Dutch M&A update

2016 H1 Analysis

Deal Advisory - Corporate Finance
The global M&A market
The M&A boom of the last two years seems to come to a slow down. Although it is not surprising considering the record breaking years of 2014 and 2015. The slow down is apparent on a global, European and national level.

Both the aggregate deal value as well as the median EBITDA multiple have decreased in all regions, whereby the drop in deal value is mainly due to a decrease in the number of large multibillion dollar deals.

The Dutch M&A market
Similar to the global market, the Dutch M&A market has seen a decrease compared to 2015; both in deal volume and value.

In the Netherlands, financial investors have been increasingly active, accounting for a market share of c. 35% whereas their market share in previous periods ranged between 20-30%. Remarkable to notice is that 65% of financial deals involved a primary investment by a financial investor, which is higher compared to last year where financial investors were more exit oriented.

Tech deals
The portion of tech deals, where the acquired entity is involved in computer services, software, hardware or semiconductors, has risen steadily over the years. This is supported by the fact that nowadays technology is increasingly intertwined with other sectors and businesses.

Boardrooms are looking for technology and skills that will enhance their competitive positions and increase their offering with new applications and platforms, while others, such as banks, are trying to stay relevant in the new digital era, much of this can be achieved by directly acquiring tech companies.

Note 1: forecast for entire year
Note: A deal is defined as the sale of a company (stake) in a specific region or the acquisition of a company (stake) by a bidder from that specific region

Source: Economist Intelligence Unit, Mergermarket (data per 2 August 2008, based on announced deals, exclusive of IPOs), KPMG Analysis

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During the first six months of 2016, the number of deals worldwide has declined compared to both the first and the second half of 2015.

Total recorded deal value has seen a sharp decrease both on a global as well as European level, emphasizing that 2015 was an exceptional year in terms of large multibillion dollar transactions.

After a continuous increase in number of deals and deal value from H1 2013 onwards, we now witness a stagnation/decline for the first time on both a global and European level. However, both metrics are still above the pre-crisis levels.

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Similar to the global market, the Dutch M&A market has seen a decrease compared to 2015; both in deal volume and value.

The significant decrease in deal value can be explained by the non-occurrence of large exceptional deals – which did occur in 2015. This is in line with the global development.

Financial investors have been increasingly active during H1 2016, accounting for c. 35% of the total number of deals, historically they account for a market share of 20%-30%.

Remarkable to notice is that 65% of financial deals involved a primary investment by a financial investor, which is higher compared to last year where financial investors were more exit oriented.

Note 1: Three deals of EUR >10bn each, the Shell bid for BG (EUR 74.5bn), the NXP Semiconductor takeover of Freescale (EUR 14.3bn) and the Ahold/Delhaize merger (EUR 10.6bn)

Source: Mergermarket, KPMG Analysis
The share of tech deals, where the acquired entity is involved in computer services, software, hardware or semiconductors, as a percentage of total deals has steadily risen from 2008 onwards, both globally as well as in Europe. Currently, c. 11% (globally) and 10% (Europe) of all M&A activity involves a tech company.

Compared to H1 2008, the number of tech deals has increased 58% globally and 35% in Europe.

Of all tech deals, c. 48% of the bidders is not active in the technology sector. This underlines that technology is increasingly present throughout every sector of the economy.

The Financial Services sector is dominant in the tech M&A market. This is partly explained by the emergence of fintech companies and financial sponsors investing in new, standard-setting technology.

Source: Mergermarket, KPMG Analysis
With over 2,500 corporate finance professionals in 84 countries working from 174 offices across the world KPMG Deal Advisory is one of the leading advisors and we consistently rank in the top 3 of advisors by number of deals globally.

We distinguish ourselves by our global reach and deep sector expertise in combination with local presence and an integrated deal advisory offering consisting of M&A, capital structure, valuation, due diligence, and integration and separation advice.

In the Netherlands our practice consist of 74 professionals and we serve a broad clientele of listed and private corporate clients, financial investors, as well as governmental institutions.

KPMG Corporate Finance

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<tr>
<th>Region</th>
<th>Deals Recorded</th>
<th>2015 Value</th>
<th></th>
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<tbody>
<tr>
<td>EMEA</td>
<td>264</td>
<td>USD 17,829m</td>
<td>1,736</td>
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<tr>
<td>Asia Pacific</td>
<td>103</td>
<td>USD 18,162m</td>
<td>627</td>
</tr>
<tr>
<td>Americas</td>
<td>103</td>
<td>USD 10,049m</td>
<td>533</td>
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A selection of recent accomplishments include:

- Arise B.V.: KPMG Corporate Finance acted as financial advisor to Arise on the successful joint venture for the Sub-Saharan African financial service providers of FM, Norfund and Rabobank. August 2016
- CORINS: KPMG Corporate Finance acted as the exclusive financial advisor to the shareholders of Corins on the sale to a.s.r. July 2016
- eFocus: KPMG Corporate Finance acted as the exclusive financial advisor to the shareholders of eFocus, Strategy & Webdesign BV on the sale to Valtech SE. June 2016
- BYTE: KPMG Corporate Finance acted as the exclusive financial advisor to the shareholders of Byte B.V. on the sale to Intelligent N.V. June 2016
- LONE STAR FUNDS: KPMG Corporate Finance acted as the financial advisor to a consortium of Lone Star and JPMorgan on the acquisition of Propertia B.V. June 2016
- AXSERION: KPMG Corporate Finance acted as the exclusive financial advisor to Grohe Equity Management on the sale of Axserion to the shareholders of Axserion on the sale of the company to Main Capital. June 2016
- CONCLUSION: KPMG Corporate Finance acted as exclusive financial advisor to N.V. Bank Nederlandse Gemeenten regarding the sale of BNG Vermogensbeheer B.V. to a.s.r. January 2016

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