



Investment Banking | **Industry Spotlight**



Telecom, Media, & Technology | Q3 2016

Telecom, Media, & Technology Investment Banking

Coverage Responsibilities

Focus on Middle Market and Mid-Cap Companies operating in the following industries and sectors:

Telecom

- Multichannel Video Operators
- Towers
- Business Process Outsourcing
- Wireless
- Wireline

Media

- Digital Marketing & Advertising
- Filmed Entertainment & TV
- Publishing
- TV Broadcasting
- TV Networks
- Radio Broadcasting

Technology

- Software
- Services
- Hardware
- Semiconductors

Capital Markets Capabilities

Full-service Capital Markets platform staffed with over 200 professionals, offering the following capabilities:

Investment Banking

- M&A Advisory
- Capital Raising
- Strategic Alternatives

Debt Capital Markets (DCM)

- Loan Capital Markets:
 - Pro Rata
 - Institutional
- Bond Capital Markets:
 - Investment Grade
 - High Yield
 - Acquisition & Bridge Finance
- Securitization & Private Placements

Equity Capital Markets (ECM)

- Initial Public Offerings (IPO's)
- Follow-On Offerings
- Convertible Debt

Key TMT Contacts

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Experienced Senior Leadership

Jeffrey Hoff Managing Director

- Over 30 years experience in financial services primarily focusing on Mergers & Acquisitions and corporate finance advisory services
- Seventeen years focused on media, telecom, and technology corporate finance and M&A advisory
- BS - Colgate University
- MBA - Fordham University

Alan McClure Sr. Managing Director

- Over 30 years of financial services experience with a focus on buy and sell-side Mergers & Acquisitions and capital raises for Middle Market companies
- Extensive experience with telecommunications and business services companies
- BS - University of Virginia
- MBA - Georgia State University

Bill Haverland Vice President

- Over 7 years of financial services experience with a focus on Middle Market and Mid Corporate companies
- Responsible for building out Fifth Third's Telecom, Media, & Technology Investment Banking focus
- BS - University of Virginia

Political Spend leading up to November will drive advertising revenue for TV Broadcasters ^[1]

- TV Broadcasters are projected to generate more than \$3.3 billion in political advertising revenue by the end of 2016, a 15% increase from the 2012 election cycle
- TV markets in North Carolina, Iowa, Ohio, and Pennsylvania will see a surge in political ad dollars as politicians and PACs use audience targeting to sway voters

TV Station groups will generate billions in the incentive spectrum auction ^[2]

- The Federal Communications Commission (FCC) acquired a staggering \$86.4 billion worth of wireless airwaves from television broadcasters in the first phase of a complex auction, an effort to free up TV spectrum for cellular use
 - Analysts expected anywhere from \$35 billion to \$60 billion
- Stage 1 of the forward auction ended abruptly in early September after the FCC raised just 27% (\$23 billion) of the broadcasters ask
- The FCC has now moved into Stage 2 of the auction with most industry analysts expecting the multiple rounds required will spill the process into 2017

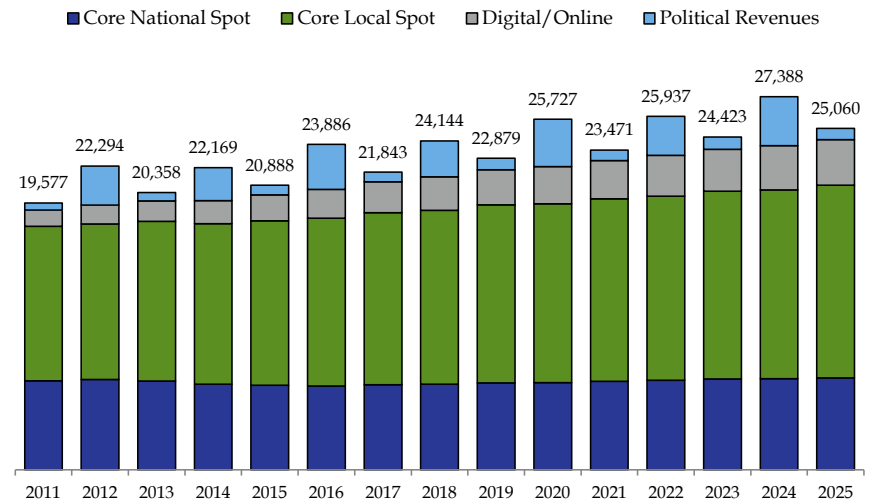
Spectrum auction proceeds expected to boost broadcast M&A, deal multiples in 2017 ^[1]

- Broadcast M&A will ramp in 2017 as station groups look to deploy any spectrum auction proceeds in a tax-advantaged manner utilizing the two year window to invest in similar or related property
- As of June 30, 2016, year-to-date TV station deal multiples have averaged 8.4x 2016-2017 cash flow on \$5.3 billion in deal volume
- The majority of deal volume is related to Nexstar Broadcasting Group's pending acquisition of Media General, as well as the related spinoffs required to comply with FCC regulations

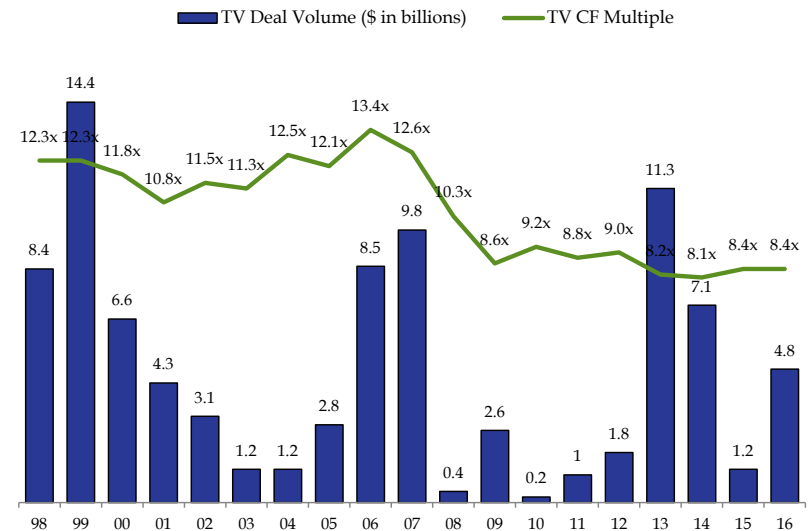
TV Broadcasters paced the media sector's public market performance after the recession

- The TV Broadcaster comp set share price has increased 412% over the last five years^[3]
- The brexit fallout filtered down to TV broadcasters resulting in a rocky year-to-date performance

TV Station Advertising Historical & Projected Revenues (\$ in millions) ^[1]

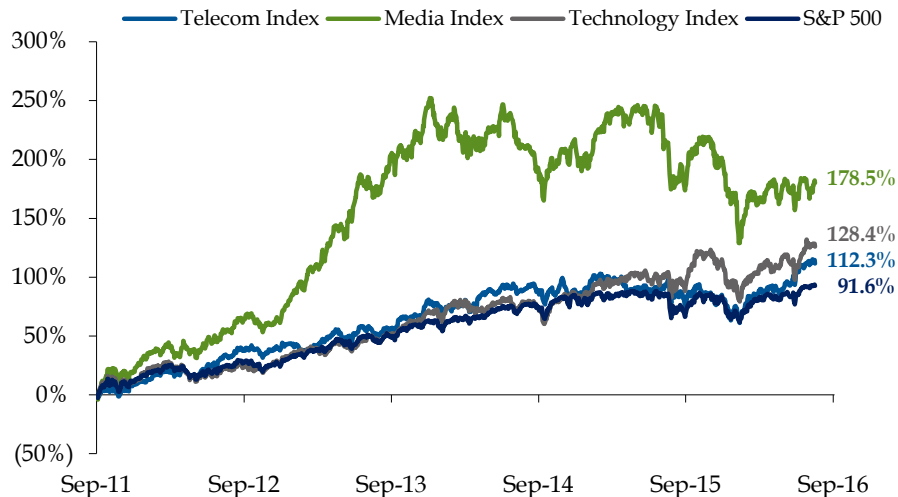


History of Proposed TV Station Sales^[1]

