

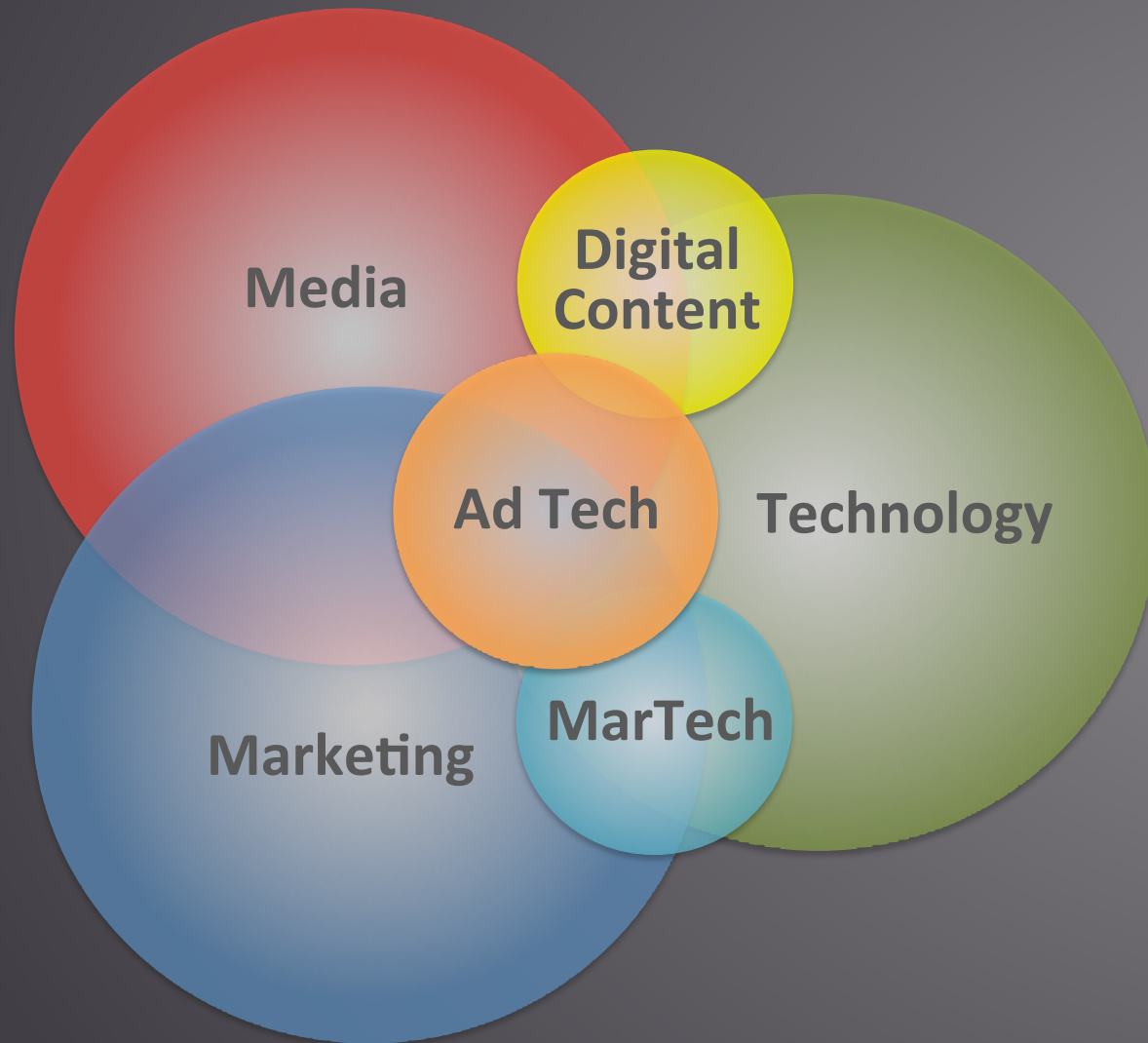


Digital Brief 021

Q3 2018 Market Report

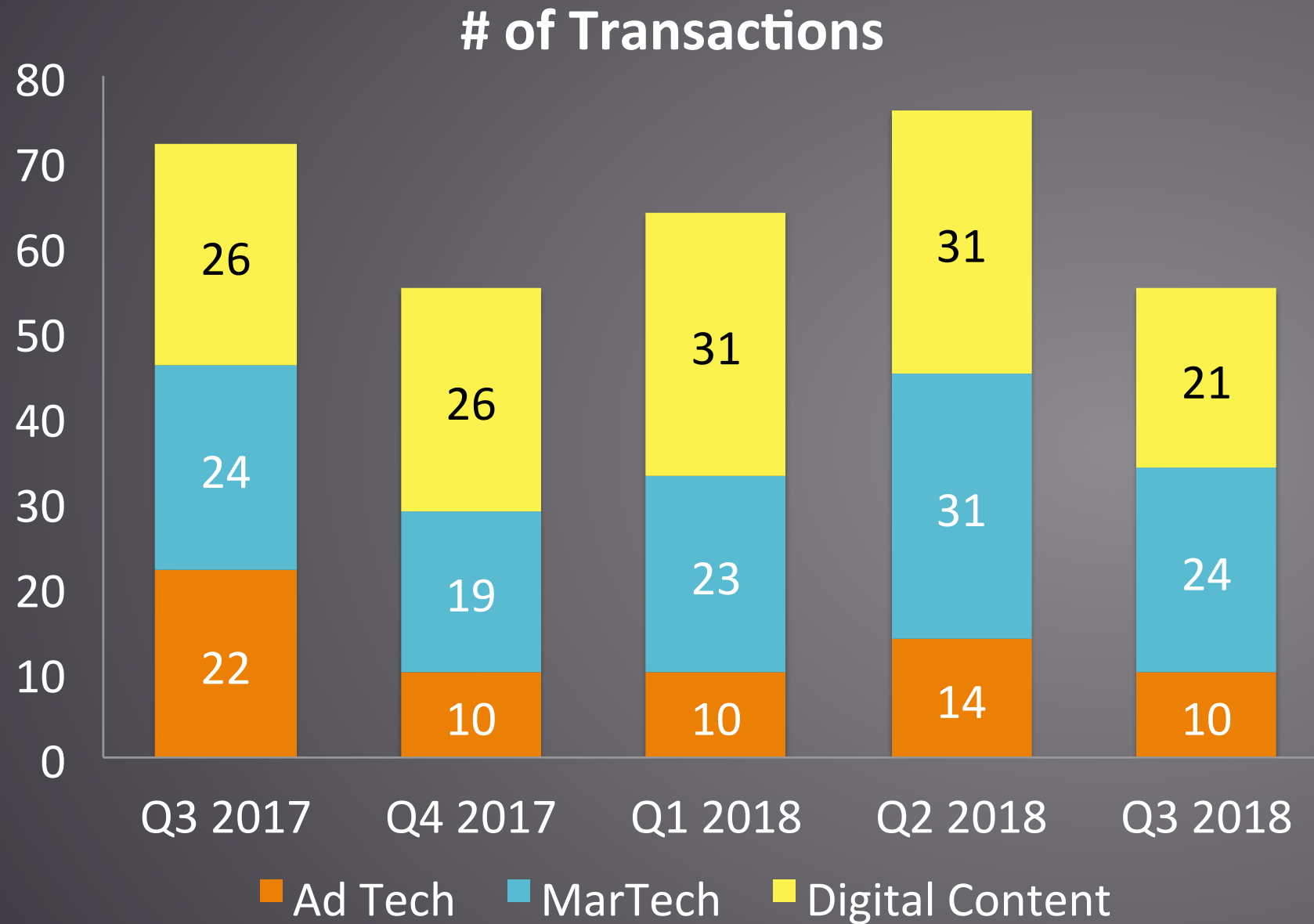
July							August							September						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
1	2	3	4	5	6	7				1	2	3	4							1
8	9	10	11	12	13	14	5	6	7	8	9	10	11	2	3	4	5	6	7	8
15	16	17	18	19	20	21	12	13	14	15	16	17	18	9	10	11	12	13	14	15
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29	30	31					26	27	28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

