



Q3 2021 news

► Elit capital, Brazil, awarded Most Innovative Investment Banking Services 2021

"All I ever wanted was a world without maps" - Michael Ondaatje, "The English Patient".



Good news for Mr. Ondaatje: there are no limits for ICFN's M&A activity. Hello, members of ICFN and friends.

It is with great pleasure that we congratulate ELIT CAPITAL, Brazil, and its CEO Mr. Daniel Rivera, for being awarded Most Innovative Investment Banking Services 2021 by the prestigious magazine of corporate finance news Acquisition International. In their own words: "These awards showcase the innovation, dedication to client service and sheer hard work of some of the world's greatest financial companies".

Elit Capital works with a differentiated approach to M&A and transformation process, with broad and unified dynamics from diagnostic to execution.

The process involves the selection of a mentor with proven experience in relevant institutions, specialized knowledge in finance, strategic management and corporate transactions, and an excellent education background, who will directly lead the transformation process, guiding clients in a structured way through complex transformations.

Please find here our most sincere congratulations, Daniel.

► Our members talk:



Sonja Legtmann
EXG CONSULTING GmbH

Germany 2021 M&A Scenario: Strong Market

Germany is seeing a strong economic outlook for 2022 with OECD revising expectations upwards to 4.6% expected GDP growth. The country's economic upturn in the wake of Covid19 crisis had been slowed in the past months by supply shortages mainly in the automotive and manufacturing industries. Supply shortages are expected to gradually be overcome starting in the last quarter of 2021 and continued strong demand for German industrial goods is expected.

In the M&A market, Private Equity investors with growing funds and lots of "dry powder" are highly active - with IT remaining the major focus of investment. Germany has seen 156 deals involving Private Equity in the first half of 2021 with 46 acquisitions in the IT sector (manufacturing 17, construction 15). Deal volume in the Private Equity market has reached 12.3 bn € in the first six months of 2021 with the largest volume in the consumer goods sector (5.1 bn €) (this figure being influenced by one megadeal – the takeover of Birkenstock). Overall, the first six months have been the strongest for small and mid-sized transactions (source: EY, Private Equity Deal Survey 1st half 2021).

Market participants are expecting continuing strong M&A activity in the next months with overall trends including investment in digitization, artificial intelligence, IoT and "green technology".



Austrian Companies: Attractive Takeover Targets



Michael Hirt
HIRT & FRIENDS

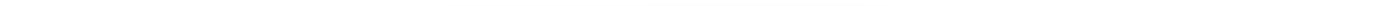
The number of M&A transactions in Austria in the first six months of 2021 was 147 compared to 133 in the first six months of 2020 and is now back to pre-covid levels. The volume in the first six months of 2021 went down to €4 billion from €8.2 billion in the first six months of 2020. The volume for the first half year of 2021 was substantially driven by three major deals, that together make up two thirds of the transaction volume of the period: the purchase of 33.6 percent of CA Immobilien Anlagen AG by the Starwood investment company SOF-11 Klimt CAIS for 1.157 billion euros, the acquisition of 80 percent of Schur Flexibles Holding by B&C Industrieholding for 720 million euros and the purchase of the Polish paper and board mill International Paper-Kwidzyn by Mayr-Melnhof Karton AG for 703 million euros (source: EY).

Most transactions in the first half year of 2021 happened in the real estate sector, followed by the technology and industrial sector. Foreign investors increased their acquisitions in Austria in the first half of 2021: the number of transactions in the "inbound" segment rose significantly from 46 to 71 deals - an increase of 54 percent. In contrast, Austrian investors were more restrained: In the "outbound" deals, there was a slight decline from 49 to 47 (minus 4.1%) acquisitions, and in transactions within Austria ("domestic"), there was a significant decline from 38 to 29 deals (minus 24%).



