

Market Update

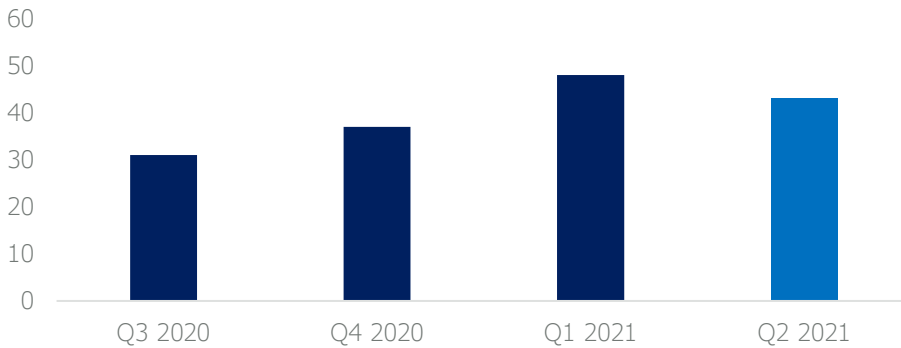
Digital Marketing & E-commerce

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The deal markets in the Digital Marketing & E-commerce industries remain hot as buyers continue to show interest in the industry to capture the market tailwinds of consumer behavior. We expect the underlying M&A trends in the industry to continue, given the evolution of consumer behavior over the past year.

The second quarter recorded 43 deals; a slight decrease compared with Q1 2021. Deal volumes and valuations remain high as strategic and financial buyers remain aggressive in acquiring digital marketing and e-commerce service providers.

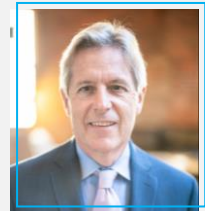
of Digital Marketing M&A deals



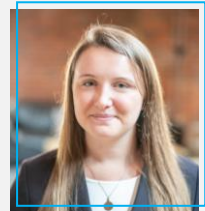
The E-commerce industry continues to break records with the continued shift in consumer behavior over the past twelve months. Organizations like Amazon, Instagram, Facebook, Shopify, Etsy, and Nike continue to break records and capitalize on the shift of consumer behavior online. Nike has been on the forefront of this shift in consumer behavior and grew its online sales by 50% in Q4 2021 over the prior quarter. E-commerce now represents 21% of the company's overall revenue. Shopify also continues rapid growth with a 57% increase in revenue for Q2 2021 over the same period last year.

7MA has completed numerous M&A transactions for companies with digital marketing and e-commerce service providers. 7MA has developed unparalleled deal expertise and knowledge of the industry trends, valuation trends, and most active strategic and financial buyers. Please get in touch with Mark Landry or Sydney Scadden if you would like to learn more about Digital Agencies & E-commerce.

Sector Coverage Team



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New Mountain Capital Acquired Bounteous



Bounteous, a leading insights-driven digital experience consultancy, today announced it has partnered with New Mountain Capital, an investment firm with over \$30 billion in assets under management. The partnership will support strategic investments in talent, new service offerings, and the Co-Innovation enablement methods that Bounteous uses to drive clients' digital transformation programs.

Date: August 3, 2021
Deal Type: PE Buyout
Target HQ: USA

RLH Equity Partners & Salesforce Ventures Acquired Astound Commerce

RLH Equity Partners



Astound Commerce has a 20-year history of delivering exceptional digital commerce experiences for global brands such as PUMA, L'Oréal, Under Armor, Boohoo, Lovehoney, Halfords, and Crocs. Now, with this strategic new investment, Astound is poised to accelerate expansion of its capabilities and footprint into new commercial and technology markets, realizing its mission to lead the digital commerce landscape and maximize the value of every digital commerce touchpoint. RLH Equity Partners made a major investment in the business, with additional participation from Salesforce's corporate investment group, Salesforce Ventures.