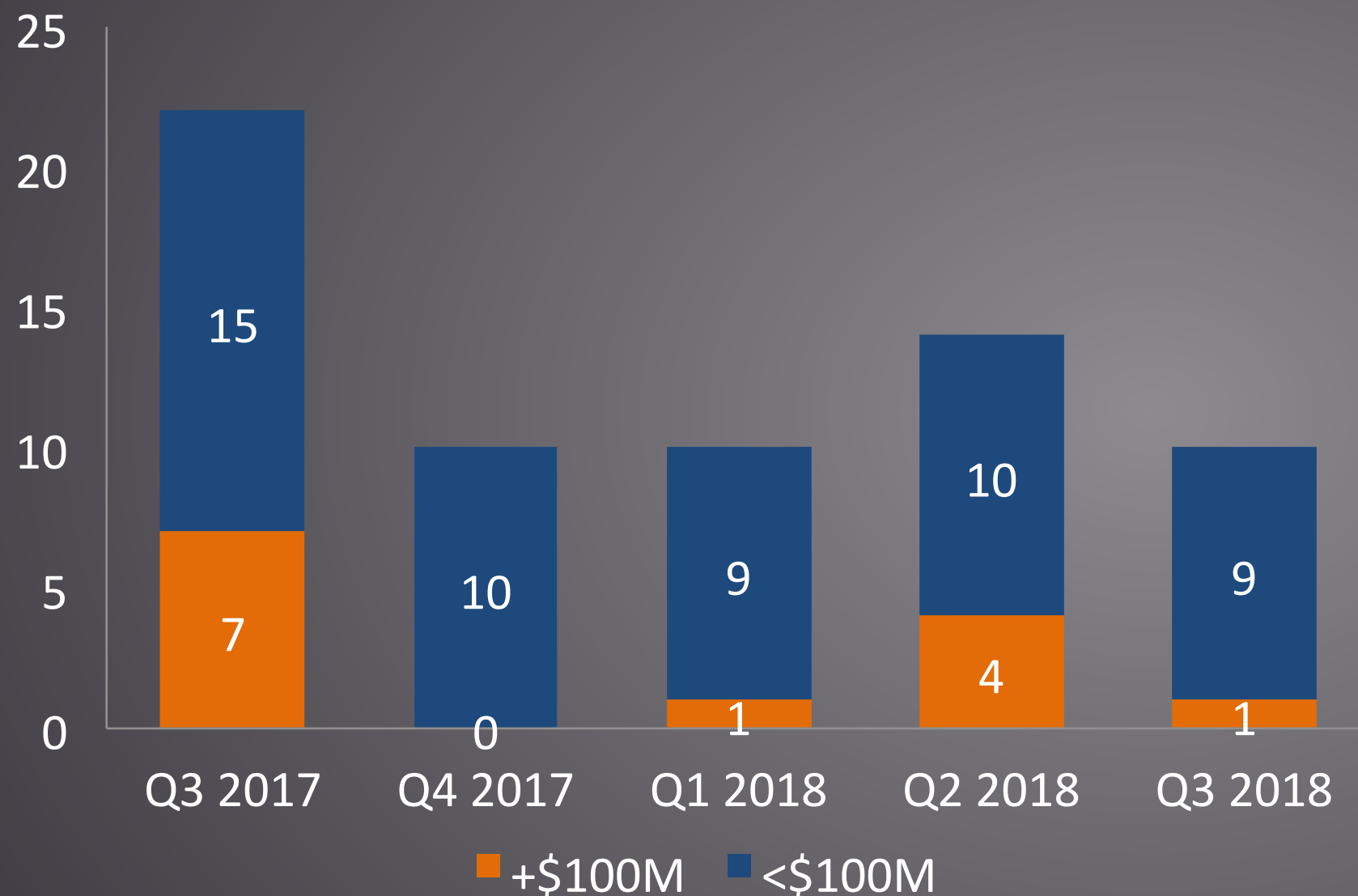
U.S. Digital Media M&A Activity by Sector



- Following concerns around a slowdown in data-driven M&A due to GDPR and industry-wide privacy concerns, we saw \$14B in deal value in Q3 from companies involved in handling consumer data, leading us to dub this “The Summer of Data”
- Even though the number of deals decreased from Q2, the total deal value more than doubled and we expect more to come as companies continue to place emphasis on building out data driven solutions for consumer data, identity and privacy

Ad Tech M&A Activity

of Transactions








➤ Observations

- Following an active Q2, Ad Tech M&A slowed down in Q3 as acquirers focused on more pure data opportunities
- The only +\$100M deal was Amobee's acquisition of Videology, which it won via bankruptcy auction held earlier this quarter with a winning bid of \$117M

