

Review of Irish Merger and Acquisition Activity

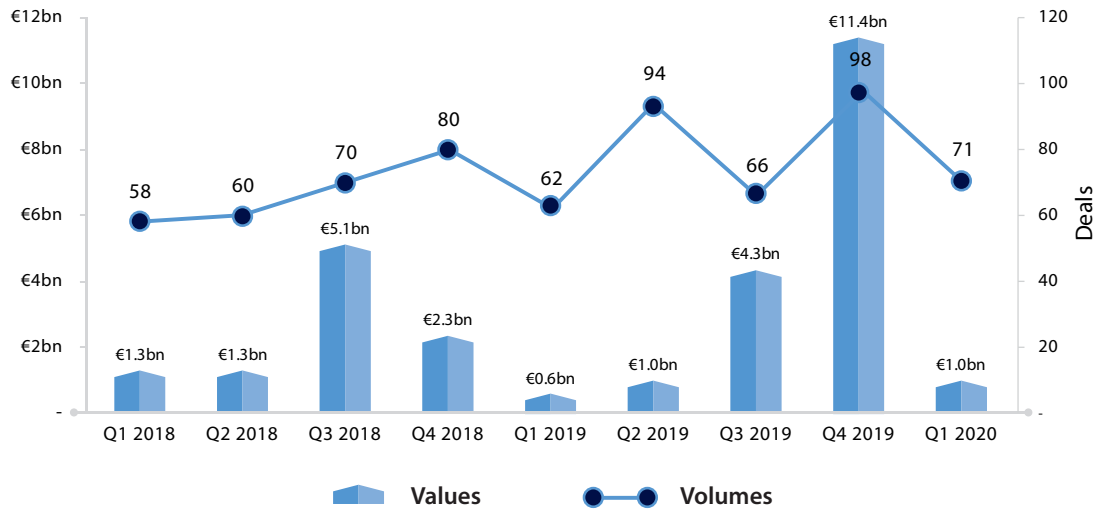
# Quarter 1, 2020



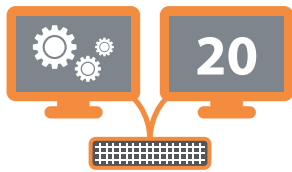
# M&A Tracker Summary, Q1 2020



## Quarterly Value and Volume Trend



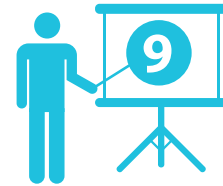
### Most Active Sectors (by volume)



IT & Telecoms



Health & Pharmaceutical



Support Services

### Transaction Type (by volume)



Foreign Acquisitions



Irish Deals (In-market)



UK Buyer

### Investec Commentary

- There were 71 deals announced during the quarter, representing a decline of 27% relative to the highest ever quarterly volume of 98 in Q4'19
- Total disclosed transaction value similarly fell from Q4'19 to Q1'20, with a combined value of €965.7m in a quarter in which only 16 of the 71 transactions disclosed a deal value
- Notable transactions which were announced during the quarter include US based Qorvo Inc. acquiring computer chip maker Decawave for a reported €363m and French listed Group Orpea SA acquiring TLC Group for a reported €150m
- Irish companies were active overseas during the quarter, with a total of 29 transactions (32 in Q4'19)
- There were 16 in-market transactions during Q1'20 in addition to 8 transactions being announced involving a UK based buyer of an Irish business
- The IT & Telecoms sector was the most active in the quarter, with 20 transactions announced. It was followed by the Health & Pharmaceuticals sector and the Support Services sector, with a running total of 9 transactions each in the three month period
- The impact of the Covid-19 outbreak in Ireland had no material effect in Q1, however not surprisingly there will be a steep decline, possibly to the lowest quarterly deal volume ever, in Q2. There will be knock on effects also on Q3 but by the end of the year activity may start to show signs of normalising again

