

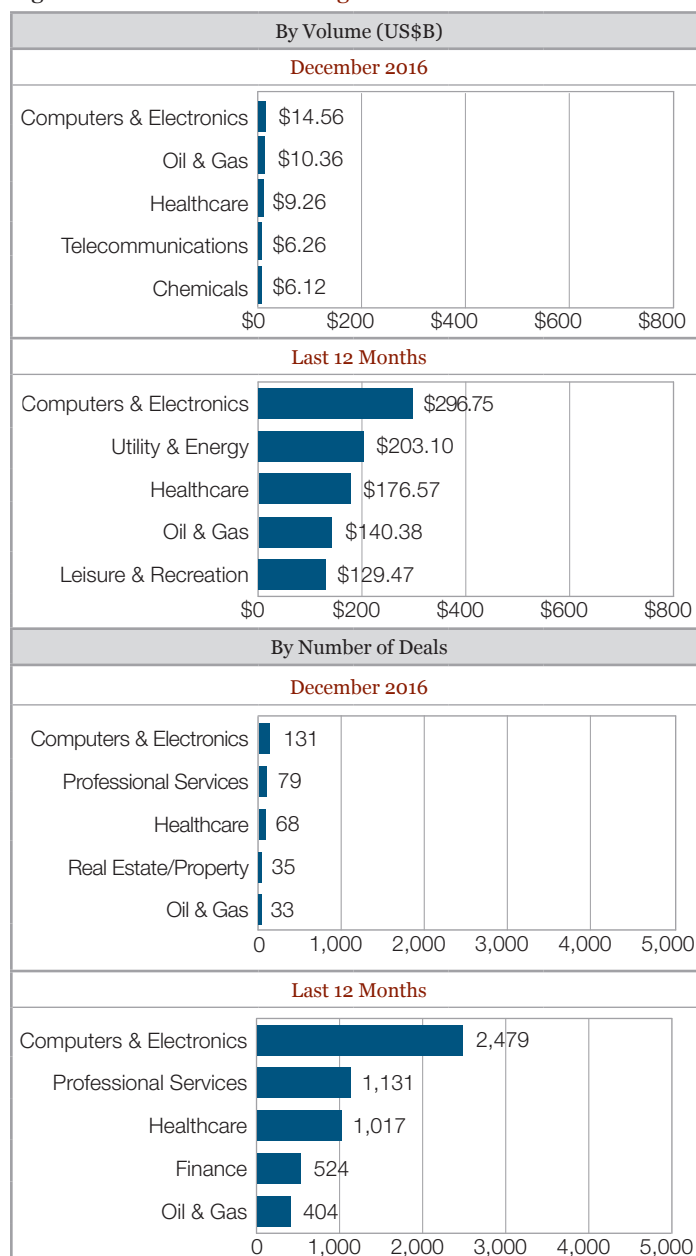
January 2017, Issue 58

M&A Activity

Figure 1

December 2016	Global	+/- From Prior Month	U.S.	+/- From Prior Month
Total				
Volume (US\$B)	376.14	89.39	78.58	(76.61)
No. of deals	2,505	(798)	591	(239)
Avg. value of deals (US\$mil)	263.0	91.8	347.7	(161.1)
Avg. deal multiple ¹	11.1x	(0.7)	13.3x	0.3
Strategic Transactions				
Volume (US\$B)	296.59	82.93	48.54	(68.43)
No. of deals	2,275	(702)	515	(170)
Avg. value of deals (US\$mil)	225.7	87.9	251.5	(191.6)
Avg. deal multiple ¹	11.4x	(0.2)	13.8x	1.1
Sponsor-Related Transactions				
Volume (US\$B)	79.54	6.46	30.04	(8.19)
No. of deals	230	(96)	76	(69)
Avg. value of deals (US\$mil)	685.7	101.1	910.2	(22.1)
Avg. deal multiple ¹	9.6x	(3.5)	11.4x	(2.1)
Crossborder Transactions²				
Volume (US\$B)	196.77	119.25	Inbound 23.69 Outbound 80.20	Inbound (6.03) Outbound 74.84
No. of deals	671	(220)	Inbound 96 Outbound 105	Inbound (63) Outbound (64)
Avg. value of deals (US\$mil)	491.9	321.2	Inbound 376.0 Outbound 1,743.4	Inbound (0.1) Outbound 1,642.3
Avg. deal multiple ¹	9.8x	(1.2)	Inbound 13.6x Outbound 10.3x	Inbound 2.5 Outbound (0.1)

Figure 2 - Most Active U.S. Target Industries³



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and valued at \$100 million or higher regardless of whether a definitive merger agreement was reached and filed or withdrawn.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 January 11, 2017 unless otherwise specified. "Last 12 Months" data is for the period from January 2016 to December 2016 inclusive. Data obtained from Dealogic and FactSet MergerMetrics has not been reviewed for accuracy by Paul, Weiss.

