Topics Relevant to Middle Market Mergers & Acquisitions

Trailing twelve month transaction activity, as evidenced in Chart 1, has exceeded levels observed in 2019 and 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 December 31, 2021. In addition to those listed in the chart, the following sectors also exhibited high transaction volume: Consumer Services, Industrial Services, Retail Trade, Health Services, and Health Technology.

**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>2021</th>
<th>Average</th>
<th>Std Dev</th>
<th>N</th>
</tr>
</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>6.2</td>
<td>5.7</td>
<td>1.6</td>
<td>1,644</td>
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<tr>
<td>25-50</td>
<td>6.2</td>
<td>6.6</td>
<td>6.9</td>
<td>6.9</td>
<td>6.8</td>
<td>7.0</td>
<td>6.5</td>
<td>1.7</td>
<td>1,279</td>
</tr>
<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>8.3</td>
<td>7.4</td>
<td>1.9</td>
<td>867</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>9.0</td>
<td>8.3</td>
<td>2.2</td>
<td>472</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>7.3</td>
<td>6.6</td>
<td>2.0</td>
<td>4,262</td>
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<tr>
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<td>273</td>
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<td>324</td>
<td>329</td>
<td>432</td>
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</tbody>
</table>


Average Debt Multiples
Private Equity Sponsored M&A Transactions

2021 YTD Relative Equity Contribution
For Platform Acquisitions


Waterview Investment Banking
M&A Advisory • Valuation • Capital Sourcing