

# TMT deal activity in 2014:

## Focus on South Asia

An analysis of M&A activity, private equity/venture investments and sports' rights deals in India, Pakistan, Bangladesh, Sri Lanka and Nepal

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## **ABOUT THE AUTHOR**

This report is published by Heernet Ventures Limited. The company provides research, analysis and advisory services to the global TMT industry and operates the TMT industry research website, G2Mi.com. For further details on Heernet Ventures, please visit the company website, heernet.com.

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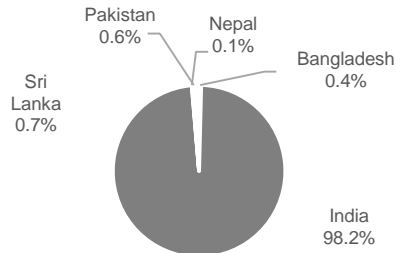
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### Deals by country of target/investee\*



### Harjinder Singh-Heer

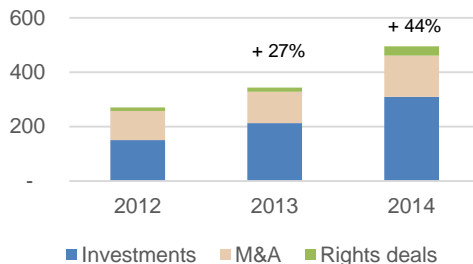
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In terms of current TMT deal activity, the South Asian market is really a story about India; the other countries (Pakistan, Sri Lanka, Nepal and Bangladesh) account for a very small percentage of deals.

### Deal volumes by type\*\*



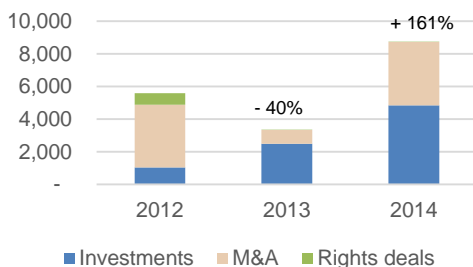
Deal volumes grew by over 40% primarily due to growing venture investment in India's rapidly growing digital media and technology sectors. Aggregate deals' value in 2014 was USD 8.7 billion.

This report contains a small selection of our analysis on 2014 TMT deals.

Our deal intelligence service provides our clients with the broadest range of deal data in the global TMT landscape. G2Mi Research offers many benefits:

- Tracks mergers and acquisitions, private equity and venture investments, broadcasting rights deals and major partnerships;
- Excellent coverage of both developed and emerging markets' activity;
- Comprehensive coverage of the TMT sector, including traditional media, telecom services, and technology hardware;
- Data covers a wider range of deals than other services;
- The full G2Mi research platform combines transactions data with a company profiles database and over a 1,000 regularly updated industry reports covering the global TMT sectors.

### Aggregate deals' value by type (USD mn)



For further information on this analysis or our research and advisory services, please contact me by email.

\*Excludes deals where target was a non South Asian country

\*\*Includes deals where value was not disclosed. Deals value is based on the 229 deals where value was disclosed

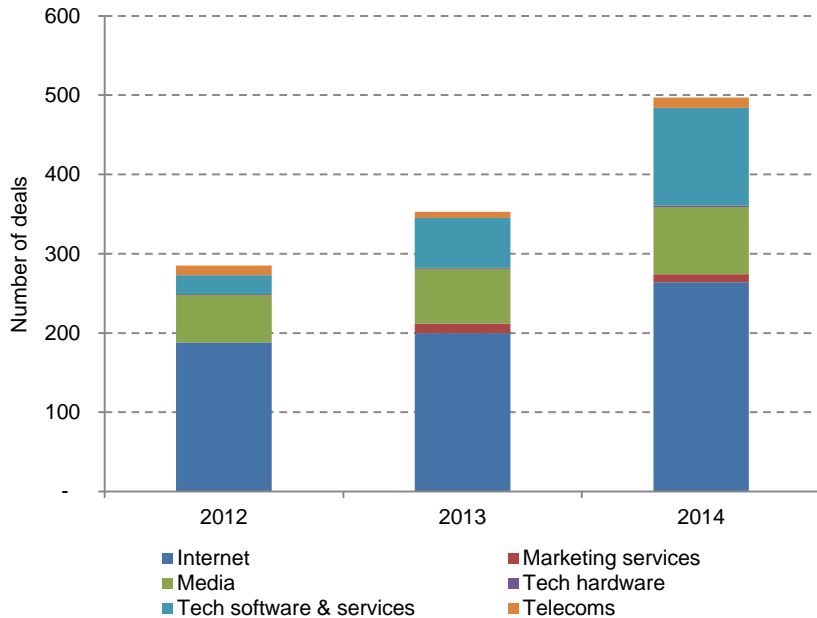
## Key observations

**Three key trends: 1) Investment in digital media & services; 2) Consolidation in the traditional media and telecom sectors; 3) International expansion by IT and business services groups**

