M&A Forecast 2020

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MinterEllisonRuddWatts

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Welcome to MinterEllisonRuddWatts' M&A Forecast for 2020

M&A activity in New Zealand appears to be slowing down, in contrast to the surge at the end of 2018. Processes are taking longer to complete, and some deals are failing to transact. We predict slightly fewer deals coming to market in 2020. However, the prognosis isn't all gloomy.

While the current perception is that deals are too expensive, we see good quality assets attracting attention as there is still plenty of capital looking for a home. The longer-term prospects for deal-making in New Zealand are still very positive (particularly when we look at the number of private equity held assets expected to come to market in the next few years).

We invite you to read our latest forecast, which provides a snapshot of M&A activity over the last year and highlights the trends we believe will shape New Zealand's market in the year to come.

Renowned economist, Shamubeel Eaqub from Sense Partners also offers valuable insight on the country's broader, and ever-changing economic environment.

If you would like to discuss any of the themes in this forecast, please contact one of our experts.

Trending sectors for 2020

We expect activity in the following sectors:

Health and aged care

Financial services

Agriculture and forestry

Construction

Food and beverage

Software and technology

Economic outlook for 2020

Foreword by Shamubeel Eaqub

Economist, author and commentator

The economic backdrop for M&A is positive, but conflicted. The world is still awash with easy money, but valuations are high and economic momentum is easing.

Weight of money globally provides a positive backdrop to deal-making. A protracted period of very low interest rates and quantitative easing by several advanced economies has unleased massive amounts of capital — both from cheap debt and investors hunting for better returns. A third of investment grade bonds now have negative yields, so this is not surprising. It means there's still a lot of capital chasing returns and looking to make deals.

However, the economic backdrop is less rosy than in recent years. This is in large part due to the simmering US-China trade war; its fallout on other economies which are entangled through complex supply chains; and maturing economic cycles more generally.

In New Zealand, the economy has been slowing since mid-2017. It's growing at a reasonable pace, better than most peer countries, but still slower than in recent years. A recession is possible, but not likely. It would need some kind of catalyst: a severe drought in New Zealand or worsening global economic and financial conditions.

Throughout the expansion phase of the past decade, following the Global Financial Crisis (GFC), the cycle has felt different. It has been characterised by relatively slow growth, unusually low wage and price inflation and interest rates never returned to what we considered 'normal' before the GFC.

Instead a new normal has set in: a combination of low growth, low inflation and low interest rates. We have not seen such a combination sustained in living memory. This combination appears likely to last for many years to come.

Structurally low interest rates coincide with a demographic surge of Baby Boomers hitting retirement. They will switch from saving for retirement and running businesses, to investing in retirement and exiting their privately held businesses. Very low interest rates are likely to support both aggressive demand for risky assets and a supply of new businesses into the market. The impact on valuations is hard to decipher, but deal activity looks structurally underpinned.

Recent regulatory changes for New Zealand banks will see them hold more capital and change their lending behaviour. It will make banks more cautious in their lending to farms and businesses, meaning previously bank debt-funded deals may now enter the wider deal making space.

The New Zealand economy is losing steam gently. The Reserve Bank of New Zealand has cut interest rates, but at current very low interest rates, these changes are having little impact. The main tool to manage the economy is now fiscal policy, but there's unlikely to be a big boost until 2021, after the election in late 2020. But when that happens, the scope is positive. By global comparisons, New Zealand has a very strong fiscal position and a long list of projects that will make the economy go faster.

The New Zealand economy will be rudderless in 2020. Monetary policy isn't getting traction and fiscal stimulus is far away. Combined with slowing growth at home, growing global economic and geopolitical risks, and little prospect of effective economic stimulus, deal-making may prove a little harder in 2020, but the long-term outlook is very positive.

Private equity: More cautious in 2020?

2019 was a busy year for domestic private equity (PE). Several existing managers — including Pencarrow and Waterman — as well as some new entrants such as NZ Equity Partners, raised new funds. There was a similar story in Australia, with a number of high-profile managers also conducting significant raises.

Several new investments were made by domestic and overseas funds. We were involved in Brookfield's acquisition of Vodafone, the sale of Cin7 to Rubicon, the sale of the Habit Group by NZEP to Livingbridge, Adamantem backed Servian's acquisition of Enterprise IT, Pencarrow's bolt-on of Aegis to MMC and Next Capital's acquision of NZ Bus.

With so much money available for investment, there will continue to be pressure to spend it. However, as we predicted at the start of 2019, a higher level of caution is emerging as tales of buyer remorse increase and business confidence deteriorates.

