



Consumer Trends & Impact On Digital Marketing

market landscape
q2 2019

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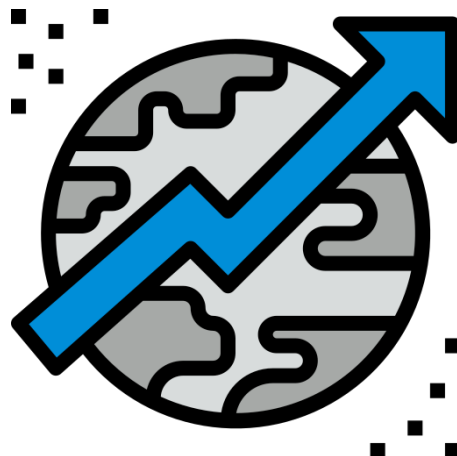
foreword



Consumer behavior has changed tremendously over the past 10 years, contributing to the vast changes in digital marketing technology during that time. Consumers are more influenced by the values and convenience of a brand or product, than the brand itself. Digital marketing companies are now tasked with communicating those values and attributes, providing the best strategies and capabilities to make a more connected, user friendly experience for B2B and B2C companies. To better understand the effects consumers are having on brands, and digital marketers, we took a deeper dive into the M&A market of digital marketing to discover how consumer behaviors are affecting technology, advertising, consulting, and big consumer product goods and retail companies.

| WITHIN THIS ECOSYSTEM WE FOCUS ON

1. Trends
 - a. Consumer Purchasing
 - b. Consumer Product Goods & Retail (CPG)
 - c. Digital Marketing Agency & Technology Company
2. Top Players
 - a. Digital Marketing Solution Providers
3. M&A Activity
 - a. Strategic Buyers
 - b. Notable Transactions



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TRENDS

Consumer Purchasing

The digital experience created by a brand plays an influential role in how consumers assess, and ultimately purchase, goods and services. Consumers' first impression of a brand or retailer is during their initial discovery phase, largely done via digital applications and platforms. Before making a purchase decision, consumers are looking for product reviews and availability, brand mission and values, and convenience.

1.

Product Reviews & Information

The purchasing habits of consumers for groceries, apparel, services, travel and those alike, are impacted by the power of past reviews. Before making a purchase decision, consumers want to know what experiences other consumers have had with the product. According to Deloitte, reputation makes up over 25% of a brand's market value (1), so it's imperative that brands are transparent and allow this information to be visible and easily accessible.

2.

Brand Mission & Values

Consumers pay attention to the mission and values a company embodies, actively comparing them to their own during the purchase process. According to Marketing Charts, 90% of "prosumers" (influencers and market drivers who influence the brand choices and consumption behaviors of others) feel that it is important for a company to be transparent (2). Value-based marketing is the combatant to these prosumers, and stresses the importance of a marketing strategy that will attract consumers with aligned values.

3.

Amazon Effect

The "Amazon Effect" refers to the impact created by the online, e-commerce and digital marketplaces on the traditional brick-and-mortar business model. This impact is due to the change in shopping patterns, customer expectations, and a new competitive landscape (3). With Amazon, or similar online retailers, it's all about consumer convenience, variety, and cost savings. According to a survey by BigCommerce, price is no longer the primary reason to purchase on Amazon (4). The number one reason consumers shop on Amazon is convenience, which factors in all benefits, including free and fast 2-day shipping, product variety, and accessibility from virtually anywhere.

TRENDS

CPG & Retail

Consumers' likelihood of purchase is heavily influenced by omni channel presence and the ability to purchase across multiple channels. To compete, CPG & Retail Companies are developing omni channel sales strategies and enhancing their digital presence across all touch points in the consumer journey, including website, social media platforms, store fronts, and other advertising forums. Smaller, direct-to-consumer brands who have built out their digital capabilities are embracing the advantages and leveraging their access to customer data. In a market where undifferentiated products exist and compete, CPG & Retail juggernauts are being overtaken by these small brands and their digital marketing strategies (5).



Legacy big-box retailers have also been challenged lately, resulting in the ongoing closures for many brick-and-mortar businesses. Companies like Toys R Us, Sears/Kmart, and J.C. Penney are included among the list of stores that have closed stores or filed for bankruptcy in recent months. The Amazon Effect and other new consumer preferences, have forced these companies to change their sales strategies, such as additional discount on purchases and investing in digital efforts to attract more customers.



