Hogan Lovells



# M&A Year in Review

Our shared success | 2019

Working across industry sectors and more than 45 Hogan Lovells offices around the world, our M&A team is grateful to have shared in your accomplishments during 2019.

2019 was another dynamic year for transactional activity, with more than 46,000 deals announced globally amounting to an aggregate deal value of US\$3.9tn. Compared with the preceding year, the global value of deals during 2019 decreased by three percent, even though aggregate deal value was the fourth highest in the last 40 years, while the global volume of deals decreased by five percent, resulting in the lowest number of transactions worldwide since 2016.

Among sectors, Consumer ranked first in global deal volume, and Technology, Media, and Telecoms (TMT) led in global deal value. The pursuit of advanced technologies propelled deal making in the Consumer and TMT sectors, as retailers pursued IoT assets to facilitate augmented personalization for their customers, artificial intelligence systems to predict customer preferences, and mobile payment processing to drive e-commerce.

In 2019, your transactions propelled Hogan Lovells to over 75 M&A league table rankings worldwide, including top 15 rankings for Global M&A as well as M&A in Europe, Asia-Pacific, the United States, and the United Kingdom.

We appreciate the trust that you continue to place in us, and we look forward to supporting you on your M&A transactions in the year ahead.

Best wishes for continuing success in 2020,

The Hogan Lovells M&A Team



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# Aerospace, Defense, and Government Services

ADG dealmaking over the course of 2019 consisted primarily of bolt-on transactions that underpinned broader growth strategies.

The total value of deals in the ADG sector increased significantly in 2019, largely as a result of the mega UTC-Raytheon transaction. Strategic acquirers continued to represent a majority of buyers in the sector, even as private equity sponsors played an increasingly important role in ADG transactions.

In 2019, our ADG sector group continued to publish our monthly Hogan Lovells ADG Insights publication, providing perspectives on key legal and political issues facing the sector, including supply chain management, cybersecurity, artificial intelligence, space policy, antitrust and competition considerations, and False Claims Act developments in the United States.

We also partnered with the Information Technology Industry Council to host a Cybersecurity Maturity Model Certification briefing featuring representatives from the U.S. Department of Defense (DOD) and providing an update on the new framework and requirements for defense contractors to become certified by the DOD as cybersecurity compliant.

Aerospace, Defense, and Government Services lawyers

Public Procurement Chambers UK. 2019



#### Airbus

We advised Airbus, an international pioneer in the aerospace industry, on its acquisition of MTM Robotics, a technology company that designs, manufactures, and installs automated assembly and control systems.

The acquisition is of strategic importance to Airbus's industrialization roadmap, aimed at leveraging the time- and cost-saving benefits associated with using robotics in the manufacture and assembly of its commercial aircraft.

A New York and Washington, D.C. team led this transaction, with support from our commercial, intellectual property, international trade, employee benefits, employment, real estate, and tax practices.

## **Groupe ADP**

We advised Groupe ADP, an airport developer and manager, on its acquisition of an equity stake in Innov'ATM, an air traffic management optimizer, and on its acquisition of Merchant Aviation, a full-service aviation consulting firm focusing on airport development initiatives.

The acquisitions align with Groupe ADP's strategy of strengthening the operational performance of its airports' aeronautical activities and its international expansion.

Lawyers in our Paris and Washington, D.C. offices led these transactions, with support from our employee benefits, employment, intellectual property, and tax practices.

## Aerospace, Defense, and Government Services

"Highly regarded multidisciplinary group ... Counsels government contractors on complex business transactions, including M&A."

Chambers USA, 2019

#### **Luxaviation Group**

We advised Luxaviation Group, one of the world's largest private aircraft operators, on its sale of the worldwide maintenance activities of its affiliate ExecuJet to Dassault Aviation.

The sale allows Luxaviation to refocus on its core aviation services and to further concentrate on innovation and investment worldwide.

Lawyers in our London office led this transaction, with support from our Moscow, Beijing, Dubai, Luxembourg, Johannesburg, Paris, Perth, and Sydney offices and antitrust, commercial, intellectual property, and projects practices.

## Norwegian Air Shuttle

We advised Norwegian Air Shuttle, one of the world's largest low-cost airlines, on its joint venture with CCB Leasing (International) Corporation DAC, a wholly-owned subsidiary of China Construction Bank Corporation.

The joint venture, whose purpose is to finance, own, and lease up to 27 A320neo family aircraft that Norwegian has on order from Airbus, strengthens Norwegian's financial position, reducing both current and future capital expenditure and sharing risk.

A team of lawyers in our London office led this transaction.





# **Automotive and Mobility**

Automotive and mobility deal activity during 2019 continued to center around acquisitions of technology as well as divestitures of assets that no longer aligned with long-term strategies. In parallel, automotive original equipment manufacturers engaged in a number of collaborations and joint venture transactions, and the year concluded with the signing of the large-scale Groupe PSA-Fiat Chrysler merger.

While 2019 yielded a slight increase in total deal value in the sector, automotive and mobility M&A experienced a slowdown in deal volume, as many companies focused on organic growth amid trade tensions and concerns about a potential economic downturn.

In 2019, our Automotive and Mobility sector group continued its involvement in various European industry conferences, presented for the first time at the Financial Times "Future of the Car Summit" in Detroit, Michigan, and conducted a client tour in China focused on Autonomous, Connected, Electric, and Shared (ACES) developments and the implications of new regulations and legal requirements.

We released the third edition of Getting the Deal Through – Automotive, addressing the quickly transforming automotive industry and examining fundamental market developments in the law and regulation in 17 countries. We also published thought leadership addressing legal issues specific to the future of mobility.

Automotive and Mobility 300+ 2019

Transportation Group of the Year Law360

#### Continental Automotive

We advised Continental Automotive on the sale of its 50 percent stake in SAS Automotive, its cockpit systems specialist joint venture, to its partner, Faurecia.

SAS Automotive was established between Siemens VDO – which was later acquired by Continental – and Faurecia in 1996 and has developed into an important provider in the complex assembly and logistics of interior models.

Our Dusseldorf team led this transaction, with support from our antitrust and tax practices.

#### Daimler Group

We advised Daimler Group on the global reorganization of its worldwide business into three divisions: Mercedes-Benz Cars & Vans, Daimler Trucks & Buses, and Daimler Mobility.

