The value of organized networking: Evidence from the World Economic Forum

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Abstract

Several studies document a positive impact of social interaction on business activity and economic outcomes. While the literature identifies several ways of forming social ties, there is little evidence on the value of participating in business events that foster networking. In this paper, we analyze the value of having access to one such event - the annual meeting of the World Economic Forum (WEF). We compile a novel dataset of public firms that participate at least once in the meeting between 2013 and 2023. Participants experience positive abnormal equity returns in the days leading to the respective meeting. We identify M&A activity as a channel that can rationalize the value effects. Meeting participants have larger number of deals and higher deal values following the meeting compared to a matched control sample.

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1 Introduction

Influential contributions in sociology emphasize the importance of social capital (Granovetter, 1985; Coleman, 1988; Putnam, 1995). Social networks can alleviate the challenges of informational frictions and agency issues. Indeed, a growing body of literature shows that social interaction can facilitate business activity and improve economic outcomes (Karlan et al., 2009; Lins, Servaes, and Tamayo, 2017, Cai and Szeidl, 2018). Formation of social ties may take place along several dimensions, such as locational proximity, attendance of the same educational institution, or activity in the same workplace.

Another way foster social networks are large business events. One of the largest such events is the annual meeting of the World Economic Forum (WEF) in Davos, Switzerland. Many of its around 3,000 participants are global leaders in business and politics. One McKinsey partner says that "the meeting is famous for the networking and social interactions that take place in the corridors, side rooms, hotel suites, and restaurants of the Alpine town.", and another considers it as "business speed dating on steroids".[1] This suggests that attending the meeting provides various opportunities for firms. However, there is still little quantitative evidence on the impact of these events.

In this paper, we analyze the value effects of participating in the WEF meeting. We gather information on public US, Canadian, and European firms whose representatives participate at least once in the meeting in the period 2013 to 2023. We find significant equity returns of around 0.6 percent for attendees in the days leading to the respective meeting. We provide evidence on a channel through which the value effects materialize. We find that M&A activity, as measured by number of deals (at least around 4 percent more deals than the average) and deal value (at least 0.6 percent higher value than the average), in the year following the meeting participation is significantly larger than for a matched control sample.

The WEF meeting is an invitation-only event. The WEF has around 1,000 members who fund the organization. The members are typically large global companies, and it is their CEOs who are invited to the annual meeting. In addition, every year the WEF invites firms

[1] https://www.mckinsey.com/featured-insights/mckinsey-explainers/what-is-davos#/

that operate at the technological frontier. The list of around 3,000 participants also includes high–level politicians, business and academic leaders, investors, as well as journalists and celebrities.[2]

One important aspect for our analysis is the rather high variation in attendees. For instance, in 2023, of the expected more than 600 CEOs, 80 were first-time participants.[3] In addition, while membership grants the access to an invitation, it appears unclear ex ante whether a firm attends the meeting in a given year or not. Table 2 shows that less than 10 percent of firms participate in all of the ten meetings we cover. More than 35 percent attend only once or twice. There is, consequently, a substantial surprise component of which companies actually participate in a given year.

Attending the meeting is very costly for firms. The members pay annual fees between 60,000 Swiss francs and 620,000 Swiss francs. This allows them to buy a meeting ticket for 27,000 Swiss francs.[4] This does neither include the cost for travel and accommodation nor the opportunity cost of executive time. This raises the question whether there are benefits from attending that justify these costs.

We gather data on participants for all meetings between 2013 and 2023. The information includes the name of the firm, the name of the representative and their position in the firm, as well as the representative's country of location. We analyze public US, Canadian, and European firms. In total, there are 2,149 firm-participations of 437 unique firms in our dataset.

To measure firm value effects of participating in Davos, we perform event study analyses around the date of the respective meeting. We calculate cumulative abnormal returns (CARs) around the date of the respective meeting. Figure 1 shows that there is a substantial increase in mean CARs in the two to three weeks prior to the respective meeting. By the day the respective meeting starts, all value affects are already incorporated in capital markets. The starting dates of the meetings in our dataset vary between the 16th and the 23rd of January. The shape of the CARs in Figure 1 confirm anecdotal evidence that the participants of the

[2]https://www.entrepreneur.com/business-news/what-is-davos-forum-2022-how-to-attend-davos-and-more/427091

[3]https://www.politico.eu/article/davos-world-economic-forum-guest-list-politics-business/

[4]https://www.bbc.com/news/business-46895332

WEF are typically revealed at the beginning of the year.

