



HOULIHAN LOKEY

# DIGITAL MEDIA

QUARTERLY UPDATE | SEPTEMBER 2020



# Houlihan Lokey Digital Media Quarterly Update

Dear Friends and Partners,

The digital media space is complex and seemingly in a constant state of change (and disruption). To keep you abreast of the latest noteworthy news and trends, as well as our thoughts across the sector, we are pleased to introduce our first Digital Media Quarterly Update, which will cover our core verticals: OTT/video, digital publishing and social media, digital audio, and video games. We hope this newsletter will help you navigate the world of digital media as it continues to evolve.

As Warren Buffett famously said, “You only find out who is swimming naked when the tide goes out.” While the tide certainly went out this past quarter, many companies across the digital media sectors showed their ability to not only stay afloat, but also take advantage of the changing conditions. Highlights across our core subverticals include:

- OTT platforms saw a significant increase in subscribership and usage, with Netflix strengthening its dominant position in the space, Disney continuing its successful trajectory, and additional players entering the streaming wars with varying results.
- Digital publishing and social media companies saw increased engagement, coinciding with a hyperactive news cycle and more free time for consumers. However, advertising-related headwinds stymied growth for many, while Facebook and Snap continued to show growth. Still, probably the biggest development in the space was unrelated to COVID-19—the executive order against TikTok sent shock waves through the industry (and sent Microsoft, Oracle, and other tech heavyweights scrambling at the potential opportunity). At the time of writing this update, it appears that Oracle has won the bidding, although the transaction is not expected to be structured as an outright sale. Instead, Oracle will become TikTok’s partner in the U.S. We expect more twists and turns in this saga over the next few weeks and months.
- Digital audio’s second quarter was a tale of two halves: Initial drops in listening to both music and podcasting rebounded over the quarter to pre-COVID-19 levels. Podcasting had an especially noteworthy quarter as major players continued to significantly invest in podcasting IP.
- Video games experienced a record-breaking Q2 in terms of spending and engagement. Importantly, they broke into the broader media landscape by increasingly acting as social platforms, hosting virtual concerts, forming important IP partnerships, and promulgating gaming video content.

We hope you find this update to be informative and that it serves as a valuable resource to you in staying up-to-date with the market in these turbulent times. We would be happy to share our thoughts on industry developments with you in real time and look forward to staying in touch with you.

Regards,



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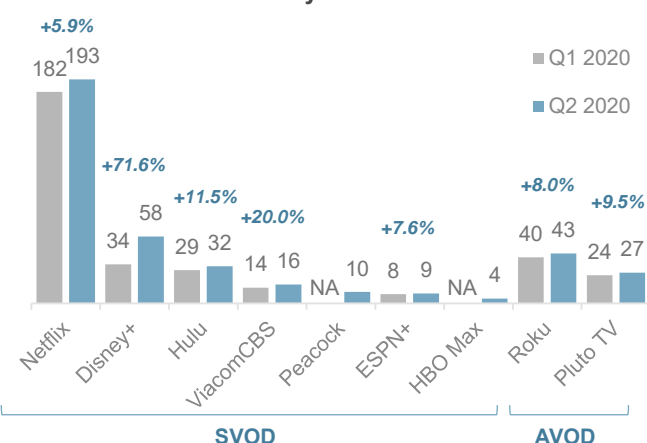
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# OTT Platforms

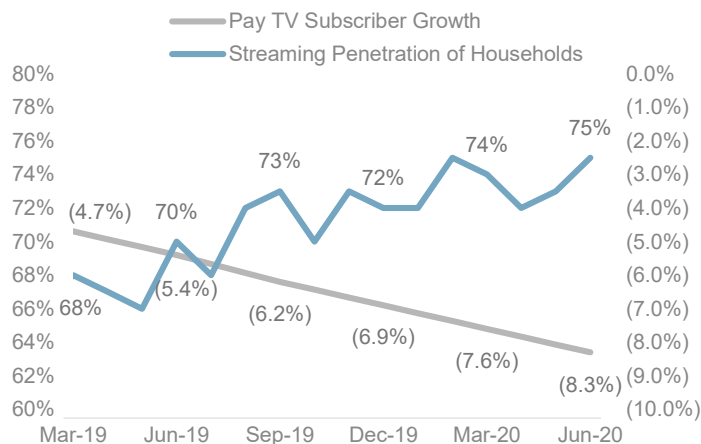
## Sector Trends and Insights

- The major OTT platforms continued to see significant growth even as states started to lift stay-at-home orders:
  - Netflix added 10 million subscribers in the second quarter.
  - Disney grew its streaming reach across all offerings, and Disney+ already reached the low end of its 2024 projected subscriber total (60M–90M) in only eight months.
  - ViacomCBS's domestic streaming and digital video advertising revenue grew 25% YoY in Q2, driven by a 52% increase in streaming subscription revenue and robust growth at Pluto TV.
- New OTT competitors entered the space with varying levels of success:
  - Comcast's Peacock launched with an extensive content library and a channel-surfing feel, supported by an ad-focused hybrid revenue model; 10 million users signed up by July, beating expectations.
  - HBO Max launched with initial distribution challenges and consumer confusion stemming from the myriad legacy HBO OTT offerings, leading to 4.1 million subscribers at the end of its first month.
  - Quibi's high-profile launch earlier this year fell flat with consumers, as its mobile-first, bite-sized content did not resonate with users during the lockdown.
  - In its recent earnings call, ViacomCBS detailed plans to continue integrating Viacom content with CBS All Access until it launches a revamped "super service" in 2021.
- Traditional pay-TV experienced continued challenges with accelerating cord-cutting and depressed ad revenues. Conversely, AVOD advertising benefited in the second quarter from the increased OTT usage and a corresponding shift of advertising dollars to OTT platforms.
- OTT usage continues to outperform expectations, driven by COVID-19 as well as heightened enthusiasm for new services; however, many research analysts believe that the current growth rates among leading OTT platforms may not be sustainable post-COVID-19.

