

University of Texas Annual Technology Law Conference

Recent Developments in Private Company Mergers and Acquisitions

May 2020

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Topics to be Covered

- Impact of COVID-19 on Private M&A Deals
- Recent Developments in Delaware caselaw
- Post-closing integration matters
- Questions

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Impact of COVID-19 on Private M&A Deals

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Impact of COVID-19 on Private M&A Deals

- Purchase price considerations
- Deal timing/due diligence
- Deal financing
- Specific merger agreement provisions

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Purchase Price Considerations

- Stock market volatility and COVID-19 creating uncertainty in value
- Public markets impact private company valuations and sentiment
- Concern over economic uncertainty adversely impacts valuation
- Virus uncertainty can impact working capital adjustments
 - Consider collar on adjustment amount
 - Consider cap on amount of working capital adjustment

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Deal Timing/Due Diligence Considerations

- Working remotely is effective but can be less efficient than face to face meetings
- Potential delays in regulatory clearances (HSR, CFIUS)
- More difficult to determine corporate culture fit
- Employee communication challenges
- Integration planning challenges
- Potential for different COVID implications based on location

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33rd Annual Technology Law Conference session

"Key Issues in Mergers and Acquisitions of Private Companies"