

DEAL NOTES

M&A and Investments Review

Marketing, Media, and Technology Industries

3,758 Transactions Totaling a Reported \$186.6 Billion in 2018

- Digital Media/Commerce was the Most Active Segment with 1,611 Transactions, followed by Marketing Technology with 1,076 Transactions
- Digital Media/Commerce was the Highest Value Segment with \$99.7 Billion in Reported Deal Value

During 2018, Petsky Prunier tracked 3,758 M&A and investment transactions for a total of \$186.6 billion in reported deal value across five broad segments: Digital Media/Commerce, Marketing Technology, Digital Advertising, Agency & Marketing Services, and Traditional Media. Digital Media/Commerce and Marketing Technology were the most active segments with 1,611 and 1,076 transactions, respectively, while Digital Media/Commerce was the highest value segment reporting \$99.7 billion.

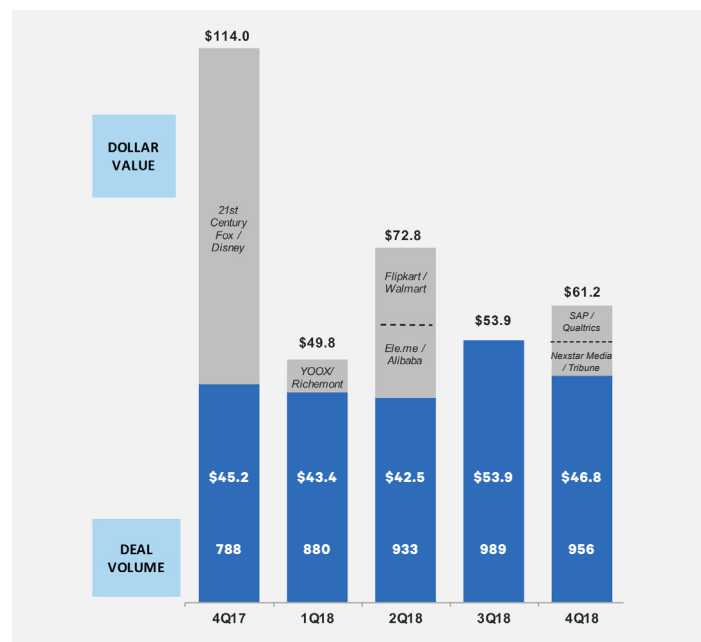
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Marketing, Media, and Technology Industries

4Q17-4Q18 M&A and Investment Activity

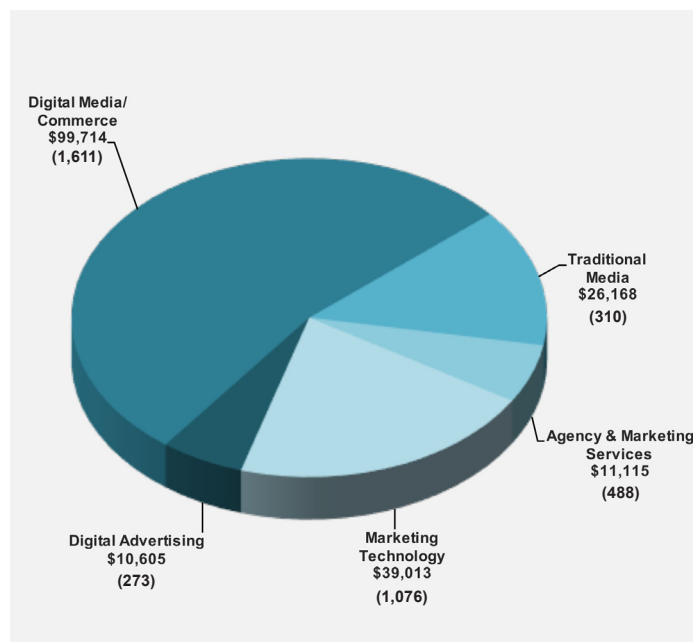
\$ in Billions



Marketing, Media, and Technology Industries

2018 M&A and Investment Activity

\$ in Millions / (# of Transactions)



Transactions valued at \$6 billion or more have been excluded from totals to limit comparative distortions. 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 Italia's \$6.4 billion acquisition of Yoox. The aggregate total for 2Q18 does not include Walmart's \$16 billion majority investment in Flipkart and Alibaba's \$9.5 billion acquisition of Ele.me. The aggregate total for 4Q18 does not include SAP's pending \$8 billion acquisition of Qualtrics and the pending acquisition of Tribune Media by Nexstar Media for \$6.4 billion, including the assumption of debt.

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M&A Activity

Excluding SAP's pending \$8 billion all-cash acquisition of Qualtrics and Nexstar Media's pending acquisition of Tribune Media for \$6.4 billion including debt, acquisitions accounted for more than half of total transactions and value in 2018. Digital Media/Commerce was the most active and most valuable M&A segment in 2018 with 554 transactions, of which 179 were reported for \$34.5 billion in value. The most active subsegment in 2018 was e-commerce with 216 acquisitions. Transactions in the segment announced during 2H18 included:

- The pending acquisition of Pandora by Sirius XM in a transaction valuing the company at \$3.3 billion
- Carlyle Group's pending sale of its stake in Getty Images to the Getty family in a transaction valued at \$3 billion
- Tivity Health's pending purchase of diet and health products provider NutriSystem for \$1.4 billion
- Newell Brands' sale of yearbook and class ring retailer Jostens to Platinum Equity for \$1.3 billion

