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CMS European M&A Study 2020

Preview

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Twelfth Edition

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The results of the Study, the contents of this report and the conclusions which they present do not necessarily reflect the views of any member of CMS, the lawyers or the support staff who assisted with their preparation. Over 4,600 M&A transactions are evaluated in the Study and this report, the vast majority of which were negotiated. There were many differences between the underlying agreements we analysed. In order to compare the results, individual provisions were categorized a process which required a degree of subjective judgment. Although certain trends can be deduced from the Study and this report, each transaction has individual features which are not recorded in the Study or this report and to which no reference is made. As a result, the conclusions presented in the Study and this report may be subject to important qualifications that are not expressly articulated in them.

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M&A 2019

Our annual CMS European M&A Study 2020 aims to be an important resource for all dealmakers looking to navigate the increasingly difficult and challenging investment climate. For the 12th consecutive year, we are here to help them succeed in any M&A process, by identifying and tackling the complexities in practice in the fragmented European transaction market.

This year's Study analyses the key market trends in legal documentation in 466 deals, all of which were advised on by CMS offices in Europe throughout 2019. Despite the slowdown in the European M&A market in 2019, CMS still managed to increase the number of deals for the third consecutive year advising on more deals than any other law firm in Europe.

Over the 12 years of the Study, it became clear that both buyers and sellers have become increasingly sophisticated and demanding. It is therefore even more important for deal participants and their advisers to prepare carefully and rigorously in advance of any transaction.

This trend chimes with the market analysis in our latest European M&A Outlook, revealing that an uncertain geopolitical and macroeconomic backdrop has prompted buyers and sellers to take a more pragmatic approach to deal-making. While executives were less optimistic about the prospects for M&A over the next 12 months, their focus is on streamlining their organisations, buying the highest quality technology and IP assets that fulfil key strategic objectives, coupled with favouring deals in fast-growing sectors with upside potential but sufficient cushion on downside risks.

I trust the CMS European M&A Study 2020 will be a useful guide for those considering transactions this year, to ensure more efficient and effective deal processes. The size of the deal sample and range of countries involved means that it's a uniquely valuable and rich resource for all M&A practitioners across Europe.

If you have any feedback or questions, we would love to hear from you.



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 & Climate Change
- Consumer Products
- Technology, Media & Communications
- Infrastructure & Projects
- Life Sciences & Healthcare (pharmaceutical, medicinal and biotechnical products)
- Real Estate & Construction
- Industry
- Business (Other Services)

Comparative data from the US was derived from the "2018 and Q1 2019 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. Due to rounding, some totals may not correspond with the sum of the separate figures.

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#1 Benelux, CEE, Europe, DACH, Germany, UK

#7 Global

Sources: Bloomberg, Mergermarket and Thomson Reuters, by deal count



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