M&A AT A GLANCE

Paul | Weiss

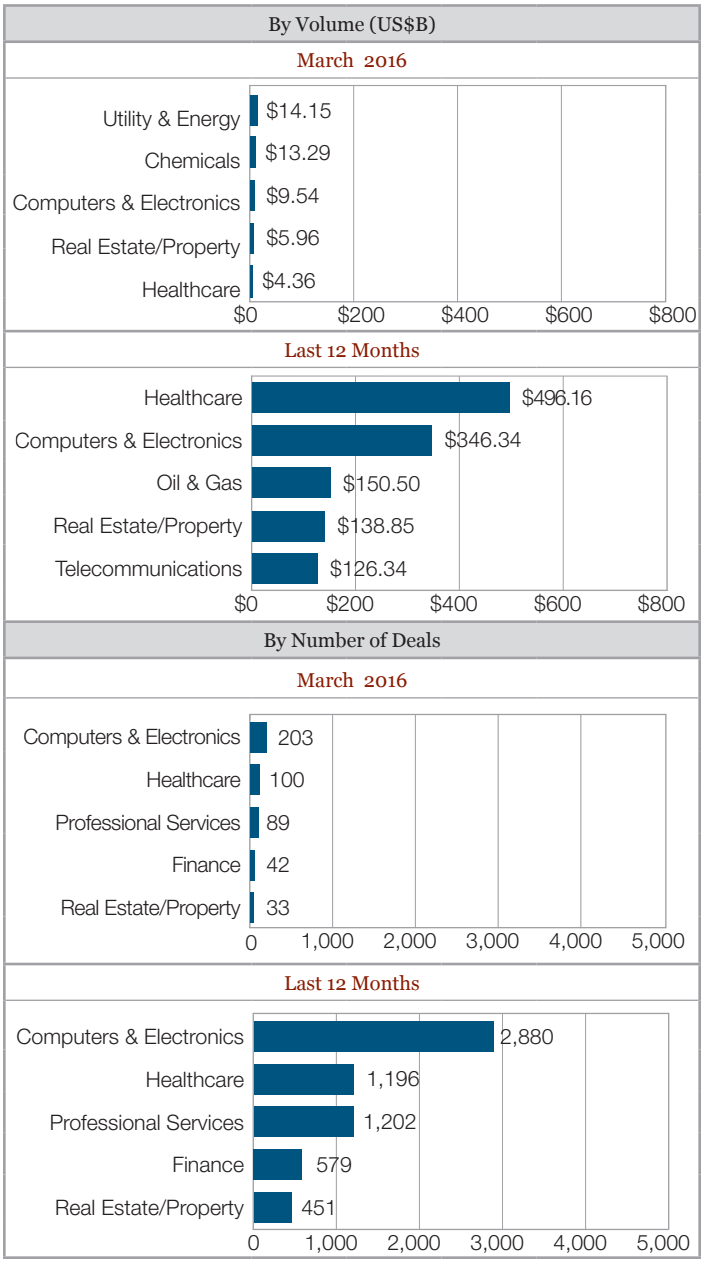
April 2016, Issue 49*

M&A Activity

Figure 1

March 2016	Global	+/- From Prior Month	U.S.	+/- From Prior Month
Total				
Volume (US$B)	224.23	(83.87)	63.68	(37.26)
No. of deals	2,867	(202)	711	(152)
Avg. value of deals (US$mil)	143.8	(58.5)	229.9	(55.3)
Avg. deal multiple[1]	11.2x	0.1	10.8x	(2.2)
Strategic Transactions				
Volume (US$B)	182.28	(63.08)	47.79	(19.33)
No. of deals	2,575	(131)	589	(118)
Avg. value of deals (US$mil)	125.5	(50.1)	194.3	(20.9)
Avg. deal multiple[1]	11.3x	0.2	11.5x	(0.8)
Sponsor-Related Transactions				
Volume (US$B)	41.95	(20.80)	15.88	(17.93)
No. of deals	292	(71)	122	(34)
Avg. value of deals (US$mil)	392.1	(105.9)	512.4	(292.7)
Avg. deal multiple[1]	10.6x	(0.5)	9.3x	(5.6)
Crossborder Transactions[2]				
Volume (US$B)	86.53	(69.08)	Inbound 23.42 Outbound 16.57	Inbound (5.28) Outbound (7.58)
No. of deals	690	(82)	Inbound 129 Outbound 96	Inbound (5) Outbound (46)
Avg. value of deals (US$mil)	237.1	(203.8)	Inbound 349.6 Outbound 460.2	Inbound (43.6) Outbound (4.2)
Avg. deal multiple[1]	11.5x	1.2	Inbound 10.7x Outbound 12.3x	Inbound 2.6 Outbound 2.2

