



HOULIHAN LOKEY

SPORTS INDUSTRY CONSIDERATIONS

MARKET UPDATE | SUMMER 2020



Houlihan Lokey Sports Industry Update

Dear Clients and Friends,

Houlihan Lokey is pleased to present its Sports Industry Summer 2020 Overview.

We have included industry insights and select transaction announcements to help you stay ahead in the dynamic and constantly evolving sports sector. Driven by growing national and local media rights deals, digital platforms, and increased sponsorship monetization, recent years have witnessed several blockbuster acquisitions in the major U.S. professional sports leagues. We expect activity to remain high, especially for minority ownership stakes, for the foreseeable future as franchise assets remain scarce and institutional buyers enter the marketplace with increasing demand.

In recent months, COVID-19 has sent shock waves through markets globally and captured the attention of the world. Since mid-February, COVID-19 has caused significant market disruption that is expected to continue for the foreseeable future. The sports industry has been particularly impacted with the cancellation of live sporting events, forcing sports leagues and franchises to reevaluate their business models for the duration of the pandemic. In recent weeks, leagues have begun to resume competition in empty stadiums, which has profound financial implications on teams' operations and financial outlooks.

We hope you find this update informative and that it serves as a valuable resource to you in staying abreast of the market. If there is additional content you would find useful for future updates, please don't hesitate to call or email us with your suggestions. We look forward to staying in touch with you.

Regards,



Roy Kabla

*Managing Director
Global Co-Head of TMT Group
RKabla@HL.com
212.497.4193*



Brian Marler

*Director
Head of Sports Valuation
BMarler@HL.com
310.712.6548*



Ronald de Gier

*Senior Vice President
RDeGier@HL.com
212.497.4157*



Kyle Corigliano

*Vice President
KCorigliano@HL.com
310.788.5374*



Conrad Kolasa

*Associate
CKolasa@HL.com
310.789.5713*



Marcos Melendez-Lluch

*Analyst
MMelendez@HL.com
310.788.5332*



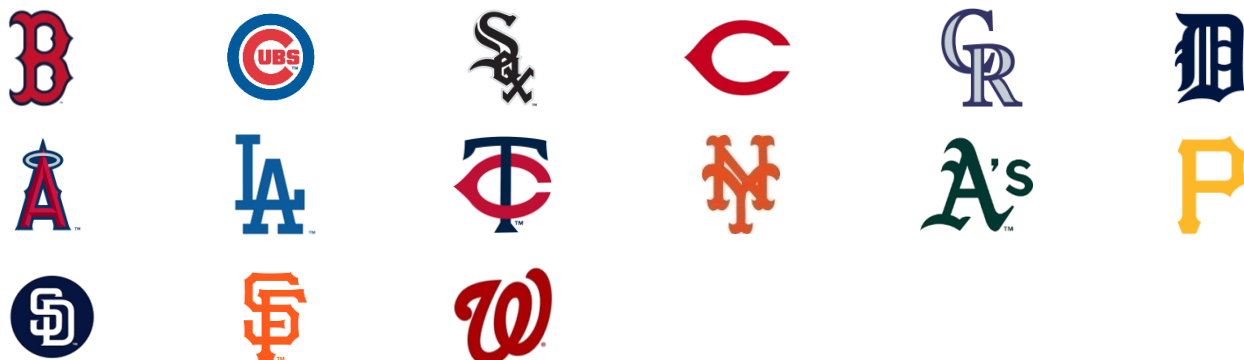
Travis Schwartz

*Analyst
TSchwartz@HL.com
310.789.5793*

Extensive Sports Franchise Clientele

Houlihan Lokey has extensive experience within the professional sports industry. We have provided fairness opinions, valuation opinions, and other financial advisory services to numerous sports franchises and sports-related entities across all major U.S. leagues. These engagements and the experience of our bankers have enabled us to develop strong relationships with professional sports team owners.

Major League Baseball



National Basketball Association



National Football League















































National Hockey League



Select Sports Transactions

Houlihan Lokey's professionals have unparalleled experience in advising sports franchises and sports-focused companies.

 <p>a subsidiary of</p>  <p>has been acquired by</p>  <p>Sellside Advisor</p>	 <p>a subsidiary of</p>  <p>has been acquired by</p>  <p>Sellside Advisor</p>	 <p>Provided financial advisory services and a valuation opinion in connection with the purchase of Tribune Media's 5% interest in Chicago Entertainment Ventures, LLC</p> <p>Financial Opinion</p>	 <p>We rendered a valuation opinion for financial reporting purposes to Yankee Entertainment & Sports Network</p> <p>Financial Opinion</p>	 <p>has successfully completed the spin-off of</p>  <p>Houlihan Lokey provided financial opinions to the Board of Directors of both Twenty-First Century Fox and Fox Corporation.</p> <p>Financial Opinion</p>
 <p>has been acquired by</p>  <p>Sellside Advisor</p>	 <p>has been acquired by</p>  <p>Sellside Advisor</p>	 <p>a subsidiary of</p>  <p>has been acquired by</p>  <p>Sellside Advisor</p>	 <p>has received significant investments from</p>  <p>and</p>  <p>Sellside Advisor</p>	 <p>We rendered a valuation opinion for tax & financial reporting purposes to The Topps Company regarding its sports & entertainment business</p> <p>Financial Opinion</p>
 <p>has successfully concluded a syndicated loan in the amount of €50,000,000</p> <p>Financing Advisor</p>	 <p>\$28 million financing led by</p>  <p>Financial Advisor</p>	 <p>\$275,000,000 Series E Preferred Stock</p>     <p>Placement Agent*</p>	 <p>\$70,000,000 Series D Preferred Stock</p>    <p>Placement Agent*</p>	 <p>has sold substantially all its assets, pursuant to Section 363 of the U.S. Bankruptcy Code, to</p>  <p>Company Advisor</p>
 <p>has been acquired by</p>  <p>Strategic Advisor*</p>	 <p>\$15,000,000 Series B Preferred Stock</p>  <p>Financial Advisor*</p>	 <p>Strategic Advisory Services</p> <p>Strategic Advisor</p>	 <p>has been acquired by</p>  <p>Sellside Advisor</p>	 <p>has acquired</p>  <p>Financial Advisor*</p>

Tombstones included herein represent transactions closed from 2008 forward.

*Selected transactions were executed by Houlihan Lokey professionals while at other firms acquired by Houlihan Lokey.

COVID-19 Impact on Professional Sports

COVID-19 has dramatically changed the sports landscape. During the three months of quarantine in the U.S., many questions had remained unanswered; however, the recent outlook for many sports leagues is positive.



- NBA suspends season after player tests positive for coronavirus — *The New York Times*



- Tokyo 2020 Olympics postponed over coronavirus concerns — *NBC News*



- Can the sports industry survive the coronavirus shutdown? — *Financial Times*



- Boston Red Sox could lose approximately \$199 million in gate receipts, MLB \$2.86 billion with no fans or canceled season — *MassLive.com*



- Coronavirus could cost NBA \$1 billion, bring about record salary cap drop — *The Washington Post*



- Premier League clubs prepare for possibility of 2020–2021 season behind closed doors — *Sky Sports*

Unprecedented Times

Many Americans first learned of the severity of the novel COVID-19 pandemic when the NBA suspended its season indefinitely on March 11 after several of its players tested positive for the disease. Other leagues and organizations—including MLB, MLS, the NHL, the PGA Tour, the NCAA men's and women's basketball tournaments, and the 2020 Olympics (later postponed until 2021)—quickly followed suit, either suspending their seasons or outright canceling their events.

