

WILLIAM FRY

M&A Review 2017





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Against a backdrop of significant macroeconomic and political uncertainty, 2017 saw a return to very healthy levels of transactional activity



Key Trends in Irish M&A

M&A Deal Volume

Deal volume reached its highest total on Mergermarket record in 2017



Inbound Activity

Highest annual volume

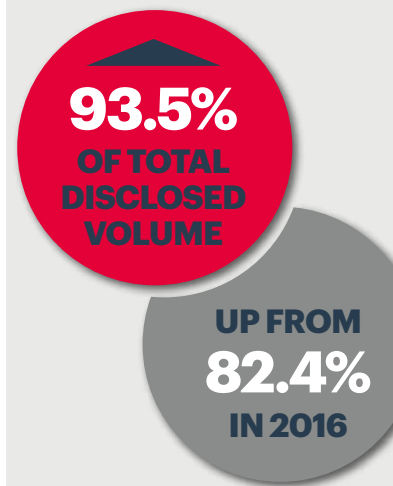


Private Equity

Highest year on record by volume

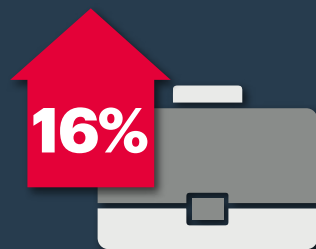


Mid-market Activity

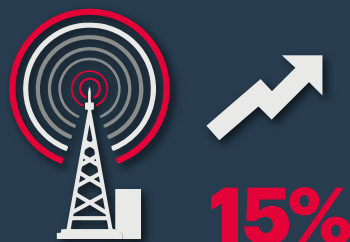


Key Sectors by Deal Volume

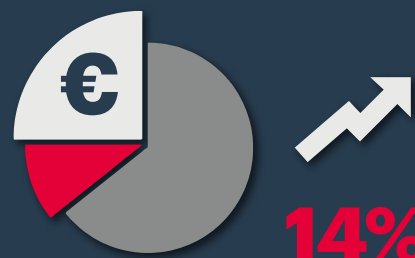
A number of key sectors saw **strong activity by volume**, including:



BUSINESS SERVICES



TELECOMS, MEDIA AND TECHNOLOGY



FINANCIAL SERVICES



CONSUMER

*figure represents deals with a disclosed value

Foreword



Shane O'Donnell

Head of Corporate/M&A

T. +353 1 639 5112

E. shane.odonnell@williamfry.com

Welcome to the seventh edition of William Fry's Irish M&A Review, published in association with Mergermarket.

In last year's review, we commented on the muted Irish and global M&A landscape in late 2016. We further noted that while the volatile global macroeconomic picture would have a strong bearing on the pace of M&A in 2017, we expected Irish deal activity to rise as a result of Ireland's growth predictions and strong business fundamentals.

Against a backdrop of significant macroeconomic and political uncertainty, 2017 saw a return to very healthy levels of transactional activity. Indeed, the number of deals targeting Irish assets actually reached its highest annual total on Mergermarket record (since 2001), with the announcement of 143 transactions valued at €14.9bn. Mid-market businesses, the engine of the Irish economy, attracted significant M&A attention in 2017, cementing their position as consistent drivers of M&A activity in Ireland.

The stellar performance in 2017 is renewed evidence of Ireland's strong economic growth, its business-friendly environment and ready access to capital for businesses. Early in February, the European Commission announced that GDP growth for Ireland was 7.3% in 2017. This is the fastest growth rate in the EU. Indeed, Ireland has outpaced all other eurozone economies for four successive years. A relatively low corporate tax rate, a flexible and multi-lingual workforce and a transparent legal system continue to underpin Ireland's attractiveness to overseas buyers – both strategic and private equity (PE). PE players were particularly active in the Irish market in 2017 and we expect to see this trend continue in 2018.

Inbound dealmaking increased in 2017 to 93 deals. Although the UK and US have traditionally been the most dominant international acquirers, Irish companies drew interest from a wide array of jurisdictions in 2017 including Japan, Australia and South Africa. This inbound activity also spanned a variety of sectors, highlighting the diverse range of growth-oriented businesses coming to market in Ireland.

While there was plenty of interest from foreign players in the Irish market throughout 2017, large and domestic corporates such as Kerry Group plc, ICON plc, DCC plc and CRH plc also sought to enter new markets and diversify their portfolios abroad. Low interest rates and an abundance of funding (in some part facilitated by the European Central Bank (ECB)'s continued quantitative easing (QE) program) supported this growth. Outbound M&A increased its share in overall volume, from 39% to 42% year-on-year, reflecting good financing conditions and healthy balance sheets among Ireland's leading corporates.

In 2018, we expect that the ongoing Brexit negotiations may have an influence on the level of inbound transactions. The UK was the biggest net source of professionals moving to Ireland in 2017 accounting for 21% of the net migration to Ireland during the period to October 2017. UK and international businesses concerned about marketing and distributing their products and services in the EU following the triggering of Article 50 are in increasing numbers considering relocation to mitigate the fallout from Brexit.

Ireland is proving to be an attractive option for many such businesses and there is evidence of some companies using the M&A market to establish a first foothold.

We hope you find reading this year's edition of the Irish M&A Review informative and as always we welcome your feedback.