We move on to analyze a channel that can rationalize the positive value effects. One hypothesis is that participating in a WEF meeting reduces search costs for aspiring acquirers and targets, and therefore is associated with an increased M&A activity after the meeting. A representative example is the completion of the acquisition of Aveva, a software company, in January 2023 by Schneider Electric, an industrial company that specializes in digital automation and energy management.[5] Both companies have in common that their CEOs attended the WEF meeting in 2022.

To test our hypothesis, we construct two variables of M&A activity. $Ln(1+\#Deals)_{\mathrm{t}}$ is the natural logarithm of one plus the number of deals completed within one year of the WEF meeting taking place in year t. $Ln(1+DealValue)_{\mathrm{t}}$ is the natural logarithm of the dollar value of the deals completed within one year of the WEF meeting taking place in year t. We compare the evolution of these two variables in the year following a meeting for participants and a matched sample of non-participants.

The results indicate that the participation in a WEF meeting is associated with an increase in the number of deals that ranges between 0.11 and 1.03 in the year following the participation, i.e. an increase between 3.9% and 36.6% compared to the average of 2.81 deals of control firms in the same time period. In terms of deal size, the increase ranges between $10.9m and $92m in the year following the participation, i.e. an increase between 0.6% and 5% compared to the average deal volume of $1,831.7m for control firms in the same time period.

Improved M&A activity is merely one way how firms can benefit from attending the WEF meeting. An additional channel that comes to mind are new or better sales deals that may be negotiated at the meeting, or for which the meeting can be a starting point. Another consideration, given the continuous substantial representation of financial institutions at the meeting, is improved or cheaper access to financing as a result of interactions. These are empirically testable hypotheses, which we are currently analyzing.

Our work relates to the body of literature that links social interaction and networks to

[5] https://www.aveva.com/en/about/news/press-releases/2023/aveva-announces-the-completion-of-its-acquisition-by-schneider-electric/

economic outcomes. Knack and Keefer (1997), in a cross-country study, find that trust and civic cooperation are associated with stronger economic performance, but associational activity is not. Guiso, Sapienza, and Zingales (2004) analyze the different levels of social capital and trust in Italy and link it to access to credit and stock market behavior on the household and firm level. Haselmann, Schoenherr, and Vig (2018) study a data set on members of an elite service club in Germany. They show that there is misallocation of bank credit inside the network. Braggion (2011) analyzes the economic performances of British companies whose managers were members of the Freemasonry. He finds that companies run by these managers had higher leverage ratios. We add to this literature by analyzing a particular event and its networking opportunities, and linking it to firm value effects and potential channels of value creation.

Our work focuses on the value creation from social interaction between firm representatives. Certainly, there are other channels through which participation in the WEF meeting can be value enhancing. Every year, many high-ranking policymakers are in Davos. Recent literature shows that direct access to policymakers is valuable for firms (Brown and Huang, 2021; Biguri and Stahl, 2023). Both studies show that scheduled meetings with politicians are valuable for firms. For the setting in the present work, however, it is difficult to quantify the benefits from coinciding with particular policymakers in Davos.

We are not the first to analyze whether participation in the WEF meeting is valuable. Schmidt, Rose, and Fuchs (2021) study whether end-of-the-year excess returns and credit ratings are positively associated with attendance in the meeting. They do not find any significant effect. We believe that our measure of short-term abnormal returns is more appropriate. End-of-the-year returns and credit ratings have a rather long-term character, and they can be confounded by many other events and factors.

The paper is structured as follows. The next section provides a brief overview of the World Economic Forum. Section 3 presents the data and data sources. In section 4, we present the methods and main results. Section 5 concludes.

