x
	21.82	87.3%	6,357	7,056	1,030	306	1,240	343	74.0%	5.1x
	75.01	96.8%	6,160	5,802	1,419	1,602	3,140	420	76.3%	2.0x
	51.14	96.7%	3,028	3,203	270	86	1,799	178	35.8%	1.7x
	11.08	64.7%	1,381	1,537	255	72	657	20	66.2%	2.1x
	36.95	80.0%	1,342	1,449	133	26	203	60	80.3%	6.6x


















Top Quartile:	5.9x
Median:	4.9x
Mean:	4.9x
Adj. Mean:	4.3x
Bottom Quartile:	2.2x

Publicly Traded Companies – Small Cap Advertising Technology

Company	Share Price	% of 52-Wk High	Enterprise Value	Market Cap	Cash	Debt	Last Twelve Months			EV / LTM Revenue
							Revenue	EBITDA	GM%	
 rubicon PROJECT	\$5.54	27.2%	\$88	\$278	\$190	\$0	\$278	\$27	73.7%	0.3x
 Perion	1.96	82.4%	197	151	32	78	313	29	49.9%	0.6x
 MATOMY MEDIA GROUP	1.42	82.6%	154	136	22	16	277	15	20.6%	0.6x
 RhythmOne	0.56	95.7%	238	277	41	0	156	(21)	38.7%	1.5x
 QUINSTREET	4.03	93.3%	139	177	37	0	299	(6)	8.4%	0.5x
 rocketfuel	4.54	80.8%	209	206	84	86	456	(11)	36.6%	0.5x
 TREMOR VIDEO	2.06	74.6%	59	101	43	1	167	(10)	45.7%	0.4x
 YuMe	3.97	91.1%	74	135	60	0	160	(1)	50.0%	0.5x
 Marin SOFTWARE	1.90	61.5%	44	75	34	3	100	(6)	64.9%	0.4x
 MAXPOINT	5.69	47.7%	41	38	24	27	149	(12)	52.3%	0.3x
 MARCHEX	2.71	62.0%	11	115	104	0	130	(17)	40.6%	0.1x





Top Quartile:	0.6x
Median:	0.5x
Mean:	0.5x
Adj. Mean:	0.4x
Bottom Quartile:	0.3x

Publicly Traded Companies – Content

Company	Share Price	% of 52-Wk High	Enterprise Value	Market Cap	Cash	Debt	Last Twelve Months			EV / LTM Revenue
							Revenue	EBITDA	GM%	
 COMCAST	\$37.76	98.2%	\$240,330	\$180,680	\$5,073	\$61,046	\$80,403	\$26,478	69.6%	3.0x
The  Company	112.50	98.8%	198,738	178,017	3,736	20,490	55,172	16,784	46.2%	3.6x
 Time Warner	98.86	99.6%	99,072	76,241	1,539	24,339	29,318	8,573	44.9%	3.4x
 21ST CENTURY FOX	31.25	95.9%	74,238	57,082	4,530	19,893	28,062	6,954	37.6%	2.6x
 SONY	31.97	93.7%	41,192	40,358	15,415	10,777	64,443	4,931	24.6%	0.6x
 CBS CORPORATION	68.64	97.9%	36,799	28,022	598	9,375	13,166	3,095	39.6%	2.8x
 網易 NETEASE	272.81	88.4%	31,797	36,448	5,240	550	5,499	1,866	56.7%	5.8x
 VIACOM	45.02	96.4%	30,186	18,078	443	12,300	12,658	2,863	45.4%	2.4x
 Discovery COMMUNICATIONS	29.40	98.3%	24,611	16,905	460	7,923	6,497	2,444	63.6%	3.8x
 scrippsnetworks interactive	77.65	93.1%	13,413	10,005	123	3,202	3,401	1,524	67.7%	3.9x
 axel springer	55.04	99.5%	7,483	5,938	237	1,329	3,473	570	38.5%	2.2x
 News Corporation	12.60	85.8%	6,441	7,357	1,564	355	8,198	669	43.7%	0.8x
 LIONSGATE	25.02	86.2%	8,204	5,130	595	3,575	2,736	12	39.6%	3.0x
 meredith	64.00	96.6%	3,467	2,835	44	676	1,701	358	64.4%	2.0x
 TIME	18.70	91.7%	2,754	1,850	336	1,240	3,081	402	58.0%	0.9x
 GANNETT	8.13	45.9%	1,192	907	114	400	3,047	337	36.5%	0.4x
 tronc	14.36	80.1%	698	525	198	371	1,606	120	58.0%	0.4x





















