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*M&A CLE Series:*

# **SRS M&A Deal Terms Study**

*Co-Sponsored by the M&A Subsection of the  
CBA Business Law Section*

*COURSE BOOK VERSION 1.0*

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# SRS M&A Deal Terms Study

## October 1, 2024

Webinar: 1 General Credit

Home Study: MP3 | Video-on Demand: 1 General Credit

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1290 Broadway, Suite 1700, Denver, Colorado 80203 | (303) 860-0608  
[clereception@cobar.org](mailto:clereception@cobar.org) | [cle.cobar.org](http://cle.cobar.org)

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# **AGENDA**

**8:00 – 9:00 am**

**SRS Acquiom M&A Deal Terms Study**

Join us for the annual review of the SRS M&A Deal Terms Study. By reviewing data from thousands of private-target acquisitions where SRS Acquiom provided services, we can discover trends in M&A deal terms, and learn where disputes and claims arise in M&A deals.

*Presented by **Eric Martin, Esq.**, SRS Acquiom, Inc.*

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# **BIOGRAPHICAL INFORMATION**

## **PROGRAM SERIES CHAIR**

**Darren R. Hensley, Esq.**, is a member of the Denver office corporate and transactional practice group of Polsinelli PC. He has practiced law in the Colorado legal market since 1990, with his practice emphasizing a wide variety of corporate, securities, mergers and acquisitions, financings, and general business law matters and transactions. Mr. Hensley was ranked in *Chambers USA: America's Leading Lawyers for Business, Corporate/M&A* in 2014 - 2023 and was selected for inclusion in the 2013 - 2024 editions of *The Best Lawyers in America®* in the corporate practice area. In 2006 and 2010, *5280 Magazine* named Mr. Hensley as a Colorado SuperLawyer in the business/corporate practice areas and in 2011 - 2021 named him as a Colorado SuperLawyer in the M&A practice area. He has also published articles and lectured on mergers and acquisitions and transactional legal topics. Mr. Hensley was previously appointed by Colorado Governor John Hickenlooper to the Colorado Securities Board where he served two three-year terms and as the Vice Chair and Chair, and is currently the Chair of the M&A Subsection of the Colorado Bar Association. Prior to joining Polsinelli PC, Mr. Hensley was a founding member and head of the corporate, securities, and M&A practice group of the Denver-based law firm of HKH Law, LLC. He was instrumental in the growth of the firm from two attorneys to 18 attorneys and over 30 total employees, with substantial management and administrative responsibility for the firm, including accounting, finance, risk management, and personnel. *Inc. Magazine* named the firm to the Inc. 5000 in 2007 - 2011 as one of the fastest-growing businesses in the United States. Prior to HKH, he practiced with the national law firms of Brobeck Phleger & Harrison LLP, Ballard Spahr Andrews & Ingersoll, and Kirkland & Ellis, and was a judicial law clerk for the Honorable Russell G. Clark, United States District Judge for the Western District of Missouri. Mr. Hensley earned

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his B.A. degree (*magna cum laude*) from Missouri Western State College and Graceland College and his M.B.A. (Graduate Business Scholar) and J.D. (Order of the Coif) degrees from the University of Kansas. He is a member of the Denver, Colorado (Business Law Section, Business Law Section Executive Council, Chair - M&A Subsection, former member of Business Law Institute Planning Committee), and American (Business Law Section) bar associations and the Missouri Bar (Business Law Section). He is a former member of the Board of Trustees of the Legal Aid Foundation of Colorado and the Hope House of Colorado Strategic Planning Committee.

## **FACULTY**

**Eric Martin, Esq.**, is the managing director of Business Development for the U.S. Central & Rocky Mountain Regions, and Canada. He works with deal parties, outside counsel and investors, providing education and guidance on SRS Acquiom's suite of products and services and how they can be used on transactions. Before joining SRS Acquiom in 2012, Eric's career spanned several unique roles, including CFO for one of Colorado's oldest nonprofits, co-founder and partner in a contract packaging and fulfillment business, and corporate law practice at firms including Hogan Lovells, Arnold & Porter, and a few smaller firms in the Denver area. Eric received a JD from the University of Denver School of Law, an MBA from the University of Colorado at Denver and a BS in Business from the University of Colorado at Boulder. Eric frequently delivers presentations on M&A deal term trends, post-closing claim activity and SRS Acquiom's technology platforms, often with CLE credit available. If interested, please [reach out](#) to schedule a virtual or in-person meeting.

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## From the Desk of Eric Martin Straight to Your Inbox

### 2024 Quarterly Letter – Volume 1

Greetings -

Warm mid-first quarter greetings from St. Louis, MO where I call home - I hope you are doing well and that 2024 is off to a good start.

As a quick introduction to those of you I haven't yet met, I'm Eric Martin. I've been at SRS Acquiom for 13 years, oversee our US Central/Rocky Mountain & Canadian account relationships, and am a lawyer by background. Contact me anytime you have questions about our company, our data, or to see how we can be of service to you on a transaction - [emartin@srsacquiom.com](mailto:emartin@srsacquiom.com) / 720.279.0974.

It's anyone's guess how small-to-middle-market private-target M&A will fare in 2024, but it seems many signs are pointing in the direction of a busier year. We are fully staffed and ready to be of service to you as deals come your way - [VDR... Escrows...Paying Agent...Shareholder Rep.](#)

Thanks in no small part to kind referrals from you and your colleagues, we are fortunate to work on many such deals each year (over 1,000 in 2023). These engagements result in a useful by-product that many M&A lawyers and buyers/sellers like - we gather unique data points from each deal and make the aggregated data set available via [MarketStandard](#) and offer insights through our [studies and articles](#).

This year, I'll be preparing a quarterly letter for you (this one being the first). Each letter will highlight a few new trends we are noticing, provide quick links to our prior quarter's publications, and outline our expected upcoming publications & events. (Of course, if you don't want to receive future editions, please just reply to this email and let me know.)

With that introduction...here we go with 2024 Volume 1.

#### **A Few Emerging Trends "According to MarketStandard..."**

Our [MarketStandard](#) tool is free to use, and provides you with quick access to filterable M&A deal terms. [This 2-pager](#) shows 3 trends to watch in 2024, based on what we are seeing in the data.

#### **OUR PUBLICATIONS**

It can be hard to keep track of our frequently-released publications, though they are all available [here](#). To make it easier to find our latest materials, each quarter I will provide a summary for you.

#### **Major Publications from Last Quarter**

- [M&A Working Capital Purchase Price Adjustment Study](#) (February 2024)
- [Cross-Border M&A Deals in 2023: Tips to Keep FX Simple](#) (November 2023)
- [Life Sciences M&A: Are You Prepared for Post-Closing Challenges](#) (October 2023)
- [M&A Advisors: Why is a Post-Closing Specialist Essential for Your Clients?](#) (October 2023)
- [Why Risk It? How An Experienced Shareholder Representative Helps Navigate Post-Closing Issues](#) (October 2023)
- [Drafting Considerations for Working Capital Adjustment: M&A Purchase Price Adjustments are Common Yet Complex](#) (October 2023)
- [PE Professional Op Ed: Valuation Disconnects Driving a Spike in Earnouts](#) (October 2023)
- [M&A Deals: Don't Overlook the Later Stages](#) (October 2023)
- [2023 Life Sciences M&A Study: Earnout Achievement: Key Findings By Industry Sector](#) (October 2023)
- [Lower Middle Market Deals Report](#) (October 2023)
- [2023 Life Sciences M&A Study](#) (September 2023)

#### **Upcoming Publications & Events (I will provide links to all of these in my Q2 letter)**

- March 19 Webinar: M&A Working Capital PPAs: Latest Trends and Takeaways - You can [register here](#)
- M&A Deal Terms: Three Trends to Watch in 2024 (Q1 2024)
- Best Practices for Engaging a Shareholder Representative (Q1 2024)
- Do Multipliers Apply to Post-Closing Claims? (Q1 2024)
- M&A Earnouts (Q1 2024)
- Shareholder Rep Expense Funds for the Win-Win (Q1 2024)

From the Desk of Eric Martin Straight to Your Inbox

2024 Quarterly Letter – Volume 1

- What Makes a Modern VDR? (Q1 2024)
- Checklist: Four Tips for Choosing the Best M&A VDR Provider (Q1 2024)
- M&A Barometer Results: 2024 M&A Outlook (Q1 2024)
- 2024 Private Target M&A Deal Terms Study (April 2024)

**4 Ways to Partner With Us (à la carte, or in any combination you need):**

1. [VDR](#)
  - a. Due Diligence
  - b. Any other secure file sharing needs
  - c. Compelling pricing model for small-to-middle market transactions
2. [Escrow agent](#)
  - a. M&A (working capital, indemnity, special escrows)
  - b. Litigation
  - c. Bankruptcy
  - d. Fundraising/Subscriptions
  - e. Purchase price deposits
  - f. Other non-real estate business escrows
3. [Paying agent/solicitation agent](#)
  - a. M&A
  - b. Dividends
  - c. Fund distributions
  - d. Other document solicitation/response gathering processes
4. [Shareholder Representative](#)
  - a. Any deal size
  - b. Any # of shareholders
  - c. Any indemnification structure

All the best for a great 2024 - hope to see you on a deal soon -

Eric Martin

Regional Managing Director, Business Development

U.S. Central & Rocky Mountain Region | Canada

[VDR](#) | [Business Escrows](#) | [Paying Agent](#) | [Shareholder Representation](#)

O [720.279.0974](tel:720.279.0974)

M [720.891.6595](tel:720.891.6595)

[My Bio and Popular SRS Acquiom Resources](#)

# Don't Run M&A Due Diligence with File Sharing Apps: There's a Better Way

M&A lawyers know that virtual data rooms (VDRs) purpose-built for M&A transactions work better than file sharing apps when it comes to due diligence. The challenge? Clients often don't want to pay for a VDR or argue that their files are already set up on whichever app they use for general business purposes.

This leaves the lawyer in the difficult position of having to do their best with a tool that is cumbersome, limited, and that risks giving bidders the sense that the deal process is less sophisticated than it should be. SRS Acquiom offers a better alternative.



## The SRS Acquiom Virtual Data Room

- ✔ Is a **full-featured VDR, purpose-built for M&A transactions**, with **leading-edge security**
- ✔ Is offered at a **flat rate** regardless of users, data, or time, and that is **only payable if and when the deal closes**
- ✔ Can have its price **offset by the purchase of any other services** SRS Acquiom provides in the transaction — meaning that, in many cases, the **VDR is free**
- ✔ Can **port over existing files and file structures** from other apps with minimal effort

## Common Resistance and Questions from Clients

CLIENT COMMENT	RESPONSE
<b>Our files are already set up on our file sharing app. I don't want to have to redo that work.</b>	The entire file structure can be moved over to the SRS Acquiom VDR with a single click.
<b>I don't want to pay for a VDR.</b>	The inefficiencies of using a file sharing app rather than a VDR will almost certainly cost more than the price of the SRS Acquiom VDR. In fact, the VDR could ultimately be free if other SRS Acquiom services are used on the deal.
<b>How does a VDR make the deal process more efficient?</b>	During due diligence, thousands of files are uploaded and reviewed by deal counsel on both sides. VDRs have purpose-built features to improve this process, including audit trails, granular permissions, automatic folder and file indexing, and the ability to track viewed and unviewed files.
<b>Isn't our file sharing app good enough?</b>	For better or for worse, many bidders will judge the quality of an opportunity in part by the way the deal is run and the tools used to run it. Running a due diligence process with a general file sharing app can make a selling company appear less sophisticated.
<b>Are there other reasons to use a VDR instead of a file sharing app?</b>	Yes. VDRs offer greater efficiency and functionality, enhanced visibility into usage and permissions, and higher security.
<b>How much does the SRS Acquiom VDR cost?</b>	For most deals, the SRS Acquiom VDR represents an immaterial expense with a flat fee of \$5,000 – \$10,000, subject to offset if other SRS Acquiom services are used on the deal.
<b>I don't want to risk paying for a VDR if my deal doesn't close.</b>	Great news: SRS Acquiom only bills for the VDR if and when the deal closes. If your transaction doesn't close for any reason, you don't owe us anything.

This quick reference guide provides a summary of the three most recent years of data from the 2024 SRS Acquiom M&A Deal Terms Study, which analyzes more than 2,100 private-target acquisitions (\$475B) that closed from 2018–2023 on which SRS Acquiom provided professional services. Download the full 2024 M&A Deal Terms Study at [srsacquiom.com/2024dts](https://srsacquiom.com/2024dts).

SRS Acquiom MarketStandard is a proprietary database of over 4,000 private-target M&A deals, designed to help deal parties determine “what’s market,” and allows you to dynamically filter, sort, and explore over 150 attributes with five different filters for real-time negotiating knowledge.

Gain access: [srsacquiom.com/marketstandard](https://srsacquiom.com/marketstandard)

STUDY YEAR	2021	2022	2023
<b>FINANCIAL TERMS AND PROVISIONS</b>			
<b>Closing Consideration Trends, Consideration Type</b>			
All cash.....	71%	73%	74%
All stock.....	4%	4%	6%
Cash/Stock combination.....	25%	23%	20%
<b>Simultaneous Sign and Close</b>			
Yes.....	31%	35%	37%
No.....	69%	65%	63%
<b>Management Carveouts: Frequency and Size</b>			
Deals including a management carveout.....	4.5%	3.6%	6.1%
Median size as a % of transaction value.....	8.2%	10.0%	6.8%
<b>Treatment of Options</b>			
Contribution and acceleration <sup>1</sup>			
Full acceleration of vesting.....	21%	13%	8%
Optionholders contribute to escrow.....	65%	52%	37%
Assumption of options by buyer, options assumed.....	21%	14%	22%
<b>Post-Closing Purchase Price Adjustments (“PPA”)</b>			
Included in consideration mechanics section of agreement.....	86%	85%	85%
Included in indemnification section of agreement.....	5%	9%	6%
Adjustment metrics			
Working capital.....	90%	85%	90%
Cash.....	90%	86%	90%
Debt.....	92%	92%	92%
Other.....	19%	18%	19%
Net assets (liabilities).....	1%	2%	1%
Adjustment excludes tax-related items, yes.....	78%	82%	85%
Methodology for preparation of closing balance sheet			
GAAP.....	15%	9%	15%
GAAP consistent with past practices.....	56%	54%	36%
Specified Methodology/Worksheet <sup>2</sup> .....	—	26%	35%
Silent.....	5%	3%	5%
Other.....	24%	8%	9%
Separate PPA escrows			
Deals with PPA escrow (all deals).....	72%	73%	70%
Deals with PPA escrow (no RWI identified).....	42%	56%	57%
Deals with PPA escrow (RWI identified).....	85%	93%	88%
PPA escrow median size as % of transaction value.....	0.62%	0.88%	1.00%
<b>Earnouts (Non-life science deals)</b>			
Earnout included.....	17%	21%	33%
Earnout metrics <sup>3</sup>			
Revenue.....	64%	62%	64%
Earnings/EBITDA.....	16%	22%	23%
Other.....	38%	22%	25%
Median earnout potential as % of closing payment.....	30%	30%	32%
Earnout length <sup>4</sup>			
1 year or less.....	27%	30%	19%
>1 year.....	72%	69%	80%
<b>Earnouts (Non-life sciences deals): Covenants, Acceleration and Offsets</b>			
Run business to maximize earnout payments, included.....	7%	1%	3%
Earnout accelerates on change in control, included.....	26%	30%	23%
Buyer can offset indemnity claims against future earnout payments <sup>5</sup> .....	66%	73%	70%
Express yes.....	66%	73%	70%
Express no.....	2%	0%	1%
<b>PERVASIVE QUALIFIERS</b>			
<b>Definition of Material Adverse Effect (“MAE”)</b>			
Use of “prospects”, included.....	10%	9%	11%
Forward-looking MAE details			
“Could be”.....	9%	11%	12%
“Would be”.....	89%	87%	86%
Other <sup>5</sup> .....	2%	2%	2%
Carveout frequency			
Economic conditions.....	98%	97%	99%
Industry conditions.....	92%	94%	92%
Changes in law.....	94%	93%	96%
<b>Knowledge Standards</b>			
Knowledge definition details, actual.....	10%	5%	4%
Knowledge definition details, constructive.....	89%	94%	96%

1 Excludes deals where optionholders received no consideration.

2 Included in “Other” prior to 2022.

3 Earnouts can include more than one metric, such as a combination of revenue and earnings.

4 Measured by the date the latest earnout period ends.

\* Remainder of 100% total is Silent.

STUDY YEAR	2021	2022	2023
<b>SELLER’S REPRESENTATIONS, WARRANTIES, AND COVENANTS</b>			
<b>“No Undisclosed Liabilities” Representation, Party Favored by Definition</b>			
Buyer.....	70%	69%	80%
Seller.....	30%	31%	20%
Representation is knowledge qualified.....	1.9%	1.2%	1.6%
<b>“Compliance with Laws” Representation<sup>6</sup></b>			
Covers past and present compliance.....	94%	96%	97%
Includes notice of violation.....	87%	89%	91%
<b>“10b-5” and “Full Disclosure” Representations</b>			
Inclusion of reps			
“Full disclosure” rep only.....	0%	0%	0%
“10b-5” rep only.....	16%	13%	17%
Both “10b-5” and “full disclosure” reps.....	1%	2%	1%
Neither rep.....	83%	85%	81%
<b>“No Other Representations” and “Non-Reliance” Clauses</b>			
Inclusion of reps, all deals			
“No other reps” only.....	15%	17%	15%
“Non-reliance” only.....	2%	3%	4%
Both.....	65%	65%	60%
Neither.....	18%	15%	21%
<b>Covenants: Seller’s Duty to Notify Buyer of Pre-Closing Breaches<sup>7</sup></b>			
Breaches of representations and warranties			
Seller permitted to update buyer.....	1%	2%	0%
Express duty to notify buyer.....	59%	64%	65%
No express duty to notify buyer.....	40%	34%	35%
Breaches of covenants			
No express duty to notify buyer.....	44%	40%	41%
Express duty to notify buyer.....	56%	60%	59%
<b>CLOSING CONDITIONS</b>			
<b>Accuracy of Seller’s Representations: When Must They be Accurate?</b>			
Timing			
At signing only.....	1%	1%	0%
At closing only.....	29%	29%	18%
Both.....	70%	70%	82%
Materiality at signing			
MAE.....	46%	49%	43%
“In all material respects”.....	46%	47%	46%
“In all respects”.....	8%	4%	11%
Materiality at closing			
MAE.....	55%	56%	48%
“In all material respects”.....	40%	40%	47%
“In all respects”.....	5%	3%	6%
<b>Accuracy of Seller’s Representations (Materiality): MAE Qualifier with Capitalization Representation Carveout</b>			
Carveouts applies at signing.....	95%	95%	98%
Carveouts applies at closing.....	93%	95%	95%
<b>Accuracy of Seller’s Representations (Materiality): Materiality Scrape</b>			
Included as of signing.....	96%	98%	91%
Included as of closing.....	93%	96%	91%
<b>“Material Adverse Change” Condition</b>			
Stand-alone condition only.....	40%	32%	41%
Back-door condition only.....	8%	6%	7%
Both.....	49%	59%	50%
Neither.....	2%	3%	2%
<b>“No Legal Proceedings” Condition</b>			
Condition included.....	97%	97%	94%
Government legal proceedings only.....	17%	12%	10%
Any legal proceeding.....	80%	85%	84%
<b>Appraisal Rights Condition (Mergers)</b>			
Appraisal rights condition included, yes.....	60%	64%	61%
Drafting details (deals including condition)			
Appraisal rights “not available to” % of shareholders.....	4%	7%	1%
Appraisal rights “not exercised by” % of shareholders.....	35%	37%	38%
Appraisal rights “neither available to nor exercised by” % of shareholders.....	23%	23%	17%
Minimum shareholder approval only.....	38%	33%	44%

5 Definitions in the “Other” category used a combination of “could” and “would” or some other forward-looking standard.

6 100% of 2023 and 2021 deals and 99% of 2022 deals included this representation.

7 Sample excludes “sign-and-close” deals.

## DILIGENCE

- Virtual Data Room
- Private Client Portal

## CLOSING

- M&A Paying Agent
- M&A Escrow Agent
- Digital Stockholder Solicitation

## POST-CLOSING

- Shareholder Representation

## DEAL DASHBOARD

- Deal Dashboard™

- Administrative/Facility Agent
- Collateral/Security Agent
- Successor Agent
- Sub-Agent
- Escrow Agent

STUDY YEAR	2021	2022	2023
<b>INDEMNIFICATION</b>			
<b>General Survival of Seller's Representations and Warranties</b>			
Survival of seller's general reps: No RWI Identified.....	84%	89%	89%
Survival of seller's general reps: RWI Identified.....	62%	49%	64%
<b>Stand-Alone Indemnities: Frequency</b>			
Taxes.....	87%	84%	90%
Accuracy of closing certificates.....	69%	63%	72%
Transaction expenses.....	58%	55%	56%
Payments to dissenting shareholders.....	53%	51%	49%
Litigation.....	65%	66%	69%
Fraud and willful misrepresentation.....	51%	48%	49%
<b>"Sandbagging"*</b>			
Pro-sandbagging provision included.....	48%	47%	45%
Anti-sandbagging provision included.....	2%	2%	2%
<b>"Materiality Scrape" Inclusion</b>			
Materiality qualifiers disregarded.....	89%	82%	85%
For determining breach only.....	13%	11%	9%
For determining damages only.....	26%	18%	19%
For determining breach and damages.....	50%	53%	56%
<b>Reductions Against Buyer's Indemnification Claims: Provisions Included</b>			
Reduction for insurance proceeds.....	87%	85%	85%
Reduction for tax benefits.....	23%	24%	19%
Buyer required to mitigate losses.....	56%	55%	57%
<b>General Survival Period/Time to Assert Claims: Survival Period</b>			
<12 months.....	14%	16%	14%
12 months.....	39%	37%	37%
>12 to <18 months.....	10%	15%	12%
18 months.....	29%	25%	30%
>18 months.....	7%	7%	7%
<b>Second-Level Survival</b>			
Group of "fundamental representations"			
Statute of limitations.....	48%	46%	44%
Reps survive "indefinitely".....	6%	0%	0%
Silent/Unspecified.....	1%	0%	0%
1 year or less.....	2%	2%	3%
>1 year.....	42%	45%	49%
Tax representations			
Statute of limitations.....	75%	82%	79%
Reps survive "indefinitely".....	1%	0%	0%
Silent/Unspecified.....	1%	1%	0%
1 year or less.....	3%	1%	2%
>1 year.....	17%	14%	18%
<b>Survival/Time to Assert Claims: Carveouts to General Survival Period</b>			
Survival of "fundamental" reps when carved out from the general survival period (mergers only):			
Reps survive for a defined period.....	95%	94%	97%
Reps survive "indefinitely".....	5%	6%	3%
<b>Basket: Definitions, Frequency, All Deals</b>			
No basket.....	15%	18%	19%
Deductible.....	46%	42%	42%
First-dollar.....	37%	39%	38%
Combination.....	2%	1%	1%
<b>Basket Size as a % of Transaction Value</b>			
0.5% or less.....	60%	57%	62%
>0.5% to 1%.....	34%	33%	28%
>1%.....	6%	10%	10%
<b>Baskets: General Coverage</b>			
Breaches of sellers reps and warranties.....	98%	98%	99%
Breaches of sellers covenants.....	5%	4%	4%
Other indemnity claims.....	11%	10%	12%

8 Funds established at closing to fund post-closing expenses.  
 9 A provision allowing Seller's pre-closing counsel to represent the selling shareholders post-closing in matters relating to the acquisition.  
 \* Remainder of 100% total is Silent.  
 See Page 5 of the 2024 SRS Acquiom M&A Deal Terms Study for additional information about our data and the study and how they relate to the ABA Private Target Deal Points Study.

