



*cutting through complexity*

# M&A 2014 in review What about 2015?

*By Onno Sloterdijk*



# Media Highlights 2014

Ebola uitbraak in West- Afrika

De Nederlandse economie verbetert langzaam maar zeker en komt in 2015 op stoom

Olympische Winterspelen in Sotsji, Rusland

WK Voetbal

**Pro-Russische activisten roepen de stad Donetsk in Oekraïne uit tot een 'soevereine republiek'**

Koningsdag

**ISIS roept een kalifaat, de Islamitische Staat, uit**

Boko Haram:  
Bring back our girls

Huizenmarkt krabbelt voorzichtig op

Malaysia Airlines vlucht MH 17 stort neer in Oekraïne. Alle 298 inzittenden komen om het leven

240 miljoen euro schade in 2014 door Russische boycot

# 2014: The year that Facebook acquired WhatsApp for USD 19 bn



# Largest global M&A deals of 2014

				
<p><b>Allergan</b></p> <ul style="list-style-type: none"> <li>Pharmaceutical company Actavis plc acquires Allergan, Inc., producer of i.a. Botox</li> <li>The combination will be a top 10 global growth pharmaceutical company</li> <li>Annual synergies are expected to surpass USD1.8bn plus USD475m in annual savings</li> </ul>	<p><b>Time Warner Cable</b></p> <ul style="list-style-type: none"> <li>Mass media company Comcast Corporation acquires cable telecommunications company Time Warner Cable Inc.</li> <li>Combined total number of subscribers will be 30 million; 30% of the US MVPD subscribers</li> </ul>	<p><b>Direct TV</b></p> <ul style="list-style-type: none"> <li>Mobile service provider AT&amp;T acquires The DirecTV Group, Inc., which is a direct broadcast satellite service provider</li> <li>The acquisition enables AT&amp;T to expand its reach with 15 million customer locations and diversify its revenue mix</li> </ul>	<p><b>Covidien</b></p> <ul style="list-style-type: none"> <li>Medtronic, Inc., acquires Covidien Plc. Both companies develop and manufacture medical equipment</li> <li>Covidien will divest its drug coated balloon business as per prerequisite for the European commission clearance</li> </ul>	<p><b>Baker Hughes</b></p> <ul style="list-style-type: none"> <li>Halliburton Company acquires Baker Hughes Incorporated. Both are active in the oilfield service industry</li> </ul>
<p><b>Transaction value:</b> EUR 50.5bn</p> <p><b>EBITDA Multiple:</b> 30.6x</p>	<p><b>Transaction value:</b> EUR 50.1bn</p> <p><b>EBITDA Multiple:</b> 8.7x</p>	<p><b>Transaction value:</b> EUR 47.8bn</p> <p><b>EBITDA multiple:</b> 8.2x</p>	<p><b>Transaction value:</b> EUR 33.9bn</p> <p><b>EBITDA multiple:</b> 16.5x</p>	<p><b>Transaction value:</b> EUR 30.4bn</p> <p><b>EBITDA multiple:</b> 10.4x</p>
<b>Acquirer</b>				
				

Source: Mergermarket, KPMG analysis.

# Large European M&A deals in 2014

				
<p><b>Lafarge</b></p> <ul style="list-style-type: none"> <li>■ Cement and aggregates manufacturer Holcim Ltd merges with Lafarge S.A., which manufactures cement, concrete and aggregates</li> <li>■ The combination has a presence in 90 countries worldwide with EUR 32bn sales from both developed and high growth markets</li> </ul>	<p><b>SFR</b></p> <ul style="list-style-type: none"> <li>■ Multinational cable and telecommunications company Altice S.A. acquires telecommunication company SFR S.A.</li> <li>■ In line with a global trend, this acquisition enables the convergence of fixed and mobile networks</li> </ul>	<p><b>Glaxo Smith Kline</b></p> <ul style="list-style-type: none"> <li>■ One of the largest pharmaceutical companies, Novartis AG, acquires the Oncology business division of Glaxo Smith Kline Plc</li> <li>■ The transaction strengthens its vaccines and consumer healthcare business</li> </ul>	<p><b>Alstom</b></p> <ul style="list-style-type: none"> <li>■ General Electric Company, a conglomerate active in multiple sectors, acquires the thermal power, renewable power and grid business of Alstom S.A.</li> <li>■ The acquisition is part of GE's portfolio transition towards industrial businesses</li> </ul>	<p><b>Portugal Telecom</b></p> <ul style="list-style-type: none"> <li>■ Brazil's largest phone company Oi S.A. merges with Portugal Telecom SGPS S.A.</li> <li>■ The companies will merge into one, thereby strengthening the Brazilian firm and simplifying ownership structure</li> </ul>
<p><b>Transaction value:</b> EUR 28.8bn</p> <p><b>EBITDA Multiple:</b> 9.3x</p>	<p><b>Transaction value:</b> EUR 17.0bn</p> <p><b>EBITDA multiple:</b> n/a</p>	<p><b>Transaction value:</b> EUR 10.5bn</p> <p><b>EBITDA Multiple:</b> n/a</p>	<p><b>Transaction value:</b> EUR 12.3bn</p> <p><b>EBITDA Multiple:</b> 7.9x</p>	<p><b>Transaction value:</b> EUR 8.7bn</p> <p><b>EBITDA multiple:</b> 7.5x</p>
<b>Acquirer</b>				
				









Source: Mergermarket, KPMG analysis.

