

MERGERS & ACQUISITIONS

Dealmaker's Digest

A Top 10 Bulletin

February 2025

ROPES & GRAY



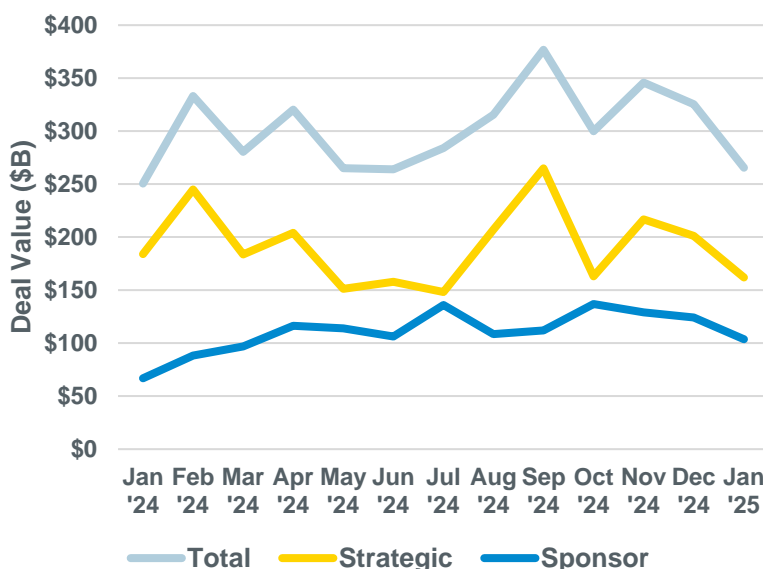
In this edition of *Dealmaker's Digest*, we bring you the latest transactional developments to keep you in the know.

GLOBAL M&A ACTIVITY	BLOCKBUSTER DEALS	CROSSBORDER ACTIVITY
ACTIVE INDUSTRIES	ACQUISITION PREMIUMS	HOSTILE DEAL TRENDS

GLOBAL M&A ACTIVITY UPDATE

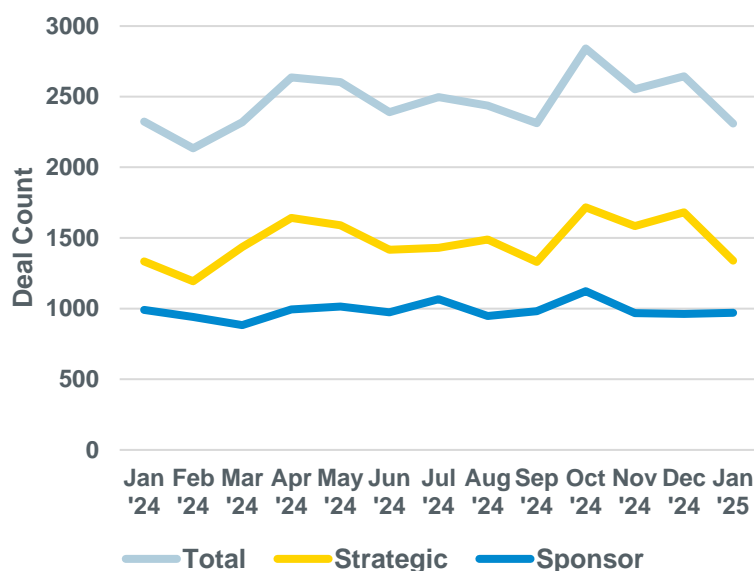
1 Deal Value Trends

- ↓ Aggregate global monthly deal value¹ in January fell 18%, or about \$60 billion, from December. Total deal value was up slightly (6%) year-over-year.
- ↓ Transactions involving strategic buyers in January decreased 20% by deal value from December and 12% year-over-year.
- ↓ Financial, or sponsor, buyer transactions declined 17% in January, barely exceeding \$100 billion for the month. However, sponsor buyer deal value was up significantly (55%) year-over-year.



2 Deal Count Trends

- ↓ Global deal count decreased 13% in January from December but held steady year-over-year, down just 1%.
- ↓ Strategic buyer deal count in January fell 20% from December but held steady year-over-year, with a 0% change.
- ↔ Sponsor buyer deal count in January remained consistent both month-over-month (up just 1%) and year-over-year (down only 2%).

