

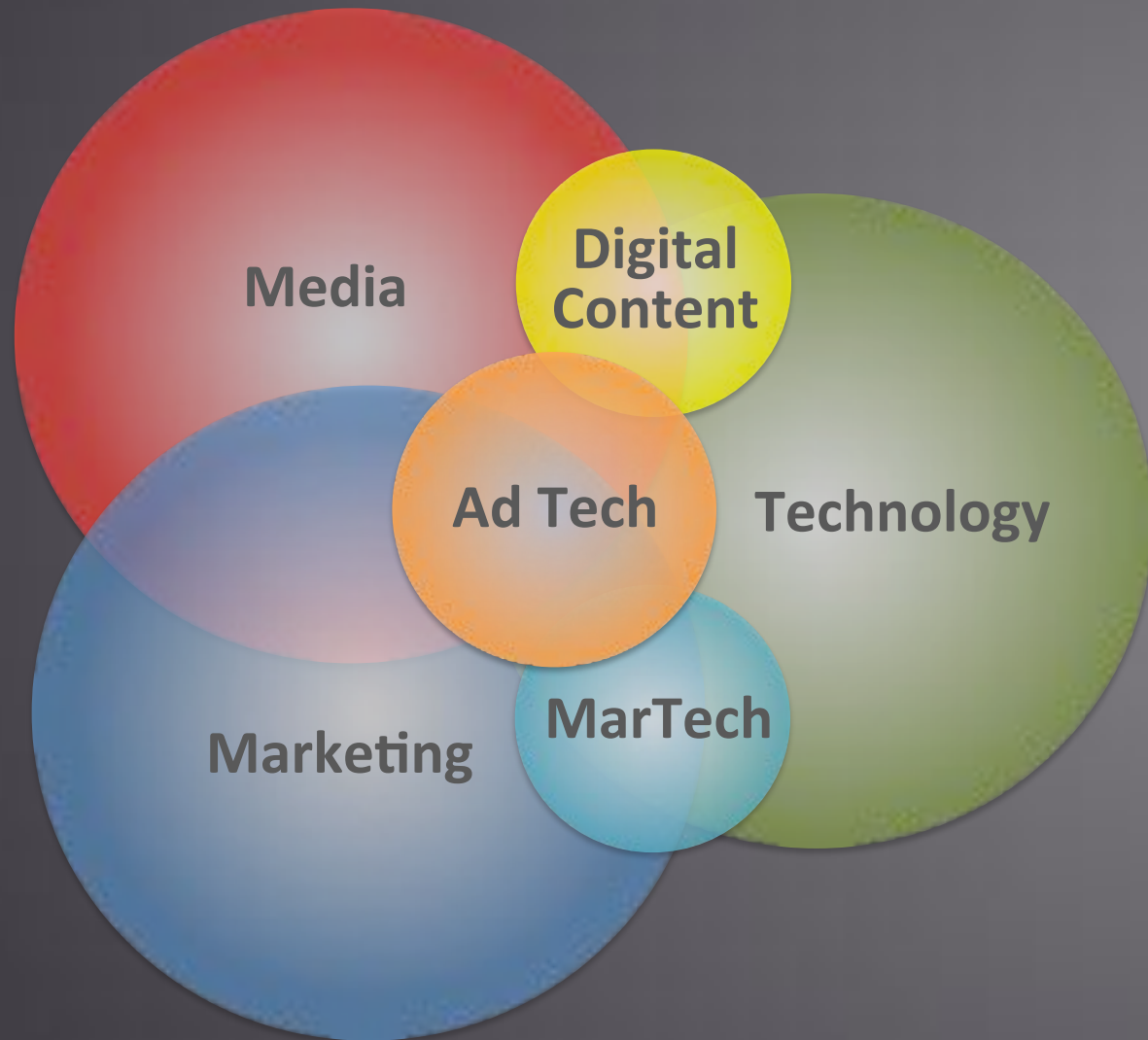


# Digital Brief 017

# Q3 2017 Market Report

July							August							September						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
						1		1	2	3	4	5							1	2
2	3	4	5	6	7	8	6	7	8	9	10	11	12	3	4	5	6	7	8	9
9	10	11	12	13	14	15	13	14	15	16	17	18	19	10	11	12	13	14	15	16
16	17	18	19	20	21	22	20	21	22	23	24	25	26	17	18	19	20	21	22	23
23	24	25	26	27	28	29	27	28	29	30	31			24	25	26	27	28	29	30

