

Houlihan Lokey

Spin-Off Transaction Study

Fall 2025



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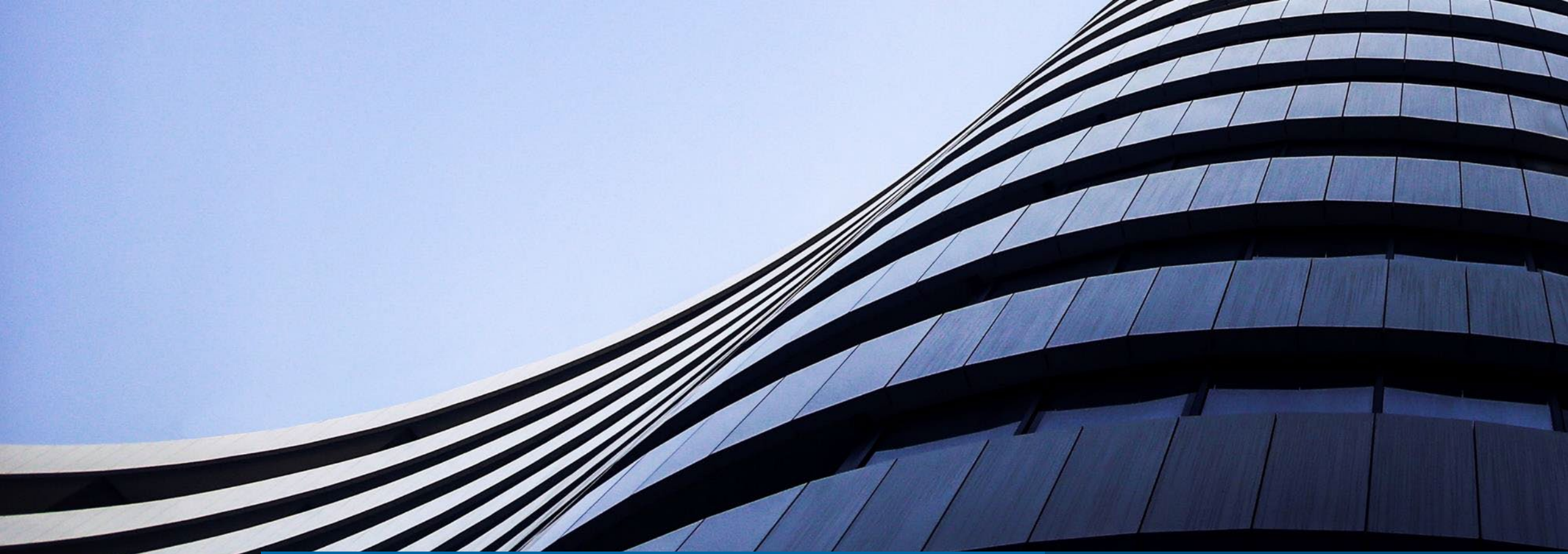
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Introduction

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Introduction

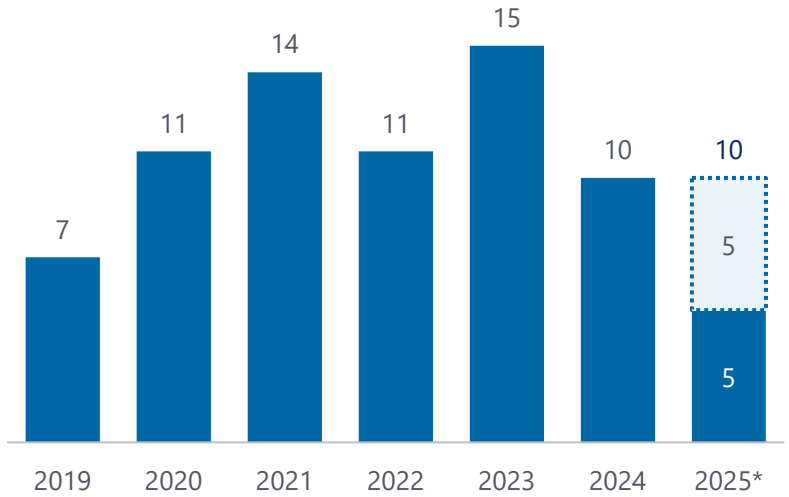
Spin-off activity has continued momentum into 2025 as corporate management teams and boards of directors seek to unlock value for shareholders through the separation of their businesses. In this 2025 Spin-Off Transaction Study (the "Study"), we have examined 73 spin-off transactions that closed between January 2019 and June 2025 (the "Study Period").

A spin-off transaction involves a corporation (the "Parent") separating a business unit or controlled subsidiary into a separate, independent company ("SpinCo"). Typically, a Parent will distribute its ownership interest in SpinCo to its stockholders on a pro rata basis. Following the completion of the spin-off, we refer to Parent as "RemainCo."

Contents of Study

01	• Transaction Characteristics o Transaction Rationale o Transaction Structure o Tax Implications o Parent's Financial Profile o Stockholder Profile o Transaction Timing and Terms
02	• SpinCo and RemainCo Financial Profile o Size, Growth, Margin, Leverage o Credit Ratings
03	• Share Price Performance of Parent, SpinCo, and RemainCo

Number of Spin-Offs Closed by Year



**Reflects annualized figure based on spin-offs completed year-to-date through 6/30/25.*
Note: Not exhaustive of all spin-off transactions. See following page for Study parameters.

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Study Parameters

The Study includes spin-off transactions consummated by publicly traded companies during the Study Period.

The Study excludes transactions with the following characteristics:

01	Parents that had their primary business operations outside of the U.S.
02	Parents with revenue under $500 million.
03	Transactions for which there was insufficient information regarding terms (generally, smaller transactions).
04	Transactions in which the spin-off was primarily of financial assets.
05	Reverse Morris Trust (RMT) transactions.[1]

(1) In an RMT transaction, following separation from its Parent, SpinCo is merged with a target company, creating a larger combined entity (NewCo). This transaction type is excluded in the Study, given lack of comparability between NewCo and its associated RemainCo and Parent.

The Study leveraged widely used transaction databases, including S&P Capital IQ (Capital IQ), as well as financial data sources, such as *Bloomberg*. A full transaction list can be found in the Appendix.



Summary Observations

Among the 73 Parents studied, many are large, mature companies with slow or negative growth but healthy margins. Management teams believe that divesting or separating business segments can unlock value by allowing the businesses to pursue separate, tailored strategies with enhanced focus.



Parent Companies Had…

- A median EV of ~$13.1 billion, median annual revenues of ~$5.3 billion, and median annual EBITDA of ~$1.0 billion.
- A median revenue and EBITDA growth of approximately -6% in the last 12 months leading up to the announcement of the spin-off (the "Announcement Date").
- 40% had positive revenue growth, and 44% had positive EBITDA growth.



Relative to Its Parent, the Median SpinCo Had…

- ~26% of its Parent's revenue and 32% of its Parent's EBITDA in the 12 months leading up to the effective date of the spin-off (the "Effective Date").
- ~2% lower EBITDA margin.
- ~20% of its Parent's pre-spin Market Cap 30 days after the Effective Date.



Relative to Their Parents, Prior to Their Spin-off, SpinCos Had…

- Lower revenue growth.
- Lower leverage.
- Lower credit rating.



Stock Performance

- On a combined basis, SpinCos and RemainCos slightly outperformed the S&P 500 when measured 30 days following the Effective Date.
- On a total stockholder return basis, over a five-year lookback period, RemainCos outperformed SpinCos.



Reverse Morris Trust Transactions

- During the Study Period, seven RMT transactions closed (Jacobs Solutions, Berry Global Group, Inc., 3M Company, AT&T Inc., Zurn Water Solutions Corporation, Pfizer Inc., and McKesson Corporation). The RMT transactions are excluded from the summary statistics. However, we note that on average, transactions involved Parents that were larger by enterprise value and revenue, but which exhibited lower growth.

Sources: Capital IQ and public filings.



Analysis

02



Analysis

Parent Company Snapshot

02.1

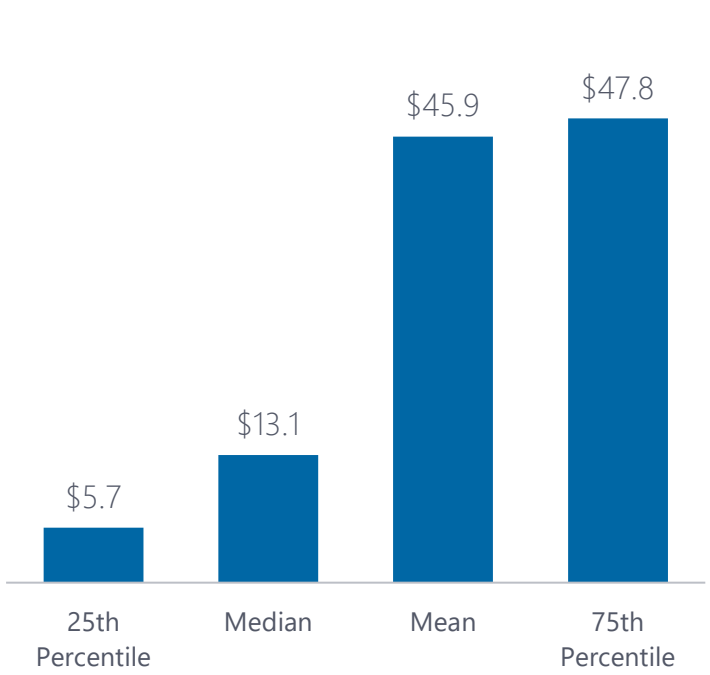
Parent Size

Prior to Announcement Date

Parents tend to be large, mature public companies with a median enterprise value of ~$13 billion and a median annual revenue of ~$5 billion prior to the announcement of a spin-off transaction.

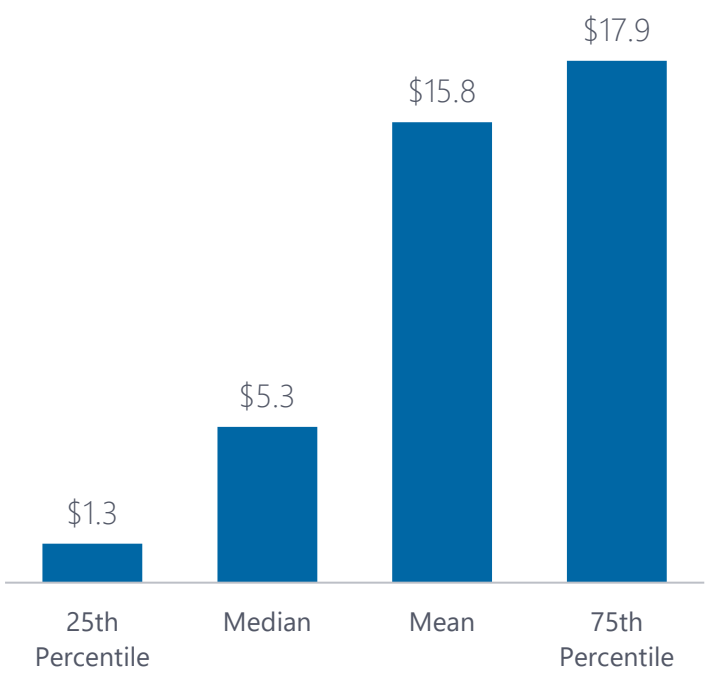
Enterprise Value

(Dollars in Billions)



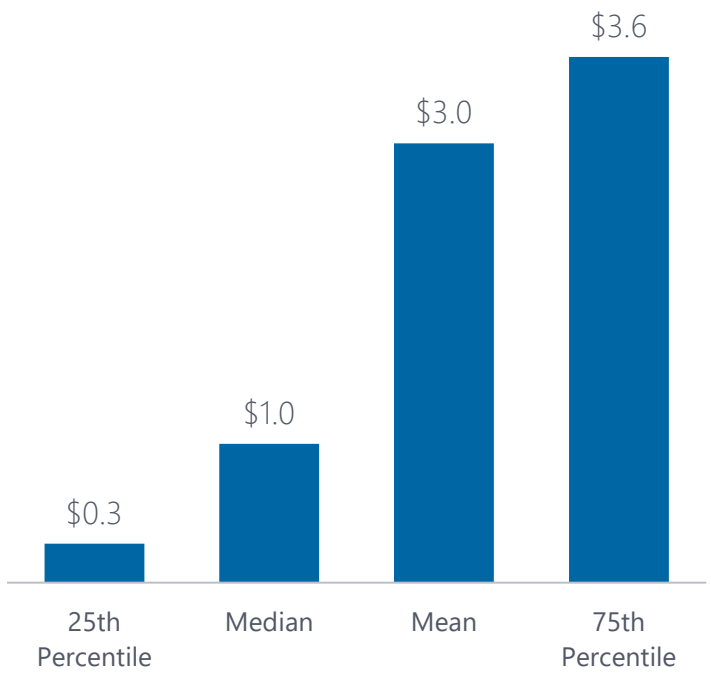
Total Revenue

(Dollars in Billions)



EBITDA

(Dollars in Billions)



Sources: Capital IQ and public filings.

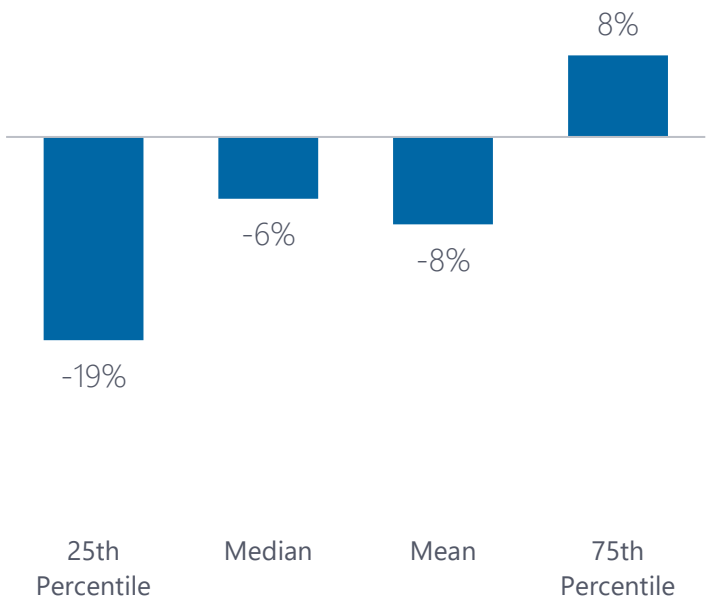
Parent Growth and Profitability

Prior to Announcement Date

The median Parent exhibited negative revenue and EBITDA growth during the year preceding the Announcement Date; however, Parents were generally profitable and had a median EBITDA margin of 17% during this same time.