Figure 2 - Most Active U.S. Target Industries[3]



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and valued at $100 million or higher regardless of whether a definitive merger agreement was reached and filed or withdrawn.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 April 2016 unless otherwise specified. "Last 12 Months" data is for the period from April 2015 to March 2016 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.

* Corrected version.

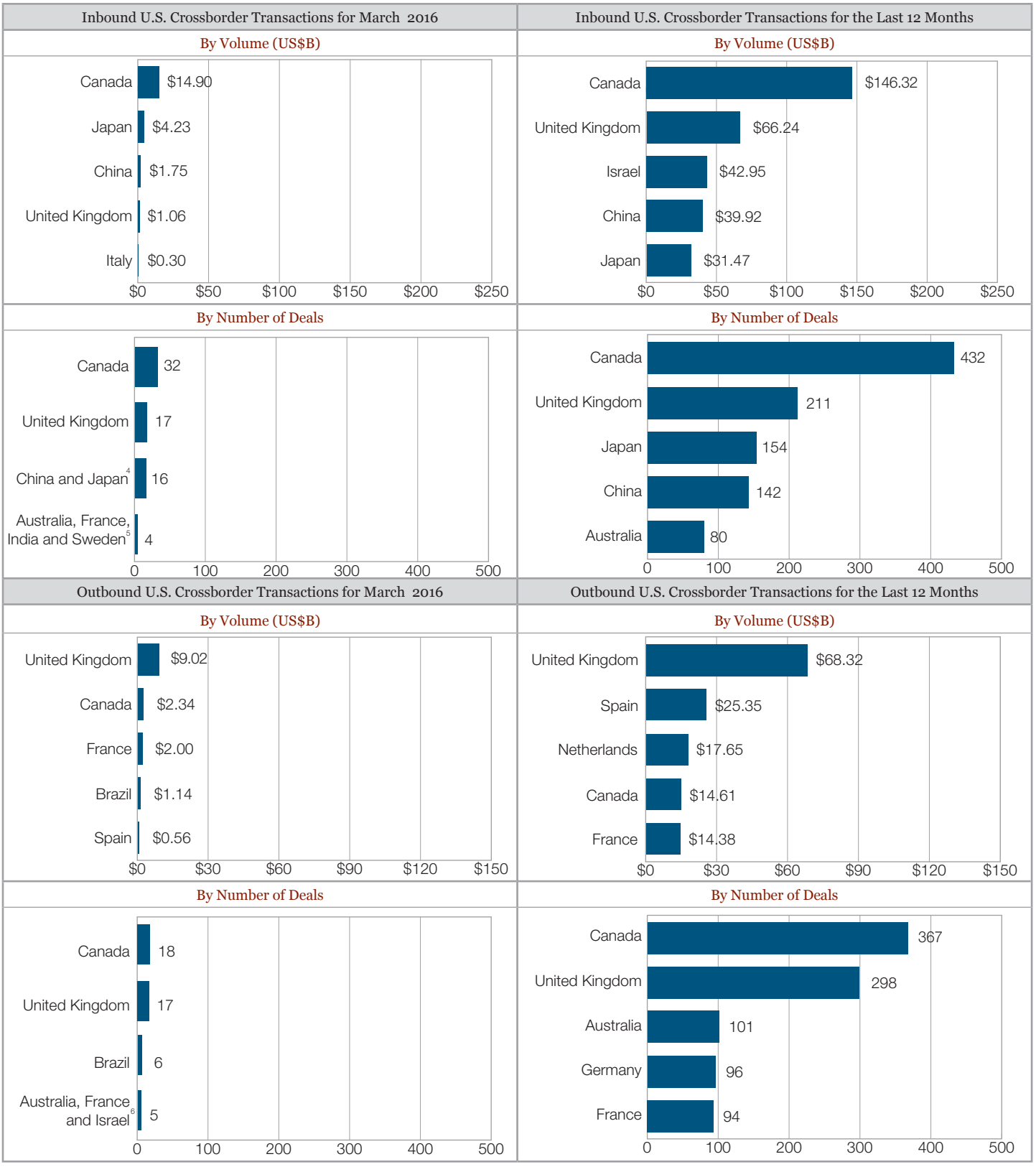
1 Ratio of enterprise value to EBITDA, trailing 12 months. This statistic is calculated using a smaller subset of deals for which this data is available.

