

M&A AT A GLANCE

Key Takeaways

- U.S. M&A activity was off to a strong start in January, but global activity was generally down. U.S. total deal value and the number of U.S. deals were up 23% and 54%, respectively, over December, while global total deal value and the number of global deals fell 27% and 3%, respectively. Notably, backing the United States out of global numbers, total deal value fell 60% in the rest of the world, and the number of deals fell 17% compared to December.
- Strategic activity echoed these trends, with U.S. strategic deal value and deal numbers up 41% and 53%, respectively, over December, and global strategic deal value and deal numbers falling 22% and 7%, respectively. Sponsor activity was mixed in both the United States and globally. Sponsor total deal values fell 21% in the United States and 41% globally, while the number of sponsor deals increased 57% in the United States and 20% globally, each as compared to December.
- Measured year over year ("YOY"), total deal values were up, increasing by a significant 146% in the United States and 58% globally compared to January 2022. The number of deals was down YOY, however, falling 33% in the United States and 31% globally. Strategic and sponsor activity reflected these trends, increasing by total deal value and decreasing by deal numbers YOY in the United States and globally.
- U.S. inbound activity was mixed in January compared to December, falling 50% by total deal value and increasing 7% by number of deals. YOY, inbound total deal value was up 91%, but the number of inbound deals was down 27%. Japan was January's leading country of origin by total inbound deal value, while Canada led by the number of inbound deals, as well as by total inbound deal value and number of inbound deals for the last 12 months ("LTM"). U.S. outbound activity was up in January compared to December, increasing 123% by total deal value and 14% by number of deals. About \$9 billion of the \$13 billion in total outbound deal value in January was attributable to Canada, the leading country of destination for the month and LTM. The outbound total deal value attributable to Canada in January also made up almost one-third of the total outbound deal value attributable to that country LTM. For both January and LTM, the United Kingdom was the leading country of destination by number of outbound deals. YOY, outbound activity was up 56% by total deal value, but fell 31% by number of deals.
- Computers & Electronics was the most active industry in the United States by total deal value (\$63 billion) and number of deals (186) in January and LTM. Notably, other industries saw significant increases in total deal value from December, including Oil & Gas (up 34%), Finance (up 508%) and Retail (up a very significant 55,263%).
- U.S. public merger highlights in January included the following:
 - Cash-only consideration comprised 56% of deals, and January also saw the only choice (cash election) merger LTM.
 - The average reverse break fee was 5.7%, similar to the LTM average of 5.6%.
 - No deals involved tender offers, which comprised 13% of deals LTM.
 - Hostile or unsolicited transactions comprised 15% of deals, compared to 18% LTM.
 - The average unaffected premium of 35% was well below the LTM average of 46%.
 - The average total target adviser fee of 2.4% of equity value was well above the LTM average of 1.6%.

Strategic vs. Sponsor Activity

U.S.
Total
\$161.2 billion – ▲22.9%
758 deals – ▲54.4%
Strategic
\$131.0 billion – ▲41.1%
479 deals – ▲53.0%
Sponsor
\$30.2 billion – ▼21.0%
279 deals – ▲56.7%

Global
Total
\$237.4 billion – ▼26.5%
2,423 deals – ▼2.5%
Strategic
\$193.6 billion – ▼22.0%
1,894 deals – ▼7.3%
Sponsor
\$43.8 billion – ▼41.4%
529 deals – ▲20.0%

Crossborder Activity

U.S. Inbound	U.S. Outbound
\$15.8 billion ▼49.6%	\$13.0 billion ▲122.9%
89 deals ▲7.2%	121 deals ▲14.2%
leading country Japan – \$7.6 billion Canada – 16 deals	leading country Canada – \$8.9 billion U.K. – 27 deals
leading country last 12 months Canada – \$47.6 billion Canada – 250 deals	leading country last 12 months Canada – \$26.7 billion U.K. – 339 deals

Industry Activity

most deals 186 deals Computers & Electronics	last 12 months 2,748 deals Computers & Electronics
most dollar value \$63.0 billion Computers & Electronics	last 12 months \$284.8 billion Computers & Electronics

SPAC Acquisitions

U.S. \$0.1 billion ▼99.1%	2 deals ▼77.8%	Global \$0.3 billion ▼97.3%	8 deals ▼50.0%
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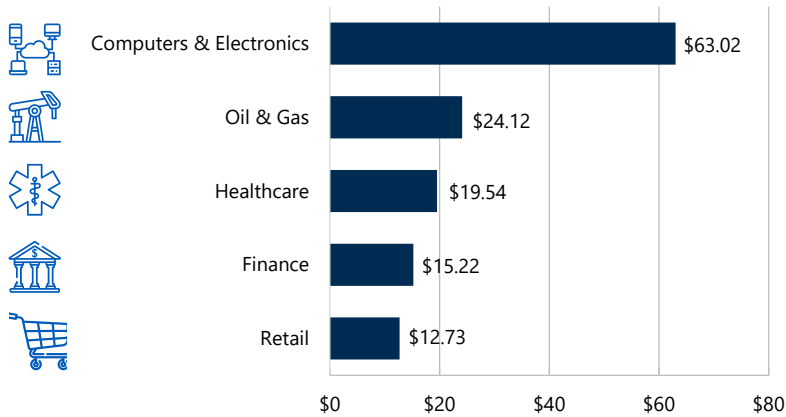
All data is for January 2024 and is as of February 12, 2024, unless otherwise specified. Each metric in this publication that references deal volume by dollar value is calculated from the subset of the total number of deals that includes a disclosed deal value.

