



### SUMMER 2024 M&A TAKEAWAYS

- **M&A Activity Remained Slow in 1H 2024:** Global transaction volume was down 11% in 1H-2024 from 1H-2023. High interest rates, economic uncertainty, and concerns about inflation hampered activity.
- **Despite Slowness, M&A Market is Active:** Despite the decline in M&A volume, the aggregate value of global deals increased 12% in 1H-2024, led by a 32% jump in U.S. deal value as larger deals rose. North America saw an almost 8 percentage point increase in its share of global M&A deal value from 1H-2023.
- **Private Equity Holding Periods Grow:** PE deal volume is tracking ahead of 1H-2023, but PE exits continued to decline in 1H-2024. According to Preqin Pro, the Average Buyout Holding Period is currently at 5.6 years, up from 5.0 years in 2020 and 5.3 years during 2021 and 2022. The large inventory of PE portfolio companies is expected to help lead the M&A recovery as exits improve.
- **Lower Interest Rates Could Spur Revival:** As interest rates have risen and remained high, deal flows have slowed. Long-awaited interest rate cuts will be welcomed by dealmakers seeking to fund acquisitions with debt.
- **Public Equity Markets Driven by Tech Stocks:** The S&P 500 and Nasdaq stock indices showed strong gains in the first half of 2024, 15% and 20% respectively, with the technology and telecommunications sectors leading the way. The Dow Jones Industrial Average gained 3% in the first half of the year.
- **A Growing Strategic Need for M&A:** There exists a strong desire among business leaders for more M&A activity to accelerate company growth in a low-growth economy caused by macroeconomic factors and monetary policy. More CEOs are favoring a buy-versus-build approach in their business strategy to overcome slow organic growth.



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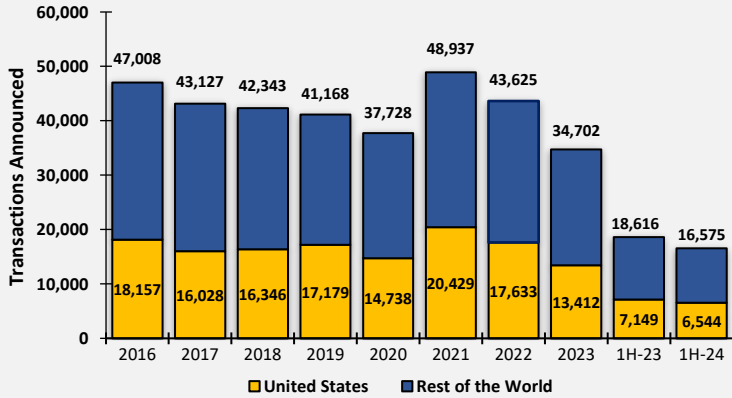
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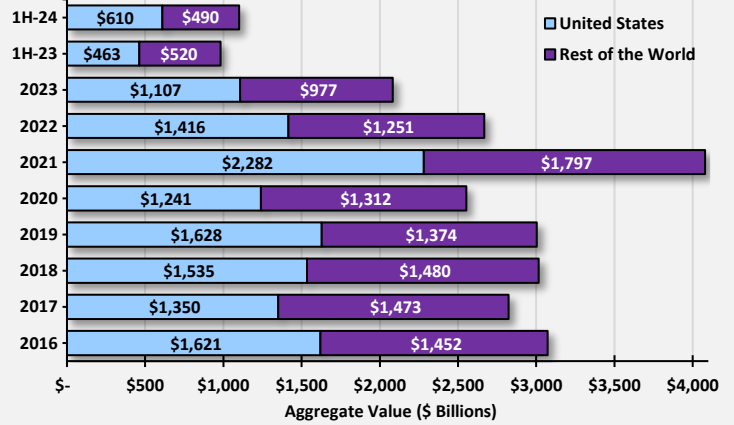


