



Corporate Finance

Out of the Ordinary™

Review of Irish Merger and Acquisition Activity

Quarter 2, 2018

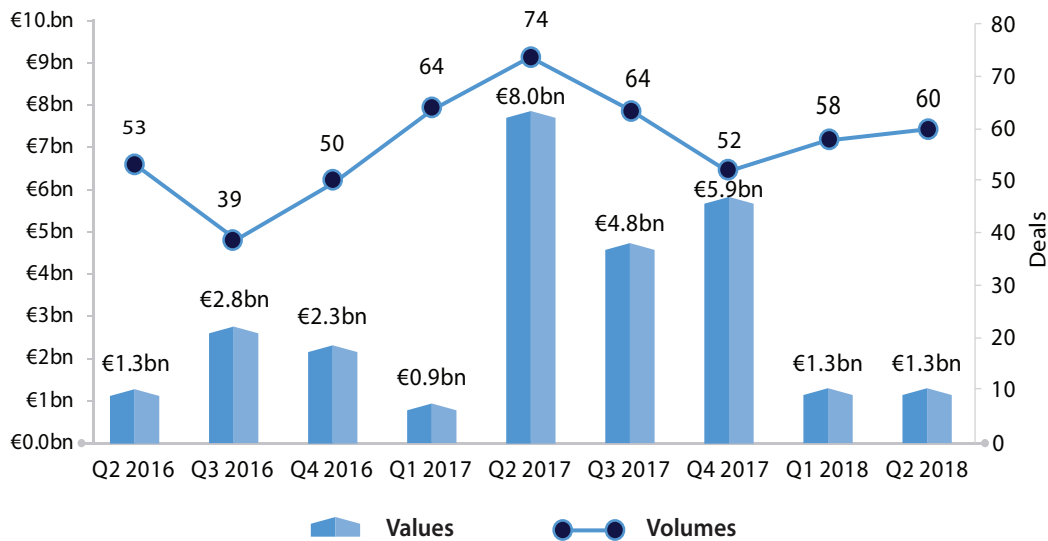


Prepared by Investec Corporate Finance

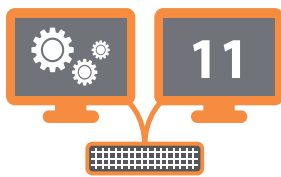
M&A Tracker Summary, Q2 2018



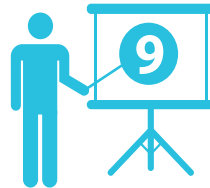
Quarterly Value and Volume Trend



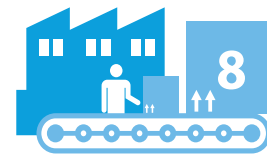
Most Active Sectors (by volume)



IT & Telecoms



Support Services



Industrials

Transaction Type (by volume)



Trade Sales



Foreign Transaction



Private Equity

Investec Commentary

- 60 deals recorded with a total disclosed transaction value of €1.3bn, ahead of the previous two quarters in terms of volume but down on Q2'17
- Notable transactions include the €460m acquisition of Reparenco by Smurfit Kappa Group and the acquisition of 90 Toys "R" Us stores across Germany, Austria and Switzerland by Smyths Toys for €79m
- 15 in-market transactions recorded including acquisitions of Sisk Healthcare, Invesco and Rilta Environmental
- Strong activity from Irish plcs with transactions undertaken by CRH, Smurfit Kappa Group, United Drug and Paddy Power Betfair, amongst others
- Financial buyer and investor activity defined more by Infrastructure Fund acquisitions such as Mater Private Group by InfraVia and Imagine Communications by Beechfield Asset Management than conventional private equity, albeit the latter's portfolio companies such as Enva, OASIS, Arachas and Sam McCauley were acquisitive during the period
- Q2'18 has shown consistent levels of activity across multiple sectors including IT & Telecoms, Health and Pharmaceutical, and Support Services. Deal value remains steady overall with volume up slightly on Q1'18 but down meaningfully on Q2'17

Notes:

Trade Sale: Acquisition of an Irish corporate by Irish / overseas corporate
 Financial Buyers & Investors: Acquisition of or 20% or more investment in an Irish corporate by Irish / overseas financial investors including private equity
 Overseas Transaction: Acquisition or disposal of overseas corporate by Irish corporate / private equity

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Investec Commentary

60 reported deals in Q2'18 shows a slight increase in volume over Q1'18. Disclosed deal value was steady quarter-on-quarter at €1.3bn. However H1'18 is considerably lower versus H1'17 due to the strong Q2'17 which recorded 74 deals including Exponent's acquisition of DCC Environmental, Volpi Capital's acquisition of Version1 and Dubai Aerospace Enterprise's €6.9bn acquisition of AWAS Aviation Capital.