Sports Lockdown

COVID-19 has led to a fairly bleak near-term outlook for sports. An analysis conducted by ESPN shows that the loss of sports will erase at least \$12 billion in revenue and hundreds of thousands of jobs, which could more than double if fall sports such as the NFL and college football are canceled. Generally, the primary revenue components for sports leagues and franchises include match day, broadcasting, and other commercial revenues. With match day revenues at zero, this leaves broadcasting and other sponsorship arrangements as the sole source of income. Currently, it's unclear whether networks will be required to pay rights fees with games shut down, but it appears to be a foregone conclusion that advertising revenues will be severely impacted. According to ad firm MediaRadar, COVID-19 could cause roughly \$1 billion in lost advertising revenue for MLB, the NBA, and the NHL.

“Our revenue in essence has dropped to zero,” NBA Commissioner Adam Silver recently stated. In the midst of team playoff pushes, the NBA and Silver have been at the forefront dealing with the economic fallout from COVID-19. One team's executive mentioned that the total damage for the NBA could reach more than \$1.2 billion, more than \$40 million per team.

On the other hand, the NFL has been relatively unscathed from COVID-19 thus far due to its lucky position in the calendar. The league's fortunes were on display during the NFL Draft held in late April, when it was able to capitalize on the pent-up demand for live sports content by setting ratings records. High demand by advertisers, many of whom have been left looking for new programming from the suspension of other live sports, led to double-digit growth in ad revenue year over year.

COVID-19 Impact on Professional Sports (cont.)



■ European soccer has started giving up — *The Wall Street Journal*



■ As COVID-19 closes stadiums, municipalities struggle with billions in debt — *The Wall Street Journal*



■ Premier League clubs and players are at war. Both are losing — *The New York Times*



■ Why major sports might risk comebacks during the pandemic — *The New York Times*

Recent Events and Lasting Impact

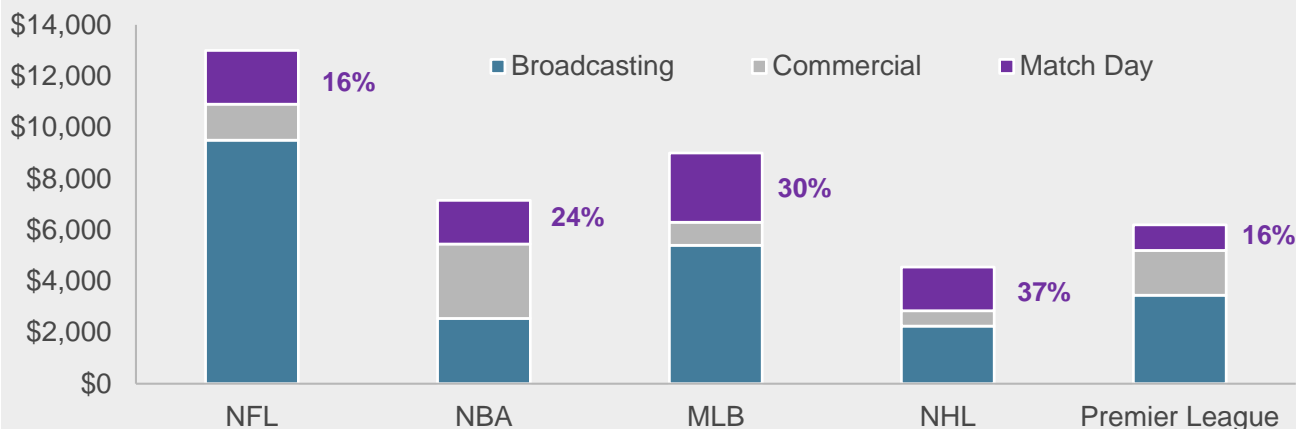
Even as countries and states begin to lift restrictions, the unpredictable duration of COVID-19 could force sports leagues to make adjustments to operating models to reflect the recommendations of health professionals (e.g., adjusting stadium infrastructure to support social distancing). Recently, Dr. Anthony Fauci, the Director of the National Institute of Allergy and Infectious Diseases (NIAID), discussed sports seasons in an interview with *The New York Times*. “If you can’t guarantee safety, then unfortunately you’re going to have to bite the bullet and say, ‘We may have to go without this sport for this season.’”

However, both the NBA and NHL recently announced plans to resume seasons using fresh and innovative formats. The NBA recently approved a unique 22-team format hosted in Orlando, while the NHL plans to return with a round-robin format with 24 teams in two hub cities. The MLB is exploring a shortened season beginning in July but is currently entangled with the players union on specific contractual terms. The PGA Tour will restart its season without spectators beginning June 11. Meanwhile, in Europe, France’s Ligue 1 and Ligue 2 canceled the current season in April, while other UEFA leagues retained the optionality to resume. In fact, the German Bundesliga recently restarted its season with much success, despite empty stadiums. England’s Premier League, Italy’s Serie A, and Spain’s La Liga are scheduled to restart their respective seasons in mid-June, thus securing the lucrative remaining rights payments from broadcasters.

While COVID-19 is unlikely to dramatically impact the values of sports franchises in marquee leagues, the pandemic could put pressure on the economics of lower-tier sports leagues. For instance, minor-league teams and lower-tier football clubs in Europe, which lack significant media rights deals, rely more heavily on match-day revenue. Additionally, COVID-19 lockdowns have reduced tax revenue generated by sporting events and concerts, causing added pressure on the already strained budgets of municipalities.

Sports League Revenue Breakdown (5-year average)

(\$ in millions)



Sources: World Economic Forum (This is how coronavirus is affecting sports), Statista.

COVID-19 Impact on Professional Sports (cont.)

Robust Deal Activity Despite COVID-19

The year 2020 started off with a number of high-profile acquisitions of sports and sports-media properties, including Advance's \$730 million acquisition of The Ironman Group, Endeavor's acquisition of On Location Experiences, and Penn National Gaming's purchase of a 36% stake in Barstool Sports, valuing the company at \$450 million.

While some pending deals were put on hold once the COVID-19 pandemic started to spread globally, including CVC Capital Partners' planned \$375 million deal for a stake in the Six Nations rugby competition, we continue to see strategic interest in marquee sports properties. For example, CVC reportedly is in talks with Lega Calcio regarding a \$2.4 billion transaction to acquire a 20% stake in a new company that would manage Italy's Serie A's broadcasting rights and create a new investment fund that would be responsible for the development of Italian soccer stadiums. Similarly, the German Bundesliga has been exploring options to obtain bridge financing for additional liquidity, with various private equity firms, including KKR and Apollo, apparently interested in providing a bridge loan. While it is unlikely that premier sports assets will trade at significant discounts as a result of the COVID-19 crisis, some media companies that are dependent on live sports may be forced to seek financing or transact at less favorable terms.

Sports remains a highly sought-after category, and we expect M&A activity to accelerate once the market has adjusted to the new post-COVID-19 environment.

Growth in Digital and Esports

Even before the pandemic, there was an increased focus on digital sports content with companies like fuboTV, DAZN, and Eleven Sports, offering alternative ways to view sports content outside the traditional linear MVPD subscription package. At the same time, traditional MVPDs have been looking for opportunities to renegotiate (or cancel, in the case of DISH) affiliate fees for sports-related networks like ESPN and TNT. Although some professional sports leagues are looking to resume in the near term, the absence of live sports during the past three months could impact upcoming renewal discussions between rights holders and the traditional broadcast and cable networks. This, in turn, could accelerate a shift of more key sports rights to digital over-the-top (OTT) platforms.

