

# THE MARKET

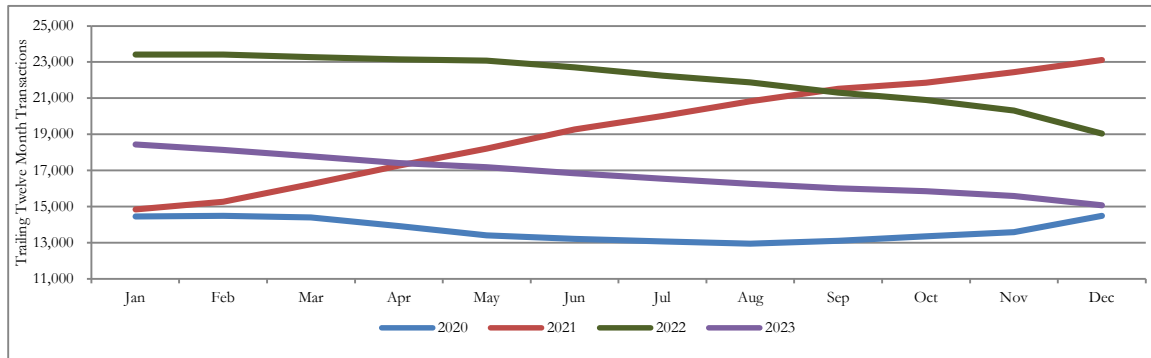
## FOR PRIVATELY HELD COMPANIES

### Topics Relevant to Middle Market Mergers & Acquisitions

WATERVIEW INVESTMENT BANKING  
 M&A ADVISORY ♦ VALUATIONS ♦ CAPITAL SOURCING

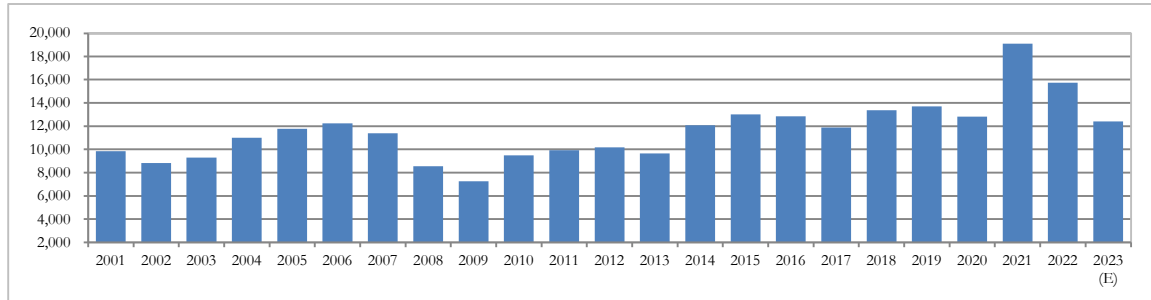
Trailing twelve month transaction activity, while moderating, still exceeds levels observed in 2020.

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



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

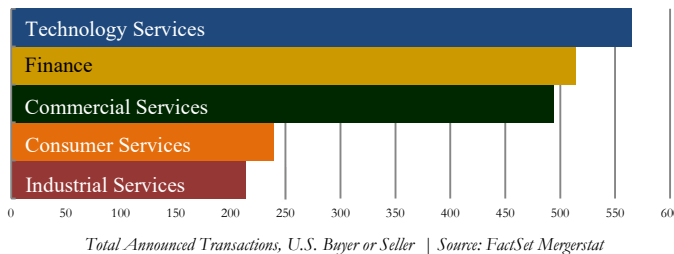
**Chart 2: Annual M&A Transaction Volume**



Total Announced Transactions, U.S. Buyer or Seller | Source: Mergerstat Review 2023

**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, 2023. In addition to those listed in the chart, the following sectors also exhibited high transaction volume: Distribution Services, Producer Manufacturing, Retail Trade, Health Services, and Health Technology.