# Large Dutch M&A deals in 2014

				
<p><b>Ziggo</b></p> <ul style="list-style-type: none"> <li>Telecommunications and television company Liberty Global Plc acquires the remaining 71.5% equity stakes of cable operator Ziggo BV, which will become an indirect subsidiary of Liberty</li> <li>Synergetic benefits are estimated at EUR 160m annually by 2018</li> </ul>	<p><b>Cório</b></p> <ul style="list-style-type: none"> <li>French real estate investment company Klepierre S.A. acquires Dutch real estate investment company Cório N.V.</li> <li>This develops Klepierre's base into the Netherlands, Germany and Turkey and strengthens its position in France, Italy and Iberia</li> </ul>	<p><b>Nutreco</b></p> <ul style="list-style-type: none"> <li>Trading company SHV Holdings N.V. acquires animal food processor Nutreco NV</li> <li>With this acquisition, SHV diversifies into food related markets</li> </ul>	<p><b>Nidera</b></p> <ul style="list-style-type: none"> <li>Chinese food processor, manufacturer and trader COFCO Corporation acquires a 51% stake in trading and shipping company Nidera B.V.</li> <li>The transaction enables access to Asian markets for Nidera, and expansion of European presence for COFCO</li> </ul>	<p><b>GlobalCollect</b></p> <ul style="list-style-type: none"> <li>Ingenico S.A., a technology provider for secure electronic transactions, acquires payment service provider GlobalCollect</li> <li>The acquisition complements Ingenico's payment services and strengthens its global position</li> </ul>
<p><b>Transaction value:</b> EUR 8.0bn</p> <p><b>EBITDA Multiple:</b> 11.3x</p>	<p><b>Transaction value:</b> EUR 7.1bn</p> <p><b>EBITDA multiple:</b> n/a</p>	<p><b>Transaction value:</b> EUR 3.5bn</p> <p><b>EBITDA Multiple:</b> 14.1x</p>	<p><b>Transaction value:</b> EUR 2.1bn</p> <p><b>EBITDA multiple:</b> 14.6x</p>	<p><b>Transaction value:</b> EUR 820.0m</p> <p><b>EBITDA multiple:</b> 16.4x</p>
<b>Acquirer</b>				
 <p>LIBERTY GLOBAL</p>	 <p>KLEPIERRE</p>			

Source: Mergermarket, KPMG analysis.

# Mid-market Dutch M&A deals in 2014

				
<p><b>ATAG Heating</b></p> <ul style="list-style-type: none"> <li>Boiler manufacturer Ariston Thermo Group SpA acquired ATAG Verwarming Nederland B.V., which manufactures and supplies boilers</li> <li>With the acquisition, Ariston gets ATAG's condensing technology platform and well-renowned brand</li> </ul>	<p><b>DORC</b></p> <ul style="list-style-type: none"> <li>Montagu Private Equity LLP acquires Dutch Ophthalmic Research Center International B.V.</li> <li>The acquisition will enable DORC to expand geographically, to invest in new product development and M&amp;A</li> </ul>	<p><b>Seafox</b></p> <ul style="list-style-type: none"> <li>Millenium Offshore Services acquires Seafox Group. Both companies are active in the rental of offshore jack-up accommodation service vessels</li> <li>Combined, they have the largest offshore jack-up ASV fleet</li> </ul>	<p><b>Flamco</b></p> <ul style="list-style-type: none"> <li>Industrial services and flow control company Aalberts Industries B.V. acquires Flamco Holding B.V., which develops and produces HVAC components</li> <li>Through this acquisition, Aalberts Industries can expand into climate control</li> </ul>	<p><b>Iddink Services</b></p> <ul style="list-style-type: none"> <li>Private Equity party NPM Capital N.V. acquires a 70% stake in Iddink Services B.V., a supplier of schoolbooks and digital teaching material</li> <li>The stake is sold by Nordian Capital Partners. The remaining 30% is owned by management</li> </ul>
<p><b>Transaction value:</b> EUR 80m</p> <p><b>EBITDA Multiple:</b> 9.5x</p>	<p><b>Transaction value:</b> c. EUR 225m</p> <p><b>EBITDA Multiple:</b> 19.4x</p>	<p><b>Transaction value:</b> n/a</p> <p><b>EBITDA Multiple:</b> n/a</p>	<p><b>Transaction value:</b> n/a</p> <p><b>EBITDA Multiple:</b> n/a</p>	<p><b>Transaction value:</b> n/a</p> <p><b>EBITDA Multiple:</b> n/a</p>
<b>Acquirer</b>				
				

Source: Mergermarket, KPMG analysis.

# A selection of PE acquisitions & divestments in 2014

	<ul style="list-style-type: none"> <li>← Apeldoorn Flexible Packaging   BVA Auctions (70%)   CNG Net</li> <li>➔ AXA Stenman   Desso   Koninklijke Sanders   SK Firesafety   SPG Prints</li> </ul>		<ul style="list-style-type: none"> <li>← Brouwerij Bosteels (50%)</li> <li>➔ Fa-med   Lemmens (90%)</li> </ul>
	<ul style="list-style-type: none"> <li>← AXA Stenman   Comcave   Riri</li> <li>➔ Betafence Corporate Services (45%)</li> </ul>		<ul style="list-style-type: none"> <li>← Chrysal   Kipp &amp; Zonen</li> <li>➔ ATAG   DORC   Iddink   Maître André   Orffa   Oskomera</li> </ul>
	<ul style="list-style-type: none"> <li>← EV-Box (majority stake)   Fa-med   ISFI Spices   Pack2pack Halsteren</li> <li>➔ Bakkerij JM Smithuis</li> </ul>		<ul style="list-style-type: none"> <li>➔ Bitlibre   Chipcard Solutions   Elysee Dental   Magna Carta</li> </ul>
	<ul style="list-style-type: none"> <li>← Izico   JET   Koninklijke Sanders</li> <li>➔ Herkel   Nijhuis Industries   Tanatex Chemicals</li> </ul>		<ul style="list-style-type: none"> <li>← Ballast Phoenix   Nottingham Rehab (majority stake)   Oerlemans Foods</li> <li>➔ Assembleon   JET   Reparco USA   Workx</li> </ul>
	<ul style="list-style-type: none"> <li>← Dagelijks Leven and Gastenhuis   Iddink (70%)</li> <li>➔ Prins Autogassystemen   Seafox</li> </ul>		<ul style="list-style-type: none"> <li>← Well Services</li> </ul>
	<ul style="list-style-type: none"> <li>← Barge Master</li> <li>➔ BN International   Hobr� Instruments   Nedschroef   Uniekaas</li> </ul>		<ul style="list-style-type: none"> <li>← Simpel.nl</li> <li>➔ Excent Tandtechniek   Tentoo</li> </ul>

