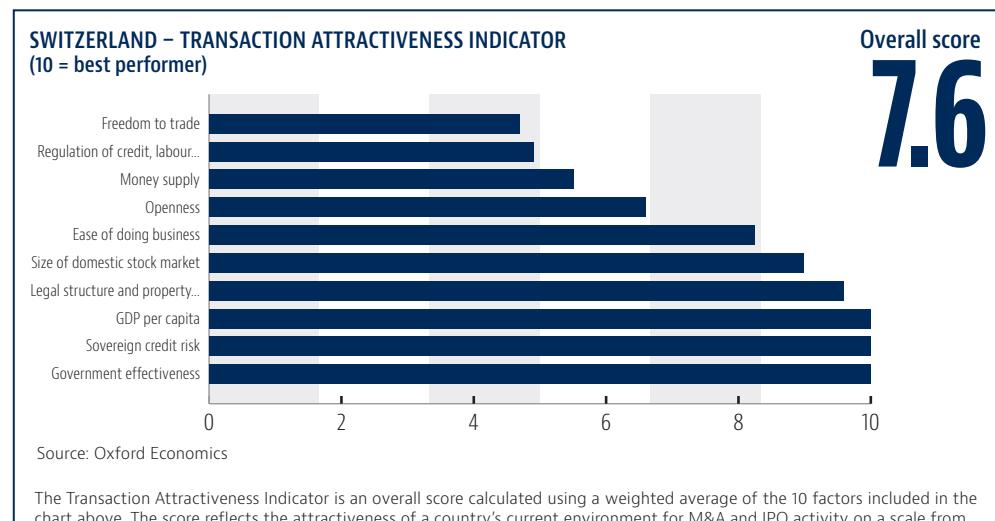


The Swiss M&A market received a \$27bn boost earlier this year from the Novartis spin-off of eyecare subsidiary Alcon. Moreover, underlying activity also appears to have remained robust despite the regional downturn of M&A across Europe. Although we expect a temporary slowing of activity in 2020, the outlook remains positive as Switzerland continues to be an attractive location for deal-making.

SUMMARY OF KEY DRIVERS (AVERAGE 2019-2022)		
	Switzerland	Global
GDP growth (% annual)	1.5	2.8
Stock market capitalization (% of GDP)	241	97
Money supply (% of GDP)	148	111
Trade (% of GDP)	74	45
Ease of doing business (World Bank, DTF score, higher=better)	76	77
Legal structure (Fraser Institute)	9.6	6.6
Freedom to trade (Fraser Institute)	4.7	7.4

Source: Oxford Economics



SWITZERLAND – M&A AND IPO TRANSACTIONS							
	2016	2017	2018	2019	2020	2021	2022
Total M&A transactions (US\$bn)	14.3	83.1	17.9	50.1	17.7	29.4	37.1
% of Global M&A transactions	0.4	2.9	0.5	1.8	0.8	1.1	1.2
Domestic (US\$bn)	1.2	4.3	3.0	35.0	6.0	10.4	12.4
Cross-border, inbound (US\$bn)	13.1	78.8	14.9	15.2	11.7	19.0	24.7
Total volume of M&A transactions (Number of deals)	322	330	300	267	248	296	320
Domestic (Number of deals)	169	168	149	111	100	138	161
Cross-border, inbound (Number of deals)	153	162	151	156	148	158	159
Total IPO transactions (US\$mn)	9324	4,6151	3,4258	2,8038	958.8	2,552.8	3,410.9
% Global IPO transactions	0.7	2.3	1.6	1.8	0.4	1.3	1.6
Domestic (US\$mn)	932.4	4,615.1	1,686.6	2,803.8	958.8	1,973.0	2,367.5
Cross-border (US\$mn)	0.0	0.0	1,739.2	0.0	0.0	579.7	1,043.5

Source: Oxford Economics, Reuters

SWITZERLAND – FORECAST FOR THE ECONOMY							
	2016	2017	2018	2019	2020	2021	2022
Macroeconomic drivers							
Real GDP growth (% yoy)	1.6	1.6	2.6	1.3	1.6	1.3	1.8
CPI (% yoy)	-0.4	0.5	0.9	0.6	0.6	0.7	0.9
Merchandise trade (% of GDP)	68%	70%	72%	73%	74%	74%	75%
Financial drivers							
10-year government bond yield (%)	-0.3	-0.1	0.0	-0.4	-0.2	0.1	0.3
Equity prices (LCU, end of year % change)	-14	19.9	-8.6	23.7	-5.3	4.9	3.8
Stock market capitalisation (US\$bn)	1,403.4	1,686.5	1,441.2	1,771.6	1,673.7	1,783.3	1,894.4

Source: Oxford Economics

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