

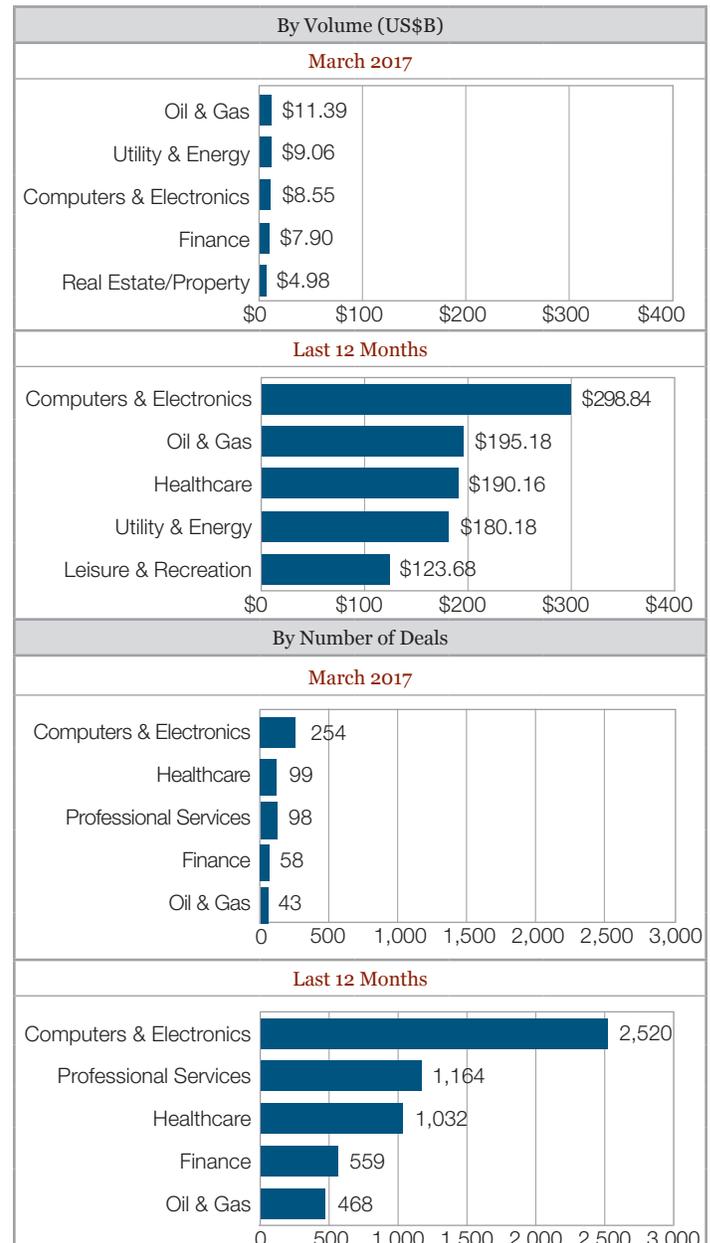
# April 2017, Issue 61

## M&A Activity

Figure 1

March 2017	Global	+/- From Prior Month	U.S.	+/- From Prior Month
<b>Total</b>				
Volume (US\$B)	299.58	96.23	65.91	(41.56)
No. of deals	3,469	468	886	25
Avg. value of deals (US\$mil)	174.5	26.7	210.6	(181.6)
Avg. deal multiple <sup>1</sup>	11.2x	(0.3)	11.7x	(3.3)
<b>Strategic Transactions</b>				
Volume (US\$B)	242.29	96.58	44.34	(34.23)
No. of deals	3,135	474	740	43
Avg. value of deals (US\$mil)	151.2	35.1	161.2	(171.7)
Avg. deal multiple <sup>1</sup>	11.2x	(0.3)	12.0x	(3.5)
<b>Sponsor-Related Transactions</b>				
Volume (US\$B)	57.29	0.00	21.58	(7.33)
No. of deals	334	(6)	146	(18)
Avg. value of deals (US\$mil)	498.2	0.0	567.8	(192.8)
Avg. deal multiple <sup>1</sup>	11.4x	(0.2)	11.0x	(2.0)
<b>Crossborder Transactions<sup>2</sup></b>				
Volume (US\$B)	116.88	35.03	Inbound 21.51 Outbound 48.37	Inbound (18.31) Outbound 36.35
No. of deals	838	39	Inbound 150 Outbound 140	Inbound (14) Outbound (4)
Avg. value of deals (US\$mil)	290.0	65.2	Inbound 316.4 Outbound 967.3	Inbound (229.1) Outbound 767.0
Avg. deal multiple <sup>1</sup>	10.8x	(1.2)	Inbound 12.9x Outbound 10.3x	Inbound (2.1) Outbound (7.9)

