

**This Issue:**

# US M&A News and Trends

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**U.S. M&A deal activity increased in May, going up 7.5% with 1,083 announcements** compared to 1,007 in April. Aggregate M&A spending increased as well. In May 4.4% more was spent on deals compared to April.

**Over the past 3 months, the sectors that saw the smallest decreases in M&A deal activity, relative to the same three-month period one year ago, was: Commercial Services (481 vs. 435), Health Services (172 vs. 140), Health Technology (110 vs. 97), Communications (37 vs. 26), and Transportation (79 vs. 69).** Nine of the 21 sectors tracked by FactSet Mergerstat posted relative gains in deal flow over the last three months compared to the same three months one year prior.

**Over the past 3 months, the sectors that have seen the biggest declines in M&A deal volume, relative to the same three-month period one year ago have been: Distribution Services (154 vs. 181), Finance (398 vs. 420), Technology Services (477 vs. 498), and Consumer Durables (39 vs. 57).** Twelve of the 21 sectors tracked by FactSet Mergerstat posted negative relative losses in deal flow over 178 deals.

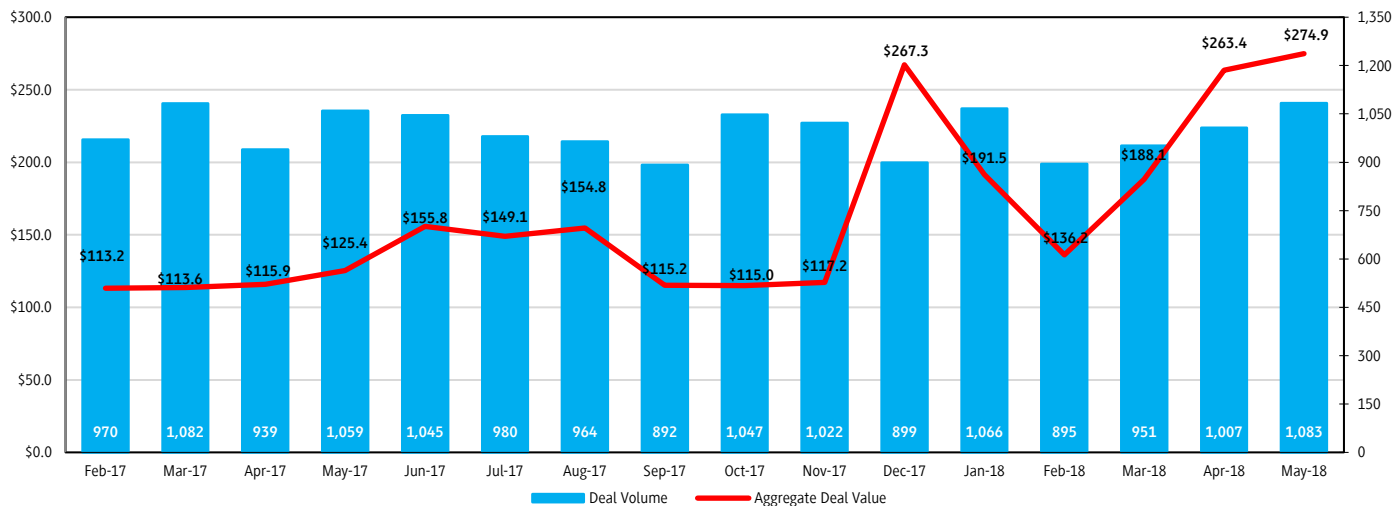
**Topping the list of the largest deals announced in May are:** Comcast Corp.'s offer to acquire Twenty-First Century Fox, Inc. for \$64.8 billion; Walmart, Inc. entering an agreement to acquire a 77% majority stake in Flipkart Internet Pvt. Ltd. for \$16 billion; Westinghouse Air Brake Technologies Corp.'s agreement to acquire GE Transportation from General Electric Co. for \$11.1 billion; The Williams Cos. Inc.'s deal to acquire the remaining 26.2% stake not owned in Williams Partners LP for \$10.5 billion; Kohlberg Kravis Roberts & Co LP agreeing to acquire BMC Software, Inc. for \$10 billion.

