

2022 M&A in review: global media & technology

Market report from
WY Partners



The view from WY

2022 was a year of two halves for the M&A market, as H1 maintained pace with a busy 2021 before economic and political uncertainty in H2 led to deal volumes dropping back to a more sustainable level.



William Ritchie
Managing Director & Founder

2022 in review

As we close out another eventful year for the media & technology M&A market, it is striking to reflect on how dynamics have shifted since we published our 2021 market review.

At the end of a year which saw the first ever winter World Cup, it seems appropriate to use a footballing vernacular to sum up 2022 – a year of two halves.

H1 2022

Back at the start of the year, the market was coming off of a record 2021, as deal volumes and valuations had grown significantly coming out of the Covid-19 enforced lull in 2020. So high were the activity levels that the first half of 2022 (1,435) saw over double the volume of deals in H1 2020 (677).

In addition to the exceptionally high number of deals, there were also some striking valuations, led by the year's undisputed mega-deal – Microsoft's proposed acquisition of Call of Duty developer Activision Blizzard, reported to be worth \$75bn. More than any other, this deal signified big tech's strategic pivot towards the much discussed "Metaverse" following Facebook's re-branding in late 2021.

Away from gaming, other sectors continued to see significant M&A activity off the back of a busy 2021, including social & influencer agencies (such as S4 Capital's acquisition of XX artists and WPP's acquisition of Village

Marketing) and e-commerce (including Publicis' acquisition of Profitero, Dept's acquisition of Melon and Stagwell's acquisition of Brand New Galaxy) as private equity backed marketing services groups continued to scour the market for complementary bolt-on acquisitions.

H2 2022

However, driven by the economic uncertainty arising from the onset of Russia's invasion of Ukraine, a protracted tightening of global supply chains and its consequent inflationary pressure, there has been a noticeable fall off in deal volumes during H2 2022. In the UK these global trends were exacerbated by the historic level of political instability, which accelerated the level of market shocks observed. Our data indicated a total of 909 deals in H2, a 37% decline on the first half of the year.

Valuations also began to decline during the second half of the year, led by the significant fall off of trading multiples amongst big tech players on the public markets, with the big 5 tech companies on average 23% down for the year. In particular, pressure has been exerted on smaller, more cash-intensive businesses, typically valued based off future cash-flows as tightening credit conditions across all major Western economies have increased the cost of capital significantly relative to a prolonged period of close to zero interest rates.

Looking ahead to 2023

Despite these challenges, we see resilience across our sectors, with significant M&A appetite persisting across our buyer and investor network. The level of capital still to be deployed by private equity remains high, meaning competition for attractive assets remains fierce.

In our view, businesses that can demonstrate resilience to economic uncertainty, strong margins and long-term client relationships continue to be compelling for buyers and investors seeking to supercharge their own growth strategies.

It is also worth noting, that despite the talk of falling volumes in H2 2022, this is in comparison to both H1 2022 and 2021, both of which saw exceptional levels of activity as huge levels of pent-up capital was deployed in short order following the easing of Covid-19 related restrictions and a return to relative market confidence. When compared to pre Covid-19 periods, H2 2022's M&A market performance still sits above those levels, giving cause for optimism that volumes and valuations will remain robust moving forward.

Founders and business owners should remain confident that they will be able to realise their value when the time is right for them to make their move.

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2022 at a glance



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2022 at a glance

1,760+

Deals in media & technology

\$75bn

Largest deal: Microsoft /
Activision Blizzard

£355bn

Capital invested
(disclosed deals amounts only)

£135m

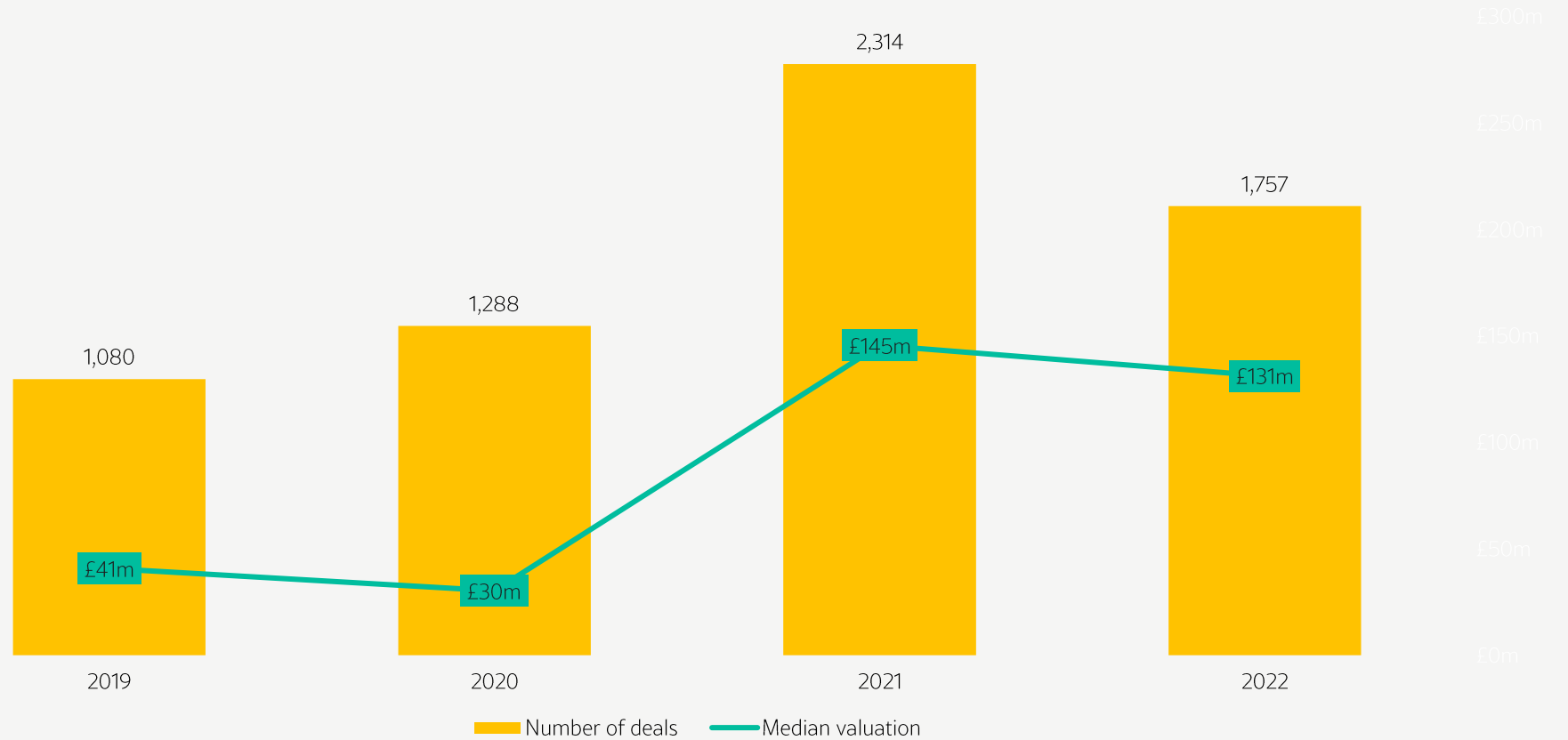
Median valuation



Global transaction trends

2022 saw deal volumes and valuations significantly above the previous non-Covid-19 impacted year (2019) as the M&A market remained resilient, albeit down on the exceptional level of activity seen in 2021.

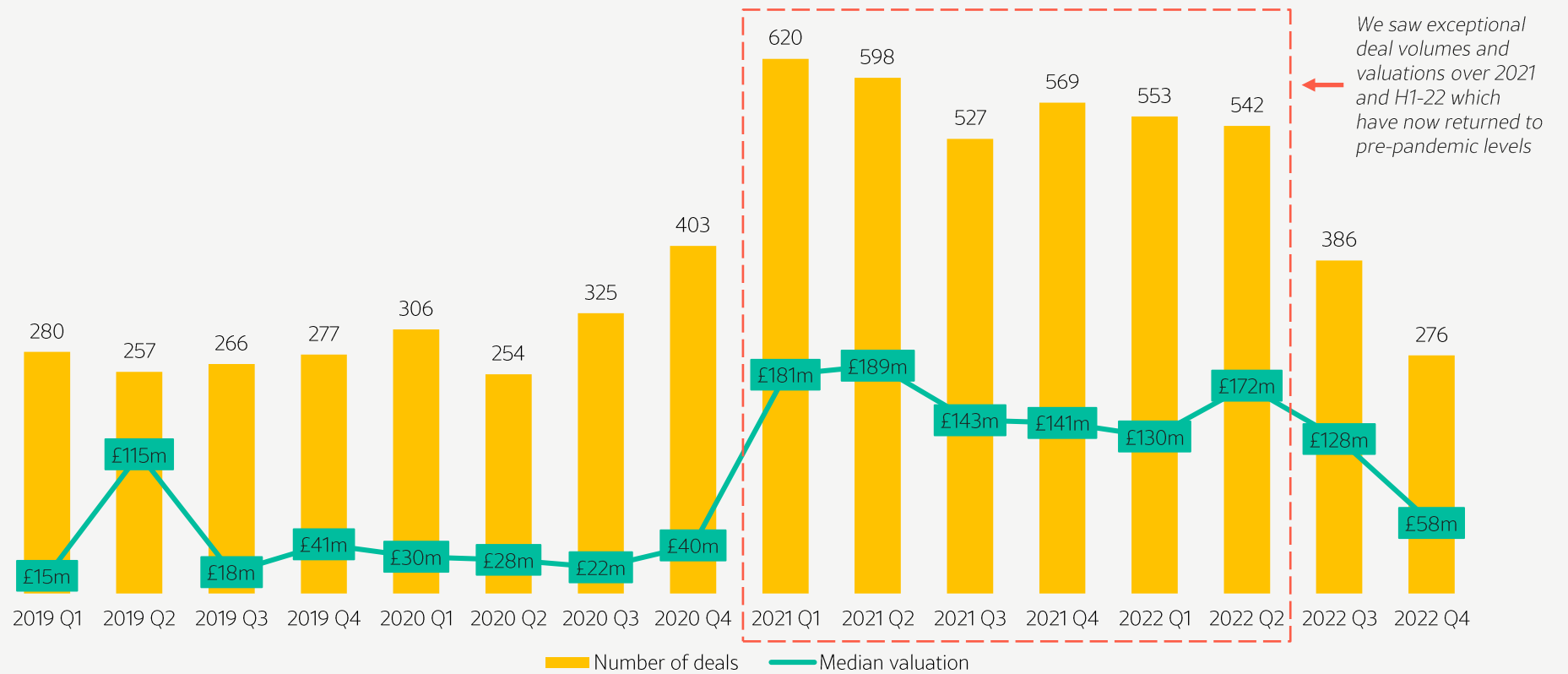
ANNUAL DEAL VOLUME / MEDIAN VALUATION (2019-2022)