In terms of the number of transactions, the real estate sector led the way in the first half of the year with 43 deals, followed by companies from the technology sector with 28 deals and the industrial sector with 24 transactions. In terms of published transaction volumes, the industrial sector ranked first with EUR 1.6 billion, ahead of the real estate sector with EUR 1.5 billion. This is mainly due to the transactions B&C Industrieholding GmbH - Schur Flexibles Holding GesmbH and Mayr-Melnhof Karton AG - International Paper Kwidzyn, which account for around 90 percent of the volume.

Austrian companies are attractive takeover targets because many of them have world-class technologies and employees, attractive global niche leadership positions and great growth opportunities, but lack the financial resources for an ambitious global growth push.





Italy 2021 M&A Scenario: Confidence and Stability



Marina Alberti
STUDIO ALBERTI

After a difficult 2020 that marked a reduction in M&A transactions from 1,085 (in 2019) to 830, for a transaction volume, which went down from 52.4 billion in 2019 to 34.5 billion in 2020, and with just 200 investment transactions by foreign entities (600 in 2019) for a transaction volume of 6 billion (18 in 2019), already from the first half of 2021 there has been a strong performance in the Italian market.

The first half of the year saw 522 transactions in Italy (+24.6% vs. first half 2020) for a transaction volume of around 42.4 billion euros, up to 88% compared to the same period last year (22.5 billion in the first half 2020). The major deal was the merger between Fiat Chrysler/Group PSA for 19,2 billion (about 46% of the transaction volume), while the top 20 deals (including the FAC/PSA deal) absorb 91% (38,7 billion) of the whole volume, but only 8 of them exceed 1 billion (source KPMG).

The most attractive sectors are TLC and financial services, but also the Industrial (chemical, pharmaceuticals, industrial machinery) and the Consumer Market (fashion and luxury) are very active, as they account for 54% of transactions, (although they represent just 13% in terms of volume).

The return of foreign investors is also particularly significant (up 30%), to which the Draghi "effect" has undoubtedly contributed, restoring confidence and stability, as well as the outlook for the NRP, which gives hope for the start of structural reforms capable of modernizing the country and attract foreign investments.

The outlook for the second half of the year is very positive, based on current operations volume is estimated at 50 billion.



Slowenia 2021 M&A Scenario: Optimism



Roman Jeras
RJ FINANCE

Slovenian economy is on very good track in 2021. Slovenian Macroeconomics Institute published in its autumn estimation 6,1% GDP growth in 2021, with forecast of 4,7% in 2022. Highest prices of several basic supplies will partially transfer into prices of end products, however inflation should be under 2% in both mentioned years. The optimism relates also to the performance of main group of companies. Industrial sector is managing to control the fluctuations on supply side, service sector is looking for new models. M&A is fuelled by liquidity on the market, there are long term interest rates in the range of 1%. In RJ Finance we share optimism, we already closed two deals in 2021, and are looking forward to some additional by the end of the year.





General outlook for the Dutch M&A market: very positive



Bas Brusche
FACTOR
BEDRIJFSOVERNAMEN

The first half of 2021 has shown a strong growth in M&A activity. Research shows that almost all Dutch M&A advisors have seen a significant growth in their assignment portfolio.

Research among a broad group of Dutch M&A advisors provides a good picture of the price developments of completed transactions. A closer analysis of the Dutch SME market shows that the increase in EBITDA multiples has continued. The overall average SME multiple is now 4.85. With an average of 6.55 x EBITDA, the highest multiples are paid in the TMT sector compared to an average of 2.95 x EBITDA in the retail sector.

Internationally, it can be said that despite the rise in share prices, Dutch SME companies are still relatively cheap. This makes Dutch SME companies interesting targets for international acquirers.

Monetary developments are creating a continued interest in interesting investment opportunities. The developments around Corona, the Chinese situation around Evergrande and Taiwan, the scarcity in various supply chains resulting in sharp price increases and the increasing concerns about rising inflation create a certain degree of uncertainty. Nevertheless, the general picture of the economy for the near future is very positive. This is also reflected in the general outlook for the Dutch M&A market, which is very positive.