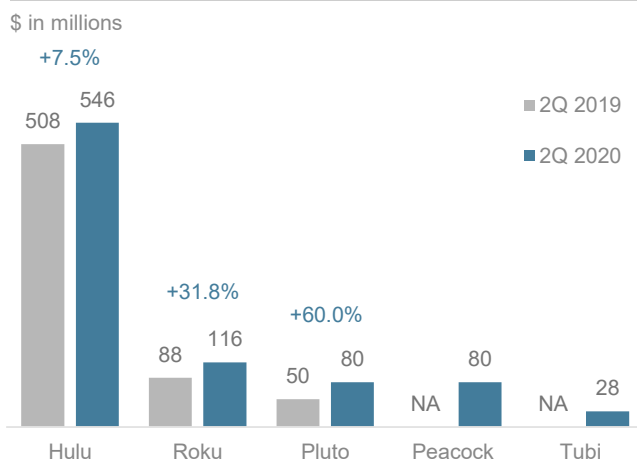
**MoffettNathanson Analysis of Total OTT Subscribers<sup>(1,2)</sup>**



**MoffettNathanson Analysis of Pay-TV Decline and Streaming Penetration<sup>(1)</sup>**



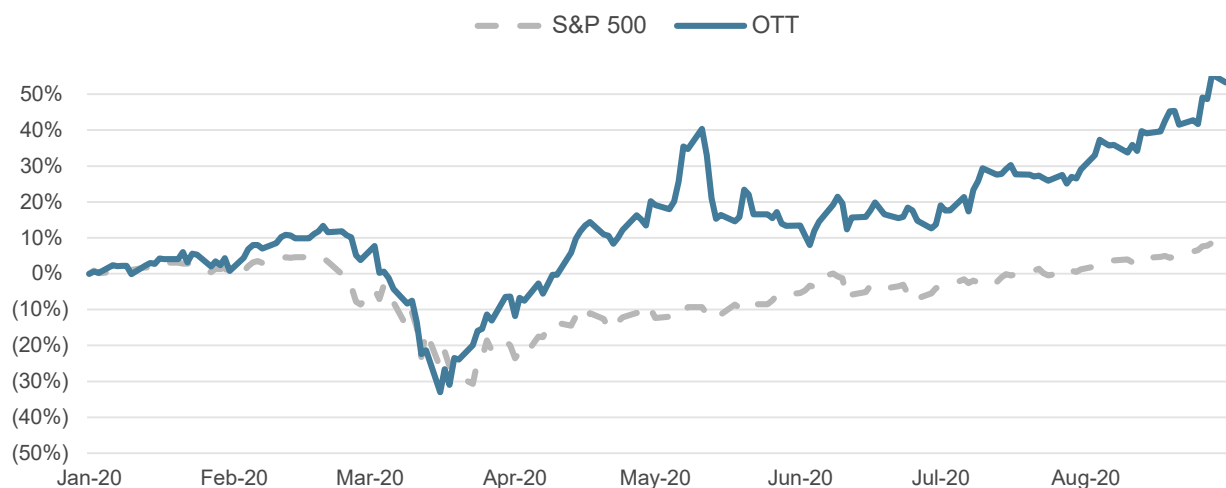
**MoffettNathanson Analysis of AVOD Ad Spend<sup>(1)</sup>**



Source: Company press releases and news reports; (1) MoffettNathanson Research, July 2020. (2) ViacomCBS includes CBS All Access, Showtime OTT, and other ViacomCBS-branded streaming products; Peacock's total is in sign-ups; Roku's total is in month active accounts; Pluto TV's total is in MAUs.

# OTT Platforms (cont.)

## YTD Performance











### OTT

- Chicken Soup for the Soul Entertainment
- fuboTV
- Gaia
- Netflix
- Roku

## Notable Recent Transactions

\$ in millions

Company				
Date	Feb. 20	Mar. 20	Mar. 20	Apr. 20
Acquirer				
Valuation	\$100.0	\$440.0	\$700.0	--
EV / Revenue	--	--	~4.0x–5.0x	--

