



MEDIA & TECHNOLOGY M&A QUARTERLY REVIEW

Q1-24

M&A KEY FACTS

292+ Deals in media & technology

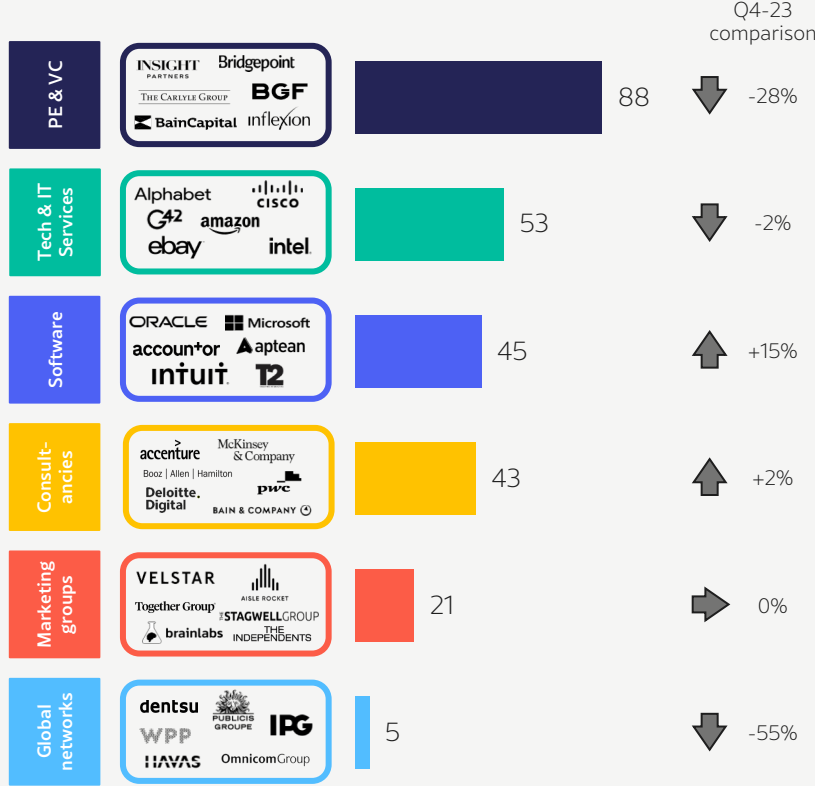
£41m Median deal size

£5bn Largest deal:
Alteryx / Insight Partners & Clearlake Capital Group

£67bn Capital invested
(disclosed deals amounts only)

Source: PitchBook / WY Partners analysis

BUYER & INVESTOR LANDSCAPE



THE VIEW FROM WY

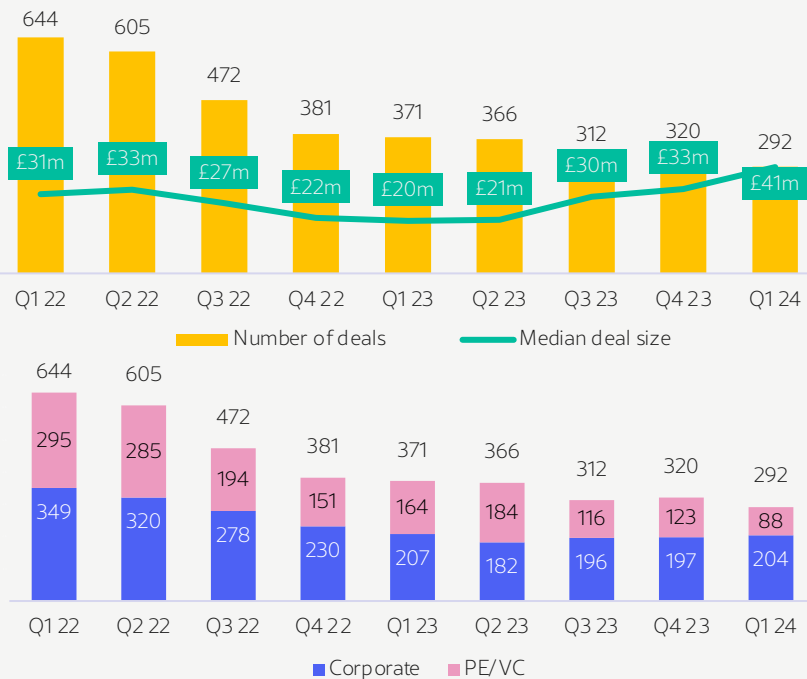
Following a subdued year for M&A in 2023, Q1-24 tracked in line with the second half of 2023, with total deals down by only 9% on Q4-23 (320 deals).

There continues to be significant activity in the software space, as deals in Q1 increased by 15% to 45 (39 in Q3-23). Notable deals included leading gaming publisher T2's acquisition of Gearbox Software from Embracer, which marked their second significant disposal of Q1 after selling Saber Interactive to Beacon Interactive at the end of Feb-24.

Amongst the buyer groups, Private Equity buyers and the global networks saw a decline in deals compared to previous quarters. The global networks experienced a more measured quarter in terms of deal-making activity, with the total number of completed deals in Q1 being fewer than the previous quarter (5 deals vs 11 deals in Q4-23). Despite this, they remained somewhat acquisitive, with Havas completing 3 deals this quarter, including the acquisition of Wilderness (advised by WY Partners).

With the Bank of England signalling that interest rate cuts are in play, a potential shift in monetary policy across the West could lead to a resurgence in deal activity as buyers & investors see their cost of capital begin to ease. Additionally, with 2024 being a key election year in countries such as the US, India and, most probably, the UK, it will be interesting to see if companies accelerate or delay M&A activity in anticipation of potential policy changes.

GLOBAL TRANSACTION TRENDS



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

SPOTLIGHT ON

Sport

The integration of tech into every aspect of the sports industry is transforming how it is played, watched and experienced. Following Charterhouse's investment in Two Circles at the back-end of 2023, buyers are continuing to focus on data-driven sports agencies to capitalise on this new technological era. In Q1, Two Circles completed its first acquisition following investment with Let It Fly, a sports creative agency. It will be interesting to see if the recent news of Endeavor being taken private by Silver Lake will have a major impact on M&A in the sports ecosystem.



Private Equity (PE) & Venture Capital (VC)

As illustrated to the left, PE buyers are exercising caution in the face of economic uncertainty, with the lowest PE activity seen in years despite high levels of dry powder (88 deals vs. 295 deals in Q1-22). While conditions remain uncertain, some signs suggest PE could be positioned for a M&A rebound: an uptick in PE-led deals towards the quarter's end (43% of Q1 deals were in Mar-24) and news of PE exits, including LDC's exit of Kerv (Bridgepoint) and BGF's exit of Kick ICT (LDC).



NOTABLE DEALS



WY M&A TRACKER

Discover how we analyse the latest global M&A activity across the media & technology sectors with our dynamic live M&A tracker. Available via our website: wypartners.com/tracker

