

# Q3: Quarterly Industry Update

AS OF September 30, 2019



## Video Streaming and Content

### INDUSTRY SUMMARY

COGENT VALUATION identified **Video Streaming and Content** publicly traded companies IPOs, and recent M&A transactions within the Video Streaming and Content 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 Video Streaming and Content industry was 20.6%. Between September 30, 2017 and September 30, 2019, the median EV/EBITDA multiple increased from 15.8 to 16.9. The median revenue growth and EBITDA margins for the industry for the quarter were 4.1% and 15.9%, respectively.

### Public Company Key Statistics

Median 52-Week  
Return

20.6%

Median 3-Year CAGR  
Return

23.7%

Median EV/Revenue  
Multiple

4.1x

Median EV/EBITDA  
Multiple

16.9x

Median Price/Earnings  
Multiple

32.2x

Median EV/Gross CF  
Multiple

17.2x

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

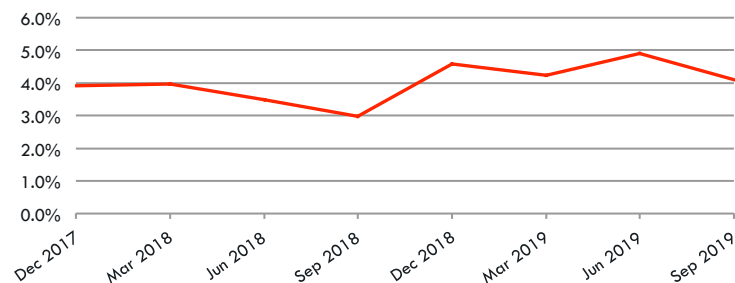
	YTD	3 Month	1 Year	2 Year	2018	2017	2016	2015
<b>Alphabet Inc.</b>	-1.4%	-1.4%	24.4%	25.6%	35.6%	1.7%	44.6%	N/A
<b>Brightcove Inc.</b>	-2.1%	-2.1%	-21.9%	21.0%	-11.8%	29.8%	-20.3%	-45.0%
<b>DISH Network Corporation</b>	-20.6%	-20.6%	-40.3%	-3.6%	-17.6%	1.3%	-21.6%	25.8%
<b>Facebook, Inc.</b>	-9.4%	-9.4%	12.5%	37.9%	53.4%	9.9%	34.1%	42.8%
<b>Limelight Networks, Inc.</b>	-6.8%	-6.8%	59.3%	44.2%	75.0%	72.6%	-47.3%	39.9%
<b>Netflix, Inc.</b>	53.9%	53.9%	99.8%	32.5%	55.1%	8.2%	134.4%	-7.2%
<b>Median of Industry Public Companies</b>	-4.5%	-4.5%	18.4%	29.0%	44.5%	9.1%	6.9%	25.8%

Multiple year periods are calculated as the average annual return.

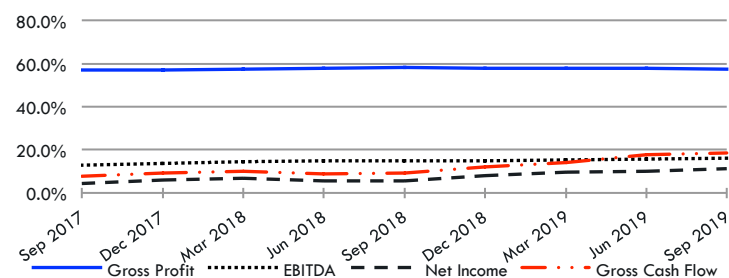
■ Highest Return
 ■ Lowest Return
 ■ Median Return

## Industry Revenue Growth and Profit Margins for the Past Two Years

**Median Quarterly Revenue Growth of All Video Streaming and Content 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
<b>EV/Revenues Multiple</b>	4.1x	3.9x	3.8x	4.1x	4.1x	4.2x	3.9x	3.8x
<b>EV/EBITDA Multiple</b>	16.9x	18.4x	16.6x	18.9x	19.6x	17.3x	16.5x	17.8x
<b>Price/Earnings Multiple</b>	17.2x	18.8x	22.9x	29.7x	23.9x	24.6x	18.6x	18.2x

■ Highest Multiple
 ■ Lowest Multiple
 ■ Median Multiple

## Industry Initial Public Offerings—Video Streaming and Content (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
9/17/19	<b>Bambuser AB (publ)</b>	\$1.04	2.6	\$2.7	\$3.4	\$0.0	\$1.1	(\$0.0)	(\$0.3)	(\$0.0)
12/12/18	<b>SyQic Plc</b>	\$1.01	4.0	\$5.2	\$5.9	\$0.7	\$6.5	\$1.0	\$0.7	\$1.0
5/17/12	<b>Facebook, Inc.</b>	\$38.00	421.2	\$16,006.9	\$6,859.0	\$706.0	\$4,038.0	\$2,131.0	\$972.0	\$2,493.0
6/7/07	<b>Limelight Networks, Inc.</b>	\$15.00	16.0	\$240.0	\$79.1	\$25.0	\$77.8	\$12.7	(\$9.4)	\$23.9
9/17/19	<b>Netflix, Inc.</b>	\$15.00	5.5	\$82.5	\$44.7	\$6.6	\$89.4	(\$10.3)	(\$22.5)	(\$6.4)
	<b>Median of all IPOs</b>	<b>nm</b>	<b>nm</b>	<b>\$122.6</b>	<b>\$42.5</b>	<b>\$12.8</b>	<b>\$42.1</b>	<b>\$6.9</b>	<b>\$0.2</b>	<b>\$12.4</b>

