Paul|Weiss

M&A AT A GLANCE

2024 YEAR-END ROUNDUP

Key Takeaways

- The M&A market recovered somewhat in 2024. Both U.S. and global total deal values were up compared to 2023 (increasing 13% and 15%, respectively), but deal counts were relatively flat, down 3% in the United States and up 2% globally. While some uncertainty exists in the market due to lingering geopolitical tensions, many are optimistic that these positive trends will continue into 2025.
- Strategic and sponsor deal values made similar gains over 2024, with strategic deal values up 13% in the United States and 14% globally and sponsor deal values up 14% in the United States and 17% globally. U.S. and global strategic and sponsor deal counts were generally flat (down 3% in the United States and up less than 2% globally).
- In 2024, Computers & Electronics resumed its spot as the most active target industry in the U.S. by deal value after being unseated by Healthcare in 2023. Computers & Electronics continued as the leading U.S. industry by deal count in 2024.
- Japan led U.S. inbound activity by total deal value, unseating Canada, which held the top spot in 2022 and 2023. However, as in 2022 and 2023, Canada continued to lead inbound activity by deal count in 2024. The United Kingdom resumed the spot as top country of origin for U.S. outbound activity by deal value in 2024 after losing to Japan in 2023, but has led outbound activity by deal count for the last three years.
- On the U.S. public merger front, there are a few noteworthy observations for 2024:
  - The average reverse break fee (5.9%) was at its lowest level in the last three years.
  - The percentage of public deals with go-shops was its lowest in three years, largely as a result of fewer go-shops in financial deals. The percentage of financial deals with go-shops in 2024 was almost half the percentage seen in 2022 and 2023.
  - Average unaffected premiums (38%) were significantly lower than that in 2022 and 2023 (both about 49%).
  - The rate of tender offers (10%) was also the lowest in three years (compared to the approximately 16% seen in both 2022 and 2023).

We expect the M&A recovery will accelerate in 2025, as favorable factors align, including a potentially more hospitable regulatory climate and continued decline in borrowing costs. We look forward to a year of happy dealmaking!

All data is as of January 10, 2025 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.

U.S. and Global Activity

$1,513.8 billion
▲ 13.2% increase from 2023

10,734 deals
▼ 3.3% decrease from 2023

$3,401.4 billion
▲ 14.9% increase from 2023

40,038 deals
▲ 1.5% increase from 2023

Crossborder Activity

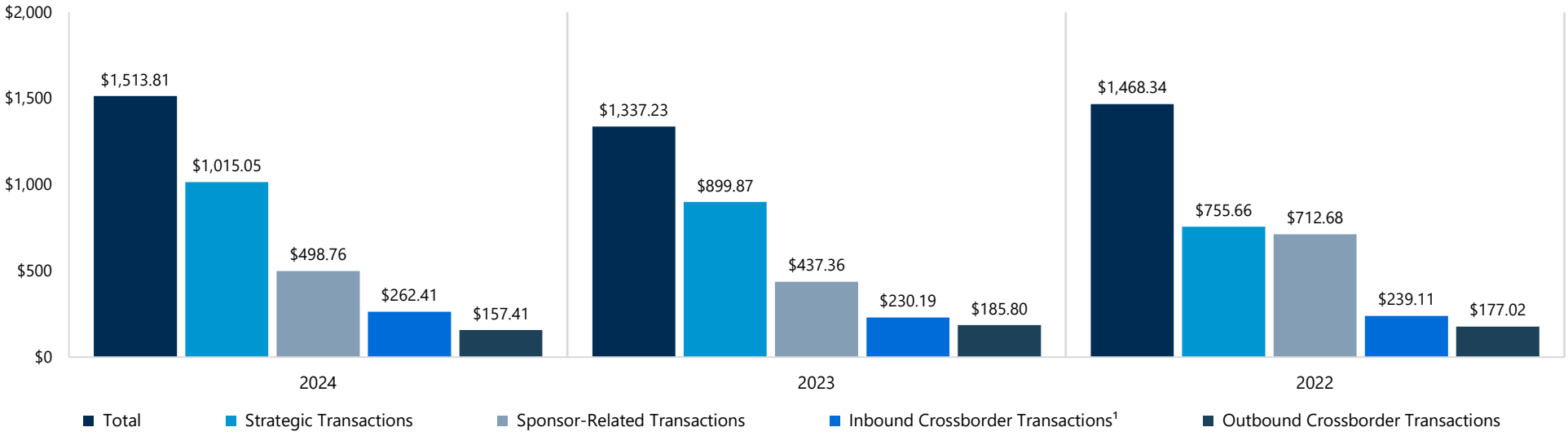
U.S. Inbound	U.S. Outbound
$262.4 billion ▲14.0% increase from 2023	**$157.4 billion** ▼15.3% decrease from 2023
1,335 deals ▼2.8% decrease from 2023	**1,740 deals** ▼3.7% decrease from 2023
leading country **Japan** – $42.3 billion **Canada** – 236 deals	leading country **United Kingdom** – $38.0 billion **United Kingdom** – 367 deals

