

M&A AT A GLANCE

JULY 2023 | ISSUE 136

Key Takeaways

- ▶ U.S. M&A decreased in June by most measures compared to May, with the global trends only slightly better. Total deal value was down 28% in the U.S., but up a modest 4% globally. Sponsor total deal value was a bright spot, increasing 11% in the U.S. and 82% globally. Strategic total deal value fell 43% in the U.S. and 19% globally. Deal counts were down across the board in the U.S. and globally and for both strategic and sponsor deals. Total deal counts fell 30% in the U.S. and 27% globally. Strategic deal counts were down 32% in the U.S. and 27% globally, and sponsor deal counts were down 23% in the U.S. and 24% globally.
- ▶ U.S. inbound crossborder activity was down in June, while and U.S. outbound crossborder activity was mixed. Inbound activity was down 38% by total deal value and 34% by deal count. For both June and the last twelve months (LTM), Canada led inbound activity by total deal value and number of deals. U.S. outbound activity was up 166% by total deal value, but fell 38% by deal count. The Netherlands led outbound activity by total deal value in June and Germany led by the same measure LTM. The U.K. led by outbound deal count in June and LTM.
- ▶ Computers & Electronics was the most active industry in the U.S. by total deal value and deal count in June. This was driven primarily by Nasdaq Inc.'s \$10.7 billion acquisition of Adenza Group Inc., the \$5.7 billion acquisition of Compass Datacenters by Brookfield Infrastructure Partners and Ontario Teachers' Pension Plan (Paul, Weiss advised Ontario Teachers) and International Business Machines Corp.'s \$4.6 billion acquisition of Apptio Inc. (Paul, Weiss advised IBM). Computer & Electronics was also the most active industry in the U.S. LTM by number of deals, and Healthcare was the most active industry LTM by total deal value.
- ▶ U.S. public merger highlights in June include the following:
 - Cash was the dominant form of consideration, comprising 70% of deals, above the LTM average of 66%.
 - The average reverse break fee was 5.8%, slightly above the LTM average of 5.6%.
 - The average break fee was 3.1%, below the LTM average of 3.4%.
 - There were no go-shops, compared with go-shops in 5.1% of deals LTM.
 - 20% of deals involved tender offers, above the LTM average of 15%.
 - Hostile/unsolicited offers accounted for 39% of deals, above the LTM average of 20%.
 - Average unaffected premiums were 67%, well above the LTM average of 50%.

Strategic vs. Sponsor Activity

U.S.
Total
\$88.6 billion – ▼28.2%
654 deals – ▼30.1%
Strategic
\$51.1 billion – ▼43.1%
499 deals – ▼32.2%
Sponsor
\$37.5 billion – ▲11.3%
155 deals – ▼22.5%

Global
Total
\$245.0 billion – ▲4.3%
2,298 deals – ▼26.6%
Strategic
\$146.5 billion – ▼19.0%
1,924 deals – ▼27.0%
Sponsor
\$98.5 billion – ▲82.3%
374 deals – ▼24.4%

Crossborder Activity

U.S. Inbound	U.S. Outbound
\$11.5 billion	\$28.1 billion
▼38.3%	▲165.8%
67 deals	103 deals
▼34.3%	▼38.3%
leading country Canada – \$5.1 billion	leading country Netherlands – \$17.3 billion
Canada – 15 deals	U.K. – 25 deals
leading country last 12 months Canada – \$42.1 billion	leading country last 12 months Germany – \$34.4 billion
Canada – 307 deals	U.K. – 373 deals

Industry Activity

 most deals 206 deals Computers & Electronics	 last 12 months 3,215 deals Computers & Electronics
 most dollar value \$29.5 billion Computers & Electronics	 last 12 months \$283.5 billion Healthcare