## Notable Recent News and Articles

**The Information:** [“AT&T Wants \\$1.5 Billion in Crunchyroll Sale to Sony”](#)

**The Wrap:** [“Americans Subscribe to 27% More Streaming Services Than They Did a Year Ago”](#)

**Axios:** [“Streaming Price Hikes Make It Less of a Cheap Cable Alternative”](#)

**Bloomberg:** [“Apple Buys Older Shows for TV+, Stepping Up Netflix Challenge”](#)

**MediaPost:** [“OTT Ad Transactions Up 40% in Mid May vs. Previous Month”](#)

**Cord Cutters News:** [“At Least Six Million New Households Started Streaming in 2020”](#)

# Digital Publishing and Social Media

## Sector Trends and Insights

- Digital publishers and social media platforms continue to see increased engagement. However, many publishers continue to face headwinds and considerable uncertainty as we head into the remainder of this year.
  - Several of the large social platforms reported solid revenue growth, including Facebook (+14%) and Snap (+13%), while Twitter experienced a significant decline in advertising revenue (-25%).
    - Both Facebook and Snap appear to have been able to mitigate the impact of the broader decrease in advertising spend by swapping out different types of advertisers to replace those from industries impacted by COVID-19.
    - Despite user growth and increased engagement, Twitter wasn't able to capitalize on the user growth as the increased engagement was around less monetizable topics, such as COVID-19.
- The overall outlook for the sector for the remainder of 2020 remains mixed as advertising revenues are poised to benefit from an increase in political spending in the run-up to the election, while advertising spend in other categories—such as back to school, sports, and movies—are expected to decline.
  - Vice continued to make changes to its operations to focus on its core strengths. After laying off close to 5% of its work force earlier in the quarter, the company recently hired and promoted 20 people to strengthen its global news and audio operations.
  - Bustle Digital Group entered into a joint venture with W Media (publisher of *W Magazine*) and will manage all sales and operations for the magazine brand.
  - While the pandemic squeezed both digital and print advertising at *The New York Times*, digital revenue exceeded print revenue for the first time, driven by strong digital subscription growth.
    - The strong growth in subscriptions is in line with a broader trend (recently found in a study by Activate)<sup>(1)</sup> in which people are more willing to pay for digital news.
- Probably the biggest development across the social media space was the executive order requiring ByteDance to sell TikTok's U.S. operations.
  - While several high-profile parties reportedly expressed interest, at the time of writing this update, it appears Microsoft's offer was rejected and ByteDance instead opted for a partnership with Oracle. The transaction is reportedly not structured as a sale of TikTok's U.S. operations. Instead, it is the expectation that Oracle will become the host of TikTok's U.S. data.
  - The deal still needs to gain approval from the Trump administration, but we expect we will know the outcome by the time of our next quarterly update.
  - The increased scrutiny of TikTok has also elevated the profile and interest in its competitors, such as Triller and Dubsmash (e.g., both Facebook and Snap were rumored to have inquired about a possible acquisition of Dubsmash).

### Activate Analysis: Online News Willingness to Pay<sup>(1)</sup>

U.S., 2018 vs. 2020, % adults aged 18+



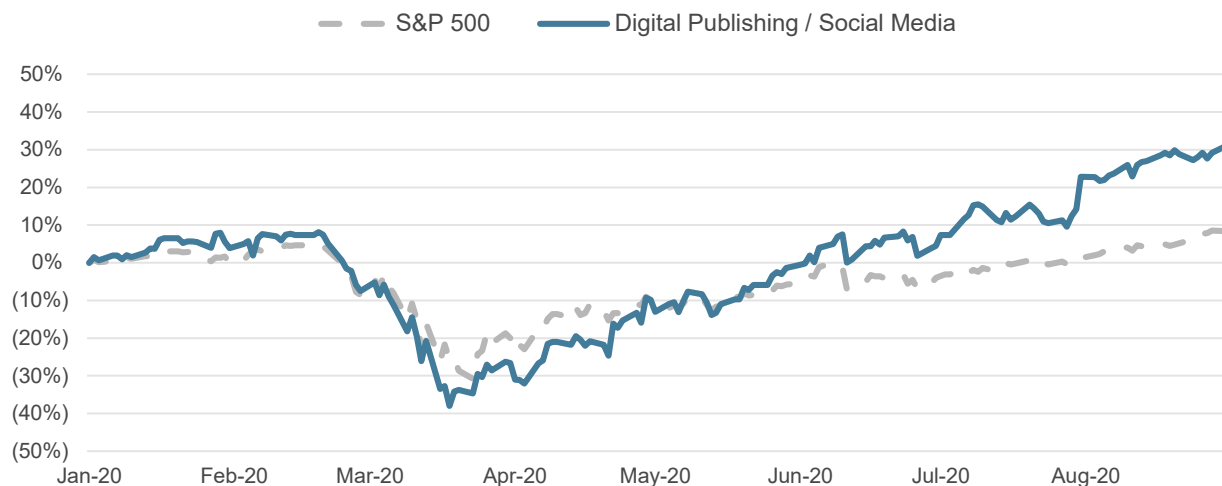
Source: Company press releases and news reports.

(1) "The Post-COVID-19 Agenda for Technology and Media Companies," Activate Consulting, June 10, 2020.



# Digital Publishing and Social Media (cont.)

## YTD Performance










### Digital Publishing

- Facebook
- Google
- IAC
- J2 Global (Ziff Davis)
- Leaf Group
- Pinterest
- Snap
- Twitter

## Notable Recent Transactions

\$ in millions

Company				 Storyblocks
Date	Jan. 20	May 20	June 20	June 20
Acquirer	 minute media	FACEBOOK	SHAMROCK  CAPITAL ADVISORS	Great Hill  PARTNERS
Valuation	--	\$400.0	--	--
EV / Revenue	--	--	--	--

