

Market Insights: A Survey on M&A Disputes

Wednesday, May 20, 2026



Today's Webinar Speakers

Charles Blank

Managing Director,
Disputes Leader



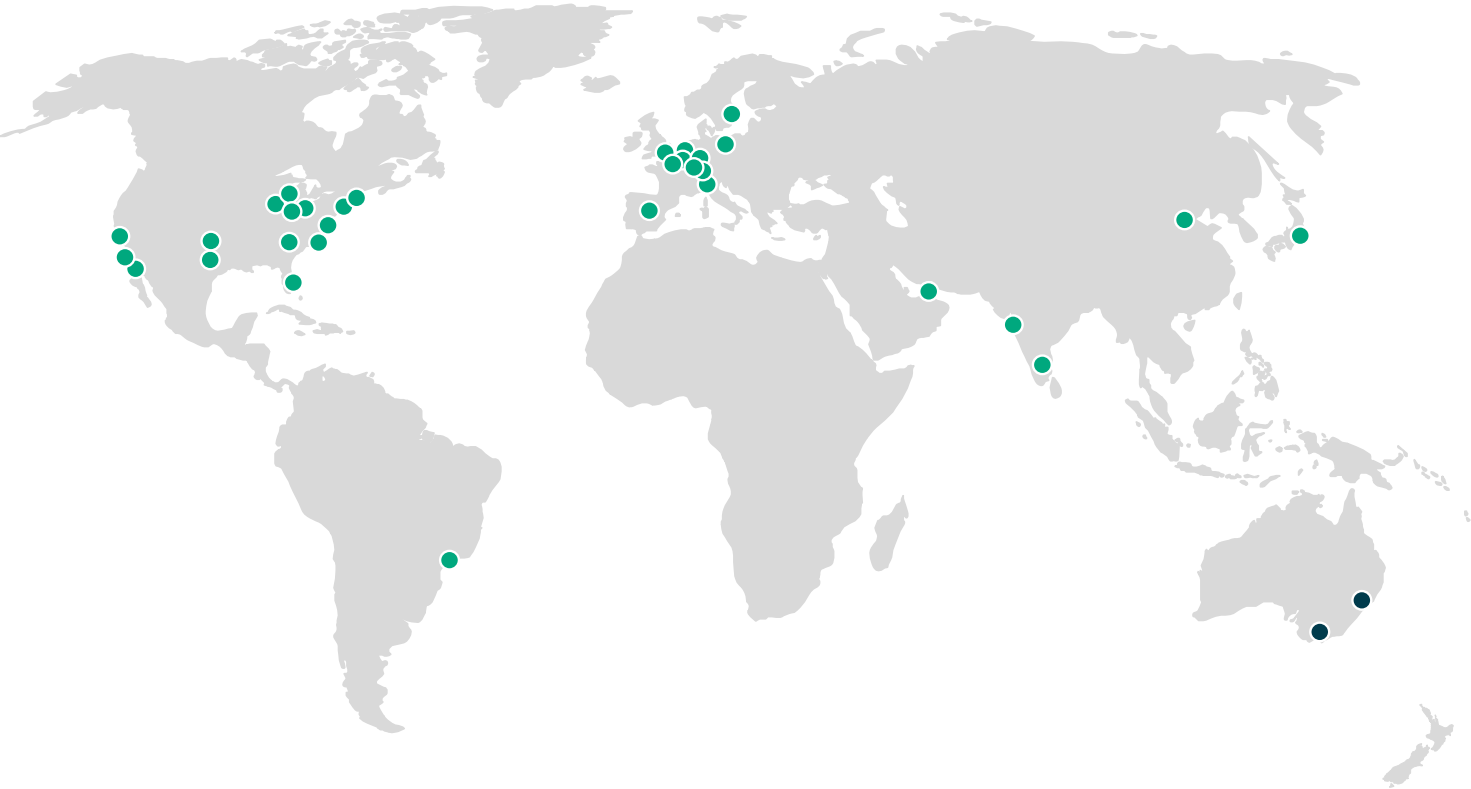
Tom Cassidy

Vice President,
Disputes



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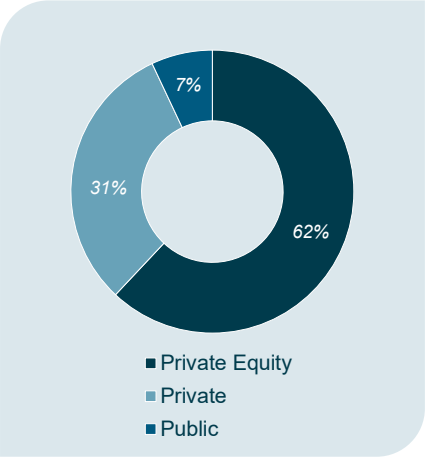


~675 bankers in Americas

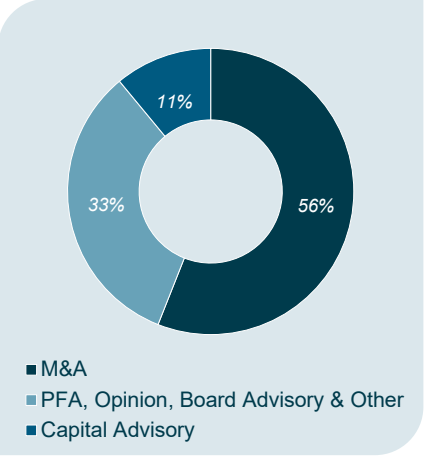
~340 bankers in Europe

~100 bankers in APAC

2025 Client Type; All Transactions



2025 Transaction Type; All Transactions



2025 Summary

435+ completed assignments worldwide

62% of M&A deals to strategic acquirers

36% of M&A transactions were cross-border



Agenda

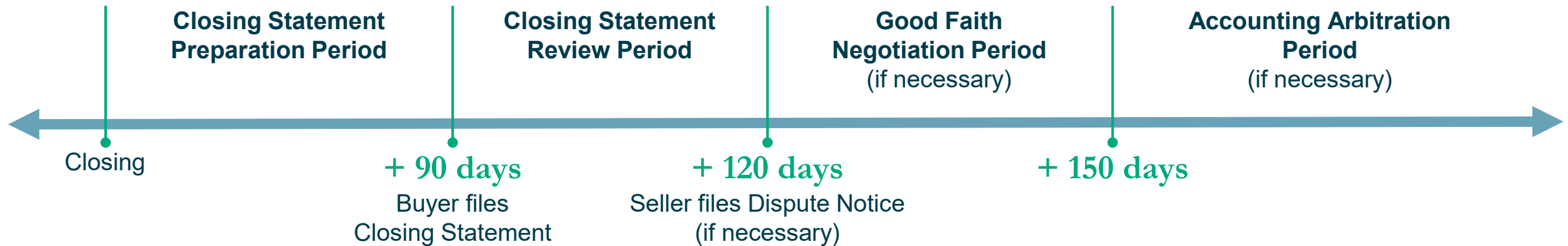
- 1 Closing Statements are Increasingly Contested
- 2 Experience Appears to Influence RWI Claim Outcomes
- 3 Neutral Accountants are Infrequently Used but Viewed as Effective
- 4 Differences Between Target and Closing NWC are Often Operational, not Accounting-driven



Closing Statements are Increasingly Contested

Section 1

Illustrative Post-Closing Purchase Price Adjustment Process*



* Illustrative process assumes that buyer prepares and seller reviews the Closing Statement

Value-maximization Strategies Influence Buyer's Closing Statements

~60%

described that, as a buyer, they incorporate some degree of value-maximization into closing statement preparation

52%

of buyers strike a balance between value-maximization and consistency with the target's historical accounting treatments

8%

...with 8% primarily focused on value maximization.

40%

of buyers primarily focus on consistency with the target's historical accounting treatments.

