

# M&A AT A GLANCE

MARCH 2021 | ISSUE 108

## Key Takeaways

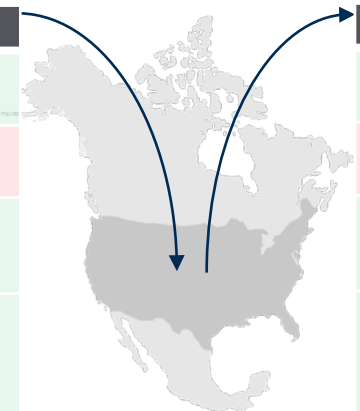
- ▶ The total value of M&A deals increased in February as compared to January, but the number of deals decreased. U.S. strategic transactions saw the largest increase in total deal value, rising 82%, while U.S. sponsor transactions saw the greatest decrease in deal count, falling 33%.
- ▶ U.S. cross-border activity mirrored overall activity, with 55% and 32% increases in U.S. inbound and outbound transactions by deal value, respectively, and 9% and 8% decreases by deal count.
- ▶ Ireland was the top country for U.S. inbound transactions by deal value in February, while the U.K. was the top country for U.S. inbound transactions by deal count. The U.K. was also the top country of choice for U.S. outbound deals and the last twelve months (LTM).
- ▶ Computer & Electronics was the top industry by dollar value and deal count for February and LTM, increasing 15% and 5%, respectively. Aerospace saw a notable 2,558% increase in transactions by dollar value, propelling it into the top five for the first time since September 2017. This increase was driven by three transactions – Hologic Inc.'s \$2.1 billion acquisition of Astra Space, Atlas Crest Investment Corp.'s \$2.8 billion acquisition of Archer Aviation Inc., and Reinvent Technology Partners' \$6.5 billion acquisition of Joby Aviation Inc.
- ▶ In February, 41 U.S. SPAC acquisitions were announced (totaling \$105 billion in deal value), up 156% by deal count and 177% by deal value over January. Globally, SPAC acquisitions saw similar growth, with deal count up 168% and deal value up 230% over January.
- ▶ U.S. public merger highlights include the following:
  - The consideration mix among U.S. public mergers was roughly consistent in February as in January, with 64% of deals electing cash only, 21% electing stock only and 14% electing cash and stock only, compared to 61%, 23% and 12%, respectively, in January.
  - 14% of deals involved tender offers, compared to 25% LTM. Hostile/unsolicited offers increased to 24% of deals announced in February versus 18% LTM.
  - Unaffected premium percentages reverted to the mean in February, at 41% as compared to 42% LTM.
  - No deals had a go-shop in February. Go-shops on a rolling 12-month average have declined, going from 13% LTM in March 2020 to 6% LTM in February.

## Strategic vs. Sponsor Activity

U.S.	
<b>Total</b>	<b>\$254.1 billion – ▲61.9%</b>
	<b>640 deals – ▼18.2%</b>
<b>Strategic</b>	<b>\$162.6 billion – ▲81.8%</b>
	<b>492 deals – ▼12.5%</b>
<b>Sponsor</b>	<b>\$91.5 billion – ▲35.4%</b>
	<b>148 deals – ▼32.7%</b>
Global	
<b>Total</b>	<b>\$466.4 billion – ▲59.9%</b>
	<b>2,303 deals – ▼14.5%</b>
<b>Strategic</b>	<b>\$290 billion – ▲56.6%</b>
	<b>1,927 deals – ▼14.8%</b>
<b>Sponsor</b>	<b>176 billion – ▲65.5%</b>
	<b>376 deals – ▼12.6%</b>

## Crossborder Activity

U.S. Inbound		U.S. Outbound	
<b>\$29.2 billion</b>	<b>▲55.2%</b>	<b>\$39.4 billion</b>	<b>▲31.5%</b>
<b>98 deals</b>	<b>▼9.3%</b>	<b>122 deals</b>	<b>▼7.6%</b>
leading country		leading country	
<b>Ireland – \$13.8 billion</b>		<b>U.K. – \$12.8 billion</b>	
<b>U.K. – 18 deals</b>		<b>U.K. – 27 deals</b>	
leading country		leading country	
last 12 months		last 12 months	
<b>U.K. – \$61.3 billion</b>		<b>U.K. – \$179.6 billion</b>	
<b>Canada – 243 deals</b>		<b>U.K. – 270 deals</b>	



## Industry Activity

 most deals <b>306 deals</b> Computers & Electronics	 last 12 months <b>3,080 deals</b> Computers & Electronics
 most dollar value <b>\$77.4 billion</b> Computers & Electronics	 last 12 months <b>\$545.0 billion</b> Computers & Electronics

## SPAC Acquisitions

 <b>\$104.6 billion</b> <b>41 deals</b> ▲ 177.4%    ▲ 156.3%	 <b>\$126.7 billion</b> <b>51 deals</b> ▲ 229.8%    ▲ 168.4%
--	--

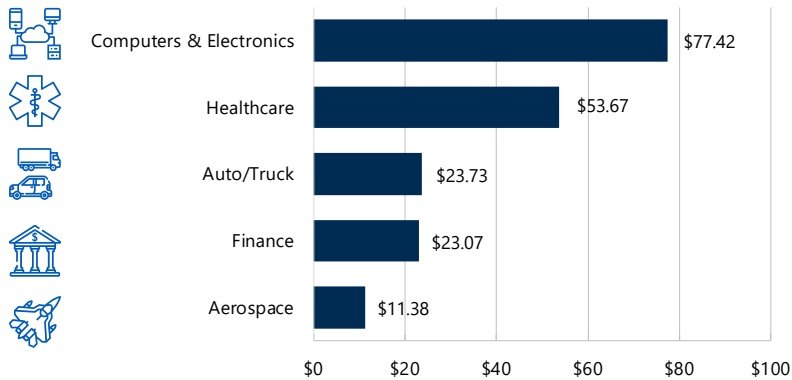
All data is for February 2021 and is as of March 10, 2021 unless otherwise specified. Each metric in this publication that references deal volume by dollar value is calculated from the subset of the total number of deals that includes a disclosed deal value.