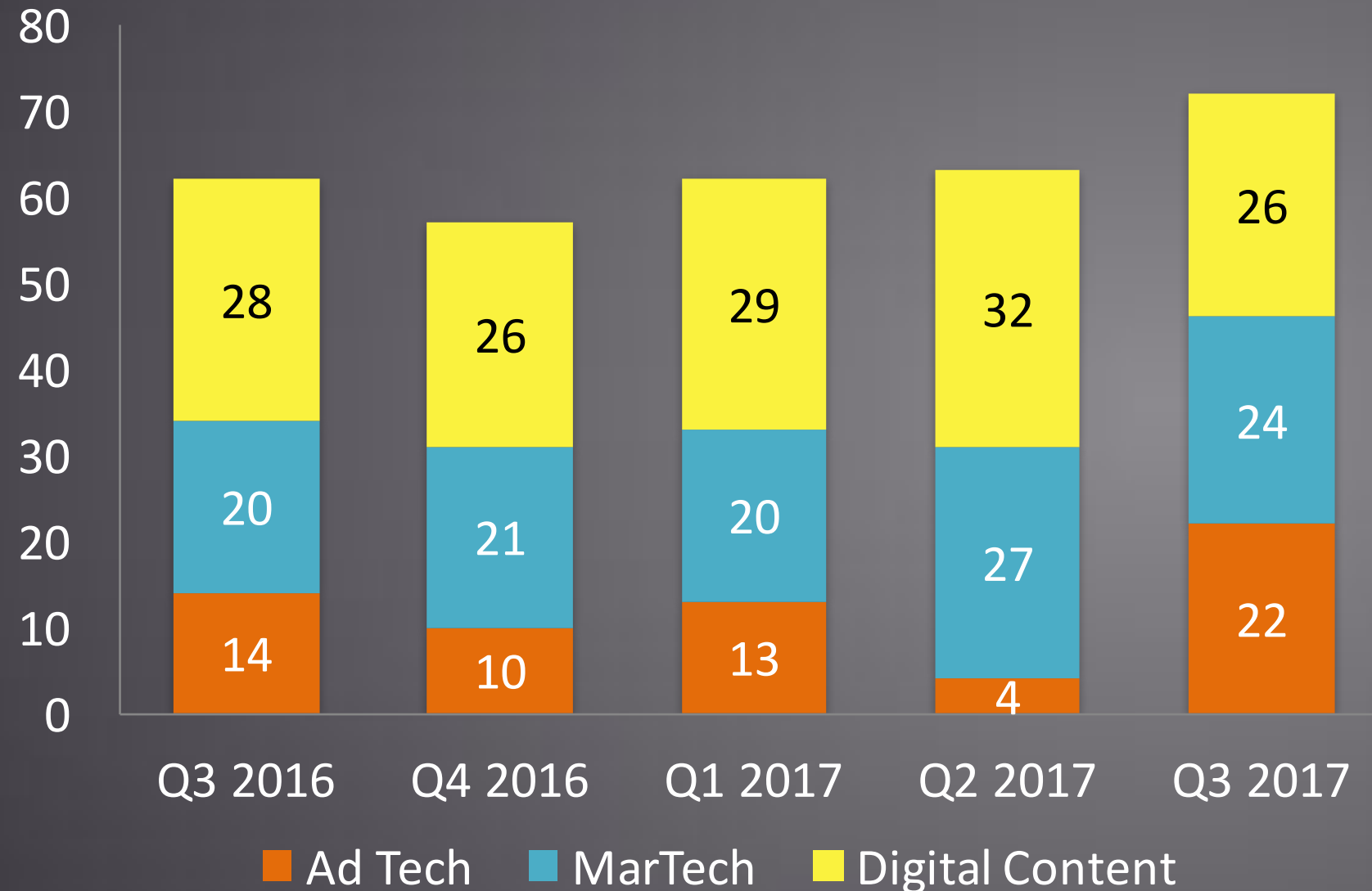
# LUMA's Singular Focus on Digital Media



- LUMA's expertise is at the intersection of Media, Marketing and Technology
- At this intersection exists:
  - **Digital Content:** content sites, MCNs, game publishers, aggregators
  - **Ad Tech:** display, search, video, mobile, social, content marketing/native, connected TV
  - **MarTech:** data, analytics, sales and marketing automation, email, predictive tools, commerce technology, shopper marketing, payments

