



Datasite Forecaster

Shifting currents in a post-election world

Trends based on Datasite's proprietary, aggregated, and anonymized transaction data





Introduction

The results of the 2024 US election will reshape global deal flow for years to come. Regional activity, sector trends, and transaction types will move in different directions. Some of the shifts will be expected, and some will not.

In this report, we provide an early look at deal flow for the three weeks following the US election, based on aggregated and anonymized transaction data on the Datasite platform. We also review market headwinds based on our recent H2 survey of 600+ senior dealmakers. Finally, we provide some practical considerations to help dealmakers navigate the months and years ahead.

Note: In this special report, we provide Forecaster data on all transaction types, not just sell-side M&A to ensure as robust a sample size as possible.

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CHANGING TIDES

Strong currents lift Americas while EMEA and APAC subside

Deal activity sank the week prior to the US election as dealmakers awaited the outcome. After November 5 results, regional pipelines diverged. The Americas is accelerating, while EMEA and APAC are slowing down.

Three takeaways:

- 1 AMERS is riding a rising wave. Year-on-year pipeline growth jumped from 10% in October to 36% based on initial November data. Confidence fueled by post-election policy clarity and robust activity in TMT and healthcare industries is driving dealmaking.
- 2 EMEA M&A activity falters after the surge in October. The markets surged 29% year-on-year in October but slowed to just 10% growth after the election. Concern over US trade tensions under the incoming administration likely loom large with industrials deals taking the biggest hit, followed by the consumer and TMT industries.
- 3 The APAC market is settling down. APAC’s pipeline saw 0% year-on-year growth in early November, a drop from October. Fears of heightened trade tensions with the US next year may be impacting dealmaker sentiment. With a robust pipeline from the rest of the year, however, some comedown may be organic as dealmakers focus on closing out inventory.

Post-election heat map

Deal kickoffs November 6-27,
2024 compared to Nov 8-29, 2023



CHANGING TIDES

Healthcare and TMT surge ahead

The post-election environment is influencing industry pipelines. Though it’s still early days, these shifts may signal long-term changes in sector focus.

Three takeaways:

- 1 The healthcare and TMT sectors are taking the lead. Healthcare deal activity is being bolstered by political certainty and potential deregulation and more flexible US FDA standards, while TMT is showing optimism around innovation and technology’s role in the shifting global economy.
- 2 Consumer and energy sectors are gaining traction, showing early signs of growth in the shifting market conditions. Consumer activity is being driven by anticipated tax cuts, while energy is picking up in anticipation of loosened regulations in traditional energy arenas like oil and gas.
- 3 The industrials and real estate sectors are sinking due to concerns about the impact of new tariffs and immigration policies on cross-border trade, supply chains, and labor costs. Uncertainty around these factors will likely constrain dealmaking for months to come.

Global pre- and post-election industry scorecard

Deal kickoffs compared to the same period the year before

	October	Three weeks post US election*	Percentage point change
TMT	42%	71%	▲ 29
Industrials	42%	5%	▼ -37
Healthcare	-13%	44%	▲ 57
Consumer	9%	23%	▲ 14
Energy	-4%	9%	▲ 13
Real estate	7%	-15%	▼ -22