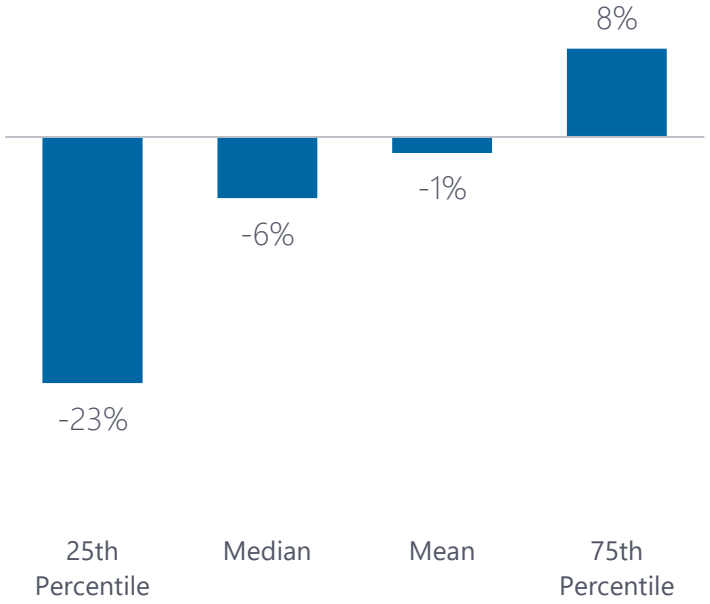
Total Revenue Growth

(LTM as of Announcement Date)



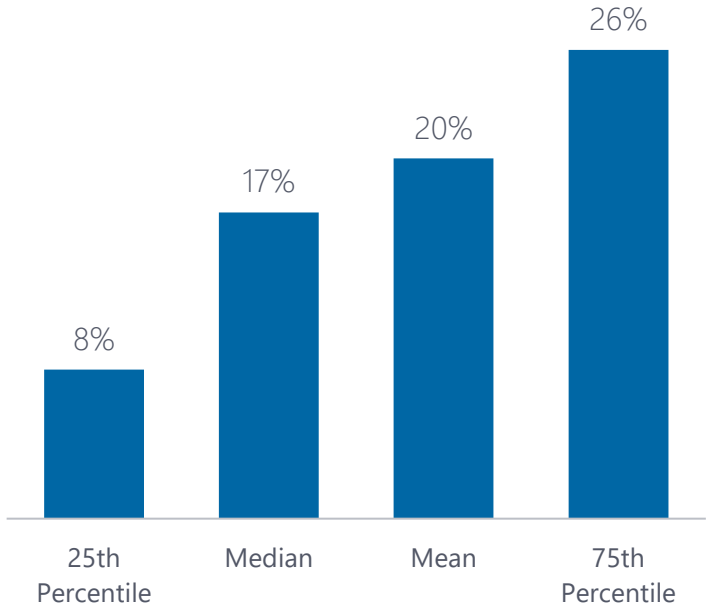
EBITDA Growth

(LTM as of Announcement Date)



EBITDA Margin

(At Announcement Date)



Sources: Capital IQ and public filings.



Analysis

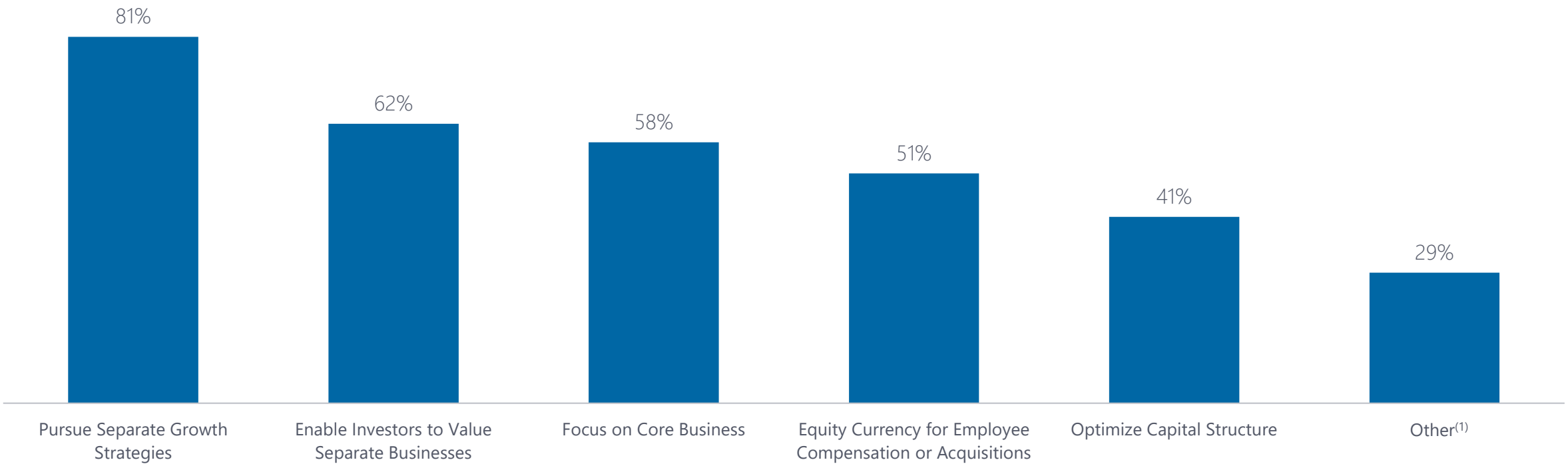
Transaction Characteristics

02.2

Spin-Off Rationale

Parent companies cited a variety of reasons behind their decision to undertake a spin-off transaction; a common theme was the desire to pursue individualized growth strategies for RemainCo and SpinCo, which was mentioned for over 80% of spin-offs.

% of Spin-Offs From Study



(1) Other reasons include but are not limited to liquidity needs, strengthening the balance sheet, divesting from risky assets, tax implications, political pressure, and defense against a takeover threat.
Source: Public filings.

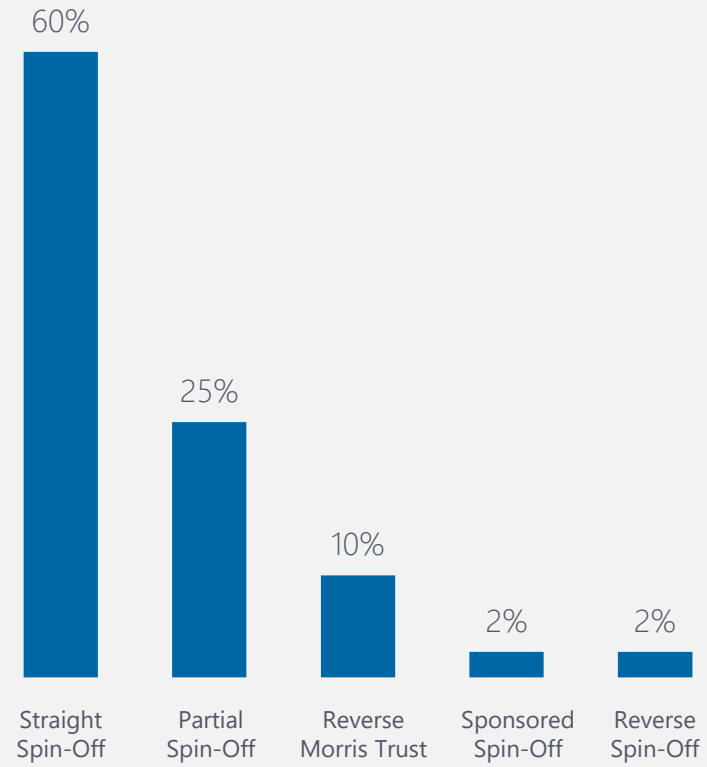
Transaction Structure

Spin-off transactions were structured in several ways, with a straight spin-off being the most common.

Straight Spin-Off	100% spin-off of the SpinCo stock.
Partial Spin-Off	Parent retains less than 20% of the SpinCo stock.
Reverse Morris Trust (RMT)	Tax-advantaged transaction structure in which SpinCo merges with a target company following its separation from its Parent.
Sponsored Spin-Off	An investor, such as a private equity fund, acquires under 20% prior to the spin-off or commits funds after the transaction.
Reverse Spin-Off	Parent contributes its core business to a subsidiary that is spun off. SpinCo rather than RemainCo is the continuing entity for accounting purposes.

Note: Bar chart includes RMT transactions that closed during the Study Period for illustrative purposes.
Sources: Internal Revenue Service and public filings.

Transaction Structure Breakdown

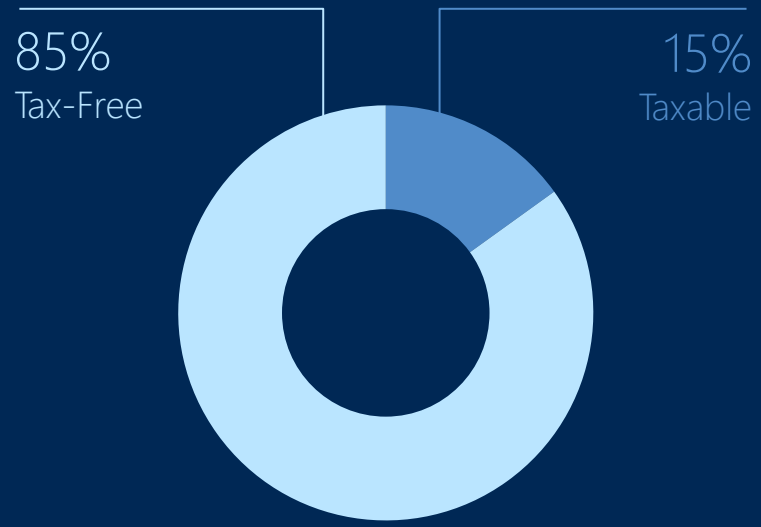


Taxes

Prior to effecting a spin-off, a Parent will often seek to obtain a private letter ruling from the IRS as well as tax opinions from one or more qualified tax practitioners to gain clarity on the tax implications of such a transaction.

Among several other requirements, and subject to IRC §355, a Parent will typically need to distribute at least 80% of the shares of SpinCo stock to its shareholders in order to qualify the transaction as tax-free to both the Parent and to its shareholders for U.S. federal income tax purposes.

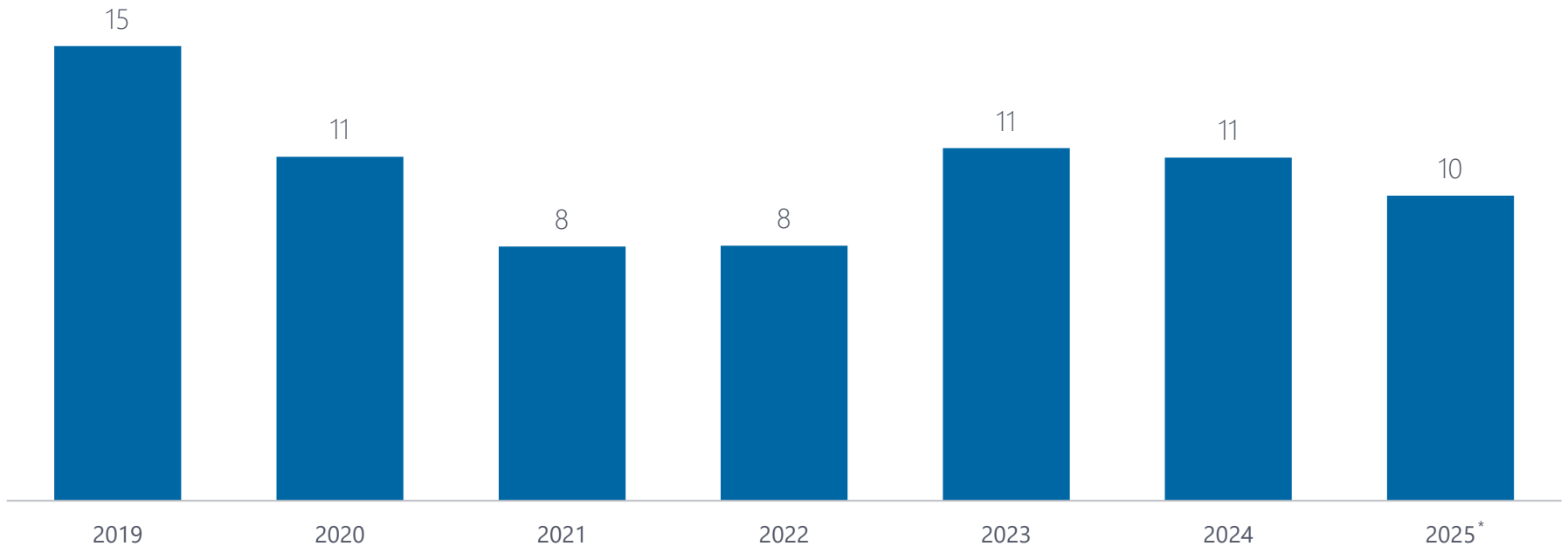
% of Spin-Offs Taxable



Transaction Timing

The average time between the Announcement Date and the Effective Date of a spin-off was ~10 months. The quickest spin-offs took under two months to complete, while the longest spin-offs took multiple years to complete.