Source: Mergermarket, Company websites, KPMG analysis.

← Acquired ➔ Divested



# Selection of our recent Dutch M&A transactions



KPMG Corporate Finance  
acted as financial advisor to the shareholders of Royal Sanders on the sale of the company to Egezia

**KPMG**  
January 2015



KPMG Corporate Finance  
acted as exclusive financial advisor to RadioAccess on the sale of the company to Koning & Hartman

**KPMG**  
December 2014



KPMG Corporate Finance  
acted as financial advisor to the shareholders of Seafox Group on the sale of the company to Millennium Offshore Services

**KPMG**  
November 2014



KPMG Corporate Finance  
acted as exclusive financial advisor to the shareholders of DGN retail on the sale of the company to Eurotec Holding

**KPMG**  
October 2014



KPMG Corporate Finance  
acted as exclusive financial advisor to the shareholders of ATAG on the sale of the company to Anson Thermo

**KPMG**  
September 2014



KPMG Corporate Finance  
acted as financial advisor to one of the shareholders of DIS International on the sale of its share to the remaining shareholders

**KPMG**  
August 2014




KPMG Corporate Finance  
acted as the exclusive financial advisor to Argeweb Amisio Holding on the sale of Argeweb to KPN

**KPMG**  
August 2014



KPMG Corporate Finance  
acted as exclusive financial advisor to Benici Capital Partners and Scheybeek on the sale of Six FireSafety Group to Apex Partners

**KPMG**  
July 2014



KPMG Corporate Finance  
acted as exclusive financial advisor to H2 Equity Partners on the sale of Workto to Loxam

**KPMG**  
July 2014



KPMG Corporate Finance  
acted as exclusive financial advisor to De Combi Groep on the sale of the company to De Hooge Reedt Group

**KPMG**  
July 2013

EMA <sup>1</sup>		
2013		No. of deals
1	KPMG	262
2	PwC	254
3	BDO	177
4	Ernst & Young	162
4	Rothschild	162
6	IMAP	127
7	Grant Thornton	122
8	Deloitte	91
8	Lazard	91
10	M&A International	78

Netherlands <sup>1</sup>		
2013		No. of deals
1	Rabobank NV	28
2	KPMG	23
3	PricewaterhouseCoopers	20
4	M&A International	19
5	BDO	17
6	ING	16
7	BlueMind Corporate Finance	14
8	IMAP	10
8*	ABN AMRO Bank	10
10	Clairfield International	9




KPMG Corporate Finance  
acted as exclusive financial advisor to the shareholders of TechAccess on the sale of a minority share of the Company to Van Lanschot Participaties

**KPMG**  
July 2014



KPMG Corporate Finance  
acted as deal manager and financial advisor to the shareholders of Virtual Affairs on the sale of a minority stake to Holland Venture

**KPMG**  
October 2013



KPMG Corporate Finance  
has acted as exclusive financial advisor to the Koole family on the acquisition of a minority stake in Nova Terminals

**KPMG**  
June 2014

Source: Thomson Reuters SDC, January 2014.  
Note: <sup>(1)</sup> completed deals <US\$500m.




KPMG Corporate Finance  
acted as financial advisor to the shareholders of A&O Services on the sale to PIGM

**KPMG**  
November 2013



KPMG Corporate Finance  
acted as the exclusive financial advisor to the shareholders of Wassenburg & Co. B.V. to Hoya Corporation from Japan

**KPMG**  
November 2013




KPMG Corporate Finance  
acted as the exclusive financial advisor to Alphatron Marine on the sale to Japan Radio Co.

**KPMG**  
December 2013



KPMG Corporate Finance  
acted as the exclusive financial advisor to Saphin B.V. on the sale of its portfolio company Alpha International B.V. to ALSO Holding AG

**KPMG**  
January 2014




KPMG Corporate Finance  
acted as the exclusive financial advisor to the shareholders of People2 Holding BV on the sale to TalentSoft SA

**KPMG**  
February 2014



KPMG Corporate Finance  
acted as financial advisor to the shareholders of NC Trust B.V. in its sale to Vista

**KPMG**  
April 2014



KPMG Corporate Finance  
acted as the exclusive financial advisor to the shareholders of Elysee Dental on the sale of Elysee Dental Holding B.V. to Modern Dental Group

**KPMG**  
April 2014



KPMG Corporate Finance  
acted as financial advisor to Benici Capital Partners on the acquisition of Apeldoorn Flexible Packaging (AFP) from Ghlin and Euro-M