Most Active U.S. Target Industries<sup>1</sup>

Deal Value (US\$B)

February 2021

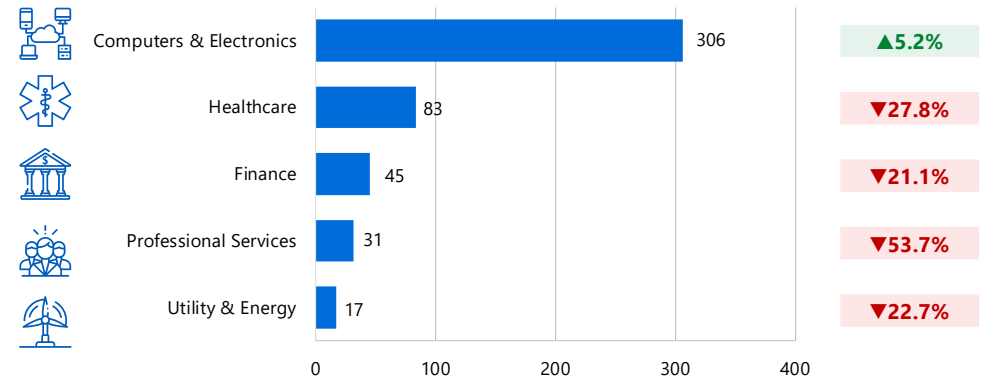
+/- from last month



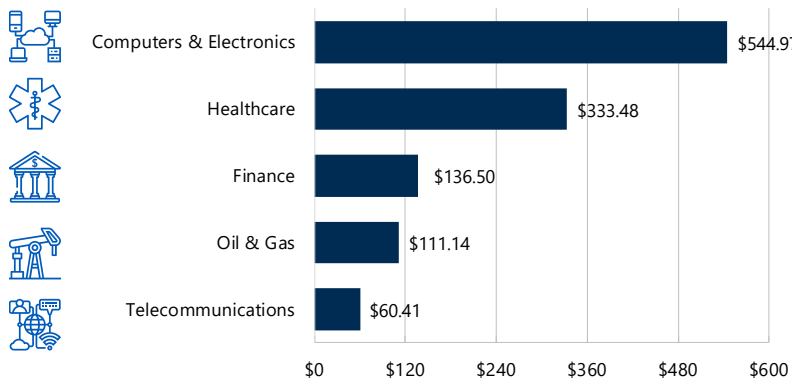
Number of Deals

February 2021

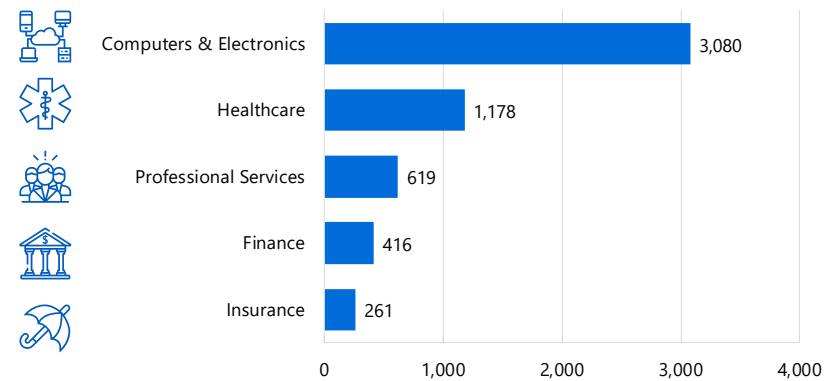
+/- from last month



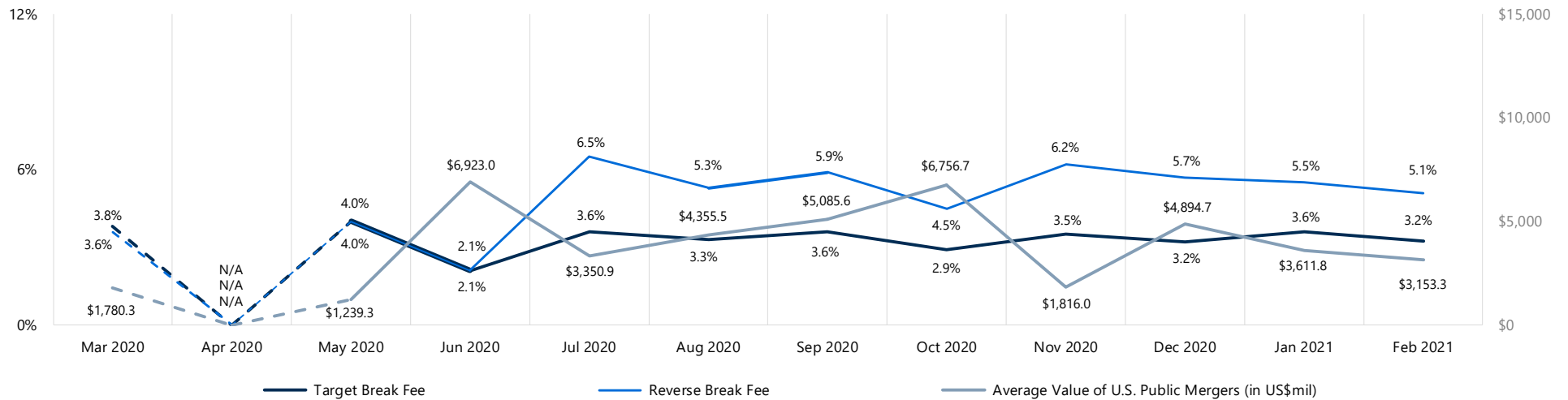
Last 12 Months



Last 12 Months



Average Break Fees as % of Equity Value<sup>2</sup>



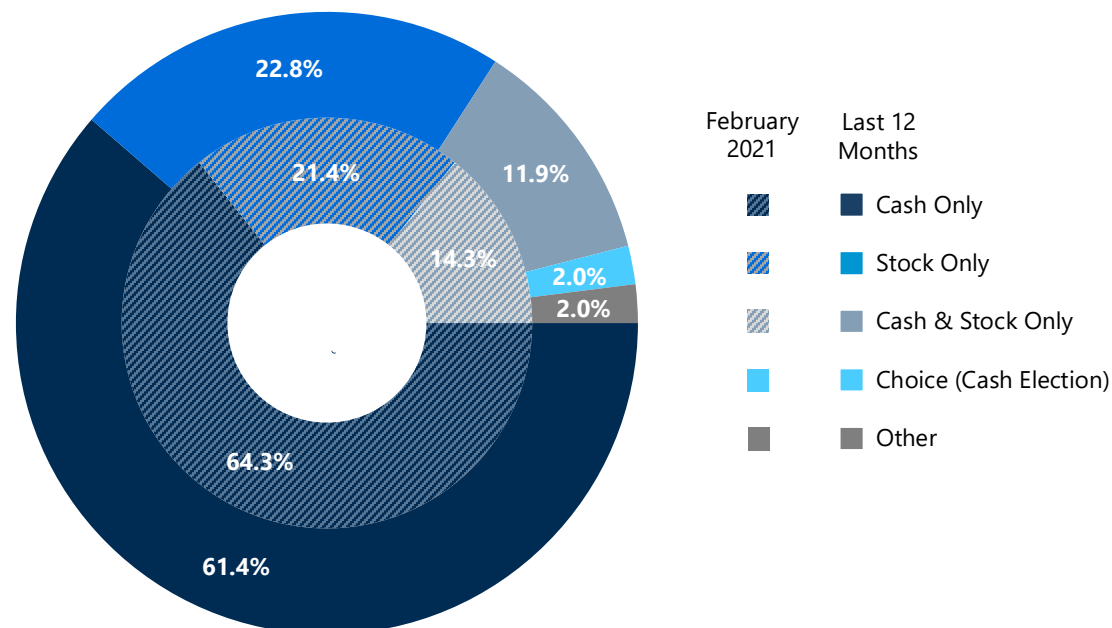
Average Break Fees as % of Equity Value<sup>3,4</sup>

	February 2021	Last 12 Months
Target Break Fee for All Mergers	3.2	3.3
Reverse Break Fee for All Mergers <sup>5</sup>	5.1	5.4
Reverse Break Fee for Mergers Involving Financial Buyers <sup>6</sup>	6.0	6.1
Reverse Break Fee for Mergers Involving Strategic Buyers <sup>7</sup>	4.2	4.7

U.S. Public Merger Go-Shop Provisions<sup>4</sup>

	February 2021	Last 12 Months
% of Mergers with Go-Shops	0.0	5.9
% of Mergers Involving Financial Buyers with Go-Shops <sup>8</sup>	0.0	13.8
% of Mergers Involving Strategic Buyers with Go-Shops <sup>9</sup>	0.0	2.8
Avg. Go-Shop Window (in Days) for All Mergers with Go-Shops <sup>10</sup>	N/A	37.7
Avg. Go-Shop Window (in Days) for Mergers Involving Financial Buyers with Go-Shops <sup>11</sup>	N/A	37.5
Avg. Go-Shop Window (in Days) for Mergers Involving Strategic Buyers with Go-Shops <sup>12</sup>	N/A	38.0

