



Are you wondering where M&A is heading this quarter? We took a dive into April deal activity, and while our findings might not be predictive of the full quarter, they looked interesting enough to share. What caught our interest? We noticed that Canadian deal activity diverged from the global trend.

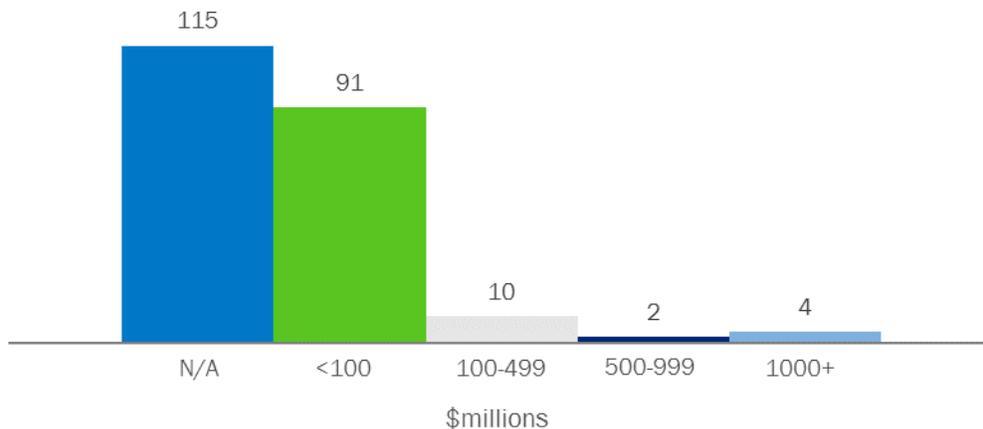
Let's start with a world view. According to a recent [Mergermarkets report](#), April global deal volume was down significantly from 2016, with 1026 deals announced in April 2017 versus 1556 in 2016. Value increased by 3.8%, however, from US\$221.4 billion to US\$229.96 billion, elevated by a prevalence of megadeals.

North American emerged ahead of its global counterparts for the month, though once again, megadeals boosted deal value with five deals representing approximately half of total deal value. There were 352 deals worth US\$116.5 billion during the month, compared to 501 deals worth US\$93.8 billion in April, 2016.

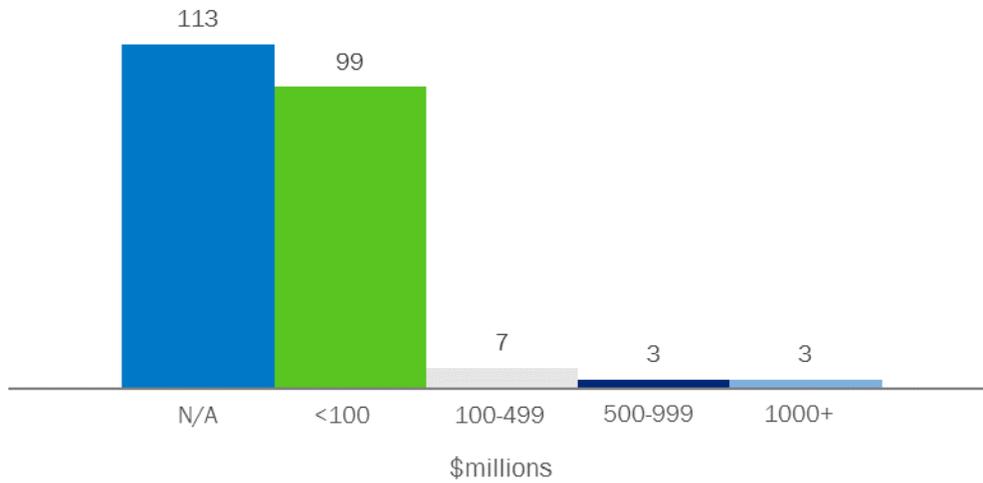
And what about Canada (and that divergence we alluded to above)? Using data sourced primarily from Capital IQ, this is what we found.

Canadian April deal activity differed from its global peers as announced deal volume was relatively flat year over year. There were 222 transactions reported versus 225 in 2016, while deal value increased 19.5% to US\$12.6 billion. Sector-wise, Industrials led the charge, with SNC-Lavalin's announced C\$3.6 billion acquisition of WS Atkins plc., followed by Energy (which took a breather from multiple megadeals during April) and Consumer Discretionary.

