

*UT Law CLE 18th Annual Mergers and
Acquisitions Institute*

Hot Topics in Private Equity M&A

Moderator:

Rita-Anne O'Neill, Sullivan & Cromwell LLP, Los Angeles, CA

Panelists:

Deirdre Harding, TPG Capital, San Francisco, CA

Katherine Krause, Simpson Thacher & Bartlett LLP, New York, NY

Julia Papastavridis, Aon, New York, NY

Christina Tate, Winston & Strawn LLP, Dallas, TX

October 6, 2022

1

Table of Contents

- Current Global Market Activity
 - 2022 – Macroeconomic Backdrop
 - Impact on Private Equity Investment
 - Valuations
 - Exit Strategies
 - Dry Powder
- Take-Private Transactions
 - Increase in Take-Private Transactions
 - Legal Considerations
 - Anaplan Case Study
- Alternative Exit Transactions
 - Exit Strategies
 - Legal Considerations
- Changing Regulatory Landscape
 - New Foreign Direct Investment Regimes
 - Increased Antitrust Scrutiny
 - Increased Antitrust Focus on Private Equity
 - Key Takeaways
- Questions & Answers

2

2

Current Global Market Activity

3

3

Current Global Market Activity

Continued

2022 – Macroeconomic Backdrop

- 2022 has seen a slow-down in deal-making and a more conservative approach to transactions, including valuations
- Causes for caution include:
 - Inflation – in particular, rising commodity and energy prices;
 - Sharply rising interest rates;
 - Inability to predict growth;
 - Sanctions – in particular, new sanctions affecting Russian operations;
 - Supply-chain disruptions;
 - Increasing regulatory scrutiny;
 - Challenging debt financing markets; and
 - A more challenging and volatile macroeconomic environment overall.

4

4

Current Global Market Activity

Continued

Impact on Private Equity Investment

- According to S&P Global Market Intelligence, total private equity deal volume in the first half of 2022 lagged behind that of 2021 in terms of both value and volume, with total deal value of \$415 billion representing a 28% decline year-over-year and total deal volume of 1,727 representing a 20% decline year-over-year
- Sectors that attracted private equity investment in 2022 included technology, media and telecommunications as well as healthcare and energy transition, including both renewable energy and energy efficiency, storage and management

5

5

Current Global Market Activity

Continued

Valuations

- 2022 also has seen a decline in valuations in certain sectors
- In particular, market headwinds have had a tangible impact on valuations in the retail technology space, where concerns around growth and inflation have coupled to particularly impact mid- to late-stage businesses
- According to CB Insights' State of Retail Tech report, funding in the space cratered in Q2 2022 from \$23.3 billion to \$13.2 billion, with Klarna's July funding round serving as a high-profile illustration of the challenges of the sector

Global retail tech funding takes a dive in the second quarter of 2022



Source: CB Insights, State of Retail Tech Q2 2022

6

6

Find the full text of this and thousands of other resources from leading experts in dozens of legal practice areas in the [UT Law CLE eLibrary \(utcle.org/elibrary\)](https://utcle.org/elibrary)

Title search: Hot Topics in Private Equity M&A

Also available as part of the eCourse

[2022 Mergers and Acquisitions eConference](#)

First appeared as part of the conference materials for the
18th Annual Mergers and Acquisitions Institute session
"Hot Topics in Private Equity M&A"