

# Goldman Sachs Dealmakers See M&A Recovery in H2 of 2023



**New York:** Goldman Sachs Group Inc.'s top dealmakers are bullish on a recovery in global mergers & acquisitions (M&A) in the second half of 2023 despite a slowdown in economic growth and a weak credit market.

As economic forecasts turn gloomier, executives at the Wall Street powerhouse, including Dan Dees and Jim Esposito, who jointly run its global banking and markets division, said they are primed for a reco-

very when financing markets ease up, potentially as early as the second half of 2023.

The projections come after global M&A values slumped 36% to \$3.78 trillion in 2022, from a record \$5.91 trillion in 2021, according to Dealogic data. Banks, including Goldman, have cut jobs as activity slumps.

In a series of interviews with Reuters in recent weeks, top Goldman dealmakers who have been at the firm for more than two decades ap-

proposed said there are plenty of reasons for global deal activity to pick up.

Big investors are sitting on piles of cash preparing to fund transactions, and large companies earning solid profits are looking to diversify their businesses - but they are waiting for economic uncertainty to fade, the bankers said.

"I remain quite bullish, maybe not on the first quarter, but certainly as we go forward," said Stephan Feldgoise, global co-head of M&A. Still, there are "clear headwinds in the

first part" of 2023, he said. Mark Sorrell, Feldgoise's counterpart in London, sees corporate clients jumping on deals when financing is available because their underlying motives are still intact, such as gaining new customers, new products or geographic expansion.

Companies are staying on the sidelines because their creditors have pulled back from making riskier loans for buyouts as interest rates rise, but that could change rapidly, he said. **Reuters**