**U.S. vs. Global M&A Deal Count**



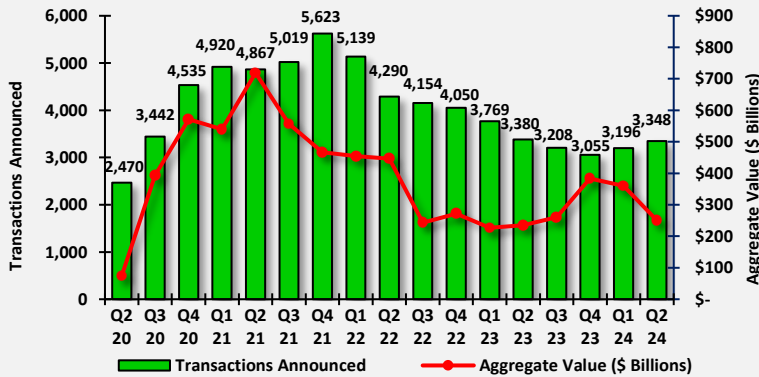
M&A activity in the first half of 2024 declined from the first half of 2023 as global volume fell 11% and U.S. volume fell 8%.

**U.S. vs. Global M&A Aggregate Deal Value**



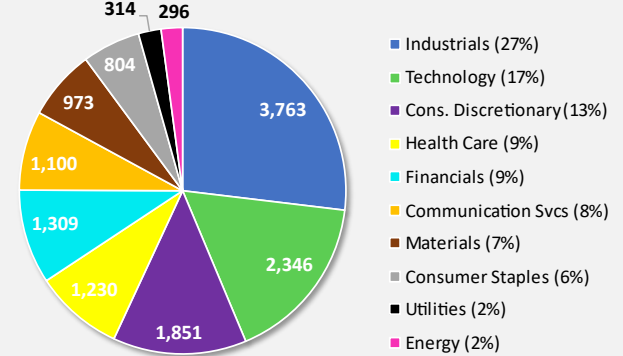
Despite M&A volume declines in 1H-24, aggregate deal value grew 12% over 1H-23 led by a strong increase in the U.S.

**U.S. Quarterly M&A Volume & Value**



U.S. deal volume grew 5% in Q2-24 versus Q1-24 and marked the second straight quarterly increase after eight declines.

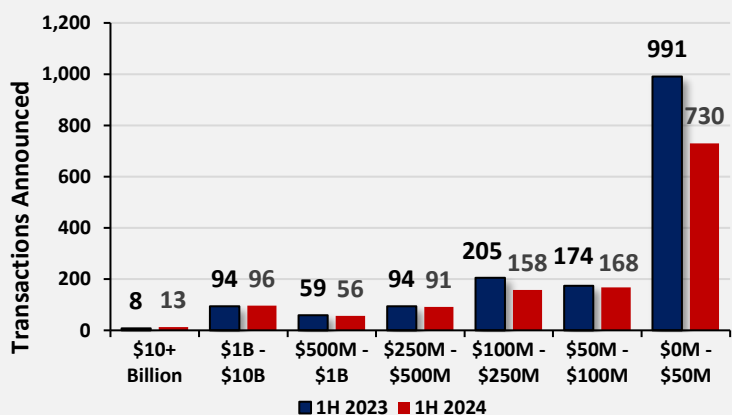
**2024 M&A Deal Volume by Sector**



Data: YTD as of June 30, 2024, global data.

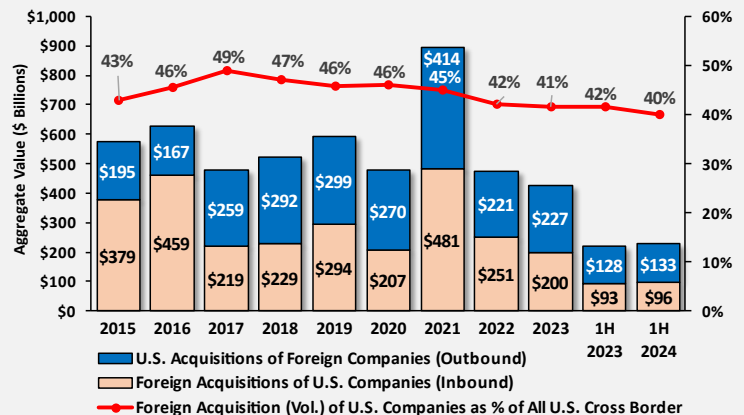
The Industrial, Technology, and Consumer Discretionary sectors were the most active in 1H 2024 at 57% of global deals.

