

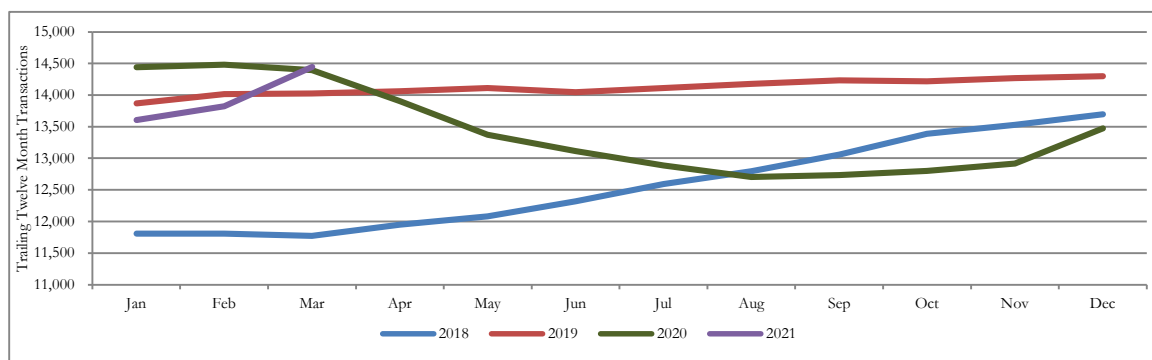
THE MARKET

FOR PRIVATELY HELD COMPANIES

Topics Relevant to Middle Market Mergers & Acquisitions

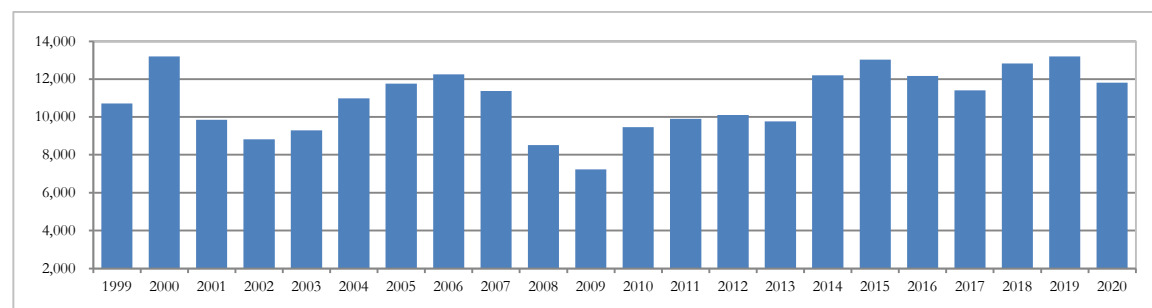
Trailing twelve month transaction activity, as evidenced in Chart 1, has returned to the peak levels observed in 2019 and early 2020.

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



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

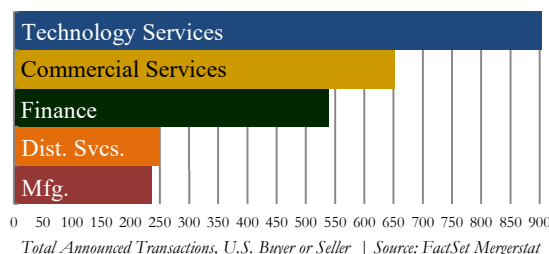
Chart 2: Annual M&A Transaction Volume



Total Announced Transactions, U.S. Buyer or Seller | Source: Mergerstat Review 2020

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 March 31, 2021. In addition to those listed in the chart, the following sectors also exhibited high transaction volume: Industrial Services, Consumer Services, Health Services, Health Technology, and Retail Trade.