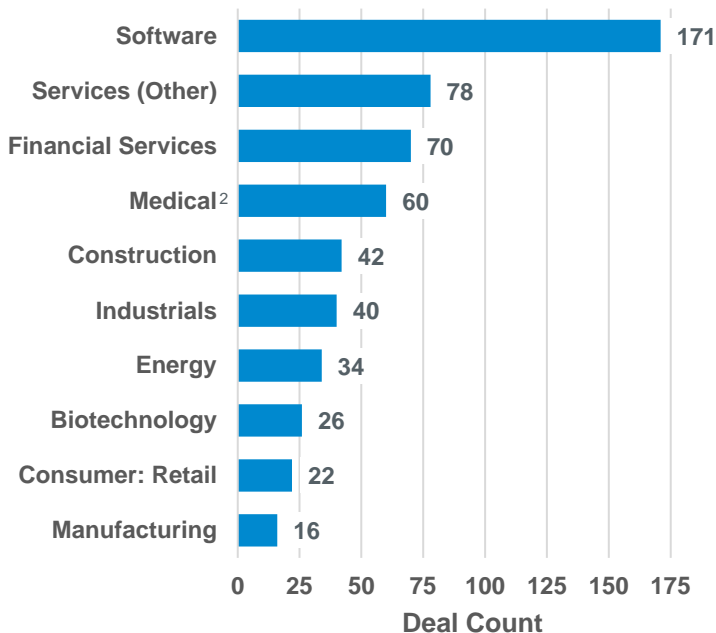


¹ Unless otherwise noted, charts compiled using Mergermarket data for January 2025 as of February 5, 2025. Aggregate deal values by dollar amount are calculated from the subset of deals with disclosed values.

ACTIVE M&A INDUSTRIES (U.S. TARGETS)

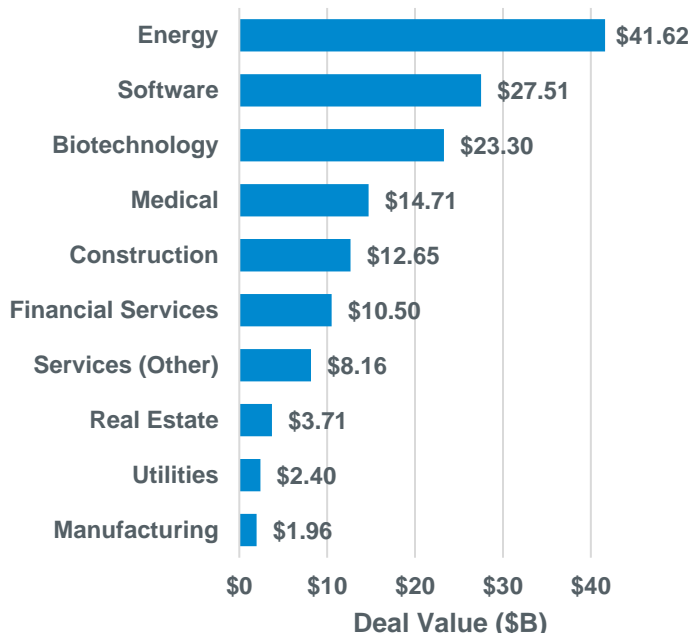
3 By Deal Count

- The software industry remained at the top for U.S. M&A activity by deal count in January, continuing its streak as the leading industry by volume, with more than twice as many deals as the runner-up.
- Services-based industries continue to remain active, with financial services and other professional services rounding out the top three sectors in January by deal count.



4 By Deal Value

- The energy industry topped the charts by deal value in January, with a \$16 billion+ deal announced by Constellation, highlighted below.
- Software took second place in January for deal value, with three of the 10 largest U.S. deals for the month involving a target in the software sector. Targets in the biotech industry came in close behind at third.



January Blockbuster Deals

5

Largest U.S. **Energy** Deal

 **Constellation.**
 has agreed to acquire
 **CALPINE**® for a mix
 of cash and stock with
 total equity value of
 approximately
\$16.4 billion.