Marketing Technology was the second most active and valuable M&A segment in 2018 with 495 transactions, of which 172 were reported for \$25.1 billion in value. Compared with the first half of 2018, reported acquisition value within the segment was down 11 percent in 2H18, while volume was flat. CRM was the most active subsegment in 2018 with 49 acquisitions, of which 28 deals were announced in the second half, a 33 percent increase in volume from the first half of the year. Transactions in the segment announced during 2H18 included:

- Adobe's acquisition of Marketo at a valuation of \$4.8 billion
- The pending sale of email solutions company SendGrid to Twilio for \$2 billion
- Accel-KKR's sale of content management platform Episerver to Insight Venture Partners for \$1.2 billion

The Agency & Marketing Services segment had 455 M&A transactions in 2018, of which 148 were reported for \$10.2 billion in aggregate value. Both transaction activity and value in Agency & Marketing Services increased in 2H18 versus 1H18 with 272 transactions, of which 125 were reported for \$5.4 billion in aggregate value. Select transactions in the segment announced during 2H18 included:

- Interpublic Group's \$2.3 billion purchase of Acxiom's Marketing Solutions business
- The pending acquisition of printing services company LSC Communications for \$1.3 billion and purchase of leading independent agency Periscope for \$133 million by Quad/Graphics (A Petsky Prunier-led transaction)
- OSG's \$273 million acquisition of direct marketing material printing company Communisis

- The sale of market-leading programmatic solutions provider MightyHive to S4 Capital for \$150 million (A Petsky Prunier-led transaction)

The Traditional Media segment saw 264 M&A transactions in 2018, of which 101 were reported for \$23.7 billion in aggregate value. Transaction activity in Traditional Media was flat in 2H18 versus 1H18 with 132 transactions, of which 70 were reported for \$8.1 billion in aggregate value. Select transactions in the segment announced during 2H18 included:

- Television broadcaster Bonnier Broadcasting's \$1.1 billion pending sale to Telia
- Blackstone's \$1 billion acquisition of UK-based live events venue operator National Exhibition Centre
- Meredith's sales of *Time* magazine to Salesforce CEO Marc Benioff for \$190 million and *Fortune* magazine to Thai businessman Chatchaval Jiaravanon for \$150 million

There were 165 M&A transactions in the Digital Advertising segment in 2018, of which 60 reported \$6.4 billion in value. The Vertical Search subsegment was the most active during the year, with 30 transactions, six of which were worth \$3.6 billion in value. Mobile Marketing was the most active subsegment during 2H18 with 17 acquisitions, representing a more than 100 percent increase from 1H18. Digital advertising transactions announced during 2H18 included:

- The acquisition of mobile ordering and reward programs application LevelUp by GrubHub for \$390 million
- Scripps' \$150 million acquisition of digital audio tech and advertising company Triton Digital
- Halyard Capital's sale of mobile video advertising company Jun Group to Advantage Solutions (A Petsky Prunier-led transaction)

Investment Activity

There were 1,825 investments during 2018, of which 1,657 reported \$86.8 billion in value. Reported value for venture and growth capital investments in 2H18 was up 39 percent from the first half of the year, while activity remained flat. Ninety percent of investments in the second half of the year were made in the Digital Media/Commerce and Marketing Technology segments with 521 and 307 deals announced, respectively.

Digital Media/Commerce was the highest value segment in 2018 with 1,057 deals, of which 986 were reported for \$65.3 billion in value. Investments in the segment during 2H18 included:

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- The \$1.3 billion round of funding raised by Epic Games, the maker of Fortnite, from KKR, ICONIQ Capital, Smash Ventures, aXiomatic, Vulcan Capital, Kleiner Perkins, Lightspeed Venture Partners, Disney, Tencent, and Endeavour, at a valuation of \$15 billion
- The \$1 billion investment India-based food delivery company Swiggy received from Naspers, Tencent, Hillhouse Capital, Wellington Management, DST Global, Meituan Dianping, and Coatue Management
- The \$600 million round of funding Instacart raised from D1 Capital Partners
- Koch Equity Development's \$500 million investment in Getty Images

Marketing Technology was the second most active investment segment in 2018 with 581 transactions, of which 515 reported \$13.9 billion in value. Analytics & Targeting, CRM, and MRM/Workflow Management investments accounted for more than one-third of the segment's activity last year with 96, 55, and 53 investments, respectively. Investments in the segment during 2H18 included:

- The \$640 million minority stake taken by activist investor Elliot Management in Nielsen at a reported valuation of nearly \$8 billion
- The \$225 million in financing received by MediaMath from Searchlight Capital Partners
- Travel seat inventory optimization solution Plusgrade's \$200 million round of funding from CDPQ

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2018 Most Active Strategic Buyers by Number of Transactions

