North American FDI Trends
C2ER Webinar | 25th Feb 2020

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Welcome to the business of certainty
Contents

• About Bureau van Dijk
• Introduction
• North American trends
• Venture capital
• Summary
A global presence
We capture a wide variety of information

We capture data from regulatory and other sources:

- News
- Industry research
- M&A deals
- PIEs
- Industry codes
- Directors and contacts
- Royalty agreements
- Marine vessels
- Corporate actions
- Company overviews
- Original documents
- LEI numbers
- PEPs and sanctions
- Agency ratings
- Intellectual property
- Patents
- Stock data and earning estimates
- Public tenders
- Company financials
- AML documents
- Financial strength data
- ESG Risk info
- Intellectual property
- Royalty agreements
- Marine vessels
- Corporate actions
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- Patents
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- Public tenders
- Company financials
- AML documents
- Financial strength data
- ESG Risk info
We treat this data to add value

Addition of user interface and data visualization tools

- Standardizing financials and ratios
- Appending and linking corporate structures
- Adding bespoke research
- Applying data verification, cleansing and quality control
- Create unique identifiers
- Identifying beneficial owners
- Linking data sources
- Linking directors and contacts
- Integrating M&A deals and rumours

Output

Data
Catalyst
Custom
Orbis is *the* resource for entity data

- **360m** Entities
- **38m** Private companies with detailed financials
- **79k** Listed companies

And over 1 billion ownership links

*Note: Figures are rounded*
More than 360 million companies across all countries

Note: Figures are rounded
2 Introduction
Trade Wars and Brexit
The current investment climate

• Investor confidence remains fragile despite an increase in greenfield investment

• A number of factors are still creating uncertainty:
  • Trade wars – who are the biggest potential losers?
  • Geo-political risks
  • Tax policy changes
  • Slowdown in Chinese growth
  • Decrease in social cohesion within Europe – moving away from the level playing field
  • Brexit
  • Protectionism & Nationalism
  • Cybersecurity
  • Terrorism
Brexit – FDI implications

- Brexit IS happening, we just don’t know what it looks like yet – left on 01/31/2020
- Brexit is not the only challenge facing the UK economy – demographic shifts, tech developments, talent shortfalls; trust in business has fallen and is influencing policy
- There’s a need for multi-stakeholder collaboration to formulate new industrial policy with business contributing positively
- Businesses are still adjusting – relocating jobs – especially those servicing the European market – Dublin is the preferred hub
- BUT over 1,000 FS firms across Europe could open offices in the UK to serve UK market after 01/31/2020
- Manufacturing (investment lowest in 15 years) and Services in particular are being hit, but Technology remains strong as has Real Estate – Google, Facebook, Samsung
- FDI into the UK has remained strong (EY, AT Kearney’s FDI Confidence Index)

UK companies are looking for growth markets – North America?
North American trends
FDI into North America appears flat going into 2020, yet worldwide declines

FDI Flows 2008 - 2019 USDm

Source: UNCTAD World Investment Report 2019, FDI/MNE database (www.unctad.org/fdistatistics) + provisional numbers for 2019*
Greenfield FDI value increases in North America, but M&A continues to decline

Mergers & Acquisitions vs. Greenfield FDI into North America 2008 - 2018 USDm

North America destination trends since 2013

Legend

Number of projects and deals by regions
- More than 1,848
- From 1,401 to 1,848
- From 862 to 1,401
- From 726 to 862
- From 532 to 726
- From 419 to 532
- From 228 to 419
- From 91 to 228
- From 25 to 91
- Less than 25

Source: Orbis Crossborder Investment
Investment in major metro counties

Source: Orbis Crossborder Investment
UK, Western Europe and APAC are key source regions for Greenfield FDI since 2018

Legend

Number of projects by countries
- More than 667
- From 429 to 667
- From 300 to 429
- From 196 to 300
- From 152 to 196
- From 111 to 152
- From 59 to 111
- From 33 to 59
- From 11 to 33
- Less than 11

Source: Orbis Crossborder Investment
Impact of Greenfield and M&A between United States and Canada

Canada
US companies are responsible for 49% of Greenfield projects and 65% of M&A transactions into Canada

