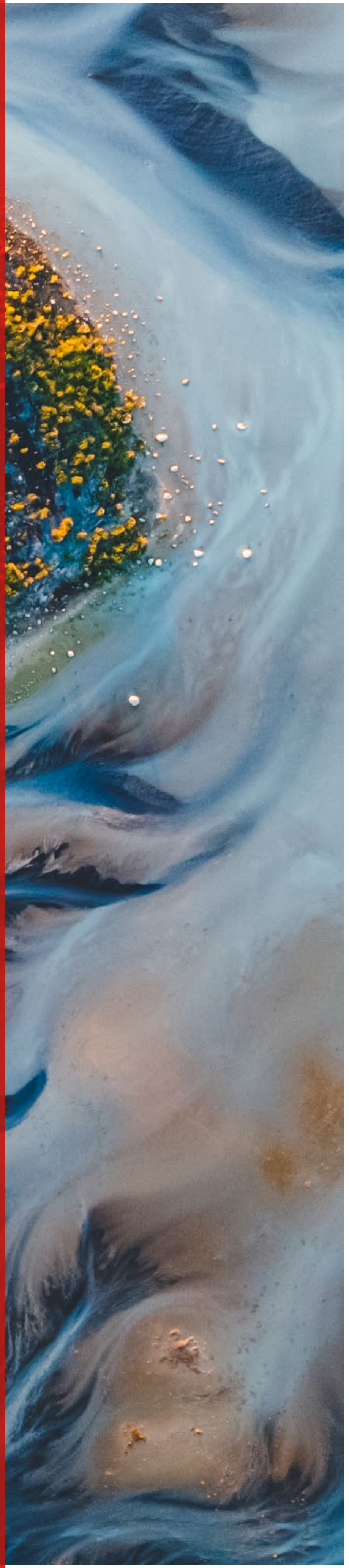
NORTON ROSE FULBRIGHT

# Australian public M&A deal trends report

## 2021 Edition: Switch to living with the pandemic sparks M&A frenzy



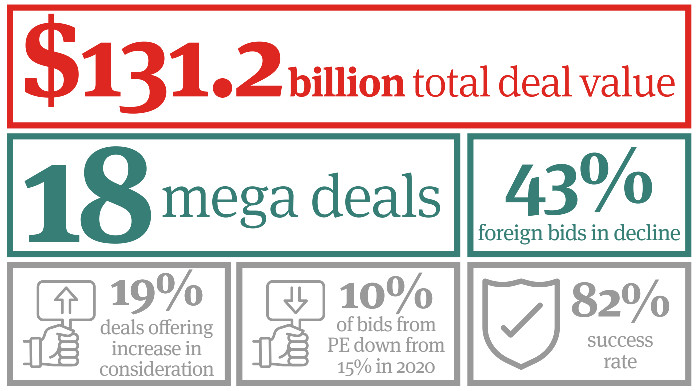
# Contents



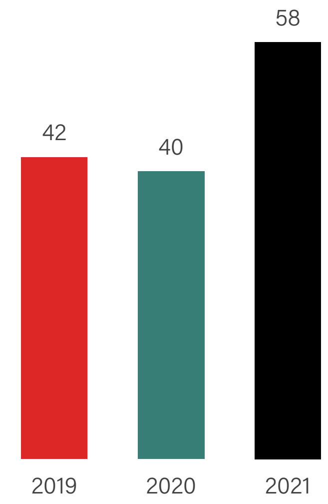
# Introduction

The world hoped to usher in a very different kind of new year on 1 January 2021, but for the most part 2021 felt much the same as the year before as the varying shockwaves of the COVID-19 pandemic continued to play out throughout the year. Like 2020, 2021 was dominated by pandemic headlines regarding ongoing border closures, lockdowns and supply chain jams. However, 2021 was also the year of the vaccine and markets told a different story, despite the arrival of new COVID-19 variants, Delta and Omicron. As governments pivoted toward the pandemic's 'recovery' phase, deal maker confidence returned, with investors ready to dust off acquisition proposals put on ice the year before.

In the spirit of recovery, 58 schemes and takeovers deals over $50 million were announced in Australia in 2021, representing a 45% increase on the 40 deals we surveyed in 2020. We also saw a surge in the total deal value of all surveyed deals, from $30.4 billion in 2020 to a staggering $131.2 billion in 2021. 2021 also proved billion dollar 'unicorn' deals are not so rare after all, recording 18 schemes or takeovers with a deal value of greater than $1-billion, 2 of which were the largest deals recorded in Australian M&A history: the IFM-led consortium all cash takeover of Sydney Airport (valued at over $23.6 billion) and Square's scheme acquisition of Afterpay (where a staggering $39 billion in shares was offered).




**There were 58 anounced deals surveyed in 2021 with a deal value of at least $50 million**




*There were 58 anounced deals surveyed in 2021 with a deal value of at least $50 million*

It would seem 2021's promise of an economic rebound and market stability after the uncertainty caused by the first wave of COVID-19 in 2020 motivated deal makers to resume buying. Australia's record vaccination rates and low unemployment figures are just some of the many reasons to remain optimistic.

Still, the recovery was and continues to be accompanied by labour and skills shortages, rising inflation and the threat of interest rate hikes. Added to these factors is the evolving Russia – Ukraine conflict, which has already seen markets drop to all-time lows in 18 months and may, at least in the short-term, see bidders wait for greater certainty before launching a bid.

In this report we look back at the year that was for Australian public M&A activity and analyse deal trends concerning structuring, bidder origins, conditions, deal consideration and target industries (to name a few) and endeavour to predict how 2022 may play out and whether it is up to the challenge of smashing the dizzying records reported for 2021.

We welcome the opportunity to discuss our findings with you.

# A year in review

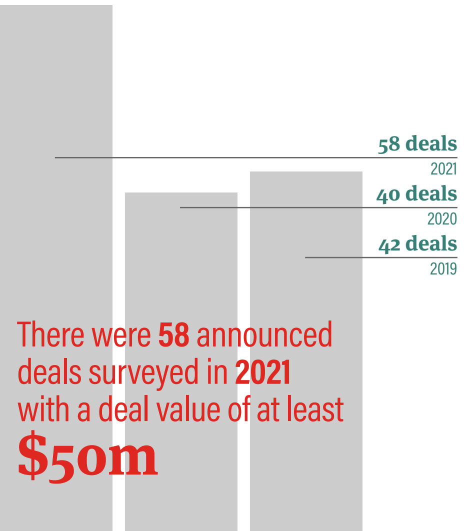
## Mega deal mania

There was a significant increase in the number of schemes and takeovers valued over $1 billion this year, with 18 'mega deals' announced. This represents 1/3 of the deals surveyed for this year's report and is over four times the number of $1 billion deals recorded in 2020 where only four mega deals were reported. Before that, a relatively modest seven mega deals were announced in 2019.

2021 also saw three deals over $10 billion announced: the Brookfield-led consortium's $10 billion scheme with AusNet Services, and the largest scrip and cash deals in Australian corporate history, being the IFM-led consortium's all cash takeover of Sydney Airport (valued at over $23.6 billion) and Square's acquisition by scheme of Afterpay (with over $39 billion in shares offered).

The jury remains out on whether bidders' willingness to pay top dollar for targets will continue into 2022, especially in light of expected interest rate hikes. At the date of publishing, only 2 mega deals have been announced in 2022:

Blackstone's $8.8 billion acquisition by scheme of Crown Resorts and the $6.8 billion takeover of CIMIC Group Limited by its majority shareholder, HOCHTIEF Australia Holdings Limited.




**$131.2 billion** total deal value

**$39 billion** Afterpay deal value

### DEAL IN FOCUS: AFTERPAY – SQUARE SCHEME – LARGEST SCRIP DEAL

This year saw a deal that arguably reshaped the consumer finance industry, with Square Inc.'s acquisition by scheme of arrangement of Afterpay. The transaction is valued at the eye-watering sum of AU$39 billion, which is 42 times Afterpay's FY 2021 revenue of $925 million, or 290 times Goldman Sachs' estimate of FY 2022 EBITDA of $134.5 million.

***STRUCTURE***

There was no cash consideration part of the deal. Afterpay shareholders could elect to receive either New Square CDIs listed on the ASX (Ticker: SQ2) or New Square Shares listed on the NYSE.

The deal was pitched at $126.21 per share, a 30.6% premium to Afterpay's closing price on Friday 30 July 2021 of $96.66, but below the $160 a share the stock reached in February 2021. At the date of publishing Afterpay traded on the NYSD at US$40.82.

***TAKEAWAYS***

**Timing is everything**

Never before in Australian corporate history has so much wealth been created so quickly – and this largely came down to timing. The ability to make the right move at exactly the right time (before competitors were able to catch up and regulatory overhaul dropped) enabled Afterpay founders to go from zero to $39 billion in just 6 years.

**Australia is the forefront of tech innovation and ingenuity**

More broadly, this deal acts as a reminder that Australia punches well above its weight in tech innovation and ingenuity. Ultimately, this deal demonstrates that world-leading "technology companies now come to Australia to list on the ASX", and will arguably further ASX's ambition of becoming a global listed tech stock hub, thereby turbocharging Australia's booming start-up scene.

**Value in merger of unequals**

A significant driver of this deal was that value existed on both sides of the transaction. This deal is best classified as a meeting of minds or merger of unequals, with both companies viewing it as an opportunity to accelerate and proliferate their core mission and vision and complementary product offerings.