Industry Activity

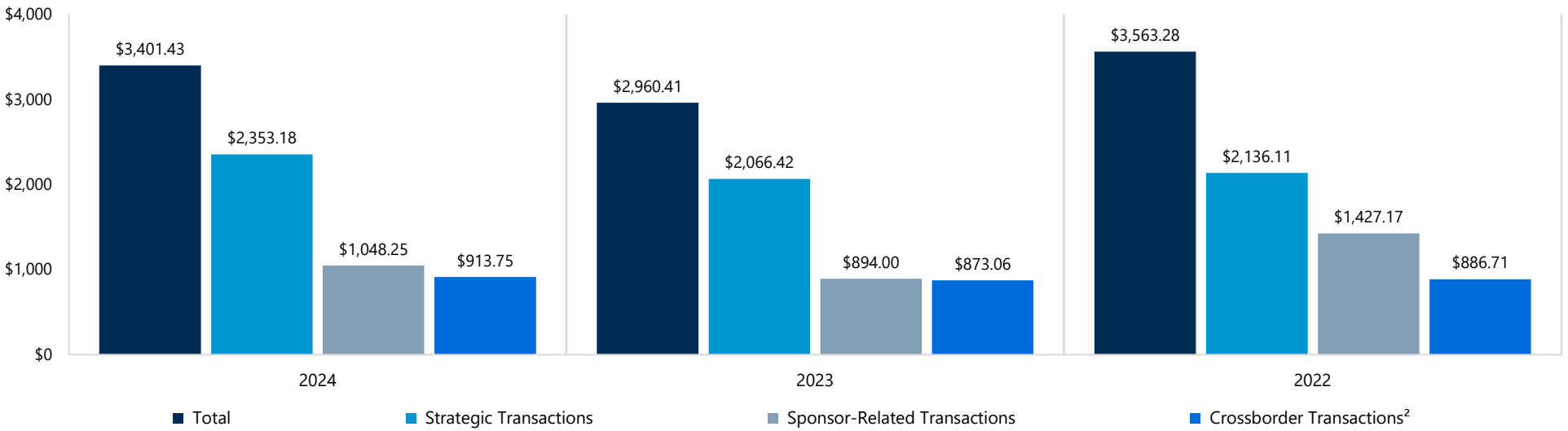
most deals
3,027 deals
Computers & Electronics
▲ 1.5% increase from 2023

most dollar value
$370.1 billion
Computers and Electronics
▲ 49.4% increase from 2023

