



M&A in Advertising, Marketing Services & Marketing Technologies

**[Q2 2019]**

**McCracken**  
ADVISORY PARTNERS

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New York - Minneapolis - Sao Paulo

## A Slow Down in M&A Activity for Q2 2019

We tracked 84 relevant transactions in Q2 of 2019, that's down almost 10% from the same period a year ago, but at the half-way stage the stats show a 2% increase over 2018 – basically flat.

In a three-way tie for the the top spot, **Accenture** completed 2 acquisitions in the second quarter of 2019. These included their unexpected \$475 million acquisition of advertising agency – **Droga5**; as well as Spanish brand communications agency – **Shackleton**. **Huntsworth's Evoke Group** made their first two acquisitions of the year – healthcare consultancy – **Creativ-Ceutical**; and health communications. specialist – **Kyne**.



















Likewise, Sir Martin Sorrell's **S4 Capital** acquired film studio – **Carmel Pictures**; and Sao Paulo-based consultancy – **ProgMedia**.

Other major buyers made single acquisitions during Q2. **Dentsu Aegis** acquired production company – **Re: Production Limited**; and the **Havas Group** with gaming and streaming entertainment company – **Battery**.

Additionally, **Publicis Group** acquired data-driven marketing agency – **Epsilon**; **Deloitte Digital** acquired Dutch digital marketing agency – **Pervorm**; **The Stagwell Group** acquired programmatic agency – **Salesfusion**; and **Vista Equity Partners** acquired workflow software solutions company – **Black Mountain**.

Finally, and notably, global digital agency **Valtech** acquired digital innovator **MJD Interactive**.

## Major Buyers

Company	Q2 2019 Deals	Q1 2019 Deals	2018 Deals	2017 Deals	2016 Deals
 WPP	0	0	11	30	33
 dentsu	1	4	18	29	36
 accenture	2	4	14	18	10
 HAVAS	1	1	4	10	4
 Publicis	1	2	5	10	10
 IPG	0	0	3	6	8
 Omnicom	0	0	4	1	4
 Deloitte	1	0	1	5	3
 Cognizant	0	0	2	3	-
 BERINGER CAPITAL	0	0	1	1	3
 FREEMAN	0	1	2	1	2
 IBM	0	0	1	1	7
 EY	0	0	2	-	-
 THE STAGWELL GROUP	1	1	4	9	1
 VISTA EQUITY PARTNERS	1	4	4	2	2
 HUNTSWORTH	2	0	3	-	-
 Adobe	0	0	2	-	-
 S4 CAPITAL	2	0	1	-	-



## More Consolidation

As we have been reporting since Q3 of 2018, consolidation continues and may be accelerating as one of the most prevalent trends among the large agency networks.

Here are a few of the stories on this topic that we curated in Q2:

### **To Combine Or Not To Combine? That Is The Agency Holding Company Question**

I would evolve that well-known saying to: "Tis impossible to be sure of anything but death, taxes and Sir Martin Sorrell having an opinion." [More](#): Source: MediaPost, May 17, 2019

### **WPP in Exclusive Talks to Sell Kantar Stake to Bain Capital**

WPP is in exclusive talks to sell a majority stake in its data analytics unit Kantar to private equity firm Bain Capital, it said on Monday, in a \$4 billion deal aimed at steering the world's biggest advertising company back to growth. [More](#): Source: Reuters, July 1, 2019

## Some Other Stories of Interest You May Have Missed...

### **IPG Sees Strongest Growth Among Big Four Agencies While European Agencies Struggle**

The financial performance of the "Big Four" advertising agencies remains divided, with U.S.-based Interpublic Group of Cos. Inc. and Omnicom Group Inc. experiencing positive organic growth, while Europe-based Publicis Groupe SA and WPP PLC saw organic revenues contract in the first quarter of 2019. Both Publicis and WPP have found it difficult to grow in North America, which accounts for over half of revenues for Publicis and the two American agencies and just 35.6% for WPP. [More](#): Source: S&P Global Market Intelligence, June 27, 2019

### **Dentsu Reorganizing As Growth Sputters**

Dentsu posted an organic revenue decline in the first quarter of 1.6%. In the firm's home base of Japan, where it cited a decrease in traditional media spending by clients, the drop was 2.7%. The stalled growth comes as the company is preparing for a major restructuring. [More](#): Source: MediaPost, May 15, 2019

## **WPP North America Sales Drop 8.5% In Q1**

WPP's "legacy issues" are continuing to impact its financial performance amid CEO Mark Read's three-year turnaround plan. North America, with like-for-like net sales down 8.5%, was the weakest-performing region, primarily due to underlying performance issues, industry cutbacks and client losses in 2018, like Ford Motor.