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

Transaction Date	Target	Acquirer	Transaction Size	% Bought
7/1/19	Massive Interactive, Inc.	Deltatre Limited	\$111.6	100%
6/19/19	CJ E&M Corporation	CJ O Shopping Co., Ltd (nka:CJ ENM CO., Ltd.)	\$4,267.3	100%
12/5/18	BitTorrent, Inc.	Tron	\$140.0	100%
10/5/18	Beijing Danmu Network Technology Co.,	Shanghai Youdu Broadband Technology Co., Ltd.	\$21.9	100%
10/31/17	Digital Barriers plc	Volpi Capital LLP	\$36.1	100%
4/3/17	GigPeak, Inc.	Integrated Device Technology, Inc.	\$245.9	100%
12/19/16	Opera TV AS	Moore Frères & Company	\$114.3	100%
6/30/16	Polycom, Inc.	Siris Capital Group, LLC	\$1,934.4	100%
6/21/16	Versus LLC	BC Partners	\$3.4	100%

 USA
  International

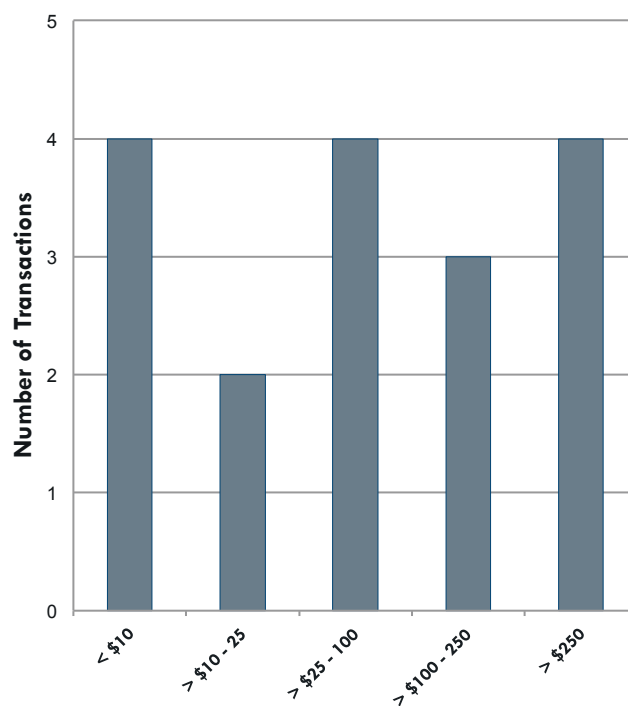
(Continued on next page)

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

(Continued from previous page)

Transaction Date	Target	Acquirer	Transaction Size	% Bought
12/18/15	<b>TeraLogics, LLC</b>	Cubic Corporation	\$39.0	100%
12/17/15	<b>iConcerts SA</b>	Stingray Digital Group Inc.	\$8.6	100%
10/19/15	<b>Elemental Technologies</b>	Amazon Web Services, Inc.	\$296.0	100%
5/20/15	<b>Booxmedia Oy</b>	Amino Technologies plc	\$11.6	100%
4/30/15	<b>ActiveVideo Networks, Inc.</b>	Charter Communications	\$135.0	100%
3/20/15	<b>Pacific Avionics Pte. Ltd.</b>	Rockwell Collins, Inc.	\$24.0	100%
2/17/15	<b>HRTV, LLC</b>	ODS Technologies, L.P.	\$73.4	100%
1/30/15	<b>DivX, LLC</b>	NeuLion, Inc.	\$66.0	100%
<b>Median of the 17 M&amp;A Transaction Targets</b>			<b>\$39.0</b>	<b>100%</b>

## 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.

**Disclosures and Limitations:** This research report is for informational and discussion purposes only. Information presented herein is not investment advice of any kind to any person and does not constitute a recommendation as to the purchase or sale of any interests or as to any other course of action. General, financial, and statistical information concerning the details of this report and related industry are from sources Cogent Valuation believes to be reliable. Cogent Valuation has accurately reflected such information in this research report; however, Cogent Valuation makes no representation as to the sources' accuracy or completeness and has accepted this information without further verification. Neither all nor any part of the content of this report may be conveyed to the public through advertising, public relations, news, sales, mail, direct transmittal, or other media without the prior written consent of Cogent Valuation. Cogent Valuation's research is as of the date reported herein. Cogent Valuation has no affiliation with any of the companies comprising the industry used as a basis for research in this report, nor does Cogent Valuation hold any investments in the companies listed herein. The content of this report may be used, in part, as a basis for any work that Cogent Valuation performs for you in the future at the sole discretion of Cogent Valuation. THIS REPORT IS NOT TO BE USED OR CONSIDERED UNDER ANY CIRCUMSTANCE BY ANYONE AS INVESTMENT ADVICE.

COGENT VALUATION is a nationally recognized full service business valuation firm that has provided independent valuation and financial advisory opinions in thousands of situations since 1991. These assignments include the valuation of companies and pass-through entities, their securities, and their intangible assets ranging in size from small, closely-held businesses and start-ups, to corporations with market values over a billion dollars, covering almost every industry and all types of transactions. With the collective backgrounds of our managing directors and professional staff, Cogent Valuation brings substantial large deal experience to bear on our middle market transaction opinions. Cogent Valuation utilizes proprietary research, intensive due diligence, and the experience and insights of its professionals to produce thoughtful, well-documented opinions that have consistently withstood the scrutiny of clients and their advisors, investors, regulators, and courts.

This industry research is provided at no charge to Cogent Valuation's clients. Research or detailed information not covered in this report can be obtained for a fee. **Contact Steven Kam at 415-392-0888 or [kam@cogentvaluation.com](mailto:kam@cogentvaluation.com)** for additional information or questions in connection with this research report.