# U.S. Digital Media M&A Activity by Sector

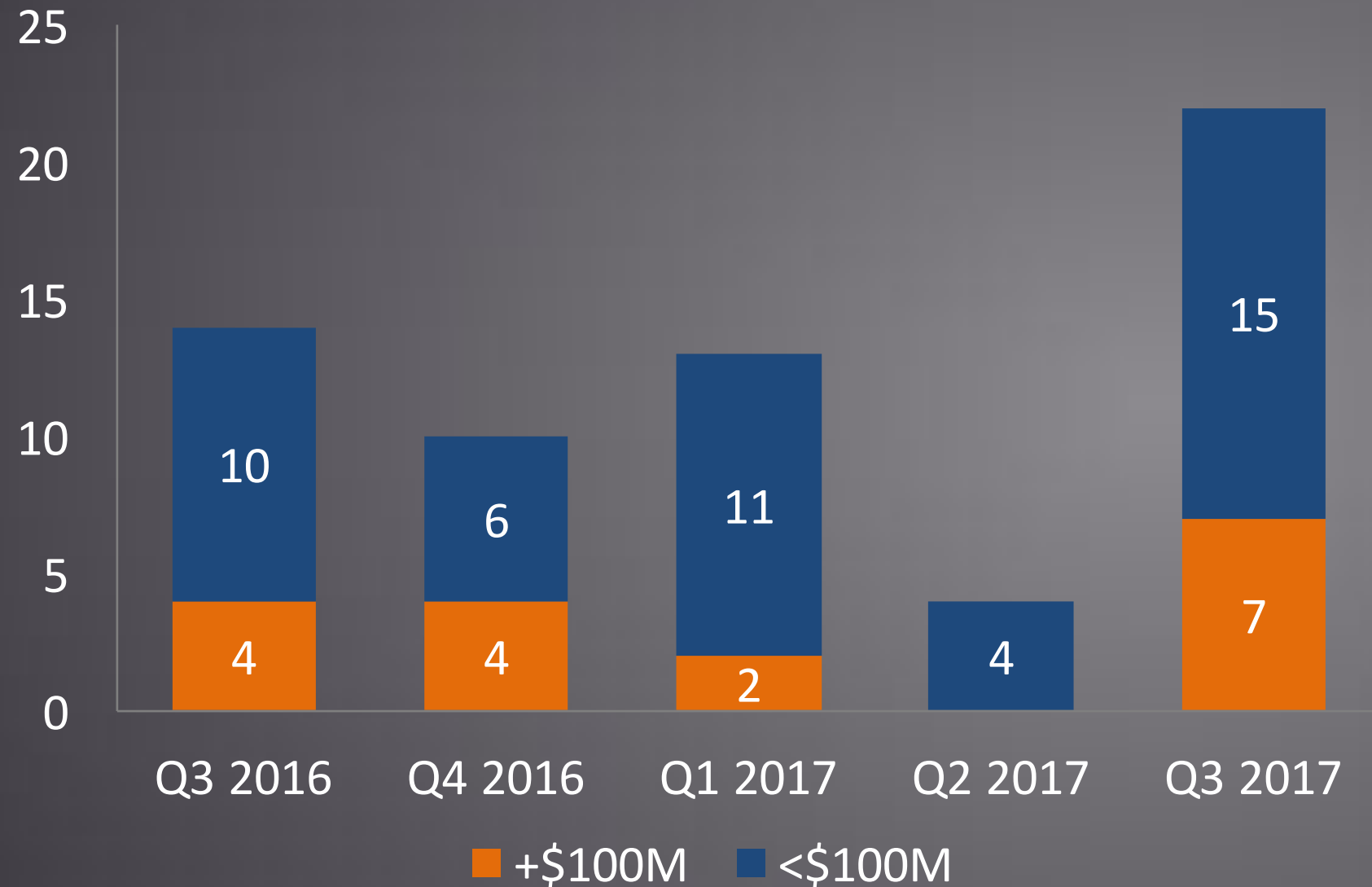
# of Transactions



- The merger between Discovery Communications and Scripps Network Interactive as well as the acquisitions of WebMD and Bankrate highlighted deals in Digital Content during Q3
- Public Ad Tech companies Rocket Fuel, MaxPoint, and YuMe were acquired in the third quarter
- Private equity increased activity in Ad Tech with the acquisitions of DoubleVerify, Rocket Fuel and Simpli.fi and in MarTech with the acquisition of ZoomInfo

# Ad Tech M&A Activity

## # of Transactions

















### ➤ Observations

- The big story in Q3 was that three public Ad Tech companies, MaxPoint, Rocket Fuel and YuMe, were all acquired
- Private equity was very active: financial investors acquired DoubleVerify, Rocket Fuel and Simpli.fi

