University of Texas Annual Technology Law Conference

Recent Developments in Private Company Mergers and Acquisitions

May 2019

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Topics to be Covered

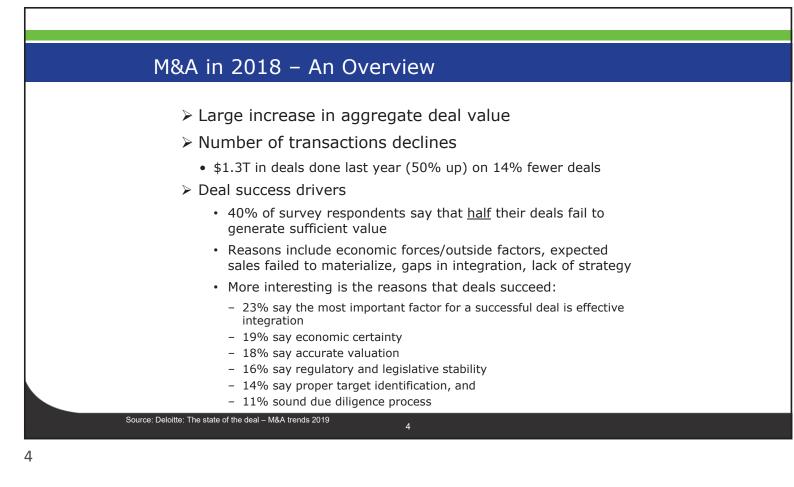
≻Recent M&A Deal Terms

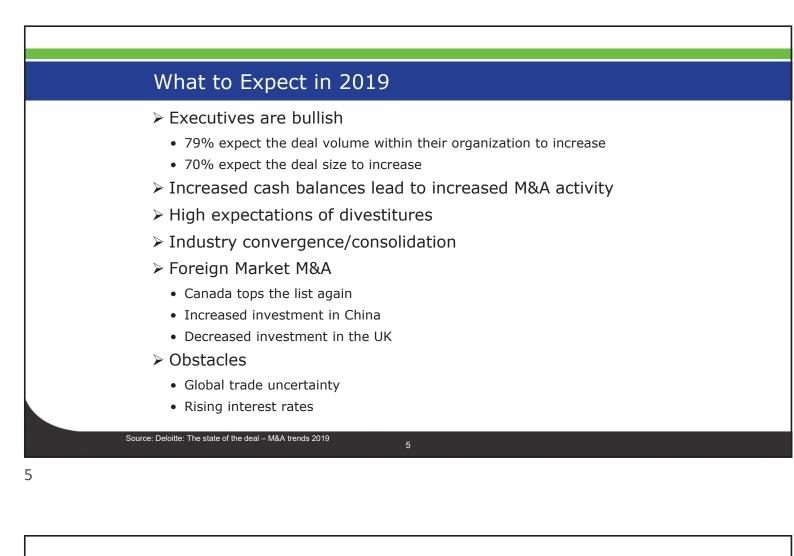
➢Recent Delaware M&A Caselaw

>Trends in M&A Deal Insurance

≻Questions

Recent M&A Deal Terms





Analysis of Deal Terms – Financial Terms

- > Time from first investment round to exit = 7 years
- > Number of equity rounds at exit = 4
- Median investment = \$31 million; Average investment \$51 million
- > Median ROI = 3.8x; Mean ROI = 6.1x
- > Increasing use of:
 - Separate escrow for post-closing purchase price adjustments = 56%
 - Cash-only deals = 86%
- Decreasing use of:
 - Full acceleration of option vesting = 31%
 - Management carveouts = 8%

Also available as part of the eCourse 2019 Technology Law eConference

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