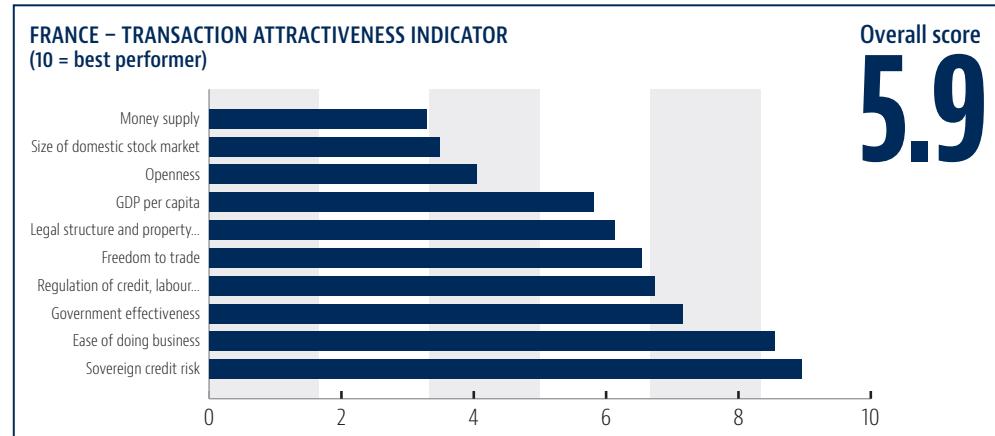


While the French economy has proved resilient against a rather gloomy Eurozone picture, we see GDP growth slowing this year as external headwinds dampen consumer and business confidence. Similarly, deal making is expected to underperform in the near-term, with total M&A at \$56bn in 2019 and \$52bn in 2020. A pickup in deal making is foreseen in 2021-22, thanks to stronger stock market valuations and more favourable macroeconomic conditions.

SUMMARY OF KEY DRIVERS (AVERAGE 2019-2022)		
	France	Global
GDP growth (% annual)	1.4	2.8
Stock market capitalization (% of GDP)	96	97
Money supply (% of GDP)	93	111
Trade (% of GDP)	49	45
Ease of doing business (World Bank, DTF score, higher=better)	77	77
Legal structure (Fraser Institute)	61	6.6
Freedom to trade (Fraser Institute)	6.5	7.4

Source: Oxford Economics



Source: Oxford Economics

The Transaction Attractiveness Indicator is an overall score calculated using a weighted average of the 10 factors included in the chart above. The score reflects the attractiveness of a country's current environment for M&A and IPO activity on a scale from 0 to 10. It's based on past transaction activity in that country and data on key economic, financial and regulatory factors that drive M&A and IPO activity, such as a country's sovereign credit risk, level of trade restrictions and ease of doing business rating by the World Bank. Because many of these factors change slowly over time, a country's current score is a strong indicator of whether it will have the right features to attract transactional activity in the future.

FRANCE – M&A AND IPO TRANSACTIONS							
	2016	2017	2018	2019	2020	2021	2022
Total M&A transactions (US\$bn)	77.9	110.9	76.1	56.4	52.3	79.3	94.1
% of Global M&A transactions	2.3	3.9	2.3	2.0	2.5	2.9	3.2
Domestic (US\$bn)	44.0	59.7	26.3	19.1	18.9	40.5	50.1
Cross-border, inbound (US\$bn)	33.8	51.2	49.8	37.4	33.5	38.8	43.9
Total volume of M&A transactions (Number of deals)	2,508	1,979	1,756	1,665	1,616	1,956	2,170
Domestic (Number of deals)	1,945	1,487	1,268	1,162	1,151	1,453	1,634
Cross-border, inbound (Number of deals)	563	492	488	503	465	503	536
Total IPO transactions (US\$mn)	9870	2735.8	1,251.6	513.8	542.5	1,621.7	2,043.7
% Global IPO transactions	0.7	1.4	0.6	0.3	0.3	0.8	0.9
Domestic (US\$mn)	525.0	1,639.0	1,207.6	483.0	455.4	1,438.2	1,779.0
Cross-border (US\$mn)	462.1	1,096.8	44.0	30.8	87.1	183.4	264.7

Source: Oxford Economics, Reuters

FRANCE – FORECAST FOR THE ECONOMY							
	2016	2017	2018	2019	2020	2021	2022
Macroeconomic drivers							
Real GDP growth (% yoy)	1.0	2.4	1.7	1.3	1.4	1.5	1.5
CPI (% yoy)	0.2	1.0	1.9	1.2	1.3	1.4	1.6
Merchandise trade (% of GDP)	46%	48%	48%	49%	49%	49%	50%
Financial drivers							
10-year government bond yield (%)	0.5	0.8	0.8	0.1	0.1	0.7	1.2
Equity prices (LCU, end of year % change)	4.8	11.0	-12.0	16.9	-3.8	4.5	3.2
Stock market capitalisation (US\$bn)	2,159.0	2,749.3	2,366.0	2,704.8	2,667.5	2,854.8	3,016.9

Source: Oxford Economics

IPO calculations account for the tentative Aramco listing in 2020 that has the potential to raise up to US 100 billion.