Datasite®
Where deals are made

Datasite Forecaster

H1 2024 M&A benchmarks

Global M&A benchmarks based on Datasite's proprietary, aggregated, and anonymized data

Introduction

Datasite Forecaster's H1 2024 M&A benchmarks report provides dealmakers with standardized due diligence performance measures.

In this report, we focus on global sell-side benchmarks. We present performance through a time lens, as well as by deal outcomes.

Benchmarks help dealmakers:

- Validate M&A market trends

- Measure performance compared to peers

- Set client expectations around due diligence

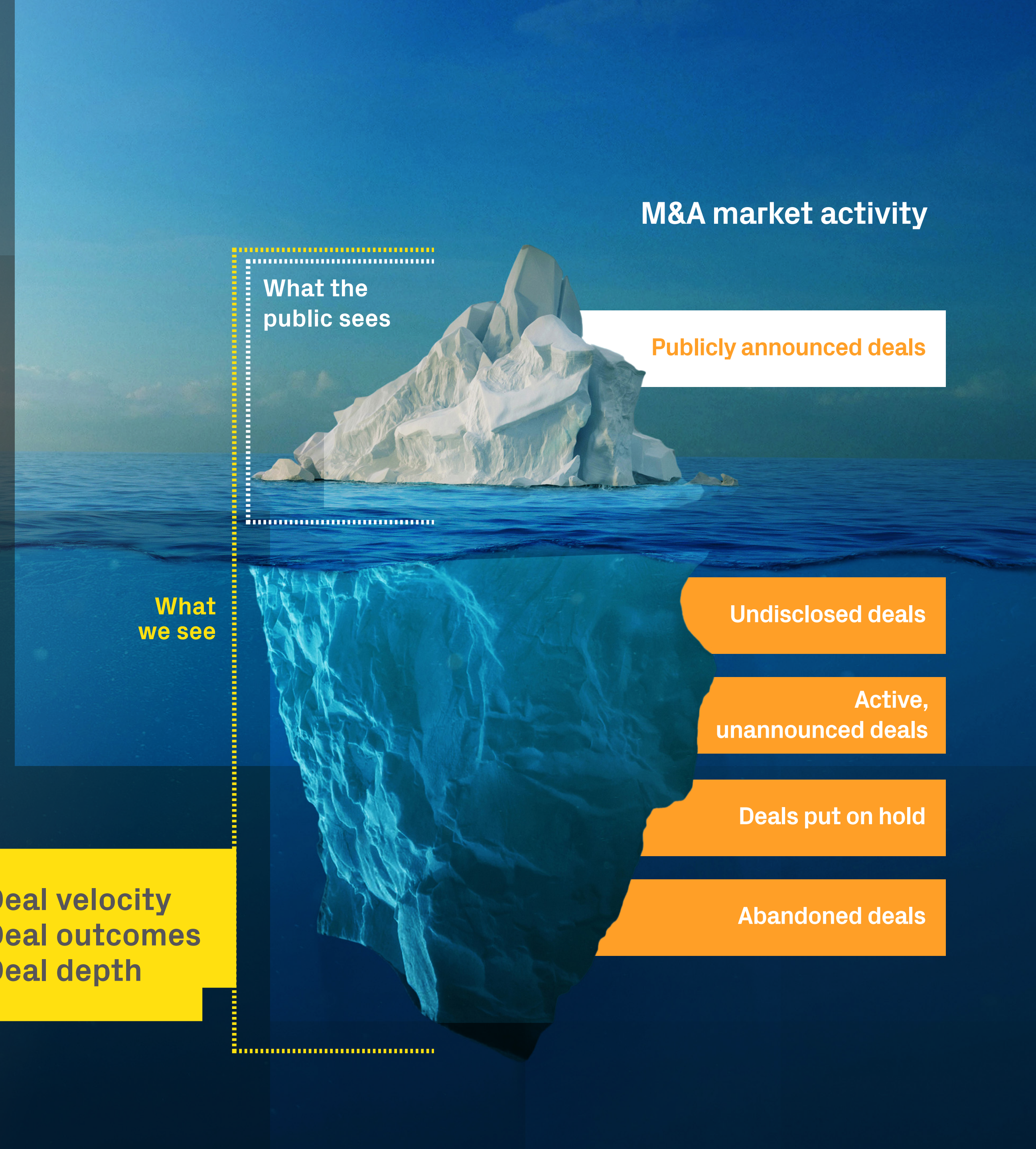| H1 2024	4,000+ transactions	300k+ dealmakers	180+ countries

The Datasite view Benchmark data & definitions

Datasite's benchmark data is exclusively sourced from closed transactions on the Datasite platform. All data is aggregated and anonymized to preserve confidentiality.

