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

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.

Chart 2: Annual M&A Transaction Volume

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)
Topics Relevant to Middle Market Mergers & Acquisitions

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

<table>
<thead>
<tr>
<th>TEV ($Millions)</th>
<th>2003-2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>YTD 2021</th>
<th>Average</th>
<th>Std Dev</th>
<th>N =</th>
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</thead>
<tbody>
<tr>
<td>10-25</td>
<td>5.6</td>
<td>6.3</td>
<td>5.9</td>
<td>6.1</td>
<td>5.9</td>
<td>5.9</td>
<td>5.7</td>
<td>1.6</td>
<td>1,552</td>
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<tr>
<td>25-50</td>
<td>6.2</td>
<td>6.6</td>
<td>6.8</td>
<td>6.9</td>
<td>6.8</td>
<td>6.9</td>
<td>6.4</td>
<td>1.7</td>
<td>1,190</td>
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<tr>
<td>50-100</td>
<td>6.9</td>
<td>8.2</td>
<td>8.8</td>
<td>7.5</td>
<td>8.0</td>
<td>8.1</td>
<td>7.3</td>
<td>1.9</td>
<td>814</td>
</tr>
<tr>
<td>100-250</td>
<td>7.7</td>
<td>9.0</td>
<td>8.7</td>
<td>9.3</td>
<td>8.6</td>
<td>8.5</td>
<td>8.2</td>
<td>2.2</td>
<td>432</td>
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<tr>
<td>Average</td>
<td>6.2</td>
<td>7.2</td>
<td>7.2</td>
<td>7.0</td>
<td>7.0</td>
<td>7.0</td>
<td>6.5</td>
<td>1.9</td>
<td>3,988</td>
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<tr>
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<td>321</td>
<td>176</td>
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</tbody>
</table>


Average Debt Multiples
Private Equity Sponsored M&A Transactions

Subordinated Debt
Senior Debt

2021 YTD
Relative Equity Contribution
For Platform Acquisitions

2021 YTD Relative Equity Contribution for Platform Acquisitions


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