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- Mirus Technology Spotlight

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# Digital Marketing

## Industry News

### **Global Digital Marketing Sector Expected to Continue Strong Performance**

PRNewswire [Full Article](#)

According to Research and Markets, the global digital marketing market has grown substantially to a value of \$322.2 billion in 2022. Surveyed industry experts expect this growth to continue, with projected market size reaching \$690 billion by 2028, representing a CAGR of 13.62% from 2023 to 2028.

Key factors influencing the positive outlook for the digital marketing landscape include growing high-speed internet access, the trend of connected devices, and continuous technological advancements (AI and ML optimization). The largest market, North America, is powered by widespread constant internet access and increased social media platforms. Increased reliance on digital purchasing channels and record volumes of video content allow for digital marketing to continue as a high-priority investment for companies. The report also expects modern marketing to rely on targeting, customization, and data analytics.

### **Ad-Spending Market Continues to Recover, Though 2024 Presents Mixed Picture**

MarketingDive [Full Article](#)

According to WPP's Group M, (a media investment group) and Interpublic Group's media strategy company Magna, global ad spending is on track to close out 2023 on a positive note, a finish that comes despite a challenging period marked by inflation and conflict.

GroupM foresees global ad revenues climbing 5.8% this year to hit \$889 billion, excluding the effects of U.S. political advertising, with 2024's momentum decelerating slightly to 5.3% growth. Magna believes ad revenues will tick up 5.5% this year to \$853 billion and then jump 7.2% in 2024: a sunnier outlook.

Both media investment agencies identified strengths in pure-play digital channels (media that does not serve as an extension of traditional formats like TV or out-of-home). That said, more brand strategy could revolve around shared experiences as consumer habits become algorithmically dictated.

### **Meta's Ad-Free Tier Will Reveal How Hungry Users Really Are for Data Privacy**

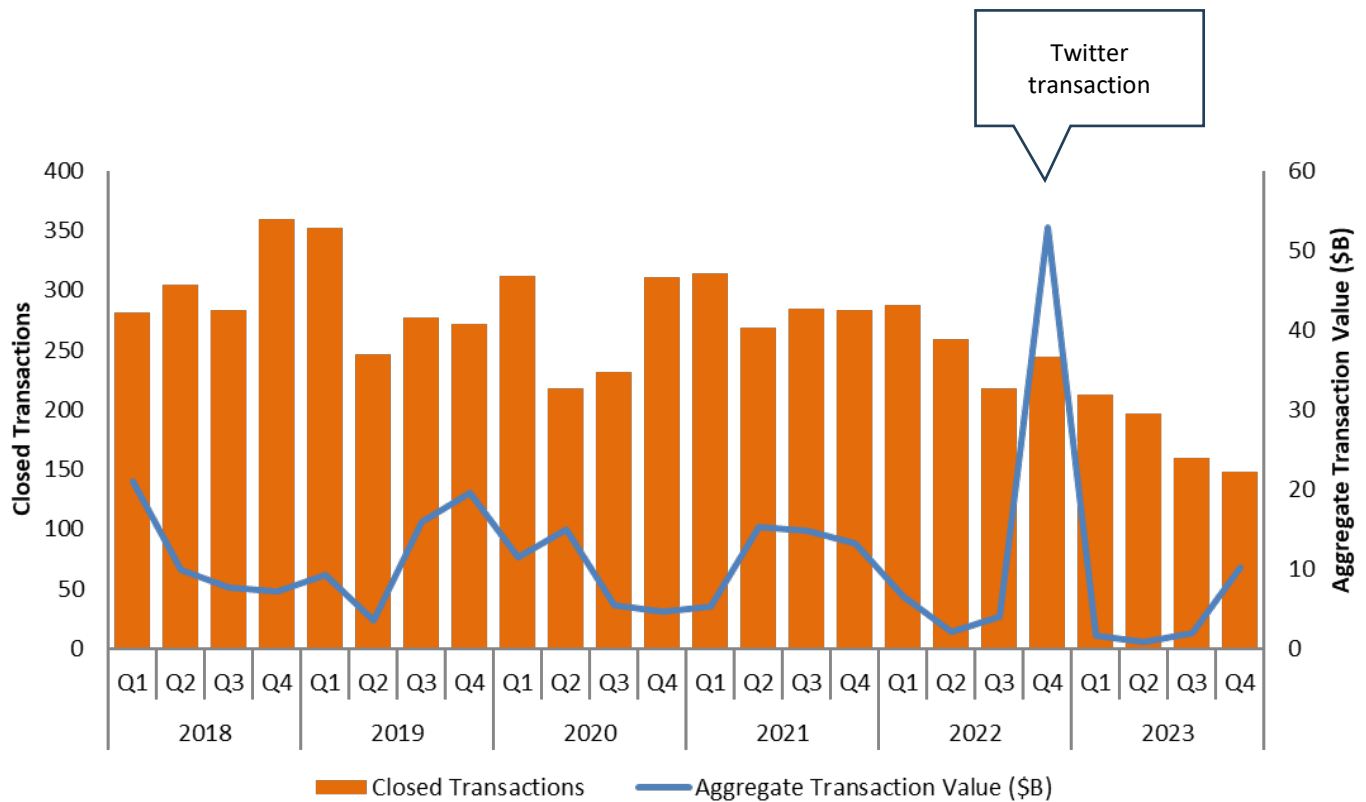
AdWeek [Full Article](#)

The European Union's Facebook and Instagram users are now able to subscribe to ad-free versions of the popular social media apps for ~\$14/month. Ad-free models are becoming more popular across the app economy and beyond following the introduction of ads by streaming services to generate additional revenue and meet the needs of privacy-hungry, ad-fatigued users who prize uninterrupted content.

