

European M&A Outlook 2024: What the future holds?

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Presenters



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Talking points – 2023: A year of...



Recession

in its annual Global Economic Prospects report The World Bank warned the global economy is “perilously close to falling into recession”



Minimal growth

the U.S. – possible 0.5% growth in real GDP in 2023, compared to no growth for the European Union and 2.7% for emerging markets and developing economies



Geopolitical threats

geopolitical threats with the continuing war in Ukraine and China targeting Taiwan



China

successful reopening could drop demand into an inflationary global economy

Talking points – 2023: A year of...



Investing

biggest asset classes: bonds, equities and passive funds
>>> follow government money



Crypto

the Crypto winter lasts and there are potential further closures of funds and bankruptcies – the market needs to recover



Interest rates

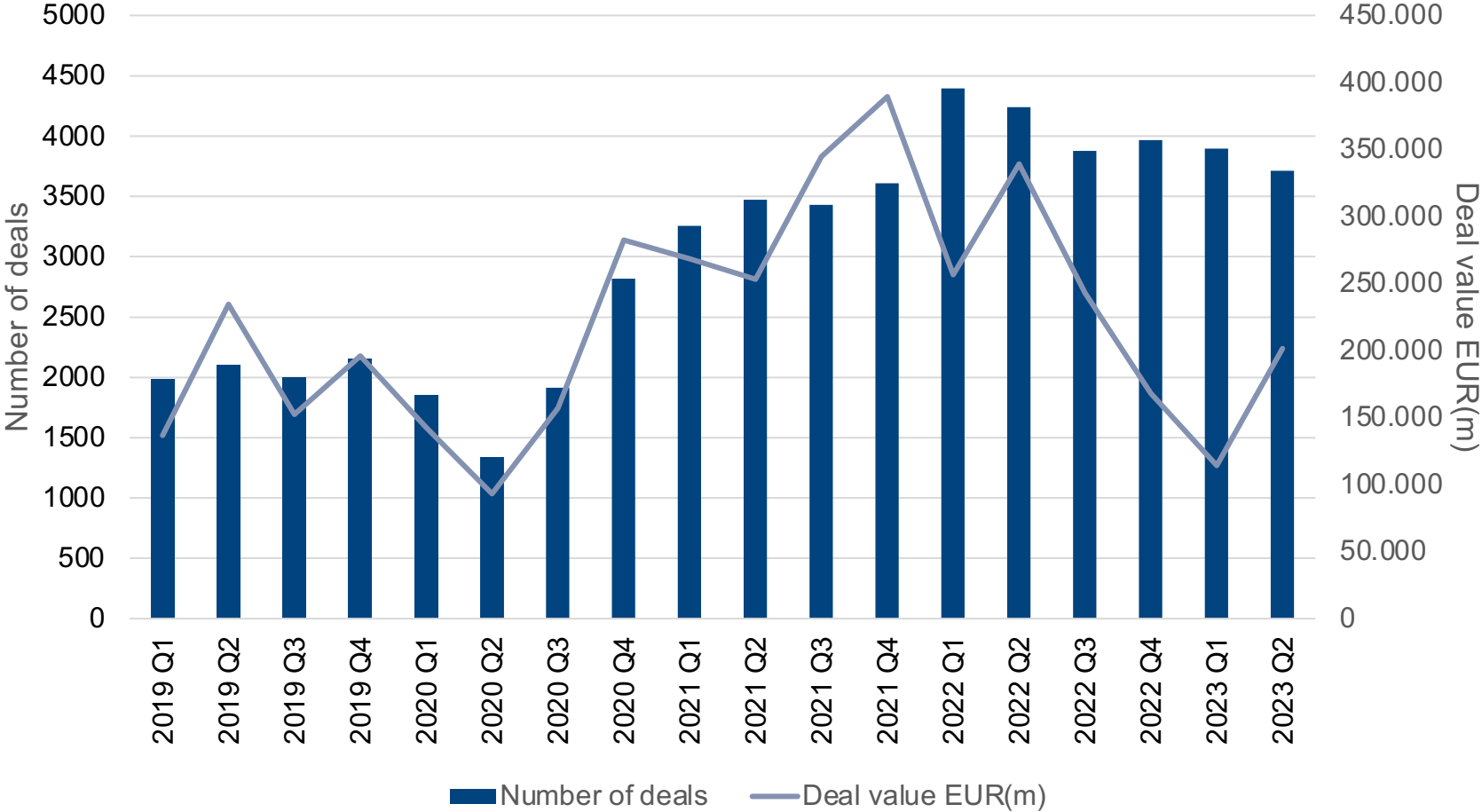
Interest rates substantially increased in UK (5% in the past 18 months), ECB (4.25% in the past 18 months) and US (5.25% in the past 18 months)



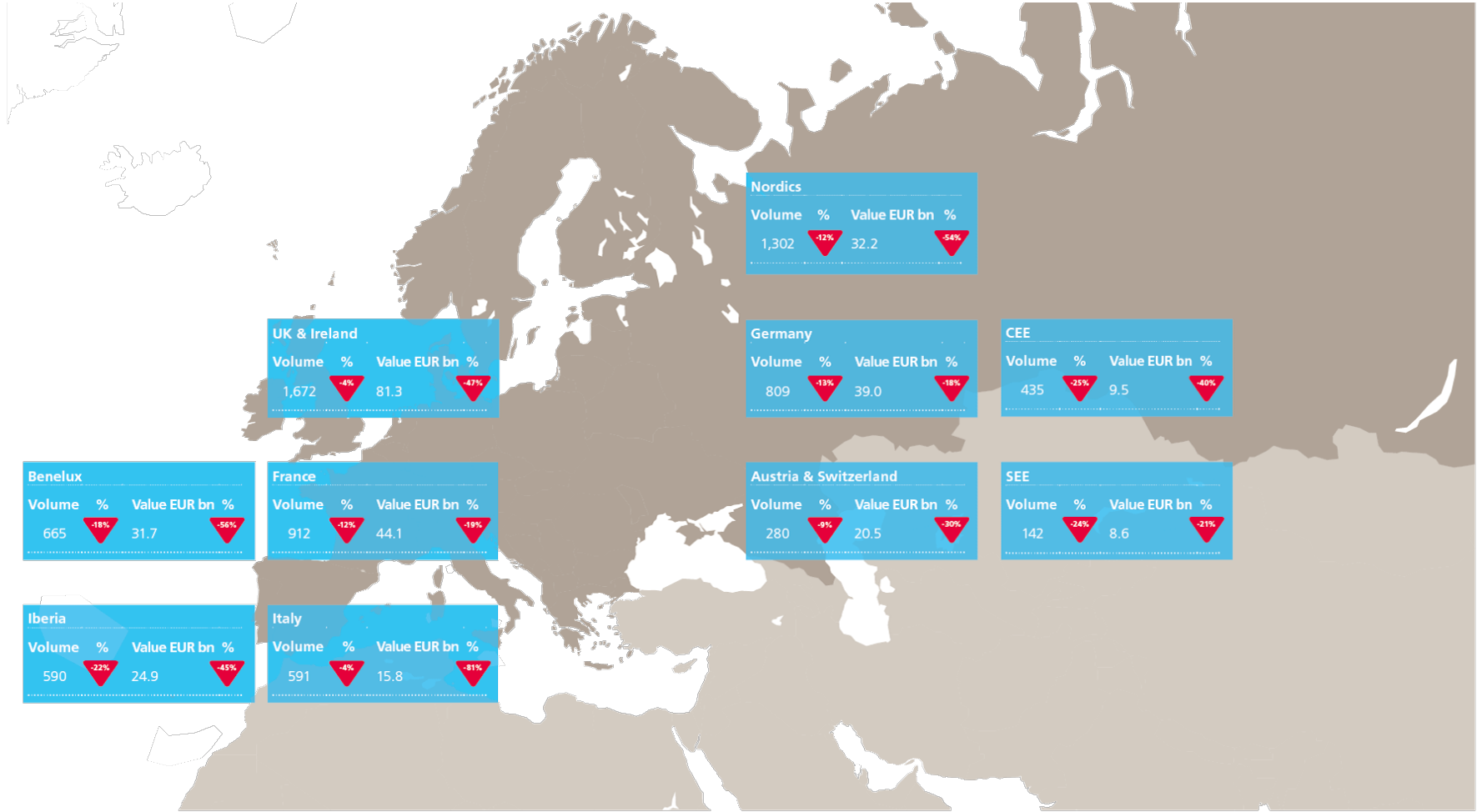
Business

focus on >>> sustainability / digitalization / people
main risks >>> supply chain shortages / lack of cybersecurity

