



M&A in Advertising, Marketing Services & Marketing Technologies

[ Q1 2024 ]

**McCracken**  
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## Looking Forward

When assessing the deal count for Q1, there's a notable incongruity between the number of deals closed (105) compared to a year ago (133) - a 21% decline deemed disappointing - and the perceptible positivity shared by buyers and sellers alike, suggesting that 2024 has the potential to be a resurgent year for M&A for marketing services and marketing technologies agencies.

For many years now, Private Equity has stood as a significant player in M&A of marketing agencies of all stripes, purportedly driving over 40% of all transactions. However, and despite holding cash reserves exceeding \$2 trillion, the sector found itself hindered by the persistent drag of high cost debt capital, which traditionally plays a crucial role in deal structuring.

Encouragingly, signs of relief are emerging as exits from investments are showing signs of easing. Additionally, it's pertinent that Federal Reserve officials are still, for now, anticipating three interest rate cuts throughout 2024.

Looking beyond the financial dynamics of M&A, several overarching themes are poised to shape valuations this year and beyond. Foremost among these is the AI 'arms race' within agency holding companies, where the 'big six' have forged partnerships with major AI and cloud firms over the past year.

Notably, independent agencies lag behind in AI readiness and with holdcos typically investing around \$3,000 per employee annually to integrate AI technologies; now is the time, not later, for independents to consider AI catch up initiatives.

Another ongoing theme underscores the relative disinterest in deal making among holdcos and some regional networks, favoring instead consolidation and/or co-location solutions.

## Deal Activity by Quarter

MAJOR BUYERS	Q1 2024	2023 Deals	2022 Deals	2021 Deals
Accenture	16	24	15	40
WPP	4	8	8	5
Stagwell	3	4	7	4
Deloitte	2	1	3	4
Havas	2	10	9	3
Omnicom	1	9	3	6
Publicis	1	5	4	5
Real Chemistry (W20)	1	1	1	2
S4	1	0	4	12
Acceleration Partners	0	0	3	2
Blackstone	0	2	0	23
Cognizant	0	2	3	4
Dentsu	0	5	4	2
EY	0	1	2	2
Finn Partners	0	3	3	9
Fishawack Health	0	0	1	3
IBM	0	1	5	5