Buyer	Number of Transactions	Representative Transactions
dentsu	21	GlobalMind, BIG NOW, DD Data Artist, TOKYO, amicus DIGITAL, RED Media, Septeni BUILDINGS, VIDEOBEAT, VOYAGE GROUP, namics, character, RED, KLIP DESK, M:, B2B International, white label, BRANDED, PROPELLED GROUP
WPP	13	BAR, 2sales, POSSIBLE, CINCINNATI, KEC, MVDhouse India, BRAD, emark, autumn, GORILLA, SUDLER JAPAN, Mash, hz
Walmart	13	SPATIALAND, ART.COM, UPSTREAM COMMERCE, Liv.ai, BARE NECESSITIES, Cornershop, ELOQUII, appsfly.io, ASDA, PRETR Shop, JAPAN IPL EXPRESS, zipper
accenture	11	altima, designaffairs, new content, PrimeQ, Kolle Rebbe, Loud&Clear, CARRAC, IDEASX MACHINA, SQUARED COMMUNICATIONS, DATASECTION VIETNAM, meredithxcelerated marketing, KAPLAN, Adaptly, MACKEVISION
HAKUHODO	9	FHO, CARRAC, IDEASX MACHINA, SQUARED COMMUNICATIONS, DATASECTION VIETNAM, kepler group, D.A.C Consortium, TURBINE INTERACTIVE, AdInte
IPG	7	acxiom, Marketing Solutions Business, That Lot, !MOOZ, itb, FCB HAMBURG, Cappuccino, HURRAH ALL BARK, ALL BITE
OmnicomGroup	7	ELSEVIER Japan, snow COMPANIES, FORBES ASSOCIATES, CREDERA, Brainagency, United Digital Group Performance Marketing Division, LEVO

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There were 108 investments in the Digital Advertising segment during the year, of which 100 reported more than \$4 billion in value. Compared with the first half of 2018, the reported number of investments in the segment was flat in 2H18, while value was down 11 percent. Digital Advertising investments during 2H18 included:

- The \$400 million minority stake purchased by KKR in mobile marketing and advertising company AppLovin at a reported valuation of \$2 billion
- China-based mobile advertising company Panshi's \$320 million funding round from Cubernaut
- Silver Lake's growth investment in drug price comparison platform GoodRx at a reported valuation of \$2.8 billion

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2018 Most Active Investors by Number of Transactions

Investor	Number of Transactions	Representative Investments
Tencent	49	GOJEK, missfresh.com, Douyu, KACA, TUHU.CN, MAX, CMC, bilibili, kakao games, gaana, SoundHound, GAMELYNX, 小红书, wattpad, 喜马拉雅, 知乎, News, Trailmix, Shanda Games, Redemption, DISCORD, DREAMT, SKYDANCE, DISCORD, 知, News, Trailmix
SEQUOIA	48	clari, Drift, carousell, Jollychic, Mapillary, PatPat, moovit, capillary, INDIGO fair, meesho, Toss, KLOOK, IQIYI, SAMOSA, Amplitude, INDIGO fair, CARS24, ETHOS, Rappi, DailyNinja, Insider, puls, Wenele, Dia & Co
SoftBank	42	ACV, FISHBRAIN, DOORDASH, kakao, mobile posse, dōmio, Rael, fair, AUTO1.com, dely, G-GROFERS, YourMechanic, IYUNO, ParkJockey, Retty, ARRAIY, ChatBook, InstaVR, policybazaar, sociolla, THECOO, Wag!, ZUME
Goldman Sachs	35	Grab, care/of, 途虎养车, BICOMMERCE, Tastemade, SHIFT, LIVSPACE, URBAN PLATES, ringDNA, cogito, 知乎, cuebiq, ROTHY'S, sansan, MinuteMedia, PFL, 每日优鲜, antuit, keep
Accel	35	Anyfin, COLLECTABILLIA, FACTOR DAILY, BLUE VISION, narvar, skip, G2, BIZONGO, freshworks, wonga, BlueStone.com, KRY, moglix, PODIUM, tact.ai, WIZROCKET, vokal
NEA	29	BURROW, CAPE PRODUCTIONS, TAMARA MELLON, Lyric, IF ONLY, goop, BRANDLESS, drop, NAKED, COEDITION, tuyu, ByteDance, bestow, HELLO Alfred, Opendoor, Metromile, MAISONETTE, sproutsocial
BESSEMER VENTURE PARTNERS	27	bigbasket, INTERCOM, ONXMAPS, pipedrive, wikia, WEAVE, Fabric, PharmEasy, TRAVEL TRIANGLE, CASHIFY, LIVSPACE, doubledutch, Electric, Rocketrip, ZYLO, RENOVISO, Bread, ServiceTitan
Lightspeed	23	Ladder, TRIPACTIONS, KIXEYE, PredictHQ, COURT BUDDY, ZOLA, BlueVine, hungryroot, HQ, EPIC GAMER, ShareChat, UNBLOCKABLE, magicpin

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Buyer & Investor Activity

Strategic buyers accounted for 47 percent of all transactions in 2018. Of the 1,771 strategic deals announced, 598 were reported for \$76.1 billion in value. More than two-thirds of strategic activity was in the Digital Media/Commerce, Marketing Technology, and Agency & Marketing Services segments. The most active strategic acquirers in 2018 were advertising holding companies Dentsu and WPP with 21 and 13 transactions announced, respectively.

Buyout firms completed 161 acquisitions during the year, of which 61 were reported for \$23.7 billion in value. Nearly 30 percent of all buyout transactions for the year were in the Digital Media/Commerce segment with 47 deals, of which 18 reported \$7.4 billion in value. Buyout transactions announced in 2H18 included:

- The pending sale of auction and classified advertising site Trade Me Group to Apax Partners for \$1.8 billion
- ABRY Partners' acquisition of cinema advertising solution ScreenVision Media for \$380 million
- Shamrock Ventures' \$113 million sale of B-to-B information and events firm Questex to MidOcean Partners

Venture and growth capital investors accounted for nearly half of all transactions in 2018, of which 1,658 were reported for \$86.8 billion in value. Compared to 1H18, investment value in the second half of the year was up 39 percent while activity remained flat. Tencent and Sequoia Capital were the most active investors during 2018 with each completing 49 and 48 investments, respectively.