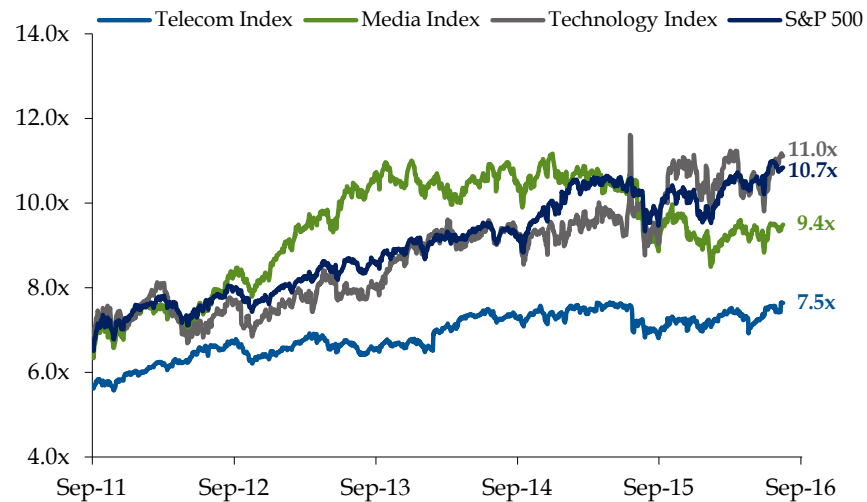


[1] SNL Kagan
[2] Wall Street Journal
[3] Comp set comprised of TGNA, NXST, SBGL, GTN and SSP

5-Year Share Price Performance



5-Year EV / Forward EBITDA Performance



Sub Sector Indices' Stock Price Performance

Sub-Sector	Number of Companies	Median Enterprise Value \$ in millions	Median % Change in Stock Price		Median TEV / LTM Multiples		Median TEV / Forward Multiples	
			12 Months	YTD	Revenue	EBITDA	Revenue	EBITDA
Telecom	14	\$40,240.8	19.7%	15.1%	2.4x	7.8x	2.4x	7.0x
Multichannel Video Operators	3	145,596.4	15.6%	17.6%	2.8x	11.6x	2.7x	10.1x
Towers	3	43,963.3	18.4%	9.0%	13.8x	21.2x	11.7x	19.9x
Wireless	4	186,727.8	22.9%	18.7%	2.1x	6.9x	2.0x	6.7x
Wireline	4	16,484.5	20.5%	11.2%	1.9x	6.4x	2.0x	6.3x
Media	23	\$8,716.0	(3.3%)	(14.3%)	2.5x	9.7x	2.4x	9.1x
TV Broadcasting	5	3,238.2	(3.3%)	(14.3%)	2.9x	9.5x	2.7x	7.2x
Radio Broadcasting	2	656.3	48.0%	68.9%	2.1x	9.3x	NA	NA
Entertainment	4	34,569.3	1.6%	0.5%	1.7x	10.1x	1.6x	9.6x
TV Networks	4	17,302.2	(2.4%)	(3.3%)	3.0x	8.0x	2.9x	8.9x
Advertising	8	9,547.5	13.4%	5.4%	2.3x	13.5x	2.0x	11.1x
Technology	17	\$23,007.6	22.2%	13.9%	4.8x	15.6x	4.7x	13.2x
Software	5	185,899.9	25.2%	7.5%	4.6x	14.3x	4.2x	11.2x
Payment Processors	6	27,988.7	13.8%	13.9%	4.7x	16.8x	4.0x	12.9x
Semiconductors	6	12,477.5	31.2%	21.1%	5.3x	15.2x	5.2x	14.3x
S&P 500	500		12.7%	6.1%	2.2x	11.4x	2.1x	10.7x

Public Company Comparables: Telecom

Technology, Media, & Telecom | **Industry Spotlight**
Q3 2016

Operating & Trading Statistics (\$ in millions, except per-share data)

	Stock Price at 9/30/16	% of 52-Week High	Market Cap	Enterprise Value	LTM Financials		Revenue Growth		LTM Margins		Debt/EBITDA	Price/Earnings	Enterprise Value/			
					Revenue	EBITDA	'14A - '15A	'15A - '16E	Gross	EBITDA			Revenue		EBITDA	
													LTM	2016E	LTM	2016E
Multichannel Video Operators																
Comcast Corporation	\$66.34	97.0%	\$160,000	\$214,324	\$75,973	\$25,476	8.3%	7.1%	70.6%	33.5%	2.2x	20.2x	2.8x	2.7x	8.4x	8.1x
Charter Communications, Inc.	269.97	96.4%	73,142	145,596	37,764	12,599	7.1%	300.7% *	55.5%	33.4%	4.9x	12.1x	3.9x	3.7x	11.6x	10.1x
Dish Network Corp.	54.78	83.6%	25,465	36,518	15,137	3,111	2.9%	0.1%	35.1%	20.6%	4.6x	29.3x	2.4x	2.4x	11.7x	11.6x
Mean							6.1%	3.6%	53.7%	29.1%	3.9x	20.5x	3.0x	2.9x	10.6x	9.9x
Median							7.1%	3.6%	55.5%	33.4%	4.6x	20.2x	2.8x	2.7x	11.6x	10.1x
Towers																
American Tower Corporation	\$113.33	95.8%	\$48,221	\$67,679	\$5,158	\$3,186	16.4%	21.0%	70.8%	61.8%	5.9x	NM	13.1x	11.7x	21.2x	19.3x
Crown Castle International Corp.	94.21	91.6%	31,739	43,963	3,154	2,050	3.5%	4.9%	63.9%	65.0%	6.1x	NM	13.9x	11.4x	21.4x	19.9x
SBA Communications Corp.	112.16	92.3%	13,977	22,325	1,623	1,058	7.3%	0.0%	73.5%	65.2%	8.0x	NM	13.8x	13.6x	21.1x	20.0x
Mean							9.1%	8.6%	69.4%	64.0%	6.7x	NM	13.6x	12.3x	21.3x	19.8x
Median							7.3%	4.9%	70.8%	65.0%	6.1x	NM	13.8x	11.7x	21.2x	19.9x
Wireless																
Verizon Communications Inc.	\$51.98	91.3%	\$211,886	\$310,489	\$130,115	\$45,822	3.6%	(3.9%)	59.4%	35.2%	2.2x	14.7x	2.4x	2.5x	6.8x	7.0x
AT&T, Inc.	40.61	92.5%	249,833	374,156	162,265	53,354	10.8%	12.1%	55.4%	32.9%	2.4x	17.5x	2.3x	2.3x	7.0x	7.0x
T-Mobile US, Inc.	46.72	97.1%	38,438	62,966	33,315	8,408	8.4%	15.5%	56.9%	25.2%	3.6x	35.9x	1.9x	1.7x	7.5x	6.5x
Sprint Corporation	6.63	94.3%	26,377	58,250	32,165	8,665	(6.8%)	0.6%	53.4%	26.9%	4.3x	NM	1.8x	1.8x	6.7x	6.2x
Mean							4.0%	6.1%	56.3%	30.1%	3.1x	22.7x	2.1x	2.1x	7.0x	6.6x
Median							6.0%	6.3%	56.2%	29.9%	3.0x	17.5x	2.1x	2.0x	6.9x	6.7x
Wireline																
CenturyLink, Inc.	\$27.43	83.3%	\$14,976	\$34,401	\$17,829	\$6,840	(0.7%)	(2.0%)	59.2%	38.4%	2.9x	15.4x	1.9x	2.0x	5.0x	5.2x
Frontier Communications Corporation	4.16	71.1%	4,880	22,163	6,800	2,702	16.8%	64.8% *	63.9%	39.7%	6.6x	NM	3.3x	2.4x	8.2x	6.7x
Windstream Holdings, Inc.	10.05	96.1%	967	10,806	5,659	1,971	(1.1%)	(5.7%)	49.4%	34.8%	5.0x	NM	1.9x	2.0x	5.5x	5.9x
Cincinnati Bell Inc.	4.08	79.5%	858	2,118	1,177	286	0.5%	2.2%	42.6%	24.3%	4.0x	4.7x	1.8x	1.8x	7.4x	7.1x
Mean							3.9%	(1.8%)	53.8%	34.3%	4.6x	10.0x	2.2x	2.0x	6.5x	6.2x
Median							(0.1%)	(2.0%)	54.3%	36.6%	4.5x	10.0x	1.9x	2.0x	6.4x	6.3x
Mean							5.7%	3.6%	52.1%	35.0%	3.9x	14.2x	4.1x	3.7x	9.5x	9.0x
Median							3.6%	1.2%	57.4%	34.2%	4.3x	15.0x	2.4x	2.4x	7.8x	7.0x

