



M&A in Advertising, Marketing Services & Marketing Technologies

[Q3 2019]

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M&A Activity Slower in Q3 2019

There were 82 relevant transactions in Q3 (down 20% YOY). Q2 was similarly lack luster (down 10% YOY). Meanwhile, the YTD total is hanging in at 280 transactions, just a hair's breadth down (-4%) from a year ago. Deal count then, is just about holding its own - for now. With the major Ad Networks noticeably less active and with a marked trend toward fewer but larger deals, lower deal counts look like continuing in 2020.



















Accenture leads the major buyers for the second quarter in a row with 5 completed acquisitions. This is a significant increase from the same period last year when they had a single acquisition.

Accenture's Q3 deals included Australian analytics and data specialist, **Analytics 8**; engineering services provider, **Fairway Technologies**, Swedish communications consultancy, **Northstream**, Spain's big data and AI specialist, **Pragsis Bidoop**, and Mexican design and innovation firm, **Insitum**.

In a repeat of Q3 last year, **Dentsu** had four acquisitions including digital performance agency, **MuteSix**; New Zealand technology and business consultancy, **Davani Consulting, Ltd.**; India global analytics firm, **Ugam**; and Vietnam digital media agency, **Ambient Digital Vietnam**.

WPP closed two deals – Italian creative agency, **Aquest**, and sports marketing agency, **Chime**. Also closing two deals in Q3 was **Havas Group**, with their acquisition of French creative agency, **Buzzman**; and India full service digital agency, **Langoor**.

Major Buyers

Company	Q3 2019 Deals	First Half 2019 Deals	2018 Deals	2017 Deals	2016 Deals
 WPP	2	0	11	30	33
 dentsu	4	5	18	29	36
 accenture	5	6	14	18	10
 HAVAS	2	2	4	10	4
 Publicis	1	3	5	10	10
 IPG	0	0	3	6	8
 Omnicom	1	0	4	1	4
 Deloitte	0	1	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	0	2	4	9	1
 VISTA EQUITY PARTNERS	1	5	4	2	2
 HUNTSWORTH	0	2	3	-	-
 Adobe	0	0	2	-	-
 S CAPITAL	1	2	1	-	-

Recent Acquisition Updates...

1 year in, IPG attributes growth and new business wins to Acxiom acquisition

One year after IPG announced its \$2.3 billion acquisition of Acxiom, a clearer picture of what the purchase will do for the holding company is starting to emerge. So far, IPG has focused on using Acxiom's data capabilities across its media agencies, integrated and trained teams on how to use the data and retooled some of its leadership positions across both Acxiom and its agencies. The holding company is currently working to build out new data-powered products and introduce those later this year. At the same time, IPG is figuring out how to use Acxiom across its other agency offerings. [More](#): Source: Digiday, August 5, 2019

With Bain Capital Writing The Checks, Kantar Plans To Acquire New Capabilities

Kantar didn't have much flexibility under WPP to buy companies and solutions to modernize its traditional market research business. "We've been out of the market for three or four years," said Kantar CEO Eric Salama on a press call held Thursday to provide an update on its strategy under its new owner Bain Capital. [More](#): Source: Ad Exchanger, August 1, 2019

How Accenture Interactive Gate-Crashed the Agency Business

If you're still confused about what's motivating global consulting firms to move in on agency turf, who better to explain than a longtime holding company executive who defected to the other side?

Nikki Mendonça, global president of Accenture Interactive Operations, spent 28 years in marketing services, including 16 years at Omnicom. She left in 2018 to join fast-growing Accenture Interactive as head of its activation arm. "When someone like Accenture calls, you take it very seriously," Mendonça says in this week's episode of AdExchanger Talks. "I knew that they were encroaching in on the marketing ecosystem with some energy." [More](#): Source: Ad Exchanger, July 17, 2019

Omnicom Sees Long-Term Risks In Owning A Data Company

Omnicom does not intend to buy a data company, even after Publicis Groupe [bought Epsilon](#) (\$4.4 billion), [IPG bought Acxiom](#) (\$3.2 billion) and Dentsu Aegis [bought Merkle](#) (\$1.5 billion).

Omnicom steadfastly believes that owning a data company would compromise its neutrality when serving advertisers. [More](#): Source: Ad Exchanger, July 17, 2019

Some Stories of Interest You May Have Missed...

