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# Striking Patterns and Trends Impacting Global M&A

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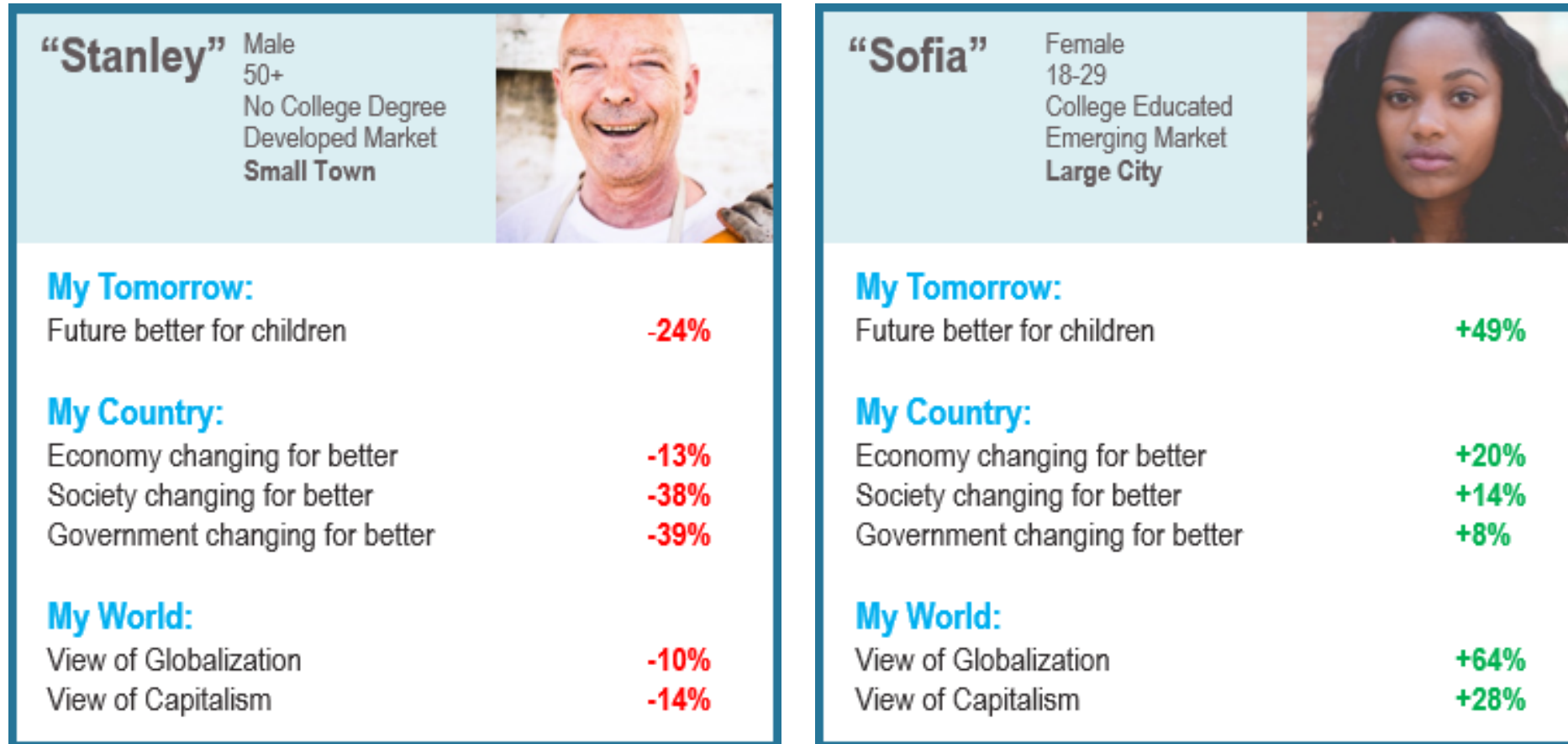
The convergence of business, society & politics has created a more complex environment than ever for deal makers

Financial

Social

Political

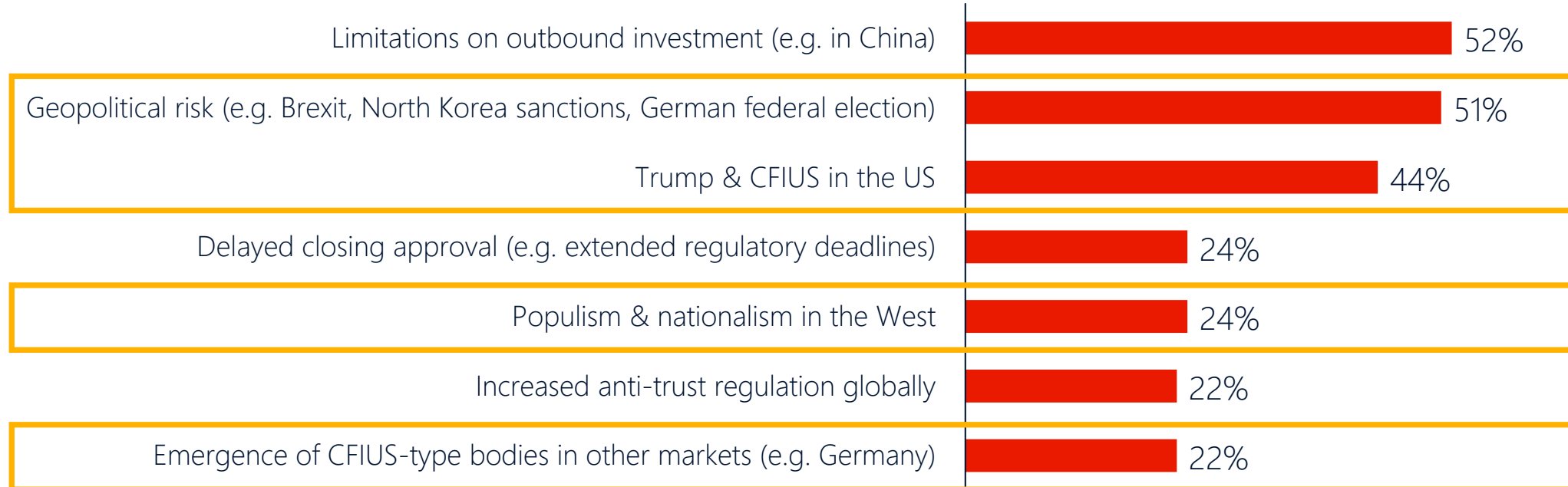
# Fragmented societies



Source: Perspectives Research, General Public in 26 markets

# M&A advisors see increased complexity

## Greatest negative impact factors on cross-border deals (next 12 months)



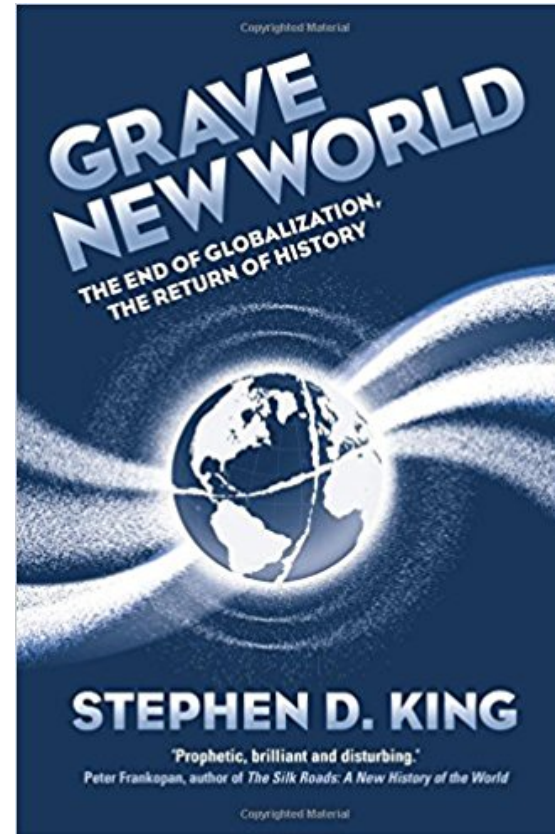
**Source:** Brunswick survey of global M&A advisors

A political cartoon depicting a wall being built between the United States and the United Kingdom. On the left, a hand in a blue suit and yellow glove holds a trowel and a brick, with a red cap labeled 'AMERICA' nearby. On the right, a man in a dark suit and white shirt is shown from the back, holding a large mallet. The wall is constructed from red and white bricks, with a section of the American flag visible on the left. A semi-transparent white box with a purple border contains text in the center. A purple circle with the number '2' is on the left side of the box. The background is a clear blue sky.

