



M&A in Asian Exhibitions: An Overview

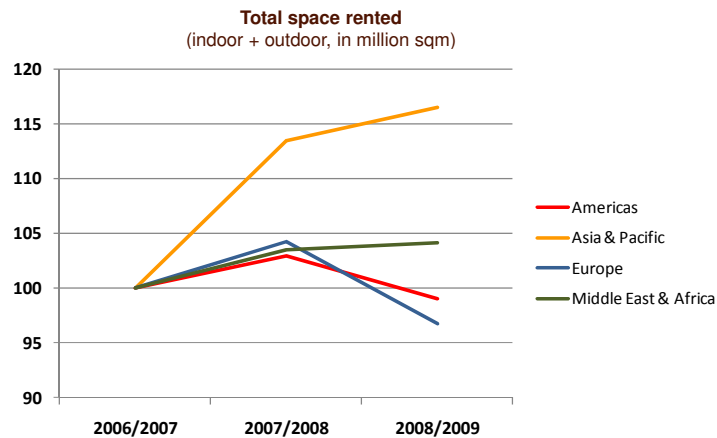
Expo Summit 2011

Mark Cochrane
UFI / Business Strategies Group

27th May 2011



Asia: driving industry growth



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Asian B2B Media M&A: By industry 2003-2010

	# of transactions	Estimated value of transactions (US\$ million)	Average value of transactions (US\$ million)
Data/online	58	\$ 1,561.5	\$ 26.9
Exhibitions	47	\$ 211.2	\$ 8.6
Publishing	30	\$ 755.1	\$ 25.2
Media sales	5	\$ 104.9	\$ 21.0
Conferences	1	\$ 31.3	\$ 31.3
Research	3	\$ 9.6	\$ 3.2
Total	145	\$ 2,673.65	\$ 19.8

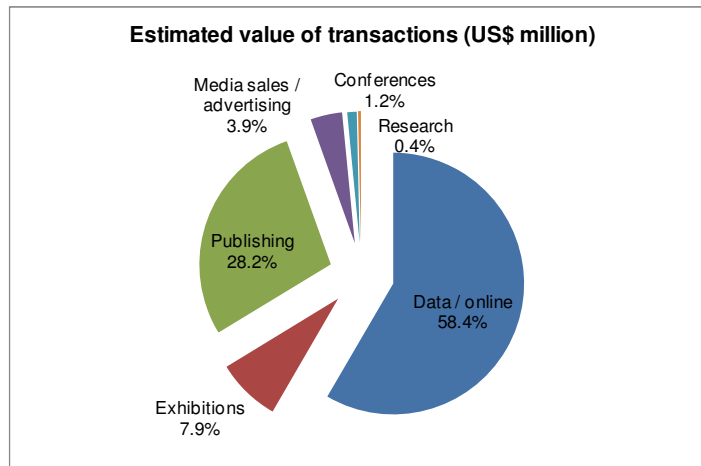
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Value of Transactions: By industry, 2003-2010



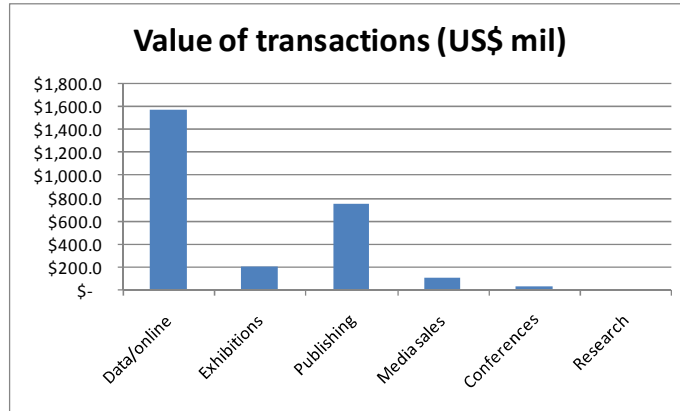
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Value of Transactions: By industry 2003-2010



