

Tim Payne
Senior Partner, Head of Asia
Brunswick Group

Striking Patterns and Trends Impacting Global M&A

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Financial

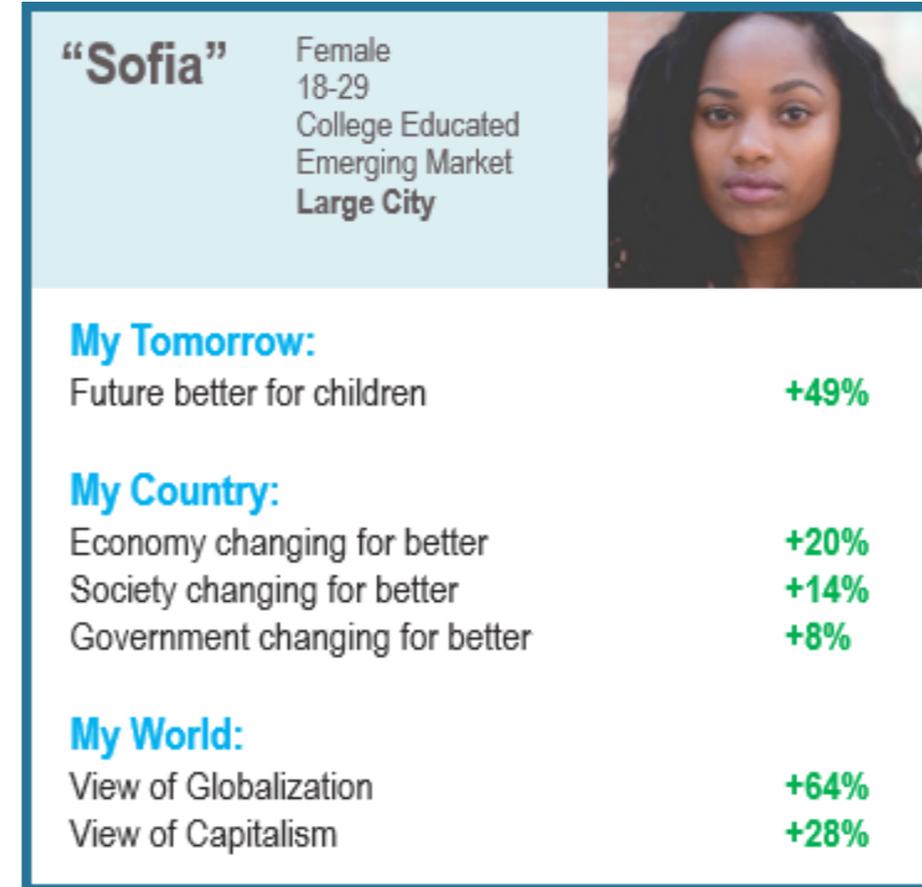
1

The convergence of business, society & politics has created a more complex environment than ever for deal makers

Social

Political

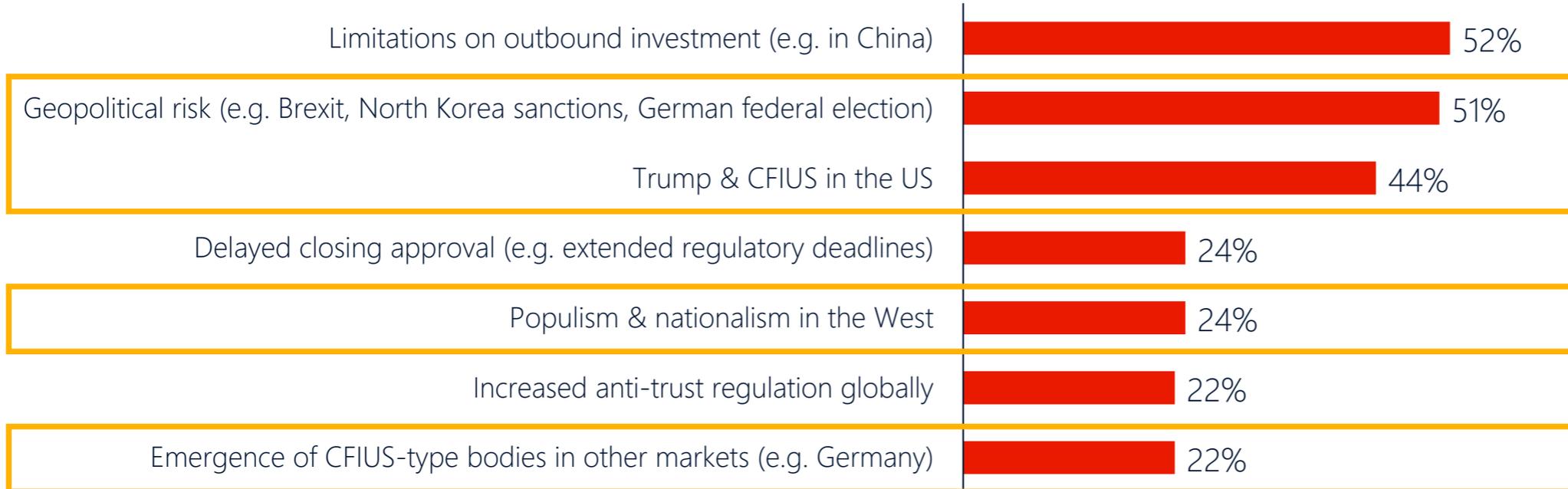
Fragmented societies



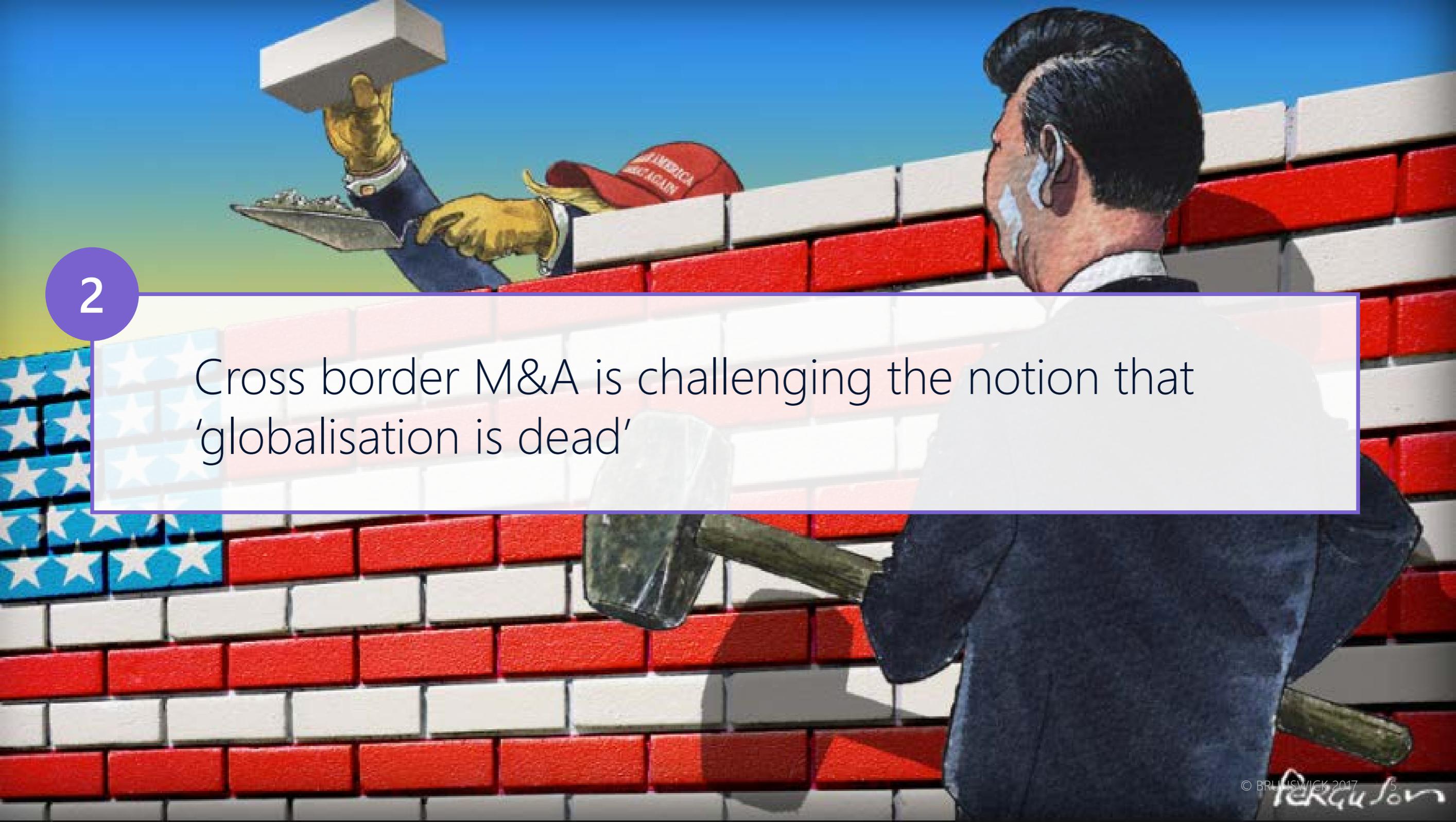
Source: Perspectives Research, General Public in 26 markets