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



## Investec Commentary

There were 71 deals announced during the first quarter of the year with a disclosed deal value of €965.7m. Whilst significantly down on the record Q4 2019 (98 deals with a combined value of €11.4bn), the figures recorded for the first quarter are strong, especially given that some transactions which were likely to have been signed or completed in the final weeks of March may not have done so given the impact of the current Covid-19 pandemic. This may possibly be one of the largest ever negative impacts on economic and indeed social activity and is certainly likely to be the most abrupt given how it has halted entire areas of the economy and its underlying industries and businesses globally. Q1 2020 was unlikely to match the level of deals recorded in Q4 2019, the highest quarter ever on record since this survey began in 2005. We had already anticipated that 2020 overall would not be as strong a year as 2019 due to the need for final Brexit withdrawal negotiations and a sense that 2019 may have been the high water mark of several years of activity underpinned by strong economic performance, readily and increasingly available amounts of capital and strong corporate balance sheets and valuations. However, in terms of deal volumes, Q1 2020 does compare favourably with the average quarterly volume of 64 deals across 2015 to 2019 inclusive.

The 3 largest transactions of the quarter involved foreign acquirers of Irish businesses, with US based Qorvo Inc. acquiring computer chip maker Decawave for a reported €363m, French listed Group Orpea SA acquiring TLC Group for a reported €150m and Google acquiring another Irish business with the acquisition of Pointy for a reported €144m. These 3 largest transactions were responsible for 68% of total disclosed deal value for the quarter, with the 10 largest transactions accounting for 96% of disclosed value. Other notable transactions during the quarter were Portwest's acquisition of a reported 71% interest in Italian safety footwear business Base Protection, Boyle Sports' purchase of 35 William Hill Bookmaker shops across Ireland and the Isle of Man and Eason's acquisition of Dubray Books.

Irish businesses have historically been very active acquiring abroad given the size of their own domestic markets, and the first quarter of this year was no different, with foreign acquisitions by Irish companies representing 41% of all deals. These overseas acquisitions included the aforementioned Portwest acquisition as well as acquisitions by ABP, Keelings, Version1 and environmental and utilities software provider AMCS. Historically Irish plcs have, not surprisingly, dominated this transaction category, but in recent years we've seen large privately owned Irish companies become increasingly acquisitive overseas and indeed financial investor or private equity backed Irish companies such as the aforementioned AMCS and Version1 being increasingly acquisitive also.

In-market deals, where both the buyer and seller are Irish, accounted for a further 23% of deal volume with 16 transactions recorded in the period. These were spread across a number of sectors including Retail, Health & Pharmaceutical and IT & Telecoms in the main. Notable transactions involved the acquisition of interests in Blackrock Hospital and Hermitage Clinic, Version1's acquisition of Singlepoint Solutions, Eason's acquisition of Dubray Books and Irish Life continuing its acquisitive form with its purchase of Conexim Advisors.

Deals involving financial buyers, typically private equity, or financial investors usually account for the smallest portion of overall quarterly deal activity, albeit showing an increasing trend in recent years. However, during the first quarter there were a number of meaningful transactions and indeed some new funds concluding what we understand to be their first ever Irish transactions. These include FTV Capital which acquired interests in Irish companies Sysnet Global Solutions and Centaur Fund Services, Bregal Investments, which acquired IT services and solutions business Arkphire and Tikehau Capital's investment in Cool Planet Group. Furthermore, infrastructure fund ICON acquired Nua Healthcare during the quarter.

The IT & Telecoms sector again drove activity levels in the market, with 20 deals during the quarter, representing 28.2% of total volume. The acquisitions of Decawave and Pointy were the only transactions that disclosed a deal value in the sector, which equated to a combined deal value of €507m. Other active sectors in the quarter were Health & Pharmaceuticals (9 transactions) and Support Services (9 transactions).

Q1 2020 was a relatively strong quarter for M&A activity despite a drop off towards the middle to end of March. There will undoubtedly be a notable decline in activity in the second quarter and into the third quarter also as both the Irish and global economies struggle to deal with the consequences of the Covid-19 pandemic.

Crucial to underpinning any level of corporate deal activity is confidence and capital. In respect of the former, the levels of uncertainty are so great at present (witness the movement in the VIX or Volatility Index) that in the very near term confidence in strategic and investment decision making will be in much shorter supply than is normally the case. When visibility returns on the timing of the transition period out of the current economic difficulties and recovery commences, so too will confidence in the typical decision making processes that are necessary to effect

## Investec Commentary (Continued)

corporate activity. When this happens one often sees a spurt in activity as was the case in the first half of 2017 for example. Back then, 138 transactions took place in contrast to the second half of 2016 when activity was muted following the result of the Brexit Referendum, with 89 transactions taking place in what was the lowest half year total since 2009 during the depths of the financial crisis.

