



U.S. MERGERS & ACQUISITIONS

Monthly Review



*Structuring the Deal: Navigating Tax, Accounting,
and Corporate Mechanics*

AUGUST 2026

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Contents



SECTION A • STRUCTURING THE DEAL

Taxable vs. Tax-Free Deal Structures	5
Financial Reporting & Accounting for Business Combinations	8
Restructuring Tax Considerations & Strategic Value Protection	9
Operational & Strategic Trade-Off Matrix	10
The Tax Deed in the M&A World	11
Case Study — SpaceX-xAI: Section 368, ASC 805, and Covenant Protection	12

SECTION B • HOSTILE BIDS, ACTIVISM & UNSOLICITED TRANSACTIONS

The Battle for Brown-Forman: Sazerac's \$15B Unsolicited Bid	17
The Battle for Seer, Inc.: Activist Pressure and CVR Dynamics	20
Paramount-WBD: State AG Antitrust Interventions	23
Axia Real Assets' Unsolicited Bid for Plaza Retail REIT	26
Ashland Inc. Settlement with Ancora Holdings	29

SECTION C • FRIENDLY MERGERS & CONSOLIDATIONS

Brookfield and CPP Investments Acquire LXP Industrial Trust	33
Martin Marietta to Acquire Lhoist North America	36
argenx to Acquire Forte Biosciences	39
Prosperity Bancshares Acquires Stellar Bancorp	42
Berkshire Hathaway / Taylor Morrison: Transaction Mechanics	45

SECTION D • THE QUANTITATIVE PULSE

Value-Volume Divergence & Capital Flow	49
Sectoral Concentration & Leadership	52
The Mechanics of Deal Certainty	54
Valuation & Hostility Metrics	56

To Our Clients & Partners



Greetings, clients and partners of Engulf & Devour, LLC. As we enter August 2026, the U.S. M&A landscape is defined by pivotal shifts across deal mechanics, corporate governance, and complex tax optimization—including the strategic balance between taxable asset purchases and tax-free Section 368 reorganizations. Highlighted by landmark transactions like SpaceX’s \$250 billion acquisition of xAI and Brookfield and CPP Investments’ \$5.2 billion take-private of LXP Industrial Trust, dealmakers are navigating key tax, accounting, and execution dynamics.

Simultaneously, this issue explores both hostile takeovers and friendly consolidations—ranging from unsolicited bids for Brown-Forman, Seer, Paramount–WBD, Plaza Retail REIT, and Ashland Inc. to strategic combinations like Martin Marietta/Lhoist, argenx/Forte, and Prosperity/Stellar—offering an essential guide for navigating corporate mechanics and regulatory gatekeepers in today’s market.

THE AUGUST LEDGER • FEATURED TRANSACTIONS

SpaceX • xAI		\$250B
Paramount–WBD (contested)		\$110B
Sazerac • Brown-Forman (bid)		\$15B
Martin Marietta • Lhoist		\$13.5B
Berkshire • Taylor Morrison		\$8.5B
Brookfield/CPP • LXP		\$5.2B
argenx • Forte Biosciences		\$2.2B
Prosperity • Stellar Bancorp		\$2.0B
Axia • Plaza Retail REIT		C\$1.23B

Bar lengths square-root scaled for legibility across magnitudes.



ENGULF & DEVOUR, LLC



SECTION A

Structuring the Deal



*Deal Structuring Architecture — Tax Optimization,
Accounting Realities, and Restructuring Dynamics*

IN THIS SECTION

Taxable vs. Tax-Free Deal Structures	5
Financial Reporting & Accounting	8
Restructuring Tax Considerations & Value Protection	9
Operational & Strategic Trade-Off Matrix	10
The Tax Deed in the M&A World	11
Case Study — SpaceX-xAI	12

Taxable vs. Tax-Free Deal Structures: The Core Economic Trade-Off

At the heart of every corporate merger or acquisition is a fundamental tug-of-war between buyer and seller regarding tax treatment. How a deal is legally structured determines who pays taxes immediately, who gets future tax deductions, and how much value is ultimately left on the table.

Deal Structure Decision Tree

- **Taxable Transactions**
 - **Asset Sale:** High buyer tax benefits (step-up basis), but risks double tax for target.
 - **Stock Sale:** Single layer of tax for seller, but buyer inherits target's historical asset tax basis.
- **Tax-Free Reorganizations (IRC Section 368)**
 - **Type A/B/C Mergers:** Deferred tax treatment via stock consideration.
 - **Triangular Mergers:** Target sub-shell preserved, shielding the parent entity.

Taxable Transactions: Asset vs. Stock Purchases

In a taxable deal, the buyer pays consideration (cash or debt) in exchange for the business, triggering tax events.

- **Taxable Stock Purchases:** The buyer purchases company shares directly from the target's shareholders.
 - **Tax Effect:** Target shareholders pay a single layer of tax (usually at favorable long-term capital gains rates). However, the buyer inherits the business's existing, historical tax basis in its underlying assets.
- **Taxable Asset Purchases:** The buyer purchases specific corporate assets and liabilities directly from the target entity.
 - **Tax Effect:** For standard C-corporations, this creates a **double-tax burden**—the company pays tax on the gain from selling the assets, and shareholders pay tax again when the proceeds are distributed.
 - **The Buyer's Benefit:** Buyers strongly prefer asset purchases because they get a **stepped-up basis**—meaning asset values on the balance sheet are reset to fair market value. This allows the

buyer to write off intangible assets (like IP or goodwill) under **IRC Section 197** over 15 years, creating massive future tax savings.

- **Bridging the Gap (Section 338(h)(10) & 336(e) Elections):** To resolve this conflict, tax law allows a legal stock purchase to be treated as an asset purchase for tax purposes under specific corporate parent/subsidiary conditions. This grants the buyer their desired tax deductions without forcing the target to execute messy individual asset transfers.

Tax-Free Reorganizations: Strategic Deferral (IRC Section 368)

“Tax-free” does not mean taxes vanish forever—it means they are **deferred** until the acquired stock is eventually sold. To qualify under Section 368, the seller must maintain a continuing equity stake in the combined enterprise.

- **Statutory Mergers (Type A):** Highly flexible direct mergers, requiring at least 40% of the deal consideration to be acquirer stock to satisfy the **Continuity of Interest (COI)** doctrine.
- **Stock-for-Stock Exchanges (Type B):** The acquirer trades solely voting stock for target shares, requiring at least 90% target stock acquisition. This keeps the target's corporate identity intact.
- **Stock-for-Assets Exchanges (Type C):** The buyer acquires substantially all assets solely in exchange for voting stock, after which the target company must fully dissolve.
- **Triangular Mergers (Forward & Reverse):** Instead of merging directly into the parent, the target merges with a subsidiary created by the buyer.
 - **Reverse Triangular Mergers** are the gold standard for technology and life sciences deals. Because the target company survives as a sub-entity, key operational licenses, regulatory approvals, and non-assignable IP contracts remain unbroken, all while shielding the parent entity from underlying operational liabilities.

IRC SECTION 368(A)(1) – FORMS OF REORGANIZATION

SUBSECTION	TYPE OF RESTRUCTURING
368(a)(1)(A)	Tax-free mergers and consolidations
368(a)(1)(B)	Stock-for-stock exchanges
368(a)(1)(C)	Stock-for-asset exchanges
368(a)(1)(D)	Divisive reorganizations
368(a)(1)(E)	Recapitalization
368(a)(1)(F)	Changes in place or form of organization
368(a)(1)(G)	Insolvency reorganizations

Financial Reporting & Accounting for Business Combinations



Beyond tax considerations, how a deal is presented on financial statements governs shareholder perception, credit ratings, and future reported earnings.

Purchase Accounting Framework (ASC 805 / IFRS 3)

Under modern accounting rules, all business combinations must be accounted for using the acquisition method (the historical “pooling-of-interests” method has been eliminated).

- **Purchase Price Allocation (PPA):** Buyers must determine the fair market value of everything acquired—from physical assets and working capital to intangible customer relationships, patents, brands, and software rights. Identifiable intangibles are amortized over their useful lives, reducing GAAP net income.
- **The Goodwill Calculation:** Any purchase price paid over the aggregate net fair value of identifiable assets is recorded on the balance sheet as **Goodwill**. Goodwill is not amortized on a schedule; it is subject to annual impairment testing under ASC 350.

$$\text{Goodwill} = \text{Total Consideration Transferred} - \text{Fair Value of Net Identifiable Assets}$$

- **Earnings Impact:** Allocating high values to short-lived intangible assets means high amortization costs in subsequent years, directly dragging down GAAP net income. Meanwhile, Goodwill is not amortized, but must undergo annual **impairment testing** (ASC 350). If the acquired unit underperforms, sudden, multi-million-dollar write-downs can severely impact financial reports.

Earnings Quality & Contingent Consideration

To bridge valuation gaps between buyer and seller, deals frequently deploy **earn-outs**—consecutive payouts tied to post-closing financial performance.

- Under ASC 805, contingent consideration must be estimated at fair value on day one and re-measured every quarter.
- Any changes in the estimated liability are recorded directly on the income statement, creating artificial earnings volatility until the contingent period expires.
- Transaction expenses (legal, banking, advisory fees) can no longer be capitalized into the deal cost; they must be expensed immediately, creating a short-term hit to earnings during the quarter the deal closes.

Restructuring Tax Considerations & Strategic Value Protection

When acquiring distressed companies or venture-backed startups, target tax attributes—specifically **Net Operating Losses (NOLs)**—represent significant potential economic value. However, tax rules strictly guard against using acquisition structures purely as tax shelters.

Preservation & Utilization of Net Operating Losses

NOLs allow companies to offset future taxable income using historical operational losses. However, **IRC Section 382** imposes severe restrictions whenever an “ownership change” occurs—defined as a greater than 50 percentage point shift in ownership by major shareholders over a 3-year window.

$$\Sigma (\text{Current \%} - \text{Lowest \%}) > 50 \text{ percentage points}$$

Ownership-change trigger, calculated for all 5-percent shareholders over a 3-year rolling testing window.

