



# M&A LEAGUE REPORT 2016 - 2017



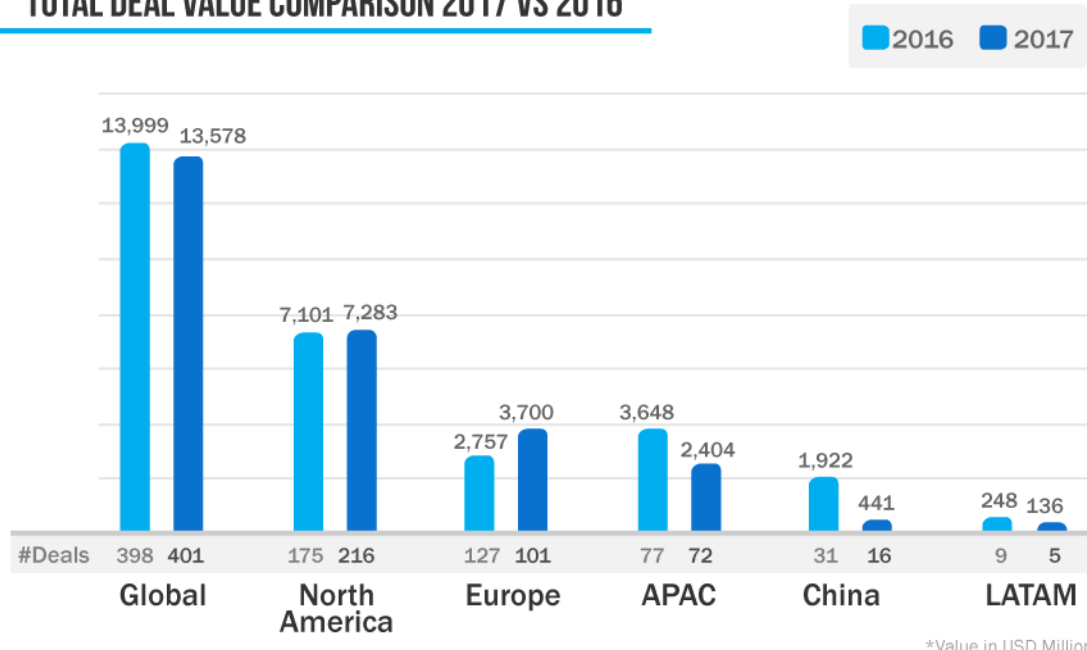
## M&A LEAGUE REPORT 2016 - 2017

While M&A in the marketing services industry was generally flat year on year, 2017 saw significant shifts beyond the agency groups in terms of acquisition volume, according to a recent report by independent consulting firm, R3. Based on their analysis, Consulting Firms such as Accenture, Deloitte, IBM, KPMG and McKinsey invested \$1.2b in agency acquisitions in 2017, a 134% increase on 2016. By contrast, Agency Holding groups including WPP, Dentsu, Omnicom, Interpublic and Publicis declined by 46% to \$1.8b.

R3 assessed 401 deals across the year in the marketing communications space, just a slight increase on 2016's 398 deals. Overall, \$13.5b of M&A funds were invested in these deals, a 3% decrease on the previous year. By region, Europe saw the largest increase (34%) with \$3.7b in deals despite the decrease in the overall number. The US continued to lead the other regions, on both the volume (\$6.6b) and number of deals (202) through the year, including deals such as Williams Lea Tag, Turn and Rocketfuel. Both Asia (-34%) and Latin America (-45%) declined in terms of deal size through 2017, led mostly by China (-77%) where there was just 16 deals completed.

It was another strong year for Digital and Digital Service acquisitions, with these two categories representing \$6b combined in value over 2017. The creative number was bolstered by Bain Capital's December acquisition of ADK Japan. Spread throughout the year was an increasing number of unconventional buyers, outside the traditional acquirers. From Snap Inc. to the New York Times to boutique Private Equity groups, this was truly a year where investment ideas could come from anywhere.

