

Key Takeaways

- ▶ Strategic activity ramped up in October, with strategic total deal values reaching their highest levels since February 2021 in the United States and since December 2021 globally. U.S. and global strategic deal values and deal counts were up significantly compared to September (increasing 150% and 30%, respectively, in the United States and 90% and 13%, respectively, globally). Year over year (“YOY”), strategic deal counts are still down (falling 16% in the United States and 18% globally), but strategic deal value is up 250% in the United States and 101% globally. In contrast, sponsor activity was down 59% in the United States and 43% globally by total deal value compared to September, and also fell 70% in the United States and 50% globally YOY. The total number of sponsor deals was up compared to September (increasing 18% in the United States and 17% globally), but fell YOY (down 35% in the United States and 26% globally).
- ▶ Notwithstanding lower sponsor activity, October was still a month of growth for U.S. and global M&A compared to September. U.S. total deal value was up 74% compared to September and 114% YOY. Similarly, global total deal value was up 47% compared to September and 45% YOY. While the total number of U.S. deals was up 27% compared to September, it fell 21% YOY. The total number of global deals was up 14% compared to September, but fell 19% YOY.
- ▶ U.S. inbound crossborder total deal value in October fell 65% compared to September and 49% YOY. The number of inbound deals was up 11% over September and down 32% YOY. October’s leading countries of origin by total inbound deal value and number of inbound deals were Switzerland and the United Kingdom, respectively, while Canada led by both measures for the last 12-month (LTM) period. U.S. outbound total deal value in October was up a significant 200% compared to September and 23% YOY. The number of outbound deals was up 33% over September, but fell by the same percentage YOY. Sweden was the leading country of destination for outbound deals in October, while Australia led by the same measure LTM. The United Kingdom led by number of outbound deals, both in October and for the LTM period.
- ▶ Oil & Gas was the most active industry in the United States by total deal value in October (up 3,762% over September), with the two largest deals of the month falling within that industry. This included Exxon Mobil Corp.’s acquisition of Pioneer Natural Resources Co. and Chevron Corp.’s acquisition of Hess Corp. (Paul, Weiss advised Chevron). Healthcare was the most active industry in the United States by total deal value for the LTM period, while Computers & Electronics led by number of deals, both in October and the LTM period.
- ▶ U.S. public merger highlights in October included the following:
 - 53% of deals were cash-only, below the LTM average of 60%.
 - Average reverse break fees were 5.8%, in line with the LTM average of 5.7%.
 - 13% of deals involved tender offers, below the LTM average of 16%.
 - 11% of deals were hostile or unsolicited, compared to 17% LTM.
 - Average unaffected premiums were 48%, consistent with the LTM average of 47%.

Strategic vs. Sponsor Activity

U.S.
Total
\$215.1 billion – ▲73.8%
772 deals – ▲27.0%
Strategic
\$196.9 billion – ▲147.9%
570 deals – ▲30.4%
Sponsor
\$18.2 billion – ▼58.9%
202 deals – ▲18.1%

Global
Total
\$328.8 billion – ▲46.5%
2,617 deals – ▲13.7%
Strategic
\$286.6 billion – ▲90.1%
2,157 deals – ▲13.1%
Sponsor
\$42.2 billion – ▼42.7%
460 deals – ▲16.5%

Crossborder Activity

U.S. Inbound	U.S. Outbound
\$16.2 billion	\$16.2 billion
▼64.8%	▲199.6%
100 deals	125 deals
▲11.1%	▲33.0%
leading country Switzerland – \$7.3 billion	leading country Sweden – \$3.8 billion
U.K. – 18 deals	U.K. – 24 deals
leading country last 12 months Canada – \$55.0 billion	leading country last 12 months Australia – \$23.3 billion
Canada – 270 deals	U.K. – 331 deals

Industry Activity

 <p>most deals 216 deals Computers & Electronics</p>	 <p>last 12 months 2,933 deals Computers & Electronics</p>
 <p>most dollar value \$127.1 billion Oil & Gas</p>	 <p>last 12 months \$290.2 billion Healthcare</p>

SPAC Acquisitions

 <p>\$1.5 billion 5 deals ▲17.0% ▲25.0%</p>	 <p>\$5.9 billion 15 deals ▲240.1% ▲66.7%</p>
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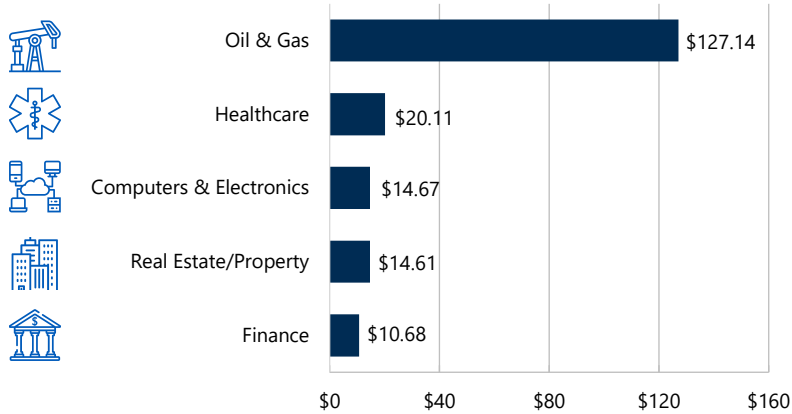
All data is for October 2023, and is as of November 10, 2023 unless otherwise specified. Each metric in this publication that references deal volume by dollar value is calculated from the subset of the total number of deals that includes a disclosed deal value.

