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# *Capital Markets Flash*

## Canadian M&A Deals Quarterly

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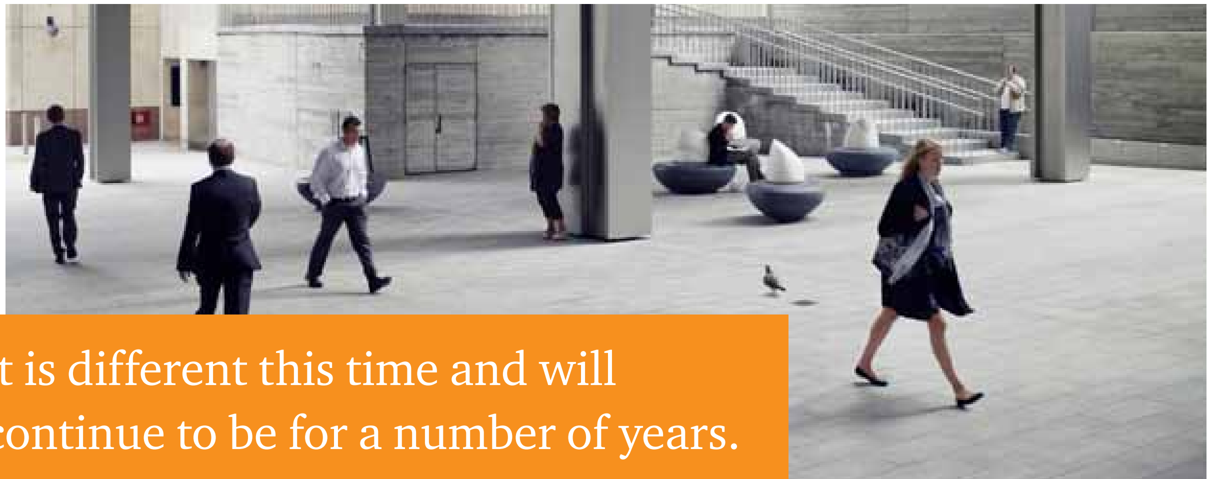
# *Canadian M&A Deals Quarterly:* 91 days, 721 deals, $47.7 billion



It is different this time and will continue to be for a number of years.

**Bill Gross, PIMCO**

"This time is different" are among the most costly four words in market history.

**Sir John Templeton**

The second quarter of 2012 saw 721 Canadian[1] M&A announcements worth $47.7 billion. Deal volumes and values declined 7% and 2% respectively over the prior quarter and dropped 14% and 4% respectively over Q2 2011. Overall, the deal tally was roughly in-line with the average post-crisis performance.

A state of "Canadian M&A anaemia" was the accepted wisdom during the volatile second quarter, especially in the headline "mega deal" resource segment. However, perspective is key to assessing if the M&A glass is half full or half empty. As reflected upon in our opening quotations, even the greatest minds can have vastly different views on the direction of markets amidst volatility. In this spirit, our trend analysis highlights a number of brazen dealmakers who, in appreciation of the fact that "inaction is not always the answer," moved forward with confidence, utilizing M&A as a tool to grow amidst a shaky macro backdrop.

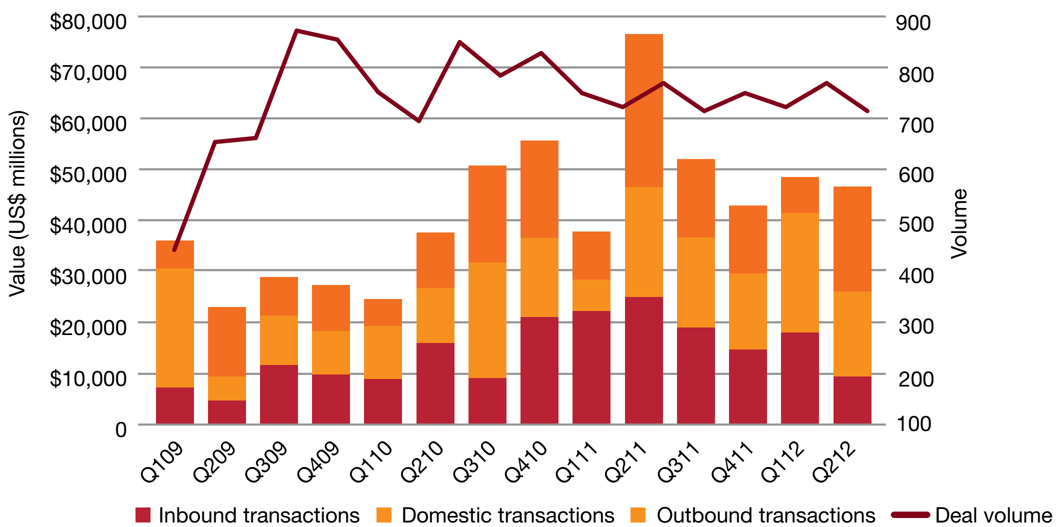
We are also pleased to welcome a special insert from the PwC Economics and Statistics Practice. As Canadian capital markets have increasingly become macro-event driven, our economics team will regularly be providing more insight and perspective to accompany the Capital Markets Flash publication when it resumes in September 2013.

1 Canadian transaction refers to an announced M&A transaction involving at least one Canadian entity (as a majority or minority party), inclusive of real estate transactions.

