

M&A AT A GLANCE

SEPTEMBER 2023 | ISSUE 138

Key Takeaways

- U.S. and global M&A activity was mixed in August compared to July but declined across the board year over year. Compared to July, both U.S. and global activity were up by total deal value (14% and 11%, respectively), but down more significantly by number of deals (26% and 36%, respectively). Compared to August 2022, however, all metrics were down, with both U.S. and global total deal value down 9%, and the number of U.S. and global deals down 44% and 45%, respectively.
- Both in comparison to July and to August 2022, strategic M&A has fared slightly better than sponsor-related activity. Compared to July, U.S. and global strategic total deal values were up 34% and 25%, respectively, while sponsor total deal values were down 6% in the U.S. and 16% globally. The number of U.S. strategic deals and global strategic deals fell 25% and 36%, respectively, while the number of sponsor deals fell 28% in the U.S. and 40% globally. Year over year, strategic total deal value was down 10% in the U.S. and 9% globally, while sponsor total deal value was down 8% in the U.S. and 9% globally. The number of strategic deals was down 41% in the U.S. and 44% globally year over year, while the number of sponsor deals was down slightly more at 51% in the U.S. and 48% globally.
- U.S. inbound crossborder activity was down in August as compared to July. Inbound total deal value was down 26% and the number of inbound deals down 25%. Outbound activity was mixed in August as compared to July, increasing 6% by total deal value, but falling 10% by the number of deals.
- Oil & Gas was the most active industry in the U.S. by total deal value in August, while Computers & Electronics led by number of deals. Several industries saw big increases in total deal value this month, including Dining & Lodging (up a significant 15,789% from July), which was led by Roark Capital Group Inc.'s acquisition of Subway IP LLC (Paul, Weiss advised Roark Capital).
- U.S. public merger highlights in June include the following:
 - Cash-only was the consideration in 63% of deals, consistent with the last 12-month (LTM) average.
 - The average reverse break fee was 7.5%, significantly above the LTM average of 5.7%.
 - The average break fee was 3.7%, above the LTM average of 3.4%.
 - Two sponsor-related deals had a go-shop, representing 13% of deals for the month, above the LTM average of 8%.
 - 25% of deals involved tender offers, well above the LTM average of 15%.
 - Hostile and unsolicited deals comprised 11% of deals, compared to 19% LTM.
 - Average unaffected premiums were 42%, below the LTM average of 47%.

Strategic vs. Sponsor Activity

U.S.
Total
\$97.7 billion – ▲13.7%
582 deals – ▼25.6%
Strategic
\$56.5 billion – ▲33.5%
425 deals – ▼24.6%
Sponsor
\$41.2 billion – ▼5.5%
157 deals – ▼28.0%

Global
Total
\$222.6 billion – ▲10.5%
1,816 deals – ▼36.4%
Strategic
\$162.6 billion – ▲24.7%
1,495 deals – ▼35.6%
Sponsor
\$60.0 billion – ▼15.5%
321 deals – ▼39.9%

Crossborder Activity

U.S. Inbound	U.S. Outbound
\$11.4 billion ▼25.9%	\$14.3 billion ▲5.5%
74 deals ▼24.5%	98 deals ▼10.1%
leading country U.K. – \$5.7 billion Canada – 12 deals	leading country U.K. – \$5.9 billion U.K. – 21 deals
leading country last 12 months Canada – \$39.7 billion Canada – 286 deals	leading country last 12 months Australia – \$26.1 billion U.K. – 351 deals

Industry Activity

 most deals 167 deals Computers & Electronics	 last 12 months 3,085 deals Computers & Electronics
 most dollar value \$11.6 billion Oil & Gas	 last 12 months \$277.9 billion Healthcare

SPAC Acquisitions

 \$1.6 billion ▲17.5%	6 deals ▲100.0%	 \$11.4 billion ▲280.6%	21 deals ▲110.9%
---	--------------------	---	---------------------

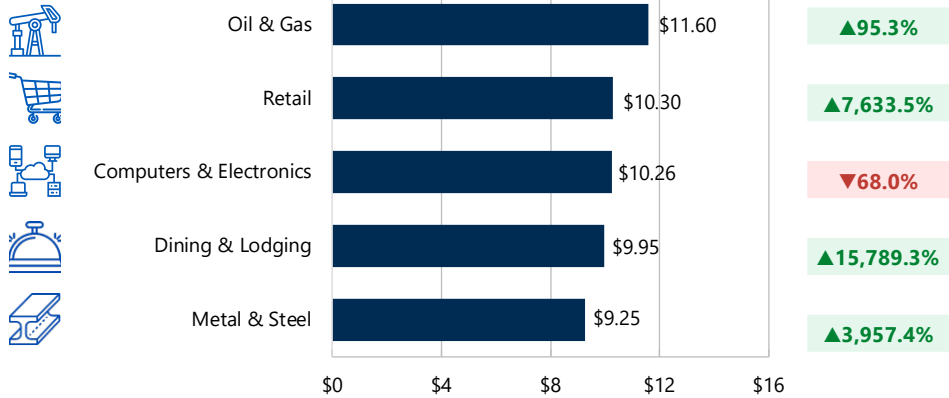
All data is for August 2023, and is as of September 11, 2023 unless otherwise specified. Each metric in this publication that references deal volume by dollar value is calculated from the subset of the total number of deals that includes a disclosed deal value.

