

# Deal Drivers: EMEA FY 2022

A spotlight on mergers and  
acquisitions trends in **2022**

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# Foreword: Positive signs in a challenged Europe

The Europe, Middle East, & Africa (EMEA) region put on an impressive dealmaking display in 2022, against the prevailing odds. Although the invasion of Ukraine by Russia has had a bigger impact on Europe than any other region, EMEA M&A activity has held up well. Value trended down in the final months of the year, but volume remained comfortably above pre-pandemic levels as the focus shifted toward smaller and strategic transactions.

Europe, long dependent on Russian energy imports, had an unexpectedly warm November and December, which meant demand was not as high as feared. Remarkably, energy has fallen back to pre-conflict prices and has brought inflation down with it.

While still too high in monetary policymakers' eyes, the Harmonised Index of Consumer Prices topped out at 10.6% across the euro area in October and by December had fallen to 9.2%. This is a promising development. The Euro Stoxx50 also rallied more than 25% from its October low through the end of January 2023.

## Commodity boom

The Middle East and Africa have continued to benefit from the elevated price of crude oil. Like energy prices, the commodity peaked mid-year and turned down through much of H2 to end the year where it began. Nevertheless, oil prices are still well above those recorded in the years preceding the COVID crisis, and this has helped maintain high spirits in the Middle Eastern M&A market especially.

The real question now is where Europe's economy is headed. The fog of war has not lifted, and the International Monetary Fund expects half of the EU to enter recession in the near term. Governments are supporting Ukraine as the conflict rages on, and inflation is still high enough to inhibit consumption and demand. Investors will be treading carefully. But all things considered, it is hard to dismiss EMEA's resilience up to now.



# Outlook:

## EMEA heat chart

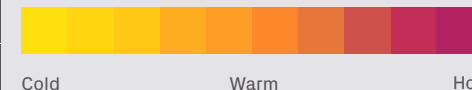
The telecoms, media & technology (TMT) sector shows no signs of letting up. Not only was it the most active sector for M&A across EMEA in 2022, but it is also likely to produce a steady stream of deals in the near future. There were 773 TMT-related deal reports logged in H2 2022, per Mergermarket's analysis of 'companies for sale' stories, equivalent to 26% of all such reports, a strong indicator of future activity.

The UK & Ireland led with 156 of these TMT reports, followed by CEE & SEE (129), the DACH region (115), and Turkey, Middle East & Africa including Israel and sub-Saharan Africa (103). Judging by recent deal flow, telecoms is likely to play a significant role, at least among larger-cap M&A activity.

There is only one country where TMT is not expected to dominate in the near term: Italy. Instead, activity in that country is gearing toward consumer deals, of which there were 87 deal reports (23% of all consumer-related stories). Large consumer transactions were thin on the ground in Italy in 2022, but it is a mature industry dominated by well-known brands and a thriving community of small and medium-sized enterprises that offers no shortage of opportunities. Across EMEA, consumer accounted for 381 forthcoming deal stories, or 13% of the total, putting it in third place just behind industrials & chemicals (I&C) with 442 reports, 15% of the total.

Heat chart based on potential companies for sale

|                            | UK & Ireland | DACH | France | Nordics | Italy | Iberia | Benelux | Turkey, Middle East & Africa | CEE & SEE | TOTAL |
|----------------------------|--------------|------|--------|---------|-------|--------|---------|------------------------------|-----------|-------|
| TMT                        | 156          | 115  | 56     | 71      | 29    | 83     | 31      | 103                          | 129       | 773   |
| Industrials & chemicals    | 64           | 78   | 24     | 42      | 57    | 32     | 24      | 52                           | 69        | 442   |
| Consumer                   | 49           | 36   | 16     | 20      | 87    | 39     | 14      | 51                           | 69        | 381   |
| Pharma, medical & biotech  | 42           | 72   | 8      | 46      | 18    | 18     | 13      | 30                           | 25        | 272   |
| Business services          | 49           | 22   | 17     | 17      | 17    | 31     | 16      | 42                           | 37        | 248   |
| Financial services         | 54           | 15   | 16     | 9       | 19    | 18     | 7       | 53                           | 40        | 231   |
| Energy, mining & utilities | 24           | 8    | 15     | 19      | 22    | 24     | 4       | 40                           | 33        | 189   |
| Leisure                    | 36           | 6    | 7      | 6       | 12    | 24     |         | 9                            | 16        | 116   |
| Transportation             | 10           | 12   | 4      | 7       | 12    | 8      | 6       | 30                           | 22        | 111   |
| Construction               | 7            | 4    | 3      | 5       | 5     | 6      | 5       | 17                           | 20        | 72    |
| Real estate                | 2            | 3    |        | 2       | 4     | 14     |         | 14                           | 11        | 50    |
| Agriculture                | 1            | 1    | 1      | 4       | 1     | 3      | 3       | 13                           | 12        | 39    |
| Defense                    | 6            |      |        |         | 2     | 1      |         |                              | 2         | 11    |
| TOTAL                      | 500          | 372  | 167    | 248     | 285   | 301    | 123     | 454                          | 485       | 2,935 |



Note: The Intelligence Heat Charts are based on 'companies for sale' tracked by Mergermarket in the respective regions between July 01, 2022 and December 31, 2022. Opportunities are captured according to the dominant geography and sector of the potential target company.

**All sectors**



# Summary: EMEA confounds with the strongest relative regional performance

Defying expectations, EMEA deal volume at end-2022 was down by only 4% year-on-year to 12,236 transactions. Total value declined by 23% to just over €1tn, meaning in relative terms the region outperformed both the Americas and APAC. This was hardly expected earlier in the year in light of the outbreak of war in Ukraine and subsequent surge in energy costs.

Most remarkable was the buoyancy shown through H2 once the spillover from 2021 had run dry. Despite rising concerns of a global slowdown and leveraged financing markets seizing up, deal volumes were well above the pre-pandemic baseline and value held around these levels, even with a definite downturn that progressed as the year unfolded.

In Q4, the weakest quarter of the year, there were 2,636 deals worth €171bn. This compares against 2,256 transactions with an aggregate value of €207bn in Q4 of 2019.

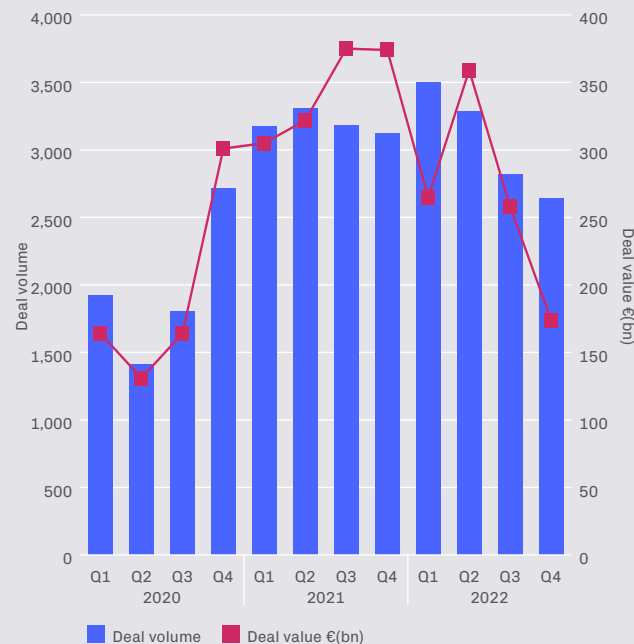
## Sponsors squeezed

EMEA's Achilles' heel was megadeals, which declined precipitously in 2022. Overall, there were only 23 transactions worth more than €5bn, a 48% year-on-year decline, and only one of these was announced in Q4. Lenders pulled back from syndicated loan markets toward the end of the year, which made life for large-cap private equity players extremely difficult.

However, before this happened, sponsors were able to complete some rather large deals. Blackstone achieved Europe's largest-ever take-private when it teamed with the Benetton family investment firm Edizione to delist Italy-listed airport and motorway operator Atlantia for €42.7bn. The transaction involved a 66.9% take, Edizione having already owned the remainder of the business before it was taken off the Milan bourse.

Blackstone was also responsible for EMEA's third-largest deal, in which it recapitalized logistics business Mileway, penning another record, this time for the largest-ever private real estate deal. The firm already owned Mileway and, instead of exiting it to an outside investor, acquired the last-mile business with another of its funds to hold it for the long term and benefit from continued upside.

## All sectors M&A activity, 2020-2022



Source: Mergermarket



### TMT deals shrink

Sandwiched between the two bumper Blackstone transactions was the year's second-largest, in which pharma group GSK spun off Haleon, its consumer healthcare division, in a €30.5bn deal. The business sells popular brands such as Sensodyne toothpaste and Panadol painkillers. Peculiarly, GSK rejected an offer almost twice this size from Unilever a few months before it pressed ahead with the spinout. Haleon is considered to be attractive even in the inflationary environment, owing to the health angle of its well-known products.

The TMT sector, meanwhile, barely featured among the 10 largest EMEA deals but was nonetheless the highest-value and highest-volume segment for yet another year. The 2,968 deals worth a combined €218.6bn put TMT leagues ahead, even with respective year-on-year declines of 8% and 32%. Telecoms and towerco opportunities loom particularly large in the sector, and in Europe specifically.

A case in point, the largest TMT deal of 2022, and the sector's only contribution to the top-10 leaderboard, was Deutsche Telekom's €10.7bn sale of a 51% stake in its tower unit, GD Towers, to Brookfield Asset Management. Telcos continue to improve their liquidity and pay down debt with these sales, as Deutsche Telekom has done, and in some cases reinvest proceeds into their ongoing 5G rollouts.

### All sectors top sectors by value | 2022

|                            | €(m)    |
|----------------------------|---------|
| TMT                        | 218,575 |
| Energy, mining & utilities | 167,179 |
| Industrials & chemicals    | 155,609 |
| Financial services         | 95,485  |
| Transportation             | 87,681  |

### All sectors top sectors by volume | 2022

|                           | Deal count |
|---------------------------|------------|
| TMT                       | 2,968      |
| Industrials & chemicals   | 1,830      |
| Business services         | 1,825      |
| Consumer                  | 1,020      |
| Pharma, medical & biotech | 974        |

### All sectors top bidders by value | 2022

|                | €(m)    |
|----------------|---------|
| USA            | 254,637 |
| United Kingdom | 148,372 |
| France         | 83,832  |
| Germany        | 69,865  |
| Netherlands    | 46,305  |

### All sectors top bidders by volume | 2022

|                | Deal count |
|----------------|------------|
| United Kingdom | 1,636      |
| USA            | 1,440      |
| France         | 1,365      |
| Germany        | 934        |
| Sweden         | 848        |

## American acquirers

The impact of higher borrowing costs was evident from the softer performance of private equity last year. Buyout volume was down by 15% to 2,502 deals and value fell even more precipitously, by 41% to €160.1bn. This ebb was most pronounced in the latter half of 2022 and is a clear reflection of the very largest buyout groups struggling to access necessary financing.

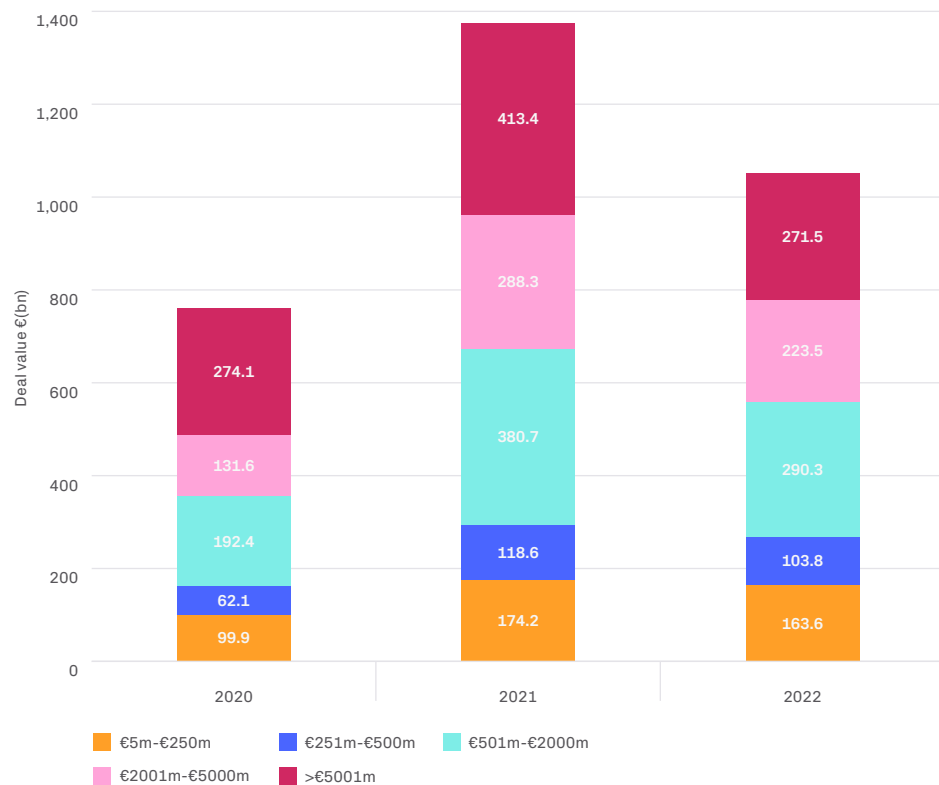
However, US fund managers were out in full force last year, making the most of the strong dollar, which at one point reached parity with the euro. This gave these firms greater buying power and, unsurprisingly, many of the various sectors' largest M&A transactions featured a US private equity fund on the buy-side.

