

M&A AT A GLANCE

APRIL 2024 | ISSUE 144

Key Takeaways

- ▶ U.S. and global M&A activity declined overall in March compared to February, with deal value and deal numbers both falling. Year over year, the trend was similar, except for U.S. total deal value, which was up compared to March 2023. Strategic activity bore the brunt of these declines.
- ▶ Construction/Building was the most active industry in the United States by total deal value, replacing Computers & Electronics, which still held the top spot by deal numbers. Of the 17 \$1 billion or larger U.S. deals announced in March, three fell in the Construction/Building industry, including March's largest deal, Home Depot's acquisition of SRS Distribution. Also in that industry was Carrier Global's sale of its industrial fire business to Sentinel Capital Partners (Paul, Weiss advised Carrier) and United Rental's acquisition of Yak Access and related entities from Platinum Equity.
- ▶ We note that among U.S. public deals valued at over \$100 million announced in March, average break fees were up to 4.3%, reverse break fees up to 8.4%, 57% were unsolicited and there were no tender offers. With the exception of no tender offers, which continues to reflect the difficult regulatory environment, we think this reflects the small number of deals announced in March (seven) rather than market trends.

All data in this publication is for March 2024 and is as of April 10, 2024, unless otherwise specified. Each metric in this publication that references deal volume by dollar value is calculated from the subset of the total number of deals that includes a disclosed deal value.

Strategic vs. Sponsor Activity

U.S.	Global
Total	Total
\$94.8 billion – ▼47.1%	\$213.8 billion – ▼33.4%
627 deals – ▼14.0%	2,342 deals – ▼10.6%
Strategic	Strategic
\$47.8 billion – ▼63.6%	\$136.8 billion – ▼47.6%
420 deals – ▼16.0%	1,907 deals – ▼8.9%
Sponsor	Sponsor
\$47.0 billion – ▼1.9%	\$77.0 billion – ▲28.2%
207 deals – ▼9.6%	435 deals – ▼17.5%

Crossborder Activity

U.S. Inbound	U.S. Outbound
\$13.1 billion ▼52.0%	\$19.2 billion ▼0.9%
86 deals ▲11.7%	94 deals ▼29.3%
leading country France – \$3.0 billion Canada – 15 deals	leading country United Kingdom – \$12.2 billion United Kingdom – 16 deals
leading country last 12 months Japan – \$50.7 billion Canada – 219 deals	leading country last 12 months Canada – \$33.0 billion United Kingdom – 321 deals

Industry Activity

 most deals 164 deals Computers & Electronics
 last 12 months 2,601 deals Computers & Electronics
 most dollar value \$21.7 billion Construction/Building
 last 12 months \$298.2 billion Computers & Electronics

SPAC Acquisitions

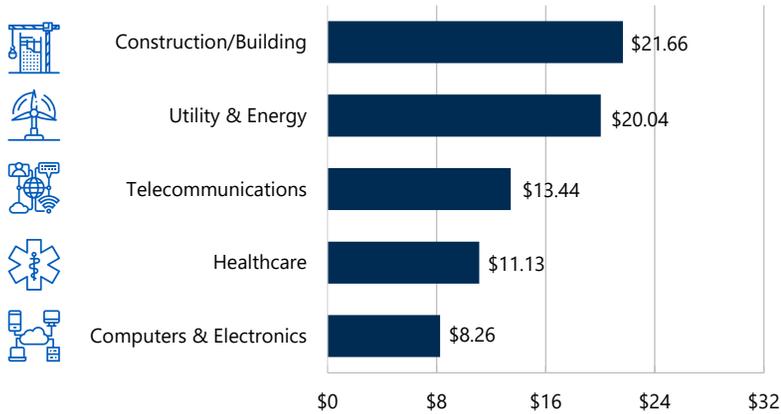
 \$1.8 billion 2 deals ▼ 79.0% ▼ 66.7%
 \$1.8 billion 10 deals ▼ 80.6% ▼ 70.0%

Most Active U.S. Target Industries¹

Deal Value (U.S.\$B)

