

Divestitures Quarterly Update

Q1 2025

DCF's divestiture practice

Deloitte Corporate Finance LLC (DCF) is a leading global middle-market M&A adviser. Our professionals have extensive knowledge in the divestiture space and use their experience to help clients enhance value.



Divestitures leadership



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Organization overview

#2

2024 Global M&A Advisor by volume of deals completed ⁽¹⁾. Deloitte closed 623 deals in 2024 with a cumulative deal value of \$60.6B.

623

Completed deals in 2024 ⁽¹⁾.

- Deep relationships in place to gain **critical strategic intelligence** and effectively market businesses.
- Worldwide, DCF has access to **2,400 Corporate Finance professionals** across 60 countries that complement the North American team.
- **Second ranked global M&A advisor by deals completed** in 2023 according to Mergermarket ⁽¹⁾.

Source: (1) Please refer to slide 11.

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Divestiture trends

This update will focus on news and trends in the following areas:

- US divestiture volume, value, and reported multiples
- US divestitures by buyer type
- US divestitures by industry
- Cross-border divestitures activity



Transaction trends (1)



Transaction Volume

US Divestiture transaction volume declined to the lowest level since Q3 2023 with only 433 deals in Q1 2025. Continued macroeconomic headwinds, including elevated interest rates and geopolitical uncertainty, are creating a more challenging divestiture environment characterized by heightened conservatism.

Transaction Size

In Q1 2025, US transactions with deal values above \$1 billion accounted for 42.9% of the total disclosed deal volumes compared to 30.8% of the deals in Q4 2024. These larger divestitures can be integral to comprehensive restructuring initiatives, designed to sharpen focus on core competencies.

Acquiror Type

Interest from private equity buyers and foreign strategics crept up year-over-year in Q1 2025, making up a cumulative 52.0% of all divestitures, compared to 46.5% in Q1 2024. This trend underscores the continued and growing attractiveness of U.S. assets to global investors and private equity firms.

Industry Focus

High Technology and Industrials remained the areas of focus for divestitures for all of all of 2024 and Q1 2025, making up 19.2% and 14.8% of Q1 2025 divestitures, respectively. Energy and Power replaced Healthcare for the third-highest concentration, comprising 14.1% of all transactions.

US divestiture activity continued its 12-month decline in Q1 2025, driven by heightened geopolitical tensions and a challenging macroeconomic backdrop, with technology and industrial sectors remaining bright spots.

Regional trends (1)

Americas

Divestiture activity in the Americas decreased by 16.6% in Q1 2025 compared to Q4 2024. The Americas completed 358 transactions in Q1 2025 compared to 429 transactions in Q4 2024.

United States

Despite recent uncertainty and market volatility, US buyers lead Americas activity, reflecting strong financial capacity and a strategic focus on market consolidation.

Canada

Canada's deal volume dipped slightly to 14 in Q1 2025 from 15 in Q4 2024, signaling a cautious stance amid economic uncertainties yet sustained interest in the divestitures market and strategy.

Europe

Divestitures deal activity among European acquirors remained constant in Q1 2025. They participated in 38 deals in Q1 2025.

United Kingdom

Deals involving UK-based acquirors remained constant at 10 transactions from Q4 2024 to Q1 2025, as they continue to remain among the most active investors in the space.

France

Number of deals in France decreased to 3 in Q1 2025 from 5 in Q4 2024.

Germany

Deals remained constant at 3 from Q4 2024 to Q1 2025.

Asia

Divestiture activity in Asia decreased by 33.3% QoQ in Q1 2025 compared to Q4 2024. Asian acquirors closed 12 deals in Q1 2025 compared to 18 in Q4 2024.

Singapore

Number of deals in Singapore decreased to 1 in Q1 2025 from 2 in Q4 2024.

India

5 deals were closed by investors in Q1 2025 up from 2 in Q4 2024.

Other Asian Countries

Divestitures deal activity decreased in Hong Kong and South Korea. The number of deals in Japan increased to 6 in Q1 2025 from 5 in Q4 2024.

