DEAL SUMMARY **Q3 2024**

JANUARY – SEPTEMBER 2024

IMAP closes 154 M&A transactions in Q1-Q3 2024

IMAP dealmakers closed 154 M&A deals around the world worth more than $29 billion during the Q1-Q3 period. Improvements in market conditions and increased confidence observed at the beginning of the year have been offset by other factors, most notably tight financing and a lack of visibility around the timing of interest rate cuts. As a result, the M&A market has not yet emerged from what is proving to be an unusually prolonged downcycle. Transaction activity hit a notable peak in 2021 as the market rebounded from the effects of the pandemic in 2020, but momentum has largely stalled since then. A tight US election race, uncertainty about the health of major world economies and an increased level of geo-political tension continue to weigh on M&A activity.

With expected lower interest rates and borrowing costs not only in the US but also in Europe, confidence is expected to increase going forward among previously hesitant owners of private mid-sized companies and bring financial players off the sidelines in search for opportunities to deploy their record amounts of unspent capital. Moreover, many of the fundamental factors for deal activity are already in place: strong corporate profits, an aging owner base looking for exits, an ongoing move towards market efficiencies and consolidation, and the adoption of new technologies. IMAP advisors are reporting strong deal pipelines and looking forward to increased deal activity in the short to midterm.

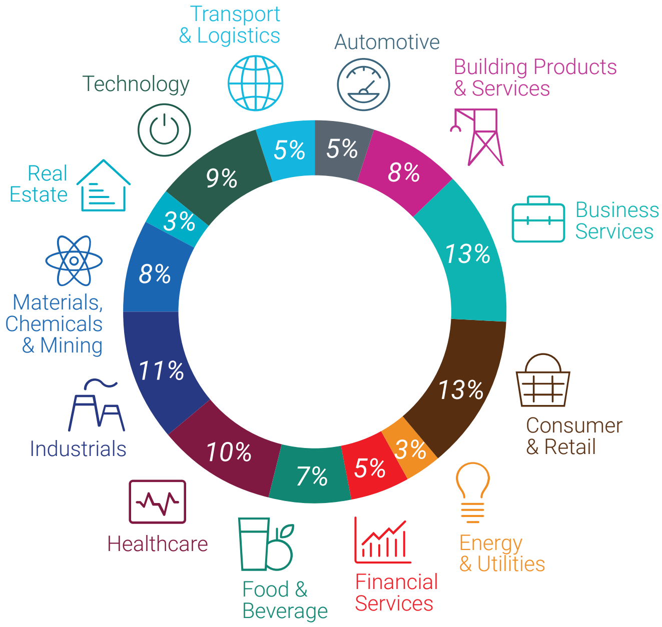
About a third of IMAP transactions during the Q1-Q3 period were cross-border as IMAP dealmakers continued to leverage their international reach and help clients seize opportunities abroad. From a sector perspective, IMAP was most active in the Consumer, Business Services, Industrials, Healthcare and Technology segments, accounting for more than 60% of total deal volume.

Global Performance

Rank	Advisor
1	PwC
2	Houlihan Lokey
3	Rothschild
4	Deloitte
5	KPMG
6	**IMAP**
7	EY
8	Oaklins
9	Jefferies
10	JP Morgan

Ranking based on number of transactions closed in Q1-Q3 2024.
Undisclosed values and values up to $500 million.
Source: Refinitiv and IMAP internal data.

Deal Distribution by Sector



"Recent data indicating strong job growth in the US and the announcement of major fiscal stimulus in China have energized stock markets. However, this good news on the economy has also led to the reflation of commodity markets and dampened expectations for further interest rate cuts, before they have had a chance to bottom. Despite that, IMAP deal pipelines remain exceptionally strong, as IMAP partners continue to engage with and advise clients through challenging economic conditions."

JURGIS V. ONIUNAS
IMAP Chairman

IMAP Partner Global M&A Perspectives & Forecasts

GERMANY

IMAP Germany has closed 12 deals so far this year and is working on more than 35 live deals, almost all sell-side mandates. Our pipeline is filled and the inflow of promising leads for new mandates remains strong given numerous confidential discussions with private company owners considering a sale process.