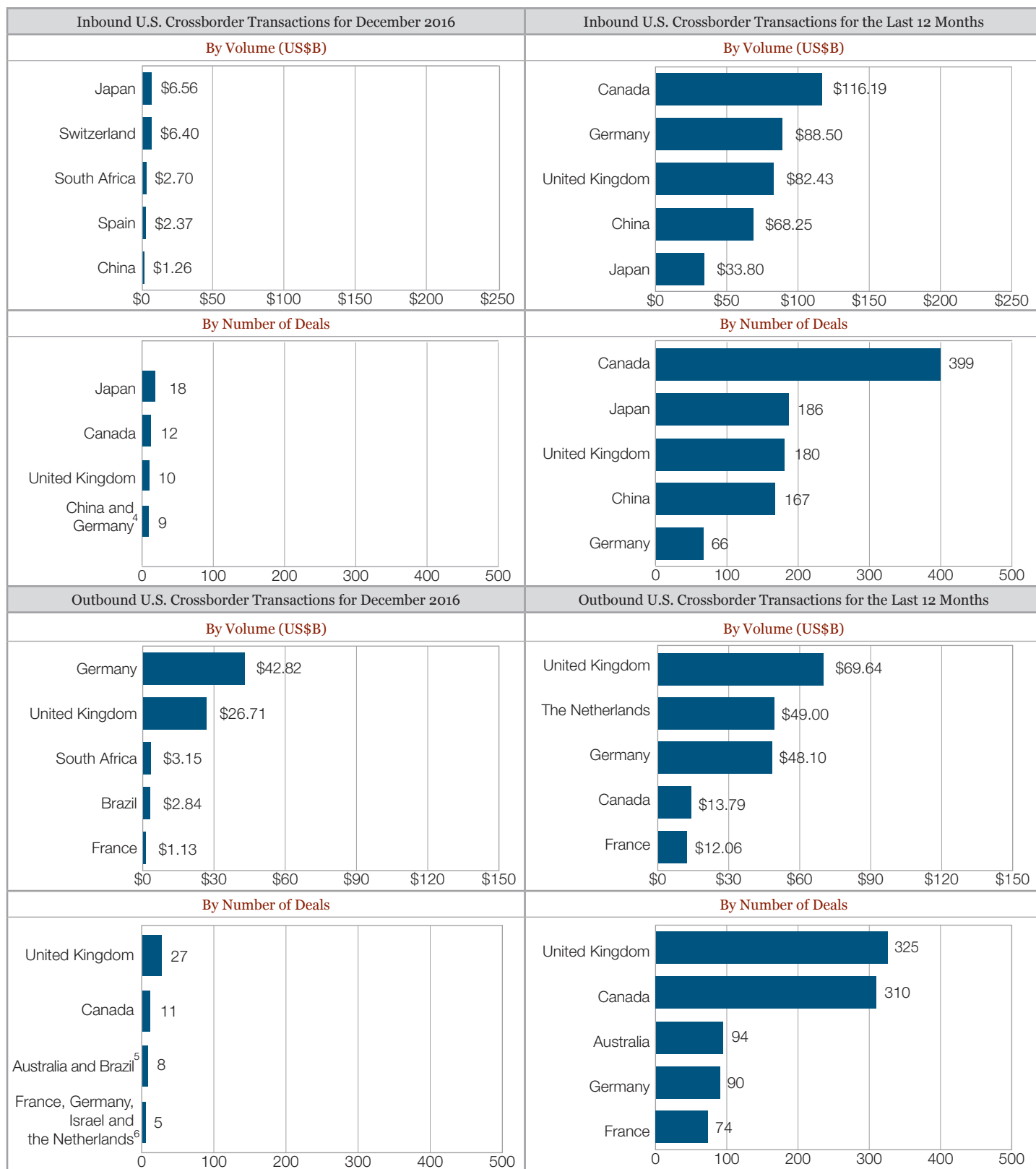
¹ Ratio of enterprise value to EBITDA, trailing 12 months. This statistic is calculated using a smaller subset of deals for which this data is available.

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 Germany was the country of origin for 9 transactions in December 2016.⁵ Each of Australia and Brazil was the country of destination for 8 transactions in December 2016.⁶ Each of France, Germany, Israel and the Netherlands was the country of destination for 5 transactions in December 2016.

M&A Activity (Continued)