Sellers Respond to Value-max with Increased Closing Statement Scrutiny

Increased modestly

39%

Increased significantly

25%

Remained the same

36%

~64%

reported increased
seller scrutiny of
closing statements

Increased Scrutiny Associated with Neutral Accountant Escalation

47%

Respondents who reported *significantly* increased sell-side closing statement scrutiny also reported escalation at least occasionally.

31%

Reporting *modest* change in seller scrutiny

15%

Reporting *no meaningful* change in seller scrutiny

“Occasional” escalation rate drops to roughly **31%** and **15%** among sellers reporting *modest* or *no meaningful change*, respectively

Experience Appears to Influence RWI Claim Outcomes

Section 2

RWI Recovery Outcomes Vary

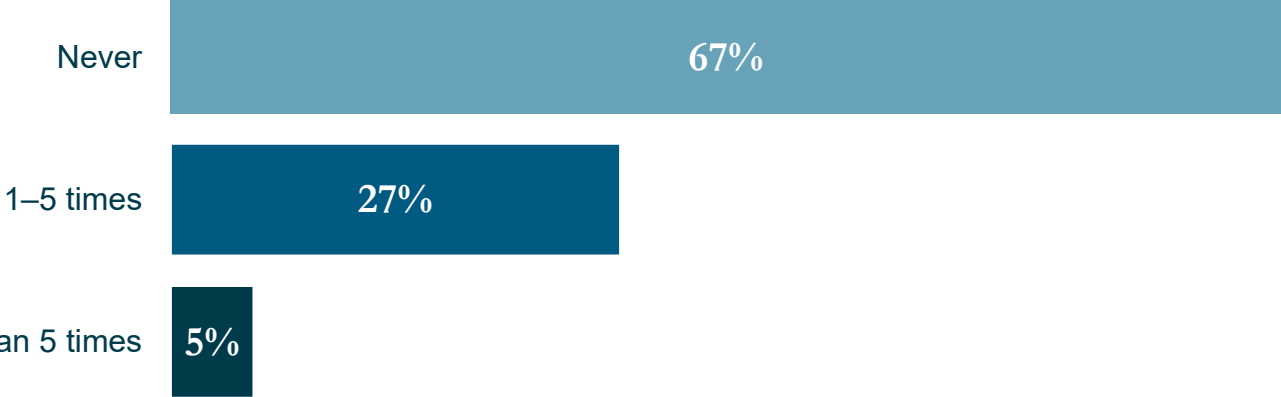
~33%
of respondents have pursued accounting issues through RWI at least once



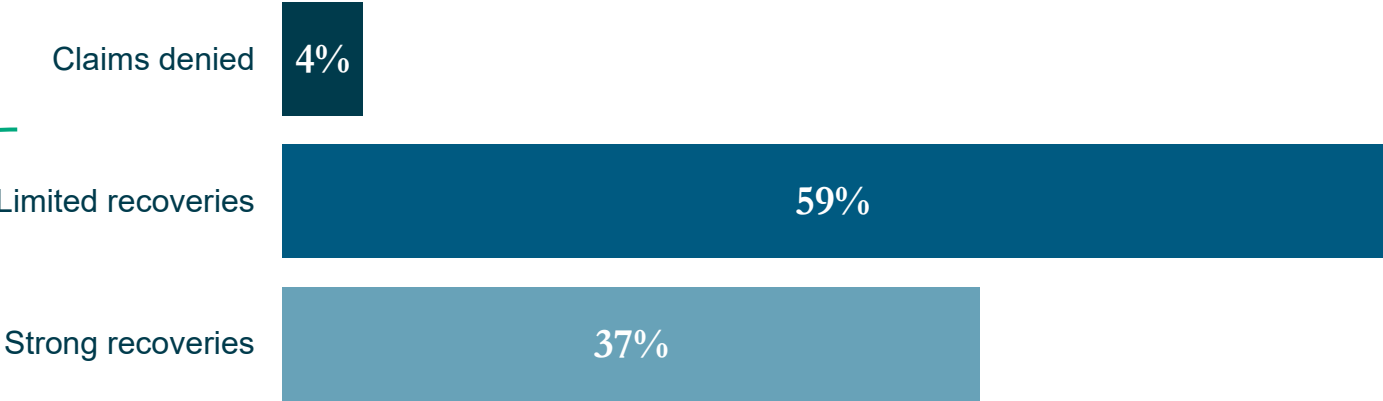
~96%
of those respondents report some level of recovery



