

Key Takeaways

- ▶ U.S. M&A activity was mixed in September compared to August, increasing 21% by total deal value but decreasing 22% by total number of deals. Compared to September 2022, U.S. total deal value increased 16%, but the number of deals fell by a significantly higher 45%. Globally, total deal value and number of deals was down a relatively modest 1% and 6%, respectively, in September compared to August. Compared to September 2022, global total deal value increased a similar 2%, but, as in the United States, the number of deals decreased by a significantly higher 42%.
- ▶ Like the broader U.S. trend, both U.S. strategic and sponsor activity was mixed in September compared to August. U.S. strategic and sponsor total deal value were up 35% and 2%, respectively, while the number of U.S. strategic and sponsor deals were down 24% and 16%, respectively. Year over year, U.S. strategic total deal values were up 44% and U.S. sponsor total deal values were down 15%, while strategic and sponsor number of deals were down 48% and 40%, respectively. Globally, strategic activity was down modestly compared to August, falling 3% by total deal value and 6% by number of deals, while sponsor activity was mixed, up 3% by total deal value and down 6% by number of deals. Year over year, global strategic activity was up 7% by total deal value and down 41% by number of deals, while global sponsor activity was down 7% by total deal value and 45% by number of deals.
- ▶ U.S. inbound cross-border activity was up a significant 306% in September compared to August, but down 6% by number of deals. The jump in inbound total deal value was largely attributable to the acquisition of WestRock Co. by Ireland's Smurfit Kappa Group plc (Paul, Weiss advised WestRock). This deal also led to Ireland being the leading country of origin for inbound total deal value in September. Canada led by number of inbound deals in September and for the last 12-month (LTM) period, as well as by total deal value LTM. U.S. outbound activity was down 36% by total deal value and 30% by number of deals. In September and LTM, Australia was the leading destination for outbound deals by total deal value, while the United Kingdom led by number of outbound deals.
- ▶ Computers & Electronics was the most active industry in the United States by total deal value and deal count in September. Several industries saw big increases in total deal value this month, including Forestry & Paper, the second most active industry by deal value, which was up a significant 2,300% over August, again largely driven by the acquisition of WestRock.
- ▶ U.S. public merger highlights in September include the following:
 - Cash-only was the consideration in 60% of deals, just below the LTM average of 62%.
 - The average reverse break fee was 4.8%, below the LTM average of 5.6%.
 - Thirty percent of deals involved tender offers, well above the LTM average of 16%.
 - Nine percent of deals were hostile or unsolicited, compared to 18% LTM.
 - Average unaffected premiums were 35%, below the LTM average of 46%.

Strategic vs. Sponsor Activity

U.S.
Total
\$122.7 billion – ▲20.9%
522 deals – ▼21.6%
Strategic
\$79.3 billion – ▲34.8%
376 deals – ▼23.7%
Sponsor
\$43.4 billion – ▲1.7%
146 deals – ▼15.6%

Global
Total
\$227.3 billion – ▼1.1%
2,012 deals – ▼5.8%
Strategic
\$155.3 billion – ▼2.9%
1,677 deals – ▼5.8%
Sponsor
\$72.1 billion – ▲2.9%
335 deals – ▼6.2%

Crossborder Activity

U.S. Inbound	U.S. Outbound
\$46.2 billion ▲306.1%	\$10.1 billion ▼36.0%
79 deals ▼6.0%	86 deals ▼29.5%
leading country Ireland – \$21.2 billion Canada – 12 deals	leading country Australia – \$4.7 billion U.K. – 18 deals
leading country last 12 months Canada – \$65 billion Canada – 280 deals	leading country last 12 months Australia – \$31.9 billion U.K. – 344 deals

Industry Activity

 most deals 142 deals Computers & Electronics	 last 12 months 2,986 deals Computers & Electronics
 most dollar value \$39.5 billion Computers & Electronics	 last 12 months \$278.5 billion Healthcare

SPAC Acquisitions

 \$1.3 billion ▼19.3%	4 deals ▼42.9%	 \$1.7 billion ▼84.7%	9 deals ▼59.1%
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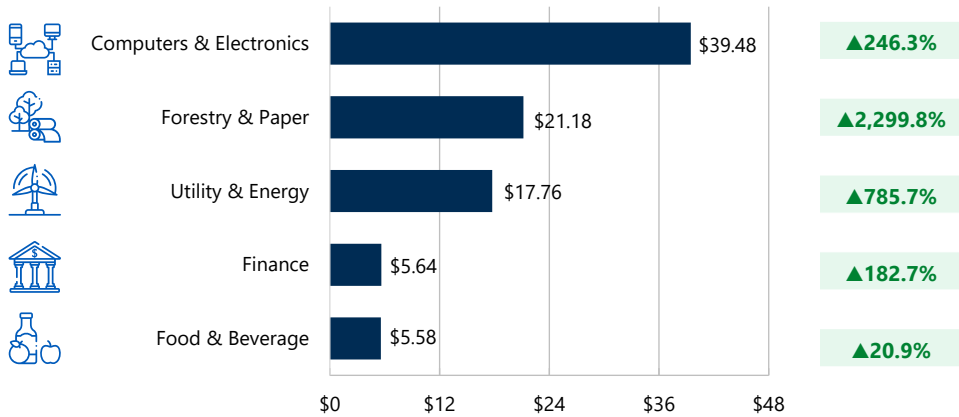
All data is for September 2023, and is as of October 10, 2023 unless otherwise specified. Each metric in this publication that references deal volume by dollar value is calculated from the subset of the total number of deals that includes a disclosed deal value.