2 The World Economic Forum (WEF)

The (WEF) is an International Institute under Swiss law. It is a not-for-profit organization. The WEF's mission is "committed to improve the state of the world". A large part of its funding is provided by business entities, who join the Forum as members and partners and participate in its activities. The Forum offers different levels of membership and partnership. Membership and partnership fees range from CHF60,000 to CHF600,000 depending on the level of engagement. Most types of membership include the possibility to participate in the annual meeting for the CEO of the company. However, the Davos participation incurs an extra fee over and above the membership or partnership fees.[6]

This is how the WEF describes its history: "The story of five decades of the World Economic Forum, as seen through the eyes of its members, leaders and the outside world. The Forum is best known for its Annual Meeting in Davos-Klosters. Through the years, numerous business, government and civil society leaders have made their way to the high Alps to consider the major global issues of the day and to brainstorm on solutions to address these challenges. While many global institutions are notable for the breadth of nations or the powerful political leaders attending their gatherings, the World Economic Forum Annual Meeting and indeed all the activities and initiatives of the Forum around the world are distinguished by the active participation of government, business and civil society figures. The Forum engages the most experienced and the most promising, all working together in the collaborative and collegial 'Spirit of Davos'. Professor Klaus Schwab founded what was originally called the European Management Forum, as a non-profit foundation based in Geneva, Switzerland. It drew business leaders from Europe, and beyond, to Davos for an Annual Meeting each January. Initially, Professor Schwab focused the meetings on how European firms could catch up with US management practices. He also developed and promoted the 'stakeholder' management approach, which based corporate success on managers taking account of all interests: not merely shareholders, clients and customers, but employees and the communities within which they operate, including government. Professor Schwab's vision for what would become the World

[6] https://www.weforum.org/agenda/2017/01/who-pays-for-davos/

Economic Forum grew steadily as a result of achieving 'milestones'. Events in 1973, namely the collapse of the Bretton Woods fixed exchange rate mechanism and the Arab-Israeli War, saw the Annual Meeting expand its focus from management to economic and social issues. Political leaders were invited for the first time to Davos in January 1974. Two years later, the organization introduced a system of membership for 'the 1,000 leading companies of the world'. The European Management Forum was the first non-governmental institution to initiate a partnership with China's economic development commissions, spurring economic reform policies in China. Regional meetings around the globe were also added to the year's activities, while the publication of the Global Competitiveness Report in 1979 saw the organization expand to become a knowledge hub as well. In 1987, the European Management Forum became the World Economic Forum and sought to broaden its vision to include providing a platform for dialogue. World Economic Forum Annual Meeting milestones during this time include the Davos Declaration signed in 1988 by Greece and Turkey, which saw them turn back from the brink of war, while in 1989, North and South Korea held their first ministerial-level meetings in Davos. At the same Meeting, East German Prime Minister Hans Modrow and German Chancellor Helmut Kohl met to discuss German reunification. In 1992, South African President de Klerk met Nelson Mandela and Chief Mangosuthu Buthelezi at the Annual Meeting, their first joint appearance outside South Africa and a milestone in the country's political transition. In 2015, the Forum was formally recognized as an international organization. It is now on the next phase of its journey as the global platform for public-private cooperation."[7]

In 2024, the annual meeting is centered on rebuilding trust.[8]

3 Data

This work combines several data sources. We compile a dataset of public US, Canadian, and European firms whose representatives participate in the World Economic Forum between 2013 and 2023. We obtain the attendee information from different sources: i) for some years, we use

[7] https://www.weforum.org/about/history/

[8] https://www.mckinsey.com/featured-insights/mckinsey-explainers/what-is-davos

the official participation lists that are available online; ii) for other years, we use information from Quartz (qz.com), a news organization.[9] Available information includes the name of the organization, the name if the participant and their position in the organization, as well as on the country, in which the participant is located.

We obtain security price data and data on firm characteristics from Refinitiv Datastream. We apply the Fama-French-Three-Factor model plus the momentum factor to obtain abnormal returns.[10] We retrieve the data for the four factors from AQR.[11] The firm provides the daily equity factors for the US, Canada, and several European countries as an updated and extended version of the equity portfolios used in Frazzini and Pedersen (2014). For each firm, we use its countries' factors to calculate abnormal returns.[12] Abnormal returns are winsorized at the 1st and 99th percentile.

Data on M&A transactions are obtained from Thomson Reuters' Securities Data Company (SDC) Platinum database.

Table 1 provides an overview the number of public firms and number of firm-participations in the WEF between 2013 and 2023. In total, there are 437 different firms that attend at least one of the 10 WEF meetings covered in our dataset. Together, they account for 2,149 firm-participations. US firms clearly dominate the picture. They account for more than 45 percent of the firm-participations. For the European firms, the firm-participations are more or less proportional to the size of the country.

One insight from Table 1 is that a large part of firms does not participate in every meeting. Table 2, which shows the frequency of attendance for the covered firms, confirms this. Around 20 percent of firms merely participate in one of the ten meetings that we analyze; more than 16 percent attend just two. Around 15 percent attend all ten meetings, and there seems no clear pattern that explains the frequency of participation.

