

# GLOBAL DOWNTURN IN MID-MARKET M&A ACTIVITY HITS IN Q3 2016



## Global mid-market activity saw its weakest quarter since Q1 2013

Deal volume experienced negative trends worldwide



**29.3%**  
FEWER TRADE DEAL  
COMPLETIONS  
COMPARED TO Q3 2015

Private equity took a smaller piece of the pie

**168**  
BUYOUTS  
36.4% DECLINE  
FROM Q3 2015



Average deal value held strong

**\$87.4M**  
AVERAGE  
DEAL VALUE



AMONG TOP  
TEN AVERAGE  
DEAL VALUES  
SINCE Q1  
2008

## M&A activity takes a breather in North America after fast-paced 2015

Regulatory and economic pressures curb deal volume



WORST QUARTER FOR  
MID-MARKET M&A ACTIVITY SINCE 2009

Deal volume down overall, with historically active sectors hit hard



**67**

DEALS IN TECHNOLOGY  
& MEDIA SECTOR  
53.5% DROP FROM Q3 2015



**59**

DEALS IN INDUSTRIALS  
& CHEMICALS SECTOR  
DOWN 35.9% FROM Q3 2015

## Declining GDP in Latin America slows deal flow

Deal volume and value drop



**\$4.7B**  
TOTAL VALUE  
29.9% DECREASE  
FROM Q3 2015



PE deal volume stayed steady, but average deal size dropped



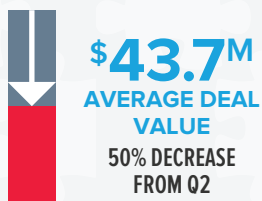
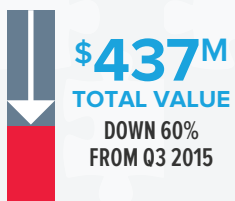
**\$560M**  
TOTAL VALUE  
ACCOUNTED FOR 11.9% OF  
REGION'S TOTAL VALUE

**\$193M**  
AVERAGE  
DEAL  
VALUE  
DOWN 41.9%  
FROM Q2



## M&A activity in Israel contracts in Q3

Worst performing quarter since Q3 2012 in terms of both value and volume



Private Equity was a marginalized player



**\$10M**  
TOTAL VALUE



80% DROP  
IN VOLUME  
FROM Q3 2015



97% DROP  
IN TOTAL  
DEAL VALUE  
FROM Q3 2015

10% OF  
COUNTRY'S  
TOTAL  
VOLUME;  
2.3% OF  
TOTAL VALUE



**Technology & Media**

remains most active sector, accounted for **48%** of total transactions

## Nordics were lone bright spot in challenging quarter

Only region to avoid slump and surpass Q3 2015 numbers



**\$4.446B**  
TOTAL DEAL  
VALUE  
114.5% GROWTH



Private equity was a large player in the region



**\$1.132B**  
TOTAL VALUE  
25.5% OF REGION'S  
TOTAL DEAL VALUE

PE'S PORTION OF TOTAL  
DEAL VALUE INCREASED  
147.6% FROM Q2.  
SECOND HIGHEST TOTAL  
DEAL VALUE SINCE Q2 2014

Adapted from *BDO Horizons*, quarterly study produced by BDO International using data from Mergermarket to track middle market transaction trends and developments.

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