

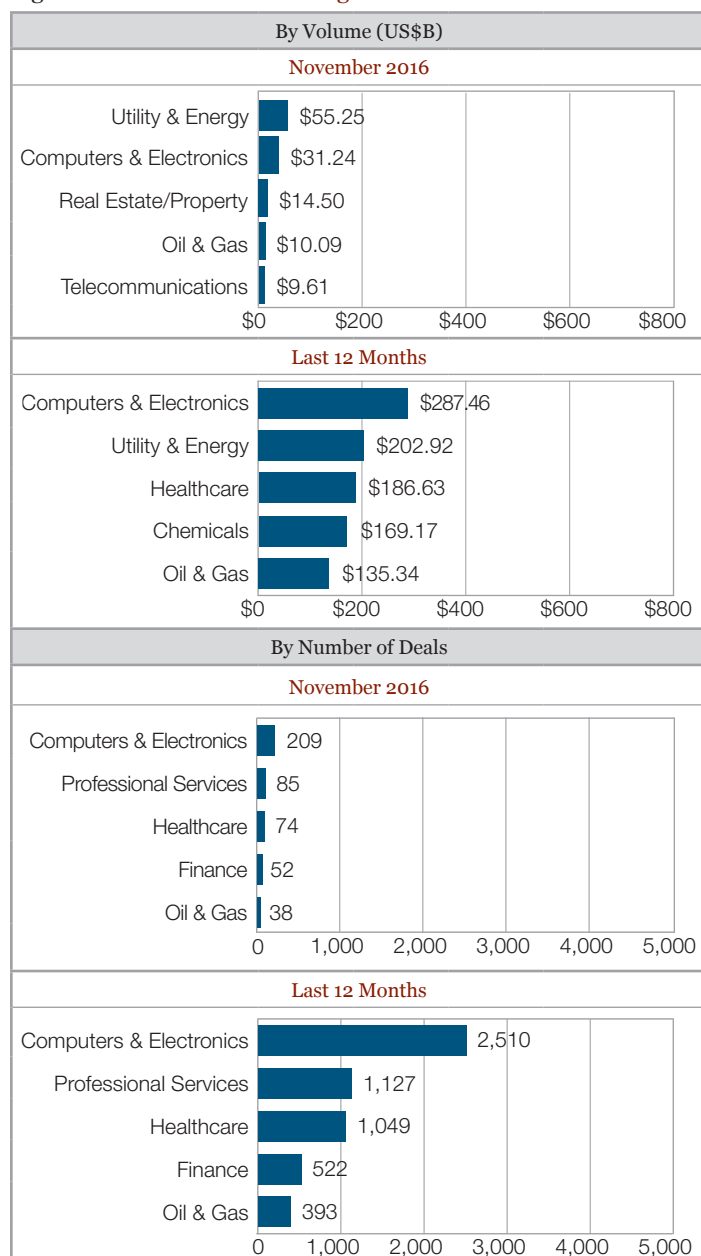
## December 2016, Issue 57

### M&A Activity

Figure 1

November 2016	Global	+/- From Prior Month	U.S.	+/- From Prior Month
<b>Total</b>				
Volume (US\$B)	352.27	(211.79)	154.31	(196.86)
No. of deals	3,095	300	774	67
Avg. value of deals (US\$mil)	224.5	(169.9)	532.1	(593.5)
Avg. deal multiple <sup>1</sup>	11.9x	0.7	13.0x	2.0
<b>Strategic Transactions</b>				
Volume (US\$B)	277.00	(209.01)	116.43	(196.49)
No. of deals	2,773	306	633	63
Avg. value of deals (US\$mil)	191.3	(179.4)	462.0	(701.2)
Avg. deal multiple <sup>1</sup>	11.5x	0.4	12.7x	1.4
<b>Sponsor-Related Transactions</b>				
Volume (US\$B)	75.26	(2.78)	37.87	(0.38)
No. of deals	322	(6)	141	4
Avg. value of deals (US\$mil)	622.0	(33.8)	996.7	107.2
Avg. deal multiple <sup>1</sup>	13.3x	2.2	13.6x	3.5
<b>Crossborder Transactions<sup>2</sup></b>				
Volume (US\$B)	76.66	(136.14)	Inbound 29.64 Outbound 5.11	Inbound (74.95) Outbound (56.37)
No. of deals	833	164	Inbound 150 Outbound 157	Inbound 30 Outbound 34
Avg. value of deals (US\$mil)	180.8	(437.8)	Inbound 395.2 Outbound 106.5	Inbound (1,077.9) Outbound (1,011.3)
Avg. deal multiple <sup>1</sup>	10.8x	(0.3)	Inbound 11.1x Outbound 10.5x	Inbound 0.3 Outbound (2.2)

Figure 2 - Most Active U.S. Target Industries<sup>3</sup>



Figures 1-3 were compiled using data from Dealogic, and are for the broader M&A market, including mergers of any value involving public and/or private entities. Figures 4 and 5 were compiled using data from FactSet MergerMetrics, and are limited to mergers involving public U.S. targets announced during the period indicated and valued at \$100 million or higher regardless of whether a definitive merger agreement was reached and filed or withdrawn. All data is as of December 12, 2016 unless otherwise specified. "Last 12 Months" data is for the period from December 2015 to November 2016 inclusive. Data obtained from Dealogic and FactSet MergerMetrics has not been reviewed for accuracy by Paul, Weiss.

