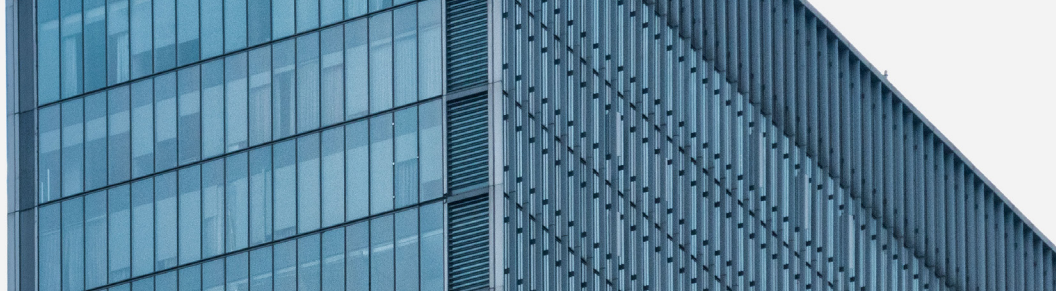




MID-MARKET INVESTMENT BANKING

April 2024 M&A Dashboard



April 2024 M&A Trends

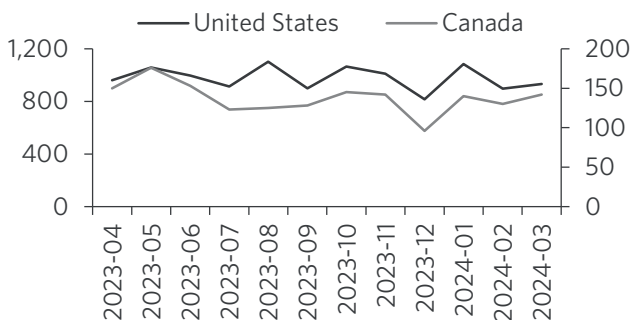
March witnessed a continued resilience of the U.S. economy as first-quarter US GDP estimates were tracking at an above-trend 3% (quarter over quarter, annualised) and the Fed maintained its target rate range unchanged at 5.25%-5.50%. Similarly, the Bank of Canada held its target for the overnight rate at 5.0%. Meanwhile, M&A transaction volume in the U.S. and Canada slightly increased but remain below the monthly average transaction volume for 2023. In Canada, on an annualized basis, information technology and real estate are the two sectors with the sharpest transaction volume declines of 18% and 19%, respectively, compared to an overall decline in volume of 11.2% 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.

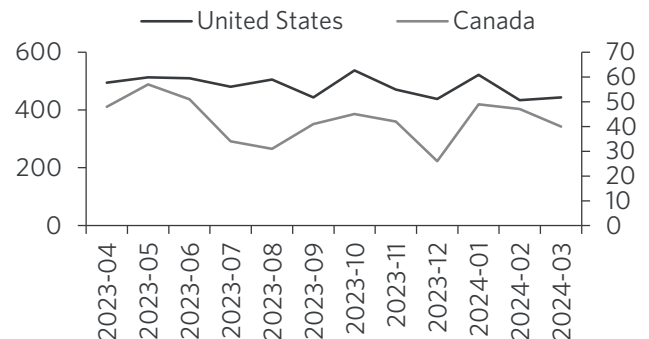
Meanwhile, total debt/EBITDA on platform deals decreased to an average of 3.3x, with senior leverage decreasing to 2.2x and subordinated debt increasing to 1.1x. The decrease in leverage is largely driven by deals with a TEV of \$10M to \$100M which rely more heavily on subordinated debt financing. However, 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.

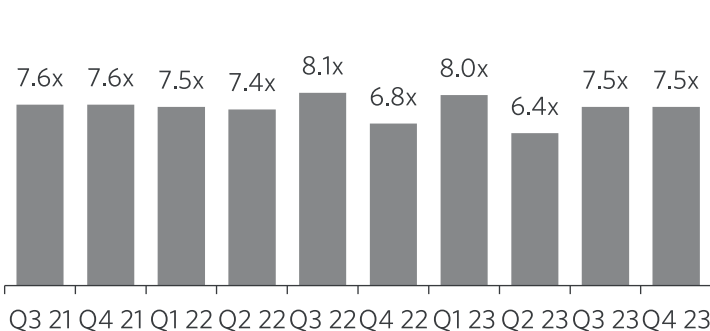
Private Equity M&A Volume - US & CA



Source: CapitalIQ.

Mid-Market M&A Multiples - US & CA

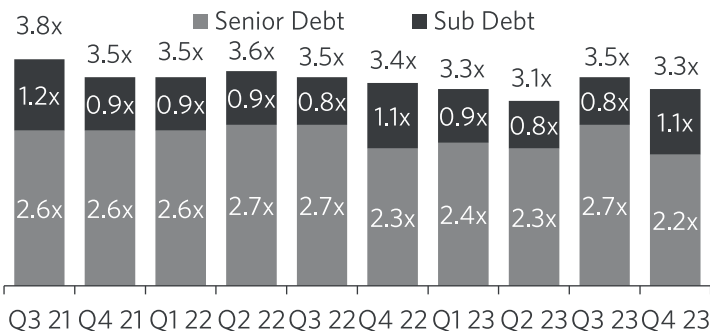
US & Canada private equity transactions \$10-\$250M



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	March 2024: 21%	ALAMOS GOLD INC	ARGONAUT GOLD	Produces and sells gold
	Last twelve months: 22%			
Industrials	18%	NORS	GREAT WEST EQUIPMENT "SERVICE FIRST"	Distributes construction equipment
	19%			
Real Estate	11%	CANADIAN APARTMENT PROPERTIES - REIT	Commercial property	Comprises a commercial real estate property
	7%			
Health Care	10%	Telix	artms	Develops diagnostic imaging products
	8%			
Information Technology	9%	Battery	truecontext FORMERLY PRONTOFORMS	Develops mobile business solutions
	12%			
Communication Services	8%	KKR	mdf commerce	Provides SaaS solutions
	6%			
Financials	8%	HUB	Zavitz INSURANCE & WEALTH	Provides insurance broker services
	9%			
Energy	7%	Clear North ENERGY CORP.	SUMMERLAND ENERGY Inc.	Produces oil and gas
	6%			
Consumer Discretionary	6%	FASHIONPHILE	Assets of two authenticators	Distributes authenticated pre-owned luxury vintage
	7%			
Consumer Staples	2%	Millborn	UNION FORAGE	Provides agricultural products and services
	4%			
Utilities	1%	SOLARBANK	SOLAR FLOW-THROUGH FUNDS	Operates solar power generation projects
	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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