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# CMS European M&A Study 2018

## Preview

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Tenth Edition



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# M&A 2018

Political and global security issues may have encouraged uncertainty in 2017 but the European M&A market seemed to view uncertainty as an opportunity.

Global activity was down on both value and deal count by 3% and 1% respectively, but European M&A surged by 14% to USD 929.3bn in over 7,000 deals with volume down just 1% against 2016.

This increase in European M&A activity was driven by the stability of the Eurozone as a bloc (especially France and Germany) on the back of solid GDP and employment figures. There was a new optimism in Europe with President Macron being elected in France and the worst fears of strong nationalist influences in the Netherlands, France and Germany proving unfounded. The UK also provided specific opportunities to investors. Although 2017 did little to clarify the direction of Brexit overall, it did allow foreign investors to continue to take advantage of the weaker GBP. There was also a significant rise in domestic consolidation as the UK prepares itself for its post-Brexit existence.

Private equity had a stellar year with plenty of available cash, a crowded mid-market and a steady increase in large buy-out deals. Industry and Consumer Products were the best performing sectors.

2018 has started in much the same vein as 2017 finished. US corporations and institutions have typically driven the M&A market and are now presented with the unique combination of President Trump's "America First" policy and dramatically lower domestic corporate taxes. They will be very busy in a booming domestic market, but we expect US corporates to continue to target European M&A alongside Asian and Eurozone dealmakers.

Our new CMS European M&A Study 2018 covers more than 3,650 deals. We focus on the 438 CMS deals in 2017 and the 2,488 CMS deals in the period 2010–2016 by way of comparison.

We are also proud to announce that this is the tenth edition of the CMS European M&A Study. This represents a significant body of work which is unique both for its longevity and large deal sample. In this edition, we take the opportunity to look back at how risk allocation in M&A deals has changed in the 2007–2017 period and the reasons for such change.

We trust that the CMS European M&A Study will assist you in your everyday M&A activities.



Stefan Brunnschweiler  
Head of the CMS Corporate/M&A Group

# Methodology

The Study includes deals which were structured either as a share sale or an asset sale, including transactions where a seller held less than 100% of the target company's share capital, provided this represented the seller's entire shareholding in the target company. The Study also includes property transactions which involved the sale or acquisition of an operating enterprise such as a hotel, hospital, shopping centre or comparable business, and not merely a piece of land. Internal group transactions were not included in the Study. The data has been divided for comparative purposes into four European regions. The countries included in each of these regions are as follows:

- Benelux: Belgium, The Netherlands and Luxembourg
- Central and Eastern Europe (CEE): Bulgaria, Croatia, Czech Republic, Hungary, Poland, Romania, Serbia and Ukraine
- German-speaking countries: Austria, Germany and Switzerland
- Southern Europe: Italy, Spain and Portugal

France and the United Kingdom are presented as individual categories.

Transactions included in the Study cover the following sectors:

- Banking & Finance
- Hotels & Leisure
- Energy
- Consumer Products
- Technology, Media & Communications
- Infrastructure & Projects
- Lifesciences (pharmaceutical, medicinal and biotechnical products)
- Real Estate & Construction
- Industry
- Business (Other Services)

Comparative data from the US was derived from the "2016 and the first half of 2017 Private Target Mergers & Acquisitions Deal Points Study" produced by the Mergers & Acquisitions Market Trends Subcommittee of the Mergers & Acquisitions Committee of the American Bar Association's Business Law Section.

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# High rankings for CMS Corporate/M&A

Supporting more than 400 deals across the globe, 2017 was another successful year for our CMS Corporate/M&A team. Top rankings by Bloomberg, Mergermarket and Thomson Reuters confirm the position of CMS as a leading law firm for M&A in Europe and beyond.

**#1** Europe, CEE, DACH,  
Germany, Switzerland,  
Poland

**#2** Benelux, UK, France

**#7** Global

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Sources: Mergermarket, Thomson Reuters, Bloomberg; by deal count.



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