

## IMAP closes record high 294 M&A transactions worth over \$27 billion in 2021

**294**  
M&A  
transactions

**\$27bn+**  
transaction  
value

**30%**  
cross-border  
deals

IMAP closed an all time high 294 M&A transactions valued at over \$27 billion in 2021. The figure marked a significant jump up from the 212 transactions closed in 2020 and far surpassed the previous IMAP annual record of 230 transactions closed in 2019. A unique combination of low interest rates, aggressive investors flush with cash, pent-up buyer demand and high company valuations outweighed market disruptions caused by the pandemic. The pace of transaction activity intensified as the year progressed and 97 transactions were closed in Q4 alone, making it IMAP's strongest quarter ever.

Healthcare, Industrials, Technology, Business Services and Consumer & Retail were the most active sectors within IMAP in 2021, accounting for 60% of total deal volume. Ongoing digital transformation and evolving business models are driving convergence and deal activity across many of these sectors. Roughly 30% of IMAP's transactions were cross-border, which is consistent with previous years and reflects the organization's global nature. While the bulk of IMAP's deals involved a target company in either Western Europe or North America, significant deal flow was also registered in Scandinavia and in Central and Eastern Europe. Deal activity in Latin America and Africa was more subdued due to travel disruptions and limited investor appetite. About a quarter of IMAP transactions in 2021 involved Private Equity firms.

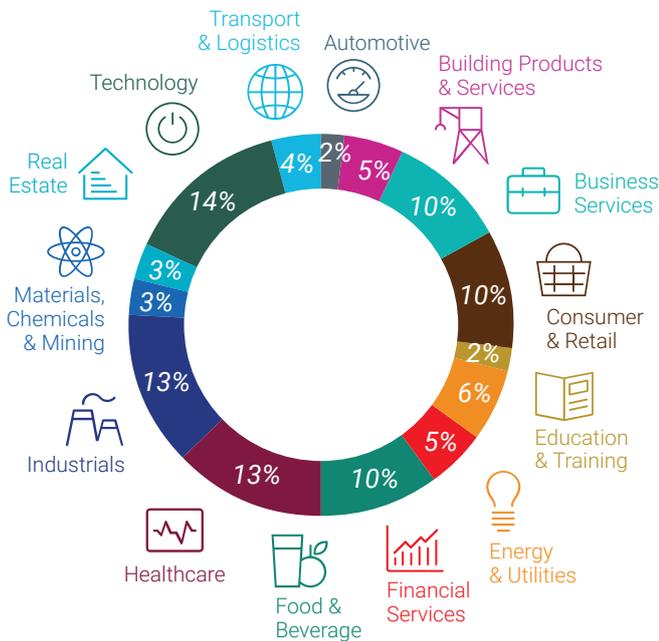
Jurgis Oniunas, IMAP Chairman, said: "2021 was a spectacular year for M&A activity and once again, IMAP's global team of advisors performed at the highest level. The record amount of deal activity is even more impressive considering the backdrop of a slowdown in China and persistent pandemic related challenges, including supply chain disruptions, staff shortages, and commodity and transportation inflation. Looking forward to the coming year, we already see an easing of energy and other commodity prices, whereas GDP growth across most of the world should continue higher, at least through the first quarter. Meanwhile, the trends driving mid-cap M&A in developed markets are firmly in place – an aging owner base, digital transformation, sector convergence – and look to continue for the foreseeable future."



**JURGIS V. ONIUNAS**  
IMAP Chairman

“*The trends driving mid-cap M&A in developed markets are firmly in place – an aging owner base, digital transformation, sector convergence – and look to continue for the foreseeable future.*”

## Deal Distribution by Sector



## Global Performance

Rank	Advisor
1	PwC
2	KPMG
3	Houlihan Lokey
4	Deloitte
5	Rothschild
6	EY
<b>7</b>	<b>IMAP</b>
8	Oaklins
9	JP Morgan
10	BDO

Ranking based on number of transactions closed between January and December 2021. Undisclosed values and values up to \$500 million. Source: Refinitiv and IMAP internal data.

## Customer testimonials from some of IMAP's deals

“We were pleased to experience the value of IMAP. They demonstrated a strong understanding of our business model and market dynamics. We enjoyed working together throughout the process and they helped us create a compelling equity story, which translated into finding the perfect moment for a successful deal.”

Jan de Bruijn  
CEO, and Erwin Ruder, CFO, CSI Industries

“IMAP brought this acquisition to our attention and initiated the transaction. After we experienced IMAP on the sell side at datac, they provided us with excellent advice on the process, including tactical aspects of the acquisition.”