Monitoring movement to ad-free platforms will be especially important to advertisers who have upped their social media spend, with 51% of media decision-makers on the brand and agency side saying they will increase investment in the category this year. Meta is also one of the five companies expected to attract over half of the total global ad spending, which itself is forecast to grow by more than 4% this year.

# Digital Marketing

## Digital Marketing M&A Environment

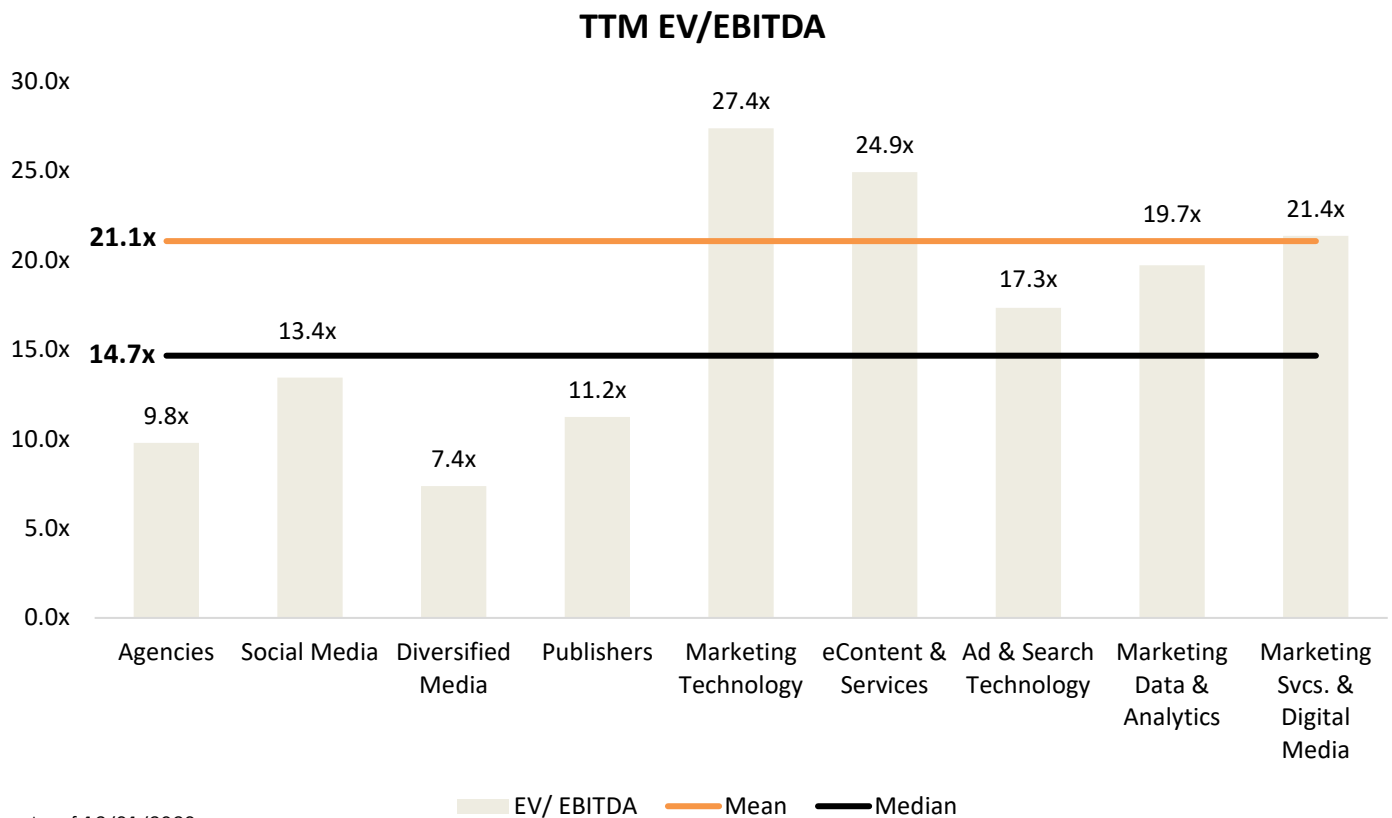
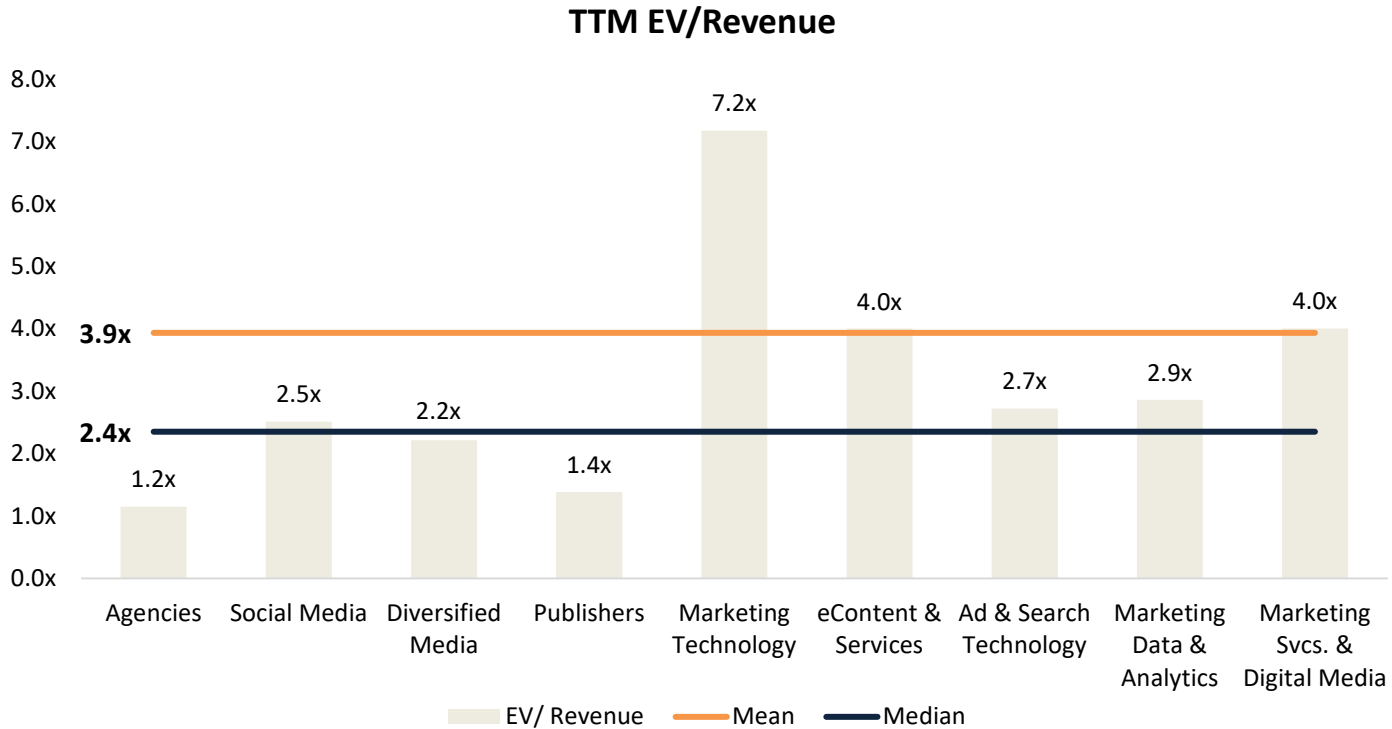