Coincidentally, in the absence of traditional live sports, esports is having its moment under COVID-19, with several games receiving their first appearance on linear U.S. networks. Many of these networks aired live esports content for the first time (e.g., Fox), while others that have broadcasted esports content in the past (such as ESPN) have been airing significantly more esports programming. This coverage has resulted in record-high viewership, helped by the promotion by many "traditional" athletes from the NBA, UEFA, etc. While any COVID-19-related lift may very well be temporary, the long-term outlook for esports remains robust.

We have also seen an increased focus on digital sports publishers like Vox Media's SB Nation, Bleacher Report, and *Sports Illustrated*, which shifted to a mostly digital strategy after its acquisition by Maven. Many advertisement-based digital media companies have faced headwinds in recent years as they compete with Facebook and Google for advertising dollars. Sports media companies have often been able to fare better than other categories because of the higher value associated with sports, as well as the uplift from advertising related to sports betting. Additionally, some digital media companies such as The Athletic have been able to develop successful subscription models, capitalizing on a passionate sports fan base. However, neither ad-based nor subscription-based businesses are insulated from some of the COVID-19 headwinds, as the recent layoffs and headcount reductions at both the Athletic and SB Nation illustrate.











Professional Sports Franchise M&A Activity

Franchise M&A activity for controlling ownership stakes continue to set records in deal size. See below for transactions over the past decade.

(\$ in millions)

















NFL Transactions

New NFL Media Deal Announced (2/14/2011)

Date Closed	Aug 2010	Jan 2012	Oct 2012	Oct 2014	Jul 2018
	\$750 	\$760 	\$1,000 	\$1,400 	\$2,275 
Target					
Buyer	Stan Kroenke	Shahid Khan	Jimmy Haslam	Terry and Kim Pegula	David. A Tepper

















NBA Transactions

New NBA Media Deal Announced (10/6/2014)

Date Closed	Apr 2012	Jun 2012	May 2013	Apr 2014	May 2014	Jun 2015	Sep 2017	Sep 2019
	\$338 	\$377 	\$534 	\$550 	\$2,000 	\$837 	\$2,200 	\$2,300 
Target								
Buyer	Tom Benson	Robert Pera	Vivek Ranadivé	Wesley Edens, Marc Lasry	Steven A. Ballmer	Antony Ressler	Tilman Fertitta	Joseph Tsai

MLB Transactions

New MLB Media Deal Announced (8/28/2012)









Date Closed	Oct 2009	Aug 2010	Nov 2011	Apr 2012	Aug 2012	Aug 2016	Oct 2017	Nov 2019
	\$845 	\$469 	\$610 	\$2,000 	\$800 	\$1,469 	\$1,200 	\$1,000 
Target								
Buyer	Ricketts Family	Chuck Greenberg, Nolan Ryan	Jim Crane	Guggenheim Partners	Peter O'Malley, Ron Fowler	John Stanton	Bruce Sherman	John Sherman

Professional Sports Franchise M&A Activity (cont.)










Franchise M&A activity for controlling ownership stakes continue to set records in deal size. See below for transactions over the past decade.

(\$ in millions)







NHL Transactions New NHL Media Deal Announced (4/19/2011)

Date Closed	May 2011	Nov 2011	May 2012	Aug 2013	Sep 2013	Jun 2017	Jan 2018	Jul 2019
	\$170	\$265	\$120	\$320	\$250	\$240	\$688	\$300
Target								
Buyer	True North Sports & Entertainment	Tom Gaglardi	Tom Stillman	Josh Harris, David Blitzer	Vincent Viola	Andrew Barroway	Tom Dundon	Alex Meruelo

European Football Transactions

Date Closed	Oct 2014	Dec 2014	Jun 2016	Jan 2017	Apr 2017	Jun 2017	Sep 2018	Jun 2019	Aug 2019
	£105.2	£92.4	£305.4	£71.1	£622.1	£262.2	£52.6	£122.9	£104.8
Target									
Buyer	Meriton Holdings (Peter Lim)	Futebol Clube do Porto	Suning Holdings Group, LionRock Capital	Gérard López	Elliott Advisors	Sport Lisboa e Benfica SGPS SA	Ronaldo Luís Nazário de Lima	Rocco B. Comisso	Ineos

MLS Transactions New MLS Media Deal Announced (5/12/2011)

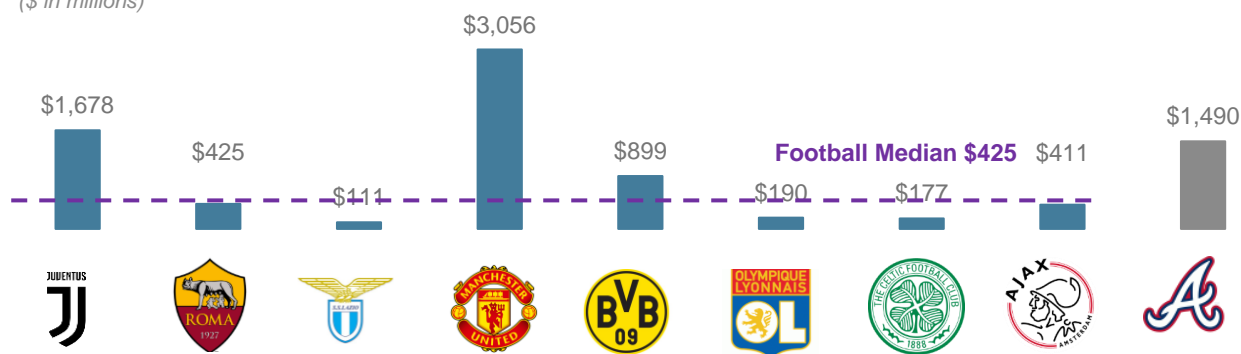
Date Closed	Oct 2016	Nov 2015	Mar 2018	Jul 2018	Aug 2018	Feb 2019
	\$100		\$490	\$245	\$455	\$645
Target						
Buyer	Erick Thohir, Jason Levien	Adrian Hanauer	Albert Friedberg	Joe Mansueto	Jason Levien	Meg Whitman, Griff Harsh

Public Market Sports Franchise Sector Performance

European football clubs are the predominant publicly listed sports franchises, with the exception of the Atlanta Braves in the U.S. COVID-19 has had an immense impact on UEFA member leagues, as most ceased competition in early March and several (most notably Ligue 1 in France) have made the decision to cancel the season entirely. The resumption of play in England, Spain, and Italy is targeted for June but remains uncertain and subject to government and league approvals.

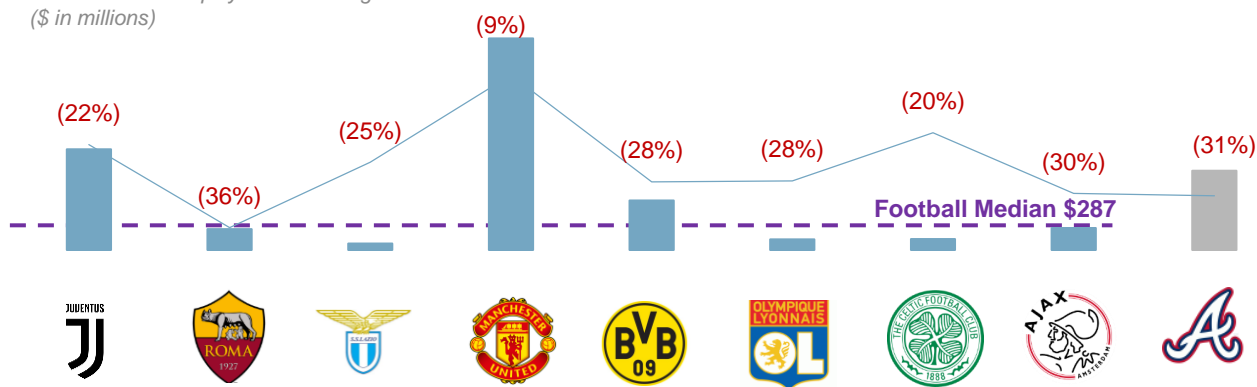
Pre-COVID-19 Market Disruption (as of 1/31/2020)

