

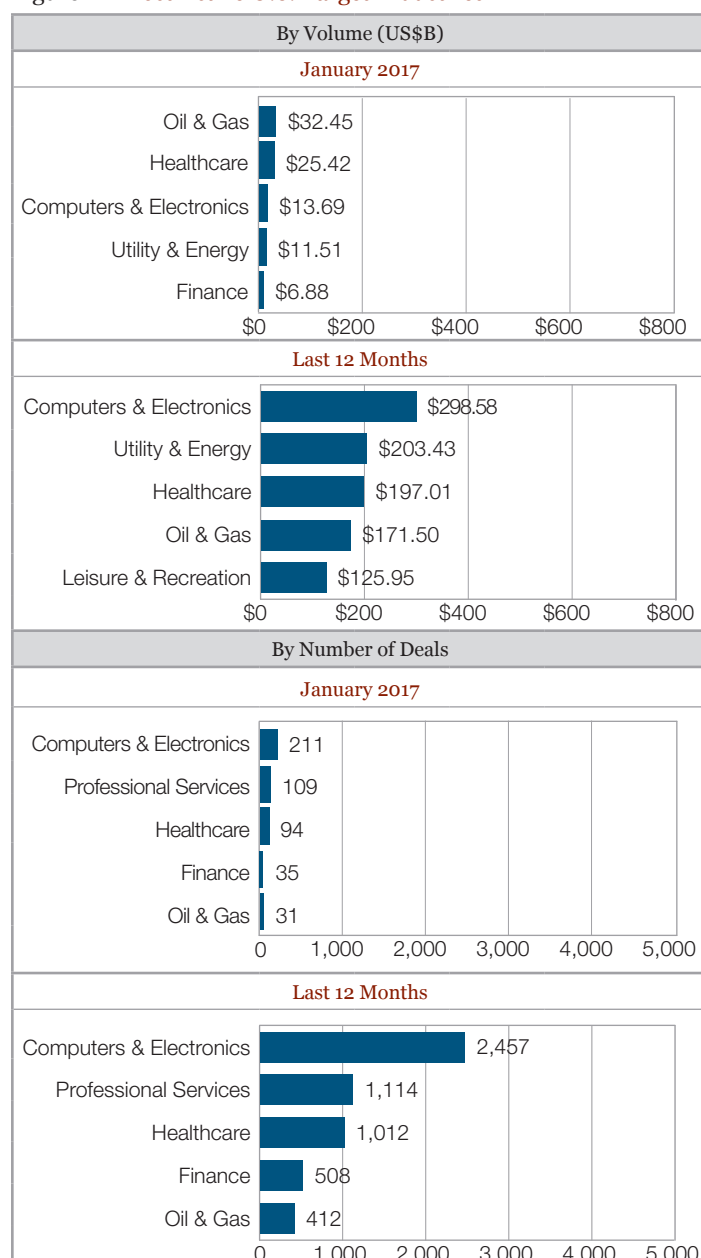
February 2017, Issue 59

M&A Activity

Figure 1

January 2017	Global	+/- From Prior Month	U.S.	+/- From Prior Month
Total				
Volume (US\$B)	280.97	(103.41)	108.11	28.61
No. of deals	2,832	(10)	789	140
Avg. value of deals (US\$mil)	221.2	(11.9)	468.0	143.5
Avg. deal multiple ¹	11.7x	0.1	12.9x	(0.5)
Strategic Transactions				
Volume (US\$B)	235.77	(68.10)	77.25	27.79
No. of deals	2,544	(54)	669	103
Avg. value of deals (US\$mil)	199.6	1.0	392.2	158.8
Avg. deal multiple ¹	11.5x	(0.4)	13.8x	(0.2)
Sponsor-Related Transactions				
Volume (US\$B)	45.20	(35.31)	30.86	0.82
No. of deals	288	44	120	37
Avg. value of deals (US\$mil)	507.9	(168.7)	907.5	(2.6)
Avg. deal multiple ¹	12.9x	3.3	11.0x	(0.5)
Crossborder Transactions²				
Volume (US\$B)	114.19	(86.57)	Inbound 20.58 Outbound 40.01	Inbound (3.43) Outbound (40.66)
No. of deals	754	1	Inbound 121 Outbound 152	Inbound 13 Outbound 39
Avg. value of deals (US\$mil)	366.0	(86.2)	Inbound 420.0 Outbound 1,000.3	Inbound 77.0 Outbound (646.1)
Avg. deal multiple ¹	11.9x	1.8	Inbound 12.6x Outbound 9.2x	Inbound (1.4) Outbound (1.7)

Figure 2 - Most Active U.S. Target Industries³



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indicated and valued at \$100 million or higher regardless of whether a definitive merger agreement was reached or withdrawn. All data is as of February 10, 2017 unless otherwise specified. "Last 12 Months" data is for the period from February 2016 to January 2017 inclusive. Data obtained from Dealogic and FactSet MergerMetrics has not been reviewed for accuracy by Paul, Weiss.

