

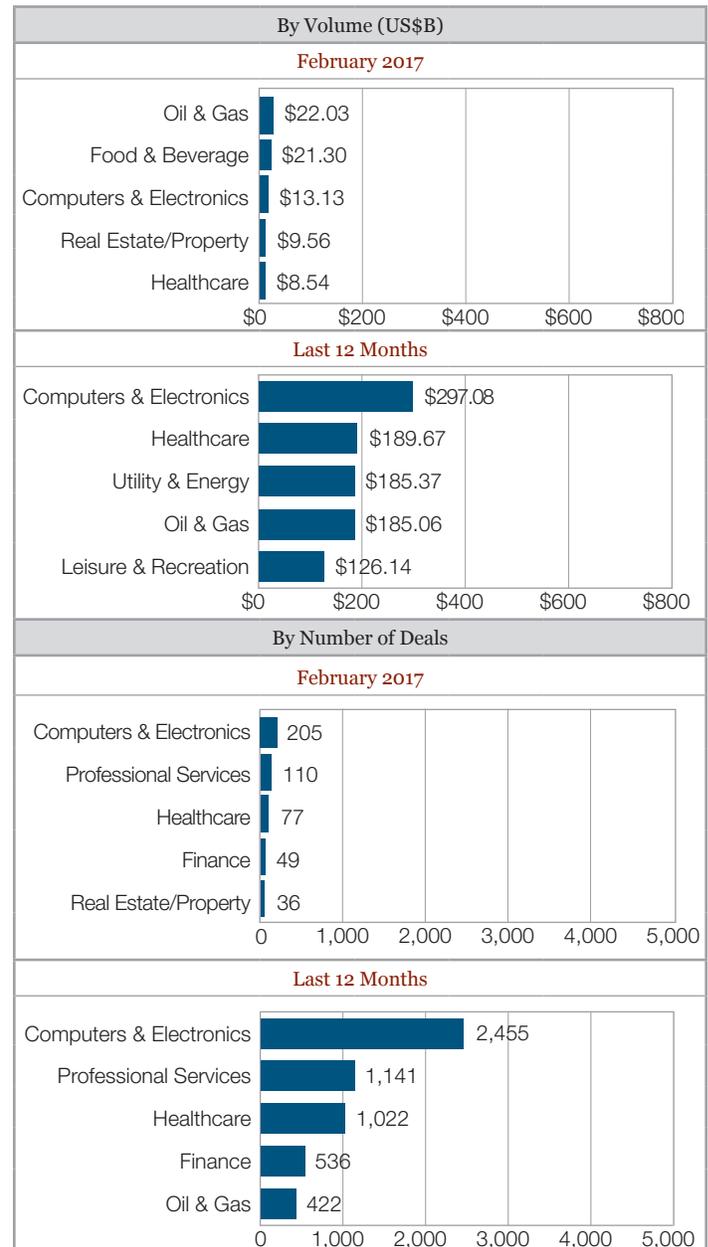
## March 2017, Issue 60

### M&A Activity

Figure 1

February 2017	Global	+/- From Prior Month	U.S.	+/- From Prior Month
<b>Total</b>				
Volume (US\$B)	202.45	(87.25)	106.47	(4.13)
No. of deals	2,858	(262)	828	(94)
Avg. value of deals (US\$mil)	155.4	(58.6)	411.1	(21.0)
Avg. deal multiple <sup>1</sup>	11.4x	(0.7)	14.7x	1.7
<b>Strategic Transactions</b>				
Volume (US\$B)	144.56	(98.93)	77.63	(2.19)
No. of deals	2,520	(293)	666	(127)
Avg. value of deals (US\$mil)	122.2	(71.2)	351.3	(11.5)
Avg. deal multiple <sup>1</sup>	11.4x	(0.5)	15.5x	1.7
<b>Sponsor-Related Transactions</b>				
Volume (US\$B)	57.88	11.68	28.84	(1.94)
No. of deals	338	31	162	33
Avg. value of deals (US\$mil)	482.4	(3.9)	758.9	(96.1)
Avg. deal multiple <sup>1</sup>	11.0x	(1.7)	11.3x	0.3
<b>Crossborder Transactions<sup>2</sup></b>				
Volume (US\$B)	81.68	(36.12)	Inbound 39.73 Outbound 11.84	Inbound 19.07 Outbound (28.91)
No. of deals	761	(47)	Inbound 155 Outbound 133	Inbound 16 Outbound (29)
Avg. value of deals (US\$mil)	234.0	(127.3)	Inbound 575.8 Outbound 211.4	Inbound 186.0 Outbound (758.9)
Avg. deal multiple <sup>1</sup>	11.7x	(0.1)	Inbound 13.4x Outbound 18.1x	Inbound 0.7 Outbound 9.0