Divestiture activity declined around the world in Q1 2025, but North America remained the most active market driven by 339 transactions in the U.S. and 14 transactions in Canda.

Source: (1) Please refer to slide 11.
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Deloitte thought leadership

Deloitte thought leadership

- Deloitte leverages deep transaction experience to deliver customized services and high-quality results to clients operating across multiple industry groups.
- Our surgical carve-out approach to divestitures assists management to achieve a clean, yet efficient, separation designed to find the sweet spot between value, certainty of close, and speed of process.
- A demonstrated track record of helping organizations transform throughout economic cycles, all the while turning challenges into opportunities.

Extensive knowledge network

- DCF can leverage its expansive cross-business knowledge network, extensive consulting reports, and in-depth industry research to help drive results and provide differentiated insights for our clients.



Be Empowered



Pay It Forward



Be Resourceful



Build Knowledge

Recent insights



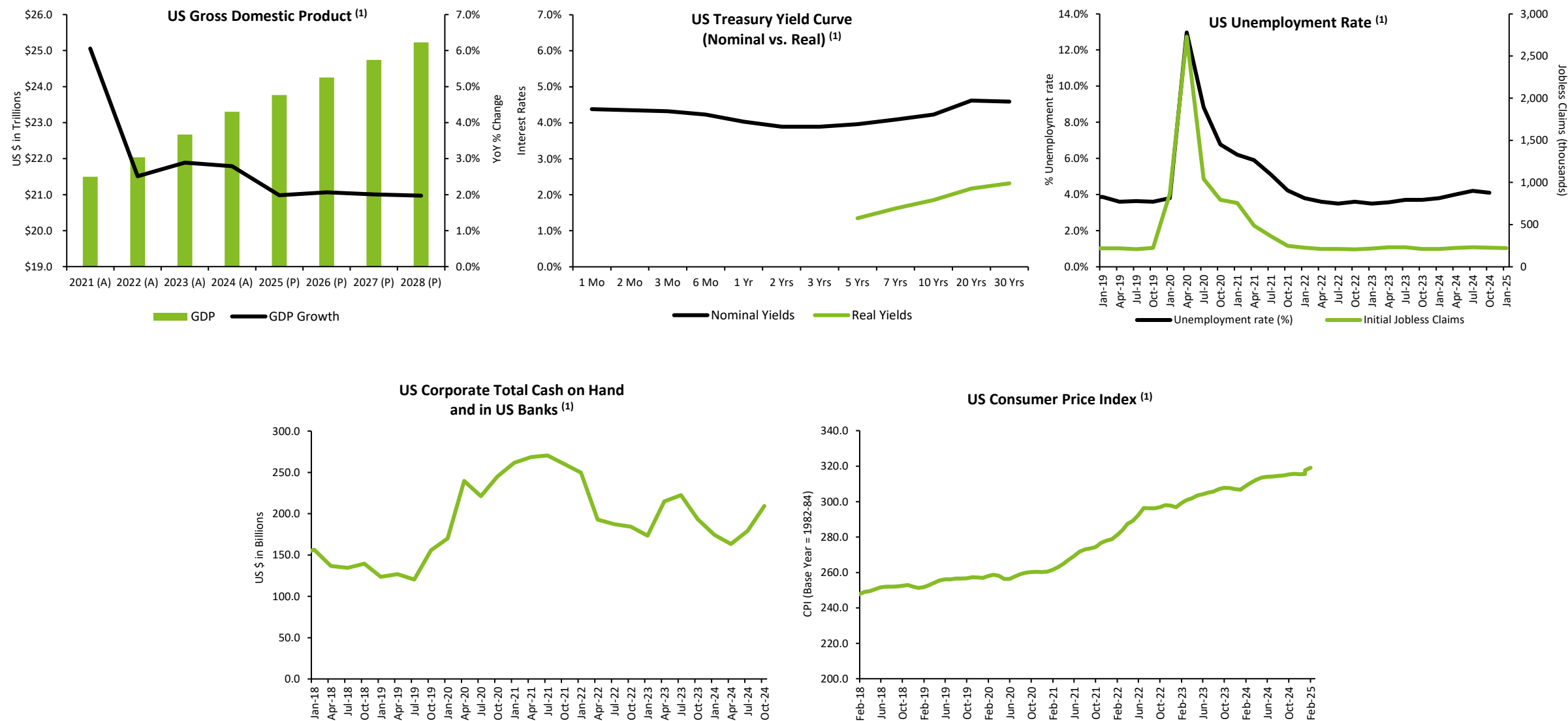
Recent middle-market divestitures ⁽¹⁾

Industrials 	<p>The Goodyear Company signed a definitive agreement to sell the Dunlop brand to Sumitomo Rubbers Ltd.</p> <ul style="list-style-type: none"> Goodyear, one of the world's largest tire companies, signed a definitive agreement to sell the Dunlop brand rights to Sumitomo Rubber Industries, Ltd., a global tire and rubber company based in Japan. The sale of the Dunlop Brand follows a previously announced strategic review of the brand in connection with the Company's Goodyear Forward transformation plan. 	<p>Announced date: January 2025 Total Transaction Value: \$701 million</p>
Packaging 	<p>Matthews International to sell SGK Brand Solutions to SGS & Co.</p> <ul style="list-style-type: none"> Matthews International entered into a definitive agreement to sell SGK, a global packaging and brand experience company to SGS & Co, a global brand agency. The divestiture is part of Mathews International's ongoing strategic review of its business units, to streamline its business structure. 	<p>Announced Date: January 2025 Total Transaction Value: \$350 million</p>
Energy and Power 	<p>Prairie Operating Co. acquired DJ Basin assets from Bayswater Exploration and Production.</p> <ul style="list-style-type: none"> Prairie Operating Co., a publicly traded independent energy company, acquired DJ Basin assets from Bayswater, a Denver based Oil and Gas development company. The transaction will increase the Company's operational scale and footprint in the DJ Basin and add highly economic drilling locations. 	<p>Announced Date: February 2025 Total Transaction Value: \$603 million</p>
Materials 	<p>WE Soda Ltd completes acquisition of Genesis Alkali Holdings Co LLC (Alkali) from Genesis Energy LP.</p> <ul style="list-style-type: none"> WE Soda Ltd, world's largest producer of natural soda ash and one of the world's largest producers of sodium bicarbonate, has acquired Genesis Alkali ("Alkali"), the largest US-based producer of natural soda ash. The acquisition of Alkali will likely bolster WE Soda's position as the global leader in soda ash, enhancing both its scale and its commitment to customer service and sustainability. 	<p>Announced Date: February 2025 Total Transaction Value: \$1,010 million</p>
Industrials 	<p>EVI Industries, Inc. signed a definitive agreement to acquire Girbau North America, Inc. from Girbau S.A.</p> <ul style="list-style-type: none"> EVI Industries, a publicly traded commercial laundry solutions provider, has signed a definitive agreement to acquire Girbau North America from Girbau, a Spanish-based commercial and industrial laundry manufacturer. The acquisition of Girbau North America is expected to bolster EVI Industries' network of distributor customers and enhance EVI's operational capabilities, promoting growth and improving the customer experience. 	<p>Announced Date: March 2025 Total Transaction Value: \$44 million</p>

