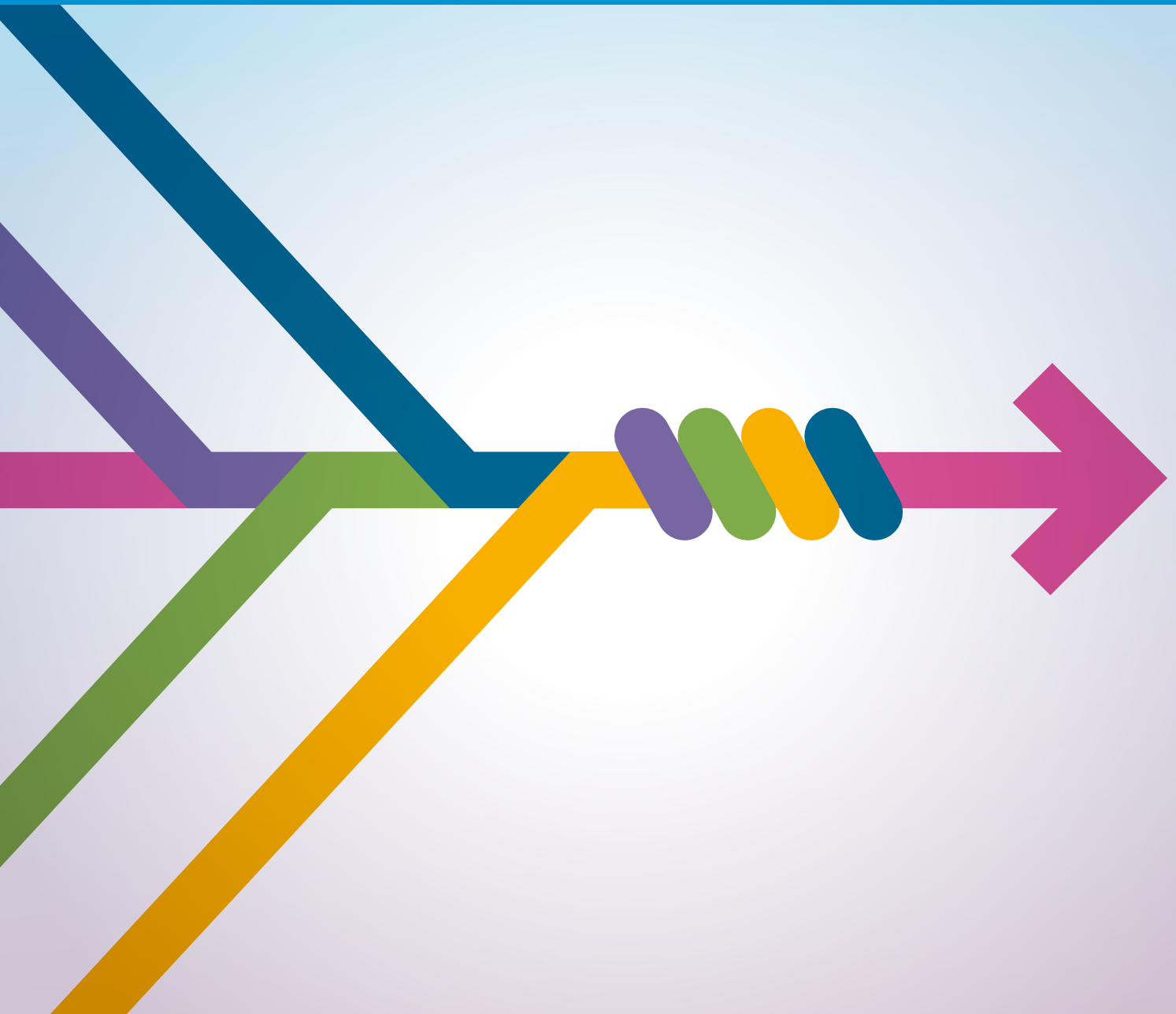


Mergers & Acquisitions wrap 2020



Mergers & Acquisitions wrap 2020

£1.4 billion+ of M&A deals in the UK in 2020

£152 million
Energy
and natural
resources deals

£378 million
Technology
deals

£300 million
Media and
entertainment
deals

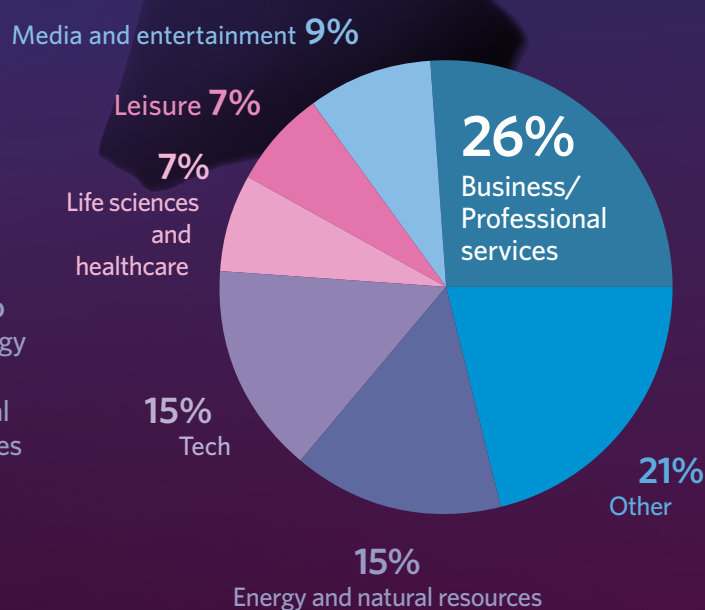
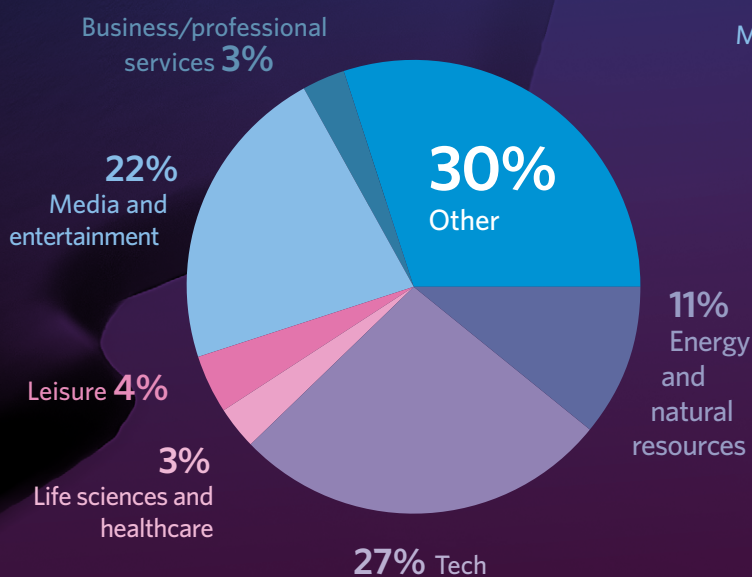
£349 million
Real estate
deals

60+ transactions

25+ cross-border deals

M&A deals by sector (value)

M&A deals by sector (volume)



UK M&A

Fieldfisher's UK team advised on M&A deals worth in excess of **£1.4 billion** across more than 60 transactions closing in 2020.

Following a brief slowdown in the second quarter of the year at the start of the UK's first national lockdown in March, M&A activity rebounded in the following quarters as companies and their advisers adapted to progress deals remotely.

The UK M&A market noticeably gathered pace towards the end of 2020, as Covid-19 vaccine approvals restored confidence, businesses rushed to beat the end of the Brexit transition period on 31 December and overseas bidders began circling UK targets with attractive valuations.

US acquirers keen to access new markets and boost growth, particularly in the food and beverage sector, were also a notable feature of Fieldfisher's M&A deal portfolio last year, while private equity funds (domestic and international) were similarly active on deals.

More than half of Fieldfisher's UK M&A deals were cross-border, with international parties primarily based in North America, Asia and Europe.



UK deal highlights for 2020



Glory Global Solutions
(Acquirer)

US\$223 million

Advising Glory Global Solutions (International) Ltd, a subsidiary of Tokyo Stock Exchange-listed GLORY Ltd, on a major investment in France's Acrelec Group SAS, a leader in self-service solutions for the Quick Service Restaurant and retail industries.



