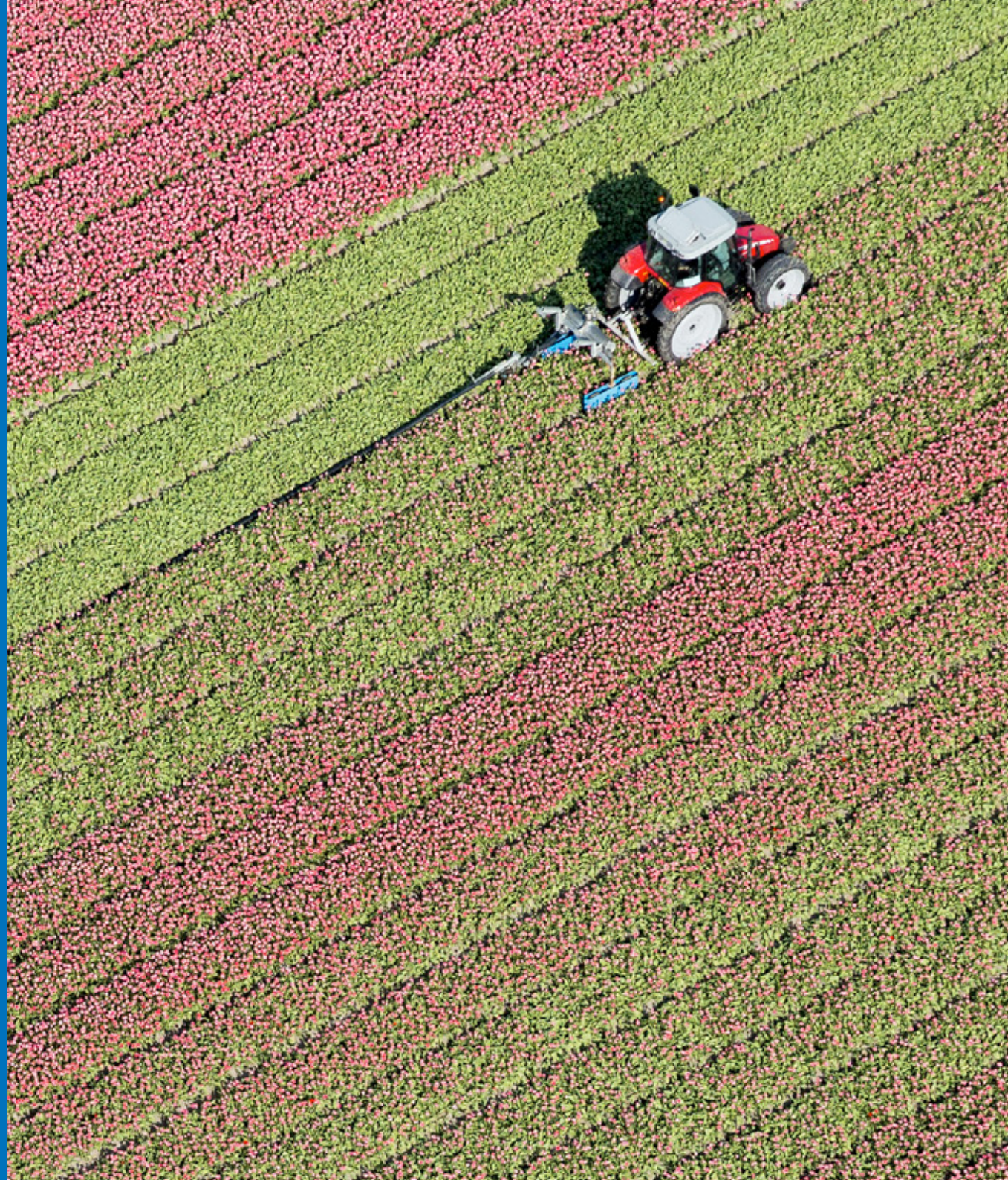




Dutch M&A update

2015 Full Year Analysis

Deal Advisory - Corporate Finance



KPMG's update on the dutch M&A market

Status of the global and European M&A market	The Dutch M&A market	Outlook
<p>The overall improvement in the economy has been reflected in global M&A volumes, which reached an all time high since 2007 with a total of 17,425 announced deals. The European M&A activity is at par with 2014 volume (6,805 transactions in 2014 versus 6,766 in 2015) and slightly below the deal pre-crisis deal volume from 2007.</p> <p>In terms of deal value, an increase has been witnessed across all geographies. In addition, the EV/EBITDA multiples have also increased, which can be explained by the availability of inexpensive funding (low interest rates as a result of monetary policies by the ECB and the FED) and the strong balance sheets of large corporates.</p> <p>In 39% of all recorded deals, a European target or buyer was involved, underlying the fact that Europe continues to play an important role in global M&A activity. Within Europe, more than 60% of transactions concerned a European target and European buyer. In total 1,369 transactions (20%) involved a European target and non-European buyer, in 16% of the transactions a European buyer acquired a non-European target. This continues the 2011 trend that Europe was a net seller of companies for 2015.</p> <p>North America was most often involved in European deals that concerned a non European buyer or seller.</p>	<p>The Dutch M&A market has shown a decline in transaction volume of c. 1% compared to 2014, which is slightly below the global and European markets. The majority of the transactions are undertaken by corporates (381 of the 556 transactions, or 69%), whereas 31% (175 transactions) in the Netherlands involved a financial investor.