IPO Activity

There were 19 IPOs completed in the Marketing, Media, and Technology industries in 2018. China-based vehicle purchasing system Cango, China-based mobile app company CooTek, search and analytics platform Elastic, event and ticketing solution Eventbrite, UK-based online fashion company Farfetch, China-based English learning company LAIX, Norway-based web browser Opera, China-based e-commerce platform Pinduoduo, China-based mobile content aggregator Qutoutiao, online survey platform SurveyMonkey, freelance marketplace Upwork, China-based e-commerce platform Mogu, and China-based Tencent Music completed IPOs in the second half of the year.

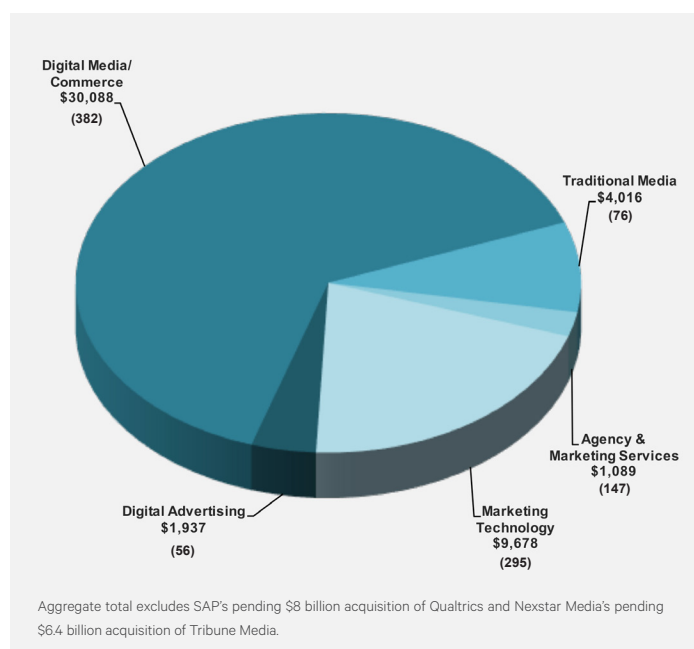
4Q18 M&A and Investment Activity

In 4Q18, Petsky Prunier tracked 956 M&A and investment transactions, of which 825 were reported for a total of \$46.8 billion in aggregate value. Digital Media/Commerce was the most active and highest value segment in 4Q18, accounting for 64 percent of aggregate reported deal value. Aside from the pending Qualtrics/SAP acquisition and Nexstar's acquisition of Tribune Media, the largest M&A transaction of the quarter was Twilio's pending \$2 billion acquisition of SendGrid. The largest fund raise in 4Q18 was Softbank's \$3 billion investment in ByteDance.

Marketing, Media, and Technology Industries

4Q18 M&A and Investment Activity

\$ in Millions / (# of Transactions)



*All values as of 5pm ET on 12/31/18. 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 809 transactions (288 acquisitions and 521 investments) in the Digital Media/Commerce segment during the second half of 2018, of which 632 had aggregate reported value of \$60.3 billion. Reported segment value was flat in 4Q18, while volume was down 11 percent compared to the previous quarter. E-commerce was the most active subsegment during the second half with 418 transactions (126 acquisitions and 292 investments), followed by Digital Marketplace with 112 reported transactions. Together, these two subsegments accounted for nearly two-thirds of the segment's total activity in the first half. In addition to Newell Brand's pending sale of Jostens to Platinum Equity for \$1.3 billion, transactions during the second half of the year included:

- The pending sale of mobile gaming company Small Giant Games to Zynga for \$700 million
- Callaway Golf Company's acquisition of outdoor clothing brand Jack Wolfskin for \$476 million
- The pending \$321 million acquisition of food delivery service Bite Squad by Waitr
- Walmart's pending \$100 million acquisition of plus-size online retailer Eloqui
- ProSiebenSat.1 Media's pending purchase of online dating service eHarmony for a reported \$85 million

In addition to Epic Games' \$1.3 billion round of funding and Koch Equity Development's \$500 million investment in Getty Images, Digital Media/Commerce investments during the second half of the year included:

- The \$1 billion investment India-based food delivery company Swiggy received from Naspers, Tencent, Hillhouse Capital, Wellington Management, DST Global, Meituan Dianping, and Coatue Management
- The Kleiner Perkins-led \$380 million investment in SmileDirectClub at a reported valuation of \$3.2 billion
- The \$156 million round of funding ZipRecruiter raised from Wellington Management and IVP
- Home listing site Nested's \$154 million investment from Northzone and Balderton Capital
- Hopper's \$100 million round of funding from Omers Ventures, CDPQ, Accomplix, Brightspark Ventures, Investissement Quebec, BDC Capital IT Venture Fund, and Citi Ventures

Most Active Digital Media/Commerce Subsegments

	3Q18		4Q18		LTM		4Q18 vs 3Q18 (% Change)	
	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value (\$MM)	Number of Transactions	Reported Value
E-commerce	216	22,135	202	22,239	785	72,059	(6%)	0%
Digital Marketplace	63	2,979	49	3,506	225	10,474	(22%)	18%
Gaming	31	1,042	42	2,825	146	5,539	35%	171%
Mobile Content/Apps	48	1,529	40	1,066	202	5,034	(17%)	(30%)
Niche Content	48	1,633	27	135	162	3,192	(44%)	(92%)
Social Media/Apps	18	803	19	317	83	3,311	6%	(61%)
Other	3	65	3	0	8	106	0%	(100%)
Total	427	30,186	382	30,088	1,611	99,714	(11%)	(0%)

Buyers & Investors

Strategic buyers completed 262 deals in 2H18, of which 130 were worth \$18.9 billion in aggregate reported value. In the fourth quarter, strategic deal value was up five percent compared with 3Q18, while reported volume was down nine percent. VC and growth equity firms completed 243 investments in 4Q18, of which 236 had an aggregate reported value of \$16.7 billion.

