

# M&A AT A GLANCE

AUGUST 2024 | ISSUE 148

## Key Takeaways

- ▶ M&A activity in the U.S. and globally was up in July compared to June, except for U.S. strategic deal count, which posted a modest decline. However, total deal value and deal count remain relatively flat year to date.
- ▶ Computers & Electronics was the most active U.S. industry in July and the last 12 months (LTM).
- ▶ Inbound U.S. crossborder activity was up in July compared to June, with Germany leading inbound activity by deal value, and Canada by deal count.
- ▶ Outbound U.S. crossborder activity increased by deal count, but fell 3.9% by deal value in July. Canada was the lead destination by deal value, but the United Kingdom led by deal count.
- ▶ Among definitive \$100 million+ U.S. public deals announced in July, interesting observations include the following:
  - The average reverse break fee (5.3%) was lower than the LTM average (6.1%),
  - 16.7% of deals had a go-shop (compared to 8.2% of deals LTM) and
  - 8.3% of deals involved tender offers (compared to 13.0% of deals LTM).
- ▶ Among \$100 million+ U.S. public deals announced in July (including those for which a definitive agreement was not signed), 13.3% were hostile or unsolicited (compared to 17.2% LTM).

## Strategic vs. Sponsor Activity

U.S.	
<b>Total</b>	<b>\$117.1 billion – ▲46.8%</b>
	<b>752 deals – ▲1.3%</b>
<b>Strategic</b>	<b>\$72.4 billion – ▲40.4%</b>
	<b>514 deals – ▼1.2%</b>
<b>Sponsor</b>	<b>\$44.8 billion – ▲58.5%</b>
	<b>238 deals – ▲7.2%</b>
Global	
<b>Total</b>	<b>\$259.2 billion – ▲4.2%</b>
	<b>2,843 deals – ▲4.9%</b>
<b>Strategic</b>	<b>\$168.9 billion – ▲1.0%</b>
	<b>2,217 deals – ▲3.1%</b>
<b>Sponsor</b>	<b>\$90.3 billion – ▲10.9%</b>
	<b>626 deals – ▲11.8%</b>

## Industry Activity

 <b>most deals</b> <b>211 deals</b> Computers & Electronics	 <b>last 12 months</b> <b>2,691 deals</b> Computers & Electronics
 <b>most dollar value</b> <b>\$22.3 billion</b> Computers & Electronics	 <b>last 12 months</b> <b>\$321.5 billion</b> Computers & Electronics

## Crossborder Activity

U.S. Inbound	U.S. Outbound
<b>\$18.0 billion</b> ▲86.9%	<b>\$14.9 billion</b> ▼3.9%
<b>101 deals</b> ▲8.6%	<b>129 deals</b> ▲15.2%
leading country <b>Germany</b> – \$6.2 billion <b>Canada</b> – 18 deals	leading country <b>Canada</b> – \$6.5 billion <b>United Kingdom</b> – 30 deals
leading country last 12 months <b>Japan</b> – \$49.6 billion <b>Canada</b> – 202 deals	leading country last 12 months <b>United Kingdom</b> – \$39.8 billion <b>United Kingdom</b> – 333 deals

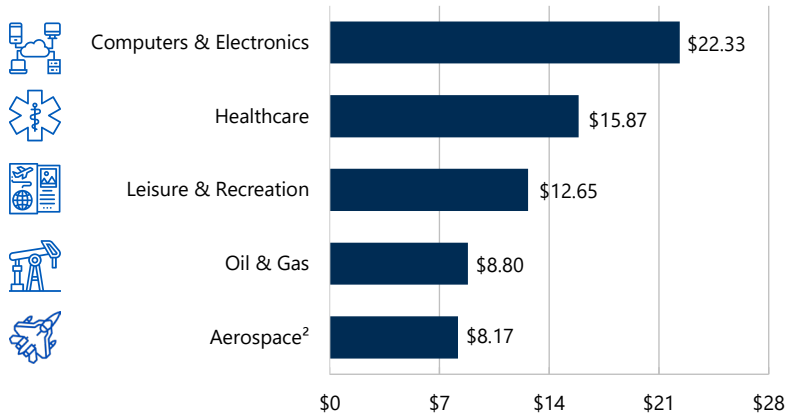
All data in this publication is for July 2024 and is as of August 12, 2024, unless otherwise specified. Each metric in this publication that references deal volume by dollar value is calculated from the subset of the total number of deals that includes a disclosed deal value.

