

Q3: Quarterly Industry Update

AS OF September 30, 2019

cogent valuation
FINANCIAL OPINIONS

Television Broadcasting

INDUSTRY SUMMARY

COGENT VALUATION identified **Television Broadcasting** publicly traded companies, IPOs, and recent M&A transactions within the Television Broadcasting industry, which provides a basis for market and transaction pricing that can be used by your firm in estimating market sentiment and its impact on your firm's value. Over the last year since September 30, 2018, the median 52-week share price return of the Television Broadcasting industry was 5.4%. Between September 30, 2017 and September 30, 2019, the median EV/EBITDA multiple increased from 9.8 to 9.9. However, the median price-to-earnings multiple decreased from 14.5 to 11.9 over the same period. The median revenue growth and EBITDA margins for the industry for the quarter were 1.9% and 23.1%, respectively.

Public Company Key Statistics

Median 52-Week
Return

5.4%

Median 3-Year CAGR
Return

-.5%

Median EV/Revenue
Multiple

2.7x

Median EV/EBITDA
Multiple

9.9x

Median Price/Earnings
Multiple

11.9x

Median EV/Gross CF
Multiple

11.6x

Comparable Public Company Market Price Returns as of September 30, 2019

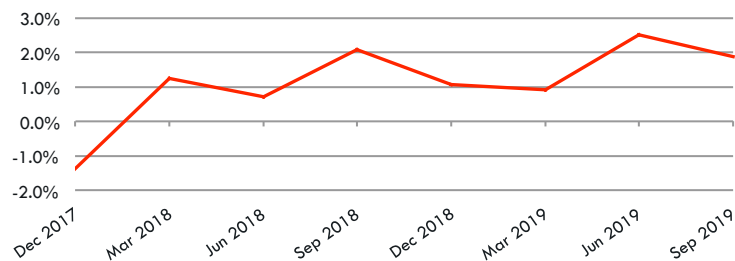
	2019	3 Month	1 Year	2 Year	3 Year	2018	2017	2016
AMC Networks Inc.	-4.4%	-4.4%	-11.9%	-14.9%	-4.6%	3.3%	-29.9%	17.1%
CBS Corporation	-12.9%	-12.9%	-25.9%	11.9%	0.9%	-7.3%	35.0%	-14.8%
Central European Media Enterprises	-9.7%	-9.7%	35.5%	31.5%	12.4%	82.4%	-5.2%	-16.2%
Crown Place VCT PLC	4.3%	4.3%	14.1%	-3.6%	-9.8%	9.0%	-14.8%	-10.1%
Discovery Communications, Inc.	-4.2%	-4.2%	-26.3%	-8.4%	-11.4%	-18.4%	2.7%	-22.6%
Entravision Communications	-34.3%	-34.3%	-24.2%	-3.7%	2.0%	2.1%	-9.2%	19.0%
Grupo Televisa, S.A.B.	-14.5%	-14.5%	-38.5%	-17.2%	-10.8%	-10.6%	-23.2%	-20.1%
Scripps Networks Interactive, Inc.	-8.2%	-8.2%	-28.1%	24.4%	-5.6%	8.1%	3.4%	-28.7%
Twenty-First Century Fox, Inc.	6.3%	6.3%	13.3%	12.8%	-6.9%	23.1%	3.2%	-29.3%
Viacom, Inc.	0.8%	0.8%	-33.4%	-13.5%	-27.1%	-12.2%	-14.7%	-45.3%
Median of Industry Public Companies	-6.3%	-6.3%	-25.1%	-3.7%	-6.3%	2.7%	-7.2%	-18.2%

Multiple year periods are calculated as the average annual return.

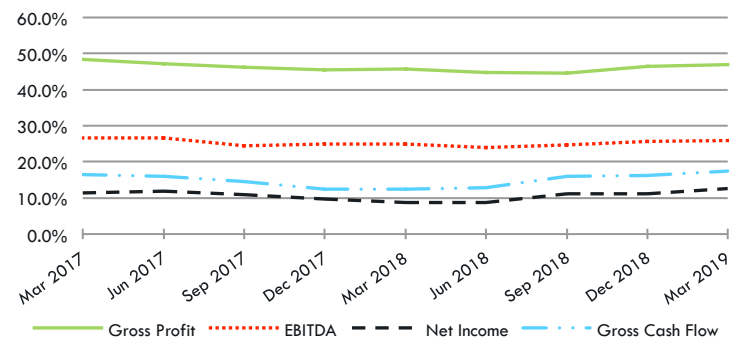
■ Highest Return
 ■ Lowest Return
 ■ Median Return

