

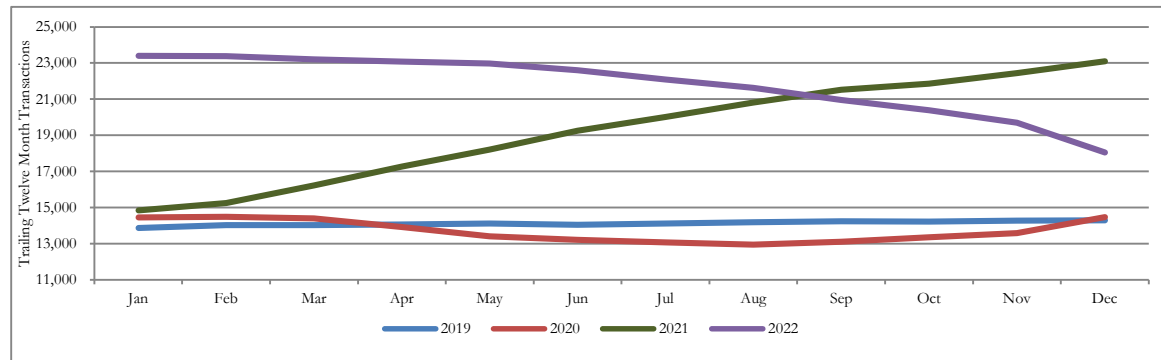
# THE MARKET

## FOR PRIVATELY HELD COMPANIES

### Topics Relevant to Middle Market Mergers & Acquisitions

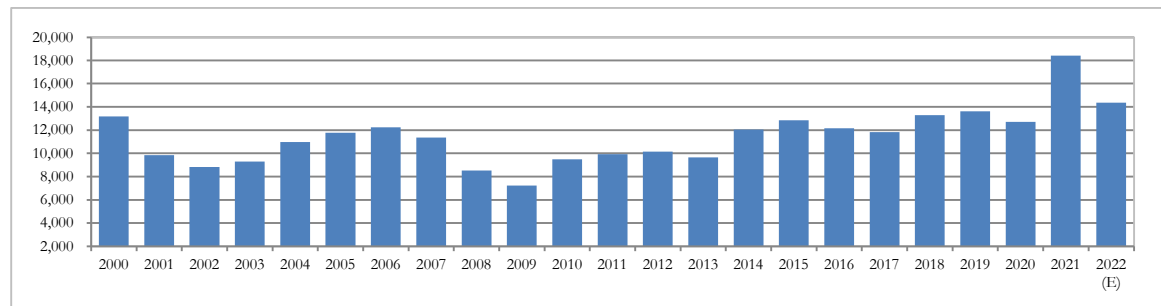
Trailing twelve month transaction activity, while moderating, still exceeds levels observed in 2019 and 2020.

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



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

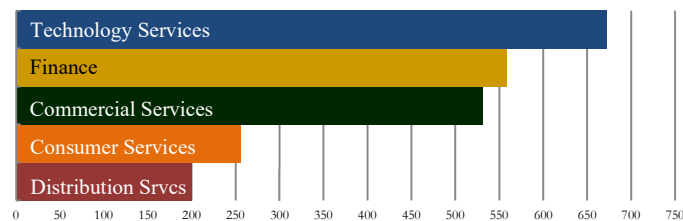
**Chart 2: Annual M&A Transaction Volume**



Total Announced Transactions, U.S. Buyer or Seller | Source: Mergerstat Review 2022

### 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, 2022. In addition to those listed in the chart, the following sectors also exhibited high transaction volume: Industrial Services, Producer Manufacturing, Retail Trade, Health Services, and Health Technology.