Total disclosed deal value during Q2'18 came in at just under €1.3bn (30 deals had no value disclosed) with 60 deals announced in the period. Notable transactions include Brookfield Asset Management acquiring a majority stake in the Irish ISP and telecoms operator Imagine Communications for a reported €120m and the acquisition of 90 Toys "R" Us locations by Smyths Toys for a reported €79m. Others of interest included Portwest acquiring Australian brand Huski and OASIS continuing its consolidation strategy acquiring two businesses.

This quarter has been active for Irish plcs. Paddy Power Betfair merged its US business with FanDuel to avail of changes in US sports betting laws. CRH acquired Grupo Cementos de Chihuahua's US ready mix assets for a reported value of €102m and, as part of that transaction, disposed of a business for €92m to GCC. Kingspan acquired the Norwegian manufacturing firm Vestfold Plastindustri whilst Smurfit Kappa Group acquired the Dutch recycling firm Reparenco for €460m.

Domestic M&A has performed strongly with 15 transactions across various industries, with strong transaction activity across Health & Pharmaceutical, Financial Services and Support Services sectors. Notable transactions included Uniphar's acquisition of Sisk Healthcare for a reported €100m and InfraVia's acquisition of Mater Private Group, for an undisclosed but no doubt significant value of several hundreds of millions. In Financial Services the acquisitions of Merrion Capital and Invesco by Cantor Fitzgerald and Irish Life, respectively, occurred during the quarter and in Support Services Enva acquired Rialta Environmental for a reported €40m.

Financial buyers in the form of Infrastructure Funds were active during the quarter with the aforementioned majority acquisition of Imagine Communications by Brookfield Asset Management and InfraVia's acquisition of Mater Private Group. Conventional private equity was muted during the quarter in terms of new acquisitions and exits, however several of their portfolio companies were acquisitive including OASIS Group (Montagu), Enva (Exponent), Arachas Corporate Brokers (Sovereign) and Sam McCauley Chemists (CCI).

Q2'18 has seen a consistent spread of activity across sectors, with deals recorded across the Technology & Telecoms, Health & Pharmaceutical, Print & Paper and Retail sectors. There were 20 transactions announced by Irish companies acquiring foreign businesses further demonstrating the confidence of Irish companies expanding internationally by acquisition.

Overall, despite the Brexit related uncertainty lying ahead and a rising interest rate environment coming increasingly into view, domestic and international confidence in the Irish economy continues and coupled with Irish companies' confidence in their own outlook this should see continued levels of meaningful activity in the second half of 2018.

About and Key Contacts at Investec Corporate Finance

Investec is a leading provider of independent corporate finance advisory services in Ireland. We have a highly experienced team of professionals working in our Dublin office. With a track record spanning some of Ireland's highest profile deals, Investec Corporate Finance has become an advisor of choice within the Irish market for leading companies, private equity funds and entrepreneurs.

