

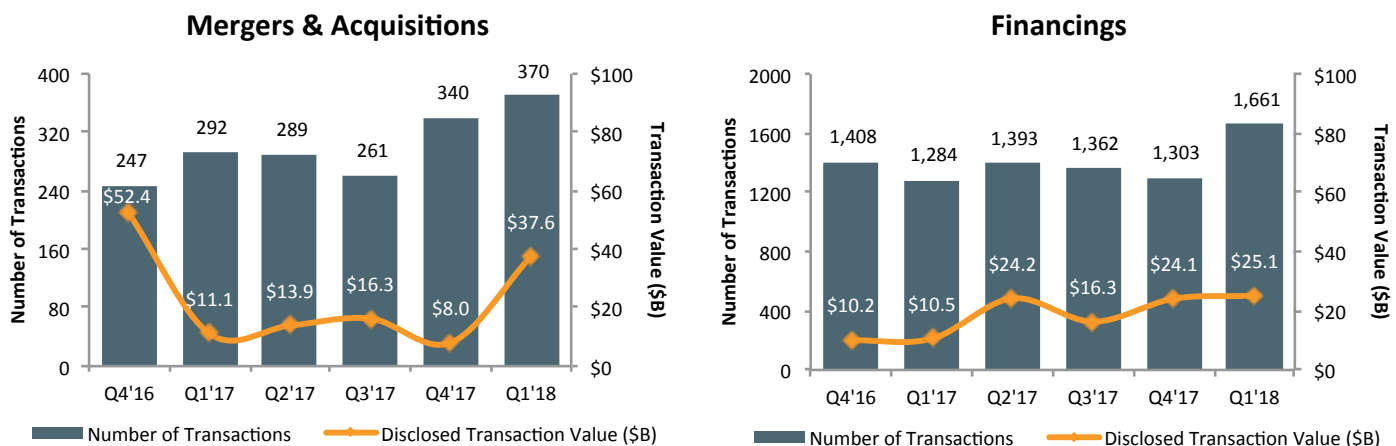
Digital Media M&A Continues Growth Despite Market Volatility in Q1'18

Digital Media M&A Continues Growth Despite Market Volatility in Q1'18

Despite volatility in the public markets, M&A activity across the digital media space increased in the first quarter of 2018, with 370 M&A transactions announced, reflecting increases of 9% over prior quarter and 27% over Q1'17. The number of financings also increased from prior periods, with the value of disclosed financing reaching more than \$25 billion. Key industry trends driving investments and acquisitions include:

- Investors seeking to back companies disrupting markets with direct-to-consumer delivery models, including subscription-based programs;
- Consolidation of content creation and distribution to rationalize costs and command pricing premiums for traditional online video; and
- Softbank continuing to deploy its Vision Fund of nearly \$100 billion across all sectors of digital media and technology.

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,



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Recently Closed Transactions and Industry News

Discovery Communications Closes Largest Digital Media Transaction of Q1 With \$14.6 Billion Buyout of Scripps

In a strategic move to dominate unscripted programming and 'real-life entertainment,' Discovery Communications acquired rival Scripps Networks Interactive, bringing networks including HGTV, Food Network, Travel Channel and DIY Network under the same umbrella as Discovery Channel, TLC, Investigation Discovery and Animal Planet, among others. The acquisition is estimated to yield \$350 million of cost efficiencies. Scripps shareholders will receive approximately \$90 per share, reflecting a valuation of 4.8x revenue and 9.4x EBITDA.



Wag! Chows Down on \$300 Million Investment From Softbank

Wag, the start-up leading disruption of dog-walking with on demand services, accepted a massive \$300 million investment from Softbank designed to fuel growth with no proceeds going to existing shareholders. While the company initially signaled it would cap the investment round at \$100 million, it ultimately accepted an investment triple that size to accommodate the minimum investment threshold of Softbank's \$98 billion Vision Fund and a generous \$650 million post-money valuation. With an equity stake exceeding 45%, Softbank gained significant influence in the start-up, as was evident by the immediate replacement of Wag's CEO.



