

KEY INSIGHTS AND PERSPECTIVES FROM DLA PIPER'S 2025 M&A SUMMIT

Accelerating Ahead

PREPARING FOR THE REBOUND IN DEALMAKING

#1

Global M&A deal by count
for the last 15 years

Mergermarket
2010-2024



Introduction

Welcome to the second edition of the “DLA Piper M&A Summit Recap,” a summary of the themes and topics discussed at our annual M&A Summit held in New York on May 20, 2025. The event brought together more than 130 attendees to explore emerging trends as the M&A market prepares for a dealmaking rebound.

This year’s Summit programming featured two panels, each focused on a different aspect of the M&A landscape, including cross-border divestitures and global spin-offs and Delaware’s primacy as jurisdiction of choice.

The event also included discussions on US policies affecting M&A in the UK and Europe, executive compensation, and a conversation on the intersection of US national security and economic policy, emphasizing investment, policy stability and careful M&A execution for strategic industry growth.

This publication aims to capture the key takeaways from each panel and conversation as well as highlight best practices and practical tips for dealmakers in the current environment. We hope that you will find this summary informative and useful and that it will spark further dialogue and collaboration among members of the M&A community.

We would like to thank our DLA Piper contributors, panelists and attendees for making the second annual M&A Summit a success. We are grateful for your participation, engagement and feedback and we look forward to seeing you at our next event.



Fireside Chat with Lieutenant General David Bassett (Ret.)

This fireside chat **explores the evolving landscape of global mergers and acquisitions** against a backdrop of shifting geopolitical, technological, and regulatory dynamics. The discussion will address headwinds such as tariffs and increased regulatory scrutiny, assess how non-traditional defense companies are reshaping investment strategies, and examine the impact of record global defense spending on M&A.

MODERATOR

Ignacio E. Sanchez
Partner, DLA Piper

SPEAKERS

Lieutenant General
David Bassett (Ret.)
Senior Counselor,
The Cohen Group

Takeaways

1. US national security and economic policy are becoming increasingly intertwined. The federal government's effort to build a more resilient, self-reliant industrial base will require sustained investment, a cultural shift within the acquisition workforce, and policy stability to give industry the confidence to commit.
2. Buyers need to be cautious, especially with speculative growth assumptions in the current global environment. While investing in strategic industries – like quantum computing, defense manufacturing, and rare earth supply chains – may create longer-term opportunities for domestic M&A and investment, European defense spending projections may not materialize as expected.
3. Investors and dealmakers in the emerging defense space should expect a shakeout with few viable winners. Entrants are disrupting traditional models by self-funding development and pursuing higher commercial-style margins – it remains uncertain whether they can achieve long-term financial sustainability.
4. A disciplined approach can strengthen M&A execution by helping dealmakers identify and stress test the foundational assumptions behind a transaction. Keeping an open mind and challenging assumptions throughout the process is essential to navigating uncertainty and avoiding costly missteps.



“There’s a tendency toward wishful thinking – you imagine the transaction is done, all your assumptions held, and everyone made money. Then you work backwards and ask, ‘What do we have to do to make that true?’ But there’s got to be some room for failure-oriented thinking. Ask yourself: two years from now, if this deal is a total bust – what happened? What assumption did I make that turned out to be false, or was never true to begin with? And what can I do now to mitigate that risk?”

— Lieutenant General David Bassett (Ret.),
Senior Counselor, The Cohen Group

High Stakes Issues (and Possibly Pitfalls!) when Navigating Executive Compensation

This session focused on key tax considerations that can affect **deal negotiations and the closing of successful transactions**. The speakers provided an overview of golden parachute payments, nonqualified deferred compensation tax arrangements, and integration considerations, and offered practical tips to avoid pitfalls given recent changes in M&A activity and market trends.

SPEAKERS

Rita Patel

Partner, Chair, US Employee Benefits and Executive Compensation Practice; Co-Chair, Transactions Specialists Practice, DLA Piper

Keith Ranta

Partner, DLA Piper

Takeaways

- An individual may be subject to a 20-percent excise tax on “excess parachute payments” made in connection with the sale of a company but there are ways both private companies and public companies can either avoid or reduce the tax. Early planning is key.
- Section 409A of the Internal Revenue Code can require immediate taxation and additional income taxes. Importantly, Section 409A does not apply only to executives; it can apply to any service provider, including executives, directors, employees, and consultants and it potentially applies to any right in one year to receive a compensatory payment in a future year.
- The scope payments that are potentially subject to Section 409A sometimes arise in connection with the sale of a company, including change in control bonus plans, retention arrangements, and severance amounts. It is important to consider the effect of Section 409A in a sale transaction and reviewing payments to management teams and all employees to make sure they do not run afoul of these rules.
- Post-closing employee retention and integration is an important aspect of a transaction. Buyers should review and plan how they will incentivize key employees to continue with the company post closing.
- Which party in a company sale transaction bears the cost of compensation arrangements, such as severance, will often be a highly negotiated term. If these issues are expected to arise in the course of a transaction, it is often helpful to negotiate the terms at the letter of intent stage of the transaction and avoid unnecessary closing delays.



“Regarding the potential excise tax applicable to parachute payments made in connection with the sale of a company under Section 280G of the Internal Revenue Code, we don’t have many emergencies in the executive comp world, but not socializing this issue with the management team early is one of them.”

— Rita Patel, Partner, DLA Piper

Execution Insights from Successful Cross-border Divestitures and Global Spin-offs

This panel brought together leading dealmakers and legal practitioners to share firsthand experiences and practical strategies. Panelists explored the complexities of executing divestitures and spin-offs across multiple jurisdictions, highlighting lessons learned from recent high profile transactions. The discussion addressed critical topics such as **regulatory compliance, risk mitigation, stakeholder management, and operational continuity**. Attendees gained actionable insights into overcoming cultural, legal, and financial challenges unique to cross-border transactions.