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STUDY YEAR	2021	2022	2023
<b>Baskets: Eligible Claim Threshold</b>			
Threshold included, year-over-year.....	25%	30%	27%
<b>Caps, as a % of Transaction Value: All Deals</b>			
Median.....	7.4%	10.0%	10.0%
Average.....	11.9%	13.0%	10.1%
<b>Caps, as a % of Transaction Value: No RWI Identified</b>			
Median.....	10.0%	10.0%	11.8%
Average.....	14.1%	15.5%	13.2%
<b>Caps, as a % of Transaction Value: RWI Identified</b>			
Median.....	0.5%	0.5%	0.5%
Average.....	8.7%	5.7%	3.0%
<b>Indemnification Escrows/Holdbacks Size, as a % of Transaction Value: All Deals</b>			
Median.....	6.2%	10.0%	9.4%
Average.....	6.7%	8.7%	8.1%
<b>Indemnification Escrows/Holdbacks Size, as a % of Transaction Value: No RWI Identified</b>			
Median.....	10.0%	10.0%	10.0%
Average.....	10.4%	11.5%	10.8%
<b>Indemnification Escrows/Holdbacks Size, as a % of Transaction Value: RWI Identified</b>			
Median.....	0.5%	0.5%	0.5%
Average.....	1.4%	1.2%	2.0%
<b>Expense Fund<sup>8</sup> Sizes, as a % of Transaction Value</b>			
Median post-closing expense fund size.....	0.21%	0.25%	0.26%
Average post-closing expense fund size.....	0.33%	0.53%	0.49%
<b>Indemnification as Exclusive Remedy for Breach</b>			
Indemnification as exclusive remedy*			
Non-exclusive remedy.....	2%	3%	0%
Exclusive remedy.....	94%	91%	97%
<b>Carveouts to Exclusive Remedy</b>			
Equitable remedies.....	90%	94%	97%
Fraud.....	88%	85%	75%
Intentional misrepresentation.....	23%	17%	11%
"Willful" breach of covenants.....	10%	8%	6%
Breach of covenants.....	3%	2%	1%
"Intentional" breach of covenants.....	2%	1%	2%
<b>DISPUTE RESOLUTION</b>			
<b>Waivers</b>			
Legal representation conflict waiver <sup>9</sup> included.....	69.1%	70.6%	64.1%
Alternative Dispute Resolution Inclusion.....	18.1%	19.1%	16.8%
<b>Alternative Dispute Resolution: Who Pays Arbitration Expense</b>			
Determined by arbitrator.....	26%	22%	15%
Evenly split.....	16%	6%	7%
Expenses apportioned.....	1%	9%	3%
Loser pays.....	38%	43%	50%
Silent.....	19%	21%	25%
<b>TERMINATION FEES</b>			
<b>Termination Fees: Who Pays</b>			
Buyer.....	10%	12%	7%
Seller.....	1%	<1%	2%
Two-way.....	1%	1%	2%
No fee.....	89%	87%	89%
<b>Termination Fees, as a % of Transaction Value</b>			
Paid by buyer:			
Median.....	5.5%	5.0%	4.1%
Average.....	7.2%	6.2%	3.8%

## Contact: Eric Martin



Managing Director  
 U.S. Central & Rocky Mtn. Region / Canada  
 Business Development  
 720.279.0974 | [emartin@srsacquiom.com](mailto:emartin@srsacquiom.com)



# 2024 M&A Deal Terms Study

Data Highlights and Deal Terms Trends  
Private-target M&A Deals That Closed 2014-2023

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## Business Development Team

### HEAD OF BUSINESS DEVELOPMENT



**Greg Nelson**  
Managing Director,  
Business Development  
[Website bio](#)  
[gnelson@srsacquiom.com](mailto:gnelson@srsacquiom.com)  
612.383.9083

### U.S. CENTRAL REGION/CANADA



**Eric Martin**  
Managing Director,  
U.S. Central & Rocky Mtn. Region/  
Canada Business Development  
[Website bio](#)  
[emartin@srsacquiom.com](mailto:emartin@srsacquiom.com)  
720.891.6595

[Download Contact Sheet >](#)

### U.S. EASTERN REGION/EUROPE



**Amanda Jackson**  
Managing Director,  
U.S. Eastern Region/Europe  
Business Development  
[Website bio](#)  
[ajackson@srsacquiom.com](mailto:ajackson@srsacquiom.com)  
617.448.6975



**Troy Hebert**  
Regional Managing Director,  
New York Business Development  
[Website bio](#)  
[tthebert@srsacquiom.com](mailto:tthebert@srsacquiom.com)  
646.770.6901



**Bogen Velarde**  
Director,  
Business Development  
[Website bio](#)  
[bvelarde@srsacquiom.com](mailto:bvelarde@srsacquiom.com)  
617.447.8545



**Christa Fancher**  
Managing Director,  
U.S. Western Region/Asia  
Business Development  
[Website bio](#)  
[cfancher@srsacquiom.com](mailto:cfancher@srsacquiom.com)  
415.373.4024



**Janel King**  
Director,  
Business Development  
[Website bio](#)  
[jking@srsacquiom.com](mailto:jking@srsacquiom.com)  
415.416.0372



**Drew Fowler**  
Director,  
Business Development  
[Website bio](#)  
[dfowler@srsacquiom.com](mailto:dfowler@srsacquiom.com)  
408.421.3745

<https://info.srsacquiom.com/BD-contacts>

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# Agenda

- About SRS Acquiom and Our Data
- Deal Structure and Financial Terms
- Purchase Price Adjustments
- Seller Representations and Warranties
- Indemnification
- Questions and Wrap Up

3

## About SRS Acquiom and Our Data

4

## Why Do You Need a Professional Shareholder Rep?



<https://go.srsacquiom.com/video/why-shareholder-rep>

5

## Comprehensive Suite of Solutions

SRS Acquiom delivers the smartest way to run a deal™ with solutions that reduce the administrative burden throughout the entire deal lifecycle.

Securities products and Payments services offered through Acquiom Financial LLC, an affiliate broker-dealer of SRS Acquiom Inc. and member FINRA/SIPC. Visit [www.finra.org](http://www.finra.org) for information about FINRA membership. Acquiom Financial does not make recommendations, provide investment advice, or determine the suitability of any security for any particular person or entity.



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# A Smarter Way to Run Deals Through the Entire Lifecycle

Since 2007, we have helped sophisticated deal parties reduce administrative drag, enabling them to focus on building great businesses and maximizing value.

## Mergers and Acquisitions



**Virtual Data Room**

Choose our intuitive, streamlined virtual data room and gain the efficiency of a single partner from first document in to last dollar out.



**Enhanced Stockholder Solicitation**

A digital, efficient and secure process for collecting consents, joinders, 280G elections, and more –helping to facilitate a timely close.



**Payments**

We continue to set the standard for tech-enabled disbursement of merger consideration. Most shareholders are paid in less than 24 hours.



**Escrows**

A better M&A escrow experience, period. Simple, fast engagement, streamlined KYC, online Deal Dashboard™, and a dedicated team.



**Shareholder Representation**

The most experienced team in the industry. We proactively solve post-closing issues to reduce potential risks and protect shareholder interests.

## Loan Agency



**Loan Agency**

Unbiased third-party loan agency services for syndicated and bilateral loans. Gain a team with an unparalleled depth and breadth of experience.

Securities products and Payments services offered through Acquiom Financial LLC, an affiliate broker-dealer of SRS Acquiom Inc. and member FINRA/SIPC. Visit [www.finra.org](http://www.finra.org) for information about FINRA membership. Acquiom Financial does not make recommendations, provide investment advice, or determine the suitability of any security for any particular person or entity.

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## INTRODUCING The New SRS Acquiom Virtual Data Room

Everything sophisticated deal parties need—and it's included with our closing and post-closing solutions



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## Why Choose the SRS Acquiom VDR?

01

### ETHICAL, TRANSPARENT PRICING

- No more bait-and-switch or surprise charges
- Pay a single flat VDR fee and get credit for other services
- Don't pay anything until the deal closes

02

### FEWER VENDORS, FEWER HEADACHES

- Work with the expert partner you already trust
- No more issues that come with multiple vendors

03

### FAREWELL TO THUMB DRIVES

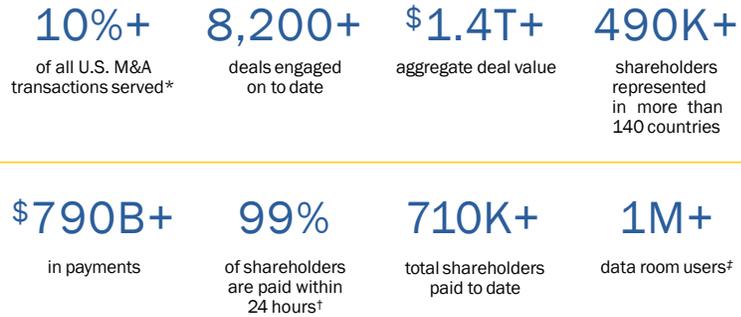
- Store critical information in one easy-to-access repository, even months after the deal closes

[WATCH THE VIDEO TO LEARN MORE](#)

## The smartest way to run a deal™

Since 2007, we have helped sophisticated deal parties reduce administrative drag, enabling them to focus on building great businesses and maximizing value.

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Statistics contained herein are derived from publicly available sources.  
† Consideration given to those who have completed a Letter of Transmittal (LoT).  
‡ Data room technology, established in 2010, acquired by SRS Acquiom in 2021.

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## About this Study and the Data

Please see the 2024 SRS Acquiom M&A Deal Terms Study for a full list of disclosures.

Some charts do not sum to 100% due to rounding.

To benefit users comparing data from different sources, this presentation presents similar data and terms with similar formatting and structure to the Private Target Deal Points Study published by the Mergers & Acquisitions Committee of the American Bar Association's Business Law Section.

Buyers do not always disclose the presence of a buy-side RWI policy, and "no RWI identified" data subsets in this study likely include a small number of deals with RWI policies.

- The study analyzes more than 2,100 private-target acquisitions (\$475 billion) that closed from 2018 through 2023.
- This presentation includes select data terms from an additional 1,000+ deals that closed from 2014 through 2017. Aggregate transaction value for all deals was over \$640 billion.
- SRS Acquiom provided professional and financial services on these deals; the vast majority of these are not publicly reported.

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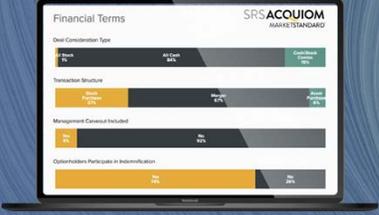
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**SRSACQUIOM**  
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The Industry's  
Most Powerful  
Deal Analytics Tool



**SRSACQUIOM**

- 01

### The Most Comprehensive View of Deal Term Outcomes

  - More than a decade of private-target M&A deal terms in a simple, powerful, visual, interactive online platform.
- 02

### Determine “What’s Market”

  - Compare market data to your deal terms.
  - Filter data to more closely resemble the deal you’re negotiating.
  - Draw information from more than 3,800 deals—with more added quarterly.
- 03

### Customize Your View of the Data

  - You determine what is relevant to your deal to negotiate with real-time knowledge.
  - Dynamically filter, sort, and explore more than 150 attributes with five different filters.

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# Deal Structure and Financial Terms

Deal Size, Buyer Types, Legal Structure

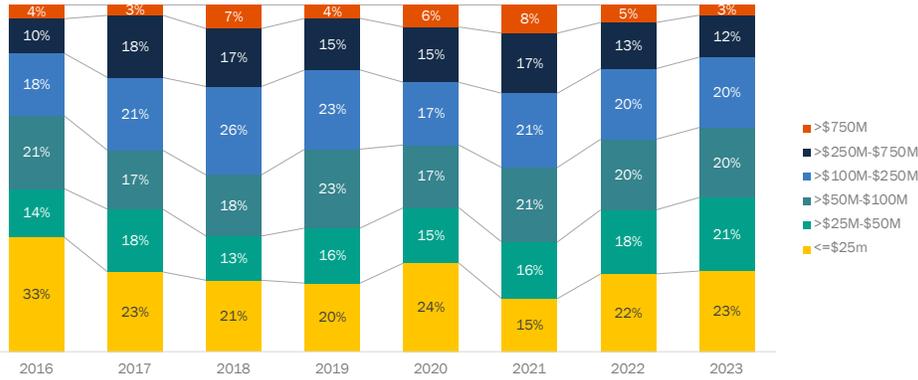
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# Transaction Values\*

TRANSACTION VALUES



Ranges, Medians, and Averages:

**\$125K to \$9B+**  
Range of Transaction Values, all years

**\$2M to \$7B**  
Range of Transaction Values, 2023

**\$66M**  
Median 2023 Transaction Value

**~\$204M**  
Average 2023 Transaction Value

**\$70M**  
Median 2022 Transaction Value

**~\$209M**  
Average 2022 Transaction Value

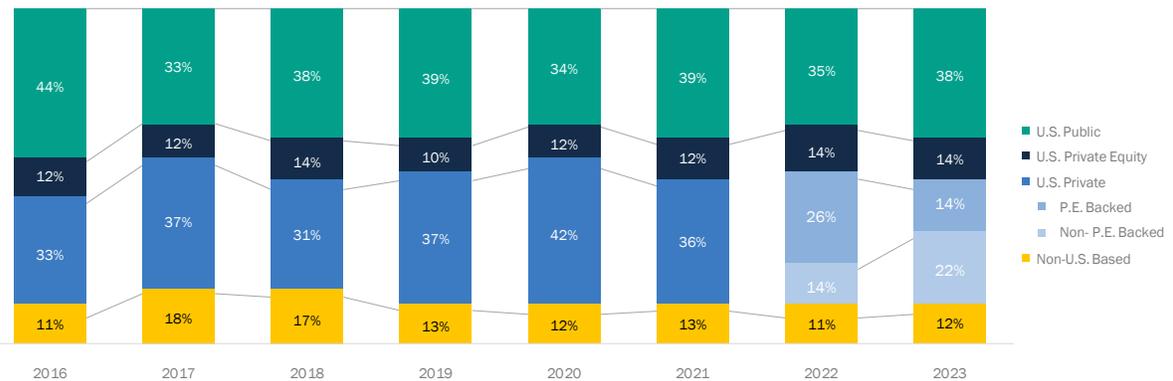
**\$95M**  
Median 2021 Transaction Value

**~\$254M**  
Average 2021 Transaction Value

\* The term "transaction values" includes escrowed amounts but does not include potential earnout consideration.  
† Beginning with deals closed in 2022, SRS Acquiom now distinguishes between U.S. private buyers that are backed by private equity (e.g., portcos) and those that are independent.

# Buyer Types

BUYER TYPES†

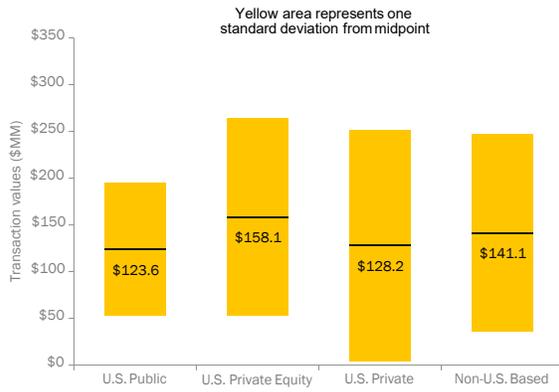


† Beginning with deals closed in 2022, SRS Acquiom now distinguishes between U.S. private buyers that are backed by private equity (e.g., portcos) and those that are independent.

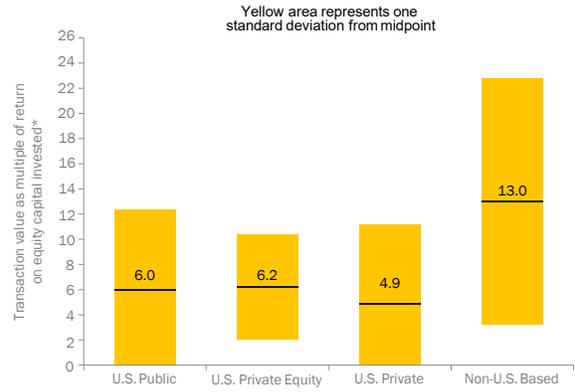
# Correlations

## Transaction Value and Multiples by Buyer Type

TRANSACTION VALUE VS. BUYER TYPE (2023 DEALS)



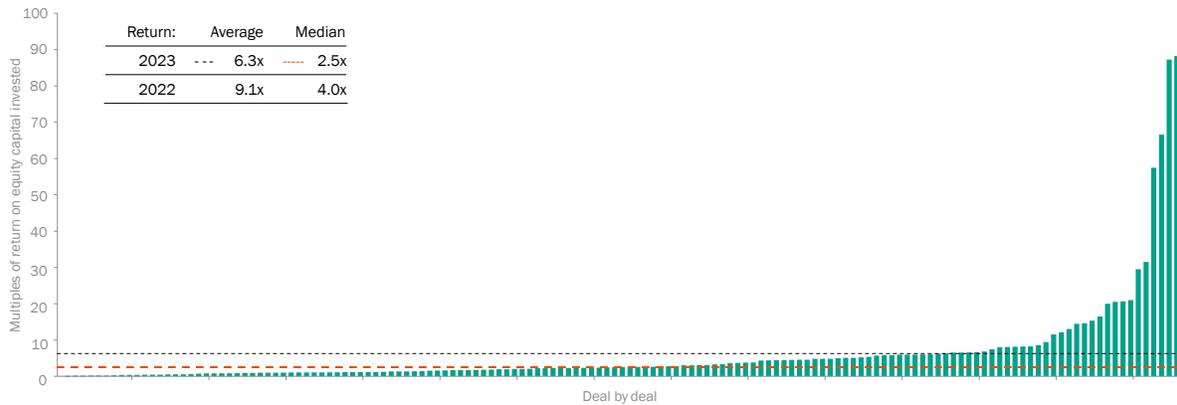
MULTIPLE OF RETURN\* VS. BUYER TYPE (2023 DEALS)



\* Provided by S&P Capital IQ™, PitchBook, and other databases.

# Transaction Values as Multiples of Equity Capital Invested\*

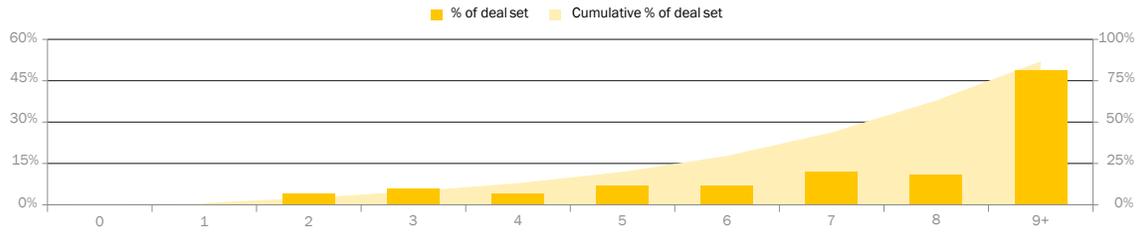
2023 DEALS



\* Provided by S&P Capital IQ™, PitchBook, and other databases.

# Investment Exit Timing

## 2023 DEALS



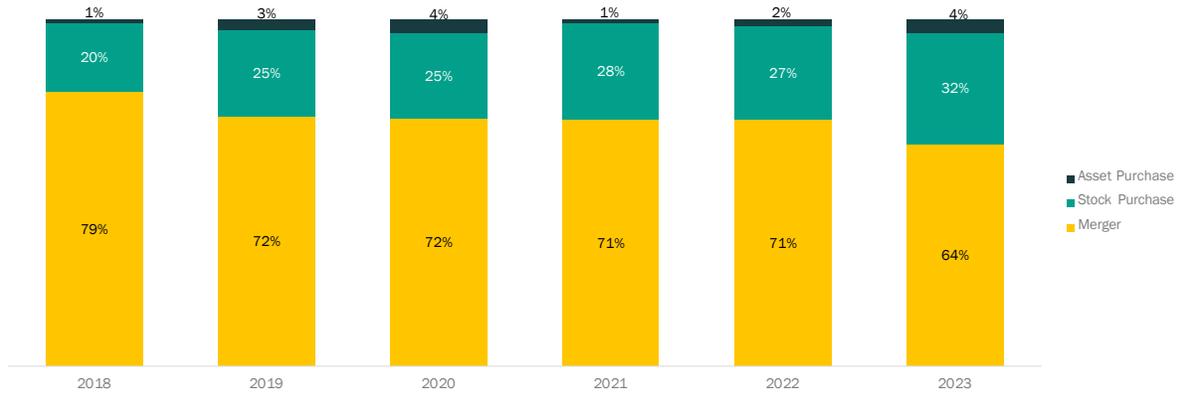
	Years to exit (from date of first investment*)	Equity financing rounds at exit	Equity capital invested*
Median (2023/2022)	6.7 / 6.5	3.0 / 3.0	\$28M / \$19M
Average (2023/2022)	7.3 / 7.0	4.0 / 3.9	\$58M / \$49M

\* Provided by S&P Capital IQ™, PitchBook, and other databases.

