

M&A AT A GLANCE

JUNE 2023 | ISSUE 135

Key Takeaways

- U.S. M&A increased in May by most measures compared to April, but global M&A reflected the opposite trend. In the U.S., total deal value and deal count were up 25% and 4%, respectively, with strategic activity up 25% by total deal value and 7% by deal count. U.S. sponsor activity was up by a similar 24% by total deal value but fell 6% by deal count. By contrast, global M&A fell 12% by total deal value and 4% by deal count. Global strategic activity fell 14% by total deal value and 6% by deal count. Global sponsor activity fell 2% by total deal value, but global sponsor deal count was a bright spot, increasing 8%.
- Both U.S. inbound and outbound crossborder activity was mixed in May. Inbound activity was up 14% by total deal value, but down 18% by deal count. Bermuda led inbound activity by total deal value in May, while Canada led by the same measure for the last twelve months (LTM). Canada also led inbound activity by number of deals, both in May and LTM. Outbound activity was down 30% by total deal value, but up 10% by deal count. Much of this decline in outbound total deal value can be attributed to the high outbound total deal value seen in April as a result of Carrier Global's acquisition of Weissmann Climate Solutions for €12 billion (Paul, Weiss advised Carrier). Canada led outbound activity by both total deal value and deal count in May, while Germany led by total deal value LTM and the U.K. led by deal count LTM.
- Oil & Gas was the most active industry in the U.S. by total deal value in May (\$33.4 billion), increasing a substantial 422% from April. This included ONEOK Inc.'s \$18.8 billion acquisition of Magellan Midstream Partners LP and Chevron Corporation's \$7.6 billion acquisition of PDC Energy Inc. (Paul, Weiss advised Chevron). Notably, Insurance, the fourth most active industry in the U.S. by total deal value in May, was up a significant 17,555% over April, in part due to RenaissanceRe Holding Ltd.'s nearly \$3.0 billion acquisition of American International Group Inc.'s treaty reinsurance business and a \$2.2 billion reinsurance transaction in which Fortitude Reinsurance Co. Ltd. acquired certain assets from Lincoln National Corp. Computers & Electronics led U.S. activity by deal count in May and LTM, while Healthcare led by total deal value LTM.
- U.S. public merger highlights in May include the following:
 - Cash-only deals comprised 53% of deals, below the LTM average of 68%. While mixed consideration deals have occurred over the LTM, there have been no cash election mergers during that time.
 - The average reverse break fee was 5.8%, slightly above the LTM average of 5.5%.
 - About 12% of mergers had a go-shop, compared to the LTM average of 5%.
 - 18% of deals involved tender offers, above the LTM average of 16%.
 - Hostile/unsolicited offers accounted for 26% of deals, above the LTM average of 18%.
 - Average unaffected premiums of 33% were well below the LTM average of 50%.

Strategic vs. Sponsor Activity

U.S.	
Total	\$127.5 billion – ▲24.6%
	887 deals – ▲3.7%
Strategic	\$94.4 billion – ▲24.6%
	697 deals – ▲6.9%
Sponsor	\$33.0 billion – ▲24.4%
	190 deals – ▼6.4%

Global	
Total	\$234.6 billion – ▼11.7%
	2,810 deals – ▼3.7%
Strategic	\$182.0 billion – ▼14.2%
	2,358 deals – ▼5.7%
Sponsor	\$52.6 billion – ▼1.9%
	452 deals – ▲8.1%

Crossborder Activity

U.S. Inbound		U.S. Outbound	
\$18.7 billion	▲13.5%	\$10.6 billion	▼30.4%
94 deals	▼17.5%	152 deals	▲10.1%
leading country Bermuda – \$4.8 billion		leading country Canada – \$3.9 billion	
Canada – 19 deals		Canada – 28 deals	
leading country last 12 months Canada – \$43.7 billion		leading country last 12 months Germany – \$36.3 billion	
Canada – 320 deals		U.K. – 393 deals	

Industry Activity

 most deals 259 deals Computers & Electronics	 last 12 months 3,350 deals Computers & Electronics
 most dollar value \$33.4 billion Oil & Gas	 last 12 months \$282.4 billion Healthcare

SPAC Acquisitions

 \$1.6 billion ▼ 28.1%	9 deals ▲ 80.0%	 \$25.9 billion ▲ 425.1%	23 deals ▲ 15.0%
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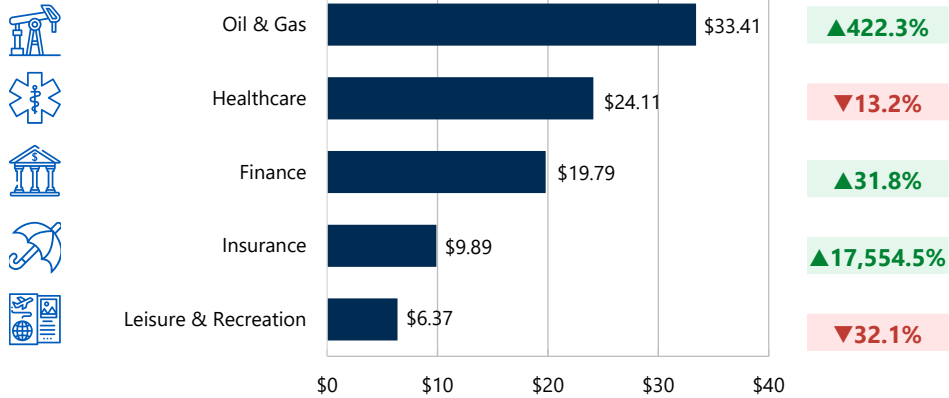
All data is for May 2023, and is as of June 12, 2023 unless otherwise specified. Each metric in this publication that references deal volume by dollar value is calculated from the subset of the total number of deals that includes a disclosed deal value.