Experience in RWI Claims Among Respondents



RWI Outcomes



“Strong” Recoveries Reported More Often by More Experienced Participants

27%

Of respondents had
1-5 RWI claims

OF THOSE

31%

Reported a
“strong” recovery

5%

Of respondents had
+5 RWI claims

OF THOSE

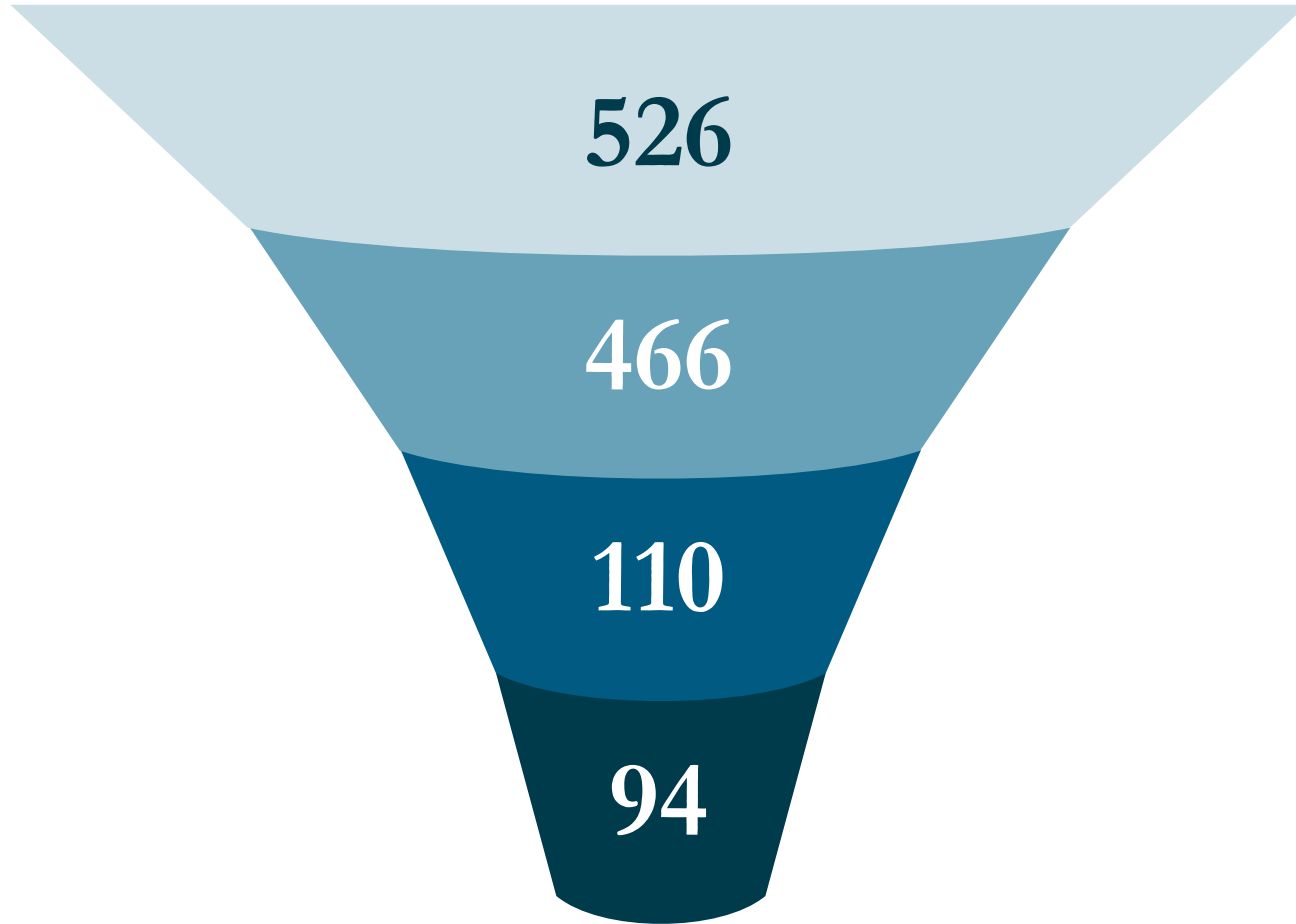
70%

Reported a
“strong” recovery