For now though, companies will seek to focus on ensuring the wellbeing of their various stakeholders and the challenges facing their businesses in the immediate near term. For many, this will include ensuring adequate liquidity, capital and a right-sized business for the duration of the crisis. During this immediate near term, corporate deal activity will continue but at reduced levels and in an environment of adjusted valuations, we may see opportunistic buying by cash rich corporates and financial buyers in the weeks and months following the peak of the crisis.

## 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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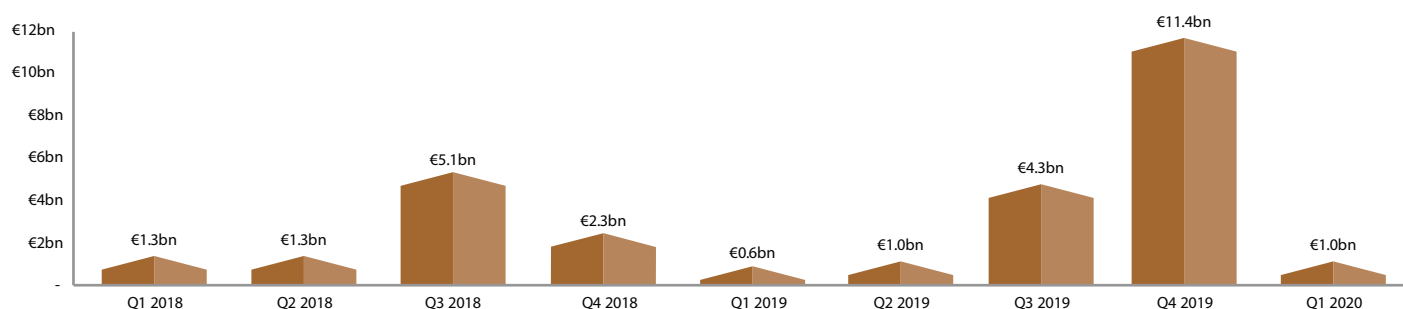
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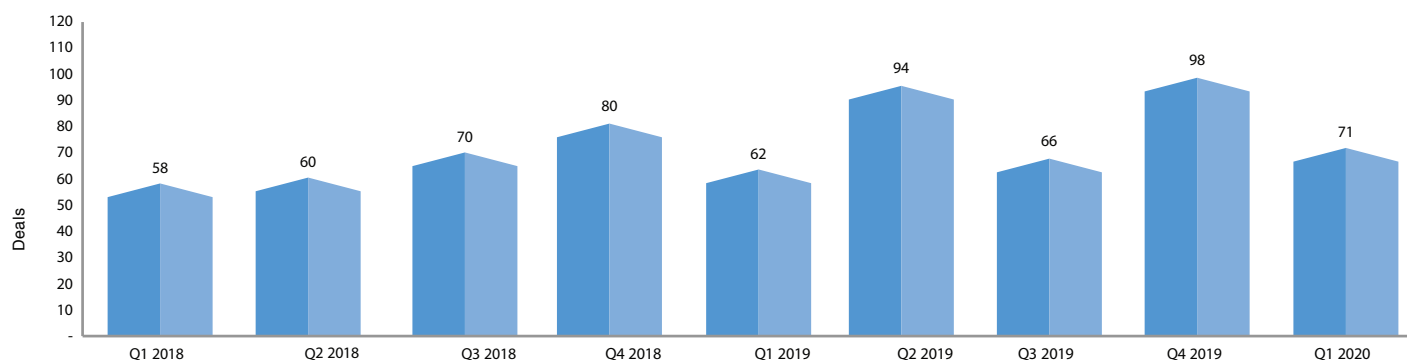
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## M&A Transaction Values and Volumes