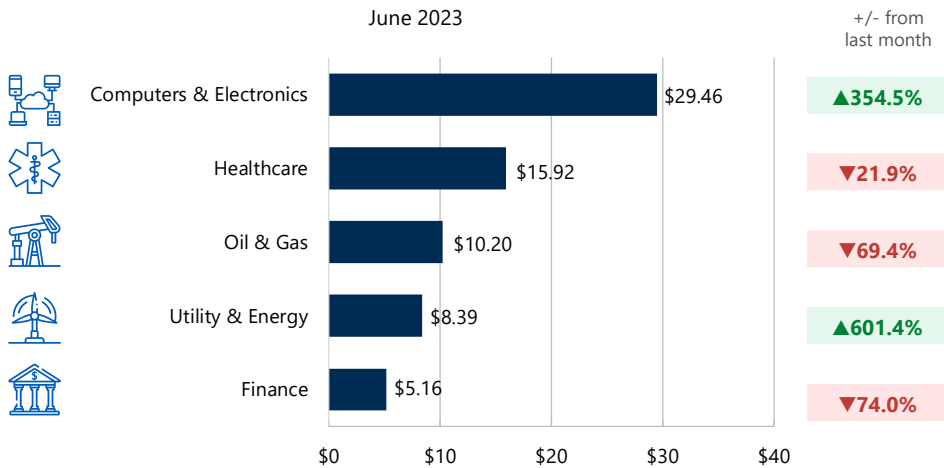
SPAC Acquisitions

 \$2.9 billion ▲ 78.6%	7 deals ▼ 22.2%	 \$5.9 billion ▼ 77.1%	23 deals 0.0%
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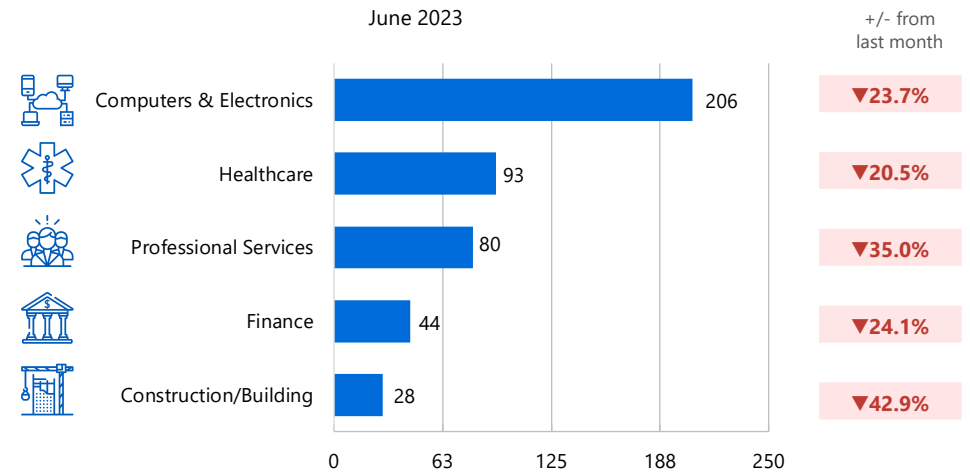
All data is for June 2023, and is as of July 10, 2023 unless otherwise specified. Each metric in this publication that references deal volume by dollar value is calculated from the subset of the total number of deals that includes a disclosed deal value.

Most Active U.S. Target Industries¹

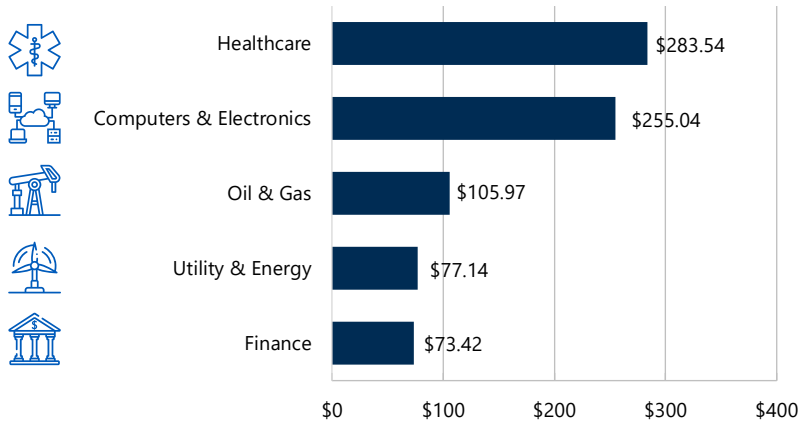
Deal Value (US\$B)



