IMAP

Creating Value

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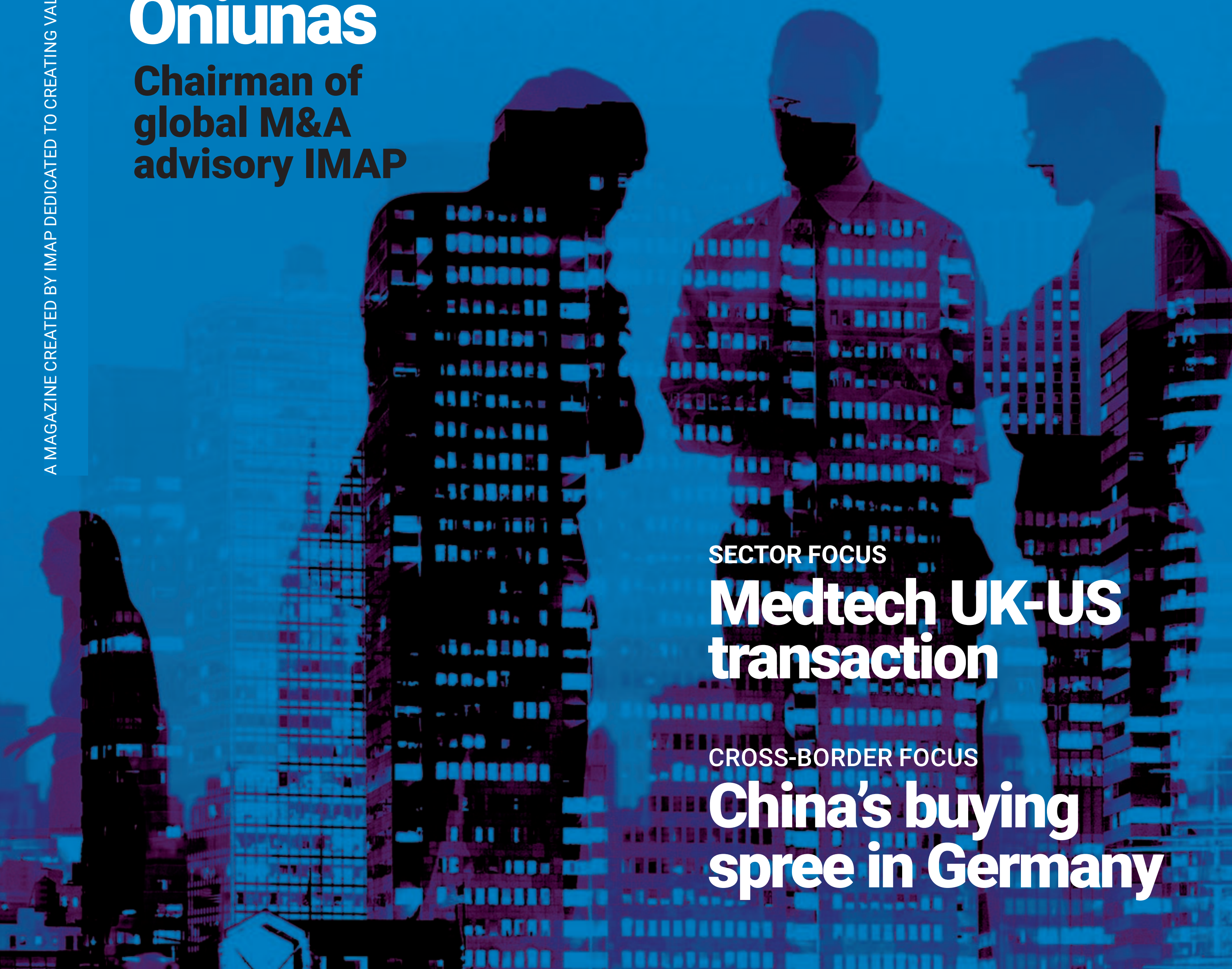
A MAGAZINE CREATED BY IMAP DEDICATED TO CREATING VALUE IN THE M&A MID-MARKET



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Chairman of global M&A advisory IMAP

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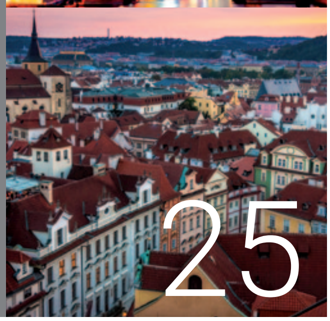

IMAP is a global merger and acquisition advisory organization with a presence in more than 35 countries. IMAP closed over 2,100 transactions, valued at $90bn in the last 10 years, and is consistently ranked among the world's Top 10 M&A advisors (Thomson Reuters) for mid-market transactions. If you have any questions or would like more information on IMAP, please contact us through our website www.imap.com

Welcome to *Creating Value*.

We hope this captures what entrepreneurship and leadership in successful companies attempts to achieve: creating value for clients, employees, shareholders, and for society as a whole. This mindset is also what drives our more than 350 M&A advisors, who strive every day to enhance the interests of IMAP clients in more than 35 countries around the globe.

Creating Value is multifaceted: it starts with strategy, requires creativity, dedication and talent, and excels at execution. We look into all of these by discussing theoretical foundations, but mostly by providing practical examples. We examine recipes for corporate success, how to thrive in spite of adverse market conditions, how external growth can drive a competitive edge, how focus can free up resources, and how realizing value for owners can be in the best interest of their life's work. And, naturally, you would not expect M&A people to ignore the secrets of successful M&A transactions, which we reveal here as well.

In a world of countries moving closer to one another (although the latest political currents may temporarily suggest otherwise), cross-border corporate transactions have become commonplace in all industries. Transactions require seamless cross-border advice based on intimate industry-related knowledge. Transaction by transaction, IMAP delivers this independently and uninfluenced by other interests. We are delighted to share this experience with you as our clients and readers.

We hope you find *Creating Value* both enjoyable and edifying. As you will see, we share the particulars of our authors at the end of their articles. We would be delighted if you reached out to our colleagues should you have any comments, questions or feedback.

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Jurgis V. Oniunas

IMAP Chairman

“Cross-border transactions are IMAP’s essence – we gear up local expertise to an international world-view through dynamic, expansive sector expertise.”

What are the biggest challenges facing the IMAP organization in the short term?

I would approach the question from two perspectives: macro and micro. On the macro level, two aspects are critical: **technological** and **geopolitical** change. Technology is changing the business environment so rapidly that it is essential to our business model to be able to engage and leverage the sector expertise of our world-wide partners for the benefit of all our clients. To understand where emerging technologies are leading various industries and the risks and opportunities attending to those changes is one of our core objectives. Geopolitically, we are living through an extremely turbulent period, and in our hyper-connected world, changes in one market impact every market. Conclusion: we must analyze and understand these trends and help our clients prepare for them.That is part of our value-added premise. And where would we be if we were not constantly transforming our membership and services strategy to account for the shifting balances in world financial flows?

On the micro, or organizational level, we take the major disruptions in the financial services industry seriously. Although M&A has always been, and will probably continue to be, a service based on personal relationships and trust, it is complacency that will do us in! We must embrace and adapt

"The IMAP dealmaker comes to understand his client's business - from the shop-floor to the executive suite"

to technological advances, especially in information management and collaboration tools. What we want is to expertly leverage the experience and knowledge of all our individual partners for the benefit of all our clients worldwide. Of course, we fully recognize that the more we collaborate, the more value we generate for our clients, so we invest an inordinate amount of time building relationships through the organization of two biannual international conferences, supplemented by regional meetings focused on sector groups, and task forces working on various organizational development issues. These face-to-face meetings provide an opportunity to nurture relationships and generate shared confidence.

"WE TAKE THE MAJOR DISRUPTIONS IN THE FINANCIAL SERVICES INDUSTRY SERIOUSLY. ALTHOUGH M&A HAS ALWAYS BEEN A SERVICE BASED ON PERSONAL RELATIONSHIPS AND TRUST, IT IS COMPLACENCY WILL DO US IN! WE MUST EMBRACE AND ADAPT TO TECHNOLOGICAL ADVANCES."

Our team of international experts is just a phone call away from proffering support to our clients.

IMAP has had consistent cross-border growth over the last 10 years. Is that an area of focus over the next few years?
Cross-border transactions are IMAP's essence – we gear up local expertise to an international world-view through dynamic, expansive sector expertise. That is why there is an IMAP in the first place! And cross-border deals currently account for approximately 32% of all IMAP transactions!
However, IMAP expertise and collaboration has a mightier impact than shown by the actual number of deals we ink. Almost every transaction embraces IMAP participation. For example, in one of IMAP's largest M&A transactions – a cross-border US$965m deal– our IMAP team in Chile advised Empresas Públicas de Medellín (EPM) from Colombia on their acquisition of the Chilean Aguas de Antofagasta S.A. (ADASA). IMAP Mexico assisted our Chilean team by introducing the ADASA acquisition opportunity to EPM. The IMAP team was able to demonstrate both its unique M&A experience in the water utilities sector and its knowledge of the local Chilean market. A buy-side mandate was signed with EPM within two weeks of the introduction. This IMAP collaboration allowed IMAP Chile to pivot from sell-side competition to a successful buy-side engagement, thanks to the relationship of their IMAP counterparts in Mexico. This happens time after time: our local presence consists of fully staffed, exclusive, on-the-ground local teams with long-established personal business relationships that always provide optimum service to our clients.