## Selected 2023 Digital Marketing M&A Transactions

Date Closed	Target	Buyers/Investors	Enterprise Value (\$M)	EV/LTM	
				Revenue	EBITDA
12/12/2023	OnTheMarket plc	CoStar UK Limited	112.47	2.7x	76.2x
12/1/2023	CarOffer, LLC	CarGurus, Inc. (NasdaqGS:CARG)	153.06	-	-
11/30/2023	Loom, Inc.	Atlassian Corporation (NasdaqGS:TEAM)	975.0	-	-
11/21/2023	Lagardere SA (ENXTPA:MMB)	Vivendi SE (ENXTPA:VIV)	8,558.52	1.0x	7.8x
11/14/2023	VouchedFor Ltd.	Fintel Iq Limited	21.84	-	-
11/14/2023	Editis SAS	International Media Invest a.s.	719.96	-	-
10/30/2023	Simon & Schuster, Inc.	KKR & Co. Inc. (NYSE:KKR)	1,620.0	1.4x	-
9/28/2023	TerraZero Technologies Inc.	BIGG Digital Assets Inc. (CNSX:BIGG)	20.0	-	-
9/7/2023	Domain Assets of Google	Squarespace (NYSE:SQSP)	180.0	-	-
9/5/2023	Quotient Technology Inc.	Neptune Retail Solutions	460.7	1.7x	-
8/14/2023	Scibids Technology SAS	DoubleVerify (NYSE:DV)	147.2	-	-
5/25/2023	Aimia Inc. (TSX:AIM)	Mithaq Capital SPC	16.1	0.1x	0.1x
4/28/2023	Marketplace AS/Byggstart As	Hawk Infinity Software AS	12.2	5.7x	11.1x
4/26/2023	OpenMoves LLC	PopReach Corporation (TSXV:INIK)	7.5	1.3x	5.6x
4/18/2023	Schiefer Chopshop	PopReach Corporation (TSXV:INIK)	14.9	0.8x	8.8x
3/31/2023	íncipy, s.a.	atSistemas	1.1	0.9x	-
3/23/2023	Readly International AB (publ) (OM:READ)	Tidnings AB Marieberg	37.3	0.7x	-
2/28/2023	Social Chain Ltd	Brave Bison Group plc (AIM:BBSN)	20.8	1.3x	-
2/8/2023	Qumu Corporation	Enghouse Systems Limited (TSX:ENGH)	12.7	0.6x	-
2/7/2023	Vintage Software, LLC	Auction Technology Group plc (LSE:ATG)	40.0	4.6x	8.5x
2/1/2023	Connex Marketing GmbH	Awardit AB (publ) (OM:AWRD)	11.8	0.7x	-