European M&A trends 2019-Q2 2023



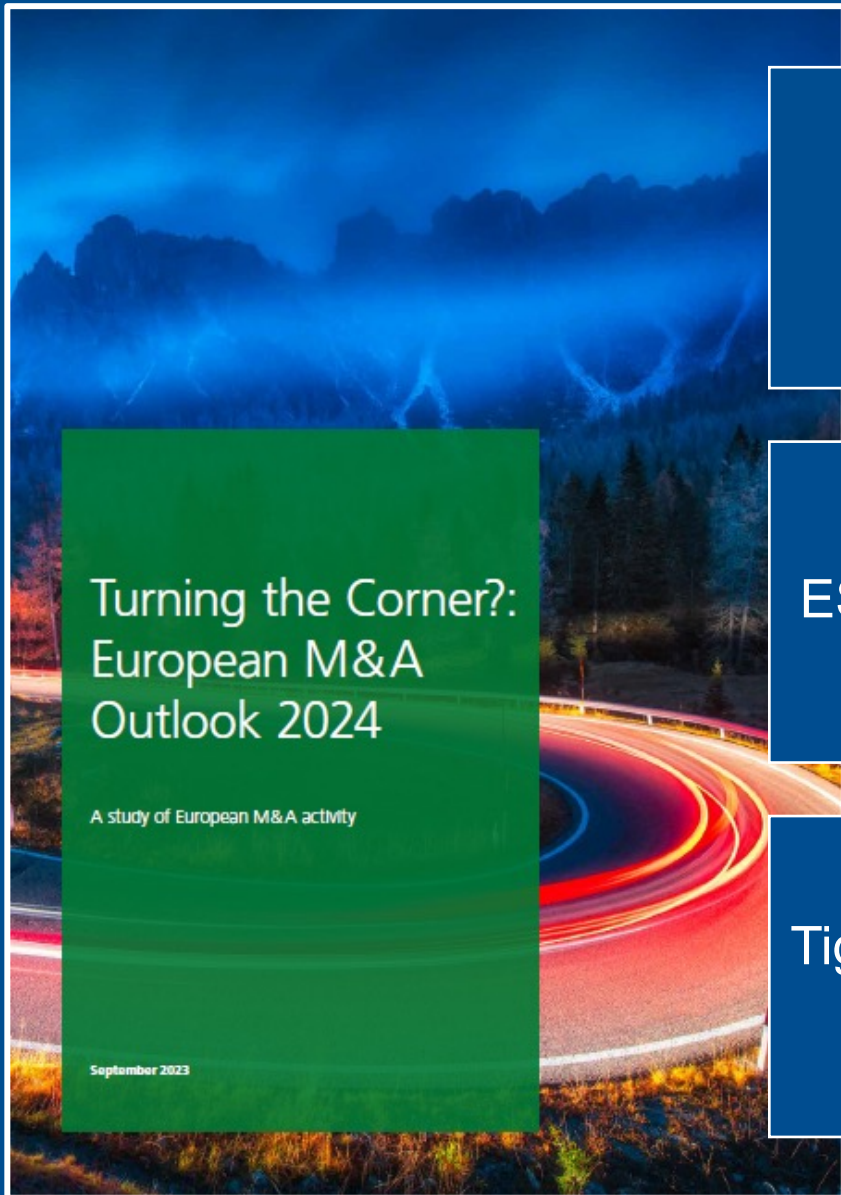
European deal volume and value H1 2023 vs H1 2022



This infographic compares H1 2022 with H1 2023

Big Topics – Global M&A Outlook into 2024

Louise Wallace, CMS UK
Malte Bruhns, CMS Germany



11th Edition

330 executives surveyed

ESG factors in M&A

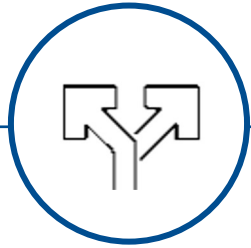
FDI environment

Tightening Financing Conditions

Sector watch



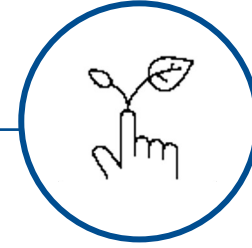
Key findings



M&A expectations
have moderated and
diverged



Macro backdrop
weighs on
dealmakers



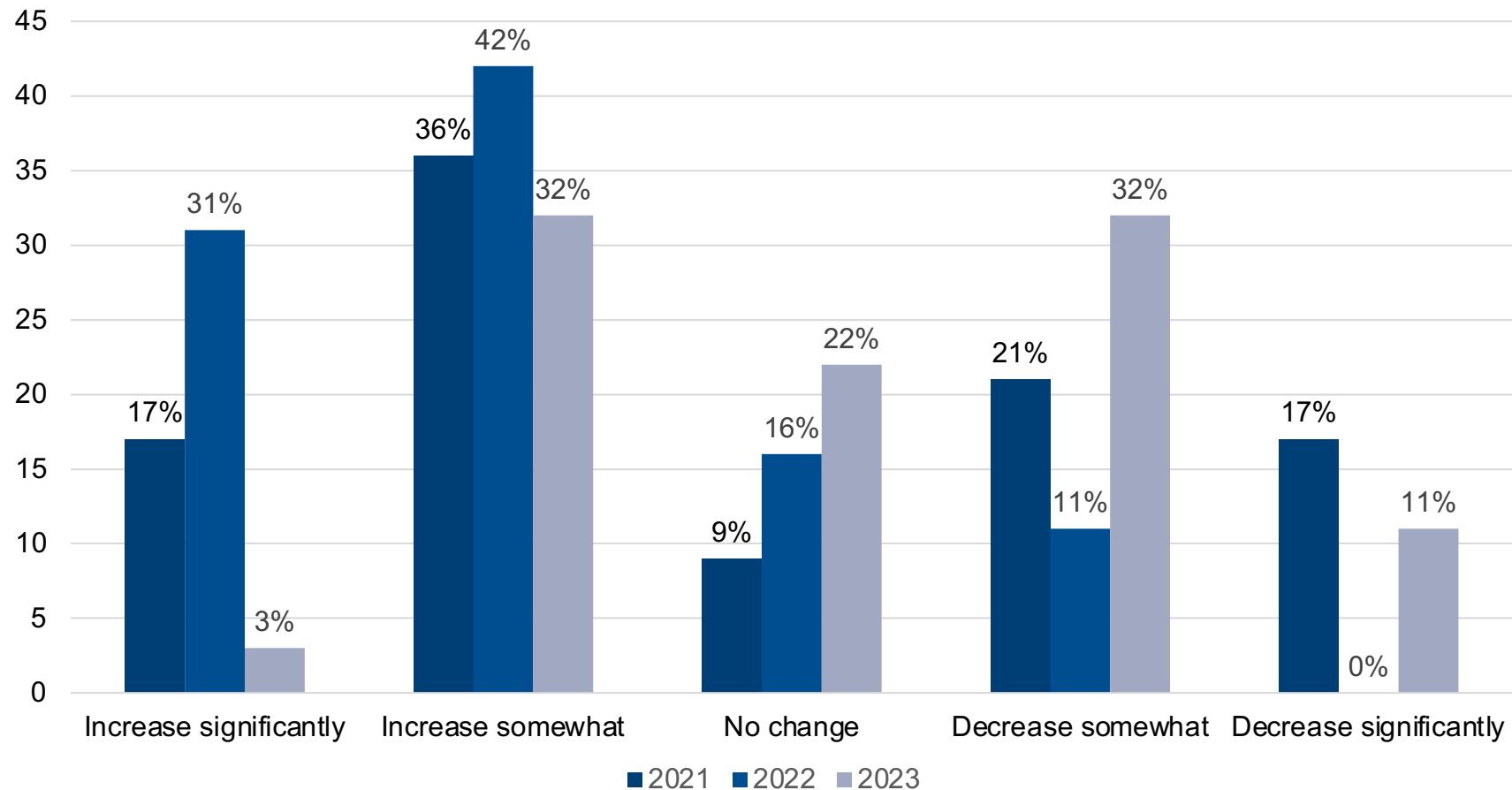
ESG scrutiny will
create new deal
opportunities

