

# Seale & Associates

MERGERS & ACQUISITIONS  
U.S.

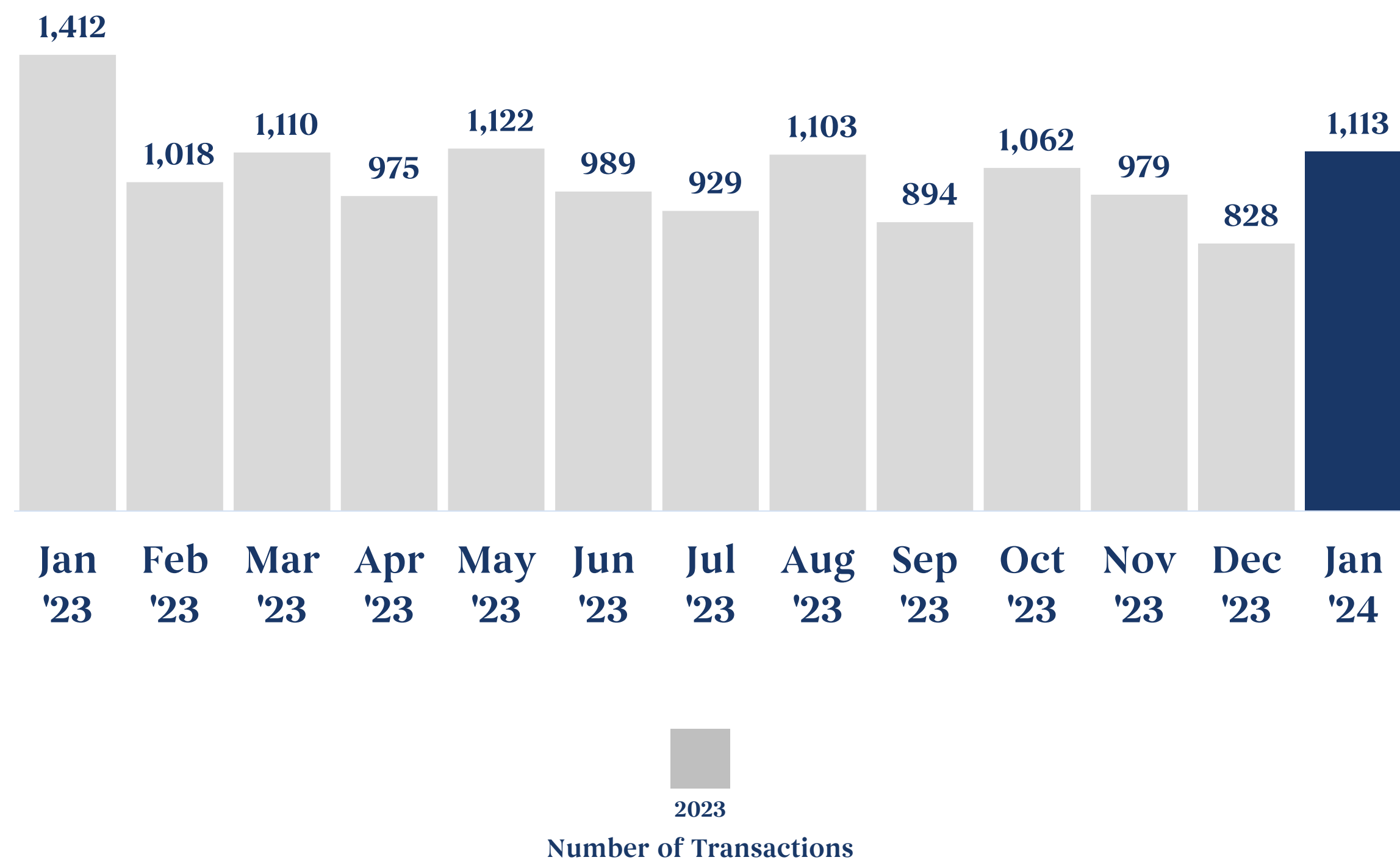
JANUARY 2024



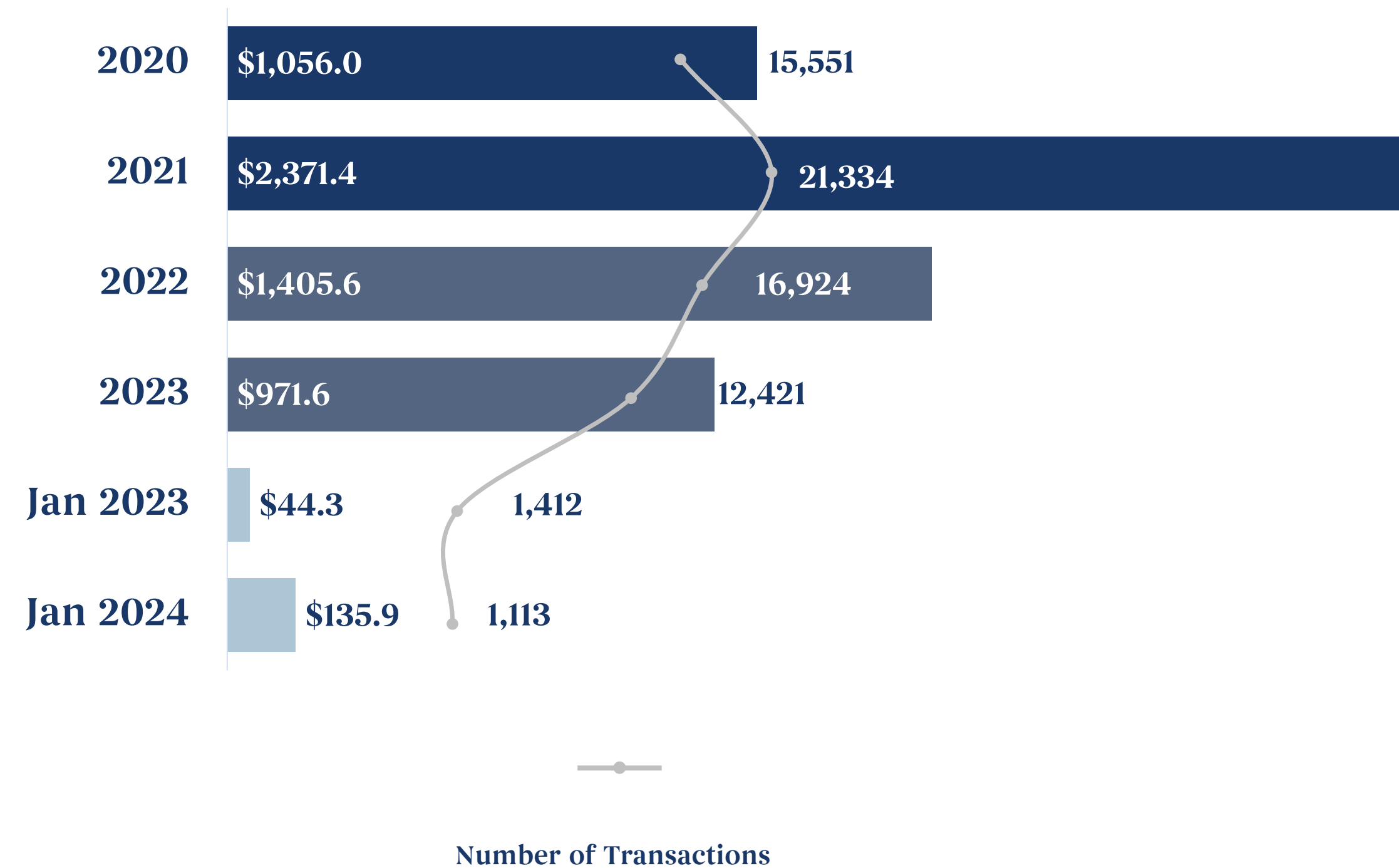
# Summary of Mergers & Acquisitions in the U.S.

During January 2024, **1,113 transactions** were announced in the U.S., **21.2% less** than in January 2023.