Shane O'Donnell
Head of Corporate/M&A

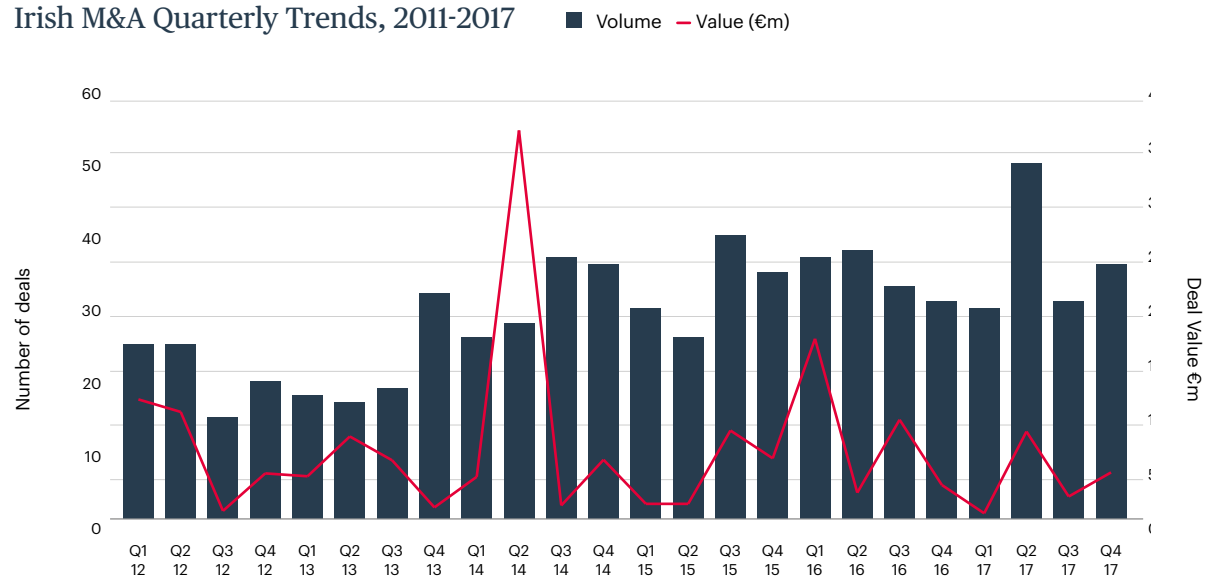
Overview

In M&A terms, Ireland performed well in 2017 in the face of uncertainty in the foreign markets driven by factors such as Brexit and the divisive new US administration. While 2017 saw fewer megadeals than previous years resulting in the drop in overall value year-on-year, a total of 143 deals worth €14.9bn were announced over the year, representing a 5.9% increase in volume.

As highlighted in earlier reports, the mid-market which is traditionally a cornerstone for Irish M&A continues to draw interest from domestic and international bidders alike. 2017 was no exception, with dealmaking in the mid-market accounting for 93.5% of total volume (up from 82.4% in 2016). Factors such as strong valuations and growth focussed businesses are driving the high levels of activity. The total of 49 deals announced in the second quarter in particular reflected strong mid-market growth.

PE dealmaking experienced impressive growth last year, perhaps proving itself to be an area to watch in 2018. A total of 37 deals worth €12.2bn were announced, more than double the value of all announced PE deals in 2016. We are now starting to see the first signs of exits for domestic PE funds, such as Carlyle Cardinal. The Government approval of the drafting of the Investment Limited Partnership (Amendment) Bill 2017 will, it is hoped, strengthen the relationship

Irish M&A Quarterly Trends, 2011-2017



between Ireland and the global investment community. The bill represents a move towards ensuring that Ireland retains a sound regulatory environment in accordance with international standards. The change brought about by this legislation should increase the options available in Ireland for fund promoters (including venture capital and PE) which may have a knock-on-effect on M&A activity.

Looking forward, dealmakers will be watching the Brexit negotiations closely this year. Brexit holds potential benefits for Irish M&A in terms

of international players diverting their attention away from the UK. However, uncertainty surrounding the nature of the Irish border would hamper crucial trade relations with the UK and could negatively affect M&A deals between the two countries.

Further, the ECB's winding down of its QE program over the coming months may constrain dealmakers' ability to access capital and cause the financing climate for Irish M&A to become less liquid in 2018.

Further afield, the US government has legislated for the most fundamental overhaul of US corporate tax policy in decades, reducing the tax rate from 35% to 21%. The impact this will have on Ireland's ability to continue to attract significant levels of investment from American companies is yet to be seen.

Despite an unpredictable macroeconomic climate, it is expected that Ireland's strong economic fundamentals will continue to outweigh external destabilising factors, 2018 will follow on from the strong finish to 2017 and we will continue to see healthy levels of Irish M&A activity.

Economic and financing climate

In a climate of widespread political uncertainty, and with many currencies across the globe experiencing considerable volatility, the Irish economy performed well in 2017. The European Commission predicted 4.8% growth for the Irish economy in 2017 and 3.9% in 2018 and has revised these predictions upwards. It also forecast that unemployment would drop from 6.1% in 2017, to 5.5% in 2018 and further to 5.3% in 2019. The strong domestic growth experienced in Ireland has translated into a robust environment for Irish M&A, with many financing options for dealmakers, including banks, private equity houses and specialist debt funds.

These economic indicators are above average compared to the Eurozone and substantially higher than what was predicted in the spring 2017 forecast. By comparison, the UK economy grew just 1.5%, according to the Office of National Statistics, with growth expected to be limited over the next few years amid ongoing Brexit negotiations.

Ireland's economy has been given a significant boost over recent years due to the ECB's €1tn QE programme which began in 2015. The program served to reduce borrowing costs to a record low and stimulate economic growth. The ECB has recently decided to wind down this programme and plans to cut the amount of bonds it purchases on a monthly basis from €60bn to €30bn for a nine-month period. Although the announcement is broadly in line with market expectations, it will likely affect the levels of liquidity in the M&A financing environment in 2018.

On a positive note, despite interest rates currently falling below ECB targets, the ECB is committed to keeping rates on hold "well past" the end of its bond-buying programme and has kept interest rates unchanged for the time being. In its interim economic outlook, the Organisation for Economic Co-operation and Development has stated it does not expect the ECB to begin raising rates until

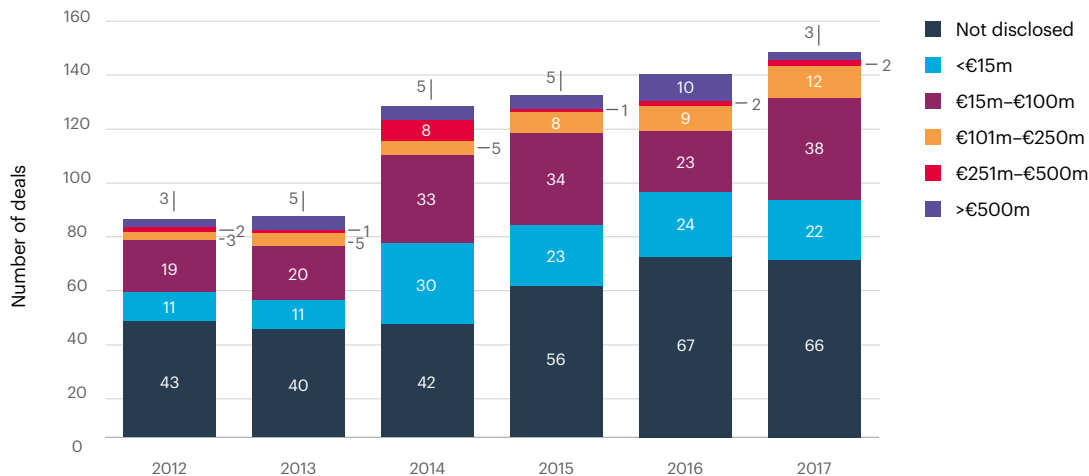
The mid-market, which is traditionally a main driver for Irish M&A, continues to draw interest from domestic and international bidders alike. 2017 was no exception, with dealmaking in the mid-market accounting for 93.5% of total volume, up from 82.4% in 2016. Factors such as strong valuations and growth-hungry businesses are driving the high levels of activity.