M&A advisors see increased complexity

Greatest negative impact factors on cross-border deals (next 12 months)



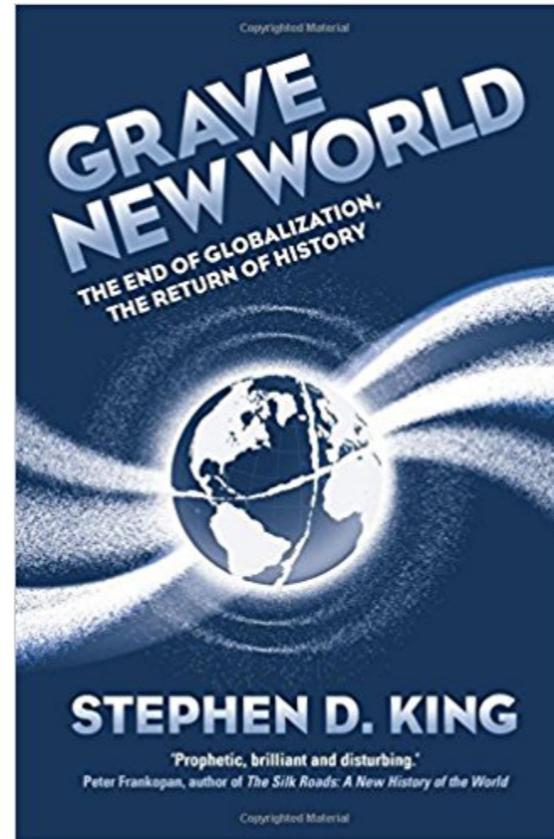
Source: Brunswick survey of global M&A advisors



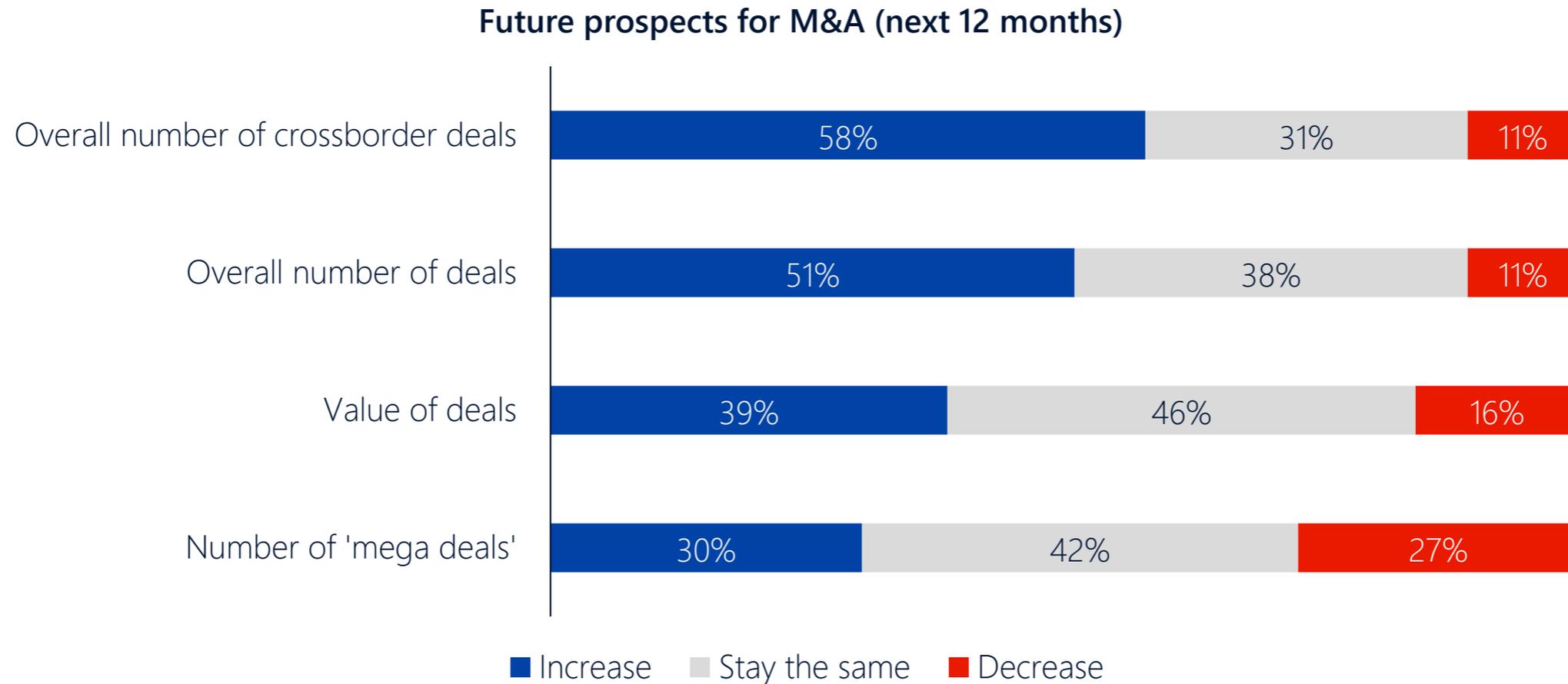
2

Cross border M&A is challenging the notion that 'globalisation is dead'

Globalisation in Crisis?



