



Datasite Forecaster Special Report: The Year of the Buy-Side

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.

- **Buy-side deal.** Datasite projects categorized as an asset purchase.
- **Buy-side deal kickoff.** The day a new buy-side data room is created in Datasite Diligence or Acquire.
- **Led.** The organization type that initiated the creation of a new data room in Datasite.

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

Buyers seize their moment, boosting 2024 M&A outlook

Advisors take the buy-side reins

Buy-side deal kickoffs, or the day when a new buy-side data room is created in Datasite, jumped 37% Jan-Oct 2023 compared to the same time last year.

Three takeaways

- Buyers are taking advantage of softening market conditions and lowered seller expectations to pursue one-on-one acquisitions with vigor.
- With sell-side M&A finally cooling in the real estate and industrials industries, acquirers are scouring the landscape for pickups.
- More advisors are being hired for one-on-one acquisitions as buyers decide to take no chances during this rare window of opportunity.

37%

Increase in buy-side kickoffs
Jan-Oct 2023 compared to
the same time last year

30%
AMERS

44%
EMEA

88%
APAC

169%
Advisor-led

20%
Corporate-led

Global shopping spree shows no signs of slowing down

Outbid and outpriced for years by private equity firms armed with cheap debt, acquirers with deep pockets began ramping up diligence on one-on-one acquisitions this April.

With a median four-month turnaround, look for many of these purchases to close at the end of this year or early next.

Buy-side deal kick-offs - January - October 2022 vs. 2023

■ 2023 ■ 2022 ■ MoM change

-13.5% 0% 8.2% 47% 66% 41% 94% 30% 43% 60%

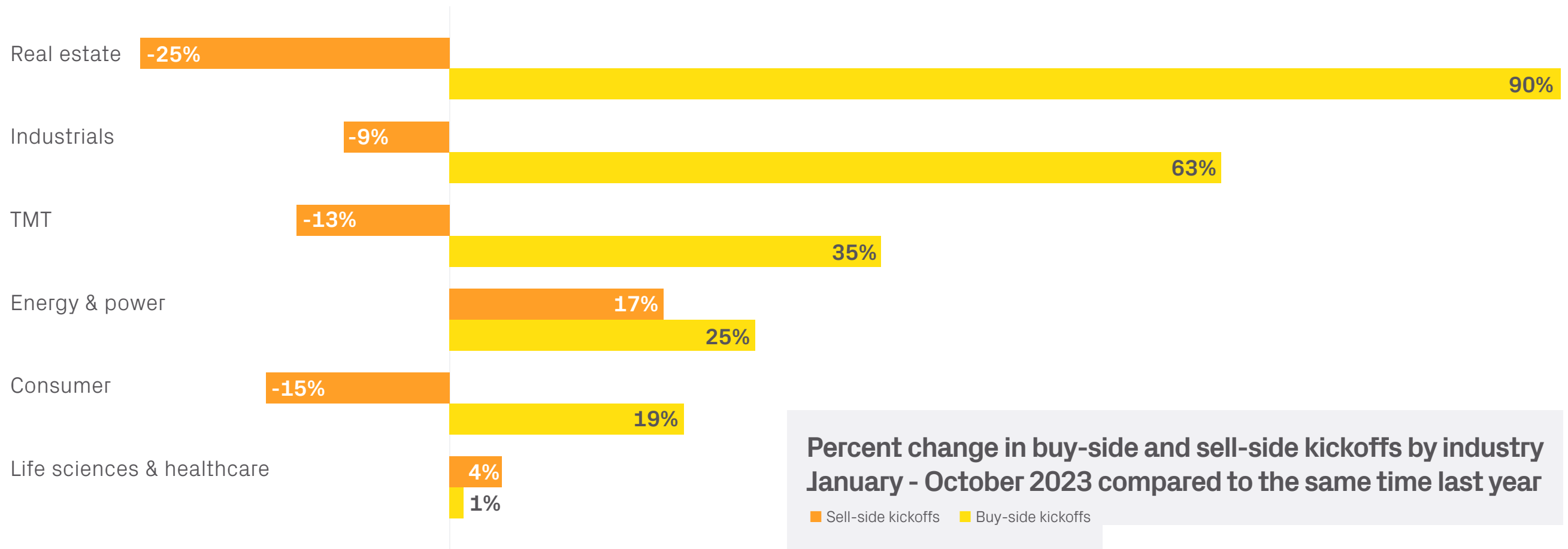


Jan Feb Mar Apr May Jun Jul Aug Sep Oct

Buyers target softening sell-side markets

Fewer sell-side auction processes in top industries this year have opened the door to more one-on-one deals. Buyers are taking full advantage, scouring the real estate, industrials, TMT, and consumer industries for pickups.