Market value of equity
(\$ in millions)



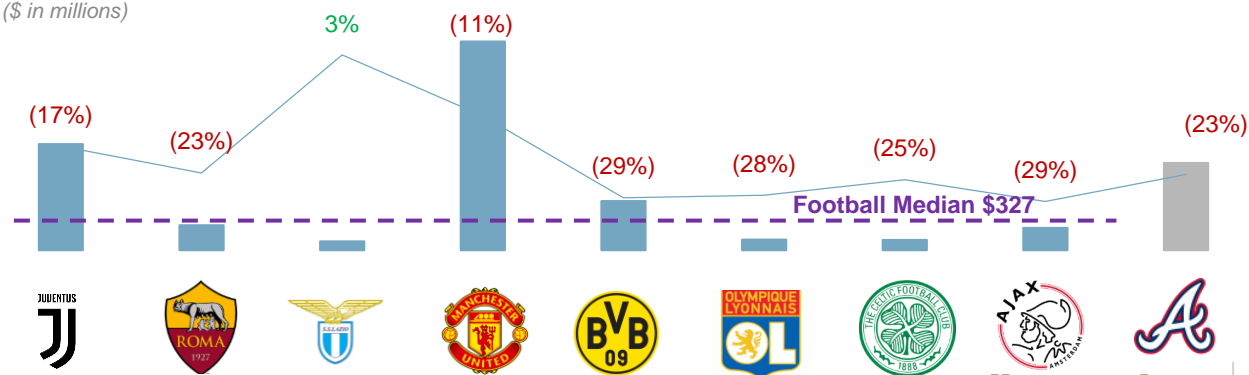
Post-COVID-19 Market Disruption (as of 4/30/2020)

Market value of equity with % change since 1/31/2020
(\$ in millions)



Post-COVID-19 Market Disruption (as of 5/29/2020)

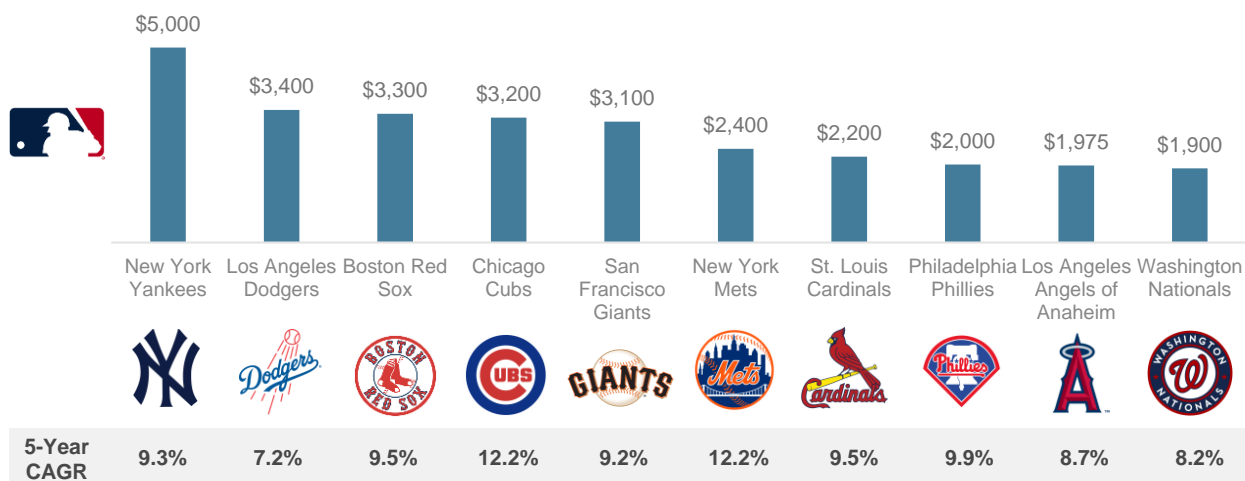
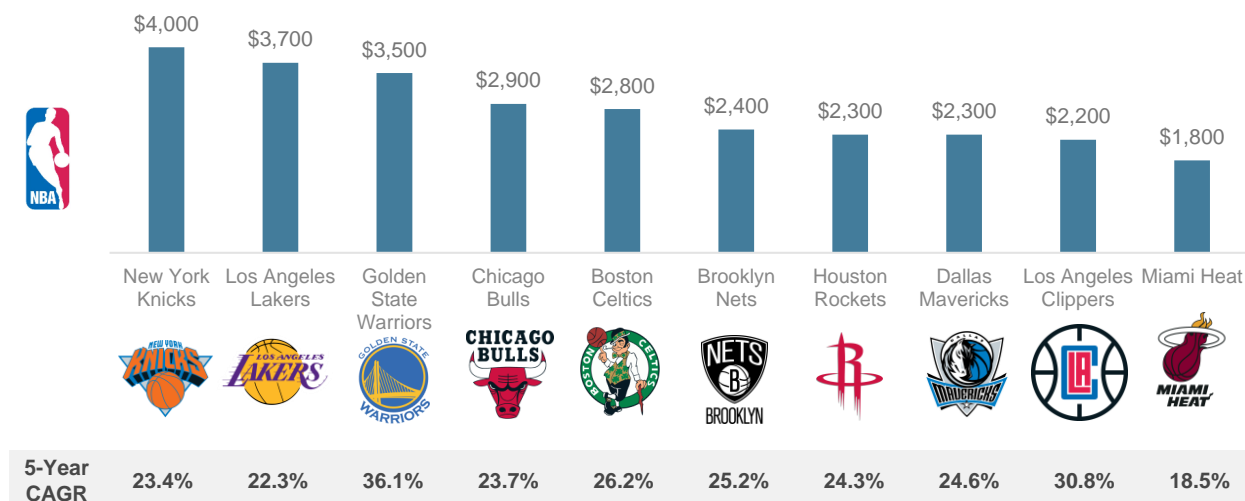
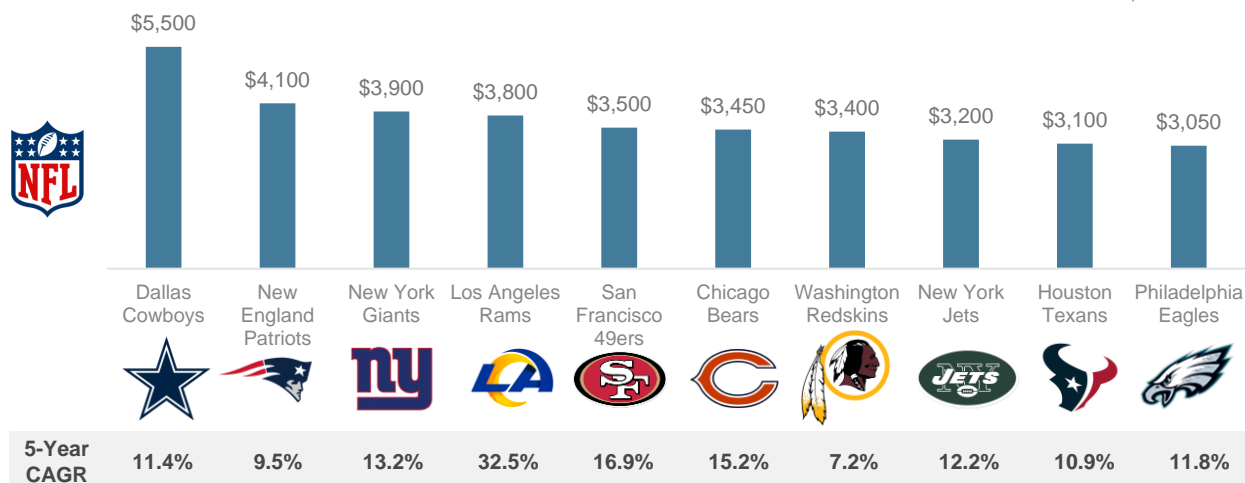
Market value of equity with % change since 1/31/2020
(\$ in millions)



Sports Franchise Values

Investment returns are usually driven through capital appreciation rather than cash-yield income.

