



Corporate Finance

Out of the Ordinary™

Review of Irish Merger and Acquisition Activity

Quarter 2, 2020

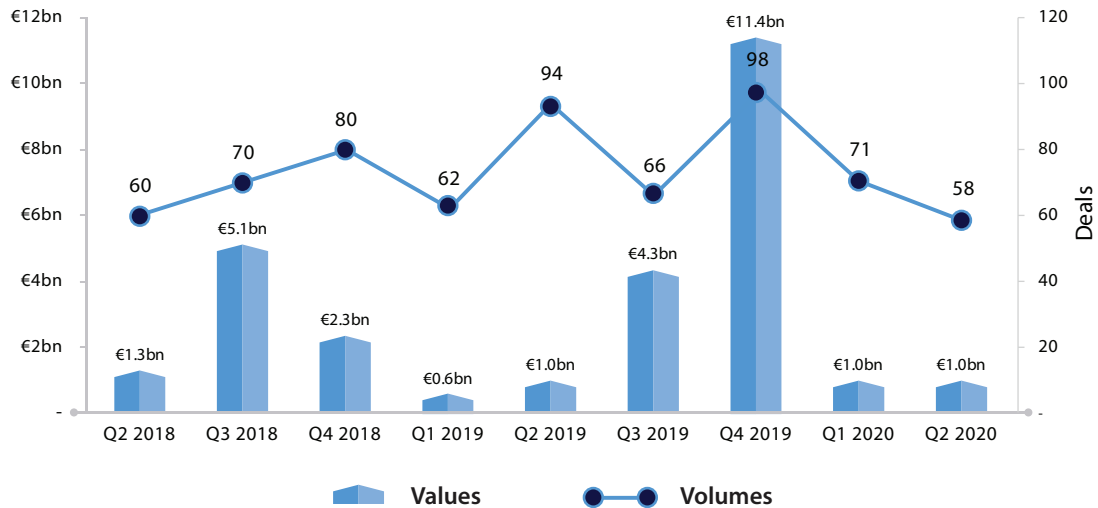


Prepared by Investec Corporate Finance

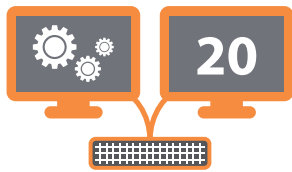
M&A Tracker Summary, Q2 2020



Quarterly Value and Volume Trend



Most Active Sectors (by volume)



IT & Telecoms



Professional & Technical



Health & Pharmaceutical

Transaction Type (by volume)



Foreign Acquisitions



Irish Deals (In-market)



Financial Investor

Investec Commentary

- There were 58 deals announced during the quarter, representing a decline of 18% relative to the first quarter of the year
- Total disclosed transaction value remained in line with Q1'20, with a combined value of €1.0bn in a quarter in which only 14 of the 58 transactions disclosed a deal value
- Notable transactions which were announced during the quarter include US based Phoenix Tower International's acquisition of Eir's subsidiary Emerald Tower Ltd for a reported €300m, Blackstone's €298m development funding of Medtronic MiniMed devices, and CVC's purchase of a 28% stake in the Guinness Pro14
- Irish companies were active overseas during the quarter, with a total of 26 transactions (29 in Q1'20)
- There were 10 in-market transactions during Q2'20 in addition to 4 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 Professional & Technical (9 transactions) and Health & Pharmaceutical (6 transactions) sectors
- The impact of the Covid-19 outbreak in Ireland has resulted in reduced volumes for the quarter, with the activity levels expected to be impacted in Q3'20 also

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 58 deals announced during the second quarter of the year with a disclosed deal value of €1.0bn. This was a strong level of activity despite the widespread closure of businesses and related uncertainty during the quarter – clearly there was a reasonable volume of transactions in the offing such that those that did get announced in Q2'20 resulted in a meaningful number of deals overall. As we had anticipated in our previous publication, deal volume has declined from 71 in the first quarter and the record high of 98 in Q4 2019. Despite this, a number of high value transactions resulted in a deal value for the quarter of €1.0bn, a modest increase from the first quarter which recorded a deal value of €965.7m.

