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M&A in St. Louis dips a bit, clear skies ahead

By [Greg Edwards](#) – Reporter, St. Louis Business Journal

Though mergers and acquisitions involving St. Louis-based companies declined slightly in 2017, the market is robust.

Sixty-nine local businesses were sold in 2017, compared with 73 in 2016, and 113 companies were acquired, compared with 116 in 2016, according to The Fortune Group, an M&A advisory firm.

“2017 was another good year for M&A both locally and nationally, and the outlook for 2018 remains strong,” said [John Hull](#), Fortune managing director.



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The Fortune Group's John Hull said the market for mergers and acquisitions should remain strong in 2018.

Notable sales that closed during the second half of 2017 included [Panera Bread Co.](#) to JAB Holding in a \$7.5 billion deal, American Rail Car Leasing to [SMBC Rail Services](#) in a \$3.4 billion deal, the former Spartech Corp. to [Arsenal Capital Partners](#) for \$115 million, LMI Aerospace to Sonaca Group for \$190 million, and [Leehar Distributors](#) to Diplomat Pharmacy Inc. for \$515 million.

St. Louis-based acquirers included Baldwin Technology Co. Inc., a subsidiary of Barry-Wehmler; HBM Holdings; and Manna Pro Products.

“As M&A sell-side specialists, The Fortune Group expects both strategic and private equity buyers to continue aggressively pursuing quality opportunities in 2018,” Hull said. “The recent cut in federal corporate tax rates should have a positive impact on M&A volume and support current valuation levels.”

Globally, deal values totaled \$3.15 trillion, down 3.2 percent from 2016. It was the fourth consecutive year of more than \$3 trillion, [Mergermarket reported](#). In North America, M&A totaled \$1.36 trillion, down 13.4 percent from 2016.

Recent court decisions in Delaware, where most American companies are incorporated, have made lawsuits that challenge M&A deals more difficult to bring and win. “The rulings have largely eliminated the nuisance lawsuits that used to plague M&A, where companies were targeted the moment they announced a deal by attorneys claiming the price was too low,” the Financial Times reported.