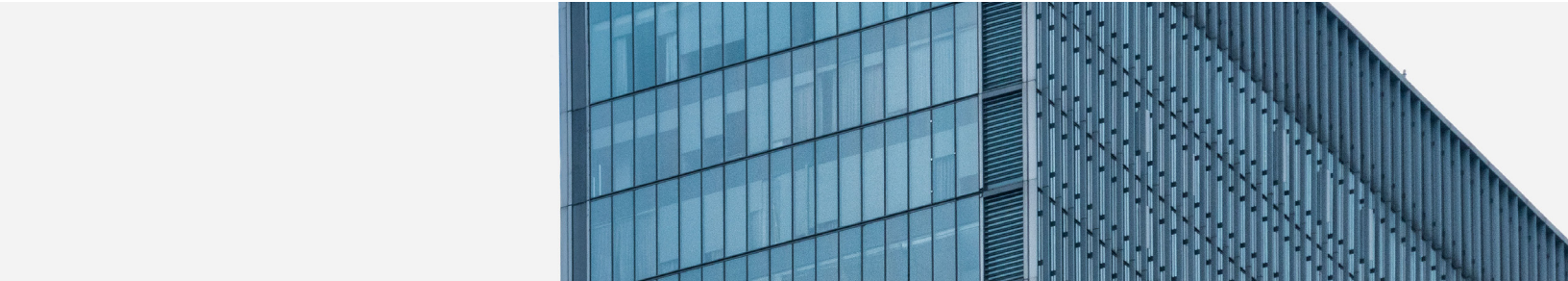




MID-MARKET INVESTMENT BANKING

August 2023 M&A Dashboard



August 2023 M&A Trends

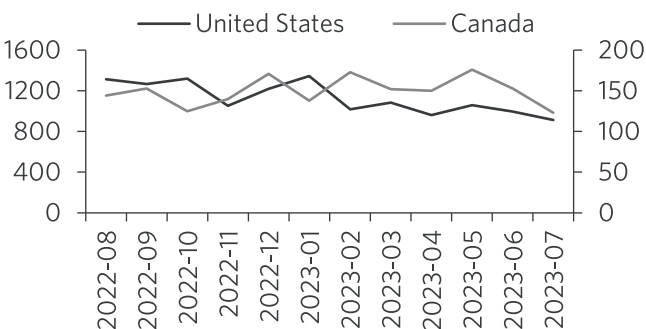
M&A transaction volume trends continued their pullback in the US and Canada. Canadian M&A volume in July 2023 reached its lowest point for the twelve-month period, in contrast with the high witnessed in May. Similarly in the US, volume continued its twelve-month downward trend reaching a twelve-month low. This pull back trend is consistent across strategic and private equity buyers. Overall, our transaction pipeline remains strong and while some buyers are more selective, we still observe interest from both buyers and sellers to transact.

Quarterly valuation and leverage analysis

Valuations on deals completed in Q1 2023 had an average TEV/EBITDA multiple of 8.0x, rebounding from the 6.8x average recorded in Q4 2022 and in line with the 8.1x average set in Q3 2022. The rebound in valuation multiples was largely driven by deals with a TEV of \$50M to \$250M.

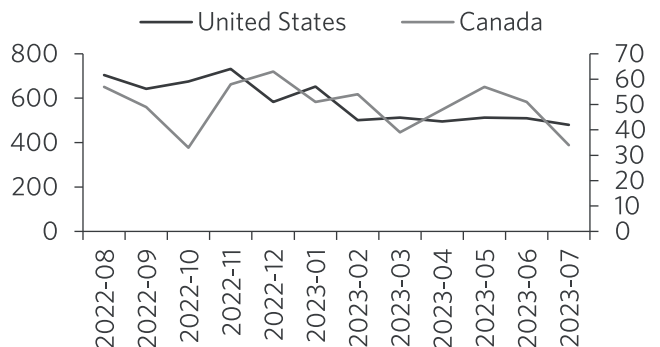
Meanwhile, total debt/EBITDA on platform deals decreased to an average of 3.3x, with senior leverage constant at 2.4x and subordinated debt decreasing to 0.9x. The decrease in leverage is largely driven by small and mid-sized transactions which rely more heavily on mezzanine financing. However, beyond the reported relative stability in leverage multiples, the more cautious lending environment continues to affect most transactions.

M&A Volume - US & CA



Source: CapitalIQ.