Most Active U.S. Target Industries¹

Deal Value (US\$B)

August 2023

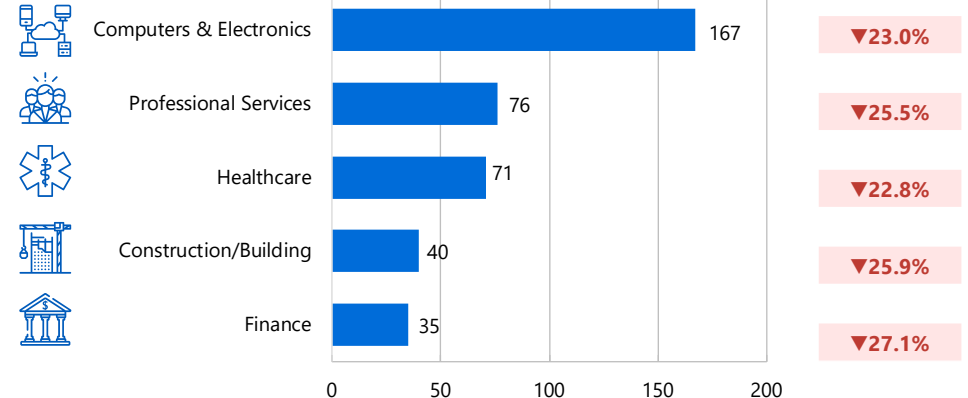
+/- from last month



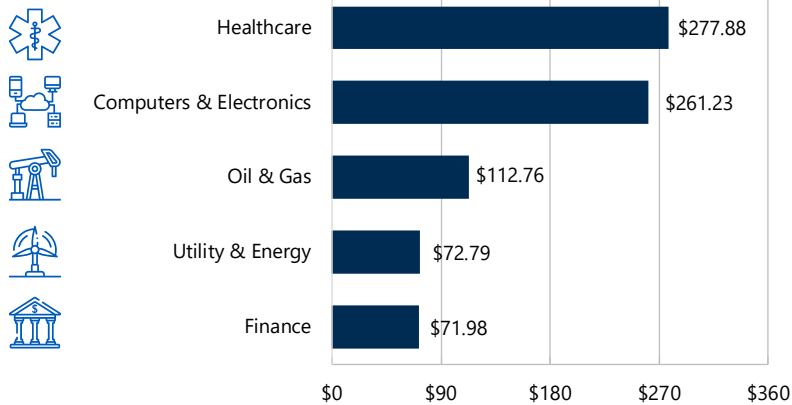
Number of Deals

August 2023

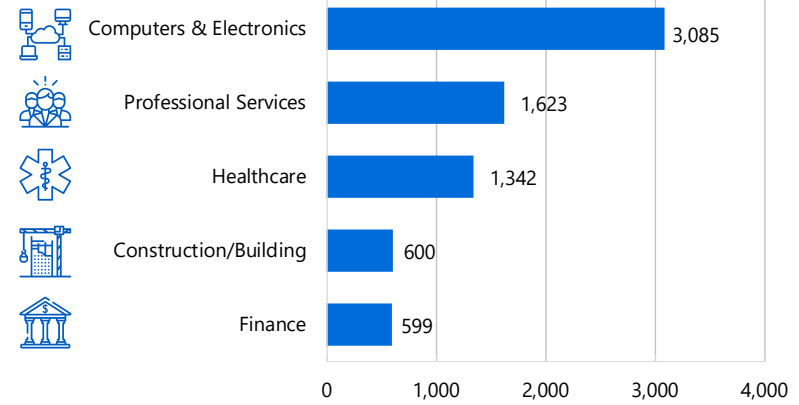
+/- from last month



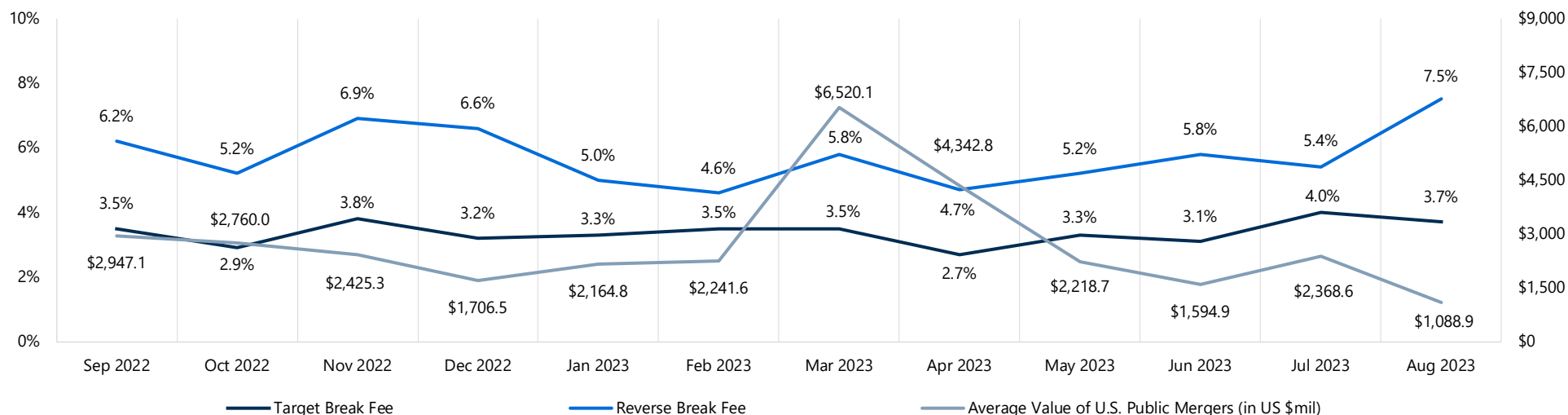
Last 12 Months



Last 12 Months



Average Break Fees as % of Equity Value²



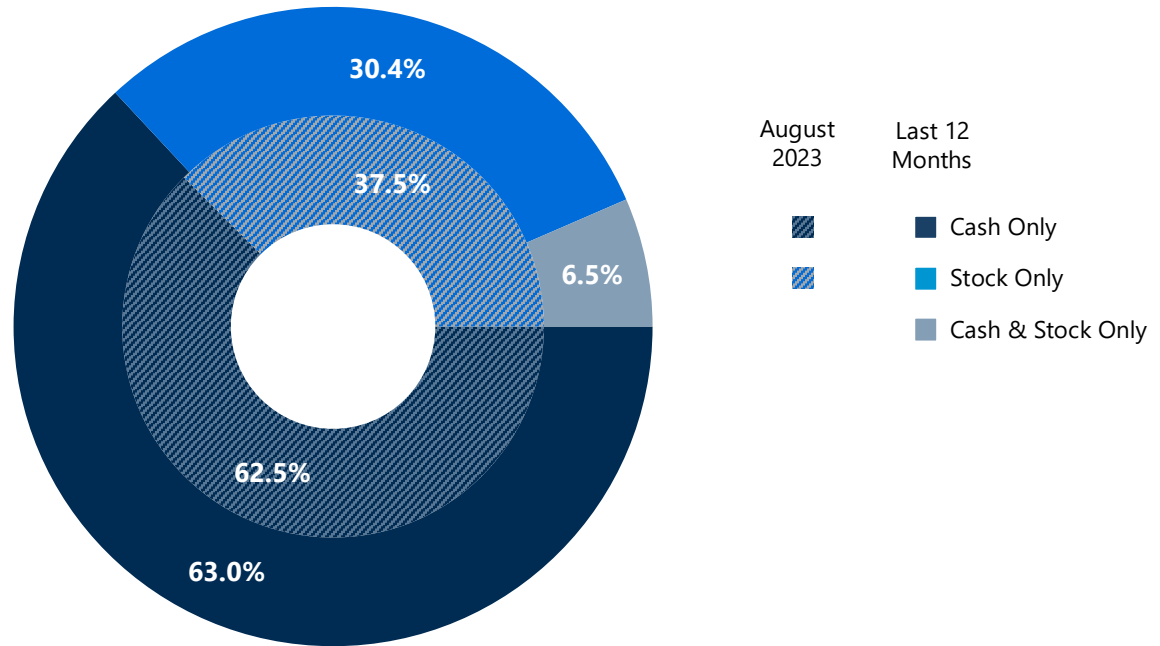
Average Break Fees as % of Equity Value^{3,4}

	August 2023	Last 12 Months
Target Break Fee for All Mergers	3.7	3.4
Reverse Break Fee for All Mergers ⁵	7.5	5.7
Reverse Break Fee for Mergers Involving Financial Buyers ⁶	8.8	7.2
Reverse Break Fee for Mergers Involving Strategic Buyers ⁷	5.8	4.9

