M&A 2022 Outlook

Public M&A trends and strategies

November 2021

corrs.com.au

CORRS
CHAMBERS
WESTGARTH

Deal predictions based on real data

We look beyond statistics to consider what strategies and drivers will really matter to bidders, targets and shareholders undertaking a public M&A deal in 2022.

This report is based on the most recent data taken from our proprietary database and in-depth research for the 12-month period ended 30 September 2021.

Contents

> Opportunities are like sunrises. If you wait too long, you miss them.
>
> William Arthur Ward

Introduction

In the last 12 months, the M&A market has seen a return to dizzying volumes and deal values. Despite a global pandemic and various lockdowns in different parts of Australia, investor confidence remains high.

This optimistic market sentiment has resulted in a 35% increase in the number of public market deals done this year compared to last. Average deal value has also increased significantly this year, sitting over 70% higher than the period prior and is the highest average deal value recorded in our annual M&A Outlook to date.

It has been a recipe for success, bolstered by:

- Opportunistic market conditions, including bidders with scrip trading at high multiples and with access to low-cost debt, enabling them to structure highly accretive deals.
- Pent-up demand as M&A opportunities that were put on hold during 2020 were dusted off.
- High confidence levels at the board table, with many businesses performing well and having strong balance sheets, particularly where they preserved cash and implemented cost-saving initiatives during the height of COVID-19.
- COVID-19 and the growing emphasis on environmental, social and governance (**ESG**) matters, which has caused many businesses to re-examine their strategies and business models, meaning some companies are deciding to divest unwanted assets while others need to make acquisitions to achieve their new strategic goals.
- The weight of money held by financial sponsors, which continues to rise as superannuation funds continue to grow through mandatory contributions and private equity firms undertake new funding rounds.

This poses a number of questions: how long will it last? Are there particular structures or strategies that have been more successful than others? What should we expect in the public M&A market in 2022?

Our eleventh annual M&A Outlook report outlines our predictions for the coming year and highlights key trends in the public M&A space.

01

Predictions for 2022

1

Hot market = stiff competition, high premiums and defence preparations

2

Frenzied activity levels show no signs of abating

3

Cash to continue its reign

4

Regulators will continue to take centre stage

1 Hot market = stiff competition, high premiums and defence preparations

Competition for assets was fierce this year and has steadily risen over the last three years. There were 18% more targets with multiple bids this year as compared to last year (2020), and 45% more than the year preceding that (2019).

As most market participants are keenly aware, the stiff competition for a limited pool of good quality assets has contributed to rising premia. In our view, this is set to continue.

We expect premiums will remain high for a period of time next year, with a dynamic M&A market buoyed by:

1. Cashed-up financial sponsors looking to deploy capital
2. The continued low cost of capital
3. The need for growth or structural change

However, there is a potential for prices to tail off slightly towards the end of the year, as the prospect of interest rate rises starts to become apparent.

While the market for good quality assets remains competitive, we expect the number of hostile takeovers to remain relatively stable – and in the current market, most listed companies which are potential targets have already begun defence preparations.

The rising equities market (and accordingly, target prices) observed this last year is also expected to continue into next year, which makes it more challenging to launch an opportunistic bid.

2 Frenzied activity levels show no signs of abating

Notwithstanding ongoing COVID-19 disruptions, investor optimism coupled with low interest rates and significant amounts of deployable capital have buoyed deal activity in 2021.

We expect this high level of activity to continue until there is an increase in interest rates and yields in other asset classes begin to rise.

In the coming year, we expect the drivers of M&A activity in the infrastructure and technology sectors to continue. The lack of remaining high quality listed infrastructure assets will drive up competition and bid premiums in that sector.

3 Cash to continue its reign

We expect ongoing access to relatively cheap credit and the weight of money held by financial sponsors and private equity bidders will continue to ensure a strong representation of cash bids.

Scrip bids will play a role for mergers between listed companies, particularly in the resources sector, but in our view cash bids will continue to reign in 2022.

4 Regulators will continue to take centre stage

As Australian regulators continue to focus on data security and examine more deals, managing the regulatory approval process will continue to be a significant focus for bidders and their advisers.

In particular, foreign bidders will need to engage the Foreign Investment Review Board (**FIRB**) and proactively navigate issues to ensure they are not at a strategic disadvantage to local bidders, particularly in competitive bid processes. These are particularly significant issues for infrastructure and technology opportunities, which we expect to be key sectors for M&A activity next year.

02

Key trends and insights from 2021

Deal success rates return to pre-COVID levels

What happened in 2021

In 2021, we saw the success rate for public M&A deals back to almost 80%, which is around the usual levels prior to COVID-19. In 2020, we saw a spike in terminated deals as success rates fell to 69%, and there was a significant focus on material adverse change (**MAC**) clauses as a potential escape route for bidders.

With more buoyant stock market conditions, and without the volatility seen during the height of COVID-19, bidders have become less concerned about further pandemic outbreaks and related deal risks.

With high vaccination rates and society returning to normal life, we also expect more normal M&A conditions and less focus by bidders on MAC clauses during negotiations with target companies.

> **Our prediction from the M&A 2021 Outlook: Fewer terminated deals**
>
> Despite a second wave of COVID-19 impacting Australia, our expectation that there would be fewer instances of terminated or withdrawn deals has proven correct.

Deal frenzy: volumes and values at dizzying heights

What happened in 2021

In the 2021 survey period, deal activity was at some of the highest levels seen since our inaugural M&A Outlook survey in 2011.

Fifty two deals were announced in the survey period, representing a 40% increase compared to the prior period.

High levels of activity were bolstered by some of the largest transactions seen in recent years. The year begun with Coca-Cola European Partners' A$11 billion acquisition of Coca-Cola Amatil, the largest public M&A transaction since Unibail-Rodamco's 2018 takeover of Westfield.

Although not within our current survey period, most recently after an initial rejection by the board and two price increases, IFM consortium's A$23.6 billion bid for Sydney Airport has now reached binding agreement with the deal likely to complete in February 2022.

Unsurprisingly since we started this report in 2011, 2021 saw the highest value of deals since we began this report. There were more than ten deals valued at over A$1 billion, a 60% increase from the prior year.

There were a number of contested deals and the Takeovers Panel has never been busier.

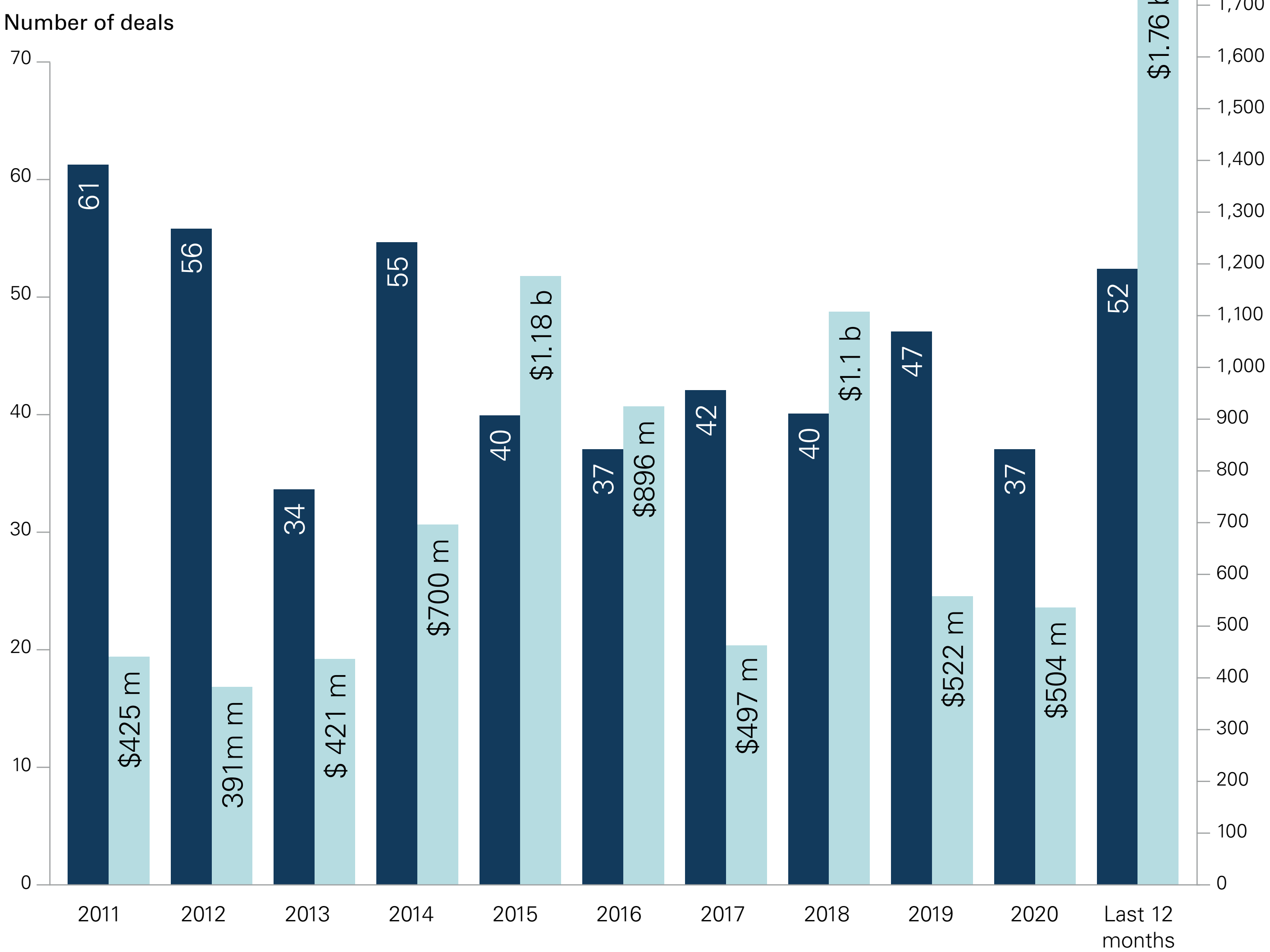
Our prediction from the M&A 2021 Outlook: Activity levels will remain strong

