

# M&A AT A GLANCE

DECEMBER 2021 | ISSUE 117

## Key Takeaways

- Sponsor-related M&A deals rebounded in November after a relatively slow October, as their total deal value increased by 181% in the U.S. and 159% globally, even as the number of sponsor-related transactions decreased for the third straight month. Driven by sponsor-related activity, total U.S. deal value was up by 44% and total global deal value was up 37%. However, M&A activity as measured by the number of deals continued to trend down across all sectors.
- Similarly, U.S. crossborder activity was up by total deal volume, but down by number of deals. U.S. inbound activity by deal volume was up 26% and U.S. outbound activity was up 135%. By number of deals, however, U.S. inbound activity was down 23%, while U.S. outbound activity was down by 33%.
- Computers & Electronics was again the most active industry in November and for the last twelve months (LTM). Real Estate and Property was the second most active industry in November by deal volume, with a significant 1,086% increase over October, primarily driven by KKR & Co. Inc. and Global Infrastructure Management LLP's acquisition of CyrusOne Inc. for approximately \$15.3 billion, American Tower Corp.'s acquisition of CoreSite Realty Corp. for approximately \$9.5 billion and GIC Pte Ltd.'s acquisition of a U.S. industrial property portfolio from EQT AB for \$6.8 billion.
- U.S. SPAC acquisitions saw another month of gains by both total deal volume (80%) and number of deals (75%). Similarly, global SPAC acquisitions were up in November by both deal volume (77%) and number of deals (36%).
- U.S. public merger highlights in November include the following:
  - After a three month absence, cash election transactions reappeared in November to comprise 10% of U.S. deals in November, as compared to only 3% of deals LTM.
  - Unsolicited and hostile offers accounted for only 9% of all U.S. deals in November, compared to the 16% LTM average.
  - Tender offers were up to 25% of all deals, compared to the 13% LTM average.
  - Unaffected premiums were up slightly in November (33%) as compared to October (30%), but down slightly as compared to the LTM average (35%).
  - After a spike in the percentage of deals containing a go-shop provision in October (18%), the percentage fell in November (10%), but was still up over the LTM average (8%).

## Strategic vs. Sponsor Activity

U.S.
<b>Total</b>
<b>\$203.7 billion – ▲44.1%</b>
<b>499 deals – ▼17.5%</b>
<b>Strategic</b>
<b>\$90.2 billion – ▼10.8%</b>
<b>317 deals – ▼23.2%</b>
<b>Sponsor</b>
<b>\$113.6 billion – ▲181.4%</b>
<b>182 deals – ▼5.2%</b>

Global
<b>Total</b>
<b>\$467.3 billion – ▲36.7%</b>
<b>1,726 deals – ▼22.8%</b>
<b>Strategic</b>
<b>\$243.1 billion – ▼4.8%</b>
<b>1,381 deals – ▼24.4%</b>
<b>Sponsor</b>
<b>\$224.2 billion – ▲159.0%</b>
<b>345 deals – ▼15.9%</b>

## Crossborder Activity

U.S. Inbound	U.S. Outbound
<b>\$33.0 billion</b>	<b>\$33.6 billion</b>
<b>▲26.4%</b>	<b>▲134.9%</b>
<b>71 deals</b>	<b>68 deals</b>
<b>▼22.8%</b>	<b>▼32.7%</b>
leading country <b>Singapore – \$9.0 billion</b>	leading country <b>U.K. – \$10.4 billion</b>
<b>Canada – 15 deals</b>	<b>U.K. – 10 deals</b>
leading country last 12 months <b>Canada – \$94.4 billion</b>	leading country last 12 months <b>U.K. – \$109.9 billion</b>
<b>Canada – 292 deals</b>	<b>U.K. – 302 deals</b>

## Industry Activity

 most deals <b>175 deals</b> Computers & Electronics	 last 12 months <b>3,879 deals</b> Computers & Electronics
 most dollar value <b>\$74.9 billion</b> Computers & Electronics	 last 12 months <b>\$799.4 billion</b> Computers & Electronics

## SPAC Acquisitions

 <b>\$15.2 billion</b> ▲ 80.4%	<b>14 deals</b> ▲ 75.0%	 <b>\$21.9 billion</b> ▲ 77.1%	<b>19 deals</b> ▲ 35.7%
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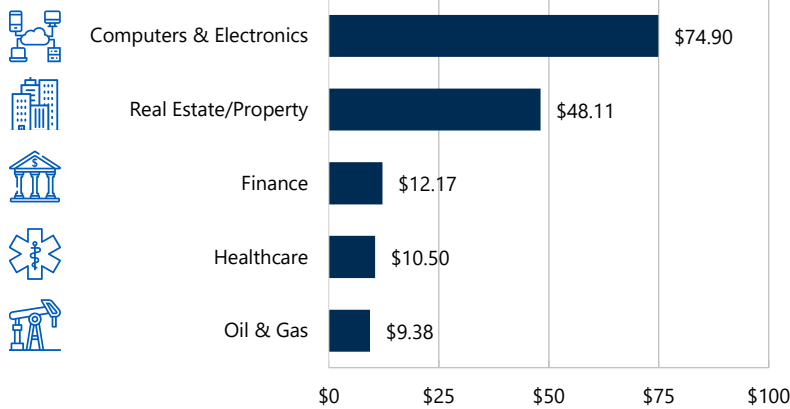
All data is for November 2021 and is as of December 10, 2021 unless otherwise specified. Each metric in this publication that references deal volume by dollar value is calculated from the subset of the total number of deals that includes a disclosed deal value.

