

OBJECTIVE

Investment Banking & Valuation

Industry Report

Business Services

Healthcare Digital Marketing

Key Takeaways

Both EBITDA Valuations and M&A Volume Activity Maintain, Despite Future Economic Uncertainty

- EBITDA valuations for the Healthcare Digital Marketing (“Marketing”) sector traded relatively flat over June (see Chart II) with the current average EBITDA multiple standing at approximately 7.7x (see Table I), a decrease of only 1% over the past month, supporting a valuation floor for the sector that has maintained for the past 12 months
- In Q2 2023 we saw 29 transactions close in the Marketing sector, a decrease of 12% compared to the previous quarter but only an 8% decrease when compared to the previous three-quarter rolling average (see Chart I)
- If we continue to see EBITDA valuations maintain while other sectors improve, we expect M&A activity to increase as both Strategic and Financial buyers would enter the M&A markets for opportunistic buying in an undervalued time
- In addition, as advertisement spending returns, we would expect this to compliment valuations further

Chart I | Total M&A Volume⁽¹⁾

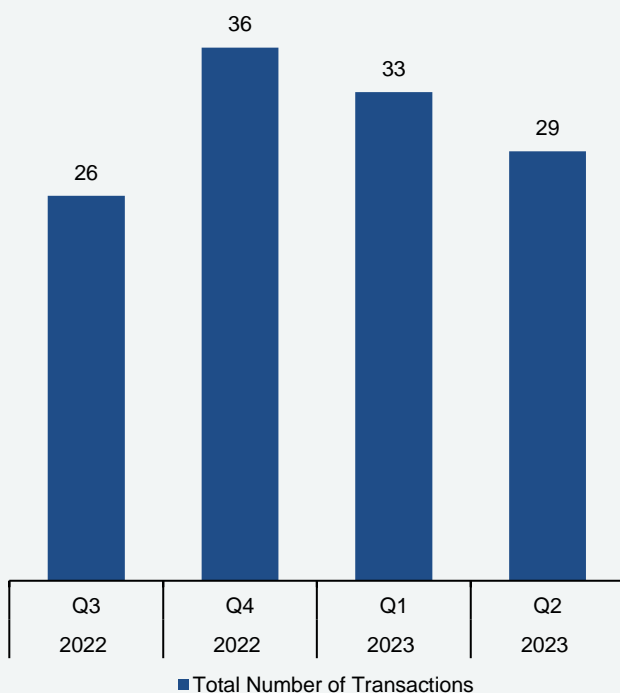
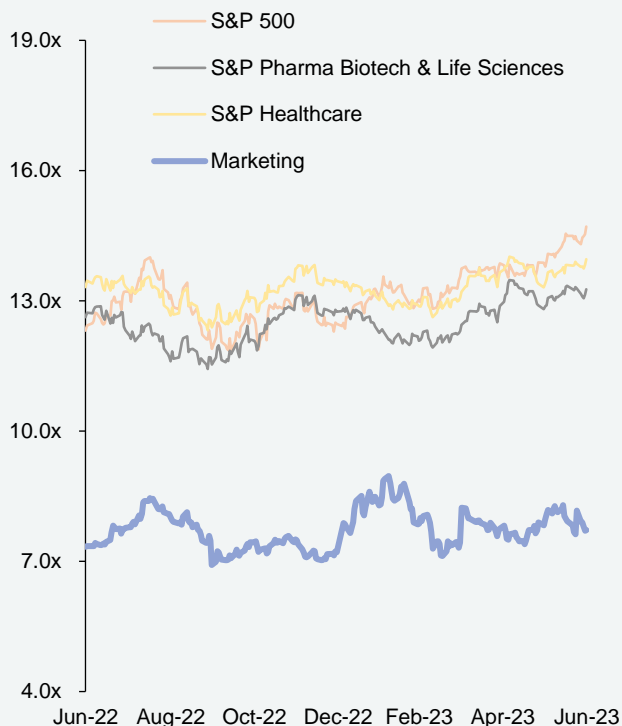


Chart II | TEV / EBITDA⁽²⁾



Source: S&P Capital IQ

(1) Total USA and Canadian corporate and asset majority control transactions in the Marketing sector

(2) Table I for Marketing comparables

Historic Trading Trends

Industry Report | July 2023

Healthcare Digital Marketing

USA & Canada Listed Companies (>\$20M Market Cap.)

