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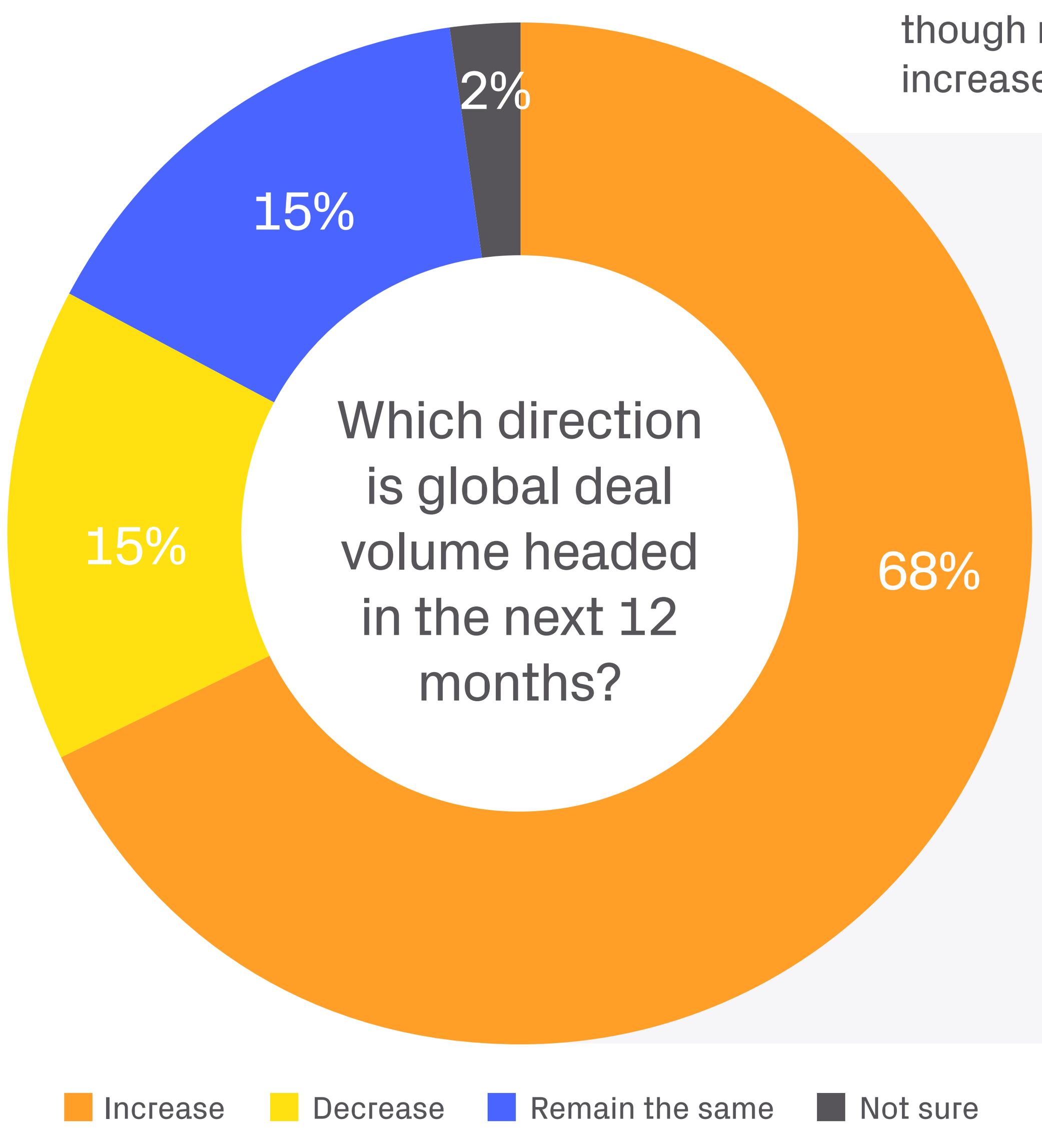
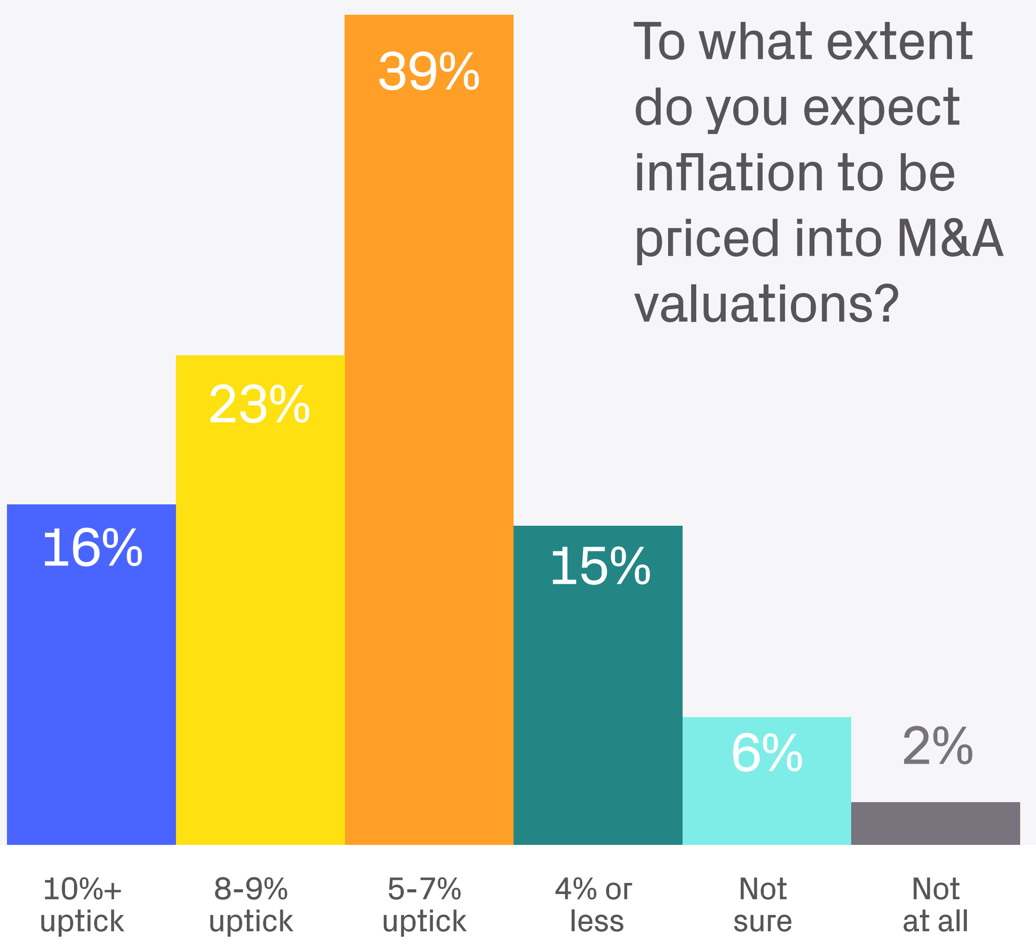
2H2022 M&A Outlook