Most Active U.S. Target Industries¹

Deal Value (US\$B)

September 2023

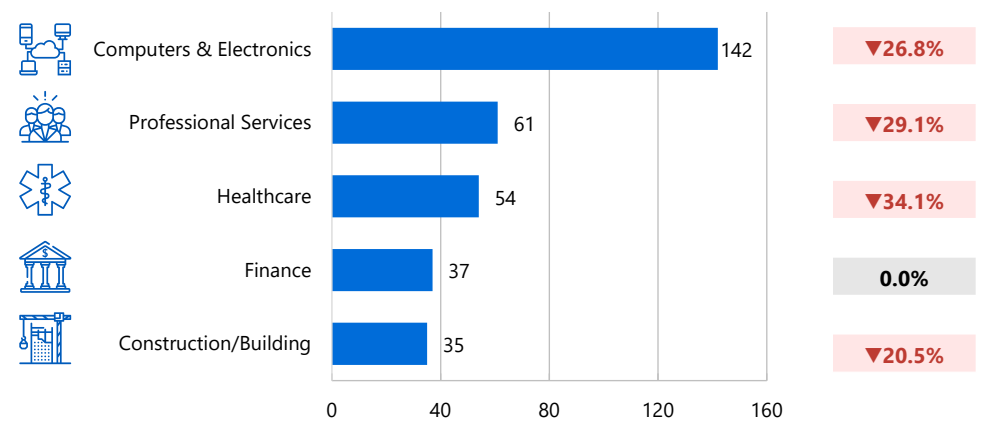
+/- from last month



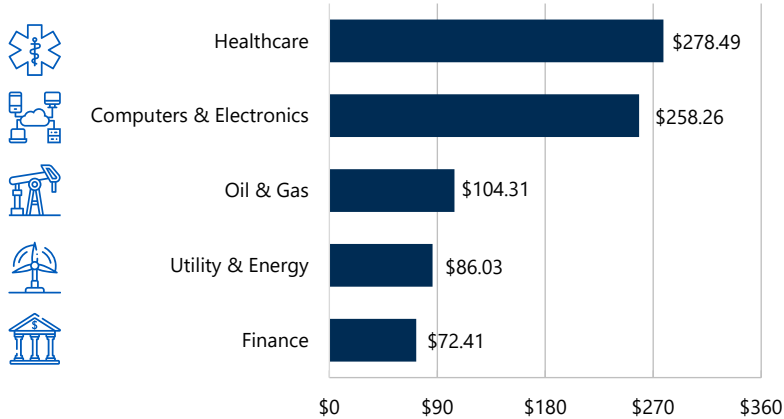
Number of Deals

September 2023

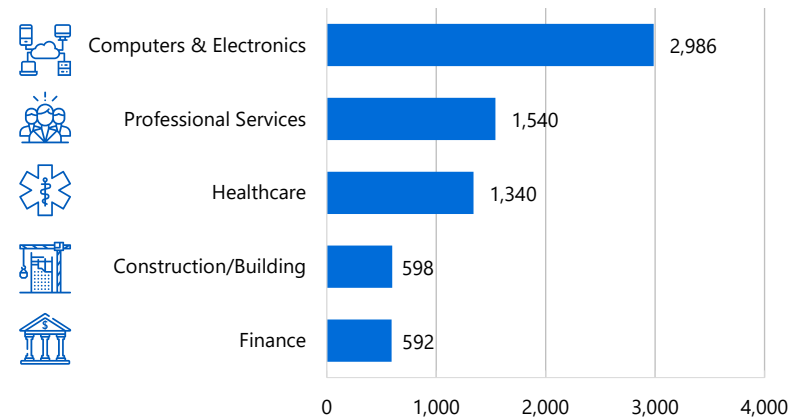
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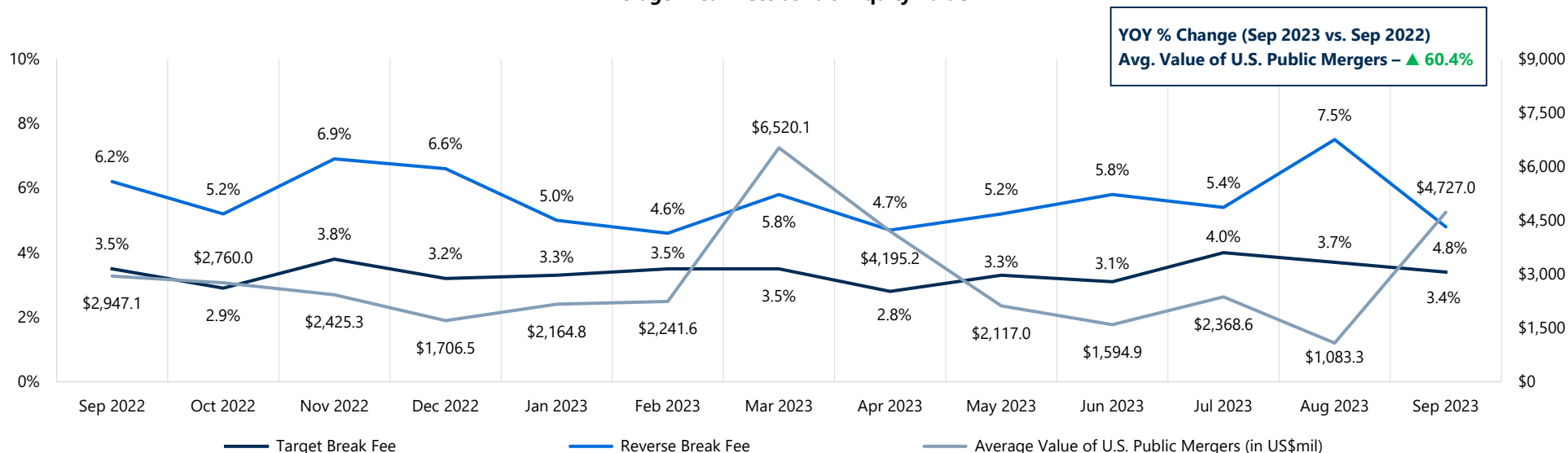
Last 12 Months



