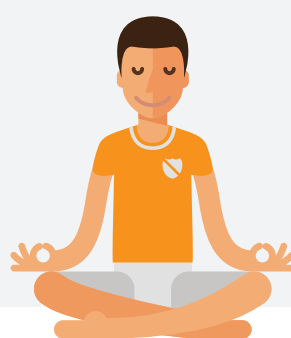


MERRILL INSIGHT™ | 2019 M&A SURVIVOR'S GUIDE

How can financial professionals best navigate geopolitical headwinds, market turmoil and tightening global regulatory and data privacy standards to M&A success? We drew on learnings from extensive global and regional polling and interviews to come up with these six takeaways to help guide dealmakers through 2019.

1 Breathe: It's Not All Doom and Gloom

Despite an incredibly turbulent global market, a preponderance of APAC (49%) and EMEA (51%) dealmakers take a bullish view of 2019, with most Americas dealmakers holding steady at 48% neutral.



2 Buyers' Ball

Choppier market conditions help level the M&A playing field, giving buyers more leverage to demand better pricing and deal terms. Look out for these four game-changers dealmakers expect as a result of the market slowdown:

WIN 1:

Asset values will deflate to sensible levels as a result of the market slowdown.



Americas 47%



EMEA 54%



APAC 64%

WIN 2:

Expect earn outs and other buyer-friendly deal terms to make a come-back.



Americas 30%



EMEA 21%



APAC 7%

WIN 3:

Look forward to less frantic sale processes.

17%

Americas

15%

EMEA

16%

APAC



WIN 4:

Distressed sales will inch up.



6%



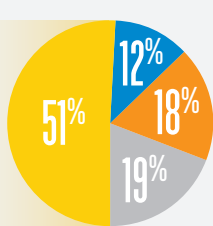
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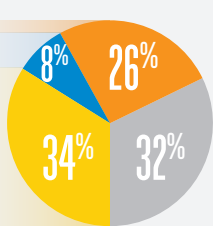
14%

3 Follow the Bouncing Transaction Type

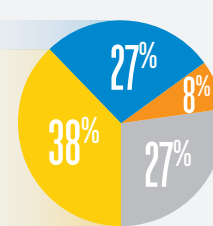
Every region picked a different mix of transaction types they expect to see more of next year. Key to a strong business pipeline is prioritizing the transaction types your local market will favor this year.



Americas predicts more buys next year, with other transactions far behind.



EMEA expects a mixed bag, with almost equal amounts acquisitions, restructuring and divestitures.



APAC sees more acquisitions, but with a robust number of restructuring and capital raises.

● ACQUISITIONS ● CAPITAL RAISE ● DIVESTITURE ● RESTRUCTURING

4 Check Trade Wars Twice

By 53% globally, dealmakers listed trade wars as the #1 business risk on due diligence checklists for 2019, even edging out Brexit in EMEA.

What topics will top Due Diligence checklists in 2019?

	Americas	EMEA	APAC
Trade Wars	54%	34%	70%
Data Privacy	26%	23%	19%
Climate Change	13%	12%	7%
Brexit	7%	31%	5%



5 Expect Red Cards

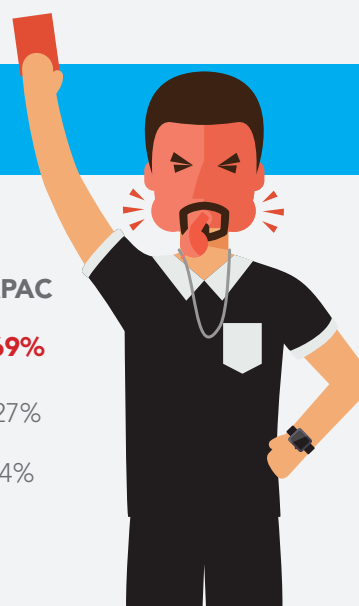
Concerns about protectionist regulations are skyrocketing. Globally, 54% of dealmakers believe national security and antitrust matters will sink more deals next year than GDPR and #metoo issues combined.

Interestingly, Americas dealmakers are slightly more concerned about GDPR than EMEA.

Tip! Bring legal experts in early to answer challenges.

What will sink the most deals next year?

	Americas	EMEA	APAC
National Security and Antitrust Regulations	50%	59%	69%
GDPR	43%	38%	27%
#metoo	7%	3%	4%



6 And One Last Thing – Take Backup.

Times are tough. Trade wars, data privacy concerns and increasing regulatory scrutiny create an unpredictable deal environment that even the best players can't control.

Make sure to partner with the only due diligence app that provides:

- ✓ 24/7/365 local language support on all transaction types.
- ✓ Best-in-class user permissions and real-time document tracking to the page and second level to mitigate legal risks.
- ✓ ISO/IEC 27001 certification and SSAE SOC 2 Type II attestation to ensure compliance with GDPR and other global data privacy standards.

So if that ball slips by you? We've got you covered.



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