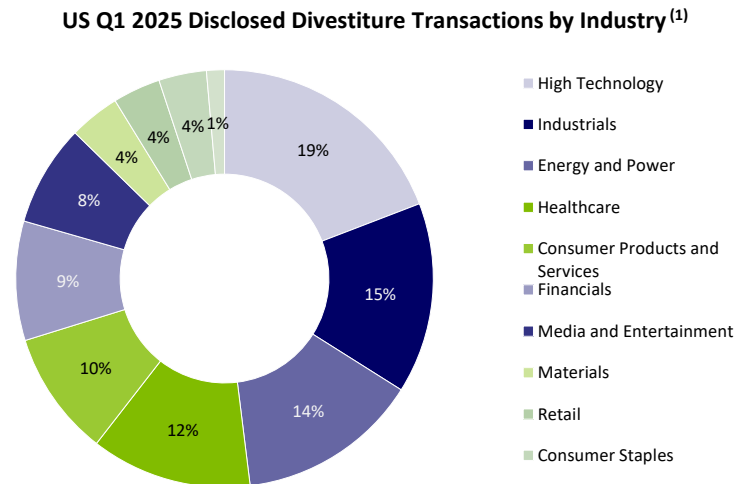
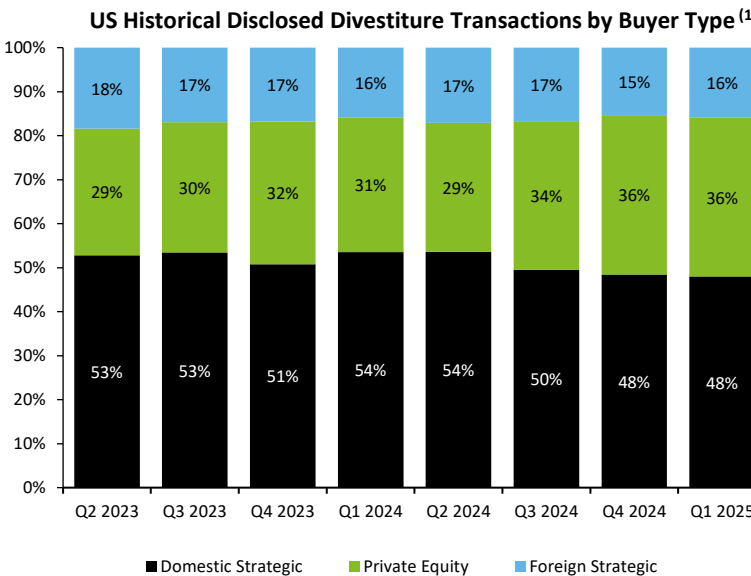
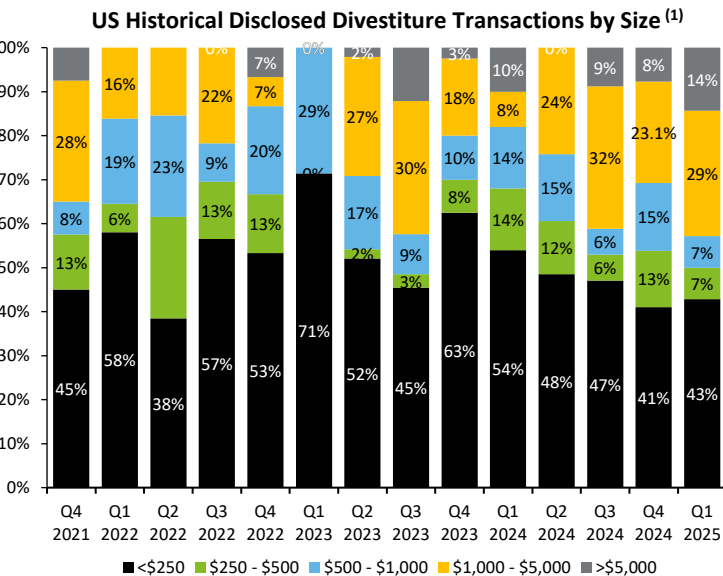
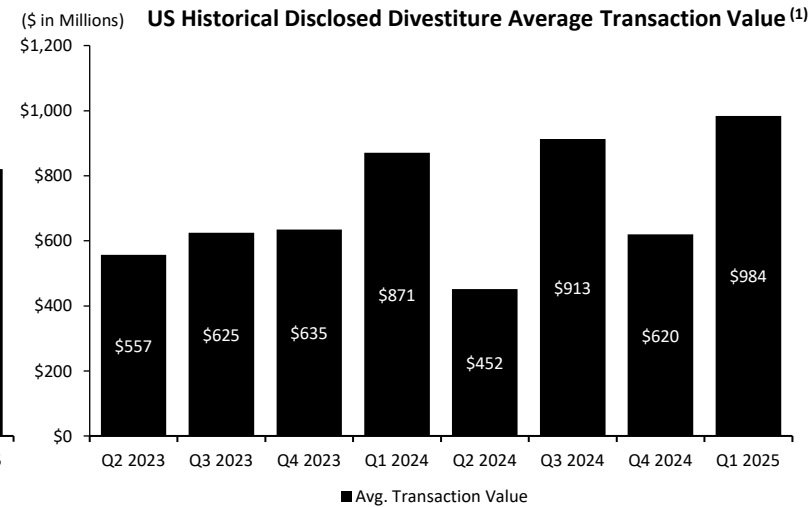
