FactSet: Screening for Comparable Deals and Past Precedents

There are different strategies you can use for identifying comparable deals.

A. **Screening Across Multiple Deals**

Click **Screening** on the tab banner.

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Click **Idea Screening**.
This is where you work within FactSet to generate custom lists based on filters (e.g. revenues, industry, etc.).

For this exercise, focus on the **Mergers & Acquisitions** section. Click **General M&A**.
The left pane contains all of the filtering options to select from. Double clicking on one moves it into the main/right pane. You can select as many filters as you need.

TIP: when starting the screening search, take the time to look at all of the filters that are available; understanding these upfront will help you to build a more thoughtful search and increase efficiency for when you need to rework your search.

Look for the blue “i” icon to the right of any filter for detailed definitions/descriptions. FactSet defaults to some commonly used filters which will automatically appear in the main pane; you can quickly remove any filters you don’t want to use by clicking the red “x” on the upper right of each filter; the “x” appears when your cursor hovers over that filter.

Keep an eye on the upper right Transactions counter; it will automatically update as you add your filters.

Note that you are working in the Search Items tab for Mergers(1) query. If you want to run a 2nd search, click on the green “+” tab to the right of Mergers(1) and a new search query will open.
Begin selecting your filters and filling them in.
Some filters, such as Location and Sector/Industry will open to a second screen, prompting you to refine your selection. Be careful to click the OK button at the bottom of the screen so that your selections will apply.
Sector/Industry

FactSet allows you to screen on Sector/Industry in a number of ways, including GICS, RBICS, NAICS, SIC and FactSet codes. There is no best or right code to use; in fact, it is the most imprecise filter you will use – in spite of the fact that it is one of the most important. You will want to work and rework this filter until you yield the most useful results.

TIP for Identifying Possible Industry Codes

In FactSet, look up a large, well-known company in the industry for which you want to filter deals. Type the company name or ticker in the upper right corner of the FactSet screen; once the Company Overview display, click Reference on the left. This displays all the various codes that are used to identify the company’s industry.

Once back in Deals Screening, think carefully about whether the code should be “primary” or “primary or secondary/all;” the results will likely be very different depending on your selection.

Take the time to click on “+” to the right of the codes; this will expand the code so that you can select the sector that best fits what you want to screen on.

Note the blue “i” to the right of each code; click on it for a definition of the industry, e.g. clarifies the types of companies that the search will generate.
Target Sector/Industry Lookup

Search for values

- [484] Truck Transportation
  - [4841] General Freight Trucking
    - [48411] General Freight Trucking, Local
    - [48410] General Freight Trucking, Local
  - [48412] General Freight Trucking, Long-Distance
    - [484121] General Freight Trucking, Long-Distance, Truckload
    - [484122] General Freight Trucking, Long-Distance, Less Than Truckload
  - [4842] Specialized Freight Trucking
    - [48421] Used Household and Office Goods Moving
    - [484210] Used Household and Office Goods Moving
    - [48422] Specialized Freight (except Used Goods) Trucking, Local
    - [484220] Specialized Freight (except Used Goods) Trucking, Local
    - [48423] Specialized Freight (except Used Goods) Trucking, Long-Distance
Be sure to click on the **Summary** tab to review your search strategy. It is recommended to always print this out so you have an exact record of all of your filters; if you run multiple searches, print out the summary for each one. If you are going to run searches Thomson and/or Bloomberg, you want to ensure consistency in your search strategy.

### Search Parameters and Logic (7)

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>P1. Announcement Date:</strong></td>
<td>&gt;= 01/01/2010</td>
</tr>
<tr>
<td><strong>P2. Transaction Value (MM):</strong></td>
<td>Inactive</td>
</tr>
<tr>
<td><strong>P3. Target Location:</strong></td>
<td>Included: United States Searching on: Target</td>
</tr>
<tr>
<td><strong>P4. Target Sector/Industry:</strong></td>
<td>Included: [484122] General Freight Trucking, Long-Distance, Less Than Truckload; [484111] General Freight Trucking, Local; [484110] General Freight Trucking, Local Searching on: Target, Primary</td>
</tr>
<tr>
<td><strong>P5. Transaction Status:</strong></td>
<td>Included: Complete</td>
</tr>
<tr>
<td><strong>P6. Deal Type:</strong></td>
<td>Included: Acquisition / Merger</td>
</tr>
<tr>
<td><strong>P7. Target Revenue (LTM) (MM):</strong></td>
<td>1.00 to 100.00</td>
</tr>
</tbody>
</table>

Logic = (P1 AND P6 AND P5 AND P3 AND P4 AND P7)

### Report Details

- Report View
- List of Buyers

In millions of USD except per share amounts

### Screen Details

- Name
- Mergers (1) (Modified) 📀
- Screen Currency
  - USD
- Directory
- Unsaved
To view the transactions resulting from your search, click on the green **View** button on the upper right of the screen.

Click on the “+” to the left of each company to view a snapshot of the acquisition; click on related links for detailed information about the deal and source of the data.

The results of the search will inform decisions about reworking the original search strategy. Click on the **Search Items** tab to return to your filtering screen.

Everything can be downloaded into Excel or printed.
B. Examining Acquisitions of Public Companies in your Industry

It can be a very useful strategy to look up individual public companies in your industry and explore their M&A activity. This is very useful for “backing into” deals by focusing on the public companies in the sector and looking at their transactions, etc.

TIP: Look at how the deal summary data, in particular what sectors/industry code(s) are used; this may give you some ideas if you are struggling with identifying the right codes.

Look for the search/magnifying glass icon on the upper left corner of FactSet’s top banner. Type the company name or ticker.

Once on the company’s landing page, click on Transactions/Deal Summary on the left pane.
Explore the other content on the left pane. **Snapshot** includes comparable key industry public companies; **Comparison** provides key valuation and financial comparative data, etc.