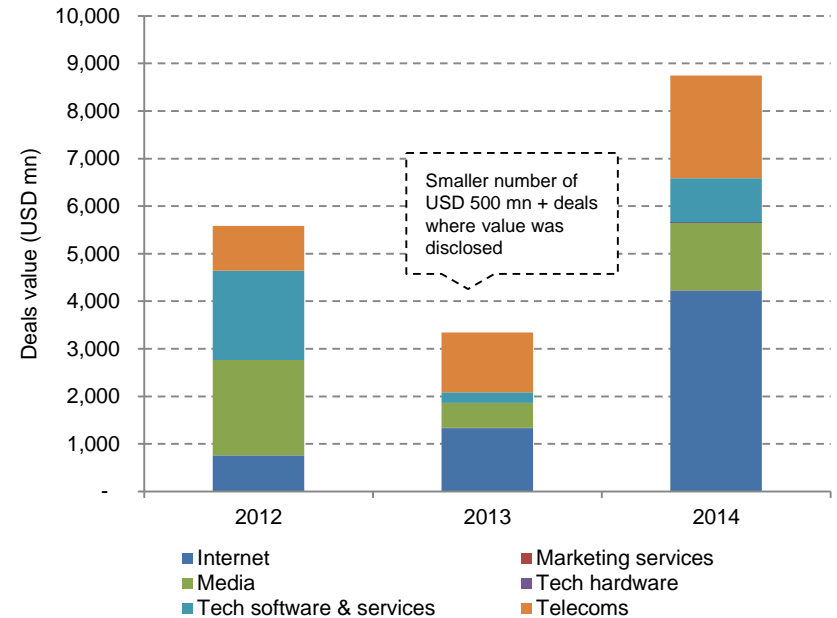
Type	Observations	Selected participants
Mergers & Acquisitions	<ul style="list-style-type: none"> <li>▪ Largest deals (where value disclosed) were primarily in telecoms, TV broadcasting and IT business services;</li> <li>▪ Other areas with significant activity included marketing services, cinemas and education;</li> <li>▪ In terms of digital media, many young digital companies have been utilising recently raised funds to broaden their offering or acquire competitors;</li> <li>▪ Traditional domestic media players (except Times Group) were relatively absent.</li> </ul>	Vodafone, Publicis, Prime Focus, Times Group (BCCL), Tech Mahindra, Reliance Industries, Wipro
Private equity / Venture investments	<ul style="list-style-type: none"> <li>▪ Very substantial investments in areas where technology allows new entrants to meet the needs of consumers more effectively than state provision (e.g. healthcare, education);</li> <li>▪ Other sectors that saw significant deal activity include retail, real estate listings and online travel. Funding rounds for ecommerce players such as flipkart and snapdeal were among the largest in 2014;</li> <li>▪ In the travel sector, the rapid growth in taxi booking apps was mirrored in India with substantial funds raised by players such as olacabs.</li> </ul>	Blume Ventures, Sequoia Capital, Unitus, Info Edge (India), Accel Partners, Softbank, Tiger Global Mgmt
Sports rights deals	<ul style="list-style-type: none"> <li>▪ Deal activity principally focused on cricket and European football (EPL, Champions League). Major acquirors are Sony, Star TV and Taj TV;</li> <li>▪ Sony Six led the market with acquisitions in a range of established (tennis) and emerging sports (kabaddi);</li> <li>▪ The Dubai-based Taj Television has also been aggressive in building its sports offering through the acquisition of rights in wrestling, football and the 2018 Commonwealth Games.</li> </ul>	Multi Screen Media, Star India, Taj Television