Patience is required

Deal processes are now taking longer. In some cases, transactions have been abandoned entirely as managers complain of sellers with unrealistic price expectations and seemingly over-optimistic views on what the future holds. We expect that trend to continue into 2020, with domestic private equity funds, in particular, treading carefully.

The nature of deals may change

We think deals will still get done, but the nature of those deals may change. Funds will still invest in high quality assets with good track records and solid and realistic plans for the medium to long term, but they will do this with cautious optimism.

We may see a trend towards funds taking an initial minority stake in targets, with a clear pathway to acquiring a larger portion of the pie later on. They may also spend longer engaging with targets before committing, to see how things pan out.

Processes will take longer, involve more due diligence, and incorporate more downside protection.

Exclusivity the norm?

Exclusivity is likely to be a regular requirement for sellers looking to motivate managers to participate. Funds may not be so willing to engage in highly contested bid processes.

At the same time, we may see money directed towards smaller, bolt-on acquisitions, where value to existing portfolio companies can be added, as smaller companies face uncertain times and their pricing cools ahead of larger targets.

Divestment on the horizon?

The other main theme for private equity is likely to be one of divestment. Our research tells us that there are 56 New Zealand businesses that have been held by private equity investors for three years or more. Given typical private equity investment cycles, that must mean a lot of businesses will be coming to market from 2020 onwards.

But who is going to buy these assets?

Capital markets are unlikely to provide the answer for many (if any) of these businesses. Indeed, if anything, there may be more take-private transactions in 2020.

Large corporates with healthy balance sheets may be part of this story. However, we also think that there will be a trend towards PE-to-PE secondary transactions, as assets trade up from domestic and/or Australian mid-cap funds into larger, international funds who continue to see New Zealand as an attractive, fair and safe place to park money amidst global uncertainty.

If that is to be the best pathway to exit, the promised review of the scope of the Overseas Investment Office (OIO) regime, in particular around timing, may become even more important (see article on page 12).

M&A trends

Private equity

Based on traditional holding cycles of three to five years, there are at least 56 investments ripe for divestment by Private Equity funds (both local and offshore).

We expect many of these assets to come to market over the next few years.

56 investments held for 3+ years

M&A deals by the numbers

Source: MergerMarkets, 01/01/2019 - 31/12/2019

141 deals

134	7	73	68
private	public	domestic	overseas

Commerce Commission merger activity in 2019

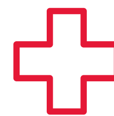
Source: New Zealand Commerce Commission

10	1	0	0
merger clearances	merger authorised	declined	withdrawn

Sector deal activity

Source: MergerMarkets, current as at 27 November 2019

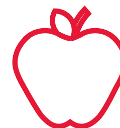
17 Computer software



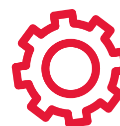
14 Medical

13 Leisure

9 Financial services



11 Consumer - food



12 Industrial

9 Consumer - other (does not include retail)

Public markets: Under pressure

In last year's Forecast we predicted that pressure on the public markets would continue. This prediction has proved to be correct.

There were plenty of market rumours of companies looking to IPO in 2019, but only Napier Port came to fruition.

In 2019 we also saw a continued decline in companies listed on the NZX, with TradeMe exiting the platform and a significant amount of liquidity in Restaurant Brands being removed from the market.

Late in the year, take-private transactions for Abano and Metlifecare were announced. This is in stark contrast to the only IPO of note during the year; that of Napier Port.

We don't see any reason why this trend would change in 2020.

More about value potential, than listing

We continue to see trade and private equity buyers with access to funding taking a significant interest in high-performing NZX companies. But buyers are also interested in NZX companies that haven't performed to expectation, where they believe that they can extract value by taking the business out of the listed environment.

The widespread use of schemes of arrangement, where support of the target board is essential at the outset, makes these transactions more likely to succeed than the traditional takeover route.

Red tape

Listing is increasingly viewed as a less attractive option due to higher compliance costs, stringent technical requirements, increasing activity from market regulators supervising listing companies and the ability to obtain alternative funding from other non-public sources.

However, a number of NZX companies did highlight the benefit of being listed when raising capital in market through debt or equity issues. Successful equity capital raisings for THL, Kathmandu and Tower were all completed in 2019, and in many cases those capital raisings were used to fund M&A activity. A number of companies also conducted successful debt capital raisings. We expect this availability of capital to continue into 2020 given how relatively straightforward the fundraising process is for listed companies.

