

Dealmakers: M&A, shot down in flames and Terrapinn's rise 29th July 2024 | published by EW SHARE



Steve Monnington of Mayfield Merger Strategies rounds-up a magnificent seven of recent industry M&A activity.

It has been quite the month since my last column in June with seven completed transactions in six different countries involving seven different buyers and a blockbuster bid of £1.2bn from Informa for Ascential being accepted. There has also been some surprise/concern expressed over the metrics of the Easyfairs transaction and what it might mean for the future of M&A.

Transactions this period

Not a completed transaction (yet), but the biggest M&A news of the year so far...

Informa has had an offer of £1.2bn for **Ascential** accepted by the Ascential shareholders. Ascential, which was not planning to sell the business, received a conditional proposal from Informa, which valued the business at £1bn representing a 33% premium to Ascential's share price. Informa then closed out the deal at £1.2bn.

While the raw data suggests a multiple of nearly 17x 2024 estimated EBITDA, there are significant cost synergies of approximately £12m to be achieved by eliminating Head Office costs which brings the trading multiple down closer to 14x.

A transaction of some sort has seemed inevitable since Ascential's strategic review in early 2023. To give the background and some context, here is what I wrote in my Dealmakers column in November last year.

*The biggest M&A news of the last couple of months paves the way for what is likely to be a major exhibition transaction in the future. In January (2023), **Ascential** delivered the results of its strategic review – the plan was to sell off WGSN, its trend forecasting business and then split the rest of the business into a US-listed company that would own the Digital Commerce business with Ascential Events continuing under a UK plc listing. **WGSN** will be sold as planned with **APAX Partners** offering £700m, but rather than floating **Flywheel**, the digital commerce division, in the US, it will be sold to **Omnicom** for £741m. The sale of two of the three Ascential divisions must make it more likely that the events division (primarily Money 20/20 and Cannes Lions) will also be sold, either to a PE firm or maybe in two separate transactions to strategic organisers.*

Although Ascential had buyer interest in the two individual brands, selling them separately was seemingly not of interest.

Being a PLC rather than a PE-backed buy and build business means they

have focused solely on developing the brands rather than buying other businesses to boost EBITDA. This has almost certainly resulted in a stronger focused business.

Informa like both brands, hence the high offer. It wants to extend Money 20/20 into the Middle East and Africa, due to the region's rapid growth and significant investment in financial technology and it intends to make Cannes Lions the centrepiece of a new business, Informa Festivals.

Opus Origin has acquired Cologne-based **WHD Event**, organiser of the tech festival Cloudfest, the largest event for the Cloud and Hosting sector, held at Europa-Park in Germany. The company also organises the MSP Global event for managed service providers, which will be held in Barcelona later this year and NamesCon, the world's largest event in the domain industry, and CloudFest USA, both of which are held annually in the USA.

The business was owned by a consortium of professional tech investors based primarily in Germany. This is another transaction involving a trade event that runs in a festival format – this continues to be a growing trend in M&A.

Opus was created by Stephen Brooks following the sale of Mack Brooks to Reed and management includes Simon Kimble and Sam Jennings of Clarion fame. In late 2022 they set up InfraXmedia to acquire Data Center Dynamics a global media and events business dedicated to the digital infrastructure segment. WHD is their second acquisition and nails their colours firmly to the technology mast.

Terrapinn has acquired **ArabLab Live**, the Middle East's premier exhibition for the community of laboratory users in Chemical, Energy, Medical, BioTech, Food and Environment industries.

Founded in 1982, ARABLAB LIVE has grown to be a significant international event and now boasts 400-500 exhibitors and 10,000+ attendees from more than 120 countries.

ArabLab Live joins a portfolio of lab events including Future Labs Live held in the US, UK and Switzerland. Terrapinn acquired NoVacancy Expo in Australia earlier this year as well as Aerospace Tech Week in 2023.

Infopro Digital has acquired **Built Environment Networking Ltd** which runs UKREiF (The UK's Real Estate Investment and Infrastructure Forum), a leading event for the real estate, property and infrastructure communities. The event has grown over the years to become the definitive event for the real estate community in the UK and the founders, Keith and Amanda Griffiths, will now leave the business.