Despite a mixed economic scenario, we still observe considerable investor interest and dry powder for new deals

We have successfully closed various high-profile deals driven by convincing strategic rationale and benefits for cross-border buyers from Japan, Italy, Canada, the UK and the US, in close cooperation with our international IMAP partners. The economic outlook in Germany still has limited visibility with several traditional Industrial sub-sectors under considerable pressure, while other sectors like Life Sciences, IT and Business Services maintain healthy growth prospects. Despite a mixed economic scenario, we still observe considerable investor interest and dry powder for new deals.

Carsten Lehmann
IMAP Germany

SPAIN

M&A activity in the Spanish market for the first eight months of 2024 was down by 5% in terms of number of deals, but substantially up in terms of value (+40%). Many high value deals have been completed in 2024 in the Energy, Technology and Telecommunications sectors, positively affecting total transaction value for the year.

Northern and Central European companies are looking at Spain more than ever

Looking forward, the recent positive review of Spain's GDP outlook for 2024 (2.2% growth) and 2025 (2.8% growth) - compared to expected Eurozone growth of 1.3% in 2024 - jointly with an inflation figure that has finally been contained (2.3% year over year growth as of August 2024), suggest a positive macro outlook for the coming months. Northern and Central European companies are looking at Spain more than ever, and we have received an uptick in petitions from buyers from these countries to advise them on entering the Spanish market. In terms of sectors, we are seeing significant activity in Business Services, IT / Software, and Logistics. We expect steady M&A activity in the coming months and are optimistic about the final outcome for IMAP Spain's activity in 2024.

Aitor Cayero
IMAP Spain

UK

With a resilient economy, declining interest rates, a healthy debt market and record PE dry powder the UK M&A market remains buoyant, although valuations remain somewhat subdued.

It is now a near certainty that Capital Gains Tax will be raised. This is likely to be a major driver of short term M&A activity in the mid-market

The elephant in the room is the new Labour government's expected U-turn on Capital Gains Tax. It is now a near certainty that Capital Gains Tax will be raised – potentially very aggressively to match Income Tax thresholds. This is likely to be a major driver of short term M&A activity in the mid-market as entrepreneurs fear having to grow their businesses by up to 30% more to achieve the same net proceeds.

Karri Vuori
IMAP UK

NETHERLANDS

After a slow first half of the year due to challenging macroeconomic and geopolitical conditions we have seen market momentum picking up after the summer, particularly in the mid-market space with deals in the €25mn-€75mn enterprise value range.

We expect increased deal volume with more financial sponsors engaging advisors and an increasing number of founder-led companies coming to market for a lack of succession

Deal multiples are on the rise and lender appetite is strengthening. We expect this to continue in sight of further interest rate cuts and moderating inflation. We do note that deal volume in the €100mn-€250mn range is still lagging behind. We expect increased deal volume towards the end of the year and notably the first half of 2025 with more financial sponsors engaging advisors and an increasing number of founder-led companies coming to market for a lack of succession.

Guillaume Petit
IMAP Netherlands

FRANCE

Deal volumes in France during the first half of 2024 were restrained due to inflation, high interest rates, geopolitical tensions and political uncertainty.

The outlook for French M&A is cautiously optimistic. The market recovery will likely be gradual

At the end of Q3, these factors, particularly the cost of financing, continue to affect the M&A market in France, which has been experiencing a slower pace of deal activity compared to the previous years. Looking ahead to the rest of 2024 and beyond, the outlook for French M&A is cautiously optimistic. The market is expected to pick up as inflation slows and financing conditions slightly improve. The market recovery will likely be gradual.

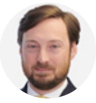
Cyril Kammoun
IMAP France

ITALY

The Italian M&A market in Q3 will likely close slightly below Q2, both in terms of number of deals and aggregate value of transactions. Large-cap market performance in Q3 was broadly in line with Q2, particularly in terms of value. Two deals greater than €2bn were recorded in Q3 (the acquisition of Snaitech and the minority investment of KKR in Eni Sustainable Mobility).