## Notable Recent News and Articles

**Axios:** [“Bloomberg and The Athletic to Bundle Subscriptions”](#)

**TechCrunch:** [“Vice Lays Off 155, as COVID-19 Continues to Slam Media Revenue”](#)

**WSJ:** [“Tech, Financial Firms Eye Ways to Save TikTok’s U.S. Operations From Ban”](#)

**Axios:** [“The New York Times Doubles Down on TV and Film Ambitions”](#)

**MediaPost:** [“Bustle Digital Group Teams With Investor Group to Revive ‘W’ as W Media”](#)

**The New York Times:** [“TikTok Chief Executive Kevin Mayer Resigns”](#)

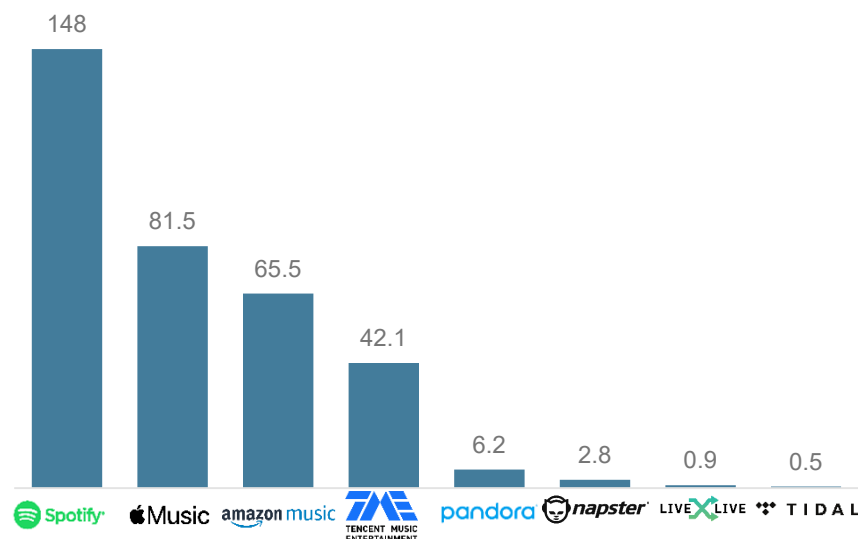
# Digital Audio

## Sector Trends and Insights

- Despite an early slowdown, the audio market has shown resilience throughout this year.
  - Music streaming platforms continue to experience growth, albeit at a slower pace, with platforms like Spotify and Apple Music showing growth of ~14% between March and July (compared to 20% earlier this year).<sup>(1)</sup>
    - The slower growth can be largely attributed to the shelter-in-place orders across the country, as 40% of music listening tends to happen in cars (during commuting) or at work.<sup>(2)</sup>
  - However, in its Q2 earnings report, Spotify indicated that global consumption hours have recovered to pre-COVID-19 levels, driven by regions where the spread of COVID-19 has slowed.
- Podcasting has continued to show strength, as well, as listeners transitioned from listening “on the go” to listening at home, as smart speakers have become ubiquitous in U.S. homes.
  - While some areas of podcasting showed weakness in recent months due to a lack of content—in particular, sports-related podcasts—other, more topical content such as news-and-politics-related podcasts, thrived.
  - Advertisers continue to allocate more money to the medium, as well, with the IAB projecting podcast ad spend to hit \$1 billion in 2021.
  - Spotify has continued to expand its podcasting offering and signed exclusive podcasting deals with high-profile talent, including Joe Rogan, the Kardashians, DC Comics, and several TikTok stars.
  - Overall interest in the sector remains high, with several notable deals announced in recent months, including the acquisition of Stitcher by SiriusXM, LiveXLive’s acquisition of PodcastOne, and Maple Media’s acquisition of Player FM.
- We expect strategic activity in the space to continue. While tech giants like Amazon and Apple have mostly sought to grow their platforms organically, other strategic players, including Spotify, SiriusXM (Pandora), and iHeartMedia, have focused on growth through the acquisition of premium podcast assets.

## Leading Digital Music Services 2020E Subscribers<sup>(3)</sup>

Subscribers in millions

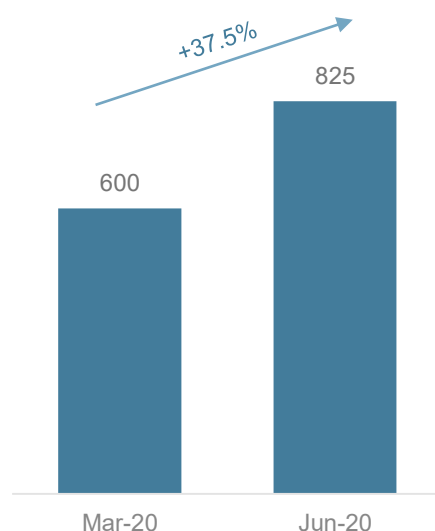


Source: Company press releases and news reports.

(1) Nielsen Music/MRC Data U.S. Midyear Report. (2) Chartable, July 2020 (3) SNL Kagan, July 2020—Pandora only includes Pandora Plus subscribers; Tencent Music includes QQ Music, KuGou Music, and Kuwo Music.

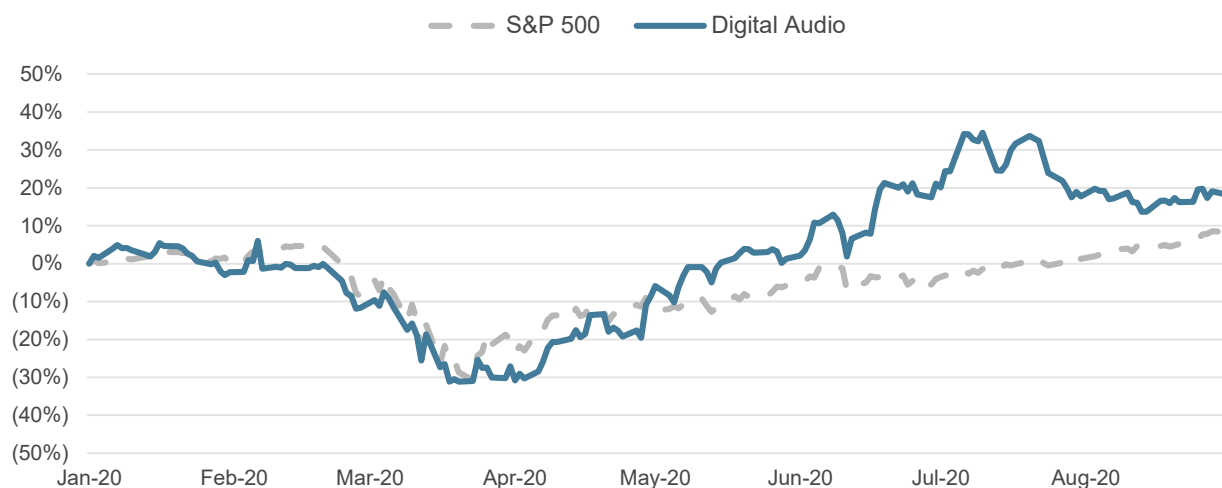
## Monthly Podcast Downloads<sup>(2)</sup>