# 500 deals analysed in 2014 – a 40% increase on 2013

### Deal volumes by sector\*



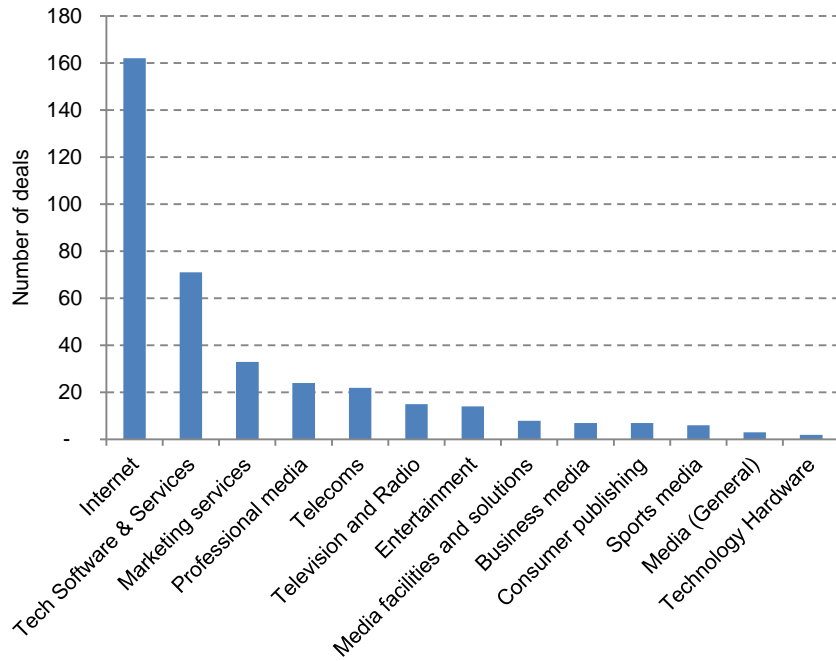
### Aggregate deal value by sector



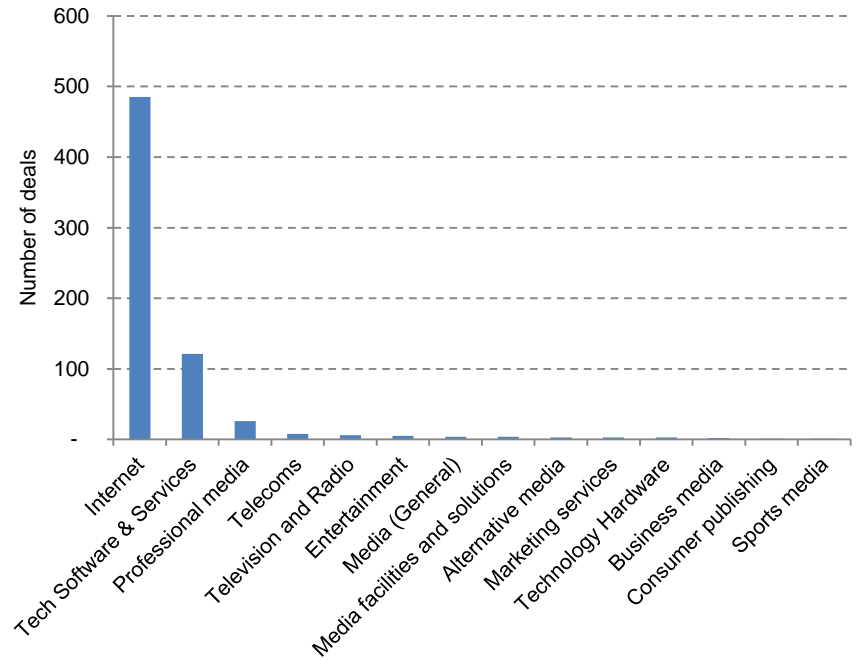
\*Includes deals where value was not disclosed