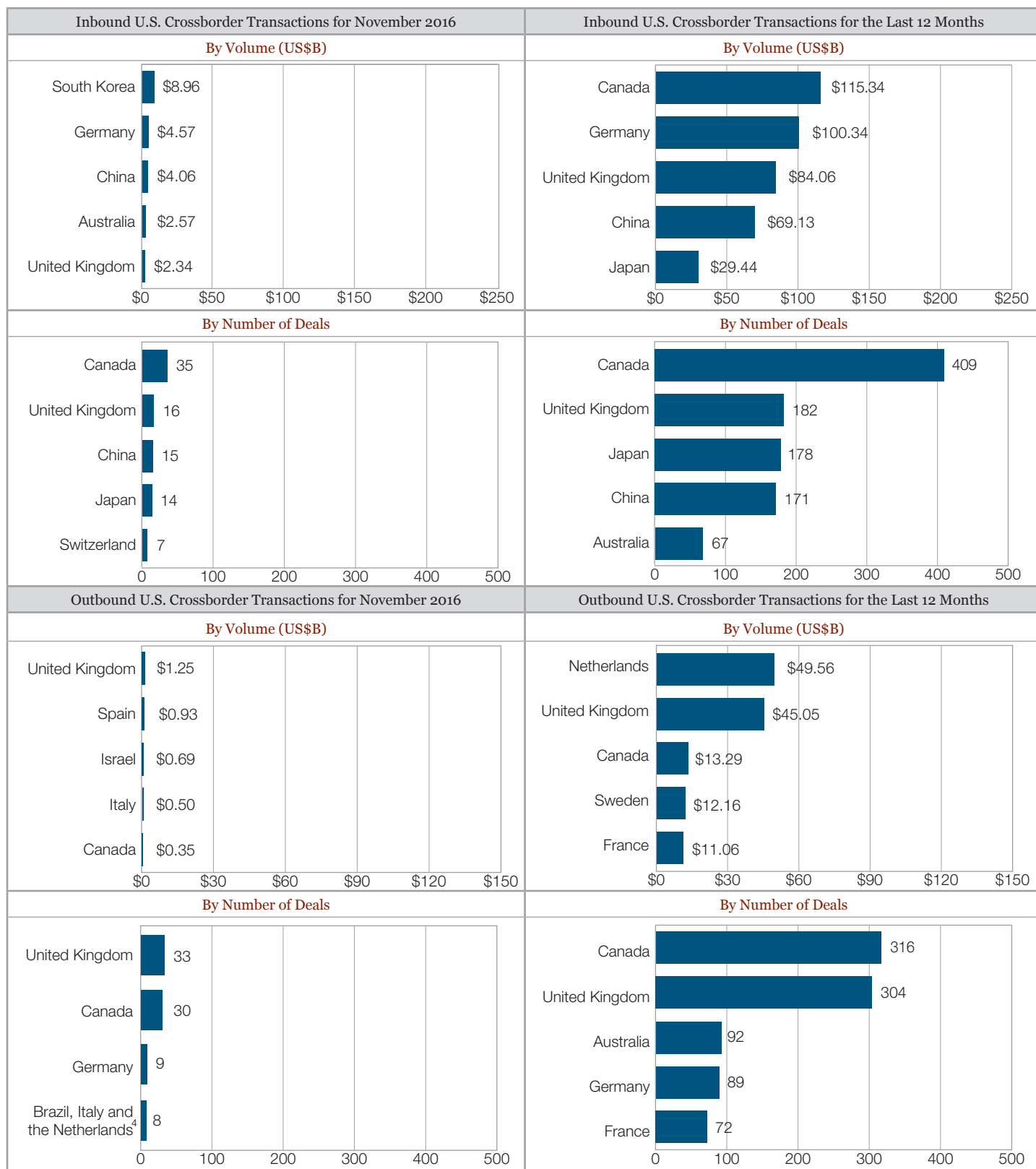
<sup>1</sup> Ratio of enterprise value to EBITDA, trailing 12 months. This statistic is calculated using a smaller subset of deals for which this data is available.

<sup>2</sup> Global crossborder transactions are those where the acquirer and the target have different nationalities. Nationality is based on where a company has either its headquarters or a majority of its operations. U.S. crossborder transactions are those transactions where the acquirer and the target have different nationalities and either the acquirer ("Outbound") or the target ("Inbound") has a U.S. nationality.

<sup>3</sup> Industries categories are determined and named by Dealogic.