➤ Looking Ahead – Xandr and CTV

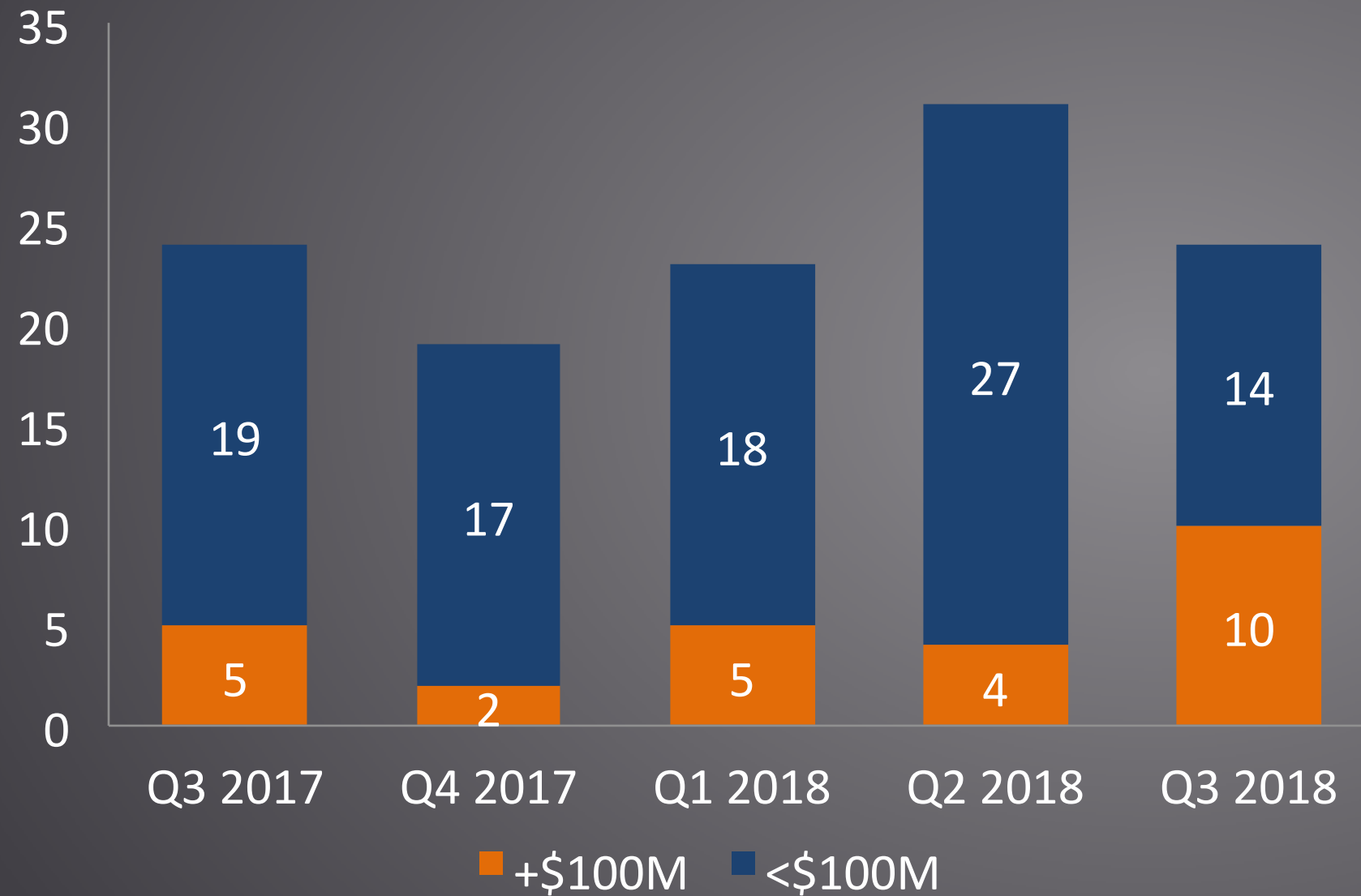
- AT&T closed the AppNexus transaction and then rebranded its advertising business as Xandr. We expect the company to continue pushing forward into new advertising and marketing opportunities
- Look for activity in Convergent TV ("CTV") as the convergence of linear and digital TV accelerates

Ad Tech – Q3 2018 Notable Deals

	Acquirer	Capital Raised	Enterprise Value	Comments
		\$33M	ND	Advantage Solutions will leverage Jun Group's mobile video advertising capabilities to help clients access and advertise to millions of consumers
MAX		\$3.5M	ND	Following AppLovin's \$400M raise, they acquired MAX Advertising Systems to enter the in-app header bidding space
		\$201M	\$117M	Amobee won the bankruptcy auction for Videology's assets and will implement the technology to expand its TV and video advertising capabilities

MarTech M&A Activity

of Transactions








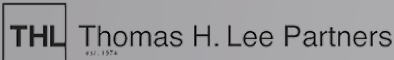










➤ Observations

- Adobe sent a message to the rest of the industry with their largest acquisition to date, acquiring Marketo for \$4.75B
- Private equity continued to be the most active buyer in the sector, with acquisitions of Apttus, Episerver, Spredfast and SugarCRM

