A low-angle, upward-looking photograph of several modern skyscrapers. The buildings are silhouetted against a sky that transitions from a deep teal at the top to a warm orange at the bottom. The grid-like patterns of the building facades are prominent.

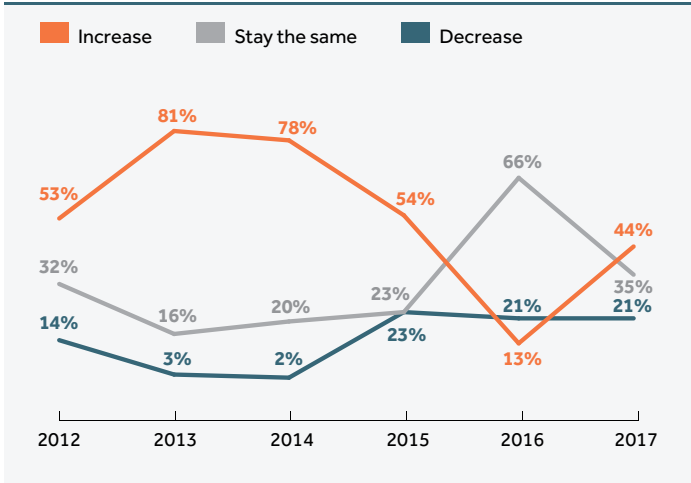
# 10<sup>th</sup> Annual 2017 Global M&A Survey

BRUNSWICK



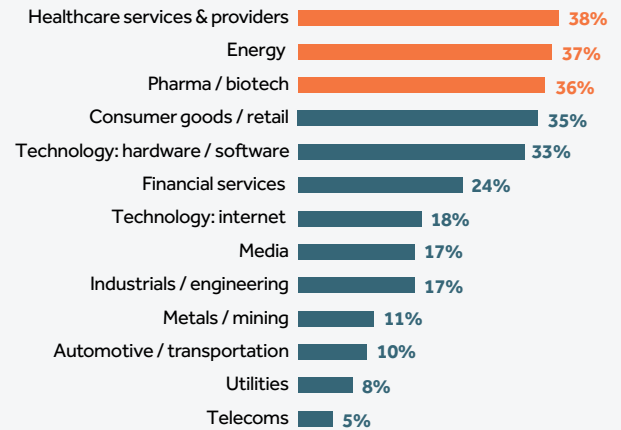
# The M&A Outlook

## Dealmakers are more bullish on a resurgence in deal activity in 2017 after a slower year of M&A in 2016



Compared to the level of deal activity in 2016, do you expect that the level of global M&A will increase, decrease or stay the same in 2017?

## Healthcare, energy and pharma seen as busiest sectors for consolidation in 2017



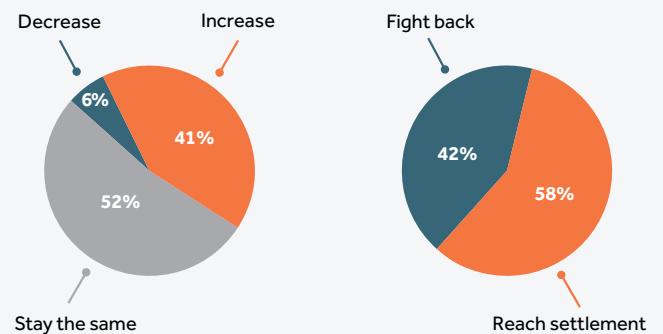
Which sectors do you anticipate are the most ripe for consolidation in 2017?

## Potential corporate tax reform is the leading factor affecting global M&A in 2017



What are the key factors that will impact global M&A in 2017?

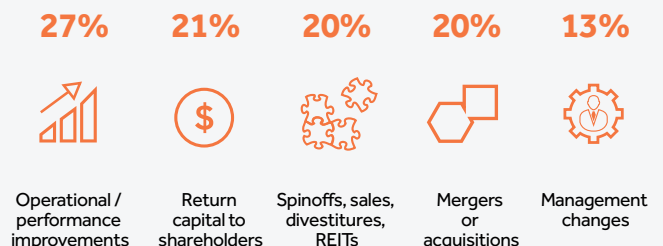
## Activists are here to stay – companies are expected to settle rather than fight



Do you expect the level of shareholder activism activity to increase, decrease, or stay the same in 2017?

Do you expect companies and boards to fight back in response to activists, or settle?