2 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.

3 Industries categories are determined and named by Dealogic.

M&A Activity *(Continued)*

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



4 Each of China and Japan was the country of origin for sixteen transactions in March 2016.
5 Each of Australia, France, India and Sweden was the country of origin for four transactions in March 2016.
6 Each of Australia, France and Israel was the country of destination for five transactions in March 2016.

M&A Activity *(Continued)*

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

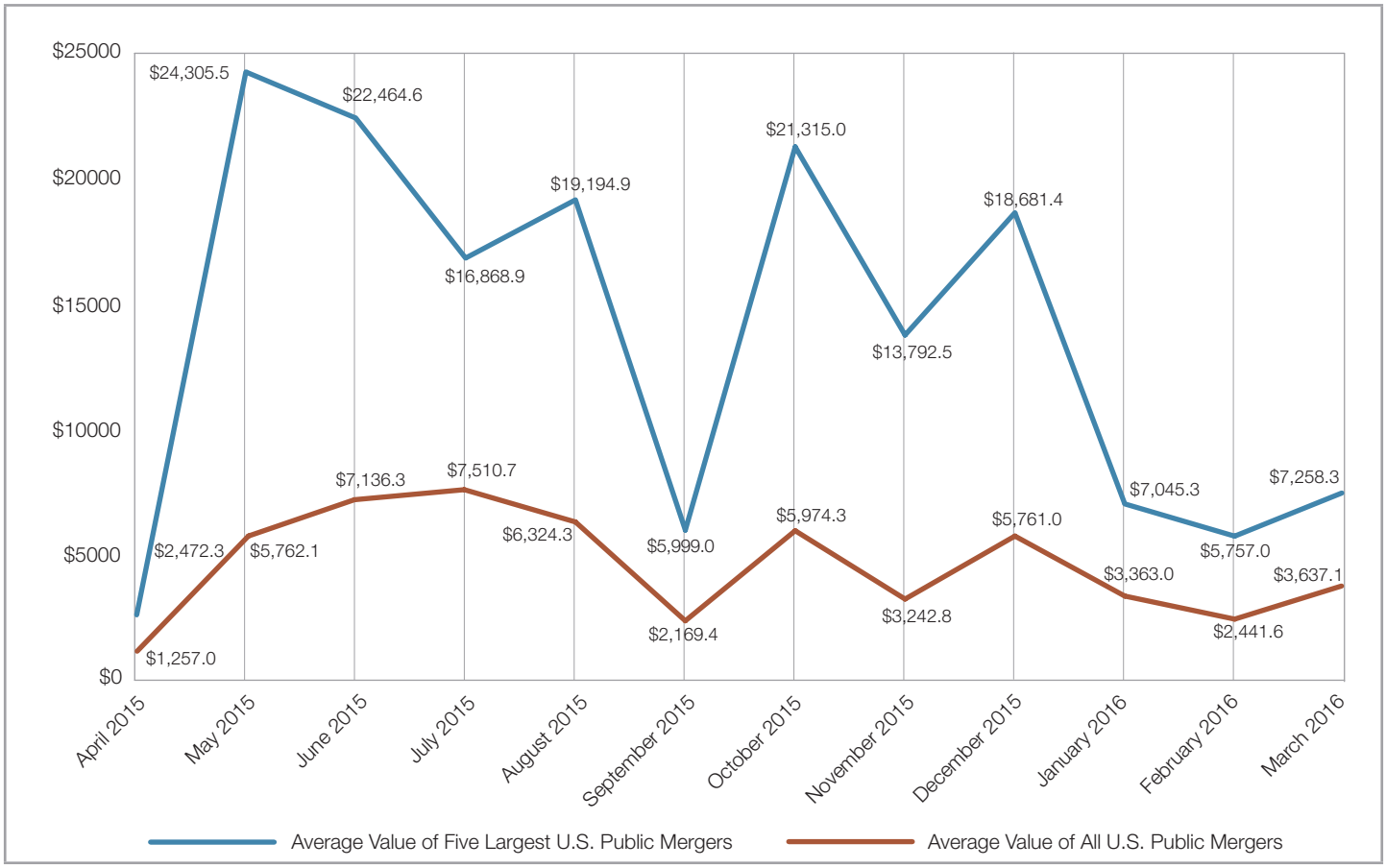
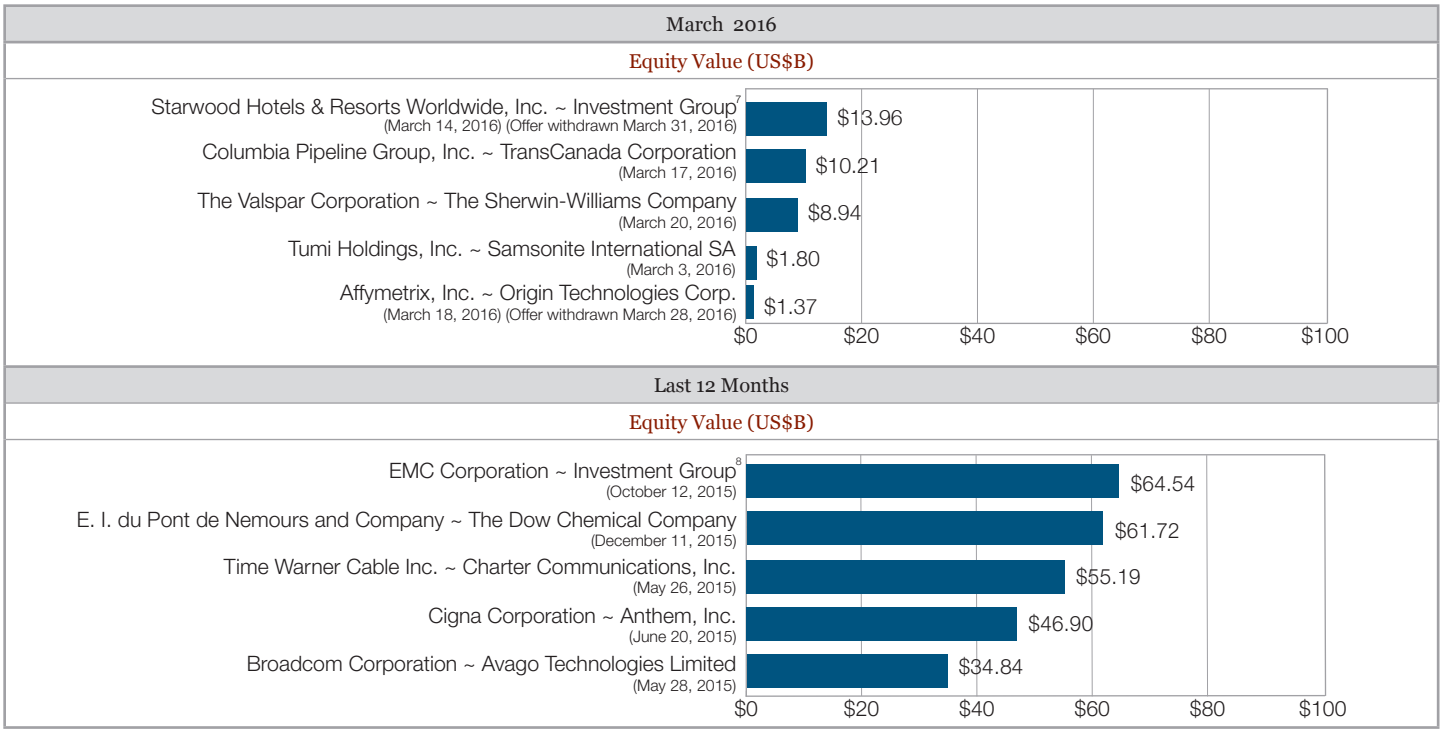


Figure 5 - Five Largest Announced U.S. Public Mergers



7 Members of the investment group reported by FactSet MergerMetrics are J.C. Flowers & Co. LLC, Primavera Capital Group Ltd. and Anbang Insurance Group Co. Ltd.
8 Members of the investment group reported by FactSet MergerMetrics are Hua Capital Management Ltd. and China Resources Microelectronics Ltd.

