

# Marketing, Media, and Technology Industries

## 1,813 Transactions Totaling a Reported \$85.9 Billion in 1H18

- Digital Media/Commerce was the Most Active Segment with 802 Transactions, followed by Marketing Technology with 521 Transactions
- Digital Media/Commerce was the Highest Value Segment with \$39.4 Billion in Reported Deal Value

During 1H18, Petsky Prunier tracked 1,813 M&A and investment transactions for a total of \$85.9 billion across five broad segments: Digital Media/Commerce, Digital Advertising, Marketing Technology, Agency & Marketing Services, and Traditional Media. Digital Media/Commerce and Marketing Technology were the most active segments with 802 and 521 transactions, respectively, while Digital Media/Commerce was the highest reported value segment totaling \$39.4 billion.

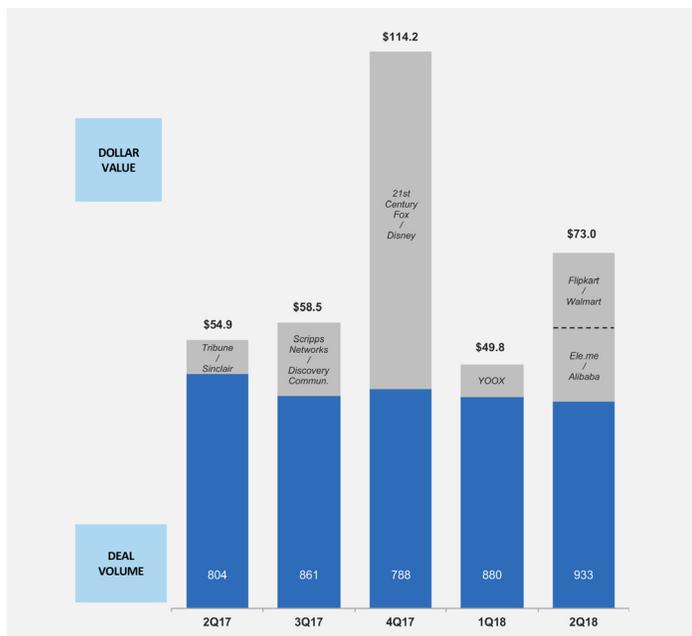
[continued on page 2]

Overview	1
<b>Segment Analysis</b>	
Digital Media/Commerce	6
Digital Advertising	7
Marketing Technology	8
Agency & Marketing Services	9
Traditional Media	10
<b>Selected Recent Transactions</b>	
	11
<b>About Petsky Prunier</b>	
	12

### Marketing, Media, and Technology Industries

#### 2Q17-2Q18 M&A and Investment Activity

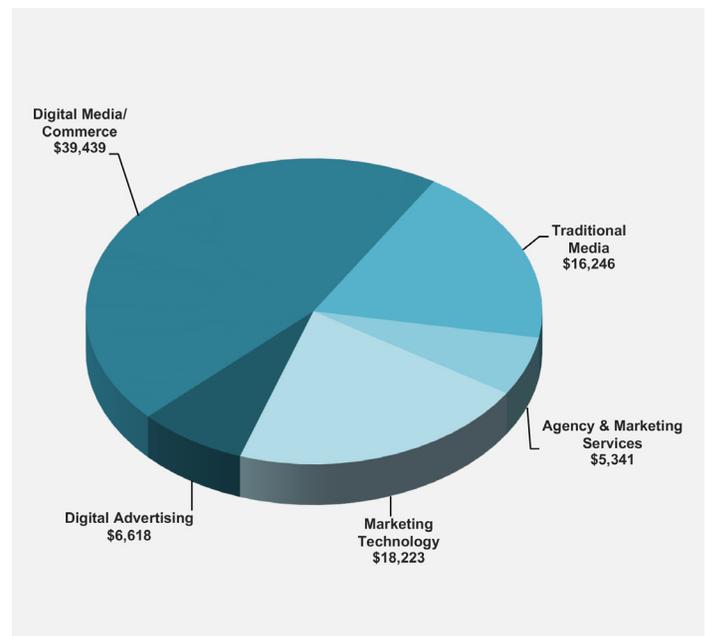
(\$ in Billions)



### Marketing, Media, and Technology Industries

#### 1H18 M&A and Investment Activity

(\$ in Millions)



Transactions valued at \$6 billion or more have been excluded from totals to limit comparative distortions. The aggregate total for 2Q17 for Traditional Media does not include Sinclair Broadcast Group's pending \$6.6 billion acquisition of Tribune Media. The aggregate total for 3Q17 does not include Discovery Communications' \$15 billion acquisition of Scripps Networks. The aggregate total for 4Q17 does not include Disney's pending \$69 billion acquisition of 21st Century Fox. The aggregate total for 1Q18 does not include Richemont's \$6.4 billion acquisition of YOOX Net-A-Porter. The aggregate total for 2Q18 does not include Walmart's pending \$21 billion majority stake in Flipkart and Alibaba's pending \$9.5 billion acquisition of Ele.me.