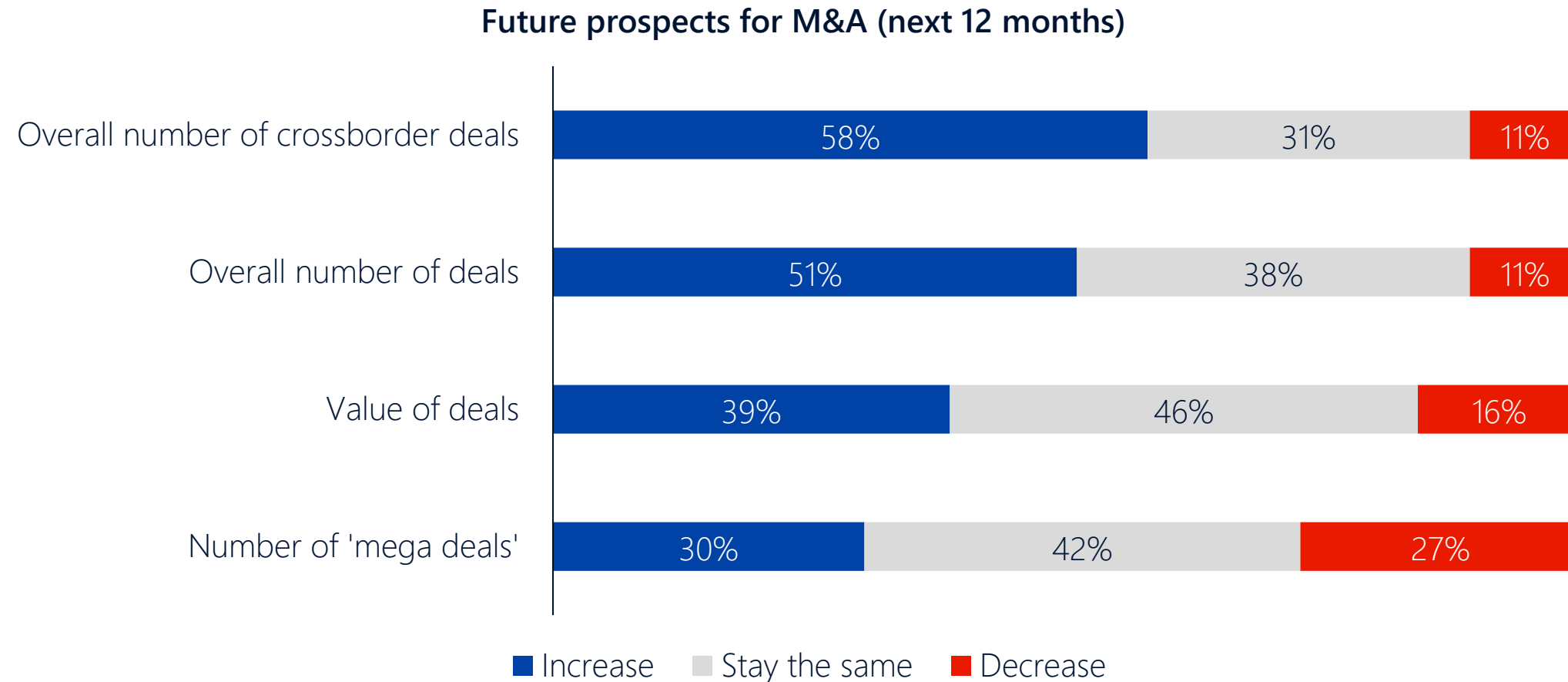
2

Cross border M&A is challenging the notion that 'globalisation is dead'