The exception to this is energy & power, which is seeing a resurgence on both sides of the M&A equation. Meanwhile, life sciences and healthcare M&A continues to slowly recover from its COVID-19 induced feeding frenzy.



Advisors step up to the buy-side bat

Advisor-led buy-side deal kickoffs boomed this year, up 169% from the same time last year. Because buy-side deals are one-on-one acquisitions and do not require auction management, advisors have traditionally played a smaller role.

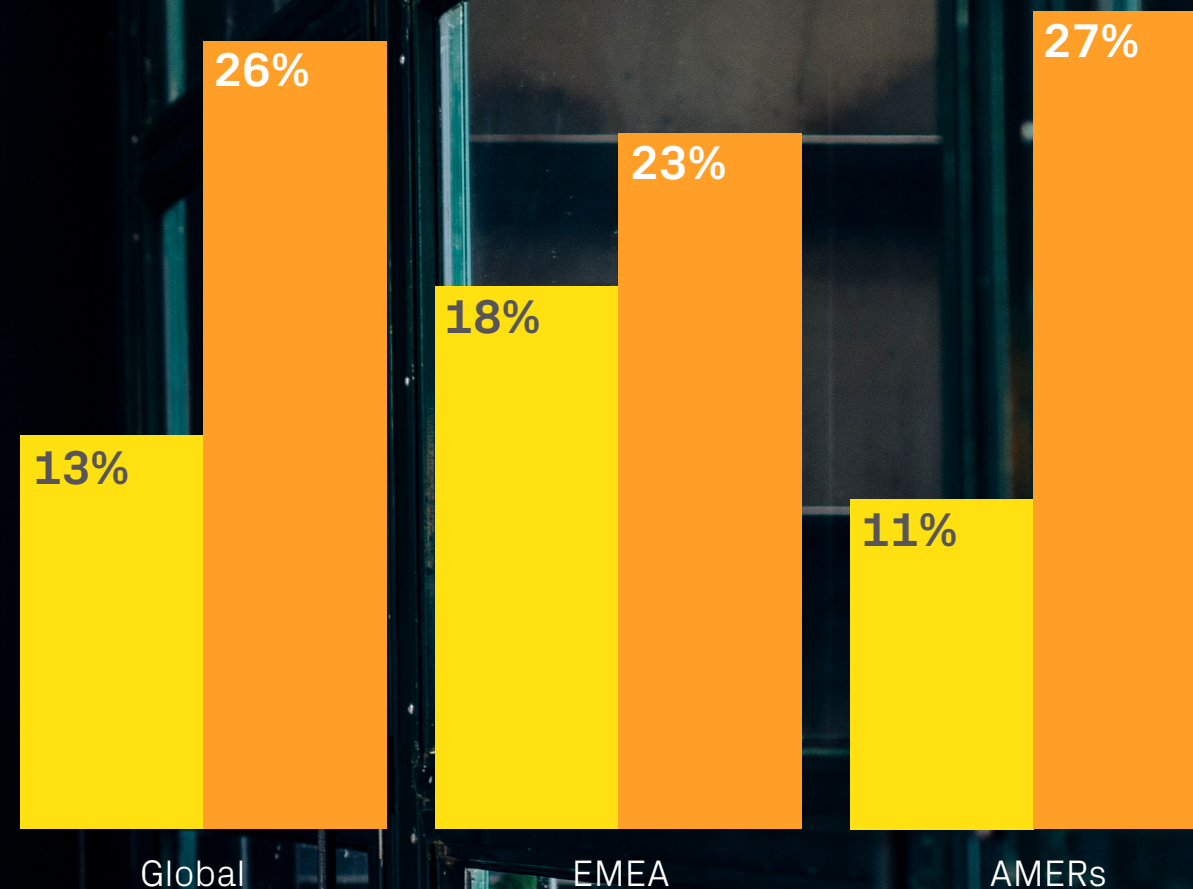
As a percentage of all buy-side kickoffs, advisor-led deals also gained ground. They jumped to 26% from 13% of all buy-side kickoffs compared to the same time as last year.

Acquirers' willingness to bring in financial advisors is another sign that when it comes to this window of opportunity, they mean business.



Percent of buy-side kick-offs that are advisor-led

■ Jan - Oct 2022 ■ Jan - Oct 2023



Advisors bring a speed premium to the buy-side table

Deal speed appears to be one of the biggest benefits to hiring a buy-side advisor this year. Advisor-led purchases closed a median of 25 days faster than the global average. The delta between corporate and advisor-led acquisitions was even larger, at 41 days.

