



Marketing Services M&A Recap  
Digital Media M&A Report – H1 2024

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## Marketing Services M&A Recap for H1 2024

### First Half of 2024: Transaction Activity & Valuations Begin to Rebound

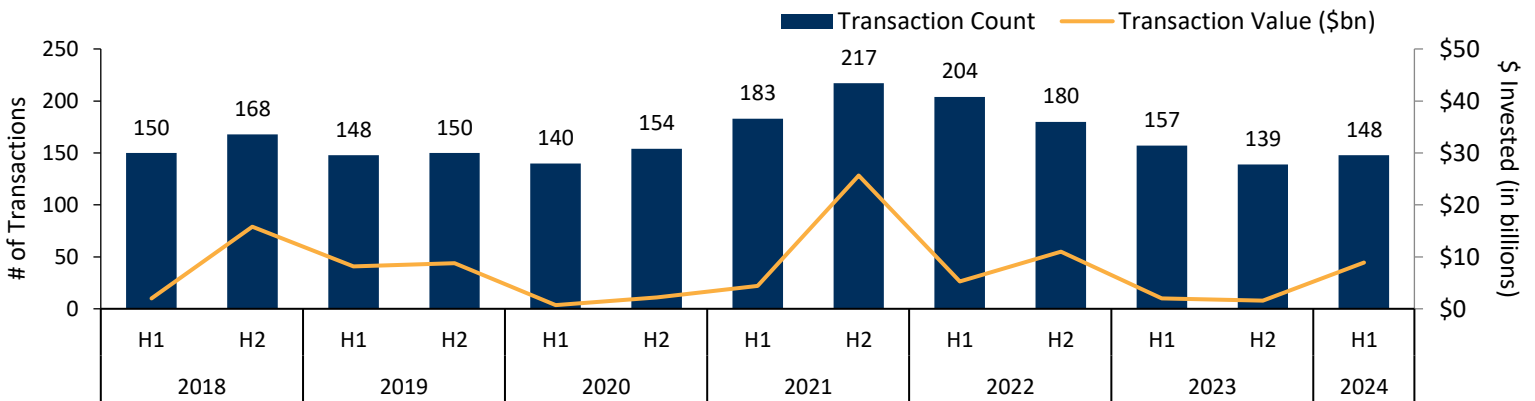
While deal count remained relatively stable in Q1 2024 compared to 2023, Q2 delivered strong results with deal activity up 50% from the prior quarter and 35% from Q2 2023. Overall M&A trends for the first half of the year are largely in line with pre-pandemic levels, suggesting we may have made it through the temporary 2021 peak and 2022-2023 trough. Transaction value was largely driven by a few large transactions, including the take-private of Squarespace by Permira and the closing of Omnicom’s acquisition of Flywheel Digital, which was previously announced in Q4 2023. Strategic transactions accounted for the large majority of deals, with nearly 60% of transactions trading to corporate buyers, more than 30% trading to private equity-backed entities, and less than 10% being acquired by a pure-play private equity firm.

### Outlook for H2 2024: Stable Activity as Buyers Await Rate Cuts & Election Results

Global advertising spend is projected to exceed \$750 billion in 2024, reflecting 5.0% growth over 2023, powered by increases in Western Europe, Japan, and the United States, according to Dentsu. Domestically, spend is forecasted to grow nearly 6.0% with the presidential election expected to account for approximately \$11 billion of ad spend. The election is likely to pose challenges for advertisers in the healthcare and financial services sectors as media costs rise and social media algorithms actively monitor and censor posts that could be viewed as policy-related. Intrepid expects noise from the election to temper M&A appetite in the marketing services vertical, particularly as investors continue to wait for anticipated interest rate cuts in Q4.

## Marketing Services M&A Transactions (US & Canada)

Source: Pitchbook



We hope that this report serves as a useful tool for your business. As you evaluate opportunities, feel free to contact us for more pointed insight.

Thank you,

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Director, Digital Media

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## Select H1 2024 Marketing Services Transactions

### Squarespace to Go Private in Buyout from Permira

In May, Squarespace (NYSE: SQSP) announced a transaction to go private in an all-cash transaction with private equity firm Permira at a valuation of approximately \$6.9 billion. The purchase price represents a premium of 29% over the company's 90-day average trading price, but an increase of only 6% relative to the \$6.5 billion valuation it achieved during its IPO in May 2021 despite growing revenue by more than 50% from 2021 to its 2024 budget. The website design platform is seeking more resources and flexibility under private ownership to allow for additional investment in product features and sales. The transaction is expected to close in Q4 2024 and long-term investors Accel and General Atlantic have agreed to re-invest in the deal.