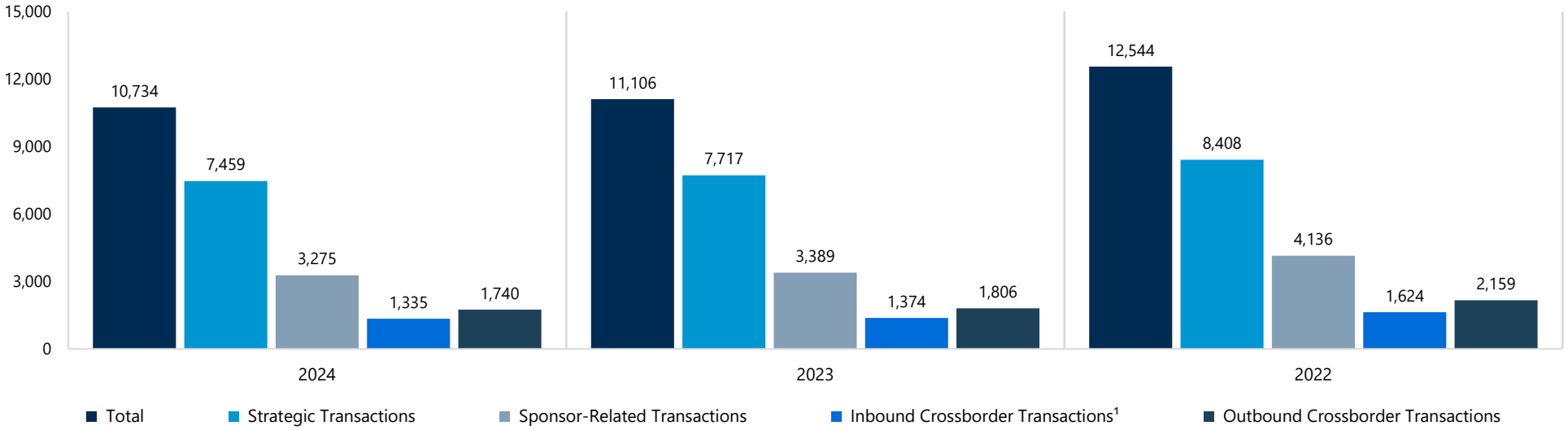
U.S. Deal Value (US$B)[1]



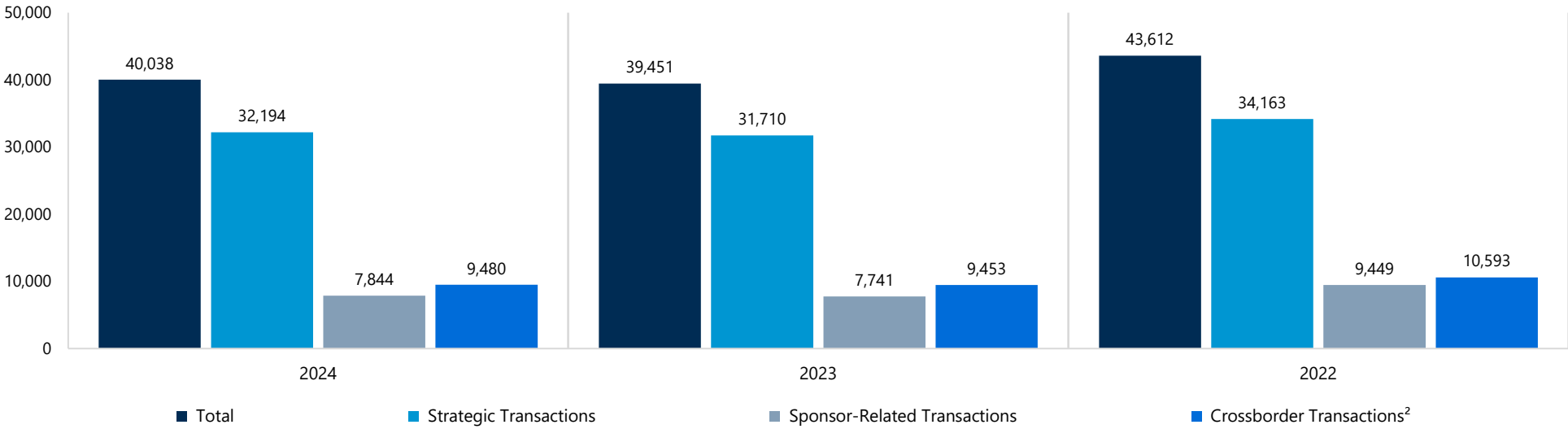
Global Deal Value (US$B)[2]



U.S. Number of Deals[1]

