



Datasite Forecaster

November 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 the 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

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

October M&A activity ticks up

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:

- October saw a 9% uptick in global launched sale processes, driven by a sharp bounce back in EMEA activity from the month before
- Globally, M&A deals launched this year are still up by 3% from 2021 YoY
- The delta between deal launches and announced deals YoY suggests the M&A market is busier than the current news cycle suggests
- The spike in M&A deal launches in August and uptick in October indicates we may see an increase in activity starting up again into Q1 2023

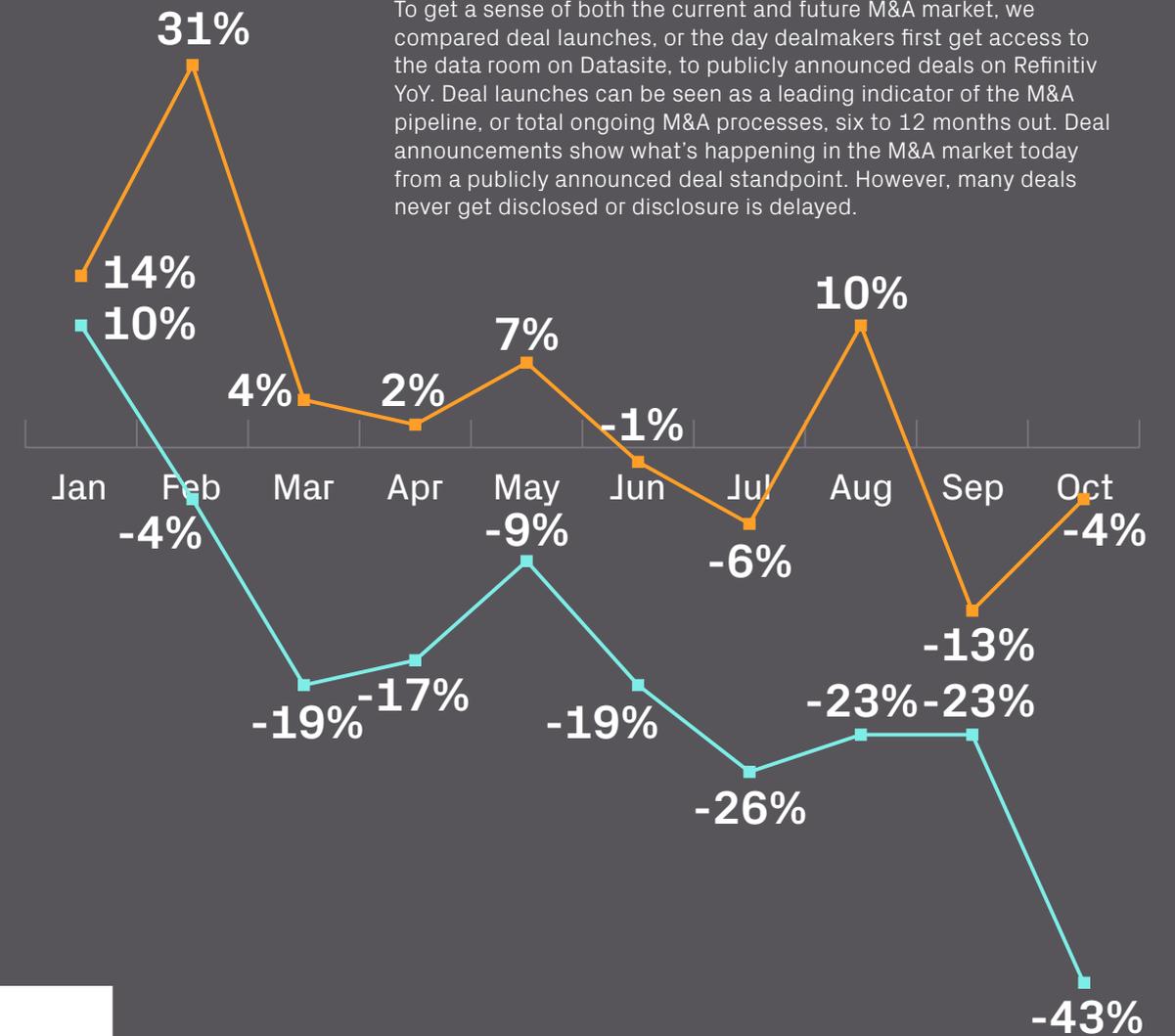


Sale launches vs. announced deals YoY (YTD)

■ Launched % YoY ■ Announced deals % YoY¹

What is this chart showing?

