

# ONE STEP FORWARD, TWO STEPS BACK

## EDISON CLIENTS MENTIONED IN THIS REPORT

4imprint Group  
Centaur Media  
Dentsu

Verve Group  
The Pebble Group

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The glimpses of positivity that we reported in the first half of 2024 have not heralded a bright new dawn and market expectations of substantive growth and margin improvement have again been pushed out. One step forward, two steps back. The story is a familiar one: unsettled geopolitics and pressure on household budgets are tempering consumer spending, with a consequent impact on corporate marketing and advertising spending. The macroeconomic unanswered questions and a lack of clarity on how AI will affect business models and practices are producing an ongoing hiatus in larger digital transformation projects. These are still in the wings, but conversion cycles are long. Our analysis highlights stocks trading below their long-term average ratings in the UK, Continental Europe and North America. We include a further screen that gives some indication of relative value, by comparing prospective EV/sales multiples (including leases) with EBITDA margin. The clear majority of stocks covered here look attractive on this basis, and when sentiment shows more robust improvement, we would expect these discounts to narrow relatively quickly.

## MediaWatch: An introduction

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This is our eighth edition of MediaWatch, and as we build the data, we believe it delivers increasing value. The premise remains the same: we look at performance and changes to consensus forecasts for companies in the media sector across the UK, European and US markets. We highlight the direction of travel for revenue and EBITDA (as a proxy for earnings) by looking at estimate changes across the seven constituent media and entertainment subsectors, as defined by the MSCI Global Industry Classification Standard (GICS), for CY24. We then look at the individual stock level to see where current valuations are compared to their long-term averages, using values back to 2006 to smooth out the cycle. On the basis of our screens, a large majority of stocks continue to trade at a substantial discount to their long-term average ratios, which indicates that pricing remains too low or that market earnings estimates are still too high, or both. In this edition, we have again included the absolute numbers of upgrades and downgrades in each subsector, information sometimes swamped by movements in the dominating stocks.

# KEY THEMES

## Mixed signals

There have been several high-profile profit warnings over the quarter from those that had expected spending to increase in Q3 as the economy started to pick up, despite continuing political uncertainty. The US elections might normally be expected to boost spending and considerable funds have been raised, with these coming onto market late in the campaigns. In the UK, the circumspect commentary around the economy from the newly installed government ahead of the October budget led to something of a hiatus in spend, despite the falling levels of inflation and prospects of lower interest rates.

The latest IPA Bellwether report contained seemingly contradictory findings, with the number of UK companies expecting to increase their marketing spending being the same as the number revising down, whereas previous surveys had weighed to the positive. Main media advertising, PR and experiential all had better sentiment, while market research and out-of-home advertising weakened. Companies also reported their own financial outlooks as softer and were more pessimistic in their overall expectations for the industry.

## Publicis still leading quarterly performance table

Exhibit 1: Q3 geographic performance of industry majors

	Omnicom		Publicis		WPP		Interpublic		Havas	
	9M24	Q324	9M24	Q324	9M24	Q324	9M24	Q324	9M24	Q324
US	5.7%	6.5%				1.9%	1.1%	0.0%		
North America			4.9%	4.7%	-0.5%	1.7%			-7.5%	-9.9%
UK	3.2%	-0.2%			-1.8%	0.0%	1.0%	-0.7%		
Europe	5.0%	6.8%	5.0%	4.9%	1.9%	2.2%	5.2%	0.6%	2.8%	0.9%
AsiaPac	4.6%	10.9%	6.8%	6.4%		-5.7%	-5.9%	-7.4%	-0.6%	-2.6%
Japan										
LatAm	17.8%	8.7%	19.7%	30.3%		1.5%	5.9%	9.8%	12.1%	18.3%
MENA	7.2%	24.8%	9.0%	13.6%		5.8%				
<b>Total</b>	<b>4.0%</b>	<b>3.3%</b>	<b>5.4%</b>	<b>5.6%</b>	<b>-0.5%</b>	<b>0.5%</b>	<b>1.0%</b>	<b>0.0%</b>	<b>-0.8%</b>	<b>-2.3%</b>

Source: Company Q3 reports

The relative performance of the major holding companies in the sector will not have surprised observers, with the continuing strength of Publicis, where guidance for the full year has been stepped up from 4–5% initially, to 5% in July and now (at least) to 5.5%. Success in winning new business is at the core, with the capabilities at Epsilon combined with the creative and media offering attracting clients, offsetting continued weak markets for larger digital transformations projects. This latter factor is widely cited across the sector and shows little sign of improving in the short term and probably not ahead of a lessening of the current geopolitical instabilities.

Omnicom's figures also pleased the markets, with organic revenue (note, not net revenue as reported by the others) up 9.4% in Q3 in its largest segment of Advertising & Media, accounting for 53% of group revenue for the first nine months. Its largest market is the US, and here the organic growth of 6.5% is clearly ahead of peers.

WPP's Q3 results were slightly better than had been anticipated, with organic growth (revenue less pass-through costs) of 0.5%, with North America up 1.7%, western Continental Europe up 2.2% and the UK remaining flat. Earlier client losses are still working their way through but new business performance is improving, with WPP's AI-powered Open Media Studio cited as being key to the recent important win at Amazon. This, along with the wins at Unilever, Henkel and, more recently, Starbucks, have improved the company's prospects into 2025 as those earlier losses cycle out. The tone of the outlook was more positive, although Q4 will be against a tougher comparative period and continuing macroeconomic uncertainty. Full-year guidance was unchanged at -1.0% to 0.0%.

Dentsu has yet to report at the time of writing.

## Netflix

Q3 results were okay but not spectacular, so the rebound in the share price looks like relief that they were not worse. The advertising tier is starting to build, but it is not yet making any significant impact on the group's financial results. The key question remains whether it can really achieve what it wants in the streaming/video consumption market when it does not have a credible, broad offering in sports. Management is shifting the reporting lines away from subscriber numbers, which doubtless prompts speculation that they (or rather, the growth rates in subscriber numbers) will not be looking particularly flattering in reporting periods beyond Q4, which would be expected to continue to show recent growth, given the inherent seasonality.

## Budget impact on the UK media sector

There was relatively little in the budget speech that directly pertained to the media sector, beyond additional tax relief support for the visual special effects industry. However, there was acknowledgement of the importance of the sector to the UK economy and of its potential to stimulate growth. The Department for Culture, Media and Sport (DCMS) is to continue with the British film and high-end TV inquiry, with the initial inquiry having fallen victim to the calling of the general election. This inquiry is focused on ensuring that the UK continues to be attractive as a global destination for production, including the availability of a suitably skilled workforce. Its remit includes the ethical use of AI in film and TV.

The DCMS is set to receive a real-terms 2.6% funding uplift, receiving £2.3bn in total from 2025 to 2026 for capital spending on future projects. However, the allocation to meet running costs is to remain fixed at £1.5bn over three years (2023-26), a real-terms decline of 2.5%.

# MACROECONOMIC OVERVIEW

## Global growth forecasts stable but ‘underwhelming’

There were mixed fortunes for the different geographies in the IMF’s updated World Economic Outlook released in October but no significant changes to overall global growth estimates (forecast at 3.2% for both 2024 and 2025). On the plus side, 2024 growth estimates increased for the US (to 2.8% from 2.6% in July 2024) and there was a significant jump for the UK (to 1.1% from 0.7%). These have been the key sources of good news this year, with cumulative upgrades of 0.7% and 0.5%, respectively. On the negative side, there were relatively minor downgrades to 2024 growth estimates for the Euro Area (to 0.8% from 0.9% in July 2024) and emerging or developing economies (to 4.2% from 4.3%). All the changes flowed through to upgrades or downgrades for the individual geographies in 2025, apart from the UK where growth estimates were unchanged at 1.5%, although this is higher than its expected 2024 growth. The growth estimates remain, to quote the IMF, ‘underwhelming’ versus historical levels of growth but not bad given where we have come from.

## UK budget signals short-term GDP boost, neutral medium term

The UK budget at the end of October brought some substantive changes to the running of the UK economy, many of which had been well flagged in the days and weeks running up to the announcements. The accompanying review by the Office of Budget Responsibility (OBR) suggests that these policies should provide a short-term boost, with the overall outlook for GDP being broadly unchanged on a five-year perspective. The OBR’s opinion is that if these policies were to be maintained, they would have a positive impact on the national infrastructure and the potential for national output over the longer term. It also anticipates that the measures announced will lead to higher levels of inflation; marginal in 2024 but more substantive in 2025, rising from 1.5% to 1.6% for 2024 and from 1.5% to 2.6% for 2025.

## Exhibit 2: OBR forecasts 2023–24 to 2029–30

£bn	Outturn			Forecast			
	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30
Nominal GDP	2,720	2,815	2,950	3,059	3,167	3,279	3,397
Current receipts	1,101	1,149	1,229	1,291	1,346	1,390	1,440
% GDP	40.5%	40.8%	41.7%	42.2%	42.5%	42.4%	42.4%
Total managed expenditure	1,223	1,276	1,335	1,379	1,418	1,462	1,510
% GDP	44.9%	45.3%	45.3%	45.1%	44.8%	44.6%	44.5%

Source: Office of Budget Responsibility

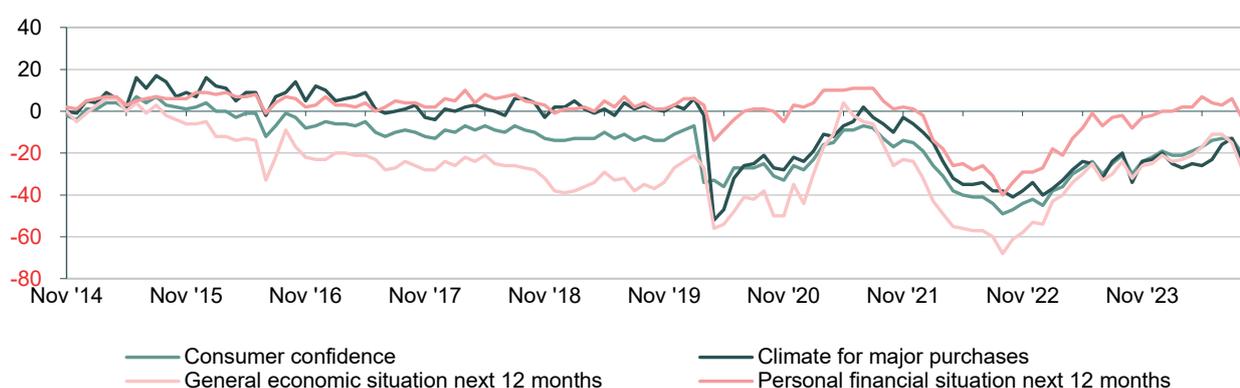
The initial reaction of the Institute for Fiscal Studies (IFS) contained some scepticism over the ability of the government to stay within the spending envelope set for the outer years, although it should be noted that the IFS is never inclined to ringing endorsements of politically driven strategies. While the initial reaction of the bond markets was subdued, in subsequent days, gilt yields have risen with the prospects of higher levels of borrowing within the economy and the high proportion of GDP attributable to the state, as shown in the table above.

The biggest outstanding questions remain over the ability of these policies to stimulate growth in the economy.

## Consumer confidence, mixed and choppy

Consumer confidence has been a bit more variable in recent months. There was a large dip in the overall UK consumer confidence indicator in September 2024, which came as a bit of a blow as it was only the second month-on-month decline of 2024, followed by another slight dip in October. The size of the correction was so large that it took the overall indicator back towards levels last seen at the start of the year. Looking at the individual indicators, there were large drops for the 'climate for major purchases', 'general economic situation next 12 months' and 'personal financial situation next 12 months' indicators, the latter moving into negative territory for the first time in 2024. Despite the generally more buoyant mood elsewhere, due to inflation declining, potentially lower interest rates and more favourable signs in the housing market, the decline was attributed to concerns about the budget.