# Globalisation in Crisis?



# Majority of advisors expect cross-border M&A to increase



**Source:** Brunswick survey of global M&A advisors



## Cross-border M&A rises as trade barriers increase

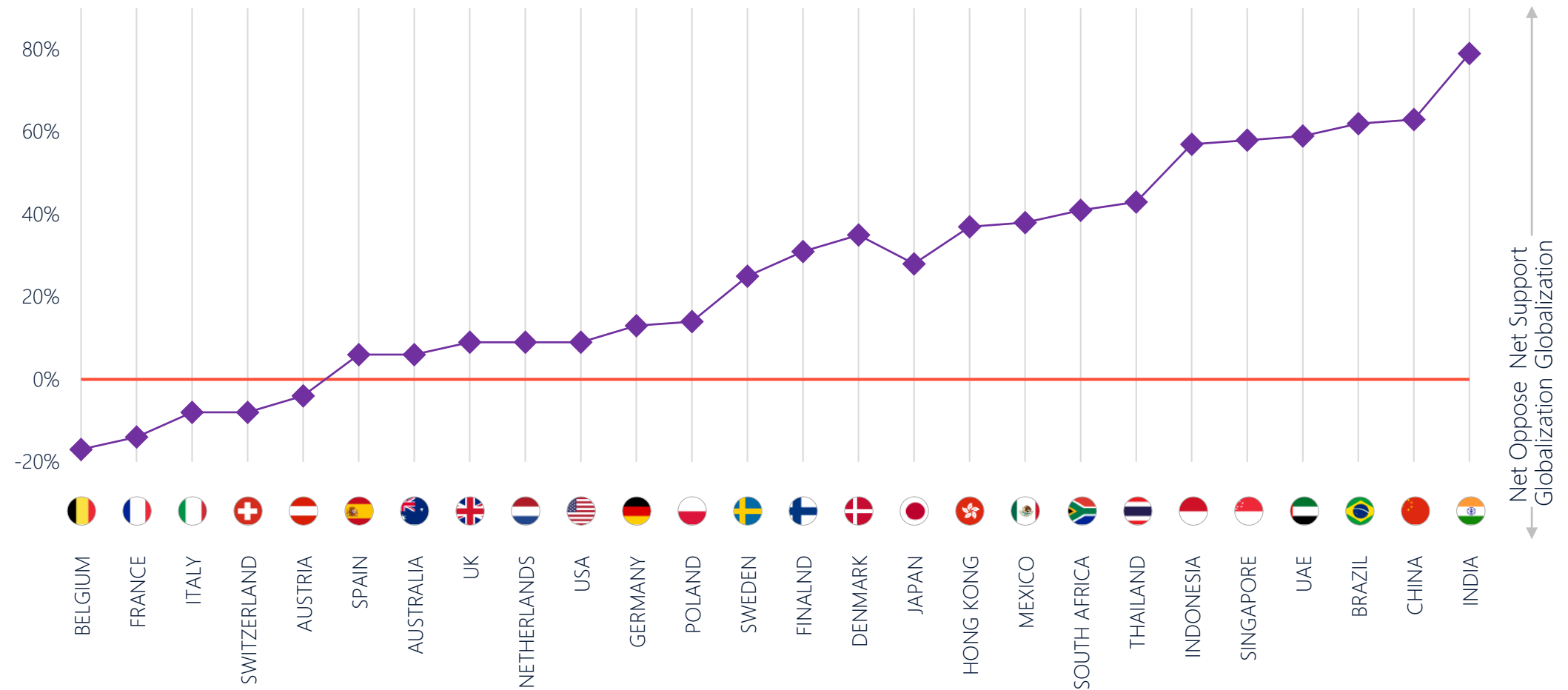


Source: Thomson Reuters, WTO: PwC analysis



# Views of globalisation: West vs. The Rest

Net Support for Globalization



Source: Perspectives Research, General Public in 26 markets

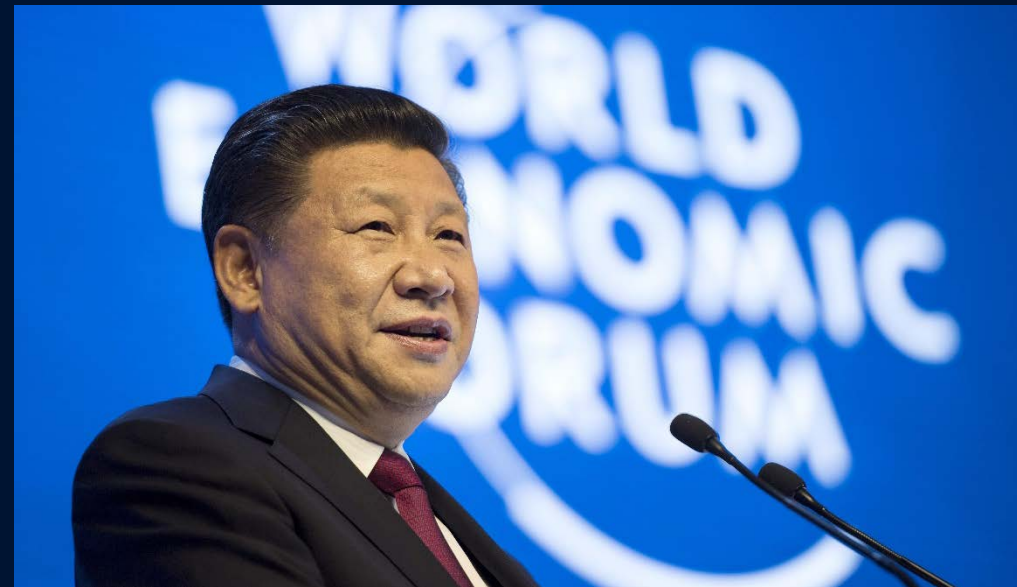


From this day forward, it's going to be **only America first**... We must protect our borders from the ravages of other countries making our products, stealing our companies, and destroying our jobs.

Donald Trump at 2017 Presidential Inauguration

“ We must remain committed to developing global free trade and investment, promote trade and investment liberalization and facilitation through opening-up and **say no to protectionism.**

- Xi Jinping at Davos, 2017



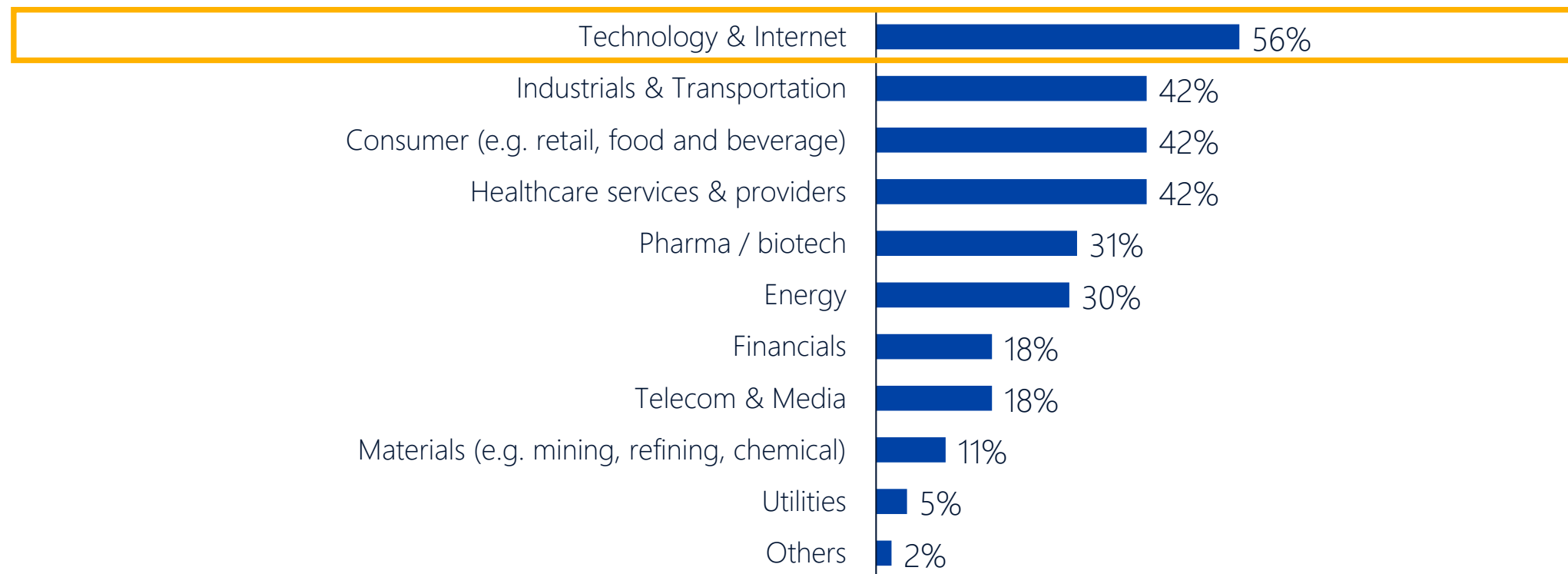
The background is a dark blue grid with glowing white and light blue circuit-like lines. A bright blue node is visible in the upper left, with lines radiating from it. The overall aesthetic is futuristic and technological.

3

Technology will drive cross-border M&A in spite of growing concerns & regulatory barriers

# Tech M&A to lead the way

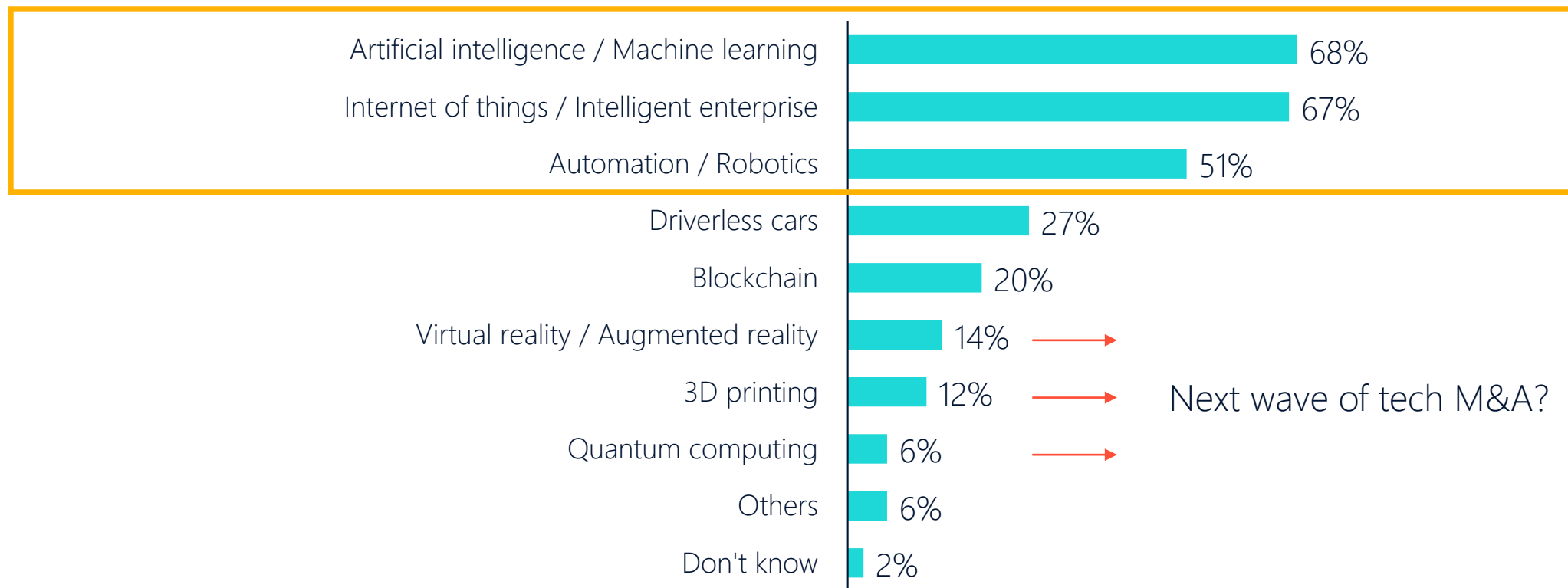
## Most active sectors for cross-border M&A (next 12 months)



