



M&A Advisory Survey 2023

At a glance

The Survey at a glance

Key objectives

What are current trends in the M&A Advisory market? Which best practices will lead to the best outcome? In the context of our M&A Advisory Survey, we have addressed these questions.

The M&A Advisory Survey (“Survey”) was aimed at identifying key elements driving cutting-edge deal making, enhancing deal value, and fostering transaction certainty.

Key metrics

Ten hypotheses around key topics and services in the context of M&A transactions were addressed to more than 100 senior M&A professionals with a response rate between 20 and 25%.

Key takeaways

In general, the results presented on the following pages show that, in addition to traditional transaction services, recent services such as value creation, data analytics, ESG and W&I insurance will take a more prominent role in future transactions.

Furthermore, it is preferable to obtain all these services from a single provider rather than from various suppliers. The selection of a suitable provider primarily depends on his past experience, credentials and industry knowledge.



Survey Results – Summary

Tab. 1 – Overview of survey results

Classification	Hypothesis	Summary
M&A-related services	H1	Nearly 90% of respondents fully agree that value creation opportunities facilitate the sales process. Furthermore, topline acceleration is the most important lever, whereas cash management and reporting ranked least important.
	H2	Almost 63% of all participants appreciate data analytics as a potential catalyst for greater transparency, faster transaction processes, and improved transaction outcomes.
	H3	According to the vast majority of respondents, disclosing ESG matters serves as a value enhancing factor in a transaction.
	H4	38% and 42% of respondents, respectively, strongly agree or agree that complex carve-out transactions require dedicated specialists.
	H5	Share/asset purchase agreements advice is regarded as essential in complex transactions by the majority of all respondents.
	H6	In addition to financial sell-side reports, predominantly commercial due diligence reports and to a lower extent data cubes are ranked as the most important sell-side documents for the transaction process.
	H8	While the survey shows that the majority of respondents generally identified cybersecurity, compliance and management/stakeholder integrity as risks that will be increasingly addressed in future due diligence processes, cybersecurity- and compliance-related topics are expected to play a greater role than management/stakeholder integrity.
	Provider selection	H9
H7		Ca. 75% of all participants agree or at least partially agree that multiple due diligence services should be sourced from a single provider .
H10		Past experience with the team and industry expertise/credentials are the main criteria for selecting a due diligence provider. In contrary, responsiveness and price are deemed less important.



Detailed Results of the Survey

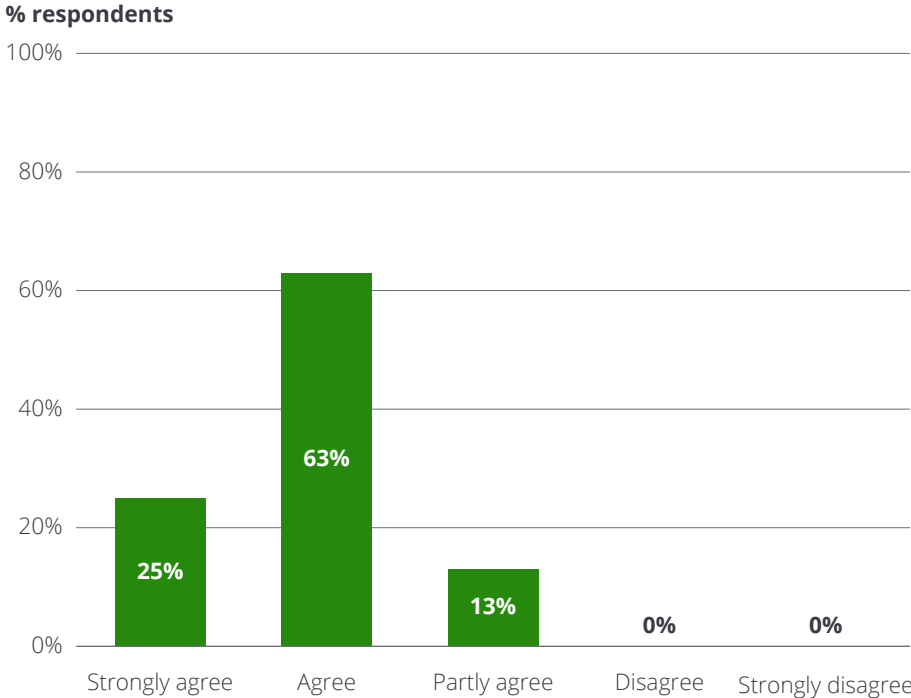
Value Creation Services

Hypothesis 1:

Value creation services are services addressing operational challenges in (portfolio) companies to enhance EBITDA and cash performance. Presenting value creation opportunities (e.g., in an Information Memorandum or a separate sell-side document) to potential buyers would facilitate the sales process.