# Notable Observations – Q2 2012

### *1) Deal activity by geography: Canadians opportunistic in Europe and in Growth Markets; foreign inbound buying activity slows.*

Quarterly Canadian M&A activity

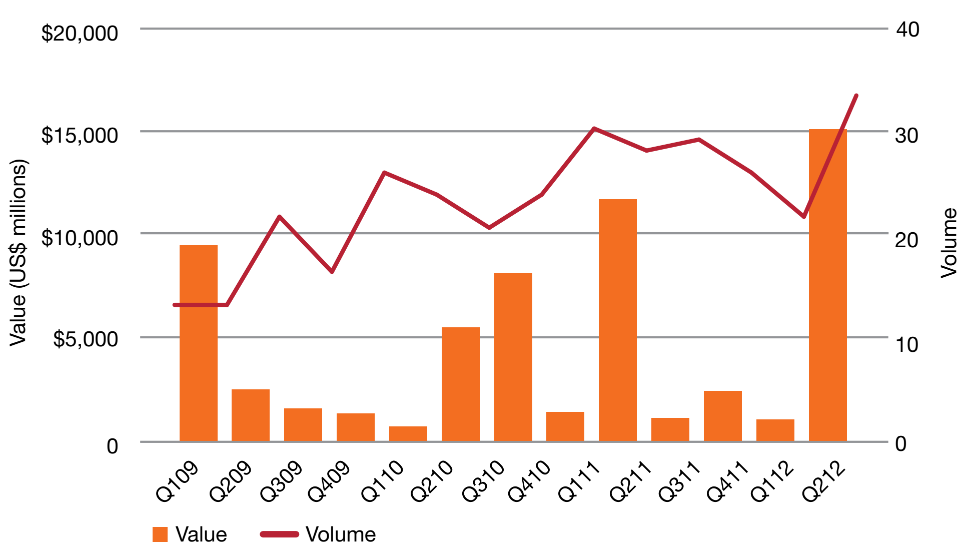



Source: S&P Capital IQ, PwC analysis

Heeding continued calls to action by politicians and policymakers, many Canadian entities are combating slow domestic growth via penetration into foreign markets. M&A, quite often, is a key tactic to achieve the latter objective. Indeed, this quarter saw the value of Canadian acquisitions into foreign markets hit $21.8 billion, one of the highest outbound tallies on record. Canadian buyers proved opportunistic in battered Europe, the most popular destination for outbound investment dollars in Q2. In all, Canadian-led acquisitions on the continent hit a post crisis high of $15.1 billion. Notable buys included:

- Alimentation Couche-Tard (Couche-Tard) signed an agreement to acquire Statoil Fuel & Retail, Scandinavia's number one convenience and fuel retailer, for $2.8 billion. The acquisition provides North America's leading convenience store operator with an expanded geographic footprint, diversification and a European platform for future profitable growth. It also provides a powerful and growing presence in high growth markets of Central and Eastern Europe. *"Moving into Scandinavia and Europe is an important step in implementing Couche-Tard's growth strategy,"* said Alain Bouchard, President and CEO of Couche-Tard.
- A consortium led by Macquarie Infrastructure and Real Assets has agreed to acquire OGE, the owner and operator of the longest regulated supra-regional gas transmission network in Germany, for $4.1 billion. The Consortium consists of a group of long-term investors with a strong commitment to the infrastructure sector and includes the British Columbia Investment Management Corporation (bcIMC), Infinity Investments SA, a wholly owned subsidiary of the Abu Dhabi Investment Authority, and MEAG, the asset management arm of Munich Re and ERGO. Doug Pearce, CEO and CIO at bcIMC said: *"OGE is well-matched with bcIMC's objectives of achieving sustainable returns through investment in stable infrastructure companies and assets."*

Canadian acquisitions in Europe




Source: S&P Capital IQ, PwC analysis

- CGI Group Inc (CGI) announced the acquisition of UK headquartered business and technology service company Logica, for $3.3 billion. The acquisition will create a global technology champion with a significant presence in the Americas, Europe and Asia. Michael E. Roach, President and CEO of CGI said: *"This announcement is consistent with our profitable growth strategy and with our belief that the global consolidation of our industry is both necessary and inevitable."* He went on to add: *"We believe Logica is the right acquisition, at the right price and at the right time to create one of the very few independent global end-to-end technology services providers."*

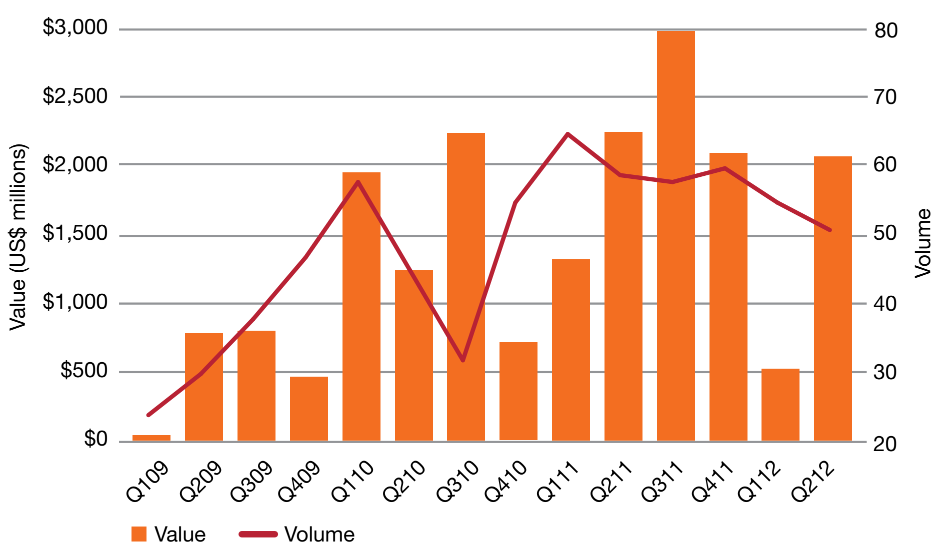
- GENIVAR Inc. (GENIVAR) announced the $442 million cash acquisition of WSP Group Plc (WSP), a multi-disciplinary professional services consultancy based in the UK. GENIVAR and WSP intend to create a world-class professional services firm with a strong presence in Canada, Northern Europe, the UK and the United States. The businesses have complementary geographic footprints, end-market exposures and service offerings, and very limited client overlap. The combination between the two firms is expected to provide revenue diversification as well as enhanced capabilities to better serve the combined client base on a global basis. Pierre Shoiry, President and CEO of GENIVAR said: *"GENIVAR and WSP are highly compatible in terms of culture and strategic objectives... Moreover, our firms are complementary with limited geographical overlap, combining talented teams to enhance the leadership and expertise of the global organization."*