Most Active U.S. Target Industries¹

Deal Value (US\$B)

October 2023

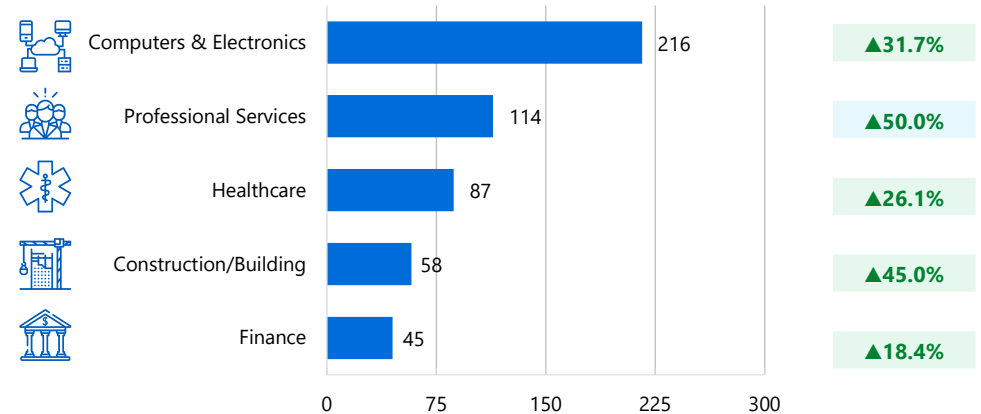
+/- from last month



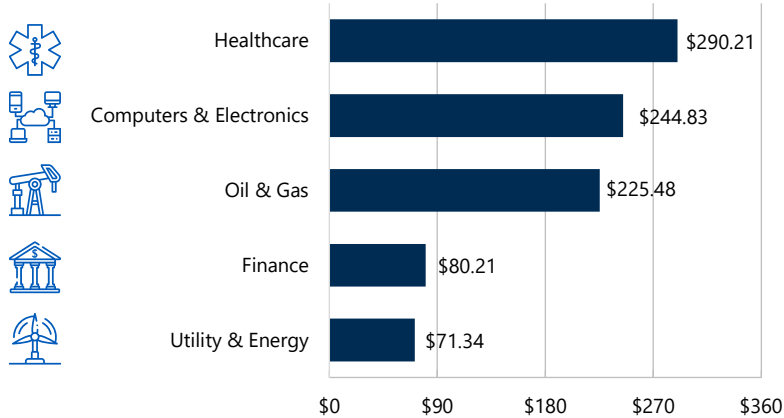
Number of Deals

October 2023

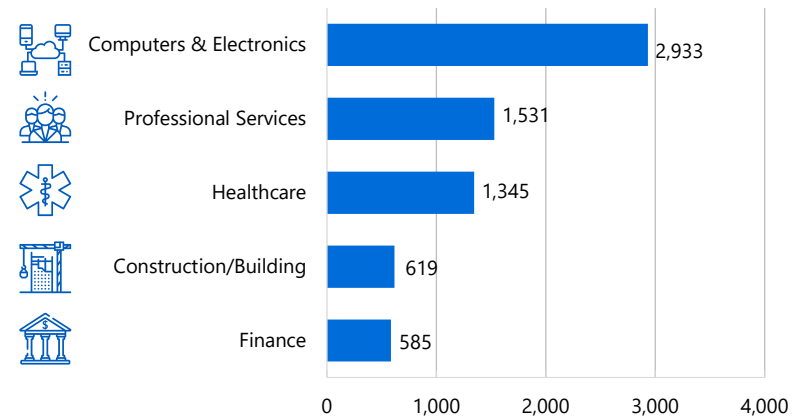
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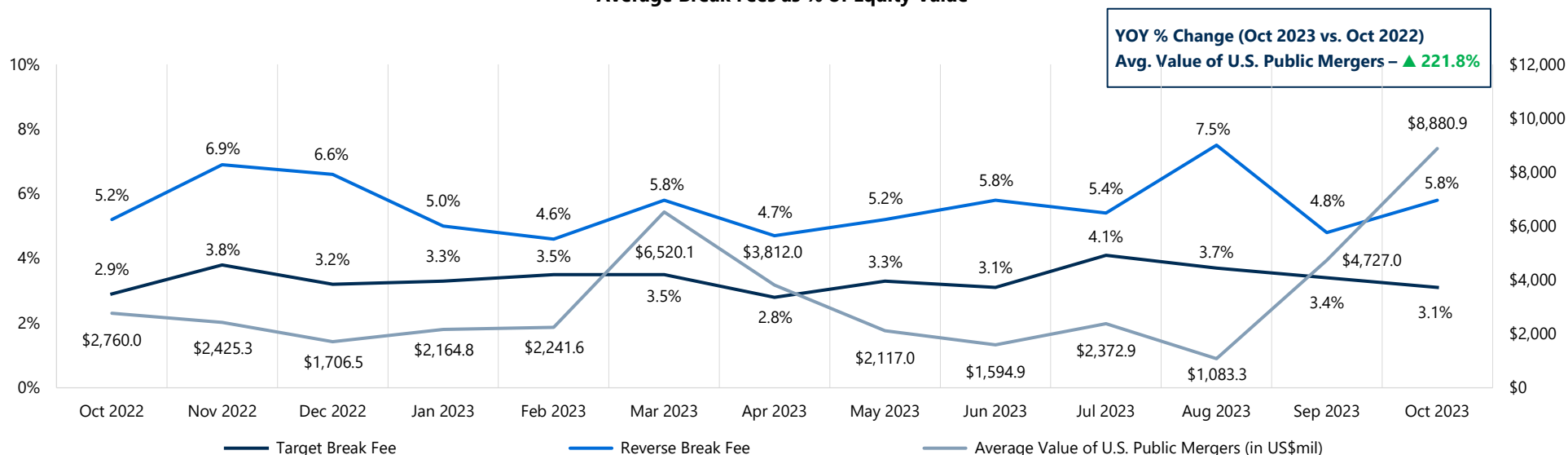
Last 12 Months