**Disclosed Deal Volume in the U.S.**  
Number of Transactions per Month



**Disclosed Deal Volume and Value of Acquisitions in the U.S.**  
Annual Transactions (US\$ Billion)



**Disclaimer:** Includes announced transactions subject to customary closing conditions and regulatory approvals.  
**Source:** Capital IQ

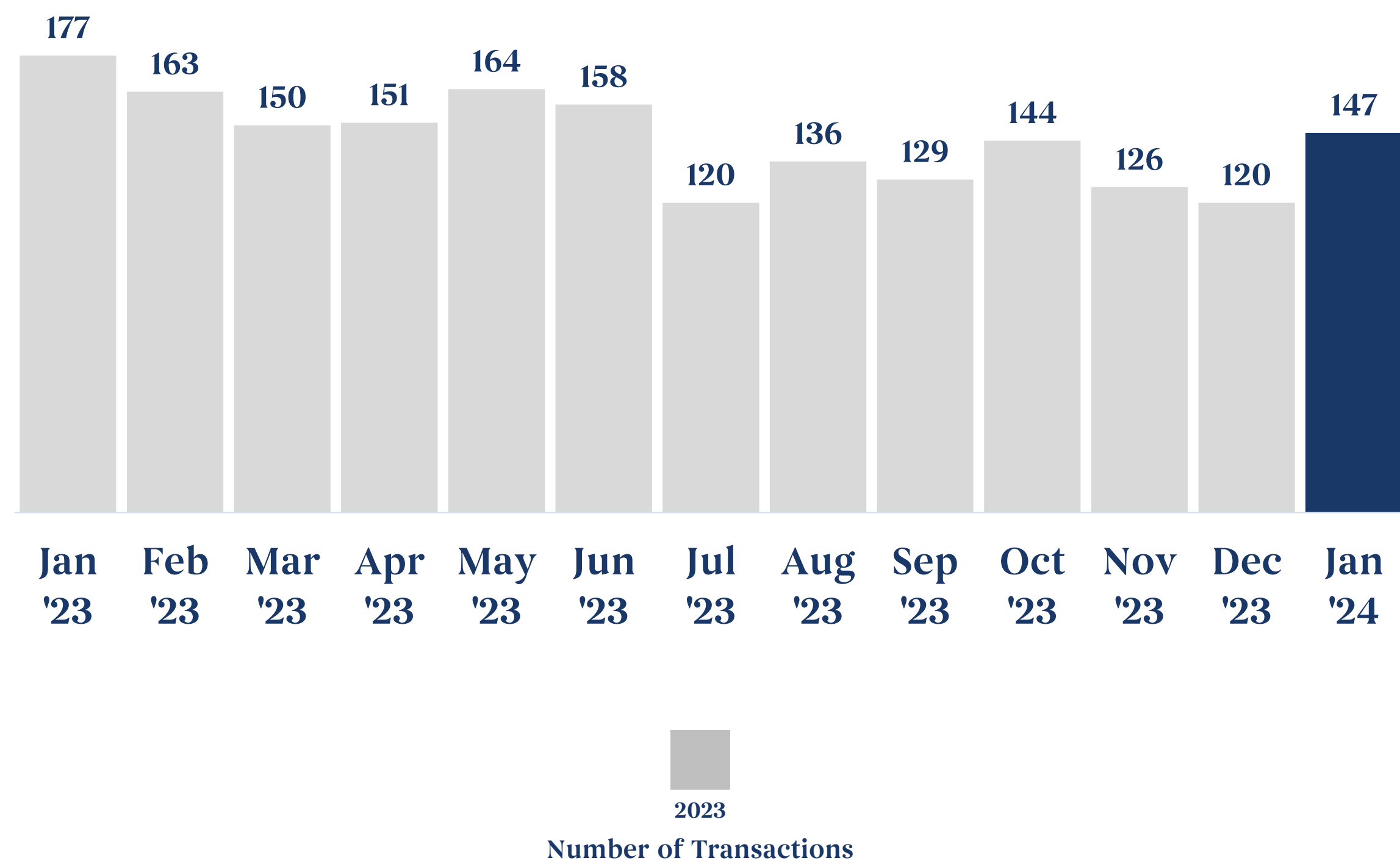
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# Summary of Acquisitions Abroad by U.S.-based Companies

During January 2024, **147 acquisitions** were announced by U.S.-based companies abroad, **16.9% less** than in January 2023.