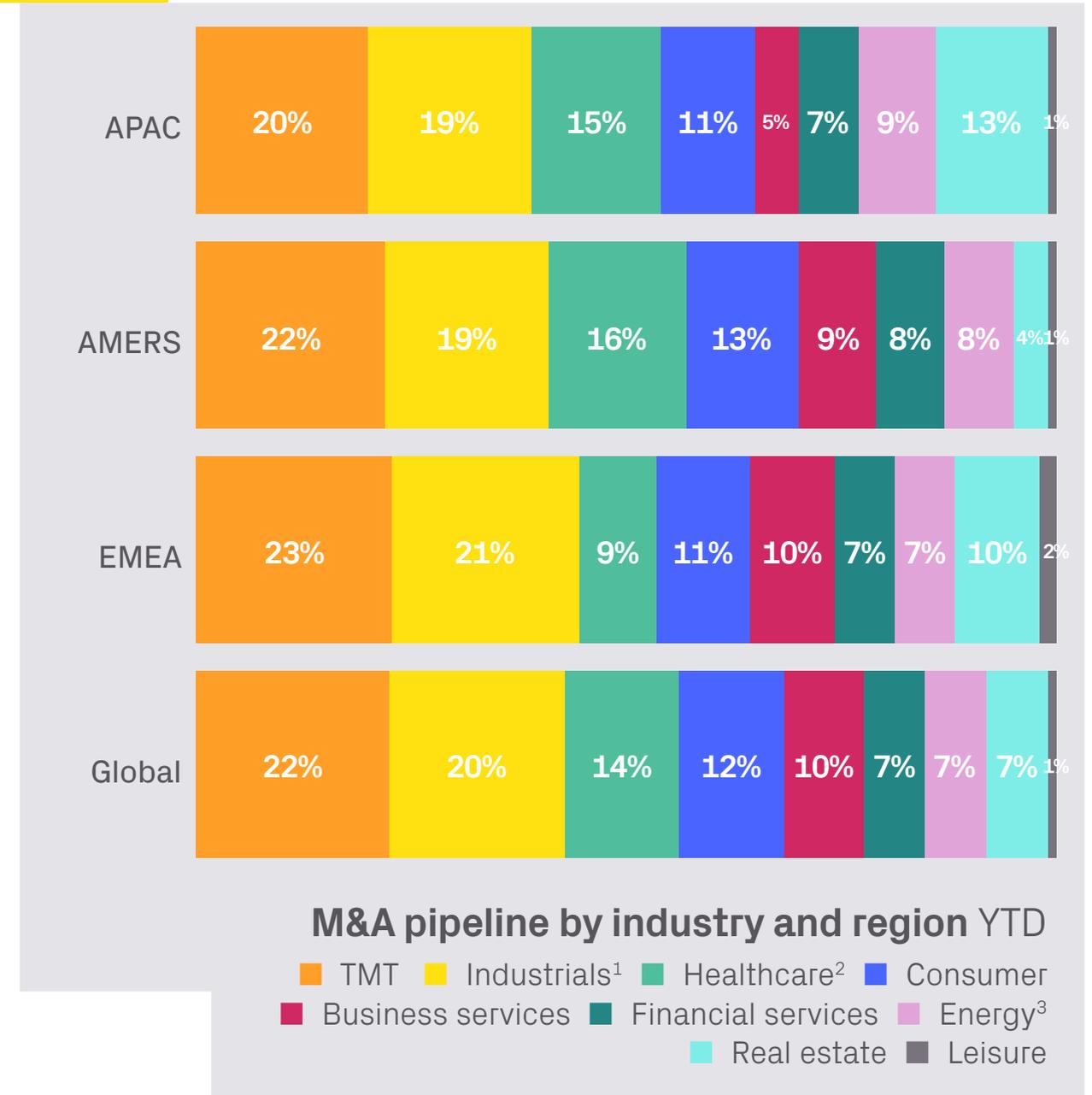
To get a sense of both the current and future M&A market, we compared deal launches, or the day dealmakers first get access to the data room on Datasite, to publicly announced deals on Refinitiv YoY. Deal launches can be seen as a leading indicator of the M&A pipeline, or total ongoing M&A processes,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



TMT, industrials and real estate make incremental gains

How has the M&A pipeline changed from September and October by region and sector?