How concerned are you with the bulge bracket competing more and more in the mid-market as mega-deals diminish?
Aren't markets constantly changing? Don't we have to change with them? Both Big 4 and second tier accounting firms are elbowing into financial advisory services. Their leg up, especially the Big 4, is their colossal resources that can be mobilized to attack M&A under very competitive terms. But here's the thing regarding the "bulge bracket", and ditto to all conventional investment banking firms: it has a cripplingly expensive cost structure! Which works miserably at the mid-market, especially the lower mid-market. There may be exceptions, of course, but this is the area where IMAP is highly competitive! IMAP dealmakers are not traditional investment bankers. An intense relationship with their clients is what they are about. The IMAP dealmaker comes to understand his client's business – from the shop-floor (either real or virtual) to the executive suite. IMAP transactions are invariably led by senior partners and whoever pitches the mandate works on the deal. In addition to bringing the right firepower to a deal, many of our advisors serve on boards and have previously run their own businesses. That's the experience that gives us that crucial edge that we share with our clients.

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LEGAL M&A PRACTICES

TRANSACTION RISK DISTRIBUTION IN A SELLER'S MARKET

Europe accounts for around 25% of the global M&A market. Moreover, recent years have been notably good for European M&A. Not only were there several industry game-changing deals, but deal value was up 22% to a record €90bn in 2015, for example.
In a market dominated by sellers, a study by global law firm CMS analyses the distribution of transaction risks between buyers and sellers as captured by SPAs

The study prepared by CMS maps the changes in the distribution of transaction risks between sellers and buyers while highlighting major differences between European and US practice. Probably anyone who has ever been involved in negotiating a share purchase agreement has heard (or said) at some point in the discussion the following justification for his or her argument: this is standard market practice. So, what is general market practice in Europe – if such a thing exists at all?

DETAILED FINDINGS

The study compared 2015 results to the previous five-year period and found that there was a significant change in favor of sellers in most areas of risk allocation. The most important shifts are as follows:

Earn-outs - Earn-outs have become more and more popular in recent years although there was a slight drop to 17% in 2015 compared with the previous year. On a regional level, they remain popular in Germany (25%), but less popular in the UK (12%), France (11%) and especially CEE (6%). There has been a notable change in the length of earn-out periods as they have become shorter. 35% were as short as 12 months or less and only 13% were longer than three years plus. As for the basis for calculating earn-outs the popular EBIT / EBITDA has gained further ground with 50% in 2015 compared to 40% for the 2010 - 2014 period. We at IMAP – working on the middle-market, see Earn-out payments are common and would be a part of at least one third of the deals.

Purchase price adjustments - there were more deals containing purchase price adjustments in 2015 (49%) compared with the previous five-year average of 43%. There was also a higher proportion of deals using a locked box. This means that parties want the comfort of the adjustment or the more detailed diligence that normally accompanies a locked box process. They do not want to just negotiate a fixed price or one that is not subject to balance sheet adjustment.

Locked box - Locked box has gained significant momentum in all European regions, and are most commonly used in larger deals.

Baskets and de minimis - Baskets are more frequent but tend to be smaller. They were used in 72% of deals in 2015 as against 62% in the previous 5-year period, but 59% of baskets have a threshold of less than 1% of the purchase price, an 8% increase over the 2010-2014 period. ‘First dollar’ recovery is becoming increasingly the norm while the US continues to favour ‘excess only’ recovery. De minimis provisions are standard, being used 72% of the time in 2015 against a previous five-year average of 64%.

Liability caps - liability caps are continually diminishing. In 58% of deals in 2015, the liability cap was less than half the price (as against 50% in the previous five-year period). The trend is significant and consistent across all regions, except Benelux. Yet more deals (13% as against the previous five-year average of 9%) have a liability cap for the seller of less than 10% of the price. There is, however, still a long way to go before reaching the low level liability caps of US deals.

Limitation periods - we see a greater concentration in the ‘mid-periods’ in 2015 deals, namely 12-18 months, and 18-24 months, which apply in 69% of deals (compared with the prior five-year average of 61%). Deals with a “long tail” dipped in 2015 with only 15% showing limitation periods exceeding 24 months (compared with the previous five-year average of 24%).

Warranty & Indemnity insurance - W&I has gone mainstream and 2015 was a record year for its usage. Most eye-catching is the

average liability cap of sellers in W&I deals at a mere 5%. In fact, in 79% of W&I deals, the seller's liability cap is less than 10% of the purchase price compared with a mere 13% for non-W&I deals.

Security for warranty claims - buyers were less successful in getting some kind of security against warranty claims in 2015 with 34% of the deals having some security compared with 37% in the previous five years. Straight retention of part of the purchase price was hard to achieve (20% against the previous five-year average of 32%), but escrow accounts were the favoured mechanism, used in 63% of relevant cases, up from the previous five-year average of 56%.

MAC clauses - the proportion of deals with a MAC clause remains low at 16% (15% being the previous five-year average) and therefore MAC clauses remain relatively rare in Europe in contrast to the US where the vast majority of deals (91%) have MAC clauses.

Arbitration - the number of M&A deals in 2015 with an arbitration clause remains constant at 36%, the same as the previous five-year average, although there has been a noticeable swing in favour of national rather than international rules compared with that period (69% up from 58%).
As ever, there are regional differences. France still has the lowest liability caps but long warranty periods. The CEE uses arbitration as the dispute resolution mechanism more than any other region. The UK remains wedded to de minimis and basket provisions although, interestingly, the seller's liability caps in the UK seem to be higher than in other regions. Deals in German-speaking countries seem to occupy the middle ground on most issues as far as risk allocation in Europe is concerned. We continue to see similar trends in all or most European regions.

"... THERE WAS A SIGNIFICANT CHANGE IN FAVOR OF SELLERS IN MOST AREAS OF RISK ALLOCATION..."

There is a marked shift with few obligations for the sellers and more burden on the buyers. This is in line with our experience with the increasing deal activity in Europe. There is more competition for assets driving up the multiples and greater room for maneuver for the sellers.

US / EUROPEAN COMPARISON

The presentation revealed significant differences between Europe and the US:

> Earn-out deals are more popular in the US; 26% of US deals have an earn-out component compared with the 15% figure for European deals.

> Purchase price adjustments continue to be used in the majority of US deals (86%) while only being used in 49% of European deals in 2015.

> De minimis provisions are fairly standard in Europe (72%), but still the exception rather than the rule in the US (37%), although this figure was only 16% in 2010.

> Basket thresholds tend to be lower in the US, 90% of which are 1% or less than the purchase price compared with 59% in Europe. In the US, 65% of relevant deals are based on 'excess only' recovery as opposed to 'first dollar' recovery, compared with only 20% in Europe in 2015 for 'excess only' recovery.

> Lower liability caps in US deals are more popular, with 92% of US deals having liability caps of 25% of transaction value or less, compared with only 44% of European deals.

> MAC clauses are much more popular in the US than in Europe. MAC clauses were used in 91% of the deals in the US compared with just 16% of the deals in Europe.

So, why is there this difference between European and US practice? While there is no easy and straightforward answer, the differences in the development of the two markets probably provides some explanation. For example, both the locked box mechanism for fixing the purchase price and warranty & indemnity insurance emerged in the European market. Both developments had their roots in the private equity industry where returning sale proceeds to investors without any comebacks is a must. The private equity industry in Europe has been a proportionately stronger driving force of M&A in Europe than in the US.
MAC clauses are much more popular in the US than in Europe. This can probably be explained by the fact that transactions with simultaneous signing and closing were historically more common in Europe, meaning MACs were less relevant. In the US, lower financial thresholds requiring mandatory antitrust consent may have made the splitting of signing and closing transactions the norm there, thereby making MAC clause negotiation a feature of most M&A deals.
While these explanations may not cover every factor, differences do continue to exist and must be taken into account when Europeans and Americans are dealing with each other in an M&A deal.

"THE PRIVATE EQUITY INDUSTRY IN EUROPE HAS BEEN A PROPORTIONATELY STRONGER M&A DRIVER IN EUROPE THAN IN THE US."

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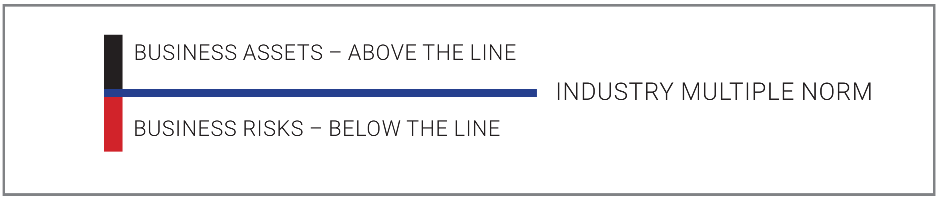
MULTIPLE CHOICE

A NEW VALUATION APPROACH

"While profitability is an important influence on a business's equity value, it is not the only determinant."