## All sectors top 10 announced deals, 2022

|    | Announced date | Bidder company   | Target company                              | Target dominant sector     | Vendor company      | Deal value (€m) |
|----|----------------|--|---|----------------------------|---------------------|-----------------|
| 1  | 14-Apr-22      | Blackstone Group Inc; Edizione S.r.l.                              | Atlantia S.p.A. (66.9% Stake)               | Transportation             |                     | 42,672          |
| 2  | 18-Jul-22      | GSK plc (Shareholders)   | Haleon plc (54.5% Stake)                    | Consumer                   | GSK plc             | 30,490          |
| 3  | 15-Feb-22      | Blackstone Group Inc.  | Mileway BV (100% Stake)                     | Real estate                |                     | 21,000          |
| 4  | 31-May-22      | Royal DSM N.V.   | Firmenich S.A. (100% Stake)                 | Industrials & chemicals    |                     | 19,309          |
| 5  | 11-May-22      | Philip Morris International Inc.                                   | Swedish Match AB (100% Stake)               | Consumer                   |                     | 17,901          |
| 6  | 22-Jul-22      | Government of Germany  | Uniper S.E. (92.78% Stake)                  | Energy, mining & utilities |                     | 13,957          |
| 7  | 14-Jul-22      | Brookfield Infrastructure Partners L.P.; DigitalBridge Group, Inc. | Deutsche Telekom AG (GD Towers) (51% Stake) | TMT                        | Deutsche Telekom AG | 10,700          |
| 8  | 18-Sep-22      | Porsche Automobil Holding S.E.                                     | Dr. Ing. h.c. F. Porsche AG (25% Stake)     | Industrials & chemicals    | Volkswagen AG       | 10,099          |
| 9  | 12-Dec-22      | Novozymes A.S.   | Chr. Hansen Holding A.S. (78.02% Stake)     | Industrials & chemicals    |                     | 10,017          |
| 10 | 19-Jul-22      | Government of France   | Electricite de France S.A. (16.29% Stake)   | Energy, mining & utilities |                     | 9,658           |

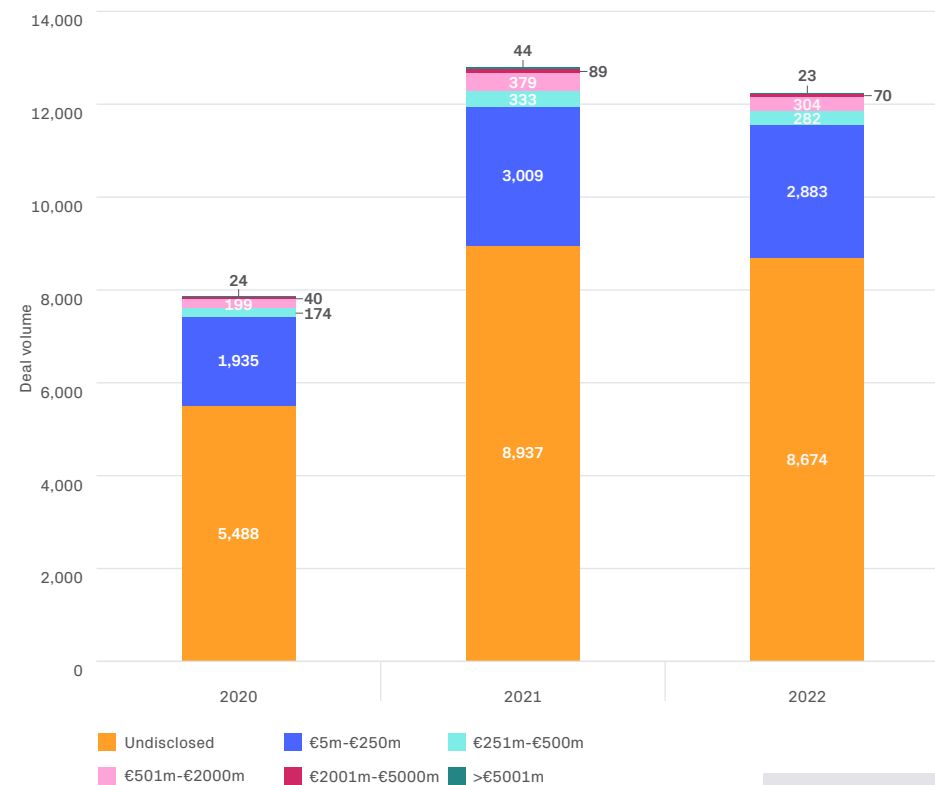


## All sectors M&A value split by deal size



Source: Mergermarket

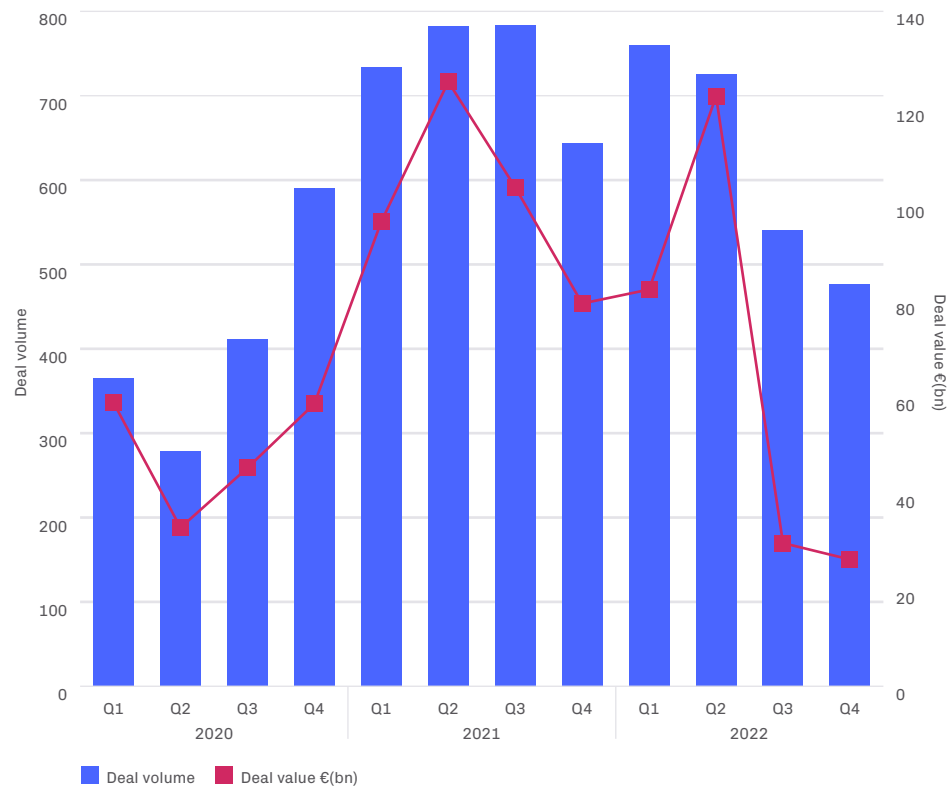
## All sectors M&A volume split by deal size



Source: Mergermarket

## All sectors PE buyouts

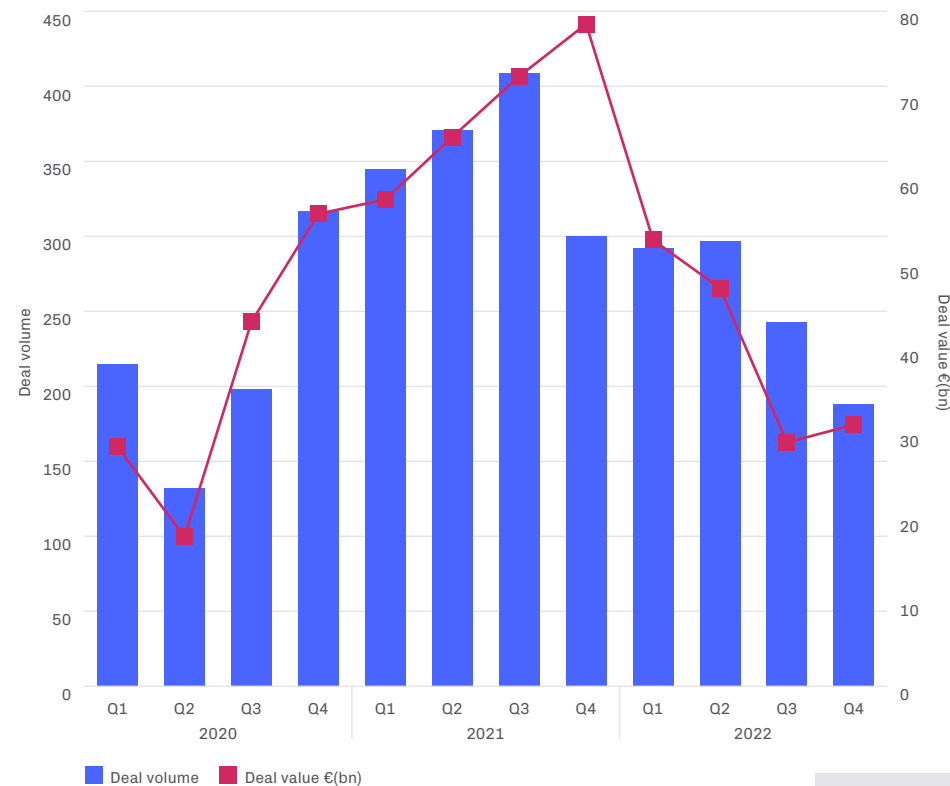
Based on announced buyouts, excluding those that lapsed or were withdrawn, where the dominant location of the target is in Europe.



Source: Mergermarket

## All sectors PE exits

Based on announced exits, excluding those that lapsed or were withdrawn, where the dominant location of the target is in Europe.



Source: Mergermarket

## All sectors league tables

### Financial advisors by value

| 2022 | 2021 | Company name       | Value (€m) | Deal count |
|------|------|--------------------|------------|------------|
| 1    | 1    | Goldman Sachs & Co | 375,401    | 138        |
| 2    | 2    | JPMorgan           | 282,533    | 130        |
| 3    | 4    | Bank of America    | 239,971    | 101        |
| 4    | 6    | Citi               | 206,079    | 75         |
| 5    | 3    | Morgan Stanley     | 202,898    | 89         |
| 6    | 5    | Rothschild & Co    | 198,292    | 347        |
| 7    | 7    | BNP Paribas        | 155,275    | 114        |
| 8    | 8    | Lazard             | 141,344    | 143        |
| 9    | 11   | Barclays           | 115,115    | 71         |
| 10   | 10   | Deutsche Bank      | 102,724    | 57         |

### Legal advisors by value

| 2022 | 2021 | Company name                   | Value (€m) | Deal count |
|------|------|--------------------------------|------------|------------|
| 1    | 1    | Freshfields Bruckhaus Deringer | 172,104    | 173        |
| 2    | 4    | Clifford Chance                | 157,618    | 179        |
| 3    | 5    | Latham & Watkins               | 137,943    | 252        |
| 4    | 10   | Linklaters                     | 137,098    | 217        |
| 5    | 7    | Sullivan & Cromwell            | 131,026    | 47         |
| 6    | 6    | Allen & Overy                  | 129,247    | 219        |
| 7    | 29   | Hengeler Mueller               | 114,610    | 79         |
| 8    | 16   | Simpson Thacher & Bartlett     | 109,230    | 47         |
| 9    | 2    | White & Case                   | 105,042    | 312        |
| 10   | 12   | Davis Polk & Wardwell          | 82,938     | 30         |

### Financial advisors by volume

| 2022 | 2021 | Company name       | Value (€m) | Deal count |
|------|------|--------------------|------------|------------|
| 1    | 1    | PwC                | 59,228     | 502        |
| 2    | 2    | Deloitte           | 20,933     | 485        |
| 3    | 4    | Rothschild & Co    | 198,292    | 347        |
| 4    | 3    | KPMG               | 21,443     | 345        |
| 5    | 5    | EY                 | 30,937     | 290        |
| 6    | 9    | BDO                | 7,734      | 201        |
| 7    | 12   | Houlihan Lokey     | 20,883     | 148        |
| 8    | 10   | Lazard             | 141,344    | 143        |
| 9    | 13   | Oaklins            | 3,626      | 140        |
| 10   | 7    | Goldman Sachs & Co | 375,401    | 138        |

### Legal advisors by volume

| 2022 | 2021 | Company name     | Value (€m) | Deal count |
|------|------|------------------|------------|------------|
| 1    | 1    | DLA Piper        | 57,953     | 623        |
| 2    | 2    | CMS              | 57,257     | 400        |
| 3    | 3    | White & Case     | 105,042    | 312        |
| 4    | 4    | Latham & Watkins | 137,943    | 252        |
| 5    | 6    | Baker McKenzie   | 66,349     | 225        |
| 6    | 5    | Allen & Overy    | 129,247    | 219        |
| 7    | 9    | Linklaters       | 137,098    | 217        |
| 8    | 11   | Cuatrecasas      | 11,988     | 211        |
| 9    | 20   | Garrigues        | 24,015     | 208        |
| 10   | 8    | Clifford Chance  | 157,618    | 179        |



## All sectors league tables—mid-market

### Financial advisors by value—mid-market (€5m-€250m)

| 2022 | 2021 | Company name    | Value (€m) | Deal count |
|------|------|-----------------|------------|------------|
| 1    | 2    | PwC             | 9,665      | 112        |
| 2    | 1    | Rothschild & Co | 7,573      | 76         |
| 3    | 3    | Deloitte        | 6,023      | 97         |
| 4    | 5    | EY              | 4,516      | 61         |
| 5    | 4    | KPMG            | 4,485      | 68         |
| 6    | 7    | Lazard          | 3,571      | 33         |
| 7    | 9    | BNP Paribas     | 3,546      | 30         |
| 8    | 6    | JPMorgan        | 2,541      | 18         |
| 9    | 11   | Houlihan Lokey  | 2,409      | 26         |
| 10   | 14   | Jefferies       | 2,265      | 18         |

### Legal advisors by value—mid-market (€5m-€250m)

| 2022 | 2021 | Company name                  | Value (€m) | Deal count |
|------|------|-------------------------------|------------|------------|
| 1    | 1    | DLA Piper                     | 7,868      | 131        |
| 2    | 3    | White & Case                  | 7,043      | 79         |
| 3    | 8    | Orrick Herrington & Sutcliffe | 6,108      | 81         |
| 4    | 4    | CMS                           | 6,029      | 104        |
| 5    | 13   | Goodwin Procter               | 5,501      | 71         |
| 6    | 5    | Latham & Watkins              | 5,149      | 53         |
| 7    | 2    | Linklaters                    | 4,742      | 50         |
| 8    | 12   | Clifford Chance               | 4,507      | 42         |
| 9    | 6    | Baker McKenzie                | 4,425      | 59         |
| 10   | 9    | Allen & Overy                 | 4,204      | 46         |