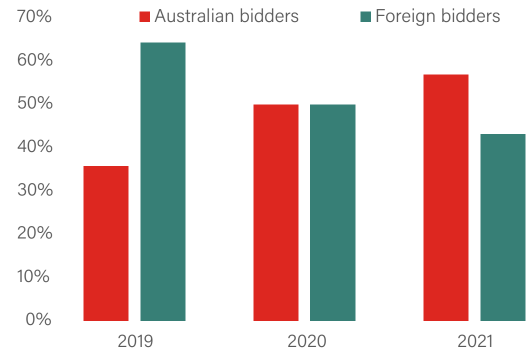
The reciprocal value also influenced the all scrip deal, which speaks to unlocking the long term value existing through collaboration.

## Surprising decline in private equity appetite

Contrary to our (and many others') predictions, private equity's appetite for deal-making declined this year with only 10% of bids coming from private equity in 2021, down from 15% last year. 2022 may be the year PE players bullishly deploy their dry powder. Page 16 discusses private equity involvement in more detail.

## Decline in foreign interest

Most bids this year were from Australian bidders (57%). Just 43% were from foreign bidders (down from 50% in 2020 and 64% in 2019). This decline in foreign investment is likely attributed to the tightening of Australia's foreign investment rules. For further information on foreign investment and a breakdown of the origins of bidders, head to page 12.

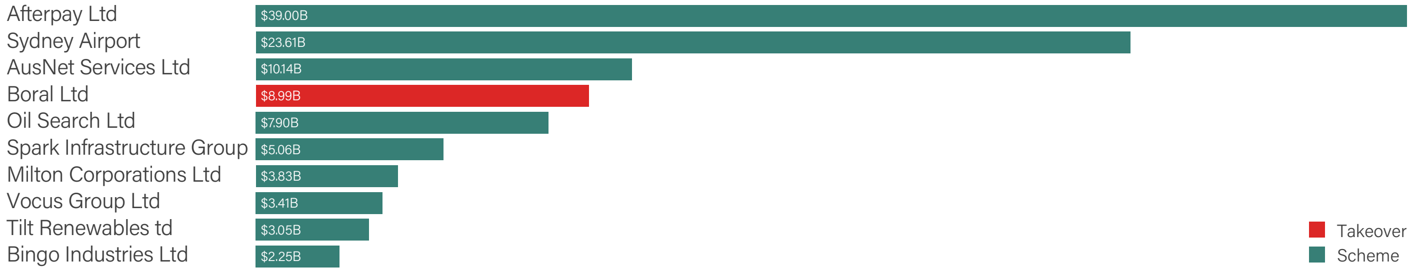



## Success rates

Of the 2021 deals which have closed or been withdrawn at the date of reporting:

| 2019 | 2020 | 2021 |
|---|---|---|
| 79% successful | 77% successful | 82% successful |
| 17% withdrawn | 13% withdrawn | 10% withdrawn |
| 5% unsuccessful | 10% unsuccessful | 8% unsuccessful |

## Top 10 deals by value for 2021

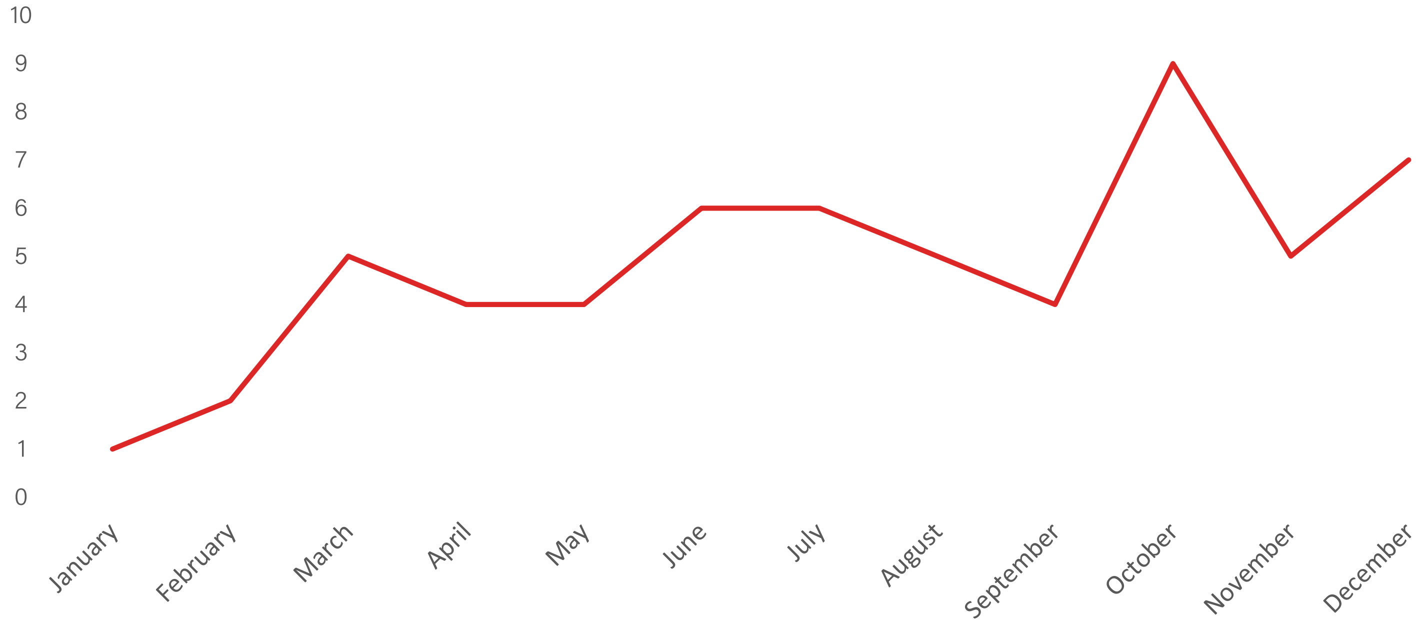


# 2021 - Frenzied activity

### Monthly deal count

**22 deals**
announced
Jan-Jun 2021

**36 deals**
announced
Jul-Dec 2021




Despite the varying market uncertainties of 2021, there was a significant increase in the total number of deals compared to the previous year. This can be attributed to businesses adjusting to the challenges of the pandemic, and a decrease in market volatility.

Although the first half of 2021 saw an increased number of deals compared to the previous period in 2020, 2021 still got off to a slow start, recording only 22 deals up to 30 June 2021. As the Australian economy began adjusting to the 'new normal' and confidence in market stability and economic certainty grew, the year closed with 36 deals announced between July and December. **Despite parts of Australia going back into tough pandemic lockdowns in August 2021 until almost the end of the year (following the onset of the Delta COVID-19 outbreak), this did not have a significant impact on the number of deals being signed.** The second half of the year averaged 6 deals each month.

The busiest month for deal-making was October 2021, with 9 deals announced, likely correlating with the end of lockdown and the flow on uptick in market confidence and activity. The next busiest was December, where 7 deals were announced, most which would have been well-progressed just as New South Wales and Victoria were bracing for the Omicron COVID-19 outbreak. June and July were equal third busiest, with 6 deals announced in each.



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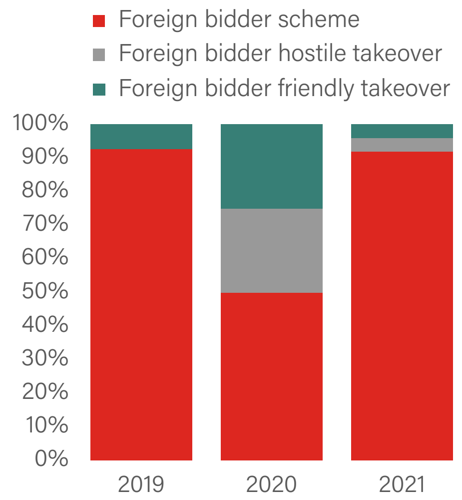
# Structure and execution of deals

### Schemes uptick

Schemes of arrangement and takeover bids are the 2 most common methods for acquiring control of an Australian listed company. A scheme requires agreement between the bidder and the target board and therefore is considered 'friendly', whereas a takeover bid may be either 'friendly' or 'hostile'.

With 2021 bringing about greater certainty, contentious valuations and hostile bidders became less common, resulting in an environment far more conducive to the kind of cooperative deal-making that is most compatible with a scheme. It was therefore not surprising to find schemes were overwhelmingly the preferred method to acquire a target in 2021, with 76% of deals undertaken by way of scheme, compared to 55% in 2020.




### Hostile takeovers decrease

In 2021, 13% of the deals announced were hostile takeover bids. While this represents a decrease from the 20% of hostile bids recorded in 2020, it is still a noteworthy statistic given only 2% of bids were hostile in 2019. Perhaps hostile bids are here to stay in the near future, especially when targets and bidders are at odds in valuing the target business in a post-COVID-19 world and on determining the appropriate premium for control in an unpredictable market.

### DEAL IN FOCUS: 5G NETWORK LIMITED SCHEME

Norton Rose Fulbright advised 5G Networks Limited (**5GN**)* on the merger of its business with Webcentral Limited (formerly Webcentral Group Limited) (**Webcentral**) by scheme of arrangement. Under the scheme (valued at $118.8 million), Webcentral acquired 100% of the fully paid ordinary shares in 5GN and 5GN became a wholly owned subsidiary of Webcentral. Following shareholder and court approval, the all scrip deal was implemented on 12 November 2021 when 5GN shareholders each received 2 new Webcentral shares for each 5GN share they held.

An interesting point in relation to this deal was that prior to implementation of the scheme, 5GN held a controlling interest in Webcentral. The scheme was therefore, in reality, a takeover by a subsidiary of its parent, though the subsidiary was not wholly owned. This required 5GN to seek an exemption from section 259C of the Corporations Act 2001 (Cth), which would otherwise void the transfer of shares from 5GN to Webcentral (an entity it controls). ASIC granted this relief to 5GN shortly after the date of the first court hearing.

