

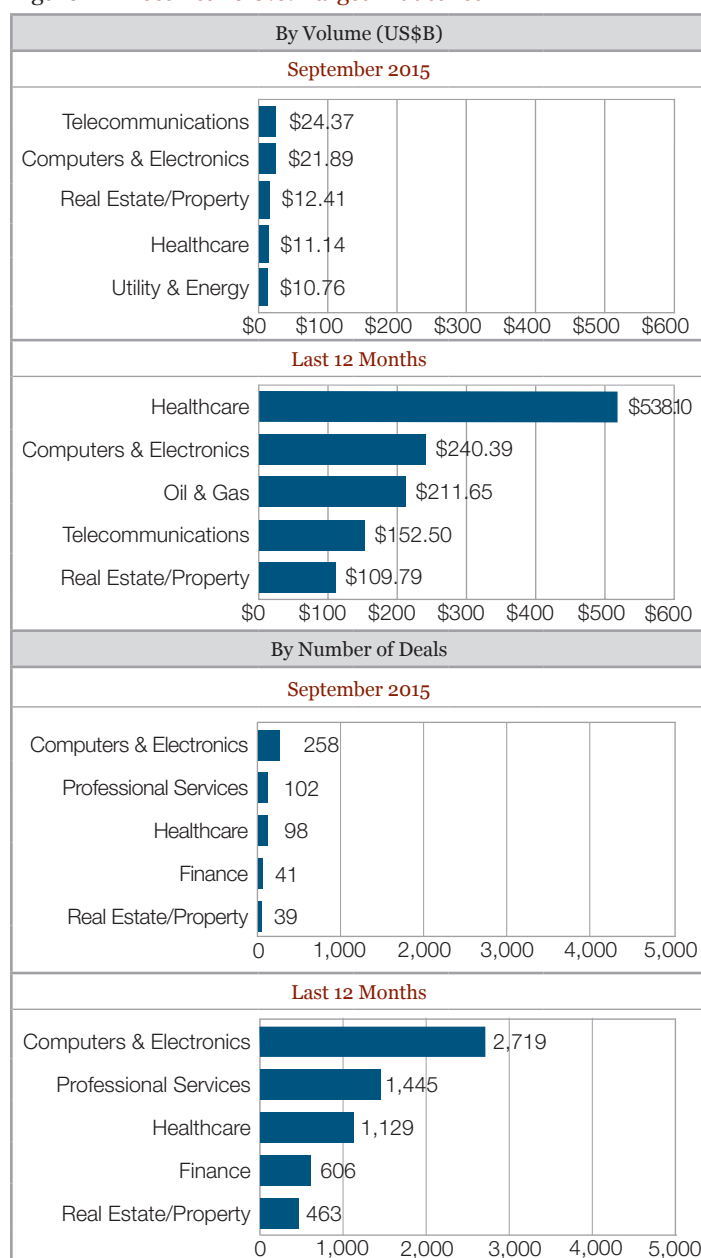
# October 2015, Issue 43

## M&A Activity

Figure 1

September 2015	Global	+/- From Prior Month	U.S.	+/- From Prior Month
<b>Total</b>				
Volume (US\$B)	294.54	(67.37)	114.51	(88.06)
No. of deals	2,822	(61)	874	(17)
Avg. value of deals (US\$mil)	202.4	(44.8)	312.9	(293.6)
Avg. deal multiple <sup>1</sup>	11.1x	(1.5)	10.0x	(1.8)
<b>Strategic Transactions</b>				
Volume (US\$B)	245.80	(13.38)	96.49	(55.38)
No. of deals	2,454	(80)	702	9
Avg. value of deals (US\$mil)	186.6	(7.5)	301.5	(244.8)
Avg. deal multiple <sup>1</sup>	11.2x	(1.8)	9.8x	(3.3)
<b>Sponsor-Related Transactions</b>				
Volume (US\$B)	48.74	(53.99)	18.02	(32.68)
No. of deals	368	19	172	(26)
Avg. value of deals (US\$mil)	353.2	(443.2)	391.8	(513.6)
Avg. deal multiple <sup>1</sup>	10.7x	(0.1)	10.6x	1.6
<b>Crossborder Transactions<sup>2</sup></b>				
Volume (US\$B)	106.23	(6.94)	Inbound 58.98 Outbound 13.10	Inbound 11.21 Outbound (12.62)
No. of deals	717	43	Inbound 149 Outbound 144	Inbound 13 Outbound 17
Avg. value of deals (US\$mil)	313.4	(37.0)	Inbound 842.6 Outbound 229.9	Inbound 150.3 Outbound (397.4)
Avg. deal multiple <sup>1</sup>	11.6x	(1.1)	Inbound 10.3x Outbound 12.0x	Inbound (4.8) Outbound (3.1)

