



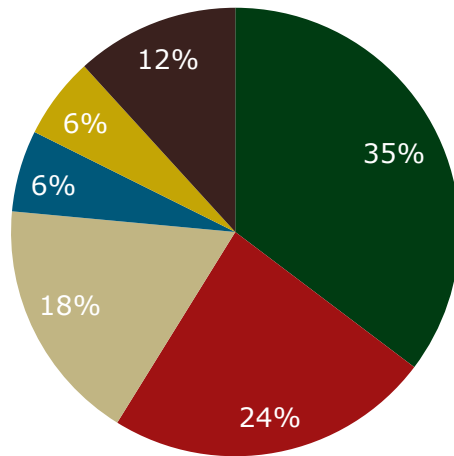
Attitudes to M&A Survey – Summary Results

30 July 2020

Thank you for completing our Attitudes to M&A Survey!

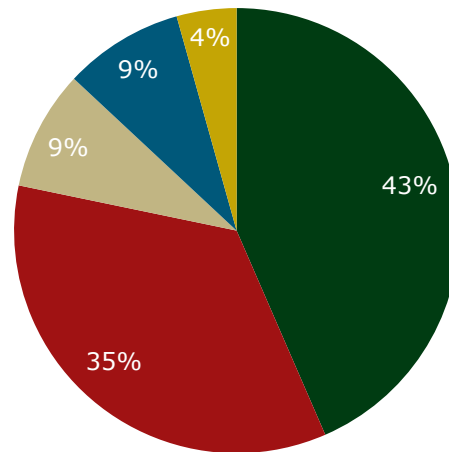
We had surveys completed from all over the world – mostly from Technology-based on consulting firms

Responses by Sector



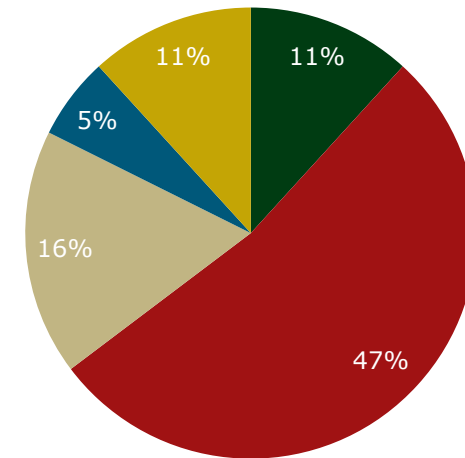
- Technology Services
- SaaS/MarTech/Fintech
- Management Consulting
- HCM
- Engineering
- Other

Responses by Region



- Europe
- N. America
- APAC
- ANZ
- ROW

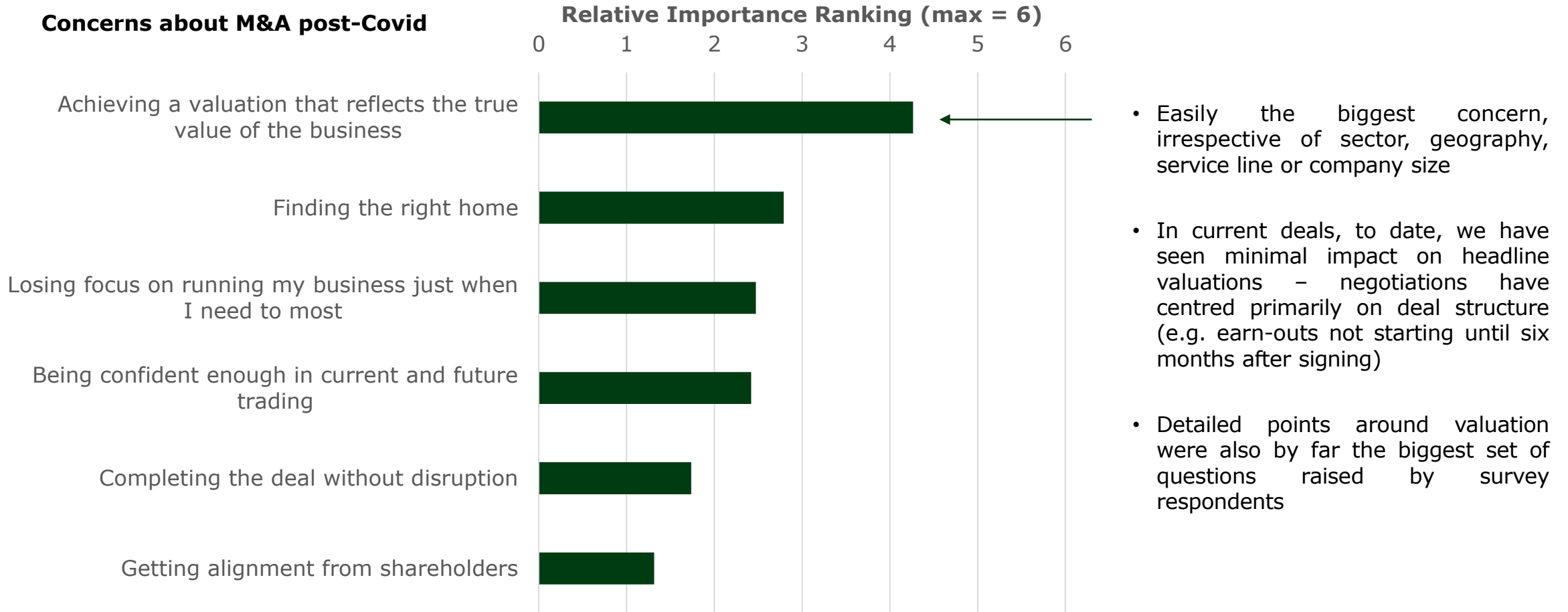
Responses by Firm Size (#Staff)



