



Datasite Forecaster

September 2022 update

Trends based on Datasite's proprietary, aggregated, and anonymized transaction data.

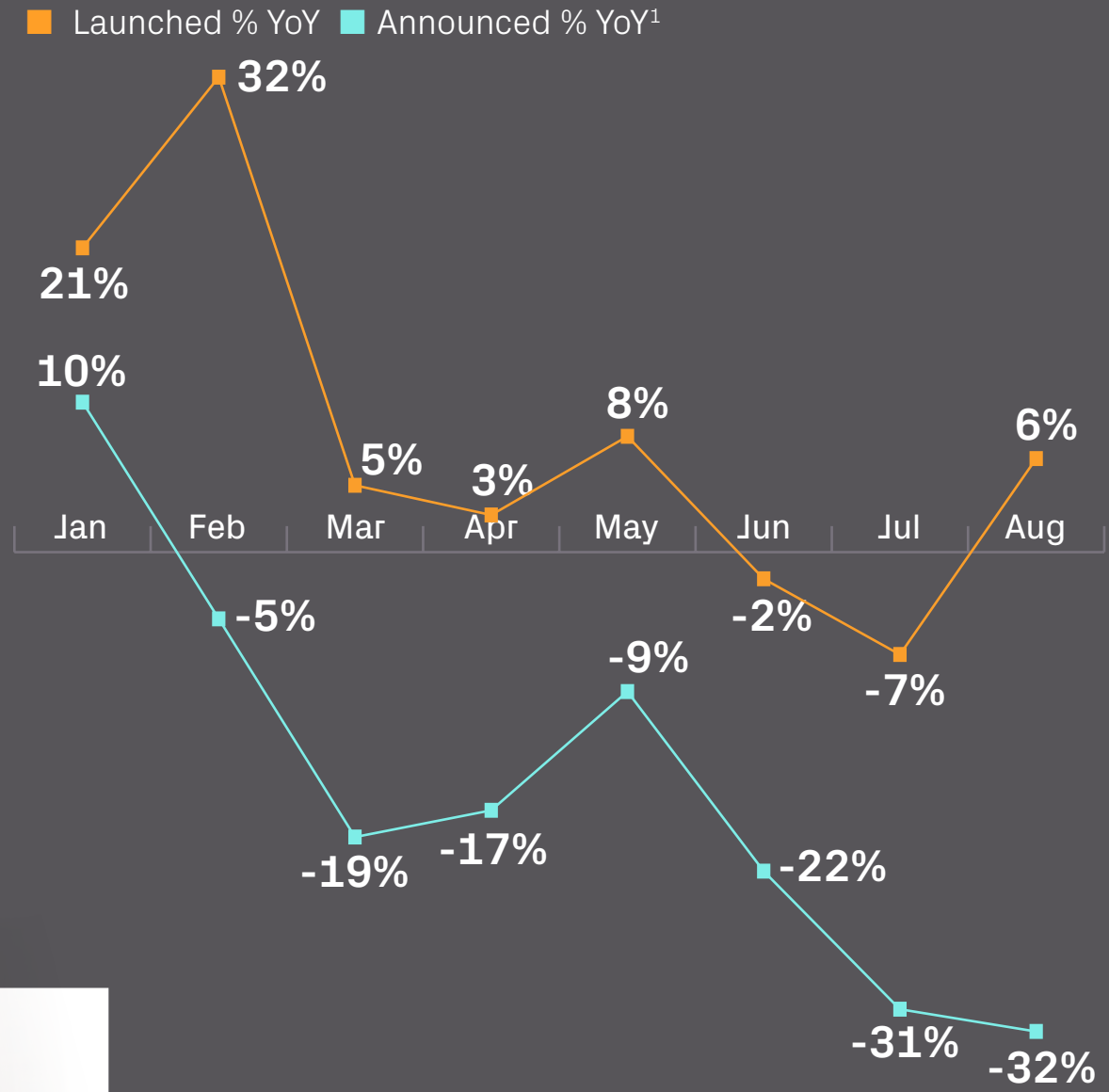


M&A deal activity robust beneath the surface

While publicly announced M&A deals continue to head under-water, deep below the surface the story is less grim. M&A deals are slowing and taking longer to complete, nevertheless, dealmakers are still busy kicking off new sale processes. In fact, M&A deals launched on Datasite were up 7% YoY by the end of August, which is remarkable given the high-water mark set for M&A in 2021.

