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# US M&A News and Trends

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**U.S. M&A deal activity increased in March, going up 3% with 891 announcements compared to 865 in February.** Aggregate M&A spending increased as well. In March 51% more was spent on deals compared to February.

**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:** Communications (51 vs. 35), Transportation (66 vs. 58), Electronic Technology (91 vs. 87), and Miscellaneous (15 vs. 13). Four 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:** Finance (358 vs. 420), Technology Services (450 vs. 510), Distribution Services (128 vs. 186), Consumer Services (188 vs. 235), and Commercial Services (456 vs. 497). Fifteen of the 21 sectors tracked by FactSet Mergerstat posted negative relative losses in deal flow over the last three months compared to the same three months one year prior, for a combined loss of 475 deals.

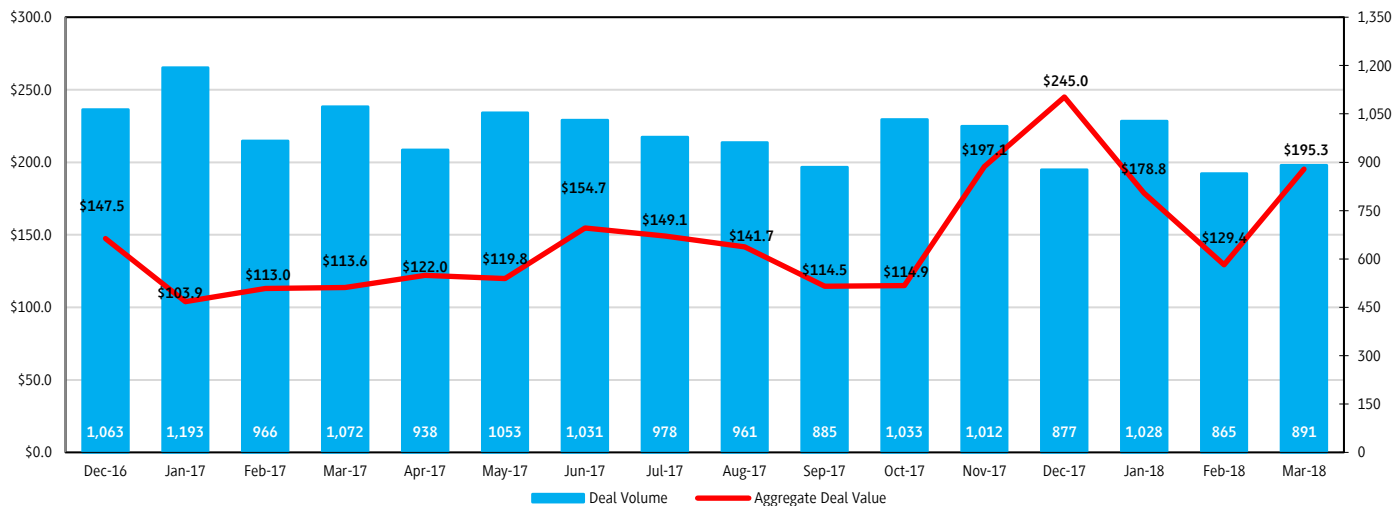
**Topping the list of the largest deals announced in March are:** Cigna Corp. has entering an agreement to acquire Express Scripts Holding Co. for \$53.9 billion; International Paper Co. submitting an unsolicited proposal to acquire Smurfit Kappa Group Plc for \$11.2 billion; Microchip Technology, Inc.'s agreement to acquire Microsemi Corp. for \$8.1 billion; Dana, Inc.'s deal to acquire GKN Plc's driveline division for \$6.2 billion; Gebr Knauf KG's proposal to acquire the remaining 89.54% stake in USG Corp. for \$5.3 billion.

**U.S. private equity activity increased in March up 15.5% from February.** There were 112 deals in March compared to 97 in February. Aggregate transaction value also increased, up by 56.6% to \$23.6 billion from February's \$15 billion.