- Up to 50
- 51-200
- 201-500
- 501-1,000

Achieving a fair valuation in the current market is easily the biggest concern

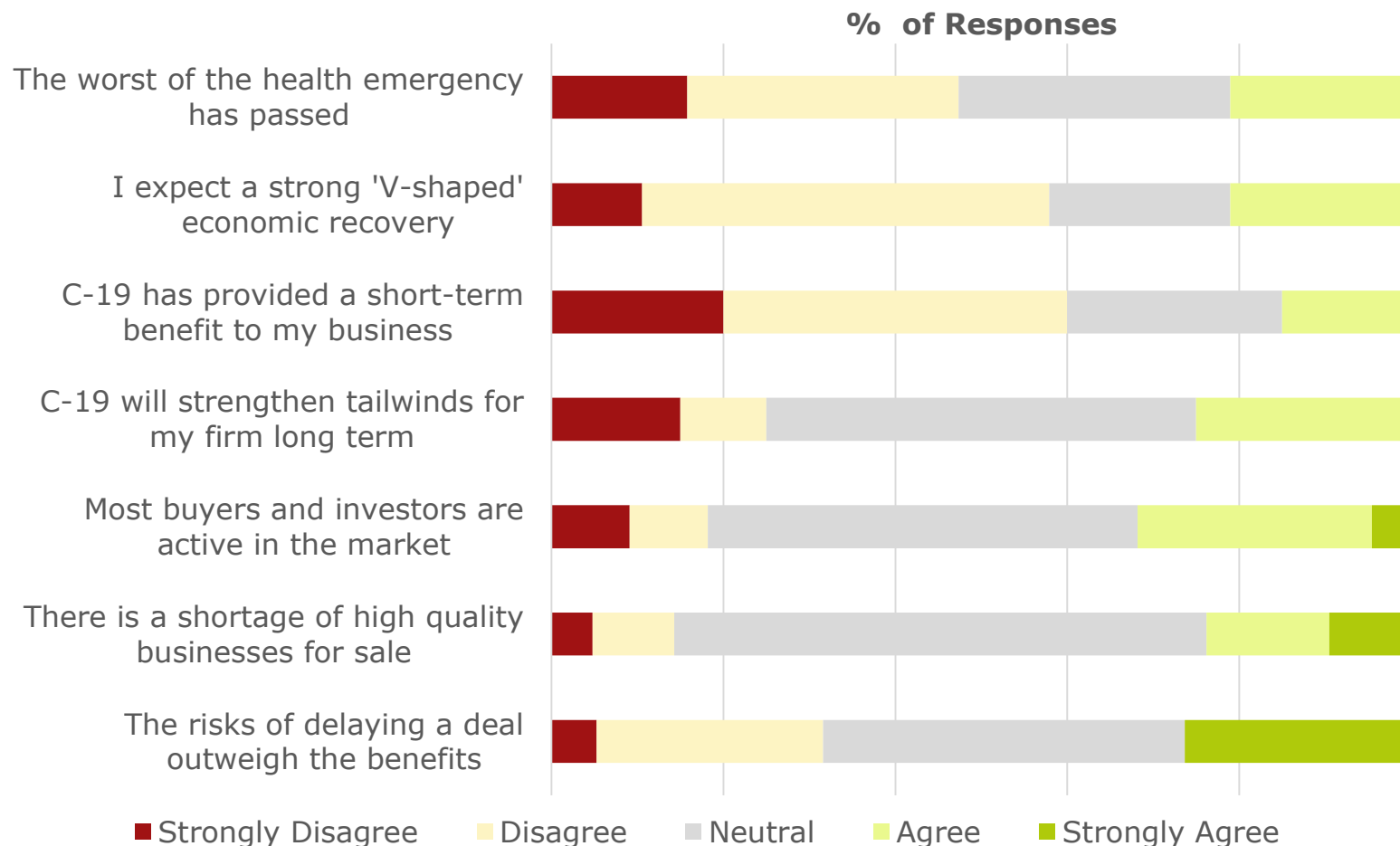
We asked about people's concerns about entering an M&A process post-Covid



