

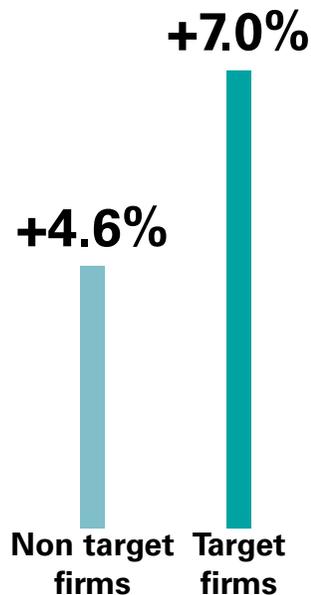
What are the impacts of inward M&A deals for Italy? (1/2)

Target firms performance trends in the last 5 years show a positive impact on three areas of growth...

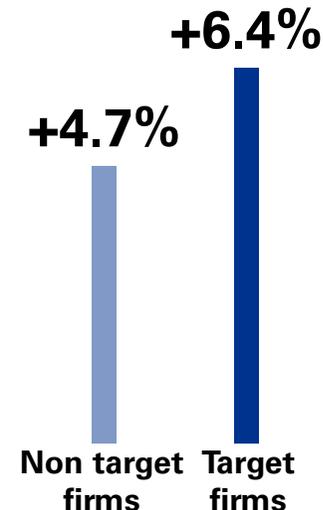
The trends observed on a sample of target/non target firms (2008-2014; 2011 base year) show the impact on target firms in the post-deal period (2001-2014), with reference to three areas of growth:

- Economic (average revenues)
- Size (average assets)
- Productivity (ratio between turnover and average number of employees)

Average annual revenues (cagr 2011-14)

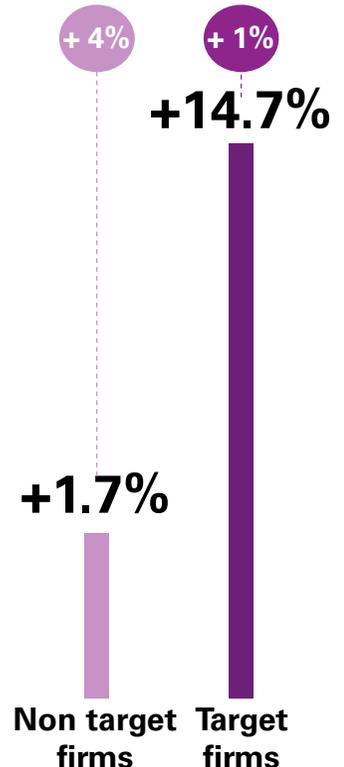


Average assets (cagr 2011-14)



Productivity (cagr 2011-14)

Cagr avg. nr. employees



Source: KPMG elaborations on proprietary database and AIDA data 2011-2014

What are the impacts of inward M&A deals for Italy? (2/2)

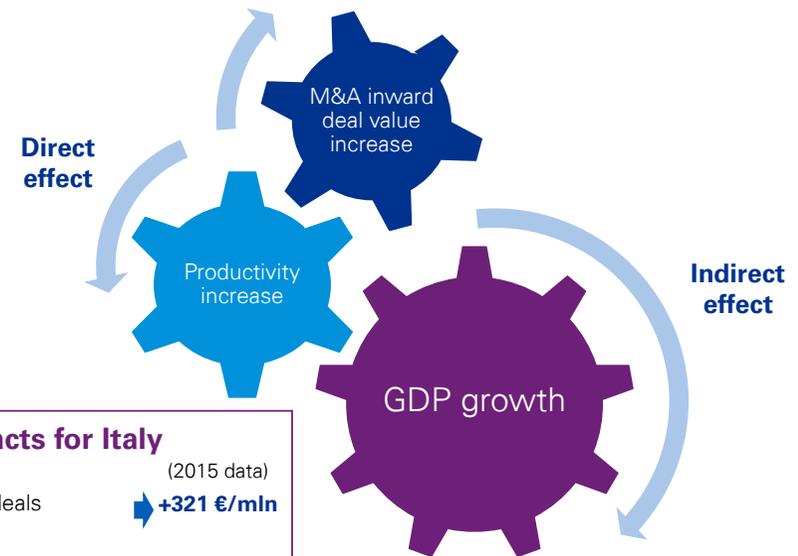
"Micro" and "macro" impacts are positive but low in magnitude

Micro (*target firms*)



Positive but relatively low **impact** on **target firms performance** through the **effect on turnover** and, mostly, on the **improvement of productivity** (i.e. ratio of revenues on employees)

Impacts of M&A deals on labour productivity and target country GDP growth



Macro (Country economy)



The **positive impact** on the **country economy** is again the **combined effect** of the impact of the **growth of M&A flows** on **labour productivity** and hence on **GDP growth**

Focus: Impacts for Italy

(2015 data)

+1% value of M&A inward deals → **+321 €/mln**

Direct effect

+0,03% productivity growth rate → **+140/190 € turnover per emp.**

Indirect effect

+0,12% GDP increase per each 1% increase in productivity growth rate → **+1,97 €/bn**

Source: KPMG elaborations on UNCTAD and Economist Intelligence Unit data for the period 2005-2015; download October 2016

Innovation milestones since 1862

