

M&A Industry Expects Global Activity to Recover by 2024

LLYC, in collaboration with iDeals and the M&A Community, reveal industry insights

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/EINPresswire.com/ -- Since mid-2022, uncertainty and caution have been the common denominators among investors involved in global M&A activity, but expectations point to 2024 as the year of recovery. This is reflected in the report "From standby to infinity" prepared by LLYC in collaboration with iDeals and M&A Community, which analyzes the trends that will mark the M&A activity in the coming months based on the opinions gathered through a survey in which 110 industry professionals from Spain, Brazil, Chile, Argentina, Colombia, Panama, Mexico and the United States participated, and in-depth interviews with fifteen experts, including private equity managers, investment bankers and lawyers.



Practically all of those surveyed are optimistic: almost 50% believe that the recovery could come in 2024 and the other 50% believe that it could be brought forward to the third and fourth quarters of this year. However, all professionals agree that the slowdown in activity has been noticeable. The reasons also seem clear, linked to the greater difficulty in accessing financing and its impact on prices. In addition, geopolitical uncertainty, the macroeconomic scenario and the rise in interest rates caused a mismatch in valuations that has emerged as the main reason for the standstill for 40% of those surveyed, a common trend for the Iberian and Latin American region.

Focus on the mid-market

Despite the difficulties of the last few months, the vast majority of professionals point out that,

in general, the reality has turned out to be better than the initial forecasts. In almost all markets, the segment where activity has held up best is the mid-market, which has accounted for 68% of transactions so far. However, even within this segment, professionals acknowledge that they have been very selective. In fact, they expect that this will continue to determine activity in the coming months.

The report also lists the main reasons why companies and funds decide to undertake M&A transactions. More than half of the respondents (52%) say that, in a scenario of uncertainty, gaining size to strengthen competitiveness and face new challenges is the main driver for completing a transaction, followed by the need to respond to the challenges of technological and sustainable transformation (16%), restructuring the balance sheet (14%) or responding to shareholder pressure (9%). By type of investor, according to 42% of respondents, private equity managers will continue to play a very important role, and 39% of respondents believe that their weight will increase even more.

"All forecasts point to M&A activity picking up next year, and in the face of this scenario, funds, industrial investors and companies must be prepared. With this report, LLYC wants to shed light on what will be the main trends to take into account in order to face the recovery from an advantageous position. As stated by the experts consulted, reputation and communication are reaffirmed as key tools to bring an operation to a successful conclusion", says Luis Guerricagoitia, Senior Director of the Financial Communication area and one of the authors of the report.

Security for foreign investment

All the participants in the report agree on the importance of guaranteeing a stable legal framework for foreign investment. The experts consulted focus on Spain, which has traditionally been positioned as an attractive market for foreign investment and where regulations have not, until now, been a significant brake on transactional activity. Regardless of the market in which they operate, all the experts interviewed agree on the need to continue attracting foreign investment and, therefore, to have a legal ecosystem that favors it.

The great novelty of the survey is the high relevance given by 83% of respondents to reputation when analyzing the targets. Likewise, sustainability, transparency and social and good governance aspects are compulsory elements in the Spanish and Latin American markets. Good communication is, at this point, an ingredient that contributes to go beyond balance sheets and prevent hypothetical corporate risks.

Read the [full report here](#).

About LLYC

LLYC (BME:LLYC) is a global communications, digital marketing and public affairs consulting firm

that helps its clients to face their strategic challenges with solutions and recommendations based on creativity, technology and experience, seeking to minimize risks, seize opportunities and take care of the reputational impact. Amidst today's disruptive and uncertain context, LLYC assists its clients to achieve their short-term business goals and set a path, with a medium- and long-term vision, that upholds their social license to operate and enhances their prestige.

LLYC is listed on the Spanish secondary stock market, BME Growth. The firm currently has 21 offices in Argentina, Brazil (São Paulo and Rio de Janeiro), Colombia, Chile, Ecuador, Spain (Madrid and Barcelona), the United States (Miami, New York, San Diego and Washington, DC), Mexico, Panama, Peru, Portugal and the Dominican Republic. LLYC also provides services through affiliated companies throughout Latin American markets.

Two leading industry publications rank LLYC among the world's top communications companies. It is ranked 39th by revenue worldwide according to PRWeek's Global Agency Business Report 2023 and 40nd in PRovoke's Global Ranking 2023. LLYC has been named the Top Communication Consultant in Europe at the 2022 PRWeek Global Awards, and Communication Consultant of the Year in Latin America at the 2021 International Business Awards.

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