The M&A environment and expectations for the year ahead

After heady post-pandemic activity, European M&A has started to feel the effects of a changed macroeconomic environment

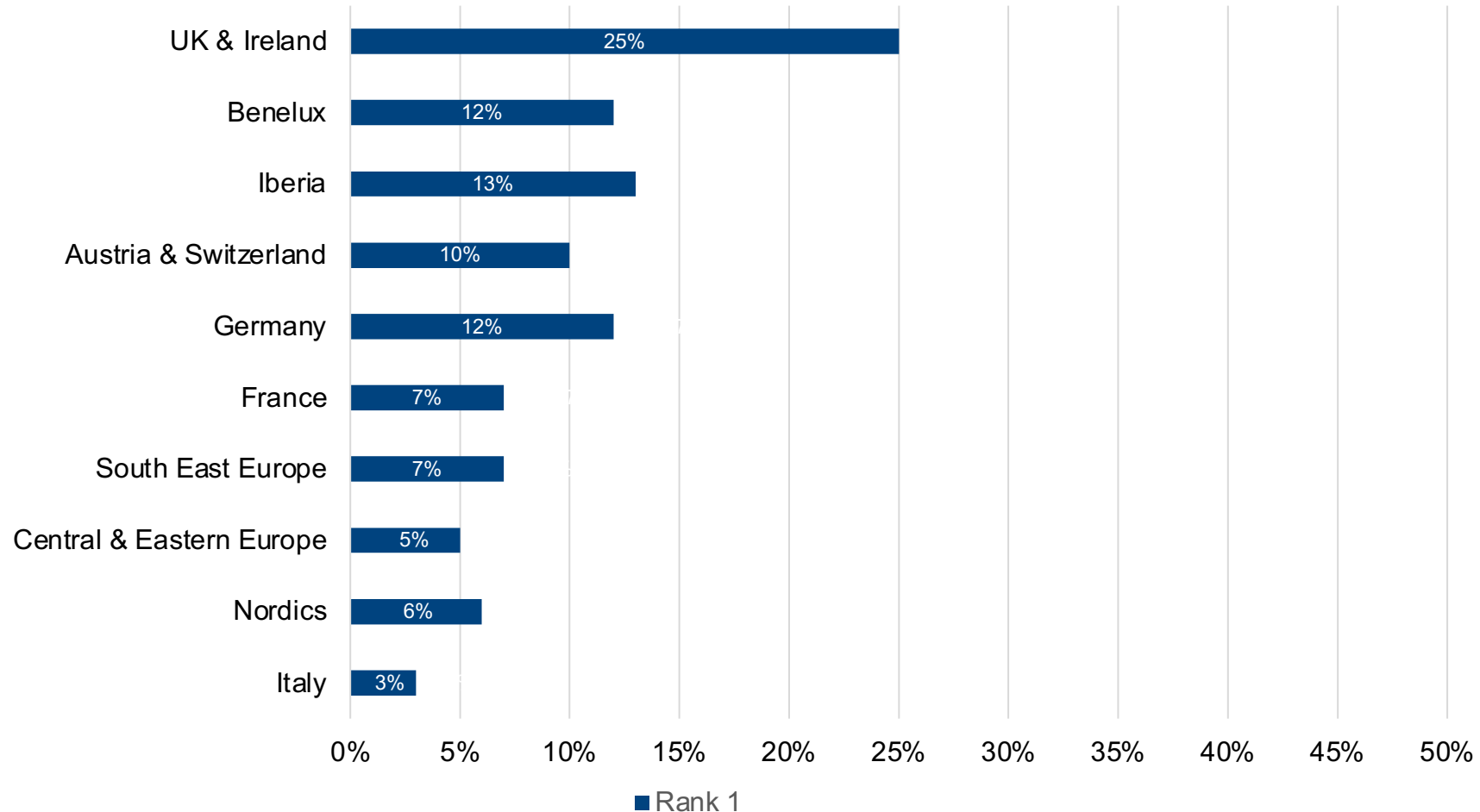
POLL:
**Are you planning an
M&A activity in 2024?**

What do you expect to happen to the level of European M&A activity over the next 12 months?



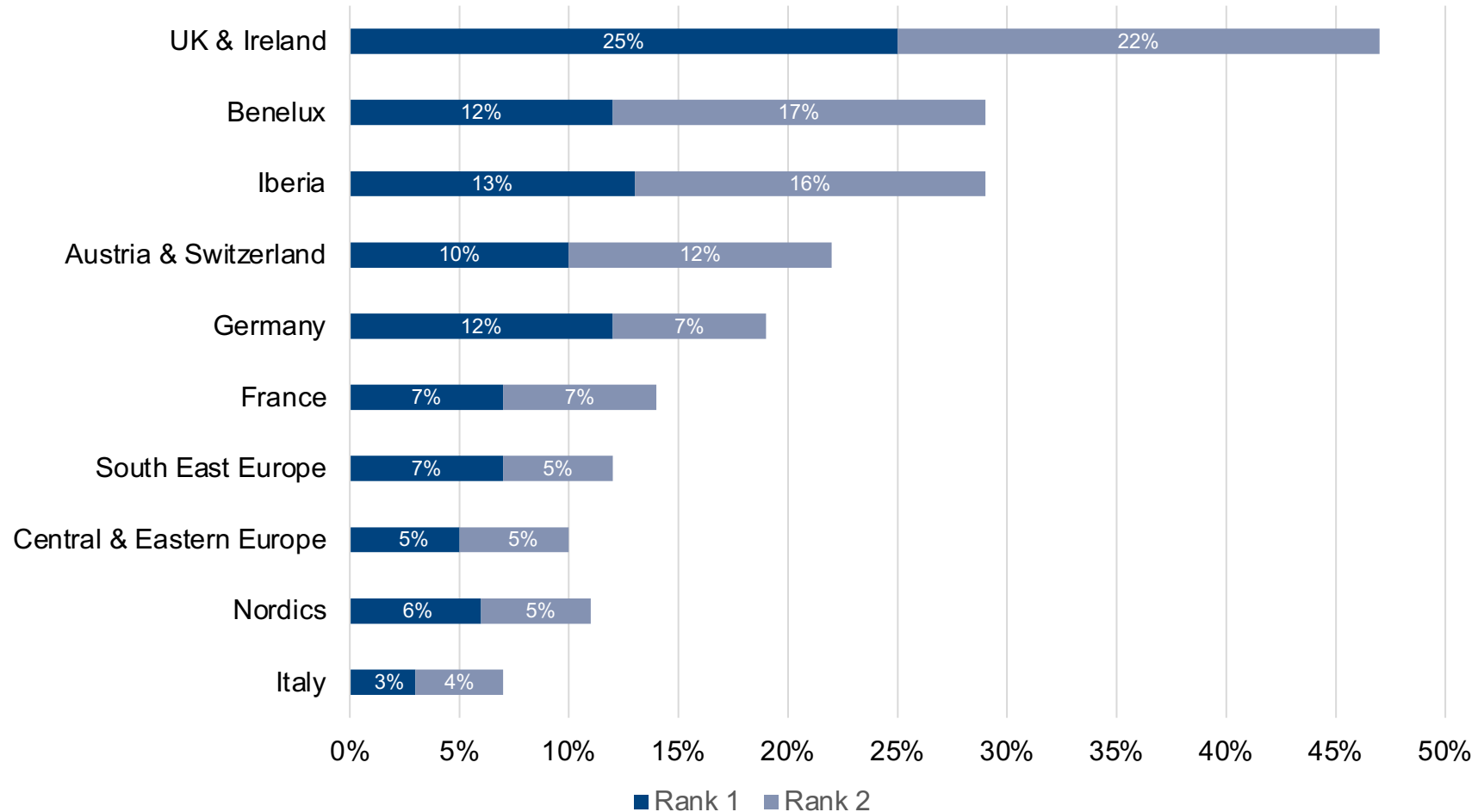
Which of the following countries/regions in Europe will see the highest growth in M&A activity over the next 12 months?