Most Active U.S. Target Industries<sup>1</sup>

Deal Value (U.S.\$B)

July 2024

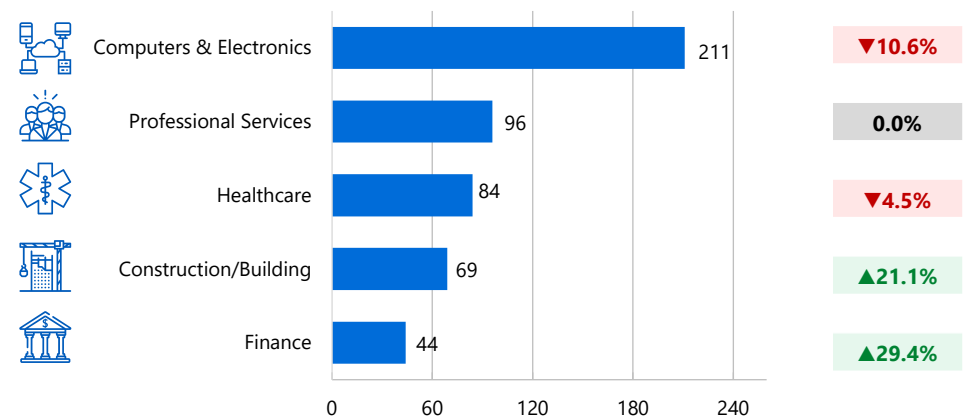
+/- from last month



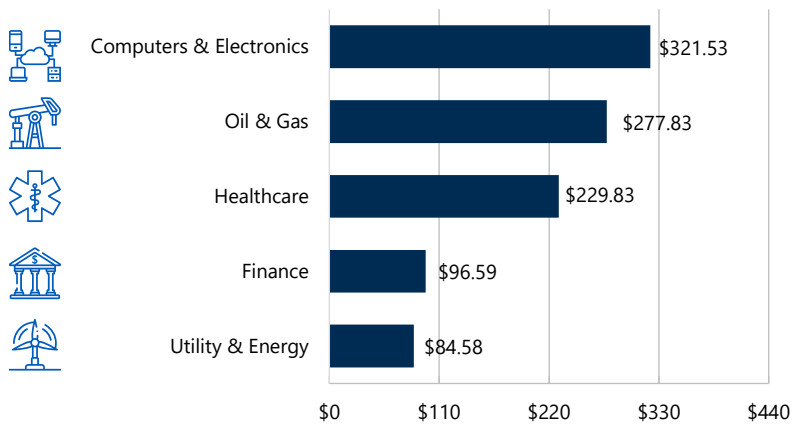
Number of Deals

July 2024

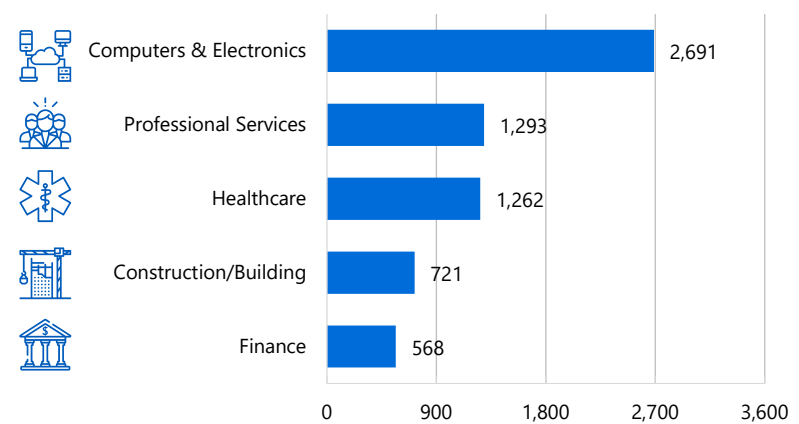
+/- from last month



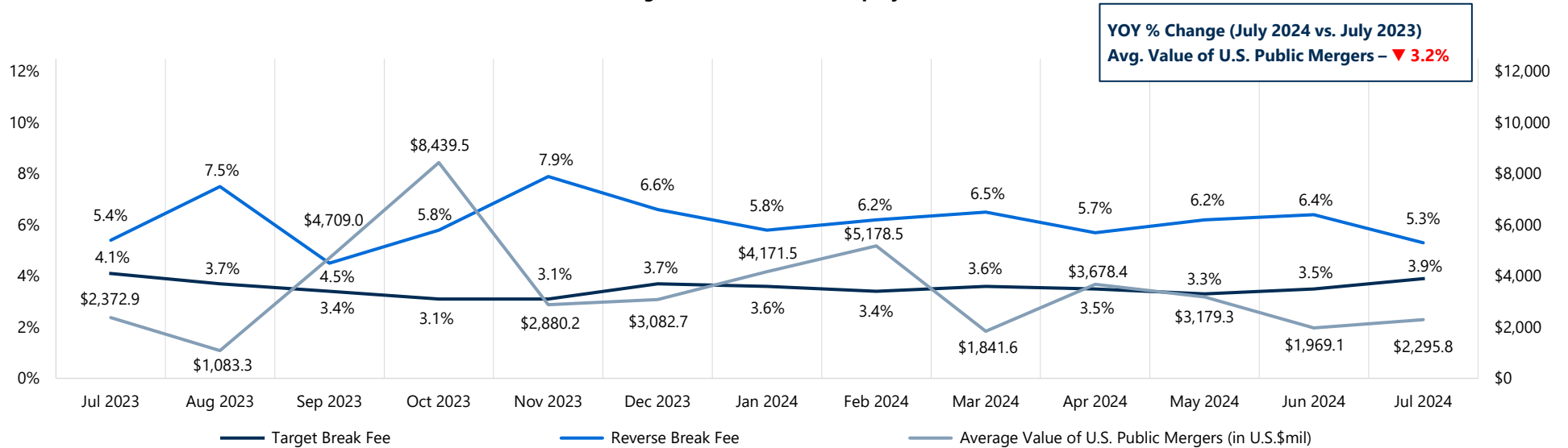
Last 12 Months



Last 12 Months



Average Break Fees as % of Equity Value<sup>3</sup>



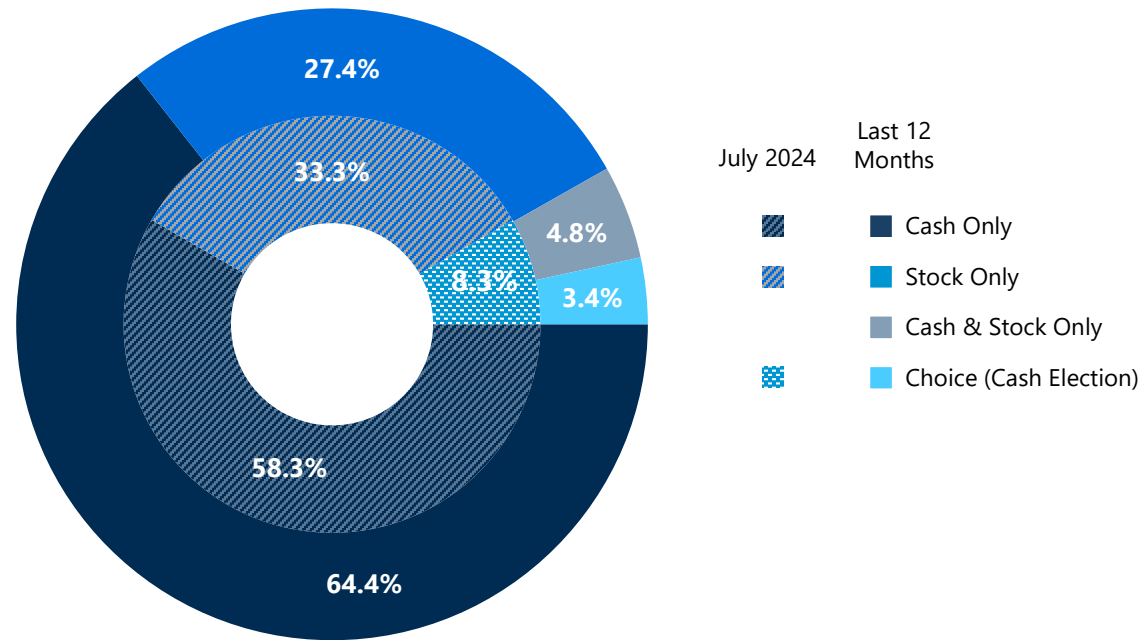
Average Break Fees as % of Equity Value<sup>4, 5</sup>

	July 2024	Last 12 Months
Target Break Fee for All Mergers	3.9	3.5
Reverse Break Fee for All Mergers <sup>6</sup>	5.3	6.1
Reverse Break Fee for Mergers Involving Financial Buyers <sup>7</sup>	6.8	6.9
Reverse Break Fee for Mergers Involving Strategic Buyers <sup>8</sup>	5.4	5.6

U.S. Public Merger Go-Shop Provisions<sup>4, 5</sup>

	July 2024	Last 12 Months
% of Mergers with Go-Shops	16.7	8.2
% of Mergers Involving Financial Buyers with Go-Shops <sup>9</sup>	33.3	20.5
% of Mergers Involving Strategic Buyers with Go-Shops <sup>10</sup>	11.1	3.7
Avg. Go-Shop Window (in Days) for All Mergers with Go-Shops <sup>11</sup>	37.5	32.3
Avg. Go-Shop Window (in Days) for Mergers Involving Financial Buyers with Go-Shops <sup>12</sup>	45.0	32.9
Avg. Go-Shop Window (in Days) for Mergers Involving Strategic Buyers with Go-Shops <sup>13</sup>	30.0	31.3