Nearly 90% of respondents fully agree that value creation opportunities facilitate the sales process.

Fig. 1 – Importance of value creation services



Note: Differences are due to rounding.

Detailed Results of the Survey

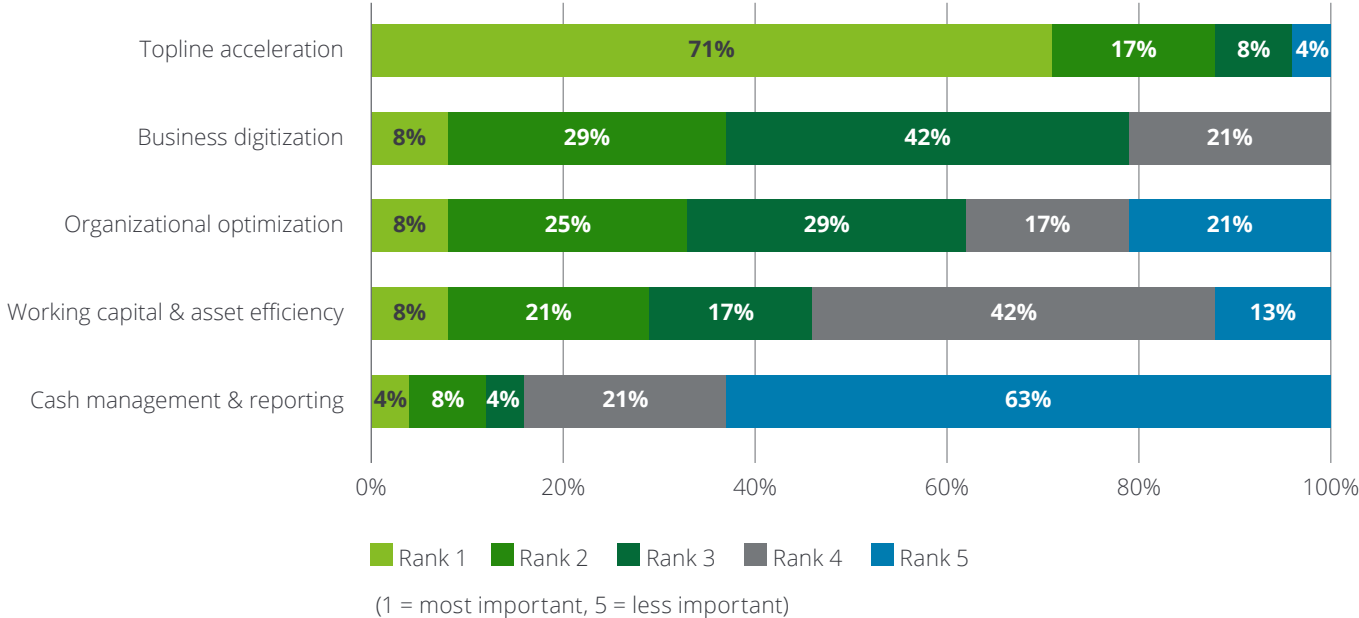
Value Creation Services

Follow-up on Hypothesis 1

Which levers for value creation could positively influence the process?

Furthermore, topline acceleration is the most important lever, whereas cash management and reporting ranked least important.

Fig. 2 – Ranking of levers for value creation services



Note: Differences are due to rounding.