**KPMG**  
May 2014

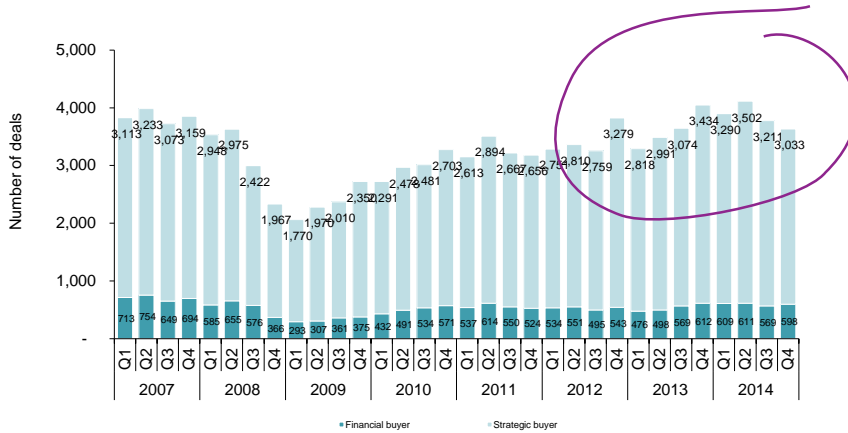


KPMG Corporate Finance  
acted as the exclusive financial advisor to the shareholders of Livera on the sale of the Company to Chantelle

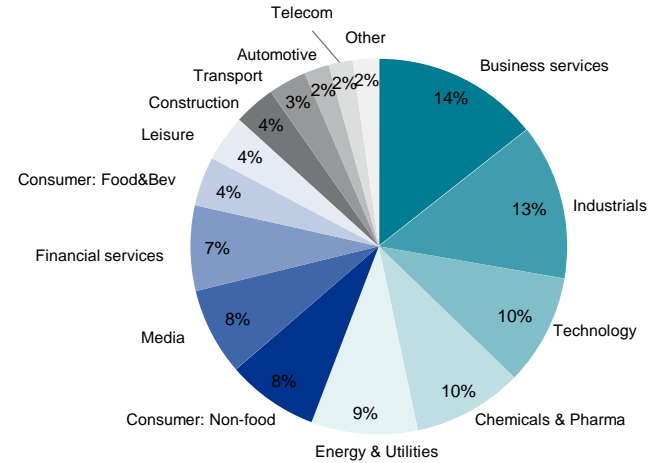
**KPMG**  
June 2014

# Global, European and Dutch M&A activity

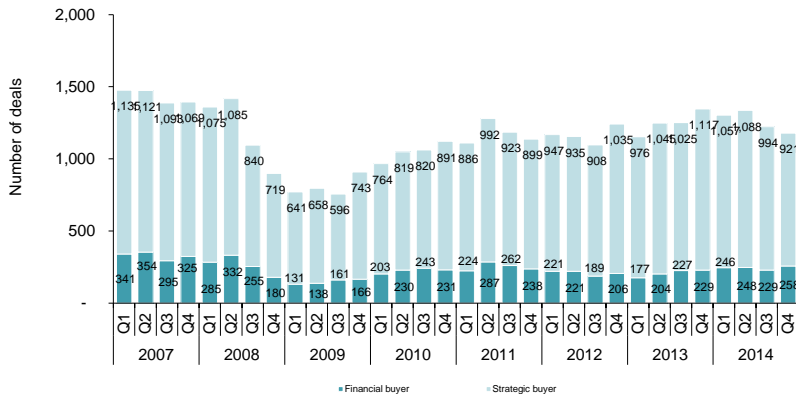
## Global M&A volume by type of buyer



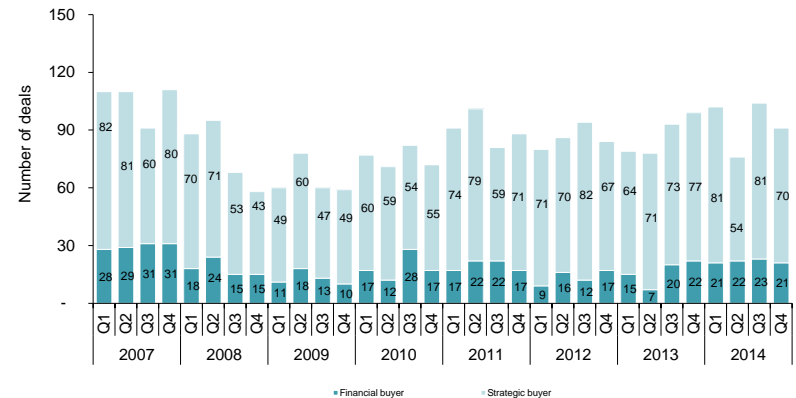
## Global deal activity per sector (past 12 months)



## EU-27 M&A volume by type of buyer



## Dutch M&A volume by type of buyer

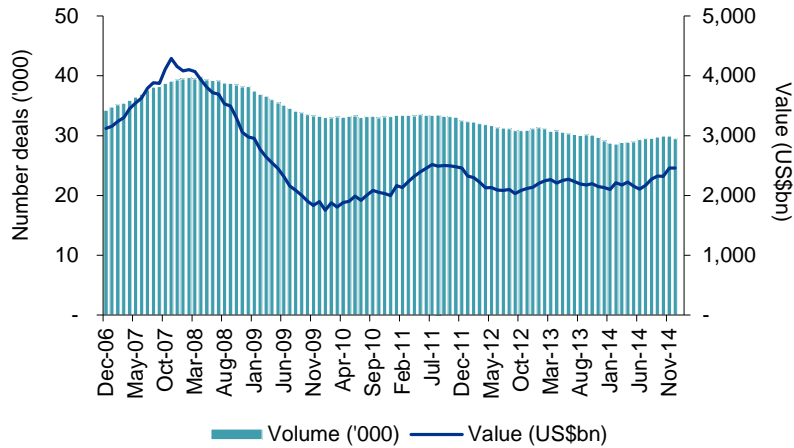


Source: MergerMarket, KPMG Analysis.