TRENDS

Digital Marketing Agency & Technology Business Companies

To compete, CPG and Retail brands need to not only collect customer data, but gain usable insights from that data and leverage it through innovative, strategic digital campaigns. Digital Agencies are the key to this. Brands are looking for top ROI on their marketing spend by using the latest in digital technology. By and large, these brands are having to look externally, to Digital Agencies, for the capabilities required. By using external Digital Agencies to map their digital experiences, the control and future of the digital customer journey shifts into the hands of these agencies.

Top Trends & Methodologies Digital Agencies Are Utilizing

1.

Artificial Intelligence (AI) and Automation

There are several AI and automation applications, such as Robotic Process Automation, that are revolutionizing the digital market. Digital advertising has adopted the use of AI by analyzing user information, such as interests and demographics, to detect the best audience for a specific brand. With such customer data, companies are equipped to better utilize automation in their marketing strategy. According to CB Insights, Marketing automation drives a 14.5% increase in sales productivity and a 12.2% reduction in marketing overhead (6). Digital Agencies with robust teams of experts are the key to companies unlocking these statistics.

2.

Voice Search

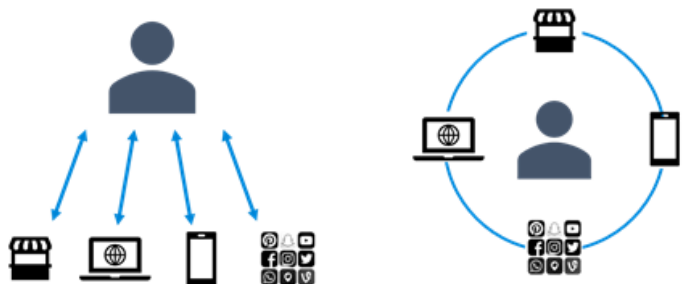
Amazon, Google, Apple, and Microsoft have all developed voice command innovations, giving customers the ability to browse and purchase products easily. Google revealed that around 70% of the searches received by Google Assistant are in natural, conversational language, and do not use the typical, succinct, keywords of a classic Google search.

3.

Omnichannel vs. Multichannel Marketing

When comparing these two methodologies it's important to note that "omni" refers to "all," and "multi" refers to "many." The difference in these two words vastly changes the scope of the marketing strategies they are referring to. Omnichannel marketing puts the customer journey at the core of the strategy, while Multi-channel marketing silos each customer channel and treats it as its own entity. The omnichannel digital experience builds off of existing systems and interconnects them all.

Multichannel Vs. Omnichannel



4.

Augmented Reality (AR)

AR allows users to test a product before they purchase. According to Photon, 34% of customers are already using this technology for shopping - both in store and online. Ikea launched an AR app in the fall of 2017 allowing consumers to visualize what a piece of furniture would look like in their own home (7). The global AR market was valued at around \$3.33 billion in 2015 and is expected to reach approximately \$133.78 billion in 2021, growing at a CAGR of slightly above 85.2% between 2016 and 2021 (8).

5.

Digital Native Advertising

Digital Native Advertising is used amongst several of the most popular social platforms because it matches the ad content to the form and function of the ad platform upon which it appears. U.S. advertisers are expected to increase their spending in native advertising for digital display ads in 2019 by 25%, to almost \$44 billion (10).