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

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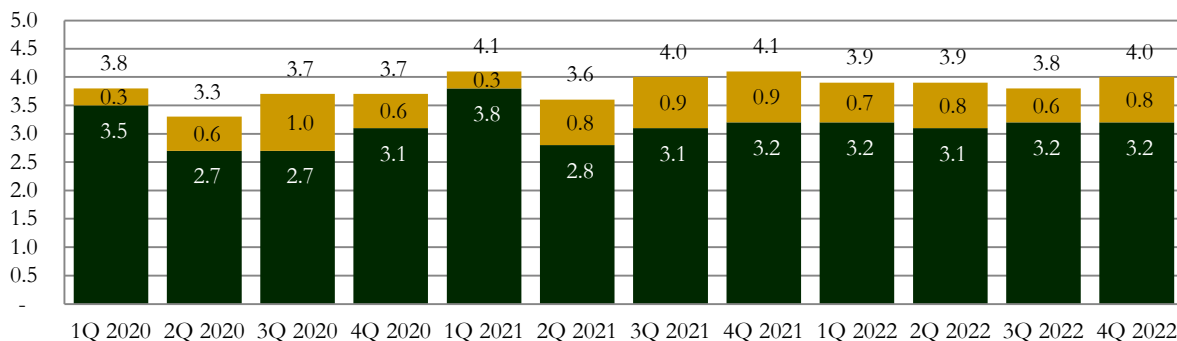
#### Valuation Multiples TEV / EBITDA Private Equity Sponsored M&A Transactions

| TEV (\$Millions) | 2003-2017    | 2018       | 2019       | 2020       | 2021       | 2022       | Average    | Std Dev    | N =          |
|------------------|--------------|------------|------------|------------|------------|------------|------------|------------|--------------|
| 10-25            | 5.7          | 6.0        | 6.1        | 5.9        | 6.1        | 6.5        | 5.9        | 1.6        | 1,792        |
| 25-50            | 6.4          | 6.9        | 7.0        | 6.7        | 7.2        | 7.1        | 6.6        | 1.8        | 1,401        |
| 50-100           | 7.3          | 8.9        | 7.5        | 8.0        | 8.4        | 8.6        | 7.7        | 2.0        | 965          |
| 100-250          | 8.0          | 8.8        | 9.2        | 8.7        | 9.3        | 9.3        | 8.5        | 2.2        | 527          |
| <b>Average</b>   | <b>6.5</b>   | <b>7.2</b> | <b>7.1</b> | <b>7.0</b> | <b>7.4</b> | <b>7.5</b> | <b>6.8</b> | <b>2.0</b> |              |
| <b>N =</b>       | <b>2,944</b> | <b>305</b> | <b>332</b> | <b>337</b> | <b>470</b> | <b>297</b> |            |            | <b>4,685</b> |

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

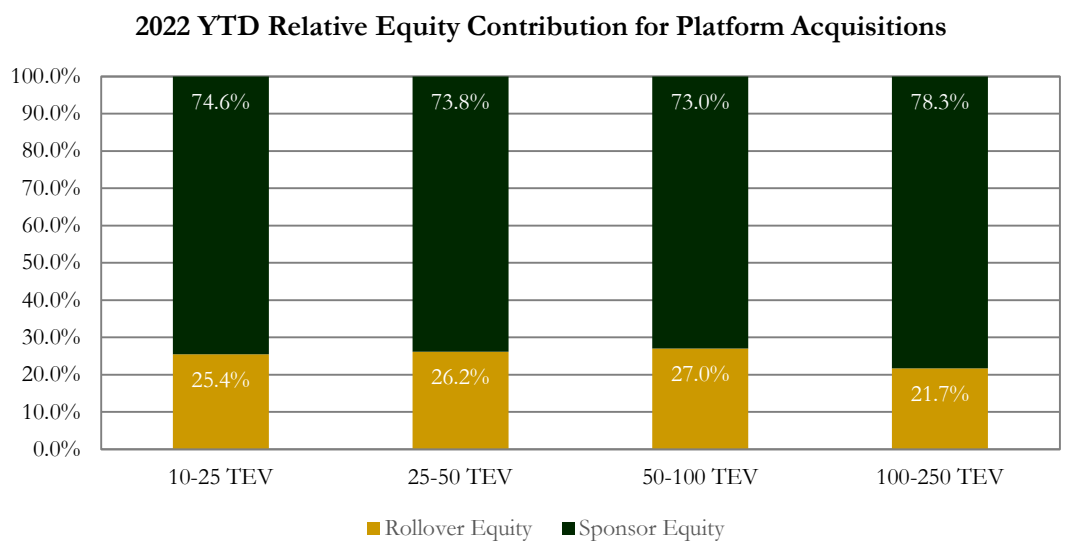
#### Average Debt Multiples Private Equity Sponsored M&A Transactions

Subordinated Debt  
Senior Debt



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

#### 2022 YTD Relative Equity Contribution For Platform Acquisitions



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