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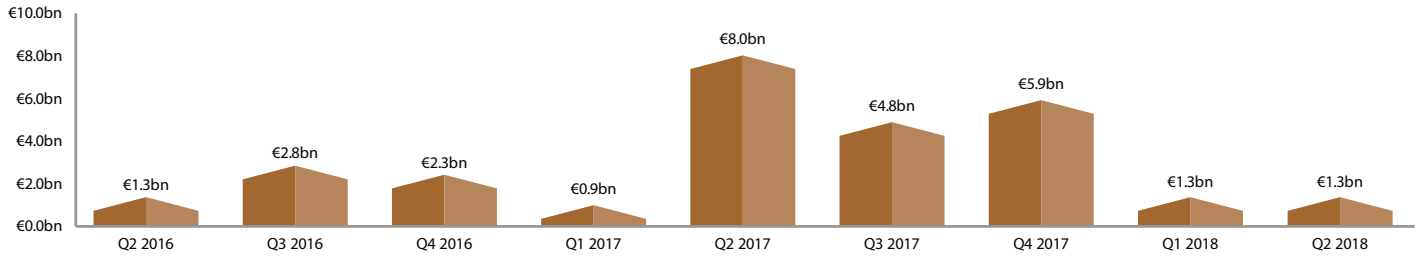
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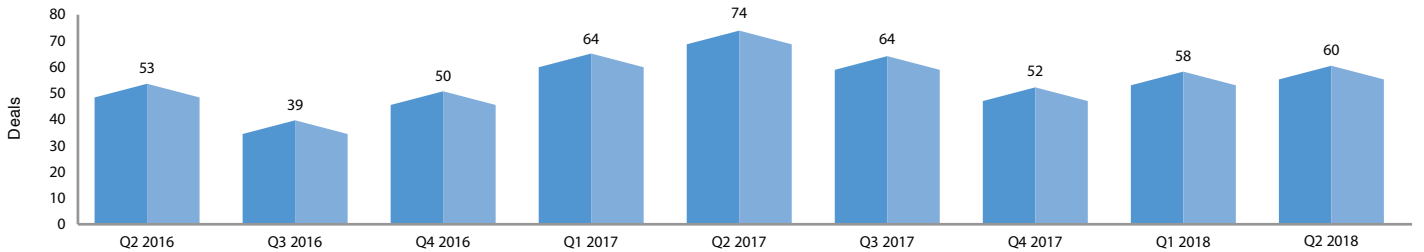
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M&A Transaction Values and Volumes

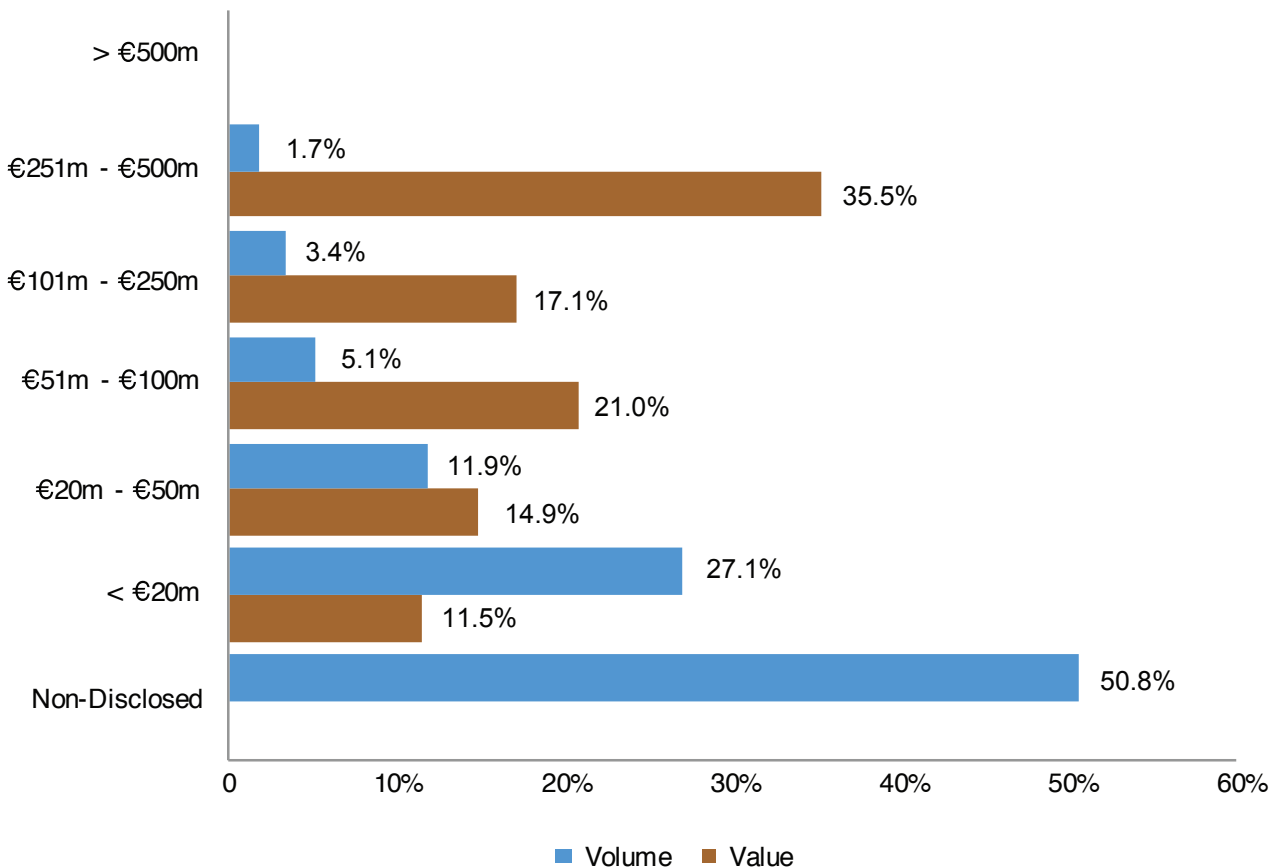
Quarterly Value Trends: Q2 2016 - Q2 2018