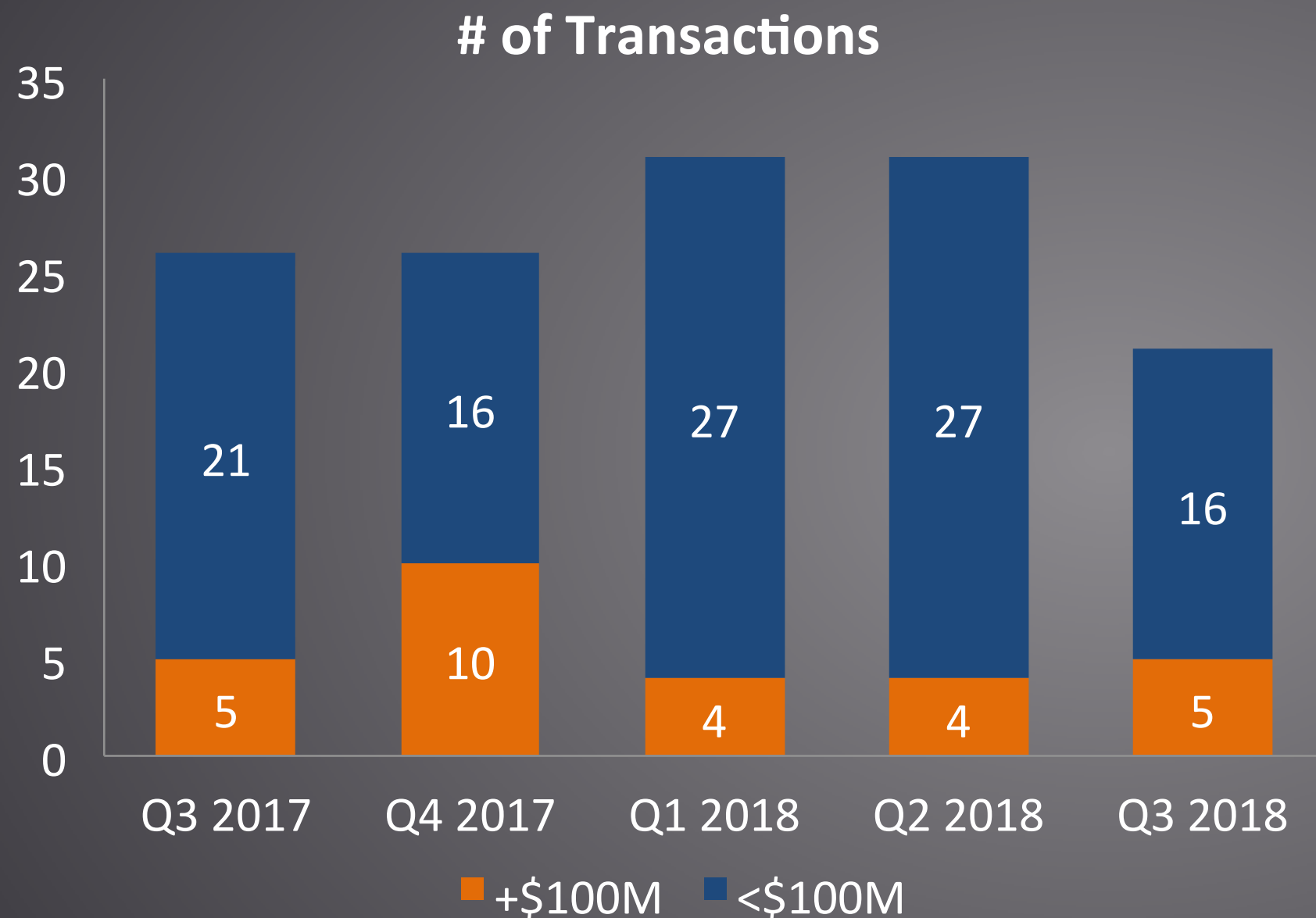
➤ Looking Ahead – Most Active Buyers

- Look for the Marketing Clouds to continue to selectively add capabilities through M&A, and for PE firms to remain the most acquisitive MarTech buyers

MarTech – Q3 2018 Notable Deals

	Acquirer	Capital Raised	Enterprise Value	Comments
		NASDAQ	\$2,300M	IPG acquired Acxiom's legacy data management business for \$2.3B in order to improve its offerings related to data-driven marketing
		\$50M	\$850M	Datorama was acquired by Salesforce to integrate its technology with the Marketing Cloud to provide a singular, unified view of the customer
		NYSE	\$6,880M	Dun & Bradstreet has agreed to be taken private by a group of investors for \$6.9B to re-evaluate the strategic direction of the company
		\$140M	\$1,160M	Episerver, a content management platform, has been acquired by Insight Venture Partners and is planning global expansion under new management
		N/A	\$4,750M	Adobe's acquisition of Marketo will position it to move against industry leaders in marketing services, digital advertising and cloud technology
		\$138.1M	ND	Vista Equity Partners acquired digital customer engagement solutions provider Spredfast with plans to merge it with Lithium Technologies
		\$123.1M	ND	Accell-KKR has acquired relationship management platform SugarCRM to help accelerate its global growth strategy
		\$54.1M	\$600M	Treasure Data, an enterprise customer data platform, was acquired by the SoftBank owned semiconductor ARM to bolster its IoT solutions offerings

