

M&A Market Analysis

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SEPTEMBER 2013 GLOBAL M&A MONTHLY

Global M&A Commentary and Deal Statistics

Global M&A activity remained in the doldrums through August. On a year-to-date basis, the global transaction total declined 18.4%, as the deal count for each of the first eight months of 2013 was below year-ago levels. The 9.6% increase in announced dollar volume reflected strength in the billion-dollar-plus deal segment for most of the year.

U.S. M&A Commentary and Deal Statistics

August was the weakest month in several years in the U.S. M&A market. The deal count dropped 32.3% to 717, the lowest total in nearly four years. Announced dollar volume plunged 45.5% to \$42.6 billion, which was the least volume since January 2010.

Europe M&A Commentary and Deal Statistics

The performance of Europe's M&A market was mixed in August, which historically has been its slowest month of the year. The number of transactions dropped 29.5% to 603, the lowest level in nine years. In contrast, announced dollar volume was more than triple the year-ago level.

U.K. Cross-Border M&A Activity

Through the first eight months of the year, the deal count in the U.K. declined 19.9% to 1,672, as domestic, inbound, and outbound transaction totals all fell at least 14%. Dollar volume rose 19.4% to \$119.6 billion.

Germany Cross-Border M&A Activity

Year to date in Germany, the deal count decreased 12.8% to 904, with cross-border deals falling 20.4%. Dollar volume increased 20.9% to \$68.3 billion.

Asia Commentary and Deal Statistics

M&A metrics for Asia (ex. Japan) were largely consistent with recent trends and year-ago levels. The number of transactions decreased 4.1% to 417, which essentially matched the last 12 month (LTM) average. Reported dollar volume increased 4.8% to \$24.6 billion, just below the LTM mean.

China M&A Activity and Deal Statistics

China's year-to-date deal count increased 4.5% to 1,628, led by gains in domestic transactions. Dollar volume was up 6.7% to \$120.9 billion, powered by inbound volume more than doubling.

India M&A Activity and Deal Statistics

Year-to-date M&A metrics were negative in India. The deal count decreased 25.4% to 447, with weakness in domestic and outbound transactions. Dollar volume slid 28.4% to \$10.8 billion.

Japan M&A Activity

Year-to-date M&A metrics were lower in Japan. The deal count fell 20.3% to 1,421, as domestic, inbound, and outbound totals were down at least 18%. Dollar volume decreased 39.6% to \$57.4 billion, with declines in excess of 50% for cross-border transactions.

Restructuring News

The Baird CDS Index rose for the second time in three months in August, increasing 62.6 points to 561.7 – up 12.5% from 499.1 on July 31 but still 9.7% below the LTM average of 622.1.

Transaction Spotlight – Lyceum Capital's Acquisition of Isotrak Limited

Isotrak Limited, a portfolio company of Saints Chamonix Private Equity, was recently acquired by Lyceum Capital. 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 August, Baird added 6 companies to coverage and now covers 702 companies. These companies have a median and average market capitalization of \$3.1 billion and \$12.5 billion, respectively

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