**Source:** Brunswick survey of global M&A advisors

# Developed tech areas prime for M&A

## Most active M&A areas within tech (next 12 months)



**Source:** Brunswick survey of global M&A advisors

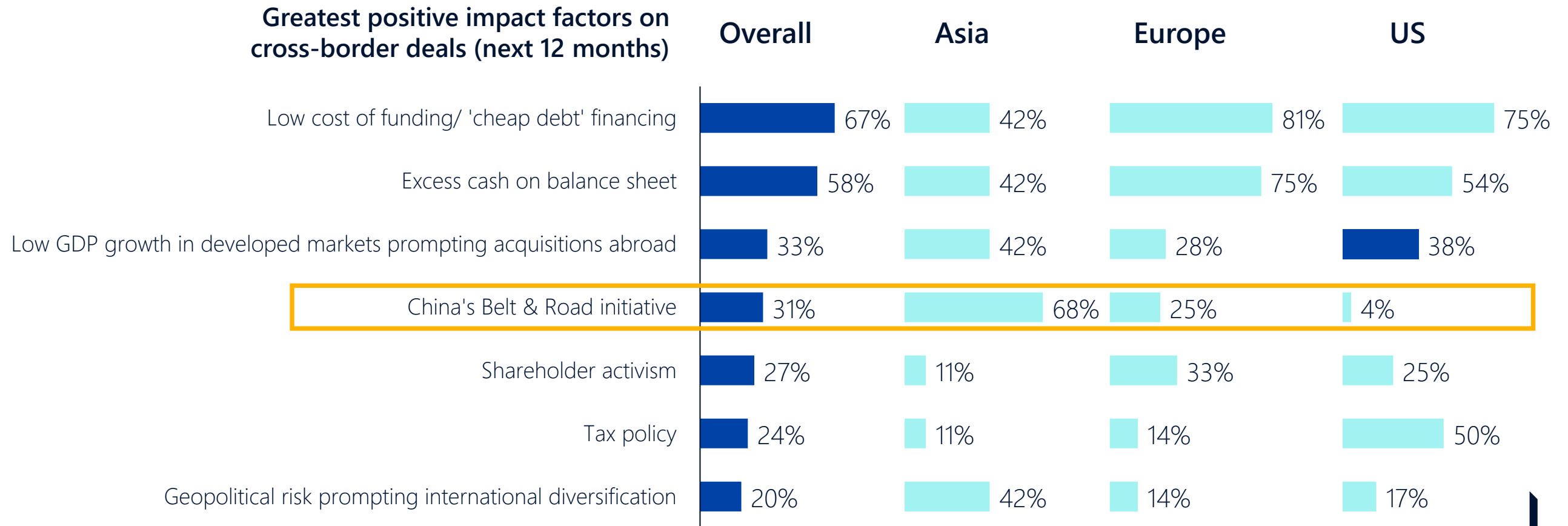


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China expected to lead global cross-border M&A  
in year ahead in spite of curbs on capital outflows



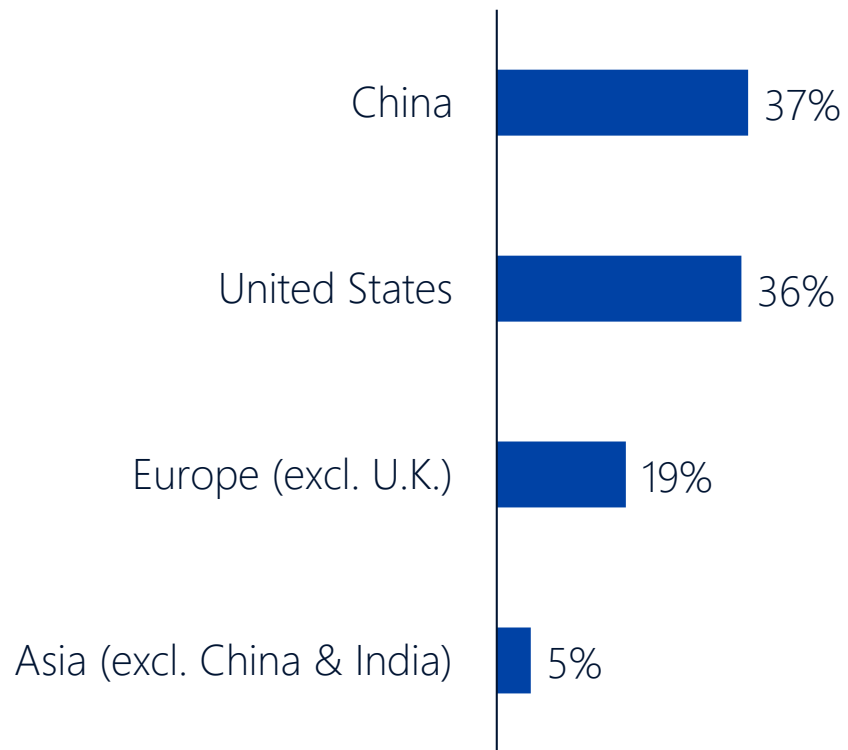
# 'One Belt One Road' to drive global M&A in year ahead



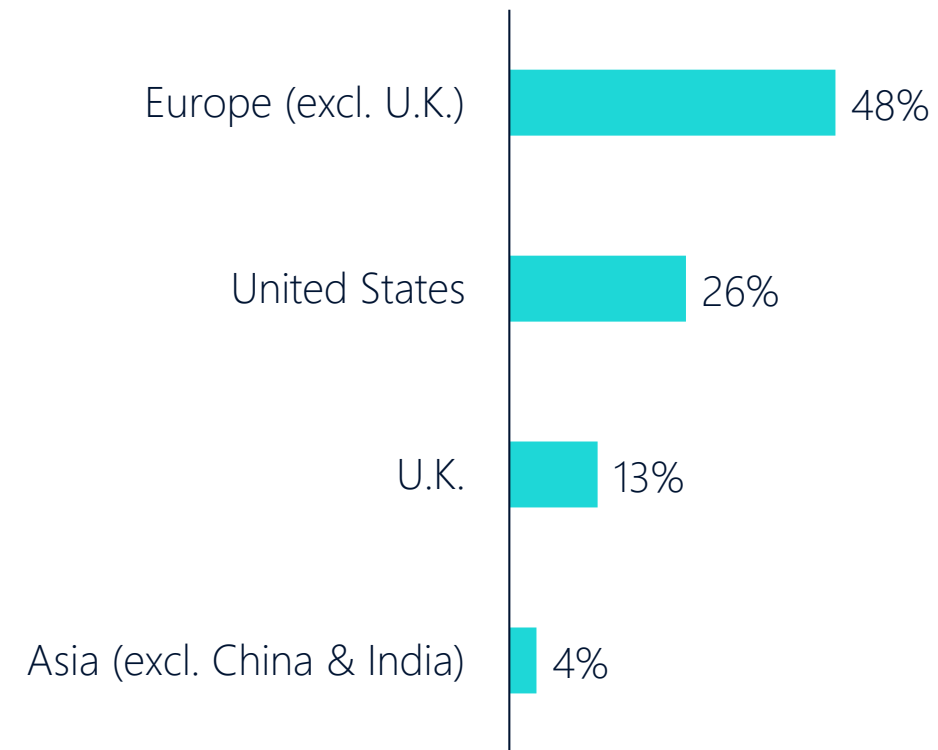
**Source:** Brunswick survey of global M&A advisors

# China to lead global M&A in year ahead, level with US

Most active country or region in buying overseas assets (next 12 months)



Most active country or region in selling assets (next 12 months)



