



### FALL 2024 M&A TAKEAWAYS

- M&A Volume Recovering, Deal Value Increasing:** U.S. M&A deal volume for the first nine months of 2024 fell 3.2% compared to 2023 but has increased for the third consecutive quarter. Large M&A transactions are in no shortage as the number of deals valued over \$1B increased 21.4% in 2024 from last year's period. Deal value increased 16% globally and 30% in the U.S.
- Stock Market Indices Trading at Record Highs:** It was another strong quarter for the equity market as the S&P 500 gained 5.9%, bringing its YTD gain to over 21%. Market performance was broad across industries with the Utility Sector taking the top spot in gains this quarter. The DJIA rounded off the quarter gaining 12.2% YTD.
- Private Equity Exits Rebound:** Year to date, Private Equity exits have grown significantly in value but dropped in count compared to 2023. While increasing value is a positive sign for the Private Equity industry, the continued imbalance between exits and dealmaking shows that the industry faced sustained headwinds this quarter.
- The Fed Pivots Dovish Under Inflation Uncertainty:** The Federal Reserve cut their Federal Funds Rate target in September for the first time since March 2020, intending to support growth and stabilize a slowing labor market as inflation returns to target. Inflation is cooling slower than expected, with headline CPI rising 2.4% in September, slightly higher than expectations, but hitting another new three-year low.
- M&A Outlook Cautiously Optimistic for Dealmakers:** Renewed confidence in the U.S. economy and easing rates contribute to a promising resurgence across various sectors for corporate dealmakers. However, dealmakers continue to face challenges such as weak global economic growth, geopolitical instability, and uncertainty surrounding the U.S. presidential election.



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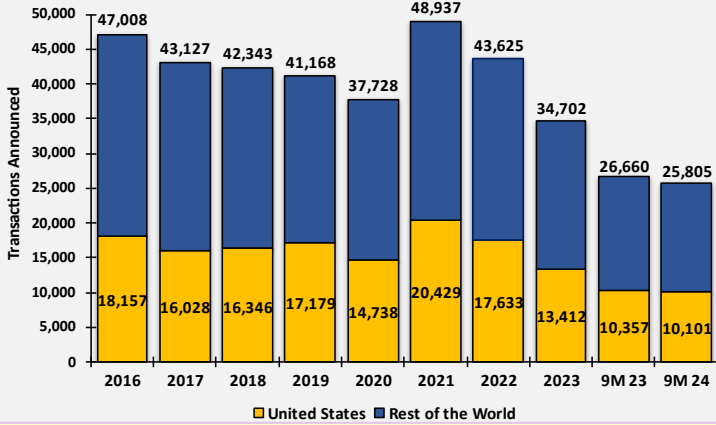
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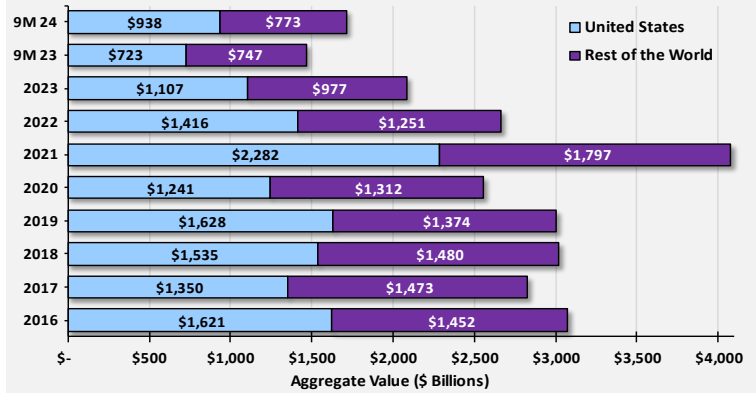
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### U.S. vs. Global M&A Deal Count



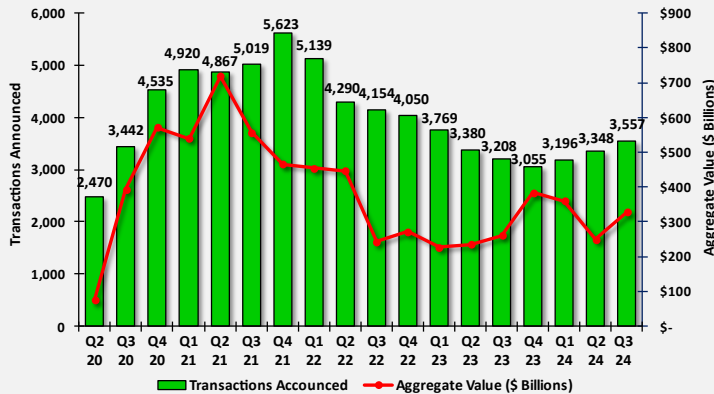
Global M&A volume in the first nine months of 2024 declined 3.2% from 2023, while U.S. M&A deal volume was down 2.5%.