(\$ in millions)

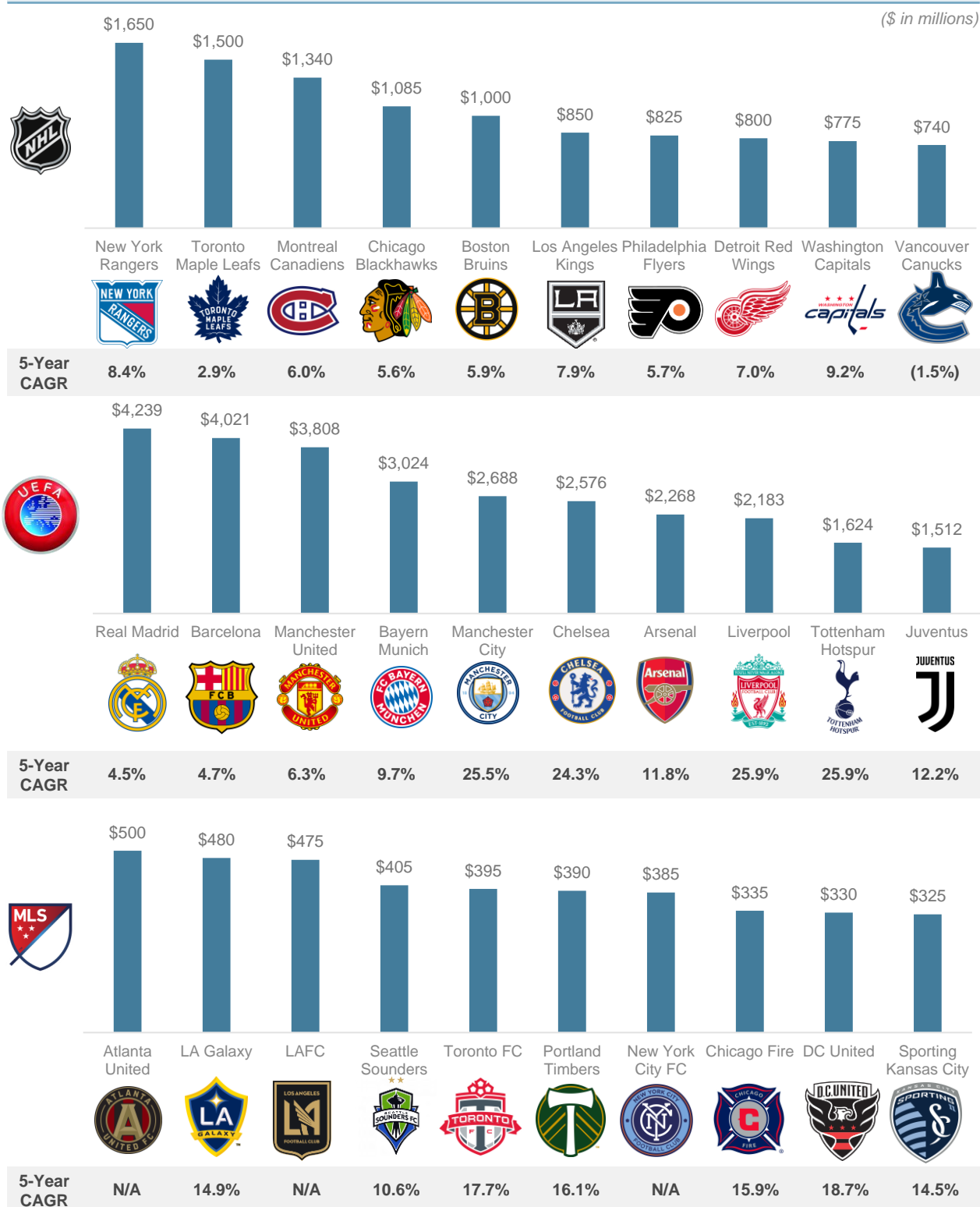


Note: CAGR refers to compounded annual growth rate.

Sources: Latest team valuations from Forbes.

Sports Franchise Values (cont.)

Investment returns are usually driven through capital appreciation rather than cash-yield income.



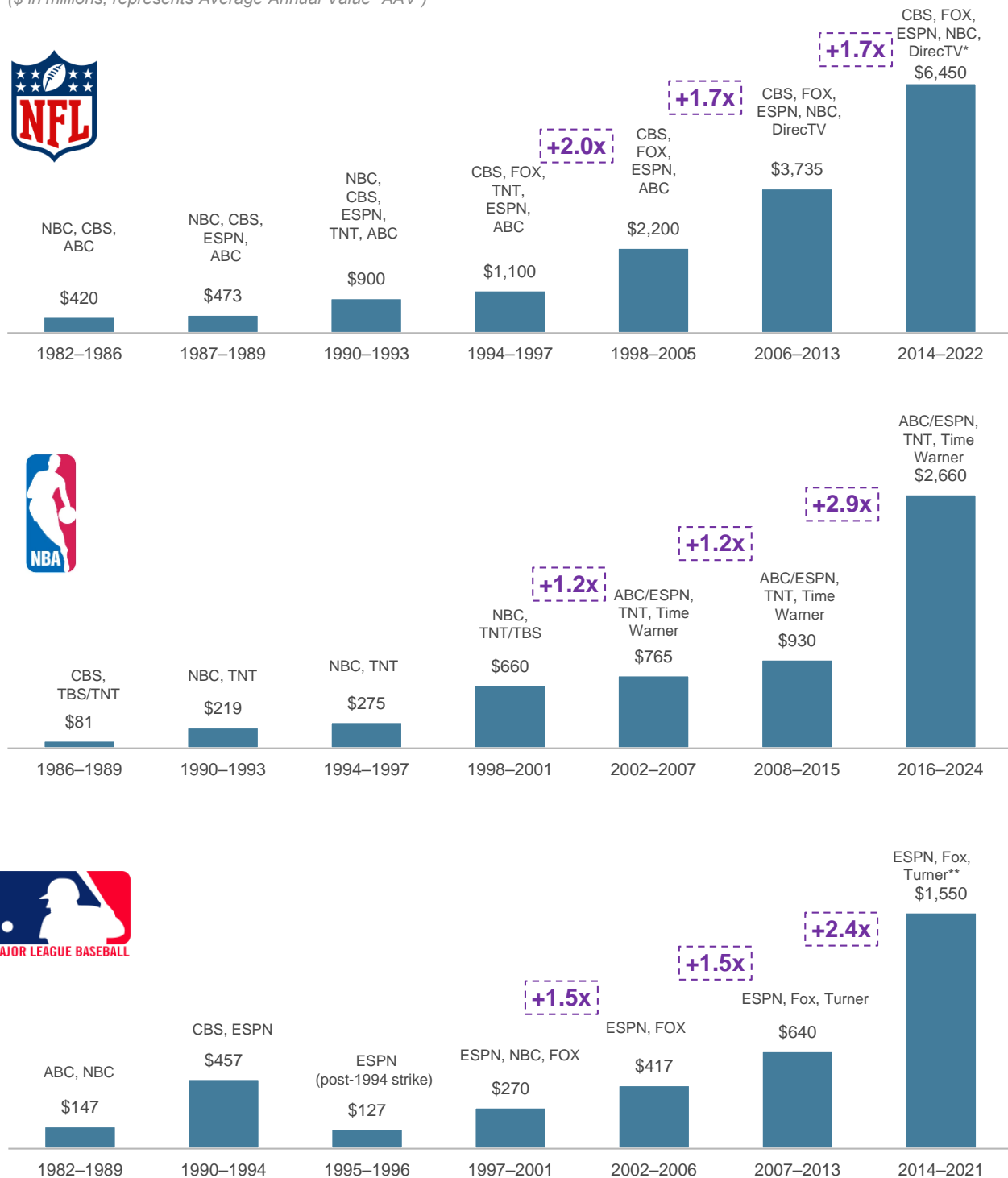
Note: CAGR refers to compounded annual growth rate.