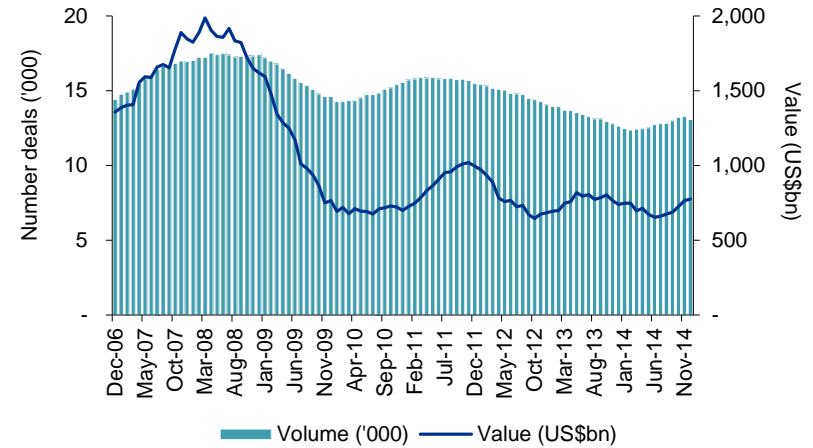
# Global and EMA M&A activity according to Thomson Reuters

Dec 06 – Dec 14

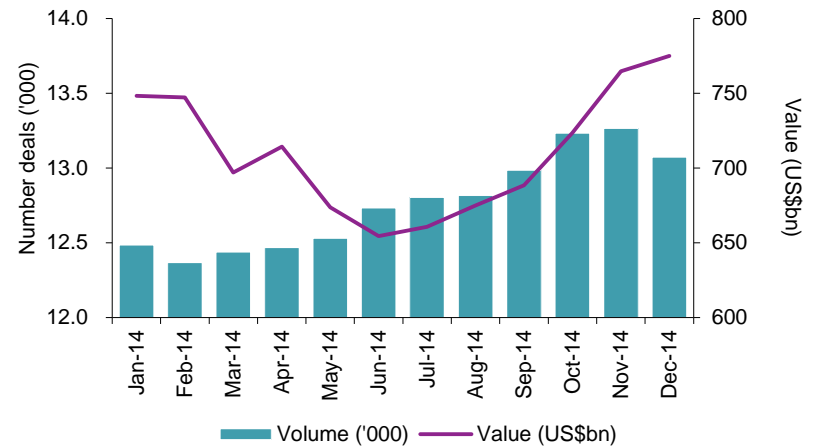
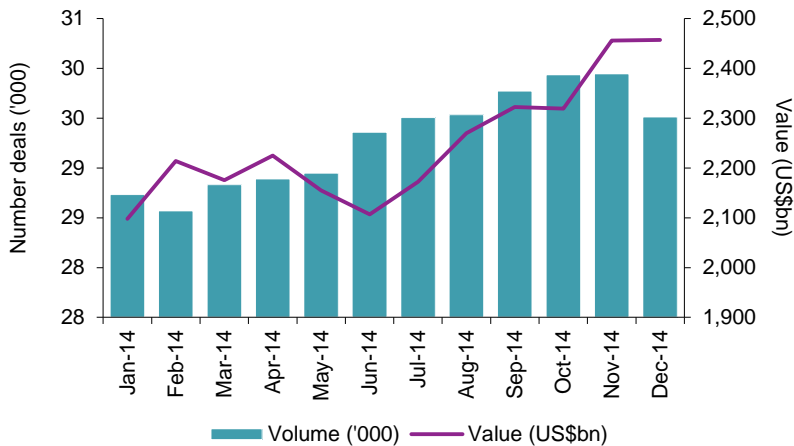
Global completed deals



EMA completed deals



Jan 14 – Dec 14

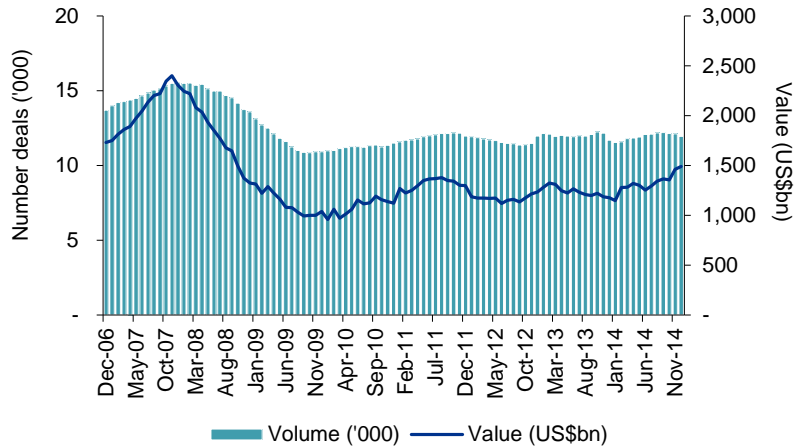


Source: Thomson Reuters SDC

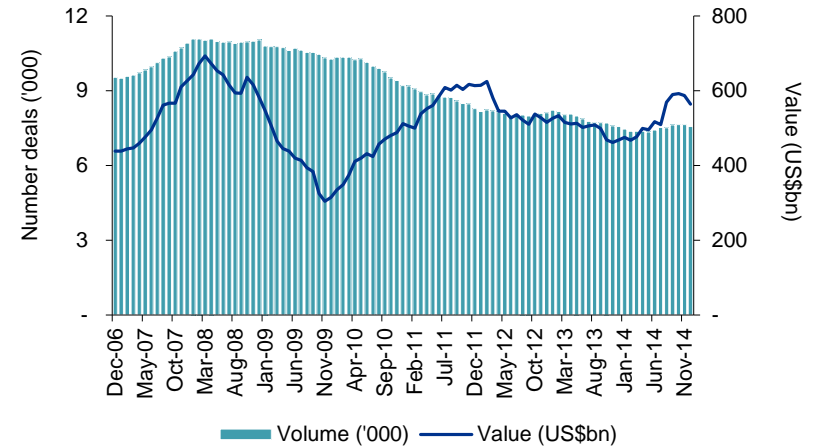
# Americas and AsPac M&A activity according to Thomson Reuters