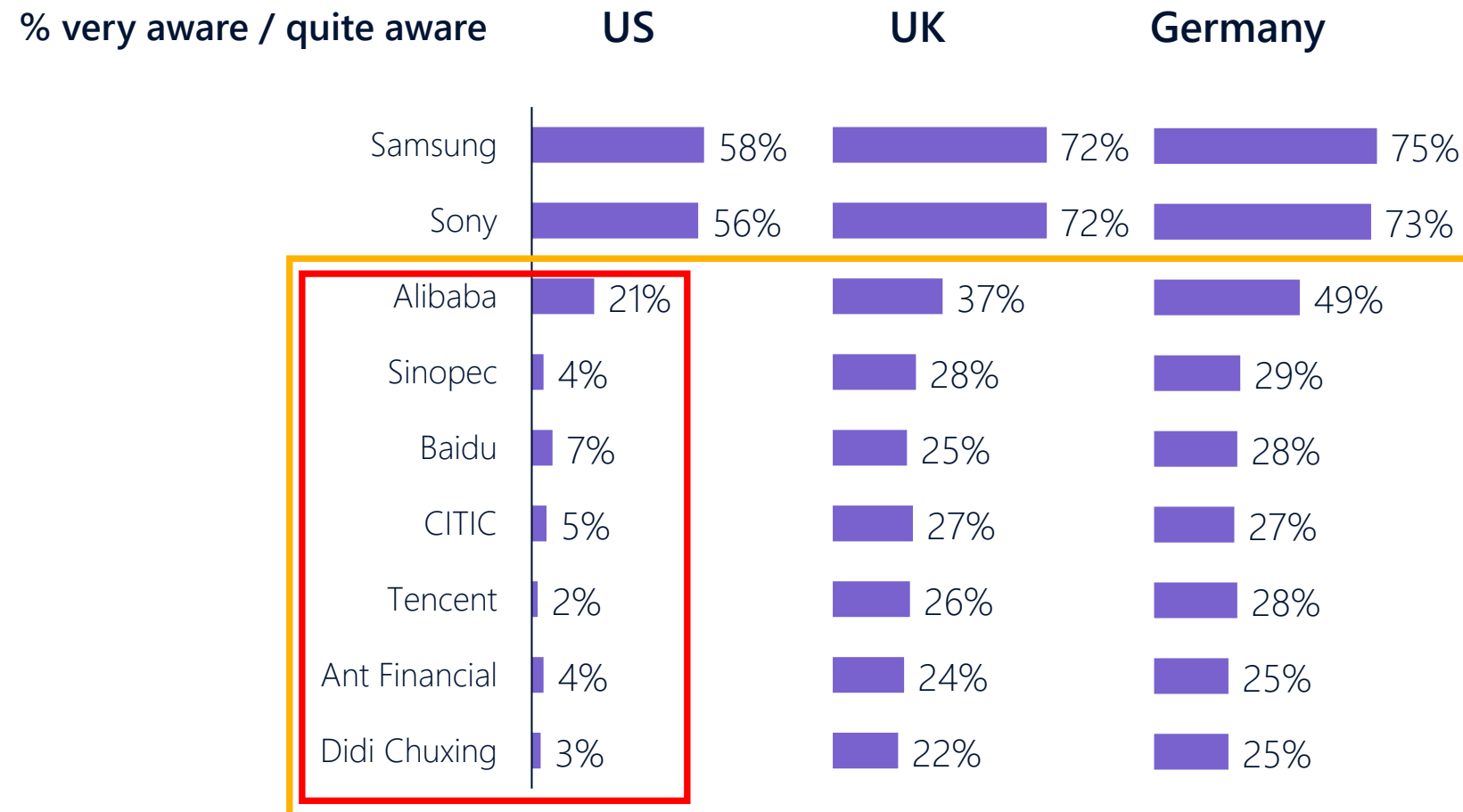
**Source:** Brunswick survey of global M&A advisors

A giant panda is shown from the chest up, holding a fan of playing cards. The panda has white fur with black patches around its eyes, ears, and limbs. It is looking directly at the camera with a neutral expression. The cards are red and white, with some showing a blue paw print logo. The background is a plain, light-colored wall.

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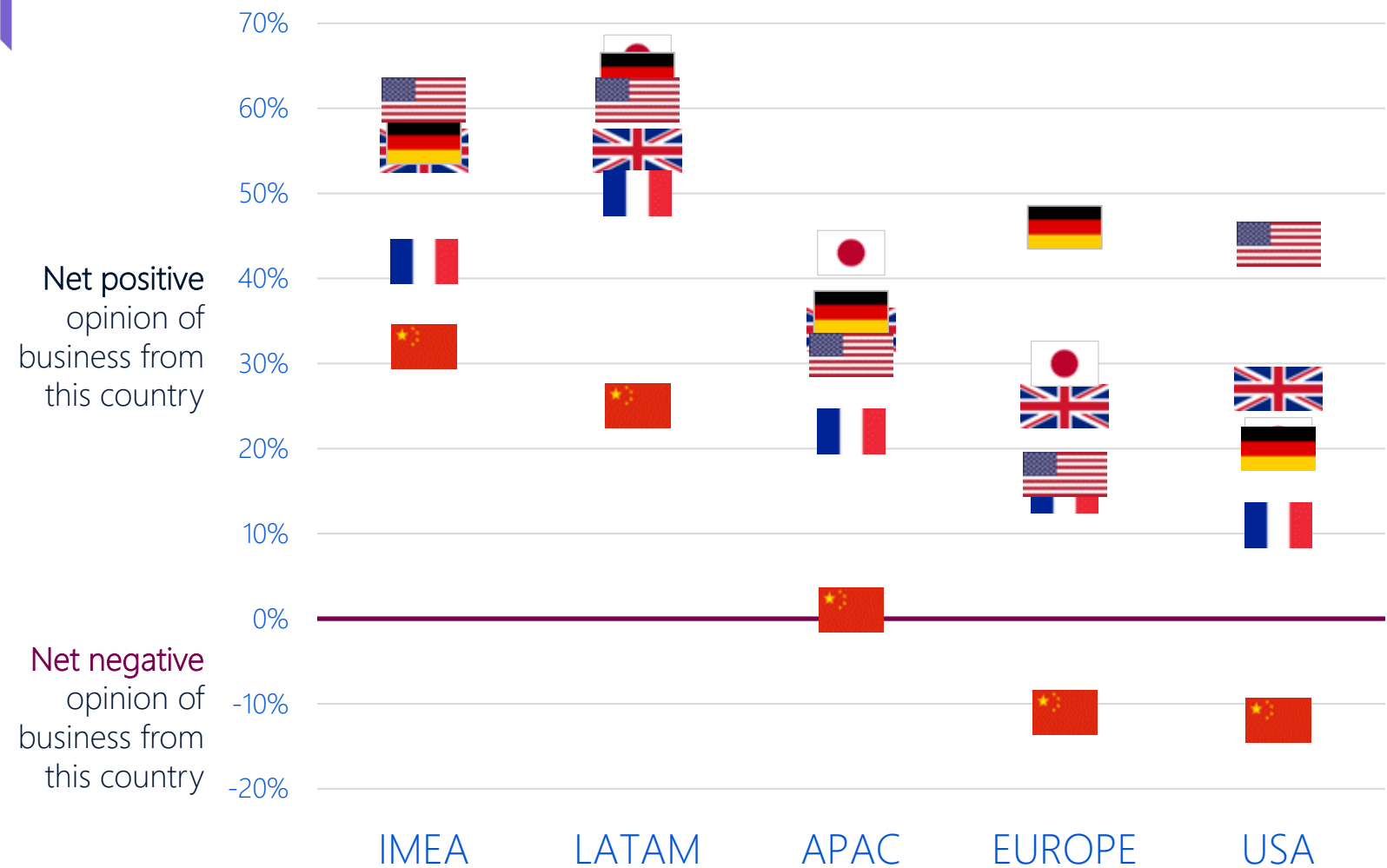
Low awareness & negative perceptions about China Inc. create a significant barrier for Chinese acquirers

