

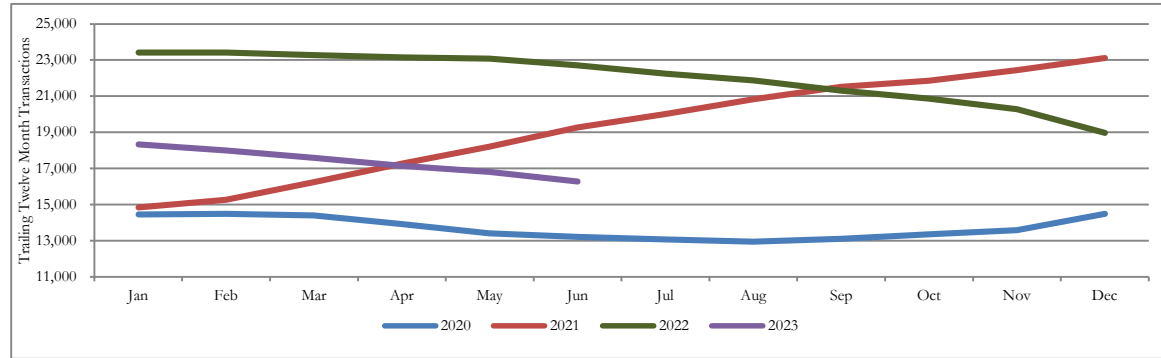
# THE MARKET

## FOR PRIVATELY HELD COMPANIES

### Topics Relevant to Middle Market Mergers & Acquisitions

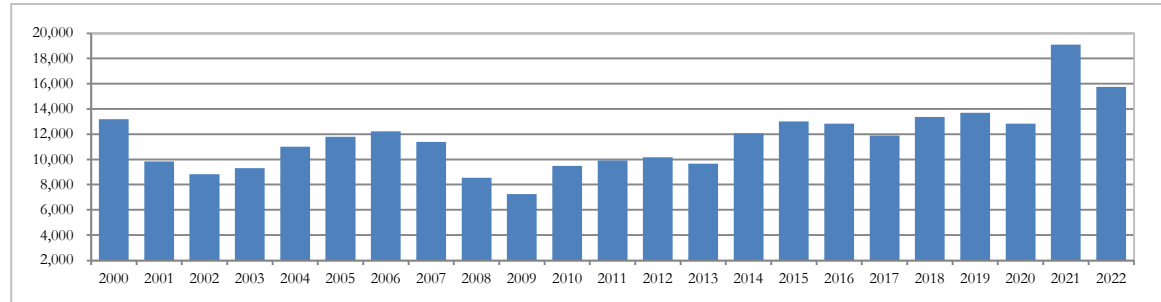
Trailing twelve month transaction activity, while moderating, still exceeds levels observed in 2020.

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



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

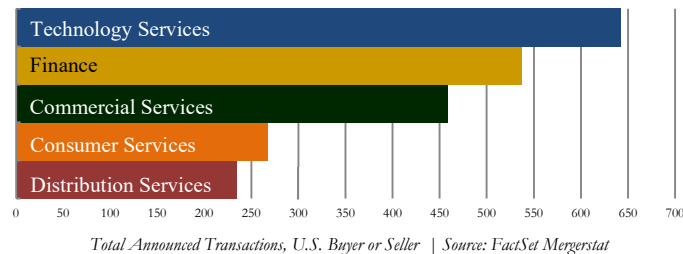
**Chart 2: Annual M&A Transaction Volume**



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 June 30, 2023. 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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  - Sell Side Representation (marketing to both strategic and financial buyers)
  - Capital Sourcing (senior debt, mezzanine and equity)
  - Valuation (to support exit planning strategies)