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

	August 2023	Last 12 Months
% of Mergers with Go-Shops	12.5	8.0
% of Mergers Involving Financial Buyers with Go-Shops ⁸	33.3	26.3
% 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	25.0	35.9
Avg. Go-Shop Window (in Days) for Mergers Involving Financial Buyers with Go-Shops ¹¹	25.0	36.5
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

August 2023	25.0
Last 12 Months	14.5

Unaffected Premium %^{14, 15}

August 2023	42.0
Last 12 Months	47.0

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

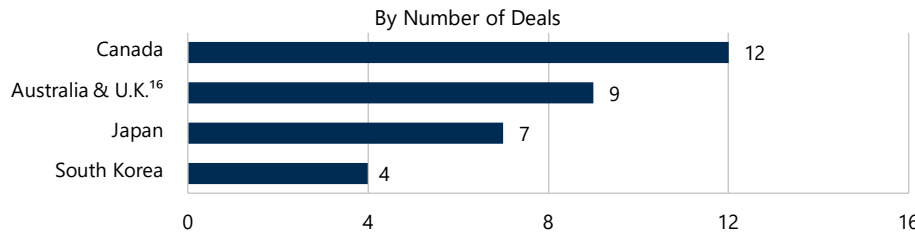
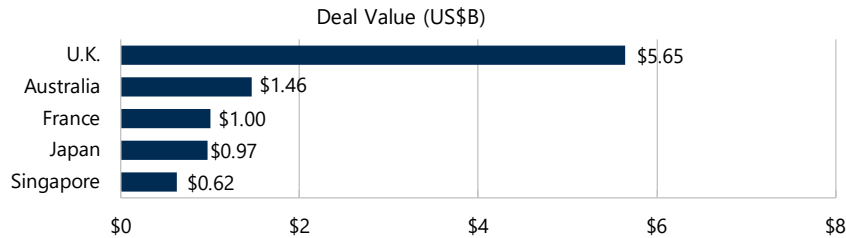
August 2023	11.1
Last 12 Months	18.9