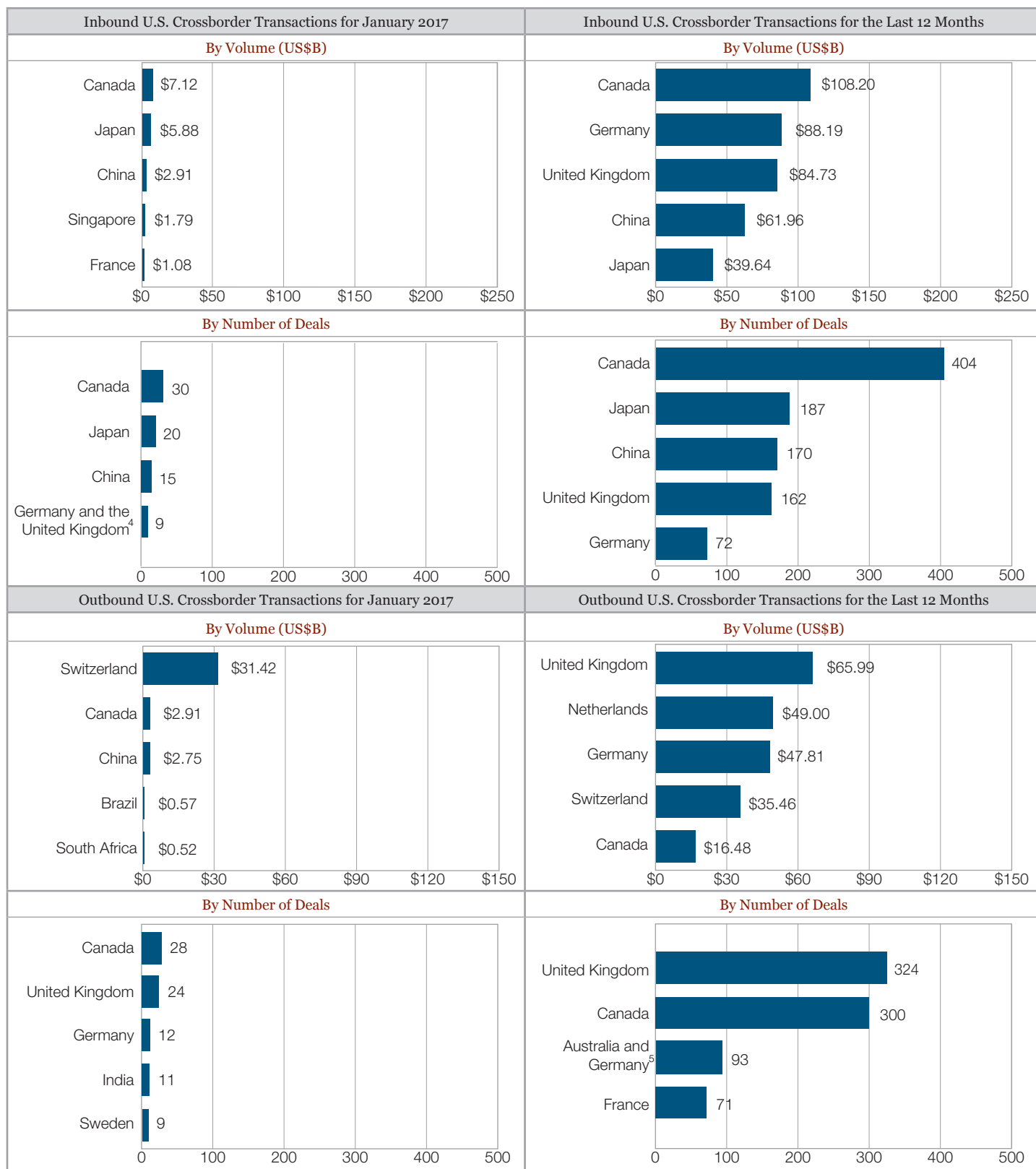
¹ Ratio of enterprise value to EBITDA, trailing 12 months. This statistic is calculated using a smaller subset of deals for which this data is available.

² 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.

³ 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



⁴ Each of Germany and the United Kingdom was the country of origin for 9 transactions in January 2017.

⁵ Each of Australia and Germany was the country of destination for 93 transactions in the last 12 months.