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and valued at \$100 million or higher regardless of whether a definitive merger agreement was reached and filed or withdrawn.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 March 10, 2017 unless otherwise specified. "Last 12 Months" data is for the period from March 2016 to February 2017 inclusive. 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&A Activity (Continued)

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



<sup>4</sup> Each of France and Germany was the country of origin for 13 transactions in February 2017.

M&A Activity (Continued)

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

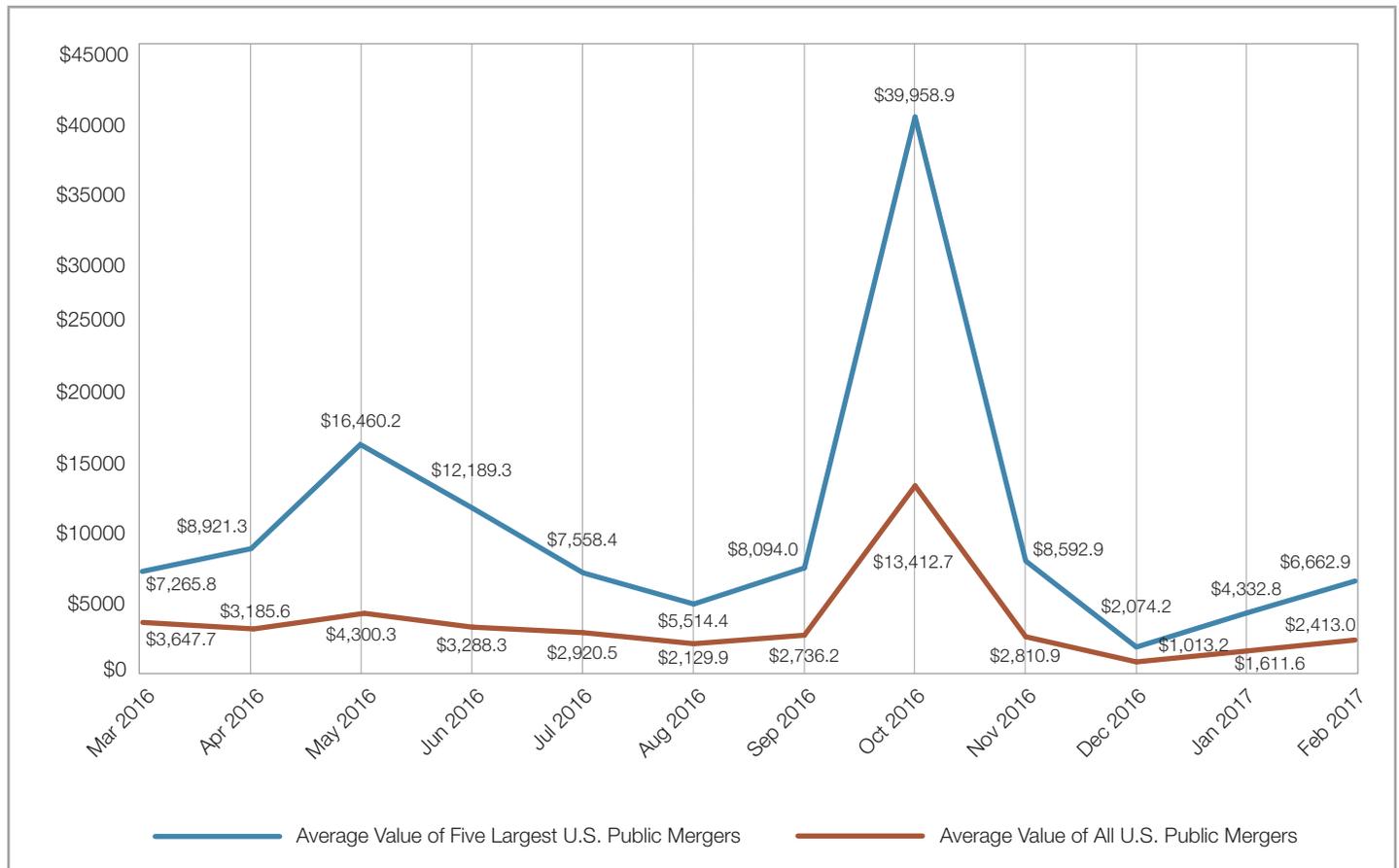
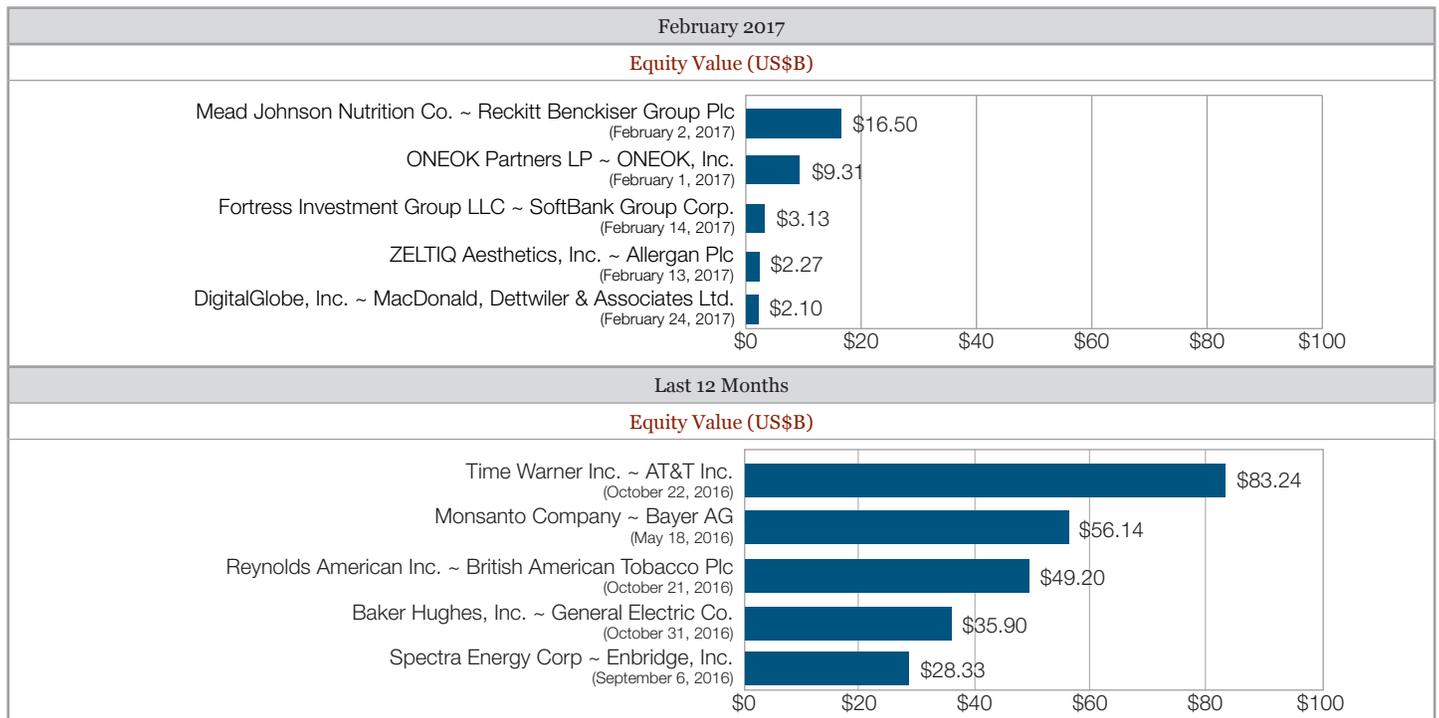


