

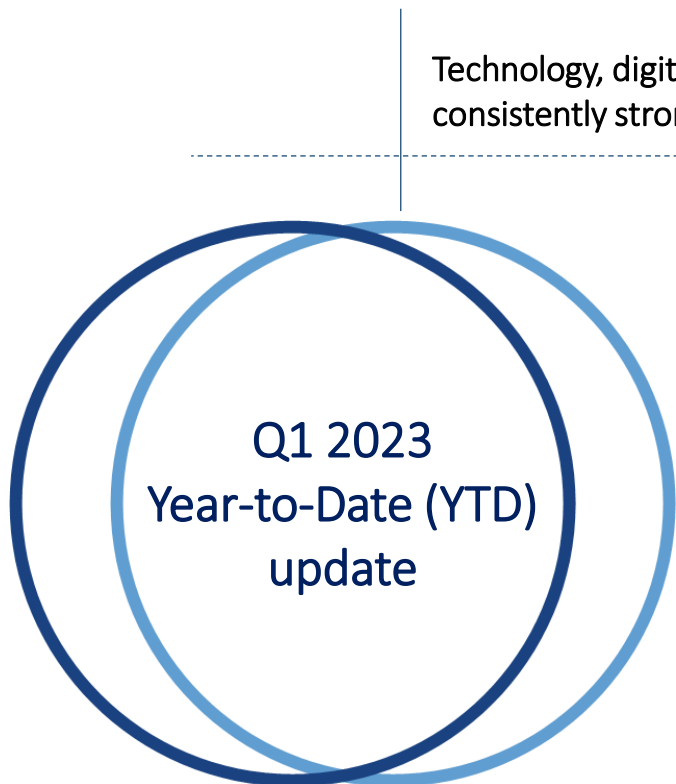
CIESCO GLOBAL M&A REVIEW

Q1 2023 UPDATE





Key findings



Technology, digital and media sectors remain resilient to the general economic climate, with the **volume of M&A deals consistently strong**, with only a slight decline of 3% on Q1 2022 and a significant growth of 116% on Q1 2021.

The disclosed value of M&A deals in the sector in Q1 2023 is up **14%** compared to the same period last year. Over a three-year period, the growth in Q1 M&A deal value has been **158%**.

Corporate-led (strategic buyer) acquisitions account for the majority of transactions, nevertheless, PE-backed deals account for a significant **40%** of total deal volume.

As in the previous year, **Digital Services, AdTech / MarTech, Digital Media and Content & Production** sectors attract the most buyer interest. Notably, in Q1 2023, **PR and Events & Experiential** sectors also show a significant **117%** rise in activity.

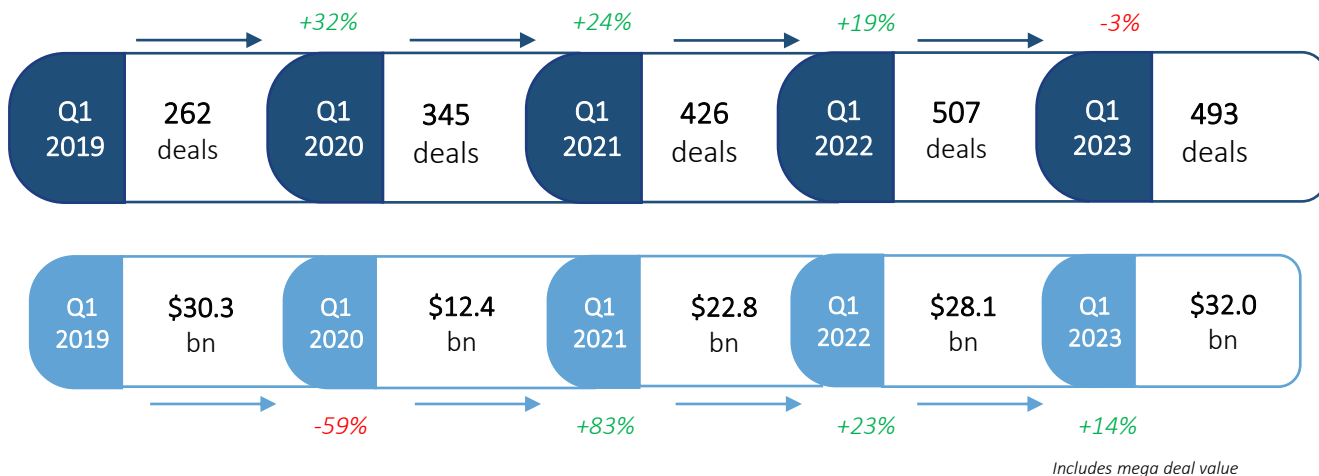
The M&A activity in the **USA, UK and Western Europe** continues to make up the majority of deal activity, **accounting for 77%**. This is a 7% decrease on the same period last year. Notably, **the APAC region was up 62% in deal volume** on Q1 2022 with **Australia leading this trend** in the region, accounting for a **25% increase in deal volume**.