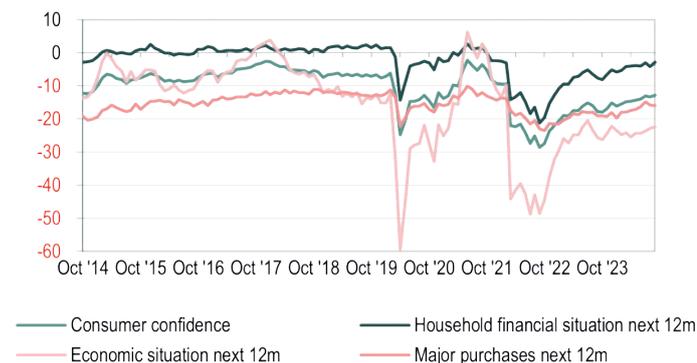
### Exhibit 3: GfK UK consumer confidence



Source: LSEG Data & Analytics

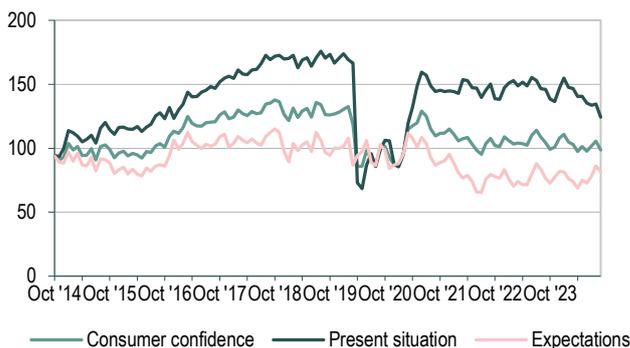
In contrast to the UK, consumer confidence in the Euro Area has been on a broadly improving trend through the summer, continuing its prior recovery. However, there was some weakness in one of the constituent indices, the ‘major purchase next 12 months’ indicator, in the most recent two months, August and September 2024. Conversely, consumer confidence in the US saw a similar deterioration in September 2024 as the UK but this was the fifth month-on-month decline this year, so it has been a bit more variable than the UK’s mainly improving trend through 2024.

Exhibit 4: Euro Area consumer confidence (European Commission)



Source: LSEG Data & Analytics

Exhibit 5: US consumer confidence (The Conference Board)

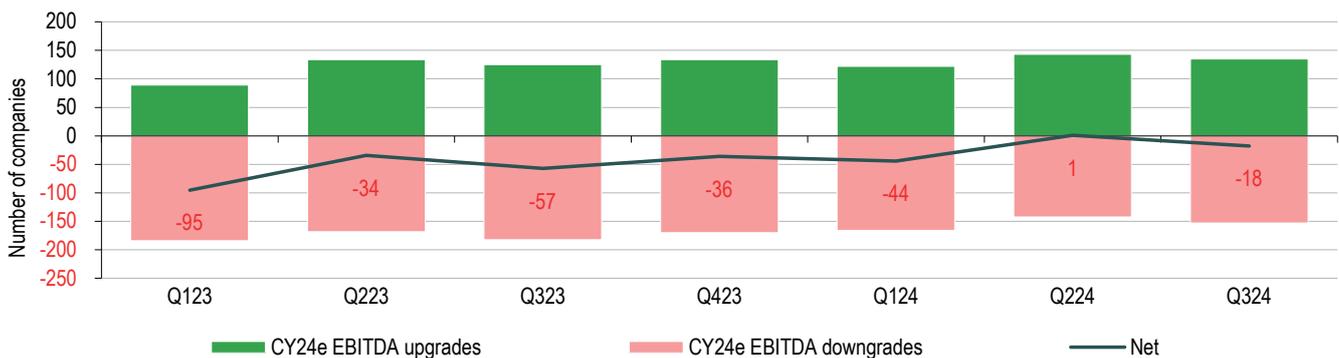


Source: LSEG Data & Analytics

# MEDIA SECTOR IN Q324

The variability in the macroeconomic outlook referred to above is reflected in the changes to profit expectations across the sector. Having celebrated the move into positive territory for the ratio of upgrades to downgrades in our last quarterly review, we have moved back to having a majority of lowered forecasts. Considering the tenor of the Q224 results and statements, it does follow. At the start of the year, the consensus was for revenues and profits to be weighted to the second half (as they would be in 'normal' circumstances anyway), with improving momentum that should have continued into 2025. With the continuing geopolitical uncertainties, that expected resurgence of confidence has been pushed out further. Upgrades have not completely disappeared, but they are more likely to be related to company-specific factors rather than market improvements.

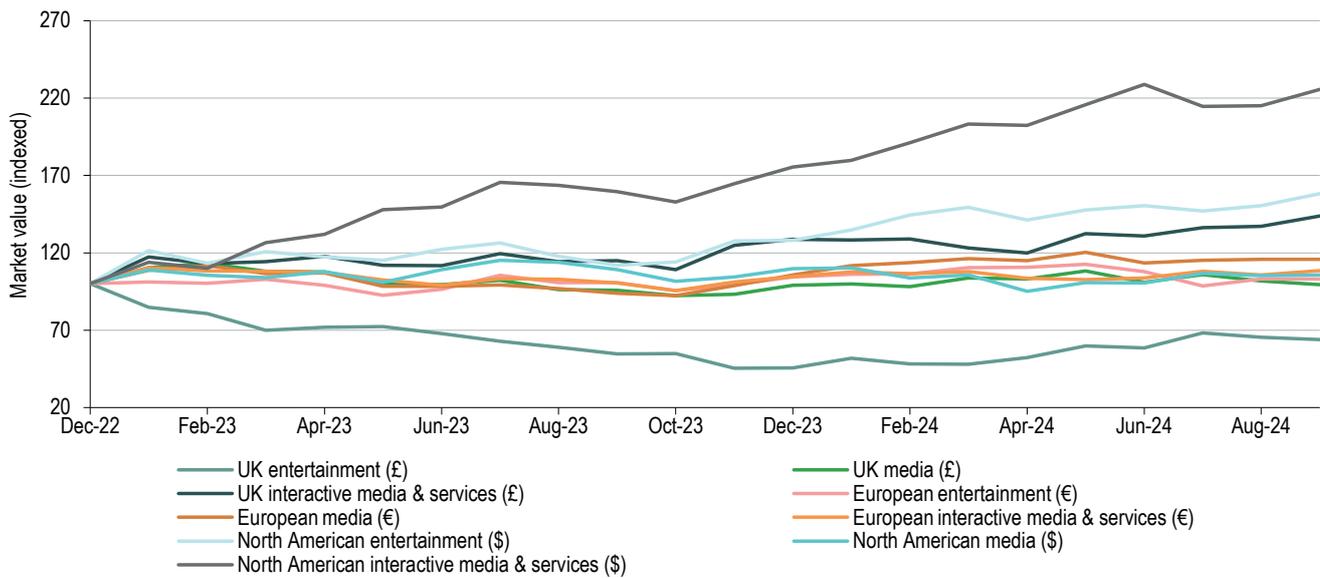
Exhibit 6: Quarterly progression in upgrades or downgrades to CY24 profit estimates



Source: Edison Investment Research, LSEG Data & Analytics (30 September 2024)

Within Q324, the UK entertainment sector was the best performing, although it is worth noting that this is one of the smallest sectors of the nine tracked in Exhibit 7, below. UK interactive media and services also had a stronger quarter. Over the longer term, though, sector performance since December 2022 remains dominated by the outstanding share price performance of the North American interactive media and services sector, which has more than doubled over that time frame.

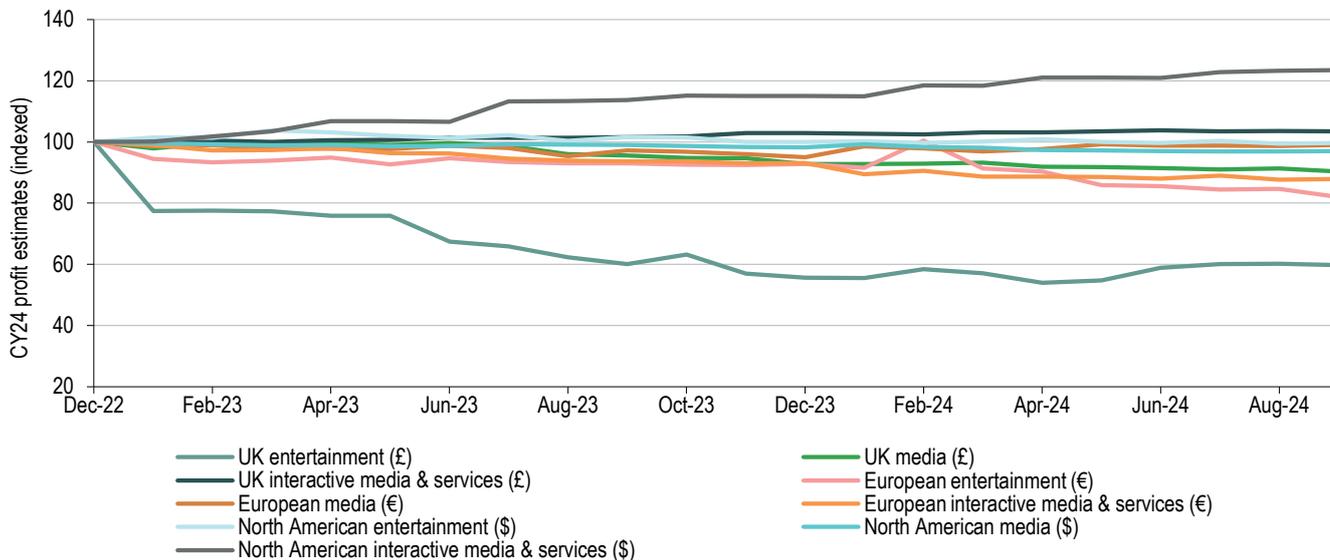
Exhibit 7: Performance of media sectors (indexed to December 2022)



Source: Edison Investment Research, LSEG Data & Analytics (30 September 2024)

The movements in CY24 EBITDA forecasts have been less marked in the quarter, with the only meaningful upward revisions in the UK entertainment and North American interactive media and services sectors. The European entertainment sector was the only sector to record a meaningful decline in EBITDA forecasts, with the individual factors discussed in greater detail in the regional reporting below.

Exhibit 8: CY24 EBITDA estimates of media sectors (indexed to December 2022)



Source: Edison Investment Research, LSEG Data & Analytics (30 September 2024)

Looking at these consolidated estimates, there are unlikely to ever be dramatic changes from quarter to quarter, bar major international shocks. Revenue forecast growth for the UK for CY24 has slipped to a decline of 1% from an uplift of 1% at the end of Q224, with expectations for CY25 returned to 4%, having edged up to 5% at the close of Q2.

There have been no meaningful changes to revenue growth expectations, and a 1% increase in that expected in North America for CY25 of 1% to 8%. On the EBITDA front, there is now less optimism for any improvement in UK margins, and a similar reining in of forecasts leaves Europe looking for margins flat year-on-year. North American expectations are unchanged. The much higher margins in North America reflect the heavy weighting of the interactive media and service stocks in that market.

#### Exhibit 9: Regional media consensus estimates

Region	Market value change		Revenue growth		EBITDA growth		EBITDA margin		
	Q324	9M24	CY24e	CY25e	CY24e	CY25e	CY23	CY24e	CY25e
United Kingdom (£)	2%	5%	(1%)	4%	5%	6%	20%	19%	19%
Continental Europe (€)	(1%)	4%	16%	4%	8%	7%	19%	18%	18%
North America (US\$)	0%	24%	8%	8%	25%	12%	28%	33%	34%

Source: Edison Investment Research, LSEG Data & Analytics (30 September 2024)

# RELATIVE SECTOR VALUATIONS

In Exhibit 10 we show the valuations of the subsectors across all geographies as at 30 September 2024, ordered by the greatest discount to long-term average EV/EBITDA multiples, to highlight the relative valuations across the geographies and subsectors.

For the regional screen we show the following:

- Consensus CY24 revenue and profit estimates
- The absolute change in CY24 EBITDA margin between July and September 2024. The changes can reflect a combination of the introduction/removal of estimates for an individual company that were included/excluded previously, underlying changes to estimates and changes in foreign exchange rates during the period for those companies with overseas earnings.
- The change in both CY24 sales and EBITDA estimates.
- The prospective EV/sales and EV/EBITDA multiples for CY24, priced as at end September 2024, and how they compare with the long-term average multiples. The long-term average covers the period 2006–23, so that we include changes over the cycle (ie to include the global financial crisis of 2007–08). Unlike the company-specific screens, we have included EBITDA loss-makers within the aggregate multiple to fully reflect the forecast profitability and subsequent ratings of the subsectors. Our enterprise value calculation includes IFRS 16 accounting changes, effective from 1 January 2019. Consequently, it will affect the comparability of EV/EBITDA multiples either side of that date, given that it affects both the numerator and the denominator of the multiple. The subsectors are sorted by ascending order of the discount/premium to their long-term average.
- For the company screens, we have excluded companies that are either currently EBITDA loss-making or where the long-term average EV/EBITDA multiple is negative. We have also only included those companies for which consensus is forecasting positive free cash flow in CY24 and CY25. Consequently, not every company in the region is shown in our screens.