*Excluded from mean and median
Source: Company Filings, S&P Capital IQ

Public Company Comparables: Media

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					Revenue	EBITDA	'14A-'15A	'15A-'16E	Gross	EBITDA			Revenue		EBITDA	
													LTM	2016E	LTM	2016E
TV Broadcasting																
TEGNA Inc.	\$21.86	75.5%	\$4,685	\$9,150	\$3,156	\$1,158	16.2%	11.9%	69.6%	36.7%	3.7x	11.1x	2.9x	2.7x	7.9x	7.2x
Sinclair Broadcast Group, Inc.	28.88	80.5%	2,727	6,775	2,302	710	12.3%	24.1%	52.3%	30.8%	5.9x	15.8x	2.9x	2.5x	9.5x	7.2x
Nexstar Broadcasting Group, Inc.	57.71	93.4%	1,771	3,238	993	336	42.0%	24.5%	65.3%	33.8%	4.4x	20.2x	3.3x	2.9x	9.7x	8.1x
Gray Television, Inc.	10.36	58.5%	744	2,273	691	239	17.6%	41.1%	39.1%	34.6%	7.1x	15.5x	3.3x	2.7x	9.5x	6.8x
The E. W. Scripps Company	15.90	69.4%	1,328	1,659	793	149	43.5%	39.3%	30.3%	18.8%	2.7x	NM	2.1x	1.7x	11.2x	7.0x
Mean							26.3%	28.2%	51.3%	30.9%	4.8x	15.7x	2.9x	2.5x	9.6x	7.2x
Median							17.6%	24.5%	52.3%	33.8%	4.4x	15.6x	2.9x	2.7x	9.5x	7.2x
Radio Broadcasting																
Radio One Inc.	\$3.03	85.1%	\$146	\$1,109	\$457	119	2.1%	NA	70.9%	26.1%	8.4x	NM	2.4x	NA	9.3x	NA
Beasley Broadcast Group Inc.	5.80	95.9%	135	203	110	22	80.5%	NA	28.3%	20.0%	3.7x	19.5x	1.8x	NA	9.3x	NA
Mean							41.3%	NA	49.6%	23.0%	6.1x	19.5x	2.1x	NA	9.3x	NA
Median							41.3%	NA	49.6%	23.0%	6.1x	19.5x	2.1x	NA	9.3x	NA
Entertainment																
Time Warner Inc.	\$79.61	97.9%	\$61,924	\$83,926	\$27,903	\$7,951	2.8%	3.2%	44.2%	28.5%	3.1x	16.0x	3.0x	2.9x	10.6x	10.2x
Twenty-First Century Fox, Inc.	24.22	77.1%	45,447	62,520	27,326	6,430	(5.7%)	3.0%	37.0%	23.5%	3.1x	17.1x	2.3x	2.2x	9.7x	9.0x
Live Nation Entertainment, Inc.	27.48	92.6%	5,581	6,619	7,747	583	5.5%	10.3%	27.9%	7.5%	3.5x	NM	0.9x	0.8x	11.3x	10.4x
Lions Gate Entertainment Corp.	19.99	48.3%	2,952	4,436	4,158	585	(2.2%)	94.1%	38.7%	14.1%	NM	NM	1.1x	1.0x	7.6x	5.9x
Mean							0.1%	27.6%	36.9%	18.4%	3.2x	16.5x	1.8x	1.7x	9.8x	8.9x
Median							0.3%	6.8%	37.8%	18.8%	3.1x	16.5x	1.7x	1.6x	10.1x	9.6x
TV Networks																
Viacom, Inc.	\$38.10	71.4%	\$15,346	\$27,782	\$13,050	\$3,469	(3.7%)	(5.0%)	48.2%	26.6%	3.6x	7.3x	2.1x	2.2x	8.0x	9.3x
Discovery Communications, Inc.	26.92	84.7%	14,846	22,687	6,152	2,480	2.1%	2.7%	63.7%	40.3%	3.2x	14.6x	3.7x	3.5x	9.1x	9.2x
Scripps Networks Interactive, Inc.	63.49	92.8%	8,193	11,918	3,245	1,490	13.2%	12.2%	67.5%	45.9%	2.4x	10.8x	3.7x	3.5x	8.0x	8.6x
AMC Networks Inc.	51.86	61.9%	3,703	6,283	2,703	882	18.6%	7.6%	57.0%	32.6%	3.4x	10.8x	2.3x	2.3x	7.1x	7.2x
Mean							7.5%	4.4%	59.1%	36.4%	3.1x	10.9x	3.0x	2.9x	8.1x	8.6x
Median							7.6%	5.2%	60.4%	36.5%	3.3x	10.8x	3.0x	2.9x	8.0x	8.9x
Advertising																
WPP plc	\$23.62	96.7%	\$29,795	\$36,054	\$17,193	\$2,545	0.4%	(2.3%)	85.7%	14.8%	3.3x	27.6x	2.1x	2.0x	14.2x	12.1x
Omnicom Group Inc.	85.00	97.1%	20,106	24,318	15,244	2,249	(1.2%)	2.4%	25.0%	14.8%	2.2x	18.6x	1.6x	1.6x	10.8x	10.5x
Publicis Groupe SA	75.67	96.8%	17,012	19,831	10,897	1,970	18.7%	6.5%	38.9%	18.1%	2.0x	16.6x	1.8x	1.8x	10.1x	10.1x
The Interpublic Group of Companies, Inc.	22.35	90.0%	8,956	10,379	7,722	1,050	1.0%	2.7%	36.1%	13.6%	1.7x	18.6x	1.3x	1.3x	9.9x	9.3x
Lamar Advertising Co.	65.31	94.2%	6,365	8,716	1,433	598	5.2%	11.0%	66.9%	41.8%	4.0x	21.5x	6.1x	5.8x	14.6x	13.4x
Outfront Media Inc.	23.65	96.8%	3,262	5,386	1,081	390	11.8%	(0.0%)	45.4%	36.1%	5.6x	NM	5.0x	3.6x	13.8x	12.0x
Endurance International Group Holdings, Inc.	8.75	56.5%	1,236	3,204	909	172	17.7%	48.1%	44.7%	18.9%	11.7x	NM	3.5x	2.9x	18.6x	11.7x
Web.com Group, Inc.	17.27	69.1%	808	1,505	608	114	(0.1%)	35.6%	66.5%	18.7%	6.2x	10.7x	2.5x	2.0x	13.3x	8.6x
Mean							6.7%	13.0%	51.2%	22.1%	4.6x	18.9x	3.0x	2.6x	13.1x	11.0x
Median							3.1%	4.6%	45.1%	18.4%	3.7x	18.6x	2.3x	2.0x	13.5x	11.1x
Mean							13.5%	17.8%	49.0%	25.9%	4.1x	16.0x	2.7x	2.5x	10.6x	9.2x
Median							11.8%	10.6%	44.7%	26.6%	3.5x	15.9x	2.5x	2.4x	9.7x	9.1x