Most Active U.S. Target Industries¹

Deal Value (US\$B)

May 2023

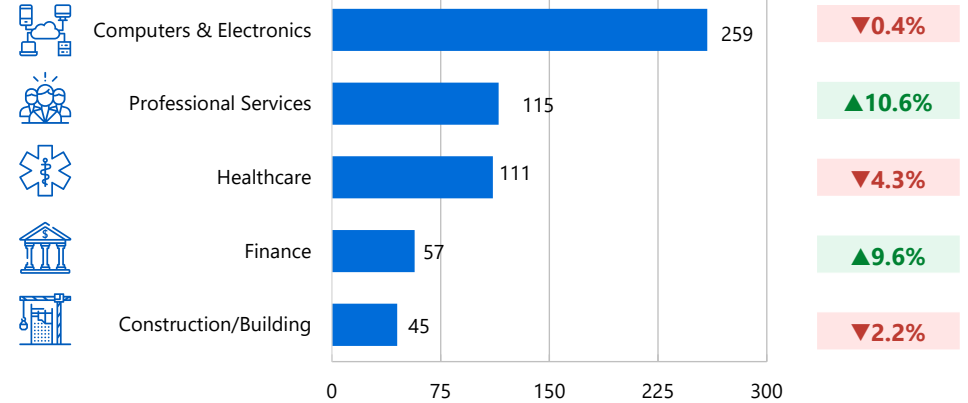
+/- from last month



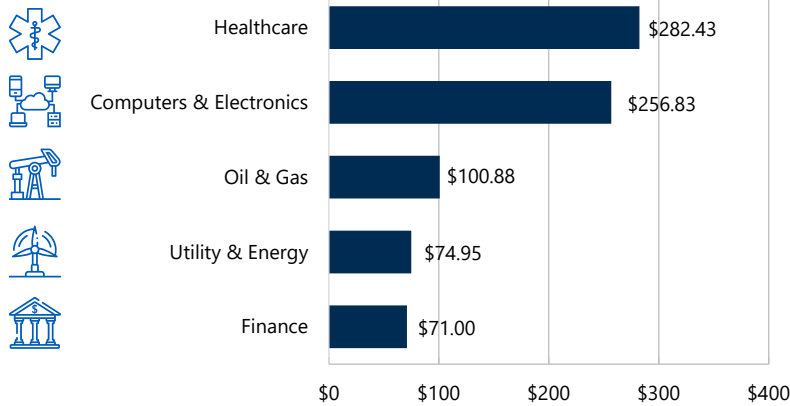
Number of Deals

May 2023

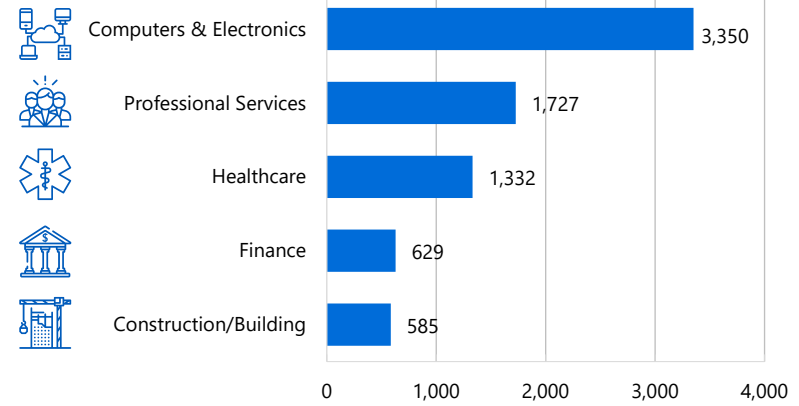
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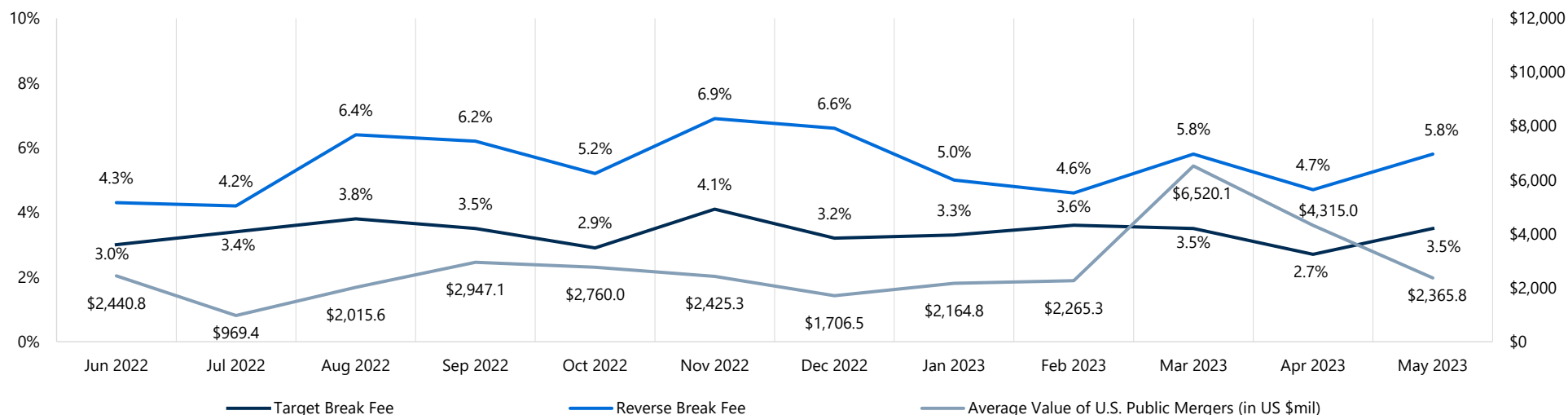
Last 12 Months