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# Transaction Structure

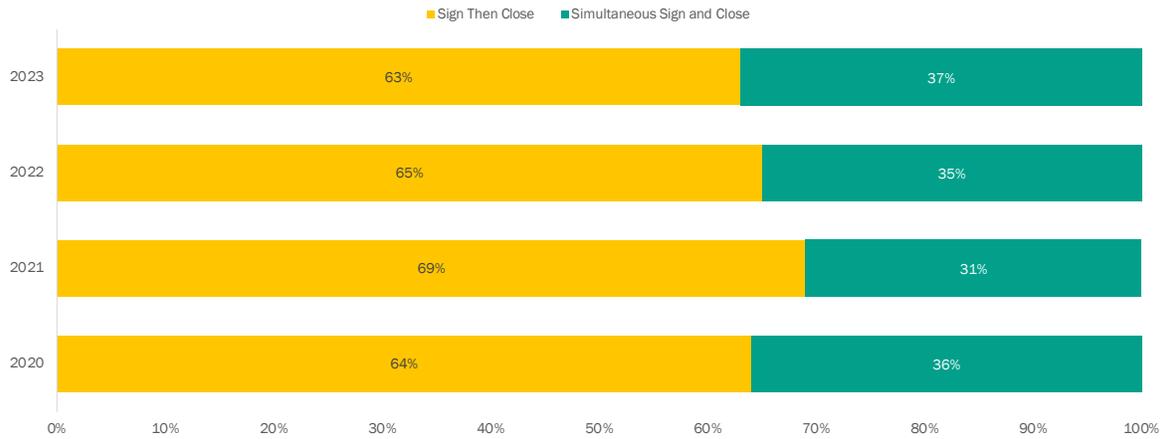
## TRANSACTION STRUCTURE (2020-2023)



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# Sign/Close Timing

TIMING OF SIGNING AND CLOSING (2023)



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# Deal Structure and Financial Terms

Closing Consideration

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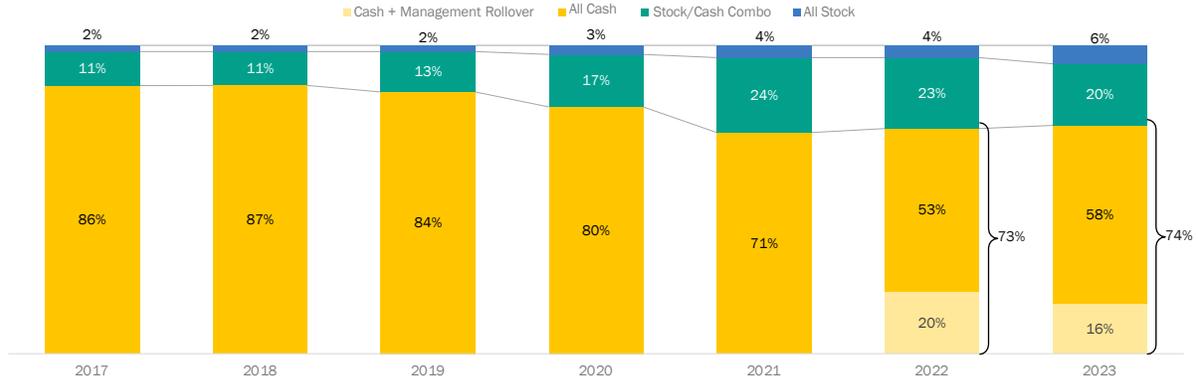
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# Closing Consideration Trends

## CONSIDERATION TYPE



Beginning with deals closed in 2022, SRS Acquiom now tracks when a cash transaction includes a management-rollover component.

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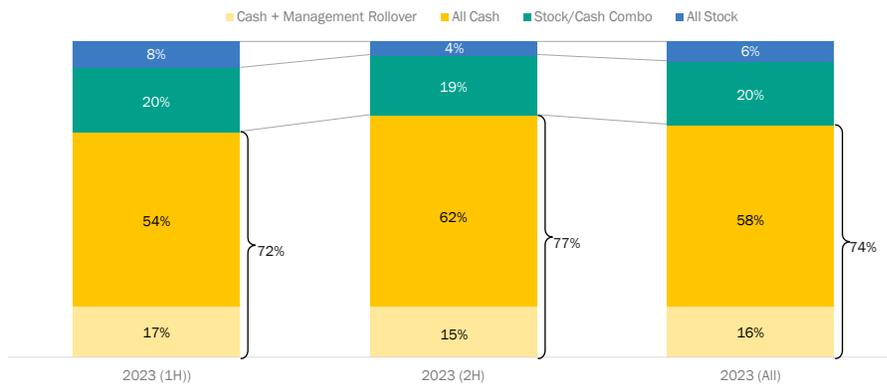
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# Closing Consideration Trends

## CONSIDERATION TYPE



Beginning with deals closed in 2022, SRS Acquiom now tracks when a cash transaction includes a management-rollover component.

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**12%**  
of deals with  
transaction values of  
**\$25 million or less**  
used **all stock** for  
closing consideration.

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# Deal Structure and Financial Terms

## Earnouts and Other Deal Economics

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## Earnouts (Non-Life Sciences Deals\*)

EARNOUT INCLUDED

Year	Earnout Included (%)
2014	19%
2015	14%
2016	15%
2017	23%
2018	13%
2019	15%
2020	19%
2021	18%
2022	21%
2023	33%

Of the 33% of 2023 non-Life Sciences deals with an earnout, **35%** had a **single trigger** event and **65%** had **multiple trigger** events.

\* For a more detailed analysis of SRS Acquiom's Life Sciences deals, please see the 2023 SRS Acquiom Life Sciences M&A Study.

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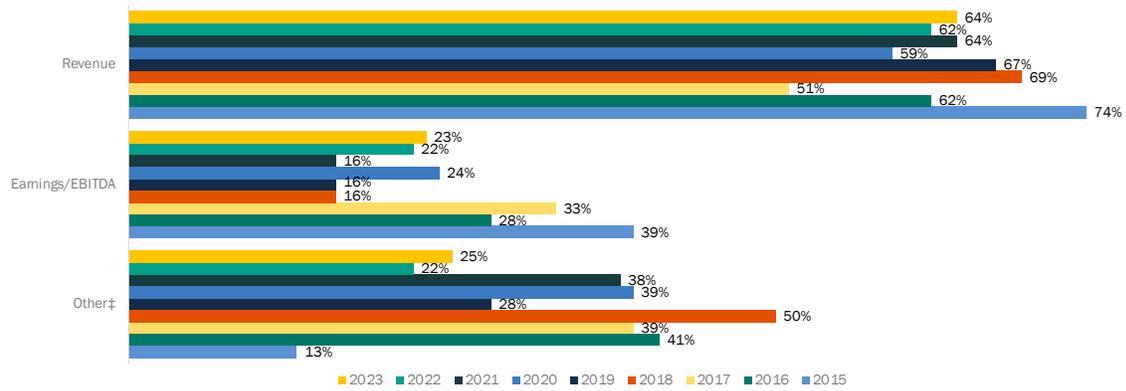
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## Earnouts (Non-Life Sciences Deals\*)

### EARNOUT METRICS†



\* For a more detailed analysis of SRS Acquiom's Life Sciences deals, please see the 2023 SRS Acquiom Life Sciences M&A Study.  
 † Earnouts can include more than one metric, such as a combination of revenue and earnings.  
 ‡ Examples: unit sales, product launches, divestiture of assets.

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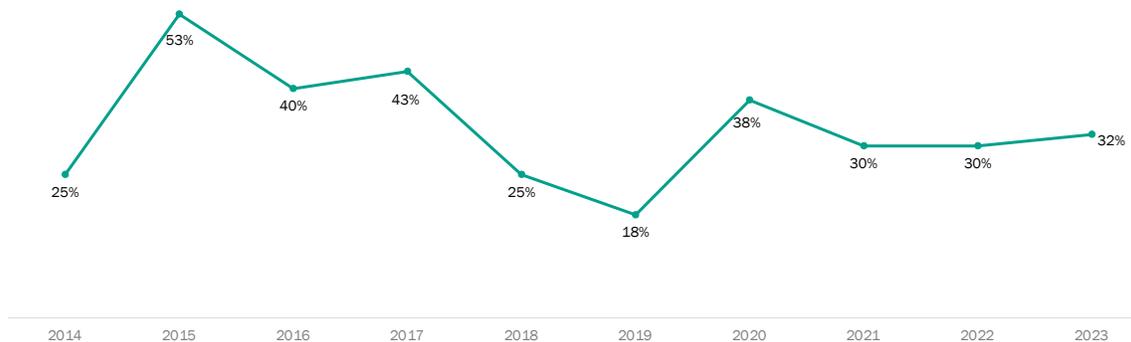
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## Earnouts (Non-Life Sciences Deals\*)

### EARNOUT SIZE†



\* For a more detailed analysis of SRS Acquiom's Life Sciences deals, please see the 2023 SRS Acquiom Life Sciences M&A Study.  
 † Calculated as the sum of potential earnout payments over the amount paid at closing (including escrowed amounts).

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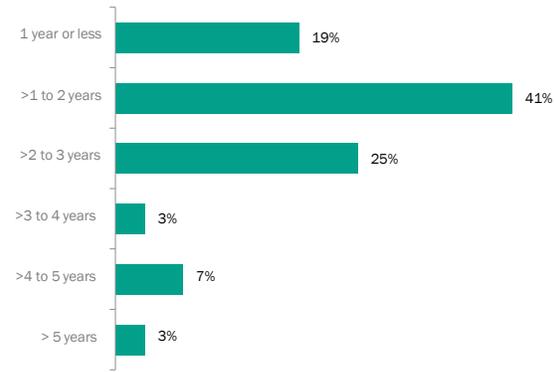
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## Earnouts (Non-Life Sciences Deals\*)

### EARNOUT LENGTH†



### MILESTONE PERFORMANCE PERIODS

	Average	Median
2023	25.9 months	24 months
2022	24.8 months	24 months
2021	24.3 months	22.5 months
2020	25.7 months	24 months
2019	25.8 months	24 months
2018	34.3 months	24 months
2017	22.7 months	13 months

\* For a more detailed analysis of SRS Acquiom's Life Sciences deals, please see the 2023 SRS Acquiom Life Sciences M&A Study.  
 † Measured by the date the latest earnout period ends.

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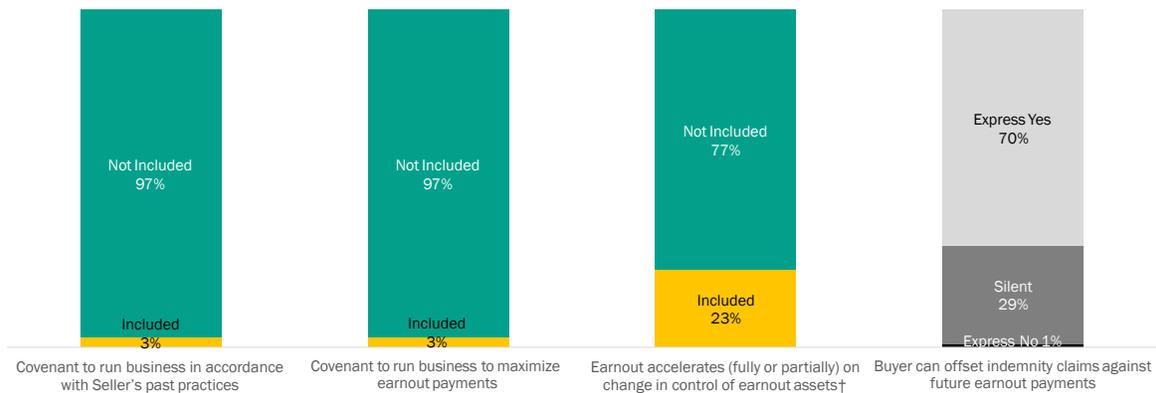
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## Earnouts (Non-Life Sciences Deals\*)

### Covenants, Acceleration, and Offsets

#### SUBSET: 2023 DEALS WITH EARNOUTS, EXCLUDING LIFE SCIENCES DEALS



\* For a more detailed analysis of SRS Acquiom's Life Sciences deals, please see the 2023 SRS Acquiom Life Sciences M&A Study.  
 † Generally subject to exceptions, such as if the subsequent buyer assumes the earnout obligations.

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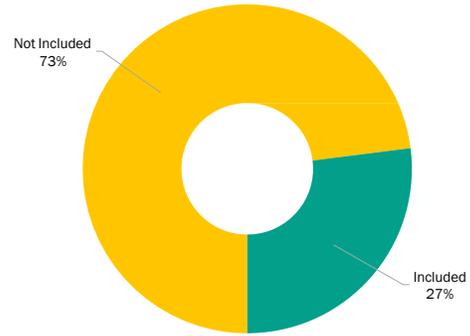
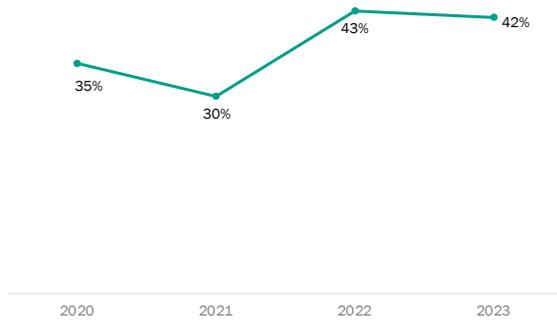
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# Earnouts (Non-Life Sciences Deals\*)

## Additional Provisions

"EARNOUT IS NOT A SECURITY" PROVISION INCLUDED

DISCLAIMER OF FIDUCIARY RELATIONSHIP (2023 DEALS)



\* For a more detailed analysis of SRS Acquiom's Life Sciences deals, please see the 2023 SRS Acquiom Life Sciences M&A Study.

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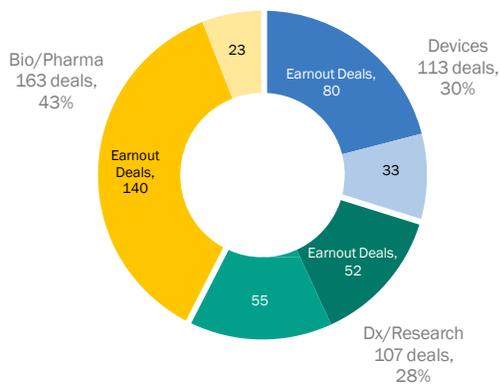
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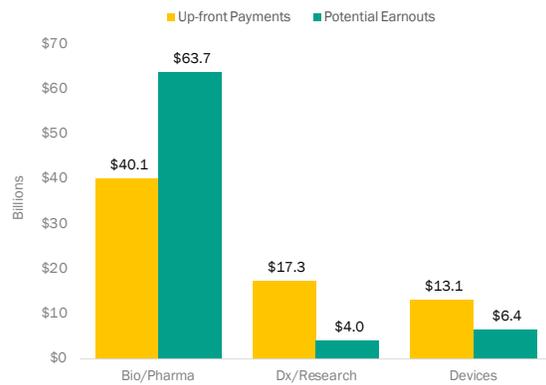
# Life Sciences Deal Set Overview

## DEAL COUNTS

383 total deals:  
272 earnout deals; 111 deals without earnouts



## AGGREGATE VALUE



\* Aggregate up-front values include both deals with and without an earnout.

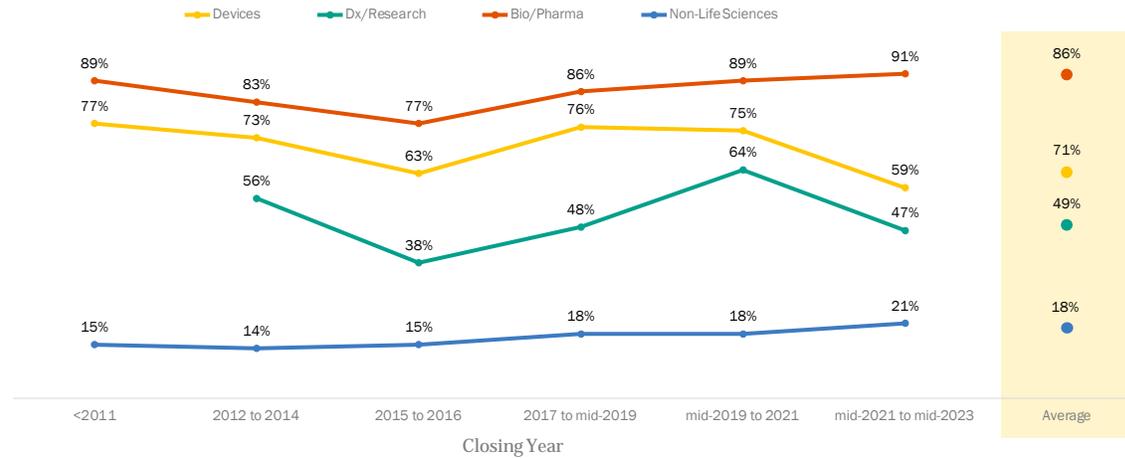
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# Frequency of Earnouts: By Life Science Sector

PERCENT OF DEALS WITH AN EARNOUT — LIFE SCIENCES SECTORS AND OTHER INDUSTRIES



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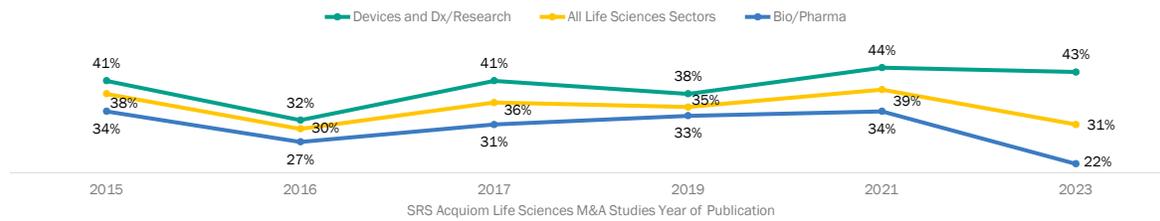
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# Life Science Milestone Achievement Rates

Subset: Milestones deemed due by the respective publication date\* (2015 to 2023)

MILESTONE EVENTS PAID/DUE (%)



SRS Acquiom Life Sciences M&A Studies Year of Publication				
	2017	2019	2021	2023
<b>Devices and Dx/Research Milestone Events</b>				
Total #	222	267	422	468
Due # (% of Total)	168 (76%)	225 (84%)	292 (69%)	359 (77%)
Paid # (% of Due)	69 (41%)	84 (37%)	127 (43%)	155 (43%)
<b>Bio/Pharma Milestone Events</b>				
Total #	372	473	924	1013
Due # (% of Total)	158 (42%)	214 (45%)	259 (28%)	504 (50%)
Paid # (% of Due)	49 (31%)	71 (33%)	88 (34%)	110 (22%)

As a result of insufficient information on milestone achievement or other reasons, this study excludes about 10% of the Bio/Pharma milestone events that were included in the 2021 study for deals closed prior to mid-2021. The overall achievement rate for such excluded milestone events is less than 1% (i.e. less than \$100 million total paid for aggregated earnout potential of over \$13 billion).

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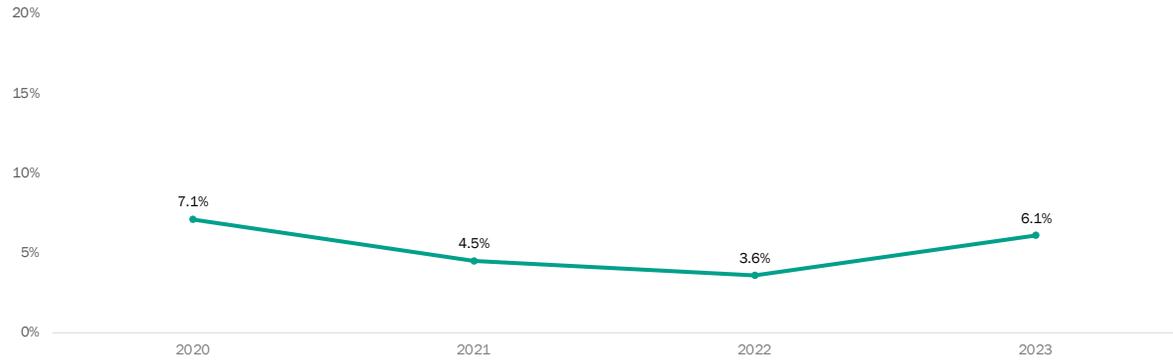
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# Management Carveouts\*

## Frequency

### DEALS INCLUDING A MANAGEMENT CARVEOUT



\* A "management carveout" in this study is a portion of deal proceeds guaranteed to seller's management when management would otherwise receive little or nothing for their equity ownership due to liquidation preferences. Transaction bonuses, which often differ materially from management carveouts in size and timing of adoption, are not included above.

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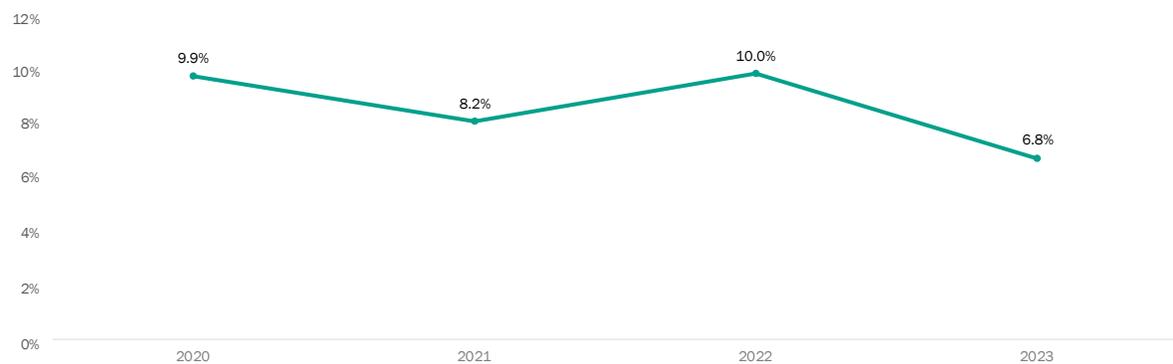
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# Management Carveouts

## Size

### MEDIAN SIZE AS A PERCENTAGE OF TRANSACTION VALUE\*



\* Measures size of carveout only, disregarding consideration received by seller management in respect of equity ownership (if any).