We correctly predicted M&A activity would remain strong throughout 2021, fuelled by private equity and pension funds seeking to deploy capital. We also predicted greater competition for high quality assets.

However, like many, we underestimated just how hot the market would be.

While the first half of 2021 could be described a solid pass, M&A activity roared to an all-time high for the September quarter, with a string of large-scale deals beyond anything we have seen in previous M&A cycles in Australia.

A decade in review: deal volume and value



Premia and price bumps continued to rise

What happened in 2021

Takeover premia continues to increase year on year. The heat in equity markets, driven by the search for yield, didn't stop bidders from paying large bid premiums.

The rising S&P/ASX200 index and keen competition for assets has seen takeover premia in the 50%+ range for the second year running. Gone are the days when a 30% to 40% bid premium was de rigueur for a public transaction.

This year, the average premium was 53.19% at the outset of an announced approach or transaction, with the average premium at 56.19% at the close.

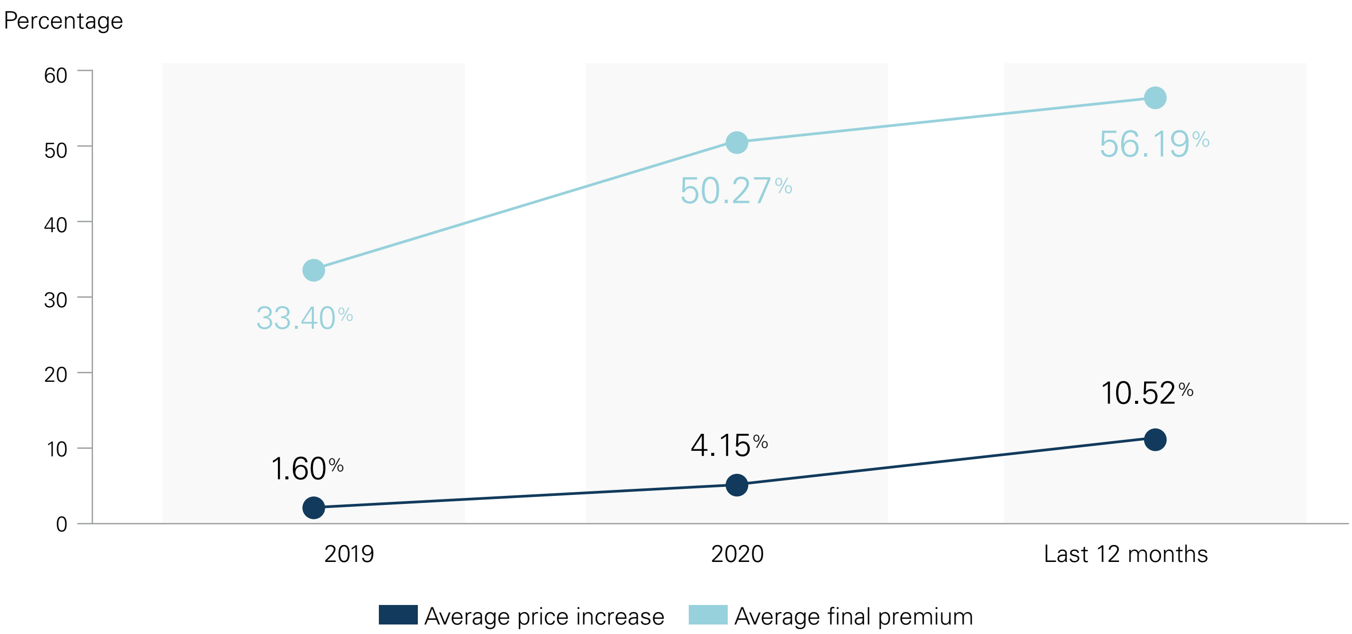
We saw bidders having to dig deeper into their pockets and raise their bids to secure board recommendations and win over target shareholders, which pushed final bid premiums even higher.

Price bumps are now a common feature of the takeover landscape. Over 28% of deals experienced a price bump in 2021, with an average increase of 10.52% on the initial announced price.

Compared to last year, bidders had to boost their offer by a further 6.37% in 2021.

Number of deals with a price bump

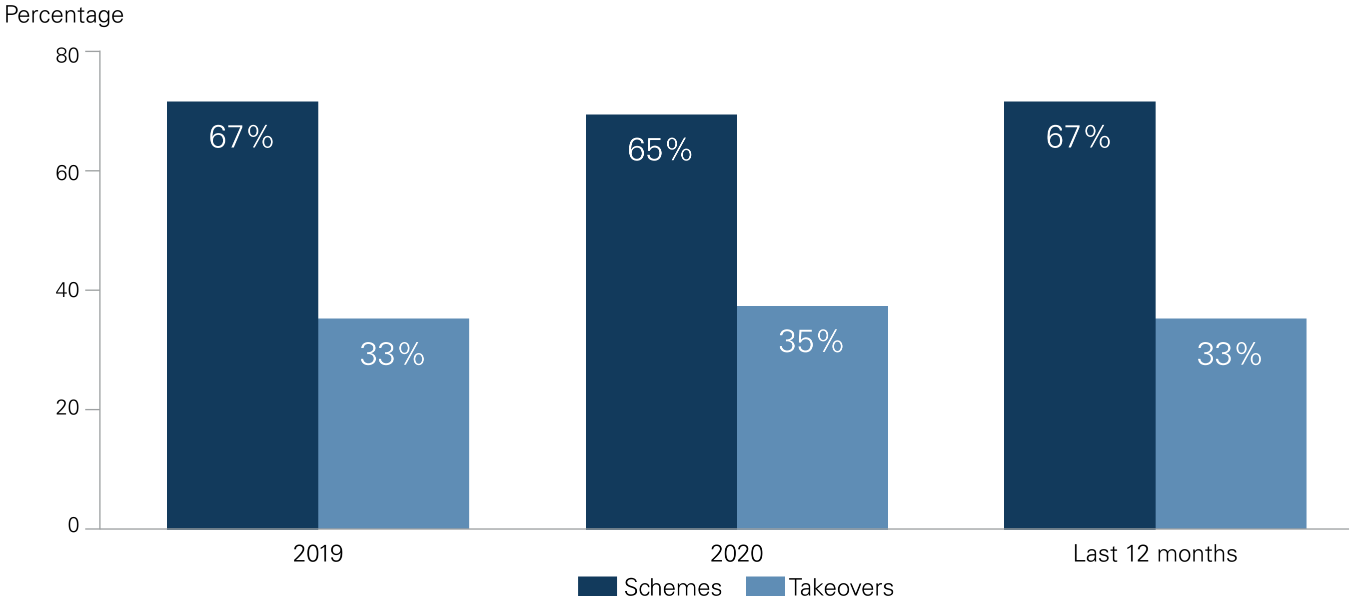
Average premiums and price increases



Schemes continued to dominate

In line with prior years, schemes continued to be the most popular transaction structure overall.