Industry Revenue Growth and Profit Margins for the Past Two Years

Median Quarterly Revenue Growth of All TV Broadcasting Companies



Median Gross Profit, EBITDA, Net Income, and Gross Cash Flow Margins



Public Company Median Multiples by Quarter

	9/30/19	6/30/19	3/31/19	12/31/18	9/30/18	6/30/18	3/31/18	12/31/17
EV/Revenues Multiple	2.7x	2.8x	2.4x	2.5x	2.3x	2.9x	2.9x	2.8x
EV/EBITDA Multiple	9.9x	11.0x	10.1x	9.1x	8.5x	9.5x	10.5x	9.7x
Price/Earnings Multiple	11.9x	10.6x	8.8x	12.5x	10.8x	12.4x	15.1x	13.4x
EV/Gross Cash Flows Multiple	11.6x	11.6x	10.6x	11.3x	15.9x	19.3x	21.7x	18.8x

■ Highest Multiple
 ■ Lowest Multiple
 ■ Median Multiple

Industry Initial Public Offerings – Television Broadcasting (dollars in millions, except share prices)

Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
5/31/19	GTN Limited	\$1.38	98.9	\$136.1	\$357.1	\$96.8	\$162.5	\$29.4	(\$24.1)	\$29.4
5/11/19	Phoenix New Media Limited	\$11.00	12.8	\$140.4	\$473.1	\$0.0	\$603.4	\$50.0	\$33.1	\$51.2
10/31/18	RR Media Ltd.	\$12.50	3.8	\$47.5	\$27.3	\$0.0	\$40.5	\$11.9	\$7.0	\$13.8
5/31/18	CTC Media, Inc	\$14.00	24.7	\$345.9	\$288.5	\$21.2	\$273.6	\$133.7	\$72.0	\$137.0
3/23/18	Global Traffic Network Inc.	\$5.00	3.8	\$19.0	\$6.6	\$2.2	\$15.4	\$2.5	\$1.4	\$2.8
11/24/17	Nexstar Media Group, Inc.	\$14.00	10.0	\$140.0	\$557.2	\$462.7	\$270.1	\$103.3	(\$96.5)	\$115.9
9/23/17	Journal Communications, Inc.	\$15.00	17.3	\$258.8	\$742.9	\$75.0	\$824.6	\$167.2	\$61.6	\$212.8
5/31/16	Median of all IPOs	nm	nm	\$140.0	\$357.1	\$21.2	\$270.1	\$50.0	\$7.0	\$51.2

Size of Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

Transaction Date	Target	Acquirer	Transaction Size	% Bought
7/31/19	Nova TV d.d.	Slovenia Broadband S.a r.l.	\$17.6	100%
2/15/19	Midwest Television, Inc.	TEGNA Inc.	\$100.2	95%
10/2/18	Katz Broadcasting, LLC	The E.W. Scripps Company	\$325.0	100%
8/31/18	(Broadcasting Company)	Bettwork Industries Inc.	\$292.0	52%
2/1/17	Asia Television Limited	Rende Finance Limited	\$64.4	95%
12/8/16	RCN Corporation	TPG Capital, L.P.	\$1,600.0	85%
9/30/16	Starz	Lions Gate Entertainment	\$191.2	100%
9/9/16	HC Operating Company, LLC	WideOpenWest Finance	\$31.3	100%

