



Datasite Forecaster Special Report

M&A prep and due diligence trends





The Datasite view: Data and definitions

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

- **M&A 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
- **Successful deal completion.** When an administrator says a transaction successfully completed at project close.

Deal velocity
Deal outcomes
Deal depth

M&A market activity

What the public sees

Publicly announced deals

What we see

Undisclosed deals

Active, unannounced deals

Deals put on hold

Abandoned deals

Time kills deals. Just not how you think.

M&A deals with longer prep and due diligence times are likelier to report a successful outcome, according to several years' worth of M&A data on our platform. This finding holds true across regions and years.

Pre-2022, a race was on to complete M&A due diligence as quickly as possible. Now the pendulum has swung in the other direction. Taking your time appears to pay off.

- Successfully completed deals took a median of two more days to prep in 1Q 2023 than the norm – and three more days in 2022.
- Successfully completed deals also took a median of 13 more days in due diligence in 1Q 2023 than the norm – and seven more days in 2022.



2 days

more prep time for
successfully completed
deals in 1Q 2023

13 days

more time in due diligence
for successfully completed
deals in 1Q 2023

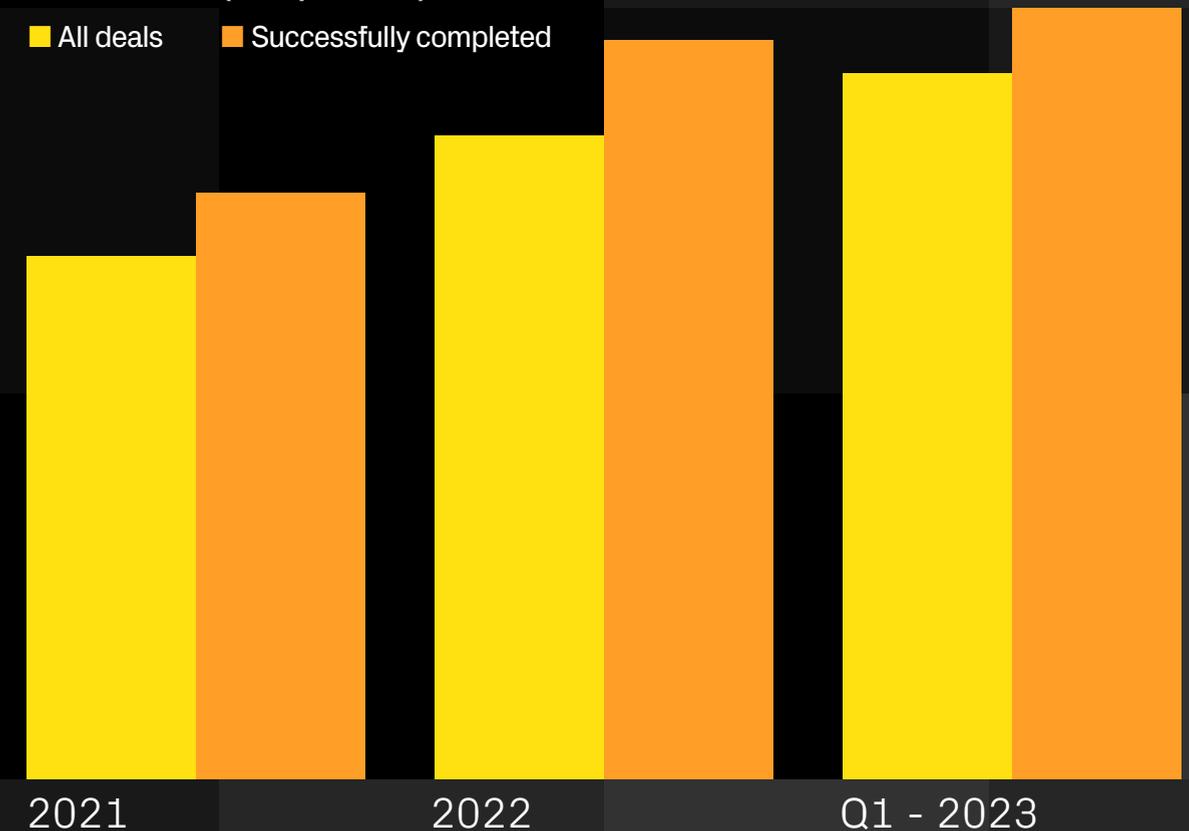
Successful M&A deals likelier to spend more time on prep

Dealmakers, burned and burned out from the halcyon M&A days of 2021, are taking almost a week longer to prepare sale processes for launch.