Last 12 Months



Average Break Fees as % of Equity Value²



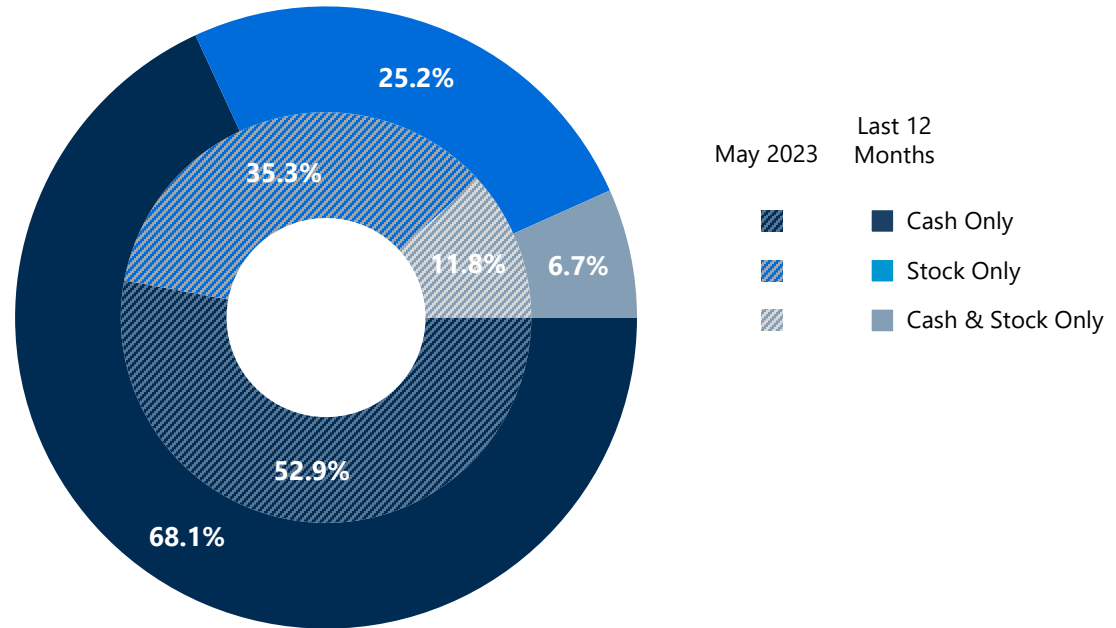
Average Break Fees as % of Equity Value^{3,4}

	May 2023	Last 12 Months
Target Break Fee for All Mergers	3.5	3.4
Reverse Break Fee for All Mergers ⁵	5.8	5.5
Reverse Break Fee for Mergers Involving Financial Buyers ⁶	6.1	6.2
Reverse Break Fee for Mergers Involving Strategic Buyers ⁷	5.6	5.1

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

	May 2023	Last 12 Months
% of Mergers with Go-Shops	11.8	5.2
% of Mergers Involving Financial Buyers with Go-Shops ⁸	25.0	16.2
% of Mergers Involving Strategic Buyers with Go-Shops ⁹	7.7	1.0
Avg. Go-Shop Window (in Days) for All Mergers with Go-Shops ¹⁰	30.0	37.9
Avg. Go-Shop Window (in Days) for Mergers Involving Financial Buyers with Go-Shops ¹¹	30.0	39.2
Avg. Go-Shop Window (in Days) for Mergers Involving Strategic Buyers with Go-Shops ¹²	30.0	30.0