Significant Transactions

The 3 largest transactions of the quarter involved foreign investors in Irish businesses. US based Phoenix Tower International's acquisition of Eir's subsidiary Emerald Tower Ltd for a reported €300m, Blackstone's €298m development funding of Medtronic MiniMed devices, and CVC's purchase of a 28% stake in the Guinness Pro14 were the only transactions to have a reported deal value in excess of €100m. The above 3 transactions accounted for 73% of the total deal value for the quarter. Some of the larger deals during the quarter which did not disclose transaction values included Livingbridge's acquisition of a majority stake in Chill Insurance and Towerbrook's acquisition of, through investment in, Car Trawler.

Foreign Acquisitions

Foreign acquisitions were prominent yet again. There were a total of 26 transactions involving an Irish buyer of a foreign owned business, equating to a disclosed deal value of €137.0m. Some noteworthy foreign acquisitions include ICON's acquisition of Medical Device CRO MedPass for €42.8m and Donegal baker Promise Gluten Free's acquisition of US based Rudi's Organic Bakery.

In-Market Transactions

In-market deals, where both buyer and seller are Irish companies, accounted for 17% of deal volume, with 10 transactions recorded in the quarter. These were spread across a number of sectors including Health & Pharmaceutical, Professional & Technical and IT & Telecoms in the main. Arachas continued on its acquisition path, acquiring ODON in May, with MML backed DMS Governance acquiring MontLake Group and MDO. Transaction values were not disclosed for the three transactions.

Financial Buyers & Investors

There were a number of notable transactions involving financial buyers during the quarter. These include Livingbridge's acquisition of Chill Insurance as well as its investment in TitanHQ, CapVest's acquisition of pork processor M&M Walshe and Blackstone's €298m Medtronic MiniMed investment earmarked for new diabetes devices.

IT & Telecoms Sector

The IT & Telecoms sector again drove activity levels in the market, with 20 deals during the quarter, representing 34% of total volume. Apple's acquisition of Dublin AI start-up Voysis and Eir's disposal of its tower infrastructure subsidiary were notable transactions during the period.

H1 2020

The first half of 2020 saw 129 transactions being announced with a combined value in excess of €1.95bn. In comparison to previous periods, the first half of 2019 saw 156 transactions while 164 transactions were reported during the second half of 2019, indicating a modest decline in comparison to both.

Outlook for Q3 2020

M&A activity during Q2 2020 was better than anticipated in this difficult economic environment, with activity levels holding relatively firm for the period. The anticipated material reduction in deal volume did not quite materialise, however we suspect that a much more pronounced reduction in Q3 2020 deal volume is likely. More pressing issues remain for the stakeholders of Irish businesses, with management continuing to focus on ensuring adequate liquidity, capital and a right-sized business for the duration of the current challenging economic environment.