Further growth in deal activity is expected in the second half of 2021, which will continue into 2022.

Recently, in the ICFN world,

Baum advises on the integration of the Spanish company Bion Logistica y Transporte into the ABC Logistic Group

Baum has advised on the relevant transaction, which generates important operational and commercial synergies and gives rise to a company with aggregate sales of around 38 million euros.

In this way, the ABC Logistic group, based in the north of Spain, reinforces its growth strategy with the acquisition of Bion Logistica y Transporte, specialized in international groupage. The group expects organic growth of between 8 and 10% per year over the next three years. Both companies are expanding their product and customer portfolios.

The integration of Bion Logistica y Transporte will enable the ABC Logistic group to double in size. It will also double direct employment, from 41 to 84 people, and indirect employment, with nearly 150 self-employed carriers working with stability for the group.

Bion Logistica y Transporte has its facilities in the transport center of Irun (Zaisa), where it operates in a 2,500 m² warehouse, with its own fleet of more than 100 large vehicles, which is constantly being renewed. Bion recently incorporated new routes to Eastern European countries, and reinforced its services to northern Italy, southern Germany and France, by expanding its network of Partners.

ABC Logistic's activity is divided into three lines of business, each of which is carried out by a different company. ABC Logistic & Intermodal Services is responsible for intermodal transport, with direct or transshipment and land transport for the Netherlands, the United Kingdom and Ireland, throughout the Iberian Peninsula and France, with a strong presence in the north. An activity that has registered a 50% growth in the first four months of 2021. As for ABC Logistic & Ecocargo, it is in charge of domestic transport within the Iberian Peninsula, and Alava Logistica Activa manages a 5,000 m² multi-client warehouse in Vitoria.





Factor Corporate Finance: attracting investors for further international expansion of Correctbook

Correctbook is the erasable notebook that lasts forever in developing regions. In 2014, during a holiday in South Africa, founder Sam van Tol saw with his own eyes that children did not have access to basic writing materials, such as pen and paper. The materials were too expensive and also quickly used up. As a result, 250 million children still go to school every day without a pen and paper. More than 750 million people worldwide over the age of 15 are illiterate.



Correctbook aims to provide 1 million children with writing for a year by 2023. To achieve this goal, Correctbook has founded a joint venture with Roel de Haas, who has more than 11 years of experience in the supply chain of reading books in Africa, called Correctbook Afrika B.V. In doing so, Correctbook takes a big step towards making writing possible for everyone in the world.

With the new investor Correctbook can accelerate its ambitious mission. "By having a local presence, we can step into other existing markets, such as the NGO market. We are going to build up Correctbook Africa and make it possible for the local population to purchase their own Correctbook."



Some of our ongoing projects

MEMBER OF:

ICFN
GLOBAL M&A

I-FACTOR
CORPORATE FINANCE

- **Packaging** / Strategic buyer / Packaging Industry / Between 5 M€ and 50 M€ annual sales / Netherlands to Europe / Production and trade of plastic packaging (primary and secondary packaging), with a focus on blow moulding production or products.
- **Project Link** / Sell side mandate / Producer of conveyor belts / Approx. 4 M€ / Type of investor: Strategic/PE / Netherlands to Europe/Worldwide / Renowned producer of stainless steel conveyor belts in all kind of sizes, variations and specifications, mainly for the food industry (90%), as well as for the automotive and metal industry. Global presence via an international network of agencies and machine manufacturers.