Canadian buyers also demonstrated a strong appetite for acquisitions into struggling growth markets during Q2, announcing almost $2.1 billion in acquisitions. Transactions in Chile and South Korea accounted for 74% of the total growth market dollars invested, but in all, Canadian companies were acquisitive in 27 growth markets around the globe. Notable deals included:

- The Ontario Teachers' Pension Plan (Teachers') paid $400 million for a 9.9% stake in Kyobo Life Insurance Company (Kyobo), the third-largest insurer in South Korea. This was the first direct investment by Teachers' in Korea and ultimately served two purposes for the pension fund. Wayne Kozun, Senior VP of Public Equities at Teachers' said: *"We believe our investment is a unique opportunity to acquire a sizeable stake in the Korean life insurance industry's most profitable company, and further expand our direct investments in Asia."*
- The Canada Pension Plan Investment Board (CPPIB) acquired a 49.99% interest in Grupo Costanera, the largest urban toll road operator in Chile, for C$1.14 billion. The transaction provides CPPIB with significant minority stakes in five major Chilean toll roads and is the third investment by CPPIB in two of South America's fastest growing economies since December 2011, with the other two being in Brazil. André Bourbonnais, Senior Vice-President, Private Investments for CPPIB, said: *"The addition of these five major urban toll roads in Chile is an excellent opportunity to expand our infrastructure portfolio in a developing market."*

As depicted in the accompanying graph, M&A activity within Canada was subdued. The value of inbound and domestic M&A activity declined 48% and 29% respectively over the prior quarter. The most notable drop-off was observed in the "foreign buyer" segment. During Q2, inbound transactions led by non-Canadians accounted for only 19% of values, which was in line with post crisis lows. Interestingly, if the C$5.5 billion acquisition of Progress Energy by Malaysia's Petronas is excluded from our analysis, the drop-off in foreign inbound transaction values would have been more pronounced, hitting a low not seen since the second quarter of 2005.

Canadian acquisitions in growth markets (volume and value)




Source: S&P Capital IQ, PwC analysis

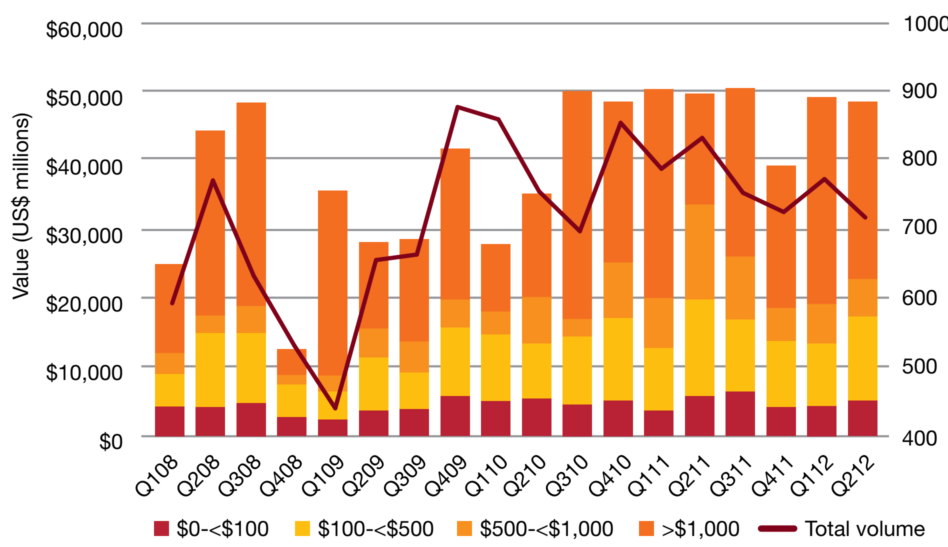
## 2) Deal activity by size: Mega deals quiet; middle market picks up slack

When segmented by deal size, the overall drop-off in announced M&A during Q2 was led by a decline in mega deals. The aggregate value of $1 billion + M&A transactions dropped by $4.8 billion, or 16%, over the prior quarter.

In addition to weak macro conditions, an important driver of the slowdown in multi-billion dollar M&A has been a reduction in the availability of commercially reasonable leveraged deal capital. On average, 37% equity was required to finance a North American LBO in Q2, significantly above the ten year average and still well off of the average 30% equity contribution required during the 2005-2007 timeframe. At these leverage levels, achieving IRR hurdles remains challenging, a significant roadblock to structuring a successful LBO. Important to highlight is that while high yield and leveraged loan markets continue to see a plethora of new issues, the majority of 1H 2012 new issues (59%) were earmarked for recapitalizations and refinancing, rather than for acquisitions (17%).[2]

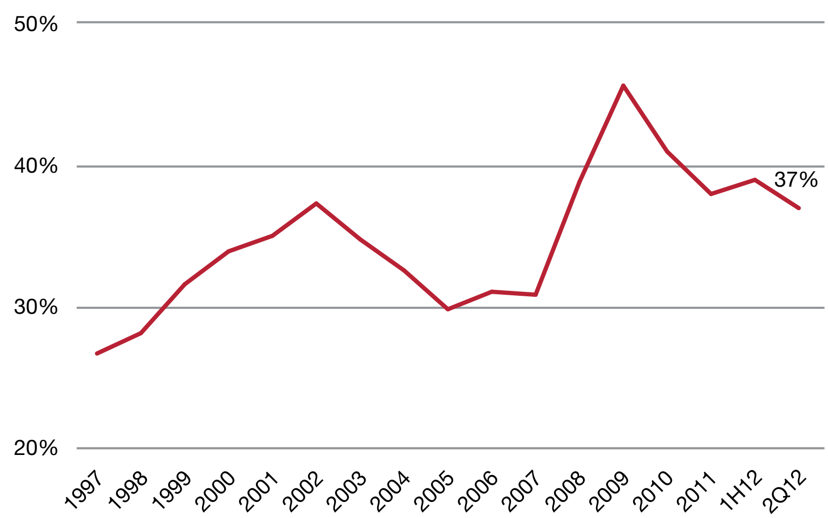
2 S&P LCD Leveraged Buyout Review, Q2 2012