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



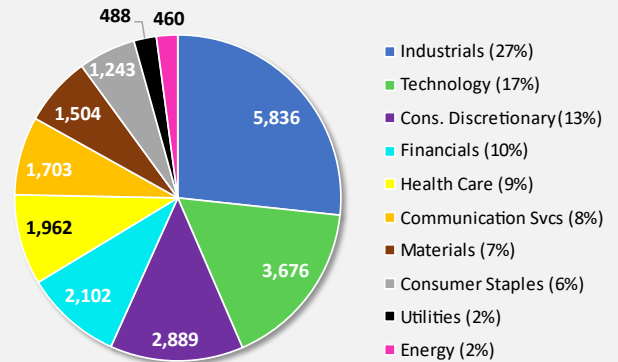
Global M&A deal value rose 16% in the first nine months of 2024 compared to 2023. U.S. M&A deal value rose 30%.

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



U.S. deal volume trended higher for the third straight quarter. Aggregate value of announced deals increased 66.5% from Q2.

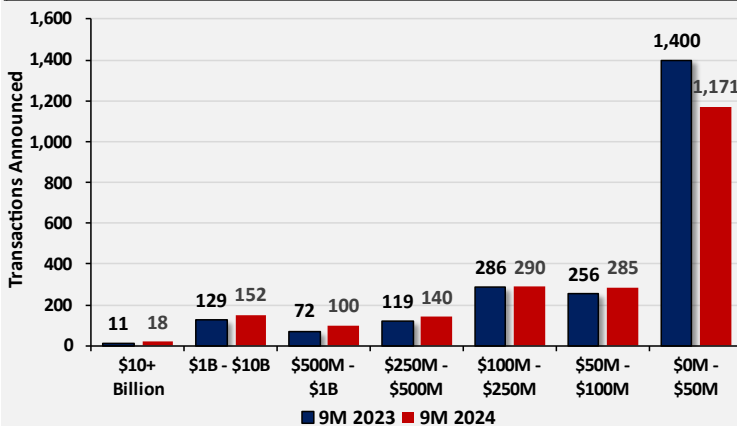
### 2024 M&A Deal Volume by Sector



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

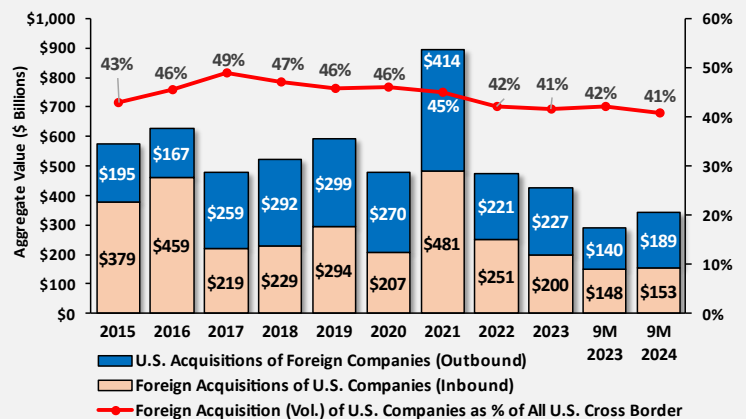
The Industrial, Technology and Consumer Discretionary sectors remain the most active to date in 2024 at 57% of global deals.

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



Large deals with disclosed values over \$1B increased 21.4% in 9M 2024, while deals below \$1B decreased 6.9%.