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

Deal Value (US\$B)

November 2021

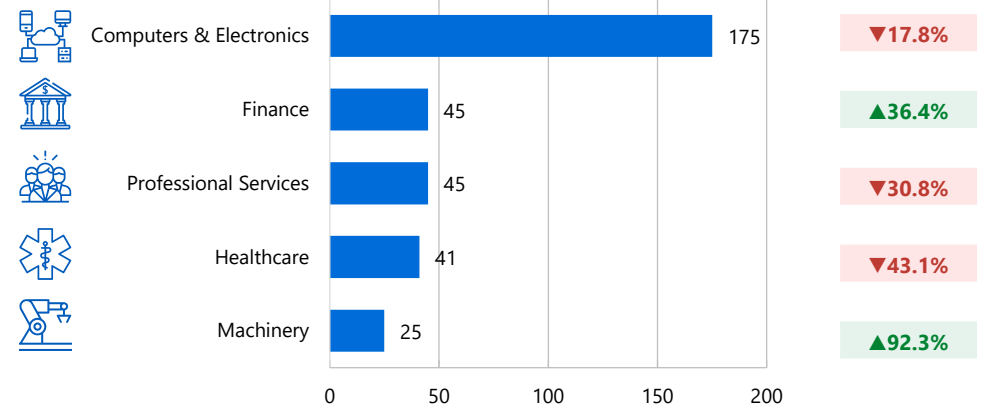
+/- from last month



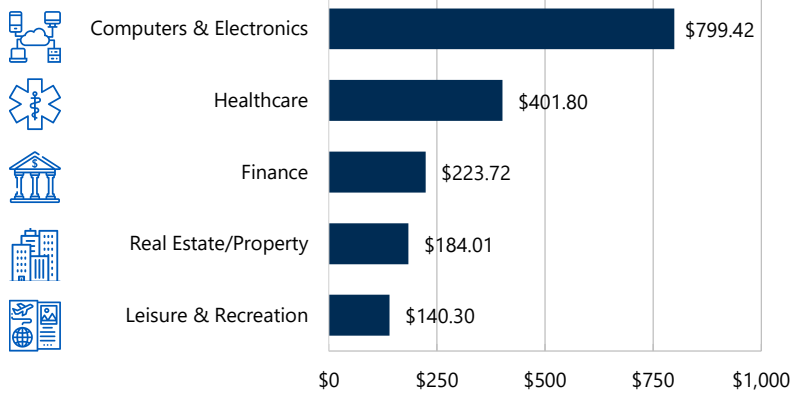
Number of Deals

November 2021

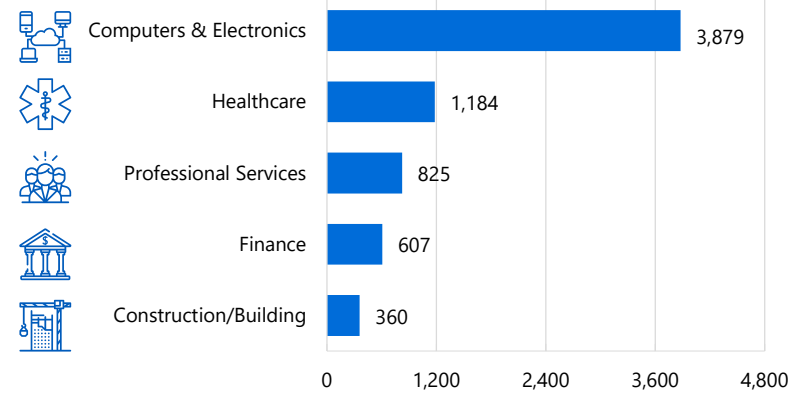
+/- from last month



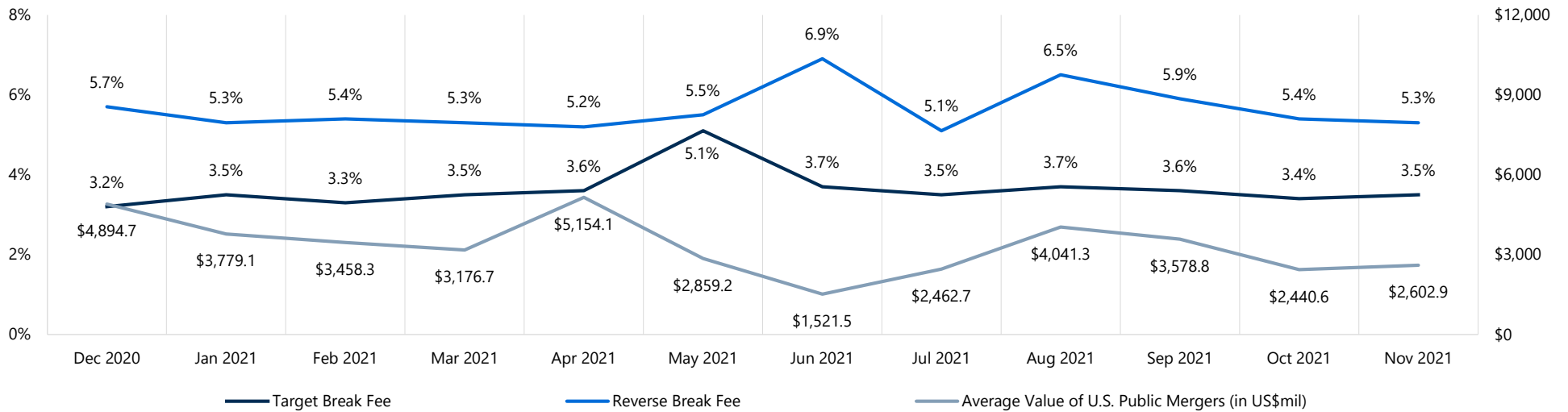
Last 12 Months



Last 12 Months



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



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

	November 2021	Last 12 Months
Target Break Fee for All Mergers	3.5	3.6

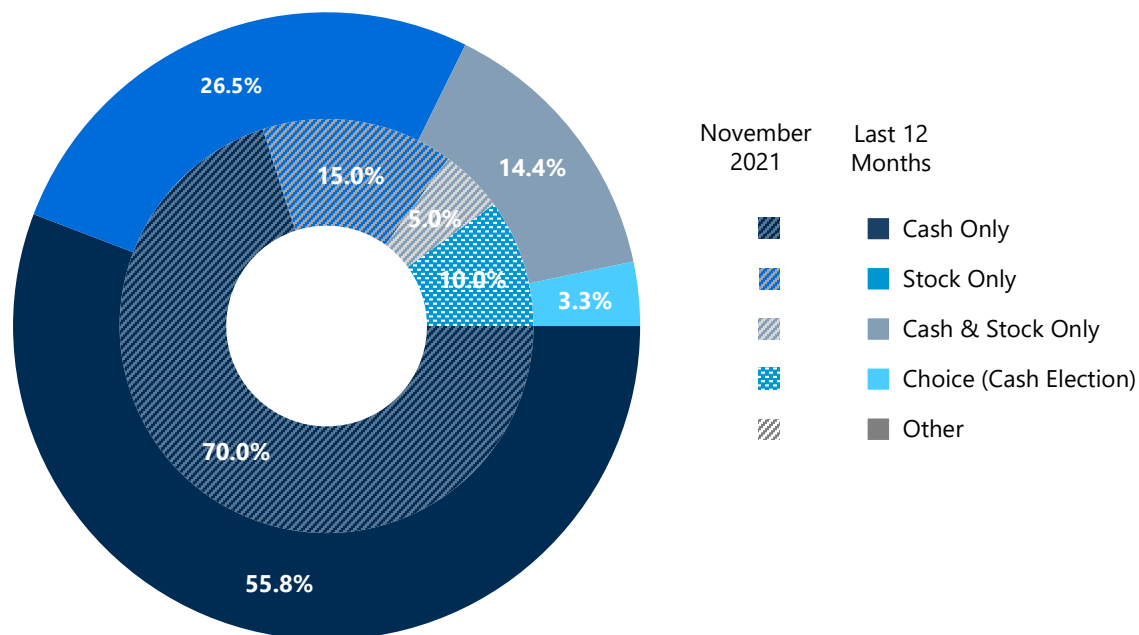
  

	November 2021	Last 12 Months
Reverse Break Fee for All Mergers <sup>5</sup>	5.3	5.6
Reverse Break Fee for Mergers Involving Financial Buyers <sup>6</sup>	6.8	6.7
Reverse Break Fee for Mergers Involving Strategic Buyers <sup>7</sup>	4.1	5.0

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

	November 2021	Last 12 Months
% of Mergers with Go-Shops	10.0	8.3
% of Mergers Involving Financial Buyers with Go-Shops <sup>8</sup>	33.3	32.6
% of Mergers Involving Strategic Buyers with Go-Shops <sup>9</sup>	N/A	0.7
Avg. Go-Shop Window (in Days) for All Mergers with Go-Shops <sup>10</sup>	35.0	37.1
Avg. Go-Shop Window (in Days) for Mergers Involving Financial Buyers with Go-Shops <sup>11</sup>	35.0	36.8
Avg. Go-Shop Window (in Days) for Mergers Involving Strategic Buyers with Go-Shops <sup>12</sup>	N/A	41.0