Schemes vs takeovers



What happened in 2021

Of the mega deals announced in 2021 (those with a transaction value over A$1 billion), 90% were structured via a scheme.

Last year, it was interesting to note the significant rise in takeovers following the onset of COVID-19. Specifically, in 2020, 71% of deals over A$500 million were structured by way of a takeover. This year, we saw a significant swing back towards schemes, with just 30% of deals over A$500 million structured as a takeover.

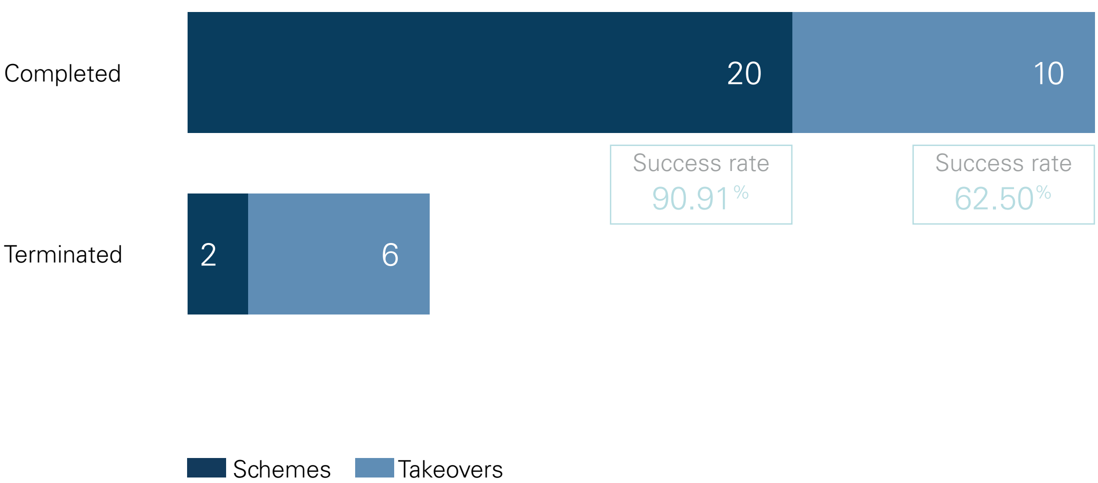
Of the transactions initiated in 2021, 90.91% under a scheme and 62.5% via a takeover were successful, with the rest terminated at various stages in the transaction process.

Our prediction from the M&A 2021 Outlook: The continued rise of hostile takeovers

Despite a common expectation for hostile takeovers to rise, the number stayed relatively stable this year with approximately 15% of takeovers initially launching as hostile.

We also saw the return of some aggressive bid tactics, such as Seven's all-cash takeover bid for Boral which was positioned to deliver majority control to Seven without delivering full control.

Composition of completed transactions



Cash remained king, but scrip a feature of major deals

What happened in 2021

In line with previous years, cash was still the preferred consideration across the board. The percentage of all cash bids increased to 65% of deals this year, up from 62% last year.

Many of the multi-billion dollar deals involved cash bids by consortia of pension funds, such as the bids for Sydney Airport, Spark Infrastructure and Vocus.

The more typical 'stub-equity' structures which involve a mix of cash and scrip were not as evident this year, with MIRA's bid for Bingo being an exception. This is possibly due to the Australian Securities and Investments Commission's (**ASIC**) more stringent approach to stub-equity structures and the overall decline in private equity bidders this year.

On the other hand, some of the largest deals in the market were scrip-based mergers; such as, Square's acquisition of Afterpay and the merger between Santos and Oil Search.

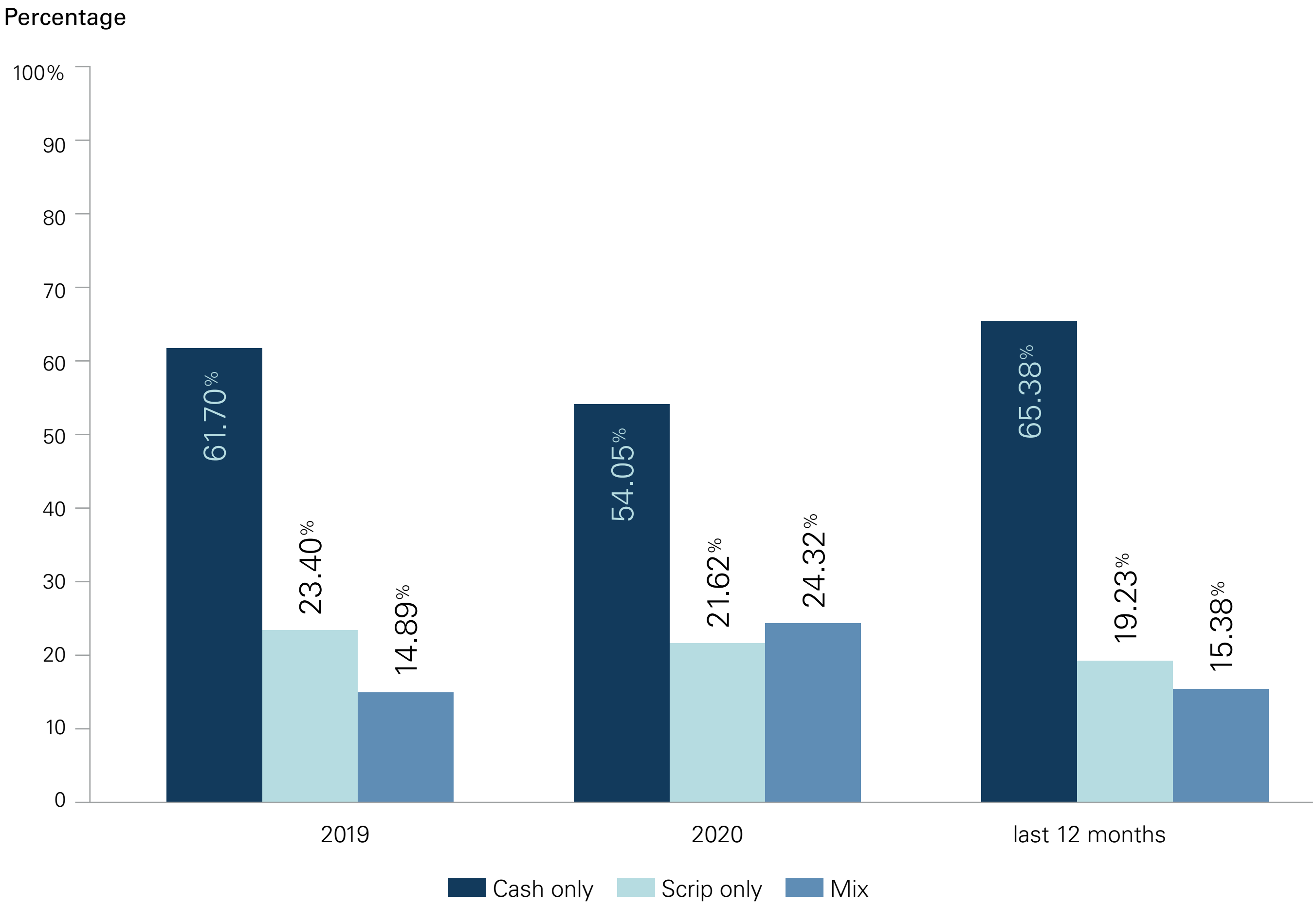
With many bidders having scrip trading at attractive multiples, and mergers often delivering enormous strategic benefits and synergies, these deals can be compelling for shareholders.

Our prediction from the M&A 2021 Outlook: Cash is still king

Consistent with our predictions, the percentage of all cash bids increased, albeit slightly.

