

# **“European Retail Sector Mergers and Acquisitions – An Analysis of Deals, Valuations, Trends and Prospects”**

**This major new report from M&A Monitor, comprising both a comprehensive analytical section and exceptionally detailed profiles of 224 individual European retail sector M&A transactions, is intended to satisfy the information requirements of all stakeholders in European Retail Sector M&A, including retail groups contemplating M&A activity, private equity firms, M&A advisors and industry/strategy consultants. The analytical section of the report can be acquired individually or in combination with access to each of the 224 deal profiles.**

**Includes valuable updating service for 2014**

## **Leading Author: M&A Monitor**

The author of this report, M&A Monitor Ltd, is a leading London financial information company specialising in the analysis of mergers and acquisitions across a range of European industries including the retail sector. M&A Monitor's client base includes many of the world's top investment banks and the company's M&A data is universally acknowledged as the most accurate commercially available. To learn more about M&A Monitor visit [www.ma-monitor.co.uk](http://www.ma-monitor.co.uk)



# Benefits of this Report

## 1 Retail Groups

Retail groups contemplating specific acquisitions or disposals can use the report to research precedent transactions in domestic or overseas markets, in specific retail segments, in a particular size-range or driven by an identified strategic rationale (overseas expansion, domestic expansion etc.) Sophisticated bid premia data for public takeover deals is provided, establishing benchmarks for the levels of premia likely to be required to be successful in this particular M&A arena. Comprehensive equity and enterprise value multiples are available as a guide to the pricing of transactions, whilst the scope, nature and financial extent of potential cost/revenue synergies can be gauged by virtue of the detailed information provided about synergies in each and every retail sector transaction for which synergy benefits have been claimed by the parties. Detailed information is made available about the preferred structures used in particular deal-types or geographies, including the appropriateness or otherwise of using alternative transaction structures such as minority deals, joint ventures and partial disposals. Summaries of press reaction to the individual transactions are included within the individual deal profiles, facilitating an understanding of the issues which are of greatest concern to industry experts. The report as a whole therefore provides retail groups with an up-to-date and unparalleled data-bank across the entire range of M&A variables.

## Private Equity

2

With the level of investment funds available to private equity standing at near record highs, this timely report provides the private equity community with a comprehensive and instantly accessible ready reference library of M&A materials, encompassing substantially all publicly available information about precedent European transactions in an industry long favoured by private equity investors. The report looks in detail at each of the principal different types of entity/deal typically targeted by private equity investors, namely public takeovers, disposals by trade/financial investors and acquisitions of privately-owned entities, drawing encouraging conclusions about the likely extent and nature of future private equity investments across these deal-types. The report also includes a chapter dedicated to precedent private equity transactions, distinguishing deals on the basis of their primary underlying investment thesis (“buy-and-build” transactions, turnaround investments etc.) – such a detailed breakdown provides an indispensable framework for assessing alternative investment approaches and structures in future private equity transactions. The detailed information contained within the report concerning the scope, nature and financial extent of potential cost/revenue synergies is particularly relevant to private equity firms contemplating “buy-and-build” transactions, as well as to those with pre-existing investee companies in the retail space which might benefit from combining with a third party retailer. In more general terms, the breadth and depth of the report's coverage across different European geographies is particularly relevant and appropriate for private equity firms likely to need to seek out investment opportunities across a wider geographic area than in recent years given the intense competition for deals driven by pent-up demand from financial and strategic investors.



# Benefits of this Report

## 3 M&A Advisors

M&A advisory firms look set to benefit in 2014 from increased deal-flow on the back of improving background macroeconomic conditions and of the need for decisive strategic action on the part of retailers faced by increasing online competition and often mature domestic markets. Advisory firms can expect a corresponding increase in the number of pitches they will have to make for attractive buy-side and sell-side mandates, with a key determinant of success in this context being their access to premium quality research and information. The data-set of detailed deal profiles which underlie this report, as well as the corresponding analysis, together represent the most thorough and accurate information commercially available about retail sector M&A, having been produced entirely on the back of original research carried out by M&A Monitor using documents and publications produced by the parties to the transactions. By reproducing substantially all publicly available information about transactions in a readily digestible framework, this report maximises the analytical impact capable of being derived from “drilling down” into precedent transactions in the search for the most relevant data. Comprehensive and analytically rigorous equity and enterprise value multiples are available as a guide to the pricing of transactions across different retail sector segments, geographies and deal size ranges, whilst the detailed information available about synergies provides a unique data-set relevant to substantially all advisory mandates. Comprehensive data is made available about the preferred transaction structures and characteristics across different deal-types or geographies, including the appropriateness or otherwise of using alternative transaction structures such as minority deals, joint ventures and partial disposals. This report provides an instantly accessible ready reference library for data mining the entire range of M&A variables relevant to retail sector M&A.