# Low awareness of Chinese corporates



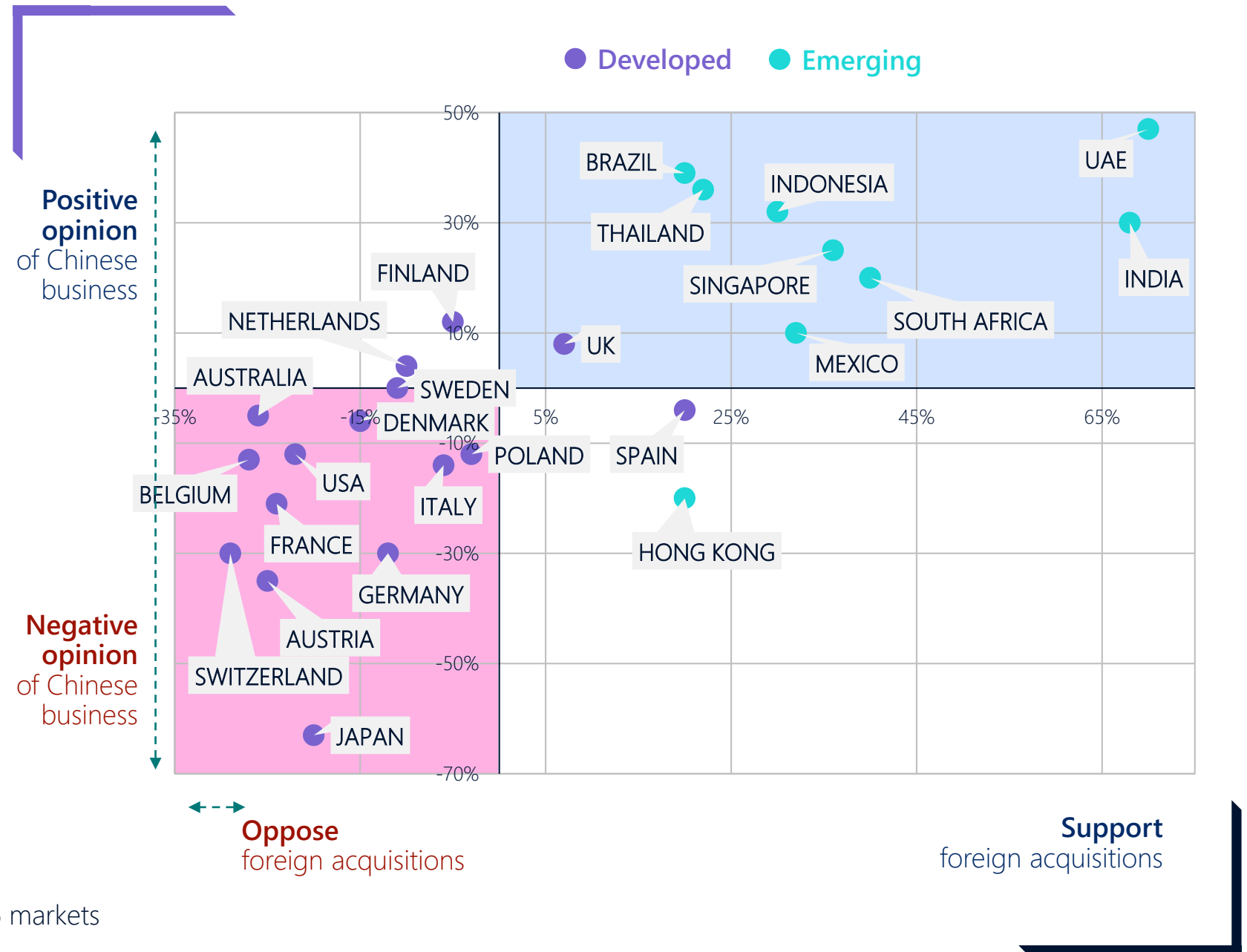
**Source:** Brunswick survey of Opinion Elites in US, UK & Germany

Perceptions of China Inc.  
consistently lower than  
perceptions of  
companies from other  
countries



Source: Perspectives Research, General Public in 26 markets

Europe, US and other developed markets pose higher risk of public backlash to inbound Chinese deals



Source: Perspectives Research, General Public in 26 markets

# Lack of trust impacts on **regulatory approval**

## Impact of China's image & reputation on Chinese corporates' overseas deals



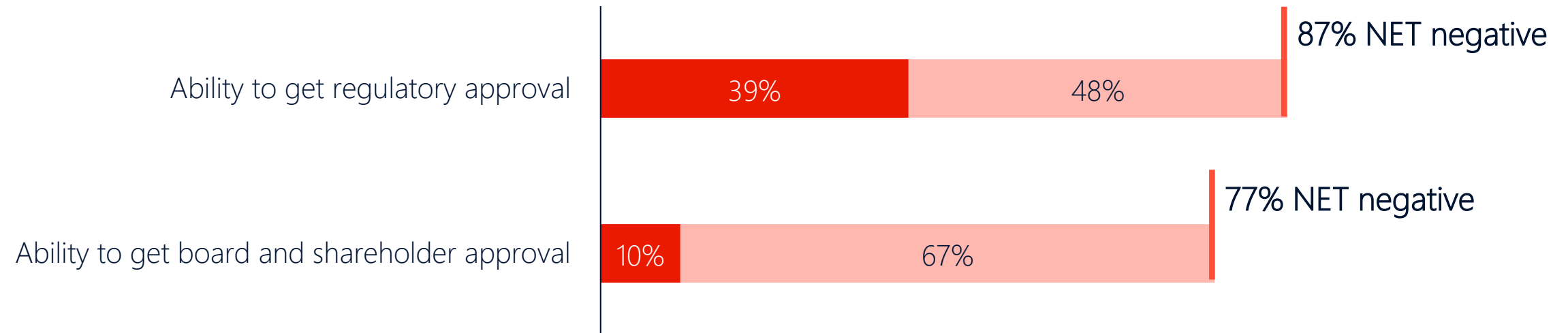
■ Significant negative impact ■ Somewhat negative impact ■ No impact ■ Somewhat positive impact ■ Significant positive impact

**Source:** Brunswick survey of global M&A advisors



# Lack of trust impacts on **shareholder approval**

## Impact of China's image & reputation on Chinese corporates' overseas deals

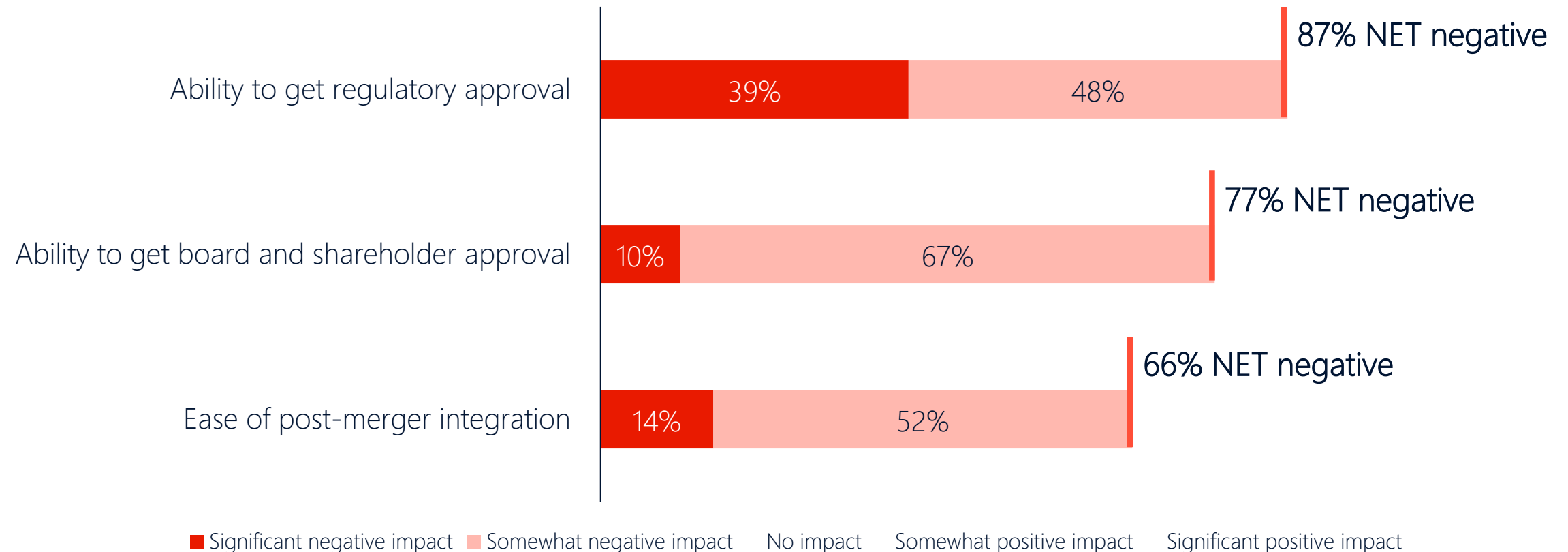


■ Significant negative impact ■ Somewhat negative impact ■ No impact ■ Somewhat positive impact ■ Significant positive impact

