

Activity in the Dutch economy is slowing, as the manufacturing sector struggles with weakness in global trade and the downturn in German industry. The near-term outlook for M&A transactions also looks relatively subdued, but we expect a renewed acceleration of deal-making activity from 2021 with an improving economic environment.

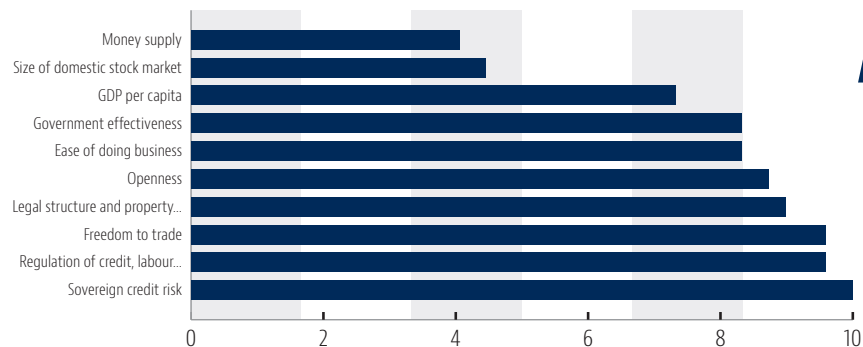
SUMMARY OF KEY DRIVERS (AVERAGE 2019-2022)

	Netherlands	Global
GDP growth (% annual)	1.5	2.8
Stock market capitalization (% of GDP)	121	97
Money supply (% of GDP)	111	111
Trade (% of GDP)	120	45
Ease of doing business (World Bank, DTF score, higher=better)	76	77
Legal structure (Fraser Institute)	9.0	6.6
Freedom to trade (Fraser Institute)	9.6	7.4

Source: Oxford Economics

NETHERLANDS – TRANSACTION ATTRACTIVENESS INDICATOR (10 = best performer)

Overall score
7.8



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.

NETHERLANDS – M&A AND IPO TRANSACTIONS

	2016	2017	2018	2019	2020	2021	2022
Total M&A transactions (US\$bn)	35.7	32.0	63.4	26.8	24.6	35.7	40.4
% of Global M&A transactions	1.1	1.1	1.9	0.9	1.2	1.3	1.4
Domestic (US\$bn)	7.2	8.2	9.0	3.8	3.8	7.2	8.1
Cross-border, inbound (US\$bn)	28.5	23.8	54.3	23.0	20.8	28.6	32.3
Total volume of M&A transactions (Number of deals)	629	605	613	535	517	562	605
Domestic (Number of deals)	270	242	258	220	210	239	254
Cross-border, inbound (Number of deals)	359	363	355	315	307	323	351
Total IPO transactions (US\$m)	3,179.6	814.6	2,147.4	590.1	1,015.1	1,676.5	1,946.0
% Global IPO transactions	2.3	0.4	1.0	0.4	0.5	0.9	0.9
Domestic (US\$m)	2,726.9	814.6	1,180.2	590.1	788.8	1,080.4	1,333.0
Cross-border (US\$m)	452.6	0.0	967.2	0.0	226.3	596.1	612.9

Source: Oxford Economics, Reuters

NETHERLANDS – FORECAST FOR THE ECONOMY

	2016	2017	2018	2019	2020	2021	2022
Macroeconomic drivers							
Real GDP growth (% yoy)	2.1	3.0	2.5	1.5	1.4	1.5	1.4
CPI (% yoy)	0.3	1.4	1.7	2.4	1.6	1.6	1.8
Merchandise trade (% of GDP)	115%	118%	119%	119%	120%	121%	121%
Financial drivers							
10-year government bond yield (%)	0.3	0.5	0.6	-0.1	-0.1	0.5	0.9
Equity prices (LCU, end of year % change)	7.3	11.7	-11.6	22.5	-4.0	3.7	3.2
Stock market capitalisation (US\$bn)	805.7	1,100.1	960.0	1,150.3	1,132.1	1,202.4	1,270.4

Source: Oxford Economics

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