Detailed Results of the Survey

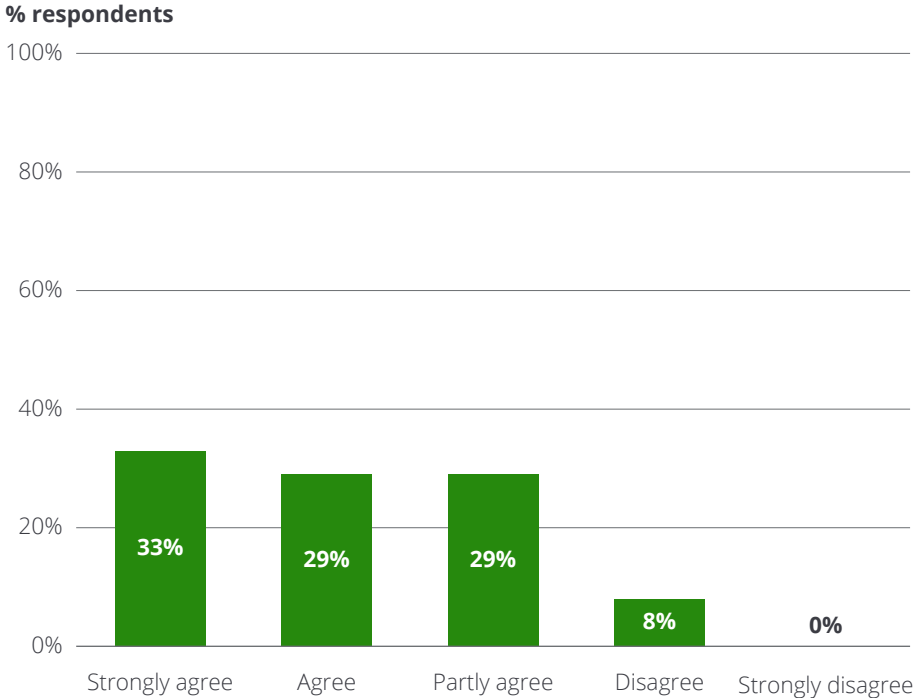
Data Analytics

Hypothesis 2

Data analytics is gaining importance as it helps processing large datasets and synthesize key value drivers and growth levers. You therefore use or consider using data analytics (e.g., by incorporating elements thereof in sell-side documents and/or by sharing data cubes with prospective bidders) in the context of a transaction to generate higher transparency, accelerate the transaction process or enhance the transaction success.

Almost 63% of all participants appreciate data analytics as a potential catalyst for greater transparency, faster transaction processes, and improved transaction outcomes.

Fig. 3 – Importance of data analytics



Note: Differences are due to rounding.

Detailed Results of the Survey

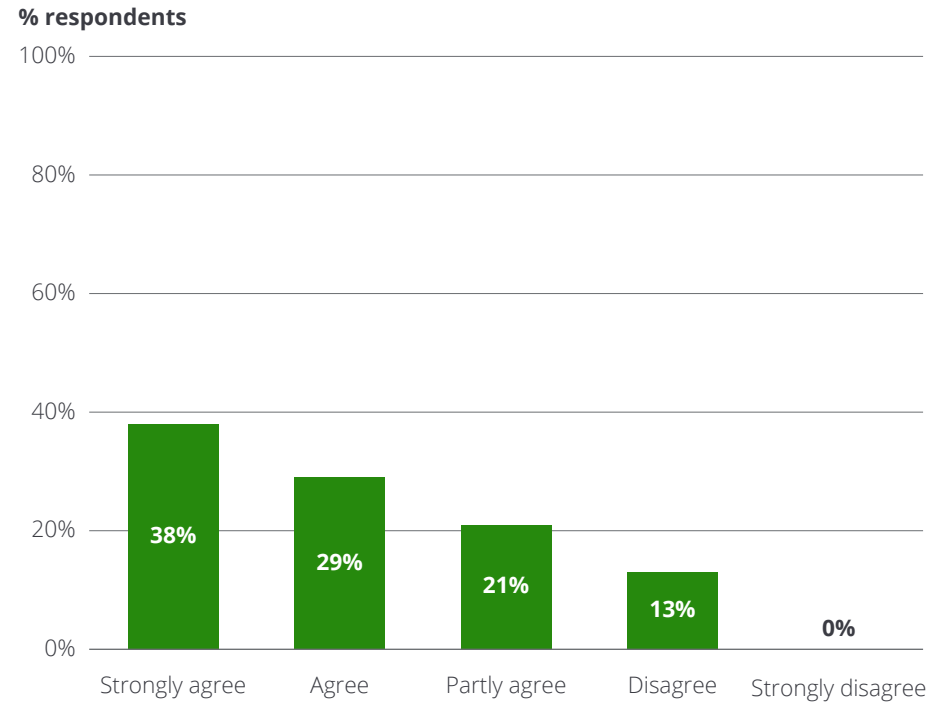
ESG

Hypothesis 3

Environmental, social and governance (ESG) matters are playing an ever-increasing role in deal making. You therefore consider helpful presenting ESG beyond regulatory aspects as a value enhancing factor in a transaction.