The restructuring, which involves approximately 800 subsidiaries in more than 60 countries, provides the divisions greater entrepreneurial freedom, positions them closer to their markets and customers, and empowers them to enter partnerships more easily and quickly.

Lawyers in our Munich office led a global, cross-practice team in 25 Hogan Lovells offices on this transaction, which spanned nearly 50 jurisdictions.

# Automotive and Mobility

"Hogan Lovells has been at the legal forefront of the incipient driverless and connected car revolution."

Legal 500 USA, 2019

## Ford Motor Company

We advised Ford Motor Company on its global alliance with Volkswagen, which leverages the two automakers' strengths to better compete, innovate, and serve customers.

Through the alliance, Ford and Volkswagen will develop commercial vans and mediumsized pickups for the global markets, and commit to exploring potential collaborations in electric and autonomous vehicles and mobility services.

A Washington, D.C. team led this transaction, with support from our London, Munich, and Northern Virginia offices and antitrust, intellectual property, employment, and litigation practices.

## Kingdom Holding Company

We advised Kingdom Holding Company on its US\$3.1bn agreement to sell Careem, a Dubaibased ride-hailing start-up, to Uber.

The largest technology transaction in the Middle East to date, the sale enhances Uber's position in a rapidly growing market where over half the population is under 30 and regularly uses mobile social media. Kingdom Holding Company was one of the two largest shareholders of Careem.

Lawyers in our Dubai, Washington, D.C., and Paris offices led this transaction, with support from our antitrust and tax practices.



5%

Decrease in global deal volume (2019 vs. 2018)



5%

Increase in global deal value (2019 vs. 2018)



China

Top market by global deal value and global deal volume (2019)

**Automotive and Mobility** market statistics as published in Hogan Lovells Deal Dynamics





# Consumer

As in past years, the consumer industry ranked highest for M&A volume in 2019, even though overall sector value and volume slightly decreased when compared with the preceding year. Consumer companies relied on organic growth within their core competencies. Activity varied across regions, with trade uncertainty driving a significant decrease in deal value in the United States, counterbalanced by a large increase in deal value in Europe. Deal flow in the Asia-Pacific and Middle East region remained constant.

Activity in the sector favored acquisitions designed to enhance geographic diversity of supply chains and to amplify digital capabilities with an emphasis on direct-to-consumer technologies, such as e-commerce channels.

In 2019, our Consumer sector group produced toolkits and other thought leadership focused on key issues, such as environmental sustainability and business integrity, hot topics in retail and fashion, supply chain and regulatory matters, and business restructuring.

We launched our series, Doing Business In..., which provides an overview of legal issues in the consumer sector, such as consumer protection, supply chains, product regulation, data privacy, intellectual property, and changing tariffs and customs that impact consumer businesses looking to enter new markets.

Consumer

Band 1 Food and Beverages: Regulatory and Litigation Chambers USA, 2019

#### Asahi

We advised Asahi on its £250m acquisition of the entire premium beer business of Fuller, Smith & Turner.

As part of the transaction, Asahi acquired the iconic Griffin Brewery, brands such as London Pride and Frontier Premium London Lager, and the Cornish Orchards and Dark Star brewing businesses, along with a license to use certain other trademarks for the provision of beverages in connection with the businesses.

A team in our London and Tokyo offices led this deal, with support from our antitrust, commercial, cybersecurity, employee benefits, employment, intellectual property, pensions, real estate, and tax practices.

## drom fragrances

We advised drom fragrances, a global perfume house, on its sale to Givaudan, a flavors and fragrances producer.

The combination allows drom, which had previously been familyowned for more than 100 years, to further expand its customer reach and geographical footprint.

Lawyers in our Munich, Baltimore, Beijing, Hong Kong, London, Madrid, Milan, Paris, São Paulo, and Washington, D.C. offices led this transaction, with support from our antitrust, commercial, employment, intellectual property, real estate, and tax practices.

Chambers UK, 2019

#### Oracle

We advised Oracle on its acquisition of the naming rights to the San Francisco Giants stadium, now known as Oracle Park, a premier venue in the world of sports and entertainment.

The 20-year partnership between Oracle and the Giants will include investment in ballpark technology upgrades, community outreach programs, and unique sports hospitality experiences for Oracle customers and members of the community.

A team of lawyers in our Denver office led this transaction, with support from our intellectual property practice.

## Ahmed Seddiqi & Sons

We advised Ahmed Seddiqi & Sons, UAE's leading retailer of luxury watches and jewellery, on its joint venture with WatchBox, the world's leading platform for the buying, selling, and trading of pre-owned luxury watches.

Ahmed Seddiqi & Sons' first entry into the fast-growing pre-owned luxury watch sector, the joint venture establishes a retail outlet in Dubai, which allows regional clients to sell into and access WatchBox's extensive pre-owned inventory.

Lawyers in our Baltimore and Dubai offices led this transaction.





# **Diversified Industrials**

M&A in the diversified industrials sector decreased by volume and value in 2019 as a result of downward pressure from industry consolidation and subdued organic growth conditions, with U.S.-China trade tensions and lagging GDP growth in markets around the world particularly impacting this sector.

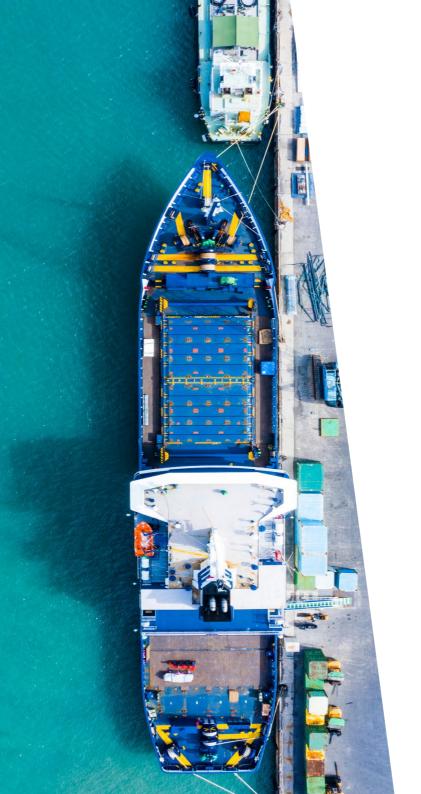
Deal activity centered on access to new markets, expansion and optimization of product portfolios, and the emergence of new technologies, with a notably strong performance from the industrial machinery subsector.