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

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Q2 2021

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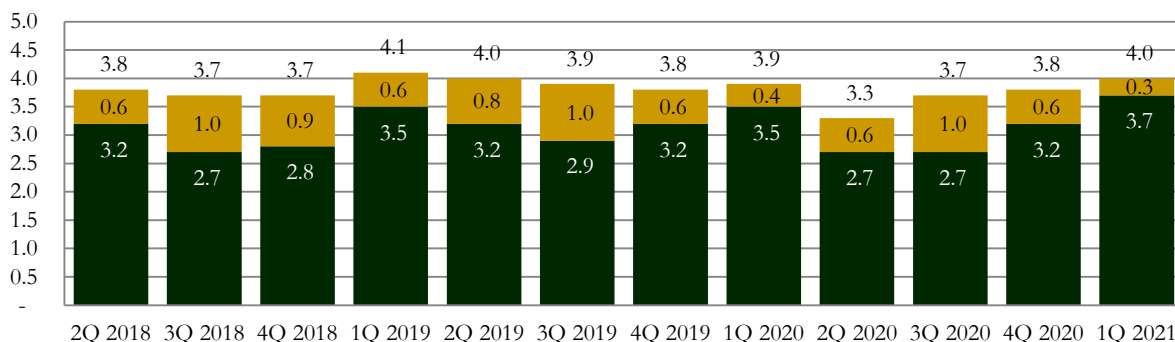
Valuation Multiples TEV / EBITDA Private Equity Sponsored M&A Transactions

TEV (\$Millions)	2003-2016	2017	2018	2019	2020	YTD 2021	Average	Std Dev	N =
10-25	5.6	6.3	5.9	6.1	5.9	6.0	5.7	1.6	1,511
25-50	6.2	6.6	6.8	6.9	6.8	6.9	6.4	1.7	1,152
50-100	6.9	8.2	8.8	7.5	8.1	7.4	7.3	1.9	787
100-250	7.7	9.1	8.7	9.4	8.6	7.9	8.1	2.1	415
Average	6.2	7.2	7.2	7.1	7.0	6.8	6.5	1.9	
N =	2,604	269	291	314	313	74			3,865

Source: GF Data® M&A Report, May 2021. 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 May 2021. Seller Type: Private | Multiple Range: 3x - 15x | Geography: U.S. or Canadian Buyer

Senior Debt Pricing

TEV (\$Millions)	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21
10-25	5.4%	6.1%	5.0%	5.4%	8.3%	5.5%	4.3%	5.0%
25-50	5.5%	5.0%	5.5%	5.2%	5.5%	4.6%	5.3%	5.9%
50-100	5.5%	5.5%	5.8%	6.1%	4.2%	6.6%	5.2%	5.2%
100-250	6.2%	5.0%	6.4%	5.7%	4.4%	8.0%	7.0%	5.2%
Total	5.5%	5.5%	5.4%	5.5%	5.8%	5.8%	5.2%	5.3%
N =	51	41	51	60	21	38	73	45

90-Day LIBOR	2.3%	2.1%	1.9%	1.5%	0.3%	0.2%	0.2%	0.2%
Spread vs. LIBOR	3.2%	3.4%	3.5%	4.1%	5.5%	5.5%	5.0%	5.2%

Source: GF Data® Leverage Report, May 2021. Seller Type: Private | Multiple Range: 3x - 15x | Geography: U.S. or Canadian Buyer

Subordinated Debt Average Coupons & Spreads

TEV (\$Millions)	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21
10-25	11.4%	12.1%	11.6%	11.5%	10.5%	11.2%	11.3%	11.5%
25-50	11.5%	11.5%	11.0%	11.0%	12.0%	11.0%	10.8%	12.1%
50-100	10.7%	11.0%	10.6%	11.6%	10.3%	12.1%	11.6%	11.6%
100-250	10.0%	9.9%	14.0%	10.4%	10.0%	12.0%	10.6%	11.3%
Total	11.3%	11.1%	11.2%	11.2%	10.7%	11.4%	11.1%	11.6%
N =	33	25	24	26	11	21	38	19

90-Day LIBOR	2.3%	2.1%	1.9%	1.5%	0.3%	0.2%	0.2%	0.2%
Spread vs. LIBOR	9.0%	9.0%	9.3%	9.7%	10.4%	11.2%	10.9%	11.4%

Source: GF Data® Leverage Report, May 2021. Seller Type: Private | Multiple Range: 3x - 15x | Geography: U.S. or Canadian Buyer

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