Arne Thull  
Head of Investor Relations and M&A, q.beyond

“We are very pleased to have found a financially strong and experienced partner in Elvaston, who will successfully continue the strong growth story of GDI. We would like to thank the IMAP team for their professional preparation and advice, which made this future-proof solution possible.”

Marc Zausig  
Shareholder and Managing Director, GDI

“We have been successfully cooperating with IMAP in the Czech Republic for 24 years. Our relationship today is based on trust and reliability. Overall, I appreciate the professionalism of the IMAP team, which throughout the entire period of our mutual cooperation positively reflected in the results of our business transactions.”

Robert Zatloukal  
CEO, PROMENS ZLIN

“The cooperation with IMAP has been a very beneficial experience for us; they have guided us through the whole process in a very open and supporting way. I have been impressed by their extremely professional and very flexible approach, which ensured the best end- result for all parties involved. Their perseverance, personal involvement and deal creativity provided an extra dimension, enabling us to close this transaction successfully. I am extremely grateful to them.”

Len de Jong  
CEO, Enraf-Nonius

## IMAP Partner Local M&A Insights

### USA

Middle market transaction volume and purchase price multiples soared in 2021, and at Capstone Partners we saw this firsthand with the firm closing more deals than ever before in our near 20-year history. 2021 will be hard to beat due to the dynamic dealmaking environment and pent-up buyer demand, which caused an explosion of M&A activity as private equity and strategic buyers made up for the 12-14 months of dealmaking that was lost due to COVID.

*2021 will be hard to beat due to the dynamic dealmaking environment*

Inflation is a key area to monitor as we move into 2022 after it hit a 39-year high in the United States in November. Supply chain disruptions, together with a strong resurgence in consumer demand and labor shortages, have driven prices north. Business owners are now citing input prices as the greatest challenge to their company, replacing materials availability as the leading supply chain issue in Capstone Partners' Quarterly Middle Market Business Owners' Survey.

We also saw CEO confidence in the economy decline, as new COVID-19 variants dampen the outlook for recovery and the U.S. Federal Reserve pulls back on its bond-buying program which helped provide liquidity and pushed cash into the financial markets during the height of the pandemic. While supply chain challenges and inflationary pressures are expected to remain in the near term, we still anticipate healthy deal activity in 2022 as valuations remain favorable and buyers free up capacity to explore acquisitions.



**Sarah Doherty**  
Capstone Partners - IMAP USA

### CANADA



Businesses across nearly all sectors are garnering considerable buyer interest; however, businesses with ESG attributes are garnering more buyer interest than those with exposure to the energy sector.

*Businesses with ESG attributes are garnering more buyer interest*

Deal activity is anticipated to remain very strong given low interest rates, high public company valuations and record levels of private equity dry powder.



**Nick Bester**  
Capital West Partners - IMAP Canada

### BRAZIL

The M&A environment in Brazil continues to be highly positive with several transactions in the final stages of due diligence or definitive negotiation, though some may slip to Q1 2022.

*Transactions involving local strategic buyers and private equity funds are likely to increase*

In principle, M&A activity should remain strong in 2022. However, as the presidential elections approach the percentage of transactions involving international buyers is likely to decline while the percentage of transactions involving local strategic buyers and private equity funds is likely to increase.



**Marcio Fiuza**  
Brasilpar - IMAP Brazil

### COLOMBIA



2021 is ending on a positive note and we are seeing a strong economic recovery, along with a dynamic M&A market in Colombia and LATAM.

*Next year we expect the M&A market to perform well*

Despite the challenging political situation in the region, next year we expect the M&A market to perform well and to see a high level of activity across many of the sectors, including Energy, Infrastructure, Logistics, and Consumer Goods, amongst others.



**Mauricio Saldarriaga**  
Inverlink SA - IMAP Colombia

## GERMANY



2021 was a very active and dynamic year for IMAP Germany. With more than 25 transactions closed, we even exceeded our expectations. We served almost all sectors, with a third of our deals in the Technology sector (especially in growth opportunities) and a third in Industrials, where we successfully resolved pandemic-related special situations. Players are largely accustomed to the “new normal”, and management meetings, expert rounds or SPA negotiations often take place via video conferences, which has increased efficiency.

*We expect above average activity for sectors that emerged stronger from the COVID crisis*

In 2022 we expect this high level of transaction activity to continue, along with attractive valuation levels. Overall, we are very optimistic for the year ahead which we enter with a strong pipeline and numerous leads. We expect above average activity for those sectors that have emerged stronger from the COVID crisis. For example, high-growth sectors such as Healthcare, Medical Technology, Biotechnology, Software, IT services, Technology or E-commerce will continue to see strategically motivated, highly valued deals.