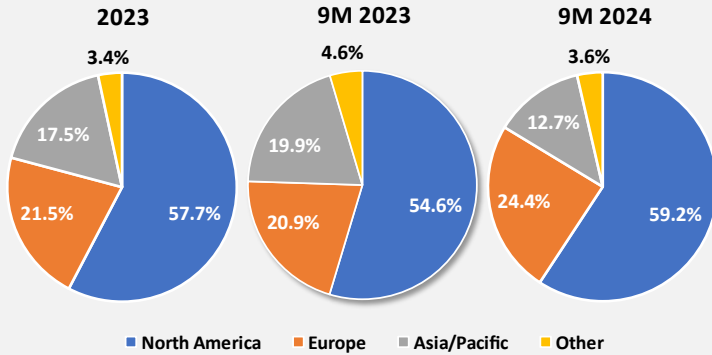
### U.S. Inbound vs. Outbound Cross-Border Activity



U.S. cross-border deal volume has remained flat in 2024 compared to last year, but the total value of deals increased 18.6%.



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



North America and Europe constituted a larger proportion of M&A activity in 2024 as the Asia/Pacific market decreased.

**Median M&A Control Premiums & Minority Discounts**

Median M&A Control Premiums							
Years Ended December 31,							
Premiums	2018	2019	2020	2021	2022	2023	9M 2024
One Day	23.0%	22.1%	24.7%	24.3%	39.2%	32.4%	34.0%
One Week	27.1%	25.4%	28.4%	26.0%	41.4%	36.1%	34.4%
Four Week	31.3%	29.1%	31.9%	36.9%	49.0%	44.6%	39.4%

Median M&A Minority Discounts							
Years Ended December 31,							
Discounts	2018	2019	2020	2021	2022	2023	9M 2024
One Day	-18.7%	-18.1%	-19.8%	-19.5%	-28.2%	-24.4%	-25.4%
One Week	-21.3%	-20.3%	-22.1%	-20.6%	-29.3%	-26.5%	-25.6%
Four Week	-23.8%	-22.5%	-24.2%	-27.0%	-32.9%	-30.9%	-28.3%

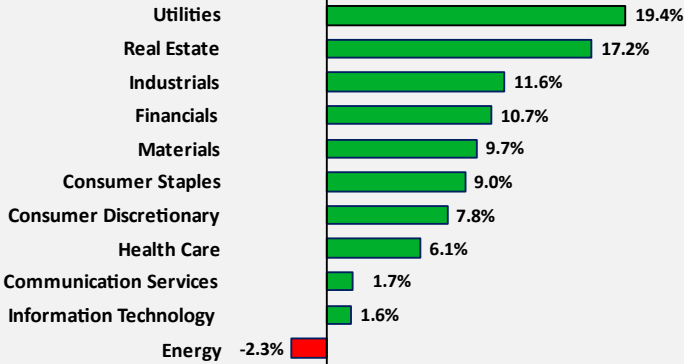
Four Week and One Week M&A control premiums declined slightly in 2024 but remain above historical levels.

**LARGEST U.S. M&A TRANSACTIONS ANNOUNCED**

Announce Date	Target	Acquiror	Enterprise Value	Industry
08/14/2024	Kellanova (NYSE:K)	Mars, Incorporated	\$35.8 B	Food & Beverage
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
09/05/2024	Frontier Communications Partent, Inc. (NYSE:FYBR)	Verizon Communications Inc. (NYSE:VZ)	\$19.9 B	Telecommunication
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
09/23/2024	Liberty Broadband Corporation (NasdaqGS:LBRD.K)	Charter Communications, Inc. (NasdaqGS:CHTR)	\$14.7 B	Telecommunication
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
09/30/2024	DISH DBS Corporation	DIRECTV Holdings, LLC	\$11.6 B	Telecommunication
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
08/01/2024	R1 RCM Inc. (NasdaqGS:RCM)	Clayton, Dubilier & Rice, LLC; TowerBrook Capital Partners L.P.	\$8.6 B	Technology
07/01/2024	Spirit AeroSystems Holdings, Inc. (NYSE:SPR)	The Boeing Company (NYSE:BA)	\$8.3 B	Aerospace & Defense
06/03/2024	Stericycle, Inc. (NasdaqGS:SRCL)	Waste Management, Inc. (NYSE:WM)	\$7.8 B	Industrials
09/30/2024	Mcgriff Insurance Services, LLC	Marsh & McLennan Agency	\$7.8 B	Insurance
09/24/2024	Smartsheet Inc. (NYSE:SMAR)	Vista Equity Partners Management, LLC; Blackstone Management Partners L.L.C.; Platinum Falcon B 2018 Rsc Ltd	\$7.7 B	Technology
04/24/2024	HashiCorp, Inc. (NasdaqGS:HCP)	International Business Machines Corporation (NYSE:IBM)	\$7.7B	Information Technology

All transactions based on Announced Date and Implied Enterprise Value of transaction. Source: S&P Capital IQ. Excludes REIT deals.