Neutral Accountants are Infrequently Used but Viewed as Effective

Section 3

Neutral Accountant Process is Viewed as Effective Across Experience Levels



Total Respondents

~89% have experience in post-close M&A accounting disputes involving working capital or earnouts

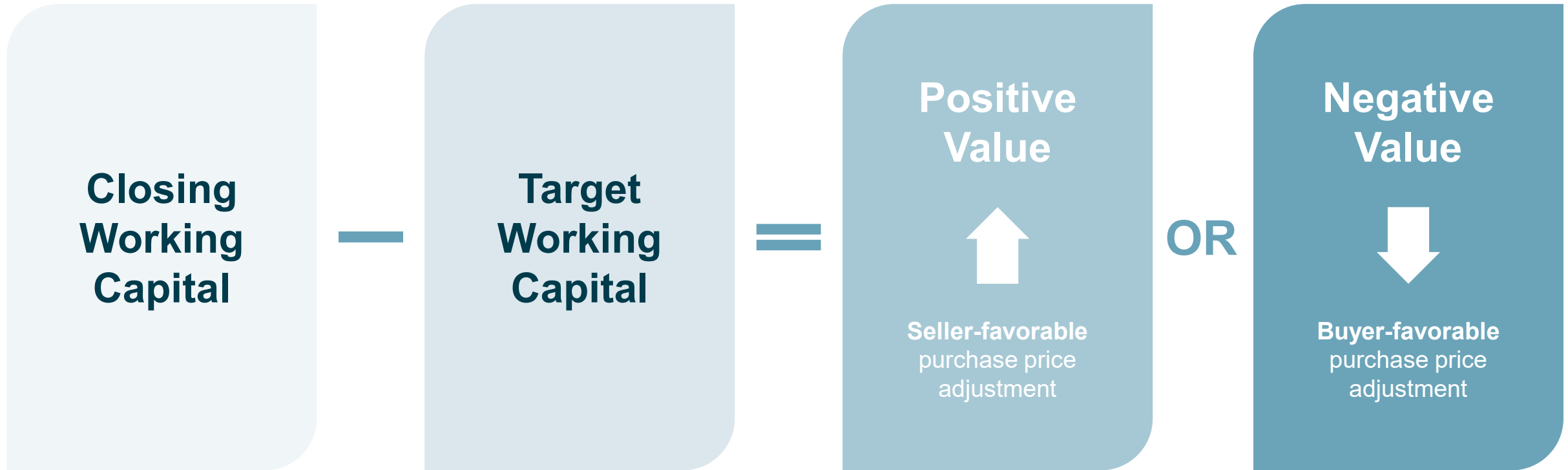
~24% have escalated those disputes to a neutral accountant at least once every 2 years