Given the structure of the deal, two additional conditions were required to be satisfied prior to implementation, namely that Webcentral shareholders approve a "reverse takeover resolution" under ASX Listing Rule 7.1 and "substantial asset resolutions" under ASX Listing Rule 10.1 at an extraordinary general meeting. The reverse takeover resolution was required because the scheme prescribed the issue of new Webcentral shares to 5GN shareholders as consideration, which exceeded the total number of Webcentral shares on issue at the time. Additionally, the substantial asset resolutions were required for Webcentral to acquire the 5GN shares held by related parties of Webcentral, being Webcentral and 5GN directors with a shareholding in 5GN.

*Represented by Norton Rose Fulbright Senior Consultant Robert Sultan. Robert also advised on the takeover of Webcentral by 5GN in late 2020.

## Getting creative – having a bet each way

Last year we reported that bidders were getting creative and reported on one of the first proportionate takeovers in recent times. This year, we saw JBS hedge its bets in gaining control of Huon Aquaculture. A summary of this deal is included on this page.

## Bid wars

Competing bids are sometimes a war of attrition – which bidder can outlast the others? In 2021, we saw an increase in the number of competing bids, compared with previous years. This could be a sign that markets are heating up as there is strong competition for valuable assets. Historically, we have seen a significant advantage for the first mover to announce and submit its bid, as it can dictate the offer price, conditions and timetable. However, first mover advantage is not everything, as demonstrated in the deal below.

Last year, Mainstream Group Holdings Ltd (MAI) was subject to multiple bids.

Offer price increase from **$1.20** > **$2.80** per MAI share

Firstly from Vistra Holdings on 9 March 2021, then SS&C Solutions on 12 April 2021 and lastly from Apex on 28 June 2021. Apex was ultimately the successful bidder. The first mover Vistra submitted a bid of $1.20 cash per MAI share. One month later, SS&C Solutions came in with a superior bid starting at $2.00 cash per MAI share – and then increased their proposed consideration 6 times, ending with an offer of $2.76 cash per MAI share. However, both of those bids were unsuccessful, as Apex Fund Holdings came over the top and entered into a Scheme Implementation Deed with MAI to acquire all of the shares at $2.80 cash per share. The big winners were the existing MAI shareholders as the value of their shares more than doubled in just over 3 months.

A similar saga unfolded in the bidding war over AusNet Services, outlined on the next page.

## DEAL IN FOCUS: JBS ACQUISITION OF HUON AQUACULTURE GROUP – ONE EACH WAY

In August 2021, JBS Australia (**JBS**) pursued two alternative and concurrent schemes of arrangement and a takeover bid in respect of Huon Aquaculture Group (**Huon**), one of Tasmania's largest aquaculture and food processing businesses. On 6 August 2021, Huon announced that it had entered into a Scheme Implementation Deed with JBS, under which JBS was to acquire 100% of the shares in Huon at a price of $3.85 per share. Two alternative scheme structures were developed for the implementation of the scheme, both requiring 75% Huon shareholder approval.

On 11 August 2021, Tattarang Agrifood Pty Ltd (**Tattarang**) lodged a substantial holding notice confirming that it held a 18.51% shareholding in Huon. Tattarang also indicated that it may be unwilling to support the schemes of arrangement, posing a significant risk that the schemes may not be approved. It was reported that this was due to Tattarang's concerns in relation to animal husbandry practices and other environmental considerations.

On 13 August 2021, to address this deal risk, JBS entered into an agreement with Huon whereby JBS agreed to make a recommended takeover bid at the same cash price of $3.85 per share. This offer was conditional on neither scheme arrangement being approved, and also on a 50.1% minimum acceptance condition. The Bender Family, being significant shareholders in the Huon, entered into a pre-bid acceptance agreement for over 19.9% of Huon shares on offer. However, ultimately, JBS were successful, since the scheme of arrangement was approved.

## Deal in focus: AusNet Services Limited bidding war

From August to October 2021, a bidding war played out for AusNet (**AusNet**), an Australian energy company listed on the ASX. The two relevant bidders were Australian Pipeline Limited (**APA**) and Brookfield Asset Management (**Brookfield**). After a number of competing bids proposed by the bidders, both APA and Brookfield made separate applications to the Takeovers Panel, explained further below:

| | |
|---|---|
| **30 August 2021** | **Brookfield** made a non-binding proposal to acquire AusNet at a price of **$2.35** per share in cash. |
| **1 September 2021** | **APA** made a non-binding proposal to acquire AusNet at a price of **$2.32** per share in cash and scrip. |
| **13 September 2021** | **Brookfield** made a revised proposal at a price of **$2.45** per share in cash. |
| **20 September 2021** | AusNet announced that it received a further revised proposal from **Brookfield** at a price of **$2.50** per share in cash.<br><br>AusNet entered into a confidential due diligence arrangement with **Brookfield**. Either party could terminate the due diligence arrangement by giving 7 days' notice, however they could not provide this notice during the first 7 weeks of the due diligence period. |
| **21 September 2021** | **APA** announced a revised proposal to AusNet of **$2.60** per share in cash and scrip.<br><br>AusNet announced that it will consider the revised proposal and that it may engage with **APA** following completion of the **Brookfield** exclusivity period. |

**The above bids made in respect of AusNet gave rise to 2 separate applications to the Takeovers Panel.**

| | |
|---|---|
| **23 September 2021** | **APA** made an application to the Takeovers Panel on the basis that:<br>1. the exclusivity arrangement between AusNet and **Brookfield** prevented AusNet from responding to APA's superior proposal; and<br>2. the circumstances may prevent an efficient, competitive and informed market for a potential takeover and may deny AusNet shareholders the opportunity to participate in the benefits of an alternate proposal.<br><br>**APA** sought final orders terminating the exclusivity arrangement or making the arrangement subject to a customary "fiduciary out" arrangement. |
| **1 October 2021** | **Brookfield** applied to the Takeovers Panel submitting that ASX announcements published by **APA** contained misleading and incorrect information, undermining the efficient, competitive and informed market principle. **Brookfield** sought final orders requiring **APA** to make corrective disclosure. |
| **8 October 2021** | The Takeovers Panel declined to conduct proceedings based on the **Brookfield** application, concluding that there was no reasonable prospect that it would make a declaration of unacceptable circumstances in respect of the ASX announcements made by **APA**. |
| **15 October 2021** | The Takeovers Panel released its decision with respect to the application made by **APA** on 23 September 2021. The Takeovers Panel made a declaration of unacceptable circumstances and issued final orders. The Takeovers Panel considered that the exclusivity arrangements had an anti-competitive effect due to:<br>1. the no-talk restriction preventing the AusNet board from responding to any competing proposal (including a public proposal);<br>2. there being no 'fiduciary out' to the no-talk restriction;<br>3. the exclusivity period operating for a minimum of eight weeks and only being capable of termination by AusNet on seven days' notice; and<br>4. the no-talk restriction being coupled with a notification obligation requiring AusNet to provide **Brookfield** with all material terms of any actual or potential competing proposal. |
| **Outcome** | The Takeovers Panel made orders that the no-talk restriction will be of no force and effect unless the confidentiality arrangement is amended to include a 'fiduciary out' mechanism and also ordered that AusNet must disclose the material terms of the confidentiality arrangement. |
| **Key takeaway** | This decision stands alongside *Ross Human Directions Ltd* [2010] ATP 8 as the seminal guidance on the Takeovers Panel's views on exclusivity arrangements. |

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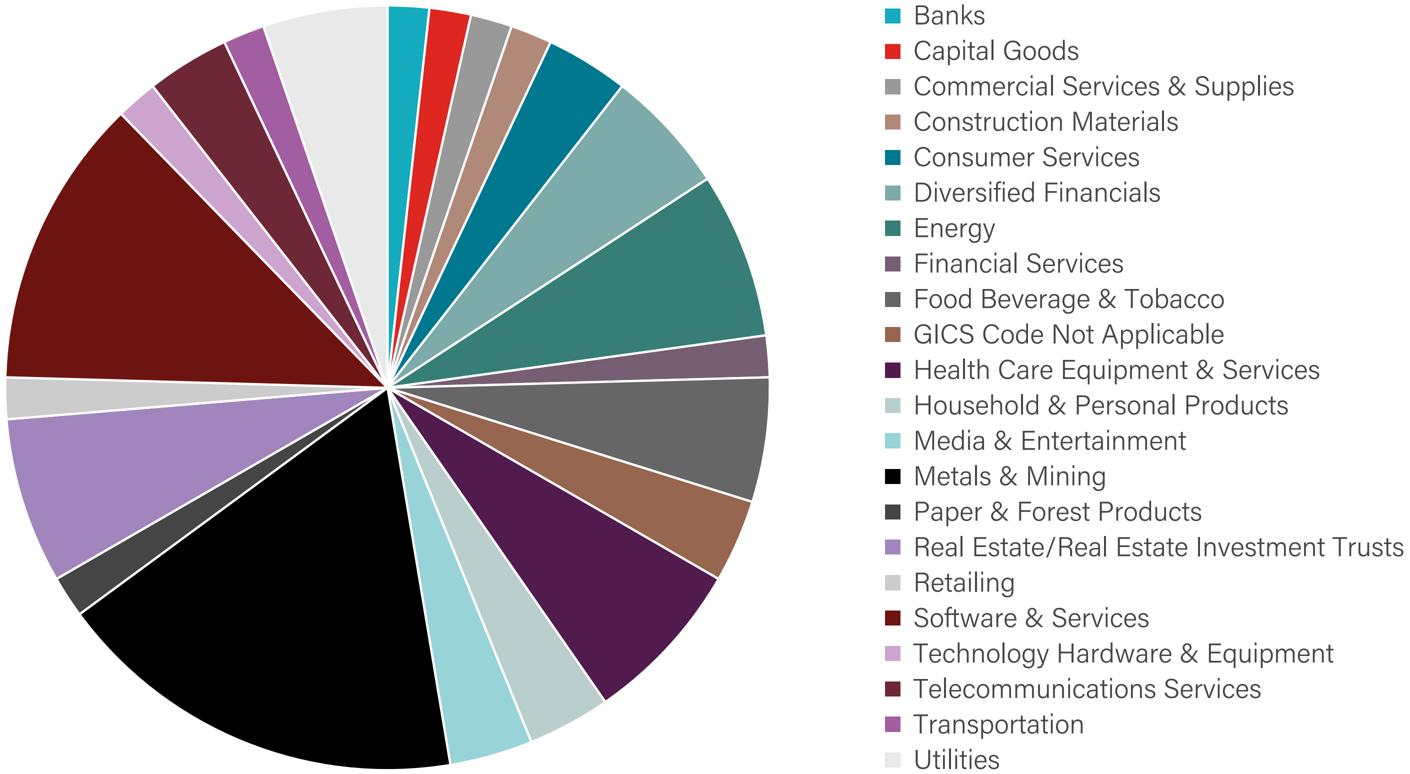
# What are they buying? Target industry break down