According to the vast majority of respondents, disclosing ESG matters serves as a value enhancing factor in a transaction.

Fig. 4 - Importance of ESG



Note: Differences are due to rounding.



Detailed Results of the Survey

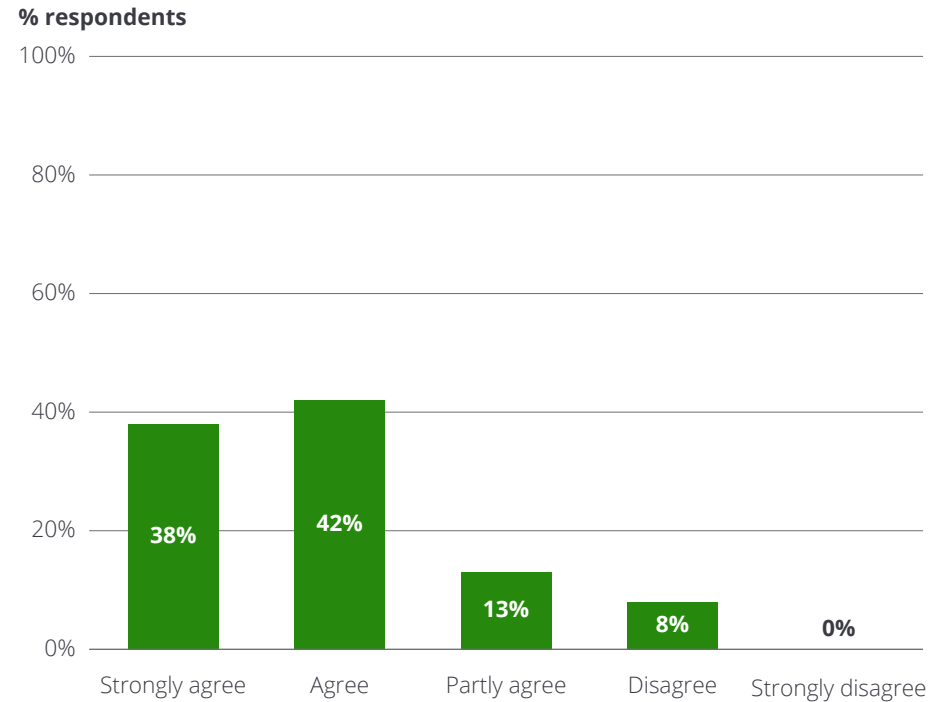
Carve-out

Hypothesis 4

Transactions considering moderate to complex carve-out challenges require the involvement of dedicated specialists within the transaction services teams to present implications for potential buyers.

38% and 42% of respondents, respectively, strongly agree or agree that complex carve-out transactions require dedicated specialists.

Fig. 5 – Importance of carve-out specialization



Note: Differences are due to rounding.



