



ICFN

GLOBAL M&A

Q1 2023 news

Image: Frantisek Kupka *"The first step"*

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► For those about to M&A, we salute you

Welcome to a new ICFN moment.

What is happening in the global M&A scenario?

M&A deals tend to be slowed down in times of market uncertainties, yes, but these may be precisely the times when valuations become more attractive and opportunity beckons.

Current market conditions suggest that we are in a sweet time for M&A, provided companies have well-thought-out strategies and the financial wherewithal to pursue transformative deals.

At the beginning of this year the economic outlook remains dampened by global recession fears, rising interest rates, the Ukraine war, geopolitical tensions and supply chain disruptions. But, let's remember that transactions that take place during a recession are often the most successful.

With valuations rebalancing, less competition for deals and new assets coming to market - including those from distressed situations - coupled with the need to grow, we believe CEOs are still eyeing M&A as a way to accelerate and reinvent their businesses.



The discreet charm of M&A in challenging times, dear friends.

► New kid in town: CoTra Law

Strengthening our global network. It is with great pleasure that we welcome to the International Corporate Finance Network the Belgian firm **CoTra Law**:



CoTra is a Belgian dynamic boutique law firm specialized in transactions and corporate law. The CoTra partners have an aggregate (inter)national experience and track record of more than 60 years.

CoTra assists entrepreneurs, investors, start-ups, growth and established companies and (inter)national groups, with a focus on transactions, corporate law and advisory. Therefore, **CoTra** joins its forces with the client's specialist advisers or **CoTra's** trusted specialist partners (e.g. for financial, tax, HR, environmental, IP/IT, litigation or foreign assistance).



Kurt Faes

Founding Partner

Kurt is a Belgian corporate lawyer specialized in mergers and acquisitions (M&A) and all fields of transactions (e.g. (private equity) investments, joint ventures, partnerships, restructurings, etc). Kurt is one of the founding partners of **CoTra**, an independent and dynamic boutique law firm specialized in transactions and corporate law.

kurt.faes@cotra.law



Davy Smet

Partner

Davy is a corporate lawyer specialized in all fields of corporate law and transactions, including mergers and acquisitions (share and asset deals), venture capital, joint ventures, partnerships and restructurings for multinational groups and large/medium-sized local companies.

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Wim Vande Velde

Partner

Wim is a Belgian corporate lawyer specialized in M&A transactions, joint ventures, private equity investments and real estate. After having worked for two international law firms (including as a partner) in Belgium and France, Wim joined **CoTra** in January 2023.

wim.vandavelde@cotra.law

► New kid in town: Closing

Strengthening our global network. It is with great pleasure that we welcome to the International Corporate Finance Network the Belgian firm **Closing S.R.L.**:



www.closing.be

Closing is an independent M&A and Corporate Finance advisory firm located in the French speaking part of Belgium.

Strategic M&A operations are potentially high added value projects which need careful preparation and dedicated attention throughout their implementation. With a strong entrepreneurial mindset, Closing advises shareholders, enterprises and managers in their operations, in Belgium and abroad

Closing conducts more than a dozen M&A operations every year.



Thierry Dehout
Partner

Thierry has been active for more than 20 years in the field of business transfers, first within the network of Belgian, French and Luxembourg Chambers of Commerce, then as a partner in a business M&A firm.

Thierry is a certified consultant by the Walloon Region.

thierry.dehout@closing.be



David Franeau
Partner

David was previously Director of the M&A department of a Big-4 company in Luxembourg, Director of a Luxembourgish Private Equity fund and General Manager of a Belgian industrial group. Since 2013, David also assists a Belgian family of industrials in the management of their investments.

david.franeau@closing.be



Rémy Templier
Partner

Over the last years at **Closing**, Rémy has conducted and actively contributed to the success of numerous transactions, fundraising, valuations, financial and strategic studies in multiple sectors.

Rémy is a certified consultant by the Walloon Region.

remy.templier@closing.be

► New kid in town: Enes Cabral

Strengthening our global network. It is with great pleasure that we welcome to the International Corporate Finance Network the Portuguese firm Enes, Almeida Cabral & Associados, Sociedade de Advogados, Sp RI (**Enes | Cabral**) :

ENES | CABRAL

www.enescabral.com

Enes | Cabral is a law firm, based in Lisbon, Portugal, specialized in Mergers & Acquisitions, Corporate Law and Foreign Investment matters. With a team of solid expertise, Enes | Cabral assists companies operating in Portugal in mostly all the relevant economic sectors and provides legal support to foreign companies that intend to establish in Portugal, guaranteeing tailor-made and sophisticated solutions which can represent an actual added value in the context of each client's global strategy.



