

H/ADVISORS

# GLOBAL M&A INSIGHTS & OUTLOOK

First Half 2024





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## Introduction

# Global businesses operate today in an unprecedented period of uncertainty, volatility, and complexity.

As economies worldwide settle into a post-pandemic “new normal,” global M&A activity continues to face headwinds. Regulatory scrutiny is on the rise, antitrust enforcers are pursuing aggressive and novel strategies, and stakeholders are more actively and visibly exerting pressure on businesses. For multinational companies, boards and their advisers, the global dealmaking environment is more complex than ever.

Globally, pre-announcement transaction leaks continue to challenge dealmakers. Through the first half of 2024, H/Advisors proprietary M&A analysis found that 65% of the largest transactions announced globally, by transaction value, leaked in the media before an official announcement.

As perceptions are formed at lightning pace – and while reputational stakes have never been higher – rarely does a company attract more public attention than when announcing a transaction, or when a rumoured transaction is leaked to the market. No matter the value, scope or scale of a deal, effective communication of the right messages, to the right stakeholders at the right time is foundational to a successful outcome.














































The H/Advisors global strategic advisory network was established to address today’s complexity, with a fundamental understanding that communications and stakeholder engagement regarding business-critical initiatives has rapidly evolved.

*For multinational companies, boards and their advisers, the global dealmaking environment is more complex than ever.*

As a trusted global partner with dedicated in-market expertise in 23 countries and collective experience advising on more than 1,500 transactions over the last decade, H/Advisors provides hands-on advice and strategic execution for boards and management teams pursuing transformative transactions. Our significant investments in research and insights combined with our digital expertise and public affairs experience highlights our commitment to providing forward-looking, business-focused advice in this new environment.

# Data Snapshot: Analysing Global M&A Leaks in H1 2024

65% of the 20 largest full-stake transactions leaked

| Acquirer  | Target  | Target Industry    | Deal Value | Leak Outlet   | Time to Announce |
|---|---|--------------------|------------|---|------------------|
|    |    | Financial Services | \$35.3B    | <b>Bloomberg</b>  | Same day         |
|    |    | Technology         | \$33.6B    | <b>Bloomberg</b>  | 11 days          |
|    |    | Energy             | \$25.8B    |  | 66 days          |
|    |    | Energy             | \$23.1B    |  | Same day         |
|    |    | Material Services  | \$18.3B    | Transaction did not leak  | N/A              |
|    |    | Healthcare         | \$17.3B    |  | 160 days         |
|    |    | Healthcare         | \$14.8B    | <b>WSJ</b>  | 15 days          |
|  |  | Technology         | \$14.3B    | <b>WSJ</b>  | 1 day            |
|  |  | Energy             | \$13.9B    | <b>Bloomberg</b>  | 101 days         |
|  |  | Financial Services | \$12.5B    | Transaction did not leak  | N/A              |
|  |  | Energy             | \$11.7B    | <b>WSJ</b>  | 6 days           |
|  |  | Healthcare         | \$10.0B    | <b>Bloomberg</b>  | 65 days          |
|  |   |                    |            |   |                  |
|  |  | Energy             | \$10.0B    | <b>Bloomberg</b>  | Same day         |
|  |   |                    |            |   |                  |
|  |  | Material Services  | \$9.8B     | Transaction did not leak  | N/A              |
|  |  | Real Estate        | \$9.4B     | Transaction did not leak  | N/A              |
|  |  | Energy             | \$8.3B     | Transaction did not leak  | N/A              |
|  |  | Energy             | \$7.7B     | <b>Bloomberg</b>  | 26 days          |
|  |  | Financial Services | \$7.7B     | Transaction did not leak  | N/A              |
|  |  | Technology         | \$7.7B     | <b>Bloomberg</b>  | 40 days          |
|  |  | Technology         | \$7.0B     | Transaction did not leak  | N/A              |
|   |  |                    |            |   |                  |

# Mixed Messages in a Challenging Global M&A Landscape

## Key Trends



Certain sectors drive megadeal rebound. While M&A volumes declined across all sectors during 2024's first half, the increase in total value of announced deals was driven by megadeal activity in three sectors – technology, financial services and energy, specifically oil and gas.