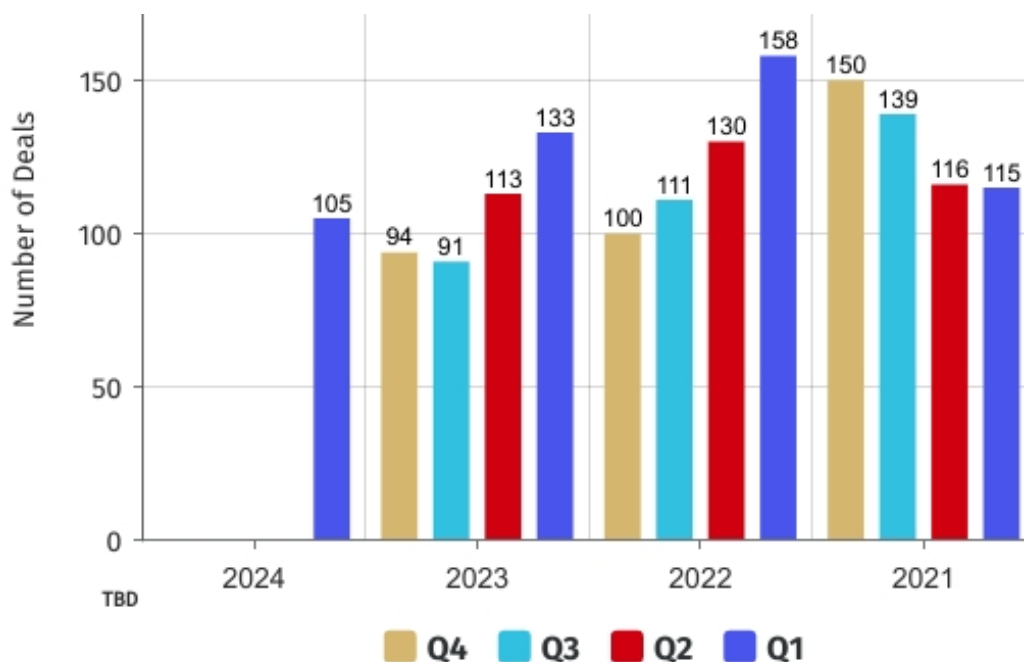
## Highlights from Q1

Accenture continued its deals closed dominance with 16 Q1 transactions: Technology consulting firm, **6point6**; AI technologies firm, **Ammagamma**; Technology services provider, **Arns Group**; Consultancy, **Flo Group**; Customer service analytics firm, **GemSeek**; Sourcing & procurement company, **Insight Sourcing**; Media & marketing technology firm; **Jixie's**; Management consultancy, **M2P Consulting**; Solution & services provider, **Navisite**; Supply chain management firm, **OnProcess**; Learning platform, **Udacity**; Management consultancy, **Vocatus**; Digital experience & data analytics firm, **Mindcurv**; MarTech consultancy, **The Lumery**; Design & tech agency, **Work & Co.**; and Cyber risk management company, **Tenchi Security**.

WPP completed 1 minority investment and 3 merger/consolidations: Gaining a minority stake in Digital agency, **OH-SO Digital**; and mergers of **AKQA** and **Grey Advertising**; **BCW** and **Hill & Knowlton**; and **Wunderman Thompson Canada** and **Taxi**.

Stagwell closed 3 acquisitions: Agency Group, **Sidekick**; Marketing agency, **Team Epiphany**; Digital agency, **What's Next Partners**; and Digital agency, **CQL**.

Deloitte had 2 deals in Q1: Software engineering company, **Giant Machines**; and Solutions Provider, **OpTeamizer**. Havas also had 2 deals: B2B marketing agency, **Ledger Bennett**; and Social marketing specialist, **Wilderness**.



## Stories You May Have Missed

### How the Big Holding Companies are Handling GenAI

Across the big ad/media holding company space, there's a lot of talk about AI investments and partnerships. But that's not their only focus. [More](#): Martech.org; March 4, 2024

### Sam Altman Says AI Will Handle "95%" of Marketing Work Done by Agencies and Creatives

In a previously unreported quote, Sam Altman says that AI will do "95% of what marketers use agencies, strategists, and creative professionals for today." And, he says AGI will be a reality in "5 years, give or take, maybe slightly longer." These comments come from a new book called [Our AI Journey](#)—and appear to be completely unreported in mainstream media. [More](#): Marketing Artificial Intelligence Institute; March 5, 2024

### Agency Acquisitions are Heating Up—Who's Buying and Which Ones Might be Sold Next

In the span of three short months, Omnicom acquired Flywheel Digital, consultancy Globant took a majority stake in Gut, Interpublic Group of Cos. sold two legacy agencies - Deutsch New York and Hill Holiday - to Attivo Group and Accenture Song announced plans to acquire Work & Co. [More](#): AdAge; January 29, 2024

### US Ad Forecast Raised to 5.6% Growth for 2024

Ad revenue in the U.S. should jump 8% this quarter and 5.6% this year, excluding political ads, Madison and Wall's Brian Wieser predicts. U.S. ad industry revenue should increase a bit more this quarter and year than previously expected thanks to improved economic conditions and forecasts, Madison and Wall's Brian Wieser said in a new report. [More](#): AdAge; March 25, 2024

### 9 Arguments Against Timesheets and for Modern Compensation Models

There are better, more collaborative ways for agencies to structure payments today. I'm no Gary Vee, but a recent LinkedIn post about my aversion to timesheets garnered over half a million impressions and sparked a surprisingly spicy debate about client-agency finances. I was curious about the volume of pushback from folks defending the hours-based billing systems that I believe may result in the death of our industry. [More](#): Adweek; April 3, 2024

## More Consolidation

### Three More Mergers at WPP...

**WPP unites BCW and Hill & Knowlton to create Burson, a global leader built for a new era of communications.**

WPP today announced the merger of its two largest communications agencies, Hill & Knowlton and BCW, to form Burson, a powerhouse delivering modern communications leadership at scale to clients across the world. [More:](#) WPP; January 25, 2024

### VML merges TAXI and Wunderman Thompson Canada

VML has announced it will merge TAXI and Wunderman Thompson Canada to form VML Canada, effective immediately for TAXI's Toronto and Vancouver locations. The move follows on the heels of a global merger between VMLY&R and Wunderman Thompson announced late last year.