Most people are negative about the health and economic backdrop; more uncertain about M&A conditions

We asked whether you thought there are any potential positives for M&A

Potential Positives for M&A

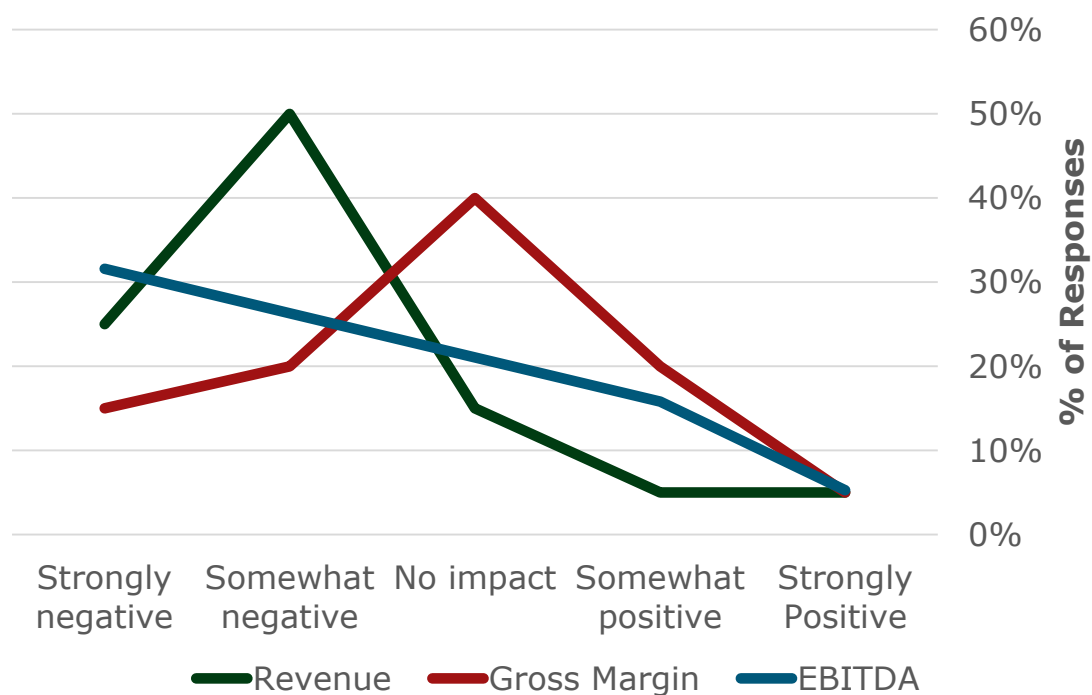


- A near-majority of respondents are negative about the health emergency
- Most people are pessimistic about economic recovery – with any longer-term 'tailwind' benefits very uncertain
- Respondents are undecided about M&A conditions. We see an overwhelming majority of our usual sector buyers/investors active in the market, chasing fewer high quality businesses than six months ago – but this isn't reflected in your attitudes
- A substantial minority see the risks of delaying a deal outweighing the benefits of waiting – this is particularly prevalent in UK market, possibly reflecting fears around removal of capital gains tax differentials, and the compounding uncertainty of Brexit