Quarterly Volume Trends: Q2 2016 - Q2 2018



Q2 2018 Transactions



M&A Transaction Type

Q2 2018 Activity by Counterparty

	Trade Sale				Financial Buyers & Investors	Overseas Transaction		Total
	Irish buyer	UK buyer	US buyer	Other	Irish seller	Acquisitions	Disposals	
Value (€ million)	€235	€0	€72	€177	€27	€691	€92	€1,294
Disclosed deals	10	0	3	4	3	9	0	29
Undisclosed deals	5	1	4	3	4	11	3	31
Total number of deals	15	1	7	7	7	20	3	60

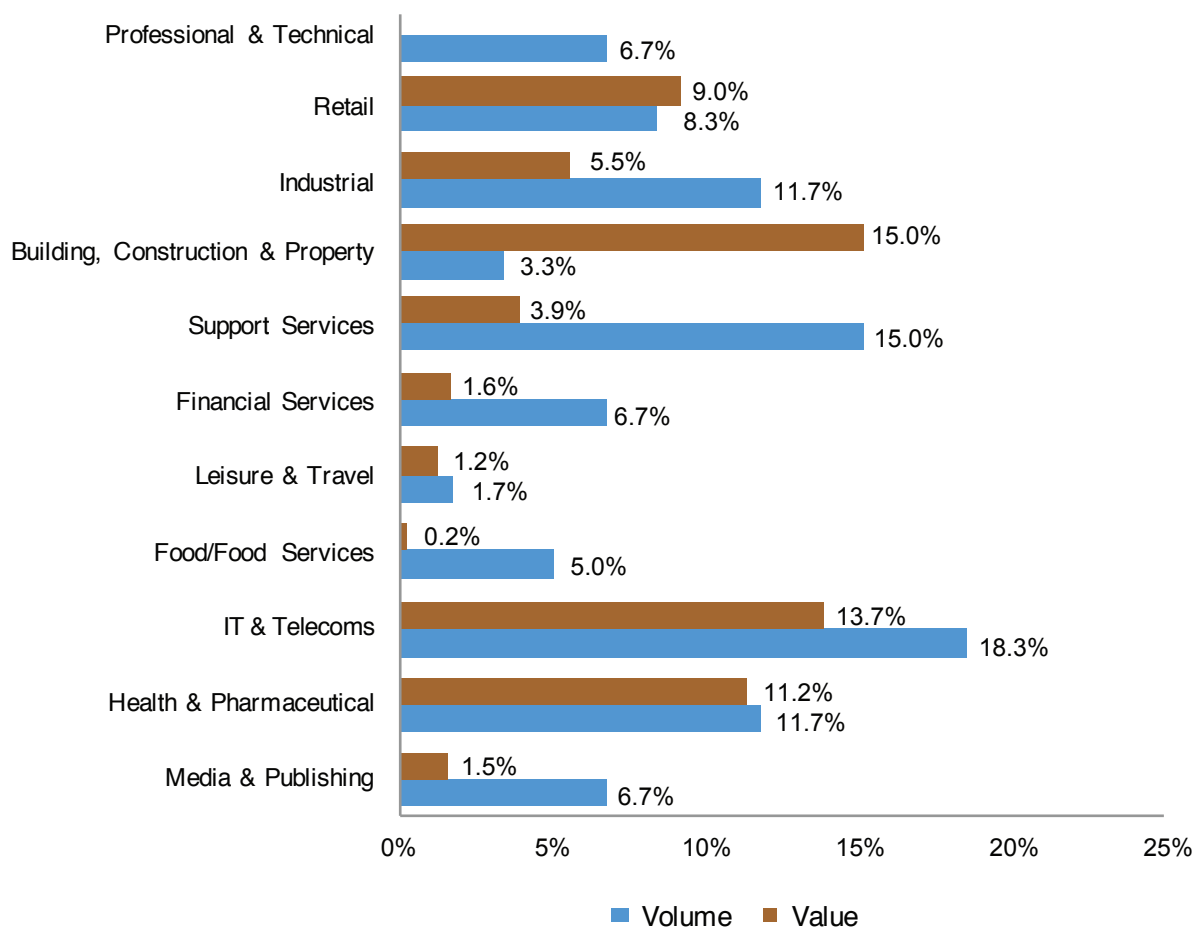
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Overseas Transaction: Acquisition or disposal of overseas corporate by Irish corporate / private equity