Average # of Months Between Announcement Date and Effective Date by Year Closed



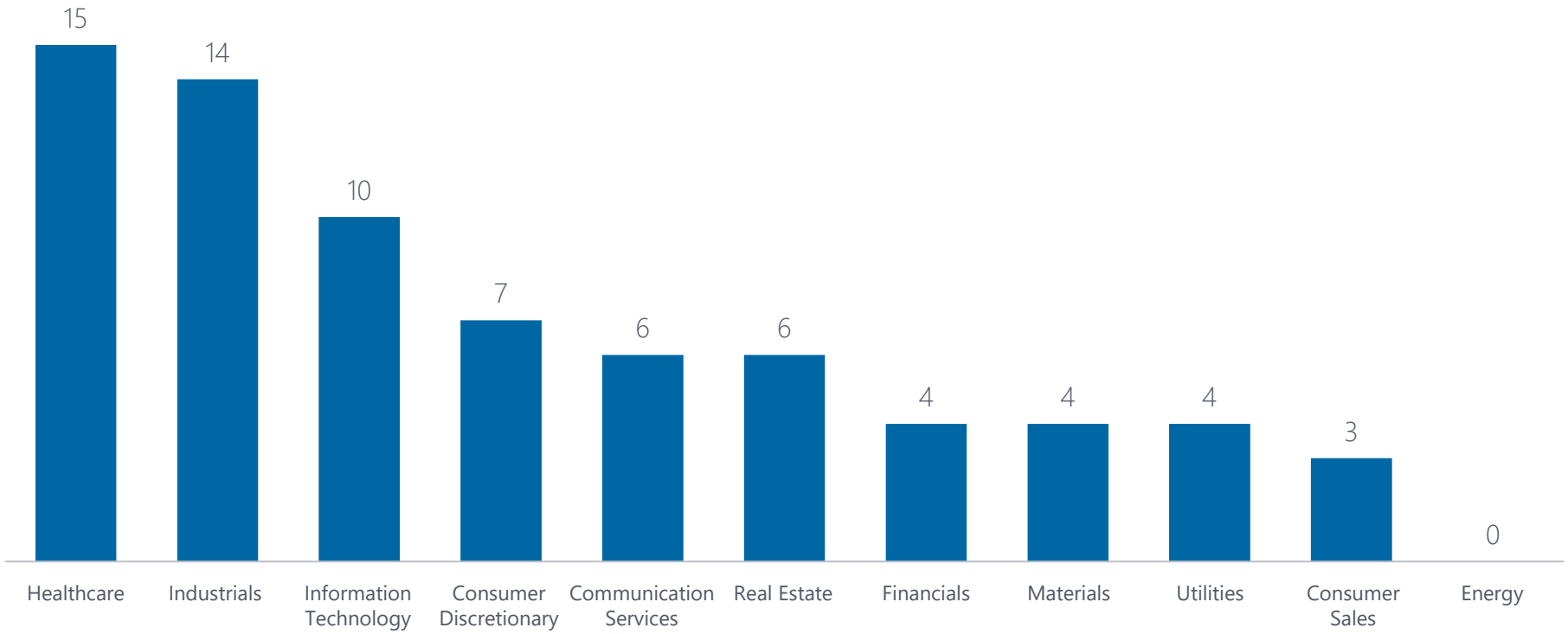
**As of 6/30/25.*
Sources: Capital IQ and public filings.

Some of the longest spin-off timelines came from Parent companies separating into three businesses rather than two. General Electric Company separated its healthcare and power segments ~14 months and ~29 months after the Announcement Date, respectively, while DowDuPont separated its materials science and agriculture segments ~40 months and ~42 months, respectively, after initial announcement.

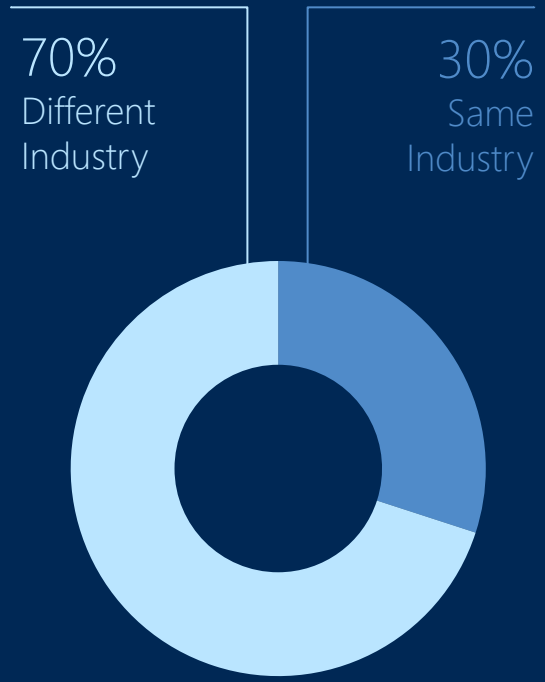
Industry Analysis

Healthcare was the most common industry among Parents spinning off businesses.

Spin-Offs Completed by Parent Industry



In ~70% of transactions, SpinCo was classified in a different industry SIC code than its respective Parent.

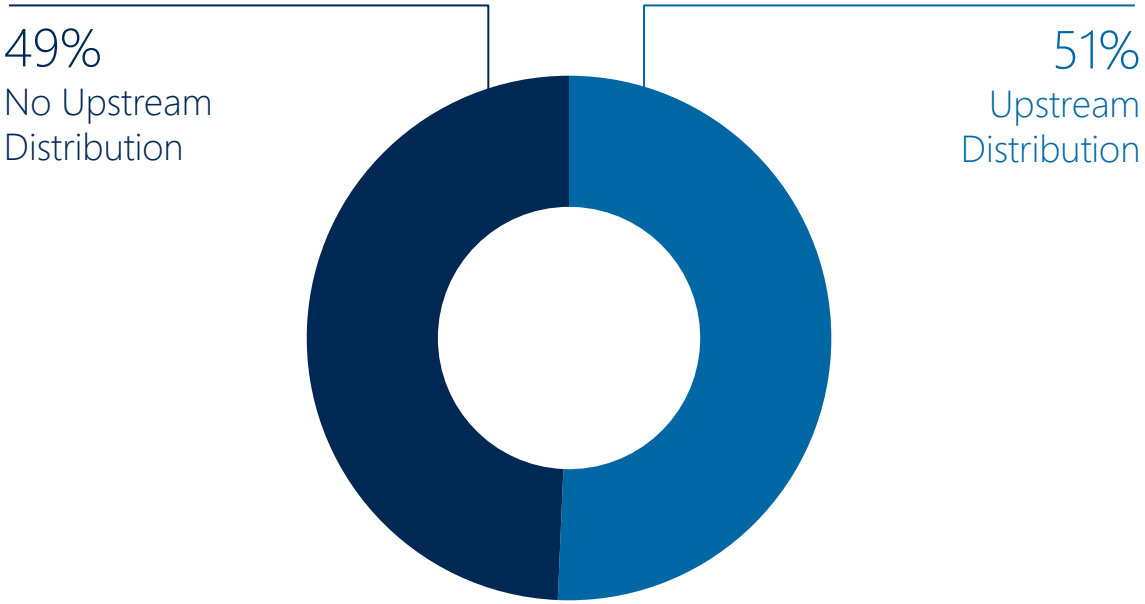


Sources: Capital IQ and public filings.

Distribution Analysis

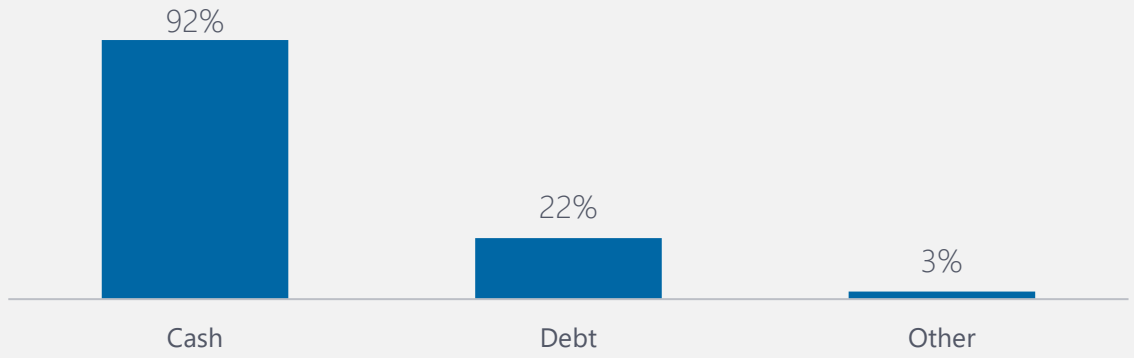
In more than half of spin-offs, SpinCo made an upstream distribution to its Parent, typically in the form of cash or debt. The median cash distribution to Parents was ~$1.1 billion, which was most often used by the Parent to pay down debt.

% of Spin-Offs With Distribution



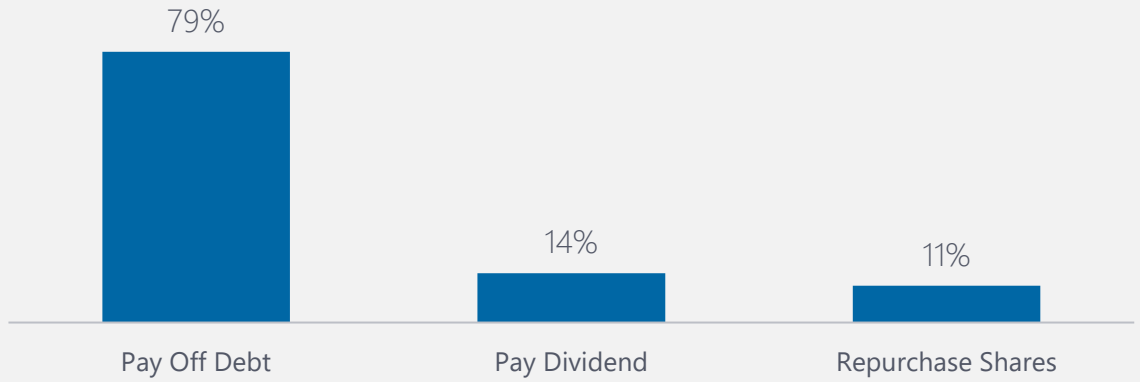
Breakdown of Distribution

(% of Spin-Offs)



Parent Use of Distribution Proceeds

(% of Spin-Offs)



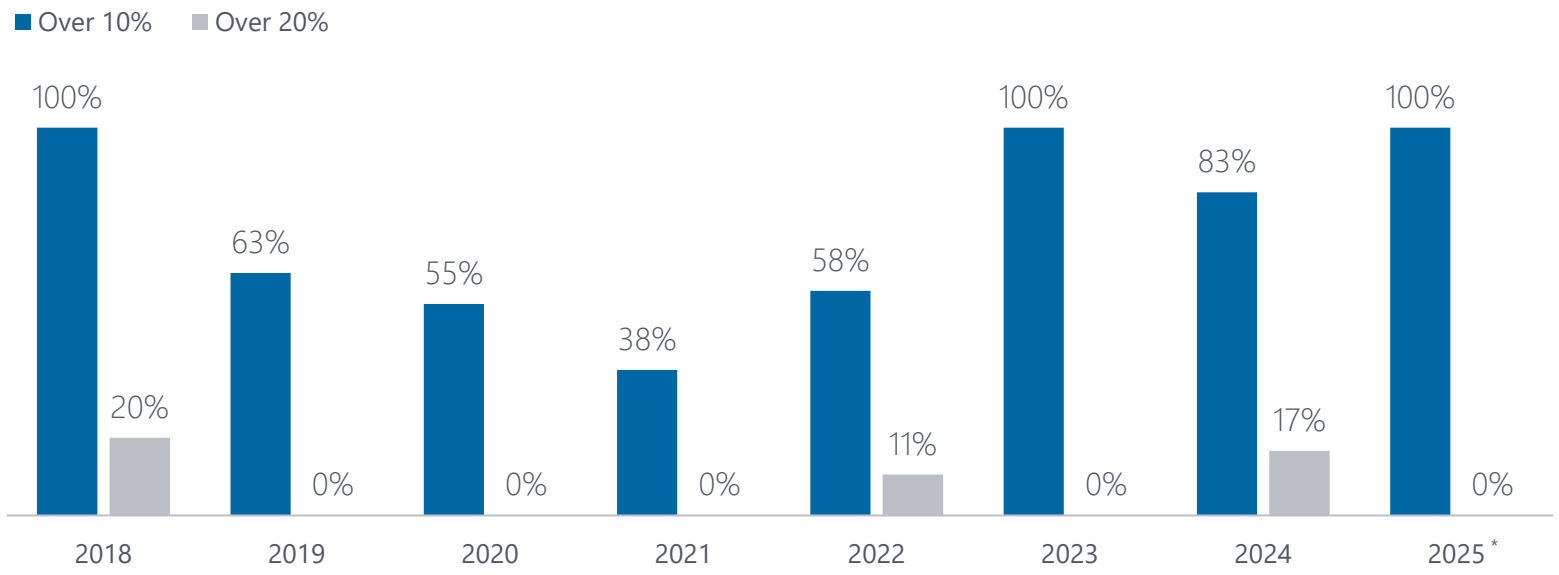
Source: Public filings.

Parent Stockholder Analysis

Roughly 60% of Parents had a stockholder holding at least a 10% equity interest at the Announcement Date, with only 5% of Parents having a stockholder holding at least 20%. More than 40% of Parents had a noted activist investor as a shareholder prior the Announcement Date.