*Excluded from mean and median
Source: Company Filings, S&P Capital IQ

Public Company Comparables: Technology

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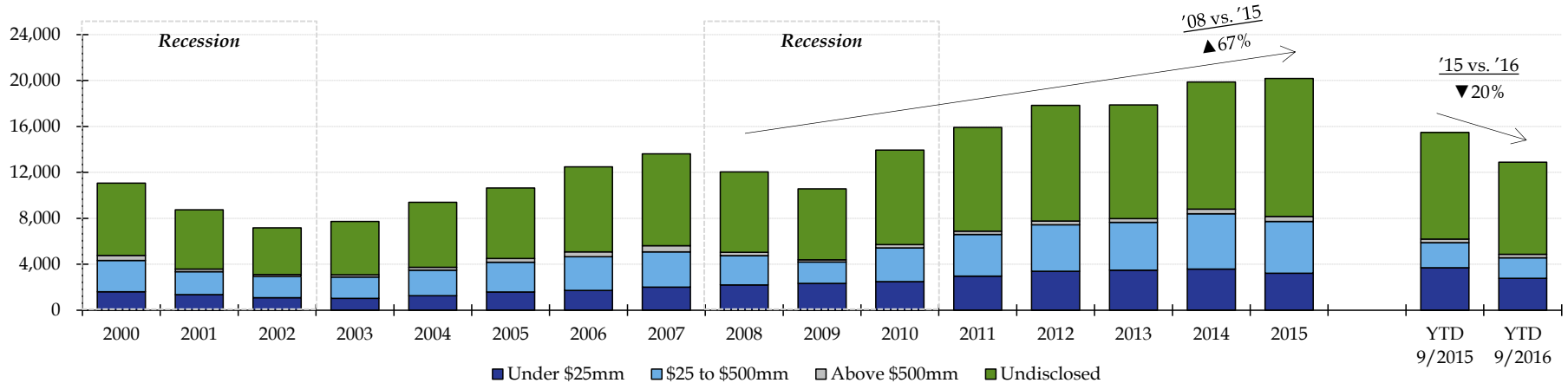
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													LTM	2016E	LTM	2016E
Software																
Alphabet Inc.	\$804.06	98.2%	\$543,411	\$472,740	\$81,761	\$26,903	13.6%	18.0%	62.1%	32.9%	0.2x	31.2x	5.8x	5.3x	17.6x	13.2x
Microsoft Corporation	57.60	98.1%	448,849	389,794	85,320	27,170	(8.8%)	8.0%	61.6%	31.8%	2.0x	27.4x	4.6x	4.2x	14.3x	11.2x
International Business Machines Corporation	158.85	96.3%	151,836	185,900	78,506	17,973	(11.9%)	(2.5%)	48.9%	22.9%	2.5x	12.9x	2.4x	2.3x	10.3x	9.8x
Oracle Corporation	39.28	93.5%	161,270	147,327	37,194	14,612	(3.1%)	1.0%	58.4%	39.3%	3.7x	18.7x	4.0x	3.9x	10.1x	8.8x
SAP SE	91.41	98.5%	109,532	114,109	23,643	6,658	6.2%	9.2%	68.3%	28.2%	1.4x	27.6x	4.8x	4.6x	17.1x	13.6x
Mean							(0.8%)	6.7%	59.8%	31.0%	2.0x	23.6x	4.3x	4.1x	13.9x	11.3x
Median							(3.1%)	8.0%	61.6%	31.8%	2.0x	27.4x	4.6x	4.2x	14.3x	11.2x
Payment Processors																
Fidelity National Information Services, Inc.	\$77.03	94.3%	\$25,252	\$35,727	\$7,939	\$2,000	2.8%	43.6%	31.9%	25.2%	5.6x	NM	4.5x	3.8x	17.9x	12.2x
First Data Corporation	13.16	73.2%	11,976	33,852	7,842	2,378	2.9%	51.6%	58.0%	30.3%	8.0x	NM	4.3x	2.9x	14.2x	11.8x
Alliance Data Systems Corporation	214.53	70.6%	12,556	29,821	3,341	1,552	21.4%	11.6%	25.2%	46.4%	12.0x	26.7x	8.9x	4.1x	19.2x	14.7x
Fiserv, Inc.	99.47	89.2%	21,865	26,156	5,375	1,670	3.7%	6.1%	45.5%	31.1%	2.7x	25.2x	4.9x	4.7x	15.7x	13.7x
Total System Services, Inc.	47.15	83.2%	8,668	11,875	3,316	769	13.6%	51.5%	31.7%	23.2%	4.7x	24.1x	3.6x	2.8x	15.5x	11.7x
Global Payments Inc.	76.76	96.0%	11,801	15,781	2,898	664	4.5%	(5.7%)	60.4%	22.9%	7.4x	37.6x	5.4x	5.8x	23.8x	18.2x
Mean							8.2%	26.5%	42.1%	29.9%	6.7x	28.4x	5.3x	4.0x	17.7x	13.7x
Median							4.1%	27.6%	38.7%	27.8%	6.5x	26.0x	4.7x	4.0x	16.8x	12.9x
Semiconductors																
Analog Devices, Inc.	\$64.45	96.3%	\$19,839	\$17,767	\$3,397	\$1,233	19.9%	(0.0%)	64.8%	36.3%	1.4x	30.4x	5.2x	5.2x	14.4x	13.3x
Linear Technology Corporation	59.29	92.0%	14,564	13,116	1,424	685	(3.5%)	3.8%	75.9%	48.1%	0.0x	29.4x	9.2x	8.9x	19.1x	18.1x
Microchip Technology Inc.	62.14	98.5%	13,378	16,113	2,439	713	1.2%	43.5%	56.8%	29.2%	4.7x	NM	6.6x	5.2x	22.6x	15.8x
Xilinx Inc.	54.34	97.9%	13,774	11,839	2,240	744	(6.9%)	4.1%	69.6%	33.2%	2.1x	25.8x	5.3x	5.1x	15.9x	15.2x
Maxim Integrated Products, Inc.	39.93	94.2%	11,326	10,295	2,195	710	(4.9%)	1.4%	59.2%	32.3%	1.7x	NM	4.7x	4.6x	14.5x	12.1x
ON Semiconductor Corp.	12.32	98.2%	5,120	8,028	3,440	611	10.6%	10.8%	34.1%	17.8%	5.7x	31.6x	2.3x	2.1x	13.1x	10.4x
Mean							2.7%	10.6%	60.1%	32.8%	2.6x	29.3x	5.6x	5.2x	16.6x	14.2x
Median							(1.1%)	4.0%	62.0%	32.8%	1.9x	29.9x	5.3x	5.2x	15.2x	14.3x
Mean							2.5%	10.7%	56.9%	30.7%	2.9x	26.8x	4.9x	4.6x	16.0x	13.2x
Median							2.5%	5.1%	59.8%	31.5%	2.3x	27.5x	4.8x	4.7x	15.6x	13.2x