Majority of advisors expect cross-border M&A to increase



Source: Brunswick survey of global M&A advisors

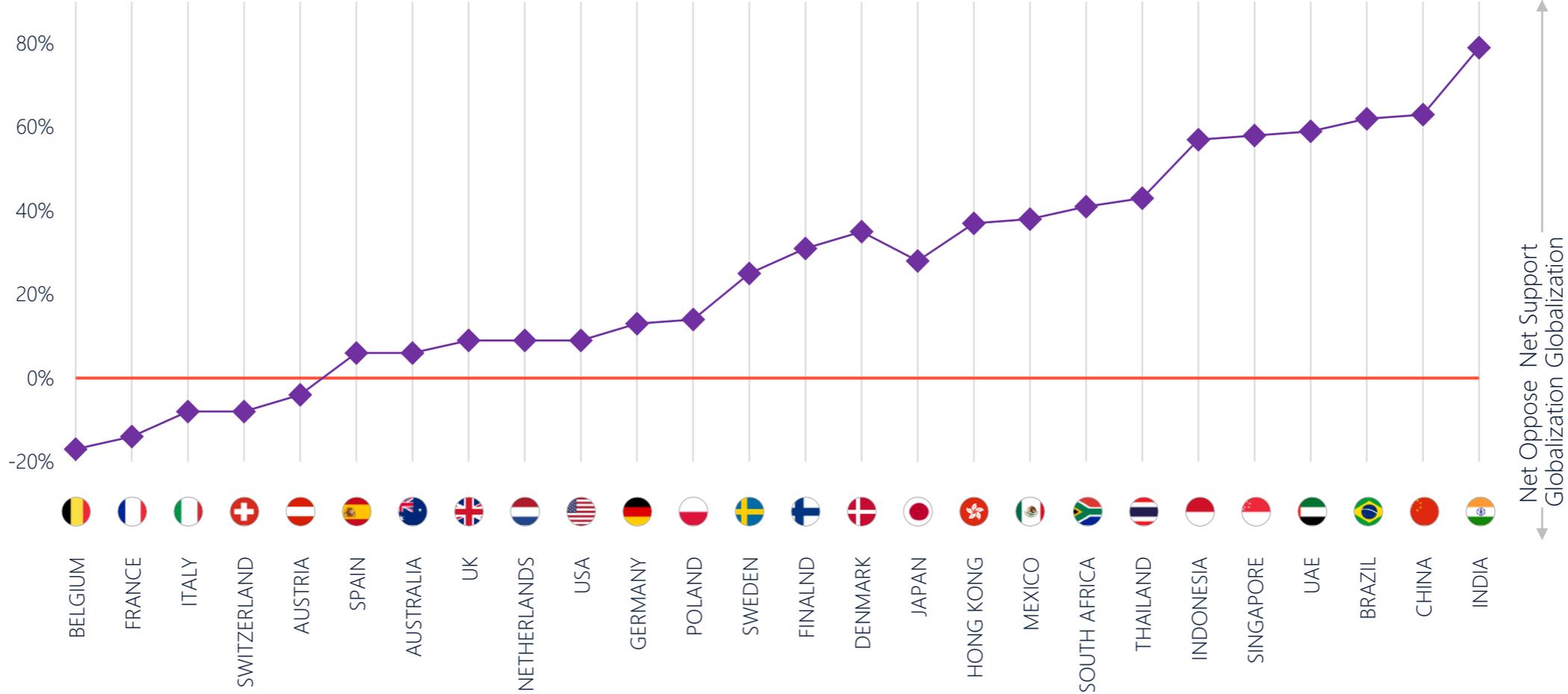
Cross-border M&A rises as trade barriers increase



Source: Thomson Reuters, WTO: PwC analysis

Views of globalisation: West vs. The Rest

Net Support for Globalization



Source: Perspectives Research, General Public in 26 markets



From this day forward, it's going to be **only America first**... We must protect our borders from the ravages of other countries making our products, stealing our companies, and destroying our jobs.

Donald Trump at 2017 Presidential Inauguration

“ We must remain committed to developing global free trade and investment, promote trade and investment liberalization and facilitation through opening-up and **say no to protectionism.**

- Xi Jinping at Davos, 2017

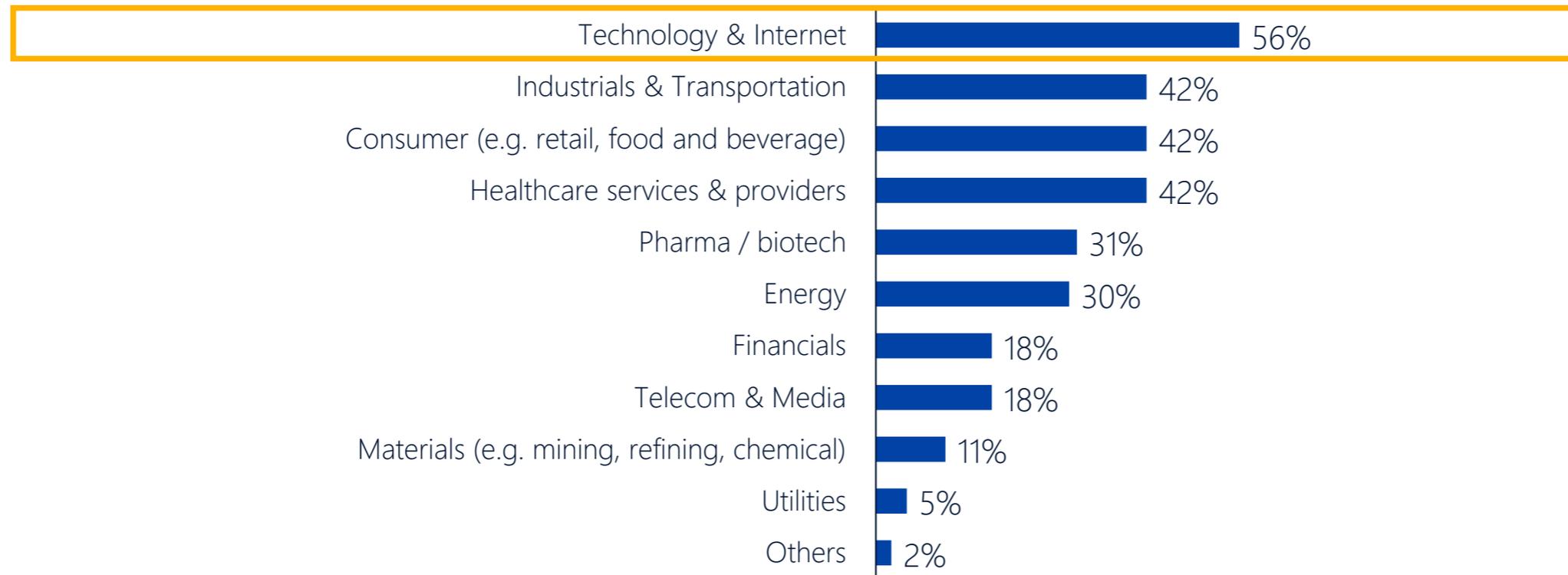


3

Technology will drive cross-border M&A in spite of growing concerns & regulatory barriers

Tech M&A to lead the way

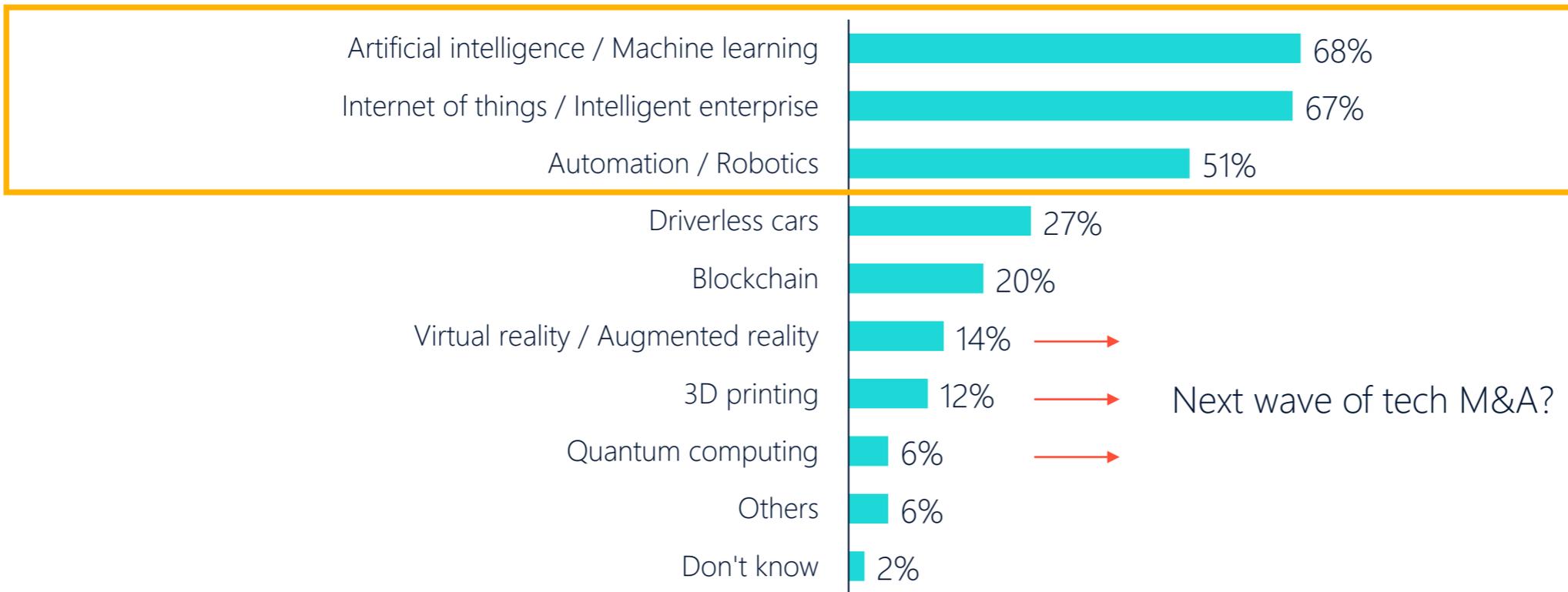
Most active sectors for cross-border M&A (next 12 months)