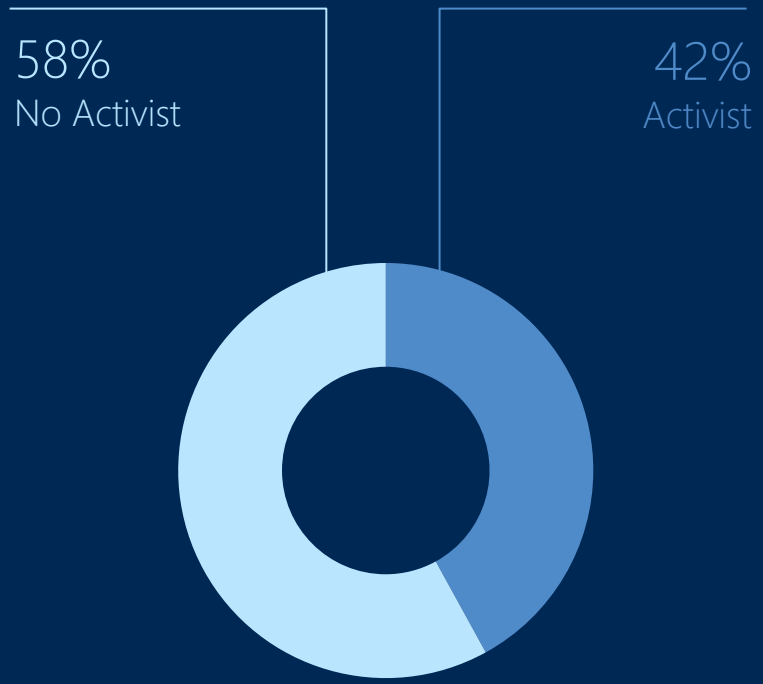
% of Parents With Single Stockholder Holding 10%+ or 20%+ Ownership

(At Announcement Date)



% of Parents With Activist Investor

(At Announcement Date)



**As of 6/30/25.*
Sources: Capital IQ and public filings.



Analysis

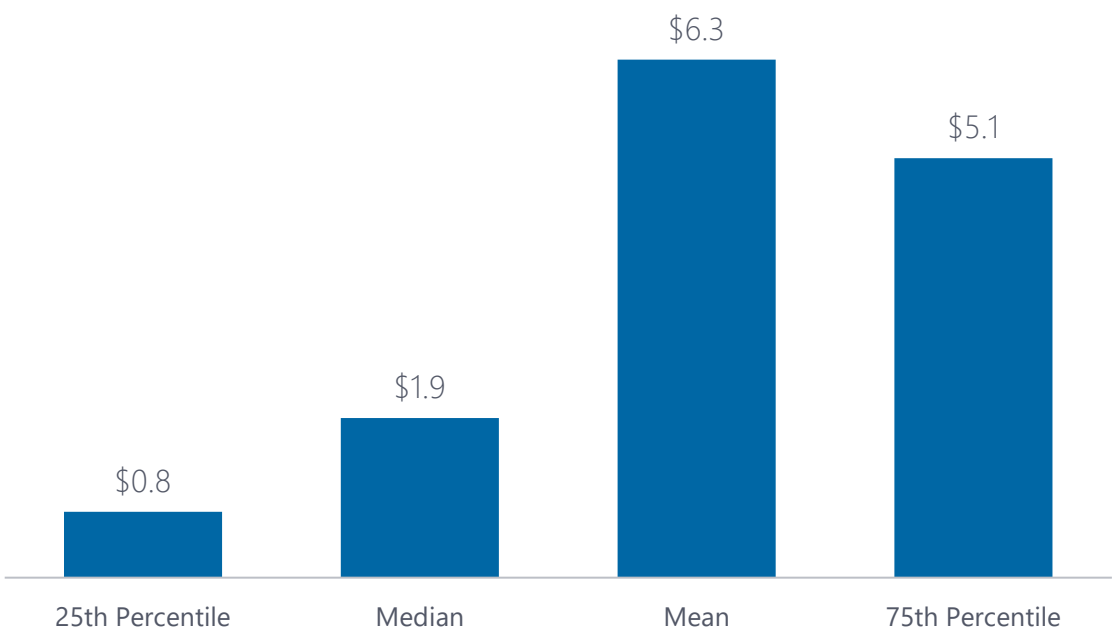
SpinCo vs. Parent

02.3

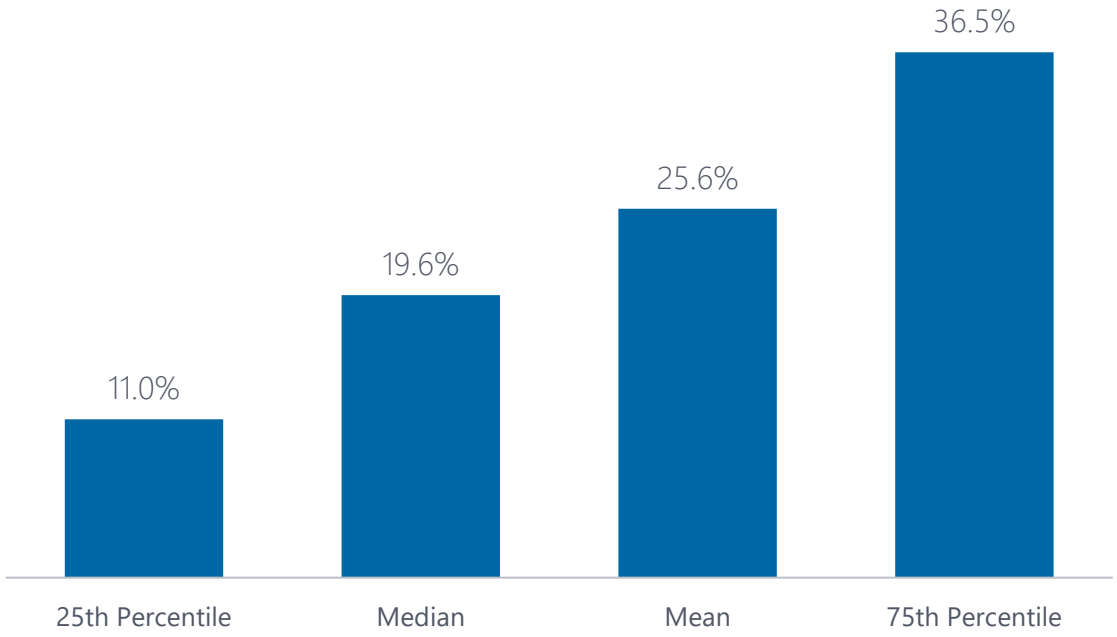
SpinCo Size
Market Capitalization

30 days after the Effective Date, the median SpinCo had a market cap of ~$2 billion, representing ~20% of its Parent's market cap just before the spin-off. SpinCo market caps ranged from approximately $70 million to nearly $50 billion.

SpinCo Market Cap
(Dollars in Billions, 30 Days After Effective Date)



SpinCo Market Cap as % of Parent Market Cap
(30 Days After Effective Date)

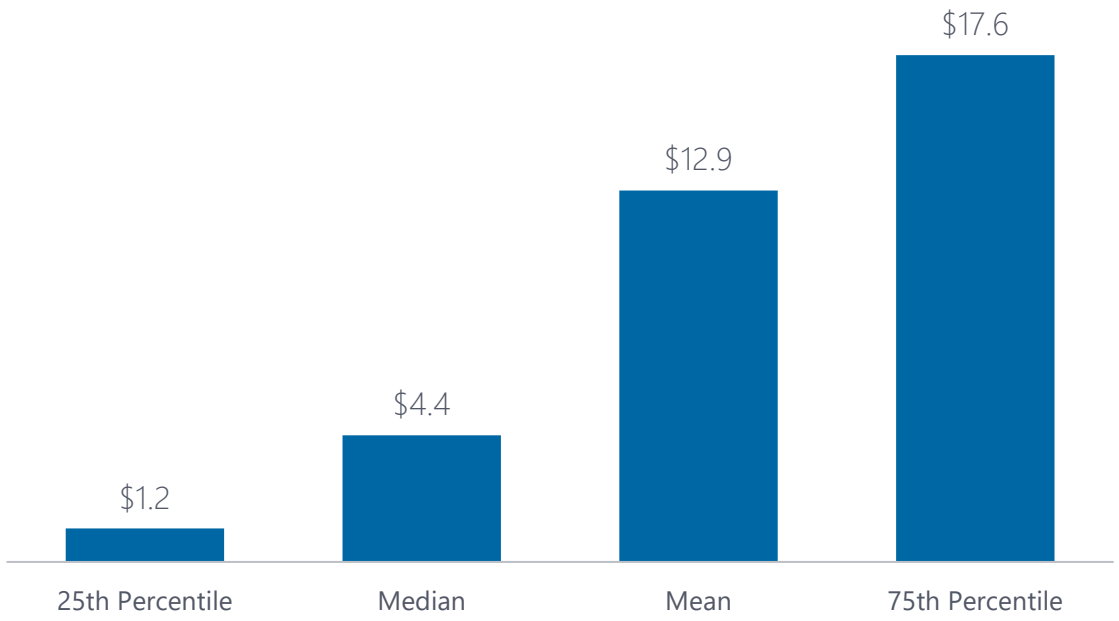


Source: Capital IQ.

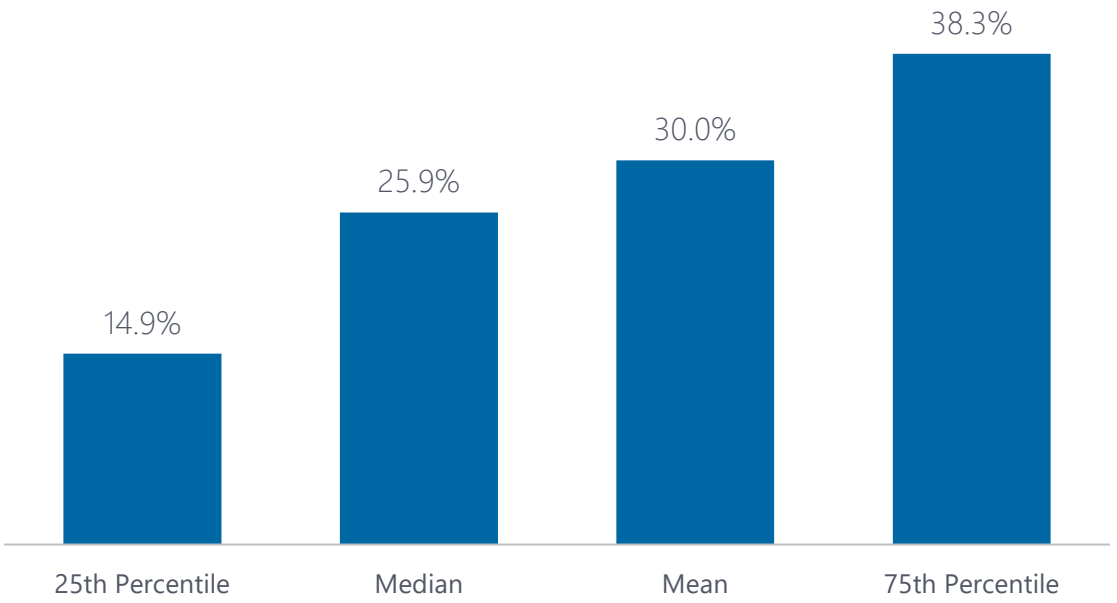
SpinCo Size (cont.)
Total Revenue

The following charts illustrate the difference in annual revenue between SpinCos and their respective Parents in the year preceding the Effective Date.

SpinCo Revenue
(Dollars in Billions, LTM Preceding Effective Date)



SpinCo Revenue as % of Parent Revenue
(LTM Preceding Effective Date)



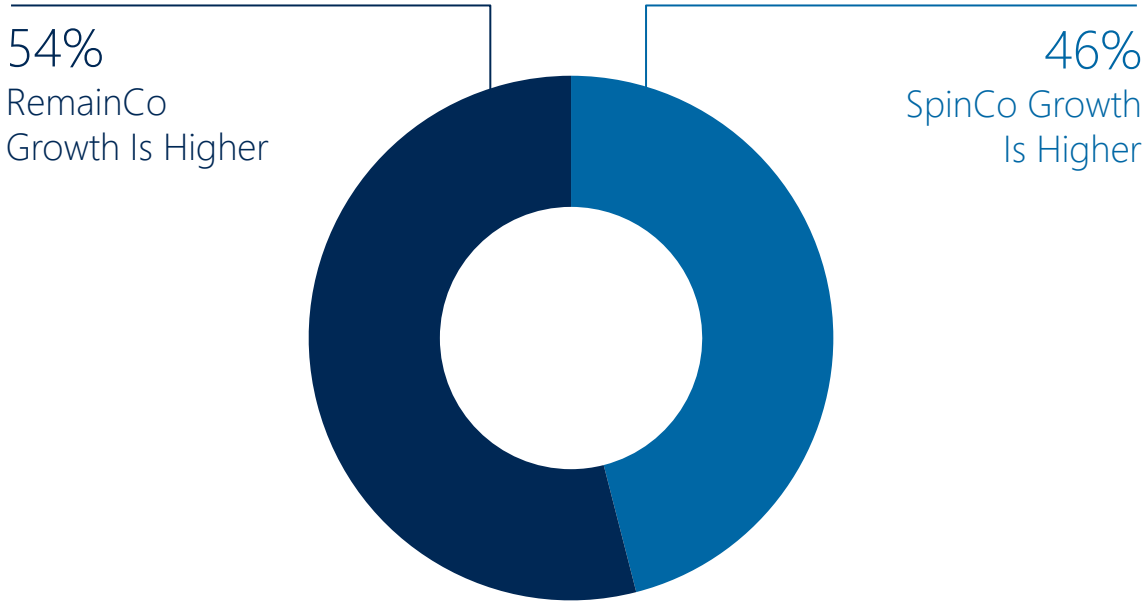
Sources: Capital IQ and public filings.

