

Deal of the Week: Comcast to buy Time Warner Cable in \$45.2B Deal

Announcement Date	<ul style="list-style-type: none"> February 13, 2014 	
Acquirer	<ul style="list-style-type: none"> Comcast (Nasdaq: CMCSA) 	
Acquirer Description	<ul style="list-style-type: none"> Media and technology company operating through Cable Communications, Cable Networks, Broadcast Television, Filmed Entertainment and Theme Parks segments Founded in 1963 and headquartered in Philadelphia, Pennsylvania 	
Acquirer Financial Statistics	<ul style="list-style-type: none"> Mkt Cap: \$140.5 billion EV: \$189.1 billion LTM Revenue: \$64.7 billion 	<ul style="list-style-type: none"> LTM EBITDA: \$21.4 billion LTM EV / Revenue: 2.9x LTM EV / EBITDA: 8.8x
Target Company	<ul style="list-style-type: none"> Time Warner Cable (NYSE: TWC) 	
Target Description	<ul style="list-style-type: none"> Media and technology company offering video, high-speed data, and voice services to residential and business service customers over its broadband cable systems in the United States Based in New York, NY the company served approximately 15.2 million customers as of December 31, 2012 	
Target Financial Statistics	<ul style="list-style-type: none"> Mkt Cap: \$40.2 billion EV: \$60.0 billion LTM Revenue: \$22.1 billion 	<ul style="list-style-type: none"> LTM EBITDA: \$7.9 billion LTM EV / Revenue: 2.8x LTM EV / EBITDA: 7.8x
Price / Consideration	<ul style="list-style-type: none"> Price: \$45.2 billion 	<ul style="list-style-type: none"> Consideration: Stock
Parent Advisors	<ul style="list-style-type: none"> JPMorgan Chase, Barclays and Paul J. Taubman 	
Target Advisors	<ul style="list-style-type: none"> Morgan Stanley, Allen & Company, Citigroup and Centerview Partners 	
Rationale	<ul style="list-style-type: none"> For Comcast, the deal, extending its leadership in the cable industry, is another transformative step in the evolution of what is now America's most influential media company. It comes less than a year after Comcast completed the acquisition of NBC Universal and it will further extend Comcast's lead as the nation's largest cable operator 	
Deal Points	<ul style="list-style-type: none"> Under the terms of the deal, Time Warner Cable shareholders will receive 2.875 shares of newly issued Comcast common stock for each of their shares. Based on Comcast's closing price of \$55.24 on Wednesday, that values each Time Warner Cable share at about \$158.82 each. If Comcast stock rises on news of the deal, the price could go up, while if the stock falls, it could go down The deal is subject to approval by shareholders of both companies. Because it is an all-stock deal with newly issued shares, Comcast will not have to take on any new debt Should a deal be completed, Time Warner Cable shareholders will own roughly 23 percent of the combined company 	
Of Note	<ul style="list-style-type: none"> Despite combining the two largest cable operators in the country, a merger may have little impact on consumers. Comcast and Time Warner Cable do not compete directly in any markets 	