

A low-angle, black and white photograph of a modern skyscraper with a glass facade. The building's lines converge towards the top of the frame, creating a sense of height and scale. The sky is visible through the glass panels, showing some clouds.

ICFN

GLOBAL M&A

Q1 2021 news

► Targets. Goals. Purposes.

“During an economic crisis, what matters is that the government keeps its foot on the accelerator” David Ignatius, journalist in the Washington Post.



What’s driving our optimistic Outlook for M&A in 2021? M&A is a confidence game. With the end - or an appeasement - of the pandemic in sight, and strong capital markets, the confidence levels of clients for driving their M&A agenda forward are high.

In this period, the INTERNATIONAL CORPORATE FINANCE NETWORK, has had the pleasure of welcoming major M&A firms as members, thus expanding its operations around the globe. Welcome to Rockworth Management Partners Ltd, (UK based), Domański Zakrzewski Palinka sp. k. (Poland), and, the latest new incorporation, RJ Finance, financial services, d.o.o., (Slovenia).

Welcome all.

... and growing



Rockworth is a UK-based corporate finance firm providing strategic, fund-raising and M&A advisory services to entrepreneurial companies throughout their business journey. Rockworth has worked alongside owners and management for over 20 years across a broad range of sectors, growing and realising value in a discrete, tailored manner



Domański Zakrzewski Palinka (DZP) is the largest full-service Polish law firm. Advisory on company law and mergers and acquisitions has been one of the key areas of services provided by Domański Zakrzewski Palinka since the Law Firm was founded in 1993. This Practice has for many years been deemed one of the best in Poland, not only by our clients but also by domestic and international specialist publications (Chambers Global, Legal500, IFLR1000) that have recommended DZP as experts in M&A and corporate advisory.



RJ Finance is a leading specialized M&A advisory firm based in Ljubljana, Slovenia. The focus is on SME transactions in Slovenia and Croatia, with transactional experience across a broad range of sectors and deal sizes (from EUR 1 – 25 million). RJ Finance was founded in 2008 and has since then more than 70 M&A references. In 2021 it is trusted advisor to more than 20 Slovenian privately-owned SME companies on either buy- or sell-side. Our goal is to remain local while being able to support the strategy and development of our clients on a global scale.

► Our members talk:



“Austria 2021: Predators and Prey are both ready



Michael Hirt
HIRT & FRIENDS

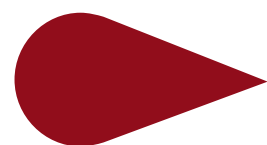
2021 will be an interesting M&A year for Austria. Many well-positioned companies are looking for deals inside and outside Austria and many less fortunate Austrian companies will become takeover targets.

Growth-oriented technology, industrial and building materials companies, such as S&T, Semperit, Mayr-Melnhof, Andritz and Wienerberger have made it public that they are on the acquisition trail or it is very likely, that they will continue their past acquisition strategy.

In the mid-market many senior CEOs of attractive family-owned companies, without clear successors, have had some very demanding years, and we often hear from some of them, that they are not looking forward for the road ahead and would prefer to find a partner to take the company forward.

Special Inbound M&A opportunities in Austria in 2021 will come up in the hospitality sector, from individual hotels, over hotel chains, to entire ski resorts.

In the real estate sector, Starwood has made a public offer for CA Immo which has led to some turbulence and hefty speculation in the financial markets.”



Aitor Arteaga
BAUM

“2020 has closed with a sustained investment dynamism in Spain despite the impact of the economic crisis derived from the COVID. The year will end with just under 6,000M euros invested, 34% less than in the same period of the previous year (Capital&Corporate).

In a way, the market has definitely targeted sectors and niches as defensive in this situation of global uncertainty (energy, agri-food, biotechnology, pharmaceuticals, technology, ...), as opposed to others that have suffered the impact of the crisis (leisure, travel, aeronautics, ...).