Last 12 Months



Average Break Fees as % of Equity Value²



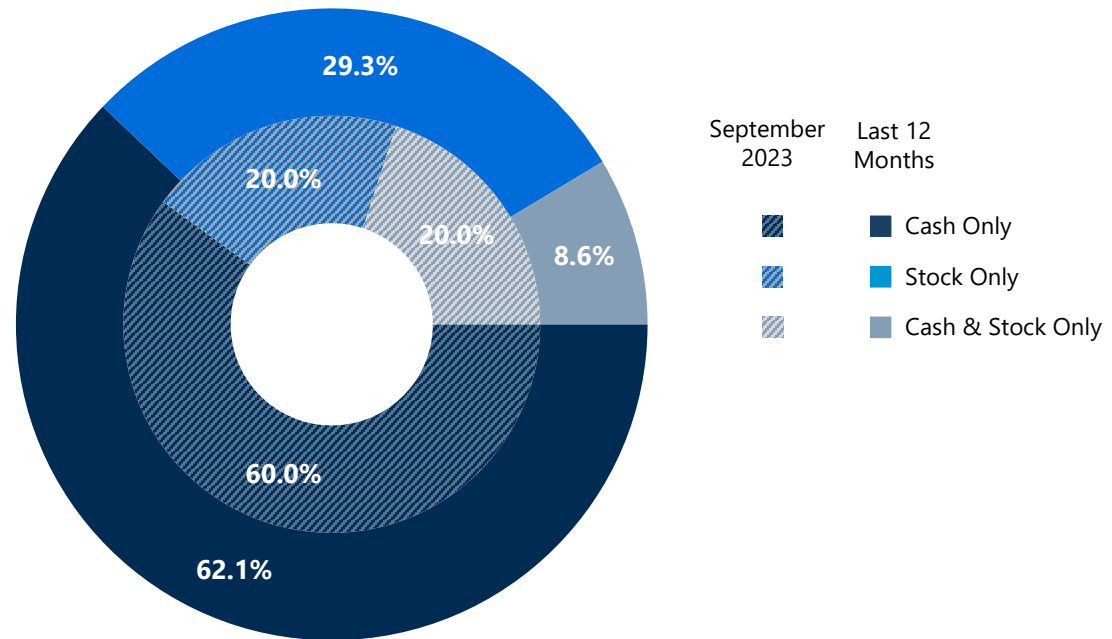
Average Break Fees as % of Equity Value^{3,4}

	September 2023	Last 12 Months
Target Break Fee for All Mergers	3.4	3.4
Reverse Break Fee for All Mergers ⁵	4.8	5.6
Reverse Break Fee for Mergers Involving Financial Buyers ⁶	6.4	7.2
Reverse Break Fee for Mergers Involving Strategic Buyers ⁷	3.6	4.8

U.S. Public Merger Go-Shop Provisions^{3,4}

	September 2023	Last 12 Months
% of Mergers with Go-Shops	10.0	7.9
% of Mergers Involving Financial Buyers with Go-Shops ⁸	33.3	27.0
% of Mergers Involving Strategic Buyers with Go-Shops ⁹	0.0	1.0
Avg. Go-Shop Window (in Days) for All Mergers with Go-Shops ¹⁰	30.0	35.9
Avg. Go-Shop Window (in Days) for Mergers Involving Financial Buyers with Go-Shops ¹¹	30.0	36.5
Avg. Go-Shop Window (in Days) for Mergers Involving Strategic Buyers with Go-Shops ¹²	N/A	30.0

