



Datasite Forecaster 2023 M&A Benchmarks

2023 global M&A benchmarks based on Datasite's proprietary, aggregated, and anonymized transaction data.



234

189

356



Introduction

Datasite's 2023 M&A Benchmarks provides dealmakers with standardized due diligence performance measures.

In this inaugural report, we focus on global sell-side benchmarks. We present performance through a time lens, as well as by deal outcomes.

Benchmarks help dealmakers:

- Validate M&A market trends
- Measure performance compared to peers
- Set client expectations around due diligence

2023

14,000+
transactions

800k+
dealmakers

180+
countries

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The Datasite view: Benchmark data and definitions

Data composition

Datasite's benchmark data is exclusively sourced from closed transactions on the Datasite platform. All data is aggregated and anonymized to preserve confidentiality.

We have developed the following definitions to provide clarity on how we are filtering and categorizing our data, which is all aggregated and anonymized.

Definitions

- **Sell side deal.** Datasite projects categorized as an asset sale or merger
- **Prep time.** The median time from project creation to launch
- **Due diligence time.** The median time from project launch to close
- **Deal outcome.** The status of a deal at project close according to the project administrator. Administrators can choose three options:
 - **Close.** When a project administrator says a transaction is complete at project close.
 - **Fail.** When a project administrator says the transaction will not complete at project close.
 - **Hold.** When a project administrator says the transaction will complete at a future date.

Deal velocity
Deal outcomes
Deal depth



The big picture:

Sell-side deals get harder

Sell-side dealmakers steered through choppy due diligence waters in 2023. Tough financing conditions. Fewer premium assets. Choosier buyers. Tighter regulatory conditions. Take your pick, it happened.

Here are three ways this played out in our global data:

- The chances of a sell-side deal closing dropped five percentage points in 2023 to 46% from 51% in 2022
- Sellers spent a median of three more days prepping assets for sale
- Buyers dragged out due diligence by a median of thirteen additional days compared to 2022



3

More days of prepping assets for sale in 2023 compared to 2022

-5%

Point drop in chances of a sell-side deal closing in 2023 compared to 2022

13

Extra days of due diligence in 2023 compared to 2022

EMEA & AMERs processes drag out APAC bucks the trend

The M&A market continues to recalibrate from the frenzied auction processes that characterized 2021. Except for APAC, sell-side transactions lengthened in 2023, continuing a two-year slow-down.

Notes:

- The gap between APAC and global prep times widens. In 2023, APAC sellers spent 57% fewer days in diligence compared to other regions.
- EMEA sellers focused on prep time the most last year, taking a median of five more days to prep assets for sale than in 2022.
- EMEA and AMERs buyers are also taking their time, extending diligence by a median of 13-14 days in 2023.

2023 sell-side transaction times (median days)

	Global			AMERs		
	2022	2023	YoY	2022	2023	YoY
Prep time	21	24	▲ 3	23	25	▲ 2
Due diligence time	160	173	▲ 13	174	187	▲ 13

	EMEA			APAC		
	2022	2023	YoY	2022	2023	YoY
Prep time	21	26	▲ 5	13	11	▼ -2
Due diligence time	142	156	▲ 14	174	166	▼ -8

Americas close rates drop nine points EMEA and APAC close rates hold steady

The chances of successfully completing a sell-side transaction worsened in 2023. Global sell-side close rates fell 5 percentage points in 2023, propelled by a nine-point plunge in the Americas. EMEA and APAC close rates held steady, however, with EMEA up a point and APAC down one for the year.

Notes:

- At 49%, AMERs close rates are still higher than EMEA and APAC, at 45% and 40%, respectively.
- EMEA and APAC's preference for putting deals on hold instead of closing or walking away from them reversed slightly in 2023.

2023 sell-side deal outcomes (% out of 100)

	Global			AMERs		
	2022	2023	YoY (pp)	2022	2023	YoY (pp)
Close	51%	46%	▼ -5	58%	49%	▼ -9
Fail	23%	29%	▲ 6	27%	33%	▲ 6
Hold	26%	25%	▼ -1	15%	18%	▲ 3

	EMEA			APAC		
	2022	2023	YoY (pp)	2022	2023	YoY (pp)
Close	44%	45%	▲ 1	41%	40%	▼ -1
Fail	19%	25%	▲ 6	24%	28%	▲ 4
Hold	37%	30%	▼ -7	35%	32%	▼ -3

Buyers cast skeptical eye on TMT & Energy deals Healthcare frictions ease

Transaction times lengthened across all five top industries. However, there were some interesting variations across industries.

Notes:

- TMT sellers may be paying a price for their lack of prep. Their buyers increased diligence times by 12% in 2023 – the highest of all the industries.
- Energy buyers did not let a hot market impact their decision-making. They took a median of 20 more days on diligence in 2023 compared to 2022.
- Healthcare transactions were the most frictionless in 2023. Prep times dropped by three days and buyer diligence lengthened by only 6% - versus 12% and 11% for TMT and Energy, respectively.

2023 sell-side transaction times (median days) by top 5 industries

	TMT			Industrials		
	2022	2023	YoY	2022	2023	YoY
Prep time	21	21	■ 0	30	33	▲ 3
Due diligence time	151	169	▲ 18	160	176	▲ 16

	Healthcare			Consumer			Energy		
	2022	2023	YoY	2022	2023	YoY	2022	2023	YoY
Prep time	26	23	▼ -3	25	33	▲ 8	18	21	▲ 3
Due diligence time	175	186	▲ 11	156	167	▲ 11	186	206	▲ 20

Industrials' deals likeliest to close in 2023

Energy closes nudge up; Healthcare closes plummet

Except for Energy, chances of a successful deal close dropped across our top five industry categories in 2023. Industrials took the lightest hit, dropping only three points from 2022. With a 48% close rate, that means industrials deals were the likeliest to close out of all top five industries in 2023.

Notes:

- Energy buyers' extra diligence paid off; deal closes ticked up three points in 2023.
- Healthcare closes dropped 11 points to 44%. That, plus the relative lack of transactional friction, suggests that many healthcare buyers were not serious in 2023.
- The outlook for consumer deals may not be as grim in 2024. Hold rates ticked up three points, suggesting some consumer deals were simply tabled until 2024.

2023 sell-side deal outcomes (% out of 100) by top 5 industries

	TMT			Industrials		
	2022	2023	YoY (pp)	2022	2023	YoY (pp)
Close	53%	46%	▼ -7	51%	43%	▼ -3
Fail	23%	30%	▲ 7	20%	26%	▲ 6
Hold	24%	24%	■ 0	29%	26%	▼ -3

	Healthcare			Consumer			Energy		
	2022	2023	YoY (pp)	2022	2023	YoY (pp)	2022	2023	YoY (pp)
Close	55%	44%	▼ -11	48%	41%	▼ -7	41%	44%	▲ 3
Fail	24%	32%	▲ 8	28%	33%	▲ 5	30%	32%	▲ 2
Hold	21%	23%	▲ 2	24%	27%	▲ 3	29%	24%	▼ -5

Conclusion

The M&A industry is busier than ever. However, the results of those efforts are higher quality deals, not more deals.

'Less is more' is a big shift for an industry historically driven by a 'more is more' mentality.

Time will tell how long this new mind-set lasts.



 14,000 deals annually

 800k users annually

 180+ countries annually

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