Last 12 Months



Average Break Fees as % of Equity Value²



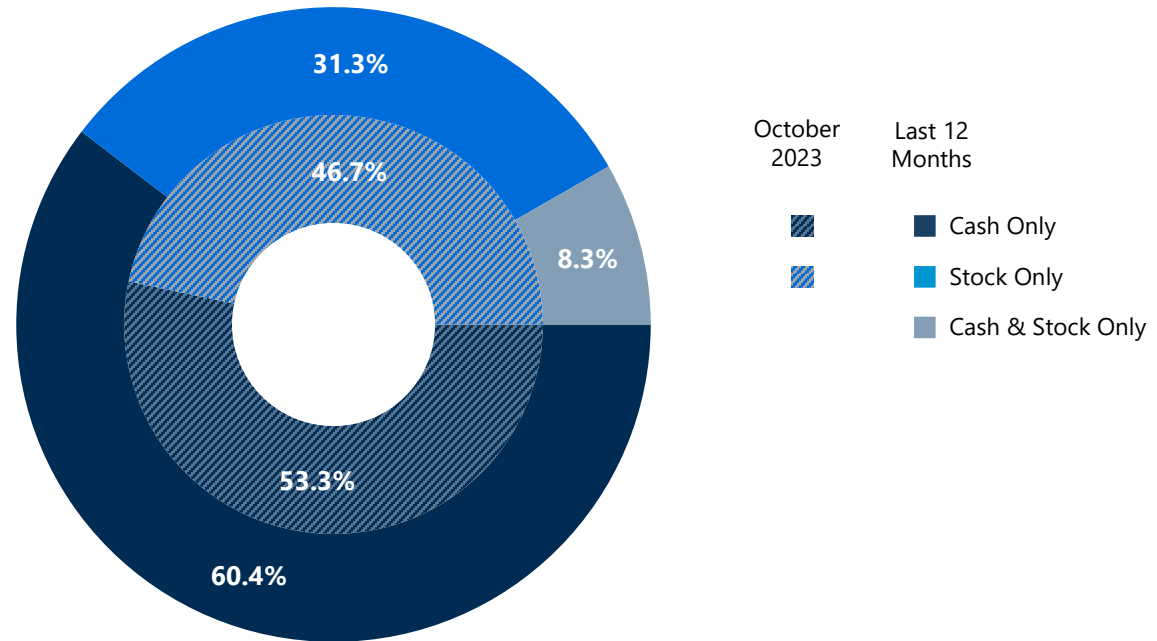
Average Break Fees as % of Equity Value^{3,4}

	October 2023	Last 12 Months
Target Break Fee for All Mergers	3.1	3.4
Reverse Break Fee for All Mergers ⁵	5.8	5.7
Reverse Break Fee for Mergers Involving Financial Buyers ⁶	N/A	7.2
Reverse Break Fee for Mergers Involving Strategic Buyers ⁷	5.8	4.9

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

	October 2023	Last 12 Months
% of Mergers with Go-Shops	6.7	7.6
% of Mergers Involving Financial Buyers with Go-Shops ⁸	100.0	27.8
% of Mergers Involving Strategic Buyers with Go-Shops ⁹	0.0	0.9
Avg. Go-Shop Window (in Days) for All Mergers with Go-Shops ¹⁰	30.0	34.5
Avg. Go-Shop Window (in Days) for Mergers Involving Financial Buyers with Go-Shops ¹¹	30.0	35.0
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

