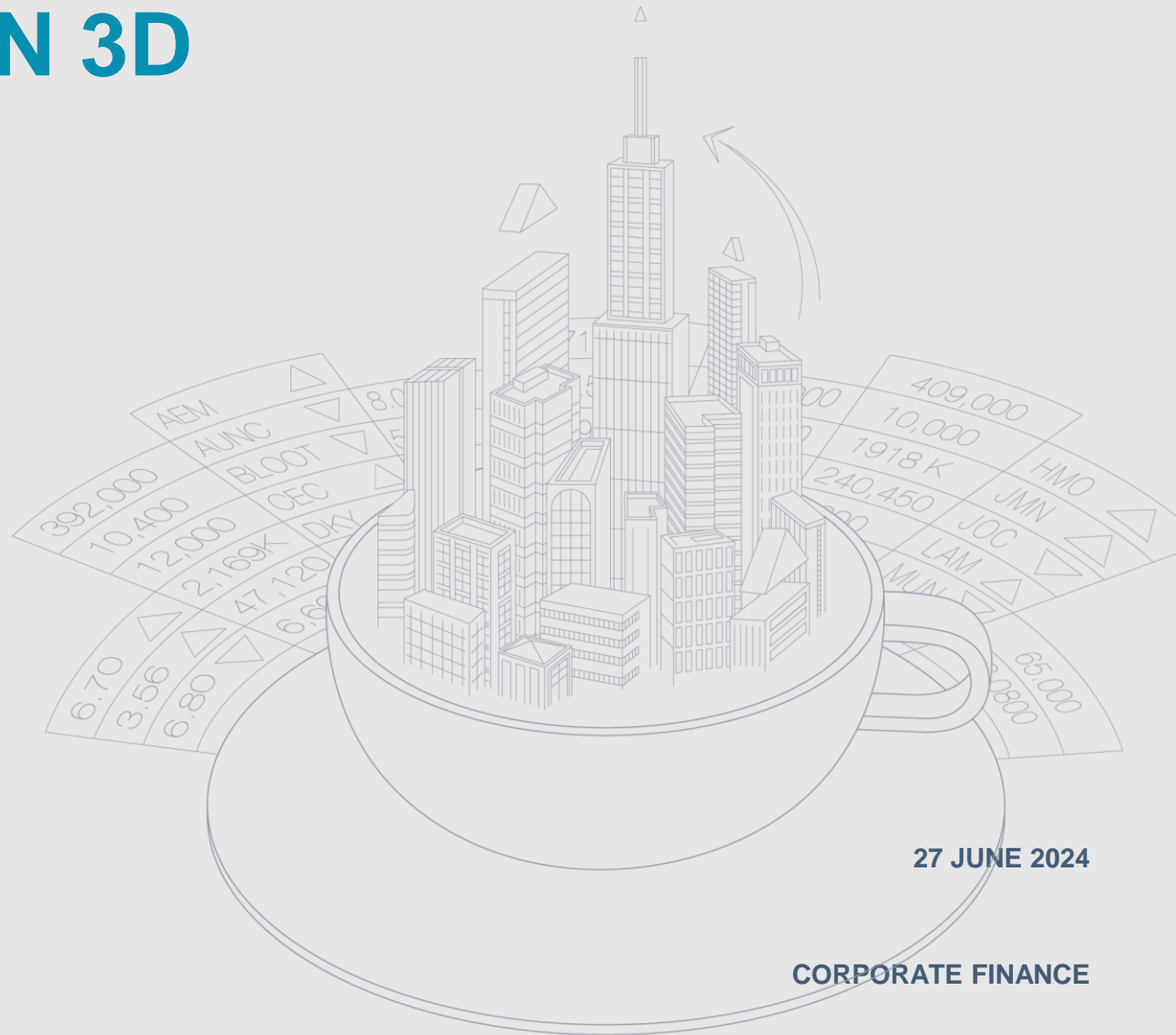


MERGERSPRESSO

CORPORATE FINANCE - EUROPEAN M&A IN 3D

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CORPORATE FINANCE

TRANSCRIPT

Wondering what has been driving the European rebound in strategic M&A? It's the three 'D's - Deglobalisation, Decarbonisation and Digitalisation.

I'm Simon Wood - and welcome to Mergerspresso. AG's corporate finance podcast. Bringing European M&A into focus in the time it takes to make your coffee.

So, let's double-click on each of the 3Ds.

Deglobalisation - post Covid, control of supply chains rocketed up the risk register. Corporates are looking to reshore outsourced services and invest in their home territory infrastructure. 47% of large European companies have already done so and more will follow.

This also drives our second D - Decarbonisation. The energy transition will incentivise investment through renewables and a Ukraine-related focus on self-sufficiency. This extends beyond infrastructure into tech and materials - see the recent BHP/Anglo bid, which copper was at the heart of.

And finally, Digitalisation - in all its forms. Already a deal driver, the pandemic was an accelerant, and the landscape is ever changing. Think AI, bolt-ons and the war for talent.

In this 3D view, scale matters - ranking alongside growth, profitability and consistency. And investors put a valuation premium on corporate clarity and pure play entities.

June's ECB interest rate cut signals the start of an increasingly benign M&A climate.

But Democracy - and the wave of upcoming European elections - could yet send us into an unknown fourth dimension.

Join us next time where we'll discuss close calls and narrow shareholder votes.

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