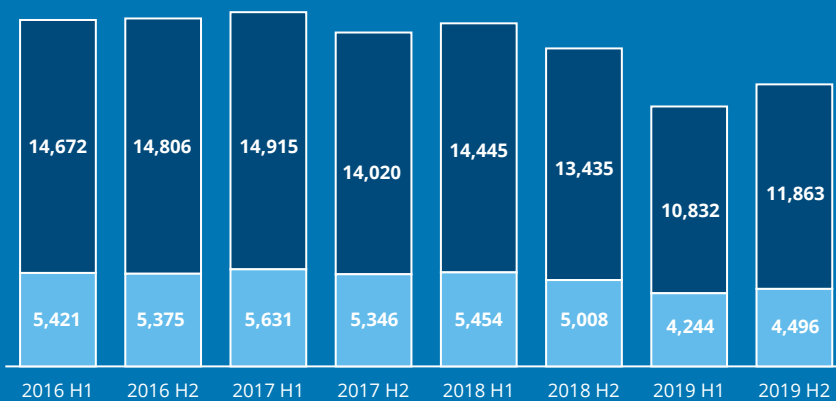


'Synchronised slowdown' hits global M&A activity

The slowdown of M&A deal activity during 2018 – particularly in Europe – continued in H1 2019. H2 2019 showed a small increase in deal volumes compared to H1, but was still down on prior years.

Pricing has remained strong, however, with the cheap debt and funding available to investors fuelling competition for quality assets as part of diversified risk portfolios.



Year	H1	H2	TOTAL
2016	20,093	20,181	40,274
2017	20,546	19,366	39,912
2018	19,899	18,443	38,342
2019	15,076	16,359	31,435

Cross Border
 Domestic



While deal volumes have fallen in 2019, there continues to be strong interest and robust competition for quality assets when they come to market.



This competition – supported by the ready availability of cheap debt – has enabled pricing multiples to be maintained in line with the record levels of 2018.



In the context of an uncertain global macroeconomic environment, investors are focusing on assets of sufficient underlying quality to mitigate the short-term market concerns.



The US and UK markets continue to see higher levels of deals completed, where M&A is more established as a driver of shareholder value.



This 'flight to quality' has helped to buoy cross-border M&A volumes, where transaction values tend to be materially larger than in domestic deals.



The 'flight to quality' reinforces the need to get the right advice, and strategically position assets with the buyer community as assets perceived to be 'just okay' are not transacting in this lower-risk environment.