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

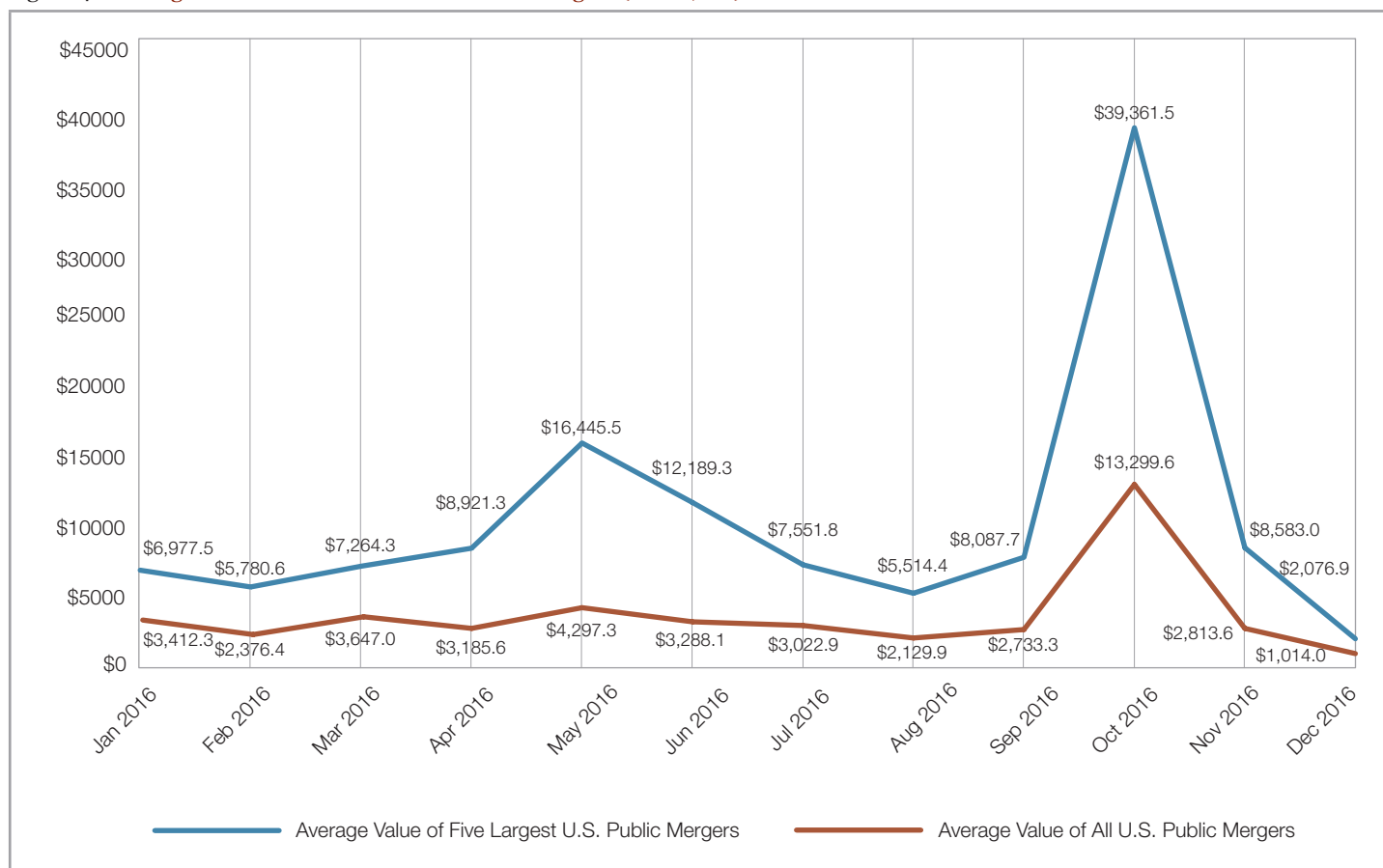
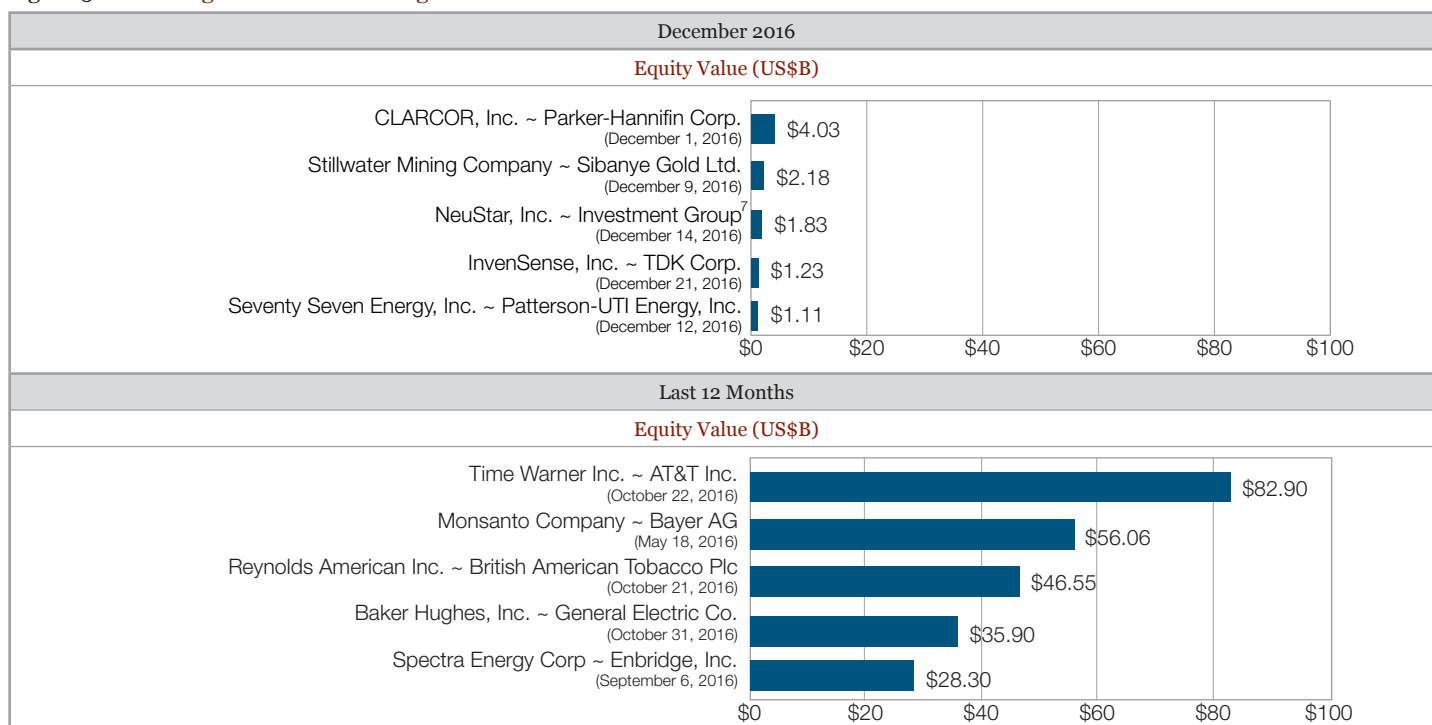


Figure 5 - Five Largest U.S. Public Mergers



⁷ Members of the investment group reported by FactSet MergerMetrics are Golden Gate Private Equity, Inc. and GIC Special Investments Pte Ltd.