**The top financial advisors for 2018 based on deal announcements, are:** JPMorgan Chase & Co, Goldman Sachs & Co., Morgan Stanley, Citigroup, and Evercore, Inc. The top five financial advisors, based on the aggregate transaction value of the deals worked on, are: Morgan Stanley, JPMorgan Chase & Co, Lazard, Goldman Sachs & Co., and Bank of America Merrill Lynch.

**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, Paul, Weiss, Rifkind, Wharton & Garrison LLP, Cravath, Swaine & Moore LLP, Wachtell, Lipton, Rosen & Katz, and Holland & Knight LLP.

## The US Mergers & Acquisitions Market Index

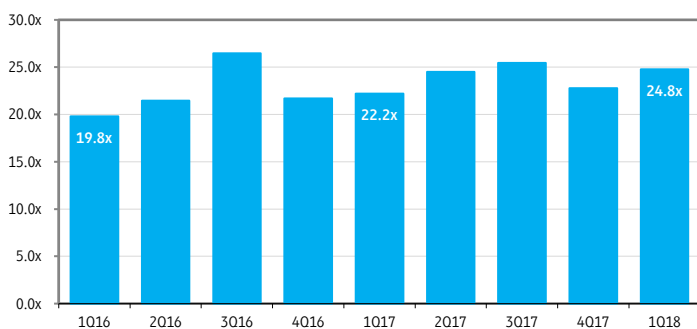


Merger Stats

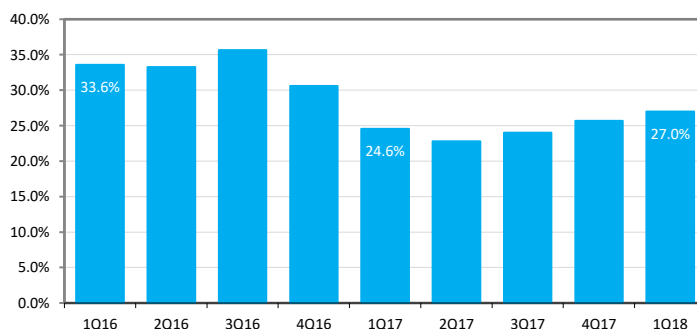
Deal Size	Number of Deals			Agg. Transaction Value (\$Bil)			Average P/E
	12 Months Ended			12 Months Ended			
	3/31/18	3/31/17	Change	3/31/18	3/31/17	Change	
\$1 Billion +	323	327	-1.2%	\$1,443.2	\$1,542.0	-6.4%	29.3
\$500M to \$999.9M	244	245	-0.4%	171.7	175.9	-2.4%	24.1
\$250M to \$499.9M	301	320	-5.9%	106.6	113.0	-5.7%	24.3
\$100M to \$249.9M	507	538	-5.8%	82.5	86.3	-4.4%	32.9
\$50M to \$99.9M	458	418	9.6%	32.5	29.9	8.7%	29.4
\$25M to \$49.9M	419	442	-5.2%	15.1	15.7	-3.5%	31.3
\$10M to \$24.9M	465	477	-2.5%	7.7	7.8	-1.2%	27.9
Under \$10M	907	1,054	-13.9%	2.8	3.4	-15.6%	20.1
Undisclosed	<u>7,928</u>	<u>9,099</u>	<u>-12.9%</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
<b>Total</b>	<b>11,552</b>	<b>12,920</b>	<b>-10.6%</b>	<b>\$1,862.2</b>	<b>\$1,973.9</b>	<b>-5.7%</b>	<b>28.2</b>