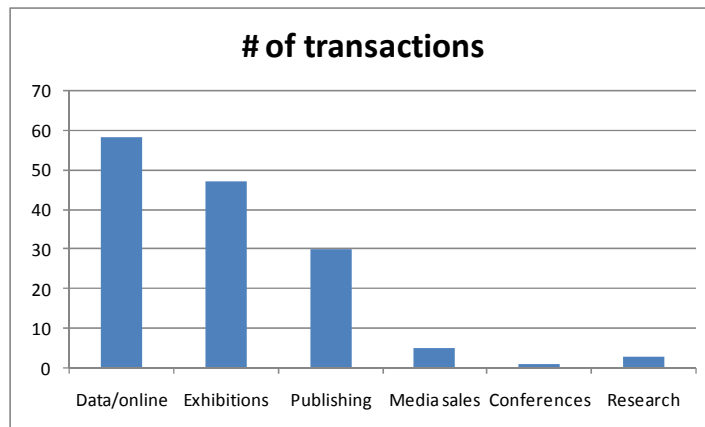
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Number of Transactions: By industry 2003-2010



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Acquisitions of Asian Exhibitions

Year	US\$ million	Number of deals tracked	Average deal value
2003	\$ 4.5	4	\$ 1.1
2004	\$ 7.2	4	\$ 1.8
2005	\$ 26.5	6	\$ 4.4
2006	\$ 38.5	6	\$ 6.4
2007	\$ 37.8	11	\$ 3.4
2008	\$ 15.2	5	\$ 3.0
2009	\$ 27.0	5	\$ 5.4
2010	\$ 54.7	7	\$ 7.8

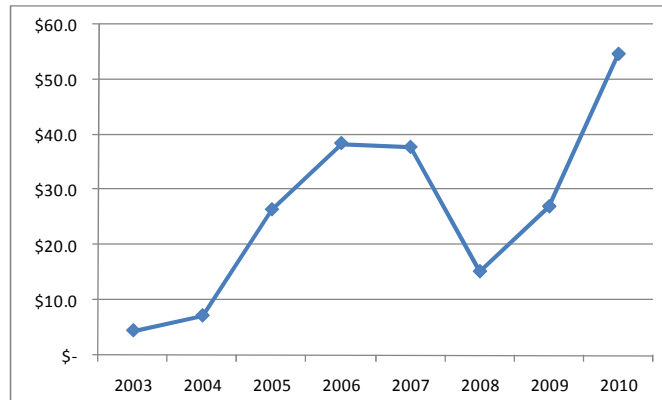
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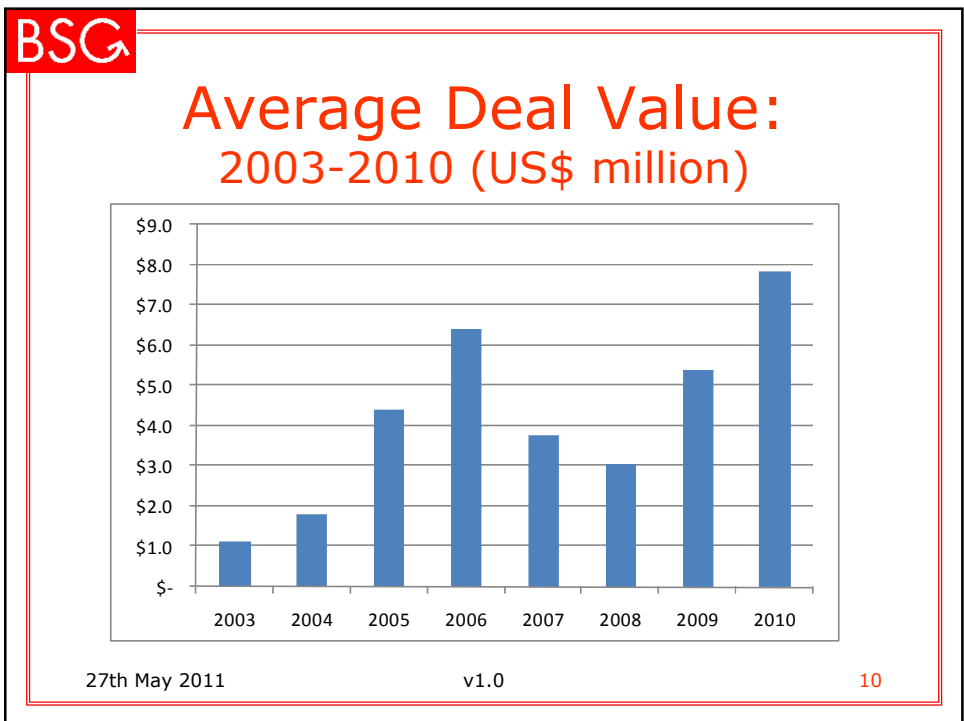
Total Deal Value: 2003-2010 (US\$ million)