We have developed the following definitions to provide clarity on how we are filtering and categorizing our data, which is all aggregated and anonymized.

Definitions

- **Deal.** Datasite projects categorized as a financial transaction, including asset sales, asset purchases, capital raises, mergers, restructurings, and partnerships & collaborations

- **Deal close.** When a deal successfully completes according to the deal administrator. Deal close benchmarks are based on 1 out of 100 deals

- **Deal outcome.** The status of a deal at project close according to the project administrator. Administrators can choose three options:
  - **Close.** When a project administrator says a transaction is complete at project close
  - **Fail.** When a project administrator says the transaction will not complete at project close
  - **Hold.** When a project administrator says the transaction will complete at a future date

- **Due diligence time.** The median time from project launch to close

- **Kickoff.** The day a new data room is created in Datasite Diligence® or Datasite Acquire®

- **Prep time.** The median time from project creation to launch

- **Sell side.** Datasite projects categorized as an asset sale or merger

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M&A market activity

What the public sees

What we see

Publicly announced deals

Undisclosed deals

Active, unannounced deals

Deals put on hold

Abandoned deals

Deal velocity
Deal outcomes
Deal depth

Flat transaction times hide diverging regional trends

On the surface, H1 2024 sell-side prep and due diligence times stayed the same compared to H1 last year. However, the global trend line disguises diverging paths at the regional level.

Three takeaways:

1 APAC sale processes are sprinting forward. Sellers cut median deal prep times by 44% compared to the same time last year. Buyers also sped up, reducing due diligence by 10% or a median of 10 days.

2 Americas sale processes slowed down. Sellers in the Americas spent a median of six more days, an increase of 27%, preparing assets for sale. However, more staging did not lead to faster due diligence processes with buyers adding two median days to the already lengthy 187 days.

3 EMEA sale processes barely budged. Sellers cut prep time by a median of two days, or 9%, and buyers added a day to due diligence.

H1 2024 sell-side transaction times (median days)

	Global			AMERs		
	H1 2023	H1 2024	YoY	H1 2023	H1 2024	YoY
Prep time	22	22	■ 0	22	28	▲ 6
Due diligence time	176	176	■ 0	187	189	▲ 2

	EMEA			APAC		
	H1 2023	H1 2024	YoY	H1 2023	H1 2024	YoY
Prep time	23	21	▼ -2	16	9	▼ -7
Due diligence time	160	161	▲ 1	181	163	▼ -18

Global closure rates drop by four points
APAC stands out from the crowd

Global deal closures decreased by four percentage points (pp) globally in H1 2024 compared to last year. The decline is driven by drops in EMEA and the Americas.

Two takeaways:

1. It is a seller's market in APAC. Closure rates jumped by eight pp to 41% in H1 2024. Optimal sale conditions also explain shortening prep times, as sellers rush to get assets to market.

2. The four pp increase in deals going on hold suggests sale processes in EMEA and the Americas may be struggling to close due to the glut of new deals launched in H1 2024. Look for tabled transactions to come back around in Q1 2025 after dealmakers work through current 2024 inventory.

Sell-side deal outcomes (% out of 100)

Global	H1 2023	H1 2024	YoY (pp)	AMERs	H1 2023	H1 2024	YoY (pp)
Close	47%	43%	▼ -4		50%	47%	▼ -3
Fail	29%	29%	■ 0		34%	31%	▼ -3
Hold	24%	28%	▲ 4		16%	22%	▲ 6

EMEA	H1 2023	H1 2024	YoY (pp)	APAC	H1 2023	H1 2024	YoY (pp)
Close	46%	40%	▼ -6		33%	41%	▲ 8
Fail	24%	27%	▲ 3		35%	25%	▼ -10
Hold	30%	33%	▲ 3		32%	34%	▲ 2

Longer prep times point to sell-side headwinds for top five industries

Deal preparation times increased across Datasite Forecaster's top industries, except for consumer. The longer staging times suggest asset sales are getting harder to close.