M&A Terms

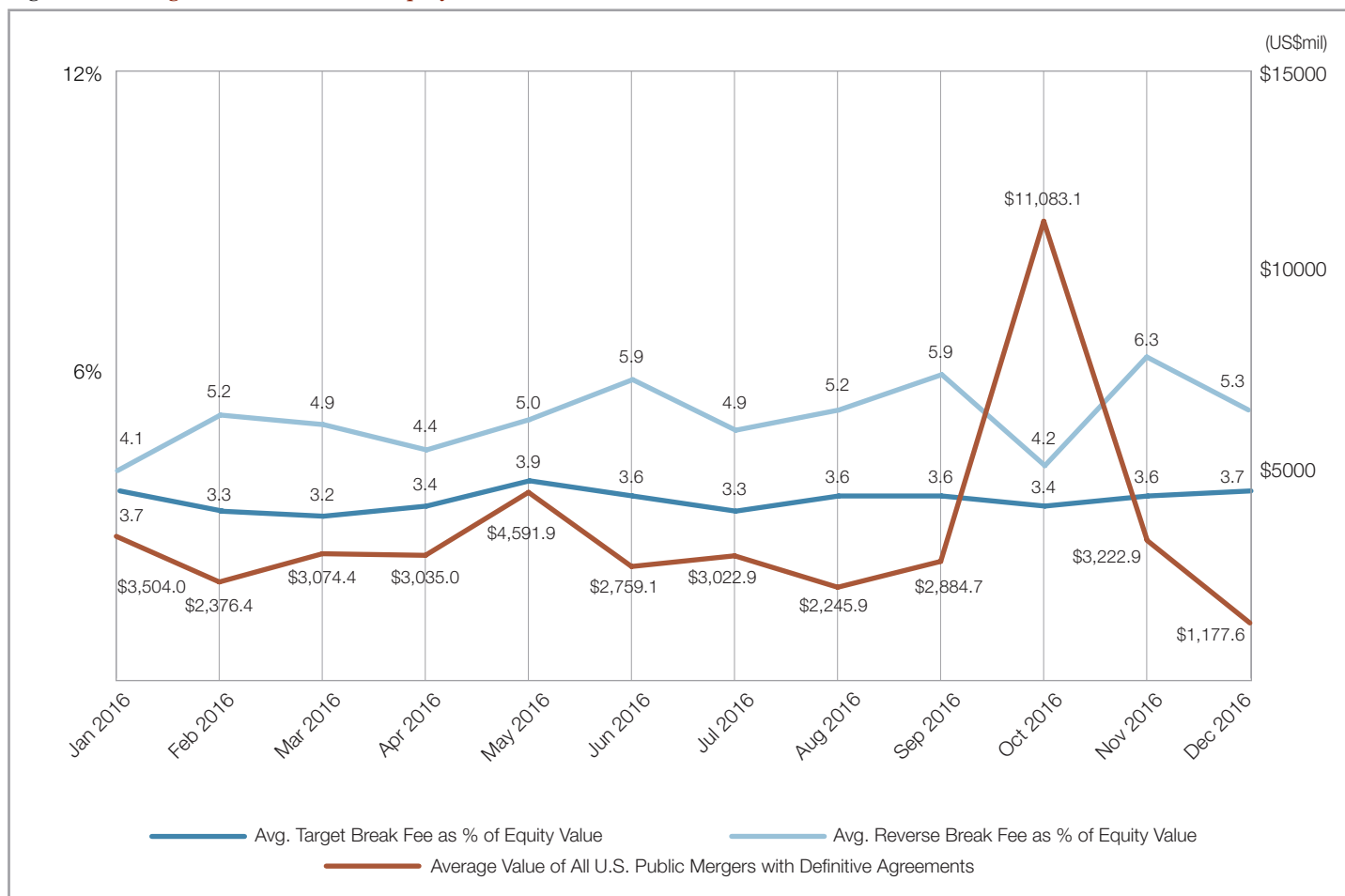
Figure 6 - Average Break Fees as % of Equity Value⁸

Figure 7 - Average Break Fees as % of Equity Value

	December 2016	Last 12 Months
Target Break Fee for All Mergers	3.7	3.5

	December 2016	Last 12 Months
Reverse Break Fee for All Mergers	5.3	5.2
Reverse Break Fee for Mergers Involving Financial Buyers ⁹	6.3	6.3
Reverse Break Fee for Mergers Involving Strategic Buyers	5.0	4.8

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

	December 2016	Last 12 Months
% of Mergers with Go-Shops	16.7	10.9
% of Mergers Involving Financial Buyers with Go-Shops ¹⁰	100.0	46.9
% of Mergers Involving Strategic Buyers with Go-Shops	0.0	3.3
Avg. Go-Shop Window (in Days) for All Mergers with Go-Shops ¹¹	37.5	34.4
Avg. Go-Shop Window (in Days) for Mergers Involving Financial Buyers with Go-Shops ¹²	37.5	34.2
Avg. Go-Shop Window (in Days) for Mergers Involving Strategic Buyers with Go-Shops ¹³	N/A	35.0

⁸ Based on the highest target break fees and reverse break fees payable in a particular deal.