October 2023	13.3
Last 12 Months	16.0

Unaffected Premium %^{14, 15}

October 2023	47.9
Last 12 Months	46.8

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

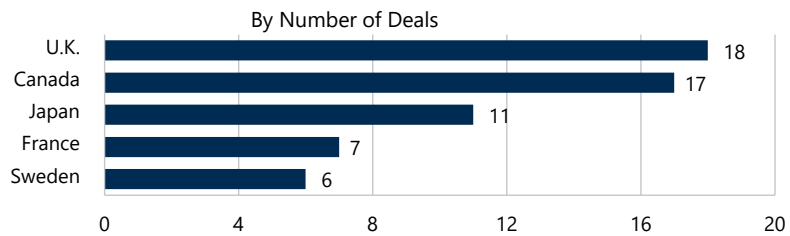
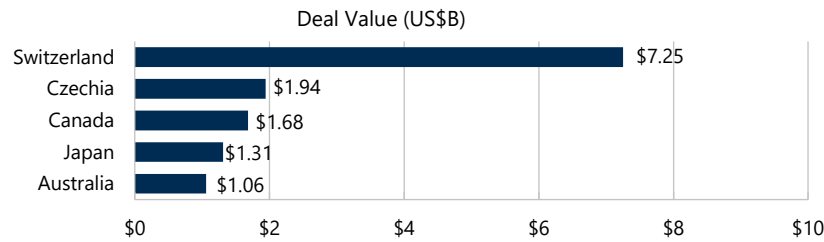
October 2023	11.1
Last 12 Months	16.6

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

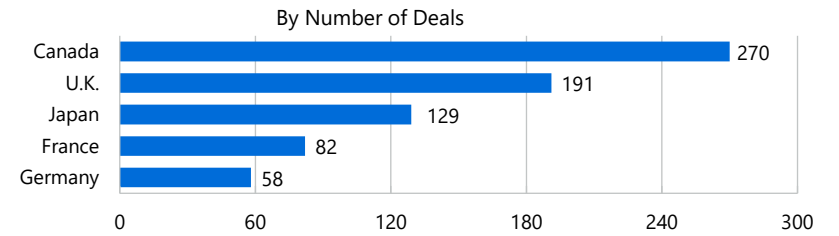
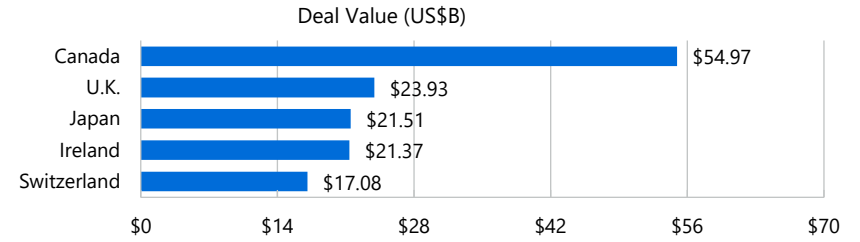
October 2023	1.8
Last 12 Months	1.6

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

Inbound U.S. Crossborder Transactions for October 2023

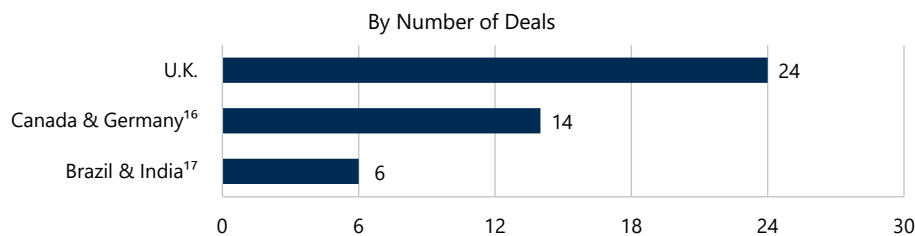
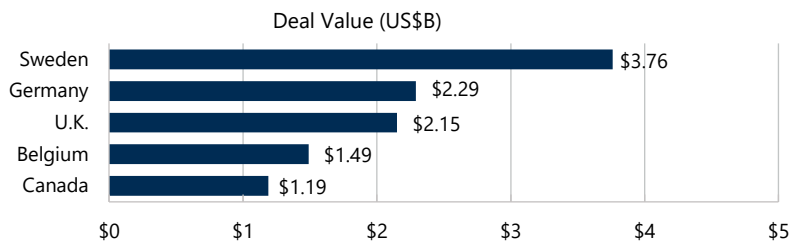


Inbound U.S. Crossborder Transactions for the Last 12 Months

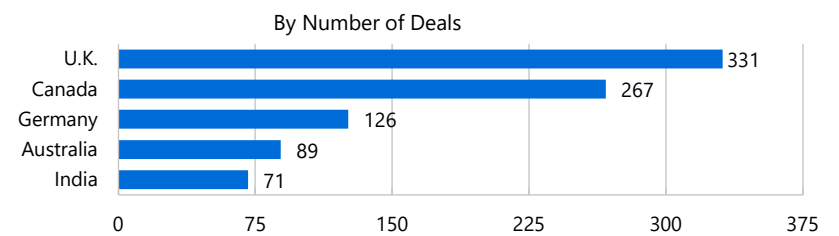
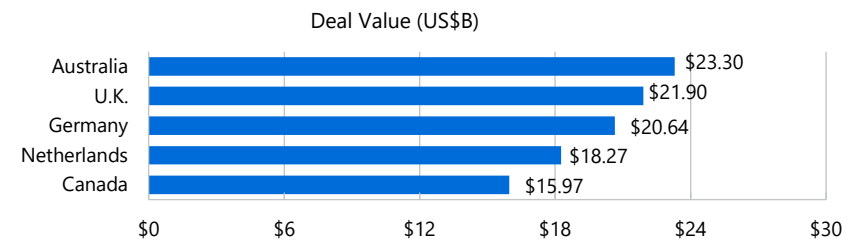