Metals & Mining was the top industry for deal-making in 2021, accounting for 17% of deals, followed by Software and Services, which accounted for 12%. Health Care Equipment and Services, Real Estate/ Real Estate Investment Trusts and Energy tied for the third most popular industry for investments for 2021, accounting for 7% of all deals each.




## Metals & Mining:

Metals & Mining accounted for 10 of the 58 deals announced in 2021. After a slow start to the year, metals & mining deals increased throughout the year, with 70% of deals announced in the final quarter. Continuing high gold prices are driving M&A in this sector with 7 of the 10 deals announced being bids for mining companies focusing on gold projects. 2 of these are competing takeover bids for gold exploration company Apollo Consolidated by Gold Road Resources and Ramelius Kalgoorlie. Additionally, strong demand for and remarkable growth in the price of lithium, given its widespread use in batteries for technological devices, such as mobile phones and electric cars, is also a contributing factor to M&A activity in this sector, as companies seek to capitalise on technological developments and navigate the energy transition.

## Software & Services:

Software and Services deals remained steady throughout the year with a total of 7 deals announced in 2021. Much of the M&A activity in this sector can be attributed to businesses seeking to take advantage of technological changes, with key drivers including digitisation, use of artificial intelligence, remote working, cloud-based solutions and online education. IT software and service providers featured heavily as target companies in 2021, given the high demand from a broad range of businesses seeking to leverage digital transformation to increase market share, improve customer experience and streamline business processes. While Metals & Mining often comes out on top, the prominence of Software & Services may reflect the true winners from COVID-19: those companies benefitting from the lifestyle changes and fast-tracked technologies that have emerged from the lockdowns and other responses to the pandemic.

## Healthcare Equipment and Services

Healthcare Equipment and Services was the third most common industry for M&A activity (alongside Real Estate / Real Estate Investment Trust and Energy), with 4 deals announced in 2021, all of which occurred in the second half of the year. Deals involved a broad range of market participants including trade players, market entrants and private equity and related to aged care, pharmaceuticals, dental and suppliers of medical equipment, devices and consumables. Deal-making has been continually increasing in this sector with common factors driving activity including an aging population increasing demand for health services, continuously rising consumer expectations of healthcare providers and increased government spending. Ongoing trends we see are the consolidation of core business services, evident by the acquisition of aged care provider Japara Healthcare by Little Company of Mary Health Care Limited, and private equity funds focusing on healthcare services given the ability to leverage significant growth and the sector's relative immunity from economic downturns.

## Real Estate / Real Estate Investment Trust

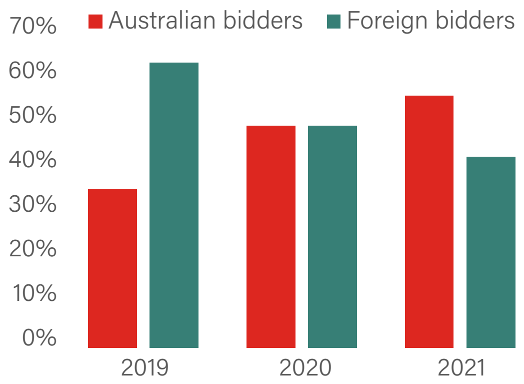
Real Estate / Real Estate Investment Trust tied in third place as the most popular industry for M&A activity alongside Healthcare Equipment and Services and Energy. Four transactions were announced throughout the year from this industry with 3 bidders originating from Australia and 1 investing from Singapore. Pent up demand resulting from the pandemic, coupled with renewed confidence and a desire to expand market presence via scale and sector were key drivers of activity in this industry. This was evident in Dexus' acquisition of APN. As one of Australia's leading real estate groups, the deal enabled Dexus to both diversify its portfolio and expand their market dominance. A similar sentiment rang true with the merger of Primewest and Centuria Capital Group whose deal promised to enhance value to investors with the combined group offering investors a slice of $17.4 billion of assets under management.

## Energy

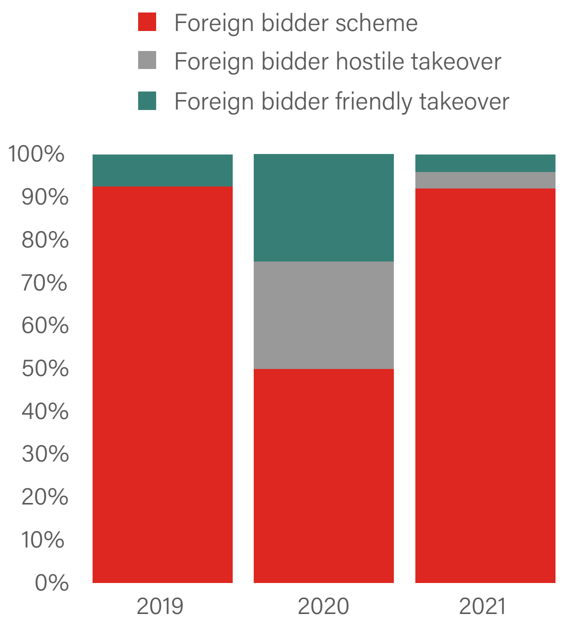
Energy (particularly investments in renewable energy) is another industry taking equal third place with 4 deals announced alongside Healthcare Equipment and Services and Real Estate / Real Estate Investment Trust. We expect to see more investments in clean and renewable projects year on year as companies become more and more ESG conscious. In the oil and gas space, Santos' takeover by way of scheme of Oil Search was one of the largest deals for this year, valued at $7.9 billion.

# Foreign players

Foreign bidders accounted for 43% of all bids by number in 2021, noticeably less than the even split between foreign (50%) and domestic bidders (50%) in 2020. Despite this decrease, foreign bidders were prepared to offer far more compared to domestic counterparts, with foreign bids making up 85% of the $133.9 billion total deal value on offer for 2021. That said, almost half of the sum that foreign bidders were prepared to invest was contributed by US bidder Square's $39 billion acquisition of Afterpay.

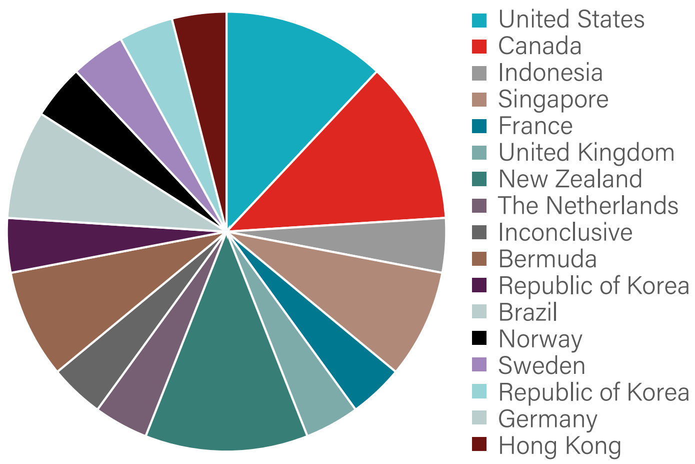



Foreign bidders overwhelmingly favoured schemes to takeovers in 2021, with just 8% of foreign bids structured by way of takeover. 2021 more closely resembles 2019, in which just 7% of foreign bids proceeded by way of takeover bid. In 2020, foreign bidders were more open to structuring their bid as a takeover.




Of the 22 foreign bids which have closed as at the date of this report, 82% succeeded, whereas 14% were withdrawn and 4% failed. This is in stark contrast to 2020, when just 63% of foreign bids were successful, 11% were withdrawn and 26% failed. The increase in successful bids is likely a result of a greater number of recommended transactions. Where a transaction is recommended, it can proceed by way of scheme, which offers a greater likelihood of success than the takeover mechanism.

In 2021, the United States, Canada and New Zealand each accounted for 3 bids (12% each, and 36% cumulatively), making them the most common places of origin for foreign bids. In 2020, 25% of bids originated from Singapore. The trend in 2021 suggests less concentration and a greater diversity of bidder origins. Of note, no foreign bids came from China in 2021. This follows only 1 bid originating from China in 2020. Bidders from the United States were prepared to offer the highest deal consideration, buoyed by Square's $39 billion scheme acquisition of Afterpay.








# Consideration

## Cash remains king

- 66% of deals announced in 2021 offered cash as the only form of consideration, up from 58% in 2020, and slightly down from 69% in 2019.
- 26% of deals offered scrip as the only form of consideration, continuing the upward trend from 17% in 2019, and 20% in 2020.
- 9% of the deals offered shareholders the choice to elect cash or scrip consideration or were offered a combination of cash and scrip, which represents quite a drop from 23% of bidders offering mixed consideration in 2020.

