



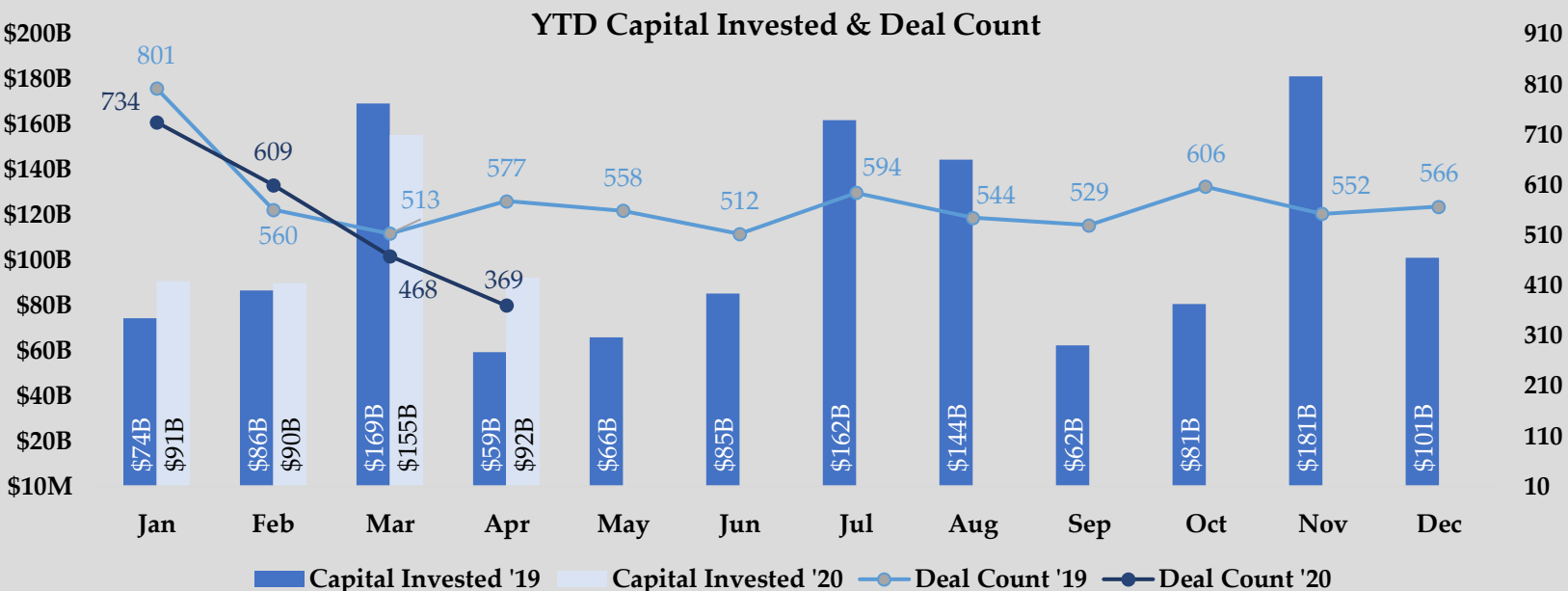
# U.S. M&A Update

April 2020

## Notable Trends in April 2020

Year-over-year, deal count was down by 36% mainly due to the economic impact of COVID-19; however, capital invested increased YOY by 55.6% which was led by the T-Mobile and Sprint acquisition of \$26.5 billion, which was officially finalized this month. Both capital invested and deal count

were significantly lower in this month than they were in March, decreasing by 40.7% and 21.2%, respectively. Median deal size increased compared to both last year and the previous month. The EV/EBITDA median multiple increased by 67% YOY and 61.6% compared to the previous month.

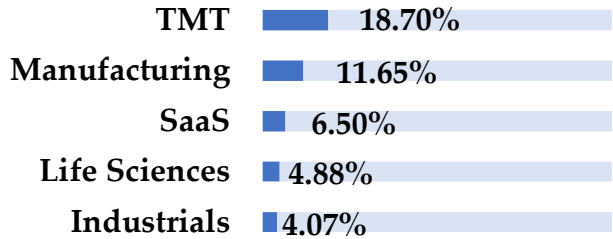


This month was right in the middle of the COVID-19 pandemic, and premiums tend to be higher when the economy is struggling.

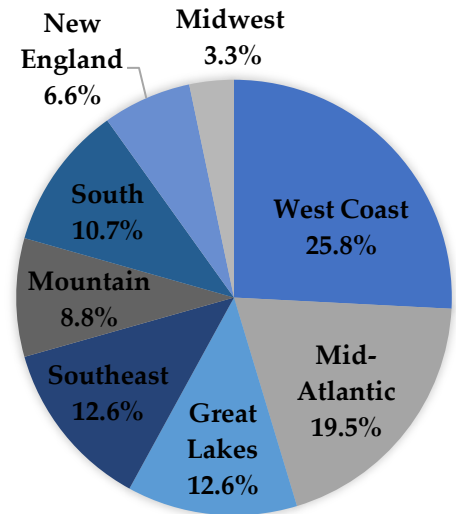
The top two most active verticles in the month of January were Technology, Media, and Telecommunications (TMT) and Manufacturing at 18.70% and 11.65%, respectively. These two verticles were the top two most active last month as well. The TMT verticle had three of the largest five deals done during the month, and the Manufacturing verticle had three of the largest six deals completed in April.