Major trends in the sector include:

- A scenario of fierce competition among private equity players, with too much investor demand and little offering.
 - New vehicles, search funds and family offices proliferating and becoming more active in direct investment.
 - Gradual deterioration of some sectors, with an increase in distressed operations and in acquisitions of production units on fast-track processes.
 - Uncertainty in valuations.
 - Decrease of leverage in operations, and a growing role of alternative financing.”
-



Andrew Heitner
ALCON PARTNERS

“M&A activity in the USA has been relatively strong through the end of 2020 and 1Q21. In 2020, many deals that were delayed due to the onset of Covid were closed in 3Q and 4Q. Concerns over the new Democratic leadership and potential plans to raise capital gains taxes on the sale of businesses have accelerated demand for transactions.

On the negative side, many companies saw dips in their revenue and profit in 2020 and delayed transactions until they could get back to pre-Covid levels.

Likewise, the market for senior debt has been very tight, so some leveraged buy-outs have been pushed back or else have relied more heavily on equity capital.”

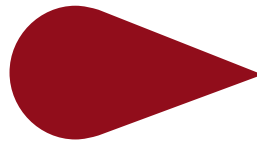


Roman Jeras
RJ FINANCE

Roman Jeras, from RJ Finace, on the Slovenian scenario: “Companies valuations are not scared of virus”

“As year 2020 was step back, 2021 should be blossoming year. That goes for every country in EU, from Slovenia to largest ones. GDP’s in 2021 will be below record values in 2019, however that should change in 2022. Let us look what consequences Virus made in investment landscape.

Tourist and Leisure services have minimal value and transactions. Recovery could be 2023 or later. People are scared of viruses and several sectors like IT, Medicine, Food&Health make benefits from that. General sectors are between the two extremes. In 2020 companies had lower profitability, but EBITDA’s stayed strong. We are observing excellent Q1 and prospects of 2022 are on optimistic side.”

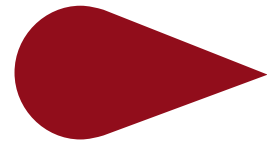


“EURO zone households deposits increased from EUR 8.000 billion in beginning of 2020 to EUR 8.400 billion in the beginning of 2021. EURO zone Corporations share same trend. There is more and more money on accounts in Slovenia and elsewhere in EURO zone.



Price of the companies measured EV:EBITDA ratio is going up in Global terms. Tesla (TSLA) ratio is 150, but this is crazy number and we can neglect it. General Motors (GM) has multiple 8, same goes to Volkswagen (WOW) with 8,5. If we take aside carmakers, Germany as EURO zone largest economy has average ratio of 10. Largest Slovenian Stock Company Krka (KRK) has approx. 6.

Slovenia is example of open export economy. There was close to EUR 1 bn M&A transactions in 2020, but we have to be aware, that those deals started in 2018 or 2019. The present valuations of traditional industries in Slovenia are from 6 to 8. That means increase from 2019 when was approx. 5. The investors will have to accept increase. Valuations are not scared of viruses.”



Sonja Legtmann
EXG CONSULTING GmbH

“As in other countries, Germany has had a mixed year in terms of M&A activity in 2020. After a considerable slowdown due to the COVID-19 pandemic and the ensuing lockdown, deal interest has picked up again in the 4th quarter and remained strong with high expectations for 2021.

In 2020, activity has been particularly high on the side of private equity investors which are also expected to remain very active in 2021, showing an increasing share in investments into German companies.

Technology and in particular software companies are attracting strong interest from investors and are expected to account for a major share of deal activity in 2021. Also, companies with a sustainable business model are increasingly being favoured.”



