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Marketing cloud startup Zeta Global is acquiring the assets of bankrupt ad-tech firm Sizmek to help marketers run campaigns with first-party data



- Marketing tech firm Zeta Global plans to acquire ad-tech firm Sizmek for a reported \$40 million.
- Sizmek is a notable ad-tech company that struggled to stay profitable and recently filed for bankruptcy protection.
- Zeta Global CEO David Steinberg said that the plan is to plug brands' first-party data into Sizmek to help agencies cut costs by 20% to 25%.

After Sizmek filed for bankruptcy last month, many ad-tech observers wondered what would happen to it. It turns out, a new owner is lined up.

In a court filing on Friday, Zeta Global stated it plans to acquire ad-tech assets from Sizmek for between \$33 to \$36 million. One source with direct knowledge of the situation said price of the deal is closer to \$40 million.

Sizmek, which provides advertisers with ad-server technology, has struggled in the shadow of Google and a bumpy acquisition of ad-tech firm RocketFuel.

When it [filed for bankruptcy protection in March](#), it owed millions to companies like OpenX, Index Exchange and PubMatic.

Zeta Global has already acquired [a handful of ad-tech companies](#) in the past and has raised \$380 million.

David Steinberg, CEO of Zeta Global, said the firm started approaching Sizmek the day after it declared bankruptcy. The acquisition is under court review until a hearing takes place on April 29.

Zeta Global is buying two parts of Sizmek's business: The RocketFuel demand-side platform that helps advertisers buy programmatic ads and a data-management platform. Steinberg said the idea is to take Zeta Global's database of roughly 500 audiences that advertisers use for targeting and plug them into RocketFuel, which will in theory give agencies access to reams of first-party data to do campaign targeting for free.

He estimated that the deal would cut marketers' costs for agencies by 20% to 25% because advertisers won't be paying third parties for data, though the firm will not be cutting off access to outside data sources.

"This is the largest opportunity deal we've ever done," he told Business Insider. "Other deals that we've done are more niche — this is a blue ocean opportunity for Zeta. It's an opportunity to take our data and change how the programmatic ecosystem operates."

Under the pending deal, 200 Sizmek employees from the demand-side and data-management platform business will move into Zeta Global's offices in New York, California and London.