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

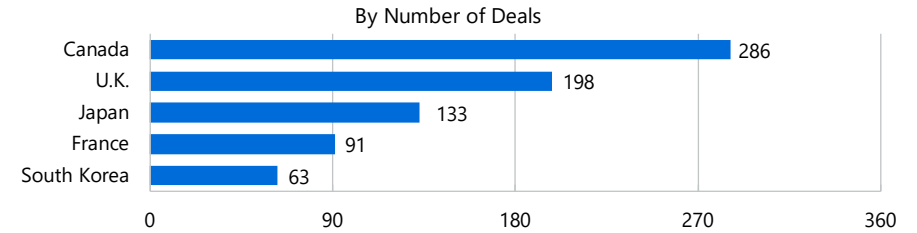
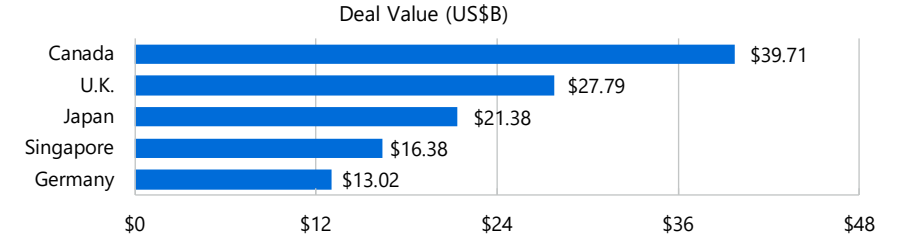
August 2023	2.2
Last 12 Months	1.7

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

Inbound U.S. Crossborder Transactions for August 2023

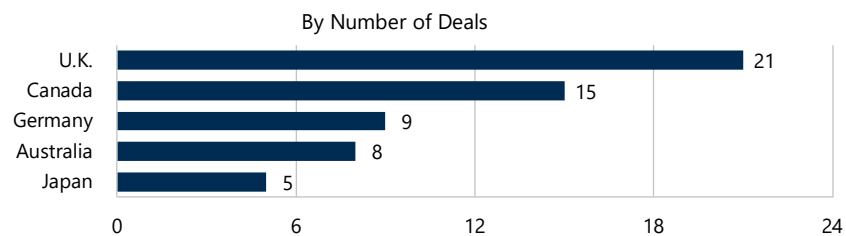
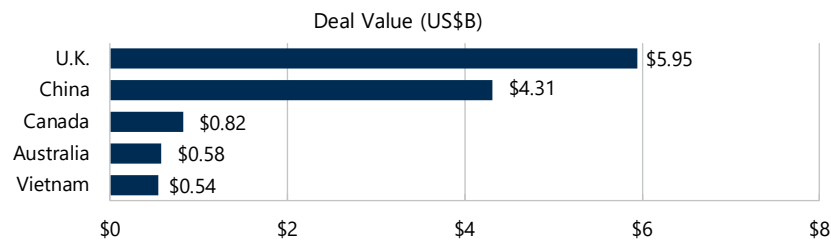


Inbound U.S. Crossborder Transactions for the Last 12 Months

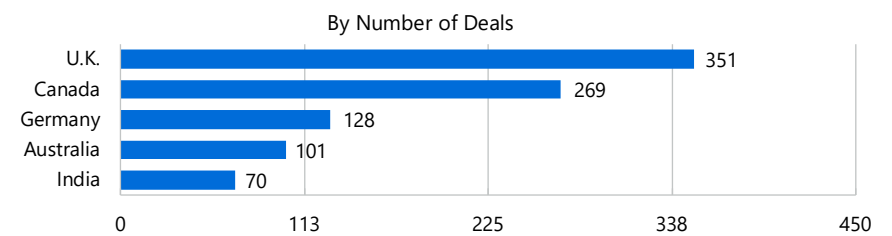
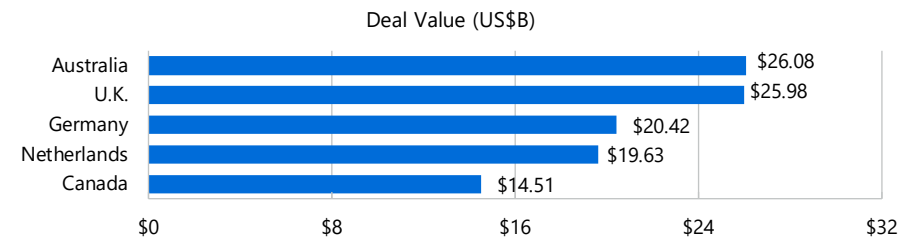


