

May 2017 - Monthly Briefing

6th June 2017

Increase in European TMT deal flow and valuations in May

In the US, Sinclair Broadcast Group is acquiring Tribune Media Company for approximately \$3.9 billion, plus the assumption of approximately \$2.7 billion in net debt. Tribune owns or operates 42 television stations in 33 markets, cable network, WGN America, digital multicast network, Antenna TV, minority stakes in the TV Food Network and CareerBuilder, and a variety of real estate assets. The \$6.6 billion enterprise value represents an average pro forma EBITDA multiple of less than 7.0x on the core television and entertainment business. This is a transformational acquisition for Sinclair as the Tribune stations are highly complementary to Sinclair's existing footprint and will create a leading media platform.

West Corporation, a Nasdaq-listed global provider of communication and network infrastructure services, is to be acquired and taken private by Apollo Global Management in a deal that values West at \$5.1 billion including net debt. Tom Barker, Chairman and Chief Executive Officer of West said, "We believe this transaction achieves our goal of maximizing value for West stockholders and positions the Company for continued success."

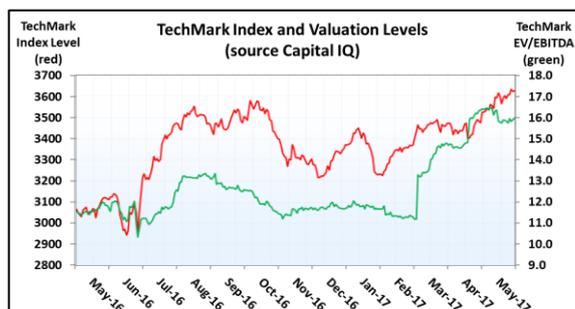
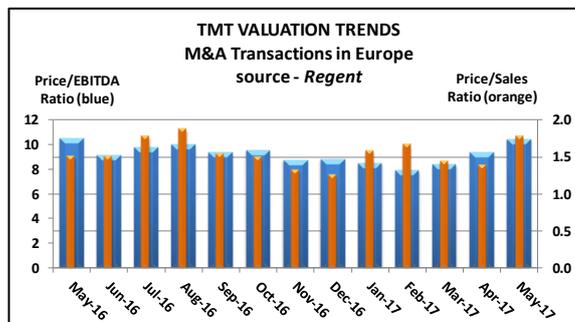
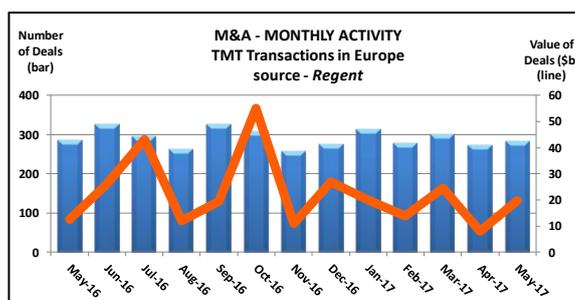
In Europe, the management boards of United Internet and Drillisch have entered an agreement governing the acquisition of 1&1 Telecommunication (1&1) by Drillisch under the umbrella of United Internet. The transaction values 1&1 at €5.85 billion. The companies aim to merge United Internet's mobile and fixed-network business, which is bundled in 1&1 Telecommunication, with Drillisch's mobile communications business. This will create a strong fourth player in the German telecommunications market alongside the three major full-service providers (Deutsche Telekom, Vodafone and Telefónica).

US-based, Moody's Corporation, announced an agreement to acquire Netherlands-based, Bureau van Dijk, a global provider of business intelligence and company information, for €3.0 billion. The acquisition extends Moody's position as a leader in risk data and analytical insight. In 2016, Bureau van Dijk generated revenue of \$281 million and EBITDA of \$144 million. Bureau van Dijk will be reported as part of Moody's Analytics' Research, Data & Analytics (RD&A) unit. Moody's expects approximately \$45 million of annual revenue and expense synergies by 2019, and \$80 million by 2021.

French content and media company, Vivendi, has made an indicative offer to acquire Groupe Bolloré's 60% stake in the French advertising firm, Havas, for €2.3 billion to build a leading world-class content, media and communications group. Vivendi then plans to make a separate offer for the remaining 40%.

REGENT's View of the Month

European TMT sector M&A activity increased in May in terms of both value and volume. There was a 4% monthly increase in the number of deals and the aggregate value was \$20 billion in May compared with just \$8 billion in April. Valuation multiples in terms of the Price/Sales ratio increased to 1.8 from 1.4 and the Price/EBITDA ratio increased to 10.4 from 9.3. Listed technology companies, as represented by the UK TechMark index, gained 4.3% in May.



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