### TOTAL DEAL VALUE COMPARISON 2017 VS 2016



## TOP 15 GLOBAL BUYERS BY DEAL VALUE

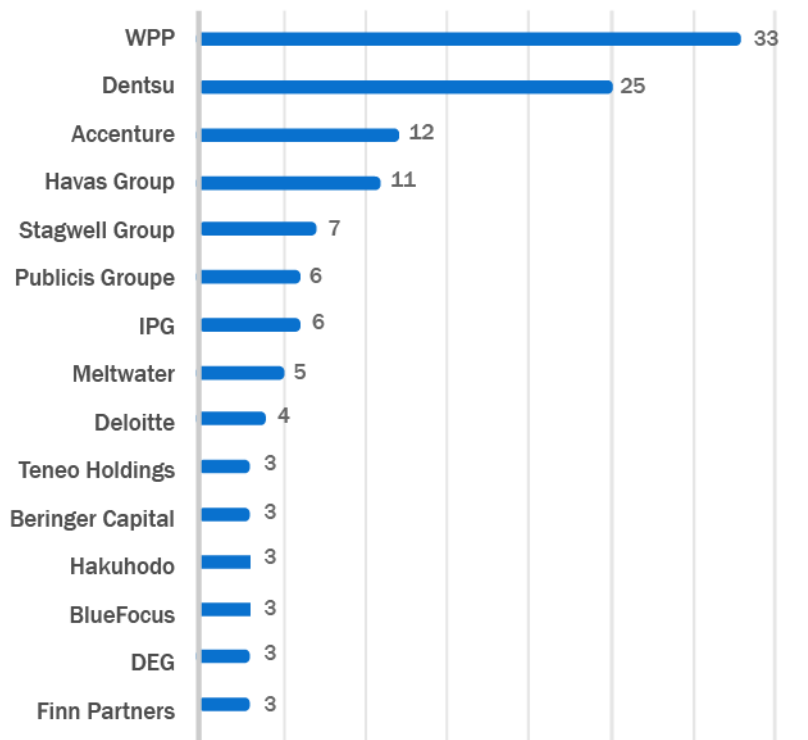
2017



\*Value in USD Million

## TOP 15 GLOBAL BUYERS BY DEAL COUNT

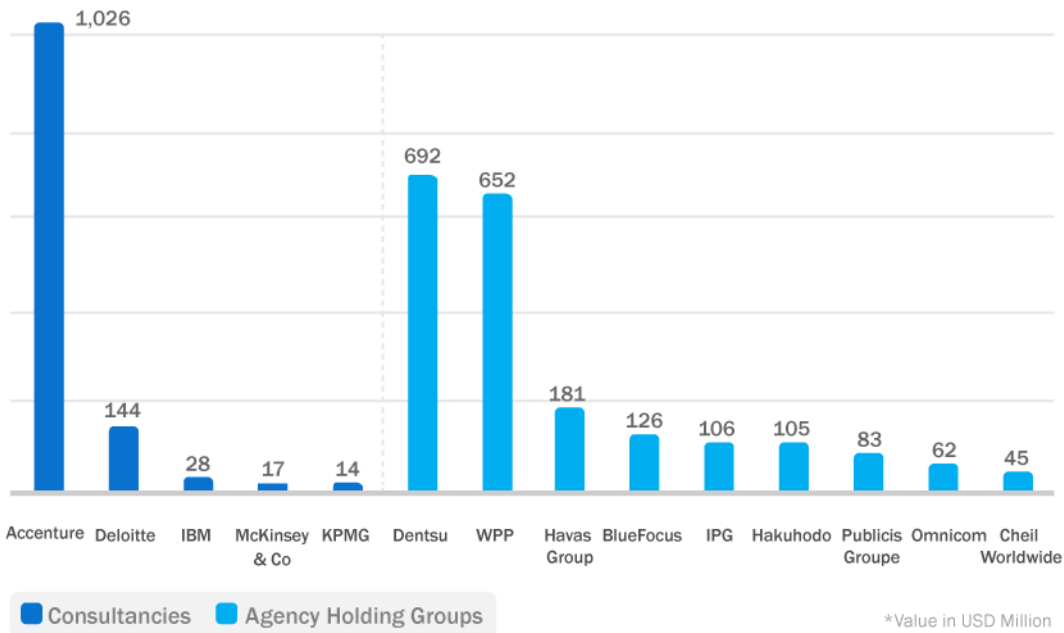
2017



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& EFFICIENCY OF MARKETERS  
& THEIR AGENCIES

