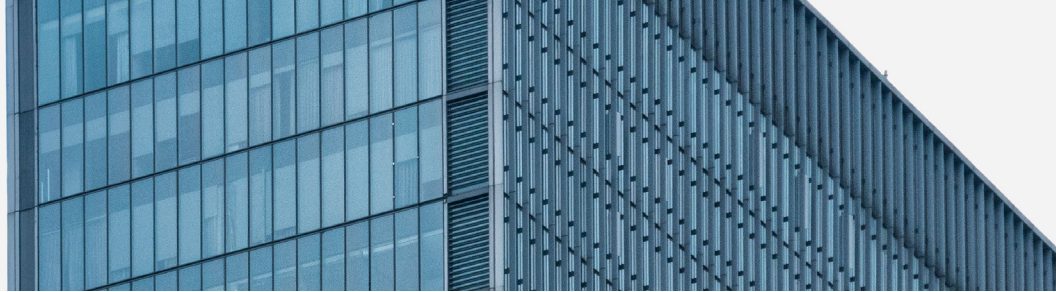




MID-MARKET INVESTMENT BANKING

May 2024 M&A Dashboard



May 2024 M&A Trends

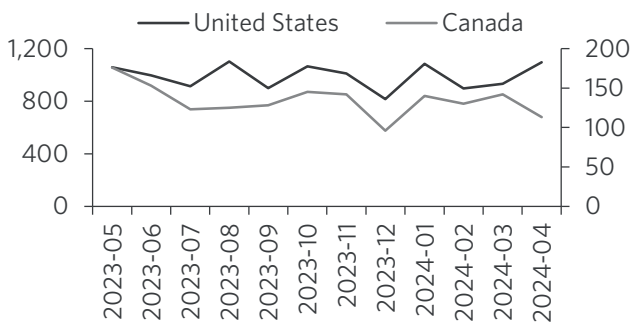
First-quarter US GDP registered weaker-than-expected growth, expanding at 1.6% (quarter over quarter, annualised) while the Fed maintained its target rate range unchanged at 5.25%-5.50% and signaled rates might remain high for longer. Similarly, the Bank of Canada held its target for the overnight rate at 5.0%. Meanwhile, M&A transaction volume in the U.S. and Canada displayed a divergence, as U.S. volume increased to a level last seen in August 2023 and Canadian volume decreased to its second lowest level on a trailing twelve-month basis. In Canada, on an annualized basis, information technology and consumer staples are the two sectors with the sharpest transaction volume declines of 20% and 23%, respectively, compared to a decline in volume of 12% for the overall market. Financials, energy and communication services continue to demonstrate relative strength on an annualized basis. In our own experience, while we see transactions taking longer to close and more cautious buyers, we continue to see strong valuations and significant interest for businesses in sectors with tailwinds.

Quarterly valuation and leverage analysis

Valuations on deals completed in Q4 2023 had an average TEV/EBITDA multiple of 7.5x, maintaining the same average recorded in Q3 2023 and in line with the last eight quarters' average multiple of 7.4x. The valuation multiples were largely supported by deals with a TEV of \$50M to \$250M.

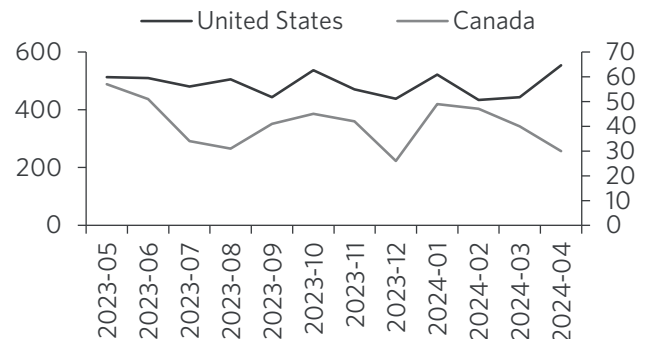
Meanwhile, total debt/EBITDA on platform deals decreased to an average of 3.3x, with senior leverage decreasing to 2.2x and subordinated debt increasing to 1.1x. The decrease in leverage is largely driven by deals with a TEV of \$10M to \$100M which rely more heavily on subordinated debt financing. However, beyond the reported relative stability in leverage multiples, the more cautious lending environment continues to affect most transactions.