**U.S. private equity activity increased in May, up 4.5% from April.** There were 139 deals in May compared to 133 in April. Aggregate transaction value decreased, down by 23.1% to \$35.8 billion from April's \$46.6 billion.

**The top financial advisors for 2018 based on deal announcements, are:** Goldman Sachs & Co., JPMorgan Chase & Co, Morgan Stanley, Houlihan Lokey, Inc., and Barclays Plc. The top five financial advisors, based on the aggregate transaction value of the deals worked on, are: Goldman Sachs & Co., Morgan Stanley, JPMorgan Chase & Co, Centerview Partners LLC, and Credit Suisse.

**The top legal advisors for 2018 based on deal announcements, are:** Kirkland & Ellis LLP, Jones Day LP, Latham & Watkins LLP, Skadden, Arps, Slate, Meagher & Flom LLP, and Morgan, Lewis & Bockius LLP. The top five legal advisors, based on the aggregate transaction value of the deals worked on, are: Skadden, Arps, Slate, Meagher & Flom LLP, Wachtell, Lipton, Rosen & Katz, Simpson Thacher & Bartlett LLP, Fried, Frank, Harris, Shriver & Jacobson LLP, and Davis Polk & Wardwell LLP.

## The US Mergers & Acquisitions Market Index

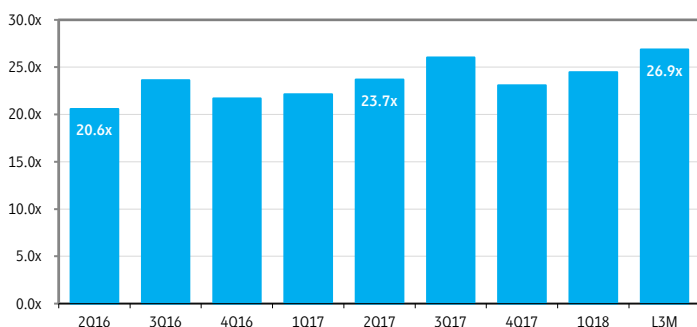


Merger Stats

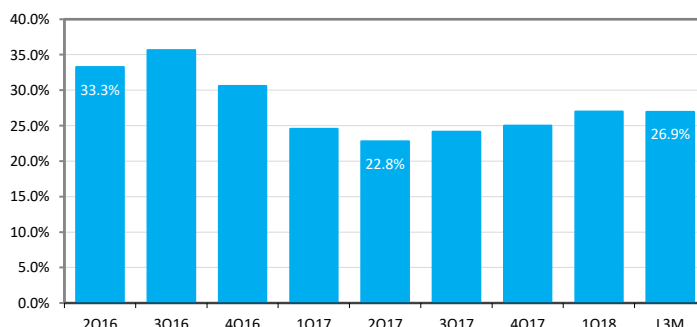
Deal Size	Number of Deals			Agg. Transaction Value (\$Bil)			Average P/E
	12 Months Ended			12 Months Ended			
	5/31/18	5/31/17	Change	5/31/18	5/31/17	Change	
\$1 Billion +	367	337	8.9%	\$1,698.5	\$1,468.2	15.7%	30.9
\$500M to \$999.9M	256	256	0.0%	180.0	182.8	-1.5%	22.9
\$250M to \$499.9M	308	306	0.7%	110.2	108.5	1.5%	23.7
\$100M to \$249.9M	507	537	-5.6%	82.2	86.5	-5.0%	31.2
\$50M to \$99.9M	452	424	6.6%	32.3	30.2	6.8%	26.1
\$25M to \$49.9M	411	477	-13.8%	14.8	17.0	-12.7%	33.5
\$10M to \$24.9M	454	513	-11.5%	7.4	8.3	-10.5%	27.8
Under \$10M	937	1,065	-12.0%	3.0	3.4	-11.8%	18.5
Undisclosed	<u>8,159</u>	<u>8,988</u>	<u>-9.2%</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
<b>Total</b>	<b>11,851</b>	<b>12,903</b>	<b>-8.2%</b>	<b>\$2,128.4</b>	<b>\$1,904.9</b>	<b>11.7%</b>	<b>28.1</b>