### ➤ Looking Ahead – Private Equity

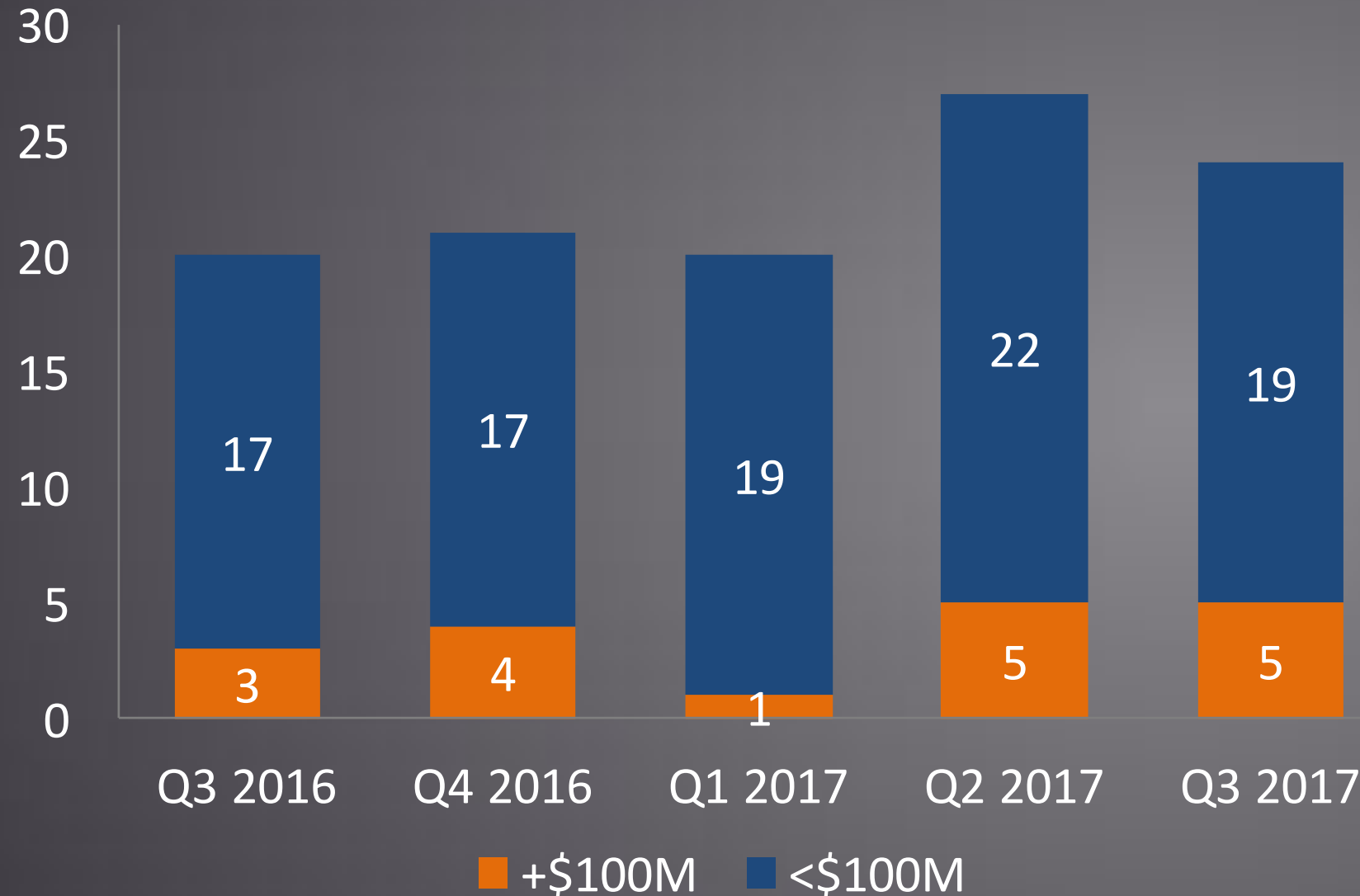
- The maturation of the Ad Tech space has drawn increased interest from private equity buyers who have previously focused more on SaaS software businesses due to their predictable revenue streams

# Ad Tech – Q3 2017 Notable Deals

	Acquirer	Capital Raised	Enterprise Value	Comments
		\$47M	\$300M	Providence Equity acquired a majority stake in DoubleVerify, a digital ad verification company, to help DoubleVerify expand its reach and product offerings
		N/A	\$415M	Cogint will spinoff Fluent, a performance marketing company, with assets of BlueFocus International; BlueFocus Communications will own 67% of the new combined entity
		NYSE	\$108M	Valassis has agreed to acquire MaxPoint, an ad network specializing in local advertising, to enhance MaxPoint's cross-channel targeting capabilities
		NASDAQ	\$150M	Vector Capital-backed Sizmek has acquired Rocket Fuel to grow its platform business as it tries to return to growth
		\$10M	N/A	GTCR has acquired a majority stake in Simpli.fi, a programmatic platform provider that enables hyper-targeted localized advertising campaigns
		\$12M	\$404M	RTL Group acquired the remaining shares of SpotX to gain full ownership of the video advertising platform
		NYSE	\$112M	RhythmOne has acquired YuMe, a video ad network, to integrate their supply-side and demand-side solutions platforms across video