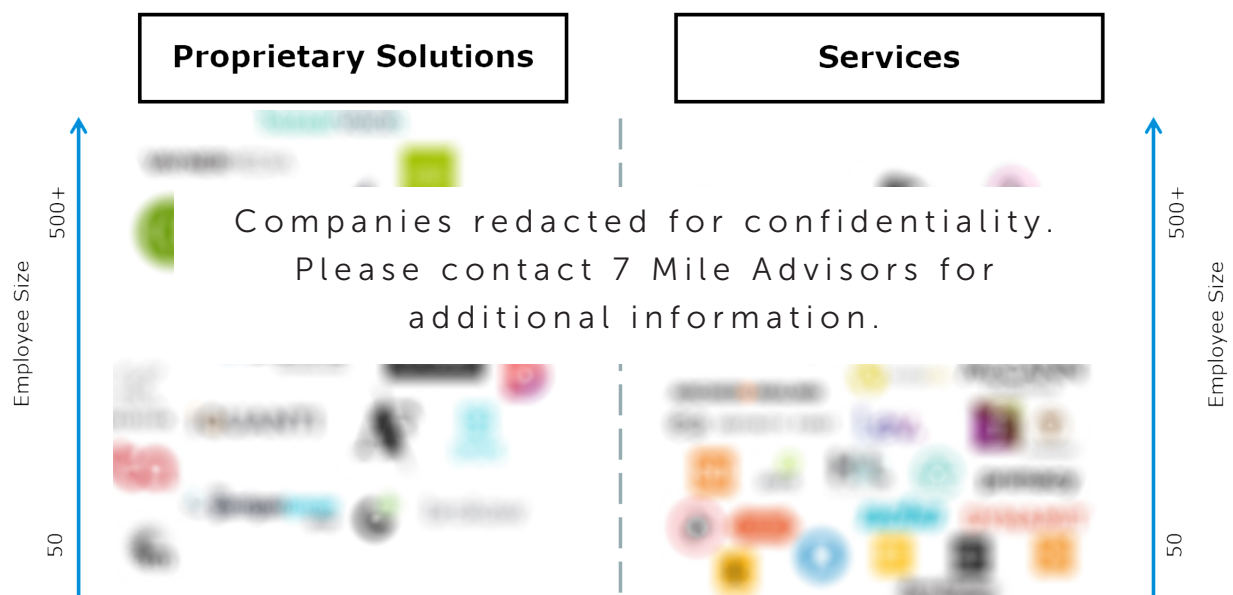
TOP PLAYERS

SOLUTION PROVIDERS

Landscape

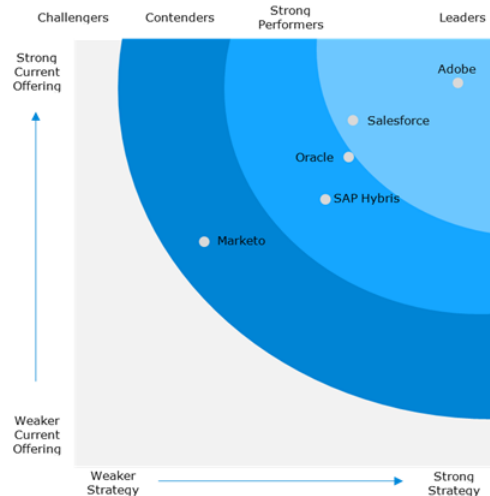
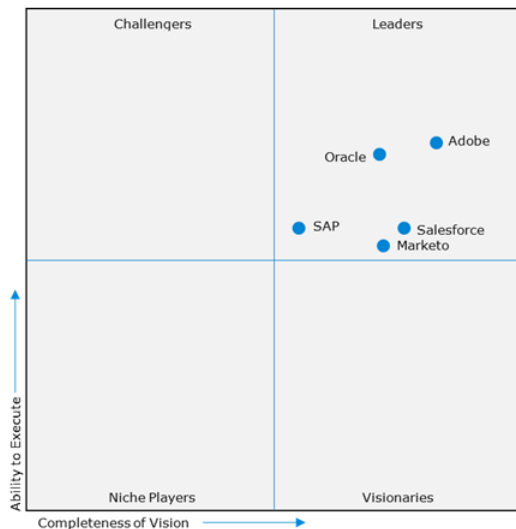
Digital marketing agencies are becoming an integral part of all companies' brand strategy development, especially within the CPG market. The companies encompassed in the Digital Marketing landscape are all top performing middle market players with digital-marketing-tech-enabled businesses that cater to CPG clients as one of their many vertical expertise.

The companies outlined are segmented into two categories: those that we believe provide services, but also have their own proprietary solution product to support their clients, and those providing just services (no specific product offering). We believe these top companies are equipped with the best technologies and strategies to serve their CPG clients, and impact consumers as a whole.



TECHNOLOGY VENDORS

Many of the world's largest tech vendors have developed platforms and technologies to assist digital marketing companies expand their capabilities and better serve clients. According to chiefmartec.com, there are ~7,000 marketing technology vendors to choose from for your marketing needs (11). Marketing leaders are investing in platforms that enable a more customized digital experiences across the customer journey. The leading technology vendors for the purposes of this research focus are Adobe, Salesforce, Oracle, and SAP. M&A buyers and investors are showing additional interest in niche digital marketing companies, like the ones listed in the landscape above, when they are partnered with one of these leading technology vendors.



1.

Adobe

Adobe has many channels of marketing, experience, and commerce service offerings. Adobe Marketing Cloud gives companies the ability to manage, personalize, optimize, and orchestrate cross-channel campaigns across B2B and B2C use cases. Content management, Campaign execution, and personalization have played key roles within their marketing service line. Two recent acquisitions have added an Engagement platform (Marketo for \$4.75 billion in Q2 2018) and a Commerce platform (Magento for \$1.68 billion in Q3 2018) according to Adobe.com and CapIQ.

2.

Salesforce

Salesforce Marketing Cloud is a cloud marketing automation platform that helps clients deliver relevant and personalized journeys across different channels and devices. There are 11 integrated marketing tools users can utilize to achieve next-level customer experiences. These tools include Journey Builder, Pardot, Mobile Studio, and the recent addition, Datorama, was acquired by Salesforce in Q3 2018 in a \$800+m deal according to Salesforce.com and Capital IQ.