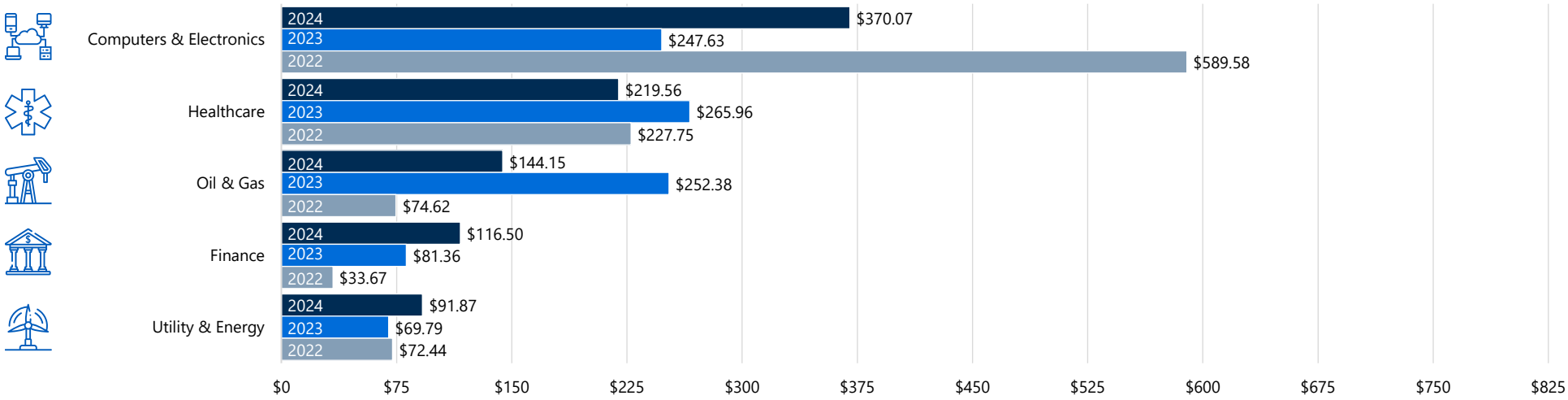


Global Number of Deals[2]



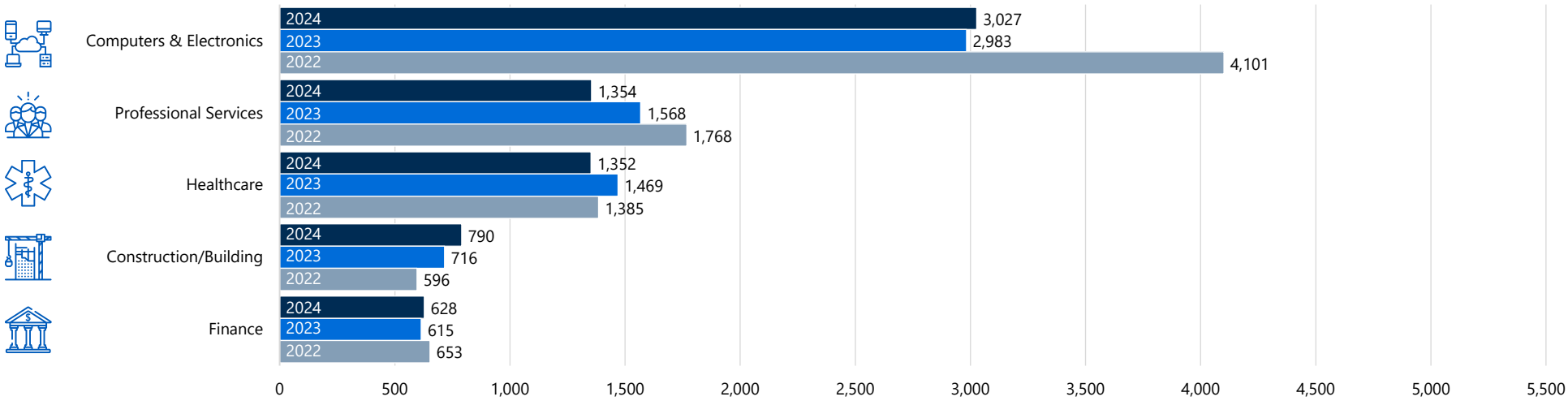
Most Active U.S. Target Industries[3]

By Deal Value (US$B)



Note: In 2022 and 2021, Real Estate/Property ranked among the top five industries with total deal values of US$B116.38 and US$B184.52, respectively. In 2021, Telecommunications ranked among the top five industries with a total deal value of US$B132.77.

