



Datasite Forecaster

December 2022 update

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



The Datasite view: Data and definitions

We have developed the following definitions to provide clarity on how we are filtering and categorizing our data, which is all aggregated and anonymized.

- **M&A or deal.** Datasite projects categorized as an asset sale or merger
- **Sale launches or kick-offs.** The day dealmakers first get access to an M&A data room
- **Buyside process or transaction.** Datasite projects categorized as an asset purchase. Many of these are one-on-one acquisitions or part of a roll-up strategy
- **M&A pipeline.** The total number of ongoing M&A processes on Datasite during a given time period, regardless of the deal's stage, size, or public status
- **Prep time.** The median time from project creation to launch
- **Due diligence time.** The median time from project launch to close

Deal velocity
Deal outcomes
Deal depth

M&A market activity

What the public sees

Publicly announced deals

What we see

Undisclosed deals

Active, unannounced deals

Deals put on hold

Abandoned deals

November sale launches: Tempered optimism for 2023

M&A sale launches on Datasite have remained more buoyant YoY than publicly announced M&A activity, suggesting dealmakers are optimistic that M&A processes will move forward once macro-economic conditions settle. Some key points:

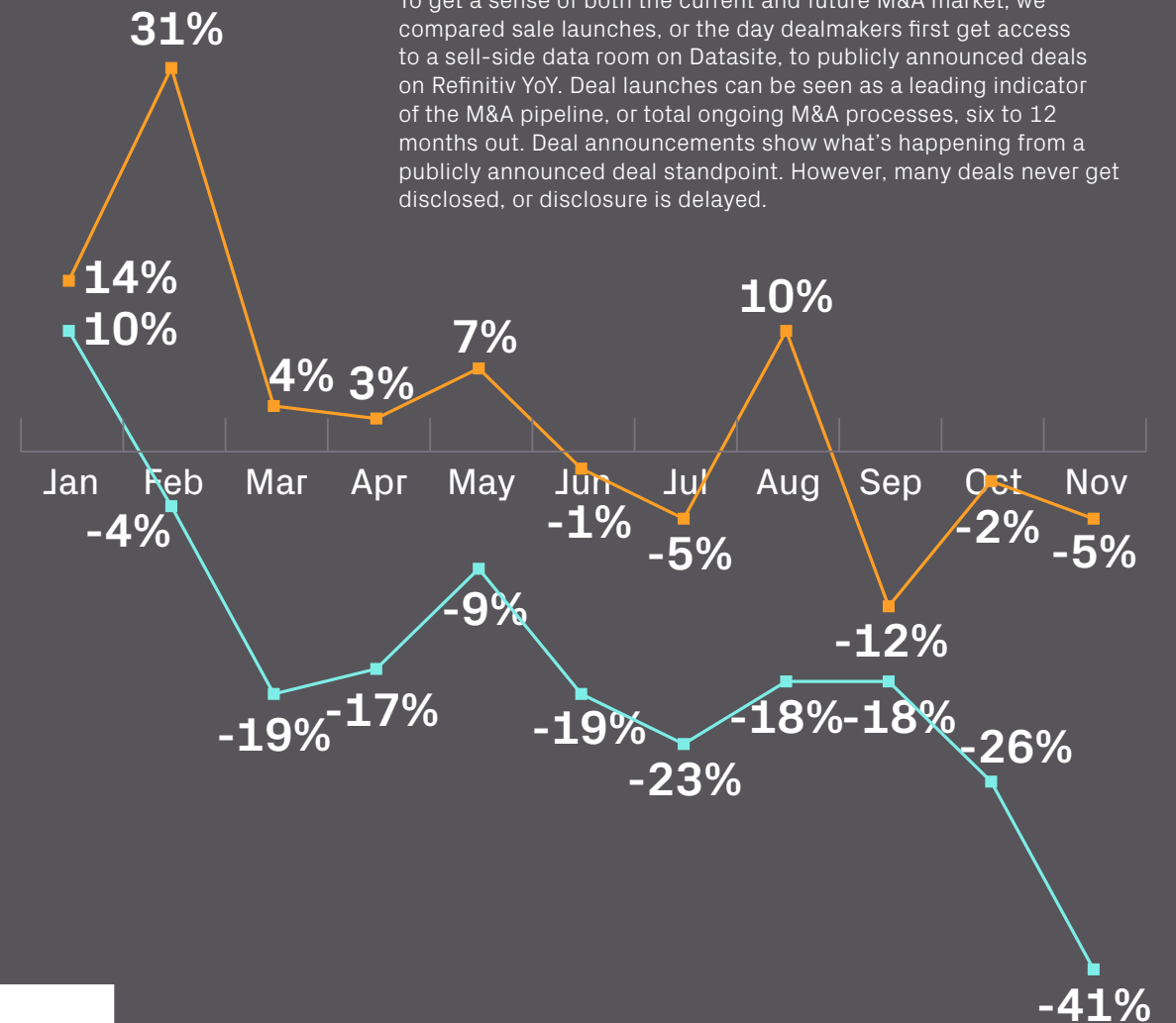
- November global process launches steadied out at -5% YoY after a YoY bump in sale launches in October. This is robust, especially compared to last year's red-hot M&A market
- Behind the scenes, the evening out was driven by a spike in AMERS activity - counteracted by softening in EMEA. APAC launches ticked up slightly
- The October and November sale launch numbers are a good sign. They suggest tempered confidence for M&A going into Q1 and Q2 of next year
- The delta between deal launches and announced deals YoY indicate the M&A market is busier than the current news cycle suggests

