

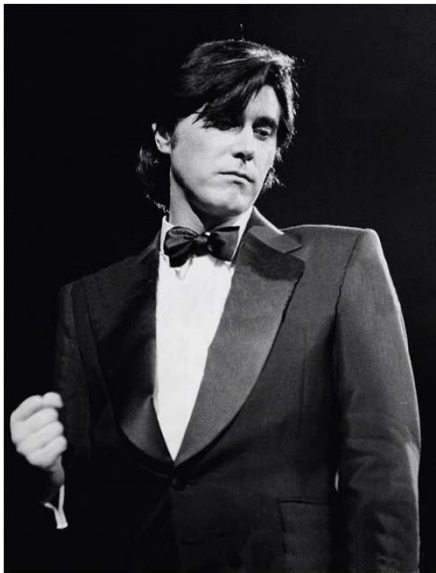


ICFN
GLOBAL M&A

Q2 2021 news

Don't stop

"Don't stop, don't stop the dance" Bryan Ferry.



Well said, Bryan. So, here we are, beating on, boats against the current. Hello all members of ICFN and friends. Let's have a look at the interesting M&A momentum we are going through.

2021 is reinforcing the view that winners use M&A in downturns to widen the gap with their competitors, by acquiring new capabilities to reconfigure their business model and to adapt to the changing business environment, and by divesting in order to streamline their portfolios and better focus.

After a year like no other, we see with satisfaction that appetite for M&A remains robust, and we expect a high M&A activity that will continue to be a key strategic pillar in the short and mid term.

Reset, reimagine, reengage



2020 has pushed companies into survival mode. They will use M&A, by either choice or necessity, to reduce costs, leverage economies of scale, protect their customer base and preserve their future.

What for?

M&A to salvage value, focusing on liquidity, cash flow and Working Capital, identifying rapid turnaround situations, considering alternatives to M&A (alliances and joint ventures) and divesting noncore or underperforming units.

M&A to safeguard markets to maintain competitiveness, pursuing both opportunistic deals to safeguard markets and deep synergies from recent acquisitions, acquiring using capital from divestments and pursuing low-capital-intensive investments in order to be more resilient for future downturns.



Bobby Fisher

Offensive M&A strategies in 2021 will be used to rapidly adapt to irrevocable changes to their business models.

How?

M&A to transform business and safeguard the future, by pursuing transformational as well as small technology acquisitions, by acquiring capabilities to accelerate digital transformation, and considering minority investments.

M&A to change the game, by establishing new partnerships and alliances, by being attentive to disruptive opportunities to secure future strategic positioning, enter new markets, or expand capabilities, and by acquiring early-stage disruptors.

► Our members talk:



Developments in the Dutch M&A market



Bas Brusche
FACTOR
BEDRIJFSOVERNAMES

The Dutch M&A market is running at full speed. After the brief downturn in early 2020, activity has increased sharply in almost all sectors since the summer of 2020. In the first half of 2021, activity continued to grow. The market is characterized by high demand for suitable acquisition candidates, with the supply of target companies increasingly lagging behind the high demand. The result is an increase in purchase prices driven by the combination of scarcity in suitable supply, low cost of capital and a large amount of capital available for acquisitions.

Specific Dutch sectors with high levels of M&A activity include flexible staffing, insurance, childcare and managed services (networks, cloud, software, communication). Many private equity players are active as buyers in these markets building portfolios.

For the second half of 2021, we anticipate that this strong trend in M&A activity will continue unabated and that the shortage of suitable target companies will put further upward pressure on purchase prices.



Sonja Legtmann
EXG CONSULTING GmbH

M&A market Germany status first half 2021

Participants in the German M&A market are reporting a strong deal-flow in the first half of 2021 with Corona-related uncertainties diminishing and valuations coming back to high levels as seen before the start of the pandemic - although strongly depending on the industry.

Corporates are looking to expand their product and services portfolio and growth strategies are high/back on the agenda. The M&A market is also and increasingly driven by Private Equity investors looking for investment opportunities.

As per year-end 2020 companies in software and IT, pharmaceuticals/health care as well as e-commerce remain particularly high in demand.



Aitor Arteaga
BAUM

Spain 2021: One in three companies is considering a M&A operation

According to KPMG report *"M&A Prospects in Spain 2021"*, 37% of Spanish companies plan to carry out mergers or acquisitions this year, a fact that confirms the recovery environment marked by new opportunities and an already irreversible disruption. M&A is being reactivated in Spain due to the momentum generated by the high levels of available liquidity, investor appetite, resilience efforts and actions taken by managers during the pandemic. This reveals the strength and agility with which the private sector is facing the new reality. This appetite for consolidation transactions is due to the good opportunities that now abound in the market, together with the objective of increasing the client base and the drive to consolidate market share, as well as the quest for geographic expansion. All this has led to a climate of confidence in M&A deals in 2021, in which digital transformation, the relevance of technology and the ESG agenda appear as profound drivers of the industry in the short term.