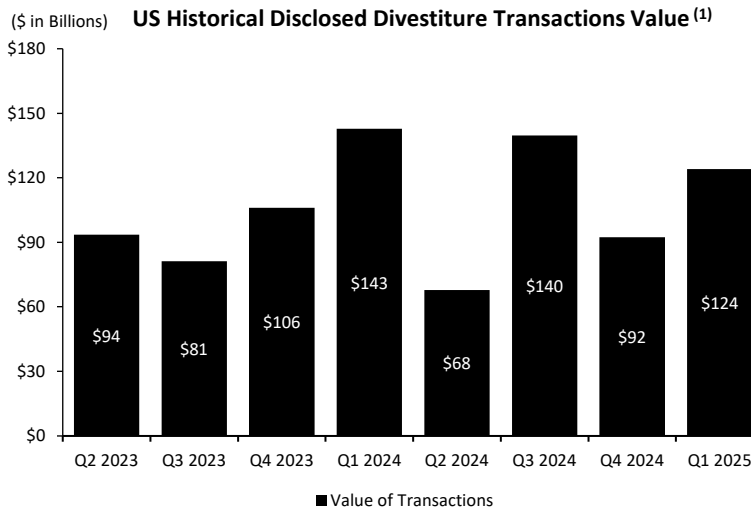
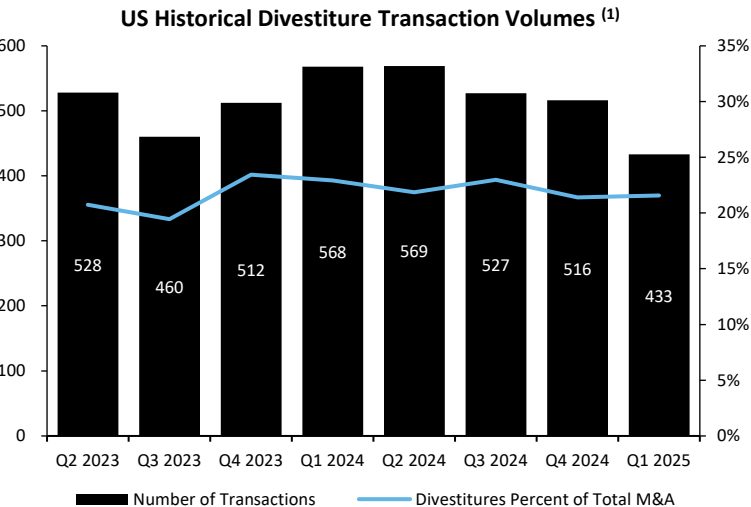
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Macroeconomic outlook