⁹ Two transactions in December 2016 involving a financial buyer had a reverse break fee.

¹⁰ Two transactions in December 2016 involved a financial buyer.

¹¹ Two transactions in December 2016 had a go-shop provision.

¹² Two transactions in December 2016 involving a financial buyer had a go-shop provision.

¹³ No transactions in December 2016 involving a strategic buyer had a go-shop provision.

M&A Terms (Continued)

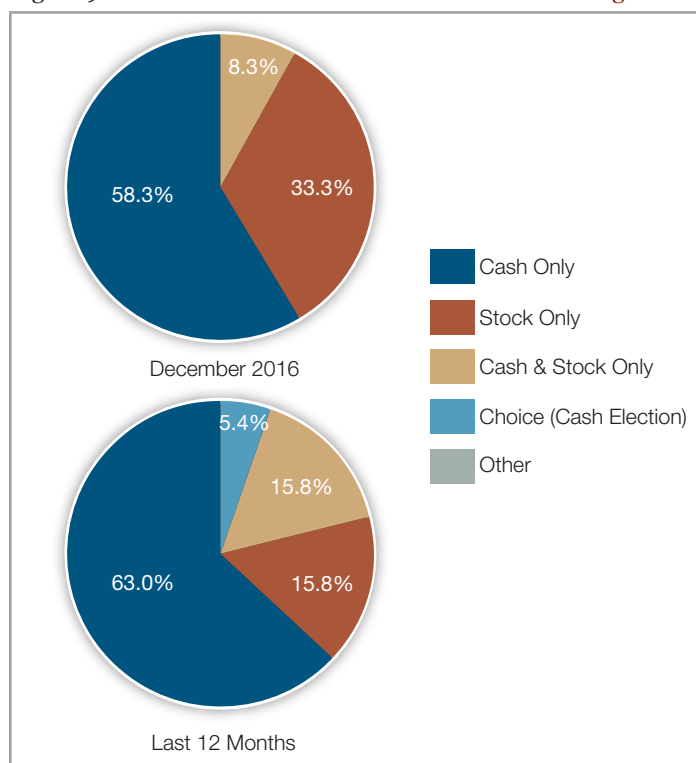
Figure 9 - Form of Consideration as % of U.S. Public Mergers¹⁴

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

December 2016	100.0
Last 12 Months	87.9

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

December 2016	8.3
Last 12 Months	20.1

Figure 12 - Hostile/Unsolicited Offers as % of U.S. Public Mergers¹⁵

December 2016	6.7
Last 12 Months	12.9

¹⁴ Due to rounding, percentages may not add up to 100%.¹⁵ 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).

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.

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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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M&A Activity – 12-Month Trends

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Figure 1A - U.S. Deal Volume (US\$B)

