

# market intelligence

GETTING THE  
DEAL THROUGH 

# M&A

2018 – the return of  
the ‘mega-deal’

*Global interview panel  
led by Alan Klein*

# 2018

North America • Asia-Pacific • Europe • Latin America  
Keynote deals • Sector focus • Shareholder activism • 2019 outlook

Publisher: Tom Barnes  
tom.barnes@lbresearch.com

Senior business development manager:  
Adam Sargent  
adam.sargent@gettingthedealthrough.com

Business development manager: Dan Brennan  
dan.brennan@gettingthedealthrough.com

Customer engagement manager: Amika Chaudry  
amika.chaudry@gettingthedealthrough.com

Head of production: Adam Myers  
Editorial coordinator: Oscar Ronan  
Subeditor: Claire Ancell  
Designer/production editor: Harry Turner

Cover: iStock.com/monsitj

No photocopying. CLA and other agency  
licensing systems do not apply. For an  
authorised copy contact Adam Sargent,  
tel: +44 20 3780 4104

This publication is intended to provide general  
information on law and policy. The information  
and opinions it contains are not intended to  
provide legal advice, and should not be treated  
as a substitute for specific advice concerning  
particular situations (where appropriate, from  
local advisers).

Published by  
Law Business Research Ltd



87 Lancaster Road  
London, W11 1QQ, UK  
Tel: +44 20 3780 4104  
Fax: +44 20 7229 6910  
© 2018 Law Business Research Ltd  
ISBN: 978-1-78915-084-1

Printed and distributed by  
Encompass Print Solutions  
Tel: 0844 2480 112

# market intelligence

Welcome to GTDT: *Market Intelligence*.

This is the 2018 edition of *M&A*.

**Getting the Deal Through** invites leading practitioners to reflect on evolving legal and regulatory landscapes. Through engaging and analytical interviews, featuring a uniform set of questions to aid in jurisdictional comparison, *Market Intelligence* offers readers a highly accessible take on the crucial issues of the day and an opportunity to discover more about the people behind the most interesting cases and deals.

*Market Intelligence* is available in print and online at  
[www.gettingthedealthrough.com/intelligence](http://www.gettingthedealthrough.com/intelligence).

**Getting the Deal Through**  
London  
November 2018

## Contents

Global Trends .....	2
Africa – A Regional Overview .....	5
Argentina .....	13
Canada .....	19
Egypt .....	26
France .....	31
Germany .....	39
Japan .....	47
Malta .....	54
Mexico .....	61
Netherlands .....	67
Norway .....	71
Peru .....	80
Russia .....	84
Switzerland .....	91
Turkey .....	96
Ukraine .....	102
United Kingdom .....	108
United States .....	114

# M&A IN FRANCE

Hubert Segain currently acts as head of corporate for the Herbert Smith Freehills Paris office. His practice primarily concerns public and private mergers and acquisitions, joint ventures, restructuring and capital markets transactions. He also represents issuers, managers and financial institutions in enforcement procedures launched by the French Financial Markets Authority.

*Chambers Global, The Legal 500, IFLR, Who's Who Legal and Best Lawyers* list him as a leading lawyer. Clients describe Hubert in *Chambers Global 2018* as 'very astute and good at moving a transaction forward' and 'possessing particular expertise in international mandates', and in *Chambers Europe 2017* as 'an excellent lawyer' with 'acute business sense' and 'a go-to lawyer for any type of question related to a corporate transaction'.

Christopher Theris is a partner in the corporate team in Paris who specialises in mergers and acquisitions, joint ventures, financial products and services and regulatory issues.

Christopher advises international – and especially US-based – clients on their transactions in France. He works in particular with clients on mergers and acquisitions and joint ventures with a special focus on transactions in ODAHA law in African jurisdictions and buyouts in insolvency situations as well as on financial products and services and regulatory issues.

Christopher advises international – and especially US-based – clients on their dealings in France.

According to *Chambers Europe 2016*, 'Christopher Theris is a good lawyer in M&A'.

Noémie Laurin is an associate in the Paris corporate team who advises and assists both French and foreign clients on a wide range of domestic and cross-border private M&A transactions and capital markets transactions in France.

She also advises public and private companies in general corporate advisory work.