Figure 5 - Five Largest U.S. Public Mergers



## M&A Terms

Figure 6 - Average Break Fees as % of Equity Value<sup>5</sup>

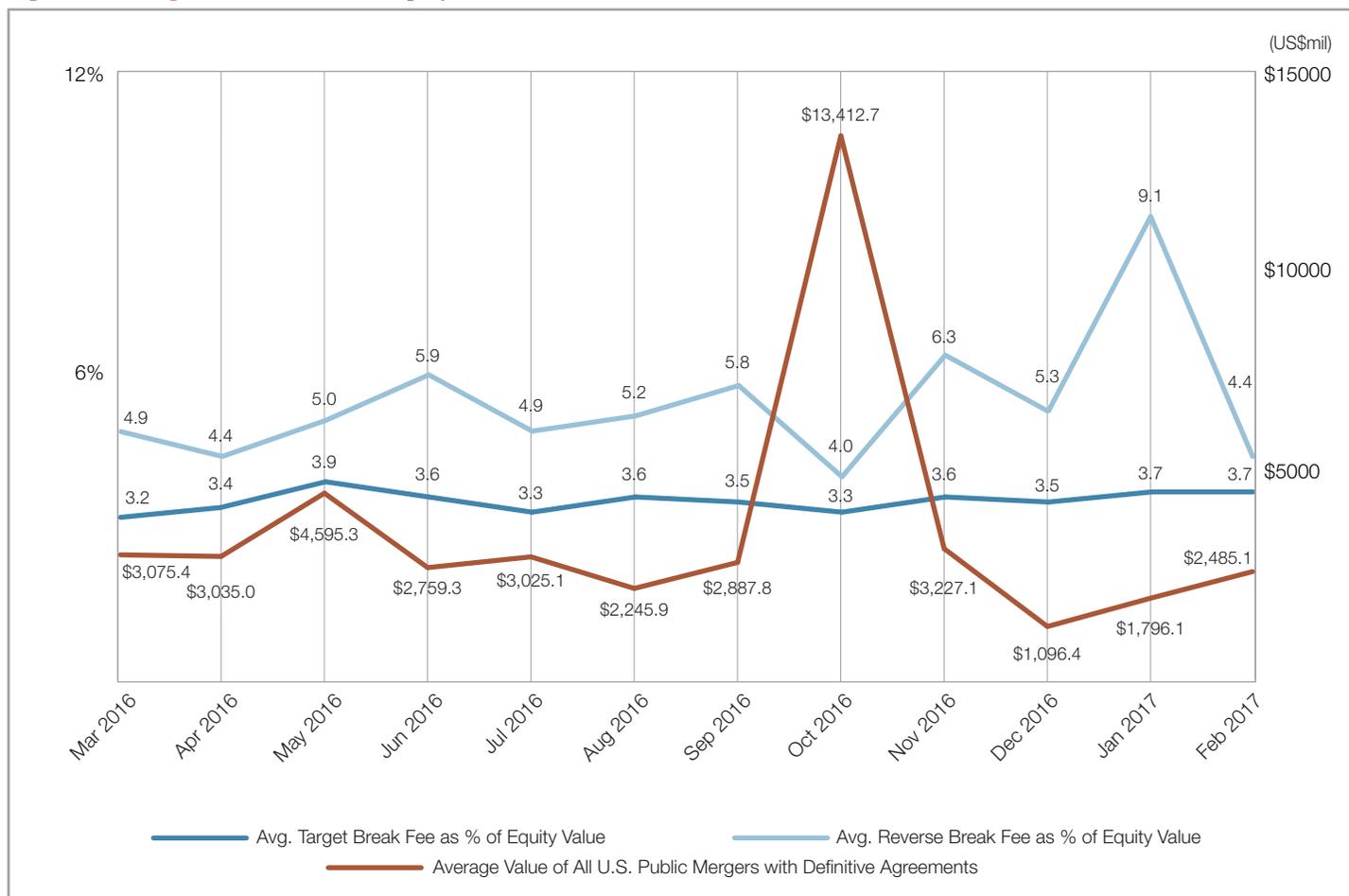


Figure 7 - Average Break Fees as % of Equity Value

	February 2017	Last 12 Months
Target Break Fee for All Mergers	3.7	3.6

	February 2017	Last 12 Months
Reverse Break Fee for All Mergers	4.4	5.4
Reverse Break Fee for Mergers Involving Financial Buyers <sup>6</sup>	N/A	6.6
Reverse Break Fee for Mergers Involving Strategic Buyers	4.4	5.0

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

	February 2017	Last 12 Months
% of Mergers with Go-Shops	6.3	10.4
% of Mergers Involving Financial Buyers with Go-Shops <sup>7</sup>	N/A	48.3
% of Mergers Involving Strategic Buyers with Go-Shops	6.3	3.7
Avg. Go-Shop Window (in Days) for All Mergers with Go-Shops <sup>8</sup>	30.0	33.9
Avg. Go-Shop Window (in Days) for Mergers Involving Financial Buyers with Go-Shops <sup>9</sup>	N/A	33.8
Avg. Go-Shop Window (in Days) for Mergers Involving Strategic Buyers with Go-Shops <sup>10</sup>	30.0	34.2

<sup>5</sup> Based on the highest target break fees and reverse break fees payable in a particular deal.