The Annual Loss Cap Formula. Once a Section 382 change occurs, the amount of historical target NOLs the buyer can use in any single tax year is capped:

$$\text{Annual Section 382 Limit} = \text{Fair Market Value of Target Equity} \times \text{Long-Term Tax-Exempt Rate}$$

- **Strategic Defensive Application:** To preserve tax attributes, corporations vulnerable to hostile takeovers often implement **Tax Asset Protection Rights Plans (Poison Pills)**. These trigger dilution defenses if any single investor accumulates a 4.95% stake, preserving the tax shield’s full valuation.

Restructuring Drivers in High-Rate Environments

- **Section 163(j) Interest Limits:** Deductions for business interest expense are capped at 30% of adjusted taxable income (EBITDA/EBIT). In high-interest-rate environments, highly leveraged buyouts (LBOs) risk losing interest tax shields, pushing dealmakers toward equity-heavy or hybrid capital structures.
- **Golden Parachutes (Section 280G):** Excess executive change-of-control payouts face strict tax penalties and loss of corporate deduction if they exceed 3 times the executive’s base historical salary.

Operational & Strategic Trade-Off Matrix



STRUCTURING VECTOR	CORE LEGAL / ACCOUNTING FRAMEWORK	PRIMARY OPERATIONAL & FINANCIAL RISK	STRATEGIC MITIGATION PRACTICE
Taxable Asset Purchase	IRC Sec. 1060 Allocation; Sec. 197 Intangible Amortization (15-year step-up).	Dual-tax exposure at target level; complex transfer process for individual assets and contracts.	Execute a legal stock purchase paired with a Sec. 338(h)(10) or 336(e) tax election.
Tax-Free Triangular Merger	IRC Sec. 368(a)(2)(E) (Reverse) / Sec. 368(a)(2)(D) (Forward).	Accidental tax triggering (“boot risk”) if equity consideration drops below statutory thresholds.	Enforce collar mechanisms on stock exchange ratios; preserve continuity of operational business.
Business Combination (ASC 805)	Purchase Price Allocation (PPA); Fair Value Intangibles & Goodwill accounting.	Amortization drag on future GAAP earnings; unexpected goodwill impairment write-downs (ASC 350).	Balance intangible valuations conservatively; structure earn-outs carefully to mitigate earnings volatility.
NOL Protection (Sec. 382)	Annual limitation calculation based on long-term tax-exempt rate.	Forfeiture of historical tax loss shields following a >50% ownership shift over a 3-year window.	Implement 4.95% Tax Asset Protection Rights Plans (Poison Pills); closely monitor shareholder shifts.
Debt Financing (Sec. 163(j))	Corporate business interest expense deduction cap (30% ATI limitation).	Disallowance of interest deductions in highly leveraged transactions, reducing net cash flows.	Incorporate hybrid capital, preferred equity, or mezzanine debt structures to stay within interest caps.

What Is a Tax Deed in the M&A World?



A robustly drafted Tax Deed with comprehensive Tax Warranties serves as a critical mechanism to bridge **information asymmetry** between the buyer and seller. During negotiations, requiring a seller to make explicit tax warranties forces the disclosure of **liabilities, operational risks, and historical tax positions**, eliciting relevant disclosure information before a transaction closes.

From a legal enforcement perspective, the Tax Deed provides the buyer with a far superior procedural remedy. Rather than relying solely on standard breach-of-contract warranty claims—which carry the onerous burden of proving specific loss, causation, and mitigation in court—a Tax Deed operates as a covenant to pay. This enables the buyer to **bypass** prolonged litigation, **leapfrog traditional damages hurdles**, and **sue directly** for summary judgment to recover a **liquidated sum**. The result is a significantly quicker, cheaper, and more efficient remedy to make the buyer whole.

In tandem with warranties, Tax Indemnities establish a comprehensive safety net that shifts pre-completion tax liabilities entirely back to the seller. While tax warranties focus on the scope, timeliness, comprehensiveness, and accuracy of relevant financial accounts and tax filings, the indemnity guarantees that any unexpected liabilities arising from pre-completion cycles are covered dollar-for-dollar.

This includes ensuring that all historical tax obligations, statutory filings, and punctual tax payments were fully satisfied prior to closing. By combining forward-looking representations regarding historical compliance with a direct contractual commitment to indemnify, the buyer secures complete insulation from pre-acquisition tax exposures.

SpaceX–xAI: Navigating Section 368 Tax Deferral, ASC 805 Exceptions, and Covenant Protection



LANDMARK ALL-STOCK REORGANIZATION

SpaceX · xAI

\$250 Billion

REVERSE TRIANGULAR MERGER · EXECUTED FEBRUARY 2, 2026 · COMBINED
ENTERPRISE \$1.25 TRILLION

To demonstrate how the tax, accounting, and legal restructuring principles outlined in this issue operate in practice, we examine the landmark transaction executed on February 2, 2026: **SpaceX's \$250 billion acquisition of xAI.**

Transaction Overview & Structural Anatomy

- **Controlling Shareholder Level:** Elon Musk maintains majority voting control across both operating entities.
- **Parent Acquirer Entity:** SpaceX Parent (\$1 Trillion pre-money valuation).
- **Target Operating Entity:** xAI HoldCo (\$250 Billion transaction valuation).
- **Intermediary Mechanism:** SpaceX creates newly incorporated Nevada Subsidiary LLCs.
- **Execution Pathway:** Nevada Intermediary drops down into a Reverse Triangular Merger under IRC Section 368(a)(2)(E) to acquire xAI HoldCo while keeping xAI intact as a wholly owned subsidiary.

The transaction merged SpaceX and xAI in an all-stock transaction, creating a combined enterprise valued at \$1.25 trillion ahead of a planned public offering.

Technical Tax, Accounting, and Legal Mechanics

1 • THE REORGANIZATION STRUCTURE: INTENDED § 368 TAX-FREE EXCHANGE

- **The Exchange Ratio:** The acquisition was executed via an all-stock share exchange, converting xAI equity into SpaceX shares at a fixed ratio of 0.1433 SpaceX shares per xAI share.
- **Tax Treatment:** Structured under **IRC Section 368**, the share swap functions as a tax-free reorganization. xAI shareholders defer capital gains recognition, and their historical tax basis rolls over into their newly acquired SpaceX equity.
- **The “Boot” Exception:** xAI executives and employee shareholders had options to redeem shares for cash. Under **IRC Section 356**, cash received constitutes “boot”. This triggers immediate capital gains recognition for those specific individuals up to the amount of cash received, without disqualifying the tax-deferred status for equity-only participants.

2 • GAAP ACCOUNTING TREATMENT: COMMON CONTROL MERGER

Because Elon Musk maintains controlling voting power over both entities, the financial reporting differs from a third-party transaction:

- **Bypassing Standard ASC 805:** In arm’s-length M&A, ASC 805 requires Purchase Accounting, resetting target assets to Fair Market Value and generating goodwill.
- **Common Control Accounting:** Because both entities share a controlling shareholder, GAAP mandates that xAI’s assets and liabilities be absorbed at historical carrying value (book value).
- **Balance Sheet Impact:** No asset step-up occurs, and zero new goodwill or intangible amortization drag is recorded on SpaceX’s balance sheet. The transaction acts as an internal equity reallocation.

3 • STRUCTURAL ISOLATION OF LIABILITIES & COVENANT STRATEGY

- **Nevada Intermediary Entities:** The deal utilized newly incorporated Nevada entities in January 2026 to facilitate the reverse triangular merger structure.
- **Debt Protection:** Merging an intermediary subsidiary into xAI preserved xAI as an intact, operating subsidiary under the SpaceX parent shield.
- **Covenant Preservation:** This isolated xAI’s legacy debt obligations (including the \$12 billion debt stack inherited from its X acquisition). Keeping the debt inside the target subsidiary prevented default triggers, cross-collateralization, or the acceleration of repayment obligations at the SpaceX parent level.

Transaction Analysis: Practice vs. Strategy

DEAL VECTOR	THEORETICAL FRAMEWORK	SPACEX / XAI REAL-WORLD EXECUTION	STRATEGIC RATIONALE & OUTCOME
Tax Reorganization	IRC Sec. 368(a)(2)(E) Reverse Triangular Merger.	Stock exchange at 0.1433 ratio with cash-out options for select employees.	Protects tax-deferred status for roll-over equity holders while absorbing boot tax locally.
Accounting Method	ASC 805 vs. Common Control Combination Rules.	Bypassed standard Purchase Price Allocation (PPA); absorbed target at book value.	Prevents earnings-per-share dilution from future intangible amortization drag ahead of an IPO.
Liability Shielding	Corporate Ring-Fencing & Entity Preservation.	Structured via Nevada intermediary SPVs to hold xAI operational assets.	Ring-fences legacy debt (\$12B) and emerging AI litigation risks away from core SpaceX launch operations.
Tax Attribute Control	IRC Sec. 382 Loss Limitation Rules.	Controlled internal ownership consolidation.	Navigates 50% ownership shift thresholds to preserve historical R&D tax credits and operational loss shields.

Transaction Q&A Analysis

STRATEGIC QUERY	LEGAL & FINANCIAL ANALYSIS • REAL-WORLD APPLICATION
Why choose an all-stock Reverse Triangular Merger over a direct asset purchase?	Asset purchases trigger double taxation for sellers and require individual assignment of thousands of contracts, licenses, and permits. A Reverse Triangular Merger preserves the target entity in its entirety—preserving xAI's underlying proprietary AI IP, government contracts, and regulatory filings without triggering assignment clauses or operational disruption.
How does cash boot affect individual vs. corporate tax liability?	Boot is taxable only to the specific shareholders who receive cash. It does not invalidate the Section 368 tax-free status for shareholders receiving only stock consideration. Employees electing the cash buyout recognize immediate capital gains, while institutional investors rolling into SpaceX stock defer all capital gains taxes until sale.
Why was the transaction routed through Nevada corporate entities?	Nevada law provides statutory business-judgment protections for directors, narrow definitions for controlling shareholder duties, and flexible corporate restructuring frameworks—providing strong litigation defenses against minority shareholder claims regarding valuation ratios and potential conflicts of interest under common control.
How does Common Control Accounting benefit pre-IPO positioning?	Under standard ASC 805, a \$250B transaction would generate immense Goodwill and identifiable intangibles, subjecting future income statements to heavy amortization charges or risk of sudden impairment write-downs. Carrying xAI's balance sheet at historical book value avoids recording hundreds of billions in intangible amortization, keeping future earnings clean for public market investors.