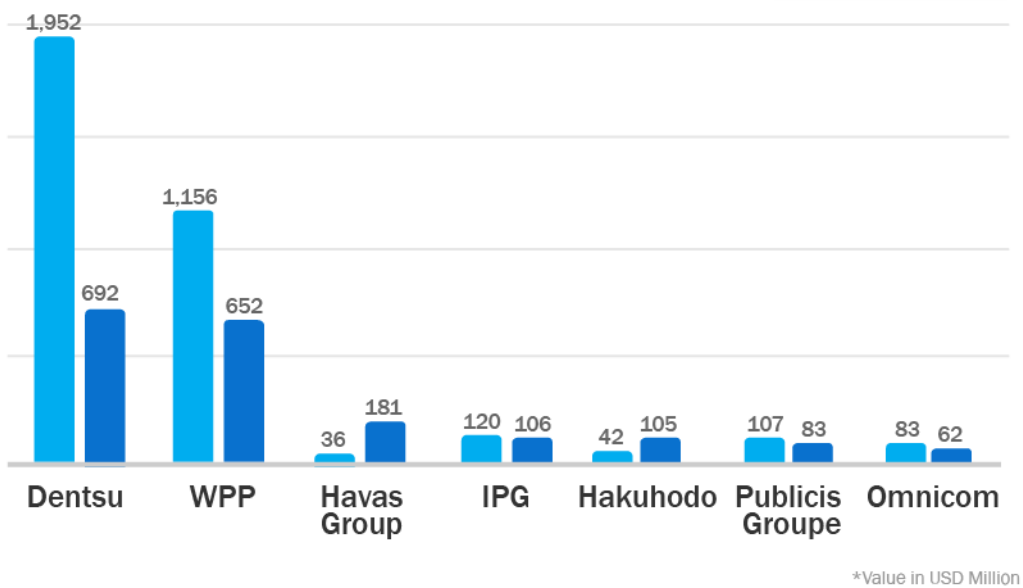
## CONSULTANCIES VS AGENCY HOLDING GROUPS

