



M&A KEY FACTS

276+ Deals in media & technology

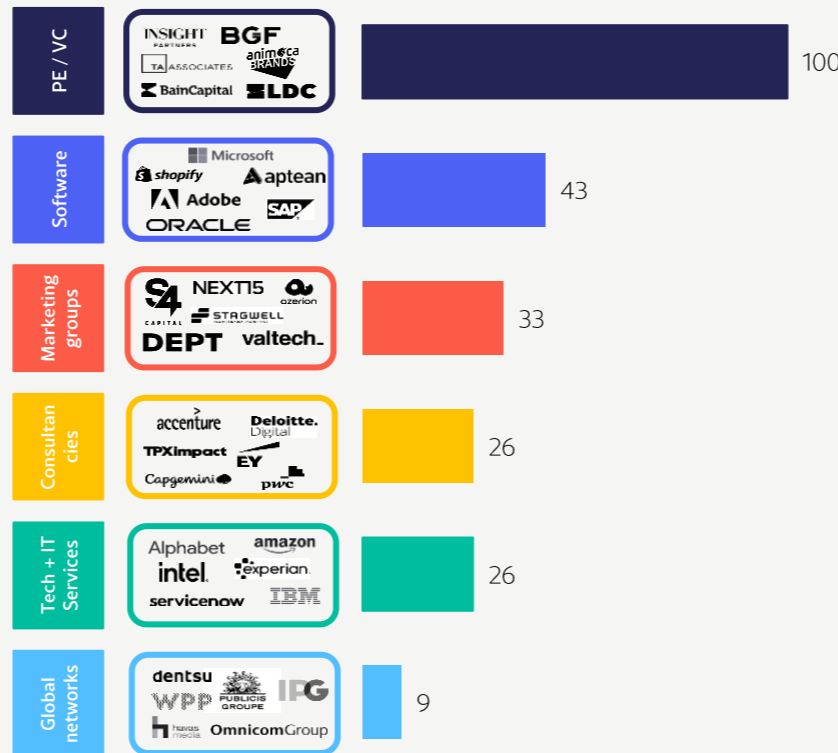
£24m Median deal size

£44bn Largest deal: Elon Musk / Twitter

£26bn Capital invested (disclosed deals amounts only)

Source: PitchBook / WY analysis

BUYER & INVESTOR LANDSCAPE OVERVIEW



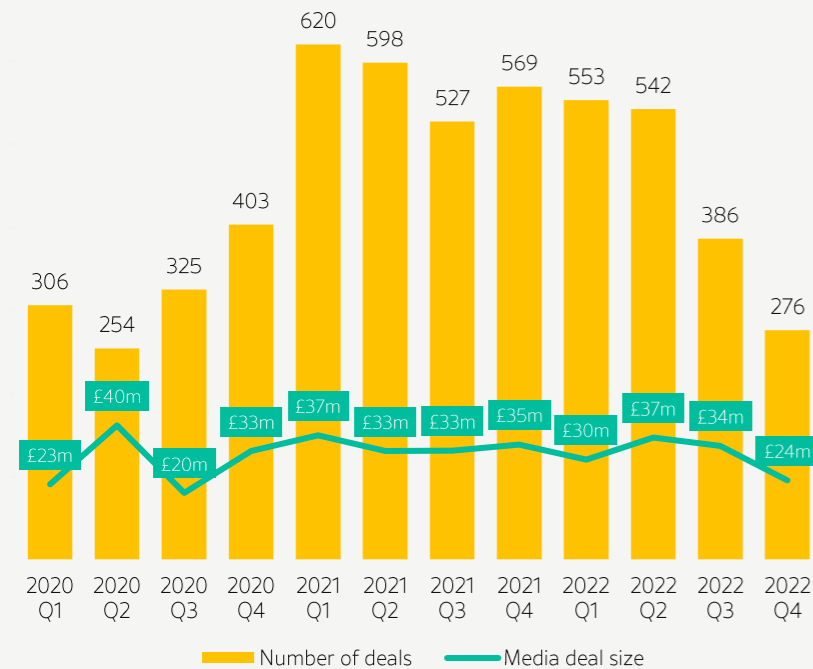
THE VIEW FROM WY

M&A was at the forefront of the media and tech landscape in Q4 with headlines dominated by Elon Musk’s \$44bn takeover of Twitter in October, the largest completed deal in the space in 2022.

Despite the presence of such a mega-deal, Q4 cemented 2022 as a year of two halves. Both driven by the unwind of the H1 ‘21 to H1’22 M&A frenzy and by inflationary pressures and macroeconomic uncertainty, deal volumes (276) were approximately half the quarterly average achieved in H1 (547). This represented a return to volumes more in line with the steady deal flow of the 2017-2019 period before the onset of Covid.

This trend was shared across all our tracked buyer groups and led by PE and VCs. Despite this, there is cause for optimism going into 2023, with high levels of dry powder and key buyers still competing for desirable, resilient assets. This has been evidenced by a number of deal announcements already in January by industry leaders such as Publicis, WPP and Accenture.

GLOBAL TRANSACTION TRENDS



Note: Deals reflect WY tracked investors only / Pitchbook Index updated quarterly

SPOTLIGHT ON

Challenger agencies

Challenger agencies completed 11 deals in Q4 (including two acquisitions apiece for Stagwell and Sideshow), illustrating their continued appetite for M&A, abetted by their private equity backers. This compared to an average of 15 deals per quarter for these groups during the bounteous Q1-21 to Q1-22 period. E-commerce, social and data-driven agencies continue to be attractive propositions.



Animation and VFX

Increasing consumer demand for immersive digital content, coupled with increased investment in the global video streaming and gaming industries, have led to significant growth within the global animation and VFX industries. Animation and VFX studios, notably key industry players such as Cinesite and Framestore, have therefore utilised M&A to overcome capacity constraints throughout 2022, as evidenced by a number of key deals in Q4.



NOTABLE DEALS



WY M&A TRACKER

See how we analyse the latest global M&A activity across the media and technology sectors with our live M&A tracker which can be viewed on our website.

wypartners.com/tracker