Susana Enes

Founding Partner

Susana Enes is a founding partner of **Enes | Cabral**, responsible for the M&A and Corporate Law practice areas. Susana started her professional life as a tax consultant in a Big Four consultancy firm, but soon decided to engage in her law practice, having worked in both national and international law firms in Portugal, where she gained a relevant experience in advising clients in M&A projects, mostly small to mid-size companies.

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► Our members talk



German M&A scenario: cautious, but better than expected



Sonja Legtmann
EXG CONSULTING GmbH

“In its latest monthly report (Dec 2022) the Deutsche Bundesbank expected a receding Gross Domestic Product for the winter half-year and a growth scenario for the second half of 2023. The feared major slowdown of the German economy due to energy shortages has, however, not happened and general expectations are improving.

In January, the Institut für Weltwirtschaft (IfW) has published its new expectations for 2023: the IfW now expects a GDP growth scenario for 2023 with an expected growth rate of 0.3% (after an expectation of – 0.7% in September 2022).

Diversification of supply sources for energy - in particular for gas - has happened faster than expected, energy savings have been realised and rationing of energy is no longer a potential scenario for the current winter. Energy prices, however, remain high and are dampening production levels.

Inflation is expected to come down in 2023 (and more so in 2024); supported by government subsidies for gas and electricity but negatively affected by rising labour costs. Despite the economic slowdown the labour market is still strong and companies are desperately looking for skilled workers.”

USA: activity projected to slow among PE firms



Andrew Heitner
ALCON PARTNERS

"M&A activity among PE firms is projected to slow a bit during 2023 in the USA, as rising interest rates have made capital for transactions more expensive, which is pushing enterprise valuations down."

"There are also concerns about a potential recession, which would negatively affect the growth prospects for acquired companies. Certain areas of technology retain strong demand, however."



Belgium: a very dynamic M&A scenario



David Franeau
CLOSING

"Very dynamic and opportunistic M&A sector, with many sell side mandates in preparation."

Earn-out and vendor loans becoming more frequent to reflect a lower level of visibility on future cash flows. Uncertainties as to development and impact of inflation, sourcing of materials, energy costs and customer purchasing power in B-to-C."

"Some pressure from banks on their funding terms for the buyers (gearing, cost of capital)."





Finland: 2022, bad year for the M&A market



Turo Kiiski
3J PARTNERS

"It can already be stated from initial statistics (1.1.2022 - 22.12.2022) that 2022 is going to be one of the worst M&A years in Finland. War, energy crisis, inflation and recession fears seem to have completely frozen the market after the summer.

The first half of 2022 still looked reasonable, as the number of transactions was 20–30% below the previous year (which was record year). In the third quarter and fourth quarter (1. Oct - 22.Dec), transactions collapsed 60–80% below the 2021 levels, record low at least in near-term history.

The decrease in the number of business transactions seems to have been mostly in the SME sector, i.e. companies with a turnover of less than 50 MEUR in 3J's statistics, as the transaction volumes of companies with a turnover of more than 50 MEUR were roughly at the level of the previous year.

Collapse of the M&A market didn't slow 3J's growth how ever, as we delivered another record year.

Prospects for general M&A market in 2023 are unclear (as always) but 3J is almost sure some sectors will thrive. We predict that this will apply to renewable energy developers and energy companies as well as engineering companies and subcontractors offering services to the energy sector."

ICFN Annual Summit 15th May 2023 Warsaw

Our Annual International Corporate Finance Network Summit will be held in Warsaw on May 15, 2023.

Members and friends of ICFN will have the opportunity to meet in person, talking about the M&A developments in the different countries and focusing on cross border M&A transactions and opportunities.

Online connection will be possible for those members not able to attend in person.

More details to come.

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► Recently, in the ICFN world

Closing, Belgium, advised on:

"A Belgian wear parts manufacturer using a steel renowned as the world's leading abrasion-resistant steel. Family owned business, sold to 4 new Belgian private investors with an industrial background. Transaction value of 10M€."

CLOSING

A Belgian undertaker (funeral home) and stone cutter (funeral marble). Family business sold to group also active in the same business in Belgium and France, growing through acquisitions (ongoing sector consolidation). Transaction value of 2M€."