Form of Consideration as % of U.S. Public Mergers¹³



Tender Offers as % of U.S. Public Mergers

September 2023	30.0
Last 12 Months	15.7

Unaffected Premium %^{14, 15}

September 2023	34.5
Last 12 Months	46.1

Hostile/Unsolicited Offers as % of U.S. Public Mergers¹⁴

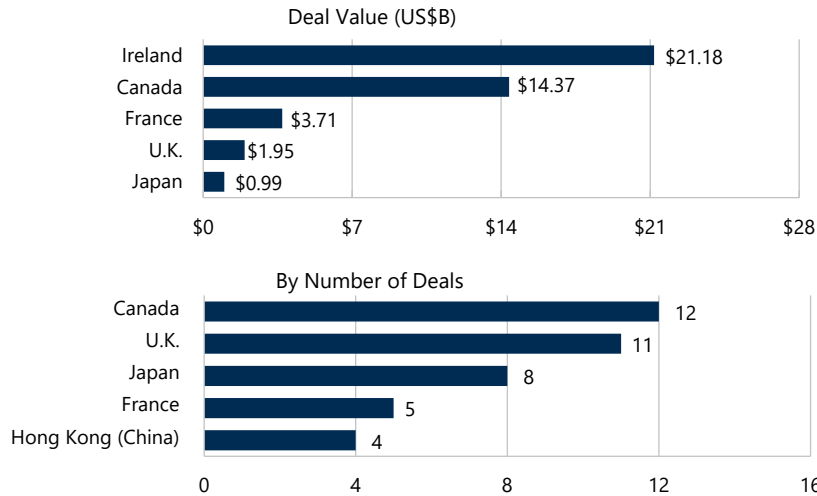
September 2023	9.1
Last 12 Months	17.6

Total Target Adviser Fee(s) as % of Equity Value

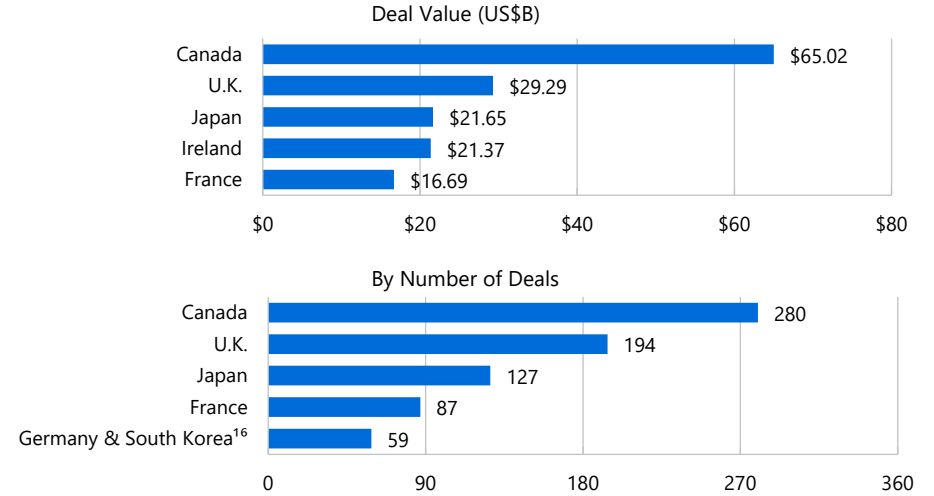
September 2023	1.9
Last 12 Months	1.7

Top 5 Countries of Origin for Inbound U.S. Crossborder Transactions

