



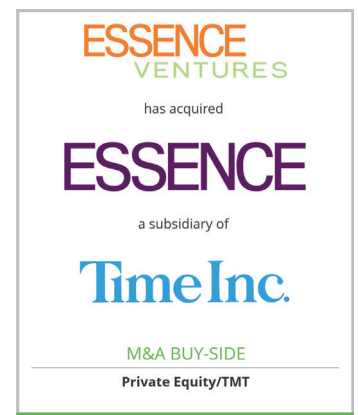
TMT

Deal flash, February 2018

AN EXCITING TRANSFORMATION OF AN ICONIC BRAND

Deal snapshot

- Essence Ventures, LLC, an independent African-American owned company focused on merging content, community and commerce, has acquired multi-platform media company ESSENCE Communications Inc. (ESSENCE) from Time Inc. Michelle Ebanks, President of ESSENCE, will continue at the helm of the company and will also join its board of directors. In addition, the all-black female executive team will have an equity stake in the business.
- ESSENCE currently reaches a global audience of more than 16 million across its various platforms encompassing its signature print magazine; digital, video and social platforms; television specials, including the Black Women in Hollywood Awards on OWN: The Oprah Winfrey Network; books; and live events, including the Street Style Block Party during New York Fashion Week and the annual ESSENCE Festival, a cultural celebration that debuted in 1995 and is now one of the country's largest annual events, attracting more than 450,000 attendees.
- Essence Ventures, LLC began in 2017 and is chaired by its founder – entrepreneur, investor and philanthropist Richelieu Dennis.
- Time Inc. is a leading multi-platform consumer media company that engages over 230 million consumers globally every month. The company's influential brands include People, Time, Fortune, Sports Illustrated, Instyle, Real Simple, Southern Living and Travel+Leisure, as well as approximately 60 diverse international brands.



What our client said



Richelieu Dennis, Founder and Chairman, Essence Ventures, LLC, USA

"We remain committed to leveraging our resources to provide opportunities for other culturally-rooted entrepreneurs and businesses that further our culture and create economic opportunities for our communities. Our focus here will be on ensuring that ESSENCE reaches its full potential through heightened capabilities, technology, products and touch points that super-serve the interests of black women locally and globally. We look forward to helping generate new opportunities that create more value across the ESSENCE portfolio with unmatched content, commerce and international access for the millions of women it serves, as well as exceptional value for our advertising partners and content creators."



Our role in the transaction

One of Oaklins' TMT specialists in New York acted as the exclusive financial advisor to Essence Ventures, LLC in this transaction.

Market trends and deal drivers

In general, consumer magazine businesses are on the decline. However, the better businesses have diversified their revenues to include events, digital and marketing services, all of which are showing solid growth.

M&A valuation aspects

- Consumer magazines that are in decline or are flat are trading at 4–6x EBITDA whereas those that have diversified to include growing segments such as digital, events and marketing services are achieving multiples as high as 8–10x.
 - As the market leader in African-American media in the US, ESSENCE attracted interest from multiple buyers and was sold for a robust multiple.
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Oaklins industry specialist



✉ **Reed Phillips**, Managing Partner, TMT Specialist, Oaklins, USA

Reed specializes in magazines, events, marketing services, market research and information services. Over the past 25 years, Reed has completed more than 185 transactions with companies such as ABRY Partners, Bonnier Corp., Citicorp Venture Capital (renamed Court Square Partners), Conde Nast, Dow Jones, IDG, Infogroup, News Corporation, TPG Growth, The New York Times Company, Rodale, Shamrock Holdings, Time Inc., Televisa and WPP.

OAKLINS HAS CLOSED 838 DEALS IN TMT

Oaklins is the world's most experienced mid-market M&A advisor, with 700 professionals globally and dedicated industry teams in 40 countries worldwide. We have closed over 1,500 transactions in the past five years.