

# Corporate Advisory Newsletter

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## Market Update: Inflation Abating, Recession Risk Retreats



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Head of Corporate Advisory

*As Head of Corporate Advisory, Finbarr is responsible for developing the overall strategy for Corporate Advisory within Goodbody's Investment Banking division. The Corporate Advisory team comprises over 30 senior financiers and advisers based in Dublin and London who work collaboratively as one unit.*

2022 marked an incredibly turbulent year for global markets as a result of macroeconomic themes such as geopolitical risks, increasing interest rates, runaway inflation, rising energy costs and supply chain disruption. We entered 2022, cautiously optimistic for the year ahead, but this optimism faded last February, with Russia's invasion of the Ukraine. Despite the general slowdown in capital markets, the Goodbody team had a busy year in 2022, advising on transactions with a value of over €10.2bn across both public and private company markets. See p.4 for some of our transaction highlights from 2022.

Reflecting on transaction activity in 2022, global M&A markets witnessed a decline in both transaction volumes and values after the dealmaking highs of 2021.

Corporate activity in the Irish and UK markets was no exception to this trend.

Mergermarket data shows there were a total of 535 M&A transactions in Ireland in 2022 (where the company in any role was Irish) with total disclosed value of just under €80bn, skewed by some big-ticket deals such as Amgen's acquisition of Horizon Pharmaceuticals for c.€27bn, Clean Earth's acquisition of Alternus Energy plc for c. €1bn and John Laing's acquisition of the Convention Centre Dublin, Towercom and Valley Healthcare for c. €1bn. In the UK over the same period there were 3,936 transactions with a total disclosed value of £989bn.

Data from the London Stock Exchange points towards a notable decline in IPO activity in the UK market in 2022 with just 45 companies coming to market, raising new capital of c. £1.5bn. This was less than half of the IPO activity seen in 2021 where 126 IPOs were recorded, with these companies raising new capital of c. £8bn.



**£8 bn**  
New Capital Raised  
126 UK IPOs in 2021

**£1.5 bn**  
New Capital Raised  
45 UK IPOs in 2022

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# IPOs and M&As Recap



UK IPOs 2021

**126**

£8bn new capital

UK IPOs 2022

**45**

£1.5bn new capital



Irish M&A 2021

**595**

€212bn disclosed value

Irish M&A 2022

**535**

€80bn disclosed value



UK M&A 2021

**4,910**

£794bn disclosed value

UK M&A 2022

**3,936**

£989bn disclosed value



Source: Mergermarket, UK Stock Exchange

## Outlook for 2023

Despite the ongoing market turbulence, we predict that there will still be opportunities for growth over the coming year:

- Inflationary pressures are expected to abate from the highs seen in 2022, which may reduce the risk of recession and contribute to a more positive outlook for 2023 than previously anticipated
- Well capitalised strategic acquirers will continue to transact in pursuit of their long-term strategic goals
- PE sponsors with undeployed capital are still seeking investment opportunities – expect further roll-up acquisitions in sectors which are ripe for consolidation
- We will continue to see support for deals in sectors such as TMT, Pharma & Healthcare, Cleantech/Renewables, Fintech etc.
- Monetary policy adjustments will continue into 2023, further increasing the cost of capital and putting downward pressure on deal values
- We are cautiously optimistic that the 2023 IPO market will be better than 2022. A flight to quality will continue with most activity expected in the second half of the year as markets stabilise



# Team Updates

In a further expansion of our research coverage and distribution capabilities, a number of new staff members have joined our equity research and sales teams. Fintan Ryan has joined as a Food & Beverage analyst, having previously worked with JP Morgan and Berenberg Bank. Ken Rumph has joined our Cleantech & Renewable Energy team, having previously worked in Jefferies where he covered companies in Cleantech, VC/IP Commercialisation/University spin-out and Video Games sectors.

Brough Ransom joined the Sales team where he will cover Healthcare, following 25 plus years of experience in this sector, along with Technology and Cleantech.

The appointments of Ken and Brough allows us to further expand our push into new focus sectors of Cleantech/Renewables and Healthcare across Capital Markets and Corporate Advisory.

During 2022, we also continued to build out our Travel & Technology Franchise and we are delighted to have been appointed joint broker and Euronext Sponsor to Hostelworld pc in December 2022 which was an extremely important milestone for the team.