MULTIPLE CHOICE

There is more than one way to appraise a business. IMAP in London has a unique approach to helping you increase the pre-sale value of an owner-manager's life's work. Profit growth usually tops the agenda for mid-tier businesses wanting to increase pre-sale valuation. But this common approach to increasing a business's equity value often takes substantial effort, e.g.; in initiatives such as lifting sales through recruitment and training or opening new premises. While profitability is an important influence on a business's equity value, it is not the only determinant. We regularly help clients increase the value inherent in their business through a focus on assets, as well as profits. Without an asset understanding, mid-tier businesses tend to favour a purely financial based valuation. This means many owners lose a vital opportunity



to increase value, and therefore, they inadvertently undersell their businesses.

THE VALUATION EQUATION

Most owners are familiar with the business valuation equation: V = P x M, where the valuation (V) of a business equals profit (P) times a multiple (M). If profit is £10m and the valuation multiple is five, then the company is valued at £50m. The multiple is simply a measure and judgement of future profits. The greater the likelihood of future profits the higher the multiple, low probability reduces it.

“OFF-BALANCE SHEET ASSETS MAY NOT HAVE GENERATED PROFITS HISTORICALLY, BUT THEY WILL DO SO IN THE FUTURE”

Sounds easy in principle, but there is more to this apparent simplicity.
The finance-based approach to valuing a mid-tier business is retrospective, typically averaging the last three to five years’ profits and applying a financial rate of return. Effectively, the buyer purchases an historical cash flow where the multiple ties into the likelihood – the risk – of that cash flow continuing. This accounting approach is widespread and a legitimate business valuation method. But an alternative approach focuses on the valuation multiple rather than profit alone.

For example, Instagram sold for a billion US dollars but had never produced any revenue. The value of the business was in its “off-balance sheet assets”, its mobile app and the massive user base through which Facebook believed it could sell its own products and services.

UNDERSTANDING THE MULTIPLE

Our research has shown that in each industry there is a multiple which is regarded as the norm. Businesses in the same industry with similar market share, turnover and profitability, would typically attract the same multiple – the norm, or what we call the ‘line’.
The traditional finance-based valuation approach starts on the ‘line’ and then looks ‘below the line’ for risks that justify lowering the multiple and the value along with it. In other words, the multiple are discounted because the business risks suggest that future profits are uncertain. We call this a ‘two dimensional’ valuation approach. In contrast, let us proffer a prospective, asset-based approach. While we do look retrospectively at profits, we are equally as interested in what the business will generate in the future.

USE YOUR ASSETS

Our ‘third dimension’ approach reveals what is ‘above the line’, the so called off-balance sheet assets. These are not necessarily booked on a typical balance sheet alongside plant, equipment, property, vehicles, etc. Off-balance sheet assets may not have generated profits historically, although they will do so in the future. Or more importantly, they will generate future profits in the hands of a strategic acquirer. Take the tech company that never made a profit yet still sold for millions of dollars. While the company may not have made a profit, perhaps it has an asset comprising a large user base through which a strategic acquirer could sell its own products or services. That’s strategic acquisition.
The buyer would therefore pay an equity value that ignores the company’s historical profits. In this case the business’s multiple has burgeoned – increasing the likelihood of future profits – and therefore calls forth a higher overall valuation.

INCREASING THE MULTIPLE

Case studies show that businesses adopting an asset-based approach to valuation sell for significantly more than their industry multiple norm would presume. A traditional finance-based acquirer will typically only pay four or five times the norm. Contrast this to the strategic acquirer, who will pay a higher valuation multiple.

The business has not changed in these cases, but the buyer's perspective of it (and the multiple) has.
We often find clients have created profit motive-based business assets, and therefore, they do not value their assets strategically. For example, imagine your business has developed a truly innovative system for boosting margins and volume through process efficiency – a profit motive. A strategic acquirer, rather than a traditional finance-based buyer, would be interested in your system because they could apply it to their other businesses. Adopting an asset-based approach in this way increases the multiple, and therefore, the valuation of your business.

LESS ENERGY REQUIRED

When working with our mid-tier business clients, we begin by discussing their initiatives to increase their valuation before sale. Understandably, people tend to focus on the 'P' aspect of V = P x M because they know how to influence profit. Clients often say, 'If I increase profits then I'll get my valuation up.' While this is true, it misses the other valuation lever – the multiple. While business owners know that profit equals volume times margin, they typically do not have the same level of understanding about the multiple formula.
During the valuation conversation, we explain how a client's (typically off-balance sheet) assets have the potential to increase future profits while identifying any factors that could diminish them.

In other words, what 'above the line' business features should be recognised and formalised? Also, what 'below the line' issues pose risks to future profits and therefore must be addressed? Our aim is to sharpen your awareness of the assets you have, assets you may not currently recognise as such – assets with the potential to attract a strategic buyer and swell your multiple. Hiking the multiple takes less energy than battling to lift profitability.

"OUR AIM IS TO SHARPEN YOUR AWARENESS OF THE ASSETS YOU HAVE, ASSETS YOU MAY NOT CURRENTLY RECOGNISE AS SUCH – ASSETS WITH THE POTENTIAL TO ATTRACT A STRATEGIC BUYER AND SWELL YOUR MULTIPLE."

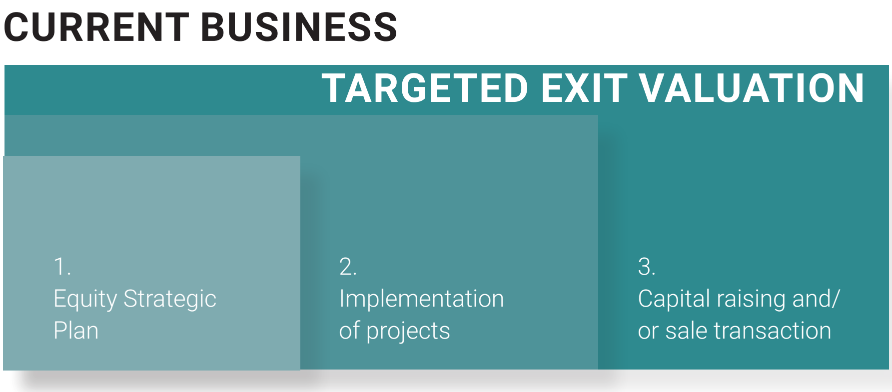
Why? Because you probably have the assets that will attract a strategic buyer.

HOW AN ASSET-BASED PROCESS WORKS

Supporting a business through an asset-based approach to valuation can be summarised in three steps.

Step 1: Value the business now!

Business owners do not typically have an accurate idea of their current business valuation. This leaves them feeling reactive and praying they have something that will eventually be saleable.
The first step is to perform a pro-forma valuation to give the owner an objective valuation of the business. The owner then becomes proactive, not reactive, by informing the starting point for building on the business's equity valuation.



By understanding more about strategic acquirers and business valuations can build a strategy to move from its current valuation to a targeted exit valuation

Step 2: Define the exit vision
Step two defines a minute exit vision, which involves tabulating the valuation and timing the exit. While owners often have an idea of their targeted valuation at exit, they rarely have a deconstructed formula to arrive at that figure. For example, a business with a £60m exit vision valuation could arrive at this number using either option below:

	P	x M	=	V
Option 1:	£10m	x 6	=	£60m
Option 2:	£6m	x 10	=	£60m

Each of these options requires a significantly different strategy in their application.

Step 3: Design an equity enhancement programme
Step three identifies the stepping stones for shifting a business from its current conventional valuation to a targeted exit valuation. These stepping stones are a combination of strategic projects, initiatives and potential interim transactions. Specific focus is given to strategic projects/initiatives that will enhance the business's valuation multiple. These are identified during the detailed 'above and below the line' analysis explained earlier. Along this path clients become more aware of the business assets that will appeal to a strategic (rather than financial) acquirer. Armed with this information, and increased knowledge of strategic investor language, clients are more confident and effective in conducting sale negotiations. Now they can offer more than a historical profit-based valuation..

PROACTIVELY GROOM YOUR BUSINESS FOR SALE

The market for mid-tier business sales during the 2008-2012 global financial crisis was extremely flat. However, now that economic conditions are improving, previously unsold stock is re-entering the market. Coupled with this fact, the retiring baby boomers are also looking to sell their mid-tier businesses in ever increasing numbers. We are witnessing these two converging waves of stock coming up for sale. As a consequence, sell-conscious business owners will soon find themselves competing in a very crowded space.
If you are looking to sell your business, how will you stand out in this increasingly crowded market? Understanding your business assets – and which ones will lure a strategic acquirer – enhances your position far more than a conventional financial-valuation-based sale approach.

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SHARING A VISION FOR THE FUTURE

With Rik van Meirhaeghe, M&A Manager for SPIE Benelux

SPIE, with 600 sites in 38 countries and 38,000 employees around the world, is an independent European leader in multi-technical services in energy and communications. Founded 170 years ago, as three separate companies; Société de Construction des Batignolles, Schneider, and Société Parisienne pour l'Industrie Électrique, they formed the basis for what is known as the SPIE Group. SPIE with its sales soaring to €5.3bn; and 6.6% EBITA is burgeoning. Cash conversion is >100%. With an EBITDA of €250m and corporate tax obligations and dividend payments of €80m, there remains a significant surplus for debt repayment financing acquisitions.