Digital Media/Commerce Transactions by Type of Buyer/Investor

Subsegment	3Q18		4Q18		LTM		4Q18 vs 3Q18 (% 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	137	9,225	125	9,705	506	27,087	(9%)	5%
Private Equity - Buyout	11	250	14	3,666	47	7,356	27%	1,366%
Private Equity - VC/Growth Capital	279	20,712	243	16,718	1,058	65,271	(13%)	(19%)
Total	427	30,186	382	30,088	1,611	99,714	(11%)	(0%)

Note: Transaction values for Digital Media/Commerce do not include Richemont Italia's \$6.4 billion acquisition of Yoox, Walmart's \$21 billion majority investment in Flipkart, and Alibaba's \$9.5 billion acquisition of Ele.me.

Marketing Technology

M&A and Investment Activity

Excluding SAP's pending \$8 billion acquisition of Qualtrics, a total of 555 deals (248 acquisitions and 307 investments) were announced in the Marketing Technology segment in 2H18, of which 394 had a reported aggregate value of \$20.8 billion. Activity in the fourth quarter of the year was led by the Analytics & Targeting subsegment, which reported 35 transactions. In addition to Adobe's \$4.8 billion acquisition of Marketo and Twilio's pending acquisition of SendGrid for \$2 billion, Marketing Technology M&A in the second half of the year included:

- CI Capital-backed Impact Group's acquisition of AI-driven digital advertising platform Cluep (A *Petsky Prunier-led transaction*)
- The pending purchase of the imaging unit of Nuance Communications for \$400 million by Kofax
- Accenture's acquisition of Sweden-based CRM company Kaplan
- The sale of data and analytics solution DataFox to Oracle
- The acquisition of social listening tool Crimson Hexagon by UK-based social intelligence specialist Brandwatch

Analytics & Targeting was the most-invested subsegment during the second half of 2018 with 54 transactions announced, accounting for 18 percent of total investments in the segment. Compared to 3Q18, investment value in the Marketing Technology segment was up 63 percent in 4Q18, while activity was up 15 percent. In addition to Plusgrade's \$200 million round of funding from CDPQ, Marketing Technology investments in 2H18 included:

- The \$103 million round of funding business intelligence platform Looker received from Kleiner Perkins, Cross Creek Advisors, Meritech Capital, Redpoint Ventures, and Goldman Sachs
- Braze's \$80 million investment valued at \$850 million from Meritech Capital
- The \$55 million raised by G2 Crowd from IVP Capital, Accel Partners, Pritzker Group, and Emergence Capital
- Sprout Social's \$41 million round of funding from Forward Fund, NEA, and Goldman Sachs

Most Active Marketing Technology Subsegments

	3Q18		4Q18		LTM		4Q18 vs 3Q18 (% 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	41	6,358	35	474	146	10,395	(15%)	(93%)
CRM	26	248	31	168	104	1,191	19%	(32%)
Email/Messaging Software	13	20	31	2,169	71	2,562	138%	10,584%
MRM/Workflow Management	17	414	27	462	80	1,405	59%	12%
Content Management	13	1,142	23	3,218	72	4,900	77%	182%
Commerce Management	14	351	19	304	71	3,774	36%	(13%)
Product/Price Software	14	271	18	160	54	670	29%	(41%)
Search & Discovery	20	160	16	507	73	1,760	(20%)	218%
Social Technology	17	41	13	174	63	802	(24%)	331%
Other	85	2,107	82	2,042	342	11,554	(4%)	(3%)
Total	260	11,111	295	9,678	1,076	39,013	13%	(13%)

Buyers & Investors

Transaction activity in 2H18 was dominated by strategic buyers, which completed 226 deals, of which 106 had an aggregate reported value of \$10.7 billion. Venture/Growth Capital investors announced 164 transactions in the fourth quarter, of which 158 were reported for \$5.6 billion in value, up 63 percent in volume from 3Q18.

Marketing Technology Transactions by Type of Buyer/Investor

Subsegment	3Q18		4Q18		LTM		4Q18 vs 3Q18 (% 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	106	6,561	120	4,091	448	19,903	13%	(38%)
Private Equity - Buyout	11	1,150	11	38	47	5,209	0%	(97%)
Private Equity - VC/Growth Capital	143	3,400	164	5,550	581	13,900	15%	63%
Total	260	11,111	295	9,678	1,076	39,013	13%	(13%)

Note: Transaction values for Marketing Technology do not include SAP's pending \$8 billion acquisition of Qualtrics.

