

# WHO BUYS WHAT? A REPORT ON MERGERS AND ACQUISITIONS (M&A) ACROSS THE DUTCH-BELGIAN BORDER

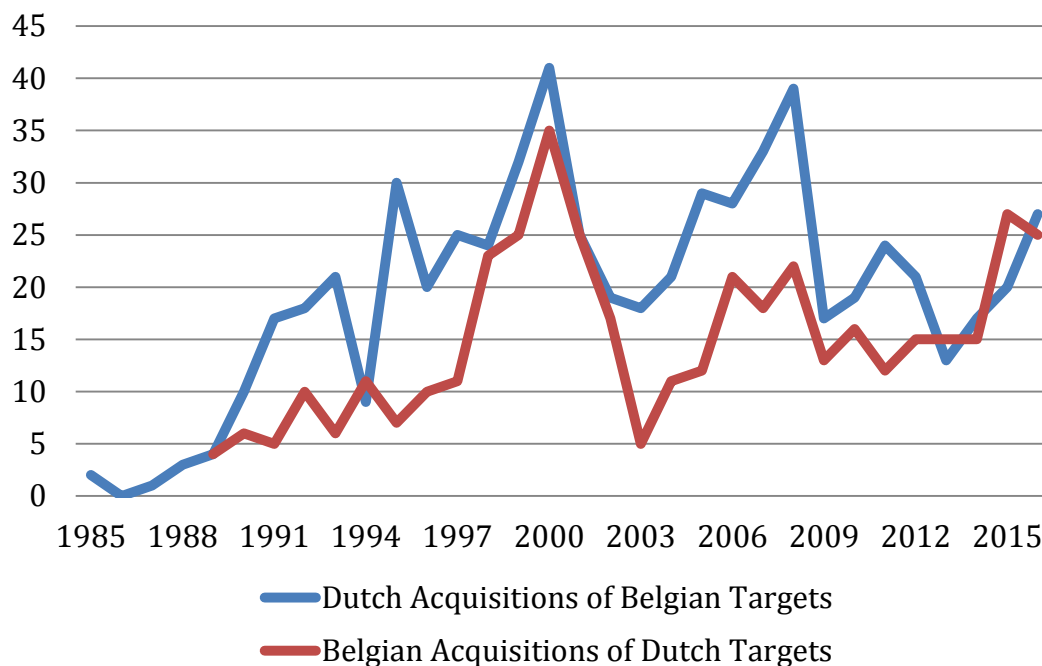
Killian McCarthy en Dries Faems  
November 23 2016

**The Netherlands and Belgium are two culturally and geographically close countries. In this report we document and describe the cross-border acquisitions that both make. In doing so, the aim is to document what the Dutch buy in Belgium, and what the Belgians buy in the Netherlands.**

*Sample:* To describe the Dutch-Belgian cross-border M&A activity, we retrieve data on all acquisitions made by Dutch and Belgian firms, and involving Dutch and Belgian firms, in the period Jan 1985 to Nov 2016. We retrieve the data from Thomson SDC; a database which describes 1 million plus M&As from 1970 to today. This results in a sample of 12,799 M&A. The sample includes 9,248 mergers and acquisitions involving Dutch acquirers, and 3,551 involving Belgian acquirers.

*Cross-border deal numbers:* There were 627 acquisitions involving Dutch acquirers and Belgian targets, and 423 acquisitions involving Belgian acquirers and Dutch targets. In the full period, in other words, the Dutch bought more Belgian targets than the other way around. Figure 1 documents the numbers per year in the period. Interestingly, it shows that the Dutch made more deals in every year except in 2015. At the time that this report was written, the Dutch had done 27 Belgian acquisitions in the course of 2016, and the Belgians have done 25 Dutch acquisitions. Either country, in other words, could eventually be crowned the dominant deal maker in 2016.

Figure 1 – Acquisitions across the Dutch-Belgian Border



*Cross-border deal value:* Many acquirers prefer not to disclose the value of the deals that they do. Of the 12,799 acquisitions in the sample, only 2,109 of acquisitions report deal values. Of the 627 deal involving Dutch acquirers and Belgian targets, 108 report deal values, and of the 423 deals involving Belgian acquirers and Dutch targets, 78 report deal values. The data suggests that the average Dutch acquisition in Belgium is worth \$478.25 million (with a min of \$0.74m and a max of \$12,2 billion), and the average Belgian acquisition in the Netherlands is worth \$401.72million (with a min of \$0.256m, and a max of \$12,5 billion). In other words, both countries look very similar in terms of value of the deals that they do with each other.

*What is Driving the Activity:* Finally, Table 1 documents who is buying what in terms of the targets industry. The rank of each main industry is reported in brackets. For both countries, Industrials and Consumer Products are ranked as the number 1 and number 2 target industry. The Dutch, for example, acquired 122 Belgian companies in the industrials, and the Belgians acquired 71 Dutch industrial companies. For the Dutch, Belgian high tech firms are the 3<sup>rd</sup> most sought after Belgian industry (n=76), and for the Belgians Dutch financial firms are the 3<sup>rd</sup> most sought after (n=53).

Table 1 – Acquisitions by Industry

<b>Target Industry</b>	<b>Dutch Acquisitions of Belgian Targets</b>	<b>Belgian Acquisitions of Dutch Targets</b>
Consumer Products	93 (2)	61 (2)
Energy	30	16
Finance	60 (5)	53 (3)
Health	10	21
High Tech	76 (3)	43
Industrials	122 (1)	71 (1)
Material	56	44 (5)
Media	39	31
Real Estate	13	6
Retail	38	20
Staples	70 (4)	48 (4)
Telecom	20	9
<b>Total</b>	<b>627</b>	<b>423</b>