</p> <p>Financial investors have been active in both acquiring and divesting portfolio companies in 2015. The number of exits was roughly on par with the number of entries. In 2015, 11% of transactions that involved a financial party (20 transactions) involved the sale of a company by a financial investor to another financial investor (so called "secondary"). With a total of 556 transactions, the Dutch market, measured in volume, accounted for circa 3% and 8% of the global and European markets, respectively.</p>	<p>Market appetite and capacity (as defined as the ability and willingness to engage in M&A) of the world's largest companies are both increasing according to KPMG's M&A predictor. Furthermore, drawing on the KPMG US M&A Outlook survey 2016, companies will investigate on M&A strategy as they continue to look for new markets to enter and strive to expand their customer base or geographical reach.</p> <p>However, the recent increased volatility of global equities, fuelled by a slowdown of the Chinese economy, the increasing US interest rates and low oil prices is starting to influence perceived transaction risk amongst dealmakers. As a result of these murky environmental conditions, it is hard to present an unambiguous outlook on the M&A market.</p>

M&A market snapshot

		Global		EU - 28		The Netherlands	
		2015	Δ 2014	2015	Δ 2014	H1 2015	Δ 2014
Financial and strategic deals	# of deals ⁽¹⁾	17,425	0.1% ↑	6,766	0.6% ↓	556	1.1% ↓
	Deal value (EURbn)	3,861	55.5% ↑	1,160	37.3% ↑	179	252.0% ⁽²⁾ ↑
Financial deals as percentage of total	# financial investor deals	24.3%	↓	27.9%	↑	31.5%	↑
	Financial investors - value	18.0%	↓	23.2%	↓	18.8%	↑
Median EBITDA multiple		11.1x	↑	10.3x	↑	11.2x	↑
		MSCI All Country World index		Eurostoxx 50 index		AEX index	
Forward PE multiple 2016 ⁽³⁾		14.7x		12.8x		16.0x	
Forecasted GDP growth (2016)		2.6%		1.8%		2.1%	
Total stock market return 01/01/2007 – 31/12/2015		39.9%		17.7%		22.6%	

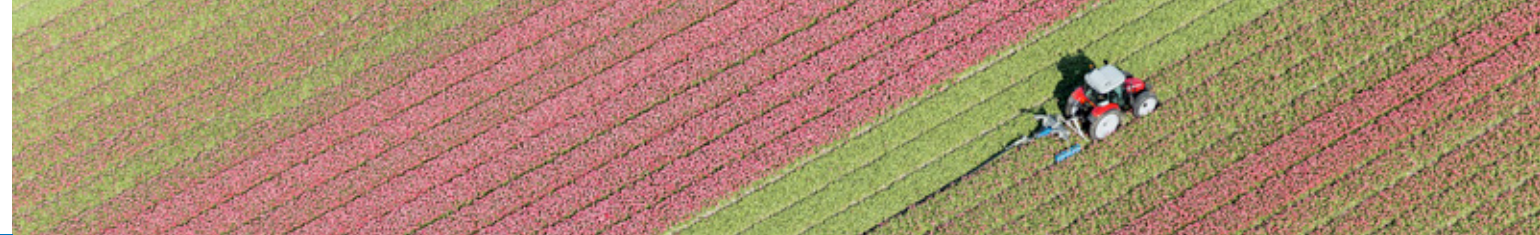
Sources: MergerMarket, Bloomberg, Economist Intelligence Unit. Deal activity figures based on MergerMarket data available per 28/01/2016, based on announced deals, excluding IPOs