Table 3 presents a break down of the meetings by 1-digit SIC code industries. Manufacturing, with more than 35 percent, is the industry with the largest number of participations. The

[9] We would like to thank David Yanofsky for sharing his data with us.
[10] See Fama and French (1992, 1993) and Carhart (1997).
[11] See https://www.aqr.com.
[12] Our dataset covers the following countries: Belgium, Canada, Denmark, France, Germany, Italy, Norway, Spain, Sweden, Switzerland, US, and United Kingdom.

three industries Manufacturing, Financials, and Services account for more than 80 percent of all participations.

Table 4 reports the descriptive statistics for the sample of firm-participations. Participants are, on average, rather larger, have a high profitability, have a mixed capital structure, and a rather high market-to-book ratio.

4 Results

In this section, we discuss the value effects of participating in the WEF meeting. We then present evidence on a channel that can rationalize these effects. We study the impact on M&A activity following the participation in a meeting.

4.1 Firm value effects of participation in the WEF meeting

To measure firm value effects of participating in a WEF meeting, we perform event study analyses around the date of the respective meeting. We calculate cumulative abnormal returns (CARs) applying the Fama-French-Three-Factor model plus the momentum factor.[13] We fit the coefficients of the four factors during an estimation window that begins 200 days and ends 40 days prior to the respective meeting. Abnormal returns are winsorized at the 1st and 99th percentile. For each firm-participation, we estimate CARs for the respective participation and then calculate mean CARs for all firm-participations.

Figure 1 plots the mean CARs. It shows that CARs begin to markedly rise around 15 days prior to the meetings. Large part of the value effects are realized between day -15 and day -10. This is in line with information on the participants becoming public at the beginning of January. The start of the respective meeting in January varies between the 16th and 23rd of January. This explains the difference of 2 to 3 weeks, or 10 to 15 trading days, between the onset of the value realizations and the start of the respective meeting. The day before the meetings start, value effects are fully incorporated.

Table 5 presents the mean value effects for participation in the meeting. Based on the

[13] The four risk factors are market, size, value, and momentum.

insights from Figure 1, that the value effects are incorporated in the three weeks prior to the respective meeting, Table 5 shows CARs for the window (-15, -1). The mean CARs amount to 0.61 percent, and they are statistically significant at the one percent level of confidence.

Table 6 breaks down the mean CARs by year. Importantly, except for 2016, the mean value effects of participating in the meeting are positive for all years. This adds robustness to the results and suggests that they are not driven by individual outliers. The substantial exception in 2016 can be explained by the strong stock market sell-off in January and the corresponding confounding factors in measuring the value of participating in the WEF. Comparing Figure 1 to Figure 2 illustrates how distorting the confounding factors of year 2016 are. Figure 2 plots the CARs around the meetings but excludes observations from 2016. The evolution of value effects is much smoother. In particular, the slight reversal in value effects following the begin of the meetings is far less pronounced.

One concern may be that the value effects are partially driven by the January effect. Wachtel (1942) describes this effect in stock prices. He finds a pattern of higher stock prices in comparison to the other months of the year. The value effect of almost 1.5 percent in 2022 can alleviate this concern. As an exception, the WEF took place in May in that year.

4.2 M&A activity following the participation in the WEF meeting

A channel that may possibly explain the abnormal returns, which we observe in the days leading to WEF meetings, is the anticipation of value creation for participating firms through successful merger and acquisition deals. Participating in the meeting, and particularly networking with other informed participants, may facilitate the initiation of such deals by raising the awareness of profitable investment (or divestment) opportunities. We hypothesize that participating in a WEF meeting reduces search costs for aspiring acquirers and targets, and therefore is associated with an increased M&A activity after the meeting.

To test our hypothesis, we collect M&A transactions from Thomson Reuters' Securities Data Company (SDC) Platinum database. We include completed deals within the time range of our WEF participation data extended by one year on each side, i.e. from January 2012

to January 2024. We exclude repurchases and self-tender deals as well as deals with zero or missing value.

Following Rainville, Unlu, and Wu (2022), we construct two variables of M&A activity. *Ln(1+#Deals)*$_{\mathrm{t}}$ is the natural logarithm of one plus the number of deals completed within one year of the WEF meeting taking place in year t. *Ln(1+DealValue)*$_{\mathrm{t}}$ is the natural logarithm of the dollar value of the deals completed within one year of the WEF meeting taking place in year t.