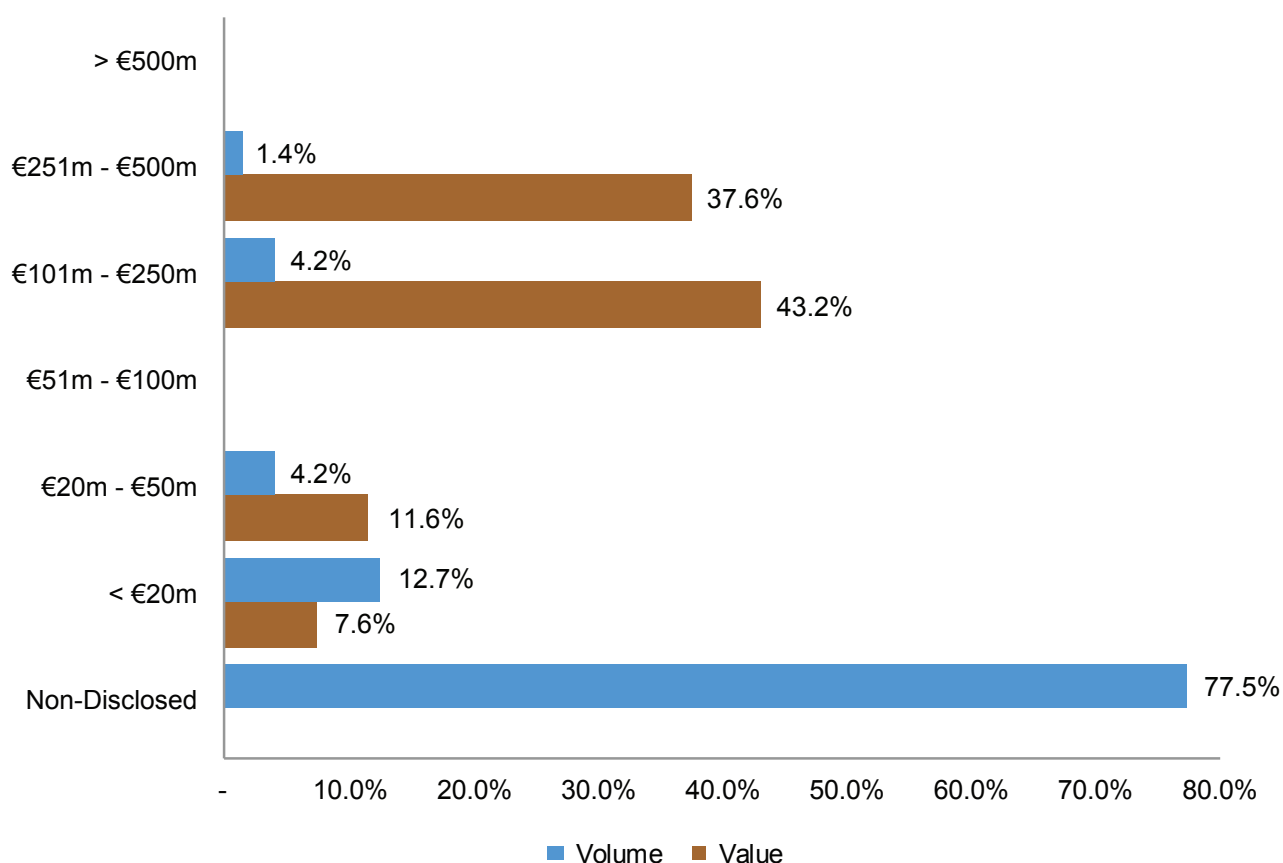
### Quarterly Value Trends: Q1 2018 - Q1 2020



### Quarterly Volume Trends: Q1 2018 - Q1 2020



### Q1 2020 Transactions



## M&A Transaction Type

First Quarter 2020

	Trade Sale				Financial Buyers & Investors	Overseas Transaction		Total
	Irish buyer	UK buyer	US buyer	Other	Irish seller	Acquisitions	Disposals	
Value (€ million)	€25.0m	€25.4m	€507.0m	€195.0m	€38.0m	€175.3m	-	€965.7m
Disclosed deals	3	3	2	2	2	4	-	16
Undisclosed deals	13	5	3	5	4	25	-	55
<b>Total number of deals</b>	<b>16</b>	<b>8</b>	<b>5</b>	<b>7</b>	<b>6</b>	<b>29</b>	<b>-</b>	<b>71</b>

