



ICFN

GLOBAL M&A

Q1 2022 news



## What to do in times of instability

Business people with their feet firmly on the ground are aware that uncertainty is a part of life today... and that confusion reinforced by media coverage is probably the norm.

Hello, members of ICFN and friends. What will the impact of the Russian war in M&A activity, in a global economy that has not yet fully recovered from the shock of the pandemic, be?

The deal ground may seem inauspicious to foreign buyers, at least for the foreseeable future, as no buyer likes uncertainty and market volatility, and M&A plans may be put on hold until the situation improves. Seen from the perspective of many clients, they have dedicated their lives to building a business from the ground up, only to see it potentially devastated by global events totally beyond their control. It can be too arbitrary a risk for any one company. Many more business owners will seek security with larger international partners. If they are wise, they will seek mergers and acquisitions to drive the transformation and promote greater resilience.

As happened with the pandemic, many companies will be looking at their core businesses and their areas of strength and respond to this adverse environment by reinforcing growth areas and their fundamentals or core businesses.

In conclusion, just as we saw increased M&A activity after the pandemic, now more people will wake up to the need for powerful backers, and we will see more activity for financial sponsors to deploy their capital and transact.

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# ICFN Annual Summit May 2022 Amsterdam

In May 2022, our Annual International Corporate Finance Network Summit will be held in Amsterdam.

Throughout these sessions, members, clients and friends of ICFN will have the opportunity to attend talks by experienced speakers, who will provide their first-hand insights, talking about the M&A developments in the different countries and focusing on cross border M&A transactions and opportunities.

Stay tuned!



## Our members talk



### The post-pandemic and the consolidation of private equity in Spain



Aitor Arteaga  
BAUM

As M&A professionals, we observe a growing reality in our country. We knew that the Spanish business fabric is nurtured by a multitude of SMEs, many of them global champions in their respective niches, but lacking several fundamental elements to compete in a global environment: critical size, financial resources and a professionalized structure

This is particularly acute in the family SME. Many of these companies were founded three or four decades ago by entrepreneurs who, with retirement on their horizon or well beyond it, cannot find people in their family environment with sufficient skills to lead the company, nor a structure of professional managers capable of taking the step (through an MBO or other formulas).

We believe that the pandemic phase (2 years of uncertainty and challenges) has served as a catalyst for many of these entrepreneurs who have now clearly decided to commit to private equity as a lever for continuity, growth, and professionalization of the business. There is still some "cultural" reticence towards the financial investor, which is gradually disappearing in the face of the multitude of investment vehicles (including search funds) that design tailor-made structures.

We therefore believe that private equity will continue to be an important element in the consolidation of many of the country's economic sectors.



## German M&A market remains mainly positive



Sonja Legtmann  
EXG CONSULTING GmbH

The German M&A market has seen a very positive start into 2022 with strong/record M&A activity expected both from strategic as well as from private equity investors. The war in Ukraine has now led to new risks for the German economy mainly related to high energy prices and new/additional supply side constraints.

Strategic M&A deals do not seem to be questioned by uncertainties related to the war and inflation fears as do interesting deals led by private equity investors with huge amounts of liquidity. Deals involving assets in/linked to Russia and the Ukraine will be difficult to handle. In general, market participants remain very positive and are reporting strong deal pipelines. Valuations for small and mid-cap companies which had stagnated at a high level in the past months have recently seen a small increase. This is especially the case for small cap transactions in the technology sector.

Besides supply chain disruptions and high energy prices the labour market - with shortages in skilled workforce „supplies“ - remains a limiting factor for growth.

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## Recently, in the ICFN world



**Domański Zakrzewski Palinka (DZP), the largest full-service Polish law firm, on their latest deals:**

*“We are pleased to announce that for another year in a row DZP has been distinguished in the Chambers & Partners and Legal500 rankings. In 2022 editions, our experts have been recognised in the following categories, among others: M&A/Corporate, Restructuring and International & Cross-Border Capabilities.”*



more than law

- ✓ **DZP has advised DNB Bank Polska S.A. on the conclusion of framework agreements for the sale to Santander Bank Polska S.A. of a portfolio of bonds issued by public sector entities and loans granted to these entities with a total value of over PLN 1.5 billion.**

The conclusion of these agreements is related to the planned winding up by DNB Bank Polska of its operations in Poland in this segment of the banking sector. The sale process will involve the disposal of receivables included in the portfolio and the planned completion date is 30 September 2022. The conclusion of the framework agreements was preceded by a due diligence of the portfolio carried out by DZP.