2020 given below-target inflation and continuing slack in local labour markets, signalling a temporary extension of the low-cost borrowing environment in Ireland. Relative political stability in Europe also points favourably to a more robust climate for European M&A generally, and we expect Ireland to reap some benefits from this in the short term.

Mid-market reign

The figures for 2017 demonstrate that strong Irish targets across a variety of sectors are proving

Irish M&A Split by Deal Size



attractive for acquirers seeking to add strategic value to their businesses. There is plenty of evidence of this trend within the 72 deals with a disclosed value in the €5-250m bracket. Deals in this bracket accounted for an overwhelming 93.5% of total deal volume, increasing from 82.4% in 2016.

The highest valued deal within this price bracket in 2017 was the €180m acquisition of a 60% stake in Invis Energy, a company engaged in electricity generation from onshore wind, by Kansai Electric Power, Sojitz Corporation and Mitsubishi UFJ Lease & Finance Co. Other examples include

the purchase of Aegon Ireland for €179m by Bermuda-based re-insurance firm Athene Holding and the acquisition by the South African retailer Bidvest of Noonan Services Group from UK PE house Alchemy Partners for €175m.

However, megadeals were much less prevalent in Ireland in 2017, with just three deals with a disclosed value of over €500m announced during the year. This was down from a record 10 transactions in 2016, when a number of re-domiciliation/ inversion deals served to increase overall deal value.

Sector watch

Irish M&A value in 2017 was dominated by Dubai Aerospace's €6.9bn acquisition of Dublin-based AWAS Aviation Capital – the largest deal of the year – which resulted in the financial services sector accounting for 53% of total value. The transaction clearly demonstrates the continued strength of Ireland's internationally renowned aircraft leasing sector along with its status as a base for international firms to expand their influence globally.

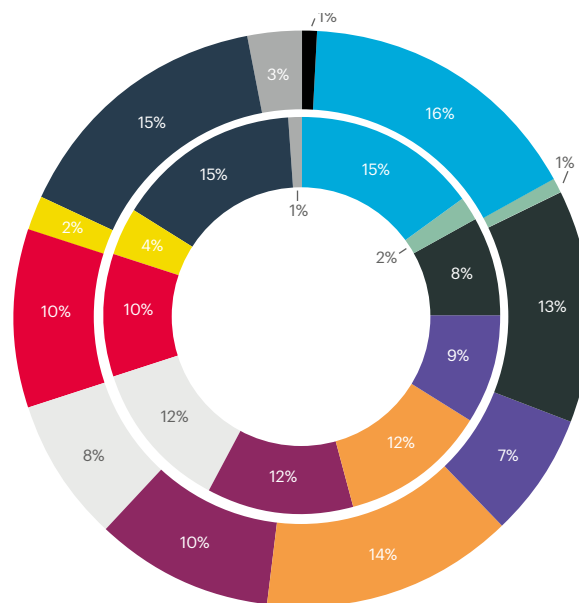
In comparison, deal volume figures display an even spread of activity across sectors, representing the diverse range of M&A opportunities available. The consumer sector was a major M&A story of 2017, with the sharpest rise in deal volume year-on-year – increasing from 8% to 13%. Increased disposable income and reduced household debt are both driving consumer spending, which has resulted in consumer-led businesses becoming more attractive to acquirers. Also, changing consumer habits resulting from increased competition and disruptive technologies has encouraged companies to use M&A as a strategy to reshape and expand their portfolios.

In the highest valued deal within the sector, US consumer giant Church & Dwight acquired hair growth vitamin supplement producer

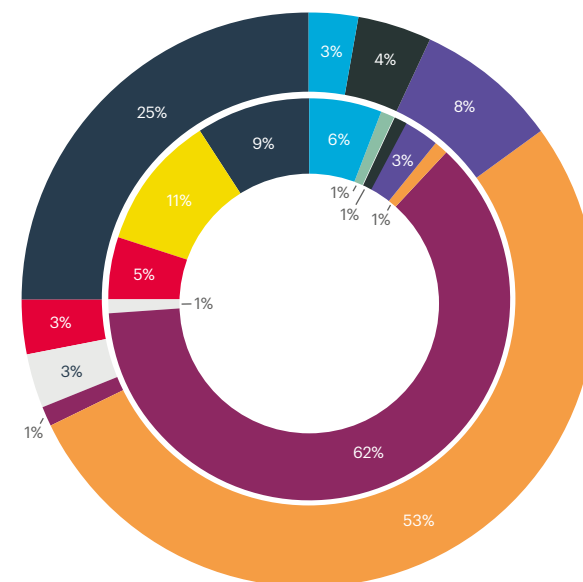
Viviscal from Irish beauty products company Lifes2good for €150m. Overseas bidders have been particularly active in the Irish consumer sector: US beverage company Heaven Hill acquired spirits manufacturer TJ Carolan for €142m; Swedish chicken processor Scandi Standard purchased Manor Farm for €69m; and Carlyle Cardinal Ireland, a PE partnership of US buyout giant, Carlyle Group, and local investment house, Cardinal Capital, bought a majority stake in pharmacy group Sam McCauley in a deal valued at €50m.

In line with recent years, the technology, media and telecommunications (TMT) sector continues to account for a healthy proportion of deals (15% of volume and 25% of value). Driven by home-grown talent and innovative technologies, international buyers continue to pursue bolt-on strategies and target Irish companies within this fast-moving sector. French telecom company Iliad's €3bn acquisition of a 64.5% stake in telecoms giant, eir, marked the highest valued deal of the year in the TMT sector. This was followed by US-based PE firm Vector Capital's €281m purchase of Experian's cross-channel marketing business and Australian investment firm AMP Capital Investors' €156m purchase of a 78% stake in telecoms firm E-Nasc Eireann Teoranta (enet).

