

# Q4: Quarterly Industry Update

AS OF December 31, 2019

**cogent** valuation  
FINANCIAL OPINIONS

## 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 December 31, 2018, the median 52-week share price return of the Video Streaming and Content industry was 20.6%. Between December 31, 2017 and December 31, 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 December 31, 2019

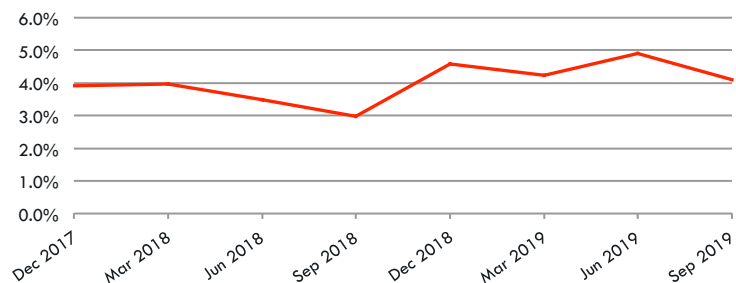
	YTD	3 Month	1 Year	2 Year	2018	2017	2016	2015
<b>Alphabet Inc.</b>	-1.4%	-1.4%	24.4%	25.6%	35.6%	1.7%	44.6%	N/A
<b>Brightcove Inc.</b>	-2.1%	-2.1%	-21.9%	21.0%	-11.8%	29.8%	-20.3%	-45.0%
<b>DISH Network Corporation</b>	-20.6%	-20.6%	-40.3%	-3.6%	-17.6%	1.3%	-21.6%	25.8%
<b>Facebook, Inc.</b>	-9.4%	-9.4%	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.

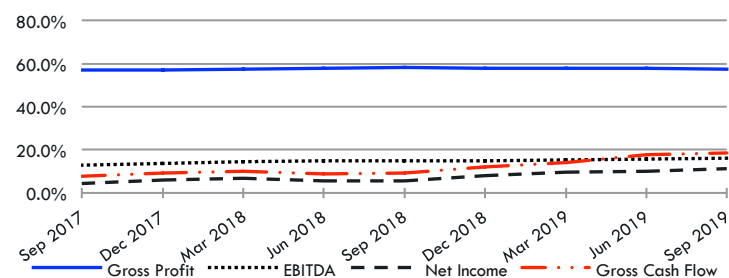
■ Highest Return
 ■ Lowest Return
 ■ Median Return

## 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

	12/31/19	9/30/19	6/30/19	3/31/19	12/31/18	9/30/18	6/30/18	3/31/18
<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
12/17/19	<b>Bambuser AB (publ)</b>	\$1.04	2.6	\$2.7	\$3.4	\$0.0	\$1.1	(\$0.0)	(\$0.3)	(\$0.0)
11/12/19	<b>SyQic Plc</b>	\$1.01	4.0	\$5.2	\$5.9	\$0.7	\$6.5	\$1.0	\$0.7	\$1.0
5/17/18	<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
6/7/17	<b>Limelight Networks, Inc.</b>	\$15.00	16.0	\$240.0	\$79.1	\$25.0	\$77.8	\$12.7	(\$9.4)	\$23.9
4/17/17	<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
11/1/19	<b>Massive Interactive, Inc.</b>	Deltatre Limited	\$111.6	100%
9/19/19	<b>CJ E&amp;M Corporation</b>	CJ O Shopping Co., Ltd (nka:CJ ENM CO., Ltd.)	\$4,267.3	100%
12/5/18	<b>BitTorrent, Inc.</b>	Tron	\$140.0	100%
10/5/18	<b>Beijing Danmu Network Technology Co.,</b>	Shanghai Youdu Broadband Technology Co., Ltd.	\$21.9	100%
10/31/17	<b>Digital Barriers plc</b>	Volpi Capital LLP	\$36.1	100%
4/3/17	<b>GigPeak, Inc.</b>	Integrated Device Technology, Inc.	\$245.9	100%
12/19/16	<b>Opera TV AS</b>	Moore Frères & Company	\$114.3	100%
6/30/16	<b>Polycom, Inc.</b>	Siris Capital Group, LLC	\$1,934.4	100%
6/21/16	<b>Versus LLC</b>	BC Partners	\$3.4	100%

■ USA
 ■ International

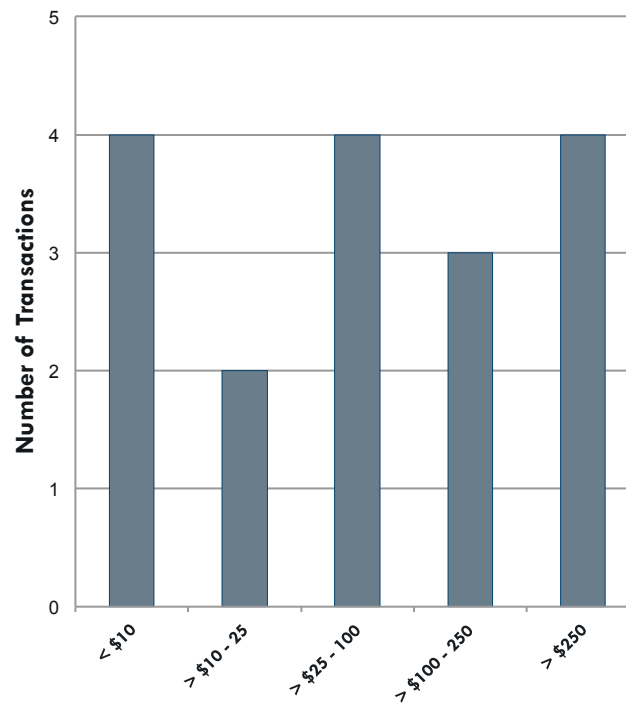
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## Size of Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

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Transaction Date	Target	Acquirer	Transaction Size	% Bought
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>Boxmedia 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 December 31, 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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