Detailed Results of the Survey

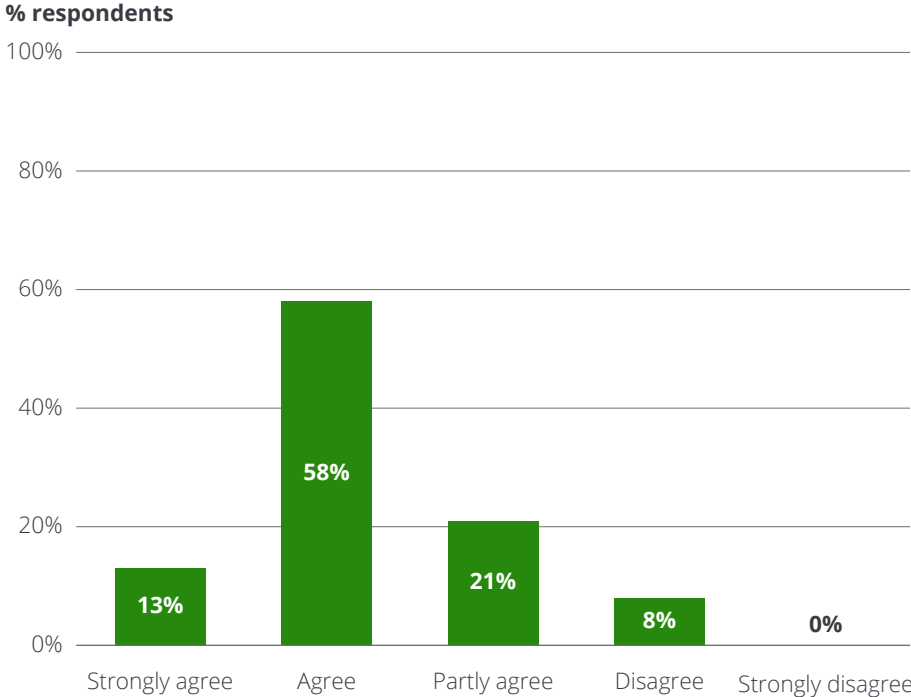
SPA advice

Hypothesis 5

Share/asset purchase agreements (SPA/APA) advice from a purchase price mechanism/ financial perspective (in addition to legal and tax advice on SPA/APA matters) has emerged as a must-have in complex transactions.

Share/asset purchase agreements advice is regarded as essential in complex transactions by the majority of all respondents.

Fig. 6 – Importance of SPA advice



Note: Differences are due to rounding.

Detailed Results of the Survey

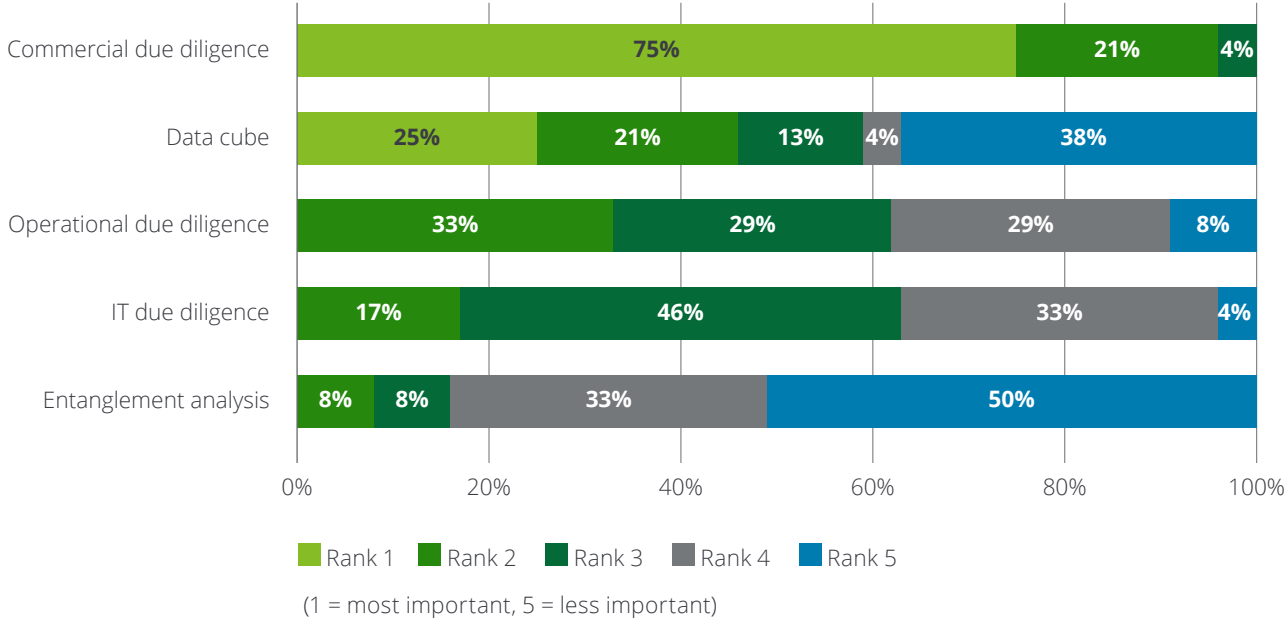
Additional sell-side documents

Hypothesis 6

It is generally accepted that financial fact books or financial vendor due diligence reports are essential prerequisites of well-structured auction processes. Please rank additional sell-side documents according to their importance in a sales process.

