M&A in Advertising, Marketing Services & Marketing Technologies

[Q4 2022]

McCracken
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New York - Minneapolis - Sao Paulo

[Q4 2022 overview]

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Uncertainty Continues

Our crystal ball remains cloudy, the economy is still challenged by inflation, yet deal making continues relatively brisk. We tracked 100 relevant transactions during the fourth quarter, ending 2022 with over 500 transactions in our sector, nearly the same as 2021 and 2021 was a banner year for M&A! And while the war in Ukraine continues and supply chain issues still occur, 2023 may again turn out to surprise us. Stay tuned.

Highlights from Q4

Accenture finishes the year with the most deals completed in Q4. Their 5 deals include: Guidewire Partner, **Blackcomb Consultants;** AI Consultancy, **ALBERT;** Tech Services Firm, **Mobeus;** Customer Insights Firm, **Fiftyfive5;** and VR Digital Wellness Company, **BehaVR.**
Cognizant completed 3 deals: Cloud Data Firm, **AustinCSI**; Workday Partner, **OneSource Virtual**; and Atlassian Partner, **Utegration**.

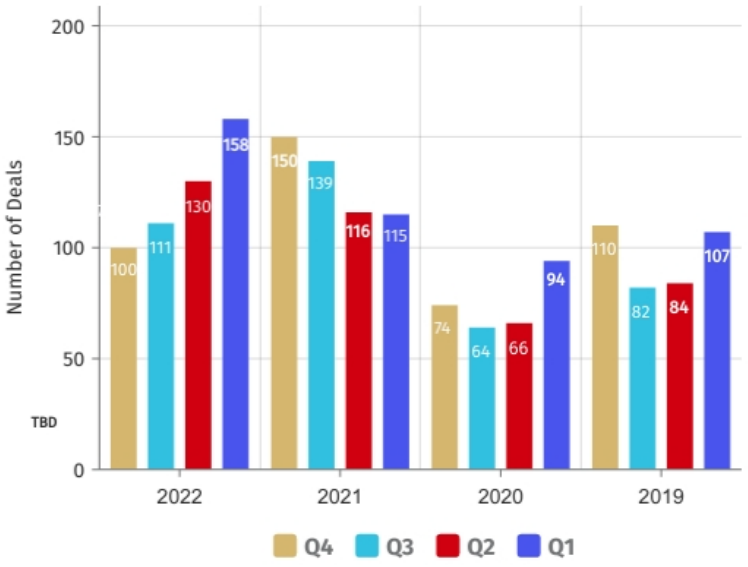
WPP completed 3 deals: Media Communications Company, **MediaCom Communications**; Brand Design Agency, **Passport**; and Shopify Commerce Specialist, **Diff**.

Stagwell had 2 deals: Software Platform, **Maru Group**; and Creative Agency, **Wolfgang**.

Major buyers with a single acquisition in Q4 were: **Dentsu**: Consultancy, **Aware Services**; **Havas**: Health Communications Agency, **Bastion Brands**, **IBM**: Digital Transformation Company, **Octo**; **Publicis**, Marketing Agency, **VIVnetworks**; and **S4:** Data Asset Managment Company, **Tenofos**.

Deal Activity by Quarter

MAJOR BUYERS	Q4 2022	Q3 2022	First half 2022	2021 Deals	2020 Deals
Accenture	5	6	4	40	19
Cognizant	3	0	0	4	5
WPP	3	3	2	5	5
Acceleration Partners	2	0	1	2	0
Stagwell	2	0	5	4	1
Dentsu	1	1	2	2	5
Havas	1	2	6	3	3
IBM	1	1	3	5	0
Publicis	1	0	3	5	1
S4	1	1	2	12	6
Deloitte	0	0	3	4	3
EY	0	2	0	2	0
Finn Partners	0	2	1	9	0
Fishawack Health	0	0	1	3	1
Omnicom	0	1	2	6	0
Real Chemistry (W20)	0	0	1	2	5



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Stories You May Have Missed

No Deal: ADV's Offer To Acquire M&C Saatchi Has Lapsed

An offer to acquire M&C Saatchi by ad-tech company AdvancedAdvT (ADV) lapsed on September 30 after the shareholders of more than 80% of outstanding shares (excluding the shares already held by ADV and its CEO Vin Murria) declined to tender their shares in favor of the deal. Under the terms of the offer, 90% of outstanding shares were required to be tendered for the deal to go through. More: MediaPost, October 3, 2022

Brace Yourselves. More Consolidation Is Coming

The digital marketing industry has gone back and forth about ad tech consolidation through mergers and acquisitions for about a decade. But deals have really heated up in the last year or two. Ad tech saw almost 1,500 M&As between 2020 and 2021. So is this consolidation trend here to stay? It looks like it's a resounding yes. More: AdExchanger, October 28, 2022

