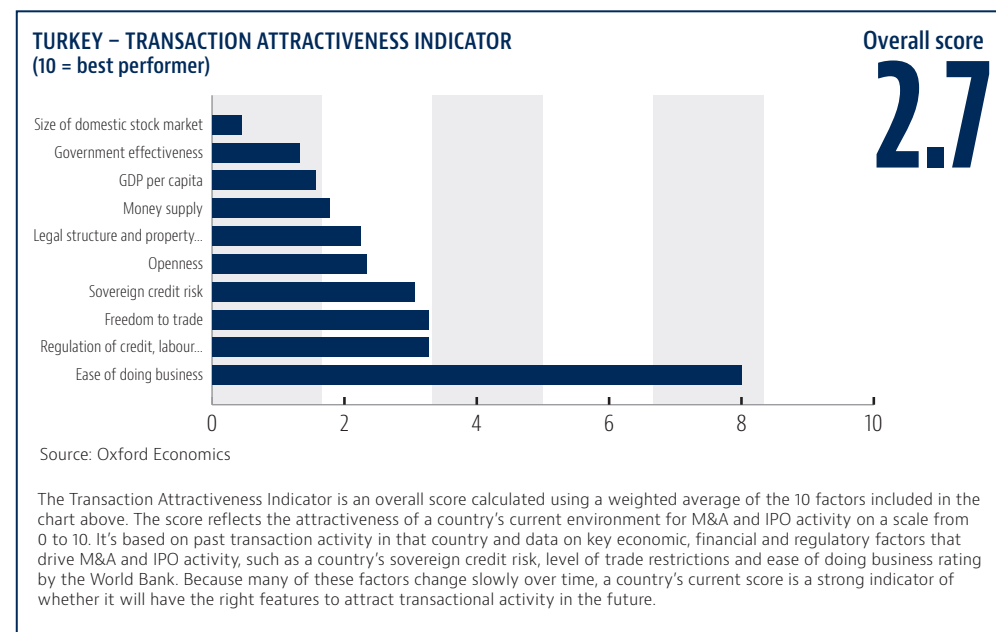


With the economy continuing to feel the impact of last year's currency crisis, the M&A market is expected to be relatively subdued this year. Small and medium sized transactions are likely to dominate private sector deals in the near term, but there is also the potential for some major privatisations, including the sale of companies transferred to Savings and Deposits Insurance Fund (SDIF). If realised, these public transactions would be a key component supporting overall deal values.

SUMMARY OF KEY DRIVERS (AVERAGE 2019-2022)

	Turkey	Global
GDP growth (% annual)	2.3	2.8
Stock market capitalization (% of GDP)	16	97
Money supply (% of GDP)	55	111
Trade (% of GDP)	36	45
Ease of doing business (World Bank, DTF score, higher=better)	74	77
Legal structure (Fraser Institute)	2.2	6.6
Freedom to trade (Fraser Institute)	3.3	7.4

Source: Oxford Economics



TURKEY – M&A AND IPO TRANSACTIONS

	2016	2017	2018	2019	2020	2021	2022
Total M&A transactions (US\$bn)	7.6	7.4	7.0	7.4	6.8	8.3	8.8
% of Global M&A transactions	0.2	0.3	0.2	0.3	0.3	0.3	0.3
Domestic (US\$bn)	1.9	2.9	5.1	2.6	2.6	3.4	3.5
Cross-border, inbound (US\$bn)	5.7	4.5	1.9	4.7	4.2	5.0	5.2
Total volume of M&A transactions (Number of deals)	166	137	155	140	123	131	135
Domestic (Number of deals)	90	68	105	70	70	75	77
Cross-border, inbound (Number of deals)	76	69	50	70	53	56	58
Total IPO transactions (US\$m)	119.9	339.0	1,283.4	77.9	68.5	444.5	560.8
% Global IPO transactions	0.1	0.2	0.6	0.1	0.0	0.2	0.3
Domestic (US\$m)	119.9	339.0	1,283.4	77.9	68.5	444.5	560.8
Cross-border (US\$m)	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: Oxford Economics, Reuters

TURKEY – FORECAST FOR THE ECONOMY

	2016	2017	2018	2019	2020	2021	2022
Macroeconomic drivers							
Real GDP growth (% yoy)	3.3	7.3	2.9	-1.5	2.6	4.1	4.0
CPI (% yoy)	7.8	11.1	16.2	17.0	13.3	12.0	11.0
Merchandise trade (% of GDP)	38%	39%	37%	35%	36%	36%	37%
Financial drivers							
10-year government bond yield (%)	10.2	11.1	15.9	16.3	14.5	13.2	12.4
Equity prices (LCU, end of year % change)	8.9	47.6	-20.9	9.4	-7.3	8.9	4.9
Stock market capitalisation (US\$bn)	171.8	227.5	149.3	151.1	140.1	153.4	161.6

Source: Oxford Economics

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