■ USA
 ■ International

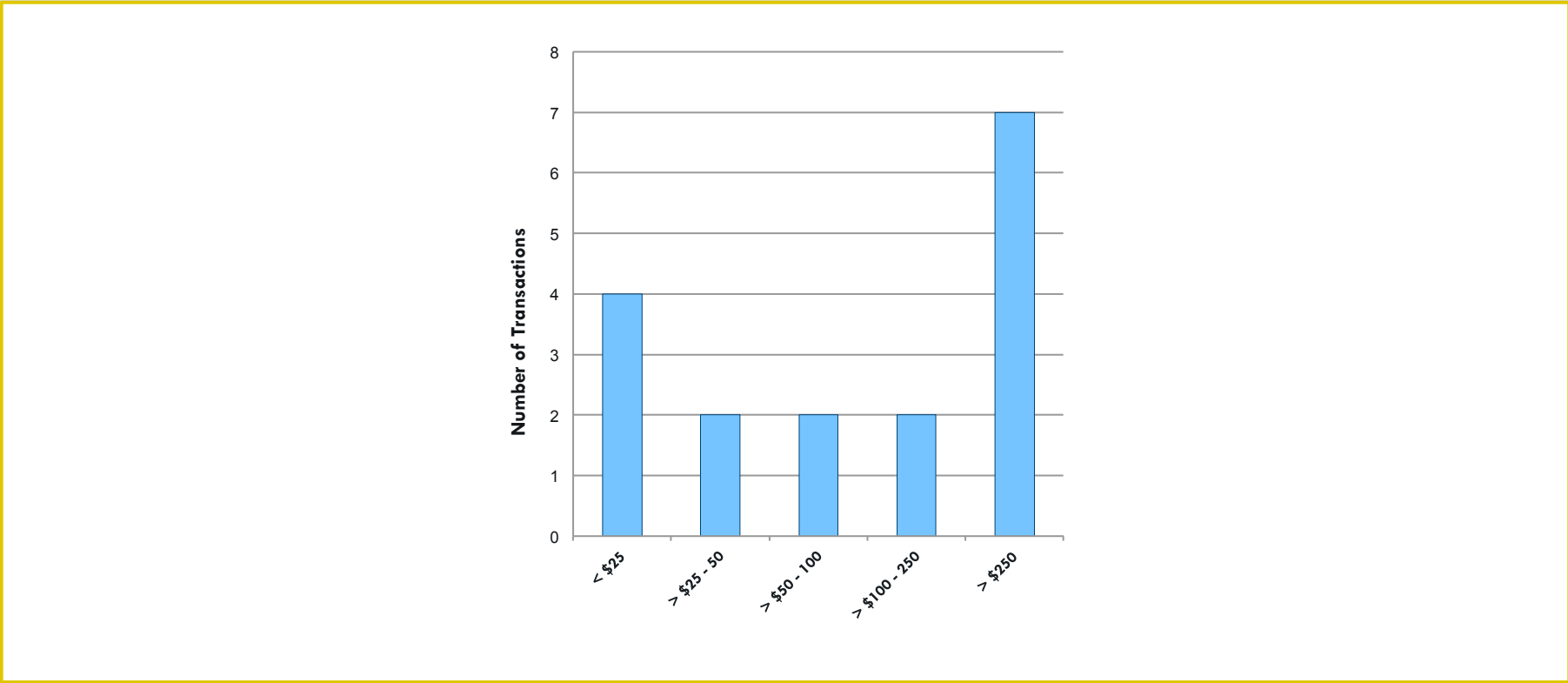
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Size of Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

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Transaction Date	Target	Acquirer	Transaction Size	% Bought
4/1/16	Shaw Media Inc.	Corus Entertainment Inc.	\$1,867.9	100%
3/1/16	The Tennis Channel	Sinclair Broadcast Group	\$350.0	100%
2/29/16	UTV Ltd.	ITV Broadcasting Limited	\$154.8	100%
2/1/16	Reiten Television	Nexstar Broadcasting Group	\$44.0	100%
1/26/16	Joker Productions	Splendid Entertainment	\$4.1	100%
1/4/16	International Broadcast Corp.	Spanish Broadcasting System	\$1.9	100%
12/7/15	TV3 Television Network	UPC Ireland B.V.	\$96.6	100%
12/1/15	K4 Media Holdings, LLC	Maxair Media, LLC	\$1.3	100%
4/1/16	Shaw Media Inc.	Corus Entertainment Inc.	\$98.2	100%
	Median of the 17 M&A Transaction Targets		\$96.6	100%

Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions) as of September 30, 2019



Definitions of Financial Terms Used in this Quarterly Industry Update:

Enterprise Value (EV): Market Value of Equity + Market Value of Debt —Cash

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA): Referred to as operating profit or operating earnings.

Gross Cash Flows: Net Income + Depreciation and Amortization Expense

Latest Twelve Months (LTM): Financial information is as of the latest twelve months through the date of this Quarterly Industry Update.

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