Most Active U.S. Target Industries¹

Deal Value (U.S.\$B)

January 2024

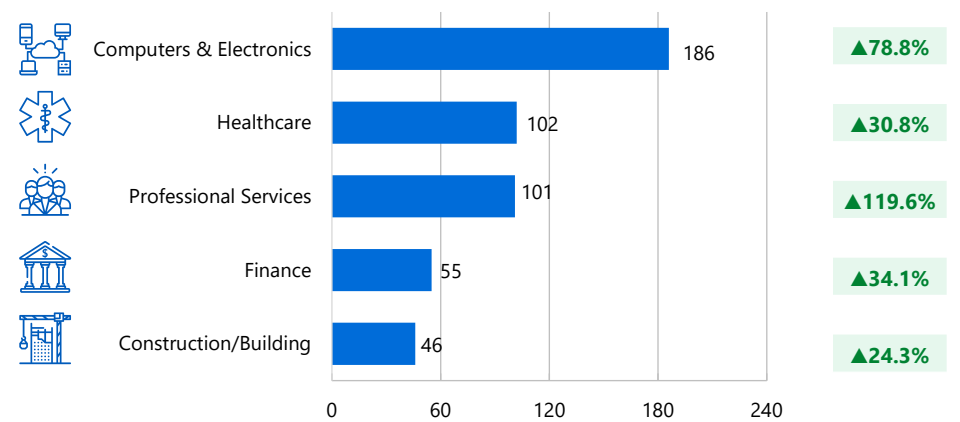
+/- from last month



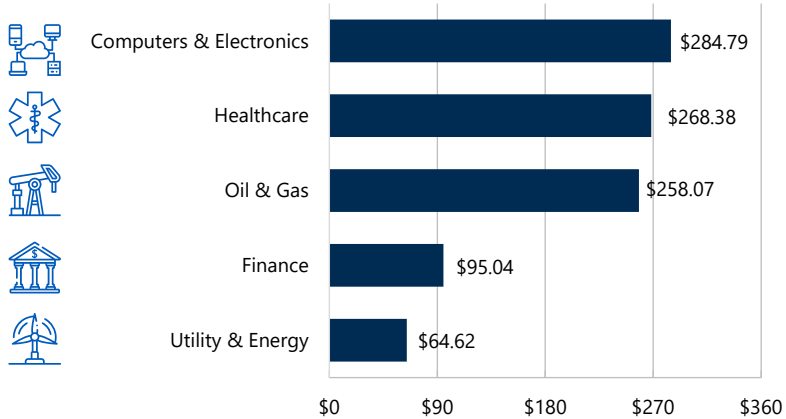
Number of Deals

January 2024

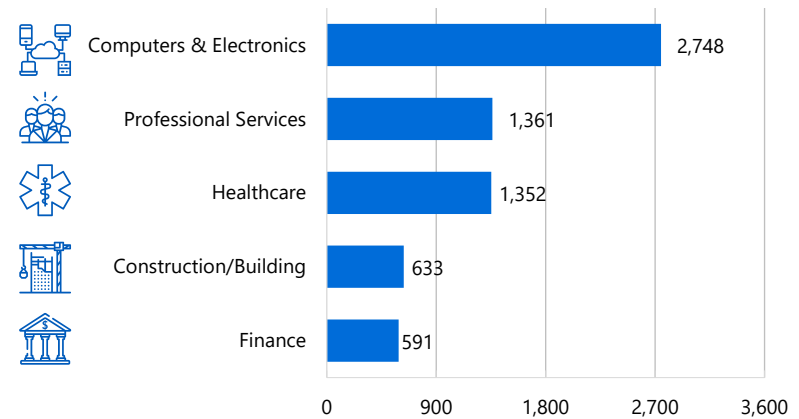
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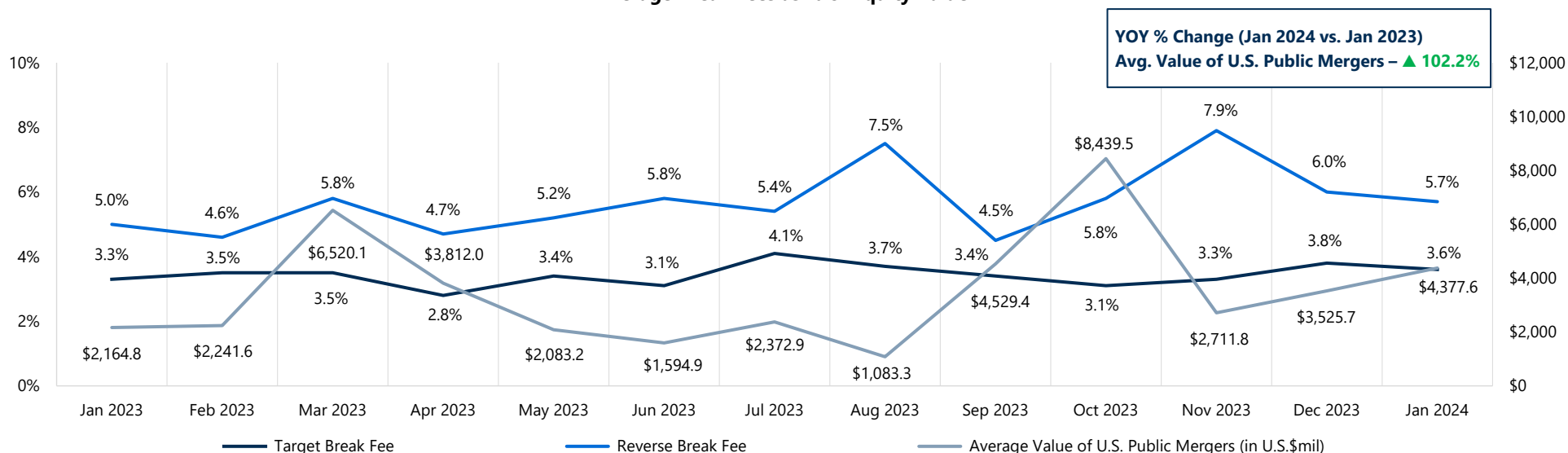
Last 12 Months