M&A at a Glance

MEDIAN P/E

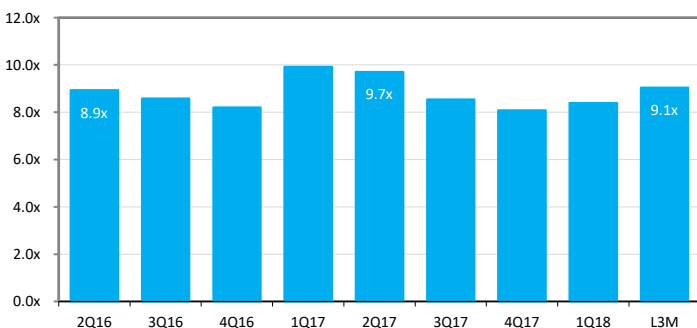


MEDIAN PREMIUM

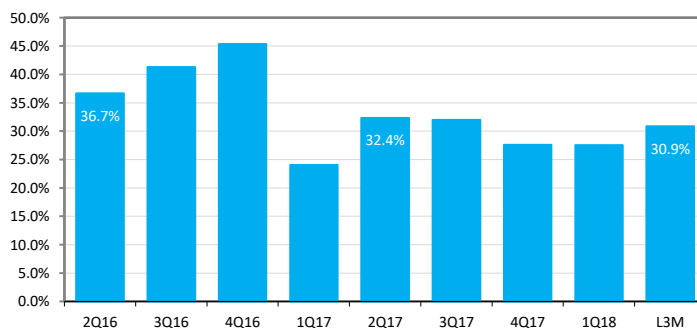


US Middle Market Monitor

MEDIAN EV/EBITDA



MEDIAN PREMIUM



\*Middle Market defined as deals valued between \$1 million and \$500 million, plus undisclosed deals.

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## SECTOR BY ACTIVITY

Target Sector	L3M 5/31/18 Deal Count	L3M 5/31/17 Deal Count	Difference
Commercial Services	481	435	46
Health Services	172	140	32
Health Technology	110	97	13
Communications	37	26	11
Transportation	79	69	10
Producer Manufacturing	189	180	9
Consumer Non-Durables	83	75	8
Non-Energy Minerals	78	71	7
Government	12	9	3
Miscellaneous	15	16	(1)
Electronic Technology	79	86	(7)
Energy Minerals	37	48	(11)
Utilities	72	85	(13)
Consumer Services	219	232	(13)
Retail Trade	91	106	(15)
Process Industries	94	109	(15)
Industrial Services	125	140	(15)
Consumer Durables	39	57	(18)
Technology Services	477	498	(21)
Finance	398	420	(22)
Distribution Services	154	181	(27)
<b>Total</b>	<b>3,041</b>	<b>3,080</b>	<b>(39)</b>