Source: Brunswick survey of global M&A advisors

Developed tech areas prime for M&A

Most active M&A areas within tech (next 12 months)

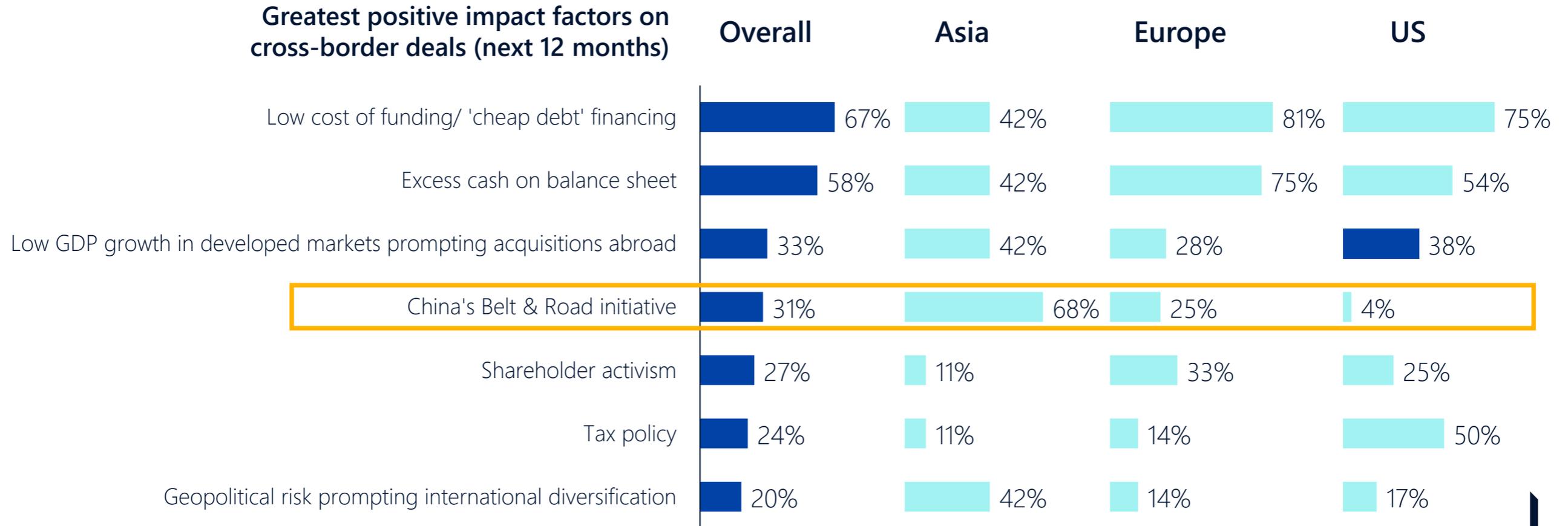


Source: Brunswick survey of global M&A advisors

4

China expected to lead global cross-border M&A in year ahead in spite of curbs on capital outflows

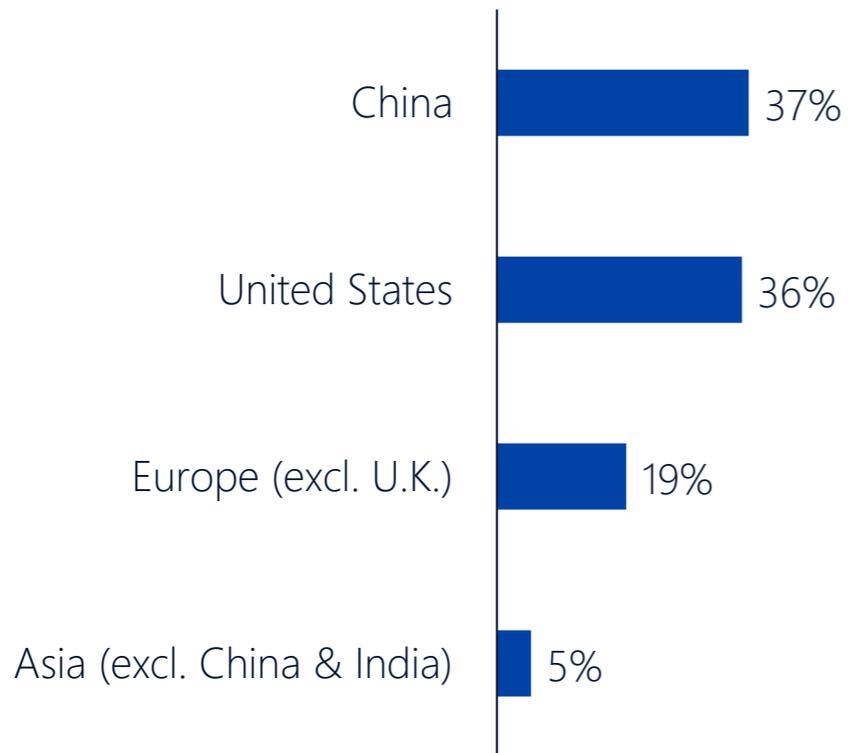
'One Belt One Road' to drive global M&A in year ahead



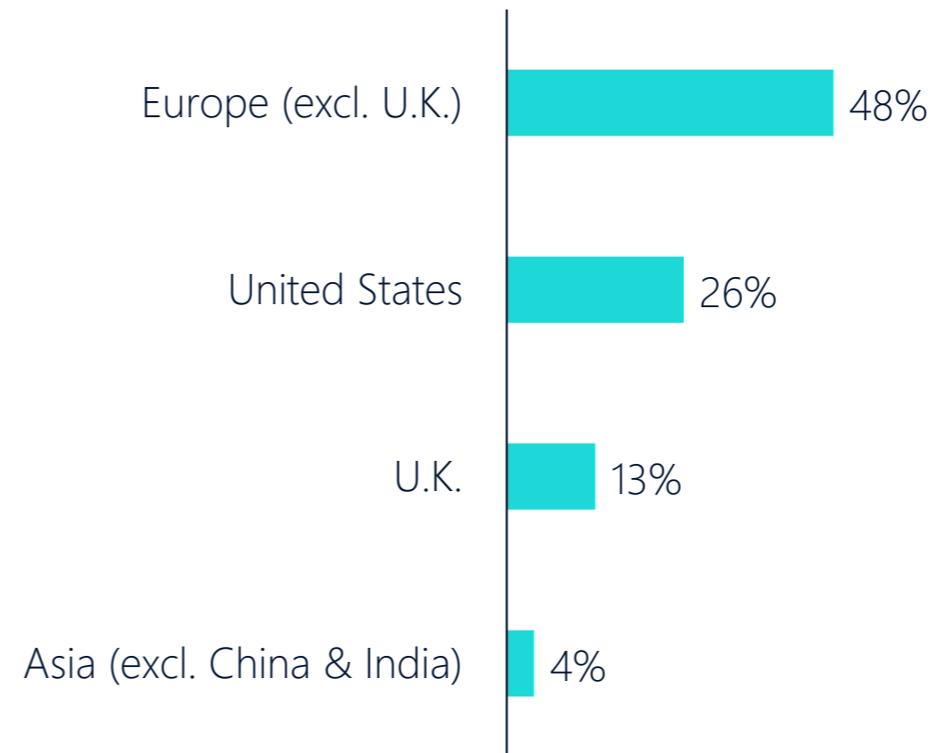
Source: Brunswick survey of global M&A advisors

China to lead global M&A in year ahead, level with US

Most active country or region in buying overseas assets (next 12 months)



