

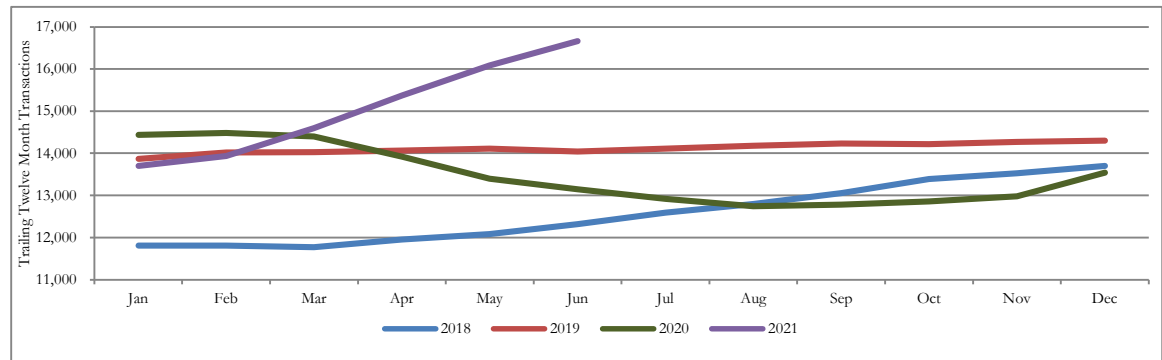
THE MARKET

FOR PRIVATELY HELD COMPANIES

Topics Relevant to Middle Market Mergers & Acquisitions

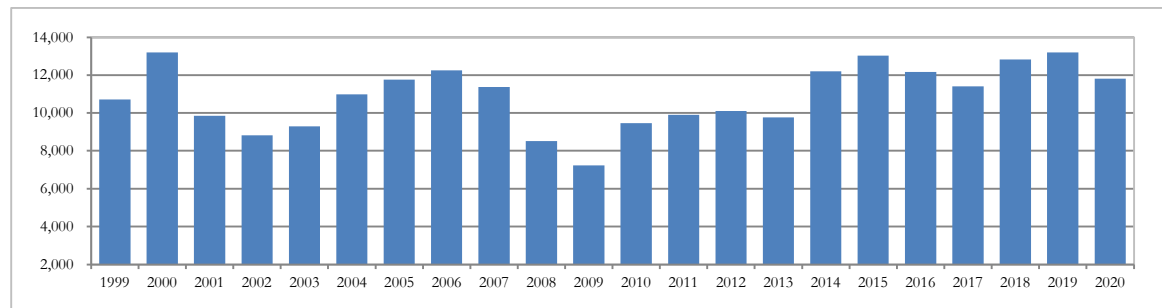
Trailing twelve month transaction activity, as evidenced in Chart 1, has exceeded the peak levels observed in 2019 and early 2020.

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



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

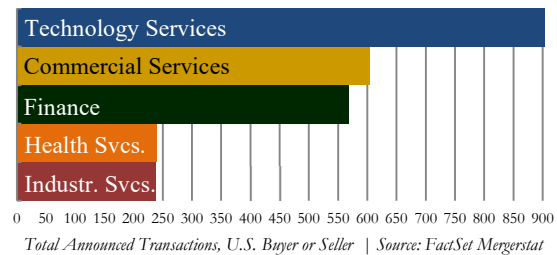
Chart 2: Annual M&A Transaction Volume



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 June 30, 2021. In addition to those listed in the chart, the following sectors also exhibited high transaction volume: Consumer Services, Distribution Services, Producer Manufacturing, Health Technology, and Retail Trade.



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

For further information:
Larry S. Starks
Senior Managing Director
Waterview Investment Banking, Inc.
12770 Coit Road, Suite 1218
Dallas, Texas 75251
Office: 469-916-3937
Direct: 469-916-3935
larry.starks@waterview-ib.com

www.waterview-ib.com

© Waterview Investment Banking, Inc.

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)

Q3 2021

THE MARKET

FOR PRIVATELY HELD COMPANIES

© Waterview Investment Banking, Inc.