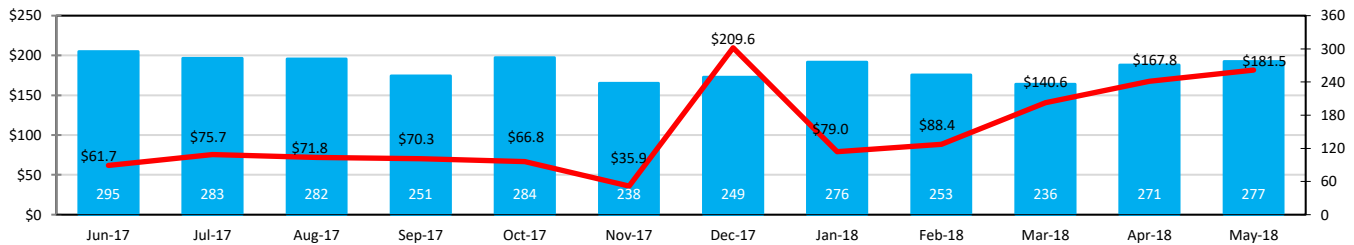
## SECTOR BY VALUE

Target Sector	L3M 5/31/18 Value	L3M 5/31/17 Value	Difference
Consumer Services	\$111,301.1	\$21,237.8	\$90,063.4
Health Services	84,842.9	5,952.9	78,890.0
Communications	61,478.9	7,177.8	54,301.1
Finance	93,547.6	43,834.7	49,712.8
Technology Services	67,947.7	23,903.3	44,044.4
Energy Minerals	56,427.1	24,524.8	31,902.3
Utilities	26,450.8	5,873.3	20,577.5
Process Industries	27,182.0	8,982.4	18,199.7
Electronic Technology	29,927.4	13,123.6	16,803.8
Industrial Services	27,664.1	18,375.9	9,288.2
Consumer Non-Durables	13,126.0	10,891.9	2,234.0
Distribution Services	21,968.3	19,786.1	2,182.2
Government	489.3	1,760.0	(1,270.7)
Producer Manufacturing	24,533.8	25,889.2	(1,355.4)
Retail Trade	14,398.2	18,146.0	(3,747.8)
Consumer Durables	1,812.0	5,717.0	(3,905.0)
Non-Energy Minerals	10,774.7	15,359.4	(4,584.7)
Miscellaneous	112.9	4,796.9	(4,684.0)
Transportation	7,105.8	12,246.0	(5,140.2)
Commercial Services	20,741.1	29,791.7	(9,050.7)
Health Technology	24,504.9	37,477.4	(12,972.4)
<b>Total</b>	<b>\$726,336.6</b>	<b>\$354,848.3</b>	<b>\$371,488.4</b>

Merger Stats

Deal Size	Number of Deals			Agg. Transaction Value (\$Bil)			Average P/E
	12 Months Ended		Change	12 Months Ended		Change	
	5/31/18	5/31/17			5/31/18		5/31/17
\$1 Billion +	198	175	13.1%	\$1,162.6	\$899.6	29.2%	31.0
\$500M to \$999.9M	151	147	2.7%	105.2	103.4	1.7%	23.1
\$250M to \$499.9M	196	176	11.4%	69.8	63.1	10.6%	21.5
\$100M to \$249.9M	335	345	-2.9%	54.1	55.8	-3.0%	30.2
\$50M to \$99.9M	332	290	14.5%	23.5	20.6	14.1%	24.5
\$25M to \$49.9M	292	355	-17.7%	10.7	12.5	-14.6%	34.9
\$10M to \$24.9M	341	389	-12.3%	5.6	6.3	-11.8%	27.0
Under \$10M	620	750	-17.3%	2.0	2.4	-16.1%	20.7
Undisclosed	<u>6,111</u>	<u>6,939</u>	<u>-11.9%</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
<b>Total</b>	<b>8,576</b>	<b>9,566</b>	<b>-10.3%</b>	<b>\$1,433.5</b>	<b>\$1,163.8</b>	<b>23.2%</b>	<b>27.9</b>

