

M&A Update

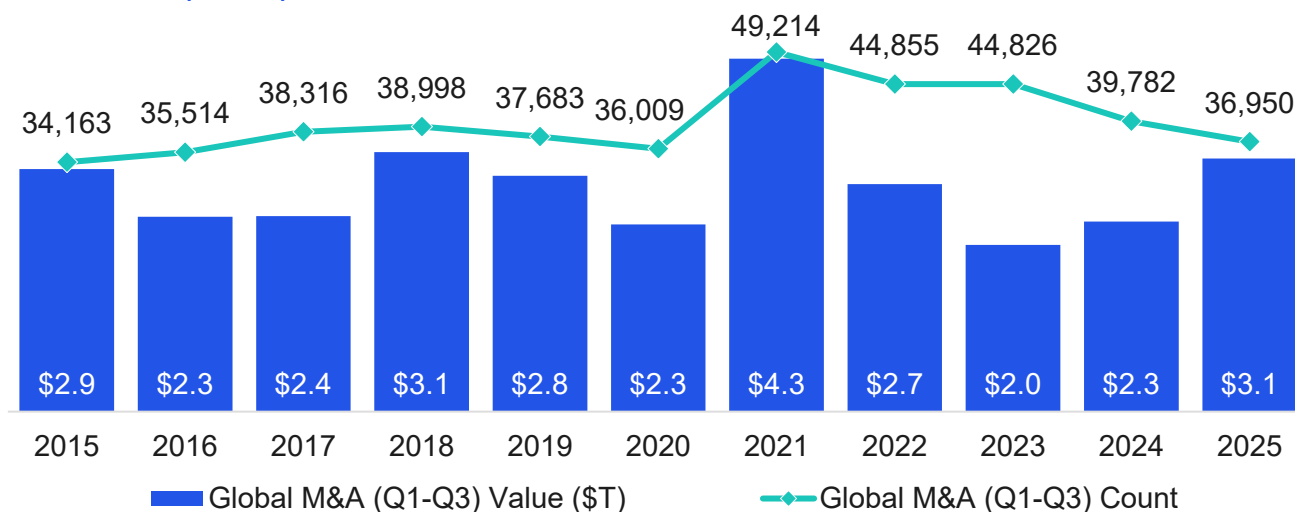
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Global M&A Value Up Significantly, But Deal Count Remains Subdued

Global M&A value through the first three quarters of the year was up ~33% from the same period in 2024, totaling over \$3T, a 4-year high. However, global deal count was down ~7% from 2024 levels, a 5-year low

► U.S. M&A followed a similar trajectory, with 2025 YTD M&A value up ~25%, but deal count down ~12%

GLOBAL M&A (Q1-Q3)

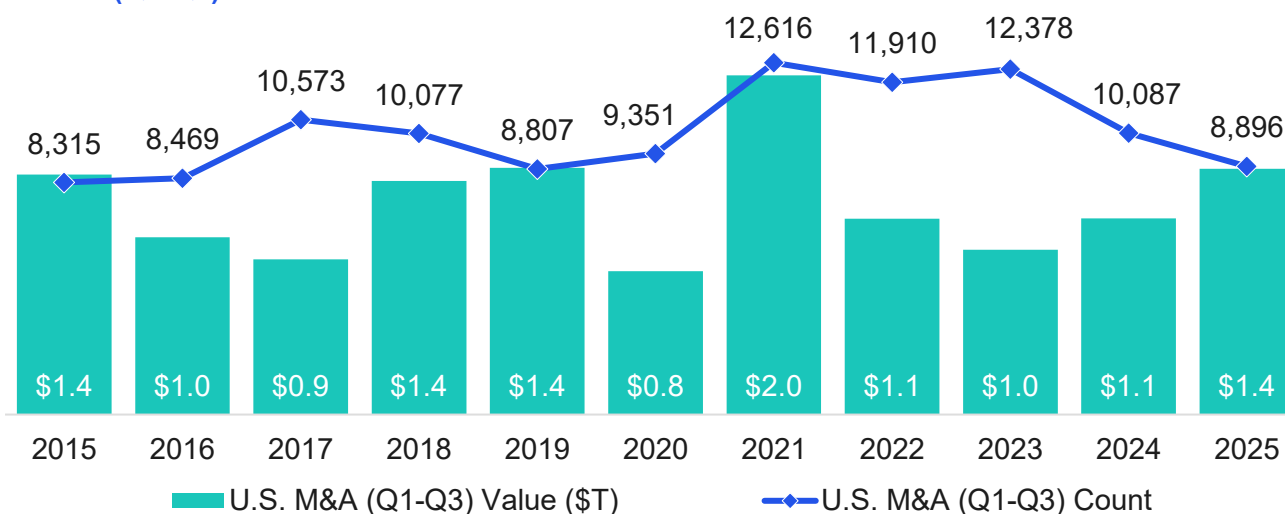


GLOBAL: Q1-Q3 2025 v 2024

% Δ by Value ↑ 33.1%

% Δ by Count ↓ 7.1%

U.S. M&A (Q1-Q3)