Top Quartile:	3.5x
Median:	2.6x
Mean:	2.4x
Adj. Mean:	2.4x
Bottom Quartile:	0.8x

Publicly Traded Companies – Diversified Marketing

Company	Share Price	% of 52-Wk High	Enterprise Value	Market Cap	Cash	Debt	Last Twelve Months			EV / LTM Revenue
							Revenue	EBITDA	GM%	
WPP	\$21.43	89.5%	\$33,090	\$27,408	\$3,009	\$8,109	\$17,766	\$3,131	86.2%	1.9x
OmnicomGroup	85.63	95.5%	22,777	20,104	3,023	4,997	15,417	2,302	17.8%	1.5x
 nielsen	41.71	74.6%	22,260	14,892	754	7,931	6,309	1,619	58.7%	3.5x
 Experian	19.90	96.8%	21,543	18,513	166	3,327	4,607	1,401	43.3%	4.7x
PUBLICIS GROUPE	68.47	92.9%	16,482	15,323	2,352	3,495	10,274	1,853	38.5%	1.6x
EQUIFAX	135.77	98.4%	19,047	16,446	129	2,672	3,145	1,123	64.6%	6.1x
dentsu	55.87	96.4%	17,744	15,851	2,076	3,457	7,181	1,501	94.1%	2.5x
 IPG	24.24	95.7%	10,397	9,515	1,101	1,690	7,847	1,098	35.8%	1.3x
HakuhodoDY holdings	11.94	88.8%	3,578	4,449	1,086	88	10,633	455	19.5%	0.3x
HAVAS	9.05	96.5%	3,657	3,799	855	698	2,403	386	37.6%	1.5x
STRÖER	53.67	89.8%	3,465	2,967	75	547	1,186	236	32.9%	2.9x
axicom	27.79	91.4%	2,274	2,175	138	237	880	91	45.1%	2.6x
MDCPartners	8.85	37.0%	1,535	501	28	936	1,386	150	32.4%	1.1x
CHEIL worldwide	15.55	89.9%	1,335	1,682	356	16	2,685	156	30.6%	0.5x
 Asatsu-DK	26.11	92.4%	909	1,081	195	18	3,021	63	14.5%	0.3x
M&CSAATCHI	4.27	89.6%	333	325	40	39	278	15	4.3%	1.2x
HARTE HANKS	1.33	48.4%	134	80	7	61	462	13	15.1%	0.3x

Top Quartile:	2.8x
Median:	1.5x
Mean:	2.0x
Adj. Mean:	1.8x
Bottom Quartile:	0.8x

Publicly Traded Companies – eCommerce

Company	Share Price	% of 52-Wk High	Enterprise Value	Market Cap	Cash	Debt	Last Twelve Months			EV / LTM Revenue
							Revenue	EBITDA	GM%	
	\$905.97	98.1%	\$421,442	\$427,010	\$25,981	\$20,413	\$135,987	\$11,668	35.1%	3.1x
	111.39	100.9%	271,230	272,475	20,422	13,081	20,722	7,639	62.8%	13.1x
	1778.90	98.9%	89,879	87,010	4,300	7,169	10,743	4,151	96.0%	8.4x
	144.16	97.2%	63,227	61,596	1,734	3,364	8,831	437	31.7%	7.2x
	34.19	98.4%	38,410	36,599	7,149	8,960	8,979	3,007	77.6%	4.3x
	128.43	96.2%	21,835	18,984	1,869	3,159	8,774	1,073	81.8%	2.5x
	21.15	77.6%	15,580	9,444	338	6,375	10,219	1,761	35.0%	1.5x
	218.85	98.6%	9,501	9,675	487	314	844	224	72.5%	11.3x
	60.13	95.2%	7,391	6,854	175	712	1,375	489	44.8%	5.4x
	88.07	84.5%	3,771	2,744	50	1,034	1,937	147	53.2%	1.9x
	34.21	76.7%	2,586	2,910	324	0	493	116	56.6%	5.2x
	107.80	79.3%	1,866	1,811	108	163	364	140	82.7%	5.1x
	43.33	66.5%	1,206	1,485	279	0	494	64	58.9%	2.4x
	10.57	65.9%	946	1,216	282	12	365	34	66.2%	2.6x
	10.25	89.9%	666	669	114	111	1,189	78	44.2%	0.6x
	9.30	64.8%	645	820	175	0	275	(6)	61.0%	2.3x
	5.63	52.3%	351	332	39	58	323	5	70.2%	1.1x
	0.00	#DIV/0!	0	0	41	0	472	16	19.6%	0.0x
	17.20	89.7%	319	445	183	59	1,800	3	18.4%	0.2x
	9.75	73.5%	98	125	27	0	129	13	88.9%	0.8x