Digital Content M&A Activity












➤ Observations

- SiriusXM Radio made a serious push into streaming audio by acquiring Pandora Media for \$3.5B
- AT&T continued to build off recent momentum by acquiring Otter Media to integrate with WarnerMedia's existing assets

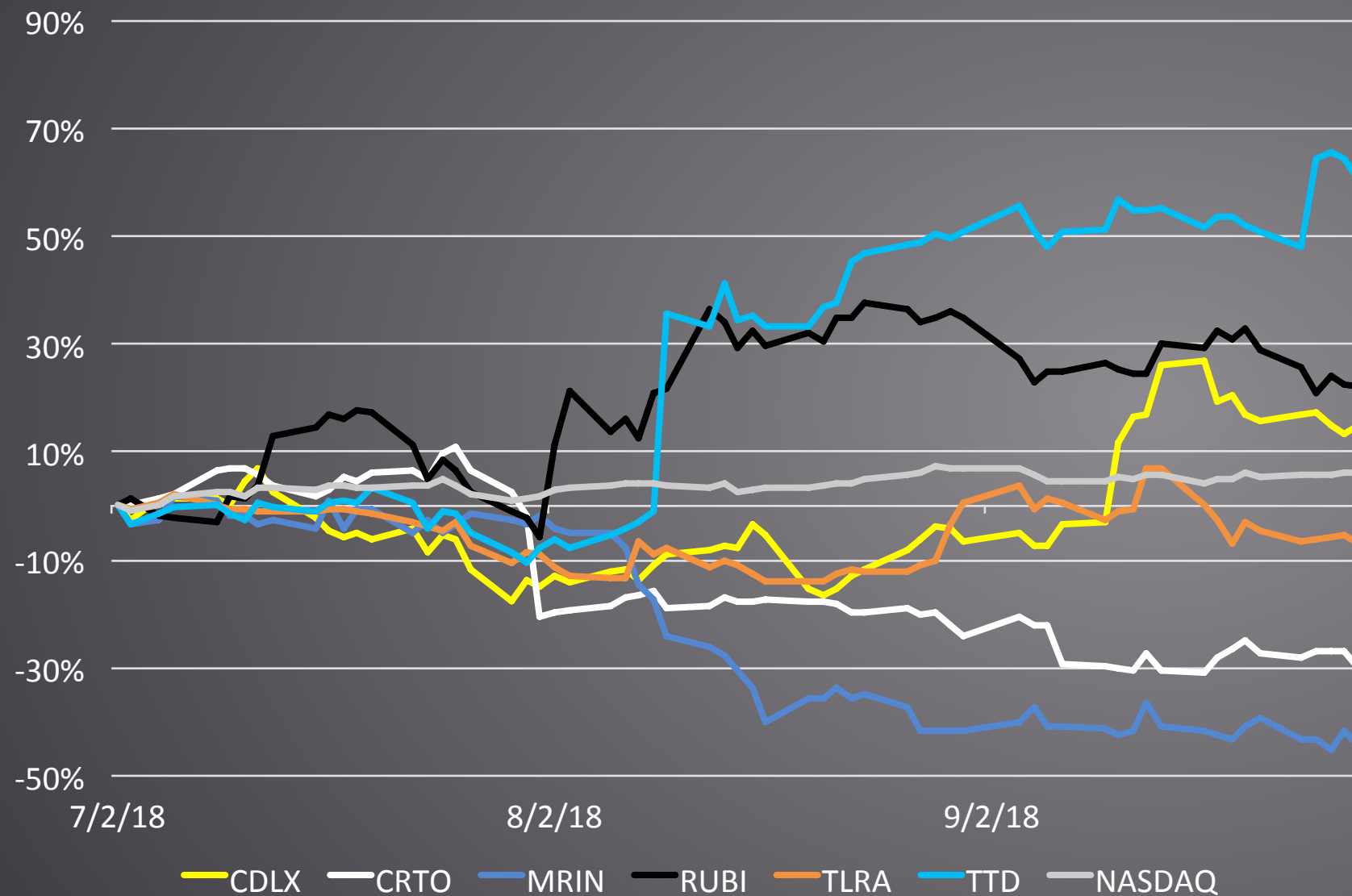
➤ Looking Ahead – Direct-to-Consumer

- A critical aspect of media mega-mergers has been building a direct relationship with consumers
- With the M&A regulatory climate stabilizing, more horizontal and vertical mergers may take place