*November 6-27, 2024 compared to November 8-29, 2023

CHANGING TIDES

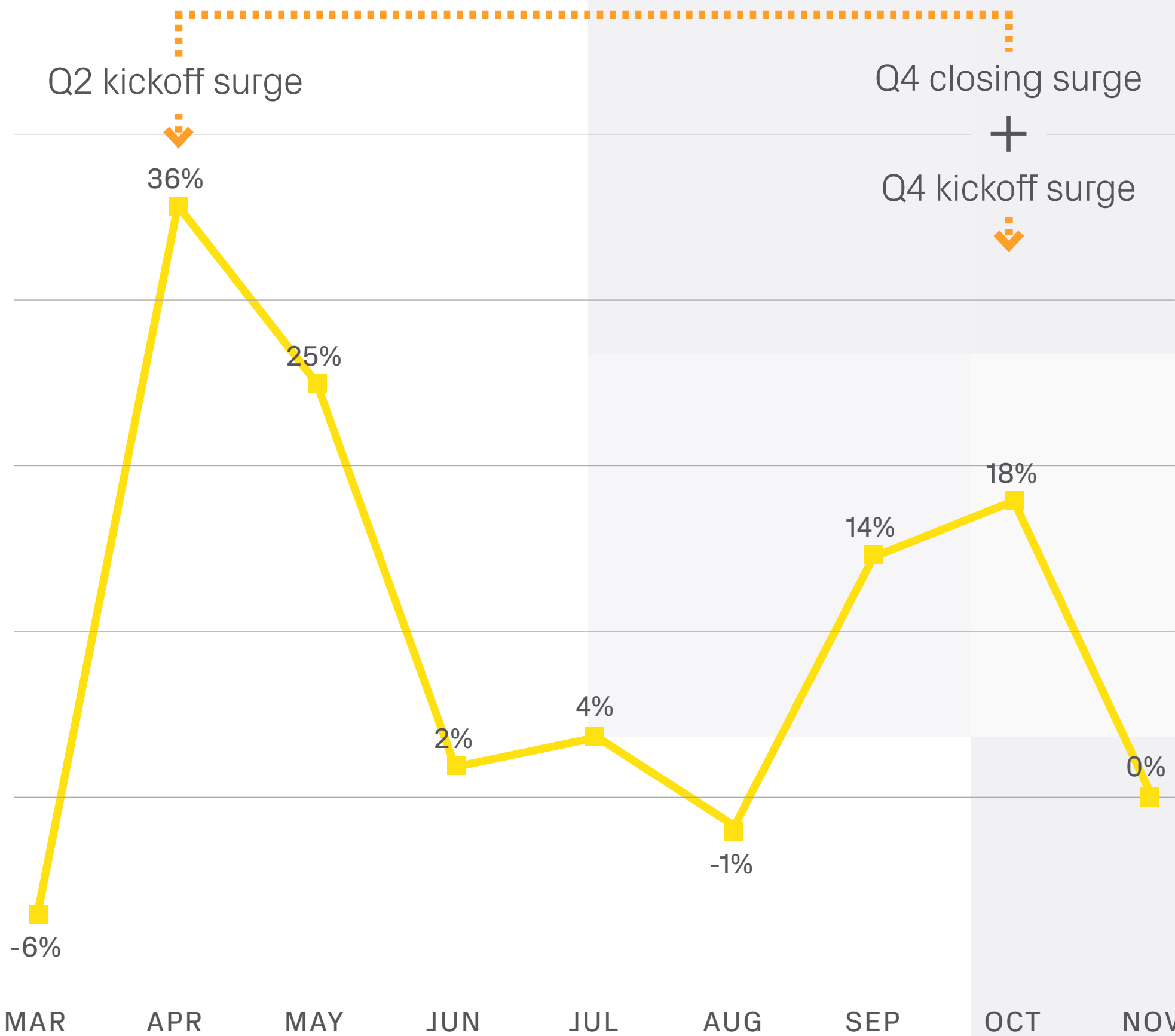
Deal closes and kickoffs collide

A surge of deal activity from earlier this year is reaching critical stages, colliding with a new wave of Q4 deal launches. Many of these transactions kicked off in April and May, but their progress through the pipeline now overlaps with fresh Q3 and Q4 launches. October transaction activity jumped sharply year-on-year, underscoring the intensity of this dual pipeline dynamic.

As the year-end approaches, dealmakers face a balancing act: closing deals from earlier in the year while managing new activity that sets the foundation for 2025. Success this quarter will require both focus and flexibility to navigate these simultaneous demands.



Global deal kickoffs in 2024 compared to last year



HEADWINDS

Steering through complexity

Our initial post-election data suggests the US results are already driving global M&A trends. This section dives into insights from our H2 global dealmaker survey, which spotlights perspectives from dealmakers around the world on the impacts the 2024 global election cycle could have on M&A.

From trade tensions and geopolitical risks to resource and transaction management challenges, these factors present critical obstacles to navigating the evolving deal landscape.