Global transaction trends

The strong deal flow from 2021 continued into the first half of 2022 with deal volumes and valuations returning to pre-pandemic levels in H2-22.

QUARTERLY DEAL VOLUME / MEDIAN VALUATION (2019-2022)



02

2023 predictions



2023 predictions

There are a number of areas where we expect to see significant deal activity throughout 2023.

Resilience in IT services

IT services have experienced strong growth over the last few years as the pandemic accelerated the need for companies to embrace digital transformation. PE has been very active in the UK digital services sector recently and we expect this to continue in 2023 as investors seek out profitable, cash-generative businesses in resilient sectors. We expect the IT-managed service sector to attract significant attention due to its stable strong recurring revenue model.

UK marketing groups look at exits

Following a wave of PE deals in 2018-2020 including Livingbridge / Brainlabs, Horizon / The Marketing Practice and LDC / MSQ, we expect some PE investors to begin exit planning in 2023. These exits could fit nicely with an increase in outbound US M&A activity, driven by favourable USD/GBP rates.

With the PE-backed groups being less active in 2022 than 2021, it may be the case that as with DEPT, who have completed 13 deals since Waterland exited to Carlyle in 2020, that secondary transactions fuel a wave of bolt-ons in '23 and beyond.

Private equity acquisition spree

PE currently has \$1.3tn of dry powder ready to deploy, and with valuations at much more compelling levels, we expect them to be a key driver of M&A activity in 2023. However, we expect the average deal size to be lower than in recent years as higher interest rates may inhibit investors when using significant leverage to complete acquisitions.

Opportunities in the tech sector

The shift in investor sentiment from growth to profitability means that some high-growth names could now be acquired at far more compelling prices. There is potential that the combination of declining valuations and big tech companies holding large cash reserves* could spur a flurry of M&A activity in the technology sector early in 2023.

**As at September 2022, Google, Microsoft, Amazon, Apple and Meta held a combined \$372bn in cash.*

Synergistic M&A

As investors across the board are seeking profitability, companies may look to maximise synergies in their M&A strategy. This focus on driving margins combined with the large pools of cash PE investors have on the side line, means that we are likely to see PE-backed groups making bolt-on acquisitions at attractive prices.

In the search for profitability and stability, downturns often produce several mergers as firms look to increase scale and improve margins.

A tale of two halves

High inflation, rising interest rates, and uncertainty in the global economy are likely to continue to weigh on broader M&A activity in H1 2023. However, we expect that as market conditions stabilise, there will be an uptick in deal volumes as CEO confidence improves and pent-up demand from the previous 12 months is released.

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**M&A review across
buyer & investor
groups**



Buyer and investor landscape

In our evaluation of the M&A and fundraising activity in 2022, we have identified various cohorts of the most prolific buyer / investor groups that have completed transactions in the media & technology sectors.

DEFINING THE BUYER / INVESTOR POOL

In our evaluation of the M&A and fundraising activity in 2022, we have identified various cohorts of the most prolific buyer / investor groups that have completed transactions in the media & technology sectors.

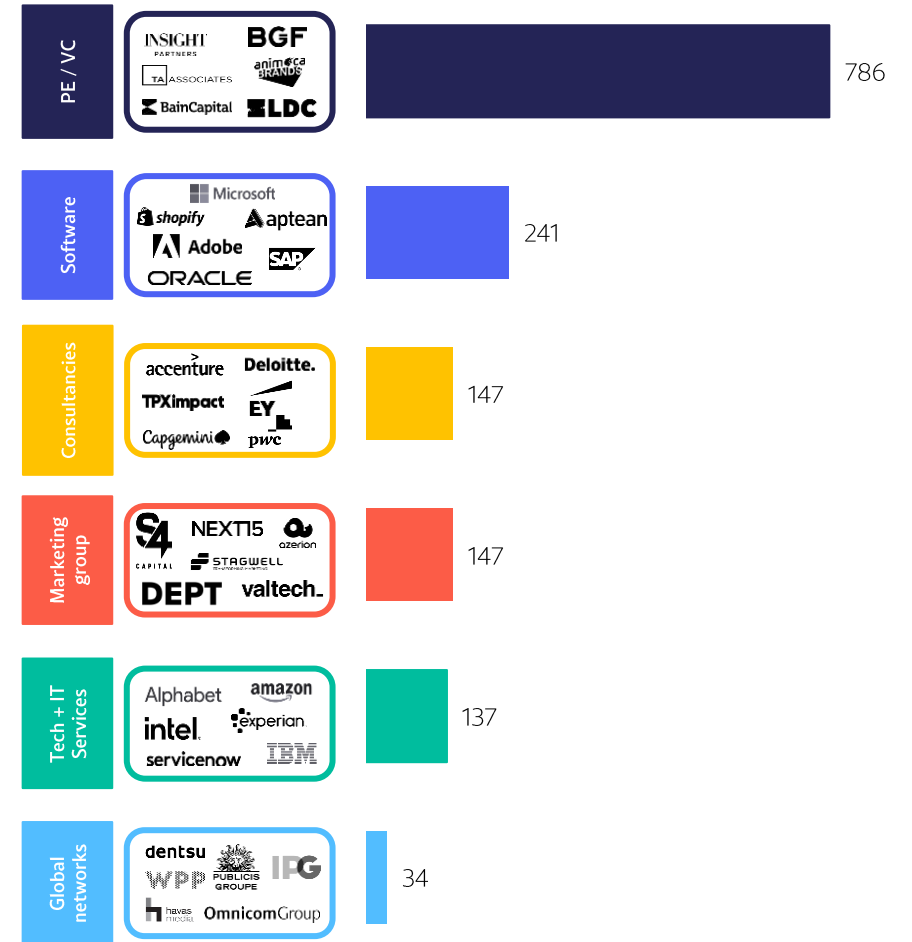
Our objective is to draw out the key themes and trends of the buyer / investor groups highlighting the dominant players of the year. We have grouped the buyers / investors into the following six key categories:

- **Private equity & Venture capital** – Institutional investors that have either taken minority or majority stakes.
- **Software** – Large scale software providers and SaaS businesses that dissect various verticals including Martech, Adtech, Communication, Enterprise Resource Planning (ERP), and Infrastructure.
- **Consultancies** – Professional services firms and management consultancies that have disrupted the media / technology M&A world.
- **Marketing groups** – Emerging mid-market groups that are challenging the established buyers through their private equity backers or funding through strong cash generation.
- **Tech & IT services** – Traditional technology product & service providers coupled with digital transformation specialists.
- **Global networks** – The traditional holding company advertising networks.

Take a look opposite at the graphic which shows a snapshot of companies and deal volume by category.

