



2018 PARIS

October 30, 2018



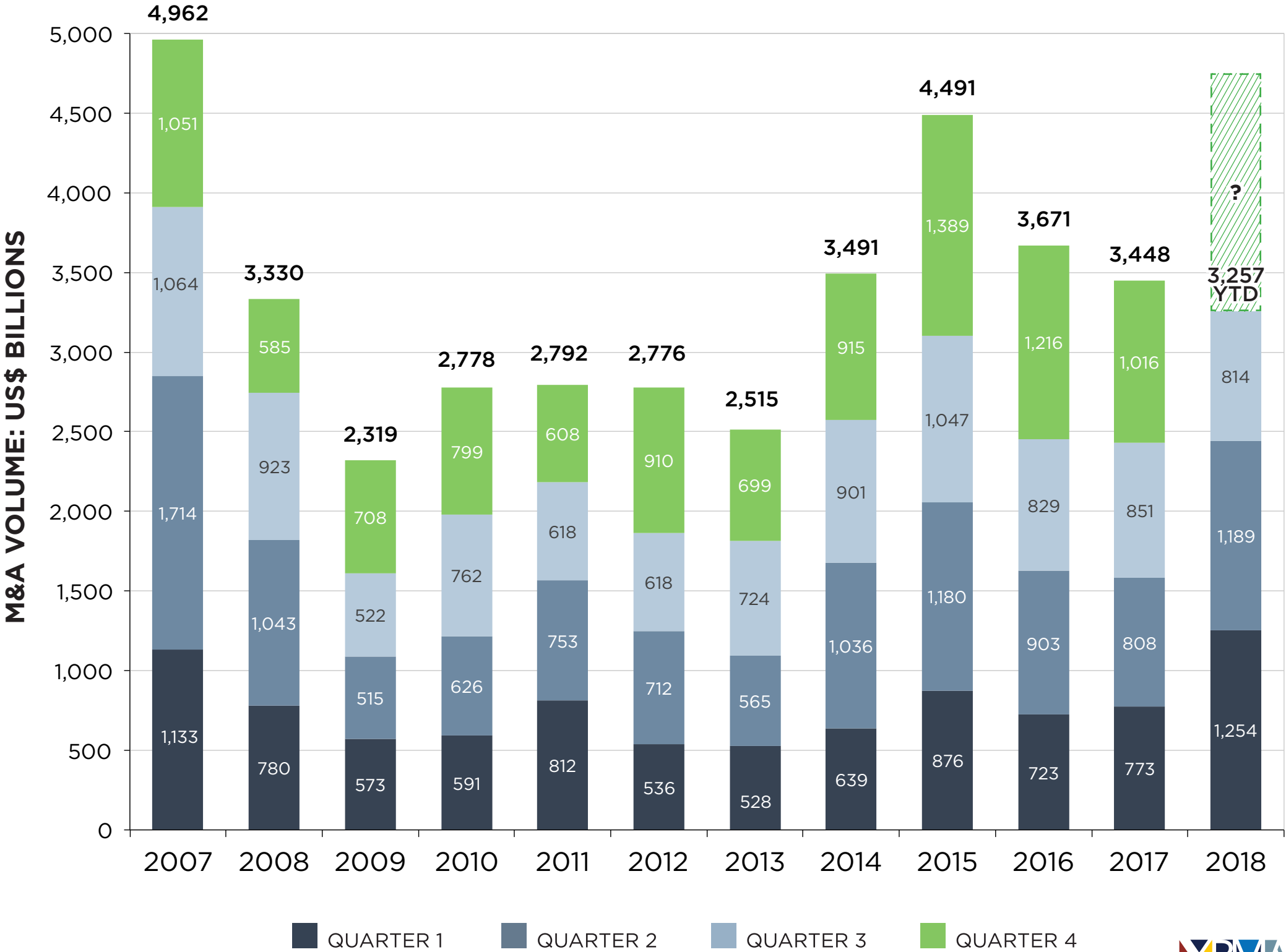
跨国投资并购国际研究协会

International Institute for the Study of Cross-Border Investment and M&A



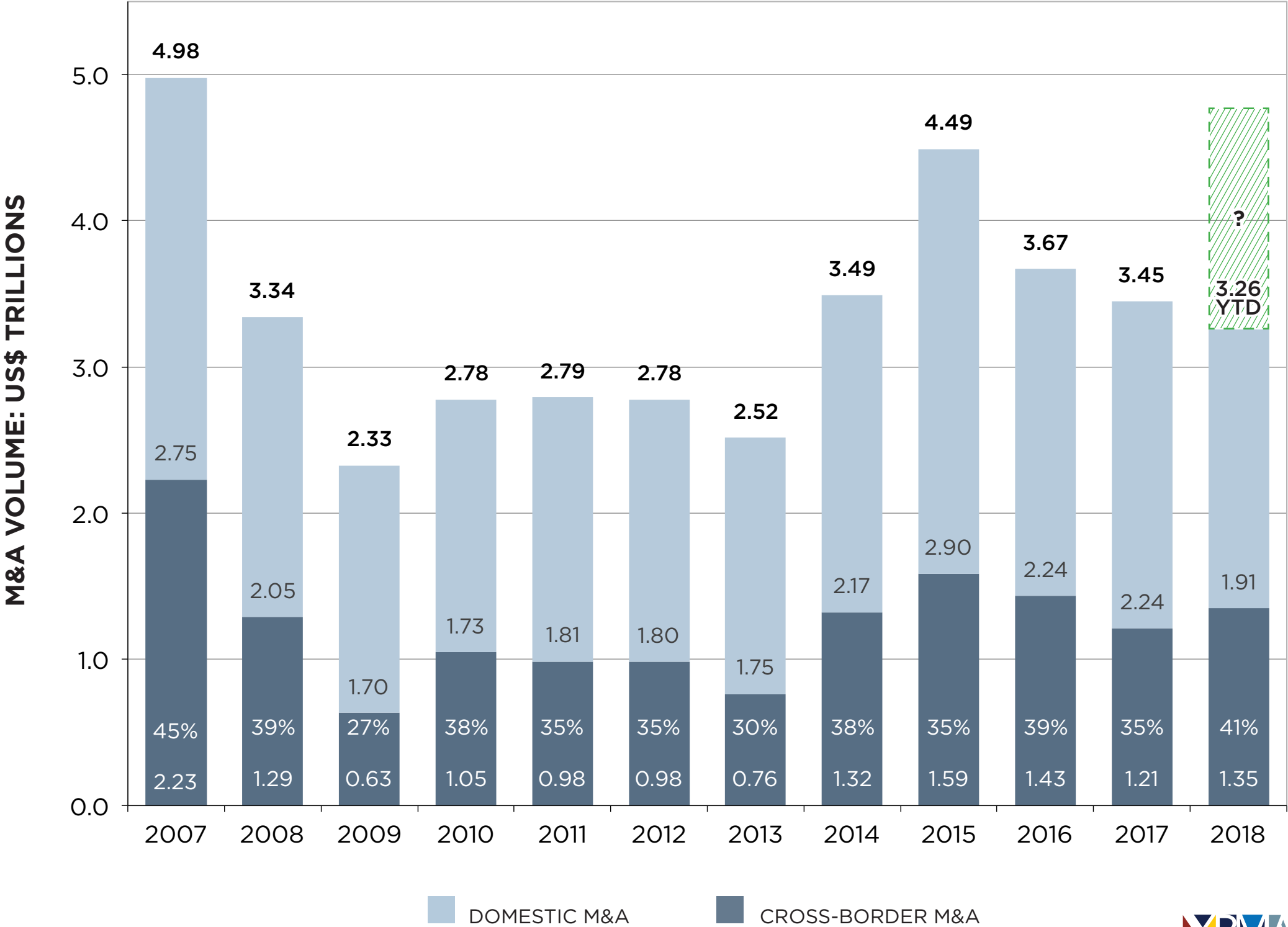
GLOBAL M&A VOLUME

- Complex environment: Momentum is strong, but so are counter-forces.
- Global M&A in 2018 is at record levels, and at the current pace could approach 2007's all-time high of almost US\$5 trillion.
- Dealmaking has been propelled by the strong global economy, robust corporate earnings, the continued availability of relatively inexpensive debt capital, the search for growth through acquisition of new products or markets and the need to adapt to technological disruption.
- A significant wild card that may dampen or disrupt the trend is the risk of a serious trade war or other geo-political instability.
- The slowdown of the Chinese economy, cloudy forecasts for emerging markets, and rising interest rates may also dampen activity.