Quarterly Canadian M&A volume & value (consecutive quarters)




Source: S&P Capital IQ, PwC analysis

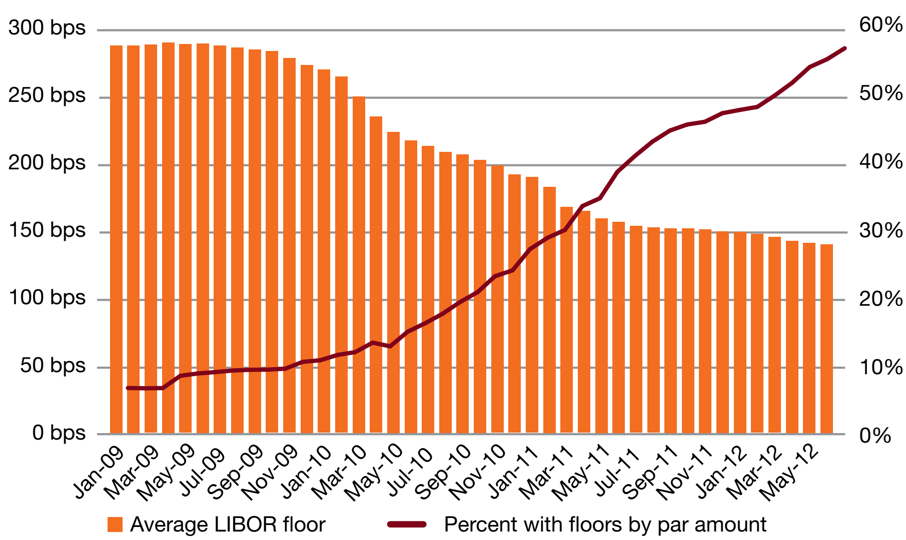
Equity contribution to LBOs




Source: S&P LCD Leveraged Buyout Review, Q2 2012

Of note is also the pricing trend of leveraged facilities. Although all-in funding remains at historic lows (yield to maturity on BB- in June 2012 was only 4.66%!), many lenders continue to incorporate LIBOR floors in pricing structures in order to protect against the downside risk of even lower rates. As depicted in the accompanying graph, at the end of Q2, close to 58% of loans were issued with a LIBOR floor, a strong signal that the market will not price credit risk off of an artificial base rate and an important reminder that there is no direct transmission mechanism between central banks and credit markets.


Percent of outstanding loans with LIBOR floor and average LIBOR floor




Source: Standard & Poor's LCD, LSTA Index Report – June 2012

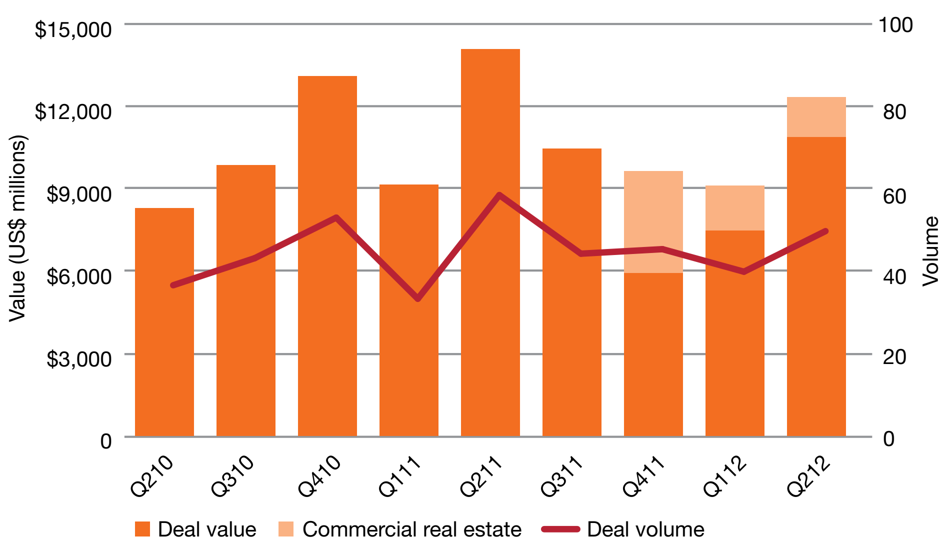
Outside of the world of "mega deals", the middle market M&A segment[3] was a surprising bright spot, picking up the slack for the drop off in mega-deals. Volumes and values in the middle market rose by 21% and 35% respectively after three consecutive quarters of decline. The uptick in middle market deals was hardly surprising as many corporate and private equity firms have been giving guidance for some time with regard to their desire for bolt-on acquisitions to innovate or to boost the top line of existing slow growth lines of business in North America.

While previous quarters saw the real estate sector as the key driver of middle market M&A, Q2 saw a drop-off of in real estate deals and an uptick in more "traditional" middle market M&A sectors, inclusive of industrials, software and consumer goods. The drop off in middle market real estate values was hardly a sign of a slowdown in the sector. Quite the contrary. In a global rush to buy yield, real estate M&A deals are "getting bigger", with a larger proportion of real estate transactions in the $500 million + segment as opposed to the middle market.