# Digital Marketing

## Public Company Comparables



As of 12/31/2023



# Digital Marketing

## Public Company Comparables

Company Name	Valuation Calculations as of: 12/31/2023		LTM Financials		Valuation Metrics			LTM Margins		
	Enterprise Value	Revenue	Gross Profit	EBITDA	EV / Revenue	EV / Gross Profit	EV / EBITDA	Gross Margin	EBITDA Margin	
<b>Agencies</b>										
Dentsu Group Inc.	\$9,212	\$8,653	\$7,597	\$1,407	1.1x	1.2x	6.5x	88%	16%	
M&C Saatchi plc	\$295	\$581	\$79	\$21	0.5x	3.7x	14.0x	14%	4%	
Omnicom Group Inc.	\$21,693	\$14,500	\$2,752	\$2,390	1.5x	7.9x	9.1x	19%	16%	
Publicis Groupe S.A.	\$26,189	\$16,107	\$6,906	\$2,677	1.6x	3.8x	9.8x	43%	17%	
Stagwell Inc.	\$2,972	\$2,580	\$959	\$303	1.2x	3.1x	9.8x	37%	12%	
IGC, Inc.	\$15,615	\$9,365	\$2,043	\$1,696	1.7x	7.6x	9.2x	22%	18%	
WPP plc	\$18,015	\$18,928	\$3,248	\$1,745	1.0x	5.5x	10.3x	17%	9%	
					Mean:	1.2x	4.7x	9.8x	34%	13%
					Median:	1.2x	3.8x	9.8x	22%	16%
<b>Social Media</b>										
Meta Platforms, Inc.	\$885,382	\$126,956	\$101,711	\$54,062	7.0x	8.7x	16.4x	80%	43%	
LY Corporation	\$29,591	\$11,779	\$8,307	\$2,238	2.5x	3.6x	13.2x	71%	19%	
Match Group, Inc.	\$13,149	\$3,284	\$2,305	\$965	4.0x	5.7x	13.6x	70%	29%	
Hello Group Inc.	\$650	\$1,674	\$691	\$302	0.4x	0.9x	2.2x	41%	18%	
Snap Inc.	\$28,416	\$4,545	\$2,577	-\$1,220	6.3x	11.0x	NS	57%	NS	
Weibo Corporation	\$2,389	\$1,744	\$1,364	\$569	1.4x	1.8x	4.2x	78%	33%	
Yelp Inc.	\$2,901	\$1,304	\$1,191	\$115	2.2x	2.4x	25.2x	91%	9%	
					Mean:	3.4x	4.9x	12.5x	70%	25%
					Median:	2.5x	3.6x	13.4x	71%	24%
<b>Diversified Media</b>										
Charter Communications, Inc.	\$158,659	\$54,570	\$24,492	\$21,171	2.9x	6.5x	7.5x	45%	39%	
Comcast Corporation	\$273,336	\$120,872	\$84,559	\$37,638	2.3x	3.2x	7.3x	70%	31%	
Fox Corporation	\$18,504	\$14,928	\$5,033	\$2,935	1.2x	3.7x	6.3x	34%	20%	
Gannett Co., Inc.	\$1,543	\$2,725	\$997	\$271	0.6x	1.5x	5.7x	37%	10%	
Gray Television, Inc.	\$7,724	\$3,489	\$1,146	\$1,048	2.2x	6.7x	7.4x	33%	30%	
John Wiley & Sons, Inc.	\$2,720	\$1,961	\$1,356	\$305	1.4x	2.0x	8.9x	69%	16%	
News Corporation	\$17,709	\$9,900	\$4,824	\$1,193	1.8x	3.7x	14.8x	49%	12%	
TEGNA Inc.	\$5,624	\$3,102	\$1,374	\$915	1.8x	4.1x	6.1x	44%	29%	
The NYT Company	\$7,469	\$2,389	\$1,129	\$368	3.1x	6.6x	20.3x	47%	15%	
The Walt Disney Company	\$215,484	\$88,898	\$29,697	\$14,701	2.4x	7.3x	14.7x	33%	17%	
Verizon Communications Inc.	\$333,606	\$134,095	\$78,702	\$47,991	2.5x	4.2x	7.0x	59%	36%	
					Mean:	2.0x	4.5x	9.6x	47%	23%
					Median:	2.2x	4.1x	7.4x	45%	20%
<b>Publishers</b>										
Gannett Co., Inc.	\$1,543	\$2,725	\$997	\$271	0.6x	1.5x	5.7x	37%	10%	
John Wiley & Sons, Inc.	\$2,720	\$1,961	\$1,356	\$305	1.4x	2.0x	8.9x	69%	16%	
News Corporation	\$17,709	\$9,900	\$4,824	\$1,193	1.8x	3.7x	14.8x	49%	12%	
Scholastic Corporation	\$1,091	\$1,644	\$899	\$97	0.7x	1.2x	11.2x	55%	6%	
The NYT Company	\$7,469	\$2,389	\$1,129	\$368	3.1x	6.6x	20.3x	47%	15%	
					Mean:	1.5x	3.0x	12.2x	51%	12%
					Median:	1.4x	2.0x	11.2x	49%	12%
<b>Marketing Technology</b>										
IBM Corporation	\$196,963	\$61,171	\$33,666	\$13,663	3.2x	5.9x	14.4x	55%	22%	
Oracle Corporation	\$370,430	\$51,628	\$37,110	\$20,306	7.2x	10.0x	18.2x	72%	39%	
SAP SE	\$178,013	\$34,032	\$24,263	\$6,506	5.2x	7.3x	27.4x	71%	19%	
Adobe Inc.	\$267,870	\$19,409	\$17,055	\$7,517	13.8x	15.7x	35.6x	88%	39%	
HubSpot, Inc.	\$28,409	\$2,058	\$1,721	-\$77	13.8x	16.5x	NS	84%	NS	
Salesforce, Inc.	\$256,616	\$33,954	\$25,461	\$8,476	7.6x	10.1x	30.3x	75%	25%	
Xext, Inc.	\$657	\$405	\$313	-\$3	1.6x	2.1x	NS	77%	NS	
					Mean:	7.5x	9.7x	25.2x	75%	29%
					Median:	7.2x	10.0x	27.4x	75%	25%