Fifth Wall Leads \$135 Million Investment With Lennar in Opendoor

In late January, Opendoor, a disruptive digital platform that provides streamlined liquidity to residential home sellers, secured \$135 million in series D financing, comprising \$35 million of equity capital from Fifth Wall, in addition to \$100 million of debt financing from Lennar, Opendoor's lead investor and the largest homebuilder in the United States. The transaction reflects the latest in a series of investments by Lennar, Opendoor and Fifth Wall aimed to increase transparency, efficiency and liquidity in the domestic residential housing market.



Meredith Corporation Completes \$2.8 Billion Acquisition of Time Inc.

In January, Meredith Corporation completed its acquisition of Time Inc. to create a premier media and marketing company serving 200 million American consumers positioned for growth across industry-leading digital, television, print, video, mobile and social platforms. Meredith will now be a Top 10 digital media company, operating the No. 1 premium content digital network with unmatched reach to Millennials. The acquisition is expected to generate annual cost synergies of ~\$500 million in the first two full years of combined operations. Time shareholders will receive \$18.50 per share in an all-cash transaction, reflecting a valuation of 1.0x revenue and 7.2x EBITDA.

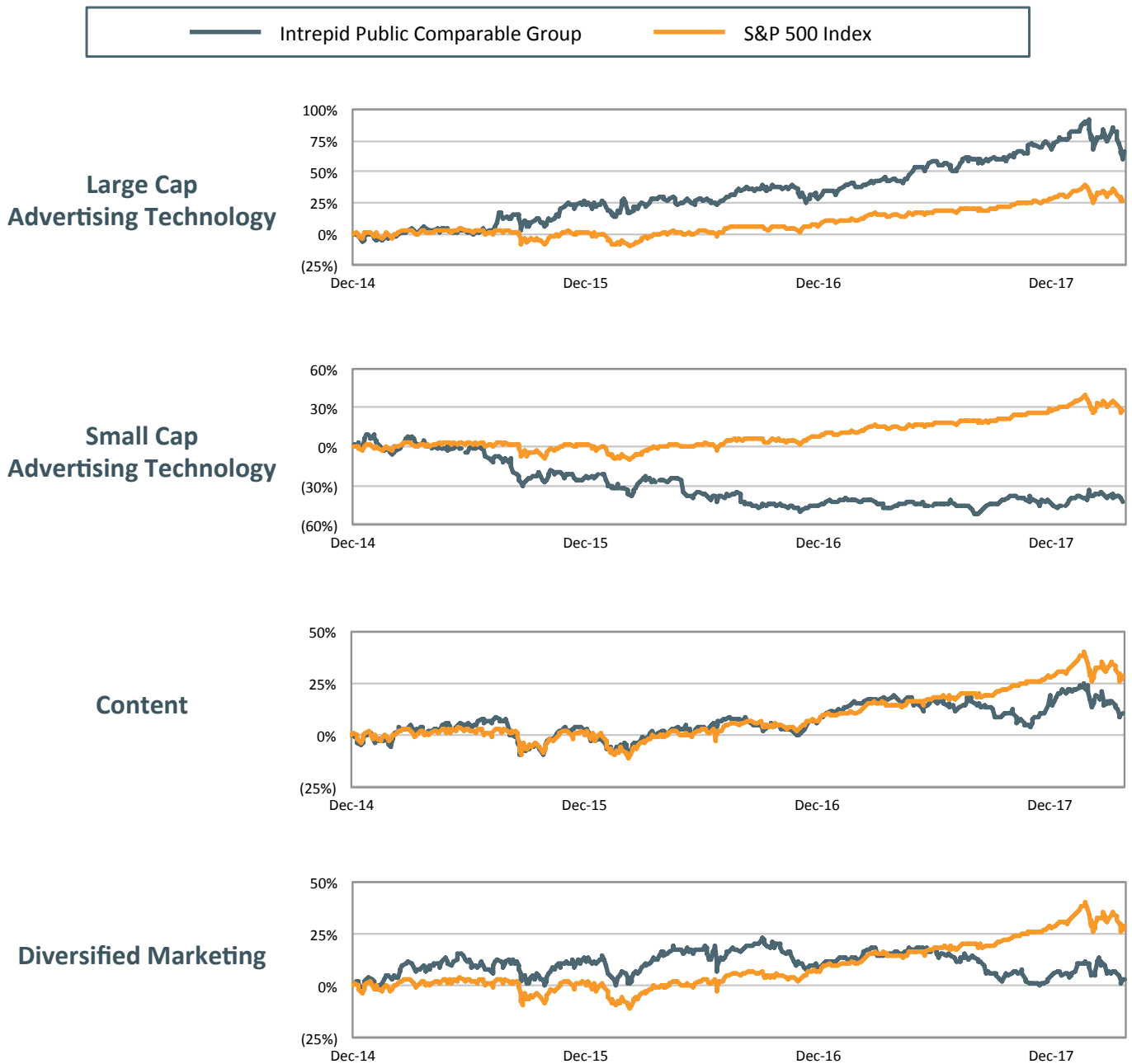


Direct-to-Consumer Shaving Company Harry's Brings Alliance Consumer on as Minority Partner

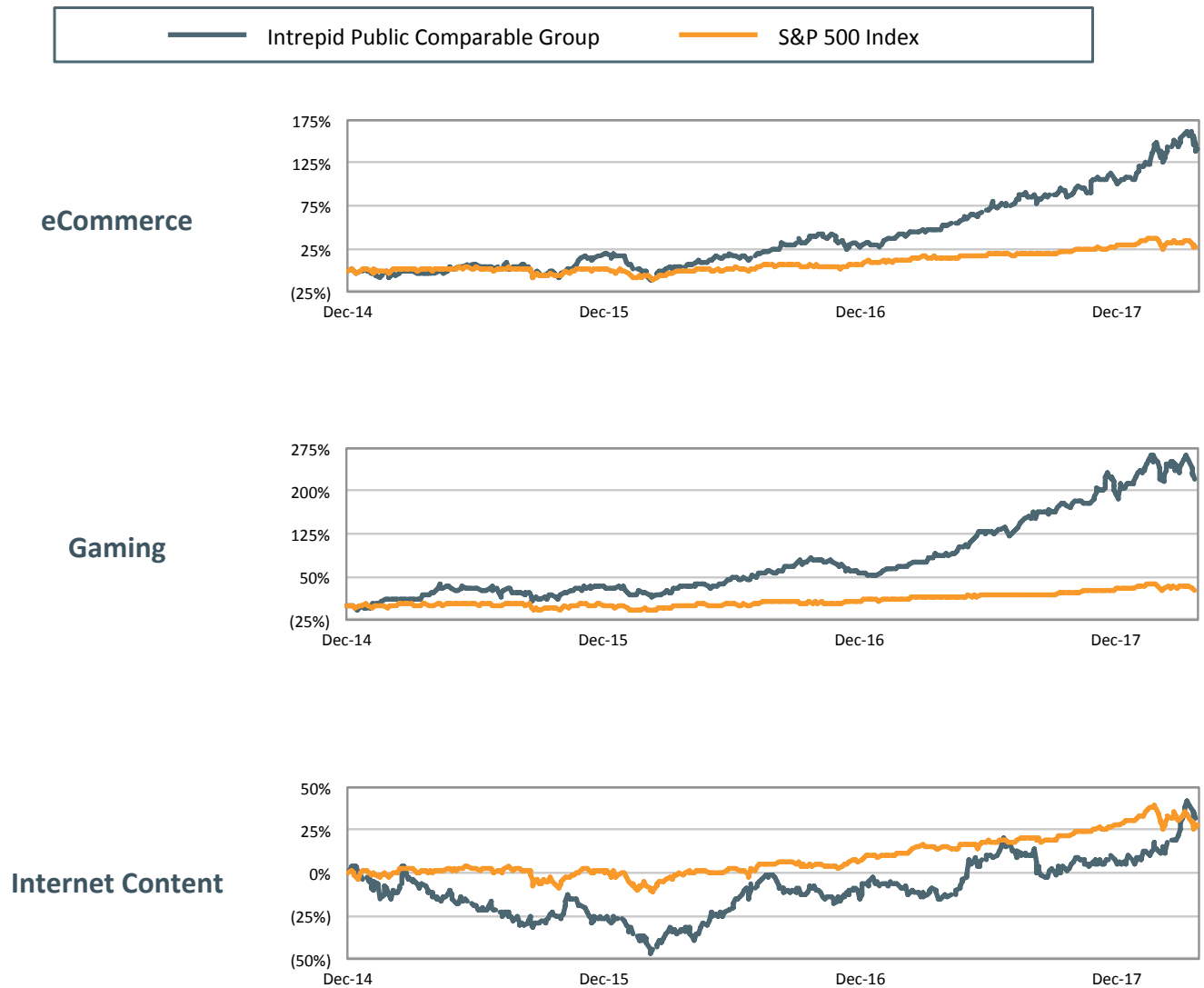
To support its growth and improve competitive positioning against Dollar Shave Club and industry stalwarts like P&G's Gillette and Edgewell's Schick, the fast-growing men's grooming brand Harry's raised \$112 million from Alliance Consumer Growth. The company's founders and operators intend to use the cash investment to further build out its portfolio of products beyond shaving. While the founders insist they aim to maintain control of the business in the near-term, rumors abound that this financing round is a crucial step on a path towards an eventual IPO or sale.