Sector Split by Volume



Sector Split by Value



Key for above two charts:

- TMT
- Business Services
- Industrials & Chemicals
- Financial Services
- Pharma, Medical & Biotech
- Energy, Mining & Utilities
- Leisure
- Consumer
- Real Estate
- Construction
- Transportation

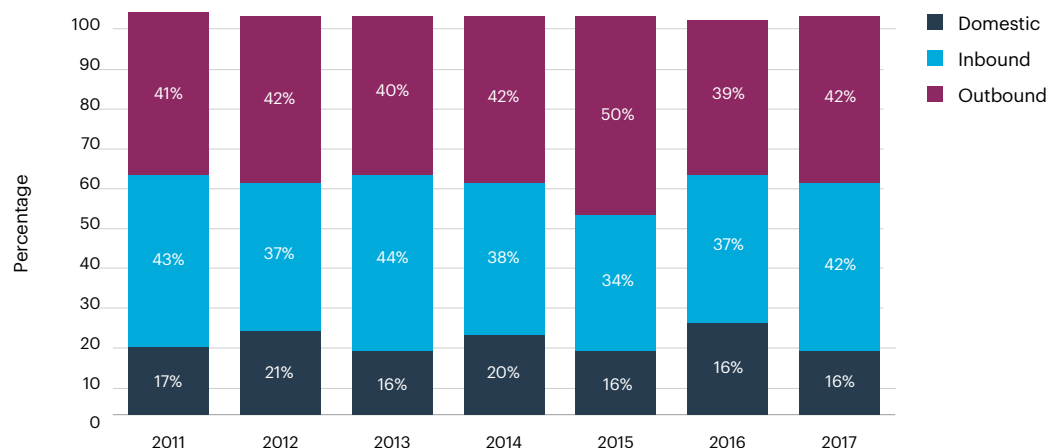
Announced date	Target company	Target dominant sector	Bidder company	Bidder dominant country	Deal value (€m)
24/04/2017	AWAS Aviation Capital Limited	Financial Services	Dubai Aerospace Enterprise	United Arab Emirates	6,908
20/12/2017	eircom Group Limited (64.5% Stake)	Telecommunications: Carriers	Iliad SA; NJJ Holding	France	2,994
12/07/2017	Royal Dutch Shell Plc (Corrib oilfield) (45% Stake)	Energy	Vermilion Energy Inc.; CPP Investment Board European Holdings S.ar.l	Canada	830
18/12/2017	Generali PanEurope	Financial Services	Life Company Consolidation Group Limited	United Kingdom	286
03/04/2017	Experian Plc (email/cross-channel marketing business) (75% Stake)	Media	Vector Capital; Peter McCormick (Private Investor)	USA	281
31/07/2017	Invis Energy (60% Stake)	Energy	The Kansai Electric Power Co., Inc.; Sojitz Corporation; Mitsubishi UFJ Lease & Finance Co., Ltd.	Japan	180
10/08/2017	Aegon Ireland plc	Financial Services	Athene Holding Ltd.	Bermuda	179
31/07/2017	Noonan Services Group Limited	Services (other)	Bidvest Group Limited	South Africa	175
02/02/2017	Allianz - Irish Life Holdings plc (33.5% Stake)	Financial Services	Allianz SE	Germany	160
27/07/2017	E-Nasc Eireann Teoranta (78% Stake)	Telecommunications: Carriers	AMP Capital Investors Limited; Irish Life Investment Managers Limited	Australia	156

The continued rise of Fintech

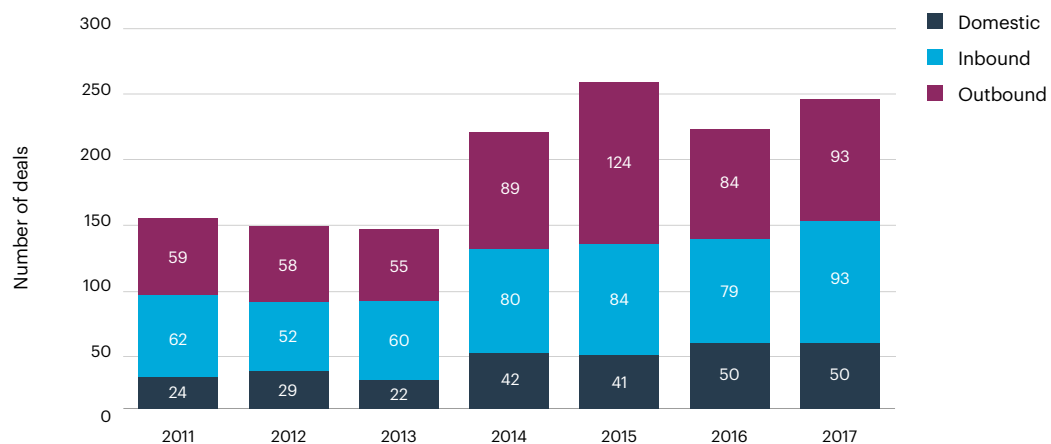
Fintech firms which offer cost and time-efficient solutions to existing service models saw a surge of activity in the M&A sphere in 2017. Strategic buyers and PE investors are engaging with fintech companies in a number of ways, attracted by potential growth prospects and the willingness of financial services companies to collaborate on investment deals. Allied Irish Banks invested €30m in international payments firm TransferMate. Colin Hunt, Managing Director of Wholesale and Institutional Banking at AIB, said “AIB is delighted to be backing this Irish digital payments provider, which is providing an innovative product to an international market.” Terry Clune, the founder of TransferMate said “This partnership is a great example of how a leading bank and a fintech company can work together to improve their customers’ experiences.”

Ireland is currently ranked as the eighth most innovative EU country. The Government’s recent unprecedented investment of €8.2bn under the Irish government’s strategy for Science Technology and Innovation has the potential to strengthen our position further. In 2017, Deloitte chose Dublin as the base for its EMEA Blockchain Lab which is a further vote of confidence in Ireland as a centre of innovation. In 2018, we expect to see technology companies and, in

Proportion of Domestic, Inbound and Outbound M&A



Domestic, Inbound and Outbound M&A, Number of Deals



particular, fintech firms continue to play a key role in M&A activity.