Dec 06 – Dec 14

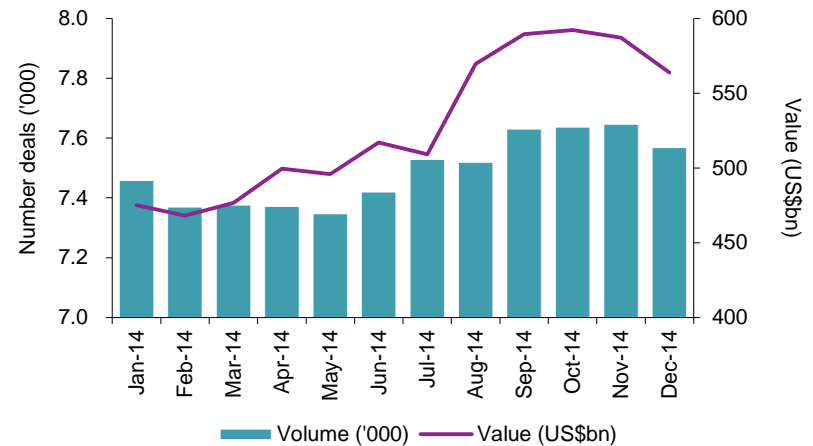
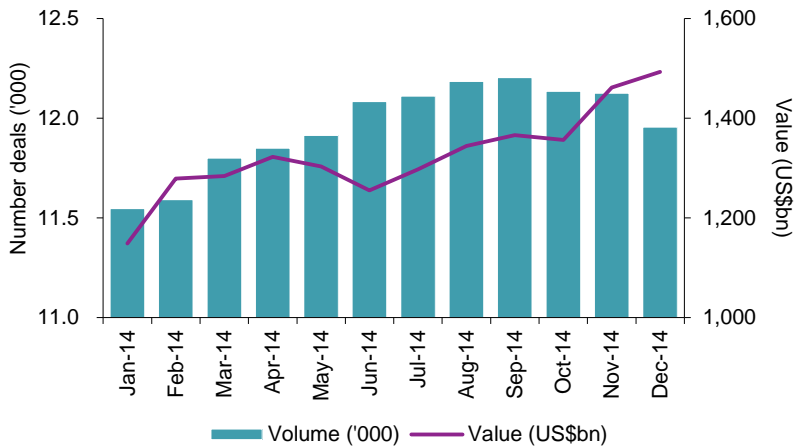
Americas completed deals