An increasing number of processes are experiencing slowdowns and a higher-than-expected execution complexity

The number of mid-cap deals in Q3 appears below Q2, which was a solid quarter for mid-cap transactions. Overall, we expect 2024 to close out better in aggregate compared to 2023, although an increasing number of processes which started in the first part of the year are experiencing slowdowns and a higher-than-expected execution complexity, especially in cyclical sectors such as Industrials and Fashion.



Michele Losio
IMAP Italy

SWEDEN

Overall M&A activity during Q3 was somewhat quieter than we had expected, although we are beginning to see more positive signals. Transaction activity over the past year has primarily been driven by the Advance Manufacturing & Mobility and TMT sectors, which together accounted for over 50% of total volume. Today, the transaction market is still constrained by relatively high interest rates, valuation gaps, and a tighter financing environment.

Swedish industrial companies have been active, leveraging their stable finances to seize opportunities to acquire companies

However, inflationary pressure has eased during the year and is now considered to align with an inflation rate of around 2%. This prompted the Riksbank to lower interest rates twice during Q3, by 0.25% on both occasions. In the current market, several Swedish industrial companies have been active, leveraging their stable finances to seize opportunities to acquire companies at slightly lower multiples compared to 2021-2022. We have seen acquisitions by companies such as Sandvik, Atlas Copco, and Assa Abloy. Furthermore, there has been a significant increase in activity from Private Equity players throughout the year, a trend that continued through Q3.

Andreas Anderberg
IMAP Sweden

HUNGARY

The downturn in Hungarian M&A activity continued in Q3 2024 mostly due to companies' weak performance amid a recession and banks' poor willingness to finance deals. The fiscal balance has deteriorated since 2022 and is still expected to be an issue as internal consumption drops and VAT revenues decrease, putting pressure on the budget.

Although M&A activity has slowed down, we expect to see some recovery in the next 6 months

The government therefore has cut spending, further decreasing demand. Domestic uncertainty, a decline in consumption in Europe, coupled with struggling European competitiveness is weakening the financial results of Hungarian companies, and leading them to make cautious or delayed investment decisions, or even holding investments back. Rate cuts in the US and Europe, and declining Hungarian inflation give a ray of hope that consumption and business confidence will be restored soon. Our project portfolio indicates a bounce back in the M&A market with a handful of deals approaching closing. Although M&A activity has slowed down, we expect to see some recovery in the next 6 months.

Marton Michaletzky
IMAP Hungary

POLAND

We continued to see strong M&A activity and pipeline in Poland in Q3. We advised on three notable transactions in Q3, including the more than €600mn bid from CVC Capital Partners for Comarch, a WSE listed IT company.

There is still deal interest from foreign strategic investors and private equity

Transactions in the pipeline are mainly in the TMT, Healthcare and Infrastructure sectors. There is still deal interest from foreign strategic investors and private equity. Meanwhile, the ECM markets remain challenging due to volatility mainly in the US markets. Additionally, we are still awaiting a reactivation of the IPO market with a possible listing of grocery store retailer Zabka, which may be one of most notable transactions in the coming months in Poland and Europe if it proceeds.

Piotr Chudzik
IMAP Poland

USA

Strategic buyers have led the M&A markets while private equity buyers have begun to mobilize after two years of muted activity. In the U.S., 43% of portfolio companies have exceeded historic holdings times, putting pressure on GPs to deliver on investor returns.

Non-cyclical sectors including Food, Services, Industrials and Tech are seeing the greatest demand and most attractive valuations

Non-cyclical sectors including Food, Services, Industrials and Tech are seeing the greatest demand and most attractive valuations. We are closely tracking the large amount of acquisition currency waiting to be deployed and believe that as soon as this November and December a groundswell of demand will be entering the markets.

Kenneth Wasik
IMAP USA

CANADA

After a lackluster 2023 and despite an anticipated increase in 2024 deal activity, Canadian mid-market M&A has continued to stagnate. And yet, while deal volumes continue to be below long-term averages through the end of Q3, valuations remain strong and resilient, especially for quality, well-run businesses.

At this point, it is not a matter of whether or not deal activity increases, but when

We are seeing positive early indicators of a pick-up in deal volumes for the remainder of 2024 and into 2025 with inflation cooling to 2%, three successive interest rate cuts by the Bank of Canada (a total of 75 bps year-to-date), more deal preparation and planning commenced by sellers, strong corporate balance sheets, and record levels of committed capital held by private equity funds. At this point, it is not a matter of whether or not deal activity increases, but when.