A fundamental area of concern for strategic buyers in this area is regulatory compliance and EU finance ministers have emphasised the need to introduce regulations to protect consumers and facilitate operators in this space. Valdis Dombrovskis, the vice-president of the European Commission, noted that the European Commission is developing legislation designed to remove the hurdles crowdfunding platforms and marketplace lenders face in operating and scaling across single market member states to create a "digital single market".

FDI as a driving force

The Irish government's active promotion of foreign direct investment (FDI) has fuelled stable economic growth since the mid-1990s and continues to contribute significantly to the competitive M&A environment. Ireland has recently been voted the best country in the world for attracting high value FDI for the sixth consecutive year, according to IBM's 2017 Global Location report.

"International competition for investment has never been more intense," said Martin Shanahan, CEO of IDA Ireland, the inward investment promotion agency. "Ireland being named as the

best country for high-value FDI for six years in a row is excellent news and will assist us greatly when making the case for Ireland in boardrooms across the world."

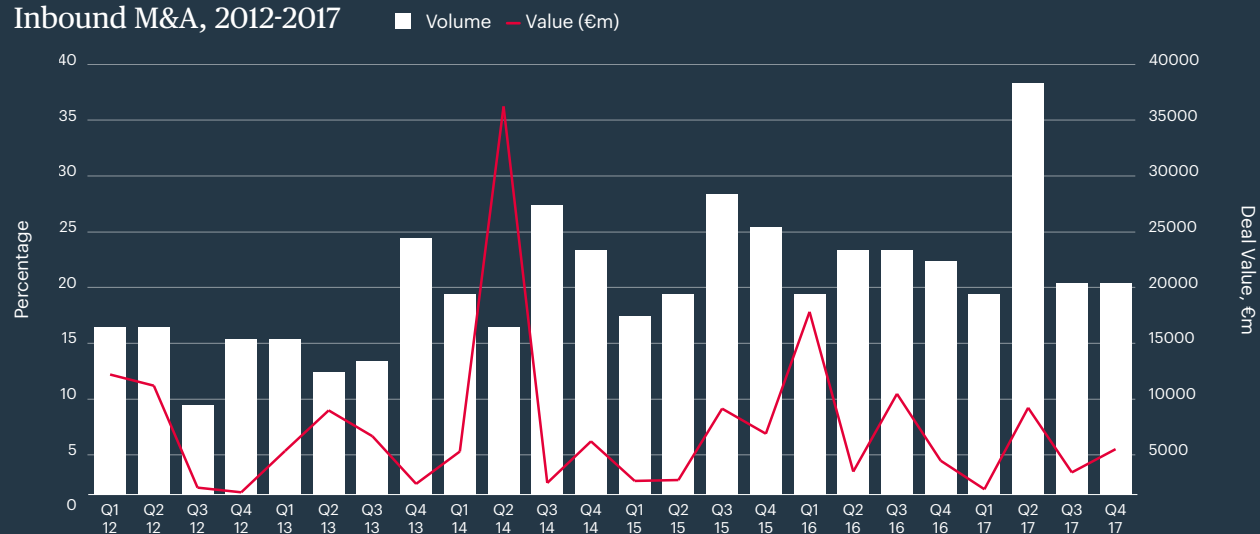
IDA Ireland further announced a positive outlook for 2018 in this space. According to a statement released last month, employment levels in foreign direct investment firms have reached 210,443. This figure surpasses the overall five-year target of 209,000 which was set in 2015 in IDA Ireland's Winning: Foreign Direct Investment 2015-2019 strategy.

Unsurprisingly, therefore, interest from foreign investors continues to act as a major driving force behind Irish M&A activity. A total of 93 deals worth €14.3bn conducted by overseas acquirers in 2017 was the highest annual inbound volume on Mergermarket record (since 2001). It is clear that investors continue to value the talent, track record, and stable regulatory environment of Ireland.

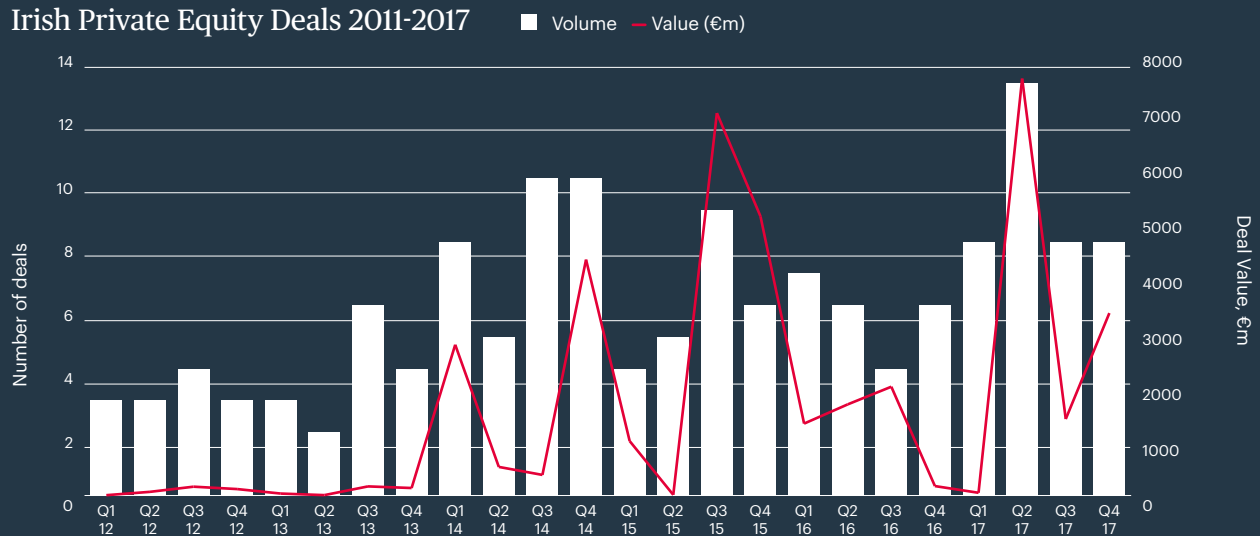
Examples of interesting deals in this space include, within the energy sector, Canada's Vermillion Energy and Luxembourg-based holding company CPP Investment Board's acquisition of a 45% stake in Royal Dutch Shell's Irish gas assets in a deal valued at €830m.