Rising inflation. The Russia-Ukraine war. Plunging stock markets. Labor shortages. Covid. How is the increasingly turbulent market landscape impacting dealmakers' M&A outlook for the second half of 2022 and beyond? To understand just what kind of opportunities and challenges lie ahead, Datasite surveyed over 540 dealmakers to find out. Here is what's on their minds.

Global dealmakers expect volume to increase in the next 12 months.

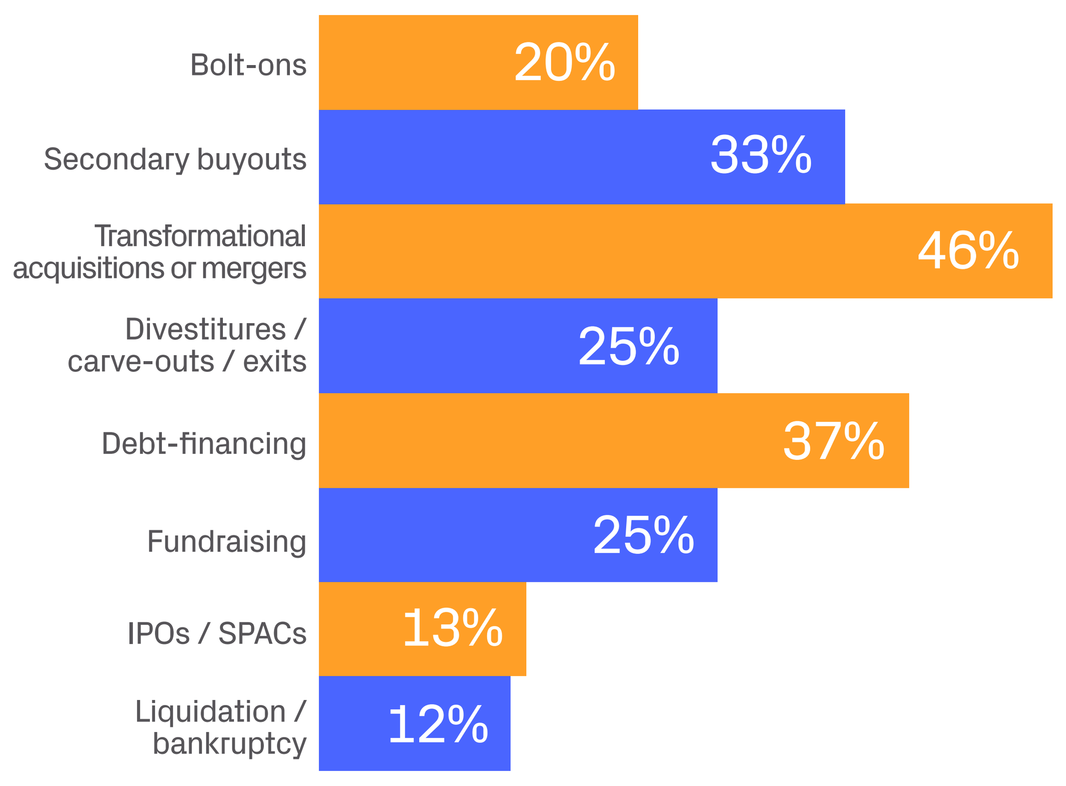
Despite global geo-political tensions, supply chain disruptions, and the rising cost of capital, deal activity is expected to increase over the next 12 months, though most dealmakers foresee a reduction in multiples, even as inflation increases are priced into models.

