



Gearoid McGann, managing partner, Sweeney McGann. 'With many new companies having opened . . . there really is great momentum'

Arthur Ellis

## Covid clouds lifting in the midwest, say legal experts

Limerick-based law firm Sweeney McGann has seen a vigorous upturn in business for its clients since March, its managing partner Gearoid McGann tells **Arlene Harris**

A leading Limerick based law-firm, Sweeney McGann, has been in operation since 1995 and during that time has certainly seen many changes in industry, across the sectors. Specialising in commercial and private clients, the practice, which has 28 em-

ployees, is perfectly placed to observe how the pandemic has affected businesses over the past year and a half and what the forecast looks like for the year ahead. Managing partner Gearoid McGann says that while the firm was impacted initially in the spring of 2020 and again at the start of this year, business

soon picked up and it has been inundated with clients looking to make or break deals.

"The past year or so has been very interesting," he said. "When Covid first occurred, we were immediately impacted: a great deal of our commercial transactions were put on hold or cancelled altogether. The courts also largely stopped functioning, so all litigation cases were put back and priority was given to crime and family law. We recovered for a while in the latter half of 2020 but then we were shut down again in January this year, which was probably harder to deal with than the first lockdown.

"But somewhat to our surprise, since we got back into the office in late March, we have been busier than ever,

probably even more so than during the Celtic Tiger years."

The legal expert says the firm is also dealing with a lot of commercial work along with employment and family law and the fallout from the lockdown on the hospitality and retail trade.

"We buy and sell companies in our commercial department and have had an extraordinary upturn in this area of work," he said. "In the past year, we have completed a number of significant mergers and acquisitions in the healthcare, manufacturing, pharma, insurance and technology sectors. A number of these transactions were placed on hold but have now been successfully concluded.

"There has also been a notable increase in employment and family law cases driven by Covid in the midwest region. Aoife Hennessy and Jane O'Connor, partners in our employment and family law teams respectively, who are both recognised as experts in their fields, have been well placed to guide our clients in these challenging and specialised areas.

"The housing market is also very buoyant, and our residential property team are busier than ever, acting for multiple stakeholders to include lenders, developers,

purchasers and vendors.

"We have a significant clientele in the hospitality sector where hotels, pubs, restaurants and clubs are having an absolute nightmare at the moment. It is scandalous really how they have been treated. I have been a vintner's solicitor for the past 30 years and act for a great many businesses in the industry and it is terrible how badly affected they are, with no credible supports. I have clients on to me every day talking about Christmas cancellations and wondering how they are going to cope.

"The retail sector is another area which has been very badly affected - and with the huge growth in online shopping it is difficult to see an upturn happening anytime soon."

But despite the negative aspects, McGann says there is cause for optimism, as he believes that most sectors will show an upturn in 2022.

"It's not all doom and gloom and there is great buoyancy in Limerick and the midwest region, with many new companies having opened in the last few years along with great employment so there really is great momentum.

"Hospitality and retail are still suffering and while I believe that the latter is in terminal decline due to online shopping, the former will recover well in general once the crisis is over. Every other sector seems to be doing well and the positives seem to outweigh the negatives.

"During the financial crash, upwards of 85 per cent of our work was involved with trying to save companies and individuals who were hugely indebted. But this time around, at least 85 per cent of what we are working on involves positive transactions - there is a great amount of economic activity, and it seems more positive than ever before."

He advises companies which want to get ahead to put strategies in place and make sure all of their contracts and structures are in order.

"I would encourage business people to be organised and get advice early on. Companies don't have to be planning a big deal or a sale in order to get their paperwork in order - most are busy with doing other things and ignoring the non-income-earning technical things, which become more expensive if they are not sorted out.

"It has been a strange year and a half but, in my opinion, the outlook, business-wise, is very positive in Limerick and the midwest region for 2022."

For more information, see [sweeneymcgann.com](http://sweeneymcgann.com)

## Mergers and acquisitions on an upward trend in 2022

The M&A community has rebounded from the initial shock of the pandemic and is confident of a busy year ahead for business owners, investors and their advisers

BY ARLENE HARRIS

Brendan O'Brien, partner and head of corporate at Walkers Ireland LLP, says positive signs for Irish M&A are set to continue into the new year. "In the face of lockdowns, Irish M&A activity in 2021 has been on an upward trajectory and Walkers expects this positive trend to continue into next year.