MODERATOR

Poonam Kumar
Partner, DLA Piper

SPEAKERS

Saswat Bohidar
Associate General Counsel,
Corporate Transactions Group,
Hewlett Packard Enterprise

George Kellerman
Vice President of Investments &
Acquisitions, Woven by Toyota

Victoria Vron
Associate General Counsel
& Corporate Secretary Legal
Operations, Commercial &
Corporate Law, GEICO

Takeaways

1. The key strategic drivers for spin-offs and carveouts include disposal of a non-core but valuable asset, and potential value of the standalone or spun-off business.
2. Stakeholder alignment and engagement is critical, particularly in middle-market transactions where resource allocation may be scarce. It is central to communicate the value and impact of the proposed transaction so the internal legal team can get you the right support.
3. For successful execution of global divestitures, selecting the right advisors is absolutely crucial – choosing those with a global presence and cross-border experience is imperative.
4. In the weeks before signing, it is easy to overlook communications planning in favor of negotiating deal terms but strong and proactive communications must be ready to go before a deal is announced. With any kind of divestiture and spin-off announcement, consider announcing incentive or retention programs for employees to manage talent retention challenges.
5. Early planning is key to successful execution. It will allow you to anticipate and pivot fast in the face of cross-border challenges, evolving geopolitics and volatility in the markets. In cross-border multijurisdictional transactions, the best thing you can do is to engage outside counsel with a global reach.



“If you’re doing a cross-border, multi-jurisdictional divestiture, the best thing you can do for yourself is get outside counsel with a global reach.”

— Saswat Bohidar, Associate General Counsel,
Corporate Transactions Group, Hewlett Packard
Enterprise

Impact of US Policies and Markets on M&A in the UK and Europe

This session considered how positivity at the start of the year has faded, **the effects of recent developments on the market** and the outlook for H2 2025.

SPEAKERS

Rob Salter
Partner, Global Co-Chair,
Mergers and Acquisitions,
DLA Piper

Takeaways



Transatlantic M&A appeared to be on course for steadier waters in 2025; however, that initial optimism has faded.



Companies have put investors on notice of the more challenging business conditions.



In the short term, heightened market volatility is expected, resulting in uncertainty.



In the medium term, uncertainty will continue to undermine dealmaking sentiment and impede M&A activity. Tariffs could squeeze margins for companies resulting in lower valuations, which could lead to increased popularity of take-privates.



In the longer term, inflation, recessions, and lower M&A activity are all possible. We could also see a potential shift in allegiances on the global scene.



“While uncertainty continues to undermine dealmaking sentiment and impede M&A activity, recent trade talks between the US and China are fostering renewed optimism for the global economy. This could potentially accelerate M&A, bringing businesses back to the negotiating table.”

— Rob Salter, Global Co-Chair, M&A



What's Happening in Wilmington? Is Delaware's Primacy as Jurisdiction of Choice Slipping Away?

This panel looked at the recent trend of high-profile corporations leaving Delaware – a phenomenon referred to as “DExit.” Panelists explored the underlying factors that have led to these reincorporations, assessed whether Delaware’s traditional advantages for businesses continue to hold, and **discussed the impact of recent amendments to the Delaware General Corporation Law**. The session, which included a former Chief Justice of the Delaware Supreme Court, also compared Delaware’s current standing as a preferred jurisdiction for incorporation with that of other states.

MODERATOR

John Reed
Partner, DLA Piper

SPEAKERS

Steven M. Cohen
Founding Member,
Blue Raven LLP

Robert T. Miller
F. Arnold Daum Chair in
Corporate Finance and Law,
University of Iowa

The Honorable Myron T. Steele
Former Chief Justice, Delaware
Supreme Court

Takeaways

- 1. Recent departures and uncertainty in Delaware.** Several high-profile corporations have recently reincorporated out of Delaware in what has come to be known as “DExit,” due to a claimed increased uncertainty that has disrupted the state’s traditional predictability following court decisions. Are the claimed concerns justified?
- 2. Cause of DExit.** Debate continues over whether the cause of DExit is a series of recent decisions and a change in judicial philosophy, or whether there are other factors at play that have developed over time and may be difficult to control.
- 3. Recent legislative response and ongoing concerns.** Delaware passed new legislation to bring more clarity to issues related to transactions involving corporations that have controlling stockholders and to address perceived abuses related to stockholder books and records demands. Was such legislation necessary? Has it resolved the claimed problems, or is it just a temporary and/or partial fix? Is more required, and if so, what?



“If I’m advising people who are dealing with a complicated world and complicated issues as to where to incorporate, it is hard to ever recommend anywhere but Delaware. I’ve come close a couple of times, but there’s a certain reality and the reality is Delaware. Except in some extraordinarily rare cases and for specific reasons, Delaware is best in class...”

— Steven M. Cohen, Founding Member, Blue Raven LLP

Takeaways

4. **Delaware's unique structural advantages.** Delaware has historically been attractive due to unique features: appointed and confirmed judges rather than elected; no intermediate appellate court; a court system that is generally insulated from politics, especially local politics; and a specialized business court with a sophisticated judiciary that moves at "the speed of business." If not the friend it used to be, is Delaware still the best friend Corporate America has?
5. **Evaluating Delaware's position relative to other jurisdictions.** Despite recent challenges, do Delaware's strengths and reforms still make it the top choice for incorporation? What do competing states offer, and are they fraught with more uncertainty and substantial risks?





About us

DLA Piper is a global law firm with lawyers located in more than 40 countries throughout the Americas, Europe, the Middle East, Africa, and Asia Pacific, positioning us to help companies with their legal needs around the world.

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