

WALT DISNEY

# Industry Update Media and Entertainment Q4 2022

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#### **Financial Performance** Size Profile, LTM Financials, Forward Estimates

(USD in millions, except per share data)

			Size Prof	file		LTM Operating Data		Forward Estimates	
Company Name	Ticker	Price at 12/31/22	% of 52 Week High	TEV	Total Assets	LTM Revenue	LTM EBITDA	2022 Est. Revenue	2022 Est. EBITDA
Broadcasting									
Warner Bros. Discovery, Inc.	WBD	\$9.48	30.0%	\$80,812	\$136,049	\$25,996	\$4,382	\$44,428	\$11,381
Gray Television, Inc.	GTN	\$11.19	45.1%	\$8,247	\$11,183	\$3,325	\$1,097	\$3,265	\$912
Stolt-Nielsen Limited	SNI	\$27.35	94.6%	\$3,497	\$4,778	\$2,632	\$593	\$2,879	\$699
Entravision Communications Corporation	EVC	\$4.80	68.6%	\$540	\$876	\$894	\$83	\$983	\$88

Cable and Satellite									
AT&T Inc.	Τ	\$18.41	67.0%	\$311,356	\$426,463	\$155,319	\$53,007	\$122,740	\$42,747
DISH Network Corporation	DISH	\$14.04	37.7%	\$30,032	\$49,003	\$17,083	\$3,074	\$16,668	\$2,620
AMC Networks Inc.	AMCX	\$15.67	35.1%	\$3,257	\$5,813	\$2,936	<b>\$</b> 659	\$3,064	\$624

Movies and Entertainment									
The Walt Disney Company	DIS	\$86.88	54.2%	\$226,836	\$203,631	\$82,722	\$11,995	\$91,611	\$17,066
Netflix, Inc.	NFLX	\$294.88	48.3%	\$150,576	\$47,562	\$31,473	\$6,022	\$33,768	\$6,963
AMC Entertainment Holdings, Inc.	AMC	\$4.07	11.9%	\$11,522	\$9,206	\$4,092	\$116	\$4,673	\$373
Cinemark Holdings, Inc.	CNK	\$8.66	43.8%	\$4,218	\$4,851	\$2,522	\$371	\$2,816	\$483
Lions Gate Entertainment Corp.	LGF.A	\$5.71	30.3%	\$3,745	\$7,681	\$3,584	\$190	\$3,972	\$449

Source: Capital IQ

(USD in millions, except per share data)

			Size Profi	le	LTM Operating Data		Forward Estimates		
Company Name	Ticker	Price at 12/31/22	% of 52 Week High	TEV	Total Assets	LTM Revenue	LTM EBITDA	2022 Est. Revenue	2022 Est. EBITDA
Publishing									
The New York Times Company	NYT	\$32.46	67.0%	\$5,129	\$2,515	\$2,206	\$295	\$2,375	\$341
The E.W. Scripps Company	SSP	\$13.19	55.9%	\$4,602	\$6,425	\$2,395	\$563	\$2,375	\$463
Gannett Co., Inc.	GCI	\$2.03	31.8%	\$1,687	\$2,482	\$3,041	\$317	\$2,811	\$279
Scholastic Corporation	SCHL	\$39.46	81.7%	\$1,206	\$2,034	\$1,710	\$133	<b>\$</b> 0	\$0