To the clear detriment of our capital markets, we see the trend of continuing takeovers and declining IPOs continuing in 2020.

Four reasons why an increase in IPOs is unlikely

Despite the efforts made by market participants, including the publication of the *Capital Markets 2029* report, we don't foresee a significant increase in the number of companies listing on NZX in 2020.

Why? We see four main reasons:

1. Companies that are primarily looking to raise capital to fund expansion are finding private investors willing to take minority interests.
2. Vendors looking to exit businesses that have strong growth prospects, or are able to enhance an existing business, are finding plenty of interested buyers.
3. While sale processes are taking longer to complete and there is some uncertainty as to regulatory approvals and other hurdles, these processes are still considerably shorter and less intensive than an IPO process. They also generally provide for a full exit if required, even if some consideration may be subject to an earn out.
4. Private processes don't expose the directors to the same potential liability as an IPO, and don't subject the company to the same level of ongoing cost, compliance and scrutiny as it would face in the public environment.

Financial Services: Regulatory change set to drive activity

We expect the Financial Services sector to be a key driver of M&A activity in 2020, fuelled by changes to the regulatory capital rules issued by the Reserve Bank of New Zealand (RBNZ) and a continued focus on conduct from both the RBNZ and the Financial Markets Authority (FMA).

In addition, new legislation revising the domestic financial adviser regime will come into force in 2020, potentially prompting further strategic change.

Regulatory capital changes

In December 2018, the RBNZ launched a consultation process on revised regulatory capital rules for banks incorporated in New Zealand. Among the key headline changes proposed were:

- increasing the required level of CET1 capital to 17% (up from 10.5%);
- introducing an additional 1% capital requirement for domestically significant banks (D-SIBs);
- removing the ability of eligible banks to use internal models for risk weighting of certain assets; and
- eliminating AT1 instruments as qualifying capital for most CET1 purposes.

Through 2019, the RBNZ has sought and received feedback from the public and external experts on the proposed changes. The final decision, published on 5 December 2019, required the 'Big Four' banks to increase Tier 1 equity capital to 16% of risk weighted assets, but softened changes in other areas. For example, banks:

- can now offer redeemable perpetual preference shares of up to 2.5 percentage points of the Tier 1 requirement (previously 1.5%, with no stock to be redeemable);
- must now have a further 2 percentage points of Tier 2 capital, such as subordinated debt. This will bring the total capital requirement up to 18% for the 'Big Four' (16% for others). If capital falls below these levels, banks will be subject to 'more intense supervision' rather than breaching their conditions of registration. However, if capital falls below 9% of risk weighted assets it will be considered a breach of conditions of registration; and
- will be given seven years from 1 July 2020 to transition to the new regime, in order to reduce any impacts on lending rates and credit availability – up from five years.

Conduct reviews

Triggered by the Australian Financial Services Commission, the RBNZ and FMA have carried out sector-wide reviews into the conduct and culture of the banking and life insurance sectors respectively. These reviews, the responses of the financial institutions, and consequent changes in behaviour and structure will continue to work their way through the industry in 2020.

The Government released draft conduct licensing legislation for consideration at the end of 2019. This will drive further change.

Impact on M&A landscape

We expect these trends to lead to rationing of capital and potential disposal or even IPO activity as banks seek to exit capital-intensive product lines.

M&A financing predictions for 2020

Requiring the 'Big Four' locally incorporated banks to hold a higher percentage of capital against their risk weighted assets will create significant flow-on effects for the financing of M&A transactions in 2020.

We predict there will be:

- **Further growth of credit funds and non-bank institutions in the debt market,** including in the mid-market / sub-investment grade credits, where the large majority of New Zealand's M&A activity is conducted;
- **Entry of new debt providers to the New Zealand debt market,** including credit funds and private wealth offerings;
- **Increased use of alternative funding structures**, such as unitranche, term loan B, stretch-senior and mezzanine/second lien lending structures. We assisted a private equity client with the first mid-market unitranche funded transaction in New Zealand, which completed in December 2019;
- **A higher prevalence of advice being sought by borrowers from legal and specialist debt advisors** who have knowledge of, and access to, the different types of debt offerings available;
- **A general increase in margins** (excluding the base rate); and
- **Increased participation from offshore banks**, resulting in an increase in their overall market share of debt.