March 2024

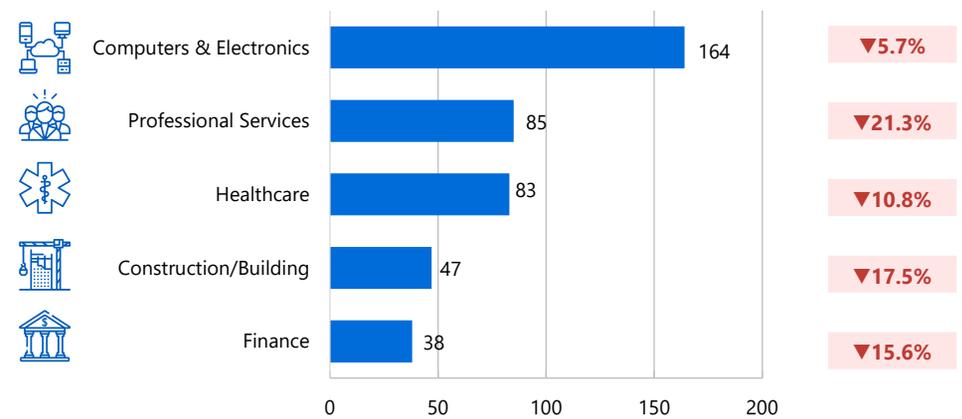
+/- from last month



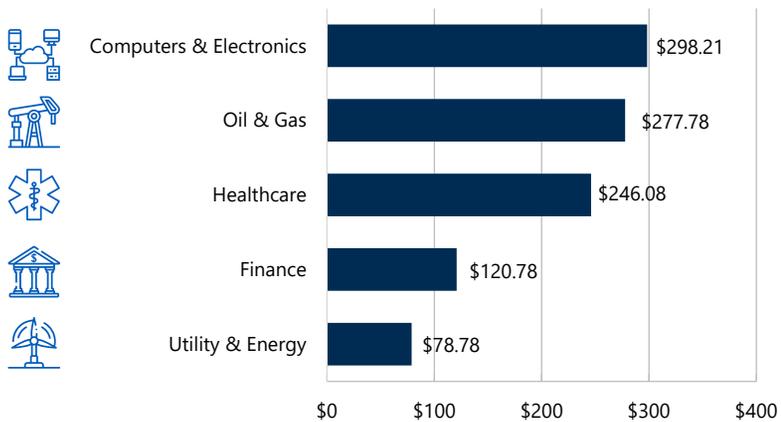
Number of Deals

March 2024

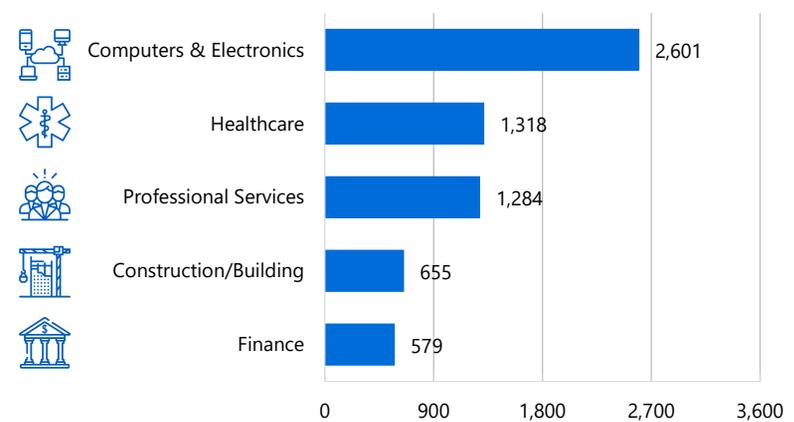
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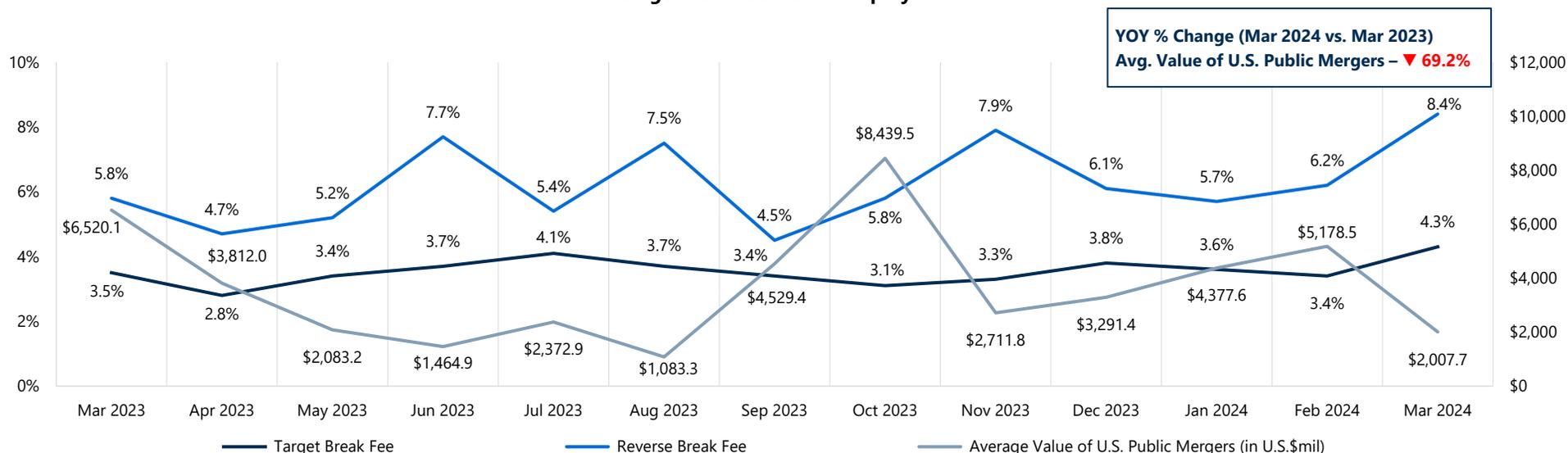
Last 12 Months