Downloads in millions



# Digital Audio (cont.)

## YTD Performance













### Digital Audio

- iHeartMedia
- LiveXLive
- SiriusXM
- Spotify
- Stingray Group
- Tencent Music Entertainment

## Notable Recent Transactions

\$ in millions

Company					
Date	Feb. 20	May 20	May 20	July 20	Aug. 20
Acquirer					
Valuation	\$250.0	--	\$18.0	\$265.0 <sup>(1)</sup>	\$70.0
EV / Revenue	12.5x	--	0.7x	--	0.7x

## Notable Recent News and Articles

**Digital Music News:** [“After Paying \\$100 Million for the Joe Rogan Experience, Spotify’s Market Valuation Has Grown Over \\$13 Billion”](#)

**The L.A. Times:** [“How the Music Business Is Faring Amid the COVID-19 Pandemic”](#)

**Variety:** [“Why Are Music Streams Down If Everyone’s Stuck at Home? Experts Weigh In”](#)

**Digiday:** [“Podcasting’s Winners and Losers During Coronavirus”](#)

**TechCrunch:** [“Apple Launches Apple Music Radio With a Rebranded Beats 1, Plus Two More Stations”](#)

**Digital Music News:** [“Looks Like Spotify Wants to Dominate Another Category—Audiobooks”](#)

**Digital Music News:** [“Amazon Music Just Beat Spotify to the Punch on Live Streaming”](#)

Source: PitchBook.com, S&P Capital IQ, company press releases, and news reports.

(1) Excludes earn-outs of up to \$60 million.



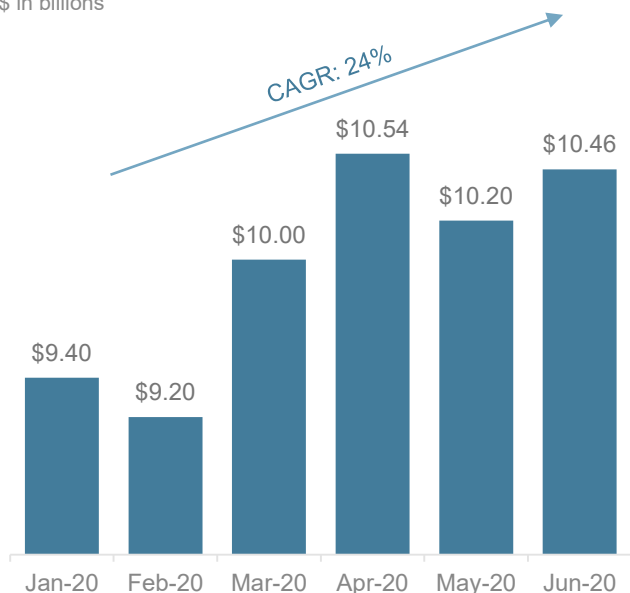
# Video Games

## Sector Trends and Insights

- The games industry experienced a record-breaking Q2, with accelerated growth that is poised to sustain.
  - Digital games generated \$10.46 billion worldwide in June 2020, the second highest digital games monthly revenue total ever, only surpassed by April 2020's \$10.54 billion.<sup>(1)</sup>
  - Mobile game downloads recorded its highest ever weekly total, 1.2 billion downloads worldwide, in the first week of Q2 and then recorded an average of 1 billion downloads per week for the rest of the quarter—a 20% YoY increase.<sup>(2)</sup>
  - Leading game companies reported unprecedented levels of engagement and YoY growth in key metrics.
- COVID-19 heightened the importance of social and community-based games that allowed users to connect with friends and families, and many platforms embedded themselves in the broader media ecosystem.
  - The success of games like *Fortnite*, *Roblox*, and *IMVU* is in large part attributed to their role as a social network inside of a game, supplemented by the ability to host concerts, promulgate gaming video content, and promote limited-time partnerships.
  - With concerts and music festivals canceled, virtual concerts within gaming platforms have provided fans with the next best thing to a live music experience. We expect this trend to continue, both within game platforms as well as through specialized offerings from companies like Wave.
- M&A activity remained robust in the quarter, highlighted by a number of transactions, including Zynga's acquisition of Peak Games, AppLovin's acquisition of Machine Zone, Stillfront Group's acquisition of Candywriter, and Take-Two Interactive's acquisition of Playdots (the developer of mobile games Dots, To Dots, and Dots & Co.).

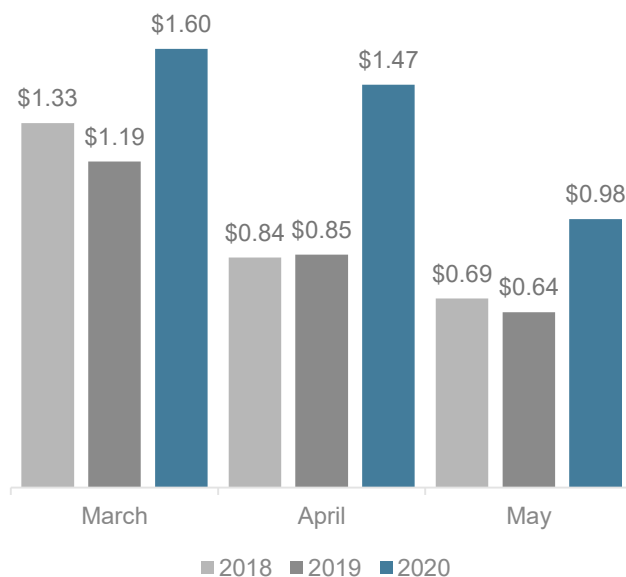
## Global YTD Digital Games Revenue<sup>(1)</sup>