Johnson & Johnson
 has agreed to acquire
 **Intra-Cellular**
THERAPIES in
 an all-cash transaction
 with equity value of
 approximately **\$14.6**
billion.

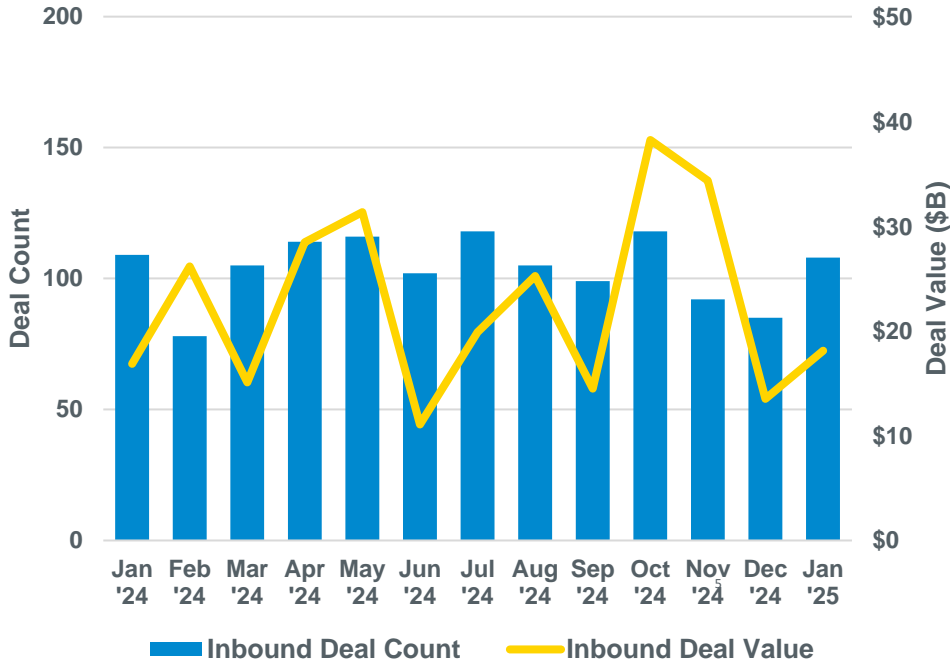
6

Largest U.S. **Biotech** Deal

² Medical industry classification principally includes medical devices/technology/services, excluding biotech and pharmaceutical deals.