Last 12 Months



Average Break Fees as % of Equity Value²



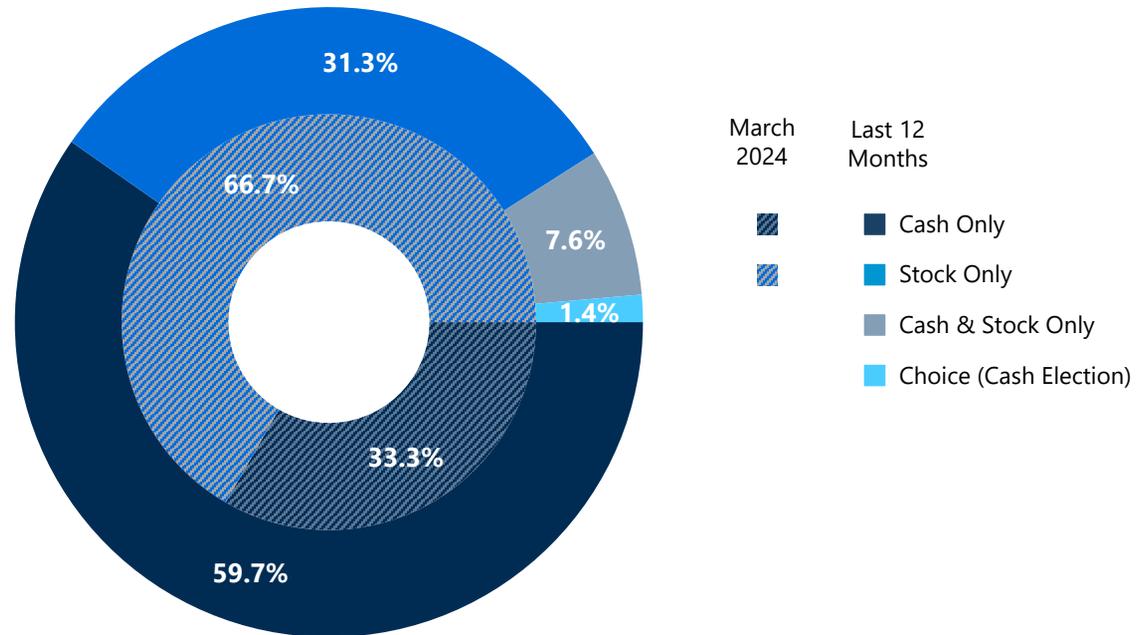
Average Break Fees as % of Equity Value^{3,4}

	March 2024	Last 12 Months
Target Break Fee for All Mergers	4.3	3.5
Reverse Break Fee for All Mergers ⁵	8.4	6.0
Reverse Break Fee for Mergers Involving Financial Buyers ⁶	7.1	7.7
Reverse Break Fee for Mergers Involving Strategic Buyers ⁷	9.6	5.3

U.S. Public Merger Go-Shop Provisions^{3,4}

	March 2024	Last 12 Months
% of Mergers with Go-Shops	0.0	7.6
% of Mergers Involving Financial Buyers with Go-Shops ⁸	0.0	24.2
% of Mergers Involving Strategic Buyers with Go-Shops ⁹	0.0	2.7
Avg. Go-Shop Window (in Days) for All Mergers with Go-Shops ¹⁰	N/A	30.9
Avg. Go-Shop Window (in Days) for Mergers Involving Financial Buyers with Go-Shops ¹¹	N/A	31.3
Avg. Go-Shop Window (in Days) for Mergers Involving Strategic Buyers with Go-Shops ¹²	N/A	30.0

