

M&A AT A GLANCE

AUGUST 2023 | ISSUE 137

Key Takeaways

- ▶ U.S. and global M&A activity fell in July by most measures compared to June. Total deal value was down 6% in the U.S. and 19% globally, while the number of deals fell 13% in the U.S. and 6% globally. Strategic activity was down, with total deal value falling 12% in the U.S. and 7% globally, and the number of deals falling 17% in the U.S. and 8% globally. Sponsor activity was also generally down, but with modest increases in total deal value in the U.S. (which was up 1%, compared to a decline of 35% globally) and the number of deals globally (which was up 5%, compared to a decline of 2% in the U.S.).
- ▶ U.S. inbound crossborder activity increased in July, going up 29% by total deal value and 9% by number of deals over June. France led as the country of origin for inbound activity in July by total deal value, while Canada and the U.K. tied as the top countries of origin by number of inbound deals in July. Canada led as the country of origin for inbound activity by both total deal value and number of deals for the last twelve month (LTM) period. Outbound activity was, however, down in July, falling 59% by total deal value and 16% by number of deals compared to June. Italy led as the country of destination for outbound activity by total deal value in July, and Australia led by the same measure LTM. Canada led as the country of destination for outbound activity by number of deals in July, while the U.K. led by the same measure LTM.
- ▶ Computers & Electronics was the most active industry in the U.S. by total deal value and deal count in July. This included this month's largest deal, GTCR's \$12.7 billion acquisition of a majority stake in Worldpay from FIS. 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-only was the consideration in 56% of deals, below the LTM average of 66%.
 - The average reverse break fee was 5.4%, below the LTM average of 5.7%.
 - The average break fee was 4.0%, above the LTM average of 3.5%.
 - Two sponsor-related deals had a go-shop, representing 22% of deals for the month, well above the LTM average of 7%.
 - No deals in July involved tender offers, compared to an LTM average of 13%.
 - While hostile and unsolicited deals comprised 19% of deals LTM, there were none in July.
 - Average unaffected premiums were only 17%, well below the LTM average of 47.5%.

Strategic vs. Sponsor Activity

U.S.
Total
\$85.0 billion – ▼6.0%
736 deals – ▼13.3%
Strategic
\$41.5 billion – ▼12.0%
527 deals – ▼17.0%
Sponsor
\$43.5 billion – ▲0.5%
209 deals – ▼2.3%

Global
Total
\$200.8 billion – ▼19.2%
2,675 deals – ▼6.2%
Strategic
\$131.5 billion – ▼7.3%
2,171 deals – ▼8.4%
Sponsor
\$69.3 billion – ▼35.0%
504 deals – ▲4.8%

Crossborder Activity

U.S. Inbound	U.S. Outbound
\$15.0 billion	\$11.9 billion
▲29.0%	▼58.8%
93 deals	103 deals
▲9.4%	▼16.3%
leading country France – \$6.8 billion	leading country Italy – \$3.7 billion
Canada & U.K. – 13 deals	Canada – 14 deals
leading country last 12 months Canada – \$42.1 billion	leading country last 12 months Australia – \$25.7 billion
Canada – 294 deals	U.K. – 368 deals

Industry Activity

 most deals 209 deals Computers & Electronics	 last 12 months 3,217 deals Computers & Electronics
 most dollar value \$32.1 billion Computers & Electronics	 last 12 months \$289.3 billion Healthcare

SPAC Acquisitions

 \$1.1 billion ▼ 63.2%	2 deals ▼ 71.4%	 \$2.7 billion ▼ 54.2%	9 deals ▼ 60.9%
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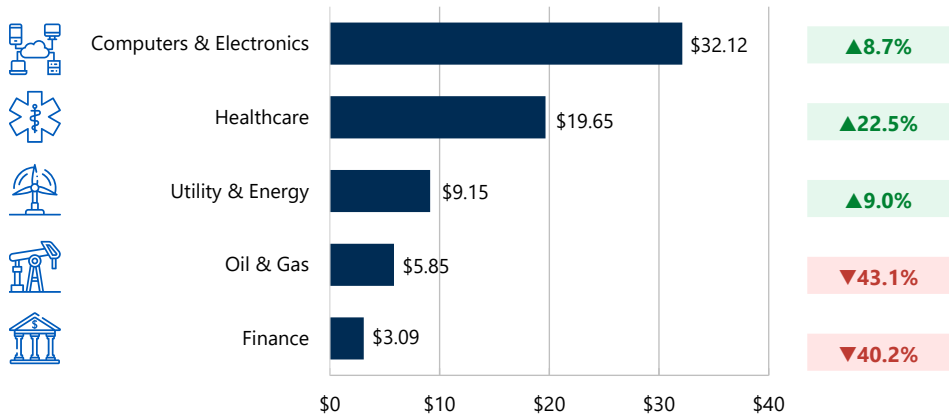
All data is for July 2023, and is as of August 10, 2023 unless otherwise specified. Each metric in this publication that references deal volume by dollar value is calculated from the subset of the total number of deals that includes a disclosed deal value.