SpinCo Growth
Total Revenue Growth

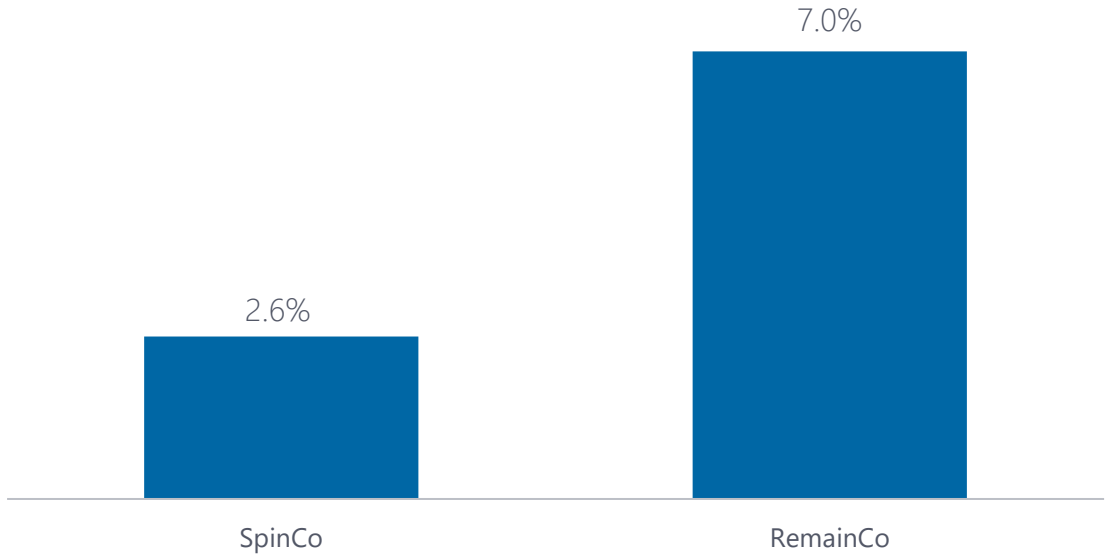
In the year following the Effective Date, RemainCo revenue growth exceeded SpinCo revenue growth in more than half of spin-offs, with average RemainCo revenue growth being ~4%–5% higher than that of the average SpinCo.

RemainCo vs. SpinCo Revenue Growth One Year After Effective Date

(% of Spin-Off Transactions)



Average Revenue Growth One Year After Effective Date

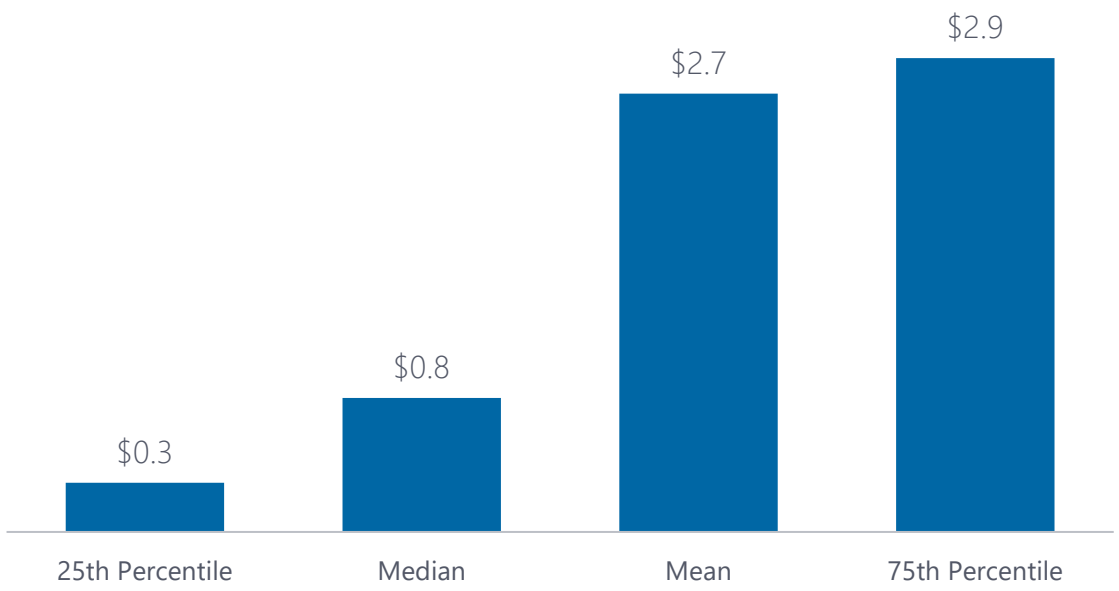


Sources: Capital IQ and public filings.

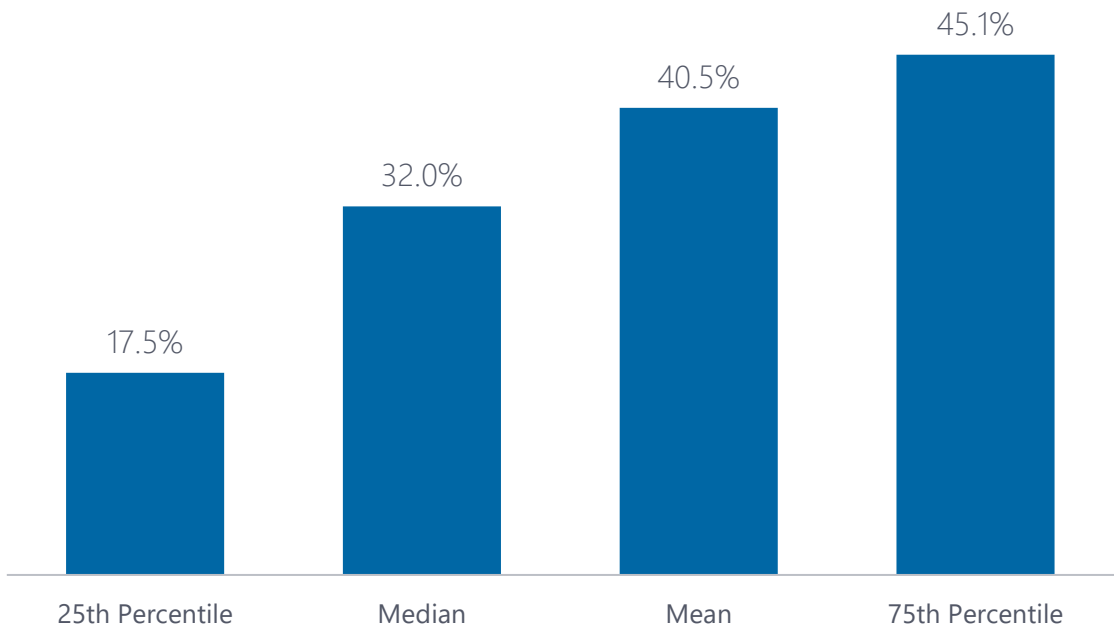
SpinCo Profitability
EBITDA

The following charts illustrate the difference in annual EBITDA between SpinCos and their respective Parents in the year preceding the Effective Date.

SpinCo EBITDA
(Dollars in Billions, LTM Preceding Effective Date)



SpinCo EBITDA as % of Parent EBITDA
(LTM Preceding Effective Date)

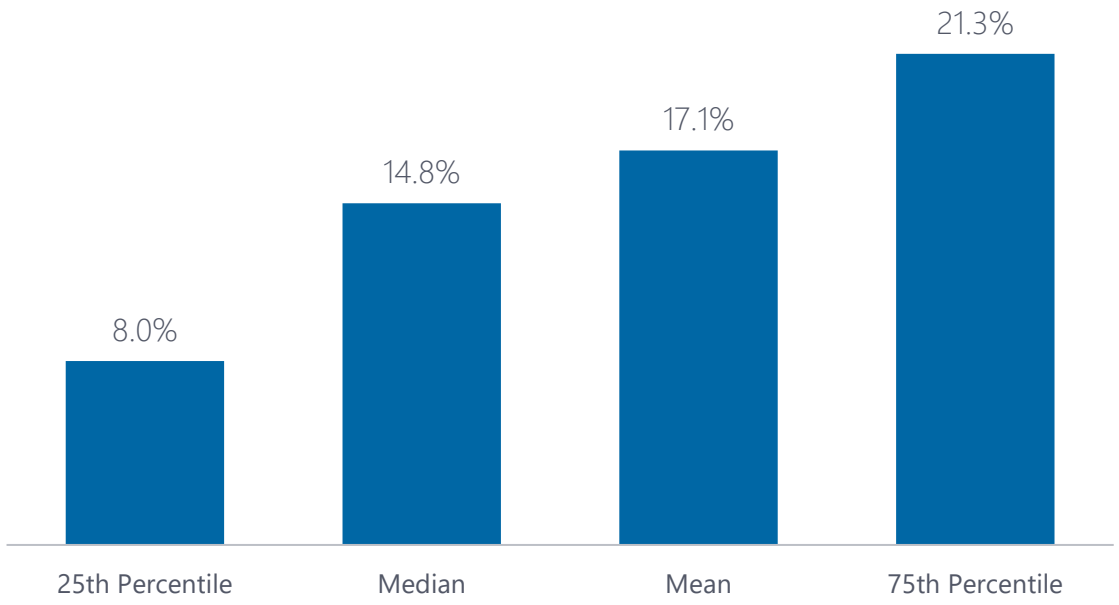


Sources: Capital IQ and public filings.

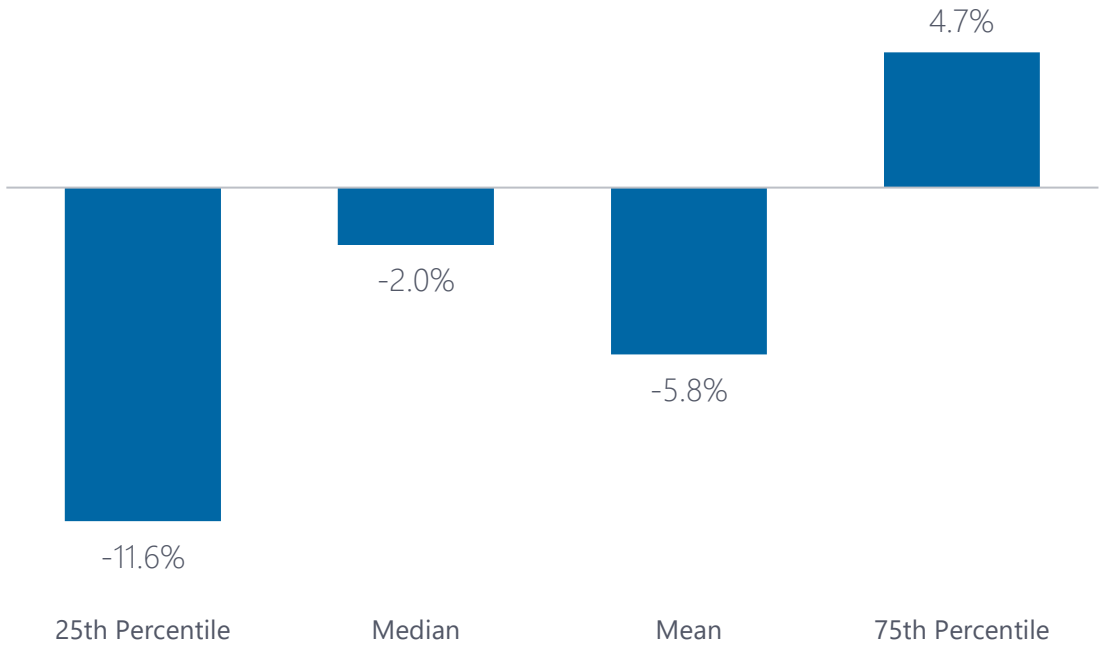
SpinCo Profitability (cont.)
EBITDA Margin

The following charts illustrate the difference in EBITDA margin between SpinCos and their respective Parents in the year preceding the Effective Date. SpinCos generally had lower margins than their respective Parents.

SpinCo EBITDA Margin
(LTM Preceding Effective Date)



SpinCo Incremental EBITDA Margin Over Parent EBITDA Margin
(LTM Preceding Effective Date)

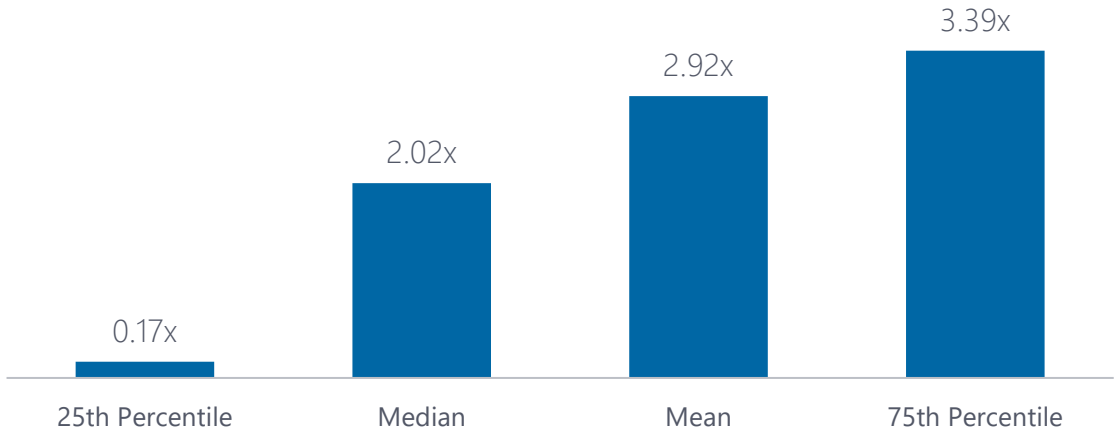


Sources: Capital IQ and public filings.