Most active country or region in selling assets (next 12 months)

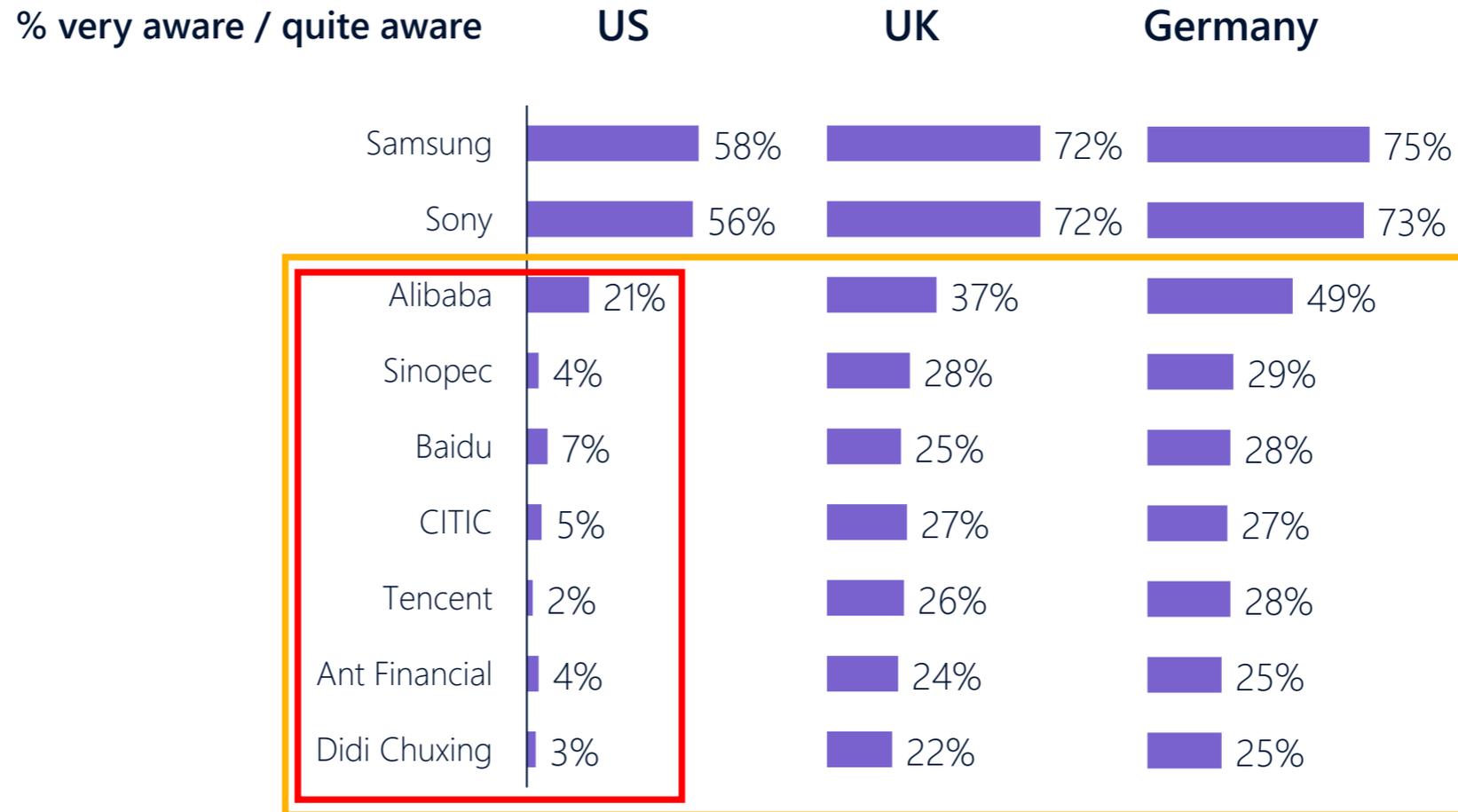


Source: Brunswick survey of global M&A advisors

5

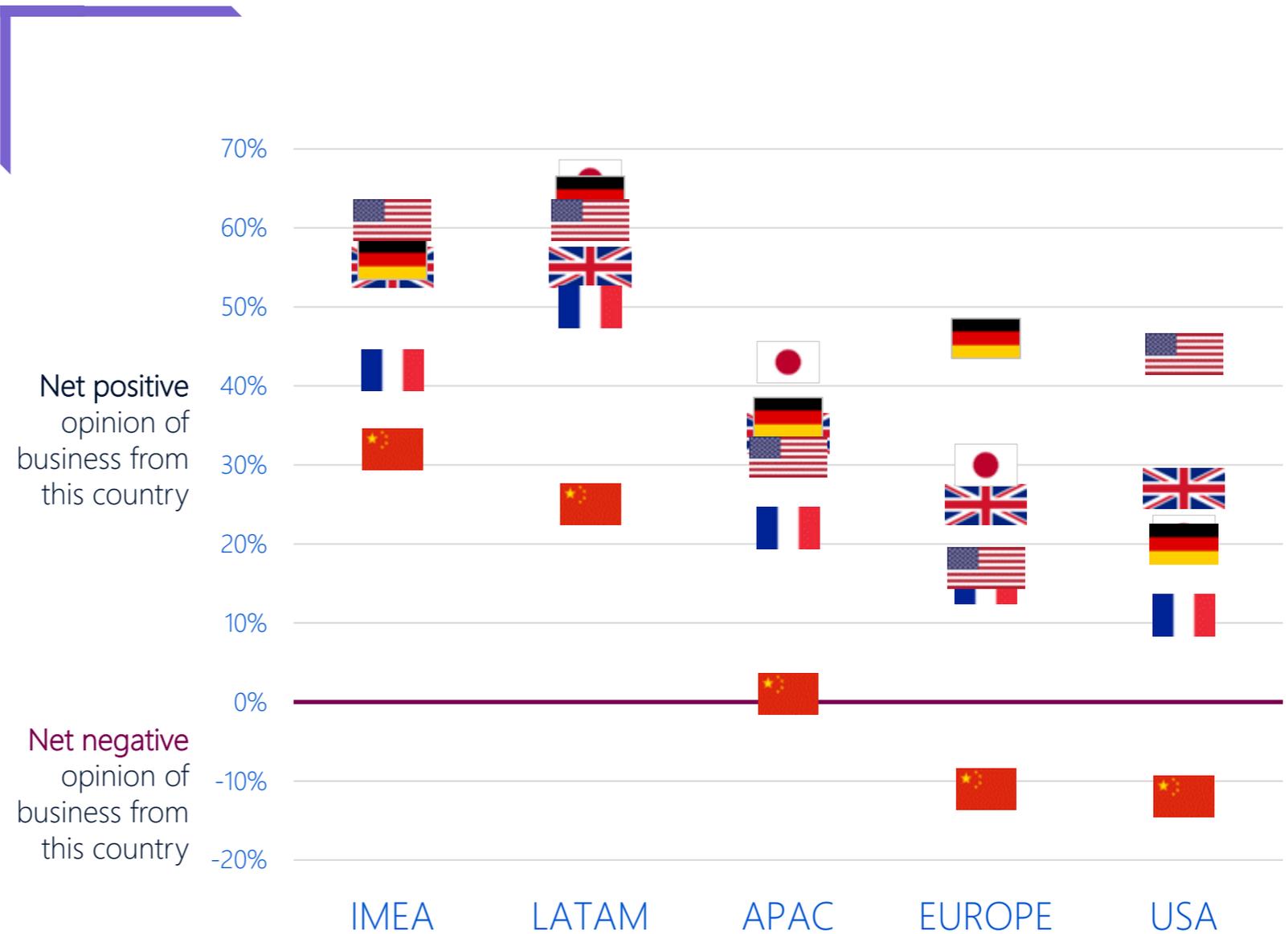
Low awareness & negative perceptions about China Inc. create a significant barrier for Chinese acquirers

