



Datasite Forecaster

End of year outlook

Trends based on Datasite's proprietary, aggregated, and anonymized transaction data.





The Datasite view: Data and definitions

We have developed the following definitions to provide clarity on how we are filtering and categorizing our data, which is all aggregated and anonymized.

- **M&A deal.** Datasite projects categorized as an asset sale or merger
- **M&A deal kick-offs.** The day a new sell-side data room is created in Datasite Diligence or Acquire¹
- **Forecast, prediction, or indicator.** An estimate of future deal volume based on the assumption that sell-side due diligence takes from three to nine months to complete

Deal velocity
Deal outcomes
Deal depth

M&A market activity

What the public sees

Publicly announced deals

What we see

Undisclosed deals

Active, unannounced deals

Deals put on hold

Abandoned deals

¹: This excludes M&A deals created in our deal preparation application, Datasite Prepare.

Summer sell-side kickoffs point to busy year-end

Asset sale kickoffs signal revitalized small and mid-market activity

On the surface, global kickoff volume this summer* barely budged from the same time as last year. However, underneath divergent trends emerged.

Three takeaways

- A healthy uptick in asset sale kickoffs this summer, compared to last, signals a busy time ahead for dealmakers in the low- to mid-market, where asset sales predominate.
- The global slump in mergers suggests that tighter financing and regulatory conditions continue to take a toll on large-cap dealmaking.
- APAC dealmakers saw a 66% uptick in sell-side kickoffs June – August compared to the same time last year, suggesting an extra busy year-end push.



*We are defining summer as June – August.

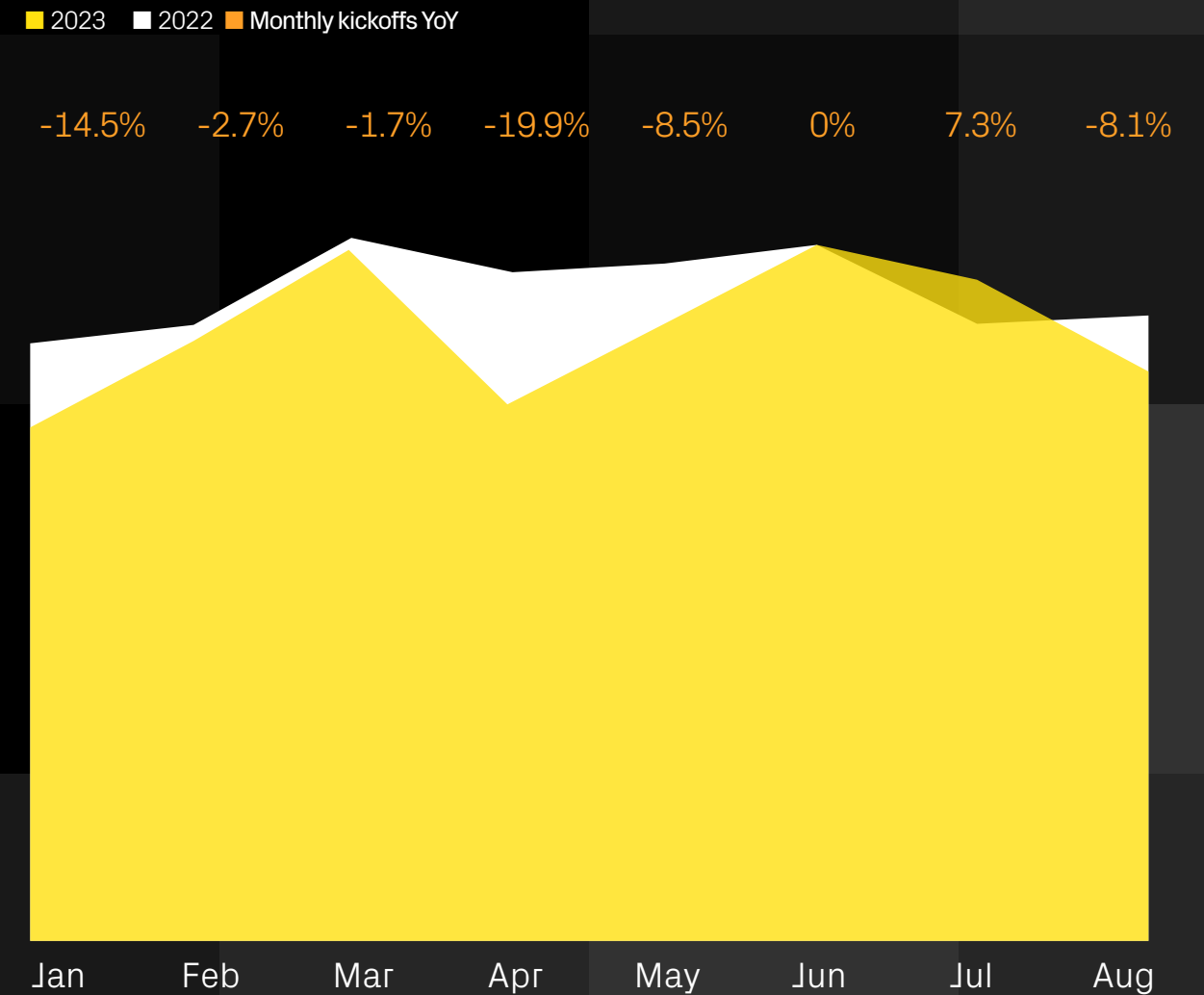
July climb points to robust November

August slowdown tempers 4Q outlook

Market notes

- Global inflation eased in 1H 2023, likely driving May – July activity.
- The April drop in kickoffs was partially attributable to SVB Financial's March bankruptcy filing and the UBS purchase of Credit Suisse.
- Overhang from the historic 2021 M&A wave into early 2022 makes January and February YoY comparables difficult.