- For the individual company screens, we show the CY24 EBITDA margin relative, which shows how the subsector's prospective margin compares with the range of reported profit margins between 2006 and 2023. A negative percentage indicates an expected margin that is below those achieved between 2006 and 2023, a percentage between 0% and 100% indicates where the expected margin is within the range within that period and a percentage greater than 100% indicates an expected margin that is greater than the subsector has achieved within that same period of 2006 to 2023. Comparison of relative margins over time is helpful in providing some context for the prospective EV/EBITDA multiples versus historical multiples.

At the end of September 2024, 12 of the 20 subsectors were trading at discounts to their long-term average EV/EBITDA multiple. For 17 of the subsectors the market was expecting sales growth in CY24 and profit growth in 12 of the subsectors.

EBITDA margins were broadly unchanged in the quarter at the sector level. As seen in Exhibit 7, a number of subsectors across all three regions continue to trade at significant discounts to their long-term average EV/sales and EV/EBITDA multiples.

Exhibit 10: Relative subsector valuations in Q324

Regional sub-sectors	Sales growth CY24e	EBITDA growth CY24e	Change in CY24 EBITDA margin (pp)	CY24e sales change -3m	EV/sales CY24e (x)	Premium/ (discount) to long-term average EV/sales	CY24e EBITDA change -3m	EV/EBITDA CY24e (x)	Premium/ (discount) to long-term average EV/EBITDA
EU Interactive home entertainment	(3%)	(8%)	(0%)	(3%)	1.8	(35%)	(4%)	5.8	(43%)
NA Interactive home entertainment	10%	60%	(0%)	(1%)	3.5	7%	(3%)	18.0	(41%)
EU Cable & satellite	6%	(9%)	(2%)	1%	1.8	(63%)	(5%)	5.1	(36%)
UK Broadcasting	1%	35%	0%	0%	1.0	(49%)	3%	5.9	(32%)
NA Cable & satellite	0%	2%	(2%)	7%	2.4	(33%)	0%	7.3	(30%)
UK Movies and entertainment	20%	56%	2%	(0%)	1.5	22%	1%	9.2	(27%)
NA Broadcasting	3%	28%	(0%)	(1%)	1.1	(46%)	(3%)	6.0	(26%)
EU Broadcasting	30%	18%	(2%)	25%	0.8	(53%)	7%	6.1	(23%)
NA Interactive media & services	14%	50%	1%	1%	6.1	6%	3%	13.7	(16%)
UK Advertising	(2%)	(0%)	1%	(3%)	1.3	(20%)	0%	8.2	(13%)
UK Interactive media & services	6%	12%	0%	(0%)	8.6	3%	0%	18.0	(12%)
EU Publishing	1%	(7%)	0%	0%	1.1	(3%)	2%	9.0	(8%)
UK Publishing	(5%)	(2%)	(0%)	(0%)	1.4	22%	(0%)	6.0	3%
EU Interactive media & services	9%	9%	(0%)	(1%)	4.2	(10%)	(2%)	15.0	4%
EU Advertising	2%	(1%)	(0%)	1%	1.5	8%	(0%)	8.6	6%
UK Interactive home entertainment	1%	(20%)	(1%)	(1%)	1.6	(97%)	(7%)	7.7	21%
EU Movies and entertainment	27%	39%	(1%)	4%	1.7	39%	(0%)	12.5	22%
NA Advertising	9%	45%	1%	(1%)	2.4	58%	0%	12.2	22%
NA Publishing	0%	9%	(0%)	0%	1.6	47%	(1%)	10.8	34%
NA Movies and entertainment	6%	(23%)	0%	(0%)	3.0	7%	1%	15.8	45%

Source: Edison Investment Research, LSEG Data & Analytics (30 September 2024)

For the individual companies we provide two screens. We look at prospective EV/sales multiples (including lease liabilities) versus prospective FY24e EBITDA margins to give a better sense of relative valuation among the sectors. We work on the assumption that a higher level of profitability would justify a higher valuation, all other things being equal, while recognising different industries have different investment requirements, growth rates and levels of profitability. For EV/sales versus EBITDA margin, we draw a line of best fit and select the companies below that line of best fit (ie those that have a relatively

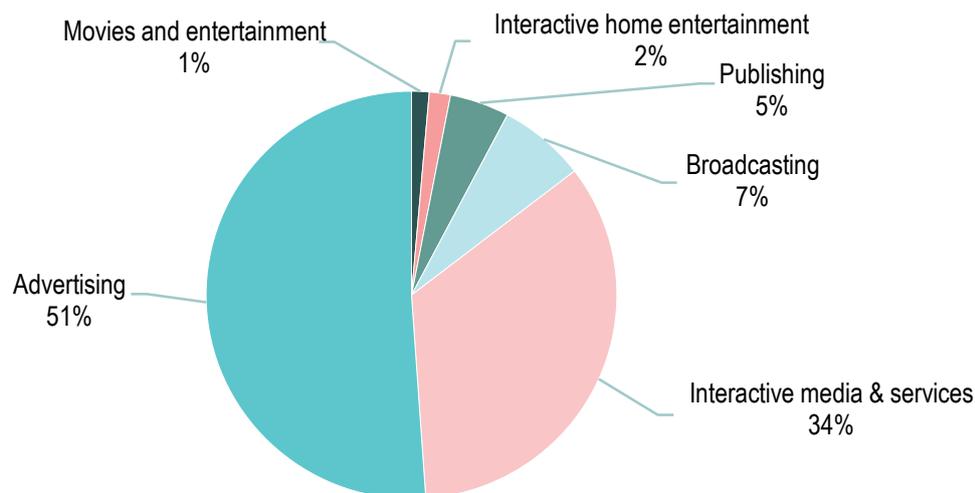
low EV/sales multiple for a given EBITDA margin). We note that across all regions, there was almost no correlation (R-squared of  $>0.10$ ) between EV/EBITDA multiples and prospective EBITDA margins. We supplement this with a screen that looks at the prospective EV/EBITDA multiples for these companies versus their historical multiples, to provide a good comparison of a company's absolute value versus its own history.

We create the subindustry aggregations bottom-up, by summing the data for the individual companies in the sectors. The quoted changes in market values and growth rates for estimates are on a like-for-like basis (ie we only include data for a company if there is data for both the base and current period). The source of our data is LSEG Data & Analytics (formerly Refinitiv), and so we are dependent on the completeness (LSEG may not include data from all covering analysts and may not include every line item of the analysts' models), timeliness and therefore accuracy of its data.

# UNITED KINGDOM

We show the breakdown of the UK media GICS subsectors by market capitalisation at the end of Q324 in Exhibit 11. We highlight some key drivers behind the movements in the media in each region. The UK has a heavy weighting to the advertising and interactive media & services subsectors, followed by broadcasting. The remaining subsectors account for 5% or less of the total.

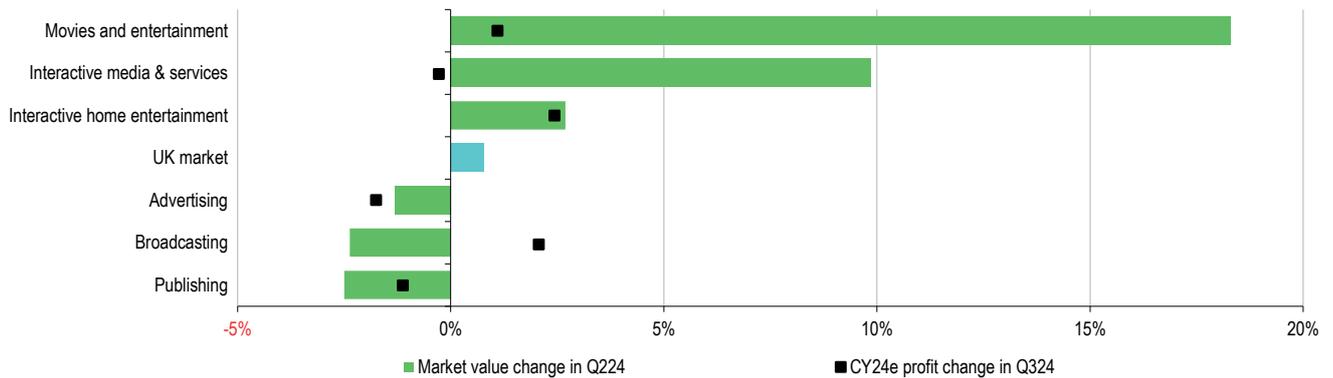
Exhibit 11: UK GICS media subsector breakdown by market value



Source: Edison Investment Research, LSEG Data & Analytics (30 September 2024)

The UK media's 2% return in Q324 outperformed the wider UK market's 1% return, reversing the underperformance in the two preceding quarters. The performances of the underlying subsectors were mixed, with three outperforming and three underperforming. There were notable strong returns in movies and entertainment (+18%) and interactive media & services (+10%), which were offset in part by the 1% decline in the advertising subsector. This was driven by a weaker quarter from the subsector's largest company, Informa, and a weak quarter from 4imprint, which more than offset the 5% uptick in WPP's market value. The overall outperformance of the media sector was despite a net downgrade of 1% to aggregate CY24e EBITDA in the quarter. The broadcasting subsector's market value fell 2% despite a net upgrade of 2%, while interactive media & services' significant quarterly return was despite negligible movements in consensus profit estimates. In the year to end-Q324, the UK media sector slightly underperformed with a positive return of 5% compared to the market's 6% return.

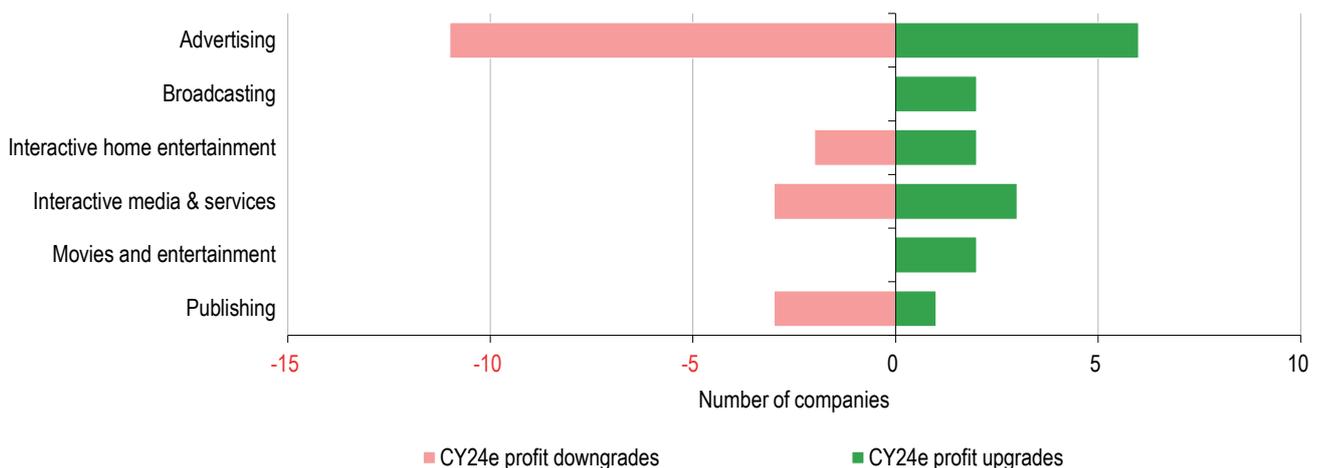
## Exhibit 12: UK sector performance versus consensus CY24 profits in Q324



Source: Edison Investment Research, LSEG Data & Analytics (30 September 2024)

In Exhibit 13 we show the number of companies receiving upgrades and downgrades in Q324 within the subsectors to eliminate any skewing of estimate changes for the major companies and display the overall health of the subsectors. The UK saw a return to a net number of downgrades to upgrades in Q324, having received net upgrades for the first time in a year in Q224. Two of the subsectors, broadcasting and movies and entertainment, saw net upgrades. This was, however, offset by the five net downgrades in the advertising subsector.