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



Tender Offers as % of U.S. Public Mergers

November 2021	25.0
Last 12 Months	12.7

Unaffected Premium %<sup>14,15</sup>

November 2021	32.6
Last 12 Months	34.7

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

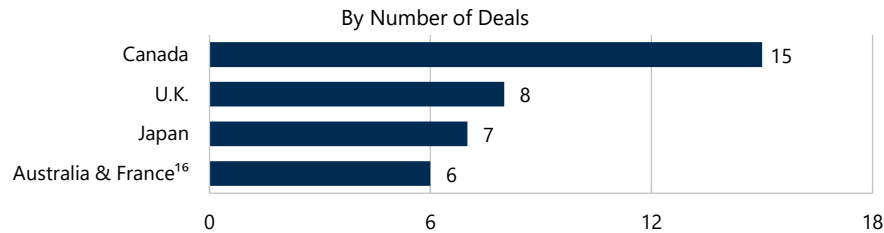
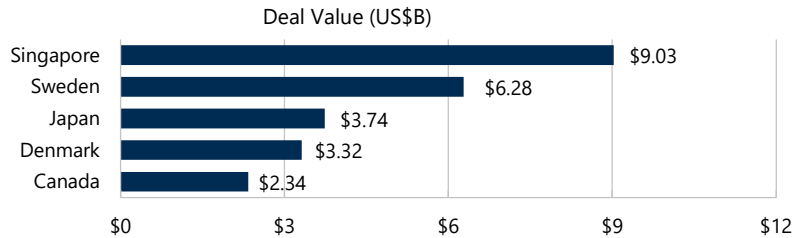
November 2021	9.1
Last 12 Months	16.3

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

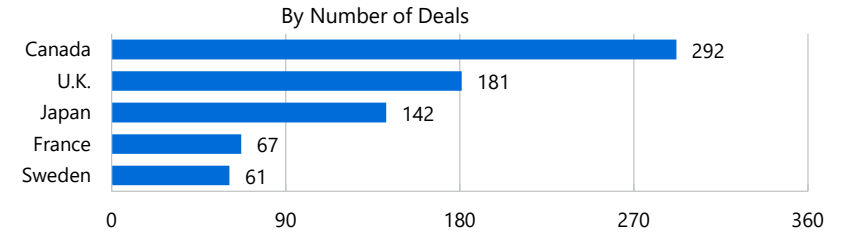
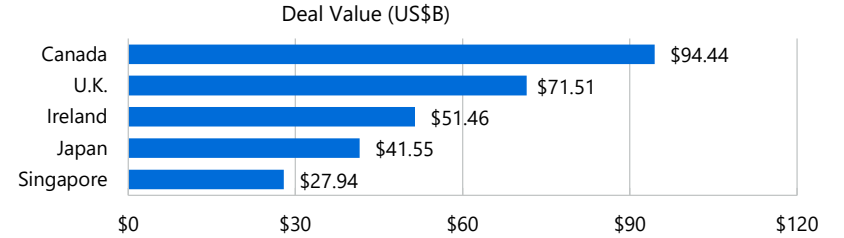
November 2021	1.7
Last 12 Months	1.3

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

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

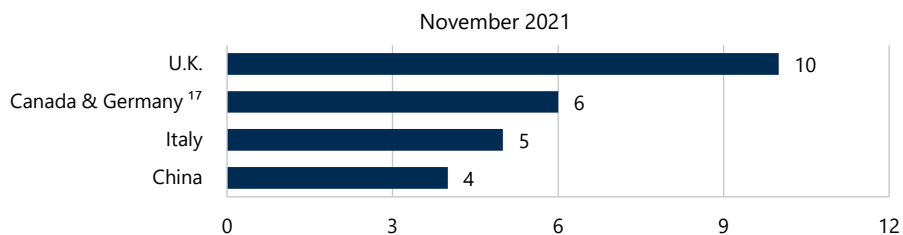
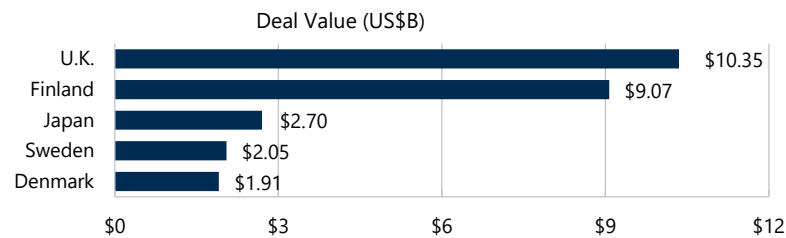


**Inbound U.S. Crossborder Transactions for the Last 12 Months**

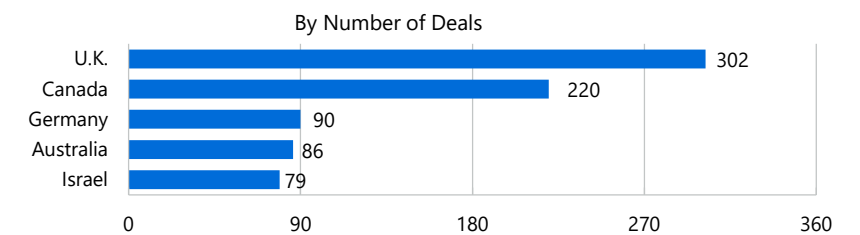
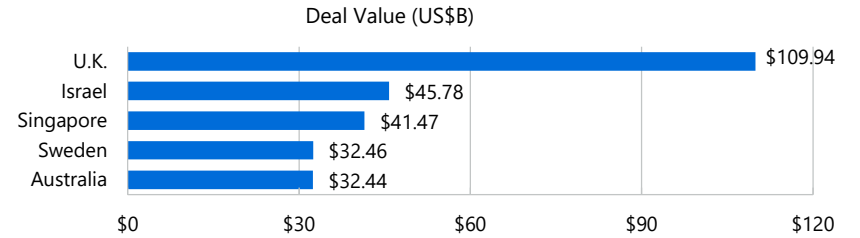


