



Private Markets Due Diligence Places Outsized Demands on Dealmakers

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Extensive study by SS&C Intralinks, Bayes Business School and Mergermarket examines how due diligence has changed in the last decade

WINDSOR, Conn., Aug. 15, 2024 /PRNewswire/ -- [SS&C Technologies Holdings, Inc.](#) (Nasdaq: SSNC) today announced the publication of the SS&C Intralinks [How Deal Terms Impact Due Diligence report](#). The [M&A Research Centre](#) at Bayes Business School (formerly Cass) analyzed more than 900 global M&A transactions announced between 2013 and 2023, drawing on data from SS&C Intralinks' proprietary database. The study found a private target's average due diligence period is nearly twice as long as a public acquisition's. Moreover, private deals require nearly twice as much documentation and collaboration.



Due diligence length and complexity doubles for private targets vs. public ones.

"Dealmakers continue to pursue multiple opportunities in private markets, but the environment for fundraising and deploying capital is challenging," said Ken Bisconti, Co-Head of SS&C Intralinks. "Due diligence periods have gotten longer, and the process has gotten more complex, often requiring more documentation. This research confirms

the growing importance of Virtual Data Rooms and other digital spaces for managing due diligence processes efficiently and effectively."

Key findings from the [report](#) include:

- The average due diligence period, from VDR opening to the public announcement of a deal, takes 234 days for a private target versus 125 days for a public one. In the last decade, the pre-announcement due diligence period has stretched to 203 days from 124 days in 2014.
- On average, private targets upload 7,583 files to a VDR versus 4,896 documents for a public deal. For medium-sized deals – most prevalent in the market today – the number of files uploaded goes up to over 8,000.
- More people are involved in due diligence for private deals, with an average number of 271 VDR users collaborating versus 195 users for a public target.

The [research](#) also found medium-length due diligence tends to produce the best outcomes:

- Deals with medium-length due diligence periods of around 139 days are more likely to be completed. Such deals are likely to take 104 days from start to finish.
- Buyers are less likely to pay a premium on medium-length due diligence deals, with the price moving about 22% during such reviews. The average price appreciation following short and long due diligence periods is 30% and 33%, respectively.
- Deals with medium-length due diligence periods produce the best total shareholder returns of up to 4%, while short or lengthy due diligence periods often result in adverse outcomes.

Learn more about how deal terms impact due diligence [here](#) and read more about due diligence dynamics [here](#).

SS&C Intralinks is a pioneer of the virtual data room, delivering software-enabled services across the entire deal lifecycle, including deal marketing, deal prep, due diligence, insights and post-merger integration. Intralinks technology enables and secures the flow of information by facilitating M&A, [capital raising](#) and [investor reporting](#). SS&C Intralinks has executed more than USD 35 trillion worth of financial transactions on its platform.

About SS&C Technologies

SS&C is a global provider of services and software for the financial services and healthcare industries. Founded in 1986, SS&C is headquartered in Windsor, Connecticut, and has offices around the world. Some 20,000 financial services and healthcare organizations, from the world's largest companies to small and mid-market firms, rely on SS&C for expertise, scale and technology.

Additional information about SS&C (Nasdaq: SSNC) is available at www.ssctech.com.

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About M&A Research Centre

The [M&A Research Centre](#) at Bayes, which was founded in 2008, is the only research centre at any major business school focused on both the research and practice of mergers & acquisitions. Bayes Business School is part of City St George's, University of London, and is based in London's historic financial district. Contact: BayesMARC@city.ac.uk

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