\$ in billions



## March–May U.S. Video Game Sales<sup>(3)</sup>

\$ in billions



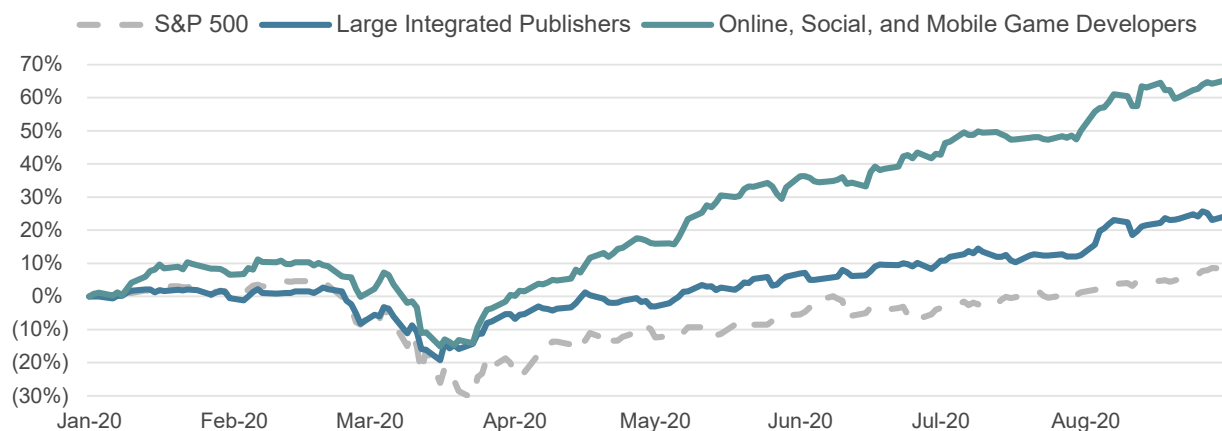
Source: Company press releases and news reports.

(1) SuperData Research, July 2020—includes revenue from digital games on mobile, console, and PC. (2) App Annie, July 2020.

(3) NPD Group, June 2020—includes purchases of video games hardware, content, and accessories.

# Video Games (cont.)

## YTD Performance



### Large Integrated Publishers

- Activision Blizzard
- Capcom
- Electronic Arts
- Konami Holdings
- Nintendo
- Sega Sammy
- Square Enix
- Take-Two Interactive
- Ubisoft

### Online, Social, and Mobile Game Publishers

- Com2uS
- DeNa
- Frontier Developments
- G5 Entertainment
- Gamevil
- Glu Mobile
- GungHo Online
- JoyCity
- MTG
- NCSOFT
- NetEase
- Netmarble
- Nexon
- NHN
- Remedy Entertainment
- Rovio
- SciPlay
- Stillfront Group
- Team17 Group
- WeMade
- Zynga
- CD Projekt
- Codemasters

## Notable Recent Transactions

Company	STILLFRONT GROUP	machine zone	peak GAMES	follic	DOTO	skillz
Date	Apr. 20	May 20	June 20	Aug. 20	Aug. 20	Sept. 20
Acquirer						
Valuation	\$74.4 <sup>(1)</sup>	--	1,800.0	\$210.0	\$192.0	\$3,500.0
EV / Revenue	2.9x	--	2.7x	--	--	~15.5x

## Notable Recent News and Articles

**GamesBeat:** [“App Annie: Mobile Gamers Broke App Store Records in Q2 2020”](#)

**NPD:** [“U.S. Consumer Spend on Video Game Products Continues to Break Records: Second Quarter Spending Reaches Highest Total in U.S. History”](#)

**Gamasutra:** [“Analyst: Mobile Games Generated 1 Billion Downloads Each Week in Q2 2020”](#)

**Newzoo:** [“Newzoo Adjusts Esports Forecast Further in Wake of the Ongoing COVID-19 Pandemic”](#)

**PocketGamer.biz:** [“Top 50 Mobile Game Makers 2020”](#)

Source: PitchBook.com, S&P Capital IQ, company press releases, and news reports.

(1) Excludes earn-outs of up to \$120.6 million.