# Deal activity dominated by internet and software sectors

M&A activity: Deal volumes by sector (2012-2014)\*



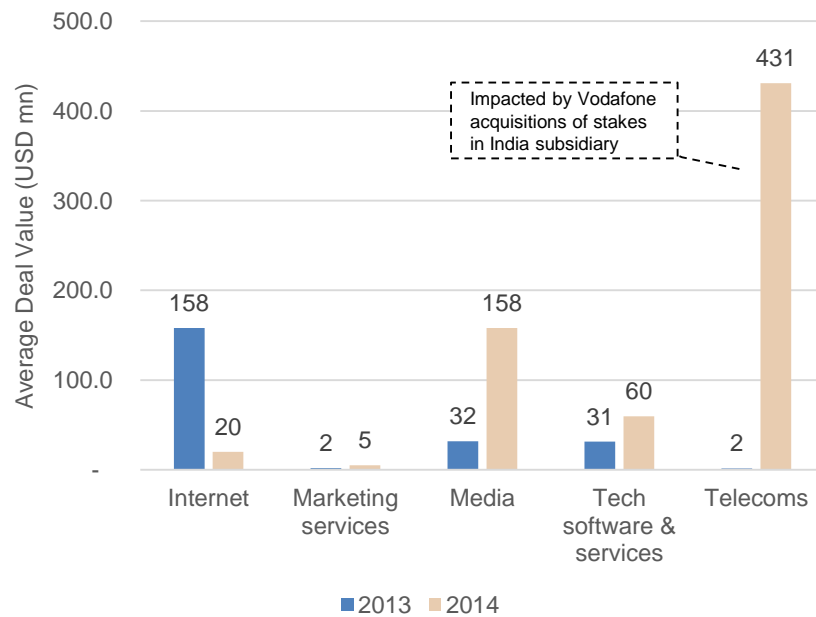
PE/VC investments: Deal volumes by sector (2012-2014)\*



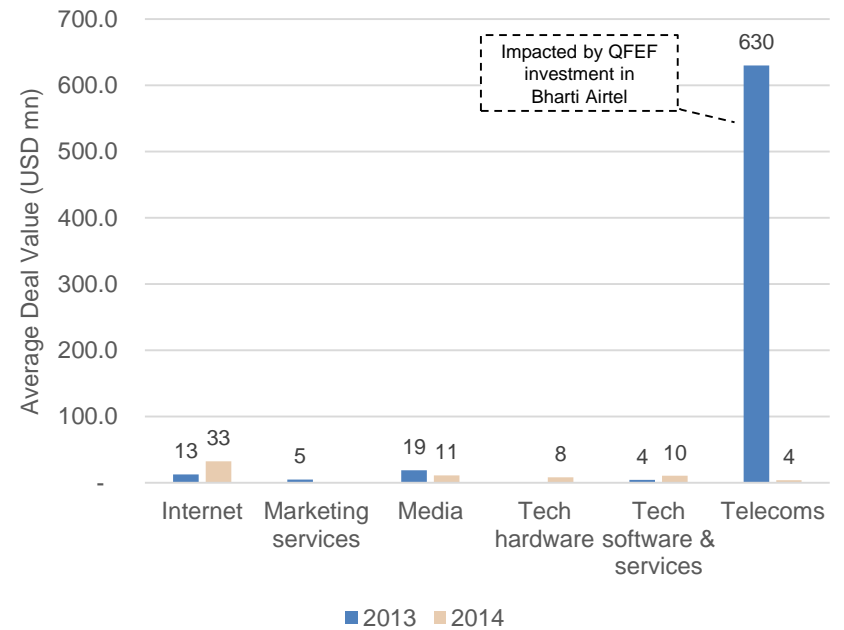
\*Includes deals where value was not disclosed

# Average investment for internet deals has risen strongly in 2014

M&A activity: Average Deal Value (USD mn) by sector\*



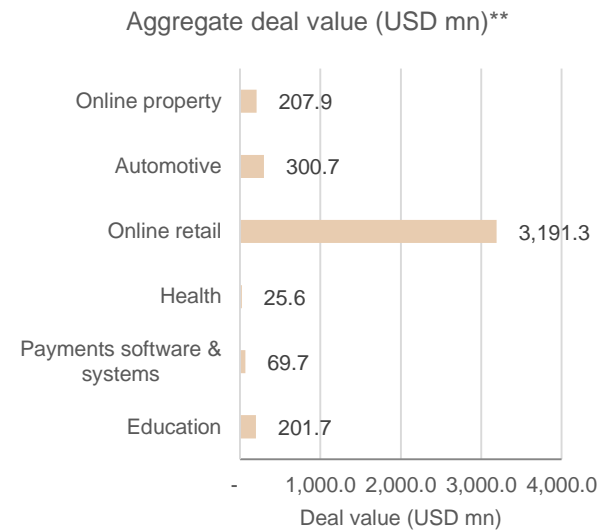
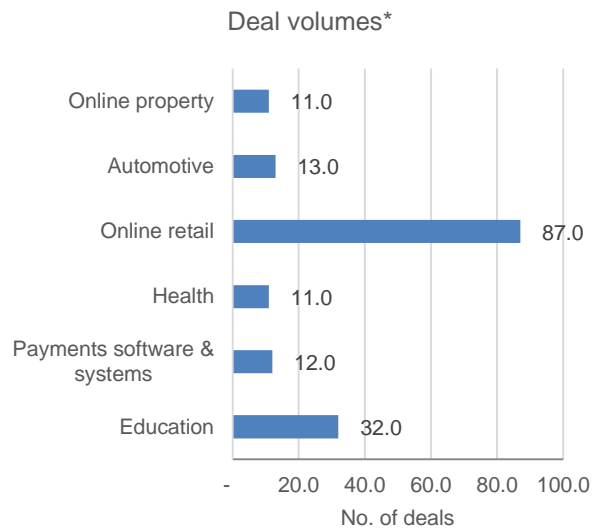
PE/VC investments: Average Deal Value (USD mn) by sector\*