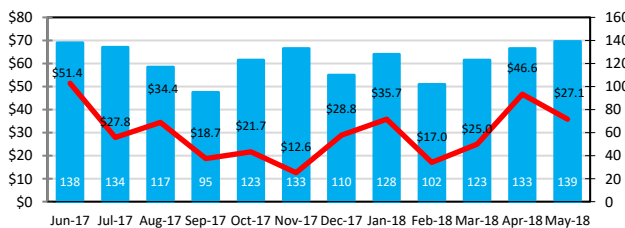
PUBLIC BUYER INDEX LTM 5/31/18



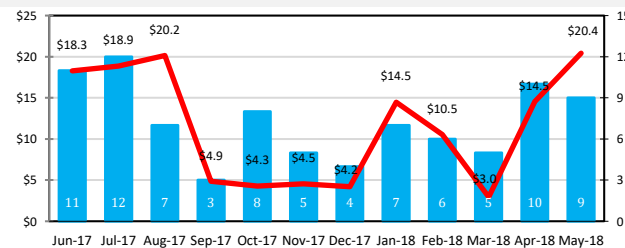
US Private Equity Report

Indices

PE BUYER INDEX: LTM 5/31/18



GOING PRIVATE INDEX: LTM 5/31/18



Top Private Equity Fundraisings: YTD 2018

Open Date	Value (\$Mil)	Fund (Private Equity Sponsor)
29-May-2018	\$80,808.0	Canyon Laurel Co. Invest LLC Canyon Partners Real Estate LLC (Real Estate)
1-Mar-2018	16,000.0	Hellman & Friedman Capital Partners IX Hellman & Friedman LLC
1-Jan-2018	14,000.0	Sequoia Capital Global Growth Fund III- Endurance Partners LP Sequoia Capital
12-Feb-2018	12,000.0	Lexington Capital Partners IX LP Lexington Partners LP
1-Jan-2018	12,000.0	Vista Equity Partners Fund VII Vista Equity Partners Management LLC
1-Jan-2018	10,000.0	Thoma Bravo Fund XIII LP Thoma Bravo LLC
29-Mar-2018	9,000.0	Coller International Partners VIII Fund Coller Capital Ltd.
3-Jan-2018	8,250.0	Towerbrook Investors V Fund TowerBrook Capital Partners LP
9-May-2018	8,000.0	Strategic Partners Fund VIII Strategic Partners Fund Solutions Advisors LP
16-Jan-2018	7,000.0	KKR Global Infrastructure III Kohlberg Kravis Roberts & Co. LP

## BASED ON US ANNOUNCED DEALS – RANKED BY TRANSACTION VALUE: YTD 2018

Financial Advisor		Transaction Value (\$Mil)*	Total Deals**	Legal Advisor		Transaction Value (\$Mil)*	Total Deals**
1.	Goldman Sachs & Co.	\$396,499.5	102	1.	Skadden, Arps, Slate, Meagher & Flom LLP	\$316,482.8	67
2.	Morgan Stanley	335,429.6	70	2.	Wachtell, Lipton, Rosen & Katz	270,024.3	34
3.	JPMorgan Chase & Co	282,630.4	88	3.	Simpson Thacher & Bartlett LLP	221,023.7	51
4.	Centerview Partners LLC	237,813.5	21	4.	Fried, Frank, Harris, Shriver & Jacobson LLP	187,831.1	31
5.	Credit Suisse	195,041.6	53	5.	Davis Polk & Wardwell LLP	183,319.9	41
6.	Evercore, Inc.	176,047.4	56	6.	Cravath, Swaine & Moore LLP	163,994.9	24
7.	Barclays Plc	163,854.2	61	7.	Latham & Watkins LLP	150,886.3	94
8.	Bank of America Merrill Lynch	163,708.2	46	8.	Cleary Gottlieb Steen & Hamilton LLP	150,051.3	23
9.	Lazard	154,054.6	44	9.	Sullivan & Cromwell LLP	143,500.4	55
10.	Deutsche Bank AG	153,360.8	31	10.	Weil, Gotshal & Manges LLP	131,154.1	56
11.	PJT Partners, Inc.	119,131.1	12	11.	Paul, Weiss, Rifkind, Wharton & Garrison LLP	123,086.5	48
12.	Citigroup	104,913.5	59	12.	Hogan Lovells	113,983.4	17
12.	Wells Fargo & Co.	62,238.7	23	13.	Allen & Overy LLP	108,179.8	26
14.	Morrison & Foerster LLP	59,224.1	8	14.	Kirkland & Ellis LLP	105,001.4	158
15.	The Raine Group LLC	58,875.6	3	15.	Gibson, Dunn & Crutcher LLP	104,485.2	52
16.	Mizuho Financial Group, Inc.	58,472.6	2	16.	Goodwin Procter LLP	83,051.4	28