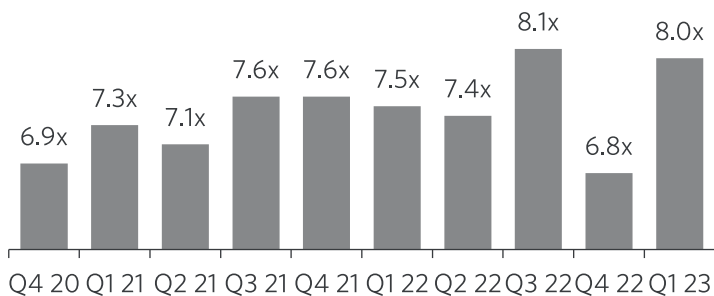
Private Equity M&A Volume - US & CA



Source: CapitalIQ.

Mid-Market M&A Multiples - US & CA

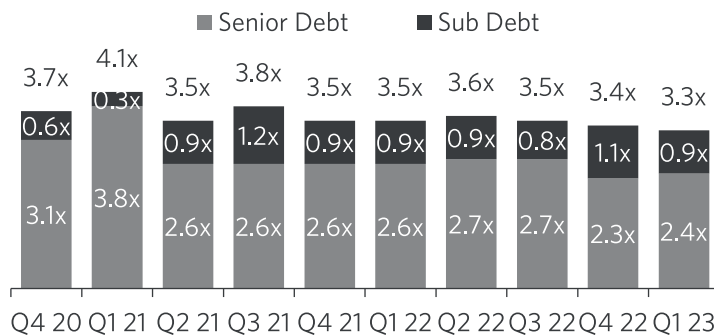
US & Canada private equity transactions \$10-\$250M



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	July 2023: 21%	RioTinto	MATALCO	Manufactures aluminum logs and billets for aluminum extrusion and forging
	Last twelve months: 23%			
Industrials	July 2023: 18%	ADM	PRAIRIE PULSE INC.	Operates crop processing plant specializing in lentils and canary seed
	Last twelve months: 19%			
Financials	July 2023: 14%	NMEF	IOU Financial	Wholesale marketplace lender in the United States
	Last twelve months: 9%			
Health Care	July 2023: 12%	Sun Life	Dialogue	Digital healthcare and wellness platform
	Last twelve months: 7%			
Energy	July 2023: 10%	DRIL QUIP	GREAT NORTH	Manufactures wellhead and frac products and solutions
	Last twelve months: 4%			
Information Technology	July 2023: 9%	imc	toon boom	Develops digital content, storyboarding, and animation creation software
	Last twelve months: 12%			
Consumer Discretionary	July 2023: 5%	ACHIEVE PARTNERS	Elentra	Cloud-based health sciences education platform
	Last twelve months: 7%			
Communication Services	July 2023: 5%	A—B	Avalanche	Provides qualitative insights for organizations to support campaigns and causes
	Last twelve months: 5%			
Consumer Staples	July 2023: 5%	ideal	Prime MTL Distribution	Supplies fresh produce including fruits and vegetables
	Last twelve months: 5%			
Real Estate	July 2023: 2%	WestKam GOLD CORP.	McConnell Property In British Columbia	Comprises 8,700 hectares property in northwestern British Columbia
	Last twelve months: 7%			
Utilities	0%			No disclosed transactions in July 2023
	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

cibc.com/mmib

Toronto

Trevor Gough
[416 271-3660](tel:416-271-3660)
trevor.gough@cibc.com

Christian Davis
[416 371-7238](tel:416-371-7238)
christian.davis@cibc.com

Iain Gallagher
[647 531-6044](tel:647-531-6044)
iain.gallagher@cibc.com

Dylan Moran
[289 259-7687](tel:289-259-7687)
dylan.moran@cibc.com

Jarred Seider
[416 888-3757](tel:416-888-3757)
jarred.seider@cibc.com

Daniel Lee
(Technology)
[416 242-5694](tel:416-242-5694)
daniel.lee@cibc.com

Montreal

Philippe Froundjian
[514 927-5173](tel:514-927-5173)
philippe.froundjian@cibc.com

Gabriel Fugère
[514 836-0773](tel:514-836-0773)
gabriel.fugere@cibc.com

Abdoud Kaplo
[438 882-6243](tel:438-882-6243)
abdoud.kaplo@cibc.com

Edmonton

Graham Drinkwater
[587 983-3134](tel:587-983-3134)
graham.drinkwater@cibc.com

Calgary / Vancouver

Amun Whig
[403 200-9171](tel:403-200-9171)
amun.whig@cibc.com

Raymond Zhang
[778 858-6698](tel:778-858-6698)
raymond.zhang1@cibc.com

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