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

Note (2): Increase in value is distorted by three deals of EUR >10m 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))

Note (3): Data per 04/02/2016

Global and European M&A market



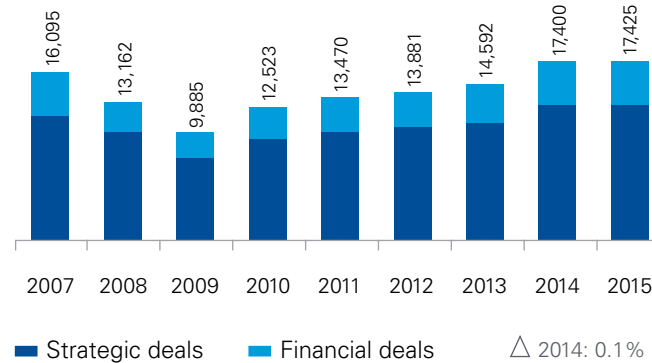
The global and European M&A markets are back at their pre-crisis levels in terms of volume

Deal volumes measured worldwide and in Europe are at their pre-crisis levels. Globally, deals were up 0.1% comparing to 2014 while in Europe total deal volume declined by 0.6%.

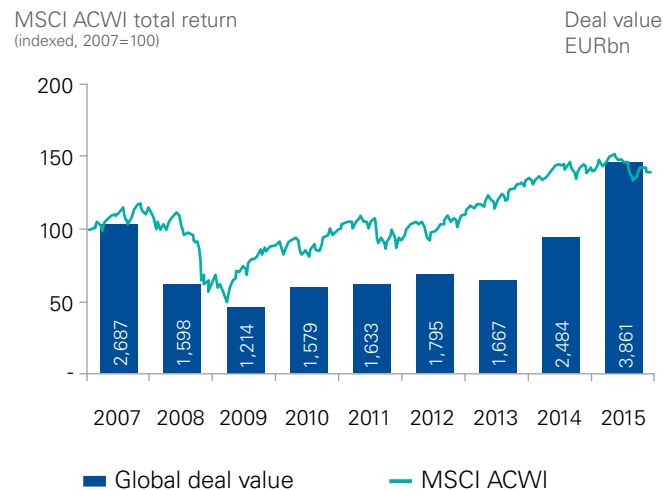
In line with the stock market developments, recorded deal value has steadily increased over the last three years both in the global and European markets, respectively.

Global

Number of deals per type

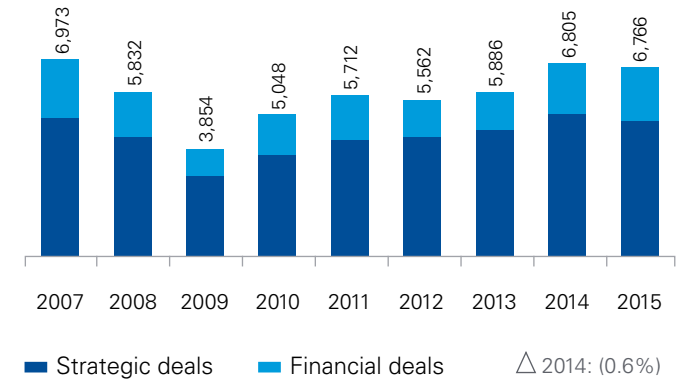


World market index vs. Global deal value



Europe

Number of deals per type

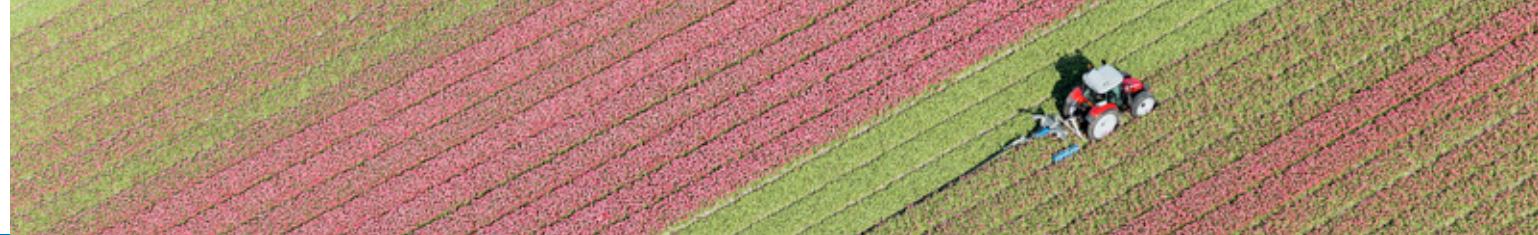


Eurostoxx 50 index vs. European deal value



Source: MergerMarket, based on recorded deal value
Note: Deal activity measured as bidder or target in the EU-28 area