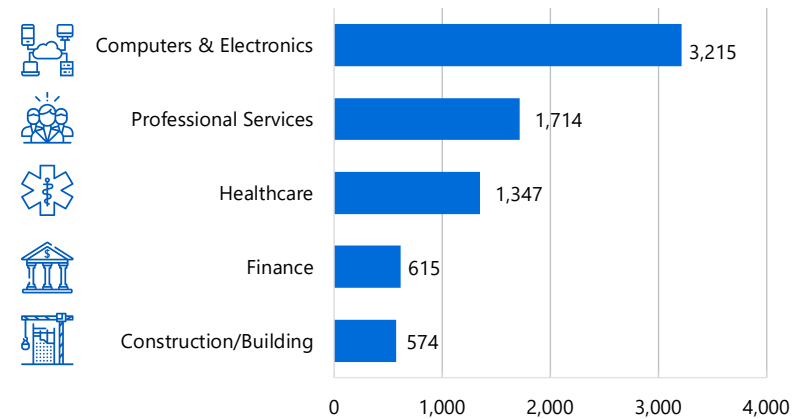
Number of Deals



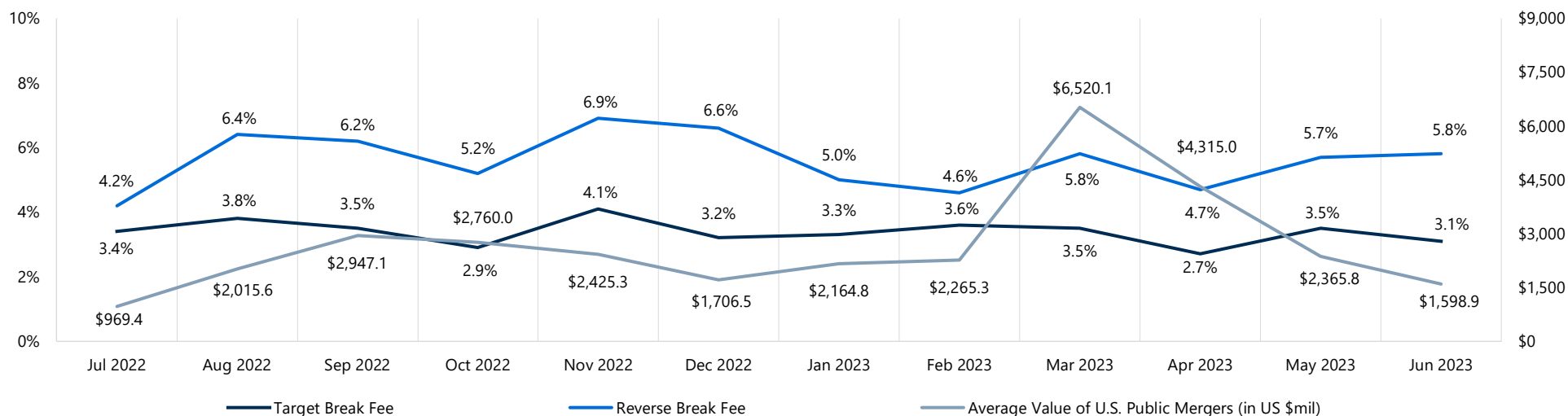
Last 12 Months



Last 12 Months



Average Break Fees as % of Equity Value²



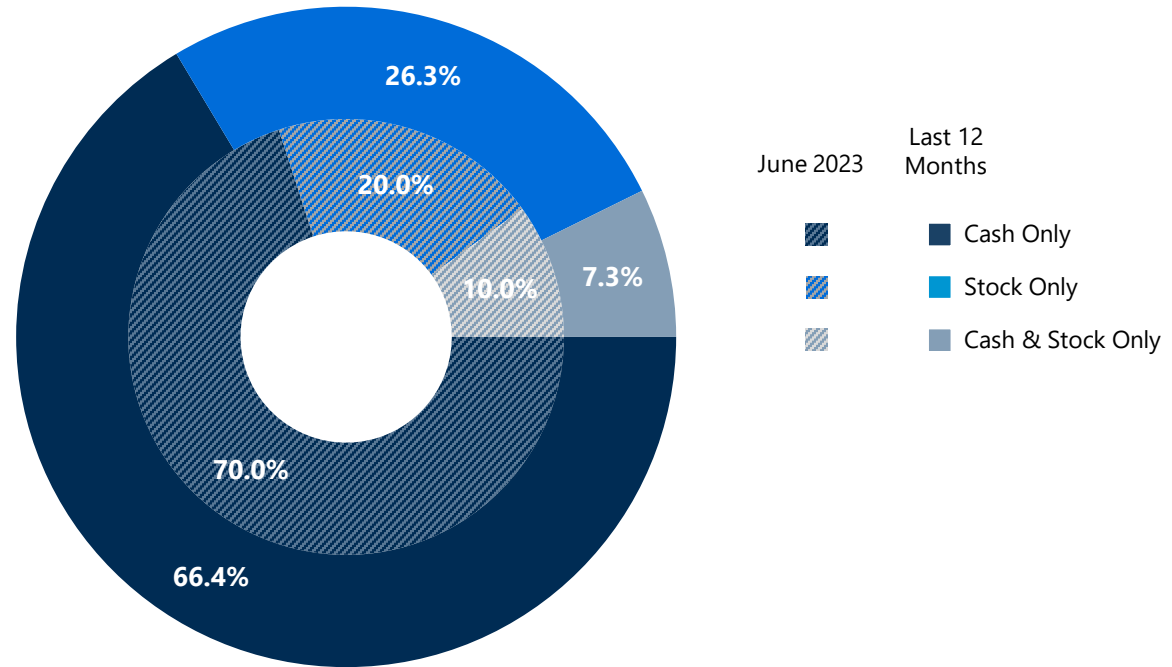
Average Break Fees as % of Equity Value^{3,4}

	June 2023	Last 12 Months
Target Break Fee for All Mergers	3.1	3.4
Reverse Break Fee for All Mergers ⁵	5.8	5.6
Reverse Break Fee for Mergers Involving Financial Buyers ⁶	6.7	6.5
Reverse Break Fee for Mergers Involving Strategic Buyers ⁷	4.9	5.1

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

	June 2023	Last 12 Months
% of Mergers with Go-Shops	0.0	5.1
% of Mergers Involving Financial Buyers with Go-Shops ⁸	0.0	16.7
% of Mergers Involving Strategic Buyers with Go-Shops ⁹	0.0	1.0
Avg. Go-Shop Window (in Days) for All Mergers with Go-Shops ¹⁰	N/A	37.9
Avg. Go-Shop Window (in Days) for Mergers Involving Financial Buyers with Go-Shops ¹¹	N/A	39.2
Avg. Go-Shop Window (in Days) for Mergers Involving Strategic Buyers with Go-Shops ¹²	N/A	30.0