Our Diversified Industrials lawyers convened with sector players globally, including multinational conglomerates in Korea, Japanese trading house clients in Tokyo and New York, and chemicals companies across Europe and globally, to discuss current topics such as how technology M&A, digitalization, supply chain solutions, and international trade impact their global operations. We hosted a Hogan Lovells Construction, Engineering, and Infrastructure Day, a full-day conference in London discussing an array of topics from procurement to payment.

We launched a podcast series, Hogan Lovells Think Tech, dedicated to assessing the impact of digitalization across the sector, as well as a cross-practice publication, Hogan Lovells DI Horizons, offering insights into pressing issues within the diversified industrials sector.

Diversified Industrials

Band 1 Infrastructure: PFI/PPP Chambers UK, 2019



## Fagerhult

We advised Fagerhult, one of Europe's leading lighting companies, on its €385m acquisition of iGuzzini illuminazione, an iconic player in the lighting market.

The acquisition strengthens Fagerhult's position in the highend market, broadening its product offering in the outdoor, hospitality, and retail spaces and increasing exposure to markets including Italy, Switzerland, Spain, and North America.

A team in our Milan, Rome, Dubai, Hamburg, Hong Kong, London, Madrid, Moscow, New York, Paris, Shanghai, and Singapore offices led this deal, with support from our antitrust, commercial, employment, environment, intellectual property, real estate, regulatory, and tax practices.

#### **ORCA Group**

We advised ORCA Group, a manufacturer of engineered and coated fabrics owned by the PE fund IDI, on its quadruple acquisition to create the Angeloni Group.

The new entity brings together G. Angeloni, ITT, Dynanotex, and Impregnatex Compositi into a single, vertically integrated group designed to provide a high level of service to clients and target niche markets around the world.

Lawyers in our Paris and Milan offices led this transaction, with support from our finance and tax practices.

"Hogan Lovells fields a large team of dedicated lawyers who handle the full gamut of infrastructure-related matters and are regularly involved in significant transactions."

Legal 500 UK, 2019

#### PPG

We advised PPG, a global supplier of paints, coatings, and specialty materials, on its acquisition of Hemmelrath, a coatings manufacturer for automotive OEMs worldwide.

The acquisition enhances PPG's automotive coatings offering and adds formulating and manufacturing solutions to its portfolio.

A global, cross-practice team led by our Munich and Washington, D.C. offices advised on this transaction.

## Sojitz Corporation

We advised Sojitz Corporation on its investment in the Yunlin offshore wind farm project off the coast of Taiwan.

The deal expands Sojitz's renewable energy business in light of rising global concern for the environment and long-term business sustainability.

Lawyers in our Hamburg and Singapore offices led these transactions, with support from our antitrust, banking, litigation, and projects practices.



Diversified Industrials market statistics as published in Hogan Lovells Deal Dynamics



# **Energy and Natural Resources**

Volatile oil and gas prices, spurred by global trade tensions and the prospect of supply disruptions, led to a decrease in the overall volume of energy and natural resources deal activity in 2019. Despite these headwinds, mega deals helped to propel the sector to second overall by value, bolstered by Occidental's mega acquisition of Anadarko, the fourth-largest oil and gas deal in history.

As companies worldwide transition to lower-carbon systems driven by social, environmental, and regulatory pressures, clean energy and renewables remained popular targets for dealmakers, particularly in power generation, and the hybrid and electric vehicle and energy storage spaces.

Our Energy and Natural Resources sector group kicked off 2019 with our flagship energy program, the Hogan Lovells Global Energy Summit, held for the first time in Singapore. Influential energy executives gathered to discuss energy investment trends and the future of renewables and LNG in Asia.

Our team authored articles and spoke on topics including gas-to-power and sustainable mining, financing strategies, and the impact of nationalism on the sector. We also joined our Automotive and Mobility sector team to roll out a cross-sector campaign focused on the electrification of vehicles, grid, and charging infrastructure.

Energy and Natural Resources lawyers

Energy Transactions Legal 500 Germany, 2019

#### **BPGIC**

We advised Brooge Petroleum and Gas Investment Company (BPGIC), an oil storage and services business serving the Port of Fujairah in the UAE, on its US\$1bn reverse merger with Twelve Seas Investment Company.

The merger provides BPGIC the opportunity to enter the U.S. capital markets and access investors who invest in similar companies in the growing UAE oil and gas infrastructure sector.

Our Dubai team led this deal, with support from our finance practice.

#### Uniper

We advised Uniper, a leading international energy company, on the sale of its stake in OLT Offshore LNG Toscana, a floating storage and regasification unit off the Tuscan coast.

Uniper is active in developing LNG infrastructure in Europe and in procuring and trading LNG worldwide.

Lawyers in our Milan and Rome offices led this transaction, with support from our antitrust and commercial practices.

## **Energy and Natural Resources**

"The Hogan Lovells energy and natural resources practice is strongly grounded in transactional work with particular strength in the renewable energy space."

Legal 500 Germany, 2019

#### Vinccler

We advised Vinceler, an international engineering and construction company, on the sale of a 30 percent stake in Wayra Energy, an upstream oil and gas company, to Elecnor, a Spanish renewable energy, infrastructure, development, and construction business.

Vinceler and Elecnor will jointly carry out projects awarded to Wayra Energy by the Ecuadorian government through contracts with the Ecuadorian state-owned company Petroamazonas. The proceeds will be used to finance the drilling or reactivation of 52 wells located in three different oil fields.

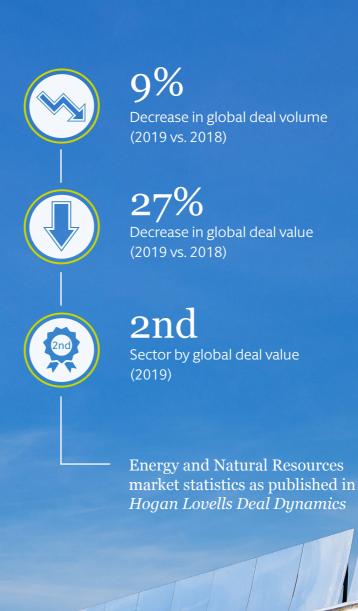
A team of lawyers in our Madrid office led this transaction, with support from our tax practice.

#### WSP Global

We advised WSP Global, a leading global professional services firm providing engineering, design, and strategic advisory services, on its acquisition of Ecology and Environment, a Nasdaq-listed environmental consulting firm.