**U.S. M&A Volume by Deal Size**

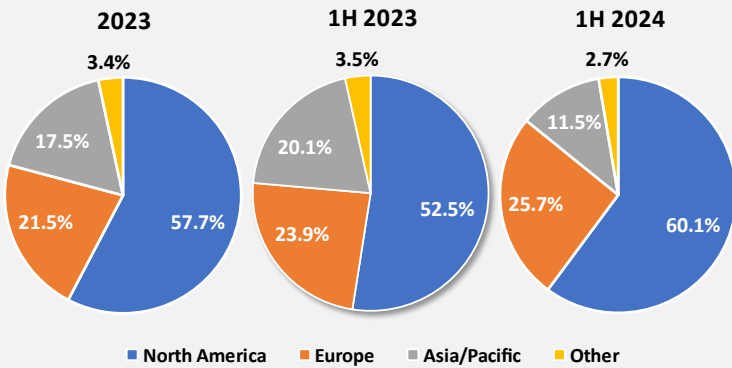


The U.S. saw increases in large deal (\$1B+) activity in 1H-24, while middle and lower middle market transactions lagged.

**U.S. Inbound vs. Outbound Cross-Border Activity**



1H 2024 total cross-border M&A deal volume fell by 11.1%, while total deal value rose 3.8%.

**% of Total Deal Value by Geographic Region**


North American M&A value represented an increased share of total activity in 1H 2024 versus 1H 2023.

**Median U.S. M&A Control Premiums & Minority Discounts**

Median M&A Control Premiums							
	Years Ended December 31,						
Premiums	2018	2019	2020	2021	2022	2023	1H 2024
One Day	23.0%	22.1%	24.7%	24.3%	39.2%	32.4%	26.1%
One Week	27.1%	25.4%	28.4%	26.0%	41.4%	36.1%	26.6%
Four Week	31.3%	29.1%	31.9%	36.9%	49.0%	44.6%	31.3%

Median M&A Minority Discounts							
	Years Ended December 31,						
Discounts	2018	2019	2020	2021	2022	2023	1H 2024
One Day	-18.7%	-18.1%	-19.8%	-19.5%	-28.2%	-24.4%	-20.7%
One Week	-21.3%	-20.3%	-22.1%	-20.6%	-29.3%	-26.5%	-21.0%
Four Week	-23.8%	-22.5%	-24.2%	-27.0%	-32.9%	-30.9%	-23.9%

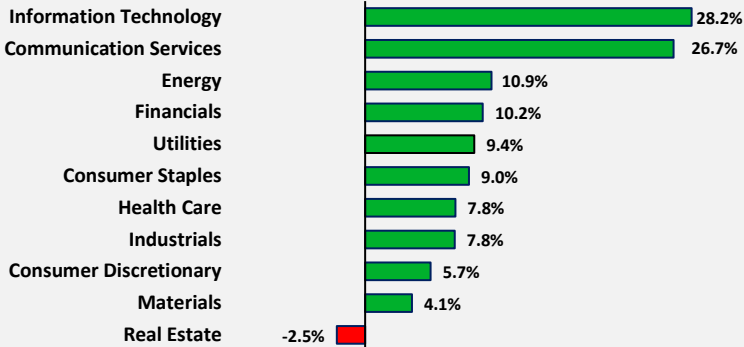
U.S. M&A control premiums offered for public companies continued to decline in 1H-24 as equity markets rose.