Sources: Latest team valuations from Forbes.

Sports Media Rights Drive Valuation

Growth in media rights have led to skyrocketing franchise values. The below figures represent the evolution of media rights packages over time.

(\$ in millions, represents Average Annual Value "AAV")



* Excludes AAV rights of \$1,175, representing rights to Amazon, Verizon, and Fox's Thursday games.

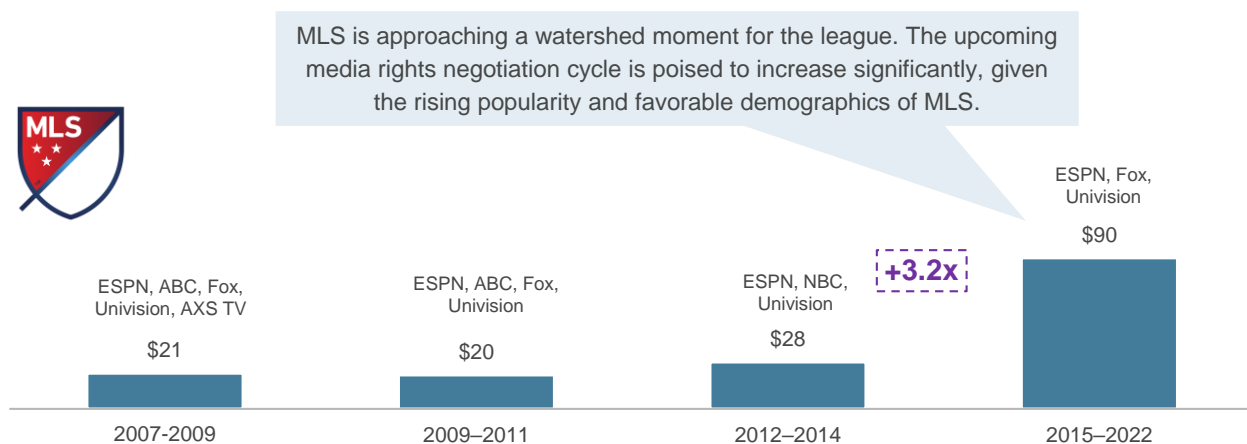
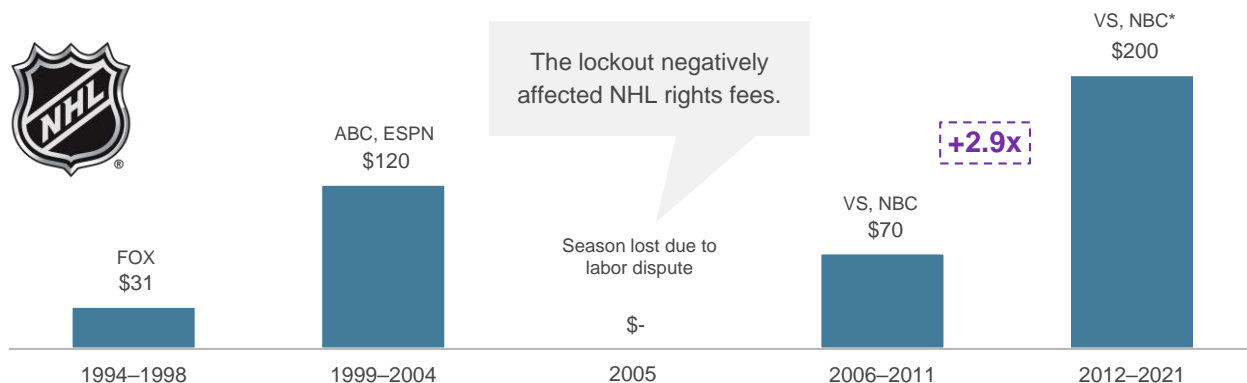
** Excludes AAV rights of \$829, stemming from a deal extension with Fox and streaming partners.

Sources: Sports Business Journal, SportsBusiness.com, J.P. Morgan Research, PwC.

Sports Media Rights Drive Valuation (cont.)

Growth in media rights have led to skyrocketing franchise values. The below figures represent the evolution of media rights packages over time.

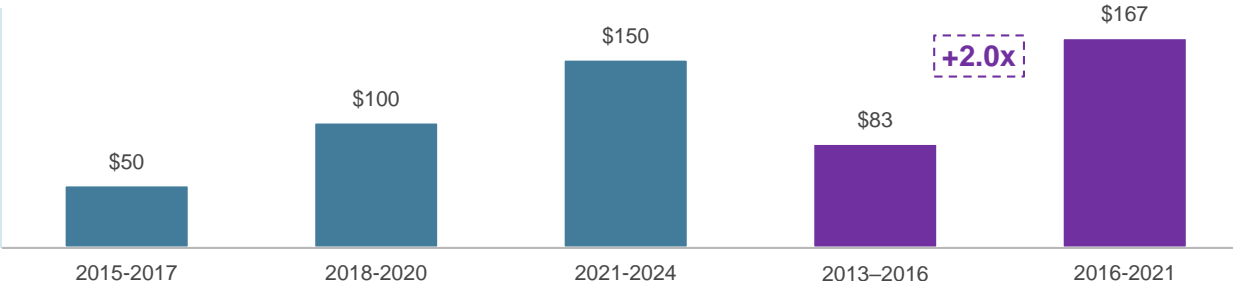
(\$ in millions, represents Average Annual Value "AAV")