US historical divestitures



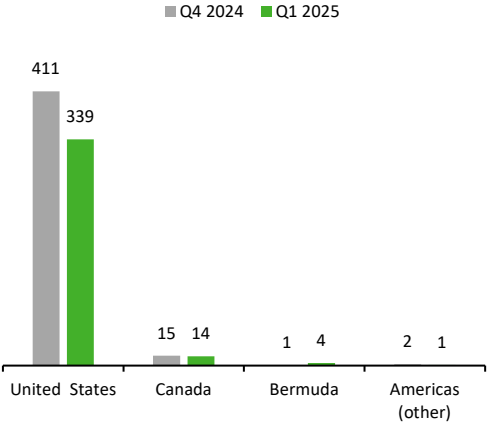
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Global divestitures – deal volume analysis

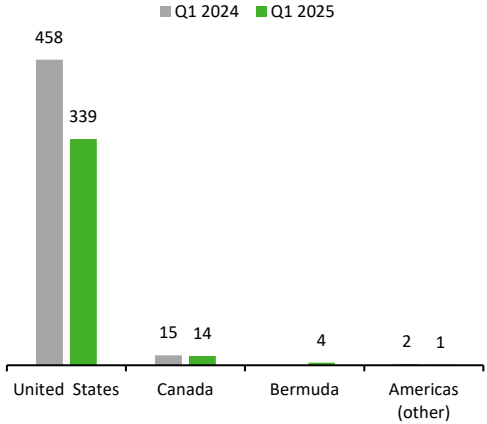
Most active acquiror countries by region ⁽¹⁾

