M&A 2021 Outlook

Public M&A trends and strategies

November 2020

CORRS CHAMBERS WESTGARTH

corrs.com.au

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 2021.

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 2020.

Contents

Introduction

Market conditions for this year's M&A Outlook have been truly unprecedented.

Amidst a global pandemic and political turmoil, our tenth annual review of announced public M&A transactions in the Australian market has revealed some surprising conclusions. For further details on our methodology, please refer to Section 07.

Three key themes have emerged from this year's review. We examine these in more detail throughout this report.

Corrs M&A team

> A pessimist sees the difficulty in every opportunity; an optimist sees the opportunity in every difficulty.
>
> Winston Churchill

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Emerging trends for 2021

1. After a brief COVID-induced crash, M&A levels are now rapidly escalating

The great UK wartime Prime Minister, Winston Churchill, once said: "A pessimist sees the difficulty in every opportunity; an optimist sees the opportunity in every difficulty." If he is to be believed, the M&A market in Australia is populated by optimists.

While the volume of deals overall has dropped and the average deal value has halved during our review period, June 2020 saw a return to normal levels of deal-making confidence as markets stabilised following the initial 'pause' in transactions during the period of heightened COVID-19 uncertainty. We expect this optimism to continue into 2021 as negative sentiments are outweighed by signs of improvement in the economy, particularly given the recent advances in the possibility of vaccines bringing the pandemic under control.

We attribute this optimism to two factors – the hunt for yield and the relatively strong health and economic outcomes in Australia. In an environment where interest rates are at an all-time low and organic growth remains challenging, M&A offers significant opportunities both for private equity looking to deploy capital, and for strategic buyers focused on complementary acquisitions.

While the challenges presented by COVID-19 have caused hardship to many businesses, they have also created opportunities to add value for others. The relatively resilient Australian economy and the positive health outcomes experienced in the country have further contributed to investor confidence.

2. Fortune favours the creative (and the quick)

While M&A activity levels remain high, executing and closing transactions continues to be extremely challenging. Of the transactions in this year's review, 31% were withdrawn or terminated (excluding 21.6% of deals that are still ongoing at the time of publication).

In public M&A transactions, reaching agreement on value in a market with volatile share prices and unpredictable revenue flows requires creative pricing structures to bridge valuation gaps. Examples include BGH's offer for Village Roadshow and PEP/Carlyle's offer for the Link Group – both post-COVID-19 transactions which had to cater for either specific COVID-19 related price adjustments or a perception of undervalue.

The continued influx of capital into the Australian equity markets resulting from low interest rates has also been fertile ground for rising equity prices, making it imperative that bidders move quickly or employ strategies to avoid their offer premia rapidly shrinking following an approach.

The use of process deeds and 'intention to recommend' announcements in Federation Management's bid for Windlab and BGH Capital's offer for Village Roadshow are examples of situations in which bidders and targets sought to swiftly reach and announce an agreement on price, which assists in de-risking share market volatility.

3. Target shareholder support is critical to crossing the finish line

In an environment where valuation gaps between targets and bidders are difficult to close, target shareholder support is critical to the success of a takeover. Shareholder support has featured significantly in a number of offers, such as Iberdrola S.A.'s bid for Infigen Energy and Starwood Capital Group's bid for Australian Unity Office*, where each of the bidders secured pre-bid acceptance agreements with major shareholders representing 20% and 16.7% of the target's shares respectively.

Conversely, negative shareholder sentiment can be fatal to a transaction – Seven West Media's offer for Prime Media Group was voted down by Prime's major shareholders on the basis that they believed it undervalued the company. Securing shareholder support sends a crucial signal to target boards about their members' expectations of value and often represents the difference between a successful or failed transaction.

* This deal was ultimately terminated for reasons related to financing of the transaction.

02

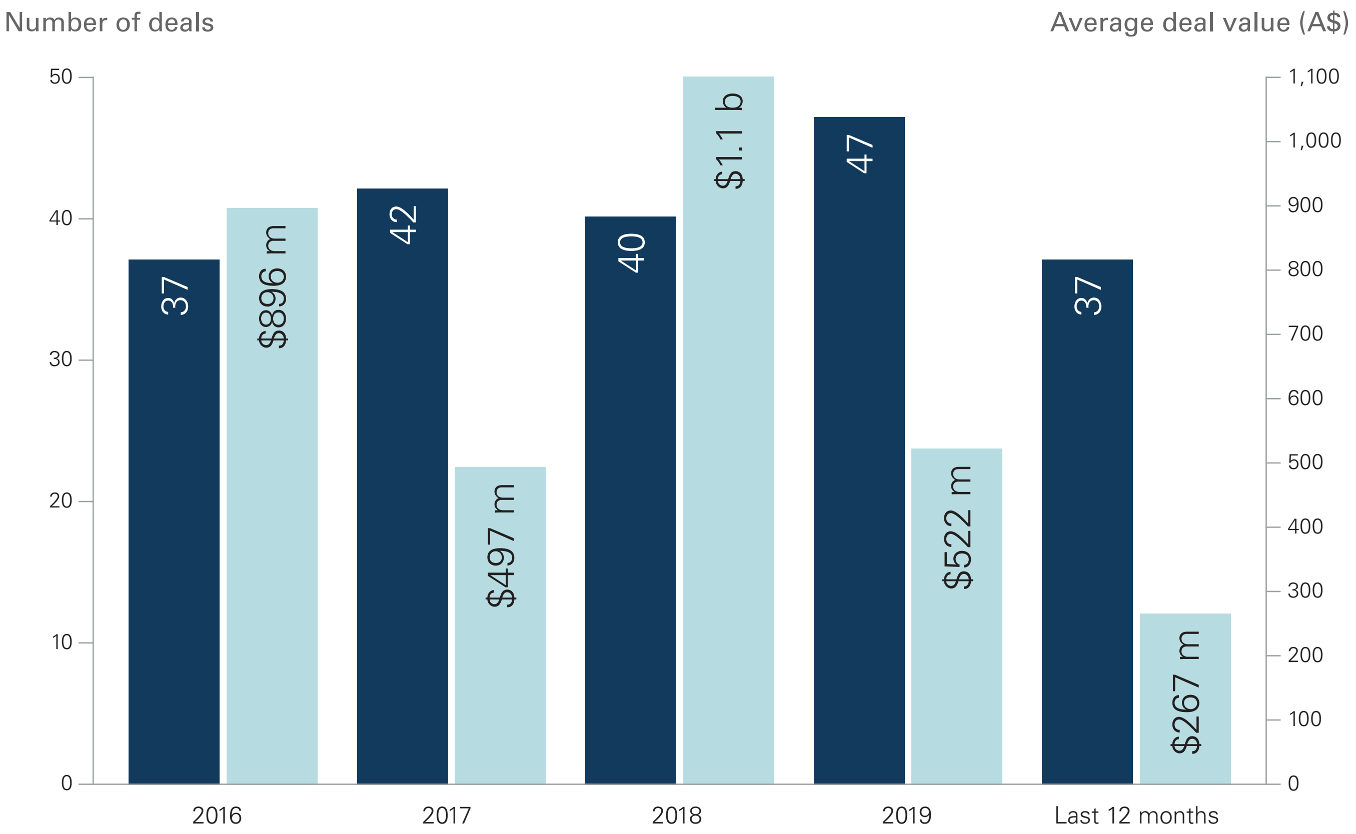
2020 snapshot

Deal volume and value

The past year saw an overall drop in both deal volumes and values. However, after dipping during the height of COVID-19 in March to May 2020, we saw a significant pick-up in activity from June 2020, which in fact exceeded activity during the first third of the year.