Topics Relevant to Middle Market Mergers & Acquisitions

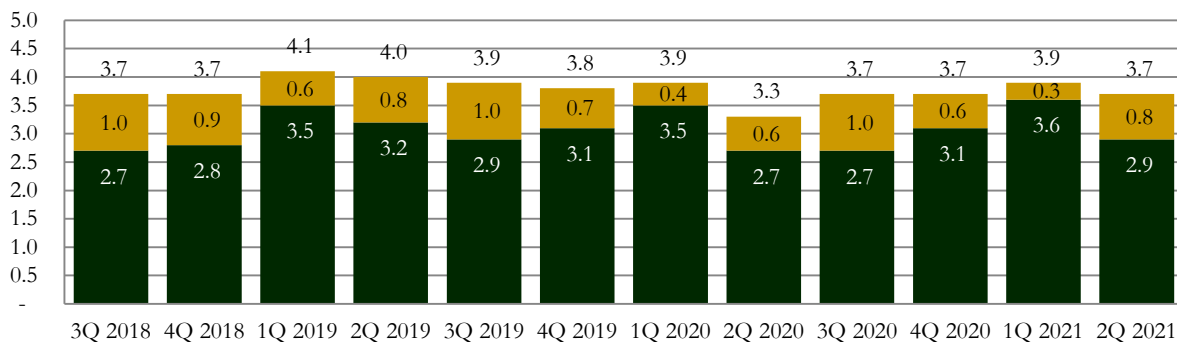
Valuation Multiples
TEV / EBITDA
Private Equity Sponsored
M&A Transactions

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	5.9	5.7	1.6	1,552
25-50	6.2	6.6	6.8	6.9	6.8	6.9	6.4	1.7	1,190
50-100	6.9	8.2	8.8	7.5	8.0	8.1	7.3	1.9	814
100-250	7.7	9.0	8.7	9.3	8.6	8.5	8.2	2.2	432
Average	6.2	7.2	7.2	7.0	7.0	7.0	6.5	1.9	
N =	2,604	271	293	323	321	176			3,988

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

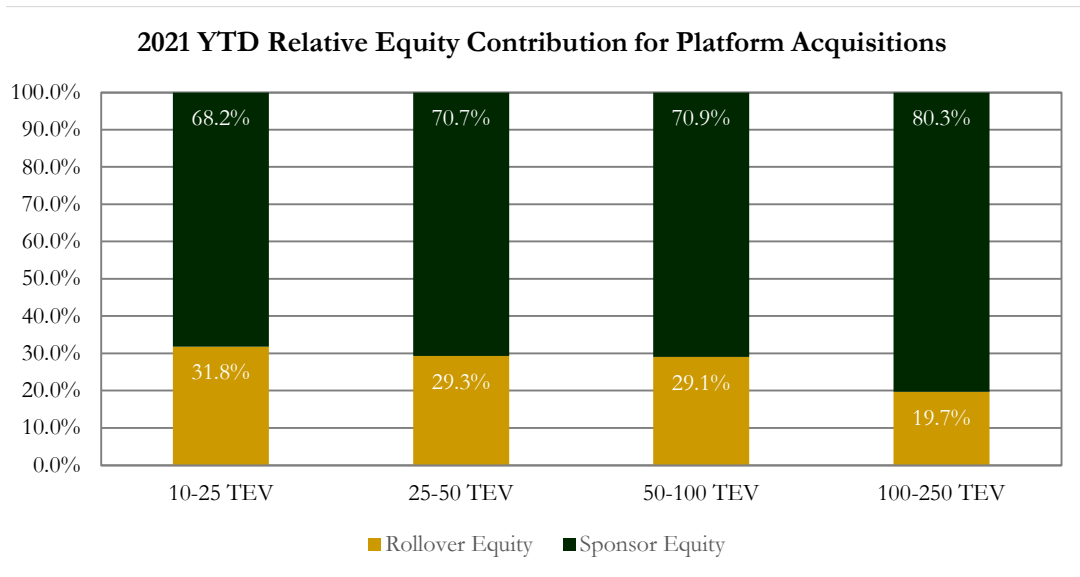
Average Debt Multiples
Private Equity Sponsored
M&A Transactions

Subordinated Debt
Senior Debt



Source: GF Data® Leverage Report, August 2021. Seller Type: Private | Geography: U.S. or Canadian Buyer

2021 YTD
Relative Equity Contribution
For Platform Acquisitions



Source: GF Data® Leverage Report, August 2021. Seller Type: Private | Geography: U.S. or Canadian Buyer