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



Tender Offers as % of U.S. Public Mergers

June 2023	20.0
Last 12 Months	14.6

Unaffected Premium %^{14, 15}

June 2023	66.7
Last 12 Months	50.0

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

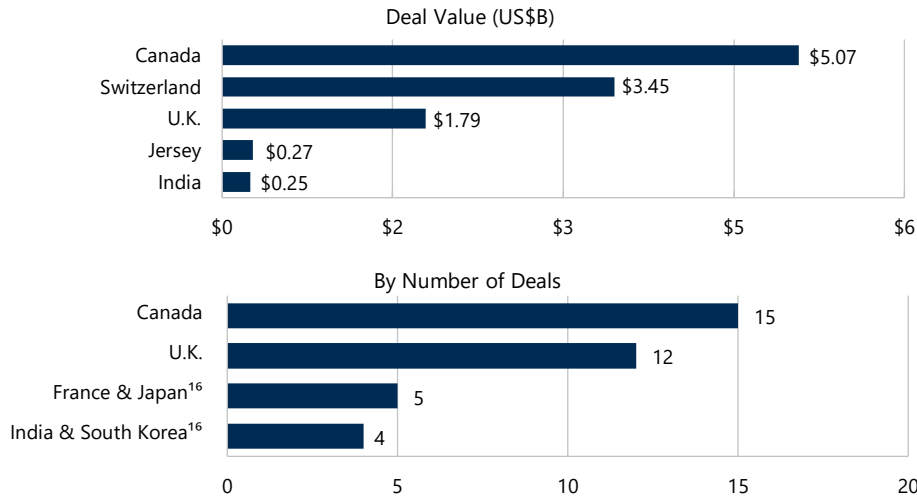
June 2023	38.5
Last 12 Months	19.8

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