Dealmakers are closely tracking macro-economic trends, which continue to paint a mixed picture. Inflation, robust employment figures, geo-political and regulatory trends, and investment pouring into alternative energy and real estate sectors have created a soup-like outlook. Depending on how - and whether - some of these M&A headwinds and tailwinds resolve, look for an end of year push to close out lingering M&A inventory.

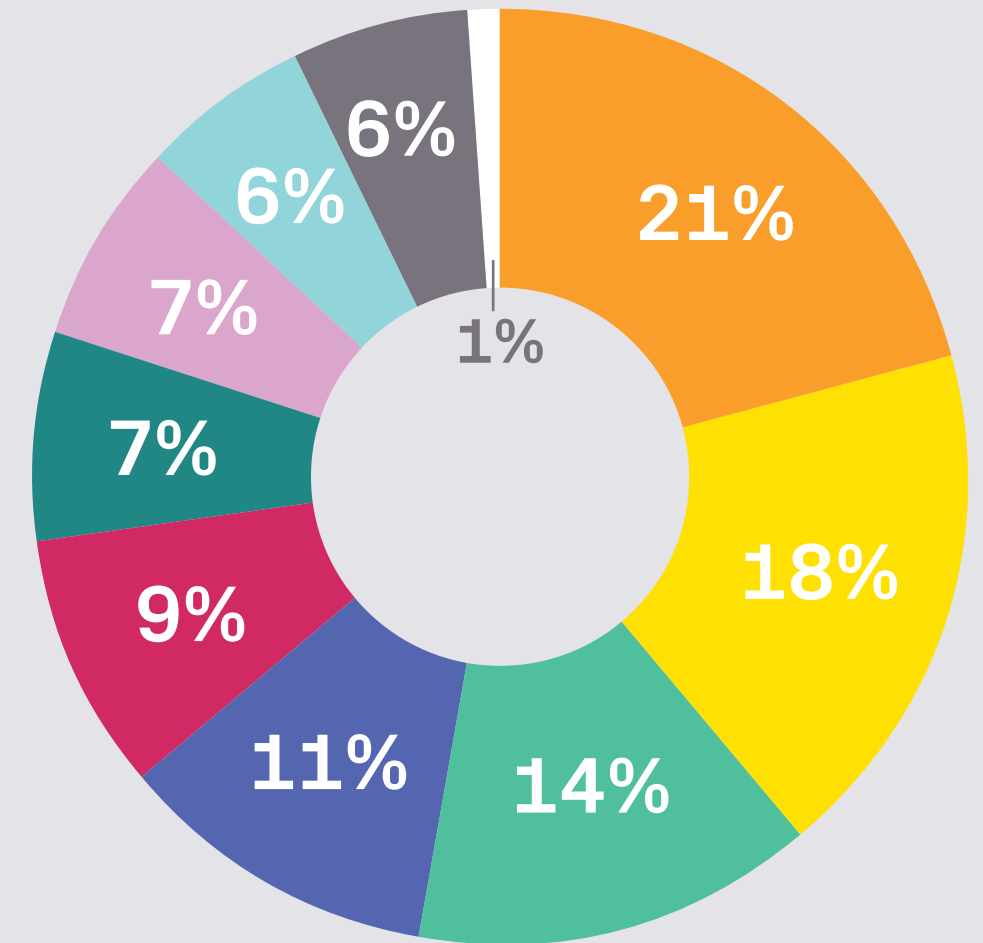
Launched vs announced M&A processes YoY (YTD)



Industrials inches forward – financial services drops

Global M&A volume by industry has held relatively stable YTD. Notably, technology, media, and telecoms (TMT) held tight to its dominant market share, spurred by a steady stream of industry-disrupting technology.

Industrials¹ continues to benefit from supply chain consolidation and defense funding arising from the Ukraine war, holding steady at second place for market share. Meanwhile, healthcare², business services, and real estate all edged up 1%. Financial services appears to have taken the greatest hit, dropping to 7% market share from 14% at the end of the second half of 2022, as dealmakers wait to see how monetary policy and inflation shake out.



Total global M&A deal volume by industry August 2022 YTD

■ TMT ■ Industrials¹ ■ Healthcare² ■ Consumer
■ Business services ■ Financial services ■ Energy³
■ Real estate ■ Other ■ Leisure

1. Industrials includes the transport and defense industries; 2. Healthcare includes life sciences; Energy includes energy, utilities, mining, oil & gas

The Datasite Forecaster view: What's up, down, and neutral YTD

Setting total industry numbers aside, where do we see the most relative activity by region and industry? Which areas are neutral or cooling off compared to last year?