Americas

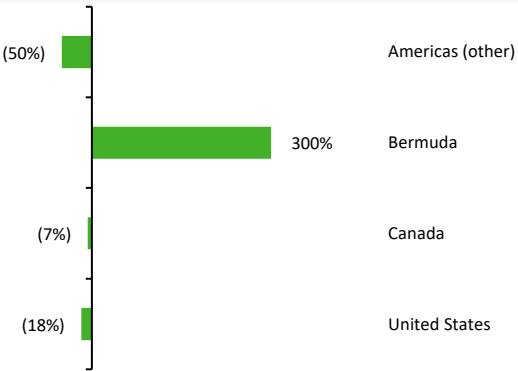
Deal volumes – Q1 2025 vs Q4 2024



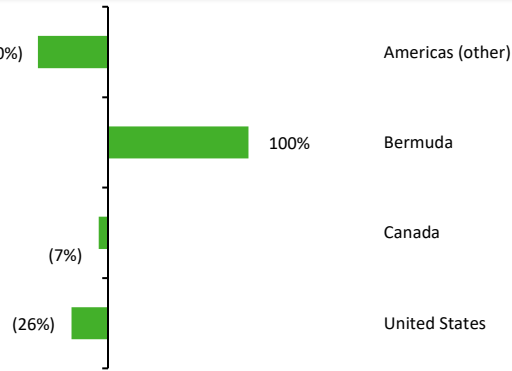
Deal volumes – Q1 2025 vs Q1 2024



Deal volume % change – Q1 2025 vs Q4 2024

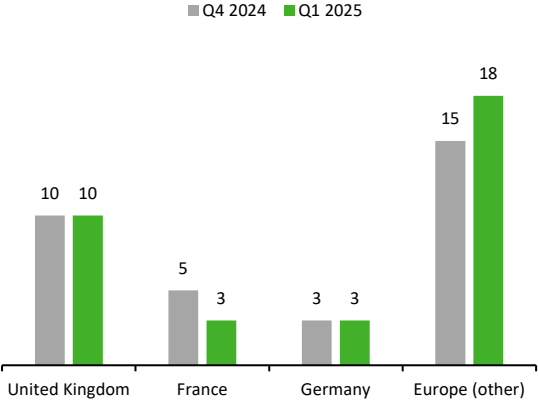


Deal volume % change – Q1 2025 vs Q1 2024

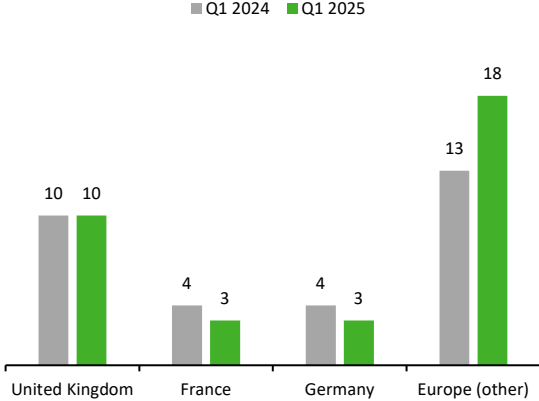


Europe

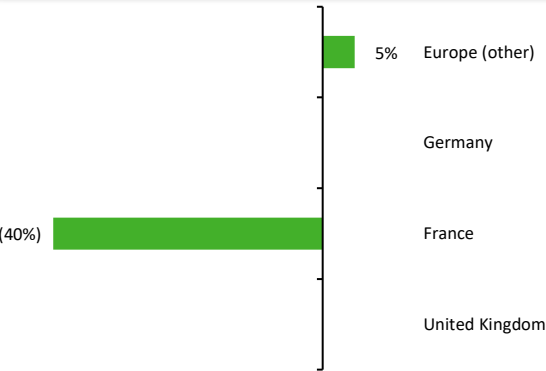