[More:](#) Marketing Report; February 16, 2024

### AKQA, Grey Merge Capabilities Across 5 Territories as WPP Continues Efficiencies Drive

The move could affect 11 of 225 employees across the impacted locations. WPP agency Grey is set to merge its capabilities with AKQA across five markets—Italy, Belgium, China, the United Arab Emirates and Australia—in an efficiency drive that will allow it to focus on its core high-growth territories. [More:](#) Adweek; March 27, 2024

### 5 Agencies Consolidate To Create Amp

Five agencies have decided there is strength in numbers. That's why AMP Agency, Upshot, Hatch, Genome and SmallTalk consolidated into a new integrated marketing agency: Amp. The new entity focuses on digital marketing, brand creative and design, data, performance media, content production, and media buying and planning. [More:](#) MediaPost; March 8, 2024

# Q1 2024 deals

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

	BUYER	TARGET	SECTOR (TARGET)	VALUATION
JANURAY	<a href="#">Accenture</a>	6point6	Technology Consulting Firm	
	<a href="#">Accenture</a>	Ammagamma	AI Technologies	
	<a href="#">Accenture</a>	Jixie's Intelligent Digital Marketing Platform	Media & Marketing Technology	
	<a href="#">Accenture</a>	Navisite	Solution & Service Provider	
	<a href="#">Accenture</a>	OnProcess	Supply Chain Managed Services	
	<a href="#">Accenture</a>	Vocatus	Management Consultancy	
	<a href="#">Accenture Song</a>	Work & Co.	Design & Tech Agency	
	<a href="#">Adswerve</a>	MiaProva	Marketing Technology Company	
	<a href="#">Agital</a>	WDG	Web Development & Digital Experience	
	<a href="#">Billups</a>	Outsight	Out of Home Agency	
	<a href="#">BPEA EQT Mid-Market Growth Fund</a>	Indium Software	Digital Engineering	Majority Stake
	<a href="#">Bruin Capital</a>	Box to Box Films	Production Company	
	<a href="#">Charterhouse Capital Partners</a>	Two Circles	Marketing Firm	\$315.0 Million
	<a href="#">CIVC Partners</a>	Datavail	Data Managed Services Provider	
	<a href="#">Deloitte</a>	Giant Machines	Software Engineering Company	
	<a href="#">DJE Holdings</a>	Pacific	Marketing Agency	
	<a href="#">GFT Technologies</a>	Advent International's Sophos Solutions	Banking IT Services	
	<a href="#">Globant</a>	Iteris	Consultancy	
	<a href="#">Highwire</a>	Candor Content	Marketing Firm	
	<a href="#">Icreon</a>	ChangeCX	Commerce Solutions Consultancy	
<a href="#">Interlock Equity</a>	evolv Consulting	Digital Business Consulting		
<a href="#">LiveRamp</a>	Habu	Software Provider	\$200.0 Million	
<a href="#">Marlabs</a>	Onebridge	AI & Data Analytics		
<a href="#">Mutually Human</a>	VanData Consulting	Data Engineering & Analytics	Merger	

