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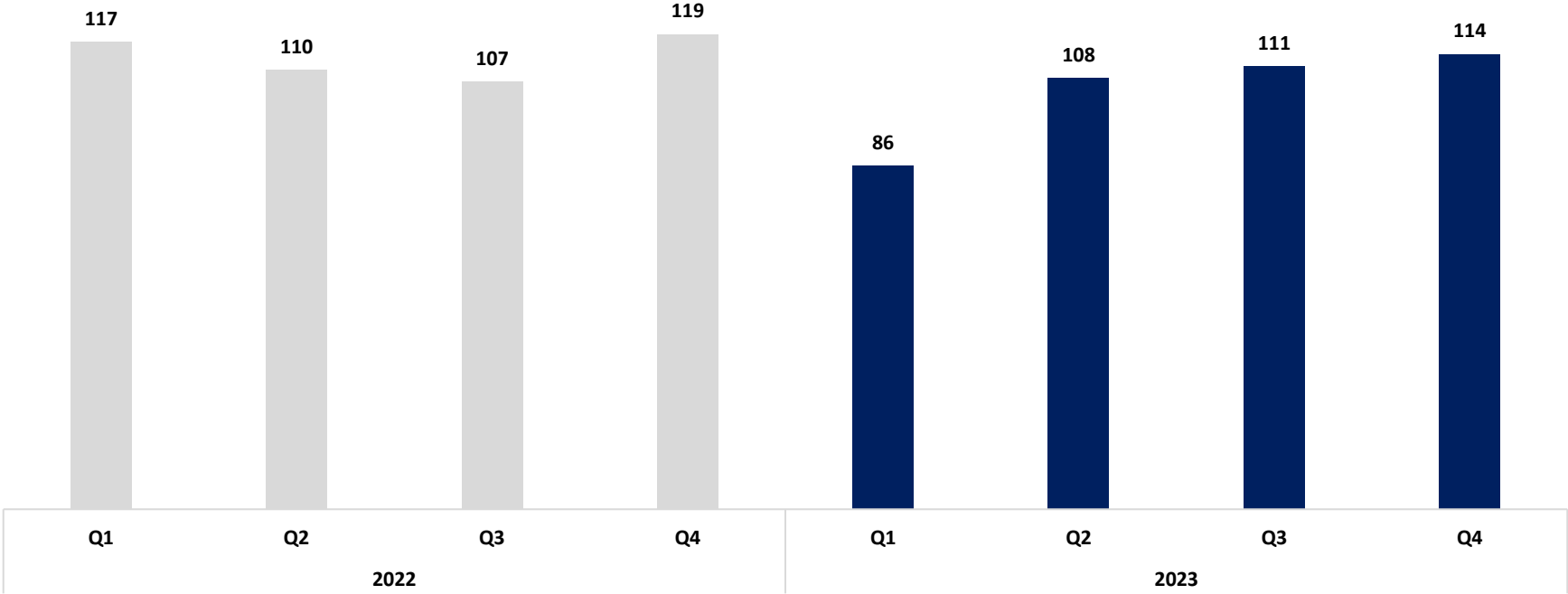
M&A REPORT

2023

1. Irish M&A activity has declined in 2023 versus 2022

M&A Deals by Quarter¹

2022: 453
2023: 419



Note 1: All data is based on what is reported in the Renatus M&A Weekly Newsletter

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Irish M&A Activity has declined in 2023 versus 2022:

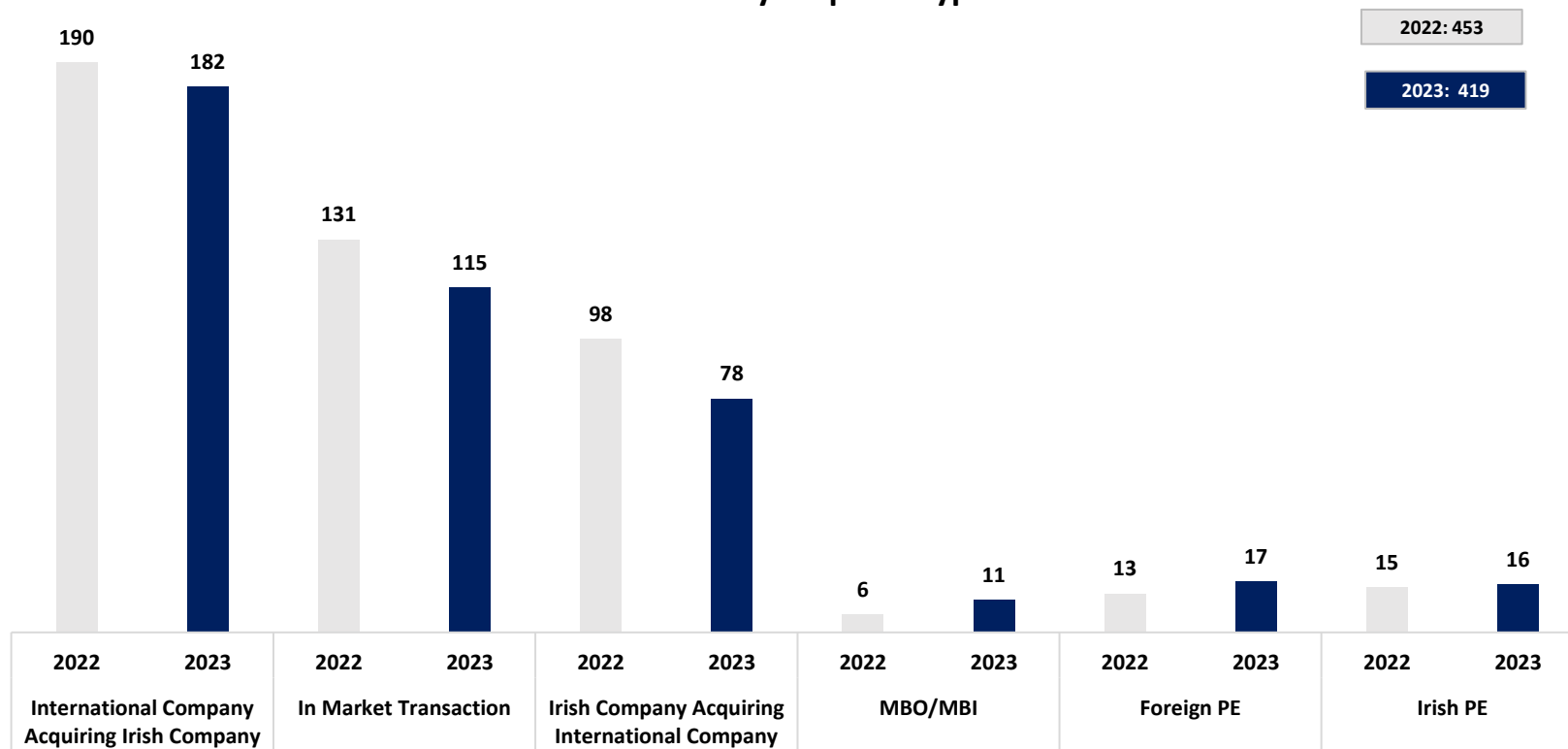
There were 419 deals completed in 2023 compared to 453 in 2022.

- During 2023, Ireland experienced a 7% decrease in M&A transactions, recording 419 deals compared to 453 in 2022. Similarly, the UK saw a 19% drop in deal volume, with 5,500 deals in 2023, as reported by the London Stock Exchange Group's Deals Intelligence team.
- In 2023, the M&A environment encountered difficulties. Global deal activity experienced a decline due to factors such as rising interest rates, geopolitical instability, and concerns about a potential recession. Nevertheless, after reaching its slump in the first quarter of 2023, there are indications of a resurgence in global M&A activity, with steady marginal quarter-on-quarter increases evident over the rest of the year.
- Two increasingly notable trends are the consolidation of professional services (such as accountancies and insurance brokers) and the growing significance of ESG-related investments.
- ESG is emerging as a noteworthy value driver, as companies place greater emphasis on their environmental impact, and It has become a crucial assessment point in M&A deals, reflecting the evolving landscape of corporate priorities. In 2023, AMCS expanded its presence in the ESG realm with the acquisition of FigBytes, marking its second venture in this sector following the 2022 purchase of German-based Quentic. Other moves in the space this year included Climeaction's management buyout out of Leading Edge Group and Goodbody's acquisition of Clearstream Solutions.