Except for the energy sector, APAC continues to boom across most industries. Consumer, down 8.6% YoY, is nevertheless up compared to our 2H outlook, where we had it in the red at -12% YoY.

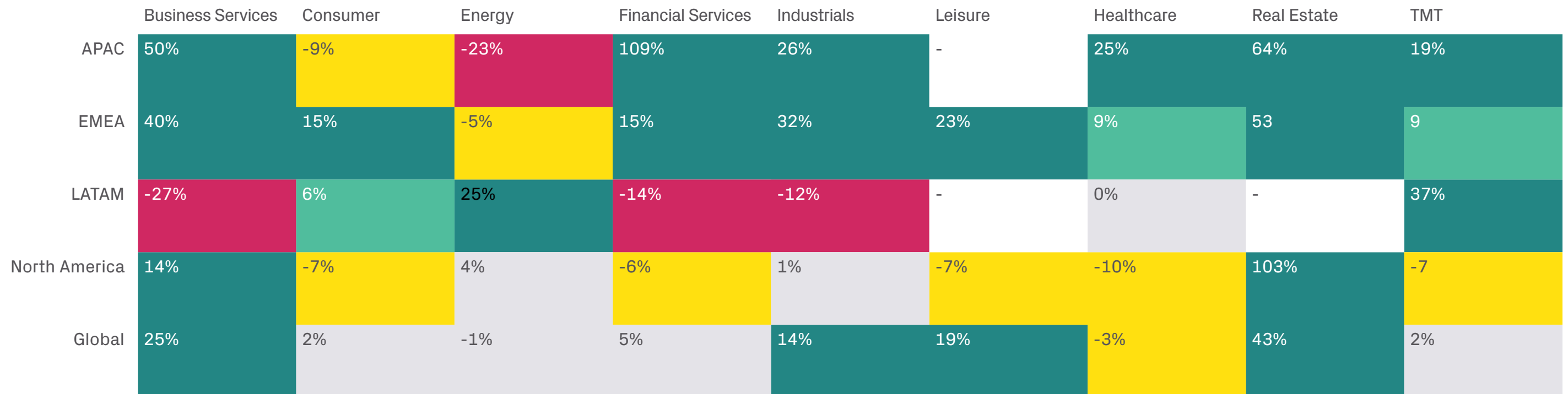
Real estate and business services are bright spots in North America, where cooldowns in financial services and healthcare continue to deepen. Meanwhile, Lat Am is seeing a surge in TMT and energy investment, with trouble spots in industrials, and financial and business services.

Finally, except for a turbulent energy industry, EMEA is green across the board, with hot spots in everything from business services to leisure.

The global bottom line: dealmakers are pouring into real estate, business services, and industrials. Everything else is mostly lukewarm.

Global M&A activity 2022 deal flow year to date YoY

Key: ■ 11%+ ■ 5%+ ■ 0% ■ -5% ■ -11%+



Our research

The forecaster compiles data from deals conducted on Datasite's platform, aggregated and anonymized to protect client confidentiality. Datasite hosts more than 13,000 projects a year and has over 50 years' experience in M&A, so we have one of the largest databases of current and historical M&A deal activity in the world.

From this data we have produced:

- 1) Informed estimates about future deal volumes
- 2) Benchmark data drawn from historical deals

We cleaned and prepared our data using the R statistical programming environment. Then we defined a 'typical' Datasite-hosted project using three criteria. Firstly, we used the median (rather than the mean). Secondly, we based our benchmarks on sell-side deals only, but included all M&A activity in our current reviews and forecasts. Thirdly, in order to compare timeframes consistently, we broke these into two parts: days from project creation to launch ('prep time') and days from launch to close ('due diligence time'). We excluded projects that were never launched or still open.

We used the same methodology for forecasts relating to specific sectors, scenarios, and Datasite products. We reviewed sector breakdowns only in countries with 100+ transactions a year, and we reported on countries only where our sample size was 40+ transactions a year.

The Forecaster Report is for informational purposes only. All information contained within is not intended to provide, and should not be relied upon for, legal, tax, financial, investment recommendations, or any other type of advice.

13k+
transactions annually

80k+
logins monthly

170
countries covered

50+
years of experience

We are Datasite

Datasite is where deals are made. Driving M&A in more than 170 countries. Delivering many of the world's top transactions. Yours can be next.

Discover end-to-end M&A capabilities built around the world's most trusted data room. In one place you have all you need for every type of project, from next-level AI tools to global support 24/7/365. Seamless processes cut deal times by up to 40%. And a fast-evolving platform keeps you one step ahead of your next challenge.

Deal in next. Deal in Datasite.



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