Inbound U.S. Crossborder Transactions for September 2023

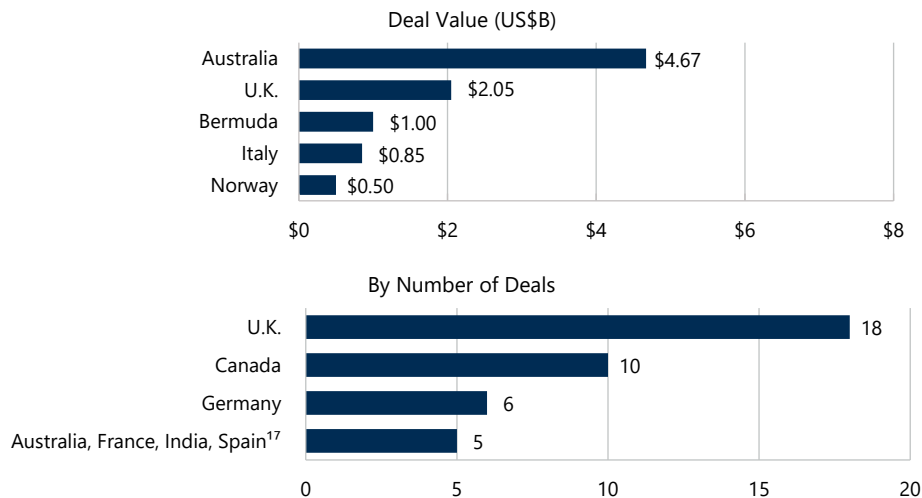


Inbound U.S. Crossborder Transactions for the Last 12 Months

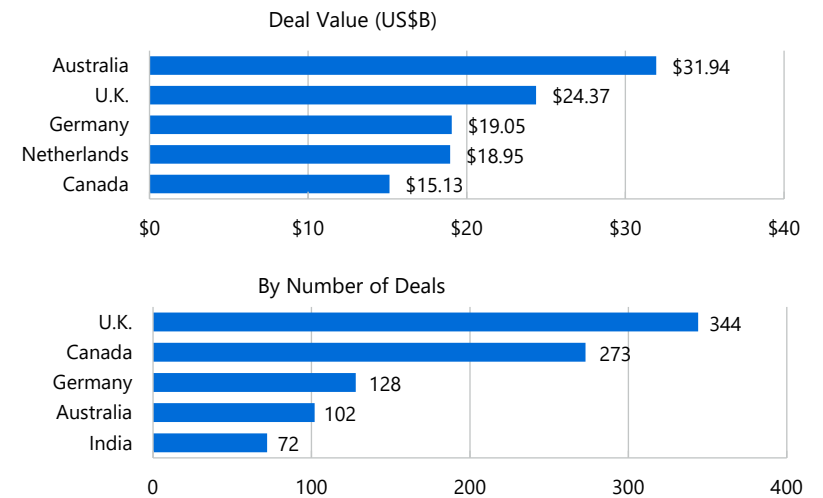


Top 5 Countries of Destination for Outbound U.S. Crossborder Transactions

Outbound U.S. Crossborder Transactions for September 2023

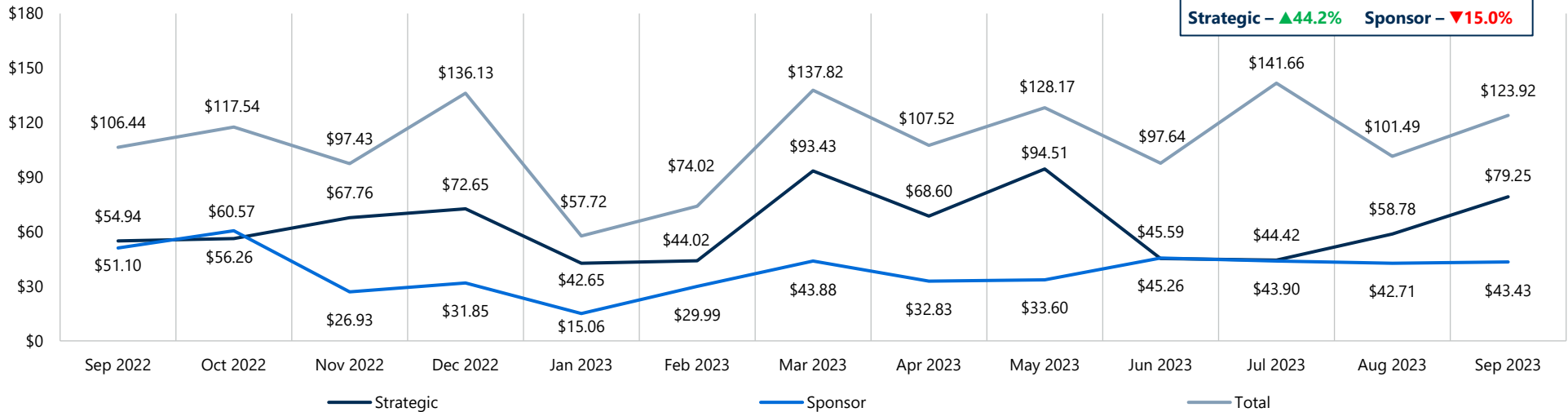


Outbound U.S. Crossborder Transactions for the Last 12 Months

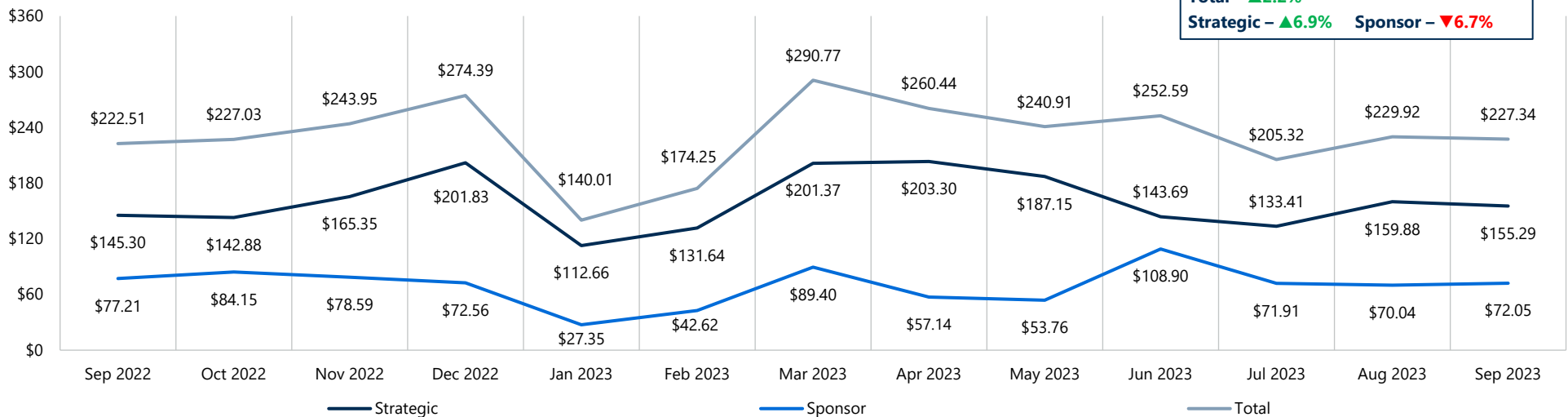


Appendix: M&A Activity – 12 Month Trends

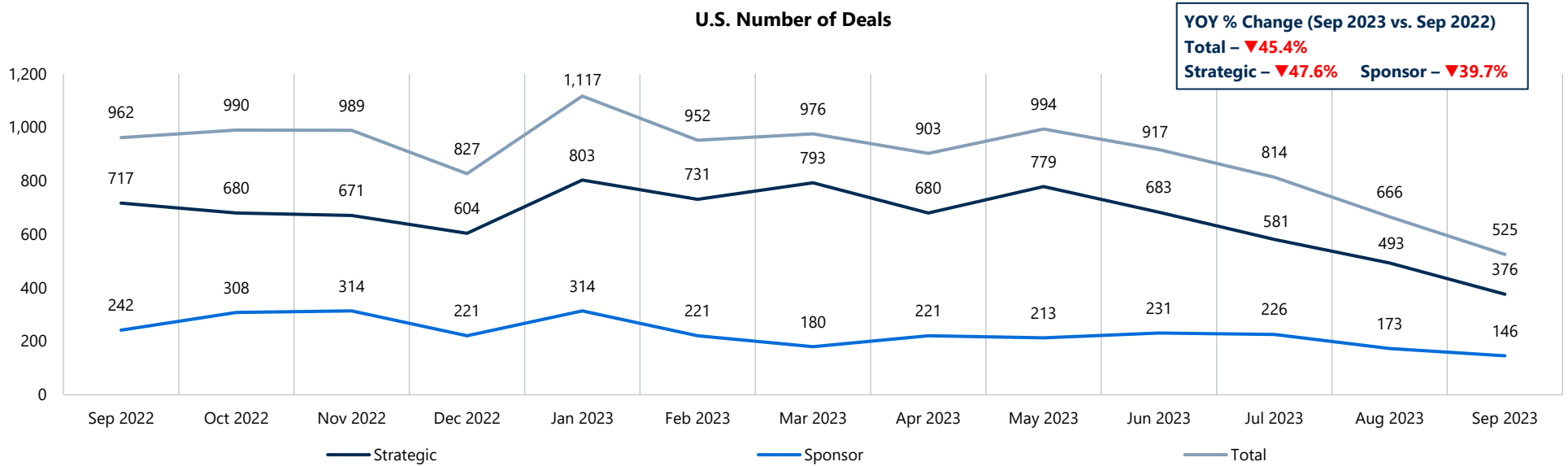
U.S. Deal Value (US\$B)