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



Tender Offers as % of U.S. Public Mergers

May 2023	17.6
Last 12 Months	16.3

Unaffected Premium %^{14, 15}

May 2023	33.3
Last 12 Months	49.7

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

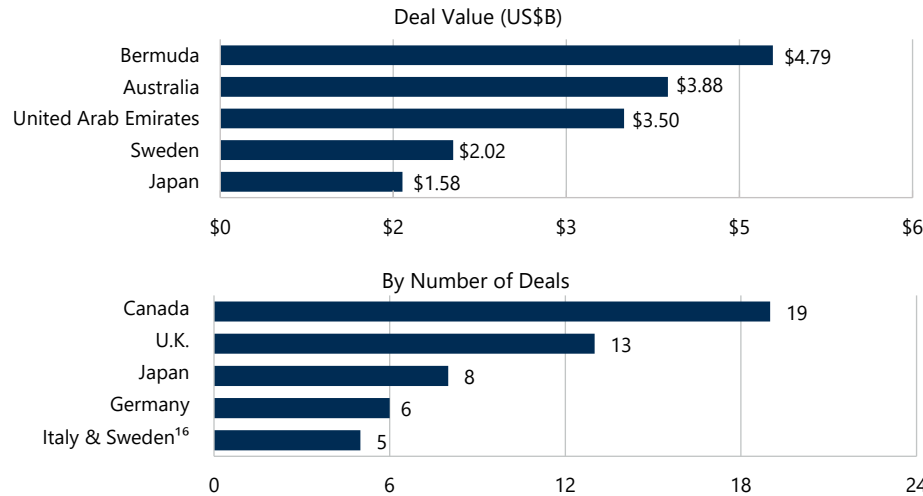
May 2023	26.1
Last 12 Months	18.4

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