Outside of the six key categories there are other buyer groups that we opted not to focus on in detail as transaction volumes were not as high. The categories excluded are:

- *Broadcast / Entertainment (Sony, Liberty Global, Warner),*
- *Publishers (Bertelsmann, Axel Springer, DMGT),*
- *Gaming (Tencent, Epic Games, Roblox),*
- *Music / Digital Media (Spotify, Meta, Netflix).*



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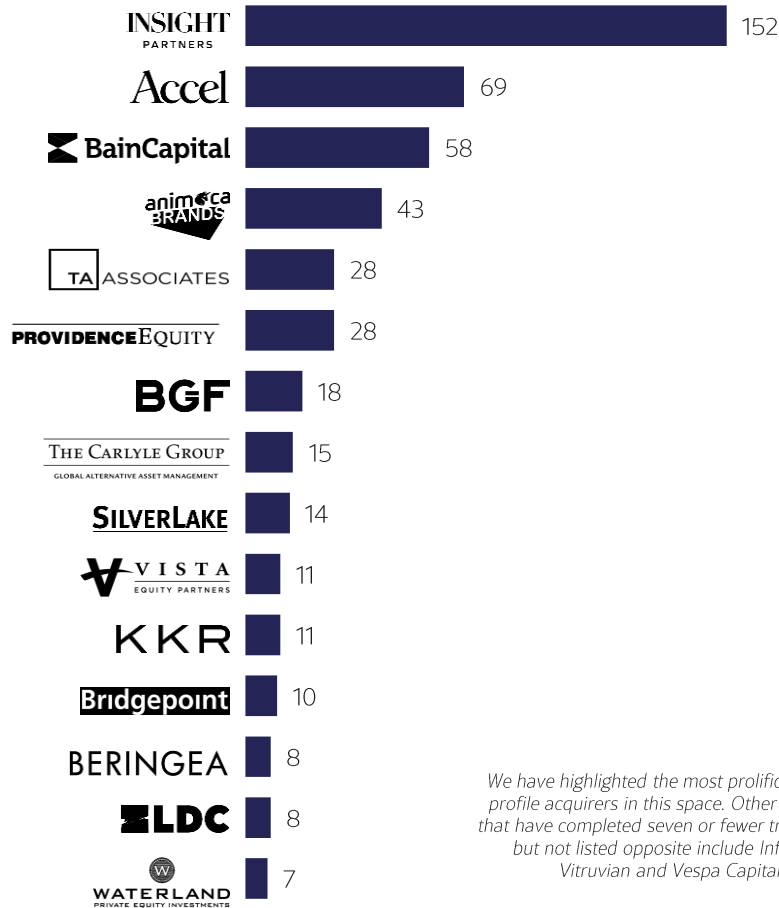
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Private equity & venture capital

PE and VC firms remain strong backers of media & technology particularly at the buy-out end of the market.

TOP DEALMAKERS IN MEDIA & TECHNOLOGY



We have highlighted the most prolific and high profile acquirers in this space. Other acquirers that have completed seven or fewer transactions but not listed opposite include Inflexion, Vitruvian and Vespa Capital.

KEY THEMES

Private equity and Venture Capital firms continued to back the Media & Technology sectors throughout 2022 with deal volumes up 65% on 2020 and only falling away in Q4-22 leaving the year ~20% down on the record breaking 2021. The driving force behind the volume correction was hesitation from VC firms who averaged 165 deals per quarter in 2021 and H1-22 which fell to 57 in Q4-22.

Sector focus has been much the same as 2021 with business critical / financial software platforms accounting for the lion's share of investments - the largest deal in this space being Vista Equity Partners & Elliott Management's \$16.5bn take private of Citrix. On the media side,

it was stellar year for the UK's Adtech sector as Bridgepoint acquired MiQ and Mayfair invested into LoopMe. Equally the gaming industry has had another outstanding investment year, most notably through Asian VC firm Animoca Brands who made 43 investments alone in the sector (up by 72% from 2021).

The macro-economic factors, particularly the rising cost of capital, played a role in falling deal volumes towards the end of the year but PE/VC firms are still sitting on significant dry powder which will need to be deployed in 2023. We anticipate there will be rebound in activity as the year develops and there is more clarity over the longevity of recession.

TARGET INDUSTRIES – TOP 5

Business / productivity software	30%
Financial software	11%
Media & information services (B2B)	8%
Network management software	7%
IT consulting & outsourcing	4%

TARGET HQ – TOP 5

	47%
	16%
	5%
	4%
	4%

NOTABLE DEALS



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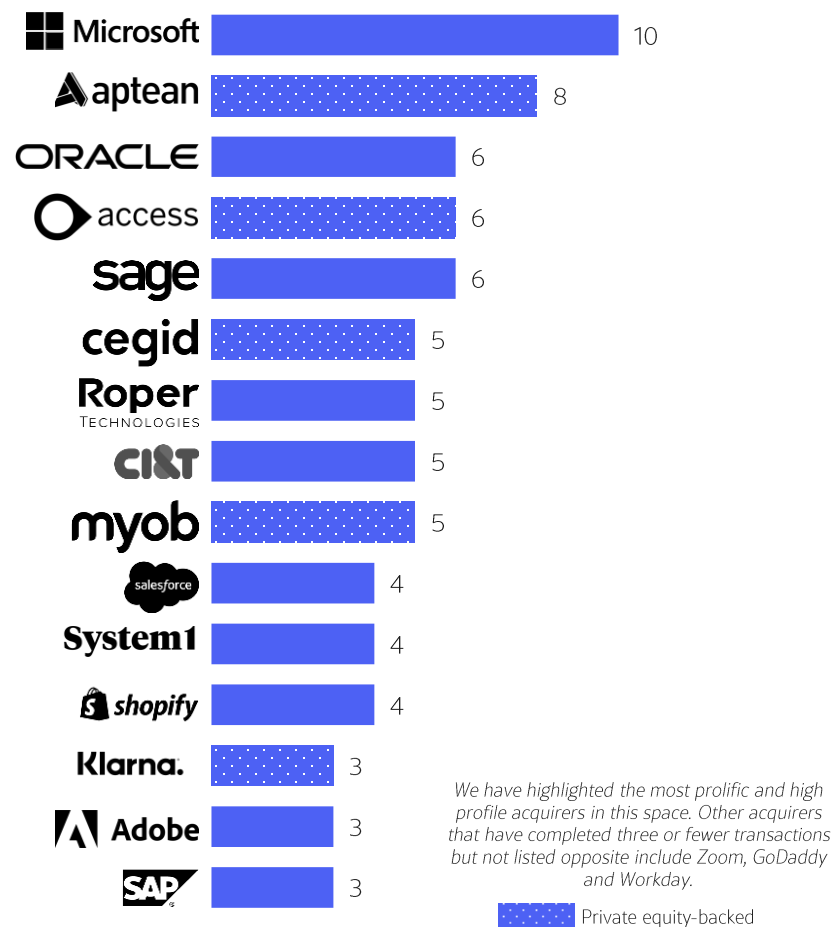
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Software

There continued to be significant activity in the software sector including 8 megadeals of £1bn+.

TOP DEALMAKERS IN MEDIA & TECHNOLOGY



KEY THEMES

The software sector started off 2022 with a bang as Microsoft announced their intent to acquire Activision Blizzard for \$75bn, whilst overall deal volumes remained high. As with other sectors, H2 brought a decline in M&A activity with just 38% of 2022's deals occurring in the second half of the year. Whilst annual deal volumes were down 34% (244 vs 368), there continued to be greater levels of M&A activity than in both 2019 and 2020.

Although deal volumes declined in H2, significant deals were still going through, with 4 of the 8 £1bn+ megadeals completing in H2, including Adobe's \$20bn acquisition of web-based design platform, Figma.

2022 also saw significant changes in the most active buyers. Prolific buyers in 2021 such as Slack, Workday and Zoom were replaced at the top of the leader board by Oracle, Intel and Sage, who all increased their activity and completed 6 acquisitions. Business productivity assets remained the most popular as companies increase their focus on digital transformation and improving mission critical IT software.

There was also a notable shift away from the significant focus on US market with US vendors responsible for 43% of transactions compared to 54% in 2021. This meant other western nations such as Germany, Canada and The Netherlands were able to grow their market share.

TARGET INDUSTRIES – TOP 5

Business / productivity software	40%
Financial software	10%
Media & information services (B2B)	7%
IT consulting and outsourcing	6%
Software development applications	6%

TARGET HQ – TOP 5

USA	43%
UK	14%
Canada	6%
Germany	5%
Australia	5%

NOTABLE DEALS

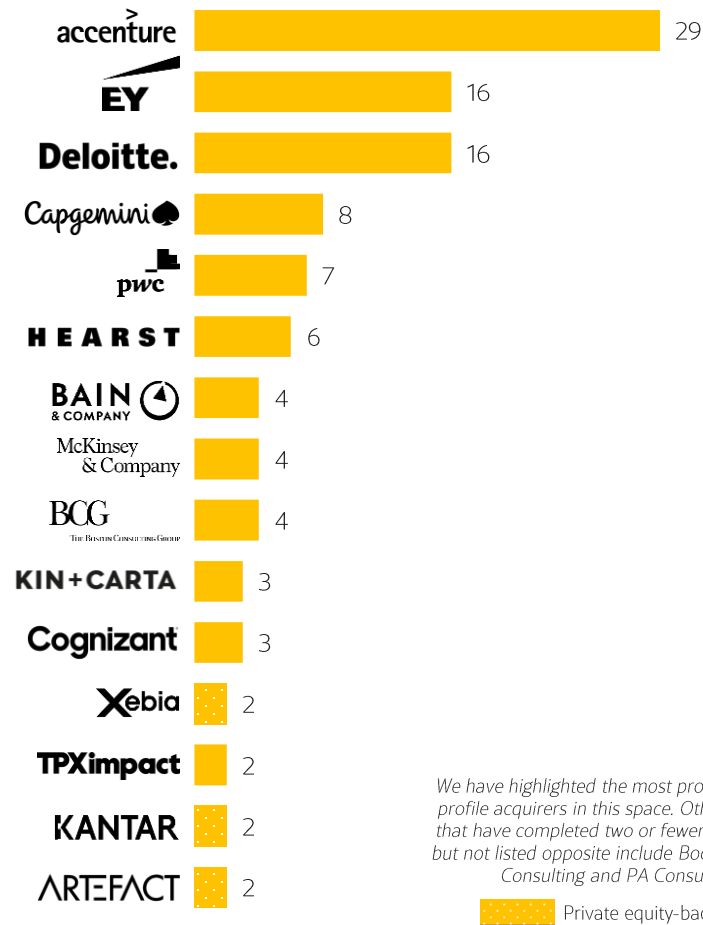


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Consultancies

The Big 4 increased their M&A activity in 2022, whilst the wider consulting industry saw a normalisation of deal volumes led by Accenture.