[More](#): Source: MediaPost, April 26, 2019

## **Adland's biggest acquisitions of the past 35 years**

Publicis Groupe's purchase of Epsilon is the second-biggest deal in the industry's history. Which others make the top 20? [More](#): Source: Campaign, April 17, 2019

## **Publicis to purchase Epsilon for \$4.4B as data marketing race heats up**

Publicis Groupe announced that it has entered an agreement to acquire the data marketing firm Epsilon from Alliance Data Systems Corporation for \$4.4 billion. The deal is one of the largest in agency history, according to AdAge. [More](#): Source: MediaPost, April 15, 2019

**See Below for the Full List of Q2 2019 Deals.**



For more information about individual transactions, click on the buyer's name.

APRIL

BUYER	TARGET	SECTOR (TARGET)	VALUATION
<a href="#">Acast</a>	Pippa	Podcast Hosting and Analytics Platform	
<a href="#">Accenture Interactive</a>	Shackleton	Brand Communications Agency	
<a href="#">Acenture Interactive</a>	Droga5	Advertising Agency	\$475 Million
<a href="#">Altice USA</a>	Cheddar	Digital News Company	
<a href="#">Ansira Partners, Inc.</a>	Brightwave	Email and eCRM Company	
<a href="#">Avenir Global</a>	Hanover	Public Relations Consultancy	
<a href="#">Broadsign International, Inc.</a>	Ayuda Media Systems	Out of Home Media	
<a href="#">Calise Partners</a>	Imaginuity	Digital Agency	
<a href="#">Great Hill Partners</a>	Gizmodo Media Group	Media Group	
<a href="#">Hudson News</a>	American Media's National Enquirer	Tabloid	\$100 Million
<a href="#">Integrate</a>	Akkroo	B2B Lead Generation Firm	\$34 Million
<a href="#">Jellyfish</a>	Latitude	Digital Marketing Agency	
<a href="#">LiveRamp</a>	Faktor	Consent Management Platform	
<a href="#">Meltwater</a>	Sysomos	Social Analytics and Engagement	
<a href="#">Merge</a>	Beam	Experience Design	
<a href="#">MMGY Global</a>	Digital Spring	Travel Marketing Agency	
<a href="#">Nativo</a>	SimpleReach	Analytics Platform	
<a href="#">NVE</a>	The Future Party	Community-based Media	
<a href="#">Obviously</a>	Zam	Influencer Marketing	
<a href="#">Once Upon a Time</a>	IdeaWork	Branding and Digital Agency	
<a href="#">Perion</a>	Septa Communications "Captain Growth"	AI Platform	
<a href="#">Publicis Groupe</a>	Epsilon	Data-Driven Marketing Agency	\$4.4 Million
<a href="#">Renovus Capital Partners</a>	KSM Consulting	Data Analytics Consultancy	
<a href="#">RSBG Infrastructure</a>	The Yard Creative	Retail Innovation Design Agency	
<a href="#">S4 Capital</a>	Carmel Pictures	Film Studio	

Continued »

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	BUYER	TARGET	SECTOR (TARGET)	VALUATION
APRIL	<a href="#">S4 Capital's MightyHive</a>	ProgMedia	Consultancy	
	<a href="#">Sia Partners</a>	Gartland & Mellina Group (GMG)	Management Consulting Firm	
	<a href="#">Stagwell Group</a>	Multiview	Promgrammatic Agency	
	<a href="#">Trendline Interactive</a>	Inbox Marketer	Email Marketing	
	<a href="#">Twitter</a>	Highly	App	
	<a href="#">Upland Software</a>	PostUp	Email and Audience Development	\$35 Million
	<a href="#">Vox Media</a>	Epic Magazine	Media Company	
MAY	<a href="#">Walmart</a>	Polymorph Labs	Advertising Technology	
	<a href="#">Amazon</a>	Sizmek	Dynamic Creative Optimization	Partial purchase
	<a href="#">American Express</a>	Resy	Reservation Platform	
	<a href="#">August Spark</a>	BV Accel	Marketing Agency	
	<a href="#">Brand Networks</a>	Clickable	Analytics Firm	
	<a href="#">BV Accel</a>	Katana	Media Agecncy	
	<a href="#">Cheil Worldwide's McKinney</a>	Operam Creative Group	Advertising Agency	
	<a href="#">Deloitte Digital</a>	Pervorm	Digital Marketing Agency	
	<a href="#">Discovery, Inc.</a>	Conde Nasts' Golf Digest	Tabloid	
	<a href="#">DMI</a>	Pragiti	SAP Commerce	
	<a href="#">Dotdash</a>	Brides Magazine	Tabloid	
	<a href="#">Foursquare</a>	Placed	Location-based Measurement	
	<a href="#">Huntsworth's Evoke Group</a>	Creativ-Ceutical (CC)	Healthcare Consultancy	€15.5 Million initial cash consideration
	<a href="#">Huntsworth's Evoke Group</a>	Kyne	Health Communications Specialist	\$17.4 Million/85% Stake
	<a href="#">LDC</a>	MSQ Partners	Marketing Communications	Investment
	<a href="#">LinkedIn</a>	Drawbridge	Mobile Advertising	
	<a href="#">Madison Dearborn Partners (MDP)</a>	InMoment	Customer Experience Management	Majority Stake
	<a href="#">New Mountain Capital</a>	W20	Advertising Agency	Investment

Continued »

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For more information about individual transactions, click on the buyer's name.