Form of Consideration as % of U.S. Public Mergers<sup>13</sup>



Tender Offers as % of U.S. Public Mergers

February 2021	14.3
Last 12 Months	24.8

Unaffected Premium %<sup>15</sup>

February 2021	41.4
Last 12 Months	42.1

Hostile/Unsolicited Offers as % of U.S. Public Mergers<sup>14</sup>

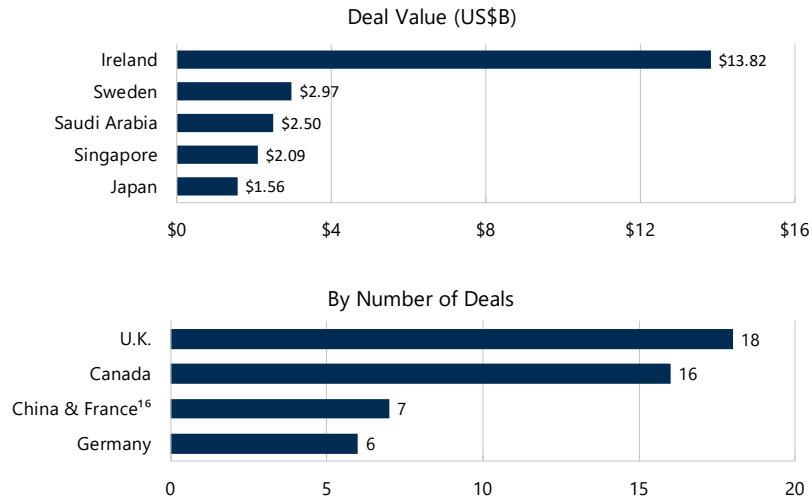
February 2021	23.5
Last 12 Months	18.3

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

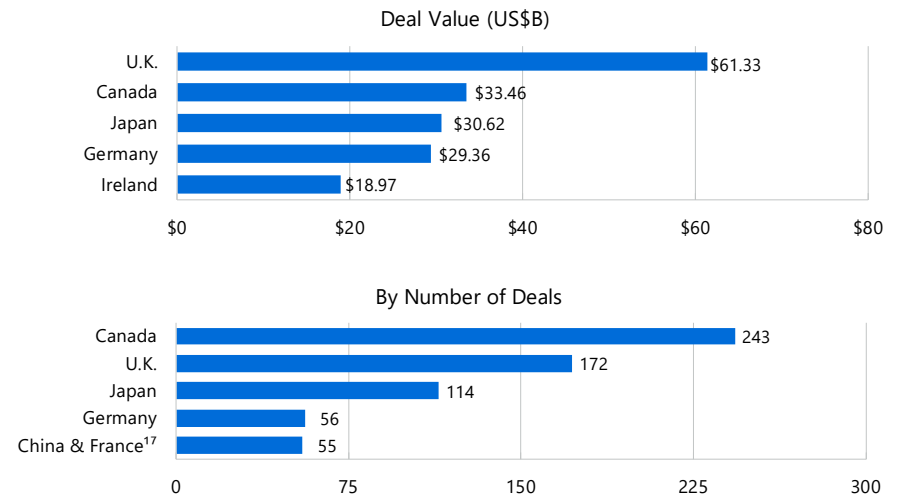
February 2021	1.3
Last 12 Months	1.4

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

**Inbound U.S. Crossborder Transactions for February 2021**

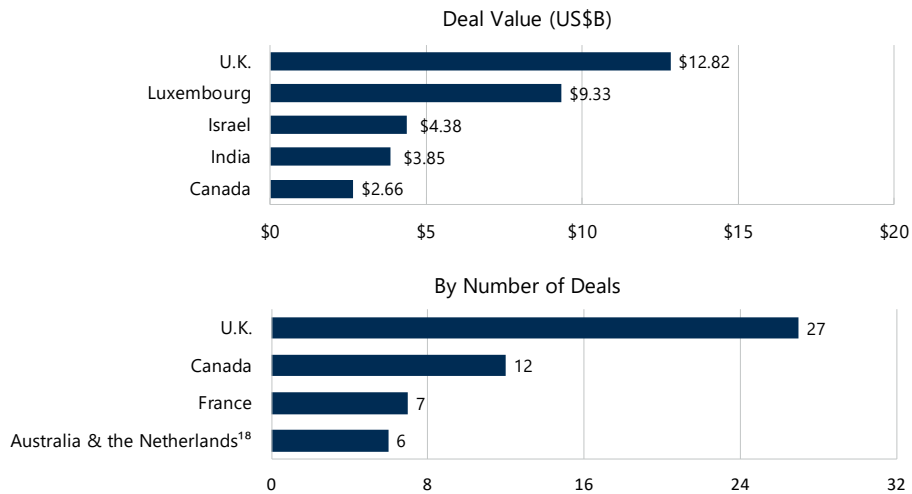