European M&A market



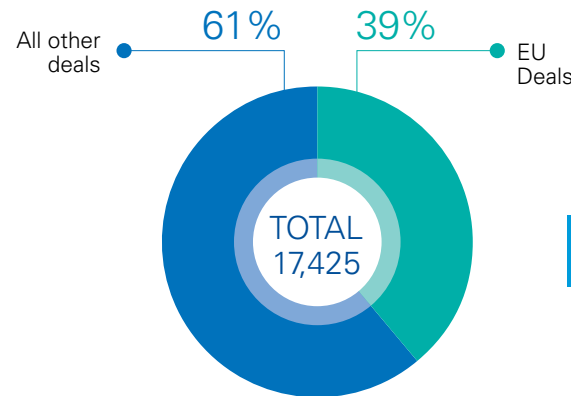
Europe accounts for circa 39% of global M&A activity⁽¹⁾

Europe remains a pivotal region in the global M&A market, involved in c. 39% of all deals announced in 2015.

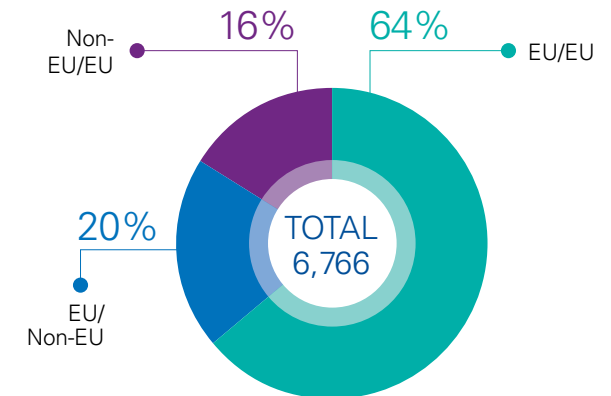
The majority of the transactions are undertaken where target and buyer are both European. Of all European transactions, 20% involved a European target and non-European buyer (export). In 16% of the transactions a European company bought a non-European party (import). This continues the 2011 trend that Europe was a net seller of companies for 2015.

North America was most often involved in European deals that concerned a non European buyer or seller.

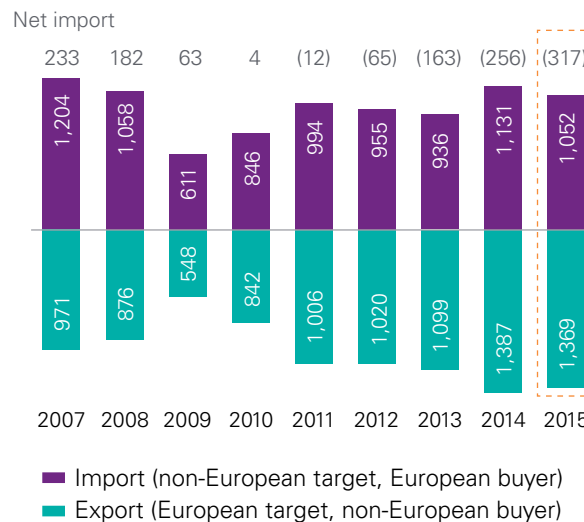
European involvement in global M&A activity