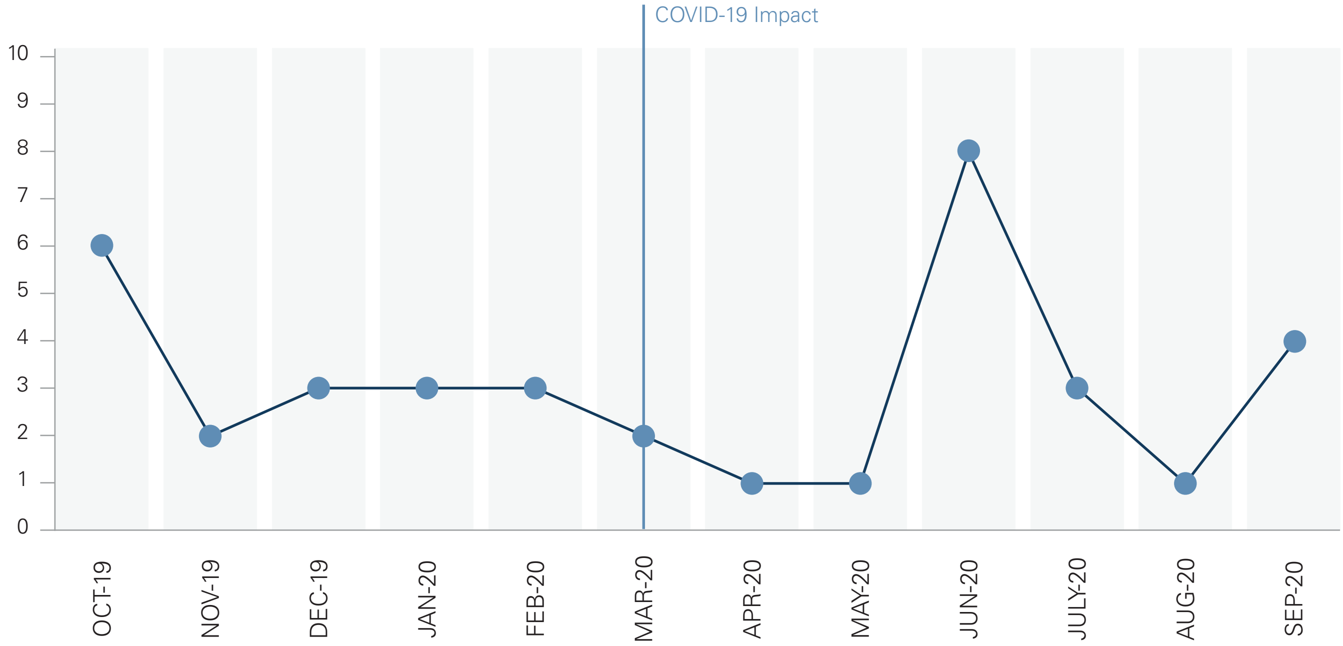
The total of 37 deals and average deal value of A$267 million for this review period is the lowest since 2016. Since the end of the surveyed period, there has been a multi-billion dollar deal announced in the Australian market – the A$9.3 billion bid for Coca-Cola Amatil by Coca-Cola European Partners. If the average deal value included this transaction, the average deal value would jump to A$503 million, which is aligned with deal value trends over the last four years.

2020 deal volume and value



2020 deal activity month by month

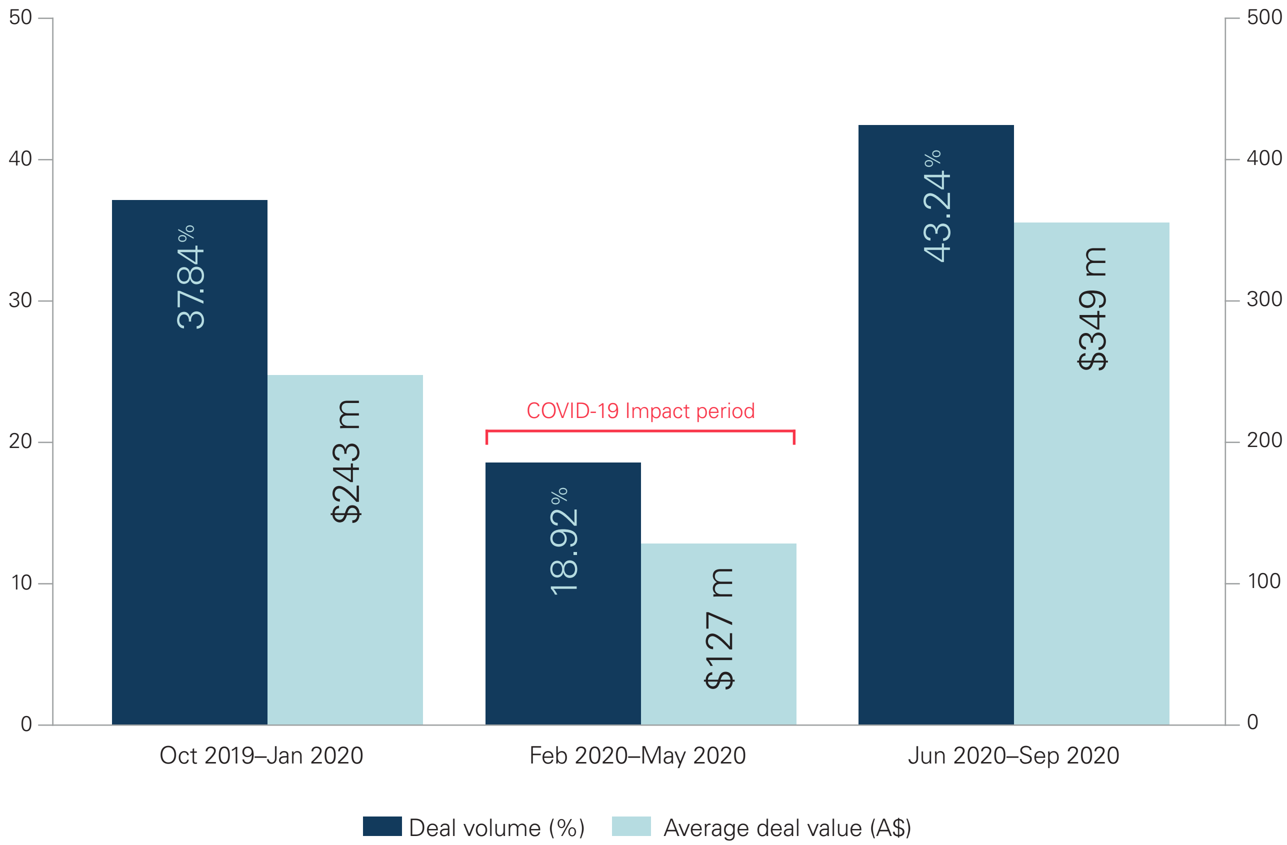
Number of deals



2020 impact of COVID-19 on deal volume and value

Percentage of deals

Average value of deals (A$M)



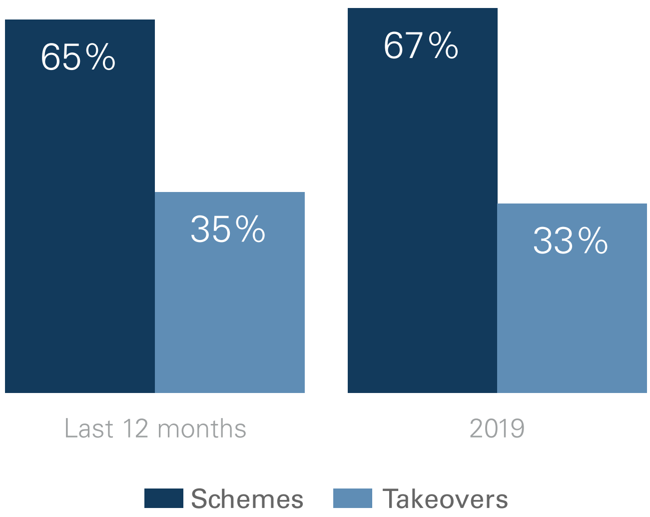
Use of schemes and takeovers

This year, schemes were again the most popular transaction structure overall. However, it is interesting to note that while schemes were clearly the preferred structure choice before January 2020, following the onset of the COVID-19 pandemic between February and May 2020, over 57% of transactions proceeded by way of a takeover bid.