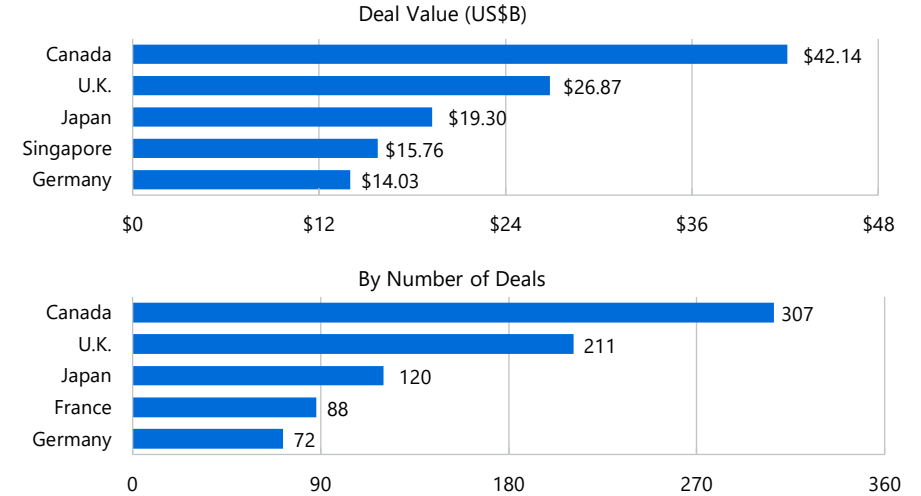
June 2023	3.1
Last 12 Months	1.6

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

Inbound U.S. Crossborder Transactions for June 2023

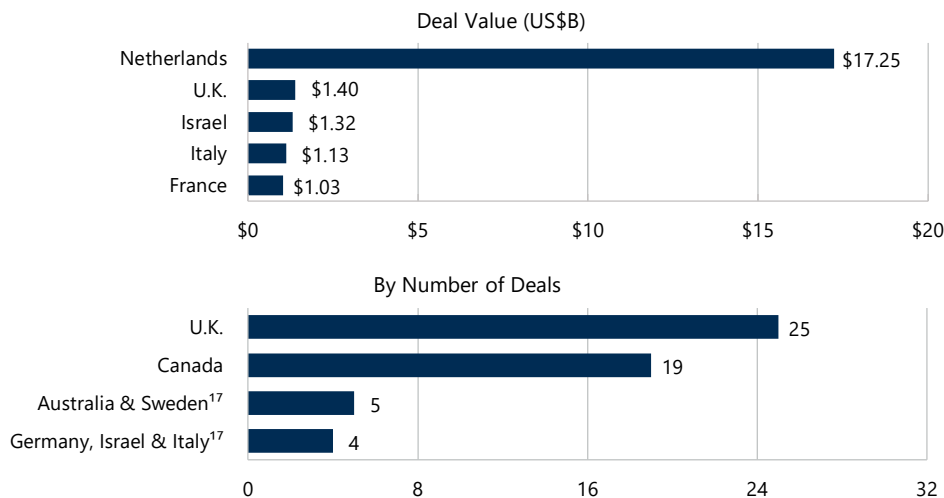


Inbound U.S. Crossborder Transactions for the Last 12 Months

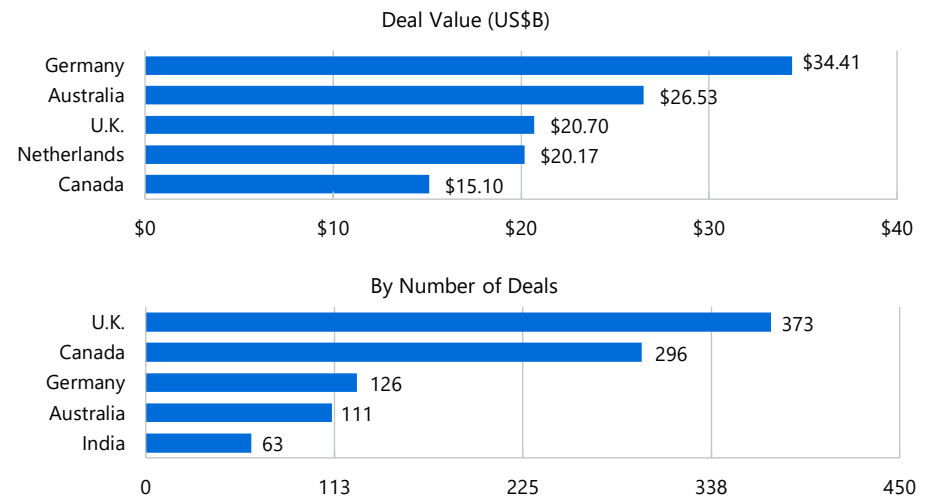


Top 5 Countries of Destination for Outbound U.S. Crossborder Transactions