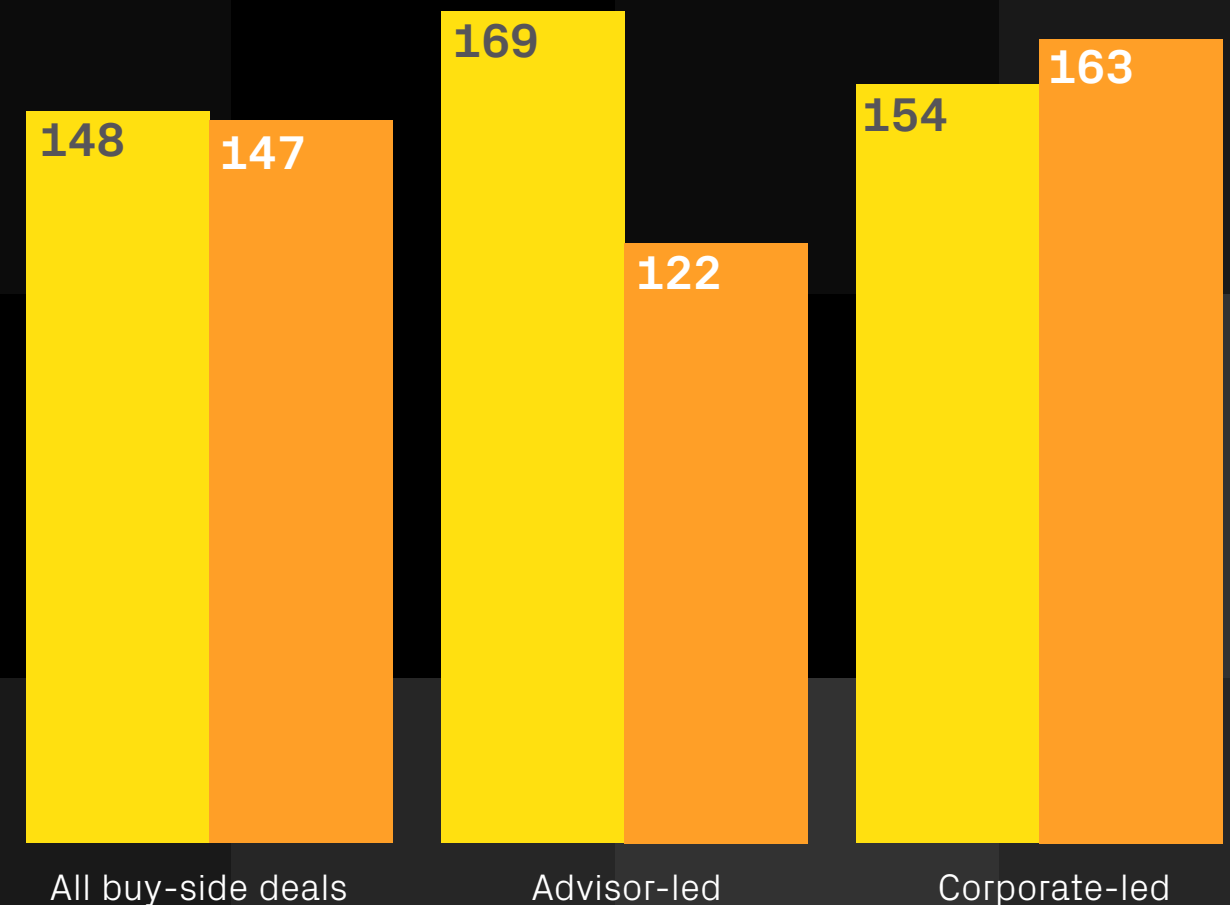
Historically, buy-side advisors handle only the largest, most complex acquisitions. This may account for the longer median diligence time in 2022.

Corporate diligence time creep may be a result of overstretched resources. The number of corporate-led kickoffs rose 20% this year. Corporates cannot move resources around as quickly as advisors, so the deluge of deals may be contributing to slower processes – as well as more buy-side advisor hires.



Median days of buy-side due diligence January – October 2022 v. 2023

■ Jan - Oct 2022 ■ Jan - Oct 2023



Conclusion


For years, strategic buyers have struggled to acquire in a market rife with private equity competition and inflated valuations. This year, they are making a comeback.

Without knowing how long their window of opportunity will last, buyers are leaving nothing on the table.



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).

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