



M&A in Advertising, Marketing Services & Marketing Technologies

[Q2 2020]

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Another Covid Quarter

With economic uncertainty and widespread disruption, it's not surprising that M&A deals in our sector were down nearly 26% in the second quarter as compared to the same period a year ago; this trend is widely expected to continue into Q3 and Q4. However, while the number of closed transactions is very likely to be down for the year, we are forecasting a resurgence of M&A search activity beginning in the fall.














Highlights from Q2

Accenture once again leads major buyers in deals for the fifth consecutive quarter; they made 6 acquisitions in Q2: digital manufacturing consultancy, **Callisto Integration**; AWS consultancy, **Gekko**; organization design consulting firm, **Kates Kessler**; data consultancy, **Sentelis**; B2B marketing agency, **Yesler**; and big data analytics company, **Byte Prophecy**. This brings their deal count to 11 to date in 2020.

S4 Capital's Mightyhive completed 2 acquisitions: Google analytics partner, **Digomat**; and digital consultancy, **Lens10**.

Deloitte also had 2 acquisitions: data analytics provider, **Bistech**; and cloud services provider, **DNM**.

Major Buyers

Company	Q2 2020 Deals	Q1 2020 Deals	2019 Deals	2018 Deals
 accenture	6	5	18	14
 dentsu	1	4	11	18
 WPP	0	2	2	11
 HAVAS	0	1	6	4
 publicis WORLDWIDE	0	1	4	5
 IPG	0	0	0	3
Omnicom	0	0	0	4
 S4 CAPITAL	2	1	7	1
 Deloitte.	2	0	1	1
 Cognizant	1	1	1	2
FREEMAN	0	0	2	2
 THE STAGWELL GROUP	1	0	3	4
 VISTA EQUITY PARTNERS	0	0	9	4
 W2O	1	1	3	-
 LRW	0	0	5	-

M&A Commentary

Stagwell Proposes Merger with MDC Partners

Stagwell Group has proposed a merger with MDC Partners to form a company with more than \$2 billion in 2019 net revenue. A letter proposing the combination was delivered to MDC's board of directors on Thursday. Stagwell said in a statement that the combined company would deliver "a superior value proposition to clients, enhance shareholder value, create attractive synergy opportunities and enhance the pro forma credit profile through strong free cash-flow generation." The proposed company would see \$35 million in synergies from the deal, according to the statement. JP Morgan is financial adviser and Freshfields Bruckhaus Deringer is legal adviser to Stagwell on the proposal. [More:](#) PR Week, June 26, 2020

Why It Took COVID-19 To Change Data Use, Prompt Unlikely Partnerships, Acquisitions

It took a worldwide health crisis to find new uses for data and prompt some of the most unlikely partnerships and acquisitions. Last week, two data companies merged when Foursquare acquired Factual, and Apple stepped up to work with Google on a project that the two companies believe could slow the spread of COVID-19. [More:](#) MediaPost, April 13, 2020

Marketing M&A Stalls as Pandemic Disrupts Deal-making

Mergers and acquisitions in the marketing world have mostly lagged due to the COVID-19 pandemic. First quarter activity dipped to the lowest volume since 2013, with deal-makers predicting a slower-than-usual Q2, then a rebound in the second half of 2020 as the crisis subsides. However, deals around ad tech and location data could accelerate. There's also the potential for landscape-altering deals if investors capitalize on what could be bargain prices for assets of important-but-struggling players like ad holding companies. [More:](#) Marketing Dive, April 21, 2020

MDC-Stagwell Merger Could Be A Canary In The Coalmine For Agency Consolidation

The holding company MDC Partners was already struggling before COVID-19 decimated the US economy. But a proposed merger by Stagwell Group, [first reported by AdAge late Thursday](#), demonstrates how the pandemic likely accelerated the end of MDC's run as an independent public company. MDC Partners and Stagwell Group did not respond to requests for comment. MDC's troubles started long before coronavirus, after a 2015 accounting scandal involving former CEO Miles Nadal turned off investors. Since then, its share price has cratered from a high of \$28 to a low of \$1.01 in April, and its market cap shrank from \$1.5 billion to less than \$90 million. [More:](#) Ad Exchanger, June 26, 2020

