The 13 Factors Contributing to the M&A Boom

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From 2015 – 2018, total annual M&A activity has been above $3 trillion. It’s a record-setting pace that has no signs of slowing down.

There are many factors at play in this ongoing trend that you should keep an eye on. The 13 largest ones are listed below. What factor(s) impact your decision to engage in a merger or acquisition?

1. CEO confidence is high
2. Fundamentals continue to be supportive of M&A
3. Ample dry powder (cash on hand in private equity and corporations)
4. Attractive and plentiful financing
5. Companies seeking to grow or scale through consolidation
6. Major economies strong or stable (including steady post-recession growth in the U.S.)
7. Companies reshaping portfolios with more focus
8. Convergence among industries (many non-tech companies like Walmart are acquiring tech)
9. Tax reform in the U.S.
10. Activism continues at companies of all sizes
11. Financial sponsors are active
12. Disruptive forces impacting many industries (for example, the impact of Amazon on retail and other industries)
13. Boards/CEOs reacting to industry transformations

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