InfoPro Digital is a French company backed by Towerbrook Capital Partners, operating globally with 4,000 employees and €580m in revenues. It designs content, data and technological solutions for its professional customers in five key sectors of the economy: construction & public sector, automotive, risk & insurance, industry and retail.

Its events portfolio includes SIMI, a French trade show for the commercial property sector and which is similar to UKREiF with both events heavily attended by investors, developers and the public sector.

This is its fifth acquisition of the year and its second in the events sector. In June it acquired 1LOD, a London-based conference platform specialising in non-financial risk and compliance.

Trifecta Collective, the US organiser run by Rick McConnell and Jenn Hoff and backed by PE firm GreyLion, has entered the Fintech arena with the acquisition of **Transact**, an annual event in the payments processing industry from the Electronic Transactions Association(ETA).

The event rotates between the Las Vegas and Atlanta. Trifecta was created in 2022 and has previously acquired the North American Trailer Dealer Association which runs the *NATDA Trailer Show*, and the *International Mass Timber Conference*.

MCI Group, the Swiss-based global marketing and communications group with more than 1,200 clients in 31 countries and organisers of Web3

and Blockchain World, has a new investor. In 2017 EMZ and Indigo Capital invested in MCI in order to exit minority financial partners and to provide finance for expansion in USA and Latin America.

Now, **L-Gam**, a European mid-market investment firm, has acquired the EMZ and Indigo shareholdings and joined forces with the MCI founders – the Tondeur family – for the next stage of growth.

Finishing off with an all-Australian transaction sees **Mulpha Events**, organiser of the Sydney International Boat Show acquiring Australian Adventure Expo (AAE) from **Brooks Events**.

AAE, launched in 2021, serves the Australian outdoor recreation sector and is a platform for importers, wholesalers, manufacturers, and service providers for the Australasian outdoor recreation industry.

Now for a bit of strategic alignment between **Media 10** and the **QMJ Group**, the privately owned publishing and events business and organisers of Hillhead, the UK's largest quarrying, construction and recycling exhibition.

First the acquisition bit – which sees QMJ acquiring Media 10's Concrete Expo which has been co-located with UK Construction Week since its launch in 2019. It will now move to the NEC to become part of QMJ's UK Concrete Show which it acquired in September 2023.

Then the strategy bit – where QMJ is co-locating two of its events – The Stone Show and Hard Surfaces – with Media 10's UK Construction Week at Excel.

Summary of Acquisitions this month

Buyer Business	Sector	Country
Opus Origin WHD Event Tech		Germany
Terrapinn ArabLab Live Laboratory		Dubai

InfoPro Digital UKREiiF Real Estate UK

Trifecta Transact Fintech USA

L-Gam MCI Marketing/Comms Switzerland

QMJ Concrete Expo Construction UK

Mulpha Events Outdoors Australia

Australian Adventure Expo

Flashes and Flames expresses shock over Easyfairs transaction.

In my last column, I covered the acquisition of Easyfairs by a combination of Cobepa, a privately held investment firm based in Belgium and UK based Inflexion Private Equity Partners. This included some insights from group CEO Matt Benyon about what the future held from a business development perspective – all very positive. The transaction was formally completed last week.

Colin Morrison, in his weekly newsletter *Flashes and Flames*, was shocked by the metrics of the transaction. The contention was that, with an enterprise value of €680m, the multiple paid was only 12.5x EBITDA for the year ended 30 June 2024 compared to 15x – 18x paid for the largest PE-owned organisers in 2018-2019. The editorial suggested that there is now a different world for M&A with a bleaker outlook.

I see this differently.

It's great news that a transaction of this size successfully completed – there have been other large post-Covid disposals attempted (confidentiality precludes me from giving the detail), which ended in failure with the sale being pulled.

As a general observation, multiples for the biggest transactions, which involve debt, are inevitably going to be lower given that the cost of capital has increased significantly from pre-Covid times.

However, for me, the main reason why the Easyfairs multiple was lower than the multiple Informa paid for Tarsus, or that CloserStill was sold for when Providence bought the business from Inflexion, is that it is a fundamentally different business:

The Easyfairs business includes eight venues (four owned and four managed) and these, together with hosted shows, accounted for 15% of revenue in 2022-23.

The growth potential of this type of business is significantly different from large market-leading scalable events and it is potential growth that drives multiples.