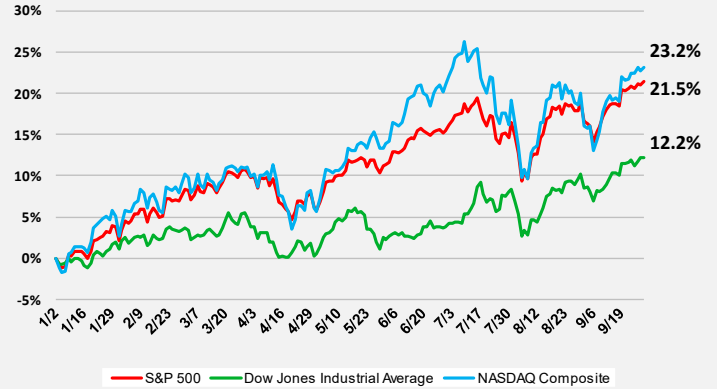
**S&P Sector Performance – Q3 2024**



Apart from Energy, all industry groups posted gains in Q3, with Utilities and Real Estate in the lead.

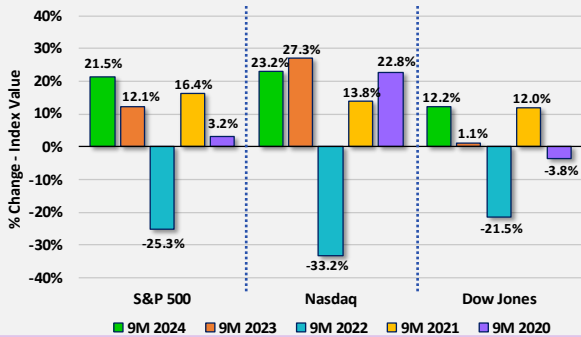
Source: S&P Capital IQ. Based on S&P 500 industry groups.

**9M 2024 Major Stock Index Performance**



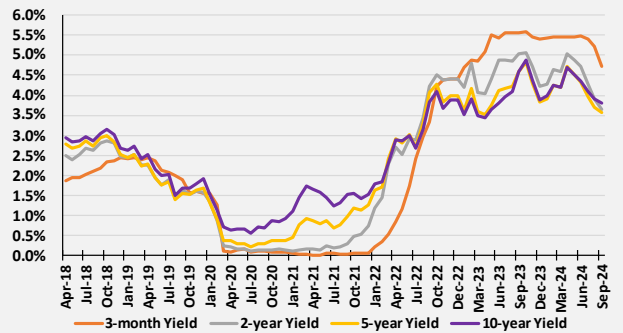
All major stock indices showed strong gains in 2024, led by the tech-heavy Nasdaq up 23.2%.

**Historical Stock Index Performance**



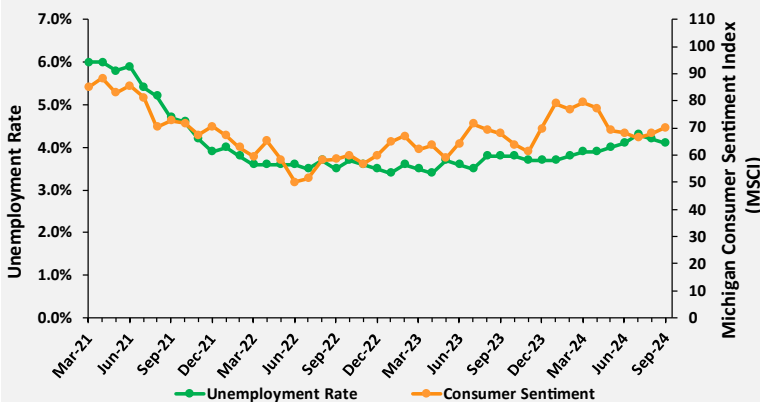
2024 has seen the strongest collective 9M performance for all three major U.S. indices of the last five years.