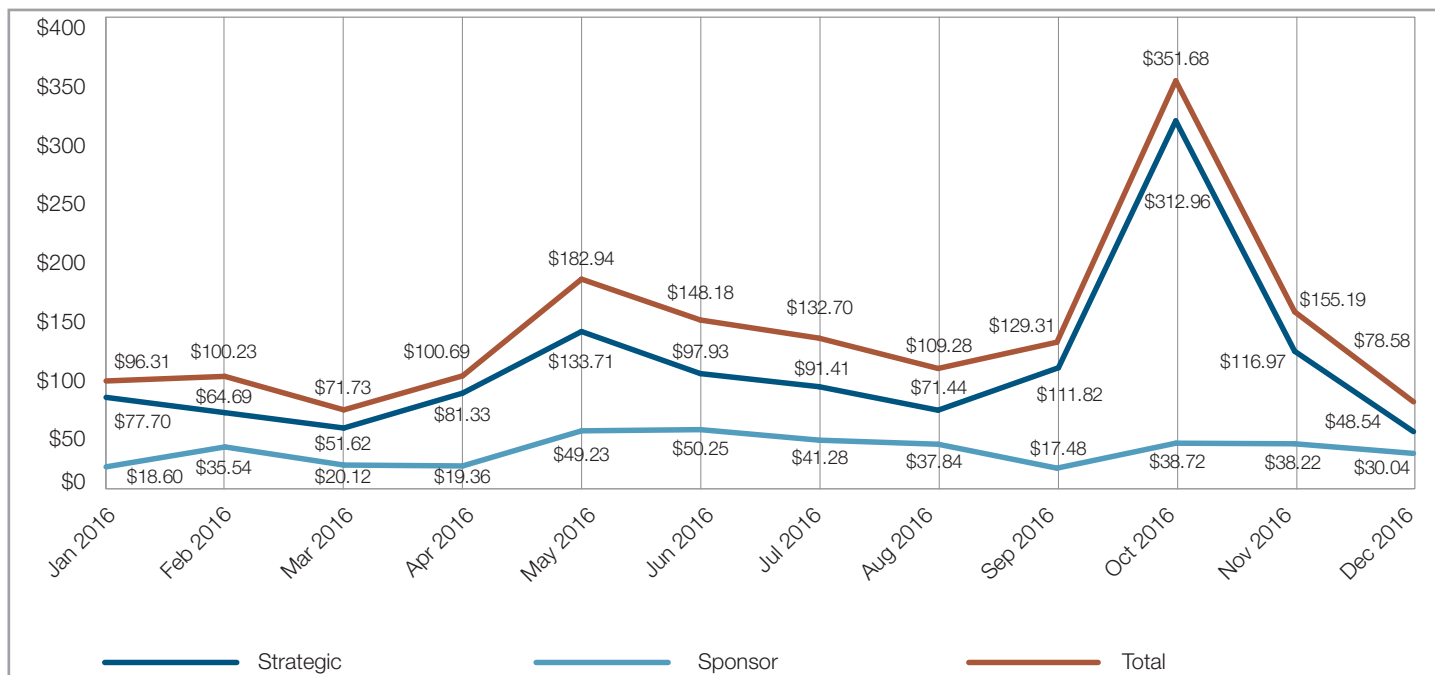


Figure 2A - Global Deal Volume (US\$B)