## Activists expected to seek M&A and spinoffs/divestitures in addition to performance and returns

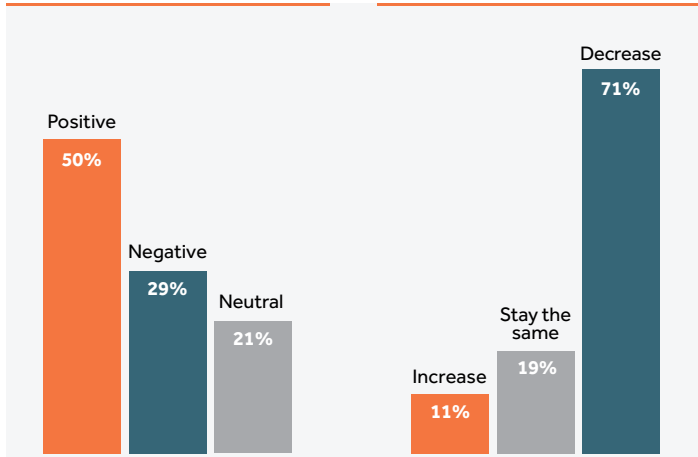


What do you expect will be the most recurring demand among shareholder activists in 2017? (Only top selected answer choices shown)



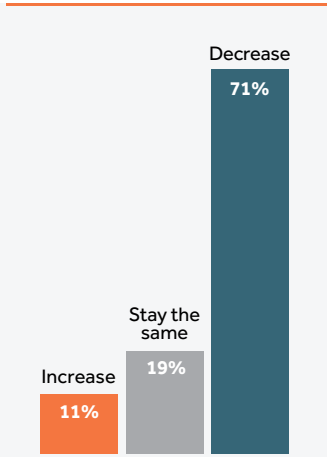
# The Trump Effect

## Trump seen as positive for dealmaking



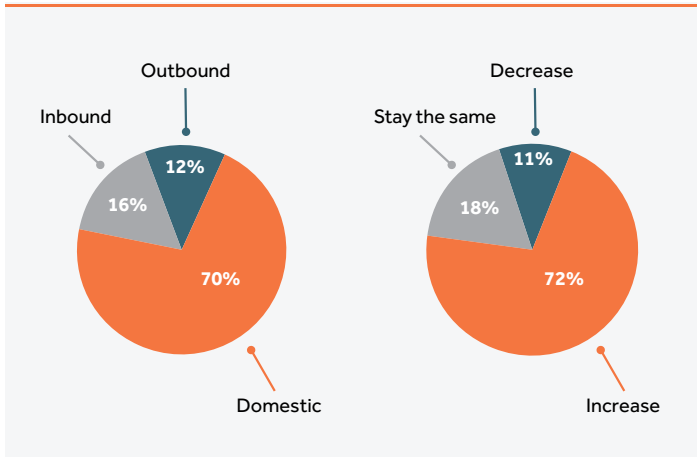
What do you expect the overall impact of the Trump administration will be on M&A and deal making?

## The vast majority expect U.S. antitrust scrutiny to decrease



Compared to 2016 do you expect the level of antitrust scrutiny for deals to increase, decrease or stay the same in 2017?

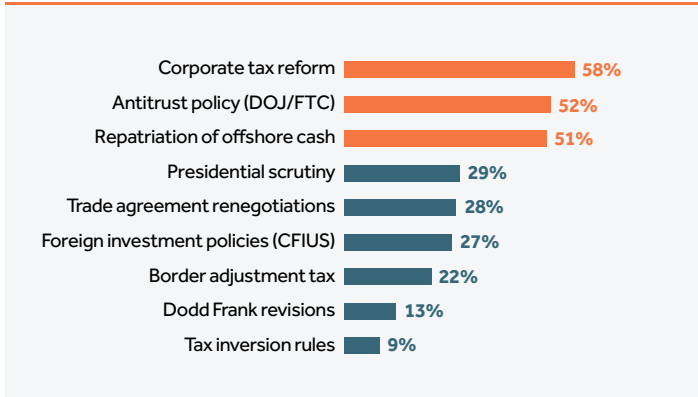
## Dealmakers see a friendlier domestic U.S. M&A market, but greater CFIUS scrutiny for foreign buyers



What types of deals do you expect to drive the M&A market in 2017?

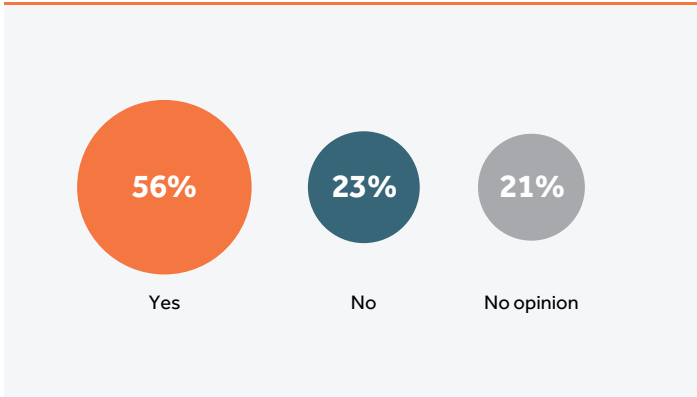
Compared to 2016, do you expect the level of CFIUS scrutiny for inbound U.S. M&A to increase, decrease or stay the same in 2017?