# MarTech M&A Activity

## # of Transactions














### ➤ Observations

- SAP acquired Gigya, a customer identity management company, for \$350 million
- Vista-backed Lithium Technologies acquired Jive Software's external community business four months after Jive Software sold to EWS Capital

### ➤ Looking Ahead – Data & PE

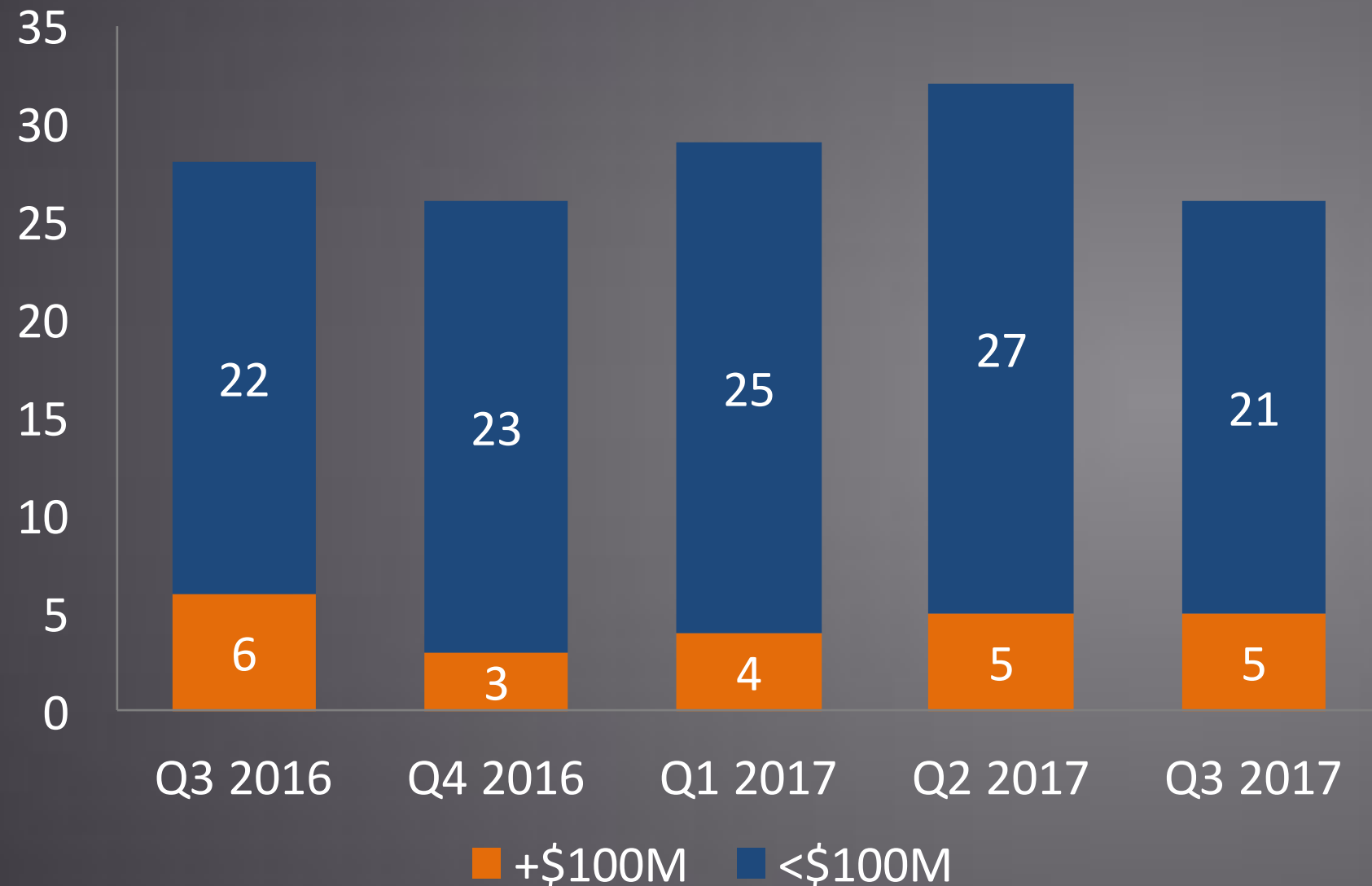
- Following the acquisitions of Krux and Moat by Salesforce and Oracle, we expect more MarTech M&A activity around robust data assets
- We expect PE buyers to continue to be active in MarTech