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JANUARY	<a href="#">NP Digital</a>	Rebl House	Creative Agency	
	<a href="#">One Strategy Group</a>	Liz Stein Consulting	Consultancy	
	<a href="#">Prosek Partners</a>	Becca	Creative Communication Agency	Minority Stake
	<a href="#">Revyrie</a>	Myntr	E-commerce Solutions Provider	
	<a href="#">Sentinel Capital Partners</a>	Market Performance Group	Omnichannel Strategy & Consulting	
	<a href="#">Sia Partners</a>	Notion Consulting	Organizational Change Consultants	
	<a href="#">Stagwell</a>	Team Epiphany	Marketing Agency	
	<a href="#">Trace3</a>	Tail Wind Informatics	Portfolio Enhancement	
	<a href="#">WPP's Hill &amp; Knowlton</a>	WPP's BCW	PR Networks	Merger
	<a href="#">YouGov</a>	KnowledgeHound	Survey Data Management	
FEBRUARY	<a href="#">Accenture</a>	GemSeek	Customer Service Analytics	
	<a href="#">Accenture</a>	Insight Sourcing	Sourcing & Procurement Company	
	<a href="#">Accenture Song</a>	Mindcurv	Digital Experience & Data Analytics	
	<a href="#">Accenture Song</a>	The Lumery	Martech Consultancy	
	<a href="#">Accenture Ventures</a>	Tenchi Security	Cyber Risk Management Company	
	<a href="#">Agital</a>	Digital Edge	B2B Agency	
	<a href="#">Agital</a>	Go Fish Digital	Digital Agency	
	<a href="#">AHEAD</a>	CDI	Digital Transformation	
	<a href="#">Bounteous</a>	Accolite	Digital Engineering	Merger
	<a href="#">Capgemini</a>	Unity's Digital Twin Professional Services Arm	3D Software	
	<a href="#">CDPQ</a>	Levio	IT Consultancy	\$125.0 Million
	<a href="#">Clarion Capital</a>	Narrative Strategies	Public Affairs Agency	Strategic Investment
	<a href="#">Creekstone Capital</a>	Mspark	B2B Marketing Services	

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	BUYER	TARGET	SECTOR (TARGET)	VALUATION
MARCH	<a href="#">Deloitte</a>	OpTeamizer	Solution Provider	
	<a href="#">Growth Capital Partners (GCP)</a>	Electric Theatre Collective	VFX & Animation Company	Investment
	<a href="#">Growth Catalyst</a>	Data Society	Data Science	
	<a href="#">Havas</a>	Ledger Bennett	B2B Marketing Agency	
	<a href="#">Internet Factory Group</a>	SEO.fr	Digital Agency	
	<a href="#">LLYC</a>	Lambert Global	Consultancy	Merger
	<a href="#">Mod Op</a>	Red Tettemer O'Connell + Partners (RTO+P)	Creative Agency	
	<a href="#">Ntwrk</a>	Buzzfeed's Complex Media	Music & Culture Publisher	
	<a href="#">Omnicom</a>	Coffee & TV	Post-Production Studio	
	<a href="#">Petauri</a>	FORCE Communications	Medical Communications	
	<a href="#">Quad</a>	DART Innovation	Digital Media Solutions Provider	
	<a href="#">Real Chemistry</a>	Avant Healthcare	Life Sciences Agency	
	<a href="#">Ruder Finn</a>	Atteline	Communication Agency	
	<a href="#">Sparq</a>	Octobot	Digital Engineering	
	<a href="#">Spectrum Science</a>	Continuum Clinical	Recruitment & Engagement Solutions	
	<a href="#">Stagwell</a>	Sidekick	Agency Group	
	<a href="#">Stagwell's Anomaly Alliance</a>	What's Next Partners	Digital Agency	
<a href="#">Walmart</a>	Vizio	TV Maker	\$2.30 Billion	
<a href="#">Wavestone</a>	Aspirant Consulting	Technology Consulting Firm		
MARCH	<a href="#">WPP</a>	OH-SO Digital	Digital Agency	Minority Stake
	<a href="#">WPP's Wunderman Thompson Canada</a>	WPP's Taxi	Advertising Agency	Merger
	<a href="#">Xoriant</a>	MapleLabs	Platform Engineering	
	<a href="#">Accenture</a>	Arns Group	Technology Services Provider	
	<a href="#">Accenture</a>	Flo Group	Consultancy	



