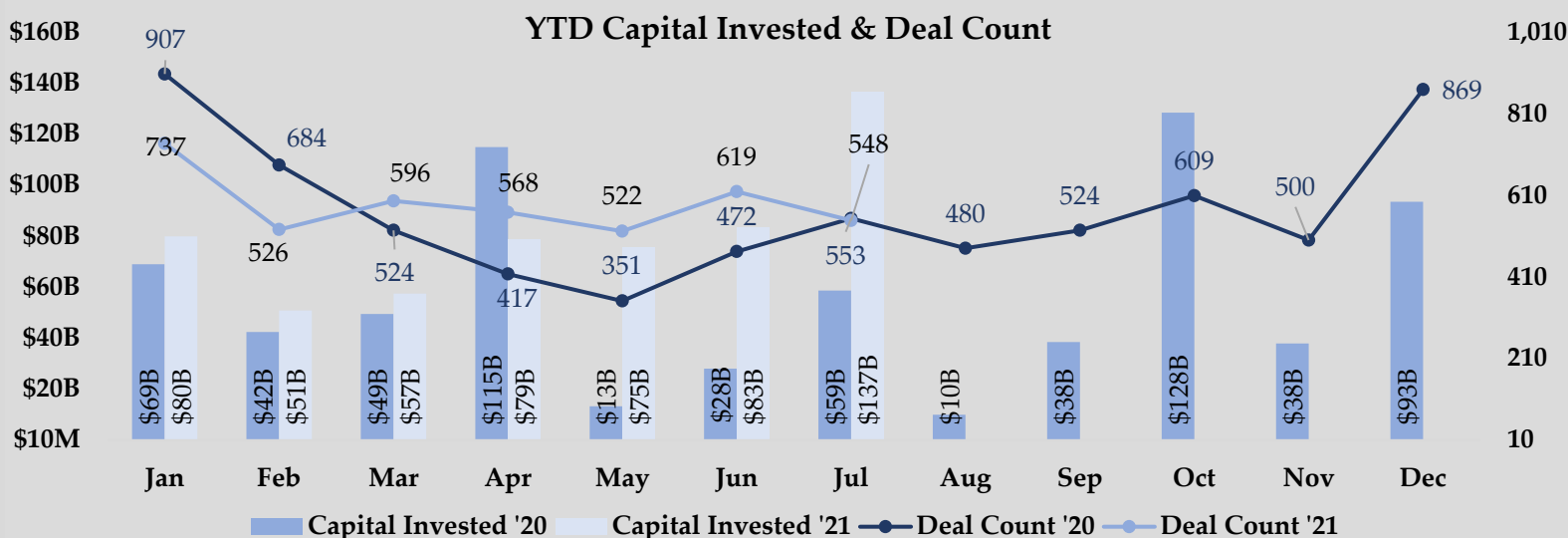# U.S. M&A Update

July 2021

Notable Trends in July 2021

Year-over-year, capital invested increased by 132.9% and deal count decreased by 0.9%, respectively. When compared to the previous month, capital invested increased by 64.1%, while deal count decreased by 11.5%. This is the third month in a row seeing an increase in the Year-over-year capital and the first month since February to witness a Year-over-year decrease in total deal count. Median deal size in the U.S. increased 633.3% year-over-year, in large part due to the impact of Covid on business in July of 2020.

Additionally, deal size is up by 20.8% compared to the prior month. This year-over-year increase shows that even though less deals are being completed, the median deal size has remained around $90 million for the second month in a row. The EV/EBITDA median has also increased significantly by 20.8% in July compared to last month. The implied EV/EBITDA for July was 9.9x.

YTD Capital Invested & Deal Count

Legend: Capital Invested '20 | Capital Invested '21 | Deal Count '20 | Deal Count '21

Deal Count '20 values: Jan 907, Feb 684, Mar 596, Apr 417, May 351, Jun 472, Jul 553, Aug 480, Sep 524, Oct 609, Nov 500, Dec 869

Deal Count '21 values: Jan 737, Feb 526, Mar 524, Apr 568, May 522, Jun 619, Jul 548

Capital Invested '20: Jan $69B, Feb $42B, Mar $49B, Apr $115B, May $13B, Jun $28B, Jul $59B, Aug $10B, Sep $38B, Oct $128B, Nov $38B, Dec $93B