CTH Invest S.A.
(Acquirer)

£246 million

Advising a company connected with Italian confectionery giant Ferrero SpA on its acquisition of the Fox's branded and retailer own-brand biscuit business from Northern Foods Grocery Group Limited.



Haynes Publishing Group P.L.C. (Target)

£114.5 million

Advising British automotive manual publisher Haynes Publishing Group P.L.C. on its acquisition by France-headquartered Infopro Digital Limited.



KeyMed Limited
(Acquirer)

Confidential

Advising KeyMed (Medical & Industrial Equipment) Limited, a member of the Olympus Corporation group of companies, on the acquisition of Arc Medical Design Limited, a producer of innovative colonoscopy devices, from Norgine B.V.

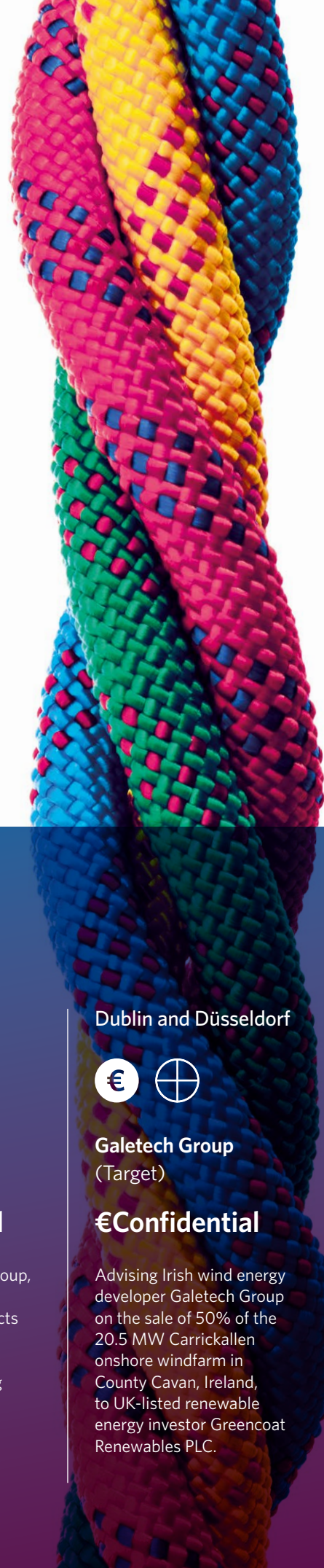
International M&A

M&A activity was robust across Fieldfisher's international network in 2020, with a surge in deals during the second half of the year.

In Europe, the emerging trend of family businesses selling up to larger national and multinational companies and private equity continued last year, notably in France, Germany and Italy.

Eastern European parties are also becoming increasingly prominent in UK and Western European M&A deals, particularly in the gaming/technology and energy sectors.

The damaging effect of the pandemic on the financial positions of many national companies prompted a number of European governments to tighten their rules governing acquisitions by foreign buyers, adding further regulatory hurdles for some international acquirers seeking to pursue M&A strategies in Europe.



International deal highlights for 2020

Madrid



Quantum Group
(Acquirer)

€Confidential

Advising German industrial investor Quantum Group on its acquisition of Spanish company Papresa, the leading producer of newsprint in Southern Europe and the eighth largest paper producer in Spain.

Paris and Brussels



Paradox Interactive
(Acquirer)

€Confidential

Advising Swedish video games developer Paradox Interactive on its acquisition of Playrion Game Studio, a Paris-based mobile-focused games developer.

Milan



Comprital Group
(Target)

€Confidential

Advising Comprital Group, an Italian producer of ingredients and products for artisan ice cream and pastry, on its sale to Italcanditi, a leading supplier to European confectionery and dairy industries.

Dublin and Düsseldorf



Galetech Group
(Target)

€Confidential

Advising Irish wind energy developer Galetech Group on the sale of 50% of the 20.5 MW Carrickallen onshore windfarm in County Cavan, Ireland, to UK-listed renewable energy investor Greencoat Renewables PLC.