[continued from page 1]

## M&A Activity

Acquisitions accounted for more than 57 percent of total transaction value in the first half of the year and more than half of total volume. Digital Media/Commerce was the most active M&A segment with 266 transactions, of which 36 were reported for \$11.6 billion in value, not including Richemont's \$6.4 billion acquisition of YOOX Net-A-Porter in 1Q18, as well as Walmart's pending \$21 billion majority stake in India-based Flipkart and Alibaba's pending \$9.5 billion acquisition of Ele.me, both announced in 2Q18. The most active subsegment was eCommerce with 90 acquisitions. Digital Media/Commerce transactions announced during 1H18 included:

- The sale of online pharmacy Pillpack to Amazon for approximately \$1 billion in cash
- Lyft's acquisition of bike-share programs operator Motivate for a reported \$250 million
- Kroger's purchase of meal kit delivery company Home Chef for \$200 million, a purchase that could see its value increase to \$700 million within the next five years contingent on certain growth milestones
- The pending acquisition of FanDuel by Paddy Power Betfair in a transaction for which PPB will contribute its U.S.-based assets and \$156 million in cash in exchange for a 61 percent stake in the combined company

Marketing Technology was the second most active M&A segment with 247 transactions, of which 56 were reported for \$13.3 billion in value. Compared with the second half of 2017, reported acquisition value and volume were up 83 percent and 22 percent, respectively, in 1H18. Analytics & Targeting was the most active subsegment with 28 transactions in the half, followed by CRM and Commerce Management with 21 and 20 transactions, respectively. Transactions in the segment announced during 1H18 included:

- Adobe's acquisition of Magento from Permira in a transaction valued at \$1.7 billion
- The pending sale of AppNexus to AT&T for, reportedly, \$1.6 billion
- The acquisition of website design and hosting services company Weebly by Square for \$385 million
- Oracle's purchase of contextual intelligence specialist Grapeshot in a transaction valued between a reported \$300 million and \$400 million
- Cisco's acquisition of relationship intelligence and prospect discovery platform Accompani for \$275 million

The Agency & Marketing Services segment reported 183 M&A transactions in the first half of the year, of which 23 were reported for \$4.8 billion in aggregate value. Select transactions in the segment announced during 1H18 included:

- Germany-based tourism company TUI's \$136 million acquisition of destination management and event production services company Destination Services
- The sale of agency WongDoody to Infosys for \$75 million
- Deluxe's \$43 million purchase of small business branding and marketing services company LogoMix
- Carlyle-backed, global IT solutions company ProKarma's acquisition of Lenati, a leading independent marketing and sales strategy consultancy (*A Petsky Prunier-led transaction*)

First half M&A activity in the Traditional Media segment was up 15 percent compared with the second half of 2017, while value was up 14 percent with 132 transactions, of which 31 reported \$15.6 billion in value. The Entertainment Media subsegment accounted for more than 30 percent of the segment's total M&A activity with 40 deals announced. Transactions in the Traditional Media segment announced during 1H18 included:

- The pending \$3.6 billion acquisition of broadcaster Raycom Media by Gray Television in a transaction that will see the combination operate as the third largest owner of local TV stations in the U.S.
- The sale of Ascential's Exhibitions Business to ITE Group for \$405 million
- Clarion Events' \$300 million acquisition of B-to-B media company PennWell

## Investment Activity

There were 903 investments during 1H18, of which 807 were reported for \$36.3 billion. Activity for venture and growth capital investments was up five percent from the second half of 2017, while reported value was down 20 percent. Nearly 90 percent of first-half investments were made in the Digital Media/Commerce and Marketing Technology segments with 536 and 274 deals announced, respectively. Digital Media/Commerce was the highest value segment during the quarter with 497 transactions reported for \$27.8 million in value. Investments in the segment during 1H18 included:

- Lyft's \$600 million round of funding at a reported valuation of \$15.1 billion from Fidelity Investments and Senator Investment Group
- The \$350 million in total funding received by grocery delivery company Instacart from Coatue Management and Glade Brook Capital Partners at a reported valuation of more than \$4.2 billion
- Online real estate marketplace Opendoor's \$325 million investment led by General Atlantic, Access Technology Ventures, and Lennar

[continued on page 3]

[continued from page 2]

- Pet sitter and dog walker network Rover.com's \$125 million investment from T. Rowe Price, Winslow Capital, Greenspring Associates, and Spark Capital
- Wedding registry platform Zola's \$100 million round of funding from Comcast Ventures, NBCUniversal, Goldman Sachs Investment Partners, Lightspeed Venture Partners, Canvas Ventures, and Thrive Capital
- The \$145 million investment received by search and analytics solutions company ThoughtSpot from Lightspeed Venture Partners, Khosla Ventures, General Catalyst, Future Fund, and Sapphire Ventures
- Evergreen Coast Capital's \$100 million investment in content personalization and search solutions company Coveo at a reported valuation of \$400 million

Marketing Technology was the second most active investment segment with 274 transactions, of which 237 were reported for \$5 billion in value. Analytics & Targeting and CRM investments accounted for nearly one-quarter of the segment's activity with 42 and 26 investments, respectively. Investments in the segment during 1H18 included:

- Sales automation platform Outreach's \$65 million investment from Spark Capital, Sapphire Ventures, Mayfield Fund, Microsoft Ventures, and Trinity Ventures
- The \$60 million investment in conversational marketing and sales platform Drift From Sequoia Capital, CRV, and General Catalyst

[continued on page 4]

### 1H18 Most Active Strategic Buyers by Number of Transactions

Buyer	Number of Transactions	Representative Transactions
<b>dentsu</b>	11	          
<b>informa</b>	6	     
<b>WPP</b>	6	    
<b>accenture</b>	5	    
<b>HAKUHODO</b>	4	   
<b>Publicis WORLDWIDE</b>	3	  
<b>Square</b>	3	  