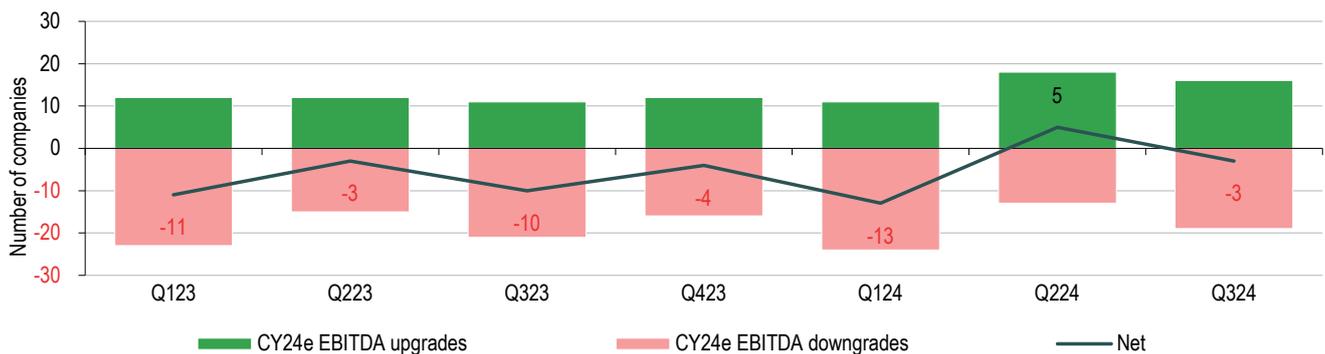
## Exhibit 13: Number of companies to receive upgrades or downgrades to CY24 profit forecasts in Q324



Source: Edison Investment Research, LSEG Data & Analytics (30 September 2024)

This shows a slight reversal in sentiment in the market towards the media sector, with the overall number of net downgrades at three. The scale of this, however, is far less than in both Q323 and Q124, likely reflecting the greater level of certainty for investors as we approach the end of CY24.

Exhibit 14: Quarterly progression in upgrades or downgrades to CY24 profit forecasts



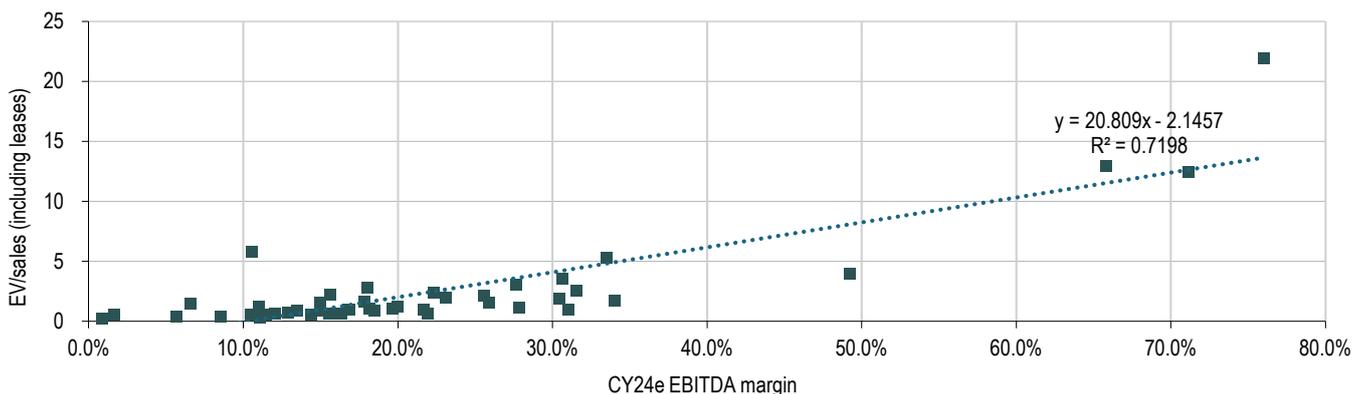
Source: Edison Investment Research, LSEG Data & Analytics (30 September 2024)

## UK media valuation opportunities

As highlighted earlier, we supplement our absolute valuation screen, which for each company looks at prospective EV/EBITDA multiples versus its long-term average, with a screen that gives some indication of relative value, by comparing prospective EV/sales multiples (including leases) with EBITDA margin.

We can see from Exhibit 15 that there is a relatively strong correlation between EV/sales multiples and EBITDA margins ( $R^2 = 0.72$ ) in the UK. The data is not complete for all companies, which likely affects the calculation of the line of best fit. That said, the UK has the highest proportion of companies that have both an EBITDA margin and EV/sales multiple, at 68% of the total UK media universe.

Exhibit 15: Correlation of CY24e EV/sales multiple and EBITDA margin



Source: Edison Investment Research, LSEG Data & Analytics (30 September 2024)

Exhibit 16 highlights all the companies that feature in the correlation analysis, regardless of where they sit relative to the line of best fit. The companies are ordered by those that feature below the line of best fit first, and then subsequently the discount versus their long-term EBITDA multiple. Overall, there were 25 companies that sit below the line of best fit, which, except for one, were trading at a discount to their long-term average multiple at the end of Q324.

## Exhibit 16: UK valuation screen

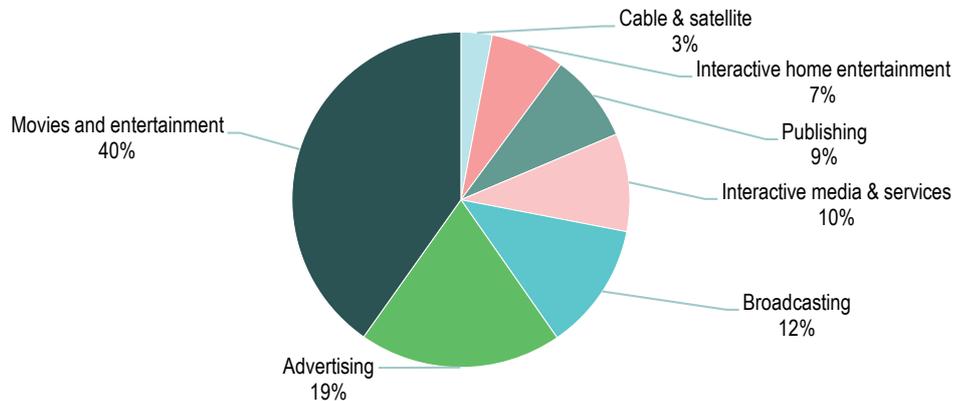
Company	Ticker	Share price 30 Sept 2024 (p)	Market value 30 Sept 2024 (£m)	EV/sales CY24e incl. leases (x)	EV/EBITDA (x)	EBITDA margin CY24e	Relative value using EBITDA margin CY24e	Consensus CY24e EBITDA change Q224	Discount to LT EV/EBITDA
Frontier Developments	FDEV	240	95	1.0	3.1	31.0%	Y	7%	(81%)
Digitalbox	DBOX	4	4	0.7	4.4	15.6%	Y	1%	(80%)
Centaur Media	CAU	31	46	1.1	5.5	19.7%	Y	-28%	(79%)
Ebiquity	EBQ	23	31	0.6	3.8	16.3%	Y	-13%	(78%)
Gaming Realms	GMRG	40	117	3.9	8.0	49.3%	Y	0%	(56%)
Eagle Eye Solutions Group	EYE	465	138	2.4	10.8	22.3%	Y	1%	(55%)
Team17 Group	TM17	270	394	2.1	8.3	25.6%	Y	-1%	(50%)
Nexxen International	NEXN	296	398	1.1	4.0	27.9%	Y	-4%	(42%)
Merit Group	MRIT	67	16	1.0	5.7	16.8%	Y	-12%	(41%)
Future	FUTR	1,011	1,134	1.9	6.1	30.5%	Y	-1%	(40%)
YouGov	YOU	437	510	1.9	8.4	23.1%	Y	-1%	(38%)
M&C Saatchi	SAA	182	223	1.0	5.7	18.2%	Y	-1%	(35%)
LBG Media	LBG	137	287	3.1	11.2	27.6%	Y	0%	(32%)
ITV	ITV	80	3,142	1.0	5.9	16.8%	Y	2%	(31%)
MONY Group	MONY	211	1,135	2.6	8.2	31.6%	Y	-0%	(27%)
Next 15 Group	NFGN	454	458	1.0	4.5	21.7%	Y	-12%	(27%)
Mission Group	TMGT	22	20	0.6	4.2	14.4%	Y	0%	(24%)
STV Group	STVG	245	114	0.9	6.1	15.0%	Y	1%	(23%)
Rightmove	RMV	617	4,871	12.4	17.5	71.1%	Y	-1%	(16%)
NAHL Group	NAH	65	31	0.9	5.0	18.5%	Y	37%	(16%)
Reach	RCH	93	296	0.6	2.9	22.0%	Y	1%	(15%)
One Media IP Group	OMIP	4	9	1.7	5.1	34.0%	Y	0%	(14%)
XLMedia	XLM	10	26	1.2	6.2	20.0%	Y	0%	(9%)
Informa	INF	820	10,913	3.6	11.6	30.7%	Y	2%	(7%)
Facilities By ADF	ADFF	53	57	1.6	6.2	25.9%	Y	5%	56%
Dianomi	DNM	50	15	0.2	26.7	0.9%		-76%	(81%)
Time Out Group	TMOT	55	187	2.8	15.5	18.1%		0%	(76%)
S4 Capital	SFOR	39	237	0.5	5.2	10.5%		-5%	(74%)
Team Internet Group	TIG	130	336	0.6	5.2	11.5%		-3%	(67%)
Everyman Media Group	EMANE	57	52	1.7	9.3	17.9%		0%	(63%)
Pebble Group	PEBB	54	90	0.7	5.6	12.9%		-0%	(58%)
Spaceandpeople	SAL	89	2	0.4	4.4	8.5%		0%	(50%)
Audioboom Group	BOOMA	218	36	0.6	33.6	1.6%		0%	(47%)
Ascential	ASCL	567	1,160	5.4	16.0	33.5%		1%	(34%)
4imprint Group	FOUR	4,980	1,403	1.2	10.9	11.0%		2%	(30%)
Brave Bison Group	BBSN	2	29	0.7	5.6	12.1%		5%	(21%)
National World	NWOR	15	40	0.3	2.5	11.1%		0%	(16%)
WPP	WPP	763	8,233	0.9	6.8	13.5%		-3%	(16%)
System1 Group	SYS1	690	88	2.2	14.4	15.6%		3%	(12%)
Zinc Media Group	ZIN	67	15	0.4	6.5	5.7%		0%	(8%)
Auto Trader Group	AUTOA	868	7,766	13.0	19.7	65.9%		0%	(1%)
Bloomsbury Publishing	BLPU	674	550	1.5	10.2	15.0%		0%	10%
Baltic Classifieds Group	BCG	303	1,468	22.0	28.9	76.0%		-1%	14%
Devolver Digital	DEVO	31	143	1.5	22.2	6.6%		-5%	89%
Trustpilot Group	TRST	226	939	5.8	55.0	10.6%		1%	172%

Source: Edison Investment Research, LSEG Data &amp; Analytics (30 September 2024)

# CONTINENTAL EUROPE

In Exhibit 17 we show the shape of the European media GICS subsectors by market value. The contribution spread among the subsectors is much greater than in the UK. Movies and entertainment is the largest subsector in Europe, accounting for 40% of the total. Three of the remaining subsectors account for more than 10% of the market value.

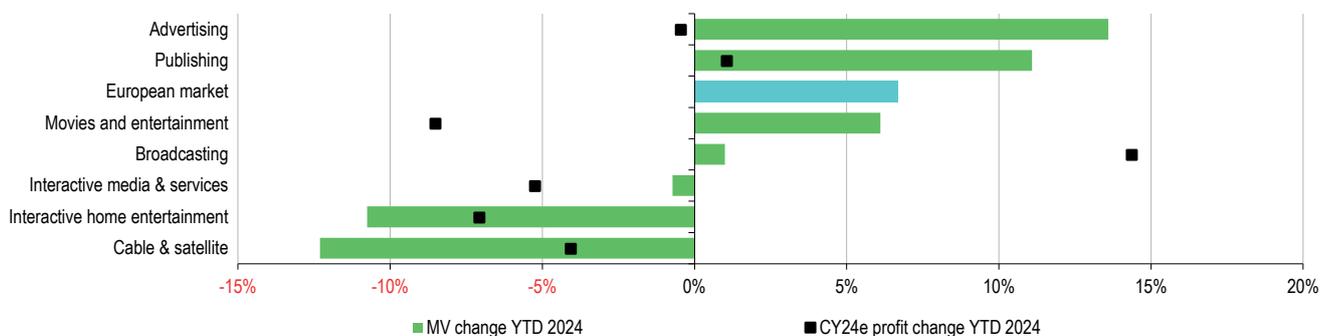
Exhibit 17: Continental Europe GICS media subsector breakdown by market value



Source: Edison Investment Research, LSEG Data & Analytics (30 September 2024)

The European media market underperformed in Q324, falling 1% versus a 2% rise in the wider market. Therefore, and perhaps unsurprisingly, a greater number of subsectors underperformed (four) than outperformed (two), signalling a weaker period for the European media market. There was less deviation among the European subsectors, ranging between  $\pm 5\%$ . Changes to profit estimates were fairly muted in Q324, aside from the interactive home entertainment subsector, which saw a 12% downgrade to CY24 profit estimates. This was primarily driven by the 24% downgrade to earnings estimates for Ubisoft, which in late September lowered its FY25 guidance due to a weaker-than-expected launch of its Star Wars Outlaws game and announced a three-month delay to its major Assassin's Creed Shadows release, to February 2025.