Sale launches vs. announced deals YoY 2022

■ Global sale launches - Datasite ■ Announced deals - Refinitiv

What is this chart showing?

To get a sense of both the current and future M&A market, we compared sale launches, or the day dealmakers first get access to a sell-side data room on Datasite, to publicly announced deals on Refinitiv YoY. Deal launches can be seen as a leading indicator of the M&A pipeline, or total ongoing M&A processes, six to 12 months out. Deal announcements show what's happening from a publicly announced deal standpoint. However, many deals never get disclosed, or disclosure is delayed.



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?

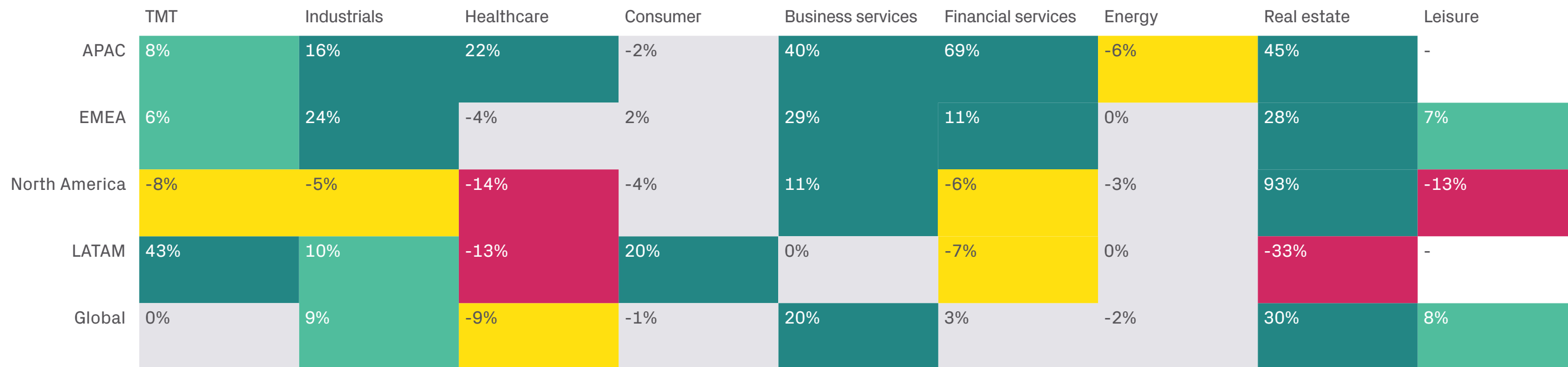
Despite a sharp rise in new sale launches in November, the total North America M&A pipeline going into December remains soft. However, the outlook for three of the region's four largest sectors improved slightly, signaling a potential upswing in TMT, healthcare, and consumer going into Q2 2023.

The reverse is also true. Despite some softening in sale launches in Q4, EMEA's total M&A pipeline YoY continues to be hefty. EMEA's industrials industry has powered M&A throughout the year, so look for a wave of announcements at the end of 2022 going into 2023.

In APAC, healthcare surged, industrials softened, and TMT remained steady. APAC has been the brightest spot for healthcare this year, which floundered in other regions. Look for some of that inventory to shake out before year's end.

M&A pipeline YoY (YTD)

Key: ■ 11%+ ■ 5%+ ■ 0% ■ -5% ■ -11%+



What is this chart showing?

This chart provides a year-over-year (YoY) view of the total number of ongoing M&A processes on Datasite YTD by region and industry. We have provided this view on a cumulative 2022 basis to provide as robust a sample size as possible. We have left blank any areas where our sample size was not robust enough to report on.

Our research

The Datasite 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 Datasite Forecaster 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

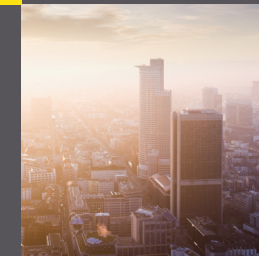
170
countries covered



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 – sell-side, buy-side, and beyond.

Discover an end-to-end M&A suite built around the world's most trusted data room. In one place you have all you need for every type of project, from advanced 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 the competition. Secure your success with Datasite.



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