2021

Global M&A
Intelligence Report

DLA PIPER

#1 **#1 Global M&A by Volume**
(for the last 11 years)
(*Mergermarket, 2010-2020*)

#1 **Best Law Firm of the Year 2020**
Private Equity Magazine

About the Global M&A Intelligence Report

This annual Global M&A Intelligence Report is now based on an analysis of key deal terms in over 3,200 DLA Piper private M&A transactions from over the last 7 years.

It addresses the following key topics and questions:

- Are auctions still driving better terms for sellers?

- What are the most common deal types and processes used globally?

- What are the most common conditions seen on deals?

- How are dealmakers managing and allocating risks in the gap between signing and closing?

- How common is M&A insurance, where is it being used and what types of cover are available?

- And critically: how do the trends differ between regions and countries?

- The ongoing impact on the global M&A market of the COVID-19 pandemic

- What pricing mechanisms are used and the impact of geography

- Typical earn-out terms

- Global variation in the use of restrictive covenants

- Common types of dispute resolution in relation to M&A transactions

- Seller protections – caps, baskets and claim periods.

2020 was the seventh year covered by our series of our M&A Reports and it was, without doubt, a year of the greatest extremes. For the first half COVID-19 dominated. It did affect terms, although not in quite the same way as some commentators so confidently predicted at the outset.

In the second half, the M&A market roared back and again the buyer/seller balance shifted and terms changed. Meanwhile, some underlying themes continued – the growth of W&I insurance and the striking difference between markets.

The mix of deal types in 2020 stayed broadly the same as previous years. The 2020 M&A market did not see the widely predicted increase in assets deals. Many expected this in anticipation of a significant rise in distressed M&A, whereas in many jurisdictions government support and intervention on an unprecedented scale meant that far fewer businesses became insolvent than commentators thought. It will be interesting to see how this plays out in the coming months as government support packages unwind in most jurisdictions.

Overall, we also saw a slight reduction in auctions in 2020. Locked box mechanisms were prevalent in auctions, being used in two-thirds of the 2020 auction deals surveyed.

Completion accounts continued to be the favoured pricing mechanism globally, heavily influenced by the continued prevalence of completion accounts in non-European deals.

As highlighted in our COVID-19 report, in uncertain times, buyers and sellers have looked for greater deal certainty and this trend continued through the remainder of 2020.

Not surprisingly, the use of M&A insurance remained an important facet of the private M&A market.

It remains as true as ever that we transact in a multitude of markets when it comes to terms – what is market for US trade compared to French private equity is very different.

Significant M&A transactions are always a big step for buyers and sellers, and there is even more to consider in a market shrouded in uncertainty. Parties need good advisors who understand their business objectives and the markets in which they operate.

DLA Piper has been the world's busiest M&A practice for well over a decade. Having executed more transactions than any other law firm, we've seen most things before, we know what's market and we understand what it takes to get deals done.

The DLA Piper database is one of the largest – if not the largest – database of global deal terms. Once again, we have mined it to bring you the insight into those various markets that only a truly global advisor can bring.

We very much hope that you find the full report as interesting as ever.

To request the full Global M&A Intelligence Report 2021, please visit www.dlapiper.com or speak to your usual DLA Piper contact. *Please note, all requests will be subject to an internal review.*