Hubert Segain



Christopher Theris

**GTDT: What trends are you seeing in overall activity levels for mergers and acquisitions in your jurisdiction during the past year or so?**

**Hubert Segain, Christopher Theris and Noémie Laurin:** In the first half of 2018, announced M&A deals in Europe have approximately doubled in terms of value for the same volume of deals compared to the first half of 2017. Despite an overall decrease in deal value, French targets continue to attract foreign investors investing in Europe. France is ranked third place behind the United Kingdom and Germany in deals volume.

In the first half of 2018, acquisitions made by French companies abroad significantly increased in terms of value (a 73.6 per cent increase compared to first half of 2017) to reach €48 billion representing the best result for a six-month period since the second half of 2000, while the number of deals remained at the same level with 343 completed deals over this period. Following the same trend, French domestic M&A activity reached its highest level in terms of volume since the first half of 2015 with 723 completed deals over the first half of 2018, while value increased by 97 per cent as compared with the same period in 2017 to reach €32 billion.

However, over the same six-month period, we can observe a slightly different trend for inbound French M&A activity. Indeed, acquisitions of French companies made by foreign groups significantly decreased in terms of value (41 per cent decrease year-on-year) to reach €37 billion although the number of deals increased by 8 per cent compared to the first semester 2017.

Major French groups continue to refocus their activity, by gaining market shares at international level and looking for synergies with complementary activities, but also by selling subsidiaries with a non-core activity.

Overall, European M&A activity is encouraged by favourable conditions for external growth.

First, financing conditions remain favourable to companies, which can either borrow money at low

interest rates or pay the acquisition fully or partially with their own available cash. Moreover, corporate leaders have greater confidence in global economic growth than at any time since the global financial crisis.

Companies are still seeking to become leaders at a regional or global level, as illustrated by the recently closed acquisition of the XL Group by Axa, making the latter the number-one global property and casualty commercial lines insurance platform.

Generally speaking, the first six months of 2018 have been very active despite the uncertainties related to the current negotiations regarding Brexit (although the United Kingdom has retained its status as Europe's leading centre for M&A deals), the electoral elections in major European countries close to France (Italy, Spain) and the geopolitical tensions between the United States and China.

**GTDT: Which sectors have been particularly active or stagnant? What are the underlying reasons for these activity levels? What size are typical transactions?**

**HS, CT & NL:** Following global M&A trends over the past year, France has been particularly active in the pharmacy and biotech sector as illustrated in particular by two deals closed by Sanofi in the first half of 2018, representing 27 per cent of the total value of acquisitions announced by French companies abroad over that period:

- the acquisition of Bioverativ, a US haemophilia expert, for €9.3 billion; and
- the acquisition of the Belgium based biopharmaceutical company, Ablynx for €3.9 billion.

The activity in the insurance sector in 2018 is also promising. After its €15.3 billion acquisition of XL Group in September 2018, the French insurance company Axa is currently contemplating to sell to Cliven one of the largest cross-border life assurance platforms in Europe, Axa Life Europe, for €1.2 billion. In June, Ardian and Edmond de



**“Although equity and mixed consideration are commonly used, recent French deals show that exclusive cash consideration is frequently offered to sellers.”**

Rothschild announced negotiations to sell Siaci Saint-Honoré, a French leader in consulting and insurance brokerages for more than €1 billion to the management of Siaci with the support of the UK-based private equity fund Charterhouse. Covea’s €8.2 billion offer to take over its French competitor Scor (which, however, was refused) also demonstrates strong dynamic in this sector.

The French tech sector has also been very active in 2018 in terms of volume of M&A deals. This trend was driven in particular by commercial banks pursuing their acquisitions of Fintech companies. Indeed, Société Générale completed over the past few months the acquisition of the pioneering renewable energy crowdfunding platform Lumo and the banking services platform Treezor. The merger of SIX Group’s payments unit with Atos’s subsidiary, Worldline, for a consideration of €2.3 billion, is another illustration of a major transaction in this sector.

If 2018 has seen fewer mega-deals (over €10 billion) involving French companies compared to 2017, this year remains at a high level in terms of value with the completion of seven deals over €4 billion and 12 deals over €1 billion during the first semester of 2018.

