

# Opportunity And Optimism

## 2021 Cross-Border M&A Outlook

BRUNSWICK



### Brunswick Group And XBMA's Survey Of Global M&A Advisors

Brunswick Group and XBMA conducted a survey shortly after the U.S. Election of global M&A advisors attending the XBMA virtual conference to understand their outlook for cross-border M&A in the year ahead. As dealmakers navigate the uncertainty presented by the pandemic, deglobalization, and ongoing U.S.-China tensions, they express optimism for cross-border M&A moving into 2021.

**THERE IS STRONG OPTIMISM TOWARDS CROSS-BORDER M&A IN THE YEAR AHEAD, WITH HEALTHCARE AND IT SECTORS EXPECTED TO ATTRACT THE MOST DEAL ACTIVITY.**

**Sectors Expected To Drive Cross-Border M&A In 2021**

**76%**

**Think Cross-Border M&A Activity Will Increase In 2021**

**78%**

Healthcare

**71%**

Information Technology

### OPPORTUNITIES:

**Private Equity Deal Making, Distressed Assets, And Sectors Reshaped By COVID-19**



**Private Equity Dry Powder And Weak And Distressed Assets Are Expected To Drive The Biggest Opportunities In Cross-Border M&A In 2021**

**Private Equity Activity**

**93%**

**Weak Economic Performance**

**66%**

**COVID-19 Pandemic**

**47%**

### CHALLENGES:

**Deglobalization, Protectionism, And Continued U.S.-China Tensions**



**Belief That Deglobalizing Forces Will Continue And That U.S.-China Tensions Will Persist Are The Biggest Challenges For Cross-Border M&A In 2021**

**Believe Deglobalization Is Taking Place**

**65%**

**Believe Trade Protectionism Will Harm Cross-Border Activity In 2021**

**78%**

**Believe U.S.-China Tensions Will Harm Cross-Border Activity In 2021**

**72%**

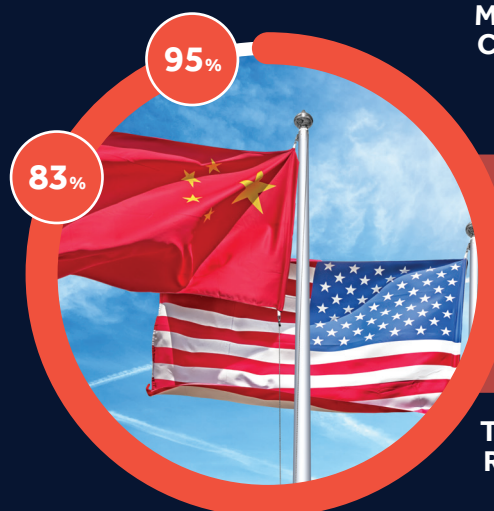
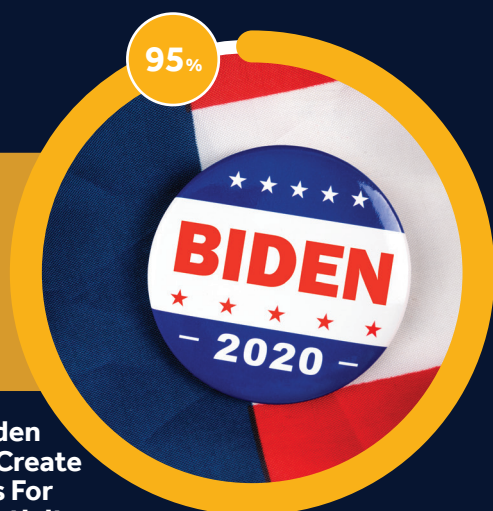
DESPITE ANTICIPATION OF ONGOING TENSIONS, THE BIDEN ADMINISTRATION IS OVERWHELMINGLY EXPECTED TO CREATE MORE OPPORTUNITIES FOR CROSS-BORDER DEAL MAKING

95%

Think There Will Be More International Collaboration And Diplomacy

95%

Think The Biden Presidency Will Create Opportunities For Cross-Border Activity In 2021



83%

Think U.S.-China Relations Will Be Less Hostile

### Activities Easier Under The Biden Administration

U.S.-European Transactions



Investment In The U.S. By Companies From Other Asian Territories



China Investment Into The U.S.



U.S. Investment Into China



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#### About Brunswick

Brunswick is an advisory firm specializing in business-critical situations. We help clients navigate the interconnected financial, political, and social worlds to build trusted relationships with their stakeholders. A global partnership with 24 offices in 15 countries, we operate as a single profit center – allowing us to respond seamlessly to our clients' needs, where ever they are in the world.

#### Methodology

Brunswick in collaboration with XBMA conducted an online survey of 58 global M&A advisors including lawyers, bankers, accountants, strategy consultants, and company executives. All survey research was conducted within 24 hours across 15-16 November 2020, prior to the annual XBMA conference.