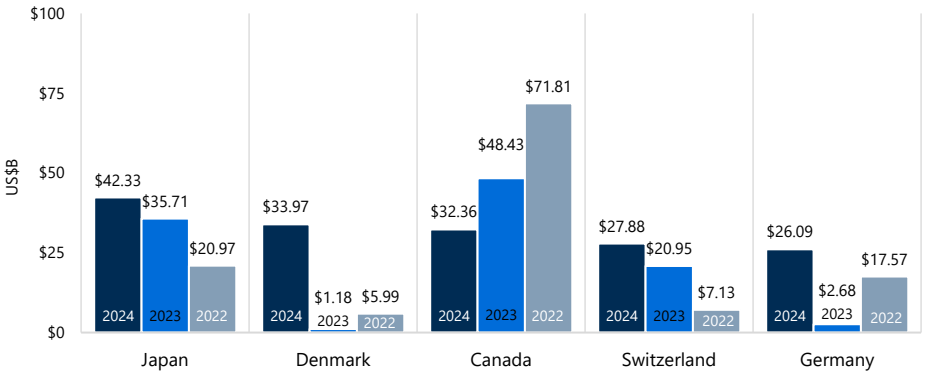
By Number of Deals



Top Five Countries of Origin or Destination for 2024 U.S. Crossborder Transactions and Prior Year Comparisons[1]

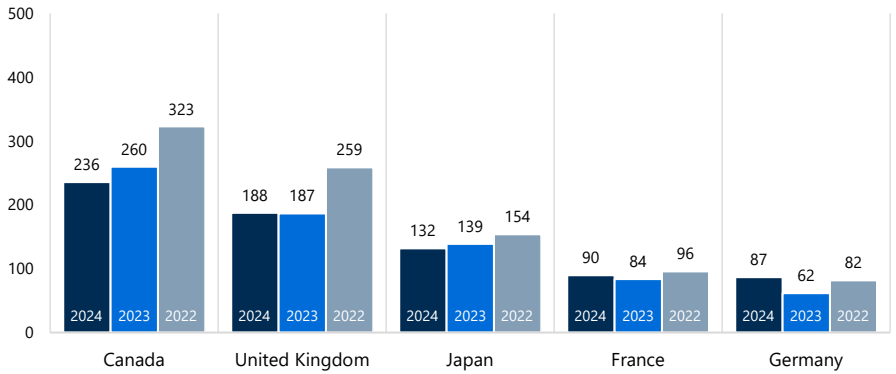
Inbound U.S. Crossborder Transactions

By Deal Value (US$B)



Note: In 2023, Ireland and the United Kingdom ranked among the top five countries of origin with total deal values of US$B25.51 and US$B21.25, respectively. In 2022, the United Kingdom and Singapore ranked among the top five countries of origin with total deal values of US$B30.15 and US$B22.62, respectively.

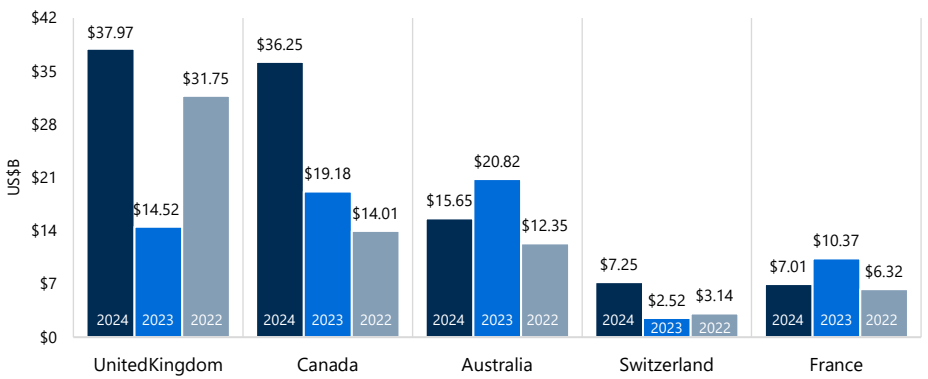
By Number of Deals



Note: In 2023, Australia ranked among the top five countries of origin with 66 deals.