Form of Consideration as % of U.S. Public Mergers¹³



Tender Offers as % of U.S. Public Mergers

March 2024	0.0
Last 12 Months	14.6

Unaffected Premium %^{14, 15}

March 2024	27.4
Last 12 Months	42.9

Hostile/Unsolicited Offers as % of U.S. Public Mergers¹⁴

March 2024	57.1
Last 12 Months	18.9

Total Target Adviser Fee(s) as % of Equity Value

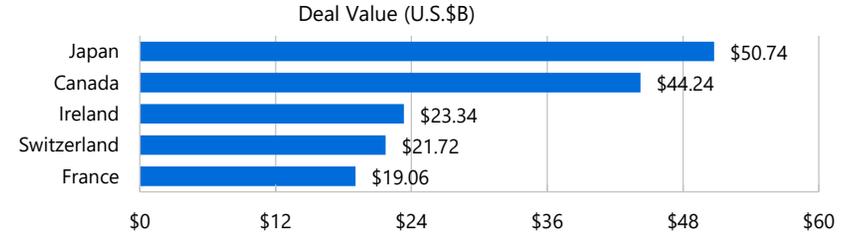
March 2024	0.3
Last 12 Months	1.8

Top 5 Countries of Origin for Inbound U.S. Crossborder Transactions

Inbound U.S. Crossborder Transactions for March 2024