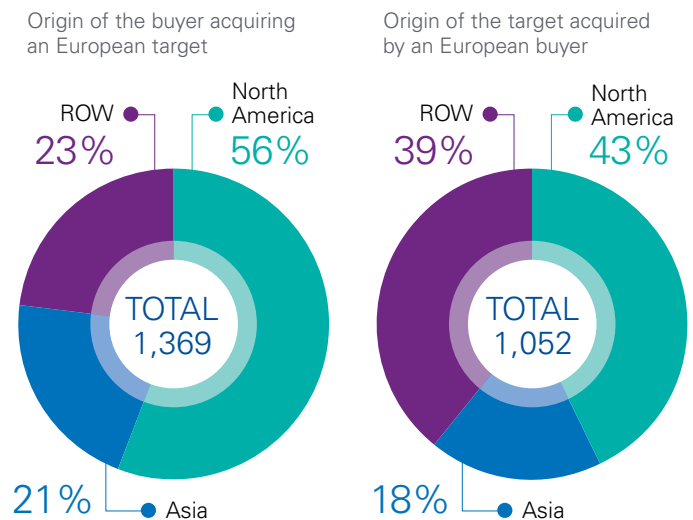
Europe's role in the transaction (target/buyer)



Development of Europe's role in transactions



Origin of Europe's trade partners



Note (1): Measured by number of transactions during 2015

Dutch M&A market



The Dutch M&A market has been stable in volume terms but showed a significant increase in value terms

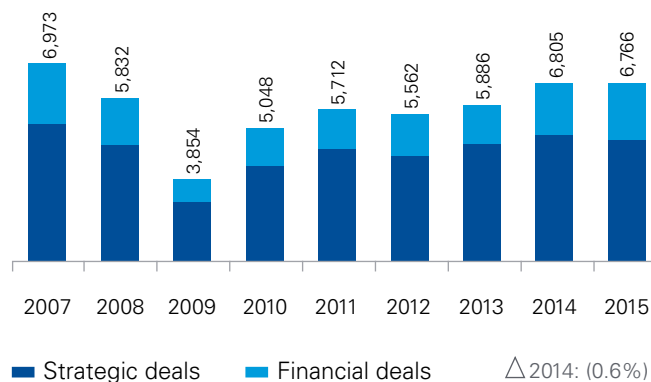
Dutch deal volume was on the same level as 2015 but total deal value has significantly increased, demonstrating the improved M&A climate.

EV/EBITDA multiples have shown a steady increase since 2013. The median Dutch EV/EBITDA multiple in 2015 was slightly larger than the median European multiple.

Deal value in the Netherlands has shown a sharp increase in 2015, although this is mainly explained by three transactions of >EUR 10bn each.⁽¹⁾

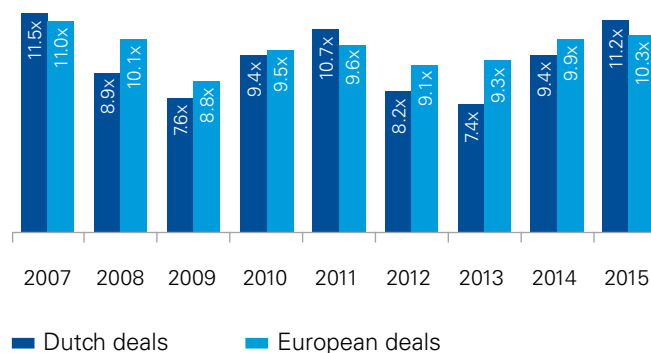
Europe

Number of deals per type



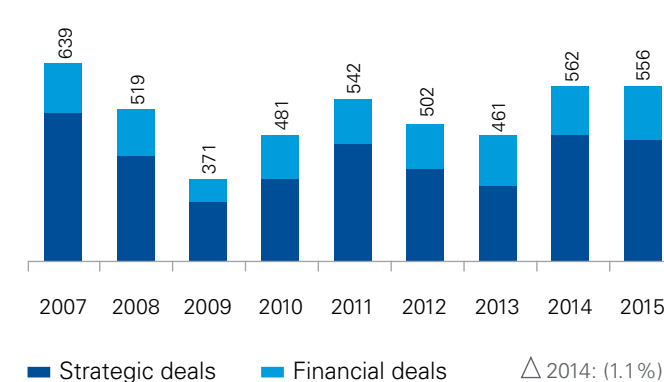
Price levels

Median EBITDA multiples



The Netherlands

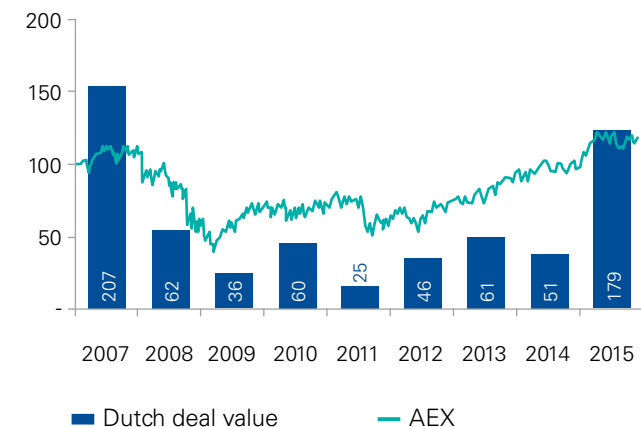
Number of deals per type



AEX index vs. Dutch deal value

AEX total return
(indexed, 2007=100)