CROSS-BORDER ACTIVITY

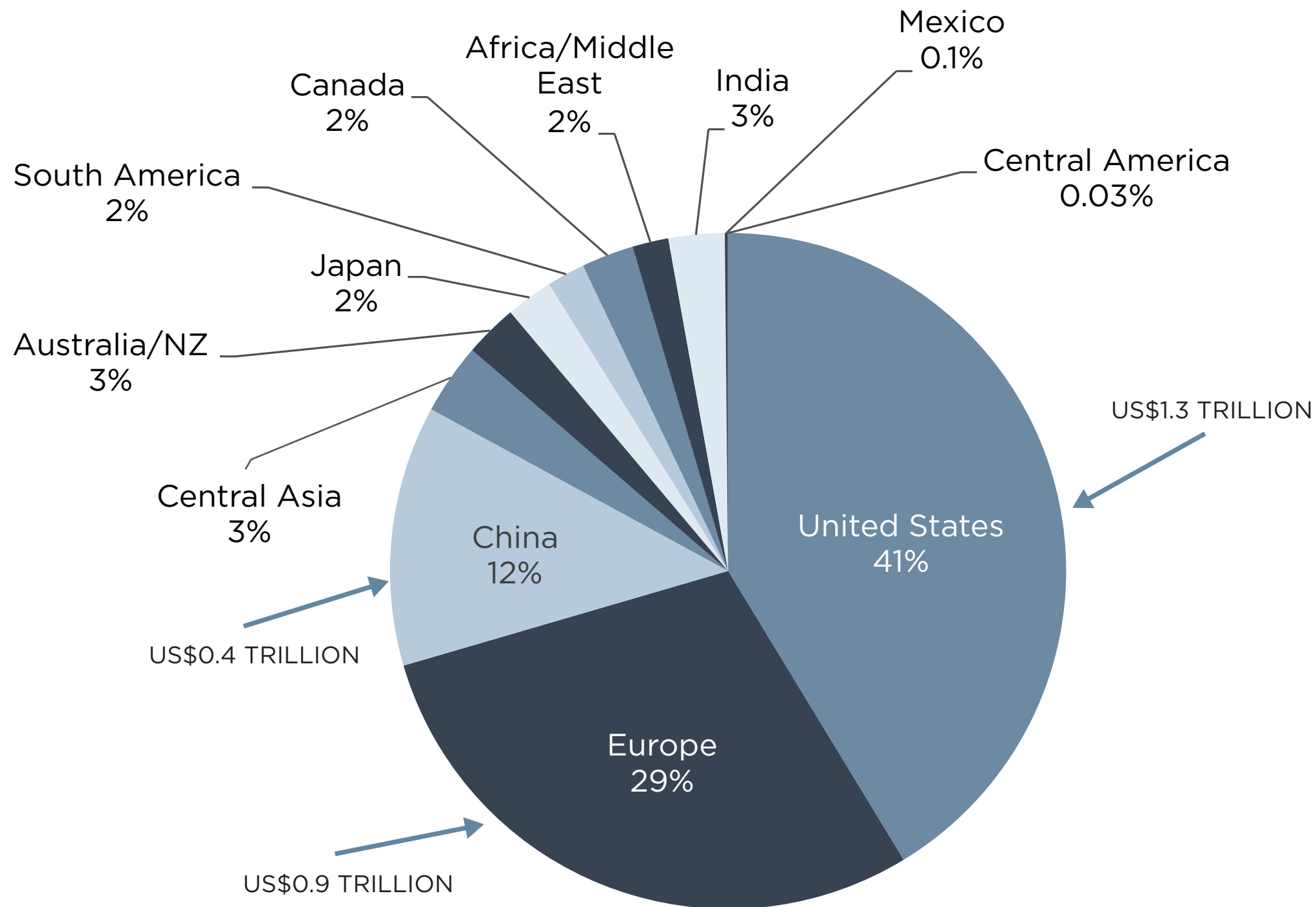
• Cross-border dealmaking has surged this year, with the volume of cross-border M&A over the first three quarters of 2018 (US\$1.35 trillion) already far surpassing that of all of 2017. This represents 41% of all M&A this year, one of the highest levels ever.