# Robust M&A and Financing Activity

## Notable Q2 2020 M&A Transactions

(\$ in millions)				Target TEV (\$)	TEV / LTM	
Subsector	Announced	Target	Acquiror		Revenue	EBITDA
OTT	Jul-20	CoComelon, Blippi	Moonbug Entertainment	--	--	--
OTT	Apr-20	Vudu	Fandango	--	--	--
Publishing / Social	Aug-20	IMGN Media	Warner Music Group	85.0	--	--
Publishing / Social	Aug-20	SlideShare	Scribd	--	--	--
Publishing / Social	Jun-20	Storyblocks	Great Hill Partners	--	--	--
Publishing / Social	Jun-20	Adweek	Shamrock Capital	--	--	--
Publishing / Social	May-20	Giphy	Facebook	400.0	--	--
Digital Audio	Aug-20	MRI	MidOcean Partners	--	--	--
Digital Audio	Aug-20	Napster	MelodyVR	70.0	0.7x	NM
Digital Audio	Jul-20	Serial Productions	The New York Times	25.0	--	--
Digital Audio	Jul-20	Dynamic Music	BMG Production Music	--	--	--
Digital Audio	Jul-20	Stitcher / Midroll	SiriusXM	265.0 <sup>(1)</sup>	3.7x	--
Digital Audio	Jun-20	Simplecast	SiriusXM	--	--	--
Digital Audio	May-20	PodcastOne	LiveXLive	18.1	0.7x	--
Digital Audio	May-20	PlayerFM	Maple Media	--	--	--
Gaming	Sep-20	Skillz	Flying Eagle Acquisition Corp.	3,500.0	15.5x	--
Gaming	Aug-20	Playdots	TakeTwo Interactive	192.0	--	--
Gaming	Aug-20	DECA, 4A Games, New World Interactive, Vermila Studios, Rare Earth Games, Palindrome Interactive, Pow Wow Entertainment, and Sola Media	Embracer Group	--	--	--
Gaming	Aug-20	Rollic Games	Zynga	210.0	--	--
Gaming	Jul-20	Belong Gaming Arenas	Vindex	50.0	--	--
Gaming	Jul-20	FTX Games and Plamee Studios	Tilting Point	--	--	--
Gaming	Jun-20	Deck13 Interactive	Focus Home Interactive	8.0	1.3x	--
Gaming	Jun-20	Ready at Dawn Studios	Facebook	--	--	--
Gaming	Jun-20	Cateia Games	Playrix	--	--	--
Gaming	Jun-20	Darkfire Games	Rovio Entertainment	--	--	--
Gaming	Jun-20	Peak Games	Zynga	1,800.0	2.7x	--
Gaming	May-20	Marvelous	Tencent	325.0 <sup>(2)</sup>	1.4x	8.9x
Gaming	May-20	Machine Zone	AppLovin	--	--	--
Gaming	Apr-20	PierPlay	Scopely	--	--	--
Gaming	Apr-20	Jagex	Macarthur Fortune Holding	530.0	--	--
Gaming	Apr-20	Candywriter	Stillfront Group	74.4 <sup>(3)</sup>	2.9x	4.9x <sup>(4)</sup>
Gaming	Apr-20	NextVR	Apple	100.0	--	--

Source: PitchBook.com, S&P Capital IQ, company press releases, and news reports.

(1) Excludes earn-outs of up to \$60 million. (2) Based on a 20% stake. (3) Excludes earn-outs of up to \$120.6 million. (4) Represents TEV/LTM adjusted EBITDA multiple.

# Robust M&A and Financing Activity (cont.)

## Notable Q2 2020 Private Placement Transactions

(\$ in millions)					
Subsector	Announced	Target	Investor	Investment Amount (\$)	Enterprise Value (\$)
OTT	Jul-20	Moonbug Entertainment	Raine Group, Felix Capital, Fertitta Capital	145.0	--
OTT	Jul-20	Caffeine	Cox Enterprises, Fox Corporation, Sanabil Investments, Andreessen Horowitz, Greylock Partners	113.0	600.0
OTT	Jun-20	Wave	Maveron Griffin Gaming Partners, NTT DOCOMO Ventures, Avex, Superfly Ventures, Convivialite Ventures, Raised in Space	30.0	--
OTT	May-20	MasterClass	Fidelity Management & Research Company, Owl Ventures, 01 Advisors and existing investors	100.0	800.0
OTT	Apr-20	SR Labs	NEA, IVP, Atomico, NextEquity Partners	27.5	--
OTT	Apr-20	bilibili	Undisclosed	400.0	7,632.1
Publishing / Social	Aug-20	Radish	Sony Corp America	63.2	--
Publishing / Social	Jun-20	Discord	SoftBank Ventures Asia, Kakao Pages	100.0	3,500.0
Publishing / Social	Jun-20	Headspace	Index Ventures	47.7	--
Publishing / Social	Jun-20	IVI	Blisce/, Waverley Capital, Times Bridge, The Chernin Group, Spectrum Equity, Advancit Capital	54.0	--
Publishing / Social	May-20	Run the World	Alfa-Bank	10.8	21.6
Publishing / Social	May-20	Chief	a16z, Founders Fund, Dreamers VC, Hartbeat Capital	15.0	--
Publishing / Social	May-20	Clubhouse	General Catalyst, Inspired Capital, GGV Capital, Primary Venture Partners, Flybridge Capital, BoxGroup	12.0	100.0
Publishing / Social	May-20	Sleeper	Andreessen Horowitz	20.0	90.0
Publishing / Social	May-20	Peanut	a16z, Baron Davis, JuJu Smith-Schuster, Ros Gold Onwude, Kevin Lin	12.0	--
Publishing / Social	Apr-20	Appbrew	EQT Ventures	10.2	--
Publishing / Social	Apr-20	Attentive	Mitsubishi UFJ Capital, Susquehanna International Group, Mizuho Capital, Mynavi	40.0	--
Digital Audio	Jun-20	Artist	Sequoia Capital, Global Equities, Coatue, IVP, Bain Capital Ventures, NextView Ventures, Eniac Ventures, High Alpha	48.0	--
Digital Audio	Jun-20	Warner Music Group	KKR, Elephant Partners	200.0	12,500.0
Digital Audio	May-20	Podimo	Tencent	16.6	--
Gaming	Aug-20	Voodoo	83North, e.ventures, Heartcore	--	1,400.0
Gaming	Aug-20	Wildlife Studios	Tencent	120.0	3,000.0
Gaming	Aug-20	Epic Games	Vulcan Capital, Human Capital	1,780.0	17,300.0
Gaming	Jun-20	Playable Worlds	Sony, Lightspeed Venture Partners, Ontario Teachers' Pension Plan Board, Baillie Gifford, BlackRock, Fidelity Management and Research Company, David Tepper, T.Rowe Price and Associates, KKR, Smash Ventures	10.0	--
Gaming	Apr-20	FaZe Clan	Galaxy Interactive, BITKRAFT Esports Ventures	40.0	--