Most Active U.S. Target Industries¹

Deal Value (US\$B)

July 2023

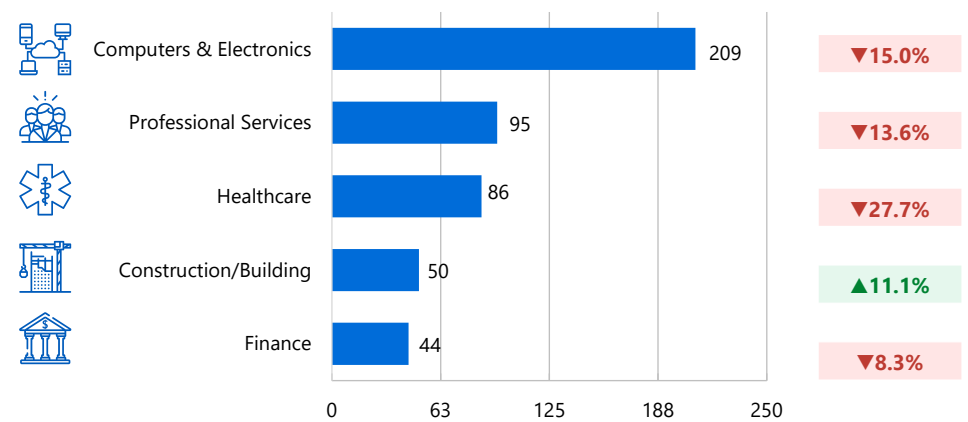
+/- from last month



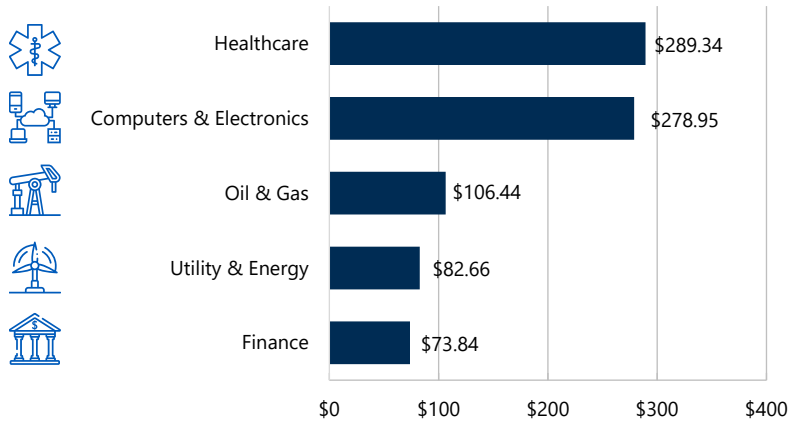
Number of Deals

July 2023

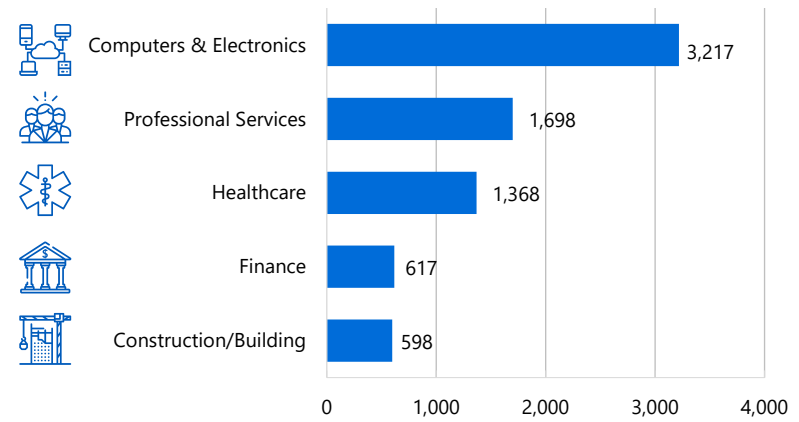
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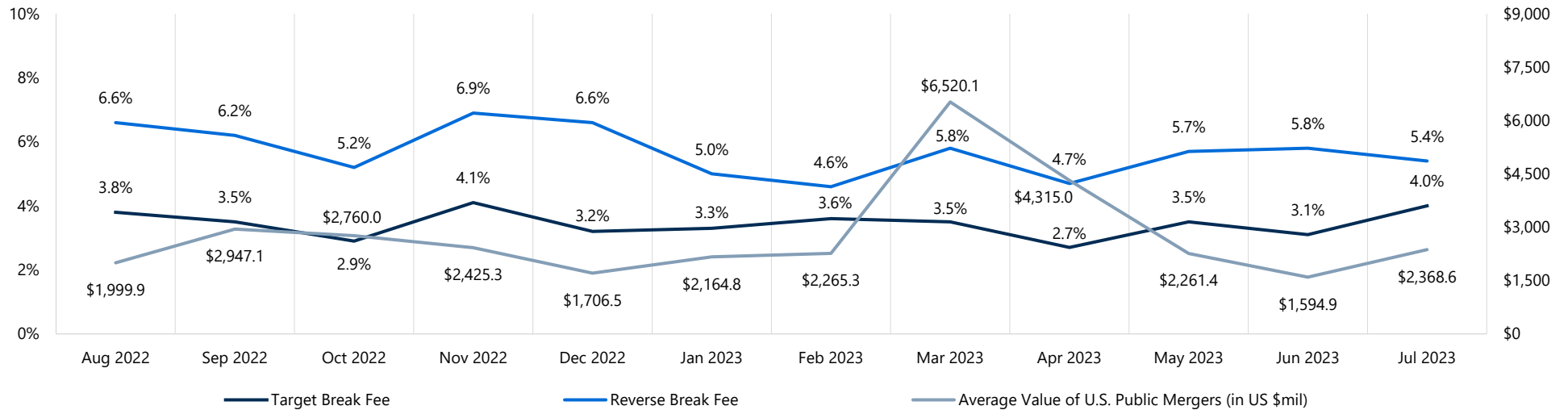
Last 12 Months