Last 12 Months



Average Break Fees as % of Equity Value²



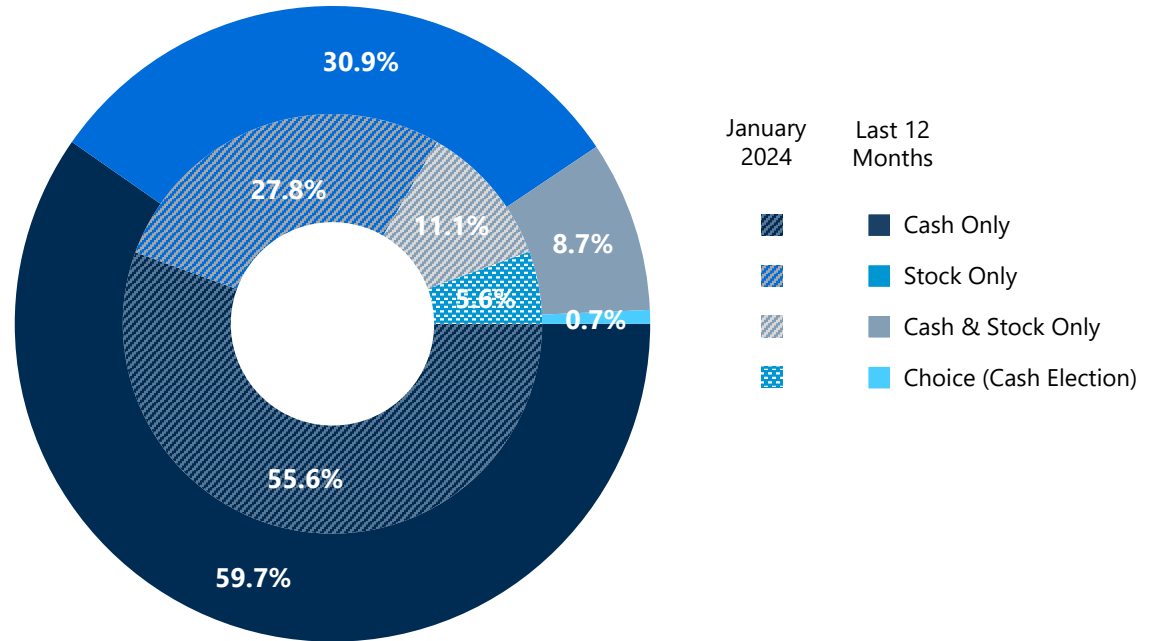
Average Break Fees as % of Equity Value^{3,4}

	January 2024	Last 12 Months
Target Break Fee for All Mergers	3.6	3.5
Reverse Break Fee for All Mergers ⁵	5.7	5.6
Reverse Break Fee for Mergers Involving Financial Buyers ⁶	7.1	7.1
Reverse Break Fee for Mergers Involving Strategic Buyers ⁷	5.6	5.1

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

	January 2024	Last 12 Months
% of Mergers with Go-Shops	5.6	8.1
% of Mergers Involving Financial Buyers with Go-Shops ⁸	0.0	27.3
% of Mergers Involving Strategic Buyers with Go-Shops ⁹	5.9	2.6
Avg. Go-Shop Window (in Days) for All Mergers with Go-Shops ¹⁰	30.0	31.7
Avg. Go-Shop Window (in Days) for Mergers Involving Financial Buyers with Go-Shops ¹¹	N/A	32.2
Avg. Go-Shop Window (in Days) for Mergers Involving Strategic Buyers with Go-Shops ¹²	30.0	30.0