Our key independent variable identifying treatment firm-years is *WEFi,t*, a dummy variable taking the value of one if firm i participates in the WEF meeting taking place in year t, and zero otherwise. To reduce differences in the ex-ante likelihood of M&A activity between participating firms and the rest of the population, we construct a matched control sample of potential deal participants. For each WEF participating firm in year t, we find a matching non-participating firm by country, industry, and size in year t. Specifically, and similar to Bena and Li (2014), we first isolate firm-years of non-treatment firms in the same country and industry as treatment firm-years, with our industry definition moving up from more refined (four-digit SIC) to coarser (two-digit SIC) until we find a minimum of five industry peers. From this pool of industry peers, we include the closest size neighbor in our control sample. If the criterion of five industry peers is not met, we drop the treatment firm-year from our sample. Given that M&A deals are clustered around time, industry, and geography, this matching creates a pool of more closely comparable M&A deal participants.

To determine the difference between a WEF participant's post-meeting M&A activity intensity and that of a non-participant, we use the following regression model

$$MA_{i,t} = \alpha_0 + \beta_1 WEF_{i,t} + \delta_1 X_{i,t-1} + \lambda_j + \nu_t + \epsilon_{i,t} \tag{1}$$

where i, j, and t correspond to firm, industry, and time indicators and *WEF* is defined above. We run the regression model for two M&A activity variables (*MA*) as independent variables: a measure reflecting the number of deals, *Ln(1+#Deals)*$_{\mathrm{t}}$, a firm engages in and one reflecting the dollar amount of these deals, *Ln(1+#DealValue)*$_{\mathrm{t}}$. X represents a vector

of firm-year control variables measured at the end of the year prior to the respective WEF meeting; these variables are the natural logarithm of total assets (Size), the return on assets (ROA), the ratio of total leverage over total assets (Leverage), the ratio of cash and short-term investments over total assets (Cash), the book-to-market ratio (BTM) as well as the M&A activity in the year prior to the meeting, i.e. the lag of the independent variable, $MA_{i,t-1}$. Finally, we include industry and time fixed effects to control for industry- and time-related M&A activity clustering. We cluster standard errors at the country level to account for the fact that the concentration of merger activity (waves) may occur locally.

Table 7 reports the results of our regression estimation. For columns 1 to 3, the independent variable is $Ln(1+\#Deals)_t$, while for columns 4 to 6 we regress $Ln(1+DealValue)_t$ on the selected explanatory variables. In columns 1 and 4, we regress the respective M&A activity variable on just the WEF participation indicator controlling for industry and time fixed effects. In columns 2 and 5, we add the lag of the independent variable as an explanatory variable, while in columns 3 and 6, we expand our model to incorporate other possible determinants of M&A activity levels.

The coefficient of our variable of interest, *WEF*, is positive and significant at 1% for all specifications, but one for which it is statistically significant at the 5% level. The results indicate that the participation in a WEF meeting is associated with an increase in the number of deals that ranges between 0.11 and 1.03 in the year following the participation, i.e. an increase between 3.9% and 36.6% compared to the average of 2.81 deals of control firms in the same time period. In terms of deal size, the increase ranges between $10.9m and $92m in the year following the participation, i.e. an increase between 0.6% and 5% compared to the average deal volume of $1,831.7m for control firms in the same time period. Overall, our results suggest that firms following their participation in a WEF meeting engage more intensely in M&A activity, both in terms of deal frequency and of deal size.

5 Conclusion

The literature has identified several ways how social networks are created and how they may improve economic outcomes. One rather neglected opportunity for social interaction are organized business events. The present work provides quantitative evidence on the firm value of participating in such events.

We analyze one particular event, the yearly meeting of the World Economic Forum (WEF). The meeting takes place every January in Davos, Switzerland and attracts around 3,000 participants, many of whom are global leaders in business and politics. We collect data on public US, Canadian, and European companies that participate in the at least one of the meetings between 2013 and 2023. In total, here are 2,149 firm-participations of 437 unique firms in our dataset.

To measure value effects, we apply an event study approach around the date of the respective meeting. We find significant positive equity returns of around 0.6 percent for attendees in the days leading to the respective meeting.