M&A VOLUME BY TARGET REGION

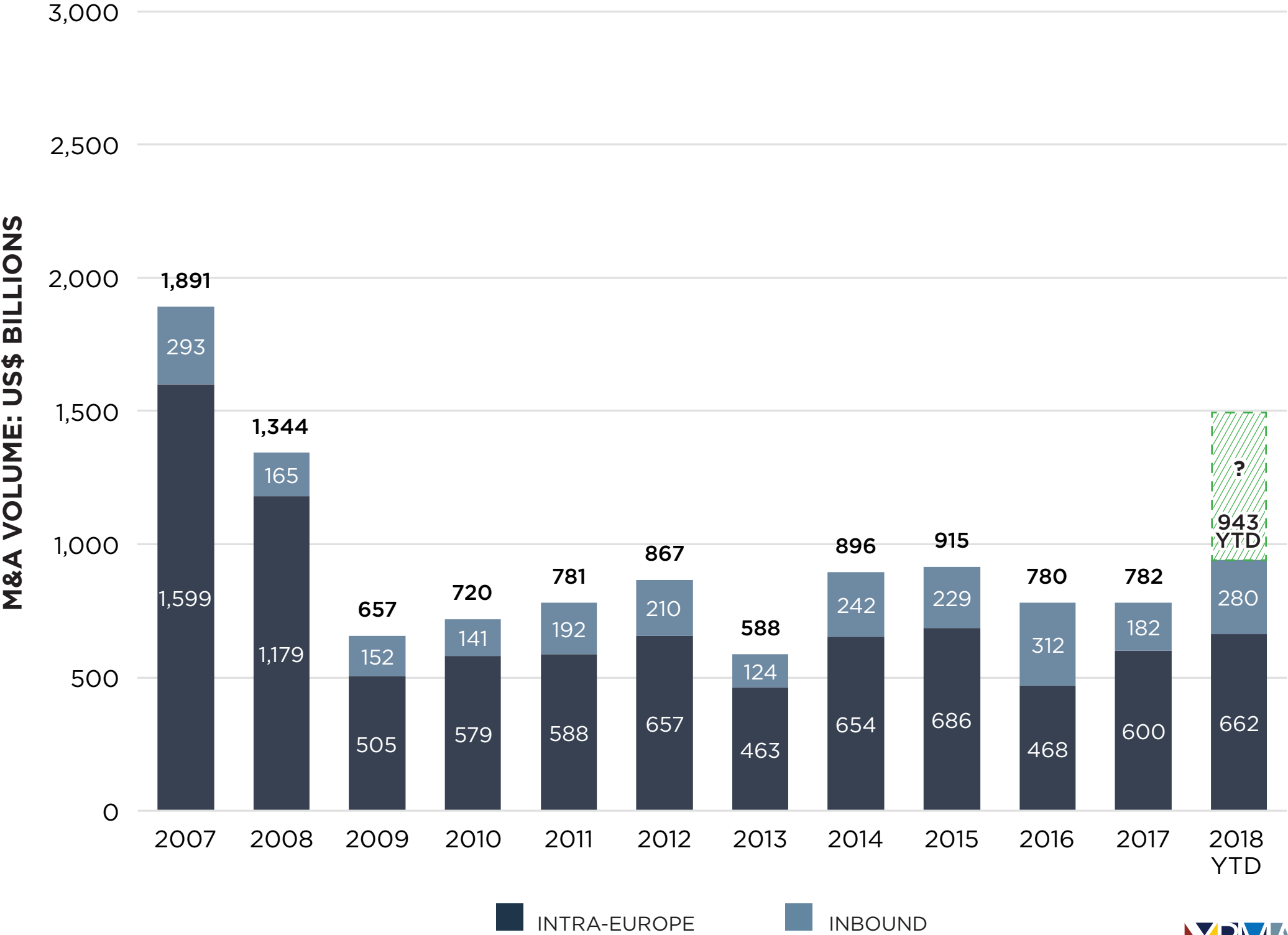
- Acquisitions of U.S. companies continue to dominate the global M&A market, representing 41% of global M&A volume so far this year, higher than the average over the last decade.
- Acquisitions of European companies are the next largest component, constituting more than 29% of M&A volume so far this year, also higher than average.
- Together, the U.S., Europe and China represent more than 80% of global M&A, a percentage that appears to have grown in the current market.