### Financial advisors by volume—mid-market (€5m-€250m)

| 2022 | 2021 | Company name          | Value (€m) | Deal count |
|------|------|-----------------------|------------|------------|
| 1    | 2    | PwC                   | 9,665      | 112        |
| 2    | 1    | Deloitte              | 6,023      | 97         |
| 3    | 4    | Rothschild & Co       | 7,573      | 76         |
| 4    | 3    | KPMG                  | 4,485      | 68         |
| 5    | 5    | EY                    | 4,516      | 61         |
| 6    | 7    | Lazard                | 3,571      | 33         |
| 7    | 6    | Oaklins               | 958        | 31         |
| 8    | 15   | BNP Paribas           | 3,546      | 30         |
| 9    | 10   | Houlihan Lokey        | 2,409      | 26         |
| 10   | 8    | Lincoln International | 2,012      | 24         |

### Legal advisors by volume—mid-market (€5m-€250m)

| 2022 | 2021 | Company name                  | Value (€m) | Deal count |
|------|------|-------------------------------|------------|------------|
| 1    | 1    | DLA Piper                     | 7,868      | 131        |
| 2    | 2    | CMS                           | 6,029      | 104        |
| 3    | 8    | Orrick Herrington & Sutcliffe | 6,108      | 81         |
| 4    | 5    | White & Case                  | 7,043      | 79         |
| 5    | 13   | Goodwin Procter               | 5,501      | 71         |
| 6    | 3    | Baker McKenzie                | 4,425      | 59         |
| 7    | 12   | Jones Day                     | 3,501      | 57         |
| 8    | 6    | Latham & Watkins              | 5,149      | 53         |
| 9    | 4    | Linklaters                    | 4,742      | 50         |
| 10   | 11   | Allen & Overy                 | 4,204      | 46         |

## All sectors league tables—PR advisors

### PR advisors by value

| 2022 | 2021 | Company name                          | Value (€m) | Deal count |
|------|------|---------------------------------------|------------|------------|
| 1    | 1    | Brunswick Group                       | 168,129    | 103        |
| 2    | 18   | FGS Global                            | 142,110    | 121        |
| 3    | 3    | FTI Consulting Group                  | 76,863     | 100        |
| 4    | 16   | LLYC                                  | 52,643     | 52         |
| 5    | 12   | Barabino & Partners                   | 52,455     | 100        |
| 6    | 8    | Kekst CNC (Publicis)                  | 45,275     | 91         |
| 7    | 23   | Greenbrook Communications             | 29,868     | 131        |
| 8    | 11   | Joele Frank Wilkinson Brimmer Katcher | 29,086     | 28         |
| 9    | 22   | Prosek Partners                       | 28,756     | 46         |
| 10   | 60   | Fogel & Partners                      | 27,248     | 62         |

### PR advisors by value—mid-market (€5m-€250m)

| 2022 | 2021 | Company name              | Value (€m) | Deal count |
|------|------|---------------------------|------------|------------|
| 1    | 56   | FGS Global                | 3,060      | 30         |
| 2    | 1    | Brunswick Group           | 3,042      | 28         |
| 3    | 18   | Kekst CNC (Publicis)      | 2,833      | 32         |
| 4    | 2    | FTI Consulting Group      | 2,790      | 38         |
| 5    | 15   | Greenbrook Communications | 2,514      | 26         |
| 6    | 22   | Powerscourt               | 1,930      | 20         |
| 7    | 9    | Barabino & Partners       | 1,585      | 24         |
| 8    | 14   | Citigate Dewe Rogerson    | 1,536      | 22         |
| 9    | 16   | Kreab                     | 1,286      | 17         |
| 10   | 8    | H/Advisors Maitland       | 1,184      | 9          |

### PR advisors by volume

| 2022 | 2021 | Company name                             | Value (€m) | Deal count |
|------|------|--|------------|------------|
| 1    | 21   | Greenbrook Communications                | 29,868     | 131        |
| 2    | 35   | FGS Global                               | 142,110    | 121        |
| 3    | 1    | Brunswick Group                          | 168,129    | 103        |
| 4    | 3    | FTI Consulting Group                     | 76,863     | 100        |
| 5    | 7    | Barabino & Partners                      | 52,455     | 100        |
| 6    | 4    | Kekst CNC (Publicis)                     | 45,275     | 91         |
| 7    | 11   | Citigate Dewe Rogerson                   | 12,268     | 70         |
| 8    | 85   | Fogel & Partners                         | 27,248     | 62         |
| 9    | 2    | H/Advisors Maitland                      | 25,819     | 59         |
| 10   | 10   | IWK (formerly Ira Wülfing Kommunikation) | 372        | 59         |

### PR advisors by volume—mid-market (€5m-€250m)

| 2022 | 2021 | Company name              | Value (€m) | Deal count |
|------|------|---------------------------|------------|------------|
| 1    | 1    | FTI Consulting Group      | 2,790      | 38         |
| 2    | 26   | Kekst CNC (Publicis)      | 2,833      | 32         |
| 3    | 39   | FGS Global                | 3,060      | 30         |
| 4    | 2    | Brunswick Group           | 3,042      | 28         |
| 5    | 30   | Greenbrook Communications | 2,514      | 26         |
| 6    | 8    | Barabino & Partners       | 1,585      | 24         |
| 7    | 14   | Citigate Dewe Rogerson    | 1,536      | 22         |
| 8    | 10   | Powerscourt               | 1,930      | 20         |
| 9    | 18   | Kreab                     | 1,286      | 17         |
| 10   | 16   | Roman                     | 822        | 15         |

## All sectors league tables

### PE advisors by value

| 2022 | 2021 | Company name                     | Value (€m) | Deal count |
|------|------|----------------------------------|------------|------------|
| 1    | 3    | Blackstone Group                 | 69,447     | 20         |
| 2    | 2    | KKR & Co                         | 32,588     | 54         |
| 3    | 19   | Advent International Corporation | 14,704     | 20         |
| 4    | 53   | Bain Capital, LP.                | 13,827     | 24         |
| 5    | 29   | Ardian                           | 13,558     | 53         |
| 6    | 4    | CVC Advisers                     | 13,406     | 32         |
| 7    | 11   | Carlyle Group                    | 12,392     | 33         |
| 8    | 215  | EQT AB                           | 11,955     | 61         |
| 9    | 42   | PAI Partners SAS                 | 10,489     | 14         |
| 10   | 15   | Eurazeo SA                       | 7,979      | 47         |

### PE advisors by value—mid-market (€5m-€250m)

| 2022 | 2021 | Company name                     | Value (€m) | Deal count |
|------|------|----------------------------------|------------|------------|
| 1    | 6    | Eurazeo SA                       | 2,235      | 22         |
| 2    | 81   | Index Ventures SA                | 1,886      | 17         |
| 3    | 1    | Insight Partners                 | 1,870      | 35         |
| 4    | 17   | General Atlantic Service Company | 1,455      | 10         |
| 5    | 5    | Tiger Global Management          | 1,187      | 11         |
| 6    | 20   | Lightspeed Venture Partners      | 1,087      | 13         |
| 7    | 60   | Apax Partners                    | 959        | 9          |
| 8    | 14   | KKR & Co                         | 947        | 8          |
| 9    | 11   | Coatue Management, L.L.C         | 894        | 7          |
| 10   | 122  | Atomico                          | 887        | 10         |

### PE advisors by volume

| 2022 | 2021 | Company name                              | Value (€m) | Deal count |
|------|------|---|------------|------------|
| 1    | 396  | EQT AB                                    | 11,955     | 61         |
| 2    | 4    | KKR & Co                                  | 32,588     | 54         |
| 3    | 7    | Ardian                                    | 13,558     | 53         |
| 4    | 9    | Insight Partners                          | 4,555      | 48         |
| 5    | 16   | Eurazeo SA                                | 7,979      | 47         |
| 6    | 3    | Waterland Private Equity Investments B.V. | 124        | 40         |
| 7    | 44   | Apax Partners                             | 3,339      | 37         |
| 8    | 12   | Business Growth Fund                      | 203        | 36         |
| 9    | 11   | Hg  | 5,360      | 35         |
| 10   | 13   | Carlyle Group                             | 12,392     | 33         |

### PE advisors by volume—mid-market (€5m-€250m)

| 2022 | 2021 | Company name                | Value (€m) | Deal count |
|------|------|-----------------------------|------------|------------|
| 1    | 2    | Insight Partners            | 1,870      | 35         |
| 2    | 10   | Eurazeo SA                  | 2,235      | 22         |
| 3    | 53   | Octopus Ventures            | 696        | 18         |
| 4    | 118  | Index Ventures SA           | 1,886      | 17         |
| 5    | 12   | Speedinvest                 | 612        | 16         |
| 6    | 55   | Lightspeed Venture Partners | 1,087      | 13         |
| 7    | 13   | Balderton Capital (UK)      | 868        | 13         |
| 8    | 8    | Business Growth Fund        | 203        | 13         |
| 9    | 62   | Verdane                     | 865        | 12         |
| 10   | 4    | Accel                       | 846        | 12         |



**Consumer**



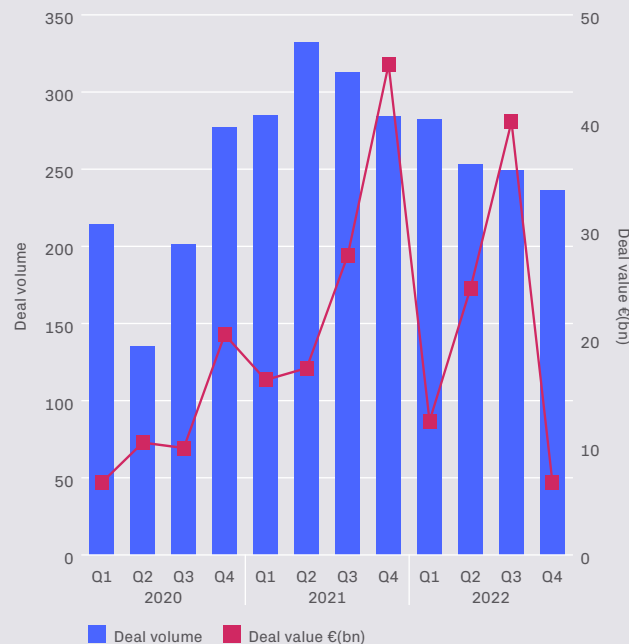
# Health and sustainability are central themes for consumer M&A

European consumer confidence was in a poorly condition in 2022 and there is some way to go before optimism returns. According to market research company IRI, 71% of people across six key markets made significant changes to how they shop. This could be seen in the financials of discount-store operator Pepco, which reported a 17.4% increase in group revenues in its fiscal year ending in September.

Eye-watering inflation has meant consumers are tightening their belts, while higher interest rates that are intended to tame rising prices make it more costly to service loans and mortgages, adding to the squeeze on household spending.

These conditions do not make for a conducive environment for deals in the consumer sector. Where possible, investors are looking for things like brand power and companies that sell essentials, such as those in GSK's consumer healthcare portfolio, Haleon, which was spun off for €30.5bn in the largest deal in the sector.

Consumer M&A activity, 2020-2022



Source: Mergermarket

## Swedish style

The next biggest deal was the €17.9bn acquisition by Marlboro manufacturer Philip Morris International of Swedish Match, a producer of nicotine pouches for smokers trying to give up cigarettes. Combined, these two deals helped to ensure that consumer M&A fell by only 21% year-on-year to €83.9bn, while volume slipped by 16% to 1,020 deals.

Around 1.3bn individuals globally consume tobacco products. But people are becoming more health conscious, and big tobacco companies are changing with the times. Philip Morris has been making a decisive effort to adapt, evidenced by the Swedish Match deal and its 2021 acquisition of Vectura, a UK developer of respiratory ailment treatments and inhaling device technology.

Swedish Match was not the only Nordic target to feature among 2022's top 10-EMEA consumer deals. Fashion and beauty company Puig bought luxury fragrance and accessories brand Byredo, also from Sweden, from Manzanita Capital for €1bn, with the UK consumer private equity specialist and founder Ben Gorham staying on as shareholders. Byredo made its name with perfumes and aftershaves, but its offering has evolved into a full range of beauty, home, leather goods, and accessories sold in 55 countries.



## Sustainable plastics

In the Netherlands, KKR took control of independent beverage contract manufacturer Refresco for €4.8bn, making it the third-largest consumer deal of last year. For KKR there is a clear ESG angle. Refresco is already capable of producing plastic bottles with tethered caps in Benelux, Germany, and France. By end-2021, 250,000 bottles with these caps were being produced monthly and distributed to consumers via a leading French supermarket chain.

The EU's Single-Use Plastics Directive will require all plastics drinks bottles to tether their caps from 2024. What's more, the company has been collaborating with Dutch biochemical company Avantium for the development of PEF, a plant-based alternative to PET material. PEF is fully recyclable and biodegrades much faster than normal plastics.

Private equity investment into consumer assets fell substantially, especially in value terms. The €13.1bn put to work marked declines of 73% from 2021 and 32% from 2020. Buyout volume also fell, by 26% to 195 deals. Private equity funds' reliance on leverage presently makes consumer a challenging sector in which to invest. Sponsors do not want to find themselves in a situation where sales are falling and borrowing costs are rising. However, for the right deal they can make it work. Parcom Capital and Opportunity Partners bought out Dutch lingerie retailer Hunkemoeller for €1.1bn. In the past six years, the lingerie brand has quadrupled its business, extended its physical footprint, and invested toward digital sales through third-party platforms.

## Consumer top bidders by value | 2022

|                | €(m)   |
|----------------|--------|
| United Kingdom | 34,635 |
| Switzerland    | 20,180 |
| USA            | 9,308  |
| Mexico         | 2,444  |
| France         | 2,430  |

## Consumer top bidders by volume | 2022

|                | Deal count |
|----------------|------------|
| France         | 129        |
| Italy          | 120        |
| United Kingdom | 96         |
| Germany        | 74         |
| Spain          | 70         |



## Mindful of ESG

The changing nature of consumer habits, with more attention paid to sustainability and health, combined with regulatory pressures are big motivators of M&A activity in this space, particularly in Europe where public policymakers have been taking the lead on all things ESG.

Companies are looking to appeal to consumers who are demanding eco-friendly products and services, as well as better standards from the companies with which they do business. Enhancing sustainability credentials is now a key way of gaining a competitive commercial advantage, and this can be achieved quickly via acquisition. Sometimes all it takes is a strong brand and a star product or two to add to one's portfolio.