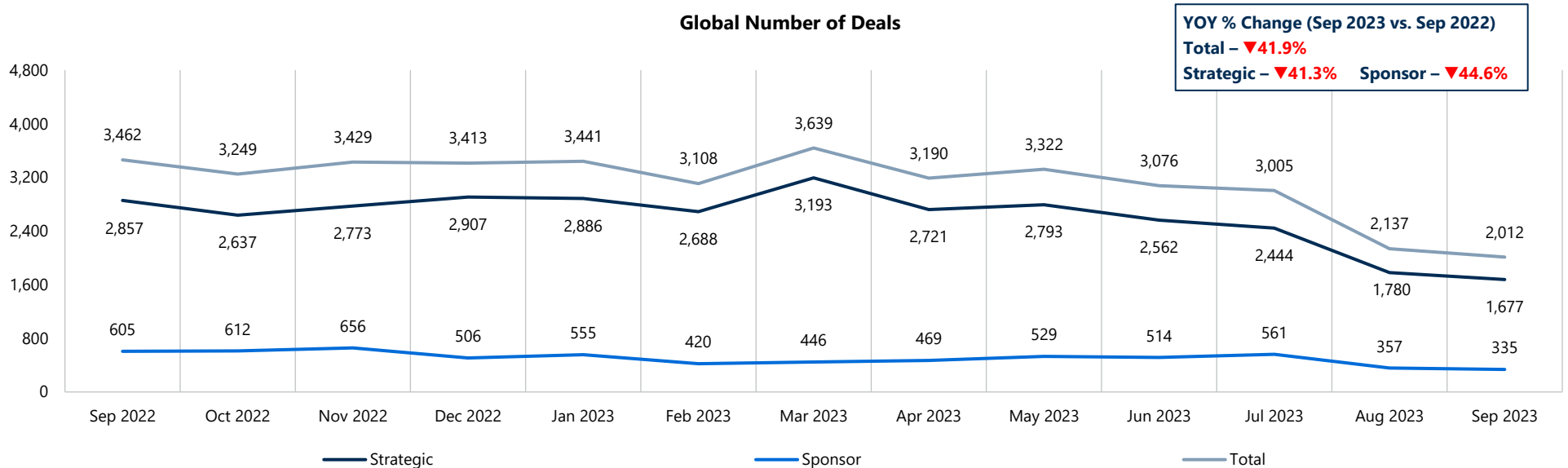
Global Deal Value (US\$B)