Form of Consideration as % of U.S. Public Mergers<sup>14</sup>



Tender Offers as % of U.S. Public Mergers

July 2024	8.3
Last 12 Months	13.0

Unaffected Premium %<sup>15, 16</sup>

July 2024	40.4
Last 12 Months	42.4

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

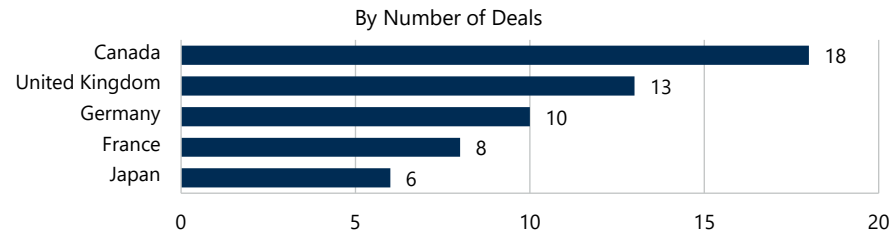
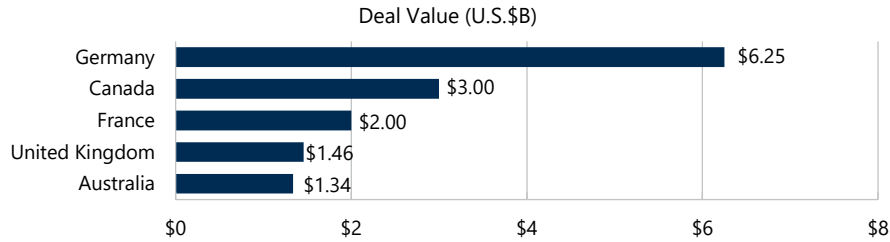
July 2024	13.3
Last 12 Months	17.2

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

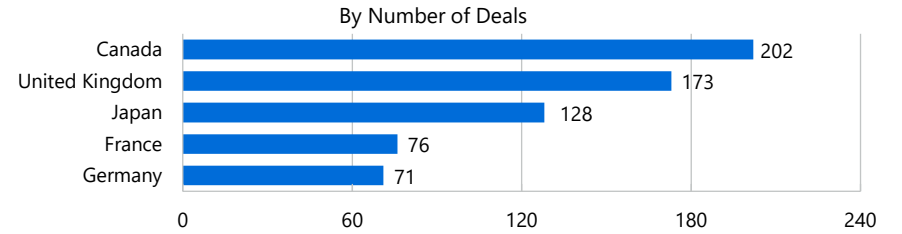
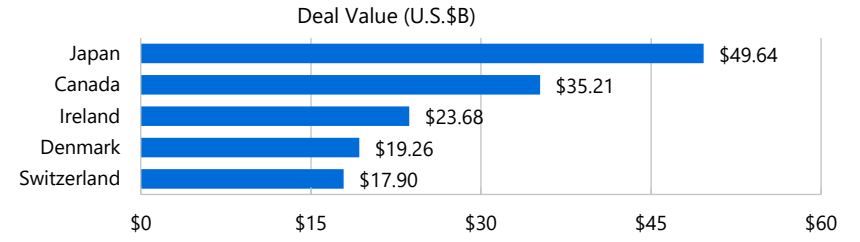
July 2024	1.1
Last 12 Months	1.7

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

**Inbound U.S. Crossborder Transactions for July 2024**

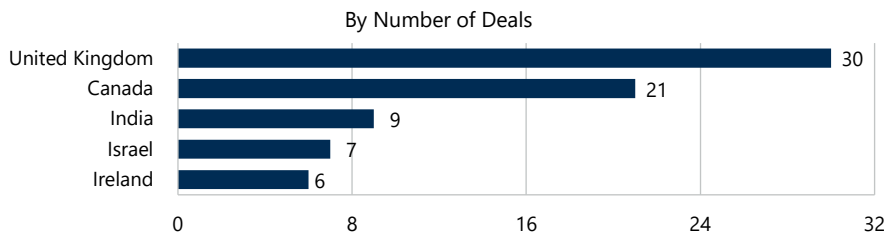
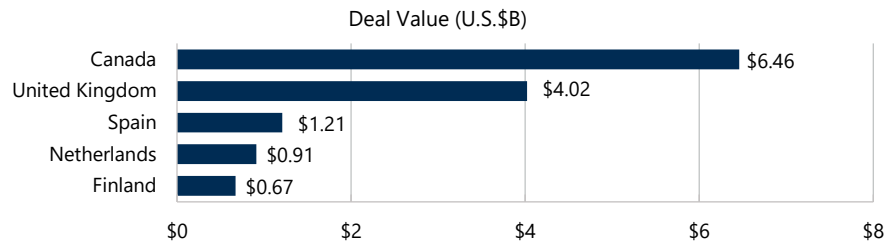


**Inbound U.S. Crossborder Transactions for the Last 12 Months**

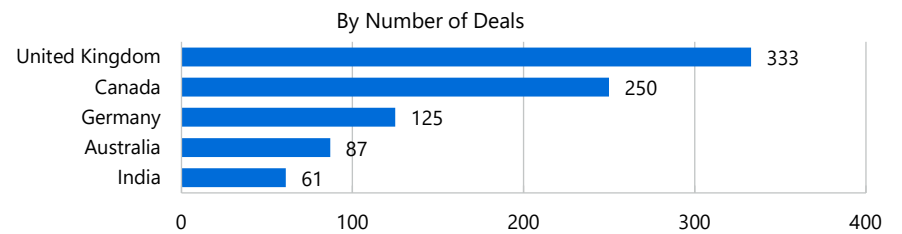
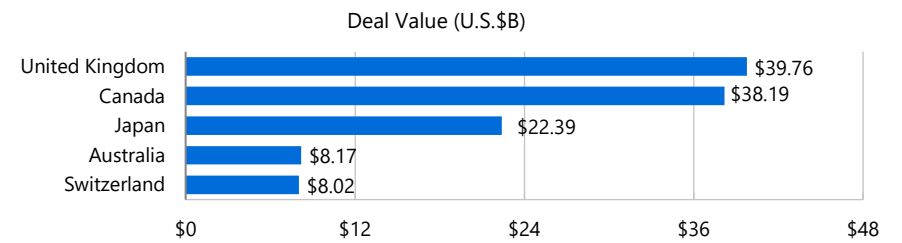


