

Texas M&A Trends

First Quarter 2020

As expected, M&A activity in the U.S., including Texas, declined by all measures recorded below. Prior to the COVID-19 pandemic, M&A activity had generally been softening at the end of 4Q19. Those declines continued and were exacerbated by the COVID-19 pandemic and the significant drop in oil prices, both of which dramatically decreased M&A activity in March 2020. These declines are expected to continue, and at an increasing rate, into 2Q20 and beyond as the COVID-19 pandemic and its lingering effects continue to impact the global economy and financial markets.



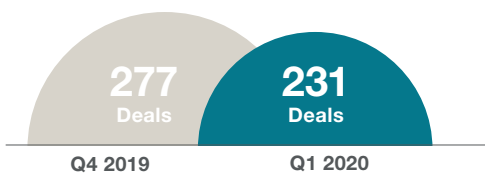
In Texas, M&A activity by number of deals saw a decline roughly consistent with the decline in M&A activity across the entire U.S. market. However, the value of Texas transactions (by both average and aggregate value) dramatically decreased relative to deal activity in Texas for 4Q19. This change is due, in part, to a significant decrease of larger (\$1B+) transactions in Texas, mostly in the energy sector.

(1) Based on 66 deals with a disclosed transaction value.

(2) Of the 105 Texas transactions signed in 4Q19 with a disclosed transaction value, 15 transactions had a transaction value in excess of \$1 billion. Of the 66 Texas transactions signed in 1Q20 with a disclosed transaction value, only two transactions had a value in excess of \$1 billion.

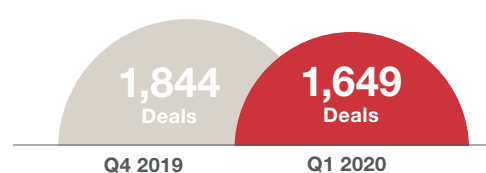
(3) Based on 575 deals with a disclosed transaction value.

TEXAS



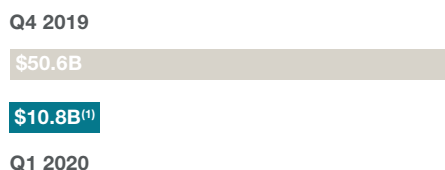
a decrease of
17%

U.S.



a decrease of
11%

AGGREGATE VALUE



80%⁽²⁾
decrease

AGGREGATE VALUE



25%
decrease

AVERAGE VALUE



66%⁽²⁾
decrease

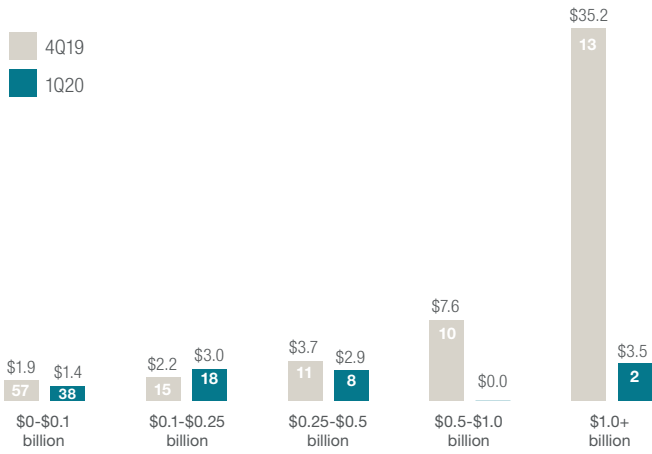
AVERAGE VALUE



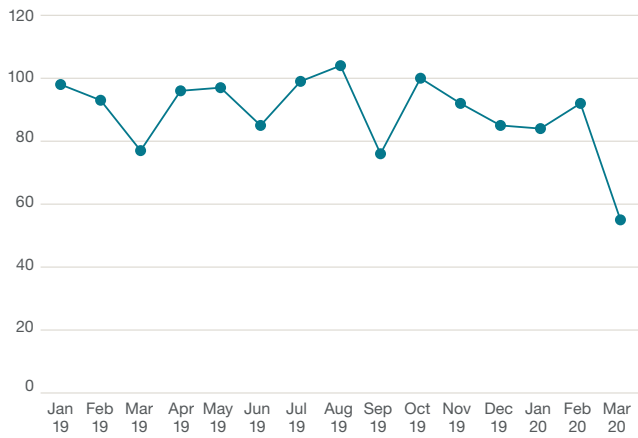
6%
decrease

TEXAS

TRANSACTION SIZE DISTRIBUTION

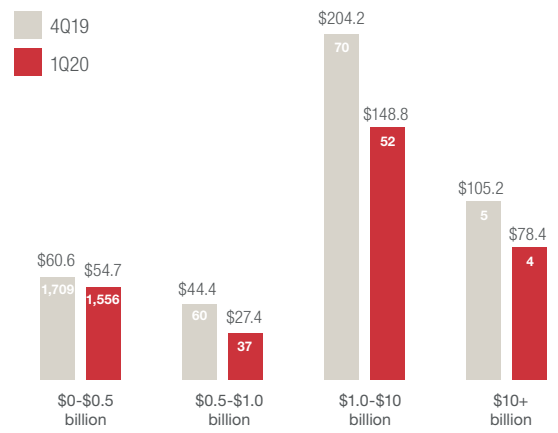


NUMBER OF DEALS (LTM)