Digital Advertising

M&A and Investment Activity

There were 138 transactions (83 acquisitions and 55 investments) in the Digital Advertising segment during 2H18, of which 93 had aggregate reported value of \$4 billion. In comparison with 3Q18, volume and value in the fourth quarter were down 32 and six percent, respectively. Vertical Search and Mobile Marketing were the most active subsegments in the fourth quarter with 13 and 11 transactions, respectively. In addition to Scripps' \$150 million acquisition of Triton Digital, transactions during the second half of the year included:

- The \$370 million sale of insurance comparison marketplace QuoteWizard to LendingTree
- The \$101 million acquisition of mobile identity platform Danal by BOKU
- ConversionPoint Technologies' \$80 million pending purchase of ad-serving marketplace Inuvo
- Yellow Pages' sale of security-focused mobile marketing platform JUICE Mobile to Curate Mobile
- Criteo's acquisition of app install advertising solution Manage.com

In addition to Cubernaut's \$320 million investment in Panshi, Digital Advertising investments in 2H18 included:

- Car insurance comparison site Compare.com's \$35 million investment from private investors
- Mobile payment and customer loyalty platform Yoyo Wallet's \$30 million round of funding from Hard Yaka

Most Active Digital Advertising Subsegments

	3Q18		4Q18		LTM		4Q18 vs 3Q18 (% 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	279	13	753	68	5,044	(28%)	170%
Mobile Marketing	9	811	11	365	29	1,206	22%	(55%)
Comparison Shopping	9	402	7	423	29	1,134	(22%)	5%
Ad Networks/Exchanges	11	73	6	257	26	441	(45%)	251%
Local Search	7	41	6	103	28	154	(14%)	154%
Affiliate/CPA Network	5	50	6	34	21	174	20%	(32%)
Digital Promotion/Coupon	8	129	2	0	18	789	(75%)	(100%)
Digital Video	2	100	2	0	20	825	0%	(100%)
Online Lead Generation	8	43	1	0	22	639	(88%)	(100%)
Search Marketing	5	122	1	0	9	127	(80%)	(100%)
Total	82	2,050	56	1,937	273	10,605	(32%)	(6%)

Buyers & Investors

Activity in 2H18 continued to highlight the challenges for Digital Advertising companies for exits and majority and minority transactions. The reported volume of Digital Advertising transactions completed by strategic buyers decreased by 36 percent between the third and fourth quarter, while private equity activity fell 50 percent. Venture and growth capital transaction volume was down 23 percent in the fourth quarter, even though value grew 44 percent versus 3Q18.

Digital Advertising Transactions by Type of Buyer/Investor

Subsegment	3Q18		4Q18		LTM		4Q18 vs 3Q18 (% 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	47	1,230	30	649	156	2,832	(36%)	(47%)
Private Equity - Buyout	4	0	2	109	9	3,525	(50%)	NM
Private Equity - VC/Growth Capital	31	820	24	1,180	108	4,249	(23%)	44%
Total	82	2,050	56	1,937	273	10,605	(32%)	(6%)

Agency & Marketing Services

M&A and Investment Activity

There were 284 transactions (272 acquisitions and 12 investments) in the Agency & Marketing Services segment in the second half of 2018, of which 134 were worth \$5.8 billion in aggregate reported value. Segment activity was up seven percent in the fourth quarter, driven by a 60 percent increase in the Digital Agency subsegment from the third quarter. Digital Agency accounted for more than 40 percent of the segment's deals during 2H18 with 122, of which 69 were reported for \$1 billion in aggregate deal value. In addition to LSC Communications' pending \$1.3 billion acquisition by Quad/Graphics, OSG's \$273 million acquisition of Communisis, and S4 Capital's \$150 million acquisition of MightyHive (A *Petsky Prunier-led transaction*), Agency & Marketing Services transactions during the second half of the year included:

- CIP Capital's investment in GlynnDevins, a leading provider of tech-enabled and data-driven marketing solutions to senior living communities (A *Petsky Prunier-led transaction*)
- Williams Lea Tag's acquisition of Canada-based, on-demand digital content and social media strategy firm THP (A *Petsky Prunier-led transaction*)
- The sale of Flywheel Digital to Ascential for \$60 million, plus up to \$340 million in additional future performance-related incentives
- China-based advertising holding company BlueFocus and its subsidiary Vision7's purchase of creative agency Eleven

Most Active Agency & Marketing Services Subsegments

	3Q18		4Q18		LTM		4Q18 vs 3Q18 (% 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	47	466	75	554	197	1,447	60%	19%
Experiential Marketing	6	105	10	0	25	241	67%	(100%)
Public Relations	12	12	8	0	44	107	(33%)	(100%)
Loyalty/Retention	13	1,169	6	18	36	5,350	(54%)	(98%)
Marketing Consulting	7	0	6	0	22	28	(14%)	NM
Design Agency	1	0	6	6	17	49	500%	NM
Specialty Agency	15	235	4	0	27	321	(73%)	(100%)
Healthcare Agency	8	191	4	140	20	441	(50%)	(27%)
Promotion Agency	2	0	4	0	8	0	100%	NM
General Agency	3	0	3	138	15	158	0%	NM
Ad Specialty/Premiums	6	180	2	8	14	188	(67%)	(96%)
Retail Services	5	0	2	0	11	103	(60%)	NM
Other	12	2,327	17	225	52	2,682	42%	(90%)
Total	137	4,684	147	1,089	488	11,115	7%	(77%)

Buyers & Investors

The most active buyer in Agency & Marketing Services during the second half of the year was Dentsu with seven acquisitions. Private equity buyers announced 19 transactions in the second half of the year, of which nine were reported for nearly \$1.3 billion in value.

