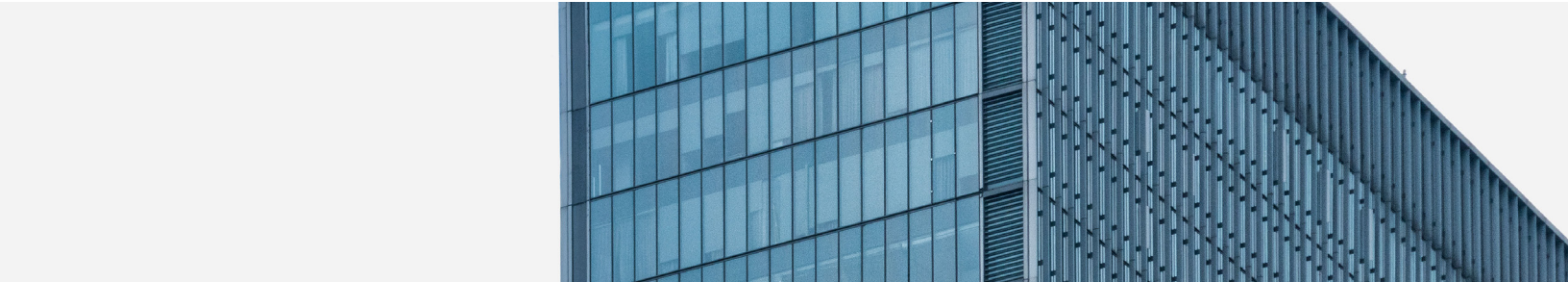




MID-MARKET INVESTMENT BANKING

October 2021 M&A Dashboard

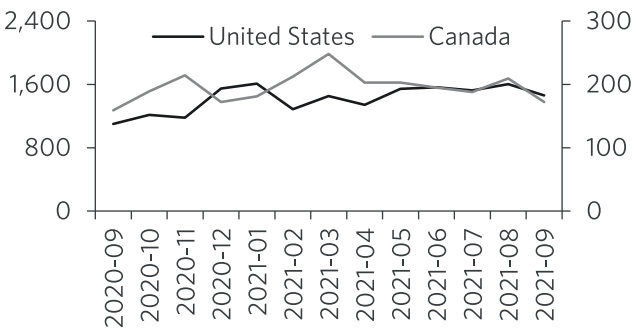


Transaction data in September 2021 shows a small downtick in transaction volume both in Canada and the U.S., with no major deviation from the elevated levels experienced over the last twelve months. We note an encouraging trend for the travel industry in the underlying data. For the first time since April 2020, M&A transactions involving companies exclusively exposed to the travel sector were completed in September 2021. Plusgrade, an online platform for flight and cruise upgrades, was acquired by Novacap, and two travel agencies acquired competitors. While the viability of an entire sector can't be extrapolated from three transactions, it demonstrates that a major private equity fund and some industry participants are optimistic about the industry.

Mid-market M&A transaction valuations have now recovered fully from the pandemic downturn, with an average EBITDA multiple of 7.2x in Q2 2021, which is in line with the pre-pandemic average. The focus on quality assets continues, with the quality valuation premium averaging 33% for the year-to-date. Interestingly, other variables influencing valuations emerge as outsized contributors. Businesses under institutional ownership sold for a multiple of EBITDA almost 1.0x higher than businesses owned by individuals and families. Prior to the pandemic, institutional ownership predicted a premium of less than 0.7x. Data also supports the importance of providing a management solution post-transaction: such businesses transacted at a 0.2x premium to the overall average.

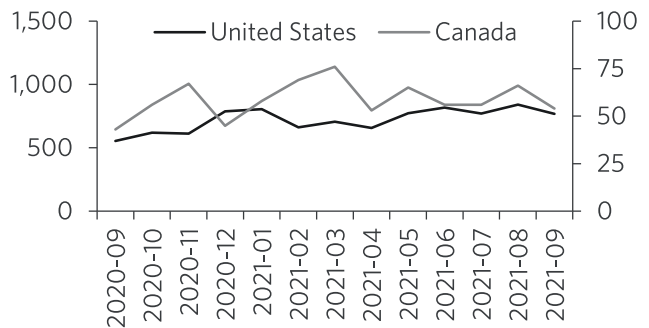
Lender confidence remains positive and largely unchanged from the previous few quarters, with leverage multiples back to pre-pandemic levels.

M&A volume - U.S. and Canada



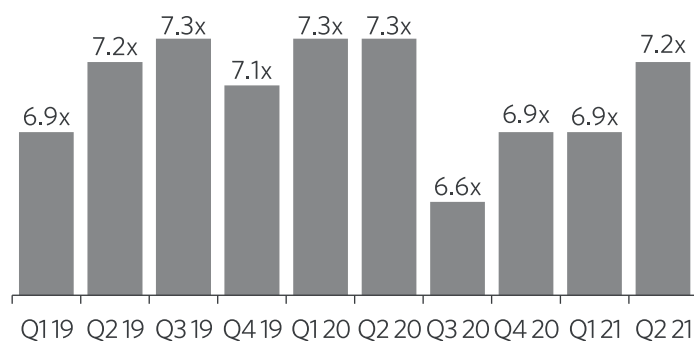
Source: Capital IQ.

Private equity M&A volume - U.S. and Canada



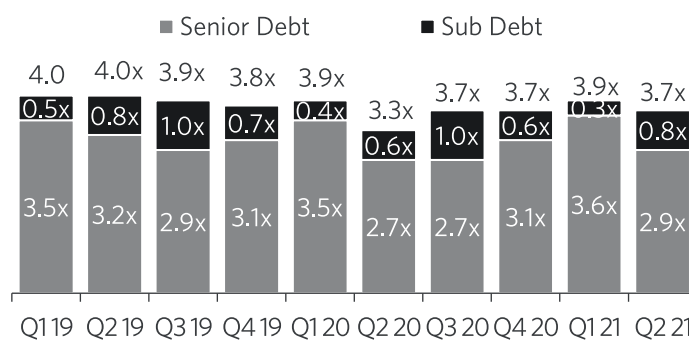
Source: Capital IQ.

Mid-Market M&A multiples - U.S. and Canada



Source: GF Data.

Mid-Market M&A leverage - U.S. and Canada



Source: GF Data.

Canadian M&A activity and notable transactions by sector

Sector	Percent (%) of M&A volume	Acquirer	Target	Target description
Materials	September 2021: 27%			Gold mining firm
	Last twelve months: 25%			
Information Technology	September 2021: 14%			Online revenue upgrade platform for the travel industry
	Last twelve months: 12%			
Real Estate	September 2021: 10%		Tower Hill East	Luxury apartment building in Toronto
	Last twelve months: 10%			
Financials	September 2021: 10%			Provides insurance and actuarial services
	Last twelve months: 9%			
Industrials	September 2021: 8%			Manufacturer of refrigerated displays
	Last twelve months: 13%			
Health Care	September 2021: 8%			Developer of software for multi-diagnostic practice management
	Last twelve months: 9%			
Consumer Discretionary	September 2021: 7%			Provides travel management services
	Last twelve months: 6%			
Energy	September 2021: 7%			Oil and gas exploration and development firm
	Last twelve months: 5%			
Communication Services	September 2021: 5%			Provides internet access services in South East Manitoba
	Last twelve months: 6%			
Consumer staples	September 2021: 3%			Manufacturer of vegan cheese
	Last twelve months: 5%			
Utilities	September 2021: 1%		Battery energy storage portfolio	Portfolio of behind-the-meter battery energy storage systems
	Last twelve months: 1%			

Source: Capital IQ.

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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