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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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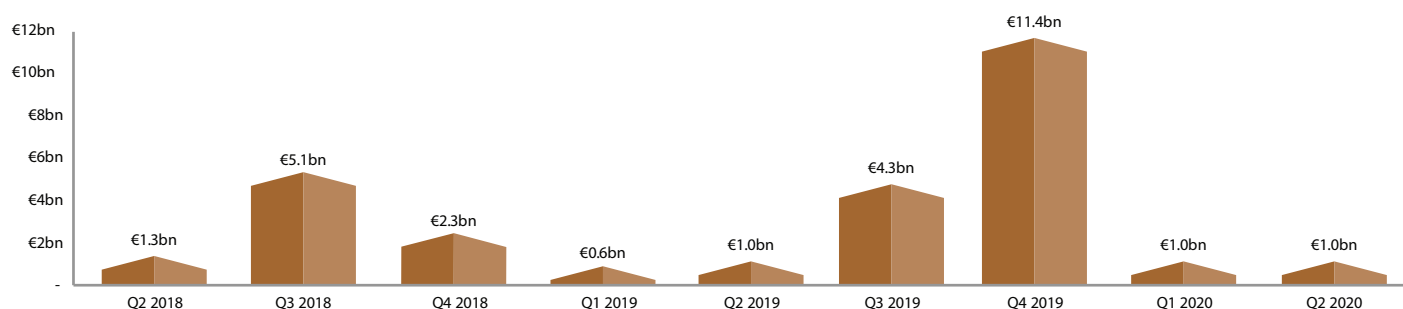
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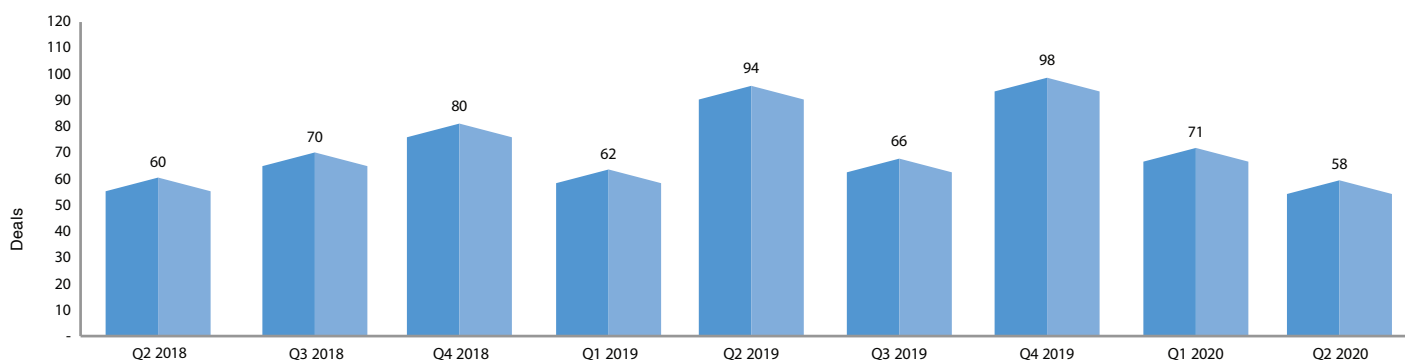
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M&A Transaction Values and Volumes

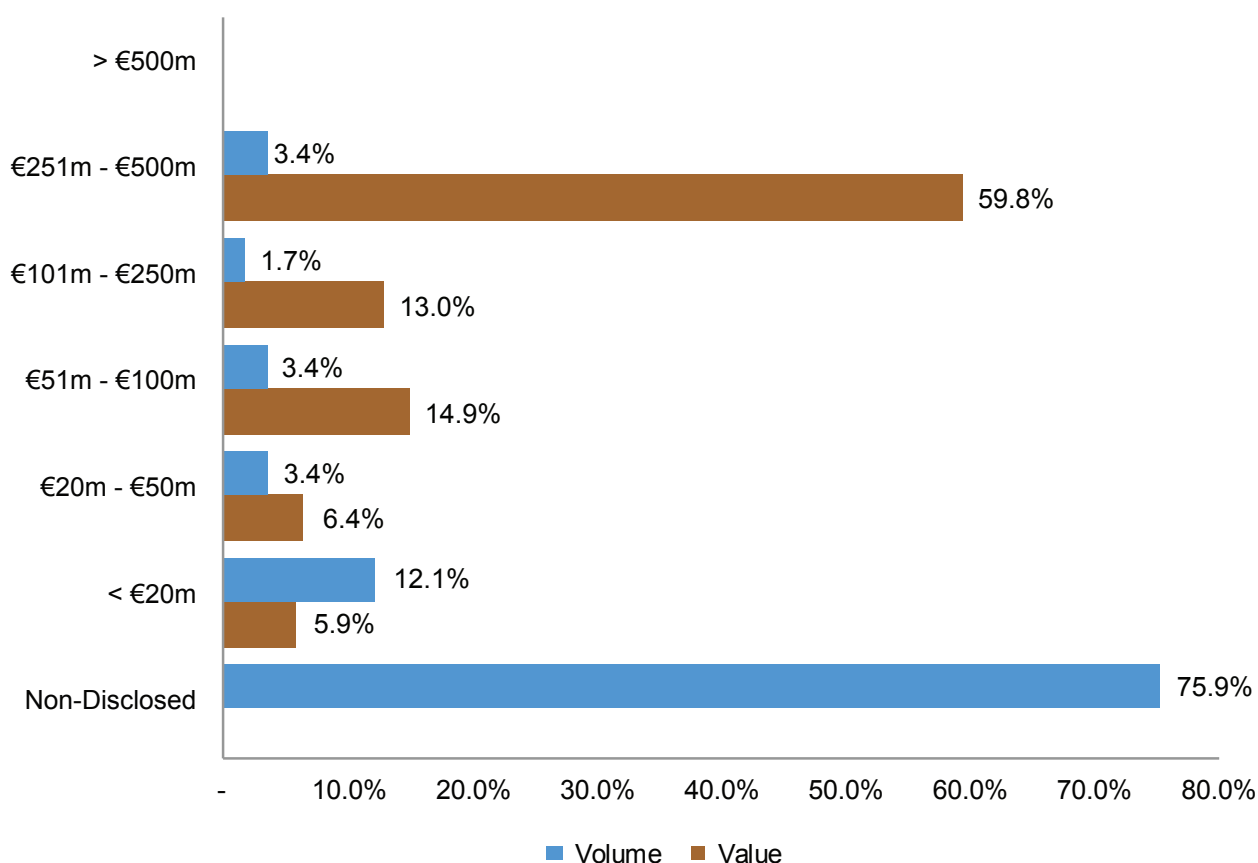
Quarterly Value Trends: Q2 2018 - Q2 2020