Low awareness of Chinese corporates



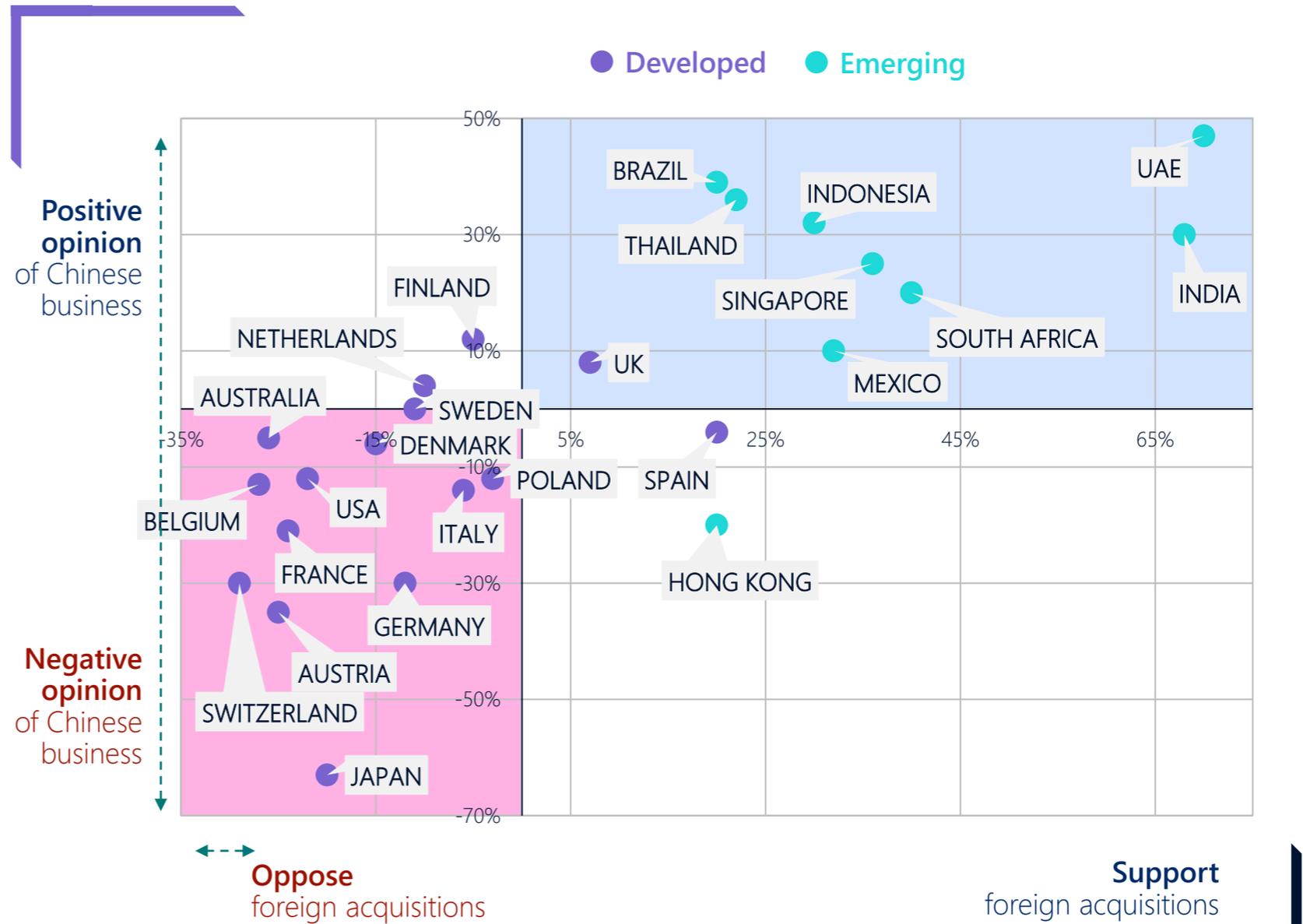
Source: Brunswick survey of Opinion Elites in US, UK & Germany

Perceptions of China Inc. consistently lower than perceptions of companies from other countries



Source: Perspectives Research, General Public in 26 markets

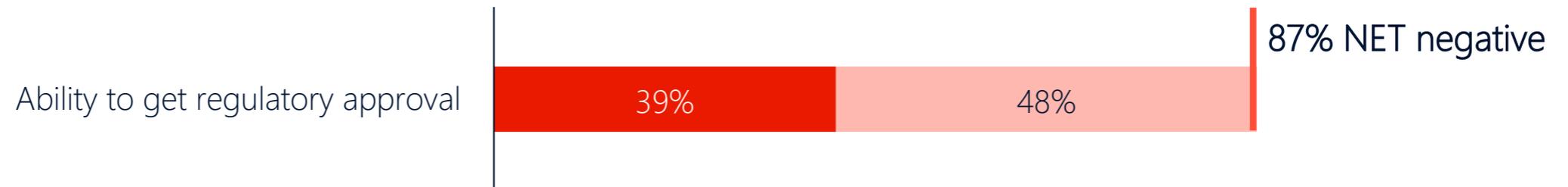
Europe, US and other developed markets pose higher risk of public backlash to inbound Chinese deals



Source: Perspectives Research, General Public in 26 markets

Lack of trust impacts on **regulatory approval**

Impact of China's image & reputation on Chinese corporates' overseas deals

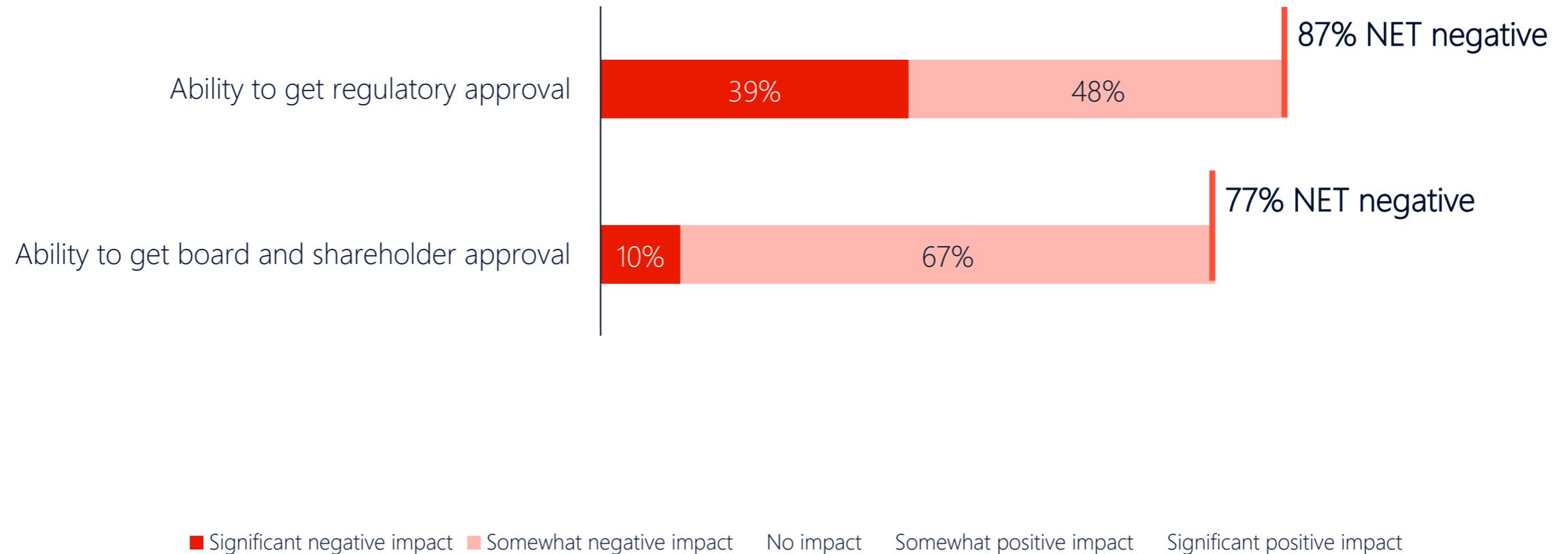


■ Significant negative impact ■ Somewhat negative impact ■ No impact ■ Somewhat positive impact ■ Significant positive impact