Figure 2 - Most Active U.S. Target Industries<sup>3</sup>



Figures 1-3 were compiled using data from Dealogic, and are for the broader M&A market, including mergers of any value involving public and/or private entities. Figures 4 and 5 were compiled using data from FactSet MergerMetrics, and are limited to mergers involving public U.S. targets announced during the period indicated and valued at \$100 million or higher regardless of whether a definitive merger agreement was reached and filed or withdrawn. All data is as of October 2015 unless otherwise specified. "Last 12 Months" data is for the period from October 2014 to September 2015 inclusive. Data from Dealogic and FactSet MergerMetrics may include multiple offers, as applicable, for the same target company. Data obtained from Dealogic and FactSet MergerMetrics has not been reviewed for accuracy by Paul, Weiss.

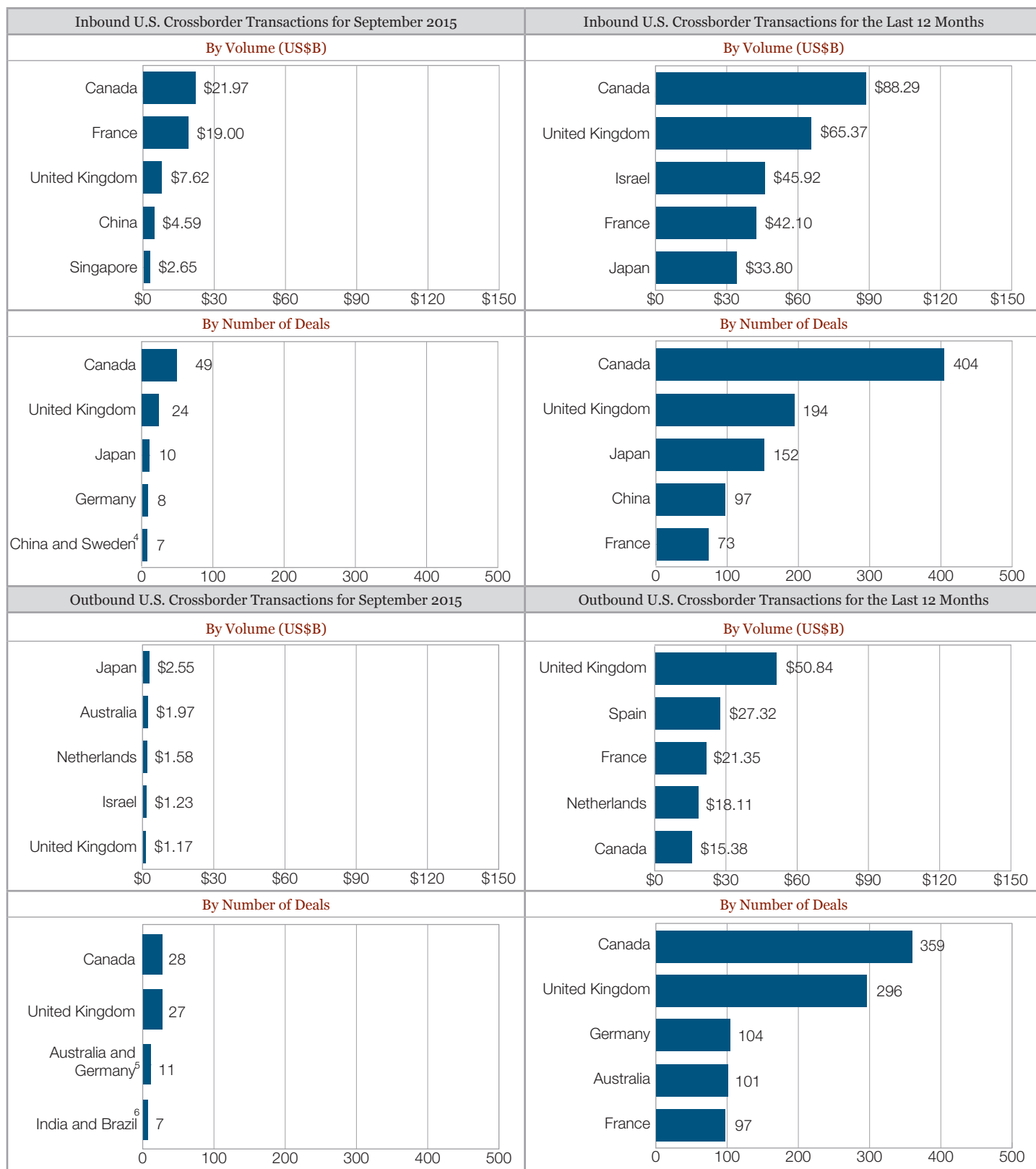
<sup>1</sup> Ratio of enterprise value to EBITDA, trailing 12 months. This statistic is calculated using a smaller subset of deals for which this data is available.