CROSSBORDER CORNER

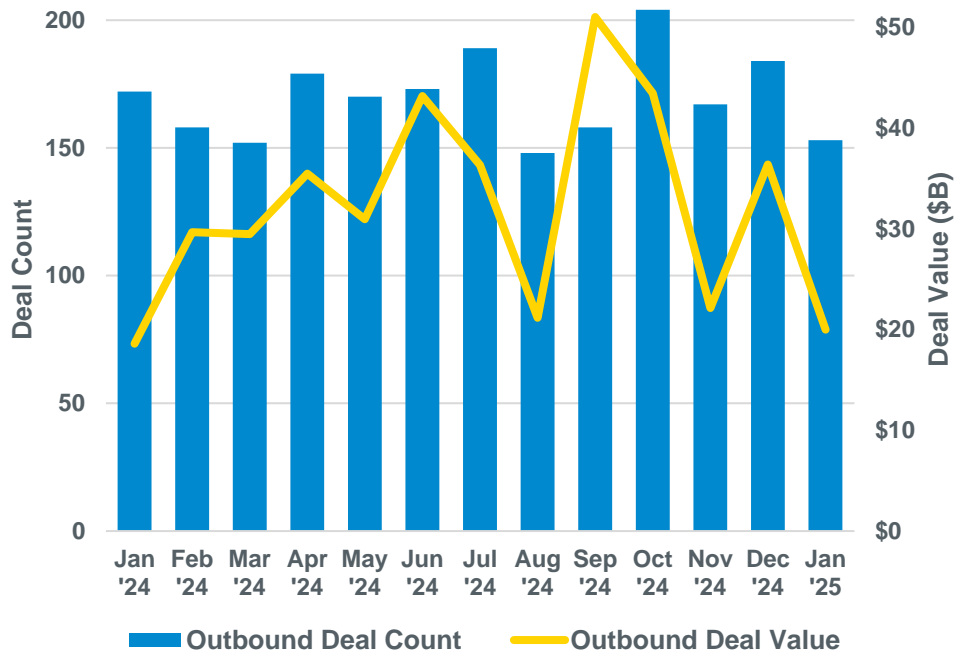
7 Inbound U.S. M&A Activity



- By deal value, inbound U.S. activity rose 34% in January from December's six-month low. Year-over-year, inbound deal value was up 7%.
- By deal count, acquisitions of U.S. targets by non-U.S. acquirers increased 27% in January from December's 10-month low. Year-over-year, inbound deal count held steady, down just 1%.
- UK-based acquirers undertook the largest number of inbound transactions in January, with 22 deals, followed closely by Canada at 20. Japan trailed in third with six deals.

8 Outbound U.S. M&A Activity

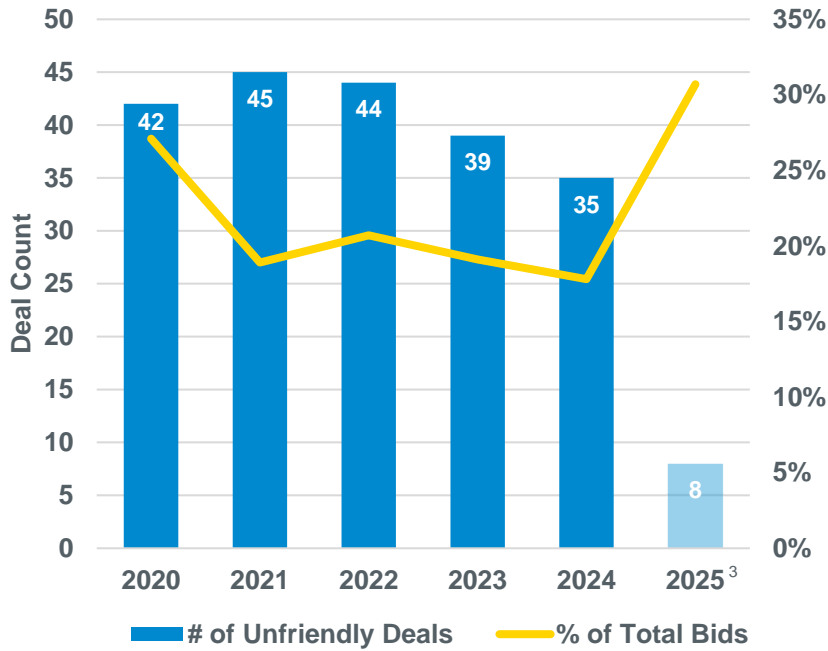
- By deal value, outbound activity in January dropped 45% from December but was up 7% year-over-year.
- By deal count, acquisitions of ex-U.S. targets by U.S. buyers decreased from December to January by 17%. Year-over-year, outbound deal count fell 11%.
- U.S. acquirers most frequently looked to targets in the UK in January, with 31 transactions. Canada and Ireland trailed with 14 and 11 transactions, respectively.