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and valued at \$100 million or higher regardless of whether a definitive merger agreement was reached and filed or withdrawn.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

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



<sup>4</sup> Each of Australia and Germany was the country of origin for 9 transactions in March 2017.

M&A Activity (Continued)

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

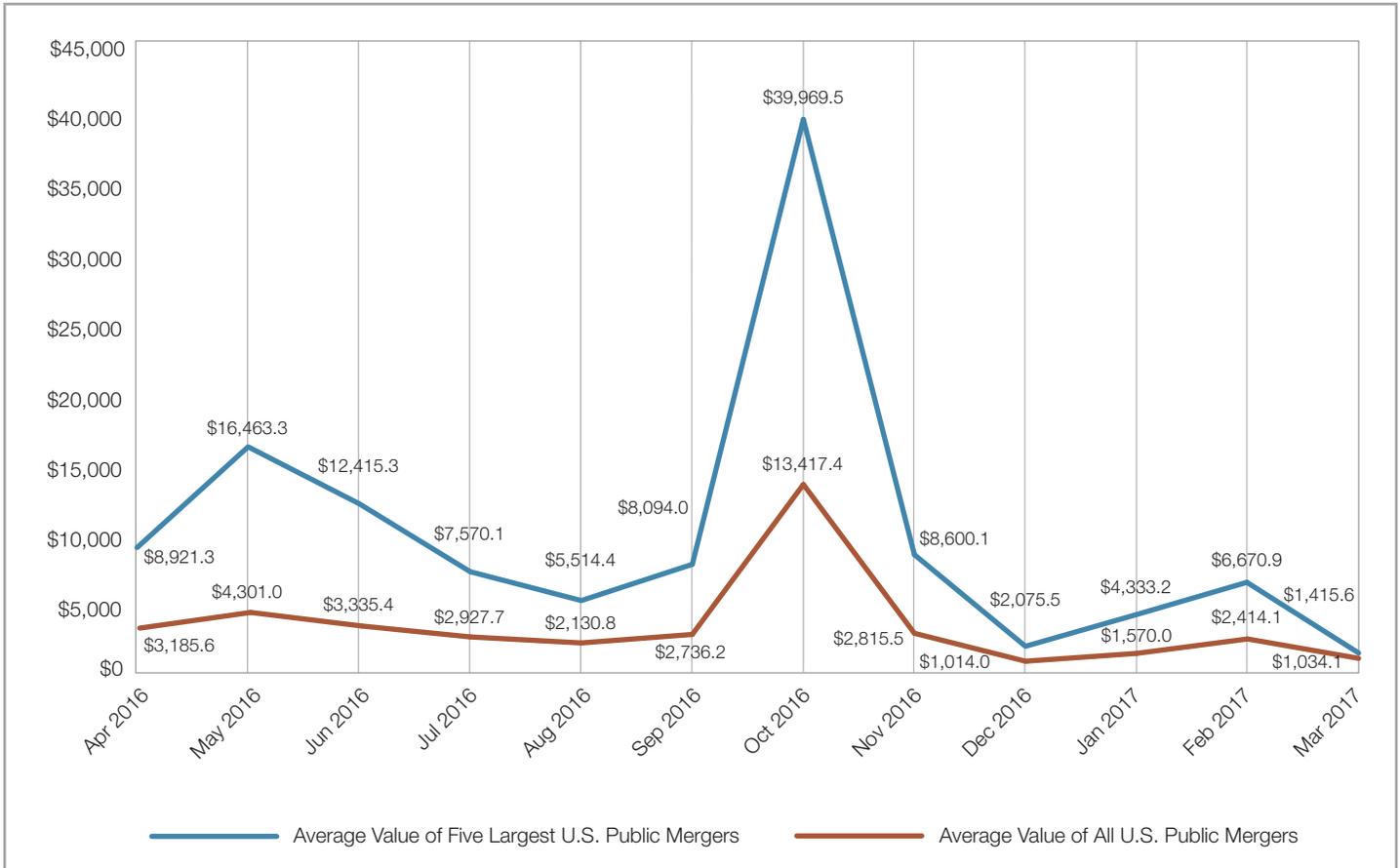
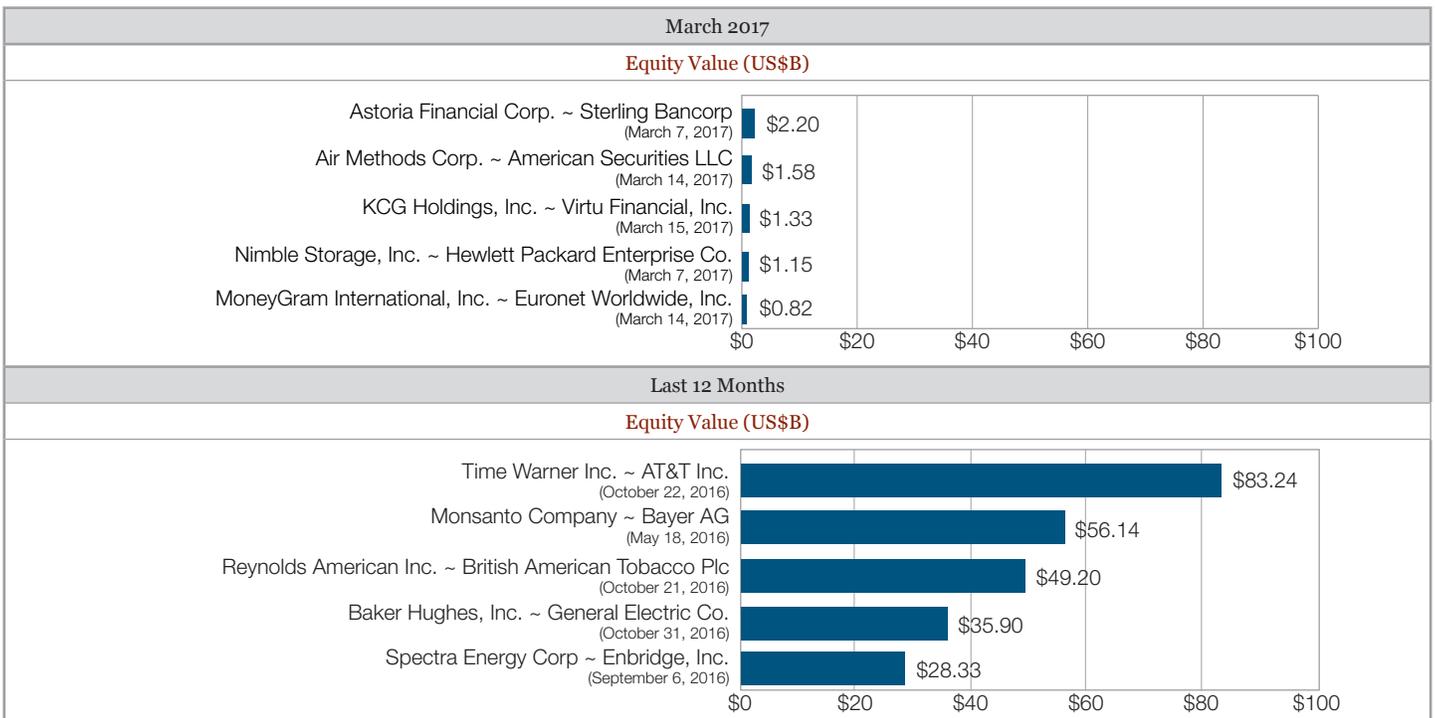