## Consumer top 10 announced deals, 2022

|    | Announced date | Bidder company   | Target company                               | Target dominant country | Vendor company  | Deal value (€m) |
|----|----------------|--|--|-------------------------|---|-----------------|
| 1  | 18-Jul-22      | GSK plc (Shareholders)   | Haleon plc (54.5% Stake)                     | United Kingdom          | GSK plc   | 30,490          |
| 2  | 11-May-22      | Philip Morris International Inc.   | Swedish Match AB (100% Stake)                | Sweden                  |   | 17,901          |
| 3  | 22-Feb-22      | KKR & Co. Inc.   | Refresco Group N.V. (69% Stake)              | Netherlands             | PAI Partners S.A.S.; British Columbia Investment Management Corporation | 4,830           |
| 4  | 05-Jul-22      | Fomento Economico Mexicano S.A.B. de C.V.                                    | Valora Holding AG (100% Stake)               | Switzerland             |   | 2,444           |
| 5  | 07-Nov-22      | Philip Morris International Inc.   | Swedish Match AB (14.13% Stake)              | Sweden                  |   | 2,279           |
| 6  | 23-Mar-22      | Parcom Capital Management B.V.; Opportunity Partners B.V.                    | Hunkemoeller International B.V. (100% Stake) | Netherlands             | Carlyle Group Inc.  | 1,090           |
| 7  | 01-Jun-22      | Puig, S.L.   | Byredo AB                                    | Sweden                  |   | 1,000           |
| 8  | 11-Apr-22      | Advent International Corporation   | Irca S.p.A. (100% Stake)                     | Italy                   | Carlyle Group Inc.  | 1,000           |
| 9  | 23-Jun-22      | BC Partners LLP; Existing Management; Public Sector Pension Investment Board | Havea Group (100% Stake)                     | France                  | 3i Group Plc; Cathay Capital Private Equity                             | 1,000           |
| 10 | 25-Nov-22      | SARIA S.E. & Co. KG  | Devro Plc (100% Stake)                       | United Kingdom          |   | 728             |

## Consumer league tables

### Financial advisors by value

| 2022 | 2021 | Company name        | Value (€m) | Deal count |
|------|------|---------------------|------------|------------|
| 1    | 1    | Goldman Sachs & Co  | 60,135     | 11         |
| 2    | 5    | Bank of America     | 52,434     | 7          |
| 3    | 8    | Citi                | 51,170     | 4          |
| 4    | 23   | SEB                 | 20,180     | 2          |
| 5    | 11   | Morgan Stanley      | 12,057     | 4          |
| 6    | 2    | JPMorgan            | 9,822      | 8          |
| 7    | 93   | Guggenheim Partners | 9,757      | 1          |
| 8    | 6    | Credit Suisse       | 7,274      | 2          |
| 9    | 9    | Centerview Partners | 5,453      | 3          |
| 10   | 41   | PwC                 | 5,194      | 59         |

### Legal advisors by value

| 2022 | 2021 | Company name                     | Value (€m) | Deal count |
|------|------|----------------------------------|------------|------------|
| 1    | 1    | Clifford Chance                  | 52,671     | 16         |
| 2    | 16   | Sullivan & Cromwell              | 50,994     | 4          |
| 3    | 19   | Baker McKenzie                   | 31,357     | 17         |
| 4    | 4    | Freshfields Bruckhaus Deringer   | 31,305     | 6          |
| 5    | 44   | Slaughter and May                | 30,937     | 4          |
| 6    | 58   | Simpson Thacher & Bartlett       | 25,210     | 4          |
| 7    | 15   | Cleary Gottlieb Steen & Hamilton | 22,624     | 6          |
| 8    | 111  | Roschier                         | 21,180     | 5          |
| 9    | 5    | DLA Piper                        | 20,823     | 41         |
| 10   | 369  | Davis Polk & Wardwell            | 20,330     | 3          |

### Financial advisors by volume

| 2022 | 2021 | Company name             | Value (€m) | Deal count |
|------|------|--------------------------|------------|------------|
| 1    | 1    | PwC                      | 5,194      | 59         |
| 2    | 2    | Deloitte                 | 1,036      | 57         |
| 3    | 4    | KPMG                     | 1,346      | 39         |
| 4    | 3    | Rothschild & Co          | 3,891      | 27         |
| 5    | 5    | EY                       | 812        | 26         |
| 6    | 16   | BDO                      | 20         | 20         |
| 7    | 17   | Oaklins                  | 122        | 16         |
| 8    | 7    | Houlihan Lokey           | 1,447      | 15         |
| 9    | 6    | Clearwater International | 367        | 15         |
| 10   | 10   | Credit Agricole          | 1,020      | 13         |

### Legal advisors by volume

| 2022 | 2021 | Company name              | Value (€m) | Deal count |
|------|------|---------------------------|------------|------------|
| 1    | 1    | DLA Piper                 | 20,823     | 41         |
| 2    | 13   | Garrigues                 | 1,349      | 22         |
| 3    | 2    | CMS                       | 762        | 20         |
| 4    | 6    | Cuatrecasas               | 2,487      | 19         |
| 5    | 3    | Allen & Overy             | 7,002      | 18         |
| 6    | 5    | Baker McKenzie            | 31,357     | 17         |
| 7    | 10   | Clifford Chance           | 52,671     | 16         |
| 8    | 20   | White & Case              | 1,034      | 16         |
| 9    | 14   | Russo De Rosa e Associati | 293        | 15         |
| 10   | 9    | ADVANT Nctm               | -          | 15         |

# Energy, mining & utilities



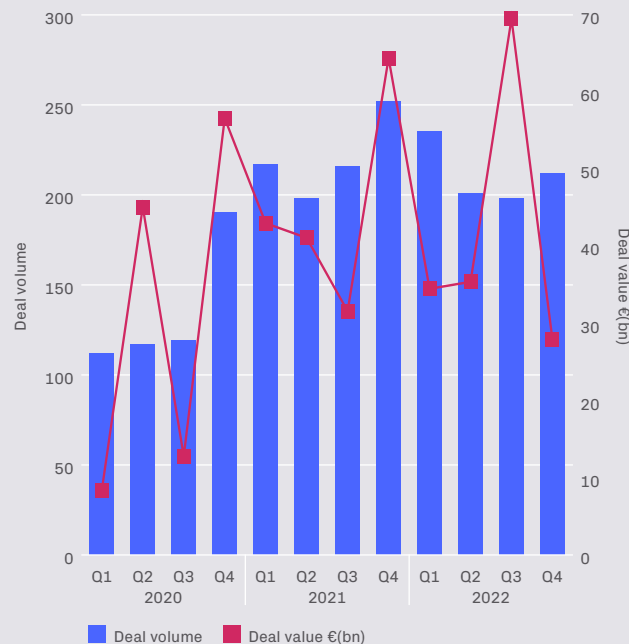


# State bailouts elevate energy deals in Europe

The energy, mining & utilities (EMU) sector was one of the year's strongest performers, relatively speaking. It was the second most active in terms of aggregate value after TMT, and its 7% year-on-year decline to €167.2bn meant it held up more robustly than any other industry in 2022. Volume was also robust, with a fall from 2021 of only 4% to 846 deals.

Energy was one of the biggest topics of discussion in Europe in 2022 following Russia's invasion of Ukraine, which led to Moscow's natural gas supplies into the continent being greatly curtailed. This caused the Global Price of Energy index to spike to an all-time high in March, and it remains high by historic standards even after retracing. This crisis prompted governments to step in to secure supplies, and this helped to keep deal value more buoyant than in other sectors.

EMU M&A activity, 2020-2022



Source: Mergermarket

## Energy lifelines

The largest EMU deal of the year involved Uniper, Germany's biggest gas importer, becoming nationalized by the federal government in a €14bn deal after the company came under pressure as gas flows from Russia were cut back sharply. The state previously agreed on support measures on July 22, 2022. However, a further increase in costs led to a deterioration in the company's circumstances to such an extent that the Bundestag had little choice but to step in and take over 99% of the energy supplier. At one point, Uniper was hemorrhaging tens of millions of euros per day after Russian state-owned gas exporter Gazprom drastically reduced supplies through the Nord Stream 1 pipeline.

Similarly, in France the government gave a €9.7bn lifeline to EDF for a 16.3% stake. The company has a diverse energy mix but is best known for its nuclear production, which has put France in good stead. As of 2021, around 75% of EDF's electricity production in France came from nuclear energy, and around 70% of France's total energy consumption is nuclear. This independence from Russian supplies is a big reason why the country has not been experiencing the same levels of inflation as other parts of Europe. EDF is listed on the Euronext Paris Stock Exchange and by the end of November the French state owned more than 85% of the power group, below the 90% threshold required to de-list the company.

## Going electric

M&A activity in the EMU space was not defined exclusively in 2022 by state bailouts. In the UK, National Grid has set about an electrification strategy that aims to increase the proportion of electricity in the country's energy mix and moderate its reliance on fossil fuels for power generation.

The strategy focuses on decarbonizing the power sector through increased deployment of renewable energy sources such as onshore and offshore wind, solar, and hydropower. Other key steps include supporting the uptake of electric vehicles by developing more expansive charging infrastructure and improving the electricity grid's capacity to accommodate this additional demand, as well as improving energy efficiency through the use of smart-grid technology and demand-side management.

As part of this transition, National Grid sold a 60% stake in its gas transmission and metering business to Australian infrastructure fund manager Macquarie and British Columbia Investment Management for €9.6bn, making it the year's third-largest EMU deal in EMEA. The transaction also includes an option for the pair of buyers to acquire the remaining 40% stake.



### EMU top bidders by value | 2022

|                | €(m)   |
|----------------|--------|
| United Kingdom | 24,304 |
| France         | 20,439 |
| USA            | 16,642 |
| Germany        | 16,130 |
| Russia         | 12,276 |

### EMU top bidders by volume | 2022

|                | Deal count |
|----------------|------------|
| United Kingdom | 116        |
| Spain          | 62         |
| Italy          | 62         |
| Germany        | 58         |
| France         | 56         |

## EMU top 10 announced deals, 2022

|    | Announced date | Bidder company   | Target company  | Target dominant country | Vendor company                                       | Deal value (€m) |
|----|----------------|--|---|-------------------------|--|-----------------|
| 1  | 22-Jul-22      | Government of Germany  | Uniper S.E. (92.78% Stake)  | Germany                 |  | 13,957          |
| 2  | 19-Jul-22      | Government of France   | Electricite de France S.A. (16.29% Stake)                                 | France                  |  | 9,658           |
| 3  | 27-Mar-22      | Macquarie Group Limited; British Columbia Investment Management Corporation; Macquarie Asset Management Holdings Pty. Ltd. | National Grid plc (UK gas transmission and metering business) (60% Stake) | United Kingdom          | National Grid Plc                                    | 9,590           |
| 4  | 29-Sep-22      | Capricorn Energy Plc   | Delek Drilling Limited Partnership (100% Stake)                           | Israel                  | Delek Group Ltd.                                     | 9,138           |
| 5  | 29-Jul-22      | Polski Koncern Naftowy Orlen S.A. (PKN Orlen S.A.)   | Polskie Gornictwo Naftowe i Gazownictwo S.A. (71.88% Stake)               | Poland                  | Ministry of State Treasury of the Republic of Poland | 6,185           |
| 6  | 06-Apr-22      | Akropol Group Ltd.   | PJSC Polyus (29.99% Stake)  | Russia                  | Wandle Holdings Limited                              | 6,055           |
| 7  | 17-May-22      | KKR & Co. Inc.; Cretaceous Bidco Ltd.  | ContourGlobal Plc (100% Stake)  | United Kingdom          |  | 5,116           |
| 8  | 21-Dec-22      | Abu Dhabi National Oil Company   | OMV AG (24.9% Stake)  | Austria                 | Mubadala Investment Company PJSC                     | 3,819           |
| 9  | 28-Mar-22      | AXA S.A.; SAS Rue La Boetie; Credit Agricole Assurances S.A.   | Orsted A/S (1.3 GW Hornsea 2 Offshore Wind Farm) (50% Stake)              | United Kingdom          | Orsted A/S   | 3,588           |
| 10 | 07-Jul-22      | Undisclosed bidder   | Vostok Oil (5% Stake)   | Russia                  | Vitol S.A.; Mercantile & Maritime Energy             | 3,500           |

## Crisis management

Notwithstanding the operational pressures that key suppliers in Europe have come under and the need in some circumstances for state-aid packages to be deployed, energy producers in EMEA have been riding high on the elevated prices of oil and energy. Looking ahead, those companies that have been able to build a nest egg are well positioned to go after key acquisitions.

In 2022, deals were driven by geopolitics and the war has yet to conclude. But most European countries have done an admirable job of managing the crisis. For example, Italy now uses Algeria as its key gas supplier, and the UK has turned to Norway for greater energy imports. This adjustment from short-term crisis to long-term goals should see ESG come back into clearer focus as an M&A catalyst in the months ahead.