<sup>2</sup> Global crossborder transactions are those where the acquirer and the target have different nationalities. Nationality is based on where a company has either its headquarters or a majority of its operations. U.S. crossborder transactions are those transactions where the acquirer and the target have different nationalities and either the acquirer ("Outbound") or the target ("Inbound") has a U.S. nationality.

<sup>3</sup> Industries categories are determined and named by Dealogic.

## M&amp;A Activity (Continued)

Figure 3 - Top 5 Countries of Origin or Destination for U.S. Crossborder Transactions

<sup>4</sup> Each of China and Sweden was the country of origin for seven transactions in September 2015.<sup>5</sup> Each of Germany and Australia was the country of destination for eleven transactions in September 2015.<sup>6</sup> Each of India and Brazil was the country of destination for seven transactions in September 2015.

M&A Activity (Continued)

Figure 4 - Average Value of Announced U.S. Public Mergers (in US\$mil)

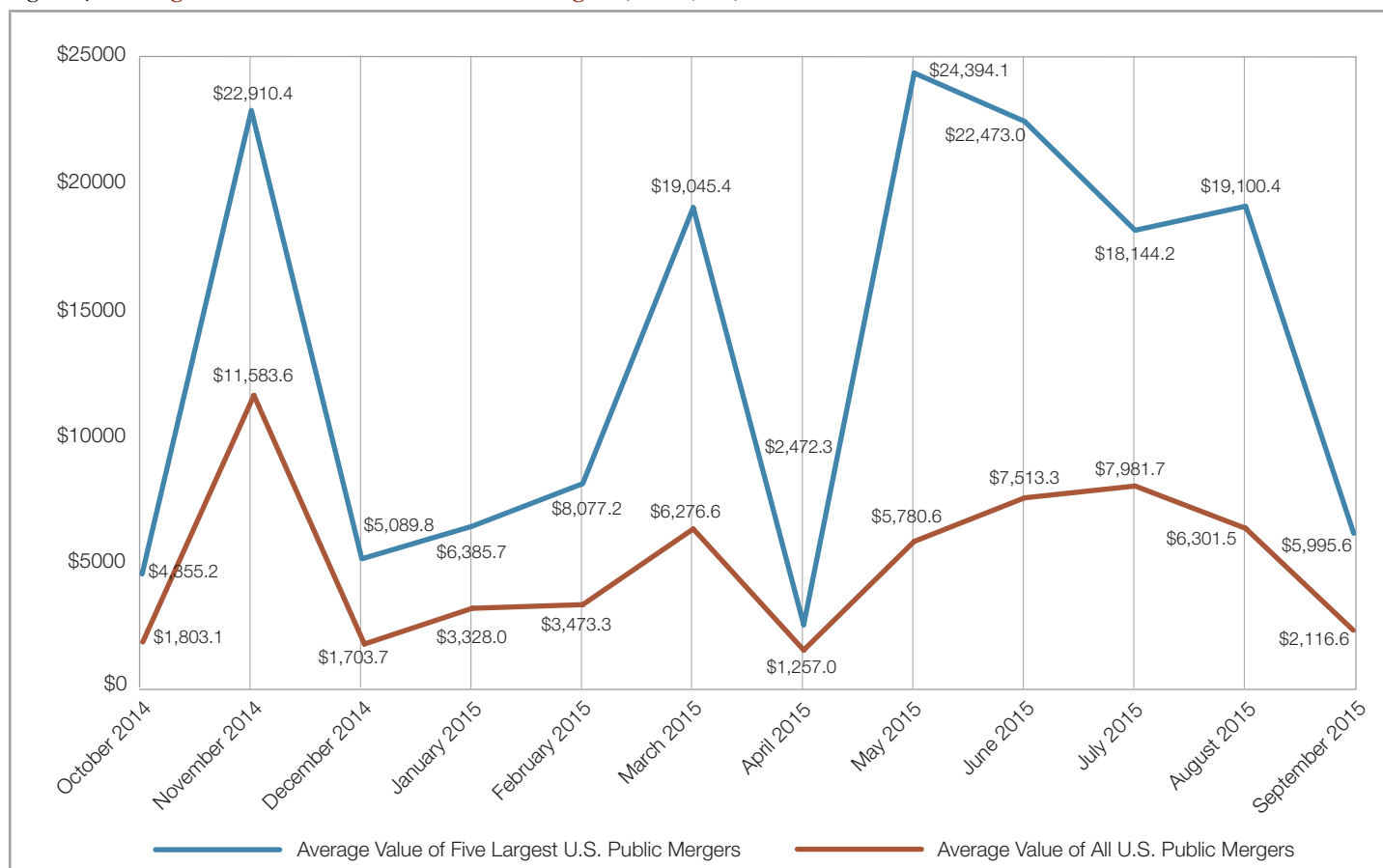
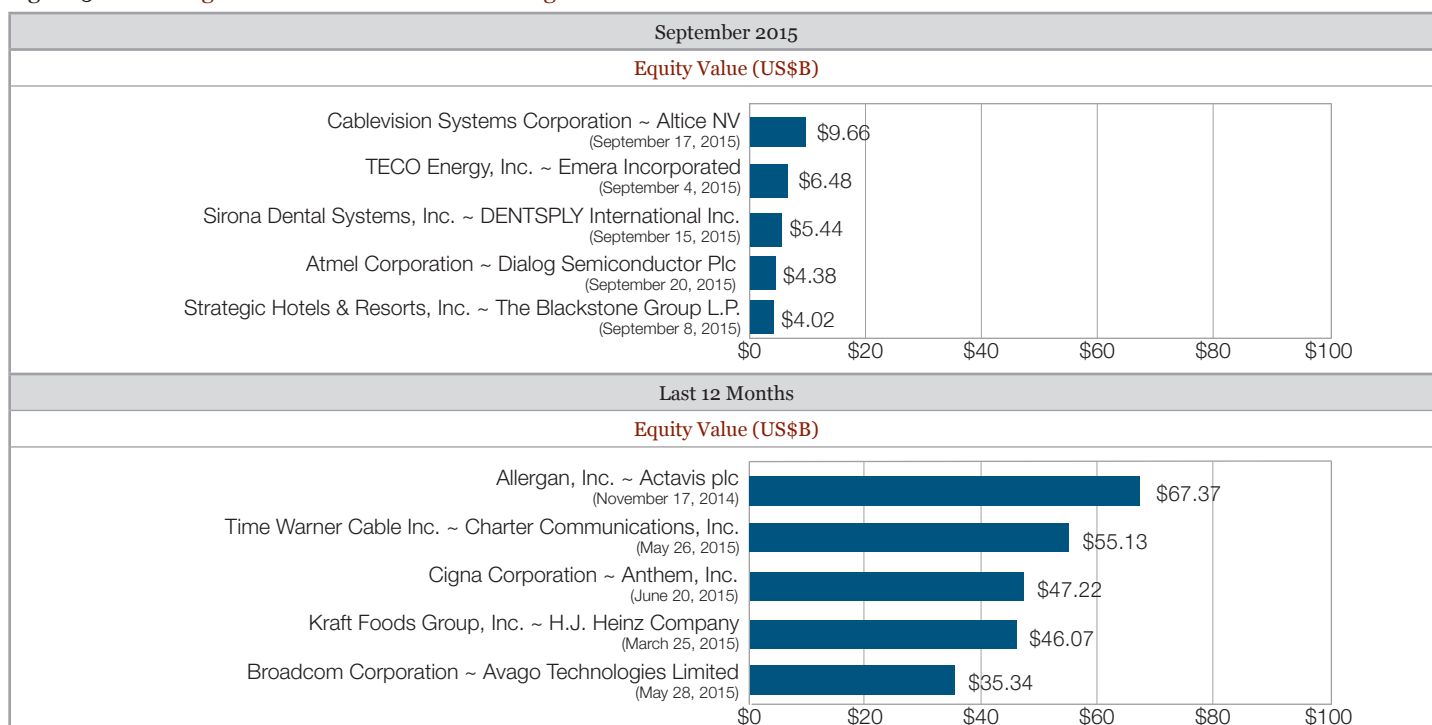