**Top 5 Countries of Destination for Outbound U.S. Crossborder Transactions**

**Outbound U.S. Crossborder Transactions for July 2024**

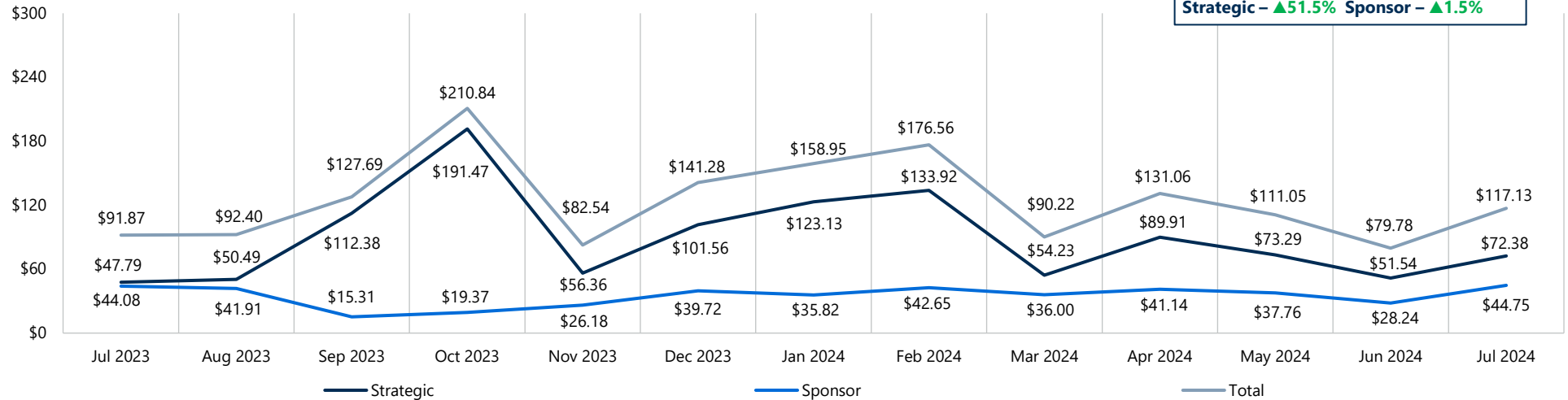


**Outbound U.S. Crossborder Transactions for the Last 12 