Figure 5 - Five Largest U.S. Public Mergers



## M&A Terms

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

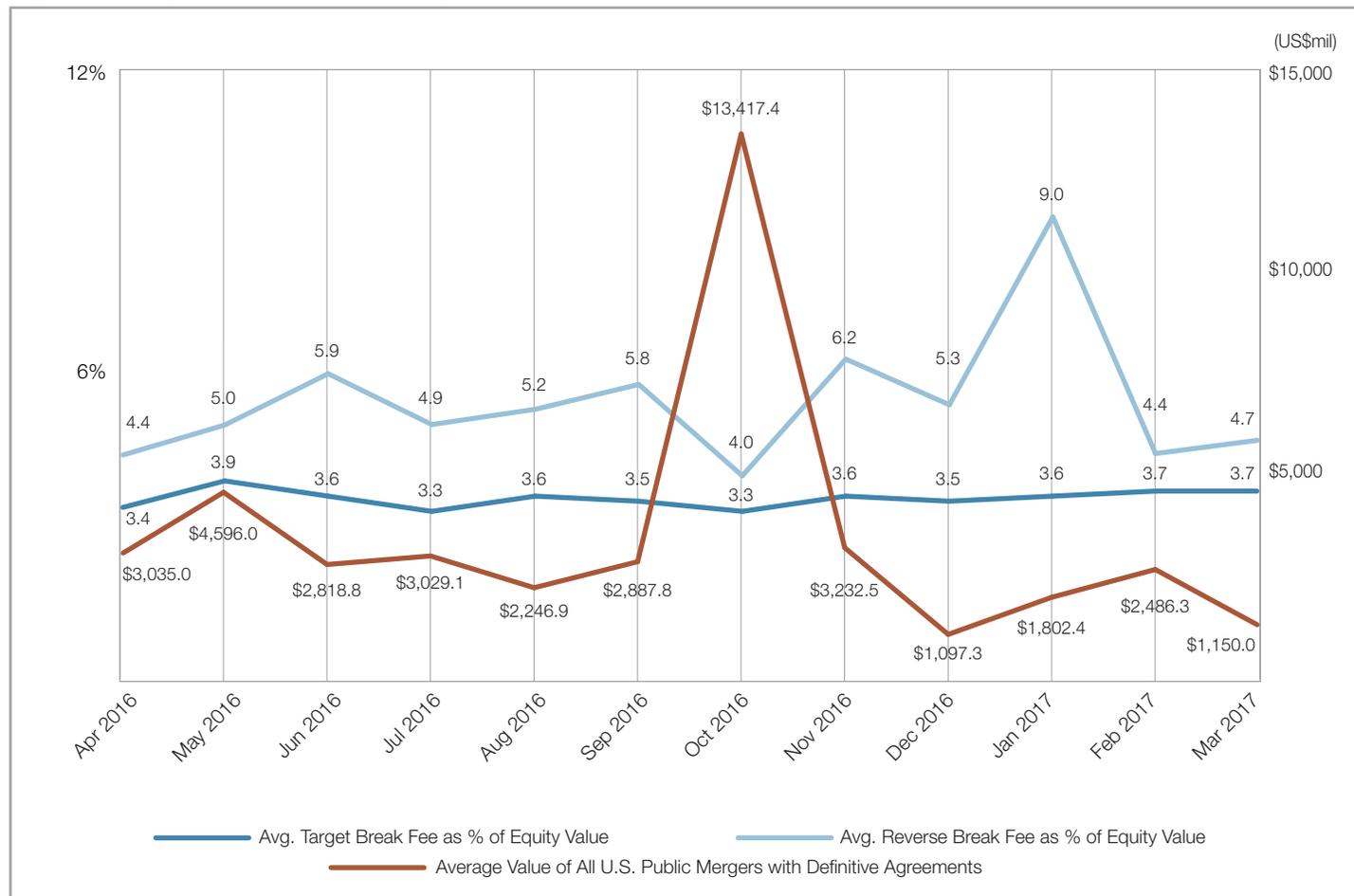


Figure 7 - Average Break Fees as % of Equity Value

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

	March 2017	Last 12 Months
Reverse Break Fee for All Mergers <sup>6</sup>	4.7	5.4
Reverse Break Fee for Mergers Involving Financial Buyers <sup>7</sup>	6.1	6.6
Reverse Break Fee for Mergers Involving Strategic Buyers <sup>8</sup>	3.4	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.

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

<sup>6</sup> Two transactions in March 2017 had a reverse break fee.

<sup>7</sup> One transaction in March 2017 involving a financial buyer had a reverse break fee.

<sup>8</sup> One transaction in March 2017 involving a strategic buyer had a reverse break fee.

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

	March 2017	Last 12 Months
% of Mergers with Go-Shops	0.0	9.9
% of Mergers Involving Financial Buyers with Go-Shops <sup>9</sup>	0.0	41.9
% of Mergers Involving Strategic Buyers with Go-Shops	0.0	3.8