Source: Capital IQ

### **Valuation Metrics** *Return Profile, Trading Multiples*

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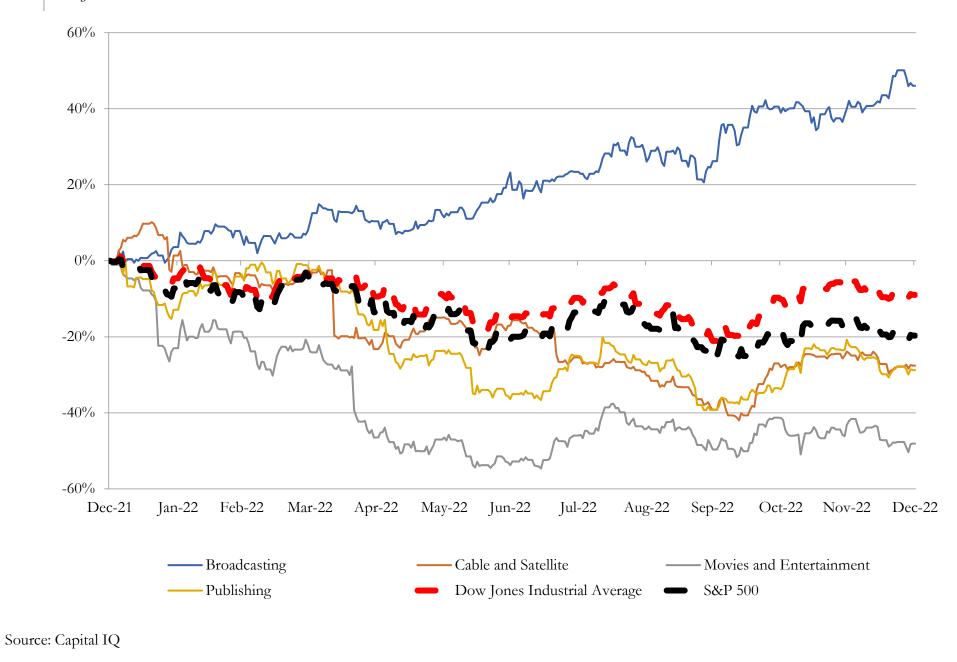
				<b>Trading Multiples</b>					
Company Name	Ticker	Return on Assets	Return on Equity	Revenue Growth	EBITDA Margin	EBITDA Growth	5-yr Beta	TEV / LTM Revenue	TEV / LTM EBITDA
Broadcasting									
Warner Bros. Discovery, Inc.	WBD	-0.9%	-16.2%	118.6%	16.9%	23.4%	1.4x	3.3x	19.5x
Gray Television, Inc.	GTN	5.1%	11.9%	33.9%	33.0%	22.0%	1.6x	2.5x	7.5x
Stolt-Nielsen Limited	SNI	4.7%	14.1%	27.3%	22.5%	40.7%	0.4x	1.3x	6.0x
Entravision Communications Corporation	EVC	4.2%	8.8%	28.1%	9.3%	-10.2%	1.1x	0.7x	7.7x
	Mean	3.3%	4.7%	51.9%	20.4%	19.0%	1.1x	2.0x	10.2x
	Median	4.5%	10.4%	31.0%	19.7%	22.7%	1.2x	1.9x	7.6x
Cable and Satellite									
AT&T Inc.	Т	4.2%	11.9%	4.5%	34.1%	11.5%	0.7x	2.0x	5.9x
DISH Network Corporation	DISH	3.3%	12.1%	-5.1%	18.0%	-26.1%	1.8x	1.7x	9.5x
AMC Networks Inc.	AMCX	6.1%	25.1%	-3.9%	22.4%	-23.1%	1.2x	1.1x	5.0x
	Mean	4.6%	16.4%	-1.5%	24.9%	-12.6%	1.3x	1.6x	6.8x
Source: Capital IQ	Median	4.2%	12.1%	-3.9%	22.4%	-23.1%	1.2x	1.7x	5.9x

			Trading Multiples						
Company Name	Ticker	Return on Assets	Return on Equity	Revenue Growth	EBITDA Margin	EBITDA Growth	5-yr Beta	TEV / LTM Revenue	TEV / LTM EBITDA
Movies and Entertainment									
The Walt Disney Company	DIS	2.1%	3.4%	22.7%	14.5%	39.4%	1.2x	2.7x	18.9x
Netflix, Inc.	NFLX	7.9%	28.1%	9.9%	19.1%	-10.0%	1.2x	4.8x	25.0x
AMC Entertainment Holdings, Inc.	AMC	-1.7%	N/A	169.5%	2.8%	N/A	2.0x	2.8x	99.8x
Cinemark Holdings, Inc.	CNK	1.6%	-62.5%	167.7%	14.7%	N/A	2.2x	1.7x	11.4x
Lions Gate Entertainment Corp.	LGF.A	-0.5%	-100.0%	2.4%	5.3%	-48.1%	1.5x	1.0x	19.7x
	Mean	1.9%	-32.8%	74.4%	11.3%	-6.2%	1.6x	2.6x	34.9x
	Median	1.6%	-32.8% -29.6%	22.7%	11.5%	-0.2% -10.0%	1.5x	2.6x 2.7x	34.9x 19.7x
Publishing									
The New York Times Company	NYT	5.7%	11.5%	12.4%	13.4%	-1.2%	1.0x	2.3x	17.4x
The E.W. Scripps Company	SSP	3.9%	8.2%	6.3%	23.5%	-8.5%	1.9x	1.9x	8.2x
Gannett Co., Inc.	GCI	3.3%	-31.2%	-6.6%	10.4%	-39.0%	2.5x	0.6x	5.3x
Scholastic Corporation	SCHL	3.0%	5.5%	16.9%	7.8%	31.0%	1.1x	0.7x	9.1x
	Mean	4.0%	-1.5%	7.2%	13.8%	-4.4%	1.6x	1.4x	10.0x
Source: Capital IQ	Median	3.6%	6.9%	9.3%	11.9%	-4.8%	1.5x	1.4x 1.3x	8.6x