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



Tender Offers as % of U.S. Public Mergers

January 2024	0.0
Last 12 Months	12.8

Unaffected Premium %^{14, 15}

January 2024	34.7
Last 12 Months	46.4

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

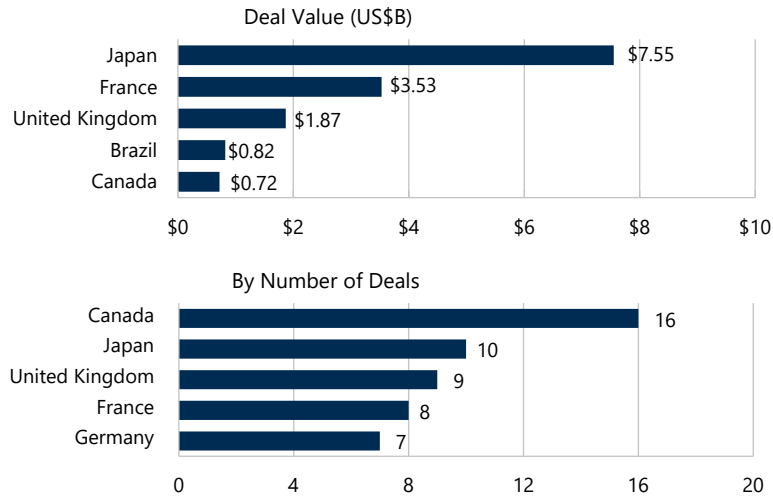
January 2024	15.0
Last 12 Months	17.8

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

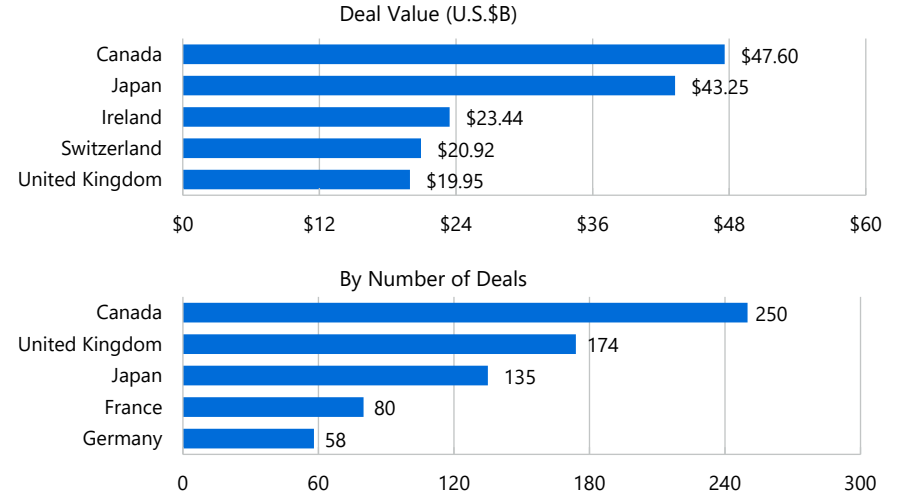
January 2024	2.4
Last 12 Months	1.6

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

Inbound U.S. Crossborder Transactions for January 2024