U.S.: Q1-Q3 2025 v 2024

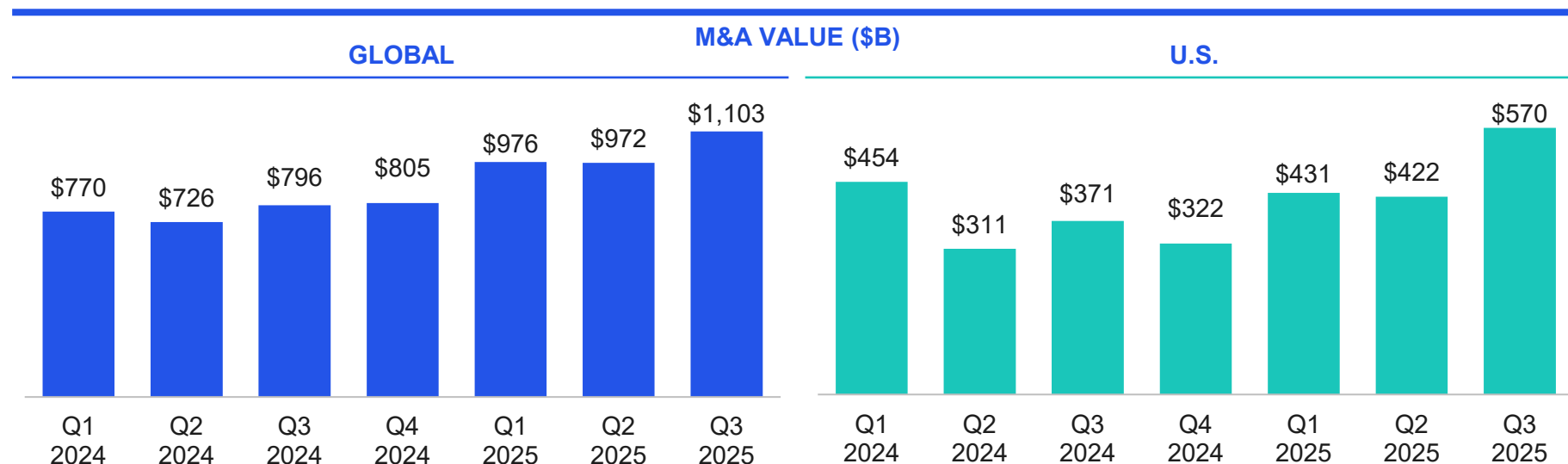
% Δ by Value ↑ 25.2%

% Δ by Count ↓ 11.8%

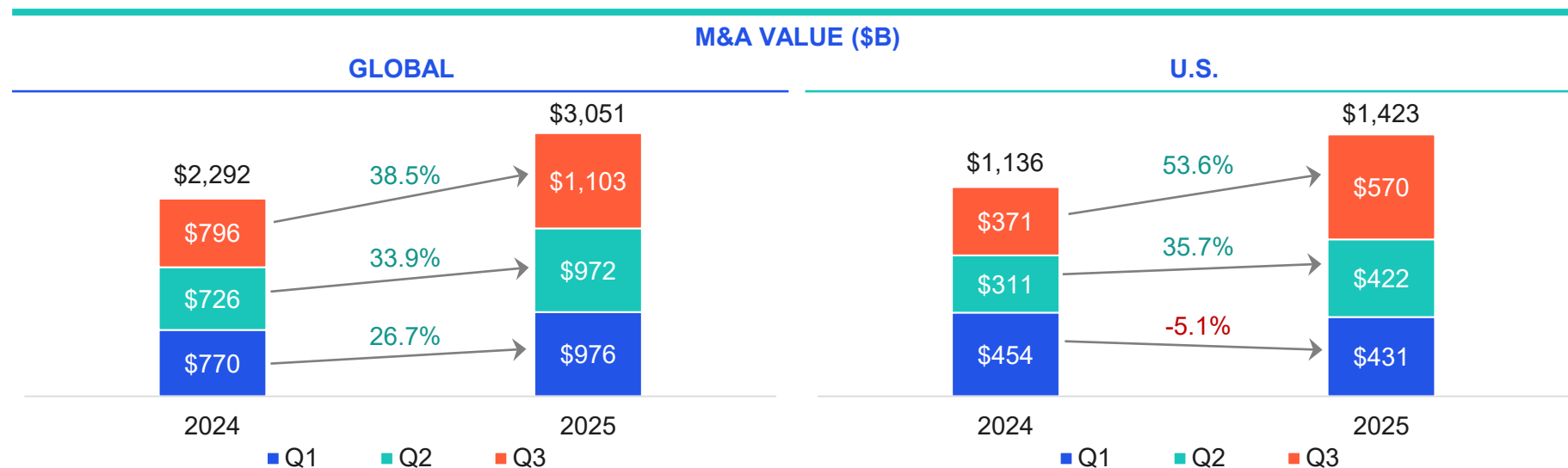
Source: LSEG excludes withdrawn deals

Q3 Led the Jump in YTD M&A Value ...

Q3 2025 global value increased ~13% by value compared to Q2, surpassing \$1T for the first time since Q2 2022