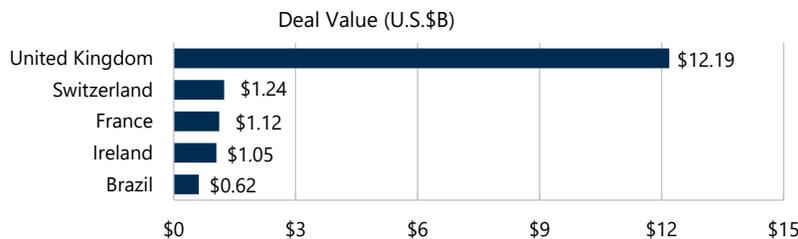


Inbound U.S. Crossborder Transactions for the Last 12 Months



Top 5 Countries of Destination for Outbound U.S. Crossborder Transactions

Outbound U.S. Crossborder Transactions for March 2024

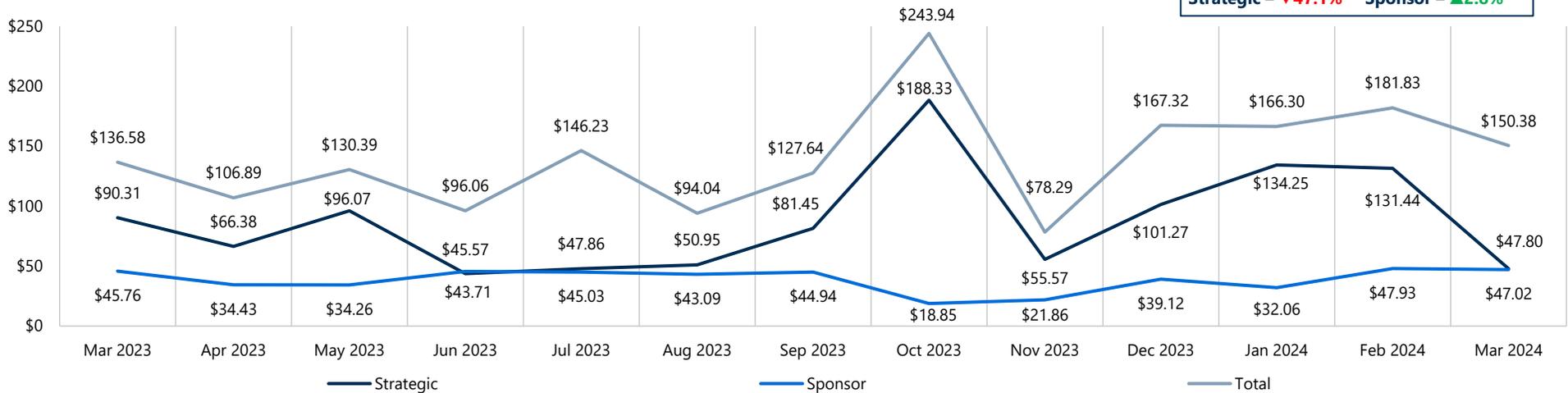


Outbound U.S. Crossborder Transactions for the Last 12 Months

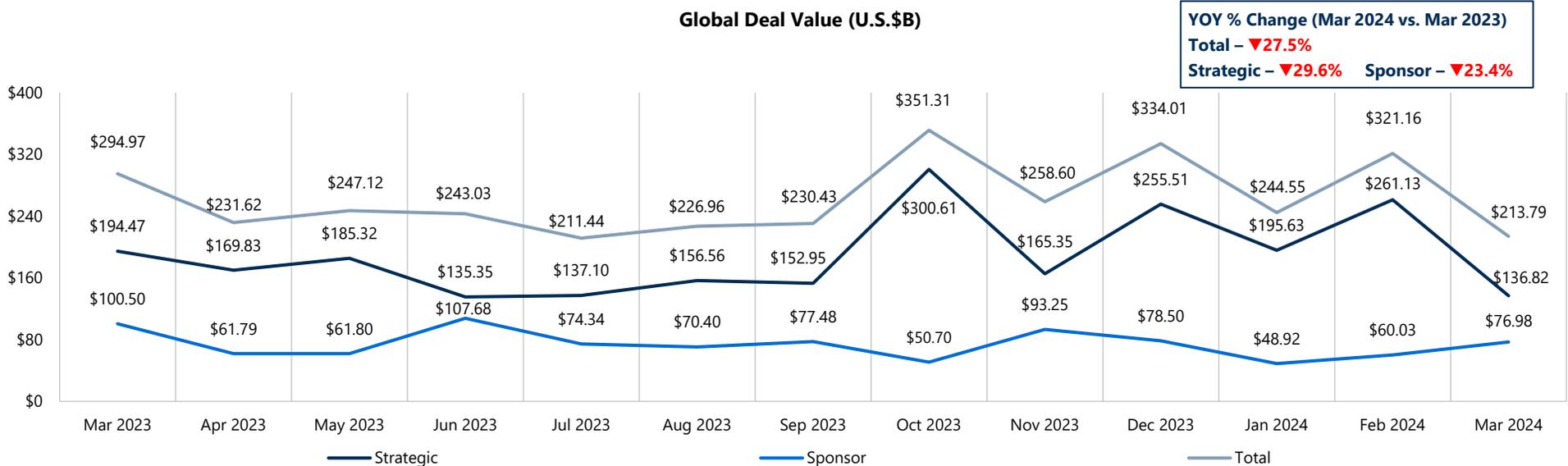


Appendix: M&A Activity – 12-Month Trends

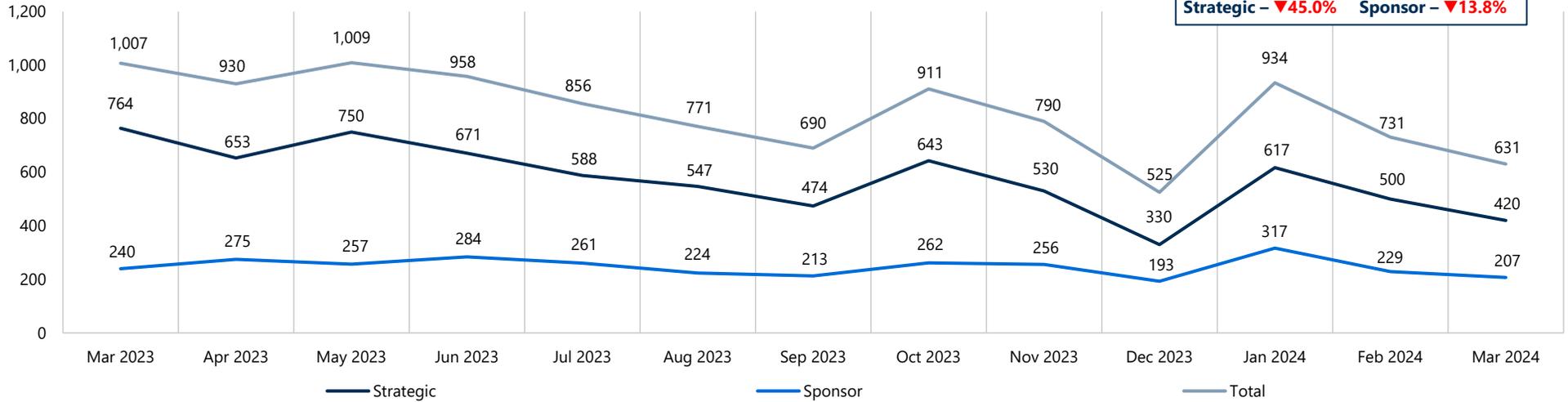
U.S. Deal Value (U.S.\$B)