United States
35% of all outward Greenfield projects and 54% of M&A from Canadian companies goes to the US

785 projects (7%)
1,612 M&A deals (23%)

987 projects (5%)
1,555 M&A deals (14%)

Source: Orbis Crossborder Investment
Global FDI recovery post-2008 financial crisis

- United States, 17%
- Indonesia, 227%
- China, 52%
- Canada, -51%
- Brazil, 107%
- United Kingdom, -35%
- India, 28%
- Spain, -29%
- Viet Nam, 126%
- Italy, -3%
- Korea, Republic of, 70%
- Germany, -25%
- Hong Kong, China, 111%
- France, -15%
- Russia, -60%
- Japan, -23%

### Top investors in North America since 2013

<table>
<thead>
<tr>
<th>June ‘19 Rank</th>
<th>Jan ‘20 Rank</th>
<th>Company name</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1</td>
<td>DHL International GmbH</td>
<td>Germany</td>
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<tr>
<td>2</td>
<td>2</td>
<td>Regus Plc</td>
<td>United Kingdom</td>
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<tr>
<td>3</td>
<td>3</td>
<td>Daimler AG</td>
<td>Germany</td>
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<tr>
<td>4</td>
<td>4</td>
<td>ABB Ltd</td>
<td>Switzerland</td>
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<tr>
<td>5</td>
<td>5</td>
<td>Honda Motor Co. Ltd</td>
<td>Japan</td>
</tr>
<tr>
<td>6</td>
<td>6</td>
<td>Toyota Motor Corporation</td>
<td>Japan</td>
</tr>
<tr>
<td>7</td>
<td>7</td>
<td>Samsung Electronics Co. Ltd</td>
<td>Republic of Korea</td>
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<tr>
<td>--</td>
<td>8</td>
<td>Siemens AG</td>
<td>Germany</td>
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<tr>
<td>9</td>
<td>9</td>
<td>BASF SE</td>
<td>Germany</td>
</tr>
<tr>
<td>10</td>
<td>10</td>
<td>Amazon Inc.</td>
<td>United States</td>
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<tr>
<td>11</td>
<td>11</td>
<td>Intertek Group</td>
<td>United Kingdom</td>
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<tr>
<td>12</td>
<td>12</td>
<td>Lidl Stiftung &amp; Co KG</td>
<td>Germany</td>
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<tr>
<td>13</td>
<td>13</td>
<td>Ernst &amp; Young LLP</td>
<td>United Kingdom</td>
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<tr>
<td>14</td>
<td>14</td>
<td>Clariant AG</td>
<td>Switzerland</td>
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<tr>
<td>--</td>
<td>15</td>
<td>Wipro Ltd</td>
<td>India</td>
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</tbody>
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### Most active greenfield investors by number of projects

### Most active crossborder investors by number of deals

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<tr>
<td>1</td>
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<td>Hub International Ltd.</td>
<td>Canada</td>
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<tr>
<td>2</td>
<td>2</td>
<td>Accenture Plc</td>
<td>Ireland</td>
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<td>--</td>
<td>3</td>
<td>Apax Partners LLP.</td>
<td>United Kingdom</td>
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<tr>
<td>10</td>
<td>4</td>
<td>SGS SA</td>
<td>Switzerland</td>
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<tr>
<td>3</td>
<td>5</td>
<td>Avison Young (Canada) Inc</td>
<td>Canada</td>
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<tr>
<td>7</td>
<td>6</td>
<td>Bunzl Plc</td>
<td>United Kingdom</td>
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<tr>
<td>4</td>
<td>7</td>
<td>Dentsu Aegis Network</td>
<td>United Kingdom</td>
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<tr>
<td>5</td>
<td>8</td>
<td>Arthur J Gallagher &amp; Company</td>
<td>United States</td>
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<td>8</td>
<td>9</td>
<td>Colliers International Group</td>
<td>Canada</td>
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<td>9</td>
<td>10</td>
<td>Roche Holding AG</td>
<td>Switzerland</td>
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<tr>
<td>11</td>
<td>11</td>
<td>Descartes Systems Group Inc.</td>
<td>Canada</td>
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<tr>
<td>12</td>
<td>12</td>
<td>Samsung Electronics Co. Ltd</td>
<td>Republic of Korea</td>
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<tr>
<td>13</td>
<td>13</td>
<td>Open Text Corporation</td>
<td>Canada</td>
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<tr>
<td>14</td>
<td>14</td>
<td>Publicis Groupe SA</td>
<td>France</td>
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<tr>
<td>--</td>
<td>15</td>
<td>Nibe Industrier AB</td>
<td>Sweden</td>
</tr>
</tbody>
</table>