Agency & Marketing Services Transactions by Type of Buyer/Investor

Subsegment	3Q18		4Q18		LTM		4Q18 vs 3Q18 (% 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	117	3,467	136	641	422	5,071	16%	(82%)
Private Equity - Buyout	13	883	6	418	33	5,128	(54%)	(53%)
Private Equity - VC/Growth Capital	7	334	5	30	33	916	(29%)	(91%)
Total	137	4,684	147	1,089	488	11,115	7%	(77%)

Traditional Media

M&A and Investment Activity

A total of 159 transactions (132 acquisitions and 27 investments) were reported among Traditional Media companies in the second half of the year. Excluding the pending \$6.2 billion acquisition of Tribune Media by Nexstar Media, 92 Traditional Media deals had \$9.9 billion in aggregate reported value in 2H18. Segment activity in 4Q18 was down eight percent from the previous quarter with 76 transactions, of which 62 were reported at \$4 billion in aggregate value. In addition to Blackstone's acquisition of National Exhibition Centre for \$1 billion, Traditional Media transactions during the second half of the year included:

- Vivendi's pending \$1 billion purchase of France-based publishing company Editis from Planeta
- Cordillera's pending sale of 15 television stations to The E.W. Scripps Company for \$521 million
- The acquisition of furniture industry print publication Progressive Business Media by BridgeTower Media
- Stirling's acquisition of digital book publisher Paradise Publishers

Most Active Traditional Media Subsegments

Subsegment	3Q18		4Q18		LTM		4Q18 vs 3Q18 (% 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	34	1,651	31	531	123	3,398	(9%)	(68%)
B-to-B Media	15	40	12	1,060	56	7,095	(20%)	2,577%
Consumer Magazine Publishing	6	431	7	150	27	840	17%	(65%)
Digital Place-Based Media	4	53	6	312	15	759	50%	489%
Newspaper Publishing	4	1,864	6	0	27	2,594	50%	(100%)
Consumer Book Publishing	3	17	6	1,000	15	1,025	100%	5,881%
Radio	5	158	3	23	11	683	(40%)	(85%)
Broadcast Television	3	1,150	3	521	16	8,097	0%	(55%)
Traditional Outdoor	9	543	2	419	20	1,678	(78%)	(23%)
Total	83	5,907	76	4,016	310	26,168	(8%)	(32%)

Buyers & Investors

Continued consolidation within the Traditional Media segment was primarily driven by strategic buyers during the second half of the year with 118 transactions accounting for more than three-quarters of all activity. Strategic buyer activity was bolstered by the Entertainment Media subsegment, which comprised nearly 40 percent of strategic transactions.

Traditional Media Transactions by Type of Buyer/Investor

Subsegment	3Q18		4Q18		LTM		4Q18 vs 3Q18 (% 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	59	4,488	59	2,108	239	21,242	0%	(53%)
Private Equity - Buyout	7	485	7	1,060	25	2,470	0%	119%
Private Equity - VC/Growth Capital	17	933	10	847	46	2,457	(41%)	(9%)
Total	83	5,907	76	4,016	310	26,168	(8%)	(32%)

Note: Transaction values for Traditional Media do not include Nexstar's pending \$6.4 billion acquisition of Tribune Media.

