

M&A Market Analysis

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NOVEMBER 2013 GLOBAL M&A MONTHLY

Global M&A Commentary and Deal Statistics

The pattern of lower deal counts and increased dollar volume has persisted in the global M&A market throughout 2013. Year to date through October, the deal count declined 16.5%, reflecting year-over-year decreases in all 10 months. However, the billion-dollar-plus segment has driven 6.5% growth in announced dollar volume on a year-to-date basis.

U.S. M&A Commentary and Deal Statistics

The performance of the U.S. M&A market was mixed in October. The number of transactions declined 29.8% to 830, which was slightly below the last 12 month (LTM) average. Although announced dollar volume was down 32.8% on a year-over-year basis, the \$85.6 billion total exceeded the LTM mean.

Europe M&A Commentary and Deal Statistics

The M&A market in Europe registered varied metrics in October. The transaction count was down 14.6% (the twenty-second straight year-over-year decline) to 785, which was slightly below the LTM average. However, announced dollar volume increased 46.6% to \$63.7 billion, topping the LTM mean.

U.K. Cross-Border M&A Activity

Through the first 10 months of the year, the deal count in the U.K. declined 13.3% to 2,189. Dollar volume increased 18.2% to \$135.8 billion.

Germany Cross-Border M&A Activity

Year to date in Germany, the deal count decreased 12.1% to 1,135, with the decline largely due to the 17.1% fall-off in cross-border deals. Dollar volume jumped 21.2% to \$91.3 billion.

Asia Commentary and Deal Statistics

The M&A market in Asia (ex. Japan) showed progress in October. The number of transactions was up 4.6% to 479, the highest monthly total to date in 2013. Reported dollar volume climbed 45.2% to \$36.4 billion, the third-highest figure in the past three years.

China M&A Activity and Deal Statistics

China M&A diverged from global trends in October. The deal count jumped 21.2% to 246, above the LTM average of 211. Dollar volume soared 80.5% to \$25.7 billion.

India M&A Activity and Deal Statistics

Year-to-date M&A metrics were negative in India. The deal count decreased 19.1% to 581, with significant weakness in domestic and outbound transactions. Dollar volume slid 39.0% to \$12.9 billion.

Japan M&A Activity

Year-to-date M&A metrics were lower in Japan. The deal count fell 18.3% to 1,829, as domestic, inbound, and outbound totals were down at least 17%. Dollar volume sank 37.9% to \$94.3 billion due to large declines for domestic and outbound volume.

Restructuring News

The Baird CDS Index fell for the second time in three months in October, decreasing 46.6 points to 460.6 – 20.5% below the LTM average of 579.1.

Transaction Spotlight – Cornerstone Records Sale to Iron Mountain

Cornerstone Records Management, LLC, a portfolio company of Sterling Partners, was recently acquired by Iron Mountain Inc. for approximately \$191 million.

Recent Baird M&A Transactions

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

Baird U.S. Equity Research Coverage

In October, Baird added 15 companies to coverage and now covers 713 companies. These companies have a median and average market capitalization of \$3.4 billion and \$14 billion, respectively.

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