...With Each Quarter in 2025 Growing Sequentially on a YoY Basis

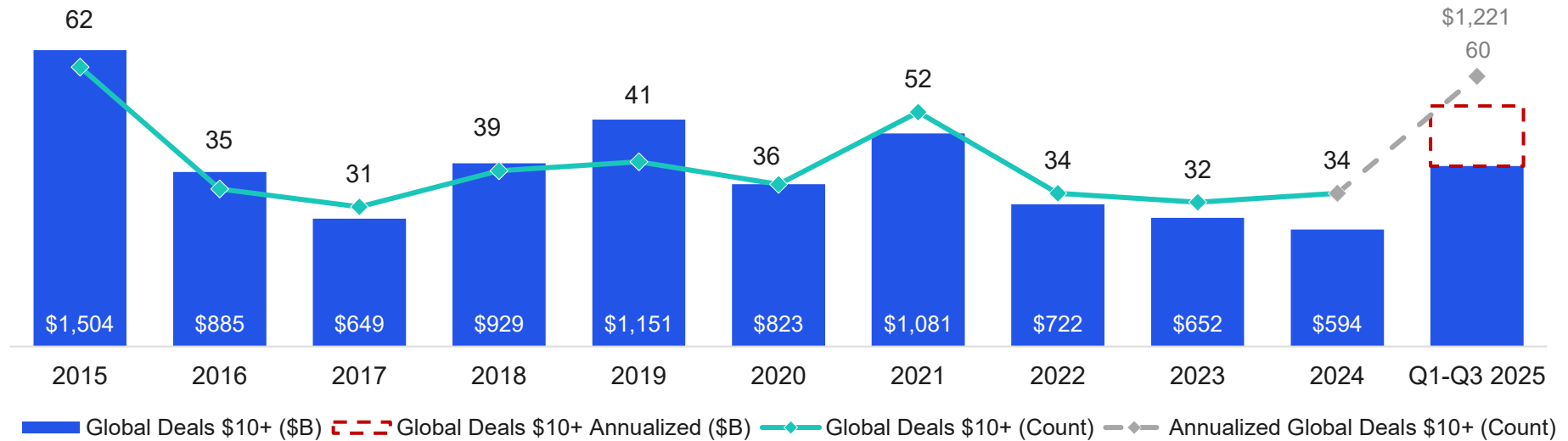


Source: LSEG excludes withdrawn deals

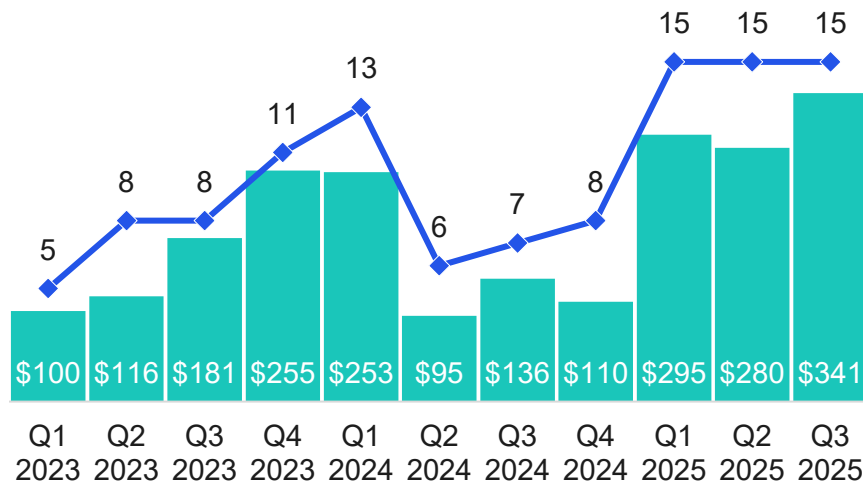
... Mega Deals Drove the Increase in Overall M&A Value ...

Q3 2025 was the best quarter for \$10B+ deals since 2021

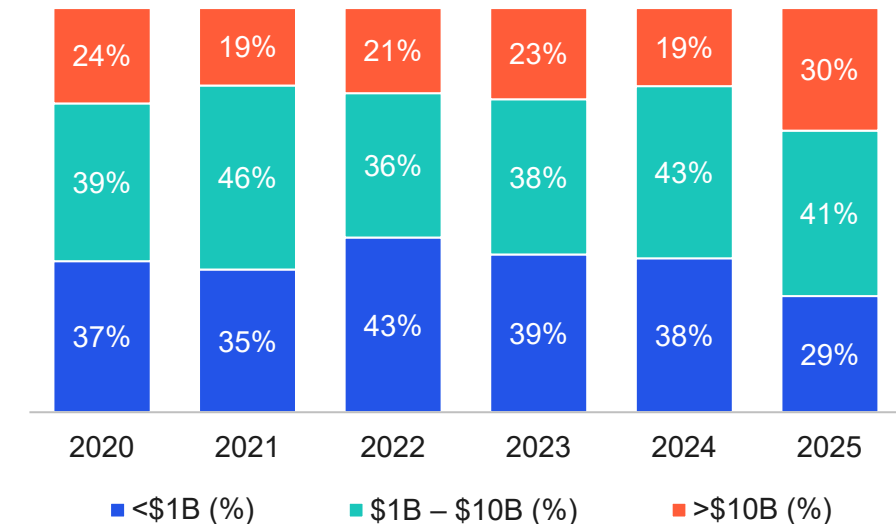
GLOBAL M&A DEALS OF \$10B+



GLOBAL M&A DEALS OF \$10B+ – BY QUARTERS



GLOBAL DEAL SIZE BREAKDOWN (Q1-Q3, % BY VALUE)



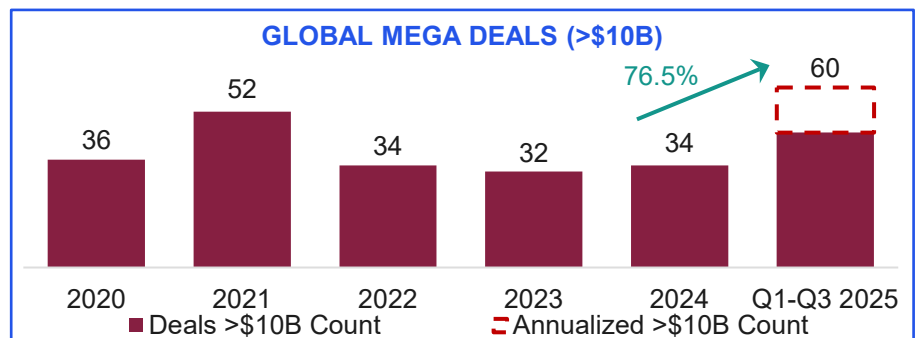
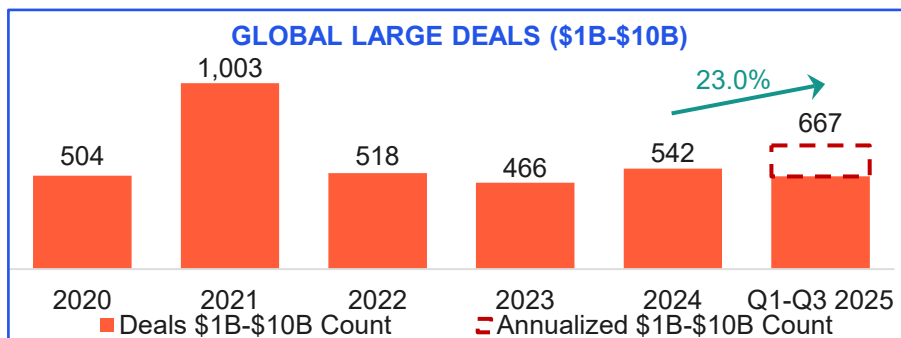
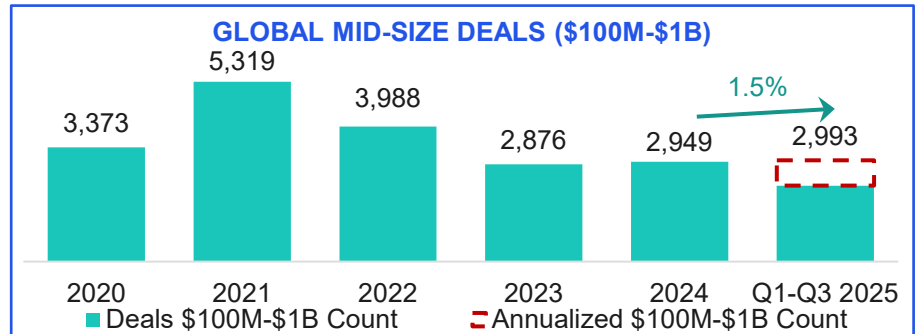
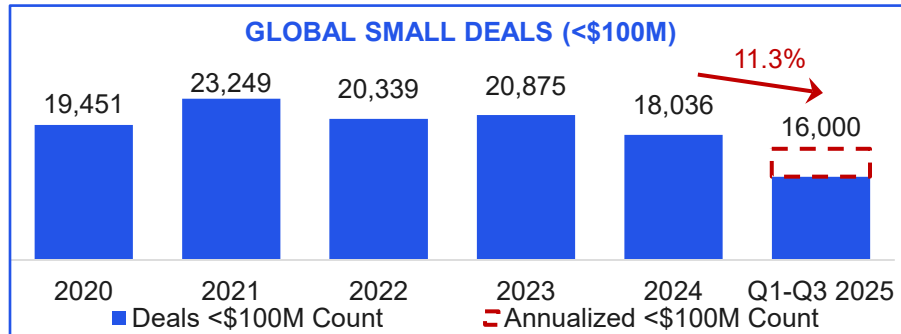
Source: LSEG excludes withdrawn deals