\*Average Deal Value is based on the 229 deals where value was disclosed

# The standout sectors in terms of deal activity include education, online retail and payments software & services

## Deal activity in selected industries (2014)



\*Includes deals where value was not disclosed

\*\* Average Deal Value is based on the 229 deals where value was disclosed



## Research notes

This analysis is based on the deals, G2Mi Research tracked in the G2Mi transactions database. The data is gathered from publicly available sources and through contact with companies and financial advisors.

The reported date shown is the date on which the deal was made public.

Deals where value is disclosed are referred to as disclosed deals in this note

USD values are calculated from local currency using an average exchange rate for 2014

Rights data is primarily focused on sports broadcasting rights

If you identify an omission or an error, please email us at [service@g2mi.com](mailto:service@g2mi.com)

# G2Mi Transactions Data offering

## Basic Search

Transactions data can be searched using both keyword and filtering options. The basic options include:

- Transactions type
- Date
- Country

## Advanced Search

Advanced search allows search by:

- Deal value
- Sector
- location, type and name of key deal participants

## Download data options

Both PDF and Excel formats

## Basic Search

- Company Profiles
- Company Analyzer
- Sector Snapshots
- Transactions Data
- Premium Reports

**Basic Search**

Company / Investor name
  All text

**Transaction type**

ALL EVENTS  
 M&A  Partnerships  Investments  Rights Deals

**Date range**

specify date range

Start date  End date

**Location**

-- Choose Region --  -- Choose Country --

## Advanced Search

**Advanced Search**

specify value range  (USD millions est.)

Min. Value  Max. Value  (in USD millions)

Exclude records where transaction value not available

**Sector group**

ALL SECTORS  
 Alternative Media  Business Media  
 Consumer Publishing  Entertainment  
 Internet  Marketing Services  
 Media (General)  Media Facilities And Solutions  
 Professional Media  Sports Media  
 Technology Hardware  Technology Software & Services  
 Telecoms  Television And Radio

