



Corporate Finance

*Out of the Ordinary™*

Review of Irish Merger and Acquisition Activity

# Quarter 4, 2017

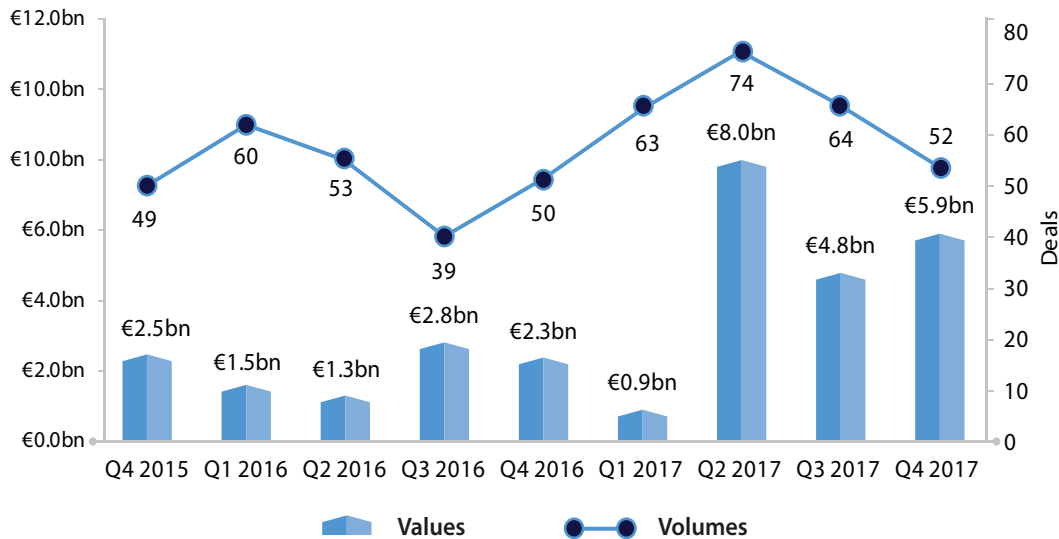


Prepared by Investec Corporate Finance

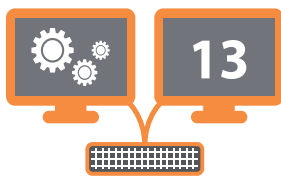
# M&A Tracker Summary, Q4 2017



## Quarterly Value and Volume Trend



### Most Active Sectors (by volume)



IT & Telecoms



Food and Food Services



Health & Pharma

### Transaction Type (by volume)



Overseas Transaction



Trade Sales



Private Equity

### Investec Commentary

- 52 deals with a total disclosed transaction value of €5.9bn
- Includes €3.5bn acquisition of Eir and €907m sale of Jurys Inn Group to Pandox
- 10 in market transactions including acquisitions of City West, Carton House, Landmark Media by the Irish Times and La Rousse Foods by Musgrave
- Notable activity from foreign buyers of Irish businesses with strategic buyer acquisitions of Blue Tree Systems, Clavis Technologies, Lily O'Briens, Merlyn Industries and the aforementioned Eir and Jurys Inn Group
- IT and Telecoms was the most active sector
- Strong valuations creating a favourable backdrop for vendors

Notes:

Trade Sale: Acquisition of an Irish corporate by Irish / overseas corporate  
 Private Equity: Acquisition of an Irish corporate by Irish / overseas private equity, including MBOs  
 Overseas Transaction: Acquisition or disposal of overseas corporate by Irish corporate / private equity



## Investec Commentary

Reported deals in Q4'17 of 52 shows a decline in volume on the previous quarter, however it is in line with reported activity in Q4'16. While this figure falls somewhat short of the 65 deals recorded in Q3'17, it should be pointed out that it remains in line with the average number of deals recorded since Q1'15. Q4'17 volume exceeded Q3 and Q4 2016 which were undoubtedly impacted by the Brexit referendum result.

While the UK economy continues to suffer from low growth and higher inflation, the overall European economy is gathering pace and this is seen closer to home with Ireland poised to be the fastest growing economy in Europe for a fifth year in a row. This continued vote of confidence in the Irish market should ensure strong M&A activity in 2018, by both domestic and international firms.

Total disclosed deal value for Q4'17 was €5.9bn. This figure is somewhat flattered by the €3.5bn acquisition of Eir by the NJJ Group. The deal was signed and announced during the quarter but remains subject to regulatory approval.