U.K. Rights



U.S. Rights



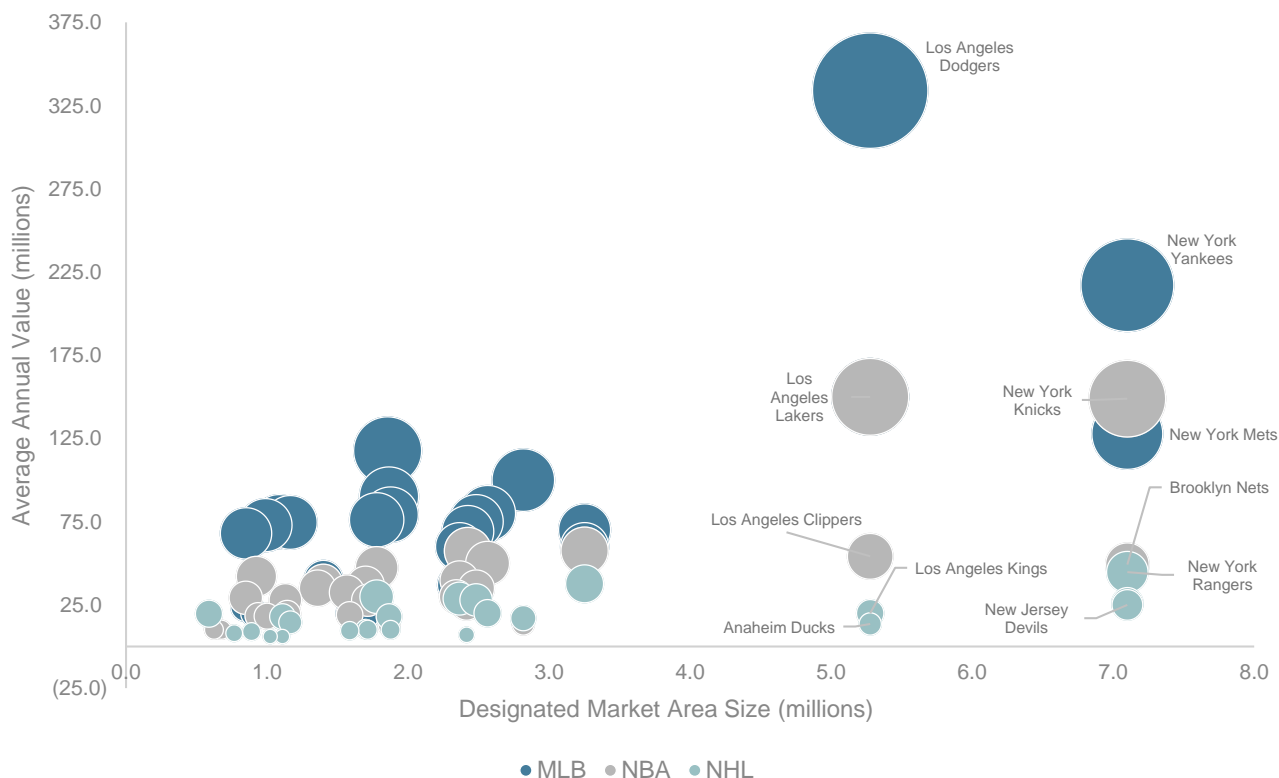
Local Media Rights

Local media rights are a major valuation factor benefiting large market vs. small market teams. Can regional sports networks (RSNs) and live sports buck the cord-cutting trend?

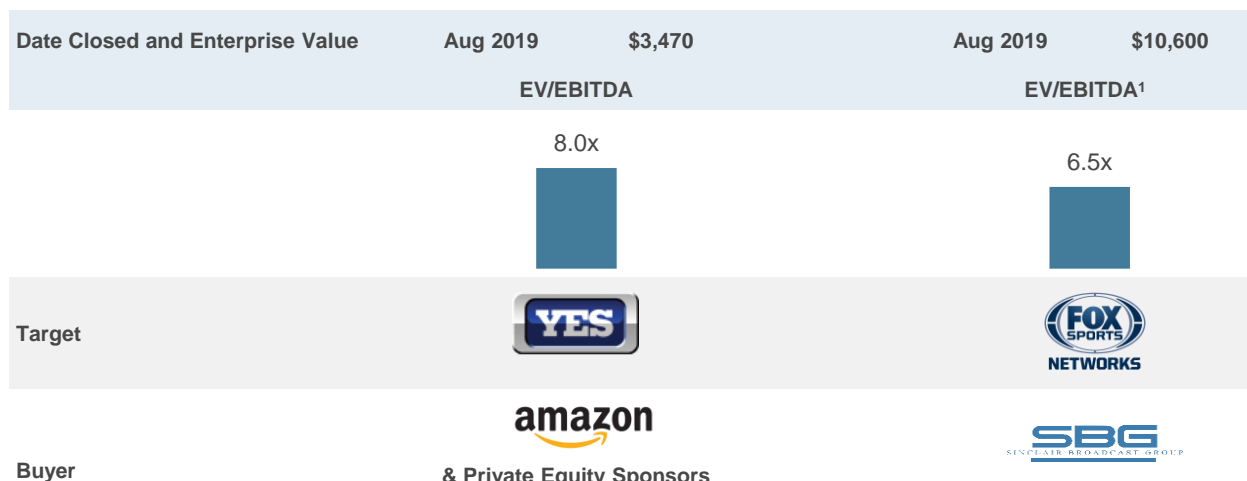
Sports Franchises Have Sought to Monetize Their Local Broadcasting Rights

- In recent years, franchises of the MLB, NBA, and NHL have raced to secure lucrative agreements for their local broadcasting rights with existing networks or through the launch of RSNs. The trend was punctuated in 2013 when the Dodgers agreed to a massive \$8.35 billion deal over 25 years, with the cable partner on the hook for any shortfalls in distribution.
- According to S&P Global, RSN license-fee-per-subscriber figures, the average price for an RSN in 2019 reached \$2.81, up 6.9% versus \$2.63 in 2018 and 35% versus 2015's average of \$2.08.
- Many are looking to deep-pocketed tech companies (e.g., Amazon, Apple, Facebook, and Google) to enter the bidding fray for future rights, including the national NFL media rights that expire at the end of 2022. Recently, Amazon extended its Thursday-night partnership with the NFL through 2022.
- In 2020, there were four new local sports-rights deals between MLB teams and RSNs, including the much anticipated launch of the Chicago Cubs' Marquee Sports Network, a partnership with Sinclair Broadcast Group. According to S&P Global, each new deal comes with increased rights fees.
- Despite live sports being seen as an impediment in the shift to streaming, the environment for sports media rights are not without risk. For instance, limited carriage forced Houston's RSN into bankruptcy and led to the majority of the Los Angeles market without access to Dodgers games (this was alleviated somewhat in April 2020 when distribution was increased in the LA market). Further, when Disney sold its Fox RSNs to secure regulatory approval, the total consideration of \$13.5 billion was nearly 30% lower than prior expectations valuing the RSNs at \$19 billion to \$20 billion.

Designated Market Area vs. RSN Average Annual Value



Sports Programming Dominates Network Television



- RSNs are under pressure as MVPDs and other carriers seek to reduce programming costs. In 2019, the most expensive RSN was the YES Network at an estimated rate of \$6.49 per sub per month.
- The table below presents the top five RSN deals across the major U.S. leagues:

Team	Buyer	League	Start	End	Length	Total	AAV
LA Dodgers	SportsNet LA	MLB	2014	2039	25 years	\$8,350	\$334
NY Yankees	YES Network	MLB	2012	2043	31 years	\$6,729	\$217
LA Angels	Fox Sports West	MLB	2011	2031	20 years	\$3,000	\$150
LA Lakers	Spectrum SportsNet	NBA	2012	2032	20 years	\$3,000	\$150
NY Knicks	MSG	NBA	2015	2035	20 years	\$2,978	\$149

- Sports programming dominates the affiliate fee landscape, as the vast majority of sports content is consumed live, which provides advertisers with a captive audience. Overall, sports channels demand the highest fee per sub per month, surpassing film, which is the second highest.
- Recent trends indicate that cable networks are getting squeezed from both sides as persistent subscriber declines combine with the rising cost of sports programming rights.
- The tables below present the top 10 overall and sports network average affiliate fees:

All Networks	2010	2019	CAGR
ESPN*	4.39	7.69	6.4%
TNT	1.09	2.57	10.0%
NFL Network*	0.67	1.68	10.8%
Fox News	0.70	1.65	10.0%
USA Network	0.72	1.61	9.4%
TBS	0.53	1.19	9.4%
Disney Channel	0.76	1.04	3.5%
ESPN2*	0.58	0.97	5.9%
CNN	0.52	0.96	7.0%
SEC Network*	-	0.89	-

Sports Networks	2010	2019	CAGR
ESPN	4.39	7.69	6.4%
NFL Network	0.67	1.68	10.8%
ESPN2	0.58	0.97	5.9%
SEC Network	-	0.89	-
Fox Sports 1	0.21	0.71	14.8%
ACC Network	-	0.58	-
Fox College Sports	0.36	0.55	5.0%
Big Ten Network	0.36	0.55	4.7%
Golf Channel	0.27	0.49	7.1%
NBCSN	0.24	0.42	6.5%

* Denotes a sports network.