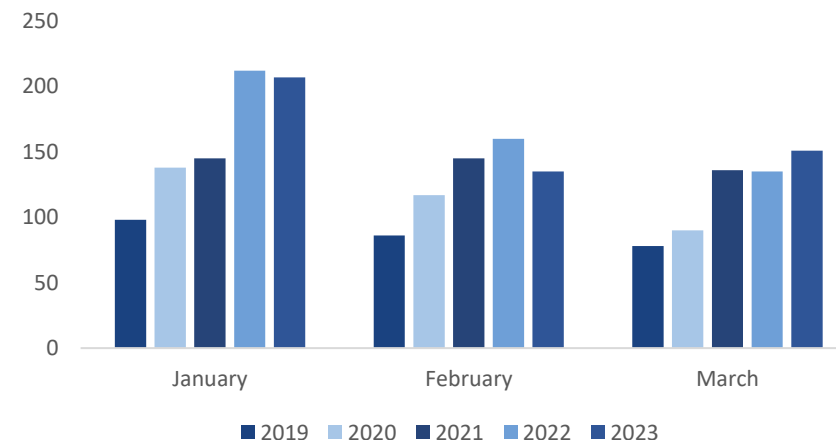
Q1 2023 M&A in tech, digital and media bucks expectations with healthy diagnosis despite major global uncertainty

- 493 transactions announced to date in the first quarter of 2023 in the technology, digital and media sectors
- Slim 3% decrease in year-to-date deal activity from the same period in 2022 but significant growth on 2021 – 116%
- The overall disclosed value of deals has gone up 14% on Q1 2022. Over the last three years this figure has grown 158%
- 1 mega-deal (deals with a value above \$10bn) announced to date – experience management software company Qualtrics was acquired by Silver Lake and CPP Investments for an estimated \$12.5 billion

Year-to-date Deal Volume and value as of Q1 2019 - 2023





















Deal volume in Q1 2019-2023





Highlight deals in Q1

Select deals in Q1 2023

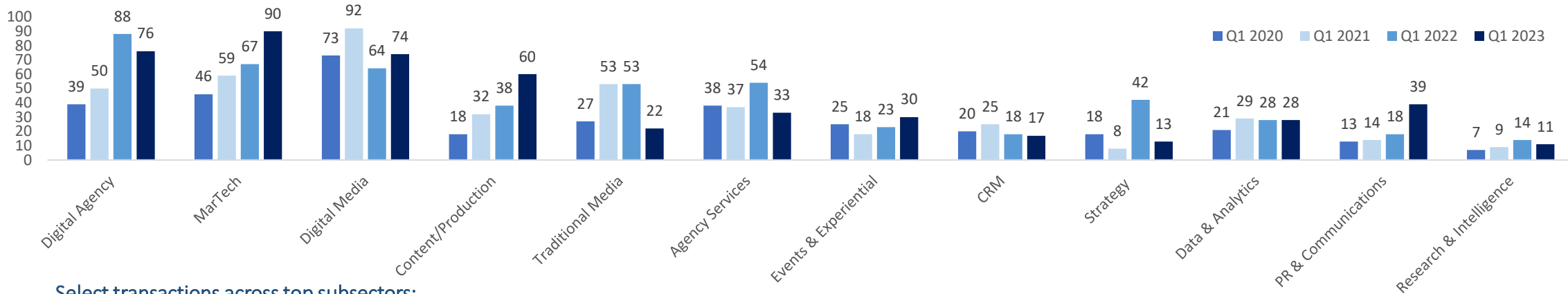
Target	Bidder	Month	Target description	Buyer description	Enterprise Value
		Mar-23	Cloud-based enterprise event marketing and management platform (US)	PE/Buyout (US)	\$4.6bn
		Mar-23	Subscription experience platform for publishing and media companies (UK)	Publishing and events company (UK)	\$940m
		Mar-23	Provider of subscription services for digital magazines (Sweden)	Magazine publishing company	\$32.4m
		Feb-23	MarTech platform (US)	PE-backed programmatic advertising and agency management software (US)	n.a.
		Feb-23	Rewards-based mobile ad platform (Portugal)	Operator of a premium performance marketplace (Canada)	\$26.0m
		Feb-23	Marketing agency (India)	PE-backed digital marketing services firm (Netherlands)	n.a.
		Jan-23	Advanced analytical solutions provider	Ad-holding company	\$75m
		Jan-23	Enterprise-grade software-as-a-service (SaaS) platform (US)	Growth equity firm (US)	\$1.14bn
		Jan-23	Full-service digital product consultancy services (US)	Technology company (Canada)	\$1.23bn