Source: Brunswick survey of global M&A advisors

Lack of trust impacts on **shareholder approval**

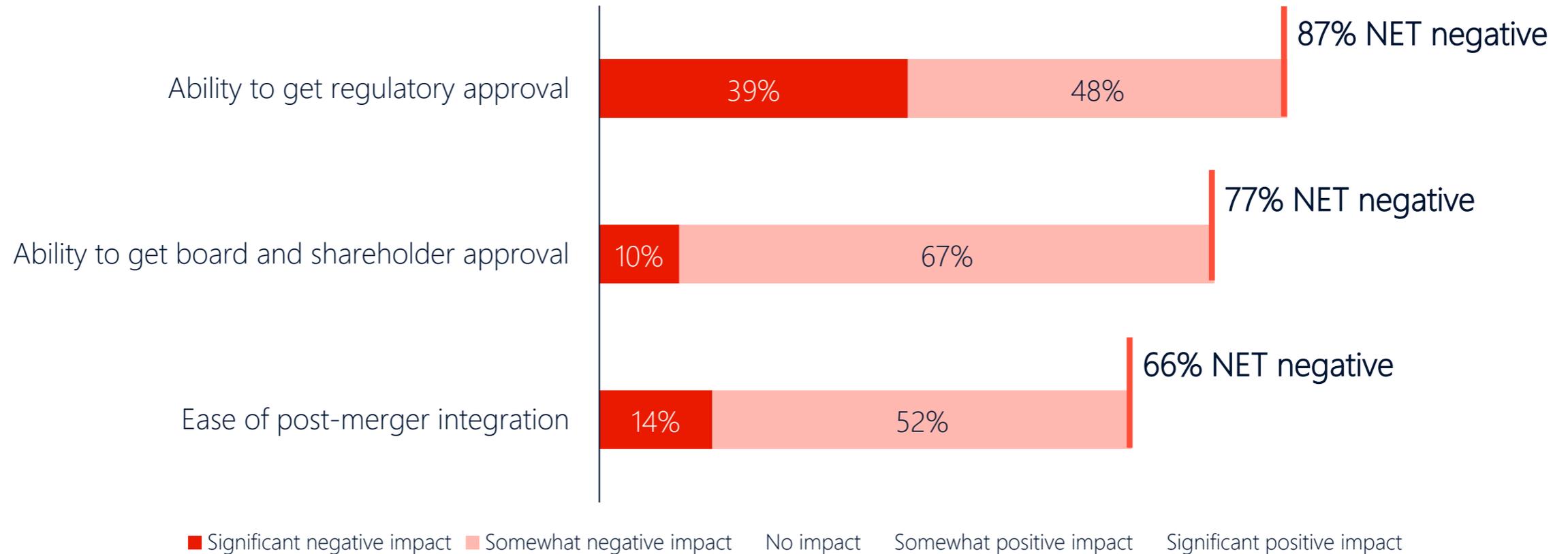
Impact of China's image & reputation on Chinese corporates' overseas deals



Source: Brunswick survey of global M&A advisors

Lack of trust impacts on **ease of post-merger integration**

Impact of China's image & reputation on Chinese corporates' overseas deals



Source: Brunswick survey of global M&A advisors



6

A good public reputation helps lower deal costs & chances of success for an acquirer

Reputation matters

Aspects of reputation with greatest impact to a deal



Source: Brunswick survey of global M&A advisors

Reputation matters for **target company**

Deal making aspects impacted by target company's public reputation

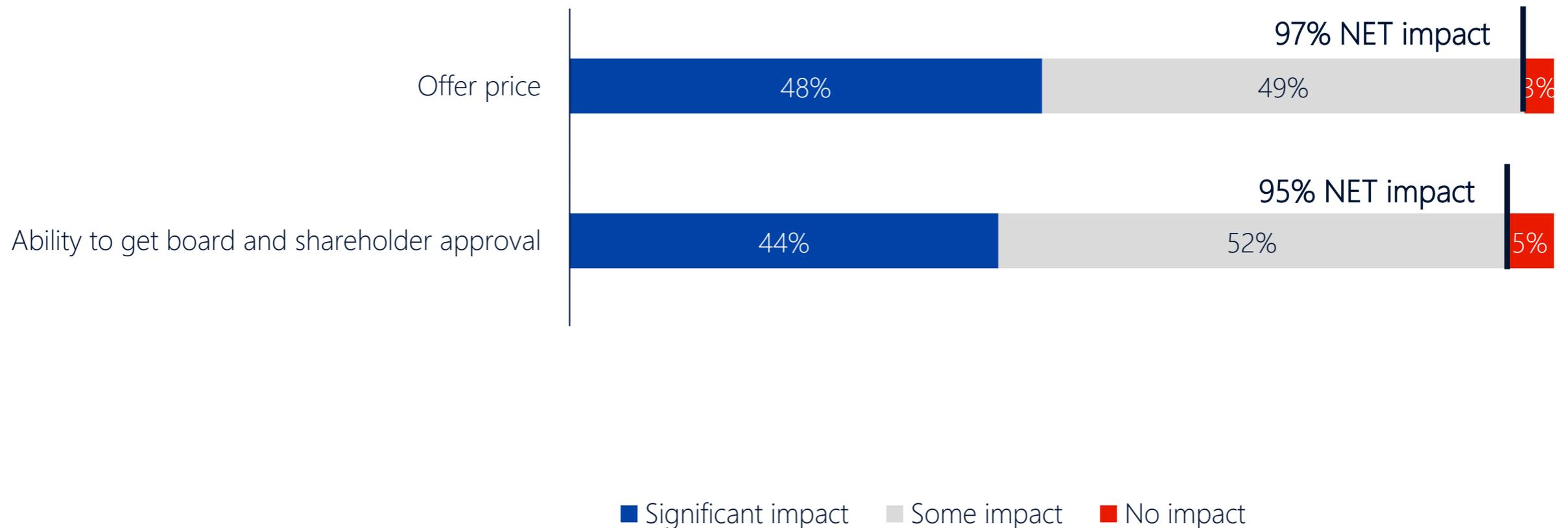


■ Significant impact ■ Some impact ■ No impact

Source: Brunswick survey of global M&A advisors

Reputation matters for **target company**

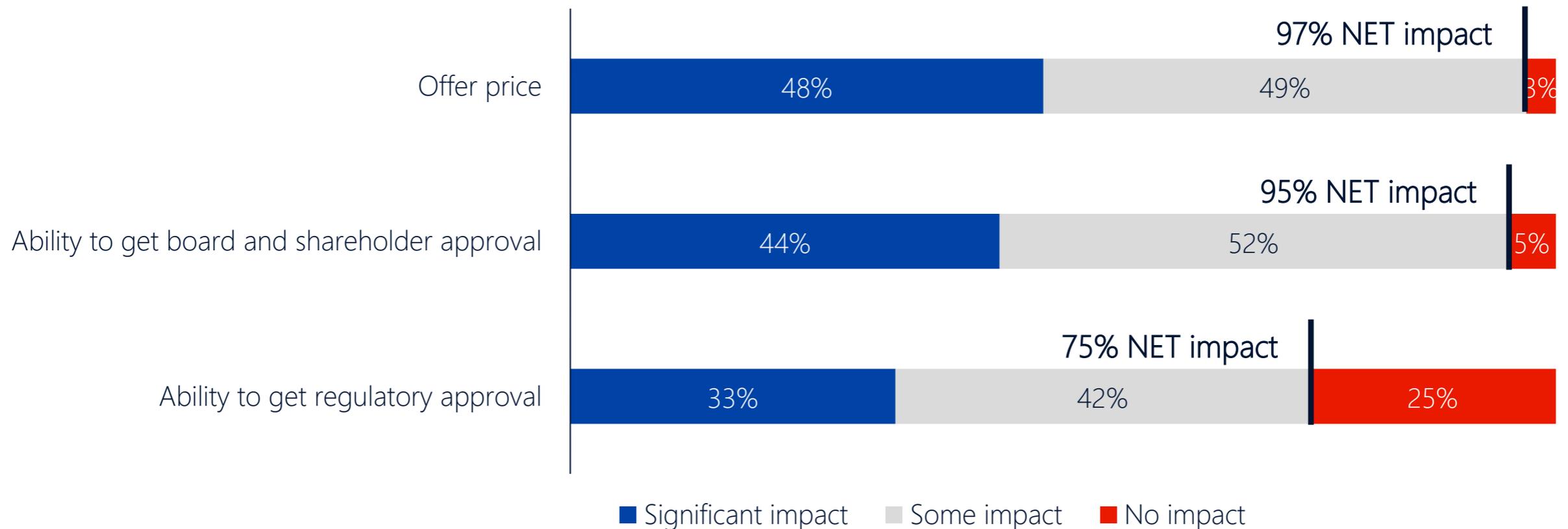
Deal making aspects impacted by target company's public reputation