Last 12 Months



Average Break Fees as % of Equity Value²



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

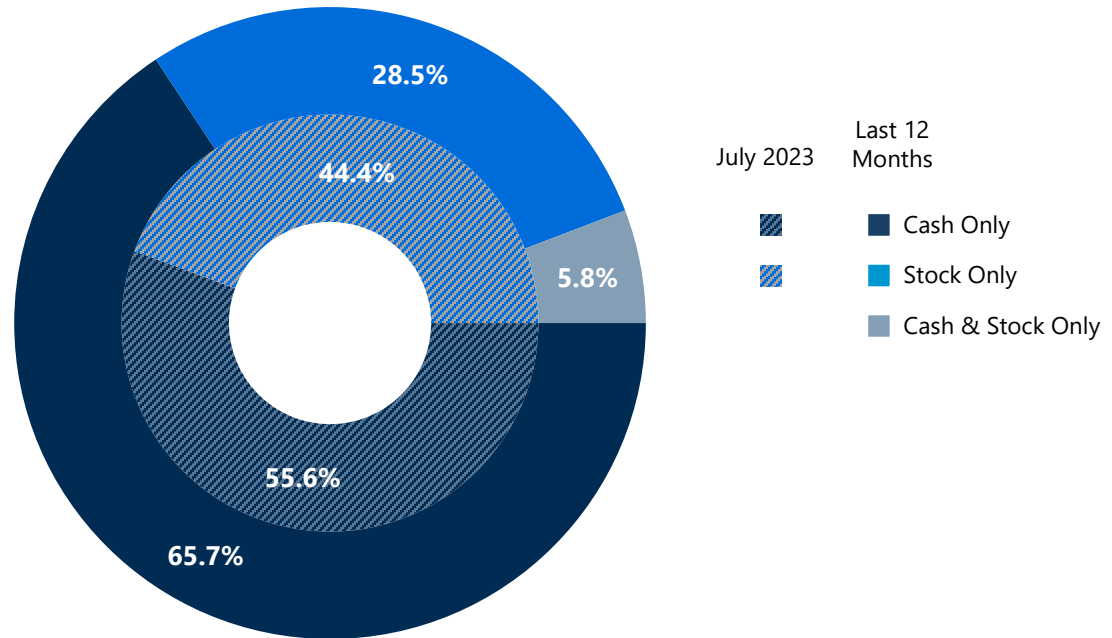
	July 2023	Last 12 Months
Target Break Fee for All Mergers	4.0	3.5

	July 2023	Last 12 Months
Reverse Break Fee for All Mergers ⁵	5.4	5.7
Reverse Break Fee for Mergers Involving Financial Buyers ⁶	7.6	6.9
Reverse Break Fee for Mergers Involving Strategic Buyers ⁷	3.9	5.1

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

	July 2023	Last 12 Months
% of Mergers with Go-Shops	22.2	6.6
% of Mergers Involving Financial Buyers with Go-Shops ⁸	66.7	22.9
% 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	40.0	38.3
Avg. Go-Shop Window (in Days) for Mergers Involving Financial Buyers with Go-Shops ¹¹	40.0	39.4
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