Top 5 Countries of Destination for Outbound U.S. Crossborder Transactions

Outbound U.S. Crossborder Transactions for August 2023

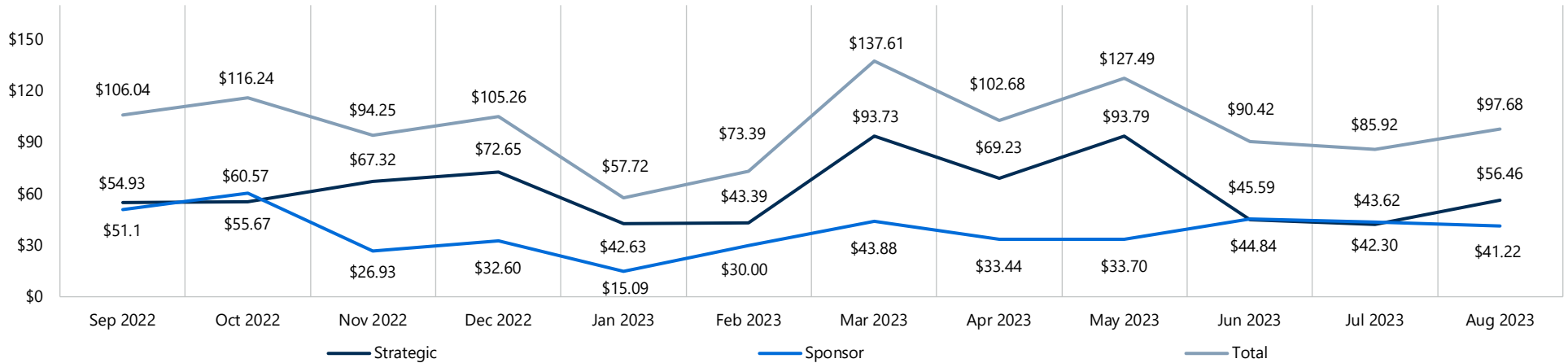


Outbound U.S. Crossborder Transactions for the Last 12 Months

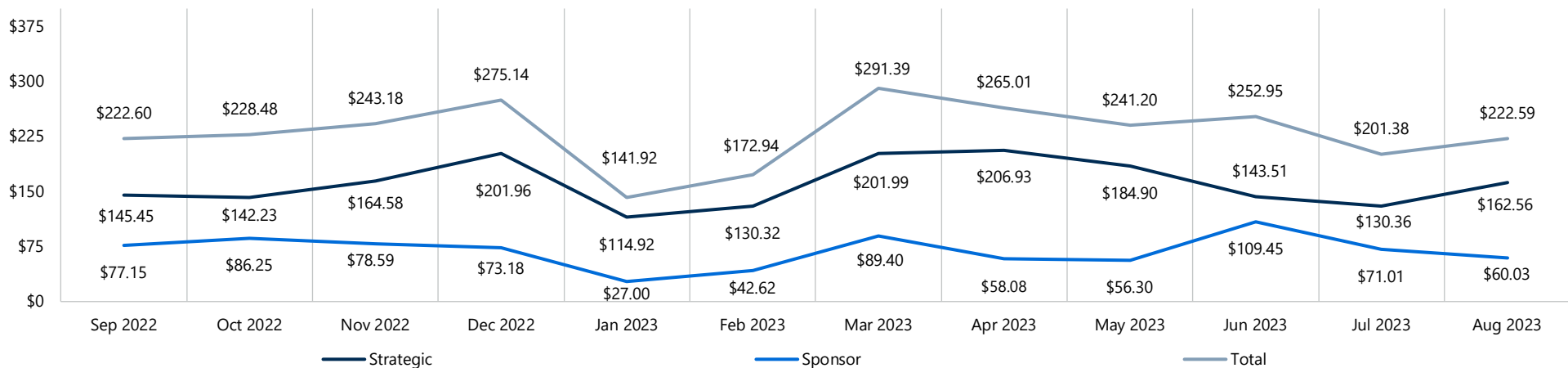


Appendix: M&A Activity – 12 Month Trends

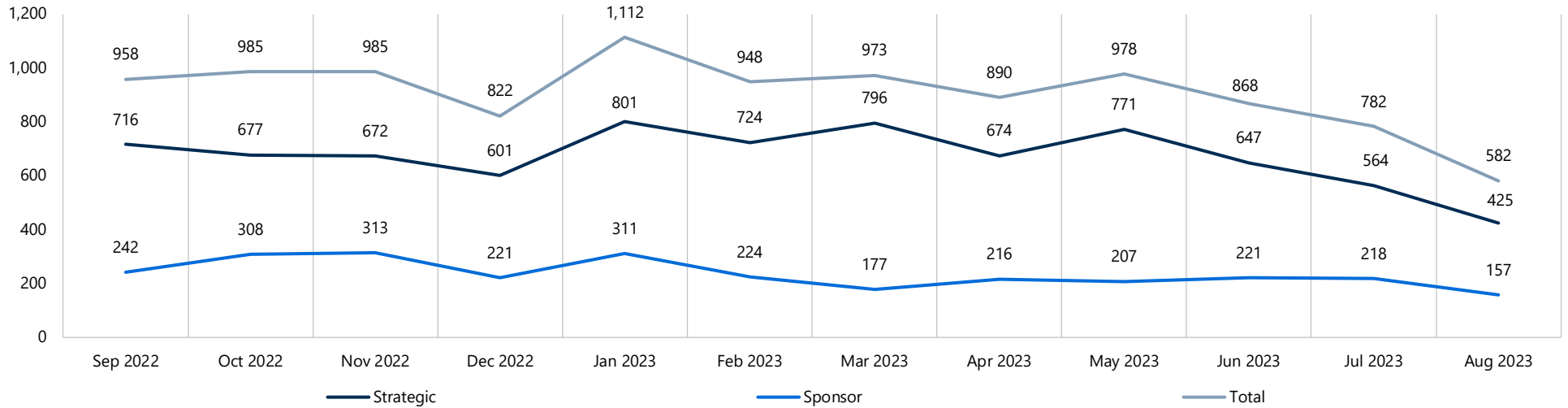
U.S. Deal Value (US\$B)