Date: May 6, 2021
Deal Type: PE Buyout
Target HQ: USA

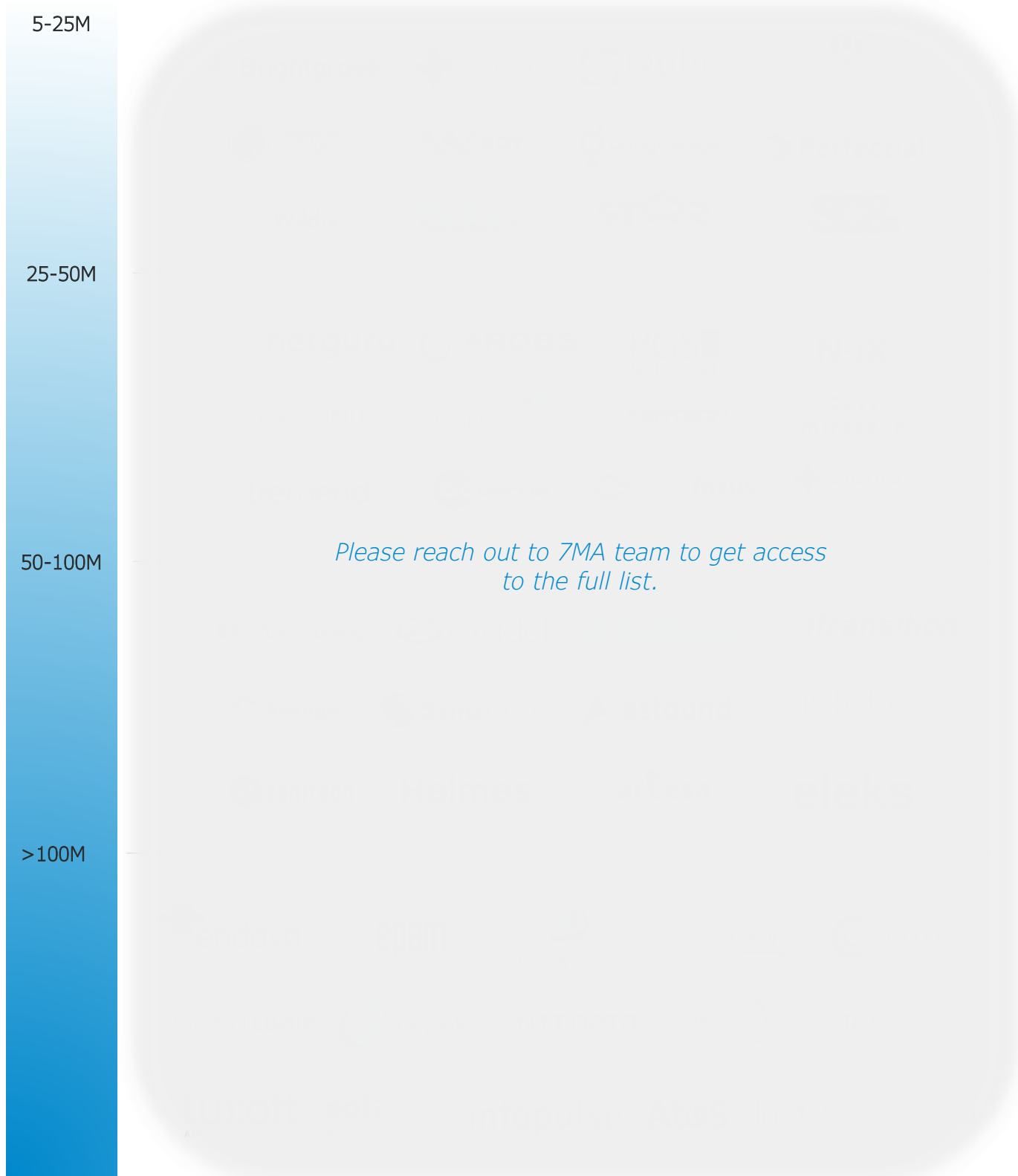
Most Active M&A Subsectors in Digital Marketing & E-commerce