July 2023	0.0
Last 12 Months	13.1

Unaffected Premium %^{14, 15}

July 2023	17.2
Last 12 Months	47.5

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

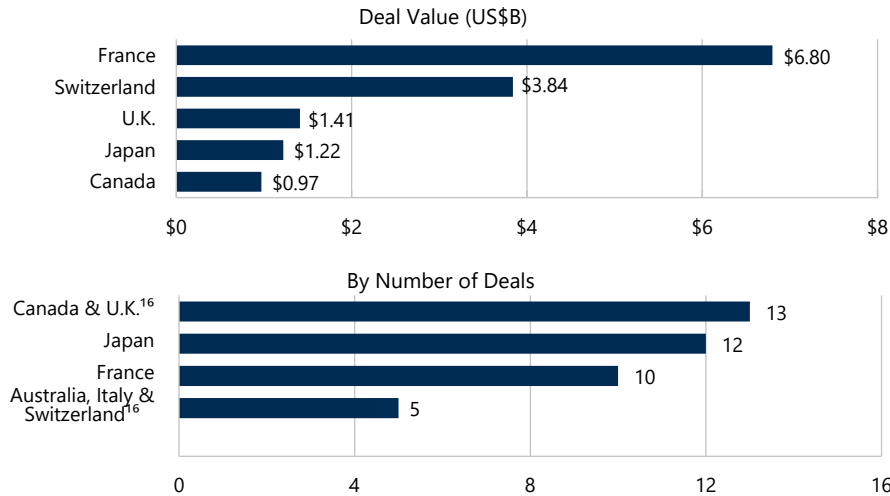
July 2023	0.0
Last 12 Months	19.4

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

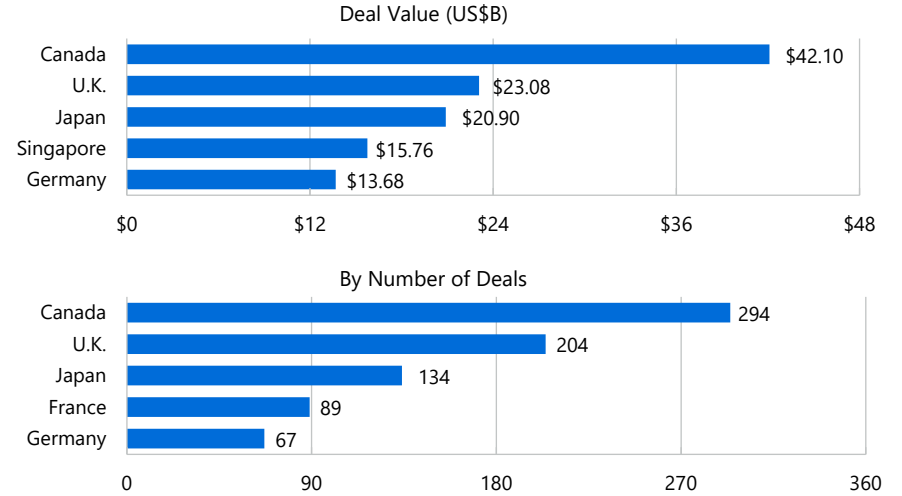
July 2023	1.5
Last 12 Months	1.6