Top 5 Countries of Destination for Outbound U.S. Crossborder Transactions

Outbound U.S. Crossborder Transactions for October 2023

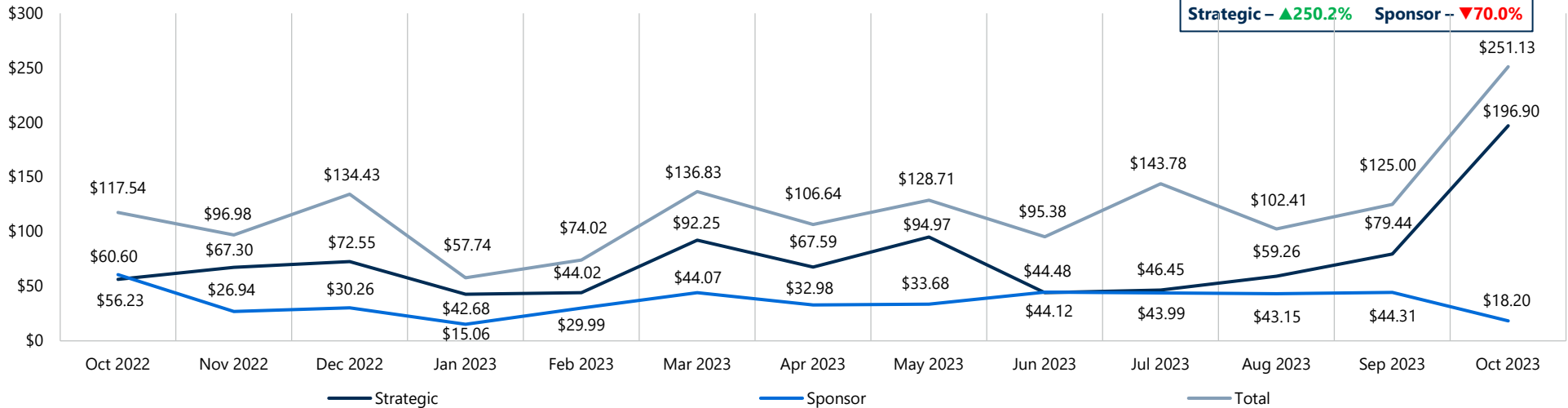


Outbound U.S. Crossborder Transactions for the Last 12 Months