M&A Activity (Continued)

Figure 3 - Top 5 Countries of Origin or Destination for U.S. Crossborder Transactions



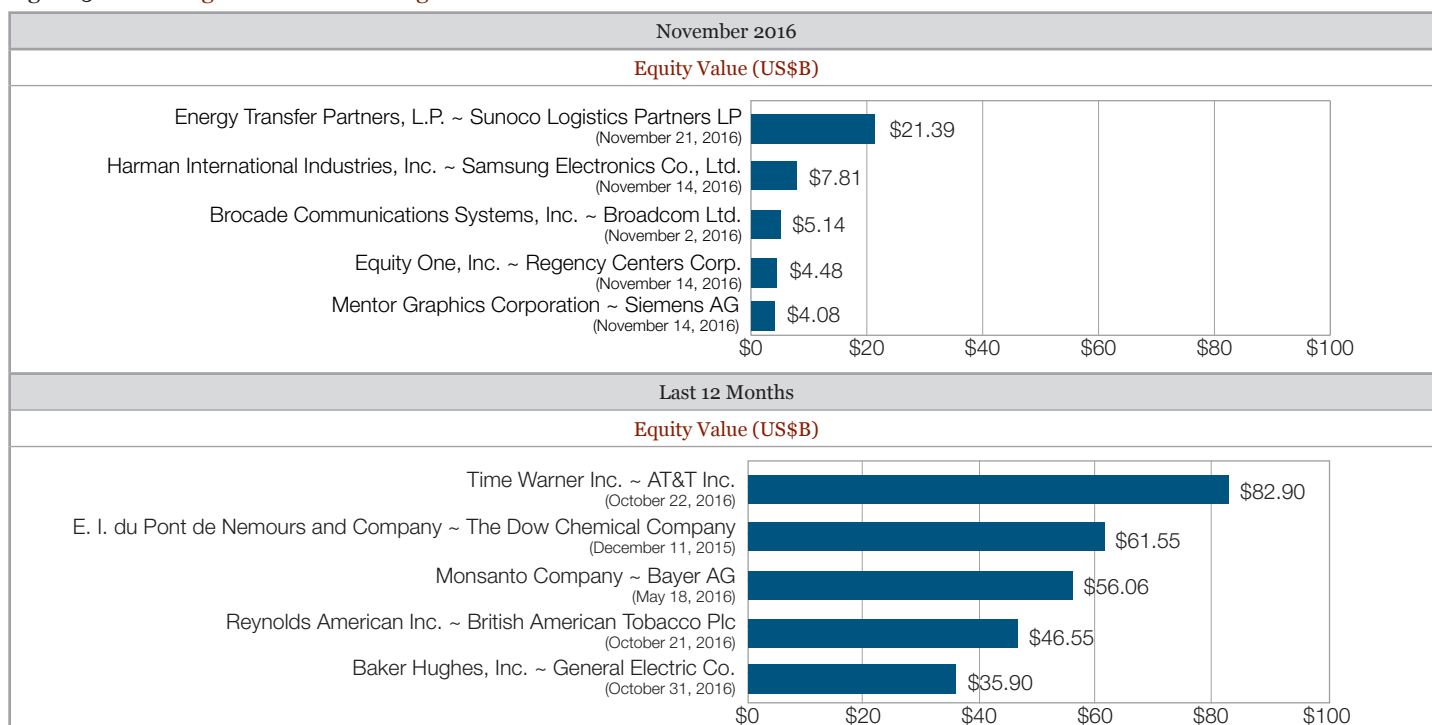
<sup>4</sup> Each of Brazil, Italy and the Netherlands was the country of destination for 8 transactions in November 2016.

M&A Activity (Continued)

Figure 4 - Average Value of Announced U.S. Public Mergers (in US\$mil)