We are delighted that Sinéad Mahon has recently been appointed as Head of Investment Banking and will join Goodbody in March. Sinéad has had a distinguished career and is an experienced executive and nonexecutive leader. She joins us from Credit Suisse AG in Dublin, where she is Managing Director and Ireland Country Head and sits on the EMEA Equities Leadership team.

# Upcoming Events



## Goodbody Annual Equity Conference, Paris

We are delighted to confirm that the Goodbody Annual Equity Conference, now running for more than 10 years, will take place this year on Thursday 30 March 2023 in the Park Hyatt Paris-Vendôme, 5 Rue de La Paix, 75002 Paris. Goodbody will bring together 16 UK & Irish companies across six sectors and 50+ institutional investors.

The institutional investors are predominantly Paris or European based and the conference will offer them the opportunity to meet these leading companies throughout the day either in small groups or on a one-to-one basis.



## Food and Beverage Finance Conference (FBF 23), Cork

Our Food and Beverage Finance Conference (FBF 23) returns this year and will take place on the 17 – 19 May 2023 in the campus of University College Cork. This major conference is sponsored by Goodbody and AIB and brings together industry leaders with financiers to debate and discuss key themes in the food and beverage sector. FBF 23 will focus on Investing in two key areas: Proteins (Dairy, Meat, Alt, Plant) and Non-Alcoholic Beverages, both significant growth segments of the global food & beverage industry.

FBF 23 will also include a gathering on 19 May with short 15 minute presentations by smaller growth companies exposed to Ag-Food and Beverage industries before an audience of PE and VC type investors.

**In need of more information  
on upcoming events?**

Contact us directly  
[Goodbody@goodbody.ie](mailto:Goodbody@goodbody.ie)

# Transaction Highlights

In 2022, Goodbody advised on transactions with a value of over €10.2bn

## PLC Advisory and Corporate Broking

- Sole adviser and broker to Yew Grove REIT on its sale to Canadian property group Slate Office REIT for €177.4m
- Adviser to Hibernia REIT in relation to its €1.2bn takeover offer from Benedict Real Estate Bidco, a subsidiary of Brookfield Asset Management
- Joint lead manager to AIB Group on its inaugural social bond – the first social bond issuance by an Irish bank
- Adviser to Cairn Homes on its €75m buyback programme and its €277.5m sustainability linked syndicate facility
- Adviser to Origin Enterprises on its €40m buyback programme
- Adviser to Glanbia Co-Operative on the launch of €350m of exchangeable bonds into Glanbia Plc shares and an offer representing approximately 2% of Glanbia Plc's share capital through a combined offering
- Adviser to AIB Group on a €92m capital distribution (share buyback and directed share buyback)
- Joint Bookrunner for Department of Finance on the sale of shares in AIB Group in June 2022 for €304.8m and in November 2022 for €396.6m
- Co-Manager on PTSB's €300m Senior HoldCo MREL issuance
- Adviser to Playtech on the completion of its disposal of Finalto
- Adviser to Grafton Group on its £100m share buyback
- Appointment as Joint Broker and Euronext Sponsor to Hostelworld
- Adviser to Greencore Group on share buyback programme



**Bord na Móna**



## Cleantech, Energy, Infrastructure and Semi-State

- Adviser to Eirgrid on €600m term loan and €200m revolving credit facility for the Celtic Interconnector project
- Joint Lead Manager on a €750m Green Bond for AIB
- Adviser to Aer Lingus in relation to a €200m three-year debt facility from the Irish Strategic Investment Fund
- Adviser to Bord Na Móna on a €160m sustainability-linked revolving credit facility
- Advised FuturEnergy Ireland on certain renewable energy assets

## Growth Companies

- Adviser to Mzuri Group on the acquisition of Denmark based Gardin Lis
- Adviser to Host Ireland in relation to its sale to Digital 9 Infrastructure Plc
- Adviser to Finance Ireland in relation to a series of shareholder transactions
- Adviser to EmpowerTheUser (ETU), on raising a strategic growth investment led by US-based Mission Springs Ventures and Pacific Lake Partners
- Adviser to Johnson Hana International, in relation to an equity investment led by AIB Group Plc
- Debt advisory for AMCS Group in relation to the acquisition of Quentic GmbH



# Want to talk to us?

For more information on our corporate advisory capabilities, please contact us using the details below and a member of our team will be in touch.

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