In addition, we predict that the 'Big Four' New Zealand banks will:

- compete strongly for strong and proven borrowers, sponsors and industries;
- look to syndicate more of their debt holdings, with lower targeted thresholds for final holdings; and
- provide transactional and working capital products on a super-senior basis in support of credit fund offerings.

Overseas investment: Cautious optimism

The New Zealand Overseas Investment regime, as set out in the Overseas Investment Act 2005, has been the subject of considerable scrutiny since the current government came to power in 2017.

Competing agendas have forced the Labour-led coalition government to walk a tightrope around foreign investment, with attempts made to satisfy the requirements of its coalition partner New Zealand First, the environmental imperatives of its parliamentary support party (the Green Party), and the considerable pressure from foreign investors and members of the New Zealand business community to simplify the approval process.

Developments over the last eighteen months include:

- **Residential housing** has been brought into the regime, substantially reducing the number of residential houses being acquired by foreigners but causing unintended complications around corporate transactions that may involve residential land (e.g. retirement village businesses and property development companies).
- **New ministerial directives** have had the effect of increasing the hurdles for applications for rural/farm land. This has meant approval is now a potential deal breaker in agricultural business transactions – including for corporate farms, vineyards and horticultural assets - unless the parties can demonstrate a significant benefit to New Zealand from the investment. We have seen *applications being rejected* that would have been approved in the past, and overseas buyers shying away from agricultural assets due to Overseas Investment Office (OIO) risk even when their investment would have been beneficial to NZ Inc.
- **Ministers have applied more discretion to decisions** than in the past. It became clear that Green Party political influence was the key factor behind the rejected Oceania mining consent application, which caused considerable alarm in the business community. The Government alleviated concerns by changing the ministers responsible for making decisions in relation to the Act, and a revised form of that transaction was subsequently approved.
- **Introducing changes to the Act to encourage forestry investments** has led to an influx of forest acquisitions, and conversion of farmland into forestry land. We have also seen the new process successfully used on very large transactions, that substantially cut the approval time down. We recently advised on the first 'standing consent' granted to acquire forestry land.
- **We are seeing a pragmatic approach from the OIO** for acquisitions of businesses with sensitive land that is not rural land or not particularly sensitive (such as a leased warehouse that might border a river), although resource constraints within the OIO still mean that approval times can be significant.

Recently, the Government announced further reforms to the Act that will be implemented in 2020. The changes include:

- The introduction of a 'national interest' test; similar to the Foreign Investment Review Board (FIRB) test in Australia.
- Potentially better identification of the land that is subject to the legislation. We hope this will remove from the law some parcels of land that are clearly not appropriate to be included in the definition of 'sensitive land', thereby taking a number of transactions out of the regime.
- Clarifying how the regime applies to investors – in particular, there is hope that an exemption will apply to New Zealand-controlled listed companies.
- Improving the application process to provide greater certainty to investors on matters such as outcome and timing.

We expect a draft Bill in early 2020

We support the need for changes to the regime and we expect proposed changes to be incorporated in the Bill.

We are also optimistic that announced changes will see an improvement, reducing some of the frustrations with the regime. However, we are cautious in our optimism. Previous experience has shown that rationalisation of the regime is not something governments have been willing to spend political capital on, particularly in an election year.

We expect that:

- Rationalisation will go some way to address the concerns raised by investors but is unlikely to fully address them.
- The proposed 'national interest' test will prove difficult in practice to legislate for and implement; and is likely to result in an increase in uncertainty for major New Zealand corporate transactions.

Impacts on M&A

A number of decisions made by the current government have unsettled international investors about the regulatory stability in New Zealand. The proposed changes need to be managed carefully, as further regulatory uncertainty has the potential to become a significant deterrence for international investors (including infrastructure investors) considering an investment here.

Average consent times

2019

Significant business assets application

Sensitive land applications (depending on the nature of the land involved)

Due diligence: A green flag for 'Red Flag' reporting

The nature of New Zealand's legal due diligence is changing, and it's about time. Throughout 2019 we have seen ever-more targeted due diligence exercises, and shorter and shorter due diligence reports.

'Red flag' reporting is fast becoming the norm and we expect that this will continue in 2020. Given that one of the main themes of this year's forecast is that buyers are becoming more cautious, this trend might seem counter-intuitive. However, while 'red flag' reporting may seem less thorough, if it is correctly carried out, it is not.

Traditional legal due diligence reporting involves a full review of all the relevant legal documentation made available by the seller and then the preparation of a report that summarises that information, regardless of whether there are any legal issues.