Outbound U.S. Crossborder Transactions for June 2023

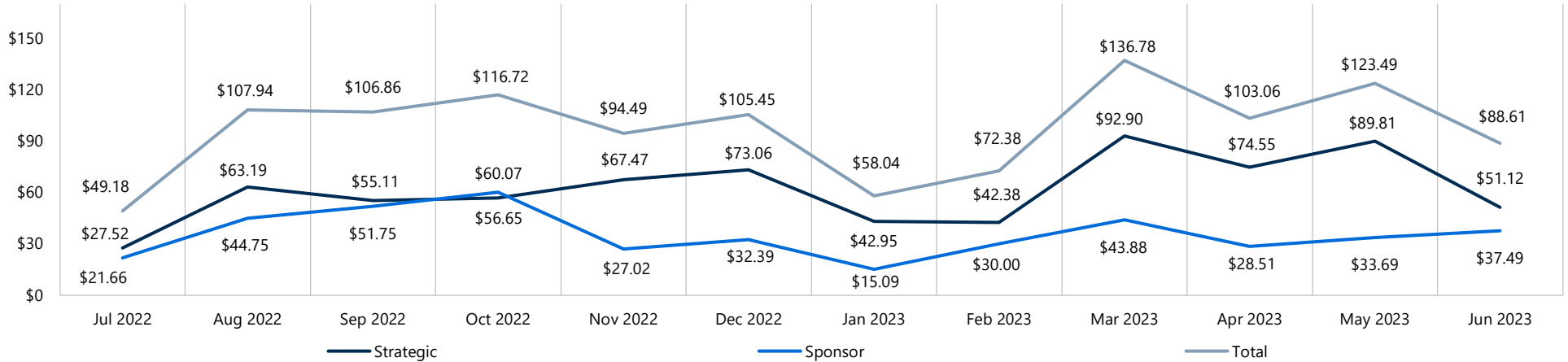


Outbound U.S. Crossborder Transactions for the Last 12 Months

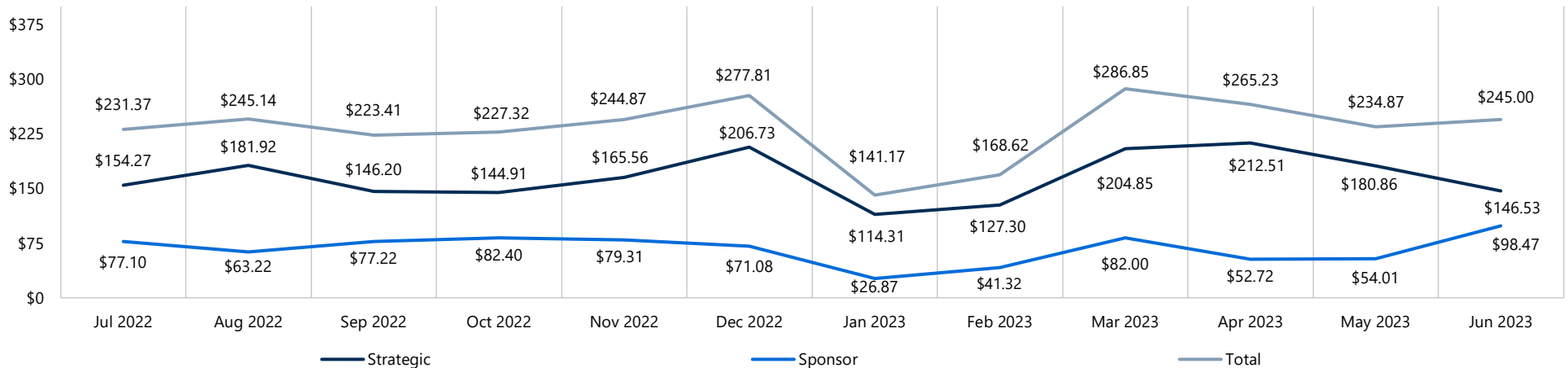


Appendix: M&A Activity – 12 Month Trends

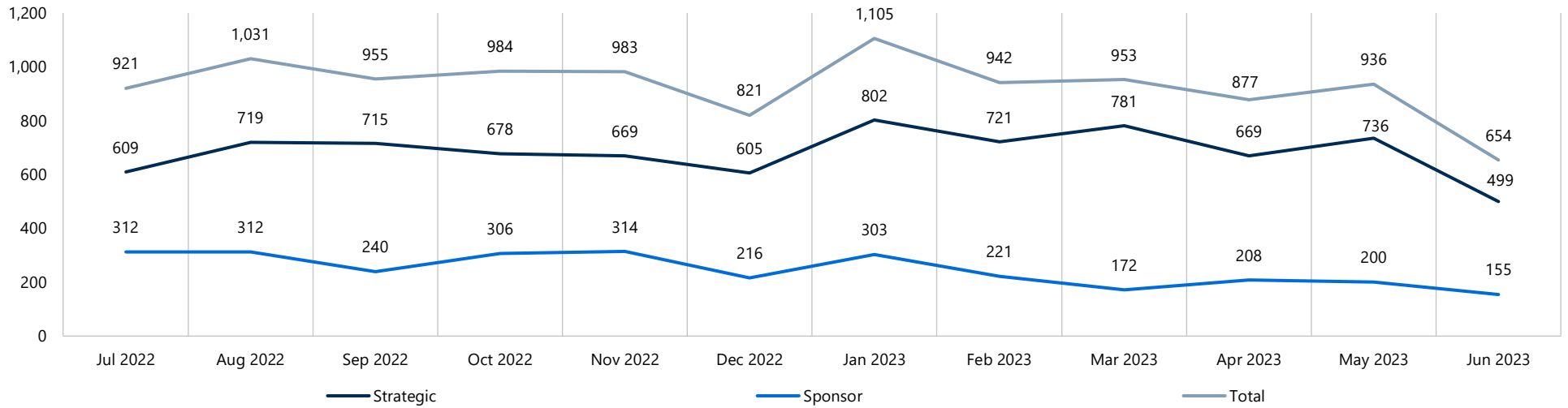
U.S. Deal Value (US\$B)



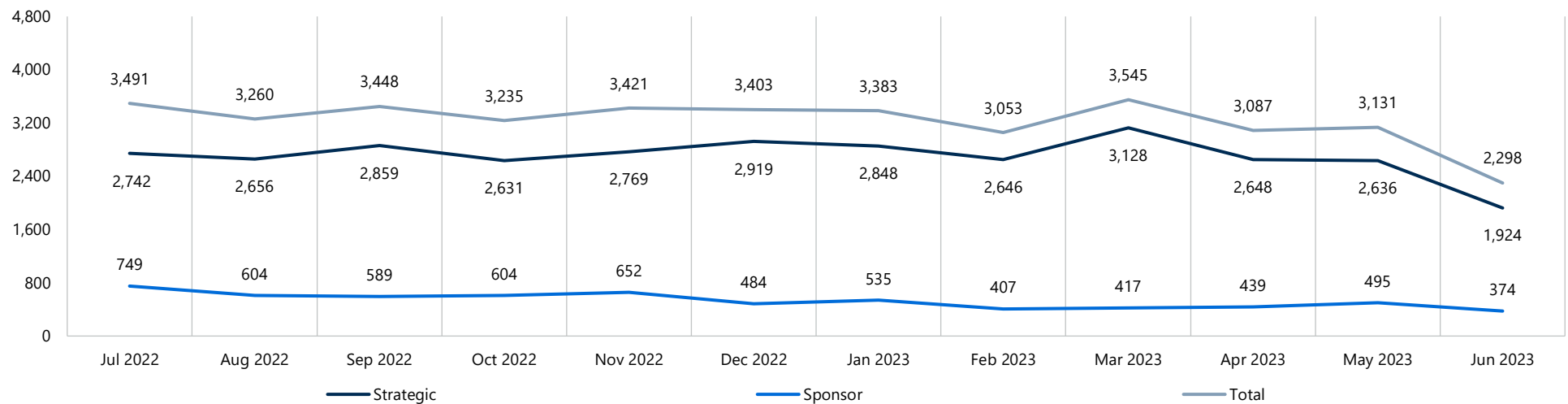
Global Deal Value (US\$B)