The West Coast had the most completed deals at 121 making up right over a quarter of all deals done in the U.S. in April. California had the 2<sup>nd</sup> through 5<sup>th</sup> largest deals in the month; however, the biggest deal of the month, by far, was done in the Midwest which only made up 3.3% of all deals finalized during this month.

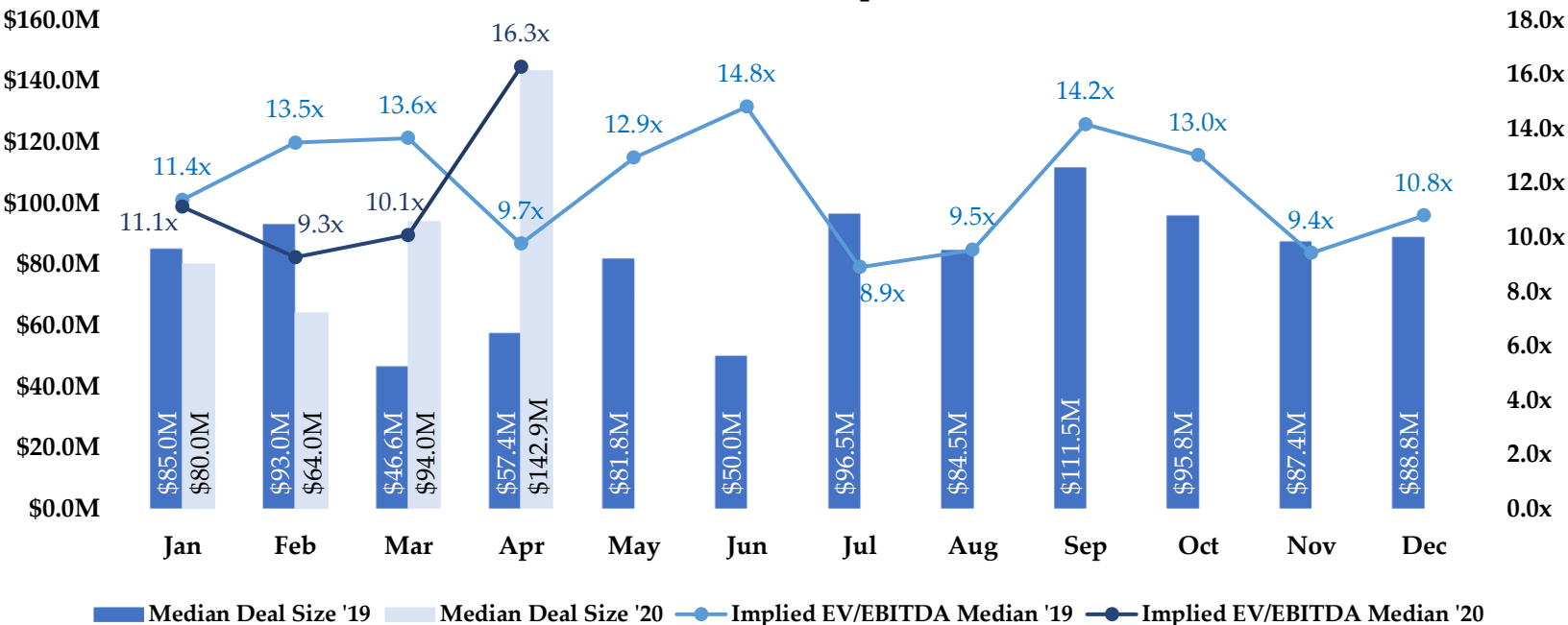
### Top 5 Associated Verticles



### DEAL COUNT PERCENTAGE BY US REGIONS



### YTD Median Deal Size & Implied EV/EBITDA



## Selected U.S. Transactions

Deal Date	Buyers/Investors	Company Name	Company State/Province	Verticals	Deal Size
01-Apr-2020	T-Mobile (US) (NAS: TMUS)(John Legere)	Sprint	Kansas	Mobile, TMT	26,500.00
30-Apr-2020	Accenture (NYS: ACN)(Julie Sweet)	Symantec (Enterprise Business)	California	Cybersecurity, Mobility Tech	10,700.00
16-Apr-2020	Infineon Technologies (ETR: IFX)(Reinhard Ploss)	Cypress Semiconductor	California	Manufacturing, TMT	9,813.46
27-Apr-2020	Nvidia (NAS: NVDA)(Jensen Huang)	Mellanox Technologies	California	Manufacturing, TMT	7,000.00
07-Apr-2020	Gilead Sciences (NAS: GILD)(Daniel O'Day)	Forty Seven	California	Life Sciences, Oncology	4,900.00
28-Apr-2020	Pepsico (NAS: PEP)(Ramon Laguarta)	Rockstar Energy	Nevada	Manufacturing	3,850.00
23-Apr-2020	DraftKings (NAS: DKNQ)	Diamond Eagle Acquisition	California	TMT	3,300.00
02-Apr-2020	UCB (BRU: UCB)(Jean-Christophe Tellier)	Ra Pharmaceuticals	Massachusetts	Life Sciences, LOHAS & Wellness	2,434.37
22-Apr-2020	Cornerstone OnDemand (NAS: CSOD)(Adam Miller)	Saba Software	California	Mobile, SaaS, TMT	1,295.00
07-Apr-2020	SoFi(Anthony Noto)	Galileo	Utah	FinTech, TMT	1,200.00
24-Apr-2020	US Foods (NYS: USFD)(Pietro Satriano)	Smart Foodservice Warehouse Stores	Oregon	Industrials, Manufacturing	970.00
30-Apr-2020	Molina Healthcare (NYS: MOH)(Joseph Zubretsky)	Magellan Complete Care	Arizona	Digital Health	925.00
30-Apr-2020	Sartorius (ETR: SRT)(Joachim Kreuzburg)	Danaher (Life Science Platform Businesses)	California	HealthTech, Life Sciences	825.00
14-Apr-2020	Novelis(Steven Fisher)	Aleris	Ohio	Industrials, Manufacturing	780.00
02-Apr-2020	Facebook Group (PINX: FUBO)	FuboTV	New York	TMT	610.00
01-Apr-2020	A.P. Møller-Mærsk (CSE: MAERSK B)(Vincent Clerc)	Performance Team	California	E-Commerce, Industrials, TMT	545.00
01-Apr-2020	Embracer Group (STO: EMBRAC B)(Lars Wingefors)	Saber Interactive	New Jersey	Gaming	525.00
01-Apr-2020	Synthomer (LON: SYNT)(Calum MacLean)	OMNOVA Solutions	Ohio	Manufacturing, Oil & Gas	473.00
27-Apr-2020	Optum	AbleTo	New York	Digital Health, HealthTech, TMT	470.00
06-Apr-2020	Harsco (NYS: HSC)	PSC Environmental Services	Texas	Industrials, Infrastructure	462.50
20-Apr-2020	Fox Corporation (NAS: FOXA)(Lachlan Murdoch)	Tubi TV	California	AdTech, TMT	440.00
21-Apr-2020	Palo Alto Networks (NYS: PANW)(Nikesh Arora)	CloudGenix	California	CloudTech & DevOps, SaaS, TMT	420.00
