

FOR IMMEDIATE RELEASE

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Dentsu Group strengthens Merkle’s experience and commerce capabilities with LiveArea acquisition

Dentsu Group Inc. (Tokyo: 4324; ISIN: JP3551520004; President & CEO: Toshihiro Yamamoto; Head Office: Tokyo; Capital: 74,609.81 million yen) announced today that it has entered an agreement to acquire LiveArea, a global customer experience and commerce agency, subject to customary closing conditions. LiveArea is a division of PFSweb Inc (NASDAQ: PFSW). LiveArea will join Merkle, a leading technology-enabled, data-driven customer experience management (CXM) company within Dentsu Group’s international business, Dentsu International.

With this acquisition, LiveArea bolsters Merkle’s global experience and commerce capabilities and furthers Merkle’s position as a go to experience partner for businesses around the world. The acquisition demonstrates the Group’s commitment to enable clients to deliver best-in-class differentiated and connected commerce experiences across the entire customer journey.

The acquisition aligns with Dentsu Group’s stated ambition of reaching 50% of revenue generated*¹ by Customer Transformation & Technology (CT&T)*², encompassing the fast growth areas of customer experience and commerce.

LiveArea is headquartered in the United States, with a presence in EMEA and significant global offshore delivery capabilities in India and Bulgaria. LiveArea’s expertise lies in connecting brands and people through creative commerce experiences that transform the customer journey. The agency’s services, which span commerce, experience design, technology, and strategy, enable brands to transform their commerce offerings and relationships with customers. LiveArea also offers ongoing managed services to its client base, with over 50% of revenues in 2021 expected to be recurring. LiveArea’s impressive roster of long-standing partnerships across many leading technology platforms include Salesforce, Adobe, and SAP. The acquisition of LiveArea further strengthens Dentsu Group’s deep relationships with these partners.

The commerce market is a high growth service area with rapid expansion accelerated by the increased speed of digital adoption due to the global pandemic. The U.S. Retail ecommerce market grew by over 30% in 2020 and is expected to continue to grow double digit over the medium term.

“LiveArea represents a unique opportunity for Merkle to significantly expand our commerce capabilities – broadening our commerce footprint in the US market while also adding commerce expertise in EMEA,” said Michael Komasinski, president, Merkle Americas. “The addition of LiveArea to the Merkle family will further enhance our ability to competitively deliver CXM services and integrated solutions, efficiently and at scale.”

“In a post-pandemic world that has seen significant acceleration in commerce, marketers need guidance through this disruption. The LiveArea acquisition, a scaled ecommerce business with an incredible leadership team and vision, plays a critical role as we further enhance our experience and commerce offering,” said Pete Stein, global lead for Experience and Commerce at Merkle.

Jim Butler, president of LiveArea, added, “I am grateful for our team’s hard work and the growing pipeline of bookings and new service offerings we have built. We believe our integration into Merkle will provide our team with greater support and accelerated development opportunities, and we look forward to working with them to make LiveArea an even stronger company to create agile, business driving solutions with our clients.”

LiveArea’s 590 employees will all make the transition to Merkle, along with Jim Butler, President of LiveArea. LiveArea’s leadership team will report directly to Pete Stein. The business will operate under the name LiveArea, a Merkle company. LiveArea will transition into Merkle to develop joint go-to-market plans and accelerate growth across both businesses.

Looking ahead, the Group remains well positioned to benefit from the post-pandemic recovery in media & digital solutions and structural growth in CT&T. At the Q1 FY2021 results announced in May, the Group reported 29.1% of revenues was generated from CT&T activities. Client demand for CX transformation services, commerce, loyalty, and B2B services has never been stronger as clients adapt to meeting their consumers wherever and however they choose to engage with brands.

*1: Less cost of sales

*2: CT&T (Customer Transformation & Technology): new business domain including the services related to marketing technology, customer experience management, commerce, system integration, and transformation & growth strategy.

About Dentsu Group (dentsu)

Led by Dentsu Group Inc. (Tokyo: 4324; ISIN: JP3551520004), a pure holding company established on January 1, 2020, the Dentsu Group encompasses two operational networks: dentsu japan network, which oversees Dentsu’s agency operations in Japan, and dentsu international, its international business headquarters in London, which oversees Dentsu’s agency operations outside of Japan.

With a strong presence in over 145 countries and regions across five continents and with more than 64,000 dedicated professionals, the Dentsu Group provides a comprehensive range of client-centric integrated communications, media and digital services through its six leadership brands—Carat, dentsu X, iProspect, Isobar, dentsumcgarrybowen, and Merkle—as well as through Dentsu Japan Network companies, including Dentsu Inc., the world’s largest single brand agency with a history of innovation. The Group is also active in the production and marketing of sports and entertainment content on a global scale.

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

About Merkle

Merkle is a leading data-driven customer experience management (CXM) company that specializes in the delivery of unique, personalized customer experiences across platforms and devices. For more than 30 years, Fortune 1000 companies and leading nonprofit organizations have partnered with Merkle to maximize the value of their customer portfolios. The company’s heritage in data, technology, and analytics forms the

foundation for its unmatched skills in understanding consumer insights that drive hyper-personalized marketing strategies. Its combined strengths in performance media, customer experience, customer relationship management, loyalty, and enterprise marketing technology drive improved marketing results and competitive advantage. With 12,000 employees, Merkle is headquartered in Columbia, Maryland, with 50+ additional offices throughout the Americas, EMEA, and APAC. Merkle is a dentsu company. For more information, contact Merkle at 1-877-9-Merkle or visit www.merkleinc.com.

About LiveArea

LiveArea is an award-winning global customer experience and commerce agency. We bring the full potential of digital business to life, helping brands create meaningful and lasting customer connections. Fusing creativity, strategy, and technology, [our services](#) include NXT Intelligence™, product innovation, connected commerce, service design, performance marketing, and orchestrated services. We bring together world-class commerce technology, building and launching innovative products and services powered by data-driven insights to elevate customer relationships – online and in-store. We deliver B2B, B2C, and D2C solutions in health and beauty, fashion and apparel, luxury, consumer packaged goods, retail stores, healthcare, and automotive. For more information, visit www.LiveAreaCX.com

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