Cisco Global M&A Review – Q1 2023 Year-to-Date Update

MarTech and Digital Services sectors see highest deal volume whilst PR & Communications saw the greatest increase over Q1 2022 with a 117% rise in deal activity, and Events & Experiential saw a 30% increase

Deal volume YTD by sector for the period Q1 2019 – Q1 2023



Select transactions across top subsectors:

Digital Media	Digital Services	MarTech/ AdTech	Content & Production	Events & Experiential
 Sold to Audiobooks and digital media n.a. Expands distribution of the existing audiobook catalog through RBmedia's powerful global distribution network.	 Custom software development company Sold to IT consulting services n.a. Buying Exoft is the first step to Euvic Group's foreign expansion.	 Online ad revenue optimisation platform Sold to Internet advertisement company \$70m To develop and expand the company's current publisher monetisation services in regions such as Southeast Asia.	 Content production services Sold to Advertising & public relations company \$641.6m To 'grow creative production and Customer Transformation & Technology capabilities'	 Sold to Corporate hospitality business \$245m Now the largest provider of dedicated premium event venues in the US and UK.



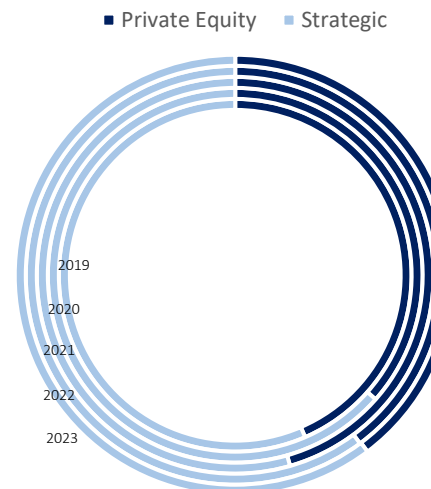
PE-backed corporates continue leading the activity in the sector and WPP is the top Strategic bidder

Most active buyers of 2023 as of Q1

Parent / Backer	Acquiring Entity	YTD as of Q1:		
		2023	2022	2021
	Strategic – Ad holding 	5	1	1
	PE-backed trade 	5	0	1
	PE-backed trade 	4	1	1
	Strategic – Ad holding 	4	1	1
	PE-backed trade 	2	1	1
	PE-backed trade 	2	0	0
	PE-backed trade 	1	0	0

PE vs Strategic Acquirers

- PE and PE-backed firms continue to be a strong buyer category. As a proportion of the overall deal total, Private Equity buyers make up 40%, as they did in Q1 2022, whilst Strategic Acquirers held their proportion of 60%.
- In Q1 2023, the value of PE deals increased by 5% compared to the same period last year, from \$22.1bn to \$23.1bn (inclusive of mega deals).