The financial services sector was also a popular space for inbound activity, attracting four of the top 10 inbound deals of the year. Aside from the Dubai/AWAS and Athene/Aegon transactions, German insurer Allianz acquired a 33.5% stake in Allianz-Irish Life Holdings from the Canada Life Assurance company for €160m. Irish Life, which has an estimated 1.3m customers, made a reported €85m profit from the sale. The acquisition follows a busy 2016 for Canada Life: in March, it not only formed a health insurance arm through its acquisition of Aviva Health, but also acquired its remaining 51% stake in health insurance firm GloHealth.

Inbound M&A, 2012-2017



Irish Private Equity Deals 2011-2017



Private equity – a key player

In 2017, there was a total of 37 announced PE deals in Ireland worth €12.2bn representing a 141% value increase compared to 2016, with PE deal volume reaching its highest annual total on record.

International acquirers accounted for the bulk of this activity, with the top ten PE deals of 2017 all conducted by overseas bidders. In July, Japan-based Sojitz, Mitsubishi UFJ Lease & Finance and Kansai Electric Power Corporation acquired a majority stake in Invis Energy, an Irish company owning 223MW portfolio of wind power, from HG Capital and Craydel Group for €180m. Ireland boasts some of the best wind conditions in the world and has set a goal of having 40% of total energy consumption covered by renewable energy by 2020. We expect to see plenty of activity in this space over the short to medium term.

In addition, PE firms fought off strong competition from strategic buyers in 2017 to secure equitable stakes in quite a number of successful Irish businesses. The Irish Infrastructure Fund, managed by Irish Life Investment Managers and AMP Capital, acquired a 78% stake in the TMT company enet for €156m. AMP Capital's Philip Doyle, principal of the Irish Infrastructure Fund, said the fund was "excited to acquire a stake in enet and to partner with Granahan McCourt Capital, the existing shareholders, who have built a solid business which provides essential

telecommunications infrastructure necessary for the continued growth of the Irish economy." The firm is the last remaining bidder for the lucrative National Broadband plan, aimed at expanding broadband services to over 542,000 rural homes and businesses across Ireland.

In the rapidly growing space of health and wellness, Britain's PE firm, Mayfair Equity Partners, acquired a majority stake in Promise Gluten Free in a deal valuing the bakery group at around €100m. The bread company, based in Donegal, was started by Declan Gallagher in 2011. "Mayfair's backing will provide us with the ability to increase capacity in new and existing markets, including supporting the growth of our facility," said Mr Gallagher. Having made a number of acquisitions recently, Mayfair Equity Partners – who target investments in the technology and consumer sectors – have stated that they are actively seeking to continue in this vein and are "spending a lot of time in and on Ireland".

The completion of the life cycle of the first Irish PE investments was beginning to emerge during the course of 2017. Many PE investors are now looking to maximise their returns on capital raised and deployed during the economic downturn and target new assets. Swedish hotel group Pandox and Israeli group Fattal Hotels acquired the Jurys Inn chain, which owns five hotels in Ireland, from

US-based private-equity group Lone Star which bought the chain in 2015. Further, Lily O'Brien's, the Irish manufacturer of premium chocolate and desserts, was acquired by Polish corporate Colian Holding SA for €40m from its existing shareholders, Carlyle Cardinal Ireland Fund and members of the Lily O'Brien's management team. Nick Corcoran, Founder, Cardinal Capital Group said; "The Lily O'Brien's investment highlights the value of private equity for Irish companies and their management teams. Over the last four years, we have become an important source of funding and support for Irish companies, investing in eight companies, including AA Ireland, Carroll's and Sam McCauley, and employing more than 4,000 people across our portfolio."

Brexit focus

Brexit: preparing for the inevitable

The shockwaves which initially permeated the business community in the immediate aftermath of the Brexit vote have largely dissipated. The surprise vote in favour of Brexit has now had time to settle, and companies are moving to adjust their strategies accordingly. The December 2017 negotiations initially suggested a somewhat smoother path for Anglo-Irish trade and economic prosperity in a post-Brexit environment and provided a sound footing for further discussions and business preparations. However, the current political stalemate in Northern Ireland and the absence of a clear and defined strategy mean that Ireland's position remains very unclear. As the only English speaking member state of the EU after Brexit, Ireland will be at the forefront of the ongoing discussions.

Relocation, relocation, relocation

There is no doubt that the UK's separation from the EU is resulting in interest from international players who are seeking a springboard to enter the European market. Ireland has long had a strong position in this regard and it is hoped that this status will be strengthened once Britain's exit from the EU is finalised. The planned €40.5bn merger of German industrial gases giant Linde AG and US peer Praxair, Inc, involving the formation of a new Irish holding company, was the highest valued announced deal targeting

a European company in 2017, and is a good example of Ireland's strong position in regard.

Meanwhile, the UK financial services market is also in a state of flux resulting in banks making plans to open operations in other jurisdictions in order to access the EU market post-Brexit. JP Morgan, Toronto Dominion Bank and Citigroup have all reportedly shown interest in relocating to Ireland. We expect this trend to continue in 2018 as corporates look to de-risk their portfolio through reducing exposure to the UK market. M&A will play a key role in some of these relocation strategies and we expect to see evidence of some bolt-on M&A transactions in the financial services sector in 2018.

Working together

In November 2017, it was announced that Irish business, enterprise and innovation minister Frances Fitzgerald and European commissioner for competition Margrethe Vestager agreed to establish a working group on business supports to deal with challenges of Brexit for business. The aim of this initiative is to support Irish businesses facing challenges caused by the UK's withdrawal from the EU. Frances Fitzgerald remarked that "The Commission acknowledges the unique exposure of Irish-based businesses to Brexit. We agreed that it is essential that Ireland is able to respond in a timely fashion to the likely challenges

ahead. The working group will help ensure that we are in a position to respond to companies' needs in an agile way, should the need arise."

In addition, Enterprise Ireland announced in January 2018 the opening of a new "Market Discovery" fund offering financial support to companies affected by Brexit. "Companies can't be complacent...there will be mood swings over the next couple of months as the negotiations continue and there will be uncertainty and volatility which will impact on exchange rates and companies need to plan for that," said Julie Sinnamon, CEO of Enterprise Ireland.

