

# UK & IRELAND M&A UPDATE - Q3 2019

## LOGISTICS & SUPPLY CHAIN MANAGEMENT



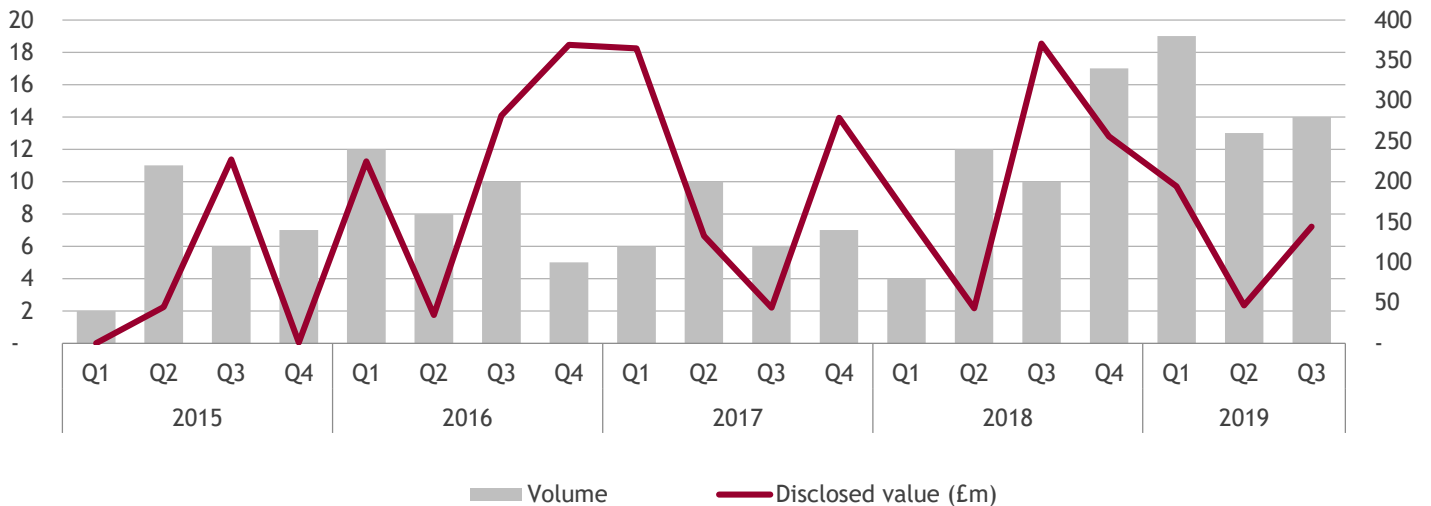
**14**  
Deals completed

**£145m**  
Aggregate disclosed deal value

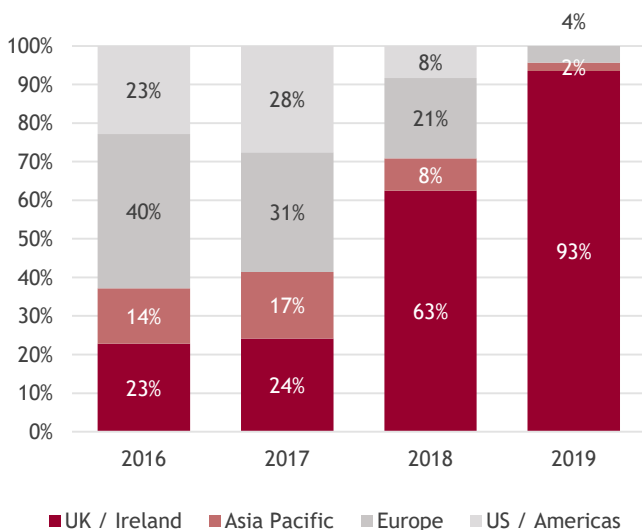
**40%**  
Q3 deals where the buyer was an institutional investor