2017

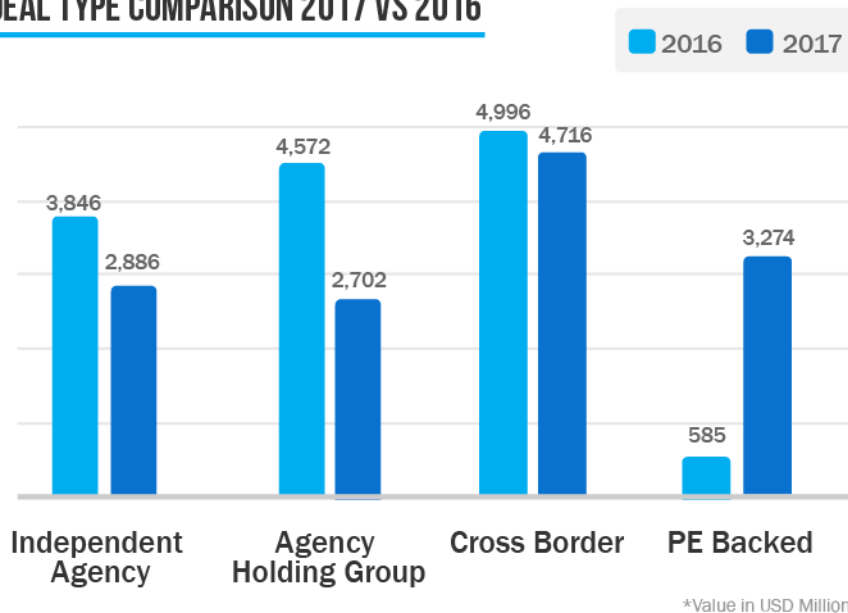


## AGENCY HOLDING GROUPS 2017 VS 2016

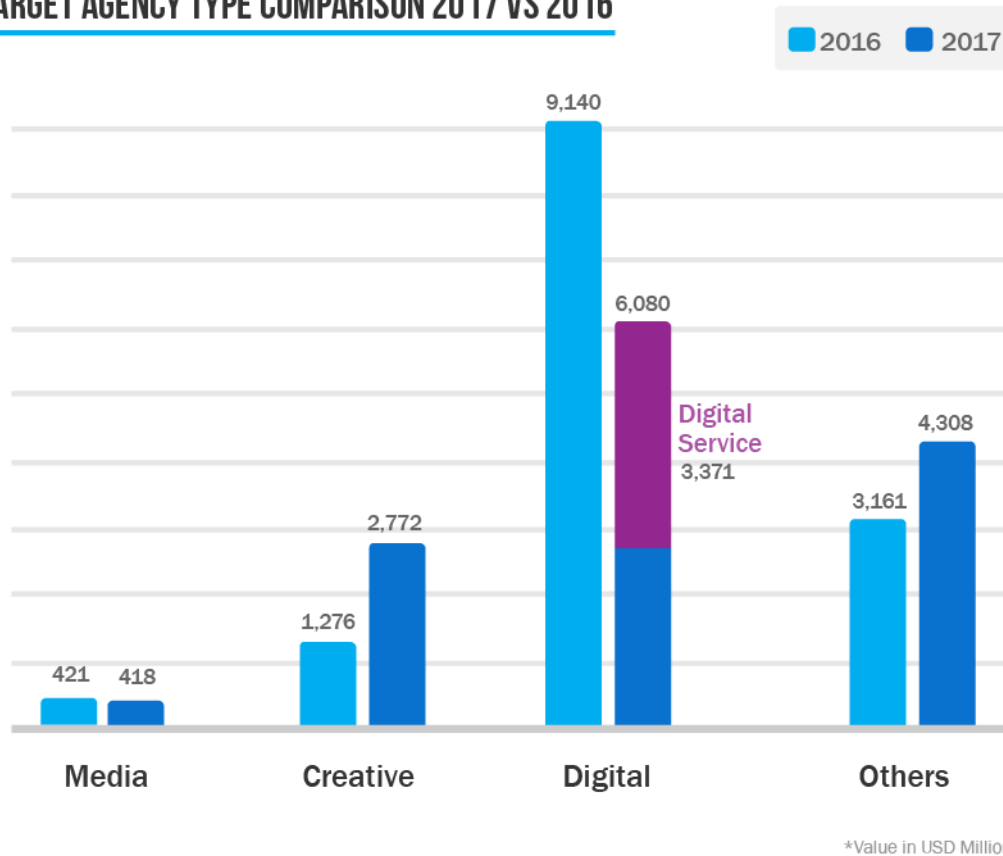
2016 2017



### DEAL TYPE COMPARISON 2017 VS 2016

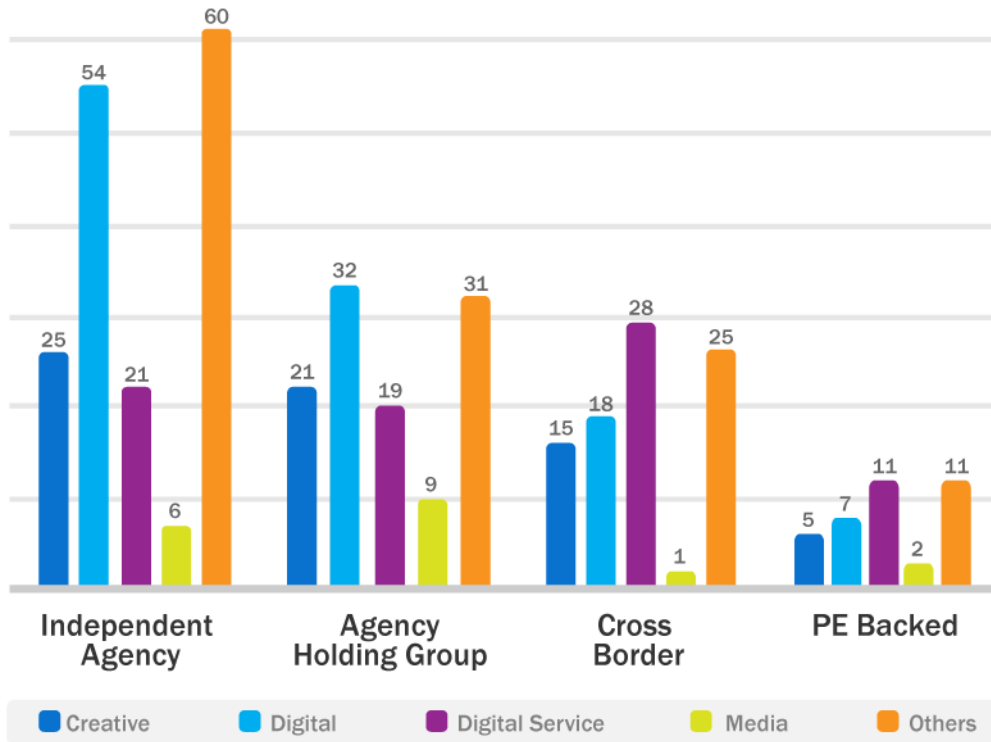


### TARGET AGENCY TYPE COMPARISON 2017 VS 2016

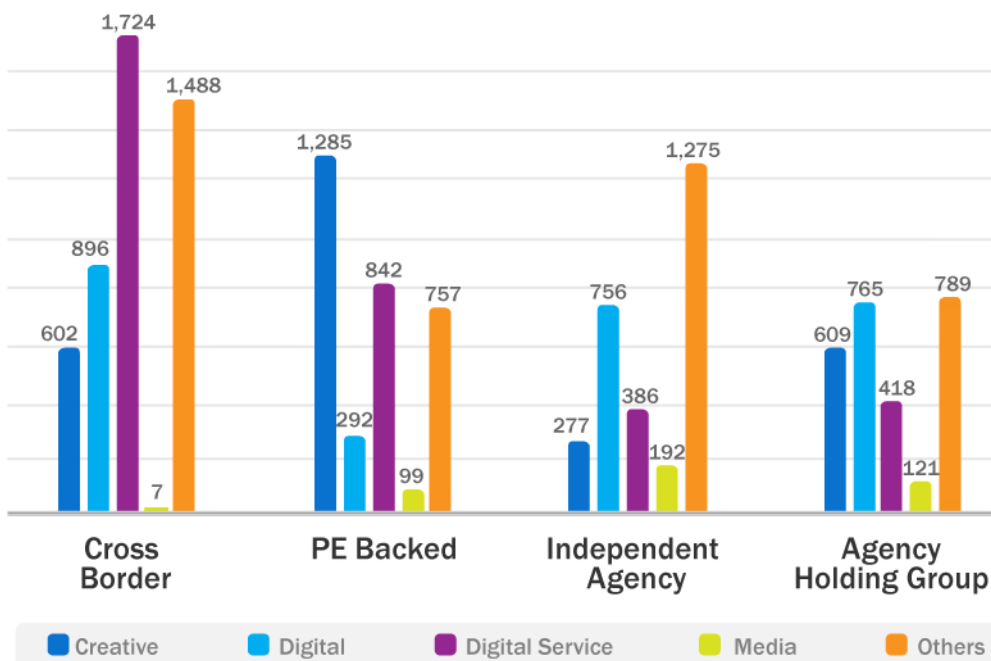


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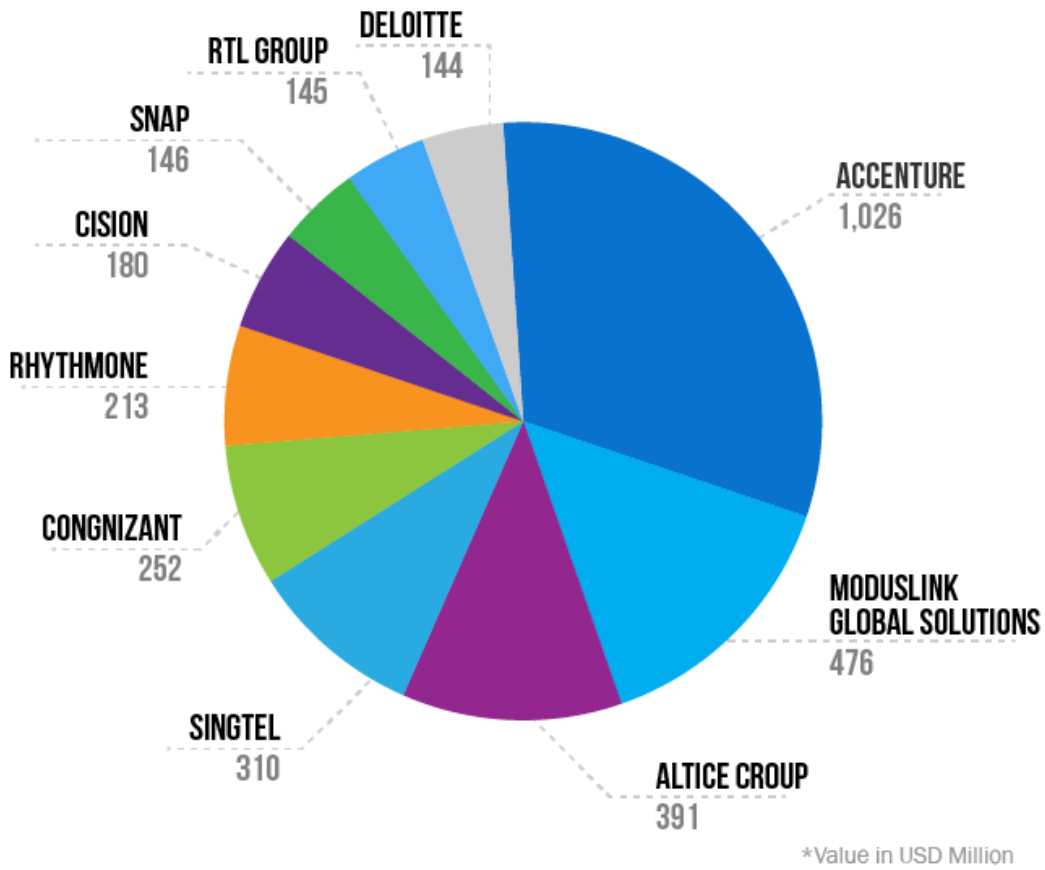
### TARGET AGENCY TYPE x DEAL TYPE (BY DEAL COUNT)



### TARGET AGENCY TYPE x DEAL TYPE (BY DEAL VALUE)



## TOP UNCONVENTIONAL BUYERS



# GLOBAL 2017

TOTAL DEAL VALUE (\$MN)	13,578
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TOTAL DEAL COUNT	401
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RANK	HOLDING GROUP	RECENT ACQUISITIONS	TOTAL DEAL VALUE (US\$M)	NO. OF DEALS
1	Bain Capital	ASATSU-DK (ADK)	1,180	1