<sup>6</sup> No transactions in February 2017 involving a financial buyer had a reverse break fee.

<sup>7</sup> No transactions in February 2017 involved a financial buyer.

<sup>8</sup> One transaction in February 2017 had a go-shop provision.

<sup>9</sup> No transactions in February 2017 involving a financial buyer had a go-shop provision.

<sup>10</sup> One transaction in February 2017 involving a strategic buyer had a go-shop provision.

M&A Terms (Continued)

Figure 9 - Form of Consideration as % of U.S. Public Mergers<sup>11</sup>

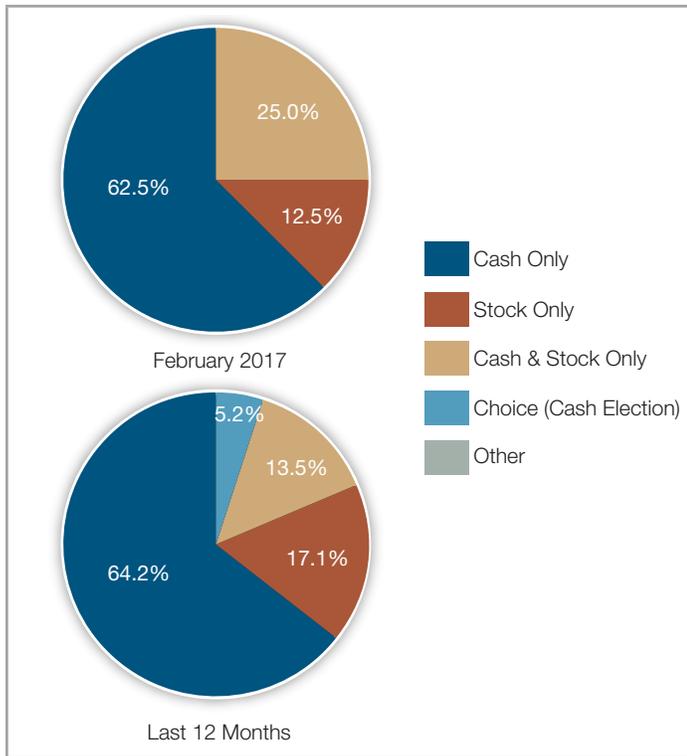


Figure 10 - % of Partial and All Stock Deals that Have a Fixed Exchange Ratio

February 2017	100.0
Last 12 Months	89.8

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

February 2017	18.8
Last 12 Months	23.8

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

February 2017	5.9
Last 12 Months	12.8

<sup>11</sup> Due to rounding, percentages may not add up to 100%

<sup>12</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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M&A Activity – 12-Month Trends