Figure 5 - Five Largest Announced U.S. Public Mergers



## M&A Terms

Figure 6 - Average Break Fees as % of Equity Value<sup>7</sup>

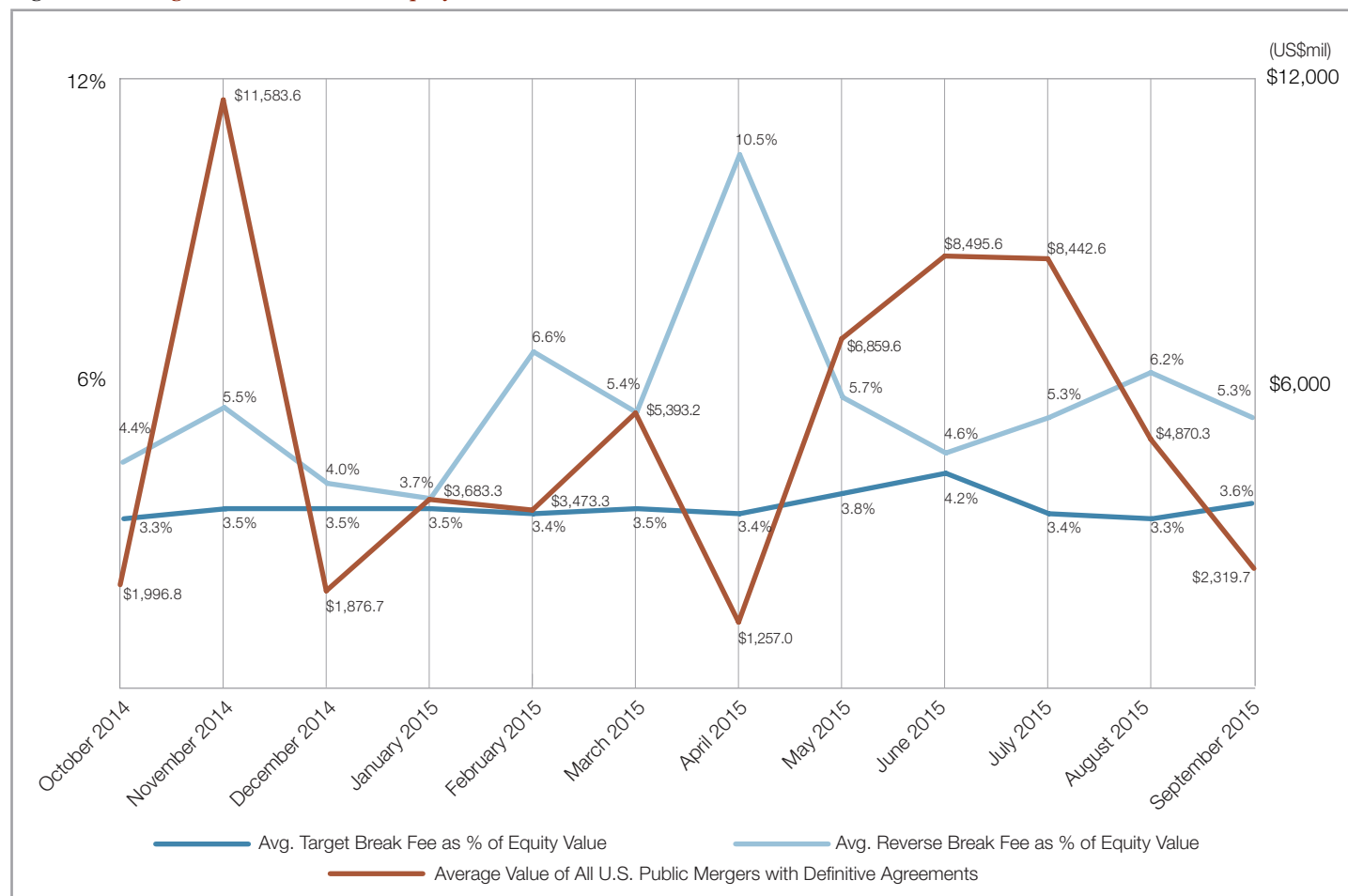


Figure 7 - Average Break Fees as % of Equity Value

	September 2015	Last 12 Months
Target Break Fee for All Mergers	3.6	3.5

	September 2015	Last 12 Months
Reverse Break Fee for All Mergers	5.3	5.4
Reverse Break Fee for Mergers Involving Financial Buyers <sup>8</sup>	7.4	7.5
Reverse Break Fee for Mergers Involving Strategic Buyers	4.5	4.7

Figures 6-12 were compiled using data from FactSet MergerMetrics, and are limited to select mergers involving public U.S. targets announced during the period indicated, valued at \$100 million or higher and for which a definitive merger agreement was reached and filed (unless otherwise indicated). Data from Dealogic and FactSet MergerMetrics has not been reviewed for accuracy by Paul, Weiss.