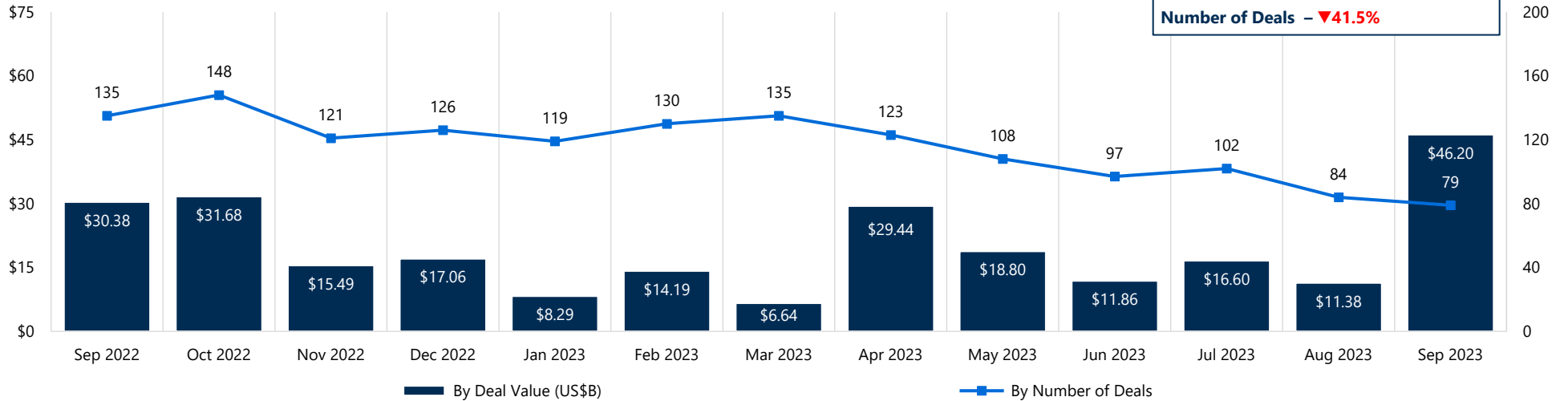
U.S. Number of Deals



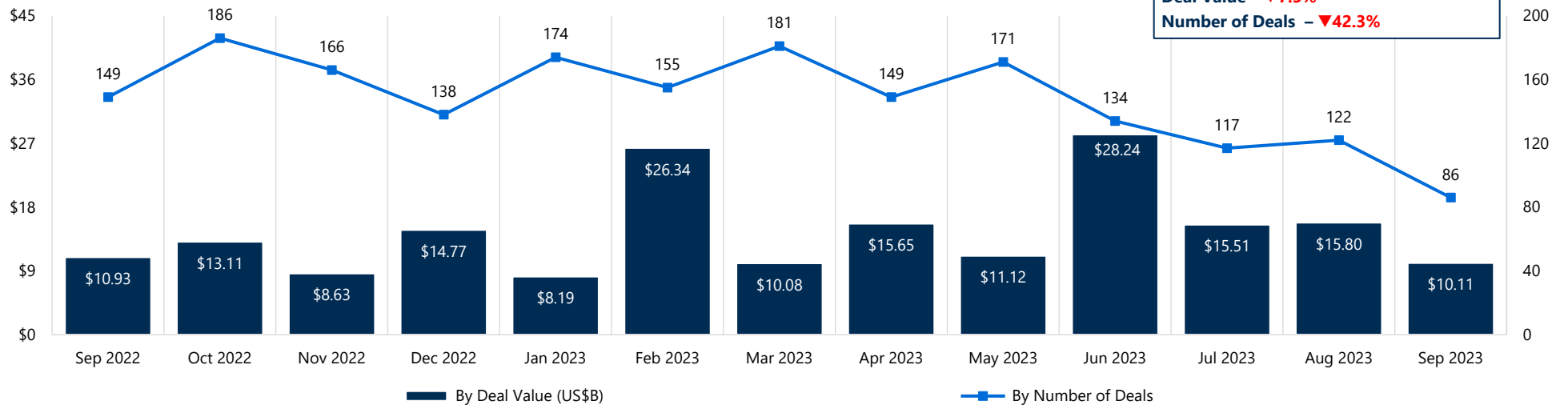
Global Number of Deals



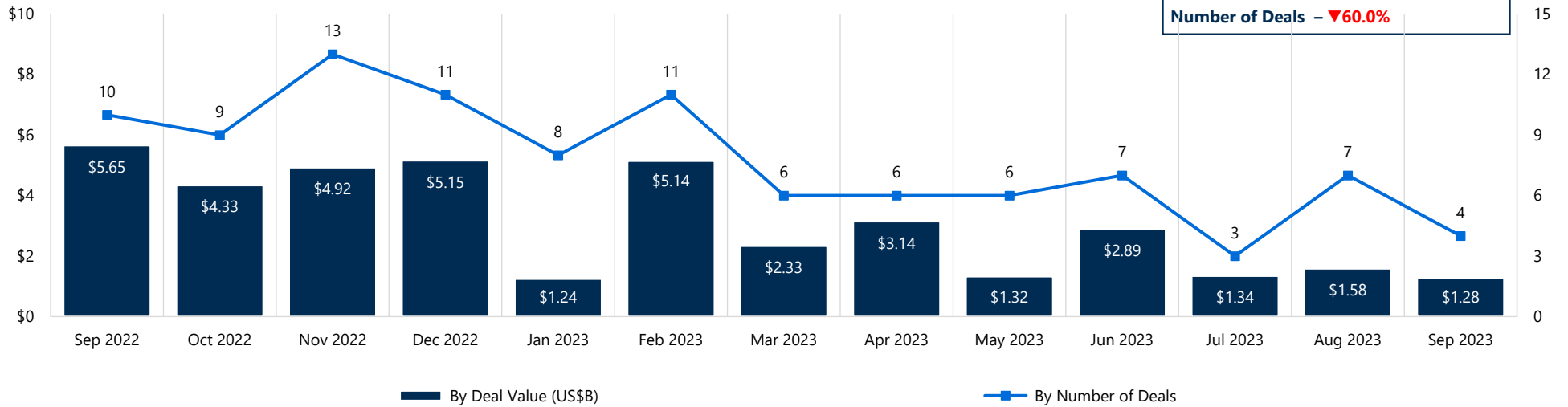
Inbound U.S. Crossborder Transactions



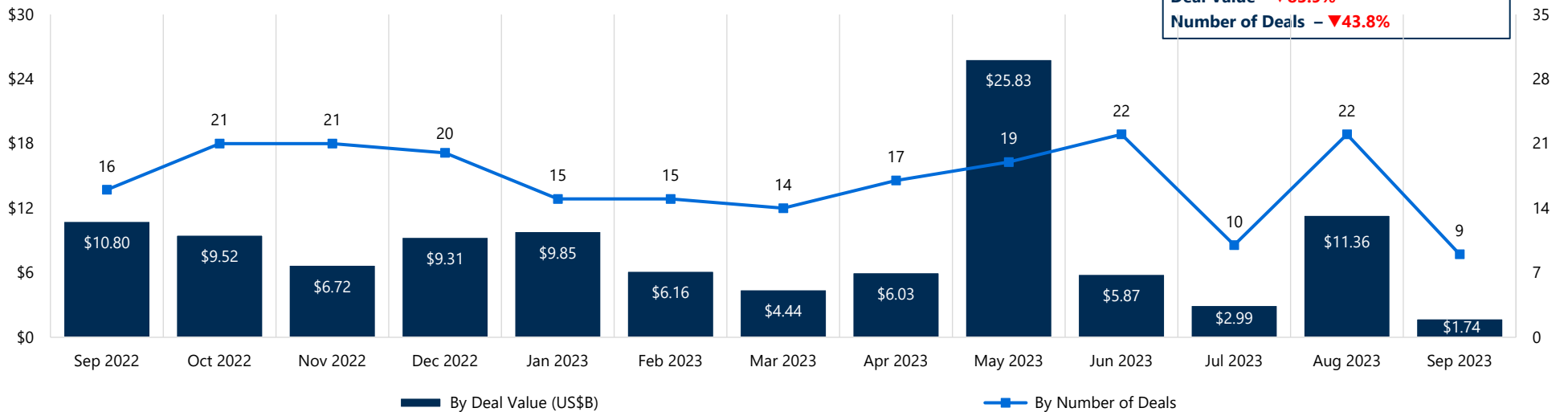
Outbound U.S. Crossborder Transactions



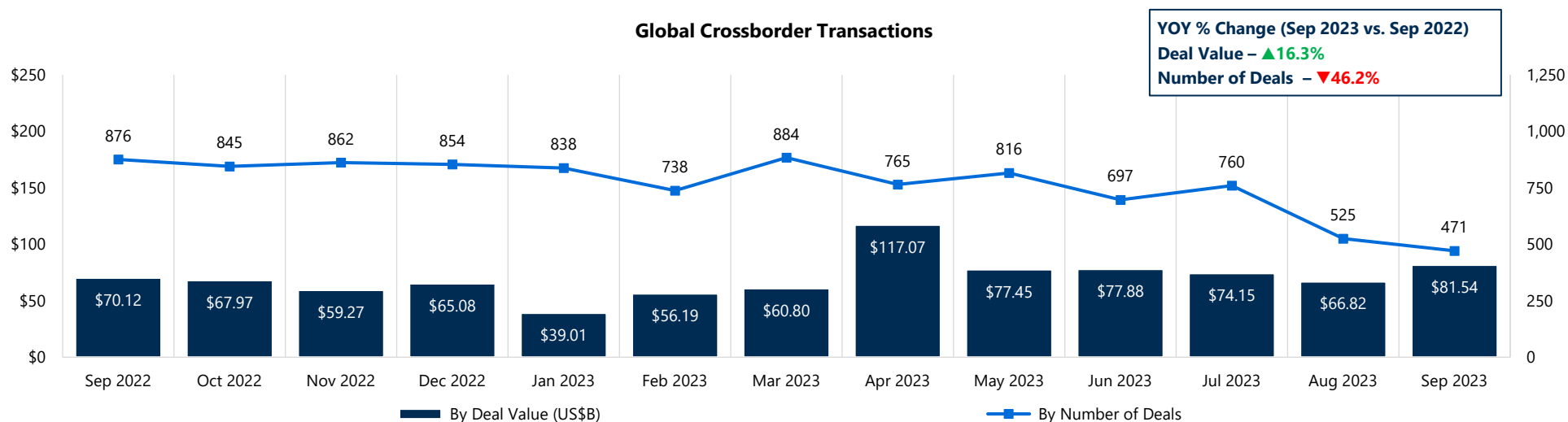
U.S. SPAC Acquisitions¹⁸



Global SPAC Acquisitions¹⁹



Global Crossborder Transactions



Endnotes


- Industries categories are determined and named by Dealogic.
- Based on the highest target break fees and reverse break fees payable in a particular deal.
- There were 10 transactions in September 2023.
- Financial and strategic categories are determined by Deal Point Data.
- Seven transactions in September 2023 had a reverse break fee.
- Three transactions in September 2023 involving a financial buyer had a reverse break fee.
- Four transactions in September 2023 involving a strategic buyer had a reverse break fee.
- Three transactions in September 2023 involved a financial buyer.
- Seven transactions in September 2023 involved a strategic buyer.
- One transaction in September 2023 had a go-shop provision.
- One transaction in September 2023 involving a financial buyer had a go-shop provision.
- No transactions in September 2023 involving a strategic buyer had a go-shop provision.
- Due to rounding, percentages may not add up to 100%.
- This data includes both announced transactions for which a definitive merger agreement was reached and filed and those for which a definitive merger agreement was never reached and filed (including withdrawn transactions).
- Unaffected Premium % indicates the difference between the current price per share offered as consideration in the transaction and the "unaffected price", reflected as a percentage. The "unaffected price" is the target's closing stock price on the date that is one calendar day prior to the first public disclosure regarding a potential deal involving the target and on which the target's stock price was unaffected by the news of the deal.
- For LTM period, each of Germany and South Korea was the country of origin for 59 transactions.
- In September 2023, each of Australia, France, India and Spain was the country of destination for five transactions.
- This data reflects U.S. targets that have been acquired by a SPAC of any nationality.
- This data reflects both U.S. and non-U.S. targets that have been acquired by a SPAC of any nationality.

