

OBJECTIVE

Investment Banking & Valuation

Industry Report

Business Services

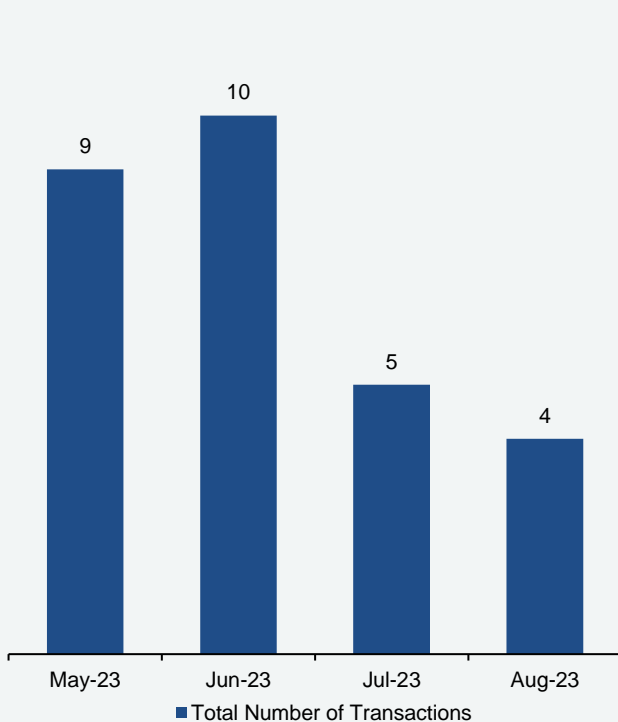
Healthcare Digital Marketing

Key Takeaways

EBITDA Valuations Continue to Hold Value Despite Pullback In M&A Volume Activity In The Sector

- EBITDA valuations for the Healthcare Digital Marketing (“Marketing”) sector have traded relatively flat over the past few months (see Chart II) with the current average EBITDA multiple standing at approximately 8.0x (see Table I), no change over the past month, continuing to support a valuation floor for the sector that has maintained for the past 12 months
- In August we saw 4 transactions close in the Marketing sector, a decrease of 20% compared to the previous month, with 9 transactions during the first two months of Q3 2023, a decrease to an average 5 deals per month from 10 deals per month in Q2 2023 (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 enter the M&A markets for opportunistic buying in an undervalued time
- In addition, as advertisement spending returns, we would expect this to complement valuations further

Chart I | Total M&A Volume⁽¹⁾

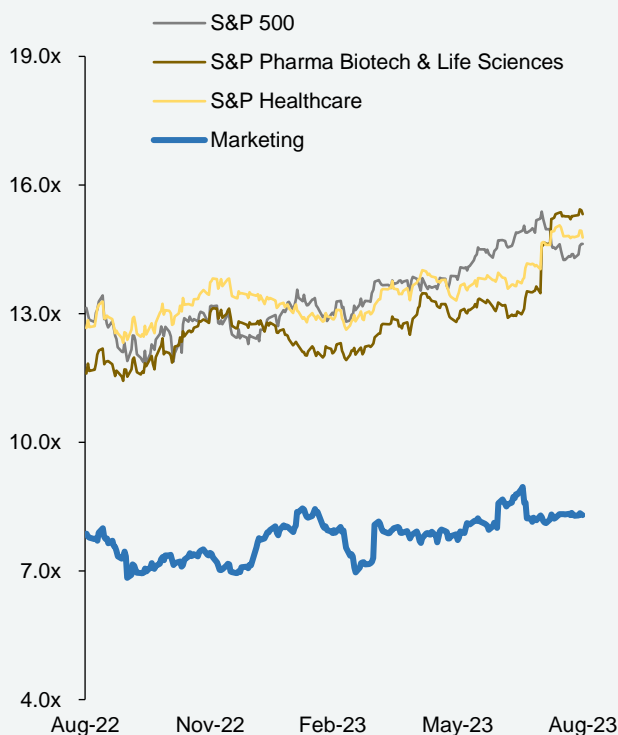


Source: S&P Capital IQ

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

(2) Table I for Marketing comparables (chart excludes ADTH)