MAY

BUYER	TARGET	SECTOR (TARGET)	VALUATION
<a href="#">OSF Commerce</a>	Blueleaf	eCommerce	
<a href="#">Pantheon</a>	Staging Pilot	Web Operations Company	
<a href="#">Perficient</a>	Sundog Interactive	Marketing and Technology Consultant	
<a href="#">ProKarma</a>	Gamma Partners	Digital Marketing Agency	
<a href="#">QuinStreet, Inc.</a>	CloudControlMedia	Digital Marketing Agency	
<a href="#">Remedy Health Media</a>	Vertical Health	Health Network	
<a href="#">Reputation Institute</a>	Cormex Research	Media Measurement & Analysis	
<a href="#">RNL</a>	Converge	Digital Marketing Agency	
<a href="#">Sinclair Broadcast Group</a>	Walt Disney Company's regional sports networksSports Networks	Regional Sports Networks	
<a href="#">Sitcore</a>	Hedgehog Development	Digital Consultancy	
<a href="#">SugarCRM</a>	Salesfusion	Marketing Automation	
<a href="#">SymphonyAI</a>	Azima Global	Asset reliability solutions	
<a href="#">TABS Analytics</a>	Decision Insight	Marketing Research and Analytics	
<a href="#">TransUnion</a>	TruSignal	Marketing Tech Platform	
<a href="#">Vista Equity Partners</a>	Black Mountain	Workflow Software Solutions	

JUNE

<a href="#">Zendesk</a>	Smooch	CRM Platform	
<a href="#">Constellation Software</a>	CAKE	Performance Marketing Software	
<a href="#">Contentsquare</a>	Pricing Assistant	eMerchandising Solution	
<a href="#">Cvent</a>	DoubleDutch	Mobile Event app	
<a href="#">Dentsu Aegis</a>	Re: Production Limited	Production Company	
<a href="#">Dunn &amp; Bradstreet</a>	Lattice Engines	Lead Generation Platform	
<a href="#">Fluent</a>	AdParlor	Digital Agency	\$10 Million
<a href="#">Future Media Group</a>	Conde Nasts' W	Publication	
<a href="#">Google</a>	Looker	Analytics Startup	\$2.6 Billion
<a href="#">Havas Group</a>	Battery	Gaming and Streaming Entertainment	51% Stake
<a href="#">OSF Commerce</a>	Blueleaf	eCommerce	



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For more information about individual transactions, click on the buyer's name.

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**Q2 Total = 84 deals**

# [Contact]



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McCracken Advisory Partners  
[mccrackenap.com](http://mccrackenap.com)

Keith McCracken  
Minneapolis  
CEO & Co-Founder  
+1 952 922 8140  
[keith@mccrackenap.com](mailto:keith@mccrackenap.com)

Ronnie Cohen  
New York  
Co-Founder  
+1 212 941 6498  
[ronnie@mccrackenap.com](mailto:ronnie@mccrackenap.com)

Brian Harris  
New York  
Senior Advisor  
+1 917 968 0765  
[brian@mccrackenap.com](mailto:brian@mccrackenap.com)

Rogério Campos  
Sao Paulo  
Regional Partner, Brazil  
+55 11 984667000  
[rogerio@mccrackenap.com](mailto:rogerio@mccrackenap.com)

# McCracken AP Transactions



Has Acquired



MCCRACKEN ADVISORY PARTNERS



Has Acquired



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Advisory Services  
provided to



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Acquired



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Strategic Consulting

MCCRACKEN ADVISORY PARTNERS



Advised on Management Buyout

MCCRACKEN ADVISORY PARTNERS



Acquired



MCCRACKEN ADVISORY PARTNERS



Acquired by



MCCRACKEN ADVISORY PARTNERS



Acquired



MCCRACKEN ADVISORY PARTNERS



Acquired a majority interest in



MCCRACKEN ADVISORY PARTNERS



Acquired



MCCRACKEN ADVISORY PARTNERS



Acquired



MCCRACKEN ADVISORY PARTNERS



Acquired by



MCCRACKEN ADVISORY PARTNERS



Acquired by



MCCRACKEN ADVISORY PARTNERS



Acquired



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