## LTM Equity Performance

Major Indexes

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### **Recent M&A Activity**

Last Twelve (12) Months as of December 31, 2022

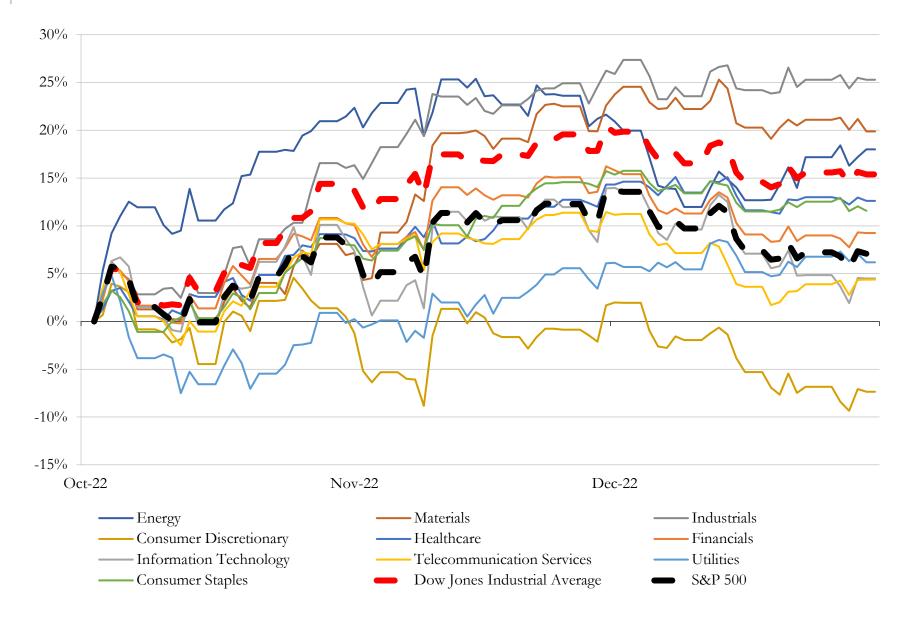
(USD in millions)

Close Date	Target	Acquirer	Implied TEV
Apr-22	Warner Media, LLC	Discovery, Inc. (nka:Warner Bros. Discovery, Inc.)	\$103,966
Oct-22	Twitter, Inc.	N/A	\$46,173
May-22	Zynga Inc.	Take-Two Interactive Software, Inc.	\$12,714
Mar-22	MGM Holdings Inc.	Amazon.com, Inc.	\$8,450
Aug-22	PDB Sports, Ltd.	N/A	\$4,650
Jul-22	Bungie, Inc.	Sony Interactive Entertainment LLC	\$3,700
Dec-21	CBS Studios Inc.	Hackman Capital Partners, LLC; Square Mile Capital Management LLC	\$1,850
Oct-22	Trader Interactive, LLC	carsales.com Ltd	\$1,586
Jan-22	Scripted Business of IMG Worldwide, LLC	CJ ENM CO., Ltd.	\$969
Oct-22	FWD Media, Inc.	KIRKBI A/S	\$875
Feb-22	The Athletic Media Company	The New York Times Company	\$550
Jan-22	Flow Commerce Inc.	Global-e Online Ltd.	\$545
Sep-22	Industry Dive, Inc.	Informa plc	\$525
Aug-22	Axios Media Inc.	Cox Enterprises, Inc.	\$525
Apr-22	Ryzac, Inc.	Skillsoft Corp.	\$502
Apr-22	Wurl, Inc.	AppLovin Corporation	\$388
Aug-22	Quixote Studios LLC	Hudson Pacific Properties, Inc.	\$352
May-22	Industrial Media Inc.	Sony Pictures Television, Inc.	\$350
Aug-22	Crystal Dynamics, Inc./Eidos Interactive Corporation	Embracer Group AB (publ)	\$300
Feb-22	The Giving Block Inc.	Shift4 Payments, Inc.	\$300
Oct-22	TCGplayer, Inc.	eBay Inc.	\$295
Aug-22	Redbox Entertainment Inc.	Chicken Soup for the Soul Entertainment, Inc.	\$282
Sep-22	Diamond Baseball Holdings, LLC	Silver Lake Management, L.L.C.	<b>\$28</b> 0
May-22	Pond5 Inc.	Shutterstock, Inc.	\$218
Feb-22	YourPeople, Inc.	TriNet Group, Inc.	\$210
Jun-22	Kinetic Content/Left/Right/44 Blue Productions/Half Yard	Chernin Entertainment LLC	\$200
Mar-22	Research Horizons, LLC d/b/a Phoenix Marketing International	MarketCast LLC	\$150
May-22	D&D Beyond	Hasbro, Inc.	\$146
Jan-22	Audiobooks Inc.	Storytel AB (publ)	\$135
Jun-22	Findaway World, LLC	Spotify Technology S.A.	\$134