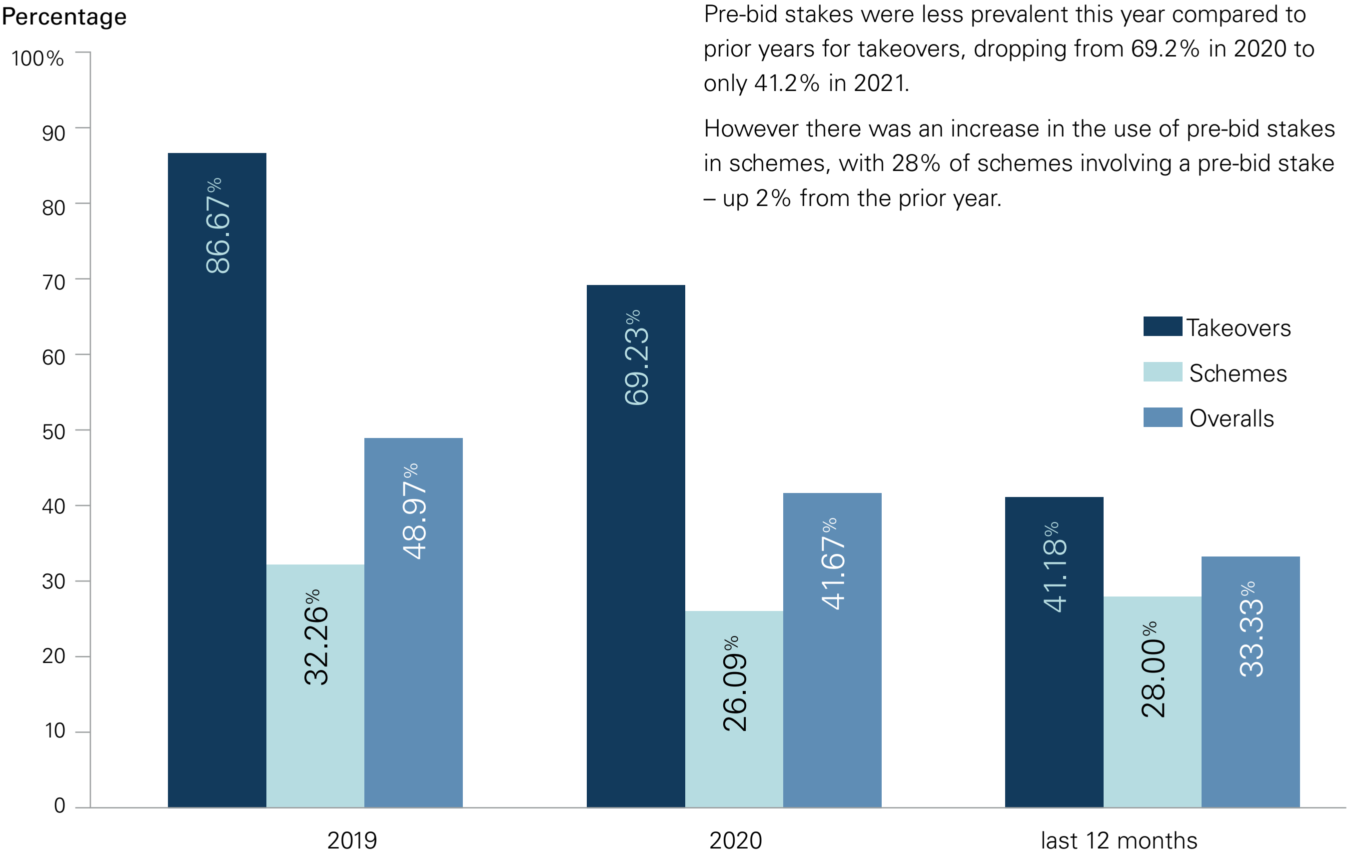
As predicted, this trend was driven by the availability of cheap debt, with interest rates remaining at all-time lows. Further, financial sponsors and listed companies who built up their cash reserves during 2020 had cash to splash.

Deal consideration – cash vs scrip



Pre-bid stakes have declined for takeovers but increased for schemes

Pre-bid stakes by deal type



What happened in 2021

Pre-bid stakes were less prevalent this year compared to prior years for takeovers, dropping from 69.2% in 2020 to only 41.2% in 2021.

However there was an increase in the use of pre-bid stakes in schemes, with 28% of schemes involving a pre-bid stake – up 2% from the prior year.

Difficult deal dynamics for financial sponsors

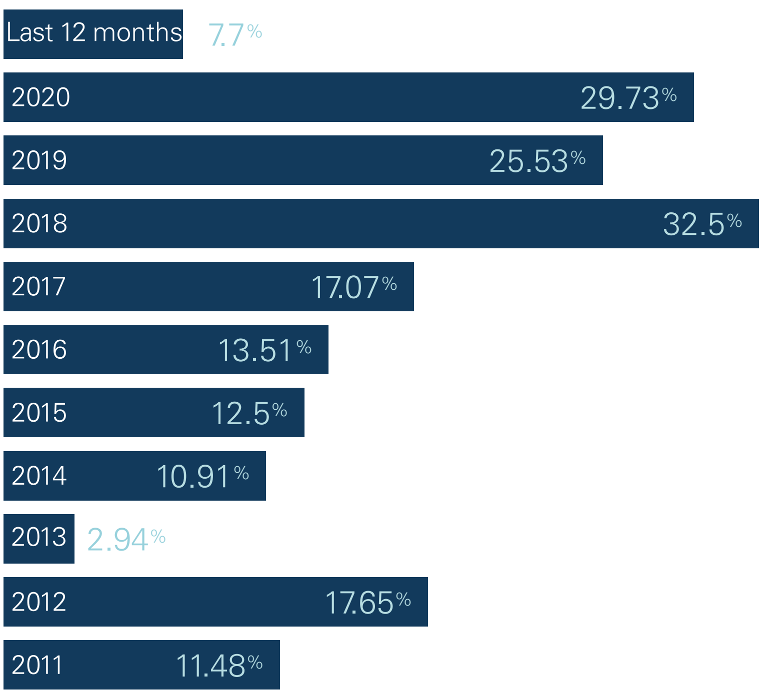
What happened in 2021

Despite significant interest from private capital, announced transactions involving private equity sponsors declined significantly. This year, only 7.7% of announced deals involved private equity bidders, despite anecdotal evidence of strong private equity interest in multiple deal negotiations.

In previous years, and since 2018, private equity sponsors have been involved in upwards of 20% of deals.

We sense the deal dynamics over the last 12 months have been driven by rising equity prices which require higher offer prices to satisfy market expectations on premia as well as fierce competition for target assets. The need for rigorous due diligence, combined with the financial discipline of private equity buyers and their financiers, makes hostile transactions or elevated bid pricing challenging in the current market.

Private equity deals by percentage of total deals



What was hot, and what was not: sectors on the rise and decline

What happened in 2021

Technology, media and telecommunications continued to rule the roost in terms of sector activity, comprising 23% of all deals announced this year. Within the sector, 17.3% of deals were in software/services, 3.8% in telecommunications/ utilities and 1.9% in media.

The biggest deal in the tech sector, and indeed across the whole market, was Square's acquisition of Afterpay. However, there were also strong levels of activity across the smaller end of the tech sector. Many deals in other sectors (such as financial services) were motivated by access to the target's technology, particularly where this could be scaled-up across the bidder's business or bolted onto their existing platforms.

In the tech space, transaction parties quickly adapted to FIRB's enhanced focus on data and there is now a relatively well-worn path to satisfying regulatory concerns with those assets.

While the resources industry remained a significant sector, the prevalence of transactions continued its downward trend. This year, energy, metals and mining comprised 13.46% of deals announced, down from 21.62% in 2020 and 23.4% in 2019. Of the metals and mining category, gold was the clear outperformer, with 70% of deals in sector involving bids for gold companies.