Q2 2020 deals

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

APRIL

BUYER	TARGET	SECTOR (TARGET)	VALUATION
Accenture	Gekko	Amazon Web Services Consultancy	
Accenture	Yesler	B2B Marketing Agency	
Adwanted Group	Kantar's SRDS	Standard Rate and Data Service	
Atos	Miner & Kasch	Data Science Firm	
Charlesbank Capital Partners	News Corp's News America Marketing	Coupon Publisher	
CNN	Canapy	News Reader App	
Deloitte	Bistech	Data Analytics	
Dentsu Aegis Network	Merkel	Advertising Agency	Add'l 1/3 Stake for 100% ownership
Envision Pharma Group	90Ten	Healthcare Communications	
Fandango	Vudu	Streaming Service	
Fishawack Health	Skysis	Market Access Consultancy	
Fluent, Inc.	Winopoly, LLC	Consumer Engagement	50% Stake
Foursquare	Factual	Location Data Provider	Merger
GlobalLogic	Meelogic Consulting AG	Software Engineering Services Firm	
GoDaddy	Neustar	Domain Registrar	
Kreative	The Stable	Consumer Brand Agency	Merger
Mailchimp	Reaction Commerce	E-commerce Software Provider	
Mediacurrent	Duo Consulting	Digital Experience Agency	
Meltwater	Sysomos	Social Analytics Company	
Niantic	6Dai	AR Start-up	
PlaceIQ	Freckle IoT	Location Data & Measurement Company	
Stagwell Group's SKDKnickerbocker	Seward Square Strategies	Digital Fundraising and Mobilization	
Terminus	Ramble	Chat Solution PLATFORM	
VaynerX	Lucid Fusion	E-commerce, Engineering and Design Firm	
Verizon	BlueJeans	Video Conferencing Company	

Q2 2020

McCracken Advisory Partners - M&A in Advertising, Marketing Services & Marketing Technologies

Q2 2020 deals

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

	BUYER	TARGET	SECTOR (TARGET)	VALUATION
APRIL	ViacomCBS	Ananey	Pay Television Provider	
	W20	Symplur	Media Analytics	
MAY	4Media Group	News Generation	Broadcast Media Relations Firm	
	Accenture	Callisto Integration	Digital Manufacturing Consultancy	
	Accenture	Kates Kesler	Organization Design Consulting Firm	
	Accenture	Byte Prophecy	Big Data Analytics	
	Apple	NextVR	VR Content	
	CANOPY Management	PPC Scope	Analytics Firm	
	Cognism	Mailtastic	Email Signature Firm	
	Cognizant	Collaborative Solutions	Enterprise Cloud Solutions	
	Connexity	Skimlinks	Affiliate Network	
	Constellation Software	TUNE	Mobile App Analytics	
	Facebook	Giphy	App	\$400.0 Million
	FTI Consulting	Delta Partners	Strategy Consulting	
	iCIMS	Opening.io	AI and DataScience	
	Julius Works	HYPR	Influencer Marketing Software Platform	
	Kustomer	Reply.ai	Platform	
	LiveXLive	Courside Group	Podcast Group	
	PowerInbox	Jeeng	Platform	
	S4 Capital's Mightyhive	Digodat	Google Analytics Partner	Merger
	Team Whistle	Tiny Horse LLC	Marketing Agency	\$30.0 Million
	Twitter	CrossInstall	Mobile Ad Company	
	Virgin Media	O2	Telecommunications	\$38.9 Billion Merger
JUNE	Accenture	Sentelis	Data Consultancy	
	Beyond Pricing	RedAwning's Blizzard Internet Marketing	Digital Marketing Agency	

Q2 2020 deals

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

JUNE

BUYER	TARGET	SECTOR (TARGET)	VALUATION
Cheil Worldwide	ColourData	Data Analytics	
Deloitte	DNM	Cloud Services Provider	
Demandbase	Engagio	B2B account-based engagement platform	
Effectual	Five Talent	Technology Services Provider	
Facebook	Ready at Dawn	Virtual Reality Studio	
Google	North	Smart Glass Maker	
Hearst Autos	Bring a Trailer	Digital Auction Platform	
HomeServe USA	Vincodo	Digital Agency	
Huntsworth's The Creative Engagement Group	Cormis	Healthcare Consultancy	
Launch Consulting	Level 11	Experience Design	Merger
MSQ Partners	Be Heard Partnership	Creative Agency	
Pocket Outdoor Media	Active Interest Media's Healthy Living, Fitness & Outdoor Divisions	Publications	
S4 Capital's Mightyhive	Lens10	Digital Consultancy	
Shamrock Capital	Beringer Capital's Adweek	Advertising Publication	
Sverica Capital Management	Coastal Cloud	Salesforce Consulting Partner	Strategic Investment
Zynga	Peak	Mobile Game Maker	\$1.80 Billion

Q2 Total = 66 Deals

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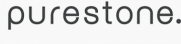
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