April 2017 Transaction Volume & Value

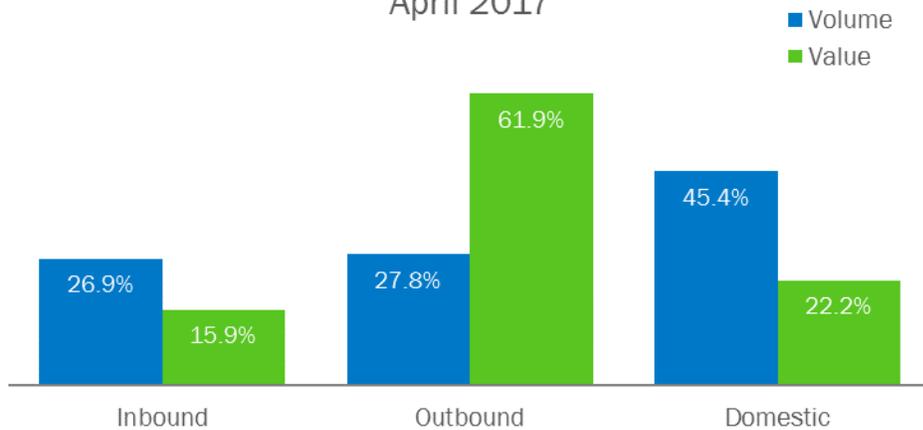


April 2016 Transaction Volume & Value

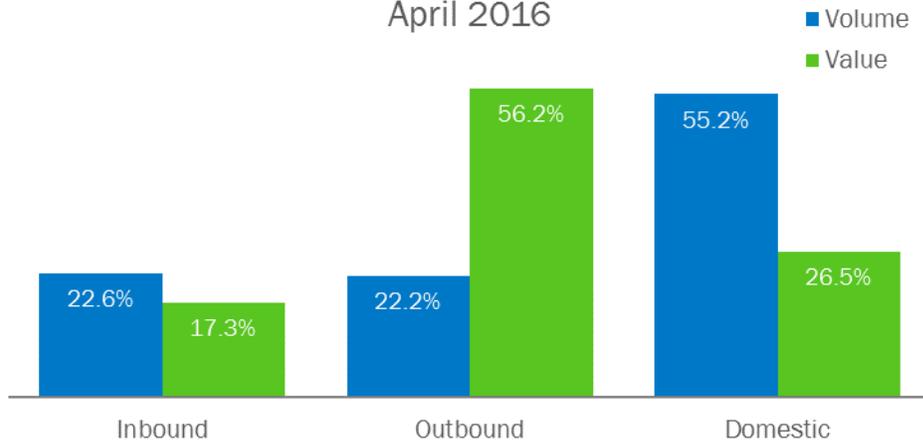


The level of cross-border deal activity increased year over year, with volume up approximately 10% to 54.6% from 44.8%. Megadeals dominated outbound activity, which, as a result, represented about 62% of total value.

Cross-Border & Domestic Deal Activity April 2017

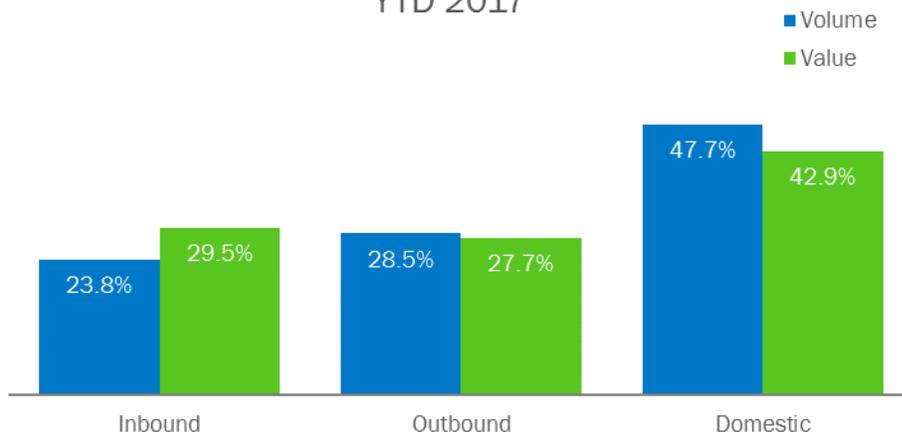


Cross-Border & Domestic Deal Activity April 2016



Year to date (and absolutely bucking the global trend), 1011 deals have been announced in Canada, up from 866 in 2016. Deal value for the period increased to US\$78.3 billion from US\$74.7 billion in 2016. Acquisitions of less than US\$100MM contributed generously to the higher volume, with deal announcements in that size range increasing to 427 from 365 the previous year. And year to date, more than 70% of acquisitions, whether measured by volume or value, involve Canadian target companies.

Cross-Border & Domestic Deal Activity YTD 2017



We like what we're seeing here at home. Despite uncertainty around global events, protectionist policy and looming NAFTA renegotiation, Canadian M&A is holding up. The first four months of 2017 reflect a healthy interest (from domestic and foreign buyers) in Canadian targets, and some solid support from the middle market.