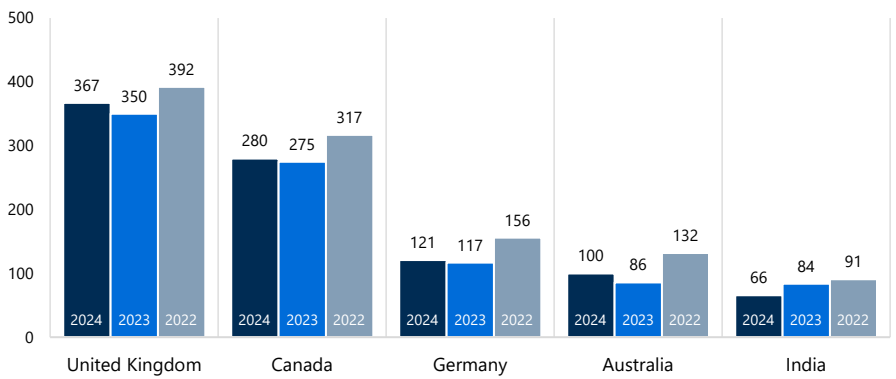
Outbound U.S. Crossborder Transactions

By Deal Value (US$B)

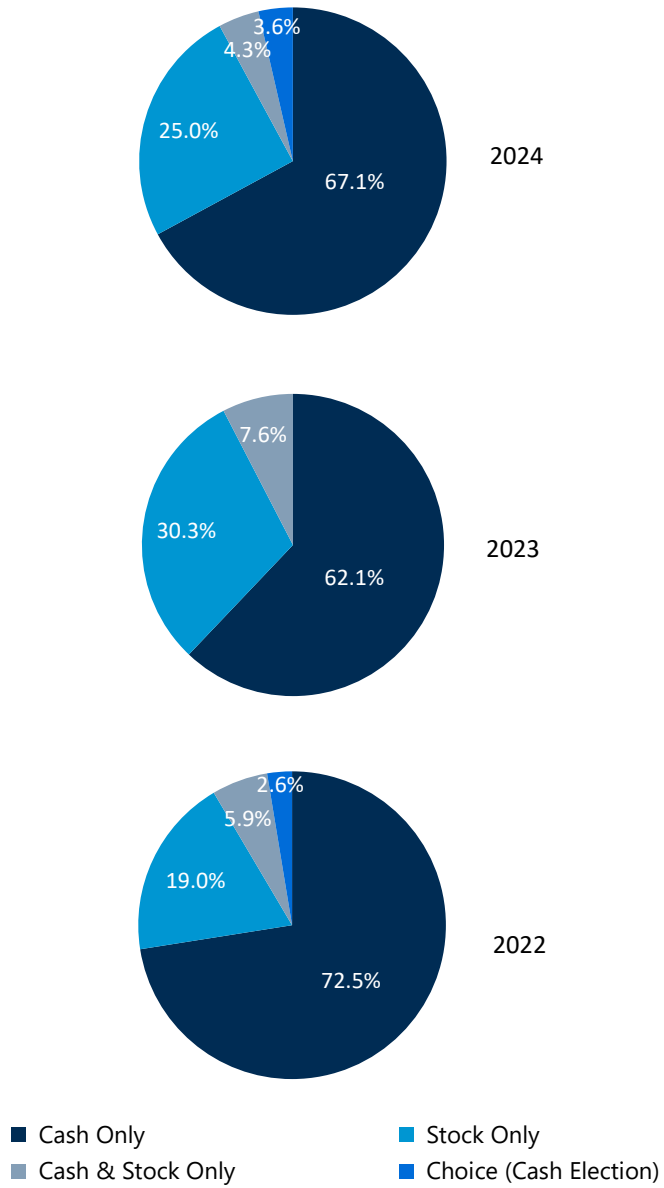


Note: In 2023, Japan, the Netherlands and Germany ranked among the top five countries of destination with total deal values of US$B23.59, US$B18.97 and US$B18.90, respectively. In 2022, Germany and China ranked among the top five countries of destination with total deal values of US$B24.08 and US$B12.70, respectively.

