

The Hyve Group made their second major acquisition since Mark Shashoua took the reins. After the acquisition of Ascential Exhibitions for £300m in 2018 they have splashed out \$145m on Shoptalk and Groceryshop – two leading conferences in the retail and grocery sectors. It's a young business (Shoptalk was launched in 2015 followed by Groceryshop in 2018) but one that has already reached \$12.2m EBITA in 2019, meaning that Hyve has paid a historic multiple of just under 12x. The co-founders Anil Aggarwal and Simran Aggarwal launched Money 2020 and sold it to i2i Events (now Ascential) in 2014 when Shashoua was CEO there.

Comexposium has announced the intention to acquire France-based Europa Group – organiser of 50 healthcare congresses, including Cardiovascular and Ophthalmology events. With their previous acquisition of IMCAS (Ageing Science) in June 2018, healthcare is now one of their major sectors.

CREtech, the US real estate tech and conference company, which is owned by The News Funnel, has acquired London property technology event FUTURE PropTech. It started 5 years ago as a Meet Up with 60 people and has grown to 1,800 attendees in 2019.

Terrapinn, organiser of Roads and Traffic Expo in Australia, the Philippines, Thailand and North Africa, has acquired UK-based Essential Infrastructure Events (EIE), organiser of Highways UK. EIE was founded by Andrew Dowding with backing from the Quartz Business Media team (Keith Harris and Paul Michael) who are creating an initiative in 2020 to support entrepreneurs looking to launch their own events.

The Dealmaker

Steve Monnington of Mayfield Media Strategies reviews the deals of 2019



These deals brought the total number of transactions in 2019 to 82, just five shy of 2018's record of 87 transactions and 51 different purchasers. It's clear that the last two years have marked a step change in M&A activity with significantly more buyers than in previous years.

In my review of 2018, I noted that the type of buyer has changed, with Reed and Informa/UBM slowing down their activity. In 2015, they acquired 25 businesses, which represented 36% of total transactions. In 2018, this dropped to 11 (13.5%) and in 2019 decreased further to 7 (8.5%), mostly by Reed. Private Equity (PE) owned organisers, primarily Clarion, CloserStill Media, Comexposium and Emerald (still 65% owned by Onex despite being publicly quoted) were joined in 2019 by Tarsus and accounted for 18 transactions (22%) between them.

The geographic balance of acquisitions of UK and US companies, compared with the dominance of emerging markets five years ago, has continued to climb, with 44 transactions, i.e. 53.6%, in 2019, compared to 24 (32%) in 2014.

In 2018, I made some predictions for 2019 and I'm pleased to say that some of these came true.

I have written a lot about the growing importance of PE in the sector and I predicted that there would be new PE participation in 2019. At the end of 2018, we saw Charterhouse sell their stake in Comexposium to Credit Agricole and Inflexion sell their stake in CloserStill Media to Providence Equity. We also saw Phoenix Equity, previous owners of CloserStill, back Nineteen Events as their new exhibition adventure. These were all re-investments by the usual PE suspects and this continued in 2019 when Tarsus de-listed as a public company and sold to Charterhouse.

However, 2019 saw new PE players enter.

- Apiary Capital backed Duncan Kirk and his team, primarily taken from Clarion, under the name of Roar Techmedia, who acquired a bunch of shows from Prsym.
- Graphite Capital acquired conference organiser Hanson Wade.
- EMZ partners acquired FCDE's stake in Weyou (formerly Tarsus France)

There were some PE exits as well to re-dress part of the balance with LDC selling FC Business Intelligence to Reuters despite owning it for less than a year and Immediate Media acquiring Upper Street Events from Livingbridge.

I also predicted the continuing non-core disposals from the large organisers and we saw this with several transactions. Clarion sold to Endeavour Business Media more than 20 media brands and related events that came with their acquisition of Pennwell and also sold their German manufacturing exhibitions to EasyFairs. Informa sold several of the UBM Life Science Media brands to MJH Associates, as well

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selling as seven industrial exhibitions to Endeavour. Centaur disposed of most of their exhibitions outside of their marketing portfolio, selling their travel shows to Northstar, HR shows to DVV Media and their Engineering portfolio to Mark Allen Group.

One prediction that didn't come through was an acquisition by a non-traditional media business, so the speculation about whether data-driven organisations such as Facebook, Google, or Ali Baba will move into our sector continues.

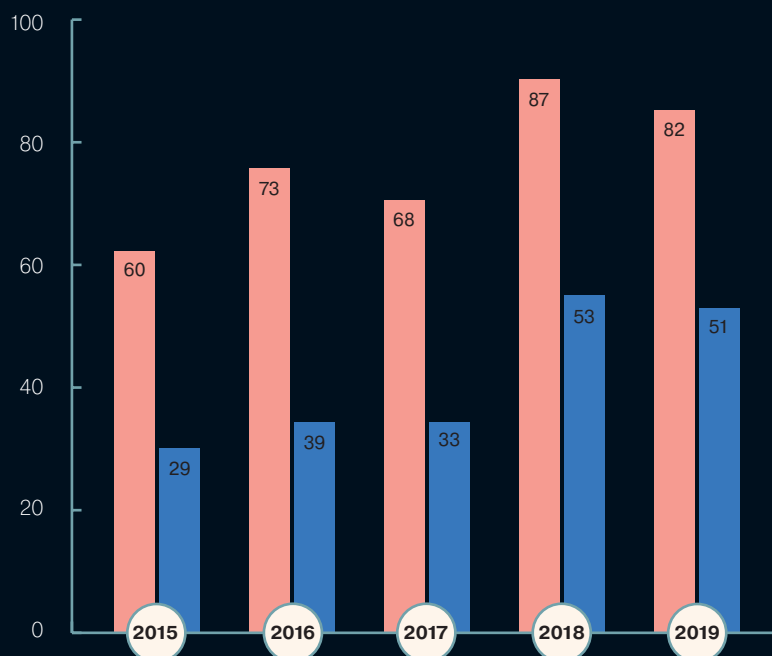
One trend that I wasn't expecting was the number of early-stage companies attempting to take advantage of a buoyant M&A market by trying to sell too early, often without proof of concept or market leadership, and predictably, the buyers didn't bite. However, this has prompted Mayfield to launch the Event Entrepreneurs' Club, partly so that early-stage companies can compare experiences about scaling their businesses and learn when is the right time to sell.

Other notable transactions in 2019 included Reed's acquisition of Mack Brooks at the start of the year and Hyve's acquisition of Shoptalk and Groceryshop at the end, as covered above, which is also significant as it continues their trend away from Russia and Central Asia with 22% of their revenues now coming from the UK.

Multiples will continue to be high for PE entry platforms, as evidenced by the price paid by Charterhouse for Tarsus and for larger strategic private assets such as Shoptalk. There is some resistance from the larger organisers towards paying similar prices for smaller businesses, but multiples remain higher than they were four to five years ago and I don't see this changing in 2020. It looks set to be another fascinating year with more surprises.

Number of Deals & Buyers — 5 year summary

Key Deals Buyers



Acquisitions by Geography

Key Other Emerging UK/USA