Chart II | TEV / EBITDA⁽²⁾



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

Over the past month, the Marketing sector has traded down with a 4% decrease, compared with the broader healthcare market's 3% increase (S&P 500 Healthcare index), and the specialty pharmaceutical and life sciences market's 1% decrease (S&P Pharma Biotech & Life Sciences index) (see Chart III)

Chart III | 1-Year Price Performance⁽¹⁾

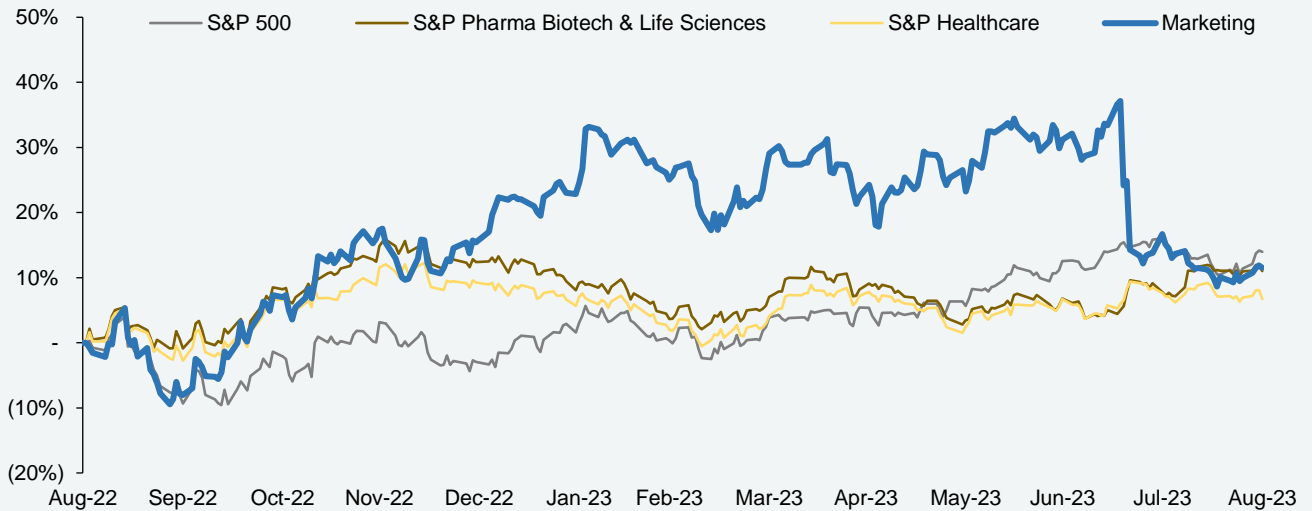
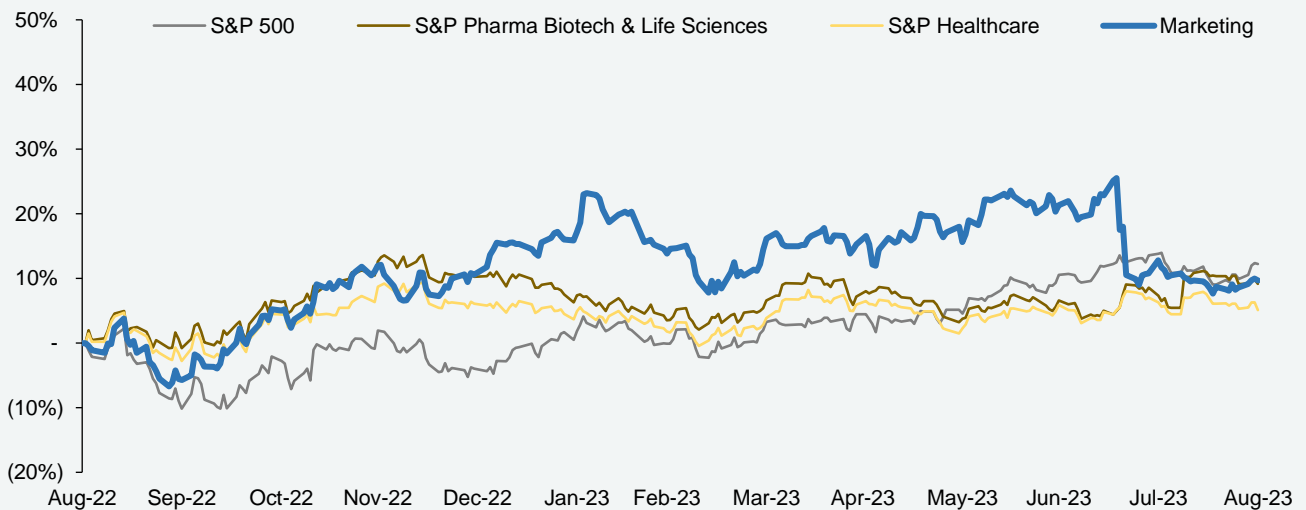