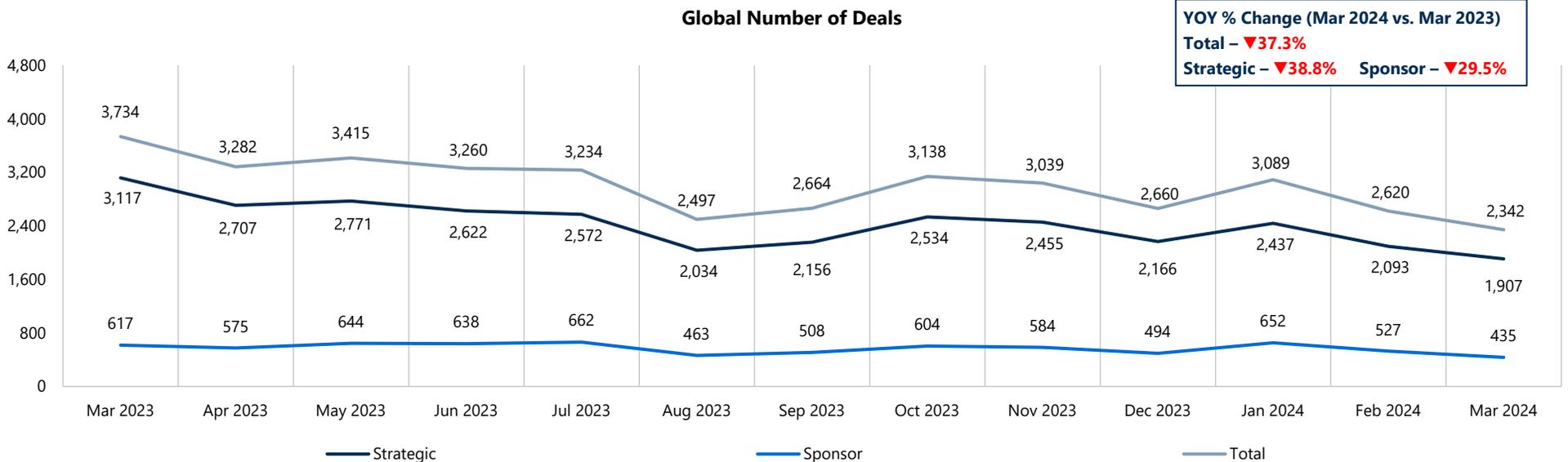
Global Deal Value (U.S.\$B)