[continued from page 3]

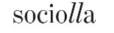
There were 53 investments in the Digital Advertising segment in 1H18, of which 48 reported nearly \$2.2 billion in value. The most active subsegments were Vertical Search and Local Search, announcing 21 and 13 investments, respectively. Digital Advertising investments during 1H18 included:

- Online wedding marketplace WeddingWire's \$350 million investment from Permira

- The \$44 million investment received by cash-back application Dosh from Goodwater Capital and PayPal
- Online auto insurance platform Right Choice Insurance Brokers' \$38 million investment from LDC
- FTV Capital's \$35 million investment in digital rewards and incentives specialist Tango Card

[continued on page 5]

### 1H18 Most Active Investors by Number of Transactions

Investor	Number of Transactions	Representative Investments
	31	                     
	29	                    
	25	                    
	17	              
	15	            
	14	             
	13	             
	12	          

[continued from page 4]

## Buyer & Investor Activity

Strategic buyers accounted for 92 percent of all control transactions in 1H18 with 835 strategic deals announced, 146 of which were reported for \$34 billion in value. Activity was dominated by the Digital Media/Commerce, Marketing Technology, and Agency & Marketing Services segments throughout the first half of the year, accounting for 76 percent of total activity. The most active strategic acquirer was advertising holding company Dentsu with 11 transactions, followed by Informa and WPP, both of which announced six transactions in the first half of the year.

Buyout firms completed 75 acquisitions in 1H18, of which 19 were reported for \$15.6 billion in value. One-third of all buyout transactions were in the Marketing Technology segment with 25 deals, of which six were valued at \$4 billion. Buyout transactions announced in 1H18 included:

- Silver Lake's pending \$3.4 billion acquisition of home-related digital media and lead generation platform ZPG
- The pending \$2.5 billion acquisition of team sports retailer and school spirit activities company Varsity Brands by Bain Capital Private Equity
- Siris Capital's pending \$1.9 billion take-private of Web.com
- The majority stake taken by Vista Equity Partners in online brand protection and risk management services company Integral Ad Science in a transaction valuing the company at a reported \$835 million

Venture and growth capital investors accounted for 903 transactions, of which 807 were reported for \$36.3 billion in value. Compared to 1H17, investment activity was up nine percent while value was down eight percent. Tencent and Sequoia Capital were the most active investors during 1H18 with each completing 31 and 29 investments, respectively.

## IPO Activity

China-based video-sharing website Bilibili, purchase intelligence platform Cardlytics, auto insurance marketplace EverQuote, China-based game live-streaming platform HUYA, China-based online entertainment services firm iQIYI, music-streaming platform Spotify, China-based used car marketplace Uxin, and subscription management platform Zuora completed IPOs in the first half of the year. Sales, marketing, and merchandising solutions company Advantage Solutions and China-based used-automobile marketplace Cango submitted IPO filings in 1H18, but have yet to price.

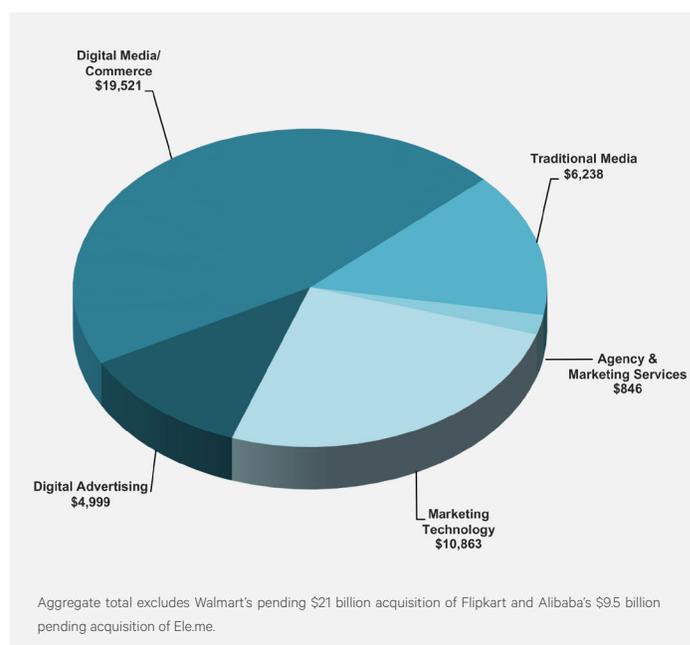
## 2Q18 M&A and Investment Activity

In 2Q18, Petsky Prunier tracked 933 M&A and investment transactions, of which 483 were reported for a total of \$42.5 billion in aggregate value. Digital Media/Commerce was the most active and highest value segment in 2Q18, accounting for 46 percent of aggregate reported deal value. Aside from Walmart's pending acquisition of Flipkart and Alibaba's pending acquisition of Ele.me, the largest M&A transaction of the quarter was the pending \$3.4 billion acquisition of ZPG by Silver Lake. The largest fundraising in 2Q18 was Tencent's \$3 billion investment in China-based online group buying platform Pinduoduo.

Marketing, Media, and Technology Industries

### 2Q18 M&A and Investment Activity

(\$ in Millions)



\*All values as of 5pm ET on 6/29/18. Transaction values include only reported up-front cash payments and do not account for any potential future performance-based compensation unless noted.