Digital Content– Q3 2018 Notable Deals

	Acquirer	Capital Raised	Enterprise Value	Comments
 OTTER MEDIA	 AT&T	N/A	\$1,000M	Following the completion of the Time Warner deal, AT&T acquired controlling stake in Otter Media to integrate its assets with WarnerMedia
 pandora	 SiriusXM SATELLITE RADIO	NYSE	\$3,500M	SiriusXM Radio has acquired Pandora Media to complement their satellite radio offering while moving to compete in the audio streaming market
 Purch	 FUTURE	\$175M	\$133M	UK-based publisher Future has acquired technology platform and publisher Purch for \$133M to help boost revenues in the US
 QUARTZ	 UZABASE	\$240K	\$110M	Quartz, the digital business and tech news organization with 20M monthly readers, has been acquired by Japanese company Uzabase for \$110M
 TIME	Marc & Lynne Benioff	N/A	\$190M	TIME Inc. has sold <i>Time</i> magazine to Marc & Lynne Benioff in an effort to increase profitability and reduce debt over the next several years

Ad Tech – Q3 2018 Stocks Performance



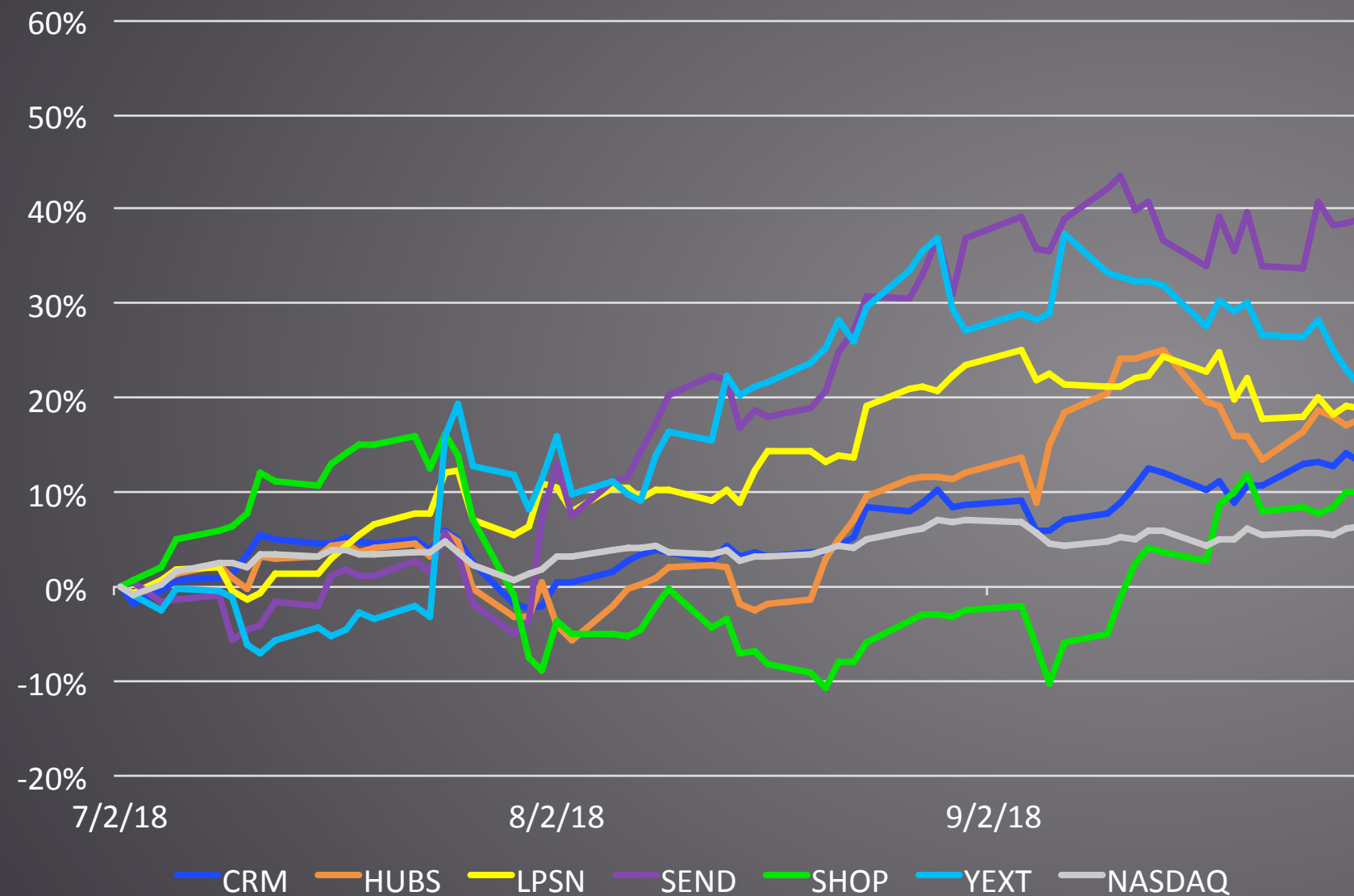
➤ Observations

- After a very strong Q2, Ad Tech had mixed results in Q3
- Overall the sector was up, led by TTD, which was up over 60%