Private equity and Venture capital maintain good health in the midst of a pandemic. The growing presence of venture capital in transactions, as well as the existence of new forms of financing, are giving rise to greater flexibility when it comes to finding the right structure. The corporate strategies of companies contemplate different operations depending on the sector to which they belong. In 2020, acquisitions and buyouts were most frequent in the Private Equity and Telecommunications sectors. Private Equity is also among the sectors that plan to carry out the most mergers in 2021, along with Banking, Media and Transportation and Telecommunications.

Regarding financing, a large majority of companies are considering turning to it, either to finance organic growth or to refinance debt. Private Equity is perceived as a real alternative for financing growth, both organic and inorganic. These financing or debt refinancing operations in 2020 were more frequent in the Leisure and Tourism sectors, precisely those most affected by the crisis generated by the pandemic. In 2021, Foodservice, Leisure and Tourism are the sectors most likely to address this type of plans. Non-bank financing is having more and more presence in the plans of companies in Spain.



Brazil M&A 2021: potential for a new record



Daniel Rivera
ELIT CAPITAL

The Brazilian Mergers and Acquisitions market is very active, as occur in several other countries at this moment. In Latin America, Brazil concentrates on average 50% of all transactions in the region.

In the first quarter of 2021, M&A operations in Brazil had an increase of 50% compared to the same period in 2020, and volume 104% higher than the average for the quarter for the period from 2015 to 2019. In 2020, there was a record of 1,038 transactions in Brazil, and 2021 presents an acceleration in business and a strong growth trend in the volume of transactions, with potential for a new record.

Due to Covid-19, which generated many uncertainties, especially in the months of March and April 2020, the resumption of growth in the number of transactions took place from June 2020, in a regular and significant manner. The volume for the 2nd quarter 2021 shows a growth of 23.7% compared to the previous quarter, and the 1st half of 2021 totaled 812 operations in Brazil, a volume 98% higher than in 2020, and investments of R\$ 353 billion (+229.8%), with a predominance of Strategic Investors with a 91% increase in volume and 291.3% in investments compared to 2020. Financial investors recorded an increase of 111% in volume and 167.2% in amount.



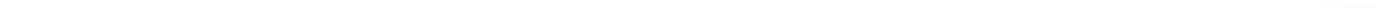
Among the most active sectors in 2020 and 2021, Information and Communication Technology (IT), Financial Institutions and Hospitals and Clinical Analysis Laboratories stand out. Historically, around half of the transactions in the country are worth up to R\$ 50 million reais (about US\$ 10M), with the IT sector being the most active, accounting for around 50% of all local transactions. The Southeast Region concentrates an average of 60% of the M&A activity, and only 5% of the volume of transactions takes place outside the country.

National Investors, in the accumulated result for the year, were responsible for a growth both in volume, of 113.8%, and in amount, of 249.5%, with 680 operations (+113.8%) compared to 2020, with 83.7% of operations. The investment was in the order of R\$ 277.6 billion, equivalent to 78.6% of the total, corresponding to a growth of 249.5 % in relation to the same period of the previous year.



In the first half of 2021, Foreign Investors registered 132 operations, growth of 43,5%, and R\$ 75,5 billion in investments, an increase of 173% over 2020, totaling 16,3% of M&A in the country. The most active foreign investors in the country are generally from the United States, followed by France and Spain, with an important participation of the United Kingdom, Germany, and Argentina.

Considering the role of the country as one of the world's largest agriculture producer, with an important Privatization agenda in place, a huge demand for large Infrastructure projects, flourishing startup and innovation scenario, and a favorable exchange rate, Brazil stands out as a great capital investment destiny for the real economy in the short term.



► Recently, in the ICFN world



DZP, on their latest deals,

“21.05.2021. DZP has advised the German pharmaceutical company Wöerwag Pharma GmbH & Co. KG on the acquisition of Sensilab sp. z o.o. SKA, a Polish entity providing research and development services and a contract manufacturer of medicinal products, medical devices and dietary supplements.

By acquiring Sensilab, the German investor gained a new production facility and reliable suppliers, which will enable it to further implement its growth strategy.

08.04.2021. DZP has advised JABEX and its owner on the sale of 100% of shares to DAWN FOODS B.V.

Our legal and tax support for JABEX sp. z o.o. and its shareholder included comprehensive advice at every stage of the transaction, from preparing and negotiating the transaction documentation to signing and closing the transaction.

25.03.2021. DZP has advised Sulimar sp. z o.o. on the acquisition of the shares belonging to the exiting shareholder and the financing of the process.