**Inbound U.S. Crossborder Transactions for the Last 12 Months**

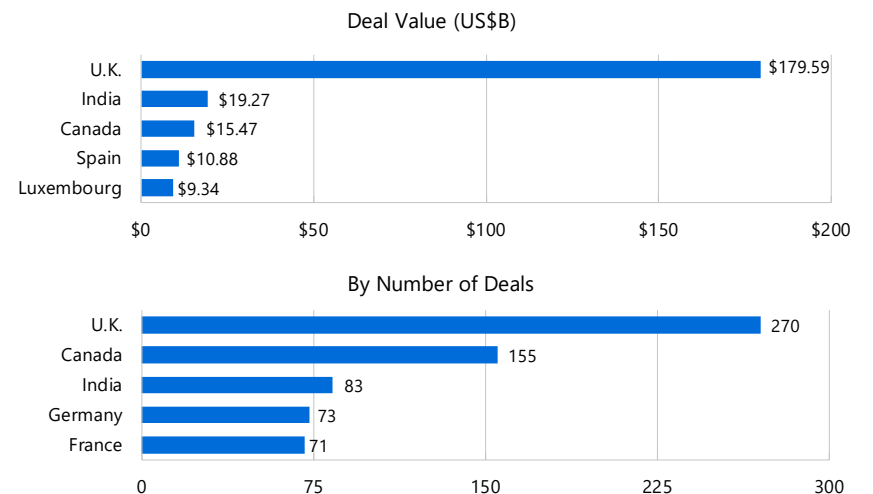


**Top 5 Countries of Origin or Destination for Outbound U.S. Crossborder Transactions**

**Outbound U.S. Crossborder Transactions for February 2021**

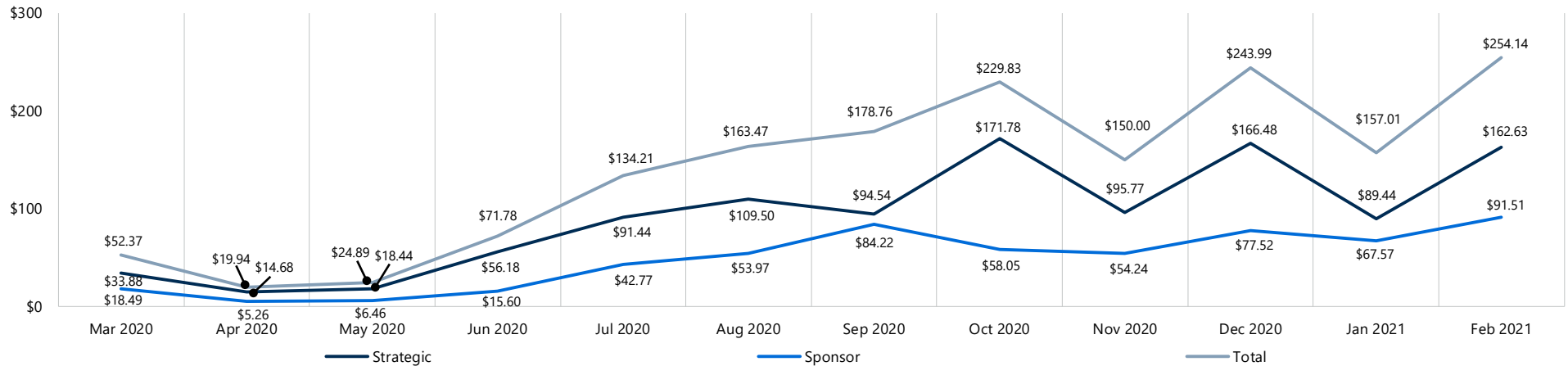


**Outbound U.S. Crossborder Transactions for the Last 12 Months**

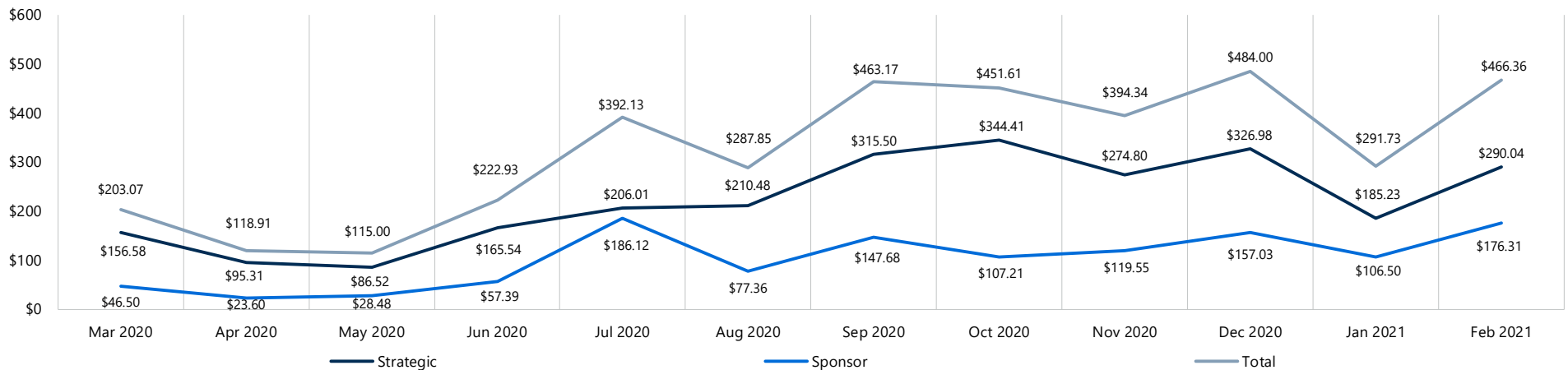


## Appendix: M&A Activity – 12 Month Trends

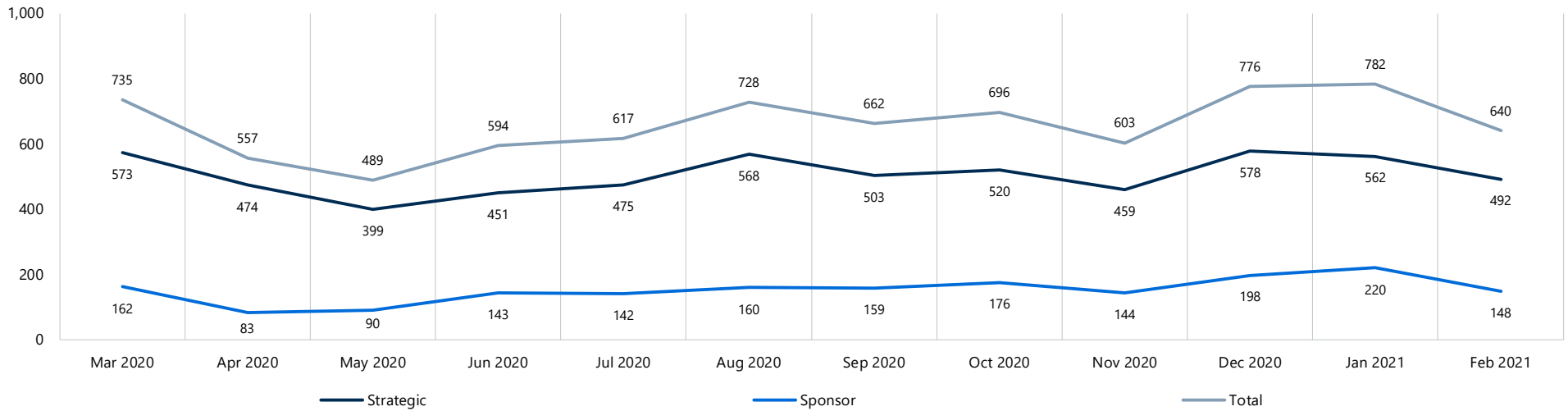
U.S. Deal Value (US\$B)



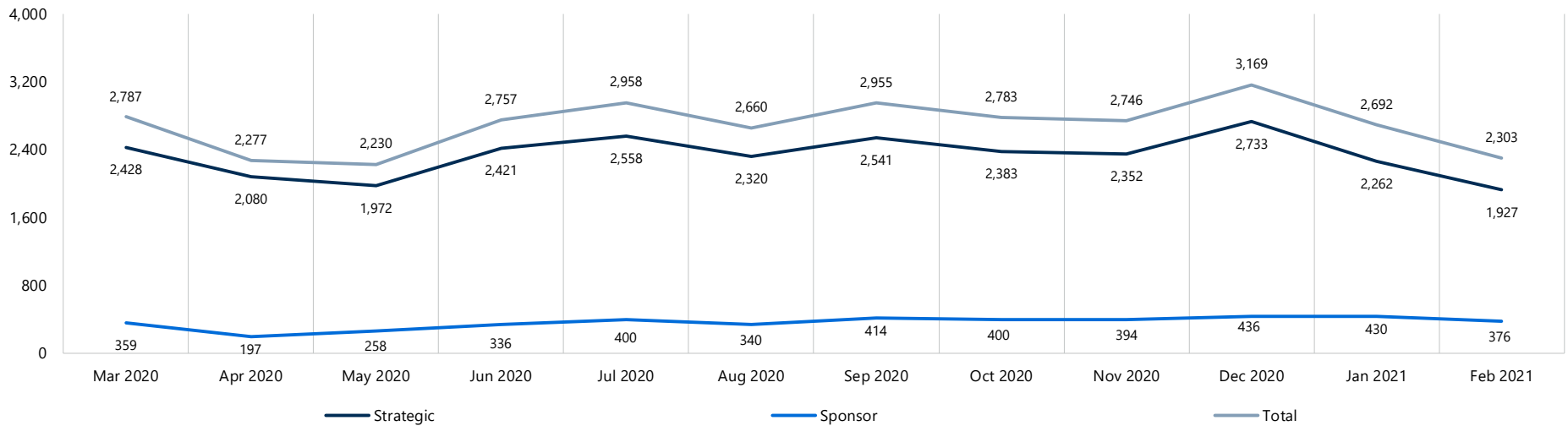
Global Deal Value (US\$B)