**Top 5 Countries of Destination for Outbound U.S. Crossborder Transactions**

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

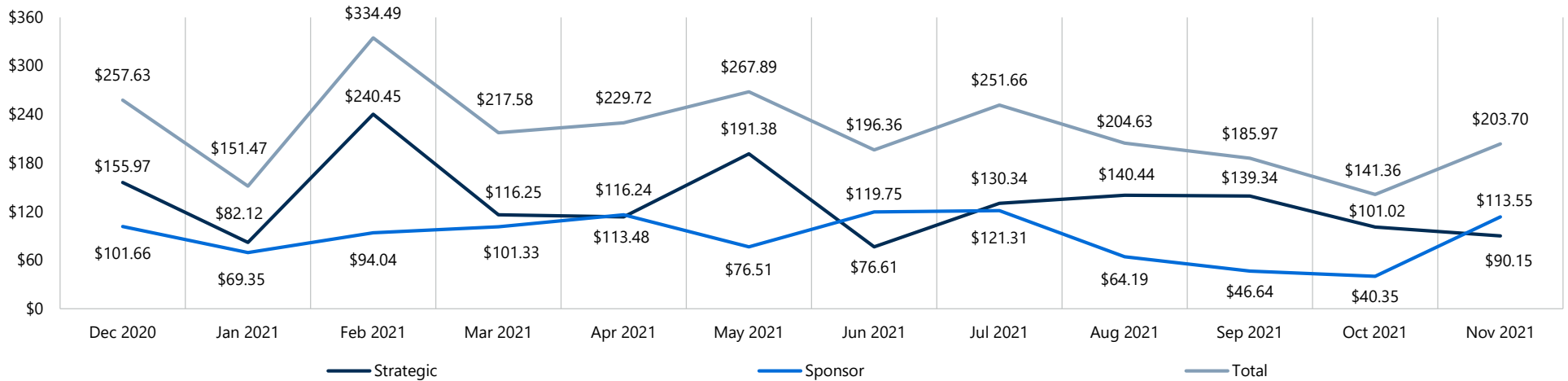


**Outbound U.S. Crossborder Transactions for the Last 12 