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

Inbound U.S. Crossborder Transactions for July 2023

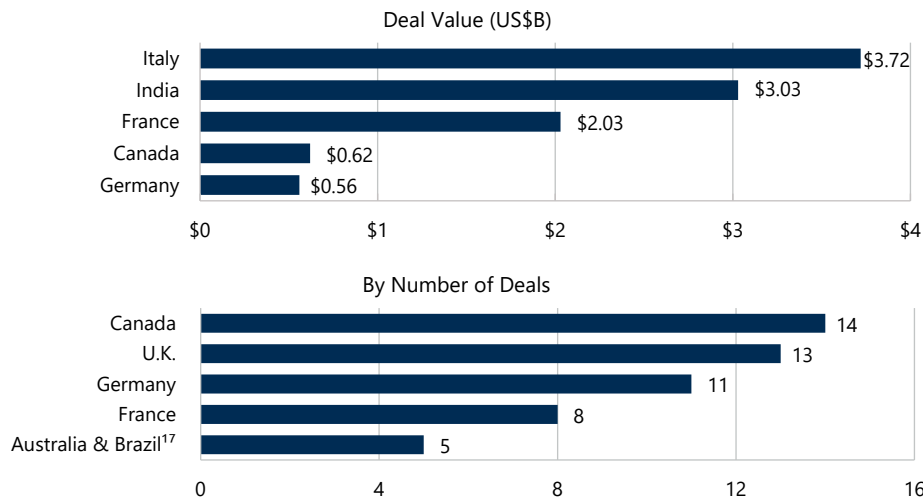


Inbound U.S. Crossborder Transactions for the Last 12 Months

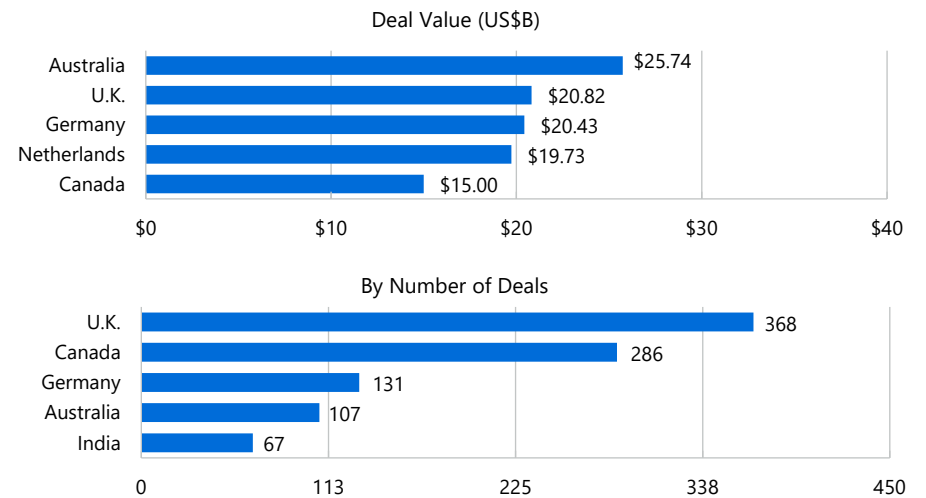


Top 5 Countries of Destination for Outbound U.S. Crossborder Transactions