# Digital Media/Commerce

## M&A and Investment Activity

Petsky Prunier tracked 802 transactions (266 acquisitions and 536 investments) in the Digital Media/Commerce segment during the first half of 2018, of which 533 had aggregate reported value of \$39.4 billion. Reported segment volume and value in 2Q18 were both flat compared to the previous quarter. eCommerce was the most active subsegment during the first half with 367 transactions (90 acquisitions and 277 investments), followed by Mobile Content/Apps with 114 reported transactions. Together, these two subsegments accounted for 60 percent of the segment's total activity in the first half. In addition to Walmart's pending \$21 billion majority stake in Flipkart, Alibaba's pending \$9.5 billion acquisition of Ele.me, and the sale of online pharmacy Pillpack to Amazon in a transaction valued at \$1 billion, transactions during the first half of the year included:

- Amer Sports' \$310 million purchase of online apparel retailer Peak Performance from IC Group
- The \$50 million acquisition of augmented reality gaming company Escher Reality by Niantic
- Helios and Matheson-owned movie subscription company MoviePass' acquisition of movie and television news and content company MovieFone from Verizon-owned Oath for a reported \$23 million

In addition to Coatue Management's \$150 million investment in Instacart, Digital Media/Commerce investments during the first half of the year included:

- IVP and CCP Investment Board's \$120 million investment in online fashion retailer Lulu's Fashion Lounge
- Business catering marketplace ezCater's \$100 million round of funding led by Wellington Management
- The \$300 million round of funding received by electric scooter-sharing company Bird at a reported valuation of \$2 billion from Sequoia Capital, Accel Partners, and B Capital Group
- Gaming-focused chat application Discord's \$50 million investment at a reported valuation of \$1.6 billion from Benchmark Capital, Spark Capital, IVP, and Tencent

## Most Active Digital Media/Commerce Subsegments

Subsegment	1Q18		2Q18		LTM		2Q18 vs 1Q18 (% Change)	
	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value
eCommerce	185	11,594	182	16,091	675	64,914	(2%)	39%
Digital Marketplace	46	2,634	67	1,355	215	7,440	46%	(49%)
Mobile Content/Apps	66	1,835	48	603	225	4,053	(27%)	(67%)
Niche Content	45	1,007	42	417	126	2,239	(7%)	(59%)
Gaming	42	838	31	835	124	4,680	(26%)	(0%)
Social Media/Apps	23	2,010	23	181	102	4,845	0%	(91%)
Other	1	0	1	41	2	41	0%	NM
<b>Total</b>	<b>408</b>	<b>19,918</b>	<b>394</b>	<b>19,521</b>	<b>1,469</b>	<b>88,211</b>	<b>(3%)</b>	<b>(2%)</b>

## Buyers & Investors

Strategic buyers completed 244 deals in 1H18, of which 30 were worth \$8.2 billion in aggregate reported value. In the second quarter, strategic deal activity was up 18 percent compared with 1Q18, while reported value was flat. The most active strategic buyer during the first half of the year was Microsoft with five acquisitions. VC and growth firms completed 249 investments in 2Q18, of which 233 had an aggregate reported value of \$12.6 billion.

## Digital Media/Commerce Transactions by Type of Buyer/Investor

Subsegment	1Q18		2Q18		LTM		2Q18 vs 1Q18 (% Change)	
	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value
Strategic	112	4,059	132	4,099	429	21,519	18%	1%
Private Equity - Buyout	9	583	13	2,858	31	3,441	44%	391%
Private Equity - VC/Growth Capital	287	15,277	249	12,565	1,009	63,252	(13%)	(18%)
<b>Total</b>	<b>408</b>	<b>19,918</b>	<b>394</b>	<b>19,521</b>	<b>1,469</b>	<b>88,211</b>	<b>(3%)</b>	<b>(2%)</b>

Note: Digital Media/Commerce's aggregate total for 1Q18 does not include Richemont's \$6.6 billion acquisition of YOOX Net-A-Porter. The aggregate total for 2Q18 does not include Walmart's pending \$21 billion acquisition of Flipkart and Alibaba's pending \$9.5 billion acquisition of Ele.me.

# Digital Advertising

## M&A and Investment Activity

There were 135 transactions (82 acquisitions and 53 investments) in the Digital Advertising segment during 1H18, of which 67 had aggregate reported value of \$6.6 billion. In comparison with 1Q18, value in the second quarter jumped more than 200 percent, while volume was up eight percent. Vertical Search and Digital Video were the most active subsegments in the first half with 37 and 16 transactions, respectively. In addition to Silver Lake's pending \$3.4 billion take-private acquisition of ZPG, transactions during the first half of the year included:

- Goldman Sachs Merchant Banking and Hearst's acquisition of online deals community Slickdeals from Warburg Pincus in a transaction reportedly valued at more than \$500 million
- Groupon's \$65 million purchase of online discount code platforms operator Cloud Savings
- The \$57 million acquisition of online broadband and mobile phone deals comparison company Decision Tech by Moneysupermarket.com
- The joint venture formed by Internet Brands and Henry Schein that will see Internet Brands' Demandforce, Sesame Communications, Officite, and Dentalplans.com businesses integrated into Henry Schein's Practice Solutions division
- Red Ventures' sale of Caring.com, a leading customer acquisition platform focused on the senior care market, to a consortium of family office and private equity investors and digital marketing experts (*A Petsky Prunier-led transaction*)