What has happened in the ICFN world as of March 2021

DZP, on their latest deals,

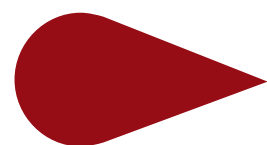
“18.02.2021. DZP has advised EnerCap Power Funds on the sale of a 22 MW onshore wind farm in Ścieki to Macquarie’s Green Investment Group (GIG). As a result of the transaction, EnerCap Power Funds, managed by EnerCap Capital Partners, sold the Ścieki wind farm, located in central Poland, to Green Investment Group. The wind farm, which has been operating for over eight years now, consists of 11 Vestas V90 2 MW wind turbine generators.



more than law

29.01.2021. DZP has advised the shareholders in Dogmat Systemy S.A. on division of the company and the sale of 100% of the Company’s shares. Our legal support for Dogmat Systemy S.A., one of market leaders in the claims management sector, and its shareholders included comprehensive advice at every stage of the transaction, from conducting the partial division process, through preparing and negotiating transaction documentation, to signing and closing the transaction.

27.01.2021. DZP has advised Hanwha Q Cells, on the sale of 51 photovoltaic farms in Poland with a total capacity of 46 MW to Obton. Hanwha Q Cells is one of the largest global manufacturers of photovoltaic cells and modules that also develops and constructs PV projects.”



More from Alcon:

Alcon has provided buy side advisory services to a US based PE firm who acquired an elevator services company.



BAUM has advised in the acquisition of a stake in ALIAS ROBOTICS.
Via WAYRA, Telefonica has invested in the startup Alias Robotics, with the aim of promoting a laboratory specialized in robotic cybersecurity to be installed in Germany.
From now on Alias Robotics is integrated into TELEFONICA TECH VENTURES, the cybersecurity investment section of Telefónica.

Some of our ongoing projects

MEMBER OF:



www.rockworth.co.uk

- **Health - Diagnostics**/ Sell / Healthcare / Revenues c.£2.5m, EBITDA c £.0.5m / Type of investor Trade or PE / UK to any region / Company providing gynaecological and pregnancy ultrasound scans, consultations and therapies. Currently operates clinics in central London and North-Wet UK. Respected brand and strong online presence has positioned the company well for a potential national roll-out.
- **Distribution – Hospitality & Restaurant Furniture** / Sell / Furniture Manufacturing and Distribution / Revenues c. £10m, EBITDA c. £0,7m. / Type of investor Trade or PE / UK to any region / B2B supplier of outdoor furniture, furnishings, equipment & related fit-out services for commercial establishments. The products include own brands manufactured in the UK as well as international brands distribution. 80% of the business comes from repeat customers. covid has grown online retail direct to customer. Has also capitalized on the need for restaurants to change their layouts in the wake of covid legislation.



www.alconpartners.com

- **C1** / Buy / Cybersecurity / \$15m / Type of investor PE Platform / from USA to North America / Companies that provide cybersecurity services including (but not limited to) assessment, testing, mitigation, remediation and monitoring.
- **H1** / Buy / Collection Agencies/ >5m revenue / Type of investor: Add-on to PE Portfolio Company / from US or UK to US, Europe / Firms that provide commercial collection services of accounts receivable management.
- **T1** / Buy / Industrial Cleaning Companies / \$20m / Type of investor: PE Platform / from USA to North America / Companies that provide cleaning or janitorial services in specialized industrial or commercial environments, including food processing and other high sensivity industries.



www.exg-consulting.com

MEMBER OF:



- **IT Services and Software:** Digitization. / IoT / Big Data Analytics / Artificial Intelligence / Cyber security / Buy / Size of company € 10m+ / Type of investor Strategic / from Germany to Germany, Austria, Switzerland, Italy, Spain, Portugal, Netherlands, Nordics
 - **Renewables** / Buy / Wind power – small hydro power / from €10m (Wind); €2-3m (Hydro) investment volume / Type of investor, fund-like / From Germany to France, Italy / Wind power – hydro power projects.
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- **PCM** / Sell / Meat processing / size of the company €6.7m / Type of investor Strategic / from any region to any region / Spanish company. Processing and distribution of meat-based products (sausages). EBITDA 21%. Financially sound, no debt. Leader in the national market.
 - **Dairy** / Sell / Dairy / size of the company €44m / Type of investor Strategic - PE / from any region to any region / Trader of dairy products for the food industry. No significant competitor. EBITDA of €1.4m.