AsPac completed deals



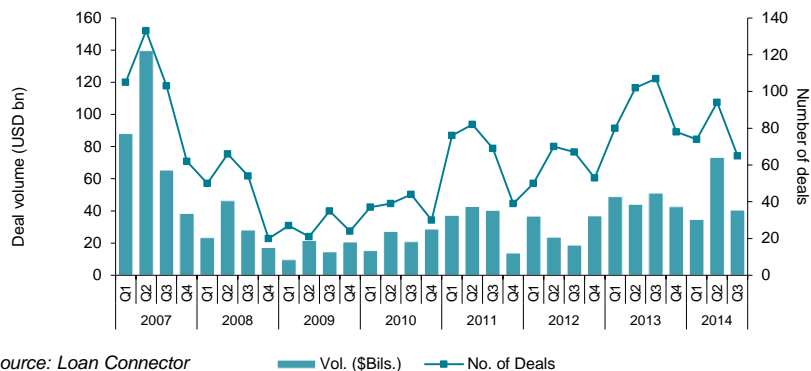
Jan 14 – Dec 14



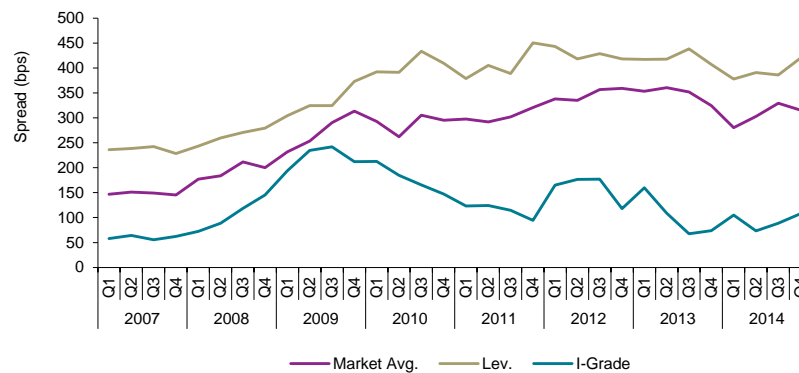
Source: Thomson Reuters SDC

# Leveraged loans in Western Europe

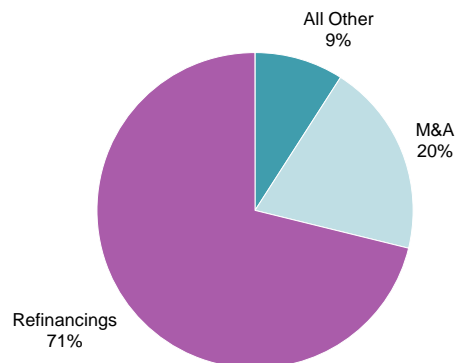
## Leveraged Loans in Western Europe



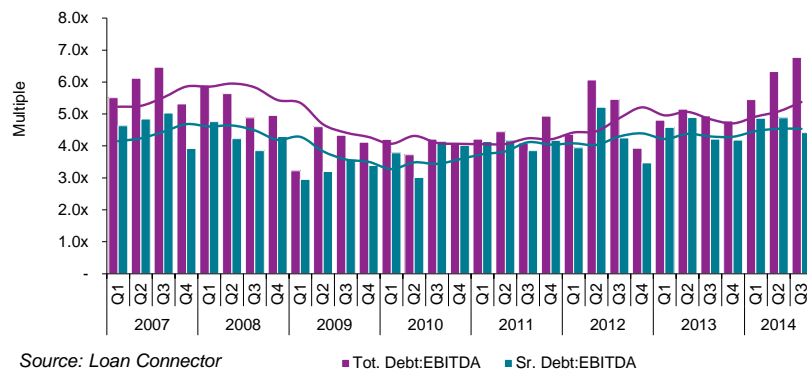
## Loan Pricing in Western Europe



## Loan volume in Western Europe by purpose

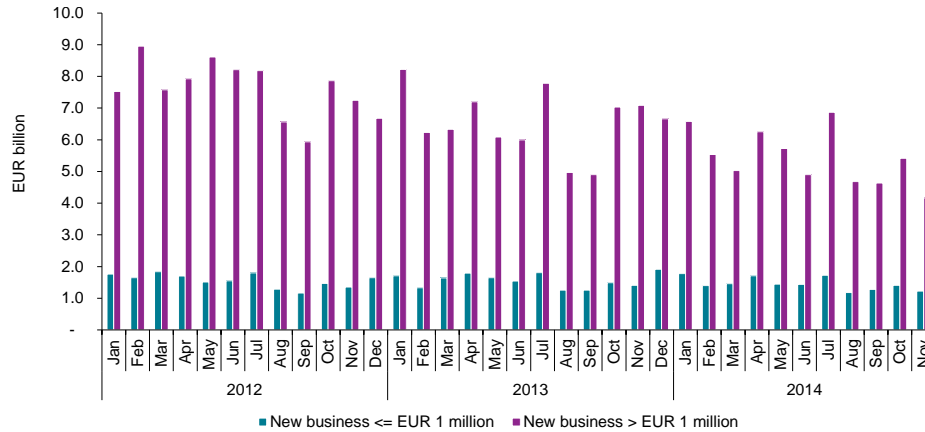


## Leveraged Multiples in Western Europe



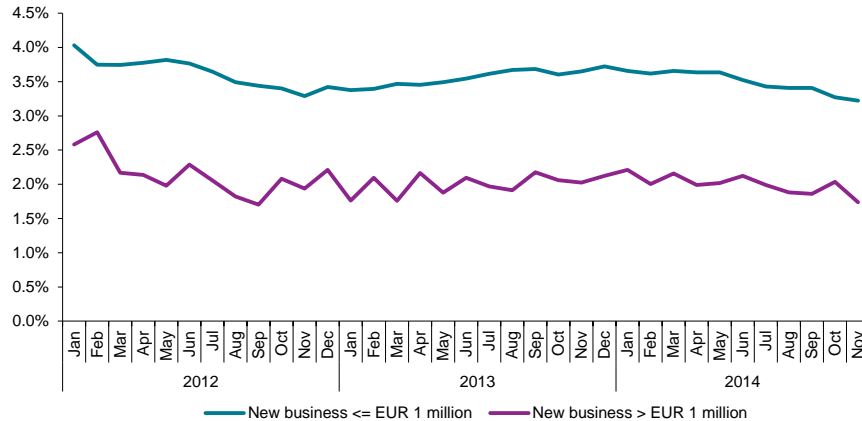
# Corporate Lending Netherlands – Volume & Pricing for new contracts