M&A Terms

Figure 6 - Average Break Fees as % of Equity Value[9]

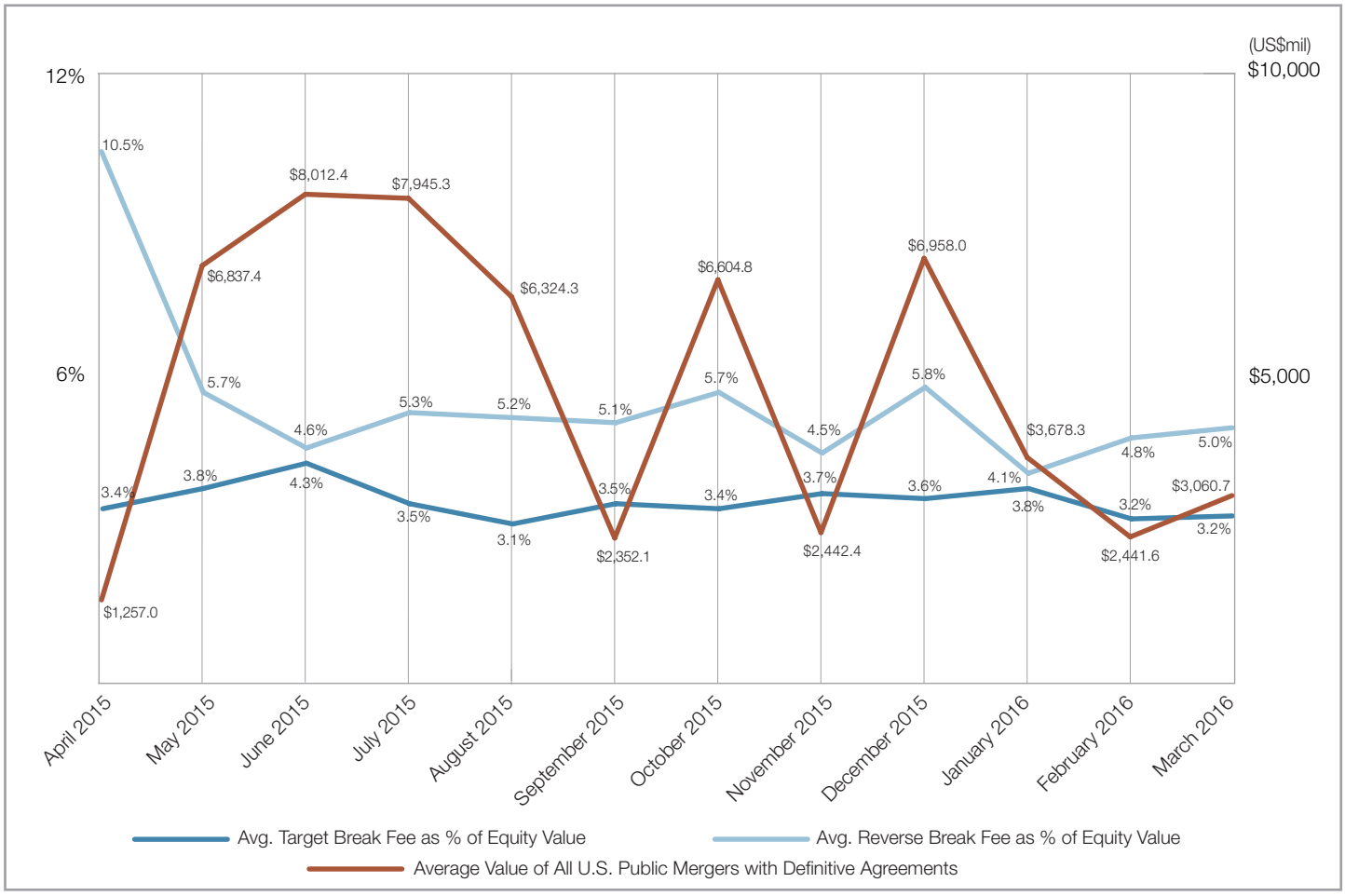


Figure 7 - Average Break Fees as % of Equity Value

	March 2016	Last 12 Months
Target Break Fee for All Mergers	3.2	3.6

	March 2016	Last 12 Months
Reverse Break Fee for All Mergers	5.0	5.3
Reverse Break Fee for Mergers Involving Financial Buyers[10]	7.1	7.3
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 obtained from FactSet MergerMetrics has not been reviewed for accuracy by Paul, Weiss.

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

	March 2016	Last 12 Months
% of Mergers with Go-Shops	12.5	11.2
% of Mergers Involving Financial Buyers with Go-Shops[11]	100.0	41.7
% of Mergers Involving Strategic Buyers with Go-Shops	0.0	6.7
Avg. Go-Shop Window (in Days) for All Mergers with Go-Shops[12]	21.0	34.8
Avg. Go-Shop Window (in Days) for Mergers Involving Financial Buyers with Go-Shops[13]	21.0	34.9
Avg. Go-Shop Window (in Days) for Mergers Involving Strategic Buyers with Go-Shops[14]	N/A	34.7

9 Based on the highest target break fees and reverse break fees payable in a particular deal.