M&A Activity (Continued)

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

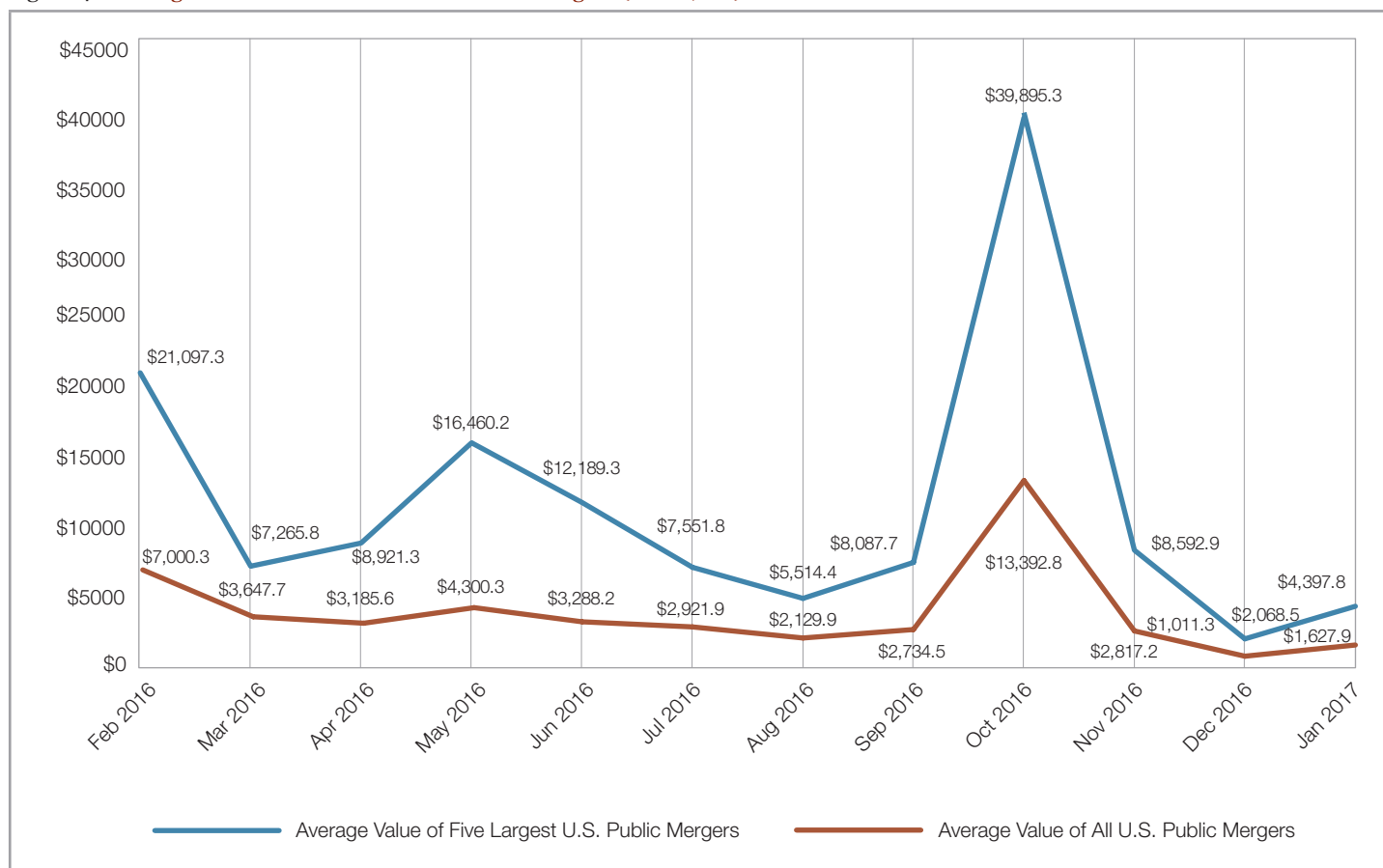
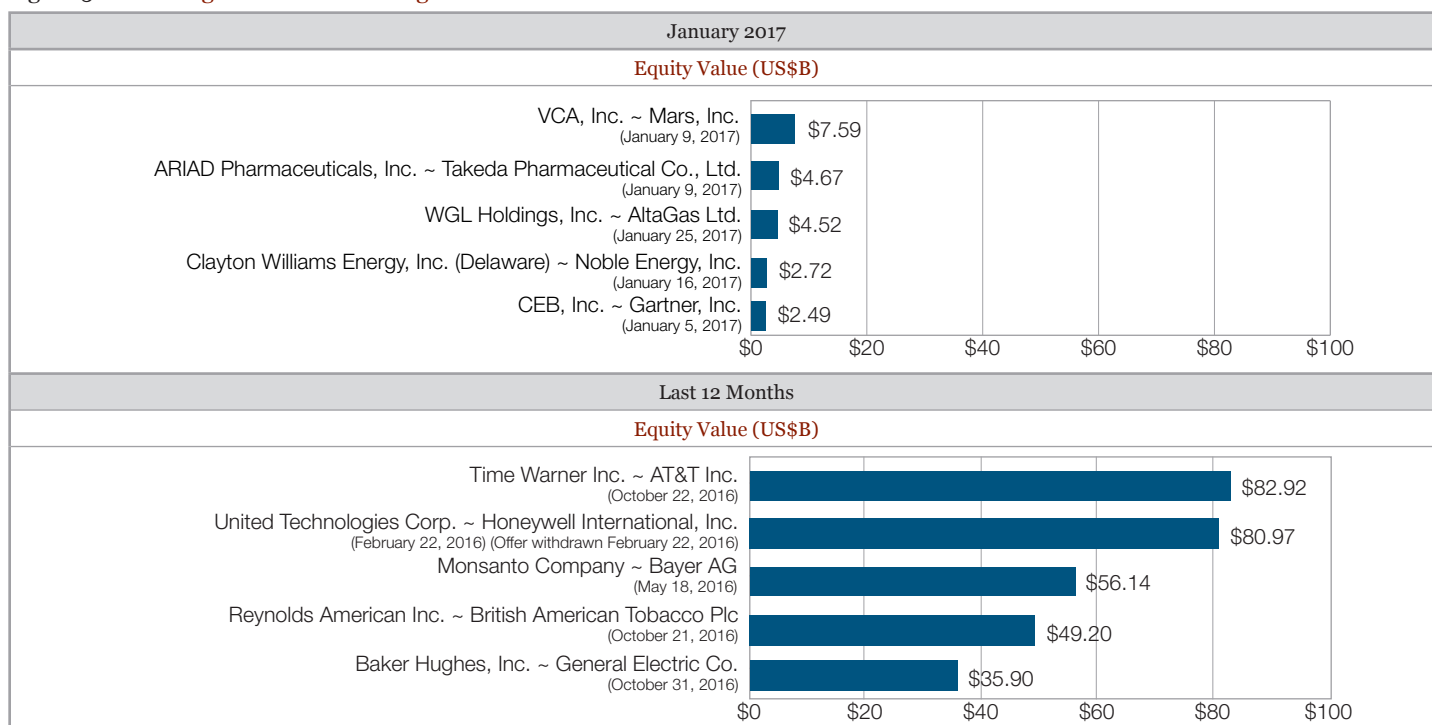