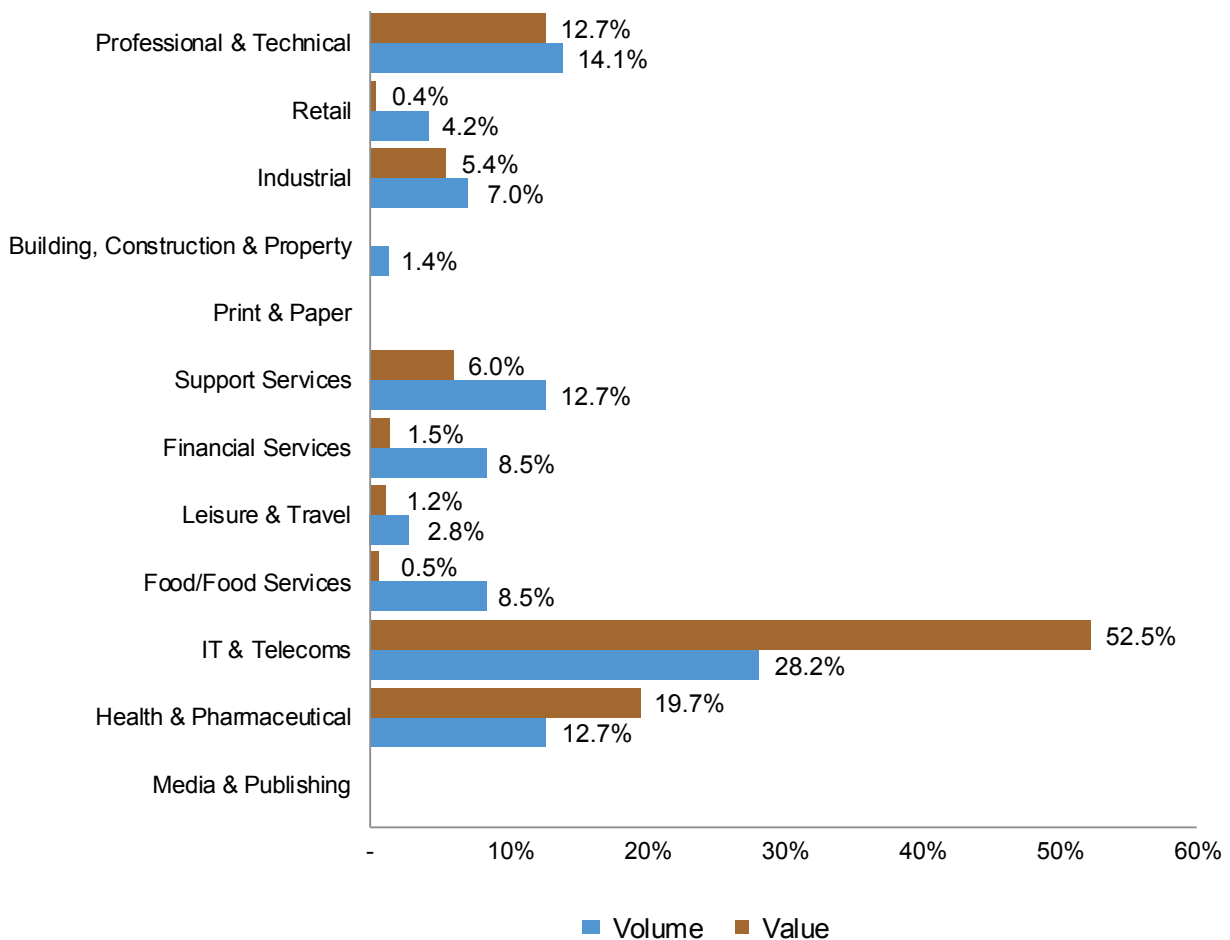
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*Overseas Transaction: Acquisition or disposal of overseas corporate by Irish corporate / private equity*