SECTION B

Hostile Bids, Shareholder Activism & Unsolicited Transactions



*Contested control, governance shields, and the anatomy
of unsolicited offers across the August 2026 landscape*

IN THIS SECTION

The Battle for Brown-Forman	17
The Battle for Seer, Inc.	20
Paramount-WBD: State AG Antitrust Interventions	23
Axia Real Assets' Bid for Plaza Retail REIT	26
Ashland Inc. Settlement with Ancora Holdings	29

The Battle for Brown-Forman: Dual-Class Shields, Family Moats, and Sazerac's \$15B Unsolicited Bid



UNSOLICITED TAKEOVER BID

Sazerac Company · Brown-Forman Corporation

\$15 Billion

ALL-CASH OFFER OF \$32.00 PER SHARE · DECLARED "NOT ACTIONABLE" · JULY 2026

Introduction

The high-stakes standoff between privately held spirits giant Sazerac Company and public distilling icon Brown-Forman Corporation (NYSE: BFA, BFB) exemplifies the severe friction between aggressive private equity-backed consolidators and entrenched family governance structures. In late July 2026, Brown-Forman's Board of Directors formally declared a renewed, unsolicited takeover proposal from Sazerac as "not actionable". Sazerac's all-cash bid of \$32 per share—valuing the maker of Jack Daniel's at approximately \$15 billion—was backed by financing commitments from Wells Fargo and Apollo Global Management.

Despite Sazerac issuing a direct letter and a 13-page white paper to Brown-Forman's Class A voting shareholders outlining potential rollover provisions and higher dividend targets, the transaction stalled against an insurmountable corporate moat: the voting control held by fourth-, fifth-, and sixth-generation descendants of founder George Garvin Brown. Below, we analyze the structural mechanics, governance shields, and transaction dynamics of this spirits sector confrontation.

M&A Analysis: Institutional Framework & Transaction Dynamics

INQUIRY	ANALYTICAL PERSPECTIVE
What specific strategic drivers and market conditions prompted Sazerac to renew its unsolicited takeover push for Brown-Forman?	Sazerac's renewed approach represents a strategic move to capitalize on operational friction and leadership transition at Brown-Forman. Following the collapse of merger-of-equals talks between Brown-Forman and Pernod Ricard earlier in 2026, alongside the announced retirement of CEO Lawson Whiting, Sazerac sought to exploit temporary management uncertainty. Fusing Sazerac's portfolio (Buffalo Trace, Fireball, Svedka) with Brown-Forman's flagship Jack Daniel's and Woodford Reserve brands would create a nearly 100-million-case spirits powerhouse with over \$12 billion in combined revenues, dominating the global American whiskey landscape.
How does Brown-Forman's dual-class ownership structure function as a definitive financial and legal antitakeover defense?	The transaction illustrates the absolute defensive power of dual-class equity architecture. While Brown-Forman's Class B shares trade publicly on the NYSE, voting control is strictly concentrated in Class A shares. Over 50% of these Class A shares are controlled by the Brown family through entities such as Wolf Pen Branch, LP. Because Delaware law and corporate charters require voting shareholder approval for a merger or sale of assets, Wolf Pen Branch's formal rejection—stating the offer “does not align with this vision for Brown-Forman's future”—renders traditional hostile mechanics like tender offers or proxy battles mathematically impossible without family consent.
What structural sweeteners did Sazerac include in its direct appeal to Class A shareholders, and why did they fail to force board engagement?	To bypass the board and appeal directly to family owners, Sazerac's revised white paper proposed a cash-or-equity election enabling Class A holders to roll over their stakes into the combined private entity on a tax-efficient basis. Sazerac also touted board participation rights and projected dividend payouts exceeding Brown-Forman's current distributions. However, these incentives failed because the controlling family bloc prioritized generational control, brand stewardship, and long-term independence over immediate liquidity or yield enhancement.
How do sector headwinds and fiscal guidance impact the standalone valuation defense mounted by Brown-Forman's board?	Brown-Forman's board anchored its rejection on long-term fundamental value creation. However, the standalone strategy faces significant macro pressures, including normalizing post-pandemic alcohol demand and shifting consumer preferences. With fiscal guidance projecting flat net sales and organic operating income contractions of 3% to 5%, the \$32 per share offer (\$15 billion) provided an immediate cash exit at a notable premium over depressed trading levels. The board's defense rests entirely on executing geographic expansion and operational efficiencies to justify passing up a guaranteed buyout.

Conclusion

The failure of Sazerac's \$15 billion unsolicited bid reinforces a fundamental lesson in M&A: no amount of private equity backing or premium cash considerations can overcome an explicit voting block held by a united founding family. While Sazerac attempted to capitalize on industry consolidation waves and leadership transitions, Wolf Pen Branch's firm stance leaves Brown-Forman effectively insulated from outside control contests. Unless macro headwinds erode standalone performance to the point where family alignment fractures, Brown-Forman will remain an independent platform navigating the global spirits correction on its own terms. ✦

For additional context on the initial offer and market reaction, see the [Sazerac Takeover Bid Report](#), which covers the early breakdown of the \$15 billion proposal.

The Battle for Seer, Inc.: Activist Pressure, CEO Management Buyout, and CVR Valuation Dynamics



DUAL-TRACK TAKEOVER CONTEST

Radoff-JEC Group · Seer, Inc. Management

\$2.55 vs. \$2.45

COMPETING PER-SHARE CASH BIDS PLUS CONTINGENT VALUE RIGHTS · JULY 2026

Introduction

In late July 2026, life sciences and proteomics pioneer Seer, Inc. (NASDAQ: SEER) became the focal point of an intense dual-track takeover contest. On July 28, 2026, activist investor group Radoff-JEC Group (holding an approximate 7.7% stake) submitted its fourth revised, unsolicited, non-binding acquisition proposal to acquire all outstanding shares of Seer's Class A common stock for \$2.55 per share in cash.

The offer incorporates a Contingent Value Right (CVR) granting stockholders 85% of net proceeds from any license, sale, or disposition of Seer's platform assets and business—including its stake in PrognomiQ—targeted for payout within 6 to 12 months.

Just one day later, on July 29, 2026, Seer's Chair and Chief Executive Officer, Dr. Omid Farokhzad, submitted a competing management buyout offer of \$2.45 per share in cash plus two separate CVRs—a revenue-linked CVR (up to \$0.33 per share) and a sale-linked CVR (up to \$4.91 per share) extending through 2033. Seer's independent Special Committee confirmed receipt of both revised proposals, advising stockholders that no action is required while it reviews the bids alongside independent financial and legal advisers.

Below, we analyze the structural mechanics, governance friction, and valuation dynamics shaping this takeover contest.

M&A Analysis: Institutional Framework & Transaction Dynamics

INQUIRY	ANALYTICAL PERSPECTIVE
What primary strategic drivers and activist critiques prompted Radoff-JEC Group's revised \$2.55 per share proposal?	Radoff-JEC's fourth unsolicited bid is driven by acute shareholder dissatisfaction over cash burn, operational losses, and share price depreciation under current leadership. Offering a 51% premium over the unaffected share price and a 29% premium over current trading levels, the activist group seeks to curtail capital deployment into the core Proteograph platform. By forcing an open auction of assets, Radoff-JEC aims to unlock immediate cash value while monetizing non-core assets like PrognomiQ through a structured liquidation process.
How do the structural mechanics of Radoff-JEC's CVR contrast with Dr. Farokhzad's dual-CVR management offer?	The two bids present fundamentally different risk-reward horizons. Radoff-JEC offers a higher upfront cash consideration (\$2.55/share) paired with a near-term CVR (85% net asset sale proceeds payable in 6–12 months), essentially treating the business as a candidate for asset disposition. Conversely, Dr. Farokhzad offers lower upfront cash (\$2.45/share) but provides a long-dated, dual-CVR structure (revenue and sale tiers reaching up to \$7.69 in cumulative potential value through 2033). The CEO's proposal seeks to preserve balance sheet cash to fund ongoing execution under private ownership while allowing rollover upside for long-term investors.
What corporate governance and conflict-of-interest challenges arise from Dr. Farokhzad's competing buyout proposal?	A CEO submitting an unsolicited bid while actively managing the enterprise creates inherent fiduciary friction. Because Dr. Farokhzad possesses asymmetric information regarding operational pipelines and asset values, the Special Committee must ensure strict independence. Furthermore, the requirement that the CEO's proposal be subject to a majority-of-the-minority stockholder vote ensures that unaffiliated Class A holders retain ultimate transaction authority, guarding against an insider acquiring the company on depressed terms.
How does the Special Committee's mandate impact the potential for an open auction versus a standalone strategy?	Formed to evaluate strategic options, Seer's Special Committee faces the task of weighing near-term cash realization against long-term operational viability. Having previously rejected Dr. Farokhzad's initial \$2.45 proposal as undervaluing Seer, the committee must now determine whether the improved CVR terms or Radoff-JEC's \$2.55 cash offer represent superior value. The presence of two competing bidders creates structural leverage for the committee to run a formal sale process or solicit third-party strategic acquirers.