www.baum.es



I-FACTOR
CORPORATE FINANCE

www.factorcf.nl

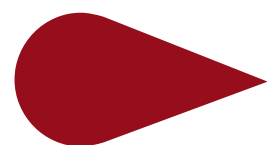
HIRT&FRIENDS

www.hirtandfriends.at

MEMBER OF:

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- **Turf** / Buy / Turf equipment / Size of company (for sale or target) No minimum / Type of investor Strategic / from Netherlands to France, Italy Austria, Germany, Denmark, UK / Sales organization and – or manufacturer of machinery (soil preparing, seeding, mowing, collecting debris or harvesting sod) for Urban green, Municipal cleaning, Cemetery maintenance, Turf Industry and Golf course maintenance.
- **Drinks** / Buy / Spirits / Type of investor strategic / from Europe worldwide, including Europe / Looking worldwide for acquisition of small and medium-sized manufacturers in the alcoholic beverages industry (spirits) with strong local or regional brands, preferably family owned (but other owners possible).
- **Fortuna** / Sell / Fashion and genuine jewelry manufacture & retail / Sales around €25/30m / Type of investor strategic / from Europe worldwide, including Europe / A leading privately – held designer, manufacturer and worldwide retailer of branded fashion and genuine jewelry with a reputation for a unique artistic approach to its designs and exquisite craftsmanship. A rare opportunity to acquire a strong international brand in the fashion and genuine jewelry fields, with an existing international retail network, which has the potential of dramatic global growth under a new and dynamic owner. Headquarters in Europe.



FINANCE

www.rj-finance.com

MEMBER OF:



- **Electrical Installations** / Sell / Industrial Services / Sales: €6.5m, EBITDA: €2m, Employees: 50+ / from all regions to Slovenia / Company for all types of electrical works on complex industrial facilities (speciality: Power plants) offering electrical engineering & installation services (engineering, project coordination, maintenance, installation service, measurement & tests).
- **Meat** / Sell / Food production / Sales: €27.2m, EBITDA: €1.65m, Employees: 75+ / Type of investor Strategic & PE / from all regions to Slovenia / Fast growing family run business for quality meat and own meat products.
- **Production of tools** / Sell / Metal processing industry / Sales: €3.3m, EBITDA: €965k, Employees: 30+ / from all regions to Slovenia / Company for production of tools for plastic injection molding intended primarily for automotive industry.