Ecology and Environment has built experience in sectors and services that WSP had targeted for growth, including environmental impact assessment, emergency planning and management, and site restoration.

Lawyers in our New York and Washington, D.C. offices led this transaction, with support from our antitrust, employee benefits, environment, finance, government contracts, international trade, and litigation practices.





# Financial Institutions

In 2019, total deal value increased significantly in the financial institutions sector notwithstanding a slight decrease in total deal volume, as a result of big-ticket M&A by banks and other financial institutions seeking to leverage synergies.

Large banks continued to invest in FinTech start-ups, as asset-light and agile bank service providers remained popular recipients of FinTech funding and built momentum to challenge established brick and mortar operations.

Our Financial Institutions sector group released our annual Hogan Lovells FIS Horizons publication highlighting important sector developments, including the transition from LIBOR to risk-free reference rates, compliance requirements including AML and sanctions, diversity and culture, sustainable and impact finance, technology, and innovation.

We also designed and launched Hogan Lovells LIBOR Solutions, our award-winning alternative legal delivery tool for LIBOR transition and Hogan Lovells Regulatory, Compliance, and Investigation Solutions, our tool to help keep our clients apprised of potential regulatory, compliance and investigation risk, and solutions in the sector.

Financial Institutions lawyers

Band 1 FinTech – Legal UK
Chambers FinTech, 2019

#### Cardano

We advised Cardano, a pensions risk and investment management specialist, on its acquisition of NOW: Pensions, the United Kingdom's third-largest auto-enrollment provider, serving over 30,000 businesses and 1.7m pensions savers.

With this acquisition, Cardano will manage over £25bn of assets and employ 350 people across its core markets in the United Kingdom and the Netherlands.

A team of lawyers in our London office led this transaction.

## **GE Capital**

We advised GE Capital on its sale of Trade Payables Services, a leading supply chain financing platform, to MUFG Union Bank, a subsidiary of MUFG Americas Holdings Corporation.

The Trade Payables Services platform supports relationships with GE suppliers worldwide. Upon closing of the transaction, MUFG Union Bank assumed management control of the systems and processes supporting the supply chain finance activities that GE Capital performs for GE.

A team of lawyers in our Washington, D.C. office led this transaction, with support from our finance, intellectual property, and tax practices.

#### Financial Institutions

"With significant experience acting for... financial institutions, Hogan Lovells offers an impressive breadth of expertise on cryptocurrencies, blockchain technology, smart contracts and Al, among other areas of FinTech."

Legal 500 USA, 2019

## Opportunity International

We advised Opportunity International, a global microfinance nonprofit, on the sale of its 80 percent stake in Opportunity International Savings and Loans Limited, Ghana (OISL).

OISL is a leading savings and loan institution in Ghana at the forefront of delivering transformational financial services to clients who are marginalized, poor, and excluded from mainstream banking in Ghana.

A team of lawyers in our London office led this deal, with support from our regulatory and tax practices.

#### State Bank Corp.

We advised State Bank Corp., the holding company for State Bank of Arizona and its divisions, on its sale to Glacier Bancorp, a Western U.S. regional bank holding company.

The sale increases State Bank Corp.'s resources to serve clients and strengthens its commitment to build a community banking franchise in Arizona. The combined entity will operate as Foothills Bank and will have 15 full-service branches throughout Arizona.

A team of lawyers in our Washington, D.C. office led this transaction.





# Insurance

Total deal value in the insurance sector decreased significantly during 2019 as a result of a reduction in mega deals. Meanwhile, InsurTech investments reached record levels, while consolidation of the broker subsector, bolt-on acquisitions to complement existing service offerings, and acquisitions of digital technology capabilities all featured prominently in 2019.

Low interest rates, outbound investment from China and Japan, excess capacity in the reinsurance industry, and changes in corporate strategies continued to drive dealmaking in the sector.

Our Insurance sector group hosted a number of client events, including a European life insurance event with ABN AMRO and Deloitte and a webinar co-hosted with KPMG, both of which focused on M&A. These events also covered topics such as InsurTech, sanctions, reinsurance and derivatives, tools for restructuring insurance businesses, and insurance business transfers.

We also produced the 2019 edition of our Hogan Lovells Insurance Horizons publication, covering hot topics, key global and regional trends, and regulatory developments around the world.

230+

Insurance lawyers

Insurance: Corporate and Regulatory Legal 500 UK, 2019

#### Enstar

We advised Enstar, a global insurance group, on its acquisition of BorgWarner Morse TEC, which holds US\$800m of BorgWarner liabilities associated with personal injury asbestos claims and environmental claims.

This is Enstar's second acquisition of a non-insurance company, demonstrating its ability to provide marketleading legacy solutions for large corporates and their historic liabilities.

A team of lawyers in our Philadelphia office led this transaction, with support from our tax practice.

#### Monument Re

We advised Monument Re, a reinsurer and acquirer of European asset intensive portfolios, on its €140m acquisition of a portfolio of Irish annuities from Rothesay Life.

The acquisition, part of Monument Re's Ireland consolidation strategy, was structured as reinsurance to Monument Re followed by a Part VII transfer.

A team of lawyers in our London office led this transaction, with support from our employment, intellectual property, and tax practices.

"Stellar practice with an outstanding reputation for advice to insurers and reinsurers on all aspects of insurance law."

Chambers Europe, 2019

# Royal London

We advised Royal London, the largest mutual insurer in the United Kingdom with group funds under management of £100bn, on its offer to its policyholders to exchange their guaranteed annuity rates for increases to their pension savings.

The offer provides policyholders with more flexibility to take their retirement savings in a way that suits them under the UK's "pension freedoms." The offer included a number of innovations, for example to deliver a fair vote and to simplify the communication process.

A team of lawyers in our London office led this transaction, with support from our pensions and restructuring practices.

#### **SCOR**

We advised SCOR on the merger of its three SE Legal entities, through which SCOR Global Life SE and SCOR Global P&C SE merged into SCOR SE.

This major reorganization, which is part of SCOR's three-year strategic plan, enables the company to optimize its operational and legal structure and level of regulatory capital, thereby creating additional value for its shareholders, customers, and partners.

Lawyers in our Paris office led a global, cross-practice team across more than 30 offices on this transaction.