Quarterly Volume Trends: Q2 2018 - Q2 2020



Q2 2020 Transactions



M&A Transaction Type

Second Quarter 2020

	Trade Sale				Financial Buyers & Investors	Overseas Transaction		Total
	Irish buyer	UK buyer	US buyer	Other	Irish seller	Acquisitions	Disposals	
Value (€ million)	€8.0m	€18.6m	€307.0m	€101.4m	€428.8m	€137.0m	-	€1,000.7m
Disclosed deals	1	2	2	2	2	5	-	14
Undisclosed deals	9	2	3	4	5	21	-	44
Total number of deals	10	4	5	6	7	26	-	58

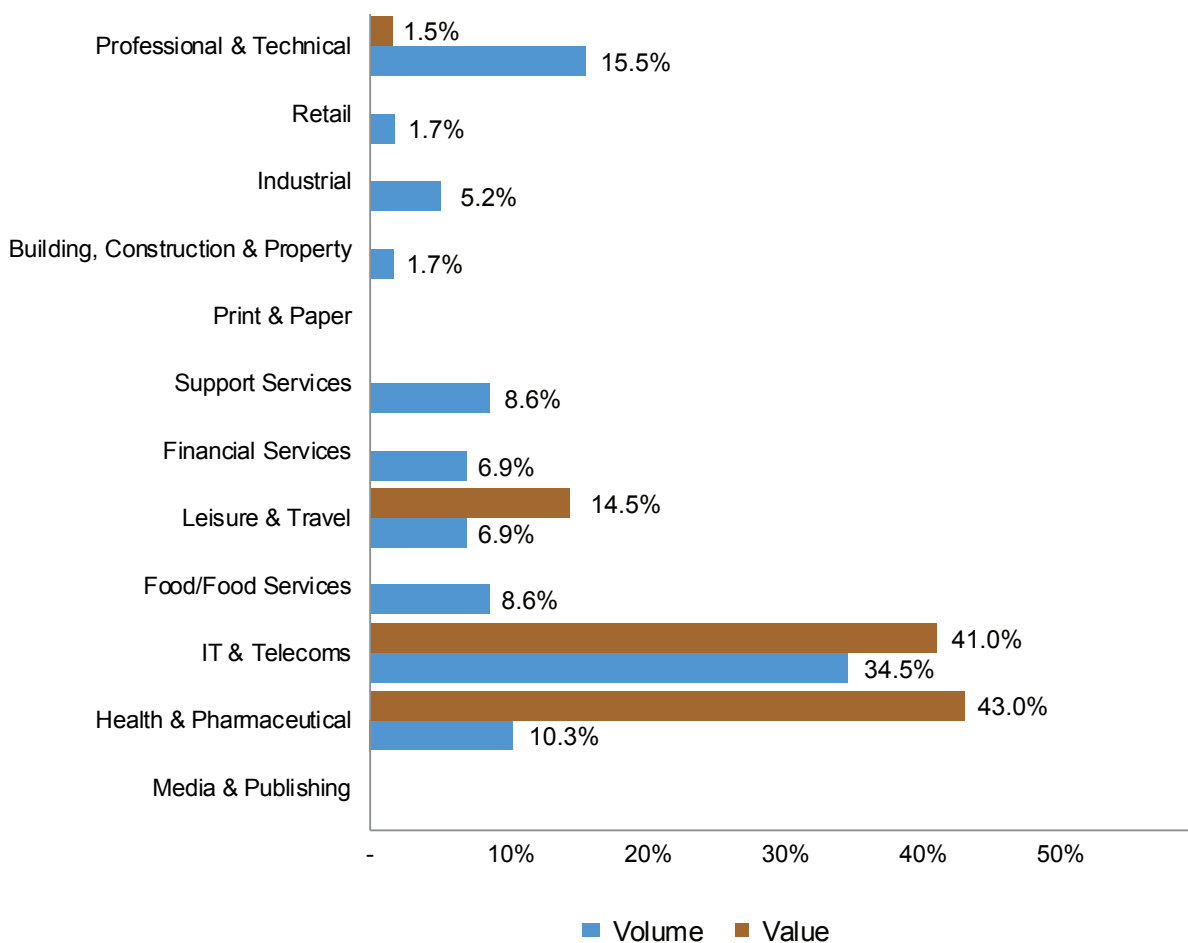
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Q2 2020 Activity by Sector