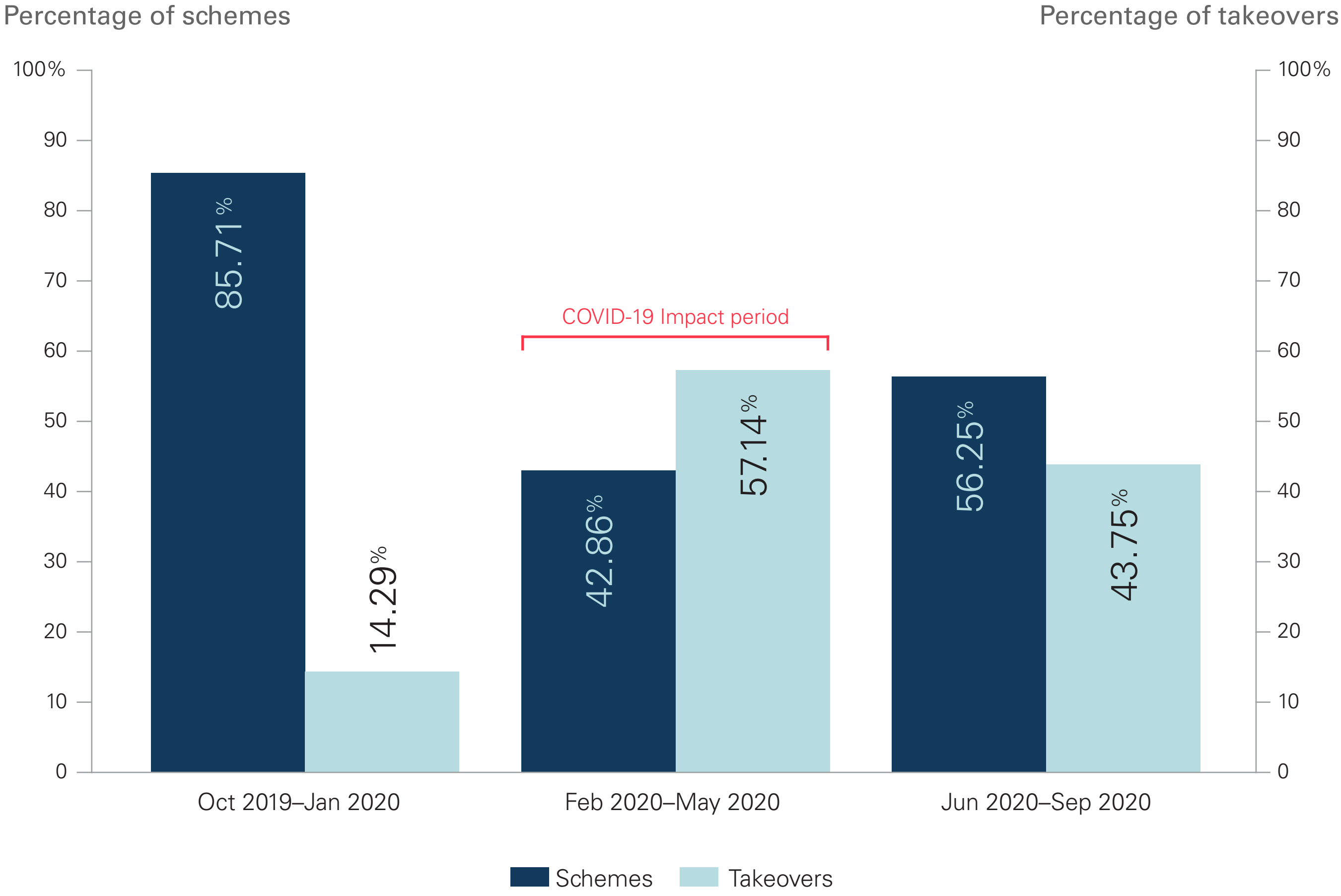
More than 50% of the deals involving takeover bids this year were 'hostile' or were not recommended at the outset, which inevitably requires a takeover structure. The remaining takeover bids were likely structured as takeovers to allow for faster and more flexible execution.

While takeover offers have historically always been more common at the lower end of the market, this year 71% of deals over A$500 million were structured by way of a takeover, which is a significant departure from previous years.

Schemes vs takeovers



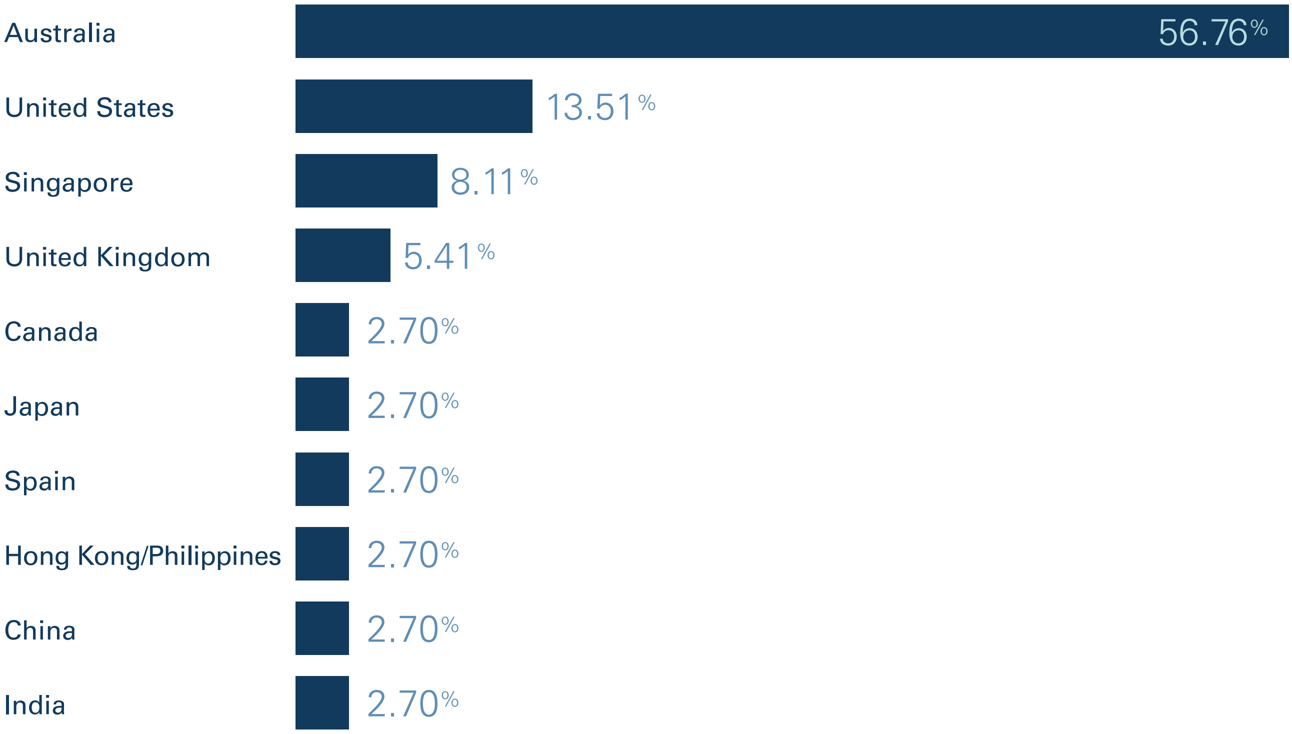
Impact of COVID-19 on use of schemes and takeovers



