

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.

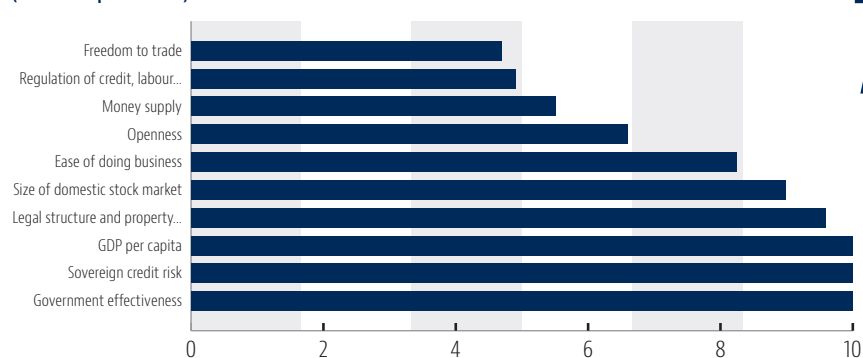
### SUMMARY OF KEY DRIVERS (AVERAGE 2019-2022)

	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 – TRANSACTION ATTRACTIVENESS INDICATOR (10 = best performer)

Overall score  
**7.6**



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.

### SWITZERLAND – M&A AND IPO TRANSACTIONS

	2016	2017	2018	2019	2020	2021	2022
<b>Total M&amp;A transactions (US\$bn)</b>	<b>14.3</b>	<b>83.1</b>	<b>17.9</b>	<b>50.1</b>	<b>17.7</b>	<b>29.4</b>	<b>37.1</b>
<b>% of Global M&amp;A transactions</b>	<b>0.4</b>	<b>2.9</b>	<b>0.5</b>	<b>1.8</b>	<b>0.8</b>	<b>1.1</b>	<b>1.2</b>
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
<b>Total volume of M&amp;A transactions (Number of deals)</b>	<b>322</b>	<b>330</b>	<b>300</b>	<b>267</b>	<b>248</b>	<b>296</b>	<b>320</b>
Domestic (Number of deals)	169	168	149	111	100	138	161
Cross-border, inbound (Number of deals)	153	162	151	156	148	158	159
<b>Total IPO transactions (US\$m)</b>	<b>932.4</b>	<b>4,615.1</b>	<b>3,425.8</b>	<b>2,803.8</b>	<b>958.8</b>	<b>2,552.8</b>	<b>3,410.9</b>
<b>% Global IPO transactions</b>	<b>0.7</b>	<b>2.3</b>	<b>1.6</b>	<b>1.8</b>	<b>0.4</b>	<b>1.3</b>	<b>1.6</b>
Domestic (US\$m)	932.4	4,615.1	1,686.6	2,803.8	958.8	1,973.0	2,367.5
Cross-border (US\$m)	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
<b>Macroeconomic drivers</b>							
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%
<b>Financial drivers</b>							
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)	-1.4	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.