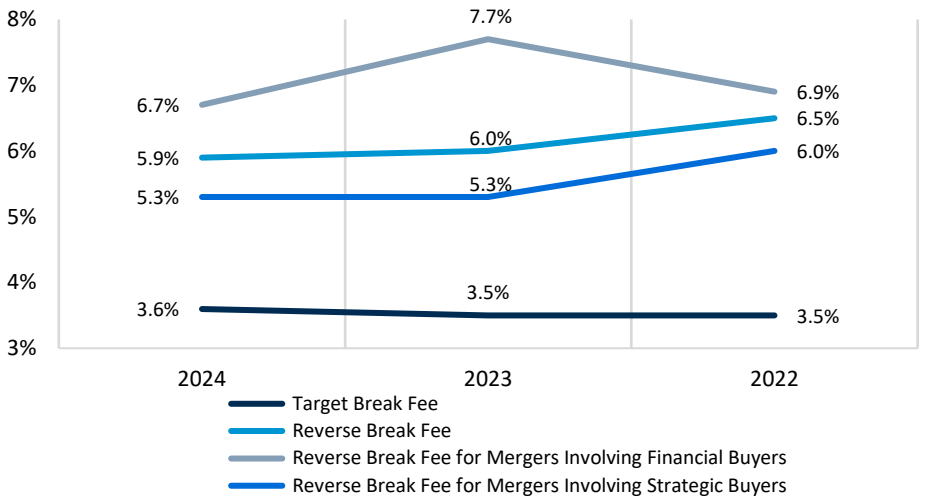
By Number of Deals



Form of Consideration as % of U.S. Public Mergers[4]



Average Break Fees as % of Equity Value[5,6]



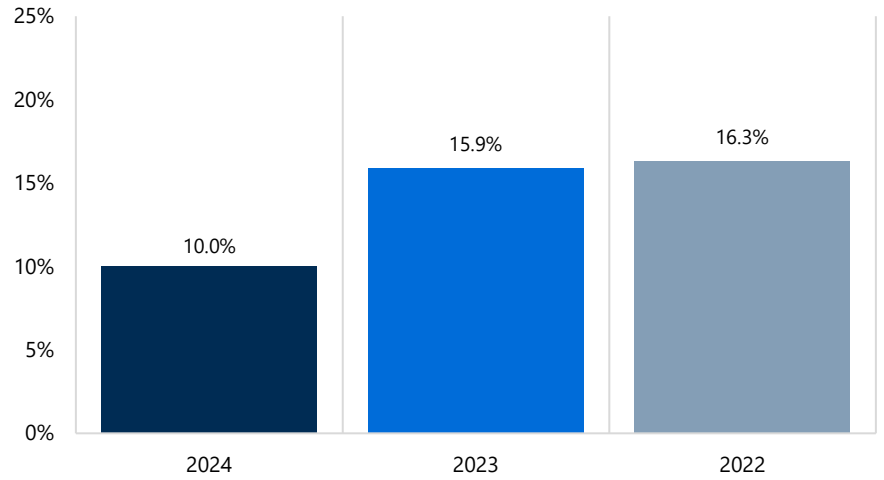
Unaffected Premium%[7]