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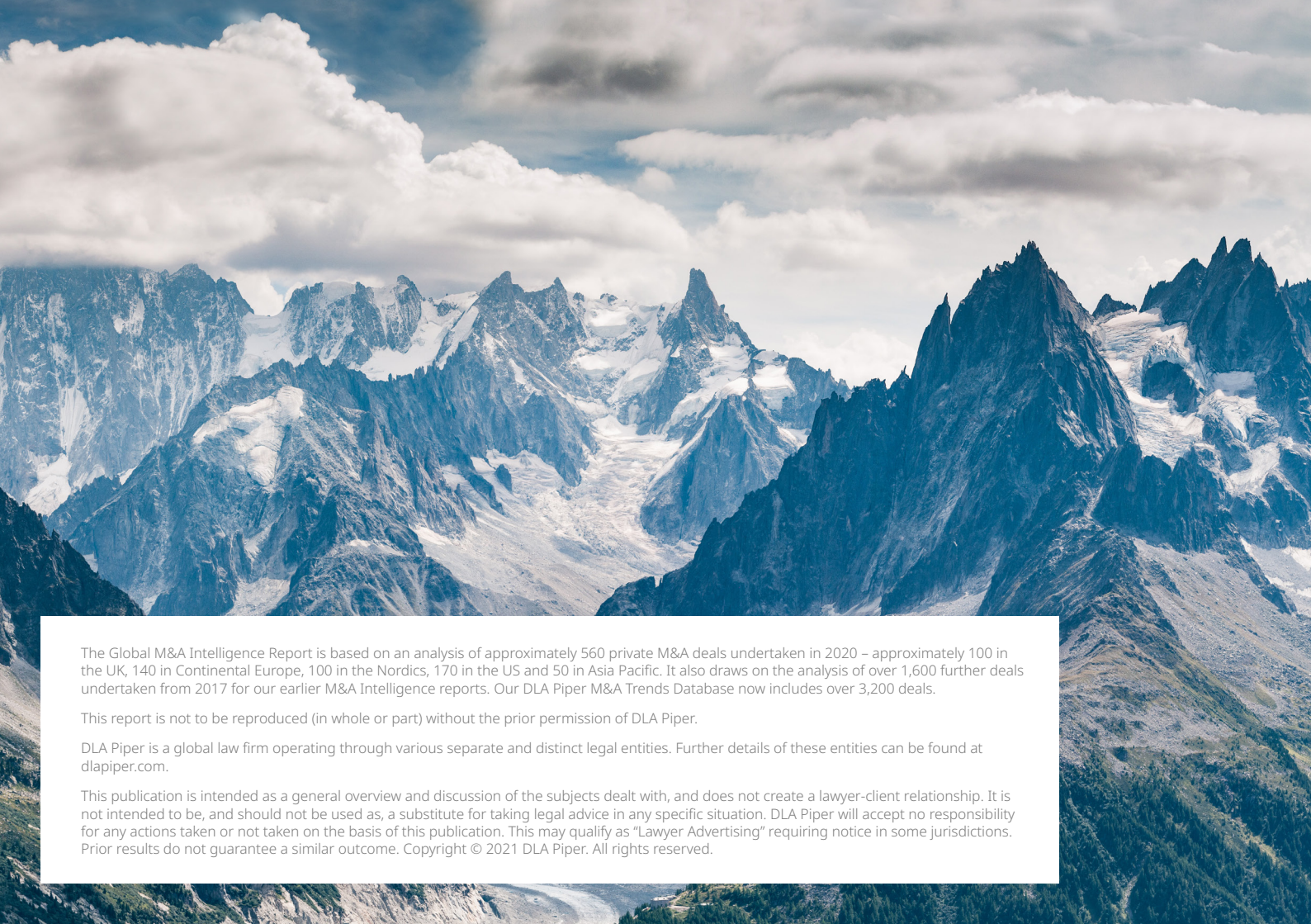jon.kenworthy@dlapiper.com

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#1 **#1 Europe M&A by Volume**
(for the last eight years)
(Mergermarket, 2013-2020)

#1 **#1 Europe Private Equity –**
Buyouts *(Mergermarket, 2018-2020)*

The Global M&A Intelligence Report is based on an analysis of approximately 560 private M&A deals undertaken in 2020 – approximately 100 in the UK, 140 in Continental Europe, 100 in the Nordics, 170 in the US and 50 in Asia Pacific. It also draws on the analysis of over 1,600 further deals undertaken from 2017 for our earlier M&A Intelligence reports. Our DLA Piper M&A Trends Database now includes over 3,200 deals.

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