## Anticipated changes under Trump most likely to drive M&A include corporate tax, antitrust and cash repatriation



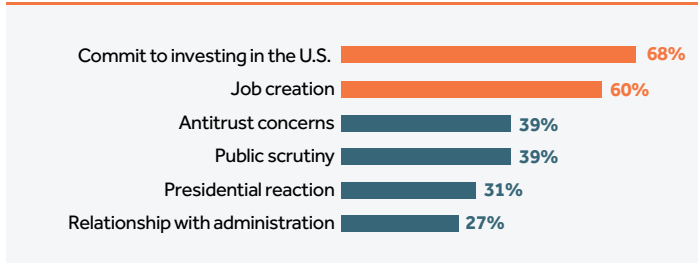
Which anticipated changes under the Trump administration do you expect to affect M&A activity in 2017?

## Most dealmakers believe domestic U.S. investment would be expected in exchange for cash repatriation



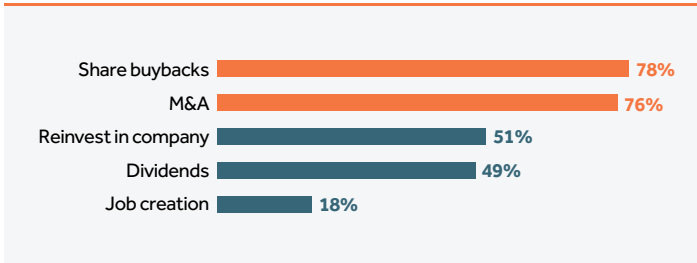
Do you expect the administration to require domestic investment in exchange for repatriation?

## Commitment to U.S. investment and job creation seen as most important considerations when making an M&A decision



Under the Trump administration, what are the top considerations companies should have when making an M&A decision?

## Excess cash from potential tax changes most likely to go toward share buybacks and M&A



If a tax repatriation holiday or corporate tax reform is implemented, how do you anticipate companies will allocate the excess cash?



# 2017 Global M&A Survey: Key Findings

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- **Trump a Boon for M&A:** Most dealmakers (50%) believe the overall impact of the Trump administration to be positive for M&A, while fewer respondents (29%) see the presidency as a setback. Among the anticipated changes under the new administration, over half of respondents see corporate tax reform (58%), antitrust policies (52%) and repatriation of offshore cash (51%) as the top three drivers impacting M&A.
- **Antitrust Concerns Subside:** As the new administration fills key slots in the Justice Department and FTC, the majority of respondents in the U.S. (71%) believe that antitrust scrutiny will decrease in 2017.
- **Roadblocks for International Deals:** Foreign companies looking to enter the U.S. may be asked to turn around; 72% of dealmakers expect the level of CFIUS (Committee on Foreign Investment in the U.S.) scrutiny to increase. Likewise, most survey respondents (70%) believe domestic deals will drive the U.S. M&A market, as opposed to cross-border activity, a departure from previous years.
- **Investing in America:** While the new administration may be friendlier to dealmaking and corporate interests in general, many expect some strings to be attached. Commitments to investing in the U.S. (68%) and job creation (60%) were the most cited considerations when pursuing an M&A deal under President Trump. Similarly, 56% of respondents believe that domestic investment would be required by the administration in exchange for overseas cash repatriation. Dealmakers see about as much of the potential excess cash going toward share buybacks (78%) as to M&A (76%).
- **Several Sectors Ripe for Consolidation:** When asked which sectors were likely to see the most deal activity in 2017, respondents led with healthcare services and providers (38%), followed by energy (37%), pharmaceuticals/biotechnology (36%), consumer goods / retail (35%), and technology hardware / software (33%). Sectors anticipated to have the least M&A activity include automotive / transportation (10%), utilities (8%), and telecoms (5%).
- **Activists Maintaining their Influence:** Just over half of U.S. respondents (52%) believe shareholder activism levels will remain steady in 2017, and companies are more likely expected to settle (58%) than fight (42%) with an activist. Operational / performance improvements (27%) and returning capital to shareholders (21%) are predicted to be the most recurring demands from activists.

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***Brunswick Group is the leading global M&A, shareholder activism defense and investor relations communications firm.***

*The 2017 Brunswick M&A Survey included the views of 120 leading M&A lawyers, bankers, advisors and financial reporters from Brunswick's proprietary database of M&A practitioners across North America, Europe and Asia, and was conducted from February 27 to March 12, 2017. The results were analyzed by Brunswick Insight, the firm's specialist opinion research and consulting practice, which focuses on understanding the views of opinion formers around the world. The survey results can be found on the Brunswick Group website at [bit.ly/MA\\_Survey17](http://bit.ly/MA_Survey17)*

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