**LARGEST U.S. M&A TRANSACTIONS ANNOUNCED 1H 2024**

Announce Date	Target	Acquiror	Enterprise Value	Industry
02/19/2024	Discover Financial Services (NYSE:DFS)	Capital One Financial Corporation (NYSE:COF)	\$35.3 B	Financials
01/16/2024	ANSYS, Inc. (NasdaqGS:ANSS)	Synopsys, Inc. (NasdaqGS:SNPS)	\$33.5 B	Technology
02/12/2024	Endeavor Energy Resources, LP	Diamondback Energy, Inc. (NasdaqGS:FANG)	\$25.8 B	Energy
05/29/2024	Marathon Oil Corporation (NasdaqGS:MRO)	ConocoPhillips (NYSE:COP)	\$22.6 B	Energy
04/02/2024	Endeavor Group Holdings, Inc. (NYSE:EDR)	Silver Lake Technology Management, L.L.C.	\$22.2 B	Energy
03/28/2024	SRS Distribution Inc.	The Home Depot, Inc. (NYSE:HD)	\$18.3 B	Building Products
02/05/2024	Catalent, Inc. (NYSE:CTLT)	Novo Holdings A/S	\$16.7 B	Health Care
01/09/2024	Juniper Networks, Inc. (NYSE:JNPR)	Hewlett Packard Enterprise Company (NYSE:HPE)	\$15.4 B	Technology
03/11/2024	Equitrans Midstream Corporation (NYSE:ETRN)	EQT Corporation (NYSE:EQT)	\$14.4 B	Energy
04/05/2024	Shockwave Medical, Inc.	Johnson & Johnson (NYSE:JNJ)	\$13.9 B	Health Care
02/20/2024	Truist Insurance Holdings, LLC	Clayton, Dubilier & Rice, LLC; Mubadala Investment Company PJSC; Stone Point Capital LLC	\$12.6 B	Financials
01/12/2024	Global Infrastructure Management, LLC	BlackRock, Inc. (NYSE:BLK)	\$12.5 B	Financials
01/11/2024	Southwestern Energy Company (NYSE:SWN)	Chesapeake Energy Corporation (NasdaqGS:CHK)	\$11.5 B	Energy
04/02/2024	ChampionX Corporation (NasdaqGS:CHX)	Schlumberger Limited (NYSE:SLB)	\$8.6 B	Energy
06/03/2024	Stericycle, Inc. (NasdaqGS:SRCL)	Waste Management, Inc. (NYSE:WM)	\$7.8 B	Industrials
04/24/2024	HashiCorp, Inc. (NasdaqGS:HCP)	International Business Machines Corporation (NYSE:IBM)	\$7.7B	Information Technology
01/22/2024	NuStar Energy L.P. (NYSE:NS)	Sunoco LP (NYSE:SUN)	\$7.4 B	Energy
05/13/2024	Squarespace, Inc. (NYSE:SQSP)	Accel Partners; General Atlantic Service Company, L.P.; Permira Advisers LLC	\$7.3 B	Information Technology
01/18/2024	M.D.C. Holdings, Inc. (NYSE:MDC)	SH Residential Holdings, LLC	\$6.6 B	Homebuilders
05/06/2024	ALLETE, Inc. (NYSE:ALE)	Canada Pension Plan Investment Board; Global Infrastructure Management, LLC	\$6.3 B	Utilities
02/26/2024	R1 RCM Inc. (NasdaqGS:RCM)	New Mountain Capital, L.L.C.	\$5.8 B	Technology
02/14/2024	Altium Limited (ASX:ALU)	Renesas Electronics Corporation (TSE:6723)	\$5.7 B	Casinos & Gaming
03/11/2024	Bally's Corporation (NYSE:BALY)	Standard General L.P.	\$5.6 B	Casinos & Gaming
04/10/2024	Alpine Immune Sciences, Inc.	Vertex Pharmaceuticals Incorporated (NasdaqGS:VRTX)	\$5.0 B	Health Care
04/15/2024	Encore Wire Corporation	Prysmian S.p.A. (BIT:PRY)	\$4.8 B	Industrials
01/04/2024	Callon Petroleum Company (NYSE:CPE)	APA Corporation (NasdaqGS:APA)	\$4.6 B	Energy
02/12/2024	CymaBay Therapeutics, Inc. (NasdaqGS:CBAY)	Gilead Sciences, Inc. (NasdaqGS:GILD)	\$4.4 B	Health Care
05/28/2024	Wireless Operations and Select Spectrum Assets of United States Cellular Corporation	T-Mobile US, Inc. (NasdaqGS:TMUS)	\$4.4 B	Telecommunication

Source: S&P Capital IQ.

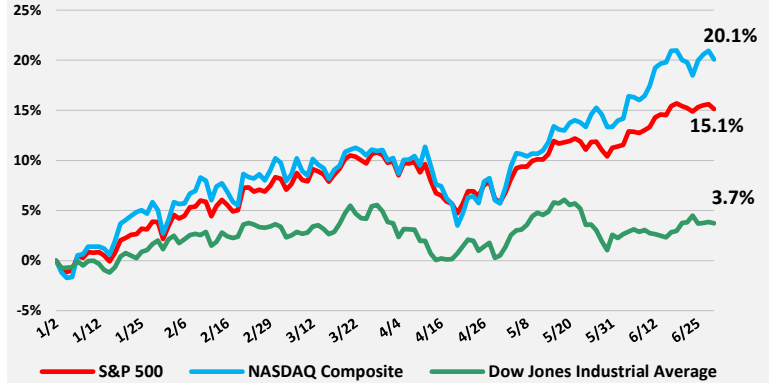
**S&P Sector Performance – 1H 2024**



Source: S&P Capital IQ. Based on S&P 500 industry groups.