## Q1 2020 Activity by Sector



# Q1 2020 Transactions by Sector

Health and Pharmaceutical					
Acquiror	Country	Target	Country	€m	Date
LifeSignals Group Inc.	USA	Connected Health Assets of Renew Health Ltd	Ireland	n.d.	Jan-20
iCON Infrastructure	UK	Nua Healthcare Ltd	Ireland	n.d.	Jan-20
ICON plc	Ireland	MedPass International SAS	France	36.3	Feb-20
Parma Investments Ltd	Ireland	Blackrock Hospital Ltd	Ireland	n.d.	Mar-20
Parma Investments Ltd	Ireland	Hermitage Clinic	Ireland	n.d.	Mar-20
DCC plc	Ireland	Amerilab Technologies	USA	n.d.	Mar-20
Healthcare 21 Group	Ireland	Cardio Solutions (UK) Ltd	UK	n.d.	Mar-20
Orpea SA	France	TLC Group	Ireland	150.0	Mar-20
Ovoca Bio plc	Ireland	IVIX LLC (40% Stake)	Russia	4.0	Mar-20
<b>Total</b>				<b>190.3</b>	
IT and Telecoms					
Acquiror	Country	Target	Country	€m	Date
Calligo Ltd	Jersey	DC Networks Ltd	Ireland	n.d.	Jan-20
Welltel Ltd	Ireland	Invistech Ltd	Ireland	n.d.	Jan-20
Accenture	Ireland	maihiro GmbH	Germany	n.d.	Jan-20
Accenture	Ireland	Symantec Corporation (Enterprise Security Business)	USA	n.d.	Jan-20
Google	USA	Pomo Search Ltd	Ireland	144.0	Jan-20
Accenture	Ireland	Ideoclick Inc.	USA	n.d.	Jan-20
Comcast Corporation	USA	Blueface Ltd	Ireland	n.d.	Jan-20
AMCS Group	Ireland	TRUX Route Management Systems Inc.	Canada	n.d.	Jan-20
Qorvo Inc.	USA	Decawave Ltd	Ireland	363.0	Jan-20
Kitman Labs Ltd	Ireland	The Sports Office UK Ltd	UK	n.d.	Jan-20
Accenture	Ireland	Mudano Ltd	UK	n.d.	Feb-20
Clanwilliam Group	Ireland	KM Medical Software Ltd	Ireland	n.d.	Feb-20
FTV Capital; True Wind Capital Management	USA	Sysxnet Ltd	Ireland	n.d.	Feb-20
Pivot Cloud Solutions	Ireland	Astra Global Services Ltd	UK	n.d.	Mar-20
Bregal Investments Inc.	UK	Arkphire Ireland Ltd	Ireland	n.d.	Mar-20
Allregion plc	Ireland	OpenPath, Inc.	USA	n.d.	Mar-20
ABB Ltd	Switzerland	Cylon Controls Ltd	Ireland	n.d.	Mar-20
Version 1 Holdings Ltd	Ireland	Singlepoint Solutions Ltd	Ireland	n.d.	Mar-20
The Access Group	UK	CoreHR Ltd	Ireland	n.d.	Mar-20
Accenture	Ireland	ESR Labs AG	Germany	n.d.	Mar-20
<b>Total</b>				<b>507.0</b>	
Food/Food Services					
Acquiror	Country	Target	Country	€m	Date
ABP Food Group	Ireland	John Pointon & Sons Ltd	UK	n.d.	Jan-20
Keelings Ltd	Ireland	Compania Agropecuaria Las Brisas S.A.	Costa Rica	n.d.	Feb-20
Westbury Street Holdings Ltd	UK	Hesscroft Ltd	Ireland	5.0	Feb-20
Boyne Valley Craft Brewery & Distillery Ltd	Ireland	Carrig Brewing Co.	Ireland	n.d.	Mar-20
Bakers + Baristas Ltd	Ireland	Patisserie Valerie Ltd	UK	n.d.	Mar-20
Fyffes	Ireland	Fruchtimport van Wylick GmbH (50% Stake)	Germany	n.d.	Mar-20
<b>Total</b>				<b>5.0</b>	
Leisure and Travel					
Acquiror	Country	Target	Country	€m	Date
Boylesports Ltd	Ireland	William Hill plc (35 betting shops)	Ireland, Isle of Man	12.0	Jan-20
Management	Ireland	iNua Hospitality	Ireland	n.d.	Feb-20
<b>Total</b>				<b>12.0</b>	
Financial Services					
Acquiror	Country	Target	Country	€m	Date
FTV Capital	USA	Centaur Fund Services Ltd	Ireland	n.d.	Jan-20
Sanne Group plc	UK	Inbhear Management Services Ltd	Ireland	14.4	Jan-20
Cuchullain Credit Union Ltd	Ireland	Dundalk Credit Union Ltd	Ireland	n.d.	Feb-20
Cent Investments Ltd	UK	Pinemont Ltd	Ireland	n.d.	Feb-20
FNZ	UK	Irish Progressive Services International Ltd	Ireland	n.d.	Feb-20
Irish Life Assurance plc	Ireland	Conexim Advisors Ltd	Ireland	n.d.	Mar-20
<b>Total</b>				<b>14.4</b>	
Support Services					
Acquiror	Country	Target	Country	€m	Date
Bakhchysarai (Ireland) Ltd	Ireland	PE Global	Ireland	9.0	Jan-20
Accenture	Ireland	Workday, Salesforce and U.S. MuleSoft Practices of Sierra-Cedar	USA	n.d.	Jan-20
Tarsus Group plc	Ireland	Unfiltered Experience	USA	n.d.	Feb-20
Tikehau Capital Partners	France	Cool Planet Group	Ireland	31.0	Feb-20
Accenture	Ireland	Icon Integration Pty Ltd	Australia	12.0	Feb-20
Accenture	Ireland	VanBerlo B.V.	Netherlands	n.d.	Feb-20
Accenture	Ireland	Fruendo S.r.l. (60% Stake)	Italy	n.d.	Feb-20
Oasis Group	Ireland	Box-it Scotland	UK	n.d.	Mar-20
AMTIVO Group	UK	Certification Europe Ltd	Ireland	6.0	Mar-20
<b>Total</b>				<b>58.0</b>	