This typically means the creation of an executive summary highlighting material issues that have been discovered, and reams of schedules detailing everything else. In reality, most clients do not see particular value in anything other than the executive summary and this is now being reflected in 'red flag' reporting – where lawyers still review all the documentation, but only the material issues that have been uncovered are reported on.

Clients still have the comfort that a thorough exercise has been carried out, but the shorter nature of the report has some real advantages. There is significant time and cost involved in preparing a fulsome report that summarises non-material information already available to clients. 'Reg flag' reporting significantly reduces that cost (with no corresponding increase in risk). It also shortens the timeframes needed to get the reports to the people who need them.

For 'red flag' reports to be of real value, there are a couple of golden rules:

Rule 1: It is vital that the scope of the review remains thorough and that this is accurately reflected in the report. Readers need the comfort that all relevant bases have been checked, even if the body of the report doesn't address them (i.e. because no issues were found). This is particularly the case where warranty and indemnity insurance is being purchased. Insurers will want to see that a proper exercise is being carried out. They won't be fazed by a short form report, provided that there is a section outlining the scope of the review in detail.

Rule 2: It is important to be very clear about the level of materiality that is being set for the report. Traditional reports contain everything but the kitchen sink. A true 'red flag' report needs to be much more focused on materiality and so there can be no ambiguity when it comes to the client's expectation about what will be reported on and what will not.

While there are often very good reasons to conduct more detailed reporting on specific, identified issues, we think that in the majority of cases, 'red flag' reports provide significant and cost-effective comfort. We expect to prepare more 'red flag' reports in 2020.

We also expect due diligence exercises to more often include environmental, sustainability and governance (ESG) reviews, particularly in larger transactions.

Buyer remorse: Are the gloves coming off?

We all aim to live without regrets. However, the last few years have been characterised by strong competition for assets, high prices, quick processes and vendor-friendly terms.

As we predicted in our forecast for 2019, this buying bonanza has led to some buyer's remorse. Our litigators were involved in a number of post-acquisition disputes in 2019, an increase on previous years.

We see that trend continuing in 2020, with the following coming to the fore in particular:

- **Warranty claims on the increase:** We expect to see more warranty claims in 2020. In particular, we expect to see claims relating to financial and operational performance, contractual breaches, regulatory compliance and employee claims (in particular in connection with holiday pay). We therefore expect purchasers to be much more aware of the warranty protection they have, be actively on the lookout for potential warranty breaches, and to be much more aware of time limits and thresholds.
- **More disputes over adjustment mechanisms:** There will be more attention paid to price adjustment mechanisms that are designed to normalise the price between signing and completion of the transaction. We have already seen attempts to use adjustments in much broader ways than the parties may have intended. For example, sellers have attempted to use the broad catch-all adjustments designed to remove the impact of one-off, non-recurring, abnormal, seasonal or extraordinary items for a range of items which are not truly one-off. We expect this trend will continue.
- **'Sour Grapes' claims:** We expect to see disgruntled buyers use warranty and adjustment mechanism claims to try and re-value bad deals.

As we predicted in 2019, many buyers have simply overpaid for assets in recent years and we have seen buyers try to shoe-horn claims to try and address what are simply bad purchases. Often this involves holding an escrow or a deferred payment to ransom, i.e. submitting claims in an attempt to stop further funds going out the door on a deal gone wrong. We expect that most of these claims will ultimately fail, but not before they cause significant cost, time and stress for sellers.

In all cases, we believe that clear and detailed drafting of warranties, adjustment mechanisms and earn outs is one of the best ways to avoid disputes. The more detail that can be provided in the sale agreement, the less there will be to fight about.

We were involved in the recent case of *Malthouse v Rangatira [2018] NZCA 621* where the parties disputed whether an earn out had a particular end date or was indefinite. The plain wording of the Investment Agreement had no end date for the earn out and the Court of Appeal found that the commercial background and context was insufficient to outweigh the plain wording.

Protecting yourself from buyer's remorse:

- The first line of defence for buyers and sellers is a thorough due diligence process. Legal and financial due diligence is important, but we often see that other areas get less attention. For example, our view is that operational DD is vital but often receives less focus.
- More broadly, there is always greater risk of buyer's remorse if you do not do a full DD process. If you are going to pick and choose areas, the most important thing is to have a very clear understanding of where the risk lies in the target.
- Warranty and Indemnity (W&I) insurance is very useful to ensure the buyer has recourse against a dependable insurer who can pay out. Sellers can also exit cleanly and use funds made from the sale. However, the counter-argument is that W&I insurance creates a certain level of moral hazard as the sellers effectively have no 'skin in the game' to do disclosure properly.
- Another option is the use of escrow or hold-backs, where funds are set aside to cover claims. If you're a seller you should favour escrow over hold-backs to avoid the 'guilty until proven innocent' conundrum. For sellers, we recommend that there be a clear deadline to force buyers to make a claim or lose the escrow.
- Earnouts are useful mechanisms to defer payment until certain financial goals are met within a particular timeframe. However, earn outs in themselves can be a source of litigation if not drafted clearly.