Figure 8 - U.S. Public Merger Go-Shop Provisions

	September 2015	Last 12 Months
% of Mergers with Go-Shops	11.1	11.0
% of Mergers Involving Financial Buyers with Go-Shops	50.0	41.7
% of Mergers Involving Strategic Buyers with Go-Shops	0.0	6.1
Avg. Go-Shop Window (in Days) for All Mergers with Go-Shops <sup>9</sup>	36.5	36.2
Avg. Go-Shop Window (in Days) for Mergers Involving Financial Buyers with Go-Shops <sup>10</sup>	36.5	39.1
Avg. Go-Shop Window (in Days) for Mergers Involving Strategic Buyers with Go-Shops <sup>11</sup>	N/A	32.9

<sup>7</sup> Based on the highest target break fees and reverse break fees payable in a particular deal.

<sup>8</sup> Three transactions in September 2015 involving a financial buyer had a reverse break fee.

<sup>9</sup> Two transactions in September 2015 had a go-shop provision.

<sup>10</sup> Two transactions in September 2015 involving a financial buyer had a go-shop provision.

<sup>11</sup> No transactions in September 2015 involving a strategic buyer had a go-shop provision.

## M&amp;A Terms (Continued)

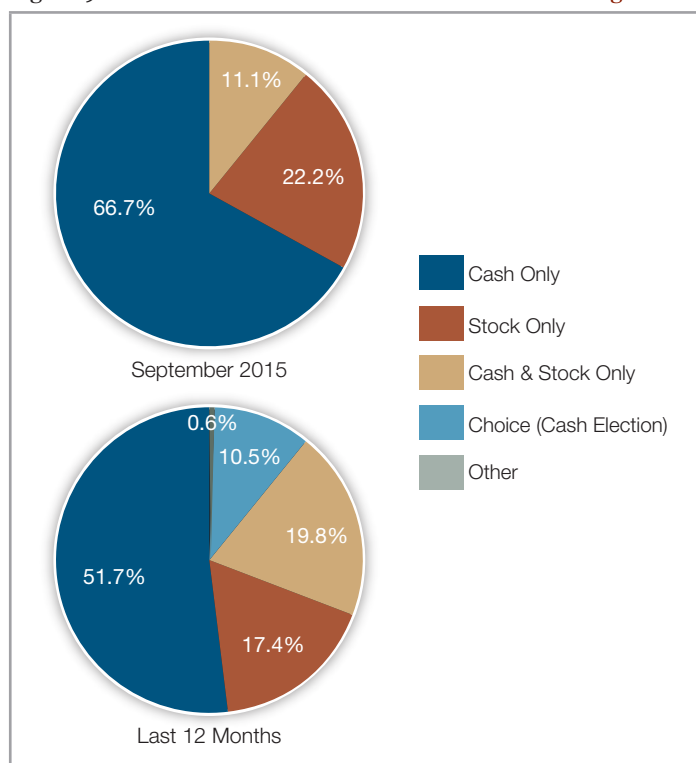
Figure 9 - Form of Consideration as % of U.S. Public Mergers<sup>12</sup>

Figure 10 - % of Partial and All Stock Deals that Have a Fixed Exchange Ratio

September 2015	100.0
Last 12 Months	93.8

Figure 11 - Tender Offers as % of U.S. Public Mergers

September 2015	27.8
Last 12 Months	23.3

Figure 12 - Hostile/Unsolicited Offers as % of U.S. Public Mergers<sup>13</sup>

September 2015	14.3
Last 12 Months	11.6

<sup>12</sup> Due to rounding, percentages may not add up to 100%.

<sup>13</sup> 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).

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This publication is not intended to provide legal advice, and no legal or business decisions should be based on its content. Questions concerning issues addressed in this memorandum should be directed to:



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