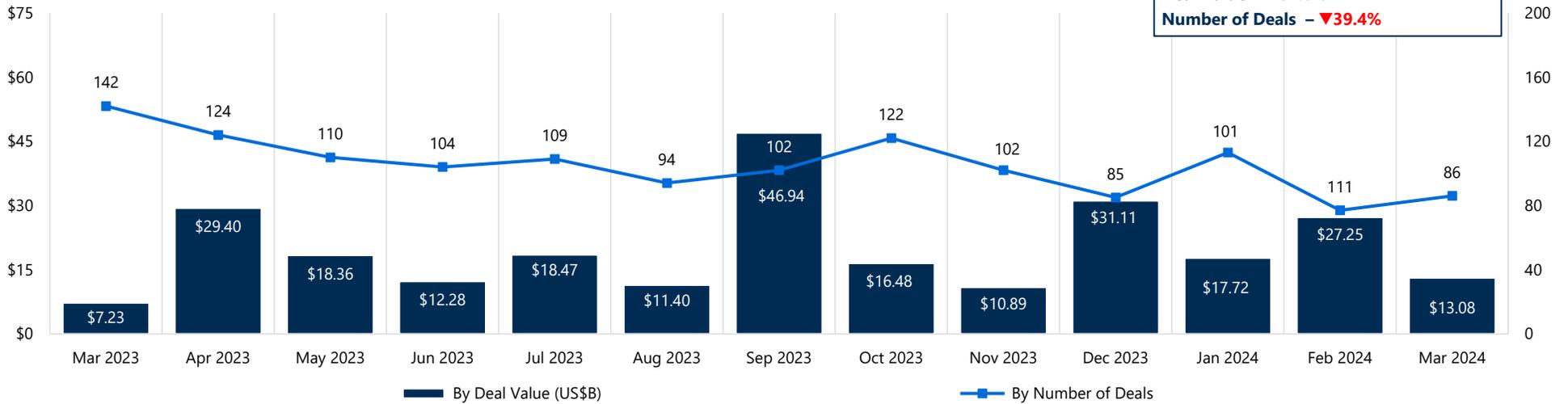
U.S. Number of Deals



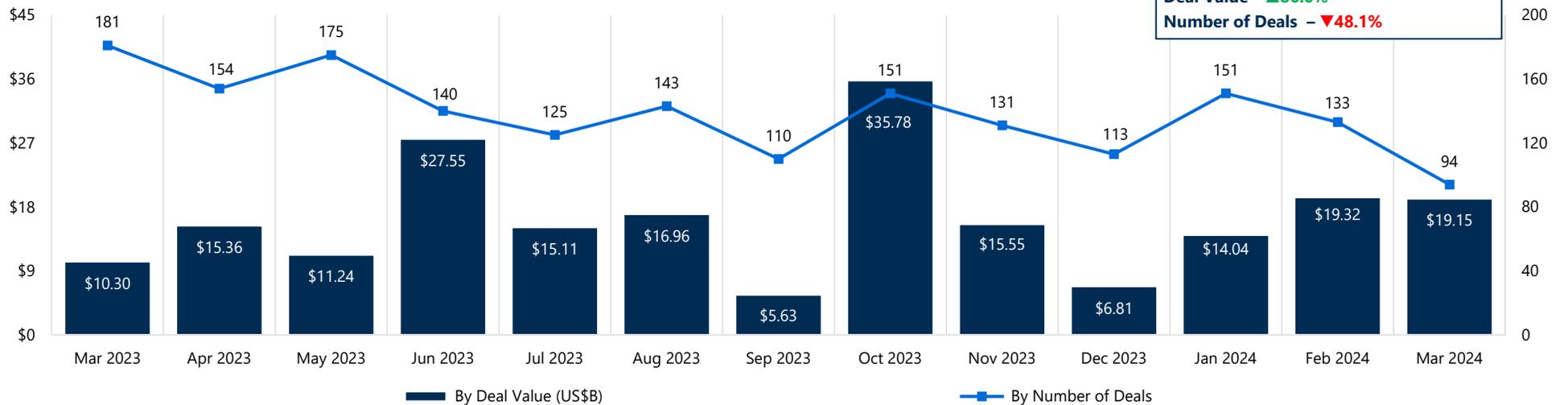
Global Number of Deals



Inbound U.S. Crossborder Transactions



Outbound U.S. Crossborder Transactions



U.S. SPAC Acquisitions¹⁷

YOY % Change (Mar 2024 vs. Mar 2023)
 Deal Value – ▲42.2%
 Number of Deals – ▼60.0%

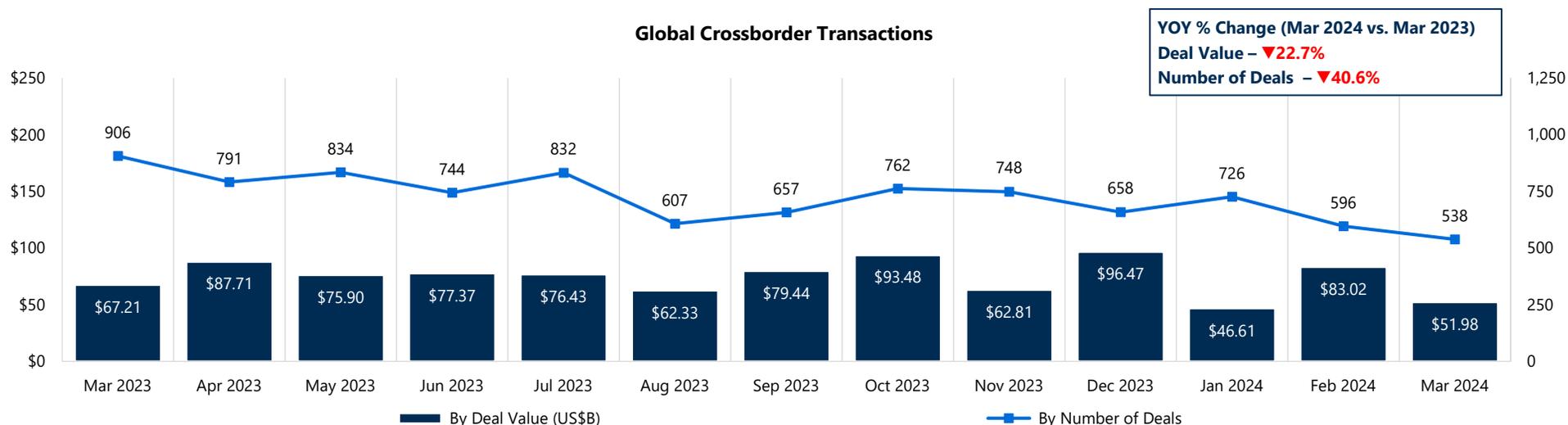


Global SPAC Acquisitions¹⁸

YOY % Change (Mar 2024 vs. Mar 2023)
 Deal Value – ▼49.7%
 Number of Deals – ▼76.9%