Months**

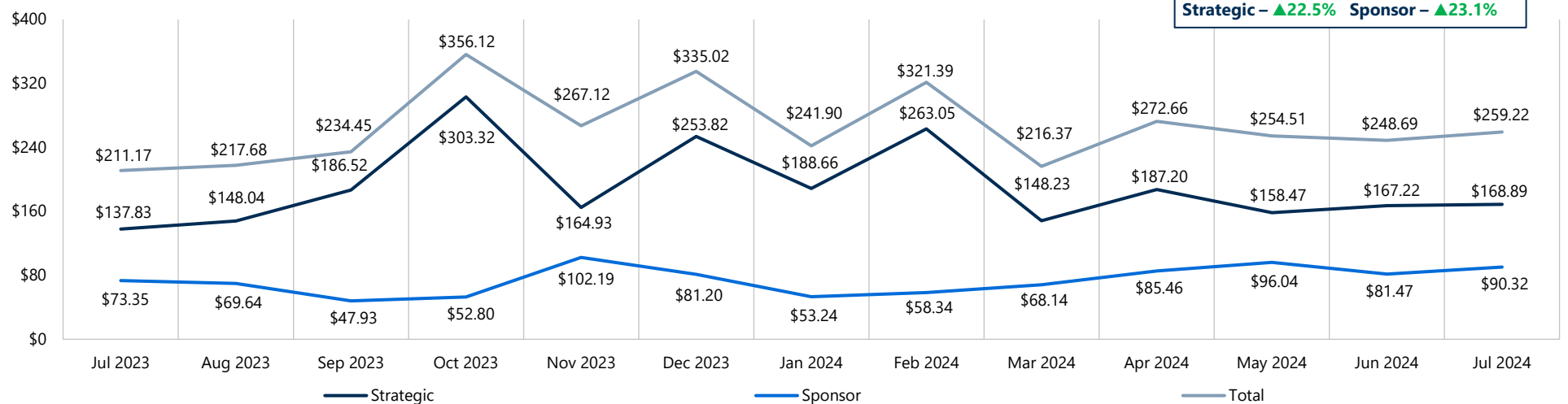


## Appendix: M&A Activity – 12-Month Trends

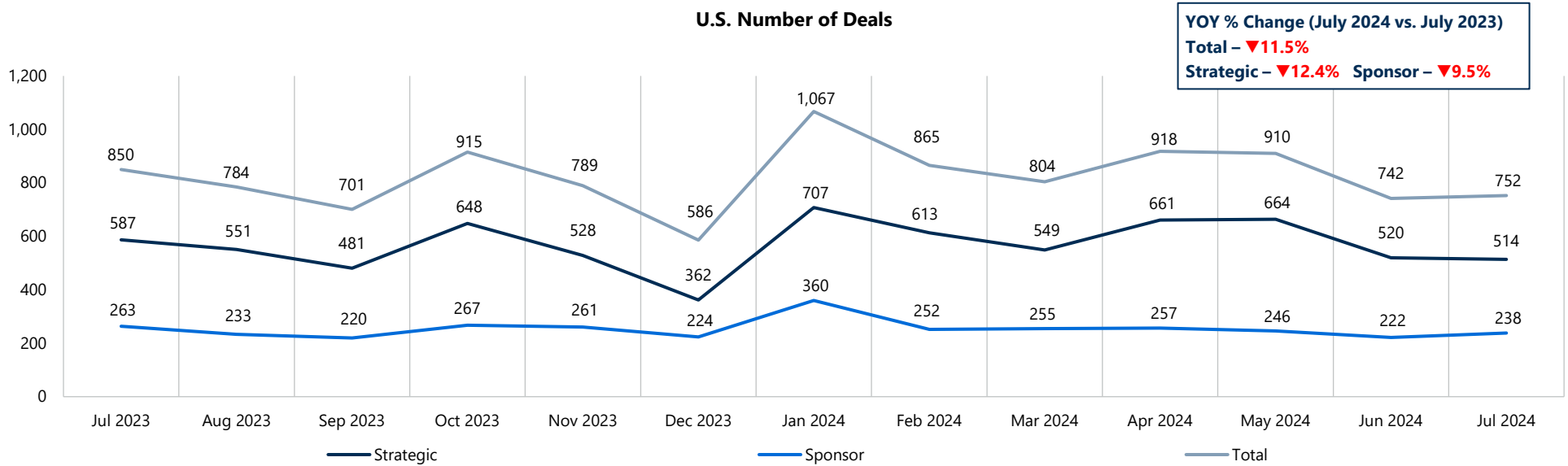
U.S. Deal Value (U.S.\$B)



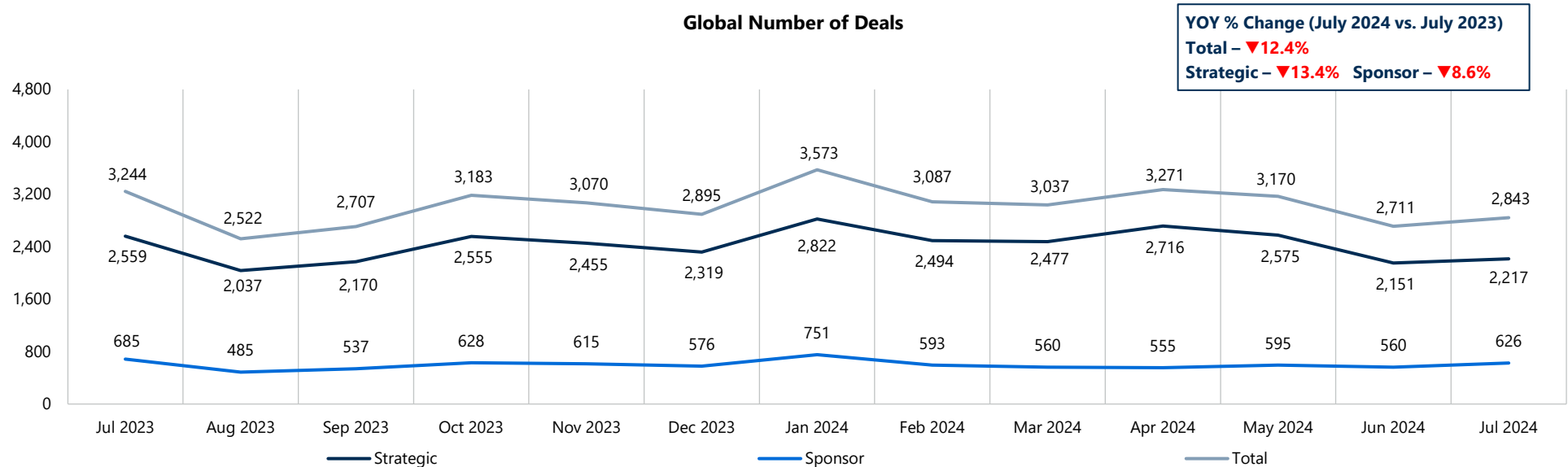
Global Deal Value (U.S.\$B)