... With Mega Deals Prominent Across Industries

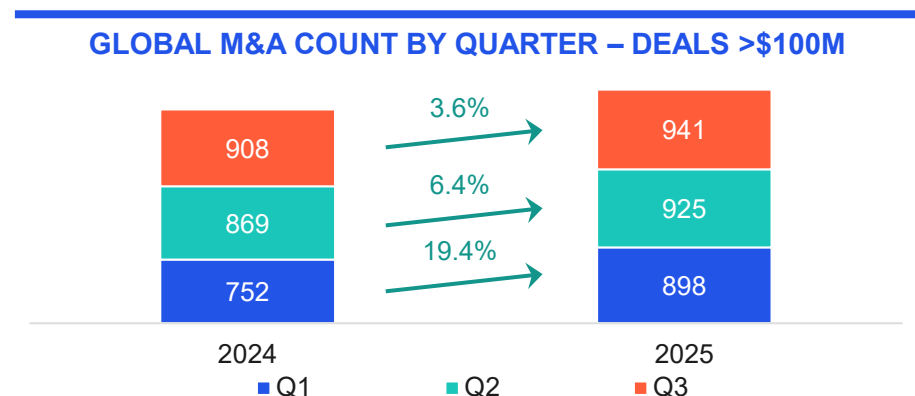
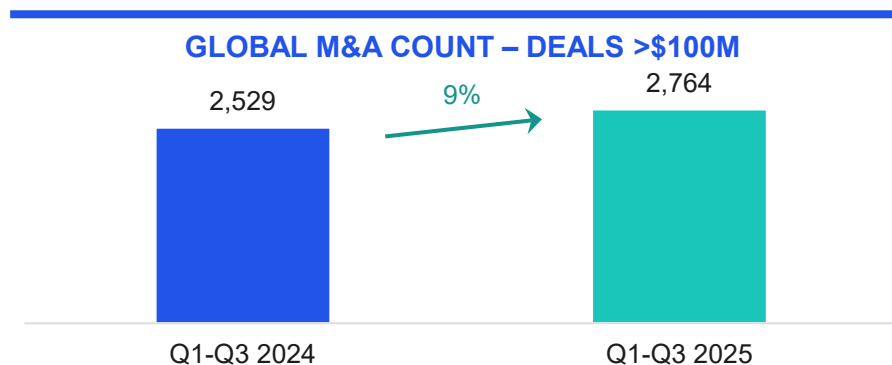
SELECT 2025 MEGA DEALS									
ACQUIROR	\$B	DATE	TARGET	INDUSTRY	ACQUIROR	\$B	DATE	TARGET	INDUSTRY
	\$85.0	7/29		Railroad		\$24.3	4/17		Fintech
	\$55.0	9/29		Gaming		\$23.7	3/6		Consumer Retail
	\$53.0*	9/9		Natural Resources		\$18.3	10/21		Healthcare
	\$40.0	10/15		Data Centers		\$18.0	8/25		Food and Beverage
	\$34.5	5/16		Telecom		\$17.5	7/14		Medical Devices
	\$33.0	3/28		AI		\$14.6	1/13		Biotech
	\$32.0	3/18		Cybersecurity		\$13.6	7/29		Energy Equipment
	\$26.6	1/10		Energy		\$12.3	8/21		HR Technology
	\$25.0	7/30		Cybersecurity		\$10.0	7/9		Pharmaceuticals

Source: LSEG excludes withdrawn deals and company press releases. * Based on combined company value

Deal Count Decrease was Driven by a Drop in <\$100M Deals



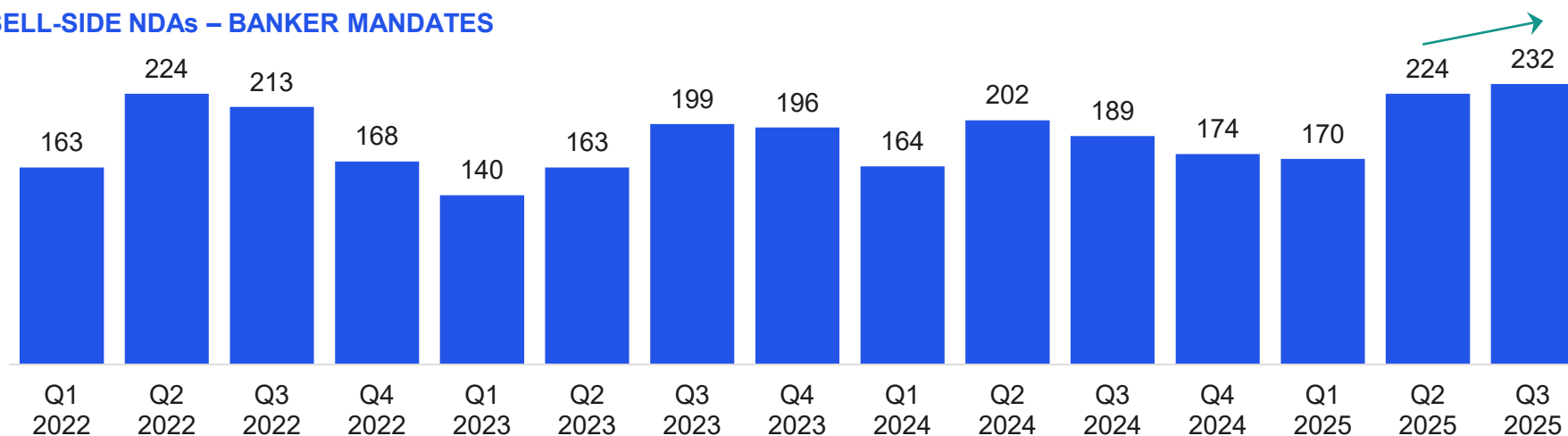
Excluding small cap M&A (<\$100M), the total number of deals YTD was actually up ~9% YoY and growing modestly each quarter



Recent NDA Volume Suggests an Upcoming Increase in M&A ...