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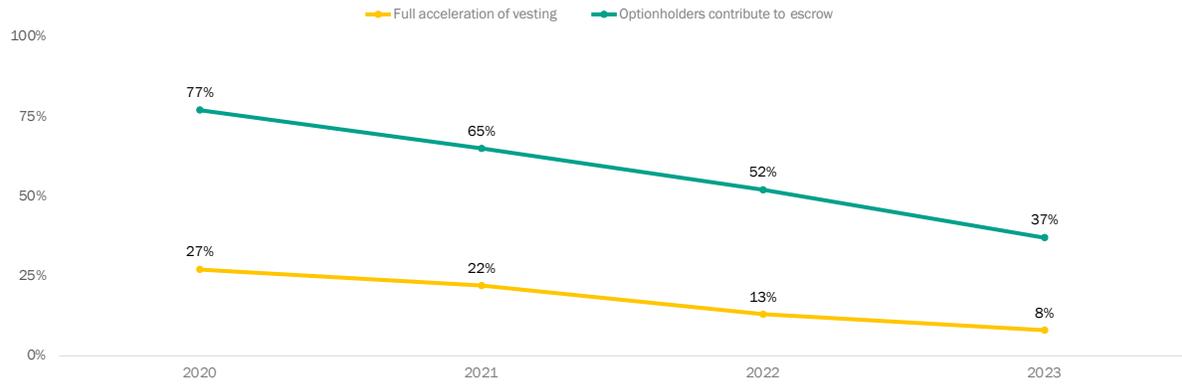
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# Treatment of Options

## Contribution and Acceleration

### CONTRIBUTION AND ACCELERATION\*

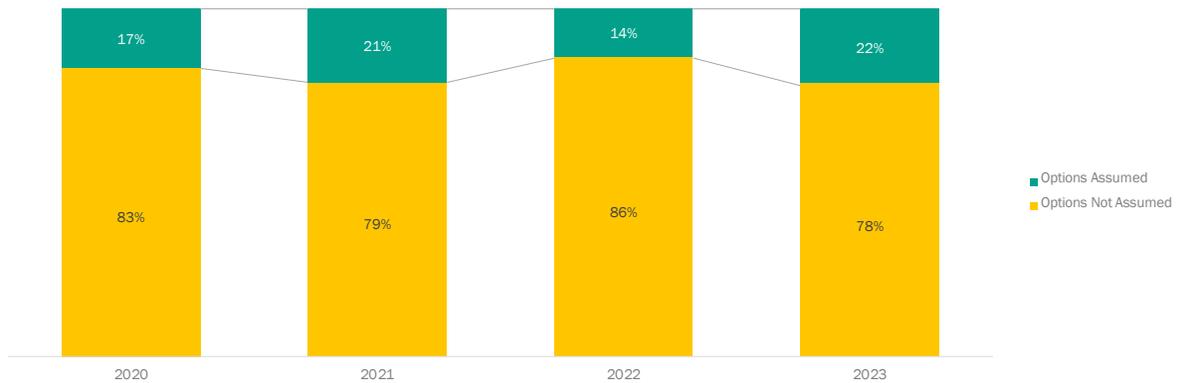


\* Excludes deals where optionholders received no consideration.

# Treatment of Options

## Assumption

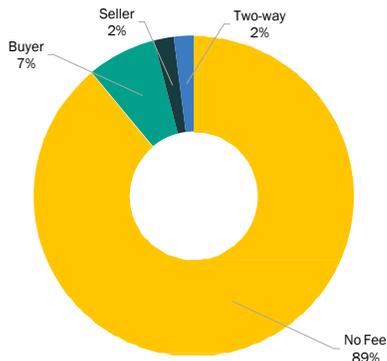
### ASSUMPTION OF OPTIONS BY BUYER



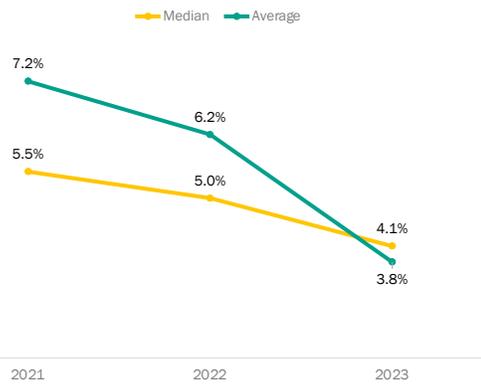
\* Excludes deals where optionholders received no consideration.

# Termination Fees

FEE PAID BY... (2023 DEALS)



FEE PAID BY BUYER

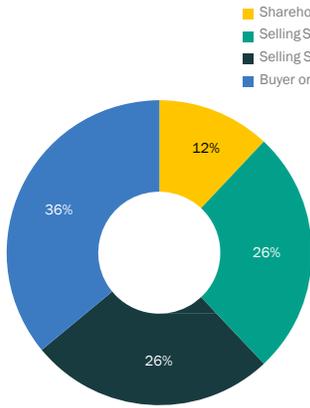


# Deal Structure and Financial Terms

Sell-side Protective Provisions with Implications for the Shareholder Rep

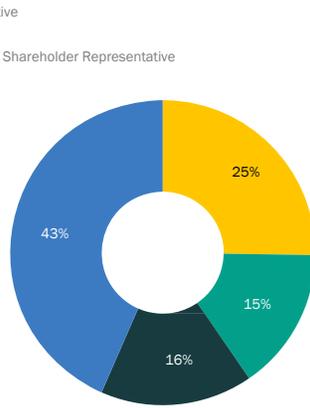
# Sell-side Attorney-Client Privilege

WHO OWNS? (2023 DEALS)



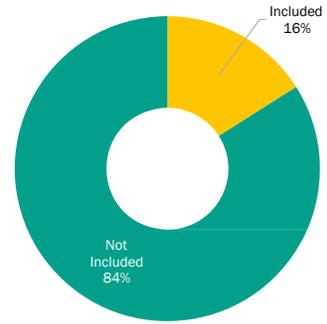
\*32% of agreements for 2023 deals were silent.

WHO CONTROLS? (2023 DEALS)



\*41% of agreements for 2023 deals were silent.

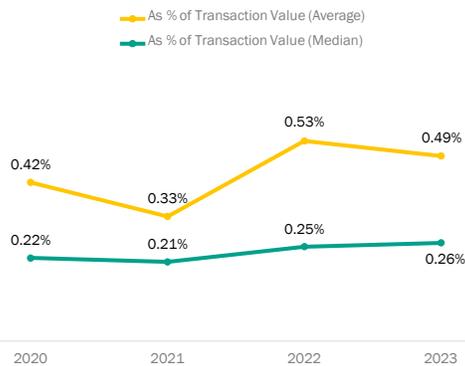
SAVINGS CLAUSE



# Post-closing Expense Fund Sizes

Subset: Deals with expense funds

MEDIAN/AVERAGE SIZES BY PERCENTAGE OF TRANSACTION VALUE



AVERAGE EXPENSE FUND SIZES BY DOLLAR AMOUNT†

	2022	2023
Deals without earnouts	\$ 242,000	\$ 194,000
Deals with earnouts	\$ 332,000	\$ 332,000

EXPENSE FUND FREQUENCY

	2022	2023
Included	99%	97%

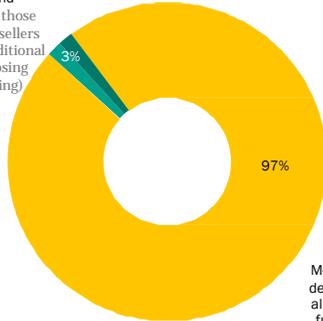
\* Funds established at closing to fund post-closing expenses.

† The lower average expense fund size for 2023 deals without an earnout is a result of a more than 10% increase year over year for lower middle-market deals (\$50 million or less in transaction value). However, regardless of deal size, SRS Acquiom recommends an expense fund of at least \$250,000.

# Expense Fund Utilization

## HOW OFTEN ARE EXPENSE FUNDS FULLY UTILIZED?

3% of deals used all of the expense fund  
1.5%, or half of those deals, required sellers to contribute additional funds post-closing (i.e. fundraising)



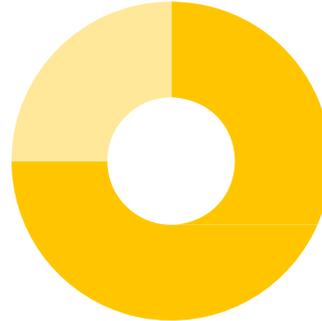
More than 97% of deals had some or all of the expense fund returned to sellers

The need for fundraising was either a result of too small of an initial amount or exhausting the expense fund to defend claims. Fundraising is an arduous process, often resulting in major and key investors contributing a disproportionate amount.

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## HOW OFTEN IS NEARLY THE ENTIRE EXPENSE FUND RETURNED TO SELLERS?



Nearly 75% of deals had 95% or more of the expense fund amount returned to sellers

*† Based on 500+ SRS Acquiom deals closed since January 1, 2021, with fully distributed expense funds.*

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# Purchase Price Adjustments

Highly Customized Deal Terms

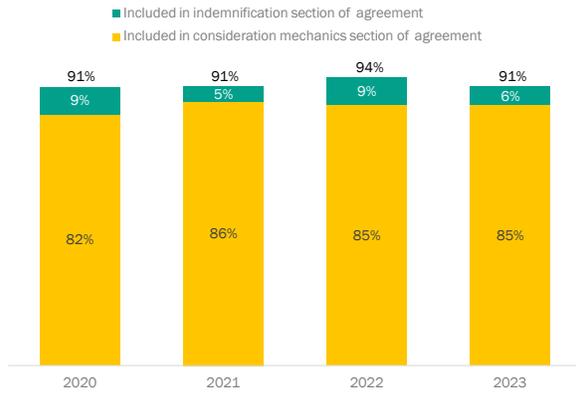
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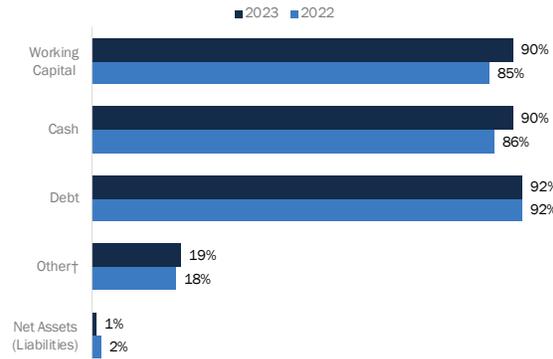
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# Post-closing Purchase Price Adjustments

## ADJUSTMENT PROVISION INCLUDED †



## ADJUSTMENT METRICS\*



\* 94% of post-closing purchase price adjustments in 2023 deals were based on more than one metric.  
 † Does not include post-closing adjustments for transaction expenses.

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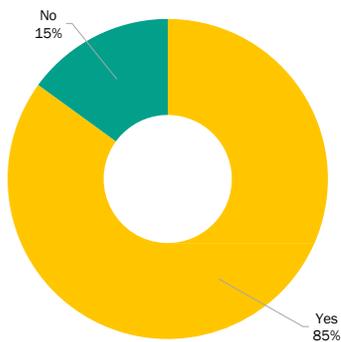
43

# Post-closing Purchase Price Adjustments

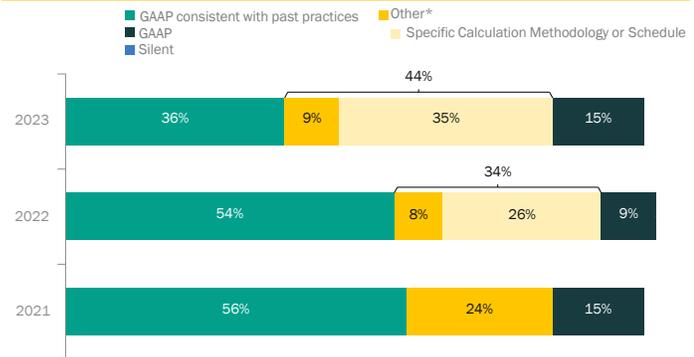
## Working Capital Excludes Tax-related Items and Accounting Methodology

Subset: 2023 deals with a working-capital adjustment

### ADJUSTMENT EXCLUDES TAX-RELATED ITEMS



### SUBSET: DEALS WITH POST-CLOSING PURCHASE PRICE ADJUSTMENTS



\* "Other" methodology includes, among other things, non-US accounting guidance (e.g., IFRS) and, prior to 2022 deals, a specific calculation methodology or schedule.

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## PPA Drafting Considerations: Accounting Methodology

“...prepared in accordance with GAAP consistent with past practices of the Company...”

- Parties may have differing interpretations of GAAP and guidance can change over time; consider adding language about what ultimately governs or a streamlined dispute resolution mechanism.
- Identify and solve issues prior to closing by working together on the working capital estimate/peg.

Specified Methodology or “Worksheet” Approach—

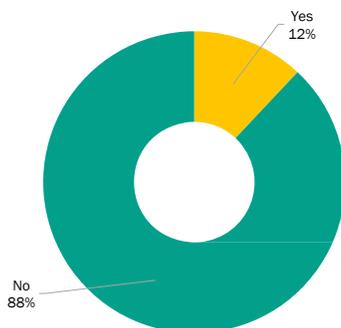
- Allows for a custom approach, which correlates with trend toward bespoke PPA provisions.
- Worksheet is used for both the estimate/peg process near closing and for the post-closing true up.
- “The Final Closing Statement shall be prepared in accordance with the calculation worksheet attached hereto as Exhibit A.”

## Post-closing Purchase Price Adjustments

### Thresholds and Caps

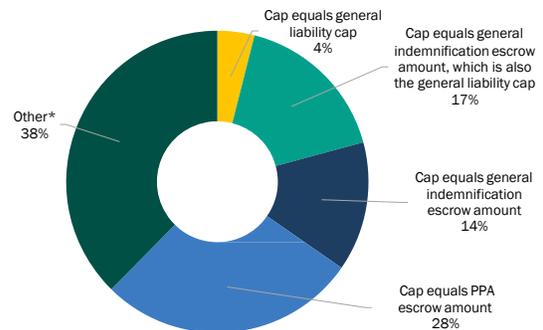
Subset: 2023 deals with post-closing purchase price adjustments in the consideration mechanics section of the acquisition agreement (as opposed to the indemnification section only)

ADJUSTMENT ONLY IF THRESHOLD EXCEEDED



Subset: 2023 deals with a PPA, all of which included some form of PPA cap

CAP ON BUYER-FAVORABLE PURCHASE PRICE ADJUSTMENT CLAIMS

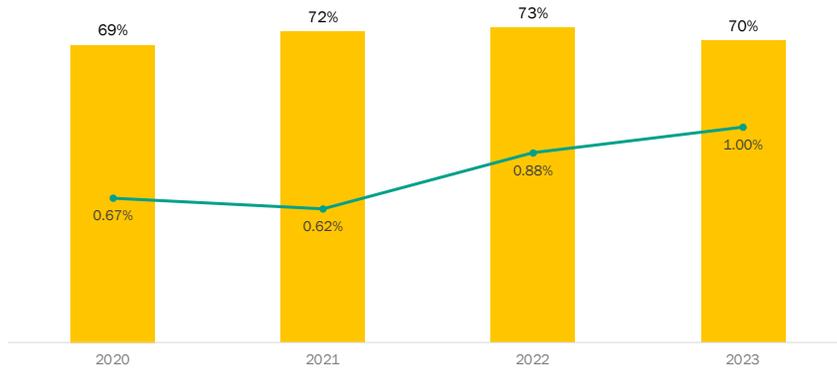


\* “Other” includes specified dollar amounts not expressly tied to another deal term, such as the PPA escrow amount or general liability cap. Over 75% of “Other” cap amounts were less than the amount of the general indemnification escrow. 55% of deals with an “Other” cap amount included a separate PPA escrow.

## Post-closing Purchase Price Adjustments

Percentage of deals with a PPA that include a separate escrow for the PPA, and median sizes

PERCENTAGE OF DEALS WITH PPA ESCROW AND MEDIAN SIZES



For 2023 deals without a separate PPA escrow, the source of payment for a buyer-favorable adjustment is the indemnity escrow **68%** of the time.

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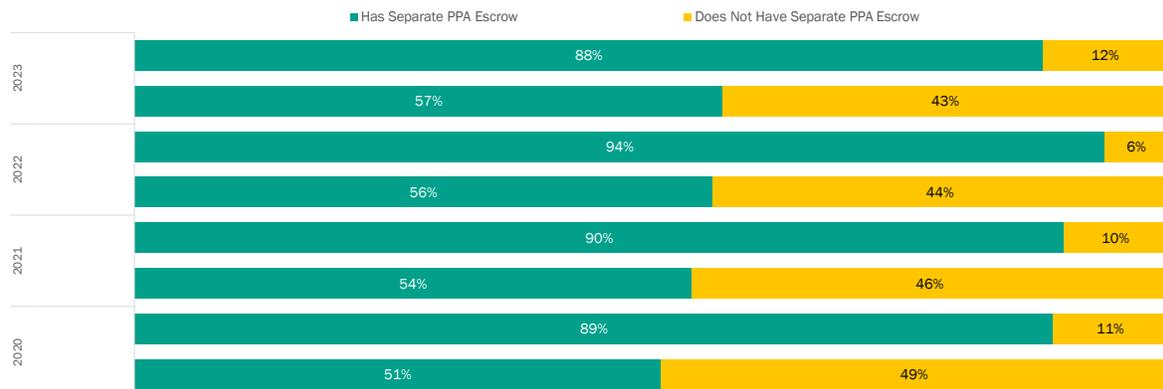
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## Separate PPA Escrows: Effect of Reps and Warranties Insurance

DEALS 2020-2023 (Q1-Q3)



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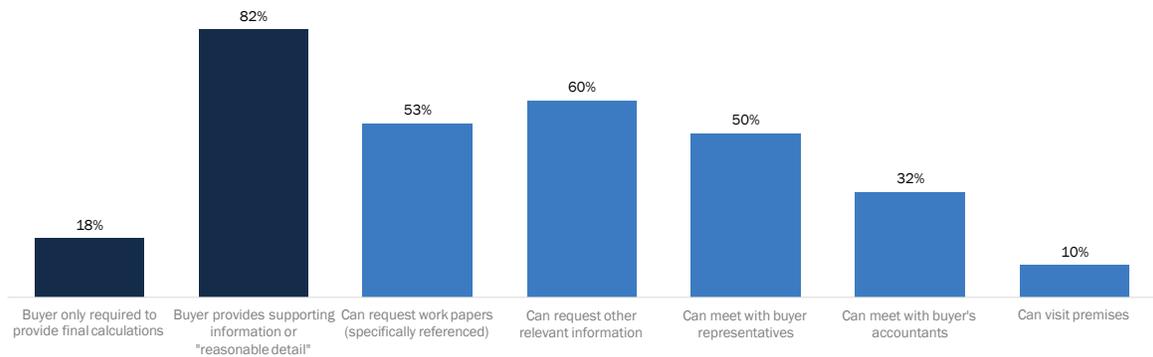
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# Purchase Price Adjustments

## Sell-side Information Rights

Over 90% of PPA provisions either require the final calculations preparer, typically the buyer, to deliver additional details with the statement or allow the sellers to request additional information in connection with their review of the statement. The two dark blue bars on the left side of the graph indicate what preparers must include when initially providing the statement.

SUBSET: 2023 DEALS WITH A PPA



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# PPA Drafting Considerations: Information Rights

The shareholder representative's access to reasonable detail allows for a thorough review of the proposed adjustment calculations.

## Supporting information delivered with statement

*"...including any supporting information reasonably necessary for the Shareholder Representative to review such calculations."*

## Cooperation and access during review

*"Buyer will, and will cause the Company to, reasonably cooperate with the Shareholder Representative in the review of the Final Closing Statement and provide the Shareholder Representative and its representatives with reasonable access during normal business hours to the books, records (including work papers, schedules, memoranda and other documents), supporting data, facilities and employees of Buyer and all other information in connection with the review of the Final Closing Statement as is reasonably requested by the Shareholder Representative or any of its representatives."*

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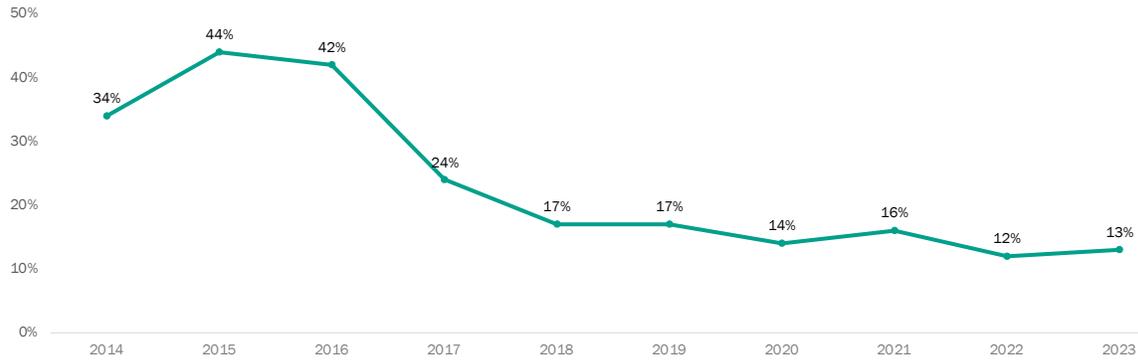
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## Buyer's Contractual Right to Review PPA Estimate Calculations

PROVISION INCLUDED: 2014-2023



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## Purchase Price Adjustments

Buy-side Claims

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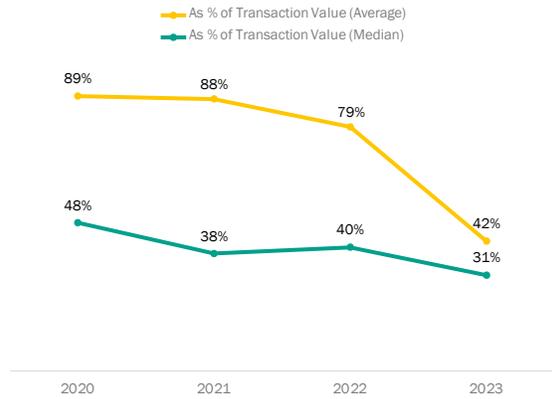
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# Initial PPA Claim Sizes

DEALS CLOSED 2020–2023 Q3: INITIAL PPA CLAIM

80%	Percentage of PPA Escrow (Average)
38%	Percentage of PPA Escrow (Median)
0.92%	Percentage of Transaction Value (Average)
0.26%	Percentage of Transaction Value (Median)

INITIAL PPA CLAIM AS PERCENTAGE OF PPA ESCROW BY YEAR



# Effect of PPA Escrow on Claim Sizes

INITIAL PPA CLAIM AS PERCENTAGE OF TRANSACTION VALUE, DEALS CLOSED 2020–2023 Q3 (MEDIAN)

0.24%	Separate PPA Escrow Included
0.27%	No Separate PPA Escrow Included

PPA claim amounts on deals with a separate PPA escrow are **10+% lower**



Percentage of deals closed 2020–2023 Q3 where the initial PPA claim amount was **equal to the PPA escrow amount**



Percentage of deals closed 2020–2023 Q3 where the initial PPA claim amount was **within 10% of the PPA escrow amount**

*Subset: deals with a separate PPA escrow.*

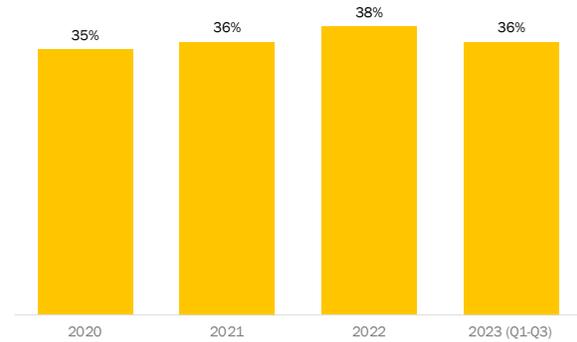
# Late Delivery of Proposed Final Working Capital Calculations

DEALS CLOSED 2020-2023 Q3

36% Proposed final calculation worksheet was delivered after deadline

10% Proposed final calculation worksheet was delivered more than 30 days late

PERCENTAGE OF PROPOSED FINAL CALCULATION WORKSHEETS DELIVERED LATE, BY YEAR



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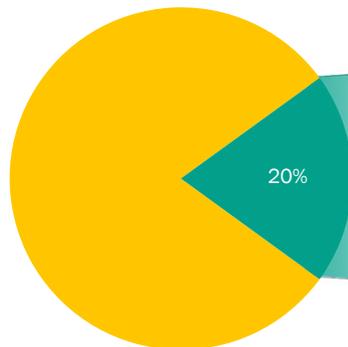
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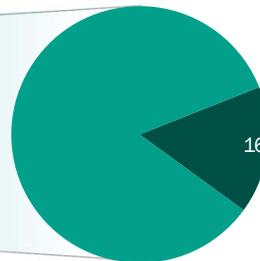
# Deemed Final Language

1,000+ DEALS CLOSED 2020-2023 Q3 WITH A FINALIZED PPA

Percentage of deals with "Deemed Final" language



Percentage of deals with "Deemed Final" language where the proposed final calculations were delivered after the contractual deadline.