2. Irish M&A by Acquirer Type

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M&A by Acquirer Type¹

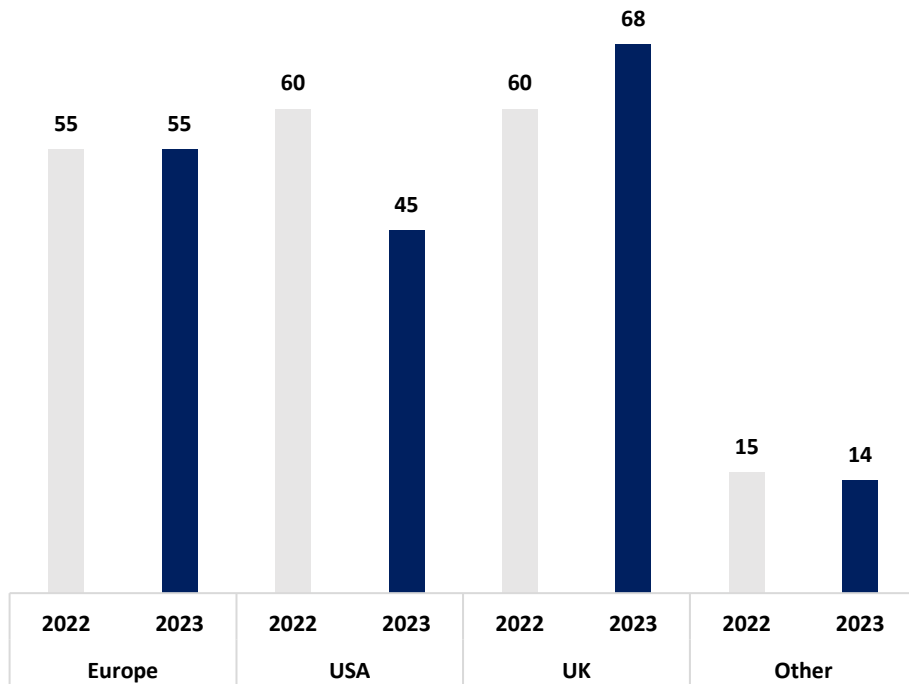


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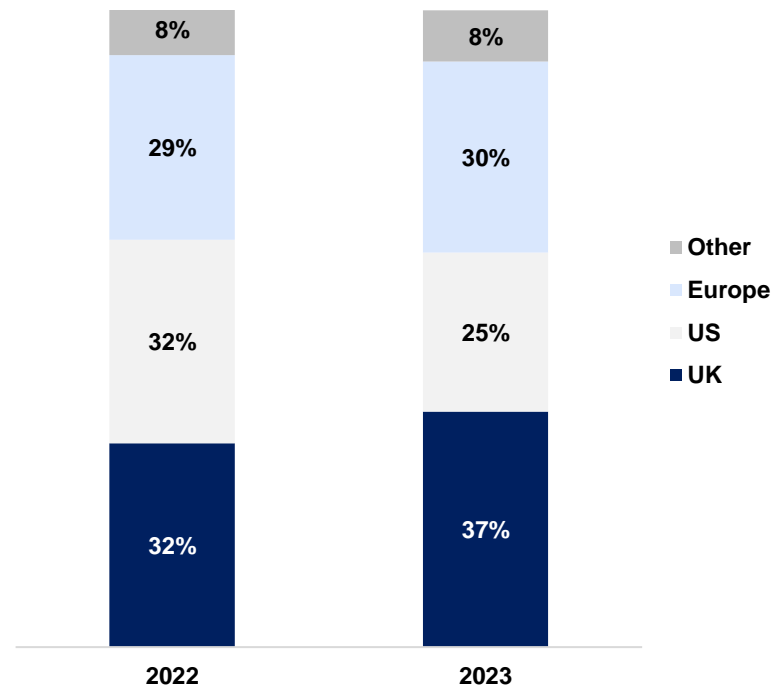
2. Irish M&A by Acquirer Type

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Breakdown of International Acquirers¹



Breakdown of International Acquirers (%)¹



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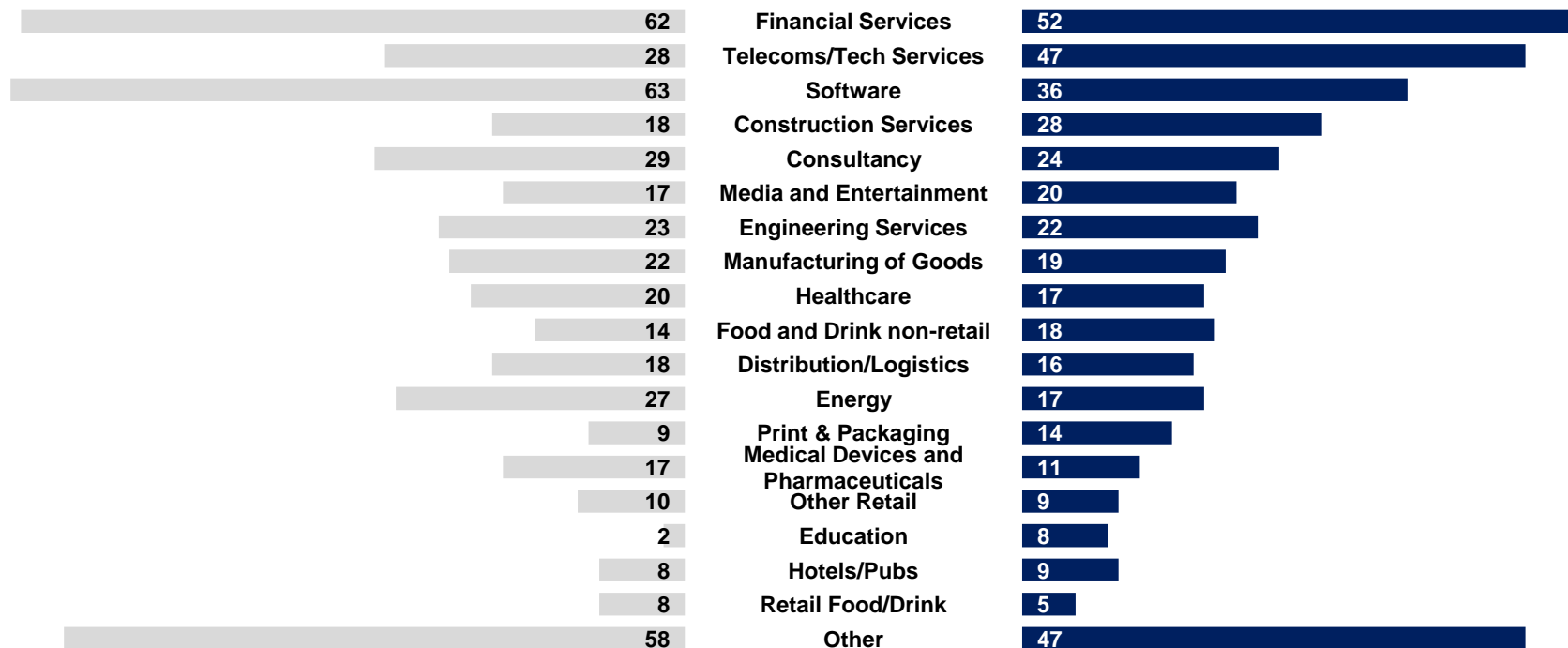
International Acquirers continue to snap up Irish businesses:

- The Irish M&A market has seen the UK accounting for the majority of M&A deals, a contrast from 2022 when the US and UK were on par. In 2023, the composition of inbound acquirers from the US decreased by 7%, while those from the UK increased by 5% compared to 2022 levels.
- Following the trend we saw in 2022, international acquirers are the primary category of acquirers in the Irish M&A market throughout 2023.
- Inbound activity is reduced year-on-year, in line with the overall market, but still accounts for almost half of Irish M&A deals in 2023.
- Despite a year-on-year decline in overall deal volumes and a slowdown in other buyer categories, there has been a notable uptick in the number of Private Equity acquisitions with a total of 33 PE-related acquisitions in 2023 versus 28 in 2022.
- Ireland continues to be a compelling choice for global buyers and investors, providing a robust economy and a strategic entry point into the European Union (EU). Serving as a gateway market for companies from the US and, particularly after Brexit, the UK, Ireland's strategic location and business-friendly environment position it as an attractive destination for new foreign direct investment. The country's robust infrastructure, skilled workforce, and favorable tax policies contribute to its appeal, making Ireland a preferred choice for global investors.

3. Sector Breakdown

M&A Breakdown by Sector¹

■ 2022 ■ 2023



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3. Sector Breakdown

Financial Services and the Telecom / Tech Services continue to be very active M&A spaces:

Financial Services:

- The financial services sector witnessed the highest level of deal activity in 2023. The two primary categories within this are (1) accountancy rollups and (2) insurance broker consolidation
- There has been significant activity in the accountancy roll up space with 3 of the last 4 acquisitions Xeina Group has completed coming from Ireland. Examples of a few deals in the space during 2023 includes Baker Tilly Ireland acquired by Azets, HLB Ireland merging with John McCarrick & Associates, McKeogh Gallagher Ryan and Quintas being acquired by Xeina Group and DMB Chartered Accountants selling a reported 51% stake to ETL.
- In the insurance sector, a recurring theme involves consolidation among insurance brokers, particularly those backed by private equity. Consolidation often brings about economies of scale. Larger insurance brokerages can benefit from operational efficiencies, reduced costs per transaction.
- PIB Group continues to be among the most active consolidators in the Irish insurance broker space having made over 15 acquisitions in Ireland to date. Examples of a few deals in the space during 2023 includes Sayers Insurances acquired by AssuredPartners, Tim Duggan Insurances acquired by PIB group and McAuliffe Barry & Collins acquired by Clear Group

3. Sector Breakdown

Financial Services and the Telecom / Tech Services continue to be very active M&A spaces:

Telecoms / Tech Services:

- It was an active year in the Telecoms / Tech Services space with 47 deals in the space compared with 28 last year.
- As technology advances, the dynamics of mergers and acquisitions within the Telecoms / Tech Services space undergo continuous change. The market is experiencing a state of transition, where major players are consolidating and incorporating smaller firms to harness their technological advancements.
- Busy players in the space include Nostra (making 3 acquisitions in 2023) and Ekco (making 4 acquisitions in 2023)

Software:

- While the surge in M&A activity within the software industry has tapered off somewhat during the recovery from COVID-19, the sector continues to capture significant attention from both strategic and private equity acquirers.