17.	Sumitomo Mitsui Financial Group, Inc.	58,472.6	2	17.	Morgan, Lewis & Bockius LLP	82,156.7	67
18.	Rothschild & Co	49,152.4	43	18.	Jones Day LP	81,833.0	128
19.	Robey Warshaw LLP	39,109.8	2	19.	Blake, Cassels & Graydon LLP	81,822.4	27
20.	UBS Group AG	37,812.6	29	20.	DLA Piper Group	79,586.2	40
21.	Jefferies LLC	37,173.1	61	21.	Freshfields Bruckhaus Deringer LLP	72,905.9	20
22.	RBC Capital Markets	33,920.4	34	22.	Holland & Knight LLP	68,500.7	8
23.	Macquarie Group	29,894.7	20	23.	Richards, Layton & Finger PA	67,778.6	10
24.	BDT & Co. LLC	25,373.3	2	24.	Pillsbury Winthrop Shaw Pittman LLP	64,561.9	23
25.	AFW LP	25,308.3	1	25.	K&L Gates LLP	62,162.5	11
26.	Guggenheim Capital LLC	24,368.7	7	26.	Morris, Nichols, Arsht & Tunnell LLP	61,615.4	12
27.	Dyal Co. LLC	20,743.3	3	27.	Potter Anderson & Corroon LLP	60,251.0	3
28.	Perella Weinberg Partners Group LP	20,541.3	13	28.	Herbert Smith Freehills LLP	46,716.6	15
29.	Qatalyst Group LP	19,141.1	7	29.	Clifford Chance LLP	44,372.2	18
30.	Sandler O'Neill & Partners	18,749.7	36	30.	Vinson & Elkins LLP	43,486.7	22
31.	Moelis & Co.	17,335.2	35	31.	Mayer Brown LLP	36,912.2	16
32.	HSBC Holdings Plc	16,130.4	8	32.	Shearman & Sterling LLP	36,325.5	28
33.	Scotiabank	16,119.0	10	33.	Debevoise & Plimpton LLP	34,400.1	21
34.	The Toronto-Dominion Bank	13,810.0	7	34.	Proskauer Rose LLP	33,204.9	15
35.	The Valence Group LLC	13,324.7	3	35.	Baker Botts LLP	32,172.4	22
36.	JMP Group LLC	12,464.2	3	36.	Sidley Austin LLP	28,810.5	26
37.	Greenhill & Co., Inc.	12,078.7	9	37.	Linklaters LLP	28,059.5	13
38.	Raymond James Financial, Inc.	11,397.3	49	38.	Wilson Sonsini Goodrich & Rosati	25,956.1	28
39.	Canson Capital Partners I Ltd.	11,000.0	1	39.	Stikeman Elliott LLP	25,896.6	20
40.	PricewaterhouseCoopers	9,883.8	28	40.	Hogan Lovells LLP	25,476.6	25
41.	Stone Key Partners LLC	9,714.5	1	41.	McDermott Will & Emery LLP	25,339.7	14
42.	Bank of Montreal	8,334.6	10	42.	Willkie Farr & Gallagher LLP	24,773.5	24
43.	Stifel, Nicolaus & Co., Inc.	7,754.3	37	43.	Akin, Gump, Strauss, Hauer & Feld LLP	24,737.9	18
44.	Houlihan Lokey, Inc.	7,350.9	62	44.	Paul Hastings LLP	23,209.7	48
45.	KPMG International Coop.	7,112.1	28	45.	Khaitan & Co. LLP	21,485.7	3
46.	Robert W. Baird & Co.	6,870.5	33	46.	Cyril Amarchand Mangaldas	21,353.7	6
47.	Ernst & Young Global Ltd.	6,848.3	24	47.	Slaughter & May Ltd.	19,456.8	6
48.	Gleacher Shacklock LLP	5,987.0	1	48.	Alston & Bird LLP	18,398.0	22
49.	William Blair & Co.	5,326.9	33	49.	Gunderson Dettmer Stough Villeneuve Franklin & Hachigian LLP	18,012.4	6
50.	XMS Capital Partners LLC	5,135.7	1	50.	Shardul Amarchand Mangaldas & Co.	16,510.0	5