**Source:** Brunswick survey of global M&A advisors

# Lack of trust impacts on **ease of post-merger integration**

## Impact of China's image & reputation on Chinese corporates' overseas deals



**Source:** Brunswick survey of global M&A advisors

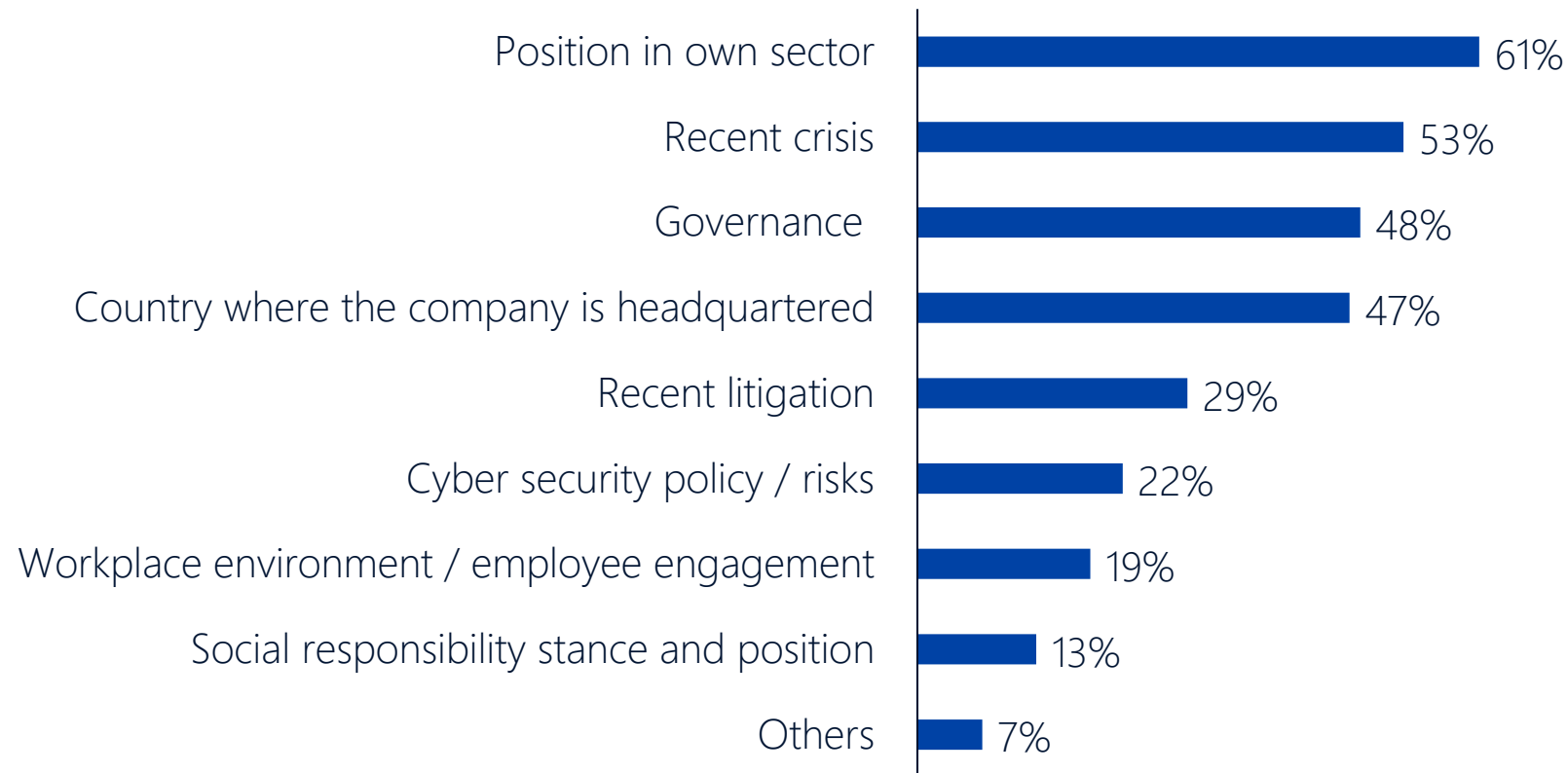


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A good public reputation helps lower deal costs & chances of success for an acquirer

# Reputation matters

## Aspects of reputation with greatest impact to a deal



**Source:** Brunswick survey of global M&A advisors

# Reputation matters for **target company**

## Deal making aspects impacted by target company's public reputation

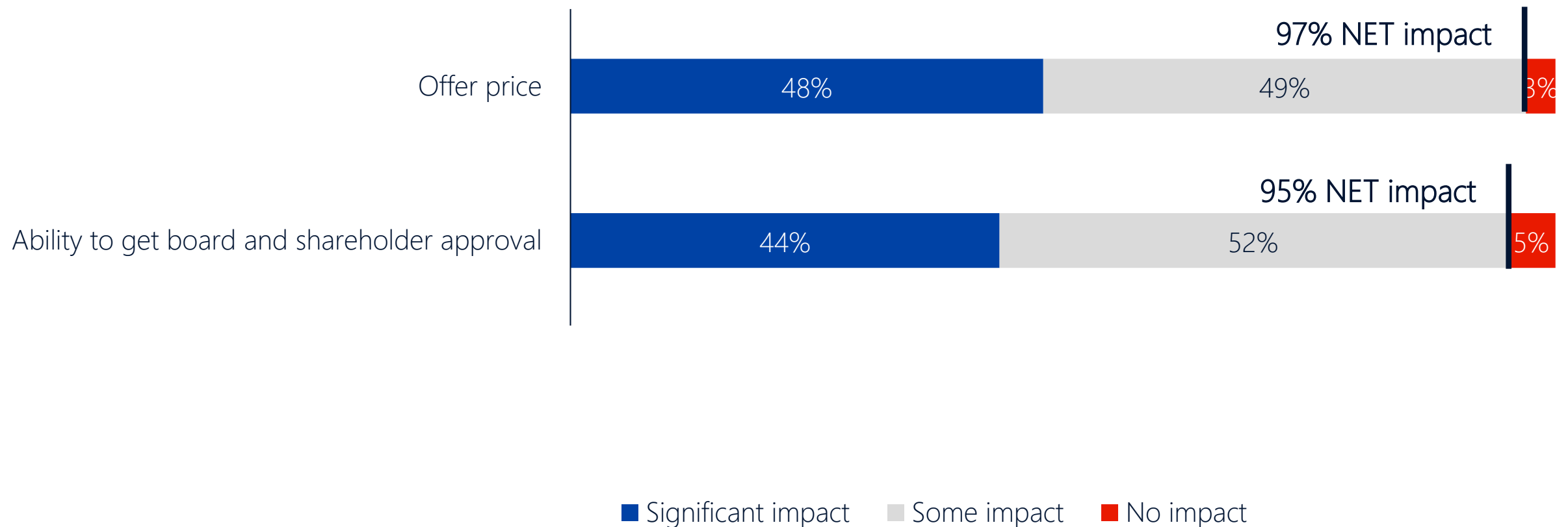


■ Significant impact   ■ Some impact   ■ No impact

**Source:** Brunswick survey of global M&A advisors

# Reputation matters for **target company**

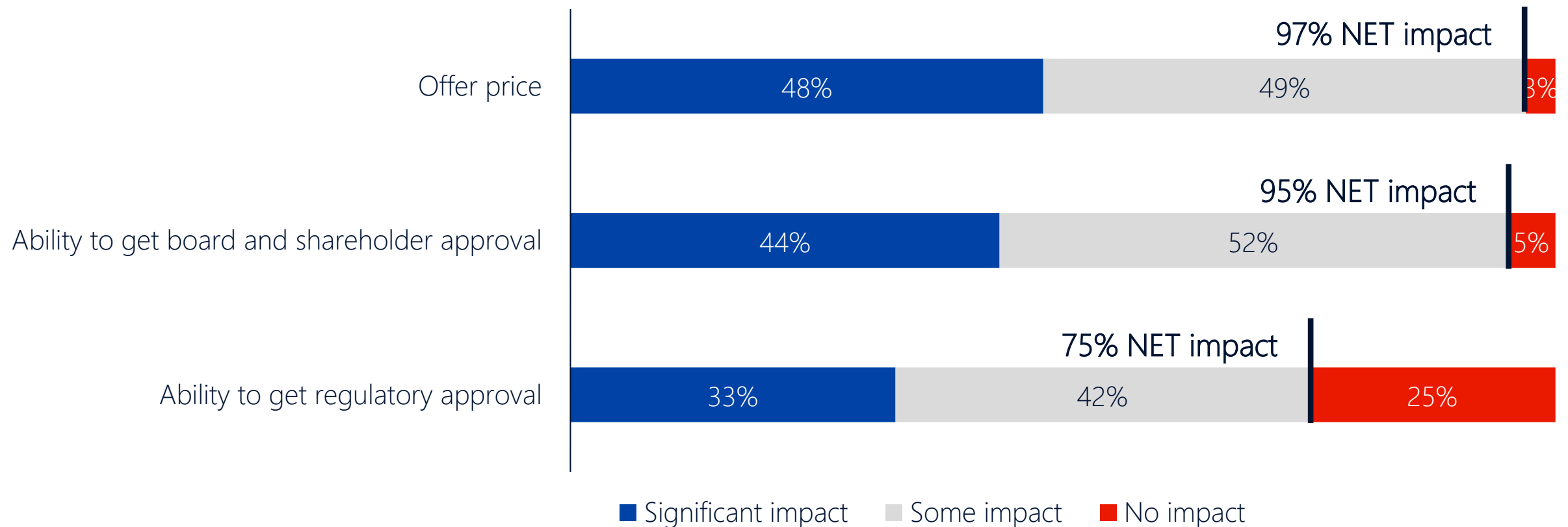
## Deal making aspects impacted by target company's public reputation