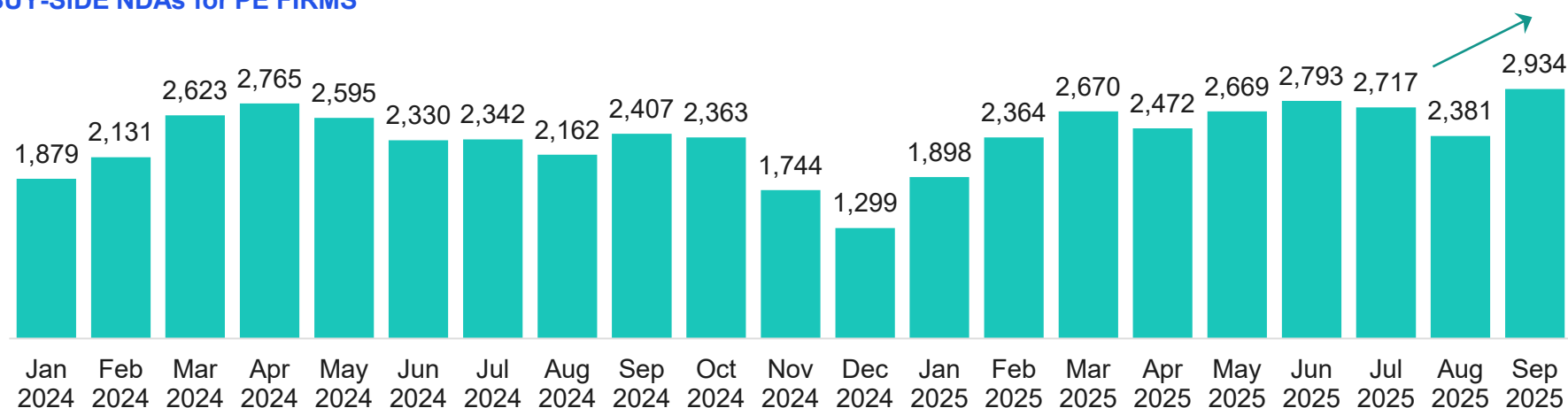
The number of banker-led sell-side mandates processed by Ontra (an AI-enabled NDA automation platform) increased in Q3 (over Q2 levels and Q3 2024) ...

SELL-SIDE NDAs – BANKER MANDATES



... With a spike in the number of NDAs reviewed by buyers in September, suggesting a strong close to the year

BUY-SIDE NDAs for PE FIRMS

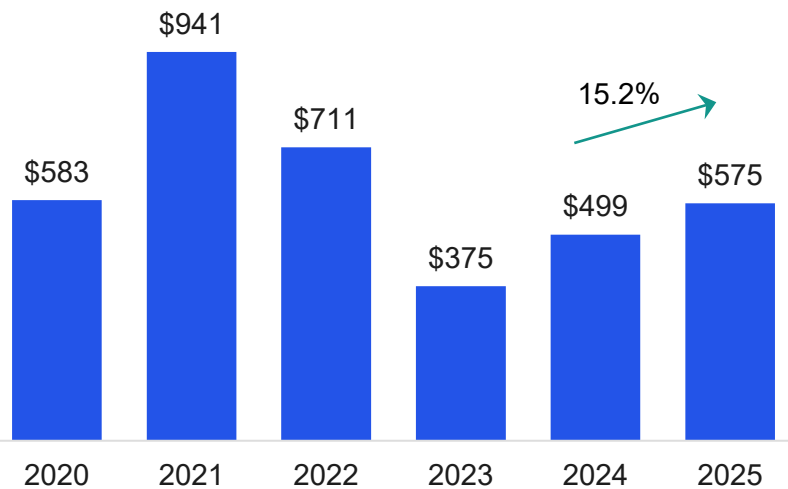


Source: Ontra proprietary data. Buy-side data based on M&A NDAs processed by Ontra for ~50 U.S. based private equity firms. Sell-side data based on NDA volume from five U.S. based middle market investment banks for sell-side mandates. In each case, limited to accounts largely penetrated to avoid volume changes related to changes in use of Ontra services

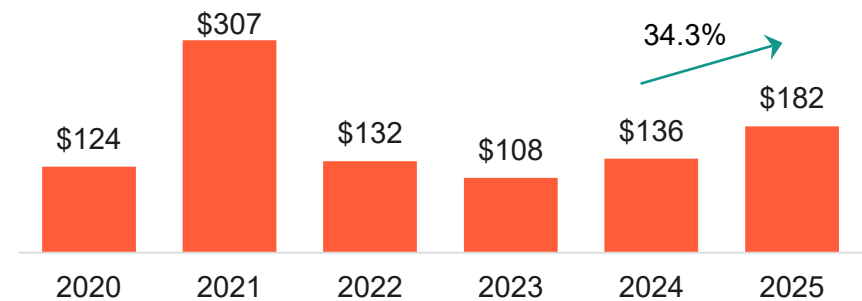
European, Asian and Cross-Border M&A All Up

Cross-border M&A may be benefitting from trends around deglobalization, with companies seeking to mitigate risks associated with global supply chains, such as tariffs, export controls, or logistical disruptions, by pursuing cross-border M&A to establish a direct presence in key markets

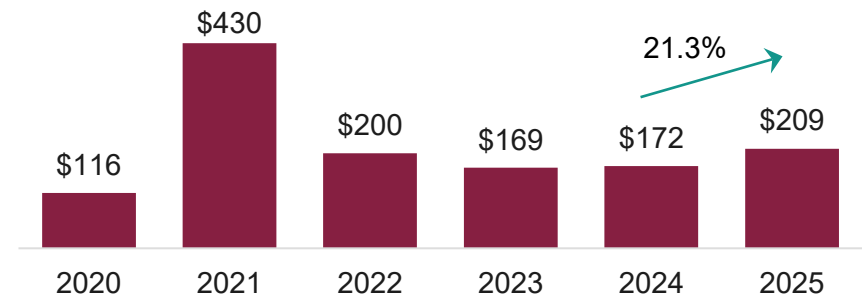
EUROPE M&A (Q1-Q3, \$B)