Jurisdiction of bidders: foreign investment remains strong

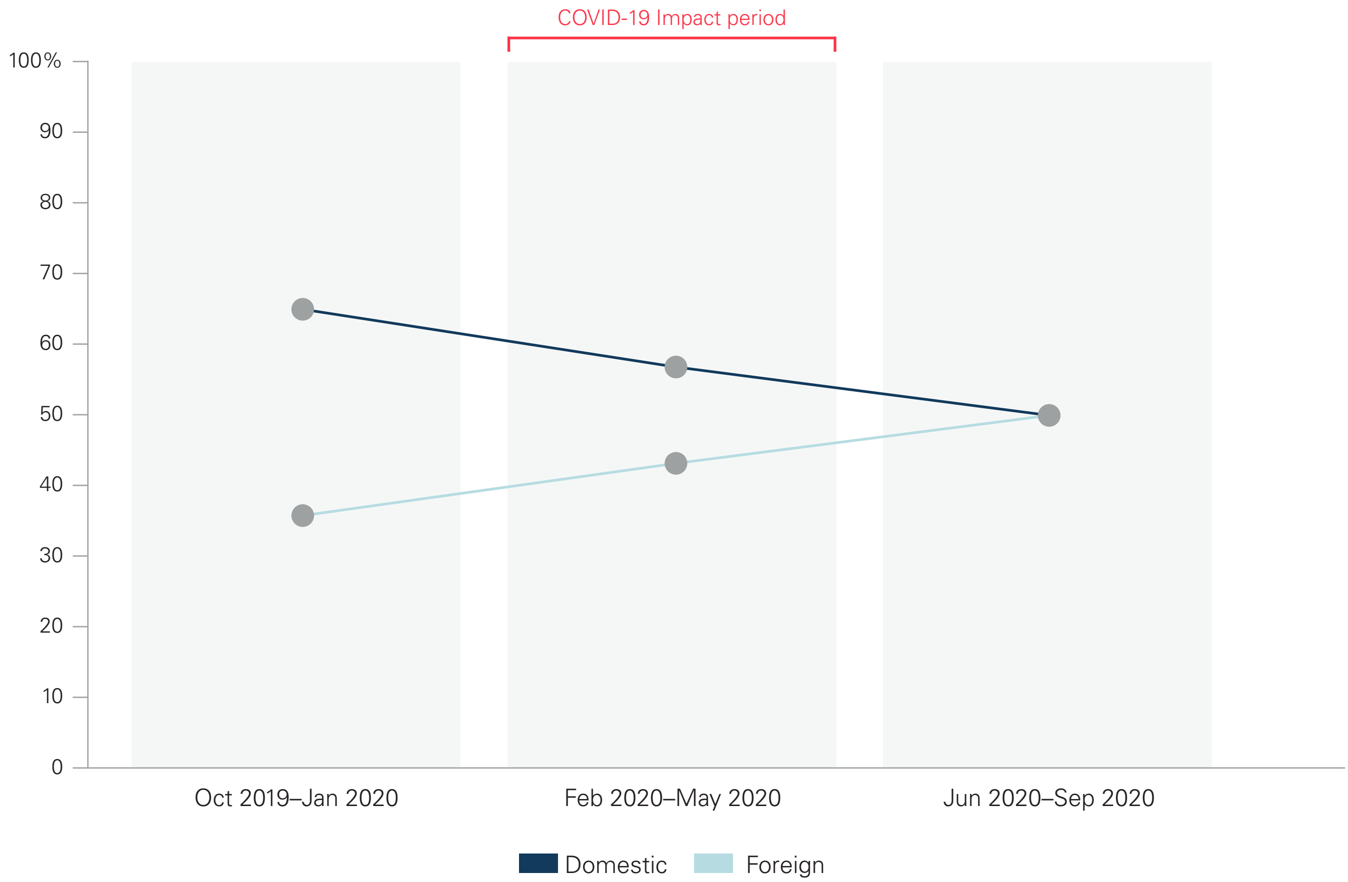
Despite border closures and the tightening of foreign investment regimes, the percentage of deals with foreign bidders announced from April 2020 increased materially compared to deals announced in the first half of the year. The decline in the number of China-based bidders has continued from last year, with only one deal with a Chinese bidder announced during the past year.