TOP DEALMAKERS IN MEDIA & TECHNOLOGY



KEY THEMES

2021 marked a bumper year for M&A in the consultancy space as leading global players utilised acquisitions to obtain adjacent capabilities and capitalise on the disruption caused by Covid-19, which accelerated businesses' need to digitise.

It is perhaps no surprise therefore that 2022 saw a normalisation in consultancy deal volumes (143) compared to the prior period (196). Volumes were lower than 2021 from the outset of the year with 37 deals in Q1, lower than any quarter in 2021.

Accenture can be considered an appropriate barometer for this normalisation, completing 29 deals, comparing to 62 in the prior period with the overall decrease in their deal volume (33

accounting for over half of the total reduction (53). Despite the overall industry reduction, EY (who's consulting arm have recently announced a \$2.5bn post-separation acquisition war chest*), Deloitte and PwC increased their M&A activity (39 deals in 2022 vs. 34 in 2021) illustrating the Big 4's desire to expand their consulting arms and grow headcount in a challenging hiring market.

The Big 4's key industry targets were emblematic of the wider consultancy market in 2022.

Consultancies continued to prioritise access to new technology capabilities, data and analytics service providers (including AI), digital transformation, commerce and ESG. We anticipate these will remain attractive in 2023.

TARGET INDUSTRIES – TOP 5

IT consulting and outsourcing	34%
Consulting services	27%
Business productivity services	9%
Media & information services (B2B)	3%
Environmental services	3%

TARGET HQ – TOP 5

	31%
	17%
	8%
	6%
	5%

NOTABLE DEALS

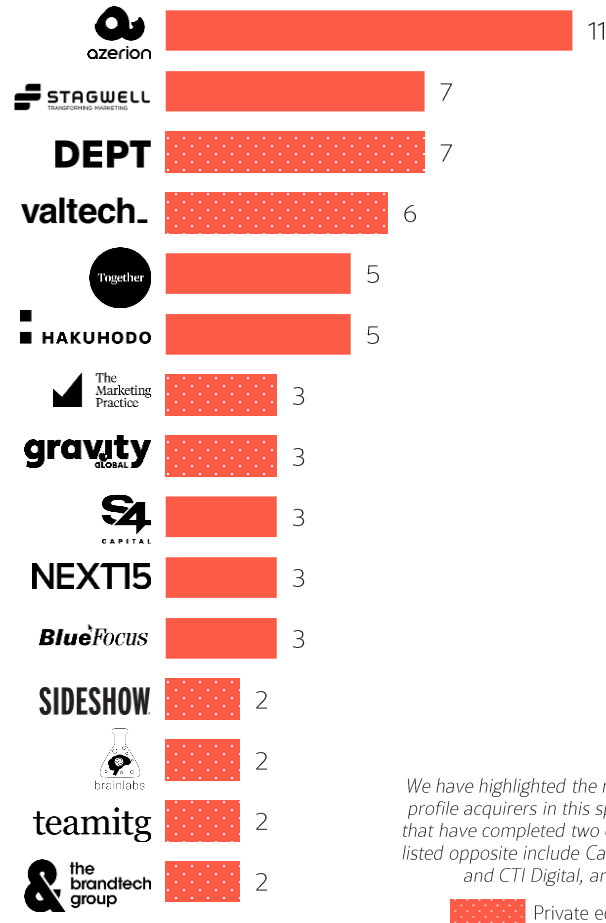


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Marketing groups

Social and digital capabilities, data analytics and AI, and e-commerce expertise fuelled M&A activity for both PE-backed challenger agencies and established marketing groups in 2022.

TOP DEALMAKERS IN MEDIA & TECHNOLOGY



We have highlighted the most prolific and high profile acquirers in this space. Other acquirers that have completed two or fewer deals but not listed opposite include Candid, UNRVLD, Croud and CTI Digital, amongst others.

KEY THEMES

2022 began with a continuation of the high levels of marketing groups' M&A activity achieved in 2021, driven largely by private equity backers following a surge in platform acquisitions in the industry between 2019-2021. Deal volumes in H1 (87) were consistent with the overall level of activity in 2021 (176 deals averaging 88 per half). As we highlighted in our 2021 review, marketing groups continued to broaden their social capabilities during this period, illustrated by notable deals including S4's acquisition of influencer agency XX artists, MSQ's acquisition of Miri Growth (advised by WY Partners) and Croud's acquisition of Born Social. Digital transformation and data & insights agencies also

fuelled M&A activity with Dept acquiring 3Q Digital and Next15's acquiring Engine for £78m. With the marcomms space having been impacted by adverse market conditions in H2, deal volumes decreased with the pain shared between private-equity backed groups (29 deals vs 39 in H1, -25%) and the remaining private and publicly owned groups (35 vs 48, -27%). Whilst deal volumes have declined in the latter half of the year, a number of potential secondary private equity rounds for the platform investments of the last 3 years (e.g. Brainlabs, UNRVLD, MSQ) may fuel another wave in M&A activity in 2023 and beyond.

TARGET INDUSTRIES – TOP 5

Media & information services (B2B)	69%
Consulting services	10%
IT consulting & outsourcing	8%
Software development	6%
Multimedia and design	2%

TARGET HQ – TOP 5

	40%
	28%
	6%
	3%
	3%

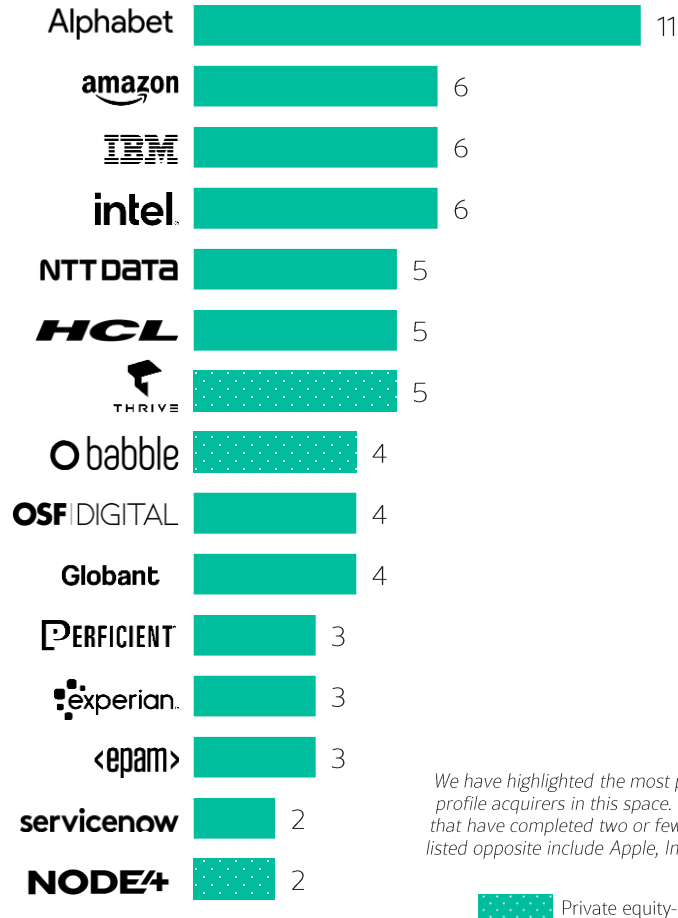
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Technology & IT services

Technology buyers switched their M&A strategy away from software platform towards more service led targets & digital transformation.

TOP DEALMAKERS IN MEDIA & TECHNOLOGY



KEY THEMES

Our technology buyer pool has focused their M&A around broadening their IT services / digital transformation offering (43% of all deals) which contrasts to a more software centric approach from 2021.

The specific capabilities which have attracted the most interest were cybersecurity (Alphabet's \$5.4bn deal with Mandiant), data analytics consultancies, cloud integration / app development and commerce (Amazon's acquisition of GlowRoad).

Alphabet was again the most active acquirer (and holding up on deal volumes from 2021) but there was a notable reduction in deal activity from

other prolific buyers like IBM, Cisco, Atos and ServiceNow. Technology companies have borne the brunt of the stock market corrections which has impacted their deal appetite as they have looked internally to create efficiencies rather than look outwards at M&A.

The most captivating tail from 2022 was the on/off saga of Elon Musk's \$44bn acquisition of Twitter. The tech entrepreneur managed to create a media frenzy with his antics leading up to the deal and just as many headlines post deal through brutal redundancy rounds, sporadic feature updates and polls to decide on his leadership. A fascinating one to watch in 2023!