**GTDT: What were the recent keynote deals? What made them so significant?**

**HS, CT & NL:** One of the largest deals of the second half of the year is the acquisition by Unibail-Rodamco of the Australian group Westfield for €20.4 billion. This transaction led to the creation of a ‘two-headed group’. The structure of the transaction was driven by the concern of being as neutral as possible for the shareholders, particularly from a tax perspective. Shares of the two companies were ‘stapled’ by reciprocal statutory provisions prohibiting separate purchase and sale by the shareholders. Hence, both companies maintain separate legal and tax regimes while retaining a common shareholding structure and operating as a single financial group.

Another keynote deal of 2018 is the ongoing takeover of 100 per cent of Gemalto launched by Thales in December 2017 which would, if completed, result in the creation of a worldwide leader in digital security and cybersecurity. In exchange for their shares Gemalto’s shareholders are being offered cash at a 57 per cent premium (as at 8 December 2017), representing a total amount of €4.8 billion. The key feature of the transaction is that it requires the approval of 14 different competition authorities, including the approval of the European Commission (who opened an in-depth merger control investigation in July 2018). This transaction illustrates two current trends in M&A transactions, deals becoming larger and regulatory approvals being increasingly important factors in transactions.

Completed at the beginning of 2018, the acquisition of a 70 per cent stake in Engie’s hydrocarbon exploration and production subsidiary, Engie E&P International by Neptune Energy Group (UK group), for €4.7 billion is the largest acquisition of a French company made by a foreign group in the first half of 2018. This deal is an important milestone in Engie’s €15.6 billion asset disposal programme planned for 2016–2018.

**GTDT: In your experience, what consideration do shareholders in a target tend to prefer? Are mergers and acquisitions in your jurisdiction primarily cash or share transactions? Are shareholders generally willing to accept shares issued by a foreign acquirer?**

**HS, CT & NL:** Bidders may offer cash, shares, other securities or a combination of both as consideration to the target’s shareholders. Determining what type of consideration the shareholders will view as more attractive is essential to a successful bid.

Although equity and mixed consideration are commonly used, recent French deals show that exclusive cash consideration is frequently offered to sellers. The pending merger between

Atos and Syntel, whereby Atos would acquire all outstanding shares of Syntel for US\$3.4 billion, and the acquisition of Aricent Technologies by Altran for US\$2 billion are good examples of all cash transactions for 2018.

On the contrary, one example of an all-share consideration deal is the acquisition of Maersk Oil by Total. Total acquired 100 per cent of AP Moller-Maersk's wholly-owned subsidiary in exchange for Total's shares representing 3.75 per cent for a total value of US\$4.95 billion.

If the target is a French-listed company and the offered consideration consists in shares of a foreign company, there will be pressure on the foreign company proposing consideration in the form of its shares, to dual list its shares in France so as to ensure that the French investors can continue to trade shares on the French stock market.

**GTDT: How has the legal and regulatory landscape for mergers and acquisitions changed during the past few years in your jurisdiction?**

**HS, CT & NL:** The new EU General Data Protection Regulation (GDPR) on protection of personal data, in force since 25 May 2018, has introduced in France (together with new domestic law of 20 June 2018) a set of new obligations in relation to personal data protection which have an impact on M&A transactions.

Under these new regulations, companies are required at any time to justify that they comply with the protection of personal data regarding their treatment and, if applicable, their transfer to third parties. Failure to do so can lead to heavy sanctions: administrative fine up to €20 million or 4 per cent of the group's worldwide turnover.

As intangible assets represent more than 80 per cent of the value of companies of the Fortune 500 ranking, data protection is at the heart of some innovative companies' business models. In the context of M&A deals, non-compliance of the target to the GDPR regulations has become a material risk.

The deal process and structure are also often subject to new constraints to avoid sharing information with potential purchaser in violation of the GDPR rules.

This new regulation has a strong impact on M&A practice in the same way as last year's Sapin II Law and duty of vigilance regulation. In this context, compliance and protection against compliance-related risks has become an increasing area of focus not only at the due diligence phase but also at the phase of negotiation of the deal documentation in the context of M&A transactions. We will have to wait for the numerous decrees to come in relation to the implementation of the French law from June 2018 to have a global view of all practical implications.

**GTDT: Describe recent developments in the commercial landscape. Are buyers from outside your jurisdiction common?**

**HS, CT & NL:** European targets have found favour with investors in the first half of 2018 with a 38 per cent increase compared to the level of activity seen during the first semester of 2017, while United States M&A fell 32 per cent over the same period.