3.

Oracle

Oracle helps clients use data to create connected experiences for their customers. Oracle Marketing Cloud solutions include data management platforms, cross-channel orchestration, marketing automation, social automation, commerce, mobile marketing, web content management, marketing analytics, Appcloud & Datacloud, content marketing, and optimization testing.

4.

SAP

SAP Hybris Marketing platform combines the components of various solutions offerings to help companies better understand their customers, allowing them to engage across all channels and touchpoints. Working with SAP HANA, SAP Hybris Commerce, and SAP Hybris CRM, Hybris Marketing enables businesses to transform how they engage with customers, innovate how they do business, and simplify their technology landscape across all necessary categories. Recent acquisitions include Qualtrics (Q4 2018, \$8 billion), Contextor (Q4 2018, Undisclosed amount), and Recast.AI (Q1 2018, undisclosed amount) according to SAP.com and Capital IQ.

Company	TEV \$m	LTM Rev \$m	Rev Growth YoY	GP %	EBITDA %	TEV / Rev X	TEV / EBITDA X	# FTEs	Rev / FTE \$k
salesforce.com, inc.	124,405	13,282	26%	74%	11%	9.4	81.6	35,000	379
Adobe Inc.	133,388	9,552	24%	86%	34%	14.0	41.1	21,357	447
SAP SE	141,809	28,288	5%	70%	27%	5.1	18.6	96,498	293
Oracle Corporation	201,617	39,831	1%	80%	41%	5.1	12.3	137,000	291
Average	150,305	22,738	14%	77%	28%	8.4	38.4	72,464	353
Median	137,599	20,785	15%	77%	31%	7.2	29.9	65,749	336

M&A ACTIVITY

Buyer Trends

The mergers and acquisitions (M&A) market for the marketing world reached \$33 billion in 2018, according to R3 consultancy. As the worlds of IT, Marketing, Branding, and Advertising continue to merge, Technology, Consulting, Advertising, and even Consumer Product and Retail ("CPR") companies are using M&A as a gateway to enhanced digital innovations.

We outline trends in the following markets:

- Consumer Product Goods & Retail
- Large Global Technology Companies
- Traditional Marketing Agencies
- Technology Consulting Companies





Consumer Product Goods & Retailers

Consumer Product Goods and Retailer juggernauts are looking for innovation to enhance customer experience. A trend that we expect to see is the increase of CPG companies looking to make their own acquisitions into technology-enabled companies to enhance customer interactions through digital experiences. Recent examples include Nike's acquisition of Invertex in April 2018, and McDonald's acquisition of Dynamic Yield in March 2019. In the past, companies like these would hire a digital marketing agency to assist them rather than acquiring the capabilities and bringing them in-house. In Nike's case the acquisition, coupled with an additional acquisition of Zodiac in March 2018, was done in order to streamline and modernize across the business by enhancing the in-store experience and better understanding the customer preferences. In McDonald's case, they were looking to improve customer experience at the drive-thru by adding a leading AI-powered platform to their toolbox.



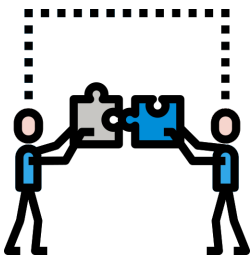
Large Global Technology Companies

Large Global Technology companies are the big spenders in cutting-edge marketing technologies. As mentioned in the tech vendor section, Adobe and Salesforce have completed some of the largest acquisitions within the digital marketing space recently. In Q2 2018, Adobe acquired Magento for \$1.68 billion in order to be able to deliver a single end-to-end digital experience platform for B2B and B2C clients via the Adobe Experience Cloud. Later in Q4 2018, Adobe completed an even bigger acquisition of Marketo for \$4.75 billion to become a part of the Adobe Marketing Cloud. The addition of Marketo is expected to benefit clients through better connected marketing management systems. In Q3 2018, Salesforce acquired Datorama for \$800+ million to enhance the power of the Salesforce Marketing Cloud with expanded data capabilities and intelligence to unlock insights across marketing channels and sources.