83%

Worried about the impact on M&A activity

80%

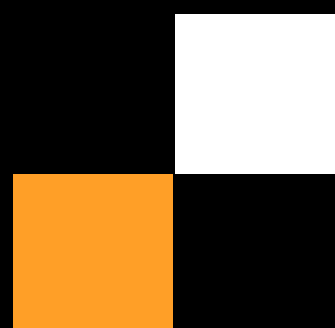
Expressed concern about global trade and supply chains

H2 dealmaker survey

The impact of national elections on the transaction markets

65%

Thought risk assessment would become the most challenging part of the transaction process



HEADWINDS

Global trade concerns roughen waters

Dealmakers report significant concern about the potential for multiple national elections to escalate trade tensions, with 80% of survey respondents highlighting the risk of disruptions to trade policies and global supply chains.

The incoming Trump administration’s trade policies include proposed increases on tariffs and stricter trade agreements with key global partners. These proposals may fuel anxiety about further restrictions on cross-border commerce and their cascading impact on M&A activity.

Survey findings further illustrate how trade tensions are expected to shape M&A headwinds, particularly through geopolitical instability and eroded deal-making confidence. Different stakeholders prioritize these challenges in distinct ways: Corporate development teams and private equity professionals focus on geopolitical conflicts, bankers highlight trade restrictions, and legal experts emphasize regulatory rulings. This diversity underscores the layered risks dealmakers face as they adapt to an uncertain future.

What operational or supply chain factors are impacting appetite for M&A?



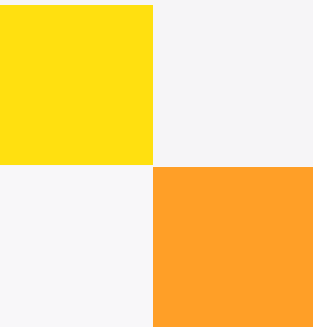
HEADWINDS

Navigating new risks and regulatory uncertainty

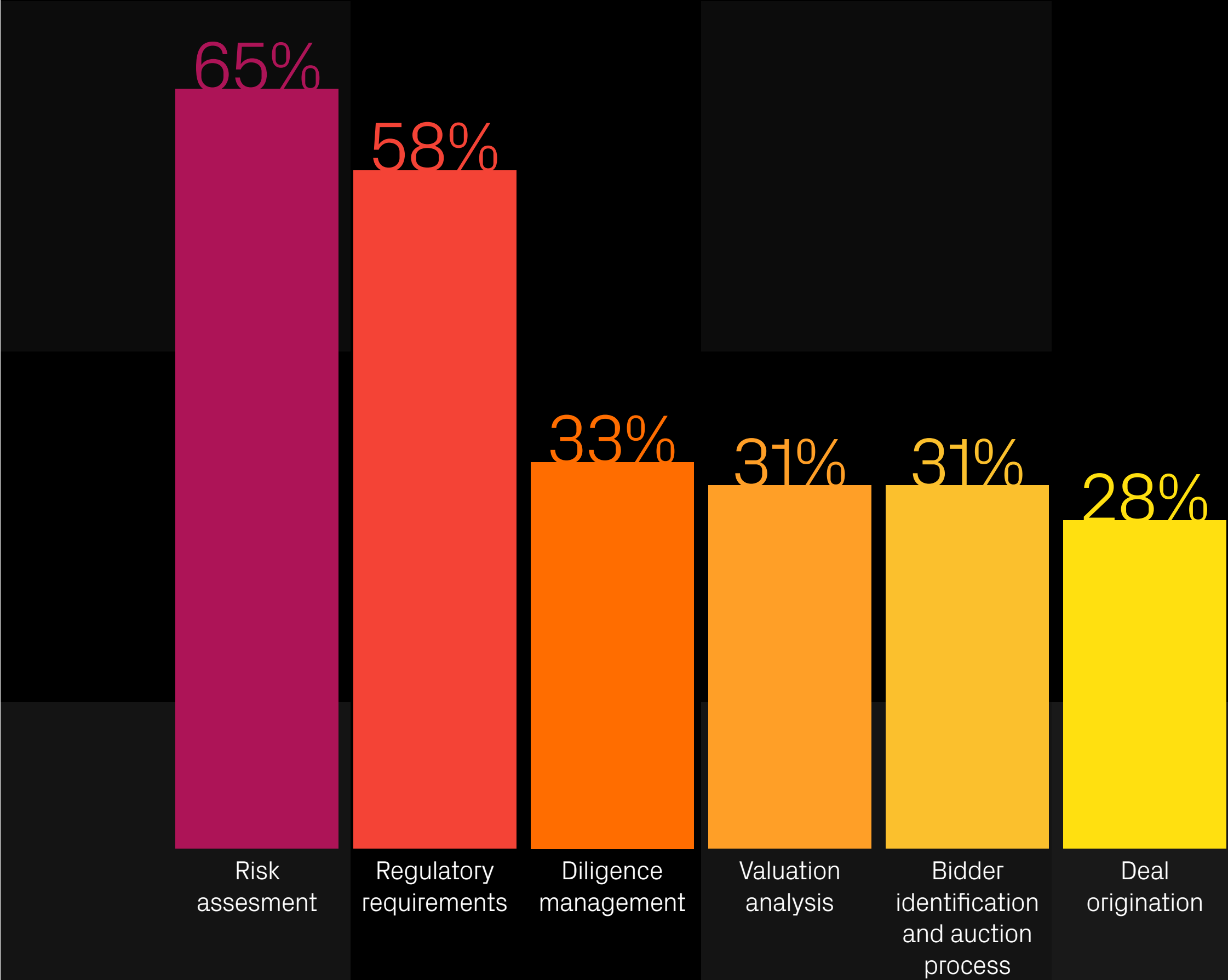
As the impact of multiple elections unfolds globally, dealmakers are preparing for significant challenges in managing various aspects of the deal process. Risk assessment emerges as the most critical area of concern, with regulatory requirements following closely behind.