## Disclosed Deal Volume by U.S.-based Companies Abroad

Number of Transactions per Month

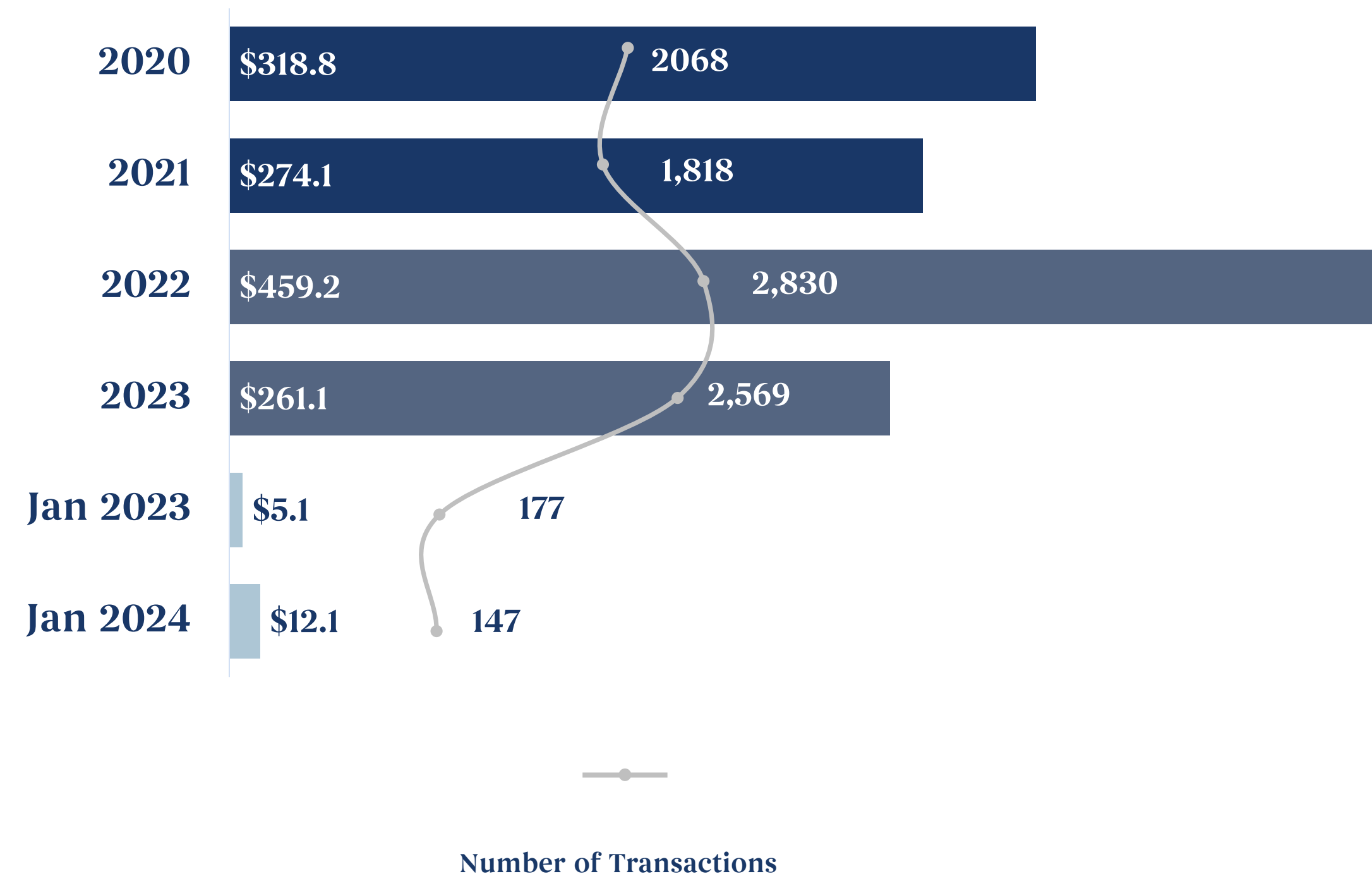


**Disclaimer:** Includes announced transactions subject to customary closing conditions and regulatory approvals.

**Source:** Capital IQ

## Disclosed Deal Volume and Value of Acquisitions by U.S.-based Companies Abroad

Annual Transactions (US\$ Billion)