**66%** Cash

**26%** Scrip

**9%** Combination/ Election

Despite the steady increase in all scrip deals, as usual, investors continue to prefer cash over scrip, as it minimises shareholders' exposure to any business downside due to market fluctuations in times of uncertainty and enables the value of the entity to be determined more concretely at the time of buying and selling. Of course, the record low interest rates seen across 2020 and 2021 can also be a reason for bidders being more prepared to offer cash consideration. It will be interesting to see if we see a dip in cash deals in 2022, given anticipated rate hikes. However, the rise of scrip offers, compared with 2020, reflects the reality that business performance can shift over time and, as markets begin to restabilise, investors will have increased expectations that business performance will continue to improve.

### DEAL IN FOCUS: SYDNEY AIRPORT SCHEME – LARGEST AUSTRALIAN ALL CASH DEAL ON RECORD

***OVERVIEW***

In July 2021, Sydney Aviation Alliance, an international consortium comprising IFM Investors, QSuper, AustralianSuper and Global Infrastructure Partners (the Consortium) launched an unsolicited, indicative, conditional and non-binding proposal to acquire, by way of scheme of arrangement, 100% of the stapled securities in Sydney Airport Limited (Sydney Airport). The Consortium's initial proposed indicative price of $8.25 per share, and subsequent price of $8.45, were both resisted by Sydney Airport. Sydney Airport complained that the timing of the bid was opportunistic and that the price on offer significantly undervalued Sydney Airport, which was experiencing a significant (and likely temporary) downturn as a result of the pandemic's devastating impact on travel. **Sydney Airport had traded at a low of $4.86 in March 2020 and at just $5.75 immediately prior to the Consortium's initial bid, down from $9.00 pre-COVID-19. The Consortium's third bid of $8.75 was accepted, and recommended to shareholders by the Sydney Airport board, implying an equity value for the company of $23.6 billion.** On 9 February 2022, the court approved the scheme of arrangement, and the acquisition became the largest all-cash deal, and one of the largest corporate takeovers in Australian history.

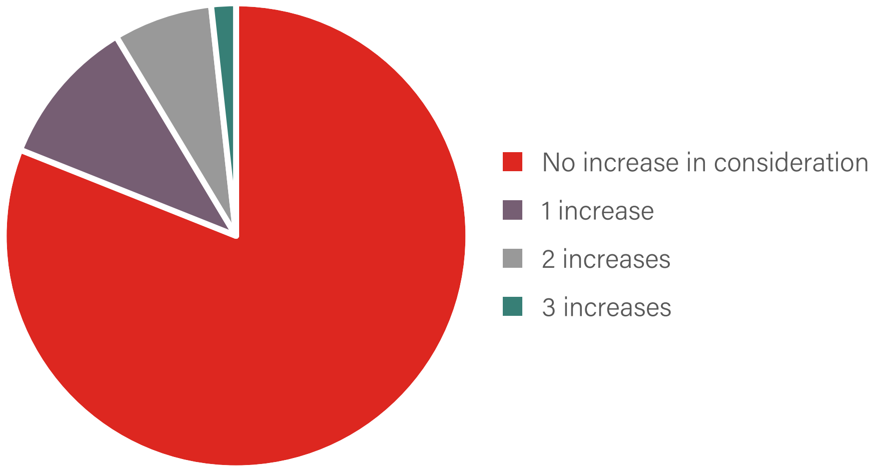
***REGULATORY APPROVAL***

There was initial concern that the takeover had the potential to reduce competition between Sydney Airport and other major Australian airports due to the level of cross-ownership that members of the Consortium would possess. However, following an investigation, the ACCC authorised the proposed acquisition, determining that it was unlikely to substantially lessen the competition in a market which already experiences incredibly low levels of competition.

A second issue was that aviation assets are now deemed critical infrastructure under the amendments to the *Security Legislation Amendment (Critical Infrastructure) Act 2021* (Cth). As such, the acquisition was conditional on FIRB approval

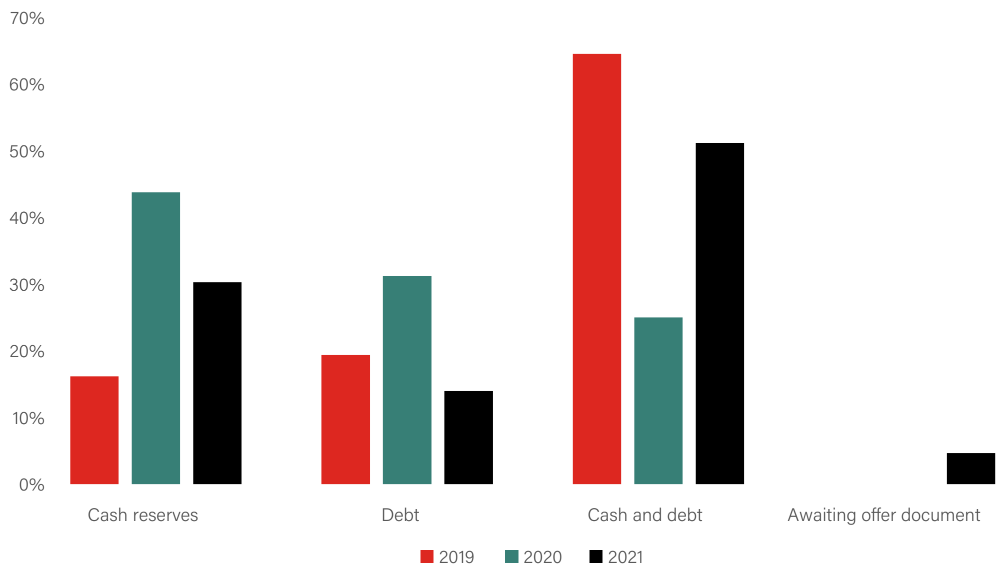
Lastly, the relative participation in the consortium was no doubt determined to comply with the Airports Act 1996 (Cth), under which Sydney Airport must remain 51% Australian owned.

### Increases in consideration




Only 19% of bidders increased the cash consideration offered to target shareholders one or more times this year, compared to 33% in 2020. Consistent with last year, it was more common for consideration to be increased once or twice, although the competing bids for Mainstream saw SS&C Solutions make 6 attempts to win shareholders over with higher consideration, only to ultimately come out as the under bidder and withdraw its bid. SS&C Solutions were competing for Mainstream alongside Vistra (also an under bidder) and Apex Fund Holdings (the ultimately successful bidder).

## Source of funding




In 2021, combined cash and debt was by far the most common stated source of funding for bidders. 51% of deals announced in 2021 were paid for using cash and debt. This was up from 25% in 2020, but down from 65% in 2019.

Debt was used to fund 14% of deals in 2021, which was a decrease from 31% in 2020 and 19% in 2019. 30% of deals drew on cash reserves as a source of funding. This was only down from 44% in 2020, with both years up on the 16% in 2019.

At the time of this publication, there were 5% of cash deals which did not report on their funding arrangements. We expect this information to be disclosed in offer documents which will be released further down the track.



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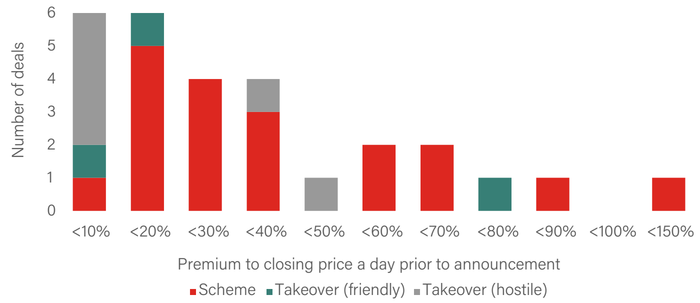
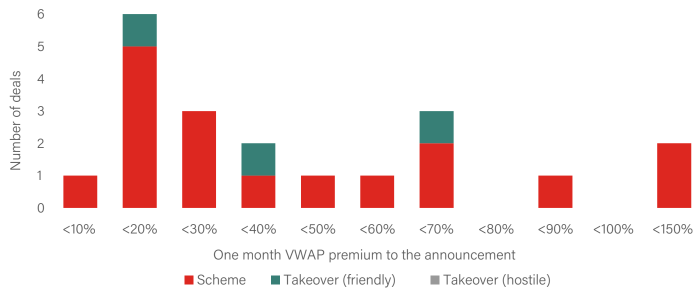
## Premiums

We did not see any particular trends in 2021 in relation to the quantum of the deal premiums being offered by bidders. The range of premiums was similar to that reported last year. Our review did not reveal any specific methods for quoting premiums that were more likely to lead to success.

The graphs illustrate 2 premiums commonly quoted by bidders. The first being the premium to the "undisturbed" share price, which we take as being the one month volume weighted average price (VWAP) up to the date of an announcement of a bid, and the second being the premium to a target's share price the trading day prior to an announcement.

One month VWAP premiums typically ranged between 10% and 81%. The range in 2020 was between 5-84%. The 2021 data recorded two outliers: premiums of 109% and 132%, with cash on offer each instance. As compared to 2020 when 35% of bidders offered a one month VWAP premium of 40% or more, 59% of bidders in 2021 offered a premium of 40% or more.




**33%**
average
**10-81%**
range
One month VWAP premium to the announcement*

**31%**
average
**2-82%**
range
Premium to share price the trading day prior to the announcement*

Premiums offered to a target's closing trading price a day prior to an announcement typically ranged between 2% and 82% (again coming close to the range of 3-72% we reported in 2020). 43% of all bidders offered a premium of 40% or more to the closing price on the day prior to announcement.