## EMU league tables

### Financial advisors by value

| 2022 | 2021 | Company name       | Value (€m) | Deal count |
|------|------|--------------------|------------|------------|
| 1    | 7    | Rothschild & Co    | 48,072     | 38         |
| 2    | 1    | Goldman Sachs & Co | 46,288     | 15         |
| 3    | 3    | JPMorgan           | 40,749     | 19         |
| 4    | 4    | Barclays           | 34,460     | 8          |
| 5    | 11   | Lazard             | 28,750     | 17         |
| 6    | 26   | Macquarie Group    | 28,692     | 16         |
| 7    | 23   | Citi               | 28,284     | 18         |
| 8    | 6    | Morgan Stanley     | 22,880     | 8          |
| 9    | 8    | Bank of America    | 20,139     | 12         |
| 10   | 2    | BNP Paribas        | 17,025     | 16         |

### Legal advisors by value

| 2022 | 2021 | Company name                     | Value (€m) | Deal count |
|------|------|----------------------------------|------------|------------|
| 1    | 12   | Linklaters                       | 28,584     | 42         |
| 2    | 28   | CMS                              | 27,738     | 40         |
| 3    | 2    | White & Case                     | 27,490     | 36         |
| 4    | 9    | Allen & Overy                    | 21,899     | 20         |
| 5    | 5    | Latham & Watkins                 | 20,245     | 18         |
| 6    | 75   | Hengeler Mueller                 | 15,799     | 6          |
| 7    | 3    | Freshfields Bruckhaus Deringer   | 14,376     | 13         |
| 8    | 11   | Slaughter and May                | 14,371     | 4          |
| 9    | 1    | Clifford Chance                  | 14,181     | 30         |
| 10   | 15   | Cleary Gottlieb Steen & Hamilton | 11,435     | 10         |

### Financial advisors by volume

| 2022 | 2021 | Company name                                  | Value (€m) | Deal count |
|------|------|---|------------|------------|
| 1    | 1    | Rothschild & Co                               | 48,072     | 38         |
| 2    | 2    | PwC   | 1,164      | 31         |
| 3    | 3    | EY  | 2,575      | 26         |
| 4    | 4    | Deloitte                                      | 1,770      | 23         |
| 5    | 7    | JPMorgan                                      | 40,749     | 19         |
| 6    | 13   | Citi  | 28,284     | 18         |
| 7    | 15   | Lazard  | 28,750     | 17         |
| 8    | 16   | Santander Corporate Investment Banking (SCIB) | 6,819      | 17         |
| 9    | 5    | KPMG  | 2,046      | 17         |
| 10=  | 11   | Macquarie Group                               | 28,692     | 16         |

### Legal advisors by volume

| 2022 | 2021 | Company name              | Value (€m) | Deal count |
|------|------|---------------------------|------------|------------|
| 1    | 3    | Linklaters                | 28,584     | 42         |
| 2    | 4    | DLA Piper                 | 4,712      | 42         |
| 3    | 2    | CMS                       | 27,738     | 40         |
| 4    | 5    | White & Case              | 27,490     | 36         |
| 5    | 1    | Clifford Chance           | 14,181     | 30         |
| 6    | 6    | Norton Rose Fulbright     | 4,021      | 22         |
| 7    | 31   | BAHR                      | 4,767      | 21         |
| 8    | 16   | Garrigues                 | 1,481      | 21         |
| 9    | 15   | Watson, Farley & Williams | 837        | 21         |
| 10   | 9    | Allen & Overy             | 21,899     | 20         |





# Financial services



# Large banking deals were nowhere to be seen

Financial services are being reshaped by the ongoing push by big lenders to shed non-core assets, consolidate regional presences, and push hard on their digitalization strategies. This sweeping reorganization has been a big source of deals in the recent past. Last year, however, specialty financing deals had an outsized impact. The segment covers areas like subprime consumer lending, commercial lending such as invoice and equipment financing, and niche areas like litigation finance and intellectual property-related royalty streams.

The biggest deal of the year and one of only two megadeals in the financial services sector fit squarely in the specialty bracket. Irish Aircraft leasing firm SMBC Aviation Capital struck a €6.4bn deal with vendors NWS Holdings and Chow Tai Fook Enterprises to take over Dublin-based aircraft lessor Goshawk Aviation. This helped to push financial services M&A in 2022 to €95.5bn, a 33% year-on-year decline. Volume, however, performed well, with a fall of only 3% to 819 deals.

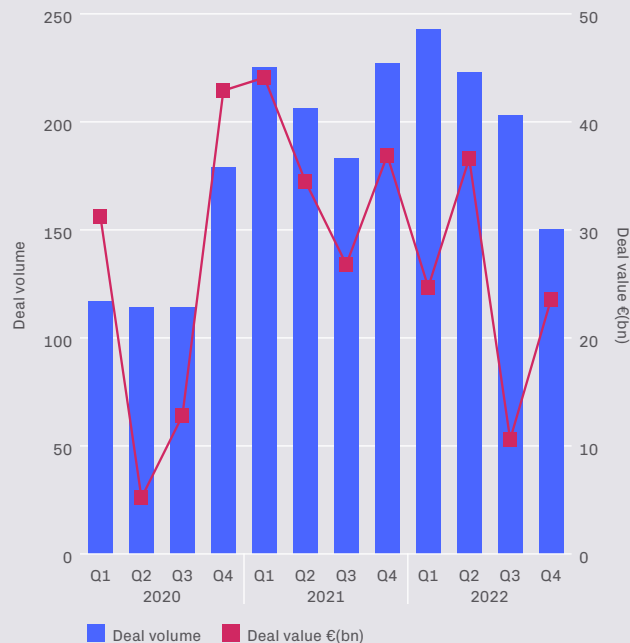
## Airbound finance

Goshawk has a portfolio of 176 owned and managed aircraft, although SMBC did not take on its Russian fleet. Post-deal, the combined company will be the second-largest lessor in the world by number of aircraft, with 709 owned and managed planes and some US\$13bn of orders from Boeing and Airbus.

SMBC is capitalizing on a rebound across the aviation industry following the pandemic, with planes first grounded in 2020 and subsequently flying at lower capacity. In November, Ryanair reported that traffic increased by 143% and its revenues tripled to €6.6bn in H1 2022. Having put off overseas travel in favor of staycations, holidaymakers in Europe could not resist the allure of holidays further afield.

Ryanair noted that traffic over this season was up 11% compared to 2020 levels. This rebound will see strong demand for SMBC's fleet, which is becoming increasingly ESG-centric. The company has 261 new-generation, fuel-efficient aircraft on order.

## Financial services M&A activity, 2020-2022



Source: Mergermarket



## Risky business

Specialty finance also played a role in Brookfield Infrastructure Partners' €5.5bn takeover of HomeServe, a UK company that provides home emergency and repair services, such as plumbing, heating, electrical, and drainage services, to customers through insurance policies and service plans. Brookfield was drawn to the company's dominant market position, subscription economics, and inflation protection mechanisms, and the fact that HomeServe complements its existing North American, UK, and German residential infrastructure investments.

Also outside of traditional banking was a sizable Dutch insurance play. Aegon, a multinational life insurer, pensions, and asset management company, sold its insurance operations to smaller competitor ASR in a cash-and-shares transaction worth €4.9bn that created a formidable rival to the country's number-one player, NN Group. Aegon received around €2.5bn in cash, with the remaining payment being covered by a 30% stake in the company, which will become the largest in the Dutch disability insurance sector, third in property and casualty insurance, and a leader in pensions.

Insurers are having to adapt to changing risk conditions and regulations. Rising inflation is typically unkind to these companies' investment portfolios, which are weighted to fixed-income bonds, and cybercrime and climate change are shifting insurance risks. In Europe, meanwhile, there is the added dimension of rule changes, specifically the Insurance Distribution Directive, which aims to improve the functioning of the insurance distribution market, enhance consumer protection, and increase competition by promoting transparency and fairness. The directive applies to insurers, insurance intermediaries, and price comparison websites.

## FS top bidders by value | 2022

|                | €(m)   |
|----------------|--------|
| United Kingdom | 15,254 |
| USA            | 14,816 |
| France         | 9,796  |
| Germany        | 7,726  |
| Japan          | 6,544  |

## FS top bidders by volume | 2022

|                | Deal count |
|----------------|------------|
| United Kingdom | 174        |
| USA            | 94         |
| France         | 82         |
| Italy          | 51         |
| Germany        | 45         |

## Consolidation continues

The emphasis on non-bank deals at the larger end of the market may not persist. The rise in interest rates has increased the spread between deposit and lending rates, and this has been good news for traditional lenders.

But until now, there has been little in the way of stress and, even with inflation showing some signs of falling given the softening of energy prices, some of Europe's major economies, including Germany, Italy, and the UK, may still head into recession over the coming 12 months. This, in turn, may cause default rates to rise. If that were to come to pass, then banks will face more and more pressure to consolidate and shore up their balance sheets.

## Financial services top 10 announced deals, 2022

|    | Announced date | Bidder company  | Target company  | Target dominant country | Vendor company   | Deal value (€m) |
|----|----------------|---|---|-------------------------|--|-----------------|
| 1  | 16-May-22      | Sumitomo Mitsui Financial Group, Inc.; SMBC Aviation Capital Limited                                | Goshawk Management Ltd. (100% Stake)                                      | Ireland (Republic)      | Chow Tai Fook Enterprises Limited; NWS Holdings Limited  | 6,432           |
| 2  | 19-May-22      | Brookfield Infrastructure Partners L.P.   | HomeServe Plc (100% Stake)  | United Kingdom          |  | 5,500           |
| 3  | 27-Oct-22      | ASR Nederland N.V.  | Aegon Nederland N.V. (100% Stake)   | Netherlands             | Aegon N.V.   | 4,922           |
| 4  | 06-Jan-22      | ALD S.A.  | LeasePlan Corporation N.V.  | Netherlands             | Ardian; TDR Capital LLP; GIC Private Limited; Goldman Sachs Merchant Banking Division            | 4,900           |
| 5  | 29-Jun-22      | Abu Dhabi Investment Authority; Global Infrastructure Partners, LLC                                 | VTG AG (72.55% Stake)   | Germany                 | Morgan Stanley Infrastructure Inc.; Joachim Herz Stiftung  | 4,873           |
| 6  | 22-Dec-22      | VTB Bank OAO  | Otkritie Financial Corporation Bank Open Joint-Stock Company (100% Stake) | Russia                  | The Central Bank of Russia   | 4,541           |
| 7  | 15-Dec-22      | Apollo Global Management, LLC; Investor Group   | Athora Holding Ltd.   | Netherlands             |  | 2,750           |
| 8  | 01-Aug-22      | Caisse de Depot et Placement du Quebec  | Akiem S.A.S. (100% Stake)   | France                  | SNCF Group; DWS Group GmbH & Co. KGaA  | 2,500           |
| 9  | 26-Nov-22      | KKR & Co. Inc.  | April Group S.A. (100% Stake)   | France                  | CVC Advisers Ltd.  | 2,000           |
| 10 | 05-Apr-22      | Advent International Corporation; Canada Pension Plan Investment Board; Centerbridge Partners, L.P. | Aareal Bank AG (100% Stake)   | Germany                 | Petrus Advisers LLP; Teleios Capital Partners GmbH; Vesa Equity Investment; Talomon Capital Ltd. | 1,975           |

## Financial services league tables

### Financial advisors by value

| 2022 | 2021 | Company name        | Value (€m) | Deal count |
|------|------|---------------------|------------|------------|
| 1    | 1    | Goldman Sachs & Co  | 42,503     | 19         |
| 2    | 2    | JPMorgan            | 22,982     | 12         |
| 3    | 4    | Rothschild & Co     | 21,216     | 38         |
| 4    | 7    | Bank of America     | 18,357     | 19         |
| 5    | 45   | UBS Investment Bank | 17,471     | 11         |
| 6    | 39   | HSBC                | 16,084     | 3          |
| 7    | 11   | Deutsche Bank       | 15,057     | 13         |
| 8    | 5    | Citi                | 13,962     | 5          |
| 9    | 3    | Morgan Stanley      | 12,470     | 13         |
| 10   | 28   | RBC Capital Markets | 11,629     | 4          |

### Legal advisors by value

| 2022 | 2021 | Company name                   | Value (€m) | Deal count |
|------|------|--------------------------------|------------|------------|
| 1    | 25   | Linklaters                     | 31,666     | 25         |
| 2    | 3    | Sullivan & Cromwell            | 27,585     | 11         |
| 3    | 5    | White & Case                   | 23,683     | 29         |
| 4    | 1    | Freshfields Bruckhaus Deringer | 17,616     | 21         |
| 5    | 6    | Allen & Overy                  | 14,410     | 29         |
| 6    | 115  | NautaDutilh                    | 11,698     | 8          |
| 7    | 7    | De Brauw Blackstone Westbroek  | 9,822      | 4          |
| 8    | 2    | Bredin Prat                    | 9,710      | 7          |
| 9    | 9    | Clifford Chance                | 9,657      | 14         |
| 10=  | -    | Blake, Cassels & Graydon       | 9,652      | 1          |
| 10=  | 8    | Wachtell, Lipton, Rosen & Katz | 9,652      | 1          |

### Financial advisors by volume

| 2022 | 2021 | Company name       | Value (€m) | Deal count |
|------|------|--------------------|------------|------------|
| 1    | 1    | Rothschild & Co    | 21,216     | 38         |
| 2    | 4    | PwC                | 1,854      | 36         |
| 3    | 7    | Deloitte           | 1,135      | 36         |
| 4    | 2    | KPMG               | 2,674      | 31         |
| 5    | 3    | Goldman Sachs & Co | 42,503     | 19         |
| 6    | 8    | Bank of America    | 18,357     | 19         |
| 7    | 13   | BNP Paribas        | 2,795      | 15         |
| 8    | 15   | Deutsche Bank      | 15,057     | 13         |
| 9    | 9    | Morgan Stanley     | 12,470     | 13         |
| 10=  | 14   | Lazard             | 5,413      | 13         |

### Legal advisors by volume

| 2022 | 2021 | Company name                   | Value (€m) | Deal count |
|------|------|--------------------------------|------------|------------|
| 1    | 3    | CMS                            | 2,826      | 34         |
| 2    | 1    | DLA Piper                      | 1,994      | 34         |
| 3    | 2    | White & Case                   | 23,683     | 29         |
| 4    | 4    | Allen & Overy                  | 14,410     | 29         |
| 5    | 8    | Linklaters                     | 31,666     | 25         |
| 6    | 5    | Freshfields Bruckhaus Deringer | 17,616     | 21         |
| 7    | 7    | Eversheds Sutherland           | 1,849      | 21         |
| 8    | 9    | Latham & Watkins               | 3,818      | 18         |
| 9    | 19   | Hogan Lovells International    | 1,147      | 18         |
| 10   | 33   | Uria Menendez                  | 1,323      | 15         |



# Industrials & chemicals





# Sustainability-related considerations move up the value chain

In July 2022, the all-important S&P Global Eurozone Manufacturing Purchasing Managers' Index (PMI) fell below the closely-watched 50 mark and continued its descent, settling below 47 in October. Anything below 50 signifies a contraction in the manufacturing sector and is often taken as an indicator for the wider economy. However, things have been looking up since then. Each reading has come in higher up to January 2023, when the PMI reached 47.8, surpassing expectations, and marking the mildest factory activity decline since August 2022.