02.03.2021. DZP has advised the Mobivia Group, owner of Norauto Polska sp. z o.o., on a transaction to sell 21 retail facilities in Poland to TERG S.A., owner of the Media Expert electrical and electronic goods chain. Norauto Polska sp. z o.o. is the owner of a chain of vehicle shop and servicing outlets in Poland. The transaction will allow TERG to open Media Expert brand shops in new prestigious locations.

The transaction structure confirms the innovative approach taken by the Mobivia Group and its advisers to M&A transactions and it particularly allows the Mobivia Group to finalise its investment in Poland on optimum conditions.

02.03.2021. Getin Holding, together with its subsidiary Getin International in liquidation, has concluded a conditional agreement to sell 99.999% of shares in ZAO Idea Bank in Belarus to ZAO Minsk Transit Bank.

The Idea Bank Belarus shares will be transferred once the conditions laid down in the conditional sale agreement have been met in accordance with Belarus law under share purchase agreements. The share purchase agreements are expected to be concluded by 2 April 2021 at the latest."



Factor, from the Netherlands:



“Factor advised the seller of Logic Medical in the management buy-out process. Logic Medical provides maintenance and inspection of medical equipment in hospitals, private clinics, nursing homes, rehabilitation clinics, and for the Center for Home-Breathing (CTB). Logic Medical, founded in 1996, has since its inception grown into an organization with qualified technicians and specialized knowledge of medical equipment. Besides the Dutch market, the working area has expanded in recent years to Belgium and Luxembourg, with which the maintenance specialist has developed into an internationally operating player.





Factor advised to mr. Rob Teunissen in the sale of Teunissen&Becking to private equity firm NewPort Capital. Teunissen & Becking (TeBe) is a leading player in the field of wall and floor tiles for indoor and outdoor use, bathrooms, kitchens and related materials. TeBe started in 1962 as a tiling company and has expanded over the years to become a leading player in tiles, kitchens and bathrooms. With the takeover by mr. Rob Teunissen in 1994, the company has shown strong annual growth. It is now one of the largest players in the field of tiles in the Netherlands. The company distinguishes itself by a wide and deep range, the personal approach that starts with listening to its customers and 'deal is deal'. With the entry of private equity investor NewPort Capital, TeBe can accelerate its ambitious growth strategy and further consolidate its position in the market. “

According to mr. Rob Teunissen, NewPort's investment fits perfectly into the company's long-term and strategic vision. "NewPort's investment gives our company the space to further implement our growth plan, to introduce adjacent and complementary products and to anchor our position in the 'supply chain' of wall and floor tiles more deeply. In addition to accelerating organic growth, we are also interested in strategic acquisitions both domestically and internationally."





I-FACTOR
BEDRIJFSOVERNAMES

"With its broad network and knowledge and experience in rolling out a buy & build strategy, NewPort is a valuable partner for TeBe in realizing our goals. I am proud to be leading our company together with Rob and to help shape the future plans" said Hugo van Dijk, commercial and operational director of TeBe.

Rob van der Laan of NewPort, explains: "TeBe is a highly respected family business located in Almelo with a rich history. Rob Teunissen is the 2nd generation of Teunissen to lead the company. The company was founded in 1962 and therefore has almost 60 years of experience in tiles, bathrooms and kitchens. Over the years, TeBe has developed into the party for professionals in its sector. With exclusive contracts with various leading tile producers at home and abroad, it offers its clients a very wide range of (indoor and outdoor) tiles and related materials. In addition, TeBe has a modern tile, kitchen & bathroom showroom in Almelo, where it serves both the professional and the end customer. TeBe has its own tiling company for project execution. With the growing need for housing and the associated relocation movements, TeBe is moving in a dynamic market. Melvin Sie of NewPort, adds: "TeBe's rock-solid reputation is exemplified in a very loyal customer base in the broad tile, kitchen and bathroom industry, from local specialty stores to large national chains. We are very excited about TeBe's growth opportunities and the cooperation with the entrepreneurial and professional board and management team."



Factor advised Mr. Ter Beke (owner of Energie Control) in the acquisition of Belisol Twente.

Belisol focuses on the design, installation and finishing of plastic, aluminum or wooden window frames, doors and sliding doors in Belgium and the Netherlands. It also offers various accessories, such as sun blinds, screens, shutters and ventilators.

Through the acquisition of the Belisol franchise, the company becomes an important partner of Energie Control with regard to the expansion of the current product and customer portfolio. This is also a response to the current subsidy schemes whereby at least two energy-saving measures must be carried out. In addition, in the current global economic climate, sustainability has been elevated to a general thought. The collaboration allows both to further expand this strategy and better provide customers with their increasing demand for making homes more sustainable.