Deal volumes – Q1 2025 vs Q4 2024



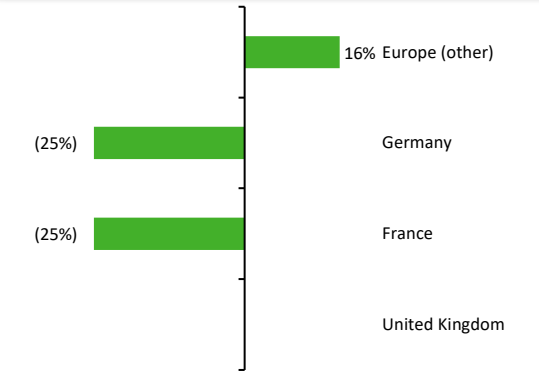
Deal volumes – Q1 2025 vs Q1 2024



Deal volume % change – Q1 2025 vs Q4 2024



Deal volume % change – Q1 2025 vs Q1 2024

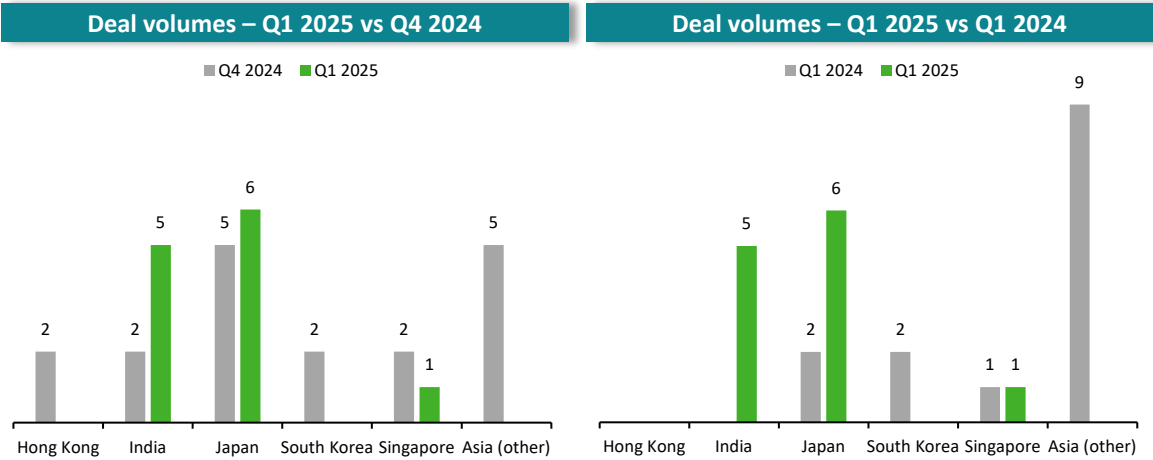


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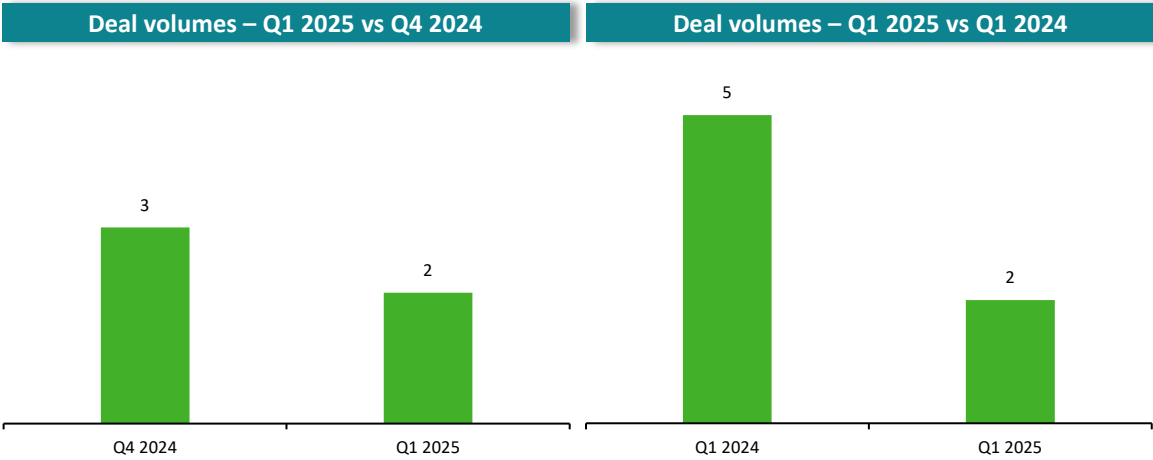
Global divestitures – deal volume analysis (cont.)