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# Purchase Price Adjustments

## Sell-side Review and Contested PPAs

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## Contested PPA Claims and Surpluses

1,000+ DEALS CLOSED 2020-2023 Q3 WITH A FINALIZED PPA

Claim Reduction (in sellers' favor):		Surplus Increase (in sellers' favor):	
\$729K	Average	\$301K	Average
\$178K	Median	\$113K	Median

**56%** Deals with an initial PPA claim (buyer-favorable)

**34%** Deals where buyer proposes a surplus (seller-favorable)

**10%** Deals where buyer proposes no adjustment

Final Surplus (in sellers' favor):	
\$554K	Average
\$151K	Median

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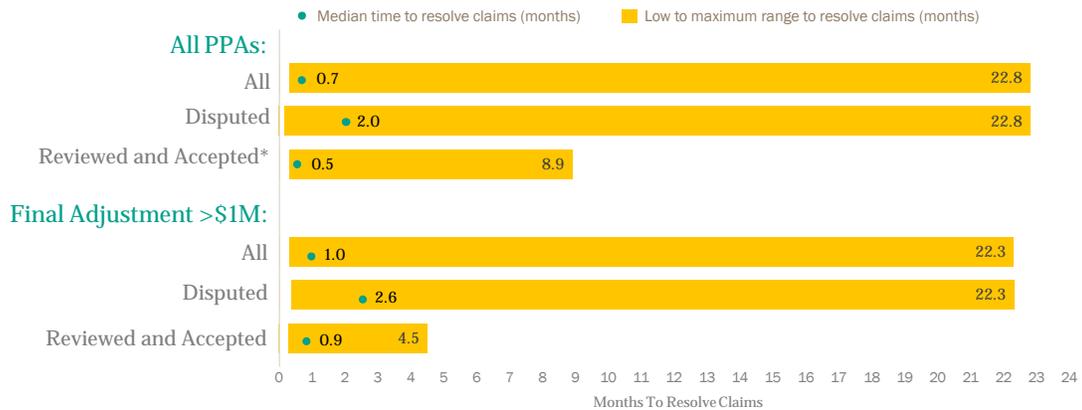
# 100k Working Capital Deficit Becomes a \$2MM Gain for Sellers



<https://go.srsacquiom.com/shr-working-cap/>

## Resolution Time

MONTHS TO RESOLVE CLAIMS, MEDIAN AND RANGE (2021-2023 Q3)



\* Even when PPAs are reviewed and accepted by the shareholder representative, considerable time may still be spent on the initial review of buyer's calculations or waiting on additional information or resources to complete such review.

## PPA Drafting Considerations: Contractual Deadlines

90 days (median)	Timing for buyer to deliver post-closing statement
30-120 days (range)	Consider “deemed final” language if post-closing statement is never delivered
30 days	Timing for sell-side to review statement
20–90 days	Consider tolling language for any delays when exercising information rights
30 days	Period for “good faith” negotiations
10–60 days	Parties can always mutually agree to extend this period
30 days	Review period for Reviewing Accountant
10–60 days	While very rare, referring to a Reviewing Accountant will be time consuming (and likely exceed the contractual timelines)

## PPA Drafting Considerations: Information Rights

The shareholder representative’s access to reasonable detail allows for a thorough review of the proposed adjustment calculations.

### Supporting information delivered with statement

*“...including any supporting information reasonably necessary for the Shareholder Representative to review such calculations.”*

### Cooperation and access during review

*“Buyer will, and will cause the Company to, reasonably cooperate with the Shareholder Representative in the review of the Final Closing Statement and provide the Shareholder Representative and its representatives with reasonable access during normal business hours to the books, records (including work papers, schedules, memoranda and other documents), supporting data, facilities and employees of Buyer and all other information in connection with the review of the Final Closing Statement as is reasonably requested by the Shareholder Representative or any of its representatives.”*

## PPA Drafting Considerations: Dispute Resolution

### Reviewing Accountant: Appointment, Scope, and Fees

- Consider expressly naming an expert (pick a willing professional with experience in M&A working capital/valuation adjustments). About half of agreements require the parties to mutually agree post-closing on the appointment.\*
- “Expert not arbiter” is the generally accepted phrase to limit the scope of the Reviewing Accountant to only opining on the calculations, and not any procedural or contractual interpretation matters.

*“...Buyer and the Securityholder Representative may engage [Reviewing Accountant] or, if such firm is not able or willing to so act, another accounting or valuation firm acceptable to both Buyer and the Securityholder Representative (the “Reviewing Accountant”) who, acting as experts and not arbitrators, shall review only the matters in the Adjustment Dispute Notice that are still disputed by Buyer and the Securityholder Representative.”*

- Nearly 90% of deals proportionate fees based on outcome.\*

*“The Reviewing Accountant will allocate its fees and expenses between the Buyer and the Shareholder Representative according to the degree to which the positions of the respective parties are not accepted by the Reviewing Accountant.”*

\*Source: 100+ deals that closed in 2023.

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## PPA Drafting Considerations: Dispute Resolution

### Reviewing Accountant: Appointment, Scope, and Fees

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\*Source: 100+ deals that closed in 2023.

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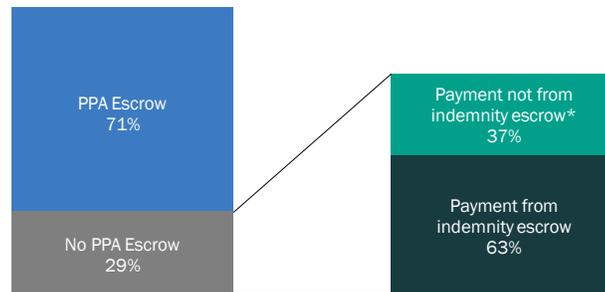
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## PPA Claims Sources of Recovery

Subset: 2023 (Q1–Q3) deals with post-closing purchase price adjustments in the consideration mechanics section of the acquisition agreement (as opposed to the indemnification section only)

SOURCE OF PAYMENT IF BUYER- FAVORABLE ADJUSTMENT



\* Generally, payment out-of-pocket from securityholders.

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## PPA Drafting Considerations: Sources of Recovery

### PPA Escrow Release Mechanics

Ensure the agreements (including the escrow agreement) cover all three scenarios:

1. PPA claim exceeds escrow amount: entire escrow released to buyer
2. PPA surplus: entire escrow released to sellers via paying agent
3. PPA claim that is less than the escrow amount:  
claim amount released to buyer and remainder of escrow released to sellers via paying agent\*

### Additional Source(s) of Recovery

- General Indemnification Escrow (often at buyer's discretion)
- Setoff against future payments (e.g., earnouts, escrow releases)
- Claw back from sellers (arduous process that should be avoided)

\*11% of PPA provisions omitted this third scenario. Source: 100+ deals from 2023.

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# Purchase Price Adjustments

## Final Outcomes

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## PPA Final Adjustment Direction

DEALS 2019-2023 Q3

Adjustment Direction	Percentage
Claim (buyer-favorable)	50%
Surplus (seller-favorable)	38%
Statement Delivered, No Adjustment	11%
No PPA Statement Delivered	<1%

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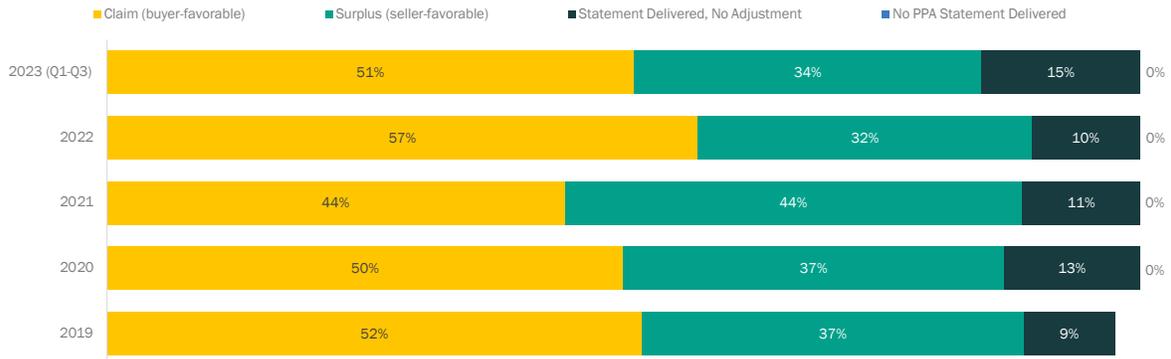
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## PPA Final Adjustment Direction by Year\*

DEALS 2019–2023 (Q1–Q3)



\* For comparison, a decade ago (deals closed 2010–2013), final PPA outcomes were 47% buyer-favorable claims, 26% seller-favorable surpluses, 10% no adjustment, and 17% no PPA statement delivered.

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## Final PPA Adjustment Amounts

PPA Claims Final Adjustment Amounts (buyer-favorable)	DEALS CLOSED 2020–2023 Q3	PPA Surpluses Final Adjustment Amounts (seller-favorable)
66%	Percentage of PPA Escrow (Average)	*
35%	Percentage of PPA Escrow (Median)	*
0.48%	Percentage of Transaction Value (Average)	0.59%
0.21%	Percentage of Transaction Value (Median)	0.18%
10% of claims (5% of all deals with a PPA)	Percentage of such deals with a final adjustment equaling or exceeding \$1M	19% of surpluses (7% of all deals with a PPA)
4.8% of claims (2.7% of all deals with a PPA)	Percentage of such deals with a final adjustment equaling or exceeding 1% of the transaction value	12.6% of surpluses (4.3% of all deals with a PPA)

\* Any separate escrow would likely have been released in full to the sellers in addition to the surplus.

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# Seller Representations and Warranties

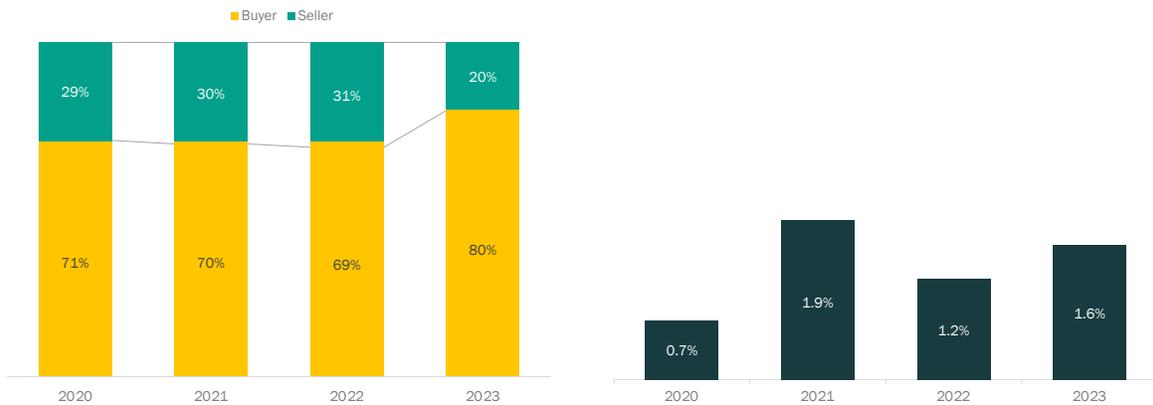
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## “No Undisclosed Liabilities” Representation

98% of 2023 deals contain “No Undisclosed Liabilities” representation.

PARTY FAVORED BY DEFINITION

REPRESENTATION IS KNOWLEDGE-QUALIFIED

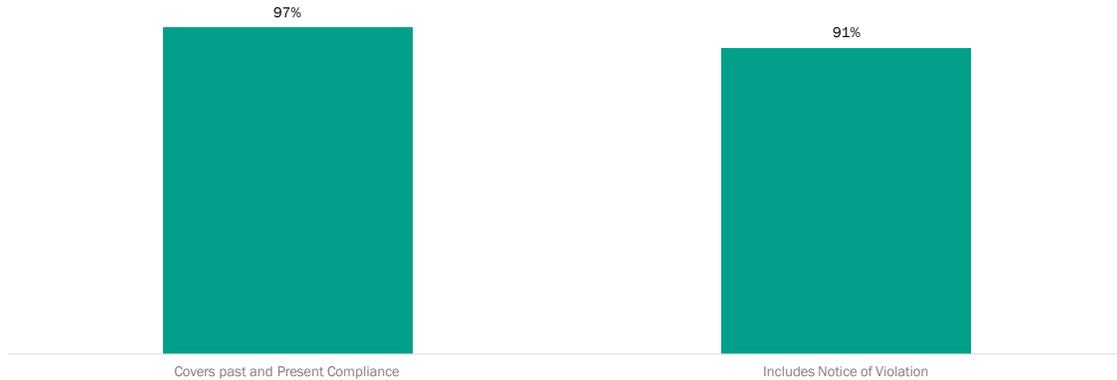


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## “Compliance with Laws” Representation

100% of 2023 deals included this representation.

“COMPLIANCE WITH LAWS” REPRESENTATION DETAILS, 2023



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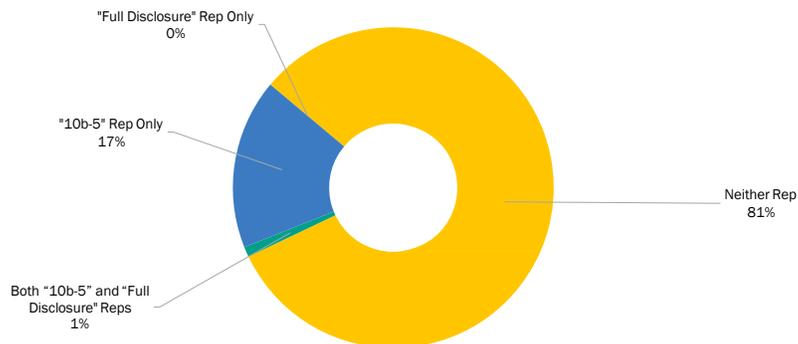
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## “10b-5”\* and “Full Disclosure” Representations

INCLUSION OF REPRESENTATIONS (2023 DEALS)



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**Private Equity buyers and larger deals (\$500m+) are less likely to include either rep:**

**90%+**  
included neither.

\* Does not include representations that apply only to the shareholder information statement (and not the acquisition agreement).

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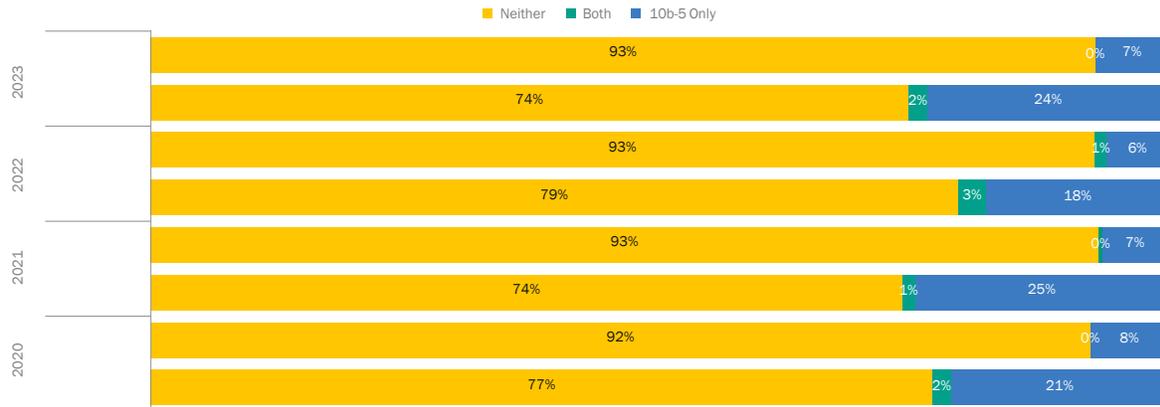
74

# “10b–5” and “Full Disclosure” Representations

## Influence of RWI

An acquisition agreement is more likely to contain neither a “10b-5” nor a “Full Disclosure” representation when there is a buy-side RWI policy.

DEAL YEARS 2020–2023



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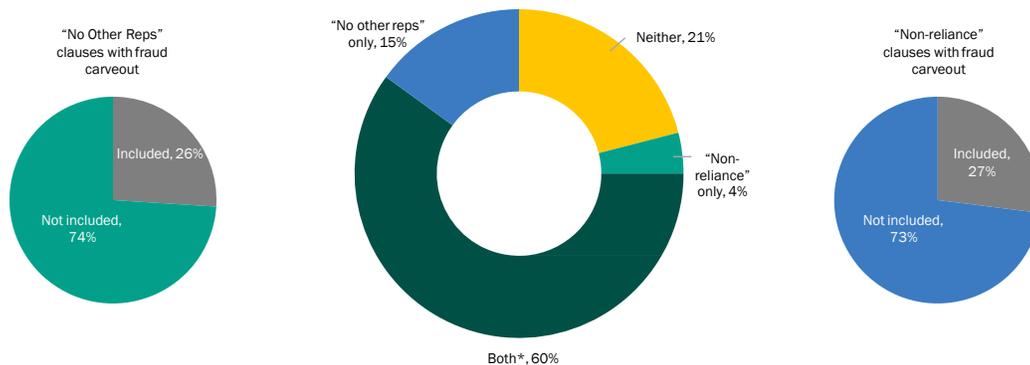
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# “No Other Representations” and “Non-reliance” Clauses

INCLUSION OF REPRESENTATIONS AND FRAUD CARVEOUTS (2023 DEALS)



\* 32% of deals with both clauses included a fraud carveout: 21% included the carveout for both clauses; 5% included the carveout for “No Other Reps” only; and 6% included the carveout for “Non-reliance” only.

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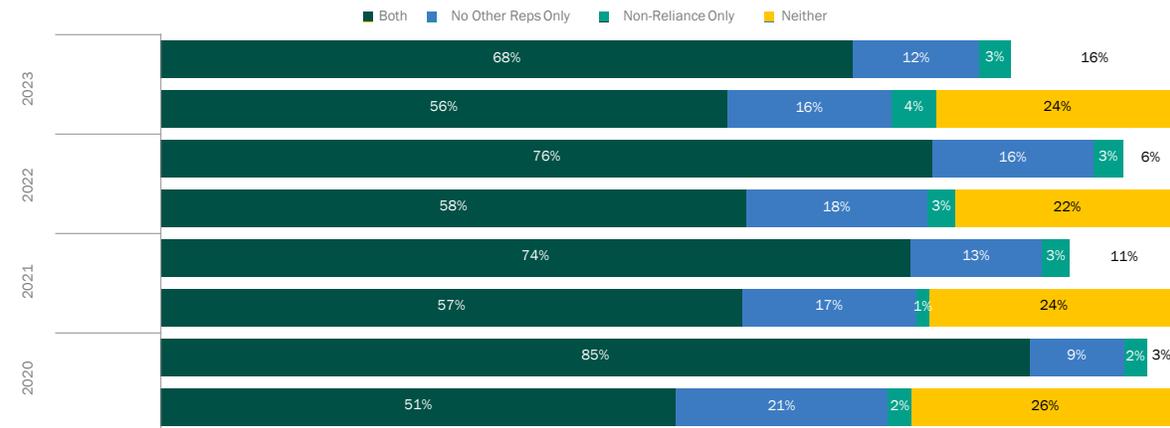
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# “No Other Representations” and “Non-reliance” Clauses

Influence of RWI

2020-2023 DEALS



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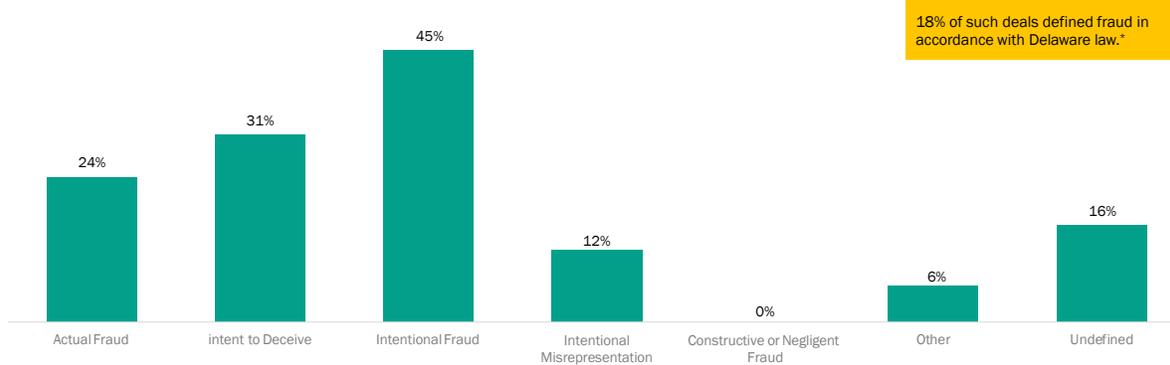
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# Definition of Fraud

For 2022 deals where fraud was carved out from the “indemnification as sole remedy” provision, the definition of fraud included one or more of the following:

DEAL YEARS 2020-2023



\* Acquisition agreement language either expressly specified the laws of Delaware or included the elements of actual fraud and intent to deceive in the contractual definition of fraud.