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Most Active Acquirers in Asia: 2003-2010

Acquiring company	Number of deals
Reed	9
United Business Media	7
Diversified	4
Tarsus	3
Fiera Milano	2
IIR Exhibitions	2
Kölnmesse	2
VNU	2

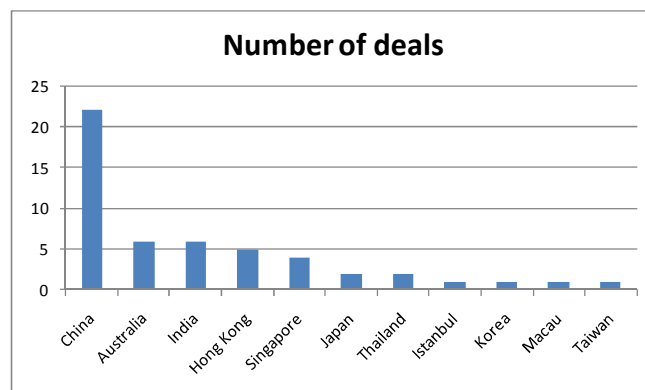
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Location of Acquisitions: 2003-2010



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Asian M&A Categories: 2007-2010

Industry
Beauty, Cosmetics
Construction, Infrastructure
Electronics, Components
Engineering, Industrial, Machines, Instruments
Food and Beverage, Hospitality
Health, Medical Equipment
IT and Telecommunications
Jewellery, Watch & Accessories
Leisure, Hobby, Entertainment
Optics
Premium, Household, Gifts, Toys
Printing, Packaging
Transport, Logistics, Maritime

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Trends: Increased attention on Asia



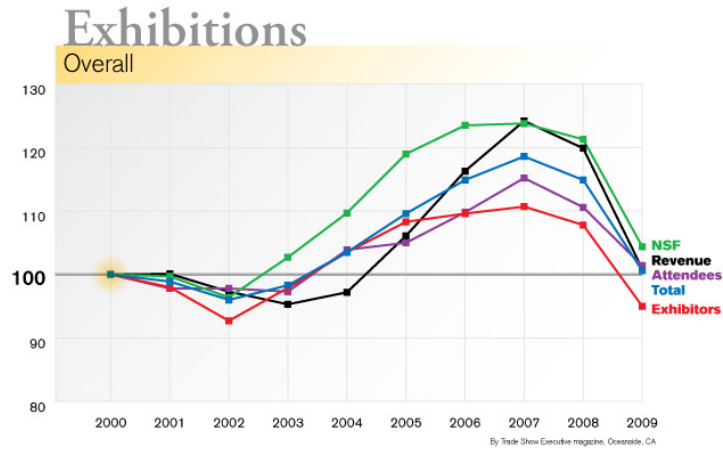
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U.S. Exhibitions Hit Hard



Source: CEIR

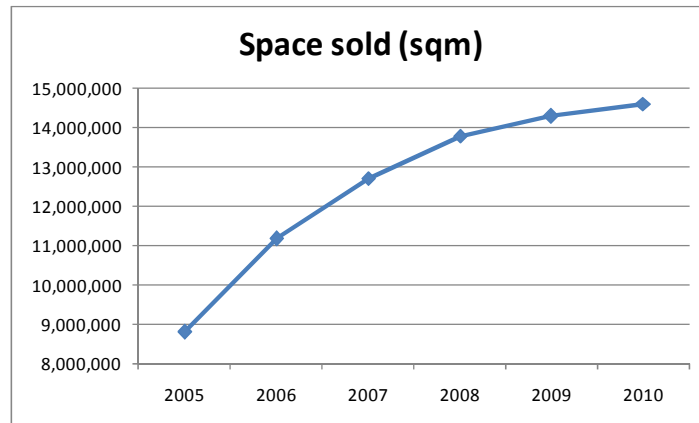
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Growth in Asian Exhibitions