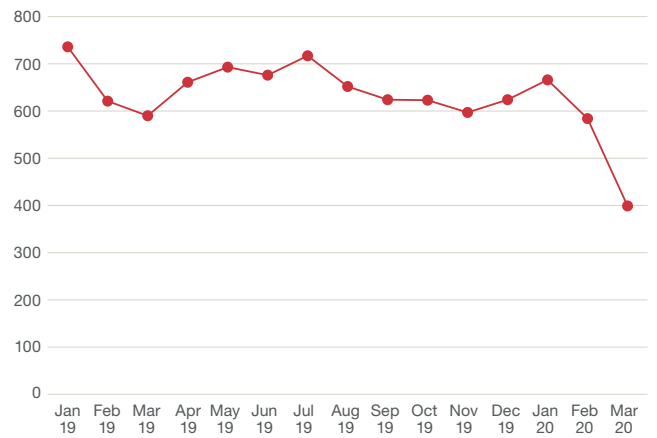


U.S.

TRANSACTION SIZE DISTRIBUTION



NUMBER OF DEALS (LTM)

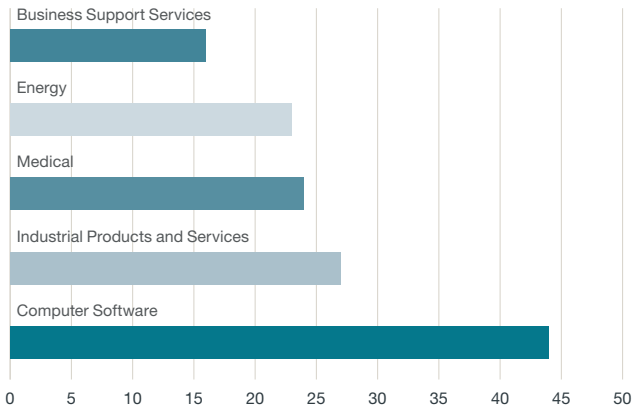


TEXAS

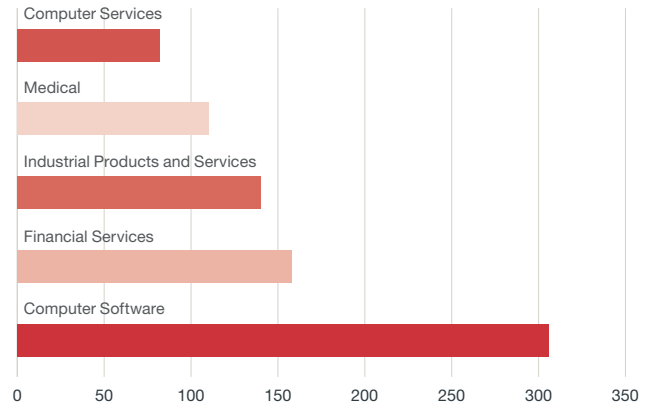
U.S.

Most Active Industries

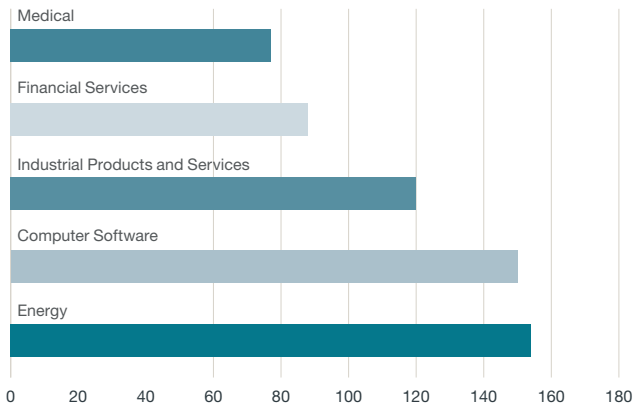
NUMBER OF DEALS (1Q20)



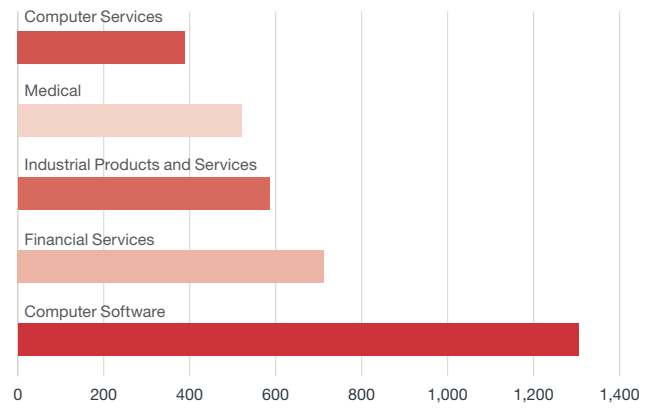
NUMBER OF DEALS (1Q20)



NUMBER OF DEALS (LTM)



NUMBER OF DEALS (LTM)



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