Most active acquiror countries by region ⁽¹⁾

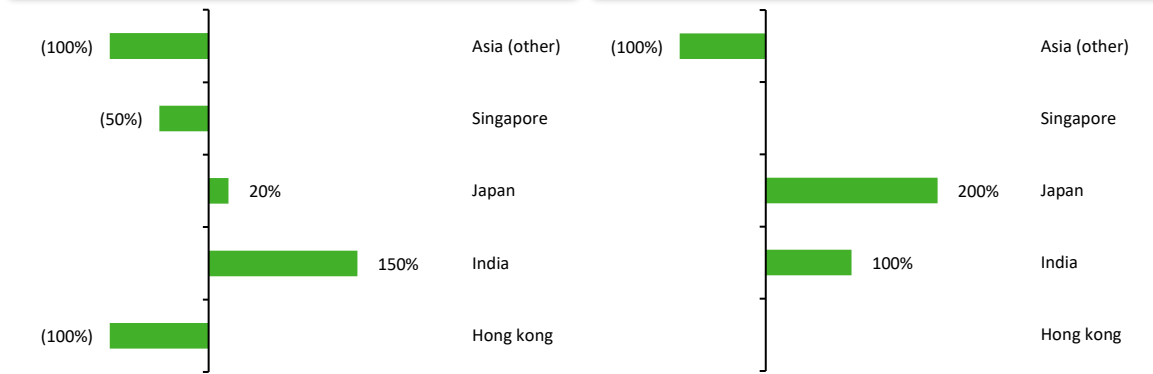
Asia



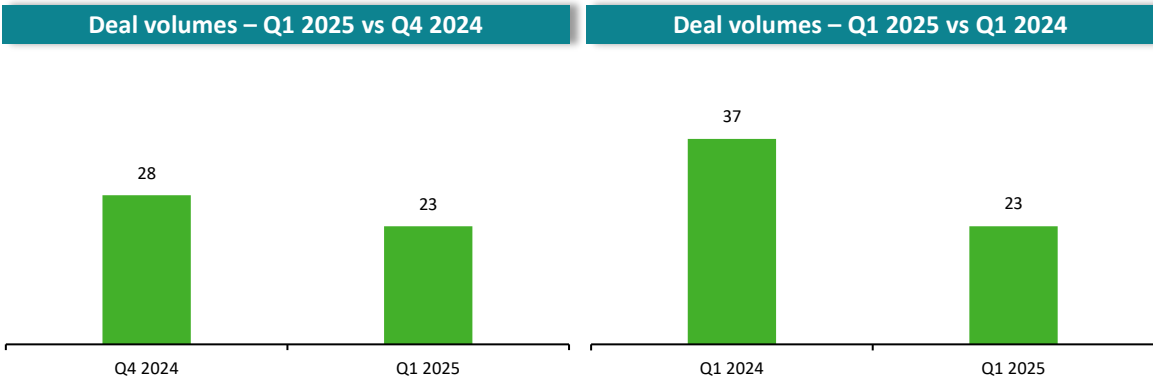
Rest of the world



Deal volume % change – Q1 2025 vs Q4 2024



Undisclosed acquirors



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Appendix

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