Traditional Marketing Agencies

Traditional marketing agencies used to be known for developing attractive advertisements including billboards, newspaper ads, and television. Now, the digital impact is creating a shift of marketing abilities to collecting, analyzing, and crunching data to determine how best to attract their consumers through better user technology-driven experiences. This shift is leading to more data-driven acquisitions within the advertising and marketing agency sector. In Q4 2018, IPG acquired Acxiom for \$2.0 billion that will now act as a stand-alone unit within IPG. As told by IPG CEO Micahel Roth, "this transaction will add a foundational, world-class data asset, covering two-thirds of the global population, with their capabilities." Other data-driven agency transactions include WPP's Q3 and Q4 back-to-back acquisitions of Emark, a marketing technology performance company, and Autumn Worldwide through their subsidiary company Grey Group, along with Dentsu's acquisition of HelloWorld whose revenue range was said to be \$60 million to \$70 million.



Technology Consulting Companies

Technology consulting companies are looking to expand digital marketing and innovation expertise. Accenture launched their Accenture Interactive digital business back in 2009, but key global recent acquisitions helped them to be recognized in over 200 industry and creative awards worldwide. Accenture was most recently named by Fast Company 2019 as Most Innovative Companies in Advertising alongside one of its most recent 2019 acquisitions, Droga5. Droga5 had an estimated revenue of \$245m, bringing on major clients like Under Armour, HBO, the New York Times, Amazon, and many others to Accenture Interactive.

Strategic Buyers

7 Mile Advisors tracked 4,910 transactions in the digital marketing sector over the past three years. Strategic buyers were involved in at least half of those transactions. Among the most active buyers by transactions size and number of transactions we're Adobe, Dentsu, and Accenture. We have identified 15 strategic buyers across the technology, advertising, and consulting sector that have recently completed notable digital marketing transactions and those that have noted their continued interest in the space.



Capgemini

French multinational corporation that provides consulting, technology, professional, and outsourcing services.

TEV: \$21.9b | Employees: 226,000

Acquisitions: Lyons Consulting Group (Sept. 2017), LiquidHub (Mar. 2018)



Deloitte

Deloitte is one of the "Big Four" accounting organizations and the largest professional services network in the world by revenue and number of professionals.

TEV: - | Employees: 300,000

Acquisitions: Heat (Feb. 2016), Acne (Aug. 2017)



Dentsu

Japanese international advertising and public relations joint stock company headquartered in Tokyo.

TEV: \$13.5b | Employees: 62,000

Acquisitions: HelloWorld through subsidiary Merkle (Jan. 2018), DEG (Dec. 2018)



IPG

American publicly traded advertising company and global leader in modern marketing solutions.

TEV: \$11.4b | Employees: 3,000

Acquisitions: Acxion (Jun. 2018)



Gartner

Global research and advisory firm providing insights, advice, and tools for leaders in IT, Finance, HR, Customer Service and Support, Legal and Compliance, Marketing, Sales, and Supply Chain functions across the world.

TEV: \$15.9b | Employees: 17,469

Acquisitions: L2 (Mar. 2017)



WPP

WPP creates transformative ideas and outcomes for its clients through an integrated offer of communications, experience, commerce, and technology.

TEV: \$19.8b | Employees: 2,300

Acquisitions: Emark (Sept. 2018), Autumn Worldwide (Oct. 2018)



Havas

French multinational advertising and public relations company, award-winning, fully integrated, specializing in marketing, design, digital, corporate, and communications.

TEV: - | Employees: 10,000

Acquisitions: Blink Digital Marketing (Aug. 2017)



Publicis Groupe

Multinational advertising and public relations company, and is the oldest and one of the largest marketing and communications companies in the world, by revenue.

TEV: \$14.1b | Employees: 27,500

Acquisitions: Blue 449 (Jan. 2019), OneDigital (Aug. 2018)



Accenture

Global management consulting and professional services firm that provides strategy, consulting, digital, technology, and operations services.

TEV: \$108.9b | Employees: 400,000

Acquisitions: Altimia (Jan. 2018), What if (Mar. 2019), Droga5 (Apr. 2019)



Adobe

Adobe Inc.

Adobe is the global leader in digital media and digital marketing solutions.

TEV: \$131.6b | Employees: 21,300

Acquisitions: Magento (Jun. 2018), Marketo (Oct. 2018)



Cision

Provides public relations (PR) software, media distribution, media intelligence, and related professional services to businesses worldwide.

TEV: \$3.1b | Employees: 2,000

Acquisitions: Trendkite (Jan. 2019), Falcon.io (Jan. 2019)



CommScope

A multi-national network infrastructure provider company based in Hickory, North Carolina, United States.

TEV: \$8.1b | Employees: 6,500

Acquisitions: ARRIS (Nov. 2018)



Claritas

Provides consumer segmentation analytical solutions for marketers.

TEV: - | Employees: 330

Acquisitions: Barometric Holdings (Nov. 2018), AcquireWeb (Jan. 2019)



OmnicomGroup

Leading global marketing communications company providing advertising, marketing, and corporate communication services.