# Digital Marketing

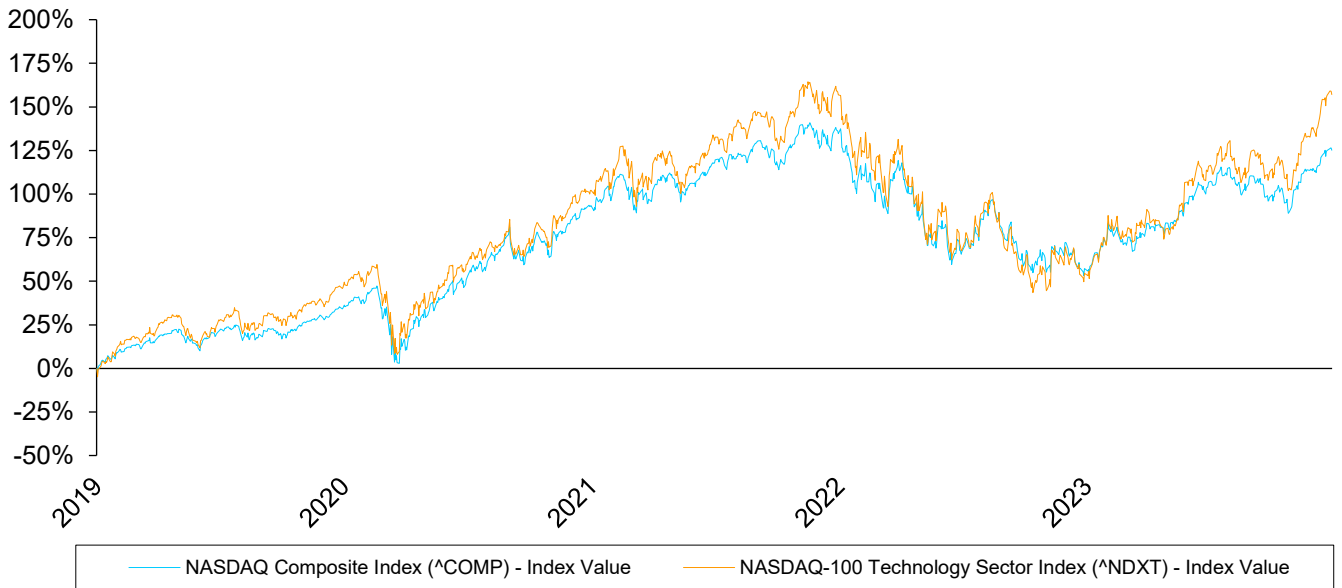
## Public Company Comparables

Company Name	Valuation Calculations as of: 12/31/2023		LTM Financials		Valuation Metrics			LTM Margins		
	Enterprise Value	Revenue	Gross Profit	EBITDA	EV / Revenue	EV / Gross Profit	EV / EBITDA	Gross Margin	EBITDA Margin	
<b>eContent &amp; Services</b>										
Alphabet Inc.	\$1,665,970	\$297,132	\$166,756	\$96,071	5.6x	10.0x	17.3x	56%	32%	
Brightcove Inc.	\$119	\$200	\$123	-\$14	0.6x	1.0x	NS	61%	NS	
Chegg, Inc.	\$1,673	\$734	\$502	\$46	2.3x	3.3x	36.5x	68%	6%	
CoStar Group, Inc.	\$31,561	\$2,388	\$1,924	\$447	13.2x	16.4x	70.6x	81%	19%	
eHealth, Inc.	\$480	\$402	\$400	-\$46	1.2x	1.2x	NS	100%	NS	
GoDaddy Inc.	\$18,360	\$4,194	\$2,643	\$737	4.4x	6.9x	24.9x	63%	18%	
IAC Inc.	\$5,806	\$4,554	\$3,095	-\$43	1.3x	1.9x	NS	68%	NS	
Match Group, Inc.	\$13,149	\$3,284	\$2,305	\$965	4.0x	5.7x	13.6x	70%	29%	
Meta Platforms, Inc.	\$885,382	\$126,956	\$101,711	\$54,062	7.0x	8.7x	16.4x	80%	43%	
Microsoft Corporation	\$2,756,564	\$218,310	\$151,597	\$108,531	12.6x	18.2x	25.4x	69%	50%	
Netflix, Inc.	\$221,994	\$32,743	\$12,930	\$6,372	6.8x	17.2x	34.8x	39%	19%	
Snap Inc.	\$28,416	\$4,545	\$2,577	-\$1,220	6.3x	11.0x	NS	57%	NS	
TEGNA Inc.	\$5,624	\$3,102	\$1,374	\$915	1.8x	4.1x	6.1x	44%	29%	
TechTarget, Inc.	\$1,112	\$246	\$173	\$33	4.5x	6.4x	34.1x	70%	13%	
Tripadvisor, Inc.	\$2,775	\$1,752	\$1,608	\$126	1.6x	1.7x	22.0x	92%	7%	
Yandex N.V.	\$7,291	\$7,319	\$4,017	\$691	1.0x	1.8x	10.6x	55%	9%	
Yelp Inc.	\$2,901	\$1,304	\$1,191	\$115	2.2x	2.4x	25.2x	91%	9%	
					<b>Mean:</b>	<b>4.5x</b>	<b>5.7x</b>	<b>15.2x</b>	<b>69%</b>	<b>22%</b>
					<b>Median:</b>	<b>4.0x</b>	<b>5.7x</b>	<b>24.9x</b>	<b>68%</b>	<b>19%</b>
<b>Ad &amp; Search Technology</b>										
Alphabet Inc.	\$1,665,970	\$297,132	\$166,756	\$96,071	5.6x	10.0x	17.3x	56%	32%	
Criteo S.A.	\$1,345	\$1,948	\$833	\$176	0.7x	1.6x	7.6x	43%	9%	
Magnite, Inc.	\$1,657	\$608	\$157	\$78	2.7x	10.5x	21.4x	26%	13%	
Marchex, Inc.	\$46	\$50	\$28	-\$8	0.9x	1.6x	NS	57%	NS	
Match Group, Inc.	\$13,149	\$3,284	\$2,305	\$965	4.0x	5.7x	13.6x	70%	29%	