Some notable middle market deals announced during the second quarter included:

- Dassault Systemes SA entered into a definitive acquisition agreement to acquire Canadian privately held software maker Gemcom Software International (Gemcom) for $360 million in cash. Gemcom is the largest global supplier of mining software solutions which are used by major mining companies in over 130 countries. Rick Moignard, President and CEO of Gemcom, said: *"This acquisition will clearly benefit Gemcom's customer base, bringing global support and enterprise collaboration."* This is yet another accomplishment in the Canadian tech sector that has seen some of Canada's most successful software firms such as Algorithmics and Radian6 Technologies being acquired since the start of 2011.
- Element Financial (Element) announced the acquisition of TLSI Holdings, the holding company of TLS Fleet Management (Transportaction) for $147 million plus debt. Steve Hudson, Element's Chairman and CEO, noted: *"Transportaction's fleet management business provides Element with a very strong entry point into a segment of the equipment leasing market that has traditionally had attractive returns and low credit losses."* With the closing of the acquisition in early July, Element has become Canada's largest independent finance company.
- Flight simulation and training company CAE Inc. has acquired privately-held airline pilot training company, Oxford Aviation Academy (OAA), an industry-leading provider of aviation training and crew sourcing services, for C$314 million. This acquisition strengthens CAE's leadership position in capturing the long-term and growing market demands for aviation professionals and global reach in civil aviation training by increasing its training centre footprint. *"Civil aerospace market fundamentals are strong and we are increasing our position at an opportune time. With this acquisition, CAE responds to market demand with an increased footprint and a complete end-to-end solution for commercial aviation,"* said Marc Parent, CAE's President and CEO.

Middle Market Quarterly Canadian Deal Trend ($100 - $500 milllion segment)



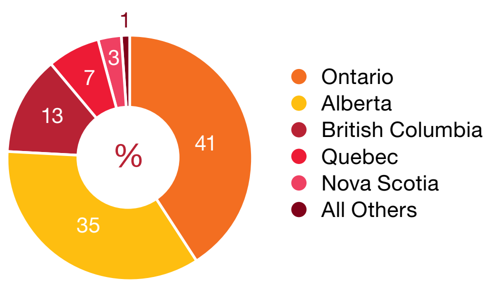

Source: S&P Capital IQ, PwC analysis

3 Middle market refers to a transaction with a target valuation between $100 and $500 million.

## 3) *Deal activity by province: Ontario unseats the west as the most targeted M&A province*

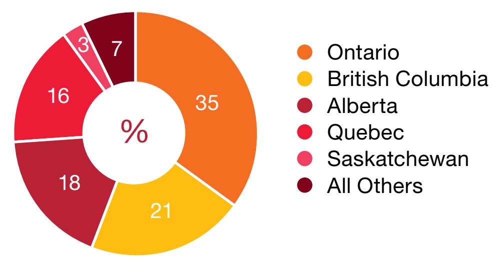
During Q2, Ontario overtook Alberta as the most targeted province by value, with 41% of all Canadian targets calling Ontario home. A key driver of the shift was a drop off in Asian-led mega-buys in Alberta's oil sands.

Top five targeted provinces by volume




Source: S&P Capital IQ, PwC analysis

Top five targeted provinces by value




Source: S&P Capital IQ, PwC analysis

Notable Ontario deals included:

- Dundee REIT and H&R REIT acquired the Scotia Plaza complex in downtown Toronto for approximately C$1.266 billion. Dundee REIT acquired a two-thirds interest while H&R REIT will own the remaining one-third interest. This was the biggest real estate deal in Canadian history and more than doubled the previous record for a single office complex (CIBC sold its Commerce Court complex just across the street in 2000 for C$618 million). *"With the addition of Scotia Plaza, the quality of our portfolio is the best it has ever been,"* said Michael Cooper, CEO of Dundee REIT.
- BCE Inc. and a consortium of private equity investors comprised of Ontario Teachers' Pension Plan, Providence Equity Partners and Madison Dearborn Partners LLC, announced the acquisition of Q9 networks for C$1.1 billion. The equity component of the transaction is expected to be C$600 million, or 55.5% of the total value, with new debt financing by Q9 funding a portion of the acquisition. *"Q9 is a recognized leader in data centre services for business customers large and small, an ideal partner to grow our hosting and cloud-based business while leveraging our world-leading broadband network infrastructure,"* said Tom Little, President of Bell Business Markets.

## 4) *Deal activity by sector: Real estate and energy continue to see a flurry of M&A activity, diversified financials narrowly miss the top five; mining activity "grinds to a halt"*

There were no big surprises in terms of activity by industry during Q2 as real estate, energy and utilities led the top targeted industries in Canadian M&A by value.

As discussed in our **2012 outlook**, utilities and real estate continue to be global M&A favourites due to the aggressive hunt for yield by a variety of buyers eager to earn a better-than-meagre return on un-deployed capital. These sectors also have the added benefit of being naturally indexed to inflation, a major macro risk in light of potential QE3.

Software and services made a rare entry into the top five targeted industries with the previously discussed CGI Group acquisition of Logica and the consortium purchase of Q9 Networks accounting for 77% of the total transaction values.

The energy sector has kept its place among the top two targeted industries since the start of 2011 however the nature of M&A activity has changed, with the gas sub-sector taking centre stage. A prolonged slump in the price of natural gas has prompted numerous natural gas producers to investigate ways to create new demand, open new markets (most notably in Asia) and seek out deals to improve capital efficiencies or access enabling technology. The largest transaction of the quarter, Petronas' acquisition of Progress Energy Resources for C$5.5 billion, is expected to help Petronas make Canada's natural gas resources available to more markets around the world.