Technology deals



Tech sector M&A demonstrated particular resilience over the course of 2020.

Demand for technology products and services intensified as companies and consumers increasingly relied on connectivity and software solutions for work and leisure. This drove stronger valuations for many tech businesses as acquirers sought to buy up innovative digital solutions. For Fieldfisher, deal highlights included advising software developers, TMT businesses and proptech companies on strategic acquisitions.

£ **Toople Plc**
(Acquirer)

£1.56 million

Advising London Main Market-listed telecoms company Toople Plc on its acquisition of DMS Holdings, a UK provider of communication services.

\$ **Wayside Technology Group Inc.** (Acquirer)

US\$17.4 million

Advising Wayside Technology Group Inc., a NASDAQ-listed IT channel company, on its acquisition of CDF Group Ltd, a UK-based cloud, software and IT distributor and services provider.

A\$ **Bidenergy**
(Acquirer)

A\$9.8 million

Advising ASX-listed Bidenergy on its acquisition of UK-based Optima Energy Management Holdings Ltd and its subsidiary, Optima Energy Systems Limited, a UK-based energy management software business.

Energy and natural resources deals

M&A activity in the oil and gas, renewable energy and power sectors was solid during 2020.

In the oil and gas sector in particular, the negative impact of the pandemic on demand and prices prompted distressed sales and merger activity, while large oil and gas companies continued to buy up renewable energy and power suppliers. Meanwhile, consolidation continued in the SME power and utilities market and Fieldfisher advised on a number of transformational deals for alternative energy companies (including energy from waste) and energy infrastructure developers.

£ **Future Earth Energy**
(Acquirer)

£Confidential

Advising Future Earth Energy and Grimbald Bioenergy Limited on the sale of the 18 MW Great Coates Combined Heat and Power energy from waste project in Grimsby, Lincolnshire to energy services provider DMG Eco.

£ **Infrastrata plc**
(Acquirer)

£9.5 million

Advising AIM-listed Infrastrata plc on its purchase of the Harland & Wolff Shipyard in Belfast from administrators for £6 million, followed by its acquisition of the Appledore Shipyard in Devon for £3.5 million.

£ **EQTEC PLC**
(Acquirer)

£10 million

Advising EQTEC PLC on a share purchase agreement to acquire full ownership of the Deeside Refuse Derived Fuel project in Wales.

Life sciences deals

The Covid-19 pandemic focused attention on the life sciences and healthcare sector.

M&A activity was subdued as life sciences companies focused on fundraising and growth investment, however large international acquirers were emboldened to move on opportunities to take over subsidiary businesses and assets of financially weaker companies in the UK and Europe.

£ **Lallemand Inc.**
(Acquirer)

£Confidential

Advising Canadian life sciences company Lallemand Inc. on its acquisition of enzyme producer Biotec BetaGlucans AS, a subsidiary of Norway-headquartered Articzymes Technologies ASA.

£ **International life sciences company** (Acquirer)

£15 million

Advising the UK arm of a NASDAQ-listed American multinational biopharmaceutical research organisation on its acquisition of certain assets of two UK-based pharmaceutical companies in administration.

£ **Excelya Group SAS**
(Acquirer)

£Confidential

Advising Excelya Group SAS, a leading contract research organisation specialising in clinical research, on its acquisition of Zein Biotec Limited.

Real estate deals

Real estate deals represented some of the largest M&A transactions Fieldfisher advised on in the UK last year.

Despite gloomy valuation predictions for various asset classes including office space, hotels and student accommodation as a consequence of the pandemic, bullish asset-level and corporate M&A in the real estate sector was surprisingly strong in 2020. Other bright spots among Fieldfisher's property M&A deals included logistics and healthcare real estate assets, while retail, hospitality and leisure deals suffered from a combination of successive Covid-19 lockdowns and longer-term structural shifts.

£ **CA Ventures**
(Acquirer)

£200 million

Advising Chicago-headquartered CA Ventures on the formation of a JV structure with Harrison Street Real Estate and four subsequent share sales of CA Ventures' property SPVs into the JV structure to develop four student accommodation projects in London, Edinburgh, Leicester, and Belfast.