Insurance market statistics as published in Hogan Lovells Deal Dynamics



# Life Sciences and Health Care

Over the course of 2019, the life sciences and health care sector experienced continuing consolidation, with industry heavyweights pursuing mega deals, the largest being the BMS-Celgene and AbbVie-Allergan mergers announced in Q1 and Q2, respectively.

In addition to traditional M&A, sector participants were active in restructuring and investing in therapeutics and health care technologies, with a focus on rebalancing product portfolios, unlocking shareholder value, and driving long-term, sustainable growth.

In March 2019, our Life Sciences and Health Care sector group released our annual Hogan Lovells LS&HC Horizons publication, a compilation of our global team's perspectives on more than 30 hot topics impacting the industry, such as biosimilars, digital health, artificial intelligence in drug design, drug pricing, and related M&A trends.

Following the launch of the publication, our team hosted a series of events in Boston, London, Paris, Tokyo, and Silicon Valley to discuss these topics with our clients and to hear their perspectives on the forces driving the sector forward.

Life Sciences and Health Care

Band 1 Life Sciences Chambers Global, 2019

#### Atrium Health

We advised Atrium Health, a 40-hospital and US\$10bn health system, and Wake Forest Baptist Medical Center, a leading U.S. academic medical center, on their combination.

Historically, this is one of very few deals involving the combination of a leading academic medical center and a larger health system. Atrium is now a top 10 national health system in size.

A team of lawyers in our Washington, D.C., New York, and Denver offices led this transaction, with support from our antitrust, finance, regulatory, and tax practices.

#### Novartis

We advised Novartis on its acquisition of IFM Tre, a subsidiary of IFM Therapeutics, for up to US\$1.575bn and on its option to acquire IFM Due, also a subsidiary of IFM Therapeutics, for up to US\$840m.

The transactions allow Novartis to advance the development of NFLP3 and potentially cGAS/STING inhibitors to treat a range of serious inflammatory and autoimmune diseases.

A team of lawyers in our New York office led these transactions for Hogan Lovells, with support from our antitrust, employment, employee benefits, intellectual property, regulatory, and tax practices.

## Life Sciences and Health Care

"The Hogan Lovells top-class team excels in life sciences and health care."

Chambers Europe, 2019

## Osiris Therapeutics

We advised Osiris Therapeutics, a developer of regenerative medicine products, on its US\$660m sale to British medical technology group Smith & Nephew.

With Osiris's growing portfolio, the sale is expected to accelerate developments in Smith & Nephew's Advanced Wound Management franchise.

A team of lawyers in our Washington, D.C. office led this transaction, with support from our regulatory and tax practices.

#### PerkinElmer

We advised PerkinElmer, a global instruments, tests, and software provider to the diagnostics, life sciences, food, and applied markets, on its acquisition of Cisbio Bioassays.

The addition of Cisbio's capabilities to PerkinElmer enables life science researchers to have access to assay tools that address the broad diversity of target types and biological configurations, for both small molecule and biologic drug discovery.

A team of lawyers in our Paris office led this transaction.



10%
Decrease in global deal volum

(2019 vs. 2018)



26%

Increase in global deal value (2019 vs. 2018)



3rd

Sector by global deal value (2019)

Life Sciences and Health Care market statistics as published in Hogan Lovells Deal Dynamics



# **Real Estate**

Deal value and volume in the real estate sector remained relatively stable in 2019, held steady by investments into PropTech and other technology-driven disruptors.

The REIT M&A space in the United States continued to be vibrant in 2019, maintaining the ten-year high set during 2018 for M&A activity by publicly-traded equity REITs, particularly in the hotel and logistics subsectors.

In 2019, we launched our Hogan Lovells Real Estate Horizons, a snapshot of key topics and market trends shaping the future of the real estate sector. We also published thought leadership on topics including sustainability in Europe, the changing landscape of real estate taxation, cyber-attacks and data breaches, the new U.S. Opportunity Zone program, brand protection, and real estate debt funds.

We organized our inaugural Hogan Lovells Global Real Estate Investment Conference in London; held major client events around the world, including at MIPIM, Expo Real, and NAREIT; and expanded our Hogan Lovells Real Estate Academy in Germany.

Real Estate

Commercial Property: Development Band 1 Commercial Property
Legal 500 UK, 2019



We are advising the Special Committee of Carey Watermark Investors 1 on its all-stock merger with Carey Watermark Investors 2 to form Watermark Lodging Trust (WLT), a US\$4.6bn non-traded REIT with increased scale and operating efficiencies.

The transaction is expected to position WLT for long-term value creation and liquidity, including a potential public listing or IPO in the coming years.

A team of lawyers in our Washington, D.C. office is leading this transaction, with support from our employee benefits, employment, real estate, and tax practices.

## **Industrial Property Trust**

We advised Industrial Property Trust (IPT) on its US\$3.99bn sale to Prologis. The transaction involved 236 industrial properties located in 24 cities across the United States.

IPT is managed by Black Creek Group, an experienced real estate investment management and development firm. This is the second M&A transaction that the firm has advised on for public entities managed by Black Creek Group.

A team of lawyers in our Washington, D.C. office led this deal, with support from our employee benefits, litigation, and tax practices.

#### **Real Estate**

"Hogan Lovells handles a wide range of real estate work, including cross-border transactions."

Legal 500 USA, 2019

### Mapletree Investments

We advised Mapletree Investments on its US\$1.4bn acquisition of a data center portfolio in North America from Digital Realty Trust.

As part of the transaction, Mapletree purchased 10 existing data centers for approximately US\$557m and entered into a joint venture with Digital Realty Trust to co-invest in three additional data centers for approximately US\$811m.

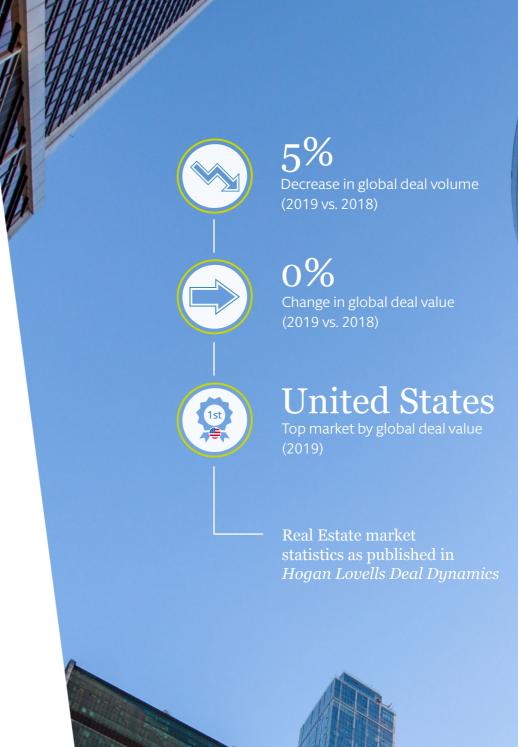
A team of lawyers in our Washington, D.C. office led this transaction, with support from our antitrust, environment, international trade, and tax practices.