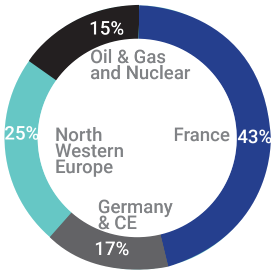
We spoke to **Rik van Meirhaeghe** about the company´s ambitions, goals and mergers & acquisitions.

With 98 acquisitions made since July 2006 (15 of which were in the last few months) you have quite a track record in M&A. Targeted acquisitions are the basis of your growth model. Can you tell us more about the ambitions of SPIE with respect to global development and growth?
SPIE, after an advantageous international expansion, has emerged as the European leader in electrical, mechanical and climatic engineering, as well as energy and communications systems. Initial acquisitions outside France took place in the Benelux and then in UK. During 2013-2016, SPIE topped €1.4bn in sales. We promised our investors acquisitions of €200m in sales per year and yearly EBITDA enhancement of 0.2%. Even so, M&A continues to play a prominent role. SPIE's strategy has been to satisfy our customers need for more efficient facilities and infrastructure, striving to establish diversified, balanced, end-market exposure, to ensure stable overall performance even when certain business segments are troubled by downturns. Although the industrial market is early cyclical, the utility market is late cyclical. Governments tend to stimulate the economy

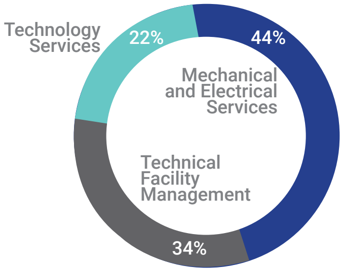
"WE FOCUS ON MONO-MARKET PROFITABLE TARGETS WITH RECURRING BUSINESS. AND OUR PERFORMANCE HAS BEEN RESILIENT."

A SNAPSHOT OF SPIE:

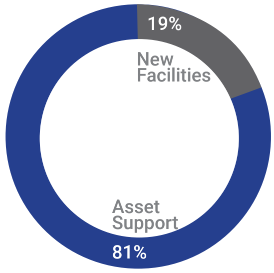
GROWING PAN-EUROPEAN FOOTPRINT



BALANCED ACTIVITY PORTFOLIO



CONTINUED FOCUS ON ASSET SUPPORT



Total Revenue 2015 **€5,297m**

during a downturn; although that is less apparent now that Europe is becoming a mainstream investor. Even in the Energy and Oil & Gas market our risks are limited since we focus on asset support rather than building new facilities.

In every country that SPIE operates it has a top 3-5 market share position. Is SPIE aiming to be a top 3 player in every market? Not specifically. We focus on mono-market profitable targets with recurring business. And our performance has been resilient. The upshot? We can bolster our existing market position or use our business lines to penetrate new markets and new territories. There is room for expansion in many countries, although we expect that the most market share we can scoop up is in Germany and the UK, while Scandinavia remains top on our list as a new market.

The M&A team is very small: only two people in France, while you alone are responsible for the Benelux and Germany. How do you identify, and then follow-up, with interesting targets?

Since we are in very acquisitive mode, we receive many unsolicited approaches by advisors and business owners. In the past I would have spent almost 40% of my time on market research and visiting potential targets; that has diminished to 5% now. This year I have reviewed 35 opportunities of which 25 were turned down immediately. It helps having an engineering background before making the switch to business development. I can make a quick scan in a day and understand if the business fits our strategy. If it does, we assemble a very professional team without delay that includes operational business managers and specialized staff to support the evaluation process. I try to avoid making decisions purely on the basis of financial parameters. For example, if the operational manager is not interested, the deal will not be pursued.

An active buy-and-build strategy means having to integrate companies into SPIE's culture. How do you avoid a clash of cultures and ensure a seamless integration that creates lasting synergies?

France respects its own culture, but also the culture of countries where companies are bought. Our key success factor is our potent respect for the acquired company. Take our first 100 days: we are curious and strive to understand what we can learn from the target and where synergies can be found. If we feel we have better solutions or better prices, we encourage the target to accept change. And how we embrace our new colleagues is critical. We are proud to say that our integration process almost never fails to prosper.

"SPIE'S STRATEGY HAS BEEN TO SATISFY OUR CUSTOMERS NEED FOR MORE EFFICIENT FACILITIES AND INFRASTRUCTURE."

Any lessons learned from the Imtech bankruptcy?

Imtech confirmed how spot on our approach really is: you must delegate commercial responsibilities to your local enterprises while applying stringent financial discipline. And project control must be very minute, thorough and firmly monitored.

In the Benelux you completed 15 acquisitions. Does winning so many competitive sales processes, would it be safe to assume you pay top dollar? What is your average acquisition EBITDA multiple?

That depends decidedly on each case. For an add-on acquisition of a company in a niche, or for geographical densification, we pay fair market, unless the target is very small. Typically we prefer companies with €10 – 80m in sales. If a market entry is involved, our core target should be larger, let's say €80m. We are prepared to pay higher multiples for platform companies, unlike in the case of reinforcement acquisitions, where management continuity is necessary. We have more difficulty valuating businesses that score margins above general market levels, and which have significant disruptions in historical sales, and are highly dependent on a single customer.

We understand you cooperate with fixed external advisors. IMAP Netherlands is such a fixed partner. Can you tell us more about how IMAP adds value in your M&A process?
This may differ from country to country, but in general we like to consider using fixed partners as external advisors provided they have a strong sense of what SPIE is. In the Benelux we have robust relationships with Astrea, Wintertaling, and Mazars, for financial due diligence. And IMAP is well known to us, as it operates in our target market and regularly offers us quality assets. We do not hire buy-side M&A advisors, but we do recognize added value on the sell-side when we see it. Our experience with IMAP Netherlands was excellent in our only spinoff so far.

"OUR KEY SUCCESS FACTOR IS OUR POTENT RESPECT FOR THE ACQUIRED COMPANY. TAKE OUR FIRST 100 DAYS: WE ARE CURIOUS AND STRIVE TO UNDERSTAND WHAT WE CAN LEARN FROM THE TARGET AND WHERE SYNERGIES CAN BE FOUND."

20,000 employees and key managers are SPIE shareholders. Does this contribute to the entrepreneurial spirit of SPIE?
The participation of management and employees dates back to 2000, when SPIE had liquidity problems and wasn't able to secure bank financing due to unfavorable economic headwinds. We managed to raise capital using 3 private equity firms, and from management and employees. The investment has been very profitable.
In 2015 the company went public. Since then, investing in SPIE has turned out to be lucrative. The initial price of €12 per share has now risen to €17. No wonder that over 20,000 employees are shareholders, with a total stake of 5% of the company. And management's stake is 10.5%. Both groups receive an attractive discount for their share purchases and receive an excellent return on their investment.
Being an employee of SPIE also means working with a company that is committed to the United Nations Global Compact. We embrace, support and enact, within our sphere of influence, a set of core values in the areas of human rights, labor standards, the environment and anti-corruption. We take our corporate responsibility seriously vis-à-vis every stakeholder.

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Healthcare

MEDICAL DEVICES - EQUIPMENT AND DIAGNOSTICS **CASE STUDY**

Client Name: The Cooper Companies, Inc.

A UK–US cross-border case study in medtech. Track record in serving the American company The Cooper Companies broadened to leading a successful acquisition of Research Instruments Limited, a UK company

CLIENT BACKGROUND AND OBJECTIVE

CooperSurgical is one of two main business units operating under The Cooper Companies, a global medical device company.

CooperSurgical focuses on providing an impresive suite of medical devices and solutions in the women's health segment, including IVF technologies, through its market-leading Origio and Humagen operations.

CooperSurgical has expanded steadily over the years, in part through the acquisition and integration of over 25 medical device companies.

Already established in the U.S., CooperSurgical was looking to consolidate its position as the leading global IVF device manufacturer and supplier, to further expand its product portfolio and broaden its global presence.

IMAP ADVANTAGE AND APPROACH

Ian Bussey, IMAP partner in the UK, has a protracted track record as a consultant to The Cooper Companies in their acquisition endeavours. A unique relationship and consistent alignment with The Cooper Companies has been a vital element in mutual success.

In this particular case, CooperSurgical's initial search mandate was for the identification and acquisition of a large European company to replicate its U.S operation. However, based on in-depth knowledge of the industry and the European market, it was clear that no such company existed. CooperSurgical was advised that the best path forward to building up a larger international presence was to acquire and bolt together a number of entities. CooperSurgical had in 2012 already acquired Origio, based out of Denmark, a leading provider of Assistive Reproduction Technology (ART) solutions. The approach was to look for target companies engaged in IVF technologies that could be integrated into and leveraged by the Origio business unit.