TARGET INDUSTRIES – TOP 5

IT consulting & outsourcing	43%
Business / productivity software	13%
Media & information services (B2B)	5%
Systems & information management	4%
Consulting services	4%

TARGET HQ – TOP 5

	40%
	19%
	5%
	5%
	4%

NOTABLE DEALS

Alphabet / MANDIANT amazon / GlowRoad OSF / netnomics

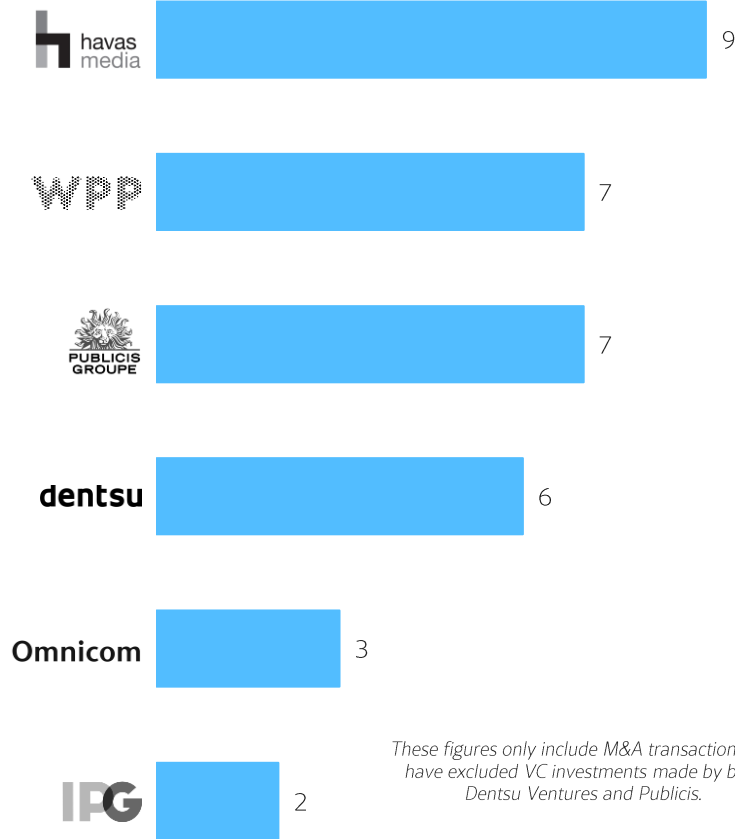
PERFICIENT / Amex / RIZING NODE4 / tisski

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Global networks

The holding companies return to M&A; targeting technology and more digitally focused assets.

TOP DEALMAKERS IN MEDIA & TECHNOLOGY



These figures only include M&A transactions, we have excluded VC investments made by both Dentsu Ventures and Publicis.

KEY THEMES

The Global Networks bucked the wider market trend and increased their activity levels in 2022, with the number of deals rising 48% to 34 (2021: 23). The biggest acquirer were Havas, who tripled their 2021 activity, making a total of 9 acquisitions. The majority of their transactions related to smaller targets, with a notable focus on the UK (4) and Australian (2) markets.

The increase in deal volumes could be attributed to the need to keep up with the growing number of PE-backed challenger agencies that have been highly acquisitive in recent times. With increasing competition in this space, we expect activity levels for the agencies to remain high in 2023.






E-commerce was a particular area of focus for the networks as it becomes increasingly entrenched in society and the networks continue to seek a full service offering for their clients. Notable acquisitions in this space included Havas / Expert Edge, Publicis / Profitero and WPP / Diff. We anticipate continued activity in this area moving into 2023.

Another key focus for the networks has been on improving their technological capabilities, with a number tech consultancy acquisitions. Dentsu in particular have had a strong focus on Salesforce consultancies, making 2 acquisitions in this space (Aware and Pexlify).

TARGET INDUSTRIES – TOP 5

Media & information services (B2B)	62%
IT consulting & outsourcing	18%
Consulting services	15%
Business / productivity software	3%
Information services	3%

TARGET HQ – TOP 5

	35%
	12%
	9%
	6%
	6%

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E-commerce

E-commerce is undergoing considerable disruption: the exceptional levels of growth that accompanied the pandemic have slowed, while today's macroeconomic conditions have created new pressures for online retailers.

NOTABLE TRANSACTIONS

DATE	TARGET NAME	TARGET COUNTRY	TARGET DESCRIPTION	ACQUIRER / INVESTOR	DEAL TYPE	VALUATION
Jan-22	 4MILE		Data analytics	 media monks	M&A	n/a
Apr-22	 Profilero		SaaS platform	 PUBLICIS GROUPE	M&A	€200m
May-22	 byrd		Fulfilment platform	 CAMBRIDGE CAPITAL	Series C raise	€50m raised
Jun-22	 nfinite		Visualisation software	 INSIGHT PARTNERS	Series B raise	\$100m raised
Jul-22	 Deliverr		Fulfilment platform	 shopify	M&A	\$2.1bn
Jul-22	 corebiz.		Ecommerce agency	 VMLY&R WPP	M&A	n/a
Aug-22	 STABLE		Commerce agency	 accenture	M&A	n/a
Sep-22	 NEWCRAFT		Data consultancy	 WUNDERMAN THOMPSON WPP	M&A	n/a
Dec-22	 GORILLAS		Delivery platform	 getir	M&A	€1.2bn
Dec-22	 MELON		Commerce agency	 DEPT	M&A	n/a

OBSERVATIONS

E-commerce has attracted new and wider levels of interest over 2022 with buyers like WPP, Accenture and DEPT joining the traditional pool of institutional investors and commerce behemoths of Shopify and Amazon.

M&A has been focused around targets with expertise in the e-commerce platforms (Magento, Cloud Commerce etc.), data-led consultancies and logistics / fulfilment. The latter being an integral capability to put an end to reliance on third parties and provide an end-to-end solution easing pressures from external factors such as supply chain disruption and rising inflation.

The most interesting deal to highlight was in the on demand delivery sector with Getir acquiring Gorillas for a third of its \$3bn valuation from September 21 after its funding dried up and they were forced to find a suitor.

2023 PREDICTIONS

The current macro-economic environment means that buyers and investors will place priority in robust business models which can trade through near-term challenges and maintain a sustainable growth profile after the post-pandemic boom in e-commerce.

A particularly interesting area to follow will be social commerce. There is huge potential in this market where brands are able to create e-commerce experiences directly with social channels rather than spending on digital advertising to redirect users elsewhere. A smoother and more efficient user experience will be integral to maintaining customer confidence in 2023.

There may also be similar style M&A to Publicis' acquisition of CitrusAd back in 2021. Marketing groups are trying to maximise their first party data hooks into large clients and get closer to orchestrating their retail media networks. This could snowball into more specialised tech and services providers creating deep expertise on non-DTC ecommerce.



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Gaming

2022 saw some of the largest M&A deals ever at the start of the year, headlined by Microsoft's proposed acquisition of Activision Blizzard. Moving forward, we expect growth in the Metaverse to continue to drive further M&A activity.

NOTABLE TRANSACTIONS

DATE	TARGET NAME	TARGET COUNTRY	TARGET DESCRIPTION	ACQUIRER / INVESTOR	DEAL TYPE	VALUATION
Jan-22	 ACTIVISION BLIZZARD		Developer / publisher	 Microsoft	M&A	\$75bn
Mar-22	 Next Games		Developer / publisher	NETFLIX	M&A	\$55m
Mar-22	 BOSSFIGHT GAMES		Developer	NETFLIX	M&A	n/a
Apr-22	 EPIC GAMES		Game developer software	SONY	M&A	\$1.8bn
May-22	 zynga		Mobile	T2	M&A	\$12.7bn
Jul-22	 BUNGIE		Developer	SONY	M&A	\$3.6bn
Sep-22	 twobulls		Developer	DEPT	M&A	n/a
Sep-22	 animoca BRANDS		Blockchain gaming	TEMASEK	PE Growth	\$185m
Nov-22	 ironSource		App scaling platform	 unity	M&A	\$4.4bn
Dec-22	 miri		Gaming UA and creative studio	msq	M&A	n/a

OBSERVATIONS

2022 saw a continuation of last year's heightened M&A activity in the gaming space. The year began with the announcement of Microsoft's planned \$75bn takeover of Activision Blizzard, the developer behind Call of Duty. This signalled Microsoft's intention to move further into the gaming space, following other tech giants on the metaverse trajectory.

Netflix's own gaming intentions were demonstrated, making three further acquisitions, increasing their total of in house gaming studios to 6 as they seek to diversify beyond television and film.

This was followed in May-22 by Take Two's acquisition of Zynga, consolidating two major mobile gaming players following the Covid-19 boom in hyper casual mobile gaming.

2023 PREDICTIONS

The gaming sector (driven by mobile) saw unprecedented levels of growth through the Covid-19 pandemic as consumers switched spending patterns towards hyper casual gaming titles through periods of significant social restrictions.

This prompted a flurry of M&A activity which we expect to slow slightly heading into 2023. Global economic headwinds mean the market expects consumer spending on mobile gaming to fall for the first time next year (*source: Newzoo*).

Nevertheless, we expect larger gaming studios and tech players to seek opportunities to consolidate during slow growth in order to position themselves for 2024 and beyond.

There is also likely to be continued focus on expansion into metaverse-based games. With growing user numbers on platforms such as Roblox and Fortnite, there will likely be more opportunities for independent builders to grow, leading to a wave of consolidation in the space.



Digital transformation

The broader digital transformation space saw a steady level of M&A activity in 2022, with a particular focus on businesses offering specific data science and analytics capabilities through Managed Service business models.