Jurisdiction of bidders as percentage of deals



Impact of COVID-19 on foreign bidders by percentage of deals during the period

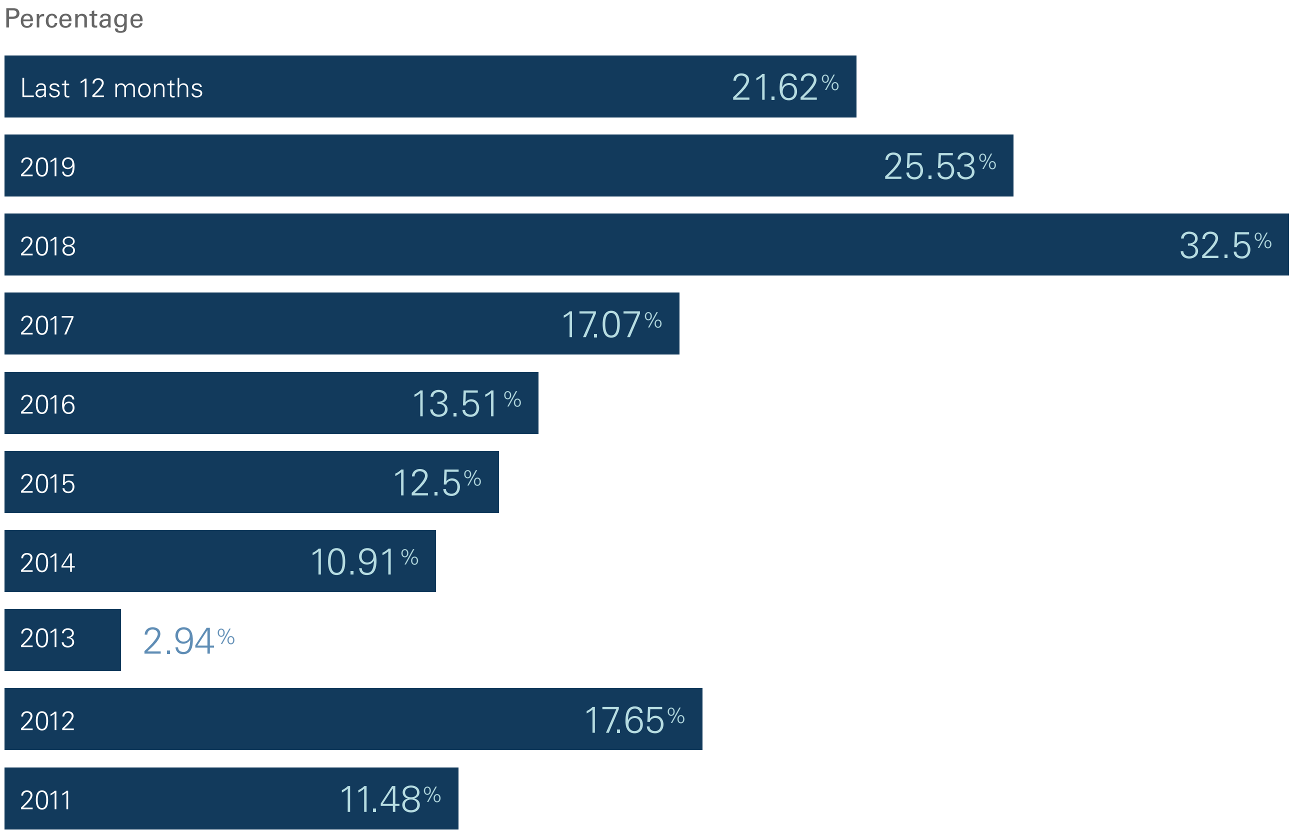
Percentage of deals



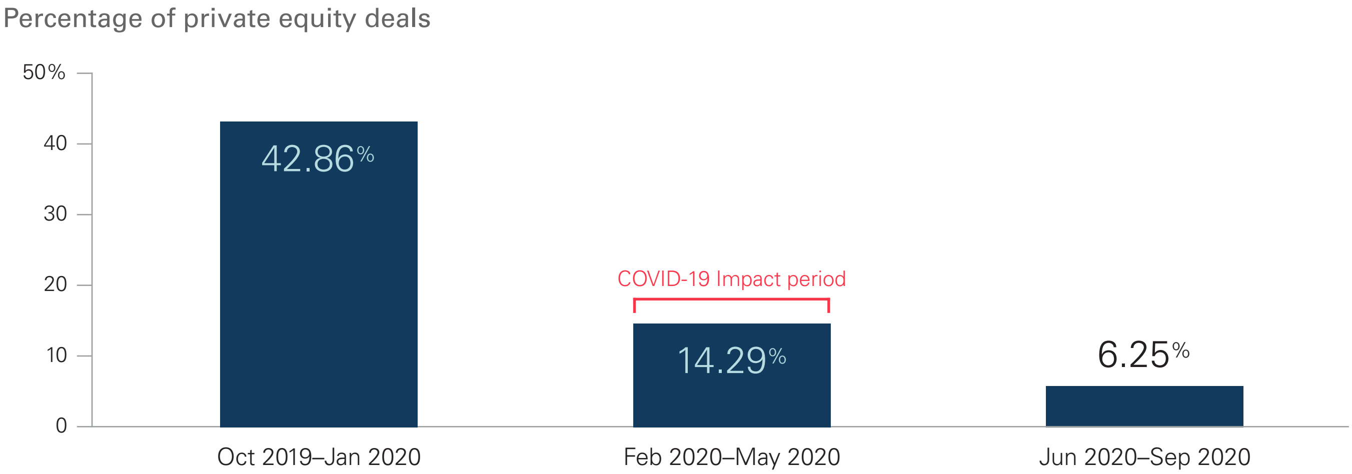
Private equity interest declines

The percentage of deals involving private equity bidders has decreased significantly over the course of the review period, particularly following the onset of COVID-19. This likely reflects the difficulty that bidders are having in being able to predict, with any certainty, future cash flows and valuations post-COVID-19.

Private equity deals by percentage of total deals



Impact of COVID-19 on private equity deals by percentage of deals during the period

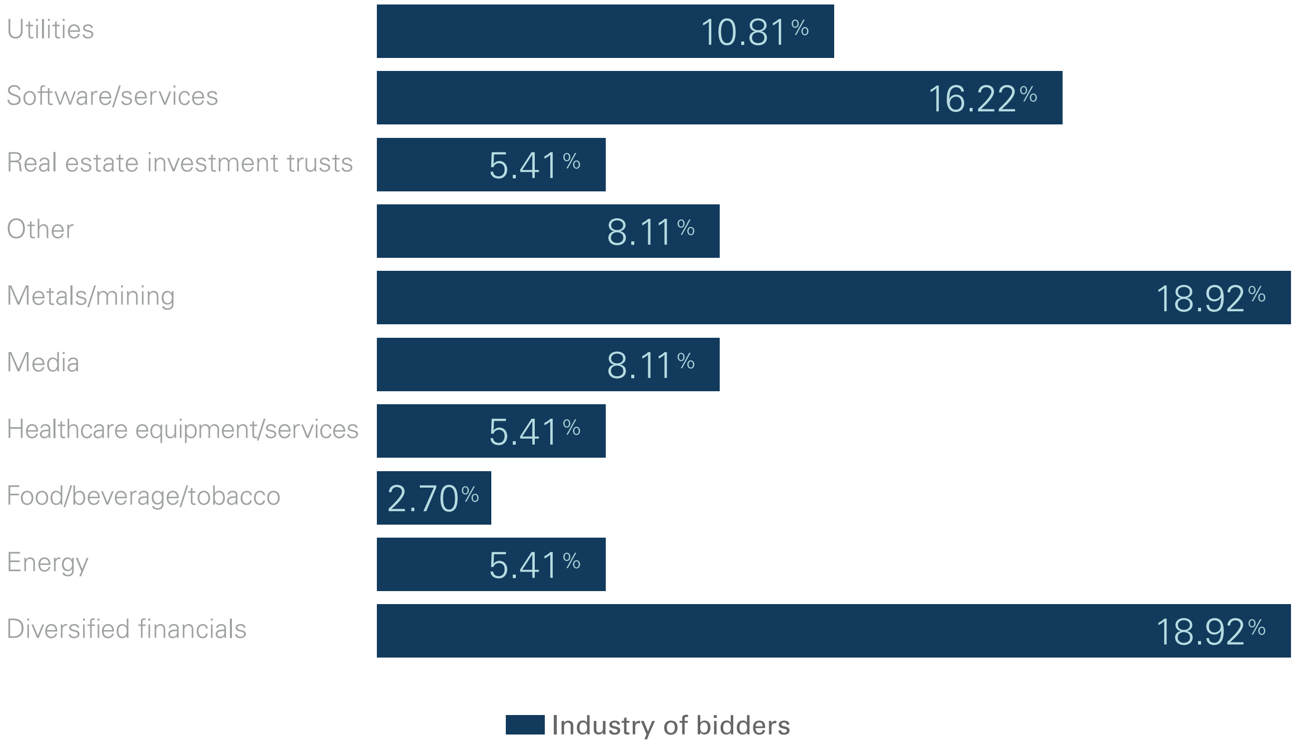


The resources sector still dominates (just)

Following on from last year's trend, while the resources sector remained an active industry for public M&A in Australia over the last 12 months, it was not as dominant as it had been pre-2018.

During the last 12 months, metals and mining remained the most prevalent target industry at 19% (consistent with last year), alongside diversified financials at 19% (up from 6% last year) and then software and services at 16% (up from 6% last year).

Target industries by percentage of deals



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Fact or fiction? Common COVID-19 myths

Increased use of scrip – **Fiction**

There was speculation early in 2020 that bidders and targets would increasingly employ scrip consideration as a strategy to bridge the gap in valuation differentials by 'sharing' upside and downside risk. However, our analysis showed no increase in the use of scrip consideration.

This may be because, unlike during the 2007–08 global financial crisis, debt funding remained readily accessible to bidders, notwithstanding a greater focus by banks on covenants and prudential regulation.

Overall, there has been a 37% decrease in the use of scrip as the sole form of consideration compared to the prior year and only a slight increase in the use of a mix of cash and scrip.

Looking ahead

Given record low interest rates, with the Reserve Bank of Australia lowering the cash rate to 0.10% in November 2020, we envisage that bidders will decide to continue to capitalise on the availability of low-cost debt financing such that cash consideration remains the preferred form of consideration well into 2021.

Opportunistic bids – **Fact AND fiction**

At the outset of the COVID-19 pandemic, there was speculation that the resulting turmoil would see an increase in opportunistic bidders seeking to take advantage of depressed market prices and acquire targets below market value. FIRB, like a number of foreign investment regimes around the world, amended its thresholds to review a broader range of foreign investments in response to this concern.

Despite this, the average premium is up on previous years at 43% compared to 33% for the 2018-2019 period (based on initial premia). There has also been a noticeable difference in premia for deals announced pre and post-April 2020, with premia for earlier deals averaging 33.83% and premia for more recent deals averaging 52.5%. This is similarly reflected in higher rates of price increases, with the average increase being 8.3% in this period compared to 0.23% for deals announced prior to April 2020.

It has become evident that targets are not willing to entertain opportunistic bids and expect bidders to factor a return to growth and profitability following COVID-19 into their pricing. If anything, our experience suggests that targets are acutely conscious of being criticised for recommending bids at prices below pre-COVID-19 levels.

While targets have not been prepared to recommend opportunistic bids (which has meant agreed deals have been done at reasonable valuations), targets have not been able to prevent bidders from making opportunistic bids directly to shareholders by way of takeover, and we have observed a spike in hostile takeovers post-COVID-19.

Looking ahead

We envisage that we will continue to see a rise in hostile takeovers in the coming year, in a limited number of sectors, as bidders seek to take advantage of uncertainty and search for opportunistic deals in the sectors most impacted by COVID-19. Alternatively, they may take deals directly to shareholders to bypass the target board where the expectation gap on value is too high to bridge. However, where transactions require due diligence or a recommendation, or where the target's business is in a sector where a path to recovery from COVID-19 is discernible, we anticipate that both target boards and shareholders will expect this future upside to be fully priced in.

Surge of activity in healthcare and tech – **Fact AND fiction**

The prediction in our M&A 2020 Outlook that there would be an increase in activity in the healthcare and technology sectors has turned out to be only partly correct.

Healthcare deal levels have not seen a noticeable uptick, although we have observed an increase in activity in the software and services sector, which represents 16% of deals by number (up from 6% in the previous year).