**Freight Logistics**  
Most active subsector 2019 YTD

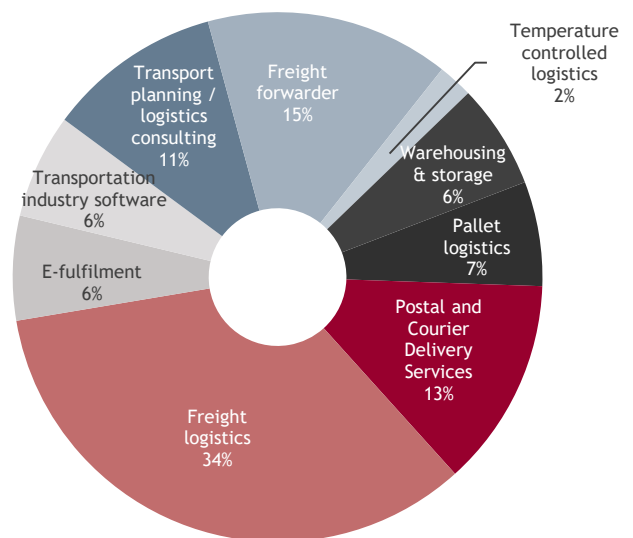
DEAL VOLUME & VALUE 2015 - 2019 (Q3)



UK & IRELAND ACQUISITIONS BY BUYER GEOGRAPHY



2019 YTD DEALS BY SUBSECTOR



## UK LOGISTICS DEAL ACTIVITY CONTINUES APACE

“In the UK we continue to see strong deal volumes, with Q3 delivering 14 completions; 2019 YTD volumes are up 77% on the same period in 2018. Whilst trade buyers accounted for the majority of acquisitions, Q3 saw strong interest from institutional investors, who were involved in 40% of deals in the quarter.

Against the backdrop of unresolved EU-related uncertainty, domestic transactions are dominating the market, with only 7% of 2019 deals seeing international buyers. The wider market activity was dominated by news of the completion of DSV's acquisition of Panalpina, and it will be interesting to see how their integration strategy develops.

Consolidation remains high on boardroom agendas as companies look to deliver efficiencies to maintain and drive margins, and push to provide more value added services. DSV Panalpina have stated that after a short period of initial integration it will be ready to consider further acquisitions, and it is interesting to see Wincanton entering the fray and embarking on due diligence on Eddie Stobart.

JASON WHITWORTH, M&A PARTNER

## RECENT DEALS

### Rhenus continues UK acquisition drive with PSL Group

German-based global logistics provider Rhenus has continued to show positivity towards the UK logistics industry with its second acquisition in 2019 in the region. PSL provides full & part load, groupage and express road freight services throughout Europe. Rhenus is a growing force in the logistics industry worldwide as it expands inorganically. This deal follows the acquisition of UK fulfilment specialist CML in Q1, and 2019 has also seen it make acquisitions in Switzerland, Belgium, Canada, Spain, the US and South Africa.

### DSV completes its acquisition of Panalpina

The much anticipated £3.6bn tie up of DSV and Panalpina makes the enlarged business one of the largest transport and logistics companies in the world, with in excess of 60k members of staff and turnover of c. £14bn. Despite ongoing integration work, which may see far reaching management cuts, the group is already considering further large acquisitions. Thomas Plenborg, Chairman of DSV Panalpina stated “Additions in the road are likely to be on the radar next. The industry is still very fragmented and there's lots of scope for further consolidation.” Both DSV and Panalpina have operations in the UK, so interest in UK assets may follow.

### Interest in Eddie Stobart hots up

With discussions ongoing with DBAY Advisors, a request has been made to the Panel on Takeovers and Mergers to extend to 8 November the date by which DBAY must make a firm offer for Eddie Stobart (ESL), the AIM listed logistics services business. On 18 October, Wincanton announced they were in diligence with a view to concluding a deal; it currently has until 15 November to announce a firm intention to acquire the shares. Meanwhile, Andrew Tinkler's TVFB has confirmed it has no intention of making an offer.

Trading in ESL shares were suspended in August after accounting discrepancies were discovered. This led to a shake up at the top, with CEO Alex Laffey stepping down to be replaced by Sebastien Desreumaux joining from JF Hillebrand.

TO DISCUSS ANY MATTERS ARISING FROM THIS UPDATE, PLEASE CONTACT OUR SECTOR TEAM:



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