A comprehensive search at a global level was conducted to find potential targets bearing advanced manufacturing capabilities, proprietary technology and significant market share. As a result, Research Instruments was identified as a prime target.

Based in the UK, Research Instruments is a leading provider of pipettes and micromanipulation mediums used in many stages of IVF. With a high-quality product lineup Research Instruments was complemented by advanced electronic RFID tagging solutions used for ensuring quality control.

Familiarity with industry dynamics and years of experience interacting with players and negotiating deals in this market was crucial building a relationship with Research Instruments. The target was initially reluctant, concerned with the implications of being bought by another company, including the impact on legacy, brand and employees.

IMAP's team of experts engaged the target in conversation, building up trust and demonstrating the value of negotiating with a large and reputable player such as Cooper Companies. Representatives from another company that Cooper had bought previously were brought in as references to inspire confidence in negotiating a deal.

"... BASED ON IN-DEPTH KNOWLEDGE OF THE INDUSTRY AND THE EUROPEAN MARKET, IT WAS CLEAR THAT NO SUCH COMPANY EXISTED. COOPERSURGICAL WAS ADVISED THAT THE BEST PATH FORWARD TO BUILDING UP A LARGER INTERNATIONAL PRESENCE WAS TO ACQUIRE AND BOLT TOGETHER A NUMBER OF ENTITIES."

OUTCOME AND IMPACT

IMAP's involvement throughout the process led CooperSurgical to successfully acquire Research Instruments and integrate the business into its subsidiary Origio. With the acquisition, CooperSurgical enhanced its basket of IVF products and is now better positioned at the forefront of the market.

CooperSurgical, Inc.
Global medical device company
UNITED STATES

Acquired 100% of Equity

Research Instruments Limited
Supplier of IVF devices
UNITED KINGDOM

Advised on Purchase of Company

Advised Cooper Surgical on the acquisition of Research Instruments Limited, a specialist manufacturer and supplier of in-vitro fertilization (IVF) medical devices and systems.

IAN BUSSEY
IMAP UK

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Industrials

MACHINERY | CASE STUDY

Client Name: EKOL spol. s.r.o.

The first disclosed China–Czech transaction. EKOL, the last independent CEE steam turbine producer, was bought by Xi'an Shaangu Power, China's largest turbine compressor and blower manufacturer, to exploit global synergies

CLIENT BACKGROUND AND OBJECTIVE

EKOL has had a long history of electric engineering in the Czech Republic, comparable to today's global powerhouses. Westinghouse was founded in 1897, General Electric and Brown Bowery in 1901 while Czech companies PBS and ŠKODA Power were founded in 1901 and 1904, respectively. Both Czech companies made huge strides in their own turbine designs, and in 1925, PBS patented the first world's high-pressure steam turbine.

Led by the Soviet Union after WWII, PBS Brno became the only producer of turbines for the chemical and metallurgy industry, subsequently manufacturing over 4,000 turbines. In the early 90s, PBS was privatized and acquired by ABB, and later resold to Siemens (turbines), Alstom (industrial boilers) and Bilfinger Berger (industrial services). Professor Veselý, former Head of Turbine R&D in PBS, founded EKOL in 1991 and focused on the conversion of old Russian gas turbines to comply with new ecological standards, designing in-house steam turbines; in 2005 EKOL then created a steam turbine production division and an industrial boiler design division.

"WHEN LOOKING FOR THE BEST BUYER, IT IS IMPORTANT TO IDENTIFY THE CORE COMPETENCIES OF BOTH THE COMPANY UP FOR SALE AND THE BUYER HAVING THE MOST SYNERGIES."

A potential sale of EKOL was expected to command an attractive multiple, due in part to its capabilities and a scarcity of like companies.

EKOL's capabilities stemmed from:

> Accumulated Czech power engineering heritage and world-class know-how.
> Uniqueness as one of only a few global companies able to design widely efficient reaction blading steam turbines.
> Skill in bespoke boiler and turbine design, and in-house turbines manufacturing, thus boosting thermal efficiency at scale.
> Focus on green and biomass energy.

On the scarcity side:

> Most smaller steam turbine manufacturers at the global level have been bought by multinationals.
> EKOL remained as one of the only unique integrated steam turbine companies left.
> This attracted a great deal of interest from both global players and local power engineering groups.

Xi'an Shaangu Power, a Chinese company with the most to gain in terms of potential deal-generating synergies, made the winning bid after several highly competitive rounds on the auction block.

IMAP ADVANTAGE AND APPROACH

When looking for the best buyer, it is important to identify the core competencies of both the company up for sale and the buyer having the most synergies. In the EKOL case, IMAP identified several key strengths:

> Know-how in steam turbines design.
> Unique combination of in-house boiler and turbine design.
> Focus on industrial and renewables.
> Regional coverage – CEE plus North Africa and the Middle East.

Once IMAP understood EKOL's capabilities, the search to identify suitable buyers began. Multinational players are familiar to everyone, but finding local producers from emerging countries seeking turbine-driven machinery was not that easy. Shaangu Power was interested in all key areas and also wanted to use EKOL as a platform for sale and service of its own equipment in the European market, so there were huge potential synergies. We have to thank our IMAP colleagues for their vast efforts in finding companies in their markets and their work in a setting the stage for a smooth and seamless transaction.

OUTCOME AND IMPACT

One of the main differences when selling a company to a Chinese buyer is how the official go-aheads are factored in. Yes, Shaangu Power is a Chinese company, and it is publicly traded on the Shanghai Stock Exchange, but it is the Chinese government that holds the majority stake. Before obtaining all the permits from the various relevant Chinese authorities, the buyer had to identify and monetize synergies. And the post-acquisition phase had to be detailed as well, which slowed the process down significantly. Western companies are used to buying first and then thinking about how to manage synergies, whereas in this deal the synergies had to be dealt with upfront. Another factor during this deal was the unfavorable timing. The transaction concluded when the power industry was in freefall, so any delay had direct price implications. However, we remained firm and managed only to have to adjust earn-outs.

"ONE OF THE MAIN DIFFERENCES WHEN SELLING A COMPANY TO A CHINESE BUYER IS HOW THE OFFICIAL GO-AHEADS ARE FACTORED IN."

ShaanGu 西安陕鼓动力股份有限公司 XI'AN SHAANGU POWER CO., LTD.

EKOL

Xi'an ShaanGu Power Co., Ltd.
Industrial blower and turbine systems manufacturer
CHINA

Acquired 75% of Shares

EKOL spol. s r.o.
Power generation OEM - steam turbines up to 70MW
CZECH REPUBLIC

Advised on Sale of Company

Xi'an Shaangu Power Co Ltd of China, a unit of Chinese state-owned Xian Industrial Assets Operation Co Ltd's Shaanxi Blower (Group) Co Ltd subsidiary, acquired a 75% interest in Ekol spol sro, a Brno-based manufacturer and wholesaler of steam turbines.

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CHINA'S BUYING SPREE IN GERMANY

The recent acquisition of the robot specialist KUKA Robotics by the Chinese home appliance manufacturer Midea is just the latest in a series of analogous deals

In January last year, Krauss-Maffei, a manufacturer of injection moulding machines, punching heavyweight in the German mechanical engineering sector, was sold to a Chinese investor – for almost €1 billion. Other well-known German companies such

> "AT THE TIME CONCERNS WERE ALSO EXPRESSED ABOUT A POSSIBLE DRAIN OF PRODUCTION AND TECHNOLOGY TO CHINA. BUT JUST TALK TO THE MANAGING DIRECTOR KAI HORN TODAY AND YOU'LL REALIZE THE OPPOSITE IS THE CASE!

as Kiekert (automotive supplier), Putzmeister (concrete pumps) and Kion (forklift trucks) are now owned by Chinese investors. These investors obviously have an appetite for local companies, which are either market or technology leaders (or both) in their sector.

These acquisitions often cause concern, as in the KUKA case. The company, based in Augsburg, is a leading manufacturer of industrial robots and plays a key role in industry 4.0 and especially in the technology of interconnected production, as politicians have put great hope in hiking Germany's competitiveness as a high-cost location. At the supreme echelons of government, alarms were sounded that the Chinese investor may only be interested in the technology and would neglect investments in German production and development sites.
However, the call for an alternative offer from German industry was left hanging in the air. But there are numerous examples proving that the panic is unwarranted. On the contrary, a Chinese investor can generate many benefits. At the beginning of last year, IMAP Germany advised on the acquisition of a much smaller but technologically gripping German company: Krauth Technology. Krauth Technology, a mid-sized ticket vending machine manufacturer , was sold to the Chinese DuTech Holdings by its former owner. At the time concerns were also expressed about a possible drain of production and technology to China. But just talk to the Managing Director Kai Horn today and you'll realize the opposite is the case! The Chinese are ploughing investments into the production site at Eberbach (Baden-Württemberg) and ensuring the necessary liquidity is provided to the company to finance new developments and the filling of large orders. The Board of Management was formed by two company employees, augmented by two Chinese representatives, one of whom speaks excellent German, as he had studied in Aachen and worked in Berlin for some time.
This past year, Krauth has generated €12 million and has 125 employees on its payroll. In the past,

"A CHINESE INVESTOR CAN ALSO BE ADVANTAGEOUS TO THE SELLER AS COMPANIES THERE ARE OFTEN WILLING TO PAY HIGH PRICES FOR ATTRACTIVE COMPANY" if it wanted to sell large orders, to Deutsche Bahn, for example, Krauth, because it lacked liquidity and capacity, could not even put in a bid in spite of its excellent technology. But now? Krauth has so far manufactured a series of 200 ticket vending machines, and is handling orders for an additional 1,000+. Krauth was recently able to accept an order of 1,600 machines. Under the umbrella of the Chinese investor new markets are now opening their doors and the company is expanding into other European countries. And let's not underestimate, as part of the planned move into China, that public transportation there is a growth market.