**Source:** Brunswick survey of global M&A advisors

# Reputation matters for **target company**

## Deal making aspects impacted by target company's public reputation



**Source:** Brunswick survey of global M&A advisors



# Reputation also matters for **acquirer**

## Deal making aspects impacted by acquirer's public reputation

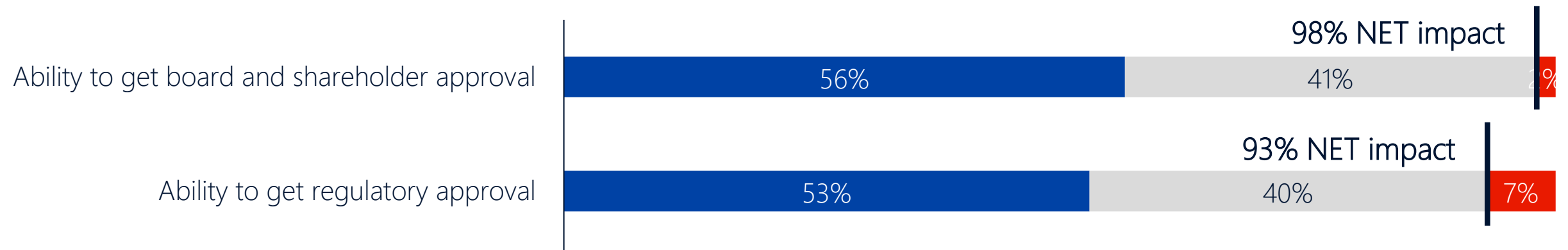


■ Significant impact   ■ Some impact   ■ No impact

**Source:** Brunswick survey of global M&A advisors

# Reputation also matters for **acquirer**

## Deal making aspects impacted by acquirer's public reputation

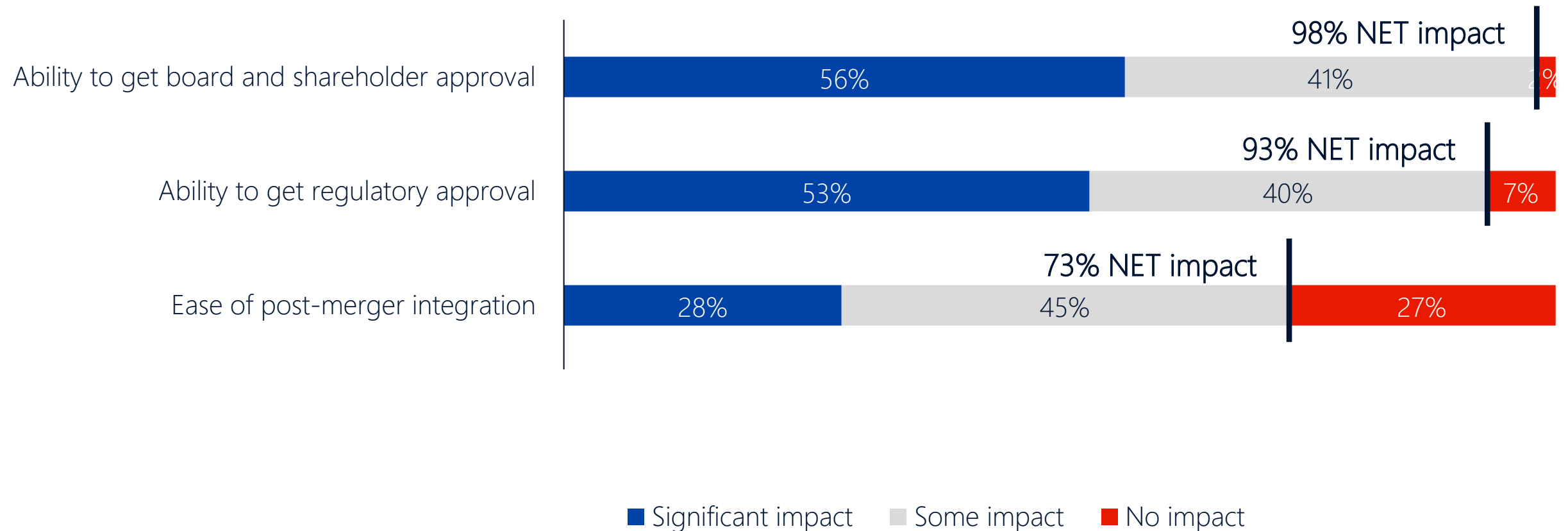


■ Significant impact   ■ Some impact   ■ No impact

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# Reputation also matters for **acquirer**

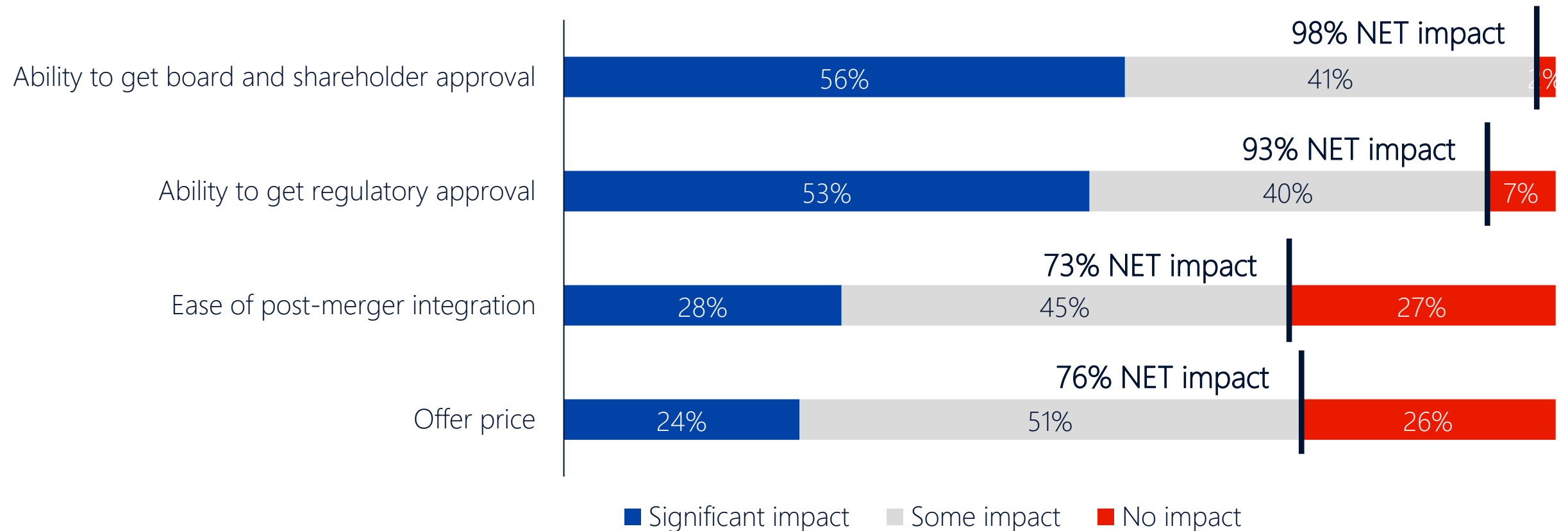
## Deal making aspects impacted by acquirer's public reputation



**Source:** Brunswick survey of global M&A advisors

# Reputation also matters for **acquirer**

## Deal making aspects impacted by acquirer's public reputation



**Source:** Brunswick survey of global M&A advisors