- ✓ **DZP has advised PGE Polska Grupa Energetyczna S.A. on the sale of all shares in Towarzystwo Funduszy Inwestycyjnych Energia to Powszechny Zakład Ubezpieczeń (PZU).**

Polska Grupa Energetyczna, Poland's largest power company, generates nearly 40% of all Polish electricity. Through the sale of shares in TFI Energia, our client aims to focus on the core business of the PGE Group, which is the generation, distribution and sale of electricity.

The preliminary agreement between PGE and PZU was signed on 17 March. The transaction is expected to be finalized in mid-2022, upon obtaining clearance from the Polish Financial Supervision Authority and the Competition and Consumer Protection Office.

- ✓ **DZP has advised RENOMIA on the acquisition of 65% shareholding in Alfa Brokers sp. z o.o. based in Torun.**

RENOMIA is a leading Czech insurance broker which, owing to the support of its largest shareholder, Arthur J. Gallagher & Co., is ranked among global leaders in the insurance and risk management sector.

Through the acquisition of the shares in Alfa Brokers, a Polish company specialising in corporate insurance and business risk hedging, our client has entered the Polish insurance market, considered to be the largest in Central Europe and the most dynamically developing.

DZP's advice included comprehensive legal support in the transaction, particularly conducting a due diligence, preparing and negotiating documentation and finalising the transaction.

- ✓ **DZP, as part of an international team coordinated by law firm Bryan Cave Leighton Paisner (BCLP), advised Agilitas Private Equity on the Polish aspects of the buyout of Irish firm Prodieco Advanced Engineering Solutions. Our work concentrated on legal due diligence and transaction advisory.**

Based in Dublin Prodieco designs, manufacturers and supplies bespoke precision blister tooling change parts for blister packaging lines for pharmaceutical, animal and consumer health market products. The company employs in excess of 230 highly skilled people globally providing its products and services to customers in over 55 countries across a few continents.

## Some of our ongoing projects

MEMBER OF:

**ICFN**  
GLOBAL M&A

  
**Elit Capital**  
Mergers and Acquisitions  
[www.elitcapital.com.br](http://www.elitcapital.com.br)

- **Navus**/ Sell / Hospitality / EUR 5M / Type of investor: Strategic or fund / From World to Brazil / One of the best Business Hotels in the north region of Brazil, part of a top tier hotel chain flag.

  
**exG**  
M&A Advisory  
[www.exg-consulting.com](http://www.exg-consulting.com)

- **Cloud services** / Buy-Side / > € 20m sales / Germany, Austria, Switzerland.
- **SAP Services** / Buy-Side / > € 5m sales.
- **IT Services** / Buy-Side / Cyber security – Software development – Customer experience / Europe.
- **Software** / Buy-Side / > € 10m sales / Europe.

  
**BAUM**  
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- **Packaging**/ Sell / Packaging solutions / Sales EUR 5M – Ebitda 15% / Type of investor: any / From Spain to any region / Family company providing packaging solutions to industrial customers, in various materials. Positive net financial position. Atomized, diversified and consolidated clientele.
- **Agrymach** / Sell / Agricultural spare parts / Sales EUR 10M – Ebitda 10% / Type of investor: any / From Spain to any region / Supplier and manufacturer of agricultural spare parts. Turnover in sustained growth.



## Calendar events 2022



### 3Q Conference

Quarterly  
Deal Flow  
Conference  
3 p.m. CET

### Q4 Conference

Quarterly  
Deal Flow  
Conference  
3 p.m. CET

23

May

19

September

28

November

# ► We are International Corporate Finance Network



[www.icfnetwork.com](http://www.icfnetwork.com)

► ... Bye!

*“For ballroom dancing, remember that your partners have their own distinctive styles also. Cultivate flexibility. Be able to adapt your style to that of your partner. In doing so, you are not surrendering your individuality, but blending it with that of your partner.”*

*Fred Astaire*

*M&A*



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