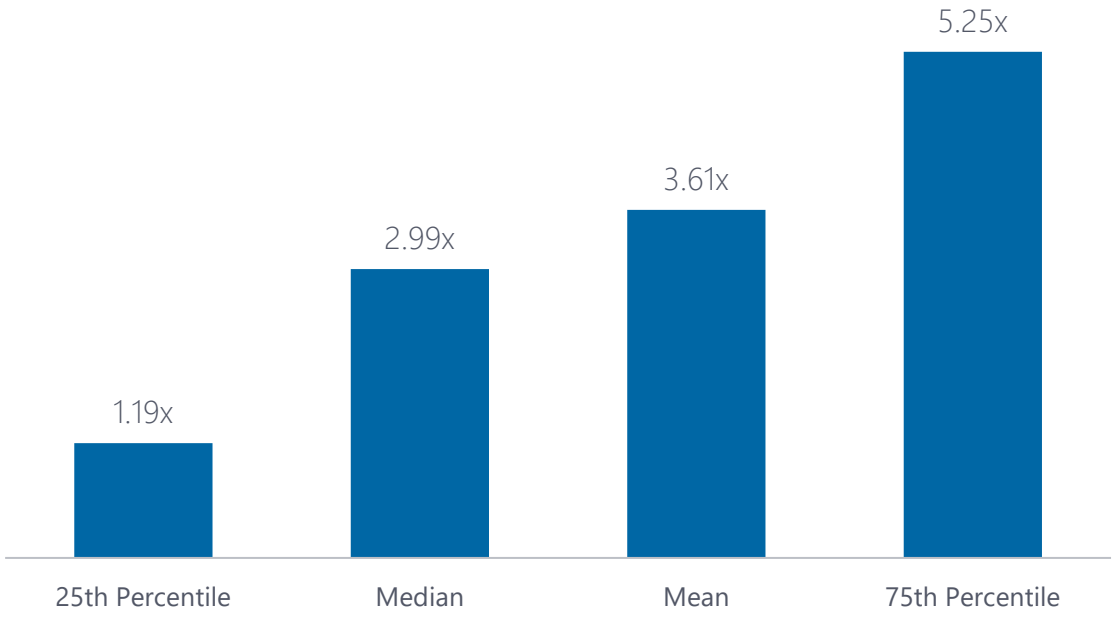
Leverage
Net Debt/EBITDA

The following charts illustrate the Net Debt/EBITDA for SpinCos and Parents at the Effective Date. The median Parent exhibited higher leverage than the median SpinCo, although Parents often used spin-off proceeds to pay down debt after the transaction.

SpinCo Net Leverage
(Effective Date)



Parent Net Leverage
(Effective Date)



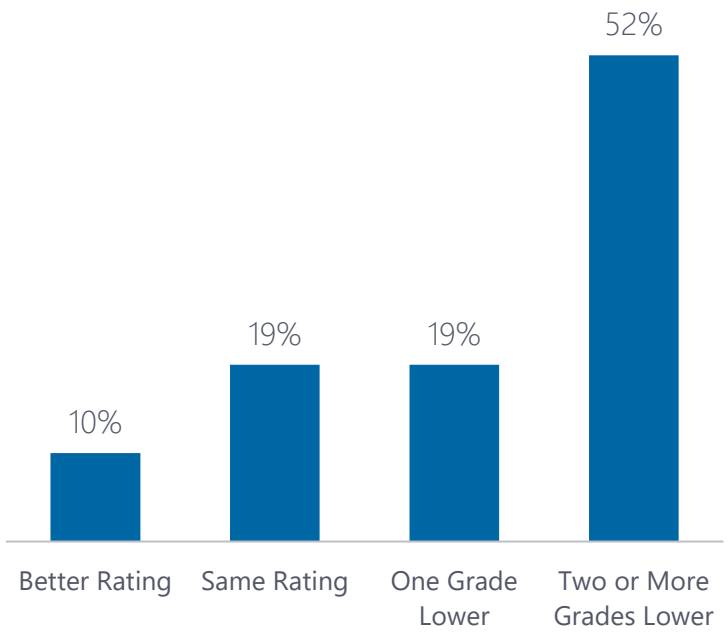
Sources: Capital IQ and public filings.

Credit Ratings

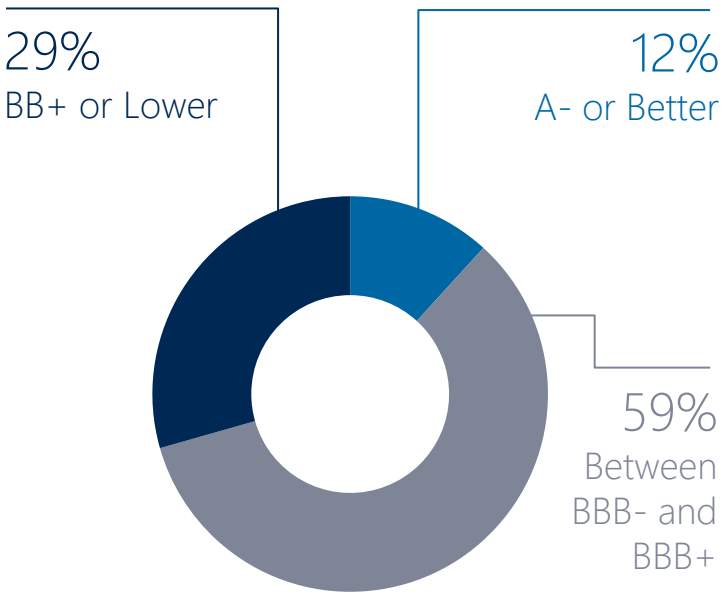
The majority of SpinCos had credit ratings that were below those of their respective Parents on the Effective Date.

SpinCo Credit Rating Relative to Parent

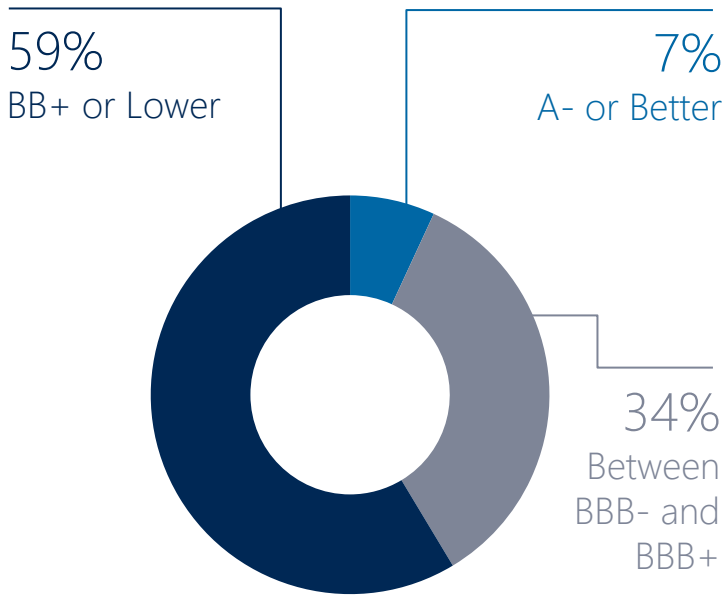
(Effective Date)



Parent Ratings



SpinCo Ratings



Note: Excludes Parents and SpinCos that were unrated or for which ratings were unavailable.
Source: Bloomberg.



Analysis

Stock Performance

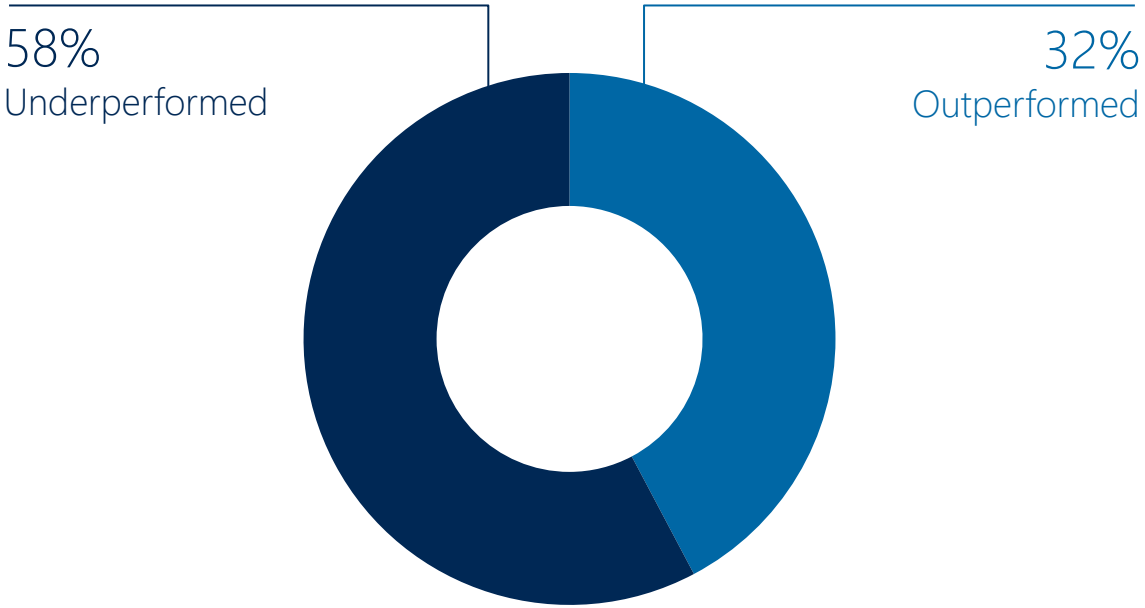
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Parent Stock Performance Day After Announcement Date

On the first trading day following the Announcement Date, the median Parent's stock performed relatively in line with the S&P 500 and did not demonstrate a material positive or negative swing.

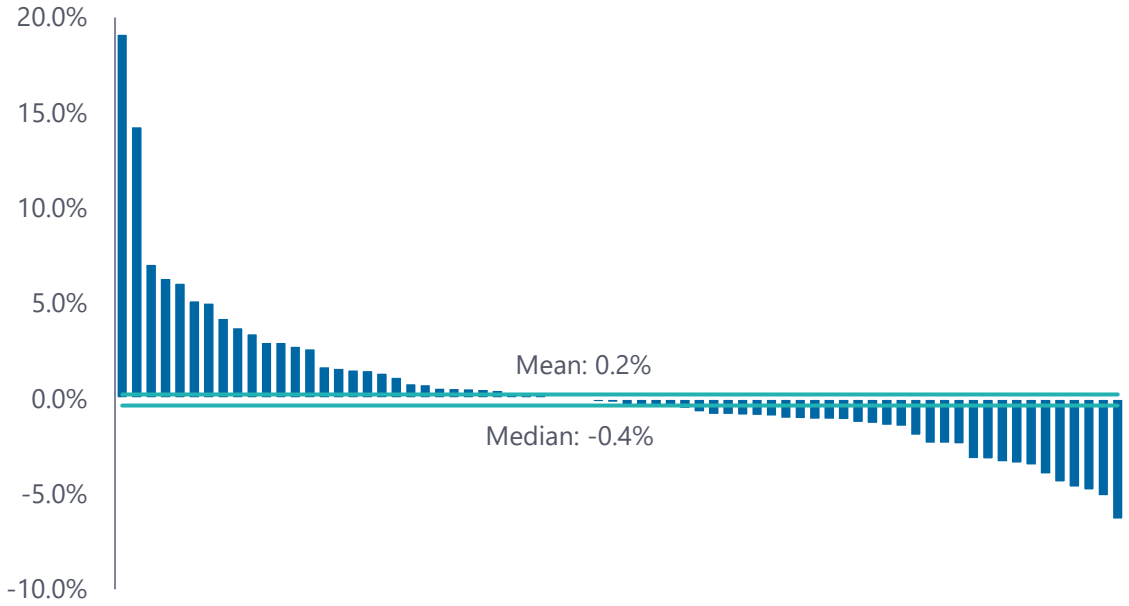
of Parents Outperforming S&P 500

(Day After Announcement Date)



Parent Stock Performance Over S&P 500

(Day After Announcement Date)



Sources: Capital IQ and public filings.

SpinCo Stock Performance vs. S&P 500

After Effective Date

The following analysis tracks the share price performance of SpinCos following the Effective Date, relative to the S&P 500.

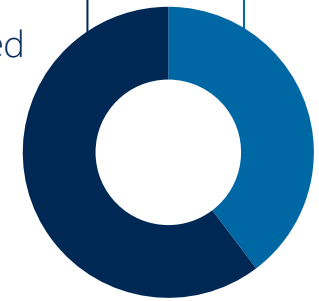
30 Days

Return Over S&P:

Mean: -1.5%
Median: -6.6%

60% Underperformed

40% Outperformed



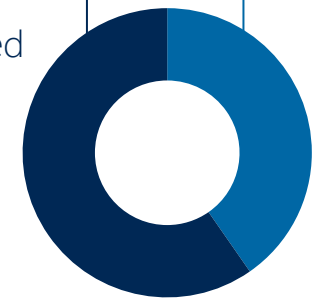
90 Days

Return Over S&P:

Mean: 3.8%
Median: -6.7%

60% Underperformed

40% Outperformed



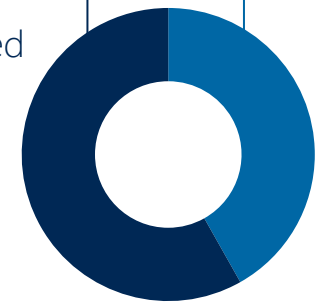
1 Year

Return Over S&P:

Mean: 11.3%
Median: -3.5%

58% Underperformed

42% Outperformed



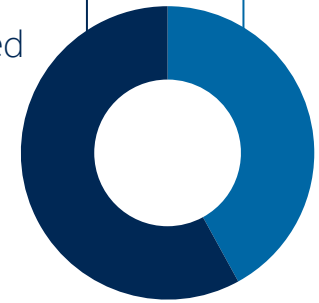
1.5 Years

Return Over S&P:

Mean: 16.7%
Median: -12.1%

58% Underperformed

42% Outperformed



Sources: Capital IQ and public filings.

RemainCo Stock Performance vs. S&P 500

After Effective Date

The following analysis tracks the share price performance of RemainCos following the Effective Date, relative to the S&P 500.