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



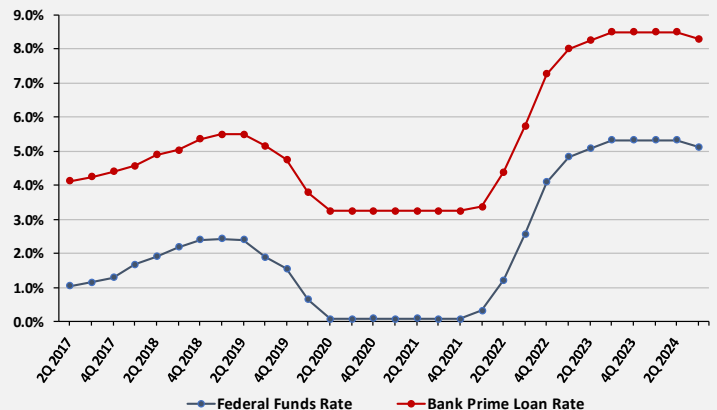
As inflation cooled in Q3, Treasury yields declined across the curve. The Yield Curve now appears relatively flat.

**Unemployment Rate & Consumer Sentiment**



Both Unemployment and Consumer Sentiment passed an inflection point in Q3, declining and rising, respectively.

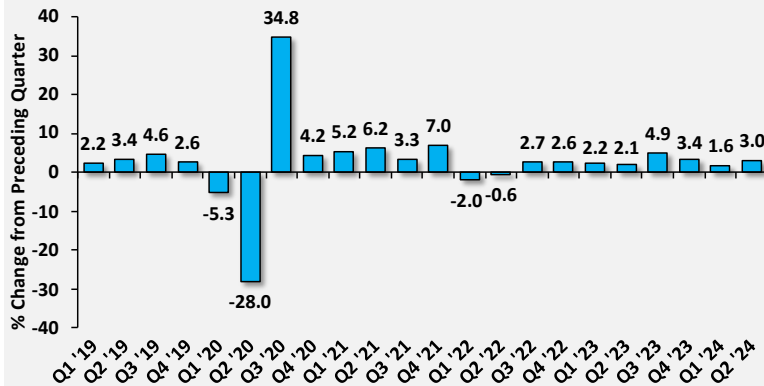
**Federal Funds Rate & Prime Lending Rate**



In September, The Federal Reserve cut the Federal Funds Rate target by 50 basis points to 5% as inflation eased.



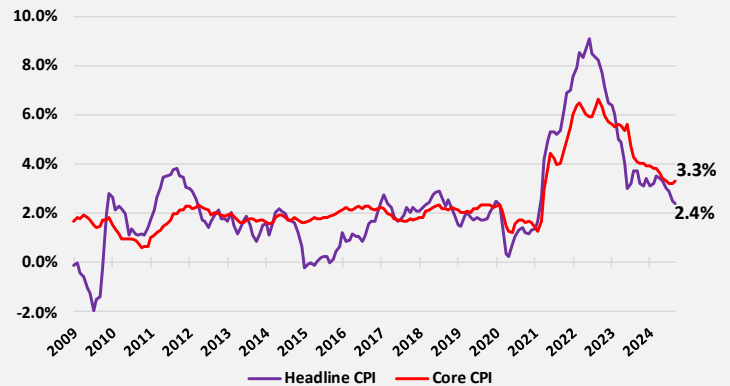
**U.S. Real GDP: % Change from Preceding Quarter**



Q2 U.S. Real GDP grew at a rate of 3.0%, reflecting increases in consumer spending and business investment.\*

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

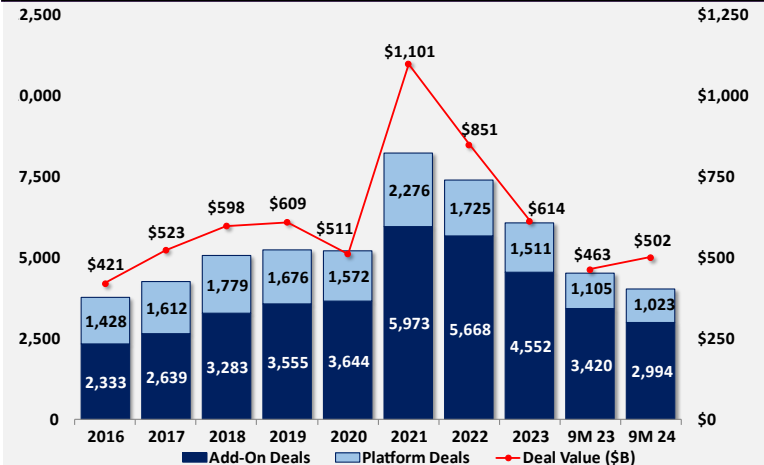
**Consumer Price Index: % Change from a Year Ago**



The U.S. Headline Consumer Price Index continued to decline in Q3-2024, reaching three-year lows.