YTD Q3 2018



EUROPEAN M&A VOLUME

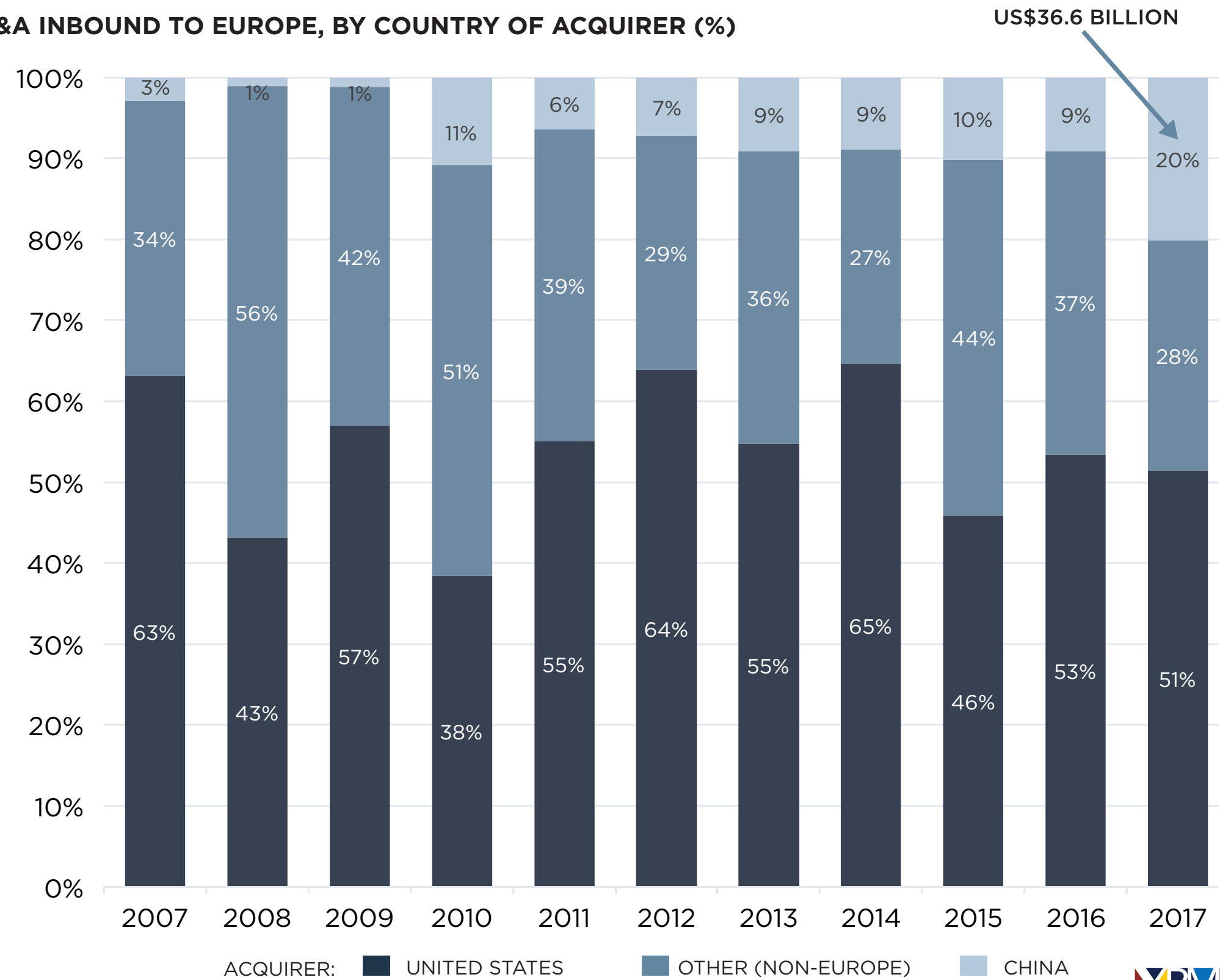
- It has been a banner year for European M&A, with over US\$940 billion in acquisitions of European companies through Q3 2018, already the strongest year of the last decade (the average per annum in 2008-2017 was US\$822 billion).
- While intra-European deals remain the largest segment of M&A of European targets, and were 70% of the market for European targets in 2018 through Q3, foreign acquirers are increasing their share, accounting for 30% of European acquisitions in 2018 through Q3, as compared to a recent average of 23%.