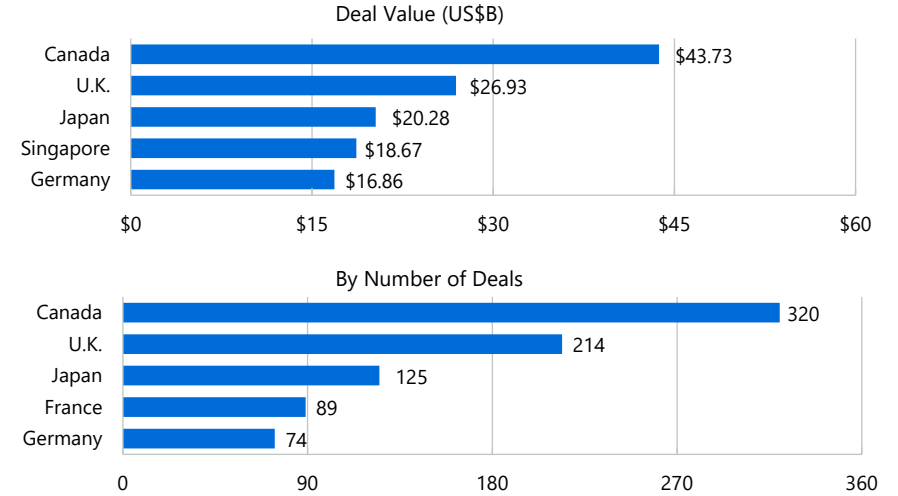
May 2023	1.3
Last 12 Months	1.6

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

Inbound U.S. Crossborder Transactions for May 2023

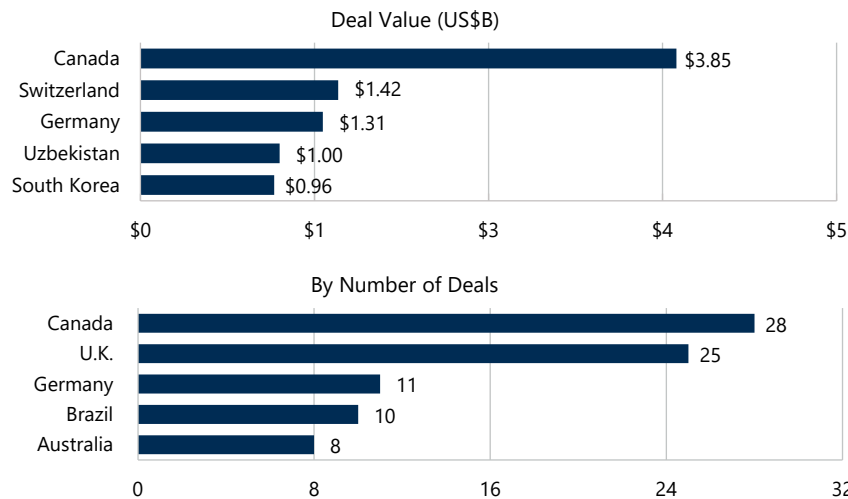


Inbound U.S. Crossborder Transactions for the Last 12 Months

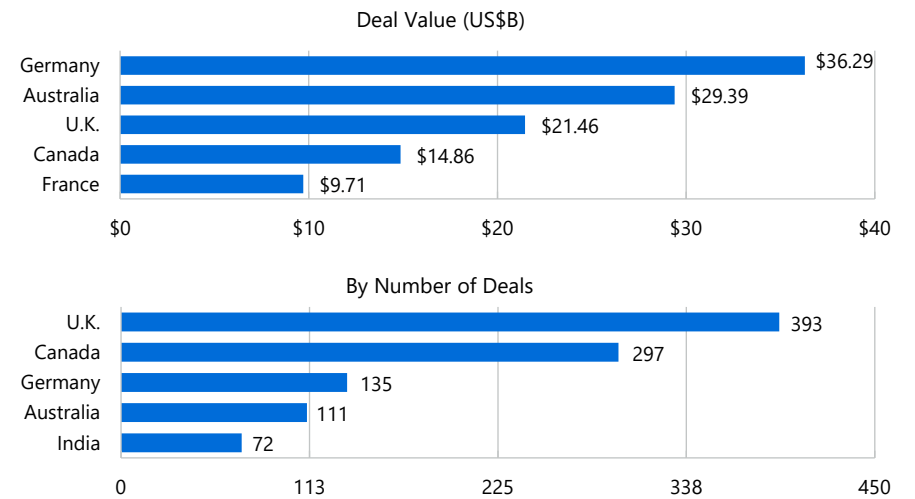


Top 5 Countries of Destination for Outbound U.S. Crossborder Transactions