Figure 5 - Five Largest U.S. Public Mergers



M&A Terms

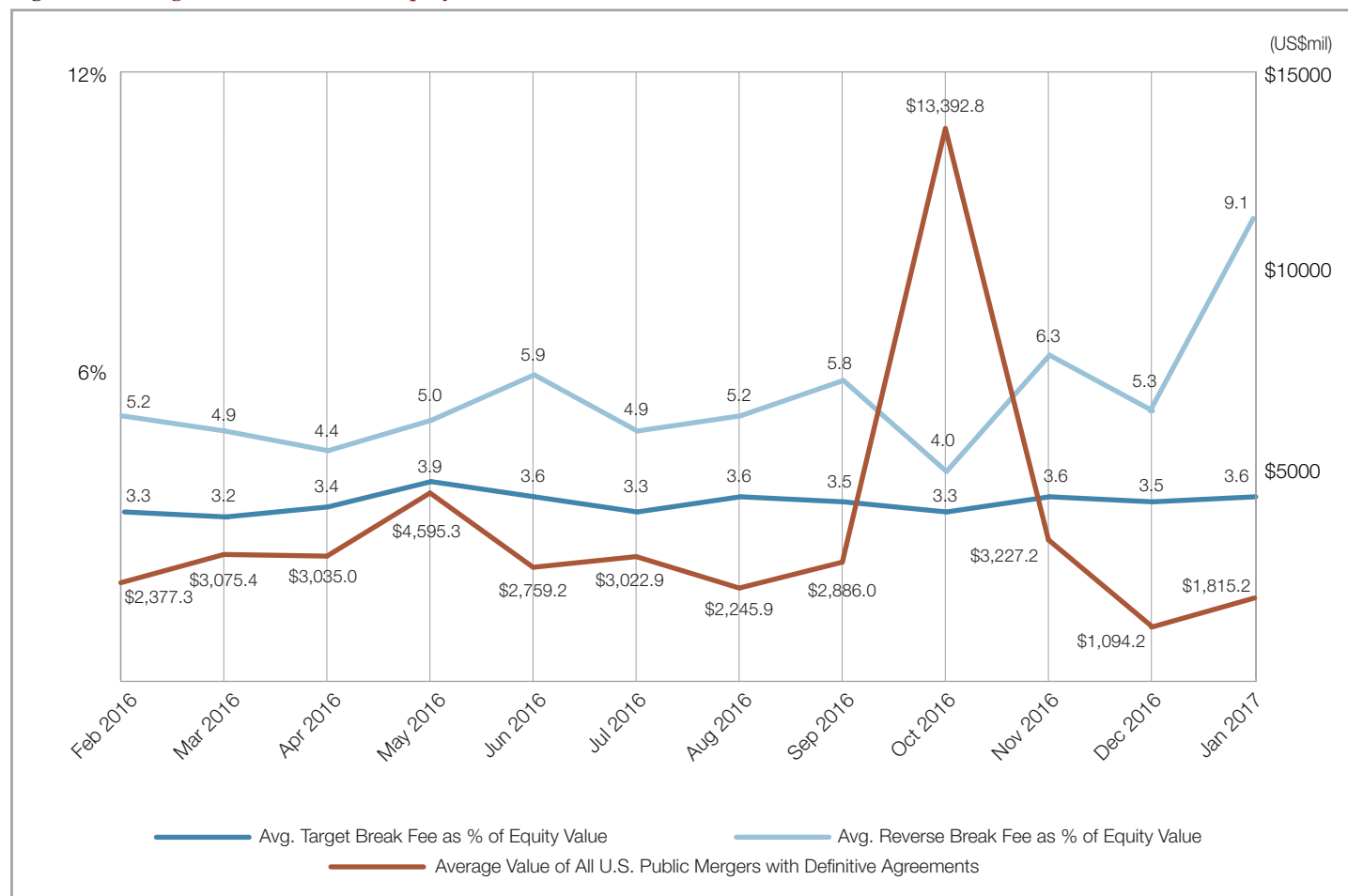
Figure 6 - Average Break Fees as % of Equity Value⁶