NOTABLE TRANSACTIONS

DATE	TARGET NAME	TARGET COUNTRY	TARGET DESCRIPTION	ACQUIRER / INVESTOR	DEAL TYPE	VALUATION
Feb-22	PEAK INDICATORS		Data science	TPXimpact	M&A	n/a
Feb-22	Swirrl		Open data	TPXimpact	M&A	n/a
Mar-22	Aspire <small>IT Managed Services</small>		IT managed services / cyber	LDC	PE growth	£85m
Apr-22	azure		ERP software consultancy	Content + Cloud	M&A	n/a
Jun-22	BCN Group		IT managed services	eci <small>building successful businesses</small>	PE secondary	n/a
Jul-22	DIGITAL DETOX		Digital engineering	EY	M&A	n/a
Aug-22	littlefish <small>managed IT services</small>		IT managed services / cyber	BOWMARK CAPITAL	PE secondary	n/a
Sep-22	acora		IT managed services	LDC	PE secondary	n/a
Oct-22	more2 <small>IT & DATA SERVICES</small>		Data & analytics	SIDESHOW GROUP	M&A	n/a
Nov-22	risual		IT managed services	NODE4 <small>improving systems to do more</small>	M&A	n/a

OBSERVATIONS

2022 saw a sustained level of busy M&A activity in the broader digital transformation space, with a particular focus observed in businesses offering specific data science and analytics capabilities through the ever attractive Managed Service type business model.

In the UK in particular, a number of SMEs graduated through their initial Private Equity cycle, realising a secondary exit as their initial investors sold to larger houses (e.g. BCN's sale to ECI Partners from BeechTree).

As the broader macroeconomic landscape caused a slow-down in M&A activity during H2 2022, it was noticeable that activity in the UK digital transformation space remained robust through a significant number of PE backed trade deals.

2023 PREDICTIONS

Moving into 2023, we fully expect the heightened M&A activity in the sector to continue. Given the broader macro-economic challenges facing all major Western economies over the next two quarters at least, investors and purchasers are likely to continue to focus on robust Managed Service type business models that deliver sticky revenue for mission critical business services.

In particular, we expect first-party-data specialist tech players such as Epsilon (Publicis), Merkle (Dentsu) and Axiom (LiveRamp) to be particularly active as they seek to consolidate their market position to differentiate themselves with enterprise level clients.

Those businesses that can demonstrate repeatable revenue from embedded, long-term client relationships are still likely to attract highly competitive valuations as purchasers and investors focus their available capital on the resilience of the digital transformation sector.

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About WY Partners



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Who we are

WY Partners offers specialist M&A and fundraising advice to businesses at the intersection of media and technology. Our approach is built on analytical insights and productive relationships, forming a close partnership with every business to empower the right decision.

Sell side advisory

We advise businesses in the media and technology industries who are seeking to sell all or part of their business. Our invaluable insight into the buyer strategy is exactly what it takes to maximise value and efficiently drive a transaction to completion.

Buy side advisory

We advise buyers and investors in media and technology businesses to identify the best partners and deliver the best, most efficient processes, always being close to the detail to drive the best value.

Fundraising

Through our network of experienced investors, we are able to identify and connect businesses to their best strategic partners, advising them through the process and securing the best deal for all parties.



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How we are different

As true specialists, we reserve our strategic M&A advice for media and tech organisations. Our team of experts provide sought-after sector insights to power informed decisions from identifying the opportunity to closing the deal.

1.

One team

We are a specialist team and sector specific which means we are very focused on every opportunity and selective about who we work with. More nimble than larger M&A advisors, we can move quickly and adapt to our clients' needs. Clients benefit from our closer relationship, trust and involvement.

2.

Global presence

We are based in the UK and US. We have significant experience working on high profile cross border deals.

3.

Buyer insight

We have an unparalleled perspective of a buyer's view from our experience on deal making across the large multi-national media and consultancy groups. We have acted for some of the industry's most prolific buyers and investors.

4.

Technical expertise

We have significant transaction expertise and a technical skill set from their experience at the Big Four accountancy firms. Our strong technical training in all financial matters drives value and make deals succeed.

5.

Seller success

We have advised sellers on some of the most exciting deals in the industry. Our unique position in the market allows us to understand what key buyers and investors want. Through this, we determine the best partners, most efficient processes, and value-enhancing strategies.

Our expertise

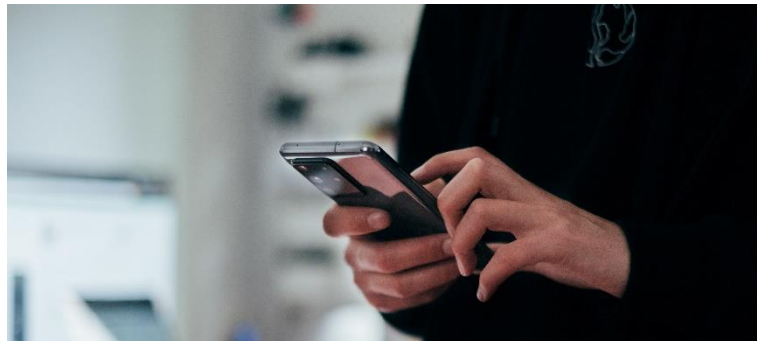
We have advised some of the most innovative businesses in the global media and tech sectors, each deal showcasing how our all-encompassing approach informs transformative decisions.



Our insights

We are passionate about the sectors within which we work and have published thought leadership articles across the media and technology space, as well as an interactive tracker of the latest deals which is accessible on our website.

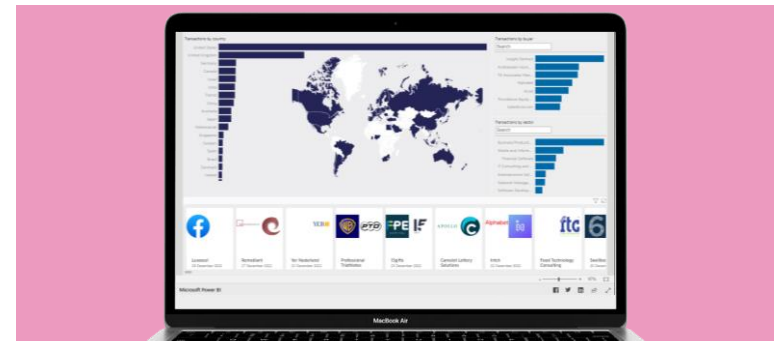
SPOTLIGHT ON: E-COMMERCE



In light of global networks Publicis and WPP signaling their desire to offer end-to-end solutions, we explore recent trends taking place in the e-commerce market.

[Read the article](#)

WY M&A TRACKER



See how we analyse the latest global M&A activity across the media and technology sectors using our live M&A tracker.

[View the M&A tracker](#)

Our clients



WY worked tirelessly in finding the right buyer for Miri Growth. They were highly effective in running a competitive process and were alongside us every step of the way to completion. Their efforts resulted in a great outcome for us as founders, our business and our employees going forward. We highly recommend WY Partners to anyone looking to evaluate their options for the next steps for their business.

Adam Turowski & Zach van Driel
Founders
Miri Growth



WY Partners were fantastic from start to finish. As expert M&A advisors, WY’s relentless commitment, from the beginning and throughout the process, brought us great comfort. They provided detailed and professional advice that led to a successful outcome that wouldn’t have been possible otherwise. WY were an invaluable partner throughout the sale process, and we highly recommend them.

Will Rowe
Chief Operating Officer
Rufus Leonard



I am thrilled to recommend WY Partners to anyone thinking about selling their company or considering a sell-side advisor. The team helped us navigate complex issues at every stage of the process and at all hours of the day and night. WY Partners is a world-class partner and there is no way this deal would have happened without them, and their steady guidance and support.