Q2 2020 Transactions by Sector

Health and Pharmaceutical					
Acquiror	Country	Target	Country	€m	Date
ICON plc	Ireland	MedPass	France	42.8	May-20
Uniphar	Ireland	Innerstrength	Ireland	8.0	May-20
Erisbeg Holdings	Ireland	Carestream Health UK service business	UK	n.d.	May-20
Blackstone Group	USA	Medtronic MiniMed	Ireland	298.8	Jun-20
Caring Brands International Inc.	Ireland	Bluebird Care Master Franchise ROI	Ireland	n.d.	Jun-20
Novozymes	Denmark	PrecisionBiotics Group	Ireland	80.5	Jun-20
Total				430.1	
IT and Telecoms					
Acquiror	Country	Target	Country	€m	Date
Welltell	Ireland	Globanet Solutions	Ireland	n.d.	Apr-20
Apple Inc.	USA	Voysis Limited	Ireland	n.d.	Apr-20
Accenture plc	Ireland	Revolutionary Security LLC	USA	69.0	Apr-20
Huntsworth plc	UK	Logicearth Learning Services Limited	Ireland	n.d.	Apr-20
IFOX Investments AB	Sweden	Score Music Interactive Limited	Ireland	20.9	Apr-20
Arkphire Ireland Limited	Ireland	Generic Technologies	Singapore	n.d.	Apr-20
iCIMS, Inc.	USA	Opening HR Limited	Ireland	n.d.	May-20
Irish Studio Media Publishing	Ireland	Darwin CX Inc.	Canada	4.9	May-20
Accenture plc	Ireland	Byte Prophecy	India	n.d.	May-20
TowerBrook Capital Partners	USA	CarTrawler Limited	Ireland	n.d.	May-20
Phoenix Tower International	USA	Emerald Tower Limited	Ireland	300.0	May-20
Livingbridge	UK	TitanHQ	Ireland	n.d.	Jun-20
Insightful Science LLC	USA	Statistical Solutions Limited	Ireland	7.0	Jun-20
Xtremepush Limited	Ireland	Alchemetrics Limited	UK	n.d.	Jun-20
RWL Advanced Solutions	Ireland	Mulder-Hardenberg B.V.	Netherlands	n.d.	Jun-20
RWS Holdings plc	UK	Iconic Translation Machines Limited	Ireland	8.8	Jun-20
Livingbridge	UK	Copperfasten Technologies Limited	Ireland	n.d.	Jun-20
Accenture plc	Ireland	Sentelis	France	n.d.	Jun-20
Calligo Limited	Channel Islds.	Itomic Voice & Data Limited	Ireland	n.d.	Jun-20
Dairy.com	Ireland	Orbis MES Limited	Ireland	n.d.	Jun-20
Total				410.7	
Food/Food Services					
Acquiror	Country	Target	Country	€m	Date
Promise Gluten Free	Ireland	Rudi's Organic Bakery Inc.	USA	n.d.	May-20
Promise Gluten Free	Ireland	Three Bakers Gluten Free Bakery	USA	n.d.	May-20
CapVest Partners	UK	M&M Walshe Limited	Ireland	n.d.	May-20
Intrepid Spirits Limited	Ireland	Regal Rogue	Australia	n.d.	May-20
Esro Food Group BV	Netherlands	Fayman Europe Limited	Ireland	n.d.	Jun-20
Total				0.0	
Leisure and Travel					
Acquiror	Country	Target	Country	€m	Date
Thimba Media Limited	Ireland	Casino Martini	UK	n.d.	May-20
Undisclosed bidder	Ireland	Flybe Aviation Services Limited	UK	5.0	Jun-20
CVC Capital Partners	UK	Guinness PRO14 (28% Stake)	Ireland	130.0	May-20
Stobart Group Limited	UK	Stobart Air; Propius Holdings (Each 75% stakes)	Ireland	9.7	Apr-20
Total				144.8	
Financial Services					
Acquiror	Country	Target	Country	€m	Date
Arachas	Ireland	ODON	Ireland	n.d.	May-20
St. Anthony's and Claddagh Credit Union Ltd	Ireland	St Jarlath's Credit Union Ltd	Ireland	n.d.	Jun-20
Livingbridge	UK	Chill Insurance	Ireland	n.d.	Jun-20
Planet	Ireland	3C Payment	Luxembourg	n.d.	Jun-20
Total				0.0	
Support Services					
Acquiror	Country	Target	Country	€m	Date
Rhenus	Germany	C+G Logistics	Ireland	n.d.	Apr-20
Accenture plc	Ireland	NIKE Group S.p.A.	Italy	n.d.	Apr-20
AWD Waste Shareholders	Ireland	AWD Waste (Oxigen Stake)	Ireland	n.d.	May-20
Paragon	Ireland	ZenOffice	UK	n.d.	May-20
Paragon	Ireland	Office Team	UK	n.d.	May-20
Total				0.0	