2024	38.3
2023	48.8
2022	49.0

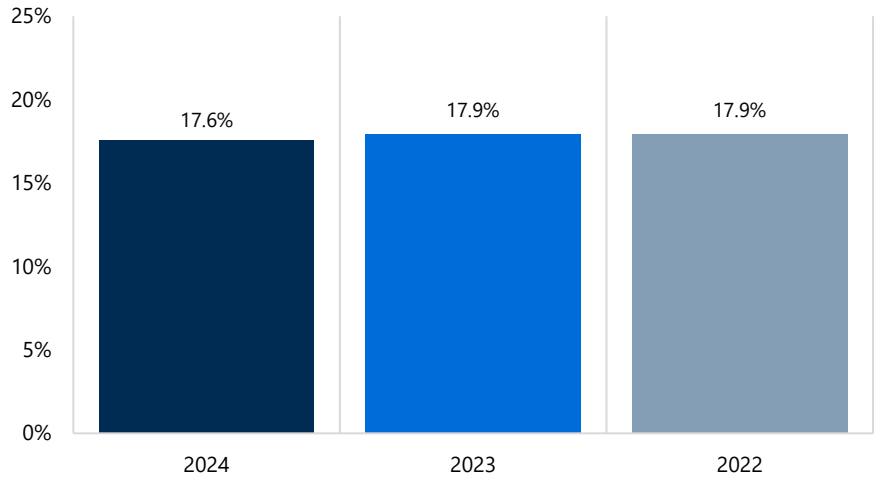
U.S. Public Merger Go-Shop Provisions[5]

	2024	2023	2022
% of Mergers with Go-Shops	7.9	8.3	13.1
% of Mergers Involving Financial Buyers with Go-Shops	16.3	27.8	29.4
% of Mergers Involving Strategic Buyers with Go-Shops	4.1	1.8	4.9
Avg. Go-Shop Window (in Days) for All Mergers with Go-Shops	38.9	31.7	36.6
Avg. Go-Shop Window (in Days) for Mergers Involving Financial Buyers with Go-Shops	41.1	32.0	37.4
Avg. Go-Shop Window (in Days) for Mergers Involving Strategic Buyers with Go-Shops	35.0	30.0	34.0

Tender Offers as % of U.S. Public Mergers



Hostile/Unsolicited Offers as % of U.S. Mergers



Endnotes

1. 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. Nationality is based on where a company has either its headquarters or a majority of its operations.
2. Global crossborder transactions are those where the acquirer and the target have different nationalities.
3. Industry categories are determined and named by Dealogic.
4. Due to rounding, percentages may not add up to 100%.
5. Financial and strategic categories are determined by Deal Point Data.
6. Based on the highest target break fees and reverse break fees payable in a particular deal.
7. 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 p. 1–5 were compiled using Dealogic, and are for the broader M&A market, including public and private transactions of any value. The charts on p. 6–7 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). "2024" data are for the period from January 1, 2024 to December 31, 2024 inclusive. "2023" data are for the period from January 1, 2023 to December 31, 2023 inclusive. "2022" data are for the period from January 1, 2022 to December 31, 2022 inclusive. Data obtained from Dealogic and Deal Point Data have not been reviewed for accuracy by Paul, Weiss.

Strategic M&A Firm Highlights

	$60.0B	**Chevron Corporation**	Acquisition of Hess Corporation
	$1.45B	**General Mills**	Acquisition of Whitebridge Pet Brands' Cat Feeding and Pet Treating Business
	$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
	$20.0B	**The Strategic Review Committee of the Board of Directors of Frontier Communications**	Sale to Verizon Communications
	$3.9B	**Amazon**	Acquisition of One Medical
	$6.4B	**IBM**	Acquisition of HashiCorp

Private Equity M&A Firm Highlights

	$13.4B	**Madison Dearborn Partners and HPS Investment Partners**	Sale of their portfolio company NFP to Aon
	$1.5B	**Brookfield Asset Management**	Strategic partnership with Castlelake
	$11.0B	**Funds managed by affiliates of Apollo Global Management, Inc.**	Investment to acquire from Intel Corporation a 49% equity interest in a joint venture entity
	$7.2B	**General Atlantic**	Take-private of its portfolio company Squarespace by Permira
	€3.6B	**KPS Capital Partners**	Sale of Eviosys to Sonoco Products Company
	–	**TDR Capital**	Acquisition of Acqua & Sapone
	–	**Roark Capital Group**	Acquisition of Subway
	–	**Clearlake Capital Group**	Consortium deal to acquire Chelsea Football Club
	–	**Apollo Global Management, Inc.**	Acquisition of Argo Infrastructure Partners
	$2.1B	**Blackstone Infrastructure Partners**	Acquisition of a minority interest in NIPSCO

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