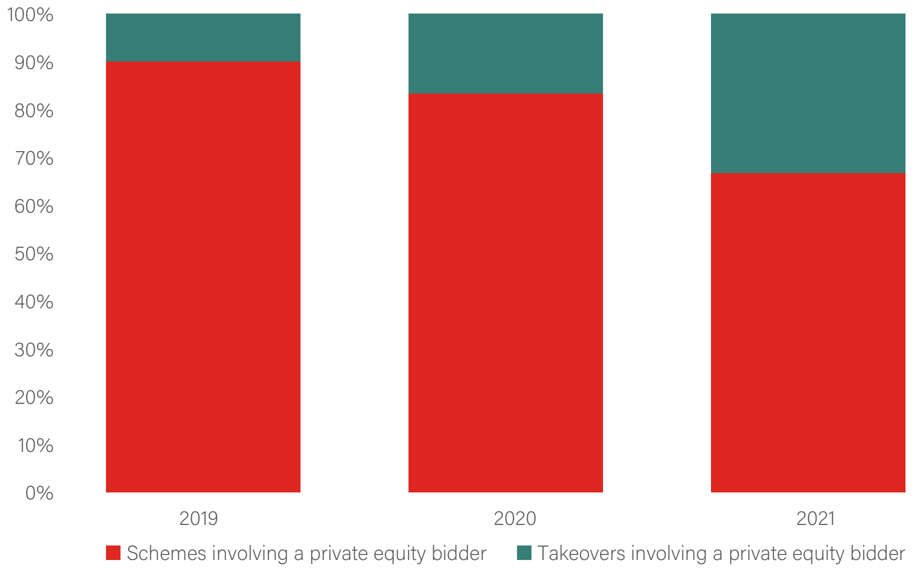
**excluding the 130% one month VWAP premium and 132% premium to share price the trading day prior to announcement offered to Redflex shareholders, and the 109% one month VWAP premium offered to YouFoodz' shareholders.*

# Private equity involvement

Despite being the biggest year for public M&A in Australian history, the proportion of acquisitions in the public market by private equity investors has decreased to 10% from 15% last year and 19% in 2019. Of the 6 bids announced by PE, only 4 succeeded. This trend is contrary to our predictions made last year, when we expected PE would enthusiastically deploy their dry powder as some certainty began to return to markets. This unexpected result could be due to a number of factors, such as fierce competition for assets driving up bid prices or the impact of COVID-19 on PE bidders' own operations.

However, when PE investors did buy, they went big. 4 out of the top 10 largest deals announced involved PE bidders. **Notable transactions include the Brookfield-led consortium's $10 billion scheme with AusNet Services and the $5 billion acquisition of Spark Infrastructure Group by KKR, Ontario Teachers' Pension Plan and PSP Investments.** This is in line with the trend of funds acquiring Australian infrastructure in order to generate stable returns for members.

Private equity bidders preferred to use cash in 2021, with only 1 PE deal announced during the period offering scrip consideration. This is in contrast to the general trend reported for 2021, which saw an increase in scrip consideration up from 2020 levels. Structuring bids by way of scheme as opposed to launching a takeover bid was also more common for PE bidders in 2020.

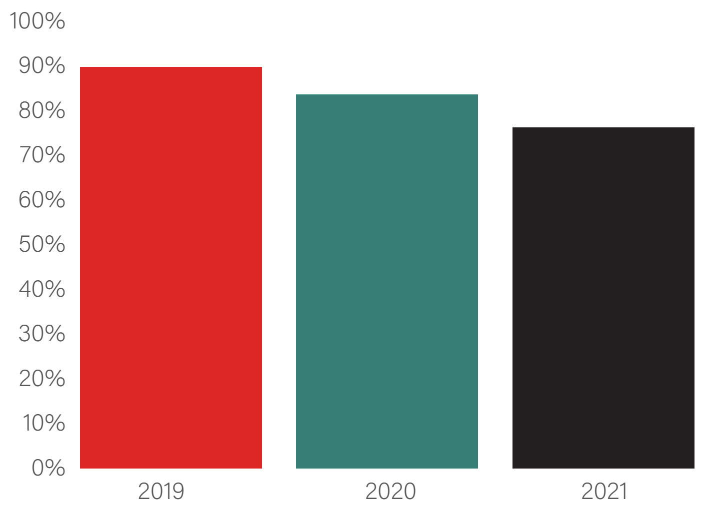



Only **10%** of bids from PE in 2021

# Conditionality

## MAC clauses

The utility of a MAC clause is in allowing parties to abandon a transaction or obtain a lower purchase price where unforeseen circumstances occur between signing and completion or implementation which have a detrimental impact on the target or the bidder (more important for deals offering a shareholders ownership in the bidder as part of the deal consideration).




In the current business climate, targets will typically not favour agreeing to MAC clauses where economic and political uncertainty has the potential to jeopardise deals. However in the early days of the pandemic, targets often negotiated for express carve outs to the typical 'ordinary course of business' covenants to allow them to take actions in response to the pandemic without triggering the MAC provision. Some bidders would be willing to accept such carve outs provided this compromise was reflected in the purchase price.

Although the above graph records a steady decline in MAC conditions included in merger agreements year on year, most deals still incorporate a MAC condition (even if the definition is multi-layered and heavily negotiated) with 78% of deals conditioned in this way in 2021, down slightly from 83% in 2020 and 90% in 2019.

### Reliance on MACs

Unlike last year, deals we have recorded as having been withdrawn or otherwise failed did not fail as a result of MAC conditions being triggered. Last year we reported some bidders sought to rely on MAC events concerning a material reduction in target EBITDA or net assets and/or net profits or increase in net indebtedness, with such events attributable to pandemic's impact on targets' bottom line.

### A DEAL TREND IN FOCUS: COVID-19 IMPACTS

With the after-effects of COVID-19 continuing to ripple through Australia's economy, public M&A transactions continued to be challenged by uncertainty and risk. However, this time, undertaking M&A during a pandemic was somewhat tried and tested during 2020, giving parties more confidence in proceeding with the deal despite the happenings of a global pandemic in the background. Even with two significant lockdowns in the country's largest states, New South Wales and Victoria, perhaps driven by the expectation that vaccine roll-outs would contain the effects of the pandemic, renewed confidence in deal-making saw 58 deals announced (an increase of 45% from 2020).

The pandemic also cemented deal-making practices in the digital age, with virtual data rooms and due diligence now universal across Australian M&A transactions. More broadly, COVID-19 has changed the due diligence process, with companies now on alert for particular risks and issues which arose and continue to arise from the pandemic.

**These include:**

***EMPLOYMENT DD***
Bidders should be on the lookout for any stimulus packages offered to target companies or Job-seeker payments offered to employees as part of government support during the pandemic, and pay particular attention to eligibility for such payments to ensure the bidder does not inherit tax or Centrelink liabilities.

***FINANCIALS***
Bidders should also be review financials with a view to checking whether some figures may simply be a 'sign of the times', for instance competitive pressure or other internal or external factors may have resulted in the target's drop in revenues and profits purely due to COVID-19-related increases or decreases in supply and demand.

Bidders should also be scrutinise and test a target's financial recovery and rebound plans, pro forma projections and forecast spend post-COVID-19 and beyond.

***ORDINARY COURSE OF BUSINESS CONDITIONS***
Expect COVID-19 event triggers are likely to continue to feature in provisions obliging targets (and bidders in the case of scrip transactions) to run their businesses in the ordinary course between signing and closing of the deal. The pandemic has seen many businesses needing to adapt to the many obstacles presented by lockdowns and supply shortages which are not necessarily consistent with the ordinary course nor in line with past practice.

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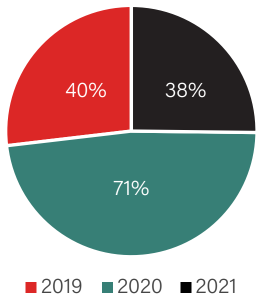
## Minimum acceptance conditions in takeovers

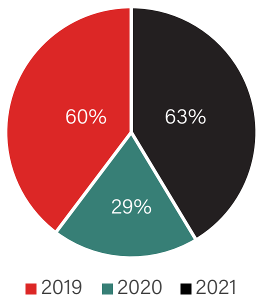
Of the few takeovers announced in 2021 (14 takeovers, vs 44 schemes), just over half were conditional on either a 50.1% or 90% minimum acceptance condition. In 2021 it was more common for bidders to expect 90% of shareholders to vote in favour of the takeover, or otherwise walk away, whereas in 2020 only 29% of takeover bids were structured in this way. Conversely, 38% of bidders applied a 50.1% 'control' threshold in 2021 and 71% of bidders imposed this threshold in 2020. These thresholds are typical for off-market takeovers – a bidder with more than 50% control can determine the board of the target, while a holding of 90% or more of all the securities from each bid class enables compulsory acquisition.

A typical acquisition by scheme proceeds with an "all or nothing" structure, resulting in either 100% of the target being acquired or the scheme failing, there are no minimum acceptance conditions.