Taking even a little longer than the rising norm appears to pay off. Dealmakers with successfully completed deals spent a median of two more days on prep in 1Q 2023 – and three more days in 2022.

Median days from project creation to launch (Prep time)

■ All deals ■ Successfully completed



Due diligence slows for success

Dealmaker whiplash from compressed timeframes in 2021 extends to due diligence. This is a reversal from previous years like 2020, where the trend was the shorter the process, the better.

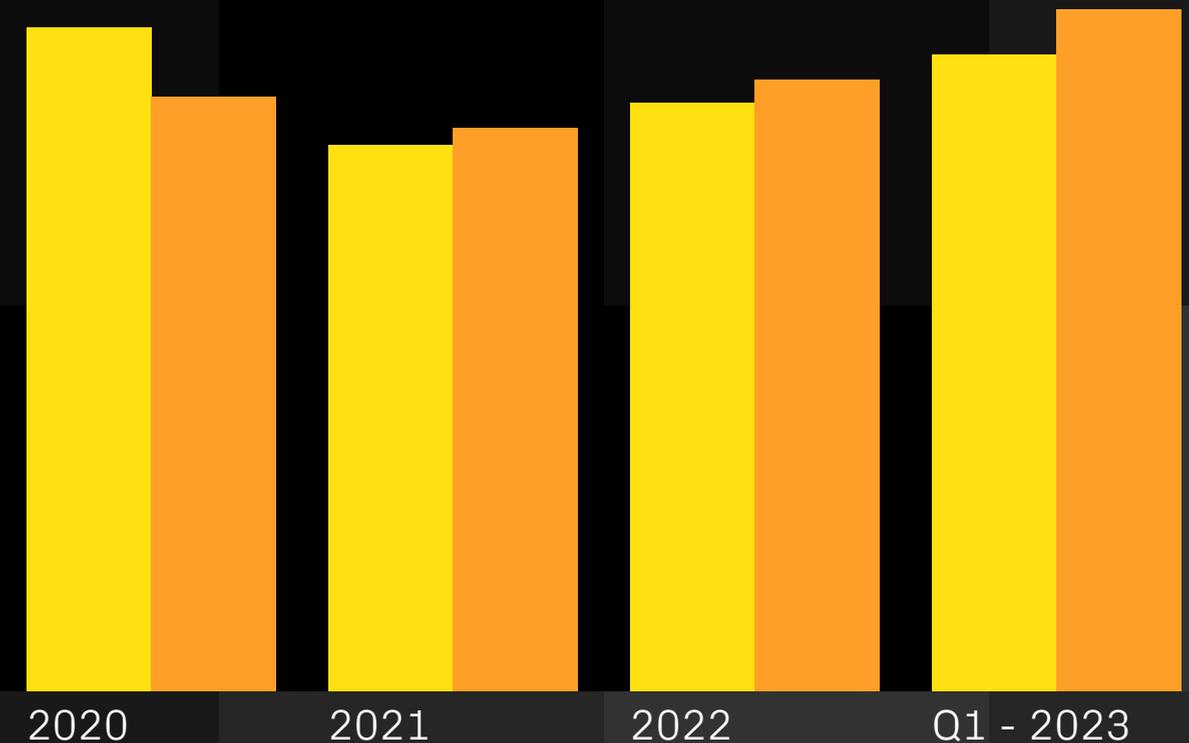
Since 2021, due diligence times have been on the rise, lengthening by a median of 24 days since 2021. Higher inflation rates, geopolitical uncertainty, challenging financing conditions, and dealmaker burnout are all likely contributors.

Once again, dealmakers who took extra time appear to have benefited. Successfully completed deals spent a median of 13 more days in due diligence in 1Q 2023 than the norm – and seven more days in 2022.



Median days from M&A project launch to close (Due diligence time)

■ All deals ■ Successfully completed



We are Datasite

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