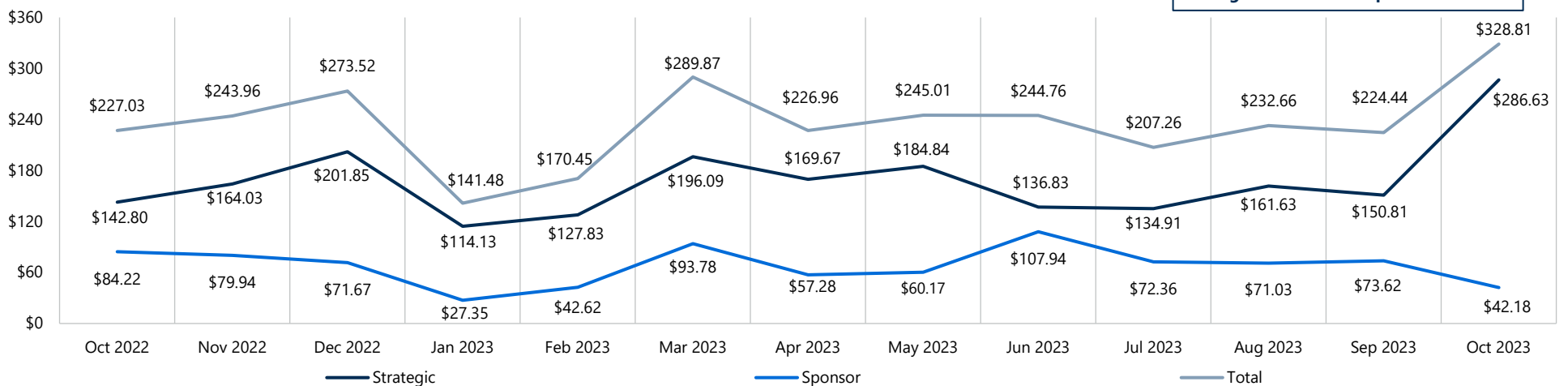


Appendix: M&A Activity – 12 Month Trends

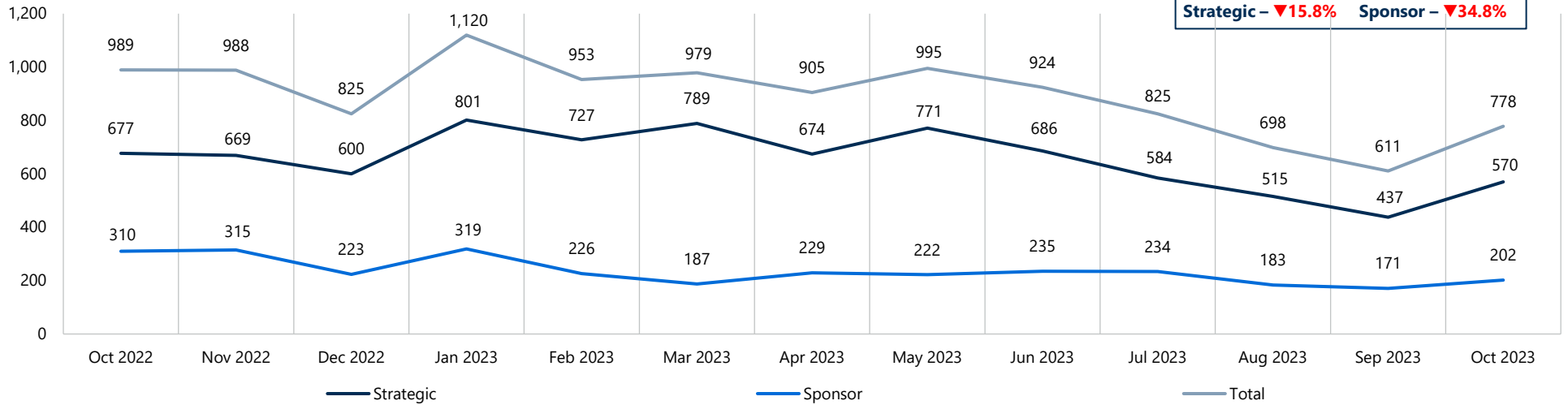
U.S. Deal Value (US\$B)



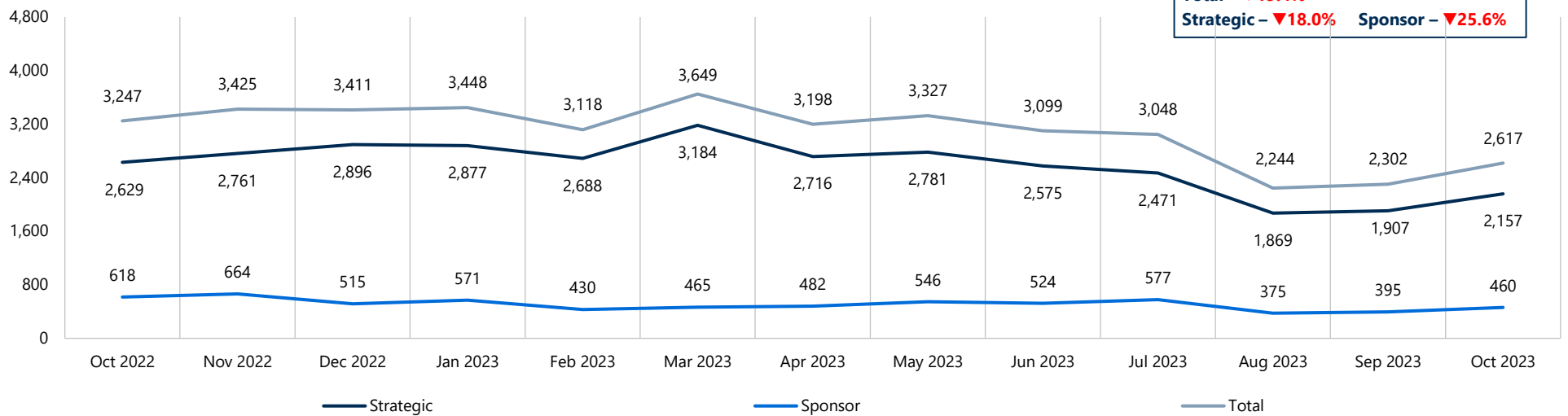
Global Deal Value (US\$B)