\* Transaction Value is the aggregate base equity plus the target's net debt, where applicable.

\*\* Total Deals includes deals that reported a deal value as well as those that did not.

If you would like to participate in our league table rankings or have questions about league table criteria, please contact [advisors@factset.com](mailto:advisors@factset.com).

Rank	Seller (Unit Sold) Financial Advisor Legal Advisor	Buyer Financial Advisor Legal Advisor	Transaction Value** (\$Mil)	Seller Sector
1	<b>Twenty-First Century Fox, Inc.</b> Centerview Partners LLC Deutsche Bank AG Goldman Sachs & Co Allen & Overy LLP Blake, Cassels & Graydon LLP Fried, Frank, Harris, Shriver & Jacobson LLP Hogan Lovells US LLP Simpson Thacher & Bartlett LLP Skadden, Arps, Slate, Meagher & Flom LLP	<b>Comcast Corp.</b> Davis Polk & Wardwell LLP Wachtell, Lipton, Rosen & Katz	\$77,464.4	Consumer Services
2	<b>Express Scripts Holding Co.</b> Centerview Partners LLC Lazard Cravath, Swaine & Moore LLP Holland & Knight LLP Skadden, Arps, Slate, Meagher & Flom LLP	<b>Cigna Corp.</b> Morgan Stanley Paul, Weiss, Rifkind, Wharton & Garrison LLP Wachtell, Lipton, Rosen & Katz	\$67,647.1	Health Services
3	<b>SoftBank Group Corp. (Sprint Corp.)</b> Centerview Partners LLC JPMorgan Chase & Co Mizuho Securities Co., Ltd. Morrison & Foerster LLP SMBC Nikko Securities Inc. The Raine Group LLC Goodwin Procter LLP Pillsbury Winthrop Shaw Pittman LLP Potter Anderson & Corroon LLP Simpson Thacher & Bartlett LLP Skadden, Arps, Slate, Meagher & Flom LLP	<b>T-Mobile US, Inc.</b> Credit Suisse Deutsche Bank AG Evercore, Inc. Goldman Sachs & Co Morgan Stanley PJT Partners LP Cleary Gottlieb Steen & Hamilton LLP Cravath, Swaine & Moore LLP DLA Piper LLP (United States) Fried, Frank, Harris, Shriver & Jacobson LLP Latham & Watkins LLP Richards, Layton & Finger PA Wachtell, Lipton, Rosen & Katz Weil, Gotshal & Manges LLP	\$58,472.6	Communications
4	<b>Sky Plc</b> Barclays Plc Morgan Stanley PJT Partners LP Herbert Smith Freehills LLP	<b>Comcast Corp.</b> Bank of America Merrill Lynch Evercore, Inc. Robey Warshaw LLP Wells Fargo Securities LLC Davis Polk & Wardwell LLP Freshfields Bruckhaus Deringer LLP	\$35,776.9	Consumer Services
5	<b>Andeavor</b> Goldman Sachs & Co Cleary Gottlieb Steen & Hamilton LLP Morgan, Lewis & Bockius LLP Sullivan & Cromwell LLP	<b>Marathon Petroleum Corp.</b> Barclays Plc Jones Day LP	\$31,311.9	Energy Minerals
6	<b>Dr Pepper Snapple Group, Inc.</b> Credit Suisse Morgan, Lewis & Bockius LLP Morris, Nichols, Arshat & Tunnell LLP	<b>Keurig Green Mountain, Inc.</b> AFW LP Bank of America Merrill Lynch BDT & Co. LLC Goldman Sachs & Co JPMorgan Chase & Co Clifford Chance LLP McDermott Will & Emery LLP Skadden, Arps, Slate, Meagher & Flom LLP	\$25,308.3	Consumer Non-Durables
7	<b>Flipkart Internet Pvt Ltd.</b> Goldman Sachs & C Allen & Gledhill LLP Cyril Amarchand Mangaldas Dentons Rodyk & Davidson LLP Gunderson Dettmer Stough Villeneuve Franklin & Hachigian LLP Khaitan & Co. LLP	<b>Walmart, Inc.</b> Barclays Plc JPMorgan Chase & Co Fried, Frank, Harris, Shriver & Jacobson LLP Gibson, Dunn & Crutcher LLP Hogan Lovells US LLP Shardul Amarchand Mangaldas & Co.	\$16,000.0	Technology Services
8	<b>SCANA Corp.</b> Morgan Stanley RBC Capital Markets Kirkland & Ellis LLP Mayer Brown LLP	<b>Dominion Energy, Inc.</b> Credit Suisse Latham & Watkins LLP McGuireWoods LLP Morgan, Lewis & Bockius LLP	\$14,195.7	Utilities
9	<b>CYS Investments, Inc.</b> Barclays Plc Credit Suisse Sullivan & Cromwell LLP Vinson & Elkins LLP	<b>Two Harbors Investment Corp.</b> JMP Securities LLC Sidley Austin LLP	\$12,322.2	Finance
10	<b>General Electric Co. (GE Transportation)</b> Dyal Co. LLC Morgan Stanley Davis Polk & Wardwell LLP	<b>Westinghouse Air Brake Technologies Corp.</b> Goldman Sachs & Co Cleary Gottlieb Steen & Hamilton LLP Jones Day LLP (Texas) Stikeman Elliott LLP	\$11,000.0	Distribution Services
<b>**Total Market Value of Top 10 Deals YTD</b>			<b>\$349,599.1</b>	