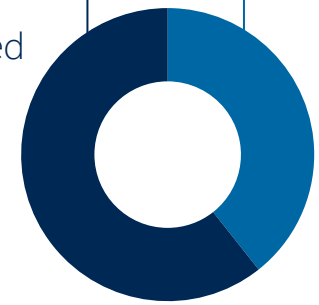
30 Days

Return Over S&P:

Mean: -14.1%
Median: -12.5%

61% Underperformed

39% Outperformed



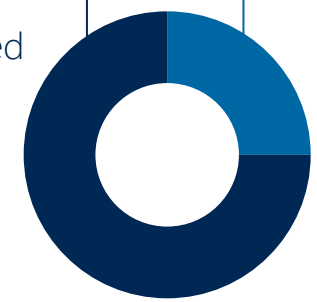
90 Days

Return Over S&P:

Mean: -14%
Median: -12.0%

75% Underperformed

25% Outperformed



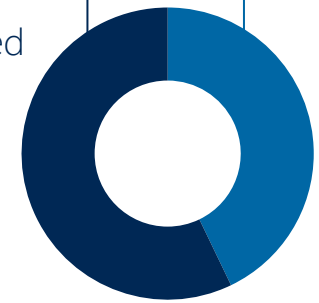
1 Year

Return Over S&P:

Mean: -10.1%
Median: -10.3%

57% Underperformed

43% Outperformed



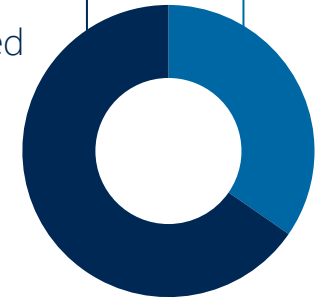
1.5 Years

Return Over S&P:

Mean: -12.1%
Median: -16.9%

65% Underperformed

35% Outperformed



Sources: Capital IQ and public filings.

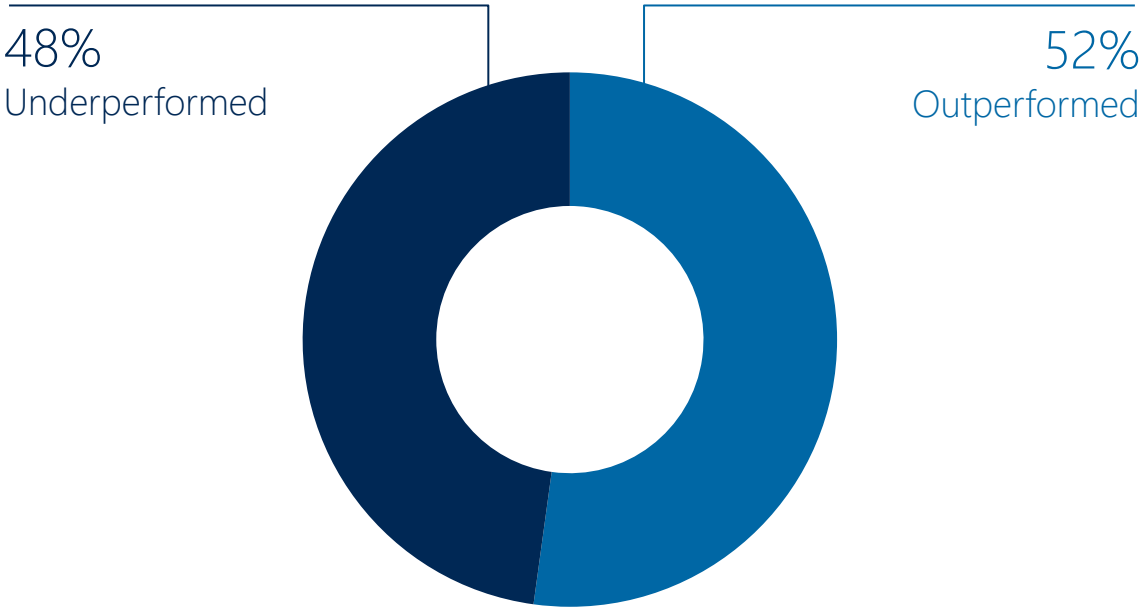
SpinCo and RemainCo Combined Stock Performance vs. S&P 500

Before Announcement Date to After Effective Date

The following analysis tracks the share price performance of RemainCos and SpinCos combined for the period spanning from one day prior to the Announcement Date to 30 days following the Effective Date, relative to the S&P 500. On a combined basis, slightly more companies outperformed the S&P 500 than underperformed.

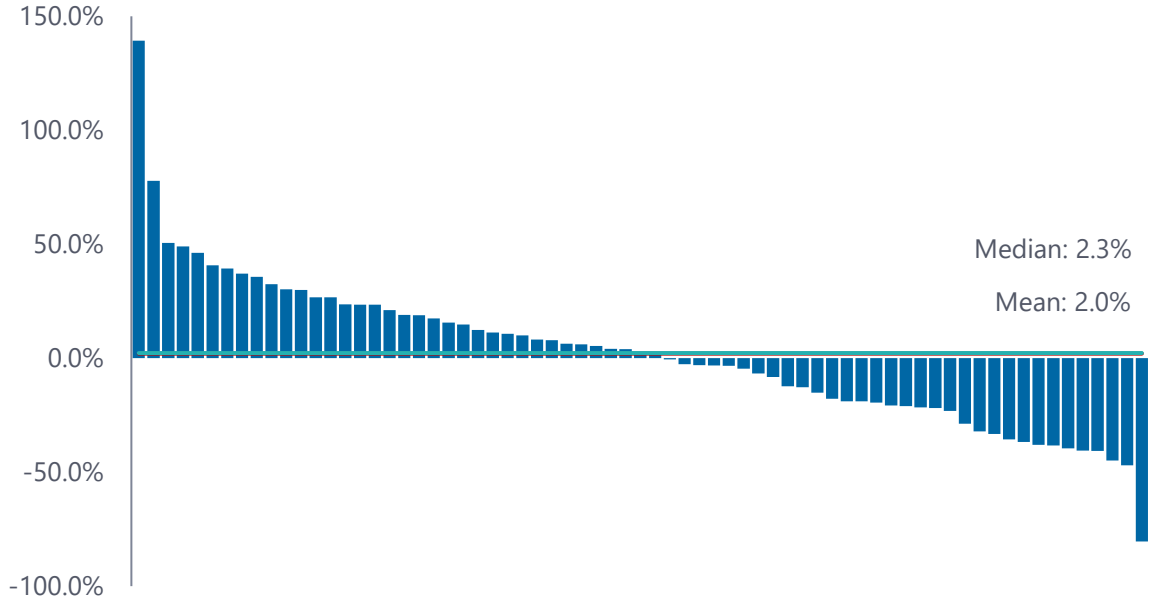
Stock Price Performance vs. S&P 500 (# of Companies)

(One Day Prior to Announcement Date to 30 Days After Effective Date)



Stock Price Performance vs. S&P 500 (% Outperformance)

(One Day Prior to Announcement Date to 30 Days After Effective Date)

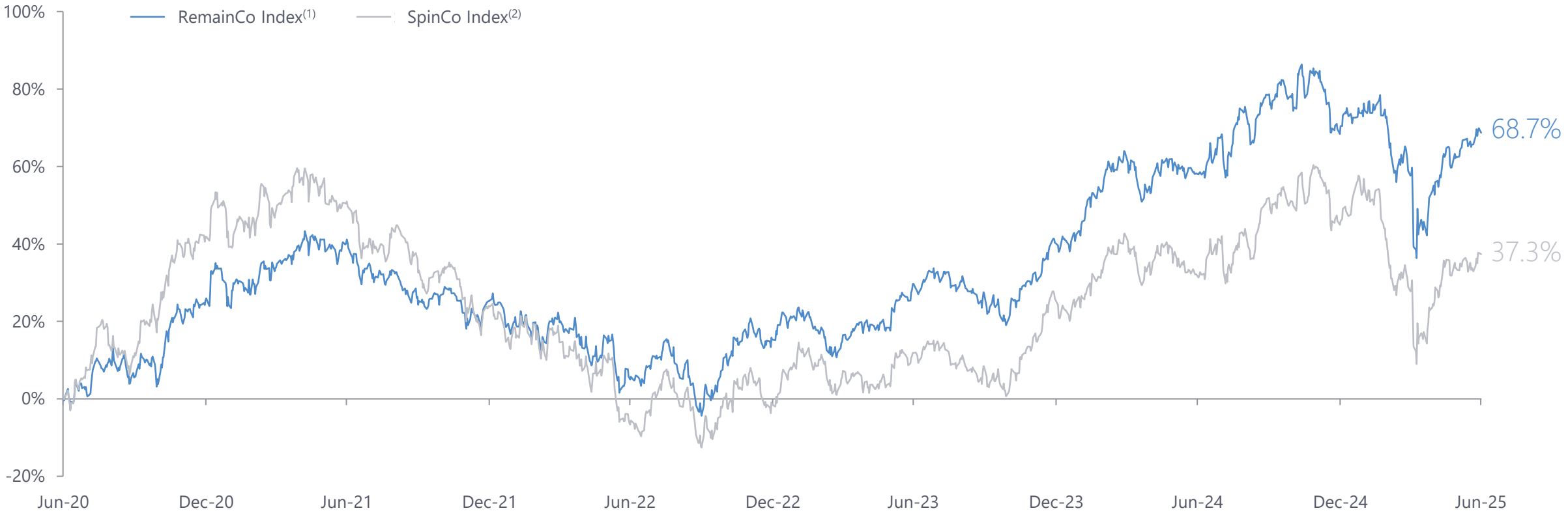


Sources: Capital IQ and public filings.

Total Stockholder Return of SpinCo and RemainCo

Last Five Years

Over a longer term of five years, RemainCos outperformed SpinCos on a total stockholder return basis.



Note: Total stockholder return considers both dividends paid and price appreciation. Excludes RemainCos and SpinCos that were acquired following spin-off.
(1) RemainCo Index comprises the average total stockholder return of the RemainCos included in this Study. See pages 34-37 for list of RemainCos.
(2) SpinCo Index comprises the average total stockholder return of the SpinCos included in this Study. See pages 34-37 for list of SpinCos.
Sources: Capital IQ as of 6/30/25 and public filings.



Appendix

03



Appendix

Transaction List

03.1

Transactions Included in the Study

Announced Date	Effective Date	Parent	RemainCo Market Cap After Effective ($B)	SpinCo	SpinCo Market Cap After Effective ($B)
9/4/2024	6/28/2025	Fortive Corporation	$17.4	Ralliant Corporation	$5.5
11/3/2022	5/6/2025	Lionsgate Studios Corp. (nka: Starz Entertainment Corp.)	$1.9	LG Orion Holdings Inc. (nka: Lionsgate Studios Corp.)	$1.9
1/13/2025	3/31/2025	IAC Inc.	$2.8	Angi Inc.	$0.5
12/30/2024	2/28/2025	CompoSecure, Inc.	$1.1	Resolute Holdings Management, Inc.	$0.3
9/20/2024	2/7/2025	Lennar Corporation	$32.9	Millrose Properties, Inc.	$3.6
2/22/2024	7/9/2024	AFC Gamma, Inc. (nka: Advanced Flower Capital Inc.)	$0.2	Sunrise Realty Trust, Inc.	$0.1
1/22/2024	5/29/2024	Inhibrx, Inc.	NA	Inhibrx Biosciences, Inc.	$0.2
1/3/2024	11/25/2024	Select Medical Holdings Corporation	$2.5	Concentra Group Holdings, LLC	$2.6
12/11/2023	6/24/2024	Illumina, Inc.	$18.5	GRAIL, Inc.	$0.4
11/2/2023	10/31/2024	MDU Resources Group, Inc.	$4.1	Everus Construction Group, Inc.	$3.2
10/30/2023	10/1/2024	SITE Centers Corp.	$0.8	Curblime Properties Corp.	$2.4
10/25/2023	1/2/2024	Flex Ltd.	$10.9	Nextracker Inc.	$3.5
10/5/2023	7/31/2024	Howard Hughes Holdings Inc.	$3.7	Seaport Entertainment Group Inc.	$0.2
9/21/2023	11/1/2023	W. P. Carey Inc.	$13.9	Net Lease Office Properties	$0.3
12/6/2022	7/3/2023	BorgWarner Inc.	$10.1	PHINIA Inc.	$1.4
9/29/2022	12/1/2023	Worthington Industries, Inc. (nka: Worthington Enterprises, Inc.)	$2.8	Worthington Steel, Inc.	$1.4
9/15/2022	10/16/2023	NCR Corporation (nka: NCR Voyix Corporation)	$2.3	NCR Atleos Corporation	$1.8
9/14/2022	9/30/2023	Danaher Corp.	$136.8	Veralto Corporation	$16.8
8/18/2022	4/20/2023	Madison Square Garden Entertainment Corp. (nka: Sphere Entertainment Co.)	$0.8	Madison Square Garden Entertainment Corp.	$1.8
8/10/2022	3/31/2023	iStar Inc.	NA	Star Holdings	NA
8/4/2022	5/31/2023	MDU Resources Group, Inc.	$4.3	Knife River Corporation	$2.5
8/2/2022	10/1/2022	Adeia Inc.	$1.2	Xperi Inc.	$0.6

Sources: Capital IQ and public filings.

Transactions Included in the Study (cont.)

Announced Date	Effective Date	Parent	RemainCo Market Cap After Effective ($B)	SpinCo	SpinCo Market Cap After Effective ($B)
7/28/2022	6/30/2023	Labcorp Holdings Inc.	$19.0	Fortrea Holdings Inc.	$2.8
7/26/2022	4/1/2024	3M Company	$54.5	Solventum Corporation	$11.3
7/19/2022	1/13/2023	Jefferies Financial Group Inc.	$8.8	Vitesse Energy, Inc.	$0.5
6/21/2022	10/2/2023	Kellogg Company (nka: Kellanova)	$17.3	North America Cereal Co. (nka: WK Kellogg Co)	$0.9
5/10/2022	9/30/2023	Aramark	$7.0	Aramark Uniform & Career Apparel, LLC (nka: Vestis Corporation)	$1.9
5/9/2022	10/3/2022	Biohaven Pharmaceutical Holding Company Ltd.	NA	Biohaven Research Ltd. (nka: Biohaven Ltd.)	$1.0
4/28/2022	12/14/2022	Fortune Brands Home & Security, Inc. (nka: Fortune Brands Innovations, Inc.)	$8.1	MasterBrand, Inc.	$1.1
3/30/2022	4/3/2023	Crane NXT, Co.	$2.7	Crane Co. (nka: Crane Company)	$4.1
3/8/2022	11/1/2022	XPO Logistics, Inc. (nka: XPO, Inc.)	$4.3	Brokered Transportation Services of XPO Logistics, Inc. (nka: RXO, Inc.)	$2.2
1/19/2022	7/1/2022	Encompass Health Corporation	$5.1	Enhabit, Inc.	$0.9
12/20/2021	8/1/2022	Fortress Transportation and Infrastructure Investors LLC (nka: FTAI Aviation Ltd.)	$1.7	FTAI Infrastructure Inc.	NA
11/12/2021	8/23/2023	Johnson & Johnson	$417.1	Kenvue Inc.	$39.4
11/9/2021	4/2/2024	General Electric Company	$178.0	GE Vernova Inc.	$42.2
11/9/2021	1/3/2023	General Electric Company	$91.7	GE HealthCare Technologies Inc.	$32.1
11/8/2021	12/29/2021	Vector Group Ltd.	$1.7	Douglas Elliman Inc.	$0.6
8/5/2021	3/10/2022	Post Holdings, Inc.	$4.5	BellRing Brands, Inc.	$3.4
5/11/2021	11/5/2021	Alliance Data Systems Corp. (nka: Bread Financial Holdings, Inc.)	$3.5	Loyalty Ventures Inc.	$0.7

Sources: Capital IQ and public filings.