EUROPEAN M&A: INBOUND TRENDS

- Chinese companies have become increasingly active acquirers of European companies — Chinese buyers accounted for a record 20% of M&A inbound to Europe in 2017, as compared to a recent norm closer to 10%.
- Acquisitions of European companies by U.S. buyers have typically accounted for 50% or more of the annual cross-border activity involving European targets.

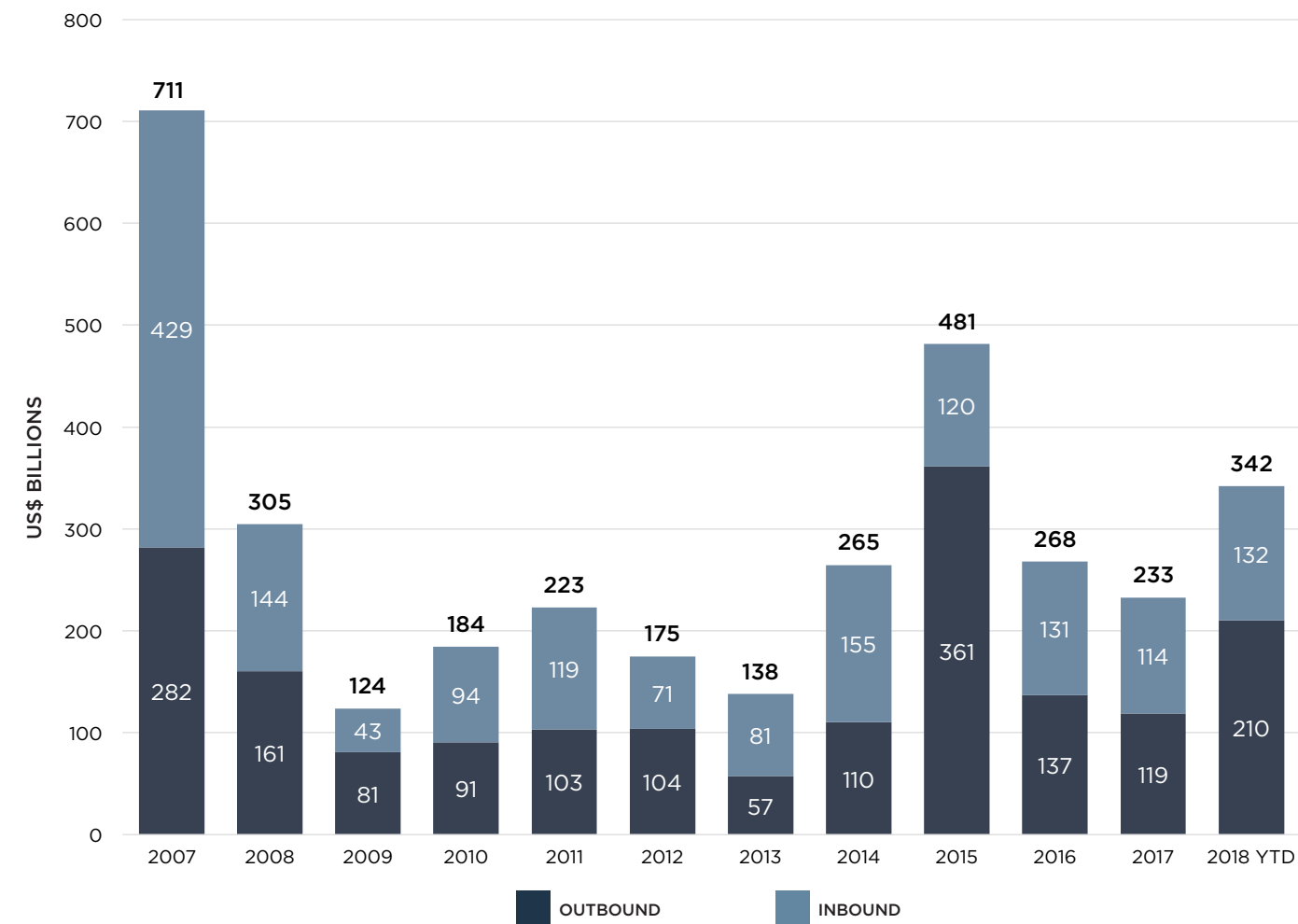
M&A INBOUND TO EUROPE, BY COUNTRY OF ACQUIRER (%)