It has been suggested that the lack of healthcare deals may be a result of target boards being too preoccupied with managing COVID-19 related impacts on their businesses to be able to actively engage with bidders, or alternatively that target boards perceive that their business (and, accordingly, their valuations) are likely to strengthen further coming out of the pandemic. Some healthcare businesses, depending upon which services and products they offer, have also performed extremely well throughout the COVID-19 period.

Despite softer than expected activity in the TMT sector – there was only a small increase in the number of software and technology deals this year – it is noteworthy that five of the six technology and software acquisitions that occurred this year were announced after COVID-19 affected activity. Significant deals in this sector include Fuji Xerox's acquisition of CSG, a print solutions business, and Mastercard's acquisition of Wameja, a cross-border payment technology company.

Looking ahead

We expect that there will be increased interest in the healthcare and technology sectors after the impact of COVID-19 has settled and businesses operating in these sectors have the ability to focus on potential merger discussions and opportunities.

Spike in terminated deals – **Fact**

The expectation that COVID-19 would result in an increase in the number of terminated deals has proven to be true. The termination rate for deals has doubled in the last 12 months to 31%, in comparison to 15% for the previous two years (excluding ongoing deals).

We saw a number of deals on which a bidder sought to rely on a Material Adverse Change (**MAC**) condition, or a breach of 'conduct of business' provisions to terminate, including Scottish Pacific's bid for CML Group Ltd and Carlyle's bid for Pioneer Credit. The effects of COVID-19 also led to the termination of EG's bid for Oliver's Real Food, which was terminated following suspension of the target's operations, which in turn increased its net debt and triggered an agreed net debt condition precedent.

Even where a MAC condition may not have been triggered by COVID-19 (whether due to the high materiality threshold or customary exceptions including for changes in economic conditions), a target may well have breached 'conduct of business' covenants in responding to its effects. A material breach of the 'conduct of business' restrictions was used as the basis for terminating both the CML and Pioneer deals.

Interestingly, while the bidder first asserted a right of termination in both the CML and Pioneer deals, ultimately the target either agreed to the termination or terminated the deal itself. Simply asserting a termination right may often force a target to the negotiating table to agree to a termination (in return for some compensation as was the case with CML) or to exercise a termination right in order to free itself of the obligation to proceed with the deal and associated exclusivity provisions. Carlyle was also able to apply additional pressure by threatening to demand repayment of a significant loan which it had previously extended to Pioneer.

Looking ahead

We expect that, as we return to a relatively 'normal' deal-making landscape in the wake of COVID-19, MAC conditions will continue to exclude COVID-19 triggers and there will be fewer instances of terminated or withdrawn deals. We also expect that targets will remain focused on ensuring that 'conduct of business' and termination provisions in implementation agreements are drafted narrowly in 2021 in light of the risk of a secondary shock if there are further waves of the virus. This should result in fewer terminated deals than we saw during the review period.

Impacts of COVID already factored in – **Fact**

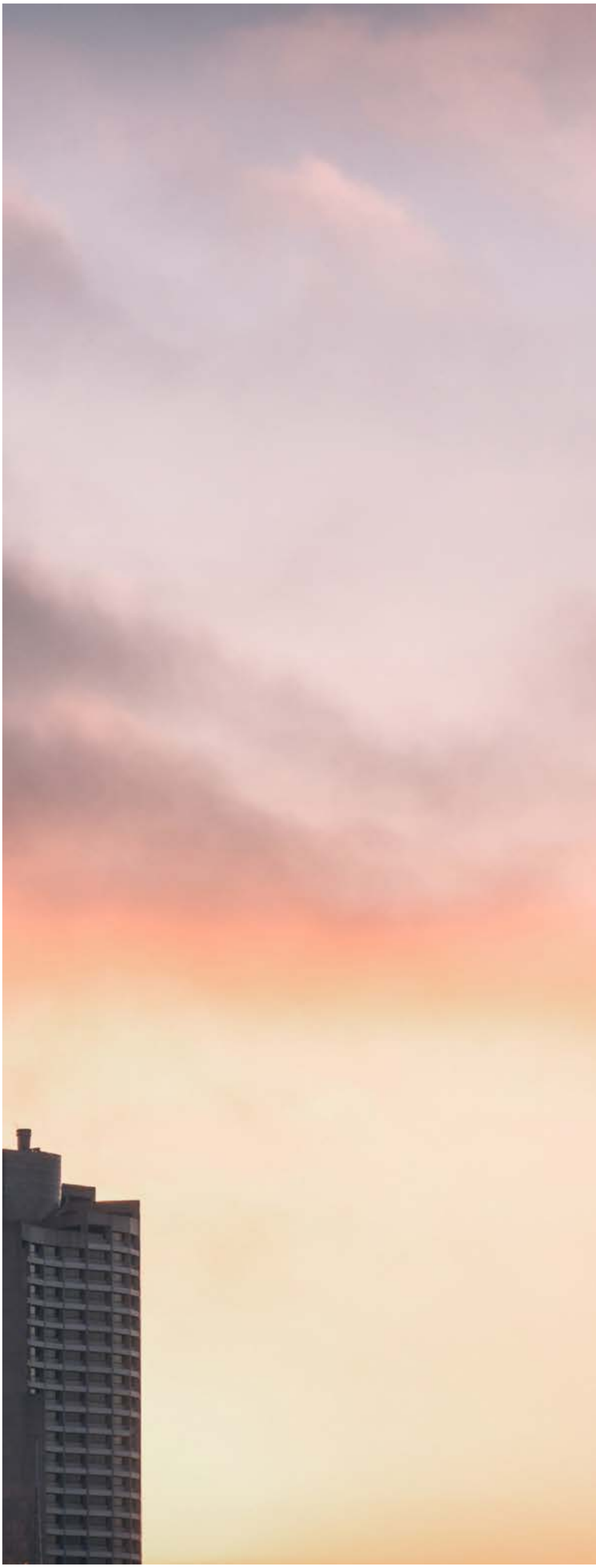
There was a growing expectation over the course of the year that the potential impacts of COVID-19 should be priced in from the outset and should not give a bidder the right to walk away from an agreed transaction. In fact, the vast majority of bidders and targets are now accepting the impacts of COVID-19 in their transactions.

In almost 90% of deals announced since April, the effects of COVID-19 were carved out from the triggers to material adverse change conditions. Only two bids included a broad MAC condition that would provide a clear exit for the bidder in those circumstances. By contrast, 25% of bids did not include a MAC condition at all, and 60% of bids contained a MAC condition which was subject to carve outs for events caused by COVID-19 or a change in general economic conditions.

Of note, in just under half of the bids where one of these carve-outs applied, the bidder retained the right to walk away only if the effects of COVID-19 or a downturn in general economic conditions were felt disproportionately by the target business relative to its industry peers.

Looking ahead

We expect that future transactions will continue to be negotiated on the assumption that COVID-19 impacts do not allow for price adjustments, termination rights or other variations to the terms of the deal. We expect this to result in greater certainty overall for dealmakers, which in turn should lead to less execution risk and a greater number of completed transactions next year.



04

Strategic moves for bidders in 2021

The overwhelming message for bidders in 2021 is that they will need to be more creative in what continues to be a difficult environment for deal-making, characterised by volatile equity markets and material differences in price expectations.

Bidders should take heed of the strategies noted below, which have emerged over the last 12 months, and which look likely to continue as we move into 2021.

Engagement with target shareholders

Major shareholders have the potential to either make or break deals for bidders. This is particularly the case in the current environment where targets and bidders may face a more pronounced price expectation gap than is usually the case. Shareholder support can assist in persuading a reluctant target board to recommend a transaction or, if lacking, have the potential to frustrate a recommended deal.

We saw bidders take different approaches to potential opposition over the past 12 months:

- **Making a best and final statement to rule out a price increase.** Targets such as 3P Learning, Prime Media and OneVue saw such statements used by bidders in the face of opposition from substantial shareholders. The success of this strategy will typically hinge on whether the shareholder is solely motivated by price or whether there are other factors at play. For example, a coalition of investors with a strategic interest in Prime Media voted down Seven Media's takeover despite a best and final statement having been made.
- **Involving shareholders in the bid structure.** Some bidders have structured their proposal to accommodate major shareholders' interests, either from the outset or during the bid period. For example, PEP moved to amend its proposal to include major shareholder OPTrust after it acquired a stake and publicly opposed the deal. A number of other transactions included major shareholders in the initial structure (such as PSP's bid for Webster), although bidders should exercise caution as this approach can create issues ranging from shareholder voting exclusions to cartel concerns.