IT and Telecoms continues to be the most active sector with 13 transactions recorded in the quarter combined with a healthy spread of transactions across a number of other sectors including Food/Food Services and Health and Pharmaceuticals.

Irish companies continue to be active in overseas acquisitions with 25 transactions completed. There were 10 in-market transactions involving domestic acquisitions by Irish companies, a slight increase on Q3'17. Irish PLC's are recognised as having had a busy Q4'17 with Kerry Group and Kingspan announcing multiple transactions as well as DCC and Total Produce also completing acquisitions during the quarter.

The level of trade sale activity involving international companies acquiring Irish businesses continued to be strong during the quarter with a number of significant transactions occurring such as Pandox's acquisition of the Jurys Inn Group for a reported value of €907m.

Other notable transactions involving the sale of Irish businesses during the quarter included Euronext's €137m acquisition of the Irish Stock Exchange, the €42.5m sale of Blue Tree Systems to Orbcomm Inc, the sale of Lily O'Brien's to Polish company, Colian, the €100m sale of Clavis to Ascential, the €67m sale of Merlyn Industries to Norcross plc and the €130m sale of Friends First Life Assurance Company to Aviva plc.

Valuations are strong at present and we believe the current market and indeed for the remainder of 2018 will be favourable for vendors.

A number of Ireland's large private companies were active during the quarter including Musgraves, who made two acquisitions, Kepak Group, who acquired certain Moy Park assets, PandaGreen with a further UK acquisition and the Irish Times' acquisition of Landmark Media.

We expect 2018 to be a strong year for M&A activity.

## 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 the advisor of choice within the Irish market for leading companies, private equity funds and entrepreneurs.

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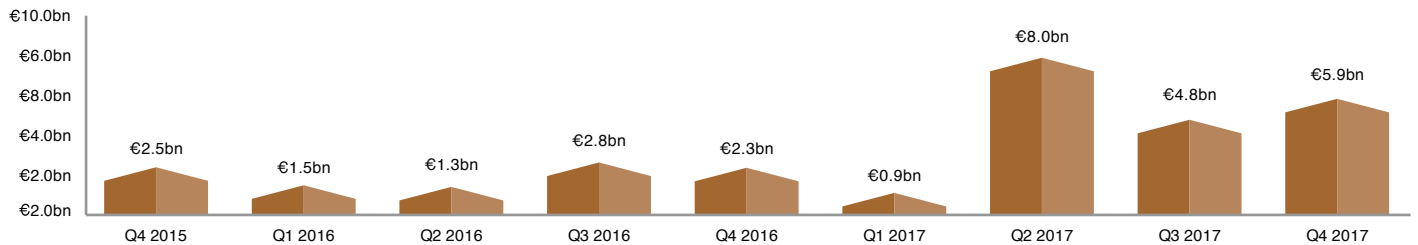
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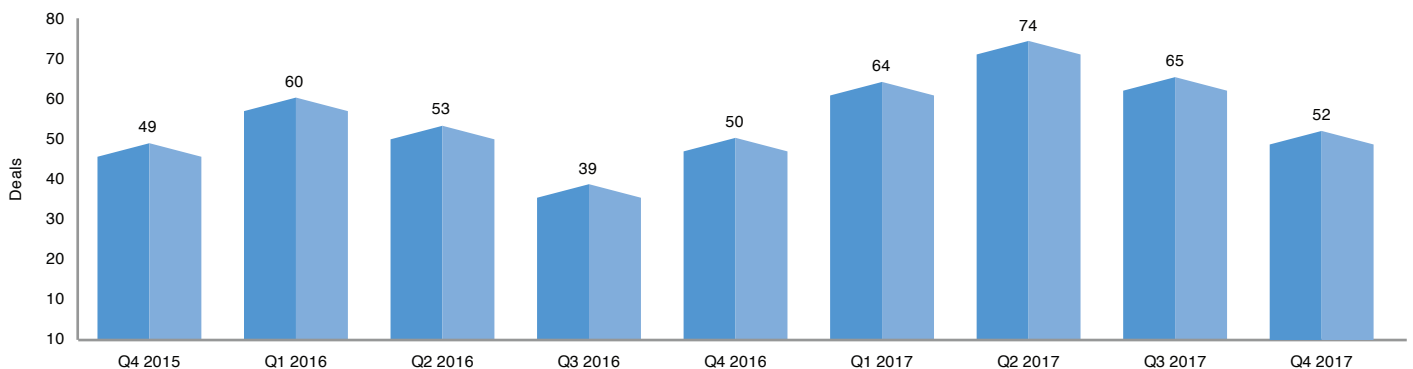
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# M&A Transaction Values and Volumes