*Excluded from mean and median
Source: Company Filings, S&P Capital IQ

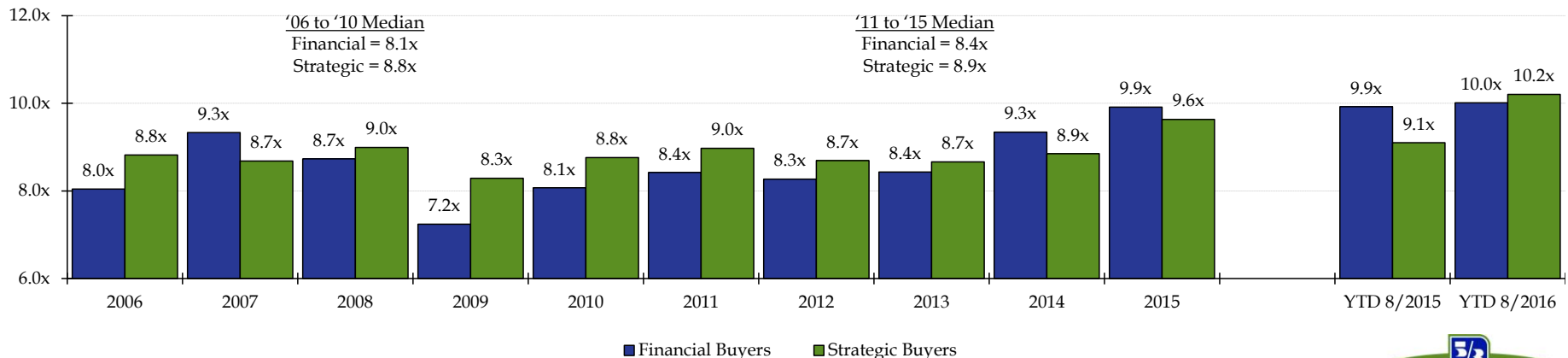
Transaction Volume

- Historically, M&A cycles have not extended past seven years; 2016 is year six of the cycle
 - Relative to past cycles, interest rates are lower, corporate balance sheets are stronger, and private equity firms have more untapped capital
- 2016 has demonstrated signs that the buyout cycle is slowing, however, plenty of positive drivers remain



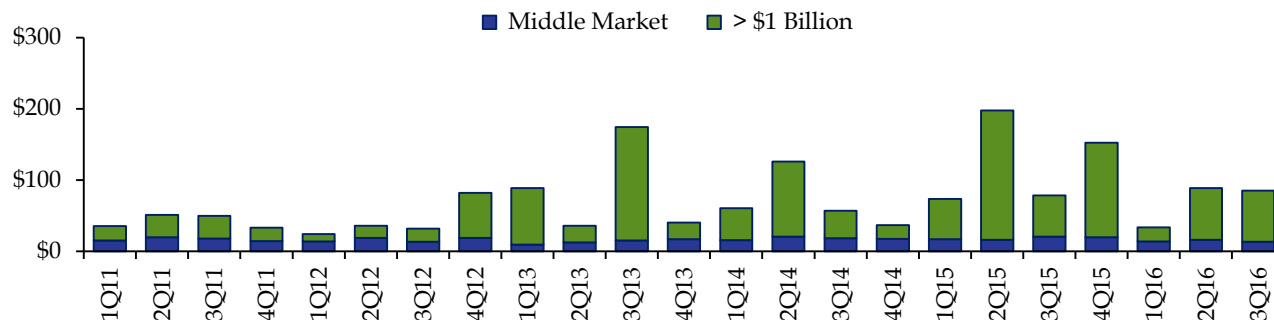
Median Transaction Multiples (Enterprise Value / LTM EBITDA)

- Purchase multiples by both financial and strategic buyers remain above their five-year median
- Deal multiples may to remain elevated due to strong competition for high quality assets as strategic corporate and private equity firms continue to seek acquisitions to fuel growth and deploy capital

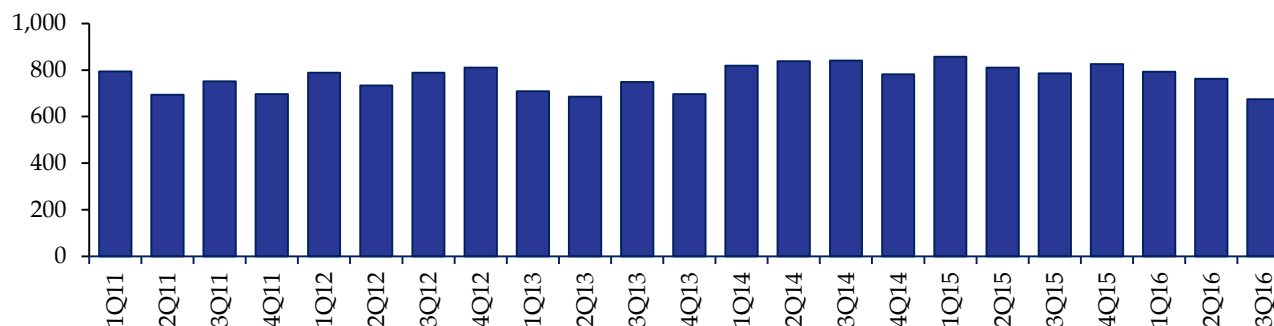


- M&A boom remains in full swing
- The TMT sector's M&A growth continues to be driven by large transaction announcements
 - Charter Communications acquisition of Time Warner Cable in 2Q 2015
 - Denali Holding's (Dell) announced acquisition of EMC Corporation in 4Q 2015
 - Microsoft's announced acquisition of LinkedIn Corporation in 2Q 2016
- Deal volume continues at a steady pace
- Competitive market is driving an increase in average deal multiples
- The average deal multiple continues to be over 12.0x EBITDA
- Favorable equity and debt capital markets
- Strategic buyers continue to aggressively pursue transactions as a means for growth
- Financial buyers have capital to deploy

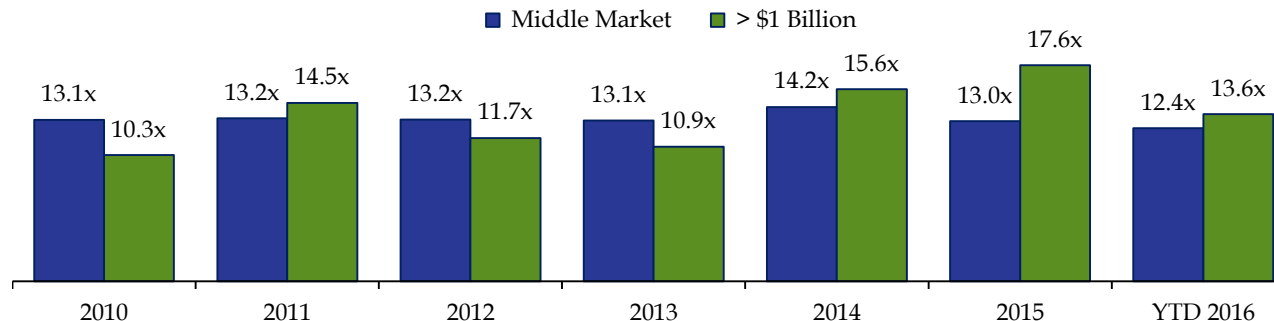
U.S. TMT M&A Announced Deal Value (\$ in billions)



U.S. TMT M&A Announced Deal Volume



U.S. TMT M&A Closed Deal Average EV / EBITDA Multiple



Source: Fifth Third Securities, S&P Capital IQ

Note: Middle Market defined as transactions with disclosed deal values less than \$1 billion.

