

The M&A Landscape Through the Eyes of the Media

The start of 2021 has brought SPAC mania, the one-year anniversary of when COVID-related shutdowns started to take effect in the United States, a new administration and so much more. GPP's Steve Lipin spoke with leading financial journalists about what in the deal landscape has changed, and what hasn't, during Tulane Law's 33rd Annual Corporate Law Institute.

Joining Steve for this **Media Q&A** on March 12 were CNBC's David Faber, The New York Times' Lauren Hirsch, and The Wall Street Journal's Cara Lombardo. They covered a range of topics, including the M&A landscape, expectations for the new Biden administration, the continued popularity of special purpose acquisition companies (SPACs), and more. Below are some key insights from the session about what is top of mind for the media and how they are approaching covering deals in 2021.



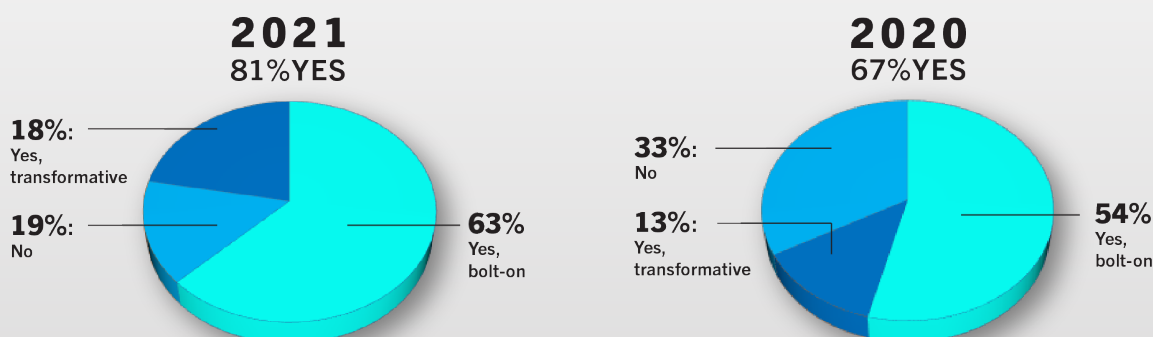
The M&A Landscape

When looking at material adverse effect cases, **Lombardo** noted that she takes into account the motive of the two sides, including the legal arguments, to make sure that she and her colleagues are picking up the story at the key points and connecting that back to historical cases.

Lipin noted that a lot of the material adverse effect cases are playing out in the retail sector, and asked the journalists on the panel how they're thinking (and writing) about that industry in particular. **Hirsch** followed up to say that, while in some ways, evaluating the viability of those deals should be left to the courts, companies like Victoria's Secret are emerging stronger than expected.

Ahead of the conference, GPP also worked with the National Investor Relations Institute (NIRI) to survey NIRI member investor relations officers (IROs), finding that 81% of IROs expect their companies to explore some kind of M&A this year, up from 67% in 2020, with a majority of those officers anticipating that will come in the form of bolt-on acquisitions, rather than transformative deals. In line with that, the survey also found that almost 80% of companies are expecting industry consolidation in 2021.

Q: Does your company anticipate exploring M&A opportunities this year?



Reflecting on these findings and the impact of the pandemic, **Lombardo** noted that while “deal makers were assuming 2020 would be a lost year for M&A, that was not the case at all.” **Hirsch** added that the strong performance of some consumer companies may drive them to do bolt-on deals to maintain those levels. On the lower expectations for transformative deals, **Faber** said that the market typically doesn’t see as many transformative deals because they are “high profile and have the most risk.”

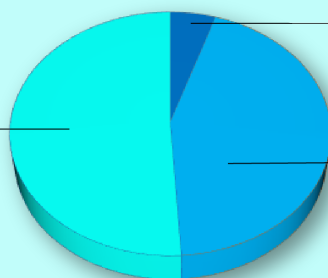
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New Administration

The GPP-NIRI survey also revealed that just over half of IROs expect the Biden administration to be more aggressive on antitrust compared with the previous administration. **Faber** said he was hopeful that as long as the road is known it can be navigated, while **Hirsch** said she sees lawmakers listening in a way they haven’t before as they consider the theme of the impact on workers.

Q: How do you think the Biden administration’s approach to antitrust would be compared to the prior administration?

51%
More aggressive



5%
Less aggressive
44%
Neutral

SPACs

With the SPAC boom continuing from 2020, and the number of SPACs growing at a rapid rate, **Lipin** asked the panelists if their view of SPACs was more skeptical and if the coverage of such deals had changed.

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for journalists

Faber noted “it’s been a learning curve for journalists” – they’re seeing the excitement and demand from a new cohort of investors, but they’re also growing more skeptical as they’re looking at the projections. As they become more educated, he added, the media is increasing its scrutiny of these deals because they better understand the risks. **Lombardo** called out the marketing component of attaching celebrities to these deals to appeal to retail investors, while **Hirsch** added that she’s very aware of what she writes about these deals because of the volume of retail investors making decisions about SPACs today.

Tulane Law’s Annual Corporate Law Institute took place virtually on March 12 and 13, 2021.

– Danielle Fornabaio