2016 Mergers & Acquisitions Outlook Survey

October 24, 2016

Dykema has released the results of its 2016 Mergers & Acquisitions Outlook Survey, the firm’s 12th annual survey of leading company executives and outside advisors in the M&A space. As with preceding installments, this year’s survey canvassed senior executives—CEOs, CFOs and other professionals involved in M&A activities with their respective firms—to gauge their insights and perspectives on the mergers and acquisitions market in the coming 12 months.

Survey respondents from more than a dozen sectors, such as automotive, industrial and manufacturing, health care and technology, answered questions about how the U.S. economy and domestic and global matters will impact the M&A market. The survey provides a snapshot of the M&A market and the economy this year and how it compares to responses from previous years. Key findings from this year’s survey:

- By a two-to-one margin, respondents said the policies of Republican Donald Trump, if elected, would be more supportive of the U.S. M&A market than Democrat Hillary Clinton. But a plurality of respondents said both candidates would have a neutral effect on the U.S. M&A market in 2017.
- About half of respondents (49 percent) said availability of capital was most responsible for fueling current M&A activity, essentially the same percentage as in 2015. Twenty-five percent of respondents credited favorable interest rates, a 7 percentage point increase from 2015 despite the Federal Reserve’s December 2015 rate increase.
- Respondents said U.S. financial buyers had the most influence on U.S. deal valuation over the past 12 months. This was the first time strategic U.S. buyers weren’t seen as the most influential since the 2008 survey – even if financial buyers beat out strategics by only 5 percentage points.
- Sixty-eight percent of respondents said they expected an increase in M&A activity from privately owned businesses in 2016, down from 72 percent last year. The 4 percent difference basically mirrors the drop in the percentage of respondents predicting M&A growth this year.
- Despite the drop in overall confidence, 70 percent of respondents said they expect an acquisition involving their company or one of their portfolio companies in the next 12 months, up from 67 percent in 2015. Forty-eight percent expected a sale, compared with 42 percent last year.

To read the complete summary of Dykema’s 2016 Mergers & Acquisitions Outlook Survey, please click here.

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