

Regional Overview

Benelux

Trend Report

In association with



Admincontrol

H1 2021

€27.5bn

M&A value in H1 2021, 3.8x the figure seen in H1 2020 (€7.3bn) with 154 more deals this year

€53bn

Value of outbound M&A, already ahead of the full-year 2020 value (€45.8bn)

5

Number of deals worth at least €1bn announced in the first half



€4.3bn

Value of PE exits in H1 2021, up 45.7% versus H1 2020 (€2.9bn)



106

Number of tech deals announced in H1 2021, the most active sector in the region after an increase of 31 deals versus H1 2020

€9.4bn

Value of PE buyouts in H1 2021 – already ahead of the 2020 value (€6.6bn)

Benelux a bastion of big-ticket clean energy deals

The Benelux M&A market has been quick to recover from the initial impact of the COVID-19 crisis. A total of 481 deals worth a combined €27.5bn were announced in the region in H1 of this year, almost four times the value logged in the same period in 2020, while deal count increased by 47.1% year-on-year. This follows from the impressive recovery recorded in H2 2020, which saw the region post its highest half-yearly aggregate deal value since 2008.

The enduring appetite for deals within Benelux is underpinned by the region's healthy economic fundamentals. The GDPs of Belgium and Luxembourg are predicted to grow by 4.5% in 2021, while the Netherlands is expected to see more modest growth of 2.3%, according to figures from the European Commission.

Big deals back on the table

The growth in investor confidence is made clear by the various sizable deals announced in Benelux during H1. The largest transaction saw Gores Holding V, a US special purpose acquisition company (SPAC), merge with Luxembourg-based Ardagh's metal packaging business, in a deal valued at €7.3bn. The transaction, which will see the Ardagh subsidiary listed on the New York Stock Exchange, pushed the industrials & chemicals industry to the top of the deals table, with the sector accounting for 36.2% of total deal value in the region.

"From our position as a data room provider, we saw a considerable increase in deal activity in Q2," says Paolo Gambirasi, business development director at Admincontrol. "That is part of the trending high volumes seen in H1 and other contributing factors, including successful vaccine rollouts, low interest rates and the first signs of economic recovery in general."

Activity among US SPACs targeting European companies was a standout trend of 2020. Their growing presence in Benelux indicates the region's high growth potential and is a positive sign of more deals to come.

Beyond blank-check companies, international buyers were a key driver of Benelux dealmaking in H1 2021. Inbound deal value increased more than fourfold year-on-year to reach €24.8bn, the highest H1 value since 2007, from 220 announced transactions, up 77% from the same period last year.

US buyers were a significant presence in the Benelux market in H1, securing five of the nine largest deals of the year so far. Aside from the Gores/Ardagh deal, US buyout firm TA Associates joined up with Swiss-based PE firm Partners Group to acquire enterprise software company Unit4 in a deal valued at €1.7bn.

Sector watch

While industrials & chemicals achieved the highest share of deal value across all industries, the technology sector continued

Benelux M&A activity
2016-H1 2021



Data analysis continued

to attract the highest level of deal volume in the first half of this year.

A total of 106 deals took place within the space, the only sector to break the three-figure mark in H1. These deals were worth US\$6.2bn in aggregate, good for second place or 22.6% of total deal value in the region. One notable transaction was China-based sports lottery firm 500.com's €1.1bn purchase of Dutch bitcoin wallet BTC.com, which underscores the rich technology potential within the region.

"I don't think anyone will be surprised to see technology at the top of the table," says Gambirasi. "Technology has always been a strong sector in this region, and the pandemic has turbocharged activity as we all embrace technology solutions for working from home."

The energy, mining & utilities sector registered a steep year-on-year increase in aggregate deal value, more than doubling H1 2020's sum to reach €1.9bn. That figure was derived almost entirely from Danish multinational power company Ørsted's sale of a 50% ownership share of its 752 MW Borssele 1 & 2 Offshore Wind Farm to Norges Bank Investment Management. The deal, valued at €1.4bn, reflects the global shift towards clean energy sources, with ambitious government targets prompting record investment in renewable energy infrastructure.

Buyouts bump up PE deal value

Private equity activity in the region enjoyed a healthy start to the year, with big-ticket buyouts already pushing H1's aggregate PE value of €9.4bn ahead of 2020's annual total (€6.6bn). If that momentum is carried forward,

buyout deal value within the region could be on track for a record year. Deal volume, in turn, remained more than steady, with a total of 112 transactions, up 40% from H1 2020.

"In truth, we still saw a lot more activity than market participants were expecting," reports Gambirasi. "Here in the Netherlands, the country's economic performance has been much better than expected, and optimism is building quickly. People are anticipating many more deal announcements in both buyouts and exits over the coming year, and that will benefit the whole region."

Chinese buyers have been active in the region, particularly in the high-growth consumer and tech sectors. The largest deal saw investment firm Hillhouse Capital purchase the domestic appliance business of Dutch multinational Philips for €3.7bn.