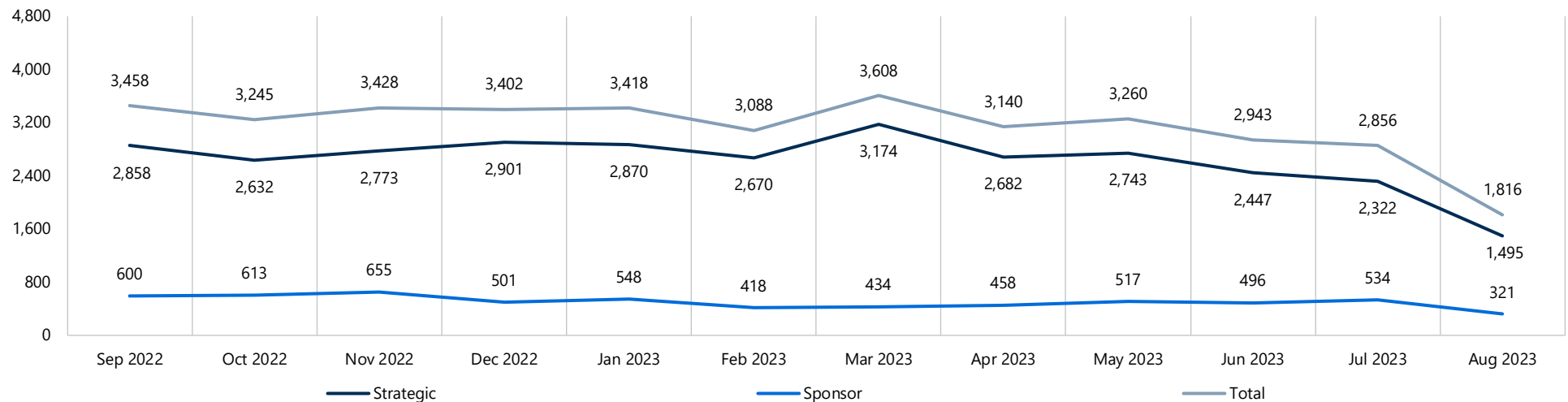
Global Deal Value (US\$B)



