

# M&A Market Analysis

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## AUGUST 2013 GLOBAL M&A MONTHLY

### Global M&A Commentary and Deal Statistics

Year to date through July, the number of global M&A transactions tracked far below prior-year levels. The global deal count declined 18.7%, reflecting a year-over-year decrease in each of the first seven months of 2013. In contrast, reported dollar volume rose 10.5%, powered by growth for billion-dollar-plus deals.

### U.S. M&A Commentary and Deal Statistics

Although a series of large deals generated an increase in dollar volume, the broader U.S. M&A market remained sluggish during July. The number of deals declined 22.6% to 805, which was well below the LTM average. However, due to strength in the billion-dollar-plus segment, reported dollar volume was up 3.4% to \$90.1 billion.

### Europe M&A Commentary and Deal Statistics

Europe's M&A market showed signs of life in July. While down 18.3% year-over-year against a strong comparison, the 916 announced transactions represented the highest figure in 11 months. In addition, reported dollar volume jumped 39.3% to \$92.4 billion, the most volume in nearly five years.

### U.K. Cross-Border M&A Activity

Through the first seven months of the year, the deal count in the U.K. declined 21.2% to 1,452, as domestic, inbound, and outbound transactions all fell at least 16%. Dollar volume increased 13.5% to \$106.8 billion.

### Germany Cross-Border M&A Activity

Year to date in Germany, the deal count decreased 11.3% to 802 with the decline largely due to the 20.7% fall-off in cross-border deals. Dollar volume increased 5.8% to \$57.9 billion.

### Asia Commentary and Deal Statistics

Although year-over-year comparisons were negative, July was one of the best months to date in 2013 for the M&A market in Asia (ex. Japan). The number of deals dipped 2.1% to 429, the highest monthly total so far this year. Dollar volume of \$27.1 billion was slightly above the LTM average despite falling 40.5% from the July 2012 figure, which was second-highest monthly volume on record.

### China M&A Activity and Deal Statistics

China's year-to-date deal count increased 0.6% to 1,370, with growth dampened by a decline in cross-border activity. Dollar volume rose 10.1% to \$105.9 billion.

### India M&A Activity and Deal Statistics

Year-to-date M&A metrics were negative in India. The deal count decreased 23.8% to 324, with modest cross-border declines and significant domestic weakness. Dollar volume dropped 36.9% to \$9.1 billion.

### Japan M&A Activity

Year-to-date M&A metrics were lower in Japan. The deal count fell 20.5% to 1,254, as domestic, inbound, and outbound totals were down at least 16%. Dollar volume plummeted 35.6% to \$53.9 billion.

### Restructuring News

After rising for the first time in 11 months in June, the Baird CDS Index declined in July, falling 98.7 points to 499.1 – down 16.5% from 597.8 on June 30 and 23.2% below the LTM average of 649.6.

### Transaction Spotlight – Sale of Nair & Co. Limited to HgCapital LLP

Nair & Co. Limited has been acquired by HgCapital LLP. Terms of the transaction were not disclosed.

### Recent Baird M&A Transactions

A summary of Baird's recently announced M&A Transactions.

### Baird U.S. Equity Research Coverage

In July, Baird added 8 companies to coverage and now covers 696 companies. These companies have a median and average market capitalization of \$3.2 billion and \$13.8 billion, respectively.

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