Figure 7 - Average Break Fees as % of Equity Value

	January 2017	Last 12 Months
Target Break Fee for All Mergers	3.6	3.5

	January 2017	Last 12 Months
Reverse Break Fee for All Mergers	9.1	5.4
Reverse Break Fee for Mergers Involving Financial Buyers ⁷	N/A	6.3
Reverse Break Fee for Mergers Involving Strategic Buyers	9.1	5.1

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

	January 2017	Last 12 Months
% of Mergers with Go-Shops	5.9	10.9
% of Mergers Involving Financial Buyers with Go-Shops ⁸	N/A	45.5
% of Mergers Involving Strategic Buyers with Go-Shops	5.9	3.8
Avg. Go-Shop Window (in Days) for All Mergers with Go-Shops ⁹	35.0	34.4
Avg. Go-Shop Window (in Days) for Mergers Involving Financial Buyers with Go-Shops ¹⁰	N/A	34.2
Avg. Go-Shop Window (in Days) for Mergers Involving Strategic Buyers with Go-Shops ¹¹	35.0	35.0

⁶ Based on the highest target break fees and reverse break fees payable in a particular deal.

⁷ No transactions in January 2017 involving a financial buyer had a reverse break fee.

⁸ No transactions in January 2017 involved a financial buyer.

⁹ One transaction in January 2017 had a go-shop provision.

¹⁰ No transactions in January 2017 involving a financial buyer had a go-shop provision.

¹¹ One transaction in January 2017 involving a strategic buyer had a go-shop provision.

M&A Terms (Continued)

Figure 9 - Form of Consideration as % of U.S. Public Mergers¹²

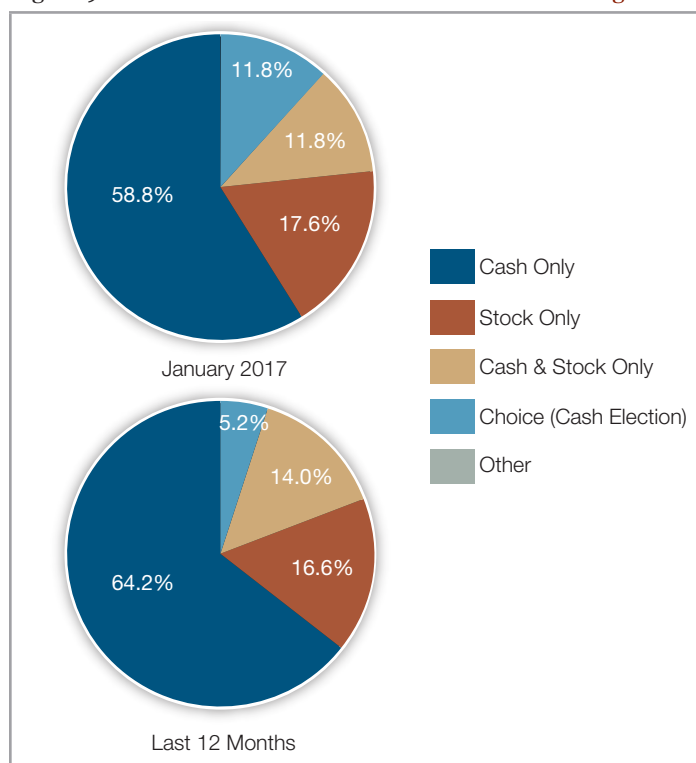


Figure 10 - % of Partial and All Stock Deals that Have a Fixed Exchange Ratio

January 2017	80.0
Last 12 Months	88.1

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

January 2017	29.4
Last 12 Months	22.3

Figure 12 - Hostile/Unsolicited Offers as % of U.S. Public Mergers¹³

January 2017	15.0
Last 12 Months	12.3

¹² Due to rounding, percentages may not add up to 100%

¹³ 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).

Paul, Weiss is a leading law firm serving the largest publicly and privately held corporations and financial institutions in the United States and throughout the world. Our firm is widely recognized for achieving an unparalleled record of success for our clients, both in their bet-the-company litigations and their most critical strategic transactions. We are keenly aware of the extraordinary challenges and opportunities facing national and global economies and are committed to serving our clients' short- and long-term goals.