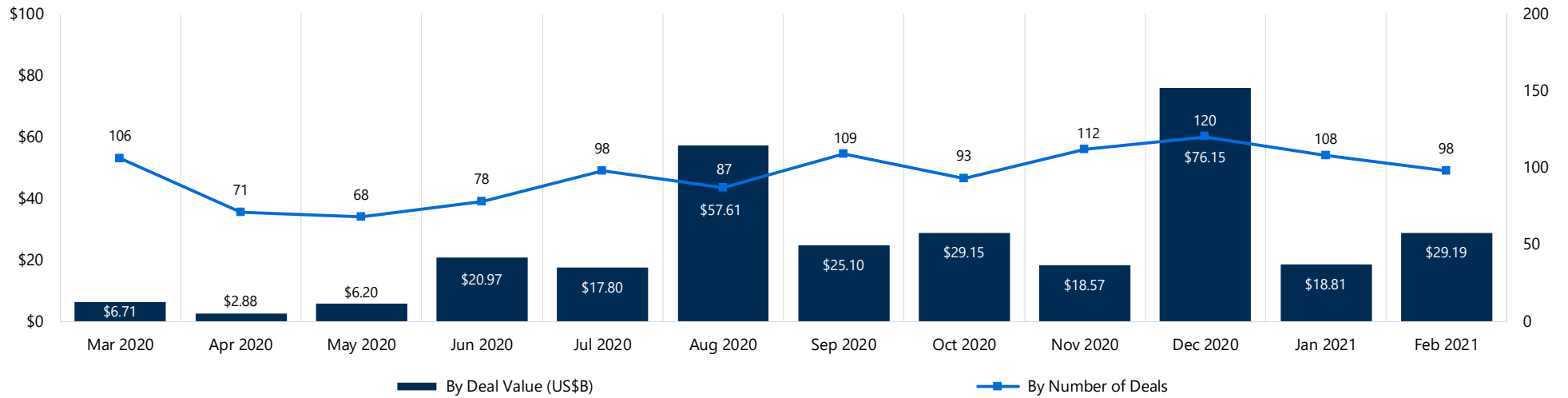
U.S. Number of Deals



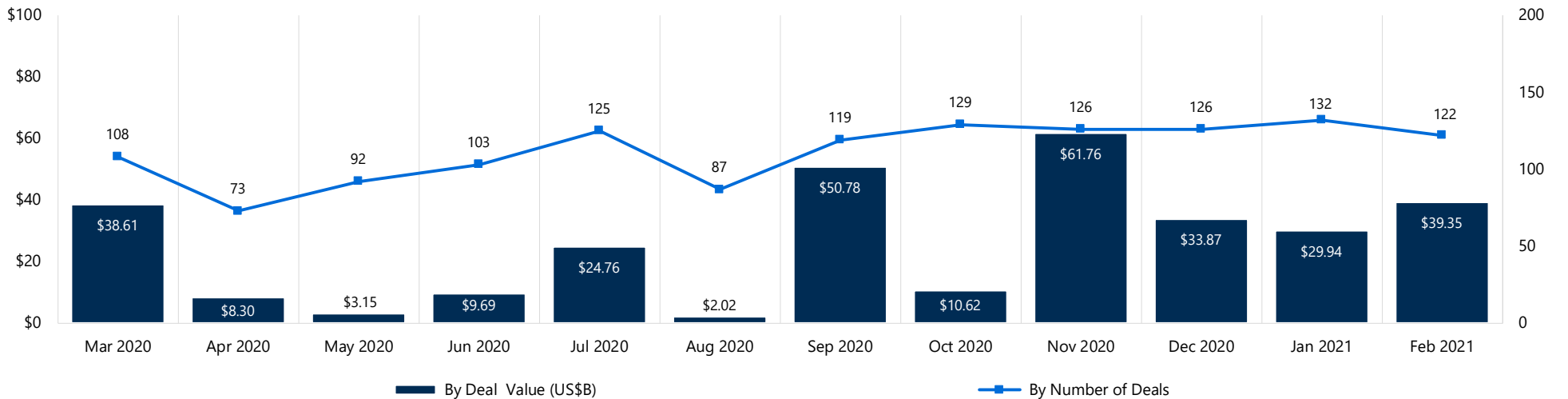
Global Number of Deals



**Inbound U.S. Crossborder Transactions**

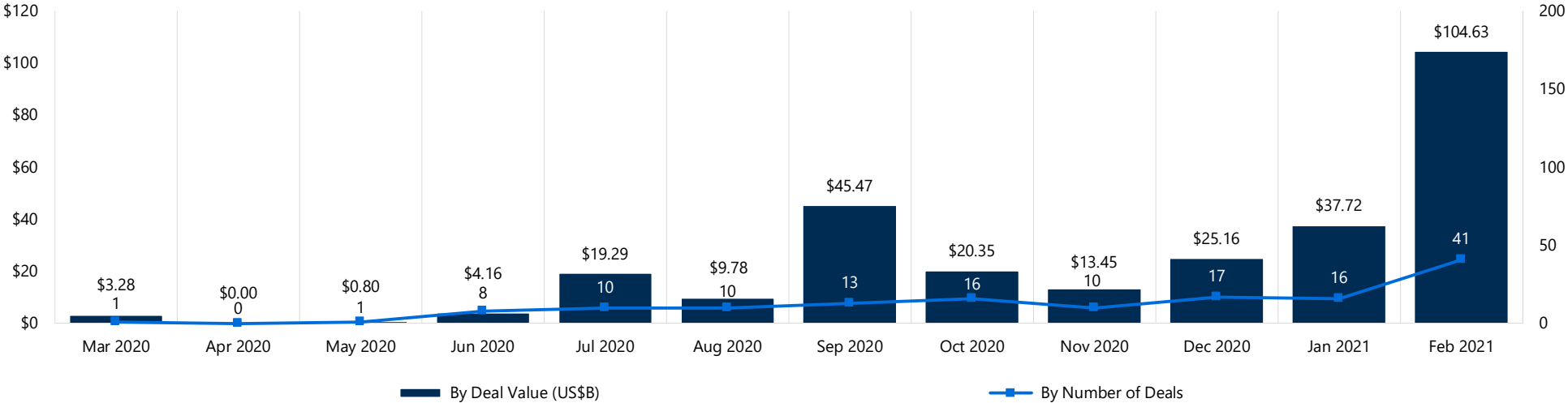


**Outbound U.S. Crossborder Transactions**

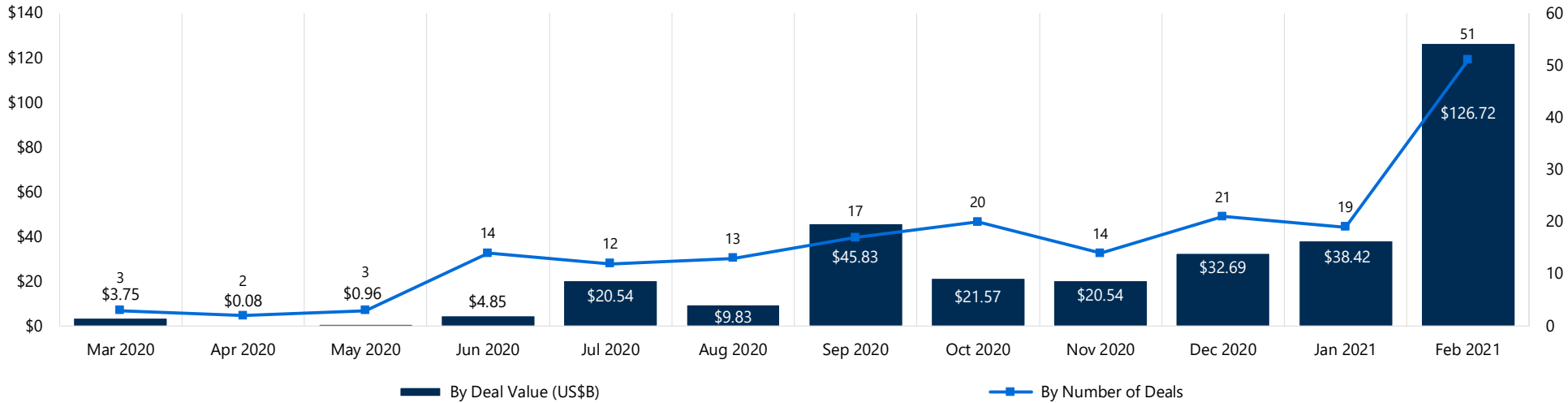




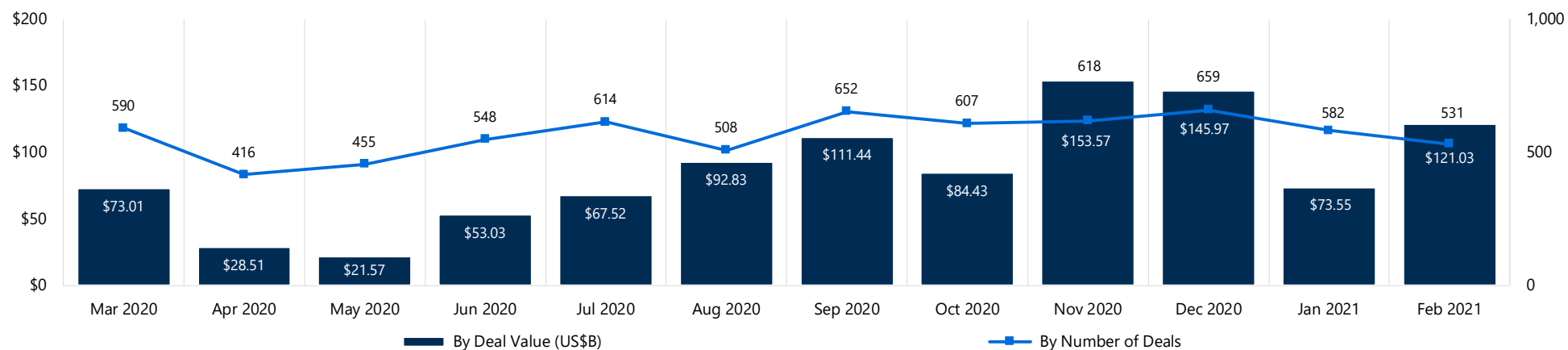
U.S. SPAC Acquisitions<sup>19,20</sup>



Global SPAC Acquisitions<sup>19,21</sup>



## Global Crossborder Transactions



## Endnotes

- Industries categories are determined and named by Cortex.
- Based on the highest target break fees and reverse break fees payable in a particular deal. Dashed lines indicate that there are no data points for the month of April 2020, as there were no applicable deals in April 2020.
- There were 14 transactions in February 2021.
- Financial and strategic categories are determined by Deal Point Data.
- Six transactions in February 2021 had a reverse break fee.
- Three transactions in February 2021 involving a financial buyer had a reverse break fee.
- Three transactions in February 2021 involving a strategic buyer had a reverse break fee.
- Three transactions in February 2021 involved a financial buyer.
- 11 transactions in February 2021 involved a strategic buyer.
- Zero transactions in February 2021 had a go-shop provision.
- Zero transactions in February 2021 involving a financial buyer had a go-shop provision.
- Zero transactions in February 2021 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.
- Each of China and France was the country of origin for seven transactions in February 2021.
- Each of China and France was the country of origin for 55 transactions over the past 12 months.
- Each of Australia and the Netherlands was the country of destination for six transactions in February 2021.
- This data includes all SPAC acquisitions for which a deal agreement has been announced.
- This data reflects U.S. targets that have been acquired by a SPAC of any nationality. Dashed lines indicate that there were no applicable deals in April 2020 with a U.S. target.
- 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 Cortex, 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 March 2020 to February 2021 inclusive. Data obtained from Cortex and Deal Point Data has not been reviewed for accuracy by Paul, Weiss.