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MARCH	<a href="#">Accenture</a>	M2P Consulting	Management Consultancy	
	<a href="#">Accenture</a>	Udacity	Learning Platform	
	<a href="#">AdCellerant</a>	Blue Orchid	Advertising Operations Agency	
	<a href="#">Apple</a>	DarwinAI	AI Startup	
	<a href="#">ARS Advertising</a>	Manifest	Content Agency	
	<a href="#">Barkley</a>	OKRP	Advertising Agency	
	<a href="#">Centroid Systems</a>	INTELLETIVE	Tech Consultancy	
	<a href="#">Common Interest Group</a>	Otherway	Creative Agency	
	<a href="#">Edelman Global Advisory</a>	Landmark Public Affairs	Advisory Services	
	<a href="#">Endava</a>	GalaxE Solutions	IT & Business Solutions Provider	
	<a href="#">EPAM</a>	Vates	Software Development Company	
	<a href="#">Havas</a>	Wilderness	Social Marketing Specialist	
	<a href="#">iHeart Radio's Triton Digital</a>	Souder	AI Startup	
	<a href="#">IPG's Carmichael Lynch</a>	Tierney	Tierney	Merger
	<a href="#">MCI</a>	Market Force Information	Customer Experience Agency	
	<a href="#">Next 15's MHP Group</a>	Studio LaPlage	Creative Agency	
	<a href="#">OBE Worldwide</a>	Playmaker Experiential	Advertising Agency	
	<a href="#">PAR Technology Corporation</a>	Stuzo	Commerce Tech Company	\$190.0 Million
	<a href="#">Perform{cb}</a>	AdCommunal	Reward Advertising	
	<a href="#">Publicis Sapient</a>	Spinnaker SCA	Supply Chain Transformation	
<a href="#">Ruder Finn</a>	Flightpath	Digital Marketing Agency		
<a href="#">S4S Ventures</a>	tvScientific	CVT Ad Platform	\$9.4 Million Investment	
<a href="#">Samy Alliance</a>	Kurio	Social Media Agency		
<a href="#">Shift Paradigm</a>	Principle Studios	Design & Tech Consultancy		

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	BUYER	TARGET	SECTOR (TARGET)	VALUATION
MARCH	<a href="#">Signal Group</a>	Wiley Rein's Signal Group	Public Affairs Firm	Management-led Buyout
	<a href="#">Software Mind</a>	number8	Software Development Company	
	<a href="#">Superstep Capital</a>	CQL	Digital Agency	Strategic Investment
	<a href="#">Supreme Group</a>	Health+Commerce	Integrated Marketing Agency	
	<a href="#">Trinity Hunt</a>	Coker Group	Healthcare Advisory Firm	Majority Stake
	<a href="#">Trinity Hunt</a>	Supreme Group	Life Sciences Platform	Majority Stake
	<a href="#">Two Circles</a>	Let it Fly Media	Creative Agency	
	<a href="#">UTA</a>	JUV Consulting	Youth Culture Consulting	
	<a href="#">Verndale</a>	Yaksa	Digital Commerce Experience Agency	
	<a href="#">WPP's AKQA</a>	WPP's Grey	Advertising Agency	Merger

**Q1 Total = 105 Deals**

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# McCracken AP Transactions



Has Acquired



MCCRACKEN ADVISORY PARTNERS



Acquired by



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Acquired



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Acquired by



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Acquired by




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Strategic Consulting

MCCRACKEN ADVISORY PARTNERS



Has Acquired



MCCRACKEN ADVISORY PARTNERS




Has Acquired



MCCRACKEN ADVISORY PARTNERS

Advisory Services provided to



MCCRACKEN ADVISORY PARTNERS



Acquired



MCCRACKEN ADVISORY PARTNERS



Acquired



MCCRACKEN ADVISORY PARTNERS



Strategic Consulting

MCCRACKEN ADVISORY PARTNERS



Advised on Management Buyout

MCCRACKEN ADVISORY PARTNERS



Acquired



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Acquired by



MCCRACKEN ADVISORY PARTNERS

# McCracken AP Transactions

 **RESOURCE**

Acquired

**AMMIRATI**

MCCRACKEN ADVISORY PARTNERS



Acquired a majority interest in

**router**

MCCRACKEN ADVISORY PARTNERS



Acquired



MCCRACKEN ADVISORY PARTNERS



Acquired

**purestone.**

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**AtomicPR**

Acquired by

**HUNTSWORTH**

MCCRACKEN ADVISORY PARTNERS



Acquired by



MCCRACKEN ADVISORY PARTNERS



Acquired



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