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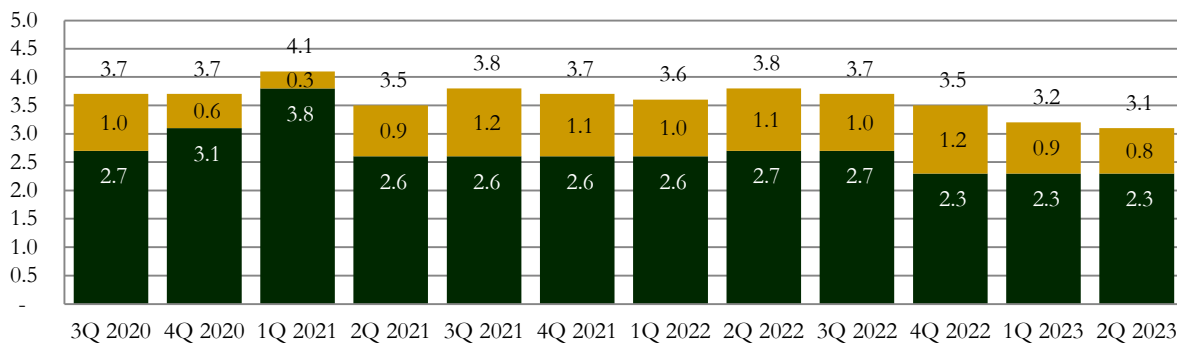
#### Valuation Multiples TEV / EBITDA Private Equity Sponsored M&A Transactions

TEV (\$Millions)	2003-2018	2019	2020	2021	2022	YTD 2023	Average	Std Dev	N =
10-25	5.8	6.1	5.9	6.1	6.5	5.7	5.9	1.6	1,848
25-50	6.5	7.0	6.7	7.2	7.1	7.1	6.7	1.8	1,446
50-100	7.5	7.5	8.0	8.3	8.5	7.7	7.7	2.0	997
100-250	8.1	9.2	8.7	9.3	9.1	9.6	8.5	2.3	549
<b>Average</b>	<b>6.6</b>	<b>7.1</b>	<b>7.0</b>	<b>7.6</b>	<b>7.6</b>	<b>7.2</b>	<b>6.8</b>	<b>2.0</b>	
<b>N =</b>	<b>3,276</b>	<b>335</b>	<b>341</b>	<b>499</b>	<b>328</b>	<b>135</b>			<b>4,914</b>

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

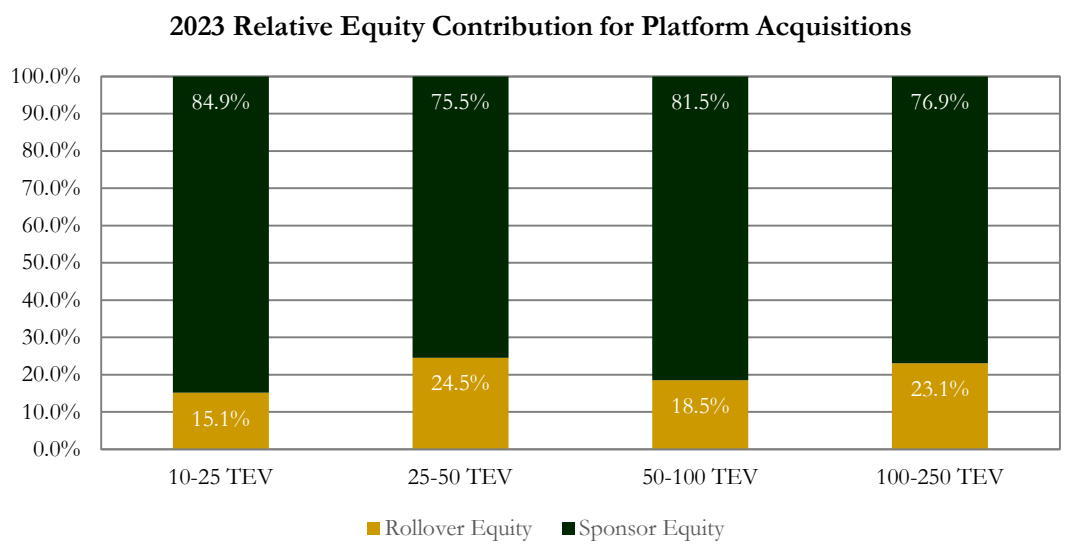
#### Average Debt Multiples Private Equity Sponsored M&A Transactions

Subordinated Debt  
Senior Debt



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

#### 2023 Relative Equity Contribution For Platform Acquisitions



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