Novel pricing structures

Where the bidder and target are apart on value, bidders should consider whether a novel structure can be deployed to bridge the gap or otherwise share risk. Examples this year include:

- **Contingent value structure.** Village Roadshow shareholders will receive A$2.20 per share plus up to a further A$0.25 per share depending on the timing for reopening of the target's theme parks and cinemas as well as the Queensland border.
- **Concurrent demergers.** Cassini proposed that shareholders receive securities in a demerged entity prior to implementation of the deal and, in a recently announced offer, PEP and Carlyle have proposed a similar structure for Link, whereby shareholders can elect to receive an interest in a stake held by Link in PEXA.

Offers direct to shareholders

It will not always be possible to obtain a target board recommendation, particularly in cases where the offer price is perceived to undervalue the target or otherwise be opportunistic.

In those cases, bidders should consider whether to make a takeover offer directly to shareholders and, if so, whether they are prepared to end up with less than 100% of the target. A takeover offer permits shareholders to make a decision on an individual basis as to whether to accept, noting that a bid which allows shareholders to realise liquidity (even if not at a full takeover premium) may still be an attractive option for some.

We saw more unsolicited takeover offers in this review period than in previous years. Many of these were examples of a strategy to bypass the target board and put offers directly to shareholders. ARA's proportional bid for Cromwell is a good example, whereby ARA was able to increase its exposure to the target without acquiring 100%.

Immediately lock in price where value agreed

If the target and bidder do agree on value, then the bidder should immediately seek to confirm that agreement publicly. Ideally, an agreement on price would be announced before the bidder conducts due diligence. There are two benefits to this:

- the target can be held to its view on value should it subsequently wish to argue for more; and
- the public announcement should prevent the target share price running away as discussions progress.

If no agreement on price is announced prior to due diligence being carried out, there is a risk that the share price will run in the interim and the bidder will be required to offer a higher price in order to secure a board recommendation.

Preliminary agreement on value may be documented in a formal process deed (as in Federation's bid for Windlab) or, if the target is not willing to negotiate a formal document, the target could instead announce the proposal with a statement of 'intention to recommend' (as in CCEP's proposal to acquire Coca-Cola Amatil). Corrs acted on both of these deals.

05

Strategic moves for targets in 2021

For targets over the last 12 months, the uncertain economic environment has meant more deals falling over and more opportunistic bids. As we move into 2021, targets need to be better prepared to deal with both.

Looking forward to 2021, targets should pay particular attention to the following strategies which have emerged over the last 12 months.

Conduct of business covenants

Deal timetables have become longer over the past 12 months. There are still six deals which are on foot more than three and a half months after announcement. This is due in part to global delays in obtaining regulatory (including foreign investment) approvals. For example, FIRB announced in March that it would seek to extend approval periods to up to six months.

In this context, targets must carefully consider the scope of any 'conduct of business' restrictions and ensure they have appropriate exceptions which allow them to respond to any future impacts of COVID-19 (e.g. targets can no longer simply agree to conduct their business 'in the ordinary course').

The risk for targets is not only that a deal may be terminated, but that their business is adversely affected by the target not being able to respond appropriately to material changes in market and operating conditions. It was these restrictions that bidders for CML Group and Pioneer Credit argued had been breached and which gave the bidder a right of termination. We expect targets to be increasingly focused on these provisions going forward into 2021.

Promoting competition

Where trading prices are under pressure, targets are more likely to find themselves the subject of unsolicited and potentially opportunistic bids. Target boards need to have a strategy ready for maximising competitive tension between bidders and / or flushing out potential competitive bids if faced with an unsolicited and opportunistic offer.

In the last 12 months, competition led to increased offer prices for a number of targets including CML Group, Infigen Energy and Cardinal Resources. In each case, competitive bids substantially increased value for target shareholders. Competing bidders for CML and Infigen increased their bids by between 15% and 25% and competing bidders for Cardinal increased their offers five times, resulting in a final offer price almost 120% higher than the initial bid.

Where a target has received an unsolicited and opportunistic offer that is being seriously considered by shareholders, the target board should consider conducting as comprehensive a sale process as is possible (whether informally or formally).

Target boards should use their recommendation and access to due diligence as bargaining chips to require bidders to agree to standstills and other covenants to reduce the prospect of bidders foreclosing competition.

Scope of termination rights

Given the increased percentage of deals that were terminated or which otherwise failed over the course of the past 12 months, as well as longer timetables to execution, targets should be especially focused on a bidder's ability to terminate and walk away from the deal. Targets should carefully review any termination rights and conditions precedent to make sure they are as limited as possible.

In relation to regulatory approvals, targets should have an appropriate level of visibility and control over the process to ensure they are not used by the bidder as a means of walking away from the deal. This includes requiring bidders to accept standard, reasonable or otherwise non-material conditions to approvals.

Engagement with regulators and material counterparties

Regulators are looking more closely at transactions than ever before. With stricter criteria applied by foreign investment regimes across the world, more deals are required to be submitted to regulators globally.

Targets need to be independently considering what regulatory approvals might be required for transactions. This affords them the opportunity to provide assistance to expedite approvals or, conversely, to make submissions opposing a hostile transaction. These considerations may also apply to the target's key contractual counterparties whose consent may be required under change of control restrictions in material contracts.

Targets should conduct their own diligence on any consent requirements, engage early with those counterparties, and leverage their relationships with regulators and counterparties as much as possible to ensure that they are aligned with the strategy and desired outcomes of the target board.

06

Deal profiles

Coca-Cola European Partners' offer for Coca-Cola Amatil

In the largest deal announced in 2020 to date, at a deal value of A$9.3 billion, Coca-Cola Amatil (**Amatil**) entered into a Scheme Implementation Deed with Coca-Cola European Partners plc (**CCEP**) for the acquisition of all of the issued shares held by independent shareholders of Amatil (being 69.2% of Amatil's issued shares) pursuant to a scheme of arrangement. Separately, CCEP has entered into a sale agreement to acquire the remaining 30.8% interest in Amatil held by The Coca-Cola Company, in relation to which CCEP has obtained joint bid relief from ASIC. This deal remains ongoing at the time of publication. This transaction (which is the largest M&A transaction in the public M&A market in recent times) is reflective of the return in confidence in the Australian market for large, high profile public M&A deals.

Federation Asset Management's acquisition of Windlab Limited

The acquisition by Wind Acquisition 2 Pty Ltd, a wholly owned subsidiary of Wind Acquisition 1 Pty Ltd (an investment vehicle of funds managed by Federation Asset Management Holdings Pty Ltd and Squadron Wind Energy Development Pty Ltd (an Australian based energy and natural resources developer and explorer privately owned by the Minderoo Group of Companies)) (Bidder), of 100% of the issued share capital of Windlab Limited (ASX:WND) (**Windlab**) by way of a scheme of arrangement provides a good example of a bidder using both a pre-bid stake and a process deed to give it control of the process. The deal was valued at A$68.2 million.

Although a strategic review was being conducted by Windlab, Federation acquired a strategic 18.43% stake off-market and outside of the review process in late 2019. This stake ensured that it would be part of any discussion about a transaction coming out of the strategic review.

Ultimately, Federation was able to put forward a sufficiently attractive offer to get access to due diligence and, having done so, held Windlab to that price through the negotiation of a process deed which gave it a period of exclusivity to finalise due diligence and negotiate transaction documents.

After having identified and developed this opportunity to this point, Federation formed a consortium with Squadron Energy (a member of the Tattarang group) to undertake the acquisition, and led the transaction on behalf of the consortium, using the exclusivity period to both negotiate the scheme implementation agreement with Windlab and finalise its consortium arrangements between its own managed funds and Squadron Energy.