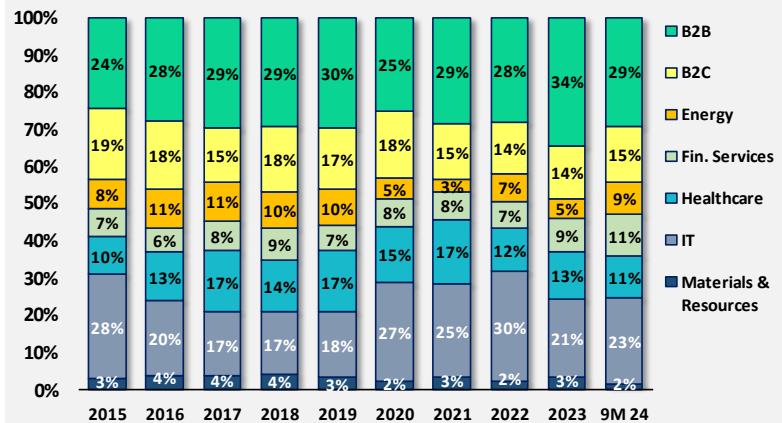
Headline CPI = CPI for All Urban Consumers: All Items in US City Average for latest 12 months. Core CPI = CPI for All Urban Consumers: All Items Less Food and Energy in U.S. City Average for the latest twelve months.

**Private Equity Buyout M&A Volume & Value**



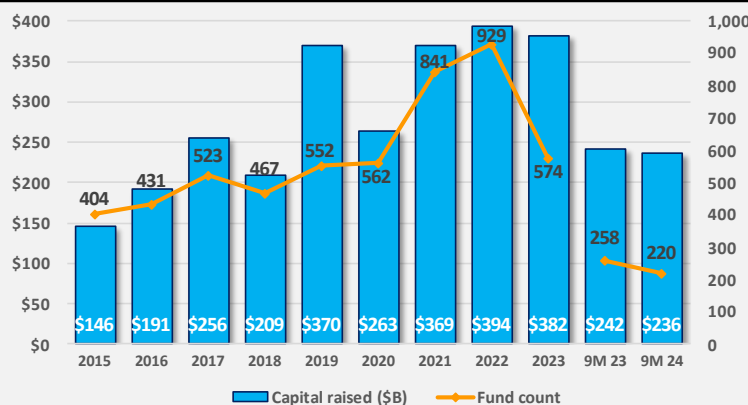
U.S. private equity buyout volume through September 2024 fell 11.2% from 2023, while deal value increased 8.3%.

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



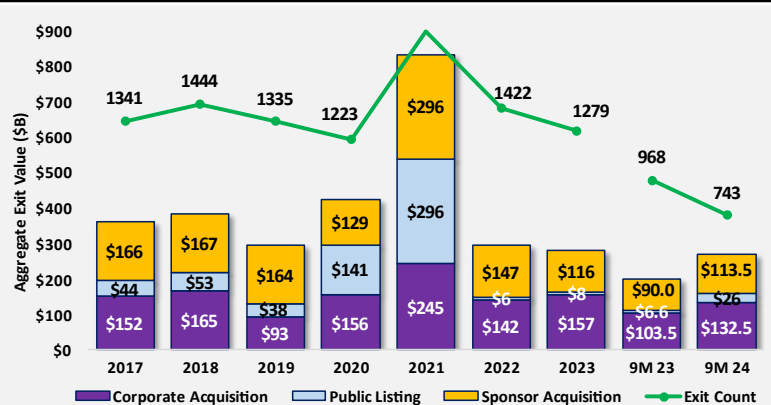
B2B and IT deals continue to represent the largest PE deal sectors in 2024. Deal share in Energy is growing.

**Private Equity Fundraising and Fund Count**



Fundraising amounts held stable in through September 2024 compared to 2023, but fund count fell 14.7%.

**Private Equity Exit Volume and Value by Type**



U.S. PE exit count through September 2024 is well below 2023 levels. However, exit value increased 35.8% YTD.