Cyclical Industrial sectors and Retail may see more distressed deals. We also expect an increase in M&A in the Automotive supplier industry, which has come under immense pressure.

For IMAP Germany, expanding and strengthening our personnel capacities remains a central management task.



**Henning Graw**  
IMAP Germany

## FRANCE

Following a shutdown in activity during the first lock down in spring 2020, the French economy has recovered in 2021 with a GDP growth of 6.7% (vs. -8.0% in 2020). Consumption was the main driver, along with foreign trade, as the return, whilst partial, of international tourism has encouraged the dynamism of exports. The unemployment rate has also seen a strong decrease, at 7.8% in Q4 2021 (vs. 9.5% in 2017).

M&A activity began again in 2021 after a poor 2020, encouraged by the economic players’ confidence in the economic climate, which even the threat of the “delta” variant hasn’t yet succeeded in reducing. This confidence was fueled by the strong stock market performance, along with the mountains of liquidity available to finance buyer’s ambitions – be it debt or capital.

*Only a tightening of monetary policy could possibly deteriorate the situation*

Private equity players have been particularly active, relying on high levels of dry powder among financial sponsors and the ever-growing appetite for direct investment from a growing fringe of their subscribers. Between January to mid-July 2021, 170 LBO transactions were announced on French companies – as many as during the whole of 2020.

The economy is forecast to continue to perform well in 2022 unless the COVID-19 epidemic gets out of control or the presidential election brings an extremist candidate to power (April 2022), though Emmanuel Macron remains the favorite for re-election. Therefore, despite these threats, we expect M&A activity to remain at a sustainable level in 2022 and only a tightening of monetary policy could possibly deteriorate the situation.



**Cyril Kammoun**  
Degroof Petercam - IMAP France



## NETHERLANDS



We see abundant capital especially from Private Equity and interest rates are low, meaning there is a lot of liquidity. The outbreak of COVID-19 initially caused the market to pause, with many transactions going on hold. But starting in the second half of 2020, we witnessed a growth spurt which continues to this day. Money that was not spent before is now being invested.

*Many PE exits have been initiated, and many entrepreneurs are preparing for the next phase*

In addition, many PE exits have been initiated, and many entrepreneurs are preparing for the next phase. Normally we would expect the M&A market to remain hot in 2022 as well. However, supply chain disruptions, increased oil and gas prices and labor shortages resulted in high inflation. Interest rates are likely to rise, and the market will become more volatile. Therefore, the impact on the M&A market is difficult to predict.



**Axel Fuhri Snethlage**  
IMAP Netherlands

## ITALY



The Italian M&A market has been very dynamic in 2021 with large corporates and private equity funds actively pursuing acquisitions across many industries. We have seen strong investor appetite for assets in Healthcare, Technology, Infrastructure, Food & Beverage, and Industrials, although growth and results are being affected by logistics and procurement difficulties, as well as the sharp increase in the price of freight, raw materials, and components.

*Growth and results are being affected by logistics and procurement difficulties*

We expect this momentum to last at least into 1H2022, driven by the improved fundamentals of many companies, large amount of funds raised by private equity funds and the availability of cheap financing.



**Riccardo Martinelli**  
Vitale & Co. - IMAP Italy

## IRELAND & UK

2021 has been a very strong year for M&A activity in the Irish market. There has been a steady flow of transactions throughout 2021 with that trend continuing at pace through December. The influx of buyers from across Europe and the US in search of attractive opportunities at competitive multiples has been a key driver of inbound interest.

We have also seen sectoral trends, such as logistics and customs support, booming in the wake of Brexit, as Ireland and Europe adjust to the new normal and buyers recognise the opportunities this transition presents. We are aware of a large number of deals in the market late in Q4 and would expect this to continue into H1 2022 with a very healthy pipeline of deals across the market.

*Private equity investors continue to be aggressive*

In the UK, M&A appetite remained very high throughout 2021, surpassing many expectations despite a backdrop of COVID-19 challenges, supply chain disruptions, and wider economic concerns. Private equity investors continue to be aggressive in their search for attractive investment opportunities, while strategic acquirers remain keen to future-proof and further strengthen their capabilities through targeted acquisitions. This trend played out across most sectors, particularly in TMT and Healthcare. Going into 2022, the focus will be on the macro environment (inflation, interest rate rises, etc.) for large-cap M&A deals, but there is consensus that mid-market M&A and investment activity will continue to be high on the agenda.



**Richard Tunney**  
Key Capital - IMAP Ireland



## CHINA

As a result of the market cooling down following the 2016 peak, regulatory changes, and the effects of COVID, transactions with Chinese investors in Germany were at a 5-year low in 2021. However, China remains an important potential buyer group in our sell-side projects for target sectors such as Renewable Energies, Healthcare, Smart Manufacturing, and Environmental Technologies.