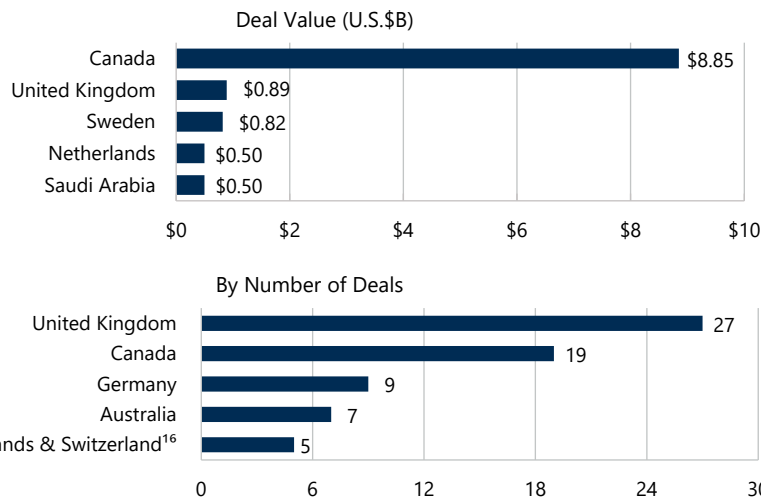


Inbound U.S. Crossborder Transactions for the Last 12 Months

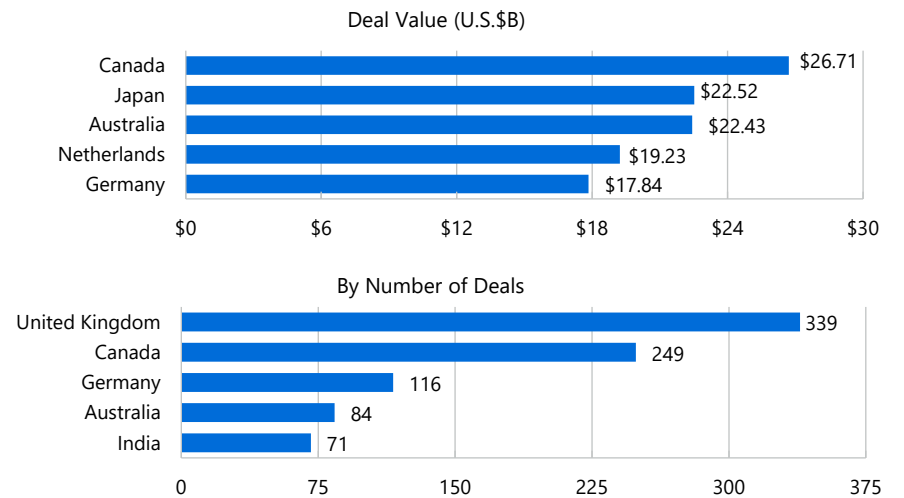


Top 5 Countries of Destination for Outbound U.S. Crossborder Transactions

Outbound U.S. Crossborder Transactions for January 2024

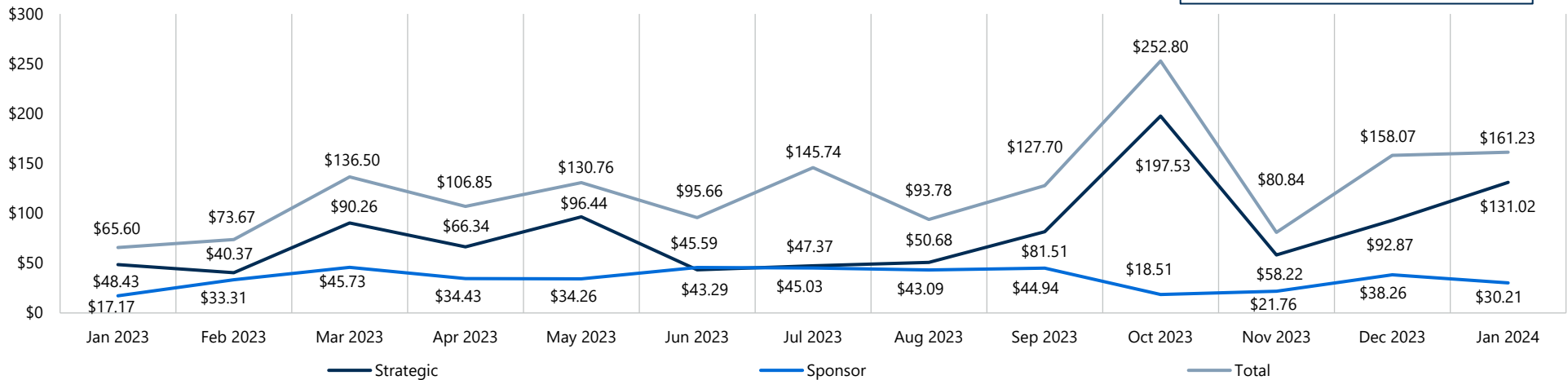


Outbound U.S. Crossborder Transactions for the Last 12 Months

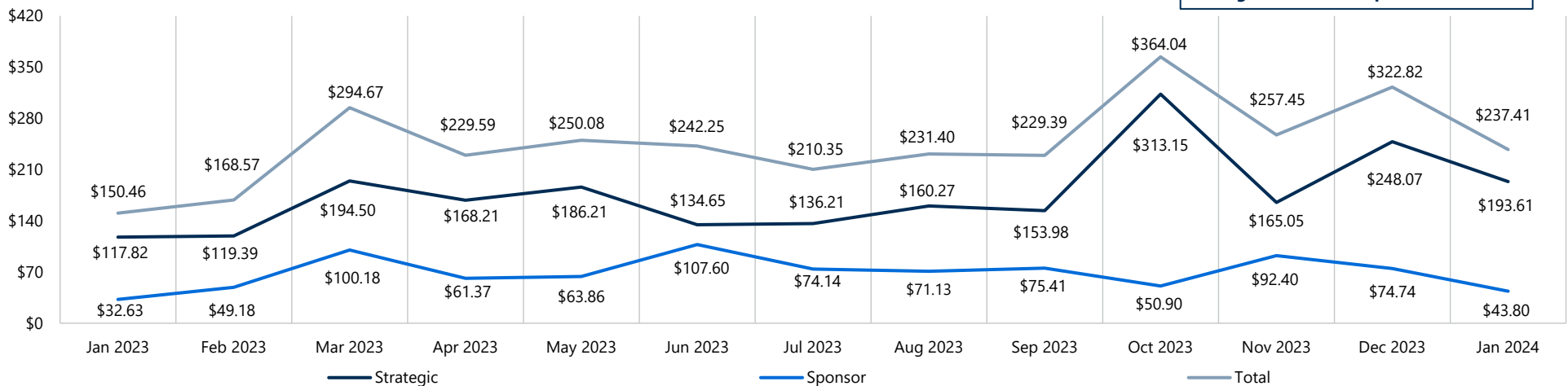


Appendix: M&A Activity – 12-Month Trends

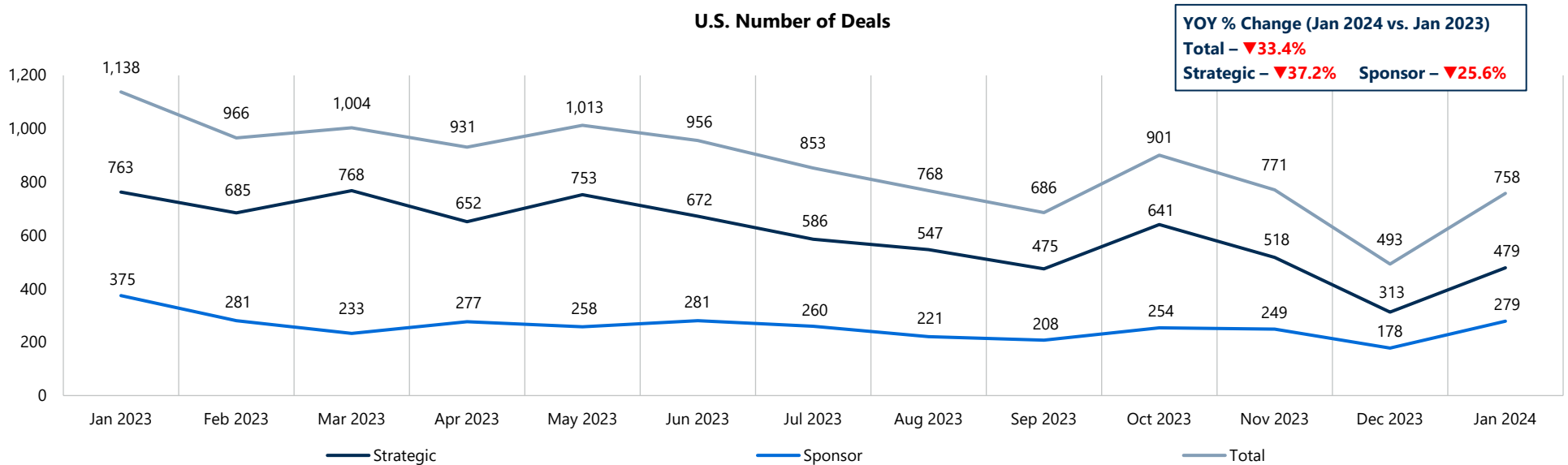
U.S. Deal Value (U.S.\$B)