Corrs acted for the Bidder on all aspects of this transaction.

Pilbara Minerals' proposed pre-packed acquisition of Altura Mining's lithium operations

Pre-packed or pre-positioned sales are a legitimate and accepted mechanism in the United Kingdom whereby the sale of the business and/or assets of an insolvent company can be agreed prior to the appointment of an insolvency practitioner, whose task is then to review the sale terms and, if thought fit, ratify the sale. However, such transactions are far less prevalent in Australia due to the legal framework within which insolvency practitioners operate.

Pilbara Minerals' proposed acquisition of the lithium operations of Altura Mining Limited (Receivers and Managers Appointed) (Administrators Appointed) (**Altura**) is as close to a pre-packed sale that we've seen in Australia in recent times.

Just two days after the appointment of receivers and managers to Altura in October 2020, Pilbara Minerals entered into an arrangement with Altura's noteholders whereby Pilbara agreed to purchase Altura's lithium operations for US$175 million, subject to the completion of the receivership process. In doing so, Pilbara provided a floor price for the relevant lithium assets (which comprised Altura's main undertaking), whilst still enabling the receivers and managers to embark on a process to market the assets for sale and/or recapitalisation opportunities over an approximate five-week period, and thereby comply with their statutory and common law duties. In consideration for providing the floor price, Pilbara secured a right to match competing proposals as well as the payment of a break fee if the receiver proceeds with a competing proposal.

Contemporaneously with the proposed transaction, Pilbara also announced a proposed A$240 million equity raising underpinned by binding funding commitments provided by Resource Capital Fund VII LP (**RCF**) and AustralianSuper for the entire amount sought. The equity raising will only proceed if and when Pilbara is confirmed as the successful bidder for Altura's lithium operations following completion of the receivers' marketing activities. The strength of these binding funding commitments effectively eliminated any real funding risk associated with Pilbara's proposal, thereby materially improving the prospects of Pilbara being the successful bidder for Altura's lithium assets.

Corrs acted for RCF on all aspects of this transaction.

07

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 2020. 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 37 takeover bids and schemes of arrangement, which:

- involved an Australian-listed target;
- were announced between 1 October 2019 and 30 September 2020; and
- had a deal value over A$25 million.

We note that when referencing the year '2019' in this publication, we have reviewed data from deals announced between 1 October 2018 and 30 September 2019.

A full list of all deals in our database is set out in Appendix A. Information in relation to these deals is current to 1 November 2020 (unless otherwise specified in this publication). As at that date, six schemes and five takeovers 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	Prime Media Group Ltd	Seven West Media Ltd	18/10/2019	$64,623,230.00	Scheme	Terminated / Withdrawn
2	National Veterinary Care Ltd	Australian Veterinary Owners League	16/12/2019	$248,829,458.00	Scheme	100%
3	Australian Unity Office Property Fund	Starwood Capital Group	29/01/2020	$485,239,217.00	Off-market bid	Terminated / Withdrawn
4	CML Group Ltd (CGR)	Consolidated Operations Group Ltd (COG)	13/11/2019	$103,492,770.00	Scheme	Terminated / Withdrawn
5	Spectrum Metals Limited	Ramelius Resources Limited (through its wholly-owned subsidiary Mount Magnet Gold Pty Ltd)	10/02/2020	$201,691,426.00	Off-market bid	100%
6	URB Investments Limited	360 Capital FM Ltd as responsible entity for the 360 Capital Total Return Fund	14/10/2019	$85,814,821.00	Scheme	100%
7	Pioneer Credit Ltd	The Carlyle Group	5/12/2019	$119,857,543.00	Scheme	Terminated / Withdrawn

	Target	Bidder	Date announced	Deal Value	Bid/Scheme	Final %
8	Konekt Ltd	Advanced Personnel Management International Pty Ltd	8/10/2019	$68,761,443.00	Scheme	100%
9	QMS Media Ltd	Quadrant Private Equity	29/10/2019	$420,580,160.00	Scheme	100%
10	Ellerston Global Investments Ltd (EGI) – ACN 169 464 706	Ellerston Capital Ltd (as responsible entity of the Ellerston Global Mid Small Cap Fund)	17/02/2020	$102,116,500.00	Scheme	100%
11	Liquefied Natural Gas Limited ('LNGL')	LNG-9 PTE LTD	28/02/2020	$114,180,096.00	Off-market bid	Terminated / Withdrawn
12	Panoramic Resources Ltd	Independence Group NL	4/11/2019	$319,568,981.00	Off-market bid	Terminated / Withdrawn
13	CSG Ltd	Fuji Xerox Asia Pacific Pte Ltd	24/10/2019	$139,269,684.00	Scheme	100%
14	Webster Ltd	Public Sector Pension Investment Board	3/10/2019	$724,490,326.00	Scheme	100%
15	Village Roadshow Ltd	BGH Capital Pty Ltd	6/08/2020	$429,555,709.00	Scheme	Ongoing
16	Windlab Limited	Federation Asset Management Pty Ltd & Squadron Energy Pty Ltd	4/03/2020	$68,212,586.00	Scheme	100%
17	Oliver's Real Food Ltd	EG FuelCo (Australia) Ltd	11/03/2020	$27,073,192.00	Scheme	Terminated / Withdrawn
18	CML Group Ltd	Scottish Pacific Group Ltd	2/03/2020	$124,016,072.00	Scheme	Terminated / Withdrawn
19	Zenith Energy Ltd	Pacific Equity Partners	6/03/2020	$156,943,065.00	Scheme	100%
20	Infigen Energy	Iberdrola, S.A	17/06/2020	$893,042,220.00	Off-market bid	100%
21	Cardinal Resources Ltd	Nord Gold SE	15/07/2020	$526,024,522.00	On-market bid	Ongoing
22	Powerwrap Ltd	Praemium Limited	9/07/2020	$62,263,951.00	Off-market bid	100%

	Target	Bidder	Date announced	Deal Value	Bid/Scheme	Final %
23	Stanmore Coal Ltd	Golden Investments (Australia) Pte Ltd	2/04/2020	$256,094,238.00	On-market bid	100%
24	Infigen Energy	UAC Energy Holdings Pty Ltd (AC Energy Australia Pte Ltd & UPC Renewables Australia Pty Ltd)	3/06/2020	$834,800,336.00	Off-market bid	Terminated / Withdrawn
25	3P Learning Ltd	IXL Learning, Inc.	14/08/2020	$188,303,630.00	Scheme	Ongoing
26	Wameja Limited	Mastercard	10/09/2020	$173,151,645.00	Scheme	Ongoing
27	Cromwell Property Group	ARA Asset Management Holdings Pte. Ltd	23/06/2020	$697,114,143.00	Off-market bid	Ongoing
28	OneVue Holdings Ltd	IRESS Ltd	1/06/2020	$115,209,923.00	Scheme	100%
29	Cassini Resources Ltd	Oz Minerals Ltd	22/06/2020	$65,069,035.00	Scheme	100%
30	Vault Intelligence Ltd	Damstra Holding Ltd	8/07/2020	$58,260,714.00	Scheme	100%
31	Alt Resources Ltd	Aurenne Ularring Pty Ltd	7/05/2020	$30,709,098.00	Off-market bid	100%
32	Cardinal Resources Ltd	Shandong Gold Mining (Hong Kong) Co Ltd	18/06/2020	$526,024,522.00	Off-market bid	Ongoing
33	OptiComm Ltd	Uniti Group Ltd	15/06/2020	$684,287,829.00	Scheme	100%
34	Exore Resources Ltd	Perseus Mining Ltd	3/06/2020	$61,882,391.00	Scheme	100%
35	The Citadel Group Ltd	Pacific Equity Partners	14/09/2020	$448,647,262.00	Scheme	Ongoing
36	Contango Income Generator Ltd	WAM Capital Ltd	28/09/2020	$92,891,696.00	Off-market bid	69.61%
37	DWS Ltd	HCL Australia Services Pty Ltd	21/09/2020	$158,197,594.00	Scheme	Ongoing

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