Microsoft gaming ambitions hobbled as U.S. seeks to block Activision deal

The Biden administration on Thursday moved to block Microsoft's (MSFT.O) $69 billion bid to buy "Call of Duty" maker Activision Blizzard , throwing a stumbling block in front of the tech giant's plans to rapidly expand its portfolio of popular games and catch up to bigger rivals. Microsoft, which owns the Xbox console and game network platform, said in January 2022 that it would buy Activision for $68.7 billion in the biggest gaming industry deal in history. More: Reuters, December 9, 2022

Ad Market Falls For 6th Consecutive Month In November, Signaling Potential Recession

The U.S. ad market fell 6.7% in November, marking the sixth consecutive month of declines and giving impetus to the notion that the ad industry is in recession, according to MediaPost's analysis of data from Standard Media Index's (SMI) U.S. ad market tracker. Historically, economists have defined economic recessions as two consecutive quarters of declines, though the National Bureau of Economic Research has adopted a more nuanced definition. Year-to-date, SMI's core pool data shows U.S. ad spending expanding 2.4%, due to an exceptionally strong first quarter. More: MediaPost December 20, 2022

M&A In 2022: The Year Ad Tech Slowed Its Roll

Despite rising interest rates and inflation, 2022 kicked off with a wave of M&A that turned into a trickle and became a relative dribble by the end of the year. More: AdExchanger, December 28, 2022

Q4 2022 deals

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

OCTOBER

BUYER	TARGET	SECTOR (TARGET)	VALUATION
66 Degrees	Pandera	Google Cloud Professional Services	Merger
Accenture	Blackcomb Consultants	Guidewire Partner	
Apply Digital	E2X.com	Commerce Strategy	
Capgemini	Braincourt	Business Intelligence Firm	
Centre Lane Partners	Kibo's Monetate	Personalization Business	
CheckedUp	Health Media Network	Point of Care Organization	Consolidation
CI&T	NTERSOL	Strategy & Solutions Firm	
Clarity	Political Intelligence UK	Public Affairs Agency	
Cloud Equity Group	Chrein	Wed Development Firm	
Field Agent	SimpliField	Workforce Management Platform	
Gemspring Capital's Outform	Alrec	Customer Merchandising Solutions	
Google	Alter	AI Avatar Startup	$100.0 Million
iCIMS	SkillSurvey	Reference Checking Platform	
Improving	Bit Quill Technologies	Software Consultancy	
Indegene	CultHealth	Healthcare Marketing Agency	
IPG	RafterOne	Salesforce Specialist	
Journey	The Devhouse Agency	Software Development Studio	
KKR	Ness Digital Engineering	Digital Transformation	
MMGY Global	Wagstaff Media & Marketing	Travel Specialist	
Modus Create	Promptworks	Product DevelopmentFirm	
Naver	Poshmark	Fashion Resale Platform	$1.2 Billion
NTT Data	Aspirent	Data & Analytics Firm	
Perficient	Ameex Technologies	Digital Experience Consultancy	
Renovus Capital Partners	Premier International	Data Consultancy	

Q4 2022 deals

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	BUYER	TARGET	SECTOR (TARGET)	VALUATION
OCTOBER	Shift Paradigm	Ergo	Email Marketing Company	
	Stagwell Marketing	Maru Group	Software Platform	
	Stagwell's Doner	Wolfgang	Creative Agency	
	Superstep Capital	One Six Solutions	Data & Cloud Transformation	
	TELUS International	WillowTree	Digital Product Consultancy	Majority Stake
	Toluna	GutCheck	Agile Research Company	
	Unosquare	Catalyst UX	Digital Experience Agency	
	Valtech	Union	Digital Marketing Agency	
	Viral Nation	Eight Seven Media	Video Production	
	WebFX	Nutshell	Email Marketing Platform	
	WPP	MediaCom Communications	Media Communications	Remaining 26% Stake
	WPP	Passport Brand Design	Brand Design Agency	
	ZMC	Wpromote	Digital Marketing Agency	Investment
NOVEMBER	Accenture	ALBERT	Big Data & AI Consultancy	
	Accolite Digital	TeamTek Consulting	Digital Services Company	
	Azerion	Hybrid Theory	Programmatic Agency	
	Carlyle	Incubeta	Marketing Agency	
	Cision	Factmata	Fake News Startup	
	Citius Tech	Wilc Source	Salesforce Consultancy	
	Cognizant	AustinCSI	Cloud Data Analytics	
	Cognizant	OneSource Virtual	Workday Partner	
	Croud	Born Social	Social Media Agency	
	Dolphin Entertainment	Socialyte	Influencer Marketing	
	Emplifi	Pixlee	Commerce Platform	