£ **London & Oxford Group**
(Acquirer)

£128 million

Advising a client of investment managers, London & Oxford Capital Markets plc, on its acquisition of the whole of First King Properties Limited, a Jersey company that owns 75 King William Street, a prestigious office building in the City of London.

Media and entertainment deals

Media and entertainment deals were a significant feature of Fieldfisher's M&A deal portfolio in 2020.

Large media and entertainment companies with considerable buying power showed flexibility in responding to changing consumer behaviours as competition for attention soared during the Covid-19 pandemic. Big names in the industry were quick to identify potential for market growth areas and demonstrated their preference to buy versus build, to gain a foothold quickly in emerging opportunities.



An international media conglomerate (Acquirer)

£100 million

Advising an international media conglomerate on its acquisition of a majority stake in the UK makers of several popular British TV shows.



A US music website owner (Acquirer)

US\$12 million

Advising the US owners of an international website for musicians on its acquisition of a British music software business.



A Japanese media conglomerate (Acquirer)

£3.7 million

Advising a Japanese media conglomerate on a significant investment in UK sports-focused production company.

Other deals

Notwithstanding some practical and logistical obstacles caused by Covid-19 lockdowns, M&A activity among Fieldfisher clients was surprisingly buoyant across a variety of sectors in 2020.

Leisure (including food and beverage) made up a significant proportion (£61.6 million) of Fieldfisher's UK M&A deal value, while SME manufacturing, business services and professional services acquisitions across different industries made up the bulk of the remaining deal value.



Cruising Excursions Limited (Target)

£Confidential

Advising the shareholders of UK-based tour specialist Cruising Excursions on its sale to the US-headquartered owner of City Cruises, Hornblower Group.



A leading UK independent craft brewery (Target)

£Confidential

Having advised a leading UK independent craft brewery and its shareholders on the sale of a minority equity interest to a global brewing business in 2017, we advised the selling shareholders on the sale of the remaining share capital to the global company in 2020.



Pistachio Holdings (Acquirer)

£Confidential

Advising Pistachio Holdings (part of East Africa-based Sumaria Group) on its acquisition of a controlling stake in the Creams Café chain of UK ice cream parlours.



Areas to watch in 2021

Covid-19 clear-up

Many SMEs whose financial positions have been weakened by the Covid-19 pandemic and repeated lockdowns are likely to become targets for M&A.

A number of serial acquirers and business consolidators have indicated their intention to pursue aggressive acquisition strategies in 2021 and there is likely to be a significant increase in distressed M&A transactions.

Post-Brexit bounce

Currency stability and relative certainty provided by the UK's Trade and Cooperation Agreement (TCA) with the EU has emboldened some international acquirers to focus on UK targets.

Private equity

Private equity funds, with large amounts of capital and high leverage available at low cost, see UK private and public companies as attractive targets that can be used as platforms for growth.

Although M&A activity continued relatively smoothly during lockdown periods in 2020, many potential private equity bidders held off pursuing targets resulting in pent-up demand ready to be unleashed as vaccine roll-outs progress and investor confidence returns.

Take-privates

Take-private activity could surge in 2021 after a notable decline in deal counts in 2018, 2019 and 2020.

SPACs

The popularity of SPACs in the US is tipped to jump the Atlantic in response to demand from European capital markets.

In the UK, proposed reforms of the UK listing regime and the treatment of SPACs on the London exchanges could boost the role of these vehicles in M&A.

The data protection deficit

Data protection and associated cybersecurity risks are emerging as the main blind spots in M&A due diligence.

The prevalence of cloud-based solutions, combined with globally scattered data centres and technical support teams makes data/cyber DD particularly challenging and 2021 is set to be a very busy time for lawyers drafting the data protection contracts institutional clients need to have in place.

Greater transaction security

In light of recent economic and political volatility, desire for greater transaction security is driving M&A parties to seek to mitigate potential risks contractually by implementing legal security mechanisms – a trend that is likely to continue in 2021.

ESG

Environmental, social and corporate governance (ESG) considerations are likely to become major factors affecting the attractiveness of M&A targets in the near future.