Source: Brunswick survey of global M&A advisors

Reputation matters for **target company**

Deal making aspects impacted by target company's public reputation



Source: Brunswick survey of global M&A advisors

Reputation also matters for **acquirer**

Deal making aspects impacted by acquirer's public reputation

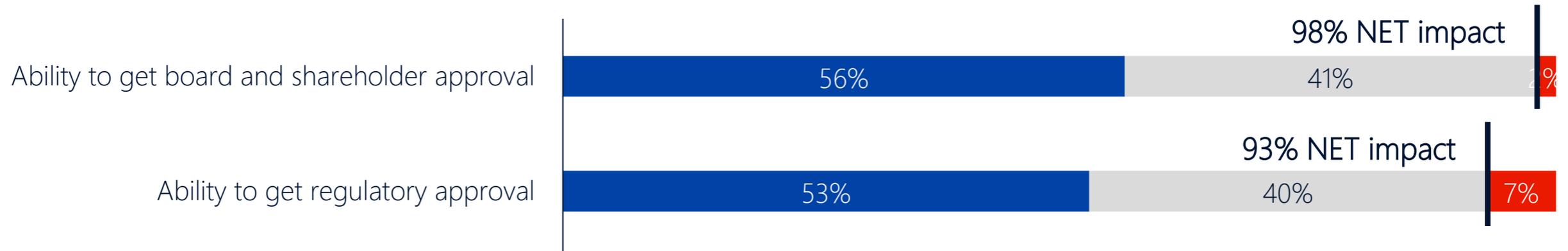


■ Significant impact ■ Some impact ■ No impact

Source: Brunswick survey of global M&A advisors

Reputation also matters for **acquirer**

Deal making aspects impacted by acquirer's public reputation

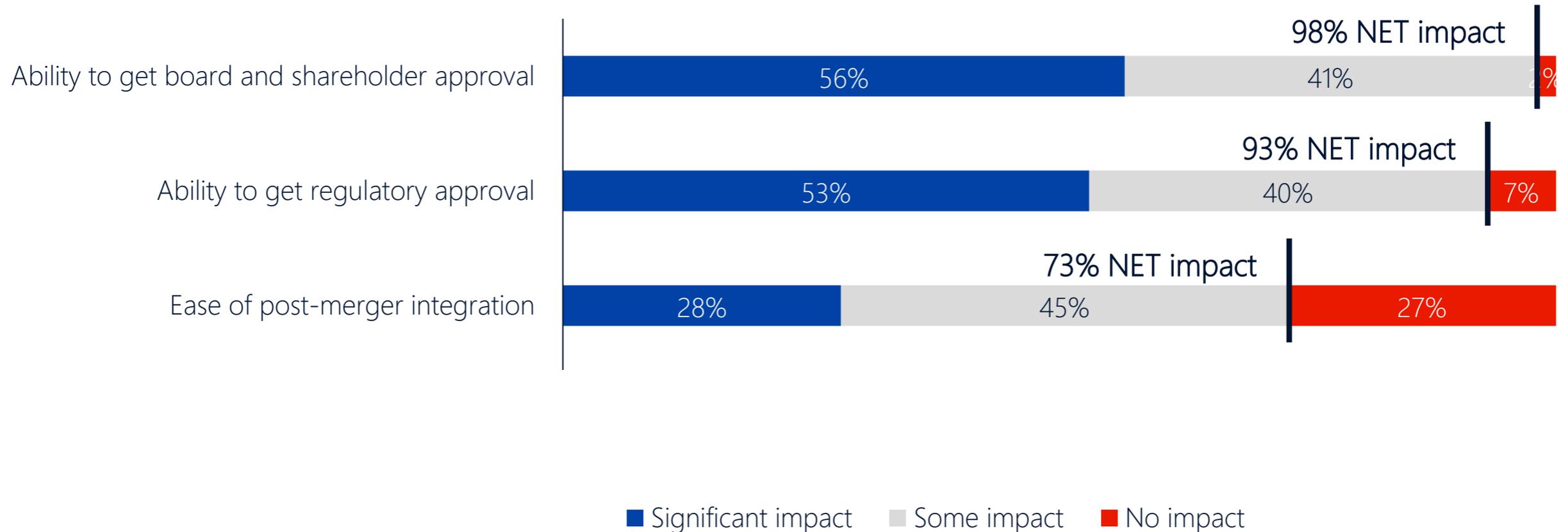


■ Significant impact ■ Some impact ■ No impact

Source: Brunswick survey of global M&A advisors

Reputation also matters for **acquirer**

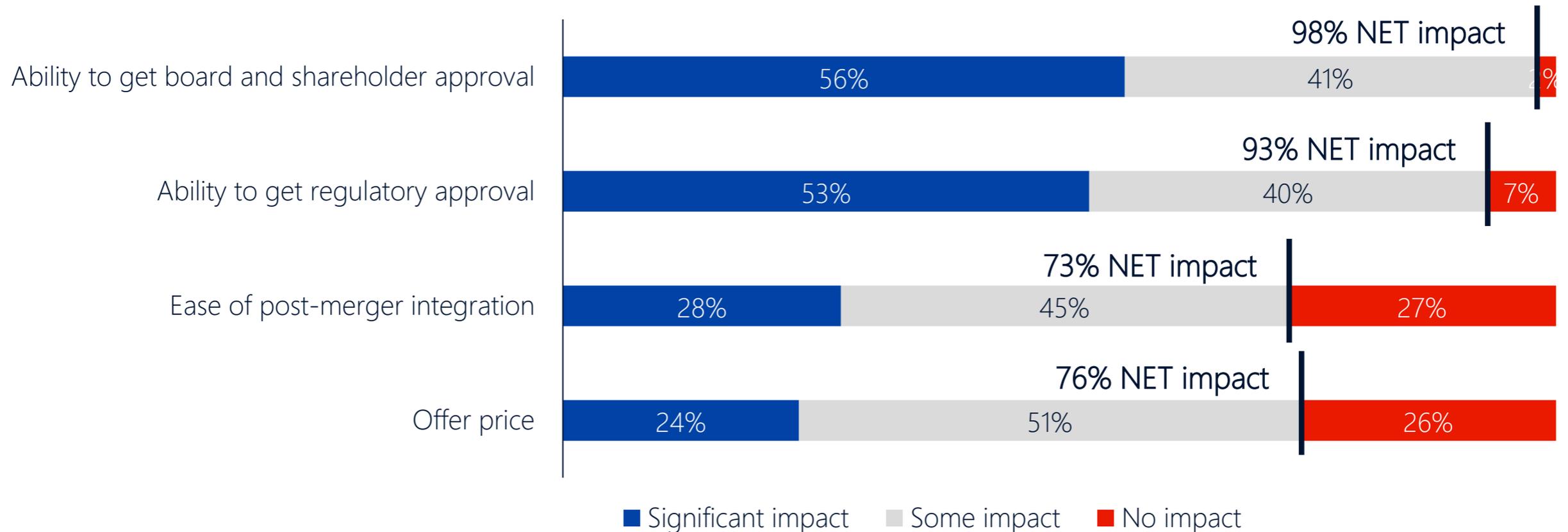
Deal making aspects impacted by acquirer's public reputation



Source: Brunswick survey of global M&A advisors

Reputation also matters for **acquirer**

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