Outbound U.S. Crossborder Transactions for July 2023

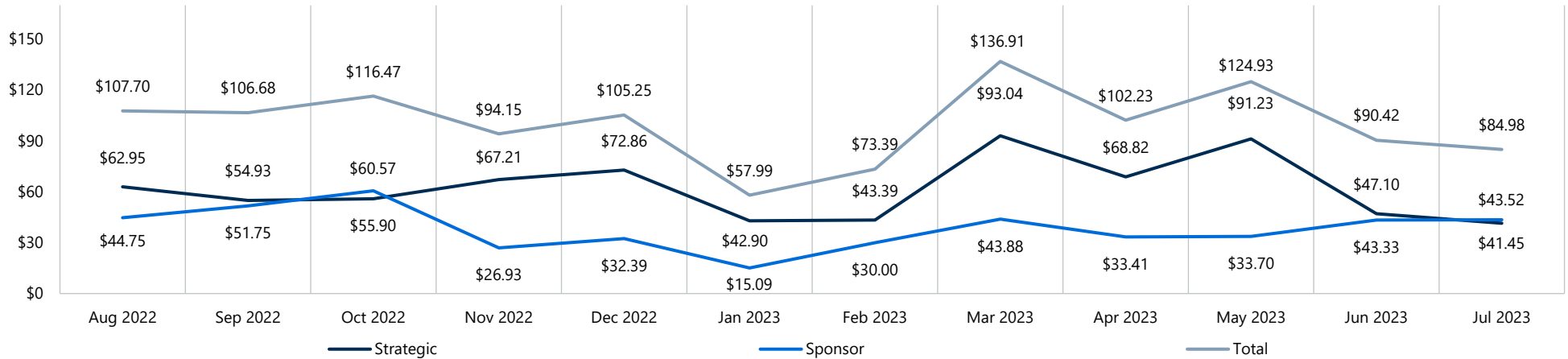


Outbound U.S. Crossborder Transactions for the Last 12 Months

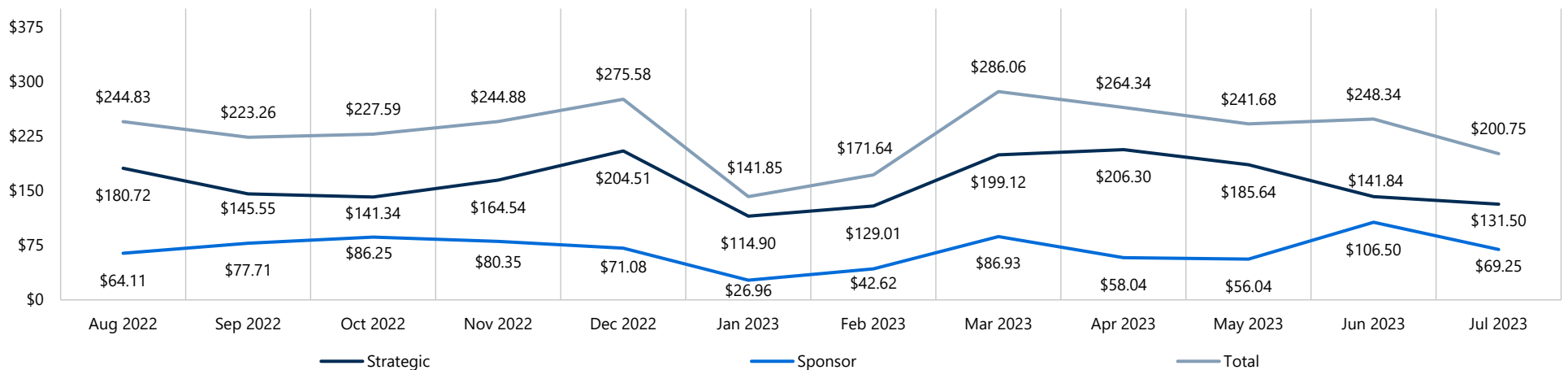


Appendix: M&A Activity – 12 Month Trends

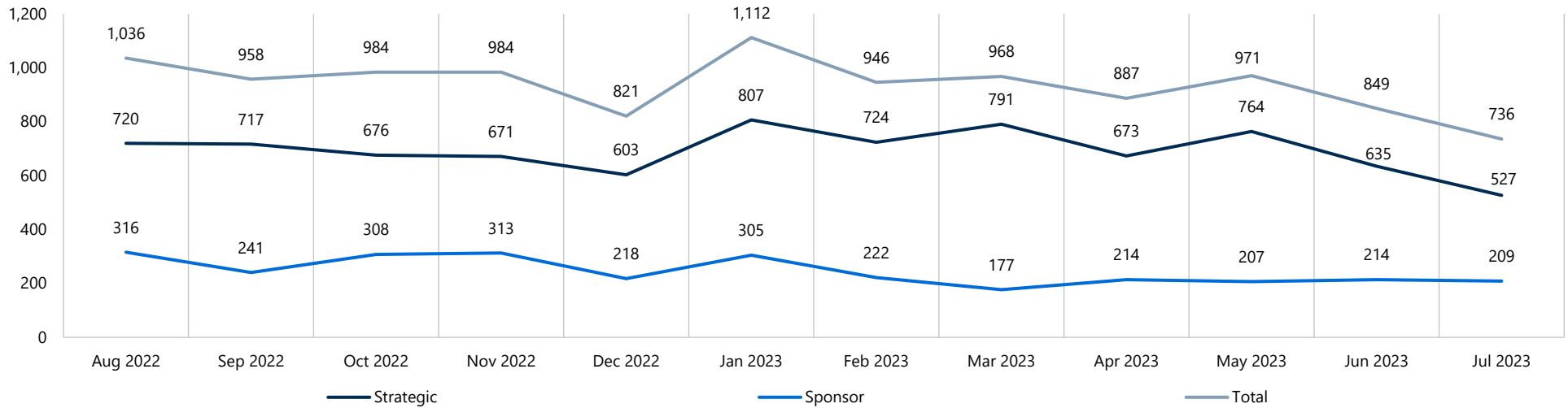
U.S. Deal Value (US\$B)



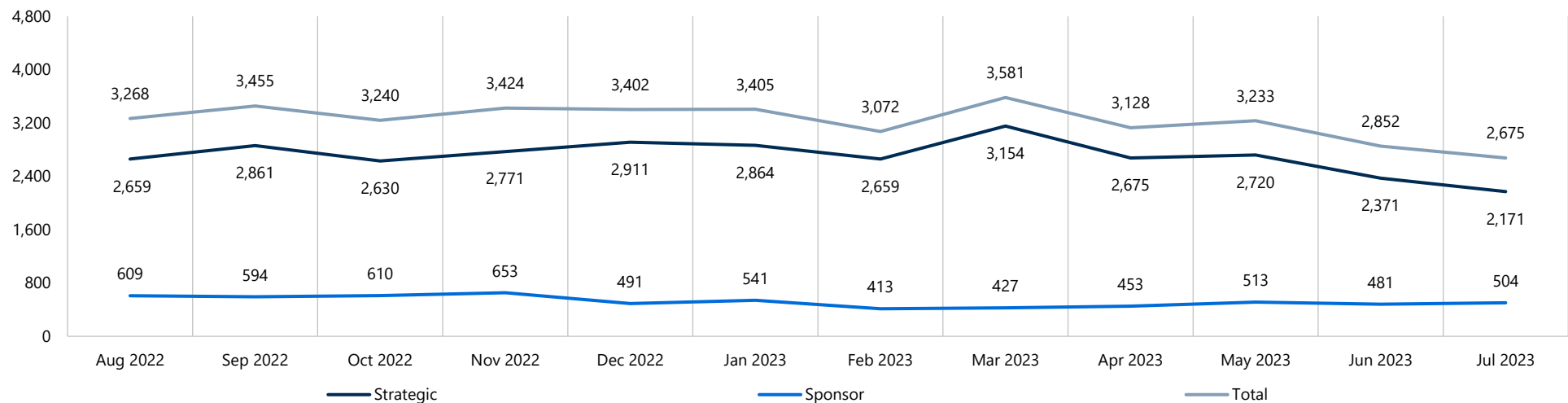
Global Deal Value (US\$B)