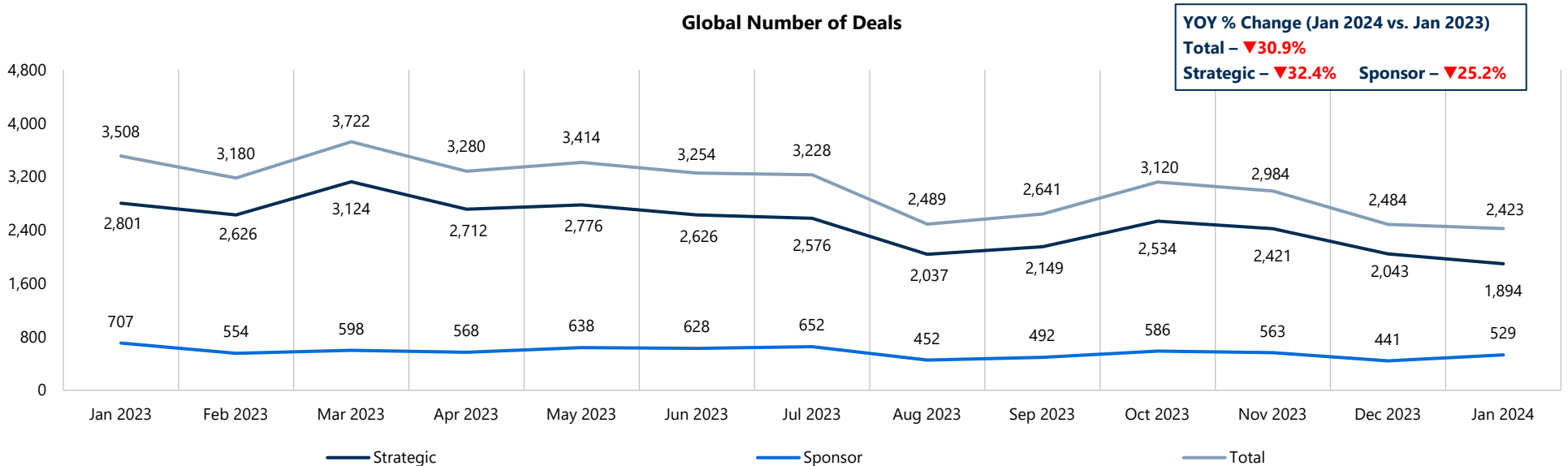
Global Deal Value (U.S.\$B)



