

COMvergence Reports Smaller And Fewer Marcom M&A Deals in 2020

M&A deals in the marketing communications space fell for the fifth straight year in 2020, according to an analysis by COMvergence.

#	Holding Company / Mgm't Consultancies	ALL AGENCY SEGMENTS (creative, digital and media)		
		Number of acquisitions	Headcount	Total estimated Revenues (in US \$M)
1	Accenture*	7	1,600	\$161M
2	S4 Capital**	6	565	\$58M
3	Hakuhodo	6	1,338	\$337M
4	WPP	5	276	\$19M
5	dentsu	4	305	\$44M
6	Capgemini*	4	1,020	\$113M
7	Havas	3	155	\$22M
8	Publicis Groupe	3	90	\$18M
9	Fimalac**	2	140	\$8M
10	Deloitte*	2	50	\$3M
11	EY*	1	360	\$60M
12	PwC*	1	16	\$2M
13	Omnicom Group	1	4	\$0,5M
14	IPG	1	40	\$5M
15	You & Mr Jones**	1	70	\$12M
TOTAL		47	6,029	\$862M

*Management Consultancy

**Digital Media Investment Firm

The company reports 47 M&A deals last year in the marcom space, representing estimated revenues of \$826 million.

That compares to 52 deals in 2019, 88 in 2018, 96 in 2017 and 120 in 2016.

Total staff acquired last year was 6,029 versus 17,600 in 2019, representing a decline of 66%.

For the first time in five years, consultancies acquired more staff than the major advertising and marketing holding companies.

Accenture was the most acquisitive firm, making seven deals with total staff of 1,600 and total estimated revenues of \$161 million.

The biggest acquisitions came from Hakuhodo and Accenture with deals, respectively for Growww Media and CreativeDrive.

WPP made the most acquisitions among the major holding groups with five, followed by Dentsu with four. Publicis Groupe and Havas each made three deals, while Omnicom and Interpublic each had one.

The pandemic likely suppressed deal making to some extent and as COMvergence notes that the holding companies "are still focusing on internal restructuring and strategic divestitures ... to become an increasingly attractive target for potential buyers."