Publicly Traded Companies – Stock Valuation Trends



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




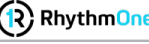






Publicly Traded Companies – Large Cap Advertising Technology

Company	Share Price	% of 52-Wk High	Enterprise Value	Market Cap	Cash	Debt	Last Twelve Months			EV / LTM Revenue
							Revenue	EBITDA	GM%	
	\$1,031.45	86.1%	\$618,321	\$715,904	\$102,885	\$5,302	\$117,251	\$36,707	58.0%	5.3x
	173.59	88.9%	458,522	502,478	43,956	0	44,587	25,628	86.0%	10.3x
	51.57	94.2%	331,785	213,087	1,923	119,057	127,992	47,707	58.9%	2.6x
 AllianceData.	204.48	73.5%	32,489	11,342	3,550	24,696	7,725	1,734	24.8%	4.2x
	670.42	73.4%	19,848	19,313	3,366	385	4,380	1,294	100.0%	4.5x
	29.00	78.8%	19,026	21,747	4,529	1,809	2,560	463	66.3%	7.4x
	36.01	75.3%	7,713	8,715	1,285	209	1,666	180	40.1%	4.6x
	32.51	73.1%	9,840	10,617	1,591	313	1,745	397	74.7%	5.6x
	159.03	95.4%	14,062	13,145	1,636	1,993	3,307	339	80.3%	4.3x
	25.77	46.0%	1,310	1,704	414	4	2,297	229	35.8%	0.6x
	13.19	72.6%	1,463	1,849	571	52	765	96	66.5%	1.9x
	51.74	76.9%	2,046	2,175	156	27	308	74	78.5%	6.6x



















Top Quartile:	6.4x
Median:	4.6x
Mean:	4.8x
Adj. Mean:	4.7x
Bottom Quartile:	3.0x

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	\$2.21	35.2%	(\$19)	\$110	\$129	\$0	\$156	(\$31)	63.5%	(0.1x)
 Perion	0.73	35.4%	80	57	37	61	274	20	43.2%	0.3x
 MATOMY MEDIA GROUP	0.73	44.9%	63	71	29	21	245	17	21.9%	0.3x
 RhythmOne	3.03	44.9%	195	235	39	0	197	1	36.1%	1.0x
 QUINSTREET	10.87	74.2%	455	503	47	0	374	17	14.1%	1.2x
 telaria	4.13	77.9%	139	215	76	0	44	(18)	92.1%	3.2x
 Marin SOFTWARE	7.50	48.5%	19	43	28	3	75	(20)	56.6%	0.2x
 MARCHEX	2.77	75.5%	15	119	104	0	90	(3)	45.4%	0.2x