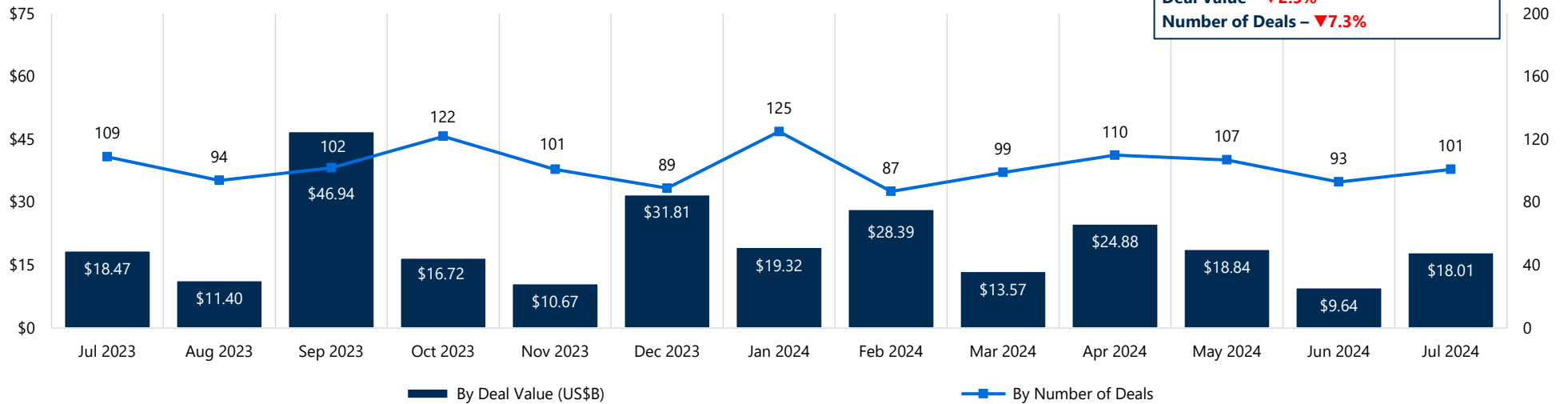
U.S. Number of Deals



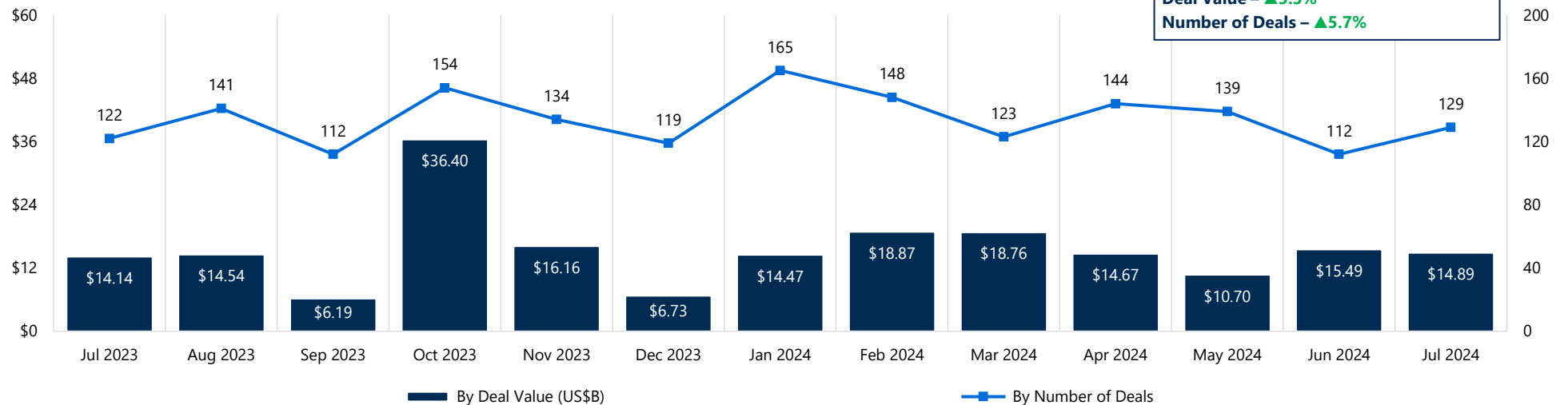
Global Number of Deals



**Inbound U.S. Crossborder Transactions**

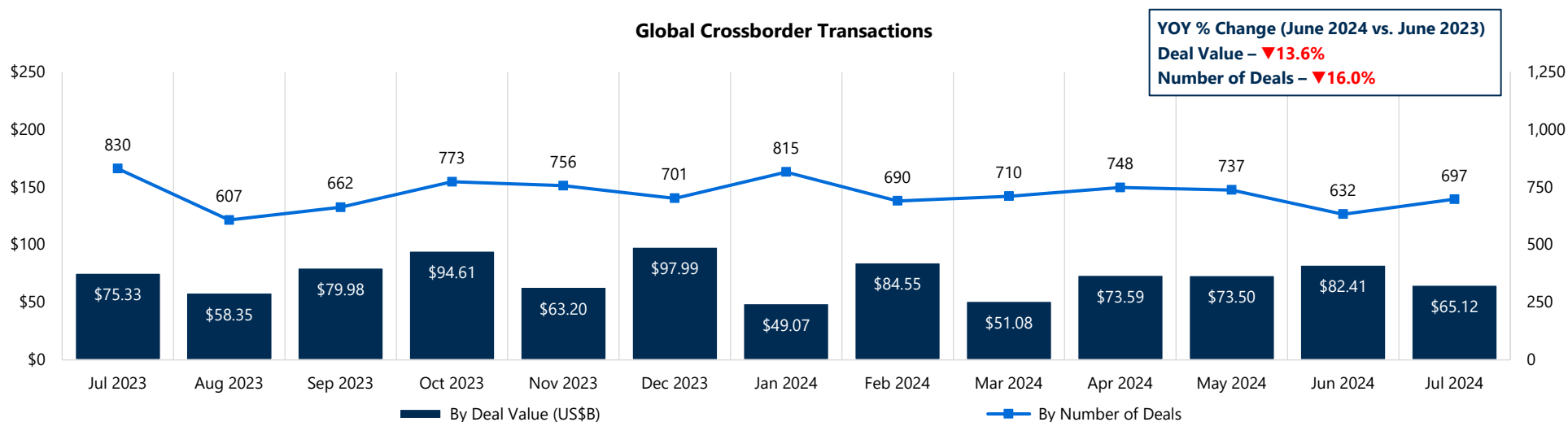


**Outbound U.S. Crossborder Transactions**





Global Crossborder Transactions



Endnotes











- Industries categories are determined and named by Dealogic.
- Deal Point Data did not report a total U.S. deal value attributable to the Aerospace industry in June 2024.
- Based on the highest target break fees and reverse break fees payable in a particular deal.
- There were 12 transactions in July 2024.
- Financial and strategic categories are determined by Deal Point Data.
- Five transactions in July 2024 had a reverse break fee.
- Two transactions in July 2024 involving a financial buyer had a reverse break fee.
- Three transactions in July 2024 involving a strategic buyer had a reverse break fee.
- Three transactions in July 2024 involved a financial buyer.
- Nine transactions in July 2024 involved a strategic buyer.
- Two transactions in July 2024 had a go-shop provision.
- One transaction in July 2024 involving a financial buyer had a go-shop provision.
- One transaction in July 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.

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 August 2023 to July 2024, inclusive, and “year over year” data compares July 2023 and July 2024. Data obtained from Dealogic and Deal Point Data has not been reviewed for accuracy by Paul, Weiss.

## Strategic M&A Firm Highlights

	<b>\$60.0B</b>	<b>Chevron Corporation</b>	Acquisition of Hess Corporation
	<b>\$4.5B</b>	<b>Investnet</b>	Take-private sale to Bain Capital