Microsoft Corporation	\$2,756,564	\$218,310	\$151,597	\$108,531	12.6x	18.2x	25.4x	69%	50%	
QuinStreet, Inc.	\$650	\$561	\$44	-\$11	1.2x	14.8x	NS	8%	NS	
TechTarget, Inc.	\$1,112	\$246	\$173	\$33	4.5x	6.4x	34.1x	70%	13%	
The Trade Desk, Inc.	\$34,008	\$1,831	\$1,487	\$226	18.6x	22.9x	150.5x	81%	12%	
Tremor International Ltd	\$313	\$344	\$282	\$50	0.9x	1.1x	6.3x	82%	14%	
Yandex N.V.	\$7,291	\$7,319	\$4,017	\$691	1.0x	1.8x	10.6x	55%	9%	
		\$0			<b>Mean:</b>	<b>4.8x</b>	<b>8.6x</b>	<b>31.9x</b>	<b>56%</b>	<b>20%</b>
					<b>Median:</b>	<b>2.7x</b>	<b>6.4x</b>	<b>17.3x</b>	<b>57%</b>	<b>13%</b>
<b>Marketing Data &amp; Analytics</b>										
Experian plc	\$41,539	\$6,796	\$2,658	\$1,913	6.1x	15.6x	21.7x	39%	28%	
LiveRamp Holdings, Inc.	\$2,005	\$621	\$448	-\$8	3.2x	4.5x	NS	72%	NS	
Marchex, Inc.	\$46	\$50	\$28	-\$8	0.9x	1.6x	NS	57%	NS	
Teradata Corporation	\$4,557	\$1,828	\$1,103	\$257	2.5x	4.1x	17.7x	60%	14%	
					<b>Mean:</b>	<b>3.2x</b>	<b>6.5x</b>	<b>19.7x</b>	<b>57%</b>	<b>21%</b>
					<b>Median:</b>	<b>2.9x</b>	<b>4.3x</b>	<b>19.7x</b>	<b>59%</b>	<b>21%</b>
<b>Marketing Services &amp; Digital Media</b>										
Alphabet Inc.	\$1,665,970	\$297,132	\$166,756	\$96,071	5.6x	10.0x	17.3x	56%	32%	
Criteo S.A.	\$1,345	\$1,948	\$833	\$176	0.7x	1.6x	7.6x	43%	9%	
Magnite, Inc.	\$1,657	\$608	\$157	\$78	2.7x	10.5x	21.4x	26%	13%	
Marchex, Inc.	\$46	\$50	\$28	-\$8	0.9x	1.6x	NS	57%	NS	
Match Group, Inc.	\$13,149	\$3,284	\$2,305	\$965	4.0x	5.7x	13.6x	70%	29%	
Microsoft Corporation	\$2,756,564	\$218,310	\$151,597	\$108,531	12.6x	18.2x	25.4x	69%	50%	
QuinStreet, Inc.	\$650	\$561	\$44	-\$11	1.2x	14.8x	NS	8%	NS	
TechTarget, Inc.	\$1,112	\$246	\$173	\$33	4.5x	6.4x	34.1x	70%	13%	
The Trade Desk, Inc.	\$34,008	\$1,831	\$1,487	\$226	18.6x	22.9x	150.5x	81%	12%	
					<b>Mean:</b>	<b>5.6x</b>	<b>10.2x</b>	<b>38.6x</b>	<b>53%</b>	<b>23%</b>
					<b>Median:</b>	<b>4.0x</b>	<b>10.0x</b>	<b>21.4x</b>	<b>57%</b>	<b>13%</b>
					<b>Group Mean:</b>	<b>3.9x</b>	<b>6.8x</b>	<b>21.1x</b>	<b>58%</b>	<b>21%</b>
					<b>Group Median:</b>	<b>2.4x</b>	<b>5.7x</b>	<b>14.7x</b>	<b>58%</b>	<b>17%</b>