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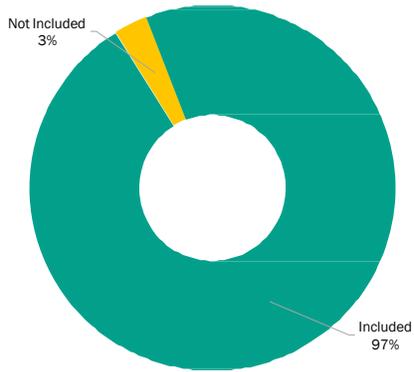
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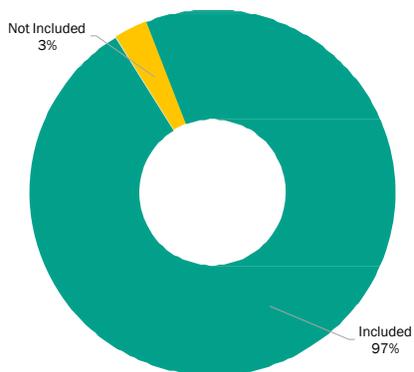
# Privacy Representation

INCLUSION OF PRIVACY REPRESENTATIONS (2023 DEALS)



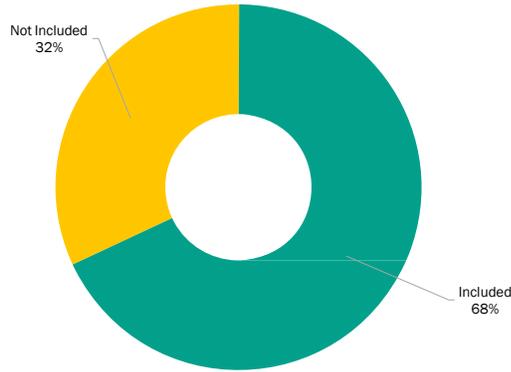
# Cybersecurity Representation

INCLUSION OF CYBERSECURITY REPRESENTATIONS (2023 DEALS)



# Sexual Misconduct Representation

INCLUSION OF SEXUAL MISCONDUCT REPRESENTATION (2023 DEALS)



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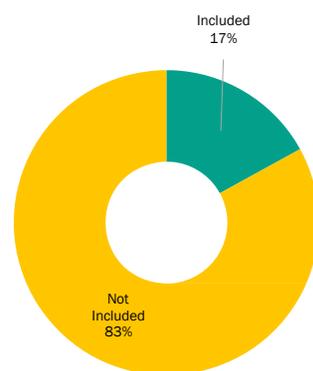
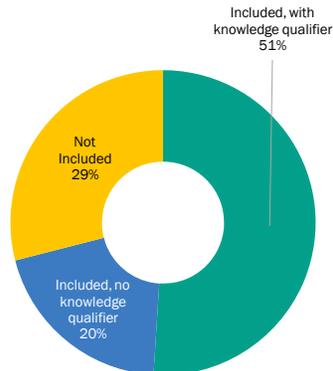
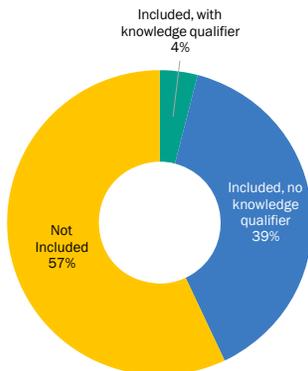
# Sexual Misconduct Representation

Subset: Deals with a sexual misconduct representation.

COVERS SETTLEMENT AGREEMENTS

COVERS ALLEGATIONS

CORRECTIVE ACTION LANGUAGE



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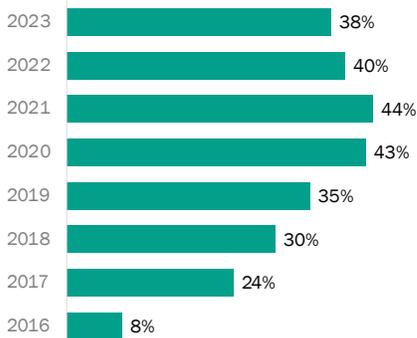
# Indemnification

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## Reps and Warranties Insurance Frequency

2023 Deals

### INCLUSION OF REPS AND WARRANTIES INSURANCE



Industry	RWI Identified
Life Sciences	30%
Healthcare Services	31%
Financial	31%
Technology	41%
Media and Entertainment	55%
Retail	56%
Manufacturing	62%
Energy	71%
Other	43%

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# General Survival of Sellers' Representations and Warranties

21% of 2023 deals were structured as "no survival."  
 INFLUENCE OF REPS AND WARRANTIES INSURANCE (2020-2023)



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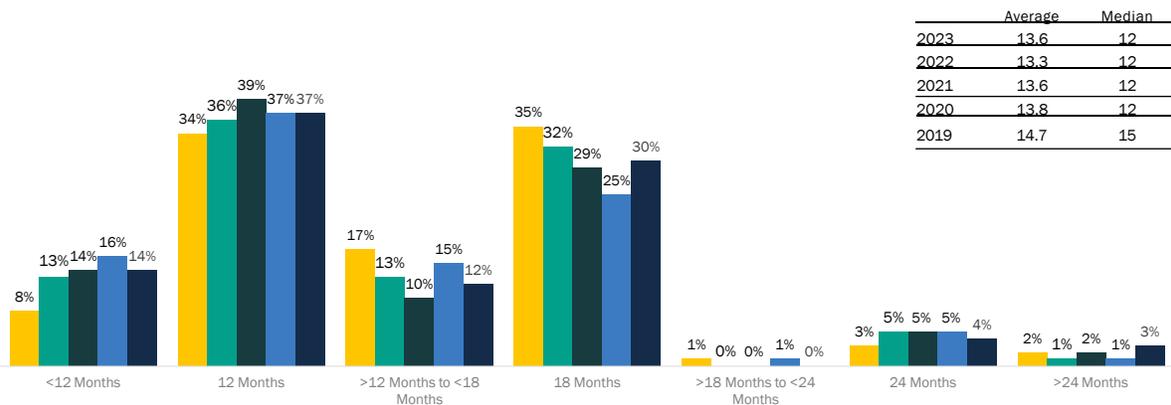
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# General Survival Period/Time to Assert Claims

SURVIVAL PERIOD (2023 MEDIAN: 12 MONTHS)



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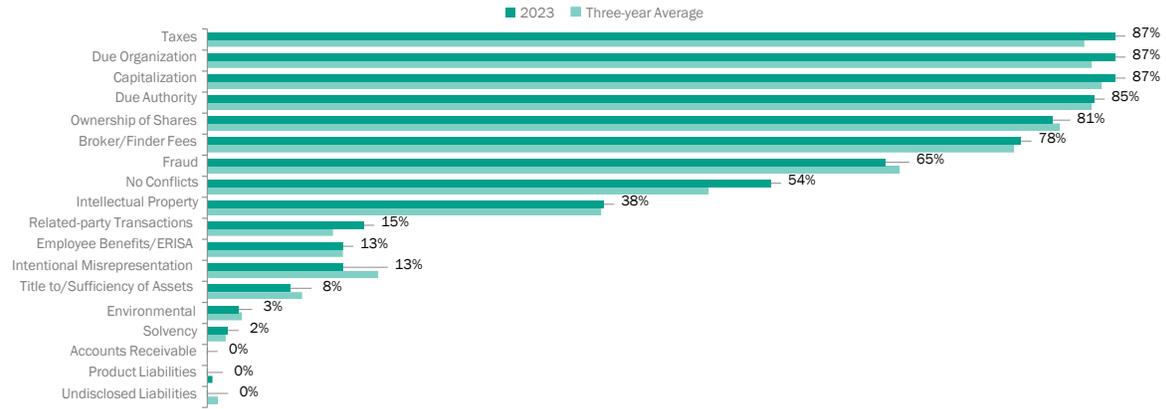
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# Survival/Time to Assert Claims

## Carveouts to General Survival Period\*

CARVEOUT FREQUENCY: 2023 DEALS COMPARED TO THE THREE-YEAR AVERAGE (2021-2023)†



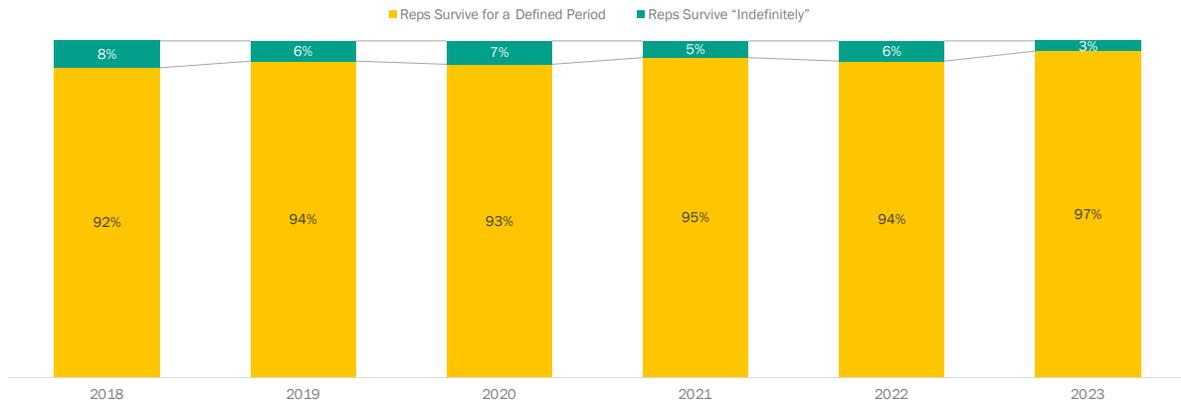
\* Matters subject to carveouts survive longer than the general survival period.  
 † Percentages in the chart are for 2023 deals.

# Survival/Time to Assert Claims

## Carveouts to General Survival Period

Subset: Mergers

"FUNDAMENTAL" REPRESENTATIONS CARVED OUT FROM THE GENERAL SURVIVAL PERIOD

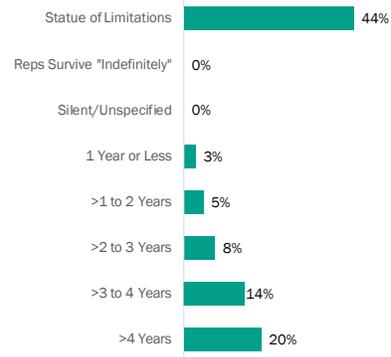


# Second-level Survival

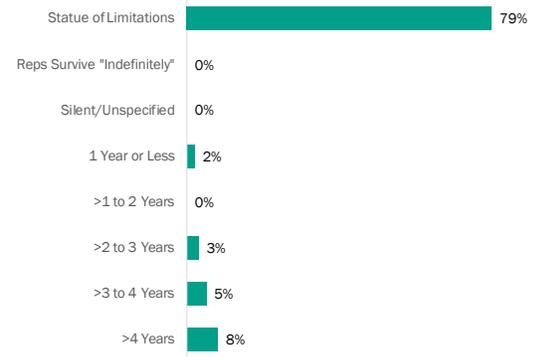
“Fundamental” and Tax Representations

Subset: 2023 deals that include the specified carveout. Years below denote additional survival time after expiration of the general survival period.

## GROUP OF “FUNDAMENTAL REPRESENTATIONS”\*



## TAX REPRESENTATIONS

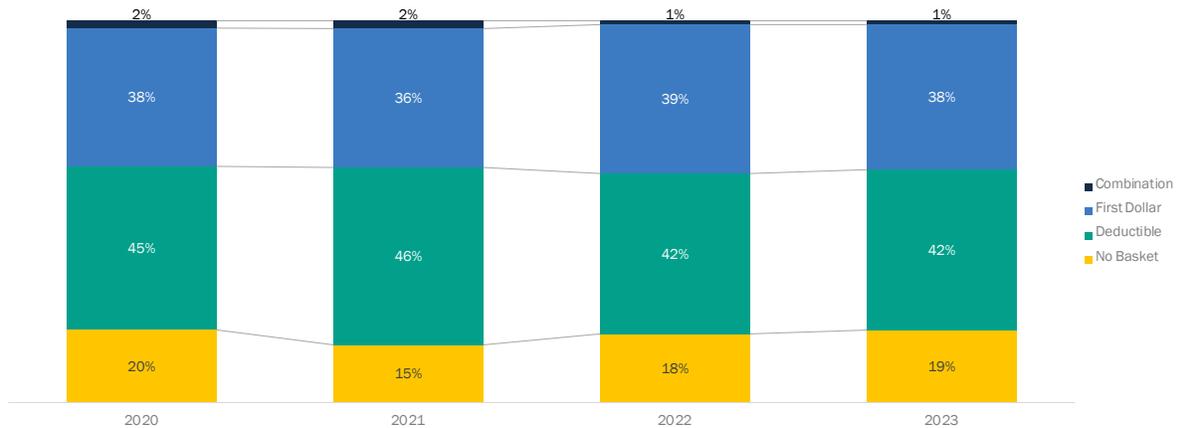


\* For example: due organization, due authority, capitalization, etc. (other than taxes, intellectual property and fraud).

# Baskets

Definitions

## BASKET FREQUENCY

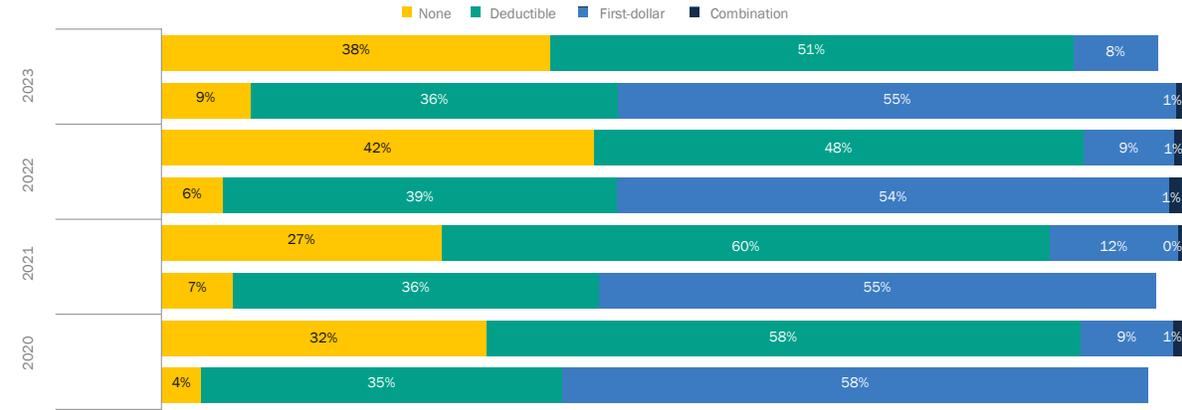


# Baskets

## Influence of RWI

When the deal includes buy-side RWI, sellers' indemnification obligations are more likely to be structured as deductible baskets than first-dollar baskets.

BASKET TYPE DISTRIBUTION, DEALS 2020-2023

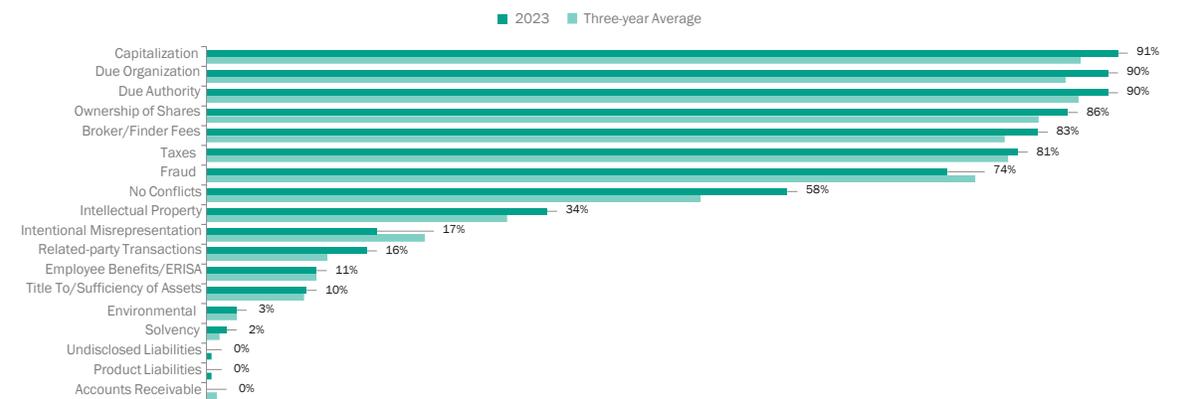


# Baskets

## Carveouts

Subset: 2023 deals with baskets

CARVEOUT FREQUENCY: 2023 DEALS COMPARED TO THE THREE-YEAR AVERAGE (2021-2023)†

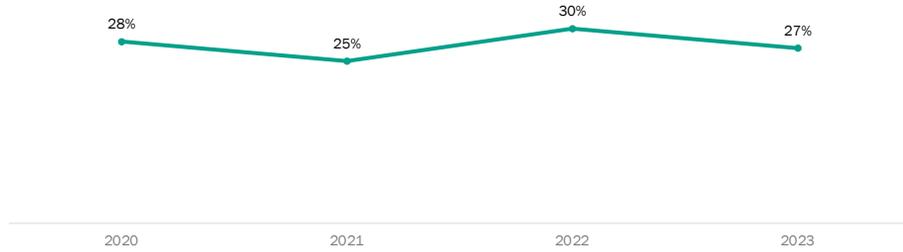


† Percentages in the chart are for 2023 deals.

# Baskets

Eligible Claim Threshold

THRESHOLD INCLUDED, BY YEAR



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Deals with RWI identified are less likely to include a threshold:

**11%.**

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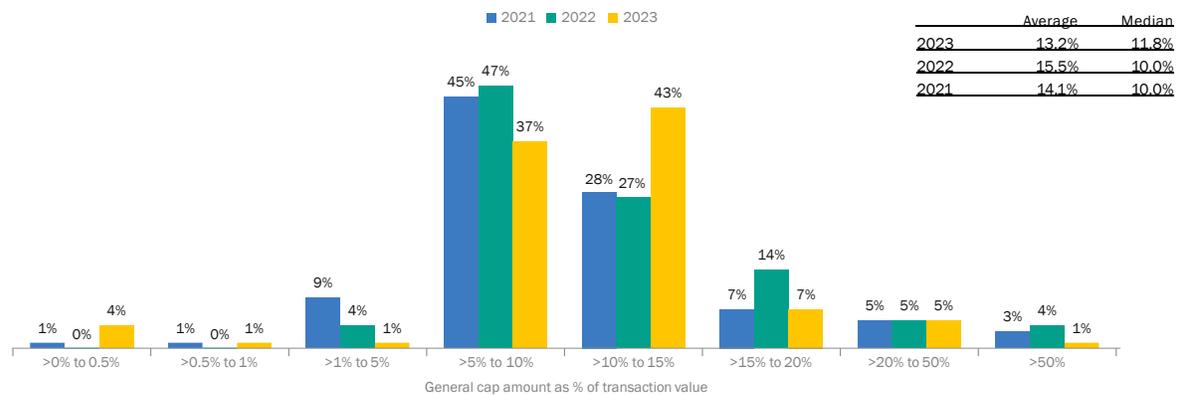
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# Caps as a Percentage of Transaction Value

No RWI Identified

DETAILS, 2021-2023



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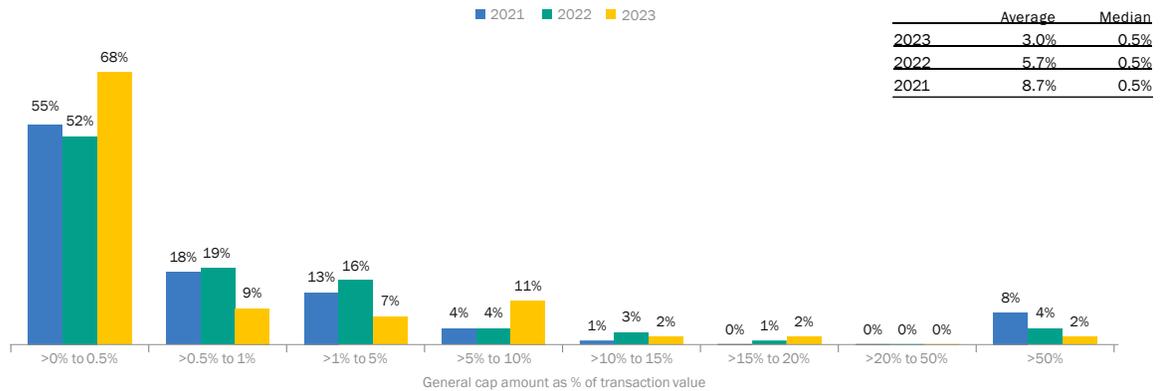
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# Caps as a Percentage of Transaction Value

RWI Identified

DETAILS, 2021-2023



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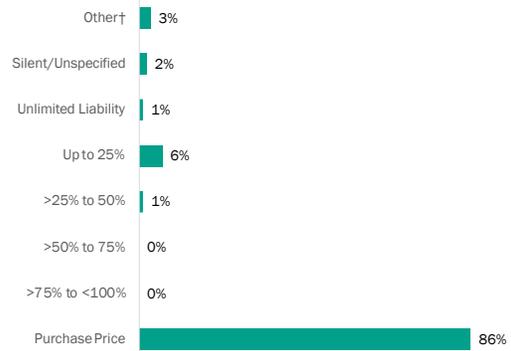
# Second-level Caps

“Fundamental” and Tax Representations

Subset: 2023 deals that include the specified carveout. Percentages below denote the second-level cap as a percentage of transaction value in absolute terms (not above the general cap).

“FUNDAMENTAL” REPRESENTATIONS\*

TAX REPRESENTATIONS



\* For example: due organization, due authority, capitalization, etc. (other than taxes, intellectual property, and fraud).  
 † “Other” includes, for example, offsets against future earnouts above the general cap.