In addition to Silver Lake's \$500 million investment in Credit Karma, Digital Advertising investments in 1H18 included:

- The \$65 million round of funding received by loan comparison search platform Smava at a reported valuation of \$300 million from Vitruvian Partners and Runa Capital
- The \$53 million investment in cruise booking and search platform Dreamlines from Princeville Global, Holtzbrinck Ventures, Tiger Global, Dimaventures, and Hasso Plattner Ventures

## Most Active Digital Advertising Subsegments

Subsegment	1Q18		2Q18		LTM		2Q18 vs 1Q18 (% Change)	
	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)
Vertical Search	18	132	19	3,879	64	4,289	6%	2,838%
Digital Video	7	663	9	63	26	971	29%	(91%)
Comparison Shopping	5	80	8	229	33	637	60%	185%
Local Search	7	0	8	11	34	818	14%	NM
Digital Promotion/Coupon	1	0	7	661	21	688	600%	NM
Affiliate/CPA Network	4	18	6	72	19	153	50%	303%
Online Lead Generation	7	545	6	51	20	2,083	(14%)	(91%)
Mobile Marketing	4	3	5	28	22	2,101	25%	1,000%
Ad Networks/Exchanges	7	104	2	8	26	1,065	(71%)	(92%)
Search Marketing	3	5	0	0	7	8	(100%)	(100%)
Email Services	1	39	0	0	2	39	(100%)	(100%)
<b>Total</b>	<b>65</b>	<b>1,619</b>	<b>70</b>	<b>4,999</b>	<b>276</b>	<b>12,887</b>	<b>8%</b>	<b>209%</b>

## Buyers & Investors

The reported value of transactions completed by strategic buyers increased more than 200 percent between the first and second quarter, while volume remained flat. Venture and growth capital investors also saw an increase in activity in the second quarter, with 28 transactions announced, a 12 percent increase over 1Q18.

## Digital Advertising Transactions by Type of Buyer/Investor

Subsegment	1Q18		2Q18		LTM		2Q18 vs 1Q18 (% Change)	
	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)
Strategic	39	236	40	717	152	4,511	3%	205%
Private Equity - Buyout	1	39	2	3,377	7	3,416	100%	8,616%
Private Equity - VC/Growth Capital	25	1,345	28	904	117	4,960	12%	(33%)
<b>Total</b>	<b>65</b>	<b>1,619</b>	<b>70</b>	<b>4,999</b>	<b>276</b>	<b>12,887</b>	<b>8%</b>	<b>209%</b>

# Marketing Technology

## M&A and Investment Activity

A total of 521 deals (247 acquisitions and 274 investments) were completed in the Marketing Technology segment in 1H18, of which 293 had a reported aggregate value of \$18.2 billion. Activity in the second quarter of the year was driven primarily by the Analytics & Targeting and Commerce Management subsegments, which reported 36 and 23 transactions, respectively. In addition to Magento's sale to Adobe for \$1.7 billion and the pending sale of AppNexus to AT&T in a transaction valued at a reported \$1.6 billion, Marketing Technology M&A in the first half of the year included:

- The acquisition of online marketing software company WordStream by Gannett for \$130 million in cash plus up to \$20 million in an earnout contingent upon certain revenue goals
- The purchase of Mattersight by NICE Systems in a transaction valuing the company at \$113 million
- TZP Growth Partners' acquisition of FreshAddress, a provider of data-driven, enterprise-level B2C email database solutions (A *Petsky Prunier-led transaction*)

Analytics & Targeting was the most invested subsegment during the first half of 2018 with 42 transactions announced, accounting for 15 percent of total investments in the segment. Compared with 1Q18, investment value in the Marketing Technology segment was up 46 percent in the second quarter, while volume was up eight percent. In addition to Silver Lake's \$250 million investment in WP Engine, Marketing Technology investments in 1H18 included:

- The \$50 million investment received by sales engagement platform SalesLoft from Insight Venture Partners, Emergence Capital, and LinkedIn
- SaaS-based data collection and cleansing automation solution WorkFusion's \$50 million round of funding from Hawk Equity, Declaration Partners, and iNovia Capital
- The Greycroft Partners-led \$40 million investment in SEMrush, developer of an analytics platform for digital marketing professionals

## Most Active Marketing Technology Subsegments

Subsegment	1Q18		2Q18		LTM		2Q18 vs 1Q18 (% Change)	
	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)
Analytics & Targeting	34	341	36	3,222	161	6,447	6%	844%
Commerce Management	15	1,163	23	1,957	78	4,895	53%	68%
CRM	26	357	21	417	90	1,560	(19%)	17%
MRM/Workflow Management	16	380	20	149	68	943	25%	(61%)
Search & Discovery	17	75	20	1,018	69	2,527	18%	1,263%
Social Technology	13	508	20	80	54	1,166	54%	(84%)
Email/Messaging Software	9	104	18	269	57	693	100%	157%
SFA/Lead Management	14	2,705	18	223	63	3,513	29%	(92%)
Content Management	25	393	11	148	70	1,154	(56%)	(62%)
Other	77	1,335	88	3,380	301	8,084	14%	153%
<b>Total</b>	<b>246</b>	<b>7,360</b>	<b>275</b>	<b>10,863</b>	<b>1,011</b>	<b>30,982</b>	<b>12%</b>	<b>48%</b>

## Buyers & Investors

Majority transaction activity in 1H18 was dominated by strategic buyers, which completed 222 deals, of which 50 had an aggregate reported value of \$9.3 billion. The most active buyer in the segment during the first half of 2018 was Nielsen, which completed three acquisitions. Venture and growth capital investors announced 142 transactions in the second quarter, of which 124 were reported for \$2.9 billion in value, up 46 percent from 1Q18.

