



Partnership round up

Mergers Alliance performed strongly throughout 2013. We welcomed two new firms to MA and it is pleasing to report that fees shared across the partnership have continued to increase.

There have been a steady number of deals completed by members over the past three years and an increase in the value of completed transactions. In 2013, 133 deals were completed with a total transaction value of US\$7.9bn. This level of activity places Mergers Alliance within the top 20 firms worldwide in the mid-market.

Within Mergers Alliance, the Industrials sector has consistently produced the highest level of activity, with the Mergers Alliance Industrials team using their knowledge of each others' markets to generate cross-border opportunities. Business Support Services and TMT also performed well.

Member firms are enjoying a busy start to 2014 and the upcoming Mergers Alliance conference, hosted by our US partner Headwaters MB in Denver, Colorado, will once again generate a lot of activity and ensure this is another successful year for Mergers Alliance.

Stas Michael
Managing Director

Worldwide M&A 2013, another flat year

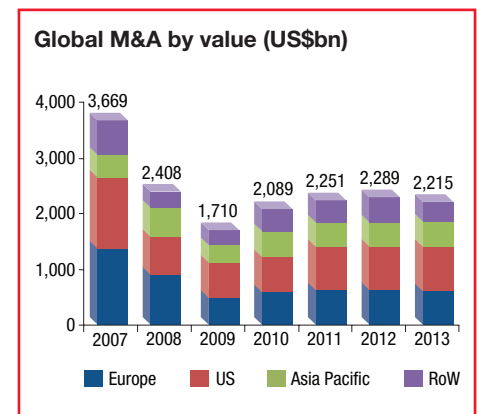
International M&A was building through every quarter in 2013, however Q4 halted a third quarterly increase and hopes of an upturn in the market. Global M&A, valued at US\$2,215bn for 2013, was the third static year for deal value.

The US M&A market continues to prove resilient, with deals totalling US\$893bn, an increase of 3.8% over 2012. By contrast, the value of European M&A during 2013 (US\$631.3bn) dropped for the second year to the lowest value since 2009. Japanese M&A continues to decline, with deal value down 36% while Asia Pacific increased by 15%. M&A targeting Africa and the Middle East reached its highest level in six years at US\$64.2bn.

TMT was the best performing sector in 2013, with 25% of total M&A global deal value. It is the only sector to have experienced a significant increase in market share year-on-year.

The total value of cross-border deals fell by 11.5% to US\$774.4bn. Europe continues to take the majority share of all cross-border deals with 43.7%, while Asia Pacific increased its share to 17.6%. The preference for US domestic M&A was demonstrated by the 26.3% decline in the value for cross-border deals involving North American targets. Attention on Central and South American targets dropped 34.7%.

In 2014 a rebalancing is expected as developed markets in Europe and the US will come back into favour with global M&A participants. Despite some remaining uncertainties, the mood of confidence is growing and momentum for dealmaking is building. Certain countries, especially in the South of Europe, will generate interest as foreign investors are attracted to distressed debt and undervalued assets in these recovering economies.



Source: Mergermarket

Welcome to the Partnership



Alexandre Ebin, France
Alexandre Ebin has joined Mergers Alliance France as a director and head of the Retail & Consumer Goods practice. He has over 15

years of experience in M&A, private equity and financial audit after working as Head of M&A at Oxylane Group (formerly Decathlon) and Genairgy.



Ivo Kroschel, Germany
Mergers Alliance Germany has reinforced its debt advisory service with the appointment of Ivo Kroschel as Senior Vice President.

Ivo joined from Lloyds and has over 10 years' experience completing international leveraged buy-out transactions. He is an expert in complex financing structures.



Ian Cookson, USA
Ian joined Mergers Alliance USA as Managing Director specializing in the Aerospace & Defense sector. He has over 20 years of investment

banking experience acquired at Grant Thornton and PwC, and has advised on more than US\$5 billion of transactions including acquisitions, divestitures and refinancings.