Andrew Kemper
IMAP Canada

BRAZIL

Brazil's M&A market is expected to grow by 10% to 15% in 2024, supported by better-than-expected GDP growth of 3.0%, stable inflation of around 4.4%, and tax reforms.

Lingering political and economic uncertainties may prompt investors to carefully plan transactions, balancing risk analysis with growth expectations

Key sectors include Technology, Healthcare, Energy, and Agribusiness, with significant foreign investment driving activity. However, lingering political and economic uncertainties associated with an expansionist fiscal policy may prompt investors to carefully plan transactions, balancing risk analysis with growth expectations.

Marcio Fiuza
IMAP Brazil

MEXICO

The M&A market in Mexico has shown stable growth both in number of transactions and accumulated transaction value in 2024 compared to 2023.

We expect current market trends, including nearshoring, to sustain momentum going forward

In recent months, we have seen more cautious optimism among investors and buyers since the presidential elections that took place last June with no surprising outcome. We expect current market trends, including nearshoring, to sustain momentum going forward and the overall market sentiment is that previously overlooked sectors, such as Green Energy and Infrastructure, will see an increase in M&A volume and private investment.

Gabriel Millan
IMAP Mexico

MIDDLE EAST

The M&A market in the Middle East saw substantial activity in Q3, primarily driven by sovereign wealth funds (SWFs) from Gulf Cooperation Council (GCC) countries. These funds have continued their strategy of economic diversification, focusing on sectors beyond Hydrocarbons, such as Green Energy, Healthcare and Technology.

The Middle East has maintained significant deal momentum driven by long-term strategic goals and capital-heavy players like sovereign wealth funds

Overall, while M&A volumes have softened in some areas due to global macroeconomic conditions, the Middle East has maintained significant deal momentum, driven by long-term strategic goals and capital-heavy players like SWFs, who are actively reshaping the region's economic landscape. Looking ahead, while the M&A landscape remains dynamic, underpinned by strong investor confidence and solid economic fundamentals, the potential risks associated with geopolitical instability could disrupt oil supplies and dampen investor sentiment, thereby posing potential challenges to market stability.

Rohit Walia
IMAP GCC

SAUDI ARABIA

The M&A market in Saudi Arabia is experiencing heightened activity, particularly in the Technology, Healthcare, and Renewable Energy sectors, driven by Vision 2030 initiatives.

The government's initiatives to privatize businesses, attract FDI, and reduce reliance on oil have boosted M&A deal activity exponentially

Foreign direct investment is increasing due to regulatory reforms that enhance transparency and attract international players. PE firms are actively seeking both platform and bolt-on acquisitions, signalling strong investor confidence. Overall, the landscape is becoming increasingly favourable for strategic partnerships and acquisitions. The government's initiatives to privatize businesses, attract FDI, and reduce reliance on oil have boosted M&A deal activity exponentially. While global economic pressures caused a decrease in activity in 2023, the outlook for Saudi Arabia's M&A market remains positive.

Hisham Ashour
IMAP Saudi Arabia

MOROCCO

The economic landscape in Morocco has shown remarkable resilience in Q3 2024, with steady market activity reflecting growing investor confidence. The M&A sector is anticipated to grow going forward, driven by favorable government policies and increasing foreign investment.

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The business climate has been favorable, especially in sectors like Agribusiness and Pharmaceuticals. Looking ahead, the excitement around Morocco co-hosting the 2030 FIFA World Cup is expected to spur investments from 2025 onwards. Furthermore, the private equity sector is anticipated to see significant dynamism, boosted by the Mohammed VI Fund, a sovereign wealth fund that has strategically allocated approximately $580mn as part of a larger $2bn investment initiative. We remain optimistic about the prospects for continued dynamic expansion in the coming months.

Abdellatif Imani
IMAP Morocco

INDIA

The buoyancy in Indian public equity markets continues and is further strengthened by the continuity of progressive government policies to promote the Manufacturing sector and an ongoing inflow of household savings into the equity market.