Deal value
EURbn



Source: MergerMarket, based on recorded deal value

Note: Deal activity measured as bidder or target in the Netherlands

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

Dutch M&A market

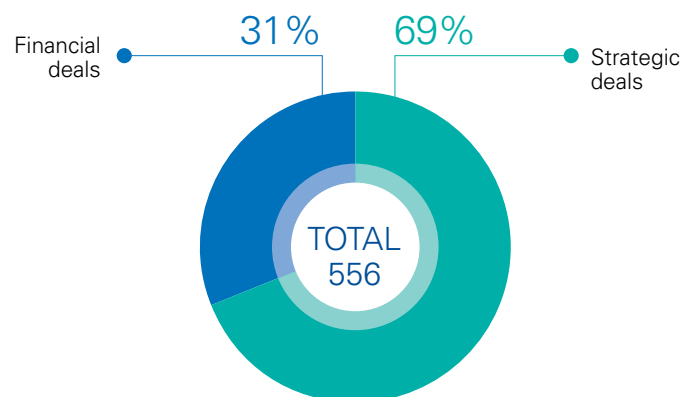


Corporates account for 69% of all deals in the Dutch M&A market⁽¹⁾

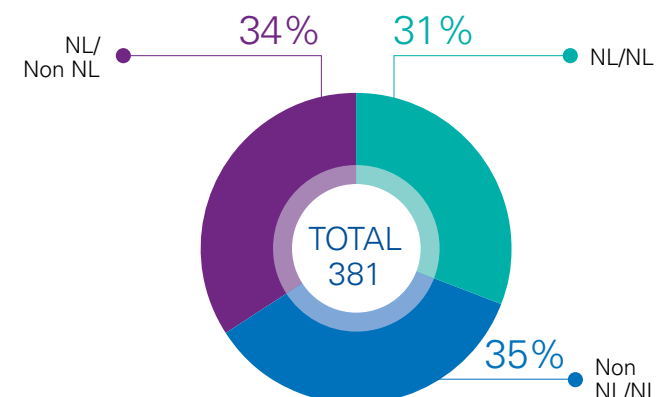
In 2015, 381 transactions were undertaken by corporates. This accounts for around 2/3 of the total market and is in line with the global and European market.

Dutch buyers are most acquisitive in their own country, followed by other EU members.

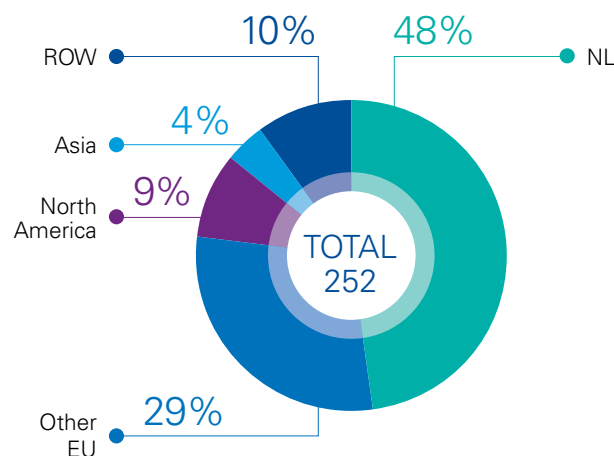
Split by type of deal



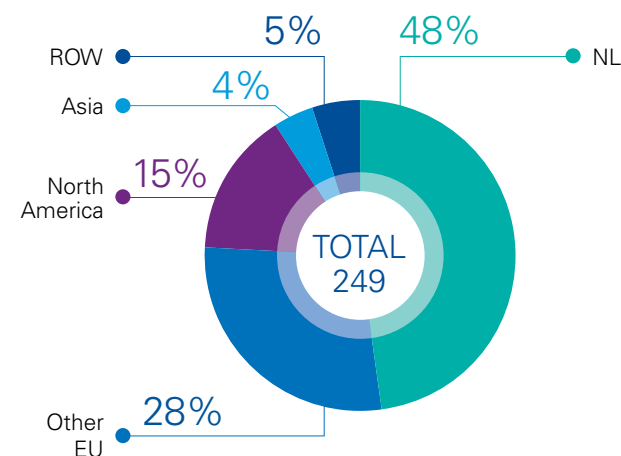
Geographical split of Dutch corporate deals (target/buyer)