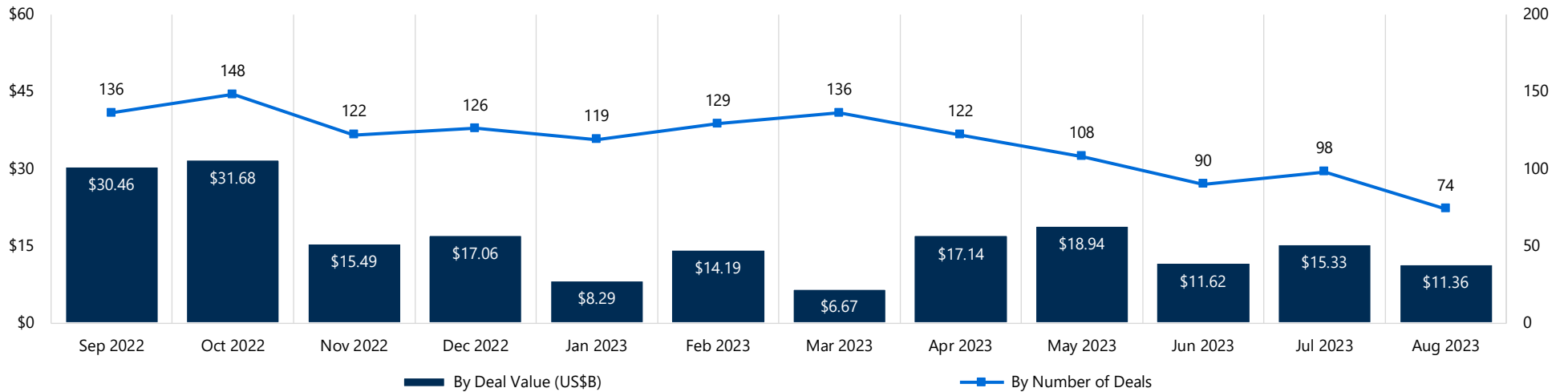
U.S. Number of Deals



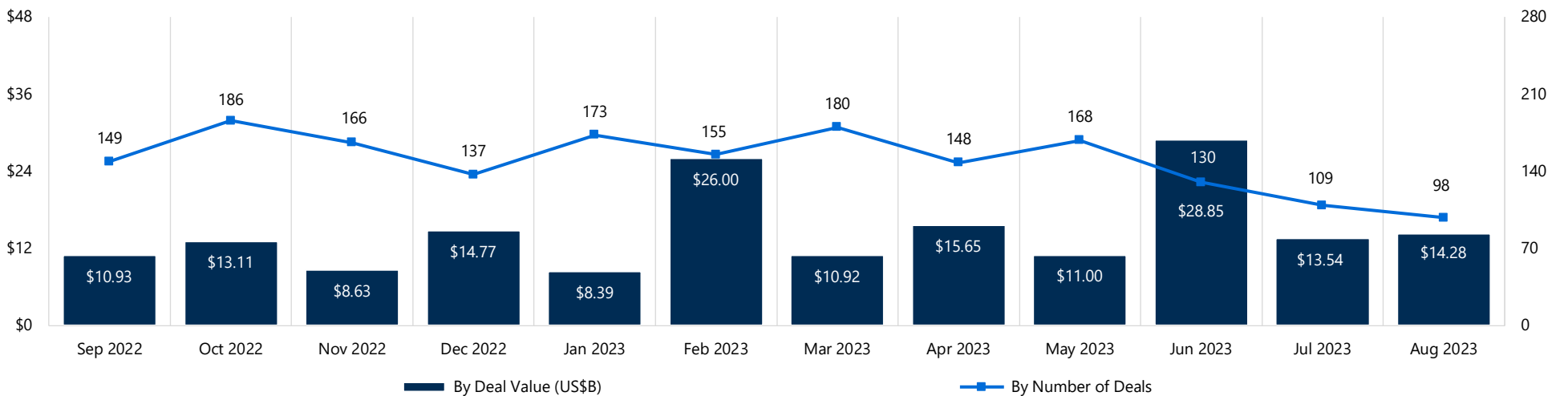
Global Number of Deals



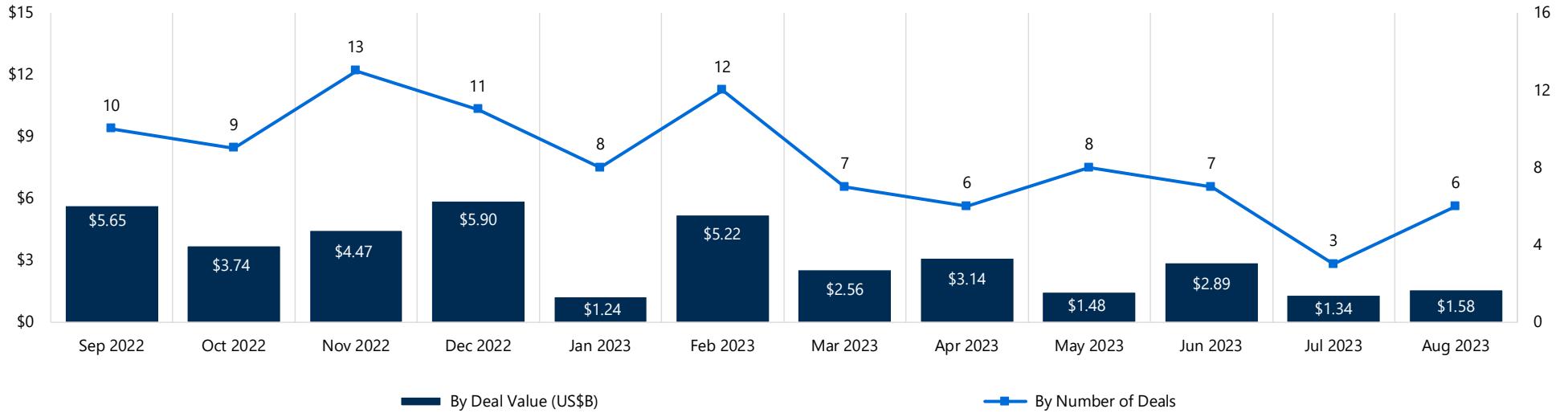
Inbound U.S. Crossborder Transactions



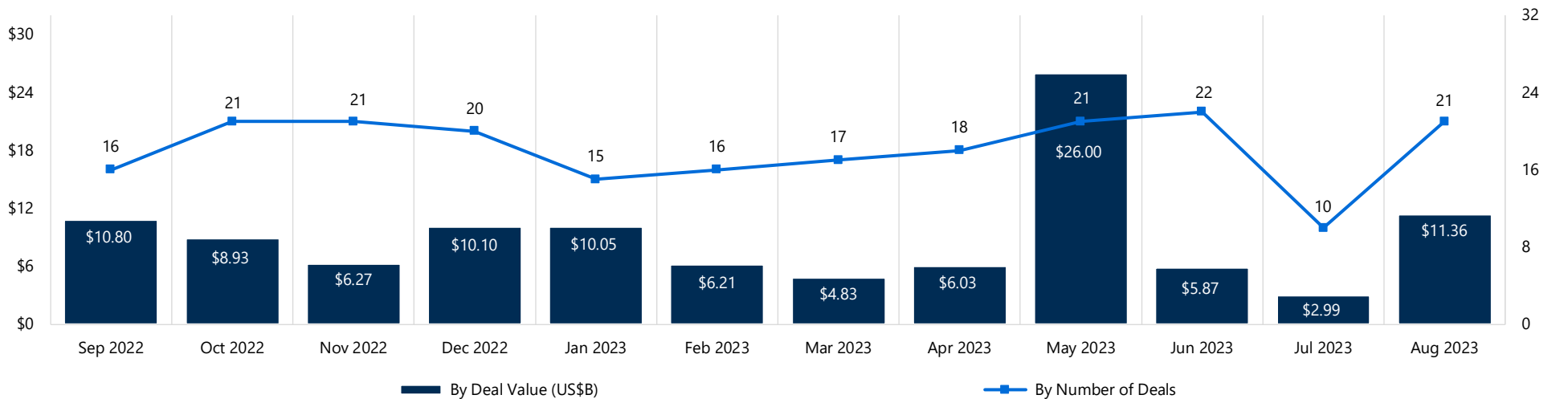
Outbound U.S. Crossborder Transactions



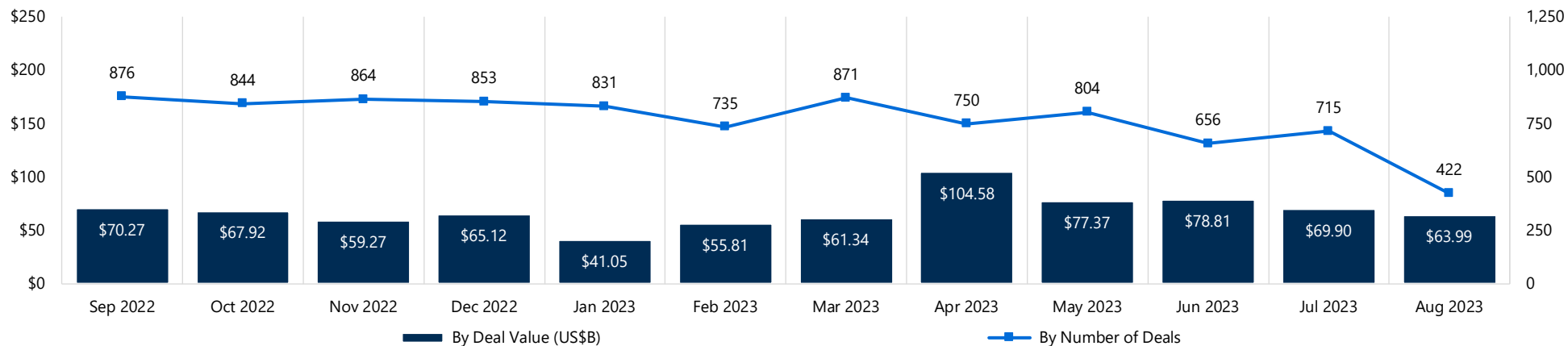
U.S. SPAC Acquisitions¹⁷



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 16 transactions in August 2023.
- Financial and strategic categories are determined by Deal Point Data.
- Nine transactions in August 2023 had a reverse break fee.
- Five transactions in August 2023 involving a financial buyer had a reverse break fee.
- Four transactions in August 2023 involving a strategic buyer had a reverse break fee.
- Six transactions in August 2023 involved a financial buyer.
- Ten transactions in August 2023 involved a strategic buyer.
- Two transactions in August 2023 had a go-shop provision.
- Two transactions in August 2023 involving a financial buyer had a go-shop provision.
- No transactions in August 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 August 2023, each of Australia and the U.K. was the country of origin for 9 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 September 2022 to August 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
	\$20B	WestRock	Combination with Smurfit Kappa, creating Smurfit WestRock
	\$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 Apptio

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
	—	Roark Capital Group	Acquisition of Subway
	—	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:

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

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