For the first six months of 2018, acquisitions of French companies made by foreign groups increased over the last two semesters with an 8 per cent increase compared to the first half of 2017, although the value of completed inbound M&A deals dropped by 41 per cent.

During the first half year of 2018, US buyers were the most important investors in French companies both in terms of number of deals and of the aggregate value of transactions. UK buyers remain the second most active buyers in French targets, largely outranking other European and non-European buyers over the same period.

The commercial war between the United States and China tends to attract foreign investors towards Europe. The number of acquisitions of European targets by Asian buyers and US buyers is historically high.

Protectionism from all parts creates tensions and uncertainties on the market. Regulatory and political scrutiny is a continued trend and has led to the failure of a number of M&A deals over the past year. However, the merger between the French optical group Essilor and the Italian eyewear manufacturer Luxottica, which was recently approved by, among others, US, European and Chinese regulators, illustrates that regulatory consent is a key component of M&A deals.

**GTDT: Are shareholder activists part of the corporate scene? How have they influenced M&A?**

**HS, CT & NL:** Worldwide, analysts observe that the campaigns initiated by activist investors reached a record level over the course of the first semester of 2018, with about a quarter of the campaigns targeting European companies.

Although large-scale proxy solicitation campaigns are not current practice in France, with the influence of US activist investors, French companies are more and more targeted by activist investors who no longer hesitate to act against large listed companies, such as Danone.

As an illustration, in 2017, Corvex Management acquired €400 million worth of Danone shares, representing about 1 per cent of the share capital, sending a clear message to the management that the company was under surveillance. Since then, after the acquisition of WhiteWave, the management of Danone announced a clear revenue growth plan.

As was already observed in 2017, institutional investors also take part in activism usually by supporting activist investors' campaigns. Because the active involvement of shareholders serves as leverage for financial and non-financial performance (in particular in relation to governance, social and environmental issues) of companies, the market tends to react positively when activist investors invest in a company.

It is expected that activists will continue to put pressure on French companies (especially ones that are perceived by them as not performing at the highest level) in particular to cause them to review their strategy, creating new partnerships and disposing of non-core assets.

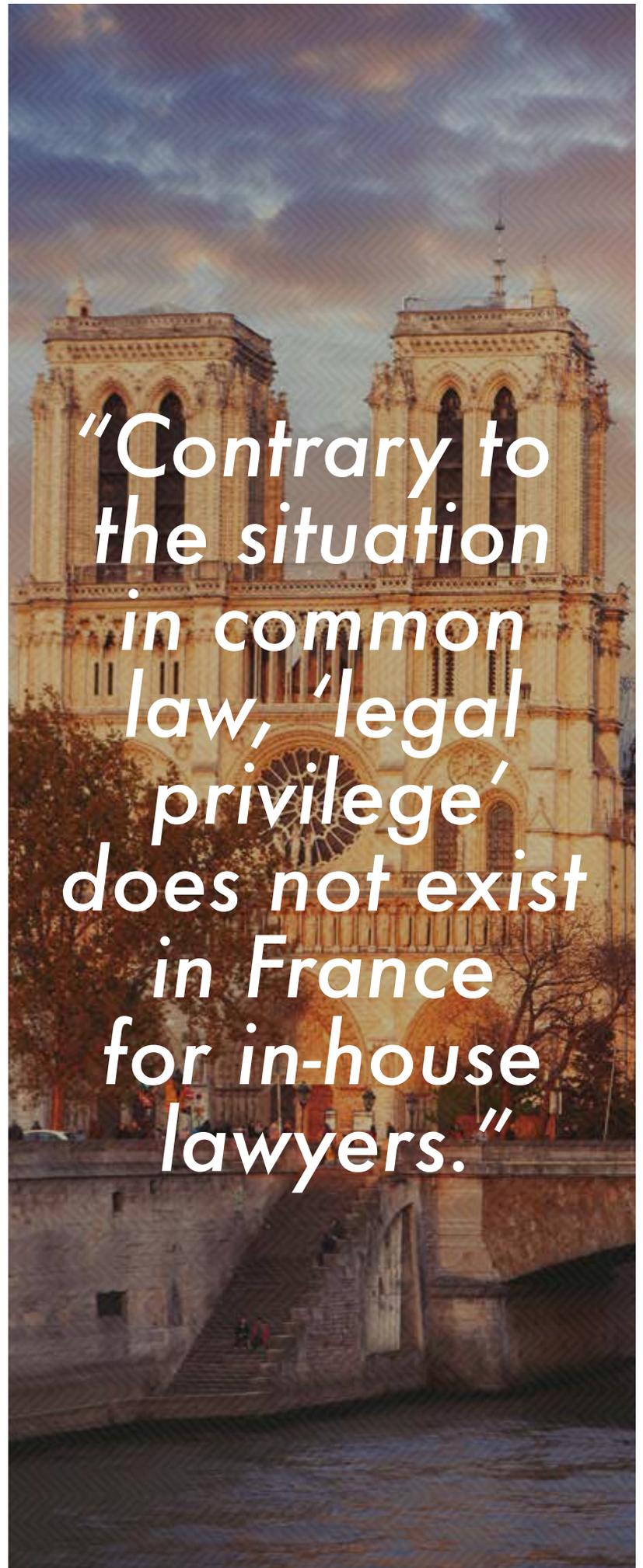
Having seen the actions that are being implemented against French targets in recent years, executives of French companies are now well-aware of the importance of complying with corporate governance soft laws and building an ongoing channel of communication with their shareholders to defuse tensions in particular by regularly informing them of the significant issues of the company. The increased creation of shareholders' club in French companies illustrates this trend.