### *China remains an important potential buyer*

We don't expect a significant increase in outbound M&A transactions from China in 2022 because of China's continuous zero-COVID policy, which dragged down its economy growth, together with the trend of rising financing costs globally, and other factors. However, other activities such as inbound M&A transactions in China, greenfield investments, and Joint Ventures with Chinese counterparts involved have seen a higher level of activity, adding diversity to potential transactions.



**Tinglian Jiang**  
IMAP Germany



## JAPAN



Driven by changing attitudes and economic priorities, Japan's M&A market has recovered strongly from the COVID-19 pandemic this year, with both outbound and inbound investment gathering pace. Policy direction set by the new Prime Minister, Fumio Kishida, is expected to accelerate structural reform on multiple fronts to promote innovation, digital transformation (DX), and carbon neutral efforts.

### *Economic and governmental policies will be key drivers for M&A*

Economic and governmental policies will be key drivers for M&A across all industries in Japan in 2022 - the Lunar Year of the Tiger, a symbol of an animal that is strong in the face of adversity and never backs down from a challenge.



**Tomoyuki Izumi**  
Pinnacle Inc. - IMAP Japan

## INDIA

In Q4 2021, we saw a good rush and successful completion of a large number of IPOs in the Indian market, with Healthcare, Technology, E-commerce, and Sustainability driving investor appetite and premium valuations. These large ticket IPOs also mean that capital raised and stock as currency will drive the consolidation of the smaller companies in the sector in the coming two years.

### *The Technology sector is seeing increased consolidation*

The commodities are cooling off and industrial production and consumer demand are tapering off as COVID threats brought back restrictions. Inflation is top on the agenda and the central bank is likely to tighten up liquidity and interest rates.

M&A activity will remain buoyant, driven by consolidation in Industrials. Regarding 'build vs buy', buy remains in favor to avoid the gestation period of fresh investments and volatile demand patterns. Banking liquidity is high and the Technology sector is seeing increased consolidation due to heightened manpower costs and talent retention issues.



**Ashutosh Maheshvari**  
IMAP India



## Selected Q4 Transactions

<p><b>ENERGY &amp; UTILITIES</b></p>   <p>NETHERLANDS</p> <p>Acquired 100% of Business Operations</p>  <p>NETHERLANDS</p> <p>IMAP</p> <p>ADVISED ON SALE OF COMPANY</p>	<p><b>INDUSTRIALS</b></p>   <p>SWITZERLAND</p> <p>Acquired 100% of Business Operations</p>  <p>UNITED STATES</p> <p>IMAP</p> <p>ADVISED ON SALE OF COMPANY</p>	<p><b>FOOD &amp; BEVERAGE</b></p>   <p>ITALY</p> <p>Acquired Investment Interest in Seller's Business</p>  <p>ITALY</p> <p>IMAP</p> <p>ADVISED ON SALE OF COMPANY</p>
<p><b>INDUSTRIALS</b></p>   <p>GERMANY</p> <p>Acquired Majority Control of Business Operations</p>  <p>GERMANY</p> <p>IMAP</p> <p>ADVISED ON SALE OF COMPANY</p>	<p><b>FOOD &amp; BEVERAGE</b></p>   <p>FRANCE</p> <p>Acquired Majority Control of Business Operations</p>  <p>GERMANY</p> <p>IMAP</p> <p>ADVISED ON PURCHASE OF COMPANY</p>	<p><b>TRANSPORT &amp; LOGISTICS</b></p>   <p>GERMANY</p> <p>Acquired 100% of Business Operations</p>  <p>HUNGARY</p> <p>IMAP</p> <p>ADVISED ON PURCHASE OF COMPANY</p>
<p><b>TECHNOLOGY</b></p>   <p>FRANCE</p> <p>Acquired 100% of Business Operations</p>  <p>FRANCE</p> <p>IMAP</p> <p>ADVISED ON SALE OF COMPANY</p>	<p><b>ENERGY &amp; UTILITIES</b></p>   <p>DOMINICAN REPUBLIC</p> <p>Acquired 100% of Business Operations</p>  <p>COLOMBIA</p> <p>IMAP</p> <p>ADVISED ON PURCHASE OF COMPANY</p>	<p><b>FINANCIAL SERVICES</b></p>   <p>SOUTH AFRICA</p> <p>Acquired 100% of Business Operations</p>  <p>NIGERIA</p> <p>IMAP</p> <p>ADVISED ON SALE OF COMPANY</p>