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

Kyle T. Seifried
+1-212-373-3220
[Email](#)

Laura C. Turano
+1-212-373-3659
[Email](#)

Krishna Veeraraghavan
+1-212-373-3661
[Email](#)

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

Counsel Frances F. Mi, legal consultant Cara Grisin Fay, associates Susan Harling, Dan Kang, Michelle Van Sleet and Evan Yoo and staff attorney Max Melion contributed to this publication.

Our M&A 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 approximately 40 partners and 125 counsel and associates based in New York, Washington, Wilmington, London, San Francisco, Toronto, Tokyo, Hong Kong and Beijing. The firm's Corporate Department consists of more than 75 partners and roughly 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.

Our M&A Partners

[Matthew W. Abbott](#)

[Adam M. Givertz](#)

[Brian C. Lavin](#)

[Brian Scrivani](#)

[Michael Vogel](#)

[Edward T. Ackerman](#)

[Neil Goldman](#)

[Xiaoyu Greg Liu](#)

[Kyle T. Seifried](#)

[Samuel J. Welt](#)

[Scott A. Barshay](#)

[Ian M. Hazlett](#)

[Jeffrey D. Marell](#)

[Cullen L. Sinclair](#)

[Steven J. Williams](#)

[Angelo Bonvino](#)

[Roger Johnson](#)

[Judie Ng Shortell](#)

[Megan Ward Spelman](#)

[Bosco Yiu](#)

[Gerald Brant](#)

[Robert A. Kindler](#)

[Austin Pollet](#)

[Sarah Stasny](#)

[Kaye N. Yoshino](#)

[Ellen N. Ching](#)

[Jeffrey L. Kochian](#)

[Ravi Purohit](#)

[Laura C. Turano](#)

[Tong Yu](#)

[Ross A. Fieldston](#)

[Andrew D. Krause](#)

[Kenneth M. Schneider](#)

[Krishna Veeraraghavan](#)

[Taurie M. Zeitzer](#)

[Brian P. Finnegan](#)

[David K. Lakhdir](#)

[Robert B. Schumer](#)

[Jeremy M. Veit](#)