TEV: \$18.6b | Employees: 36,000

Acquisitions: Data On Demand (Oct. 2015)



Salesforce

Develops enterprise cloud computing solutions with a focus on customer relationship management.

TEV: \$121.2b | Employees: 35,100

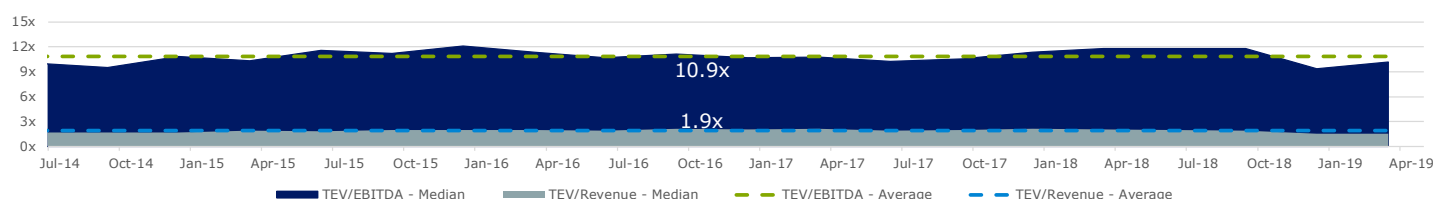
Acquisitions: Griddable (Jan. 2019), Datorama (Jul. 2018)

Public Multiples Over Time

To benchmark financial performance and multiples across the consumer digital marketing sector, 7MA has developed a public basket comparison showing LTM financial performance of public digital marketing companies.

Company	TEV \$m	LTM Rev \$m	Rev Growth YoY	GP %	EBITDA %	TEV / Rev X	TEV / EBITDA X	# FTEs	Rev / FTE \$k
Cision Ltd.	3,128	730	16%	63%	32%	4.3	13.4	4,500	162
CommScope Holding Company, Inc.	8,120	4,569	0%	37%	19%	1.8	9.3	20,000	228
The Interpublic Group of Companies, Inc.	11,378	8,032	7%	22%	15%	1.4	9.2	54,000	149
Dentsu Inc.	13,413	9,283	10%	92%	17%	1.5	8.6	62,608	148
Publicis Groupe S.A.	14,065	11,393	3%	43%	22%	1.3	5.8	80,000	142
Gartner, Inc.	15,873	3,975	20%	63%	15%	4.0	26.1	15,173	262
WPP plc	19,861	19,886	2%	19%	12%	1.0	8.1	134,281	148
Capgemini SE	21,626	15,110	5%	27%	13%	1.5	11.5	211,313	72
Accenture plc	108,965	40,840	8%	32%	16%	2.7	16.3	459,000	89
salesforce.com, inc.	124,405	13,282	26%	74%	11%	9.4	81.6	35,000	379
Adobe Inc.	133,388	9,552	24%	86%	34%	14.0	41.1	21,357	447
Average	43,111	12,423	11%	51%	19%	3.9	21.0	99,748	202
Median	15,873	9,552	8%	43%	16%	1.8	11.5	54,000	149

The historical chart depicts TEV / EBITDA and TEV / REV multiples in this sector. Revenue growth rates had remained consistent over the last few years, though EBITDA growth levels are increasing, which indicates market value growth momentum.