(Select top two and rank 1-2, where 1=most important region)



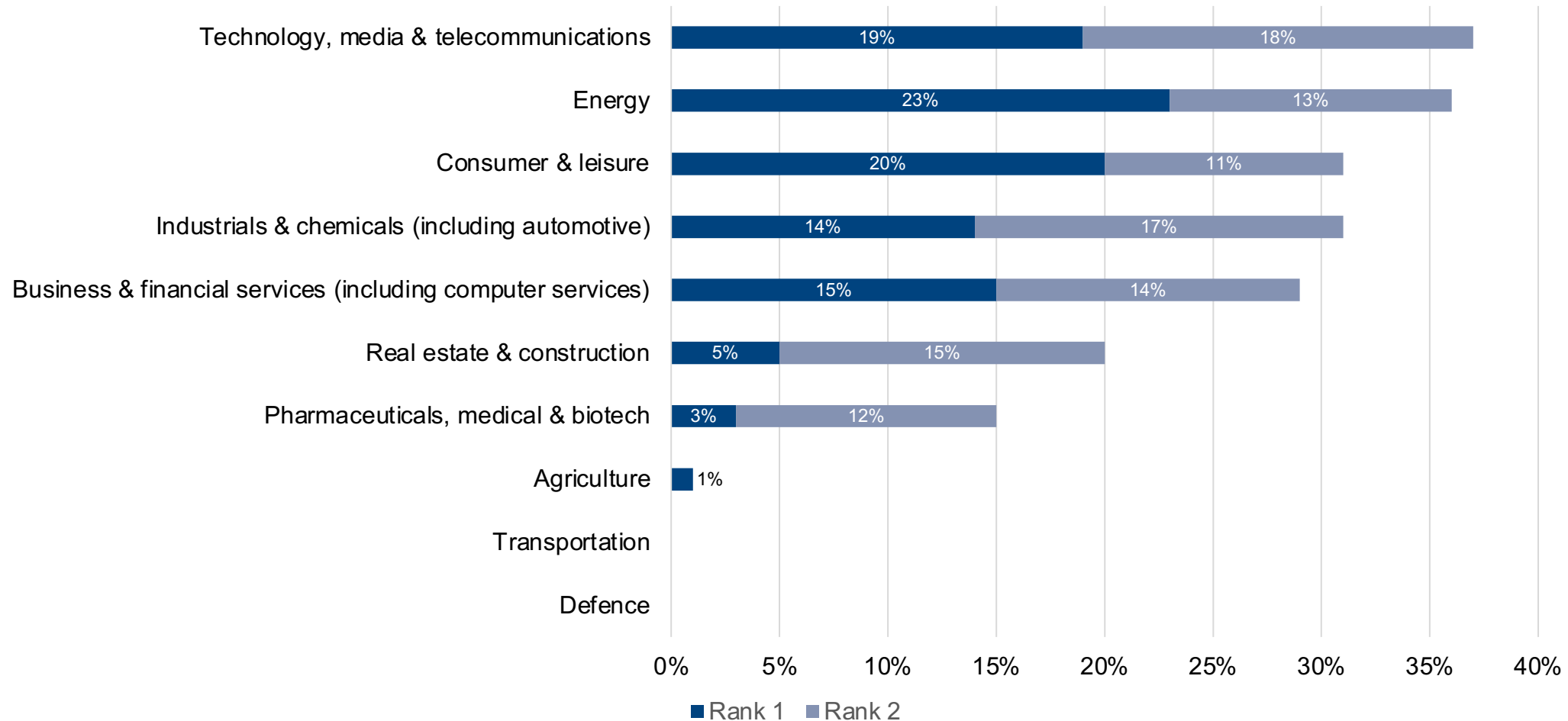
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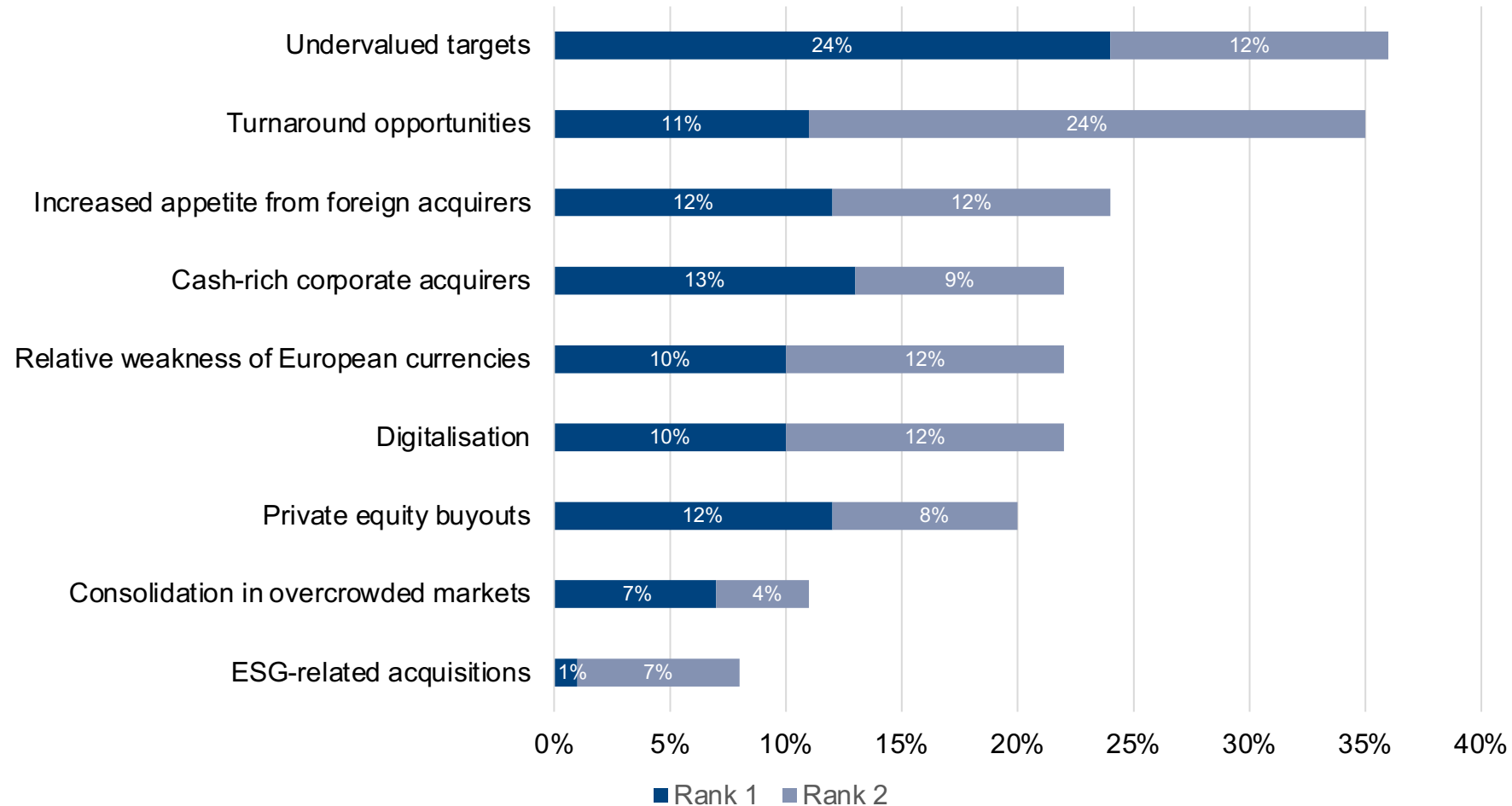
Which of the following sectors will (a) see the highest growth in M&A activity in Europe over the next 12 months?

