

Moving people to remake the world

DEAL FLASH | TMT | APRIL 2020

DEAL SNAPSHOT

Purpose, one of the world's leading social impact agencies and a hub for campaign innovation, has been acquired by Capgemini SE.

Founded in New York in 2009, Purpose has spent the last decade building a footprint and reputation for enabling impact across six continents by creating purpose-driven campaigns, creative content and participatory social impact strategies to a blue-chip client roster. It has launched major initiatives on issues ranging from climate change and refugees, to international LGBT rights, and has established relationships with global brands and corporations, philanthropies, the United Nations and many of the world's leading civil society organizations. Purpose will continue to operate as a public-benefit corporation in pursuit of its mission of advancing a more open, just and habitable world.

A global leader in consulting, technology services and digital transformation, Capgemini is at the forefront of innovation to address the entire breadth of clients' opportunities in the evolving digital world. Building on its strong 50-year heritage and deep industry-specific expertise, Capgemini enables organizations to realize their business ambitions through an array of services from strategy to operations.

The expertise of Purpose's 100 campaigners, creatives, strategists and technologists, combined with Capgemini Invent, the digital innovation, consulting and transformation brand of the Capgemini Group, will further support clients to transform their business models and practices for impact, and engage their stakeholders in making meaningful contributions to society.

OAKLINS BRINGS OPPORTUNITIES TOGETHER FROM ACROSS THE WORLD

One of our TMT teams in New York acted as the exclusive financial advisor to Purpose in this transaction.

“By joining the Capgemini Group, we can truly take Purpose to the world — dramatically growing our scale and impact at a crucial moment for so many of the issues we care about. Capgemini Invent, combined with the wider group’s scale, offers us access to vast technological capacity, unrivaled data and analytics, and a deep understanding of how to change organizations and business models from the inside out. This opens up extraordinary possibilities for the campaigns that we can create and the global organizations that we can advise and support.”

JEREMY HEIMANS
CEO & CO-FOUNDER
PURPOSE, USA



MARKET TRENDS & DEAL DRIVERS

Over the past decade, increased demands from consumers, employees, regulators and other stakeholders have driven a major shift toward business with purpose.

For many large companies this has evolved beyond corporate social responsibility into business model transformation — major changes to business practices and supply chain management, and orienting major aspects of employee engagement and consumer marketing efforts toward purpose.



M&A VALUATION ASPECTS

The valuation of this transaction has not been disclosed.

The valuation was driven by the company's unique position as leaders in purpose-driven solutions for businesses and brands, in addition to its high revenue growth and sizable EBITDA margin.

Transactions in this sector currently range from 7–15x EBITDA.

TALK TO OUR ADVISORS



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Reed has advised hundreds of media clients on M&A transactions for magazines, newspapers, events, marketing research, advertising services, digital media, book publishing, and healthcare media and communications. He has completed transactions with ABRY Partners, Condé Nast, the New York Times, Thomson Reuters and WPP.

John has advised creative agencies, marketing services and marketing technology firms in sales and acquisitions. Notable transactions include the sale of Archer Group (a digital strategy agency) to Bounteous; 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; and Banyan Branch (a social and digital marketing agency) to Deloitte.

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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