#### Park Hotels & Resorts

We advised Park Hotels & Resorts on its US\$2.7bn acquisition of Chesapeake Lodging Trust, creating the second-largest publicly-traded lodging REIT in the United States.

The merger advances Park's strategic goals of portfolio enhancement and diversification.

A team of lawyers in our Washington, D.C. office led this transaction, with support from our employee benefits, finance, regulatory, real estate, regulatory, and tax practices.





# Technology, Media, and Telecoms

Despite a moderate decline in overall activity, the TMT sector ranked highest among all sectors by deal value and second-highest by deal volume in 2019.

The continuing imperative for all types of businesses to keep pace with rapid changes in technologies and address competition from start-ups encouraged technology-driven M&A as a preferred growth strategy.

In 2019, our TMT sector group launched A Turning Point for Tech: Global Survey on Digital Regulation, providing a comprehensive overview of legislative activities and political discourse affecting technology companies, as well as commentary from subject matter specialists providing context to political discussions.

We continued our global Internet of Things Webinar Series featuring topics such as cyber-threats, Brexit, the U.S. CLOUD Act, and investment arbitration. We also hosted the Annual Winnik International Forum in Washington, D.C., featuring a panel discussion on technology and media business and the legal issues related to industry convergence.

650+ Tier 1

lawyers

Technology Transactions Legal 500 USA, 2019

# **Applied Materials**

We advised Applied Materials, a leader in materials engineering solutions, on its US\$2.2bn acquisition of Kokusai Electric.

Kokusai's high-productivity batch processing systems and services for memory, foundry, and logic customers complement Applied's leading portfolio in single-wafer processing systems.

Lawyers in our Silicon Valley and Tokyo offices led this transaction, with support from our intellectual property practice.

#### Atlassian

We advised Atlassian, a leading provider of team collaboration and productivity software, on its acquisition of AgileCraft, an enterprise agile planning software company.

The alignment enables large organizations to scale the benefits of agile teamwork more widely across their companies. Many companies, including Anthem, AT&T, Dimension Data, Fidelity, and Nielsen, already utilize both providers.

Our Silicon Valley, San Francisco, and Los Angeles offices led this transaction, with support from our antitrust, cybersecurity, employee benefits, employment, intellectual property, international trade, litigation, and tax practices.

## Technology, Media, and Telecoms

"Hogan Lovells is a strong firm globally with especially significant strength in very complex technology M&A."

Chambers Global, 2019

## **Endemol Shine Group**

We advised Endemol Shine Group on its multibillion-Euro sale by Apollo Global Management and The Walt Disney Company to Banijay Group. Endemol Shine produces and distributes popular formats such as Big Brother, Peaky Blinders, MasterChef, and Black Mirror.

The sale creates the world's largest independent production group outside of U.S. studios with a pro-forma combined revenue of €3bn in 2019.

Amsterdam-based lawyers led a global team across 15 offices on this deal, with support from our employment, finance, intellectual property, litigation, projects, real estate, regulatory, and tax practices.

#### ITV

We advised ITV, an integrated producer broadcaster, on the formation of BritBox, a joint venture with the BBC to create a streaming service carrying "Best of British" television.

BritBox taps into the demand for a new British streaming service and will have thousands of hours of content from ITV and the BBC. as well as from other British broadcasters and production companies, across a variety of genres.

A team of lawyers in our London office led this transaction, with support from our antitrust, commercial, regulatory, and tax practices.



4%

Decrease in global deal volume (2019 vs. 2018)



16%



1st

Sector by global deal value (2019)

TMT market statistics as published in Hogan Lovells Deal Dynamics



# **Private Equity**

Our Private Equity team advised on a wide range of transactions in 2019, including mid-market and larger buy-outs, exits, and add-ons, as well as multiple fundraisings, secondaries, and co-investments.

Our lawyers also represented an increasing number of alternative asset managers, including sovereign wealth funds and infrastructure funds, on their direct investments.

Private equity fund managers have large amounts of capital at their disposal and sectors such as TMT, automotive and mobility, and life sciences and health care are expected to continue to see high levels of activity from financial sponsors during 2020. Leveraging their available capital, private equity firms will be well-positioned to capitalize on deal opportunities despite global economic and geopolitical uncertainty, particularly if strategic actors elect to exercise caution in the face of economic adversity.

During 2019, we hosted the third annual Hogan Lovells Sovereign Investor Conference, featuring panels composed of investment professionals and deal and regulatory lawyers discussing key issues facing governmentsponsored investors. Our Hogan Lovells Buyout Blog continued to address trends disrupting the global private equity industry.

Band 1

Private Equity

Corporate/M&A & Private Equity Chambers USA, 2019

"Acts for a broad spectrum of private equity houses and alternative asset managers, including specialist investors, sovereign wealth funds and pension funds. Noted for its strength in cross-border transactions."

Chambers UK. 2019

#### **ACON Investments**

We advised ACON Investments on the acquisition of Goody Products from Newell Brands and on Goody Products' follow-on acquisition of JD Beauty, as well as on ACON Investments' acquisition of Germaine de Capuccini, S.A. and its affiliates from the Vidal Family.

#### Pantheon Ventures

We advised Pantheon Ventures, a global investor with US\$47bn assets under management, on its US\$35m co-investment in Star Health Insurance, an Indian health insurance company, alongside Madison India Capital.

## Genui Partners and other shareholders of the All4Labels Group GmbH

We advised Genui Partners, a Germany-based private equity firm, and other shareholders of the All4Labels Group GmbH, a global packaging group, in the sale of the group to funds advised by Triton.

#### Star Capital

We advised STAR Capital, a European private equity firm, on its acquisition of Windhoist, a global leader in wind turbine installation.



# Venture Capital and **Emerging Companies**

In 2019, our Venture Capital and Emerging Companies practice continued to build strategic connections among companies, investors, and entrepreneurs, advising on seed and later-stage investments, the formation of venture capital funds, and investments made in connection with simultaneously negotiated commercial transactions.