Top targeted industries in Canadian M&A (by value)

***2011***

| Industry | Market Share |
|---|---|
| Metals & Mining | 19% |
| Energy | 16% |
| Real Estate | 16% |
| Diversified Financials | 12% |
| Industrials | 9% |

***Q1 2012***

| Industry | Market Share |
|---|---|
| Energy | 28% |
| Agribusiness | 15% |
| Real Estate | 13% |
| Metals & Mining | 9% |
| Utilities | 7% |

***Q2 2012***

| Industry | Market Share |
|---|---|
| Real Estate | 19% |
| Energy | 19% |
| Software and Services | 12% |
| Utilities | 11% |
| Retailing | 8% |

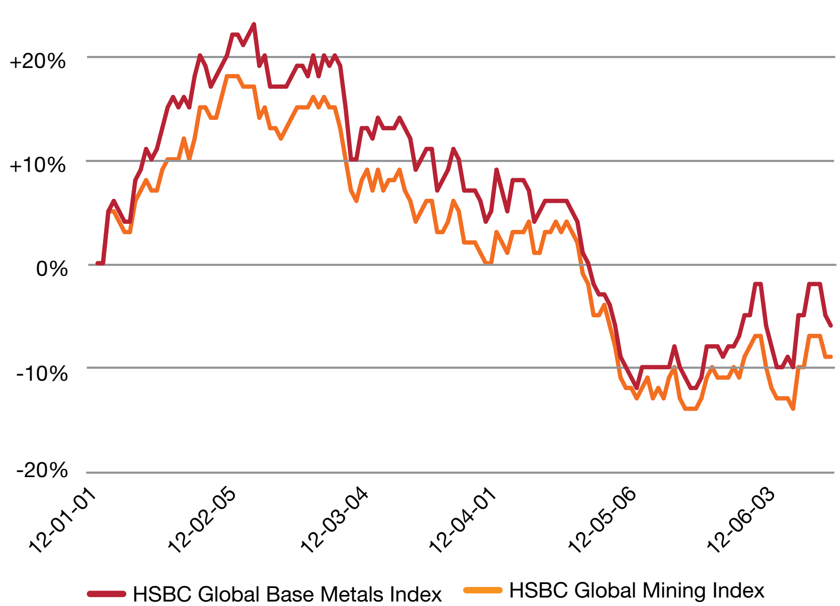
While diversified financials narrowly missed the top five targeted industries, there was certainly no shortage of noteworthy activity. The mature Canadian insurance and banking sectors led the charge with the following high profile acquisitions:

- RSA Canada (RSA) announced the acquisition of L'Union Canadienne Compagnie d'Assurance from its parent company Co-operators General Insurance Company, for $150 million. The transaction continues a trend of consolidation in Canada's Property & Casualty (P&C) insurance sector highlighted in our recent publication **Perspectives on Insurance M&A.** Rowan Saunders, President and CEO of RSA Canada, said: *"This acquisition positions RSA as a top 5 insurer in Quebec and solidifies us as the third largest P&C insurer in Canada."*
- Intact Financial Corp. (Intact), the leading provider of P&C insurance in Canada, has entered into an agreement to acquire The Westaim Corporation's wholly-owned subsidiary, JEVCO Insurance Company, for C$530 million. This is the second major acquisition for Intact, which acquired AXA Canada in 2011 for C$2.6 billion. The addition of JEVCO *"... will allow us to expand our offering to brokers by providing them the opportunities to offer their clients complementary specialized products such as recreational vehicle insurance,"* said Intact CEO Charles Brindamour. He added, *"It will also broaden our offering of specialty lines products to businesses."*

- B2B Trust, a subsidiary of Laurentian Bank and AGF Management Limited, entered into an agreement to acquire 100% of AGF Trust Company for approximately $416 million. With the acquisition of AGF Trust, B2B Trust's loan portfolio will increase by approximately 50%, while deposits will increase by 30%. *"The acquisition of AGF Trust certainly proves that B2B Trust is, and will always be, 100% committed to meeting the needs of the financial advisory community"*, said François Desjardins, President and CEO of B2B Trust. *"We have been in a period of growth for the past several years now, and with the inclusion of AGF Trust's portfolio and services, B2B Trust will be well-positioned to continue developing industry-leading solutions."*

Notable in its absence from the top five active industries this quarter was metals and mining. Transactions in the space represented only 5% of total Canadian M&A activity by value in the second quarter, down more than 40% from the first quarter and down nearly 75% from 2011. As indicated in the accompanying graph, there has been a precipitous decline in the price of commodities since the start of the year as a result of decreasing global demand for resources, especially from China. Indeed, second quarter Chinese growth edged down to 7.6% from 8.1 % in the quarter prior, with some analysts predicting further declines to 7% for Q3. In an environment of falling and volatile commodity prices, many miners are adopting a "wait and see" approach to deal making.

Mining index returns




Source: Bloomberg, PwC analysis

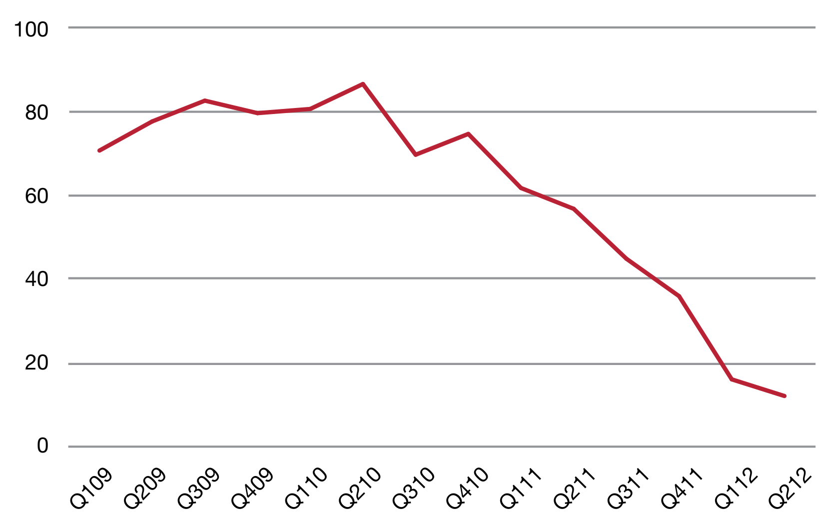
## 5) Cancelled deal activity: Cancelled deals drop to a record low despite a volatile macro backdrop

Interestingly, despite shaky markets, Canadian buyers have exhibited a high degree of confidence in their ability to complete transactions. There was little retreading after announcing deals in Q2. In fact, only 12 deal cancellations were observed during Q2 – a record low. This trend is consistent with our post-crisis observation that, in an M&A environment increasingly characterized by high break fees and high "public costs of failure", buyers are investing more time "upfront" ensuring targets are the right strategic fit.