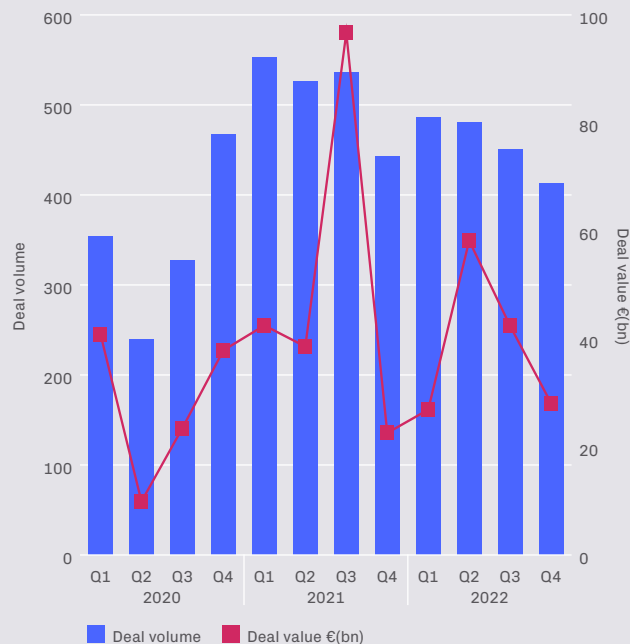
These more promising recent signs suggest that fears of a recession across Europe, though certainly not misguided, may have been overamplified. At the very least, factory output appears to have turned a corner. The I&C sector had a solid year for M&A in 2022, with deal count coming to 1,830, an 11% year-on-year decline, while value dropped by 22% to €155.6bn.

## Innovation rich

As producers of materials and products that are resold to increasingly health- and environmentally-conscious consumers, many I&C companies up the value chain are having to adapt. Dutch chemical company Royal DSM, a powerhouse in the health, nutrition, beauty, and well-being spaces, acquired Swiss flavors and fragrance group Firmenich for €19.3bn. DSM has been pushing further away from its legacy as a petrochemicals group. With this deal a new food and beverage unit will combine DSM's ingredients business with Firmenich's taste business, which has been adjusting to changing habits by homing in on sustainable, plant-based foods and sugar reduction, using artificial intelligence and digitalization to achieve innovation. Firmenich is the world's largest privately-owned fragrance and flavor company and the merged entity will have a massive global footprint, operating in over 100 countries and employing more than 25,000 people.

In a related transaction, the sector's third-largest, ingredients producers Chr. Hansen secured a €10bn tie-up with Novozymes, the biggest merger in Denmark's history. Once again, health was pushed to the foreground, with Chr. Hansen saying with its expanded product portfolio it is seeking to enable healthier lives with higher-quality food.

## I&C M&A activity, 2020-2022



Source: Mergermarket

## I&C top bidders by value | 2022

|                | €(m)   |
|----------------|--------|
| Germany        | 27,144 |
| USA            | 22,668 |
| Netherlands    | 20,952 |
| Denmark        | 12,371 |
| United Kingdom | 10,316 |

## I&C top bidders by volume | 2022

|         | Deal count |
|---------|------------|
| USA     | 211        |
| Germany | 193        |
| Sweden  | 182        |
| France  | 181        |
| Italy   | 180        |

## Off the starting line

Even Porsche's recent IPO—which, for one thing, happily demonstrated that it's still possible to bring off a successful listing even in the face of macroeconomic turmoil—had a sustainability angle. Volkswagen listed the famous German sportscar maker in a deal that involved a 25% plus one ordinary share going to holding company Porsche Holding SE for €10bn, in the second-biggest I&C deal in EMEA last year.

The Porsche and Volkswagen group of companies has a complex ownership structure that resulted in discounts to fair value and prompted the listing. Porsche Holding SE owns a

majority of Volkswagen. The IPO specifically pertained to the known Porsche brand, trading as Dr. Ing. h.c. F. Porsche AG, which is synonymous with luxury and engineering excellence, its cars being highly sought after by collectors and enthusiasts around the world.

The automaker will use the proceeds from the offering to fund its transition to electric vehicles, which is becoming increasingly important as governments around the world adopt stricter emissions standards. The IPO was a bright spot in an otherwise challenging year for European bourses.



## I&C top 10 announced deals, 2022

|    | Announced date | Bidder company   | Target company   | Target dominant country | Vendor company             | Deal value (€m) |
|----|----------------|--|--|-------------------------|----------------------------|-----------------|
| 1  | 31-May-22      | Royal DSM N.V.   | Firmenich S.A. (100% Stake)                                  | Switzerland             |                            | 19,309          |
| 2  | 18-Sep-22      | Porsche Automobil Holding S.E.                               | Dr. Ing. h.c. F. Porsche AG (25% Stake)                      | Germany                 | Volkswagen AG              | 10,099          |
| 3  | 12-Dec-22      | Novozymes A/S  | Chr. Hansen Holding A/S (78.02% Stake)                       | Denmark                 |                            | 10,017          |
| 4  | 09-Nov-22      | Chart Industries, Inc.                                       | Howden Group Limited (100% Stake)                            | United Kingdom          | KPS Capital Partners, L.P. | 4,381           |
| 5  | 09-Mar-22      | Armira Beteiligungen GmbH & Co. KG; LifeScience Holding SCSp | Sartorius AG (20.04% Stake)                                  | Germany                 | Sartorius Family           | 4,328           |
| 6  | 21-May-22      | Siemens Energy AG  | Siemens Gamesa Renewable Energy, S.A. (32.93% Stake)         | Spain                   |                            | 4,048           |
| 7  | 31-May-22      | Advent International Corporation; Lanxess AG                 | Royal DSM N.V. (Engineering Materials business) (100% Stake) | Netherlands             | Royal DSM N.V.             | 3,700           |
| 8  | 02-Jun-22      | Polski Koncern Naftowy Orlen S.A. (PKN Orlen S.A.)           | Grupa LOTOS S.A. (100% Stake)                                | Poland                  | Government of Poland       | 3,644           |
| 9  | 03-Jan-22      | CNH Industrial N.V. (Shareholders)                           | Iveco; Group N.V.  | Italy                   | CNH Industrial N.V.        | 3,489           |
| 10 | 26-Jul-22      | BC Partners LLP; Bain Capital, L.P.                          | Fedrigoni Group (100% Stake)                                 | Italy                   | Bain Capital, L.P.         | 3,000           |

## PE softens on industrials

PE activity in the I&C sector was weaker than across the broader M&A landscape. There were 364 private equity buyouts worth €27.7bn in 2022, representing annual falls of 22% and 58%, respectively. No doubt this value crunch came from challenging debt market conditions, but sponsors were also likely demotivated by the cyclical nature of the sector and dim macroeconomic outlook.

The only entry to crack the top 10 saw Advent International team up with German chemicals group Lanxess in the €3.7bn purchase of Royal DSM's engineering materials business. The target was wrapped into a joint venture between the co-investors for the production of high-performance polymers such as PA6 and PBT, which have applications as wide as car and aircraft parts, boat hulls, and snowboards.

While still in cautionary territory, the upturn in the euro area's PMI gives some reason for optimism across the I&C sector. On a composite basis, including both manufacturing and services, the reading reached 50.2 in January, meaning that for the first time since June business activity is expanding, albeit marginally. If this continues and the industry does not suffer too badly from further rates hikes by the European Central Bank, that could give the confidence needed to support what have been impressively robust deal levels.

## I&C league tables

### Financial advisors by value

| 2022 | 2021 | Company name        | Value (€m) | Deal count |
|------|------|---------------------|------------|------------|
| 1    | 5    | Goldman Sachs & Co  | 60,084     | 23         |
| 2    | 6    | JPMorgan            | 47,441     | 26         |
| 3    | 7    | Rothschild & Co     | 38,168     | 53         |
| 4    | 23   | Centerview Partners | 24,672     | 5          |
| 5    | 2    | Morgan Stanley      | 21,999     | 12         |
| 6    | 3    | Bank of America     | 21,726     | 17         |
| 7    | 11   | BNP Paribas         | 20,747     | 25         |
| 8    | -    | BDT & Company       | 19,309     | 1          |
| 9    | 8    | Barclays            | 18,659     | 13         |
| 10   | 1    | Citi                | 14,429     | 9          |

### Legal advisors by value

| 2022 | 2021 | Company name                   | Value (€m) | Deal count |
|------|------|--------------------------------|------------|------------|
| 1    | 17   | Clifford Chance                | 35,520     | 30         |
| 2    | 4    | Sullivan & Cromwell            | 35,096     | 9          |
| 3    | 8    | Davis Polk & Wardwell          | 32,480     | 8          |
| 4    | 3    | Freshfields Bruckhaus Deringer | 31,602     | 33         |
| 5    | 94   | Stibbe                         | 31,490     | 14         |
| 6    | 16   | Allen & Overy                  | 27,654     | 23         |
| 7    | 34   | Bredin Prat                    | 26,397     | 6          |
| 8    | 10   | Linklaters                     | 24,355     | 32         |
| 9    | 74   | Homburger                      | 20,894     | 12         |
| 10   | 41   | Walder Wyss                    | 19,717     | 7          |

### Financial advisors by volume

| 2022 | 2021 | Company name             | Value (€m) | Deal count |
|------|------|--------------------------|------------|------------|
| 1    | 1    | Deloitte                 | 3,529      | 106        |
| 2    | 3    | KPMG                     | 7,026      | 80         |
| 3    | 2    | PwC                      | 9,632      | 73         |
| 4    | 5    | Rothschild & Co          | 38,168     | 53         |
| 5    | 4    | EY                       | 2,590      | 49         |
| 6    | 12   | BDO                      | 20         | 32         |
| 7    | 6    | Lincoln International    | 1,364      | 30         |
| 8    | 9    | Clearwater International | 311        | 30         |
| 9    | 18   | Houlihan Lokey           | 3,650      | 28         |
| 10   | 10   | JPMorgan                 | 47,441     | 26         |

### Legal advisors by volume

| 2022 | 2021 | Company name                   | Value (€m) | Deal count |
|------|------|--------------------------------|------------|------------|
| 1    | 1    | DLA Piper                      | 1,931      | 74         |
| 2    | 2    | CMS                            | 7,968      | 72         |
| 3    | 3    | White & Case                   | 14,333     | 50         |
| 4    | 4    | Baker McKenzie                 | 18,976     | 49         |
| 5    | 8    | Eversheds Sutherland           | 521        | 37         |
| 6    | 13   | Deloitte Legal                 | 2,180      | 35         |
| 7    | 7    | Freshfields Bruckhaus Deringer | 31,602     | 33         |
| 8    | 10   | Linklaters                     | 24,355     | 32         |
| 9    | 5    | Latham & Watkins               | 9,560      | 32         |
| 10   | 25   | PwC legal                      | 3,484      | 31         |



**Pharma, medical & biotech**



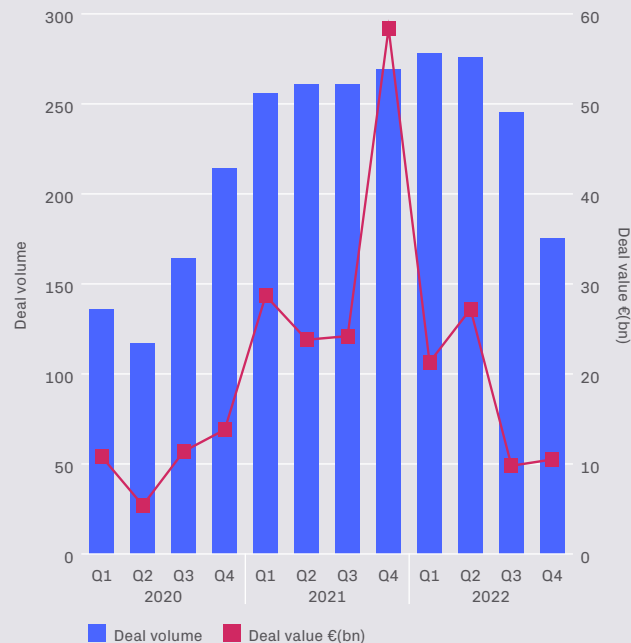
# Healthcare and outsourcing define 2022's biggest deals

Europe's aging population and declining birth rate are putting pressure on the healthcare sector, increasing demand for geriatric care and chronic disease management. This presents opportunities for the pharmaceutical and medical technology industries, but also difficulties for healthcare funding and sustainability.

The healthcare sector must adapt by developing innovative products and services, such as telemedicine and home-based care, and finding ways to manage costs. The demographic shift will also drive changes in the types of products and services offered by the pharma and healthcare industries, with an emphasis on independence and chronic condition management.

These are all fundamental drivers of M&A activity in the pharma, medical & biotech (PMB) sector, in which deal volume held firm at 974 transactions in 2022, a 7% year-on-year decline, though aggregate value contracted sharply by 49% to €68.8bn.

PMB M&A activity, 2020-2022



Source: Mergermarket

## Global reach

It was a rare non-European deal that featured near the top of the list of the largest PMB transactions in EMEA in 2022. First, in June private hospitals group Mediclinic International, which operates in Switzerland, Namibia, the United Arab Emirates, and South Africa, rejected an unsolicited cash offer of around €3.9bn, believing it undervalued the company and its future prospects. The bidding consortium included Remgro—the investment vehicle of South Africa's billionaire Rupert family and Mediclinic's biggest shareholder—and MSC Mediterranean Shipping Company.

However, in early August Mediclinic accepted a revised bid for around €4.8bn. Mediclinic's business is highly diversified and international. Its primary listing on the London Stock Exchange, as well as secondary listings on the Johannesburg Stock Exchange and Namibian Stock Exchange, will be pulled as part of the takeover. Remgro has investments in various sectors, including but not limited to financial services, infrastructure, and media. It is not clear why MSC, the world's largest shipping container group, decided to expand into healthcare. Offering little elaboration, company president Diego Aponte said, "MSC is very well placed to provide long-term capital, as well as our insight and experience from operating a global business, in order to support the strategic ambitions of the Mediclinic management team."

## PMB top bidders by value | 2022

|                | €(m)   |
|----------------|--------|
| USA            | 22,625 |
| United Kingdom | 10,542 |
| France         | 8,001  |
| Sweden         | 6,070  |
| South Africa   | 4,863  |

## PMB top bidders by volume | 2022

|                | Deal count |
|----------------|------------|
| United Kingdom | 141        |
| USA            | 112        |
| France         | 102        |
| Germany        | 86         |
| Sweden         | 82         |

## Fertile ground

Private equity had an interesting year in PMB, with funds involved in no fewer than six of the 10 largest transactions. And yet, aggregate buyout value sank by 40% year-on-year to €26.9bn, while volume fell by 19% to 225.

The largest of these was also EMEA's biggest PMB deal overall in 2022. Private equity firm EQT and Swiss investment company Santo Holding bought out Danish hearing aid manufacturer WS Audiology for just under €5bn. WS Audiology is active in 125 countries and is the world's largest producer of hearing aids, shipping more than 5m units each year.

The next largest PMB deal involving a major PE presence saw KKR pay €3bn for IVIRMA Global, a Spanish infertility specialist and reproductive drugs maker. This builds on KKR's previous purchase in November 2021 of GeneralLife, another large European fertility clinic network.