09-Apr-2020	Prime Healthcare Services(Sunny Bhatia)	St. Francis Medical Center (Lynwood, California)	California	Life Sciences	350.00
28-Apr-2020	Silicon Labs (NAS: SLAB)(Tyson Tuttle)	Redpine Signals (Wi-Fi and Bluetooth Business)	California	Internet of Things	308.00
16-Apr-2020	Gaming and Leisure Properties (NAS: GLPI)(Peter Carlino)	Tropicana Las Vegas	Nevada	TMT	307.50

## Transactions Highlights

### *Sprint (Kansas)*

Sprint was the fourth largest phone carrier in the United States at the time of this deal. T-Mobile, who was the third largest carrier, acquired Sprint to help them compete and gain market share back from Verizon and AT&T. This merger was for \$26.5 billion, and the new company will operate under the T-Mobile name. With this acquisition, T-Mobile's size is almost in line with that of AT&T. This deal comes after a long legal battle on whether this would make the industry anticompetitive.



### *Symantec (California)*

This company, the cyber security services business of Broadcom Inc., was acquired by Accenture on April 30<sup>th</sup> for \$10.7 billion. Accenture is a professional services company that provides technology consulting services. This acquisition enhances their position as one of the largest providers of managed security services in the world.

### *Cypress Semiconductor (California)*

The company, a provider of advanced embedded technology systems, was acquired by Infineon Technologies for \$9.8 billion on April 16<sup>th</sup>. Infineon Technologies designs and develops microchips and is one of the leaders in that respective market. The acquisition is expected to be accretive to their earnings beginning in 2021. Infineon is now one of the world's top 10 semiconductor manufacturers.



### **Mellanox Technologies (California)**

Mellanox Technologies is engaged in the development, manufacturing and sales of computer networking products based on InfiniBand and Ethernet technology. They were acquired by Nvidia on April 27<sup>th</sup> for \$7 billion, and this transaction unites two of the world's leading firms in high performance computing. This deal will help Nvidia's customers achieve higher performance and lower operating costs. The acquisition is expected to be accretive immediately to their non-GAAP gross margin, EPS, and free cash flow.



### **Forty Seven (California)**

The company, a clinical-stage immune-oncology company that develops therapies targeting cancer, was bought by Gilead Sciences in a \$4.9 billion deal. They bought Forty Seven at \$95 a share, which is a steep premium as they had never traded above \$50 a share before the news broke. Gilead Sciences is a research-based biopharmaceutical company, and this is their second transaction in the last couple of years to expand into the immune-oncology space.