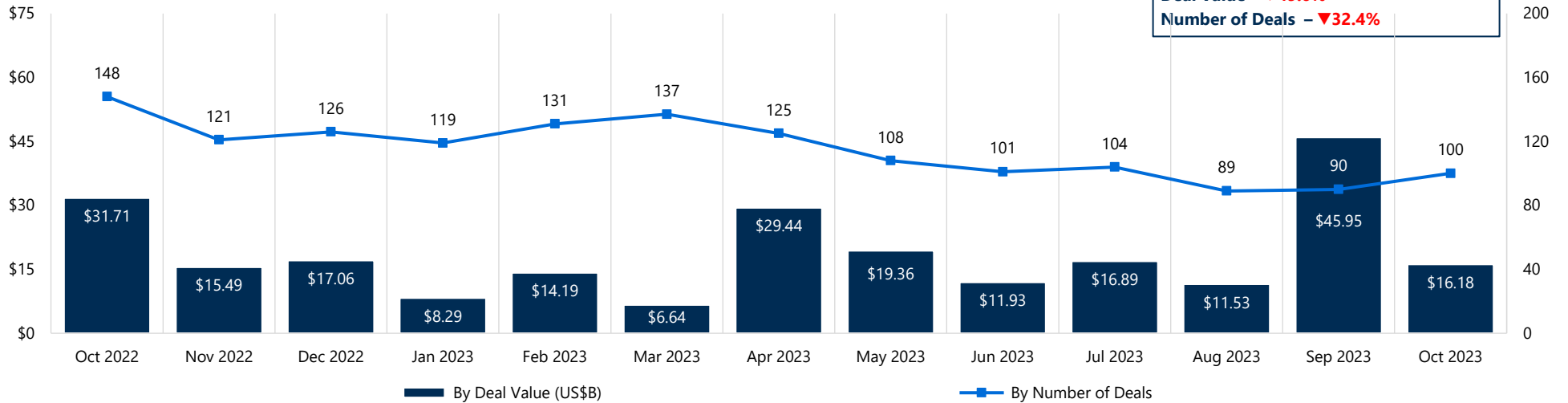
U.S. Number of Deals



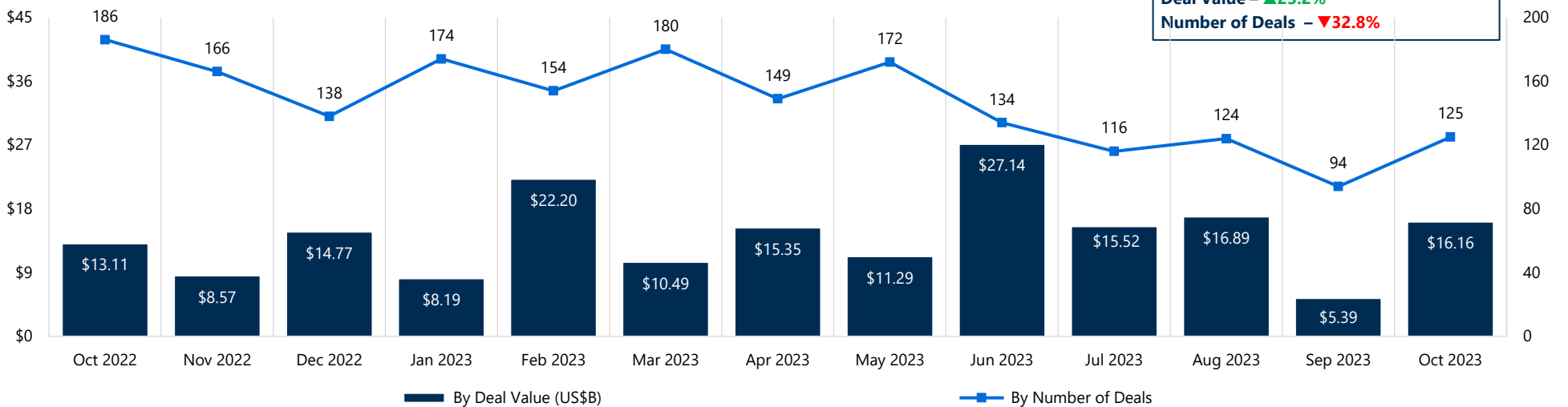
Global Number of Deals



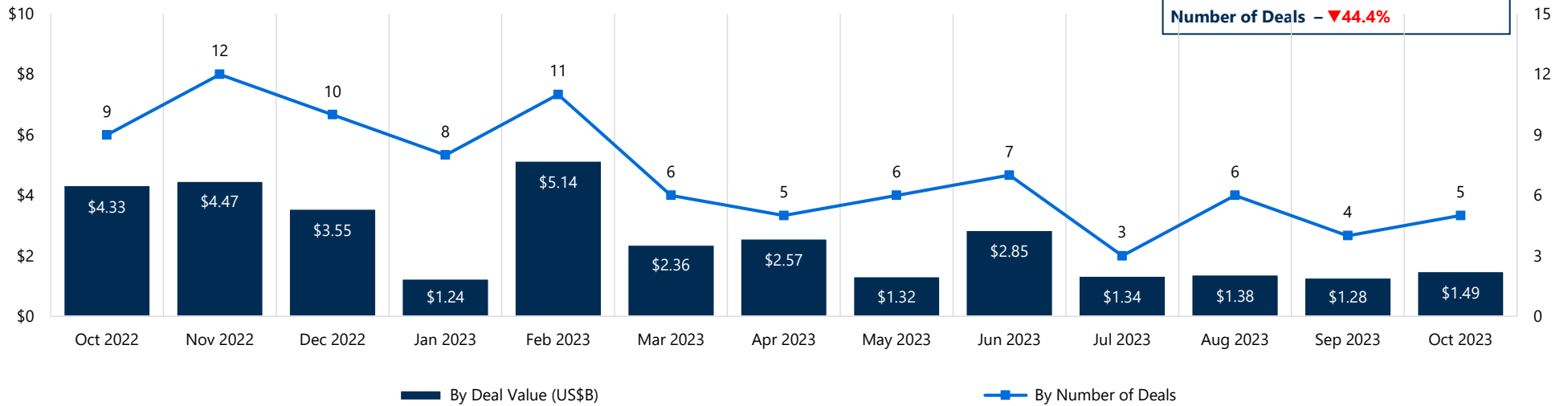
Inbound U.S. Crossborder Transactions



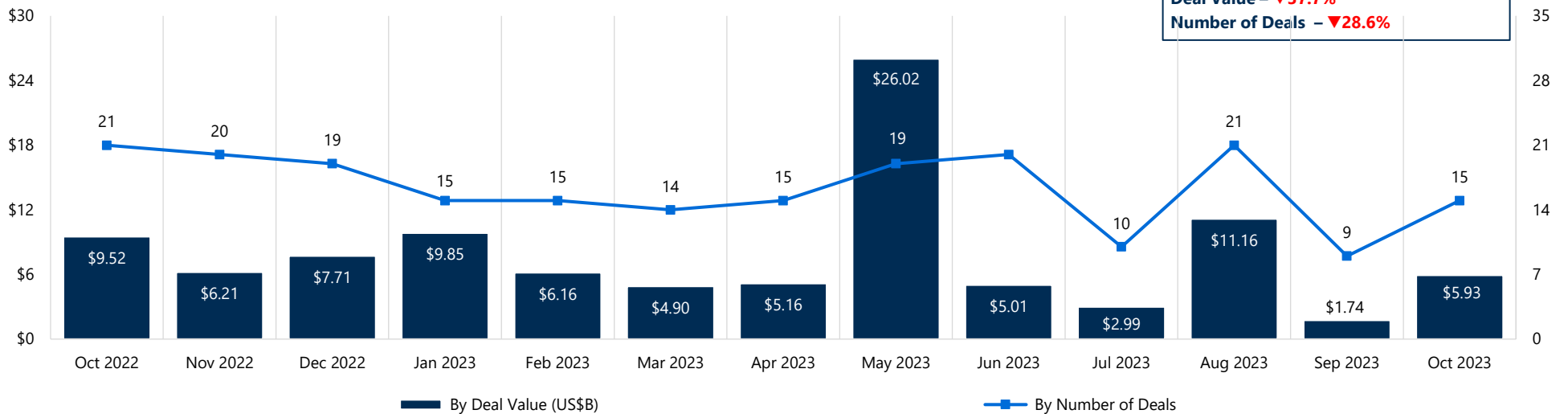
Outbound U.S. Crossborder Transactions



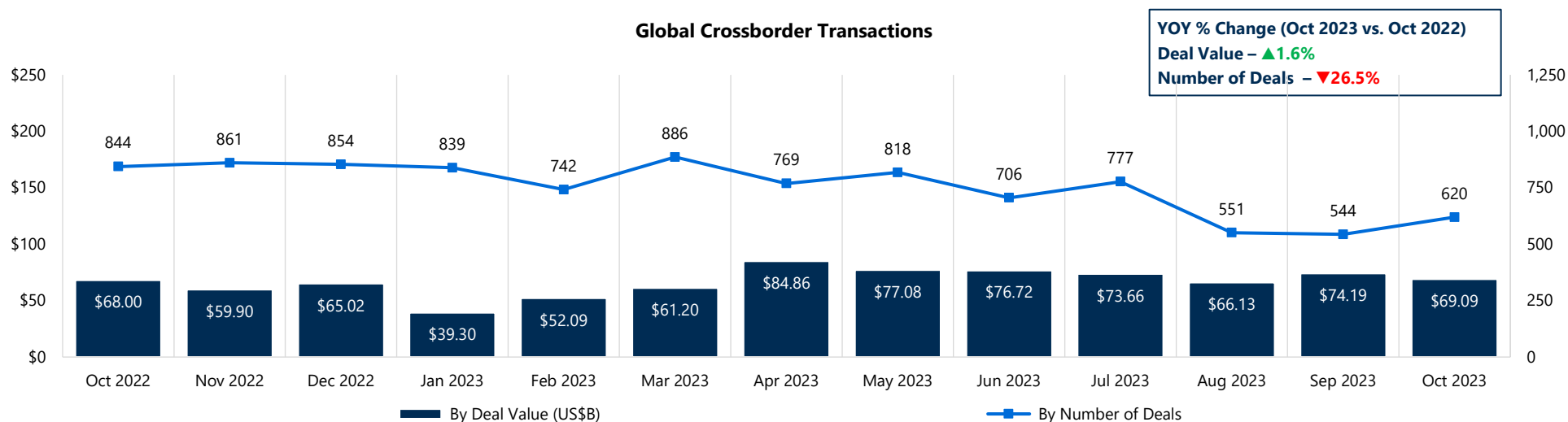
U.S. SPAC Acquisitions¹⁸



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 15 transactions in October 2023.
- Financial and strategic categories are determined by Deal Point Data.
- Six transactions in October 2023 had a reverse break fee.
- No transactions in October 2023 involving a financial buyer had a reverse break fee.
- Six transactions in October 2023 involving a strategic buyer had a reverse break fee.
- One transaction in October 2023 involved a financial buyer.
- Fourteen transactions in October 2023 involved a strategic buyer.
- One transaction in October 2023 had a go-shop provision.
- One transaction in October 2023 involving a financial buyer had a go-shop provision.
- No transactions in October 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 October 2023, each of Canada and Germany was the country of destination for 14 transactions.
- In October 2023, each of Brazil and India was the country of destination for six 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 November 2022 to October 2023 inclusive and "year-over-year" data compares October 2022 and October 2023. Data obtained from Dealogic and Deal Point Data has not been reviewed for accuracy by Paul, Weiss.

Strategic M&A Firm Highlights

	\$60.0B	Chevron Corporation	Acquisition of Hess Corporation
	\$3.3B	Amedisys	Combination with Optum
	\$1.0B	Chico's FAS	Sale to Sycamore Partners
	€12.0B	Carrier Global Corporation	Acquisition of Viessmann Climate Solutions
	\$20.0B	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
	\$4.0B	General Atlantic	Sale of EngageSmart to Vista Equity Partners
	\$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

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