Breaking down these challenges further, the survey reveals that different roles within the M&A ecosystem are focusing on specific pain points. Private equity professionals highlight bidder identification and the auction process as key hurdles, reflecting their need for clarity in competitive bidding environments. Corporate dealmakers emphasize regulatory compliance and due diligence, while investment bankers are most concerned with managing and mitigating risk.

These insights stress the importance of collaboration and alignment among stakeholders to address these complex deal management challenges. As the political and economic landscape continues to evolve, dealmakers must adopt dynamic strategies and leverage technology to navigate this new normal.



Which parts of the transaction process will be most challenging following national elections?



HEADWINDS

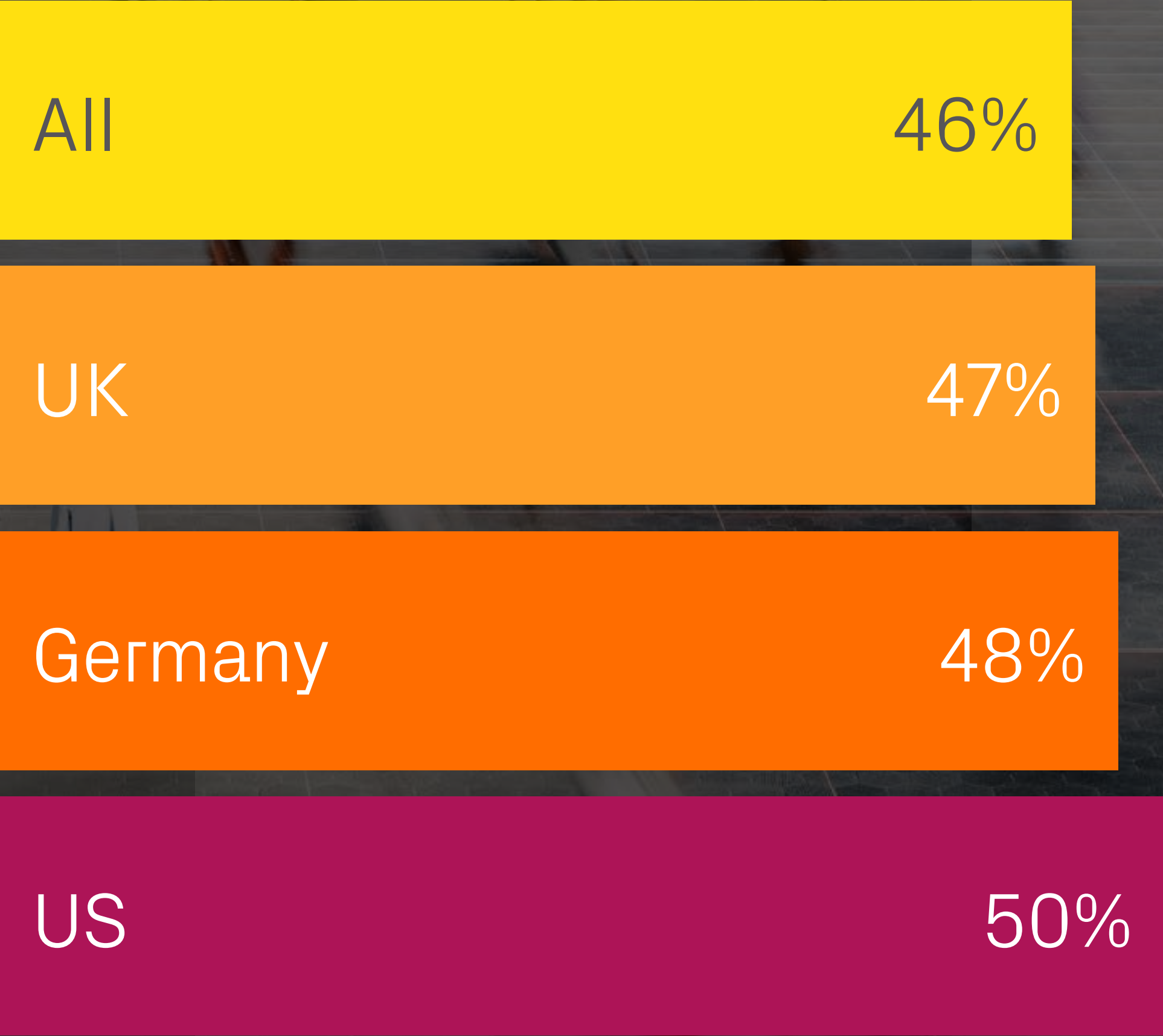
People shortages weigh down outcomes

Long before the US election, the transactional markets were grappling with longstanding resourcing and bandwidth issues that threatened deal execution in 2024. Datasite’s H2 global dealmaker survey revealed that unrealistic expectations around resourcing and bandwidth constraints were the top reasons deals fell apart in the last two years.

Regional breakdowns highlight this strain, with US dealmakers reporting the highest level of bandwidth-related challenges, followed closely by Germany, and the UK . Firms that have not fully staffed up after the sluggish markets of 2022 and 2023 are now under pressure to deliver amid heightened transaction volumes.

The post-election recalibration in deal activity is likely to exacerbate this issue, creating additional stress on already stretched resources.

Dealmakers who have seen deals fail due to resourcing and bandwidth constraints in the last two years