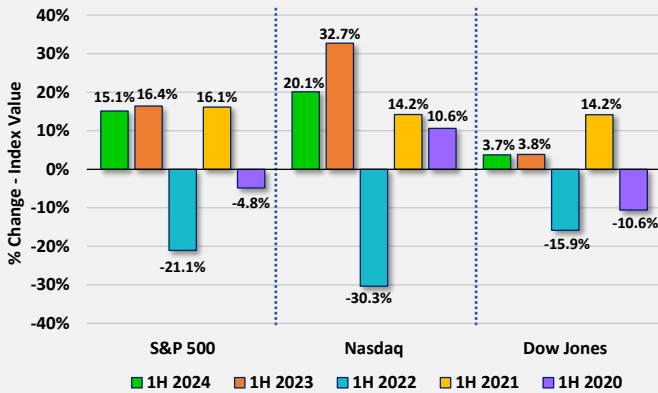
All major S&P industry groups continued to show strong gains in 1H-2024, except for the highly-rate-sensitive Real Estate sector.

**Major Stock Index Performance – 1H 2024**



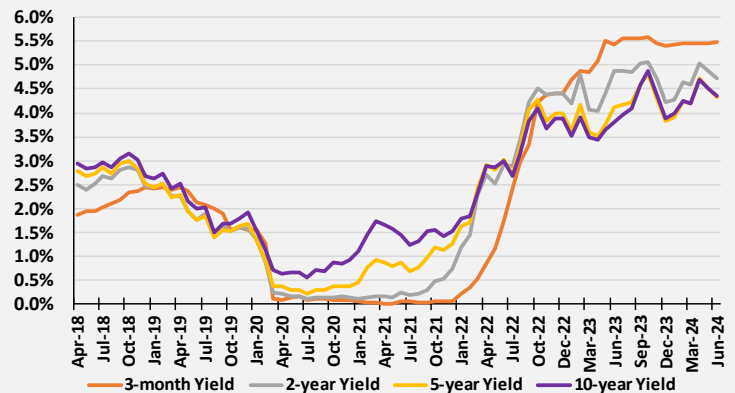
Equity market strength in the first half of 2024 favored tech-heavy S&P and NASDAQ indices, with the Dow lagging.

**Historical Stock Index Performance**



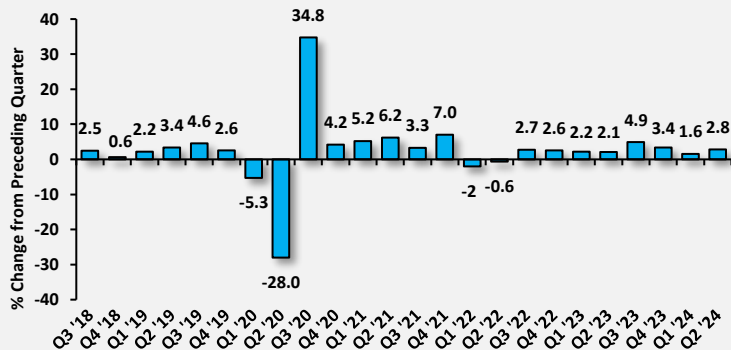
For the second straight year, the S&P500 and NASDAQ recorded significant first half gains.

**Historical U.S. Treasury Market Yields**



As inflation fell slightly in May 2024, two- to ten-year treasury yields began to pull back in June.

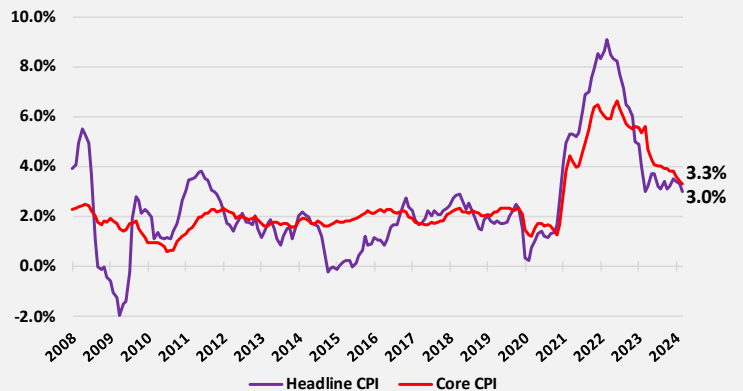
**U.S. Real GDP: % Change from Preceding Quarter**



Q2-24 U.S. Real GDP growth is 2.8 percent, largely reflecting increased consumer spending and private inventory investment.