Brian Bowman
Chief Executive Officer
Consumer Acquisition



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Our team



William Ritchie
Managing Director & Founder



Alastair Greenfield
Director



Elliott Dodds
Associate Director



Dustin Engel
US Director



Sarah Vick
Advisor



Cameron Hay
Associate Director



Alex Crawford
Manager



Ollie Smith
Manager



Ella Wills
Marketing Manager



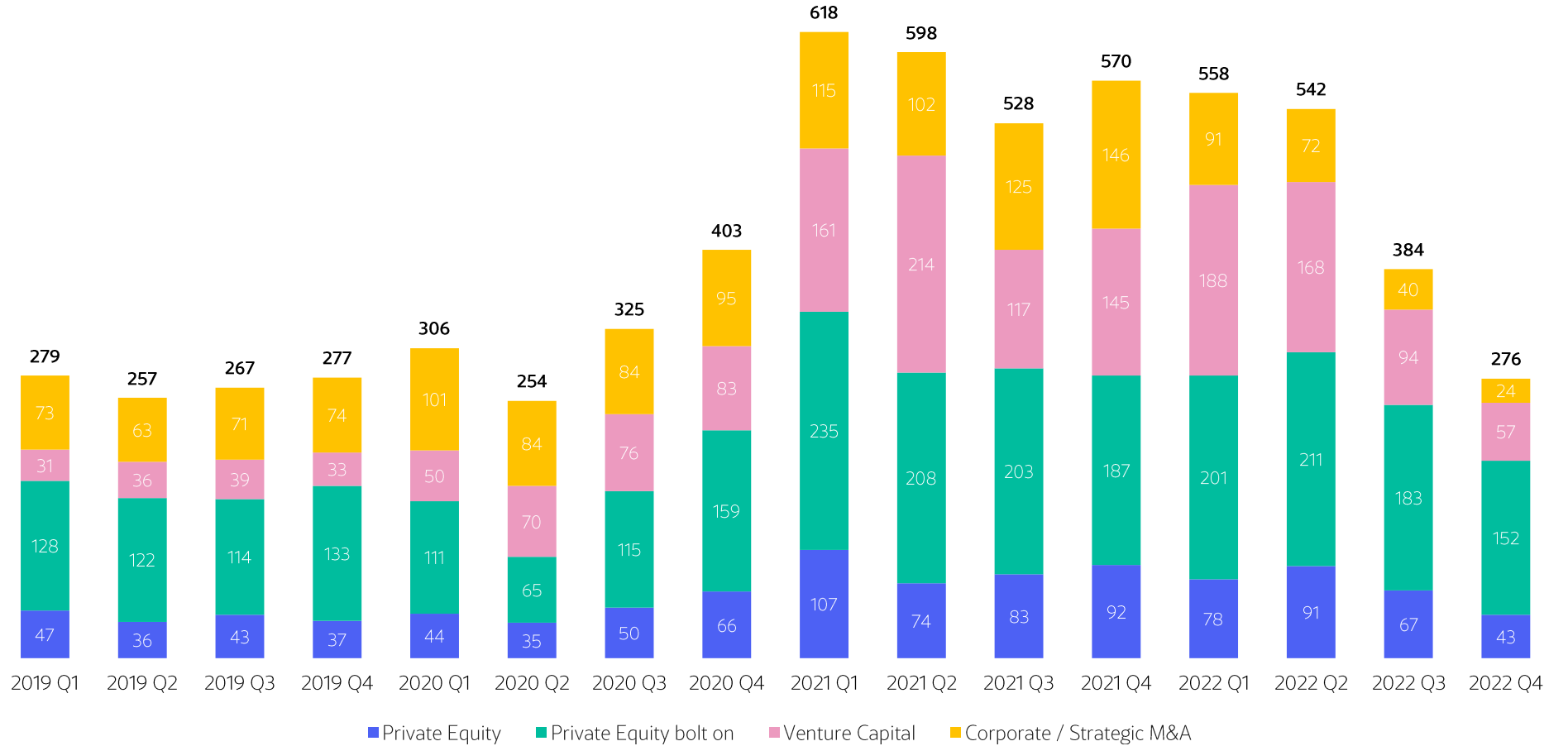
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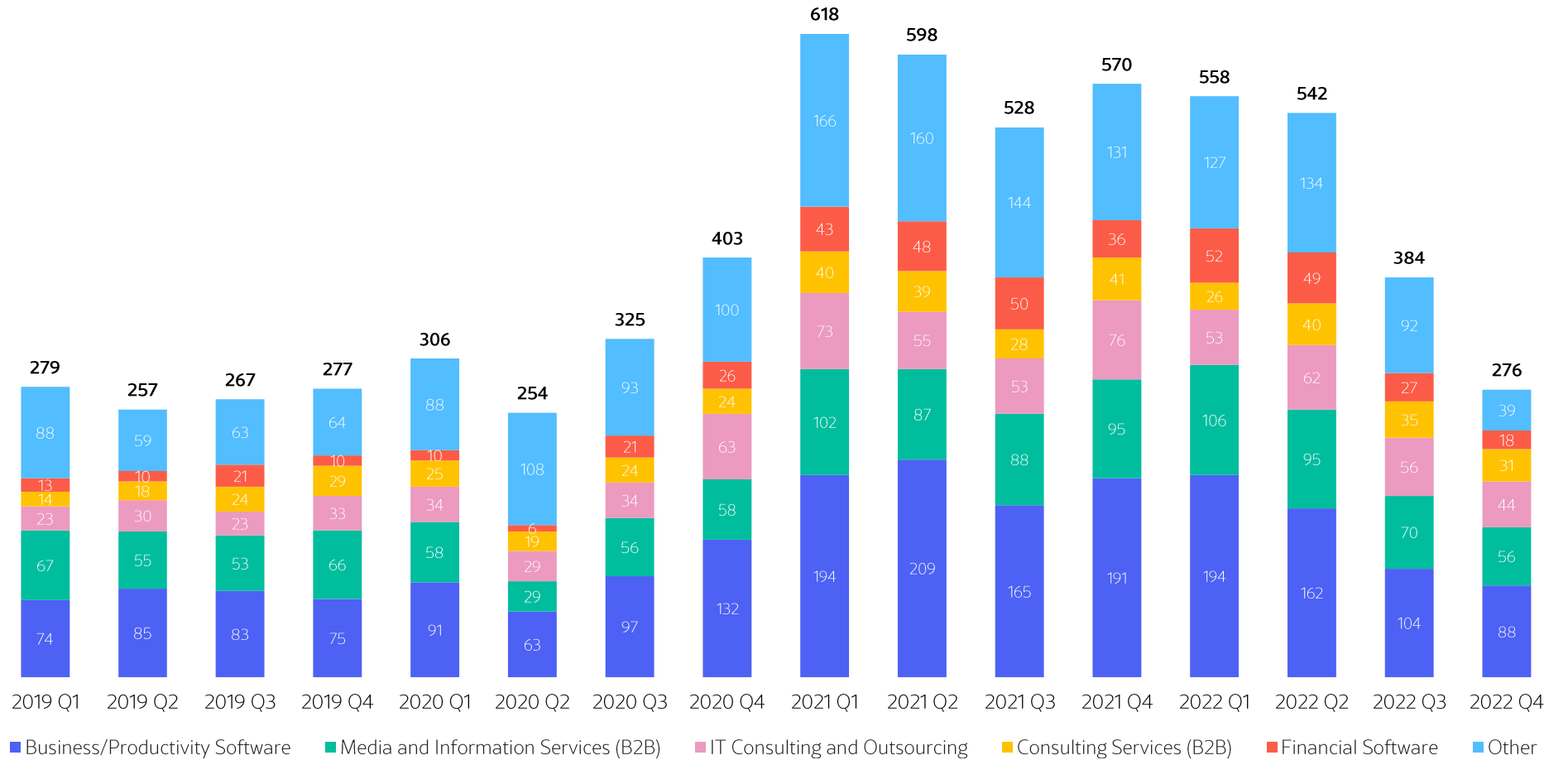
Global transaction trends

Quarterly deal volume by investment / acquisition type



Global transaction trends

Quarterly deal volume by target company industry



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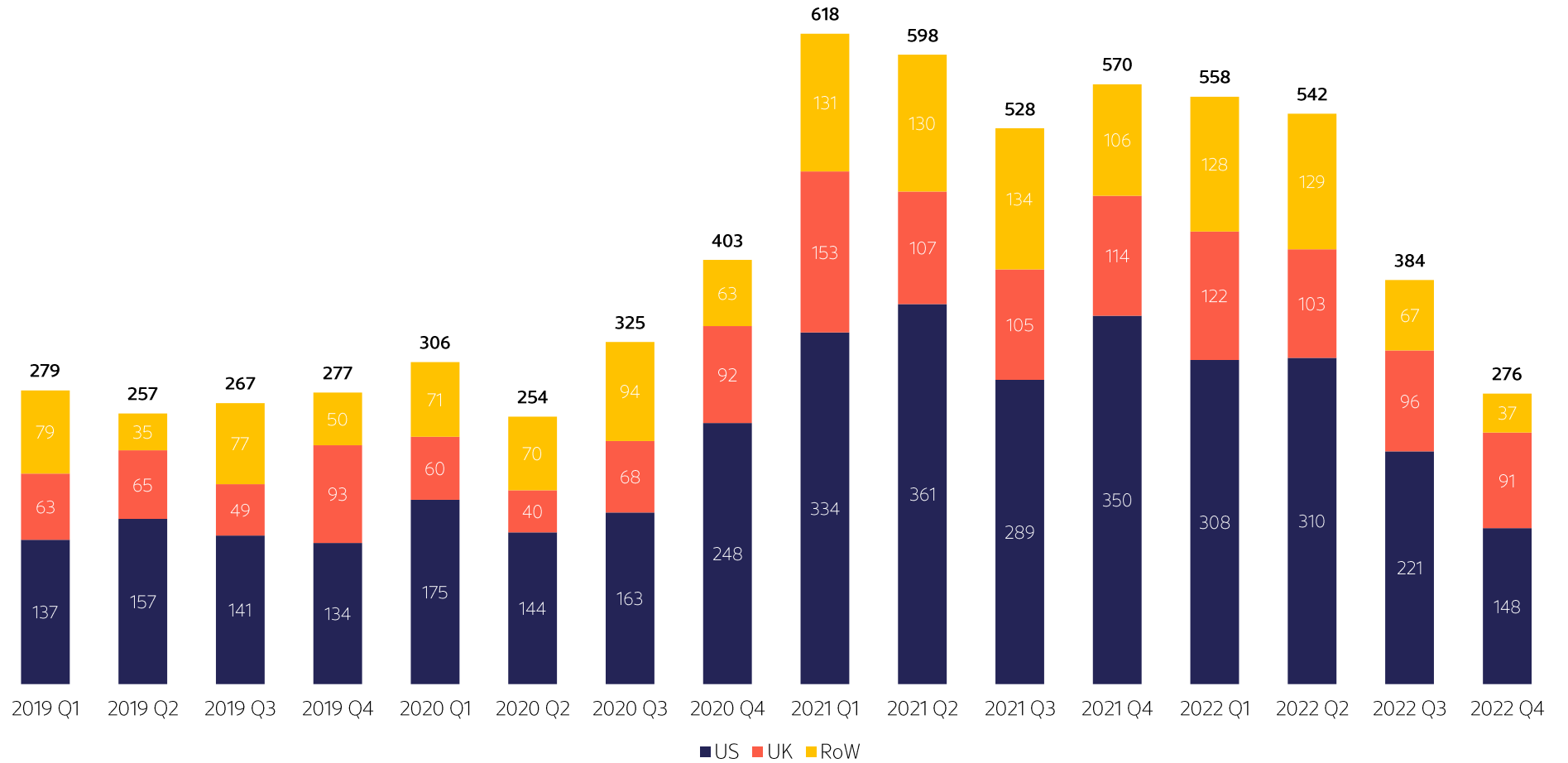
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Global transaction trends