## Strategy/ Industry Consultants

4

M&A activity is a key driver of change in industry structures and in determining their competitive framework. The well-documented challenges faced by the retail sector have made a strategic imperative out of corporate M&A activity, be it in the form of the tidying up of underperforming assets or the seeking of synergistic acquisitions. The in-depth nature of this report creates an unrivalled facility for assessing the role which corporate (and financial) M&A activity is playing in reshaping the corporate retail landscape in the face of increasing online competition and reduced consumer spending. The report looks in considerable detail at each of the four principal types of M&A transaction, namely public bids, private equity transactions, disposals and private deals, including an analysis of the strategic rationale underlying these deals based on the disclosed intentions of the parties at the time of the transaction, and at how the rationale differs between each of the principal different deal-types. As the result of this analysis, various differing sub-categories of transaction emerge within each of the four principal deal-types, and all individual transactions are listed/categorised accordingly – this categorisation allows for detailed comparisons to be made between strategically similar transactions, facilitating a detailed understanding of the key drivers of retail industry deals. With each of the 224 deal profiles included within the report also containing detailed profiles of both the buyer and the target company, it is possible to obtain a substantially more comprehensive appreciation of the overall corporate context in which transactions are taking place, thus enhancing understanding of fundamental industry trends and appropriate strategic responses. The detailed information contained in the report about the scope, nature and financial extent of potential cost/revenue synergies in retail sector M&A transactions is of obvious and crucial relevance to strategy/industry consultants when assessing and advising on corporate strategy issues. The report brings out the cross-border nature of much of retail M&A activity, thus emphasising the ongoing relevance to corporates of an international outlook in an increasingly globalised world.

# Contents of the Report

## 1) Executive Summary

## 2) Summary of European Retail M&A Over 2008-2013

- 2.1) Introduction
- 2.2) Chronological Distribution of Transactions
- 2.3) Geographic Distribution of Transactions
- 2.4) Transactions Categorised by Deal-Type
- 2.5) Transactions Categorised by Size
- 2.6) Transactions Categorised by Retail Sector Segment

## 3) Valuation & Synergies Data

- 3.1) Introduction
- 3.2) Valuation Data
  - 3.2.1) Equity Value Multiples
  - 3.2.2) Enterprise Value Multiples
- 3.3) Synergies Data
  - 3.3.1) Introduction
  - 3.3.2) Transactions with unspecified Synergies
  - 3.3.3) Transactions with specific Synergies identified but not quantified
  - 3.3.4) Transactions with specific Synergies identified and quantified

## 4) Public Takeover Bids in the European Retail Sector

- 4.1) Introduction
- 4.2) Bid Premia Analysis
- 4.3) Geographic Distribution of Deals
- 4.4) Transaction Size Analysis
- 4.5) Reasons for Transaction

## 5) Private Equity & Other Financial Transactions

- 5.1) Introduction
- 5.2) Geographic Distribution of Deals
- 5.3) Transaction Size Analysis
- 5.4) Analysis of Types of Private Equity Transaction

## 6) Disposals

- 6.1) Introduction
- 6.2) Geographic Distribution of Deals
- 6.3) Transaction Size Analysis
- 6.4) Strategic Rationale Underlying Transactions
  - 6.4.1) Analysis of Reasons for Disposal
  - 6.4.2) Analysis of Reasons for Acquisition

## 7) Private Transactions

- 7.1) Introduction
- 7.2) Geographic Distribution of Deals
- 7.3) Transaction Size Analysis
- 7.4) Analysis of Reasons for Transaction

## 8) Outlook for European Retail Sector Mergers and Acquisitions Activity

- 8.1) Introduction

- 8.2) Outlook for Retail M&A across different Deal-Types

- 8.2.1) Outlook for Public Takeovers
- 8.2.2) Outlook for Private Equity Transactions
- 8.2.3) Outlook for Disposals
- 8.2.4) Outlook for Private Transactions