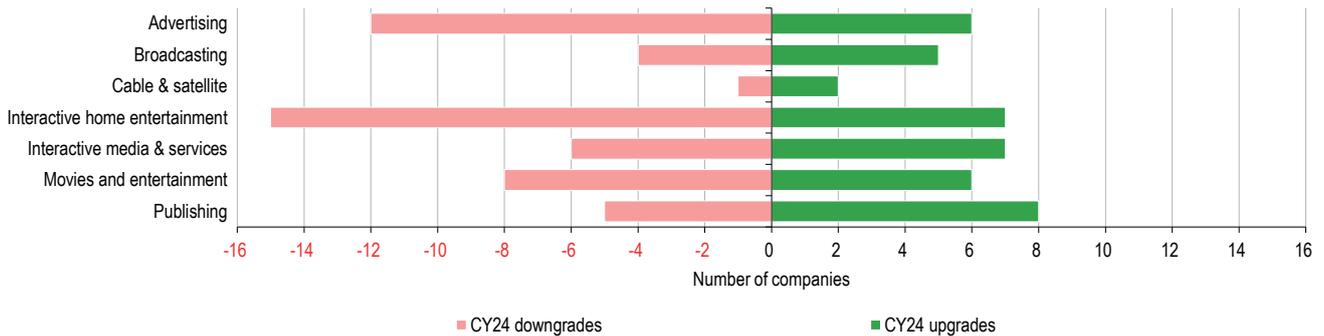
Exhibit 18: Continental Europe subsector performance versus consensus CY24 profits in Q324



Source: Edison Investment Research, LSEG Data & Analytics (30 September 2024)

Despite the 2% downgrade to the total media sector’s CY24 EBITDA forecasts, the sector saw a net number of downgrades in Q324. This was despite more subsectors receiving a net number of upgrades (four) than downgrades (three). That said, the interactive home entertainment subsector saw a net downgrade of eight, while advertising received a net number of six downgrades.

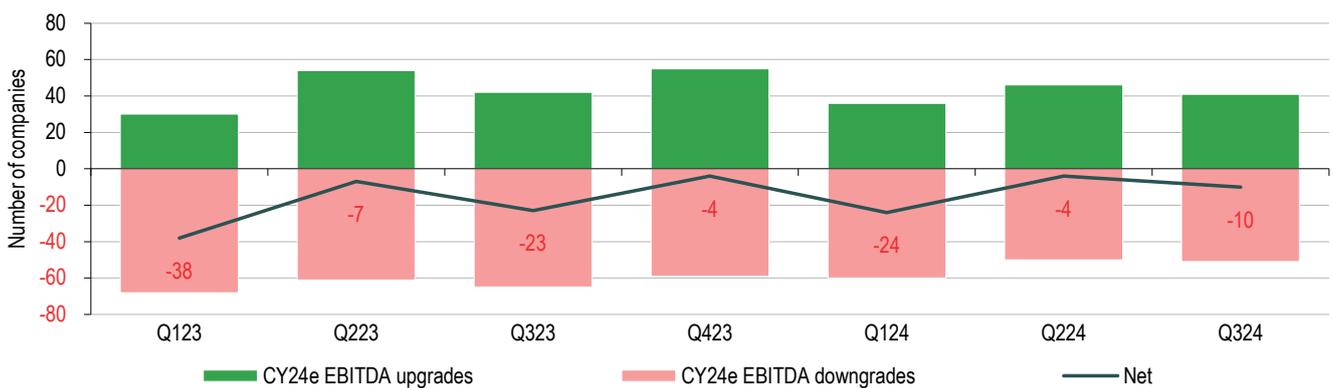
Exhibit 19: Number of companies to receive upgrades or downgrades to CY24 profit forecasts in Q324



Source: Edison Investment Research, LSEG Data & Analytics (30 September 2024)

As with the UK, Europe saw a reversal in momentum in the direction of upgrades relative to downgrades, with a greater number of net companies receiving downgrades in Q324 than in Q224. Net downgrades continue to be a feature of the European media sector, as shown in Exhibit 20.

Exhibit 20: Quarterly progression in upgrades or downgrades to CY24 profit forecasts



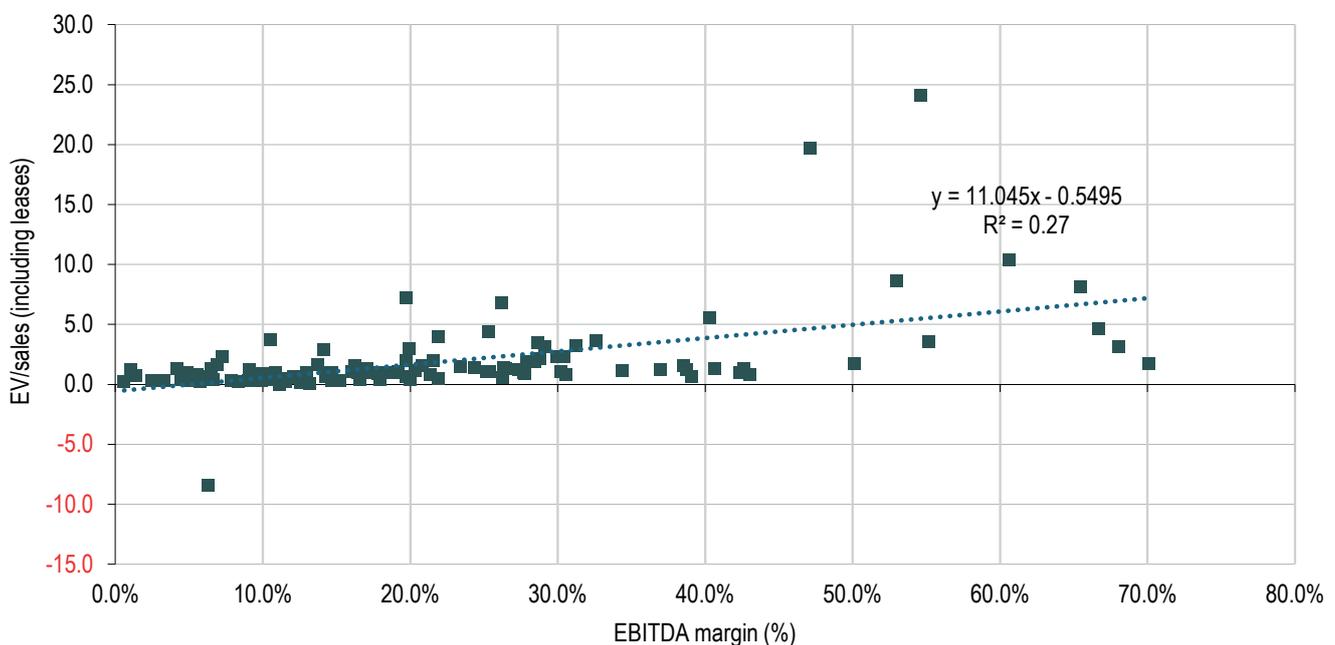
Source: Edison Investment Research, LSEG Data & Analytics (30 September 2024)

# Continental Europe media valuation opportunities

We show in Exhibit 21 the output from the valuation screen as described previously, for the Continental European companies. There is less correlation between prospective CY24e EBITDA margins and EV/sales multiples than in the UK, with an R-squared of 0.27.

The data from LSEG Data & Analytics is less comprehensive than in the UK, with just 36% of media companies having a data point for both FY24e EV/sales and prospective EBITDA margin. As shown in Exhibit 22, there is one company with a negative EV/sales multiple, Dont Nod Entertainment, due to its negative EV position.

Exhibit 21: Correlation of CY24e EV/sales multiple and EBITDA margin



Source: Edison Investment Research, LSEG Data & Analytics (30 September 2024)

In Exhibit 22 we feature all the companies in the regression analysis, regardless of where they sit relative to the line of best fit. As with the UK, the companies are ordered by those that feature below the line of best fit, and subsequently then the discount versus their long-term EBITDA margin. As at 30 September there were 71 companies below the line of best fit, five of which were trading at a premium to their long-term average EV/EBITDA multiple.

## Exhibit 22: Continental European valuation screen

Company	Ticker	Share price 30 Sept 2024 €	Market value 30 Sept 2024 €m	EV/sales CY24e incl. leases (x)	EV/EBITDA	EBITDA margin CY24e (x)	Relative value using EBITDA margin CY24e	Consensus CY24e EBITDA change Q224	Discount to LT EV/EBITDA
Dont Nod Entertainment	ALDNE	1	18	-8.4	-133.2	6.3%	Y	(98)%	(338)%
High Co	HIGH	3	53	0.0	-0.1	11.1%	Y	(3)%	(102)%
Maximum Entertainment	MAXENTb	1	3	0.1	0.5	13.2%	Y	(5)%	(96)%
Squirrel Media	SQRL	2	136	1.0	5.2	19.0%	Y	0%	(96)%
Starbreeze	STZEB	0	36	0.9	2.2	42.3%	Y	9%	(96)%
Flexion Mobile	FLEXM	8	40	0.2	2.8	8.4%	Y	5%	(94)%
Enad Global 7	EG7	15	119	0.6	3.1	19.7%	Y	(4)%	(92)%
Roularta Media Group	RLRT	12	161	0.3	3.3	9.1%	Y	2%	(87)%
Modern Times Group MTG	MTGb	79	852	1.2	4.4	27.3%	Y	(1)%	(86)%
Rebl Group	REBL	2	24	0.3	2.0	15.3%	Y	0%	(81)%
Il Sole 24 Ore	S24	1	39	0.2	1.9	11.5%	Y	0%	(81)%
Casta Diva Group	CDGI	1	25	0.3	2.9	9.9%	Y	1%	(80)%
AFC Ajax	AJAX	10	187	1.6	4.2	38.5%	Y	0%	(79)%
North Media	NORTHM	55	148	0.2	1.5	12.6%	Y	(11)%	(79)%
Digital Bros	DIB	8	120	1.2	3.2	37.0%	Y	(11)%	(79)%
Nvp	NVPP	3	23	1.1	3.6	30.2%	Y	0%	(77)%
G5 Entertainment	G5EN	91	68	0.5	2.3	21.9%	Y	(5)%	(77)%
Azerion Group	AZRN	1	180	0.6	5.2	12.1%	Y	0%	(75)%
Fiera Milano	FIMI	4	253	2.1	7.4	28.8%	Y	4%	(75)%
11 Bit Studios	11B	313	178	3.1	4.6	68.0%	Y	(28)%	(74)%
Embracer Group	EMBRACb	26	3,045	1.3	4.8	26.5%	Y	(5)%	(73)%
Television Francaise 1	TFFP	8	1,683	0.5	2.1	26.3%	Y	1%	(70)%
Cairo Communication	CAI	2	290	0.4	2.5	16.6%	Y	0%	(66)%
Stillfront Group	SFRG	7	300	1.1	3.3	34.4%	Y	(1)%	(64)%
New Work	NWOn	64	360	1.1	5.4	20.4%	Y	7%	(63)%
Ten Square Games	TENP	96	145	1.4	5.2	26.4%	Y	8%	(61)%
SES	SESFd	4	2,010	1.7	3.5	50.1%	Y	0%	(58)%
Pullup Entertainment	ALPUL	22	191	1.2	3.1	38.8%	Y	31%	(55)%
Websolite	WEBO	2	16	0.9	5.0	17.9%	Y	(17)%	(55)%
NRJ Group	SONO	8	603	0.8	3.6	21.4%	Y	2%	(53)%
Huuuge Inc	HUGP	18	286	0.8	2.7	30.6%	Y	(11)%	(52)%
Societa Editoriale Il Fatto	SEIFT	0	7	0.3	1.9	14.7%	Y	41%	(50)%
Bilendi	ALBLD	15	70	1.1	5.6	19.2%	Y	(3)%	(50)%
Atresmedia Corporacion de Medios de Comunicacion	A3M	5	1,075	1.0	5.5	18.2%	Y	(0)%	(49)%
Promotora de Informaciones	PRS	0	354	1.1	5.6	19.2%	Y	4%	(45)%
Borussia Dortmund	BVB	4	403	0.9	3.4	27.7%	Y	1%	(45)%
Ubisoft Entertainment	UBIP	10	1,320	1.3	3.2	40.6%	Y	(24)%	(44)%
Syzygy	SYZG	3	42	0.9	5.3	16.6%	Y	(4)%	(40)%
Llorente & Cuenca	LLYC	10	115	1.0	5.3	17.9%	Y	6%	(39)%
Lucisano Media Group	LCMG	1	13	0.8	1.9	43.0%	Y	0%	(38)%
Xilam Animation	XIL	5	28	1.3	3.1	42.6%	Y	0%	(36)%
Prosiebensat 1 Media	PSMGn	6	1,360	0.8	5.2	14.6%	Y	0%	(31)%
Leone Film Group	LFG	2	25	1.7	2.5	70.1%	Y	0%	(30)%
Wirtualna Polska Holding	WPPL	89	609	1.9	6.7	28.5%	Y	(6)%	(29)%
Metropole Television	MMTP	12	1,544	1.0	4.0	25.4%	Y	0%	(28)%
Arnoldo Mondadori Editore	MOED	2	638	1.0	5.6	17.1%	Y	1%	(28)%
Reworld Media	ALREW	2	128	0.4	4.1	10.6%	Y	(7)%	(26)%
Portobello	PORTO	4	21	0.5	4.4	12.4%	Y	0%	(25)%
Edel	EDLG	4	101	0.5	4.4	11.4%	Y	(4)%	(24)%
RTL Group	AUDK	30	4,724	0.9	6.3	14.7%	Y	(0)%	(24)%
Mondo TV France	MTFR	0	8	4.6	6.9	66.7%	Y	0%	(24)%
Cyfrowy Polsat	CPS	13	1,916	1.4	6.1	23.4%	Y	2%	(23)%
Ipsos	ISOS	56	2,445	1.1	6.7	16.1%	Y	(3)%	(23)%
Sanoma	SANOMA	7	1,109	1.4	5.6	24.3%	Y	(0)%	(21)%
MFE-MEDIAFOREUROPE	MFEB	4	2,060	0.9	3.3	27.8%	Y	(1)%	(17)%
Bastei Luebbe	BST1	9	126	1.0	6.8	14.4%	Y	3%	(14)%
Eutelsat Communications	ETL	4	1,897	3.6	6.5	55.2%	Y	(4)%	(11)%