50.1% minimum acceptance



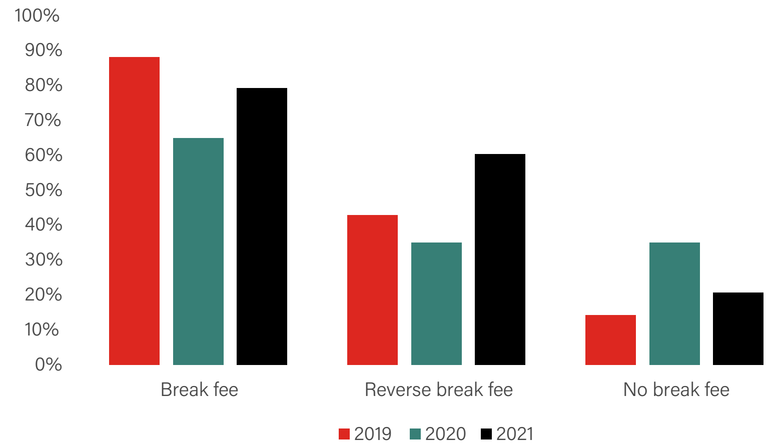

90% minimum acceptance





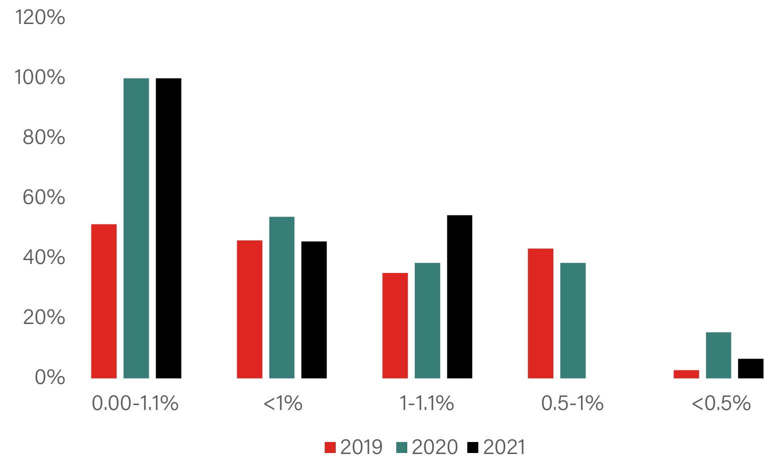



# Deal protection: Break fees




In 2021, there was an increase (79%, compared to 65% in 2020) in the number of bidders expecting targets to pay a break fee in the event that certain circumstances occurred and the target did not proceed with the deal.

Perhaps expected given the continued uncertainty experienced by markets during 2021, there was a marked increase by almost 50% in the number of targets obliging a bidder to pay a reverse break fee (60% in 2021 up from 35% in 2020, and 43% in 2019). The stark uptick of reverse break fees indicates a shift in bargaining positions, as more bidders enter the market in the wake of market re-stabilisation.




There was no significant change in the quantum of break fees. The average break fee was 0.93% (0.92% in 2020) of the deal value. 94% of break fees were either approximately 1% (that is, 1.01-1.09%) or less than 1%.

**Such break fees are in line with the guidance from the Takeovers Panel, which expects break fees to not exceed 1% of the equity value of the target.** That said, 3 break fees did exceed the 1% guidance, with one deal involving a break fee of 1.39% at $935,000 (being Yum Connect's bid for Dragontail Systems).

The Takeovers Panel's 1% guidance is only enforced when a break fee is challenged in the Takeovers Panel, which is less common before a fee becomes payable. So, while it is possible to agree a fee greater than 1%, the bidder will not know whether it can rely on this until the fee is actually paid.

# Regulatory developments

## Foreign Investment Review Board (FIRB)

On 1 January 2021, the changes introduced by the Federal Government in 2020 to Australia's foreign investment regime came into effect. At the same time, the Australian Government released new FIRB guidance notes. These guidance notes were further updated on 21 July 2021, 13 December 2021 and again on 22 January 2022. In late September 2021, the Parliamentary Joint Committee on Intelligence and Security tabled its considerations on the draft bill and the review of the *Security of Critical Infrastructure Act 2018* (Cth) (**Bill**). As part of this tabling, the Joint Committee proposed a number of recommendations, including to split the Bill into two separate bills to allow for the pressing reforms concerning national security to be passed by parliament as soon as possible.

On 3 December 2021, the *Security Legislation Amendment (Critical Infrastructure) Act 2021* (Cth) (**SOCI Amendment Act**) and the *Security of Critical Infrastructure (Definitions) Rules 2021* (Cth), came into effect, and sought to amend their predecessors by broadening the definition of a 'national security business' defined in the *Foreign Acquisitions and Takeovers Regulation 2015* (Cth). **Following the introduction of the SOCI Amendment Act, some actions, including those previously identified as 'reviewable national security actions', became 'notifiable national security actions', requiring mandatory notification to FIRB.**

Of note, the amendments significantly expand the scope of 'critical infrastructure assets' to include the following sectors:

- Communication
- Data Storage & Processing
- Defence Industry
- Financial Services & Market
- Food & Grocery
- Healthcare & Medical
- Higher Education & Research
- Space Technology
- Transport
- Water & Sewerage

The SOCI Amendment Act through its 'government assistance and intervention' regime expands the role the Government plays in regulating the designated sectors and will place more positive obligations on businesses to report national security incidents and communicate regularly with Australia's Critical Infrastructure Centre. Ministerial discretion can be applied for interventions in businesses activities and governance where the Government considers businesses are acting contrary to national security. This will include any mergers and acquisitions.

The expanded definition of 'critical infrastructure assets' and 'national security business' will naturally result in more transactions – both direct and indirect acquisitions of Australian assets – becoming subject to mandatory FIRB approval requirements. The expansion will also require foreign investors to seek FIRB approval to start new businesses within the relevant sectors. Given that the SOCI Amendment Act expanded coverage from 4 sectors to 11 sectors and 22 asset classes, we expect that foreign bids are more likely than ever to be considered notifiable national security actions. Foreign bidders will need carefully consider their obligations to obtain FIRB approval as their transactions will be likely to be scrutinised by FIRB.

We expect further changes once the second part to the *Security Legislation Amendment (Critical Infrastructure) Act 2021* (Cth) is passed through parliament.

## Takeovers Panel

The Takeovers Panel handed down 9 decisions with reasons in 2021. (We have not reported on instances where the Panel made a preliminary decision to not conduct proceedings.) This is a remarkably small number of decisions to be made in a year which has seen such significant M&A activity, and represents a third of the number of Panel decisions handed down in 2020, when an unusually high total of 28 decisions were reported.

Significant takeovers considered by the Takeovers Panel include AusNet Services Limited (discussed on page 09), Gascoyne Resources Limited, and The Agency Group Australia.



# Three takeaways for targets

## 1. Watch for opportunism

Bidders are taking advantage of low interest rates to make low-ball offers. Ensure that your board is well-prepared to assess each bid on its merit, including rationale for the transaction, price paid, deal structure and the post completion execution risk. It is important to take a long-term view.

## 2. ESG

Investing in ESG (Environmental, Social and Governance) conscious targets as a key driver has increased in popularity amongst dealmakers. With the introduction of tighter government regulations, increased investor interest and greater public scrutiny, sustainability is becoming a prominent feature in many corporate strategies. Companies with strong ESG practices have proven to generate larger financial returns and display greater resilience in the face of economic shock. Materially impacting a company's valuation, targets should seize opportunities that align with this global shift in order maximise its attractiveness to potential bidders. Furthermore, targets should expect to spend more time on ESG due diligence. Bidders who see opportunity in ESG investing are also on the rise, for instance, consider the $5 billion hostile non-binding offer launched on AGL Energy in February 2022 by Mike Cannon-Brookes (co-founder of Atlassian) and Canadian asset manager Brookfield who hope to close down AGL's coal-fired power stations in their move towards a low emissions economy.

## 3. Get your financial documents in order

Low interest rates coupled with an abundance of cashed up bidders have created a competitive acquisition market. In order for targets to take advantage of this frenzy, they need to be prepared to provide financial documentation as soon as the buyer is ready to move. An inability to immediately supply financial information erodes a bidder's confidence and could cost targets the deal. As such, targets should pre-empt the types of information a particular bidder may request and have it ready for instant distribution.

# Three takeaways for bidders

## 1. Expect competition

We have seen a larger number of deals subject to competing proposals over the past year, as boards drum up interest while acquirers race to gain hold of lucrative assets. Boards may be less willing to grant exclusivity as they continue to scrutinise bids to avoid undervaluation due to the short-term impacts of COVID-19. Bidders may look to lock-up equity through pre-bid stakes, however engagement with the target board to negotiate a friendly transaction will continue to offer the greatest chance of success.

## 2. Scrip to remain popular

We expect bidders to continue to offer scrip consideration, particularly in mega deals and acquisitions by Australian investors. This may be due to several factors such as high equity valuations, mergers which create synergies, target investor preference and the ability to rely on relative valuations.

## 3. W&I insurance on the rise

The number of public deals using W&I insurance continues to increase, particularly in schemes of arrangement. W&I insurance can provide a level of protection for bidders who otherwise would have no recourse against the selling shareholders in a public company. However the overall degree of deal activity is driving up costs and increasing wait times. If considering using W&I insurance in a transaction, expect to factor in 3-6 weeks and engage early to ensure that any concerns of the insurer can be adequately addressed in the documentation.

# Expectations for 2022

## From strength to strength

In 2021, deals surveyed for this report totalled a record-setting $133.9 billion. Despite lingering uncertainty over COVID-19, particularly with the onset of the Omicron variant in late 2021, we expect the outlook for global economic growth to be healthy and businesses to continue using M&A to carry out their strategic objectives in 2022. Many of the drivers of the surge in M&A activity in 2021 are still present and not waning – low interest rates, the continued rollout of vaccines worldwide, better understanding and management of COVID-19, PE's dry powder and the significance of digitisation.

However, there are some headwinds, both locally and internationally, that may dampen M&A activity, such as the expectation of rising interest rates and bond yields caused by inflationary pressures and supply chain challenges brought on by employees falling ill or being subject to government isolation requirements. Further, the risk of potentially more dangerous variants of COVID-19 emerging and how governments around the world respond to such threats may result in further economic jitters.