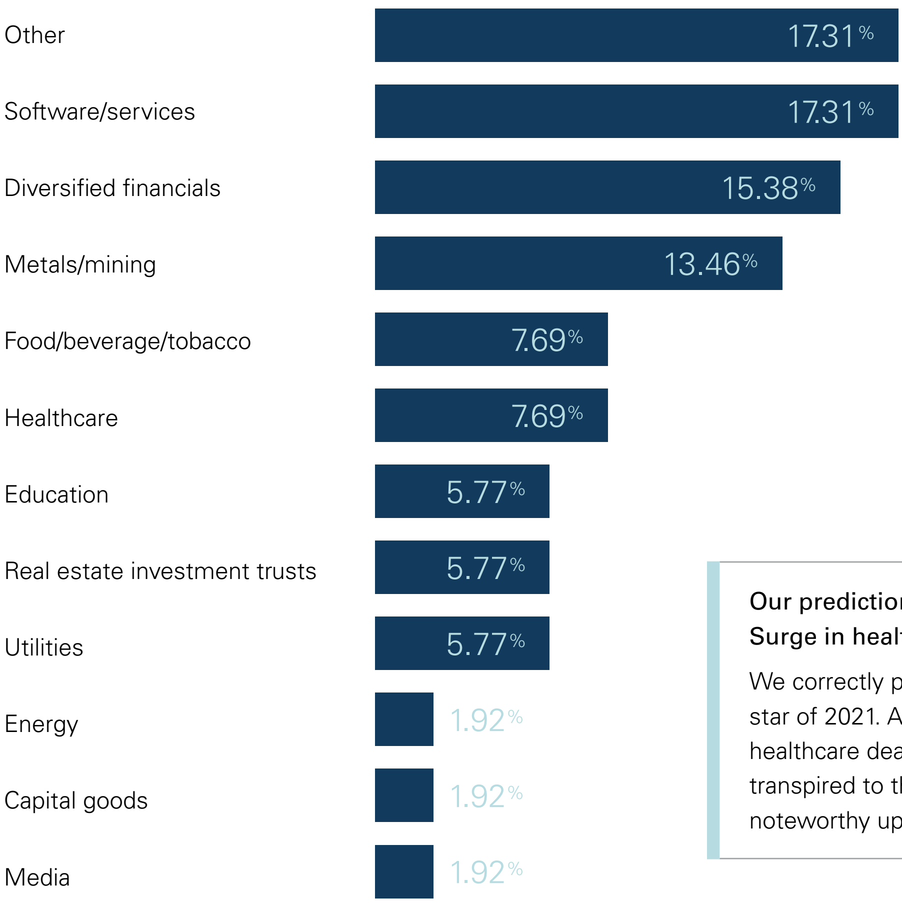
Infrastructure continued to show higher than usual levels of activity. Bidders, predominately financial sponsors, were drawn to infrastructure, utilities and energy assets, including bids for Sydney Airport, AusNet Services and Spark Infrastructure.

Superannuation funds and infrastructure bidders were also very active this year, and were involved in the acquisitions of Tilt Renewables, Vocus Group and the recent approach to Sydney Airport.

We expect that given the scarce number of high quality Australian infrastructure assets, these assets will continue to be snapped up by pension funds with long investment horizons and a low cost of capital.

Healthcare and education were the sectors with the greatest increase in levels of activity this year, consisting of a combined 13.46% of deals. Last year, the sectors combined only represented 5% of deals.

2021 Target industries by percentage of deals



Our prediction from the M&A 2021 Outlook: Surge in healthcare and tech deals

We correctly predicted the tech sector would be a star of 2021. And while our predicted surge in healthcare deals on the back of COVID-19 hasn't transpired to the levels anticipated, there was a noteworthy uptick of 2%.

Note: 'Other' comprises consumer goods, paper and forests, construction and property management.

Increased FIRB scrutiny and the resurgence of the Australian bidder

What happened in 2021

The increased scrutiny from FIRB this past year has arguably given Australian bidders a significant edge over foreign acquirers.

It was notable that premiums offered by foreign parties tended to be higher than those offered by domestic bidders, yet Australian bidders tended to come out on top. This perhaps reflects an inherent certainty advantage that domestic buyers have in the current market.

The percentage of Australian bidders has steadily increased over the last three years, from 51% in 2019 to almost 63% this year.

Reflecting on a decade ago, just 39% of bidders in 2011 were Australian and 61% were foreign. This highlights a significant shift.

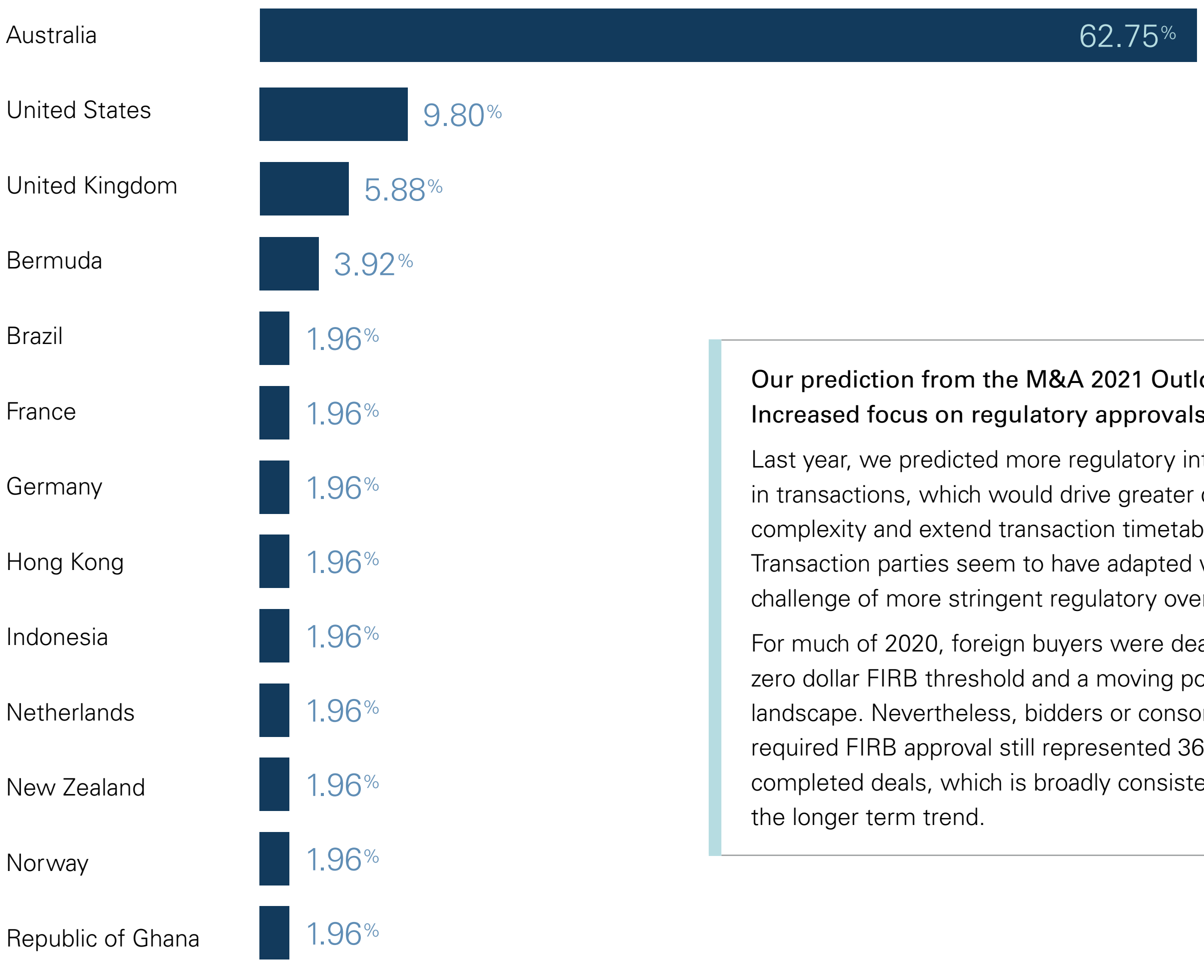
Of the deals in excess of A$1 billion, 70% were from Australian bidders, 20% were from US bidders and 10% were from the United Kingdom (the latter two being 'Five Eyes' countries, which are viewed more favourably by FIRB).

Overall, the jurisdiction with the most activity after Australian bidders was the US with close to 10% of deals overall, but 48.7% of aggregate deal value due to the A$39 billion play by Square, Inc. for Afterpay.

This year also saw a further decline in Asian bidders, a trend which has continued since 2016. This year, Asian bidders represented only 4% of deals, and 0.26% of aggregate deal value.

While cash was still king overall, the use of scrip was evident by Australian bidders this year. This is likely because Australian bidders have an edge over foreign bidders in terms of the benefits and flexibility to use scrip consideration. A scrip component to the offer was used in 56.6% of deals with an Australian bidder, but only for 5% of foreign bidders.

