

Q4 2023

WATERVIEW INVESTMENT BANKING
M&A ADVISORY ♦ VALUATIONS ♦ CAPITAL SOURCING

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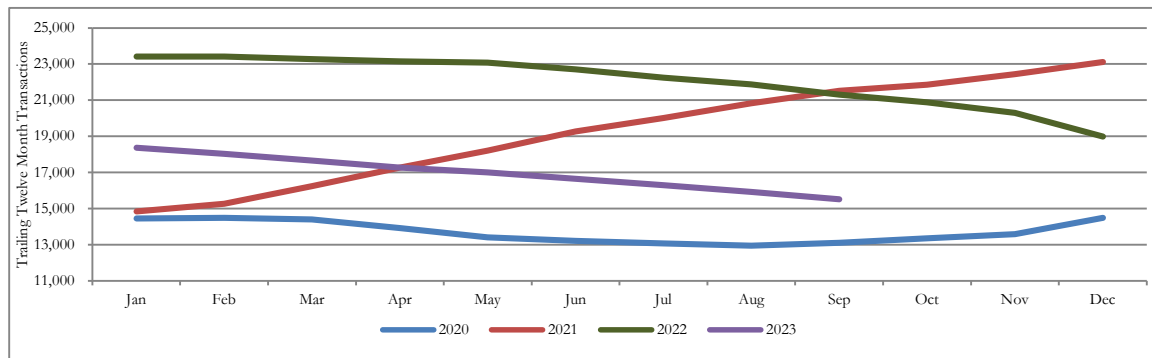
THE MARKET

FOR PRIVATELY HELD COMPANIES

Topics Relevant to Middle Market Mergers & Acquisitions

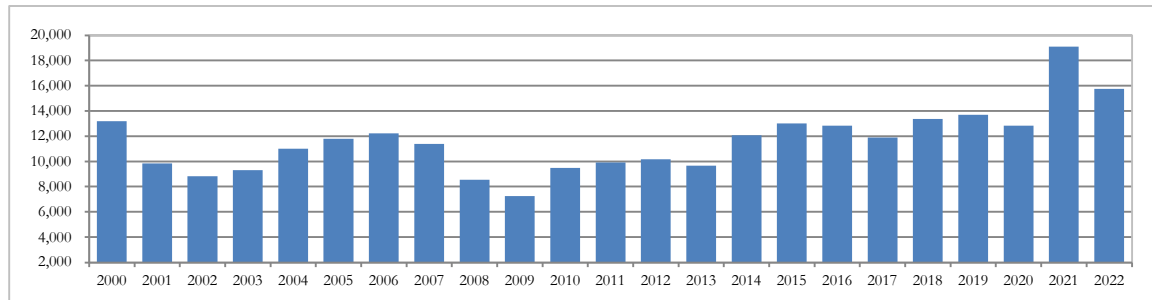
Trailing twelve month transaction activity, while moderating, still exceeds levels observed in 2020.

Chart 1: Trailing Twelve Month (TTM) Total M&A Transaction Volume



Total Announced Transactions, U.S. Buyer or Seller | Source: FactSet Mergerstat

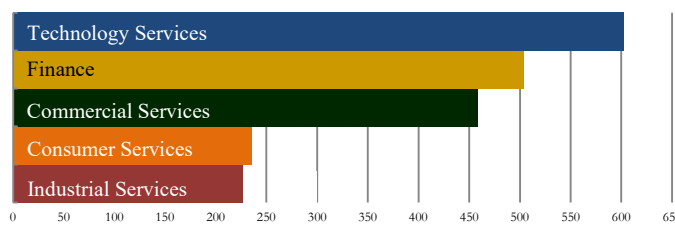
Chart 2: Annual M&A Transaction Volume



Total Announced Transactions, U.S. Buyer or Seller | Source: Mergerstat Review 2023

Which Sectors are Most Active?

The chart to the right reveals the five most active sectors in terms of transactions closed for the three months ended September 30, 2023. In addition to those listed in the chart, the following sectors also exhibited high transaction volume: Distribution Services, Producer Manufacturing, Retail Trade, Health Services, and Health Technology.