Insolvency: Dark clouds on the horizon?

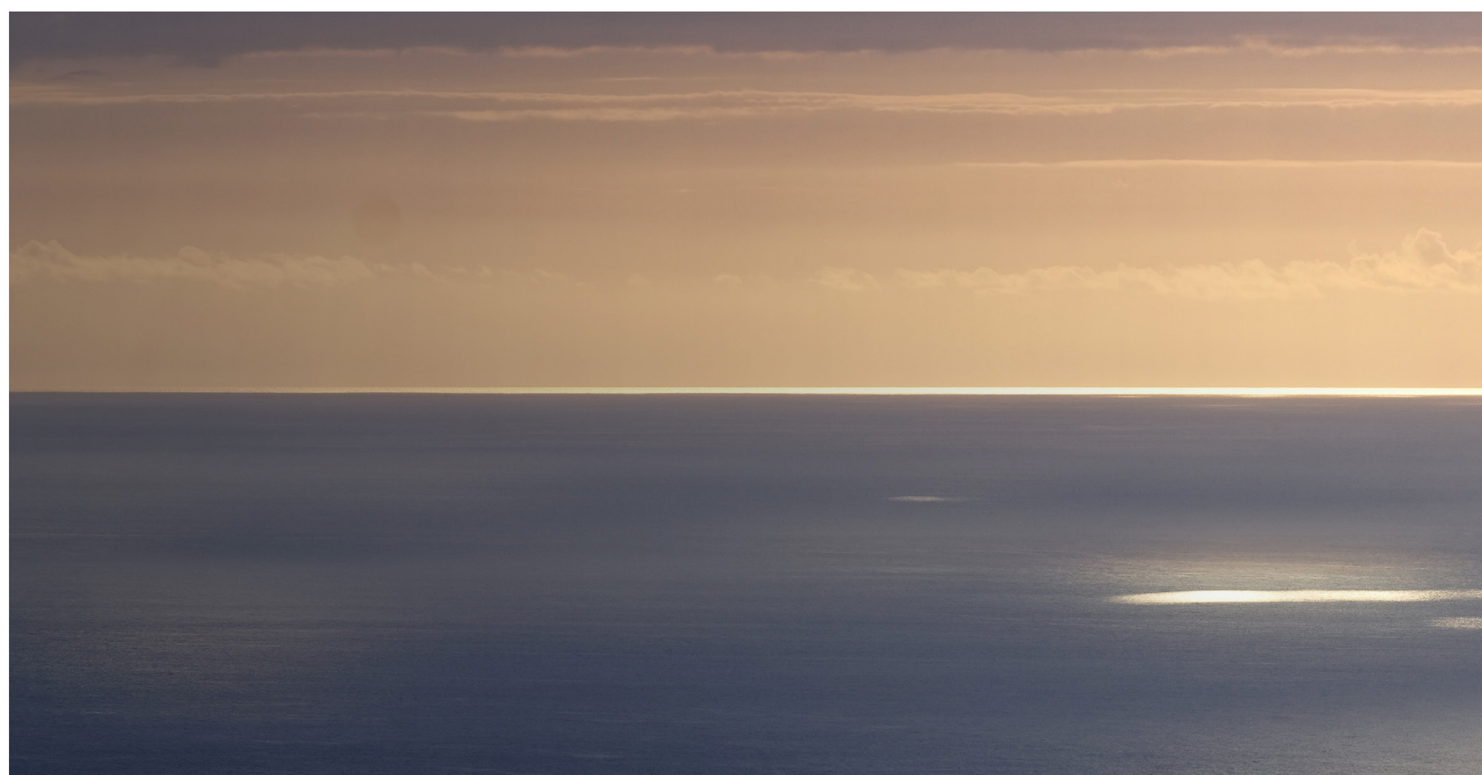
In the last 12 months, our insolvency and restructuring teams have experienced an upturn in activity, caused by market pressure in specific sectors (e.g. construction) and banking covenant breaches (marketwide) in highly leveraged scenarios.