10 One transaction in March 2016 involving a financial buyer had a reverse break fee.
11 One transaction in March 2016 involved a financial buyer.
12 One transaction in March 2016 had a go-shop provision.
13 One transaction in March 2016 involving a financial buyer had a go-shop provision.
14 No transactions in March 2016 involving a strategic buyer had a go-shop provision.

M&A Terms *(Continued)*

Figure 9 - Form of Consideration as % of U.S. Public Mergers[15]

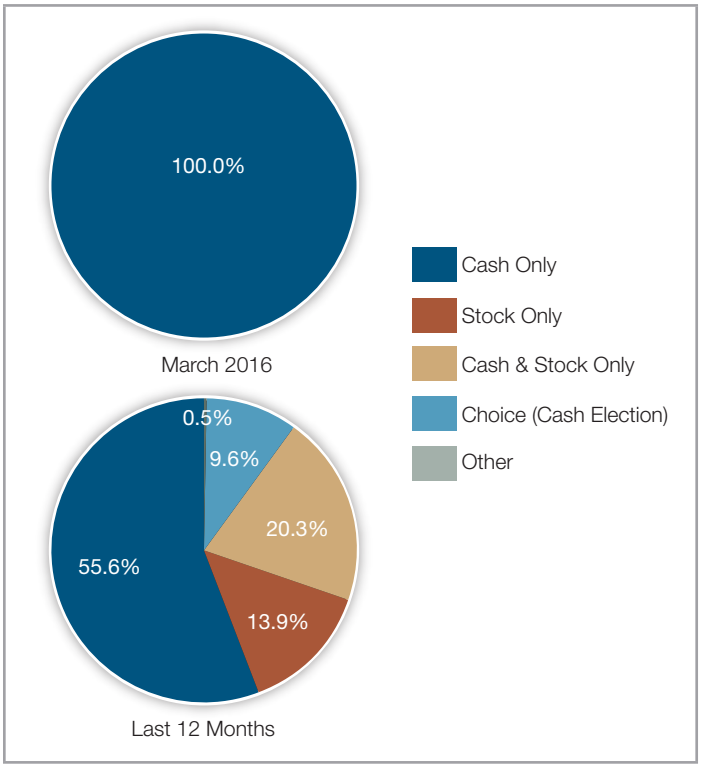


Figure 10 - % of Partial and All Stock Deals that Have a Fixed Exchange Ratio

March 2016[16]	N/A
Last 12 Months	90.6

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

March 2016	12.5
Last 12 Months	17.1

Figure 12 - Hostile/Unsolicited Offers as % of U.S. Public Mergers[17]

March 2016	27.3
Last 12 Months	16.0

[15] Due to rounding, percentages may not add up to 100%.
[16] There were no transactions in March 2016 that were partial or all stock transactions.
[17] 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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