- Globally, TMT, industrials and real estate made incremental gains, mainly at the expense of healthcare and business services
- In EMEA, the two largest industries by volume, TMT and industrials, held their spots at 23% and 21%, respectively. Real estate also now accounts for 10% of EMEA volume, a big uplift from last year
- TMT and industrials had strong months in the Americas, with TMT in particular regaining ground from past months. Meanwhile, healthcare dove 2% percentage points
- In APAC, industrials increased to 19% from 18% the month before, largely to the detriment of financial and business services, which both dropped slightly



1. Industrials includes the transport and defense industries; 2. Healthcare includes life sciences; 3. Energy includes energy, utilities, mining, oil & gas

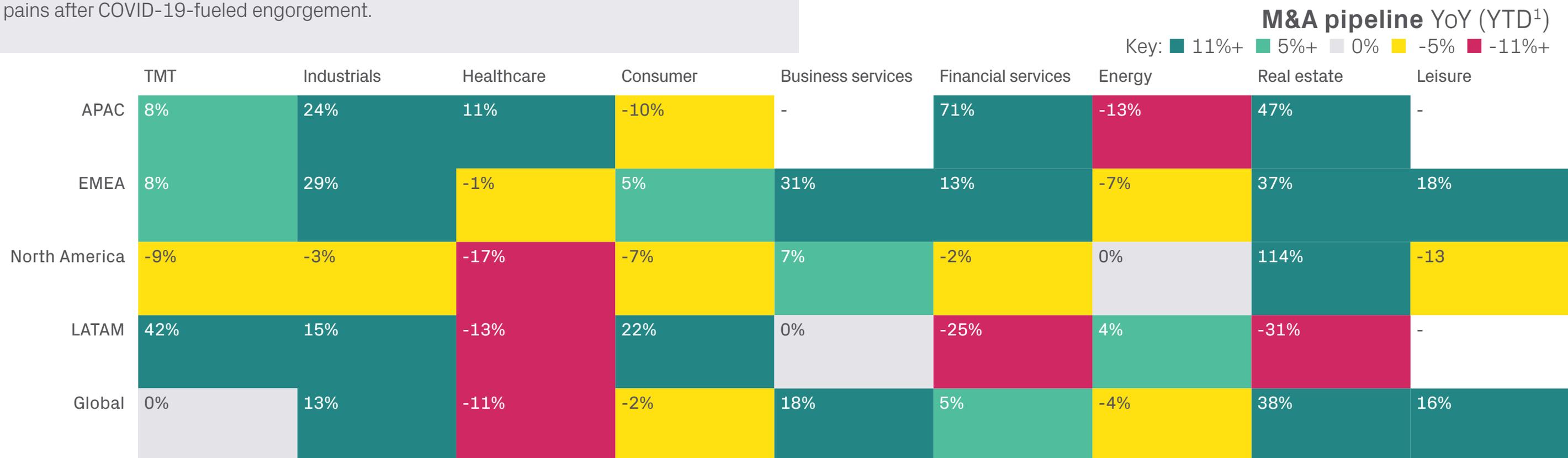
The Datasite Forecaster view: What's up, down, and neutral YTD

In October, TMT M&A activity experienced a boom in EMEA, moving from neutral to positive YTD and YoY making our November M&A outlook more bullish for TMT in 2023. Meanwhile, despite total gains in the Americas, North America TMT remained sluggish relative to last year, at -9%. APAC and Lat Am TMT stayed positive. Net net? TMT is exactly where it was at this time last year – not bad considering the 2021 bull tech market.

Of the three largest sectors, healthcare has been the hardest hit this year, down -11% YoY from -6% in September. Both EMEA and North America saw similar drops in healthcare activity, as that industry continues to go through some necessary digestion pains after COVID-19-fueled engorgement.

Globally, industrials cooled slightly, down 13% from 14% the month before, driven by a (relative) lack of activity in EMEA and North America. Nevertheless, industrials continues to be the story of the year, up 13% overall YoY.

Private equity firms are rushing in to seize hard assets, spurring continued expansion of the real estate sector this year in every region except Lat Am. Meanwhile, business and financial services also continue to be bright spots.



1. To ensure healthy sample sizes wherever possible we choose to review total deals hosted on Datasite cumulatively YTD instead of on a month-to-month basis. We only show YoY where the sample size is > 20 processes. 05

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.

Read our full 2H 2022 outlook

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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