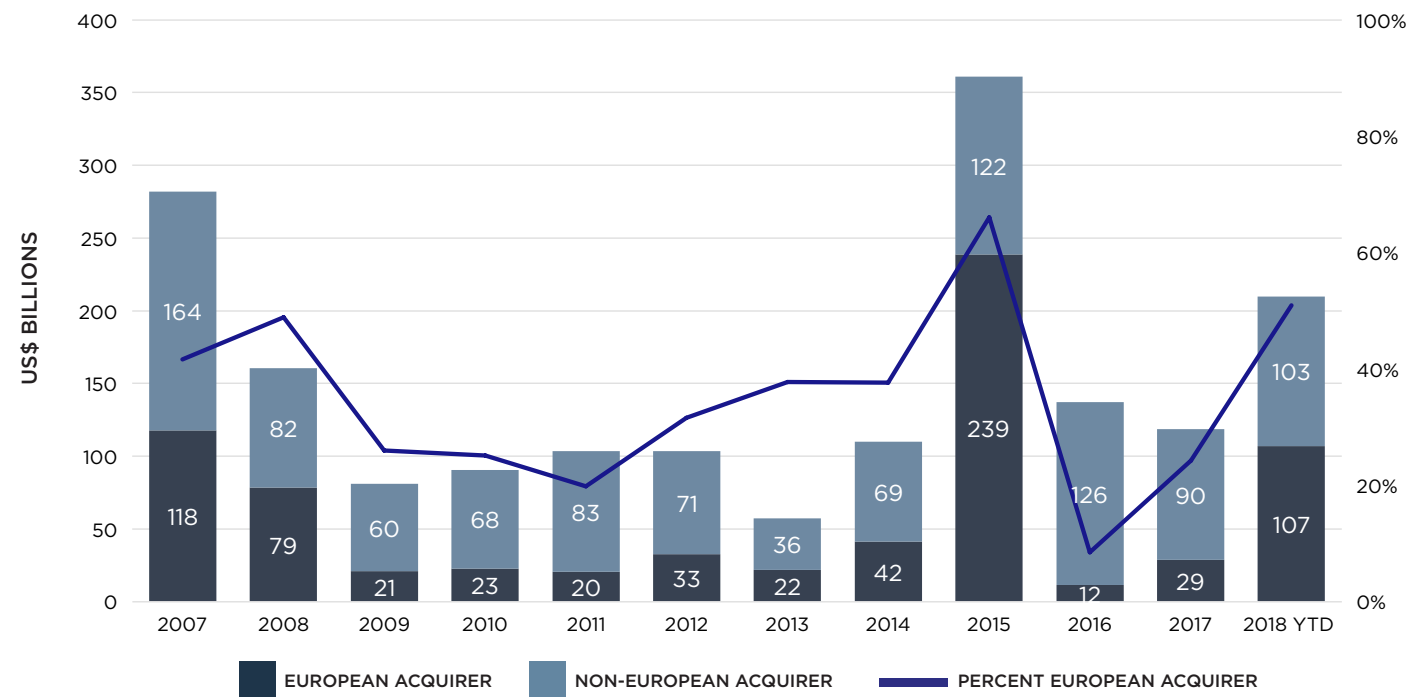
U.K. M&A - THE BREXIT EFFECT

- Though cross-border M&A involving U.K. companies dipped in the wake of 2016’s Brexit referendum (US\$233 billion in 2017), activity quickly returned to its