## Marketing Technology Transactions by Type of Buyer/Investor

Subsegment	1Q18		2Q18		LTM		2Q18 vs 1Q18 (% Change)	
	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)
Strategic	103	4,090	119	5,161	400	14,839	16%	26%
Private Equity - Buyout	11	1,255	14	2,767	49	5,676	27%	121%
Private Equity - VC/Growth Capital	132	2,016	142	2,935	562	10,467	8%	46%
<b>Total</b>	<b>246</b>	<b>7,360</b>	<b>275</b>	<b>10,863</b>	<b>1,011</b>	<b>30,982</b>	<b>12%</b>	<b>48%</b>

# Agency & Marketing Services

## M&A and Investment Activity

There were 204 transactions (183 acquisitions and 21 investments) in the Agency & Marketing Services segment in the first half of 2018, of which 35 were worth \$5.3 billion in aggregate reported value. Segment volume in the second quarter was up 24 percent versus 1Q18; value was down more than 80 percent, primarily due to one transaction in the previous quarter, the take-private of Blackhawk Network by Silver Lake and P2 Capital Partners valued at \$3.8 billion. Digital Agency was the most active subsegment during 1H18 with 75 deals, of which 12 were reported for \$427 million in aggregate deal value. Agency & Marketing Services transactions during the first half of the year included:

- Trimantium GrowthOp's purchase of digital transformation strategy and marketing services firm Asia Pacific Digital for \$22 million
- Goldman Sachs and Olympus Partners' sale of event experiences and technology services company PSAV to The Blackstone Group
- The acquisition of HALO Branded Solutions by TPG Growth from Audax Private Equity
- Hakuodo's acquisitions of digital creative agency IdeasXMachina and digital marketing and agency services provider Kepler Group
- Events production and experiential services company Villain's sale to Vice Media

## Most Active Agency & Marketing Services Subsegments

Subsegment	1Q18		2Q18		LTM		2Q18 vs 1Q18 (% Change)	
	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)
Digital Agency	32	343	43	84	149	688	34%	(75%)
Loyalty/Retention	3	3,827	14	336	31	6,853	367%	(91%)
Public Relations	15	0	9	95	48	95	(40%)	NM
Design Agency	4	0	6	43	17	61	50%	NM
Marketing Consulting	3	28	6	0	13	40	100%	(100%)
Specialty Agency	2	80	6	6	22	1,281	200%	(92%)
Experiential Marketing	4	0	5	136	18	159	25%	NM
Healthcare Agency	4	110	4	0	15	313	0%	(100%)
B-to-B Agency	1	0	3	0	8	8	200%	NM
General Agency	6	6	3	15	22	1,409	(50%)	143%
Social Agency	1	0	3	0	13	0	200%	NM
Ad Specialty/Premiums	4	0	2	0	13	83	(50%)	NM
Other	12	102	9	130	46	1,070	(25%)	27%
<b>Total</b>	<b>91</b>	<b>4,496</b>	<b>113</b>	<b>846</b>	<b>415</b>	<b>12,059</b>	<b>24%</b>	<b>(81%)</b>

## Buyers & Investors

The most active buyer in Agency & Marketing Services during the first half of the year was Dentsu with nine acquisitions, followed by WPP with five. Including Silver Lake's \$3.8 billion take-private acquisition of Blackhawk Network, private equity buyers announced 14 transactions in the first half of the year, and deal value was up more than 120 percent compared with the second half of 2017.

## Agency & Marketing Services Transactions by Type of Buyer/Investor

Subsegment	1Q18		2Q18		LTM		2Q18 vs 1Q18 (% Change)	
	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)
Strategic	76	450	93	512	349	4,801	22%	14%
Private Equity - Buyout	6	3,827	8	0	33	5,497	33%	(100%)
Private Equity - VC/Growth Capital	9	219	12	333	33	1,761	33%	52%
<b>Total</b>	<b>91</b>	<b>4,496</b>	<b>113</b>	<b>846</b>	<b>415</b>	<b>12,059</b>	<b>24%</b>	<b>(81%)</b>

# Traditional Media

## M&A and Investment Activity

A total of 151 transactions (132 acquisitions and 19 investments) were reported among Traditional Media companies in 1H18, of which 44 deals reported \$16.2 billion in aggregate value. Segment activity in 2Q18 was up 16 percent from the previous quarter with 81 transactions, of which 23 were reported at \$6.2 billion in aggregate value. In addition to Informa's pending \$5.3 billion acquisition of UBM, Traditional Media transactions during the first half of the year included:

- oOh!media's pending \$442 million acquisition of Australia-based out-of-home media company Adshel
- The \$395 million purchase of radio broadcaster Newfoundland Capital by Stingray Digital Media
- ABRY Partners' \$380 million acquisition of cinema advertising services company ScreenVision Media
- Tronc's purchase of daily newspaper *The Virginia-Pilot* for \$34 million
- The sale of NewBay Media to U.K.-based publisher Future for \$12.2 million in cash, \$1.5 million in stock, and an earn-out of \$5.6 million, payable January 2019 if goals are met
- The \$100 million growth investment received by UFC competitor One Championship at a reported valuation of \$1 billion from Sequoia Capital, Heliconia Capital Management, and Temasek