(Select top two and rank 1-2, where 1=most important sector)



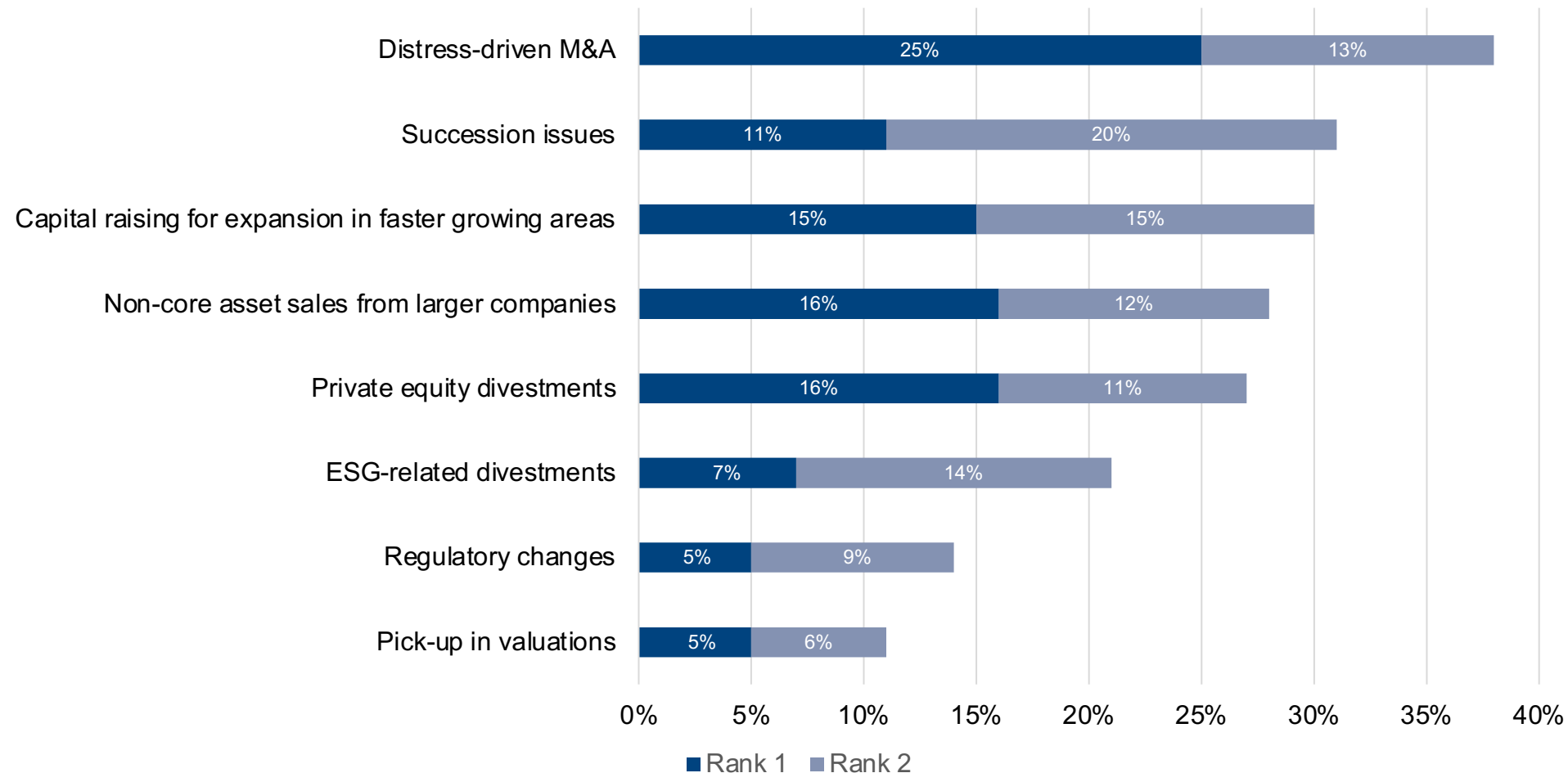
What do you believe will be the greatest buy-side drivers of M&A activity in Europe over the next 12 months?

(Select the two most important, 1= most important, 2= second most important)



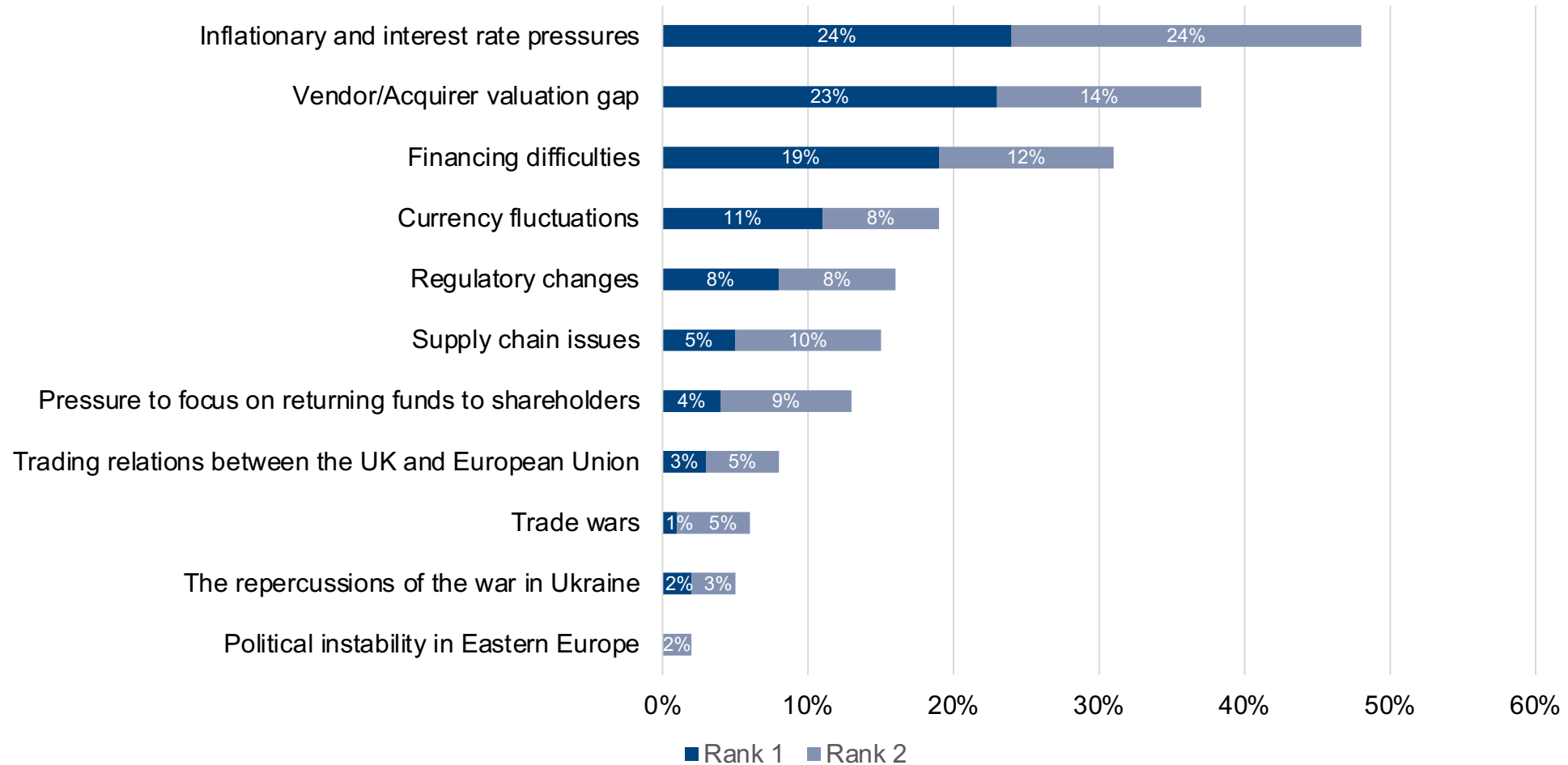
What do you believe will be the greatest sell-side drivers of M&A activity in Europe over the next 12 months?