### Real Chemistry Acquires Avant Healthcare

Real Chemistry, backed by New Mountain Capital, acquired AvantHC, a full-service provider of medical communications services. The transaction adds further scale to Real Chemistry, which ranked #1 in Medical Marketing and Media's 2023 rankings of top industry agencies, generating more than \$500 million of annual revenue. Real Chemistry (formerly known as W2O Group) has remained highly acquisitive since partnering with New Mountain Capital in 2019, having acquired TI Health, ConversationHealth, Swoop, IPM.ai, 21Grams, Starpower and Symplur. Shankar Narayanan, CEO of Real Chemistry, commented that the agency will continue to evaluate acquisitions in 2024, with a focus on medical, data and AI opportunities.



### Supreme Group Acquires Health+Commerce

Supreme Group, backed by Trinity Hunt Partners, acquired Health+Commerce, an integrated agency providing strategic public relations, marketing and creative services to healthcare companies. The transaction follows the launch of the Supreme Group platform by Trinity Hunt Partners a week earlier. Supreme Group is led by CEO Tim Donnelly and was formed through the acquisition and combination of Supreme Optimization, a leading life science-focused digital agency, and Clarity Quest Marketing, a healthcare marketing agency serving the health IT, medical device and biotech verticals. Health+Commerce's leadership will remain in place, and the agency will continue to operate under its brand name as a standalone organization within Supreme Group.



### eHouse Studio Acquires Commerce12

Periscope Equity backed the acquisition of Commerce12 by eHouse Studio, a leading commerce agency in the Shopify Plus and Recharge ecosystems. Commerce12, a Klaviyo Master Elite partner, accelerates eHouse's mission to build a unified commerce agency capable of servicing large enterprise clients with complex needs. On a combined basis, the agencies support over 130+ brands across the US, Canada, Australia and the EU. The investment from Periscope Equity, which previously backed Power Digital, signals enduring confidence among institutional investors in the long-term potential of the Shopify platform and its ability to scale up to larger merchant accounts.





## Select H1 2024 Marketing Services Transactions

### Agital Acquires Digital Edge and Go Fish

Agital completed two acquisitions in the month of February, adding Digital Edge, a B2B agency focused on the travel and tourism industry, and Go Fish Digital, an agency specializing in SEO with advanced AI capabilities. Agital is an integrated marketing services agency backed by Trinity Hunt Partners that was formed through the acquisition and integration of multiple complementary agencies, including Exclusive Concepts, Highnoon, REQ and EK Creative. The agency maintains a national presence with offices in Boston, Washington, DC, Las Vegas, Phoenix, San Diego and St Louis, with active operational engagement from the founders of many of its acquired agencies.



### Enghouse Systems Acquires SeaChange International

In April, Enghouse Systems (TSE: ENGH), a leading global telecommunication technology and solutions company, announced it has entered into an asset purchase agreement for substantially all of SeaChange International (OTC: SEAC), a leading provider of video delivery, advertising, streaming platforms, and emerging Free Ad-Supported Streaming TV services (FAST) development, for a total purchase price of \$39 million, reflecting a 1.2x LTM revenue multiple. The announcement coincides with the termination of a prior agreement in which Partner One had offered \$34 million for SeaChange, resulting in a \$1 million termination fee from SeaChange to Partner One.



### Hahn Acquires MedVoice PR

Hahn, a predictive marketing and PR agency, acquired MedVoice PR, a health communications agency. With this acquisition, Hahn extends into the healthcare vertical to augment its strong presence in food and beverage. MedVoice PR's clients include Harbor Health, Austin Retina, Austin Neuromuscular Center, Eating Recovery Center, Acera, Texas Diabetes, and CTVS, among others. Emily Schmitz, the founder of MedVoice PR, will join Hahn as a senior Strategist in the newly formed Health & Nutrition practice group. Emily Schmitz commented "Hahn's data science, paid media, social media, web design, and creative solutions give me the opportunity to think bigger and pursue strategic initiatives that benefit our clients in ways we have always imagined."



### Cadent Acquires AdTheorent

Cadent, an advanced TV advertising company backed by Novacap, announced it would acquire all outstanding shares of AdTheorent (NASDAQ: ADTH), a machine learning pioneer and industry leader in delivering measurable value for programmatic advertisers, for a cash purchase price of approximately \$324 million, reflecting a 1.5x LTM revenue multiple and a 17% premium to its 60-day trailing stock price. The combination of Cadent and AdTheorent will create one of the largest independent omnichannel audience activation platforms for buyers and sellers of advertising and serve nearly 1,000 advertisers. The transaction is expected to be completed by the third quarter of 2024, subject to HSR approval.