Figure 5 - Five Largest U.S. Public Mergers



## M&amp;A Terms

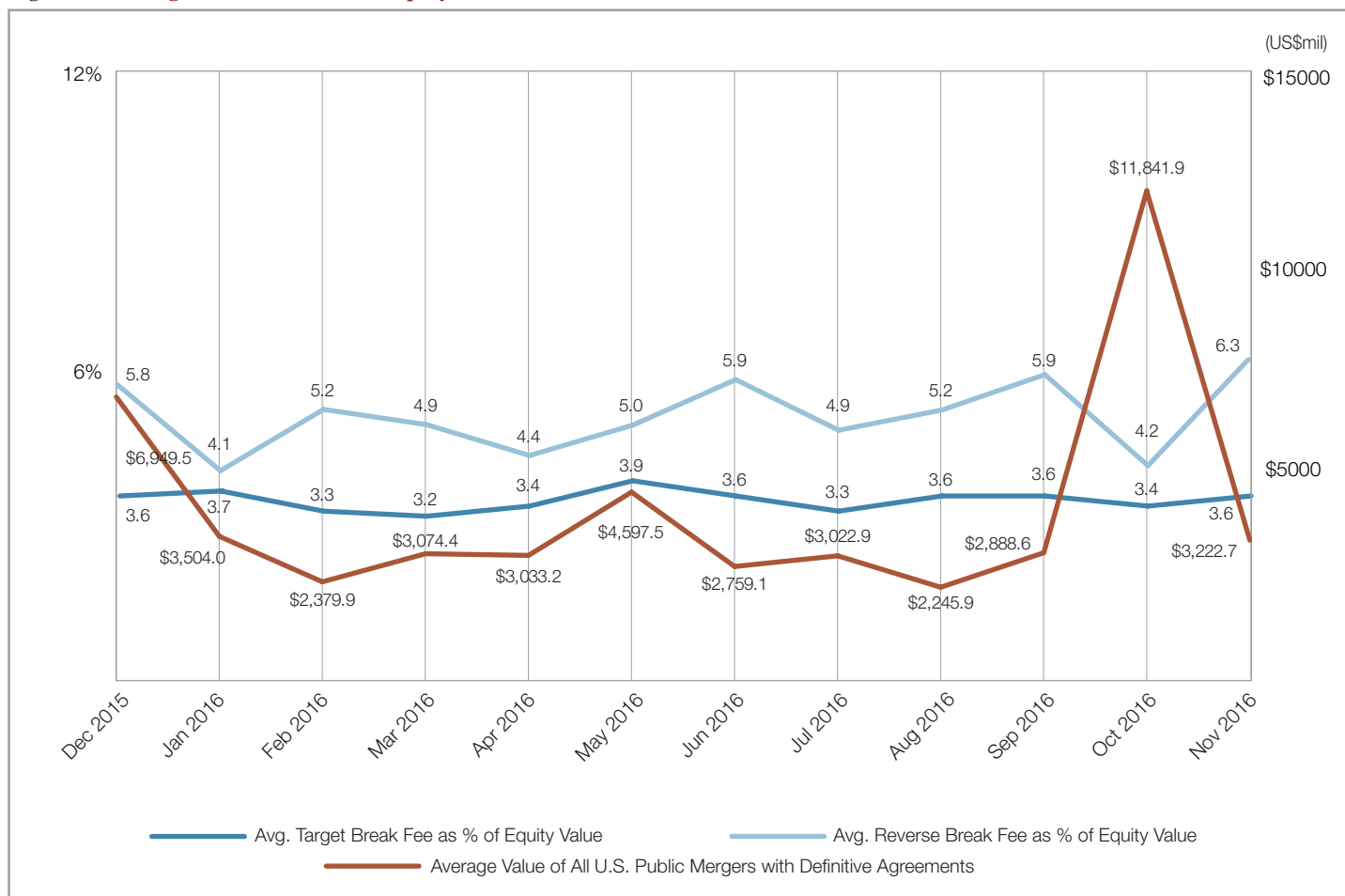
Figure 6 - Average Break Fees as % of Equity Value<sup>5</sup>

Figure 7 - Average Break Fees as % of Equity Value

	November 2016	Last 12 Months
Target Break Fee for All Mergers	3.6	3.5

	November 2016	Last 12 Months
Reverse Break Fee for All Mergers	6.3	5.2
Reverse Break Fee for Mergers Involving Financial Buyers <sup>6</sup>	6.3	6.5
Reverse Break Fee for Mergers Involving Strategic Buyers	6.3	4.8

Figures 6-12 were compiled using data from FactSet MergerMetrics, and are limited to select mergers involving public U.S. targets announced during the period indicated, valued at \$100 million or higher and for which a definitive merger agreement was reached and filed (unless otherwise indicated). Data obtained from FactSet MergerMetrics has not been reviewed for accuracy by Paul, Weiss.

Figure 8 - U.S. Public Merger Go-Shop Provisions

	November 2016	Last 12 Months
% of Mergers with Go-Shops	11.1	10.3
% of Mergers Involving Financial Buyers with Go-Shops <sup>7</sup>	50.0	43.8
% of Mergers Involving Strategic Buyers with Go-Shops	6.3	3.3
Avg. Go-Shop Window (in Days) for All Mergers with Go-Shops <sup>8</sup>	30.0	34.9
Avg. Go-Shop Window (in Days) for Mergers Involving Financial Buyers with Go-Shops <sup>9</sup>	30.0	34.9
Avg. Go-Shop Window (in Days) for Mergers Involving Strategic Buyers with Go-Shops <sup>10</sup>	30.0	35.0

<sup>5</sup> Based on the highest target break fees and reverse break fees payable in a particular deal.

<sup>6</sup> Two transactions in November 2016 involving a financial buyer had a reverse break fee.

<sup>7</sup> Two transactions in November 2016 involved a financial buyer.

<sup>8</sup> Two transactions in November 2016 had a go-shop provision.

<sup>9</sup> One transaction in November 2016 involving a financial buyer had a go-shop provision.

<sup>10</sup> One transaction in November 2016 involving a strategic buyer had a go-shop provision.