In addition, Krauth is enjoying a purchasing manager's dream. Electronics and housing components can be acquired in China at a fraction of the price normally being paid in Germany.

Krauth shows that a company doesn't necessarily have to be big to get the attention of Chinese investors.

But Chinese investors are no philanthropists. They expect reasonable returns and growth prospects. They require a level of reporting that shows a realistic valuation of the company. The cultural differences between China and Germany are also not insurmountable. For example, Chinese investors have always accepted union representation abroad that is otherwise unknown to them.

A Chinese investor can also be advantageous to the seller as companies there are often willing to pay top dollar for attractive companies. Why? On the one hand, after years of chalking up trade surpluses, China has a sizeable financial cushion. On the other hand, stock exchange valuations in China are driving investors to targets outside the country. A price/earnings ratio in China above 20 is normal, and can climb as high as 60 to 70. DAX-listed companies currently have a P/E ratio of 13. A Chinese investor paying more for a German company can be justified by the possibility of the German company's expansion to China, which would improve the target's business outlook.

If the buyer is a private Chinese company, the transaction can be completed within two to four months. Public companies need more time due to the political decision-making process in China. However, the weight of public companies in the

"THIS PAST YEAR, KRAUTH HAS GENERATED €12 MILLION AND HAS 125 EMPLOYEES ON ITS PAYROLL. IN THE PAST, IF IT WANTED TO SELL LARGE ORDERS, TO DEUTSCHE BAHN, FOR EXAMPLE, KRAUTH, BECAUSE IT LACKED LIQUIDITY AND CAPACITY, COULD NOT EVEN PUT IN A BID IN SPITE OF ITS EXCELLENT TECHNOLOGY. BUT NOW? KRAUTH HAS SO FAR MANUFACTURED A SERIES OF 200 TICKET VENDING MACHINES, AND IS HANDLING ORDERS FOR AN ADDITIONAL 1,000+."

M&A business is weak. About 60 percent of Chinese buyers are private companies.

For the M&A process ensuring mutual trust from the beginning is critical. This is getting easier as numerous positive examples of successful acquisitions, where all stakeholders have benefited, are shaping a constructive attitude.

Going forward: the Germans and the Chinese are both enthused; the Germans are seeking Chinese buyers, and the Chinese are out for inviting investments in Germany.

2016 will be recorded as a record year in the number and volume of acquisition transactions involving German companies acquired by Chinese investors.

In the first half of 2016 alone, EY tallied 37 transactions of this kind against 39 transactions in 2015, with France and the UK at 23 and 20, respectively. Chinese investors are the third largest in Germany after the USA (64) and Switzerland (45).

Ultimately, there is an economic-political intelligence for viewing such transactions optimistically. Germany has benefited from globalisation and open trade with China like no other economy. Conversely, to have open markets one must also welcome investment.

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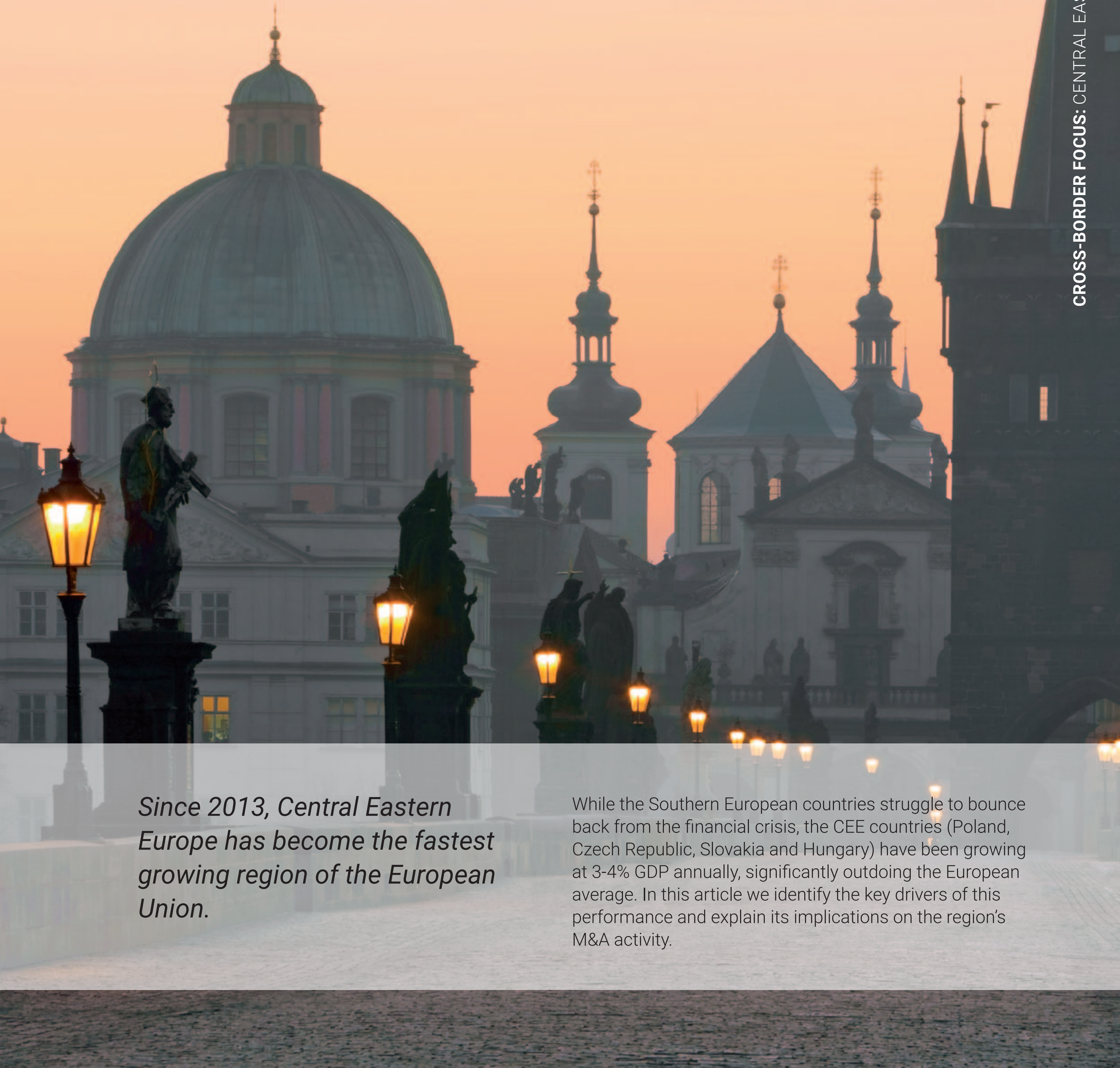
CENTRAL EASTERN EUROPE

EUROPE'S NEW ECONOMIC GROWTH ENGINE



Since 2013, Central Eastern Europe has become the fastest growing region of the European Union.

While the Southern European countries struggle to bounce back from the financial crisis, the CEE countries (Poland, Czech Republic, Slovakia and Hungary) have been growing at 3-4% GDP annually, significantly outdoing the European average. In this article we identify the key drivers of this performance and explain its implications on the region's M&A activity.

Central Eastern Europe has been Germany's manufacturing backyard over the last two decades due to its physical proximity to Germany, the free flow of capital under free-trade agreements along with EU membership since 2004, and the fact that deep-rooted supply chain level integration has been created between Germany and the region.
Germany's total trade with the four Central European countries exceeds its trade levels with its largest partners, the US and France.
Moreover, the Central Eastern European region is Germany's only top trading partner that can maintain a zero trade balance with Germany. This phenomenon is most likely to be explained by solid supply chain integration – most products exported from Germany to the CEE are used not for consumption but rather for further production purposes, and those high value-added products are then exported back to Germany. Being Germany's manufacturing backyard has created an extremely sophisticated industrial base in Central Europe.
According to MIT's ranking of economic complexity, the regional economies' export industries produce high value-added and unique products similar to the export industries of the United States or Singapore.

THE FUNDAMENTAL DRIVER OF THE RELOCATION TREND HAS BEEN THE CHEAP AND SOPHISTICATED LABOR FORCE AVAILABLE AT THE EASTERN BORDER OF GERMANY

Excellent integration and EU membership has ensured a much more stable macroeconomic and business environment compared to other emerging markets. Currency volatility has been relatively low as the region's economies are heavily dependent on trade with Eurozone economies (especially with Germany). And the institutional umbrella of EU membership provides investors with a stringent property rights protection and a favorable business environment.