Digital
Commerce

Website
Development

Digital Marketing

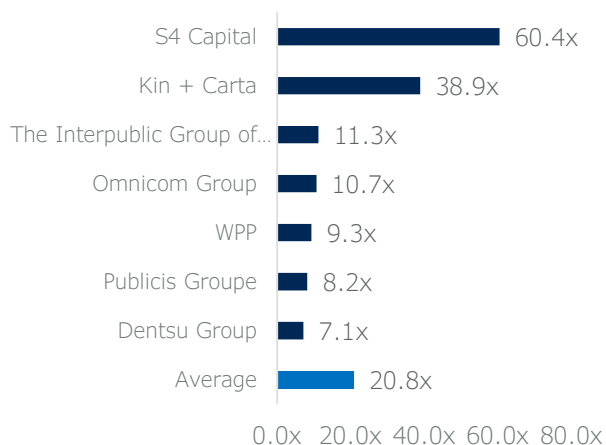
Annual Revenue, USD



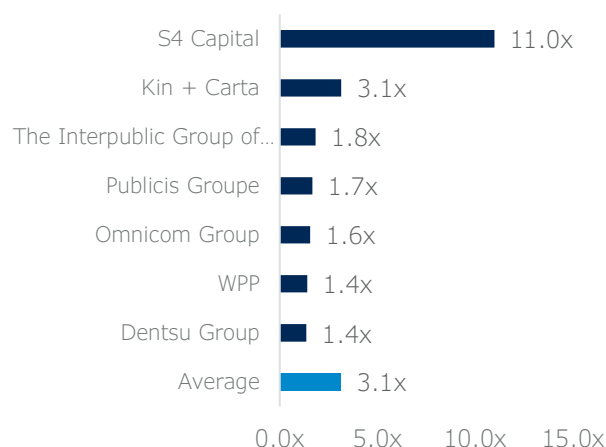
Publicly-traded Digital Marketing & E-commerce Companies – Q2 2021

Companies	TEV \$m	LTM EBITDA \$m	LTM Rev \$m	Rev Growth YoY	GP %	EBITDA %	TEV / Rev X	TEV / EBITDA X	# of FTEs	Rev / FTE \$k
WPP	21,555	2,323	15,386	-9%	17%	15%	1.4x	9.3x	3,031	711
Omnicom Group	20,614	1,932	13,191	-12%	17%	15%	1.6x	10.7x	1,200	1,718
Publicis Groupe	20,529	2,516	12,297	-2%	-	20%	1.7x	8.2x	2,056	998
The Interpublic Group of Companies	16,459	1,461	8,958	-11%	17%	16%	1.8x	11.3x	7,139	231
Dentsu Group	12,034	1,693	8,821	-10%	89%	19%	1.4x	7.1x	41,168	29
S4 Capital	4,818	80	439	59%	86%	18%	11.0x	60.4x	6,625	73
Kin + Carta	525	14	168	0%	48%	8%	3.1x	38.9x	400	131
Average	13,791	1,431	8,466	2%	46%	16%	3.1x	20.8x	8,803	556
Median	16,459	1,693	8,958	-9%	33%	16%	1.7x	10.7x	3,031	231