A N N E X

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



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

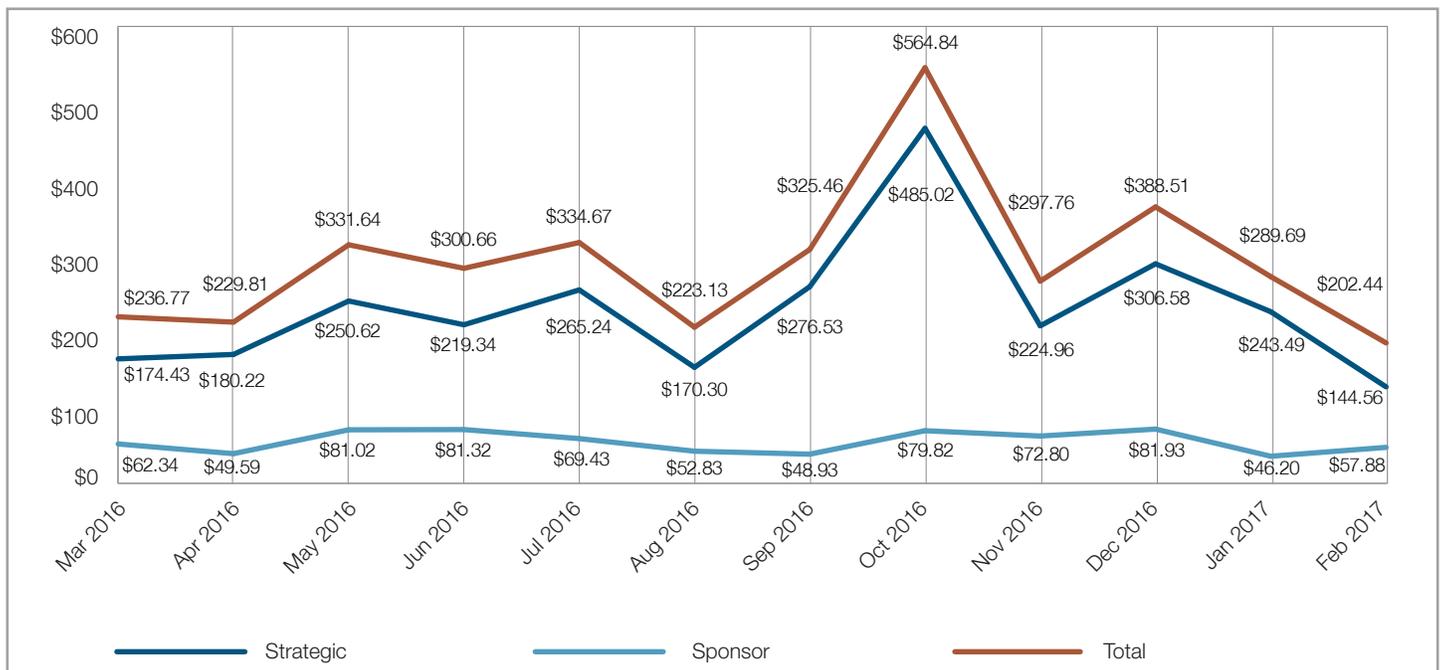