## Most Active Traditional Media Subsegments

Subsegment	1Q18		2Q18		LTM		2Q18 vs 1Q18 (% Change)	
	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)
Entertainment Media	33	791	25	425	114	3,960	(24%)	(46%)
B-to-B Media	9	5,290	20	705	52	6,856	122%	(87%)
Newspaper Publishing	8	680	9	50	29	916	13%	(93%)
Broadcast Television	3	2,717	7	3,709	24	8,961	133%	37%
Consumer Magazine Publishing	8	240	6	19	32	3,351	(25%)	(92%)
Consumer Book Publishing	1	0	5	8	10	4,474	400%	NM
Traditional Outdoor	4	275	5	442	17	961	25%	61%
Digital Place-Based Media	3	0	2	393	10	543	(33%)	NM
Radio	1	17	2	485	3	502	100%	2,753%
<b>Total</b>	<b>70</b>	<b>10,008</b>	<b>81</b>	<b>6,238</b>	<b>291</b>	<b>30,523</b>	<b>16%</b>	<b>(38%)</b>

## Buyers & Investors

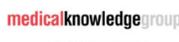
Value within the Traditional Media segment continues to be primarily driven by strategic buyers with 121 transactions announced in the first half of the year, of which 27 were worth \$14.6 billion. Consolidation within the B-to-B Media subsegment, including the pending acquisitions of UBM, Ascential's Exhibitions Business, and PennWell, contributed to the 14 percent first-half spike in value for the segment.

## Traditional Media Transactions by Type of Buyer/Investor

Subsegment	1Q18		2Q18		LTM		2Q18 vs 1Q18 (% Change)	
	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)
Strategic	54	9,189	67	5,456	227	24,820	24%	(41%)
Private Equity - Buyout	5	545	6	380	20	4,350	20%	(30%)
Private Equity - VC/Growth Capital	11	275	8	402	44	1,353	(27%)	46%
<b>Total</b>	<b>70</b>	<b>10,008</b>	<b>81</b>	<b>6,238</b>	<b>291</b>	<b>30,523</b>	<b>16%</b>	<b>(38%)</b>

Note: Traditional Media's aggregate total for 2Q17 does not include Sinclair Broadcast Group's pending \$6.6 billion acquisition of Tribune Media. The aggregate total for 3Q17 does not include Discovery Communications' \$15 billion acquisition of Scripps Networks. The aggregate total for 4Q17 does not include Disney's pending \$69 billion acquisition of 21st Century Fox.

# Selected Recent Transactions

 <p>has been sold to</p>  <p>PetskyPrunier</p>	 <p>has been sold to</p>  <p>PetskyPrunier</p>	 <p>a portfolio company of</p> <p>THE GORES GROUP</p> <p>has been sold to</p>  <p>PetskyPrunier</p>	 <p>a portfolio company of</p> <p>ACP ARLINGTON CAPITAL PARTNERS</p> <p>has been sold to</p>  <p>PetskyPrunier</p>	 <p>a division of</p> <p>RED VENTURES</p> <p>has been sold to</p> <p>a consortium of family office and private equity investors</p> <p>PetskyPrunier</p>	 <p>has successfully completed a Series B Financing led by</p>  <p>PetskyPrunier</p>
 <p>has announced a definitive merger agreement with</p>  <p>a portfolio company of</p> <p>THE CARLYLE GROUP (NASDAQ: CG)</p> <p>PetskyPrunier</p>	 <p>has acquired</p>  <p>PetskyPrunier</p>	 <p>a portfolio company of</p> <p>S3 Ventures</p> <p>has been sold to</p> <p>INDUSTRIAL COLOR STUDIOS</p> <p>a portfolio company of</p> <p>Frontenac</p> <p>PetskyPrunier</p>	 <p>has received a strategic investment from</p>  <p>PetskyPrunier</p>	 <p>a portfolio company of</p> <p>BRIDGE STREET CAPITAL</p> <p>has sold a majority stake to</p> <p>SATORI CAPITAL</p> <p>PetskyPrunier</p>	 <p>has received a growth investment from</p>  <p>PetskyPrunier</p>
 <p>has sold its auto insurance, home insurance, mortgage, and technology assets</p> <p>to</p>  <p>PetskyPrunier</p>	 <p>a portfolio company of</p> <p>NEW HAVEN VENTURE CAPITAL</p> <p>has been sold to</p> <p>CLARITAS</p> <p>a portfolio company of</p> <p>THE CARLYLE GROUP</p> <p>PetskyPrunier</p>	 <p>has received a significant investment from</p> <p>NCP NORTHLANE CAPITAL PARTNERS</p> <p>PetskyPrunier</p>	 <p>has received an investment from</p> <p>TransUnion</p> <p>PetskyPrunier</p>	 <p>has received a strategic investment from</p> <p>H. I. G. GROWTH PARTNERS</p> <p>PetskyPrunier</p>	 <p>has sold a majority stake to</p> <p>BERINGER CAPITAL</p> <p>PetskyPrunier</p>
 <p>has sold its Over 65 health insurance and life insurance business including</p> <p>Healthplans.com</p> <p>to</p> <p>MediaAlpha</p> <p>a portfolio company of</p> <p>Alac Mountains INVESTMENTS (NYSE:WTM)</p> <p>PetskyPrunier</p>	 <p>has acquired</p>  <p>PetskyPrunier</p>	 <p>has received an investment from</p> <p>LIGHTYEAR CAPITAL</p> <p>PetskyPrunier</p>	 <p>has been sold to</p> <p>sandbox</p> <p>PetskyPrunier</p>	 <p>has been sold to</p> <p>RED VENTURES</p> <p>PetskyPrunier</p>	 <p>has been sold to</p> <p>TractManager</p> <p>a portfolio company of</p> <p>ARSENAL CAPITAL PARTNERS</p> <p>PetskyPrunier</p>
 <p>has sold a majority stake to</p>  <p>PetskyPrunier</p>	 <p>a portfolio company of</p> <p>CIVIC PARTNERS</p> <p>has been recapitalized by</p> <p>MTS HEALTH PARTNERS</p> <p>PetskyPrunier</p>	 <p>has been sold to</p> <p>ADVANTAGE SOLUTIONS</p> <p>PetskyPrunier</p>	 <p>has been sold to</p> <p>FIDELITY NATIONAL FINANCIAL (NYSE: FNFV)</p> <p>PetskyPrunier</p>	 <p>has sold its indirect wholly-owned subsidiary</p> <p>cb CAMBRIDGE BIOMARKETING</p> <p>to</p> <p>UDG Healthcare plc</p> <p>(LON: UDG)</p> <p>PetskyPrunier</p>	 <p>capital raise to support a buyout of minority shareholding held by an outside institutional investor</p> <p>MONROE CAPITAL</p> <p>and</p> <p>citi</p> <p>PetskyPrunier</p>
 <p>has received a \$60MM Series B minority investment led by</p> <p>NORTH BRIDGE growth equity</p> <p>PetskyPrunier</p>	 <p>has been sold to</p> <p>SHISEIDO AMERICAS</p> <p>a division of</p> <p>SHISEIDO GROUP (TSO: 4911)</p> <p>PetskyPrunier</p>	 <p>a portfolio company of</p> <p>MCM</p> <p>has been sold to</p> <p>BROOK VENTURE</p> <p>PetskyPrunier</p>	<p>Compliance Solutions Strategies</p> <p>a portfolio company of</p> <p>CIP CAPITAL</p> <p>has completed an investment in</p> <p>Ascendant Compliance Management</p> <p>PetskyPrunier</p>	<p>\$200,000,000</p> <p>DELUXE</p> <p>has acquired</p> <p>FMCGDirect</p> <p>PetskyPrunier</p>	 <p>has sold</p> <p>SPIN VIBE</p> <p>to</p> <p>STEREOGUM deathandtaxes</p> <p>to</p> <p>Hollywood REPORTER billboard</p> <p>PetskyPrunier</p>