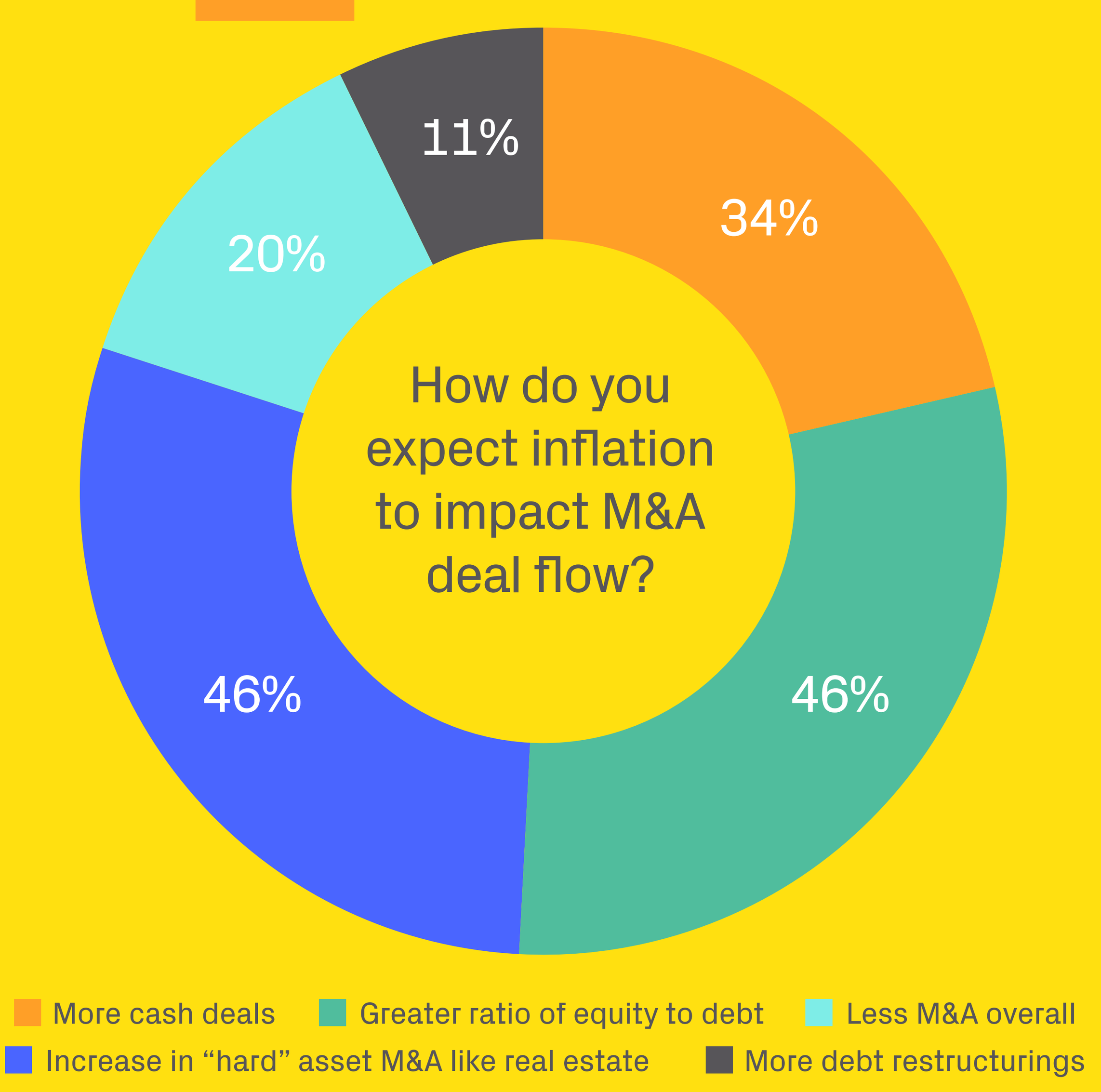




Transformational deals to drive activity, though deal flow will consist of more equity and cash components.

Dealmakers continue to see investment in transformational deals the rest of this year, though a greater component of deals are expected to be financed with equity or cash, reflective of inflation increases.





Uncertain valuations, inflation, and Russia-Ukraine war are the biggest risks to deals moving forward in the second half.