The PMB sector's fourth-biggest play was another buyout. French sponsor Astorg Partners bought Corden Pharma, a pharmaceutical contract development and manufacturing organization (CDMO) known for its position in complex drug modalities such as mRNA vaccines, peptides, and high-potency compounds. CDMOs offer a range of services such as process development, analytical testing, clinical and commercial manufacturing, and supply chain management to support the development and production of new drugs.

The market is growing rapidly, driven by increasing demand for outsourcing of pharmaceutical and biotech product development and manufacturing to reduce costs and expedite time-to-market for new products.



## Immutable tailwinds

Even in a sector as defensive as healthcare, banks have been struggling to sell down leveraged loans in the debt markets. Morgan Stanley and Credit Suisse are reported to have given up on offloading €800m worth of IVIRMA's loans in the syndicated market, instead turning to private credit funds to sell them, at a cost.

No industry has been immune to these restrictive borrowing conditions. That being said, if macroeconomic circumstances improve in the near or medium term, larger cap deals by sponsors should become easier to pull off. The tailwinds behind the growth of the PMB sector certainly have not changed.

## PMB top 10 announced deals, 2022

|    | Announced date | Bidder company   | Target company   | Target dominant country | Vendor company   | Deal value (€m) |
|----|----------------|--|--|-------------------------|--|-----------------|
| 1  | 03-Jan-22      | Santo Holding AG; EQT Growth   | WS Audiology A/S   | Denmark                 |  | 4,999           |
| 2  | 09-Jun-22      | MSC Mediterranean Shipping Company S.A.; Remgro Limited; SAS Shipping Agencies Services Sarl | Mediclinic International Plc (55.44% Stake)                    | United Arab Emirates    |  | 4,816           |
| 3  | 28-Mar-22      | KKR & Co., Inc.  | IVIRMA Global (100% Stake)                                     | Spain                   |  | 3,000           |
| 4  | 02-May-22      | Astorg Partners  | Corden Pharma International GmbH (100% Stake)                  | Germany                 | International Chemical Investors S.E.                          | 3,000           |
| 5  | 31-Oct-22      | Thermo Fisher Scientific Inc.  | The Binding Site Group Limited (100% Stake)                    | United Kingdom          | Nordic Capital; Five Arrows Capital Partners, L.P.             | 2,617           |
| 6  | 20-Jan-22      | Permira Advisers LLP; Abu Dhabi Investment Authority; Permira Funds LLC                      | Kedrion S.p.A. (100% Stake); BPL Holdings Limited (100% Stake) | Italy                   | FSI SGR S.p.A.; Tiancheng International Investment Limited     | 2,410           |
| 7  | 28-Feb-22      | Spectris Plc   | Oxford Instruments Plc (100% Stake)                            | United Kingdom          |  | 2,138           |
| 8  | 26-May-22      | Goldman Sachs Capital Partners   | Norgine B.V.   | Netherlands             |  | 1,868           |
| 9  | 19-Apr-22      | Groupe Bruxelles Lambert S.A.  | Affidea B.V. (100% Stake)                                      | Netherlands             | B-FLEXION Group Holdings S.A.                                  | 1,764           |
| 10 | 30-Jun-22      | TPG Capital L.P.   | DOC Generici s.r.l. (100% Stake)                               | Italy                   | Intermediate Capital Group Plc; Merieux Equity Partners S.A.S. | 1,600           |



## PMB league tables

### Financial advisors by value

| 2022 | 2021 | Company name               | Value (€m) | Deal count |
|------|------|----------------------------|------------|------------|
| 1    | 1    | Goldman Sachs & Co         | 15,076     | 11         |
| 2    | 9    | Jefferies                  | 14,080     | 13         |
| 3    | 10   | Morgan Stanley             | 10,854     | 8          |
| 4    | 13   | Deutsche Bank              | 9,375      | 5          |
| 5    | 17   | Jamieson Corporate Finance | 9,303      | 10         |
| 6    | 11   | Lazard                     | 6,650      | 12         |
| 7    | 7    | Rothschild & Co            | 5,805      | 31         |
| 8    | 43   | PwC                        | 5,779      | 27         |
| 9    | 4    | Bank of America            | 5,705      | 9          |
| 10   | 33   | William Blair & Company    | 5,095      | 10         |

### Legal advisors by value

| 2022 | 2021 | Company name                   | Value (€m) | Deal count |
|------|------|--------------------------------|------------|------------|
| 1    | 8    | Latham & Watkins               | 19,149     | 29         |
| 2    | 10   | Linklaters                     | 11,489     | 16         |
| 3    | 12   | Freshfields Bruckhaus Deringer | 10,316     | 15         |
| 4    | 13   | Goodwin Procter                | 6,837      | 29         |
| 5    | 67   | EY (law)                       | 5,759      | 7          |
| 6    | 3    | White & Case                   | 5,518      | 40         |
| 7    | 74   | Ashurst                        | 3,903      | 6          |
| 8    | 14   | Clifford Chance                | 3,848      | 11         |
| 9    | 91   | Loyens & Loeff                 | 3,725      | 6          |
| 10   | 55   | PwC legal                      | 3,640      | 9          |

### Financial advisors by volume

| 2022 | 2021 | Company name                | Value (€m) | Deal count |
|------|------|-----------------------------|------------|------------|
| 1    | 4    | Deloitte                    | 849        | 39         |
| 2    | 2    | Rothschild & Co             | 5,805      | 31         |
| 3    | 14   | BDO                         | 355        | 28         |
| 4    | 1    | PwC                         | 5,779      | 27         |
| 5    | 7    | KPMG                        | 488        | 26         |
| 6    | 3    | EY                          | 2,716      | 21         |
| 7    | 67   | Clairfield International SA | 184        | 15         |
| 8    | 11   | Jefferies                   | 14,080     | 13         |
| 9    | 12   | Lazard                      | 6,650      | 12         |
| 10   | 19   | Lincoln International       | 649        | 12         |

### Legal advisors by volume

| 2022 | 2021 | Company name         | Value (€m) | Deal count |
|------|------|----------------------|------------|------------|
| 1    | 9    | Cuatrecasas          | 596        | 46         |
| 2    | 3    | White & Case         | 5,518      | 40         |
| 3    | 1    | DLA Piper            | 1,494      | 37         |
| 4    | 4    | Latham & Watkins     | 19,149     | 29         |
| 5    | 5    | Goodwin Procter      | 6,837      | 29         |
| 6    | 2    | CMS                  | 942        | 28         |
| 7    | 20   | Garrigues            | 3,527      | 19         |
| 8    | 40   | Eversheds Sutherland | 1,365      | 17         |
| 9    | 8    | Linklaters           | 11,489     | 16         |
| 10   | 115  | Deloitte Legal       | 1,534      | 16         |

**Real estate**



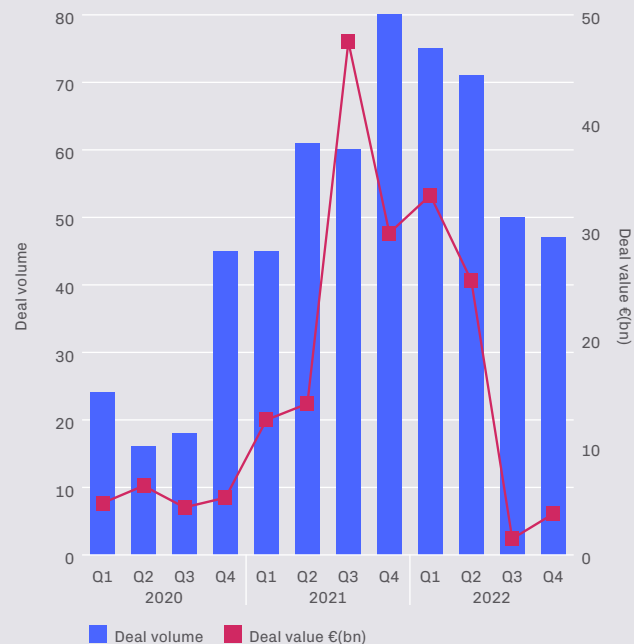
# Volume stays consistent as private capital and REIT mergers press on

Real estate may have been among the quietest spaces for M&A activity in EMEA, but it was nothing short of resilient in the face of macroeconomic strife. The 243 transactions announced in the sector in 2022 represented a year-on-year decline of just 1%, though value sank by 38% from 2021 to €64.1bn.

As in other geographies, investors are being picky about how they allocate their capital. Retail and office space are at the trickier end of the spectrum given uncertainties about future work and shopping habits. Logistics assets, however, have seen steadfast demand.

The pandemic led to a surge in online shopping, which has increased the need for logistics real estate to fulfill orders. Moreover, supply-chain disruptions have led companies to seek more secure and reliable storage solutions. This was the investment thesis behind Blackstone's mammoth €21bn recapitalization of Netherlands-based Mileway, Europe's biggest last-mile logistics player and operator of urban warehouses. The private equity firm spent the previous five years building critical mass in the sector, assembling various assets under one roof to form Mileway.

Real estate M&A activity, 2020-2022



Source: Mergermarket

## Dorm yields

Retail, too, has not been completely off-limits. In EMEA's second-largest real estate deal of 2022, Israel's Tnuport paid €6.8bn for Norstar Holdings. Tnuport invests primarily in buying, selling, renting, and operating leased properties such as apartment buildings, while Norstar's specialism is the acquisition, development, and management of shopping centers.

Student accommodation is also proving to be a hit. Rental housing specialist Greystar Real Estate Partners formed a joint venture with GIC, Singapore's sovereign wealth fund, to acquire Student Roost from Brookfield Asset Management for €3.9bn. The company is the UK's third-largest purpose-built student accommodation provider, with a portfolio of 23,000 beds and a secured development pipeline of around 3,000 more across key university cities.

Student dorms are an attractive strategy because they typically deliver high rental yields and are less prone to vacancies than residential alternatives, with the caveat that they tend not to benefit from the same capital gains. In the UK in particular, student housing as an asset class benefits from the country's status as a global destination for higher education.

## REIT incomes

UK assets were targeted in four of the sector's 10 largest deals last year. After the Student Roost transaction, the next biggest deal was a merger of real estate investment trusts (REIT), a frequent feature around the world in 2022, as LXi REIT picked up its smaller peer Secure Income REIT. The €2.6bn deal is expected to deliver a combined trust with the lowest total expense ratio in the UK listed retail sector and will lower its cost of capital. REITs cover a variety of assets but overall have been repositioning their portfolios on the expectation of higher cash flows in the segments they are targeting. With Secure, LXi adds 11 private hospitals and the Alton Towers and Thorpe Park amusement parks to its stable.

Another UK-based merger of REIT equals saw Capital & Counties Properties and Shaftesbury tie up for €2.6bn. The combined trust has a diverse portfolio spanning retail and hospitality, offices, and residential accommodation. Retail was struck hard by the pandemic and remains patchy—all assets are not created equal. In the case of Capital-Shaftesbury, their target market is London's famous West End, including hotspots like Covent Garden, Chinatown, and Soho. Prime locations such as these have enduring appeal and will continue to attract footfall regardless of the broader paradigm shift away from in-person retail.

## Real estate top bidders by value | 2022

|                | €(m)   |
|----------------|--------|
| USA            | 27,485 |
| United Kingdom | 9,325  |
| Israel         | 7,085  |
| Belgium        | 3,837  |
| Spain          | 2,627  |

## Real estate top bidders by volume | 2022

|                | Deal count |
|----------------|------------|
| France         | 27         |
| United Kingdom | 27         |
| USA            | 23         |
| Sweden         | 17         |
| Spain          | 14         |
| Germany        | 14         |



## Real estate top 10 announced deals, 2022

|    | Announced date | Bidder company   | Target company                                    | Target dominant country | Vendor company                   | Deal value (€m) |
|----|----------------|--|---|-------------------------|----------------------------------|-----------------|
| 1  | 15-Feb-22      | Blackstone Group Inc.  | Mileway BV (100% Stake)                           | Netherlands             |                                  | 21,000          |
| 2  | 25-Apr-22      | Tnuport 1990 Ltd.  | Norstar Holdings Inc (100% Stake)                 | Israel                  |                                  | 6,766           |
| 3  | 30-May-22      | Greystar Real Estate Partners, LLC; GIC Real Estate Pte. Ltd.                          | Student Roost (100% Stake)                        | United Kingdom          | Brookfield Asset Management Inc. | 3,877           |
| 4  | 11-May-22      | LXi REIT PLC   | Secure Income REIT Plc (100% Stake)               | United Kingdom          |                                  | 2,638           |
| 5  | 25-Feb-22      | RE Invest Belgium S.A.   | Befimmo S.S. (100% Stake)                         | Belgium                 |                                  | 2,588           |
| 6  | 16-Jun-22      | Capital & Counties Properties Plc  | Shaftesbury Plc (74.76% Stake)                    | United Kingdom          |                                  | 2,573           |
| 7  | 23-May-22      | Oaktree Capital Management L.P.; CURA Vermögensverwaltung GmbH; Hercules Holdings SARL | Deutsche Euroshop AG (64.35% Stake)               | Germany                 |                                  | 2,016           |
| 8  | 01-Apr-22      | Banco Bilbao Vizcaya Argentaria S.A.   | Tree Inversiones Inmobiliarias, S.A. (100% Stake) | Spain                   | Merlin Properties Socimi, S.A.   | 1,990           |
| 9  | 14-Apr-22      | CPI Property Group   | S IMMO AG (36.66% Stake)                          | Austria                 |                                  | 1,535           |
| 10 | 14-Mar-22      | The Office Group Limited   | Fora Space Limited (100% Stake)                   | United Kingdom          | Brockton Capital LLP             | 1,498           |

## Logistical pressures

Even under the broader banner of real estate, different segments of the market have fundamentally different drivers. In the case of REITs, which have seen some cash flow-related struggles over the past three years, there is likely to be continued incentive to consolidate and diversify to improve costs, borrowing capacity, and augment sector exposure.

There is little doubt that real estate-focused private equity firms will continue to place big bets on where they see the world heading and continue to deploy into logistics deals, provided stiff competition for these prized assets does not drive excessive pricing.

