



Global M&A endures headwinds with pickup in first-quarter deal closures

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NEW YORK, April 03, 2024 (GLOBE NEWSWIRE) -- Global mergers and acquisitions (M&A) achieved a modest rise in completed deals in the first quarter of 2024 compared with the same period last year, according to research from leading global advisory, broking and solutions company WTW's (NASDAQ: WTW) Quarterly Deal Performance Monitor (QDPM).

Run in partnership with the M&A Research Centre at Bayes Business School, part of City, University of London, the data reveal that 166 deals valued over \$100 million were completed globally during the first quarter of 2024. This compares with 150 deals completed during the same period in 2023, representing an 11% increase in volume.

Following four consecutive quarters of decline, the volume of large deals (valued over \$1 billion) may also be stabilizing. With 34 large deals completed in the first quarter of 2024, this represents the second quarterly rise in a row, following 33 deals completed in the fourth quarter of 2023 and 32 during the previous quarter. Also, five mega deals (valued over \$10 billion) closed in the first quarter of 2024 compared with just one in the first three months of 2023.

Compared with strong equity market performance worldwide, however, companies completing M&A deals underperformed the wider market¹ by –13.1 percentage points for acquisitions valued over \$100 million between January and March 2024. This figure is based on share price performance and continues the negative performance of the previous quarter (–13.6 percentage points).

Despite these latest performance figures, the long-term 15-plus-year trend still shows M&A deals to have outperformed the market since the global financial crisis (+1.5 percentage points).

"2023 proved to be a very challenging year for acquisitions globally," said David Dean, managing director, Mergers & Acquisitions, WTW. "And despite receding inflation fears, several factors are combining to have a chilling effect on dealmaking, including weak global economic growth, geopolitical instability and ongoing uncertainty surrounding the U.S. presidential election.

"However, there may be some light at the end of the tunnel," continues Dean. "Worries over a possible recession are dimming, and there are predictions for a turnaround in M&A completions, which are supported by a recent jump in IPO activity. Additionally, private equity firms are facing heightened pressure to step up their M&A activity and utilize their committed capital. In fact, we may very well see a more active year ahead given the apparent uptick in deal announcements in late 2023 and early 2024."

The M&A market in North America experienced a challenging first three months of the year, with acquirers underperforming their regional index for the fifth consecutive quarter, following 97 completed deals. The level of underperformance (–14.1 percentage points) was the region's third worst ever since the WTW study began in 2008.

European dealmakers also struggled to generate value from transactions. Having not outperformed their regional index since 2021, they underperformed during the period January to March 2024 by –9.2 percentage points, with 37 deals completed.

M&A performance was more robust in the Asia Pacific region, where more positive results have been achieved during the past two years, leading acquirers to record a first-quarter performance of +3.0 percentage points, with 31 deals completed. Notably, deals over \$100 million completed in China — the world's second largest economy — slumped to just nine during the first three months of 2024, the country's lowest level in over a decade and a fall of over 90% since Chinese corporate M&A deals peaked in 2015.

"It's too soon to say whether there will be a full market recovery, but conditions for M&A activity are improving. Interest rates have stabilized and may decline at some point this year, and there is less competition for deals. As a result, last year's wait-and-see attitude to dealmaking may soon be in the rearview mirror," said Dean.

WTW QDPM methodology

- All analysis is conducted from the perspective of the acquirer.
- Share-price performance within the quarterly study is measured as a percentage change in share price from six months prior to the announcement date to the end of the quarter.
- All deals where the acquirer owned less than 50% of the shares of the target after the acquisition were removed; hence, no minority purchases have been considered. All deals where the acquirer held more than 50% of target shares prior to the acquisition have been removed; hence, no remaining purchases have been considered.
- Only completed M&A deals with a value of at least \$100 million that meet the study criteria are included in this research.
- Deal data are sourced from Refinitiv.

About WTW M&A

WTW's M&A practice combines our expertise in risk and human capital to offer a full range of M&A services and solutions covering all stages of the M&A process. We have particular expertise in the areas of planning, due diligence, risk transfer and post-transaction integration, areas that define the success of any transaction.

About WTW

At WTW (NASDAQ: WTW), we provide data-driven, insight-led solutions in the areas of people, risk and capital. Leveraging the global view and local expertise of our colleagues serving 140 countries and markets, we help organizations sharpen their strategy, enhance organizational resilience, motivate their workforce and maximize performance.

Working shoulder to shoulder with our clients, we uncover opportunities for sustainable success—and provide perspective that moves you. Learn more at wtwco.com.

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¹ The M&A research tracks the number of completed deals over \$100 million and the share price performance of the acquiring company against the MSCI World Index, which is used as default, unless stated otherwise.