(Select the two most important, 1= most important, 2= second most important)



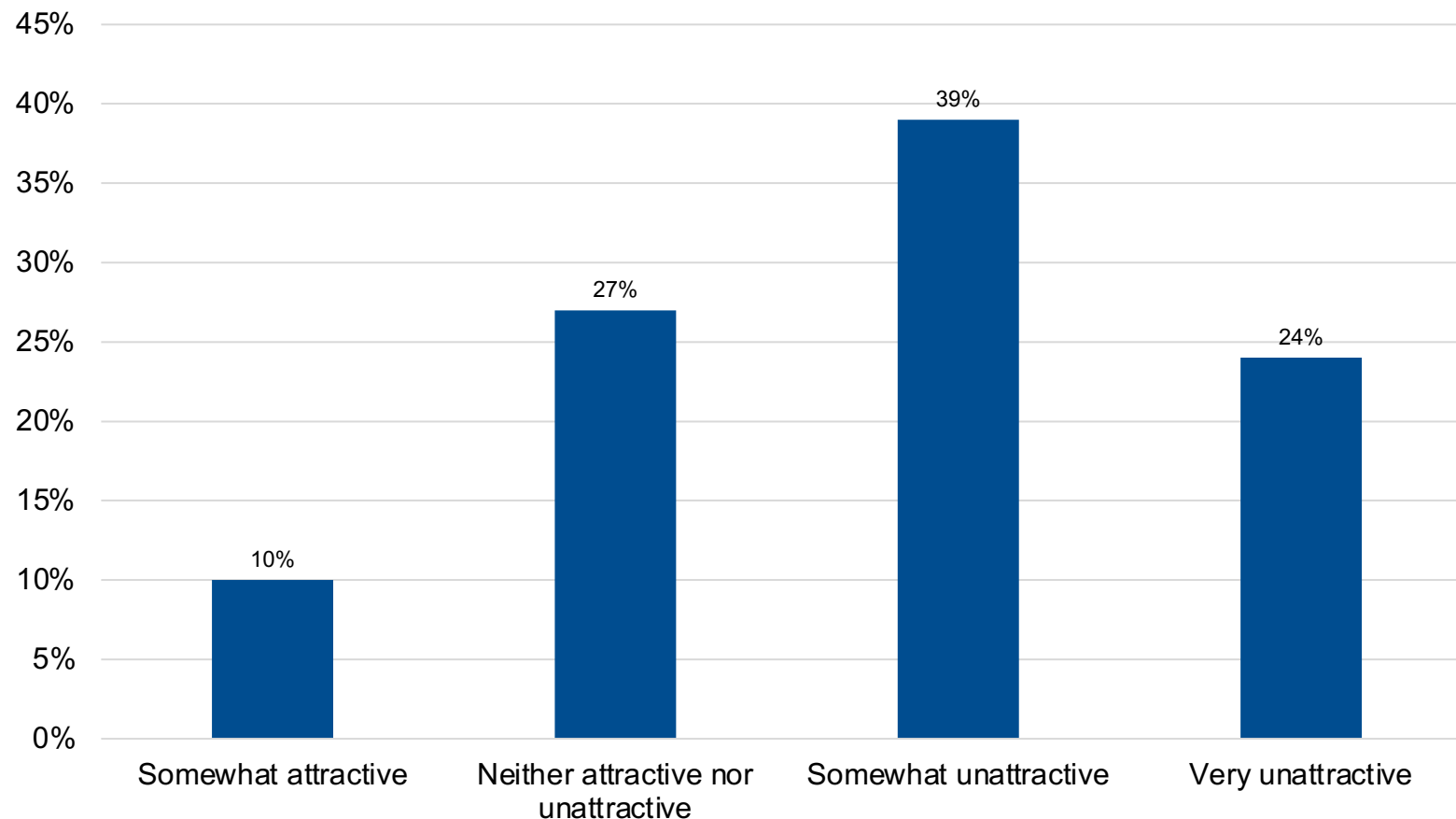
What do you believe will be the principal obstacles to M&A activity in Europe over the next 12 months?

(Select the two most important, 1 = most important, 2 = second most important)



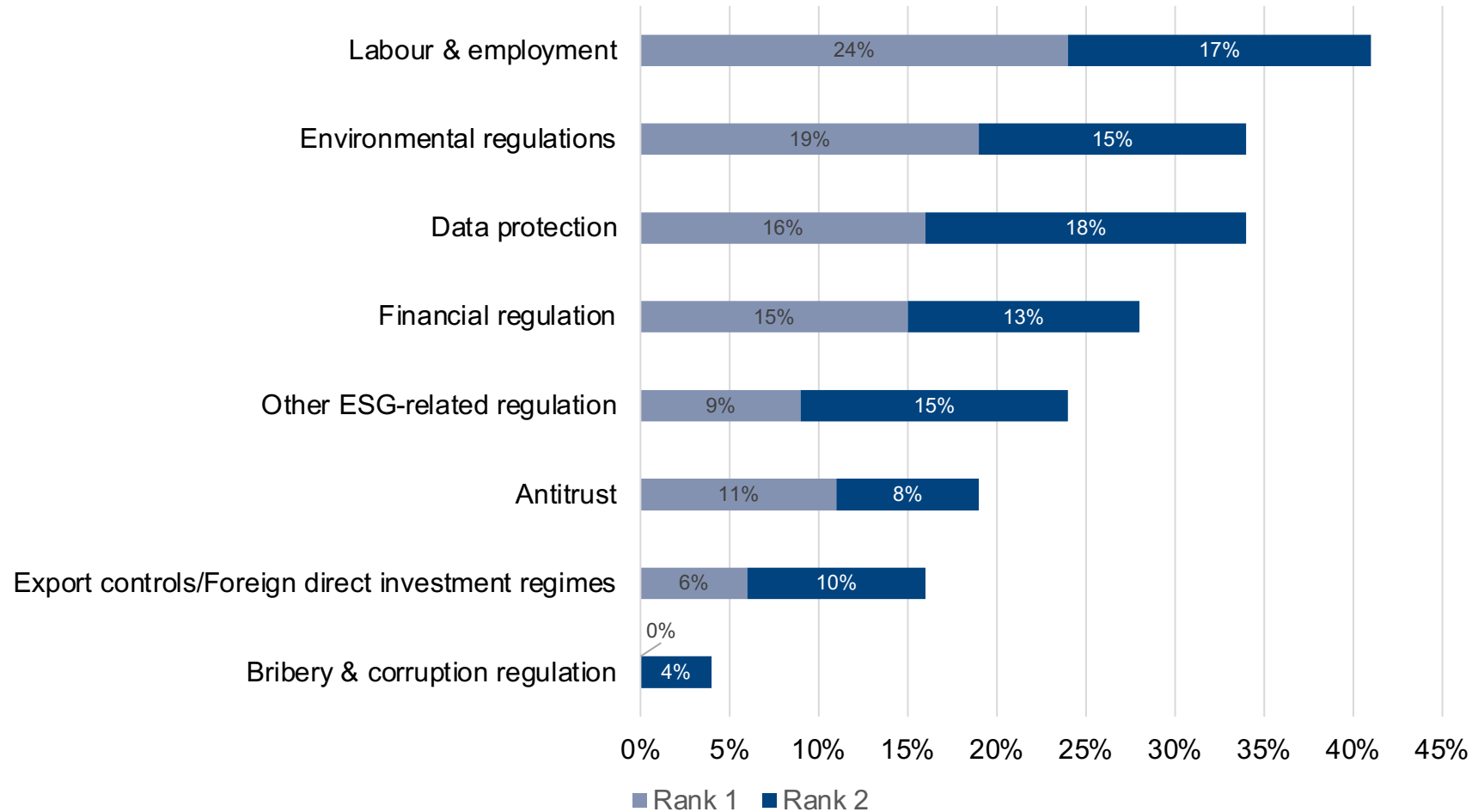
To what extent do you believe Ukraine will be an attractive destination for inbound cross-border M&A over the next 12-24 months?

