**PEER ANALYSIS**

In this section, we try to analyze and compare to the industry, French Media Companies. By conducting this analysis, we used 3 multiples : EV/EBITDA, EV/EBIT and P/E.

We will also use the 52 Low/high price of the stock Metropole Television SA as an additional range for our Valuation summary. Firstly, let's analyse our EV/EBITDA.

Metropole Television SA has a value of 4,63812732696533, which represents a premium to compas mean of 3,0183409407023E-03. We consider Metropole Television SA Fairly Valued for EV/EBITDA. The EV/EBIT of is equal to 6,030517578125, which is Slightly Overvalued compared to the mean (6,57265663146973) with a premium of -8,24840066570612E-02.

Lastly, the P/E ratio for Metropole Television SA has a value of 7,99223729419758, representing a premium of 0,154070238699448, Metropole Television SA is Overvalued.

Then we defined our low and high multiples for each method that we implemented. Here are our Assumptions :

- EV/EBITDA : Low multiple : 1,5 / High multiple : 1,25

- EV/EBITDA : Low multiple : 1,25 / High multiple : 2

- EV/EBITDA : Low multiple : 1,25 / High multiple : 3,75

After having established our assumptions, we calculated the price of according to each multiple selected above. Here are the results:

Recolting the results for each comparables will be very important to extract a mean of the low and high prices of Metropole Television SA, which corresponds to a price of 18,2045118754035. In order to define a range around this mean, we use again criteria to know at what percentage of deviation we want to define our range.

We have selected as a downward deviation a percentage of 0,9 and for an upward deviation a percentage of 1,05. Thus, our low range price is 16,3840606878631, and our high range price is 19,1147374691737.

Please find below the Valuation summary - Equity Value per share (EUR) for Metropole Television SA

Through this graph we can see each low range and high range of our comparison methods. We can also identify the price range from 16,3840606878631 to 19,1147374691737. The current price for is 17,79. This analysis allows us to indicate according to the intrinsic study done before whether we should buy at a price presented in this range and thus at valuation multiples positively or negatively impacted as a consequence.

Finally, we can say that TF1 can easily consider an acquisition of M6 given the valuation and the fact that it is mainly fair valued. Nevertheless, it remains a big capital to deploy to acquire the company but can allow a strong growth and an increase of its margins because TF1 will remain competitive through M6's profits.

|  |  |  |  |
| --- | --- | --- | --- |
| **If Price** | EV/EBITDA | EV/EBIT | P/E |
| 16,38 | 4,24 x | 5,51 x | 7,36 x |
| 18,20 | 4,76 x | 6,18 x | 8,18 x |
| 19,11 | 5,02 x | 6,52 x | 8,59 x |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **French Media Companies** | **Summary of current multiples** | | | | | |
| **Name** | **Ticker** | **2Y Corr** | **Mkt Cap (EUR B)** | **EV/EBITDA** | **EV/EBIT** | **P/E** |
| Metropole Television SA | MMT FP |  | 2248909472 | 4,64 | 6,03 | 7,99 |
| Television Francaise 1 | TFI FP | 0,662 | 1793337610 | 2,25 | 4,87 | 8,02 |
| RTL Group SA | RTL LX | 0,5955 | 8046625912 | 8,32 | 10,45 | 6,18 |
| ProSiebenSat.1 Media SE | PSM GR | 0,5713 | 2576980000 | 6,07 | 8,65 | 5,44 |
| ITV PLC | ITV LN | 0,5139 | 3747930196 | 3,37 | 7,16 | 4,97 |
| Atresmedia Corp de Medios de C | A3M SM | 0,4942 | 853721449,6 | 3,31 | 5,03 | 7,42 |
| MFE-MediaForEurope NV | MFEB IM | 0,4931 | 1809000801 | 4,08 | 4,85 | 8,20 |
| Mediaset Espana Comunicacion S | TL5 SM | 0,4458 | 1361646394 | 4,96 | 5,55 | 7,18 |
| Current Premium to Comps Mean |  |  |  | 0,3% | -8,2% | 15,4% |
| Mean (Including Metropole) |  |  | 2804768979 | 4,6 | 6,6 | 6,9 |