In addition to financial sell-side reports, predominantly commercial due diligence reports and to a lower extent data cubes are ranked as the most important sell-side documents for the transaction process.

Fig. 7 – Ranking of additional sell-side documents



Note: Differences are due to rounding.

Detailed Results of the Survey

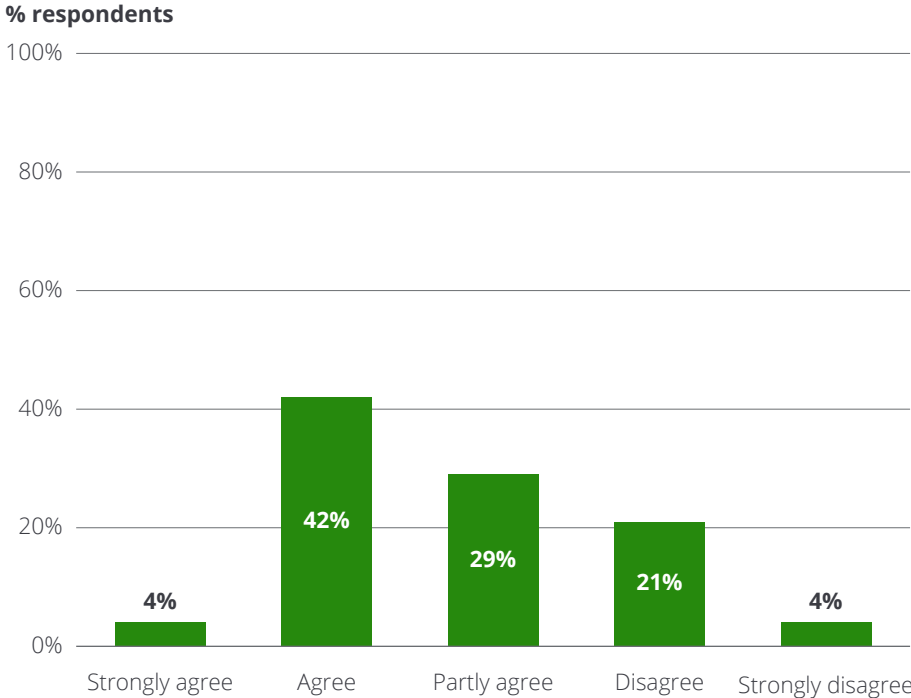
Single vs. modular provider approach

Hypothesis 7

The various due diligence services (financial, tax, IT, etc.) in the context of a transaction are preferably sourced from one provider rather than on a modular basis from several suppliers.

Ca. 75% of all participants agree or at least partially agree that multiple due diligence services should be sourced from a single provider.

Fig. 8 – Single vs. modular provider selection approach



Note: Differences are due to rounding.