Cont.

## Exhibit 22: Continental European valuation screen cont.

Company	Ticker	Share price 30 Sept 2024 €	Market value 30 Sept 2024 €m	EV/sales CY24e incl. leases (x)	EV/EBITDA (x)	EBITDA margin CY24e	Relative value using EBITDA margin CY24e	Consensus CY24e EBITDA change Q224	Discount to LT EV/EBITDA
DEAG Deutsche Entertainment	LOUn	5	108	0.3	4.0	7.8%	Y	(15)%	(10)%
Solocal Group	LOCAL	0	93	1.0	6.1	16.4%	Y	(8)%	(9)%
Italian Exhibition Group	IEG	6	181	1.1	4.3	25.2%	Y	5%	(9)%
Stroeer	SAXG	57	3,217	2.3	7.8	29.9%	Y	(0)%	(8)%
IMS	IMS	4	29	1.9	6.8	27.9%	Y	0%	3%
Banijay Group	BNJ	9	3,777	1.3	7.7	17.1%	Y	2%	4%
TX Group	TXGN	142	1,594	1.5	7.3	20.8%	Y	(1)%	8%
Highlight Communications	HLGZ	1	61	0.6	4.5	14.2%	Y	3%	131%
Verve Group	VERVE	41	669	2.3	7.7	30.4%	Y	0%	201%
Mindark Pe	MNDRK	2	6	0.6	1.6	39.1%	Y	0%	N/A
Nitro Games	NITRO	2	4	0.4	1.9	20.0%	Y	0%	N/A
Simone	SMN	2	11	0.4	2.2	17.9%	Y	0%	N/A
IDNTT	IDNTT	3	22	1.0	5.4	18.4%	Y	0%	N/A
Valica	VLC	5	10	1.1	6.7	16.7%	Y	0%	N/A
Beyond Frames Entertainment	BEYOND	14	22	1.2	13.5	9.1%		(4)%	(99)%
Kinepolis Group	KIPO	40	1,097	3.1	10.7	29.1%		(13)%	(97)%
Nepa	NEPA	20	14	0.5	5.3	9.1%		0%	(92)%
SG Company	SGCO	0	6	0.3	5.7	5.3%		0%	(82)%
SosTravel.com	SOTR	1	14	0.7	11.3	6.1%		0%	(80)%
Yoc	YOCG	17	59	1.6	9.8	16.3%		7%	(79)%
Obiz	ALBIZ	6	34	0.3	10.0	3.3%		2%	(78)%
Making Science Group	MAKS	9	76	0.4	7.2	5.6%		0%	(77)%
Storytel	STORYb	52	360	1.0	7.6	13.0%		9%	(77)%
CTS Eventim	EVDG	93	8,985	2.9	14.7	19.9%		2%	(60)%
Believe	BLV	15	1,501	1.4	20.9	6.5%		(5)%	(45)%
Media Investment Optimization	MIO	4	24	0.4	9.5	4.5%		0%	(44)%
Bolloré	BOLL	6	17,070	0.7	8.0	9.1%		1%	(40)%
Vocento	VOC	1	87	0.4	5.7	6.6%		(37)%	(39)%
Juventus FC	JUVE	3	975	2.9	20.6	14.1%		(8)%	(37)%
Awardit	AWRD	123	94	0.7	7.8	9.3%		0%	(36)%
Remedy Entertainment	REMEDY	17	230	3.7	35.1	10.5%		100%	(32)%
Vivendi	VIV	10	10,691	1.0	9.1	10.9%		0%	(31)%
Playway	PLWP	293	452	5.6	13.8	40.3%		(22)%	(30)%
Paradox Interactive	PDXI	180	1,691	8.1	12.4	65.4%		(19)%	(30)%
Scout24	G24n	77	5,794	10.3	17.1	60.6%		0%	(29)%
ISPD Network	ALISP	3	47	0.3	6.7	5.0%		0%	(27)%
Ilkka	ILKKA2	3	81	0.8	15.2	5.6%		0%	(26)%
CD Projekt	CDR	174	4,082	19.7	41.7	47.1%		15%	(17)%
Better Collective	BETCO	226	1,266	3.6	11.1	32.6%		(1)%	(17)%
CrowdFundMe	CFM	2	3	1.6	23.4	6.9%		0%	(16)%
Telesia	TLSA	2	5	0.9	9.2	9.7%		0%	(16)%
Universal Music Group	UMG	24	42,988	4.0	18.0	21.9%		(2)%	(14)%
Adtraction Group	ADTR	38	56	0.5	10.4	4.5%		(27)%	(2)%
Karnov Group	KARNO	82	783	4.4	17.4	25.3%		23%	0%
APG SGA	APGN	198	631	1.6	11.9	13.7%		(0)%	1%
Lagardere	LAGA	22	3,140	0.9	8.7	10.5%		5%	4%
MCH Group	MCHN	4	129	0.5	8.4	5.4%		(17)%	4%
Asmallworld	ASWN	1	22	0.9	19.0	4.8%		2%	6%
Fantasma Games	FAGA	58	18	3.2	10.4	31.3%		27%	10%
JCDecaux	JCDX	20	4,304	2.0	10.0	19.7%		7%	12%
Creepy Jar	CRJ	380	62	6.8	25.9	26.2%		0%	13%
Hopscotch Groupe	ALHOP	22	65	0.2	4.3	5.7%		1%	14%
Hemnet Group	HEM	374	3,025	24.1	44.1	54.6%		6%	22%
Eagle Football Group	EEFG	2	402	1.3	32.1	4.1%		(9)%	23%
Alma Media	ALMAC	11	931	3.5	12.3	28.7%		1%	36%
Publicis Groupe	PUBP	98	24,973	2.0	9.1	21.6%		(0)%	36%

Cont.

## Exhibit 22: Continental European valuation screen cont.

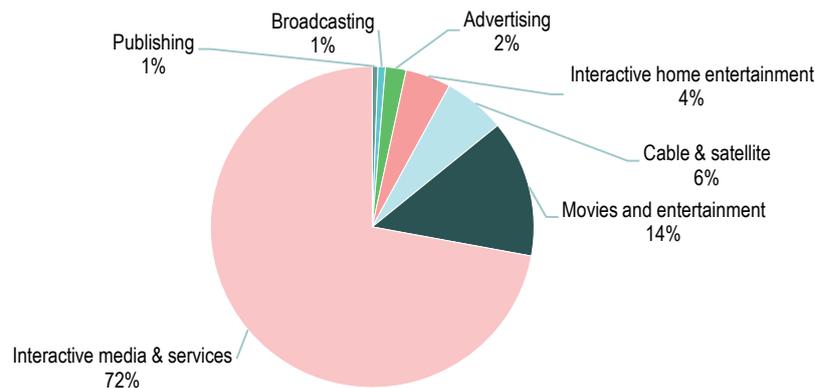
Company	Ticker	Share price 30 Sept 2024 €	Market value 30 Sept 2024 €m	EV/sales CY24e incl. leases (x)	EV/EBITDA (x)	EBITDA margin CY24e	Relative value using EBITDA margin CY24e	Consensus CY24e EBITDA change Q224	Discount to LT EV/EBITDA
Smartbroker Holding	SB1G	8	130	2.3	31.7	7.3%	(66)%	41%	
Viaplay Group	VPLAYb	1	308	0.2	33.9	0.6%	(6)%	61%	
Invibes Advertising	ALINV	4	16	0.7	51.7	1.4%	(79)%	73%	
Keskisuomalainen	KSL	8	86	0.6	9.6	6.4%	0%	91%	
Schibsted	SCHA	341	6,532	7.2	36.4	19.8%	(19)%	117%	
Your Family Entertainment	RTVGn	2	36	8.6	16.3	53.0%	0%	119%	
Performance One	PO1n	2	3	0.3	13.3	2.5%	0%	N/A	
Acast	ACAST	17	268	1.2	120.4	1.0%	44%	N/A	

Source: Edison Investment Research, LSEG Data & Analytics (30 September 2024)

# NORTH AMERICA

We show in Exhibit 23 the make-up of the North American media market, which is heavily weighted towards the interactive media & services subsector. This subsector includes mega-caps Alphabet and Meta Platforms, which together account for 69% of the North American media sector. Movies and entertainment makes up 14% of the total, with the remainder of the subsectors accounting for less than 10% each.

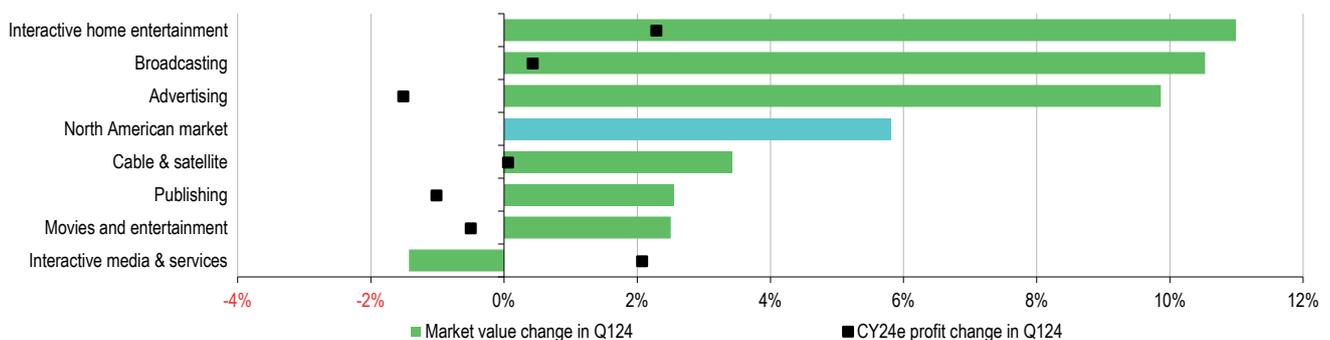
Exhibit 23: North American GICS media subsector breakdown by market value



Source: Edison Investment Research, LSEG Data & Analytics (30 September 2024)

The North American media sector performed in line with the wider market's 6% return, although more subsectors underperformed (four) than outperformed (three). Within this, interactive media & services was the only subsector to see a negative return in the quarter despite a net upgrade of 2% to CY24 EBITDA estimates, as the 9% fall in Alphabet's market value was offset by the 14% rise in Meta Platforms. Alphabet shares have been weak in recent months due to antitrust probes by the US Department of Justice that could result in a potential breakup of the company or force Google to share data with its competitors. Offsetting this, there were strong performances in the interactive home entertainment (+11%), broadcasting (+11%) and advertising (10%) subsectors. Advertising's strong return was despite a net downgrade of 2% to profit estimates, likely reflecting a rebound recovery in the subsector's market values.