Avg. Go-Shop Window (in Days) for All Mergers with Go-Shops <sup>10</sup>	N/A	34.6
Avg. Go-Shop Window (in Days) for Mergers Involving Financial Buyers with Go-Shops <sup>11</sup>	N/A	34.8
Avg. Go-Shop Window (in Days) for Mergers Involving Strategic Buyers with Go-Shops <sup>12</sup>	N/A	34.2

<sup>9</sup> Two transactions in March 2017 involved a financial buyer.

<sup>10</sup> Zero transactions in March 2017 had a go-shop provision.

<sup>11</sup> Zero transactions in March 2017 involving a financial buyer had a go-shop provision.

<sup>12</sup> Zero transactions in March 2017 involving a strategic buyer had a go-shop provision.

Figure 9 - Form of Consideration as % of U.S. Public Mergers<sup>13</sup>

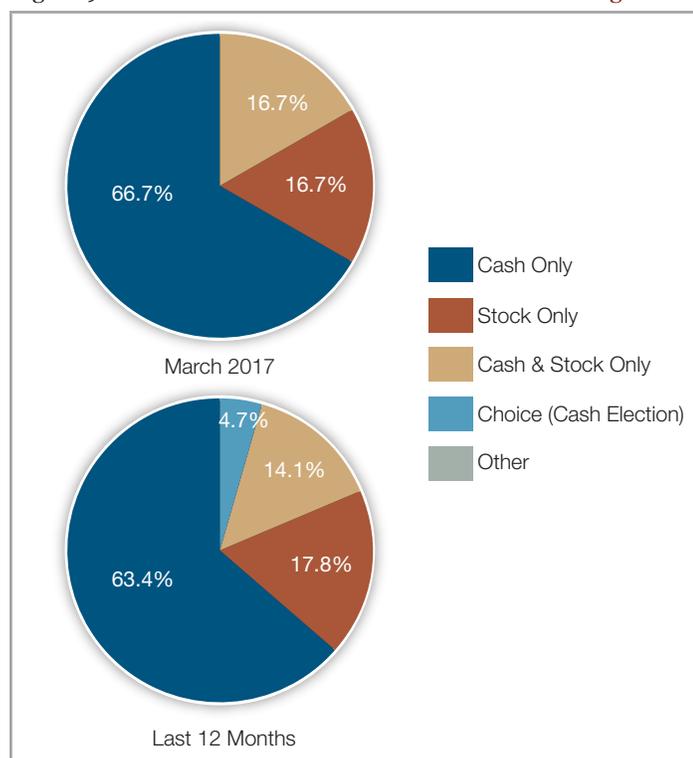


Figure 10 - % of Partial and All Stock Deals that Have a Fixed Exchange Ratio

March 2017 <sup>14</sup>	50.0
Last 12 Months	90.2

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

March 2017	50.0
Last 12 Months	25.1

Figure 12 - Hostile/Unsolicited Offers as % of U.S. Public Mergers<sup>15</sup>

March 2017	33.3
Last 12 Months	12.9

<sup>13</sup> Due to rounding, percentages may not add up to 100%.