historical levels (US\$342 billion in 2018 through Q3).

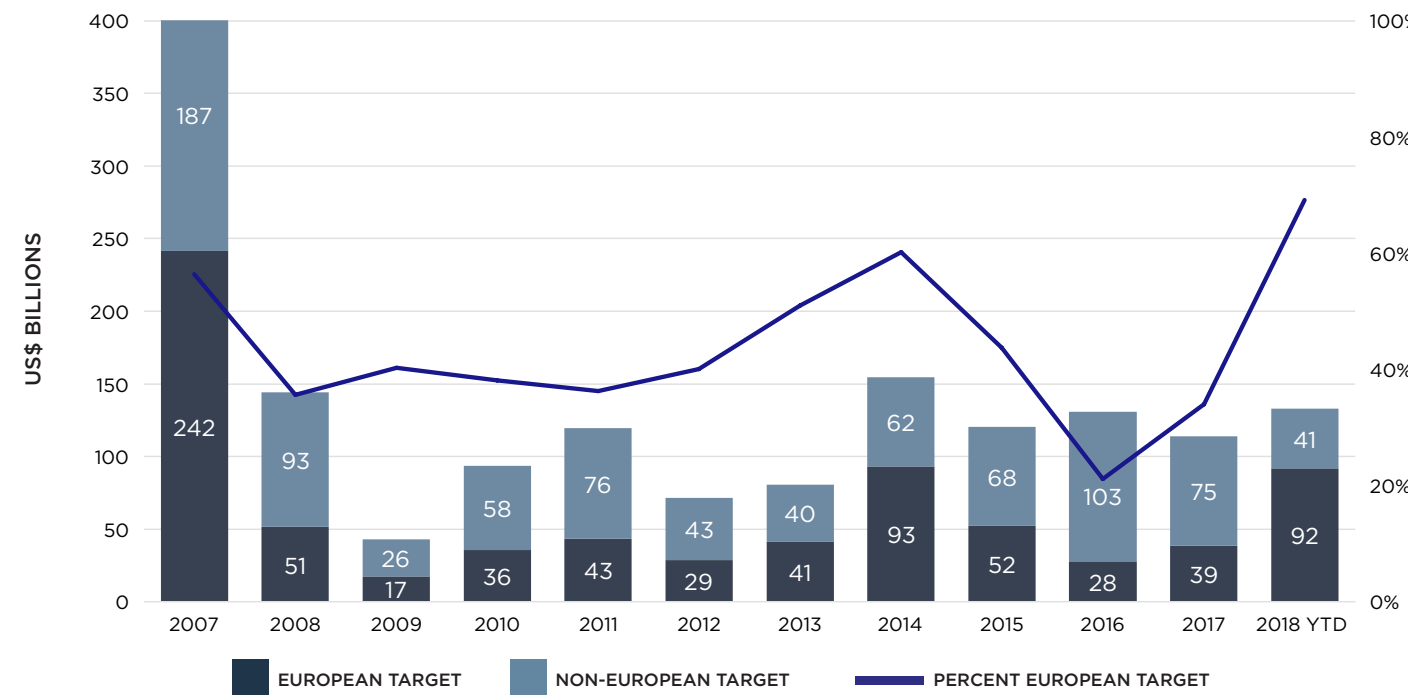
TOTAL CROSS-BORDER M&A VOLUME



INBOUND M&A VOLUME



OUTBOUND M&A VOLUME





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