The State of the M&A Market

Moderator

Steven E. Brady
Partner,
Withum

Andrea Farley
Partner,
Troutman Pepper Hamilton Sanders LLP

Michael E. Hollingsworth II
Partner,
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Emily Maier
Senior Vice President, National Group Leader - M&A Insurance,
Woodruff Sawyer

Anirban Sen
Editor-in-Charge,
U.S. M&A,
Thomson Reuters

The 18th Annual Southeastern M&A/ Private Equity Forum
Introductions

Moderator
• **Steve Brady**, Partner | Market Leader, Transaction Advisory, Withum

Panelists
• **Andrea Farley**, Partner, Troutman Pepper Hamilton Sanders LLP
• **Michael Hollingsworth II**, Partner, Nelson Mullins Riley & Scarborough LLP
• **Emily Maier**, Senior Vice President, Woodruff Sawyer
• **Anirban Sen**, Editor-in-Charge, US M&A, Thomson Reuters
M&A activity

Q1 & Q2 2022 retreated from 2021’s highs

• Mega deals down
• Overall deal values down
• Number of deals down
• Return to ‘normal’ for most of the market
Southeast M&A activity

1H 2022 retreated from 2021’s highs

• Middle market activity continues
• Return to ‘normal’ for most of the Southeast
Southeast M&A activity by Sector

B2B and Financial Services have been the two active sectors

Technology, Healthcare and B2C also very strong

Number of Deals by Industry - SE Region

- Consumer Products and Services (B2C)
- Business Products and Services (B2B)
- Information Technology
- Materials and Resources
- Healthcare
- Financial Services
- Energy

Data from January 2018 - October 2022
Economic impacts

- Middle market status
- Post-pandemic state of businesses
- TTM EBITDA
- Impact of interest rates
- Global recession
- Time to close deals
Debt markets

- State of the debt markets
- Impact of rising rates on big banks
- Debt market has impacted larger deals
- Other reasons buyers are focusing on smaller deals
Supply chain

• Post-pandemic supply chain issues
Deal participants

- Number of bidders
- Private equity vs strategics
Structuring considerations

- Structuring impacts
- RWI, escrow, indemnities?
- Venture / early stage growth equity
Reps & Warranties Insurance

- State of the market
- Evolution of the product
- When viable
- Claims
- Pricing
Political landscape

• SE Region
  – Senate race in Georgia
  – Florida
• Congressional shift coming?
• Regulatory changes
• Impact of infrastructure spending
Sectors

Active industries in the Southeast

- B2B
- Financial Services
- Technology
- Healthcare
- B2C

Which sectors are investors placing their money?
SPACs

Dramatic increase in SPAC activity through 2021

• Funds raised and number of SPAC IPO’s
• APAC companies going public in the US through SPAC transactions
• IPO’s down significantly in 2022
  – Data through Sept 14, 2022

Where do we go from here?
Final thoughts

Bullish or bearish?

• Andrea
• Michael
• Emily
• Anirban
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