Over the past month, the Marketing sector has traded up with a 4% increase, relatively inline with the more broader healthcare market's 5% increase (S&P 500 Healthcare index), and the specialty pharmaceutical and life sciences market's 4% increase (S&P Pharma Biotech & Life Sciences index) (see Chart III)

Chart III | 1-Year Price Performance⁽¹⁾

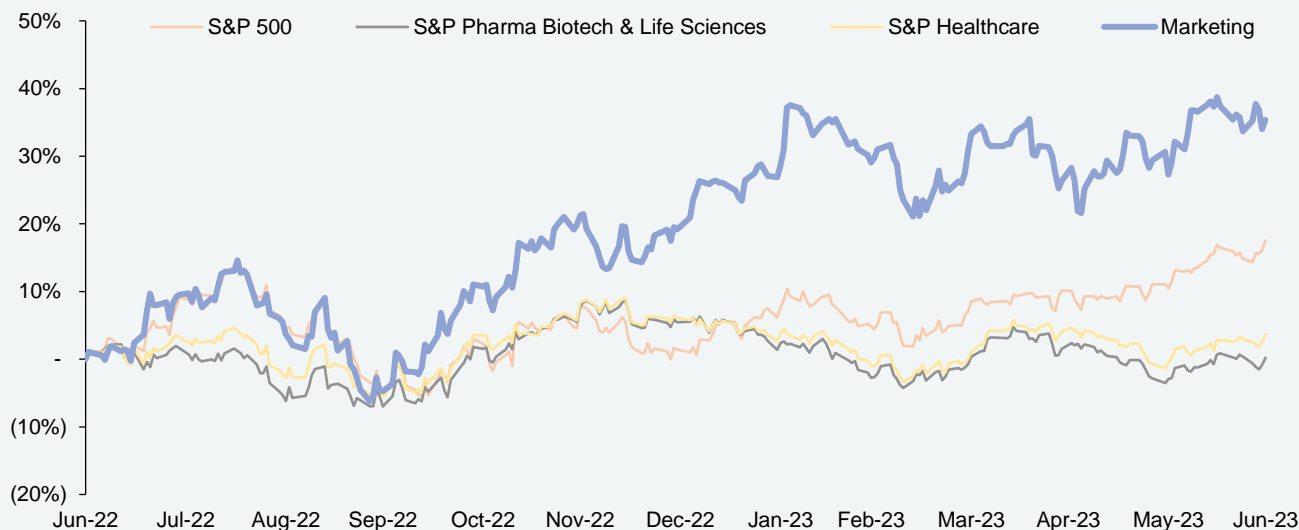
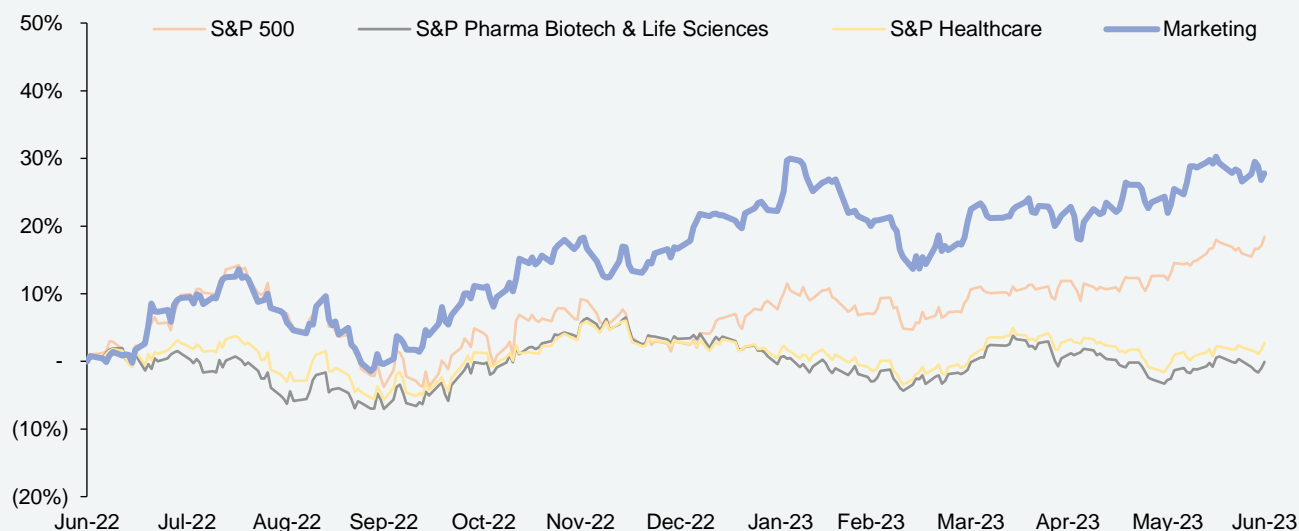