*GTDT: Take us through the typical stages of a transaction in your jurisdiction.*

**HS, CT & NL:** While it is perhaps more frequent for the CEO to initiate contact, communicating through bankers or lawyers is also very frequent, especially in large transactions. Contact through counsel may enable the client to structure the deal at an early stage of the negotiations. Using channel of communication between legal counsel also helps to maintain the confidentiality of the discussions between the parties to a contemplated transaction, which can be essential, especially to avoid any liability for abusive termination of negotiations under French law. Contrary to the situation in common law, 'legal privilege' does not exist in France for in-house lawyers and the protection of correspondences can only be guaranteed by virtue of lawyers' professional secrecy. Because of rules applying to professional secrecy, lawyers are required to keep communications with other lawyers confidential and the courts and other public authorities cannot force lawyers to disclose the content of these exchanges. Breach of professional secrecy is subject to criminal and disciplinary sanctions.

Advisers are mandatory in the context of certain transactions. For example, in a public takeover context, the bidder must appoint a presenting bank which presents the project to the French Financial Markets Regulator (the AMF), guarantees the bidders' undertakings and generally structures the transaction.

The initial steps of a classic merger or acquisition of private companies typically include



**“Contrary to the situation in common law, ‘legal privilege’ does not exist in France for in-house lawyers.”**

the signing of a non-disclosure agreement, and in some cases, of an exclusivity agreement.

Lawyers or financial advisers generally organise a data room for the disclosure of documents on the business of the target to potential purchasers. The disclosure process is now almost always carried out through a virtual data room, though this can be accompanied by a physical data room for particularly sensitive documents (which may in some cases only be accessible by the purchaser's legal counsel). The information obtained will be used to confirm interest in the transaction, value the target company, gauge the risks related to the transaction and negotiate the price.

This disclosure step needs to be carefully anticipated, especially in light of the new GDPR regulations. Indeed, the opening of a data room may be considered in itself a processing and transfer of personal data (very frequently the case given the scope of what constitutes 'personal data'). Thus, all implicated parties will have to make sure that their involvement in this disclosure process complies with the GDPR regulations, including obtaining the prior approval of the individuals concerned by the data before disclosing it. A way to avoid such issues is to anonymise all the personal data contained in the disclosed documents, although this process may be lengthy and costly.

Due to high constraints of these new obligations, the seller could decide to deliberately minimise the information made available in the data room. However, this solution could contravene the provisions of article 1112-1 of the French civil code whereby the seller or the buyer is required to disclose any information which is known to be important for the consent of the other party (infringement of such requirement could lead to the nullity of the transaction).