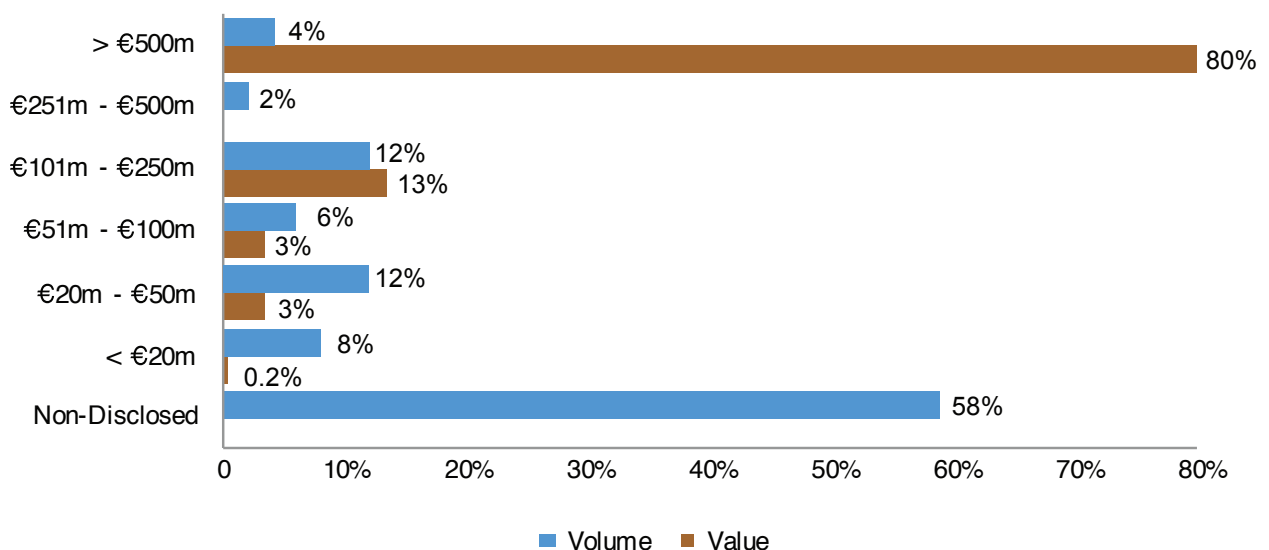
## Quarterly Value Trends: Q4 2015 - Q4 2017



## Quarterly Volume Trends: Q4 2015 - Q4 2017



## Q4 2017 Transactions



## M&A Transaction Type

### Q4 2017 Activity by Counterparty

	Trade Sale				Private Equity	Overseas Transaction		Total
	Irish buyer	UK buyer	US buyer	Other	Irish seller	Acquisitions	Disposals	
Value (€ million)	€77	€337	€43	€4,589	€6	€835	€0	€5,886
Disclosed deals	2	2	0	3	3	10	0	20
Undisclosed deals	6	4	2	4	1	15	0	32
<b>Total number of deals</b>	<b>8</b>	<b>6</b>	<b>2</b>	<b>7</b>	<b>4</b>	<b>25</b>	<b>0</b>	<b>52</b>