M&A Terms (Continued)

Figure 9 - Form of Consideration as % of U.S. Public Mergers<sup>11</sup>

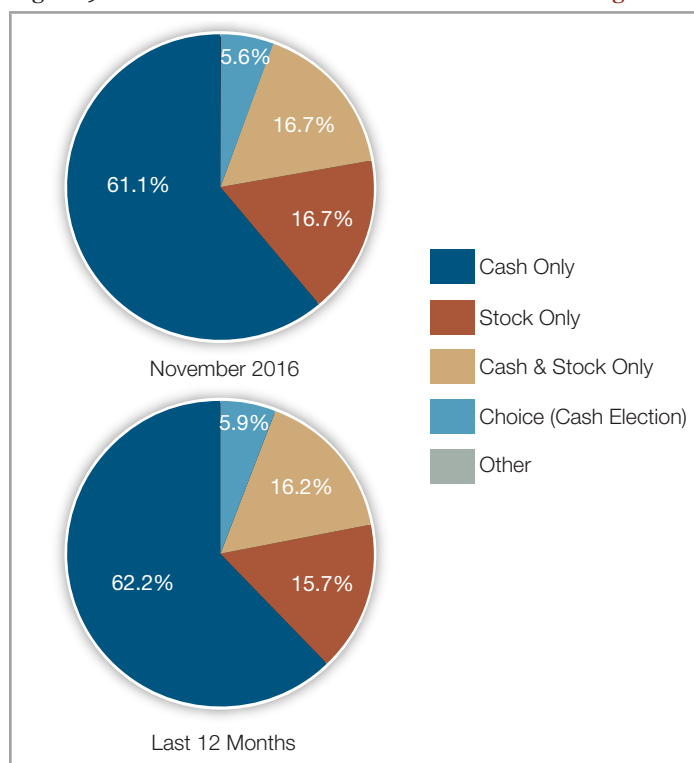


Figure 10 - % of Partial and All Stock Deals that Have a Fixed Exchange Ratio

November 2016	100.0
Last 12 Months	88.1

Figure 11 - Tender Offers as % of U.S. Public Mergers

November 2016	11.1
Last 12 Months	20.5

Figure 12 - Hostile/Unsolicited Offers as % of U.S. Public Mergers<sup>12</sup>

November 2016	5.0
Last 12 Months	13.8

<sup>11</sup> Due to rounding, percentages may not add up to 100%.

<sup>12</sup> 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).

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This publication is not intended to provide legal advice, and no legal or business decisions should be based on its content. Questions concerning issues addressed in this memorandum should be directed to:



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## M&amp;A Activity – 12-Month Trends

A N N U A L

Figure 1A - U.S. Deal Volume (US\$B)

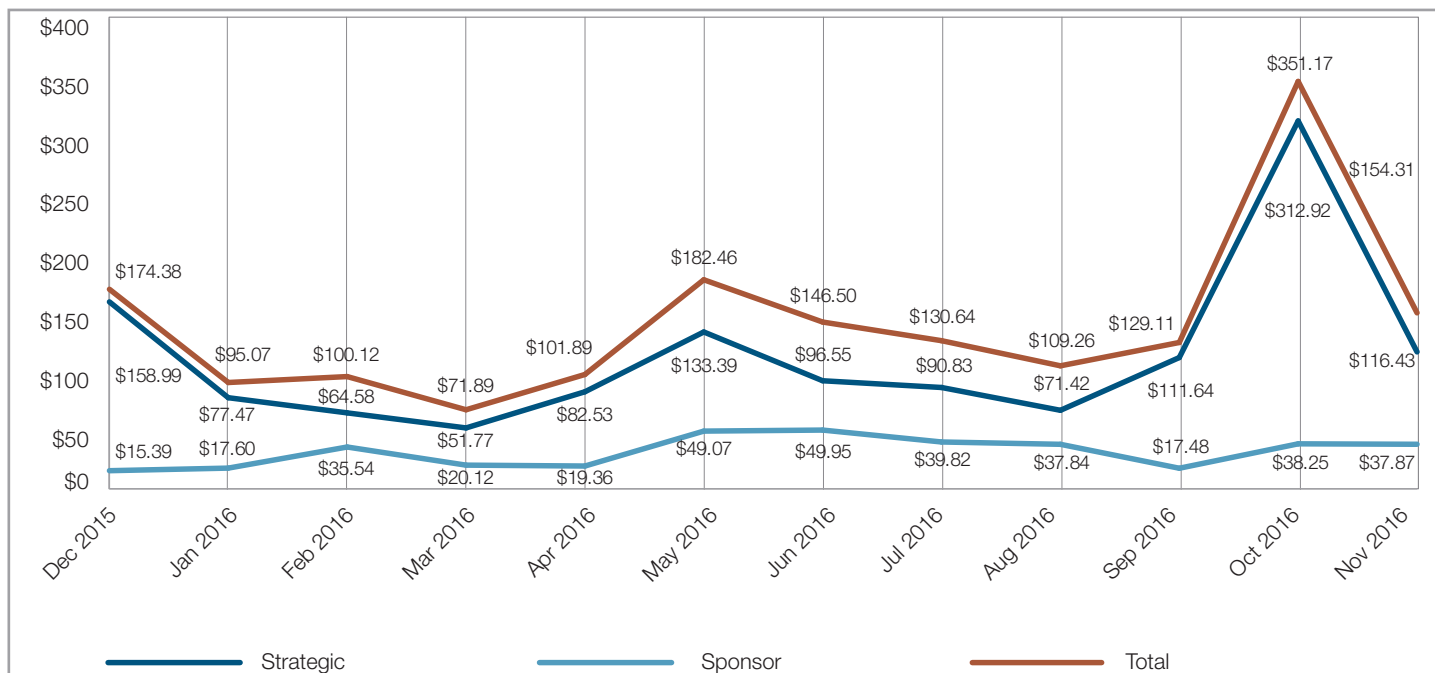


Figure 2A - Global Deal Volume (US\$B)