Months**

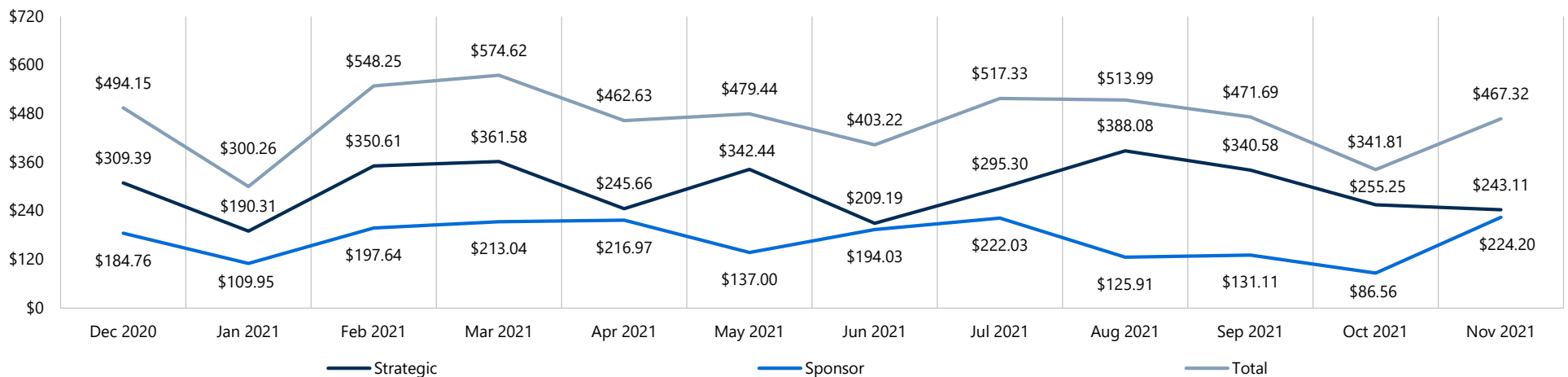


## Appendix: M&A Activity – 12 Month Trends

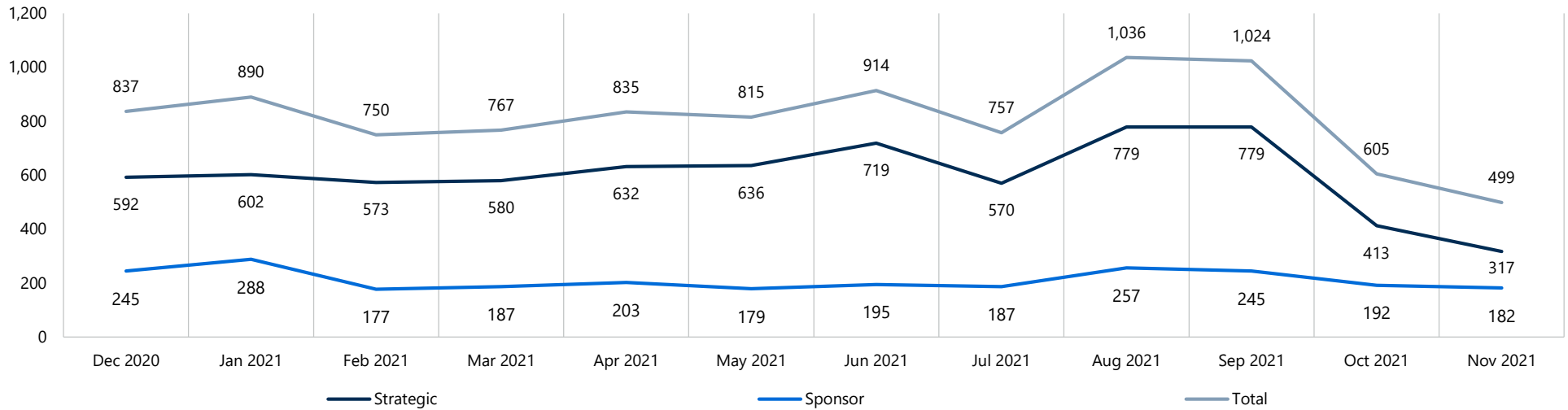
U.S. Deal Value (US\$B)



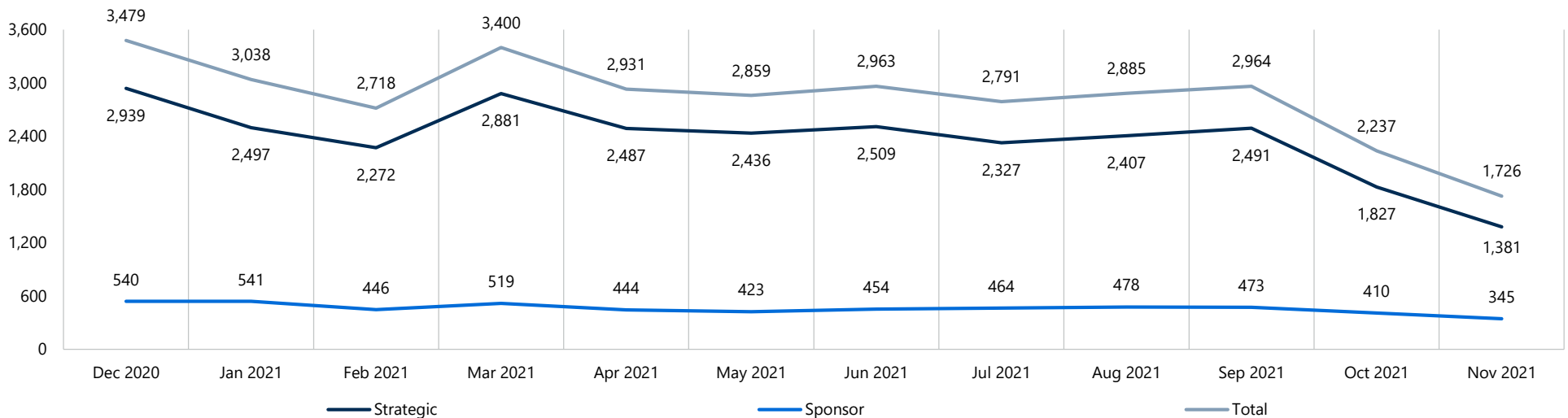
Global Deal Value (US\$B)