## Volume new business by loan size

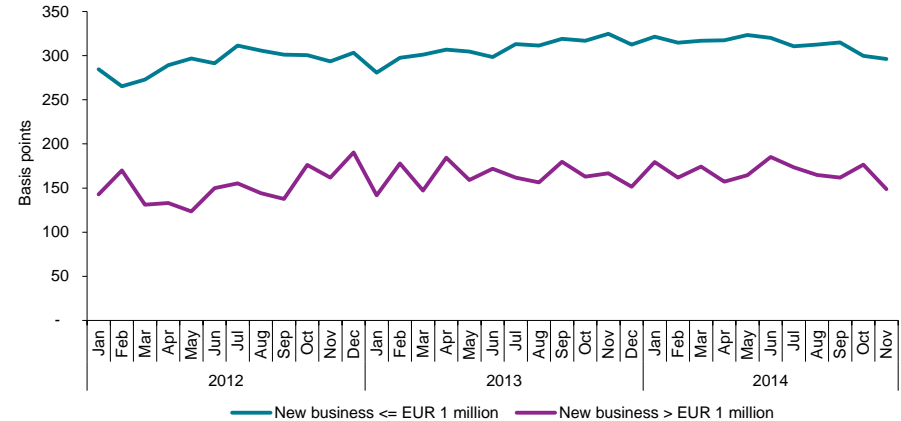


Source: De Nederlandsche Bank, KPMG analysis

## Interest rates for new business by loan size



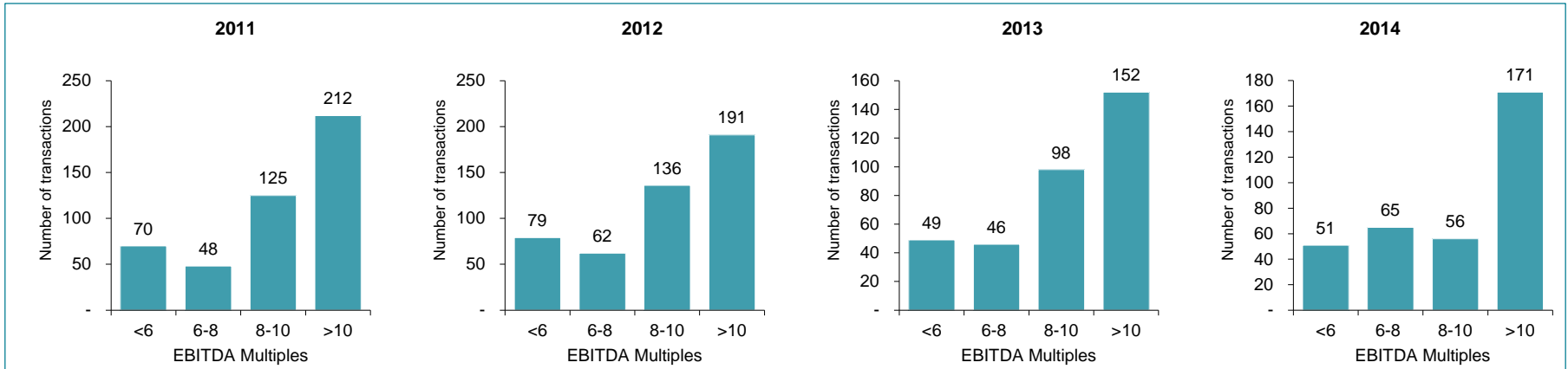
## Spread for new business by loan size



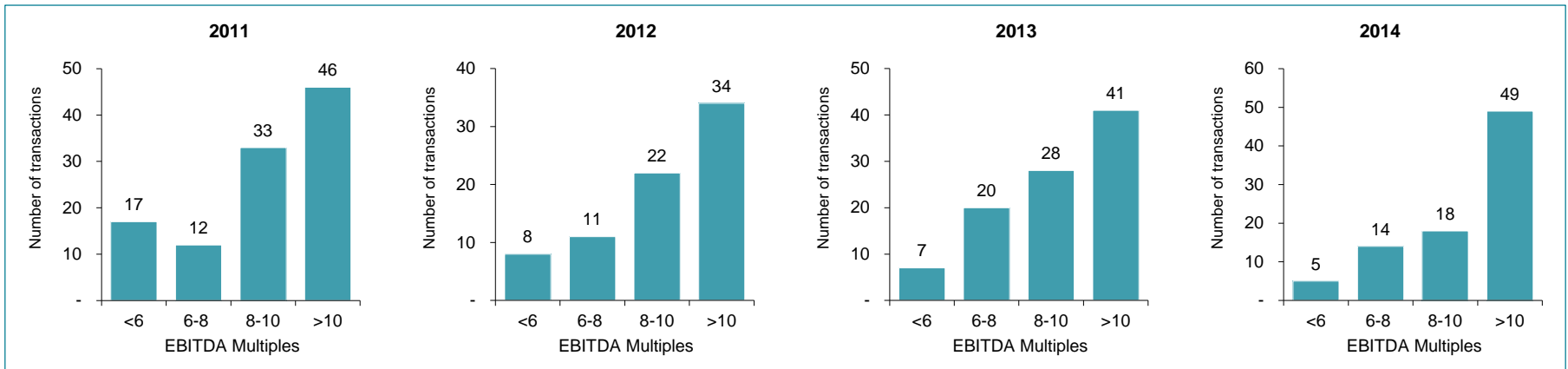
De Nederlandsche Bank, KPMG analysis

# Prices paid in the mid-market from 2011 to 2014

## Strategic buyers



## PE buyers



Source: Mergermarket, KPMG analysis., figures based on announced deal characteristics, deals with deal value of 100m-500m are included

## Highest deal activity increase expected from sectors in transformation

According to the KPMG 2015 M&A Outlook Survey, “Respondents predict that the most active industry will be healthcare related (84 percent). Other industries that were expected to dominate deal making include technology/media/telecom (62 percent), energy, oil & gas (36 percent), and consumer markets (34 percent).” This is followed by Financial Services (30 percent) and Industrial Manufacturing (24%).

## Strategic opportunities motivate buyers

“What is motivating this activity? The largest percentage of respondents (21%) said their acquisitions were opportunistic and they planned to act because the right target became available. Other reasons include expanding their geographic reach (19%), expanding their customer base (16%), and entering new lines of business (15%).” according to the 2015 M&A Outlook Survey.

## Cash will drive deals

“Several macro-economic factors should facilitate M&A activity in the coming year. The largest percentage of respondents (40 percent) cited large cash reserves and/or commitments. Deal activity should also be driven by opportunities in emerging markets (19 percent), the availability of credit on favourable terms (16 percent), improved consumer confidence and improving equity markets (both 8 percent).” according to the 2015 M&A Outlook Survey



# What's hot in the Software M&A market?



## Social

- Enabling applications to enrich business relationships, customer intimacy, loyalty and brand recognition

## Company



## Local

- Provision of tailored information based on location and situation



## Mobile

- Mobile devices function as a primary on-ramp to the cloud



## E-commerce

- The cloud will enable the connection, validation and certification of the mobile payments



## Security

- Enabling applications to enrich business relationships, customer intimacy, loyalty and brand recognition



## Big Data

- Storing, managing and analysing the data provided by the above key trends



# Introducing our next speaker: Eric Derksen



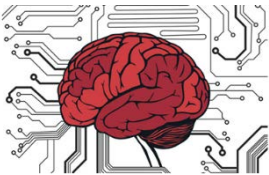
Eric Derksen



Technisch Adviseur



Watson Ambassador



Cognitive computing

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