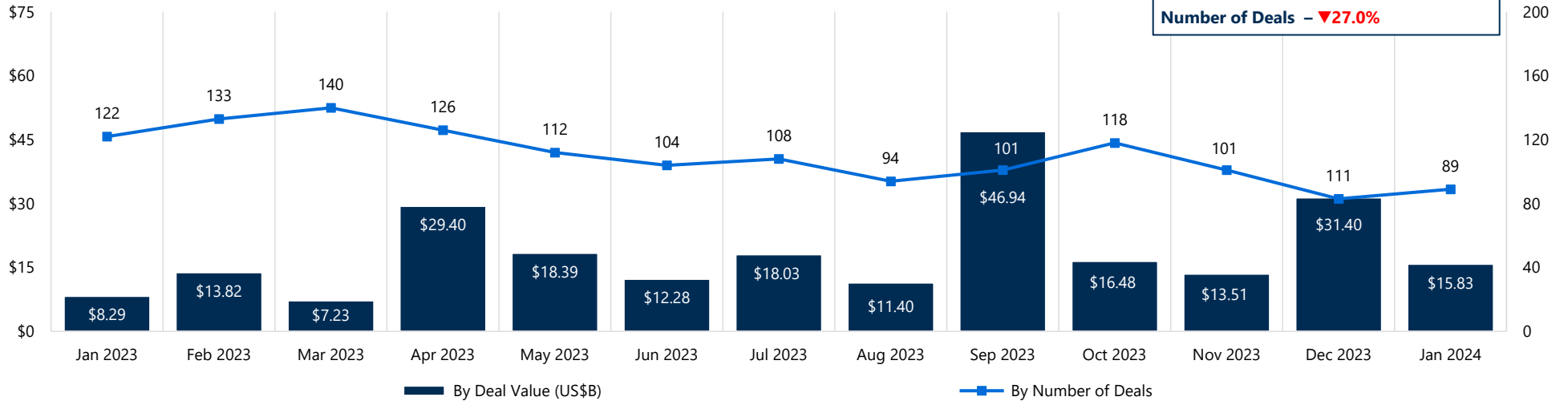
U.S. Number of Deals



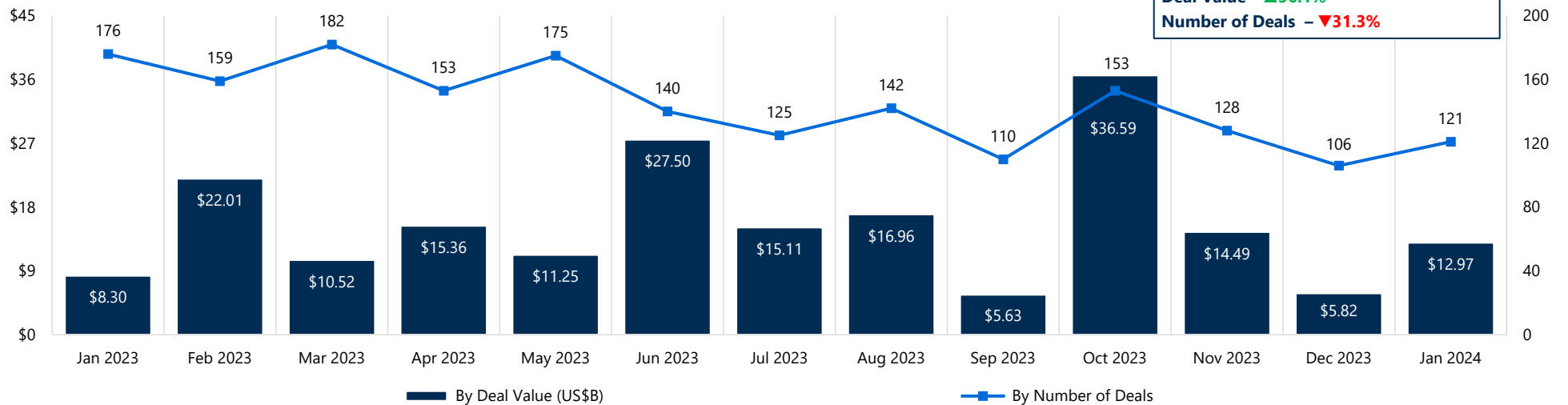
Global Number of Deals



Inbound U.S. Crossborder Transactions

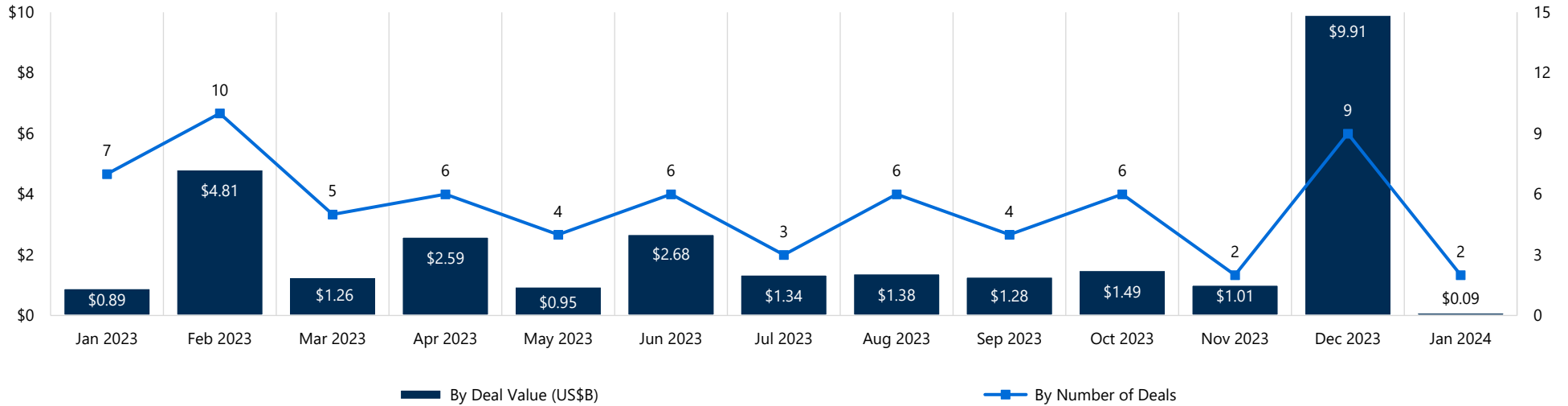


Outbound U.S. Crossborder Transactions



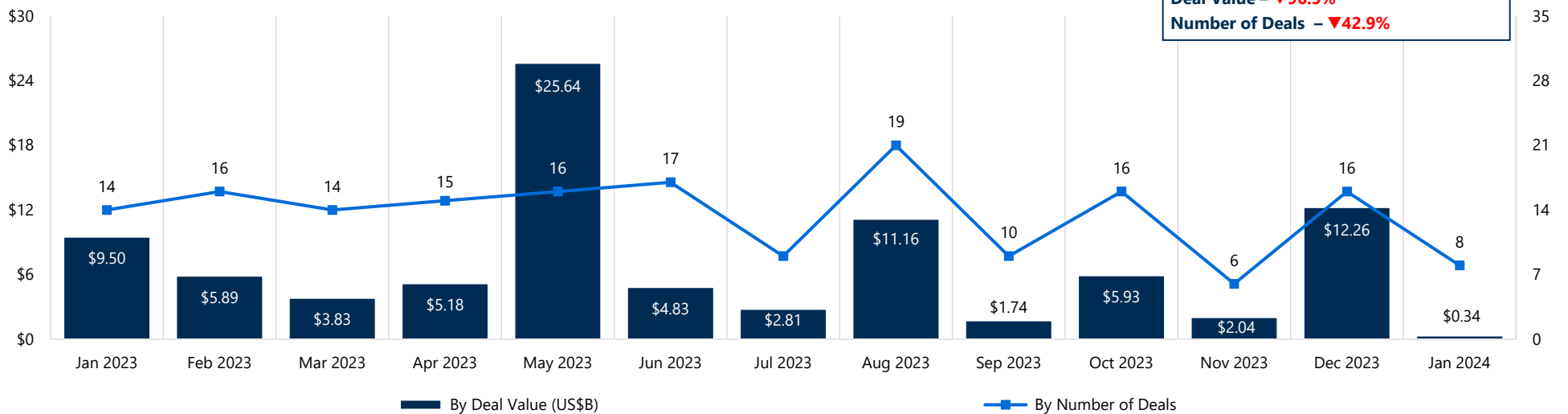
U.S. SPAC Acquisitions¹⁷

YOY % Change (Jan 2024 vs. Jan 2023)
 Deal Value - ▼89.9%
 Number of Deals - ▼71.4%

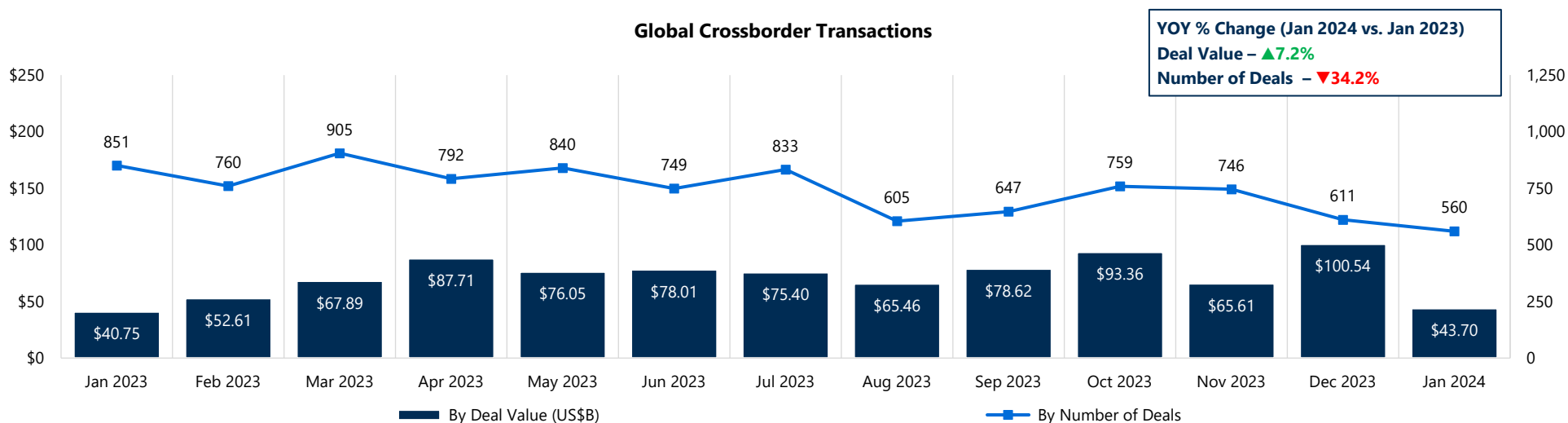


Global SPAC Acquisitions¹⁸

YOY % Change (Jan 2024 vs. Jan 2023)
 Deal Value - ▼96.5%
 Number of Deals - ▼42.9%



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 18 transactions in January 2024.
- Financial and strategic categories are determined by Deal Point Data.
- Twelve transactions in January 2024 had a reverse break fee.
- One transaction in January 2024 involving a financial buyer had a reverse break fee.
- Eleven transactions in January 2024 involving a strategic buyer had a reverse break fee.
- One transaction in January 2024 involved a financial buyer.
- Seventeen transactions in January 2024 involved a strategic buyer.
- One transaction in January 2024 had a go-shop provision.
- No transactions in January 2024 involving a financial buyer had a go-shop provision.
- One transaction in January 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 January 2024, each of France, the Netherlands and Switzerland was the country of destination for five 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 February 2023 to January 2024 inclusive and “year-over-year” data compares January 2023 and January 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
	\$26B	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
	\$7.1B	3G Capital	Acquisition of Hunter Douglas
	\$2.1B	Blackstone Infrastructure Partners	Acquisition of a minority interest in NIPSCO

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Matthew W. Abbott
+1-212-373-3402
[Email](#)

Angelo Bonvino
+1-212-373-3570
[Email](#)

Robert A. Kindler
+1-212-373-3199
[Email](#)

Jeffrey D. Marell
+1-212-373-3105
[Email](#)

Kyle T. Seifried
+1-212-373-3220
[Email](#)

Laura C. Turano
+1-212-373-3659
[Email](#)

Krishna Veeraraghavan
+1-212-373-3661
[Email](#)

Counsel Frances F. Mi, legal consultant Cara Grisin Fay, associate Daniel Ang, law clerk Aya Dvir and staff attorney Max Melion contributed to this publication.

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