Recent Transactions

Date	Target	Buyer / Investor	Total Transaction Value (m)	Target Rev (m)	TEV / Rev (m)
3-Apr-19	Droga5, LLC	Accenture Interactive	-	-	-
25-Mar-19	Dynamic Yield Ltd.	McDonald's Corporation	300.00	-	-
7-Mar-19	Springbox, Ltd. (nka:Springbox, a Prophet company)	Prophet, Inc.	-	-	-
5-Mar-19	NichePlus Digital	AMF Media Group	-	-	-
4-Mar-19	?What If! Holdings Limited	Accenture plc	-	-	-
21-Feb-19	Happy Marketer Private Ltd.	Dentsu Aegis Network Ltd.	-	4.85	-
4-Feb-19	Regroup Media (UK) Limited	C. Melchers GmbH & Co.	-	-	-
1-Feb-19	Blue 449	Publicis Groupe S.A.	32.74	-	-
21-Jan-19	AcquireWeb, Inc. Speaker-Box Communications, LLC	Claritas, LLC	-	-	-
1-Jan-19	Box Communications, LLC	REQ, Inc.	-	-	-
17-Dec-18	Merge Design & Interactive	Keystone Capital, Inc.	-	-	-
13-Dec-18	Codigo, LLC	Spectrio, LLC	-	-	-
12-Dec-18	Adaptly, Inc.	Accenture plc	-	-	-
11-Dec-18	Mustache LLC	Cognizant Technology Solutions Corporation	-	-	-
6-Dec-18	We Are Friday Limited	PA Consulting Group Ltd.	-	-	-
5-Dec-18	Clock Four, Inc.	HERO Digital LLC	-	-	-
15-Nov-18	Feefo Holdings Limited	Vespa Capital	32.93	-	-
8-Nov-18	ARRIS International plc	CommScope Holding Company, Inc.	7,983.25	6,694.10	1.2x
7-Nov-18	CenterStone Technologies	PlumRiver LLC	-	-	-
1-Nov-18	Think Limited	EPAM Systems, Inc.	-	-	-
1-Nov-18	Flywheel Digital LLC	Ascential plc	400.00	-	-
29-Oct-18	Elixiter, Inc.	Perficient, Inc.	9.70	6.00	1.6x
29-Oct-18	Autumn Worldwide	Grey Group	-	-	-
15-Oct-18	MyWebGrocer, Inc.	Mi9 Retail, Inc.	-	-	-
9-Oct-18	Interactive Thinking Srl	Capgemini Invent	-	-	-
4-Oct-18	We Are Vista Limited	ICF International, Inc.	-	21.36	-
4-Oct-18	Softvision, LLC	Cognizant Technology Solutions Corporation	-	-	-
24-Sep-18	Emark B.V.	Wunderman Limited	-	-	-
6-Sep-18	CPC Strategy Inc.	Elite SEM Inc.	-	-	-
20-Aug-18	Amicus Digital Ventures Pty	Merkle Inc.	-	-	-
8-Aug-18	Gorilla, Inc.	Wunderman Commerce	-	40.00	-
2-Aug-18	Gencorp Technologies, Inc.	Omnicom Precision Marketing Group	-	-	-
1-Aug-18	One Digital Propaganda e Publicidade	Publicis Groupe S.A.	-	-	-
16-Jul-18	Stone Temple Consulting Corporation	Perficient, Inc.	-	9.00	-
12-Jul-18	Global Mind S.A.	Dentsu Aegis Network Ltd.	-	382.10	-
2-Jul-18	Acxiom LLC	The Interpublic Group of Companies, Inc.	2,300.00	-	-
28-Jun-18	Kremsa Digital, Inc.	The Pastilla Institute of Design, Inc.	-	-	-

Recent Transactions

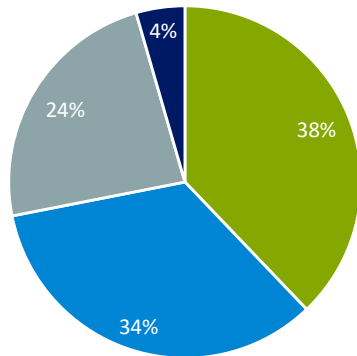
Date	Target	Buyer / Investor	Total Transaction Value (m)	Target Rev (m)	TEV / Rev (m)
3-Apr-19	Droga5, LLC	Accenture Interactive	-	-	-
18-Jun-18	Smashing Ideas, Inc.	Luxoft Holding, Inc.	-	-	-
14-Jun-18	Union, LLC	Myjive, Inc.	-	-	-
1-Jun-18	VERTIKOM GmbH	Fentus 91. GmbH	22.68	87.67	0.3x
1-Jun-18	GS Design, Inc.	Core Creative, Inc.	-	-	-
30-May-18	Fire Without Smoke Ltd	Keywords Studios PLC	6.87	-	-
23-May-18	HO Communication	Accenture plc	-	-	-
10-May-18	FRWD Co.	Bain & Company, Inc.	-	-	-
25-Apr-18	Virtual Affairs Nederland B.V.	We Are You B.V.	-	-	-
24-Apr-18	Dame Media, LLC	-	-	-	-
20-Apr-18	Callcredit Information Group Limited.	TransUnion LLC	1,403.02	-	-
9-Apr-18	Invertex Ltd	NIKE, Inc.	-	-	-
4-Apr-18	Kepler Group LLC	kyu	-	-	-
22-Mar-18	Zodiac Inc.	NIKE, Inc.	-	-	-
7-Feb-18	Brandwidth Group Limited	Next Fifteen Communications Group plc	14.15	10.10	1.4x
5-Feb-18	LiquidHub, Inc.	Capgemini SE	500.00	247.70	2.0x
9-Jan-18	One Sixty Over Ninety, Inc.	Endeavor, LLC	200.00	-	-
9-Jan-18	Ninjathat Inc.	Millpond Equity Partners	-	-	-
8-Jan-18	Altima SAS	Accenture plc	-	-	-
3-Jan-18	HelloWorld, Inc.	Merkle Inc.	-	53.00	-
31-Dec-17	projekt202, LLC.	Amdocs Limited	54.00	-	-
31-Dec-17	Traffic Digital Agency, Inc.	Chamberlain Marketing Group, Inc.	10.00	2.50	-
26-Oct-17	Zone Ltd	Cognizant Technology Solutions Corporation	-	-	-
19-Oct-17	ymarketing, LLC	Sandbox Group LLC	-	-	-
12-Oct-17	Inspired Thinking Group	Equistone Partners Europe	-	118.50	-
29-Aug-17	Havas SA	Vivendi SA	1,628.47	2,689.70	0.6x
16-Aug-17	Acne AB	Deloitte Digital	-	32.00	-
22-Jun-17	React2Media, LLC	Antevenio, S.A.	2.25	5.60	0.8x
18-Apr-17	Moat Inc.	Oracle Corporation	-	-	-
21-Mar-17	BD Network (Australia)	Havas Australia Pty Ltd	-	-	-
21-Mar-17	Teads S.A.	Altice N.V.	308.17	204.40	1.5x
6-Mar-17	L2, Inc.	Gartner, Inc.	155.00	-	-
22-Feb-17	Turn Inc.	Amobee, Inc.	310.00	-	-
1-Feb-17	ethology, Inc.	Tallwave, LLC	-	-	-
5-Jan-17	Claritas, LLC	The Carlyle Group L.P., Carlyle US Equity Opportunity Fund II, L.P, The Indian Hill Group	94.00	-	-
8-Dec-16	Sentient Interactive, LLC	W2O Group	-	-	-
15-Sep-16	R2Integrated, LLC	Baird Capital	-	-	-
14-Sep-16	Summit Media Ltd	TCC Global N.V.	-	62.05	-