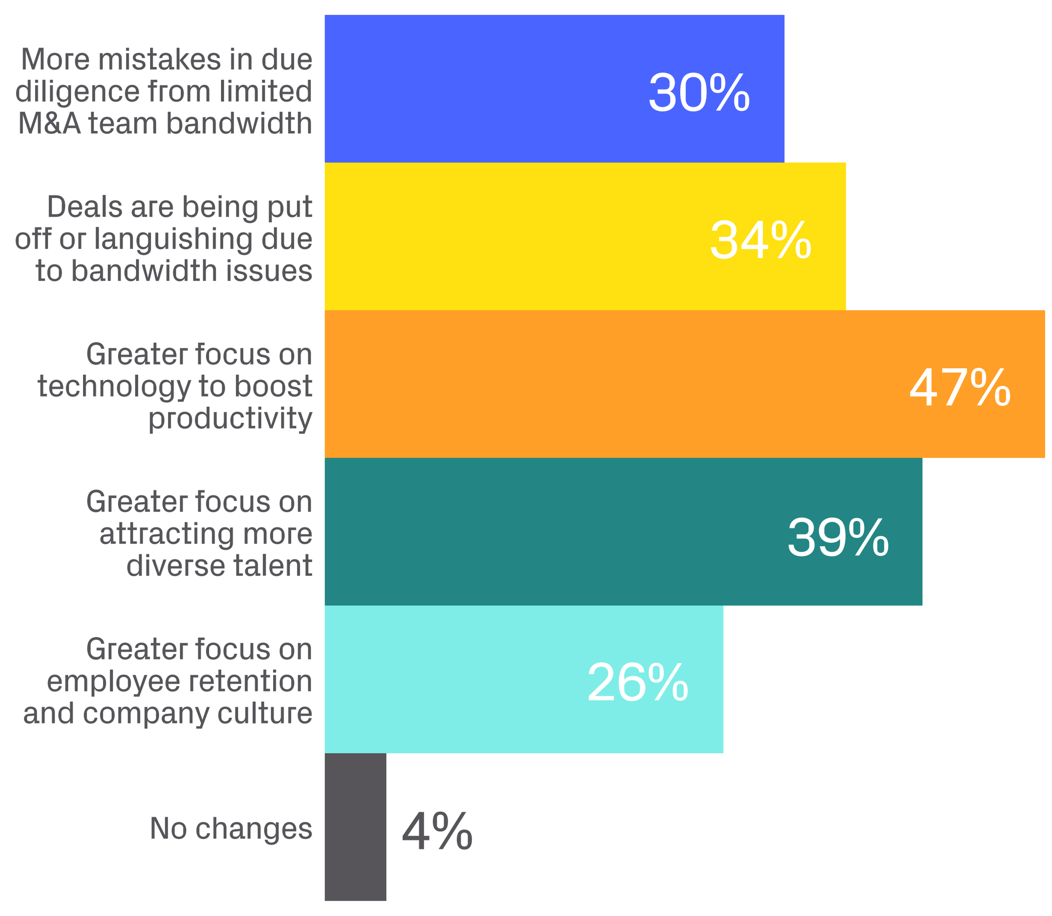
Dealmakers see the war, inflation, and the cost of capital as the factors most likely to prevent a deal from closing by the end of 2022.

Increased volatility means heavier workloads, more need for technology.

The current market volatility has increased dealmakers' workload and need for technology to boost productivity.

68%

say recent market events have increased their day-to-day workload.



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