Mr. Ter Beke of Energie Control: "With Energie Control we already had a large amount of expertise and specialism in the field of sustainable energy measures. With the adjacent products of Belisol we can provide our customers more according to the 'one-stop shopping' principle in the field of home improvement. Factor Bedrijfsovernames has guided us through this in a very professional way. We describe the cooperation as very involved. From the beginning until the end we were able to build up a very good relationship of trust, which in our opinion is essential for a successful process. In short: we are very satisfied and we will definitely recommend Factor to other entrepreneurs."

► M&A 2020: *Endurance*



Shackleton Antarctic expedition 1914 - 1917. Photographs: Mark Hurley

► M&A 2021: *Appetite*



Florentine unknown painter. Mid-16th century.

Some of our ongoing projects

MEMBER OF:



■■■ | DZP

more than law

- **ECCOMMERCE** / Sell / e-commerce / 1.5 PLN ebita / Type of investor any, preferably strategic or industrial / Poland to any region/ e-commerce clothing/shoes platform.
- **TELEMATICS**/ Sell / Transport - electronics / Type of investor any / Poland + subsidiary in Germany to any region /Fleet monitoring.
- **PLASTIC** / Sell / Production facilities / Type of investor Strategic or Industrial / Producer of plastic moulding equipment (plastic for automotive and household appliances).
- **TRANSPORT** / Sell / Transportation / 70m – 13 PLN ebita / Type of investor any / Poland to any region / Specialized road transport company.
- **GAS INSTALLATIONS (PRODUCTION) FOR CARS** / Sell / Production facilities / Type of investor Strategic or Industrial / Poland to any region / Production of professional automotive gas (LPG) installation.
- **TECHNOLOGY** / Sell / New tech – Startup / Size of the Company: startup / Type of investor VC / Poland to any region / Retina payment authorization technology developer.



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CORPORATE FINANCE

BAUM
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MEMBER OF:

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GLOBAL M&A

- **IT SERVICES** / Buy / IT services / > € 5m sales / Germany to Europe/ Digital marketing -Cyber security – Customer experience.
- **SOFTWARE** / Buy / Software / > € 10m sales / Germany to Europe / IoT – Big Data Analytics – AI – Commerce – ERP.
- **Packaging** / Buy / Filling, mixing and packaging of products for (internationally) renowned customers / Between 1M and 10M EBITDA / Netherlands to BeNeLux – Europe / The Company's core business is (contractual) filling, mixing and packaging of products for (internationally) renowned customers. By applying a full-service approach, the Company can offer a complete solution to its customers, from material purchasing and product development to a complete product and all steps and actions in between. The processing plant of the Company is in Europe and equipped with operating and well-maintained machinery and provided with all necessary permits.
- **PCM** / Sell / Meat processing / size of the company €6.7m / Type of investor Strategic / To any region / Spanish company. Processing and distribution of meat-based products (sausages). EBITDA 21%. Financially sound, no debt. Leader in the national market.
- **Dairy** / Sell / Dairy / size of the company €44m / Type of investor Strategic - PE / To any region / Trader of dairy products for the food industry. No significant competitor. EBITDA of €1.4m.



MEMBER OF:



- **Br Vet Lab** / Sell / Veterinary Laboratory / \$ 2m / Type of investor Strategic - VC / Brazil to any region/ Over 35 years of R&D. Development of non-allopathic medicine and the food supplements. Destined to the treatment of most of the main veterinary pathologies and to the acceleration of animal development for birds, fish, cattle, horses, swine, sheep, goats and others.
- **Avenue**/ Sell / Infrastructure Construction / ~ 15 M / Type of investor PE / Brazil to any region / The Company performs engineering services for Private Clients in Brazil. Specialist in Civil Works and Infrastructure of Medium and Large Sizes, such as highways and airports. There are 4 Active Contracts at the moment, with US\$ 10 million in backlog, and Pipeline with 10 Infrastructure Projects totaling around US\$ 60 million dollars to be explored within 2 years.
- **Quinque** / Sell / IT Services Software & Outsourcing / ~ 12M / Type of investor Strategic - PE - VC / Brazil to any region / Provides consulting services, software development and maintenance, outsourcing, User Experience and Data Science, developing software and providing process automation, productivity and efficiency. The purpose of the business is to support their clients in the digital transformation process, providing highly competent professionals, the right process and the best technology.

Events calendar 2021

Q3 Conference

Quarterly
Deal Flow
Conference
3 p.m. CET

13

September

Q4 Conference

Quarterly
Deal Flow
Conference
3 p.m. CET

29

November

 We are

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W O R K I E R R S U S **A R C H I T E C T U R E**

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► See you soon!



Man in a bowler hat. René Magritte, 1964

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