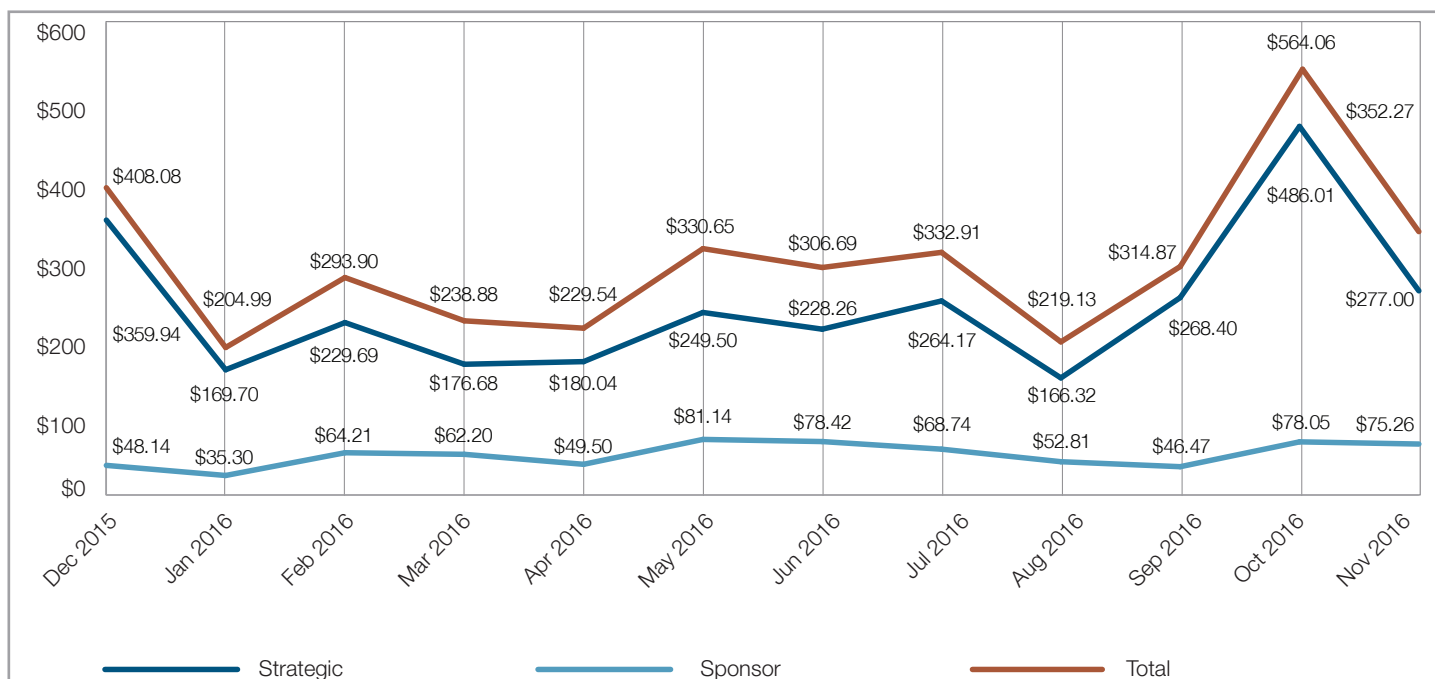


Figure 3A - U.S. Number of Deals

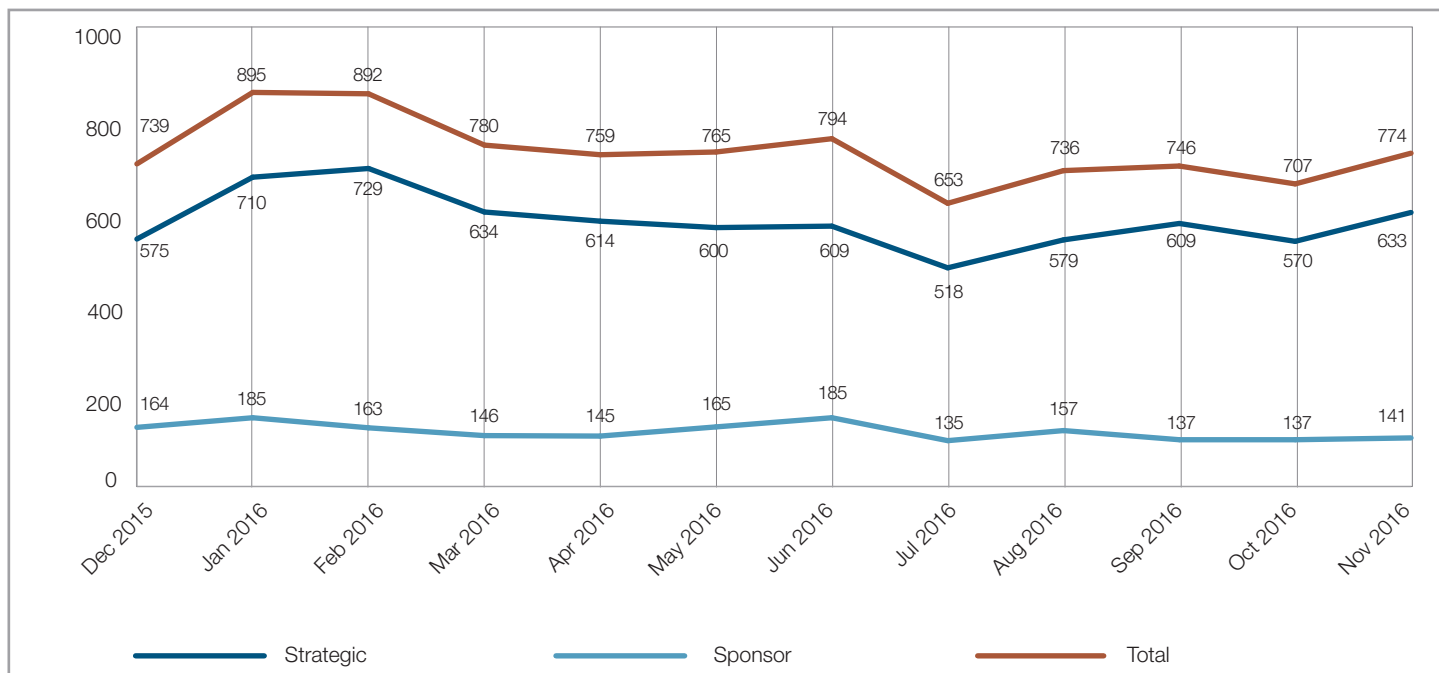


Figure 4A - Global Number of Deals