\* Seasonally adjusted at annualized rates. Q2 '24 GDP is the "advance" estimate released by the Bureau of Economic Analysis. Sources: Federal Reserve Bank of Atlanta, Bureau of Labor Statistics, Bureau of Economic Analysis, Department of the Treasury, The Conference Board.

**Consumer Price Index: % Change from a Year Ago**

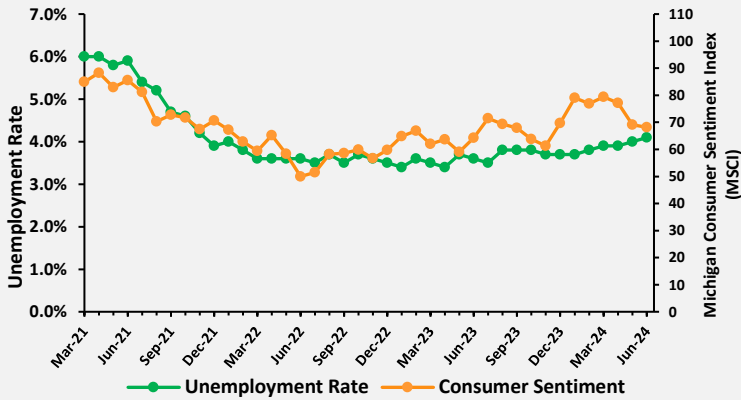


June 2024 CPI was lower than expected, indicating a stronger case for one to two rate cuts later this year.

Headline CPI = CPI for All Urban Consumers: All Items in US City Average for latest 12 months. Core CPI = CPI for All Urban Consumers: All Items Less Food and Energy in U.S. City Average for the latest twelve months.

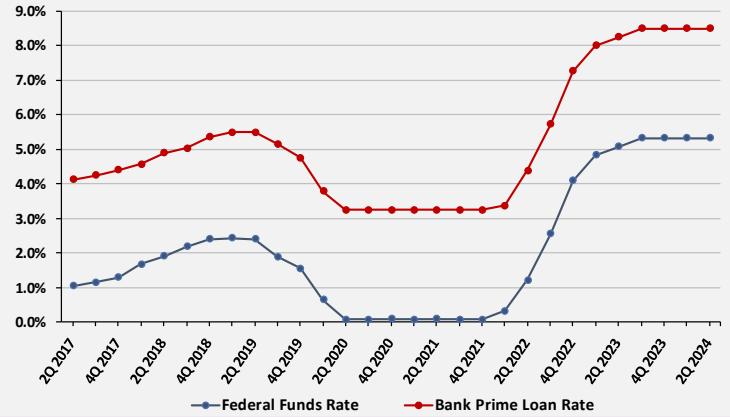


## Unemployment Rate & Consumer Sentiment



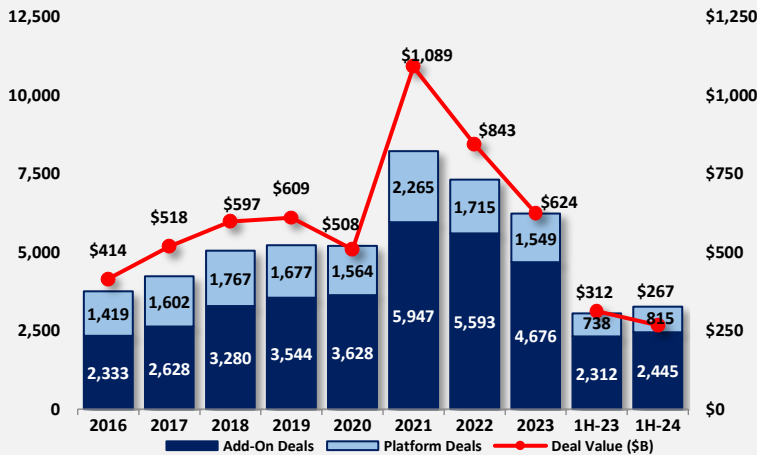
The unemployment rate increased to 4.1% in June and 4.3% in July, while consumer sentiment dropped slightly from March.