Conclusion

The contest for Seer, Inc. underscores the stark divergence between activist-led liquidation strategies and management-led private buyouts in micro-cap life sciences platforms. While Radoff-JEC offers immediate liquidity and a rapid asset distribution framework, Dr. Farokhzad's revised proposal attempts to capture extended platform upside through long-dated CVR instruments. As the Special Committee conducts its evaluation, the ultimate outcome will depend on whether independent directors and minority shareholders favor an immediate cash-and-liquidation exit or a structured, private-market turnaround. ✨

The Battle for Paramount–WBD: State AG Antitrust Interventions and Market Concentration Dynamics



STATE ANTITRUST INTERVENTION

Paramount Skydance · Warner Bros. Discovery

\$110 Billion

12 STATE ATTORNEYS GENERAL · CLAYTON ACT SECTION 7 · STIPULATED HOLD TO
JUNE 1, 2027

Introduction

On July 13, 2026, a bipartisan-led coalition of 12 state attorneys general—headed by California AG Rob Bonta—filed an antitrust lawsuit in the U.S. District Court for the Northern District of California to block the \$110 billion merger between Paramount Skydance Corporation and Warner Bros. Discovery, Inc. The legal action, challenging Section 7 of the Clayton Act, emerged a month after the U.S. Department of Justice’s Antitrust Division granted regulatory clearance for the mega-deal.

The state coalition—comprising California, New York, Arizona, Colorado, Connecticut, Massachusetts, Minnesota, Nevada, New Jersey, New Mexico, Oregon, and Washington—directly challenges federal acquiescence, citing systemic market concentration across theatrical distribution and basic cable licensing.

Following a temporary restraining order issued on July 20, 2026, Paramount agreed to a court stipulation pausing the transaction until a judicial ruling on the merits or June 1, 2027. Below, we analyze the structural mechanics, economic frameworks, and litigation dynamics defining this historic media contest.

M&A Analysis: Institutional Framework & Transaction Dynamics

INQUIRY	ANALYTICAL PERSPECTIVE
How does the state AG coalition leverage Herfindahl-Hirschman Index (HHI) frameworks under Section 7 of the Clayton Act to establish competitive harm?	The coalition's complaint establishes structural market concentration in two core relevant markets: Wide Release Theatrical Film Distribution and Licensing Basic Cable Television Channels . Combining Paramount and WBD yields a post-merger market share of approximately 27% in theatrical distribution (and over 30% in anticipated blockbusters), alongside a 27% combined share in basic cable programming. Applying standard HHI metrics, the post-merger market would leave just four distributors (the combined entity, Disney, Universal, and Sony) controlling 86% of wide-release theatrical distribution and over 90% of blockbuster releases. Under the standard 2023 FTC/DOJ Merger Guidelines, an HHI increase exceeding 100 points in a concentrated market—or a post-merger market share exceeding 30%—creates a strong legal presumption of substantially lessened competition under Section 7.
What legal mechanics allow state AGs to challenge a major transaction after the federal DOJ Antitrust Division granted clearance?	Under Section 16 of the Clayton Act, state attorneys general possess independent statutory authority to act as <i>parens patriae</i> on behalf of state residents to enjoin anticompetitive mergers. Federal antitrust clearance (such as a DOJ closing letter or early termination) does not confer immunity against state or private litigation. By asserting direct consumer injury—such as higher ticket prices, elevated cable subscription fees, and localized economic fallout from industry layoffs—the 12 state AGs exercise independent enforcement power, establishing a dual-enforcement standard where state economic interests diverge from federal regulatory posture.
How do opposing market definition strategies shape the litigation battleground between state plaintiffs and merging defendants?	Market definition serves as the structural linchpin of the case. The state AG coalition defines narrow, discrete product markets: wide-release theatrical distribution and basic cable channel licensing. Within these bounds, the loss of direct head-to-head competition between Paramount and WBD significantly reduces distributor leverage for movie theaters and cable providers. Conversely, Paramount and WBD defense counsel seek to define a broad, converged global entertainment market encompassing Big Tech streaming platforms (Netflix, Amazon Prime Video, YouTube, and Apple TV+). Under this broader umbrella, the defendants argue the transaction is pro-competitive, creating necessary scale to compete against non-traditional tech conglomerates.

INQUIRY	ANALYTICAL PERSPECTIVE
What are the financial and integration implications of the court-stipulated deal hold through mid-2027?	The agreement to delay closing until June 1, 2027, introduces severe execution and financing risks. Extended regulatory limbo exacerbates employee attrition, operational paralysis, and integration friction across creative divisions. While WBD retains operational flexibility for routine business, long-term strategic commitments extending beyond late 2028 face contractual constraints. Furthermore, prolonged delays threaten committed debt and equity financing arrangements—including foreign sovereign wealth participation—increasing the risk that market volatility, rising interest rates, or shifting asset values could break transaction economics before reaching a final judicial verdict.

Conclusion

The state-led antitrust suit against the \$110 billion Paramount–WBD transaction marks a critical shift in U.S. merger enforcement, establishing state AGs as decisive gatekeepers capable of stalling mega-cap consolidation even after federal clearance. By centering their legal strategy on Clayton Act market concentration metrics and HHI thresholds within theatrical distribution and cable programming, the plaintiff states have forced an extended trial delay that threatens the transaction’s completion. Whether Paramount and WBD can successfully defend their broad market definition or overcome structural litigation friction will determine whether this record-setting media integration ever closes.



Structural Mechanics & Governance: Axia Real Assets LP's Unsolicited Bid for Plaza Retail REIT



UNSOLICITED TAKE-PRIVATE PROPOSAL

Axia Real Assets LP · Plaza Retail REIT

C\$1.23 Billion

C\$5.28 PER UNIT IN CASH · SUPPORTED BY MORGUARD CORPORATION (15.3%)

Introduction

The unsolicited proposal by Axia Real Assets LP to acquire Plaza Retail REIT (TSX: PLZ.UN) for C\$5.28 per unit in cash represents a significant public-to-private transaction in the Canadian real estate market. Valuing Plaza at an enterprise value of C\$1.23 billion—including approximately C\$670 million in existing debt and a C\$560 million equity valuation—the offer targets persistent structural discounts in small-cap retail REITs.

Supported by Plaza's largest unitholder, Morguard Corporation (15.3%), Axia's fully financed bid has prompted the formation of an independent Special Committee tasked with evaluating strategic options. Below is a detailed analytical breakdown addressing five key inquiries surrounding the transaction.

M&A Analysis: Key Analytical Inquiries & Market Dynamics

INQUIRY	ANALYTICAL PERSPECTIVE
1. What core capital structure inefficiencies and operational bottlenecks in Plaza Retail REIT prompted Axia's unsolicited offer?	Axia's bid targets fundamental capital constraints inherent to Plaza's public entity structure. The REIT has suffered from a perpetual trading discount to its underlying Net Asset Value (NAV), flat distributions since 2018, and rising debt costs that limit its ability to access accretive capital. Additionally, Plaza's property portfolio shrank from 253 properties in 2022 to 190 properties as asset sales were used to fund capital expenditures. Combined with severe unit illiquidity—trading an average of just ~C\$212,000 daily—Axia identified an opportunity to privatize the platform and optimize its capital structure outside public markets.
2. How does the cash consideration and valuation premium of C\$5.28 per unit compare against historical trading metrics?	The C\$5.28 per unit cash offer provides immediate liquidity and value certainty to unitholders. It reflects a 20.8% premium over Plaza's 90-day volume-weighted average price (VWAP) and a 19.5% premium over its C\$4.42 closing price on June 8, 2026 (the day the offer was delivered). By providing 100% cash consideration, the proposal eliminates ongoing market volatility, interest rate exposure, and execution risks associated with Plaza's standalone strategy.
3. What role does Morguard Corporation's 15.3% voting stake play in the governance dynamics and deal certainty?	Morguard Corporation, Plaza's largest unitholder, has formally stated its strong support for the transaction and its intention to vote its 15.3% stake in favor of the deal. This endorsement significantly enhances deal certainty and restricts the Special Committee's ability to dismiss the proposal without presenting a financially superior alternative. Securing early support from a major institutional investor diminishes the likelihood of a successful management entrenchment defense.
4. What are the key terms regarding financing, due diligence, and execution certainty in Axia's proposal?	Axia's offer is structurally de-risked because it contains no financing or due diligence conditions. Having already completed extensive due diligence during a prior exclusivity period, Axia secured fully committed financing, including a credit commitment from a Canadian Schedule I Bank capable of refinancing existing REIT debt if accelerated. Furthermore, Axia delivered a draft definitive arrangement agreement to Plaza on May 20, 2026, positioning the acquirer to execute the transaction expeditiously.

INQUIRY	ANALYTICAL PERSPECTIVE
5. What strategic pathways and fiduciary responsibilities face Plaza's Special Committee and its financial advisers?	Plaza's Board of Trustees formed a Special Committee of independent trustees, retaining TD Securities as financial adviser and Blake, Cassels & Graydon LLP as legal counsel. The committee is duty-bound to evaluate whether the C\$5.28 proposal reflects full intrinsic value or if higher value can be realized through a negotiated price increase, a formal auction process soliciting competing bidders, or a standalone restructuring plan. Given the market momentum toward private institutional ownership of Canadian retail REITs, the Special Committee must weigh Axia's fully de-risked cash offer against the execution risks of remaining public.

Conclusion

Axia Real Assets LP's C\$1.23 billion take-private proposal highlights the ongoing structural shift of small-cap real estate assets from public markets to private institutional hands. Driven by stagnant distributions, unit illiquidity, and NAV discounts, Plaza Retail REIT faces strong pressure to engage on transaction terms—especially given the anchor support of 15.3% unitholder Morguard Corporation. As the Special Committee conducts its evaluation alongside TD Securities, the strategic focus remains on whether Plaza can leverage competing institutional interest or if Axia's fully financed cash offer will establish the ultimate clearing price for the REIT. ✦

Corporate Governance & Activist Dynamics: Ashland Inc. Settlement with Ancora Holdings



ACTIVIST SETTLEMENT & COOPERATION AGREEMENT

Ashland Inc. · Ancora Holdings Group

Board of 11

TWO INDEPENDENT DIRECTORS ADDED · CAPITAL ALLOCATION ADVISORY
COMMITTEE · JULY 28, 2026

Introduction

On July 28, 2026, specialty chemicals and additives manufacturer Ashland Inc. (NYSE: ASH) announced a settlement cooperation agreement with activist investor Ancora Holdings Group, LLC. The agreement resolves months of activist pressure that escalated in June 2026, when Ancora accumulated a stake in Ashland and called for a full sale process, estimating potential deal upside of over \$76 per share. A second activist, Cruiser Capital Advisors, joined the push in mid-June, similarly demanding a strategic review or proxy fight.