## About Petsky Prunier LLC

Petsky Prunier is one of the leading investment banks to the technology, media, marketing, information, eCommerce, and healthcare industries. Our firm's merger and acquisition and private placement advisory services reflect a unique blend of product specialization and industry expertise. Together with strategic consulting firm Winterberry Group, a Petsky Prunier company, our organization represents one of the largest industry-specific advisors providing strategic and transactional services. We offer global reach supplemented through our partnerships in China and India. Securities transactions are processed through Petsky Prunier Securities LLC, a member of FINRA, and an affiliated entity.

# PetskyPrunier

INVESTMENT BANKERS

New York  
Las Vegas  
Chicago  
Charlotte

[www.petskyprunier.com](http://www.petskyprunier.com)

Michael Petsky  
Partner  
212.842.6001  
[mpetsky@petskyprunier.com](mailto:mpetsky@petskyprunier.com)

Sanjay Chadda  
Partner & Managing Director  
212.842.6022  
[schadda@petskyprunier.com](mailto:schadda@petskyprunier.com)

Christopher French  
Partner & Managing Director  
212.842.6033  
[cfrench@petskyprunier.com](mailto:cfrench@petskyprunier.com)

Amy LaBan, CFA  
Managing Director  
212.842.7126  
[alaban@petskyprunier.com](mailto:alaban@petskyprunier.com)

J.P. Michaud  
Managing Director  
704.859.0755  
[jmichaud@petskyprunier.com](mailto:jmichaud@petskyprunier.com)

Marc Flor  
Director  
212.842.6034  
[mflor@petskyprunier.com](mailto:mflor@petskyprunier.com)

Anil Kuruganti  
Director  
212.842.7132  
[akuruganti@petskyprunier.com](mailto:akuruganti@petskyprunier.com)

John Prunier  
Partner  
212.842.6021  
[jprunier@petskyprunier.com](mailto:jprunier@petskyprunier.com)

Norm Colbert  
Partner & Managing Director  
702.990.3280  
[ncolbert@petskyprunier.com](mailto:ncolbert@petskyprunier.com)

Matthew Kratter  
Managing Director  
212.842.6024  
[mkratter@petskyprunier.com](mailto:mkratter@petskyprunier.com)

Jed Laird  
Senior Advisor  
212.842.7120  
[jlaird@petskyprunier.com](mailto:jlaird@petskyprunier.com)

Seth Rosenfield  
Managing Director  
212.842.6018  
[srosenfield@petskyprunier.com](mailto:srosenfield@petskyprunier.com)

Dylan Kearns  
Director  
212.842.6025  
[dkearns@petskyprunier.com](mailto:dkearns@petskyprunier.com)