

# M&A Market Analysis

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## MAY 2013 GLOBAL M&A MONTHLY

### Global M&A Commentary and Deal Statistics

Year to date, the global M&A market has registered higher dollar volume in every month despite a pattern of lower deal counts. Through April, the number of transactions plummeted 22.5% to 8,759, the lowest total in the first four months of the year since 2009. However, a wave of blockbuster deals fueled a 17.9% increase in reported dollar volume.

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

The U.S. M&A market posted weak metrics in April. The number of transactions fell 37.6% to 652, the lowest mark since 2009. While reported dollar volume increased 7.8% to \$86.7 billion, these figures were inflated by Dish Network's offer for Sprint Nextel.

### Europe M&A Commentary and Deal Statistics

April was another dismal month for M&A activity in Europe. The deal count dropped 33.8% to 602, the lowest total in nine years. Reported dollar volume declined 31.6% to \$38.9 billion, which lagged the LTM average.

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

Through the first four months of the year, the deal count in the U.K. declined 26.5% to 759, with the number of domestic transactions sliding 32.6%. Dollar volume increased 29.6% to \$57.1 billion, as volume from inbound transactions nearly doubled.

### Germany Cross-Border M&A Activity

Year to date in Germany, the deal count decreased 16.6% to 441. Although the number of domestic transactions was up slightly, cross-border deals declined 31.4%. Dollar volume dropped 10.7% to \$16.7 billion.

### Asia Commentary and Deal Statistics

During April, the M&A market for Asia (ex. Japan) notched a deal count in line with the lackluster year-to-date trend, while reported dollar volume experienced a moderate pickup. The number of transactions declined 10.0% to 378, which was within the recent range. In contrast, dollar volume increased 21.9% to \$23.4 billion, the highest figure since December.

### China M&A Activity and Deal Statistics

Year to date, China's deal count was down 7.5% to 725, with weakness in both domestic and cross-border activity. Dollar volume rose 44.9% to \$46.5 billion, as volume from inbound transactions nearly doubled.

### India M&A Activity and Deal Statistics

Year-to-date M&A metrics were negative in India. The deal count decreased 27.7% to 219, with particular weakness in domestic transactions. Dollar volume slid 52.5% to \$5.6 billion.

### Japan M&A Activity

Year-to-date M&A activity was weak in Japan. The deal count fell 31.3% to 705. Dollar volume decreased 28.9% to \$28.3 billion.

### Economic Commentary

Economic fundamentals remain bearish from a longer-term perspective. The economy remains mired in a slow recovery that has been unable to generate any self-sustaining momentum.

### Restructuring News

The Baird CDS Index decreased for the ninth consecutive month in April, falling 61.6 points to 534.2 – down 10.3% from 595.8 on March 31 and 27.8% below the LTM average of 739.8.

### Transaction Spotlight – LKQ Corporation's Acquisition of Sator Beheer B.V.

LKQ Corporation (NASDAQ-GS: LKQ), recently completed the acquisition of Sator Beheer B.V., a portfolio company of H2 Equity Partners B.V. for approximately \$268 million.

### Recent Baird M&A Transactions

A summary of Baird's announced M&A Transactions over the past 12 months.

### Baird U.S. Equity Research Coverage

In April, Baird added 9 companies to coverage and now covers 677 companies. These companies have a median and average market capitalization of \$2.9 billion and \$11.3 billion, respectively.

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