We provide evidence on a channel through which the value effects materialize. We hypothesize that participation in a WEF meeting reduces search costs for acquirers and targets, and therefore is associated with an increased M&A activity after the meeting. We find, indeed, that M&A activity, as measured by number of deals and deal value, in the year following the meeting participation is significantly larger than for a matched control sample.

The M&A channel is merely one potential explanation for how firms can benefit from attending the WEF meeting. New or better sales deals that may be negotiated at or following the meeting are an additional possibility. Given the strong representation of financial institutions at the meeting, improved or cheaper access to financing could be another. This leads to empirically testable hypotheses that we are currently studying.

To the best of our knowledge, this work is the first to document value effects of participating in organized business events. Our analysis focuses on the WEF meeting. However, we believe that the results are likely to extend to similar events. Analyzing other such events, potentially those with a particular industry focus, is a promising avenue for future research.

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Figure 1: **Cumulative abnormal returns (CARs) around World Economic Forum (WEF) meeting.** This graph plots the mean CARs for firms around their participation in the meeting of the WEF.

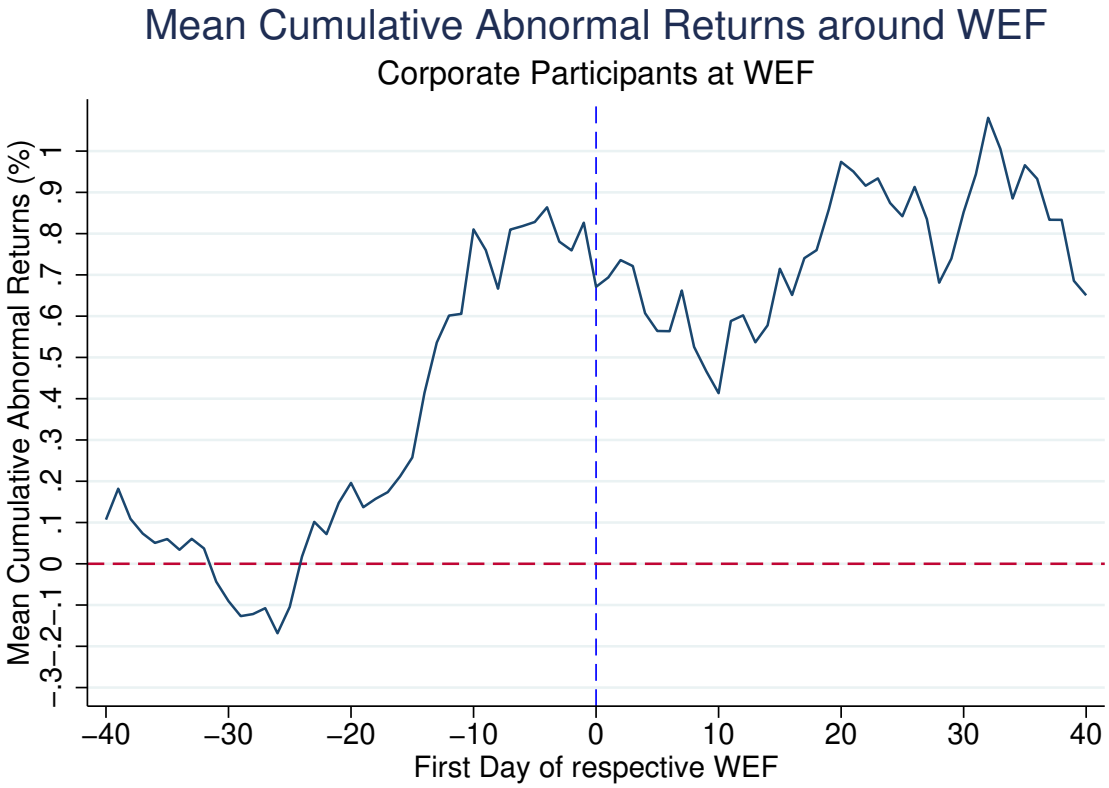

Figure 2: **Cumulative abnormal returns (CARs) around World Economic Forum (WEF) meeting - excluding year 2016.** This graph plots the mean CARs for firms around their participation in the meeting of the WEF. It excludes the year 2016 because of its strong stock market sell-off in January and the corresponding confounding factors in measuring the value of participating in the meeting of the WEF.

