



# ICFN

GLOBAL M&A

## Q2 2023 news

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## M&A global



Welcome to a new ICFN moment, friends.

What is happening in the global M&A scenario?

Again, the current M&A environment is in the midst of considerable uncertainty and volatility, due to a number of macroeconomic and geopolitical factors. First, fluctuating global financial markets have created a sense of instability, leading to a decrease in the number of transactions in the first half of 2023. According to Willis Towers Watson's Quarterly Deal Performance Monitor (a report that analyses the performance of companies before and after an M&A transaction), global M&A deal volume declined by 22% in the first quarter of 2023. However, it points to growing optimism for the remainder of the year, supported by the fact that, for the third consecutive quarter, buyers outperformed the overall market. Specifically, companies making acquisitions of more than \$100 million outperformed the market by 1%.

In this environment, private equity funds have emerged as a crucial source of investment, evidencing their growing relevance in the global M&A ecosystem. However, the decline in SPAC activity, driven by increased oversight and regulation, and the stagnation of IPO markets have added complexity to the landscape. In the current M&A environment, players must adapt, explore alternative markets, and adopt innovative growth strategies to deliver value.

In short, despite the current uncertainty and volatility, there are also opportunities for innovation and adaptation. The ability to adjust strategies will be critical to long-term success in the M&A sector.

Posted by Julen Jimenez. BAUM

## ICFN Annual Summit 15 May 2023 Warsaw

ICFN has met for the annual Global Summit on May 15 in Warsaw. ICFN members met at **DZP Domański Zakrzewski Palinka s.p.k.** offices, and had a very active exchange on cross-border deal opportunities in a strong mid-market M&A environment.

In a special session which was opened for online attendance to selected **ICFN** guests, attendees had the opportunity to learn more about the highly attractive investment environment in Poland, with a special focus on the ICT sector.

The session also included a presentation on market perspectives and innovation trends in the fast-growing Polish ICT market. The summit was rounded off by a private tour of the high-rise building of the Palace of Culture and Science right next door to DZP's offices in central Warsaw.

ICFN wishes to thank the great hospitality and management of the DZP team.



# ICFN welcomes AURIS Finance to the network

Strengthening our global network. It is with great pleasure that we welcome to the International Corporate Finance Network the French firm Auris Finance:



[www.auris-finance.fr](http://www.auris-finance.fr)

Founded in 2000, **AURIS Finance** is an independent investment bank with expertise in corporate finance: mergers and acquisitions, fundraising, financial restructuring, and valuation services, both in France and abroad.

Our team of experts has a strong entrepreneurial spirit and works with SMEs and mid-sized companies in the following sectors: Food & beverage and consumer goods industry, IT & telecom, Industrial & Engineering and Business Services (Human Resources & Temporary Work, Cleaning & Environment).



**Henri-Jacques VAN TICHELEN**

Henri-Jacques has devoted most of his career to the sectors of 'services to industry' (including construction engineering, industrial process engineering, automated material handling, ....) and contractors (integrators / turnkey contractors).

Henri-Jacques has managed major players in these sectors in France, UK, the Netherlands and Belgium and has carried out numerous acquisitions, disposals and restructuring operations. He is graduated MS / MBA and joined **AURIS Finance** to develop his activities in France and Europe.

[hj.vantichelen@auris-finance.fr](mailto:hj.vantichelen@auris-finance.fr)

# Scenarios

## Finland: expecting M&A market to normalize

*"54 transactions were completed in Finland between January and March 2023, which is 24% less than those carried out during the same period in 2022. The period January-March 2023 was also poor in a long-term perspective, as the volume of transactions was almost 39% lower than the long-term average. The number of transactions declined in all revenue categories.*

*In the Q1 review we noted that equity prices had risen by more than 20% since the autumn 2022 lows and that the interest rate showed signs of stabilising. However, the number of M&A transactions in January-March shows that the improvement in the overall market environment did not increase this activity.*

*At present, the market environment remains uncertain, but significantly better than last summer-autumn.*

*Therefore, considering that the average duration of a typical M&A process takes about 6 months, a normalisation of transaction activity can be expected towards the end of this year at the earliest. We expect M&A activity to normalise by the end of this year. We believe that M&A activity in the SME sector will return to a normal level faster than, for example, those in real estate or private equity, because valuation levels in the SME sector never reached bubble levels.*

