

Press release

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M&A activity of Swiss SMEs breaks all records in 2021 - renewed confidence in the market

In an environment still affected by COVID-19, the market for mergers and acquisitions is recovering impressively both globally and in Switzerland. More M&A transactions involving SMEs took place in Switzerland in 2021 than in any year since the first publication of the Deloitte M&A MidCap Study in 2013. The 233 deals mark a new record for Switzerland with an increase of almost 25%, following a slight drop in transaction numbers in the previous year. Spurred on by readily accessible financing, this development reflects renewed confidence in the overall economic outlook. Apart from the still fragile pandemic situation and geopolitical tensions, there is much to suggest that M&A activity will continue to increase in 2022.

Globally, the value of M&A transactions value in 2021 was USD5.8 trillion, eclipsing the previous record year of 2007 (USD4.55 trillion). Compared to 2020, there was an increase of 64% in the value and 24% in the number of transactions the M&A trend in Switzerland shows a similar growth, with 233 transactions (+24.6% compared to 2020). Private equity investors also showed renewed confidence in the market and were involved in a total of 94 transactions (+13%).

Swiss SMEs see opportunities abroad again

60 Swiss SMEs made an acquisition abroad in 2021, an increase of 30.4% from the previous year. Almost half of these acquisitions were in the immediate neighbouring countries, 18 of them in Germany. The most preferred targets were in the TMT (technology, media and telecommunications) and healthcare sectors. Both sectors have contributed decisively to the advances in digitalisation during the global pandemic. By contrast the manufacturing industry, which historically has been the most common sector for outbound M&A transactions involving SMEs, came in fifth place in 2021.

A total of 173 Swiss SMEs were acquired in 2021, in both domestic and inbound transactions. The number of domestic buyers increased moderately to 76 (+10.1% compared to 2020). The number of acquisitions of Swiss SMEs by foreign firms, on the other hand, rose by over a third to 97. "The surge in cross-border deals confirms the generally regained confidence in the global economy. The weakening uncertainties surrounding COVID-19 have certainly also further favoured this development," explains Jean-François Lagassé, Financial Advisory Partner and Financial Services Industry Leader at Deloitte Switzerland.

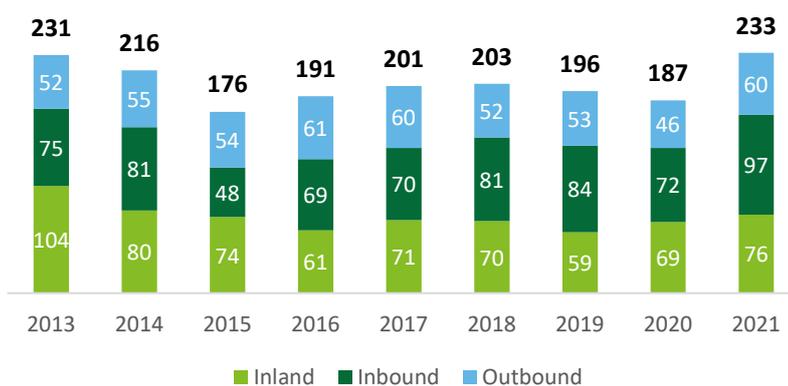
Swiss SMEs remain attractive

Almost three-quarters of the foreign buyers were European companies. 26% of these were from Germany and more than a third (36%) came from the immediate neighbouring countries. Buyers from the USA and UK each accounted for 18% of the acquisitions. Transactions were mainly in German-speaking Switzerland, particularly in the canton of Zurich (with 55 deals).

"Swiss SMEs have demonstrated resilience, global leadership and unbroken innovative strength even during the pandemic. This makes them attractive to foreign investors today and will continue to do so in the future. In addition, we have observed an increase in local transactions since the beginning of the pandemic. Swiss companies continue to value the economic, regulatory and political environment with which they are well acquainted.", says Jean-François Lagassé.

Economic growth should continue to drive the M&A boom

2021 will go down in history as a peak year for M&A, both globally and from a Swiss perspective. It is unlikely that this growth trend will slow down in 2022. The abundance of capital, the current favourable opportunities for financing, and



high company valuations should continue to boost the M&A market. The TMT and healthcare sectors will remain in focus in 2022 as they continue to ride the pandemic-driven digitalisation and innovation trend.

However, the recent upsurge in the omicron variant demonstrates the fragility of the global recovery. "We also identify potential impediments to current growth," says Jean-François Lagassé. "These include possible travel restrictions or closures and the risk of inflation, as well as geopolitical risks in certain parts of the world." Thanks to our strong and innovative economy and Switzerland's outstanding education and research institutions, we are perfectly positioned to do so."

About the [Deloitte 2022 survey on M&A activity of Swiss SMEs](#)

Deloitte's annual report on mergers and acquisitions (M&A) of Swiss SMEs examines merger and acquisition transactions (acquisition of majority stakes) of small and medium-sized Swiss companies (SMEs) between 1 January and 31 December 2021. Deloitte defines SMEs as companies with a turnover of more than 10 million Swiss francs, fewer than 250 employees and an enterprise value of between 5 and 500 million Swiss francs. You can download the full report "Deloitte Study 2022 on M&A activity of Swiss SMEs" on our website



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