Chart IV | 1-Year TEV Performance⁽¹⁾



Source: S&P Capital IQ

(1) Table I for Marketing comparables

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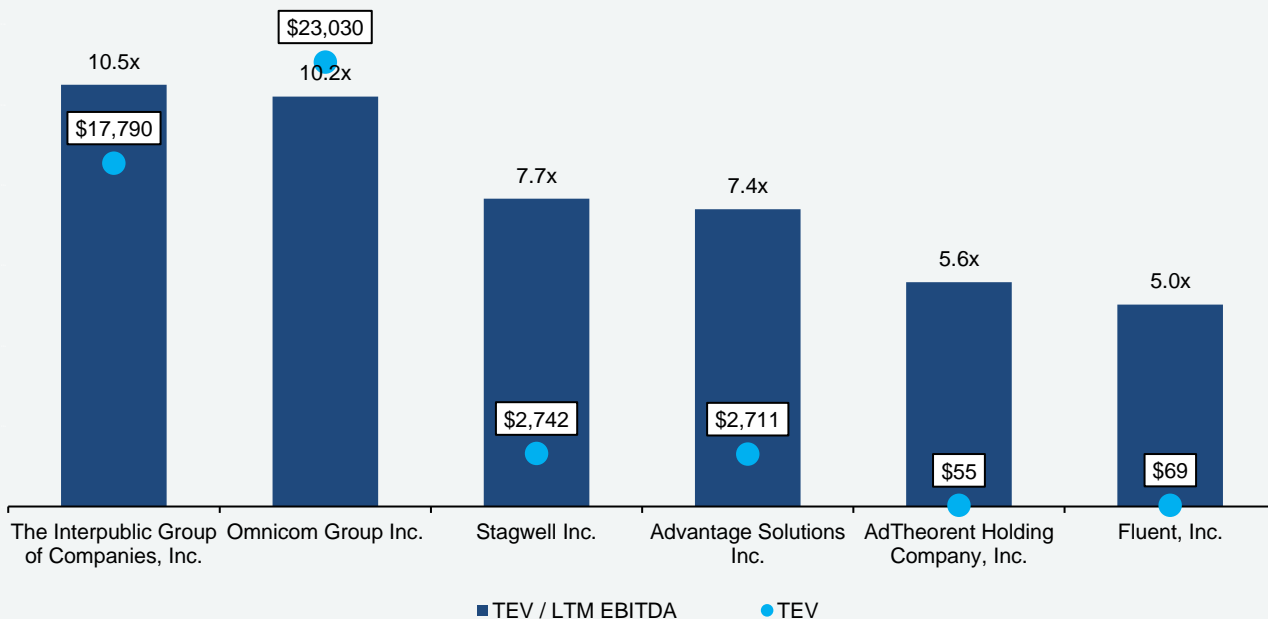
USA & Canada Listed Companies (>\$20M Market Cap.)