Q2 2018 Activity by Sector



Q2 2018 Transactions by Sector

Media and Publishing					
Acquiror	Country	Target	Country	€m	Date
Keywords Studios	Ireland	Blindlight	USA	8.0	Jun-18
Keywords Studios	Ireland	Fire Without Smoke	UK	6.0	May-18
Keywords Studios	Ireland	Cord Worldwide & Laced Music	UK	5.0	Apr-18
Keywords Studios	Ireland	Maximal Servicos Audiovisuais Ltda	Brazil	0.5	Apr-18
Total				19.5	
Health & Pharmaceutical					
Acquiror	Country	Target	Country	€m	Date
UDG Healthcare	Ireland	Smartanalyst Inc	US	20.6	Jun-18
InfraVia	France	Mater Private Group	Ireland	n/d	May-18
Ashland Global	USA	Vornia Ltd	Ireland	10.0	May-18
Uniphar Group	Ireland	Sisk Healthcare (UK)	Ireland	100.0	Apr-18
Uniphar Group	Ireland	Macromed Limited	Ireland	n/d	Apr-18
Saint-Gobain	France	Micro Hydraulics	Ireland	n/d	Apr-18
CareChoice	Ireland	Ardmore Lodge Care Home	Ireland	15.0	Apr-18
Total				145.6	
IT & Telecoms					
Acquiror	Country	Target	Country	€m	Date
Cognosec	Sweden	Advantio	Ireland	12.0	Jun-18
Management & PFH Technology	Ireland	Client Solutions	Ireland	25.0	Jun-18
RCl Banque	France	iCabbi	Ireland	n/d	Jun-18
Susquehanna Growth Equity	USA	nDevor Systems	Ireland	20.2	Jun-18
Version1	Ireland	Cedar Consulting	UK	n/d	Jun-18
Clanwilliam Group	Ireland	Informatica Systems	UK	n/d	May-18
Paddy Power Betfair	Ireland	FanDuel Inc.	USA	n/d	May-18
Brookfield Asset Management	Canada	Imagine Communications (50.1% Stake)	Ireland	120.0	May-18
Broadridge Financial Solutions	USA	FundAssist Limited	Ireland	n/d	May-18
ON Semiconductor	USA	SensL Technologies	Ireland	n/d	May-18
Clanwilliam Group	Ireland	Konnect Net	New Zealand	n/d	May-18
Total				177.2	
Food/Food Services					
Acquiror	Country	Target	Country	€m	Date
Irish Distillers Group	Ireland	Eight Degrees Brewing Co Ltd	Ireland	n/d	May-18
Abbey International	Ireland	Coco Fuzion 100	UK	2.1	May-18
Liffey Meats	Ireland	Entreprise Viandes Abattage	France	n/d	Apr-18
Total				2.1	
Leisure & Travel					
Acquiror	Country	Target	Country	€m	Date
iNua Hospitality	Ireland	Radisson Blu Hotel & Spa, Sligo	Ireland	15.0	Apr-18
Total				15.0	
Financial Services					
Acquiror	Country	Target	Country	€m	Date
Arachas Corporate Brokers	Ireland	Cover Centre Insurance	Ireland	5.0	Jun-18
YourCash Europe	UK	EasyCash ATMs (Ireland)	Ireland	n/d	May-18
Cantor Fitzgerald Ireland	Ireland	Merrion Capital	Ireland	16.0	May-18
Irish Life Group	Ireland	Invesco	Ireland	n/d	Apr-18
Total				21.0	
Support Services					
Acquiror	Country	Target	Country	€m	Date
DMS Governance	USA	Aviation Corporate Services	Ireland	n/d	Jun-18
Enva Group	Ireland	Rilta Environmental	Ireland	40.0	May-18
Johnson & Perrott Motor Group	Ireland	National Truck Rental Company	Ireland	10.0	May-18
Nicholl Fuel Oils	UK	DCC - Distribution business	Ireland	n/d	May-18
Valero Logistics	UK	DCC - Fuel Storage Terminal	Ireland	n/d	May-18
OASIS Group	Ireland	CSM Archives Ltd.	UK	n/d	May-18
The Riverside Company	USA	Netwatch	Ireland	n/d	Apr-18
Netwatch Group	Ireland	H.B. Brooks	USA	n/d	Apr-18
OASIS Group	Ireland	Armadillo Self-Storage - RIM	UK	n/d	Apr-18
Total				50.0	