	<b>\$26.0B</b>	<b>Endeavor Energy Resources</b>	Merger with Diamondback Energy
	<b>€12.0B</b>	<b>Carrier Global Corporation</b>	Acquisition of Viessmann Climate Solutions
	<b>\$20.0B</b>	<b>WestRock</b>	Combination with Smurfit Kappa, creating Smurfit WestRock
	<b>\$10.8B</b>	<b>Merck &amp; Co.</b>	Acquisition of Prometheus Biosciences
	<b>\$21.4B</b>	<b>World Wrestling Entertainment</b>	Agreement with Endeavor to merge WWE with UFC to form a new publicly listed company
	<b>\$2.8B</b>	<b>The Estée Lauder Companies</b>	Acquisition of the Tom Ford brand
	<b>\$3.9B</b>	<b>Amazon</b>	Acquisition of One Medical
	<b>\$6.4B</b>	<b>IBM</b>	Acquisition of HashiCorp

## Private Equity M&A Firm Highlights

	<b>\$13.4B</b>	<b>Madison Dearborn Partners and HPS Investment Partners</b>	Sale of their portfolio company NFP to Aon
	<b>\$1.5B</b>	<b>Brookfield Asset Management</b>	Strategic partnership with Castlelake
	<b>\$11.0B</b>	<b>Funds managed by affiliates of Apollo Global Management, Inc.</b>	Investment to acquire from Intel Corporation a 49% equity interest in a joint venture entity
	<b>\$10.6B</b>	<b>General Atlantic</b>	Sale of its stake in its portfolio company Oak Street Health to CVS Health
	<b>€3.6B</b>	<b>KPS Capital Partners</b>	Sale of Eviosys to Sonoco Products Company
	–	<b>TDR Capital</b>	Acquisition of Acqua & Sapone
	–	<b>Roark Capital Group</b>	Acquisition of Subway
	–	<b>Clearlake Capital Group</b>	Consortium deal to acquire Chelsea Football Club
	<b>\$8.0B</b>	<b>Apollo Global Management, Inc.</b>	Acquisition of Credit Suisse's assets from UBS
	<b>\$2.1B</b>	<b>Blackstone Infrastructure Partners</b>	Acquisition of a minority interest in NIPSCO

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