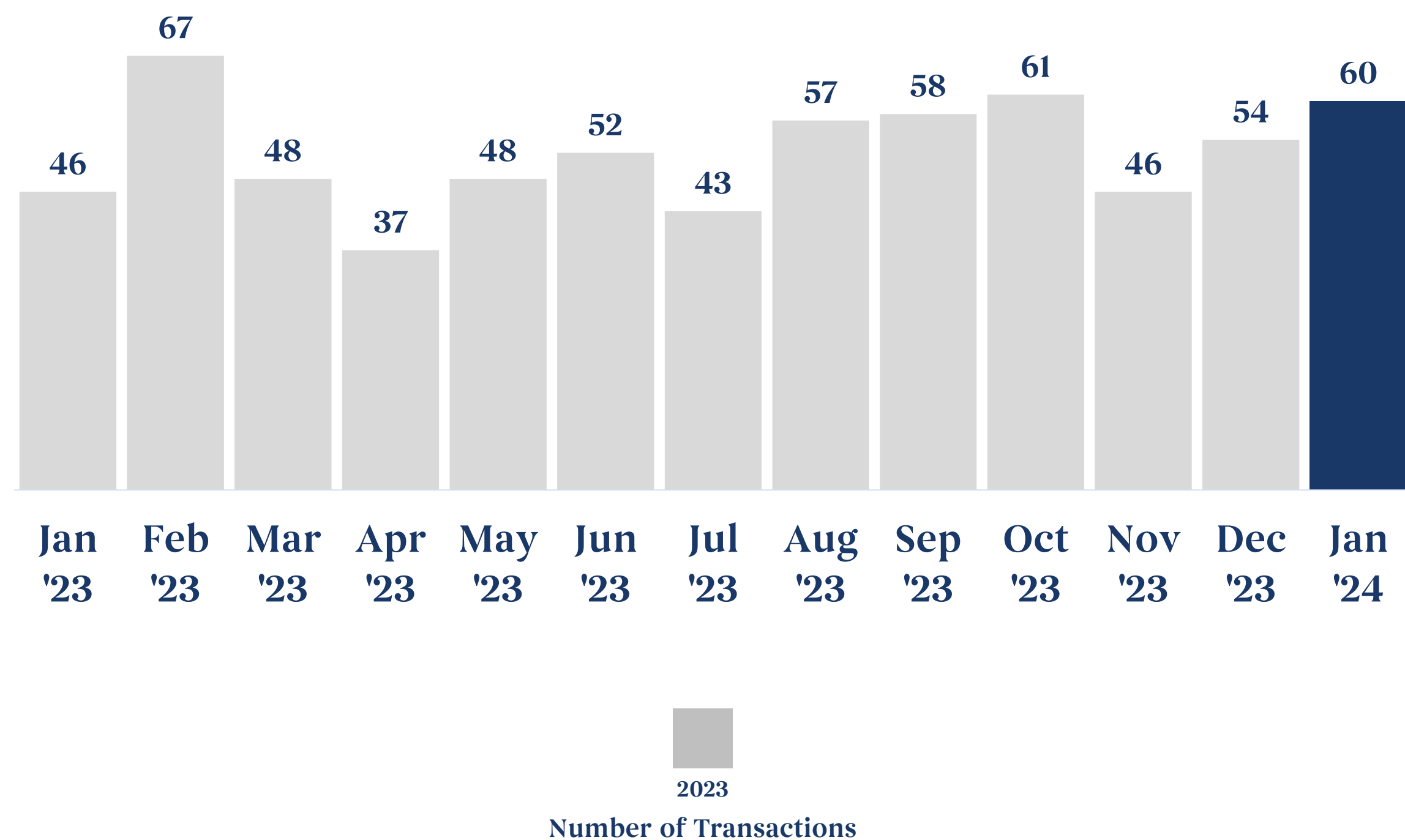


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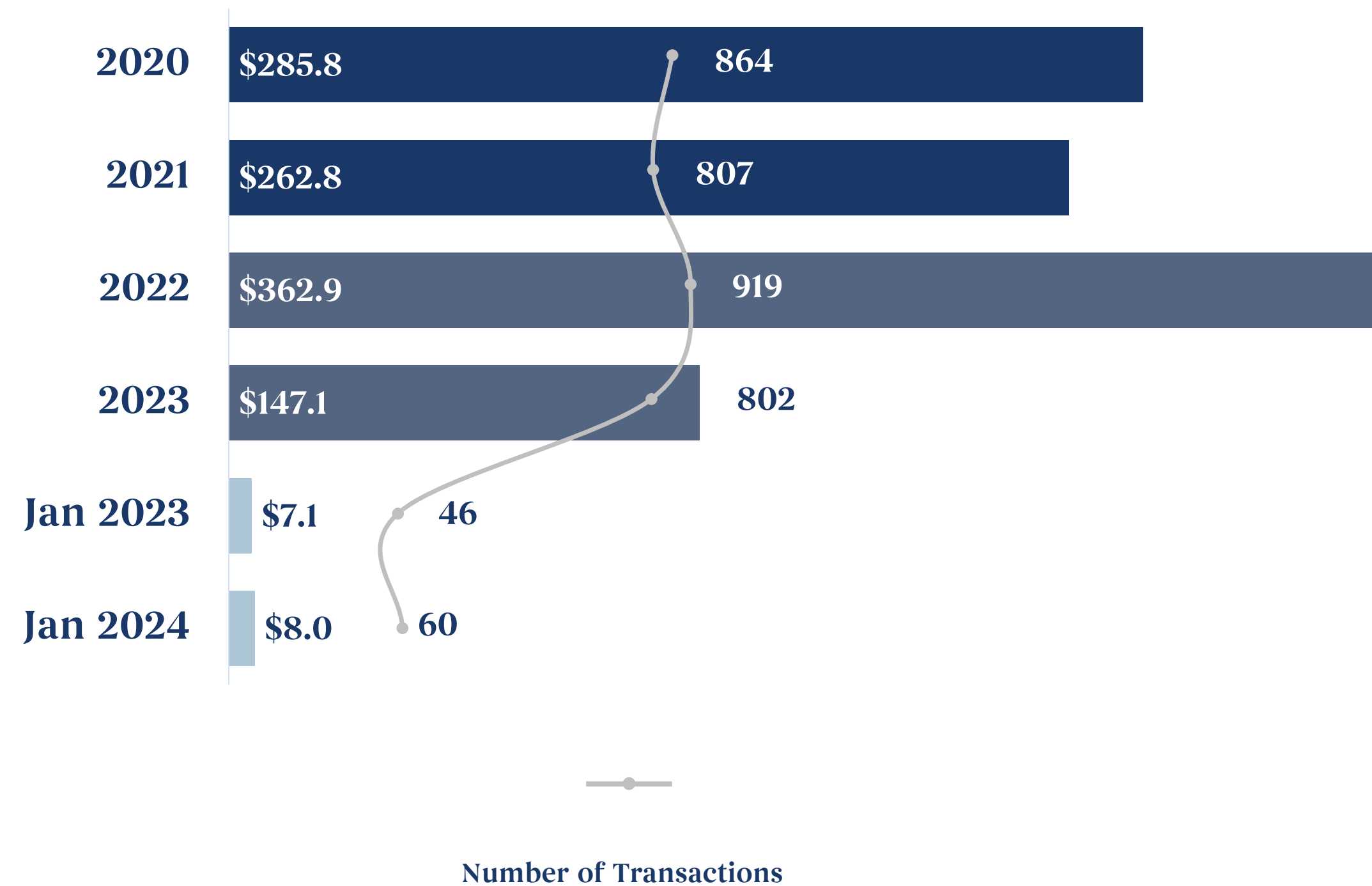
# Summary of Divestitures Abroad by U.S.-based Companies

During January 2024, **60 divestitures** were announced by U.S.-based companies abroad, **30.4% more** than in January 2023.