Q2 2018 Transactions by Sector

Print and Paper					
Acquiror	Country	Target	Country	€m	Date
Huhtamaki Oyj	Finland	Cup Print (70% Stake)	Ireland	22.0	May-18
Smurfit Kappa	Ireland	Reparenco	Netherlands	460.0	May-18
SES-imagotag	France	Market Hub Technologies Limited	Ireland	n/d	May-18
Total				482.0	
Building, Construction & Property					
Acquiror	Country	Target	Country	€m	Date
CRH	Ireland	Grupo Cementos de Chihuahua - Readymix	Brazil	101.7	Jun-18
Chihuahua Cement Group	Mexico	CRH - Trident Cement	Ireland	92.2	Jun-18
Total				193.9	
Industrial					
Acquiror	Country	Target	Country	€m	Date
Origin Enterprises	Ireland	Fortgreen /Ferrari Zagatto	Brazil	n/d	Jun-18
Crowley Carbon	Ireland	Modus Energy	Ireland	10.0	Jun-18
ASSA ABLOY	Sweden	HKC Security	Ireland	n/d	Jun-18
Kingspan Group	Ireland	Vestfold Plastindustri	Norway	n/d	May-18
Adesto Technologies	USA	S3 Semiconductors	Ireland	42.0	May-18
F.L.I. Global	Ireland	Carlow Precast Concrete	Ireland	n/d	Apr-18
Greencoat Renewables	Ireland	Tullynamoyle 2 Windfarm	Ireland	19.0	Apr-18
Total				71.0	
Professional & Technical					
Acquiror	Country	Target	Country	€m	Date
Accenture	Ireland	Designaffairs	Germany	n/d	Jun-18
Druva	USA	Silver Lining Cloud Consulting	Ireland	n/d	Jun-18
Accenture	Ireland	HO Communication	China	n/d	May-18
Accenture	Ireland	Certus Solutions	UK	n/d	Apr-18
Total				0.0	
Retail					
Acquiror	Country	Target	Country	€m	Date
PANDORA	Denmark	BJ FitzPatrick	Ireland	23.0	May-18
Portwest	Ireland	Huski Explorer	Australia	10.0	May-18
Dublin Food Sales	Ireland	Scallan's Food Service Ltd	Ireland	n/d	Apr-18
Smyths Toys	Ireland	Toys "R" Us (90 stores)	Europe	79.0	Apr-18
Sam McCauley Chemists	Ireland	Life Pharmacy & Medical Hall (Fermoy)	Ireland	5.0	Apr-18
Total				117.0	

Methodology

The information in this report relates to transactions announced during the second quarter of 2018. Financial consideration is shown in EURO (€), and is based on disclosed figures or market or media estimates at the time each deal was announced. In cases where the deal consideration was in a foreign currency, the equivalent amount in EURO (€) has been calculated using the exchange rate that was in force at the time of the original transaction announcement. Certain transactions which have been announced but which are subject to approval by the Competition Authority are shown on the assumption that approval will be forthcoming.

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