Investors Send Publicis Groupe Shares Down Double Digits

It looks like investors are running out of patience with Publicis Groupe's lack of growth, which has been a problem for the last couple of years and is likely to continue to be an issue at least through 2020.

Publicis said as much [yesterday](#) when it released third-quarter results and noted that it would post an organic revenue decline for full-year 2019 and that growth would be challenging and tepid well into next year.

Investors aren't happy and sent the stock south on Friday. It was down nearly 15% on the Paris Exchange. Several investment firms downgraded the stock this week including Morgan Stanley, Liberum Capital and Macquarie.

WPP shares were also down today more than 3% on the London exchange.

U.S. holding companies including IPG, Omnicom and MDC Partners, each had modest gains most likely benefiting from the Dow's rebound Friday which was based on reports of a partial trade deal between the U.S. and China. [More](#): Source: MediaPost, October 11, 2019

High Debt At WPP And Publicis Could Spell Trouble; Podcast Ad Revenue Surges

In the event of an economic downturn, holding companies – specifically WPP and Publicis – could be in a vulnerable position. Both companies are saddled with debt and plummeting stock values that will be difficult to recoup, especially as clients bring more agency services in house and consulting firms such as Deloitte and Accenture become more competitive, Avi Dan, CEO of Avidan Strategies, writes at Forbes. Publicis and WPP are responding by shrinking their massive empires. See: Sapient absorbing Razorfish at Publicis and WPP's consolidation of Young & Rubicam and J. Walter Thompson under VML and Wunderman, respectively. [More](#): Source: Ad Exchanger, September 6, 2019

Holding Company Strategies Diverge On Data And Agency Brands – Or Do They?

The agency holding companies all face the same external struggles – new competition, slowing growth and the need for new skills. But they're taking different paths to confront these challenges. Traditionally, holding companies followed the same playbook: growth by acquisition to amass the scale that gave them clout across major clients.

But the shift to digital made scale and buying power are less important than access to the right data. And agency silos blocked access to that data, slowing down work and inhibiting collaboration. These weaknesses have allowed consulting firms to pose a competitive threat. [More](#): Source: Ad Exchanger, August 13, 2019

See Below for the Full List of Q3 2019 Deals.

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

	BUYER	TARGET	SECTOR (TARGET)	VALUATION
JULY	AppLovin	SafeDK	Platform	
	Bain Capital	WPP's Kantar	Research Firm	\$3.10 Billion for 60% Stake
	Blackstone	Vungle	Ad Tech	\$750 Million
	Cheetah	Wayin	Data Collection and Activation	
	Dentsu Aegis' Isobar Group	Davanti Consulting Ltd	Technology and Business Consultancy	
	Dentsu Aegis' Merkle	Ugam	Global Analytics	Majority Stake
	Dentsu's iProspect	Ambient Digital Vietnam	Digital Media Agency	
	Ford Motor Company	Quantum Signal	Defense Contractor	
	Future plc	SmartBrief	B2B Publisher	\$45 Million
	Giant	Worxstudio Agency	Marketing Agency	
	Hero Digital	Bulldog Solutions	B2B Agency	
	Hopscotch	Sopexa	Lifestyle Agency	Majority Stake
	Microsoft	BlueTalon	Data Privacy Service	
	PAN Communications	Capella PR	Public Relations	
	Rightpoint	Bowfin	Consultancy	
	Tech Mahindra	Mad*Pow	Design Firm	
AUGUST	Trax	Planorama	Image Recognition Services	
	WPP	AQuest	Creative Agency	Majority Stake
	WPP	Chime	Sports Marketing Agency	\$68.90 Million Minority Share
	360 Insights	The Ohana Companies	Promotional Marketing Specialist	
	9thWonder	The Marketing Consortium	Experiential Agency	
	Accenture	Analytics 8	Analytics and Data Specialists	
	Accenture	Fairway Technologies	Engineering Services	
	Accenture	Northstream	Communications Consultancy	
	Accenture Interactive	Insitum	Design & Innovation Firm	

Continued »