## Federal Funds Rate & Prime Lending Rate



The Federal Reserve held its policy rate in the 5.25-5.5% range at its June and July meetings.

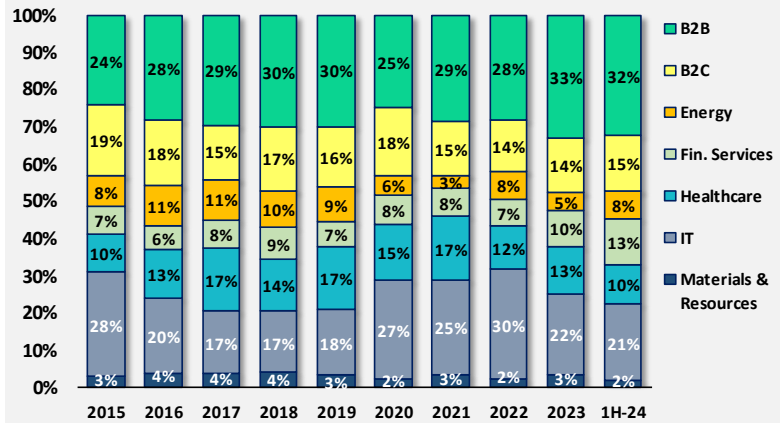
## U.S. Private Equity M&A Volume & Value



Following a steady decline since 2021, 1H-24 U.S. private equity transaction volume increased slightly while total value declined.

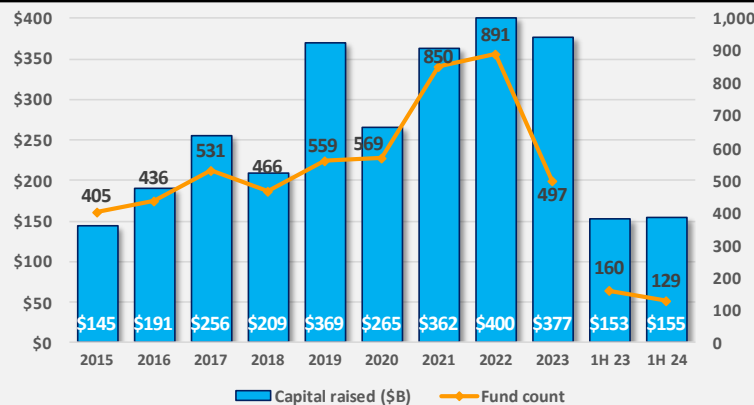
\* Excludes PE Growth/Expansion investments.

## U.S. Private Equity Deal Value by Sector (%)



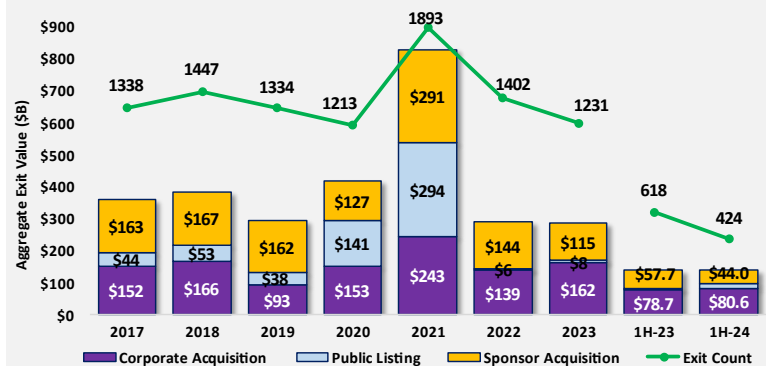
B2B and IT continued to represent the largest PE deal sectors, while Energy and Financial Services have seen an increase since '23.

## Private Equity Fundraising and Fund Count



The total number of PE fundraises has declined through 2024, with a modest YoY increase in capital raised.

## Private Equity Exit Volume and Value by Type



U.S. PE exit value held steady in 1H-24 from 1H-23, but exit count decreased considerably, as deal activity remains slow.