Under the terms of the settlement, Ashland expanded its Board of Directors to 11 members, appointed two industry veterans as independent directors, formed a dedicated Capital Allocation Advisory Committee, and secured customary standstill and voting commitments from Ancora. Below is an analytical evaluation of the institutional, corporate governance, and capital allocation frameworks governing this activist engagement.

Shareholder Activism & Governance Analysis

INQUIRY	ANALYTICAL PERSPECTIVE
1. What were Ancora Holdings' primary operational and strategic catalysts for launching an activist campaign against Ashland?	Ancora's intervention was catalyzed by persistent market undervaluation, missed earnings expectations, and execution friction under Ashland's standalone organic growth strategy. Ancora highlighted that Ashland's high-margin Life Sciences and Personal Care units generate ~75–80% of corporate EBITDA, yet the company traded at a depressed ~9.6x EBITDA multiple compared to its historical median of ~11.0x. Pointing to potential private equity and strategic buyer interest, Ancora urged a sale process to unlock an estimated 30%+ premium over prevailing trading levels.
2. How do the governance credentials of newly appointed directors Peter Thomas and Allen Spizzo align with Ashland's strategic needs?	Both independent appointees bring extensive M&A and executive chemical industry experience. Peter Thomas previously served as Chair, CEO, and President of Ferro Corporation (leading it through its acquisition by Prince International) and served on the Capital Allocation Advisory Committee at Berry Global. Allen Spizzo brings financial leadership as former CFO of Hercules Incorporated (which was acquired by Ashland in 2008) and serves as an M&A/strategic advisor across the chemicals and materials sectors. Their appointments provide the board with operational expertise and institutional memory relevant to strategic evaluation and portfolio optimization.
3. What is the scope, structure, and strategic mandate of Ashland's newly established Capital Allocation Advisory Committee?	The Capital Allocation Advisory Committee is structured to provide independent, disciplined oversight of Ashland's capital deployment and strategic planning. Chaired by director Scott Tozier, the committee includes directors Bertrand Loy and Susan L. Main, newly appointed directors Peter Thomas and Allen Spizzo, with CEO Guillermo Novo serving as a non-voting member. The committee is mandated to conduct objective evaluations of capital expenditures, M&A opportunities, balance sheet optimization, and potential shareholder return strategies.
4. What structural board expansion and election timelines were established under the terms of the Cooperation Agreement?	To accommodate the appointments of Thomas and Spizzo, Ashland's Board temporarily expanded from 9 to 11 members, effective immediately. The board size will remain at 11 until the 2027 Annual Meeting of Stockholders, where both new directors will stand for formal election. Following the 2027 Annual Meeting, the overall size of the board will be reduced back to 10 members.

INQUIRY	ANALYTICAL PERSPECTIVE
5. What legal and financial advisory infrastructure supported the negotiation and execution of the agreement?	Ashland was advised by financial advisors Citi and Lazard, legal counsel Latham & Watkins LLP, and strategic communications advisor FGS Global. Ancora Holdings was represented by legal counsel Olshan Frome Wolosky LLP and strategy advisor Longacre Square Partners LLC. Under the terms of the settlement, Ancora agreed to customary standstill and voting commitments, with full details filed via Form 8-K with the U.S. SEC.

Conclusion

Ashland's cooperation agreement with Ancora resolves immediate proxy fight risks and establishes a structured framework for capital allocation oversight. By integrating independent chemical industry veterans and forming a dedicated advisory committee, the company aims to balance strategic continuity with shareholder value creation as it navigates operational execution and potential portfolio alternatives. ✨



SECTION C

Friendly Mergers & Consolidations



*Negotiated combinations, take-privates, and platform-scale
strategic acquisitions closing across the market*

IN THIS SECTION

Brookfield and CPP Investments Acquire LXP	33
Martin Marietta to Acquire Lhoist North America	36
argenx to Acquire Forte Biosciences	39
Prosperity Bancshares Acquires Stellar Bancorp	42
Berkshire Hathaway / Taylor Morrison	45

Public-to-Private Privatization: Brookfield and CPP Investments Acquire LXP Industrial Trust



ALL-CASH TAKE-PRIVATE

Brookfield & CPP Investments · LXP Industrial Trust

\$5.2 Billion

\$61.20 PER SHARE IN CASH · 40-DAY GO-SHOP · TARGET CLOSE Q4 2026

Introduction

On July 20, 2026, LXP Industrial Trust (NYSE: LXP) announced a definitive merger agreement to be acquired by alternative asset manager Brookfield Asset Management and Canada Pension Plan Investment Board (CPP Investments) in an all-cash take-private transaction valued at \$5.2 billion, including debt and preferred equity. Under the terms of the agreement, LXP shareholders will receive \$61.20 per share in cash, reflecting a 12.3% premium over the company's 30-day volume-weighted average price (VWAP) as of July 17, 2026.

The transaction expands Brookfield and CPP Investments' exposure to U.S. logistics infrastructure, adding a high-quality portfolio of 108 Class A warehouse and distribution assets spanning roughly 53 million square feet across key Sunbelt and Midwest markets. Unanimously approved by LXP's Board of Trustees, the merger is targeted to close in the fourth quarter of 2026, subject to shareholder approval, regulatory clearances, and the outcome of a 40-day "go-shop" period extending through August 28, 2026. Below is a structured examination detailing the core deal terms, valuation parameters, and institutional rationale behind the transaction.

M&A Analysis: Institutional Framework & Transaction Dynamics

ANALYTICAL INQUIRY	STRATEGIC & FINANCIAL ANALYSIS
1. What are the key valuation parameters, purchase price metrics, and total enterprise value details of the acquisition?	Per-Share Consideration: \$61.20 per share in cash. Valuation Premiums: A 12.3% premium to LXP’s 30-day VWAP and a 19.8% premium to its 90-day VWAP through July 17, 2026. Enterprise Value: Approximately \$5.2 billion, inclusive of net debt and preferred equity obligations. Pre-Announcement Market Capitalization: Approximately \$3.5 billion prior to deal disclosure.
2. What strategic logic and industrial real estate demand drivers underpin Brookfield and CPP Investments’ buy-side thesis?	Macro Tailwinds: Strong, long-term secular demand across U.S. logistics driven by e-commerce expansion, supply chain reshoring, and population growth in Sunbelt markets. Portfolio Realignment: Capitalizes on LXP’s transformation into a pure-play industrial REIT featuring long-duration leases, modern logistics assets, and high occupancy. Direct Ownership Advantage: Fits CPP Investments’ “Canadian Model” of direct asset ownership and internal management to drive higher long-term risk-adjusted returns.
3. How is the 40-day “Go-Shop” provision structured, and what fiduciary mechanics govern alternative acquisition proposals?	Go-Shop Window: Active through August 28, 2026 (11:59 p.m. NYC time), allowing LXP and its advisors to solicit alternative acquisition proposals. Matching Rights: Brookfield and CPP Investments retain contractual notice and negotiation rights to match any superior proposal. Termination Fee: LXP must pay a customary termination fee if it exercises its right to break the agreement for a superior offer.

ANALYTICAL INQUIRY	STRATEGIC & FINANCIAL ANALYSIS
4. What operational, governance, and capital structure changes take effect during the pending closing period?	Dividend Suspension: LXP has agreed to suspend all quarterly common share distributions through closing or deal termination. Financial Reporting & Calls: LXP will report Q2 2026 financial results as scheduled on July 29, 2026, but will cancel earnings conference calls and webcasts. Delisting & Privatization: Following shareholder vote and closing, LXP will delist from the NYSE and operate as a privately held entity.
5. What portfolio scale and geographical footprint are being privatized under this transaction?	Asset Count: 108 warehouse, distribution, and logistics properties. Total Square Footage: Approximately 53 million square feet. Geographic Focus: Class A logistics infrastructure concentrated in 12 target markets across the U.S. Sunbelt and Midwest.
6. Which financial institutions and legal firms are leading the deal execution across buy-side and sell-side advisory teams?	LXP Financial Advisors: BofA Securities, Inc. (lead) and J.P. Morgan Securities LLC (co-advisor). LXP Legal Counsel: Hogan Lovells Cadwalader US LLP. Buyer Financial Advisors: Citigroup Global Markets Inc. and Morgan Stanley & Co. LLP. Buyer Legal Counsel: Gibson, Dunn & Crutcher LLP and Thompson Hine LLP (Brookfield/CPP), DLA Piper LLP (CPP Investments), and Dechert LLP (Financial Advisors).

Conclusion

The \$5.2 billion all-cash privatization of LXP Industrial Trust underscores institutional investor appetite for high-quality, cash-generative industrial real estate in the U.S. By partnering to acquire LXP's 53 million-square-foot footprint, Brookfield and CPP Investments expand their direct management exposure in key Sunbelt and Midwest logistics hubs. Absent a superior proposal emerging during the 40-day go-shop window, the transaction will proceed to a shareholder vote and is expected to complete privatization by the fourth quarter of 2026. ✨

Martin Marietta to Acquire Lhoist North America in a \$13.5 Billion Combination



TRANSFORMATIONAL CASH-AND-STOCK COMBINATION

Martin Marietta · Lhoist North America

\$13.5 Billion

\$7.0B CASH + \$6.5B STOCK · LARGEST U.S. LIME & LIMESTONE PRODUCER · TARGET
CLOSE H2 2026

Introduction

On June 29, 2026, Raleigh, North Carolina-based Martin Marietta Materials, Inc. (NYSE: MLM) entered into a definitive agreement to acquire Lhoist North America, Inc. from Belgian industrial firm Lhoist Group for \$13.5 billion in cash and stock. The transformational transaction creates the largest lime and limestone producer in the United States, expanding Martin Marietta's presence across high-growth Sun Belt metropolitan corridors.