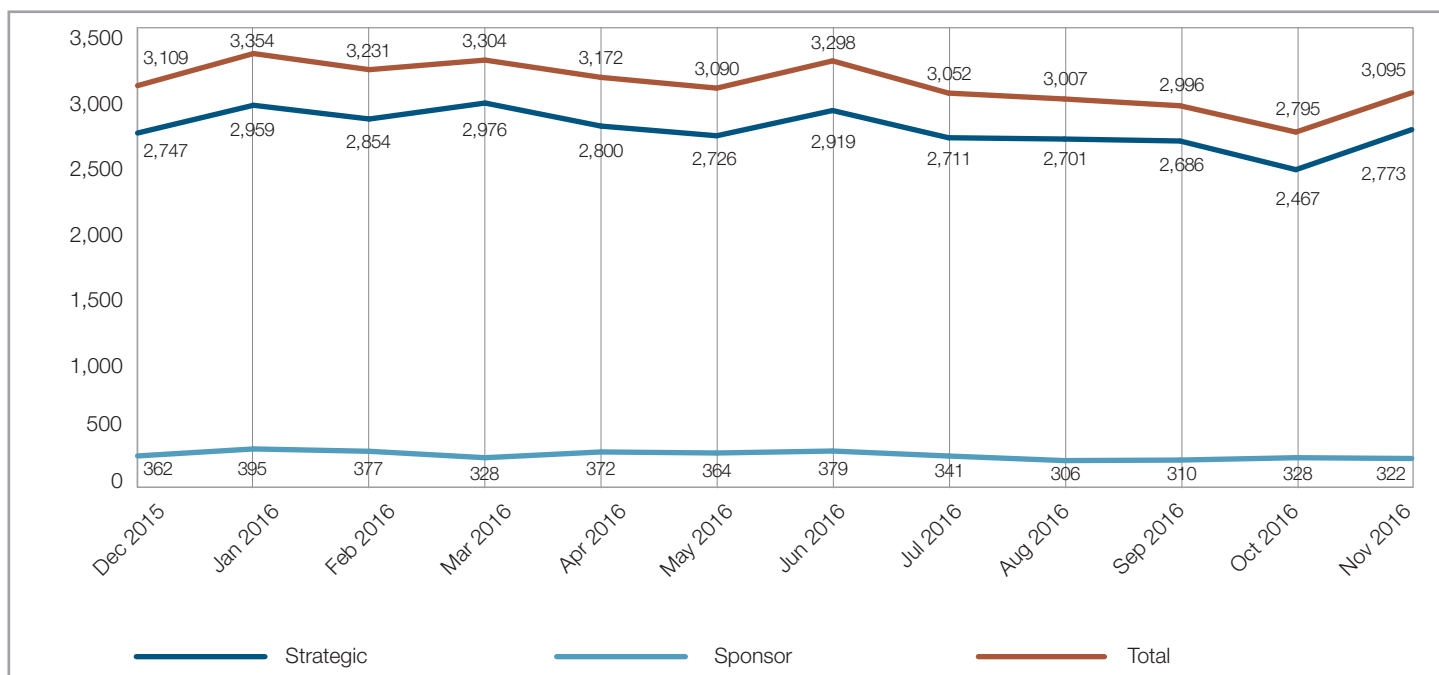


Figure 5A - Inbound U.S. Crossborder Transactions

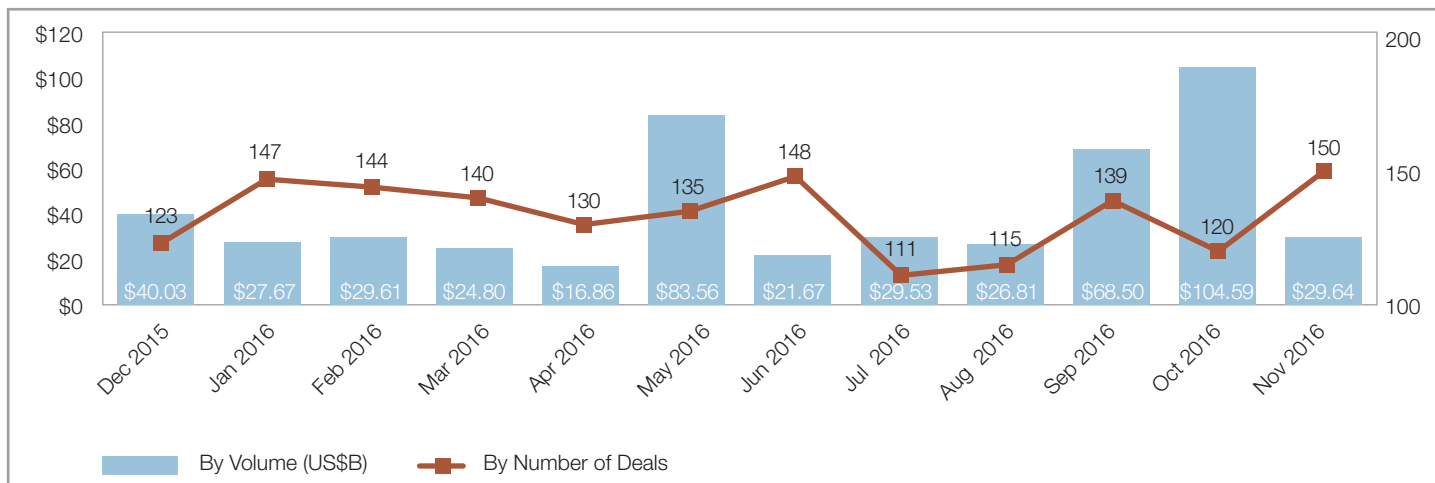


