

# Q4: Quarterly Industry Update

AS OF December 31, 2020



## 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 December 31, 2019, the median 52-week share price return of the Television Broadcasting industry was 5.4%. Between December 31, 2019 and December 31, 2020, 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 December 31, 2020

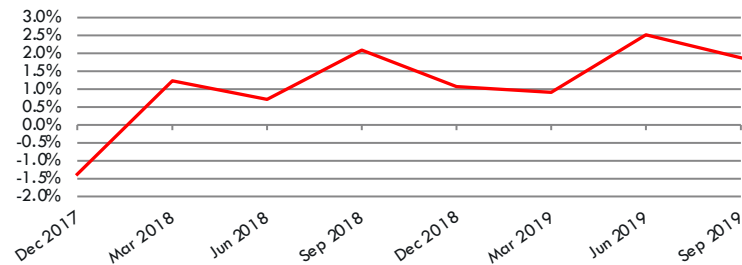
|                                     | 2020   | 3 Month | 1 Year | 2 Year | 3 Year | 2019   | 2018   | 2017   |
|-------------------------------------|--------|---------|--------|--------|--------|--------|--------|--------|
| AMC Networks Inc.                   | -4.4%  | -4.4%   | -11.9% | -14.9% | -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.

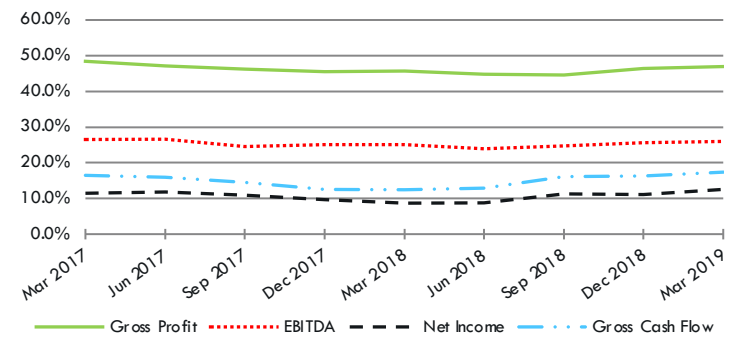
■ Highest Return
 ■ Lowest Return
 ■ Median Return

## 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

|                                     | 12/31/20 | 9/30/20 | 6/30/20 | 3/31/19 | 12/31/19 | 9/30/19 | 6/30/19 | 3/31/19 |
|-------------------------------------|----------|---------|---------|---------|----------|---------|---------|---------|
| <b>EV/Revenues Multiple</b>         | 2.7x     | 2.8x    | 2.4x    | 2.5x    | 2.3x     | 2.9x    | 2.9x    | 2.8x    |
| <b>EV/EBITDA Multiple</b>           | 9.9x     | 11.0x   | 10.1x   | 9.1x    | 8.5x     | 9.5x    | 10.5x   | 9.7x    |
| <b>Price/Earnings Multiple</b>      | 11.9x    | 10.6x   | 8.8x    | 12.5x   | 10.8x    | 12.4x   | 15.1x   | 13.4x   |
| <b>EV/Gross Cash Flows Multiple</b> | 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 |
|------------|-------------------------------------|-------------|----------------|----------------|----------------|---------------|----------------|---------------|----------------|----------------|
| 12/11/20   | <b>GTN Limited</b>                  | \$1.38      | 98.9           | \$136.1        | \$357.1        | \$96.8        | \$162.5        | \$29.4        | (\$24.1)       | \$29.4         |
| 11/14/20   | <b>Phoenix New Media Limited</b>    | \$11.00     | 12.8           | \$140.4        | \$473.1        | \$0.0         | \$603.4        | \$50.0        | \$33.1         | \$51.2         |
| 12/31/19   | <b>RR Media Ltd.</b>                | \$12.50     | 3.8            | \$47.5         | \$27.3         | \$0.0         | \$40.5         | \$11.9        | \$7.0          | \$13.8         |
| 5/31/18    | <b>CTC Media, Inc</b>               | \$14.00     | 24.7           | \$345.9        | \$288.5        | \$21.2        | \$273.6        | \$133.7       | \$72.0         | \$137.0        |
| 3/23/18    | <b>Global Traffic Network Inc.</b>  | \$5.00      | 3.8            | \$19.0         | \$6.6          | \$2.2         | \$15.4         | \$2.5         | \$1.4          | \$2.8          |
| 11/24/17   | <b>Nexstar Media Group, Inc.</b>    | \$14.00     | 10.0           | \$140.0        | \$557.2        | \$462.7       | \$270.1        | \$103.3       | (\$96.5)       | \$115.9        |
| 9/23/17    | <b>Journal Communications, Inc.</b> | \$15.00     | 17.3           | \$258.8        | \$742.9        | \$75.0        | \$824.6        | \$167.2       | \$61.6         | \$212.8        |
| 6/31/16    | <b>Median of all IPOs</b>           | <b>nm</b>   | <b>nm</b>      | <b>\$140.0</b> | <b>\$357.1</b> | <b>\$21.2</b> | <b>\$270.1</b> | <b>\$50.0</b> | <b>\$7.0</b>   | <b>\$51.2</b>  |

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

| Transaction Date | Target                    | Acquirer                    | Transaction Size | % Bought |
|------------------|---------------------------|-----------------------------|------------------|----------|
| 12/1/20          | Nova TV d.d.              | Slovenia Broadband S.a r.l. | \$17.6           | 100%     |
| 11/15/20         | Midwest Television, Inc.  | TEGNA Inc.                  | \$100.2          | 95%      |
| 12/12/19         | 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

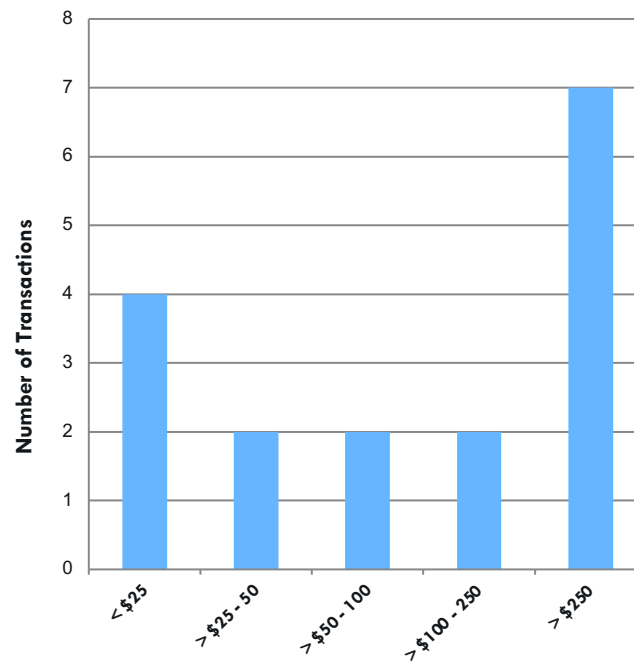
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## Size of Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

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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 December 31, 2020





**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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