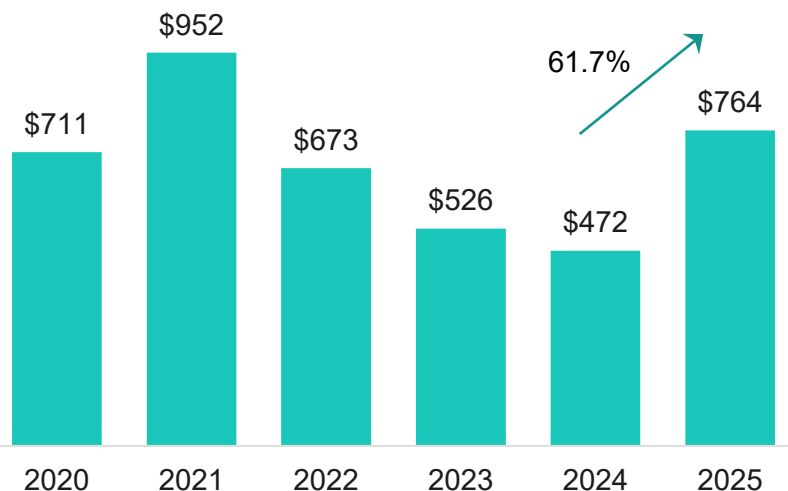
U.S. INBOUND M&A DEALS (Q1-Q3, \$B)



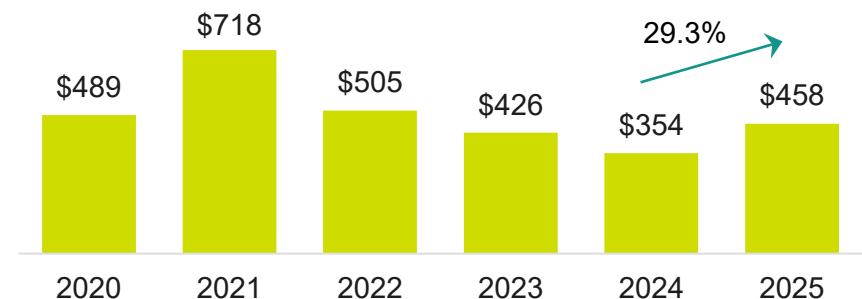
U.S. OUTBOUND M&A DEALS (Q1-Q3, \$B)



ASIA M&A (Q1-Q3, \$B)



CROSS BORDER EXCLUDING U.S. M&A DEALS (Q1-Q3, \$B)



Antitrust Under the Trump Administration: The First 9 Months

New agency leaders have stressed that enforcement will remain vigorous – while promoting “clarity and certainty” and repudiating Biden-era “ideological disposition against M&A”

Enforcement Approach

- ▶ Reflexive skepticism of M&A has ended as has rhetoric focused on private equity
- ▶ Deals between close competitors are still facing headwinds, but merger remedies (settlements) requiring asset divestitures are again a key enforcement tool
- ▶ Agencies have shown little interest in pursuing novel theories or litigating very aggressive cases
- ▶ Major conduct cases begun under Biden and Trump 1.0 are proceeding, especially against Big Tech
- ▶ New areas of interest: alleged viewpoint bias by Big Tech and media; ESG

Key Developments Regarding Rules and Procedures

- ▶ Government shutdown: HSR filings are being accepted and waiting periods are not tolled; merger reviews are generally proceeding, though reduced agency capacity is causing delays
 - Pre-shutdown, discretionary early termination (ET) of HSR waiting periods returned after suspended under Biden, though it was granted less often and not as quickly; ET suspended again during shutdown
- ▶ New HSR rules took effect in February, substantially increasing filing burdens (now ~20-25 BDs to file)
- ▶ Agencies reaffirmed Biden-era 2023 Merger Guidelines, which are more aggressive than 2010 version

Merger Control Remains Active; Remedies Again an Option

Enforcement posture to date has been broadly consistent with expectations and agency messaging

- ▶ While deals between close competitors in concentrated sectors still face headwinds ...
 - Agencies have sued to block 3 deals, each on a standard theory of close competition
 - Agencies have initiated a substantial number of in-depth “Second Request” investigations
- ▶ ... Remedies (typically asset divestitures) are again a key merger enforcement tool
 - Biden Administration stopped using remedies to resolve merger challenges in 2022
 - Under Trump 2.0, agencies have agreed to 7 remedies



UNITED STATES OF AMERICA
Federal Trade Commission
WASHINGTON, D.C. 20580

Office of the Chairman

**Statement of Chairman Andrew N. Ferguson
Joined by Commissioner Melissa Holyoak and Commissioner Mark R. Meador
In the Matter of Synopsis, Inc. / Ansys, Inc.
Matter Number 2410059**

May 28, 2025

Today, the Commission unanimously authorizes the filing of an administrative complaint and proposed decision and order requiring Synopsis, Inc. and Ansys, Inc. to divest several lines of business, and publishes that order for public comment.¹ It does so because it has concluded that the merger without the divestitures would have violated the Clayton Act's prohibition on mergers "the effect of [which] may be substantially to lessen competition, or to tend to create a monopoly."² Because this order is the first settlement of a merger-enforcement action by the Commission under President D should play this will not publish a po

Justice Department Sues to Block Hewlett Packard Enterprise's Bid for Juniper Networks

Antitrust enforcers say the deal would further concentrate the market for wireless networking technology

WASHINGTON—The Justice Department on Thursday sued to block the tie-up of [Hewlett Packard Enterprise](#) and [Juniper Networks](#), a \$14 billion deal that would join the second-largest and third-largest providers of wireless networking solutions for large corporate customers.

Resurgence of remedies provides another concrete path to clearance for deals that may raise antitrust risks



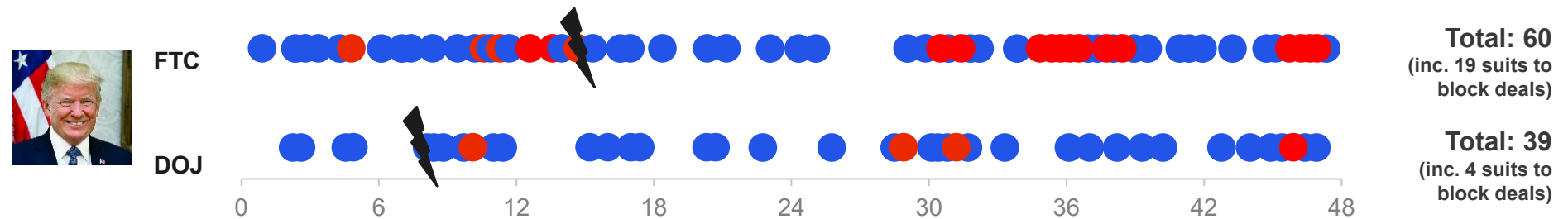
“If we’ve got a merger or conduct that violates the antitrust laws, and I think I can prove it in court, I’m going to take you to court. And if we don’t, I’m going to get the hell out of the way. The FTC is not going to try to use sort of subregulatory means to hold up mergers without actually taking people to court, and hope that they die on the vine. That’s over.”