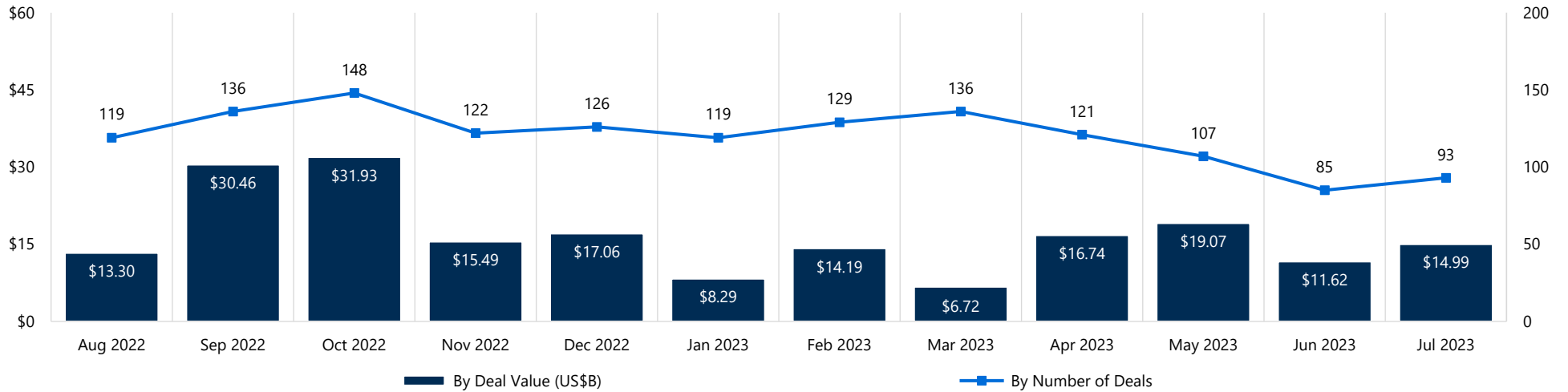
U.S. Number of Deals



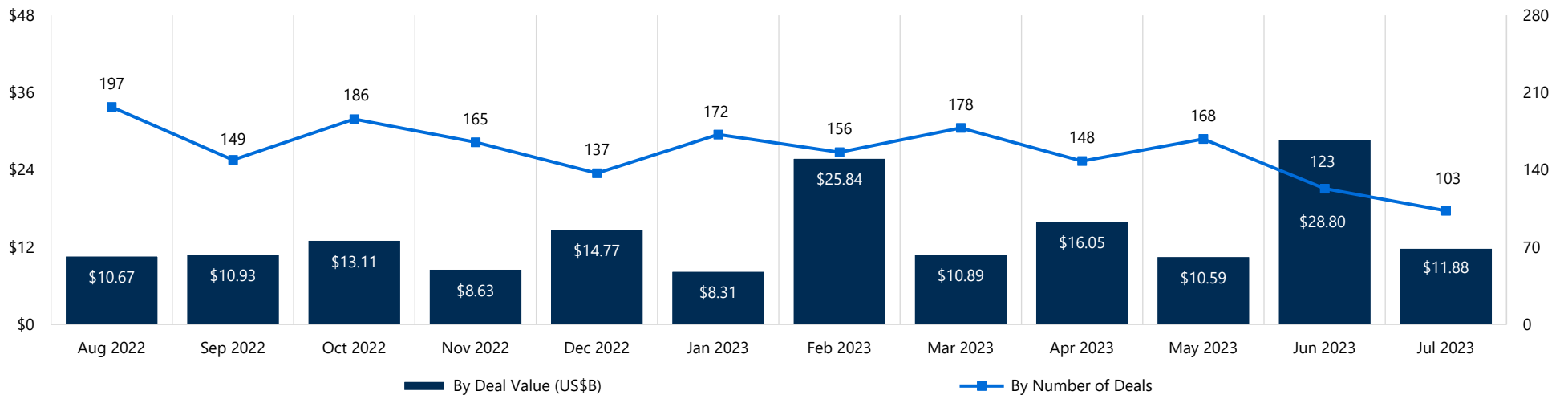
Global Number of Deals



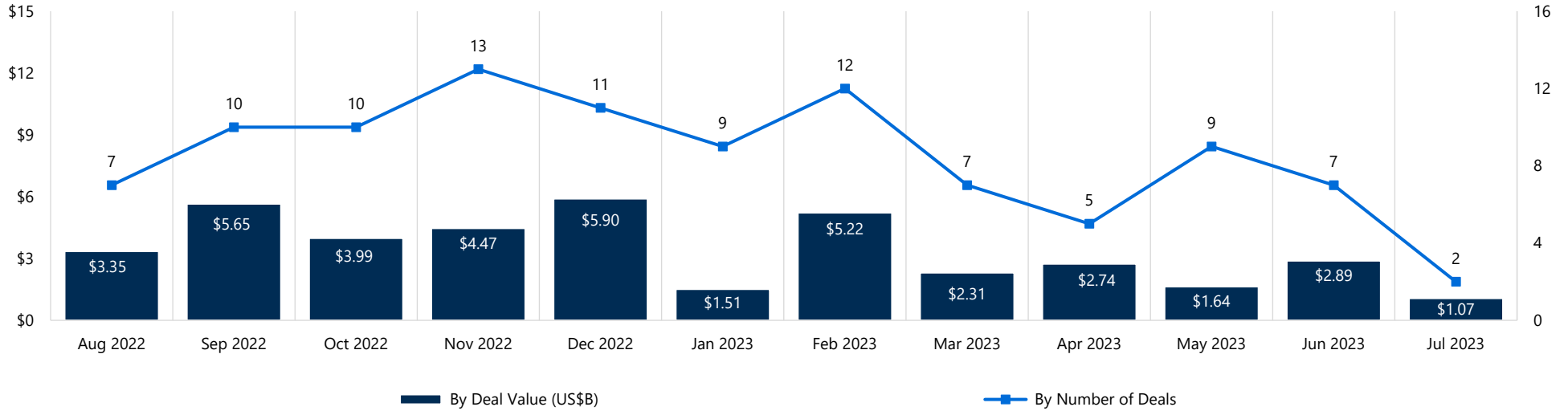
Inbound U.S. Crossborder Transactions



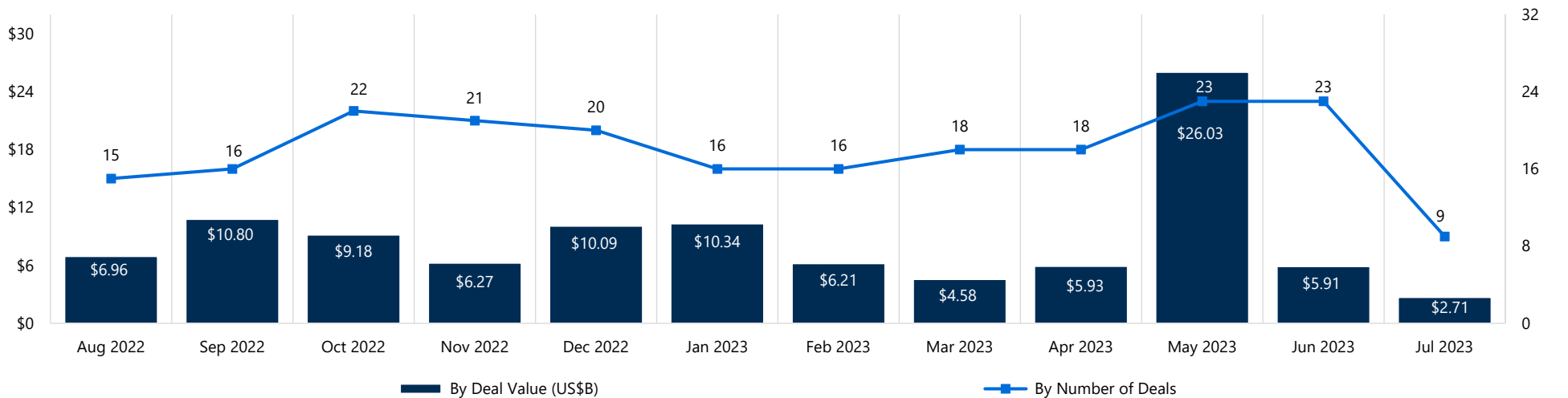
Outbound U.S. Crossborder Transactions



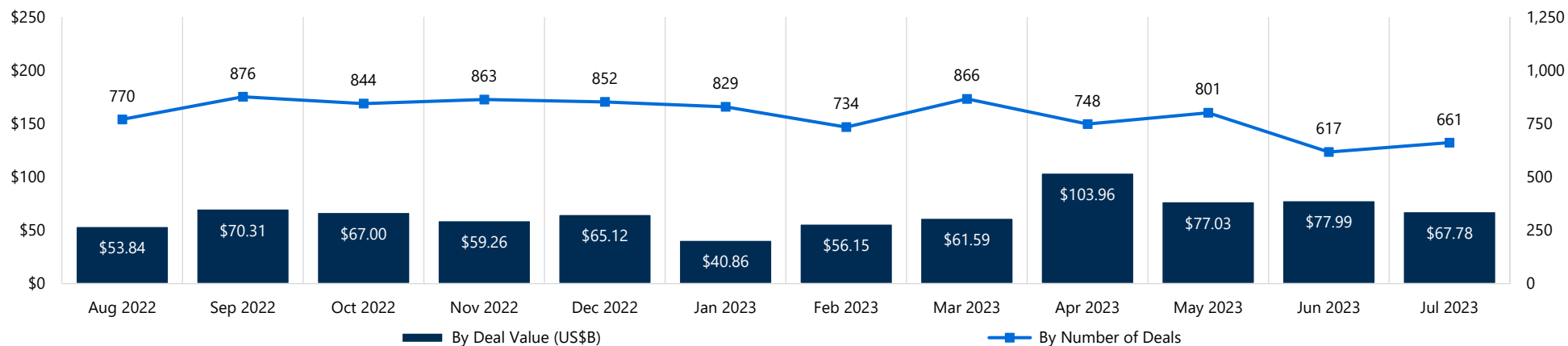
U.S. SPAC Acquisitions¹⁸



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 nine transactions in July 2023.
- Financial and strategic categories are determined by Deal Point Data.
- Five transactions in July 2023 had a reverse break fee.
- Two transactions in July 2023 involving a financial buyer had a reverse break fee.
- Three transactions in July 2023 involving a strategic buyer had a reverse break fee.
- Three transactions in July 2023 involved a financial buyer.
- Six transactions in July 2023 involved a strategic buyer.
- Two transactions in July 2023 had a go-shop provision.
- Two transactions in July 2023 involving a financial buyer had a go-shop provision.
- No transactions in July 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 July 2023, each of Canada and the U.K. was the country of origin for 13 transactions, and each of Australia, Italy & Switzerland was the country of origin for five transactions.
- In July 2023, each of Australia and Brazil was the country of destination for five 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 August 2022 to July 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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