Top Quartile:	5.3x
Median:	2.5x
Mean:	3.9x
Adj. Mean:	3.7x
Bottom Quartile:	1.2x

Publicly Traded Companies – Gaming

Company	Share Price	% of 52-Wk High	Enterprise Value	Market Cap	Cash	Debt	Last Twelve Months			EV / LTM Revenue
							Revenue	EBITDA	GM%	
Tencent 腾讯	\$29.14	98.3%	\$273,220	\$273,379	\$17,603	\$15,770	\$21,882	\$9,134	55.6%	12.5x
ACTIVISION BILZARD	49.07	97.4%	38,941	37,299	3,245	4,887	6,608	2,143	63.8%	5.9x
EA	88.79	96.7%	24,123	27,352	4,219	990	4,626	1,238	71.7%	5.2x
Gamesa	20.33	85.0%	4,804	5,629	1,400	578	4,869	594	31.6%	1.0x
NC SOFT	282.50	98.3%	5,278	6,000	817	124	817	300	80.9%	6.5x
UBISOFT	43.32	99.6%	4,776	4,816	1,028	986	1,650	235	79.1%	2.9x
DeNA	20.67	58.1%	2,321	3,000	709	0	1,231	311	60.4%	1.9x
GungHo	2.79	90.4%	1,578	2,431	852	0	741	(93)	67.8%	2.1x
zynga	2.31	74.3%	1,353	1,644	301	10	963	416	65.5%	1.4x
GREE	6.47	94.4%	780	1,520	704	0	537	96	70.4%	1.5x

















































Top Quartile:	6.2x
Median:	2.9x
Mean:	4.4x
Adj. Mean:	3.7x
Bottom Quartile:	1.6x

Publicly Traded Companies – Internet Content















































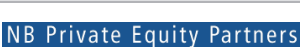












Company	Share Price	% of 52-Wk High	Enterprise Value	Market Cap	Cash	Debt	Last Twelve Months			EV / LTM Revenue
							Revenue	EBITDA	GM%	
 Zillow	\$34.66	86.7%	\$5,971	\$6,111	\$506	\$367	\$847	(\$2)	91.5%	7.1x
 WebMD	52.58	77.8%	1,991	1,937	991	1,045	705	188	64.0%	2.8x
 Bankrate	9.73	81.7%	978	859	177	296	434	94	47.6%	2.3x
 xo group/	16.95	80.8%	329	434	106	0	152	20	93.6%	2.2x
 DHI	4.43	52.5%	289	227	23	85	227	47	85.8%	1.3x
 TechTarget	9.11	96.6%	256	247	29	38	107	12	71.7%	2.4x
 Care.com	11.90	91.8%	315	344	76	0	162	6	80.3%	1.9x
 eHealth	10.88	71.9%	147	209	62	0	187	(0)	98.3%	0.8x

