

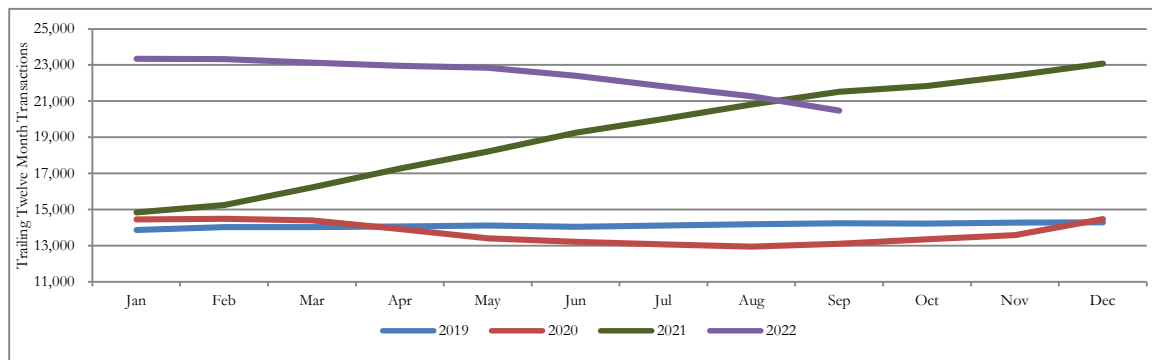
THE MARKET

FOR PRIVATELY HELD COMPANIES

Topics Relevant to Middle Market Mergers & Acquisitions

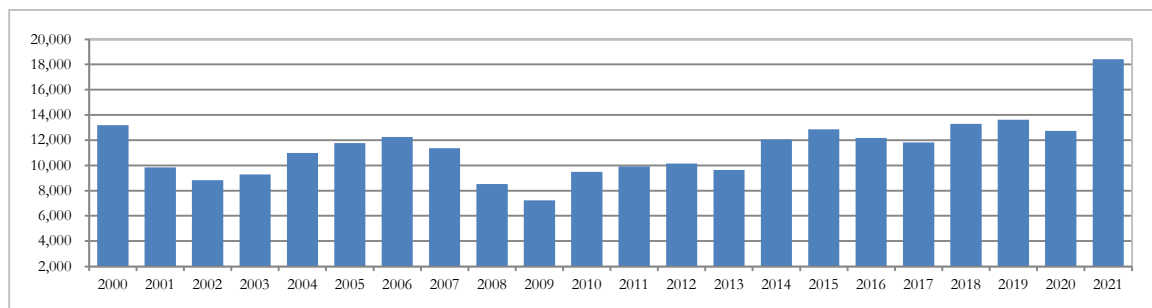
Trailing twelve month transaction activity, while moderating, still exceeds levels observed in 2019 and 2020.

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



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

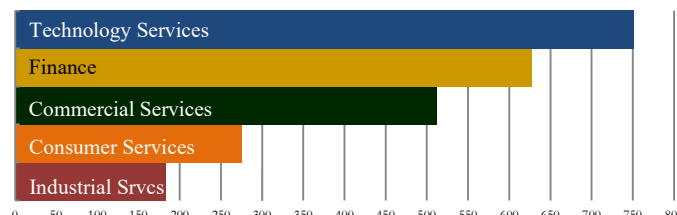
Chart 2: Annual M&A Transaction Volume



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 September 30, 2022. 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