M&A activity in the mid-market space is dominated by the desire of listed companies to accelerate growth inorganically and by a large pool of successful entrepreneurs facing succession issues

Meanwhile, IPO activity is at an all-time high. M&A activity in the mid-market space is dominated on one hand by the desire of listed companies to accelerate growth inorganically and on the other hand by a large pool of successful entrepreneurs facing succession issues and therefore opting to merge or monetise their holdings. The decline in interest rates is also promoting easier availability of financing to leverage acquisitions.

Ashutosh Maheshvari
IMAP India

CHINA

China's overseas acquisitions continue to heat up and companies are enthusiastic about going overseas as many face pressure from foreign customers to look for local suppliers.

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The Chinese government is encouraging companies to go global and enhance their corporate value through M&A and restructuring. Overseas greenfield investment is one of the usual ways for Chinese enterprises to go abroad because it is not easy to find suitable enterprises internationally. However, the speed and efficiency of greenfield investment is often very slow, which is not adaptable to requirements of Chinese enterprises.

Junxiong "Jacky" Wang
IMAP China

JAPAN

After winning a fiercely competitive election with a record-breaking nine candidates, Shigeru Ishiba has been appointed the new Prime Minister of Japan. Although his economic policies differ slightly from those of his predecessor, most political pundits do not anticipate a significant shift in the country's overall economic direction. This stability in the economic outlook may offer a comparative advantage in attracting foreign investors.

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Over the past several years, inbound M&A has shown a positive trend, and in the current quarter, the transaction value for inbound M&A reached a record high of 1.3 trillion JPY, marking a 764% increase from the same period last year. Meanwhile, outbound acquisitions, particularly large-scale deals, may face challenges beyond the business realm. For instance, Nippon Steel is still struggling with securing approval from U.S. regulators for its acquisition of U.S. Steel, and there are no indications that this issue will be resolved before the U.S. presidential election. Such regulatory concerns might prompt Japanese companies to rethink their outbound M&A strategies: rather than pursuing major deals, they may shift their focus toward mid-market opportunities.

Tomoyuki Izumi
IMAP Japan

IMAP

DEAL SUMMARY Q3 2024

JANUARY – SEPTEMBER 2024

Selected Q3 Transactions

INDUSTRIALS

CHP
BELGIUM

Has Been Acquired By

RŌKO
SWEDEN

IMAP
ADVISED KEBEK ON SALE OF COMPANY

BUSINESS SERVICES

Presto
SWEDEN

Acquired Business Operations

GRUPO EUROFESA
SPAIN

IMAP
ADVISED ON PURCHASE OF COMPANY

HEALTHCARE

heidolph
GERMANY

Has Been Acquired By

ATS
CANADA

IMAP
ADVISED ON SALE OF COMPANY

TECHNOLOGY

OMNEVO
GERMANY

Received Strategic Investment By

ventiga
UNITED KINGDOM

IMAP
ADVISED ON SALE OF COMPANY

TECHNOLOGY

INDICIA
NETHERLANDS

Majority Stake Acquired By

Capital-A
NETHERLANDS

IMAP
ADVISED ON SALE OF COMPANY

MATERIALS & CHEMICALS

ALXAR
CHILE

Sold Compañía Minera Sierra Norte to

CAPSTONE COPPER
CANADA

IMAP
ADVISED ALXAR ON SALE

TECHNOLOGY

CVC
LUXEMBOURG

Tender Offer for 100% of Shares

COMARCH
POLAND

IMAP
ADVISED CVC CAPITAL PARTNERS

MATERIALS & CHEMICALS

Mays
UNITED STATES

Has Been Acquired By

Ravago
UNITED STATES

IMAP
ADVISED ON SALE OF COMPANY

CONSUMER & RETAIL

GRUPO QBCo
COLOMBIA

Minority Stake Acquired By

ALERE
DOMINICAN REPUBLIC

IMAP
ADVISED ON SALE OF COMPANY

IMAP is an International Mergers and Acquisitions Partnership with more than 450 M&A professionals worldwide and a presence in 51 countries.
IMAP has closed over 2,200 transactions valued at $130bn in the last 10 years and is consistently ranked in the world's Top 10 M&A advisors (Refinitiv) for mid-market transactions.