## APPENDIX

### A. Schedule of 224 Transactions in Descending Order of Size

*[For purchasers of the composite package, comprising both the analytical report and the deal profiles, this section contains hyperlinks to the full deal profiles. Purchasers of the Analytical Report alone will see the same list of transactions but without hyperlinks to the full deal profiles]*

### Transaction Report Content for each Acquisition Covered

The following data-items are provided, where publicly available and/or relevant, for each of the 224 Transaction Reports accessible through the report:

1. **Target:** Country; activities. **Bidder:** Country; activities **Deal:** Announcement & completion dates; deal status; deal attitude; deal type; cross border status; competitive status; regulatory referral; consideration type.
2. **Advisors:** Bidder's and target's financial advisors and legal advisors.
3. **Target Financials**
  - 3.1. Income Statement
  - 3.2. Balance Sheet
4. **Deal value data**
5. **Comments:** background; reasons for acquisition; synergies; reasons for recommending the offer; commentators' reactions to the transaction.
6. **Payment Details**
7. **Target Details:** overview; operations; segmental breakdown

## B. Schedule of Tables

- 1) Deal volumes
- 2) Geographic distribution of deals
- 3) Overview of transaction-types in retail sector M&A
- 4) Retail sector M&A deals by size
- 5) Retail sector M&A deals by type of retail activity
- 6) Retail sector Transaction Multiples based on Equity Values
- 7) Retail sector Equity Value Transaction Multiples
- 8) Retail sector Transaction Multiples based on Enterprise Values
- 9) Retail Sector Enterprise Value Transaction Multiples
- 10) List of retail sector target companies acquired on the basis of unspecified synergies
- 11) Transaction with Details of Un-quantified Synergies
- 12) Transaction with Details of Quantified Synergies
- 13) Quantified Synergies Expressed as a Percentage of Target Equity and Enterprise Values
- 14) Public Deals Volumes
- 15) Selected Bid Premia Data for Public Deals
- 16) Bid Premia: Change of Control Bids and Minority bids
- 17) Public Takeovers by Target Location
- 18) Public Takeovers by Deal Value
- 19) "Trade" change of control Public Takeovers in the European Retail Sector
- 20) Private Equity Deal Volumes
- 21) Private Equity Deals by Target Location
- 22) Private Equity Transactions by Deal Value
- 23) Private Equity Transactions by Transaction Type
- 24) Disposals in the European Retail Sector
- 25) Disposals by Target Location
- 26) Disposal Transactions by Deal Value
- 27) Disposal Transactions by Underlying Rationale
- 28) "Private" Minority Stake Transactions
- 29) "Private" Food Retail Sector Acquisitions in Europe
- 30) "Private" Transactions by Target Location
- 31) "Private" Transactions in the European Retail Sector
- 32) Annual M&A Deal Volumes in the European Retail and Non-Retail Sectors 2005 to 2013
- 33) Public Takeover Volumes across all sectors in UK, Germany, France, Italy and Spain

## Research Methodology

The report is based entirely on original research by M&A Monitor and on documents (press releases, circulars, annual reports, filed accounts etc.) generated by the parties to these 224 transactions – as a result, both quantitative data (such as valuation and transaction multiples data) and qualitative data represent the most accurate commercially available for European retail sector transactions.

## EXTENT OF THE REPORT

**Analytical Section:** 100 pages

**Transaction Reports:** between 4 and 15 pages each, so total for 224 transaction reports: 1400 pages

**Total pages:** 1500

**Delivery Format:** Electronic Document (PDF) with hyperlinks or downloadable zipped file

## PRICE

**Analytical Report & Deal Profiles, including 2014**

**Updating Service:** £2500/\$4000/€3000

**Analytical Report Alone:** £1,000/US\$1,600/€1,200

## ORDERS AND ENQUIRIES

**E-mail:** [nick.miles@ma-monitor.co.uk](mailto:nick.miles@ma-monitor.co.uk)

**Call M&A Monitor:** (0044) (0)208 944 9700

## UPDATING SERVICE

"European Retail Sector Mergers and Acquisitions – An Analysis of Deals, Valuations, Trends and Prospects" also includes a valuable updating service which will provide a Transaction Report for each further significant acquisition in the European retail sector during the course of 2014. Each such update will be emailed to each client, shortly after the announcement of each transaction.