Figure 6A - Outbound U.S. Crossborder Transactions

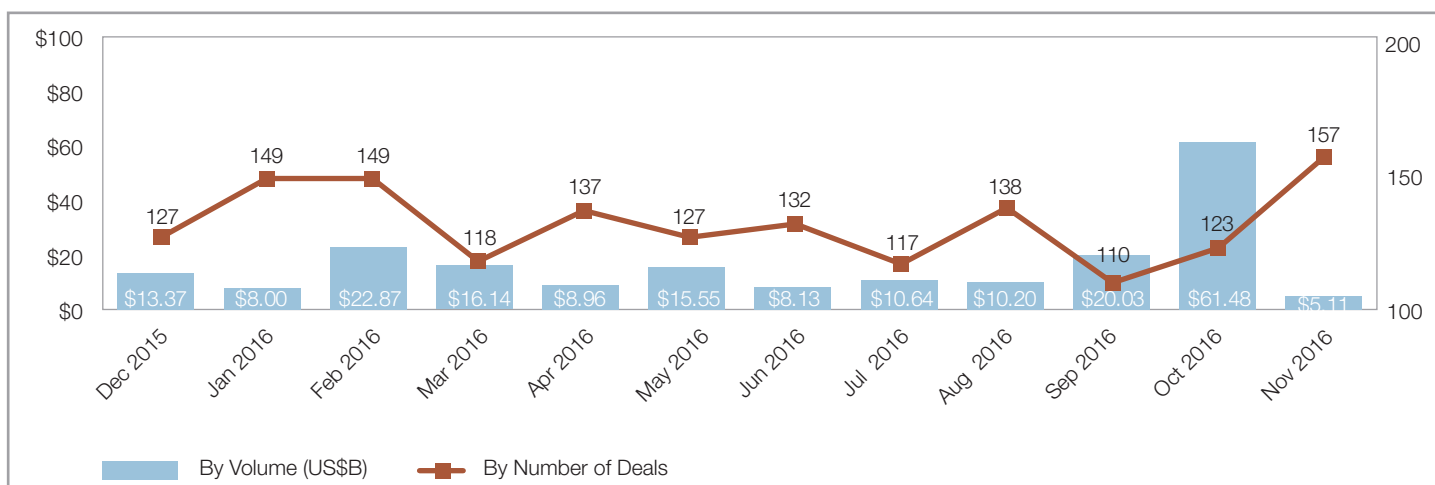


Figure 7A - Global Crossborder Transactions