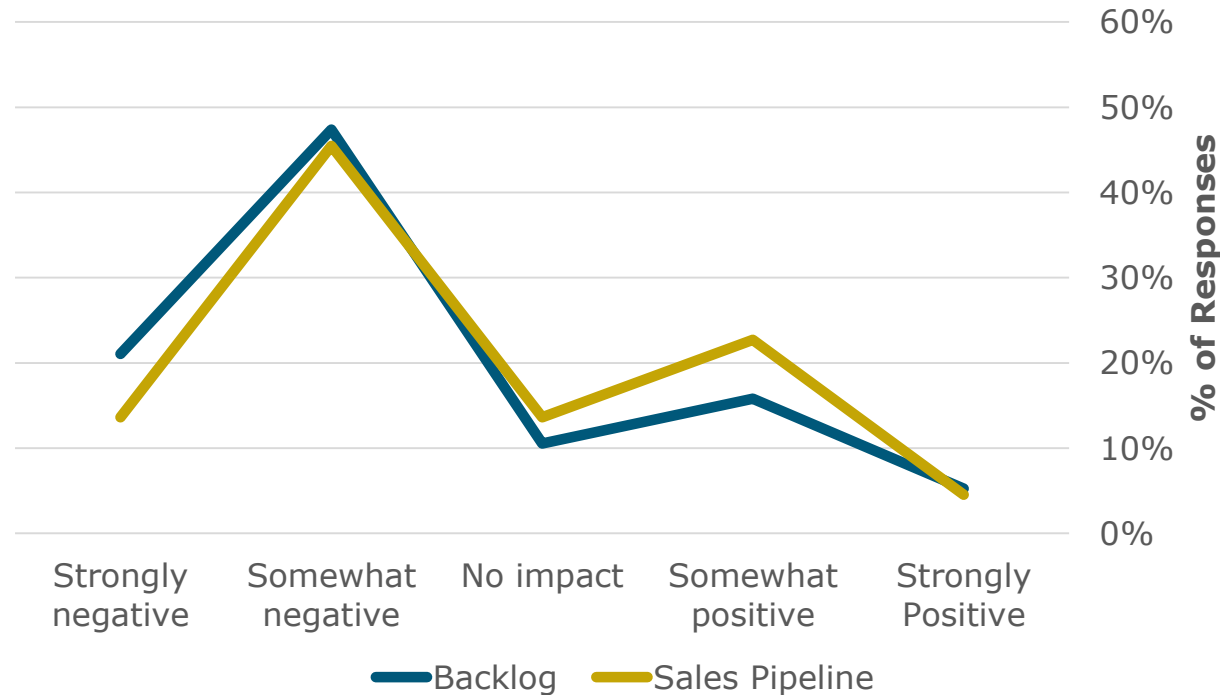
Respondents reported impact of Covid-19 across almost all sectors and regions, with some pockets of strength

We asked about the impact of Covid-19 on your trading and business development

Financial – the biggest impact has been on top-line



Backlog/Pipeline – majority of firms impacted

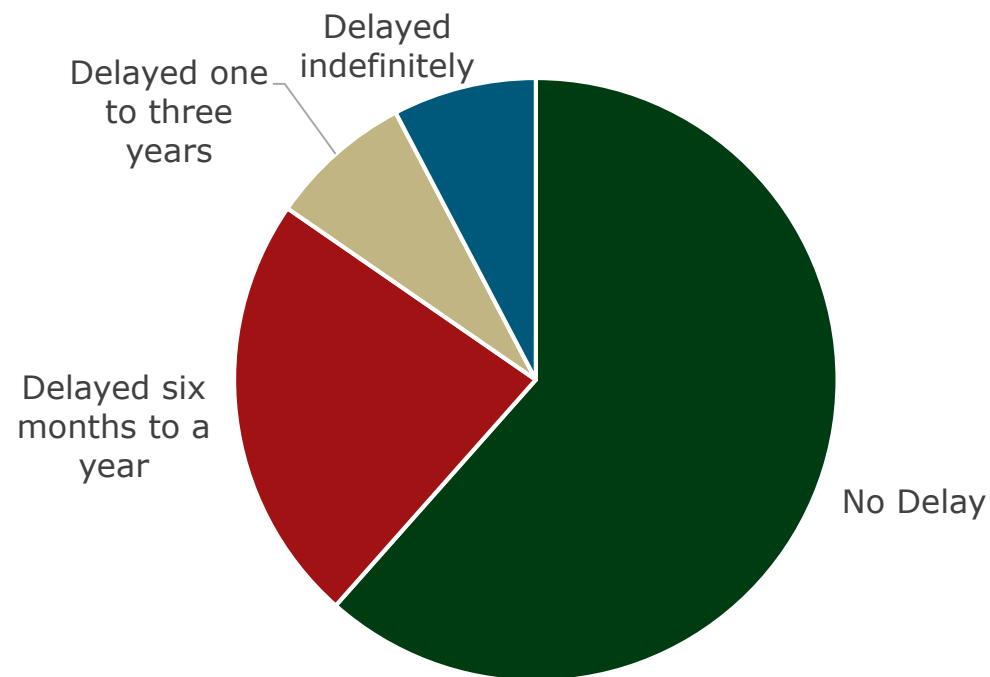


- Most firms that responded has impacts in one or more metrics – again, largely independent of region and sector
- The most positive firms are engaged in e-commerce, software development, cyber, cloud and related technology services, as well as engineering
- Management consulting firm owners reported fairly broad impacts (despite many resources being able to 'work from home')
- Businesses focused on human capital (training, leadership development, recruitment) reported the highest impacts

