

M&A Fee Guide 2018-2019

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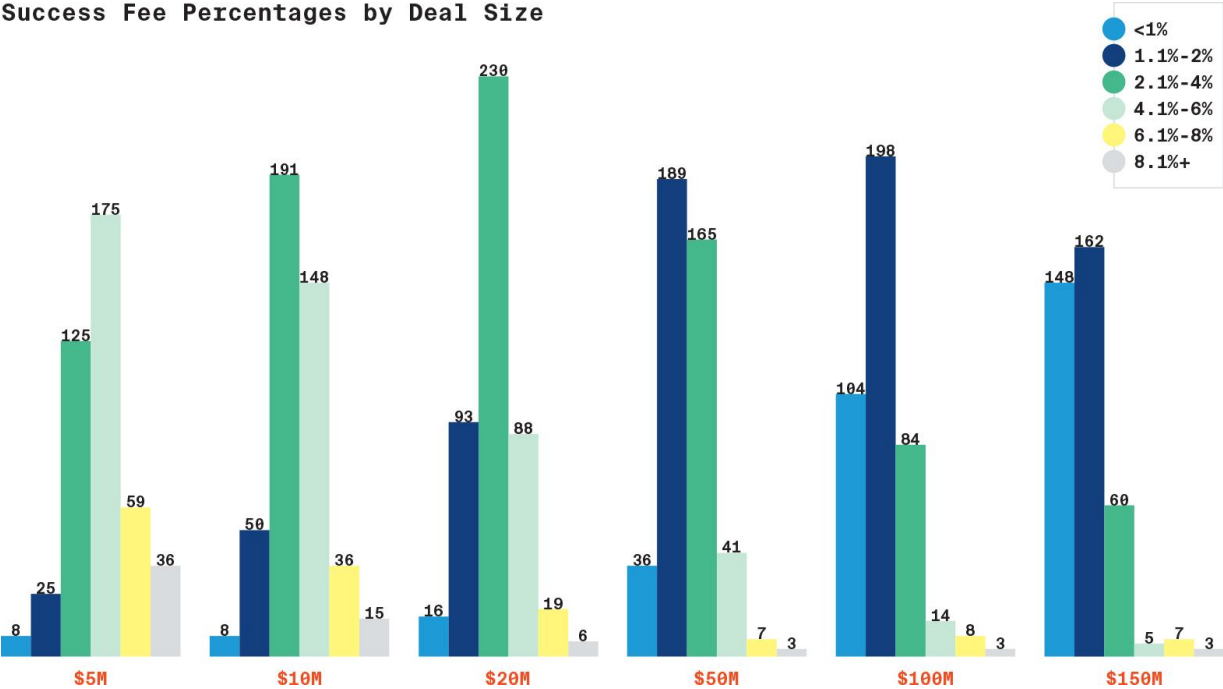
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New Research on M&A Advisory Fees

Ever wondered how other M&A advisory firms in your city or region are structuring their fees? The third annual M&A Fee Guide conducted by Firmex and Divestopedia has the answers. With data collected from over 480 investment bankers and advisors worldwide, this comprehensive report provides a global perspective on average fee structures, what is being charged and why.

Inside, you'll find valuable data and insights including average M&A fees by region and major city, deal flow and minimum transaction value, success fee structures & fee percentage by deal size. Contributors from **BDO** and **Dentons** weigh in on the key findings in the report.

Success Fee Percentages by Deal Size



Key Findings in the Report:

The latest data shows that M&A success fees vary notably by region and major city centers. Given these significant regional differences, M&A advisors should 'think locally' when assessing their fees and not rely exclusively on national averages.

This year’s report digs deeper into engagement terms in M&A sell-side assignments. 55% of the respondents indicated that their success fee is paid in full on closing, regardless of when the components of the purchase price are received by the vendor.

66% of our respondents indicated that it is more common to include success fee amounts up-front in the engagement letter. The majority of respondents — 61% — said it was not common practice to include a break fee in the engagement letter.

M&A advisors were asked how they are reimbursed for expenses. Only half of respondents indicated that they charge their clients for out-of-pocket expenses; 23% said they are reimbursed for the cost of a data room. This suggests that advisors are increasingly inclined to view these costs as “value adds” or strategic investments.

What factors are taken into consideration when proposing a success fee percentage for a sell-side engagement?



Where do M&A advisors add the most value in sell-side engagement?

29%	(306)	MANAGING SALE PROCESS
28%	(294)	NEGOTIATING THE DEAL
23%	(237)	SOURCING BUYERS
11%	(113)	LIMITING DISTRACTIONS TO THE OWNER/MANAGEMENT TEAM
8%	(88)	ESTABLISHING SELLER'S CREDIBILITY
1%	(15)	OTHER