M&A at a Glance

MEDIAN P/E

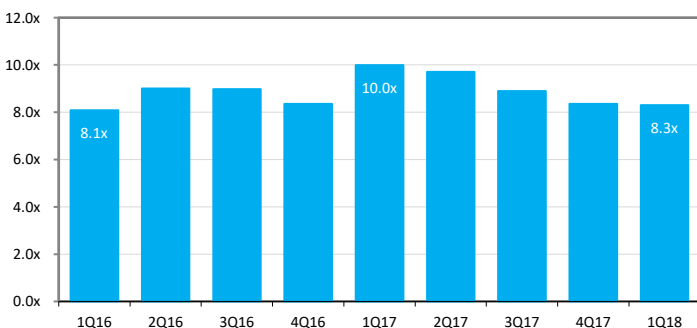


MEDIAN PREMIUM

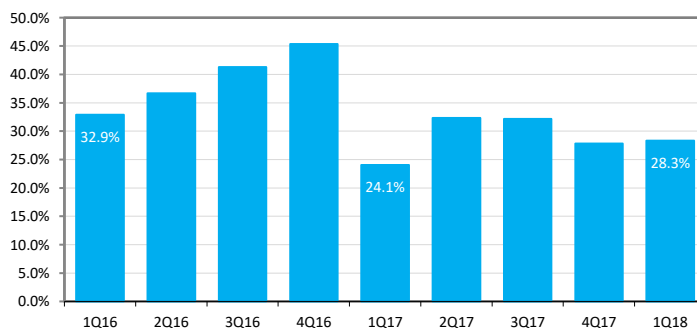


US Middle Market Monitor

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 3/31/18 Deal Count	L3M 3/31/17 Deal Count	Difference
Communications	51	35	16
Transportation	66	58	8
Electronic Technology	91	87	4
Miscellaneous	15	13	2
Government	8	8	0
Energy Minerals	43	43	0
Non-Energy Minerals	64	74	(10)
Utilities	65	79	(14)
Process Industries	101	116	(15)
Health Technology	93	109	(16)
Retail Trade	82	99	(17)
Producer Manufacturing	171	191	(20)
Health Services	132	157	(25)
Industrial Services	115	141	(26)
Consumer Non-Durables	65	95	(30)
Consumer Durables	44	78	(34)
Commercial Services	456	497	(41)
Consumer Services	188	235	(47)
Distribution Services	128	186	(58)
Technology Services	450	510	(60)
Finance	358	420	(62)
<b>Total</b>	<b>2,786</b>	<b>3,231</b>	<b>(445)</b>