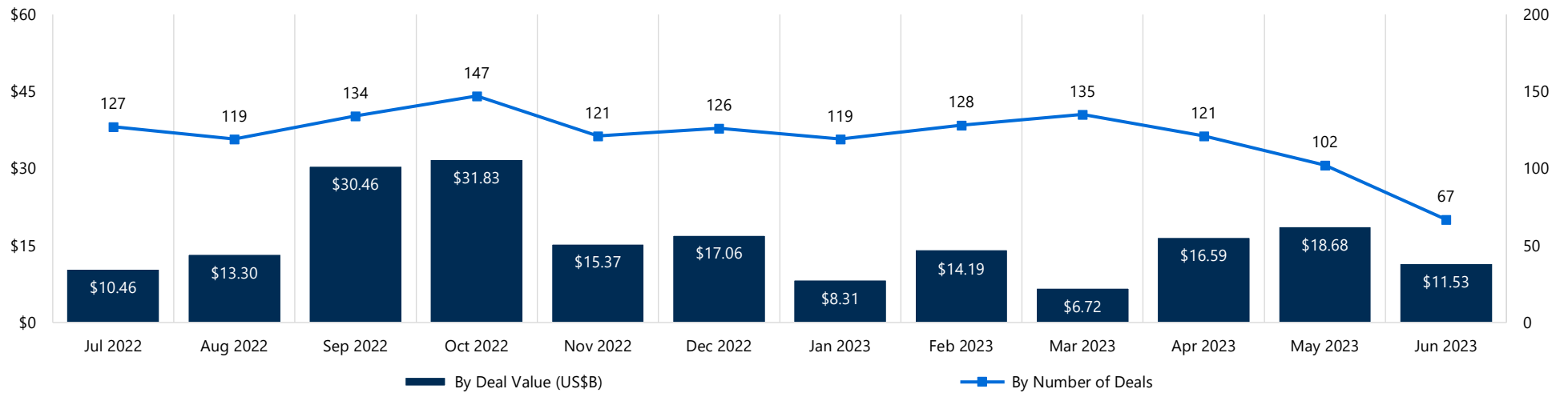
U.S. Number of Deals



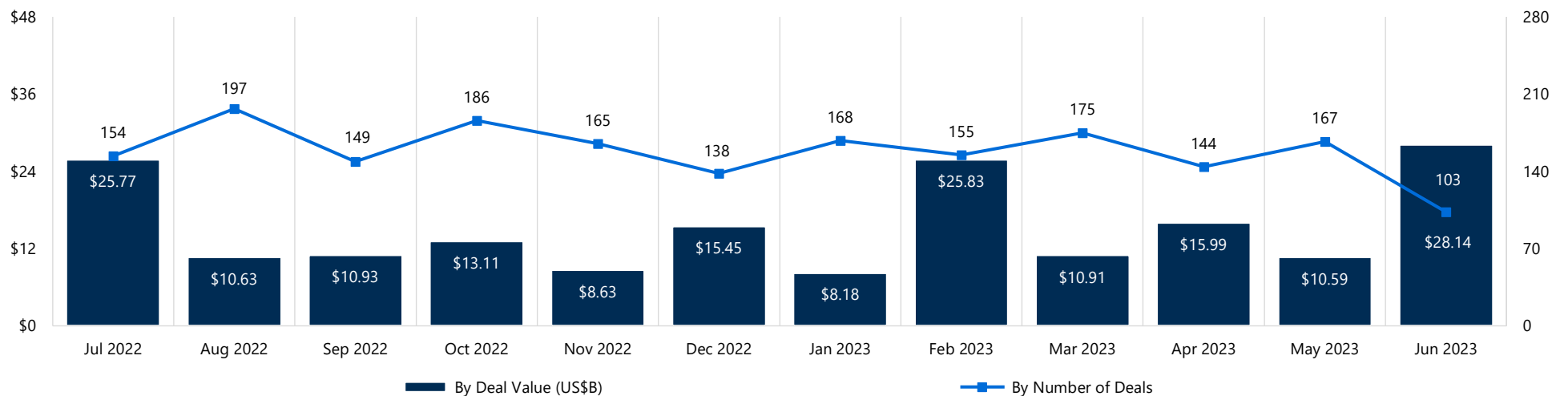
Global Number of Deals



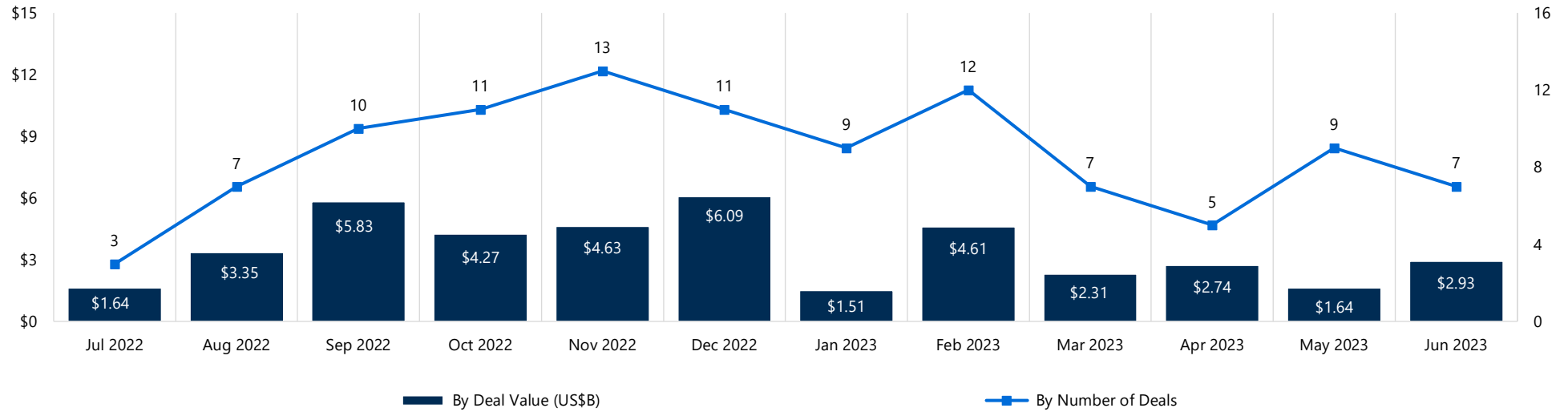
Inbound U.S. Crossborder Transactions



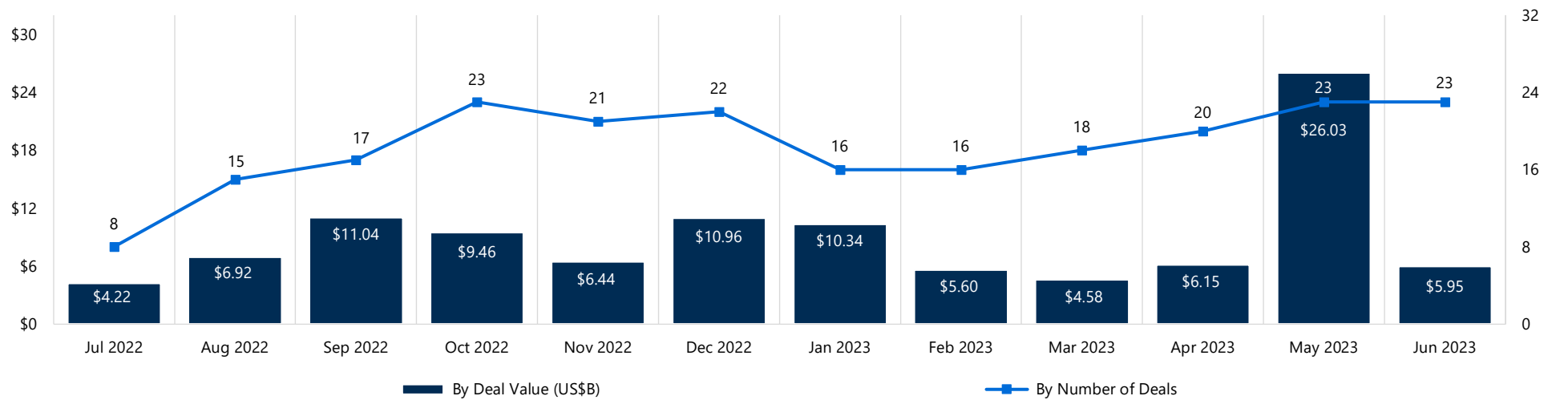
Outbound U.S. Crossborder Transactions



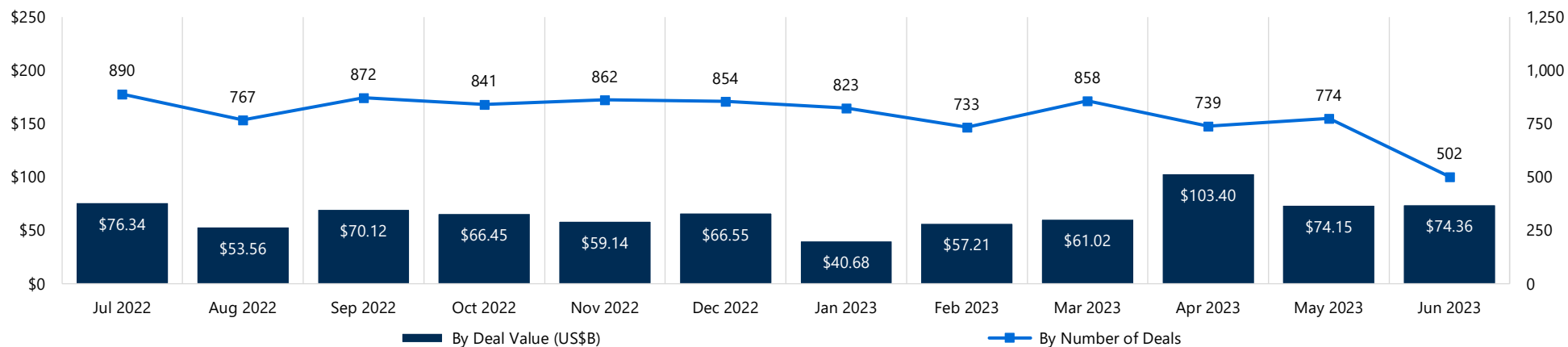
U.S. SPAC Acquisitions¹⁸



Global SPAC Acquisitions¹⁹



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 10 transactions in June 2023.
- Financial and strategic categories are determined by Deal Point Data.
- Six transactions in June 2023 had a reverse break fee.
- Three transactions in June 2023 involving a financial buyer had a reverse break fee.
- Three transactions in June 2023 involving a strategic buyer had a reverse break fee.
- Three transactions in June 2023 involved a financial buyer.
- Seven transactions in June 2023 involved a strategic buyer.
- No transactions in June 2023 had a go-shop provision.
- No transactions in June 2023 involving a financial buyer had a go-shop provision.
- No transactions in June 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 June 2023, each of France and Japan was the country of origin for five transactions, and each of India and South Korea was the country of origin for four transactions.
- In June 2023, each of Australia and Sweden was the country of destination for five transactions, and each of Germany, Israel and Italy was the country of destination for four transactions.
- 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 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 July 2022 to June 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
	\$3.3B	Amedisys	Combination with Optum
	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
	\$4.6B	IBM	Acquisition of Aptio

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

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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