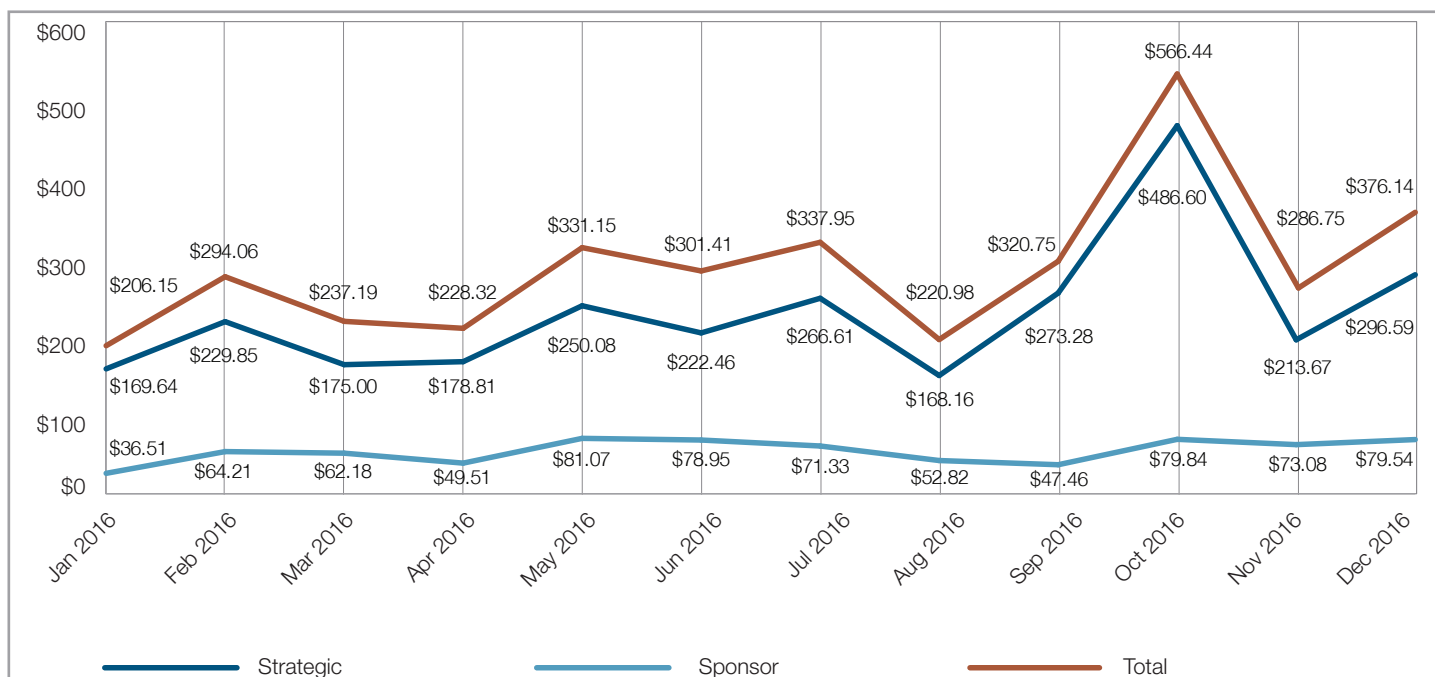


Figure 3A - U.S. Number of Deals

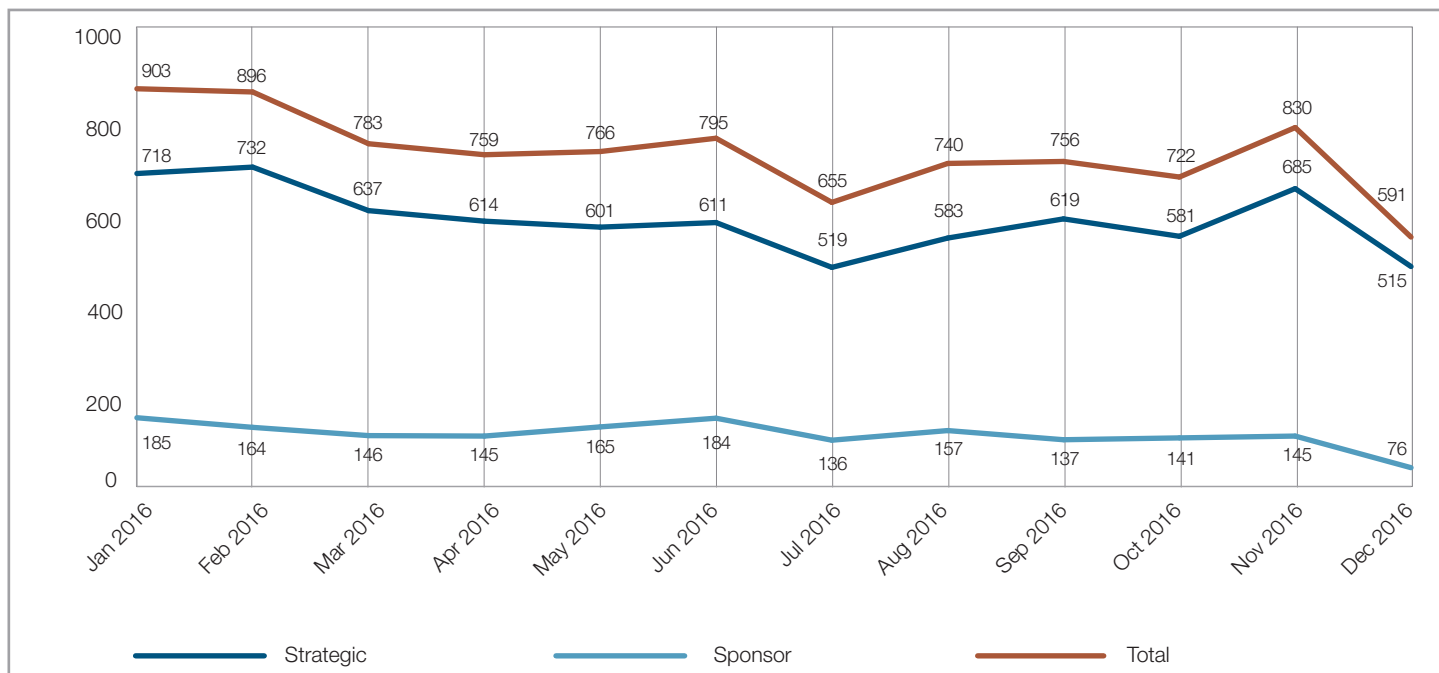


Figure 4A - Global Number of Deals

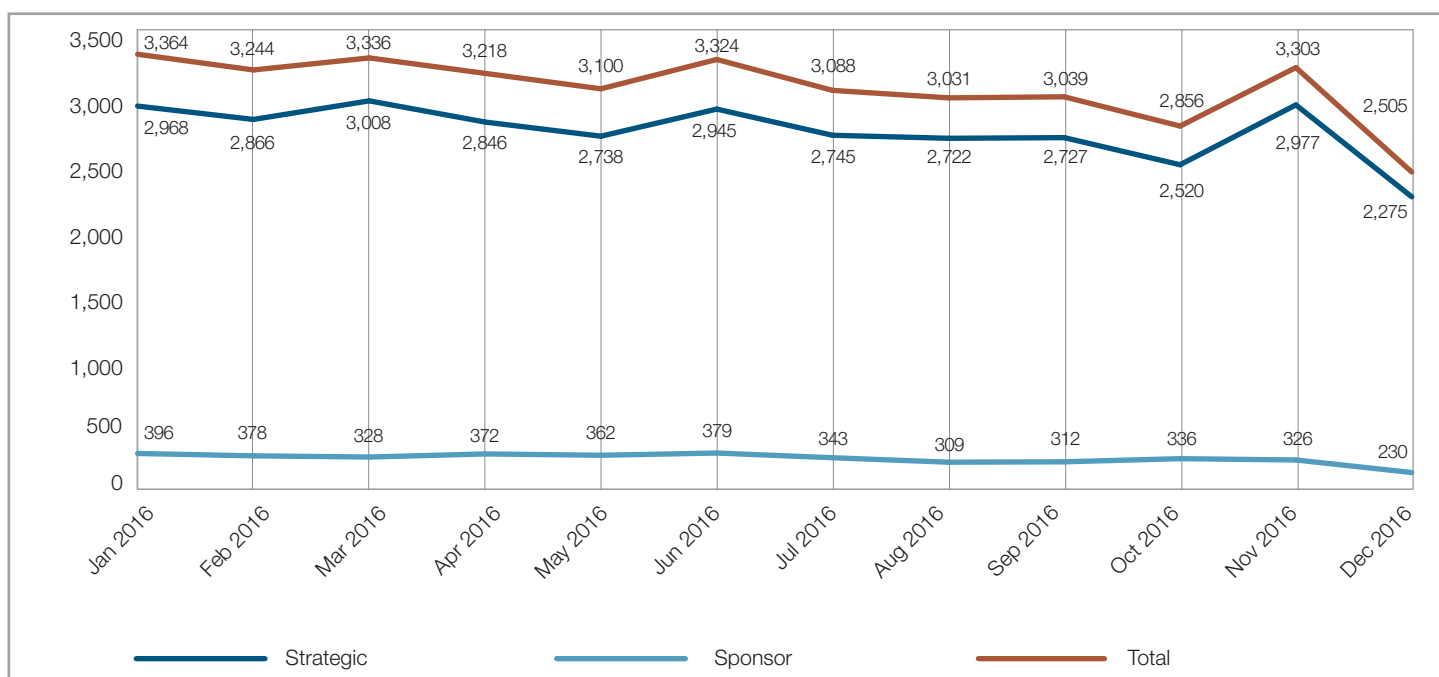