The charts on p. 1–2 and 5–10 were compiled using Dealogic, and are for the broader M&A market, including public and private transactions of any value. Deal volume by dollar value and average value of deals are calculated from the subset of deals that include a disclosed deal value. The charts on p. 3–4 were compiled using Deal Point Data, and include acquisitions seeking majority or higher control of U.S. targets valued at \$100 million or higher announced during the period indicated and for which a definitive merger agreement was reached and filed (except with respect to data regarding premiums and hostile/unsolicited offers, which is for all announced deals). "Last 12 Months" data is for the period from October 2022 to September 2023 inclusive and "year-over-year" data compares September 2022 and September 2023. Data obtained from Dealogic and Deal Point Data has not been reviewed for accuracy by Paul, Weiss.

Strategic M&A Firm Highlights

	\$7.6B	Chevron Corporation	Acquisition of PDC Energy
	\$3.3B	Amedisys	Combination with Optum
	\$1B	Chico's FAS	Sale to Sycamore Partners
	€12.0B	Carrier Global Corporation	Acquisition of Viessmann Climate Solutions
	\$20B	WestRock	Combination with Smurfit Kappa, creating Smurfit WestRock
	\$10.8B	Merck & Co.	Acquisition of Prometheus Biosciences
	\$21.4B	World Wrestling Entertainment	Agreement with Endeavor to merge WWE with UFC to form a new publicly listed company
	\$2.8B	The Estée Lauder Companies	Acquisition of the Tom Ford brand
	\$3.9B	Amazon	Acquisition of One Medical
	\$4.6B	IBM	Acquisition of Apptio

Private Equity M&A Firm Highlights

	\$5.2B	Funds managed by affiliates of Apollo Global Management, Inc.	Take-private acquisition of Arconic
	\$2.1B	General Atlantic	Sale of OneOncology to AmerisourceBergen and TPG
	\$8.1B	Funds managed by affiliates of Apollo Global Management, Inc.	Take-private acquisition of Univar Solutions
	\$10.6B	General Atlantic	Sale of its stake in its portfolio company Oak Street Health to CVS Health
	\$4.4B	KPS Capital Partners	Sale of its portfolio company Howden to Chart Industries
	\$2.0B	Brookfield Asset Management	Acquisition of a significant minority stake in Primary Wave Music
	–	Roark Capital Group	Acquisition of Subway
	–	Clearlake Capital Group	Consortium deal to acquire Chelsea Football Club
	\$7.1B	3G Capital	Acquisition of Hunter Douglas
	\$11.3B	Roark Capital Group	Inspire Brands' acquisition of Dunkin' Brands Group

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