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# SECTOR SNAPSHOT



## UK MARKETING COMMUNICATIONS M&A ACTIVITY AND VALUATIONS FOR 2016

### Continued Growth For The UK Marketing Communications Sector

M&A activity in the UK marketing communications (marcoms) sector continued to grow in 2016 with **131** deals completed involving UK and Irish companies as targets, an increase on the **125** deals completed in 2015. The year saw some significant deals completed such as UBM's acquisition of AllWorld Exhibitions Alliance for £395m as well as News Corp UK & Ireland Ltd's acquisition of the media agency Wireless Group plc for £238m. There was also a significant rise in the number of International acquirers in the year with **44** of the **131** completed deals being concluded by an overseas company, compared to **27** in the previous year.

### Digital Companies Remain Desirable

The digital sub-sector once again attracted high levels of M&A activity in 2016 with **39** deals completed, an increase from **28** in 2015.

### IPG Media Brands Add To Their Mobile Division

In February a division of the Interpublic Group of Companies, IPG Media Brands, broadened their digital offering through the acquisition of mobile consultancy and app developer Mubaloo. The target will be partnered with Ansible, the speciality mobile division of IPG Mediabrands, meaning the deal will bring enterprise mobility capabilities to the group in the UK for the first time.

### Time Inc Acquire Digital Creative Agency

In July the UK division of Time Inc acquired digital creative agency, Collective Europe Limited. Collective Europe specialises in delivering premium digital solutions and brand campaigns across a variety of platforms, an attractive feature for Time Inc UK which will help support its digital growth initiative. The target will be integrated into the acquirer's portfolio whilst continuing to operate from its London offices.

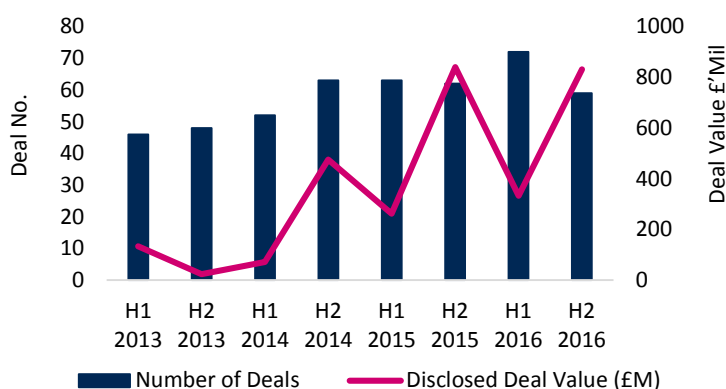
### Trinity Mirror Sell Rippleffect To Idox PLC

In August, Idox Plc added to their digital offering through their acquisition of Rippleffect from Trinity Mirror for £2m. Rippleffect are a Merseyside based full-services digital agency who have worked with the likes of UK Sport, the NHS and the BBC. The target will work alongside Reading Room, a similar company which Idox acquired in October 2015, and the deal signals Idox's intent on expanding their digital portfolio. The transaction provides an exit for Trinity Mirror who had previously acquired the company for £6m in 2008.

### Marketing Communications M&A Activity

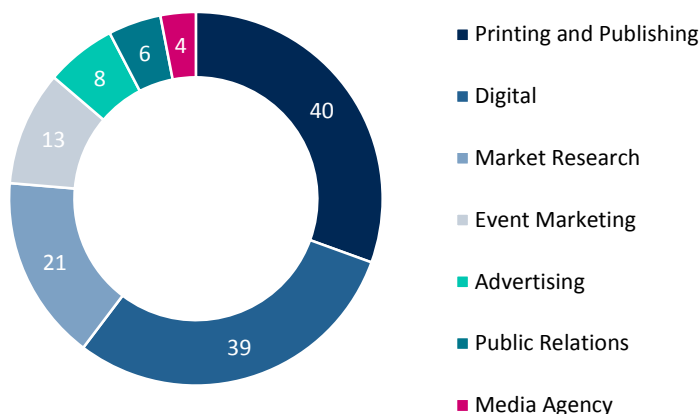
H1 2016 saw **72** deals completed which exceeded the **59** deals completed in the second half of the year, perhaps reflecting a degree of uncertainty following the EU referendum.