The leading Marketing companies such as The Interpublic Group of Companies and Omnicom Group trade relatively higher than their counterparts with a 34% average EBITDA multiple premium to the comparable groups total average EBITDA multiple (see Chart IV)

Table I | Select Marketing

Company	Share Price 6/30/23	Equity Value	TEV	TEV/			
				Revenue		EBITDA	
				LTM	2023E	LTM	2023E
Omnicom Group Inc.	\$95.15	\$18,984	\$23,030	1.6x	1.6x	10.2x	9.4x
The Interpublic Group of Companies, Inc.	\$38.58	\$14,893	\$17,790	1.9x	1.8x	10.5x	9.7x
Stagwell Inc.	\$7.21	\$826	\$2,742	1.0x	1.0x	7.7x	6.1x
Advantage Solutions Inc.	\$2.34	\$759	\$2,711	0.7x	0.6x	7.4x	6.7x
Innovid Corp.	\$1.09	\$150	\$128	1.0x	1.0x	na	18.4x
AdTheorent Holding Company, Inc.	\$1.40	\$123	\$55	0.3x	0.3x	5.6x	2.9x
Fluent, Inc.	\$0.63	\$51	\$69	0.2x	0.2x	5.0x	4.1x
Mean	\$20.91	\$5,112	\$6,646	1.0x	0.9x	7.7x	8.2x
Median	\$1.87	\$454	\$1,419	0.8x	0.8x	7.4x	6.4x

Chart IV | TEV / EBITDA & TEV



Source: S&P Capital IQ

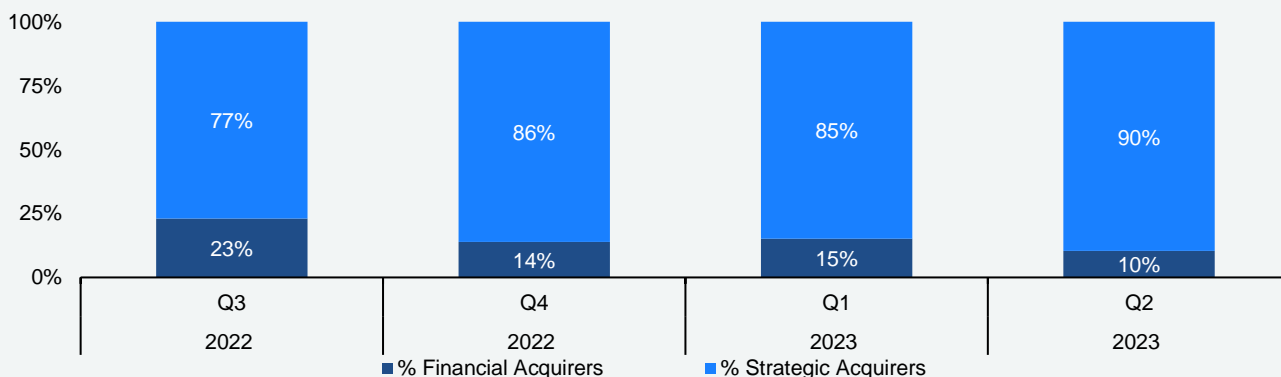
Majority Control Corporate and Asset Deals in USA & Canada

Strategic Acquirers have become the more dominate group of buyers in the market as interest rates continue to increase and push Financial Acquirers who rely on debt to pause on acquisitions, which is expected to reverse in the second half of 2023 as credit markets normalize (see Chart VI)