Global antitrust scrutiny continues chilling effect. Antitrust authorities, especially in the United States but also across Europe, continue to pursue an aggressive approach, leading to greater scrutiny on a broader array of deals than recent norms. A mixed enforcement record should not be viewed purely as a defeat, as this approach has been successful in reordering the lines of antitrust analysis and causing boardrooms to devote additional attention to deal certainty questions.



Increase in global M&A media + declining transaction volumes = more leaks. A highly competitive M&A media landscape, in which a greater number of reporters and outlets pursue scoops on a smaller number of transactions, creates even greater importance for companies to be prepared early in their processes to control their narrative and investor/public perception as best they can. European dealmakers report that global-focused outlets and news wires (E.g. Bloomberg, Reuters and Financial Times) are leading M&A coverage, while local outlets retreat. In Asia, MiFID regulations have contributed to media engagement emerging as a key tool utilised by dealmakers.



Election season across Europe and the United States contributes to uncertainty. Elections among the European Union, France, United Kingdom threaten to challenge the Continent's ambitions for a harmonized, holistic and integrated approach to regulating and promoting its financial sector. American dealmakers are increasingly weighing potential election outcomes when deciding to pursue deals now or wait until 2025.



European market volatility continues as UK equity capital markets are under pressure. Lagging United Kingdom and European economies, in contrast to the United States, continues to act as a deterrent to M&A activity. With historical highs of private capital dry powder, take-private transactions have been rife and will continue to be on the rise. This uncertainty creates even more importance for companies and dealmakers to develop a superior, detailed equity story about transactions. Sophisticated investors are more selective than ever in Europe.

## By the Numbers



5%

Increase in the total value of announced transactions globally in the first half of 2024, to approximately \$1.4 trillion, though this figure is still significantly below the 10-year first-half average



30%

Decrease in the overall volume of announced global M&A during the first half of 2024, year-over-year, according to LSEG data



73%

Strategic acquirers represented the vast majority of announced deals in H1 2024, according to Mergermarket



46%

Increase in global take-private dealmaking activity through the first five months of 2024 (Bloomberg)



29%

Increase in total value of announced M&A in the Americas in H1 2024, while M&A volume in the region declined by 34%, driven by announced megadeals in the energy and technology sectors



1%

Increase in total value of EMEA announced transactions in H1, while deal volume in the region declined by 31% (LSEG)



Megadeals in Asia-Pacific were announced in H1 2024, as the region's M&A volume declined by 23% year-over-year, led by significant declines in China, Hong Kong and Singapore markets

# Communications / Stakeholder Engagement Toolkit: Announcing Global M&A in Today's Volatile Environment

In this dynamic environment, where companies face increased expectations from a broader array of stakeholders than ever before, traditional approaches to M&A communications are no longer sufficient. Companies must develop and deploy a data-driven, bespoke strategy to meet the demands of shareholders, stakeholders and an evolving marketplace.

## Key strategic imperatives when exploring multinational deals and transformative M&A:

### A customised strategy for "Announcement Day" is essential.

Negative market reaction on Day One can influence perceptions of your transaction for months to come. No two deals are the same. Customise announcement plans to address a unique shareholder base, stakeholder expectations and market conditions. Companies with a global footprint must be strategic about reaching each of their time zones, with an approach that speaks to each geography, to be successful.

### Plan for an extended timeline to close.

Deals are taking longer to close, sometimes significantly longer, than in years past. In the United States, proposed changes to the HSR framework are expected to further extend reviews. In Europe and Asia, stringent regulatory processes and emboldened investors can extend deal timelines. This extended period requires companies to employ a higher-touch engagement strategy with employees and customers, and places greater importance on maintaining your investor communications program.