A Belgian fuel & pellets distributor, sold to a regional group active in the same business (ongoing sector consolidation). Transaction value of 3.3M€. "



Alcon Partners, USA:

"Alcon acted as buy-side advisor to a Private Equity backed manufacturer of boating products in two strategic acquisitions during Q4 2022"

CoTra Law, Belgium, on their latest deals closed:



CoTra

ADVISORY & TRANSACTION LAWYERS

*“CoTra Law assisted the German Toi Toi & Dixi International Group with its strategic acquisition of the Belgian companies **Hobo NV** and **Liekens NV**. **Hobo** and **Liekens** are specialised in the rental of portable toilets, showers and sanitary containers, as well as industrial cleaning and well emptying.*

*CoTra Law assisted the French Heppner Group with its strategic acquisition of Belgian **Dina Logistics**. **Dina Logistics** is specialised in transport, logistics, distribution and warehousing (at locations in Ternat, Deinze and Vilvoorde).*

*CoTra Law assisted the shareholders/sellers with the sale of **Consulta** to the Dutch **Care Cosmetics** group. **Consulta** is a market leader in cosmetics distributions in Belgium and Luxembourg.*

*CoTra Law assisted the German **Hansa-Flex** group with its acquisition of **L.I.S. Hydraulics**. As a **Bosch Rexroth Service Partner**, **L.I.S. Hydraulics** is a valued player in the market, specializing in the construction and maintenance of hydraulic systems, installations and components. **Hansa-Flex**, as a Partner for **Hydraulics**, is a global total supplier with 60 years of expertise in hydraulics.”*

Enes | Cabral, Portugal:

ENES | CABRAL

*“In the end of the 1st semester of 2022, **Enes | Cabral** advised on the sale of 6 fast-food chain restaurants (3 acting on the seller’s side and 3 on the buyer’s side). At the end of the 4th quarter of 2022, we started assisting, on the buyer’s side, an acquisition of a waste management company (still ongoing).”*

Milner Finance, Denmark:

*“Closed October 2022: **Energifinans A/S** is a newly established firm offering bespoke financing of capex into energy optimization in energy intensive production for the purpose of 1) facilitating the green transition, 2) reduce dependency of fossil energy sources, and 3) reduce costs.*

*The operations will be carried out in an exclusive partnership with **NRGI** – the 3’rd largest Danish energy distribution firm and the leading Danish advisory firm in energy optimization.*



The unique elements of the financing offering include:

- ❖ *100% financing of the capex*
- ❖ *Installments of the loan based on the size of the energy savings – thus being liquidity neutral to the company*
- ❖ *The projects always have positive NPV as of the outset. The length of the period with installments define the IRR to **Energifinans***
- ❖ *Subordinated to other banking arrangements*
- ❖ *An integrated offering together with the technical advice from **NRGI** who also will handle all relations to the Danish Energy agency and collection of grants.*

The target market is initially exclusively Denmark but the business model is highly scalable and if/when successful other markets will be included.”



3j Partners, Finland:

*"3J Partners acted as financial advisor to **Elcoline** on the acquisition of the Swedish business of **Maintpartner Ab**, owned by funds managed by **CapMan Buyout fund**. In addition to financial advice on the acquisition project, **3J Partners** assisted **Elcoline** in undertaking an extensive study of potential M&A targets in the Nordic industrial maintenance market, as well as in developing an M&A strategy.*

*Around 140 people will join **Elcoline's** workforce. With this transaction, **Elcoline** will reach a turnover of 65 million euros and will become one of the leading companies in the Nordic market.*

***3J Partners** acted as financial advisor to the companies **Go On** and **Feelback Oy**, in an innovative deal structure, in which two seemingly different companies were ideally combined and, with the support of private equity firm **Korona Invest**, shaped a new growth strategy.*

*The franchise chain **Go On** offers staffing, recruitment, suitability assessment and hiring services throughout Finland from 20 locations. **Feelback**, on its part, offers research services related to customer feedback. With **Feelback's** data collection services, the company's existing and all-new clients can further strengthen their competitiveness."*

"I am easily satisfied with the very best"

- Sir Winston Churchill -

#weto0

Some of our ongoing projects

MEMBER OF:



www.baum.es

- **Wood** / Sell-Side / Wood packaging / Turnover 5M €, Ebitda 10-15% / 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 24M € / Type of investor Strategic - PE / From any region to any region / Trader of dairy products for the food industry. No significant competitor. Ebitda of 1.2M €.