Among the Worldwide Leaders

In 2013 Mergers Alliance advised 133 deals worldwide with a total value of almost US\$8 billion.

Thomson Reuters' 2013 league table of financial advisors includes an analysis of the evolution of the activity within the mid-market segment (transactions up to US\$500 million).

Mergers Alliance's transaction record positions the partnership in the top 20 among major banks and The Big Four*.

Our partners in the Benelux, Spain, France and India are recognised as leading performers in their own countries.

Rank	Financial Advisor	Ranking Value (\$m)	Number of Deals
1	Goldman Sachs & Co	34,357	228
2	J P Morgan	23,574	160
3	Morgan Stanley	21,670	182
4	Credit Suisse	20,775	162
5	Bank of America Merrill Lynch	18,971	118
6	Lazard	17,668	198
7	Citi	15,998	133
8	Barclays	15,760	123
9	Deutsche Bank	14,614	115
10	UBS	14,355	133
11	Rothschild	14,183	212
12	RBC Capital Markets	12,741	120
13	Nomura	11,306	116
14	PricewaterhouseCoopers	10,830	400
15	KPMG	10,475	341
16	Ernst & Young LLP	10,000	253
17	Mergers Alliance	7,958	133
18	Mizuho Financial Group	6,241	150
19	Deloitte	6,151	171
20	Houlihan Lokey	5,917	132

*Mergers Alliance has been added to official Thomson League Table

Award winning corporate finance advisors



M&A Advisor recently announced that Headwaters MB has been awarded the Technology, Media & Telecom (TMT) Deal of the Year (Between US\$10m and US\$100m) for advising Cooking.com on its sale to Target Corporation. Headwaters was also named a Finalist for Investment Bank of the Year.

"Since 2002, we have been honoring the leading M&A transactions, companies and dealmakers. Headwaters MB was chosen from 400 nominations and over 600 participating companies to receive the award. It gives us a great pleasure to recognize Headwaters MB and bestow upon our highest honor for M&A firms and professionals," said David Fergusson, President, The M&A Advisor.

Mergers Alliance comments on Debt Capital Markets

Mergers Alliance partners in the UK, Germany, France and Spain comment on how the Mergers Alliance Debt Capital Markets team can provide advice for clients around the world on the debt lending market.

Whilst banks continue to be in the political and regulatory spotlight, the non-bank debt market is booming. As market conditions continue to remain so favourable for debt issuers, more companies and sponsors are looking to the debt capital markets to replace bank debt.

Mergers Alliance partners in UK, France, Germany and Spain give their views on the shift in the way banks are lending to the mid-market sector, the emergence of an alternative lending market and how Mergers Alliance partners work together to assist their clients around the world access the debt lending market.



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Selected recent transactions



Capital Partner advised the France-based Air Liquide Welding on the disposal of its robotic business (reporting about €8m in sales in FY12 and 50+ skilled employees) to the listed Group Gorgé. Air Liquide is a European leader in the field of welding and cutting solutions.



Catalyst Corporate Finance advised the shareholders of Powwownow on its sale to US-based PGI for a price of approximately US\$52.6m. Powwownow offers conference calling with straight forward sign-up on a free to use basis. PGI is a global leader in collaboration and virtual meetings.



NORGESTION acted as the sole financial and legal advisor for the merger of Unife S. Coop and Iruña de Ferreteros S. Coop, two central purchasing organizations based in Spain with a global storage capacity over 10,000 sq. meters and one of the largest Spanish Central Purchasing Organizations for the industry.



Bluemind intensively managed the 75% sale process in the interest of the shareholders of Paylogic, a full service ticketing company active in the Benelux and Germany. The acquirer, SFX, is a leading producer of live events and digital entertainment content focused primarily on electronic music culture.



EquityGate acted as sole financial advisor to Wind Works Power Corp in structuring and raising the bridge financing of US\$20m to complete the development of the 150 megawatt (MW) Thunder Spirit Wind (TSW) project, located in North Dakota (USA). WWP is a German, Canadian and US onshore wind developer.