Under the terms of the deal, Martin Marietta will fund the acquisition using \$7.0 billion in cash and \$6.5 billion in common stock, issuing a ~15% equity stake to the selling Berghmans family along with representation on the board of directors. Expected to close in the second half of 2026 subject to regulatory approvals, the deal positions Martin Marietta to capture structural demand across infrastructure, data centers, advanced manufacturing, and heavy industrial markets. Below, we break down six core questions defining the financial, operational, and strategic dynamics of this transaction.

M&A Analysis: Key Analytical Inquiries & Market Dynamics

ANALYTICAL INQUIRY	STRATEGIC & FINANCIAL ANALYSIS
1. What is the total enterprise valuation and consideration structure for the acquisition?	Total Enterprise Value: \$13.5 billion. Cash Component: \$7.0 billion. Stock Component: \$6.5 billion in Martin Marietta common stock. Seller Stake: Lhoist's founding Berghmans family will own roughly 15% of Martin Marietta common equity post-closing.
2. What financial and operating metrics does Lhoist North America bring to Martin Marietta?	Gross Sales (2025): \$1.8 billion. Adjusted EBITDA (2025): \$786 million, representing a 45% EBITDA margin. Synergy Target: Approximately \$85 million in expected annual run-rate cost synergies within two years of closing.
3. How does the transaction impact Martin Marietta's reserve life and asset footprint?	Limestone Reserves: Adds over 2 billion tons of high-quality limestone reserves with an estimated useful life of over 200 years. Physical Assets: Acquires 20 quarries/production facilities and 45 distribution terminals. Geographic Concentration: Deepens supply capabilities across Sun Belt growth corridors and southern U.S. construction markets.
4. What key end-markets and macro demand drivers underpin the strategic rationale?	Core Products: Hi-calcium lime, dolomitic lime, and specialized industrial mineral products. End-Markets: Domestic steel manufacturing, highway infrastructure, heavy non-residential construction, environmental, and agricultural applications. Demand Drivers: Tailwinds from federal infrastructure spending, data center construction booms, semiconductor manufacturing, and energy development.

ANALYTICAL INQUIRY	STRATEGIC & FINANCIAL ANALYSIS
5. What governance rights and seller arrangements were established under the agreement?	Board Seats: The Berghmans family will be entitled to appoint one director and one board observer to the Martin Marietta Board of Directors. Closing Timeline: Targeted for completion in the second half of 2026, subject to customary regulatory and antitrust clearances.
6. Which legal and financial advisory firms are advising the transaction?	Martin Marietta Legal Counsel: Cravath, Swaine & Moore LLP led legal representation across M&A, capital markets, banking, tax, IP, executive compensation, corporate governance, real estate, and environmental matters. Equity Analyst Coverage: Wall Street firms, including Morgan Stanley, noted that while the deal adds product complexity, it delivers high-quality infrastructure market diversification.

Conclusion

Martin Marietta's \$13.5 billion acquisition of Lhoist North America represents a pivotal vertical and horizontal expansion into adjacent, high-margin lime and industrial minerals. By securing over 2 billion tons of long-lived reserves in high-growth Sun Belt corridors, Martin Marietta positions its portfolio to capitalize on multi-decade U.S. infrastructure and industrial manufacturing trends. Subject to regulatory approvals, the integration of Lhoist North America will establish a market-leading building materials platform with substantial cost synergies and cash-flow generation. ✨

argenx to Acquire Forte Biosciences in \$2.2 Billion Takeover



ALL-CASH TENDER OFFER

argenx SE · Forte Biosciences

\$2.2 Billion

\$77.00 PER SHARE · 86% PREMIUM TO VWAP · TARGET CLOSE Q3 2026

Introduction

On July 27, 2026, global immunology leader argenx SE announced a definitive agreement to acquire Dallas-based Forte Biosciences, Inc. (NASDAQ: FBRX) in an all-cash tender offer valued at approximately \$2.2 billion. Under the terms of the transaction, argenx will purchase all outstanding shares of Forte for \$77.00 per share, representing an 86% premium over Forte's volume-weighted average price (VWAP) since its July 9, 2026 Phase 1b vitiligo readout.

The acquisition adds Forte's lead clinical asset, FB102—a first-in-class monoclonal antibody targeting CD122—to argenx's portfolio, broadening its reach in high-unmet-need autoimmune diseases. Approved by the boards of directors of both entities, the transaction will be funded entirely via cash on hand with no financing contingencies and is targeted to close in the third quarter of 2026, subject to customary closing conditions. Below is a detailed breakdown of the deal dynamics, clinical rationale, and advisory framework.

M&A Analysis: Institutional Framework & Transaction Dynamics

ANALYTICAL INQUIRY	STRATEGIC & FINANCIAL ANALYSIS
1. What are the key valuation parameters, purchase price metrics, and financing structures of the transaction?	Per-Share Consideration: \$77.00 per share in cash. Total Equity Value: Approximately \$2.2 billion. Valuation Premium: ~86% premium over Forte's VWAP following positive Phase 1b vitiligo data disclosed on July 9, 2026. Financing Source: 100% funded through argenx's existing cash on hand with no financing conditions.
2. What clinical asset is being acquired, and what are its key biological mechanisms and indications?	Lead Asset: FB102, a first-in-class anti-CD122 monoclonal antibody. Mechanism of Action: Selectively blocks CD122 (the shared β subunit of IL-2 and IL-15 receptors) on natural killer (NK) cells and pathogenic T cells, while sparing regulatory T cells. Core Indications: Demonstrated clinical proof-of-concept in vitiligo and celiac disease, with expansion potential in alopecia areata and additional autoimmune disorders.
3. What key clinical data readouts supported argenx's decision to shift from strategic investor to acquirer?	Vitiligo Phase 1b: Showed a 29.6% mean improvement in F-VASI score at week 24 versus 7.9% for placebo ($p = 0.020$), reaching 43.2% versus 0.5% in patients with extensive baseline disease ($p = 0.006$). Celiac Disease Phase 1b & Phase 2: Demonstrated morphologic/inflammatory improvements in Phase 1b; Phase 2 topline data expected in H2 2026. Strategic Evolution: Follows argenx's participation in Forte's \$150 million public offering in April 2026.

ANALYTICAL INQUIRY	STRATEGIC & FINANCIAL ANALYSIS
4. How does FB102 complement argenx's overall commercial pipeline and Vision 2030 strategy?	Portfolio Fit: Complements existing antibody programs, including efgartigimod (Vyvgart / Vyvgart Hytrulo), empasiprubart, adimanebart, and ARGX-121. Pipeline-in-a-Product Potential: Extends argenx beyond FcRn blockade into cell-selective pathogenic T-cell/NK-cell clearance mechanisms. Revenue Diversification: Broadens long-term commercial growth opportunities alongside the expanding Vyvgart franchise.
5. What structure, closing conditions, and regulatory approvals govern the takeover agreement?	Transaction Structure: Two-step transaction consisting of a cash tender offer followed by a second-step merger for non-tendered shares at \$77.00 per share. Key Thresholds: Requires tender of a majority of outstanding Forte common shares and Hart-Scott-Rodino (HSR) Antitrust Act clearance. Target Closing: Expected to close in Q3 2026.
6. Which financial institutions and legal counsel are executing the transaction advisory?	argenx Advisors: Goldman Sachs International (exclusive financial advisor) and Freshfields LLP (legal counsel). Forte Biosciences Advisors: Guggenheim Securities, LLC (exclusive financial advisor) and Wilson Sonsini Goodrich & Rosati, P.C. (legal counsel).

Conclusion

The \$2.2 billion acquisition of Forte Biosciences by argenx accelerates the company's ambition to build a multi-asset immunology platform. By acquiring FB102, argenx secures a novel anti-CD122 antibody with robust clinical proof-of-concept in vitiligo and celiac disease, complementing its flagship FcRn inhibitor portfolio. Funded entirely with cash on hand, the transaction is on track for a third-quarter 2026 close, pending tender thresholds and regulatory clearances. ✨

Regional Banking Consolidation: Prosperity Bancshares Acquires Stellar Bancorp



COMPLETED BANK MERGER

Prosperity Bancshares · Stellar Bancorp

\$2.0 Billion

\$11.36 CASH + 0.3803 SHARES PER STELLAR SHARE · COMPLETED JULY 1, 2026

Introduction

On July 1, 2026, Houston-based Prosperity Bancshares, Inc. (NYSE: PB), the parent company of Prosperity Bank, announced the completion of its \$2.0 billion acquisition of Stellar Bancorp, Inc., merging Stellar Bank into Prosperity Bank. The merger strengthens Prosperity's position as the second-largest Texas-headquartered bank by deposits, expanding its reach across major Sun Belt metropolitan markets.

Under the merger agreement, Stellar shareholders received \$11.36 in cash and 0.3803 shares of Prosperity common stock for each share of Stellar common stock held. The combination adds 52 banking locations to Prosperity's footprint, taking its regional network to over 330 locations across Texas and Oklahoma. Full system and operational conversions are scheduled for March 2027. Below is a detailed breakdown of the deal structure, financial performance metrics, and post-merger integration framework.