Three takeaways:

1 Advisor bandwidth is likely partially to blame for slowing prep times. They may simply not be able to keep up with the influx of sale launches from H1 2024.

2 Nevertheless, TMT and industrials sellers are taking significantly longer to prep deals than usual. At the same time, buyers are cutting due diligence by more than two weeks. The two strong, contradictory signals mean bumpy times ahead.

3 It is blue skies for the consumer market. Stable prep times and shortening diligence suggest healthy momentum. Look for deals to move briskly through the rest of the year.

H1 2024 sell-side transaction times (median days) by top five industries

	TMT			Industrials		
	H1 '23	H1 '24	YoY	H1 '23	H1 '24	YoY
Prep time	18	28	▲ 10	30	41	▲ 11
Due diligence time	176	160	▼ -16	188	169	▼ -19

	Healthcare			Consumer			Energy		
	H1 '23	H1 '24	YoY	H1 '23	H1 '24	YoY	H1 '23	H1 '24	YoY
Prep time	22	28	▲ 6	28	28	■ 0	21	25	▲ 4
Due diligence time	195	211	▲ 16	169	160	▼ -9	206	214	▲ 8

Deal closes sink as markets stall
Energy, consumer closes buck the trend

Aside from energy and consumer, the chances of successfully closing a deal sank in H1 2024 compared to H1 2023. Dealmakers are putting many of these deals on hold though, showing they believe the process pause will be temporary.

Three takeaways:

1 Market uncertainty is hitting industrials the hardest, spurred by concerns over trade wars and tariffs.

2 Healthcare headwinds continue to worsen, with the highest failure rate across the top sectors in H1 2024.

3 Though sale processes may be slowing down, the energy sector shows remarkable resilience on the tail end of the pipeline. Not only did closes rise four pp, but fail rates dropped nine pp to 21%, the lowest across industries.

H1 2024 sell-side deal outcomes (% out of 100) by top five industries

|	TMT			Industrials		
	H1 '23	H1 '24	YoY	H1 '23	H1 '24	YoY
Close	47%	46%	▼ -1	50%	43%	▼ -7
Fail	30%	29%	▼ -1	27%	25%	▼ -2
Hold	23%	25%	▲ 2	23%	33%	▲ 10

	Healthcare			Consumer			Energy		
	H1 '23	H1 '24	YoY	H1 '23	H1 '24	YoY	H1 '23	H1 '24	YoY
Close	46%	37%	▼ -9	37%	39%	▲ 2	42%	46%	▲ 4
Fail	31%	36%	▲ 5	35%	34%	▼ -1	30%	21%	▼ -9
Hold	23%	26%	▲ 3	28%	27%	▼ -1	29%	33%	▲ 4

Conclusion

Although activity in the M&A market is booming, this does not always translate into a higher number of successful deal closes.

Questions we're tracking:

- Will APAC continue its winning streak into next year?

- When will activity in industrials restart?

- How will dealmakers manage bandwidth challenges as the final stretch of the year approaches?
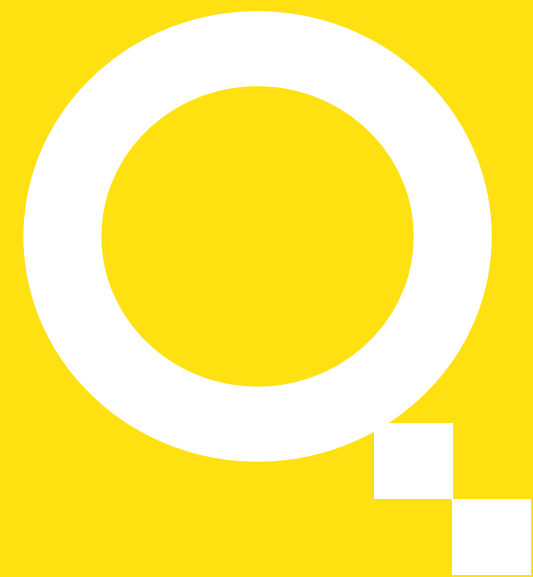
Datasite®

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