Given the importance of the sanctions associated with the non-compliance with the obligations provided under the GDPR regulation, careful attention must now be paid to the target's compliance with GDPR. In particular, the purchaser should make sure that certain specific documents are disclosed in the data room, such as the registry of data processing (which gives a list of all processing on personal data regarding employees, clients, supplier, etc) operated by the target, the target's data protection and data processing security policy and any agreements entered into with sub-contractors involving transfer of personal data in particular in relation to persons located outside the EU.

Regarding listed companies, mergers and acquisitions are obviously much more regulated. In particular, listed companies are subject to disclosure obligations in the context of such operations. For instance, the presenting bank must file with the AMF an offer letter describing the terms and conditions of the offer, as well as a draft prospectus which provides a significant amount of information. The target will be required to issue a note in response to the offer and the decision

of its board to approve or disapprove the offer and otherwise comply with specific disclosure obligations.

The parties to a transaction will generally be advised by lawyers, accountants, financial advisers and public relation agencies. All these specialists are required to work together as a team to address the client's needs.

The M&A process will vary depending on numerous factors, including the business of the target, the project of the investor (for instance, whether it is based on a long-term or a short-term strategy) and hence will have to be adapted to the specificities of each individual project.

The requirement to consult employee representative bodies of the parties involved and the target prior to the signing of any definitive acquisition agreement, as well as the requirement to propose the employees make an offer for the business or company in the context of the sale (for smaller targets), also has to be taken into account in the process.

***GTDT: Are there any legal or commercial changes anticipated in the near future that will materially affect practice or activity in your jurisdiction?***

***HS, CT & NL:*** The draft action plan for growth and transformation of companies known as the 'Pacte' Bill (the Bill), which should be adopted by year's end, is the most important prospective law of the year in the area of business law. The Bill purports to encourage business growth, to revive the economy, in particular through simplification measures. The scope of the Bill is very large. We will focus on topics that have a significant impact on M&A.

The Bill contemplates facilitating the implementation of squeeze-out procedures for French-listed companies. Currently, if at the end of any takeover bid procedure, minority shareholders hold less than 5 per cent of the share capital or voting rights of the targeted company, the offeror may, within a three-month period following the closing of the takeover bid, implement a squeeze-out procedure whereby the minority shareholders will be forced to transfer their remaining shares to the offeror. The Bill intends to increase the threshold to 10 per cent of the share capital and voting rights of the targeted company, making it easier to squeeze out the minority shareholders and making it harder for activist investors to block the squeeze-out procedure.

The Bill also provides for various simplifying measures, such as the creation of an electronic one-stop shop for registration formalities of companies and small business, the increase of the threshold for triggering the mandatory appointment of statutory auditors and the softening of the rules for the creation of preferred shares. Several measures are also designed to stimulate employee shareholding as well as increasing employee



*“The new measures announced by the French government are viewed to enhance the attractiveness of France and encourage inbound M&A activity.”*

iStock.com/pixelfit

representation within companies’ governing bodies.

Finally, with the Bill, France has decided, like some other countries, to strengthen its rules on foreign investment control.

The Bill contemplates amending the French foreign investment control system (NFICS). The scope of the sectors of activity subject to the NFICS would be extended to certain new strategic activities such as artificial intelligence, digital data storage and nanotechnologies. The Bill also provides for more dissuasive sanctions for failure to comply with NFICS regulations by combining the existing injunctions with coercive fines and the implementation of provisional measures (eg, suspend the investor’s voting rights in relation to shares acquired without required authorisation). The Bill also contemplates enhancing the possibility of creating state-held golden shares even outside of the context of a sale of French state holdings in strategic companies and clarifying the rights which may be attached to a golden share. Such golden shares may grant the state the power to oppose decisions having effect on assets of the company or its subsidiaries.

In September, the French government presented the finance bill for 2019 which, in line with the progressive decrease of corporation tax to 25 per cent by 2022 approved last year, notably provides for its decrease to 31 per cent (28 per cent

for companies with revenues less than €500,000).

The new bill would also provide for a general anti-abuse clause to implement the EU Anti-Tax Avoidance Directive, pursuant to which any tax schemes created mainly to obtain a tax benefit with respect to corporation tax will be disregarded.

Generally speaking the new measures announced by the French government are viewed to enhance the attractiveness of France and encourage inbound M&A activity for the year to come.