Capital Invested '21: Jan $80B, Feb $51B, Mar $57B, Apr $79B, May $75B, Jun $83B, Jul $137B
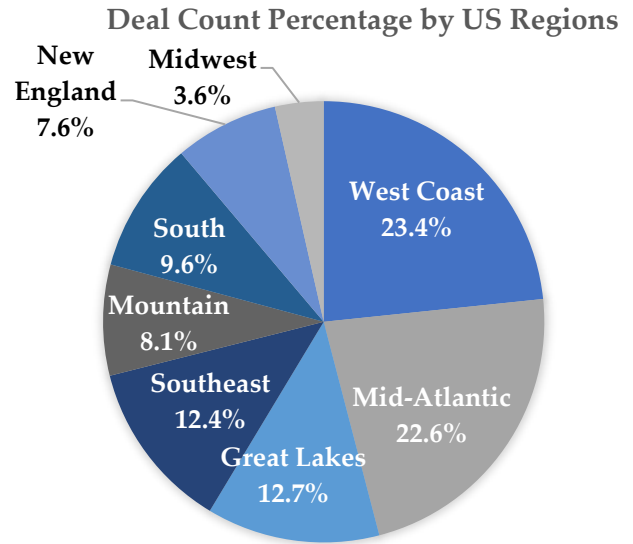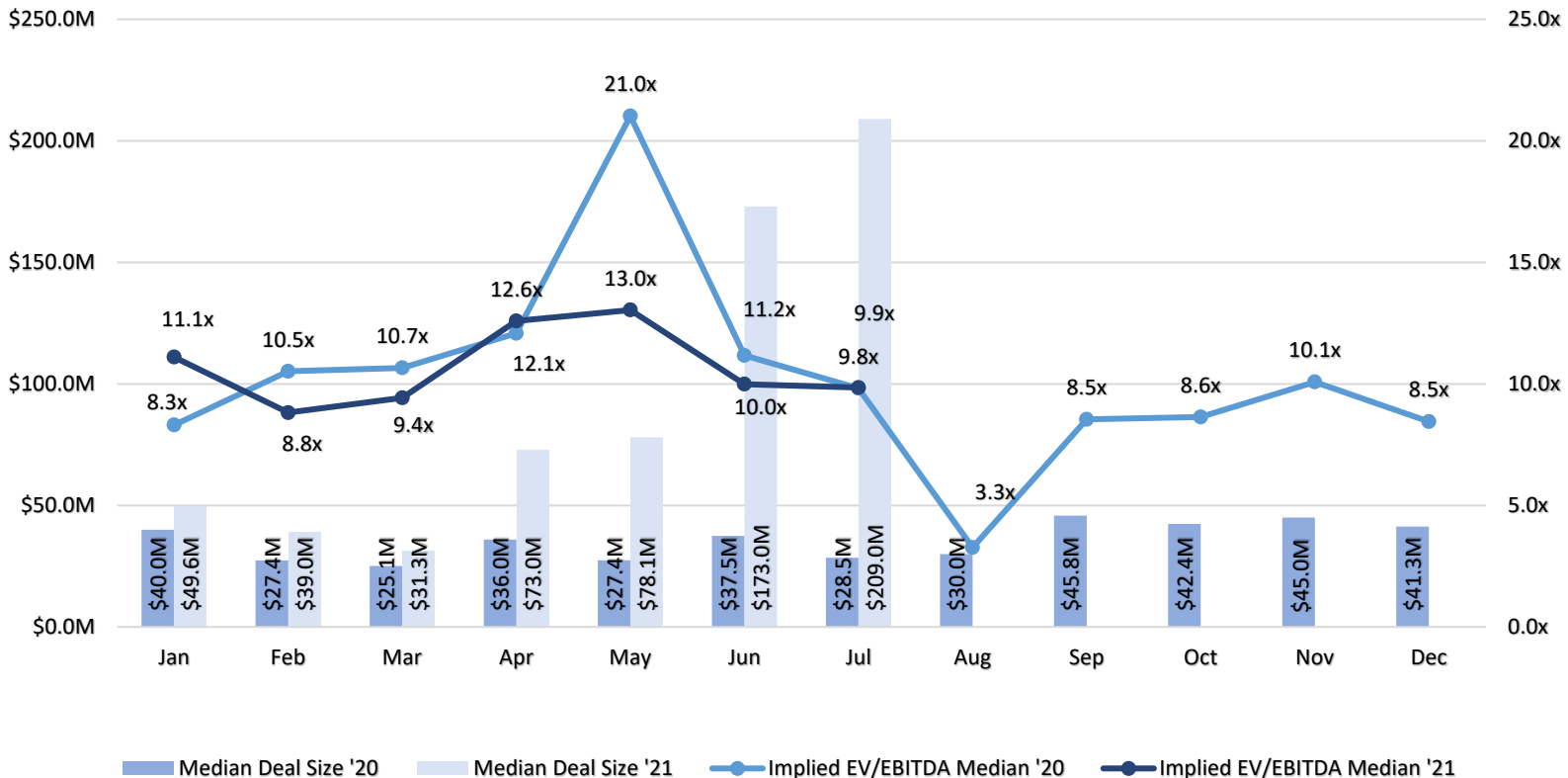
Top 5 Associated Verticals

TMT was the most active vertical in July at 15.67% of total deal count, which included six of the largest twenty-five deals completed this month. The next three verticals, Manufacturing, Software as a Service (SaaS), and Industrials accounted for 9.62%, 5.99%, and 5.68% of deals this month, respectively.