Q3 2019 deals

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AUGUST	BUYER	TARGET	SECTOR (TARGET)	VALUATION
	Airship	Apptimize	Experience Testing	
AUGUST	Amdocs	TTS Wireless	Mobile Network Engineering Services	
	Automattic Inc.	Tumblr	Social Network	Under \$3.0 Million
	Barracuda	Infisecure	Bot Mitigation Technology	
	Bazaarvoice	Influenster	Product Discovery and Reviews Platform	
	Cello Health	Innovative Science Solutions	Consultancy	\$11.0 Million
	Chemistry	Pinta	Cross-Cultural Marketing Agency	
	Dentsu Aegis' iProspect	MuteSix	Digital Performance Agency	
	Fishawack Group	2e	Creative Agency	
	Globant	Belatrix	Agile Product Development Company	
	Hasbro	Entertainment One	Television Studio	\$4.0 Billion
	InMarket	Thinknear	Location-based Service Firm	
	Innocean	Wellcom Group	Creative Production Company	
	Legacy Acquisition Corporation	Blue Focus	Marketing Agency	over \$500 Million
	Opus Agency	Clarity Creative	Content and Design Agency	
	Publicis Groupe	Rauxa	Full service marketing agency	
	REQ	Internet Marketing Inc. (IMI)	Performance Marketing	
	S4 Capital's MediaMonks	IMA	Influencer Agency	
	Samba TV	Axwave	Television Analytics	
	Viacom	CBS	Media company	\$30 Billion Merger
SEPTEMBER	Accenture	Pragsis Bidoop	Big Data and AI	
	Accomplice	Design & Manufacturing	Experience Design	
	Accomplice	Spatial Cinematics	Tech Design Firm	
	Blue Acorn iCi	Mediotype	eCommerce	
	Broadhead	Kohnstamm Communications	Food-Focused PR Agency	

Continued »

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SEPTEMBER

BUYER	TARGET	SECTOR (TARGET)	VALUATION
Cisco	Cloudcherry	Customer Experience Company	
Cloudera	Arcadia Data	Big Data Analytics	
Falfurrias Capital Partners	Industry Dive	B2B Media Company	Majority Stake
Finn Partners	Lazar Partners	Healthcare Public and Investor Relations	
GlobalLogic	Skookum	Digital Strategy Firm	
Havas Group	Buzzman	Creative Agency	
Havas Group	Langoor	Full Service Digital Agency	Majority Stake
Innovid	Herolens	Display Advertising Software Company	
LAB	Reflect Digital	Digital Marketing Agency	
LDC	Instinctif Partners	Strategic Consultancy	Majority Investment
Leger	National Research Group (NRG)	Research & Analytics Firm	
Logitech International	Streamlabs	Live Streaming Software	
Lucid Group	Healthcare 21	Healthcare Consultancy	
McDonald's	Apprente	AI Tech company	
Microsoft	PromoteIQ	eCommerce Marketing	
New Media Investment Group	Gannett	Media company	\$1.40 Billion
Omnicom Group's OPMG	Smart Digital	Consulting and Marketing Technology	
Opus Agency	Number 20	Event Agency	
Opus Agency	Tencue Productions	Creative Agency	
ProKarma	Connective DX	Digital Experience Agency	
RDK Group	Direct Point Group	Direct Response Fundraising Agency	
Resources Global Professionals (RGP)	Veracity Consulting Group	Digital Transformation Group	
Ruder Finn	SPI Group	Healthcare-focused Firm	
Sinch AB	myElefant	Software Platform	
Spotify	SoundBetter	Music Production Marketplace	
Survey Monkey	GetFeedback	Online Survey Software	

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McCracken AP Transactions



Marshall
Acquired by
twoxfour

MCCRACKEN ADVISORY PARTNERS



Has Acquired
A2G

MCCRACKEN ADVISORY PARTNERS



Has Acquired
89DEGREES
Enabling Customer Engagement

MCCRACKEN ADVISORY PARTNERS

Advisory Services provided to



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INTERNATIONAL

Acquired



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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

purestone.

MCCRACKEN ADVISORY PARTNERS

AtomicPR

Acquired by

HUNTSWORTH

MCCRACKEN ADVISORY PARTNERS



Acquired by



MCCRACKEN ADVISORY PARTNERS



Acquired



MCCRACKEN ADVISORY PARTNERS



Acquired

LEADSUNITED
Communication with an edge

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globalbeach...

Acquired by



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dmg.
davies murphy group

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