RJ
FINANCE

- **Energy Services** / Energy sector / Revenues of EUR 18 M€ and EBITDA of 3,5 M€ / Special services in the energy sector / Equipment installations, dismantling equipment, maintenance, training and comparable services. The largest portion of revenues comes from Nuclear, followed by traditional, Energy, and from Pharmaceutical and Process sectors.
- **Meat Manufacturer** / Revenues of 28 M€ and EBITDA of EUR 2 M€ / The majority of Sales are to retailers and specialised meat boutiques in Slovenia, Croatia, Austria and Hungary. Revenues mainly from fresh and processed Beef and Pork meat. The company growth exceeds 20% per year in the last 10 years.



exG
M&A Advisory

www.exg-consulting.com

BAUM
LEGAL · TAX · M&A

www.baum.es

MEMBER OF:

ICFN
GLOBAL M&A

- **IT SERVICES** / Buy / IT services / > 5 M€ sales / Germany to Europe/ Digital marketing -Cyber security – Customer experience.
- **SOFTWARE** / Buy / Software / > 10 M€ sales / Germany to Europe / IoT – Big Data Analytics – AI – Commerce – ERP.
- **CLOUD SERVICES** / Buy / > 20 M€ sales / Germany to Europe.

- **CAN** / Sell / Canning company / Turnover: 5-6 M€, Ebitda 10% / Type of investor: Industrial / Peru and LATAM to any region / Sale of Peruvian subsidiary of a Spanish canning company (fish and vegetables), maintaining strategic agreements with the Spanish parent company after the sale. Company with no debt. All certifications. Maintenance of suppliers and market.
- **WOOD** / Sell / Wood Packaging / Turnover 5 M€, recurring Ebitda 10-15% / Type of investor: any / Spain to any region / Sale of Spanish wood packaging company with sawing division (two cutting lines) and packaging division (with automatic nailing line). Solvent company, no debt. Atomized and sectorially diversified clientele.

► We solve

“What is adequacy? Adequacy is no standard at all” Winston Churchill



Sir Winston Churchill and Poodle, London 1953

Calendar events 2021

Q4 Conference

Quarterly
Deal Flow
Conference
3 p.m. CET

29

November

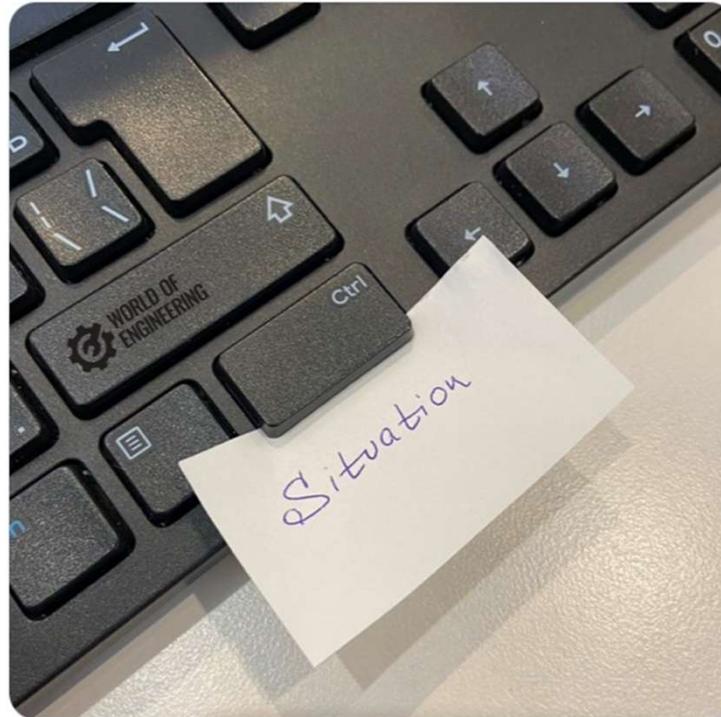
► We are International Corporate Financial Network



Bye!



Elon Musk  @elonmusk · 6d
No worries, situation is under control



 7.709  48,5K  396K 

International Corporate Financial Network (ICFN) newsletter. October 2021

You can find our Privacy Policy at www.icfnetwork.com

If you want to subscribe to this newsletter, please send "subscription" to baum@baum.es