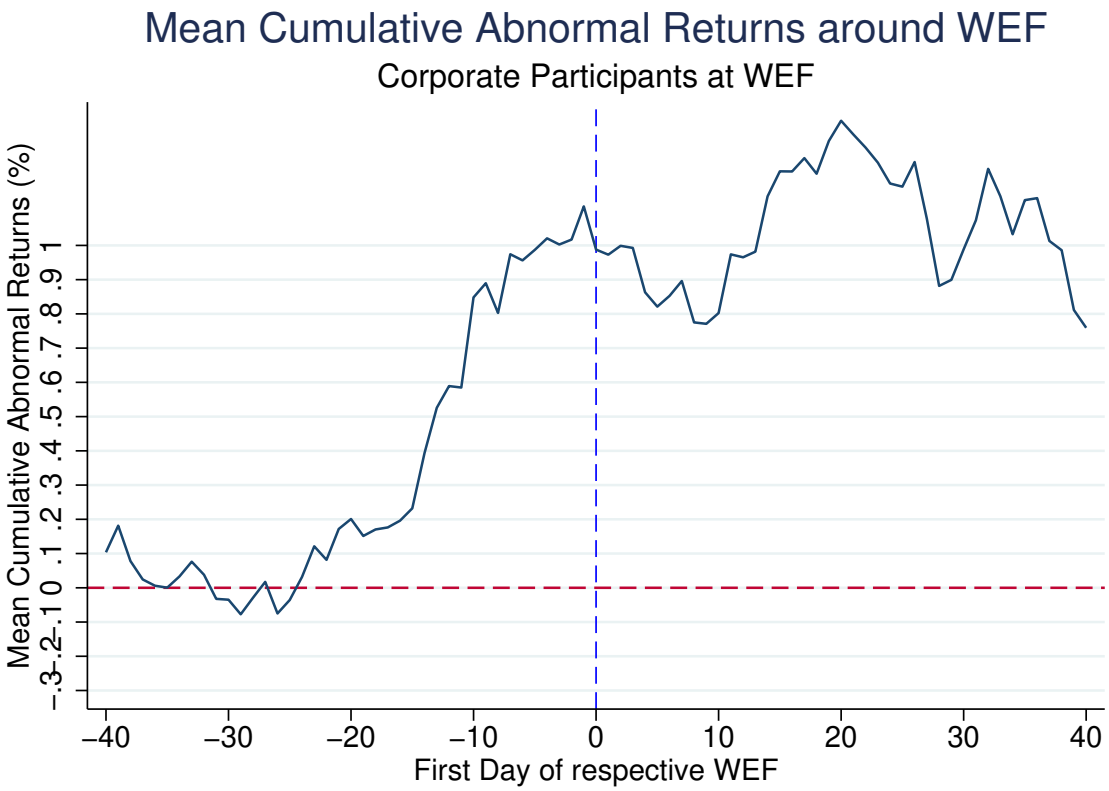

Table 1: **Firms and firm-participations in the World Economic Forum (WEF) meeting by country.** This table provides an overview of the number of unique firms and firm-participations in the meeting of the WEF by country. It covers all meetings that take place between 2013 and 2023.

Country	# Firms	# Firm-participations	Share
US	223	982	45.7%
Germany	34	196	9.1%
UK	35	174	8.1%
Switzerland	25	171	8.0%
France	35	167	7.8%
Canada	21	102	4.7%
Italy	15	76	3.5%
Spain	12	69	3.2%
Sweden	10	56	2.6%
Norway	8	55	2.6%
Denmark	7	51	2.4%
Belgium	12	50	2.3%
Total	437	2,149	100.0%

Table 2: **Frequency of participation in the World Economic Forum (WEF) meeting (2013-2023).** This table displays the frequency of participation of the firms in our dataset in the meeting of the WEF. It covers all meetings that take place between 2013 and 2023. There are 437 unique firms with 2,149 firm-participations in the dataset. Almost 20 percent of these firms attend the meeting merely once during the observation period, and around 15 percent participate in all the meetings.

# Participations	Frequency	Share
1	87	19.9%
2	71	16.3%
3	43	9.8%
4	34	7.8%
5	22	5.0%
6	19	4.4%
7	25	5.7%
8	33	7.6%
9	38	8.7%
10	65	14.9%
Total	437	100.0%

Table 3: **Firm-participations in the World Economic Forum (WEF) meeting by industry.** This table provides an overview of the number of firm-participations in the WEF by industry (1-digit SIC code level). It covers all meetings that take place between 2013 and 2023.

