

HOT TOPICS IN M&A

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Overview

- Current M&A Market Trends
- Recent Developments in Private Company M&A Deals
- Recent Developments in Delaware Case Law
- Key Considerations in Engaging an Investment Bank
- Specialized Terms in M&A NDAs
- FTC's proposed limitations on non-compete agreements

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CURRENT M&A MARKET TRENDS

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M&A Macro Trends – Focus on Quality Assets

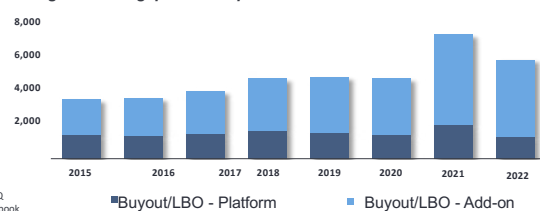
U.S. Middle Market M&A Activity⁽¹⁾ has Moderated as Investors and Buyers Prioritize Flight to Quality...

While U.S. middle market deal volume has declined in light of heightening economic uncertainty, buyers are still pursuing increasingly scarce high-quality assets



...Mirroring the Slowdown in PE Deal Volume⁽²⁾

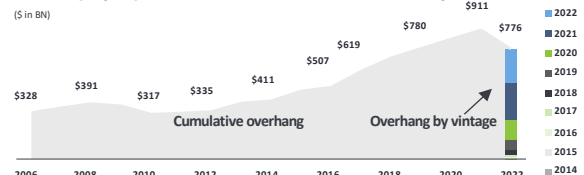
Private equity is taking a deliberate approach to dealmaking, creating a widening valuation gap between premium assets and the rest of the market



1: CapIQ
2: Pitchbook

...Despite Funds Sitting on Hoards of Dry Powder⁽²⁾

PE fund managers with definite fund lives need to deploy nearly \$800BN of equity capital, which continues to drive robust buy-side demand



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Private Equity Dry Powder

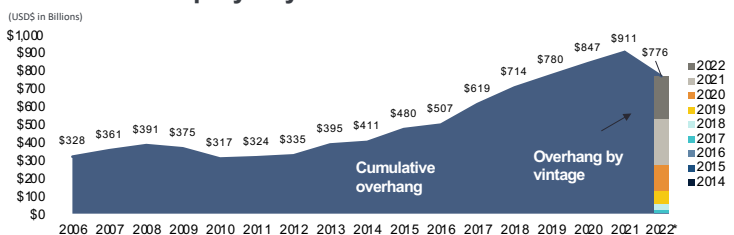
US PE has steadily increased amount of capital available to invest

- \$776 B in 2022
- Ever larger funds being raised
- Middle market PE funds have proliferated
- Historically low interest rates leading up to today

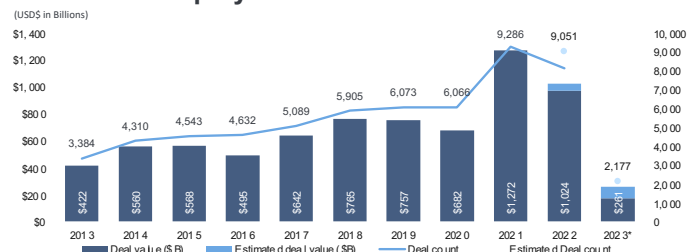
Dry powder not a result of lack of investing

- Investment activity remains on an upward trajectory
- PE a potentially attractive partial exit for companies to participate in a “second bite of the apple”

U.S. Private Equity Dry Powder¹



U.S. Private Equity Investment Volume²



¹ Pitchbook

² Pitchbook – Q1 2023 Annual US PE Breakdown (*2023 through 3/31/23)

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36th Annual Technology Law Conference session

"Key Trends in Private Company Mergers and Acquisitions"