Vertical	Percentage
TMT	15.67%
Manufacturing	9.62%
SaaS	5.99%
Industrials	5.68%
Mobile	3.17%
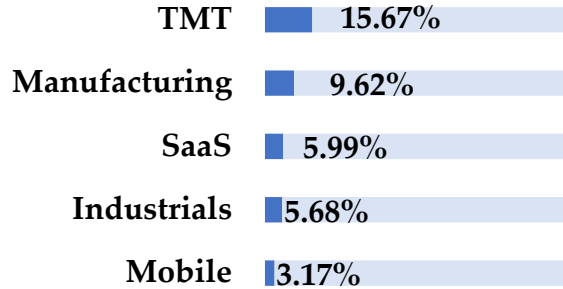
The West Coast led all regions with 141 deals followed by the Mid-Atlantic with 114 deals. The Southeast, Great Lakes and South regions followed behind with 77, 58, and 54 deals completed in the month of July. New England was the home of July's largest deal, which occurred in Massachusetts for $39 Billion.

Deal Count Percentage by US Regions

- Midwest 3.6%
- New England 7.6%
- West Coast 23.4%
- Mid-Atlantic 22.6%
- Great Lakes 12.7%
- Southeast 12.4%
- Mountain 8.1%
- South 9.6%

YTD Median Deal Size & Implied EV/EBITDA

Month	Median Deal Size '20	Median Deal Size '21	Implied EV/EBITDA Median '20	Implied EV/EBITDA Median '21
Jan	$40.0M	$49.6M	8.3x	11.1x
Feb	$27.4M	$39.0M	10.5x	8.8x
Mar	$25.1M	$31.3M	10.7x	9.4x
Apr	$36.0M	$73.0M	12.1x	12.6x
May	$27.4M	$78.1M	21.0x	13.0x
Jun	$37.5M	$173.0M	11.2x	10.0x
Jul	$28.5M	$209.0M	9.9x	9.8x
Aug	$30.0M		3.3x	
Sep	$45.8M		8.5x	
Oct	$42.4M		8.6x	
Nov	$45.0M		10.1x	
Dec	$41.3M		8.5x	

Davidson Capital Advisors, LLC

July Transaction Highlights

AstraZeneca

Alexion Systems *(Massachusetts)*

On July 21st AstraZeneca completed its acquisition of Alexion for $39 billion. Alexion is a world leader in the discovery and development of medicines for patients with rare diseases. Alexion will support AstraZeneca's long-term goal of developing novel medicines in areas of immunology with high unmet medical needs.

ALEXION AstraZeneca Rare Disease

Slack *(California)*

On July 21st , Salesforce.com finished acquiring Slack for $27.7 Billion. Slack is a messaging application for business that connects people to the information they need. Together, they aim to define the future of enterprise software, creating a digital HQ that enables businesses to operate from anywhere. This transaction will accelerate Salesforce's mission to unify business computing onto a single platform.

salesforce

slack

PRA Health Services *(North Carolina)*

On July 1st Icon completed its acquisition of PRA Health Sciences for $12 Billion. With this acquisition, Icon anticipates greater ability to provide pharmaceutical and medical device customers with a greater depth of expertise, technology, and talent. PRA has developed significant mobile health technologies and platforms that were adopted at an unprecedented rate due to COVID-19.

ICON

PRA Health Sciences

GlobalLogic (California)

On July 13th, Hitachi purchased GlobalLogic for $8.5 Billion. GlobalLogic specializes in advanced digital engineering, experience design, and data services to help clients accelerate innovation and the development of new digital products and experiences. This furthers Hitachi's focus on Social Innovation Businesses that combine information technology (IT), operation technology (OT), and products.

Navistar (Illinois)

On July 1st, Traton completed its acquisition of Navistar for $3.7 Billion. Navistar is a holding company whose subsidiaries and affiliates produce commercial trucks, proprietary diesel engines, buses, and diesel truck service parts. The deal will add to Traton's vast holdings as a commercial vehicle manufacturer. Triton's aim is to reinvent transportation. The deal emerges as a result of Traton and Navistar forming a strategic alliance in 2017.