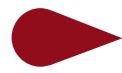




Q4 2021 news

www.icfnetwork.com



Into the future: Strong M&A 2022 Predicted

Welcome to the newsletter of International Corporate Finance Network.

With M&A and PE activity ballooning last year, 2021 having been a year with the best environment for PE dealmaking ever characterized by strong leveraged lending markets, willing sellers, heightened dry powder, and massive stimulus, there are great expectations in the sector for 2022.

According to the interesting analysis led by Keith Button for [www.themiddle market.com](http://www.themiddlemarket.com) ("Strong M&A 2022 Predicted But with Caveats") most M&A dealmakers expect to match or exceed their 2021 deals total in 2022, but they're also concerned that inflation pressures and ESG issues could nix potential deals. Executives in the U.S., the United Kingdom and the European Union were polled by *Datasite*, a Minneapolis-based provider of SaaS software for M&A dealmaking. Button reports from this survey that more than 70 percent of the survey respondents said that inflation affected a deal they had worked on in 2021, by changing company operating assumptions, affecting deal valuations or causing a deal to fall apart. Two culprits—macroeconomic concerns, including inflation-, and environmental, social and governance (ESG) issues—will be the factors to sink the most deals in 2022. Continuing with this analysis, organic growth potential will be the most important consideration in 2022, ahead of revenue or cost considerations

In Mark Williams words, *Datasite*'s chief revenue officer for the Americas, "*One of the most surprising results from the survey was that 18 percent of the M&A executives reported that they had deals in 2021 derailed or delayed because of "bandwidth" issues: they didn't have enough time or people or resources to get a deal done. Companies in general were changing to more digital business models before the pandemic, and the stay-at-home work environment and the pandemic's economic issues forced the companies to speed up those transformations. That, in turn, led more companies to M&A, and PE firms and other buyers had a tough time keeping up with the opportunities. It's kind of a perfect storm with that very rapid change in the working environment and the way companies do business and go to market, coupled with low interest rates and a large amount of dry powder.*"

ICFN Summit May 2022 Amsterdam

In May 2022, the Annual Global ICFN Meeting will be held in Amsterdam.

Throughout these sessions for ICFN members, the International Corporate Finance Network Relationship Meeting will take place, in which our clients and friends will have the opportunity to join us in talks on the M&A scenario in different countries, focusing on cross border M&A opportunities.

ICFN Relationship Meeting due on Monday May 9th from 14.00h to 18.00h.

More information to come.



► Our members talk



German M&A market 2021 and outlook 2022



Sonja Legtmann
EXG CONSULTING GmbH

Germany has seen a very active year 2021 in terms of M&A activity with domestic deals including the high-volume merger of Vonovia and Deutsche Wohnen (real estate/housing), a large number of mid/smaller cap deals and strong interest from international investors looking to buy into German companies. The Covid19 crisis has further pushed digitization leading to increased demand for technology acquisitions and private equity investors also looking for investments in tech companies.

Market participants are expecting high levels of M&A activity to prevail in 2022 with corporates and investors remaining positive in a macro-economic environment that includes the threat of new corona variants, uncertain inflation scenarios and currently persisting supply bottlenecks in production chains.

The OECD is expecting (Dec 2021) a GDP growth rate of 3.9% for 2022 with supply shortages still a constraint but accelerating private consumption and high volumes of unfilled orders providing the potential for a rebound as supply problems are overcome



Spanish private equity targets fruit and vegetables



Aitor Arteaga
BAUM

Consolidating a trend that has been observable for some years now, the Spanish middle market continues to see corporate operations in 2021, - largely led by private equity houses- , in the fruit and vegetable production and distribution industry, one of the economic pillars of the Spanish Levante region.

Thus, PROA CAPITAL has prevailed in the sale process of HIJOLUSA, a family business specializing in the production and distribution of potatoes, in a deal that could amount to 100 million euros.

Also, in a deal of similar size, ALANTRA has acquired AGOLIVES, the olive supplier of the Spanish retail leader MERCADONA.

In a build-up strategy, LLUSAR, a company controlled by the MCH fund, has merged with Naranjas Torres, creating the largest Spanish producer and distributor of premium citrus fruits.

Finally, the Chilean group HORTIFRUT has acquired ATLANTIC BLUE, a blueberry production and distribution company, in a deal estimated at 241 million euros.

Growth and consolidation deals are likely to continue in a traditionally fragmented sector, but with an innovative profile and high export rates, ingredients with which private equity firms aim to accelerate the growth and access to international markets of these companies.



Daniel Rivera
ELIT CAPITAL

Brazil M&A: Going through a unique moment in history

In 2021, the global volume of Corporate Transactions reached a new historic record, totaling US\$ 5.8 trillion, a growth of 63% when compared to 2020, according to Dealogic. With the current liquidity in the financial markets and the low cost of capital, the Mergers and Acquisitions movement should follow this strong trend observed in recent years, despite persistent inflation and imminent interest rate hikes worldwide.

A survey conducted in Brazil by a local Mergers & Acquisitions Portal indicates 1,880 M&A deals were completed in 2021, representing a 63% growth in the volume of transactions, when compared to the 1,151 registered in 2020. Last year 58% of transactions were up to R\$ 50 million (~US\$ 9M), and the total amount is estimated as of R\$ 715 billion (~US\$ 128 Bn), a 105% growth in relation to 2020, considering the preliminary numbers known so far (December 2021). The most active sectors in 2021 in Brazil were (i) Information Technology (IT), (ii) Telecommunications and Media, (iii) Hospitals and Health Clinical Analysis Lab, and (iv) Financial Institution.