Source: Orbis Crossborder Investment
# Growth opportunities in North America

<table>
<thead>
<tr>
<th>Industries</th>
<th>Business functions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Communications</td>
<td>1. Education &amp; training</td>
</tr>
<tr>
<td>2. Computer software</td>
<td>2. Technical support centers</td>
</tr>
<tr>
<td>3. Industrial, electric &amp; electronic machinery</td>
<td>3. Software development centers</td>
</tr>
<tr>
<td>4. Transport, freight &amp; storage</td>
<td>4. Data centers</td>
</tr>
<tr>
<td>5. (tie) Transport manufacturing</td>
<td>5. Logistics, distribution and transportation (e-commerce)</td>
</tr>
<tr>
<td>5. (tie) Food manufacturing</td>
<td></td>
</tr>
</tbody>
</table>

Source: Orbis Crossborder Investment
Greenfield FDI projects of interest in 2019

**LG Chem Ltd. and GM** – $2.3bn investment in battery cells plant in Lordstown, OH (December) - JV

“Ohio and its highly capable workforce will play a key role in our journey toward a world with zero emissions…..Mary Barra, CEO. Our joint venture with the No. 1 American automaker will further prepare us for the anticipated growth of the North American EV market, while giving us insights into the broader EV ecosystem.”

**Nordic Aquafarms (Rasmussengruppen AS)** – $400m salmon farm in Eureka, CA (November)

“We are especially proud to bring this investment to Berkeley… and to the greater San Francisco Bay Area, the birthplace of biotechnology and a global epicenter of drug development innovation.”

**Maple Leaf Foods (McCain Capital)** – $310m plant-based food processing plant in Shelbyville, IN (April)

“By establishing a large-scale North American network, we will continue to meet rapidly growing demand for delicious protein alternatives and create a centre of excellence for innovation. It will escalate the financial contribution of this business and advance Maple Leaf's vision to be the most sustainable protein company on earth.”

**Aptiv and Hyundai** – Artificial Intelligence R&D Centre in Pittsburgh, PA (December)

“We’re proud to be a part of Pittsburgh, a city with incredible talent and a legacy in engineering – from its history in industrial manufacturing, to its current standing as a global hub for robotics and the self-driving future.”

**Ocado Group Plc.** – expanded distribution centre in Frederick, MD (January 2020)

“This site will be key to delivering amazing grocery experiences to households across Maryland, Pennsylvania and the District of Columbia. It will also create fantastic job opportunities for engineers looking to work alongside state-of-the-art robotics and automation….Ocado's proven technology will allow Kroger to achieve the lowest cost-to-serve in the market, combined with the best freshness, accuracy and service.”

Source: Orbis Crossborder Investment
Mergers & acquisitions of interest in 2019

LVMH – $16.7bn acquisition of Tiffany & Company (October)
“….intend to develop this jewel with the same dedication and commitment that we have applied to each and every one of our Maisons”

Froneri - $4bn acquisition of Nestle’s ice-cream business in the US (December)
“With this transaction, we are taking a decisive step towards our goal of achieving global leadership in ice cream.”

Volkswagen AG – $2.6bn acquisition of minority stake in Argo AI Inc from Ford Motor Company (July)
“Volkswagen will join Ford in investing in Argo AI, the autonomous vehicle platform company- the tie-up allows both automakers to independently integrate ArgoAI’s self-driving system into their own vehicles, delivering significant global scale. Ford will use Volkswagen’s electric vehicle architecture and Modular Electric Toolkit (MEB) to design and build at least one high-volume fully electric vehicle in Europe”

UCB SA - $2.1bn acquisition of Ra Pharma (October)
“Ra Pharma is an excellent strategic fit addressing multiple areas of UCB’s patient value growth strategy…”

BAE Systems – $275m acquisition of Raytheon Company's airborne tactical radios business (January 2020)
“These are strong businesses with talented employees who share our focus on quality and technology innovation. We are confident of a smooth transition that will accelerate our future together and look forward to welcoming these new employees to the BAE Systems team once the transactions are approved.”