The industrials & chemicals sector also saw interest from international buyout groups. In March, Blackstone and EQT Partners acquired Desotec, an environmental services company, for €800m. Desotec's mobile filtration technology helps companies reduce their carbon footprint, and the deal highlights the increasing attention paid by investors to companies aligned with the global carbon reduction mission that policymakers are espousing.

Outlook

The Benelux M&A market appears to have weathered the COVID-19 storm well. International buyers are ramping up activity in the region, with market confidence reflected in increasingly sizable deals.

The gradual easing of COVID-19 restrictions and ongoing global vaccine rollout will be mitigating dealmaker concern. As the macroeconomic picture begins to brighten across the region, confidence will increase even further. Still, the past 14 months will have taught dealmakers to be cautious, and a potential third wave could put some plans on hold.

While a degree of uncertainty remains, the Benelux M&A market holds the potential for a busy second half of the year.



Looking for more insights into the
Benelux market?
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Top deals

| Announcement date | Target company | Target dominant sector | Target dominant geography | Bidder company | Bidder dominant geography | Seller company | Seller dominant geography | Deal value (€m) |
|-------------------|--|----------------------------|---------------------------|---|---------------------------|--|---------------------------|-----------------|
| 23-Feb-21 | Ardagh Metal Packaging SA | Industrials & chemicals | Luxembourg | Gores Holdings V Inc | USA | Ardagh Group SA | Luxembourg | 7,286 |
| 25-Mar-21 | Koninklijke Philips NV (Domestic Appliances & Personal Care (DAP)) | Consumer | Netherlands | Hillhouse Capital Management Ltd | China | Koninklijke Philips NV | Netherlands | 3,700 |
| 22-Mar-21 | UNIT4 NV | Technology | Netherlands | TA Associates Management LP; and Partners Group Holding AG | USA | Advent International Corporation | USA | 1,679 |
| 07-Apr-21 | Orsted A/S (752 MW Borssele 1 & 2 Offshore Wind Farm) (50% stake) | Energy, mining & utilities | Netherlands | Norges Bank Investment Management AS | Norway | Orsted A/S | Denmark | 1,375 |
| 16-Feb-21 | BTC.com | Technology | Netherlands | 500.com Limited | China | | | 1,097 |
| 18-Mar-21 | Desotec NV | Industrials & chemicals | Belgium | Blackstone Group Inc; and EQT Partners AB | USA | EQT Partners AB | Sweden | 800 |
| 14-May-21 | Recticel SA | Industrials & chemicals | Belgium | Greiner AG | Austria | Compagnie Mobiliere et Fonciere du Bois Sauvage SA | Belgium | 759 |
| 15-Jan-21 | Henogen SA | Pharma, medical & biotech | Belgium | Thermo Fisher Scientific Inc | USA | Groupe Novasep SAS | France | 725 |
| 22-Jun-21 | Mollie BV (Undisclosed stake) | Technology | Netherlands | Blackstone Group Inc; General Atlantic Service Company LP; EQT Partners AB; Technology Crossover Ventures; HMI Capital LLC; and Alkeon Capital Management LLC | USA | | | 672 |
| 28-Apr-21 | MessageBird BV (Undisclosed stake) | Technology | Netherlands | Eurazeo SA; Accel; Mousse Partners Ltd; Tiger Global Management; Y Combinator LLC; Glynn Capital Management; Atomico; Longbow Capital LLP; BlackRock Private Equity Partners; Bonnier Ventures; Owl Rock Capital Partners LP; NewView Capital Management; and Lightrock LLP | France | | | 662 |

Criteria

All data is based on transactions over USD 5m and is based on the Mergermarket's M&A deals database. Deals with undisclosed deal values are included where the target's turnover exceeds USD 10m. Deals where the effective stake acquired is less than 30% will only be included if the value is greater than USD 100m. Full deal inclusion criteria can be found [here](#).

Trend data: Based on the dominant geography of the target company and excludes lapsed and withdrawn bids. Sector trends based on the dominant sector of the target.

Global cross-border M&A: Based on the dominant geography of the target and bidder company being in a different region.

Inbound: The dominant geography of the target is Benelux and the dominant geography of the bidder is any other region excluding Benelux.

Outbound: The dominant geography of the bidder is Portugal and the dominant geography of the target is any other region excluding Benelux.

Top deals: Based on the dominant geography of the target company.

League tables: Based on the dominant geography of the target, bidder or seller, and excludes lapsed and withdrawn bids. Private equity buyout league tables are based on advisors advising the bidder only on buyout deals with target dominant geography being the country/region and excludes lapsed and withdrawn bids. Private equity exit league tables based on advisors advising the target/seller on exit deal with target dominant geography being the country/region and excludes lapsed and withdrawn bids.

All values are in EUR

M&A Trends and Top Deals correct as of 9am (GMT), 16-Jul-2021.

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Admincontrol

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