Total Announced Transactions, U.S. Buyer or Seller | Source: FactSet Mergerstat

Waterview is a Financial Advisory Services firm focused on Investment Banking and Valuation Services

- Waterview Investment Banking serves client companies with revenue between \$10 million and \$200 million:
 - Sell Side Representation (marketing to both strategic and financial buyers)
 - Capital Sourcing (senior debt, mezzanine and equity)
 - Valuation (to support exit planning strategies)

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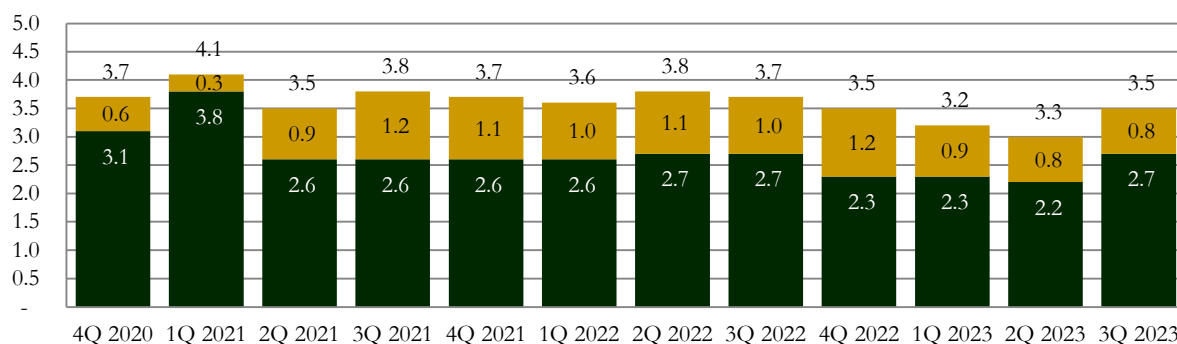
Valuation Multiples TEV / EBITDA Private Equity Sponsored M&A Transactions

TEV (\$Millions)	2003- 2018	2019	2020	2021	2022	YTD 2023	Average	Std Dev	N =
10-25	5.8	6.1	5.9	6.1	6.5	5.8	5.9	1.6	1,878
25-50	6.5	7.0	6.7	7.2	7.0	7.1	6.7	1.8	1,467
50-100	7.5	7.5	8.0	8.3	8.5	8.2	7.7	2.0	1,010
100-250	8.1	9.2	8.7	9.3	9.1	9.7	8.5	2.3	557
Average	6.6	7.1	7.0	7.6	7.6	7.3	6.8	2.0	
N =	3,276	335	342	501	331	203			4,988

Source: GF Data® M&A Report, November 2023. Seller Type: Private | Multiple Range: 3x - 15x | Geography: U.S. or Canadian Buyer

Average Debt Multiples Private Equity Sponsored M&A Transactions

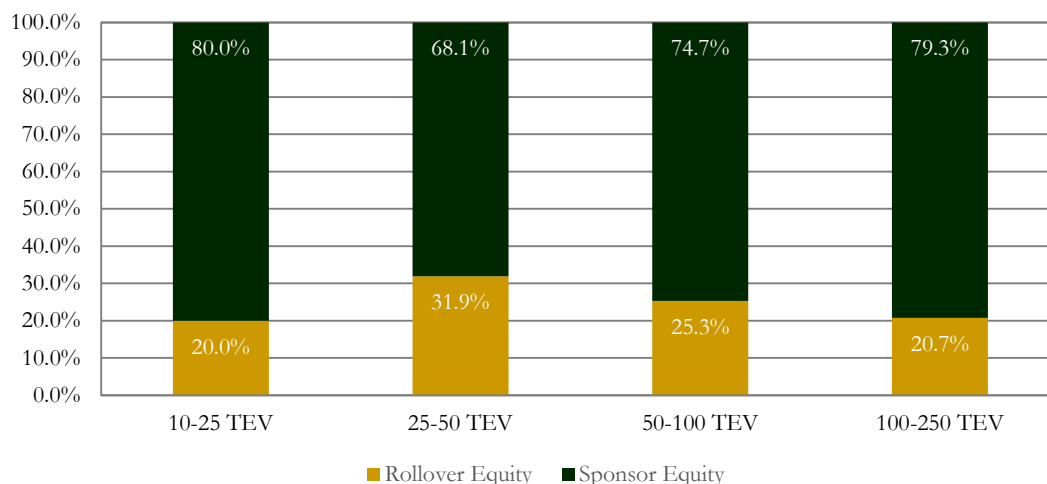
Subordinated Debt
Senior Debt



Source: GF Data® Leverage Report November 2023. Seller Type: Private | Geography: U.S. or Canadian Buyer

2023 Relative Equity Contribution For Platform Acquisitions

2023 Relative Equity Contribution for Platform Acquisitions



Source: GF Data® Leverage Report, November 2023. Seller Type: Private | Geography: U.S. or Canadian Buyer

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