➤ Highlights

- After exceeding analysts revenue estimates in back-to-back quarters, TTD continued its explosive growth with a 60% increase in value
- Under new CEO Michael Barrett, RUBI has experienced continued growth, building off Q2 with over 20% increase in market cap

MarTech – Q3 2018 Stocks Performance

















➤ Observations

- MarTech had a strong quarter, with all stocks rising and the sector increasing nearly 15%

➤ Highlights

- YEXT market value spiked over 20% after announcing a partnership with Amazon
- SEND beat analysts' revenue expectations for Q2, increasing market value 40% in Q3
- Despite beating revenue expectations for Q2, SHOP experienced an initial drop in value following reports of slowed revenue growth, before recovering at the end of the quarter

Q3 2018 Key Startup Financings to Watch

	Lead Investor	Capital Raised	Valuation	Comments
		\$400M	\$2,000M	AppLovin raised its valuation to \$2B and currently reaches over 300M DAUs and drives over 1B downloads for gaming companies per year
	MERITECH	\$80M	\$850M	Braze more than doubled its valuation to \$850M and currently delivers tens of billions of messages to over 1.5B MAUs globally
	N/A	\$42M	ND	Location data platform Factual raised \$42M and will use this latest round to accelerate growth and international expansion
		\$30M	\$355M	iSpot will use this most recent round of funding to hire additional talent in order to build new products and improve technology for OTT measurement
		\$500M	ND	Letgo, the digital marketplace for buying and selling locally, recently reached over 100M downloads, 400M listings and 6B messages between users
		\$225M	\$1,000M	MediaMath, which is now valued at over \$1B, will use this funding to make select acquisitions and develop new product offerings
		\$25M	\$100M	PebblePost, the programmatic direct mail platform, will use this funding to bolster the use of programmatic data assets in direct mail campaigns
	NORWEST 	\$30M	ND	Marketing intelligence platform Singular raised \$30M geared towards accelerating product development and innovation

LUMA's Recent Deals

September 2018

CISION®

Secondary Offering
\$192,000,000

LUMA Securities, a wholly-owned broker-dealer of LUMA, acted as co-managing underwriter of the Cision Ltd. public secondary offering.



September 2018

TUNE
ATTRIBUTION ANALYTICS

has been acquired by

branch

The undersigned acted as exclusive financial advisor to TUNE, Inc.



September 2018

MAX

has been acquired by

 **APPLOVIN**

The undersigned acted as exclusive financial advisor to Max Advertising Systems, Inc.



August 2018

 **videology**

has been acquired by

AMOBEE

a subsidiary of

 **Singtel**

The undersigned acted as exclusive financial advisor to Videology, Inc.

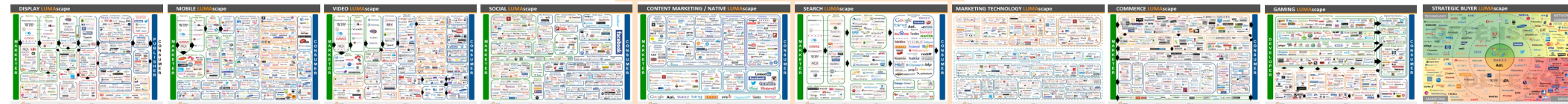


LUMA's Differentiated Value Proposition



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 7 million views
from 211 countries)



Publications
(over 4 million views)



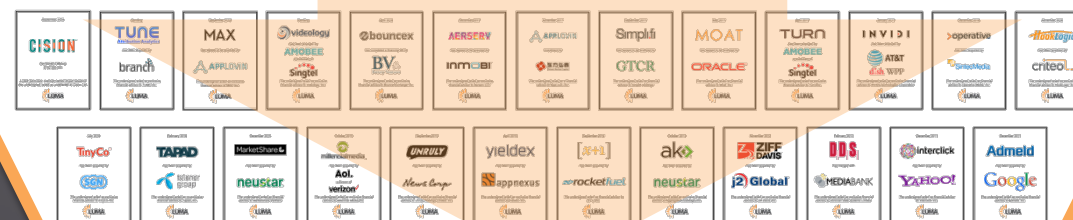
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**Completed Deals at
Premium Valuations**





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