Top Quartile:	1.2x
Median:	0.3x
Mean:	0.8x
Adj. Mean:	0.5x
Bottom Quartile:	0.2x

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	\$31.81	72.3%	\$210,139	\$146,870	\$6,030	\$66,717	\$86,730	\$28,046	69.2%	2.4x
The  Company	99.23	85.8%	175,560	149,210	4,677	26,091	55,704	16,912	45.2%	3.2x
 at&Time Warner	33.04	83.0%	318,460	203,130	48,872	163,046	159,219	45,152	51.5%	2.0x
 21ST CENTURY FOX	36.42	93.1%	83,065	67,126	5,809	19,794	29,351	6,540	35.0%	2.8x
 SONY	49.51	94.1%	70,361	62,652	11,235	12,665	80,448	10,241	27.1%	0.9x
 CBS CORPORATION	49.97	72.7%	28,880	19,003	285	10,162	13,692	3,052	38.4%	2.1x
 網易 NETEASE	253.93	67.2%	27,922	33,348	6,647	1,018	8,315	1,991	47.9%	3.4x
 VIACOM	30.75	69.7%	22,624	12,619	417	10,084	12,904	2,958	46.7%	1.8x
 Discovery COMMUNICATIONS	23.95	82.6%	21,121	13,414	7,491	14,785	6,873	2,553	61.8%	3.1x
 Stolt-Nielsen 	14.35	84.4%	3,330	785	70	2,640	2,037	444	19.7%	1.6x
 axel springer 	81.29	91.0%	10,624	8,770	260	1,485	4,278	665	38.2%	2.5x
 News Corporation	16.01	92.6%	8,126	9,383	1,856	281	8,296	817	45.3%	1.0x
 LIONSGATE	25.05	68.7%	7,266	5,043	217	2,340	4,345	520	44.5%	1.7x
 meredith	52.15	72.2%	3,011	2,350	35	697	1,681	328	63.2%	1.8x
 GANNETT	9.70	78.4%	1,329	1,095	121	355	3,146	323	37.7%	0.4x
 tronc	18.36	74.2%	812	648	190	354	1,524	124	59.3%	0.5x



















Top Quartile:	2.7x
Median:	1.9x
Mean:	1.9x
Adj. Mean:	2.0x
Bottom Quartile:	1.1x

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	\$15.83	65.2%	\$26,876	\$20,049	\$3,232	\$9,292	\$20,633	\$3,190	20.8%	1.3x
OmnicomGroup	73.91	86.5%	19,952	16,799	2,570	4,957	15,316	2,345	18.2%	1.3x
 nielsen	32.05	73.5%	19,801	11,417	462	8,646	6,656	1,697	57.6%	3.0x
 Experian	23.00	97.7%	24,402	20,829	122	3,587	4,439	1,548	43.2%	5.5x
PUBLICIS GROUPE	73.53	88.0%	17,511	16,633	2,890	3,758	11,635	2,145	39.6%	1.5x
EQUIFAX	114.28	77.7%	16,187	13,746	249	2,628	3,396	1,048	63.1%	4.8x
dentsu	47.49	79.1%	15,329	13,388	2,715	4,089	8,246	1,610	94.5%	1.9x
 IPG	23.89	91.8%	10,981	9,210	597	2,090	7,988	1,140	35.3%	1.4x
HakuhodoDY holdings	14.04	90.2%	4,300	5,234	1,186	83	11,686	532	20.3%	0.4x
STRÖER	74.39	92.6%	4,820	4,133	110	774	1,598	301	32.9%	3.0x
 acxiom	26.18	79.5%	2,111	2,060	178	230	897	82	48.4%	2.4x
MDCPartners	7.45	60.8%	1,493	445	46	883	1,514	176	32.4%	1.0x
 CHEIL worldwide	17.98	85.9%	1,616	1,945	350	12	3,159	181	29.7%	0.5x
M&CSAATCHI	5.24	88.4%	432	433	66	56	340	21	4.2%	1.3x