Jurisdiction of bidders as percentage of deals



Our prediction from the M&A 2021 Outlook: Increased focus on regulatory approvals

Last year, we predicted more regulatory intervention in transactions, which would drive greater deal complexity and extend transaction timetables. Transaction parties seem to have adapted well to the challenge of more stringent regulatory oversight.

For much of 2020, foreign buyers were dealing with a zero dollar FIRB threshold and a moving policy landscape. Nevertheless, bidders or consortiums that required FIRB approval still represented 36% of total completed deals, which is broadly consistent with the longer term trend.

03

Insights for bidders and targets in 2022

Engage pre-bid, with a firm strategy

In the current climate, the right strategy when approaching a target is more critical than ever. It is often the case that rising share prices put pressure on premia put pressure on premiums, even where numbers, even where there is no change to the fundamentals of a target company's underlying business or operations.

The desire of boards to avoid criticism of their recommendations can be fatal for a proposed transaction, particularly where an offer does not meet market expectations on the bid premium to the spot price.

Strategies for targets

Target boards on the other hand may see a benefit in disclosing an approach and even providing access to diligence ahead of a recommendation to flush out other offers and put pressure on the bidder to increase offer price. However, this strategy could potentially backfire if the spot price is not reflective of true value and boards are faced with the decision to recommend a transaction at a low premium to spot or losing an offer for shareholders.

Strategies for bidders

This dynamic lends itself to a strategy of keeping transactions confidential until a board recommendation can be obtained, so to ensure the target's share price does not 'runaway' in the meantime. This means bidders and their advisers need to be targeted in their diligence plan and seek to enter into process deeds with recommendations as quickly as possible to minimise the risks of a shrinking premium in a rising market.

We recognise this is often more easily said than done, as the decision to disclose an approach is not always in the hands of the bidder. Our statistics indicate that last year roughly 25% of approaches were announced to the market before a binding agreement was entered into. Bidders should be ready to move quickly to finalise their diligence once an approach is disclosed, and to wrestle control of the public messaging around the bid premium as much as possible.

Strongly resist the general 'fiduciary out'

A recent trend in scheme and bid implementation agreements is the inclusion of a general 'fiduciary out' for a target board, even after a recommendation at a particular price has been made.

A general 'fiduciary out' is a carve-out which permits target directors to consider and recommend an unsolicited superior proposal in circumstances where it may be a breach of the directors' fiduciary or legal duties if they were to refuse to engage with the new bidder.

Strategies for bidders

Bidders should strongly resist this inclusion as it provides target boards with an extremely broad discretion to walk away from the transaction (including if the target's share price fluctuates post-signing) even if the independent expert has not provided its opinion.

Carefully review hostile bids

Hostile bids are typically opportunistic or launched in circumstances where the target board is resisting engagement and is comfortable not engaging with a bidder.

Strategies for targets

In the current market, most listed companies which are potential targets have already begun defence preparations. This has tended to involve inviting potential suitors into a data room on the proviso that they sign up to standstills which prevent hostile takeovers.

Target boards need to be careful not to dismiss hostile bids too quickly. Where they have played hardball, or bidders have decided to walk, their share prices have often traded well below the proposal price. This has been seen recently with Boral and Link Group.

Consider structures to engage major shareholders and minimise execution risk

We envisage the trend towards parallel scheme and bid structures will continue for as long as competition for assets remains strong. These parallel structures have a variety of different objectives, but the primary purpose is to incentivise shareholders to vote in favour of a bidder's preferred structural outcome.

Although pre-bid stakes were less prevalent this year compared to prior years (33.33% in 2021, down from 41.67% in 2020 and 48.94% in 2019), there was a resurgence in joint bid relief structures.

Strategies for bidders

The importance of engaging with shareholders was illustrated this year by the jump in 'truth in takeover' statements from shareholders. In 14.04% of the deals announced this year, a 'truth in takeover' statement was made by one or more shareholders, up from 8.1% last year.

Moving forward, bidders and shareholders will need to exercise caution in soliciting or making such statements, with a continued focus from Australian regulators such as ASIC and the Takeovers Panel on shareholder intention statements.

Growing need to factor in ESG considerations

ESG considerations are increasingly a driving force behind transaction structures.

This is evidenced by two of the largest demergers this year, involving listed behemoths AGL, BHP and Woodside. While these demergers were neither schemes nor takeovers, and therefore are not captured in our data, we expect that in the near future we will see ESG considerations increasingly flow through and play a role in M&A deals. This will be particularly prevalent amongst bidders, as they search for attractive targets that will provide growth and value in the long term, with the right ESG proposition.

This view is shared by the major regulators, with ASIC honing in on climate-related governance obligations and disclosures of Australian companies. Their focus on 'net-zero greenwashing' by large companies is a clear message the disclosure and management of climate-related risk is now a key responsibility for directors.

Utilise FIRB: but as a weapon or shield?

The current geo-political climate and the Federal Government's focus on national security issues has put FIRB approvals at the centre of a number of takeover battles this year.

Strategies for bidders

In the last year, there have been a number of examples where bidders have used FIRB to their advantage.

One such example is the battle for Huon Aquaculture. After Huon Aquaculture announced a strategic review, Tattarang, an investment vehicle of Andrew Forrest, acquired an initial 7% stake. This stake was subsequently increased to 18% following a takeover offer for Huon Aquaculture from Brazilian meat processor JBS. In questioning the JBS bid, Tarrarang urged FIRB, through the press, to consider JBS's suitability as an acquirer of the Huon business. Tarrarang was quoted drawing FIRB's attention to price-fixing allegations against JBS, which had arisen since JBS had last been approved by FIRB. Ultimately, Tattarang backed an increased offer from JBS and FIRB approved the acquisition, which showcases how Australian investors can seek to use FIRB as a tactical tool to attack a rival transaction.

Similarly, APA's 'Australian' credentials have been trumpeted in its battle for Ausnet against Brookfield. While Brookfield is a frequent investor in Australia and well known to FIRB, the mere fact that Ausnet's assets involve critical infrastructure will result in greater scrutiny by FIRB. Knowing this, APA has sought to cast uncertainty on Brookfield's comparative ability to close the deal as a result. This however has not deterred Ausnet from agreeing a deal with Brookfield, who is be considered a friendly investor from a FIRB perspective.

Strategies for targets

It is not only bidders that can use FIRB to their advantage, but targets as well. We are aware of FIRB refusing to provide approval for acquisitions (even in occurrences with a minority stake) where the target holds a sensitive asset – even if that asset makes up a small part of the target's overall business.

This would appear to open to the door to potential targets buying sensitive assets as a form of poison pill against foreign bidders. Similarly, we are aware of potential targets who have made submissions to FIRB to prevent potential foreign bidders from creeping up their register or launching a takeover bid.

Expect an increase in de-SPAC activity

The global wave of special purpose acquisition companies (**SPACs**) officially arrived on Australian shores in 2021, with the first announced merger (known as a 'de-SPAC') between a US SPAC and an Australian company.

Hundreds of SPACs are currently seeking acquisition targets (typically within 24 months from the time of SPAC IPO), which represents over one hundred billion dollars in gross proceeds raised.

Strategies for targets

With so much capital to be allocated, we expect a growing number of Australian companies to be on their radar in 2022 and beyond.

The Australian regulatory landscape does not currently facilitate a SPAC listing on the ASX, due to rules against 'cash box' listings. As such, the focus in the Australian market is squarely on de-SPAC transactions, under which an Australian entity could combine with a SPAC and become listed on an overseas stock exchange (such as the NASDAQ or NYSE).

Competition between SPACs for acquisition targets has seen an increase in Australian growth-stage companies receiving interest. Apart from providing Australian companies with access to significant reserves of capital, SPAC targets may also achieve outcomes which are more analogous to a traditional M&A process than an IPO – such as greater certainty on pricing (as this is negotiated and agreed with the SPAC prior to closing of the merger) and access to the management expertise of the SPAC sponsors who are often experienced financial professionals.

The structure of a de-SPAC transaction will vary depending on whether the Australian target company is privately owned or is already itself a listed entity.

- Insight for public companies

  If the target is ASX-listed, a 'take-private' step would first need to be taken, such as a takeover bid or scheme of arrangement, as a precursor to the de-SPAC merger process. This additional layer of Australian regulatory compliance may lead to SPAC-specific hurdles needing to be navigated. In particular, the adequacy of bid funding arrangements and any commissioning of an independent expert's report to support the transaction may be complicated by the fact that a de-SPAC transaction will be conditional on the approval of a majority of the SPAC's public stockholders. This will also trigger the ability of those stockholders to redeem their public shares for a pro-rata proportion of the proceeds from the SPAC's IPO.