## Our Mergers & Acquisitions Practice

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.

The Paul, Weiss M&A Group consists of more than 35 partners and over 125 counsel and associates based in New York, Washington, Wilmington, London, Toronto, Tokyo, Hong Kong and Beijing. The firm's Corporate Department consists of more than 60 partners and over 300 counsel and associates.

Our M&A Group is among the most experienced and active in the world. We represent publicly traded and privately held companies, leading private equity firms, financial advisors, and other financial institutions and investors in their most important mergers and acquisitions, joint ventures and other strategic transactions. Our expertise advising corporations and private investors in a broad range of sophisticated transactions enables us to identify new opportunities for our clients to realize value. We have particular experience in guiding clients as they engage in proxy battles, company-altering and market consolidating transactions or capital markets transactions.

Recent highlights include advising: General Electric in the more than \$30 billion combination of its jet leasing unit GE Capital Aviation Services (GECAS) with AerCap Holdings; PRA Health Sciences in its approximately \$12 billion sale to ICON; The Goodyear Tire & Rubber Company in its proposed \$2.5 billion acquisition of Cooper Tire & Rubber Company; Perspecta Inc. in its \$7.1 billion sale to Peraton and Veritas Capital; Inspire Brands in its \$11.3 billion acquisition of Dunkin' Brands Group; Cenovus Energy in its Cdn. \$23.6 billion combination with Husky Energy; The Kraft Heinz Company in the proposed \$3.2 billion sale of its cheese business to Groupe Lactalis; an affiliate of Roark Capital Group in its approximately \$1.5 billion acquisition of the ServiceMaster Brands businesses of ServiceMaster Global Holdings; Teladoc Health in its \$18.5 billion acquisition of Livongo Health; Chevron in its \$13 billion acquisition of Noble Energy; National General Holdings in its \$4 billion sale to The Allstate Corporation; affiliates of Roark Capital in its \$200 million investment in The Cheesecake Factory; General Atlantic, as lead investor in a consortium, in its \$8.7 billion acquisition of 58.com; The Medicines Company in its \$9.7 billion sale to Novartis; the Special Committee of the Board of Directors of Pattern Energy Group in its approximately \$6.1 billion sale to Canada Pension Plan Investment Board; Aptiv in its \$4 billion autonomous driving joint venture with Hyundai Motor Group; the Special Committee of the Board of Directors of CBS Corp. in its merger with Viacom to form ViacomCBS, a combined company with an enterprise value of more than \$40 billion; Elanco Animal Health in its \$7.6 billion acquisition of the animal health business of Bayer AG; funds managed by affiliates of Apollo Global Management in their \$2.7 billion acquisition of Shutterfly; the Independent Directors of Avon in its \$3.7 billion sale to Natura & Co.; KPS Capital Partners in its \$1.8 billion acquisition of Howden from Colfax; Trane Technologies in the \$15 billion Reverse Morris Trust spin-off and merger of its industrial business with Gardner Denver Holdings; Chevron in its proposed \$50 billion acquisition of Anadarko Petroleum; General Electric in the \$21.4 billion sale of its BioPharma business to Danaher Corporation; Encana Corp. (now known as Ovintiv) in its \$7.7 billion acquisition of Newfield Exploration Company; IBM in its \$34 billion acquisition of Red Hat; the Board of Directors of Harris Corporation in its \$37 billion merger of equals with L3 Technologies to form L3Harris Technologies; CSRA in its \$9.7 billion sale to General Dynamics; Bioverativ in its \$11.6 billion sale to Sanofi; ADP in its successful proxy contest against Pershing Square; and Agrium in its \$36 billion merger of equals with Potash Corp. of Saskatchewan.

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

Matthew W. Abbott  
+1-212-373-3402  
[Email](#)

Scott A. Barshay  
+1-212-373-3040  
[Email](#)

Angelo Bonvino  
+1-212-373-3570  
[Email](#)

Ariel J. Deckelbaum  
+1-212-373-3546  
[Email](#)

Jeffrey D. Marell  
+1-212-373-3105  
[Email](#)

Robert B. Schumer  
+1-212-373-3097  
[Email](#)

Taurie M. Zeitzer  
+1-212-373-3353  
[Email](#)

*Counsel Frances F. Mi, associates Stacy Hwang, Allyson N. Kaleita, Eliana Wasser and Ceecee Q. Yao, law clerks Joseph Krmpotich and Evan Yoo, and staff attorney Akiva Reich contributed to this publication.*

## Our M&A Partners

[Matthew W. Abbott](#)

[Neil Goldman](#)

[Kenneth M. Schneider](#)

[Jeremy M. Veit](#)

[Edward T. Ackerman](#)

[Bruce A. Gutenplan](#)

[Robert B. Schumer](#)

[Michael Vogel](#)

[Scott A. Barshay](#)

[David K. Lakhdir](#)

[John M. Scott](#)

[Ramy J. Wahbeh](#)

[Angelo Bonvino](#)

[Brian C. Lavin](#)

[Brian Scrivani](#)

[Steven J. Williams](#)

[Ellen N. Ching](#)

[Xiaoyu Greg Liu](#)

[Kyle T. Seifried](#)

[Adam Wollstein](#)

[Rachael G. Coffey](#)

[Jeffrey D. Marell](#)

[Cullen L. Sinclair](#)

[Betty Yap](#)

[Ariel J. Deckelbaum](#)

[Alvaro Membrillera](#)

[Sarah Stasny](#)

[Kaye N. Yoshino](#)

[Ross A. Fieldston](#)

[Judie Ng Shortell](#)

[Tarun M. Stewart](#)

[Tong Yu](#)

[Brian P. Finnegan](#)

[Carl L. Reisner](#)

[Laura C. Turano](#)

[Taurie M. Zeitzer](#)

[Adam M. Givertz](#)

[Justin Rosenberg](#)

[Krishna Veeraraghavan](#)