Chart IV | 1-Year TEV Performance⁽¹⁾



Source: S&P Capital IQ
(1) Table I for Marketing comparables (chart excludes ADTH)

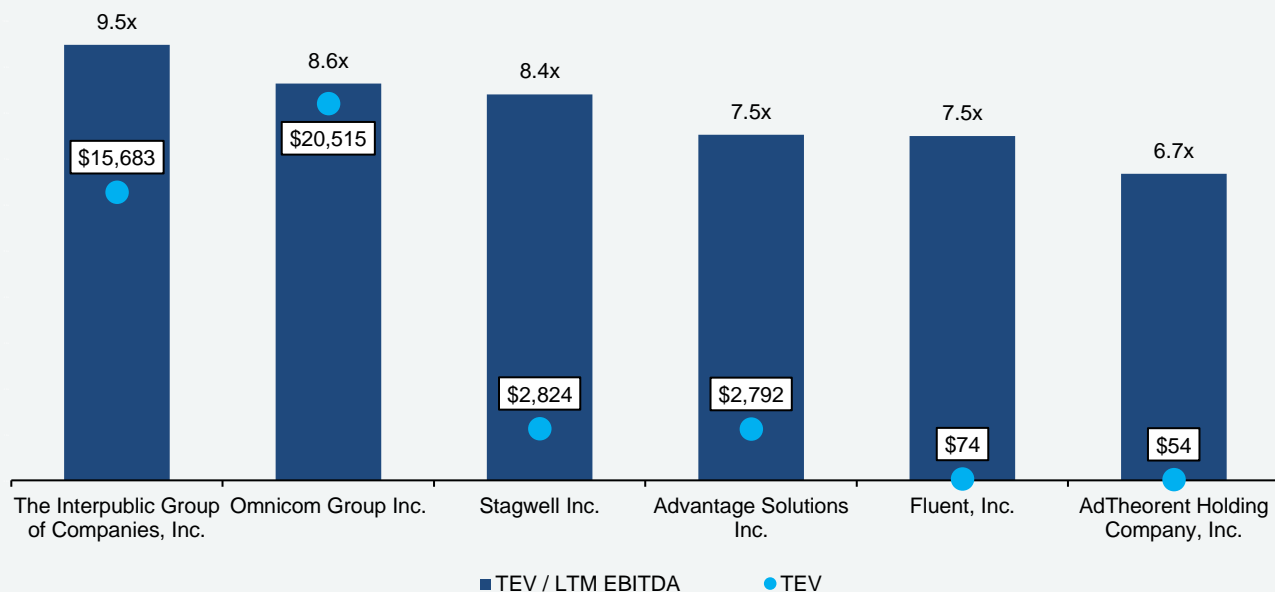
USA & Canada Listed Companies (>\$20M Market Cap.)

The leading Marketing companies such as The Interpublic Group of Companies and Omnicom Group trade relatively higher than their counterparts with a 13% average EBITDA multiple premium to the comparable group's total average EBITDA multiple (see Chart IV)

Table I | Select Marketing

Company	Share Price 8/31/23	Equity Value	TEV	TEV/			
				Revenue		EBITDA	
				LTM	2023E	LTM	2023E
Omnicom Group Inc.	\$81.01	\$16,005	\$20,515	1.4x	1.4x	8.6x	8.5x
The Interpublic Group of Companies, Inc.	\$32.61	\$12,553	\$15,683	1.7x	1.6x	9.5x	8.7x
Advantage Solutions Inc.	\$2.80	\$909	\$2,792	0.7x	0.6x	7.5x	6.9x
Stagwell Inc.	\$5.45	\$635	\$2,824	1.1x	1.1x	8.4x	6.7x
Innovid Corp.	\$1.15	\$160	\$140	1.0x	1.0x	na	10.1x
AdTheorent Holding Company, Inc.	\$1.36	\$120	\$54	0.3x	0.3x	6.7x	2.8x
Fluent, Inc.	\$0.64	\$52	\$74	0.2x	0.2x	7.5x	5.6x
Mean	\$17.86	\$4,348	\$6,012	0.9x	0.9x	8.0x	7.1x
Median	\$2.08	\$397	\$1,466	0.9x	0.8x	7.5x	6.8x