TRANSACTION TRENDS

9

Unsolicited & Hostile Transactions

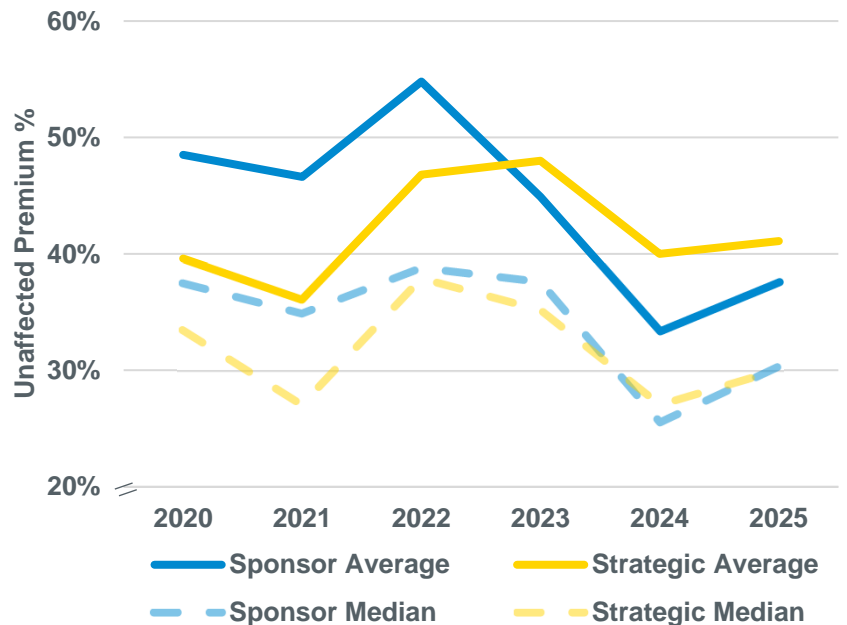


- Heading into 2025, market conditions—including interest rate trends and shifting regulatory priorities—appeared ripe for an uptick in unsolicited or hostile activity.
- It is too early for sweeping projections, but hostile bids in 2025 have significantly outpaced activity in recent years: More than 30% of public overtures have been unsolicited and one bid has turned hostile in the first five weeks of the year.
- Hostile activity had moderately declined in 2023 and 2024, as both a percentage of overall M&A activity (under 20%) and raw count (under 40 annually).
- Assuming the upward trend continues, readiness planning by boards and advisors (e.g., defensive profile analyses and proactive stakeholder engagement) will become even more critical in the months ahead.

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Acquisition Premiums

- Acquisition premiums broadly declined in 2023-2024. Among sponsor-led acquisitions, average premiums fell from 55% in 2022 to 33% in 2024. YTD 2025 metrics indicate a moderate increase (38%).
- Among strategic transactions, average premiums fell from 48% in 2023 to 40% in 2024, with a marginal increase so far this year.
- Prior to 2023, sponsor buyers on average offered substantially higher premiums (10%+) than strategic acquirers. Following turbulent M&A conditions in recent years, including increased borrowing costs, premiums offered by strategic firms have moderately surpassed sponsor deals on average. Median premiums have largely synchronized across buyer types over the past two years.



³ Charts compiled using Deal Point Data metrics as of February 10, 2025. Premium data based on unaffected premium %s.

About our M&A Practice

Ropes & Gray's award-winning M&A practice is regularly ranked among the world's leading practices by *Chambers*, *The Legal 500* and *U.S. News*, among others. With over 250 M&A attorneys located in the United States, Europe and Asia, our practice offers global scope and on-the-ground service where and when needed. In 2023–2024, Ropes & Gray navigated more than 400 M&A transactions, with an aggregate deal value of \$260+ billion.

RECENT RECOGNITION

THE
AMERICAN LAWYER

The American Lawyer 2024
"Dealmakers of the Year"



The Legal 500 US 2024
Ranked nationally as a leader for M&A Corporate and Commercial: Large Deals (\$1 billion+) and M&A Corporate and Commercial: Private Equity Buyouts: Large Deals (\$500 million+)



Law360
Eight-time winner of "Private Equity Group of the Year"



Chambers USA 2024

Band 1 Nationwide Private Equity Buyouts, Mid-Market Ranking

Band 1 New York Corporate / M&A Highly Regarded Ranking

Band 1 Massachusetts Corporate / M&A Ranking



U.S. News & World Report – Best Lawyers "Best Law Firms" 2025

Tier 1 Nationwide, Boston and New York Mergers and Acquisitions Law Ranking

Tier 1 Nationwide, Boston and New York Leveraged Buyouts and Private Equity Law Ranking

DEPTH OF EXPERIENCE

400+

Signed transactions in 2023-2024

\$260B+

Total transaction value in 2023–2024

80+

Industries and sectors

Our Commitment

250+
M&A lawyers

350+
Specialty-support lawyers

150+
Years of practice history

14
Offices to support deals

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