With the possibility of lending terms tightening as the impact of the increased regulatory capital requirements take hold, it's possible that more businesses will feel the squeeze in 2020. The agricultural, commercial property, and SME commercial sectors may be disproportionately negatively affected in terms of available lending. This is because of the capital that banks are required to hold against such credits.

As a result, we have found ourselves increasingly providing advice to senior management and boards on director's duties when companies attempt to trade through these scenarios.

Formal insolvency processes (such as receivership) are still relatively rare and are seen as very much a last resort. Lenders' preferences are still to work closely with sponsors / borrowers to either restructure or sell assets to pay down debt outside of a formal insolvency process.

We think this means that we will see more distressed M&A activity in the coming year. But getting involved in such transactions is not for the faint-hearted. The potential upside for an acquiror can be huge, but you need to know what you are doing. Historically we have seen buyers and their advisors focus on the insolvency aspect of such deals to the detriment of the terms of the sale. Or worse, treat them as normal transactions without understanding the unique insolvency aspects. The truth is that you must focus on both. Make sure you have both M&A and insolvency lawyers at your table if considering such a deal in 2020.



Tax: M&A in the IRD's spotlight

This time last year, we were debating the likelihood of a capital gains tax being introduced. Despite that being vetoed, other aspects of the Tax Working Group's report are being implemented by IRD, including, in 2020, proposals that may have a significant impact on asset sales.

IRD is proposing that parties to asset sale transactions be required to adopt consistent purchase price allocations based on market values.

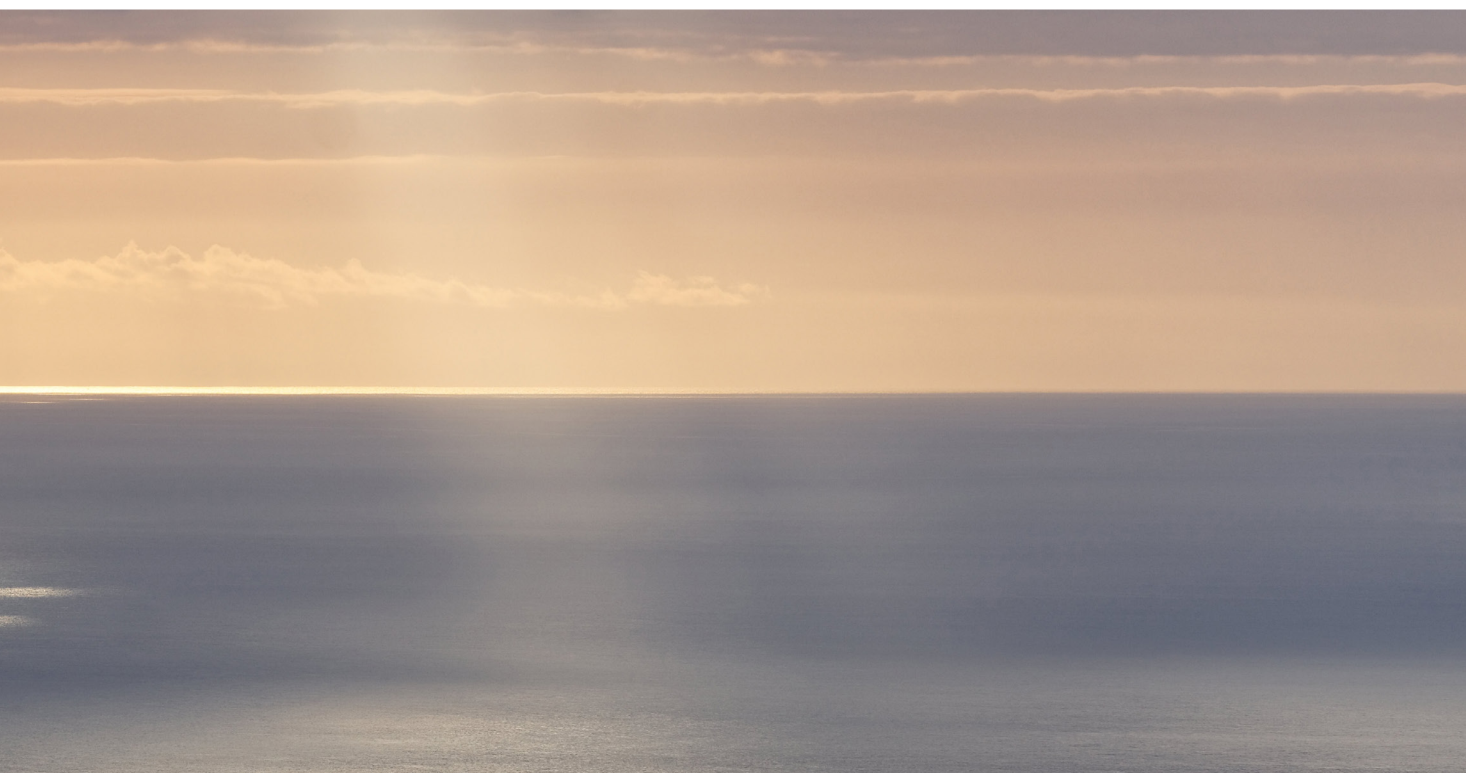
In December 2019, IRD released a paper seeking feedback on prescriptive new rules that, if implemented, will impact M&A negotiations and may require early disclosure of transactions to IRD.