Chart IV | TEV / EBITDA & TEV



Source: S&P Capital IQ

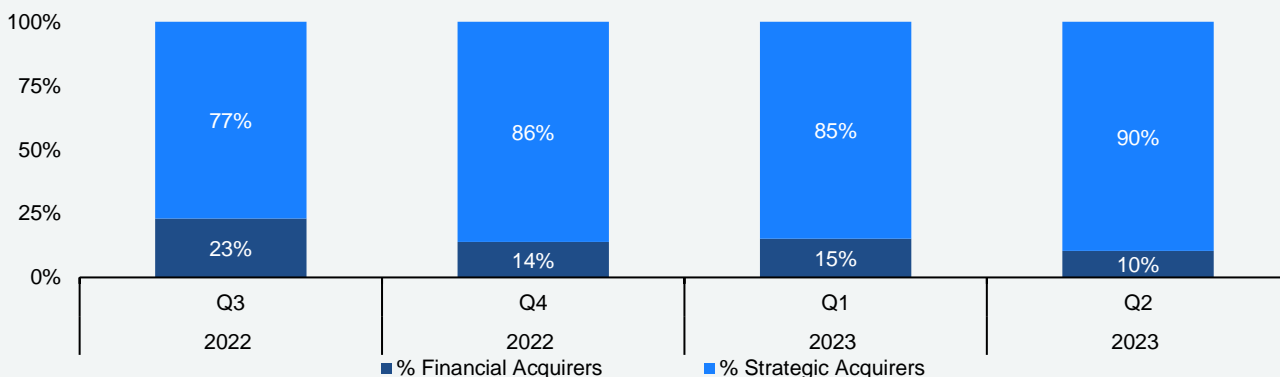
Majority Control Corporate and Asset Deals in USA & Canada

Strategic Acquirers have become the more dominant group of buyers in the market as interest rates continue to increase and push Financial Acquirers who rely on debt to pause acquisitions. These conditions are 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
6/20/23	Quotient Technology Inc.	Neptune Retail Solutions	\$461	1.7x	NM
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
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			\$190	2.3x	8.8x
Mean			\$644	3.9x	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 21st Annual M&A Awards	2022	Finalist
Private Equity Deal of The Year (Between \$50MM - \$100MM)	M&A Advisor 21st Annual M&A Awards	2022	Finalist
Boutique Investment Banking Firm of the Year	M&A Advisor 20th Annual M&A Awards	2021	Finalist
Best Investment Banking & Valuation Firm - California	Acquisitional International	2021	Winner

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*Includes transactions completed by team members at previous firms

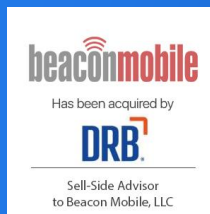
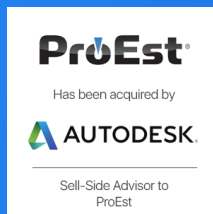
About Objective

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.

Dedicated
Industry
Knowledge &
Expertise



Thank you!

We are available to assist with your M&A or Valuation advisory needs when you need us. Feel free to call with M&A questions for your specific engagement, or to receive general market insight.



Channing Hamlet*

Managing Director, Business Services
Practice Leader

(310) 570-2721

channing.hamlet@objectivecp.com

[LinkedIn](#)



Cody McPherson

Vice President

(604) 816-1010

cody.mcpherson@objectivecp.com

[LinkedIn](#)



Kai Duncan*

Associate

(321) 427-9450

kai.duncan@objectivecp.com

[LinkedIn](#)

*Registered Representative Of And Securities Products offered through BA Securities LLC

Objective, Investment Banking & Valuation

San Diego | Los Angeles

objectivecp.com

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