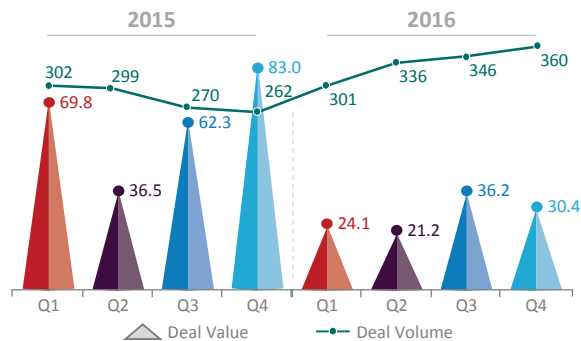


# M&A LANDSCAPE: DIVING INTO FOUR OF THE HOT INDUSTRY SECTORS

## 1 Consumer Markets M&A Trends

(\$ bn)



**\$216.1 bn**  
32 Megadeals  
2015

**\$73.2 bn**  
28 Megadeals  
2016

### Looking Ahead



#### Internet/ E-commerce

Traditional retailers are bolstering their e-commerce operations through M&A (e.g. Wal-Mart acquiring Jet.com)



#### In-store Experience

Traditional retailers are eyeing technology companies to improve their in-store experience and value proposition



#### Consumer Preferences

Increased focus on health and wellness is expected to fuel activity in the Food & Beverage sub-sector

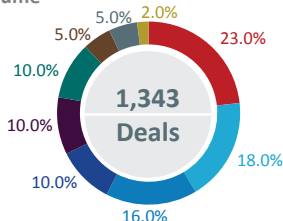


#### Bolt-on Acquisitions

PE firms continue to focus on bolt-on acquisitions to create marketable platforms and avoid competitive sale processes

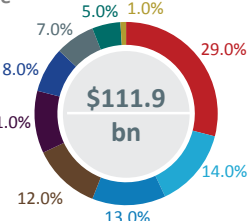
### Sector Breakdown (2016)

By Volume



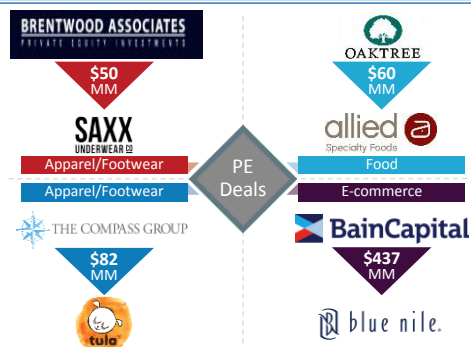
- Food and beverage
- Specialty retail / other
- Grocery, drug, discount, and mass
- Household and personal products
- Agribusiness
- Apparel, footwear and accessories
- Restaurants
- Internet / e-commerce

By Value



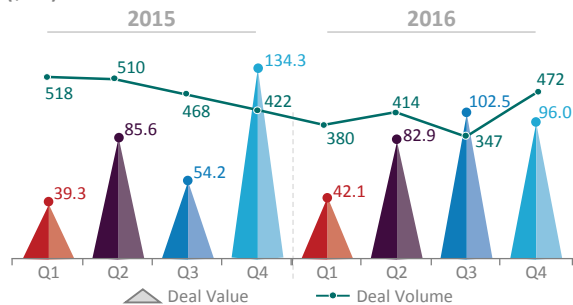
- Food and beverage
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### Mid Market PE Deals



## 2 Record Year for Technology Deals

(\$ bn)



Largest Transaction of 2016

QUALCOMM  
NXP  
**\$38.8bn**

Year of Megadeals

**11** Mega Deals

PE Participation



### Looking Ahead



#### Disruptive Technologies

Acquirers are expanding into new markets including IoT, wearables and embedded electronics to offset slower growth in smartphone/PC/tablet markets



#### Machine Learning

Companies are investing in machine learning applications to enhance prediction and anomaly detection (Notable acquirers include Ford, GE and Intel)

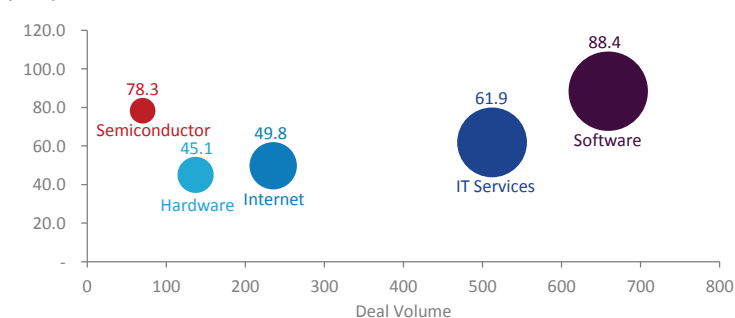


#### Non-tech Buyers

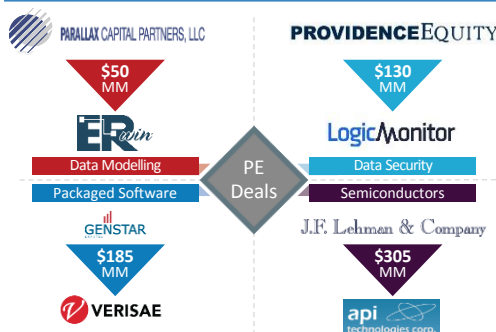
Wide range of non-tech buyers aim to innovate through acquisitions to seek global expansion (Non-digital buyers invested \$80 bn in 2016)

### Sector Breakdown (2016)

(\$ bn)