*Comparing this with the real estate market, the situation is completely different. Interest rates have risen so much that the previously normal 3-4-5% net rental income is not at all sufficient to cover debt servicing costs and a sufficient risk premium compared to fixed income investments. In addition to uncertainties in the economic outlook, the real estate market needs a severe price adjustment before it can reach normal levels.*

*We expect real estate market valuations to follow the trend in the private equity market. As an example, all funds in the world's leading private equity fund, Sequoia, in 2018 show a depreciation (investors have not made any gains in five years), with the Tiger Global private equity fund depreciating by 33% (investors lost approximately \$23bn)."*



Turo Kiiski  
3J PARTNERS



## France: M&A activity remains generally dynamic at the beginning of 2023

*"We are still seeing strong activity in M&A deals, continuing the trend from 2022. However, there is disparity across sectors. While BtoB services remain strong, the agri-food industry is struggling. The results of 2022 were largely impacted by the increase in energy and raw material costs, and the ongoing 2023 fiscal year shows a decrease in volumes directly linked to a decrease in consumption due to inflation.*



Henri Jacques van Tichelen  
AURIS FINANCE

*The post-COVID period has rebalanced supply and demand. Many divestment deals are presenting themselves due to several factors: retirement of executives, "giving up" in the face of economic difficulties (recruitment challenges, reduced margins, uncertain environment with the war in Ukraine and the increase in interest rates). However, this environment has not affected the willingness of industrial companies to pursue external growth.*

*We perceive an important demand on external growth opportunities (M&A buyer's side) in the engineering and IT / Telecom sectors.*

*Valuations under pressure. This balance between supply and demand, along with the significant increase in the cost of debt, is starting to be felt on valuation levels, which, although still favorable, are showing the first signs of a decline."*



## USA: the collapse of Silicon Valley bank affecting M&A industry

*"Deal activity in the US in 1Q23 slowed a bit relative to the high amount of activity seen in 2022. Companies have experienced slowed growth - the elevated demand for goods and services in 2022 was, in part, due to pent up demand during the Covid years and, once satisfied, slowed as 2023 began. As a result, many companies were less attractive acquisition candidates which has delayed M&A activity.*



Andrew Heitner  
ALCON PARTNERS

*The M&A industry itself in the US has suffered a little from the collapse of Silicon Valley bank and the rise in interest rates."*





David Franeau  
CLOSING

### Belgium -Closing: M&A landscape

*"The Belgian M&A market remains very active, mostly on the sell side while buyers tend to have a more prudent approach due current market uncertainties in Europe."*



Kurt Faes  
CoTra Law

### Belgium - CoTra: Ongoing with caution

*"Investment and acquisition activities remain ongoing, particularly in the SME sector but investors and purchasers remain prudent in terms of valuation. This results in delays and, sometimes, aborted investments or transactions. Leveraged transactions (mainly private equity and real estate transactions) are at a lower level compared to previous years."*



► Recently, in the ICFN world

## Cross Border Sale of Dutch Based company AdinPlay to UK based Venatus backed by PE firm LivingBridge

*AdinPlay, an AdTech company focused on 'monetising' online games, is known as the leading provider of ad monetisation solutions for game site publishers. The company has doubled in size over the past two years with the addition of new publishers. AdinPlay expects to grow further in the coming years, complementing Venatus' strategic growth agenda.*



*AdinPlay, founded in 2013, is an advertising technology platform with a focus on solutions for monetising online games. The company is constantly engaged in games and uses the latest tools and trends in ad monetisation to provide the best value to its clients. AdinPlay supports its clients in ad implementation and advises its clients on the best methods for ad monetisation.*

*Venatus is a leading provider of digital advertising solutions in the gaming industry. It offers a comprehensive range of products and services to advertisers and publishers. Venatus' mission is to become the number one advertising solutions provider in gaming through innovative technology and partnerships at the highest level.*

*AdinPlay's cutting-edge technology and commitment to delivering high-quality ad experiences make it the perfect match for Venatus. The acquisition brings together the expertise of both companies and allows Venatus to further enhance its product and technical offerings for gaming publishers.*

*The selling owners of AdinPlay were accompanied throughout their sales process by Factor & Ros.*

## Closing: recent operations

*A reference player in the Walloon Region since the beginning of the 20th century, specialized in the purchase and resale of steel with or without transformation (T/O of €6 million €, 20 people), bought by a strategic player as part of its geographic diversification.*



