

M&A value down 12% in 2017

T E NARASIMHAN
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Mergers and acquisitions (M&As) during the year till December 7, declined by 12 per cent to \$55.93 billion from \$63.48 billion in 2016. The number of deals also fell to 1,375 from 1,381 a year ago.

The falling transaction value was led by a decline in the value of deals in the energy and materials segments. The telecommunications, technology and retail sectors saw a rise in M&A activity.

The biggest deals during the year were Vodafone group's pending acquisition of Idea Cellular's mobile business for \$11.62 billion, followed by IndusInd Bank's plans to acquire Bharat Financial Inclusion for \$2.39 billion and Infosys' repurchase of 113 million shares for \$2.03 billion.

According to data from Thomson Reuters, the value, including net debt, of the target company rose to \$22.56 billion in the first quarter of 2017, followed by \$10 billion each in the second and third quarters and \$12.24 billion in the last quarter.

The telecommunications industry saw 31 deals worth \$18.48 billion, up from 23 deals worth \$2.80 billion in the previous year. The financial sector saw 240 deals worth \$9.6 billion against 225 deals worth \$9.9 billion a year ago.

Deals in the energy sector fell from 105 a year ago to 80 this year, and their cumulative value declined from \$21.75 billion to \$2.70 billion. Deal value in the materials segment declined from \$9.23 billion last year to \$1.78 billion this year.

The retail industry saw an increase in transaction size to \$1.67 billion in 52 deals this year from \$945 million in 74 deals last year. Real estate also reported \$3.26 billion value in 61 deals against \$1.81 billion in 42 deals a year ago. Healthcare deals declined to \$3.27 billion from \$5.79 billion last year.

Inbound deals rose by 8 per cent in value to \$29.9 billion (317 deals) from \$27.5 billion (341 deals) last year. Outbound deals fell 70 per



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cent to \$2.57 billion (134 deals) from \$8.73 billion (175 deals) last year.

Private equity investments almost doubled in 2017 to \$8.89 billion from \$4.98 billion a year ago, although these did not reach the level seen in 2014, of \$19.05 billion in 326 deals.

PE deals were led by the \$2.5 billion investment

by SoftBank Investment Advisers and other undisclosed investors in two transactions, followed by a \$1.14 billion investment by SoftBank Group and others in ANI Technologies, which runs taxi aggregator brand Ola, and a \$951 million investment by Canada Pension Plan Investment Board and KKR among others in Bharti Airtel.