Outbound U.S. Crossborder Transactions for May 2023

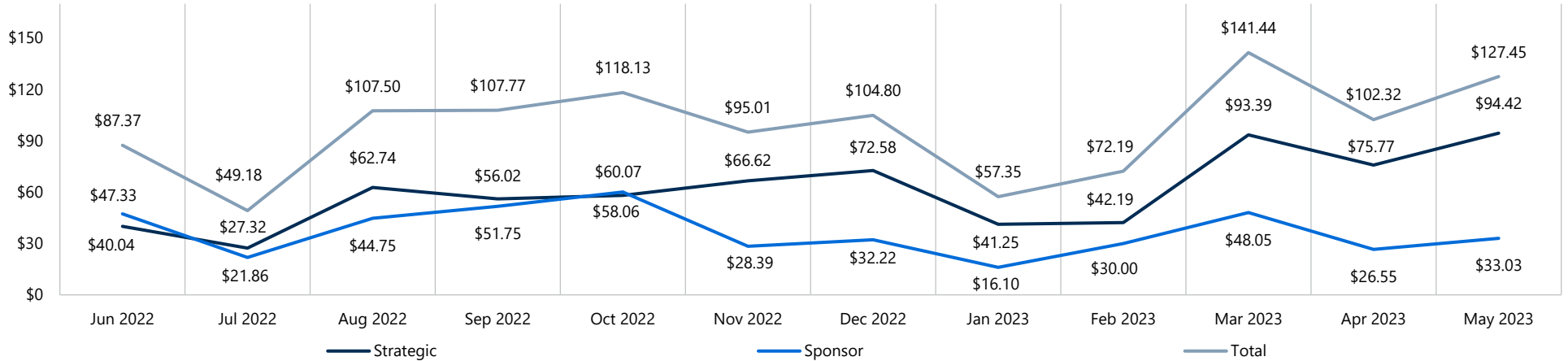


Outbound U.S. Crossborder Transactions for the Last 12 Months

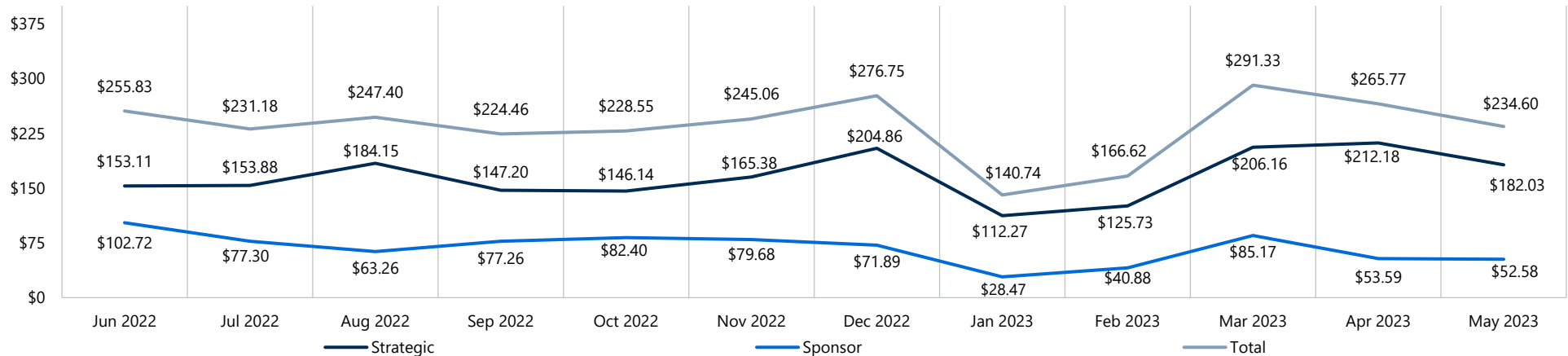


Appendix: M&A Activity – 12 Month Trends

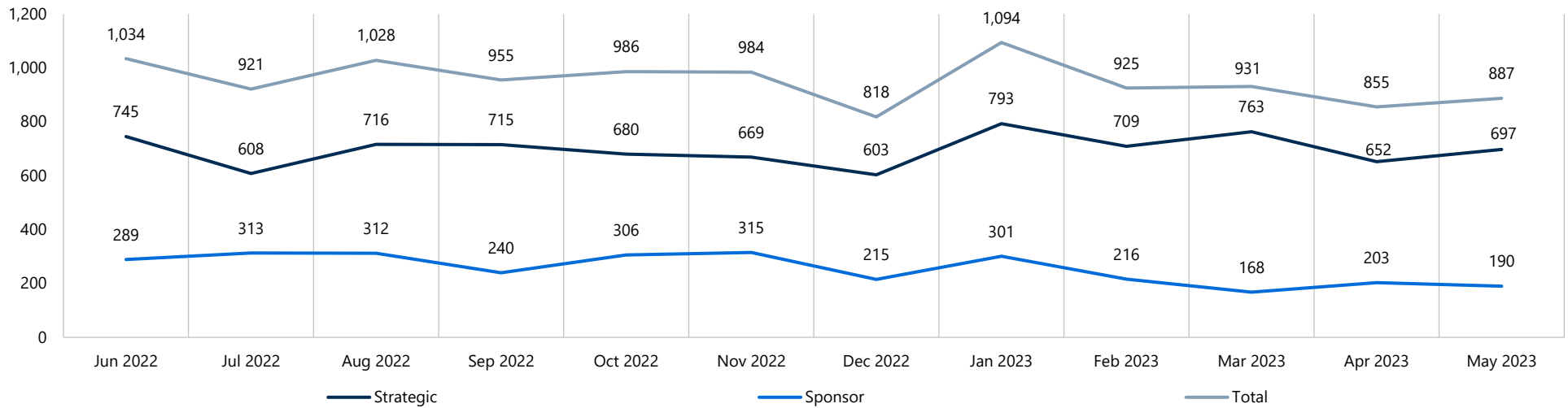
U.S. Deal Value (US\$B)



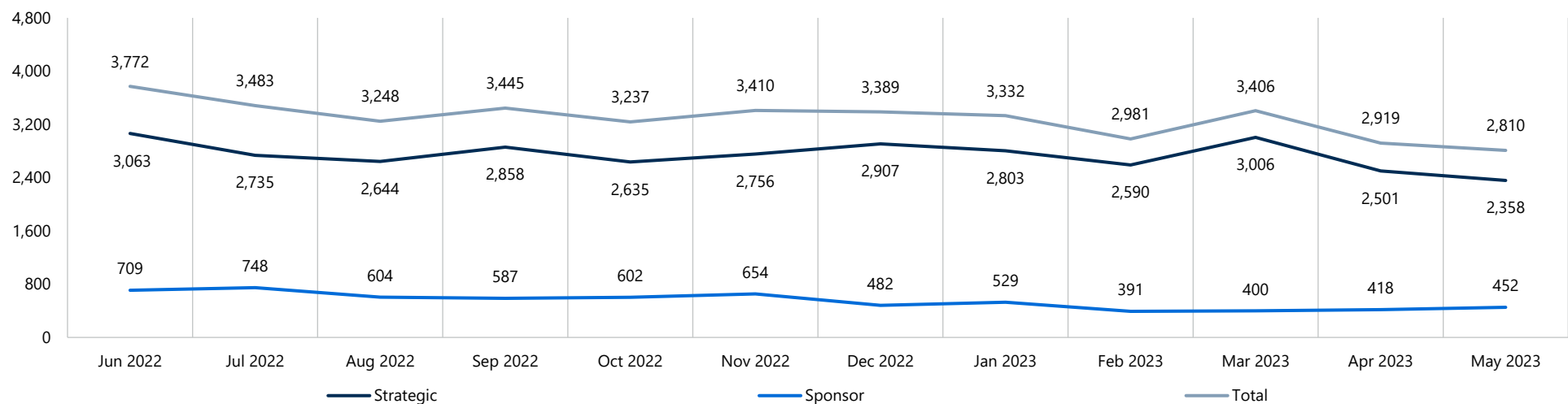
Global Deal Value (US\$B)