# MarTech – Q3 2017 Notable Deals

	Acquirer	Capital Raised	Enterprise Value	Comments
	 IHS Markit™	N/A	\$546M	IHS Markit acquired AutomotiveMastermind, a provider of marketing automation and analytics technology for the automotive sector
	SPECTRUM EQUITY	\$92M	N/A	Bitly, a leading link management platform provider, sold a majority stake to Spectrum Equity to expand its current capabilities and enterprise focus
		\$106M	\$350M	Software giant SAP acquired Gigya, a customer identity management company, to strengthen its e-commerce software solutions
 Smart Data. Delivered.	 DiscoverOrg	\$67M	N/A	DiscoverOrg has acquired RainKing, a sales intelligence platform, to solidify its position as a leading B2B sales and marketing data provider
 Driving Brilliant Cross Channel Performance™		\$15M	N/A	Nielsen has acquired Visual IQ, a provider of digital attribution solutions, to help drive marketing effectiveness for marketers
		\$7M	\$240M	Boston-based private equity firm Great Hill Partners has acquired Zoominfo, the B2B contact data provider

# Digital Content M&A Activity

# of Transactions



## ➤ Observations













- Discovery Communications and Scripps Networks Interactive will merge to expand their presence across TV and digital
- Another major story in Q3 were the multi-billion acquisitions of digital media companies WebMD and Bankrate

## ➤ Looking Ahead – All-in on Video

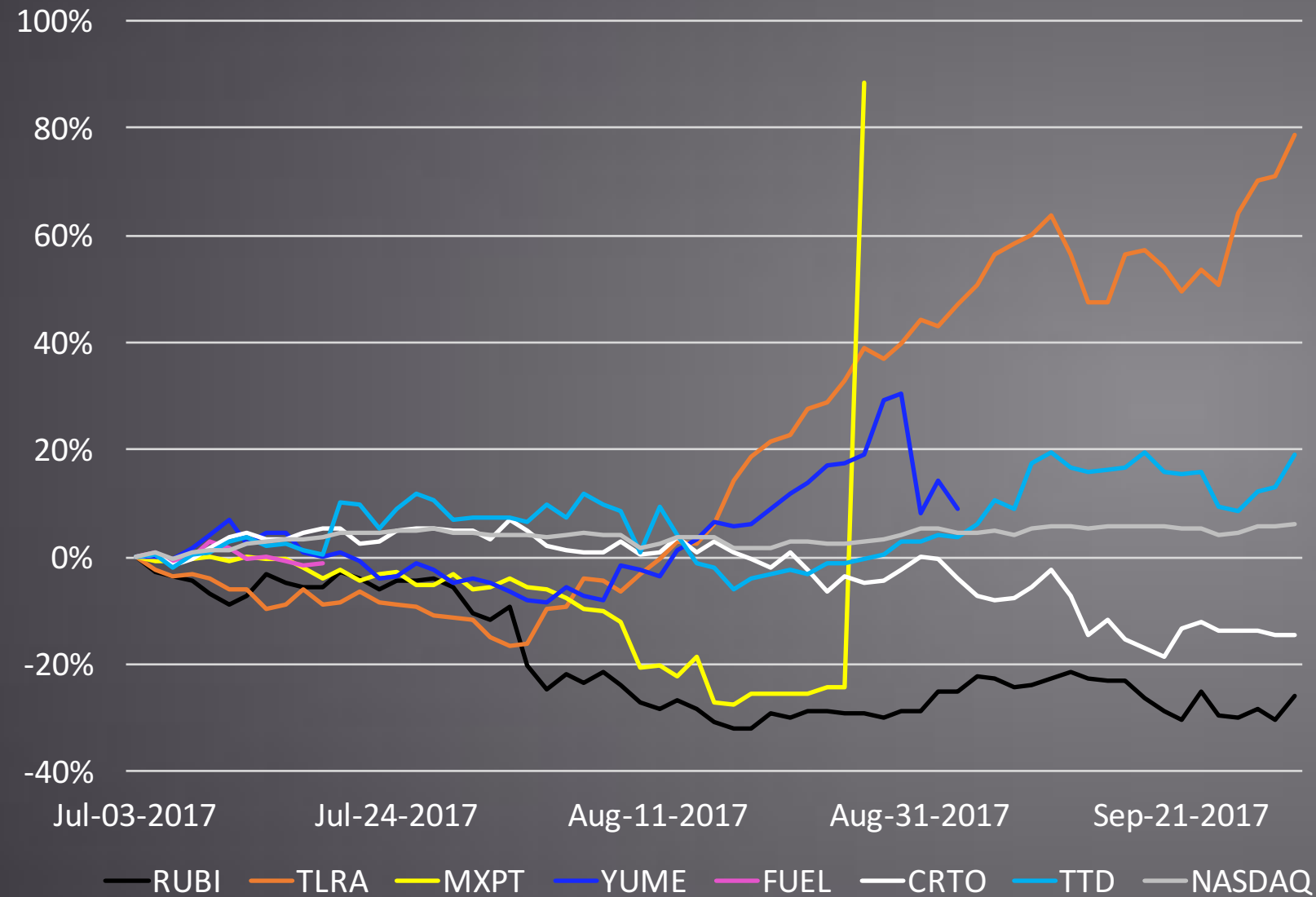
- From Fox Sports to Mic, online publishers are transitioning into video-first media outlets
- Publishers are creating new formats, brands and partnerships to drive their video efforts