www.keycapitalchile.cl

- **Supplier Draft beer** / Sell (100% or control) / Beverages / 10M € / Type of investor: Strategic, PE / From Latam to Latam / Partner to strengthen this successful company, in order to open new markets in Mexico, Colombia and Peru, from Chile.
- **Real Estate developer** / Sell (100%) / Real Estate / 30M € / Type of investor: Strategic - PE / From Latam to Latam / Sale of 100% of a very good management and development company of real estate projects in Latam from Chile, with 40 years in the market and a very good team, portfolio of ongoing real estate projects.
- **Glass processor** / Sell (100%) / Building & Industry / 30M € / Type of investor: Strategic - PE / From Latam to Latam / Leading glass processor in Chile, with 45 years in the market, providing solutions for windows, doors, shower-doors, railings, etc.

- **Frame** / Sell / Art painting – photography market / 6M € / 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.
- **Harvester** / Sell / Logistics – Handling Packaging / 6M € / Type of investor: Strategic, PE / From Netherlands to Europe - US / Niche producer of innovative and labour extensive vegetable handling and packaging solutions.
- **Staffing** / Sell / Staffing agency / 12,5M € / Type of investor: Strategic, PE / From Netherlands to Europe / Personnel service provider for foreign blue collar personnel for the Dutch market. Labour force is sourced in Eastern Europe.
- **Retail** / Sell / Retail chain / 40M € / Type of investor: Strategic, PE / From Netherlands to Europe / Retail Chain with over 80 multi brand stores throughout the Northern part of the Netherlands.

- **Ampère** / Sell-Side / Electrical Equipment / 2022 Turnover 6M € / Type of investor: any / from Belgium to any region / Belgian company active in the supply and assembly of electrical equipment, carrying studies of electrical installations and supplying industrial electrical cabinets and carrying out electrical assemblies on it's customer premises.
- **Surgeon** / Sell-Side / Orthopedic sector / Turnover (2022 projected) 3,7M € / Type of investor: any / from Belgium to any region / Belgian company specialized in the distribution of high-end products for orthopedic and traumatology surgery. Presence in Belgium and France. Large network of hospitals and surgeons. Steady growth in sales and profitability. Strong recurring revenues.
- **Delivery** / Sell-Side / Logistics / 2022 Turnover 7,3M € / Type of investor: any / from Belgium to any region / Carrier of all types of goods active in Belgium and Luxembourg.



www.alconpartners.com

- **O1/** Buy-Side / IT Managed Services / \$ 5 mm / Type of investor: PE Add-on / from USA to any 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.
- **C1/** Buy-Side / Cybersecurity / \$ 10 mm / Type of investor: PE Add-on / from USA to North America / Companies that provide cybersecurity services, including (but not limited to) assessment, testing, mitigation, remediation, and monitoring.
- **C2/** Buy-Side / Online Surveys / \$ 5 mm / Type of investor: PE Add-on / from USA to US, Europe, South America / Companies that provide online surveys or specialize in recruiting people with specific expertise or experiences for surveys, focus groups, or other market research projects.
- **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.



www.exg-consulting.com

- **Software** / Buy-Side /Turnover > 10M € / Europe
- **Software Development** / Buy-Side / Turnover > 5M € / Any region
- **Cloud Services** / Buy-side / > 20M € / Germany, Austria, Switzerland

► Events calendar 2023

Q1 Conference

Quarterly
Deal Flow
Conference
3 p.m. CET

13

March

Q2 Conference

Quarterly
Deal Flow
Conference
3 p.m. CET

12

June

Q3 Conference

Quarterly
Deal Flow
Conference
3 p.m. CET

18

September

Q4 Conference

Quarterly
Deal Flow
Conference
3 p.m. CET

27

November

► We are International Corporate Finance Network

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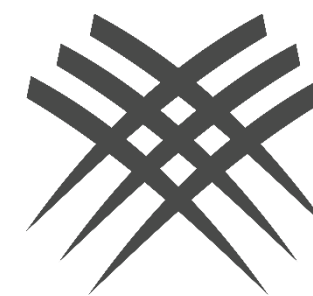
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Mergers and Acquisitions

DZP
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DOTTORI COMMERCIALISTI

Rockworth

ALCON

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... Bye!



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