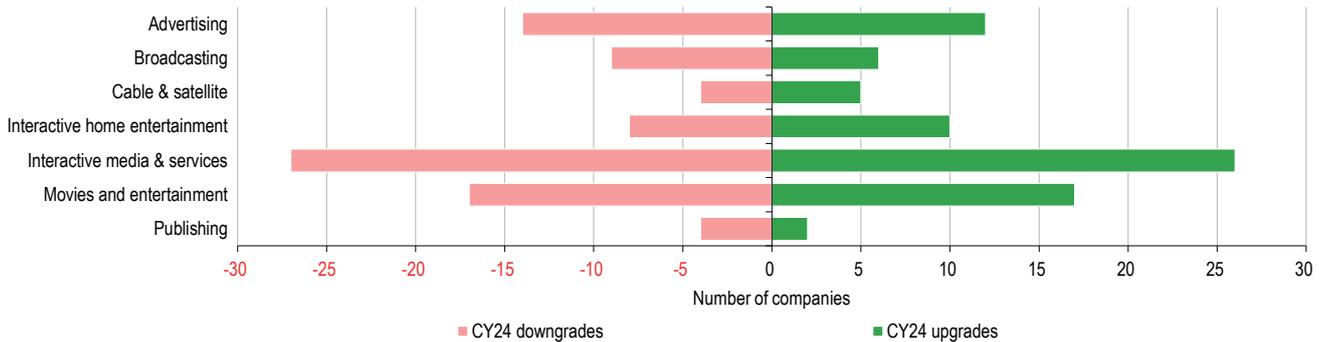
Exhibit 24: North America subsector performance versus consensus CY24 profits in Q324



Source: Edison Investment Research, LSEG Data & Analytics (30 September 2024)

Looking at the estimate changes for the individual companies in North America, as with both the UK and Europe, there were a net number of downgrades in the quarter. Only two subsectors, interactive home entertainment and cable & satellite, received net upgrades, with four of the remaining subsectors receiving net downgrades.

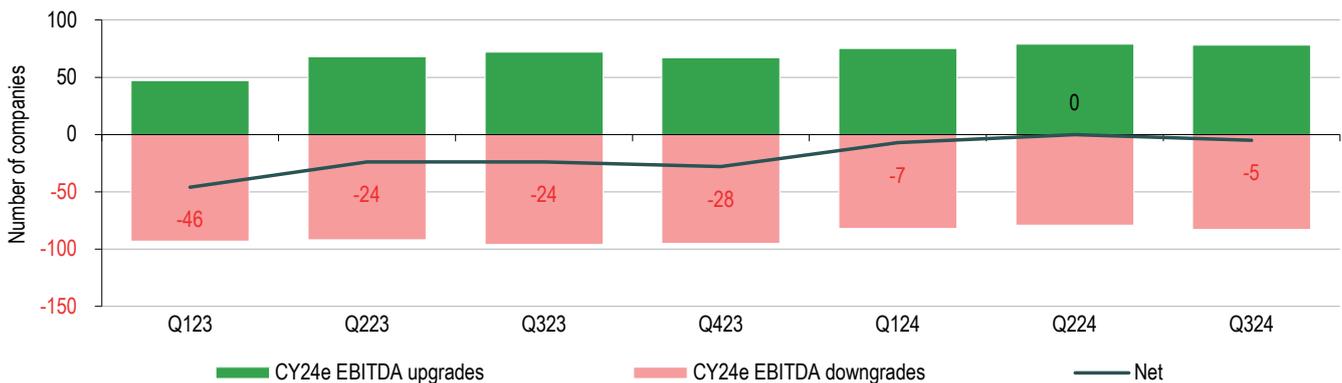
Exhibit 25: Number of companies to receive upgrades or downgrades to CY24 profit forecasts in Q324



Source: Edison Investment Research, LSEG Data & Analytics (30 September 2024)

As with the other regions, momentum has reversed, having shown signs of positivity in Q224. The net number of downgrades was five compared to a net neutral movement in the previous quarter. The scale of the downgrades, however, is the smallest excluding Q224.

Exhibit 26: Quarterly progression in upgrades or downgrades to CY24 profit forecasts



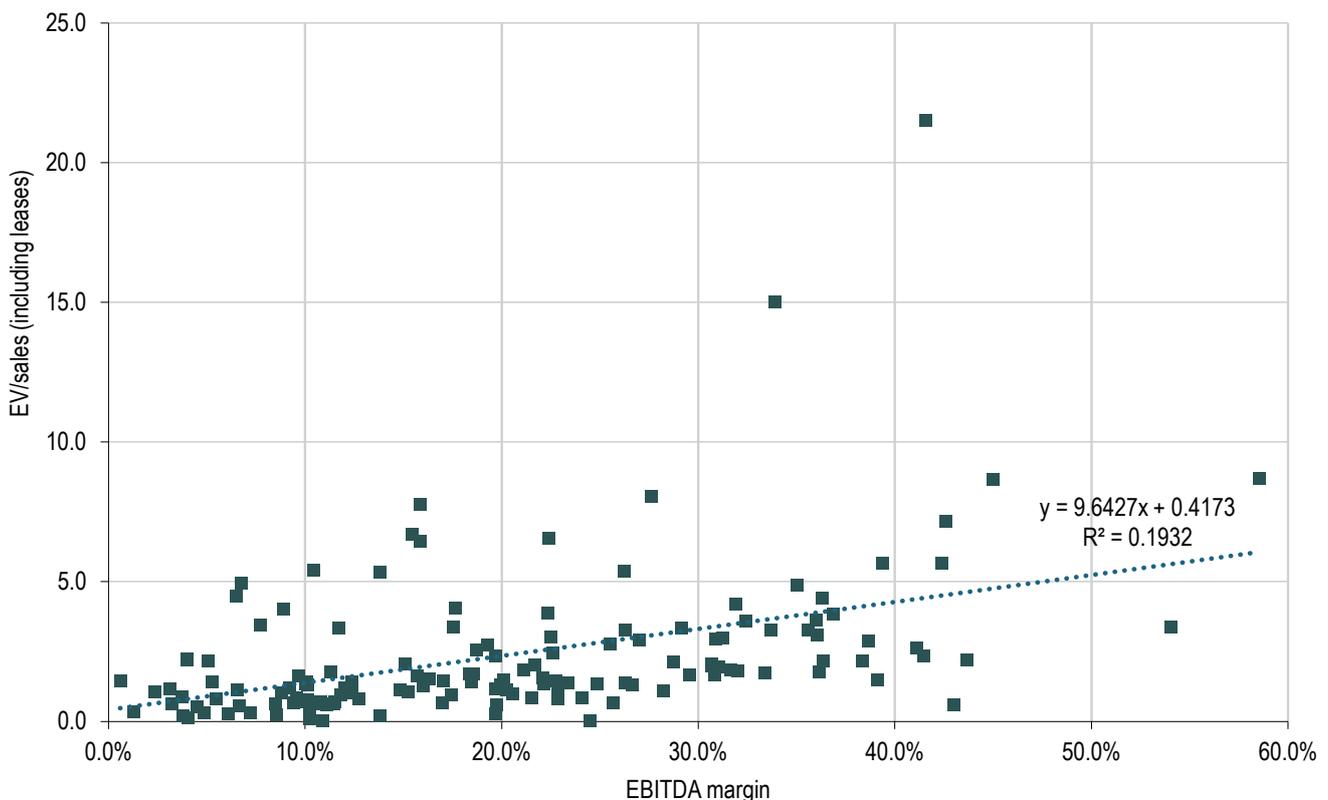
Source: Edison Investment Research, LSEG Data & Analytics (30 September 2024)

## North American media valuation opportunities

Exhibit 27 shows the output from our valuation screens for North American companies. There is a lower correlation in North America than for both Continental Europe and the UK with an R-squared of just 0.19.

The data from LSEG Data & Analytics for companies with both a CY24e EBITDA margin and an EV/sales multiple remain patchy, with just 32% of companies having both.

Exhibit 27: Correlation of CY24e EV/sales multiple and EBITDA margin



Source: Edison Investment Research, LSEG Data & Analytics (30 September 2024)

Exhibit 28 highlights all companies in the correlation analysis, regardless of where they sit relative to the line of best fit. As with the other screens, the companies are ordered by those that feature below the line of best fit first, and subsequently then the discount versus their long-term EBITDA multiple. There were 94 companies that sit below the line of best fit, of which just 10 were trading at a premium to their long-term discount. Of the total 145 companies featured in the screen, only 23 were at a premium to their long-term average EV/EBITDA multiple at the end of Q324. For those companies with an N/A value for the premium/discount to EV/EBITDA multiple there is not a historical multiple for the company as we exclude loss-making years from the long-term average.

## Exhibit 28: North American valuation screen

Company	Ticker	Share price 30 Sept 2024 \$	Market value 30 Sept 2024 \$m	EV/sales CY24e incl. leases (x)	EV/EBITDA (x)	EBITDA margin CY24e	Relative value using EBITDA margin CY24e	Consensus CY24e EBITDA change Q324	Discount to LT EV/EBITDA
Audacy	AUDAQ	0	1	0.0	0.0	10.9%	Y	0%	(100)%
Yalla Group	YALA	5	721	0.6	1.4	43.0%	Y	3%	(99)%
Bumble	BMBL	6	807	1.1	3.8	28.2%	Y	(10)%	(97)%
Comscore	SCOR	7	33	0.1	0.8	10.2%	Y	(23)%	(97)%
Dolphin Entertainment	DLPN	1	14	0.5	11.5	4.5%	Y	1%	(96)%
Yelp	YELP	35	2,347	1.4	5.9	23.4%	Y	3%	(96)%
Angi	ANGI	3	1,287	1.2	9.8	12.0%	Y	3%	(94)%
Cineverse Corp	CNVS	1	15	0.3	3.2	10.2%	Y	12%	(93)%
Innovid Corp	CTV	2	264	1.5	8.5	17.1%	Y	1%	(92)%
PopReach Corp	INIK	0	25	0.6	5.2	11.1%	Y	8%	(91)%
East Side Games Group	EAGR	1	43	0.6	3.0	19.7%	Y	(9)%	(90)%
Zoominfo Technologies	ZI	10	3,770	3.8	10.4	36.9%	Y	(15)%	(89)%
IAC	IAC	54	4,635	1.3	13.1	10.0%	Y	(0)%	(88)%
Snail	SNAL	1	27	0.2	1.4	13.8%	Y	(42)%	(86)%
Stagwell	STGW	7	1,853	1.1	7.6	14.9%	Y	(3)%	(86)%
PLAYSTUDIOS	MYPS	2	188	0.3	1.4	19.7%	Y	(15)%	(86)%
Hello Group	MOMO	8	1,342	0.6	3.8	17.0%	Y	(7)%	(85)%
Boat Rocker Media	BRMI	1	23	0.1	3.5	4.0%	Y	(46)%	(80)%
Baidu	BIDU	105	36,920	1.4	5.3	26.3%	Y	(2)%	(79)%
Shutterstock	SSTK	35	1,253	1.3	4.9	26.6%	Y	1%	(78)%
GDEV	GDEV	25	444	0.8	14.4	5.5%	Y	136%	(78)%
Tencent Music Entertainment Group	TME	12	10,031	1.9	5.9	31.7%	Y	3%	(77)%
Integral Ad Science Holding Corp	IAS	11	1,744	3.3	9.7	33.7%	Y	3%	(75)%
Tripadvisor	TRIP	14	2,009	1.0	5.5	17.4%	Y	(7)%	(75)%
VerticalScope Holdings	FORA	8	114	2.3	5.6	41.5%	Y	(1)%	(75)%
Autohome	ATHM	33	4,218	1.0	4.7	20.5%	Y	7%	(74)%
Live Nation Entertainment	LYV	109	25,218	1.0	11.7	8.8%	Y	0%	(72)%
illumin Holdings	ILLM	2	61	0.3	6.4	4.9%	Y	4%	(71)%
Match Group	MTCH	38	9,759	3.6	10.0	36.0%	Y	(1)%	(70)%
Travelzoo	TZOO	12	148	1.6	7.1	22.1%	Y	(3)%	(70)%
Harte Hanks	HHS	7	54	0.2	2.7	8.5%	Y	(13)%	(67)%
E W Scripps Co	SSP	2	193	1.2	5.4	22.9%	Y	1%	(66)%
Outbrain	OB	5	239	0.2	5.6	3.8%	Y	10%	(65)%
PubMatic	PUBM	15	737	2.0	6.4	30.7%	Y	(3)%	(62)%
Vivid Seats	SEAT	4	770	1.1	5.6	20.2%	Y	(1)%	(60)%
WildBrain	WILD	1	198	1.7	9.0	18.6%	Y	(2)%	(60)%
DHI Group	DHX	2	89	0.8	3.5	24.1%	Y	(3)%	(60)%
Imax Corp	IMAX	21	1,080	3.3	9.2	35.6%	Y	5%	(59)%
WideOpenWest	WOW	5	445	2.2	5.1	43.7%	Y	2%	(57)%
Endeavor Group Holdings	EDR	29	13,368	2.4	10.8	22.6%	Y	(7)%	(56)%
Criteo SA	CRTO	40	2,253	1.8	5.6	32.0%	Y	4%	(55)%
Sirius XM Holdings	SIRI	24	8,021	1.9	6.3	31.0%	Y	0%	(55)%
Ziff Davis	ZD	49	2,177	1.8	4.9	36.1%	Y	0%	(53)%
Cable One	CABO	350	1,965	3.4	6.2	54.1%	Y	(1)%	(52)%
Gambling.com Group	GAMB	10	373	3.1	8.6	36.1%	Y	7%	(52)%
Playtika Holding Corp	PLTK	8	2,946	1.7	5.7	29.5%	Y	(1)%	(51)%
Taboola.com	TBLA	3	1,128	0.6	5.5	11.4%	Y	(0)%	(45)%
Zedge	ZDGE	4	54	1.0	6.9	15.2%	Y	0%	(41)%
AMC Networks	AMCX	9	383	0.8	3.6	22.9%	Y	2%	(41)%
Gray Television	GTN	5	548	1.7	5.2	33.4%	Y	(3)%	(39)%
Gaia	GAIA	5	114	1.3	7.9	16.0%	Y	(9)%	(38)%
iHeartMedia	IHRT	2	272	1.3	6.6	20.0%	Y	(4)%	(37)%
Beasley Broadcast Group	BBGI	11	17	1.0	8.1	12.4%	Y	0%	(37)%
Creative Realities	CREX	5	48	1.2	13.1	9.2%	Y	(15)%	(36)%