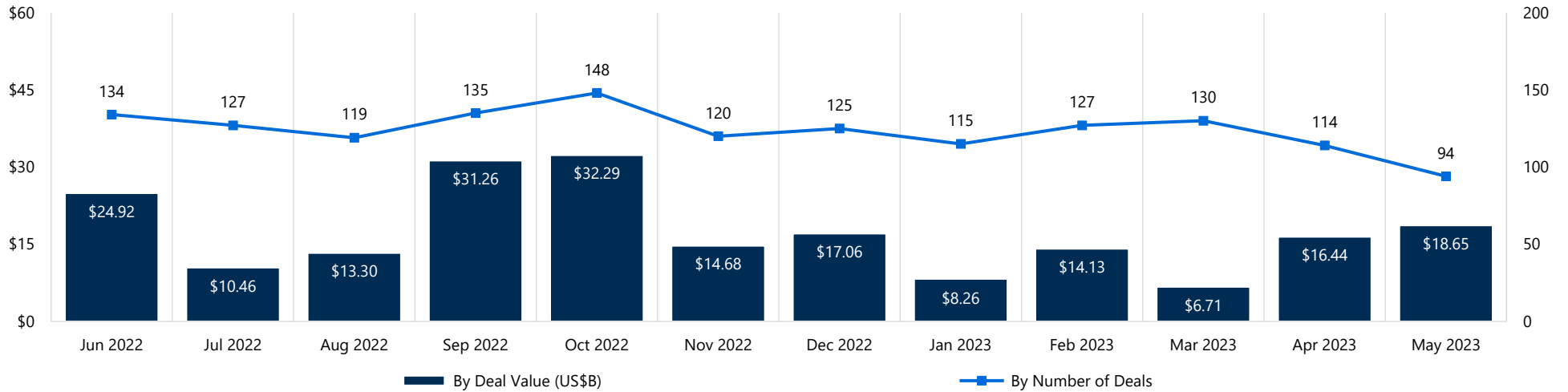
U.S. Number of Deals



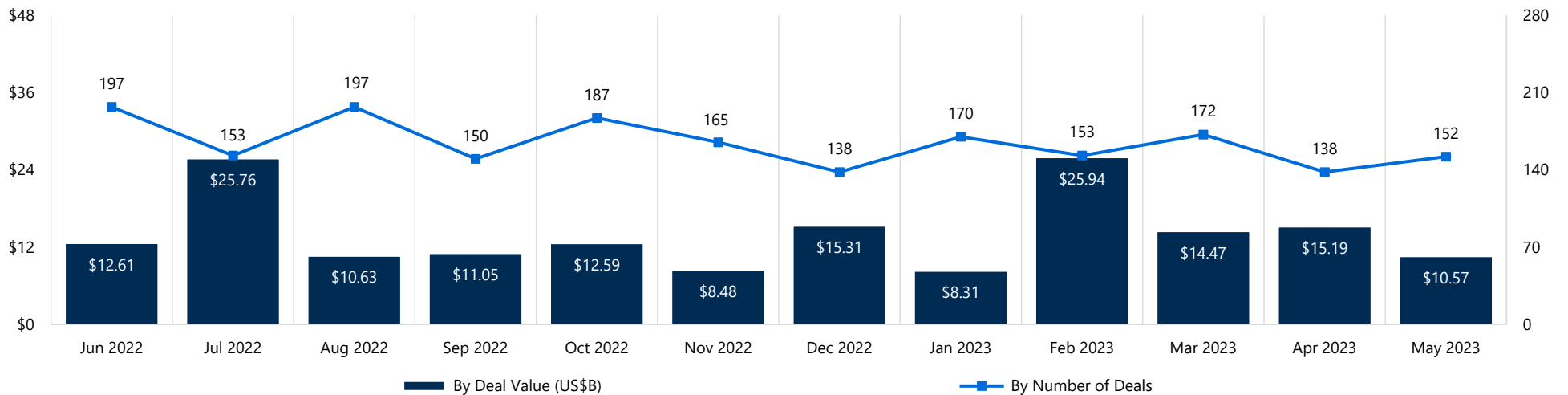
Global Number of Deals



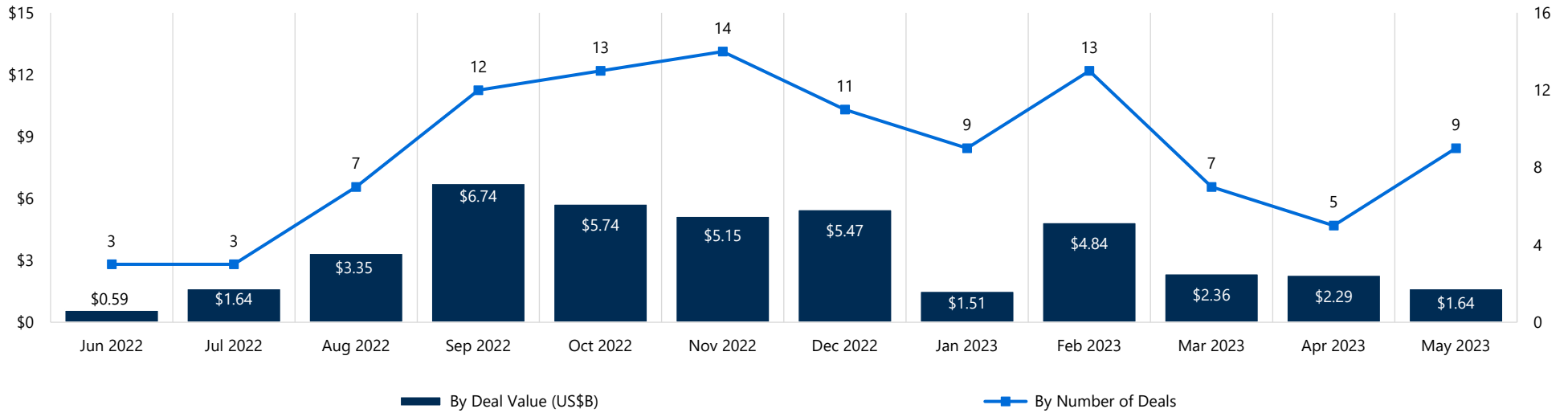
Inbound U.S. Crossborder Transactions



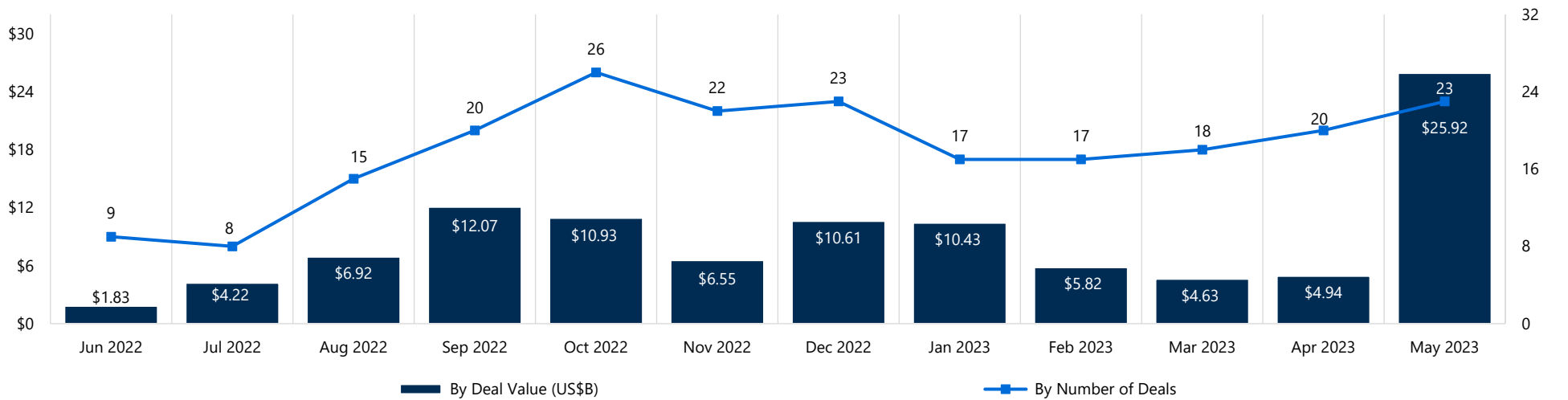
Outbound U.S. Crossborder Transactions



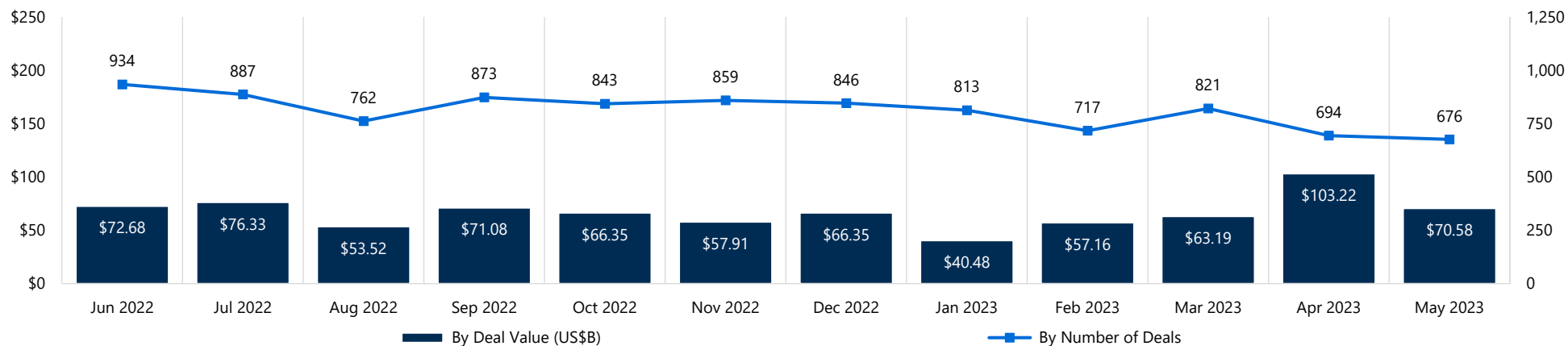
U.S. SPAC Acquisitions¹⁷



Global SPAC Acquisitions¹⁸



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 17 transactions in May 2023 and 135 transactions LTM.
- Financial and strategic categories are determined by Deal Point Data.
- Nine transactions in May 2023 had a reverse break fee.
- Four transactions in May 2023 involving a financial buyer had a reverse break fee.
- Five transactions in May 2023 involving a strategic buyer had a reverse break fee.
- Four transactions in May 2023 involved a financial buyer.
- Thirteen transactions in May 2023 involved a strategic buyer. One deal with a strategic buyer, Global Net Lease Inc.'s acquisition of The Necessity Retail REIT Inc., involved a go-shop provision.
- Two transactions in May 2023 had a go-shop provision.
- One transaction in May 2023 involving a financial buyer had a go-shop provision.
- One transaction in May 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.
- In May 2023, each of Italy and Sweden was the country of origin for five transactions.
- This data reflects U.S. targets that have been acquired by a SPAC of any nationality.
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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 May 2022 to April 2023 inclusive. 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
	\$9.7B	Amedisys	Combination with Option Care Health
	C\$5.5B	Suncor Energy	Acquisition of TotalEnergies' Canadian operations
	€12.0B	Carrier Global Corporation	Acquisition of Viessmann Climate Solutions
	\$2.0B	GSK	Acquisition of BELLUS Health
	\$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
	\$2.1B	Shopify	Acquisition of Deliverr

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
	\$4.1B	Kohlberg & Company	Acquisition of a 50% stake in United States Infrastructure Corporation from Partners Group
	—	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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