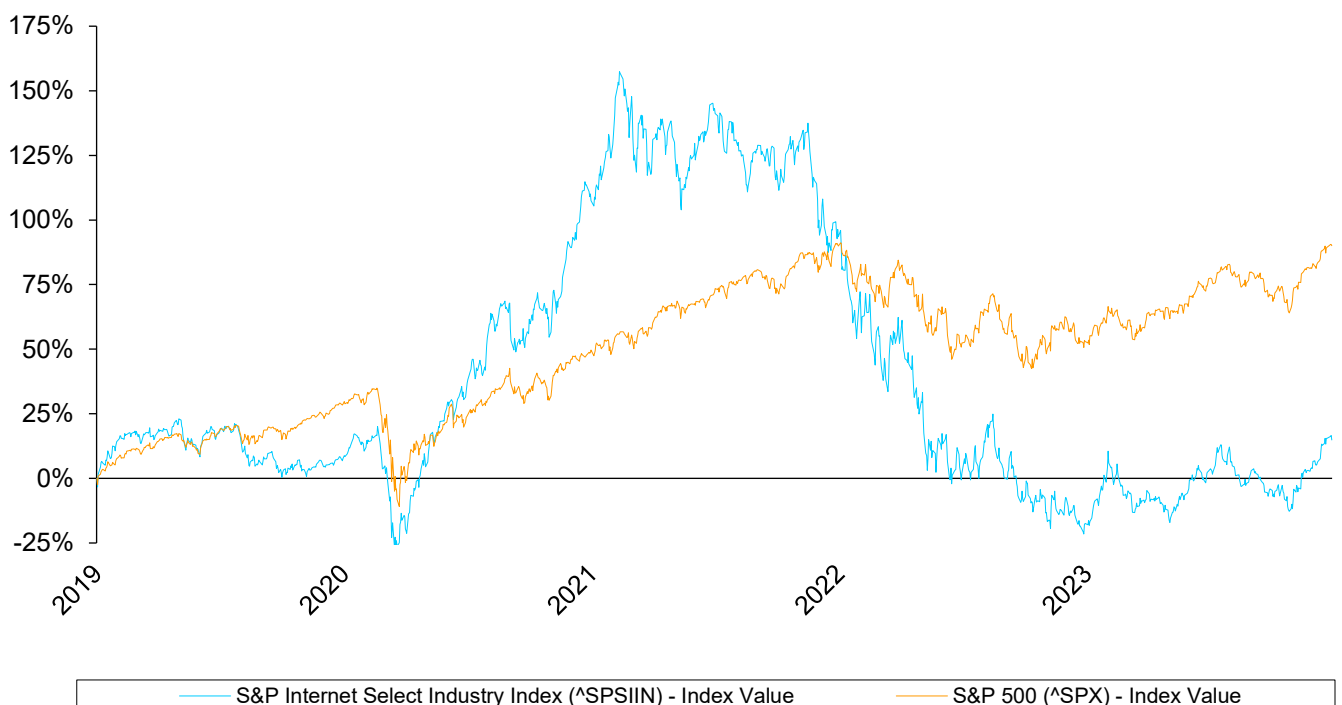
# Technology / Digital Marketing

## Indices

Coming off a downturn in Q3, the NASDAQ-100 rebounded to finish the year up 67.85%. Cooling inflationary pressures, a normalization of supply chain disruptions and excitement around generative AI technologies—from companies big and small—helped the stock price of companies like Microsoft, a backer of OpenAI's ChatGPT, and NVIDIA, a provider of graphics processing units needed to run advanced AI models, go through the roof.



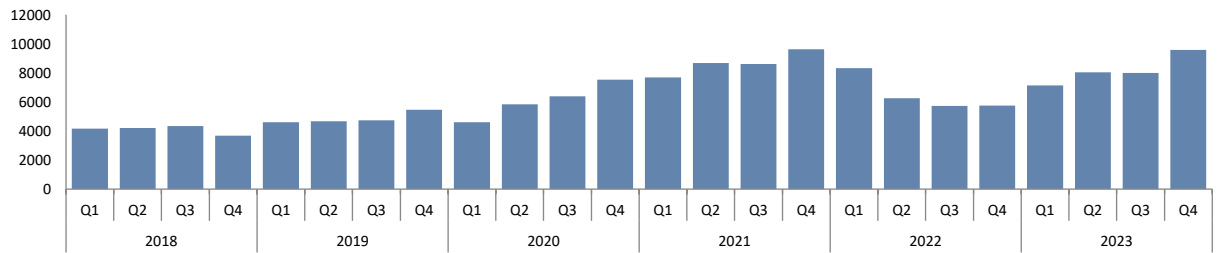
After an incredibly strong Covid performance, the S&P Internet Select Industry index (which tracks Internet Services and Infrastructure and Interactive Media & Services) has normalized back to pre-pandemic levels and largely mirrored the fluctuations of the S&P 500. Both indices ended 2023 on a positive note with the Internet index up 39.88% year-over-year, while the S&P 500 increased by 24.73% year-over-year.