Top Quartile:	2.7x
Median:	2.2x
Mean:	2.6x
Adj. Mean:	2.1x
Bottom Quartile:	1.4x

Recently Closed Transactions

Close Date	Acquiror	Target	Segment	Enterprise Value (\$M)	EV / Revenue
Mar-17	 ATTRAQ	 FREDHOPPER	eCommerce 	\$31	2.2x
Feb-17	 boohoo.com	 NASTY GAL	eCommerce 	\$20	0.1x
Feb-17	 netmarble	 KABAM	Content 	\$750	1.5x
Feb-17	 RWS GROUP	 LUZ	Marketing Tech 	\$83	2.8x
Feb-17	 airbnb	 LUXURY RETREATS	eCommerce 	\$300	2.0x
Feb-17	 GUIDEWIRE	 ISCS	FinTech 	\$160	3.9x
Feb-17	 Atlassian	 Trello	VR / AR 	\$425	0.9x
Feb-17	 T2	 socialpoint	Content 	\$276	3.0x
Jan-17	 make my trip	 ibibo Group	eCommerce 	\$1,800	21.9x
Jan-17	 RhythmOne	 Perk	eCommerce 	\$32	0.4x
Jan-17	 Hubert Burda Media	 IMMEDIATE MEDIA	eCommerce 	\$339	1.3x
Jan-17	 AWIN	 SHAREASALE	Marketing Tech 	\$45	3.2x
Jan-17	 SIMPSON Strong-Tie	 CG VISIONS	Content 	\$22	3.6x
Jan-17	 PROPTIGER	 HOUSING housing.com	Content 	\$75	7.5x
Jan-17	 CARDTRONICS	 DCPayments	FinTech 	\$323	1.6x
Jan-17	 Crawford	 WeGoLook	Content 	\$43	2.8x

Recently Closed Financings

Close Date	Lead Investor(s)	Target	Segment	Transaction Size	Pre-Money Valuation
Mar-17		 <small>MOVING HEALTHCARE AHEAD</small>	Marketing Tech 	\$64	\$122
Mar-17			AdTech 	\$50	\$152
Mar-17			Content 	\$37	\$363
Mar-17			FinTech 	\$454	\$3,800
Mar-17			Content 	\$119	\$881
Mar-17	 		EdTech 	\$30	\$171
Mar-17			Content 	\$413	\$3,027
Mar-17			EdTech 	\$78	\$523
Mar-17	   		Content 	\$1,003	\$29,997
Mar-17	 		eCommerce 	\$200	\$800
Feb-17			eCommerce 	\$36	\$185
Jan-17	 		Content 	\$75	\$755
Jan-17	 		eCommerce 	\$29	\$57
Jan-17			FinTech 	\$37	\$163
Jan-17			eCommerce 	\$175	\$825
Jan-17	 		FinTech 	\$127	\$457
Jan-17			eCommerce 	\$35	\$213

Core Practice Coverage Verticals

CONTENT	COMMERCE	CUSTOMER JOURNEY
<ul style="list-style-type: none"> Traditional Broadcast & Media Music OTT & Digital Video Gaming & eSports 	<ul style="list-style-type: none"> Branded eCommerce Shopper Marketing Marketplaces Direct to Consumer 	<ul style="list-style-type: none"> Agencies & Marketing Services Loyalty, Engagement & Rewards Performance Marketing Market Research & Data Analytics

Select Digital Media Transactions

 adexchange has completed a recapitalization and growth financing with  Advisor to Ad Exchange Group	 has been acquired by  Advisor to Threshold Interactive	 has been acquired by  Advisor to Pitch, Inc.	 has obtained a majority investment from  Advisor to Lieberman Research Worldwide	 has completed a recapitalization with JAYTS, LLC Advisor to Airsoft Megastore
 has received \$12,500,000 in growth capital from  Advisor to ReviMedia*	 has been acquired by  Advisor to X5 Music*	 has been acquired by  Advisor to Zoomin.TV*	 has been acquired by  Advisor to PunchTab*	 has been acquired by  Advisor to Countdown Media*
 has been acquired by  Advisor to Content Fleet *	 has received an equity investment from  Advisor to MyColorScreen*	 has been acquired by  Advisor to Dedicated Media*	 has been acquired by  Advisor to Tender Creative*	 has been acquired by  Advisor to Weather Underground*

*Represents transactions executed by principals of Intrepid while at previous securities firms.



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About Intrepid's Digital Media Practice

Intrepid's Digital Media practice provides M&A advisory and capital raising services to sector leaders throughout the value chain, from emerging growth concepts to more established models to mature public companies. Our specialized investment banking team brings deep sector expertise across agency & marketing services, digital advertising, eCommerce & marketplaces, entertainment & content, events & B2B marketing, marketing technology and traditional & online publishing. We provide clients with robust industry insight and experience as well as a strong network of prospective buyers, decision-makers and access to key investors.

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