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

**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)

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

# THE MARKET

## FOR PRIVATELY HELD COMPANIES

### Topics Relevant to Middle Market Mergers & Acquisitions

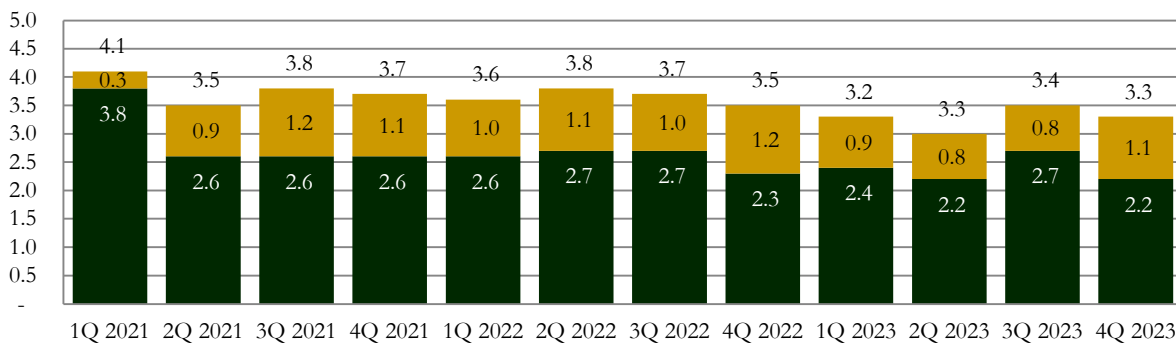
#### Valuation Multiples TEV / EBITDA Private Equity Sponsored M&A Transactions

| TEV (\$Millions) | 2003-2018    | 2019       | 2020       | 2021       | 2022       | 2023       | Average    | Std Dev    | N =          |
|------------------|--------------|------------|------------|------------|------------|------------|------------|------------|--------------|
| 10-25            | 5.8          | 6.1        | 5.9        | 6.1        | 6.5        | 5.8        | 5.9        | 1.6        | 1,905        |
| 25-50            | 6.5          | 7.0        | 6.7        | 7.2        | 7.0        | 7.1        | 6.7        | 1.8        | 1,480        |
| 50-100           | 7.5          | 7.5        | 8.0        | 8.3        | 8.5        | 8.0        | 7.7        | 2.0        | 1,027        |
| 100-250          | 8.1          | 9.2        | 8.7        | 9.3        | 9.1        | 9.8        | 8.5        | 2.3        | 565          |
| <b>Average</b>   | <b>6.6</b>   | <b>7.1</b> | <b>7.0</b> | <b>7.6</b> | <b>7.6</b> | <b>7.3</b> | <b>6.8</b> | <b>2.0</b> |              |
| <b>N =</b>       | <b>3,276</b> | <b>335</b> | <b>342</b> | <b>501</b> | <b>331</b> | <b>269</b> |            |            | <b>5,054</b> |

Source: GF Data® M&A Report, February 2024. Seller Type: Private | Multiple Range: 3x - 15x | Geography: U.S. or Canadian Buyer

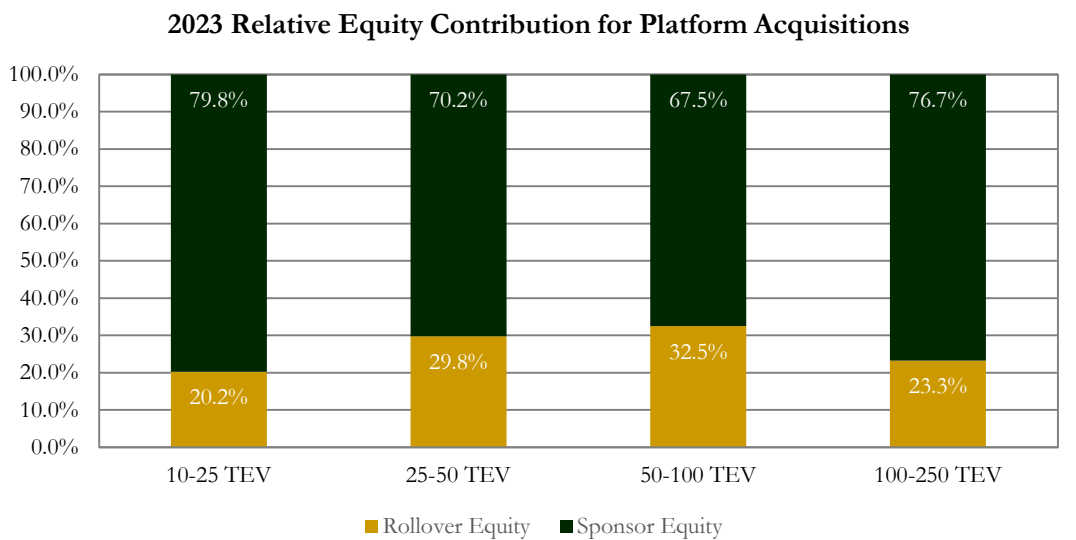
#### Average Debt Multiples Private Equity Sponsored M&A Transactions

Subordinated Debt  
Senior Debt



Source: GF Data® Leverage Report February 2024. Seller Type: Private | Geography: U.S. or Canadian Buyer

#### 2023 Relative Equity Contribution For Platform Acquisitions



Source: GF Data® Leverage Report, February 2024. Seller Type: Private | Geography: U.S. or Canadian Buyer