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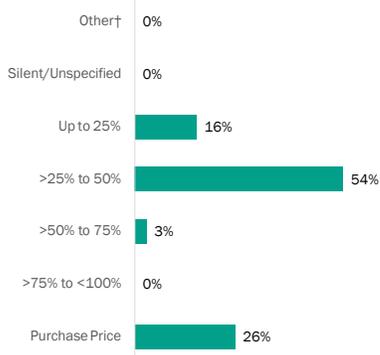
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# Second-level Caps

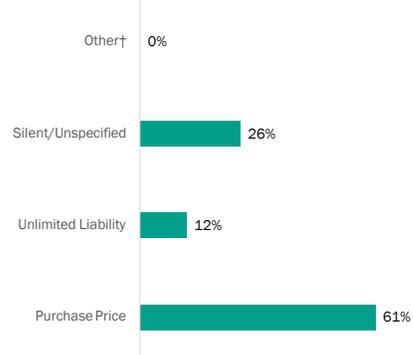
## IP Representations and Fraud

Subset: 2023 deals that include the specified carveout. Percentages below denote the second-level cap as a percentage of transaction value in absolute terms (not above the general cap).

### INTELLECTUAL PROPERTY REPRESENTATIONS



### FRAUD/INTENTIONAL MISREPRESENTATION\*

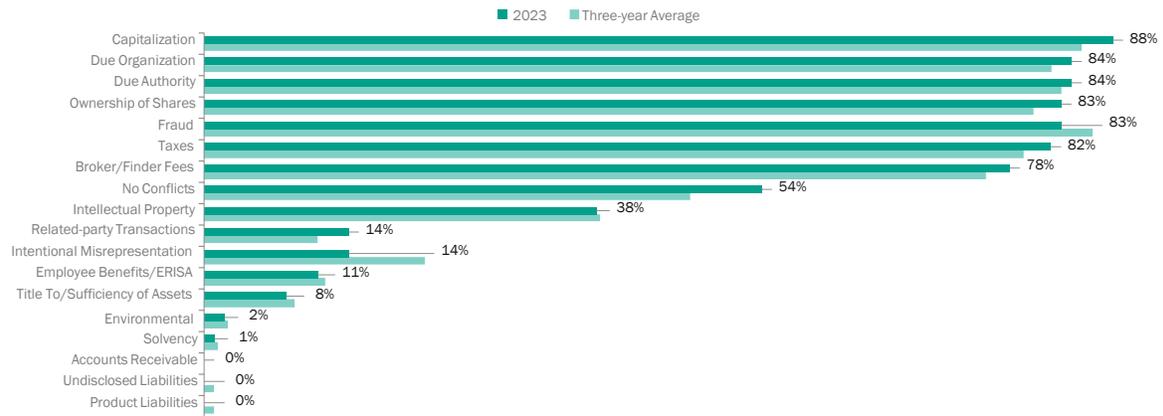


\* Measures liability for shareholders that did not participate in the fraud (liability for participating shareholders was typically unlimited).  
 † "Other" includes, for example, offsets against future earnouts above the general cap.

# Caps

## Carveouts

FREQUENCY: 2023 DEALS COMPARED TO THE THREE-YEAR AVERAGE (2021-2023)†

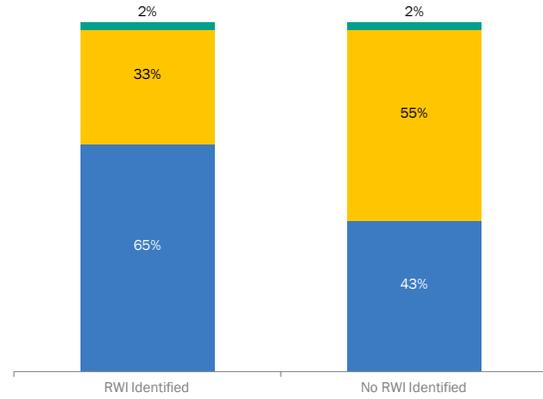
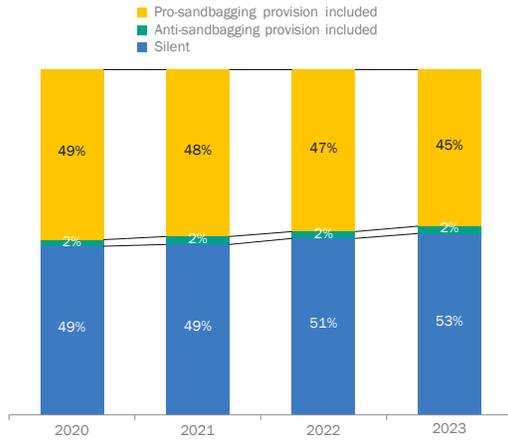


† Percentages in the chart are for 2023 deals.

# “Sandbagging”

YEAR-OVER-YEAR TREND

SANDBAGGING PROVISION, DEAL YEARS 2020-2023



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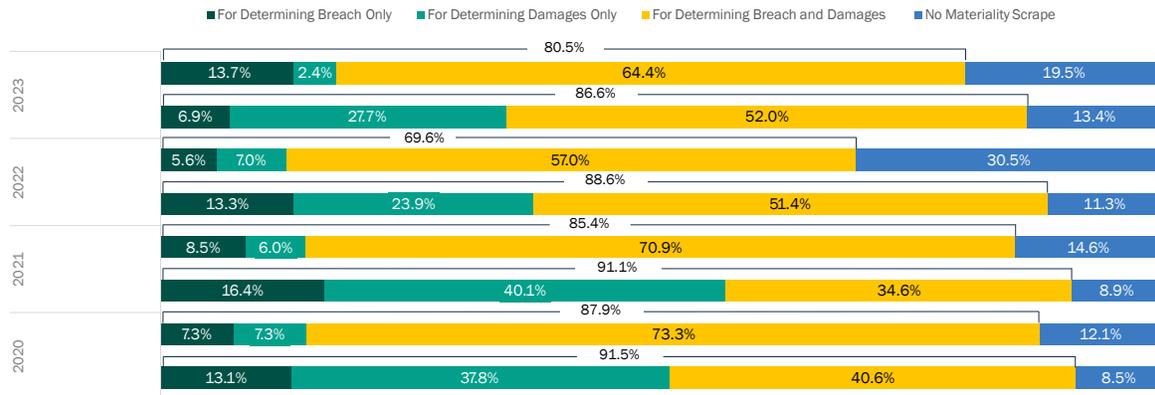
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# “Materiality Scrape”

Influence of RWI

MATERIALITY SCRAPE INCLUDED AND DETAILS (2020-2023)



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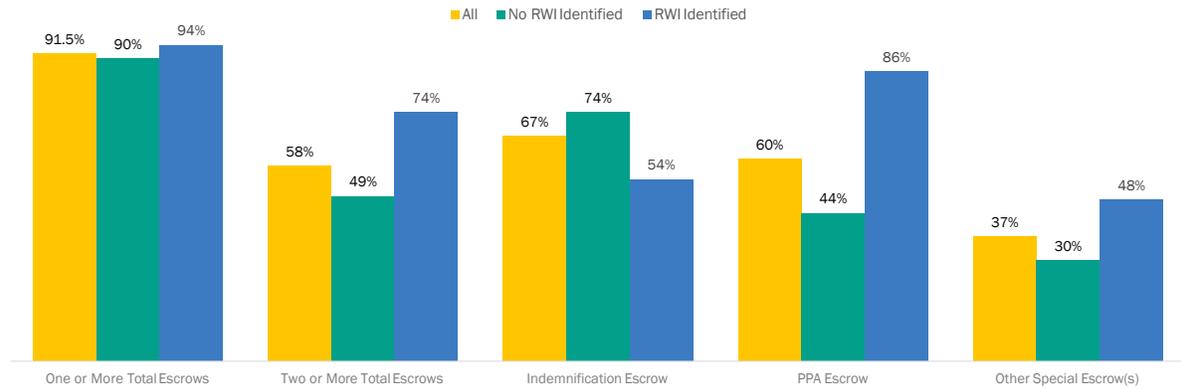
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# Deal Escrows 2023\*

## Frequency by Category

Subset: 2023 deals

PERCENTAGE OF ALL DEALS THAT INCLUDE AN ESCROW, BY CATEGORY



\* Includes holdbacks

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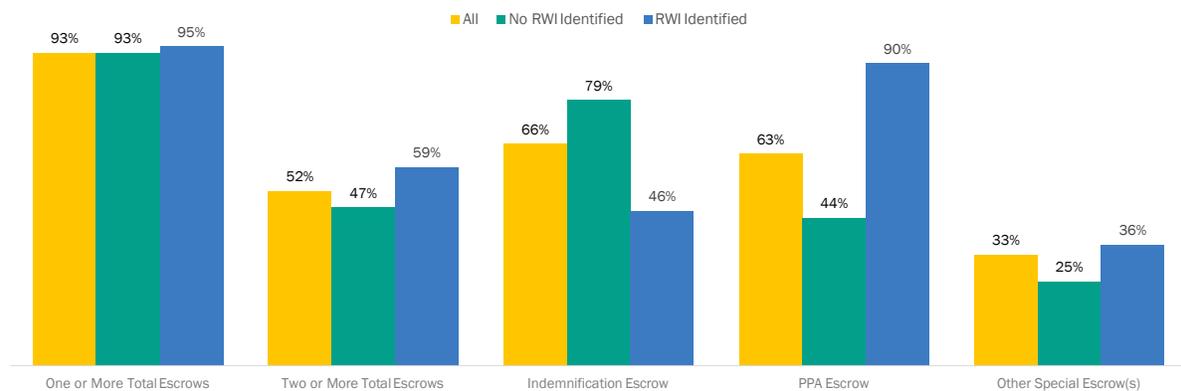
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# Deal Escrows 2022\*

## Frequency by Category

Subset: 2022 deals

PERCENTAGE OF ALL DEALS THAT INCLUDE AN ESCROW, BY CATEGORY



\* Includes holdbacks

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# Deal Escrows Sizes 2022 and 2023

Aggregate Medians/Averages

Subset: 2023 deals with an indemnification escrow  
AGGREGATE SIZE OF ALL ESCROWS AS A PERCENTAGE OF TRANSACTION VALUE

	Average	Median
All Deals	11.1%	10.0%
No RWI Identified	14.1%	12.5%
RWI Identified	4.3%	2.5%

2023

SIZE OF GENERAL INDEMNIFICATION ESCROWS AS A PERCENTAGE OF TRANSACTION VALUE

	Average	Median
All Deals	8.1%	9.4%
No RWI Identified	10.8%	10.0%
RWI Identified	2.0%	0.5%

Subset: 2022 deals with an indemnification escrow  
AGGREGATE SIZE OF ALL ESCROWS AS A % OF TRANSACTION VALUE

	Average	Median
All Deals	11.4%	10.0%
No RWI Identified	14.1%	11.3%
RWI Identified	4.5%	2.5%

2022

SIZE OF GENERAL INDEMNIFICATION ESCROWS AS A PERCENTAGE OF TRANSACTION VALUE

	Average	Median
All Deals	8.7%	10.0%
No RWI Identified	11.5%	10.0%
RWI Identified	1.2%	0.5%

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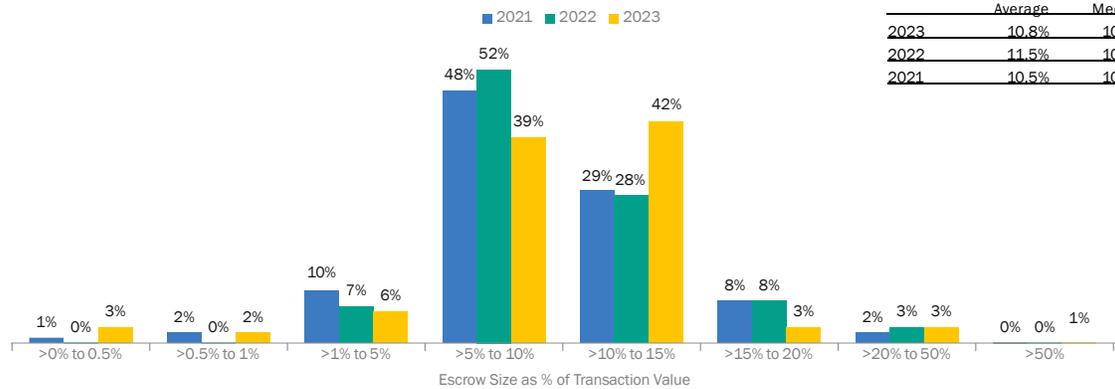
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# General Indemnification Escrows/Holdbacks as a Percentage of Transaction Value (No RWI Identified)

DETAILS, 2021-2023



	Average	Median
2023	10.8%	10.0%
2022	11.5%	10.0%
2021	10.5%	10.0%

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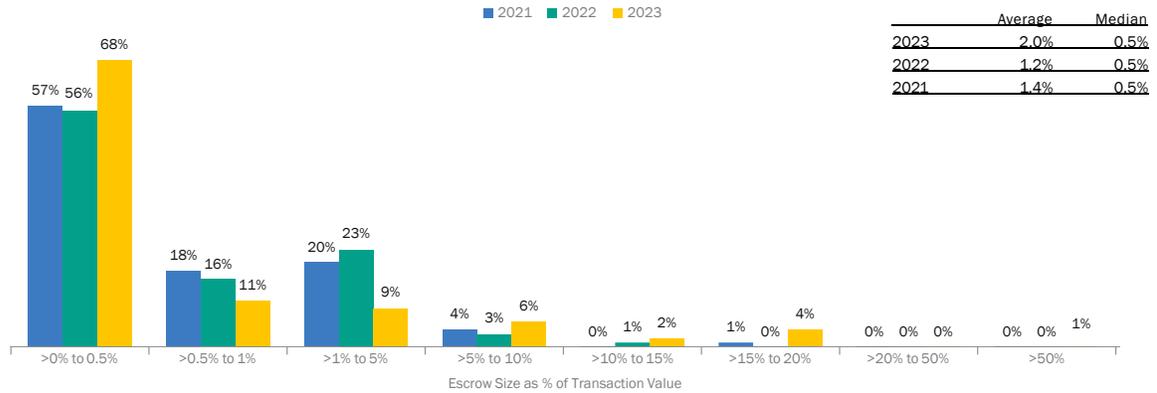
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# General Indemnification Escrows/Holdbacks as a Percentage of Transaction Value (RWI Identified)

DETAILS, 2021-2023



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# Dispute Resolution

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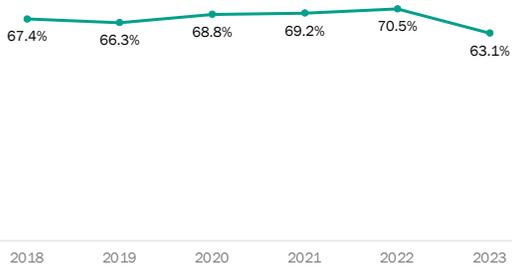
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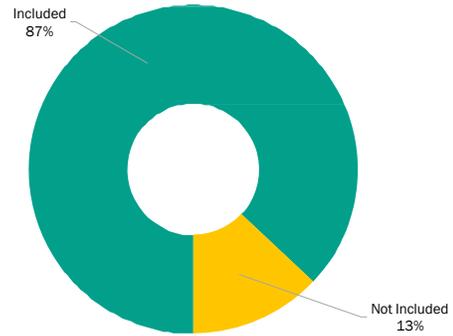
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# Waivers

LEGAL REPRESENTATION CONFLICT WAIVER\* INCLUDED



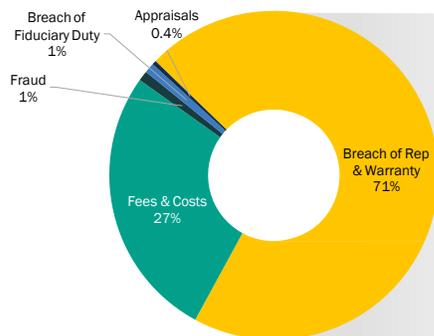
WAIVER OF JURY TRIAL (2023 DEALS)



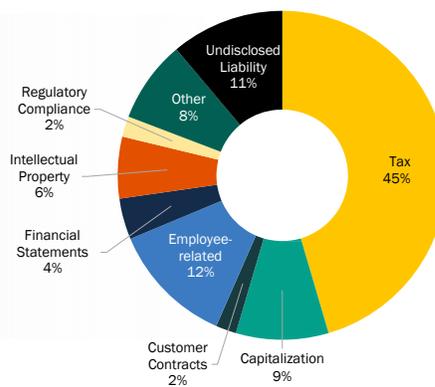
\* A provision allowing seller's pre-closing counsel to represent the selling shareholders post-closing in matters relating to the acquisition.

# Indemnification Claims Set Overview – Claim Subject Matter

SUBJECT MATTER AS % OF ALL INDEMNIFICATION CLAIMS (500+ CLAIMS)



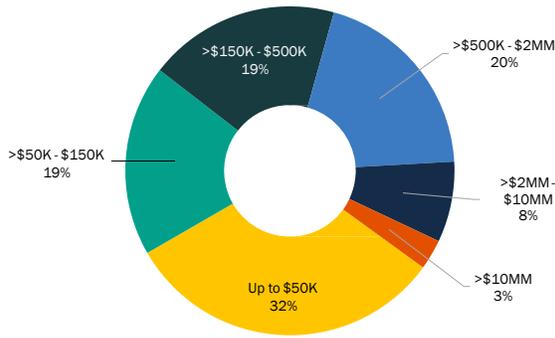
Subset: breaches of R&W (350+claims)



Due to rounding, percentages may not total 100% throughout this study.  
Source: 2022 SRS Acquiom M&A Claims Insights Report

## Indemnification Claim Sizes — All Deals

### CLAIM SIZES



### KEY POINTS

**34%** of deals that had at least one claim had claims totaling at least \$1MM

Indemnification claims were made in **30%** of all deals (excluding PPA)

*Due to rounding, percentages may not total 100% throughout this study.  
Source: 2022 SRS Acquiom M&A Claims Insights Report*

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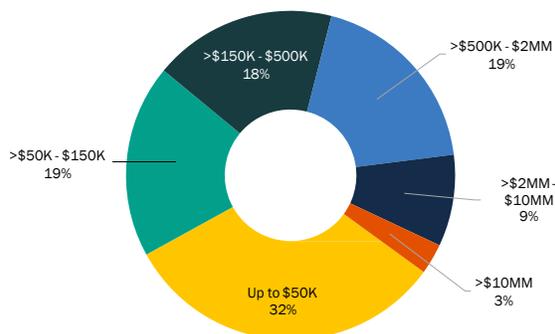
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## Indemnification Claim Sizes — Deals with RWI

### CLAIM SIZES



### KEY POINTS

Indemnification claims were made in **28%** of deals with RWI (excluding PPA), which is slightly lower than the occurrence across all deals

*Note: SRS Acquiom may not see claims in deals with RWI once the escrow is exhausted.  
Source: 2022 SRS Acquiom M&A Claims Insights Report*

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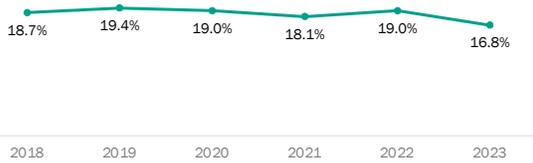
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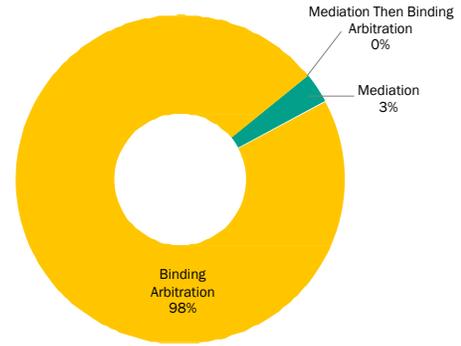
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# Alternative Dispute Resolution (“ADR”)\*

ADR INCLUSION



TYPE OF ADR (SUBSET: GENERAL ADR INCLUDED, 2023)



\* Sample includes ADR provisions that apply to all disputes arising out of the agreement and does not include ADR provisions limited to particular matters such as purchase price adjustments or earnouts.

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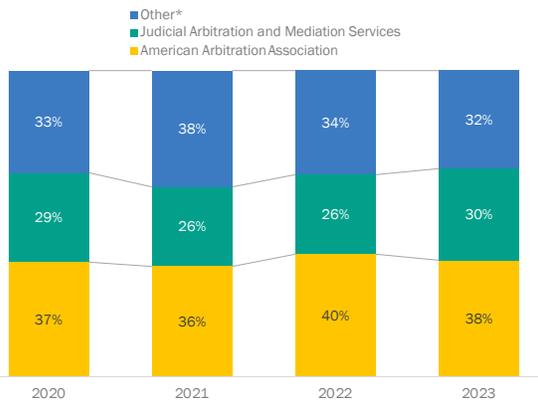
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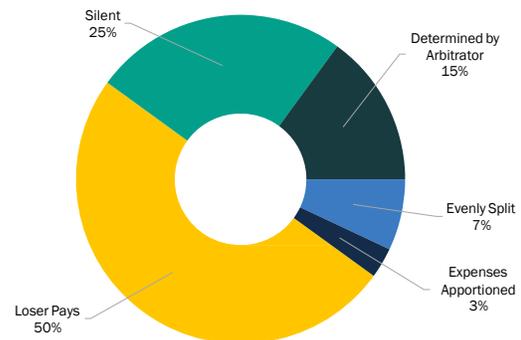
# Alternative Dispute Resolution

Subset: Deals with general ADR included

INSTITUTION/RULES GOVERNING ARBITRATION



WHO PAYS ARBITRATION EXPENSES? (2023 DEALS)



\* "Other" frequently includes the International Chamber of Commerce.

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# Payments and Escrows

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## Outsourcing Trend: Buyers See the Benefit of Outsourcing This Function, Even When There Aren't Many Payees

Risk		Paying Agent
Disclosure Risk	May need to disclose lawsuits, security breaches or similar events to regulators, LPs, or other stakeholders	✓
Processing Risk	Human error, manual systems, paper process	✓
Execution Risk	Paying incorrect amounts, directing payments to wrong bank accounts	✓
Tax Reporting Risk	Issuing inaccurate and/or incorrect tax reports	✓
Cyber Security Risk	Sensitive data (PII) stored on potentially vulnerable systems	✓
Audit Risk	Auditors may require expensive processes and procedures to account for the above risks	✓
Human Interaction Risk	Eliminate paper document handling and trips to the post office	✓

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## Service Capabilities Trend: Your Paying Agent Should Do More for You Than Just Payments

**Yesterday:** Historical use of paying agents was limited to LOTs, W-9/W-8s, payment information—and making payments

**Today:** A substantial percentage of our engagements have us handle additional items, traditionally handled by paralegals or junior associates at law firms.