Figure 3A - U.S. Number of Deals

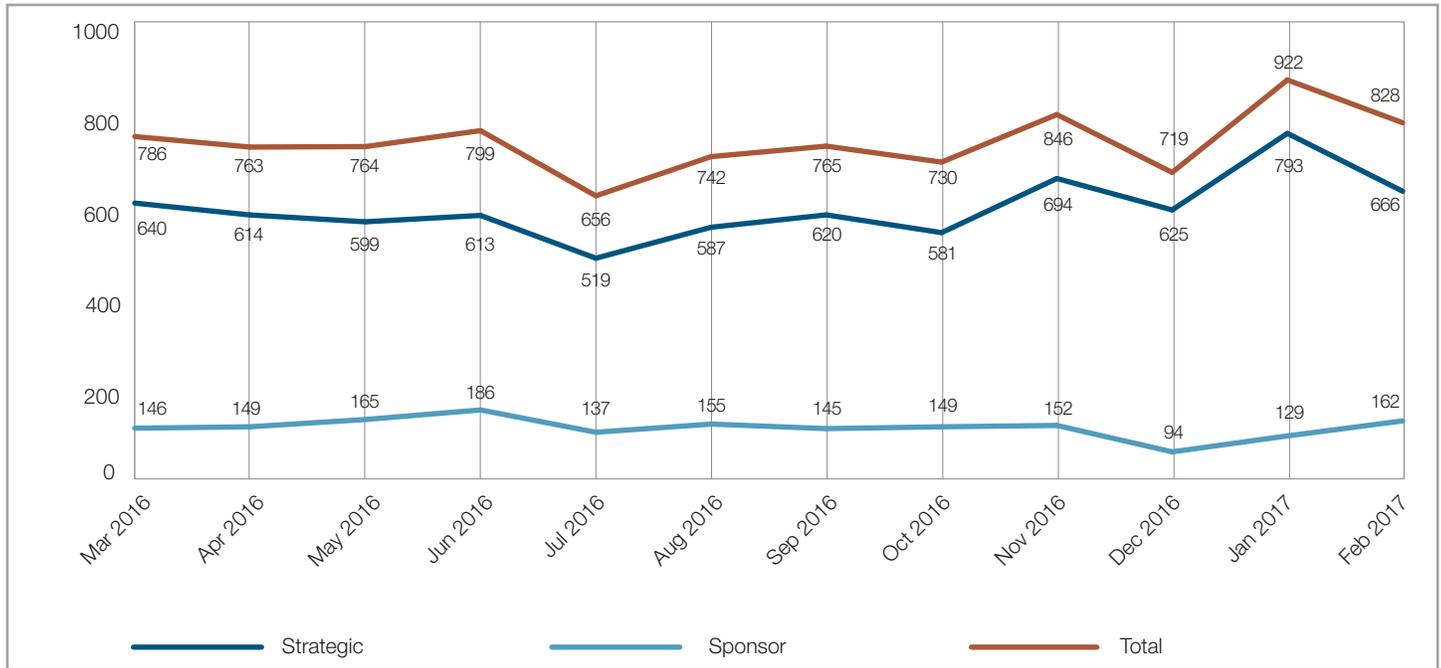


Figure 4A - Global Number of Deals

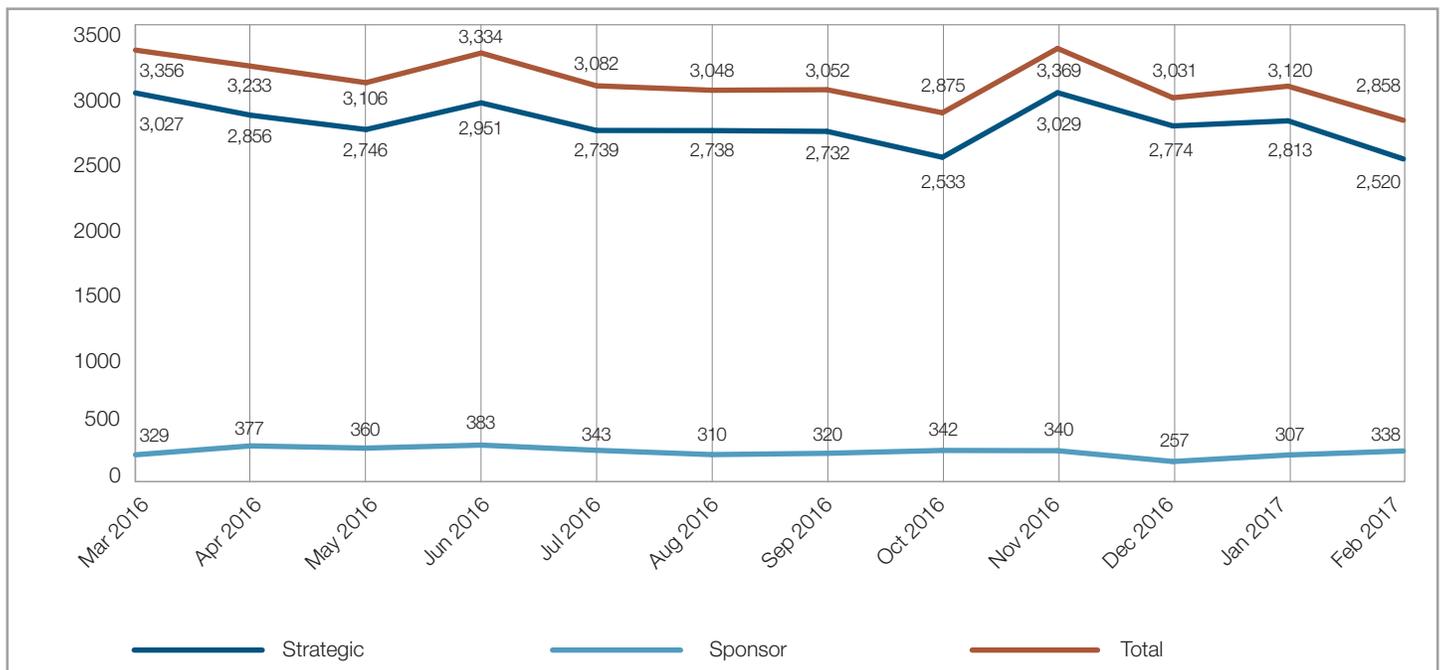


