

M&A Market Analysis

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DECEMBER 2013 GLOBAL M&A MONTHLY

Global M&A Commentary and Deal Statistics

Through November, global M&A activity lagged year-ago levels by a wide margin. The year-to-date transaction total decreased 16.1%, with deal counts down on a year-over-year basis in all 11 months. Due almost entirely to growth in the billion-dollar-plus segment, reported dollar volume increased 9.2% in January-November.

U.S. M&A Commentary and Deal Statistics

Although a series of large transactions boosted overall dollar volume, the broader U.S. M&A market remained sluggish in November. The number of deals declined 37.3% to 643, the lowest total since September 2009. However, due to strength in the billion-dollar-plus segment, reported dollar volume increased 11.4% to \$93.8 billion.

Europe M&A Commentary and Deal Statistics

In Europe's M&A market, dollar volume showed a significant increase in November despite further weakness in the total number of deals. The transaction count dropped 16.3% to 681, which was well below the LTM average. In contrast, reported dollar volume advanced 18.4% to \$65.1 billion.

U.K. Cross-Border M&A Activity

Through the first 11 months of the year, the deal count in the U.K. declined 13.6% to 2,365. Dollar volume increased 13.4% to \$150.8 billion.

Germany Cross-Border M&A Activity

Year to date in Germany, the deal count decreased 11.6% to 1,249, with the decline largely due to the 17.2% fall-off in cross-border deals. Dollar volume was up 14.5% to \$100.4 billion.

Asia Commentary and Deal Statistics

The M&A market in Asia (ex. Japan) registered solid performance in November. The number of transactions was down 2.5% to 425, in line with the LTM average. Announced dollar volume increased 47.5% to \$31.2 billion.

China M&A Activity and Deal Statistics

In China's M&A market, the deal count for November dipped 1.0% to 202, just below the LTM average of 212. Dollar volume soared 129% to \$20.3 billion.

India M&A Activity and Deal Statistics

Year-to-date M&A metrics were negative in India. The deal count decreased 17.7% to 640, with significant weakness in domestic and outbound transactions. Dollar volume slid 39.6% to \$15.2 billion.

Japan M&A Activity

Year-to-date M&A metrics were lower in Japan. The deal count fell 17.5% to 1,998, as domestic, inbound, and outbound totals were down at least 11%. Dollar volume sank 35.9% to \$99.8 billion due to large declines for domestic and outbound volume, which outweighed strong inbound volume growth.

Restructuring News

The Baird CDS Index fell for the third month in a row in November, decreasing 22.5 points to 438.1 – 21.2% below the LTM average of 556.0.

Transaction Spotlight – Bushnell's Sale to ATK

Bushnell Group Holdings, Inc., a portfolio company of MidOcean Partners, recently completed its sale to Alliant Techsystems, Inc. for \$985 million.

Recent Baird M&A Transactions

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

Baird U.S. Equity Research Coverage

In November, Baird added 4 companies to coverage and now covers 717 companies. These companies have a median and average market capitalization of \$3.4 billion and \$13.7 billion, respectively.

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