Contacts



Tim Bird

Partner, Corporate,
London

+44 (0)20 7861 4031
tim.bird@fieldfisher.com



Christine Phillips

Partner, Corporate,
London

+44 (0)20 7861 4287
christine.phillips@fieldfisher.com



David Wilkinson

Senior Partner, Corporate,
London

+44 (0)20 7861 4262
david.wilkinson@fieldfisher.com



Carlton Durrant

Partner, Corporate,
London

+44 (0)20 7861 4890
carlton.durrant@fieldfisher.com



David Bowcock

Partner, Corporate,
Manchester

+44 (0)161 268 8575
david.bowcock@fieldfisher.com



Keith Woodhouse

Partner, Corporate,
London

+44 (0)20 7861 6788
keith.woodhouse@fieldfisher.com



Janita Good

Partner, Co-head
of Life Sciences, London

+44 (0)20 7861 4615
janita.good@fieldfisher.com



Matthew Williams

Partner, Energy and Natural
Resources, London

+44 (0) 207 861 4229
matthew.williams@fieldfisher.com



Nodir Sidikov

Partner, Corporate,
London

+44 (0)20 7861 4785
nodir.sidikov@fieldfisher.com



Mark Walker

Partner, Corporate,
London

+44 (0)20 7861 4628
mark.walker@fieldfisher.com



Andrew Blankfield

Partner, Corporate,
London

+44 (0)20 7861 4114
andrew.blankfield@fieldfisher.com



Andy Lawton Smith

Partner, Corporate,
Birmingham

+44 (0)7979 243751
andrew.lawtonsmith@fieldfisher.com



Jonathan Brooks

Partner, Head of Mining
and Metals, Corporate, London

+44 (0)20 7861 4748
jonathan.brooks@fieldfisher.com



Graham Muth

Partner, Corporate,
Birmingham

+44 (0)121 210 6109
graham.muth@fieldfisher.com



Neil Matthews

Partner, Head of Corporate,
London

+44 (0)20 7861 4787
neil.matthews@fieldfisher.com



Mary Erb

Partner, Corporate,
Manchester

+44 (0)161 835 8018
mary.erb@fieldfisher.com

Contacts continued



Neil Palmer

Partner, Corporate,
London

+44 (0)20 7861 4268
neil.palmer@fieldfisher.com



Tom Ward

Partner, Corporate,
Manchester

+44 (0)161 200 1365
tom.ward@fieldfisher.com



Mark Nash

Partner, Corporate,
London

+44 (0)20 7110 0843
mark.nash@fieldfisher.com



Hugo Lidbetter

Partner, Corporate,
Birmingham

+44 (0)121 210 6246
hugo.lidbetter@fieldfisher.com



Mikhail Basisty

Partner, Corporate,
London

+44 (0)20 7861 4268
mikhail.basisty@fieldfisher.com



Brad Isaac

Partner, Corporate,
London

+44 (0)20 7861 4261
brad.isaac@fieldfisher.com



George Cotter

Partner, Corporate,
London

+44 (0)20 7861 4531
george.cotter@fieldfisher.com



Dominic Gurney-Champion

Partner, Corporate, London

+44 (0)20 7861 4648
dominic.gurney-champion
@fieldfisher.com

About Fieldfisher

Fieldfisher is a European law firm with market-leading practices in many of the world's most dynamic sectors. We are an exciting, forward-thinking organisation with a particular focus on technology, financial services, energy & natural resources and life sciences.

Fieldfisher has 25 offices across 11 countries. The firm's M&A, venture capital and private equity expertise is spread across our European, Chinese and US network.

We operate across our offices in Amsterdam, Barcelona, Beijing, Belfast, Birmingham, Bologna, Brussels, Dublin, Düsseldorf, Frankfurt, Guangzhou, Hamburg, London, Luxembourg, Madrid, Manchester, Milan, Munich, Paris, Rome, Shanghai, Turin, Venice and Silicon Valley.

We work collaboratively with each of our offices to ensure our clients receive the best advice and support.

© Fieldfisher LLP 2021. All rights reserved.

This publication is for general guidance only and does not constitute legal advice on which you may rely.