M&A Analysis: Institutional Framework & Transaction Dynamics

ANALYTICAL INQUIRY	STRATEGIC & FINANCIAL ANALYSIS
1. What are the key valuation parameters, purchase price metrics, and consideration details of the merger?	Total Equity Value: Approximately \$2.0 billion. Per-Share Consideration: \$11.36 in cash plus 0.3803 shares of Prosperity common stock per share of Stellar common stock. Pre-Announcement Valuation: Represented an implied value of \$39.08 per Stellar share based on Prosperity's closing price prior to public announcement, a 19.78% premium over its prior close. Post-Transaction Ownership: Former Stellar shareholders own approximately 16.1% of the combined company.
2. What financial contribution and underlying asset profile does Stellar Bancorp bring to the platform?	Financial Performance (Q2 2026): Stellar generated approximately \$33 million in core net income prior to deal closing. Balance Sheet Metrics: Contributes \$10.8 billion in total assets, \$7.3 billion in loans, and \$9.0 billion in total deposits. Loan Pipeline: Brings a \$1.2 billion active loan pipeline into the combined organization.
3. How does the merger impact Prosperity's branch footprint, scale, and multi-state presence?	Branch Additions: Adds 52 banking offices located across the Houston, Beaumont, East Texas, and Dallas metroplex corridors. Combined Footprint: Expands Prosperity's branch footprint to over 330 locations across Texas and Oklahoma. Oklahoma Presence: Complements Prosperity's existing 14 full-service banking centers operating in Oklahoma (Tulsa and Central Oklahoma).
4. What cost synergies, expense guidance, and net interest margin (NIM) targets have been set?	Cost Savings Target: Management projects \$80 million to \$85 million in annual cost savings from Stellar, contributing to \$100 million–\$110 million in total annual pretax savings across three recent integrations. Expense Guidance: Q3 2026 noninterest expense projected between \$244 million and \$250 million, reflecting Stellar's run rate. NIM Trajectory: Management targets a NIM of 3.70% to 3.75% by year-end 2026 and 3.80% to 3.85% for full-year 2027.

ANALYTICAL INQUIRY	STRATEGIC & FINANCIAL ANALYSIS
5. What governance structure and executive leadership changes take effect at close?	Executive Roles: Former Stellar CEO Robert R. Franklin Jr. joins as Vice Chairman of Prosperity and Prosperity Bank. Stellar President Ramon Vitulli becomes Houston Area Chairman of Prosperity Bank. Board Representation: Robert R. Franklin Jr. and Joe B. Swinbank join the Prosperity Board of Directors. Ramon Vitulli and Pat Parsons join the Prosperity Bank Board.
6. Which financial advisors and legal counsel led transaction execution for both institutions?	Prosperity Advisors: Wachtell, Lipton, Rosen & Katz served as legal counsel. Stellar Advisors: Keefe, Bruyette & Woods (a Stifel company) served as exclusive financial advisor, and Norton Rose Fulbright US LLP served as legal counsel.

Conclusion

Prosperity Bancshares' \$2.0 billion acquisition of Stellar Bancorp creates a high-density regional banking platform in Texas and Oklahoma. With \$10.8 billion in assets acquired and 52 added locations, the deal strengthens Prosperity's deposit market share in Houston, Beaumont, and Dallas. Operational and systems conversion will remain under the Stellar brand until full integration in March 2027, unlocking \$80 million to \$85 million in projected annual cost synergies and supporting long-term net interest margin expansion. ✦

Strategic Analysis & Transaction Mechanics: Berkshire Hathaway and Taylor Morrison



COMPLETED ALL-CASH ACQUISITION

Berkshire Hathaway · Taylor Morrison

\$8.5 Billion

\$72.50 PER SHARE · \$6.8B EQUITY VALUE · FOURTH-LARGEST U.S. HOMEBUILDER

Introduction

The completion of Berkshire Hathaway Inc.'s all-cash acquisition of Taylor Morrison Home Corporation (NYSE: TMHC) marks a structural expansion of Berkshire's site-built homebuilding footprint. Finalized at \$72.50 per share—valuing TMHC at an equity value of roughly \$6.8 billion and an enterprise value of \$8.5 billion—the transaction unifies TMHC's national operations with Clayton Properties Group, positioning the combined entity as the fourth-largest homebuilder in the United States.

While external commentators have questioned the purchase price discipline and advocated for pre-announcement open-market stake building, an examination of federal securities regulations, SEC insider trading restrictions, and corporate takeover dynamics reveals why the execution followed a classic, risk-managed strategic buyout model.

The Fallacy of Pre-Announcement Toehold Accumulation

A frequent critique from retail and external observers is that an acquirer should quietly accumulate target equity in the open market while shares are trading lower (e.g., in the \$50 range) prior to announcing a formal buyout offer. Theoretically, building a minority "toehold" before offering a buyout premium lowers the volume-weighted average price (VWAP) paid per share. However, for an

institutional acquirer operating under U.S. federal securities law, attempting open-market accumulation prior to a strategic acquisition creates severe legal, transactional, and pricing barriers:

- **SEC Schedule 13D Thresholds:** Under Section 13(d) of the Securities Exchange Act of 1934, acquiring beneficial ownership of more than 5% of a public voting class triggers a mandatory public disclosure within five business days. The moment a high-profile acquirer files a Schedule 13D signaling an acquisition intent, market arbitrageurs immediately re-price the target stock up to or above the anticipated deal price, eliminating further open-market discounts.
- **Target Anti-Takeover Defenses (Poison Pills):** Public target boards maintain defensive mechanisms, including shareholder rights plans (“poison pills”), that trigger dilutive share issuances if an uninvited acquirer crosses an ownership threshold (typically 10% to 15%). Accumulating shares without board approval risks alienating target management and converting a negotiated strategic acquisition into a costly proxy fight.
- **Material Non-Public Information (MNPI) & Rule 10b-5:** Entering confidential exploratory discussions, signing non-disclosure agreements (NDAs), or gaining access to target diligence material provides the acquirer with MNPI. Purchasing target stock in the open market while possessing MNPI constitutes insider trading under Section 10(b) and Rule 10b-5 of the Exchange Act.
- **Closing Certainty & Total Control:** A negotiated merger agreement delivers 100% equity ownership, target board endorsement, and non-solicitation covenants upon closing. Holding a minority toehold leaves the buyer exposed to market volatility, holdout risks, and fiduciary challenges without granting operational control.

M&A Executive Q&A

INQUIRY	ANALYTICAL & GOVERNANCE PERSPECTIVE
1. Securities & Corporate Governance: Why do institutional acquirers avoid pre-announcement open-market stake building in public targets?	Open-market accumulation is strictly limited by federal disclosure laws and insider trading regulations. Crossing the 5% threshold requires filing an SEC Schedule 13D, which immediately signals takeover intent and bids up the market price. Furthermore, once an acquirer enters preliminary discussions or signs an NDA with a target, it gains Material Non-Public Information (MNPI), rendering open-market purchases illegal under Rule 10b-5. Unsolicited stake building also risks triggering target poison pills, transforming a clean transaction into a hostile proxy battle.

INQUIRY	ANALYTICAL & GOVERNANCE PERSPECTIVE
2. Valuation Mechanics: Does avoiding pre-announcement accumulation mean the acquirer overpaid for the target?	No. Strategic corporate acquisitions evaluate total enterprise value, operational synergies, and control premiums rather than short-term trading prices. Paying \$72.50 per share (\$6.8B equity value / \$8.5B enterprise value) represents a negotiated price for 100% operational control. Open-market stake building frequently causes price leakage as arbitrageurs front-run the acquirer, driving up the volume-weighted average price (VWAP) and eliminating theoretical savings while introducing severe closing risk.
3. Accounting & Debt Restructuring: How were TMHC's existing public debt structures and SEC reporting obligations handled post-closing?	Post-closing SEC Form 8-K filings confirm that TMHC executed supplemental indentures for its 2028, 2030, and 2032 senior notes. These amendments allow ongoing public reporting obligations to be satisfied through Berkshire Hathaway's consolidated SEC filings under an active parent guarantee. Additionally, credit agreement amendments granted express change-of-control consent, designating Berkshire as a Permitted Holder to prevent default acceleration upon change of control.
4. Operational Strategy: What are the core operational synergies realized by unifying Taylor Morrison with Clayton Properties Group?	The combination merges TMHC's entry-level, move-up, and resort-style communities with Clayton Properties Group's 15 regional site-built homebuilders. Delivering nearly 23,000 site-built home closings annually across 21 states and 52 housing markets, the combined business operates as the fourth-largest homebuilder in the United States, unlocking national economies of scale in land acquisition, raw material procurement, sub-contractor scheduling, and integrated mortgage funding platforms.

Conclusion

The acquisition of Taylor Morrison at \$72.50 per share illustrates a disciplined approach focused on complete control, regulatory compliance, and transaction certainty. While open-market accumulation may sound advantageous in financial theory, the realities of SEC disclosure rules, insider trading prohibitions, and board fiduciary duties make single-stage negotiated mergers the standard for large-scale corporate consolidations. By prioritizing legal certainty and seamless operational integration with Clayton Properties Group, Berkshire Hathaway has secured a nationwide homebuilding platform structured for long-term capital efficiency. ✦



SECTION D

The Quantitative Pulse



Statistical benchmarks and market velocity — value, volume, sector leadership, deal certainty, and hostility metrics

IN THIS SECTION

Value–Volume Divergence & Capital Flow	49
Sectoral Concentration & Leadership	52
The Mechanics of Deal Certainty	54
Valuation & Hostility Metrics	56
Final Quantitative Thesis	57

Value–Volume Divergence & Capital Flow



The M&A landscape in June 2026 was defined by a contraction in deal frequency alongside a concentration of capital deployment. While overall deal value dropped compared to May, year-over-year metrics reflect sustained strength driven by large-scale transactions.

\$291.0B

U.S. DEAL VALUE •
JUNE 2026

953

U.S. DEAL COUNT

–30.6%

MOM VALUE CHANGE

+132.7%

YOY U.S. VALUE
GROWTH

INSIGHT Capital remains concentrated in large-scale strategic deals while overall transaction volume experiences a modest pull-back.

Total Deal Value vs. Deal Count

June 2026 highlights a bifurcated M&A market. Month-over-month aggregate deal value in the U.S. contracted by 30.6% to \$291.0 billion, while global transaction value fell 12.2% to \$557.5 billion. Transaction counts experienced a minor drop globally (–1.2% to 3,248 deals) and a 1.9% drop in the U.S. (953 deals).