Figure 5A - Inbound U.S. Crossborder Transactions

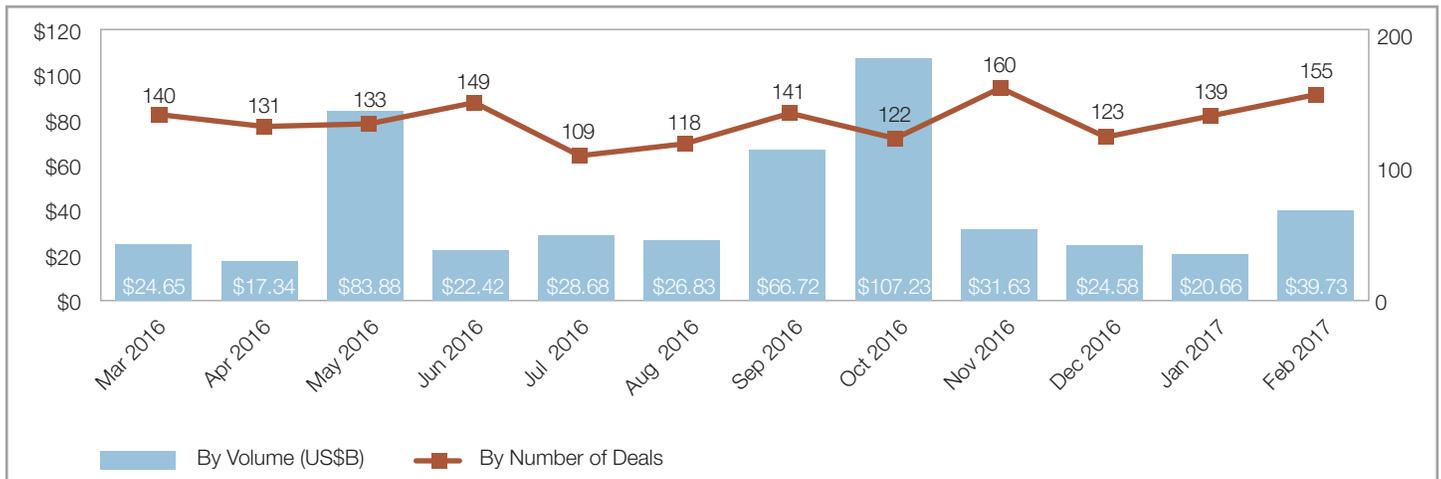


Figure 6A - Outbound U.S. Crossborder Transactions



Figure 7A - Global Crossborder Transactions