#### Completed Marketing Communications Deals



Note: Disclosed deal value for H2 2015 does not include the £844 million acquisition of The Financial Times Group

#### No. of Marketing Communications Deals by Sub-Sector – 2016



Source: Orbis/Zephyr

# UK Printing And Publishing Leads The Way

A post EU referendum survey by the Publishers Association found that 73% of respondents will not be changing their business's investment plans following the referendum vote with almost half saying that cheaper exports from the weaker pound would pose greater opportunities for UK printing businesses. That confidence was reflected in deal making as the printing and publishing sub-sector led the way for M&A activity in 2016 with **40** deals. The space continues to consist of large corporates looking to add to their ever growing range of titles through acquisitions.

## ALM Extends Specialised Business And Media Portfolio

The New York based media giant ALM Media extended its specialised business and media portfolio through the acquisition of online magazine Legal Week. Legal Week will join existing ALM titles and is hoped it will increase ALM's presence across European markets.

## Future Acquire Magazine Specialist Imagine Publishing

After an active 2015, Future Plc showed continued appetite for acquisitions in 2016. Following on from the successful acquisitions of Noble House Media and the titles of Blaze Publishing in April and May respectively, the company acquired Imagine Publishing in October for £16m. Imagine Publishing boast a portfolio of 19 periodical magazines and 300 bookazines across the Games, Tech, Creative, History and Science verticals. The transaction will help Future make further strides in meeting their objectives of creating content that connects, increasing their scale and improving overall operational efficiency.



Have acquired



For undisclosed value



Have acquired



For GBP 16m

## Johnston Press Add To Their "Premium" Selection

With newspaper readership on the decline it was perhaps surprising when, in April, Johnston Press Plc announced the acquisition of 'I' from The Independent for £24m. Given that the target does not have a digital presence this appears to be a step in a different direction to previous acquisitions. Despite this the directors believe that it will build strength into the existing portfolio of titles enabling the Group to offer a package of "premium brands" to the market.

## Other Significant Deals

Tindle Newspapers, a group who are on the Newspaper Society's list of 10 biggest UK publishers, added to their 220 titles through the acquisition of Isle of Man Newspapers Ltd. The company has purchased 4 titles from Johnston Press in a deal worth around £4m. In addition, publishing and events company Informa acquired the business and assets of Speechmark Publishing and the German based DVV Media Group expanded their transport and logistics magazine selection through the acquisition of Road Transport Media.