We also assisted our clients in connection with fundraising, investments, corporate governance, and exit transactions across our regions and industries.

Significant amounts of liquidity remain available in the global venture capital market. Even with continuing global economic and geopolitical uncertainty, we expect that clean energy and battery technologies, as well as other disruptive technologies within Al, automotive, FinTech, health, and biotech, will continue to be attractive sectors for venture capital investment.

Band 2

Venture Capital lawuers

Venture Capital Legal 500 Germany, 2019 "The very strong team at Hogan Lovells has an established reputation ... and is adept at handling mandates from a wide range of sectors within the emerging growth company area."

Legal 500 USA, 2019

## FlixMobility

We advised FlixMobility, the parent company of global mobility platforms FlixBus and FlixTrain, on its Series F Funding round. This transaction is one of the largest equity financing rounds ever in Germany.

## Ford Motor Company

We advised Ford Motor Company on its US\$1.3bn financing into Rivian Automotive, an electric vehicle manufacturer, which was co-led by T. Rowe Price, Amazon, and Ford.

#### Norwest Venture Partners

We advised Norwest Venture Partners on its investment in InfluxData's US\$60m Series D financing round, on its investment in Productiv's US\$20m Series B financing round, and on its investment in Algorithmia's US\$25m Series B financing round.

#### Santander InnoVentures

We advised Santander InnoVentures, Santander's corporate venture arm, on its investments in Truelayer, Crosslend, and Bonify as well as follow-on investments in Curve, Elliptic, and Creditas.





# 2020 and beyond

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# The year ahead: 2020

Dealmaking thrives in an environment of predictability and certainty.

Looking ahead, there are a number of market fundamentals that suggest promising conditions for continued deal activity in 2020, including the healthy balance sheets of corporations, the significant deployable cash reserves of private equity firms, the rise in M&A-focused shareholder activism, and the availability of low-cost capital.

While these fundamentals give optimists reason to believe in another year of robust M&A activity, anxieties associated with the spread of COVID-19 and its anticipated impact on M&A, the uncertainty surrounding the U.S. presidential election, and the reality that key markets may now be near the end of their economic cycles, could dampen deal volume and deal values to a substantial degree over the balance of this year.

Over the months to come, market participants, whether optimistic or anxious at the outset of 2020, will closely follow the strength of the overall economy as well as consumer confidence as important drivers for M&A.



Market conditions suggest that 2020 will be another busy year for transactional activity, but the impact of COVID-19 and the results of the U.S. presidential election introduce elements of significant uncertainty that could erode the momentum for dealmaking.

William J. Curtin, III Hogan Lovells Global Head of M&A



## Low cost capital and available cash

Private equity firms, fortified by record levels of deployable capital and ready access to debt financing, are expected to remain active participants in M&A transactions during 2020. U.S. strategic acquirers are also well-placed for dealmaking, with an estimated US\$1.55tn at hand on balance sheets at the outset of this year.

The prevalence of low interest rate markets should continue to facilitate an attractive financing environment for dealmakers. These cash and financing fundamentals should enable sponsors and strategics to implement non-organic growth strategies in the pursuit of expedited technological advancements.

## Shifting geopolitical currents

As we begin 2020, the success of the Conservatives in the UK elections established greater clarity for Brexit, while China and the United States reached a Phase 1 agreement over trade conflicts. These developments should promote more robust cross-border transaction activity, as Boris Johnson's decisive victory brings a sense of stability in the UK, and Chinese companies prepare for the next wave of global expansion by focusing on the infrastructure and manufacturing sectors through pursuit of the PRC's Belt and Road Initiative.

In the face of these significant global political and economic developments, uncertainty stemming from whether a progressive or more moderate nominee will emerge from the Democratic National Convention in July, and its potential to impact the results of the ensuing U.S. presidential election, could adversely impact deal activity this year.





#### Shareholder activism

The influence of shareholder activism is likely to shape deal activity again in 2020. Shareholders feel increasingly empowered, as they drive deals and persuade boards to explore M&A as a strategic priority, oppose board-backed transactions perceived by activists as overpriced or misguided, and hold boards and management accountable for return on investments. Activist involvement in dealmaking is expected to continue to rise, through efforts to promote various M&A initiatives, including company sales, selective divestitures, and public opposition to questionable transactions.

#### Rising European M&A

European companies are increasingly looking beyond Europe for business opportunities. This macro development is expected to increase given the technological evolution that continues to challenge traditional business models, the significant number of high-value technology assets located outside of Europe, and the low organic growth rate for member states within Europe as projected by the European Commission. In parallel, U.S. and Asian buyers should have opportunities to capitalize on their currency strength through investments in Europe.

#### COVID-19

At the start of 2020, the full extent and impact of coronavirus remains unknown; however, global stock markets have already experienced significant volatility. Some participants in M&A transactions are examining the possibility of triggering "Material Adverse Change" clauses to impede the completion of, or at least to trigger a renegotiation of terms for, previously announced transactions; other participants are considering deferring M&A activity altogether. Activity in the consumer and diversified industrials sectors, and companies heavily relying on supply chains in China and Southeast Asia, are the most vulnerable to the detrimental consequences of the epidemic – with other sectors at risk if coronavirus swells to pandemic status.



# Our new Corporate partners and counsel

Lateral partners and counsel welcomed to our Corporate Practice 23

Corporate lawyers elevated to partner and counsel



#### Americas

Partners	Cristina Arumi Washington, D.C.	Suzanne Filippi Boston	Bob Juelke Philadelphia	Michael Kuh New York	Josh Scala San Francisco
	Abigail C. Smith Washington, D.C.	Ana Tenzer Denver	Adriana Tibbitts Baltimore	Gabrielle Witt Northern Virginia	
Counsel	Ryan Adrian <i>Denver</i>	Scott Campbell  Denver	Derrik Forshee Baltimore	Erin Howell New York	Andrew Zahn Washington, D.C.