**Disclosed Deal Volume of Divestitures by U.S.-based Companies Abroad**  
Number of Transactions per Month



**Disclosed Deal Volume and Value of Divestitures by U.S.-based Companies Abroad**  
Annual Transactions (US\$ Billion)



**Disclaimer:** Includes announced transactions subject to customary closing conditions and regulatory approvals.

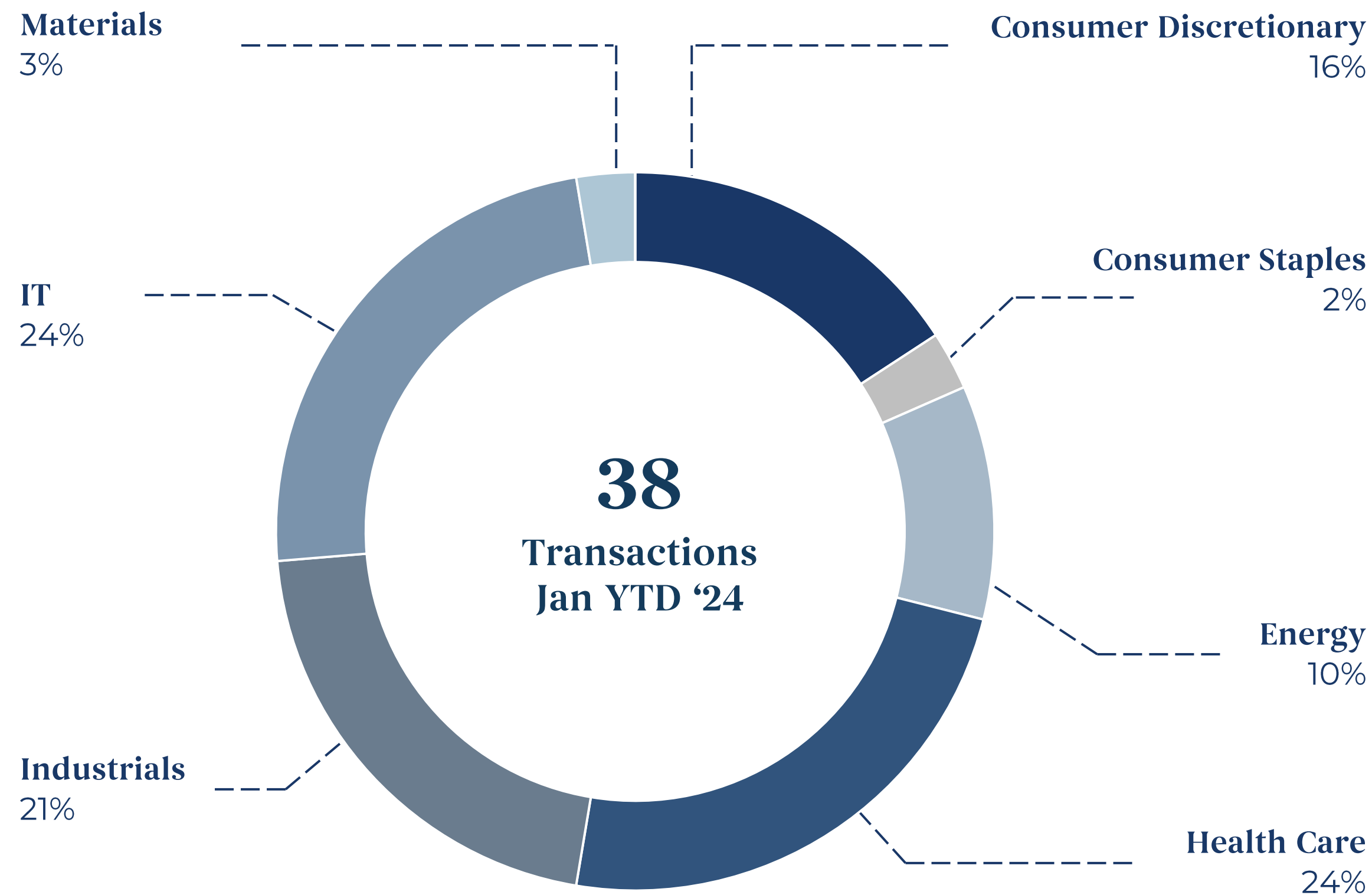
**Source:** Capital IQ

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# Summary of US\$50M-US\$2B Deals by Sector