Detailed Results of the Survey

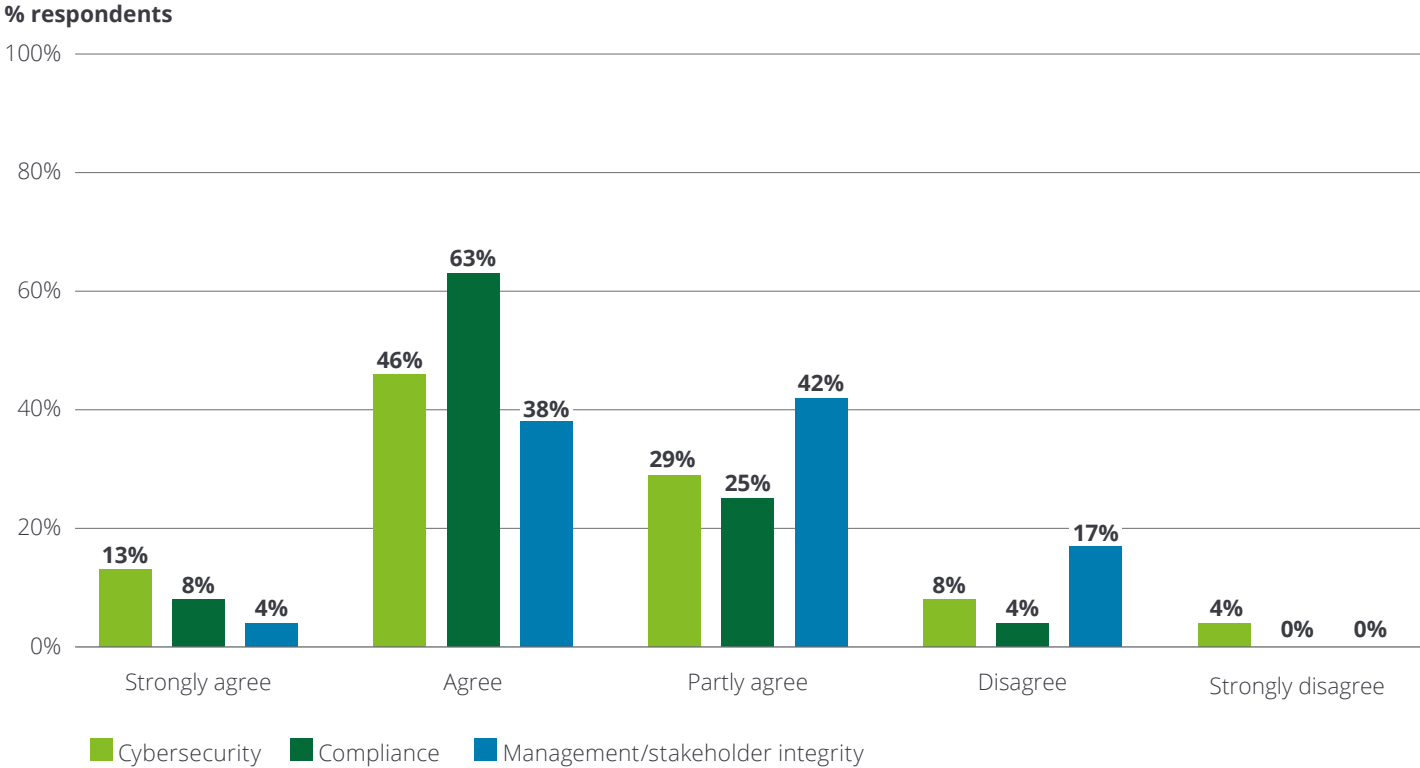
Other risk areas

Hypothesis 8

It is becoming more and more common that the following risks are due diligenced.

While the survey shows that the majority of respondents generally identified cybersecurity, compliance and management/stakeholder integrity as risks that will be increasingly addressed in future due diligence processes, cybersecurity- and compliance-related topics are expected to play a greater role than management/stakeholder integrity.

Fig. 9 – Other risk areas for due diligence



Note: Differences are due to rounding.