The origin of the target acquired by a Dutch buyer ("import")



The origin of the buyer acquiring a Dutch target ("export")



Dutch M&A market



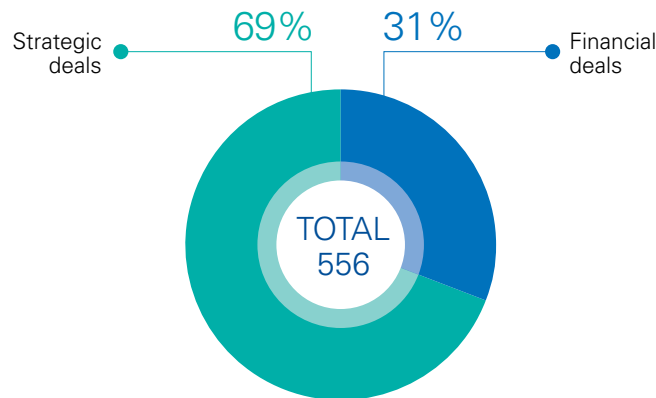
Financial investors continue to play an important role in M&A

In 2015, 175 financial transactions have been announced in the Netherlands.

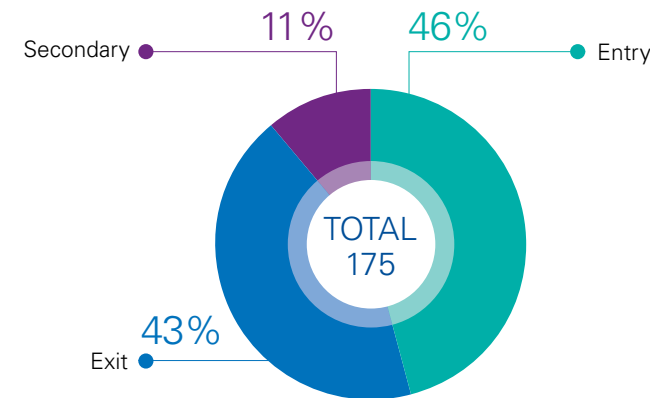
In 30% of the financial transactions, a Dutch corporate was acquired by a financial investor for the first time (entry). In 2015, Dutch financial buyers have acquired a total of 27 companies abroad. Since 2007, Dutch financial investors have not made so many foreign entry investments.

There were 75 transactions in which a financial investor sold a target to a corporate (exit). Foreign corporates accounted for the majority of the exit deals. This illustrates the role private equity can play in helping companies with their international expansion or transition process.