The early indications are that Irish companies are still largely unprepared for the eventualities of Brexit. However, positive signs emerged over the course of 2017 and we are beginning to see targeted efforts by business to implement Brexit-proof strategies. It is hoped that the business supports being touted will also help to insulate some of the more exposed Irish businesses from the effects of Brexit in order that they can continue to retain their attractiveness.

Outbound dealmaking

In 2017, low interest rates, strong market sentiment and a liquid financing climate encouraged Irish companies to continue to expand their portfolios abroad.

Outbound M&A saw its share of volume increase in 2017 – from 39% to 42% – with a total of 93 deals worth €9.4bn announced. This category was dominated by large Irish corporates with the appetite and the funding capacity to consolidate their market position and achieve efficiencies through bolt-on acquisitions. Reflecting this trend, three of the top five deals of the year were undertaken by global building materials group CRH Plc, which employs an estimated 87,000 people at around 3,800 locations worldwide.

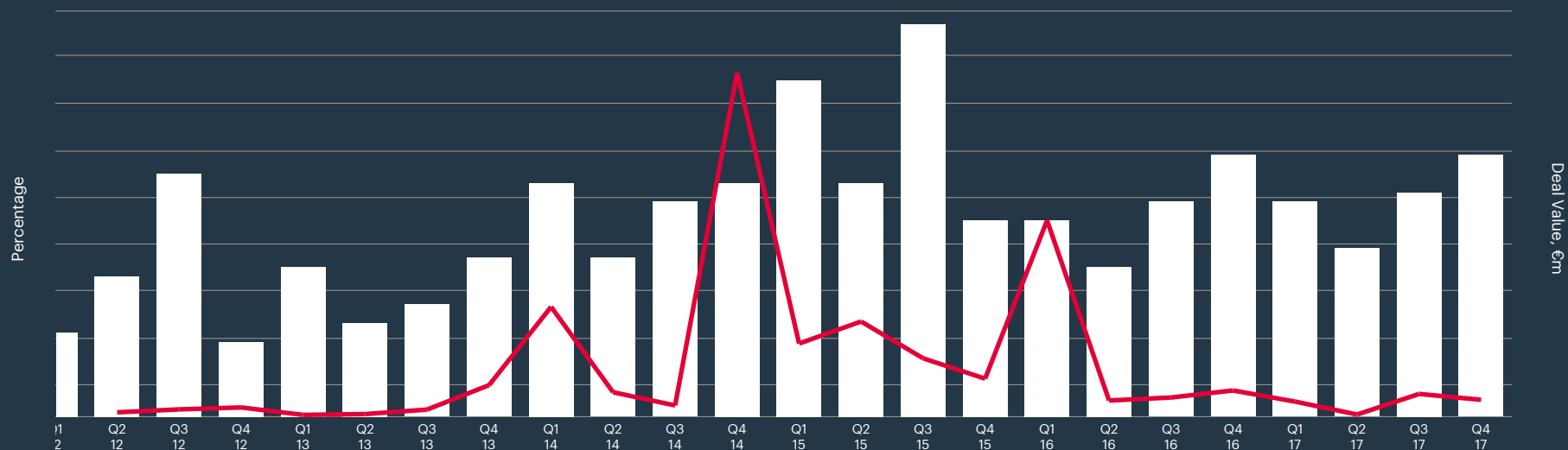
Following its acquisition of US-based cement companies Ash Grove Cement for €2.9bn, Suwanee American Cement for €639m and German quicklime company Fels-Werke for €600m, CRH's shares soared to a nine-year high, boosting its value to around €1bn. The company looks set to continue with this acquisition strategy in the medium term, with CEO Albert Manifold stating that CRH Plc could spend a further €2bn to €3bn on acquisitions between now and 2019.

Another particularly active firm was DCC Plc. The support services company expanded its presence in Europe through a €275m acquisition of 142 retail petrol stations from Esso Norge in February. In November, it announced the €173m purchase of US-based NGL Energy Partners' retail propane business, including NGL's operations across 10 states. DCC plc also acquired Royal Dutch Shell's liquefied petroleum gas business in Hong Kong and Macau in May 2017 for €141m, highlighting its strategy to expand outside of its core markets. Despite the company's recent focus on energy, DCC plc remains committed to maintaining a varied portfolio. According to Chief Executive Donal Murphy, "We have a diverse business model... we are very keen to deploy capital across LPG retail, energy, healthcare and technology."

Despite external influences, it is clear that the motivation among Irish corporates to diversify their portfolio and expand abroad remains strong. Given the strong profits made on the back of recent deals and cash rich balance sheets, we expect to see this trend continue in 2018.

Irish outbound M&A, 2012- 2017

■ Volume — Value (€m)



Announced date	Target company	Target dominant sector	Bidder company	Bidder dominant country	Deal value (€m)
20/09/2017	Ash Grove Cement company	Construction	CRH Plc	USA	2,923
13/02/2017	ZELTIQ Aesthetics, Inc.	Medical	Allergan plc	USA	2,068
26/12/2017	Sucampo Pharmaceuticals Inc	Medical: Pharmaceuticals	Mallinckrodt Plc	USA	898
21/11/2017	Suwannee American Cement LLC	Construction	CRH Plc	USA	639
07/08/2017	Fels-Werke GmbH	Construction	CRH Plc	Germany	600
08/11/2017	Fermacell GmbH	Construction	James Hardie Industries SE	Germany	473
07/02/2017	Esso Norge AS (142 retail petrol stations)	Consumer: Retail	DCC Plc	Norway	275
15/12/2017	Grupo Synthesia	Chemicals and materials	Kingspan Group Plc	Spain	250
07/11/2017	NGL Energy Partners LP (Certain Retail Propane Businesses)	Utilities (other)	DCC Plc	USA	173
05/04/2017	Royal Dutch Shell Plc (liquefied petroleum gas business in Hong Kong and Macau)	Utilities (other)	DCC Energy Ltd.	Hong Kong	141

Outlook for 2018

What is clear from 2017 is that Ireland's business friendly climate continues to attract significant interest from investors and corporates from across the globe. Financial buyers and, in particular PE, are now key players in the marketplace, whether pursuing buy and build strategies or looking at exits. Our low interest rates, competitive corporate tax rate and flexible workforce combined are just some of the elements proving attractive to overseas buyers, with M&A a popular strategy being deployed by international firms looking to expand into the country.

There are increasing signs that companies with significant exposure to the UK may seek to diversify and de-risk through relocating headquarters or acquiring a bolt-on business. Ireland has established itself as a key location for many such businesses.