Figure 5A - Inbound U.S. Crossborder Transactions

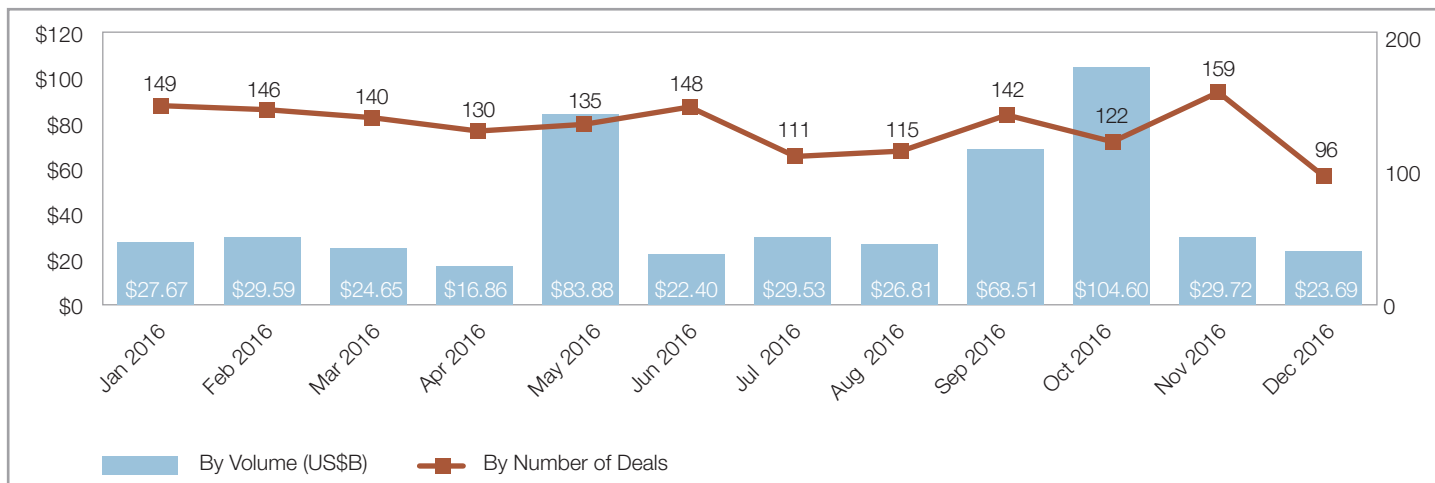


Figure 6A - Outbound U.S. Crossborder Transactions

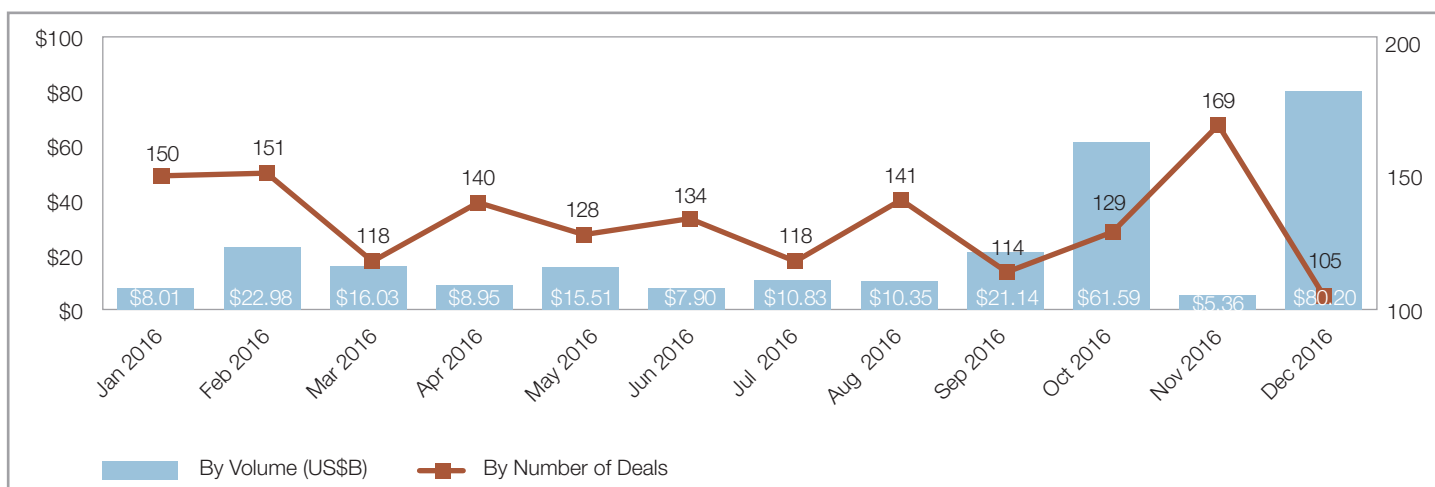


Figure 7A - Global Crossborder Transactions