Selected Recent Transactions

<p>PERISCOPE</p> <p>has been sold to</p> <p>Quad CAPITAL (NYSE: QUAD)</p> <p>PetskyPrunier INVESTMENT BANKERS</p>	<p>\$150,000,000</p> <p>IGHTYHIVE</p> <p>has been sold to</p> <p>S4 CAPITAL (LSE: SFOR)</p> <p>PetskyPrunier INVESTMENT BANKERS</p>	<p>DΞG</p> <p>has been sold to</p> <p>isobar</p> <p>a member of the</p> <p>dentsu AEGIS network (TSE-4324)</p> <p>PetskyPrunier INVESTMENT BANKERS</p>	<p>projekt202</p> <p>has acquired</p> <p>cibo.</p> <p>PetskyPrunier INVESTMENT BANKERS</p>	<p>AMULET CAPITAL PARTNERS LP</p> <p>has acquired</p> <p>OPEN REALTY</p> <p>and subsequently merged with</p> <p>peloton advantage MEDICINE IN MOTION</p> <p>PetskyPrunier INVESTMENT BANKERS</p>	<p>GLYNNDEVINS GD</p> <p>a portfolio company of</p> <p>FALPURRIAS CAPITAL</p> <p>has received an investment from</p> <p>CIP CAPITAL</p> <p>PetskyPrunier INVESTMENT BANKERS</p>
<p>WILLOWTREE*</p> <p>has received a significant investment from</p> <p>INSIGNIA CAPITAL GROUP</p> <p>PetskyPrunier INVESTMENT BANKERS</p>	<p>THP</p> <p>has been sold to</p> <p>williamsleatag</p> <p>a portfolio company of</p> <p>Advent International GLOBAL PRIVATE EQUITY</p> <p>PetskyPrunier INVESTMENT BANKERS</p>	<p>cluep</p> <p>has been sold to</p> <p>IMPACT GROUP</p> <p>a portfolio company of</p> <p>CI CAPITAL PARTNERS</p> <p>PetskyPrunier INVESTMENT BANKERS</p>	<p>Applied Info Group Email & Database Marketing that Delivers</p> <p>has been sold to</p> <p>OSG</p> <p>a portfolio company of</p> <p>AQUILINE CAPITAL PARTNERS LLC</p> <p>PetskyPrunier INVESTMENT BANKERS</p>	<p>jun group</p> <p>a portfolio company of</p> <p>HALYARD CAPITAL</p> <p>has been sold to</p> <p>ADVANTAGE SOLUTIONS</p> <p>PetskyPrunier INVESTMENT BANKERS</p>	<p>BVACCEL</p> <p>has sold a majority stake to</p> <p>AUGUST SPARK</p> <p>PetskyPrunier INVESTMENT BANKERS</p>
<p>Giant CREATIVE STRATEGY</p> <p>a portfolio company of</p> <p>SHAMROCK CAPITAL ADVISORS</p> <p>has been sold to</p> <p>HUNTSWORTH</p> <p>PetskyPrunier INVESTMENT BANKERS</p>	<p>matchmg</p> <p>a portfolio company of</p> <p>BERINGER CAPITAL</p> <p>has been sold to</p> <p>SOUTHFIELD</p> <p>PetskyPrunier INVESTMENT BANKERS</p>	<p>SWC TECHNOLOGY PARTNERS</p> <p>a portfolio company of</p> <p>SVOBODA CAPITAL PARTNERS</p> <p>has been sold to</p> <p>BDO</p> <p>PetskyPrunier INVESTMENT BANKERS</p>	<p>ENGAGED MEDIA</p> <p>has been sold to</p> <p>APTUS HEALTH</p> <p>PetskyPrunier INVESTMENT BANKERS</p>	<p>mTAB Take your research further.</p> <p>has been sold to</p> <p>MILESTONE PARTNERS</p> <p>PetskyPrunier INVESTMENT BANKERS</p>	<p>MILLENNIUM 1 SOLUTIONS</p> <p>a portfolio company of</p> <p>THE GORES GROUP</p> <p>has been sold to</p> <p>dimension data</p> <p>PetskyPrunier INVESTMENT BANKERS</p>
<p>AHM</p> <p>a portfolio company of</p> <p>A C P ARLINGTON CAPITAL PARTNERS</p> <p>has been sold to</p> <p>IQVIA™ (NYSE: IQV)</p> <p>PetskyPrunier INVESTMENT BANKERS</p>	<p>Caring.com</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 INVESTMENT BANKERS</p>	<p>Traackr</p> <p>has successfully completed a Series B Financing led by</p> <p>WORKHORSE GROWTH CAPITAL</p> <p>PetskyPrunier INVESTMENT BANKERS</p>	<p>L Lenati</p> <p>has announced a definitive merger agreement with</p> <p>pk prokarma</p> <p>a portfolio company of</p> <p>THE CARLYLE GROUP (NASDAQ: CG)</p> <p>PetskyPrunier INVESTMENT BANKERS</p>	<p>REPLY (STAR: REY)</p> <p>has acquired</p> <p>VALOREM</p> <p>PetskyPrunier INVESTMENT BANKERS</p>	<p>INVODO</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 INVESTMENT BANKERS</p>
<p>FreshAddress THE EMAIL ADDRESS EXPERTS</p> <p>has received a strategic investment from</p> <p>TZP GROUP</p> <p>PetskyPrunier INVESTMENT BANKERS</p>	<p>ZORCH.</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 INVESTMENT BANKERS</p>	<p>peloton advantage medicine in motion</p> <p>has received a growth investment from</p> <p>AMULET CAPITAL PARTNERS LP</p> <p>PetskyPrunier INVESTMENT BANKERS</p>	<p>katch</p> <p>has sold its auto insurance, home insurance, mortgage, and technology assets to</p> <p>QUIN STREET (NASDAQ: QNST)</p> <p>PetskyPrunier INVESTMENT BANKERS</p>	<p>Geoscape®</p> <p>a portfolio company of</p> <p>NEW MAINSTREAM CAPITAL</p> <p>has been sold to</p> <p>CLARITAS</p> <p>PetskyPrunier INVESTMENT BANKERS</p>	<p>List Partners</p> <p>has received a significant investment from</p> <p>NCP NORTHLANE CAPITAL PARTNERS</p> <p>PetskyPrunier INVESTMENT BANKERS</p>
<p>THROTTLE</p> <p>has received an investment from</p> <p>TransUnion</p> <p>PetskyPrunier INVESTMENT BANKERS</p>	<p>Carlton Group</p> <p>has received a strategic investment from</p> <p>H. I. G. GROWTH PARTNERS</p> <p>PetskyPrunier INVESTMENT BANKERS</p>	<p>BRANDSHOP</p> <p>has sold a majority stake to</p> <p>BERINGER CAPITAL</p> <p>PetskyPrunier INVESTMENT BANKERS</p>	<p>katch</p> <p>has sold its Over 65 health insurance and life insurance business including</p> <p>Healthplans™</p> <p>to</p> <p>MediAlpha</p> <p>a portfolio company of</p> <p>Mountain View Securities (NYSE: WTM)</p> <p>PetskyPrunier INVESTMENT BANKERS</p>	<p>BVACCEL</p> <p>has acquired</p> <p>Lightyear Capital</p> <p>PetskyPrunier INVESTMENT BANKERS</p>	<p>Datalot</p> <p>has received an investment from</p> <p>LIGHTYEAR CAPITAL</p> <p>PetskyPrunier INVESTMENT BANKERS</p>

About Petsky Prunier LLC

Petsky Prunier is one of the leading investment banks to the technology, media, marketing, information, e-commerce, 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.

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