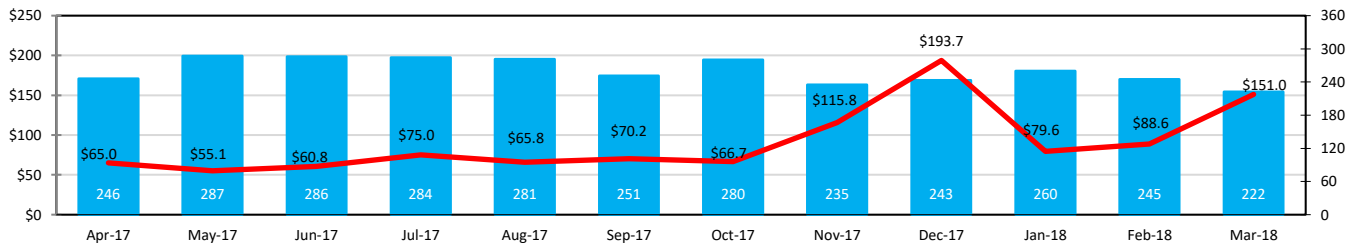
## SECTOR BY VALUE

Target Sector	L3M 3/31/18 Value	L3M 3/31/17 Value	Difference
Health Services	\$71,430.5	\$6,173.3	\$65,257.2
Finance	74,993.5	35,574.4	39,419.1
Consumer Services	52,854.5	18,762.9	34,091.6
Process Industries	39,485.0	17,901.8	21,583.2
Electronic Technology	24,980.1	6,672.7	18,307.4
Consumer Non-Durables	41,586.4	23,874.5	17,711.8
Health Technology	31,671.8	15,814.2	15,857.6
Technology Services	36,820.5	26,045.8	10,774.8
Utilities	29,010.3	18,786.2	10,224.0
Retail Trade	11,900.4	4,290.0	7,610.4
Transportation	6,272.0	5,452.8	819.2
Communications	5,932.4	5,499.5	432.9
Government	475.0	48.2	426.8
Distribution Services	4,243.3	6,633.7	(2,390.4)
Miscellaneous	865.4	3,631.3	(2,765.9)
Energy Minerals	18,323.4	22,092.8	(3,769.4)
Consumer Durables	1,270.9	6,575.0	(5,304.2)
Non-Energy Minerals	8,020.0	16,699.7	(8,679.8)
Producer Manufacturing	12,454.9	22,488.8	(10,033.9)
Commercial Services	15,806.3	26,544.2	(10,738.0)
Industrial Services	15,127.6	40,939.3	(25,811.7)
<b>Total</b>	<b>\$503,523.8</b>	<b>\$330,501.1</b>	<b>\$173,022.7</b>

Merger Stats

Deal Size	Number of Deals			Agg. Transaction Value (\$Bil)			Average P/E
	12 Months Ended		Change	12 Months Ended		Change	
	3/31/18	3/31/17			3/31/18		3/31/17
\$1 Billion +	181	164	10.4%	\$1,003.4	\$915.9	9.6%	29.1
\$500M to \$999.9M	146	137	6.6%	100.6	97.3	3.4%	22.8
\$250M to \$499.9M	177	189	-6.3%	62.5	67.5	-7.4%	22.4
\$100M to \$249.9M	316	350	-9.7%	51.2	56.8	-9.9%	30.5
\$50M to \$99.9M	323	292	10.6%	22.8	20.9	9.4%	28.1
\$25M to \$49.9M	301	331	-9.1%	11.0	11.7	-5.7%	29.5
\$10M to \$24.9M	351	363	-3.3%	5.8	5.9	-2.3%	28.3
Under \$10M	589	745	-20.9%	1.9	2.4	-23.0%	24.3
Undisclosed	5,925	7,040	-15.8%	N/A	N/A	N/A	N/A
<b>Total</b>	<b>8,309</b>	<b>9,611</b>	<b>-13.5%</b>	<b>\$1,259.1</b>	<b>\$1,178.4</b>	<b>6.8%</b>	<b>27.6</b>

