91 MarCom Agency Acquisitions Recorded by COMvergence in 2022

For the 2nd Time in Six Years, Management Consultancies have been more acquisitive than the "Big 6". Accenture is the Most Acquisitive company performing 21 Acquisitions of which 13 in the Cloud space.

FRANCE — Apr. 05, 2022 — According to the latest benchmarking study on **MarCom Agency Acquisitions** by COMvergence (edition #16), 2022 confirms the rebound initiated in 2021 following the COVID-19 pandemic and 2020 significant slowdown.

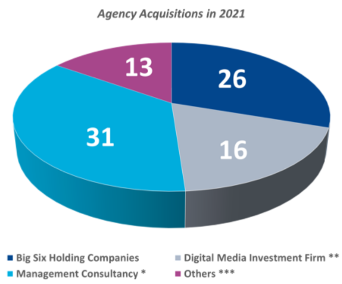
2022 is at the 2018 level activity, but still far from the 2016 activity with 126 acquisitions. Following a two-year slow down, **Hold Cos. acquired 36 companies, which for the first time in three years is more than the management consultancies who have reduced their number of acquisitions in 2022**. Still, for the third consecutive year among the past seven years, **large acquisitions appear to be no longer made by the 'traditional' advertising companies**.

Among the 10 largest deals in 2021, Accenture, acquired **4 of them**. Accenture has been again the most acquisitive group among the **20 buyers assessed in 2021**, with **21 acquisitions**. And among them, **13** are in the **Cloud space** representing **18% of the total staff acquired**, but more impressively **48% of the cumulated revenues**. In 2021, Accenture made its biggest acquisition in terms of staff since the founding of its **Cloud First division** in 2020. Accenture acquired a massive US cloud-native product and platform engineering firm, **Imaginea**. This has followed Accenture's decision to invest **$3 billion over the next three years** into the cloud technology space.

Since 2016, management consultancies have been bolstered by acquisitions. Indeed, these companies together attracted **24% of the total deals recorded** (#494), representing a quarter of the total acquired staff (24,920 vs. 95,096), of which **17% absorbed by Accenture** (16,503 people). Their primary focus is towards **digital segment**, which represents **73% of their acquisitions since 2016**, and very recently towards Cloud services through the data segment which represent **17% of their total acquisitions** (of which 32% for Accenture and 25% for Capgemini, Deloitte and McKinsey).

In 2021, **26 agencies were acquired by the Hold Cos**. vs. 31 by the consultancies and 29 by other players; whilst 21,581 staff (of which 84% in the digital and data/cloud area) were absorbed in total. In 2021, **Omnicom Group** and **Publicis Groupe** made **six deals each**, but Omnicom acquired twice more staff than Publicis. **WPP** bought five agencies cumulating 1,000 staff. On average, the Big-6 acquired 780 new employees for $99M revenues whereas other players added 1,200 staff for $172M of revenues.

Acquisitions by the numbers in 2021



ACQUISITIVE COMPANY	ALL AGENCY SEGMENTS (creative, digital, data, media, all) Ordered by descending number of acquisitions, then headcount		
	Number of acquisitions	Headcount	Total estimated Revenues (in US $M)
Accenture*	21	7,470	$1,006M
S4 Capital**	12	1,737	$230M
IBM***	6	1,535	$201M
Omnicom Group	6	1,230	$93M
Publicis Groupe	6	630	$85M
WPP	5	1,085	$101M
Deloitte*	4	1,231	$282M
Havas	4	191	$26M
Fimalac**	3	512	$111M
IPG	3	380	$18M
McKinsey & Company*	3	145	$24M
Bain Capital***	2	2,450	$346M
Capgemini*	2	1,330	$153M
dentsu	2	1,190	$275M

Other notable findings and trends from this study:

- Five of the 86 acquisitions recorded by COMvergence in 2021 **were part of the top largest deals since 2016**. This is a **strong rebound following the COVID-19 pandemic** and the previous year's significant slowdown.

- COMvergence has observed the same trend in terms of **total staff acquired** in 2021: 21,581 versus 7,549 in 2020 (and 17,766 in 2019), which represents **+186%YoY increase.** In 2021, the **agencies acquired were much bigger than those acquired in the last two years**. The rebound trend is real.

- The UK-based digital marketing and advertising group **S4 Capital** continues to be the "**one to watch**." In **four years**, S4 Capital acquired **26 companies in 14 different countries**. All of those deals are focused on **digital** and **data** segments (66%), representing more than 2,600 acquired staff and an estimated total revenue of $375M.
    - In 2021, S4 Capital raised a further £116M from shareholders, making consecutively three major deals: **Raccoon**, a Brazilian digital performance agency; **Zemoga**, a US technology services company and **Decoded Advertising**, a US creative agency.
    - And, as planed and announced in 2020, S4 continued to buy content and Salesforce firms: **Staud Studios** in Germany and **Miyagi** in Italy in the content segment and **Destined** in Australia and **Maverick Digital** in the Salesforce field.

- Looking at the agencies acquired in 2021, the communication segments breakdown as follows: 76% are digital and data (47% and 29%), 15% are creative, and 1% is media. In terms of staff acquired, the **data segment weighs 50%** (10,700 staff) **and the second biggest segment the digital only 37%** (7,960 people).

About COMvergence

COMvergence is an independent research and data consultancy, analyzing media spend investments and producing benchmark studies on new business performances and strategic developments of the creative, media and digital agency networks, and major independent firms. Using tangible measurement metrics to provide high-quality reference data, guidance and support for Marcom professionals spanning all titles and disciplines. COMvergence has become a critical resource for understanding the evolution and diversification of the MarCom industry, and the authoritative source when it comes to agency data collection, tabulation, transparency and analysis. COMvergence partners include the American Association of Advertising Agencies (4A's), World Federation of Advertisers (WFA), Nielsen, Kantar, Statista, among others.

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