



Press release

Increasing M&A activity in the industrial sector: MP Corporate Finance expects greater internationality and dynamism in 2024

- **Consultancy firm anticipates recovery in purchase prices and more cross-border deals**
- **Deal-makers focusing on targeted transformation management acquisitions**
- **Environment requires surgical, carefully planned transactions**

Frankfurt/Vienna, January 31, 2024 – 2024 may again see more mergers and takeovers in Europe’s manufacturing industry. Following often sluggish deal activity in 2023, there are growing signs that the market may be returning to pre-Covid levels and that purchasers’ and sellers’ purchase price expectations are again coming closer into line. According to consultancy firm MP Corporate Finance (“MP”), which has Europe’s largest team of transaction advisors specialising in the industrial sector, the new M&A year is already being driven by “transformation technology”. Companies of all sizes are on the lookout for strategic acquisitions in the fields of artificial intelligence, sustainability and risk minimisation, including – increasingly – cross-border acquisitions.

This observation also reflects the company’s own activity on the consultancy market: 25 years after its formation as the first corporate finance firm to specialise in a particular economic sector from its very inception, MP successfully supported a total of 23 high-profile industrial transactions in 2023. Most of them with international involvement. With a total volume of around EUR 1.9 billion, these include several prestigious cross-industry deals in the Electronics, Tech & IoT, Engineered Polymers, Packaging, Mobility and Wood & Paper sectors, for example the acquisition of the RICO Group by Semperit, the sale of Wentus to Trioworld, the sale of Argolite to Swiss Krono Group and FRIWO’s disposal of its EMS business in Ostbevern to Private Assets. Roman Göd, Managing Partner & Co-Founder of MP, explains: “Individual subsectors and industries each present their unique challenges and dynamics. Last year, the entire industry was forced to confront familiar geopolitical, macroeconomic and regulatory challenges. Given that the times we live in are being shaped by multiple crises, the industry’s prevailing resilience in many places is impressive. It is assisted, not least, by a multitude of far-sighted transactions.” He went on to point out that it will become increasingly important in the future to identify the “best fit” and to pay the utmost attention to success factors such as due diligence, finance and ESG integration.

Clear signs of a market upturn

“In an increasingly complex and competitive market, strategically strengthening oneself as best as possible and getting ready for the future, while also finding the optimal new “home port” for one’s life’s work or finding the most promising growth candidates as an investor, requires a huge degree of foresightedness and circumspection”, says Gregor Nischer, Founding & Managing Partner at MP. The outlook is positive overall, he says, even if he expects a few additional distressed deals and enforced spin-offs in 2024: He notes that, as well as efforts towards strengthening the transformation technology sector, signs of a decline in inflation and interest rates, as well as record levels of “dry powder”, point to a much more active M&A year in 2024. The new year quickly got off to a dynamic start for MP, as the company assisted Capvis’ portfolio company Xovis with the purchase of HELLA’s people-counting business. Valuations should also gradually move back towards levels that will bring buyers and



sellers back to the negotiating table more often once again – especially good news for crisis-stricken sectors such as the mobility industry.

MP has teams of advisors who have many years' experience in a wide range of industry sectors, understand their issues, and have excellent international contacts. In this way, you can support your clients in optimally confronting the trends and challenges in their respective industries through M&A and quickly achieving success. Let us take the packaging industry as an example. There, market players big and small are trying to become stronger in the field of sustainability through targeted acquisitions of suitably specialized providers. According to MP, M&A activity in this area has ticked upwards by almost 19.5% in the last twelve months despite sometimes adverse market trends, not least thanks to strong demand problems among many smaller players.

M&A environment will continue to become increasingly international in 2024

For the upcoming M&A year, MP's experts also expect to see an increase in international transactions – most notably with respect to the participation of US and Asian actors. Examples here include the Electronics, Tech & IoT sector, where particularly European countries are again exploring new overseas expansion opportunities more frequently. "We already recorded a majority of deals from an international environment in 2023. Every other transaction we supported occurred across borders. For instance, 80% of them involved US participation", explains Göd. As well as appointing additional international M&A experts, MP also responded to growing global interest by opening another office in London in 2023.

About MP Corporate Finance:

MP Corporate Finance is a leading international M&A consultancy firm specialising in the industrial sector. As an experienced partner, MP assists mid-cap contractors and management teams, private equity decision-makers and business insiders with complex transactions, both on the sell side and the buy side, and offers support in respect of areas including buy-and-build strategies and carve-outs, and across the entire private equity lifecycle. MP was established by Roman Göd and Gregor Nischer in Vienna in the 1990s as the first European M&A firm with a sector-focused approach to consulting. Today the company employs more than 70 hands-on experts at five locations around the world – in Vienna, Frankfurt, London, Istanbul and Chicago – and has the biggest team for industrial M&A throughout Europe. MP has successfully accompanied more than 700 industry transactions to date with its unique "industry deep-dive" approach, including both German-speaking and international clients from the investor landscape, mid-caps and groups, including 60% of the companies listed in the MSCI Industrials & Materials index.

For further information see www.mp-corporatefinance.com.

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