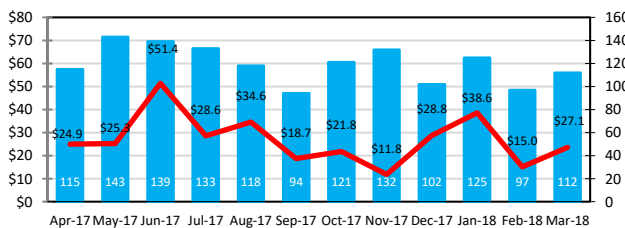
PUBLIC BUYER INDEX LTM 3/31/18



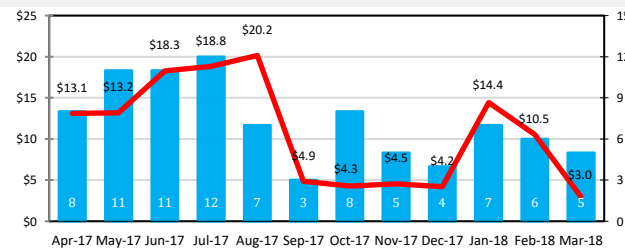
US Private Equity Report

Indices

PE BUYER INDEX: LTM 3/31/18



GOING PRIVATE INDEX: LTM 3/31/18



Top Private Equity Fundraisings: YTD 2018

Open Date	Value (\$Mil)	Fund (Private Equity Sponsor)
1-Mar-2018	\$16,000.0	Hellman & Friedman Capital Partners IX Hellman & Friedman LLC
12-Feb-2018	12,000.0	Lexington Capital Partners IX LP Lexington Partners LP
29-Mar-2018	9,000.0	Collier International Partners VIII Fund Collier Capital Ltd.
16-Jan-2018	7,000.0	KKR Global Infrastructure III Kohlberg Kravis Roberts & Co. LP
25-Jan-2018	4,000.0	ICG North American Private Debt Fund II Intermediate Capital Group Plc (Private Equity)
3-Jan-2018	4,000.0	Towerbrook Investors V Fund TowerBrook Capital Partners LP
27-Feb-2018	1,800.0	Lightspeed Venture Partners Select III LP Lightspeed Management Co. LLC
20-Mar-2018	1,675.0	Atlas Capital Resources III Atlas FRM LLC
21-Mar-2018	1,400.0	Khosla Ventures Seed D LP Khosla Ventures LLC
14-Feb-2018	1,375.0	General Catalyst Group IX LP General Catalyst LLC