— ANDREW FERGUSON, FTC CHAIR

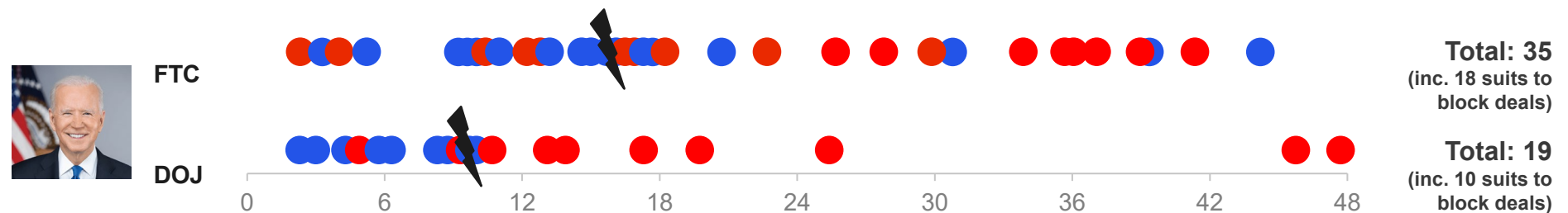
Remedies Are Back After Biden-Era Dip in Net Merger Enforcement

Trump 1.0 officials were active enforcers, and most actions featured agreed remedies; net merger enforcement dropped significantly under Biden with the near-disappearance of remedies and only a minimal increase in actions to block deals; *Trump 2.0* officials are once again agreeing to remedies and have filed several lawsuits to block deals

TRUMP 1.0 ADMINISTRATION 2017 – 2021



BIDEN ADMINISTRATION 2021 – 2025



TRUMP 2.0 ADMINISTRATION 2025 – PRESENT



● Agreed Remedy Without Litigation

● Lawsuit Filed to Block Transaction

⚡ Indicates point at which administration appointees took control of agency

Case Study: Sale of Significant Minority Stake in PubCo Subsidiary

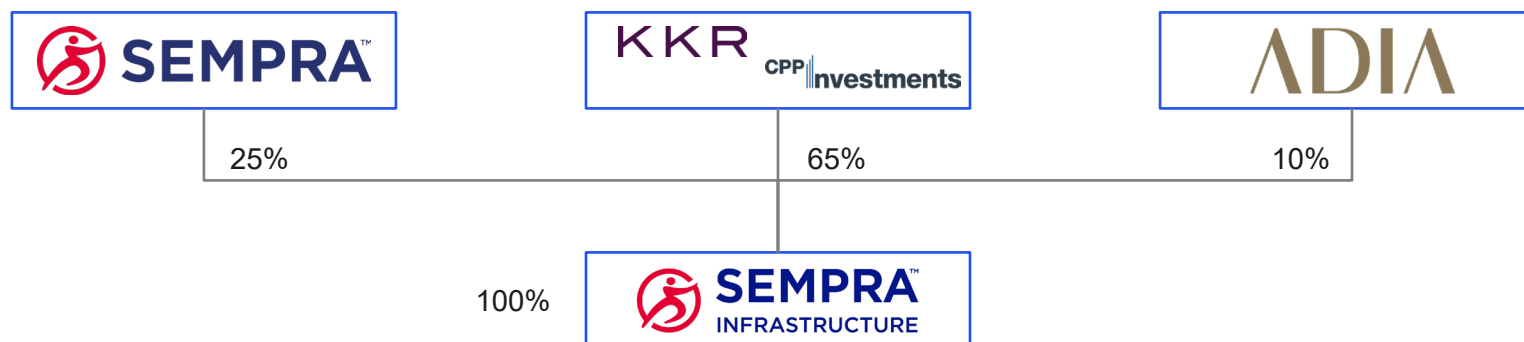
Transaction Overview

- ▶ Sempra **announced** a transaction to sell a significant minority stake in Sempra Infrastructure Partners (“SIP”), a leading energy infrastructure platform, to affiliates of KKR and Canada Pension Plan Investment Board (“CPP”), and simultaneously announced that it had reached a final investment decision on the Port Arthur LNG facility Phase 2 (see next slide)
- ▶ KKR and CPP purchased a 45% equity stake in SIP for \$10B (subject to adjustments), implying an equity value of \$22.2B and an enterprise value of \$31.7B
- ▶ Before adjustments, Sempra is expected to receive 47% of the cash at close, 41% by year-end 2027 and the balance approximately seven years after closing
 - This schedule helps Sempra generate attractive post-closing interest income as it efficiently reinvests proceeds over time in capital expenditures at its U.S. utilities

Select Transaction Benefits

- ▶ **Simplifies Business Model.** Sharpens focus to a leading U.S. utility growth business; enhances Sempra’s regulated business mix – targeting ~95% earnings from regulated U.S. utilities (up from ~81%); and reduces exposure to non-utility investments
- ▶ **Funds Utility Growth.** Eliminates the need for equity issuances in previously announced 2025 – 2029 capital plan; aligns use of transaction proceeds with reinvestment needs
- ▶ **Strengthens Balance Sheet.** Enhances business mix and improves credit profile; deconsolidates SIP from Sempra; reduces parent debt and targeting improved FFO-to-Debt

PRO FORMA SIP OWNERSHIP (ILLUSTRATIVE)



- ▶ At closing, a KKR-led consortium will become the majority owner of SIP, holding a 65% equity stake, while Sempra will retain a 25% interest alongside Abu Dhabi Investment Authority's (ADIA) existing 10% stake