Calendar events 2021

Q2 Conference

Quarterly
Deal Flow
Conference
3 p.m. CET

14

June

Q3 Conference

Quarterly
Deal Flow
Conference
3 p.m. CET

13

September

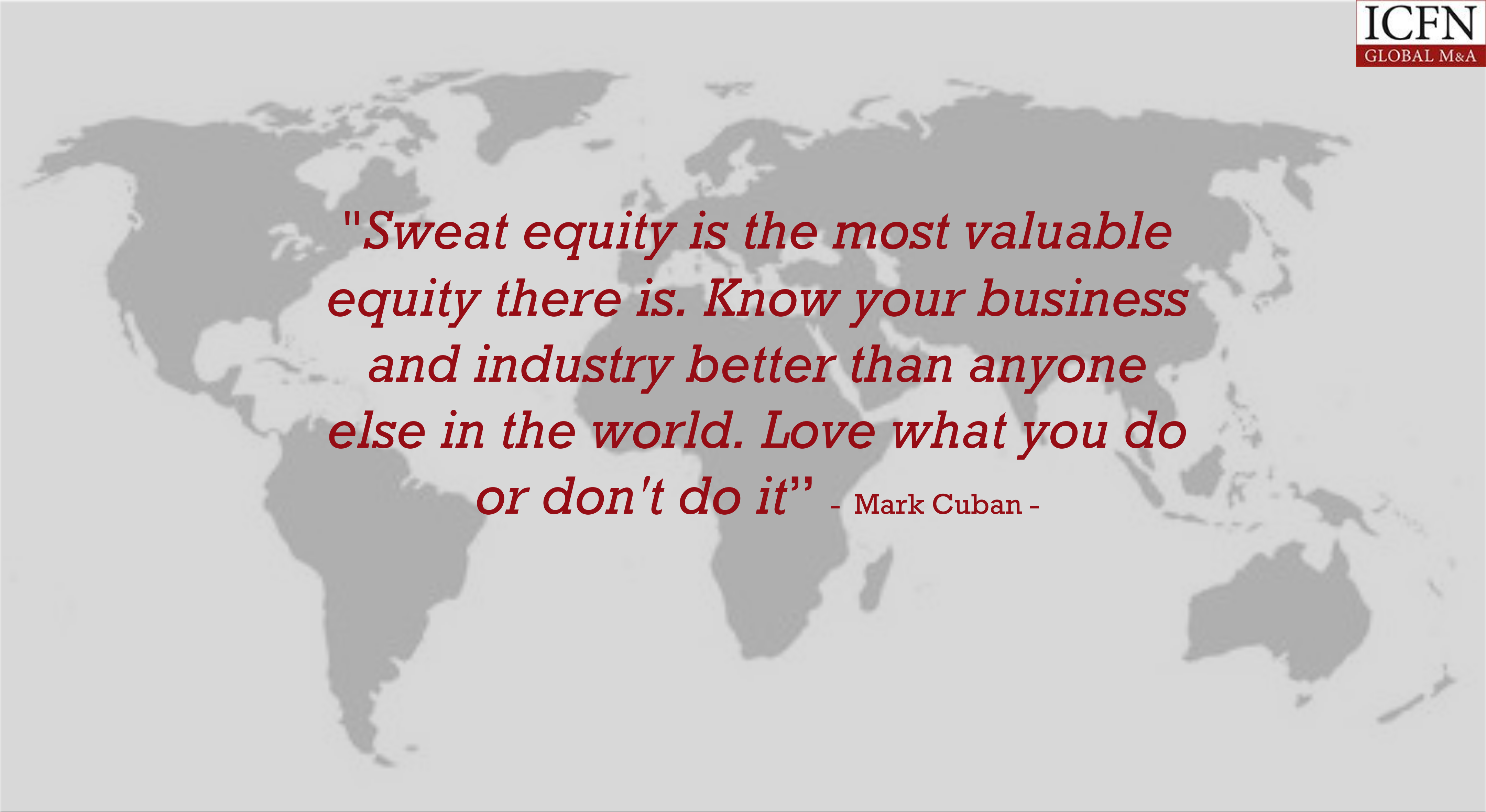
Q4 Conference

Quarterly
Deal Flow
Conference
3 p.m. CET

29

November

► We want to be

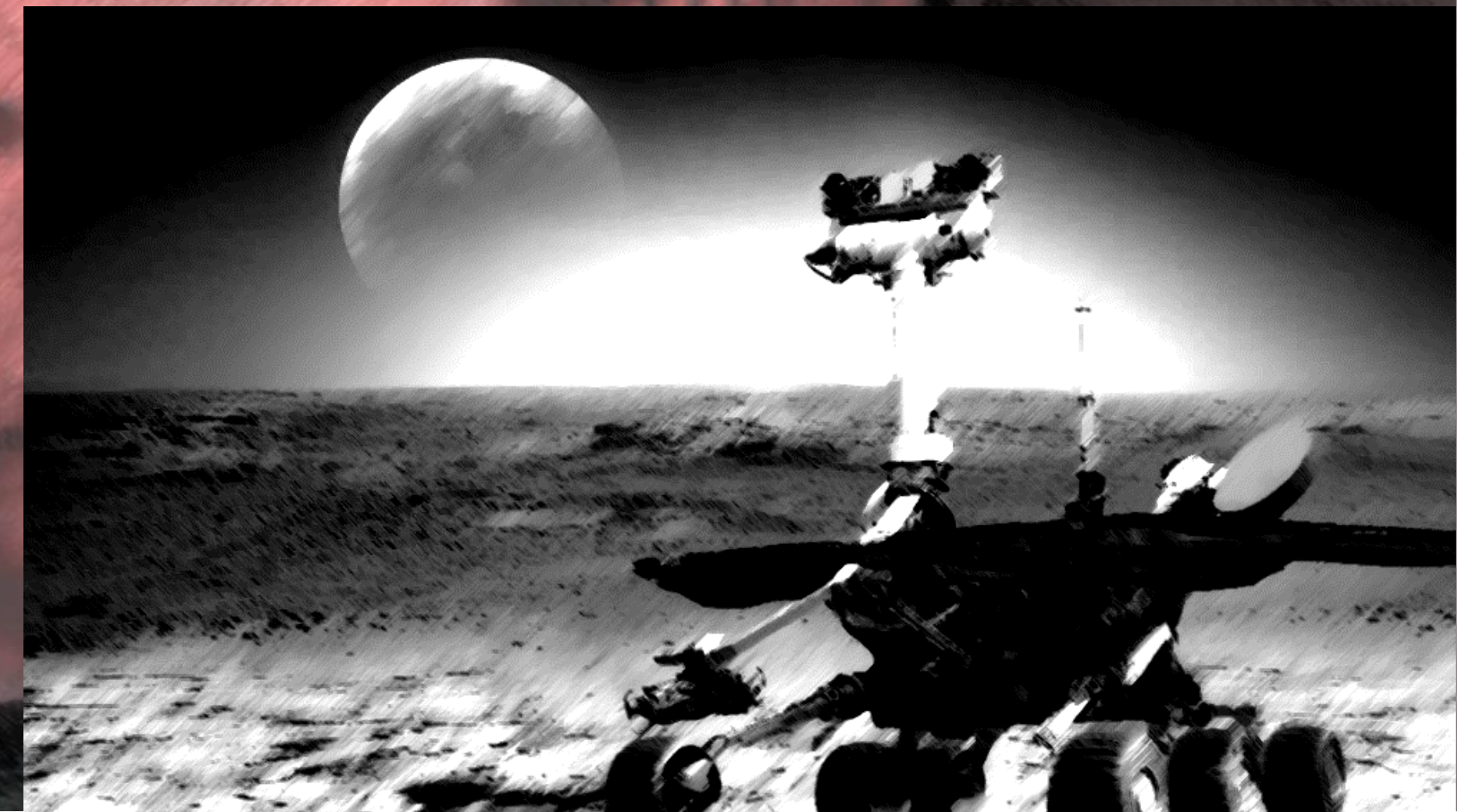


"Sweat equity is the most valuable equity there is. Know your business and industry better than anyone else in the world. Love what you do or don't do it" - Mark Cuban -

...as far as Mars

BAUM, in orbit, reports:

“Our customer AVS has participated in NASA's PERSEVERANCE project, specifically in the M2020 rover that landed on the red planet last February 18th. AVS has been in charge of "designing, testing and building" the sensors of the MEDA (Mars Environmental Dynamics Analyzer) instrument, which will measure wind speed and direction, atmospheric pressure, relative humidity, ambient temperature and solar radiation, as well as the calibration system of SuperCam, an instrument that remotely analyzes the chemistry of Martian rocks using a camera, laser and spectrometers.”



► ICFN are



HIRT&FRIENDS



► See you soon!



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If you want to subscribe to this newsletter, please send "subscription" to baum@baum.es