<sup>14</sup> There were only two partial or all stock transactions in March 2017.

<sup>15</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

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



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



Figure 3A - U.S. Number of Deals

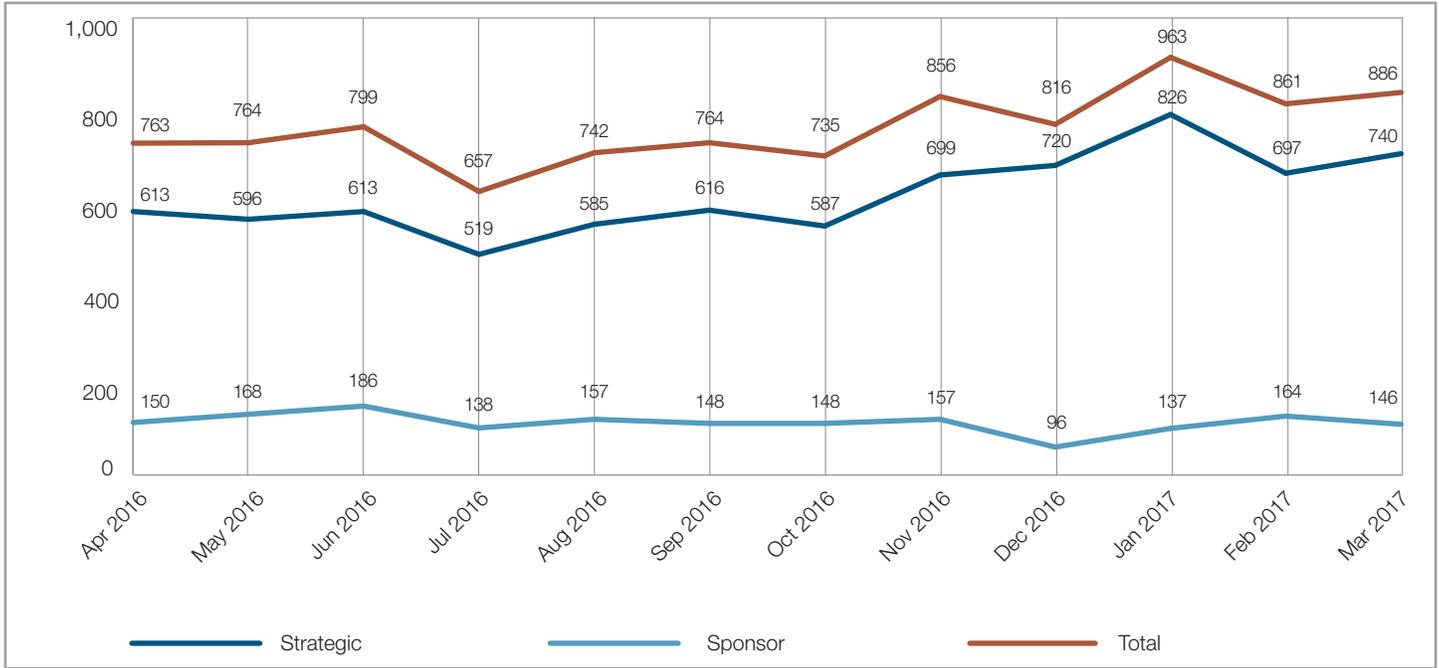


Figure 4A - Global Number of Deals



Figure 5A - Inbound U.S. Crossborder Transactions



Figure 6A - Outbound U.S. Crossborder Transactions



Figure 7A - Global Crossborder Transactions