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	BUYER	TARGET	SECTOR (TARGET)	VALUATION
NOVEMBER	Epsilon	Retargetly	Audience Insight Firm	
	Esport's Build a Rocket	TwoReach	Platform	
	Exadel	Codete	IT Consultancy	
	GlobalLogic	Fortech	Digital Engineering Services	
	Globant	eWave	Digital Commerce Specialist	
	H.I.G. Capital	Thoughfocus	Digital Services Company	Investment
	Havas Group	Bastion Brands	Health Communications Agency	
	HUMAN	clean.io	Anti-malvertising Leader	
	Icrein	Incline Equity Partners	PE Firm	Partnership
	Kelso & Company	DEFINITION 6	Digital Customer Experience Agency	
	Modus Create	Twybee	Atlassian Partner	
	My Code	Veranda Entertainment	Technology & Entertainment Company	
	Publicis Groupe	VIVnetworks	Marketing Agency	
	PwC	Sagence	Data Consultancy	
	Ruder Finn	Touchdown	Technology Communications	
	S4S Ventures	Tenovos	Data Asset Management (DAM) Technology	$10.0 Million Investment
	Wasserman	Providence Equity Partners	PE Firm	Partnership
	Zynga's Rollic	Popcre	Mobile Game Studio	
DECEMBER	10Pearls	Whiz	Software Development Firm	
	Acceleration Partners	Influencer Response	Performance Marketing Agency	
	Acceleration Partners	Volt Agency	Boutique Performance Marketing Firm	
	Accenture	Mobeus	Tech Services	
	Accenture Song	Fiftyfive5	Customer Insights	
	Accenture Ventures	BehaVR	Virtual Reality Digital Wellness	

Q4 2022 deals

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DECEMBER

BUYER	TARGET	SECTOR (TARGET)	VALUATION
ACL Digital	Afour Technologies	Software Product Engineering	
Ad.net	IntentX	Commerce Platform	
American Assoc. of Advertising Agencies (4A's)	Coalition for Healthcare Communication (CHC)	Healthcare Coalition	
Artefact	Arca Blanca	Data Consultancy	
BW Health	PulseCX	Healthcare Marketing Agency	
Capgemini	23red	Creative Agency	
Capitala	McClary Innovation	Packaging Solutions	
Cedar Pine	PJA Advertising + Marketing	B2B Agency	
Charles River Associates	BioStrategies Group	Life Sciences Consulting Firm	
Cognizant	Utegration	Cloud Consulting	
Contegix	Blended Perspectives	Atlassian Partner	
Dentsu Group	Aware Services	Consultancy	
Dept	Melon	Commerce Agency	
GSI	Flawless Inbound, Inc.	Hubspot Solutions Partner	
Harte Hanks	InsideOut Solutions	Sales Optimization Firm	
IBM	Octo	Digital Transformation	
Inizio	Evolution Road	Digital Innovation Company	
Markham	Qumu	Video Software Developer	$18.0 Million
MMGY Global	Origin Agency	Outdoor Focused Agency	
PA Consulting	The Cambridge Group	Growth Strategy Consulting	
Protiviti	R2integrated (R2i)	Digital Experience Agency	
Red Nucleus	Alphagroup Medical Communications	Medical Communication Services	
Synoptek	Optistar Technology	Tech Services	
The Acacia Group	Isos Technology	Atlassian Partner	

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DECEMBER

BUYER	TARGET	SECTOR (TARGET)	VALUATION
The Halifax Group	HIG Capital's Milestone Technologies	Global IT Service Firm	Majority Stake
The Opus Group	Verve	Events Agency	
Unosquare	Airship	Custom Software and Mobile Applications	
WPP	Diff	Shopify Commerce Specialist	

Q4 Total = 100 Deals

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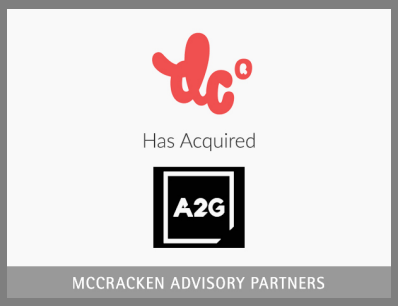
McCracken AP Transactions



McCracken AP Transactions

LEWIS PR Acquired eba communications
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LEWIS PR Acquired purestone.
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AtomicPR Acquired by HUNTSWORTH
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speakTECH Interactive Design & Technology Acquired by Perficient
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LEWIS PR Acquired PageOne PUBLIC RELATIONS
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LEWIS PR Acquired LEADS UNITED Communication with an edge
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GROUND ZERO Acquired by WONGDOODY
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globalbeach Acquired by speakTECH Interactive Design & Technology
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lunchbox Shopper Engagement Solutions Acquired by JWT
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LEWIS PR Acquired davies murphy group dmg.
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