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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&A Activity – 12-Month Trends

ANNE X

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



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

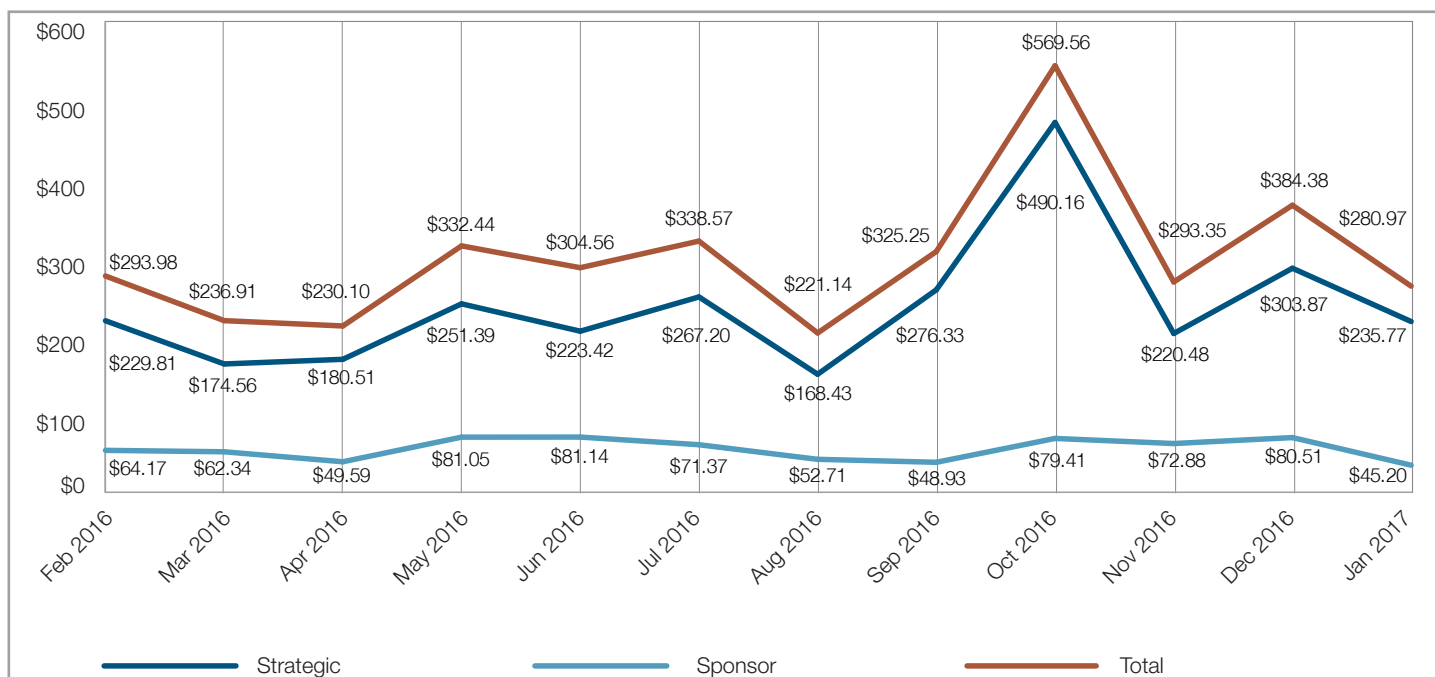


Figure 3A - U.S. Number of Deals

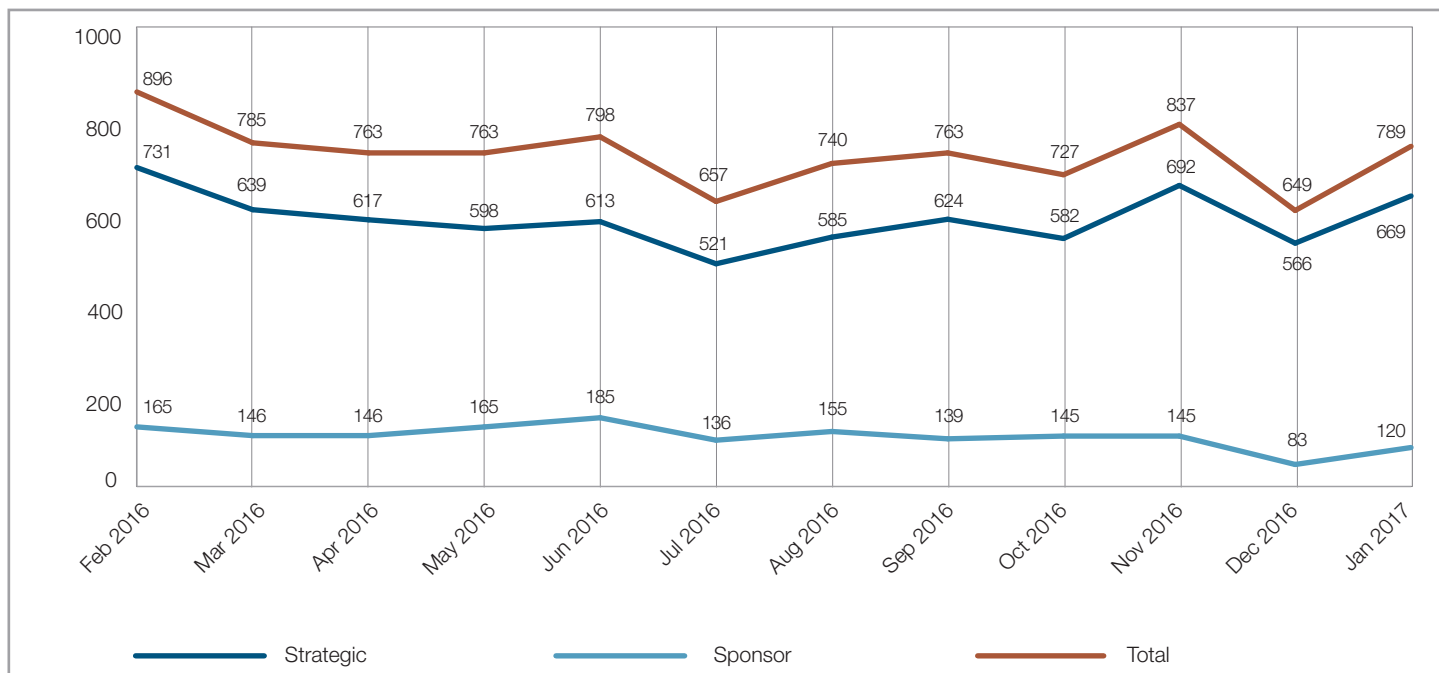


Figure 4A - Global Number of Deals

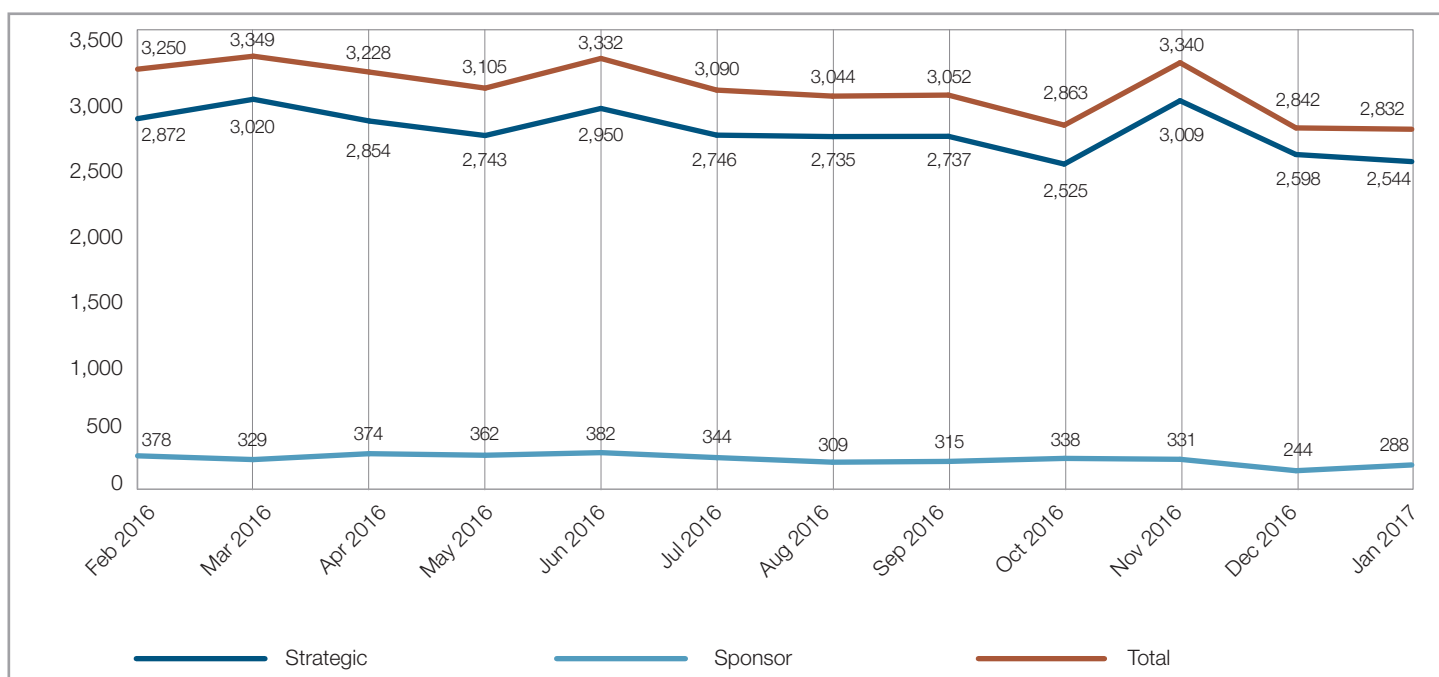