Source: Capital IQ

### Change in Market Capitalization by Sector

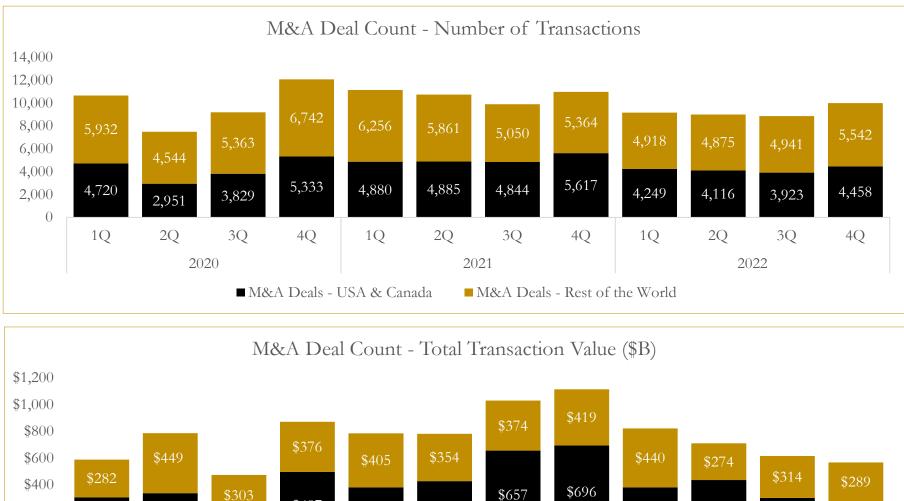
Last Three (3) Months as of December 31, 2022



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### M&A Deal Flow Statistics

Last Three (3) Years as of December 31, 2022



\$429

2Q

2021

3Q

4Q

Transaction Value - Rest of World

\$382

1Q

\$200

\$0

\$308

1Q

Q4 2022 | Industry Update - Media and Entertainment

\$339

2Q

\$172

3Q

2020

\$497

4Q

■ Transaction Value - USA & Canada

\$437

2Q

2022

\$303

3Q

\$280

4Q

\$383

1Q

# 7 Houlihan Capital About Us

#### About Houlihan Capital

Houlihan Capital is a leading, solutions-driven valuation, financial advisory and boutique investment banking firm. We pride ourselves on being thought leaders in an ever-changing landscape.

Houlihan Capital is SOC-compliant, a FINRA and SIPC member and committed to the highest levels of professional ethics and standards.

#### Valuation & Financial Advisory

We provide an array of services that include enterprise valuations, portfolio valuation, valuation of carried interest, transaction opinions, tax and financial reporting compliance, purchase price allocations, and a wide variety of consulting services through our Financial Advisory Group.

#### **Investment Banking**

Through our Investment Banking Group, we offer sell-side/buy-side advisory and capital raises. Through our Special Situations desk, we provide services that fit outside the archetypal verticals, including liquidity solutions, transactional advisory, and secondary market advisory and trading.

#### Litigation Support

Our team provides support for a wide variety of situations including commercial and shareholder disputes, derivatives and structured finance litigation, and fraudulent conveyance.

