



TOMORROW : 2050

Alternative Futures for Industrials

To celebrate **Translink's 50th birthday**, the group has partnered with the Institute for Futures Research to deep dive into the futures of five key sectors, in the year 2050. The first report is on plausible future scenarios for the world of industrials.

FIRST MOVERS WIN

- 1 Countries keep their critical strategic nodes
- 2 New entrants struggle
- 3 Existing players manoeuvre their first mover advantage to leverage their market dominance

WHAT THIS MEANS FOR M&A:

Little government control and constraints mean the supply chain will continue to be globalised

Incumbents invest in other existing players to acquire access to market and scarce resources

Free movement of capital catalyses big demand for SMEs.

EXPLOITERS WIN

- 1 We see significant exploitation of critical nodes of a supply chain
- 2 Despite challenges, incumbents continue to dominate
- 3 'Killer acquisitions' lock in the benefits for existing players; new entrants don't last

WHAT THIS MEANS FOR M&A:

Despite more government interventions, existing players keep their stronghold

Increased government control could increase protectionism & reduce globalisation plus cross-border transactions

This may lead to less global competition, with monopolised markets further reducing M&A – and creating a tough environment for new entrants

WHICH FUTURE DO YOU THINK IS MOST LIKELY?

ASSISTED FIRMS WIN

- 1 Interventions (gov and economic bloc) mean incumbents lose their dominance and new entrants thrive
- 2 Implementation of powerful public-private partnerships
- 3 Joint ventures with SMMEs in developing countries are key

WHAT THIS MEANS FOR M&A:

Horizontal mergers at economic bloc level establish regional champions

Joint ventures between global players in the traditional supply chains

Joint ventures between players from developing countries with shared infrastructural needs

INNOVATORS WIN

- 1 The supply chains stay reasonably free from exploitation
- 2 New entrants with dynamic offers win

WHAT THIS MEANS FOR M&A:

Innovative entrepreneurs – like SpaceX and Tesla – will constantly shift their boundaries

The M&A market will focus on smarter deals – invest in flexible, non-traditional companies

Players will need to combine the old industry with the new to stay ahead in the market