*A company specializing in the manufacture and marketing of foundation screws for light constructions. This foundation concept makes it possible to replace concrete in many fields of application thanks to its technical performance and ease of placement. Created in 2009, the company has become a reference player in the sector thanks to the development of different solutions based on a wide range of connectors and accessories related to foundation screws. These solutions are now distributed in more than 400 points of sale in more than 10 countries. The new team made up of investors and private industrials wish to continue the company's growth and intensify its international reach.*

### 3J Partners has acted as the financial advisor for Power Mining, sold to Nordisk Bergteknik

*"We are grateful to **3J Partners** for the successful transaction process and the flawless cooperation."-Kimmo Tolonen, CEO of **Power Mining Oy**.*



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***Power Mining's** service offering includes tunnel excavation, strengthening, roughing and loading work, for which they own a comprehensive selection of heavy equipment suitable for the job. **Power Mining Group's** net sales in the financial period ending at the end of September 2022 was approximately EUR 15 million.*

***Nordisk Bergteknik** is the largest rock processing, infrastructure and foundation solutions group in Northern Europe listed on the Swedish stock exchange.*

### EXG acts as M&A advisor to the shareholders of The Project Group Informationstechnologie GmbH for the sale of a majority shareholding to Alpina Partners to support its international growth strategy

***TPG The Project Group**, a leading provider of products and consulting in project, portfolio and resource management (PPM) has paved the way for an enhanced and ambitious growth strategy with funds managed by **Alpina Management GmbH** acquiring a majority stake in the company.*



***TPG** with headquarters in Munich and several international subsidiaries has more than 100 employees. The company is a longstanding Microsoft and Planisware partner and offers complementary software solutions as well as integration and implementation services in the field of project portfolio management. It serves more than 700 customers from various industries including SMEs as well as large international corporations. **Alpina Partners** is an independent European technology investment firm with a focus on leading businesses with strong USPs in the area of B2B software, technology-enabled business services and industrial technologies.*

*Together with **Alpina**, **TPG's** management intends to expand both its international service offering and its own software solutions and products and become one of the leading platforms for software and consulting services in the PPM space. **TPG's** management reinvested significantly in the course of the transaction and will continue to drive the company's future growth.*

***EXG** has acted as M&A advisor to **TPG** for the transaction.*

## DZP advises Würth Group on acquisition of listed company TIM

*A team of lawyers from the Corporate and M&A Practice and Capital Markets and Financial Institutions Practice advised the **Würth Group** on the acquisition of **TIM**. **DZP's** support involved comprehensive transaction advice, which included conducting a legal due diligence review, negotiating all transaction documents, and preparing a tender offer to purchase shares in **TIM**, the largest distributor of electrotechnical products in Poland. Our client is a global leader in the development, production and sale of fastening and assembly materials. Its portfolio also includes an electrical goods wholesaler. By acquiring **TIM** and joining forces in the electrotechnical distributor market, the **Würth Group** will secure greater exposure and know-how in the e-commerce area.*

## DZP supports Re Alloys in renewable energy investment

***DZP** has advised **Re Alloys**, the only producer of ferroalloys in Poland and one of the largest in Europe, on the acquisition of a 35 MW wind farm project from **Martifer Renewables**, as well as on the preparation and conclusion of several key contracts for the implementation of the invest. The wind farm, which is being constructed in the village of Dzwola in Lubelskie Voivodship, is expected to be put into operation in the second half of 2024 and the energy it produces will be fully utilised by **Re Alloys**, a company belonging to the **Luma Holding group**. The investment is part of the company's long-term strategy, which is for the company's energy needs to be covered entirely by renewable energy sources and to achieve zero emissions. Our advice in the process to purchase the wind farm project from **Martifer Renewables**, a company in the Portuguese **Martifer Group**, covered all stages of the transaction.*

## DZP advises Danish pension fund on purchase of Better Energy shares

*As part of an international team coordinated by the law firm, **Bech-Bruun DZP** has advised **ATP**, Denmark's largest pension fund, on Polish aspects of its investment in the renewable energy business **Better Energy**. **Better Energy** is also one of the largest developers of photovoltaic farms in Poland, and our market – next to the Danish and Swedish markets – is the most important for this investor. Thanks to the transaction, **ATP** has become a minority holder of approx. 15% of **Better Energy's** shares and will join **Better Energy's** management board, thus fulfilling its objective of increasing the company's participation in the green transition. The transaction that **DZP** participated in will also allow **Better Energy** to further develop and expand its portfolio of photovoltaic parks. Our work focused on a legal due diligence and transaction advice.*

