



Datasite Forecaster

H2 2024 Outlook

Trends based on Datasite's proprietary,
aggregated, and anonymized transaction data



The Datasite view: Definitions

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
- **Pipeline.** Deals kicked off within a given time
- **Sell-side.** Datasite projects categorized as an asset sale or merger
- **Kickoff.** The day a new data room is created in Datasite Diligence or Datasite Acquire
- **Deal close.** When a deal successfully completes according to the deal administrator. Deal close benchmarks are based on 1 out of 100 deals

Regions

US Northeast: Connecticut, Massachusetts, Maine, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont

US South: Alabama, Arkansas, Washington DC, Delaware, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, West Virginia, Puerto Rico

US Midwest: Iowa, Illinois, Indiana, Kansas, Minnesota, Michigan, Montana, North Dakota, Nebraska, Ohio, South Dakota, Wisconsin

US West: Alaska, Arizona, California, Colorado, Hawaii, Idaho, Missouri, New Mexico, Nevada, Oregon, Utah, Washington, Wyoming

Nordics: Norway, Sweden, Denmark, Finland, Iceland



Sell-side surge signals bright year-end

Good times are ahead for the M&A market, based on sell-side deal flow in H1 2024 compared to the year before. Global deal kickoffs jumped 17%, driven by easing inflation and pent-up demand. This deal surge starts to close this July, assuming a six-to-nine-month timeline.

Three takeaways:

- 1 EMEA is on fire. Not only is the pipeline green across every industry but deal close success rates are up by seven percentage points (pp) compared to H1 2023.
- 2 TMT is back, driven by easing financing conditions and a generative AI boom. After a lackluster couple of years, this is great news for the entire M&A market.
- 3 Consumer is this year's energy industry, with deal kickoffs shooting up 35% globally in H1 compared to last year. A booming e-commerce sector is no doubt spurring much of this activity.

Global six-month outlook

Based on H1 2024 sell-side activity compared to the year before

		Global	AMERS	EMEA	APAC
Pipeline	All	▲ 17%	▲ 11%	▲ 16%	▲ 64%
	TMT	▲ 12%	▲ 3%	▲ 14%	▲ 59%
	Industrials	▲ 14%	▲ 15%	▲ 9%	-
	Healthcare	▲ 7%	▲ 9%	▲ 3%	-
	Consumer	▲ 35%	▲ 25%	▲ 41%	-
	Energy	▼ -1%	▼ -3%	▲ 1%	-
Successful closes	1 out of 100 deals in H1	43%	47%	40%	41%
	Percentage point (pp) change	▼ -4	▼ -3	▲ 7	▲ 8

Six-month kickoff patterns presage end-of-year announcement waves

Expect waves of deal announcements now through the end of the year as January, April, and May kickoff bumps move through the M&A pipeline.