Firms are thrilled to outsource this work to us. *Why?*

- They can focus on higher value, billable legal work
- Purpose-built technology (secure, fast)
- Lower cost
- Superior reporting
- Better outcomes

### Common examples:

- Spousal consents
- Elections of various types (83(b), 280G, etc.)
- Information statements
- Joinders
- Option/warrant cancellation agreements
- Restricted stock agreements
- Accredited investor questionnaires
- Tender offer processes

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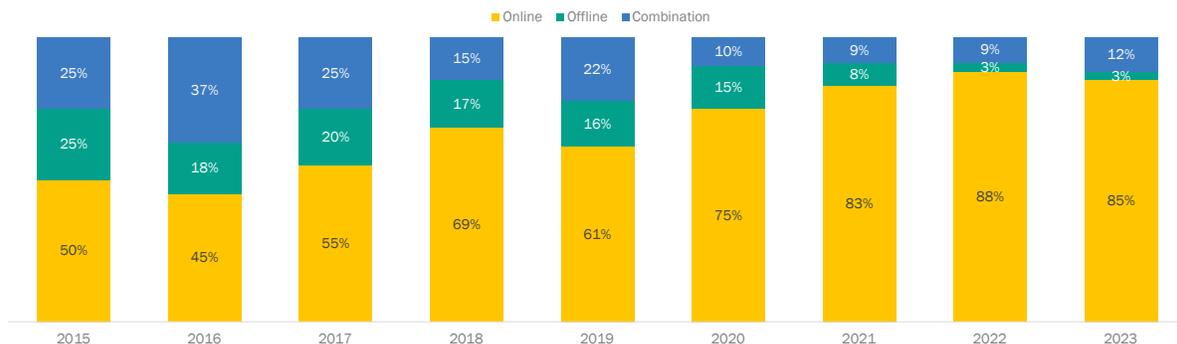
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## Use of a Secure Portal vs. “Paper”

PAYING AGENT ENGAGEMENTS – SHAREHOLDER COMMUNICATION



M&A TIP



Use of a secure, online portal for collecting sensitive information from shareholders is now ordinary course. Portals can be leveraged for more than just a LOT, W9 and payment instructions. Add consents, joinders, election forms or other documents.

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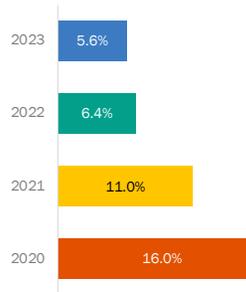
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# Return of Certificates and Use of Lost Certificate Affidavit

PROSKAUER OPINION (C. 2014)

UCC Article 8 allows the buyer in a **merger** to pay the registered owner as of the closing without the additional risk that another person has possession of the certificate or is in fact entitled to that payment, unless the security has been presented for transfer on the books of the issuer prior to the payment being made.

CERTIFICATE REQUIREMENTS BY YEAR



M&A TIP



With fewer merger transactions requiring the return of certificates as a condition for payment, consider adopting a "touch free" online approach.

Source: 100+ deals closed in 2022

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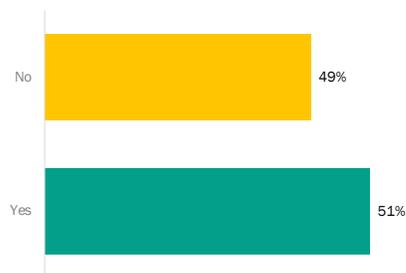
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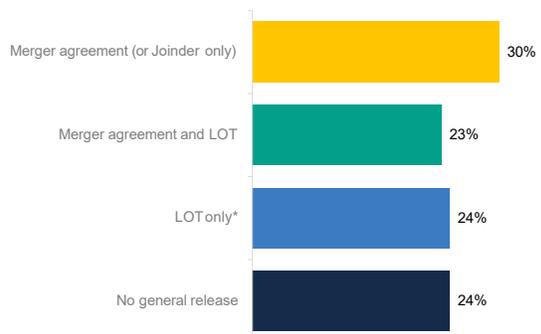
# LOT Language Five Years After Cigna v. Audax

Refresher on the case – the Delaware Court of Chancery held, among other conclusions, that the buyer could not withhold merger consideration for a shareholder's refusal to sign a LOT when there was no consideration in exchange for the terms being sought in such LOT.

ARE THE SECURITY HOLDERS REQUIRED TO EXECUTE A JOINDER?



WHERE IS THE GENERAL RELEASE LANGUAGE INCLUDED?



\* With no mention of the general release in the Merger Agreement nor is the LOT an exhibit to the Merger Agreement.  
Source: 100+ deals closed in 2022.

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# Technology Targets

## Select Deal Terms



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## Technology Targets: Dataset Overview

### 2021-2023 Deals

#### TRANSACTION VALUES

Year	≤\$50M	>\$50M-\$100M	>\$100M-\$250M	>\$250M-\$750M	>\$750M
2021	36%	22%	21%	15%	6%
2022	49%	23%	15%	9%	5%
2023	49%	21%	19%	9%	2%
2023 (All Deals)	44%	20%	21%	12%	3%

#### BUYER TYPES

Year	Non-U.S. Based	Non-P.E. Backed	P.E. Backed	U.S. Private	U.S. Private Equity	U.S. Public
2021	14%	38%	9%	39%		
2022	10%	19%	29%	3%	39%	
2023	14%	18%	13%	14%	41%	
2023 (All Deals)	12%	22%	14%	14%	38%	

\*The term "transaction values" includes escrowed amounts but does not include potential earnout consideration.



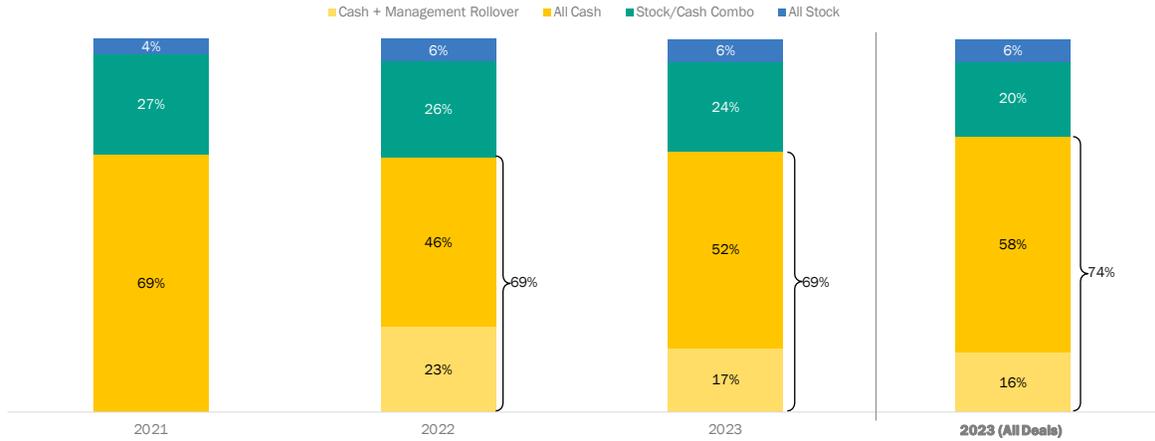
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# Technology Targets: Closing Consideration

2021-2023 Deals

## CONSIDERATION TYPE



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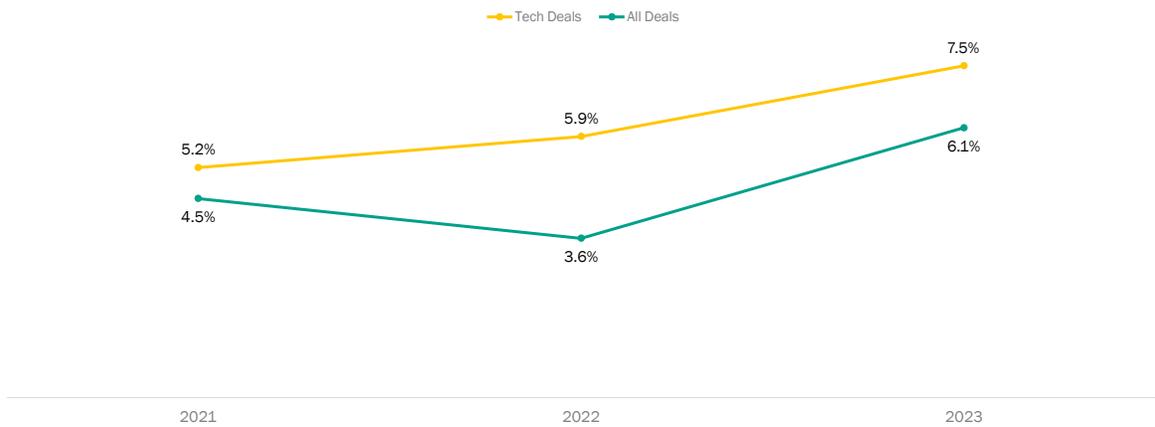
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# Technology Targets: Management Carveout Frequency

2021-2023 Deals

## MANAGEMENT CARVEOUT FREQUENCY



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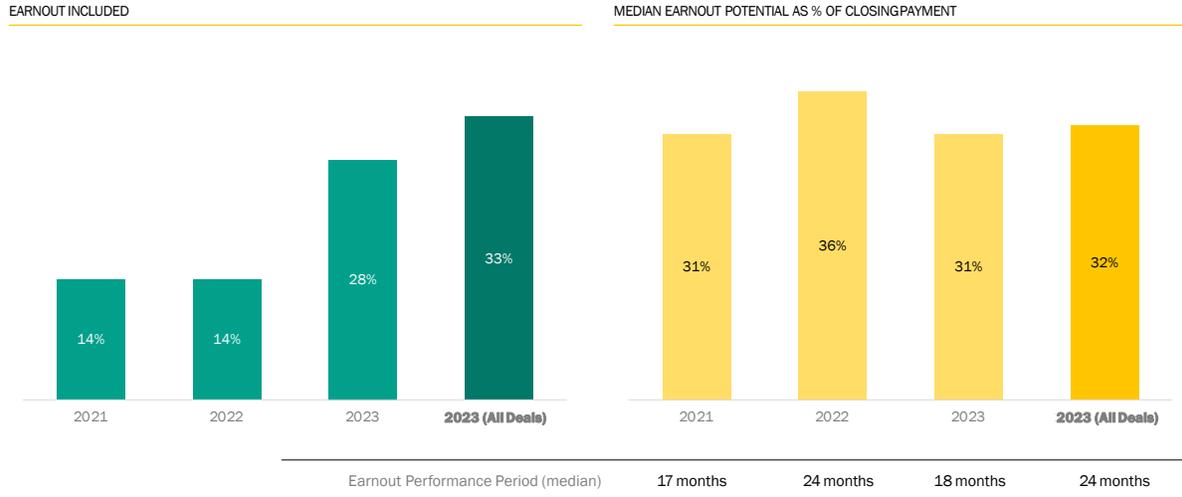
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# Technology Targets: Earnouts

2021-2023 Deals



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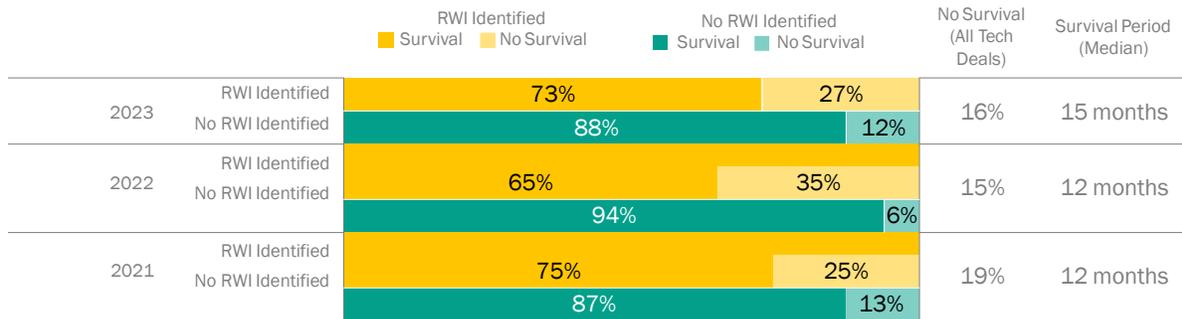
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# Technology Targets: Survival

2021-2023 Deals



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# Life Sciences Targets

Select Deal Terms



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## Life Sciences Targets: Dataset Overview

2021-2023 Deals

### TRANSACTION VALUES

Year	≤\$50M	>\$50M-\$100M	>\$100M-\$250M	>\$250M-\$750M	>\$750M
2021	36%	22%	25%	10%	7%
2022	46%	17%	13%	17%	8%
2023	33%	22%	19%	25%	0%
2023 (All Deals)	44%	20%	21%	12%	3%

### BUYER TYPES

Year	Non-U.S. Based	Non-P.E. Backed	P.E. Backed	U.S. Private	U.S. Private Equity	U.S. Public
2021	19%	4%	13%	2%	64%	
2022	11%	4%	13%	11%	60%	
2023	17%	11%	3%	8%	61%	
2023 (All Deals)	12%	22%	14%	14%	14%	38%

\*The term "transaction values" includes escrowed amounts but does not include potential earnout consideration.



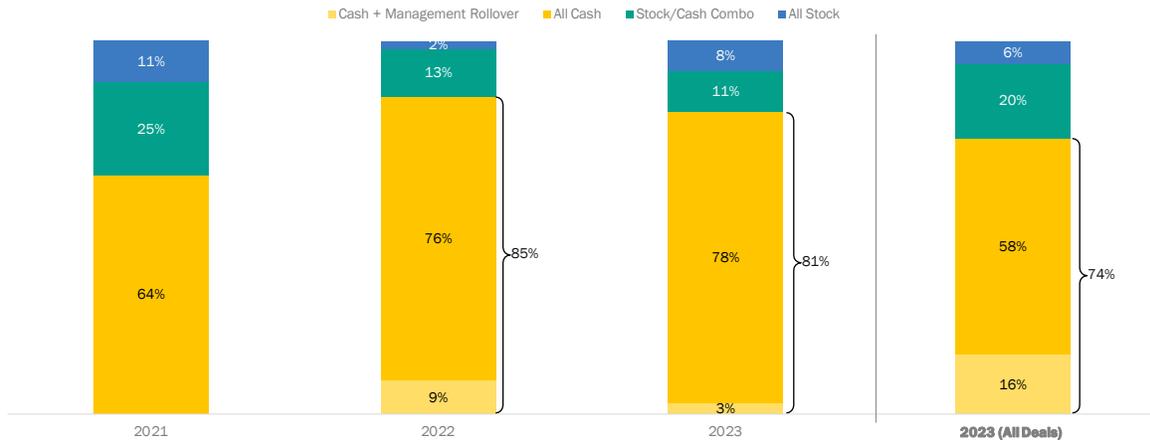
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# Life Sciences Targets: Closing Consideration

2021-2023 Deals

## CONSIDERATION TYPE



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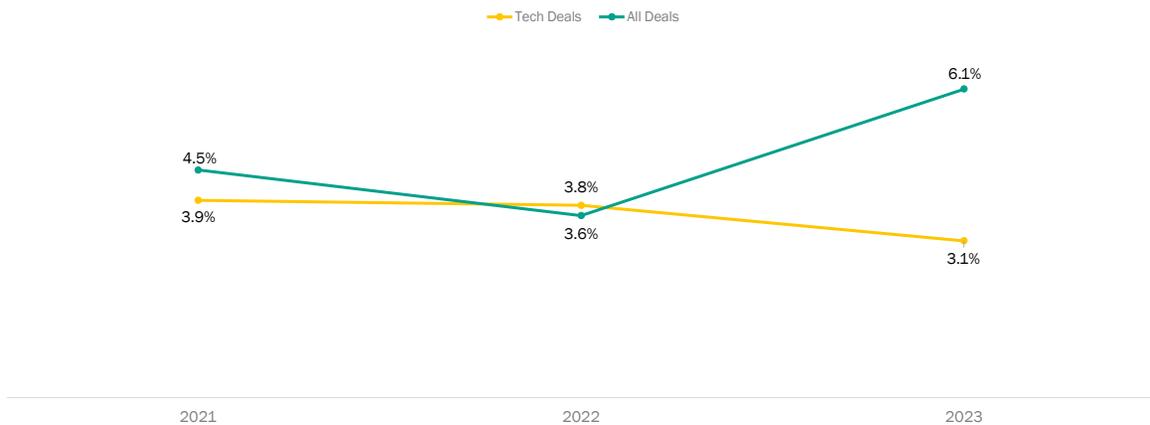
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# Life Sciences Targets: Management Carveout Frequency

2021-2023 Deals

## MANAGEMENT CARVEOUT FREQUENCY



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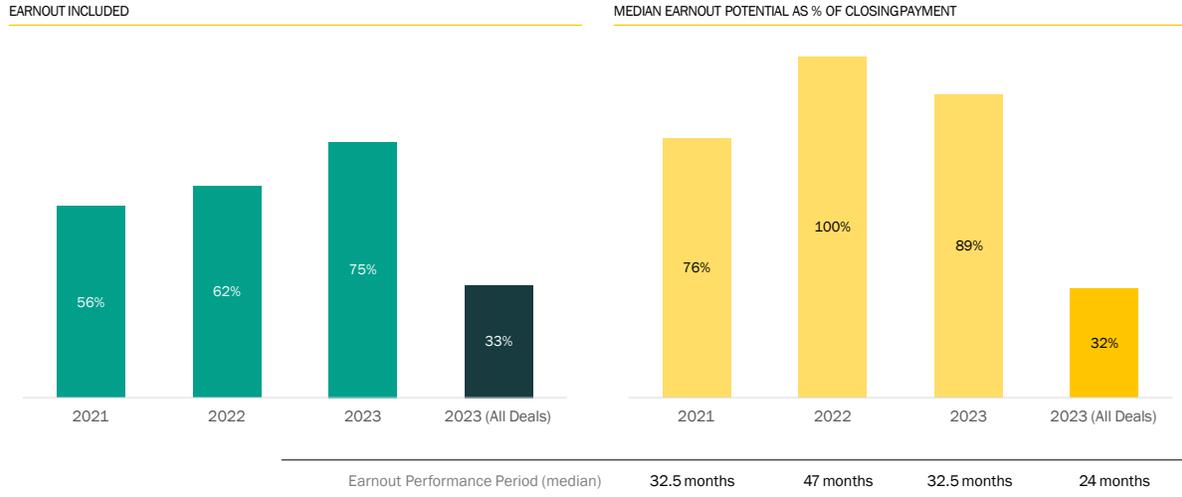
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# Life Sciences Targets: Earnouts

2021-2023 Deals



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# Life Sciences Targets: Survival

2021-2023 Deals

Year	RWI Identified	No RWI Identified	No Survival (All Life Science Deals)	Survival Period (Median)
2023	RWI Identified	69% Survival, 31% No Survival	17%	15 months
	No RWI Identified	91% Survival, 9% No Survival	17%	
2022	RWI Identified	50% Survival, 50% No Survival	21%	15 months
	No RWI Identified	90% Survival, 10% No Survival	21%	
2021	RWI Identified	70% Survival, 30% No Survival	21%	15 months
	No RWI Identified	91% Survival, 9% No Survival	21%	

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# How to Engage SRS Acquiom on a Transaction

## SHAREHOLDER REPRESENTATION

### [Shareholder Rep Proposal Overview \(PDF\)](#)

- **TIMING:** Whenever possible, give us a call at least 10 business days (2 weeks) prior to signing. We know that's not always possible, and we always strive to work quickly, and on your schedule, to be ready by the signing/closing date.
- **PROCESS:** Our M&A legal group will review the purchase agreement and provide comments on the shareholder rep provisions as necessary. They will also prepare our engagement letter, which doesn't need signed until closing.
- **FEES:** Typically, a single fee paid at closing that covers everything we do as shareholder rep, forever. Please call anytime to discuss the details of a transaction and I can prepare a customized proposal.

## PAYING AGENT AND DOCUMENT SOLICITATION

### [Overview: Paying Agent Process Timeline \(PDF\)](#)

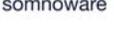
- **TIMING:** If possible, give us a call 20 business days (4 weeks) prior to closing – while there are a number of details to work through, having us handle the project will result in better overall outcomes and a speedier process at closing.
- **PROCESS:** Primary components of the engagement & initial set-up process are putting a contract in place, conducting KYC on the source of funds\*, and gathering shareholder information.
- **FEES:** Typically, a one-time set-up fee plus a per payee per payment fee. Please call anytime to discuss details and we'll prepare a customized proposal based on the specific services needed and scope of the project.

## ESCROW AGENT

### [Service Overview: Escrow Capabilities \(PDF\)](#)

- **TIMING:** If possible, please reach out at least 10 business days (2 weeks) prior to the date the escrow account needs to be opened. Plan for slightly longer if deal parties who are subject to KYC are in any group subject to heightened scrutiny.
- **PROCESS:** Primary components of the engagement and account opening process are putting a contract in place and conducting KYC on all parties to the agreement.\*
- **FEE STRUCTURE:** Typically, a one-time set-up fee, but sometimes an annual fee will apply. Give us a call anytime to discuss details.

# Representative Deals

 acquired by 	 acquired by  	 acquired by 	 acquired by  	 acquired by 	 acquired by 	 acquired by 
 investment by  	 acquired by 	 acquired by 	 acquired by 	 acquired by 	 acquired by 	 acquired by 
 acquired by 	 acquired by 	 acquired by 	 acquired by 	 acquired by 	 acquired by 	 acquired by 

## Contact Us

303.648.4085  
[srsacquiom.com](http://srsacquiom.com)

**MEDIA INQUIRIES**  
[media@srsacquiom.com](mailto:media@srsacquiom.com)

**STUDY INQUIRIES**  
[dts@srsacquiom.com](mailto:dts@srsacquiom.com)

**PROSPECTIVE CLIENTS**  
[sales@srsacquiom.com](mailto:sales@srsacquiom.com)

**EXISTING CLIENTS**  
[support@srsacquiom.com](mailto:support@srsacquiom.com)

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## Additional Resources

- 2024 SRS Acquiom M&A Working Capital PPA Study  
<https://www.srsacquiom.com/our-insights/working-capital-adjustment-to-purchase-price/>
- 2023 SRS Acquiom Life Sciences M&A Study:  
<https://www.srsacquiom.com/resources/life-sciences-deal-terms/>
- 2022 SRS Acquiom Claims Insight Report:  
<https://www.srsacquiom.com/resources/m-a-claims-study/>
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