IPOPEMA acted as Co-Lead Manager during the IPO of Energa, a Polish capital group engaged in the distribution, production and trading of electricity and heat with over 2.9m clients, which is 16.8% of market share in electricity sales. This was the largest IPO (€579m) in Poland during 2013.



Catalyst Corporate Finance advised Vision Capital and management shareholders of Inutec, a leading provider of analytical, technical development, radioactive waste processing and disposal services, on their disposal to Spain's Tradebe. Tradebe is one of the international leading companies in industrial waste management.



EquityGate acted as sell-side advisor to the management of Valovis Bank, a German financial institution focusing on the requirements of retail commerce and retail customers, on the sale of its entire distressed portfolio to Proceed Collection Services GmbH (GFKL PCS), which specialises in banking sector receivables.



Sinergia acted as advisor to Imagina tu Crecimiento, an investment fund controlled by the Mexican healthcare products manufacturer Landsteiner Scientific, on the purchase of the 27.51% stake of Landsteiner Scientific owned by Sinca Inbursa, Carlos Slim's investment fund.



Bluemind managed the merger process of ASP4all, a fast growing company and one of the leading providers of managed hosting services in the Netherlands, and Bitbrains, which is unique in its fast time to market with pay-as-you-go modelling and high performance computing.



Singhi Advisors acted as exclusive financial advisor on the acquisition of In-Vitro Diagnosis business unit of Span Diagnostics, India's largest manufacturer of diagnosis products, by Japan-based Arkray, one of the world leading players in the development and distribution of In-Vitro Diagnostics.



Headwaters advised Admiral Valve, a leader in designing and manufacturing filtration systems for marine and aerospace use, on its acquisition of the assets of CPV Manufacturing, a leading global manufacturer of high pressure valves and fittings, and its sister company, Moldcraft Co.

Cross-border transaction case study

Span Diagnostics



Singhi Advisors acted as exclusive financial advisors on the acquisition of the In-Vitro Diagnosis business unit of Span Diagnostics by Japan's Arkray.

Span Diagnostics (SDL) is India's largest manufacturer of diagnostics products with strong in-house R&D and a strong presence in the domestic market, with more than 50% market share. It is a pioneer in initiatives for developing diagnosis tests for neglected diseases like Typhoid, Cholera, Filaria, Kala-azar and plague.

Arkray is one of Japan's leading players in diagnostic products engaged in the research, development manufacturer, service and distribution of in-vitro diagnostics (IVD) products. It has a sales network in over 80 countries.

SDL decided to exit/partner with a larger company that could help it fortify its business interests. Singhi Advisors used its in-depth knowledge of the global IVD industry to map the global sector and identify and shortlist the most suitable strategic buyers for the client, deciding on Arkray as the best suitor. Singhi Advisors successfully carried out negotiations and actively supported SLD through the entire transaction. Valuations were beyond the Promoter's expectations and the transaction structure ensured the maximization of shareholder value.

New publications and research

Spain Country Report

The economic indicators suggest that Spain is exiting a period of deep recession. Low company valuations, technological expertise and a competitive business environment will trigger a rise in M&A volumes.

[Download full report](#)



Food Ingredients Sector Report

Characterised by high R&D expenditure, strict regulation and significant growth potential The health and wellbeing trend is supporting increasing levels of mergers and acquisitions.

[Download full report](#)



Global Email Marketing Report

Email marketing takes a prominent spot in the online marketing mix being one of the most powerful marketing tools available today. It is easy, affordable, direct, actionable, and highly effective.

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Mergers Alliance is a partnership of award-winning corporate finance specialists who provide high-quality advice to organizations which require international reach for their M&A strategies. We offer:

- Advice on structuring and completing deals in a wide range of sectors
- Identification of acquisition opportunities around the world
- Information on sector trends and valuations
- Access to corporate decision-makers and owners