While the natural tension between a vendor and a purchaser should generate a purchase price allocation that represents market values, that tension does not always exist, and allocations are often documented at a high level.

To address this, IRD is proposing that the parties agree a market value for each asset. Where that is not achieved, the vendor will have the right to determine the allocation that must be adopted by both parties. If the vendor does not disclose an allocation to the purchaser within three months of completion, the purchaser may instead determine the allocation for both parties. In either of these instances, a copy of the allocation must be provided to IRD.

The proposals are weighted in favour of vendors who, by default, would determine the purchase price allocation if the parties cannot agree. Purchasers would therefore need to ensure that they allow longer to negotiate purchase price allocations.

Submissions on the proposals close on 14 February 2020 and it's expected that any amendments will be included in a tax Bill in the first half of 2020.



Our M&A team

We are not afraid of a challenge or to innovate in the pursuit of our clients' goals.

Our Corporate and M&A team advise clients to adopt transaction structures, tailored to their specific circumstances, to achieve their goals. We are committed to maximising the value from our clients' potential transactions and to help drive it through to successful completion.

Our team regularly advise on the sale of shares and assets, work with overseas investors, and manage OIO applications – so the important issues will be identified and addressed early.

No M&A transaction is too big or too small. With depth of experience at all levels of our team we have advised on some of the most complex transactions in the market. But not all deals are large or complex. We can efficiently and effectively resource simpler transactions, so that clients know they are getting the best advice, irrespective of the size of the transaction.

Our expertise is recognised in the market – our Corporate team is ranked Band 1 in Chambers Asia Pacific and The Legal 500 international rankings.

> **"They listen well, grasp clients' needs and deliver decisive, accurate and timely advice. They solve problems and get things done."**
>
> *Chambers Asia-Pacific 2020*

Sample of our 2019 deals

Brookfield

Advising Brookfield Asset Management on the acquisition of its stake in Vodafone NZ and on the New Zealand aspects of its acquisition of Healthscope.

Advised Froneri on their acquisition of Tip Tip through its Australian ice-cream subsidiary, Peter's Ice Cream. This extended to due diligence, competitive bidding and negotiations to finalise the agreement.

Advised global investment bank, Goldman Sachs, on underwriting Macquarie's acquisition of carpark assets from SkyCity.

Advised on the merger of MediaWorks with QMS Media's New Zealand out-of-home, digital media and production business.

Advised investment administration specialist MMC on their acquisition of Aegis. This deal expands MMC's service offering in the financial services administration sector.

Advised Next Capital on the acquisition of the NZ Bus business from Infratil.

Advised Verifone on the acquisition of Smartpay's New Zealand assets by successfully bringing specialist support to complete due diligence and IP licence agreements.

Acted for Youi on the sale of their insurance portfolio to Tower Insurance, following the signing of a Portfolio Transfer Agreement.

Advised Habit Group on its acquisition of Southern Rehab, extending Habit's reach and increasing the group's staff base and number of clinics.

Advised Tetra Laval on its acquisition of food and beverage processing automation specialist Macro Automation, enabling them to support customers across all food and beverage categories.

Advised Ritchies Transport Holdings, one of New Zealand's largest bus companies, on their acquisition of Birkenhead Transport Limited.

Advised the shareholders of Davanti, a leading digital tech consulting company on the sale of the company to Dentsu Aegis Network.

Advised Equity Partners on the sale of New Zealand camping and gardening product distributor Almalgamated Hardware Merchants to Kiwicare.

Advised Souter Investments on the sale of Howick and Eastern Buses and Mana Coach Services to international mobility provider Transdev.