

Creating transformational digital experiences

DEAL FLASH | TMT | MARCH 2020

DEAL SNAPSHOT

The Archer Group, a leader in digital strategy, experience design, usability research, technology and media, has been acquired by Bounteous, a prominent insights-driven digital experience agency and portfolio company of Mountaingate Capital.

Archer's unique capabilities and services have driven growth and engagement across some of the world's most recognizable brands in financial services, insurance, retail and utilities. The group was founded in 2003 and attributes its success and continued excellence to a culture of mutual respect and a spirit of curiosity.

Bounteous, one of the leading independent digital experience agencies in North America, is a 2020 Ad Age Best Place to Work. The company helps clients shape and execute transformational strategies while getting the most out of their technology investments. Archer deepens Bounteous' robust service offerings, with a shared mission to create big-picture digital solutions that drive growth for clients. Bounteous serves the marketing and technology needs of global corporations and brands, with the skills, experience and scale to create transformational results through co-innovation partnerships.

Keith Schwartz, CEO and co-founder of Bounteous, said: "With our combined teams and capabilities, we bring award-winning technology skills in industry-leading marketing and experience platforms, unparalleled analytics and data science capabilities to optimize digital marketing and media campaigns, and the creative and design skills that can deliver the 'wow' factor."

"We've dedicated the past 17 years to designing meaningful experiences that inspire action and have created long-standing partnerships, growth and value for some of the world's largest brands.

The relationships, market knowledge and guidance that Oaklins provided proved invaluable in our process."

MICHAEL DERINS
CEO & PRINCIPAL
THE ARCHER GROUP, USA

OAKLINS FOUND THE BEST PARTNER TO EXPAND THE BUSINESS

One of our TMT teams in New York served as the exclusive M&A advisor to The Archer Group in this transaction. The specialist team built a structured process around potential acquirors and found the best partner.



MARKET TRENDS & DEAL DRIVERS

Most companies are focused on digital transformation. They look to digital agencies to help them develop, design and execute strategies and meaningful experiences that engage audiences and maximize return from their technology investments.

In today's digital-first environment, few factors so dramatically affect consumers' perceptions of brands than their interactions with companies' online presence.

Many of today's most significant companies only interact with their customers digitally. A company's choice of digital experience communicates volumes about their priorities to invest in and create an efficient, effective and memorable interaction for their current and prospective customers. These choices combine to create the brand. This is why digital experience has become such a critical component of every successful company's strategy.

M&A VALUATION ASPECTS

The valuation of this transaction has not been disclosed.

In addition to the ability to generate growth and profitable margins, the quality of the management team, clients and the agency's digital transformation capabilities had a strong influence on the valuation.

Transactions in this sector often sell for 7–12x EBITDA after factoring in deferred purchase price consideration.



TALK TO OUR ADVISORS



✉ **JOHN KAISER**

Partner

New York, USA
T: +1 212 651 2567

John has advised creative agencies, marketing services and marketing technology firms in sales and acquisitions. Notable transactions include the sale of Purpose (a social impact agency) to Capgemini; Harbor Picture Company (a production and post-production studio) to Publicis; Hatch (a design-led creative agency) to Advantage Solutions; iStrategyLabs (a digital agency) to WPP; Wondersauce (a digitally focused integrated agency) to Project Worldwide; Rokkan (a creative digital agency) to Publicis; Banyan Branch (a social and digital marketing agency) to Deloitte; Armstrong White (CGI studio) to SGS International (an Onex portfolio company); and WDA (a mobile marketing technology firm) to [x+1].



✉ **JACK NOBLE**

Partner

New York, USA
T: +1 212 651 2612

Jack's areas of expertise cover digital media, advertising and marketing services, and publishing. Recent transactions include the sales of TV Guide Magazine to NTVB Media and Parade to Athlon Media Group; Symbiotix's sale to Havas Health; The Hedge Fund Law Report's acquisition by Mergermarket; the sale of The Deal LLC to TheStreet, Inc.; the sale of MarketTools Research Solutions to MetrixLab on behalf of Texas Pacific Group (TPG); Condé Nast's divestiture of its Fairchild Books division to Bloomsbury Publishing; and MJH Associates Inc.'s acquisition of UBM Life Sciences' media assets.

OAKLINS HAS CLOSED 1,007 DEALS IN TMT

Oaklins is the world's most experienced mid-market M&A advisor, with over 850 professionals globally and dedicated industry teams in more than 45 countries. We have closed 1,700 transactions in the past five years.

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