- Insight for private companies

  Alternatively, if the Australian target is a **privately owned** company with less than 50 shareholders, the process may be more straightforward. The target's shareholders can either unanimously agree to the merger or a contractual exit mechanism in a pre-existing shareholders' agreement may be able to be relied on to effect the transaction.

We expect Australian companies in the technology, fintech and energy sectors are likely to be of most interest to SPACs looking to deploy capital into targets with broad appeal to international investors.

Case study: Corrs advising Tritium Holdings Pty Ltd

Corrs is advising Tritium Holdings Pty Ltd (a developer and manufacturer of direct current fast chargers for electric vehicles) on its A$1.8 billion merger with Decarbonization Plus Acquisition Corporation II, a US SPAC.

This transaction represents the first announced merger between an Australian company and a US SPAC, with the combined company expected to list on the NASDAQ.

04 Methodology

Corrs public M&A database

Corrs has a detailed proprietary public M&A database from which it drew the statistics and trends referred to in this publication. The database covers all announced takeovers and schemes with a deal value over A$25 million from 2011 to 2021. The statistics referred to in this publication provide a limited snapshot of the more detailed information that is available in the database.

We would be pleased to assist with queries on deal statistics and market trends relating to public M&A activity, including deal structures and pre-bid stakes, rival bid strategies, target engagement, announcements, recommendation, pre-bid strategies, deal protection (such as lock up devices and break fees), bid conditions, truth in takeover statements, tiered bid structures, getting to compulsory acquisition, sector activity, consideration, bidders and foreign investment.

Please feel free to contact a member of the Corrs M&A team.

Methodology

In producing this publication, we reviewed data from a deal sample of 52 takeover bids and schemes of arrangement, which:

- involved an Australian-listed target;
- were announced between 1 October 2020 and 30 September 2021; and
- had a deal value over A$25 million.

We note that when referencing the year '2020' in this publication, we have reviewed data from deals announced between 1 October 2019 and 30 September 2020.

A full list of all deals in our database is set out in Appendix A. Information in relation to these deals is current to 30 September 2021 (unless otherwise specified in this publication). As at that date, thirteen schemes and one takeover from the deal sample were ongoing.

The information used was largely obtained from our own in-depth research and market analysis along with primary sources such as ASX announcements, bidder and target statements and scheme booklets.

Appendix A – Methodology

	Target	Bidder	Date announced	Deal Value	Bid/Scheme	Final %
1	5G Networks Limited (5GN)	Webcentral Group Limited (WGL)	16/07/2021	$118,831,568	Scheme	Ongoing
2	Adherium Limited	Respiri Limited	29/04/2021	$37,959,520	Off-market bid	Terminated/ Withdrawn
3	Asaleo Care Ltd ABN 61 154 461 300	EssityGroup	10/12/2020	$760,371,487	Scheme	100%
4	APN Property Group Ltd	Dexus	11/05/2021	$319,919,521	Scheme	100%
5	Afterpay Ltd	Square, Inc	2/08/2021	$39,000,000,000	Scheme	Ongoing
6	AuStar Gold Ltd (ASX: AUL)	White Rock Minerals Ltd	3/02/2021	$28,297,401	Scheme	100%
7	Bingo Industries Limited	Macquarie Infrastructure and Real Assets	27/04/2021	$2,259,616,802	Scheme	100%
8	Cirrus Networks Holdings Limited	Webcentral Group Limited	30/07/2021	$29,718,890	On-market bid	16.70%
9	Dragontail Systems Ltd	Yum! Brands Inc	27/05/2021	$67,207,289	Scheme	100%
10	Easton Investments Ltd	Hub24 Ltd	28/10/2020	$45,135,364	Off-market bid	31.51%
11	Empired Ltd	Capgemini Australia Pty Ltd	19/07/2021	$216,407,153	Scheme	100%
12	Firefly Resources Ltd	Gascoyne Resources Ltd	16/06/2021	$37,618,358	Scheme	Ongoing
13	Galaxy Resources Limited	Orocobre Limited	19/04/2021	$1,883,171,498	Scheme	100%
14	Saracen Mineral Holdings Ltd	Northern Star Resources Ltd	6/10/2020	$6,372,929,678	Scheme	100%
15	Spark Infrastructure Group	Consortium comprising Kohlberg Kravis Roberts & Co. L.P., Ontario Teachers' Pension Plan Board and the Public Sector Pension Investment Board	15/07/2021	$5,067,430,484	Trust scheme	Ongoing
16	Isentia Group Limited	Access Intelligence plc	15/06/2021	$35,381,297	Scheme	100%
17	Kangaroo Island Plantation Timbers Ltd	Samuel Terry Asset Management Pty Ltd ATF Samuel Terry Absolute Return Active Fund	3/05/2021	$59,235,241	On-market bid	28.18%
18	McPhersons Ltd	Kin Group Pty Ltd	25/03/2021	$164,772,171	On-market bid	Terminated/ Withdrawn

	Target	Bidder	Date announced	Deal Value	Bid/Scheme	Final %
19	Milton Corporation Limited	Washing H. Soul Pattinsons and Company Limited	22/06/2021	$4,681,461,855	Scheme	100%
20	Mortgage Choice Limited	REA Group Ltd	29/03/2021	$243,745,008	Scheme	100%
21	NTM Gold Limited	Dacian Gold Limited	16/11/2020	$96,424,148	Scheme	100%
22	Nusantara Resources Limited	PT Indika Energy Tbk	28/06/2021	$81,085,550	Scheme	100%
23	1300 Smiles Limited	Abano Healthcare Group	24/08/2021	$165,778,157	Scheme	Ongoing
24	OptiComm Limited	Aware Super	12/10/2020	$666,079,910	Off-market bid	Terminated/ Withdrawn
25	Primero Group Limited	NRW Holdings Ltd	24/11/2020	$96,048,738	Off-market bid	100%
26	Primewest	Centuria Capital Group	19/04/2021	$595,119,031	Off-market bid	100%
27	Japara Healthcare Ltd	Calvary	30/04/2021	$347,146,259	Scheme	Ongoing
28	Mainstream Group Holdings Limited ABN 48 112 252 114	Vistra Group Holdings (BVI) Limited	9/03/2021	$165,707,328	Scheme	Terminated/ Withdrawn
29	Redflex Holdings Ltd	Verra Mobility Corporation	22/01/2021	$152,452,584	Scheme	100%
30	Boral Limited	Seven Group Holdings Limited	10/05/2021	$8,994,622,722	Off-market bid	69.60%
31	Coca-Cola Amatil Limited	Coca-Cola Europacific Parnters (formerly Coca-Cola European Partners)	26/10/2020	$9,773,995,936	Scheme	100%
32	Huon Aquaculture Group Limited	JBS S.A.	13/08/2021	$423,010,892	Off-market bid	Ongoing
33	Huon Aquaculture Group Limited	JBS S.A.	6/08/2021	$423,010,892	Scheme	Ongoing
34	Valmec Limited	Altrad Group	19/07/2021	$51,989,768	Scheme	Ongoing
35	Vocus Group Ltd	Consortium comprising of Macquarie Infrastructure and Real Assets and its managed funds and Aware Super Pty Ltd as trustee of Aware Super	8/02/2021	$3,416,680,580	Scheme	100%