In Australia, as our economic conditions and employment rates continue to improve and cost inflation rises, there is a high risk of rising interest rates at some point in 2022 and with that we expect the record high deal values (18 deals over $1 billion) seen this year to begin to taper off. Further, many companies will need to resolve their supply chain challenges and labour shortages, which are in part due to government policies on isolation for employees that have contracted COVID-19 and their close contacts. However, although the Omicron variant is swelling throughout Australia, State governments have made it clear that lockdowns are a thing of the past thanks to the high vaccination levels in Australia which should help minimise the economic impact of COVID-19.

## Market disruption following Russian invasion of Ukraine

Russia's threat to invade Ukraine in early February 2022 saw market jitters. At the time of publishing, this threat has become a reality with Russia having launched a full scale invasion of Ukraine, attacking by land, air and sea on 24 February 2022. As a result, Australia's share market experienced its first significant shake up in 18 months with the ASX reporting a 3% fall after Russia announced its military operation in Ukraine. A reminder that although Russia ranks as the world's 11th largest economy by the IMF, it is 1/20 the size of the US and 1/15 of the size of China. As such, we expect that even if Russia were to suffer significant economic damage resulting from heavy economic sanctions, its economy in isolation is not large enough to cause global economic damage. We therefore expect investors should brace for further market jitters in the short term, however if COVID-19 and rising interests cannot dampen market confidence, we hope the Russia-Ukraine conflict will also not greatly disrupt markets, or at least not in the long term.

Looking at consumer confidence, a spike in oil prices resulting from the invasion will add to already tensed inflationary pressure. Domestically, if oil prices surge beyond $100 a barrel and remain there, the RBA may be forced to reconsider its intention to hike interest rates.

## ESG considerations

Environmental and social governance (ESG) considerations played a key role in M&A activity in 2021. This is illustrated by the demergers carried out by BHP, Woodside, AGL and Woolworths.

We expect corporates to continue to re-evaluate their business models and be more attuned to ESG matters and therefore more attractive as a potential merger partner. Coupled with the increasing focus investors and other stakeholders place on ESG metrics and private equity firms increasingly committing to improve their ESG positions by undertaking portfolio rebalancing, we expect more ESG-influenced acquisitions, divestitures and restructures to occur in 2022.

## Private equity

Following a dip in private equity bidders in 2021, we expect private equity parties, both local and international, to continue to be a big player in the Australian M&A market as they look to deploy their coffers. For example, IFM consortium's bid for Sydney Airport and KKR's bid for Spark Infrastructure. As economic conditions continue to improve and certain sectors remaining undervalued, we expect to see pent up demand from PE players eager deploy their cash.

## Super Funds

In 2021, we saw Aware Super bid for Vocus as part of a consortium, QSuper bid for Sydney Airport as part of a consortium and AustralianSuper acquire a stake in Optus. We believe big Super funds will continue to look to deploy their vast capital, predominately focused on infrastructure assets but, given the limited high quality assets remaining in Australia, with increasing interest in overseas assets.

## Scrip consideration

Scrip starred in many of 2021's headline-grabbing deals, including Afterpay-Square and Santos-Oil Search. As markets and valuations of bidders are still at an all-time high (other than the tech sector), and corporates continue to hunt for lucrative synergies, we expect scrip consideration to feature heavily in 2022.

## Competing bids

Competition for high quality assets was at an all-time high in 2021, pushing up deal premiums, mainly due to a limited pool of high quality assets and businesses, cashed up bidders and low cost of capital.

In 2021 there were a number of competing bids (eg Australian Pharmaceutical Industries, Mainstream, AusNet Services and Vitalharvest). We expect there to be more hotly contested bids for control of ASX-listed entities in 2022.

## Undervalued industries

There are plenty of undervalued companies, primarily in sectors that are still suffering from the COVID-19 pandemic, such as the travel, leisure and hospitality industries. We expect opportunistic players to target stressed and distressed companies in these industries. Valuations in these sectors remain affordable and could provide a spur for continued M&A activity.

More recently, we have seen a price correction in the technology sector, led by the Nasdaq which has fallen 10% from its recent peak in November 2021. This has affected the broader market in general with the ASX 200 experiencing a market correction in January 2022. If the technology sector and broader market in general continue to fall, valuations may become attractive leading to an increase in M&A activity.

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# Report methodology

### Reported deals:

Norton Rose Fulbright reported on takeover bids and schemes of arrangements announced during the calendar year ended 31 December 2021, which were valued at $50 million or more. As at the date of publishing this report, 6 surveyed deals remain current and are yet to complete. Where an offer document was not been released to the market, we have not included certain trends in our results.

### AUD:

All dollar figures reported are in Australian dollars unless otherwise stated. Any break fees or deal values not originally in Australian dollars have been converted using the Australian dollar currency rate quoted at the time of reporting.

### Sources:

Unless otherwise indicated, the data and information in this report has been generated from our own research, market analysis and primary sources that are publicly available including ASX announcements, bidder and target statements, implementation agreements and scheme booklets.

Deal terms differ depending on the circumstances surrounding each deal and we have exercised our judgment in interpreting and categorising these terms for the purpose of this report where they were not directly comparable.

### Announcement date:

The announcement date reported in respect of a takeover bid is the earlier of the date that a public announcement is made that a bidder intends to make a takeover bid or the date that the takeover bid is actually made. The announcement date in respect of a scheme is the date a public announcement is made that an agreement has been entered into to propose a scheme (for instance, a scheme implementation deed).

### Consideration:

The value of the consideration, for the purposes of calculating deal values in this report, was calculated as follows:

- where the consideration included non-cash consideration, such as scrip, it was valued as at the announcement date using the same methodology as used in the initial announcement. If no value was cited in the initial announcement the value was calculated using the closing market price of the bidder scrip prior to the initial announcement (or such other appropriate date to reflect the undisturbed share price) where listed and/or the foreign exchange rate on the announcement date (as applicable); and
- where the final consideration depended upon the movements in the value of bidder scrip or the foreign exchange rate, the value of the final consideration was recalculated using the value of the bidder scrip or foreign exchange rate as at the time such adjustments were made.

### Deal value:

Where a deal was successful, the value of the deal is the final consideration paid or payable per issued security in the target multiplied by the aggregate number of those securities at the end of the offer period for a takeover bid or record date for a scheme. Where a deal remained ongoing as at 31 December 2021, the value of the deal is the consideration offered per issued security in the target as at that date multiplied by the aggregate number of securities in the target subject to the offer as at that date.

### Premiums:

To extract trends from offer premiums we analysed data from offer documents which quoted a premium to the closing price on the last trading day prior to the announcement of a bid and to the one-month VWAP to announcement of the bid. If either of these premiums was not cited in the takeover announcement it was not included in our results. For instance zero premiums, negative premiums and any other forms of premiums which were not calculated against the trading price the day prior to the bid announcement or as a one-month VWAP were not included in our reporting. Premiums quoted exclude deals where the bidder did not offer a premium for control (or offered zero premium), namely the Quantum Health Group scheme and the failed hostile takeover bid for Kangaroo Island Plantation Timbers.

### Deal categorisation:

Takeovers initially recommended by the target board on the date of the announcement are regarded as "friendly". Conversely takeovers not initially recommended by the target board on the date of the announcement are regarded as "hostile".

### Rounding:

Some percentages reported will not add to 100% as numbers have been rounded up.

### Success:

- A takeover bid is referred to in this report as successful if any securities were acquired under the takeover offer if it was unconditional or after the satisfaction or waiver of all conditions in the case of a conditional takeover bid. A scheme is referred to in this report as being successful if court approval is obtained and the scheme became effective.
- A bid is unsuccessful if the acceptances received from shareholders are less than 50%, even if the deal is declared unconditional. Lapsed deals recorded as unsuccessful deals.
- A bid is recorded as withdrawn when the ASX has received notification from the companies involved that the deal is withdrawn or where the bidder returns all acceptances back to shareholders.

### Currency of information:

Unless otherwise indicated, information in relation to the deals in this report is current to 30 March 2022.

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Jeremy Wickens is a commercial-minded and responsive Corporate, M&A and Equity Capital Markets lawyer based in Melbourne. He is fortunate to have had a rich career over the past 20 years, and has been involved in some of Australia's most significant projects and transactions, including the recent highlight of leading negotiations on the scheme implementation agreement for Vodafone Hutchinson's $16.8 billion merger of equals with TPG Telecom. Jeremy's strengths are preparing and negotiating high quality documentation for large deals. He has an eye for detail, but focusses on the commercially important points. Once engaged, Jeremy dedicates himself to achieving his client's objectives and closing the deal. He combines firm negotiation and advocacy with caring for his clients, in the sense of understanding their businesses and being cost-conscious, reliable and easy to do business with. Having worked in-house with BHP Billiton, AGL Energy, ConocoPhillips and Santos, Jeremy understands his clients need a lawyer who shares their business objectives, gets to the point and stands behind his recommendations. He is recognised in Best Lawyers in Australia in the practice areas Corporate, Equity Capital Markets, Mergers and Acquisitions, Natural Resources and Oil & Gas.

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**Contributors**
The authors wish to thank all contributors to this report including Wilson Au (Lawyer), Xhanti Wong (Lawyer), Matthew O'Donnell (Lawyer), Andrew Mitchell (Associate), Grace Gentilli (Senior Associate), Peter Moh (Special Counsel), Hannah Duke (Summer Clerk), Nazanin Sharifi (Summer Clerk), Jack Croake (Summer Clerk), Darcy Hellen-Ford (Summer Clerk), Remy Michelson (Lawyer), Gabriel Bowes-Whitton (Associate), Ingrid Olbrei (Lawyer) and Chris Minus (Lawyer).



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