# Outstanding Track Record Executing Digital Media Transactions

Houlihan Lokey professionals have unparalleled experience in advising digital media companies across a wide range of transactions.




has agreed to merge with PropTech Acquisition Corporation via SPAC combination


Advisor to Special Committee




a subsidiary of




has been acquired by




Sellside Advisor




has been acquired by




Sellside Advisor




has been acquired by




Sellside Advisor




has been acquired by



Sellside Advisor



has been acquired by



Sellside Advisor



\$28 million financing led by



Financial Advisor



a portfolio company of



has been acquired by



Sellside Advisor



has sold substantially all its assets, pursuant to Section 363 of the U.S. Bankruptcy Code, to



Company Advisor




has been acquired by




A portfolio company of




Sellside Advisor




has been acquired by



Sellside Advisor



has been acquired by



Sellside Advisor





has been acquired by




Sellside Advisor

How2Media Inc, d/b/a

has received financing from



Financial Advisor\*




\$275,000,000  
Series E Preferred Stock







Placement Agent\*



has been acquired by



Financial Advisor\*

\*Selected transactions were executed by Houlihan Lokey professionals while at other firms or by professionals from a Houlihan Lokey joint venture company.

# How Houlihan Lokey Can Help

Our firm is well-equipped to help our clients navigate uncertain times. We respond quickly to challenging situations and are constantly helping clients to analyze, structure, negotiate, and execute the best possible solutions from both a strategic and a financial perspective.

## What We Offer

- Corporate Finance
- 1 Mergers and Acquisitions
- 2 Capital Markets
- Private Funds Advisory
- Board Advisory Services
- Financial Restructuring
- Company Advisory
- Financial Restructuring
- Distressed M&A
- Liability Management
- Creditor Advisory
- Financial and Valuation Advisory
- Portfolio Valuation and Fund Advisory
- Transaction Opinions
- Corporate Valuation Advisory Services
- Transaction Advisory Services
- Real Estate Valuation and Advisory
- Dispute Resolution Consulting

### Mergers and Acquisitions

We are widely recognized as the leading M&A advisor to the mid-cap in general and the TMT sector in particular. Our deep expertise across the sector, knowledge of the strategic landscape, and long-standing relationships with all relevant strategic and financial buyers make us the M&A advisor of choice for strategic transactions in the digital media industry.

### Equity Financing

We have a market-leading private capital markets platform focused on the placement of solution-oriented capital for a wide range of financing needs. We have differentiated investor relationships and access to the key decision makers, allowing us to run a bespoke, high-touch, confidential, and efficient process.

## Why We Are Different

- ✓ Deep Digital Media Industry Expertise
- ✓ Strong Relationships With the Most Relevant Buyers
- ✓ Solution-Oriented Capital Markets Platform
- ✓ Dominant in Special Situations and Restructuring
- ✓ Senior-Level Commitment and Dedication
- ✓ Superior Work Product and Technical Abilities
- ✓ Creativity, Imagination, Tenacity, and Positivity





Houlihan Lokey is the trusted advisor to more top decision-makers than any other independent global investment bank.

- **1,500+** Employees
- **23** Locations Globally
- **\$1+ Billion** of Revenue
- **~\$4 Billion** Market Cap

## Corporate Finance

### 2019 M&A Advisory Rankings All U.S. Transactions

	Advisor	Deals
1	<b>Houlihan Lokey</b>	<b>184</b>
2	Goldman Sachs & Co	167
3	JP Morgan	141
4	Morgan Stanley	122
5	Evercore Partners	112

Source: Refinitiv (formerly known as Thomson Reuters)

**No. 1** U.S. M&A Advisor

**Top 10** Global M&A Advisor

**Leading** Capital Markets Advisor

## Financial Restructuring

### 2019 Global Distressed Debt & Bankruptcy Restructuring Rankings

	Advisor	Deals
1	<b>Houlihan Lokey</b>	<b>76</b>
2	PJT Partners Inc	43
3	Moelis & Co	36
4	Lazard	29
5	AlixPartners	19

Source: Refinitiv (formerly known as Thomson Reuters)

**No. 1** Global Restructuring Advisor

**1,000+** Transactions Completed Valued at  
More Than \$2.5 Trillion Collectively

## Technology, Media, and Telecom (TMT)

### 2014 to 2019 M&A Advisory Rankings U.S. Technology, Media, Entertainment & Telecom Transactions Under \$1 Billion

	Advisor	Deals
1	<b>Houlihan Lokey</b>	<b>198<sup>(1)</sup></b>
2	Goldman Sachs & Co	162
3	Raymond James Financial Inc	155
4	Morgan Stanley	154
5	Evercore Partners	144

Source: Refinitiv (formerly known as Thomson Reuters)

**No. 1** U.S. TMT Practice

**TMT Investment Bank of the Year—The Deal  
Awards 2020**

## Financial and Valuation Advisory

### 2000 to 2019 Global M&A Fairness Advisory Rankings

	Advisor	Deals
1	<b>Houlihan Lokey</b>	<b>1,057</b>
2	JP Morgan	929
3	Duff & Phelps	734
4	Morgan Stanley	621
5	Bank of America Merrill Lynch	612

Refinitiv (formerly known as Thomson Reuters). Announced  
or completed transactions.

**No. 1** Global M&A Fairness Opinion Advisor  
Over the Past 20 Years

**1,000+** Annual Valuation Engagements

(1) Transaction statistics for TMT are not pro forma to reflect Houlihan Lokey's acquisition of MVP Capital on July 25, 2020.

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