EV - Enterprise Value NA - Not Available

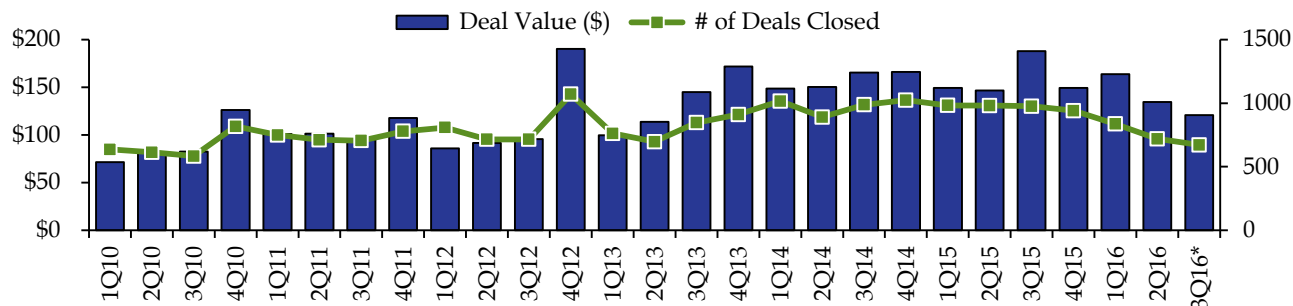
Telecom, Media, and Technology (\$ in millions)

Announced Date	Acquirer	Target	Enterprise Value (EV)	LTM		LTM		
				Revenue	EBITDA	Revenue	EBITDA	
Telecom								
8/2/2016	WideOpenWest Finance	HC Operating Company	\$53.0	NA	\$8.4	-	6.3x	
6/20/2016	Communications Sales & Leasing, Inc. (NasdaqGS:CSAL)	Tower Cloud, Inc.	362.2	\$41.0	13.0	8.8x	27.9x	
4/4/2016	Brocade Communications Systems, Inc. (NasdaqGS:BRCD)	Ruckus Wireless, Inc.	1,073.0	391.9	17.6	2.7x	61.2x	
2/8/2016	GTT Communications, Inc. (NYSE:GTT)	Telnes Broadband, Inc.	20.0	17.0	1.0	1.2x	20.0x	
11/16/2015	Nelnet, Inc. (NYSE:NNI)	Allo Communications LLC	50.0	12.5	2.9	4.0x	17.2x	
9/15/2015	GTT Communications, Inc. (NYSE:GTT)	One Source Networks Inc.	175.0	74.6	13.9	2.3x	12.6x	
8/10/2015	Shenandoah Telecommunications Co. (NasdaqGS:SHEN)	NTELOS Holdings Corp.	585.8	476.5	114.9	1.2x	5.1x	
Media								
8/3/2016	Vector Capital	Sizmek Inc.	\$76.5	\$185.2	\$9.0	0.4x	8.5x	
7/12/2016	AMC Entertainment Holdings, Inc. (NYSE:AMC)	Odeon and UCI Cinemas Holdings Ltd	1,869.0	1,101.9	146.9	1.7x	12.7x	
6/30/2016	Lions Gate Entertainment Corp. (NYSE:LGF)	Starz (NasdaqGS:STRZ.A)	4,295.4	1,681.3	390.5	2.6x	11.0x	
6/10/2016	Axel Springer SE (DB:SPR)	eMarketer, Inc.	260.2	45.5	13.5	5.7x	19.3x	
4/28/2016	NBCUniversal Media, LLC	DreamWorks Animation SKG Inc. (NasdaqGS:DWA)	4,147.3	939.8	120.8	4.4x	34.3x	
4/25/2016	Gannett Co., Inc. (NYSE:GCI)	tronc, Inc. (NasdaqGM:TRNC)	764.4	1,672.8	120.2	0.5x	6.4x	
3/24/2016	Entertainment One Ltd. (LSE:ETO)	Renegade 83, Inc.	35.4	35.1	5.2	1.0x	6.8x	
3/3/2016	AMC Entertainment Holdings, Inc. (NYSE:AMC)	Carmike Cinemas Inc. (NasdaqGS:CKEC)	1,098.9	804.4	131.5	1.4x	8.4x	
1/27/2016	Nexstar Broadcasting Group, Inc. (NasdaqGS:NXST)	Media General, Inc. (NYSE:MEG)	4,499.9	1,304.9	332.2	3.4x	13.6x	
12/10/2015	News + Media Capital Group LLC	Stephens Media LLC	125.4	145.4	20.8	0.9x	6.0x	
10/7/2015	Gannett Co., Inc. (NYSE:GCI)	Journal Media Group, Inc.	279.0	411.8	23.3	0.7x	12.0x	
Technology								
9/20/2016	Tessera Technologies Inc. (NasdaqGS:TSRA)	DTS Inc. (NasdaqGS:DTSI)	\$898.7	\$163.7	\$33.7	5.5x	26.7x	
9/12/2016	Renesas Electronics Corporation (TSE:6723)	Intersil Corporation (NasdaqGS:ISIL)	2,833.8	518.3	94.5	5.5x	30.0x	
9/7/2016	Micro Focus International plc (LSE:MCRO)	Hewlett Packard Enterprise Company, Software Business	8,730.4	3,172.0	658.0	2.8x	13.3x	
8/26/2016	Apollo Global Management, LLC. (NYSE:APO)	Rackspace Hosting, Inc. (NYSE:RAX)	4,404.7	2,073.4	588.4	2.1x	7.5x	
8/25/2016	Ascential plc (LSE:ASCL)	Oneclickretail.com LLC	225.0	4.9	3.4	45.9x	66.2x	
8/11/2016	Hewlett Packard Enterprise Company (NYSE:HPE)	Silicon Graphics International Corp. (NasdaqGS:SGL)	285.5	532.9	10.2	0.5x	28.0x	
8/9/2016	Randstad North America	Monster Worldwide, Inc. (NYSE:MWW)	382.8	635.0	75.7	0.6x	5.1x	
7/27/2016	DII	Epiq Systems, Inc. (NasdaqGS:EPIQ)	1,009.0	529.8	87.2	1.9x	11.6x	
7/26/2016	Analog Devices, Inc. (NasdaqGS:ADI)	Linear Technology Corporation (NasdaqGS:LLTC)	14,209.5	1,423.9	685.0	10.0x	20.7x	
7/18/2016	Softbank Group Corp. (TSE:9984)	ARM Holdings plc (LSE:ARM)	31,260.0	1,465.1	654.0	21.3x	47.8x	
7/7/2016	AVAST Software	AVG Technologies (NYSE:AVG)	1,453.3	433.4	128.3	3.4x	11.3x	
6/15/2016	Cavium, Inc. (NasdaqGS:CAVM)	QLogic Corp. (NasdaqGS:QLGC)	946.9	458.9	100.1	2.1x	9.5x	
6/13/2016	Microsoft Corporation (NasdaqGS:MSFT)	LinkedIn Corporation (NYSE:LNKD)	26,190.9	3,213.9	266.1	8.1x	98.4x	
5/31/2016	Accel-KKR LLC	SciQuest, Inc. (NasdaqGS:SQI)	378.0	106.3	9.4	3.6x	40.1x	
5/31/2016	Vista Equity Partners	Marketo, Inc. (NasdaqGS:MKTO)	1,700.0	226.1	NM	7.5x	NM	
5/5/2016	Bankrate, Inc. (NYSE:RATE)	NextAdvisor, Inc.	209.4	NA	28.9	-	7.3x	
4/29/2016	Rovi Corporation (NasdaqGS:ROVI)	TiVo Inc. (NasdaqGS:TIVO)	1,235.3	489.6	85.4	2.5x	14.5x	

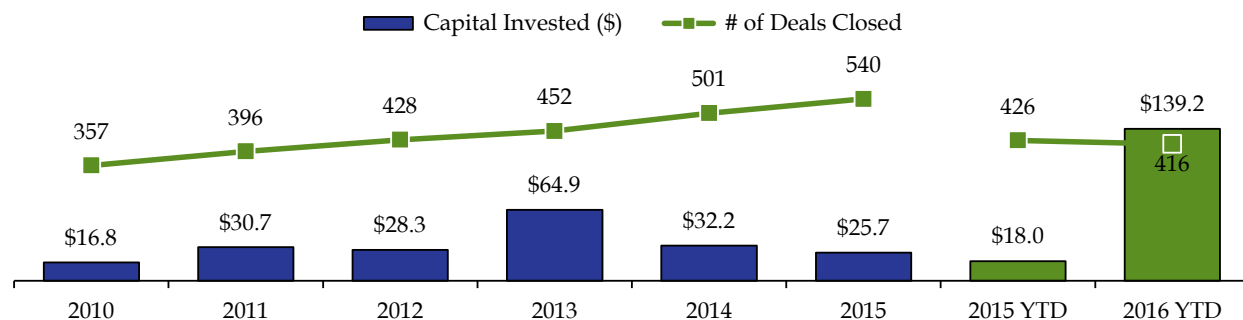
*Excluded from mean and median
 Source: Company Filings, S&P Capital IQ