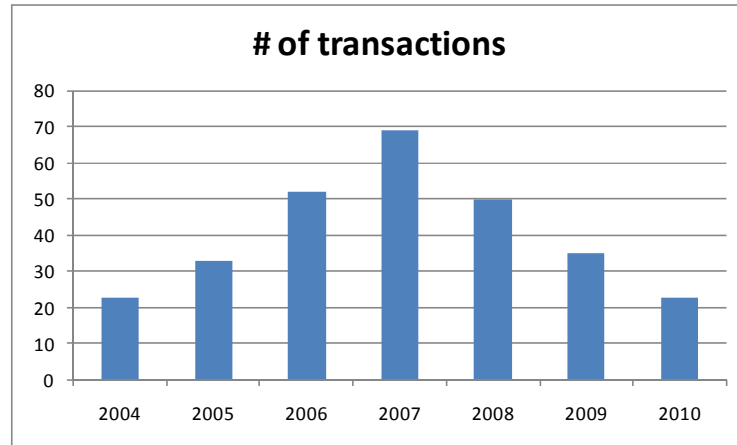
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M&A in U.S. Exhibitions



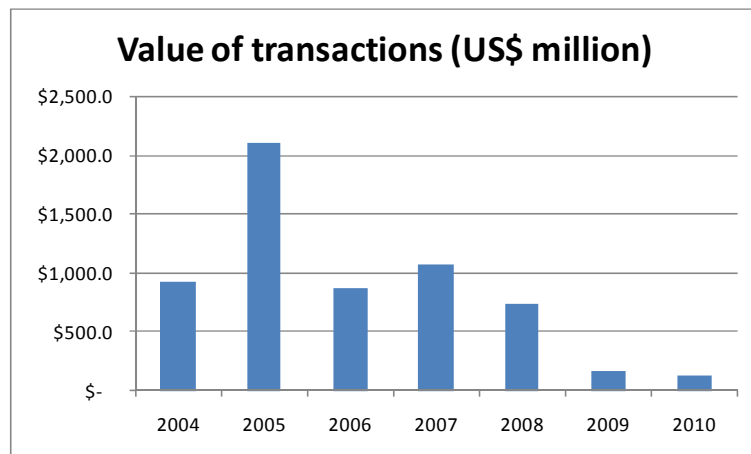
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M&A in U.S. Exhibitions



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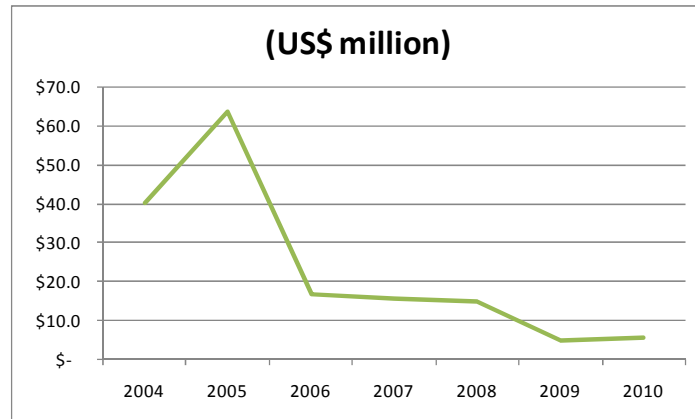
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M&A in U.S. Exhibitions

Average transaction value



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Trends:

Who is acquiring?

- Exhibition organisers
 - With international reach
 - Tapping into high growth markets
 - Offset weaker home market situation
- Unlikely to see private equity buyers
- Other types of buyers...?

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Alibaba: A future event organiser?

- 65 million users
- 45 mil in China
- Sophisticated online expertise
- Strong branding and marketing capabilities
- US\$1.7 bil cash



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Alibaba Has Events Team

2011 网货交易会 全国启动

预定2011广州网货交易会

国内展热线: 0571-89815688 | 国内展在线预定 | 进口展热线: 0571-85022077-39745 | 进口展在线预定

2011年网货交易会 在市场和客户的强烈需求下全面扩容，在匹配和展示平台上也再次推陈出新，全方位多角度地宣传和展示平台将给参展商带来更多意想不到的惊喜。

招商行业

2011年网货交易会计划表

时间	地点	展商	主题
3.26-27	厦门国际会展中心	1000家	中国供应链“清货”
4.1-3	厦门国际会展中心	1000家	中国供应链“清货”

2011年网货交易会价格

展商类别	费用
广州/杭州/上海	1900元/个
深圳/北京	800元/个
其他城市	600元/个

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Bags • Shoes • Eyewear & Eyeglasses • Jewelry • Men's & Women's Shoes & Accessories • Hats • more >>
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Latest News and Research