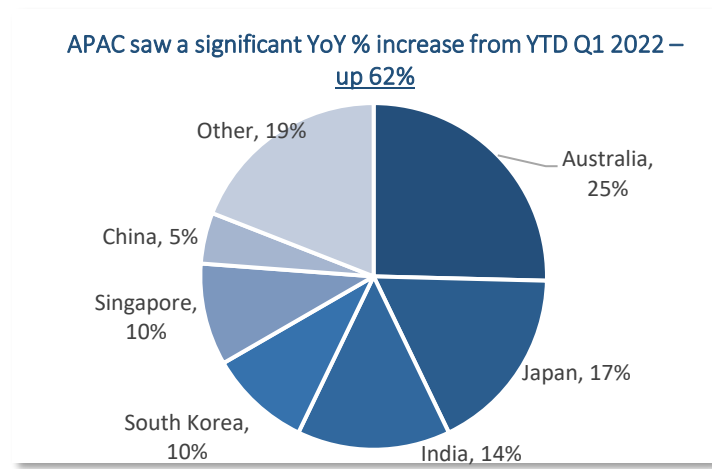
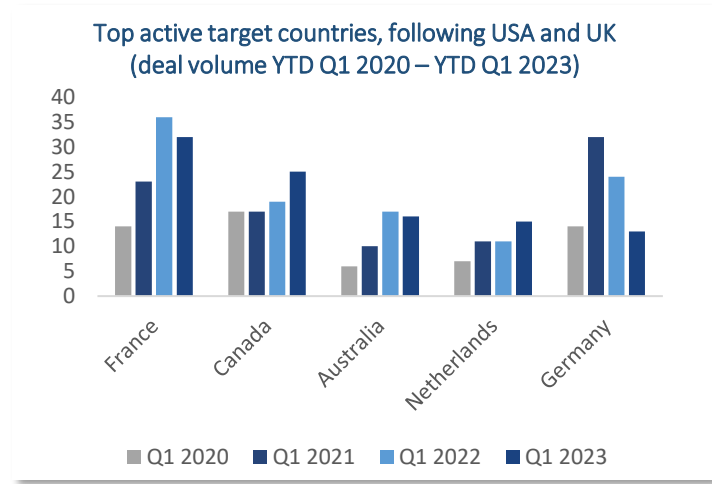
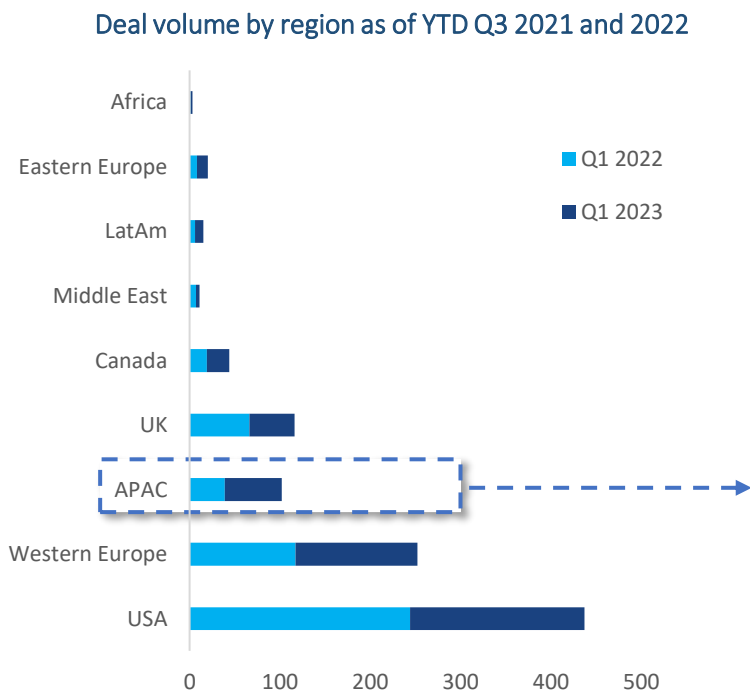


YTD Q1	Total deals	PE	Strategic
2019	262	44%	56%
2020	345	37%	63%
2021	426	46%	54%
2022	507	40%	60%
2023	493	40%	60%



The USA, UK and Western Europe targets continue to lead the deal flow, whilst APAC increases deal activity by 62%

- The two largest markets (target companies' locations) remain the USA and the UK with 193 (21% decrease from Q1 2022) and 50 (24% decrease from Q1 2022) deals respectively.
- Combined, the USA and UK account for 49% of total deal volume. They are followed by France, Canada, Australia, Netherlands and Germany, all of which combined represent 70% of total deal volume.
- The USA and UK markets have witnessed a slowdown - the M&A environment proves challenging as there are increasing concerns for the broader economy following the prospect of recession, amongst other factors.
- Western Europe deal volume increased 15% over Q1 2022, but the region that saw the greatest increase was APAC, up 62% in YTD activity compared to the same period last year. Australia leads the activity with 16 deals in Q1 2023.
- Domestic transactions were down 7% compared with the same period last year, whilst Cross Border transactions showed a 6% rise.





Ciesco Global M&A Review – Q1 2023 Year-to-Date Update

The report provides an overview of the year-to-date global M&A deal activity in Q1 2023 within the technology, digital, media and marketing sectors– with statistical analysis of overall global deals by volumes and disclosed values, as well as by geographic region and sectors. The report also provides insights and trend analysis of private equity related activity and an overview of the evolving buyer landscape, along with an outlook for the sector.

The report has been prepared by analysts at Ciesco’s Market Intelligence team using various data points and sources including data that is available via PitchBook and several other M&A databases.

Ciesco is a London-based M&A advisory firm specialising in the technology, digital, media and marketing sectors, with coverage of Europe, Asia and North America.

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