On another topic, driven by the European Commission’s public consultation regarding the contemplated change of the jurisdictional thresholds applicable to merger control regulations (which today are purely turnover-based and may not capture all transactions which can potentially have an impact in the EU internal market particularly in the digital economy or biotech sectors), several member states have carried out their own public consultation. In France, the French Competition Authority announced it did not intend to amend existing thresholds but is currently examining the opportunity to implement an additional ex-post mechanism to control transactions that do not meet the turnover thresholds but still raise substantial concerns on competition.

# THE INSIDE TRACK

## *What factors make mergers and acquisitions practice in your jurisdiction unique?*

Labour law considerations have to be carefully reviewed. Over the past few years, legislation has tended towards increasing involvement of the employees' representatives in the M&A process (including the requirement to first give the employees the opportunity to make an offer on the company before selling it to third parties under the 'Loi Hamon' law).

Foreign investment issues also need to be carefully managed. It is necessary to assess whether the target is active in one of a number of (sometimes widely defined) industries which require prior foreign investment approval from the French Ministry of Economy. Generally speaking, the sometimes wary attitude of officials to foreign investments requires M&A players to be very attentive to the preparation stage and communication made around such projects. The revised regime of foreign investment regulation contemplated by the Pacte Bill, if passed, will render their preparation phase all the more important.

## *What three things should a client consider when choosing counsel for a complex transaction in your jurisdiction?*

It is essential for counsel to understand quickly the client's commercial needs and business strategy and adapt its advice to the client's expectations. Counsel's past experience on

similar deals is also of significant importance, as this will enable him or her to be more responsive to the client's constraints. Finally, counsel has to be able to provide international services and to interact on a global scale, so as to provide high-quality services in France but also beyond French borders given in particular the increasing cross-border nature of M&A transactions.

## *What is the most interesting or unusual matter you have recently worked on, and why?*

We recently worked on the acquisition of Banque Leonardo France by UBS France and subsequent reorganisation of the UBS France business. This was an interesting deal for many reasons and in particular as it involved a number of regulatory issues (both the acquirer and the target were active in private banking and asset management) and challenges relating to the sequencing of operations given that the ultimate goal is to set up a joint venture between UBS France and La Maison to operate the asset management branch of the business.

**Hubert Segain, Christopher Theris  
and Noémie Laurin**  
**Herbert Smith Freehills**  
**Paris**  
[www.herbertsmithfreehills.com](http://www.herbertsmithfreehills.com)

## *GTD: What does the future hold? What activity levels do you expect for the next year? Which sectors will be the most active? Do you foresee any particular geopolitical or macroeconomic developments that will affect deal sizes and activity?*

**HS, CT & NL:** There is every reason to expect that French M&A will remain highly active in Europe in the year to come. French companies are expected to have more cash to spend on acquisitions thanks to recent corporate tax reform which will taper down the corporate tax rate over the next four years from 33.3 per cent to 25 per cent.

However, French companies' appetite for new cross-border acquisitions might be restrained by the protectionism politics designed in several countries to protect jobs and 'national champions', including in Europe. For example, in October 2017, the Italian government has used its veto power, known as the 'golden power' in response to the French media group Vivendi's growing control over Telecom Italia (Italy's main telecom group). The increase of regulatory bodies' involved in cross-borders transactions is also likely to bring more and more uncertainty in relation to the closing of transactions. The number of aborted

M&A deals in the last year shows that it is not a theoretical risk.

M&A in France should also benefit from the state's privatisation plans, set to be launched as soon as the 'Pacte Bill' is passed. This will authorise the French state to sell an important part of its stake in Engie, the multinational electric utility company, Française des Jeux, the operator of France's national lottery games, and Aéroport de Paris, the operator of Paris Charles de Gaulle and Orly airports, representing an aggregate value of approximately €15 billion.

Trump's trade war on China may also have a positive effect on European M&A activity. As US-China opposition escalates, China investors are more likely to favour European targets for their next deals.

Two years after the vote, uncertainties remain on the consequences of Brexit. London remains the number one leader for inbound M&A investments, but some investor surveys suggest that Paris may rank over London in the near future. UK companies are expected to continue keep trying to mitigate their risks related to a 'hard Brexit' by acquiring foreign companies including French targets.

*Also available online*



[www.gettingthedealthrough.com](http://www.gettingthedealthrough.com)