(Select one)



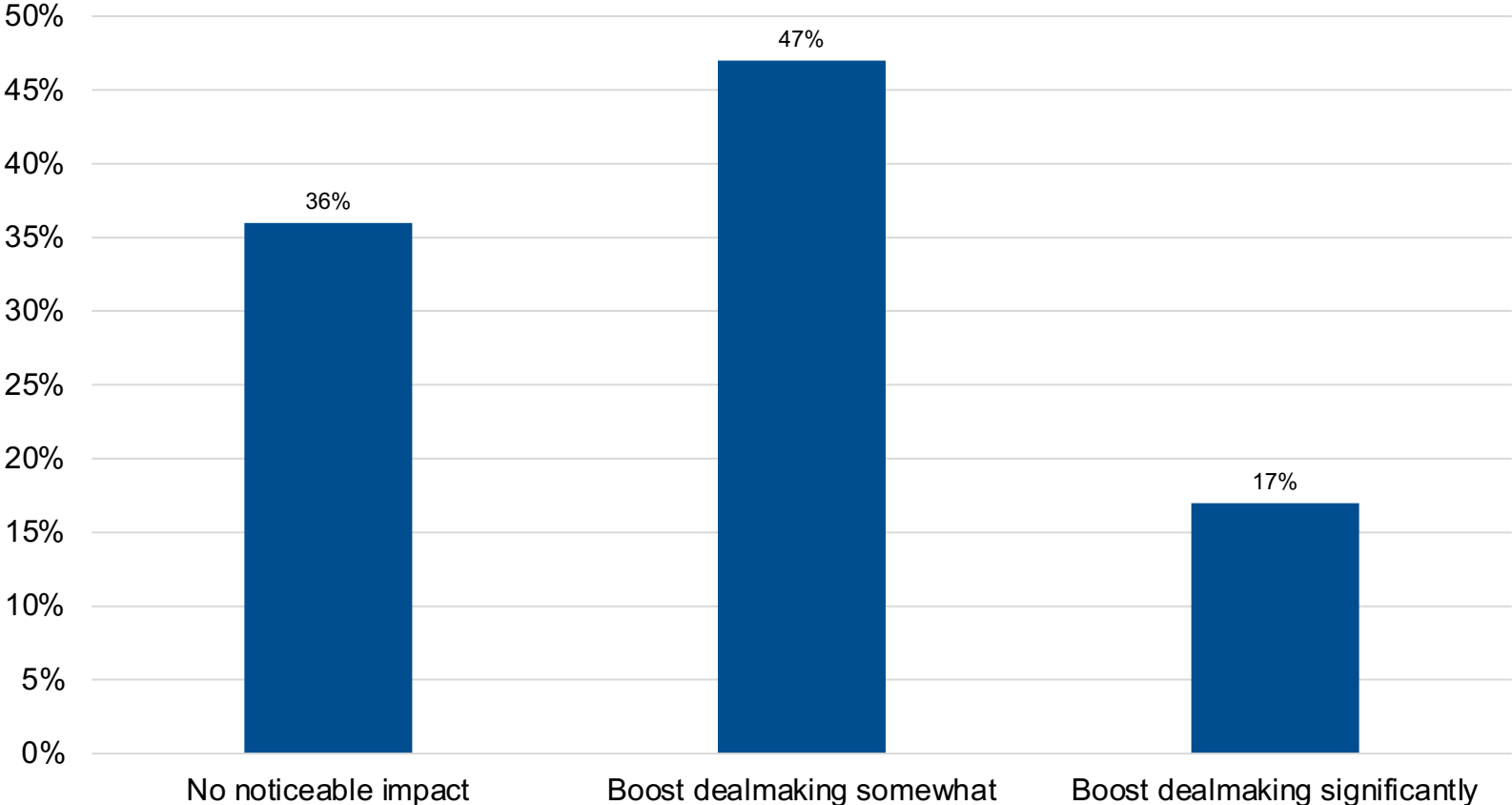
Which form of regulation do you find most challenging when doing a deal in Europe?

(Select the two most important, 1 = most important, 2 = second most important)



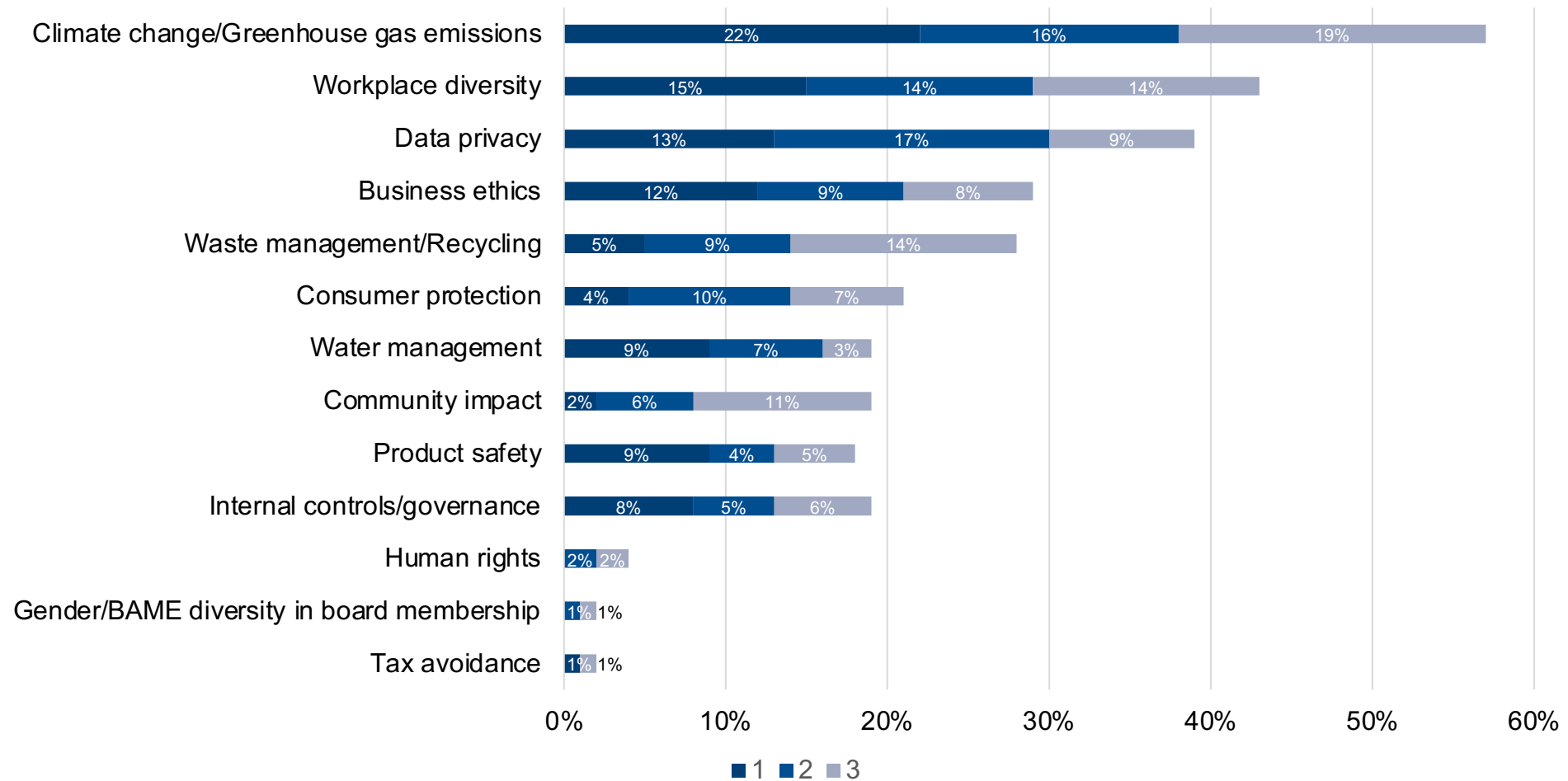
To what extent do you believe ESG and climate change-related regulation in Europe will provide a spur to M&A activity or otherwise impede dealmaking in the region?