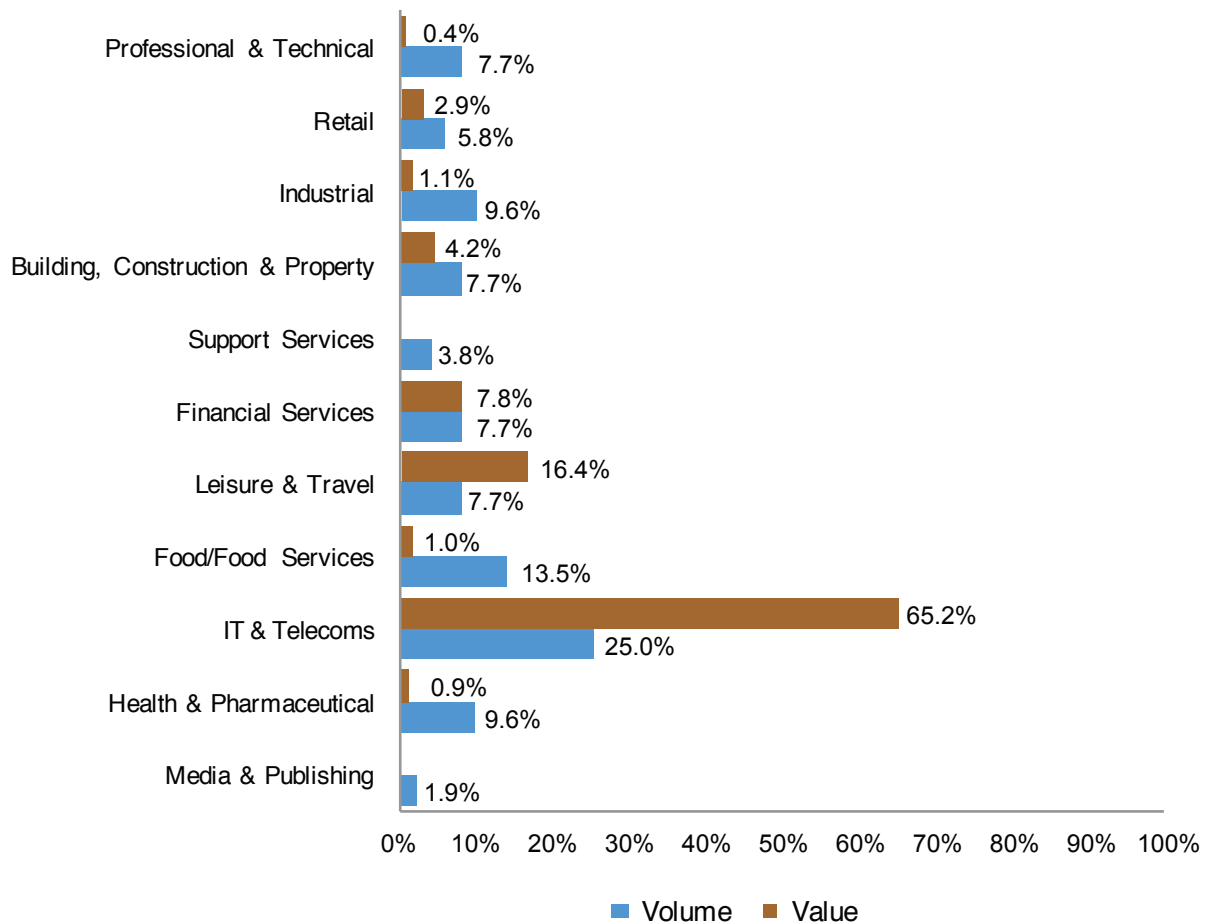
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Overseas Transaction: Acquisition or disposal of overseas corporate by Irish corporate / private equity