We are going through a unique moment in history, with many mergers and acquisitions opportunities arising, due to the economic degradation resulting from the measures implemented by governments during 2020 and 2021, as well as the infrastructure investment agenda in Brazil and the numerous IPOs carried out locally. According to a B3 (Brazilian Stock and Exchange) report (Nov/21), IPOs reached 45 offerings, which raised BRL 65.2 billion (~US\$ 11,65 Bn), an increase of 48.5% compared to 2020, with 29 IPOs. If we consider Follow-On operations, it totals 71 IPOs and reach R\$ 130.1 billion (~US\$ 23,2 Bn).

Many companies are fragile, with a high level of indebtedness, and ended up becoming acquisition targets. As a result of the accelerated transformations imposed by the market itself, companies were impelled to invest heavily in the development and acquisition of new technologies, innovation, new models and ways of working and doing business. In this scenario, market consolidation and transformative transactions play a vital role.



► Recently, in the ICFN world



Factor Corporate Finance, from the Netherlands, on their latest deals



"Factor has advised on the sale of 100% of the shares of Slaughterhouse Beernink Veal to Fuite Veal. Beernink has a slaughtercapacity of 1.500 calves / week. Fuiteveal realizes further vertical integration in the calf meat vertical (breeding, feed, slaughter)."



"Advising on the sale of Datacon tot Yenlo. Yenlo is the global leading expert in WSO2 technology and services. Datacon is a leading independant specialist and marketleader for application integration, data integration, API management and master data management. With the acquisition Yenlo gives a boost to its further growth strategy. Further growth for Yenlo (with actual annual sales of 25mio Euro) is targeted in North America and Western Europe."

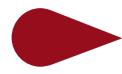




“Advising on the merging of Cloudwatch and Vroom HR: Partial sale of the shares of Nopocon to private equity house Greenpark Investment Partners. Nopocon is an engineering firm with a focus on civil and hydraulic engineering structures. With the partial sale to Greenpark, Nopocon is able to realise further growth and professionalisation of the organisation.”



“Advising on the strategic acquisition of 100% of the shares of Atricom by Connectworks IT professionals. With the strategic acquisition of Atricom, Connectworks realizes further growth of their business and become a larger player in the MSP market in the Netherlands. In the further consolidating MSP market, Connectworks stays independent. Connectworks is still active in searching further acquisitions of independent MSP’s.”



Some of our ongoing projects

MEMBER OF:



www.factorcf.nl

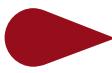
- **Packaging** / Strategic buyer / Between 5M and 40M € annual sales / Type of investor: Strategic / from Netherlands to Europe / The company is active in the production and trade of plastic packaging (primary and secondary packaging), with a focus on blow moulding production of products.
- **Handling solutions** / Sell-Side / Packaging industry - Product handling solutions / 5-10M € annual sales / Type of investor: Strategic, PE / from Netherlands to Europe-US / The company is a leading player of vegetable and fruits handling solutions. The company focuses on supplying System Integrated Solutions.



Mergers and Acquisitions

www.elitcapital.com.br

- **Food & Beverage** / Sell-Side / € 40M / Food Distributor present throughout Brazil.
- **Healthcare** / Sell-Side / € 30M / Largest Brazilian manufacturer of cardiovascular medical equipment.
- **Healthcare** / Sell-Side / € 15M / Largest network of mental health in Brazil.
- **Healthcare** / Sell-Side / € 25M / Largest mental health hospital in Brazil. Real Estate included. 250 beds.
- **Healthcare** / Sell-Side / € 160M / Hospital group with its own health plan (150 thousand lives). 5 hospitals.
- **Pharma & Cosmetics** / Sell-Side / € 160M / Pharmacy chain in the State of Sao Paulo with almost 300 stores.



MEMBER OF:



- **Cloud services** / Buy-Side / > € 20m sales / Germany, Austria, Switzerland.
- **SAP Services** / Buy-Side / > € 5m sales.
- **IT Services** / Buy-Side / Cyber security – digital marketing – Customer experience / Europe.
- **Software** / Buy-Side / > € 10m sales / Europe.



- **PCM** / Sell-Side / Meat processing / 6,7M € / Type of investor: Strategic / From Spain to any region / Spanish company. Processing and distribution of meat based products (sausages). Ebitda 21%. Financially sound, no debt. Leader in the national market.
- **CAN** / Sell-Side / Canning company / Turnover 5-6M €, Ebitda 10% / type of investor: Industrial / From Peru and LATAM to any region / Sale of Peruvian subsidiary of a Spanish canning company (fish and vegetables). No debt. Certifications. Maintenance of suppliers and market.
- **METAL TECH** / Sell-Side / Laser cutting / Turnover 23M € (2020) – 31,8M € (F2021) /Type of investor: any / from Spain to any region / Spanish group providing full integration solutions for sheet metal processing. Turnover in sustainable growth.
- **WOOD** / Sell-Side / Wood packaging / Turnover 5M €, Ebitda 10-15% / Type of investor: any / from Spain to any region / Spanish wood packaging company with sawing division (2 cutting lines) and packaging division. Solvent company, no debt.



Calendar events 2022

1Q Conference

Quarterly
Deal Flow
Conference
3 p.m. CET

21

March

2Q Conference

Quarterly
Deal Flow
Conference
(to schedule)

10

May

3Q Conference

Quarterly
Deal Flow
Conference
3 p.m. CET

19

September

Q4 Conference

Quarterly
Deal Flow
Conference
3 p.m. CET

28

November



We are



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more than law

Rockworth

Shade Capital
GROWTH FORTIFIED



Elit Capital
Mergers and Acquisitions

HIRT&FRIENDS

KEYCAPITAL
asesores financieros

exG
M&A Advisory



asia 21

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DOTTORI COMMERCIALISTI

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Wishing you all a very M&A year

“Absorb what is useful, discard what is not. Add what is uniquely your own” – Bruce Lee



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