JOHNSTON PRESS PLC

Have acquired



For GBP 24m

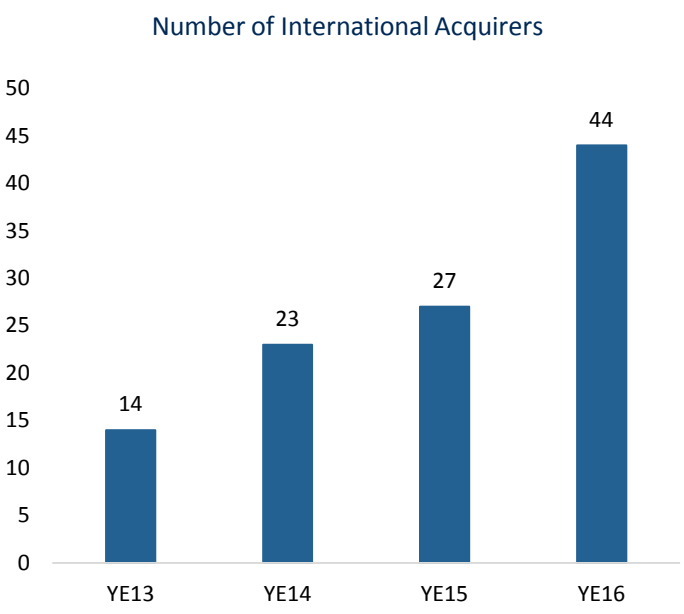


Have acquired



For undisclosed value

## A Sustained Rise In Interest From Overseas Buyers



The past year has seen a surge in the number of International acquirers investing in UK marcoms companies with a total of 44, 29 of which were from North America. Many of these deals would have been in the pipeline prior to the EU referendum and therefore the extent to which it had an effect on the number of international buyers in the marcoms sector remains to be seen.

## Events Marketing Sub-Sector Continues To Entice Private Equity Backed Buyers

The UK events industry is worth in the region of **£42.3 billion** with London considered the number one EMEA city in terms of meetings and events activity. As a result it is unsurprising to see that the UK events sub-sector showed promising signs in 2016, with **13** deals completed.

### UBM Participate In The Largest Marcoms Deal In 2016

The largest deal within the events marketing sub-sector in 2016 occurred in December when global business-to-business events organiser UBM plc acquired AllWorld Exhibitions Alliance Limited for a deal worth £395m. Although UK based, AllWorld Exhibitions predominantly operate in Asia and are an alliance of event organisers which run high quality trade exhibitions and related services for clients in a variety of sectors. The acquisition will see UBM strengthen their market-leading position in Asia as well as providing them with a channel to enter into Middle Eastern markets.

### Clarion Secure The Long Term Future of The January Furniture Shows

In November the private equity backed Clarion Events acquired the January Furniture Shows Ltd, an organisation

behind successful furniture shows in Birmingham and Manchester. The owners of the shows will continue to run the events with the support of their team but the addition of Clarion ensures the long term future of the events will be secured.

### Lonsdale Capital Backs Ocean Media In Acquisitions

The private equity backed Ocean Media Group made two acquisitions in 2016. Firstly they acquired Mercury Events; organisers of The Wedding Fairs, The Baby & Toddler Shows and The National Triathlon Show. Ocean Media already own the rights to The London Bridal Show and The National Wedding Show so the acquisition of Mercury and its portfolio will reinforce their position as the number one player in the wedding market whilst allowing them to branch out into alternative sectors. Secondly Ocean Media acquired LMC Media whose portfolio includes the London Stationary Show, a show which is considered to be the UK's most important trade exhibition for the paper and writing products industry. Since launching in 2011 the show has trebled in size and now exhibits companies from over 40 countries. The acquisition presents the opportunity to add another leading brand to Ocean Media's growing portfolio.

## Orbis/Clairfield Assist Palmer Hargreaves On The Acquisition Trail



Secured GBP 4m  
funding from



Orbis Partners worked with Palmer Hargreaves to successfully raise £4 million from the Business Growth Fund in order to fund its acquisition driven growth plans.

Palmer Hargreaves is a full-service integrated marketing communications agency with offices in the UK, Germany and Russia. The Company focuses on large organisations with complex marketing needs and multi-cultural requirements. Their impressive blue chip client list includes; Ford, Bayer, Mercedes Benz, Deutsche Telecom, Jaguar Land Rover, Audi, Continental Tyres and BMW.

Following the acquisition of PR Partner, Palmer Hargreaves also has an office in Germany which specialises in IT and telecommunications industries with a team of 25 across offices in Cologne and Berlin.

## Orbis/Clairfield Transactions



Has been sold to



Clairfield International  
advised Alma



Has been sold to



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advised adRom

## About Orbis/Clairfield

Orbis is a mid-market corporate finance boutique advising on a wide range of M&A transactions covering the business services sector in addition to technology, media & telecoms, food and consumer, industrials and healthcare. Orbis also has an active investment portfolio held through its investment vehicle Intrinsic Equity.

If you are considering your strategic options for enhancing the value of your business or your client's business, please contact either Gary or Steve.

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