1. Analyst research reports note a deal multiple of 5.5x, adjusting for tax benefits.

Sources: S&P Global, fees shown per subscriber per month.

Sports Betting

While still in the early stages, the legalization of U.S. sports betting is expected to generate significant revenue opportunities for the sports media ecosystem and drive sports franchise valuations in the long term.

The legalization of sports betting creates significant opportunity in the sports ecosystem and can:

- Increase fan engagement and TV ratings/streaming viewership
- Attract younger fans, who had previously been turning to other forms of entertainment
- Provide significant economic opportunities to pro sports leagues via sponsorship, media rights fees, data revenues, and, potentially, integrity fees
- Generate significant new revenues for media companies via sports betting marketing/advertising spending
- Increase professional sports team valuations over time
- Drive strategic activity across the sports ecosystem, as illustrated by the Penn National Gaming/Barstool Sports transaction

However, it is clear that the current crisis has also impacted the sports betting industry, with sportsbooks across the U.S. showing a significant decrease. New Jersey sportsbooks, for example, saw year-over-year revenue cut in half in March. Other states with legal betting markets reported similar decreases, including Nevada and Indiana. However, the fundamentals for sports betting have remained strong, with sportsbooks turning to other events such as table tennis and esports. While revenue generated by those new offerings does not offset the loss of the marquee sports, it provides some cushion.

Some expect the current crisis to actually benefit the sports betting industry in the near term, as some states might accelerate the legalization of sports betting to generate additional tax and licensing revenues and offset potential cash shortfalls as a result from the crisis.

The headwinds for the sports betting industry will also impact the broader sports media ecosystem, as betting operators cut their advertising spend. However, we expect this impact to be temporary. In the long-run, advertising spend is poised for a strong rebound as operators seek to capture more market share and the number of states with legalized sports betting continues to grow.

How Houlihan Lokey Can Help

Our firm is extremely 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

1 Corporate Finance

Mergers and Acquisitions

Capital Markets

Private Funds Advisory

Board Advisory Services

2 Financial Restructuring

Company Advisory

Financial Restructuring

Distressed M&A

Liability Management

Creditor Advisory

3 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

Corporate Finance

We are widely recognized as a leading M&A advisor to the middle market and have long-standing relationships with capital providers, including commercial banks and other senior credit providers, insurance funds, asset managers, and mezzanine fund investors. Few other investment banks maintain the breadth of relationships and capital markets intelligence that we do.

Financial Restructuring

We have the largest restructuring practice of any global investment bank. Since 1988, we have advised on more than 1,000 restructuring transactions (with aggregate debt claims in excess of \$2.5 trillion). We served as an advisor in 12 of the largest 15 bankruptcies from 2000–2019.

Financial and Valuation Advisory

For nearly four decades, we have established ourselves as one of the largest financial and valuation advisory firms. Our transaction expertise and leadership in the field of valuation help inspire confidence in financial executives, boards of directors, special committees, investors, and business owners we serve.

Why We Are Different



Dominant in Special Situations and Restructuring



Significant Experience with Financing Markets



Senior-Level Commitment and Dedication



Deep, Industry-Specific Expertise



Superior Work Product/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
- **22** Locations Globally
- **~\$1 Billion** of Revenue
- **~\$4 Billion** Market Cap

Corporate Finance

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

	Advisor	Deals
1	Houlihan Lokey	184
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	Houlihan Lokey	76
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

TMT

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

	Advisor	Deals
1	Houlihan Lokey	198
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)

Financial and Valuation Advisory

2000 to 2019 Global M&A Fairness Advisory Rankings

	Advisor	Deals
1	Houlihan Lokey	1,057
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

Disclaimer

© 2020 Houlihan Lokey. All rights reserved. This material may not be reproduced in any format by any means or redistributed without the prior written consent of Houlihan Lokey.

Houlihan Lokey is a trade name for Houlihan Lokey, Inc., and its subsidiaries and affiliates, which include those in (i) the United States: Houlihan Lokey Capital, Inc., an SEC-registered broker-dealer and member of FINRA (www.finra.org) and SIPC (www.sipc.org) (investment banking services); Houlihan Lokey Financial Advisors, Inc. (financial advisory services); HL Finance, LLC (syndicated leveraged finance platform); and Houlihan Lokey Real Estate Group, Inc. (real estate advisory services); (ii) Europe: Houlihan Lokey EMEA, LLP, and Houlihan Lokey (Corporate Finance) Limited, authorized and regulated by the U.K. Financial Conduct Authority; Houlihan Lokey S.p.A; Houlihan Lokey GmbH; Houlihan Lokey (Netherlands) B.V.; Houlihan Lokey (España), S.A.; and Houlihan Lokey (Corporate Finance), S.A.; (iii) the United Arab Emirates, Dubai International Financial Centre (Dubai): Houlihan Lokey (MEA Financial Advisory) Limited, regulated by the Dubai Financial Services Authority for the provision of advising on financial products, arranging deals in investments, and arranging credit and advising on credit to professional clients only; (iv) Singapore: Houlihan Lokey (Singapore) Private Limited, an “exempt corporate finance adviser” able to provide exempt corporate finance advisory services to accredited investors only; (v) Hong Kong SAR: Houlihan Lokey (China) Limited, licensed in Hong Kong by the Securities and Futures Commission to conduct Type 1, 4, and 6 regulated activities to professional investors only; (vi) China: Houlihan Lokey Howard & Zekin Investment Consulting (Beijing) Co., Limited (financial advisory services); (vii) Japan: Houlihan Lokey K.K. (financial advisory services); and (viii) Australia: Houlihan Lokey (Australia) Pty Limited (ABN 74 601 825 227), a company incorporated in Australia and licensed by the [Australian Securities and Investments Commission](#) (AFSL number 474953) in respect of financial services provided to wholesale clients only. In the European Economic Area (EEA), Dubai, Singapore, Hong Kong, and Australia, this communication is directed to intended recipients, including actual or potential professional clients (EEA and Dubai), accredited investors (Singapore), professional investors (Hong Kong), and wholesale clients (Australia), respectively. Other persons, such as retail clients, are NOT the intended recipients of our communications or services and should not act upon this communication.

Houlihan Lokey gathers its data from sources it considers reliable; however, it does not guarantee the accuracy or completeness of the information provided within this presentation. The material presented reflects information known to the authors at the time this presentation was written, and this information is subject to change. Houlihan Lokey makes no representations or warranties, expressed or implied, regarding the accuracy of this material. The views expressed in this material accurately reflect the personal views of the authors regarding the subject securities and issuers and do not necessarily coincide with those of Houlihan Lokey. Officers, directors, and partners in the Houlihan Lokey group of companies may have positions in the securities of the companies discussed. This presentation does not constitute advice or a recommendation, offer, or solicitation with respect to the securities of any company discussed herein, is not intended to provide information upon which to base an investment decision, and should not be construed as such. Houlihan Lokey or its affiliates may from time to time provide investment banking or related services to these companies. Like all Houlihan Lokey employees, the authors of this presentation receive compensation that is affected by overall firm profitability.



HOULIHAN LOKEY

CORPORATE FINANCE
FINANCIAL RESTRUCTURING
FINANCIAL AND VALUATION ADVISORY

[HL.com](https://www.hl.com)