Source: Orbis Crossborder Investment
Greenfield FDI rumors

Techchefs Software Pvt Ltd. (January 2020)
A software engineering services provider, plans to invest in USA…Over the next two years, we plan to increase our business footprint significantly in the USA to enable TechChefs’ ability to cater to global clients in product development.*

Teraki GmbH (December)
An online insurance, predictive maintenance and autonomous driving application Software-as-a-Service (SaaS) provider plans to invest in USA supported by a recent round of funding…. We will use these funds to propel Teraki into new areas outside of automotive with significant recurring revenues as clients start large scale deployments of our technology.

KSE Process Technology BV (December)
A dosing and weighing machines manufacturer, plans to open a dosing and weighing machines manufacturing plant in USA. KSE is seeing an increasing demand in the US for specific animal…..This is a sign for us that substantial investments are in the pipeline.

Sony Corporation (November)
An audio visual equipment manufacturer, plans to open an AI research and development centre in USA. Mr Peter Stone has been hired as General Manager.

Elucidat (October)
The E-learning platform Software-as-a-Service (SaaS) provider plans to invest in the USA. Furthermore, the company has secured investment in a round of funding and will open a presence in the country in 2020.
Mergers & acquisitions rumors

WSP Global Inc (January 2020)
Considering a $7.25bn take-over of AECOM

Spotify Technology SA (January 2020)
In early talks in order to acquire Bill Simmons Media Group LLC (The Ringer)

FCF Fishery Co. Ltd. (November)
Plans to acquire Bumble Bee Foods LLC for $925m – if this acquisition is approved, it will save the company from bankruptcy. This sales involves Bumble Bee Foods' patents. (Bumble Bee pleaded guilty in 2017 to conspiring along with two other companies to fix and raise prices of canned tuna in the US).

Nestle Health Science SA (September)
Nestle Health Science may acquire remaining stake in Before Brands Inc. – the transaction also includes the sale of Before Brands' patents.

Source: Orbis Crossborder Investment
Venture capital
Venture capital in North America – where companies are opening and expanding

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Country</th>
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<tbody>
<tr>
<td>Y Combinator Management LLC</td>
<td>United States</td>
</tr>
<tr>
<td>AH Capital Management LLC</td>
<td>United States</td>
</tr>
<tr>
<td>Accel Management Company LLC</td>
<td>United States</td>
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<tr>
<td>New Enterprise Associates Inc</td>
<td>United States</td>
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<tr>
<td>Bain Capital Ventures LP</td>
<td>United States</td>
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<tr>
<td>NVP Associates LLC</td>
<td>United States</td>
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<tr>
<td>Sequoia Capital Operations LLC</td>
<td>United States</td>
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<tr>
<td>Entrepreneurs Roundtable Accelerator</td>
<td>United States</td>
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<tr>
<td>GV (Google Ventures)</td>
<td>United States</td>
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<tr>
<td>Felicis Ventures Management Company LLC</td>
<td>United States</td>
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</tbody>
</table>

North America - Venture capital deals 2019 USDm

Number of deals

Total deals value (USDm)

Source: Orbis Crossborder Investment
Summary

• Global FDI ↓ 13% from 2017 to 2018*
• FDI in North America* ↓ 4%
• Value of mergers & acquisitions into North America* ↓ 25% and ↓ 36% in the US
• Value of Greenfield FDI in North America* 13% BUT ↓ 20% in the US
• Early indications for 2019 show FDI for North America as flat
• Globally, there’s a ‘war for talent’ meaning increased investment in up-skilling
• Long-term trend is towards non-equity modes of international production outpacing FDI (i.e. royalties, licencing agreements, etc.)
• The trade/tariffs and policy uncertainty continues to negatively dampen investor confidence

*Year on year 2017 to 2018