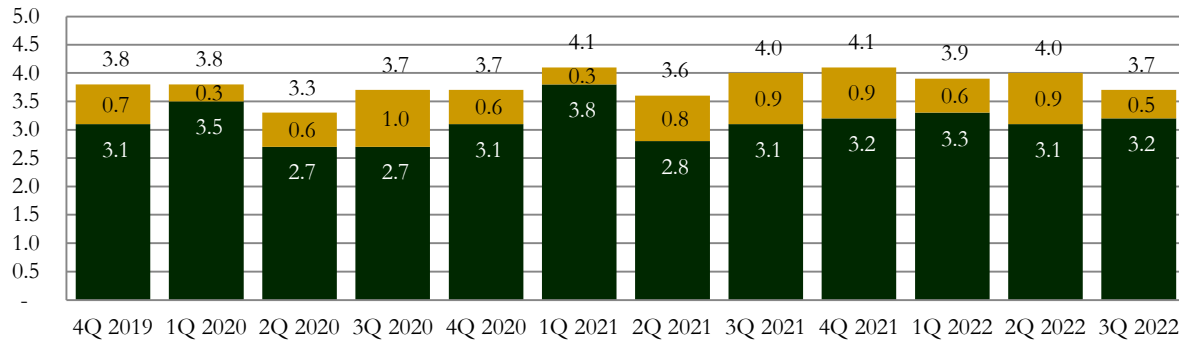
Valuation Multiples
TEV / EBITDA
Private Equity Sponsored
M&A Transactions

TEV (\$Millions)	2003-2017	2018	2019	2020	2021	YTD 2022	Average	Std Dev	N =
10-25	5.7	6.0	6.1	5.9	6.1	6.6	5.9	1.6	1,759
25-50	6.4	6.9	7.0	6.7	7.2	7.1	6.6	1.8	1,373
50-100	7.3	8.9	7.5	8.0	8.4	8.8	7.7	2.0	949
100-250	8.0	8.8	9.2	8.7	9.3	9.7	8.5	2.2	515
Average	6.5	7.2	7.1	7.0	7.4	7.7	6.8	2.0	
N =	2,942	305	332	337	465	215			4,596

Source: GF Data® M&A Report, November 2022. Seller Type: Private | Multiple Range: 3x - 15x | Geography: U.S. or Canadian Buyer

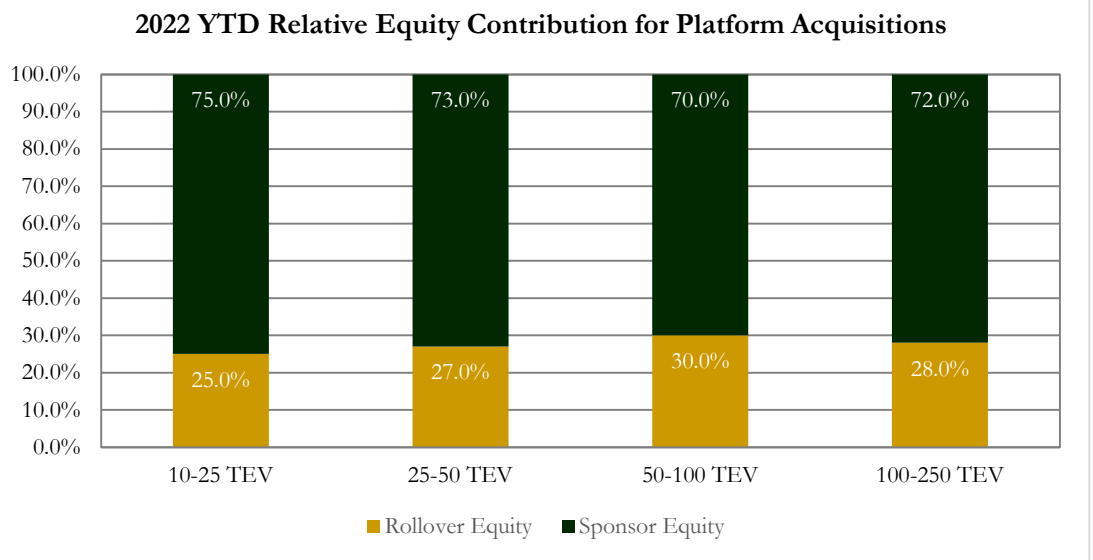
Average Debt Multiples
Private Equity Sponsored
M&A Transactions

Subordinated Debt
 Senior Debt



Source: GF Data® Leverage Report November 2022. Seller Type: Private | Geography: U.S. or Canadian Buyer

2022 YTD
Relative Equity Contribution
For Platform Acquisitions



Source: GF Data® Leverage Report, November 2022. Seller Type: Private | Geography: U.S. or Canadian Buyer