# Africa, Asia-Pacific, and Middle East

Partners	Charles Bogle	Laurence Davidson	David Holland	Stephanie Tang	James Wood
	Sydney	Hong Kong	Sydney	Hong Kong	Sydney
Counsel	Danielle Wu				



# Continental Europe

Partners	Sabrina Handke <i>Munich</i>	Alexander Koch Luxembourg	Urszula Nartov Hamburg	wska	
Counsel	Christiane Alpers Hamburg	Alberto Bellan <i>Milan</i>	Mark Devlin Frankfurt	Paul Leroy <i>Paris</i>	Jean-Philippe Monmousseau Luxembourg
	Eduardo Pérez <i>Madrid</i>	Aafke Pronk Amsterdam	Susanne Ries Frankfurt, Berlin	Tobias Strohn Dusseldorf	neier



#### United Kingdom

Partners	Fiona Bantock London	Hannah Quarterman London	Jonathan Russell London	
Counsel	Natalie Psaila London	Amelia Stawpert London		



# Our 2020 M&A events

Through our global M&A programs, we offer platforms for thought leadership and engagement on issues affecting the M&A landscape and impacting our clients' businesses.

Our programs aim to bring together leading industry speakers, clients, and our Hogan Lovells lawyers for an exchange of ideas with respect to deal trends and other market developments.

We will host M&A events throughout the year and across our regions, including those events featured on these pages.

For more information on our event series, please contact MAevents@hoganlovells.com.



Shareholder Activism Webinar Washington, D.C., London

> M&A Forum Silicon Valley

Select 2020 London

Investing in Vietnam and Indonesia Tokyo

M&A Academies Germany

M&A Forum Silicon Valley

Distressed Investment Seminar New York

M&A Study Session for Japanese Companies Tokyo

> M&A Boot Camp Training Silicon Valley

M&A Forum Silicon Valley

M&A Academies Germany

M&A Boot Camp Training Silicon Valley

Africa Forum London

M&A Study Session for Japanese Companies Tokyo

Sovereign Investor Conference

New York

Public M&A Seminar London

Going Global Tokyo

M&A Forum Silicon Valley

M&A Academies Germany



Q1

Q2

Q<sub>3</sub>



# Our M&A publications

As an integral part of the Hogan Lovells M&A offering, we produce thought leadership across our four pillars of technical excellence, global reach, industry knowledge, and full-service capabilities.

To learn more, please contact us at MApublications@hoganlovells.com.



Technical Excellence











Global reach











Industry knowledge



Automotive



Hogan Lovells | M&A Year in Review | 2019



**Full-service** capabilities





M&A Decisions Update

DOJ and FTC extend deadline for public comments on draft vertical merger





# Hogan Lovells Deal Dynamics

Hogan Lovells Deal Dynamics is our interactive online M&A data tool, providing in-depth analysis of global transactional activity.

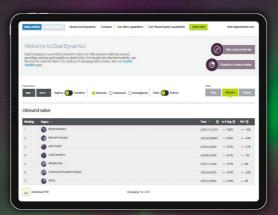
Powered by Refinitiv's proprietary M&A deals database, cross-border and domestic deal value and volume figures are available by country, region, and sector through an interactive heat map and deal table displays.

The deal activity dataset is supplemented by exclusive editorial content and interviews with our clients and Hogan Lovells partners providing analysis and insights on the M&A market on a quarterly basis.

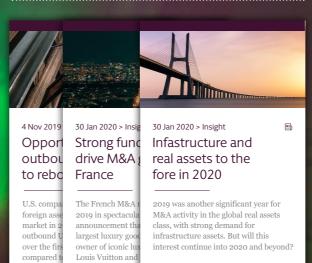


Visit Hogan Lovells Deal Dynamics at: dealdynamics.hoganlovells.com

#### Market view



# Market insights



#### Sector view



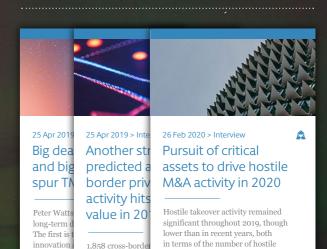
#### Interviews

industry.

number of c

total of US\$456 b

2018, the highest



of overall M&A activity.



# **Our values**

### Citizenship

#### Community investment

We team up with nonprofits and local leaders to make sure our contributions have a lasting impact, including by preparing meals for the homeless, supporting those who have suffered from domestic violence, and educating future generations of lawyers.

#### Pro bono

We donate our legal skills to help the wrongfully convicted, those fleeing persecution and violence, disenfranchised voters, the homeless and hungry, victims of human trafficking, and additional underserved populations.

#### Matched giving

Each Hogan Lovells office unites behind a local charity and, together, we support one global organization. In 2019, we supported Barefoot College in the training of over 400 women to bring clean, renewable light to 20,000 families across more than 35 countries.

#### Sustainability

We pursue sustainability in our offices around the world through bike-to-work programs, composting, auto-light sensors and computer shut-offs, e-waste recycle days, among other worldwide initiatives.

# Diversity and inclusion

Diversity makes us a better law firm, drives innovation, and helps us attract the best talent while creating optimized experiences for our clients. We are committed to nurturing an inclusive working environment where all of our people can be themselves and feel empowered to succeed.

# Our global diversity and inclusion brochure



# Our 2019 pro bono report





2019

Most Inclusive Firm for Minority Lawyers Chambers USA



100%

Corporate Equality Rating Human Campaign, 2010 - 2019



Pro bono hours during 2019 by Hogan Lovells lawyers worldwide



Firm for Gender Equity Yale Law Women, 2019 Alicante Milan

Amsterdam Minneapolis
Baltimore Monterrey
Beijing Moscow
Birmingham Munich
Boston New York

Brussels Northern Virginia

Budapest\* Paris Colorado Springs Perth

Denver Philadelphia
Dubai Riyadh\*
Dusseldorf Rome

Frankfurt San Francisco
Hamburg São Paulo
Hanoi Shanghai

Ho Chi Minh City Shanghai FTZ\*
Hong Kong Silicon Valley
Houston Singapore
Jakarta\* Sydney

London Ulaanbaatar\* Los Angeles Warsaw

Louisville Washington, D.C.

Luxembourg Zagreb\*

Madrid

Johannesburg

Mexico City \*Our associated offices

Miami Legal Services Center: Berlin

Tokyo

# www.hoganlovells.com

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The word "partner" is used to describe a partner or member of Hogan Lovells International LLP, Hogan Lovells US LLP or any of their affiliated entities or any employee or consultant with equivalent standing. Certain individuals, who are designated as partners, but who are not members of Hogan Lovells International LLP, do not hold qualifications equivalent to members.

For more information about Hogan Lovells, the partners and their qualifications, see www. hoganlovells.com.

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