

M&C Saatchi Abel returns home with £5.6m share buy-out by local leadership

M&C Saatchi Abel will acquire all the shares owned by M&C Saatchi Plc in the local South African agency and group of companies in South Africa, comprising Connect, Levergy, Razor, Dalmatian and Black & White.



Source: © [Bizcommunity](#) Local agency M&C Saatchi Abel has acquired all the shares in the local agency from the Plc. Mike Abel will remain on the global executive leadership team with his core worldwide responsibilities including the marketing portfolio and other key priority projects

The UK-based global group's shares have been acquired by the local leadership team for £5.6m cash according to [AdNews Australia](#).

The announcement was made on the same day, Wednesday 10 April, as M&C Saatchi Plc reported a decline in profit, citing challenging market conditions for advertising, consultancy and media, as it aimed to simplify how to target its clients.

The London-based communications company said pretax profit dropped 87% to £15,000 in 2023 from £5.4m in 2022. Adjusted pretax profit fell 10% to £28.7m from £31.8m.

Revenue edged down 1.9% to £453.9m from £462.5m. Project cost or direct cost decreased 5.1% to £201.1m from £191.4m. M&C Saatchi proposed a final dividend of 1.6p, up 6.7% from 1.5p a year prior.

A year of strategic progress

Zillah Byng-Thorne, executive chair, M&C Saatchi Plc stated that 2023 was a year of strategic progress.

“We have begun to transform into a leaner and more agile business laying the groundwork for sustained growth and improved profitability ahead.”

As such it has restructured some of its UK agencies including the departure of its [M&C Saatchi Sports & Entertainment chiefs](#).

In recent months it has also simplified its offering by selling off non-core or loss-making assets, including its operations in Hong Kong and Sweden.

Concerning the South African buy-out, M&C Saatchi says the move is in line with the company’s strategy to simplify its operating structure while retaining its affiliations.

A massive vote of confidence

For the local South African agency the deal is a massive vote of confidence in both the South African economy and the prospects of the M&C Saatchi Group South Africa.

“We look forward to continuing our collaboration with M&C Saatchi Abel and the South Africa Group as our trusted partners in the dynamic African markets,” said Byng-Thorne.

“They have a truly vibrant Africa network of agencies servicing large global brands and this is an exciting development which is very much a win-win for both M&C Saatchi and the M&C Saatchi South Africa Group.

“We look forward to further collaboration in the region and expanding our offering and services to our clients.”

In the year to December 2023, the M&C Saatchi South Africa Group generated a consolidated profit after tax of £1.3m.

An evolution of the business

Mike Abel, founder and executive chairman of the Africa region calls it “... an extremely exciting development and evolution of the business, since founding it almost 15 years ago on the continent.”

Abel announced the deal on social media, on [LinkedIn](#) and Facebook.

“Moving to full local ownership across our companies while remaining part of the global network is a significant win-win for the local team as well as the Group who wish to broaden its investment strategy into other global areas.

“This further accelerates our transformation ownership agenda - which we’ve had since day one - where B-BBEE Trust shareholding value increases by 40% in the new structure,” adds Abel.

He adds, “Together with our group chief creative officer, Neo Mashigo, our focus, now more than ever, will be to continue producing relevant, authentic work for our clients in South Africa and across our continent. We are determined to harness the inherent talent we have in our country and deliver world-class creative solutions.”

While many other local agencies are selling out to bigger companies, M&C Saatchi Abel is doing the opposite and returning home in full.

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