In the face of continued evolution of media consumption due to technology advances, we expected the pace of M&A announcements to ramp in 2017. In the end, activity was more muted than initially anticipated, but there were still a handful of notable deals announced during the year at reasonably healthy multiples. The chart below provides a sampling of the M&A that transpired.

Select 2017 (Announced) Media M&A Transactions

Industry	Date Announced	Date Closed/ Anticipated	Buyer	Target	Assets	Purchase Price	Estimated PF Multiple
Radio Broadcasting	2/2/17	11/17/17	Entercom	CBS Radio	Combined 243 stations in 23 of top 25 markets (46 markets total)	~$4bn EV	~8.4x
TV Broadcasting	5/8/17	1Q18	Sinclair	Tribune	42 stations reaching ~42% of the US and ~31% of Food Network	~$6.6bn	Seller: ~8.6x ('17/'18) Buyer: ~7x ('17/'18)
Magazines	11/26/17	1Q18	Meredith	Time	All Time assets incl SI, People, InStyle, etc.	~$2.8bn	Seller: ~6.5x (LTM)
Movie Theaters	12/5/17	1Q18	Cineworld	Regal	2nd largest exhibitor in the US with 561 theatres & 7,315 screens	~$3.6bn	Seller: ~9x ('18) Buyer: ~7.3x ('18)

Source: Company reports, Deutsche Bank estimates

We expect 2018 to usher in increased M&A activity on the heels of welcoming capital markets conditions, reasonable leverage levels (generally speaking), and loosened government regulation. For TV, the completion of the spectrum auction and Sinclair & Tribune getting across the finish line should re-start deal-making. For radio, we could see pockets of assets come up for sale as 2 of the largest groups restructure. And newspapers are likely to continue to seek out economies of scale amidst an ongoing decline in print ad revenues.

As alluded to above, from a balance sheet perspective, many Media / Business Services companies are in a much better place to navigate potential choppy waters today than they were heading into and during the last recession several years back (less leverage, lower cost of capital, extended maturities, more scale, more diversification, etc.). A slowdown in the overall economy and, in tandem, the advertising environment, would certainly hurt, but perhaps not as severely as before.