# Digital Content – Q3 2017 Notable Deals

	Acquirer	Capital Raised	Enterprise Value	Comments
	 EMERSON COLLECTIVE	N/A	N/A	Emerson Collective acquired a majority stake in The Atlantic, which includes the magazine, its digital properties, and live events business
	 RED VENTURES	NYSE	\$1,434M	Red Ventures has acquired Bankrate, an online publisher of personal finance content, to expand its presence in financial services
	 SONY	N/A	\$150M	Sony has acquired a majority stake in Funimation, distributor of “Dragon Ball Z” and other cartoons, to increase its anime offerings globally
	 ARISTOCRAT	N/A	\$500M	Aristocrat acquired Israeli gaming company Plarium, creators of Vikings: War of Clans, to bolster their growing digital business
	 DISCOVERY COMMUNICATIONS	NASDAQ	\$14,920M	Discovery Comm. has agreed to merge with Scripps Networks to expand its presence in TV, digital, and OTT with home, food and travel properties
	 Internet Brands	NASDAQ	\$3,670M	KKR-backed Internet Brands has acquired WebMD, a leading health media company to its portfolio of online health properties

# Ad Tech – Q3 2017 Stocks Performance



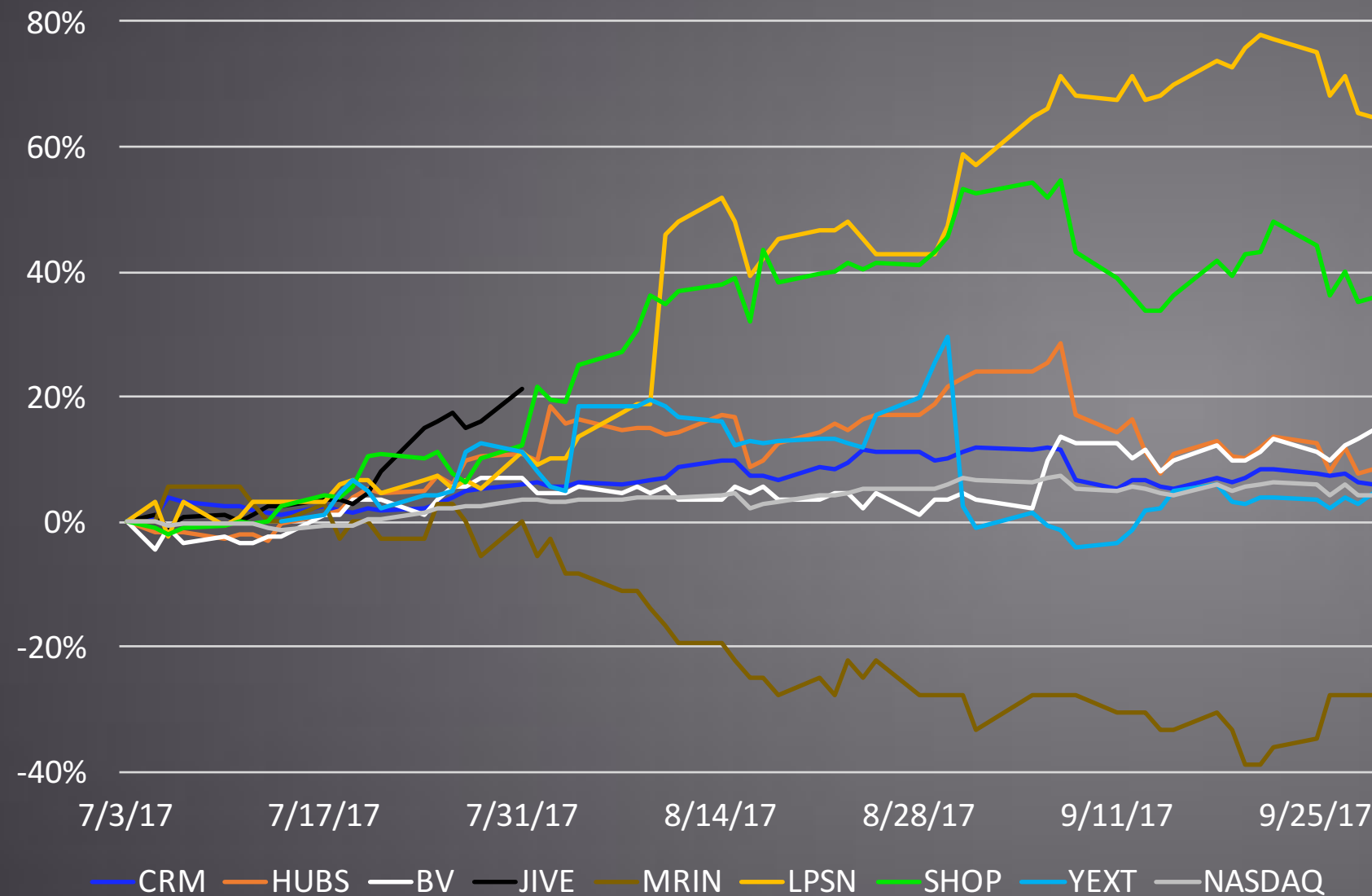
## ➤ Observations

- Ad Tech lost 1% in value, largely from the decline of CRTO, excluding FUEL, MXPT and YUME
- RUBI continues its fall amid worries on its outlook, plunging over 25% in the quarter

## ➤ Highlights

- In the span of eight weeks FUEL, MXPT and YUME were acquired, while TLRA (formerly TRMR) sold its demand-side business
- The remaining cohorts will improve the opportunity for platform-focused companies seeking an IPO

# MarTech – Q3 2017 Stocks Performance



## ➤ Observations















- In Q3, MarTech surged over 10% led by LPSN, MRIN and SHOP, which grew over 20% each
- SHOP continues its torrid pace, soaring nearly 40% during Q3 and over 200% year-to-date

## ➤ Highlights

- SHOP has been the main story this year with its astounding growth, but CRM and HUBS have also quietly climbed nearly 40% and 80% in value respectively
- CRM announced it had surpassed its \$10 billion in annual revenue run rate target during its Q2