The events business itself – the other 85% – differs significantly from most of the other large organisers.

In Flashes and Flames own words:

"Most of its shows are two-days and serving national not international markets. Easyfairs secret sauce is that it doesn't allow exhibitors to build their own stands, and the largest bookable space is 4 modules of 12 sqm. This means that the average per-exhibitor revenue is a claimed €9k which may be somewhere between one-third and one-twentieth of exhibition industry norms".

In other words, the business can't be compared to organisers that trade at 15x to 18x multiples. My view is that 12.5x was about the right price for this business given its characteristics.

The very recent £1.2bn offer by Informa for Ascential, which has been accepted by Ascential shareholders tells us two things. Large transactions are very much on the radar and multiples at the top end are holding up.

Having completed seven transactions so far this year (including the WHD and ArabLab Live transactions detailed above) and with four more in due diligence with agreed offers, Mayfield can also directly allay potential sellers fears that multiples are falling off a cliff. Valuations are holding up

nicely.

Is Terrapinn the new Easyfairs?

Easyfairs was the world's largest privately owned organiser and, now that it has been taken out of private ownership and into PE land, the mantle has been passed onto Terrapinn, according to CEO Greg Hitchen.

In a recent interview, Greg was remarkably forthcoming about the financial success of Terrapinn and the re-engineering that has significantly increased EBIT from 2019. Here are the numbers from the interview:

\$ millions	2019	2024
Revenue	68	143
EBIT	7	32
EBIT Margin %	10.3%	22.4%
Number of events	130	100

Average revenue per event	\$523k	\$1,430k
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The switch from a conference-led business to one dominated by trade shows has significantly improved margins with a much higher average revenue per event.

The Solar and Storage brand has been the star performer starting with a single event in 2012 and growing to 14 events in 2024 and with 22 events on the slate for 2025. The current growth in the Dubai and Saudi markets where Terrapinn has significant operations also helps.

The significant increase in profit has allowed Terrapinn to raise more finance to make acquisitions, which in turn fuels growth. The acquisition of ArabLab Live in Dubai is its largest to date.

Exhibition News Indy Conference

The *EN* Indy Expo and Awards takes place at Convene Sandcroft in London on 25 October. As part of the conference, we at Mayfield are running a seminar about how to prepare your business for sale (and then

sell it).

As well as solid advice from Anna John and myself, we will have a panel of speakers including a senior representative from the M&A team at a major organiser and with a case study from Toby Walters, who co-founded Elite Exhibitions which was recently acquired by CloserStill Media

Flashback – this time 13 years ago.

It's always interesting to look back at what markets were hot at particular times and here is an excerpt from my Dealmakers column from July 2011.

For a while now the two hottest markets in terms of internationalisation have been Brazil and Turkey and this consolidation by the major players continues apace

*In **Turkey**, hot on the heels of Tarsus's acquisition of IFO comes the news that **ITE** has acquired 60% of **YEM**, organiser of Turkeybuild – the market leading construction exhibition in Istanbul with regional versions in Ankara and Izmir.*

ITE, along with Hannover Messe International are the longest established international organiser operating in Turkey and this major move to consolidate their position in one of their core sectors demonstrates their belief in the continuing growth of the Turkish market.

UBM, Tarsus, Messe Stuttgart, Clarion, Munichmesse and Bolognafiere have all entered Turkey in the last couple of years. There were a number of sizeable independent organisers based in Istanbul and all but two are now under foreign control as the market continues to internationalise at pace.

It will be interesting to watch these two markets develop in parallel and to see whether Reed or Informa join the rest of their friends in Turkey.

Ironically, Informa is now the largest international organiser in Turkey, not

because it targeted it but by virtue of its acquisitions of UBM and Tarsus.

Reed subsequently created a JV with Tuyap – one of the exhibition centres – which it still has today.

Messe Stuttgart and Messe Munchen are still active, but Hyve sold its Turkish business in 2022 and Clarion ceased to have any involvement there many years ago.

With inflation running at 75% and the Turkish Lira/Sterling exchange rate having moved from six to 42 over the last five years, the shows may be profitable and growing in Turkish Lira terms but not when translated into the stable currencies of the international organisers.

What was a hot market 13 years ago is now more of a burden for international companies.