Q2 2020 Transactions by Sector

Building, Construction and Property					
Acquiror	Country	Target	Country	€m	Date
ESS Modular Limited	Ireland	Spatial Initiative Limited	UK	n.d.	Jun-20
Total				0.0	
Industrial					
Acquiror	Country	Target	Country	€m	Date
Ellab A/S	Denmark	Qualus	Ireland	n.d.	May-20
Flogas Ireland Limited	Ireland	Budget Energy Limited	UK	n.d.	May-20
Lindab	Ireland	Thor Duct	Ireland	n.d.	Jun-20
Total				0.0	
Professional and Technical					
Acquiror	Country	Target	Country	€m	Date
Accenture plc	Ireland	Yesler, Inc.	USA	n.d.	Apr-20
Accenture plc	Ireland	Gekko	France	n.d.	Apr-20
SS&C Technologies Holdings, Inc.	USA	Capita Life & Pensions Services (Ireland) Limited	Ireland	n.d.	Apr-20
Accenture plc	Ireland	Callisto Integration Limited	Canada	n.d.	May-20
Accenture plc	Ireland	Kates Kesler Organization Consulting,LLC	USA	n.d.	May-20
Accenture plc	Ireland	itrigger (80% Stake)	China	15.2	May-20
DMS Governance Limited	Ireland	MontLake Group; MDO	Ireland	n.d.	Jun-20
Deloitte & Touche Ireland	Ireland	DNM Group Limited	Ireland	n.d.	Jun-20
Colouring Department	Ireland	Stand Fast Technologies	UK	n.d.	Jun-20
Total				15.2	
Retail					
Acquiror	Country	Target	Country	€m	Date
Vampire Vape Eliquids Limited	UK	Total Vapour Limited	Ireland	n.d.	Apr-20
Total				0.0	

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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