



M&A Survey

Prepared: November 2015

Significance level: 95%

In your opinion, which of the following industries do you think will be most active overall in mergers and acquisitions in 2016?


Sample -- 553 Respondents

Consumer markets - food, beverages, consumer goods & non-retail services	27%	Financial services - capital markets	4%	Industrial manufacturing - automotive	5%
Consumer markets - retail	12%	Financial services - insurance	6%	Industrial manufacturing - other	17%
Energy - oil & gas	21%	Financial services - investment management	7%	Media/telecoms	42%
Energy - power and utilities	10%	Health plans/insurers	22%	Medical devices	24%
Financial services - alternative investments	14%	Healthcare providers	47%	Pharmaceuticals/biotechnology	60%
Financial services - banking	17%	Industrial manufacturing - aerospace & defense	1%	Technology	70%
				No Answer	1%



What are the primary reasons for the acquisitions your company intends to initiate in 2016?

	All Industries		Combined payers and providers		Life sciences (Pharma, Biotech and Medical devices)		Healthcare & Life Sciences	
	Count	Percentage	Count	Percentage	Count	Percentage	Count	Percentage
Sample (All Respondents)	553		69		68		137	
Defend against competition		7%		4%		3%		4%
Enhance intellectual property or acquire new technologies		34%		28%		37%		32%
Enter into new lines of business		37%		33%		43%		38%
Expand customer base		37%		41%		21%		31%
Expand geographic reach		36%		39%		37%		38%
Financial buyer looking for profitable operations and/or gain on exit		20%		17%		22%		20%
Acquiring additional elements of the supply chain		16%		28%		12%		20%
Opportunistic-target becomes available		25%		26%		28%		27%
Responding to activist investors		13%		14%		13%		14%
Other		0%				1%		

Don't know		1%						
								
Which of the following are most consistently challenging for your company to contend with?								
	All Industries		Combined payers and providers		Life sciences (Pharma, Biotech and Medical devices)		Healthcare & Life Sciences	
	Count	Percentage	Count	Percentage	Count	Percentage	Count	Percentage
Sample (All Respondents)	553		69		68		137	
Anti corruption/FCPA issues		21%		29%		16%		23%
Assessment or volatility of future revenue streams		41%		33%		46%		39%
Cost synergy analysis		27%		17%		29%		23%
Cultural and HR assessment		28%		35%		35%		35%
IT infrastructure		18%		20%		16%		18%
Quality of assets		20%		25%		24%		24%
Quality of earnings		32%		36%		22%		29%
Tax contingencies		14%		10%		10%		10%
Inability to gain insights from data and analytics at deal speed		20%		26%		22%		24%
Understanding trends for target's markets		28%		23%		29%		26%
Other		1%						



Which of the following integration issues/areas are most consistently challenging for your company to contend with?

	All Industries		Combined payers and providers		Life sciences (Pharma, Biotech and Medical devices)		Healthcare & Life Sciences	
	Count	Percentage	Count	Percentage	Count	Percentage	Count	Percentage
Sample (All Respondents)	553		69		68		137	
Accounting and finance transformation		28%		22%		40%		31%
Cultural and HR issues		54%		51%		34%		42%
Customer and supplier integration and rationalization		27%		35%		28%		31%
Program management		8%		10%		9%		9%
Products and services integration and rationalization		39%		35%		38%		36%
Sales and marketing transformation		33%		38%		38%		38%
Supply chain transformation		21%		22%		19%		20%
Tax integration and entity rationalization		10%		12%		16%		14%
Access to transition services for divested assets		10%		12%		9%		10%
Other		1%						



Which factor do you think will most inhibit deal activity in 2016?

	All Industries		Combined payers and providers		Life sciences (Pharma, Biotech and Medical)		Healthcare & Life Sciences	
	Count	Percentage	Count	Percentage	Count	Percentage	Count	Percentage
Sample (All Respondents)	553		69		68		137	
Availability of debt financing		24%		30%		28%		29%
Constrained consumer demand		9%		7%		9%		8%
Geopolitical risks		18%		10%		13%		12%
Lack of suitable targets		26%		29%		22%		26%
Regulatory considerations		25%		23%		28%		26%
Rising interest rates		27%		32%		32%		32%
Slow growth environment		42%		42%		41%		42%
Stock price volatility		13%		13%		18%		15%
Other		0%						