MANUFACTURING GROWTH AND ITS MAIN DRIVERS

Not surprisingly the region has become a favorite location for German investors, especially after the 2008 crisis, when a large number of German companies decided to relocate their high-value added production and R&D activities to Central Eastern Europe. In the aftermath of the recession, the CEE economies have delivered one of the world's swiftest manufacturing growth rates – the average annual growth of the manufacturing sector was 5.7% between 2009 and 2014, exceeded only by China and India. The fundamental driver of the relocation trend has been the cheap and sophisticated labor force across Germany's eastern frontier. Despite the recent wage growth trend in Central Eastern Europe, the average labor cost in the region is still only 25-30% of what it would be in Western Europe.
At the same time, labor quality matches Western European standards, and CEE education scores hover between those of Germany and France, according to a Pearson report.
The relocation trend is expected to continue and further boost the region's manufacturing. According to the annual survey of the German Chamber of Industry and Commerce, the significant majority (85-88%) of German companies currently present in the region are expected to maintain or even increase current investment. Other surveys show that relocation to Central Eastern Europe has become a more appealing opportunity for German companies than overseas off-shoring.
It goes without saying that these trends furnish great opportunities for M&A activity as well: relocating foreign companies impacts hundreds of local companies. While Tier-1 suppliers of foreign OEMs tend to be subsidiaries of large international players, Tier-2 supplier and service suppliers are usually local firms. The relocation trend stimulates growth and learning opportunities for the local companies that will be the likelier M&A targets.

LOCAL MARKETS - CONSUMPTION GROWTH

In the last couple of years the balance in the growth structure of the CEE economies has been enriched. In

the initial period after the crisis, consumption and local investments were very subdued, although since 2013 domestic demand has started to pick up speed. The result? Significant consumption growth (3-4% p.a.) has been the upshot of accelerating real wage growth. The regional labor markets have begun tightening, unemployment is at historically low levels, and in order to attract new staff employers have started hiking wages. Aided by extremely low inflation, household disposable income has soared and consumption has started to grow. As there is no obvious or

ALL IN ALL, THE OUTLOOK FOR THE NEXT FEW YEARS IS FAVOURABLE FOR CEE ECONOMIES – GROWTH WILL BE DRIVEN BY EXPORT DEMAND AND MANUFACTURING INVESTMENT FROM GERMANY AND INCREASING HOUSEHOLD CONSUMPTION

quick solution for the labor shortage, stiff wage expansion is expected to continue in the coming years. Consumption is likely to become the most important growth component for these regional economies, forging new growth opportunities for the corporate sector. All in all, the outlook for the next few years is auspicious for CEE economies – growth will be driven by export demand and manufacturing investment from Germany and increasing household consumption. Meanwhile, significant inflow of EU subsidies will impel

infrastructure investment and spawn fresh demand. Despite the recent incipient wage escalation, a qualified, economical labor force will be able to secure the region's long-term growth edge.
German investors account for the largest portion (around 25%) of investment in commercial real estate in the Czech Republic, and in the last 18 years they have laid out €5bn (up from €20.6bn), which, since 2011, has generated distinct strategies:

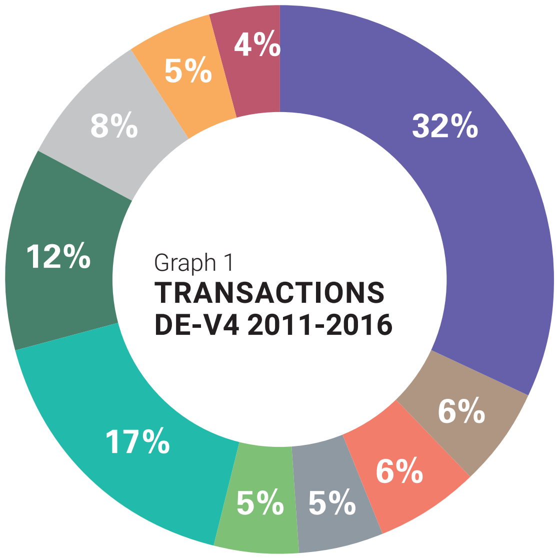
(I) Due to the global financial crisis many open German real estate funds (so-called GOEFs) were forced to divest assets. In 2013, DTZ expected that the total value of such assets topped EUR 20bn, EUR 800mn of which poured into the Czech Republic. This process had already commenced in 2011 and has continued over the last five years as German law lays down sufficient time limits for completing the divestment process. Accordingly, many transactions have taken place in the Czech market, where GOEFs such as DEGI or DEKA IMMOBILIEN were vending assets.
(II) Other institutional or private German investors began retailing their assets when the market began booming in 2014-2016, when HANNOVER LEASING sold the PALLADIUM SHOPPING MALL in Prague's city center for EUR 570mn in the most massive real estate transaction in the Czech market.
(III) Other investors, such as UNION INVESTMENT, INSTITUTIONAL INVESTMENT PARTNERS or again DEKA IMMOBILIEN, are currently gobbling up new projects. They know the local market well and are enjoying the pleasant economic and political tailwinds.

In 2015 commercial real estate transactions in the Czech Republic totalled an all-time high of €2.2bn (including the PALLADIUM transaction). In 2016 the total value of commercial real estate transactions is expected to top €2bn. Conclusion: the market is currently booming and German investors are still in the lead (20-30% market share) even though the yields of premium real estate projects have diminished in certain cases in Prague to under 4.0%. The Czech retail market took its first step toward recovery as from 2014 and real estate transaction value and real estate activity are responding to this awakening.

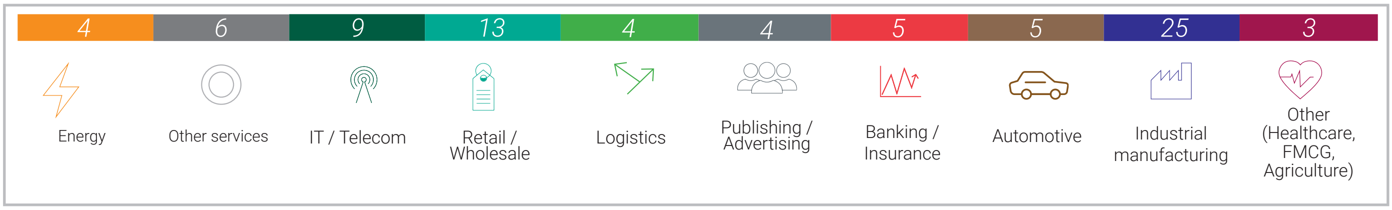
M&A ACTIVITY: GERMANY – V4 RELATION

Scrutinizing the transaction data as from 2011 (using the Zephyr database), note that most of the above-mentioned target countries still operate as automotive and industrial manufacturing sites. The other major acquisition driver is the battle to garner sales power and secure new markets via wholesalers and retailers. The remaining deals strike at service sector businesses. It is interesting to see the arresting dearth of transactions in real estate and agriculture. We imagine these sectors could have prospered allowing for asset price differences and trends, when compared to Germany. (Graph 1)

NOTE: Visegrad Four, or V4 is an alliance of four Central European states – Czech Republic, Hungary, Poland and Slovakia



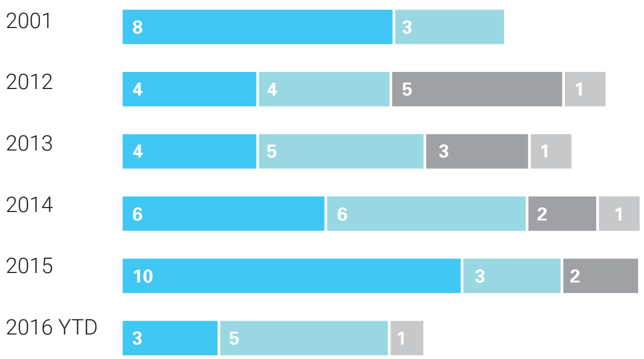
Graph 1
TRANSACTIONS DE-V4 2011-2016



The yearly deal number averages around 14, led by Poland, with Hungary and Slovakia lagging behind. The transaction numbers seem to level out in the long run and it will be interesting to see whether they change significantly in the near future. (Table 1)