## Q1 2020 Transactions by Sector

Building, Construction and Property					
Acquiror	Country	Target	Country	€m	Date
Kingspan Group plc	Ireland	Colt Group Ltd	UK	n.d.	Mar-20
<b>Total</b>				<b>0.0</b>	
Industrial					
Acquiror	Country	Target	Country	€m	Date
Rockpool Investments LLP	UK	RWL Security Solutions Ltd (38% Stake)	Ireland	7.0	Jan-20
StandardAero Holdings, Inc.	Canada, USA	Turbine Repair Services Global Ireland Ltd	Ireland	45.0	Jan-20
Zinc of Ireland NL	Australia	Centenary Resources Ltd	Ireland	n.d.	Jan-20
TerraCom Ltd	Australia	Anglo-African Minerals plc	Ireland	n.d.	Feb-20
Allglass Windscreens Services Ltd	Ireland	Autoglass Ltd	Ireland	n.d.	Feb-20
<b>Total</b>				<b>52.0</b>	
Professional and Technical					
Acquiror	Country	Target	Country	€m	Date
Anderson Agnew & Co, Solicitors	Ireland	T S McAllister & Son	Ireland	n.d.	Jan-20
Marketing Network Ltd	Ireland	Valda Boardman Public Relations Ltd	Ireland	n.d.	Jan-20
Power Systems Consultants Inc.	UK	Gridconnect	Ireland	n.d.	Jan-20
Eddyfi NDT Inc.	Canada	NDT Global Corporate Ltd	Ireland	n.d.	Feb-20
Teneo Holdings LLC	USA	Bridge Public Relations Ltd	Ireland	n.d.	Feb-20
Building Envelope Technologies Ltd	Ireland	Build Check Ltd	UK	n.d.	Feb-20
Glantus Ltd	Ireland	JPD Financial Corporate	USA	n.d.	Feb-20
Accenture	Ireland	AlphaBeta Advisors Pty Ltd	Australia	n.d.	Feb-20
RSK Group Ltd	UK	Nicholas O'dwyer Ltd	Ireland	n.d.	Mar-20
Accenture	Ireland	Context Information Security Ltd	UK	123.0	Mar-20
<b>Total</b>				<b>123.0</b>	
Retail					
Acquiror	Country	Target	Country	€m	Date
Frank Murphy & Brian Fallon	Ireland	Fallon & Byrne Ltd (45% Stake)	Ireland	n.d.	Jan-20
Eason and Son Ltd	Ireland	Dubray Books Ltd	Ireland	4.0	Feb-20
Portwest Ltd	Ireland	Fegemu, S.A. (71% Stake)	Spain	n.d.	Mar-20
<b>Total</b>				<b>4.0</b>	



## Methodology

The information in this report relates to transactions announced during the first quarter of 2020. 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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