

March 8, 2023

## **Dentsu Agrees To Acquire Tag To Grow Creative Production And Customer Transformation & Technology Capabilities**

Dentsu Group Inc. (Tokyo: 4324; ISIN: JP3551520004; President & CEO: Hiroshi Igarashi; Head Office: Tokyo; Capital: 74,609.81 million yen) today announced that it has entered into a definitive agreement with Advent International under which dentsu will acquire Tag Worldwide Holdings Ltd, the global omnichannel digital marketing production powerhouse. The acquisition will support dentsu's strategy of offering integrated client solutions at the convergence of marketing, technology and consulting, uniting the group's service offerings like never before. Tag's digital infrastructure and services will provide high quality content at speed and scale for creative, a scaled personalization engine for customer experience management (CXM), as well as add power to media Dynamic Content Optimization (DCO). Upon completion, the acquisition will take dentsu's Customer Transformation and Technology (CT&T) net revenues to 34% from 32% for FY2022. Dentsu has set "Business Transformation and Growth," as one of the four pillars of its medium-term management plan and one of the priorities is to reach 50% of its revenues from CT&T.

Tag works with leading brands to transform their business and marketing capabilities to deliver content at speed and scale across channels, cultures, and regions. With intelligent, sustainable, and technology-driven solutions at the heart of everything it does, Tag enables brands to operate more efficiently and effectively to stand out, grow and waste less. The organization will become dentsu's sixth network brand and will retain the Tag brand for the foreseeable future.

The acquisition will substantially bolster dentsu's creative digital production capabilities, adding 2,800 colleagues located across 29 countries around the world, with one global production hub and ten specialist hubs. Tag's existing service portfolio is structured around three core disciplines: Creative Production (including Digital Video, high-end CGI, moving image, AR / VR and Post-Production), Technology (focused on UX design, website & platform development, Managed Services and Digital Interact (Di)) and Channel Activation (comprising strategic advisory and omnichannel content delivery).

Tag utilizes a robust global delivery model to provide clients with scalable solutions and round-the-clock coverage. The model closely mirrors dentsu's own Networked Talent structure through which clients get the best expertise, networked from wherever it is located, delivered

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consistently and to the highest levels of quality available across dentsu. It is this combination of technology and people that transcends location and optimizes delivery for clients.

Founded in 1972, Tag was acquired by Advent International in 2017 and has grown significantly following more than €100 million of investment and the successful completion of six acquisitions to further enhance the business' capabilities. Tag's distributed hub model allows it to be an always-on, end-to-end production partner of choice for 38 of the world's leading 100 brands, with average client tenure of over seven years. A key foundation of this success is Digital Interact (Di), a unified martech platform which helps marketers better manage campaigns, access, automate and optimize content, and seamlessly tap into Tag's global creative production, sourcing and transcreation networks.

Hiroshi Igarashi, President & CEO, Dentsu Group Inc. said, "Tag will truly enable us to scale our CT&T business for global clients with a technology-driven solution. By applying mass-personalization across the three services lines, we will create a best-in-class, horizontal creativity offering. The values that the Tag leadership team have established and nurtured over the past 50 years very much mirror dentsu's own culture and values, with a shared focus on Social Purpose, DEI and sustainability. We look forward to welcoming Tag to the dentsu family and to our shared success."

David Kassler, Global CEO, Tag, said, "We can't wait to start this next phase of our journey and couldn't be happier to be joining the dentsu family. The market is moving incredibly fast towards integrated services - the combination of Tag's global technology-enabled content production with dentsu's broader marketing, technology and consulting skills will be tremendously additive for both sets of our wonderful clients."

## **Opportunity For Clients**

*A powerful combination of global content delivery and personalization at scale:*

The acquisition of Tag will significantly scale dentsu's content offering so that it can serve global brands across the entire customer journey, in the most efficient way possible. As the web becomes more immersive, and the dawning of Web3 creates an insatiable hunger for richer, more personalized cross screen content, dentsu and Tag together will provide the perfect modern engine for content creation, distribution and personalization.

## **Company Structure**

Tag will remain a distinct brand within dentsu, will continue to be led by David Kassler, Tag's Global CEO and will remain headquartered in London, UK.

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## **Summary of Terms of Transaction**

The transaction has been approved by the boards of directors of both companies and is anticipated to close later in 2023 subject to receipt of required antitrust approvals and customary closing conditions. Lazard acted as financial advisor to dentsu in relation to the transaction.

Dentsu expects the acquisition to provide a number of financial benefits, including the acceleration of organic revenue growth, an increase of the profile of CT&T revenues and accretion to earnings per share. On completion, Tag will represent approximately 3% of dentsu revenues and adds long-term, contracted revenue streams.

## **About dentsu**

Dentsu is the network designed for what's next, helping clients predict and plan for disruptive future opportunities and create new paths to growth in the sustainable economy. Taking a people-centered approach to business transformation, we use insights to connect brand, content, commerce and experience, underpinned by modern creativity. As part of Dentsu Group Inc. (Tokyo: 4324; ISIN: JP3551520004), we are headquartered in Tokyo, Japan and our 69,000-strong employee-base of dedicated professionals work across four regions (Japan, Americas, EMEA and APAC). Dentsu combines Japanese innovation with a diverse, global perspective to drive client growth and to shape society.

dentsu website : <https://www.dentsu.com/>

Dentsu Group Inc. website : <https://www.group.dentsu.com/en/>

## **About Tag**

Tag works with brands to create and deliver impactful content at speed and scale. From creative production and activation to strategic sourcing and delivery, analytics, and subject matter expertise, we transcend digital and physical touchpoints to allow brand content and concepts to travel globally and connect locally, through flexible, tech-enabled solutions.

<https://www.tagww.com/>

## **About Advent International**

Founded in 1984, Advent International is one of the largest and most experienced global private equity investors. The firm has invested in over 400 private equity investments across 41 countries, and as of September 30, 2022, had \$89 billion in assets under management. With 14 offices in 12 countries, Advent has established a globally integrated team of over 285 private equity investment professionals across North America, Europe, Latin America and Asia. The firm focuses on investments in five core sectors, including business and financial

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services; health care; industrial; retail, consumer and leisure; and technology.

For more information, please visit [www.adventinternational.com](http://www.adventinternational.com).

## Disclaimer

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