COVID-19 and M&A Activity

THE LEAD | July 30, 2020

This week we kick off a new series on COVID-impacted deal flow, with a look “upriver.” How has M&A activity been affected, and what should deal makers expect for the “new normal?” We interviewed top middle market investment banks about their experiences so far in this coronavirus season.

The beginning of the crisis caught advisory firms (and the rest of us) flat-footed. “Of the deals we had in the shop when the music stopped in early March, roughly 80% were put on hold,” one partner told us.

Another sell-side MD agreed. “Things came to a screeching halt,” he said. “We adjusted our expectations down to 20% of normal in the early days. It’s climbed back up, and we’re seeing a good amount of activity, but it’s still half of what it was. The flow has gone from about two or three deals a week, to one or two…

?? Read July 20 2020 newsletter: here

?? Chart of the Week: here (by Johns Hopkins University, Bloomberg)