Cont.

## Exhibit 28: North American valuation screen cont.

Company	Ticker	Share price 30 Sept 2024 \$	Market value 30 Sept 2024 \$m	EV/sales CY24e incl. leases (x)	EV/EBITDA (x)	EBITDA margin CY24e	Relative value using EBITDA margin CY24e	Consensus CY24e EBITDA change Q324	Discount to LT EV/EBITDA
Stingray Group	RAYa	7	299	2.2	5.9	36.4%	Y	0%	(36)%
Charter Communications	CHTR	324	46,260	2.6	6.4	41.1%	Y	2%	(36)%
Tegna	TGNA	16	2,611	1.7	5.4	30.8%	Y	(3)%	(34)%
Cinemark Holdings	CNK	28	3,407	1.7	9.1	18.4%	Y	13%	(34)%
Cumulus Media	CMLS	1	22	0.8	7.6	10.1%	Y	(10)%	(30)%
Nexstar Media Group	NXST	165	5,334	2.2	5.6	38.3%	Y	(2)%	(28)%
Sabio Holdings	SBIO	1	19	0.5	8.2	6.7%	Y	0%	(27)%
System1	SST	1	102	0.8	8.9	9.5%	Y	20%	(26)%
Lions Gate Entertainment Corp	LGFa	8	1,736	1.4	11.4	12.4%	Y	(6)%	(25)%
iQIYI	IQ	3	1,502	0.6	7.6	8.5%	Y	(38)%	(25)%
Paramount Global	PARA	11	7,538	0.7	6.5	10.3%	Y	6%	(24)%
Marcus Corp	MCS	15	485	0.9	8.0	11.8%	Y	(10)%	(23)%
Saga Communications	SGA	14	90	0.6	5.8	10.9%	Y	(30)%	(22)%
Gannett Co	GCI	6	830	0.7	6.3	10.8%	Y	2%	(20)%
Townsquare Media	TSQ	10	156	1.4	6.1	22.2%	Y	(3)%	(20)%
Cars.com	CARS	17	1,106	2.1	7.5	28.7%	Y	(5)%	(20)%
Altice USA	ATUS	2	1,133	2.9	7.5	38.6%	Y	(1)%	(19)%
Sinclair	SBGI	15	1,013	1.3	5.4	24.9%	Y	6%	(18)%
Corus Entertainment	CJRb	0	25	0.8	3.8	21.6%	Y	(8)%	(14)%
Direct Digital Holdings	DRCT	2	30	0.3	4.3	7.2%	Y	0%	(14)%
TVA Group	TVAb	1	36	0.3	4.2	6.1%	Y	47%	(13)%
Getty Images Holdings	GETY	4	1,564	3.0	9.6	31.3%	Y	(2)%	(13)%
NetEase	NTES	94	60,267	3.0	9.6	30.9%	Y	1%	(13)%
Comcast Corp	CMCSA	42	161,754	2.1	6.7	30.7%	Y	(1)%	(13)%
Cineplex	CGX	11	509	1.8	8.7	21.1%	Y	(10)%	(12)%
Yellow Pages	Y	10	98	0.7	2.6	25.7%	Y	(6)%	(11)%
Clear Channel Outdoor Holdings	CCO	2	782	2.8	10.9	25.5%	Y	1%	(11)%
Advantage Solutions	ADV	3	1,099	0.8	7.7	9.8%	Y	(12)%	(9)%
Fox Corp	FOXA	42	18,650	1.5	7.4	20.1%	Y	(0)%	(4)%
Lee Enterprises	LEE	9	54	0.8	6.2	12.7%	Y	(8)%	(2)%
John Wiley & Sons	WLY	48	2,619	2.0	9.2	21.7%	Y	(0)%	(1)%
Interpublic Group of Companies	IPG	32	11,880	1.4	7.7	18.5%	Y	(1)%	1%
Emerald Holding	EEX	5	1,018	2.9	10.8	27.0%	Y	1%	4%
Scholastic Corp	SCHL	32	901	0.7	6.9	9.4%	Y	(14)%	9%
DoubleDown Interactive Co	DDI	17	818	1.5	3.8	39.1%	Y	13%	10%
Omnicom Group	OMC	103	20,228	1.5	9.3	16.3%	Y	(2)%	19%
Thunderbird Entertainment Group	TBRD	2	75	0.7	7.1	10.1%	Y	0%	21%
News Corp	NWSA	27	15,420	1.6	10.2	15.7%	Y	(1)%	22%
Warner Bros Discovery	WBD	8	20,228	1.4	6.3	22.8%	Y	(6)%	27%
Fluent	FLNT	4	62	0.3	25.6	1.3%	Y	(66)%	70%
Thryv Holdings	THRY	17	626	1.1	5.8	19.7%	Y	1%	77%
AsiaFIN Holdings Corp	ASFH	1.0	79	0.0	0.1	24.5%	Y	0%	N/A
LiveOne	LVO	1	94	0.7	6.1	11.5%	Y	1%	N/A
Vimeo	VMEO	5	837	1.3	12.9	10.1%	Y	19%	N/A
Webtoon Entertainment	WBTV	11	1,467	0.6	19.8	3.2%	Y	0%	N/A
Kanzhun	BZ	17	6,586	4.4	12.2	36.3%		1%	(100)%
Ziprecruiter	ZIP	10	944	2.1	13.7	15.1%		(4)%	(98)%
Spotify Technology	SPOT	369	74,004	4.0	45.3	8.9%		25%	(94)%
Mediaalpha	MAX	18	1,201	1.6	16.8	9.6%		10%	(93)%
Roku	ROKU	75	10,802	2.2	55.1	4.0%		29%	(92)%
Electronic Arts	EA	143	37,897	4.9	13.9	35.0%		2%	(86)%
CarGurus	CARG	30	3,104	3.3	12.4	26.3%		6%	(81)%
Pinterest	PINS	32	22,212	5.4	20.4	26.3%		(1)%	(81)%

Cont.

## Exhibit 28: North American valuation screen cont.

Company	Ticker	Share price 30 Sept 2024 \$	Market value 30 Sept 2024 \$m	EV/sales CY24e incl. leases (x)	EV/EBITDA (x)	EBITDA margin CY24e	Relative value using EBITDA margin CY24e	Consensus CY24e EBITDA change Q324	Discount to LT EV/EBITDA
AMC Entertainment Holdings	AMC	5	1,644	1.1	17.5	6.5%		(6)%	(80)%
Boston Omaha Corp	BOC	15	468	4.0	22.9	17.7%		(13)%	(78)%
Kidoz	KIDZ	0	13	0.9	23.5	3.7%		0%	(74)%
Magnite	MGNI	14	1,955	3.6	11.0	32.4%		0%	(67)%
Liberty Broadband Corp	LBRDA	77	11,034	15.0	44.3	33.9%		9%	(63)%
TechTarget	TTGT	24	699	3.3	11.5	29.1%		(7)%	(61)%
Madison Square Garden Sports Corp	MSGS	208	4,988	5.4	51.8	10.5%		2%	(58)%
Warner Music Group Corp	WMG	31	16,211	3.0	13.4	22.5%		(2)%	(56)%
Liberty Media Corp	FWONA	72	23,743	6.5	29.3	22.4%		(4)%	(37)%
Trade Desk	TTD	110	54,085	21.5	51.7	41.6%		2%	(37)%
Meta Platforms	META	572	1,448,168	8.7	14.9	58.5%		4%	(21)%
Alphabet	GOOGL	166	2,049,097	5.6	13.3	42.4%		1%	(12)%
Walt Disney Co	DIS	96	174,449	2.3	11.9	19.7%		0%	(12)%
QuinStreet	QNST	19	1,074	1.4	27.2	5.3%		3%	(7)%
Manchester United	MANU	16	2,740	3.9	17.3	22.4%		2%	3%
Reservoir Media	RSVR	8	528	5.7	14.3	39.4%		0%	5%
TKO Group Holdings	TKO	124	21,110	8.7	19.3	45.0%		3%	28%
National Cinemedia	NCMI	7	672	2.6	13.7	18.7%		(5)%	50%
New York Times Co	NYT	56	9,143	3.4	19.3	17.5%		2%	76%
Grindr	GRND	12	2,100	7.2	16.8	42.6%		5%	77%
Atlanta Braves Holdings	BATRA	42	2,503	4.5	69.3	6.5%		21%	91%
Take-Two Interactive Software	TTWO	154	26,943	5.3	38.6	13.8%		(3)%	162%
EchoStar Corp	SATS	25	6,743	1.8	15.7	11.3%		2%	177%
Reading International	RDI	2	48	1.2	36.8	3.1%		(51)%	188%
Netflix	NFLX	709	304,394	8.1	29.1	27.6%		3%	239%
Marchex	MCHX	2	82	1.4	242.5	0.6%		0%	370%
TrueCar	TRUE	3	314	1.1	44.8	2.4%		(54)%	616%
Madison Square Garden Entertainment Corp	MSGE	43	2,044	2.7	14.1	19.3%		4%	N/A
Sphere Entertainment Co	SPHR	44	1,562	2.2	42.7	5.1%		(28)%	N/A
Bilibili	BILI	23	9,712	2.2	56.1	4.0%		108%	N/A
Roblox Corp	RBLX	44	28,645	6.5	40.9	15.8%		19%	N/A
Sea	SE	94	53,960	3.3	28.5	11.7%		5%	N/A
Ibotta	IBTA	62	1,888	4.2	13.1	31.9%		(3)%	N/A
EverQuote	EVER	21	740	1.4	14.2	10.1%		75%	N/A
PropertyGuru Group	PGRU	7	1,085	6.7	43.3	15.4%		10%	N/A
Reddit	RDDT	66	10,935	7.8	49.1	15.8%		81%	N/A
Snap	SNAP	11	17,756	3.4	44.3	7.7%		(6)%	N/A
VTEX	VTEX	7	1,376	5.0	73.2	6.8%		77%	N/A

Source: Edison Investment Research, LSEG Data &amp; Analytics (30 September 2024)

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