"You would be forgiven for feeling a sense of déjà vu when attempting to predict how the Irish M&A landscape will look next year, as the spectres of Covid and Brexit still hang over us, albeit without the same level of uncertainty and trepidation as this time last year.

"The industry was optimistic coming into 2021 and this sentiment proved well founded with the Irish M&A market experiencing a bumper year, hot on the heels of a busy second half to 2020. Much of the capital initially withheld due to the pandemic was deployed and many deals previously thought dead were resurrected, resulting in a strong performance for Irish M&A this year.

"Fresh challenges have arisen with inflation concerns, supply constraints and labour shortages proving problematic in some industries. However, the M&A community is better prepared now to overcome the challenges presented by the pandemic. The shock felt in 2020 has subsided to a large degree and the industry has rebounded and adapted with virtual meetings and remote closings becoming part of our daily working lives.

"The appetite for deal-making appears as strong as ever and the traditional indicators suggest that a buoyant year for Irish M&A awaits. Deal volumes reached a new record high in the first six months of 2021 and deal values have seen a significant increase. It is understandable that business owners' heads are being turned by potentially lucrative returns and it may prove difficult for some to resist any offer.

"There is a school of thought that valuations could soon peak in some sectors, if they have not already, but the current valuations being offered will likely further drive M&A next year.

"Perhaps a less tangible indicator is a perceived shift in attitudes. The pandemic has given us all time to reflect and re-evaluate our lives. We regularly read about the 'great resignation' or the 'big quit' phenomenon as millions of employees voluntarily change their priorities and jobs.

"Business owners are no different, and for some, the challenge of running a business has become far less appealing during these uncertain times. Many owners find themselves considering their options when they might not have done so before. This owner fatigue could create an opportunity for third-party buyers, and also ambitious management teams looking to take the step into ownership.

"Walkers' outlook for 2022 is positive, but it is true that one man's misfortune is another man's opportunity, and we may see the trend of distressed sales, anticipated by many to happen this year, emerging in a more meaningful way next year. Some businesses are struggling to survive the extended imposition of restrictions and may find themselves vulnerable to opportunistic buyers. The hospitality sector in partic-

ular could see an uptick in deal activity as government supports and tax breaks are removed and domestic and international investors look to take advantage by acquiring assets at a discount.

"Consolidation has been a big feature in recent years, and this will continue into 2022 as larger players look to futureproof their business and make strategic acquisitions while smaller players, especially in the financial services sector, look to realise value now rather than swimming against the tide of increased regulatory compliance.

"The traditionally fragmented insurance broker market is an example of this and has seen an unprecedented number of deals done this year - and dealmakers expect to see more of these transactions in the coming months with private equity still attracted to these targets.

"Another sector likely to experience consolidation is the aircraft-leasing industry for which Ireland has acted as an international hub for decades. Most of the commercial aircraft-leasing companies have a presence here and this global industry has been hit hard by the pandemic. Just last month, Dublin-based AerCap acquired GECAS to create the world's biggest aircraft lessor.

"Walkers has particular expertise within the aviation space and it expects to see further consolidation within this industry, though perhaps not on the same scale as the AerCap deal.

"Not surprisingly, the wider tech/IT services and healthcare/lifesciences sectors will continue to dominate the Irish M&A landscape - and we expect to see this trend continuing. Fintech and regtech deals could become more prominent as the adoption of digital disruptive technology accelerates further following the switch to remote/hybrid working and the move towards a cashless economy.

"Although not necessarily a new trend, 2022 will see increasing focus on sustainability. Since the recent COP26 climate summit in Glasgow, the green agenda has taken on a renewed sense of urgency and will likely become a top priority for CEOs and investors as we approach 2022. Ireland may not have seen too many climate-driven M&A deals to date, but our increasingly diverse renewables industry could find itself well positioned to benefit from any renewed focus on ESG should it come to pass.

"Predicting what might happen next week, let alone next year has become an art form over the last 18 months. If Ireland and the world can avoid a return to widespread Covid restrictions, there is every reason to be confident of a busy year ahead for business owners, investors and their advisers."



Brendan O'Brien, partner and head of corporate, Walkers Ireland

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