	Target	Bidder	Date announced	Deal Value	Bid/Scheme	Final %
36	Vitalharvest Freehold Trust	Macquarie Agricultural Funds Management Limited as trustee of Macquarie Agriculture Fund – Crop Australia 2	9/11/2020	$246,050,000	Trust scheme	100%
37	Xplore Wealth Ltd	HUB24 Limited	28/10/2020	$59,507,248	Scheme	100%
38	Youfoodz Holdings Limited	HelloFresh SE	13/07/2021	$125,129,145	Scheme	Ongoing
39	Mainstream Group Holdings Ltd	SS&C Technologies, Inc.	12/04/2021	$381,126,854	Scheme	Terminated/ Withdrawn
40	RedHill Education Ltd	UCW Ltd	14/12/2020	$45,766,911	Off-market bid	Terminated/ Withdrawn
41	Thorn Group Limited ACN 072 507 147	Somers Limited	18/06/2021	$70,873,789	On-market bid	Terminated/ Withdrawn
42	Mainstream Group Holdings Ltd ABN 48 112 252 114	Apex Group Ltd	30/04/2021	$386,650,432	Scheme	Ongoing
43	Think Childcare Group (TNK)	Busy Bees Early Learning Australia Pty Ltd	23/11/2020	$253,000,000	Scheme	100%
44	RXP Services Ltd	Capgemini Australia Pty Ltd	11/11/2020	$95,215,658	Scheme	100%
45	WPP AUNZ Ltd	WPP plc	30/11/2020	$596,506,309	Scheme	100%
46	amaysim Australia Ltd	WAM Capital Ltd	15/12/2020	$215,162,601	Off-market bid	76.87%
47	Devine Ltd	CIMIC Group Limited	25/05/2021	$38,095,333	Off-market bid	100%
48	ALE Property Group	Charter Hall Long WALE REIT and Hostplus consortium	20/09/2021	$1,138,515,138	Scheme	Ongoing
49	Cardinal Resources Limited	Engineers & Planners Company Limited	24/11/2020	$564,764,139	Off-market bid	Terminated/ Withdrawn
50	rhipe Limited	Crayon Group Holding ASA	1/07/2021	$402,688,440	Scheme	Ongoing
51	Redhill Education Limited	iCollege Limited	22/02/2021	$60,386,896	Off-market bid	100%
52	E&P Financial Group Ltd	360 Capital ED1 Pty Ltd	27/10/2020	$160,020,360	Off-market bid	20.20%

Contacts

Sandy Mak
Head of Corporate

+61 2 9210 6171
+61 412 087 712
sandy.mak@corrs.com.au

Robert Clarke
Head of Financial Sponsors Group

+61 3 9672 3215
+61 420 283 319
robert.clarke@corrs.com.au

Adam Foreman
Partner

+61 2 9210 6827
+61 431 471 355
adam.foreman@corrs.com.au

Alexandra Feros
Partner

+61 7 3228 9789
+61 410 096 314
alexandra.feros@corrs.com.au

Andrew Hewson
Partner

+61 2 9210 6368
+61 466 570 430
andrew.hewson@corrs.com.au

Andrew Lumsden
Partner

+61 2 9210 6385
+61 418 110 665
andrew.lumsden@corrs.com.au

Chris Allen
Partner

+61 2 9210 6960
+61 403 121 081
chris.allen@corrs.com.au

Christian Owen
Partner

+61 8 9460 1708
+61 400 299 092
christian.owen@corrs.com.au

Fadi Khoury
Partner

+61 2 9210 6328
+61 414 865 365
fadi.khoury@corrs.com.au

Felicity Saxon
Partner

+61 2 9210 6585
+61 426 506 157
felicity.saxon@corrs.com.au

Gaynor Tracey
Partner

+61 2 9210 6151
+61 423 859 363
gaynor.tracey@corrs.com.au

Glen Sauer
Partner

+61 2 9210 6987
+61 421 587 345
glen.sauer@corrs.com.au

James Morley
Partner

+61 3 9672 3193
+61 422 066 316
james.morley@corrs.com.au

Jeremy Horwood
Partner

+61 7 3228 9790
+61 422 150 625
jeremy.horwood@corrs.com.au

Jonathan Farrer
Partner

+61 3 9672 3383
+61 414 235 063
jonathan.farrer@corrs.com.au

Justin Fox
Partner

+61 3 9672 3464
+61 417 220 275
justin.fox@corrs.com.au

Kon Mellos
Partner

+61 3 9672 3174
+61 419 879 503
kon.mellos@corrs.com.au

Liming Huang
Partner

+61 3 9672 3132
+61 450 679 477
liming.huang@corrs.com.au

Lizzie Knight
Partner

+61 2 9210 6437
+61 402 793 072
lizzie.knight@corrs.com.au

Michael Chaaya
Partner

+61 2 9210 6627
+61 419 633 293
michael.chaaya@corrs.com.au

Ricky Casali
Partner

+61 2 9210 6831
+61 414 837 545
ricky.casali@corrs.com.au

Robert Franklyn
Partner

+61 8 9460 1706
+61 409 787 224
robert.franklyn@corrs.com.au

Russell Philip
Partner

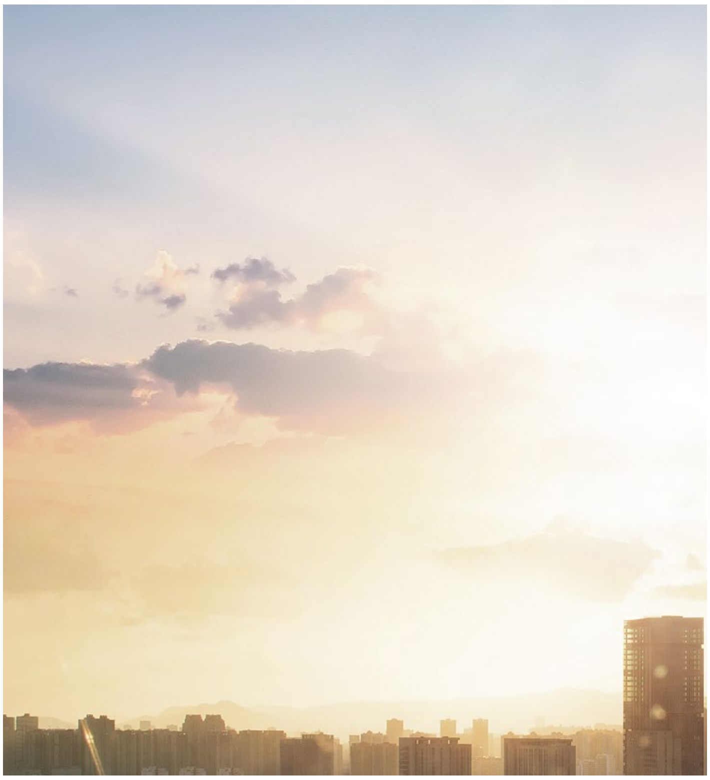
+61 8 9460 1673
+61 400 299 098
russell.philip@corrs.com.au

Stephen Price
Partner

+61 2 9210 6236
+61 418 115 145
stephen.price@corrs.com.au

Shabarika Ajitkumar
Partner

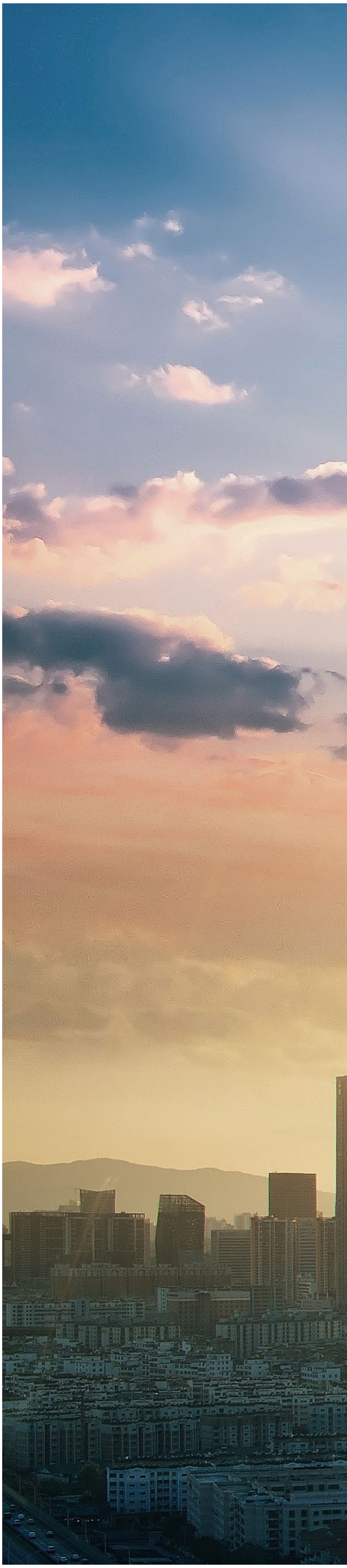
+61 2 9210 6068
+61 407 718 934
shabarika.ajitkumar@corrs.com.au



CORRS
CHAMBERS
WESTGARTH

Sydney
Melbourne
Brisbane
Perth
Port Moresby

corrs.com.au



BRO0042