## BAUM advises the seller on the acquisition of Campogricola by Private Equity firm Indes Capital

*Indes Capital insists on its commitment to the agricultural sector. The Spanish private equity firm has acquired **Campoagrícola**, one of Spain's largest distributors of spare parts for agricultural equipment. The amount paid for this transaction amounts to between 5 and 6 million euros, assuming also the debt carried by the Spain-based company. **Campoagrícola's** management team will remain at the forefront of the company, with the mandate to consolidate its growth and boost its internationalisation. According to projections, turnover is expected to reach 13 million euros in 2023, which would represent a 15% increase over the 11 million recorded last year. **Campoagrícola** has been advised by **BAUM** in the operation.*



## BAUM advises on the acquisition of Gosuma by Antalis

***Antalis** has acquired **Gosuma**, a Spanish packaging distribution company with an annual turnover of 5 million and more than 1,000 customers. **Gosuma** is strategically located in a highly industrialised area of Spain, which will strengthen **Antalis'** position in the Iberian market. **Gosuma** specialises in the distribution of packaging products such as cardboard boxes, plastic packaging, polyethylene, adhesive tapes and machinery, mainly for the automotive sector, but also for the food and pharmaceutical industry.*

***Gosuma** has been advised on the transaction by **BAUM** while **Antalis** has been advised by **PWC**.*

***CoTra** assisted **Groep VAB** with the sale of three tyre centres and a tyre hotel (in Flanders) in the framework of a management buy-out. **CoTra's** transaction team assisted **Groep VAB** as seller during the entire transaction both in drafting the transaction documents and in conducting the negotiations and the successful closing of this transaction.*



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***CoTra** assisted **Triginta** (a Belgian privately owned real estate development company focusing on developing sustainable real estate solutions for the social sector) in the acquisition of two real estate projects: the Wivina monastery (located in Dilbeek, Belgium) and the "Huis van Oombergen" (a historical building located in Ghent, Belgium). **CoTra** assisted **Triginta** in both transactions during the entire transaction both in drafting the transaction documents and in conducting the negotiations and successful closing of the transaction.*

***CoTra** assisted the **Smulders group** (an international steel construction company predominantly active in the sector of off-shore wind) in the acquisition of a strategically important shipping yard based in the port of Vlissingen (the Netherlands). **CoTra** assisted **Smulders** during the entire transaction both in drafting the transaction documents and in conducting the negotiations and successful closing of the transaction.*

***CoTra** assisted the German **Toi Toi & Dixi Group** with its acquisition of **Forma-Rent BV**, a strong and innovative company specialized in the rental of portable toilets and sanitary facilities. **CoTra** assisted the **Toi Toi & Dixi Group** during the entire transaction both in drafting the transaction documents and in conducting the negotiations and successful closing of the transaction.*

## Events calendar

### Q3 Conference

Quarterly  
Deal Flow Conference  
3 p.m. CET

18

September

### Q4 Conference

Quarterly  
Deal Flow Conference  
3 p.m. CET

27

November

## Some of our ongoing projects

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[www.dzp.pl](http://www.dzp.pl)

- **Production** / Sell-Side / Production / 2022 Revenue: +5M € EBITDA: +1M € / Type of investor: any / from Poland to any country/ The target located in Poland offers a wide range of products from many world-renowned manufacturers of riveting devices, fasteners and tools. Teaser available upon request & NDA
- **Food and beverages** / Sell-Side / Food and beverages / 2021 Revenue: +5M € EBITDA: +0,6M € / Type of investor: any / from Poland to any country/ The target is located in Poland and specializes in the production of ready meals with the production plant. Teaser available upon request & NDA

**BAUM**

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[www.baum.es](http://www.baum.es)

- **Wood** / Sell-Side / Wood packaging / Turnover 6M €, Ebitda 18-22% (2022) / Type of investor: any / from Spain to any region / Spanish wood packaging company with sawing division (2 cutting lines) and packaging division. Solvent company, no debt.
- **Dairy** / Sell-Side / Dairy / size of the company 20,3M € (2022) / Type of investor Strategic - PE / From any region to any region / Trader of dairy products for the food industry. No significant competitor. Ebitda of 1.4M €



**Factor & Ros**  
bedrijfsovernames en managementregie

[www.factor-ros.nl](http://www.factor-ros.nl)