(Select one)



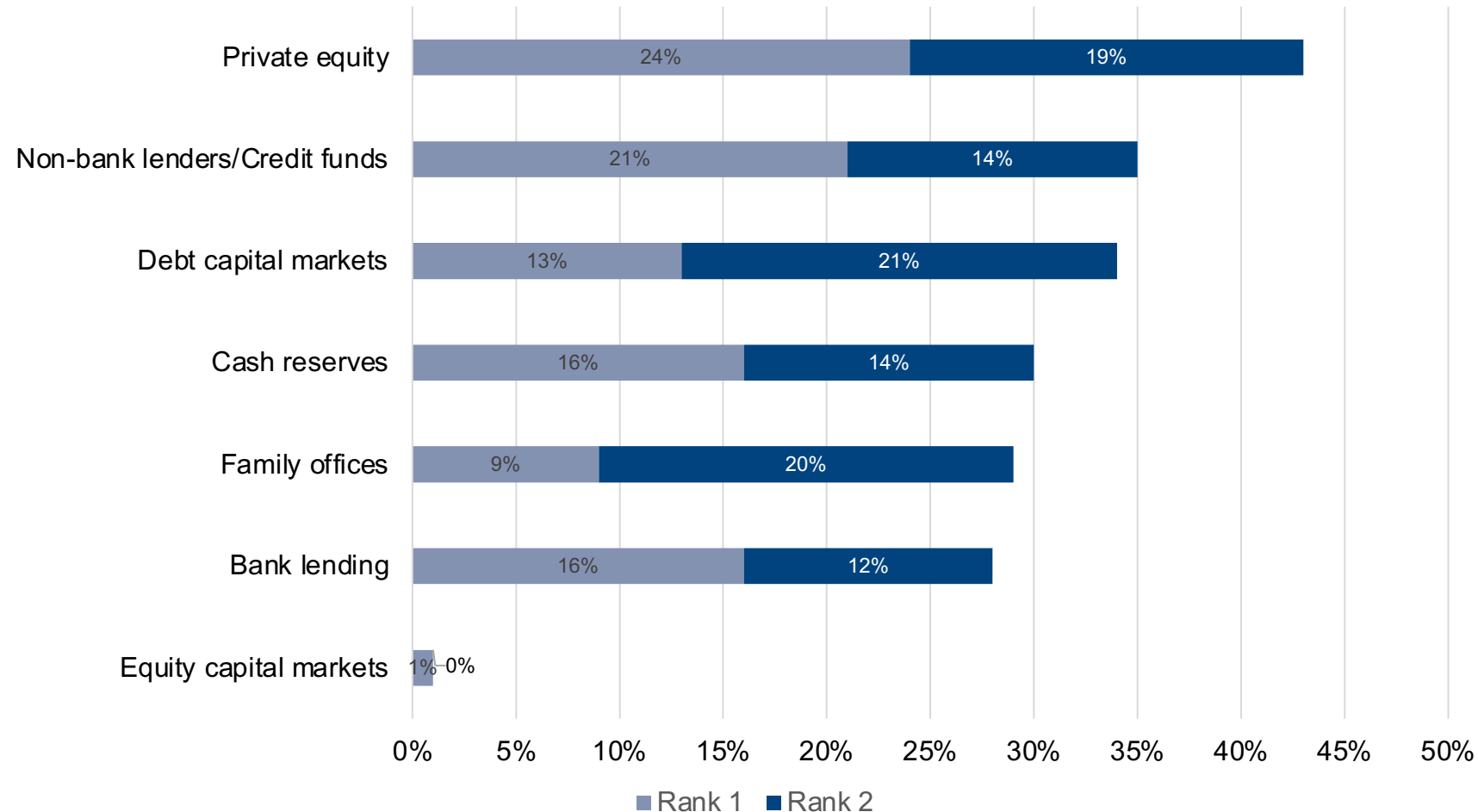
Which ESG issues are most important to your organisation and your current investor base?

(Select top three and rank 1-2-3, where 1 = most important)



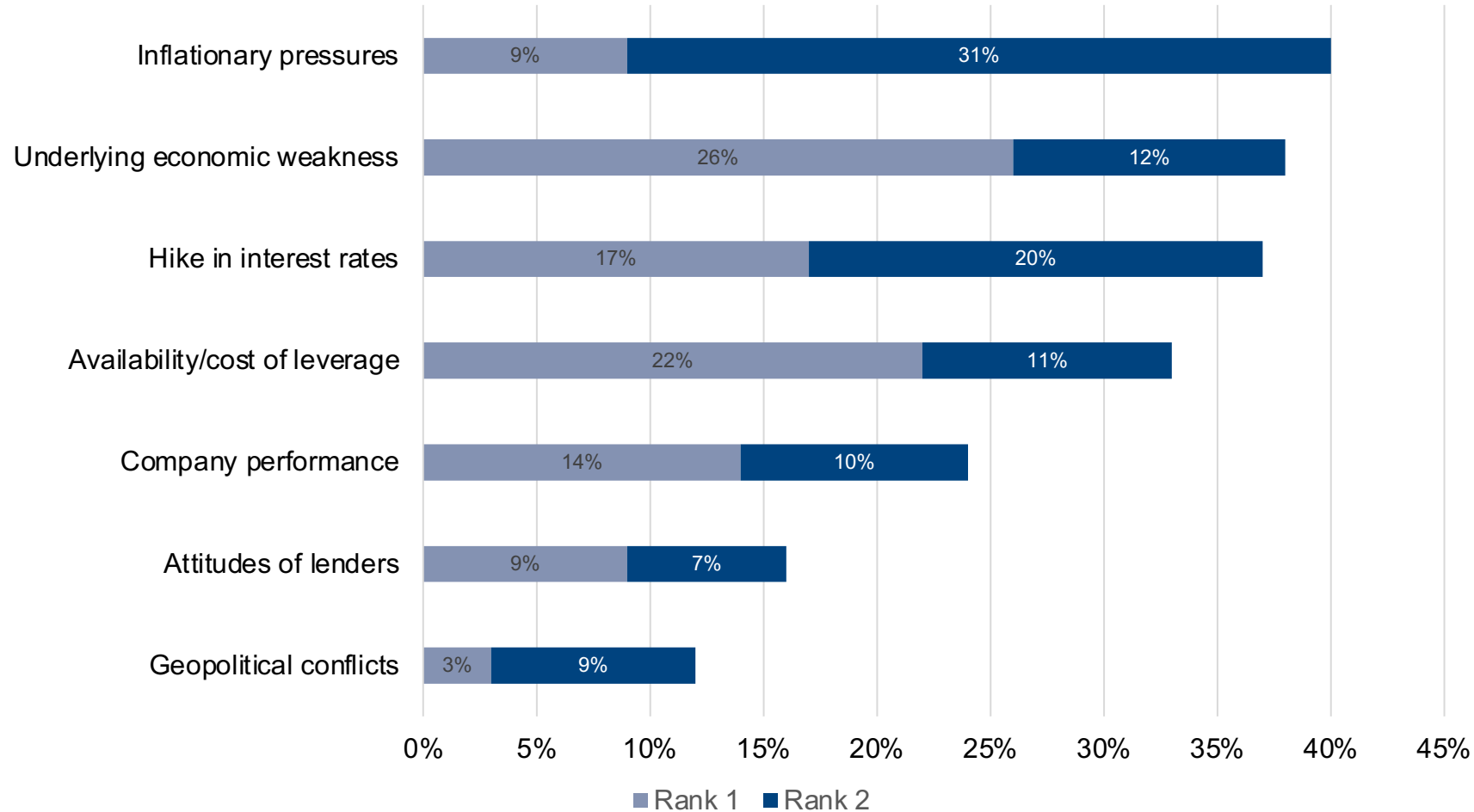
What sources of financing do you think will be most available over the next 12 months?

(Please select the two most important, 1 = most important, 2 = second most important)



What do you view as the greatest challenge to financing acquisitions over the next 12 months?

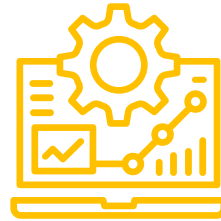
(Select the two most important, 1 = most important, 2 = second most important)



Conclusion



**TMT and sustainability
will drive dealmaking**



**Inbound investment
looks set to be strong**



**The growth of private
capital in Europe will keep
deals moving**



Questions & Answers

Thank you!