

Goldman Sachs
"The Insight"
"Russ Hutchinson"
Final Transcript

Opening Teaser

RUSS: I don't agree with the view that we need to see rates come down before there's a resurgence in M and A activity.

Open on Russ sitting with a slate in his hand.

(Russ :07)

RUSS: Hi, I'm Russ Hutchinson, and this is the Insight.

He clicks the slate down.

:12

RUSS: Some actors in the media have crafted an extreme narrative portraying 2022 as the worst year in M and A. I think that's a shortsighted view.

:21

2021 was an outstanding year in m and a, and that shouldn't serve as the anchor. In fact, I think we have to look at 2022 and the future for m and a, uh, in a broader context. 2022 was actually a year that was very much on par with the five and 10 year averages for m and a activity.

:39

RUSS: The second half of 2022 was weak for deal making with macroeconomic confidence and financing market access under heavy pressure.

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RUSS: But we still saw pockets of activity within the natural resources and industrial sector.

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RUSS: In fact, I think the real threat to the resurgence in m and a activity is the potential for a loss in, in macroeconomic confidence..

1:01

For example, concerns around a potential recession. The path of inflation, the various geopolitical and political risks that are out there, in my view, present a more serious threat to m and a activity than the actual level of interest rates.

1:17

RUSS: Corporate trend towards portfolio simplification. Um, you know, the increasing presence of private equity and the, the levels of dry powder that they have on hand, um, activity levels among activist shareholders, all those factors are still in place.

1:31

RUSS: And that's really why we remain cautiously optimistic that we'll see a resurgence of M and A activity in 2023 as macroeconomic confidence improves.

BLOOPERS:

1:42

RUSS: Is there going to be theme song music?

Did you get enough bloopers, do you think?