Quarterly deal volume by target location



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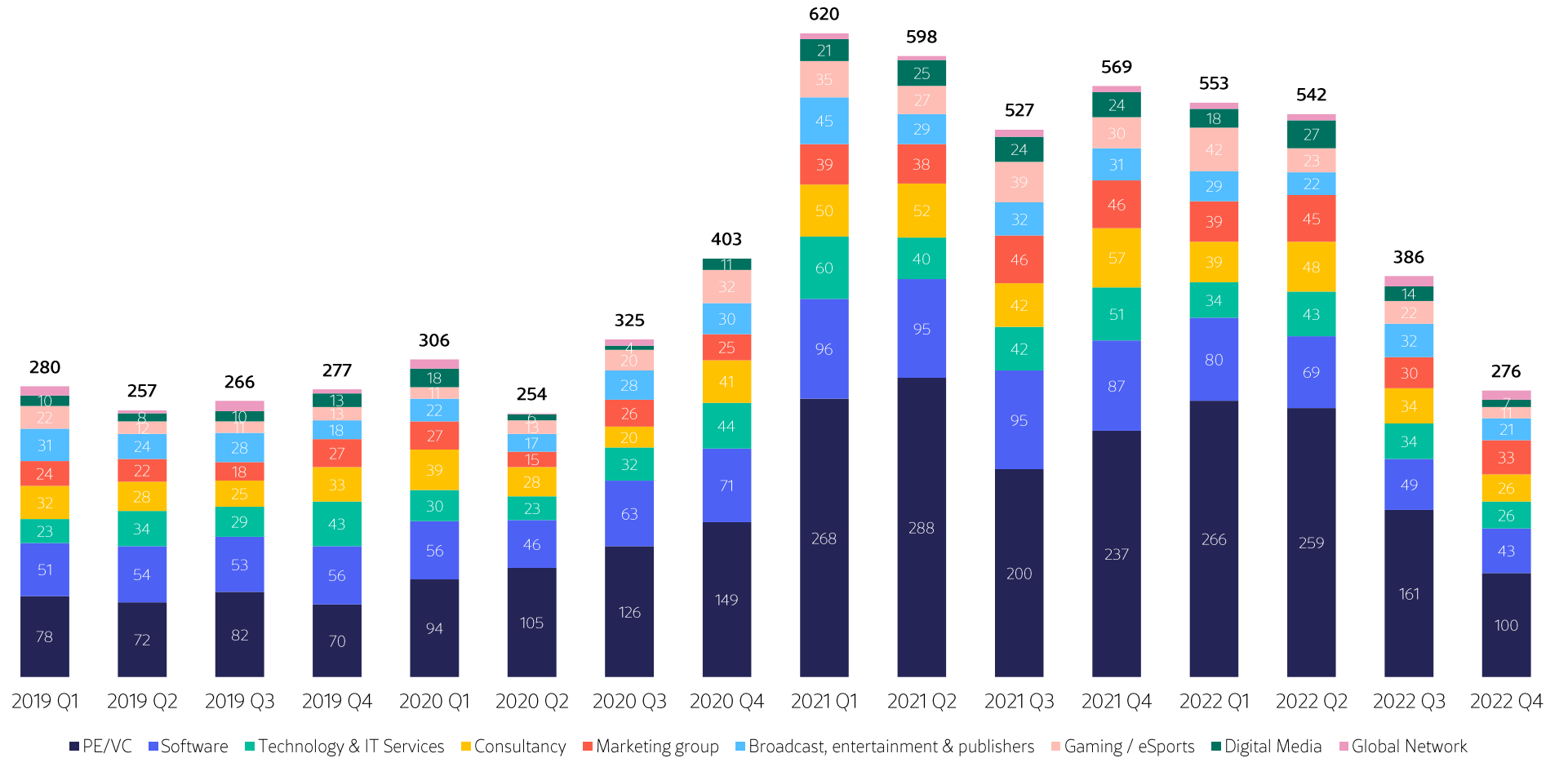
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Global transaction trends

Global transaction trends

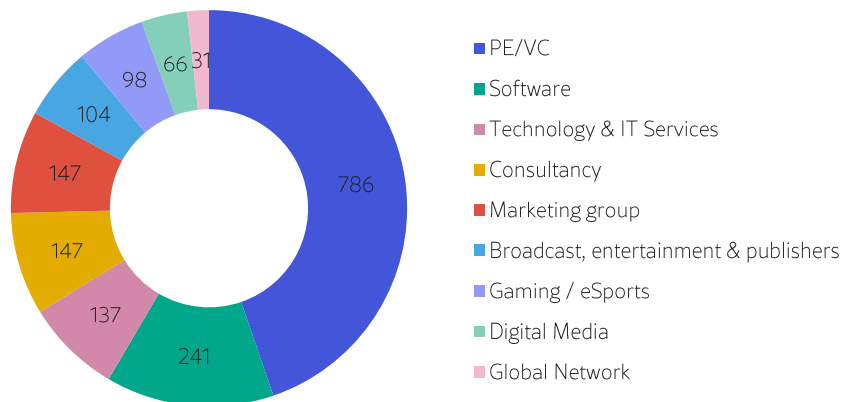
Quarterly deal volume by investor / buyer group



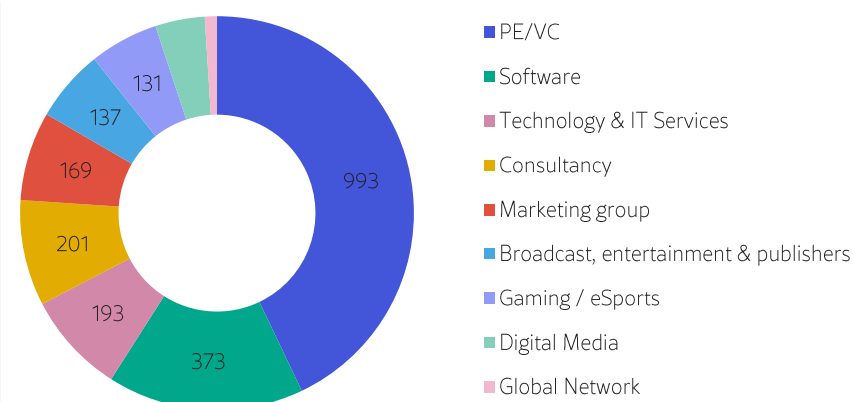
Global transaction trends

2022 deals by investor / buyer group and target industry, compared to 2021

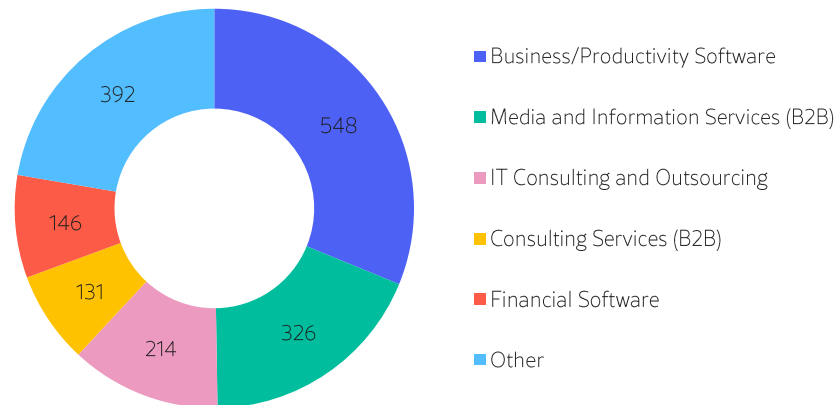
2022 DEALS BY INVESTOR / BUYER GROUP



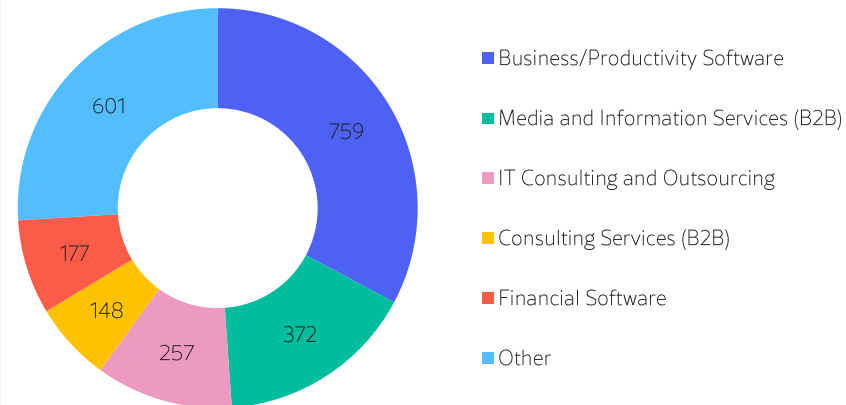
2021 DEALS BY INVESTOR / BUYER GROUP



2022 DEALS BY TARGET INDUSTRY



2021 DEALS BY TARGET INDUSTRY



WY Partners

119 Marylebone Road

London NW1 5PU

hello@wypartners.com

wypartners.com