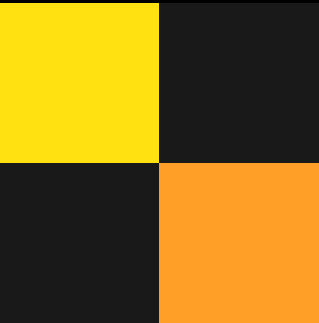


Moving ahead

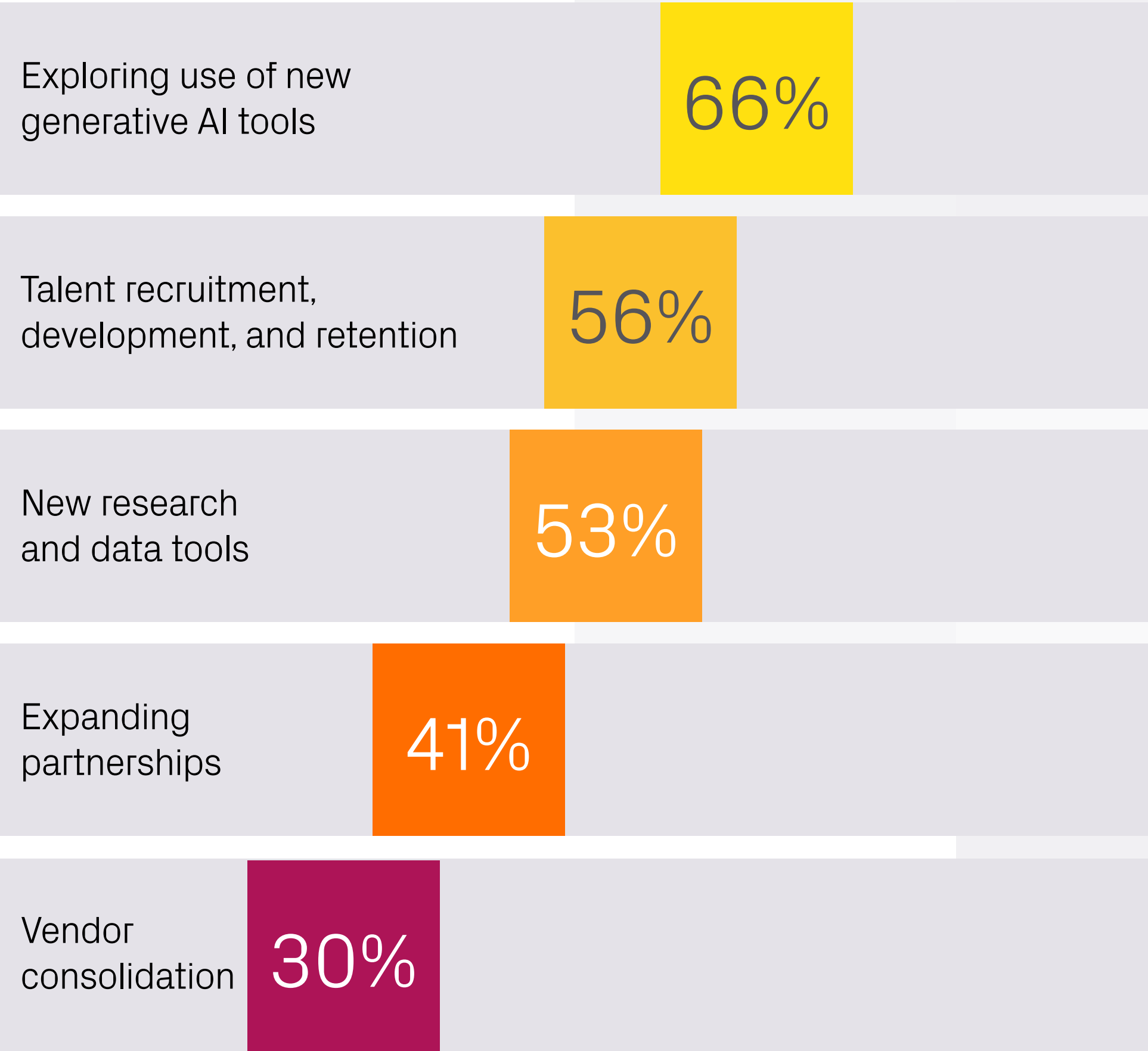
As global markets recalibrate following the US election, how can dealmakers best prepare for changing market dynamics?

Senior dealmakers have already identified key areas of operational focus for the year ahead, as reflected in our H2 global dealmaker survey. Top priorities include exploring new generative AI tools, enhancing talent recruitment, development, and retention and leveraging new research and data tools.

These operational shifts, combined with efforts to expand partnerships and consolidate vendors, represent actionable routes to success in 2025.



From an operational perspective, what are your top areas of focus next year? (choose all that apply)



The background of the slide features a silhouette of a person with long hair, seen from the back, pointing their right index finger towards a bright sunset over a body of water. The sun is a glowing orb on the horizon, casting a warm, golden light across the sky and water. The person's hand is raised, with the index finger extended. The overall mood is contemplative and forward-looking.

Conclusion

To successfully navigate the months ahead, dealmakers must keep a close eye on global deal trends. Here are the big questions to watch.

Questions we're tracking:

- Are initial post-election trends here to stay?
- Will we see a boom in deregulation-friendly transaction types like mergers?
- How will global trade tensions and immigration policies evolve and impact deal flow?
- How should dealmakers reallocate time and focus across regions, industries, and deal types?
- What role can generative AI and other technology tools play to help dealmakers stay agile in a fast-changing environment?



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