

## MARKETING SECTOR M&A ACTIVITY

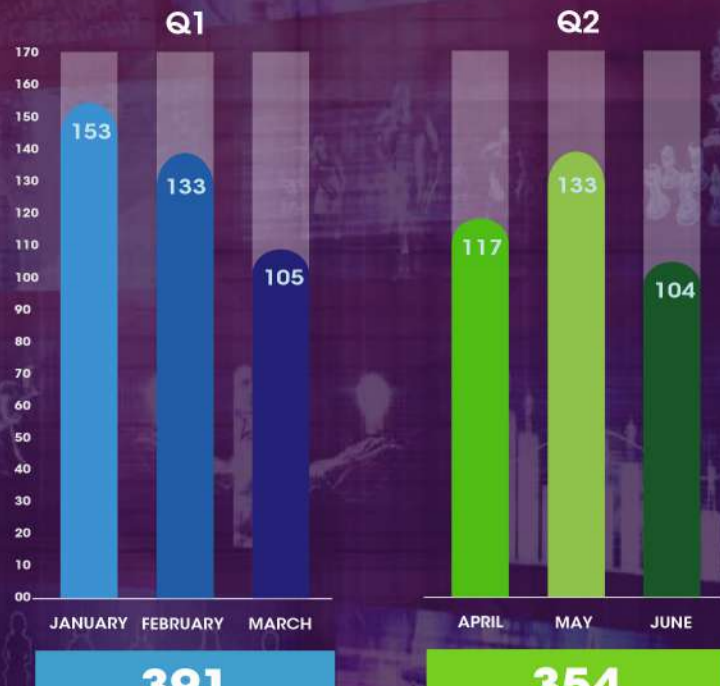
H1 2019

M&A activity in the marketing sector in the first half of 2019 was largely driven by private equity (PE) investment, with many of the traditional network acquirers absent from the list of most active buyers.

Acquirers are recognising that the ability to identify customers individually and provide targeted and personalised marketing, is a key driver to increasing sales.

### TOTAL DEAL VOLUMES H2 2019

**745**



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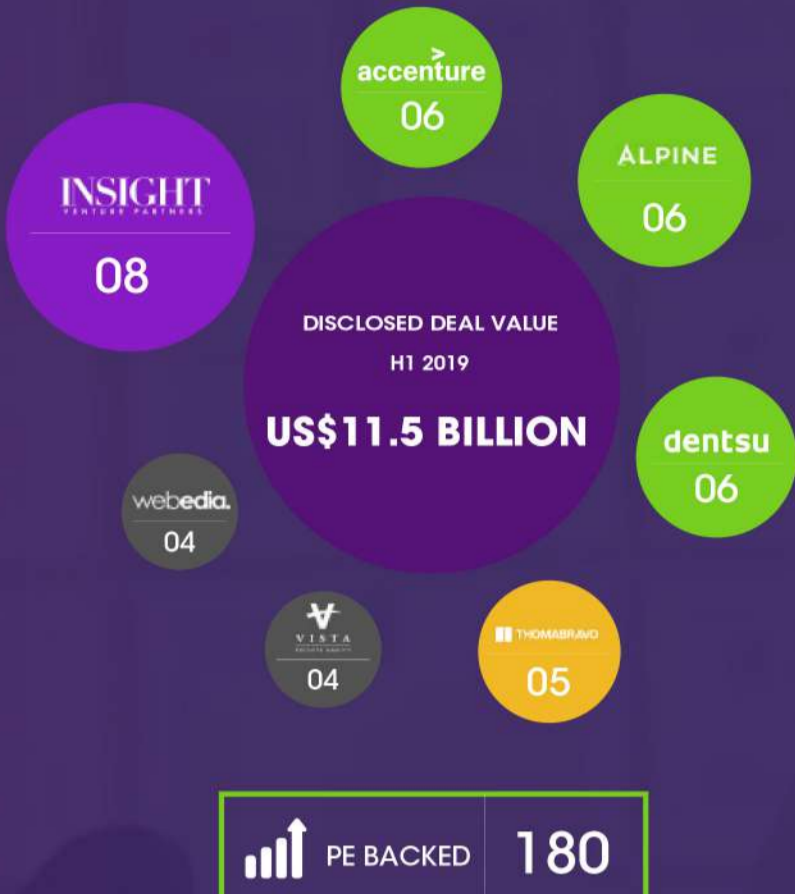
## TOP BUYERS

H1 2019

Insight Venture Partners was the most acquisitive buyer in H1 2019, completing eight deals, all within the marketing and eCommerce technology sector as part of a buy and build strategy.

Only one holding agency made the top buyers list in H1: Dentsu who have made six acquisitions, far removed from the 17 deals it had completed this time last year. As with Q1 2019, none of the other agency networks have made their way onto the top buyers list.

The 'buy and build' approach PE take has led to the creation of many new PE-backed agencies with exciting new capabilities focused on next generation marketing. They along with new entrants, including the likes of Apple, LinkedIn and Walmart are keeping the market vibrant, as many of the traditional network buyers focus their attention internally.



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## GEOGRAPHICAL SPLIT OF TARGETS

H1 2019

North America was the most active target region with 169 deals in Q2 2019, a slight decrease from the 175 in Q1. Western Europe, excluding the UK, accounted for 21% of deals completed in H1 2019, while 12% were done with UK targets.



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## TOP MARKETING SECTORS

H1 2019

Advertising and creative was again the most active subsector in Q2 2019 with 115 deals, more than half (53%) of which involved either full-service agencies or UX/design and build providers. Illustrating that acquirers are keen to buy businesses that have an integrated offering with a full-funnel proposition and the ability to build and activate digital experiences at scale.



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## TOP TWO SECTORS WITH SUBSECTOR BREAKDOWN

H1 2019

There is an increasing range of formats for engaging with customers, with marketing strategies spanning across markets and channels, and the acquisition appetite is for agencies that have both the technology and creative ability as well as the capability to manage this process at scale. Here we can see the breakdown by subsector of the top two sectors.



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## DEAL HIGHLIGHTS

H1 2019

The headline deal of the year to date has undoubtedly been Publicis Groupe's acquisition of Epsilon, one of the largest deals ever completed in the marketing sector, moving Publicis Groupe closer to its goal of becoming the industry leader in personalised experiences at scale. Accenture made six acquisitions this quarter, all of which were in line with its strategy of acquiring creative capabilities to complement its traditional consulting offering. These included Droga5 and Shackleton in April and PXP/X in June. The acquisition of Drawbridge by LinkedIn and Lattice by Dun & Bradstreet, further illustrate the value of generating a single customer view and the entrance of new buyers in the marketing technology space.



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