Table 1:
NUMBER OF M&A TRANSACTIONS DE-V4, 2011-2016

PL CZ HU SK



Source: Zephyr

DEALS LIST: 2015 SEPTEMBER- 2016 SEPTEMBER

INDUSTRY	TARGET NAME	TARGET COUNTRY	TARGET BUSINESS DESCRIPTION(S)	ACQUIRER NAME
Industrial manufacturing	BILFINGER MARS OFF-SHORE SP ZOO	PL	Jackets, monopiles, transition pieces and other steel structures manufacturer	EUROPOLES RENEWABLES GMBH
Industrial manufacturing	BETA-ROLL ZRT	HU	Cylindrical roller bearings manufacturer	BOTTCHER GMBH
Industrial manufacturing	HEL-WITA SP ZOO	PL	Central heating pumps and heating valve manufacturer	MERTUS 253 GMBH
Industrial manufacturing	ROLTECHNIK AS	CZ	Bathroom equipment manufacturer	ROTH INDUSTRIES GMBH & CO. KG
Industrial manufacturing	AGIS FIRE & SECURITY SP ZOO	PL	Electronic security and fire protection systems manufacturer/ services	SPIE GMBH
Industrial manufacturing	TERMOLAN SP ZOO	PL	Hot melt adhesives	BUHNEN INTERNATIONAL GMBH
Retail / Wholesale	CURLYS SRO	SK	Online eyewear retailer	BRILLE24 GMBH
Retail / Wholesale	LEERE 30 SRO	CZ	Non-specialised wholesaler	PROJECTA IMMOBILIEN- UND WIRTSCHAFTSBERATUNGS GMBH
Retail / Wholesale	A BUNCH of BRICKS SRO	CZ	Non-specialised wholesaler	KIESELBRICK GMBH
Retail / Wholesale	LFM MAXX SP ZOO	PL	Fuels wholesaler	GEC GREEN ENGINEERING CONSULTING UG
Retail / Wholesale	CEE EYEWEAR SP ZOO	PL	Online glasses and contact lenses retailer	MISTER SPEX GMBH
Energy	POWER EXCHANGE CENTRAL EUROPE AS	CZ	Electricity and commodities brokerage services	EUROPEAN ENERGY EXCHANGE AG
Energy	FLUXSAN SP ZOO	PL	Solar consulting services, Solar panels wholesaler	ABARIS-BERLIN UG
Publishing / Advertising / Marketing	GOLDBACH GROUP AG'S POLISH ONLINE BUSINESS	PL	Electronic media marketing services	STROER SE

Source: Zephyr database

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IMAP SELECTED TRANSACTIONS 2016

Industrials

MILLSTEIN & CO.

UNITED STATES

Acquired 100% of Business Operations

METAL POWDER PRODUCTS

UNITED STATES

Advised on Sale of Subsidiary

Industrials

STEADFAST CAPITAL

GERMANY

Acquired 100% of Business Operations

Stanz- und LaserTechnik Jessen GmbH

GERMANY

Advised on Sale of Subsidiary

Consumer Products & Services

RELO GROUP

JAPAN

Acquired Majority Control of Business Operations

AIRINC WORKFORCE GLOBALIZATION

UNITED STATES

Advised on Sale of Company

Healthcare

EVONIK INDUSTRIES

GERMANY

Acquired Full Control of Business Operations

TRANSFERRA Nanosciences Inc.

CANADA

Advised on Sale of Company

Consumer Staples

Yellow Point EQUITY PARTNERS

CANADA

Acquired Majority Control of Business Operations

Foley's Chocolates & Candies

CANADA

Advised on Sale of Company

TMT

eurofiber HET BEGINT BIJ GLASVEZEL

NETHERLANDS

Acquired 100% of Business Operations

data place

NETHERLANDS

Advised on Sale of Company

Consumer Staples

FIDA

ITALY

Acquired Selected Assets of Seller Business Operations

Nestlé Good Food, Good Life

ITALY

Advised on Sale of Company

Consumer Staples

marbour

FRANCE

Acquired Investment Interest in Seller's Business

COLUSSI GROUP ITALIAN FOOD EXCELLENCE

ITALY

Advised the Target

Industrials

EIFFAGE ÉNERGIE

FRANCE

Acquired 100% of Business Operations

YERLY INSTALLATIONS SA

SWITZERLAND

Advised on Sale of Company

Energy & Power

Brookfield Renewable Energy Partners

CANADA

Acquired 100% of Business Operations

ISAGEN ENERGÍA PRODUCTIVA

COLOMBIA

Advised on Sale of Company

Industrials

Bitburger Holding GmbH

GERMANY

Acquired 100% of Business Operations

Wera Be a Tool Rebel

GERMANY

Advised on Sale of Company

Retail

PNC Riverarch Capital

UNITED STATES

Acquired Majority Control of Business Operations

Feeders Supply The Pet Lovers Store

UNITED STATES

Advised on Sale of Company

Financials

Ritchie Bros. Auctioneers

CANADA

Acquired Minority Interest

Ritchie Bros. Financial Services

CANADA

Advised on Sale of Company

Industrials

SUMITOMO FORESTRY CO.,LTD.

UNITED STATES

Acquired 60% Interest in Seller's Business

Dan Ryan Builders

UNITED STATES

Advised on Purchase of Company

Financials

TransUnion

UNITED STATES

Acquired 100% of Business Operations

CIFIN

COLOMBIA

Advised on Purchase of Company

Industrials

IDEX Corporation

UNITED STATES

Acquired 100% of Business Operations

AWG

GERMANY

Advised on Sale of Company

Industrials

Intera Partners

FINLAND

Acquired Majority of Shares

Wise Group

FINLAND

Advised on Purchase of Company

Industrials

Mubea light.efficient.global.

GERMANY

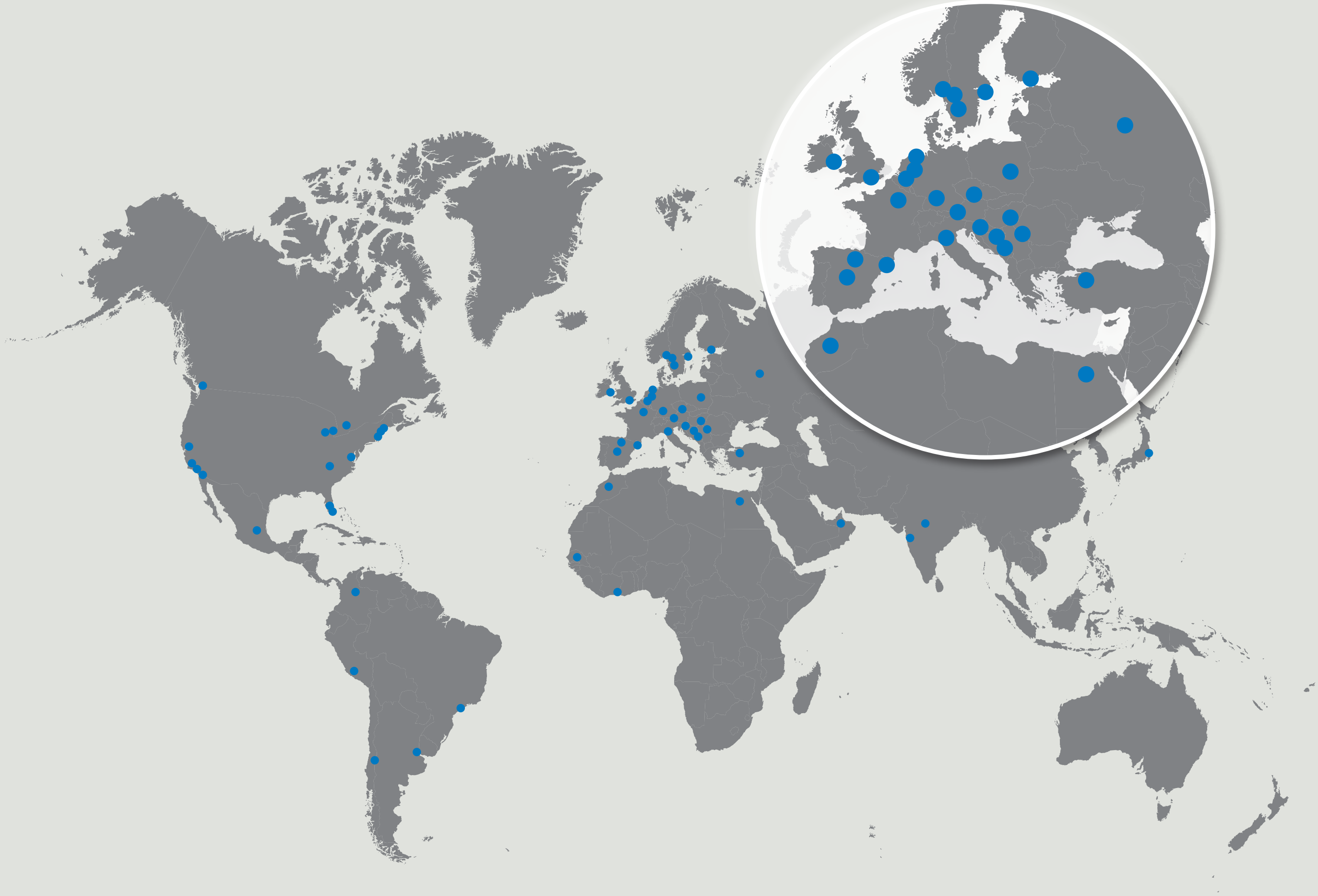
Acquired 100% of Business Operations

inauxa

SPAIN

Advised on Purchase of Company

Our advisors close at least one deal every working day across the globe



67 OFFICES | 35 COUNTRIES | 350 ADVISORS

IMAP

IMAP is a global merger and acquisition advisory organization with a presence in 35 countries. IMAP closed over 2,100 transactions, valued at $90bn in the last 10 years and is consistently ranked among the world´s Top M&A advisors (Thomson Reuters) for mid-market transactions. www.imap.com