Top Quartile:	3.0x
Median:	1.4x
Mean:	2.1x
Adj. Mean:	1.9x
Bottom Quartile:	1.2x

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%	
	\$1,572.62	96.0%	\$782,602	\$763,078	\$24,963	\$44,487	\$193,194	\$17,233	37.8%	4.1x
	177.16	85.9%	452,474	455,209	34,446	19,877	34,874	13,747	60.7%	13.0x
	2141.72	96.1%	105,359	103,235	7,401	9,525	12,681	4,921	97.9%	8.3x
	311.76	92.0%	139,468	135,520	2,594	6,542	12,757	1,104	35.7%	10.9x
	38.23	81.4%	42,450	38,000	4,806	9,256	9,844	2,989	77.0%	4.3x
	115.07	71.5%	18,806	17,354	4,454	4,271	10,379	1,078	82.4%	1.8x
	23.31	80.1%	17,618	11,136	330	6,703	10,381	1,763	34.6%	1.7x
	341.17	81.6%	14,836	15,065	598	368	1,398	186	59.1%	10.6x
	51.63	97.9%	12,296	11,978	195	512	1,631	656	48.3%	7.5x
	142.86	83.2%	5,288	4,388	40	852	2,440	193	51.2%	2.2x
	99.37	88.4%	8,593	8,677	258	174	683	139	52.3%	12.6x
	227.10	97.4%	3,921	3,988	154	86	469	185	83.1%	8.4x
	42.34	80.2%	1,192	1,477	285	0	580	45	57.7%	2.1x
	29.50	95.3%	3,207	3,537	341	10	441	48	65.9%	7.3x
	12.75	95.7%	696	823	233	106	1,157	71	42.7%	0.6x
	13.30	74.5%	1,005	1,254	395	146	322	12	56.3%	3.1x
	36.98	41.3%	929	1,095	203	40	1,745	(30)	19.5%	0.5x
	10.70	92.6%	111	133	23	0	109	8	88.0%	1.0x






Top Quartile:	8.9x
Median:	4.2x
Mean:	5.6x
Adj. Mean:	5.4x
Bottom Quartile:	1.8x

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	\$49.49	81.5%	\$468,410	\$466,803	\$21,888	\$20,272	\$36,541	\$14,853	49.2%	12.8x
ACTIVISION BILZARD	65.79	82.6%	49,532	49,910	4,768	4,390	7,017	2,227	64.4%	7.1x
EA	117.47	89.6%	32,139	36,031	4,884	992	5,095	1,541	75.8%	6.3x
NC SOFT	336.62	72.6%	5,858	7,153	1,442	140	1,646	576	88.0%	3.6x
UBISOFT	96.67	99.7%	10,085	9,860	824	1,044	1,944	250	82.2%	5.2x
DeNA	19.12	72.5%	1,918	2,775	893	0	1,254	384	59.6%	1.5x
GungHo	3.48	80.2%	2,339	3,020	681	0	861	70	69.9%	2.7x
zynga	3.03	81.3%	1,648	2,158	515	4	820	316	61.3%	2.0x
GREE	5.55	54.4%	539	1,300	737	0	676	101	63.0%	0.8x
















































