

Deal value lowest in 76 months

April saw 98 deals with a total value of \$1.8 bn against 204 deals worth \$8 bn in year-ago period

ANOUSHKA SAWHNEY
New Delhi, 10 May

The value of mergers and acquisitions (M&As) in April was the lowest since at least 2018.

With 98 deals, the total value of M&As stood at \$1.8 billion. In the same month last year, Indian corporate space saw 204 deals worth \$8 billion.

The highest M&A deal value since 2018 was \$70 billion in April 2022 for 194 deals, according to data from LSEG Deals Intelligence.

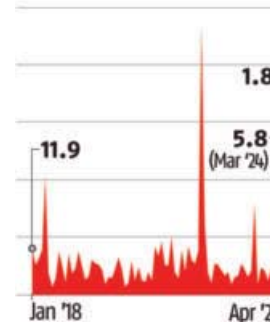
In the first four months of the year, the value of M&As declined by 33.6 per cent to \$20.6 billion, compared to \$31.1 billion in the corresponding period in 2019. Globally, the decline was 16.8 per cent.

India's share of global M&As was 1.9 per cent in 2024, compared to 2.4 per cent in 2019. It was 7.2 per cent in 2022, the highest since 2018.

Global M&As hit a ten-year low in 2023, according to an April 2024 update by the Organisation for Economic Co-operation and Development (OECD), due to

ON THE DECLINE

M&A deal value (\$ bn)



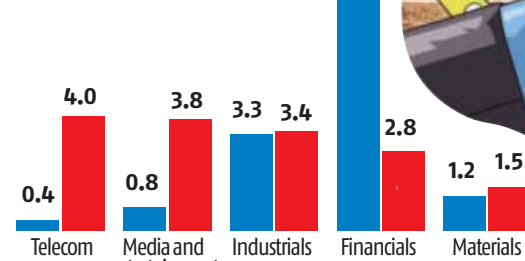
Source: LSEG Deals Intelligence

TOP SECTORS

(deal value, in \$bn)

January to April 2024 compared to same period in 2019

■ 2019 ■ 2024



Note: Figures for top 5 sectors in 2024

“geopolitical tensions, continued high core inflation rates, tighter financial conditions, and reduced economic prospects.”

Across sectors, the deal value for telecommunications increased significantly from \$0.4 billion in 2019 to \$4 billion in 2024, capturing 19.2 per cent of the market.

Media and entertainment (18.6 per cent) came next, followed by industrials (16.7 per cent), financials (13.3 per cent), and materials (7.2 per cent).

Financials, which led in 2019, saw a decline in acquisition value from \$11.1 billion to \$2.8 billion. High technology,

energy and power, retail, and consumer products and services also experienced a decline.

Globally, the share of high technology was the highest at 15.1 per cent, followed by energy and power (14.6 per cent), financials (13.3 per cent), materials (12 per cent), and health care (11 per cent).

Deal values involving private equity funds touched \$591 million in April. While monthly numbers have been volatile, the broader trend indicates a decline in activity.

Private equity players' deal value on a rolling 12-month basis stood at \$10.2 billion in April, the lowest in 28 months.

But India led Apac in financial space deals

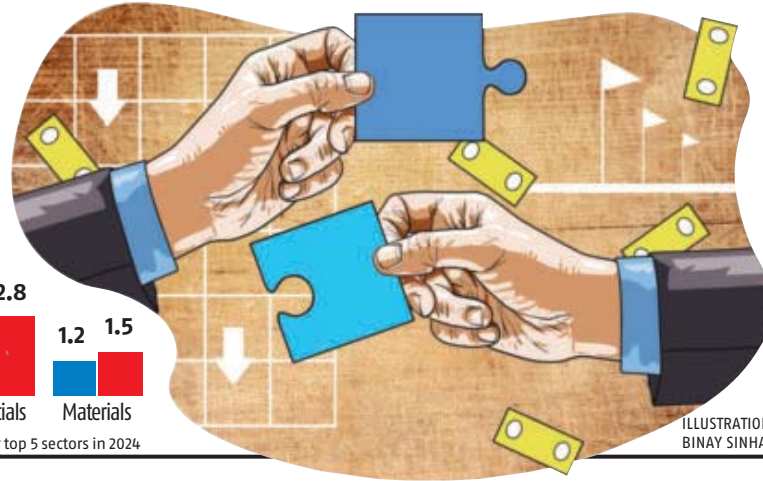
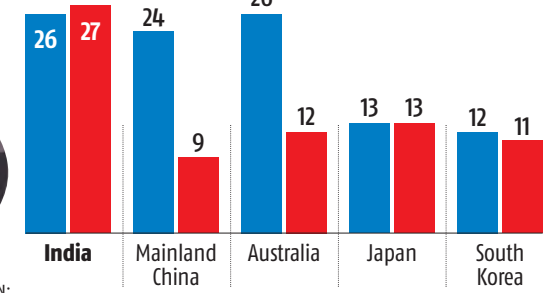


ILLUSTRATION:
BINAY SINHA

TOP OF THE LEAGUE

Number of M&A deals closed in March quarter

■ Q1CY2023 ■ Q1CY2024



Source: S&P Global Market Intelligence

SURAJEET DAS GUPTA

New Delhi, 10 May

India closed 27 merger and acquisition deals in the financial sector space — the highest in the Asia-Pacific (Apac) region in the quarter ended March 31, 2024 — compared to 13 in Japan, 12 in Australia, 11 in South Korea, and only nine in Mainland China, according to S&P Global Market Intelligence.

The number of deals closed in March quarter of 2024 is one more than the previous year. For all other countries, the number of deals fell or remained stagnant. Deal volumes in

Apac fell 14 per cent year-on-year in the period, dragged by declines in Mainland China and Australia.

Economic uncertainties, higher funding costs, and increased volatility due to geopolitical risks were among the reasons for the slowdown. The report says that the bright spot was India. Given the country's strong forecast and resilience, there was a reasonable expectation for robust dealmaking, said AsiaLink Business Chief Executive Officer Leigh Howard.

China saw deal numbers fall to nine in March quarter 2024 compared to 24 the year before. In Australia,

deals dropped to 12 in the same period from 26 a year ago.

Four of the top 10 deals in value were closed in India, with a combined deal value of \$845.79 million (about ₹7,061 crore). The biggest was Sumitomo Mitsui Financial Group's (SMFG's) acquisition of SMFG India Credit, a specialty finance company, for \$700 million (about ₹5,843 crore).

The others include Piramal's acquisition of Annapurna Finance, Rajiv Rattan's purchase of a stake from Lonestar Americas in RattanIndia Finance, and Muthoot Finance's investment in Belstar Microfinance.