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Cross-border acquisitions have slowed dramatically

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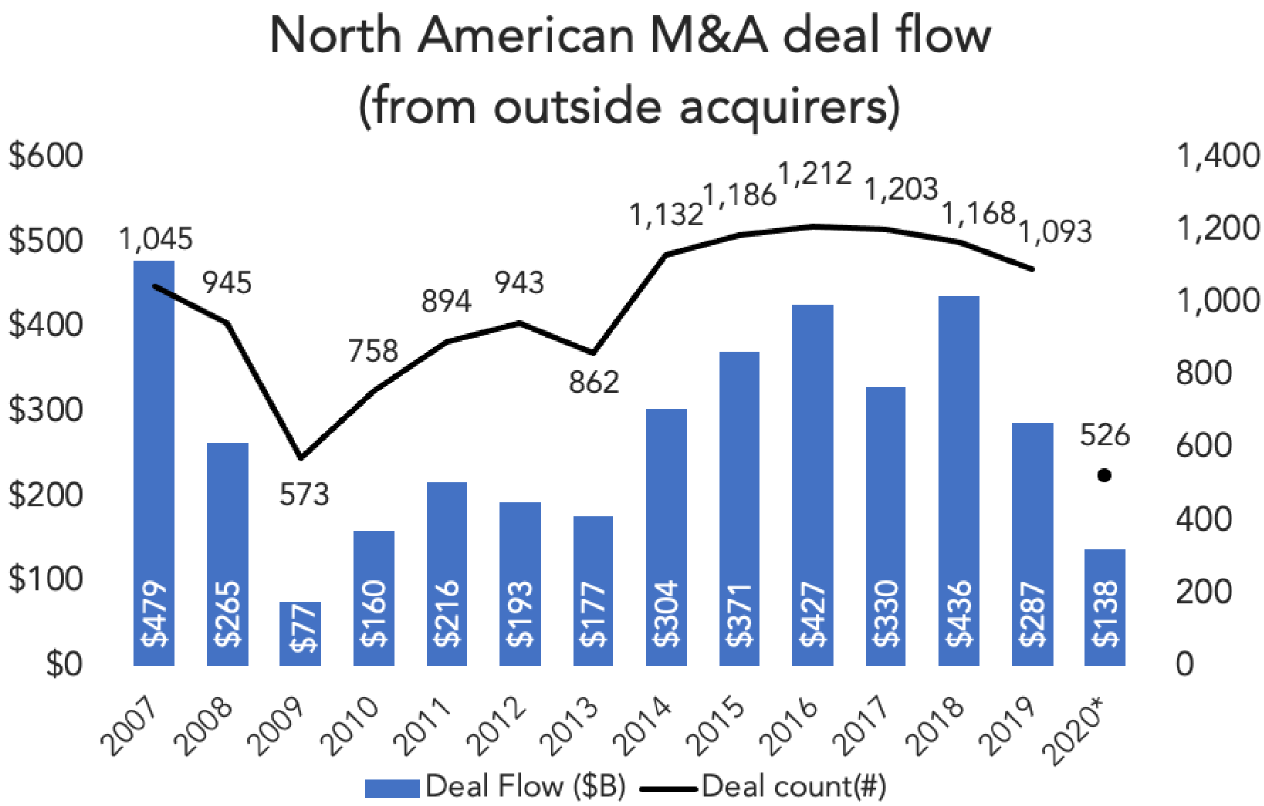

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M&A activity is expected to increase in the quarters ahead, but one trend that may need more time to recover is cross-border M&A. PitchBook's latest M&A numbers show a steep decline in in-bound M&A deals for North American companies. Thus far, only 526 in-bound M&A deals have happened in North America so far this year. That includes only 389 from European acquirers. 2020 is flirting with 2009-era numbers, but it's hard to believe that the recovery from this crisis will happen as fast. For one, the medical aspect of this crisis will curtail travel, even after a vaccine is developed. Due diligence has been difficult enough at a local level, and it's even more so on an international level.

At the same time, many would-be acquirers are opting not to buy in this environment. If European or Asian acquirers are quiet in their own markets, it's hard to see much appetite for international markets. Cross-border activity will still happen, since many acquirers are pushing for market share ahead of the recovery. But the number of those acquirers has gone down, and the appetite we saw between 2014 and 2019 isn't coming back right away.