Despite the negative backdrop, most owners planning M&A events are not expecting to delay their process

We asked whether Covid-19 would impact your plans to enter an M&A process

Impact of Covid-19 on M&A plans¹



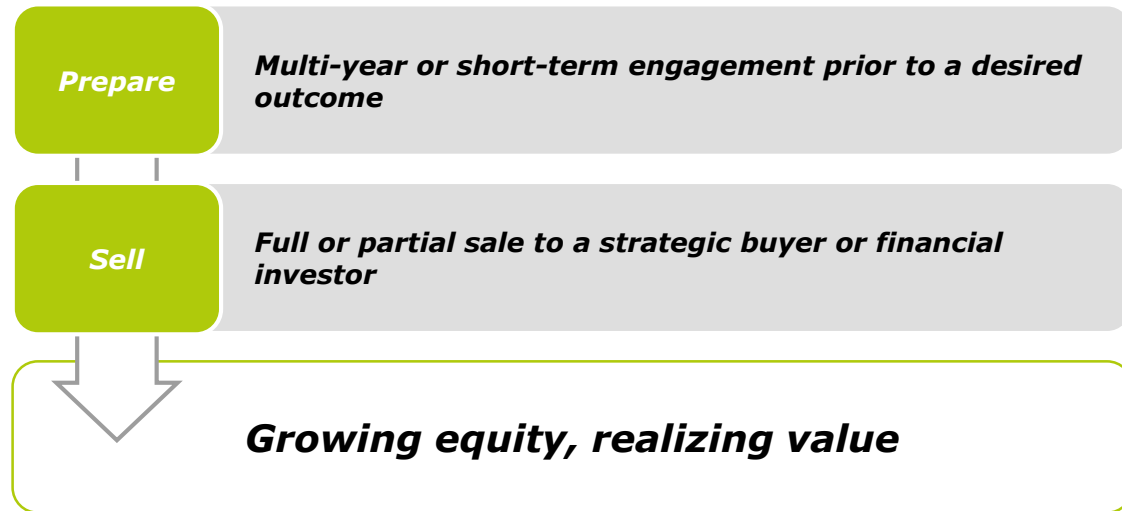
- It appears most owners are looking ahead from current challenges and retaining (or making only small adjustments) to their strategic M&A plans
- For many owners, we believe taking this calculated risk is worth considering given levels of uncertainty in the economy, future development of the pandemic, and government reactions (e.g. tax on sale proceeds)
- We have already observed an increase in new sellers in our dealflow (and have record levels of activity on buy-side), which we expect to continue
- Our team has also increasingly fielded enquiries from owners exploring partial sales with financial investors – reflecting shareholders wanting to realize some equity at current prices (partially derisking personal assets after the Covid-19 shock), and re-capitalise their firms for growth

1. Excludes ~40% of respondents that were not planning an M&A event

The global Knowledge Economy M&A and strategic advisory firm

Equiteq leverages its long-term engagement model and deep Knowledge Economy expertise to advise clients in the maximisation of their equity value, with our truly global presence allowing us to provide either a local or cross-border team

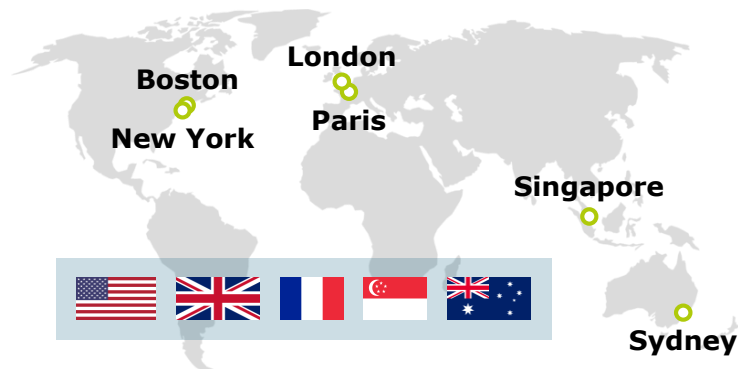
Long-term engagement model



50 employees

6 offices

4 continents



Why Equiteq is best-placed to deliver value to our clients



Further help

For a confidential discussion, please make contact with today's panellists:



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