Industry	# Participations	Share
Manufacturing	735	35.3%
Financials	511	25.1%
Services	439	21.1%
Transport. & Public Util.	184	8.8%
Mining	78	3.7%
Construction	60	2.9%
Retail Trade	39	1.9%
Wholesale Trade	37	1.8%
Total	2,083	100.0%

Table 4: **Descriptive statistics (firm-participations).** This table provides summary statistics for firm-participations in the meeting of the World Economic Forum (WEF). It covers participation in meetings that take place between 2013 and 2023. *N* is the number of firm-participation observations. *Total Assets ($m)* is the book value of total assets in $million. *Sales ($m)* is sales in $million. *ROA* is the return on assets (in %), the measure for profitability. *Leverage* is total debt divided by total assets. *Market-to-book* is the ratio of market-to-book value.

	N	Mean	SD	Median
Total assets ($m)	2083	193,000	441,000	32,700
Sales ($m)	2083	35,400	48,400	16,700
ROA	2054	5.28	7.07	4.77
Leverage	2083	0.24	0.15	0.23
Market-to-book	2031	3.77	6.23	2.08

Table 5: **Cumulative abnormal returns (CARs) around World Economic Forum (WEF) meeting.** This table provides the mean CARs for firms around their participation in the meeting of the WEF. It considers all participations of US and European firms in the meetings between 2013 and 2023. The table lists CARs for the event window that starts 15 days prior to the respective Forum and ends the day before. N is the number of firm-participation observations. Standardized cross-sectional t-statistics are shown in parenthesis. *** indicates significance at the 1% level.

	(-15, -1)	N
Mean CARs	0.61%	2,149
(t-Statistics)	(5.20)***	

Table 6: **Cumulative abnormal returns (CARs) around World Economic Forum (WEF) meetings by year.** This table provides the mean CARs by year for firms around their participation in the meeting of the WEF. It considers all participations of US and European firms in the WEFs between 2013 and 2023. The table lists CARs for the event window that starts 15 days prior to the respective Forum and ends the day before. N is the number of firm-participation observations.

Year	(-15, -1)	N
2013	2.11%	224
2014	1.23%	214
2015	0.08%	228
2016	-2.13%	214
2017	0.19%	228
2018	1.00%	220
2019	0.81%	216
2020	0.77%	190
2022	1.49%	194
2023	0.68%	221

Table 7: **M&A activity following the participation in the World Economic Forum (WEF) meeting - matching approach.** The table shows the results of the impact of participating in a WEF meeting on the M&A activity. It compares the activity of participants in the year following the meeting to a matched sample of non-participating control firms. The sample consists of the participants (treatment firms) and one matched non-participants (control firms) for each participant. The match for each participant is the non-participant from the same country, the same industry, with the most similar size in the year of participation. We show regression results to also control for additional firm observables. *WEFi,t*, is a dummy variable taking the value of one if firm i participates in the WEF meeting taking place in year t, and zero otherwise. *Ln(1+#Deals)*$_{\mathrm{t}}$ is the natural logarithm of one plus the number of deals completed within one year of the WEF meeting taking place in year t. *Ln(1+DealValue)*$_{\mathrm{t}}$ is the natural logarithm of the dollar value of the deals completed within one year of the WEF meeting taking place in year t. Subscript t-1 indicates values for the previous year. *, **, or *** indicate significance at the 10%, 5%, or 1% level.

	Ln(1+#Deals)			Ln(1+#DealValue)		
	(1)	(2)	(3)	(4)	(5)	(6)
WEFi,t	0.421***	0.161***	0.054**	1.736***	1.064***	0.442***
	(0.092)	(0.040)	(0.024)	(0.308)	(0.172)	(0.136)
Ln(1+#Deals)_t-1		0.701***	0.624***			
		(0.028)	(0.038)			
Ln(1+DealValue)_t-1					0.439***	0.313***
					(0.025)	(0.016)
Size			0.110***			0.669***
			(0.014)			(0.050)
Leverage			-0.058			0.268
			(0.077)			(0.414)
Cash			0.227*			0.666
			(0.114)			(0.524)
BTM			-0.005*			-0.035*
			(0.002)			(0.016)
Industry FE	Yes	Yes	Yes	Yes	Yes	Yes
Time FE	Yes	Yes	Yes	Yes	Yes	Yes
N	3,796	3,796	3,518	3,796	3,796	3,518
R-Squared	0.194	0.600	0.624	0.141	0.311	0.368