Top Quartile:	6.9x
Median:	4.4x
Mean:	5.1x
Adj. Mean:	4.5x
Bottom Quartile:	2.2x

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	\$47.26	79.1%	\$8,732	\$9,109	\$763	\$385	\$1,077	\$83	92.1%	8.1x
xo group/	21.30	94.5%	430	536	106	0	161	17	93.4%	2.7x
 DHI	1.45	37.2%	104	75	12	41	208	31	85.6%	0.5x
 TechTarget®	20.78	99.0%	570	571	34	32	109	15	73.9%	5.3x
 Care.com®	15.64	74.9%	430	481	102	0	174	12	79.5%	2.5x
 eHealth®	18.26	63.9%	311	346	35	0	174	(26)	98.7%	1.8x

Top Quartile:	6.0x
Median:	2.6x
Mean:	3.5x
Adj. Mean:	3.0x
Bottom Quartile:	1.5x

Recently Closed Transactions

Close Date	Acquiror	Target	Segment	Enterprise Value (\$M)	EV / Revenue
Jan-18	 ICE	 KCG BondPoint	FinTech 	\$400	N/A
Jan-18	 DiDi	 99	eCommerce 	\$1,000	N/A
Jan-18	 LIVE X LIVE	 Slacker RADIO	Content 	\$50	1.9x
Jan-18	 ARISTOCRAT	 BIG FISH Games	Content 	\$990	2.2x
Jan-18	 gocompare.com	 MyVoucherCodes	Mar/Adtech 	\$50	3.1x
Jan-18	The WALT DISNEY Company	 BAMTECH	Content 	\$1,580	N/A
Jan-18	 TSYS	 CAYAN	FinTech 	\$1,050	N/A
Jan-18	 LeoVegas	 Intellectual Property & Software (Ltd)	Content 	\$90	2.0x
Jan-18	 vantiv	 worldpay	FinTech 	\$12,855	N/A
Jan-18	 catenamedia	 DX	Marketing Tech 	\$12	16.5x
Jan-18	 SG SCIENTIFIC GAMES	 NYX GAMING GROUP	Content 	\$623	N/A
Feb-18	 HANES Brands	 bras N things	eCommerce 	\$394	2.9x
Feb-18	 STARS GROUP	 CrownBet	Content 	\$118	1.2x
Mar-18	 proofpoint	 wombat security technologies	EdTech 	\$225	7.3x
Mar-18	 Discovery COMMUNICATIONS	 scrippsnetworks interactive	Content 	\$14,600	4.8x
Mar-18	 Pentland	 ENDURA	eCommerce 	\$57	2.5x


Recently Closed Financings

Close Date	Lead Investor(s)	Target	Segment	Transaction Size	Pre-Money Valuation
Jan-18	 DiDi  SoftBank		eCommerce 	\$2,500	\$4,000
Jan-18	 华人文化产业投资基金 CHINA MEDIA CAPITAL		eCommerce 	\$450	\$2,350
Jan-18	 SoftBank		eCommerce 	\$560	\$2,971
Jan-18	 SoftBank		eCommerce 	\$1,250	\$68,325
Jan-18	 ASTRA international		FinTech 	\$1,500	\$3,500
Jan-18	 SoftBank		eCommerce 	\$300	\$350
Feb-18		 India's largest online supermarket	eCommerce 	\$300	\$650
Mar-18			FinTech 	\$150	\$1,850
Mar-18			VR / AR 	\$963	\$5,450
Mar-18			Content 	\$632	\$868
Mar-18	 SoftBank		FinTech 	\$120	\$480
Mar-18			eCommerce 	\$1,700	\$10,000
Mar-18			eCommerce 	\$75	\$1,675
Mar-18			FinTech 	\$100	\$700
Mar-18	 FOUNDERS FUND		FinTech 	\$165	\$3,035

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 Transactions

 has been acquired by  Advisor to Native	 a portfolio company of  has completed a debt financing with  Advisor to Mercury Media	 owner of  has received an investment from  Topspin Partners Advisor to Bear Down	 has completed a growth financing with  Advisor to Ad Exchange Group	 has been acquired by  Advisor to Threshold Interactive
 Pitch, Inc. 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 Dedicated Media*	 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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