Transactions Included in the Study (cont.)

Announced Date	Effective Date	Parent	RemainCo Market Cap After Effective ($B)	SpinCo	SpinCo Market Cap After Effective ($B)
5/11/2021	8/2/2021	L Brands, Inc. (nka: Bath & Body Works, Inc.)	$18.2	Victoria's Secret & Co.	$6.2
5/6/2021	4/1/2022	Becton, Dickinson and Company	$70.4	Berra Newco, Inc. (nka: Embecta Corp.)	$1.7
4/29/2021	11/12/2021	Realty Income Corporation	$37.9	Orion Office REIT Inc. (nka: Orion Properties Inc.)	$1.1
4/19/2021	10/7/2021	j2 Global, Inc. (nka: Ziff Davis, Inc.)	$6.1	Consensus Cloud Solutions, Inc.	$1.3
4/14/2021	11/1/2021	Dell Technologies Inc.	$42.6	VMware LLC	$47.8
3/4/2021	4/4/2022	Colfax Corporation (nka: Enovis Corporation)	$3.7	ESAB Corporation	$3.1
2/22/2021	2/1/2022	Exelon Corporation	$42.3	Constellation Energy Corporation	$16.2
2/5/2021	3/1/2022	Zimmer Biomet Holdings, Inc.	$26.8	ZimVie Inc.	$0.6
12/22/2020	5/24/2021	IAC/InterActiveCorp (nka: IAC Inc.)	$13.7	Vimeo, Inc.	$7.1
12/3/2020	10/1/2021	International Paper Company	$19.2	Printing papers segment of International Paper Company (nka: Sylvamo Corporation)	$1.2
12/2/2020	8/2/2021	XPO Logistics, Inc. (nka: XPO, Inc.)	$9.9	GXO Logistics, Inc.	$9.5
10/27/2020	7/1/2021	DTE Energy Company	$22.7	DT Midstream, Inc.	$4.1
10/8/2020	11/3/2021	International Business Machines Corporation	$106.6	Kyndryl Holdings, Inc.	$4.2
9/14/2020	12/15/2020	Apartment Investment and Management Company	$0.7	Apartment Income REIT Corp.	$5.7
8/6/2020	7/19/2021	SolarWinds Corporation	$2.8	N-able, Inc.	$2.4
7/29/2020	11/30/2020	Aaron's, Inc. (nka: PROG Holdings, Inc.)	$3.6	The Aaron's Company, Inc.	$0.6
6/17/2020	9/30/2020	BBX Capital Corporation (nka: Bluegreen Vacations Holding Corporation)	$0.2	BBX Capital Florida LLC (nka: BBX Capital, Inc.)	$0.1
2/5/2020	6/2/2021	Merck & Co., Inc.	$199.0	Organon & Co.	$7.8

Sources: Capital IQ and public filings.

Transactions Included in the Study (cont.)

Announced Date	Effective Date	Parent	RemainCo Market Cap After Effective ($B)	SpinCo	SpinCo Market Cap After Effective ($B)
1/9/2020	12/1/2020	SYNNEX Corporation (nka: TD SYNNEX Corporation)	$4.2	Concentrix Corporation	$5.1
12/4/2019	2/1/2021	Verint Systems Inc.	$3.2	Cognyte Software Ltd.	$2.0
11/15/2019	12/18/2019	Danaher Corporation	$117.4	Envista Holdings Corporation	$5.1
11/13/2019	8/24/2020	American Outdoor Brands Corporation	$0.9	American Outdoor Brands, Inc.	$0.2
11/8/2019	8/26/2020	SunPower Corporation	$1.8	Maxeon Solar Technologies, Ltd.	$0.4
9/3/2019	10/9/2020	Fortive Corporation	$23.1	Vontier Corporation	$4.9
5/6/2019	10/1/2019	The Ensign Group, Inc.	$2.3	The Pennant Group, Inc.	$0.5
2/8/2019	4/1/2020	Arconic Inc. (nka: Howmet Aerospace Inc.)	$5.5	Arconic Rolled Products Corporation (nka: Arconic Corporation)	$0.9
2/8/2019	3/11/2019	Eli Lilly and Company	$123.5	Elanco Animal Health Incorporated	$11.9
11/26/2018	4/3/2020	United Technologies Corporation	$92.2	Otis Worldwide Corporation	$21.5
11/26/2018	4/3/2020	United Technologies Corporation	$92.2	Carrier Global Corporation	$14.5
10/15/2018	3/1/2019	FMC Corporation	$10.1	Arcadium Lithium PLC (nka: Rio Tinto)	$1.8
8/13/2018	5/22/2019	V.F. Corporation	$35.1	Kontoor Brands, Inc.	$1.6
6/27/2018	4/17/2020	The Madison Square Garden Company (nka: Madison Square Garden Sports Corp.)	$3.7	Madison Square Garden Entertainment Corp. (nka: Sphere Entertainment Co.)	$1.9
12/11/2015	6/1/2019	DowDuPont, Inc.	$55.9	Corteva, Inc.	$22.2
12/11/2015	4/1/2019	The Dow Chemical Company (nka: DuPont de Nemours, Inc.)	$83.8	Dow Inc.	$42.0

Sources: Capital IQ and public filings.

Illustrative RMT Transactions Considered

Announced Date	Effective Date	Parent	RemainCo Market Cap After Effective ($B)	SpinCo	NewCo	NewCo Market Cap After Effective ($B)
11/20/2023	9/27/2024	Jacobs Solutions Inc.	$17.5	Critical Mission Solutions/Cyber & Intelligence Government Services Business	Amentum Holdings, Inc.	$7.2
2/7/2024	11/4/2024	Berry Global Group, Inc.	$8.2	Health, Hygiene and Specialties Global Nonwovens and Films Business	Magnara Corporation	$0.7
12/14/2021	9/1/2022	3M Company	$61.2	Food Safety Business	Neogen Corporation	$3.0
5/17/2021	4/8/2022	AT&T Inc.	$143.4	Warner Media	Warner Bros Discovery	$43.1
2/16/2021	10/4/2021	Zurn Water Solutions Corporation	$4.3	Process & Motion Control Segment	Regal Rexnord Corporation	$11.0
7/29/2019	11/16/2020	Pfizer Inc.	$210.3	Upjohn Inc.	Viatris Inc.	$21.4
6/28/2016	3/10/2020	McKesson Corporation	$23.6	Change Healthcare Holdings, Inc., and Technology Solutions Business	Change Healthcare Inc.	$1.3

Sources: Capital IQ and public filings.



Appendix

Glossary

03.2

Illustrative RMT Transactions Considered

Definition	Description
Parent	Company prior to the spin-off transaction.
SpinCo	Entity that is spun off (the majority or all of the stock of which is distributed to Parent's stockholders).
RemainCo	Parent company following the completion of the spin-off.
Announcement Date[(1)]	Date that the company issued a press release announcing the intended spin-off.
Effective Date	Date of which SpinCo's shares began trading on the applicable exchange.
Enterprise Value (EV)	Represents the value of all common equity, preferred equity, and convertible securities (on an as-converted basis), plus the face value of all outstanding debt, less cash and marketable securities.
EBITDA	Earnings before interest, taxes, depreciation, and amortization; is calculated as revenue less expenses, excluding tax, interest, depreciation, and amortization, and non-recurring adjustments.
Last Twelve Months (LTM)	Represents the latest 12-month period.
Market Cap	Represents the market value of all the common equity based on observed trading prices.
NA	Not applicable.
Net Leverage	Represents the net debt level (total debt less cash) of a company and is calculated by dividing net debt by LTM EBITDA.
Reverse Morris Trust (RMT)	Tax-advantaged transaction structure in which SpinCo merges with a target company following its separation from its Parent.
Reverse Spin-Off	A type of spin-off transaction in which SpinCo, rather than RemainCo, is the continuing entity and may be treated as such for accounting and legal purposes.

(1) For some transactions, rumors of a possible spin-off may have preceded such announcement.
Sources: Capital IQ and public filings.



About Houlihan Lokey

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About **Our Firm**

Houlihan Lokey is a leading global investment bank with expertise in mergers and acquisitions, capital solutions, financial restructuring, and financial and valuation advisory.

Houlihan Lokey is the trusted advisor to more top decision-makers than any other independent global investment bank.

CORPORATE FINANCE

2024 M&A Advisory Rankings
All Global Transactions

	Advisor	Deals
1	**Houlihan Lokey**	**415**
2	Rothschild & Co	406
3	Goldman Sachs & Co	371
4	JP Morgan	342
5	Morgan Stanley	309

Source: LSEG (formerly Refinitiv).
Excludes accounting firms and brokers.

No. 1
Global M&A Advisor

Leading
Capital Solutions Group

FINANCIAL RESTRUCTURING

2024 Global Distressed Debt &
Bankruptcy Restructuring Rankings

	Advisor	Deals
1	**Houlihan Lokey**	**88**
2	PJT Partners Inc	59
3	Rothschild & Co	48
4	Lazard	44
5	Perella Weinberg Partners LP	40

Source: LSEG (formerly Refinitiv).

No. 1
Global Restructuring Advisor

1,800+
Transactions Completed Valued at More Than $3.8 Trillion Collectively

FINANCIAL AND VALUATION ADVISORY

2000-2024 Global M&A
Fairness Advisory Rankings

	Advisor	Deals
1	**Houlihan Lokey**	**1,243**
2	Duff & Phelps, A Kroll Business	1,045
3	JP Morgan	1,020
4	UBS	792
5	Morgan Stanley	698

Source: LSEG (formerly Refinitiv).
Announced or completed transactions.

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Annual Valuation Engagements



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- Financial Restructuring
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- Energy
- Financial Services
- FinTech
- Healthcare
- Industrial
- Real Estate, Lodging, and Leisure
- Technology

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- Private Equity Firms
- Hedge Funds
- Capital Alliances

KEY FACTS AND FIGURES

34
Locations Worldwide

2,677
Global Employees

347
Managing Directors(1)

$2.5B
Revenue(2)

$13.98B
Market Capitalization(3)

HLI
LISTED
NYSE

(1) As of June 30, 2025.
(2) LTM ended June 30, 2025.
(3) As of August 29, 2025.

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Mr. De Rose is a member of Houlihan Lokey's Financial and Valuation Advisory business, where his primary responsibilities include providing investment banking, valuation, and transactional opinion services. He is a member of the firm's Fairness, Solvency, and Technical Standards committees. With over three decades of investment banking experience, Mr. De Rose has extensive expertise in successfully managing complex transactions across a broad spectrum of industries.

Before joining Houlihan Lokey, Mr. De Rose served as Managing Director in the M&A Group of Bear, Stearns & Co. Inc. In that capacity, he advised clients in negotiated M&A, divestitures, leveraged buyouts, contested takeovers, and proxy fights—completing more than 200 M&A transactions. In addition, he was a Managing Director in Bear Stearns' Financial Restructuring Group, advising debtors, senior lenders, bondholders, and prospective acquirers of Chapter 11 debtors and other financially distressed companies. He also served as a member of Bear Stearns' Valuation Committee.

Mr. De Rose began his career as a corporate attorney at Wachtell, Lipton, Rosen & Katz. His responsibilities there included providing counsel to clients in M&A transactions and public and private securities offerings, as well as advising banks and institutional investors in connection with debt financings and troubled loan workouts.

Mr. De Rose earned a B.A. in Philosophy from the University of Pennsylvania, a Ph.D. in Philosophy from Brown University, and a J.D. from the New York University School of Law. He is currently a member of the Mergers & Acquisitions Committee of the American Bar Association and the American Bankruptcy Institute. Mr. De Rose is a member of the Corporation Law Committee and a former member of the M&A Committee of the New York City Bar Association. He is also the past Chairman of the Corporation Law Committee of the New York State Bar Association (NYSBA) and a member of the Executive Committee of the Business Law Section of the NYSBA. Mr. De Rose has been qualified as an expert in valuation by the Delaware Chancery Court.

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New York University
J.D.

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Mr. Bernstein is a member of Houlihan Lokey's Board and Special Committee Advisory practice within the firm's Financial and Valuation Advisory business. He assists boards of directors, special committees, company management, and other constituents in evaluating transaction proposals, strategic alternatives, and critical deal-related issues across mergers and acquisitions, recapitalizations, spin-offs, asset sales, and other transactions.

Mr. Bernstein is also experienced in rendering fairness, solvency, and other transaction-based valuation opinions as an active member in the firm's Transaction Opinions practice.

Prior to joining Houlihan Lokey, Mr. Bernstein was an Associate in the Economic and Valuation Services group at KPMG, where he valued private equity and hedge fund investments for alternative asset managers.

Mr. Bernstein holds a B.S. in Integrated Business and Engineering from Lehigh University.

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Mr. Findlay holds a B.S. in Management Science and Engineering, with a minor in Economics, and an M.S. from Stanford University.

Qualifications

Stanford University
B.S.

Stanford University
M.S.



Disclaimer

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