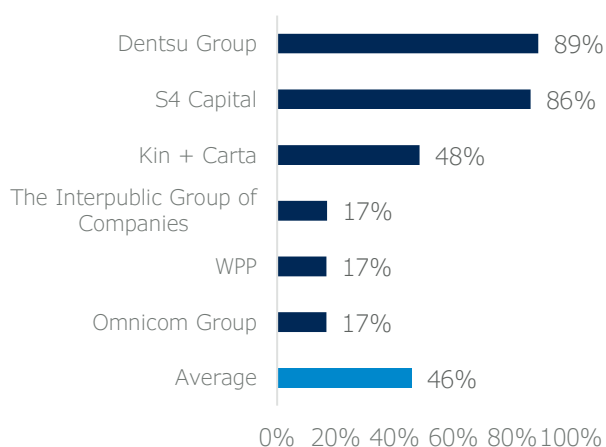
TEV / EBITDA X



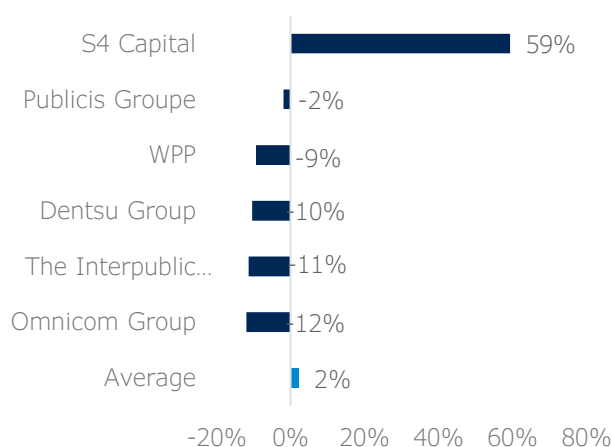
TEV / Rev X















Gross Margin %



Rev Growth YoY



Q2 2021 M&A Transactions

Date	Target	Buyer / Investor	Target Description
August 2, 2021			<ul style="list-style-type: none"> Bounteous, a leading insights-driven digital experience consultancy, today announced it has partnered with New Mountain Capital. The partnership will support strategic investments in talent, new service offerings, and the Co-Innovation enablement methods that Bounteous uses to drive clients' digital transformation programs.
July 21, 2021			<ul style="list-style-type: none"> Sideshow Group, the award-winning independent digital agency, acquired TRGT Digital. TRGT is one of the UK and Europe's fastest growing and most successful performance marketing agencies with a global remote workforce and a significant presence in the UK, Spain and India.
July 12, 2021			<ul style="list-style-type: none"> Cart.com acquired DuMont Project, a Los Angeles-based full-service omnichannel growth marketing consultancy trusted by Fortune 50 companies, major apparel, beauty, and consumer electronics sellers, and some of the most iconic global direct-to-consumer (DTC) brands. This strategic move builds on Cart.com's mission to deliver a fully owned and integrated suite of multichannel commerce solutions.
May 12, 2021			<ul style="list-style-type: none"> OSF Digital provides global commerce and digital cloud transformation services to emerging and premier brands, and merchants. OSF Digital received a \$43m investment from Delta-v Capital. The Company is based in Canada with offshore offices in Romania, Ukraine and other locations in Europe.
May 11, 2021			<ul style="list-style-type: none"> Riordan Lewis & Haden ("RLH") and Salesforce Ventures agreed to acquire Astound Commerce, a Salesforce partner and provider of digital commerce consultation. The Company is based in the U.S. with offices in Romania and Ukraine.
February 14, 2021			<ul style="list-style-type: none"> TWG, founded in Toronto in 2002, focuses on digital strategy, application development, platform services, product growth & analytics, e-commerce and retail. TWG's 150 employees will tuck into Deloitte Canada's Consulting practice in Toronto, under the Customer Strategy and Applied Design offering. Deloitte acquired TWG to aid its mid-market and large clients in digital and cloud transformation, and bolster Deloitte's global digital strategy.

7MA provides Investment Banking & Advisory Services to the Business Services and Technology Industries globally. We advise on M&A and private capital transactions and provide market assessments and benchmarking. As a close-knit team with a long history together and a laser focus on our target markets, we help our clients sell their companies, raise capital, grow through acquisitions, and evaluate new markets. All securities transactions are executed by 7M Securities, LLC, member FINRA / SIPC. For more information, including research on the M&A markets, visit www.7mileadvisors.com.



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Notable 7 Mile Transactions

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