In closing, we defer back to Bill Gross, of PIMCO who recently wrote about the high degree of uncertainty in the markets today, alluding to what many Canadian dealmakers expressed through 2012: Inaction is not necessarily the answer – preparedness & nimbleness are.

***"This new duality – credit and zero-bound interest rate risk – is what characterizes our financial markets of 2012. It offers the fat-left-tailed possibility of unforeseen delevering or the fat-right-tailed possibility of central bank inflationary expansion. Adjust your expectations, prepare for bimodal outcomes…"***

Cancelled Deals (per quarter)




Source: S&P Capital IQ, PwC analysis

# ***The Canadian economic setting:*** Living in risky times

***By Dale Orr, a member of PwC's Economics & Statistics Practice in Toronto***

While the Canadian economy has recovered from the recession, it is certainly no time for complacency. Risks posed by international economies and domestic factors are more troublesome than they have been for some time. This article provides an overview of some of the primary international and domestic risks facing the Canadian economy, focussing on the United States as well as the less understood linkages of Canada to China and Europe.

## *Risks from International Economies*

### *Direct Impacts from the US*

The Canadian economy depends on the US for about 78% of its exports and our financial and inter-corporate ties are far heavier with the US than any other country (Figure 1). The status of recovery from the recession in the US is slow and uncertain, and the direct impacts from the US are probably the major source of risk to Canada's economic growth over the next few years. The US is facing significant fiscal challenges, hopefully to be resolved after the November election. As well, housing and labour markets remain stagnant. These difficulties and uncertainties, leading to a weak economic growth forecast for the US, drag on the forecast for Canada's economic growth for this year and next (Figure 2).

While Canada's dependence on the US is far more important than our direct linkage to China and the Euro area economies – the linkages between the Canadian economy and China and the Euro area countries are important but tend to be much less understood.

### *Indirect Impacts from China*

Over the past year many of the short term shocks to Canada's forecasts of economic growth have been caused by fears of a slow-down in China. While the Chinese economy has been growing at near a 10% clip in recent years, the forecast for this year as well as next is closer to 8%. The pace fell below 8% last quarter. However, China accounts for only about 2% of Canada's exports and direct financial linkages with China are not significant.

Chinese growth impacts the Canadian economy primarily through China having become a dominant purchaser of commodities, particularly oil. When the pace of economic growth in China slows, or is expected to slow, the demand for commodities and their prices fall. In recent years, exports of oil have been one of the most important drivers of Canada's economic growth, employment growth and profitability. Less demand for oil at a lower price reduces short term forecasts for Canada's economic growth, profits and tax revenue, particularly in Alberta. In the long term however, lower oil prices can have a positive impact on economic growth in central Canada.

*Indirect Impacts from Europe*

While Euro area countries account for only about 4% of Canada's exports and the direct linkages between Euro area and Canadian banks are not particularly strong, difficulties in these European countries do have a very important indirect impact on Canada's economic and financial performance. Most Euro area countries are now in recession and the forecast for growth in the Euro area for 2012 is negative with a slight improvement for next year.

Most of the news from Europe has focussed on the sovereign debt issue, particularly in Greece, but also in Spain, Portugal and Italy. International investors fear slower economic growth in these countries as fiscal policy is constrained and defaults on government bonds and of banks are an increasing possibility. The burden of financing these countries also brings risks to the healthier countries such as Germany and France.

In the face of real or expected difficulties in government debt and/or the banking sector in Euro countries, international capital markets flee to the safe haven of the US dollar. The increased demand for the US dollar drives up its value relative to other major currencies. Weaker growth and financial difficulties in Europe also dampen plans for business investment and exports of US companies,[1] particularly at a higher US dollar. That is, economic and financial performance difficulties in Europe affect the Canadian economy more through their indirect impact on the US economy than through any direct trade or financial linkages between Euro area countries and Canada.

*Domestic Risks and Forecast for the Canadian Economy*

Besides the global risks threatening Canada, we have several domestic areas that deserve careful monitoring. The major domestic source of risk is likely the housing sector. This is a particular concern for Vancouver, where home prices have been driven by foreign investors, far beyond the affordability of most local workers. The other major domestic risk, the relatively high level of consumer debt, is the result of high housing prices, the temptation to expand consumer credit at historically low borrowing costs and also the hit to incomes many Canadians experienced during the recession. The relatively high level of consumer debt puts a damper on forecasts for consumer spending in Canada. As mortgage and other consumer interest rates rise, as they are expected to about a year from now, an increasing number of Canadian families and small businesses will struggle to maintain spending levels.

Overall, the Canadian economy has recovered from the recession and has been growing at about a 2% annualized pace for the past year, a pace expected to be maintained over this year and next. Industrial production has been weak recently. The drivers of the economy have been business investment and exports and these sectors are expected to drive us for at least another year (Table 1). While government expenditures provided a boost to the economy over the recession, those days are over. Government spending, both federally and provincially, will be a drag on the economy this year, and for at least several more years.

The international and domestic uncertainties that lie ahead require effective monitoring, analysis and interpretation in order to minimize business risks.