Transaction Analysis

7 Mile Advisors tracked 4,910 transactions in the digital marketing sector for a total deal value of \$384.5 billion during the period from April 2016 to April 2019. The majority of the deals took place in the United States, 1,859; followed by Asia/Pacific, 1,672; and Europe, 1,159; and other locations, 220.

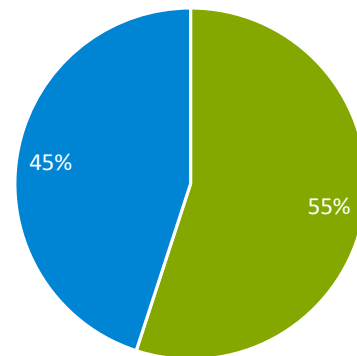
Average TEV / Revenue - 5.5x
 Average TEV / EBITDA - 21.03x
 Average Deal Value - \$500 million

Deals by Location



■ United States and Canada ■ Asia / Pacific ■ Europe ■ Other

Deals by Type



■ Private Placement ■ Merger/Acquisition

7 Mile Notable Transactions



- Secure kiosk
- Digital signage
- Customer focus on hospitality, office, retail, and community living



- Digital services
- Digital experience & marketing



- Marketing solutions provider
- People-based marketing (loyalty solutions, performance media, customer relationship marketing, customer experience, & enterprise technology services)



- Trademark / domain solutions
- Online anti-counterfeiting
- Brand protection



- Digital agency
- Consulting firm blending insights, strategy, and creativity

CONFERENCES

1. Marketing Analytics Conference | May 15 & 16, 2019 | Atlanta, GA
2. Oracle Open World | September 16 - 19, 2019 | San Francisco, CA
3. Digital Summit Charlotte | October 2-3, 2019 | Charlotte, NC
4. Brand Marketing Summit & Social Media Marketing | October 21 - 22, 2019 | New York, NY
5. Adobe Summit | March 29 - April 2, 2020 | Las Vegas, NV

CONCLUSION

This report covers the effect of Digital Marketing capabilities on the Consumer industry. As AI, AR, automation, Omnichannel, and other digital methodologies are adopted and developed, the value of companies associated with these tools are desirable. M&A trends and valuations indicate overall that the shift to digital is unavoidable for all types of companies including those within Consulting, Marketing, Advertising, Technology, and even Consumer Product Goods & Retail. We anticipate that this trend will continue for more activity within the M&A market for Digital Marketing companies for the Consumer industry and the like. The purpose of this report is to offer insight into the market for those interested in exploring potential M&A corporate development opportunities. At 7MA, we look forward to further discussing these trends and providing strategic advisory for your business.

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