# Technology

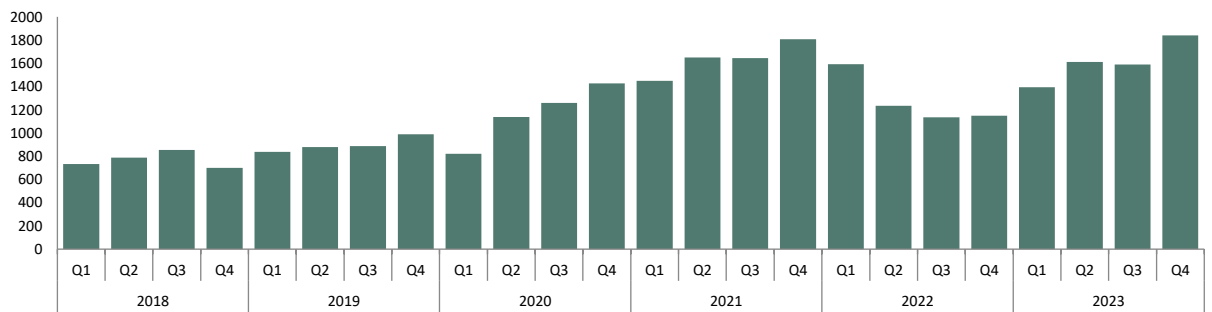
## State of the Industry

### NASDAQ 100 Technology Index



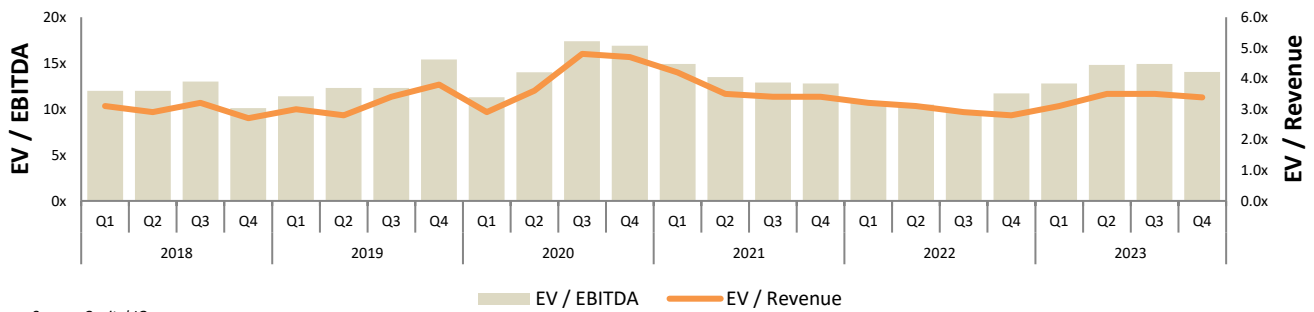
Source: Capital IQ

### S&P North American Technology Sector Index



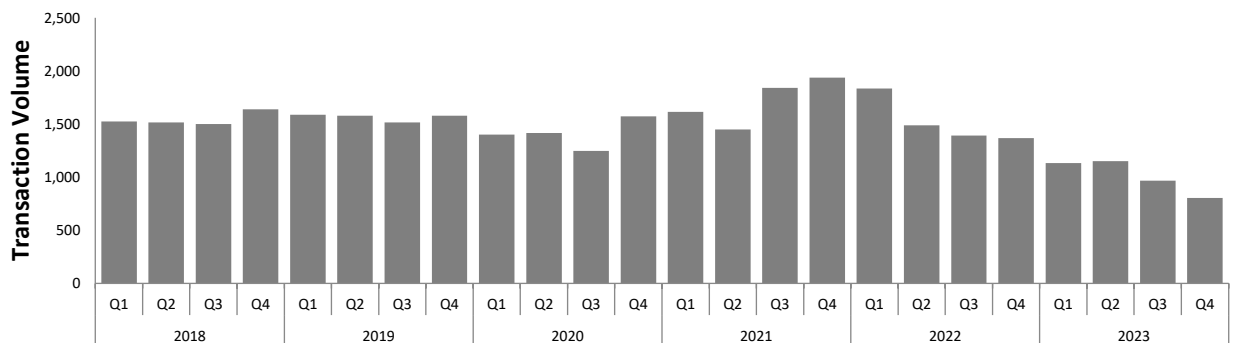
Source: Capital IQ

### Technology Industry Valuations



Source: Capital IQ

### Technology Transaction Volume



Source: Capital IQ





## The Value of Accomplishment

The highest level of expertise and hard work is what accomplishment requires. It's what you deserve and what we do.

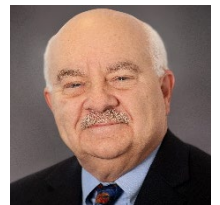
- We sweat the small stuff.
- Take a 3:00am call.
- Say yes.
- Say no.
- Dig deeper when things get tough.
- And celebrate with you when your efforts pay off and you can reflect on it all and say, "It's really remarkable what we've accomplished here."
- Then and only then, will we know that we've accomplished something meaningful, too.

### About Mirus

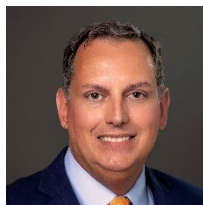
Mirus has been an active technology deal maker for more than 35 years. Representing professional investors and boards, as well as bootstrapped closely held businesses, Mirus has closed over 100 transactions in technology industry sectors including: Manufacturing Automation, Software, Hardware and Peripherals, Internet and Digital Media, Telecom and Networking.

### Partner Spotlight

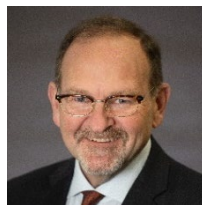
Sean Sundstrom is a Partner with significant experience in the technology, media and telecommunication (TMT) sector where he has led transactions in the software, outsourced services, digital media and marketing, and ad technology sectors. He has substantial US and cross border sell and buy M&A, divestment, fund raising, private equity and corporate development credentials with large and mid-market firms. A graduate of the American University of Paris, he earned his MBA at the George Washington University and is fluent in French and English.



**Sean Sundstrom**  
[sundstrom@merger.com](mailto:sundstrom@merger.com)  
781-418-5961



**Alan Fullerton**  
[fullerton@merger.com](mailto:fullerton@merger.com)  
781-418-5954



**Andrew Crain**  
[crain@merger.com](mailto:crain@merger.com)  
781-418-5950



**Rudy Minar**  
[minar@merger.com](mailto:minar@merger.com)  
781-418-5965



**Mark Young**  
[young@merger.com](mailto:young@merger.com)  
781-418-5901

*"The Mirus team successfully guided us through every aspect of the transaction, from identifying prospective buyers through closing. They conducted a thorough process and we are delighted by the outcome."*

## Mirus Technology Spotlight



has been acquired by



Scaleworks, the B2B SaaS-focused venture equity firm, acquired Full Circle Insights, known for helping companies drive pipeline growth through their marketing attribution and campaign measurement platform. Scaleworks' investment and partnership will accelerate Full Circle's strategic roadmap, enable product innovation, and enhance go-to-market strategy. Full Circle Insights empowers B2B marketing teams to optimize their marketing efforts and generate greater revenue through patented Salesforce-native technology. Recently, the company's strategic partnerships and significant industry recognition have led Full Circle to experience substantial market growth.



has acquired



Virtual, Inc., the leading provider of professional services to standards organizations, consortia, and associations, acquired award-winning digital marketing agency inMotion DVS, Inc., of Ottawa, Canada. The addition of the inMotion team to the Virtual family enables the company to deliver greater web, video, and digital marketing services while adding more than 50 associations and enterprises to its client roster. The move is part of Virtual's commitment to drive success for its clients by providing the highest quality strategic counsel coupled with world-class execution.



has been acquired by



Geniant, an IT strategy and services consulting firm with a pure focus on the integration of Service-Oriented Architecture ("SOA") in large enterprises, was acquired by EMC<sup>2</sup>. A Microsoft managed Gold Certified Partner, Geniant was widely regarded as a thought leader in that space. Its framework, service offerings, and delivery methodologies helped simplify and organize a client's IT infrastructure thereby providing a clear roadmap for standards-based SOA. Clients included Fujitsu, Jack Henry & Associates, ExxonMobil and many others.



has been acquired by



a portfolio company of



Projekt202 – a leading digital user experience design firm specializing in the design of user interfaces ("UI") for software applications across the web, desktop, and embedded-UI space, was acquired by Captura. Projekt202 provides interaction / workflow design, visual design, design research and front-end development consultations. The company partnered with large scale enterprises in the US and internationally to resolve their toughest UI-related application challenges. Clients included Charles Schwab, Kronos, Motorola, Deloitte, and Pearson, among many others.