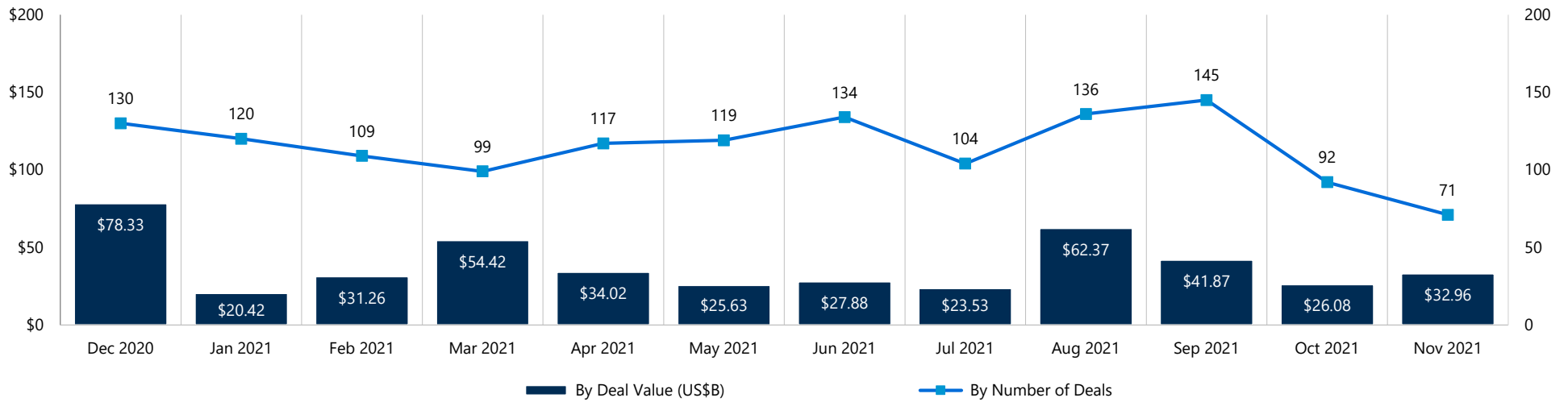
U.S. Number of Deals



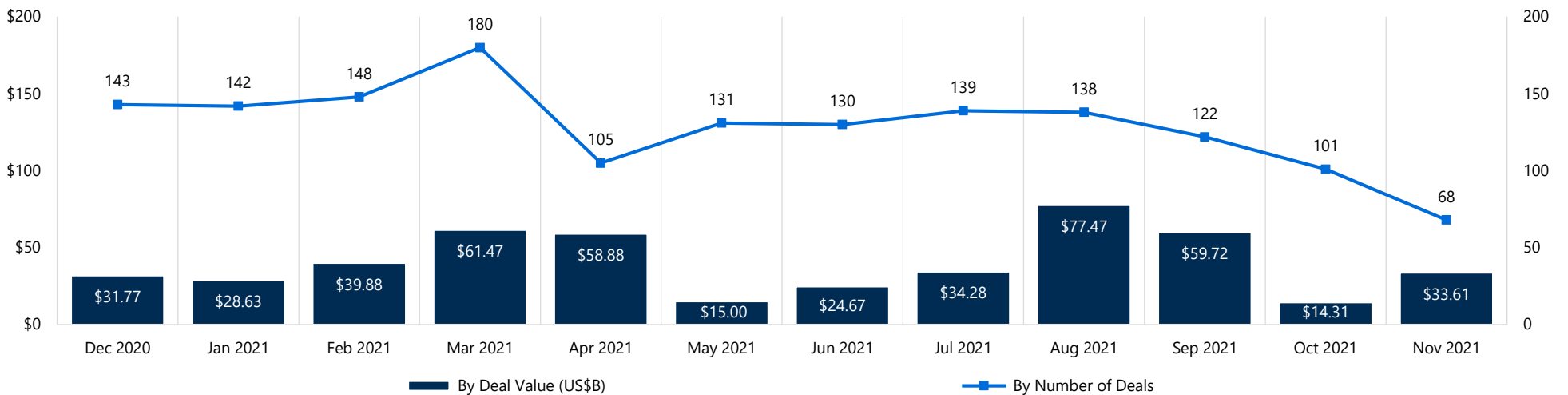
Global Number of Deals



**Inbound U.S. Crossborder Transactions**

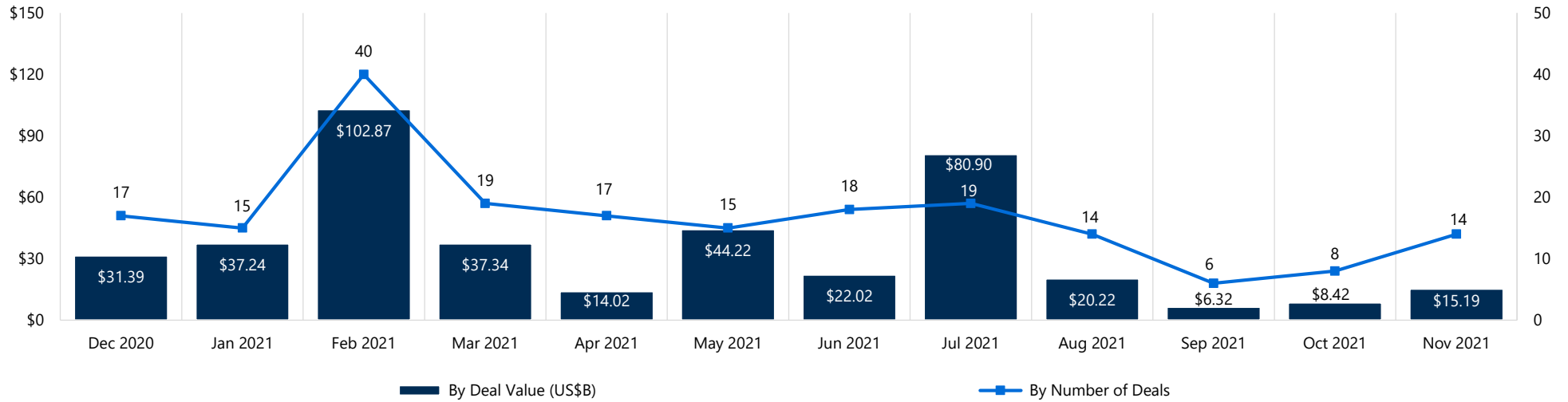


**Outbound U.S. Crossborder Transactions**

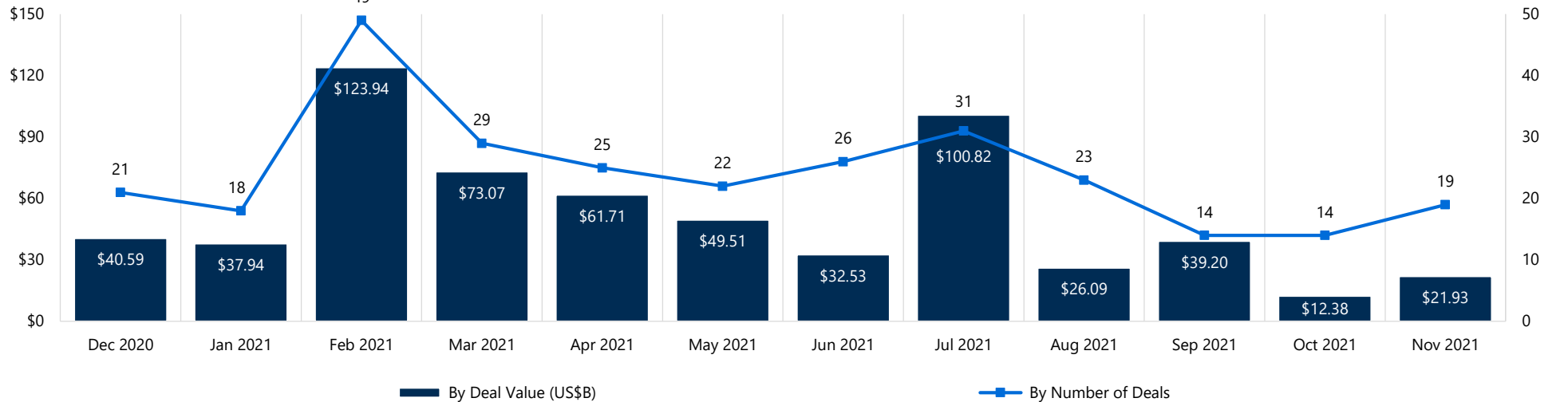




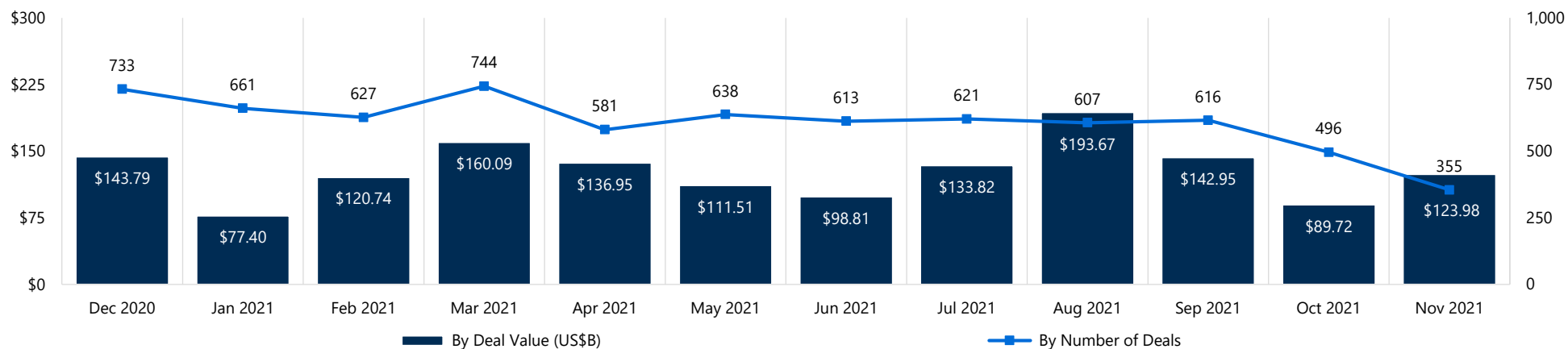
U.S. SPAC Acquisitions<sup>18</sup>



Global SPAC Acquisitions<sup>19</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.
- There were 20 transactions in November 2021.
- Financial and strategic categories are determined by Deal Point Data.
- Nine transactions in November 2021 had a reverse break fee.
- Four transactions in November 2021 involving a financial buyer had a reverse break fee.
- Five transactions in November 2021 involving a strategic buyer had a reverse break fee.
- Six transactions in November 2021 involved a financial buyer.
- 14 transactions in November 2021 involved a strategic buyer.
- Two transactions in November 2021 had a go-shop provision.
- Two transactions in November 2021 involving a financial buyer had a go-shop provision.
- Zero transactions in November 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 Australia and France was the country of origin for six transactions in November 2021.
- Each of Canada and Germany was the country of destination for six transactions in November 2021.
- 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 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 December 2020 to November 2021 inclusive. Data obtained from Cortex and Deal Point Data has not been reviewed for accuracy by Paul, Weiss.

## Our Mergers & Acquisitions Practice

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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:

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