~85% of these respondents rate the process as effective

**Differences Between Target and
Closing NWC are Often Operational,
not Accounting-driven**

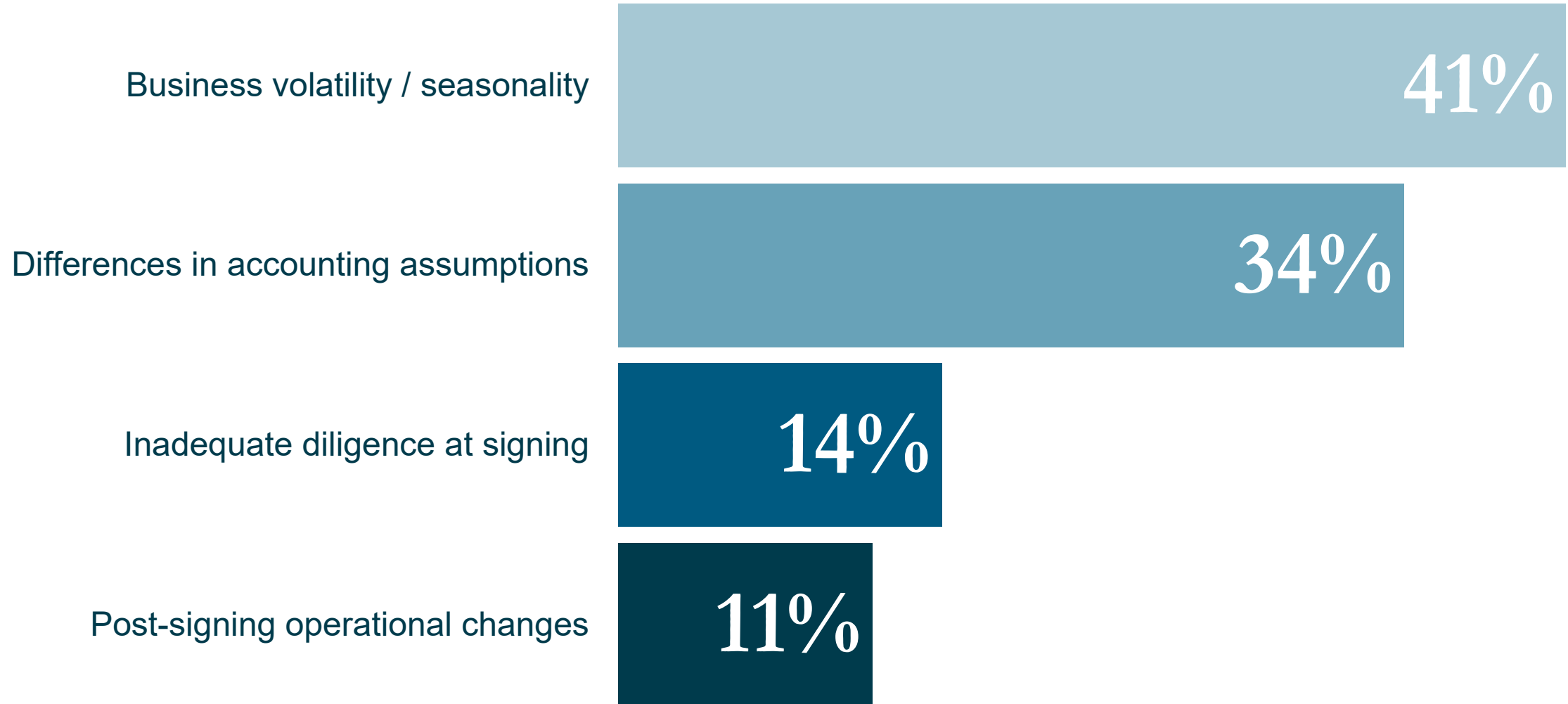
Section 4

The Tension Between Target and Closing Working Capital



Many disputes start with a mismatch between **how the target working capital was set** and **how closing working capital is calculated under the purchase agreement.**

What Actually Drives Differences from Target to Closing Working Capital



Big Picture

1

Disputes are increasing
with additional scrutiny
by sellers

2

RWI recovery depends
on preparation
and documentation

3

Neutral accountant
process is effective
when used

4

Deliberate alignment
of target and closing
working capital can help
avoid surprises



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Thank You!