## 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.	Morgan Stanley	\$174,833.8	38	1.	Skadden, Arps, Slate, Meagher & Flom LLP	\$156,922.9	37
2.	JPMorgan Chase & Co	163,021.0	53	2.	Paul, Weiss, Rifkind, Wharton & Garrison LLP	105,916.2	30
3.	Lazard	125,458.7	24	3.	Cravath, Swaine & Moore LLP	93,540.7	16
4.	Goldman Sachs & Co.	114,015.4	51	4.	Wachtell, Lipton, Rosen & Katz	88,808.8	13
5.	Bank of America Merrill Lynch	103,153.1	24	5.	Holland & Knight LLP	68,245.0	3
6.	Evercore, Inc.	92,299.6	30	6.	Davis Polk & Wardwell LLP	67,800.4	25
7.	Centerview Partners LLC	87,636.3	12	7.	Latham & Watkins LLP	64,829.1	54
8.	Credit Suisse	81,132.5	27	8.	Sullivan & Cromwell LLP	50,789.5	29
9.	Citigroup	66,031.8	34	9.	Gibson, Dunn & Crutcher LLP	46,937.4	25
10.	Barclays Plc	64,382.0	30	10.	Kirkland & Ellis LLP	45,727.6	72
11.	PJT Partners, Inc.	56,607.2	7	11.	Herbert Smith Freehills LLP	44,752.2	10
12.	Robey Warshaw LLP	35,776.9	1	12.	Simpson Thacher & Bartlett LLP	43,223.6	22
12.	Rothschild & Co	25,634.9	22	13.	Morgan, Lewis & Bockius LLP	42,455.1	35
14.	AFW LP	25,251.5	1	14.	Weil, Gotshal & Manges LLP	42,322.8	28
14.	BDT & Co. LLC	25,251.5	1	15.	Freshfields Bruckhaus Deringer LLP	40,848.1	4
16.	RBC Capital Markets	24,361.4	21	16.	Debevoise & Plimpton LLP	34,344.6	16
17.	Deutsche Bank AG	23,640.6	16	17.	Hogan Lovells LLP	34,283.5	31
18.	Guggenheim Capital LLC	22,636.9	6	18.	Clifford Chance LLP	32,183.4	8
19.	Perella Weinberg Partners Group LP	18,898.1	10	19.	McDermott Will & Emery LLP	25,251.5	4
20.	UBS Group AG	15,463.7	19	20.	Wilson Sonsini Goodrich & Rosati	23,530.9	25
21.	Davy Corporate Finance Ltd.	14,894.4	2	21.	Allen & Overy LLP	22,432.6	16
22.	The Valence Group LLC	13,316.4	2	22.	Mayer Brown LLP	21,233.8	11
23.	Qatalyst Group LP	12,745.7	3	23.	Proskauer Rose LLP	21,050.7	5
24.	HSBC Holdings Plc	12,668.2	4	24.	Jones Day LP	20,323.1	64
25.	Macquarie Group	12,532.0	11	25.	Alston & Bird LLP	15,589.4	8
26.	The TorontoDominion Bank	11,000.0	3	26.	Fried, Frank, Harris, Shriver & Jacobson LLP	15,040.0	10
26.	Canson Capital Partners I Ltd.	11,000.0	1	27.	Vinson & Elkins LLP	14,761.2	11
28.	Stone Key Partners LLC	9,714.5	1	28.	Dechert LLP	14,644.7	9
29.	Wells Fargo & Co.	9,234.7	8	29.	McGuireWoods LLP	14,180.7	3
30.	Jefferies LLC	8,745.1	29	30.	Willkie Farr & Gallagher LLP	14,127.9	15
31.	Moelis & Co.	7,770.5	18	31.	Baker & McKenzie LLP (Illinois)	13,659.2	12
32.	Gleacher Shacklock LLP	5,987.0	1	32.	Paul Hastings LLP	13,294.9	21
33.	Raymond James Financial, Inc.	5,794.8	22	33.	Norton Rose Fulbright LLP	12,588.7	7
34.	Stifel, Nicolaus & Co., Inc.	5,715.5	30	34.	Torlys LLP	12,015.9	2
35.	Bank of Montreal	4,758.3	4	35.	Sidley Austin LLP	11,561.9	13
36.	Robert W. Baird & Co.	4,514.7	16	36.	Shearman & Sterling LLP	11,316.0	16
37.	KeyCorp	3,927.0	8	37.	O'Melveny & Myers LLP	10,707.0	9
38.	Greenhill & Co., Inc.	3,810.7	4	38.	Cleary Gottlieb Steen & Hamilton LLP	10,688.1	8
39.	Houlihan Lokey, Inc.	3,511.5	24	39.	DLA Piper Group	10,357.6	20
40.	Sandler O'Neill & Partners	3,380.1	15	40.	Jenner & Block LLP	10,063.4	3
41.	Natixis SA	3,297.0	7	41.	Baker Botts LLP	8,909.7	11
42.	Ernst & Young Global Ltd.	2,497.3	10	42.	Covington & Burling LLP	8,661.7	7
43.	Cowen, Inc.	2,433.3	4	43.	Goodwin Procter LLP	7,465.5	17
44.	UniCredit SpA	2,412.8	2	44.	Macfarlanes LLP	6,238.7	3
44.	Mediobanca SpA	2,412.8	1	45.	Slaughter & May Ltd.	6,087.0	4
46.	Mitsubishi UFJ Financial Group, Inc.	2,223.8	2	46.	Schulte Roth & Zabel LLP	6,015.0	4
46.	Société Générale SA	2,223.8	2	47.	CMS Hasche Sigle Eschenlohr Peltzer	5,800.6	13
48.	Dyal Co. LLC	2,204.1	1	48.	Gide Loyrette Nouel	5,431.3	2
49.	Allen & Co., Inc.	2,200.0	2	49.	Stibbe NV	5,406.5	3
50.	SunTrust Robinson Humphrey	2,050.0	6	49.	Darros Villey Maillot Brochier	5,406.5	2