## Real estate sectors league tables

### Financial advisors by value

| 2022 | 2021 | Company name        | Value (€m) | Deal count |
|------|------|---------------------|------------|------------|
| 1    | 2    | JPMorgan            | 33,263     | 9          |
| 2    | 25   | Rothschild & Co     | 32,441     | 16         |
| 3    | 57   | BNP Paribas         | 26,668     | 5          |
| 4    | 3    | Goldman Sachs & Co  | 25,614     | 4          |
| 5    | 1    | Deutsche Bank       | 25,604     | 3          |
| 6    | 4    | Morgan Stanley      | 24,877     | 2          |
| 7    | 20   | Eastdil Secured     | 22,089     | 2          |
| 8    | 5    | Bank of America     | 21,125     | 2          |
| 9=   | 55   | Jones Lang LaSalle  | 21,000     | 2          |
| 9=   | -    | RBC Capital Markets | 21,000     | 2          |

### Legal advisors by value

| 2022 | 2021 | Company name                   | Value (€m) | Deal count |
|------|------|--------------------------------|------------|------------|
| 1    | 3    | Hengeler Mueller               | 23,016     | 2          |
| 2    | 46   | Simpson Thacher & Bartlett     | 22,000     | 3          |
| 3    | 63   | Bech-Bruun                     | 21,000     | 3          |
| 4    | 22   | Roschier                       | 21,000     | 1          |
| 5    | 7    | Kirkland & Ellis               | 7,554      | 3          |
| 6    | -    | Weil Gotshal & Manges          | 5,147      | 2          |
| 7    | 5    | Linklaters                     | 5,023      | 8          |
| 8    | 52   | Latham & Watkins               | 3,983      | 5          |
| 9    | 90   | Jones Day                      | 3,877      | 2          |
| 10   | 1    | Freshfields Bruckhaus Deringer | 2,929      | 3          |

### Financial advisors by volume

| 2022 | 2021 | Company name                           | Value (€m) | Deal count |
|------|------|--|------------|------------|
| 1    | 9    | Rothschild & Co                        | 32,441     | 16         |
| 2    | 1    | JPMorgan                               | 33,263     | 9          |
| 3    | 2    | Deloitte                               | 807        | 8          |
| 4    | 5    | Lazard                                 | 5,209      | 7          |
| 5    | 6    | PwC                                    | 1,043      | 6          |
| 6    | 40   | BNP Paribas                            | 26,668     | 5          |
| 7    | 18   | HSBC                                   | 10,683     | 5          |
| 8    | 53   | Barclays                               | 9,061      | 5          |
| 9    | 21   | Edmond de Rothschild Corporate Finance | 106        | 5          |
| 10   | 29   | BDO                                    | 23         | 5          |

### Legal advisors by volume

| 2022 | 2021 | Company name         | Value (€m) | Deal count |
|------|------|----------------------|------------|------------|
| 1    | 3    | CMS                  | 493        | 12         |
| 2    | 2    | DLA Piper            | 1,085      | 10         |
| 3    | 7    | Clifford Chance      | 2,304      | 9          |
| 4    | 4    | Linklaters           | 5,023      | 8          |
| 5    | 69   | Eversheds Sutherland | 200        | 7          |
| 6    | 16   | White & Case         | 2,639      | 6          |
| 7    | 33   | Latham & Watkins     | 3,983      | 5          |
| 8    | 5    | Vinge                | 1,022      | 5          |
| 9    | 10   | Cuatrecasas          | 2,748      | 4          |
| 10   | 14   | BAHR                 | 1,094      | 4          |

# Telecoms, media & technology



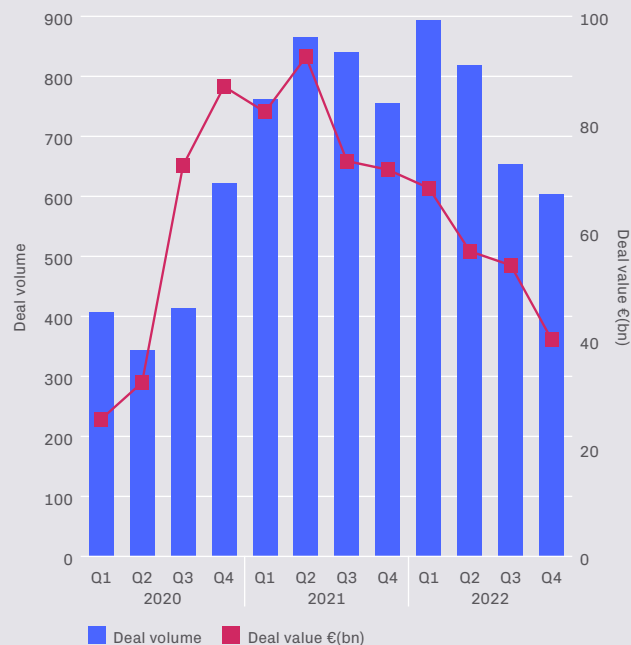
# Telecoms groups driving activity in EMEA's largest M&A sector

Europe's telecoms sector has been buzzing with M&A activity, buoying the wider TMT industry as operators look to sell off non-core assets to free up cash for ongoing 5G network developments and to pay down their debts.

Against macroeconomic headwinds such as raging inflation and the war in Ukraine, private capital firms and specialist companies are being drawn to the promise of stable returns that can be achieved from network towers, fiber, and fixed-line networks.

Telecom executives recognize that owning physical infrastructure is not a key focus for their businesses, and separating these assets can provide more leverage. Towerco sales are driving M&A in the European telecoms space and are set to continue trending upward. There were 2,968 TMT deals worth €218.6bn in EMEA in 2022—year-on-year declines of 8% and 32%, respectively, but still strong enough to lead all sectors in both volume and value terms.

TMT M&A activity, 2020-2022



Source: Mergermarket

## Pipeline of tower deals

Brookfield Infrastructure Partners made the largest of these in what was an exemplary transaction for the sector. The asset manager and DigitalBridge, a US REIT, acquired a 51% stake in GD Towers, Deutsche Telekom's mobile telecoms tower business unit, for €10.7bn. These plays have become very popular. In November, Vodafone struck a tower sale of its own when it divested a 32% stake in Vantage Towers to Global Infrastructure Partners and KKR for a consideration of €3.2bn, unlocking value while retaining the necessary control to achieve its 5G rollout.

In the second-largest TMT deal, French mobile network operator Orange merged its Spanish business with Masmovil for €7.8bn, creating a major competitor to market leader Telefonica. The EU's approval of the merger will determine if fewer operators and higher investment in infrastructure are favored, or whether competition and low prices will be maintained. The joint venture, equally controlled by the two companies, will have €7.3bn in annual revenue and over €2.2bn in operating profit, which has the potential to increase with the realization of operational synergies. Orange has taken a different tack to the likes of Vodafone and Deutsche Telekom. It operates its towers as a standalone business, Totem, which is consolidating and competing in the space and has yet to open the business up to investment or signaled any intention to do so.





### Not forgetting tech

It was not all about telecoms, however. The biggest tech-centric M&A deal concerned a €5.9bn bid by OpenText Corporation, a Nasdaq-listed Canadian enterprise information management software provider, for the UK's Micro Focus International. The move not only elevates OpenText's expertise in consultancy and cybersecurity, but also marks the delisting of Micro Focus from the London Stock Exchange.

Unlike many other B2B software firms, Micro Focus's stock price had been languishing since the onset of the pandemic. Over the past decade, OpenText has expanded its reach through strategic acquisitions, including the purchase of enterprise content management pioneer Documentum and security software provider Carbonite. Mark Barrenechea, the company's CEO, has compared the company's acquisition approach to that of a public company taking a leaf out of private equity's playbook.

Also in the UK's software space, French industrial group Schneider Electric, which specializes in digital automation and energy management, acquired industrial software firm Aveva for €4.7bn. The deal faced opposition from some of the company's largest shareholders, including M&G Investments, which saw it as exploiting Aveva's share price. However, the deal ultimately won approval above the necessary 75% threshold.

### TMT top bidders by value | 2022

|                      | €(m)   |
|----------------------|--------|
| USA                  | 75,178 |
| United Kingdom       | 23,739 |
| France               | 22,825 |
| Spain                | 15,393 |
| United Arab Emirates | 11,709 |

### TMT top bidders by volume | 2022

|                | Deal count |
|----------------|------------|
| USA            | 590        |
| United Kingdom | 428        |
| France         | 338        |
| Germany        | 230        |
| Sweden         | 184        |

## TMT top 10 announced deals, 2022

|    | Announced date | Bidder company   | Target company                                       | Target dominant country | Vendor company                     | Deal value (€m) |
|----|----------------|--|--|-------------------------|------------------------------------|-----------------|
| 1  | 14-Jul-22      | Brookfield Infrastructure Partners L.P.; DigitalBridge Group, Inc.       | Deutsche Telekom AG (GD Towers) (51% Stake)          | Germany                 | Deutsche Telekom AG                | 10,700          |
| 2  | 08-Mar-22      | Masmovil Ibercom S.A. (Spain business)                                   | Orange Espagne, S.A.U. (Spain business) (100% Stake) | Spain                   | Orange S.A.; Masmovil Ibercom S.A. | 7,800           |
| 3  | 24-Nov-22      | Existing Management  | PJSC VimpelCom (100% Stake)                          | Russia                  | VEON Ltd.                          | 5,877           |
| 4  | 25-Aug-22      | OpenText Corporation   | Micro Focus International Plc (100% Stake)           | United Kingdom          |                                    | 5,870           |
| 5  | 15-Feb-22      | Intel Corporation  | Tower Semiconductor Ltd. (100% Stake)                | Israel                  |                                    | 5,140           |
| 6  | 16-Mar-22      | Emirates Telecommunications Group Company PJSC                           | Etihad Etisalat (23.01% Stake)                       | Saudi Arabia            |                                    | 4,907           |
| 7  | 10-May-22      | Pegasus Entrepreneurial Acquisition Company Europe B.V.                  | FL Entertainment N.V. (100% Stake)                   | France                  | Financiere Lov S.A.S.              | 4,754           |
| 8  | 21-Sep-22      | Schneider Electric S.E.  | Aveva Group Plc (41.64% Stake)                       | United Kingdom          |                                    | 4,698           |
| 9  | 14-May-22      | Emirates Telecommunications Group Company PJSC; Atlas 2022 Holdings Ltd. | Vodafone Group Plc (9.8% Stake)                      | United Kingdom          |                                    | 4,229           |
| 10 | 31-Oct-22      | Veritas Capital Fund Management, LLC                                     | Wood Mackenzie Limited (100% Stake)                  | United Kingdom          | Verisk Analytics, Inc.             | 3,328           |

## Network improvements

There is little doubt that investors will continue to try and capitalize on price dislocations in the technology sector in 2023 in an attempt to get ahead of recovering valuations. Multiples on tech and tech-adjacent assets have surged over the last couple of years, and some degree of normalization in that regard may prove healthy in the long run for dealmakers.

But in EMEA the biggest driver is—and in all likelihood will continue to be—the telecoms space. Large players are seeking capital efficiency and remain under pressure to upgrade their networks. Deals offer an opportunity to pay down debts and cover the costs of these revamps.

## TMT league tables

### Financial advisors by value

| 2022 | 2021 | Company name       | Value (€m) | Deal count |
|------|------|--------------------|------------|------------|
| 1    | 1    | Goldman Sachs & Co | 59,657     | 36         |
| 2    | 4    | JPMorgan           | 43,817     | 25         |
| 3    | 2    | Morgan Stanley     | 39,883     | 23         |
| 4    | 3    | Bank of America    | 36,107     | 20         |
| 5    | 24   | Barclays           | 26,141     | 14         |
| 6    | 25   | PwC                | 24,644     | 99         |
| 7    | 6    | Lazard             | 24,360     | 30         |
| 8    | 26   | Evercore           | 23,632     | 13         |
| 9    | 7    | Rothschild & Co    | 23,481     | 52         |
| 10   | 5    | BNP Paribas        | 22,392     | 19         |

### Legal advisors by value

| 2022 | 2021 | Company name                     | Value (€m) | Deal count |
|------|------|----------------------------------|------------|------------|
| 1    | 2    | Latham & Watkins                 | 42,459     | 73         |
| 2    | 7    | Freshfields Bruckhaus Deringer   | 34,307     | 37         |
| 3    | 3    | Allen & Overy                    | 31,328     | 52         |
| 4    | 4    | White & Case                     | 18,214     | 82         |
| 5    | 59   | Cleary Gottlieb Steen & Hamilton | 17,545     | 16         |
| 6    | 133  | Wolf Theiss Rechtsanwaelte       | 17,289     | 14         |
| 7    | 6    | Linklaters                       | 16,389     | 34         |
| 8    | 22   | Slaughter and May                | 15,624     | 14         |
| 9    | 28   | CMS                              | 14,401     | 93         |
| 10   | 15   | Orrick Herrington & Sutcliffe    | 14,395     | 100        |

### Financial advisors by volume

| 2022 | 2021 | Company name       | Value (€m) | Deal count |
|------|------|--------------------|------------|------------|
| 1    | 3    | PwC                | 24,644     | 99         |
| 2    | 2    | Deloitte           | 5,403      | 83         |
| 3    | 4    | KPMG               | 5,091      | 57         |
| 4    | 1    | EY                 | 11,982     | 56         |
| 5    | 5    | Rothschild & Co    | 23,481     | 52         |
| 6    | 6    | Houlihan Lokey     | 7,581      | 51         |
| 7    | 7    | BDO                | 6,737      | 39         |
| 8    | 10   | Oaklins            | 481        | 39         |
| 9    | 9    | Goldman Sachs & Co | 59,657     | 36         |
| 10   | 17   | Lazard             | 24,360     | 30         |

### Legal advisors by volume

| 2022 | 2021 | Company name                  | Value (€m) | Deal count |
|------|------|-------------------------------|------------|------------|
| 1    | 1    | DLA Piper                     | 6,033      | 155        |
| 2    | 4    | Orrick Herrington & Sutcliffe | 14,395     | 100        |
| 3    | 5    | CMS                           | 14,401     | 93         |
| 4    | 3    | White & Case                  | 18,214     | 82         |
| 5    | 7    | Goodwin Procter               | 6,915      | 81         |
| 6    | 2    | Latham & Watkins              | 42,459     | 73         |
| 7    | 14   | Jones Day                     | 11,071     | 53         |
| 8    | 8    | Allen & Overy                 | 31,328     | 52         |
| 9    | 9    | Kirkland & Ellis              | 13,579     | 51         |
| 10   | 6    | Baker McKenzie                | 6,637      | 49         |

#### About this report

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