Global sell-side kickoffs January - August 2022 vs. 2023

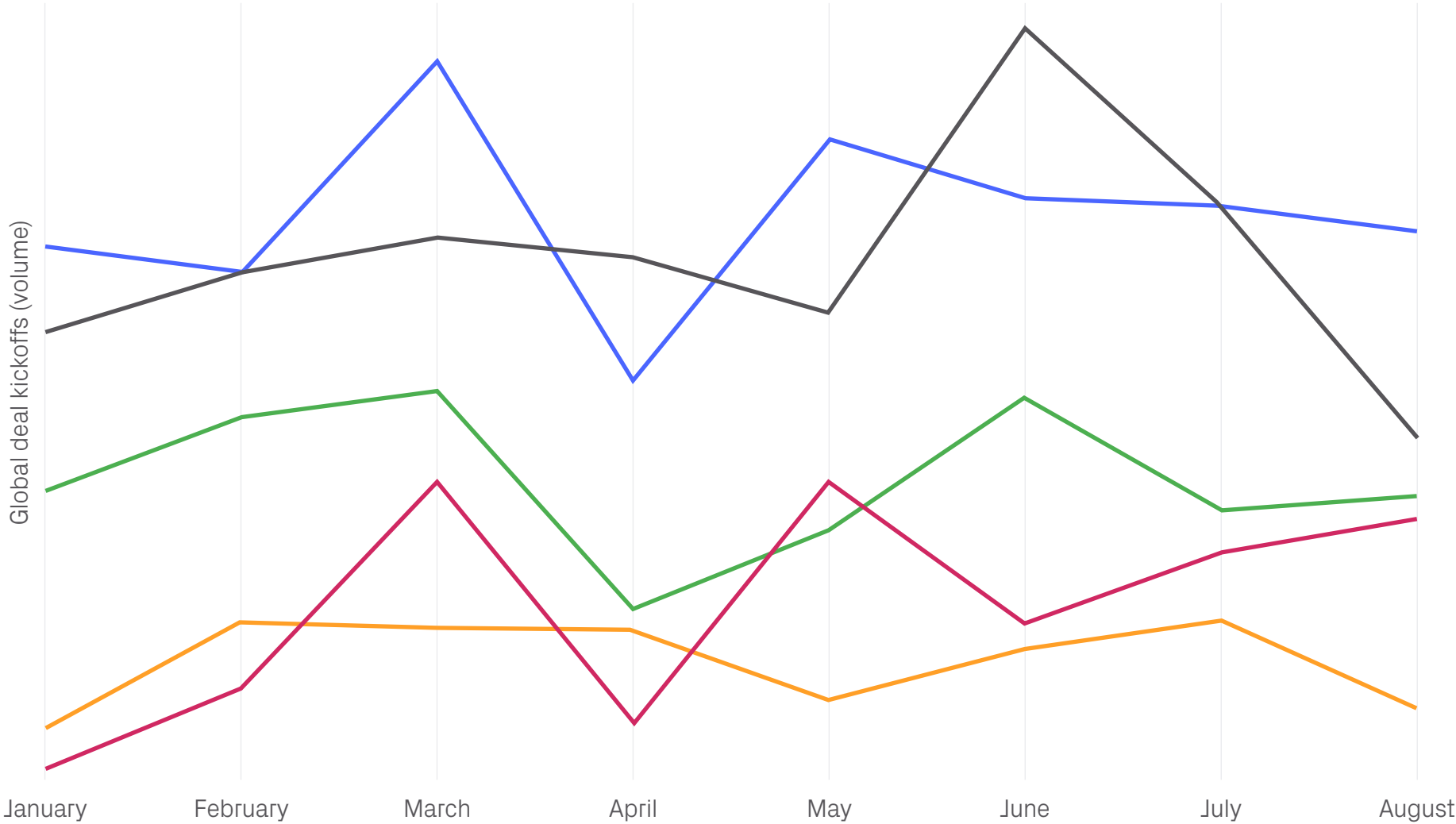


Industrials' August slump softens end-of-year prospects

Consumer and healthcare outlook lift

Three takeaways:

- Look for a spate of industrial deals to close in late 3Q/early 4Q following the spike of kickoffs in June.
- TMT kickoff volume stayed high through summer, painting a rosy picture for 4Q and early 2024,
- Healthcare activity continues to slowly, but steadily, come back from 2022 doldrums.



Sell-side kickoffs by top five sectors
January - August 2023

Energy & Power Industrials Consumer Healthcare TMT

Conclusion

Going into 2023, the big question on dealmakers' mind was whether the M&A market would reset after the roller-coaster of 2021 and 2022.

Based on summer activity and deal success rates, the answer seems to be 'yes' and 'no'. Yes, in that dealmakers are renewing their focus on quality deals not quantity. No, in that long-term trends like covid appear to have fundamentally changed how dealmakers do deals for the long-term.



Datasite is where deals are made

 14,000 deals annually

 2 million users (4 years)

 Track deals at inception vs. announcement

Datasite is where deals are made. We provide a complete M&A platform, driving transactions in 180 countries for investment banks, corporates, private equity, and law firms. Projects become seamless through our unique combination of technology and always-on assistance, built around the world's most trusted data room. Learn more at [Datasite.com](https://www.datasite.com).

 #wheredealsaremade

Get in touch, visit www.datasite.com or contact: info@datasite.com | **AMERS** +1 888 311 4100 | **EMEA** +44 20 3031 6300 | **APAC** +852 3905 4800

©Datasite. All rights reserved. All trademarks are property of their respective owners. DS-24.477-02

 **Datasite**[®]