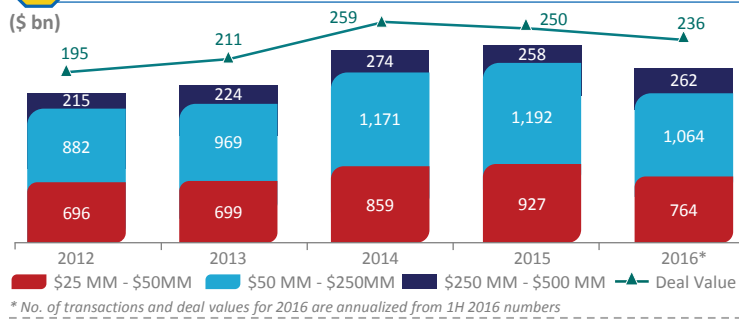


### Mid Market PE Deals

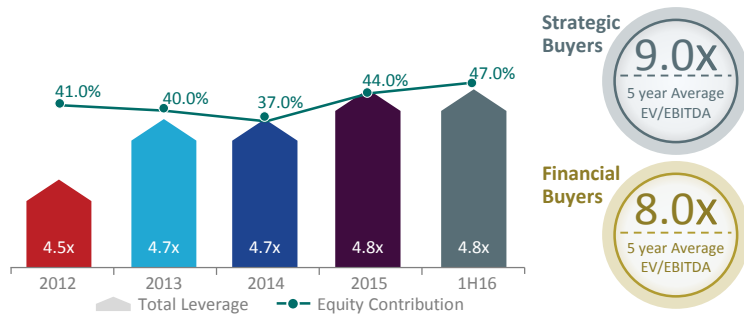


# M&A LANDSCAPE: DIVING INTO FOUR OF THE HOT INDUSTRY SECTORS

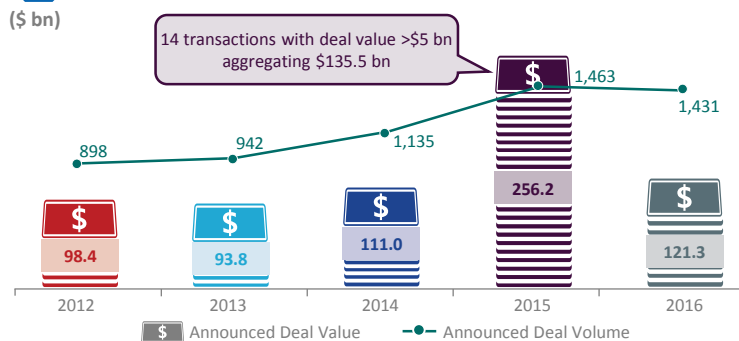
## 3 Continued Growth in Environmental Services M&A



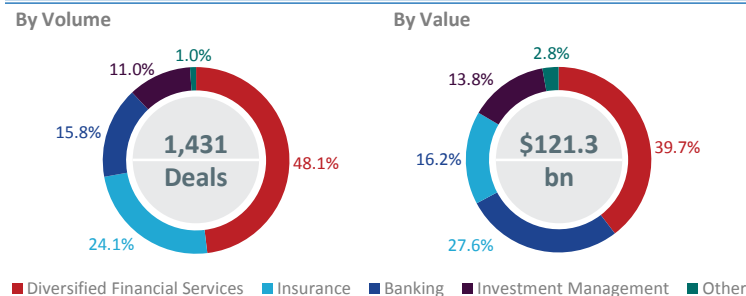
## Acquisition Financing Trends



## 4 Financial Services M&A Trends



## Sector Breakdown (2016)

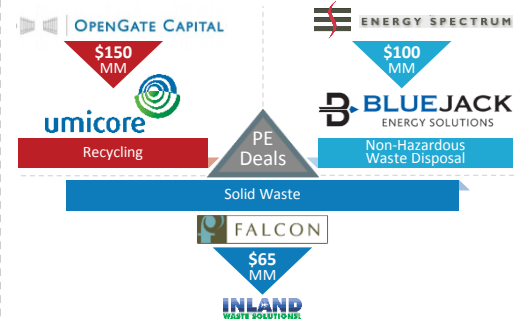


Sources: Bloomberg, Factset, PwC, BGL, EY, Press Releases

## Looking Ahead

- Special Waste**  
Growing regulatory complexity and aging infrastructure will continue to drive the demand for services
- Technical Field Services**  
Growing need in Oil & Gas sector driven by regulatory pressure will drive real-time compliance requirements
- Industrial Services**  
Consolidation expected as large customers look for industrial cleaning companies with large geographic presence

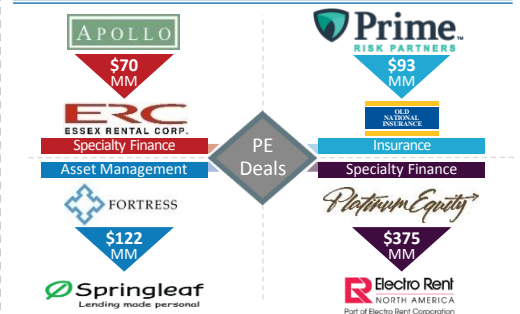
## Mid Market PE Deals



## Looking Ahead

- Property & Casualty Insurance**  
Capital in P&C and reinsurance sub-sectors is at an all-time high making them ripe for middle-market consolidation
- Blockchain**  
Holds great promise for banks due to its ability to enhance the security and speed of transmission of financial data
- Specialty Finance**  
The US market will continue to attract foreign investment in specialty finance as it provides a less regulated entry point
- Investment/Wealth Management**  
Uncertainty with respect to implementation of Department of Labour (DOL) fiduciary rule will impact M&A activities

## Mid Market PE Deals



## ABOUT TRESVISTA

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