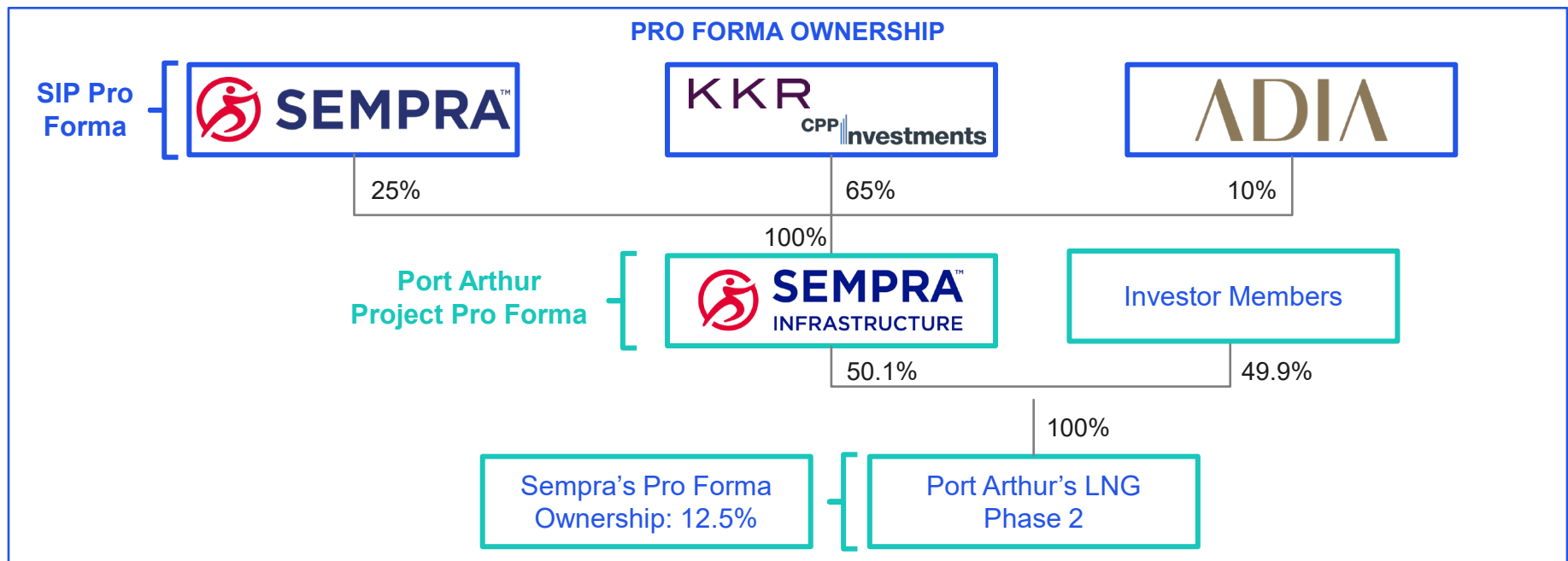
Case Study: Use of Structured Equity to Fund Project Development

Overview

- ▶ Simultaneous with the sale of a significant equity stake in SIP (see prior slide), Sempra [announced](#) the final investment decision to advance the development, construction and operation of Port Arthur LNG Phase 2
 - Phase 2 will include developing two natural gas liquefaction trains, one LNG storage tank and associated facilities with incremental project capex estimated at \$12B, plus an anticipated ~\$2B for shared common facilities
- ▶ Phase 2 is subscribed with long-term offtake arrangements under 20-year sales and purchase agreements with strategic partner ConocoPhillips as anchor, and other high-quality counterparties
 - Targeting unlevered after-tax return of 13.2% to Sempra

Project Funding Details

- ▶ Phase 2 funding is supported by an equity investment led by Blackstone Credit & Insurance, together with an investor consortium including KKR, Apollo-managed funds and Private Credit at Goldman Sachs Alternatives
 - These investors will collectively own a 49.9% minority equity interest for \$7B
 - Distributions will initially be made at 59.9% to the investors and 40.1% to SIP
- ▶ The funding structure is expected to receive 100% equity ratings from credit agencies



Structured equity continues to be compelling for strategics seeking scaled capital at attractive pricing and favorable equity treatment. See our prior structured equity [spotlight](#) for details

Case Study: Significant Minority Stake in Subsidiary by Institutional Investors



Transaction Overview

- ▶ State-owned Dutch power company TenneT [announced](#) a transaction to sell a significant minority stake in its subsidiary, TenneT Germany, to three large institutional investors: APG (investing on behalf of Dutch pension fund ABP), Singapore sovereign wealth fund GIC and Norges Bank Investment Management (collectively, the “Investors”)
 - Expected post-money ownership: ~54% TenneT, and 46% among the Investors
- ▶ The Investors’ equity commitment for up to €9.5B will be paid partly at the initial closing and partly in the years thereafter
 - Implies an enterprise value of TenneT Germany of €40B on a cash and debt free basis

Impact of Investment

- ▶ With this transaction, TenneT and its sole shareholder, the Dutch state, secure the equity requirement for the expansion of TenneT Germany's high-voltage grid for the years to come
- ▶ Transaction reflects a strong commitment towards a robust investment grade financial policy, optimally positioning TenneT Germany to raise the required debt financing for its CAPEX program as well
- ▶ The German state has expressed interest in a potential investment in TenneT Germany

Other Examples

- ▶ Deal is another example of financial investors making significant investments in public company subsidiaries to provide flexible capital
 - ▶ Other recent examples of pubcos selling significant minority stakes in subsidiaries include [Rogers](#), [American Electric Power](#) and [CI Financial](#)
-

Glass Lewis to Phase Out “House View” Voting Policy in 2027

On October 15, 2025, Glass Lewis [announced](#) it will discontinue its long-standing house policy for voting recommendations beginning with the 2027 proxy season

- ▶ This move is a departure from its prior position in [May 2025](#) and comes amid heightened political, legal and regulatory scrutiny of proxy advisory firms, including state-level investigations and lawsuits challenging their ESG-related voting guidance
- ▶ The announcement follows an ISS [announcement](#) last week of new client product offerings: Gov360, which provides impartial research without vote recommendations, and Custom Lens, which offers fully customizable reports applying client-specific voting criteria
- ▶ According to Glass Lewis, most of its clients already use a custom policy or thematic policy

Cited Drivers

Rapid advances in technology, especially AI, enabling highly customized approaches to voting

Diverging investor priorities that are driving differences in approaches to fiduciary duty, engagement strategies and sustainability commitments across regions, particularly between Europe and the U.S.

Glass Lewis Policy Changes

All clients will move beyond standard policies and create voting frameworks that reflect their individual investment philosophies and stewardship priorities

Glass Lewis will move away from its house policy and provide multiple perspectives that reflect the varied viewpoints of clients (e.g., management-aligned, governance fundamentals or sustainability)

Takeaways

- ▶ These changes parallel the evolving Big 3 stewardship [models](#), which are also moving away from one-size-fits-all voting policies
- ▶ Companies must prepare for a less predictable and potentially more fragmented investor voting environment in the coming proxy seasons
- ▶ Companies will need more targeted engagement strategies, even as recent SEC guidance on passive investors makes proactive outreach more complex