Figure 5A - Inbound U.S. Crossborder Transactions

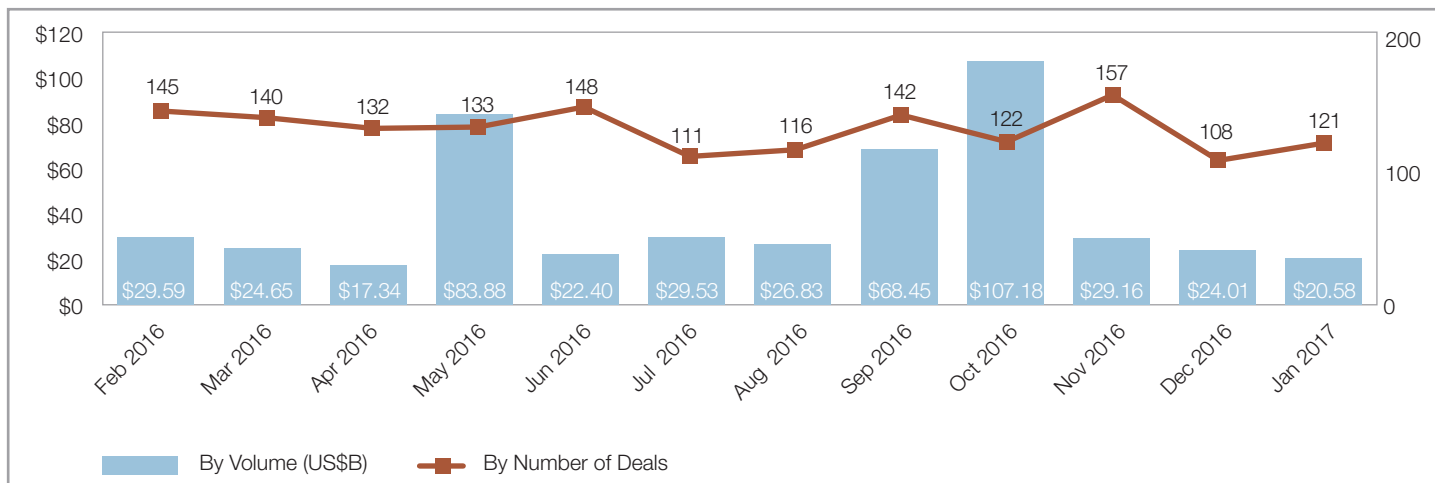


Figure 6A - Outbound U.S. Crossborder Transactions

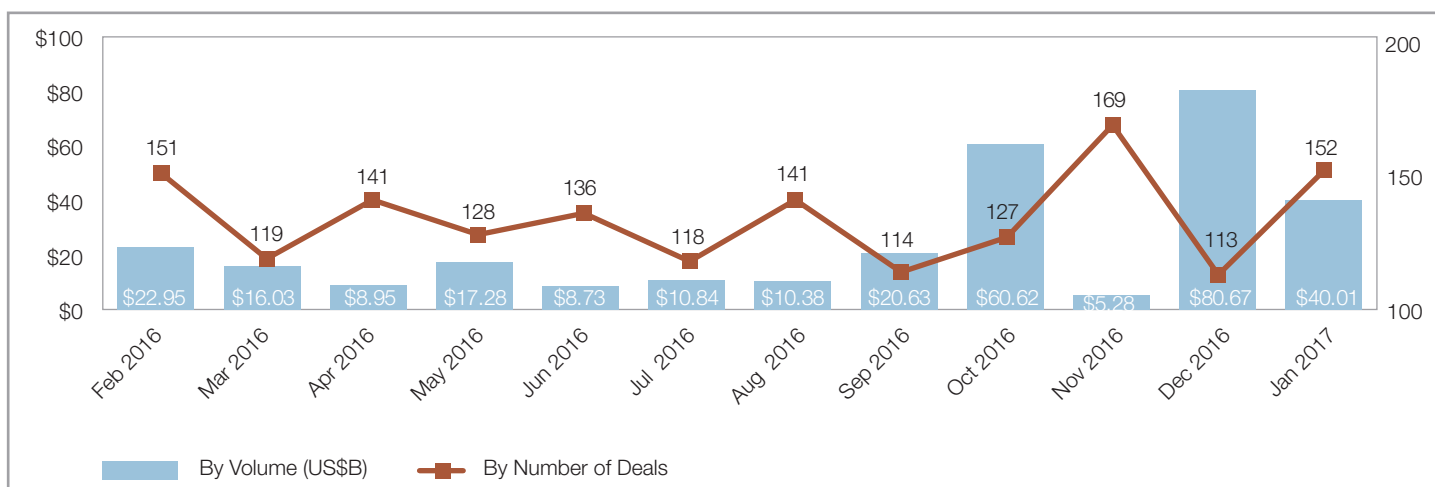


Figure 7A - Global Crossborder Transactions