- **Frame**/ Sell-Side / Art painting - photography market / € 6 M / Type of investor: Strategic - PE / from Netherlands to Europe - US / Producer of niche products for the art painting and photography market, sales cover the whole European region
- **Staffing**/ Sell-Side / Staffing agency / € 15 mm / Type of investor: Strategic - PE / from Netherlands to Europe / Personnel service provider (Staffing Company) for foreign blue collar personnel for the Dutch market. Labor force is sourced in Eastern Europe
- **Retail** / Sell-Side / Retail chain / € 40 mm / Type of investor: Strategic - PE / from Netherlands to Europe / Retail Chain with over 80 multi brand stores throughout the Northern part of the Netherlands

**CLOSING**

[www.closing.be](http://www.closing.be)

- **ERP 2.0** / Sell-Side / IT / Sales 1.5M€, EBITDA 0.5M€, fast growing / Type of investor: Strategic-PE-VC / from Belgium to Europe / Consulting firm specialized in enterprise resource planning (ERP)
- **Cheese** / Sell-Side / Food industry /Sales 7M€ / Type of investor: Strategic player in the cheese industry / from Belgium to Europe (preferably France) / Belgian group active in the production and marketing of organic cheese. The group is encountering structural difficulties due to a lack of volumes to make its production facilities profitable (2 factories able to produce 1,500 tons/year, 30 people, around 20 well known brands)



[www.alconpartners.com](http://www.alconpartners.com)

- **O1/** Buy-Side / IT Managed Services / \$ 5 mm / Type of investor: PE Add-on / from USA to USA / IT managed service providers (MSP). Focus on small- to mid-market customers with 50-500 employees. Helpful if the companies are in regulated industries such as finance or legal.
- **C3/** Buy-Side /Expert networks/ \$ 5 mm / Type of investor: PE Add-on / from USA to US, Europe, South America, Asia / Companies that have expert networks – a database of professionals who are considered experts in specific fields who can be called on to provide data for market research projects. Companies can be located in US, Europe or Asia, and have experts in any of these geographies.
- **B1/** Buy-Side /Contact Center Software Integrators and Consultancies (CCaaS) / \$ 30 mm / Type of investor: PE Platform / from USA to North America / Companies that provide consulting, implementation, and integration of CCaaS (Contact Center as a Service) solutions.
- **T1/** Buy-Side /Outsourced Software Development Companies/ \$ 10 mm / Type of investor: PE Add-on / From USA to Global / Full-cycle outsource software development companies. Developers can be in North America, South America, Europe, or Asia.

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- **Energyfinance/** Funding of new business entity / Finance Size of funding EUR 13,5: 90% debt finance; 10% equity / Type of investor: Bank debt. Equity finance provided by owners of company / from Denmark to Denmark / Energyfinance will provide debt funding of capex in energy efficiency in energy intensive manufacturing companies. Need for energy efficiency is driven by new EU requirements for ESG reporting and documented reductions in CO2 emission as well and increasing/volatile energy prices which in impacting earnings negatively



www.auris-finance.fr

- **Square** / Buy-Side (business development) / Human resources / T/O 15-70 M€ / Type of investor: Strategic HR Group (T/O 800 M€) / from France to Belgium - Flanders / Looking for: Temporary work network (from 5 to 30 agencies) located in the Flanders region of Belgium. Blue collars
- **Toutestbon** / Sell-Side (retirement) / Deli-grocery / T/O 23 M€ / FTE 120p - Western France / Type of investor: Strategic / from France to Belgium, Netherlands
- **Betmal** / Sell-Side (retirement) / Cured meats grocery / T/O 7 M€ / FTE 30p - Southern France / Type of investor: Strategic / from France to Spain
- **Arctique** / Sell-Side (business development) / Import - Export - frozen seafood / T/O 16 M€ - FTE 6 p - Northern France / Type of investor: Strategic / from France to Belgium, Netherlands

## ► Finish 3J Partners meets BAUM on his visit to Spain

**3J Partners** team, the Finnish M&A firm in **ICFN**, has paid a visit to Spain, combining work and leisure. There was time for a meeting with **BAUM**, followed by an informal lunch for both teams at a gastronomic society in the picturesque town of Zumaia.

The M&A scenario of both countries and business impressions were discussed at **BAUM**'s offices in San Sebastian, followed by a trip to the small coastal town, where delicious local delicacies and wines were tasted. The **3J Partners** team was able to visit the impressive flysch of Zumaia.



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... Bye!

It's all about adding value to the target company



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