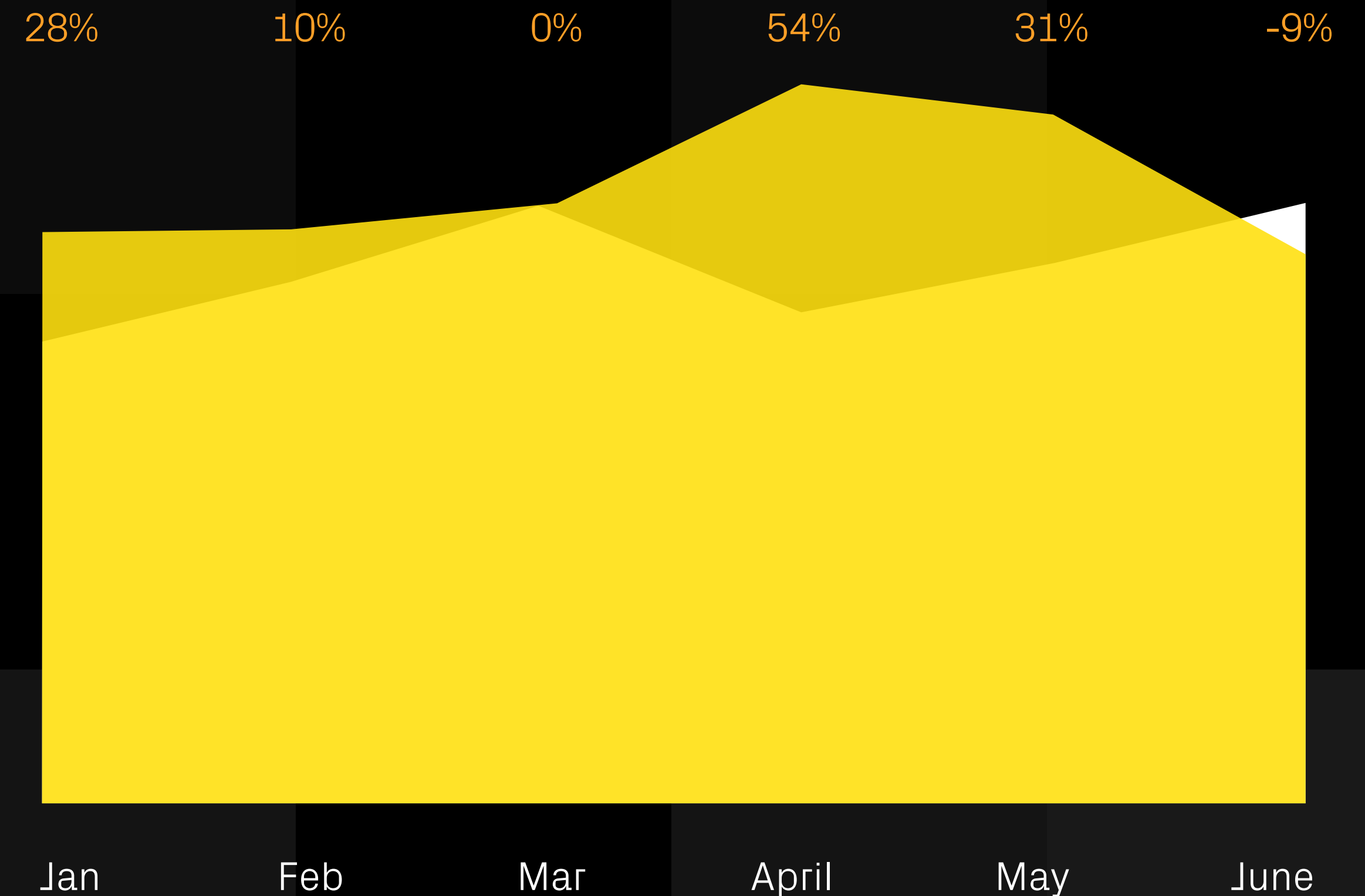
The bumpy path ahead was laid by endless rounds of inflation speculation. Beware mass burnout as dealmakers grapple with speculation's aftermath: influxes of active deals during the summer holidays.

A note on our data:

Deal numbers may uplift slightly over time as unknown deals get reclassified.

Global sell-side deal kickoffs

■ 2022-2023 ■ 2023-2024 ■ Monthly kickoffs YoY



Regional rankings by total sell-side kickoffs and successful deal closes

Momentum is one thing, but where are the most deals being kicked off and successfully closed? Here we ranked regions in EMEA and the Americas by total sale kickoffs and successful closes based on a rolling 12-month timeframe from July 2023-June 2024 compared to the same time the year before.

Four takeaways:

- 1 The US South remained No. 1 for both kickoffs and closures, according to our rolling 12-month view. Traditionally a hotspot for industrials and energy, the post-COVID migration to southern cities like North Carolina has turned it into a well-rounded M&A powerhouse.
- 2 Industrials-powerhouse Germany climbed to the second spot for both kickoffs and deal closes, likely due to increased EMEA industrials deal flow starting last year.
- 3 The US Northeast and the US West both fell down the kickoff and close rankings, likely due to last year's soft TMT market. With TMT back on the upswing, look for those regions to bounce back.
- 4 Despite softer markets for the US Northeast and US West, US dealmakers continue to successfully close more deals than their EMEA and APAC peers. The US took four out of the five spots on the close rankings both years.

THE 12-MONTH VIEW

Top five regions by total sell-side kickoffs

July 2023 – June 2024 compared to the same period the year before

	2022-2023	2023-2024
1	US South	■ US South
2	US Northeast	▲ Germany
3	Germany	▼ US Northeast
4	US West	▲ France
5	US Midwest	▼ US West

Top five regions by total deal closes

	2022-2023	2023-2024
1	US South	■ US South
2	US Northeast	▲ Germany
3	US West	▼ US Northeast
4	US Midwest	■ US Midwest
5	Germany	▼ US West

Conclusion

The M&A market is on track for a very good year. However, pipeline fluctuations could lead to process management challenges, dealmaker burnout and, ultimately, less successful deal outcomes.

Questions we're tracking:

- Will sell-side kickoffs ramp up again in September - or will dealmakers be too busy closing out April and May inventory?
- Will EMEA continue its hot streak as dealmakers head into August?
- Can a resurgent TMT market boost M&A in the UK, US West, and US Northeast?
- Finally, how long will the consumer shopping frenzy continue?





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