\* 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>Express Scripts Holding Co.</b> Centerview Partners LLC Lazard <i>Cravath, Swaine &amp; Moore LLP</i> <i>Holland &amp; Knight LLP</i> <i>Skadden, Arps, Slate, Meagher &amp; Flom LLP</i>	<b>Cigna Corp.</b> Morgan Stanley <i>Paul, Weiss, Rifkind, Wharton &amp; Garrison LLP</i> <i>Wachtell, Lipton, Rosen &amp; Katz</i>	\$67,628.9	Health Services
2	<b>Sky Plc</b> Barclays Plc Morgan Stanley PJT Partners LP <i>Herbert Smith Freehills LLP</i>	<b>Comcast Corp.</b> Bank of America Merrill Lynch Evercore, Inc. Robey Warshaw LLP <i>Davis Polk &amp; Wardwell LLP</i> <i>Freshfields Bruckhaus Deringer LLP</i>	\$35,776.9	Consumer Services
3	<b>Dr Pepper Snapple Group, Inc.</b> Credit Suisse <i>Morgan, Lewis &amp; Bockius LLP</i>	<b>Keurig Green Mountain, Inc.</b> AFW LP Bank of America Merrill Lynch BDT & Co. LLC Goldman Sachs & Co JPMorgan Chase & Co <i>Clifford Chance LLP</i> <i>McDermott Will &amp; Emery LLP</i> <i>Skadden, Arps, Slate, Meagher &amp; Flom LLP</i>	\$25,251.5	Consumer Non-Durables
4	<b>Smurfit Kappa Group Plc</b> Citigroup Davy Corporate Finance Ltd.	<b>International Paper Co.</b> Deutsche Bank AG JPMorgan Chase & Co	\$14,594.4	Process Industries
5	<b>SCANA Corp.</b> Morgan Stanley RBC Capital Markets <i>Kirkland &amp; Ellis LLP</i> <i>Mayer Brown LLP</i>	<b>Dominion Energy, Inc.</b> Credit Suisse <i>Latham &amp; Watkins LLP</i> <i>McGuireWoods LLP</i> <i>Morgan, Lewis &amp; Bockius LLP</i>	\$14,180.7	Utilities
6	<b>Thomson Reuters Corp. (Thomson Reuters Corp. /F&amp;R Business/)</b> Centerview Partners LLC Guggenheim Capital LLC Lazard The TorontoDominion Bank <i>Allen &amp; Overy LLP</i> <i>Gibson, Dunn &amp; Crutcher LLP</i> <i>Norton Rose Fulbright LLP</i> <i>Torys LLP</i> <i>Wachtell, Lipton, Rosen &amp; Katz</i>	<b>Blackstone Corporate Private Equity</b> Bank of America Merrill Lynch Canson Capital Partners I Ltd. Citigroup Goldman Sachs Group, Inc. JPMorgan Chase & Co Morgan Stanley <i>Dechert LLP</i> <i>Simpson Thacher &amp; Bartlett LLP</i> <i>Weil, Gotshal &amp; Manges LLP</i>	\$11,000.0	Finance
7	<b>Bioerativ, Inc.</b> Guggenheim Capital LLC JPMorgan Chase & Co <i>Debevoise &amp; Plimpton LLP</i> <i>Paul, Weiss, Rifkind, Wharton &amp; Garrison LLP</i>	<b>Sanofi</b> Lazard <i>Weil, Gotshal &amp; Manges LLP</i>	\$10,886.9	Health Technology
8	<b>VICI Properties, Inc.</b>	<b>MGM Growth Properties LLC</b> <i>Gibson, Dunn &amp; Crutcher LLP</i>	\$10,443.8	Finance
9	<b>Microsemi Corp.</b> Catalyst Partners LP <i>O'Melveny &amp; Myers LLP</i> <i>Paul Hastings LLP</i>	<b>Microchip Technology, Inc.</b> JPMorgan Chase & Co <i>Wilson Sonsini Goodrich &amp; Rosati PC</i>	\$9,856.6	Electronic Technology
10	<b>CSRA, Inc.</b> Evercore, Inc. Macquarie Group <i>Alston &amp; Bird LLP</i> <i>Debevoise &amp; Plimpton LLP</i>	<b>General Dynamics Corp.</b> Stone Key Partners LLC <i>Hogan Lovells LLP</i> <i>Jenner &amp; Block LLP</i> <i>Paul, Weiss, Rifkind, Wharton &amp; Garrison LLP</i>	\$9,714.5	Technology Services
<b>**Total Market Value of Top 10 Deals YTD</b>			<b>\$209,334.2</b>	