## Select H1 2024 Marketing Services Transactions

### R.R. Donnelley & Sons acquires Vericast's Digital & Print Marketing Businesses

R.R. Donnelley & Sons Company, backed by Chatham Asset Management, entered into an agreement to acquire Vericast's digital and print marketing businesses for approximately \$1.2 billion. The carveout transaction includes assets in display advertising, contextual targeting, connected TV, dynamic mobile, digital out of home, social media marketing, email marketing, local search and zero-party data capture, as well as printing services for shared mail, inserts and coupons. This acquisition comes after Vericast rejected an offer from R.R. Donnelley to buy the entire company for approximately \$3 billion last year.



### Axcion Foodservice Acquires Waypoint

Prospect Hill Growth Partners acquired the foodservices businesses of Advantage Solutions (NASDAQ: ADV), most notably Waypoint, for a valuation of approximately \$100 million, including cash consideration and a 7.5% equity stake in the combined entity. As part of the transaction, the foodservices business, Waypoint and KeyImpact Sales and Systems were combined to form Axcion Foodservice, which will focus on foodservice with comprehensive food and non-food sales, marketing, culinary and analytics capabilities throughout North America. In addition to its ownership position, Advantage Solutions will maintain a Board seat and will continue to offer services to the retail divisions of Axcion clients.



### Shamrock Invests in Carnegie Dartlet

Shamrock Capital made a significant investment in Carnegie Dartlet, a full-service provider of marketing and enrollment strategy services for non-profit higher education institutions. Carnegie's approximately 390 employees support over 750 clients, including small community colleges and large state and private universities, helping them connect with prospective students and optimize enrollment through a suite of services including digital marketing strategies, research, and enrollment management solutions. Carnegie was founded over 30 years ago by Joe Moore as a magazine for prospective college students to find their best fit schools, before merging with Dartlet in 2018. Since 2021, Carnegie has successfully completed and integrated six acquisitions that have effectively expanded both its product offering and customer base.



### Two Circles Acquires Let It Fly Media

Two Circles, an international digital sports agency, acquired Let It Fly Media, a US-based agency focused on sports video production, for approximately \$320 million. The transaction follows a majority buyout of Two Circles by UK private equity firm Charterhouse Capital Partners, which acquired an 80% ownership stake from Bruin Capital in January. Let it Fly Media was founded in 2017 and maintains offices in Kansas City and Miami with approximately 30 employees, while Two Circles maintains a staff of more than 600. The agency is known for producing digital content and social campaigns for media rights holders, including the College Football Playoffs, PGA of America, Rose Bowl and F1 Miami, as well as large brands such as Adidas, Under Armour and Whoop.



## Select Intrepid Marketing Services Transactions



has been acquired by



(NYSE: WPP)

Commerce Agency in Shopify Plus Ecosystem



a portfolio company of



has received an investment from



Full-Service Digital Marketing Agency



has completed a majority recapitalization with



Pharmaceuticals Meeting Solutions Platform



has received a strategic investment from and partnered with



End-to-end Content Management Platform



a portfolio company of



has been acquired by



Gamification and Sales Enablement Platform



has received structured growth capital from



Pharmaceuticals Meeting Solutions Platform



has completed a majority recapitalization with



Data-Driven Performance Marketing Agency



has received an investment from



(HKG: 752)

Integrated Experiential Marketing Agency



has completed a recapitalization and growth financing with



Digital Marketing Solutions for Healthcare Professionals



a portfolio company of



has completed a refinancing with



Performance Marketing Agency



has been acquired by



a portfolio company of



Consumer Insights & Strategy Firm



has been acquired by



Digital Advertising and Marketing Solutions




has been acquired by



Full-Service Digital Marketing Agency



has completed a growth financing with



Integrated Performance Advertising Solutions



has obtained a majority investment from



Global Data-Driven Marketing Services Firm



## Technology & Digital Media Focus Areas

Agency & Marketing Services | Commerce Enablement | Digital Advertising | Marketing Technology | Vertical SaaS | Compliance Technology | Human Capital Management | Data & Analytics | Payments & Fintech | Cybersecurity | HCIT | Commercial & Consumer Technology |

## Intrepid Technology & Digital Media Senior Bankers



**Greg Passani**  
Director  
*Digital Media Lead*



**Christopher Park**  
Managing Director  
*Head of Software & Services*



**Jeff Becker**  
Managing Director  
*Software & Services*



**Josh Moses**  
Managing Director  
*Software & Services*



**Gary Rabishaw**  
Managing Director  
*Commercial & Consumer Tech*



**Ryan Makis**  
Director  
*Software & Services*

## About Intrepid's Digital Media Practice

Intrepid's Digital Media practice provides M&A advisory and capital raising services throughout the value chain, from emerging growth concepts to established middle market businesses. Our specialized investment banking team brings deep sector expertise across agency & marketing services, digital advertising, commerce enablement, entertainment & content, and marketing technology. We have developed a nuanced understanding of value drivers and valuation trends in these subsectors and maintain ongoing dialogue with investors and strategic acquirers targeting these verticals.

**Mergers & Acquisitions | Capital Advisory**

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