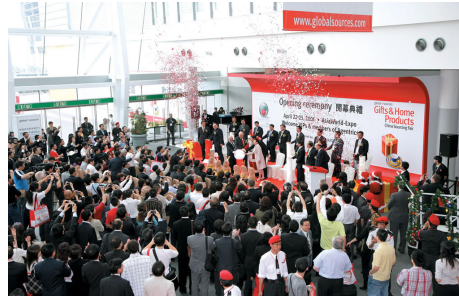
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New Sources of Competition

- For M&A targets
- And as event organisers
- Strong online:
 - Alibaba
 - Global Sources
 - Made-in-China
 - Many others



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B2B Online Players: Revenues (US\$ mil)

Company	2010 Revenues	Y-on-Y Growth
Alibaba	\$843.3	43.4%
Global Sources	\$194.2	11.3%
Made-in-China	\$50.5	44.8%
Zhejiang Netsun	\$26.3	28.7%
GlobalMarket Group	\$26.7	62.8%
HC International	\$14.9	39.5%

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B2B Online Players: Cash on-hand (US\$ mil)

Company	Cash and equivalents
Alibaba	\$1,700.0
Global Sources	\$136.0
Made-in-China	\$251.0
Zhejiang Netsun	\$59.0
HC International	\$42.0
GlobalMarket Group	\$15.7

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Will This Trend Come to India?

- Global Sources and TradeIndia partner
- Domestic event in Mumbai in Nov
- Is TradeIndia testing the water?

global  sources

tradeindia.com
India's largest B2B marketplace

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Is IndiaMart.com Next?



indiamart.com

Source > Supply > Grow

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Trends: Technology acquisitions?

- Will technology/digital solutions emerge as new M&A target?
 - iPhone/mobile apps
 - Location-based technology
 - On-site marketing solutions
 - Interactive floor plans

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Organisers in Asia: Experimenting in digital

- UBMstudios.com – Virtual Events
- Canton Fair – ExpoBee
- HKTDC – iPad/iPhone apps
- Messe Frankfurt – ProductPilot.com
- Global Sources – Online Trade Shows

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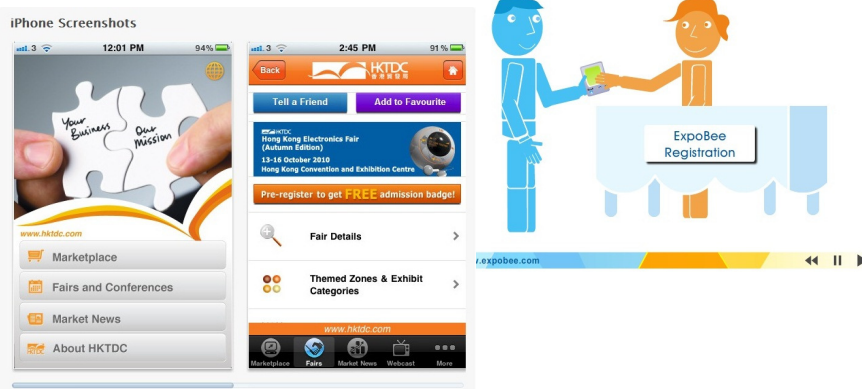
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Digital goes "In-House"?

ExpoBee ExpoBee At The Fair



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HKTDC's Developer: Mother App

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M&A Challenges in Asia



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Obstacles & Challenges

- Lack of transparency
 - High valuations & poor financial data
 - Unsure what is being acquired
- Uncertain rule of law protection
- Different approach to negotiation
 - 45 page contract vs. 2 page

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Obstacles & Challenges

- Gap in valuation expectations
 - Buyers see unsupported valuation
 - Sellers see assets in rising market
- Local regulations, government control
- Complex, unclear ownership:
 - Family, association, gov't, private?

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Obstacles & Challenges

- Few or no intermediaries compared to Europe or U.S.
- In Asia – private transaction:
 - Need understand language, culture, local market, get gov't approval
 - Get to know owner
 - Convince to sell

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M&A Still an Attractive Option

- Can be bolt-on properties/assets
- Extend leadership in a category
- Enhance organiser brand
- Access to growth markets
 - Offsets slow growth at home
- Access to new technology solutions

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Thank You

mark@bsgasia.com

mark@ufi.org