However, investor jitters in early February, amid US inflation fears, resulted in volatility not seen since February 2016 – it is clear that globally investor confidence remains unstable. Further, the ongoing Brexit negotiations may result in some nervousness in European markets thereby impacting dealmaking at least in the short term.

In addition, Ireland is likely to face new challenges in attracting foreign investment due

to sweeping changes to US tax rules. The new legislation which took effect in December 2017 will dramatically alter the US tax landscape, and reshapes how the government taxes multinational corporations. However, Martin Shanahan, CEO of IDA Ireland notes that "It isn't all about tax... Many of the decisions we saw in the latter part of the year were made in full knowledge of what was coming through in the taxation bill. It hasn't dissuaded investors. I can tell you sitting here today that I expect the next couple of months to be strong in terms of investments, and again, those decisions have been made in full cognisance of what was coming down the road."

While significant external factors are at play, we expect positive domestic trends to outweigh these influences. Alongside promising growth predictions and strong business fundamentals, Ireland is home to a burgeoning business sector which is bringing a steady stream of assets to the market and separately pursuing growth strategies abroad. Ireland also has a number of buoyant and innovative sectors currently piquing dealmaker interest and boosting Ireland's attractiveness as an investment destination. These factors combined will continue to attract investors both domestically and from abroad over the coming year. For Ireland, the M&A outlook for 2018 appears bright.

About the Research

The underlying data to this report comes from the Mergermarket database. Historical data contained in this report includes deals announced from 01/01/2012 to 31/12/2017, excluding lapsed or withdrawn bids or deals valued below €5m.

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For more information, please contact:

Justin Raveenthiran
Publisher, Acuris Studios,
Acuris
Tel: +44 (0)20 3741 1390
Email: Justin.Raveenthiran@acuris.com



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About William Fry

As one of Ireland's largest law firms, William Fry offers unrivalled legal and tax expertise across the full breadth of the business sector. We advise a substantial number of leading Irish and international companies, covering both the public and private sectors.

With a staff of over 470, the Firm operates a large international practice with offices in Dublin, London, New York, San Francisco and Silicon Valley, and regularly acts in cases involving other jurisdictions, including the United Kingdom, the United States, Asia, the Netherlands, Germany, France, Spain, Italy, Poland and Eastern Europe.

M&A is core to our practice at William Fry. Our team has top-tier credentials, a wealth of experience and an impressive depth of expertise. We are consistently involved in the most sophisticated and complex corporate transactions in Ireland, including large cross-border deals. We focus on identifying and delivering on our clients' priorities.

Recent awards include:

- Corporate Law Award 2017 – International Advisory Experts Award
- Mergers & Acquisitions – M&A (Public): Sumitomo's acquisition of Fyffes – advising the bidder's financial adviser – Finance Dublin Deals of the Year 2017
- Mergers & Acquisitions – Merger: Paddy Power Betfair merger – advising the Sponsor – Finance Dublin Deals of the Year 2017
- Best International Corporate Law Firm – EU Business News Irish Enterprise Awards 2018
- Innovation and Excellence – Corporate LiveWire 2017
- Law Firm of the Year, International Trade, Ireland – M&A Today – Global Awards 2017
- Most Diverse Law Firm in Ireland – 'The Lawyer European 100, 2017'

Recent rankings include:

- Only law firm to be consistently ranked in the top three for Irish M&A deal activity since 2010 (Mergermarket, 2010-2017)
- Advised on 60% of all reported Venture Capital deals in Ireland (IVCA "VenturePulse" survey 2016), more than any other Irish law firm
- Consistently ranked in tier one by all legal directories – Chambers Global, Legal 500 EMEA and IFLR1000

Recent directory commentary includes:

- "William Fry has "outstanding legal strategists and tremendous dealmakers". Legal 500, EMEA 2017
- William Fry were "commercial on complex deals, extracted the important parts, were very proactive and made sure that nothing slipped away". Chambers Global, 2017
- "William Fry's team provides excellent partner access and practical advice". Legal 500 EMEA 2017

Contacts



Shane O'Donnell
Head of Corporate and M&A
T. +353 1 639 5112
E. shane.odonnell@williamfry.com



Bryan Bourke
Managing Partner
T. +353 1 639 5106
E. bryan.bourke@williamfry.com



Myra Garrett
Partner
T. +353 1 639 5122
E. myra.garrett@williamfry.com



Eavan Saunders
Partner
T. +353 1 639 5208
E. eavan.saunders@williamfry.com



David Carthy
Partner
T. +353 1 639 5186
E. david.carthy@williamfry.com



Andrew McIntyre
Partner, Head of San Francisco office
T. +353 1 639 5184
E. andrew.mcintyre@williamfry.com



Brendan Cahill
Partner
T. +353 1 639 5180
E. brendan.cahill@williamfry.com



Stephen Keogh
Partner
T. +353 1 639 5144
E. stephen.keogh@williamfry.com



Adam Synnott
Partner
T. +353 1 639 5108
E. adam.synnott@williamfry.com



David Fitzgibbon
Partner
T. +353 1 639 5154
E. david.fitzgibbon@williamfry.com



Ivor Banim
Partner, Head of London office
T. +44 20 7961 0897
E. ivor.banim@williamfry.com



Leo Moore
Partner
T. +353 1 639 5152
E. leo.moore@williamfry.com



David Cullen
Partner
T. +353 1 639 5202
E. david.cullen@williamfry.com



Shane Kelleher
Partner
T. +353 1 639 5148
E. shane.kelleher@williamfry.com



Paul White
Partner
T. +353 1 639 5120
E. paul.white@williamfry.com



Barbara Kenny
Partner
T. +353 1 639 5146
E. barbara.kenny@williamfry.com



Mark Quealy
Partner
T. +353 1 639 5130
E. mark.quealy@williamfry.com



Barry Conway
Partner
T. +353 1 639 5284
E. barry.conway@williamfry.com



Emily Comber
Partner
T. +353 1 639 5182
E. emily.comber@williamfry.com



Mark Talbot
Partner
T. +353 1 639 5162
E. mark.talbot@williamfry.com



Susanne McMenamin
Partner
T. +353 1 639 5166
E. susanne.mcmenamin@williamfry.com

WILLIAM FRY

DUBLIN • LONDON • NEW YORK • SAN FRANCISCO • SILICON VALLEY

www.williamfry.com

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