### Use digital tools to go on offense.

The world no longer waits for a newspaper on the doorstep to set the day's agenda, so neither should deal communications. Plan an announcement strategy with video, digital targeting, search engine optimisation and direct-to-stakeholder advertising to meet your shareholders and priority audiences where they are.

### Evolve deal messaging to meet today's scrutiny.

Messaging to investors in M&A, while necessary, is just the beginning. In today's environment, companies must move beyond solely presenting how a transaction benefits the company and its shareholders. Define your market, tell your story and detail your essential role throughout your entire value chain, or risk being defined by others. Use data and analysis to understand where precedent transactions have failed, where opposition groups have been successful, and opportunity exists for your deal to be approved.

### Think differently with sponsor deals.

Regulators are taking a closer look at sponsor-backed and roll-up deals that in the past would have not received a second look. Focused deal messaging should emphasise consumer benefits, job creation plans and local investments.

### Prepare for potential opposition.

Investor challenges to announced M&A continue to increase, and contesting transactions remains a prominent demand from activist shareholders. Antitrust enforcers are expanding reviews to closely scrutinize vertical mergers and private equity investments. Companies that fail to plan for a challenge to their deal do so at their own risk. Do not assume priority stakeholders automatically understand management's vision and rationale for the proposed transaction. Direct, repeated messages throughout the process are critical to winning support.

# Essential Steps For Dealmakers to Navigate M&A Leak Scenarios

- 1 Get a plan on the shelf... early.**

Outline potential scenarios for public speculation and align on a rapid response strategy.
- 2 Ensure active dialogue and close collaboration among the deal team.**

Media inquiries may not come directly to the client, but to advisors.
- 3 Anticipate moments where the universe of awareness widens.**

Are new parties being engaged? Have certain bidders been informed of a decision to move forward without them?
- 4 Evaluate announcement timing.**

Stakeholder engagement within in the same news cycle of the leak is essential. Can we accelerate planned timing of the transaction announcement? Do we need to position reporting as "early stages"?
- 5 Understand your regulatory and disclosure requirements.**

Disclosure requirements in a transaction leak scenario vary greatly if you are subject to regulations of the United States, United Kingdom or Hong Kong, for example. Legal obligations may affect the response strategy to a leak.
- 6 Consider accuracy of the planned reporting.**

Is valuation or stages of negotiation way inaccurate? Is there an opportunity to course correct and limit problematic/inaccurate details?

**About H/Advisors**

H/Advisors is global organisation of strategic communications advisors dedicated to building, enhancing, and protecting clients' reputations while helping them achieve their business objectives. Founded in 2001 in London, New York, and Paris, the group employs over 1500+ consultants across Europe, the Americas, and APAC. H/Advisors expertise spans corporate communications and investor relations disciplines, including M&A, activism, public affairs, crisis management, change management, sustainability, ESG, and litigation. With a unique strategic approach that combines local market expertise, seamless cross-border collaboration and global scale that helps clients at their most critical moments. Backed by Havas and Vivendi, a global leader in media, entertainment, and communications.

Further information about H/Advisors is available at [www.h-advisors.global](http://www.h-advisors.global) / email; [info@h-advisors.global](mailto:info@h-advisors.global)

**A global leader in M&A communications**

H/Advisors consistently ranks as a top global adviser in M&A and has advised on nearly 1,500 transactions in the past decade. With a distinctive data-driven practice and a tailored approach that incorporates a focus on all stakeholders, the H/Advisors M&A team has established itself as the leader in transformative transactions. Having worked on countless precedent-setting transactions including those that secured landmark regulatory approval, fought off competing bidders or marked a seminal change for founders, H/Advisors brings timely insight that secures support and understanding from all stakeholders to successfully execute deals of all types. The network offers strategic counsel and full-service execution in working with clients to reach investors, regulators, employees and all relevant stakeholders across all channels from expert media relations, innovative digital tactics and thoughtful investor engagement.

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