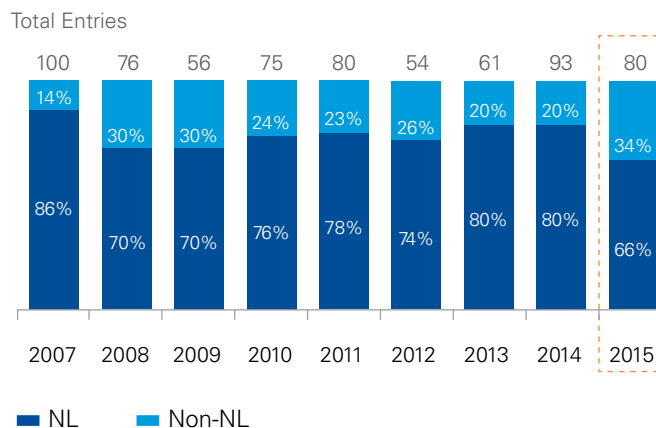
Split by type of deal



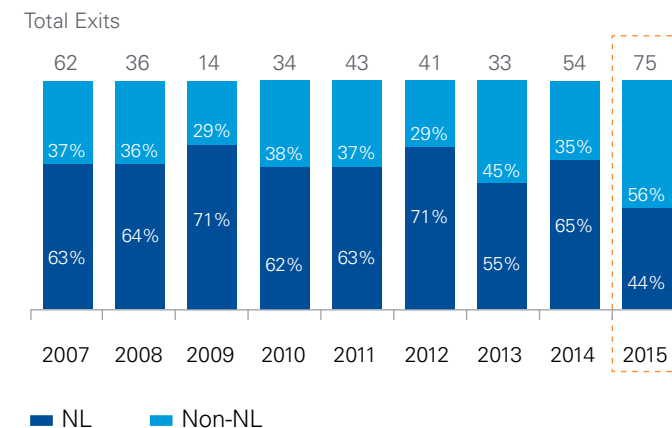
Financial deals split by type of deal



Entry: Origin of the target



Exit: Origin of the buyer



Classification of financial deals: Entry Financial investor acquires a portfolio company from a strategic party
Exit Financial investor sells a portfolio company to a strategic buyer (excluding IPOs)
Secondary Financial investor sells a portfolio company to another financial investor

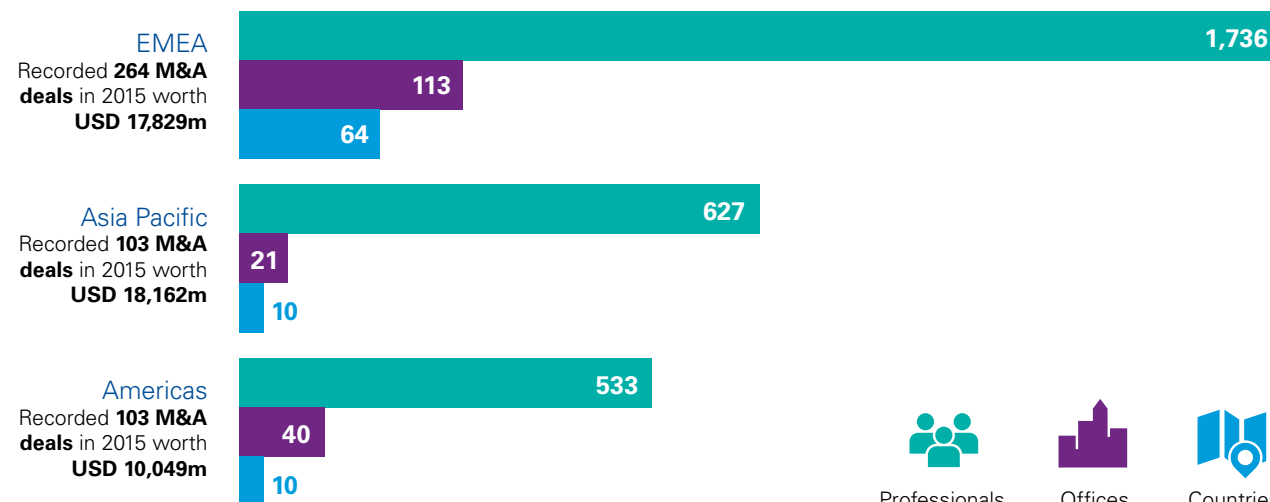
About KPMG Deal Advisory | Corporate Finance

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



A selection of recent accomplishments include:

 KPMG Corporate Finance acted as exclusive financial advisor to shareholders and management on the sale of ACL Airship to Ranger Aerospace KPMG February 2016	 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. KPMG January 2016	 KPMG Corporate Finance acted as the exclusive financial advisor to the shareholders of Van Gansewinkel Groep B.V. on the sale of SAS Van Gansewinkel France to SAS Paprec Group KPMG December 2015	 KPMG Deal Advisory acted as financial advisor to Ballast Nedam N.V. on its restructuring, refinancing and subsequent recommended public offer by Renaissance Construction KPMG December 2015	 KPMG Corporate Finance acted as financial advisor to the shareholders of The Medical Export Group on the sale of the company to Foreman Capital KPMG September 2015	 KPMG Corporate Finance acted as the exclusive financial advisor to Van Lanschot Bankiers on the sale of its non performing commercial real estate loan portfolio to Cerberus Capital Management KPMG September 2015	 KPMG Corporate Finance KPMG Transaction Services acted as the exclusive financial advisors to the shareholders of Argos on the merger with Varo Energy KPMG September 2015	 KPMG Corporate Finance acted as the exclusive financial advisor to the shareholders of Stork Food & Dairy Systems on the sale of the company to JBT Corporation from the United States KPMG July 2015
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