### Q4 2017 Activity by Sector



## Q4 2017 Transactions by Sector

Media and Publishing					
Acquiror	Country	Target	Country	€m	Date
The Irish Times	Ireland	Landmark Media	Ireland	n/d	Dec-17
Total				n/d	
Health and Pharmaceutical					
Acquiror	Country	Target	Country	€m	Date
PCI Pharma Services	USA	Millmount Healthcare	Ireland	n/d	Oct-17
Investor Group	Ireland	Schivo Medical	Ireland	5.8	Nov-17
Almac Sciences Group	U.K	Bioclin Research Laboratories	Ireland	n/d	Nov-17
IMMAC Holding AG	Germany	Beechfield Care Group	Ireland	n/d	Dec-17
Medtronic	Luxembourg	Crospon	Ireland	45.0	Dec-17
Total				50.8	
Technology					
Acquiror	Country	Target	Country	€m	Date
ION Investment Group	Ireland	Aspect Enterprise Solutions	U.K	n/d	Oct-17
ORBCOMM	USA	Blue Tree Systems	Ireland	42.5	Oct-17
Keywords Studios	Ireland	d3t	U.K	3.3	Oct-17
Keywords Studios	Ireland	VMC Consulting	USA	55.0	Oct-17
Storm Technologies	Ireland	Ciall Systems	Ireland	n/d	Nov-17
Pollen Street Capital	U.K	Vision Blue Ireland	Ireland	n/d	Nov-17
ION Investment Group	Ireland	Dealogic	U.K	113.0	Nov-17
Keywords Studios	Ireland	Localizadora Latam SC	Mexico	0.9	Dec-17
Keywords Studios	Ireland	Sperasoft Studio	USA	23.0	Dec-17
Integrity360	Ireland	Metadigm	UK	n/d	Dec-17
NJJ Group	France	Eir	Ireland	3,500.0	Dec-17
Acential	U.K	Clavis	Ireland	100.0	Dec-17
Constellation Software	Canada	Bookassist Holdings	Ireland	n/d	Dec-17
Total				3,837.7	
Food/Food Services					
Acquiror	Country	Target	Country	€m	Date
Kerry Group	Ireland	Dottley Spice Mart Trucking	USA	n/d	Oct-17
Kerry Group	Ireland	Ganeden	USA	n/d	Oct-17
Kerry Group	Ireland	Kettle Foods	USA	n/d	Nov-17
Total Produce	Ireland	The Fresh Connection	USA	n/d	Nov-17
Kepak Group	Ireland	Moy Park	Ireland	n/d	Dec-17
Colian	Poland	Lily O'Briens	Ireland	40.0	Dec-17
Musgrave Group	Ireland	La Rousse Foods	Ireland	20.0	Dec-17
Total				60.0	
Leisure & Travel					
Acquiror	Country	Target	Country	€m	Date
John Mullen	Ireland	Carton House	Ireland	57.0	Oct-17
Pandox AB	Sweden	Jurys Inn Group	Ireland	907.0	Nov-17
Tetrarch Capital	Ireland	Citywest Hotel	Ireland	n/d	Nov-17
Tour Partner Group	Ireland	Trans Nordic Tours	Denmark	n/d	Nov-17
Total				964.0	
Financial Services					
Acquiror	Country	Target	Country	€m	Date
Fintrax Group Holdings	Ireland	Planet Payment	USA	189.0	Oct-17
Euronext NV	Netherlands	The Irish Stock Exchange	Ireland	137.0	Nov-17
Aviva Plc	U.K	Friends First Life Assurance	Ireland	130.0	Nov-17
First Derivatives	Ireland	Telnomics	Spain	2.5	Dec-17
Total				458.5	
Support Services					
Acquiror	Country	Target	Country	€m	Date
PandaGreen	Ireland	WSR Group	U.K	n/d	Oct-17
Noonan Services Group	Ireland	Ultimate Security Services	U.K	n/d	Nov-17
Total				n/d	
Building, Construction and Property					
Acquiror	Country	Target	Country	€m	Date
Kingspan Group	Ireland	Jansen Products	Belgium	n/d	Oct-17
Grafton Group	Ireland	Scholte & de Vries - Estoppey B.V.	Netherlands	n/d	Nov-17
Kingspan Group	Ireland	The Brakel Group	Netherlands	n/d	Nov-17
Kingspan Group	Ireland	Grupo Synthesia	Spain	250.0	Dec-17
Total				250.0	
Industrial					
Acquiror	Country	Target	Country	€m	Date
Amarenc Solar	Ireland	Carre	France	n/d	Oct-17
Connemara Mining	Ireland	Hendrick Resources	Ireland	n/d	Oct-17
Norcros	U.K	Merlyn Industries	Ireland	67.0	Nov-17
Strickland MFG	U.K	Dawson Manufacturing & Engineering	Ireland	n/d	Nov-17
Loxam SAS	France	Swan Plant Hire	Ireland	n/d	Dec-17
Total				67.0	
Professional & Technical					
Acquiror	Country	Target	Country	€m	Date
Experian	Ireland	A & A Dukaan Financial Services	India	25.0	Oct-17
Accenture	Ireland	Altima SAS	France	n/d	Oct-17
Accenture	Ireland	Paxata Inc	USA	n/d	Nov-17
Accenture	Ireland	Rothco	Ireland	n/d	Dec-17
Total				25.0	
Retail					
Acquiror	Country	Target	Country	€m	Date
MML Growth Capital Partners Ireland	Ireland	Sonas Bathrooms	Ireland	n/d	Nov-17
Musgrave Group	Ireland	Whelan Centra Group	Ireland	n/d	Nov-17
DCC	Ireland	NGL Energy (Retail Propane Businesses)	USA	173.0	Nov-17
Total				173.0	

## Methodology

The information in this report relates to transactions announced during the fourth quarter of 2017. 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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