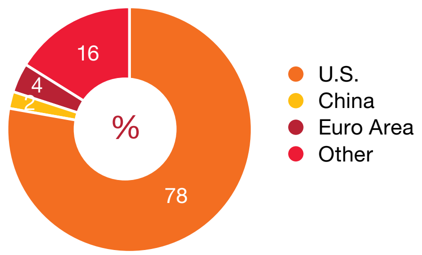
1 Behind Canada and Mexico, the European area is the third largest importer of US goods and services. Source: US Department of Commerce, May 2012

Table 1: Forecast for Canada

| | 2012 (Average Annual) | 2013 (Average Annual) |
|---|---|---|
| **Real GDP (Year over year % growth)** | **2.0** | **2.0** |
| | | |
| **Selected components of GDP (YOY % Growth):** | | |
| Consumer spending | 1.8 | 1.9 |
| Government spending | -2.0 | -0.5 |
| Business investment | 6.0 | 6.0 |
| Exports | 3.0 | 4.0 |
| | | |
| **Other indicators:** | | |
| Industrial production (YOY % Growth) | 2.0 | 3.0 |
| Unemployment rate (%) | 7.2 | 7.1 |
| Inflation (% CPI) | 1.8 | 2.0 |
| Short term interest rates (90 day T Bill %) | 0.9 | 1.2 |
| Housing starts (,000) | 210 | 185 |
| US dollar per Canadian dollar | 98.0 | 99.0 |

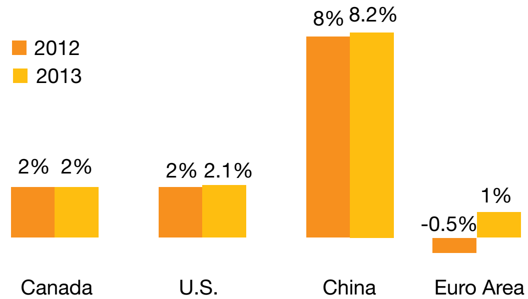
Source: PwC Analysis

Figure 1: Shares of Canada's exports




Source: Statistics Canada – Canada Year Book

Figure 2: Economic growth forecasts




Source: PwC analysis

# Practice

When it comes to making strategic business and investment decisions, we believe there really is no one-size-fits-all methodology. Decisions need to be based on sound economic and statistical data.

Our Economics and Statistics team combines industry and public sector experience with applied data analytic, econometric and statistical knowledge – to provide viable solutions to the unique issues facing clients. Comprised of members with advanced degrees in economics and other quantitative disciplines our team provides the following services:

- **Economic impact studies and analysis:** We conduct economic impact studies of industries, investments, large scale infrastructure projects, government programs and strategic initiatives. By quantifying impacts to the economy (e.g. GDP, jobs, government tax revenues), an organization is able to determine the broader economic benefits of projects, thereby better supporting decision-making at the organizational level and raising awareness of the economic benefits to the government and other public stakeholders.
- **Market research, industry analysis and benchmarking:** Our professionals assess economic factors affecting markets and industries and conduct in-depth benchmarking and sector analysis, including the design and implementation of surveys. These services help address the full range of issues facing an organization and help assess the economic and financial impacts of strategic initiatives.
- **Statistical and econometric forecast models:** We develop forecast models of future performance and potential outcomes. In addition, we construct economic indices that capture the changes in economic costs, prices and output. Our models help guide organizations with their strategic decision making and planning processes.

Our work provides clients and client stakeholders with an improved understanding of how strategic initiatives and investments impact or are impacted by economic and related factors. We provide clients with transparent, objective and fact-based analysis that they can rely on to make short term and long term decisions and develop more informed strategies.

**Stephen Martin**

Partner, Economics and Statistics Practice

416 941 8350

stephen.g.martin@ca.pwc.com

# Deals

## Achieving deal success— from concept to close and beyond

The PwC Deals Team helps clients raise capital and complete acquisitions, divestitures, or strategic alliances. We add value across the entire deal spectrum, from concept to close and beyond, by:

- developing your deal strategy;
- managing your go-to-market strategy;
- presenting your deal to the right targets, partners and capital providers, across the globe;
- supporting your deal with due diligence, valuation, integration and tax advisory services; and
- implementing changes to deliver deal synergies.

Our Canadian Deals team is part of the world's largest Transaction Advisory practice[1]. Our approach helps clients to source and execute deals faster and on more favourable terms, while minimizing business disruption and risk.

We look forward to your call.

**Nicolas Marcoux**
Canadian Deals Leader
nicolas.marcoux@ca.pwc.com
514 205 5302

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## *Contact us*

### PwC Deals Leadership Group

PricewaterhouseCoopers Corporate Finance Inc**
**Julian Brown**
julian.s.brown@ca.pwc.com
416 687 8592

**Helen Mallovy Hicks**
helen.m.mallovy.hicks@ca.pwc.com
416 814 5739

**Jim McGuigan**
jim.j.mcguigan@ca.pwc.com
604 806 7594

**Johanne Mullen**
johanne.mullen@ca.pwc.com
514 205 5080

**David Planques**
david.planques@ca.pwc.com
416 815 5275

**Miriam Pozza**
miriam.pozza@ca.pwc.com
514 205 5286

**Dominic Ricketts**
dominic.ricketts@ca.pwc.com
416 687 8408

**Clinton Roberts**
clinton.l.roberts@ca.pwc.com
403 509 7307

[1] Source: Kennedy; "Business Advisory Services Marketplace 2009-2011"; © BNA Subsidiaries, LLC. Reproduced under license.

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## Authors

**Vanessa Iarocci**
vanessa.s.iarocci@ca.pwc.com
416 941 8352

**Bradley Romain**
bradley.romain@ca.pwc.com
416 687 8037

**Niamh McCarthy**
niamh.mccarthy@ca.pwc.com

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