Global Crossborder Transactions



Endnotes

- Industries categories are determined and named by Dealogic.
- Based on the highest target break fees and reverse break fees payable in a particular deal.
- There were three transactions in March 2024.
- Financial and strategic categories are determined by Deal Point Data.
- Two transactions in March 2024 had a reverse break fee.
- One transaction in March 2024 involving a financial buyer had a reverse break fee.
- One transaction in March 2024 involving a strategic buyer had a reverse break fee.
- One transaction in March 2024 involved a financial buyer.
- Two transactions in March 2024 involved a strategic buyer.
- No transactions in March 2024 had a go-shop provision.
- No transactions in March 2024 involving a financial buyer had a go-shop provision.
- No transactions in March 2024 involving a strategic buyer had a go-shop provision.
- Due to rounding, percentages may not add up to 100%.
- 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).
- Unaffected Premium % indicates the difference between the current price per share offered as consideration in the transaction and the “unaffected price”, reflected as a percentage. The “unaffected price” is the target’s closing stock price on the date that is one calendar day prior to the first public disclosure regarding a potential deal involving the target and on which the target’s stock price was unaffected by the news of the deal.
- In March 2024, each of Canada and the United Kingdom was the country of origin for 15 transactions and each of South Korea and Sweden was the country of origin for four transactions.
- This data reflects U.S. targets that have been acquired by a SPAC of any nationality.
- This data reflects both U.S. and non-U.S. targets that have been acquired by a SPAC of any nationality.

The charts on pp. 1–2 and 5–10 were compiled using Dealogic, and are for the broader M&A market, including public and private transactions of any value. Deal volume by dollar value and average value of deals are calculated from the subset of deals that include a disclosed deal value. The charts on pp. 3–4 were compiled using Deal Point Data, and include acquisitions seeking majority or higher control of U.S. targets valued at \$100 million or higher announced during the period indicated and for which a definitive merger agreement was reached and filed (except with respect to data regarding premiums and hostile/unsolicited offers, which is for all announced deals). “Last 12 Months” data is for the period from April 2023 to March 2024 inclusive and “year over year” data compares March 2023 and March 2024. Data obtained from Dealogic and Deal Point Data has not been reviewed for accuracy by Paul, Weiss.

Strategic M&A Firm Highlights

	\$60.0B	Chevron Corporation	Acquisition of Hess Corporation
	\$4.9B	M.D.C. Holdings	Sale to Sekisui House
	\$26.0B	Endeavor Energy Resources	Merger with Diamondback Energy
	€12.0B	Carrier Global Corporation	Acquisition of Viessmann Climate Solutions
	\$20.0B	WestRock	Combination with Smurfit Kappa, creating Smurfit WestRock
	\$10.8B	Merck & Co.	Acquisition of Prometheus Biosciences
	\$21.4B	World Wrestling Entertainment	Agreement with Endeavor to merge WWE with UFC to form a new publicly listed company
	\$2.8B	The Estée Lauder Companies	Acquisition of the Tom Ford brand
	\$3.9B	Amazon	Acquisition of One Medical
	\$4.6B	IBM	Acquisition of Apptio

Private Equity M&A Firm Highlights

	\$13.4B	Madison Dearborn Partners and HPS Investment Partners	Sale of their portfolio company NFP to Aon
	–	General Atlantic	Acquisition of Actis
	\$8.1B	Funds managed by affiliates of Apollo Global Management, Inc.	Take-private acquisition of Univar Solutions
	\$10.6B	General Atlantic	Sale of its stake in its portfolio company Oak Street Health to CVS Health
	\$4.4B	KPS Capital Partners	Sale of its portfolio company Howden to Chart Industries
	\$2.0B	Brookfield Asset Management	Acquisition of a significant minority stake in Primary Wave Music
	–	Roark Capital Group	Acquisition of Subway
	–	Clearlake Capital Group	Consortium deal to acquire Chelsea Football Club
	\$8.0B	Apollo Global Management, Inc.	Acquisition of Credit Suisse's assets from UBS
	\$2.1B	Blackstone Infrastructure Partners	Acquisition of a minority interest in NIPSCO

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