Table II | Select M&A Transactions

(\$ in million)					
Announce					
Date	Target	Acquiror	TEV	TEV / LTM	
				Revenue	EBITDA
4/26/23	OpenMoves LLC	PopReach Corporation	\$8	1.3x	5.6x
4/19/23	Schiefer Chopshop	PopReach Corporation	\$15	0.8x	8.8x
6/27/22	Trader Interactive, LLC	carsales.com Ltd	\$1,609	12.9x	23.3x
6/8/22	Helix House LLC	Business Warrior Corporation	\$5	4.9x	na
5/10/22	Clique Media, Inc.	Future plc	\$127	na	na
3/24/22	Research Horizons, LLC	MarketCast LLC	\$150	na	na
10/27/21	Ives Group Inc.	Ideagen plc	\$50	4.7x	na
8/10/21	Publica LLC	Integral Ad Science, Inc.	\$218	na	na
7/16/21	ASR Group Holdings LLC	Ascential plc	\$239	na	17.6x
6/2/21	Aarki, Inc. (nka:Aarki, LLC)	Skillz Inc.	\$162	na	na
2/26/21	AdColony, Inc.	Digital Turbine Media, Inc.	\$356	na	na
10/1/20	AmberLeaf Partners, Inc.	Mastech Digital Data, Inc.	\$14	1.3x	na
7/31/19	MG LLC	Willis Towers Watson Public Limited Company	\$1,335	5.1x	na
4/14/19	Epsilon Data Management, LLC	Publicis Groupe Holdings B.V.	\$4,400	2.3x	8.2x
Median			\$156	3.5x	8.8x
Mean			\$621	4.2x	12.7x

Chart VI | Total Buyer Mix: Financial vs Strategic⁽¹⁾



Source: S&P Capital IQ

(1) Total USA and Canadian corporate and asset majority control transactions in the Marketing sector

About Objective

Investment Banking Practice

About Us

Objective, Investment Banking & Valuation is a leading investment banking and valuation firm serving middle-market companies across five industry practice groups in an effort to maximize our clients' M&A and valuation advisory results. Our team uses a highly engineered, structured process combined with our industry expertise designed to consistently achieve maximum results.

Industries of Focus


- Business Services
- Consumer
- Healthcare & life Sciences
- Manufacturing & Distribution
- Technology

500+ M&A Transactions Completed*


Has been acquired by

Sell-Side Advisor
to StudyKIK


Has been acquired by

a portfolio
company of 
Sell-Side Advisor to
Bell Canyon Consulting


Has sold assets to

Financial Advisor to MabVax
Therapeutics Holdings, Inc.

Undisclosed Healthcare
Technology Company

Has been acquired by
Undisclosed San Francisco
Based Private Equity Firm



Sell-Side Advisor to the Undisclosed
Healthcare Technology Company

Undisclosed Leading
Drug Treatments and
Diagnostics Company

Strategic Alternatives Advisor
to the Undisclosed Company

Undisclosed Leading
Contract Research Organization

Sell-Side Advisor to the Undisclosed
Contract Research Organization


Has been acquired by

Sell-side Advisor to
Supreme Optimization


Has sold its clinical research
site operations to

Sell-Side Advisor to Rocky Mountain
Movement Disorders Center

Award & Recognition	Forum	Year	Type
Best Investment Bank & Valuation Firm – USA	Acquisition International	2022	Winner
Technology Deal of The Year (Between \$10MM - \$50MM)	M&A Advisor 21st Annual M&A Awards	2022	Finalist
Industrials Deal of The Year (Between \$50MM - \$100MM)	M&A Advisor 21 st Annual M&A Awards	2022	Finalist
Private Equity Deal of The Year (Between \$50MM - \$100MM)	M&A Advisor 21 st Annual M&A Awards	2022	Finalist
Boutique Investment Banking Firm of the Year	M&A Advisor 20 th Annual M&A Awards	2021	Finalist
Best Investment Banking & Valuation Firm - California	Acquisitional International	2021	Winner

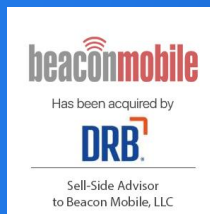
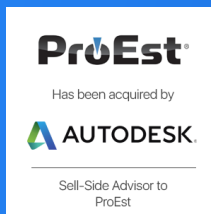
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Business Services Overview

Objective, Investment Banking & Valuation's Business Services practice is widely recognized for its exceptional capabilities in leveraging deep sector expertise and crafting compelling narratives that capture the essence of every company. Our team of highly dedicated and tenacious M&A professionals boasts extensive senior-level relationships with prominent strategic and financial buyers in the professional and technology-related services industries, as well as large public and private enterprises.

With a wealth of experience garnered over many years in both sell-side and buy-side engagements involving business services companies, we provide our clients with invaluable and transparent guidance that empowers them to realize their strategic and financial objectives.

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