Detailed Results of the Survey

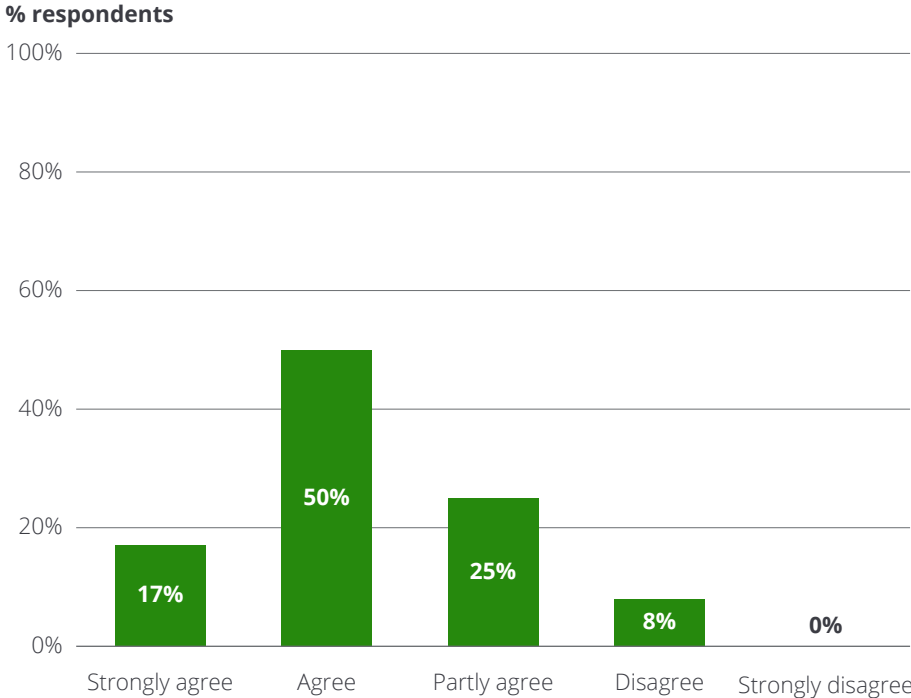
W&I insurance

Hypothesis 9

W&I insurance and tax liability insurance broker capabilities of a professional services firm (such as Deloitte Broker GmbH) contribute to a (cost) efficient collaboration of the different work-streams leading to a successful transaction.

W&I insurance broker capabilities of a professional services firm is a contributor to (cost) efficient collaboration across different workstreams, according to approximately two-thirds of the respondents.

Fig. 10 – W&I insurance broker services of professional firms



Note: Differences are due to rounding.

Detailed Results of the Survey

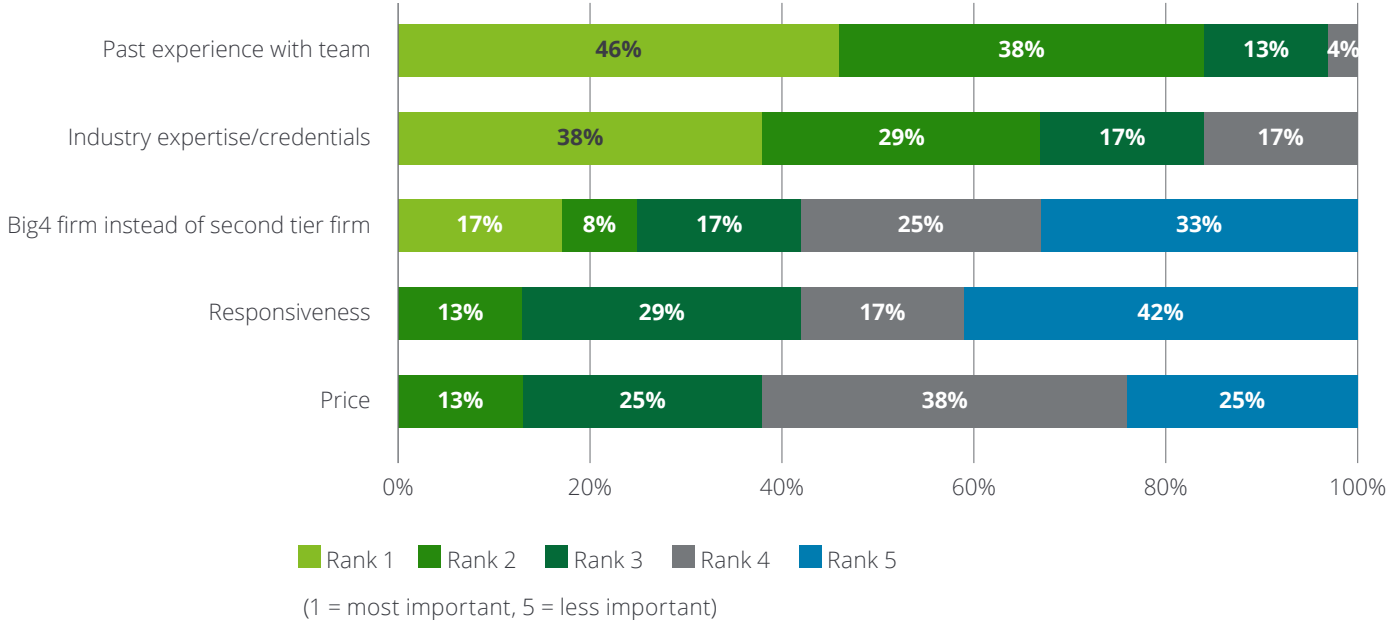
Due diligence provider selection

Hypothesis 10

What are your suggested selection criteria for a due diligence provider?

Past experience with the team, industry expertise and credentials are the main criteria for selecting a due diligence provider. In contrary, responsiveness and price are deemed less important.

Fig. 11 – Selection criteria for a due diligence provider



Note: Differences are due to rounding.

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