- U.S. private equity deal flow continues to be down during the third quarter of 2016 both on a volume and dollar value amount
- Strategics have become feasible buyers given the frothy environment and can justify higher bids due to synergistic opportunities
- Private equity activity is likely to remain soft during the remainder of 2016, and most of the private equity activity will be in the form of add-on acquisitions
- Technology, Media, and Telecom capital invested increased in Q3 driven by large deals, including:
 - Dell's \$60 billion public-to-private leverage buyout of EMC via its financial sponsors MSD Capital, Silver Lake, and Temasek Holdings (NYSE:EMC)
 - Thoma Bravo's \$3 billion public-to-private leveraged buyout of Qlik Technologies (Nasdaq:QLIK)
 - Apollo Global Management's \$4.4 billion public-to-private leveraged buyout of Rackspace U.S. (NYSE:RAX)

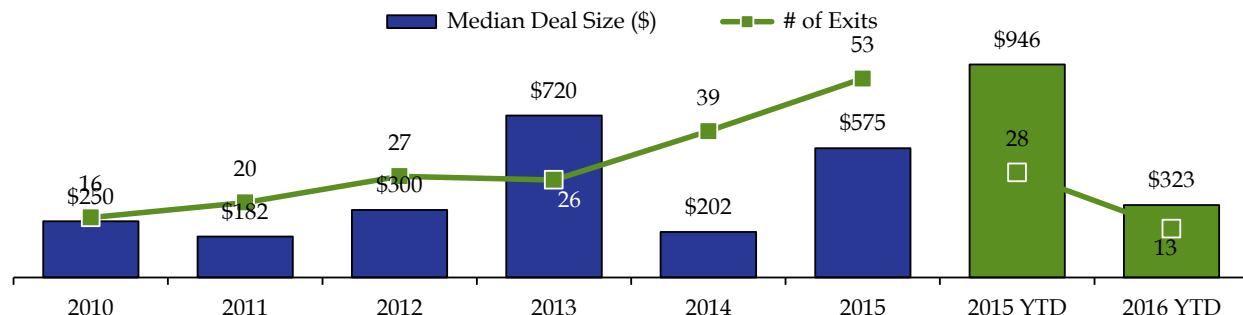
Overall U.S. Private Equity Deal Flow (\$ in billions)



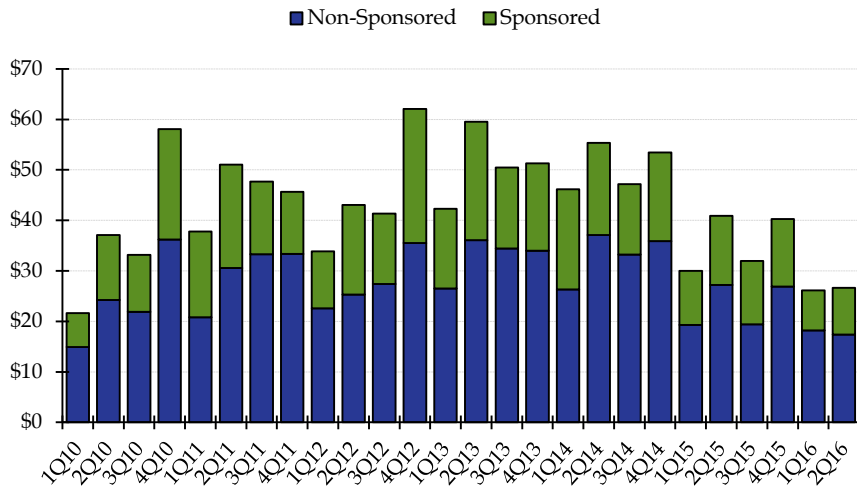
U.S. TMT Private Equity Deal Flow (\$ in billions)



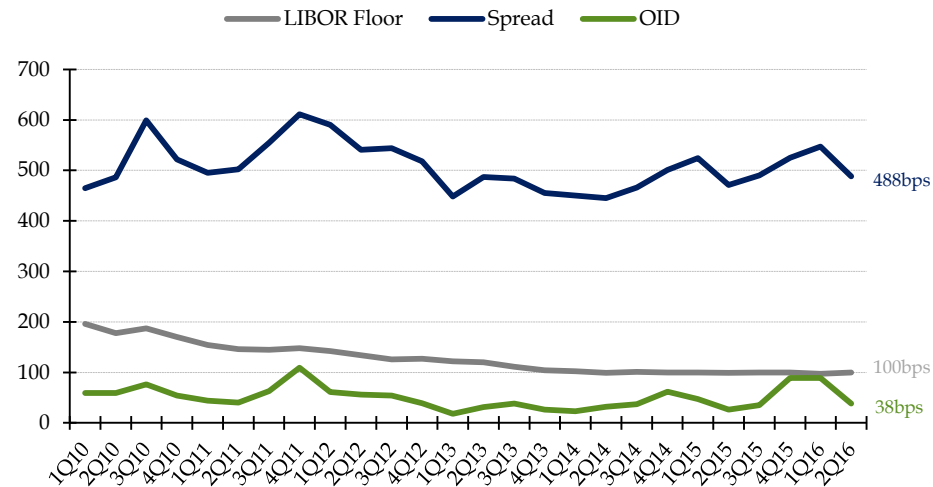
U.S. TMT Private Equity Exits (\$ in millions)



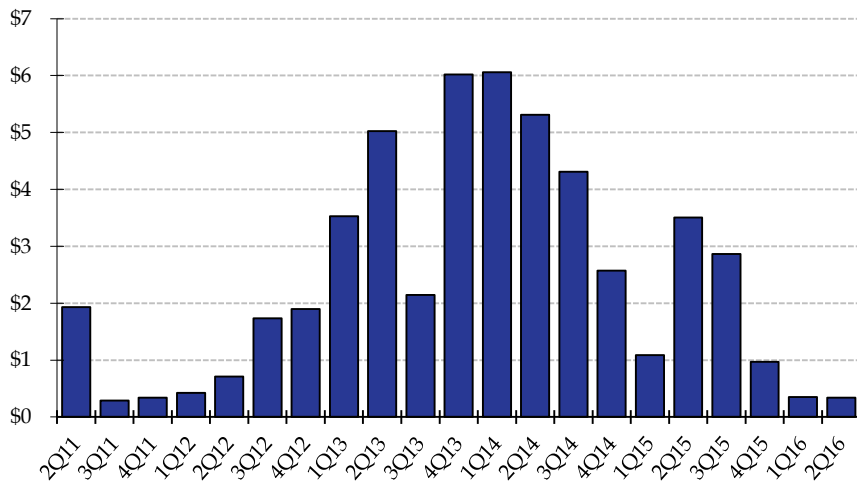
Loan Volume: Low Level of Supply Continues (\$ in billions)



