

A strong year for corporate transactions despite crisis

According to Neil Keenan, head of corporate at law firm ByrneWallace, 2020 can only be described as an unprecedented year due to the impact Covid-19 has had on all aspects of our lives.

“If this had been a normal year, we would have expected a strong year for corporate transactional activity following on from a busy 2019, despite some headwinds such as Brexit,” Keenan said.

“However, when Ireland initially entered lockdown in March, many transactions were put on hold or did not proceed, particularly those in certain hard-hit sectors. Others were renegotiated before proceeding, as what was a seller’s market became more of a buyer’s market almost overnight.”

As the year continued, it was a different story with transactional activity remaining surprisingly strong despite the ongoing crisis. This is evidenced by the latest results published by Experian MarketIQ which recorded a flurry of deal-making in the third quarter after the initial dip in Q2.

ByrneWallace advised on many of these deals, and was credited by Experian with advising on 12 transactions over €500,000 totalling €512 million, placing the firm third in the rankings of legal advisers on Irish deals by deal value, one of only four Irish headquartered firms in the top ten in those rankings.

The firm advised on a number of landmark deals spanning many sectors, with activity in life sciences, technology, healthcare and energy particularly strong.

“The high-profile sales of Precision Biotics and Inflammozone and fundraisings by OneProjects, Avectas, NeuroMod and Priothera kept our life sciences partners Colin Sainsbury and Catherine Dowling busy, while our technology practice, led by Darren Daly, concluded multiple deals including the much publicised sale of Interactive Services to US-based LRN Corporation,” Keenan said.

“The energy sector also remained resilient, with fundraisings by GridBeyond and Mainstream Renewable Power, and the project finance of a number of wind farms by ING Bank. Our Energy team headed by Gavin Blake will also be busy with the provisional results of the first auction under the Renewable Energy Support Scheme now announced which should drive activity in this sector for the rest of 2020 and into 2021.”

Other significant transactions for ByrneWallace included the sale of food company M&M Walshe Holdings (owner of Callan Bacon) to Eight Fifty Food Group, the sale of Ireland’s largest building on behalf of a South African fund, and the sale of



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a corporate and real estate loan portfolio to Ready Capital (NYSE:RC), the latter two deals being led on the corporate side by partner Gerry Beusang.

With many clients in the healthcare and public sector, ByrneWallace was also active advising the state in its response to the pandemic. Corporate partner Gillian O’Shaughnessy was involved in these projects and also saw increased activity advising companies navigate the unique corporate governance challenges presented by the pandemic.

Concluding large and complex deals in a remote working environment brought its own challenges said Keenan, with many of the transactions mentioned having been negotiated and concluded without any physical meetings.

“Corporate lawyers and their clients had to adapt quickly, conducting business over Microsoft Teams and Zoom, and using electronic signature platforms such as DocuSign to manage remote signings and closings. It is a testament to the resilience of our clients and the strength of their businesses that they were able to conclude such landmark deals in the midst of a global pandemic.”

Generally speaking, M&A activity did bounce back in Q3 with Investec reporting 90 transactions having been concluded in the Irish market, not far off the 98 recorded in the final quarter of Q4 2019.

Looking ahead, it is possible, according to Keenan, that Q4 2020 and Q1 2021 may be more muted due to the uncertainty surrounding the EU/UK trade agreement and with the timing of an effective Covid-19 vaccine still unclear, although thankfully there may be positive signs on that front.

Keenan said: “For businesses whose valuations have been impacted by the pandemic, now is a good time to instigate succession planning and to set up employee and executive share arrangements.”

“We also expect that, in 2021, some businesses will reorganise, repair and consolidate, and seek additional funding as they emerge in what we all hope will be a post-pandemic world, and a time of recovery and opportunity.”