**Investor/buyer details**

Name

Financial  Trade  Other

Region  Country

Region/Investee details

Region  Country

Investor details

Region  Country

Date reported	Transaction Title	Type	Sector group	Buyer / Investor	Region Of Buyer	Country Of Buyer
08-Sep-14	WPP Plc via its UK-based subsidiary Brand Union acquires 67% stake in Brazil-based agency & BSA	Marketing services	Creative and agency services	The Brand Union Worldwide Ltd.	Europe	United Kingdom
05-Sep-14	WPP via its US-based subsidiary JWT acquires majority stake in Brazil-based display advertising firm M&A	Marketing services	Creative and agency services	J. Walter Thompson USA Inc. (WPP Gr	Europe	United Kingdom
04-Sep-14	WPP via its US-based subsidiary JWT acquires majority stake in Brazil-based digital agency Carat US	Technology Software & Ser	Enterprise Software & Services	J. Walter Thompson USA Inc. (WPP Gr	Europe	United Kingdom
22-Aug-14	South African digital agency Adair acquires South African marketing and e-commerce technology org	Media (General)	Creative and agency services	Agas (WPP Plc)	Europe	United Kingdom
20-Aug-14	US-based market research agency Millward Brown (WPP Group Plc) acquires US-based media analy	Technology Software & Ser	Enterprise Software & Services	Millward Brown Inc. (WPP Group Plc)	Europe	United Kingdom
20-Aug-14	US-based advertising and marketing company Grey Group Plc acquires French digital exec	Internet	Online and mobile advertising	Snapful (WPP Group Plc)	Europe	United Kingdom
05-Aug-14	WPP Group Plc via its subsidiary Possible Worldwide acquires US-based mobile applications develop	Internet	Mobile Media & Applications	Possible Worldwide (WPP Group Plc)	Europe	United Kingdom
26-Jul-14	UK-based market research company Zanussi/Trade Investment from UK-based data investment in travel	Marketing services	Market Research	Kantar (WPP Group Plc)	Europe	United Kingdom
21-Jul-14	Keynote-based marketing communication agency ScanGroup (WPP Group Plc) acquires majority stake	Marketing services	Creative and agency services	ScanGroup Ltd. (WPP Group Plc)	Europe	United Kingdom
30-Jun-14	Kantar Media acquires UK-based data visualization and interactive agency Quinlan Digital Agency	Marketing services	Creative and agency services	Kantar Media (WPP Group Plc)	North America & Car	United States
19-Jun-14	Engagement digital marketing firm US Asia Pacific acquires a majority stake in Vietnam-based	Marketing services	Creative and agency services	US Asia Pacific Pte Ltd. (WPP Group Plc)	Asia	Singapore
17-Jun-14	US-based market research agency Millward Brown (WPP Group Plc) acquires Dutch marketing state	Marketing services	Creative and agency services	Millward Brown Inc. (WPP Group Plc)	North America & Car	United States
12-Jun-14	US-based advertising agency Grey Group acquires majority stake in New-based advertising	Marketing services	Creative and agency services	Grey Group (WPP Group Plc)	North America & Car	United States
11-Jun-14	US-based marketing communications agency JWT acquires South African creative agency The	Marketing services	Creative and agency services	J. Walter Thompson USA Inc.	North America & Car	United States
10-Jun-14	US marketing intelligence company Kantar Media acquires majority stake in UK media monitoring	Marketing services	Market Research	Kantar Media (WPP Group Plc)	Europe	United Kingdom
29-May-14	Advertising, marketing and PR agency Ogilvy & Mather (WPP) acquires UK-based B2B marketing	Marketing services	Creative and agency services	Ogilvy & Mather (WPP Group Plc)	North America & Car	United States
21-May-14	US-based market research agency Millward Brown (WPP Group Plc) acquires Romanian market	Marketing services	Market Research	Millward Brown Inc. (WPP Group Plc)	North America & Car	United States
15-May-14	US-based advertising agency Grey Group acquires majority stake in South African marketing	Marketing services	Creative and agency services	Grey Group (WPP Group Plc)	North America & Car	United States
14-May-14	US-based employee engagement software platform operator YouAmeht Inc. raises USD 1.5 million	Investment	Technology Software & Ser	WPP Plc and Capital Factory	Europe	United Kingdom
08-May-14	UK-based marketing communications agency WPP Group acquires South African marketing agency	Marketing services	Creative and agency services	WPP Group Plc	Europe	United Kingdom
02-May-14	UK-based marketing communications agency WPP acquires majority stake in Turkish media ag	Marketing services	Creative and agency services	WPP Group Plc	Europe	United Kingdom
30-Apr-14	UK-based marketing insight company Kantar Media (WPP) acquires Canadian digital marketing	Marketing services	Creative and agency services	WPP Group Plc	Europe	United Kingdom
21-Apr-14	UK-based marketing insight and consulting company Kantar Retail (WPP) acquires Italian sales	Technology Software & Ser	Enterprise Software & Services	Kantar Retail (WPP Group Plc)	Europe	United Kingdom
01-Apr-14	US marketing communication agency JWT Worldwide (WPP) acquires France-based creative digi	Marketing services	Creative and agency services	JWT Worldwide (WPP Group Plc)	North America & Car	United States
31-Mar-14	US-based online social micro-blogging services provider Twitter Inc. acquires UK-based social	Marketing services	Market Research	Twitter Inc.	North America & Car	United States
21-Mar-14	US response marketing firm Wunderman (WPP) acquires UK-based digital marketing product	Marketing services	Creative and agency services	Wunderman (WPP Group Plc)	North America & Car	United States
16-Mar-14	US public relations agency Hill-Knopton Strategies (WPP) acquires Hong Kong-based digi	Marketing services	Creative and agency services	Hill-Knopton Strategies (WPP Group)	North America & Car	United States
07-Mar-14	US-based marketing communication agency JWT Worldwide acquires majority stake in Indian	Internet	Online and mobile advertising	JWT Worldwide (WPP Group Plc)	North America & Car	United States
04-Mar-14	UK-based marketing communications agency WPP Group acquires Chinese marketing services	Marketing services	Creative and agency services	WPP Group Plc	Europe	United Kingdom



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