On a year-over-year (YoY) basis, however, U.S. total deal value surged 132.7% (driven by strategic acquirers up 180.3%), while total global deal value rose 74.2%. This YoY expansion alongside flattening or declining transaction counts underscores a structural shift toward megadeals.

MONTHLY PERFORMANCE • JUNE 2026

REGION	TOTAL DEAL VALUE (USD)	MOM VALUE CHANGE	TOTAL DEAL COUNT	MOM COUNT CHANGE
Global	\$557.5 Billion	–12.2%	3,248	–1.2%
United States	\$291.0 Billion	–30.6%	953	–1.9%

The Strategic-Sponsor Delta

Strategic acquirers continued to dominate domestic dealmaking, generating \$256.4 billion in U.S. deal value, compared to \$34.5 billion from private equity sponsors.

88.1% STRATEGIC SHARE OF U.S. VALUE	\$256.4B STRATEGIC DEAL VALUE	11.9% SPONSOR SHARE OF U.S. VALUE	\$34.5B SPONSOR DEAL VALUE
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INSIGHT Corporate balance sheets continue to drive the vast majority of domestic capital deployment.

- **Strategic Acquirers:** U.S. strategic transaction value reached \$256.4 billion in June (down 30.1% MoM), representing 589 deals. Corporate acquirers continue to leverage scale to execute core consolidation.
- **Private Equity Sponsors:** U.S. sponsor deal value fell 34.1% MoM to \$34.5 billion across 364 deals. However, U.S. sponsor deal count rose 3.7% MoM. On a global level, private equity deal value saw a modest MoM increase of 2.5% to \$104.7 billion.

STRATEGIC VS. SPONSOR ACTIVITY • U.S. ONLY

CATEGORY	JUNE 2026 VALUE (BILLION)	MOM VALUE CHANGE	JUNE 2026 DEAL COUNT	MOM COUNT CHANGE
Strategic	\$256.4	-30.1%	589	-5.0%
Sponsor (PE)	\$34.5	-34.1%	364	+3.7%

Cross-Border Flux

Both inbound and outbound U.S. cross-border activity posted strong growth in June compared to May. Inbound deal value expanded 213.5% MoM to \$57.6 billion across 120 deals; outbound deal value surged 115.0% MoM to \$69.6 billion across 143 deals.

\$13.92B UK → U.S. INBOUND	\$31.00B U.S. → UK OUTBOUND	+213.5% INBOUND MOM GROWTH	+115.0% OUTBOUND MOM GROWTH
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INSIGHT The U.S.–UK corridor remains the leading conduit for cross-border M&A.

A • INBOUND U.S. ACTIVITY (FOREIGN BUYERS INTO THE U.S.)

- **Total Value:** \$57.6 Billion (+213.5% MoM).
- **Top Origin Country (Value):** United Kingdom (\$13.92 billion), followed by Germany (\$11.51 billion).
- **Top Origin Country (Count):** Canada (28 deals), followed by the United Kingdom (20 deals).

B • OUTBOUND U.S. ACTIVITY (U.S. BUYERS GOING ABROAD)

- **Total Value:** \$69.6 Billion (+115.0% MoM).
- **Top Destination (Value & Count):** United Kingdom (\$31.00 billion across 36 deals).

GEOGRAPHIC VALUE DISTRIBUTION • OUTBOUND U.S. • JUNE 2026

DESTINATION	DEAL VALUE (USD BILLION)	% OF TOTAL OUTBOUND
United Kingdom	\$31.00	44.5%
Japan	\$12.41	17.8%
South Africa	\$6.61	9.5%
Australia	\$6.28	9.0%
Others	\$13.30	19.1%

Sectoral Concentration & Leadership


\$133.48B

 COMPUTERS &
ELECTRONICS

\$66.82B

HEALTHCARE

\$23.01B

 CONSTRUCTION /
BUILDING

\$12.31B

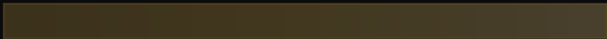
 LEISURE &
RECREATION

INSIGHT Technology assets account for nearly half of all domestic deal capital.

U.S. SECTORAL PERFORMANCE MATRIX • JUNE 2026

INDUSTRY SECTOR	DEAL VALUE (USD BILLIONS)	MOM VALUE CHANGE	DEAL COUNT	MOM COUNT CHANGE
Computers & Electronics	\$133.48	-17.1%	312	+25.8%
Healthcare	\$66.82	+248.1%	118	+19.2%
Construction/Building	\$23.01	+382.3%	72	-20.0%
Leisure & Recreation	\$12.31	-47.0%	—	—
Telecommunications	\$8.29	+528.4%	—	—
Professional Services	—	—	138	+4.5%
Finance	—	—	61	-16.4%

JUNE 2026 SECTOR VALUES • U.S. DEAL VALUE

Computers & Electronics		\$133.48B
Healthcare		\$66.82B
Construction / Building		\$23.01B
Leisure & Recreation		\$12.31B
Telecommunications		\$8.29B

LTM SECTORAL LEADERSHIP • JULY 2025 - JUNE 2026

INDUSTRY SECTOR	LTM TOTAL VALUE (BILLIONS)	LTM TOTAL COUNT
Computers & Electronics	\$1,013.27	3,574
Healthcare	\$427.32	1,341
Utility & Energy	\$318.08	—
Professional Services	—	1,711
Telecommunications	\$207.96	—
Construction/Building	—	942
Finance	\$164.86	888

INDUSTRY CONCENTRATION INDEX

CATEGORY	HIGH VOLUME LEADER	HIGH VALUE LEADER
Monthly (June '26)	Computers & Electronics (312 deals)	Computers & Electronics (\$133.5B)
LTM Average	Computers & Electronics (3,574 deals)	Computers & Electronics (\$1,013.3B)

The Mechanics of Deal Certainty



Consideration Mix: The Liquidity Indicator

Cash-only structures remained the leading choice of consideration in June 2026 public mergers, representing 62.6% of deals (compared to 60.0% over the LTM).

62.6%

CASH ONLY

23.5%

STOCK ONLY

9.1%

CASH & STOCK

4.8%

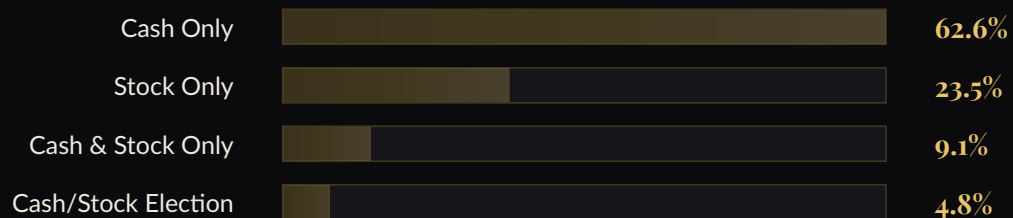
 CASH / STOCK
ELECTION

INSIGHT Sellers continue to prioritize cash certainty over equity upside.

U.S. PUBLIC MERGER CONSIDERATION BREAKDOWN

CONSIDERATION TYPE	JUNE 2026 %	LTM AVERAGE %
Cash Only	62.6%	60.0%
Stock Only	23.5%	13.3%
Cash & Stock Only	9.1%	6.7%
Cash/Stock Election	4.8%	20.0%

CONSIDERATION MIX • JUNE 2026 PUBLIC MERGERS



Termination & Risk Allocation: The Buyer's Cost of Commitment

Reverse break fees dropped in June compared to historical averages. The average reverse break fee across all mergers was 5.1% in June 2026, below the LTM average of 5.7%. Financial buyers agreed to higher reverse break fees (5.7%) than strategic buyers (5.0%).

RISK ALLOCATION & PROVISIONS MATRIX · JUNE 2026 VS. LTM

METRIC	JUNE 2026	LTM AVERAGE
Target Break Fee (All Mergers)	3.7%	3.6%
Reverse Break Fee (All Mergers)	5.1%	5.7%
Reverse Break Fee (Financial Buyers)	5.7%	6.4%
Reverse Break Fee (Strategic Buyers)	5.0%	5.4%
% of Mergers with Go-Shops	0.0%	3.9%
Go-Shop Window (Days – All Mergers)	N/A	35.7

Valuation & Hostility Metrics



Offer Premia & Hostility Rates

The unaffected premium in June 2026 averaged 35.4%, down from the LTM average of 42.9%. Hostile and unsolicited offers accounted for only 6.3% of U.S. public deals, well below the 13.9% LTM baseline. Tender offers comprised 13.3% of public mergers in June (versus 12.8% LTM).

35.4%

 UNAFFECTED
PREMIUM • JUNE

42.9%

 UNAFFECTED
PREMIUM • LTM

6.3%

HOSTILE RATE • JUNE

13.9%

HOSTILE RATE • LTM

INSIGHT A low hostility environment paired with moderated premia indicates a highly negotiated, friendly deal-making landscape.

VALUATION & GOVERNANCE METRICS

METRIC	JUNE 2026	LTM AVERAGE
Average Unaffected Premium	35.4%	42.9%
Hostile / Unsolicited Offers (%)	6.3%	13.9%
Tender Offers (%)	13.3%	12.8%

Final Quantitative Thesis

August 2026



The August 2026 transaction environment demonstrates that sustainable value creation in high-uncertainty markets depends directly on programmatic structural discipline rather than expansionary multiples. Across complex M&A, restructuring, and capital reallocation strategies, market participants who optimize tax-deferred reorganizations, rigorously apply common control accounting standards, and ring-fence liabilities via targeted tax deeds achieve significantly higher risk-adjusted returns.

Furthermore, as activist interventions and hostile consolidations accelerate, the integration of structured earnouts and Contingent Value Rights (CVRs) serves as the primary mechanism to resolve persistent bid-ask spreads. Ultimately, quantitative success in the current environment is defined by balance sheet resilience, strict debt covenant compliance, and the disciplined execution of risk-mitigated transaction architecture. ✦



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Advice and consultation — public or private companies.

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U.S. MERGERS & ACQUISITIONS MONTHLY REVIEW · AUGUST 2026

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