# Q3 2017 Key Startup Financings to Watch

	Lead Investor	Capital Raised	Valuation	Comments
		\$50M	N/A	Appboy, a mobile marketing software company, recorded its strongest bookings quarter to date with over 400 clients
		\$50M	\$275M	With auctions having quadrupled in number on the platform over the past year, Artsy will focus on expanding auctions, its fastest business line
		\$126M	N/A	Bread has grown its volume by five times over the past year and plans to expand the number of retailers using its financing solutions service
		\$1,000M	\$4,500M	Fanatics hopes to leverage SoftBank to expand their sports e-commerce business internationally, which currently makes up only 10% of total sales
		\$35M	N/A	mParticle, a customer data platform, announced its new identity offering "IDSync" and plans to accelerate growth with its newest round of funding
	N/A	\$200M	\$1,800M	Reddit tripled its previous valuation and will use new capital towards redesigning its website and making a push into video
	 	\$64M	N/A	Segment, a customer data platform, will use the \$64M Series C funding to invest in product development and expand their existing team

# LUMA's Recent Deals


September 2017

**Simplifi**

*has agreed to be acquired by*

**GTCR**

*The undersigned acted as financial advisor to Simplifi Holdings*



July 2017

**flashstock™**

*has agreed to be acquired by*

**shutterstock**

*The undersigned acted as exclusive financial advisor to Flashstock Technology, Inc.*



May 2017

**MOAT**

*has agreed to be acquired by*

**ORACLE®**

*The undersigned acted as financial advisor to Moat, Inc.*



# LUMA's Differentiated Value Proposition



1. Peerless Industry Knowledge
2. Strategic Approach
3. Execution Excellence

# LUMA's Content-Driven, Expert-Based Approach



DISPLAY MOBILE VIDEO SOCIAL NATIVE SEARCH MARTECH COMMERCE GAMING STRATEGIC BUYERS

**LUMAscapes**  
(over 6 million views from 211 countries)



**Publications**  
(over 3 million views)



**Digital Briefs**



**Conference Keynotes**



**Corporate Teach-ins**



**Completed Deals**





Access. Insights. Execution.

New York | Palo Alto