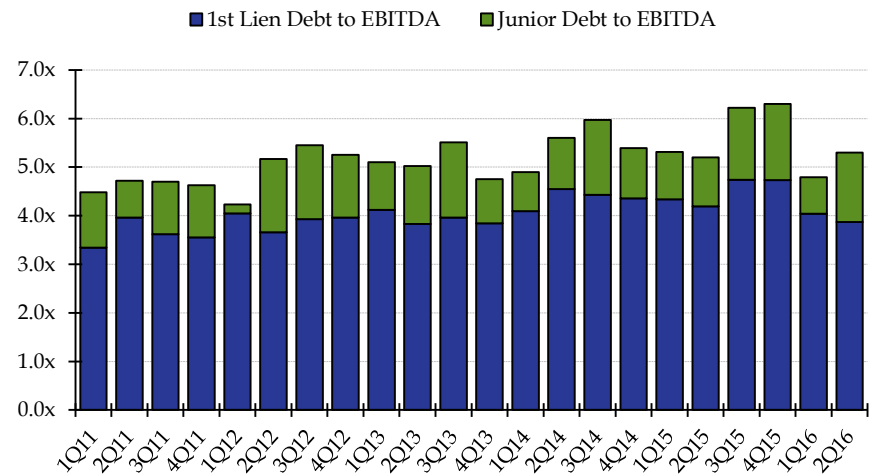
Term Loan Spreads Tightening [1]



Covenant Lite Volume Remains Relatively Low (\$ in billions)

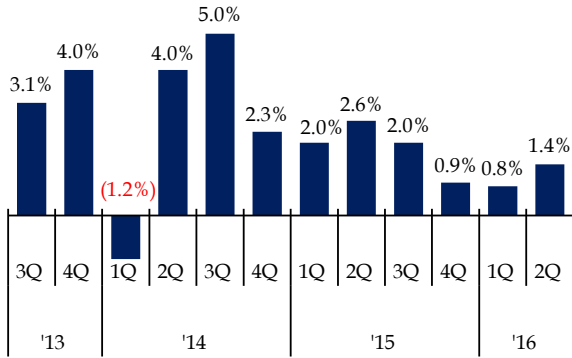


LBO Leverage Climbs Higher, However Lack of Supply Continues



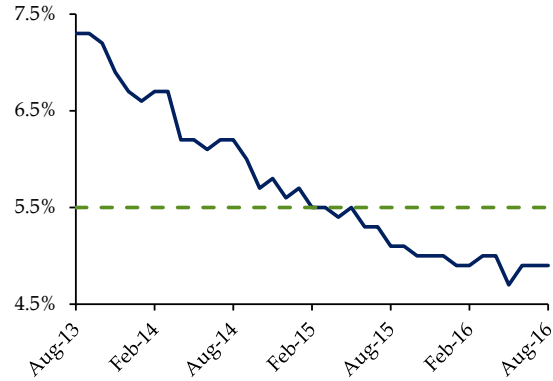
Note: This data represents the entire U.S. middle market (all industries)
 Note: The middle market is defined as deal size ≤ \$100 million and borrower sales ≤ \$500 million
 [1] Includes both non-sponsored and sponsored transactions
 Source: Bloomberg, S&P Capital IQ LCD, and Thomson Reuters LPC

Real GDP Growth



Source: Bureau of Economic Analysis

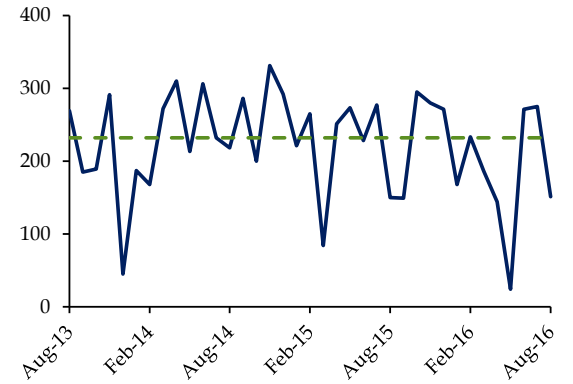
National Unemployment Rate



Source: Bureau of Labor Statistics

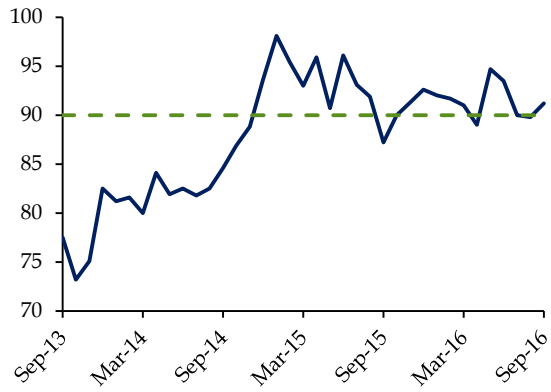
Additions to Non-Farm Payrolls

(in thousands of employees)



Source: Bureau of Labor Statistics

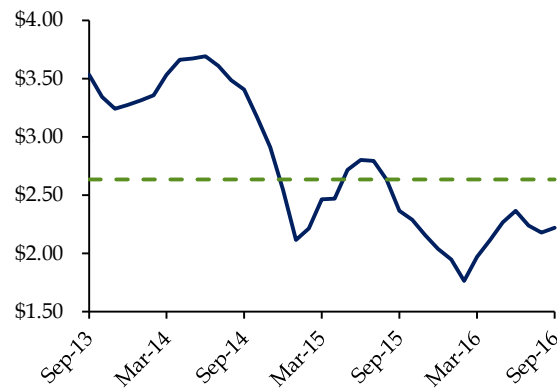
Consumer Sentiment Index



Source: University of Michigan

Retail Gas Prices

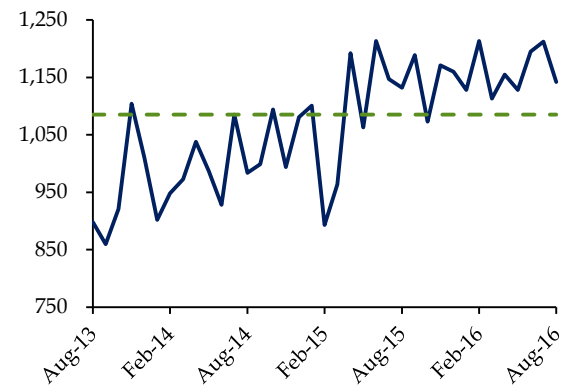
(in \$'s per gallon)



Source: Energy Information Administration

Housing Starts

(in thousands of units)



Source: United States Census Bureau

S&P 500 Index- A broad index that includes American Companies.

EBITDA- A company's earnings before interest, taxes, depreciation, and amortization, is an accounting measure calculated using a company's net earnings, before interest expenses, taxes, depreciation and amortization are subtracted, as a proxy for a company's current operating profitability.

Dry Powder- Refers to cash reserves kept on hand to cover future obligations or to purchase assets.

GDP- Gross domestic product is the market value of the goods and services produced by labor and property located in the United States

Consumer Sentiment Index- The University of Michigan Consumer Sentiment Index is a consumer confidence index published monthly by the University of Michigan. The index is normalized to have a value of 100 in December 1964

National Unemployment Rate- the percentage of the total labor force that is unemployed but actively seeking employment and willing to work.

Non-Farm Payroll- Nonfarm payroll employment is a compiled name for goods, construction and manufacturing companies in the US. It does not include farm workers, private household employees, non-profit organization employees, or government employees . It is an economic indicator released monthly by the United States Department of Labor as part of a comprehensive report on the state of the labor market.

Housing Starts- are the number of new residential construction projects that have begun during any particular month.

The Economist- offers authoritative insight and opinion on international news, politics, business, finance, science, technology and the connections between them

LBO -- leveraged buyout (LBO) is the acquisition of another company using a significant amount of borrowed money to meet the cost of acquisition. The assets of the company being acquired are often used as collateral for the loans, along with the assets of the acquiring company.

Industrial Production Index (IPI)- is an economic indicator published by the Federal Reserve Board of the United States that measures the real production output of manufacturing, mining, and utilities Capital Goods Orders.

Covenant-lite loans- means that debt is being issued, both personally and commercially, to borrowers with less restrictions on collateral, payment terms, and level of income.

IRR-Internal Rate of Return.

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