

**NEW YORK UNIVERSITY
Stern School of Business**

**Spring Term 2019
Investment Banking and Private Equity
in Media and Entertainment Finance**

Instructors:

Stephen Finkel, Senior Managing Director, Guggenheim
Philip Grovit, Managing Director, Goldman Sachs

Course Description:

The past decade has been a period of dynamic transformation for the media, sports and entertainment industry. Due to the advent of new technologies, volatile capital markets, shifts in the global landscape and changing strategic direction, the industry has continued to evolve. New players have emerged and consolidation has changed the face of the industry.

This course will focus on the role of investment banking and private equity in the evolving media, sports and entertainment industry. The course will analyze the fundamental tools of investment banking and private equity, with a specific focus on how these tools are applied to the industry. Classes will examine certain major sectors of the industry and involve a discussion of strategy, valuation, competition, and consolidation.

Through the review of major transactions that have occurred in the recent past or that develop during the course of the current semester, students will be provided with an in-depth view of investment banking and private equity in the media, sports and entertainment industry. Strategic transactions that have been reviewed in past semesters includes AT&T/Time Warner, Discovery/Scripps, WME/IMG, and various NBA team sales.

Students will also benefit from the perspectives of industry leading experts who will join the class. Guest lecturers in past semesters have included executives from Google, Discovery, NBA, Brooklyn Nets, and Vice Media.

Professors Finkel and Grovit specialize in the areas of media, sports and entertainment investment banking and private equity. They have provided strategic advisory services to, and participated in significant financings and investments for, many of the leading players in the U.S. and abroad. They have extensive experience with mergers and acquisitions, venture capital, private equity and financing for companies in the media, sports and entertainment industry.

Spring 2019 Course Outline

Illustrative Overview of Class Sessions:

1 Class Introduction and Industry Trends

The class will provide an overview of the subjects to be covered during each week of the semester. Students will discuss their objectives for taking the class, their background in media (if any) and their level of financial training, enabling the professors to better tailor the class.

The class will provide an overview of significant trends in the media, sports and entertainment industry over the last decade and review how recent trends are likely to impact strategic activity in 2019 and beyond. To illustrate these concepts, we will provide an overview of certain leading diversified media players and discuss how their businesses have evolved.

2 Private Equity Industry Overview and LBO Case Study

The class will provide a framework for understanding how media and entertainment companies are valued by public and private equity investors. We will also discuss the private equity deal process, including due diligence, projection analysis, financial exit considerations, deal tactics and financing sources. We will review the role of the mega private equity funds, their impact on the media and entertainment industry and discuss recent media buyouts.

To illustrate the impact of private equity on the sector, the class will include a detailed discussion of the \$14 billion leveraged buyout of Univision by a consortium of private equity sponsors in 2007. Univision is the leading Spanish-language media company in the U.S. and the buyout represented the largest media LBO ever when announced. We will review Univision's business segments and focus on the dynamics of the deal (including competition for the acquisition, interest of other strategic actors, impact of foreign ownership laws, valuation, deal tactics and structure, and role of financing). We will also discuss developments subsequent to the LBO, including the investment by Televisa, strategic evolution of the business and current potential exit opportunities.

3 Media Consolidation and Disruption

The class will focus on the impact on the media landscape of new business models and technology, shifts in consumer behavior and consumption, and the evolution of content. We will explore the role of the FAANG's in driving disruption of the traditional media ecosystem.

The class will further review the reemergence of large scale media consolidation, and the quest to gain scale in content and distribution. Recent transactions to be discussed potentially include Disney/Fox, Discovery/Scripps and AT&T/Time Warner.

Guest lecturers for this class in past semesters have included executives from Google and Discovery.

4 Sports Media

The class will discuss the importance of sports media in the content landscape and how the increasing value of sports media rights has driven valuations and enhanced strategic activity among interrelated segments of the sports industry – including leagues and team franchises, sports events players, and media and entertainment companies. We will particularly focus on the media strategy of major sports leagues.

We will explore recent strategic transactions, including team sales, consolidation of the sports marketing and events sectors, and strategic deals impacting sports media (e.g., Discovery's acquisition of Eurosport, potential sale of the Fox RSN group following the Disney/Fox merger).

Guest lecturers for this class in past semesters have included executives from the NBA and Brooklyn Nets.

5 New Media Players

We will explore new media players (behemoths and emerging players) and new media sectors (e.g., virtual reality, eSports) that are changing the media landscape and impacting the strategy of the leading traditional media players. To provide a concrete example of how traditional media companies have evolved in the face of digital disruption, we will explore the case of Sports Illustrated and its corporate parents Time Inc. and Meredith.

Guest lecturers for this class in past semesters have included executives from Vice Media and Sports Illustrated and may include executives from Amazon or leading venture capital players.

6 Final Presentations