2	Accenture	SinnerSchrader, Kunstmaan, The Monkeys + MAUD, Media Hive, Intrepid, Clearhead, Brand Learning, Wire Stone, Matter, Altima, Paxata, Rothco	1,026	12
3	Dentsu	Gleam Futures, Aquila Insight, Sokrati Technologies, Little Giant Design Limited, People & Screens, FoxP2, Twist Bioscience, Oxyma Group, PT Valuklik, Swirl, DWA (David Wood Associates)	692	25
4	WPP	Sensio, Within Unlimited, LOOM Media, hug digital, Design Bridge, DIS/PLAY, Gimlet Media, Pierry, Urban Vision, Fatherly, The Mighty, Enext, ARBA	652	33
5	Advent International	Williams Lea Tag, LocalBizNow (LBN)	507	2
6	ModusLink Global Solutions	IWCO Direct	476	1
7	Altice Group	Teads, Audience Partners	391	2
8	Singtel	Turn	310	1
9	Cognizant	Netcentric, Zone	252	2
10	Stagwell Group	Targeted Victory, Wolfgang L.A., Scout, MMI AGENCY, Mobile Research Assets From Nielsen, CAA Marketing, Forward3D	243	7
11	MCH Group	MC2 ("MC-squared")	219	1
12	RythmOne	RadiumOne, YuMe	213	2
13	Zeta Global	Boomtrain, Disqus	210	2
14	Providence Equity Partners	DoubleVerify	200	1
15	Havas Group	Mr Smith, BD Australia, Sorento, Agence79, SO What Global, Blink, The 88, GANFOOD, HVS, Immerse, Octoly	181	11

## METHODOLOGY

To compile this table, R3 reviews all public sources for M&A news across all marketing and media sectors on a monthly basis. The complete table covers all individual acquisitions, more than can be featured in this summary report.

R3 applies a consistent multiplier to the estimated revenue of all agencies acquired based on the reported percentage required.

Regardless of earn out terms, R3 assumes full sale amount of acquisitions at time of sale.

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