

A VIEW FROM AUSTRALIA

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Legal Briefings

M&A DEAL HIGHLIGHTS IN AUSTRALIA IN 2018

- Amcor's acquisition of Bemis
- Coles demerger from Wesfarmers
- Commonwealth Bank of Australia's proposed sale of Colonial First State Global Asset Management to Mitsubishi
- Santos' acquisition of Quadrant Energy
- TPG Telecom's proposed merger with Vodafone Hutchison Australia

2018 was a blockbuster year for M&A in Australia. We saw strong activity, with a number of mega-deals in the mix. Dominant sectors included property, financial services, telecommunications and media as well as energy and resources. There were different drivers for this activity.

In financial services, we had a Royal Commission looking into the banking and wealth management industries. This has been a catalyst for some banks to move away from vertical integration and focus on core areas.

In media, there was a lessening of regulation, allowing further consolidation in the sector.

In the energy and resources sector, we saw large capital expansion commitments by major iron ore producers which are also having a positive effect on supporting sectors such as mining services.

Other key drivers across the board were continued strong interest from foreign bidders, debt being readily available and increasing participation from private equity players with significant capital to deploy.

We are also seeing political headwinds, with a likely federal government election in 2019 as well as greater regulatory intervention and scrutiny on transactions, highlighting the need for careful planning and early strategic engagement.

Despite this, we are confident that the strong deal momentum will continue in 2019, underpinned by strong foreign investment and private equity interest, robust activity in sectors such as financial services, property, healthcare and energy and resources, as well as demergers and divestments for companies looking to return to a core focus.

Deals with an Australian involvement - 2018 a 34% increase on 2017



**Announcement
date**

**Deal value
(US\$m)**

Number of deals

2014	122,470	1,739
2015	110,722	1,697
2016	111,964	1,799
2017	120,143	2,140
2018	161,319	2,061

Source: Thomson Reuters

KEY CONTACTS

If you have any questions, or would like to know how this might affect your business, phone, or email these key contacts.



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