M&A Volume - US & CA



Source: CapitalIQ.

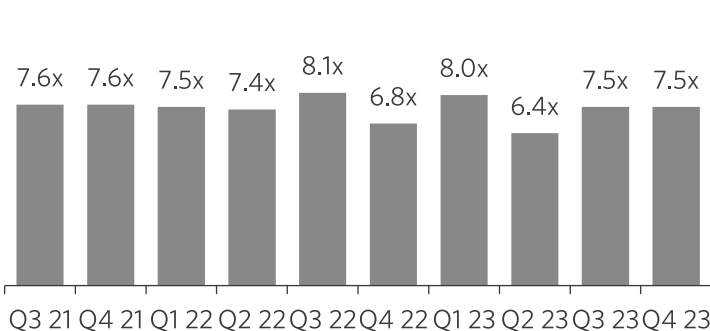
Private Equity M&A Volume - US & CA



Source: CapitalIQ.

Mid-Market M&A Multiples - US & CA

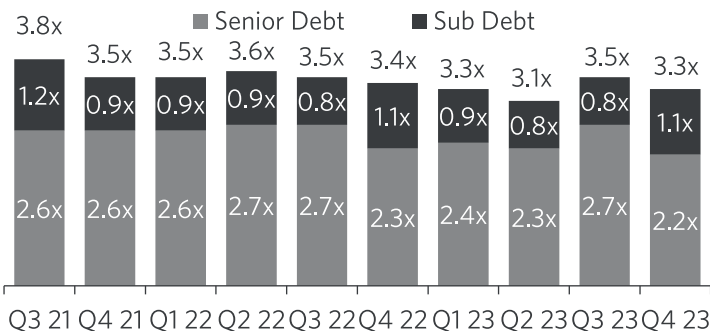
US & Canada private equity transactions \$10-\$250M



Source: GF Data.

Mid-Market M&A Leverage - US & CA

US & Canada private equity transactions \$10-\$250M, platforms deals only



Source: GF Data.

Canadian M&A activity by sector - notable transactions

Sector	Percent (%) of M&A volume	Acquirer	Target	Target description
Materials	April 2024: 31%	SILVERCORP METALS INC.	ADVENTUS	Produces gold and copper
	Last twelve months: 22%			
Industrials	19%	TERRAVEST INDUSTRIES	ADVANCE ENGINEERED PRODUCTS GROUP	Designs and manufactures tank truck and trailer equipment
	19%			
Information Technology	10%	Anaplan	Fluence Technologies	Develops financial cloud solutions
	11%			
Financials	8%	Advent International	nuvei	Provides payment technology solutions
	9%			
Consumer Discretionary	7%	UNI-SELECT	GILBERT SUPPLY CO. AUTOMOTIVE INDUSTRIAL	Retailers auto and industrial parts and accessories
	7%			
Real Estate	7%	Crestpoint REAL ESTATE INVESTMENTS LTD.	Commercial property	Comprises office space
	7%			
Communication Services	2%	PATTISON OUTDOOR ADVERTISING	OUTDOOR EXPOSURE	Provides advertising services
	4%			
Health Care	5%	APOTEX Innovating for patient affordability	SEARCHLIGHT PHARMA	Specialty pharmaceutical company
	7%			
Energy	4%	MegaWatt	Labrador Mineral Resources	Develops a uranium exploration property
	7%			
Consumer Staples	2%	ACE BEVERAGE GROUP	nude	Produces ready-to-drink alcohol products
	4%			
Utilities	0%			No disclosed transactions in May 2024
	1%			

Source: CapitalIQ.

About us

CIBC Mid-Market Investment Banking is a leading M&A advisor, providing services to private companies:

- Divestitures
- Acquisitions and management buyouts
- Raising equity capital and securing debt financing

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