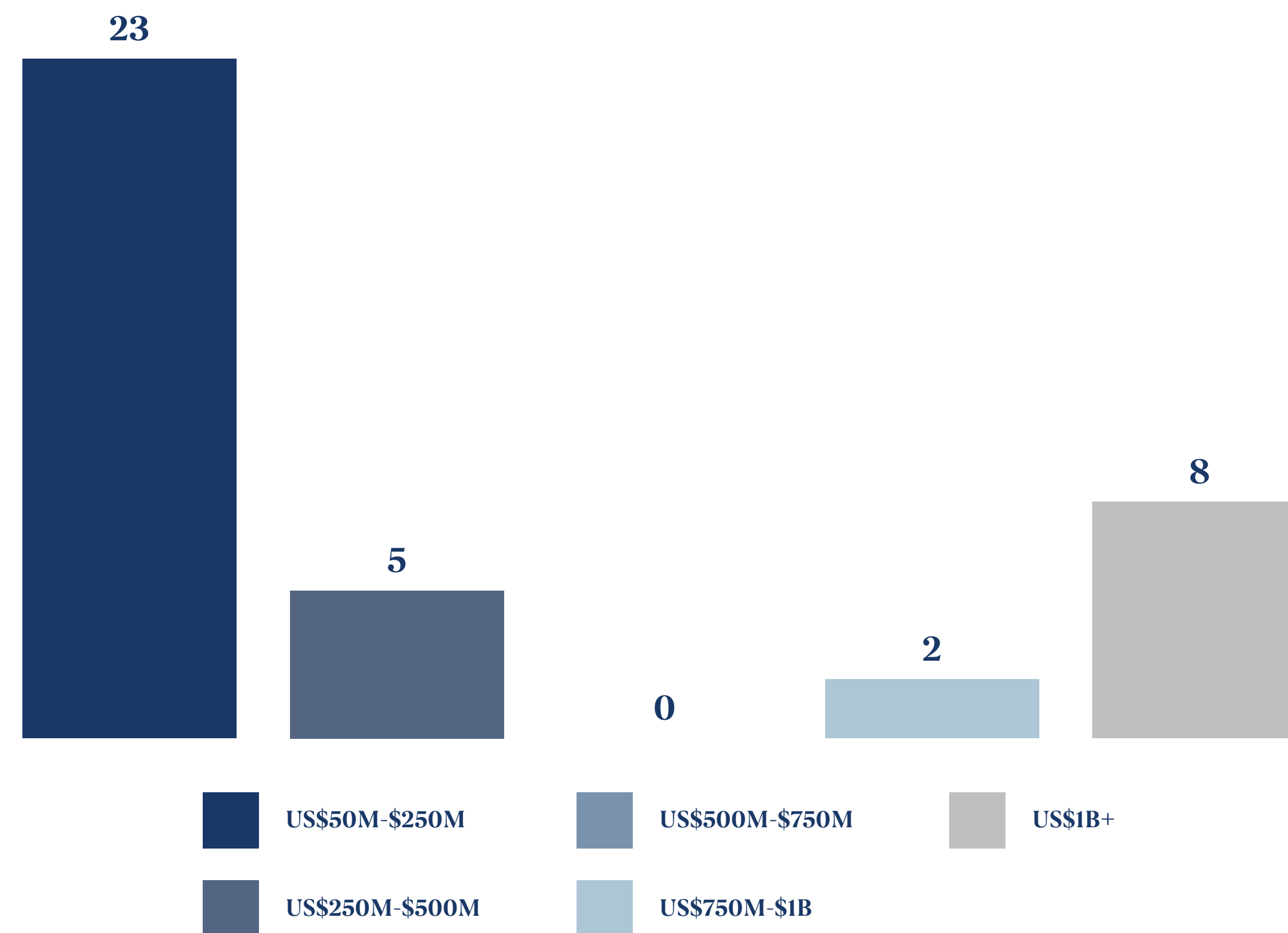
## U.S. Transactions by Sector

Percentage of Transactions January YTD '24<sup>1</sup>



## Disclosed Deal Volume and Value of U.S. Transactions

Number of Transactions January YTD '24 by Enterprise Value



<sup>1</sup>This page only considers transactions with disclosed enterprise values larger than US\$50M and below US\$2B, where the acquired equity stake was larger than 51%. Excludes financials and real estate. Please contact us for more information on a particular sector.

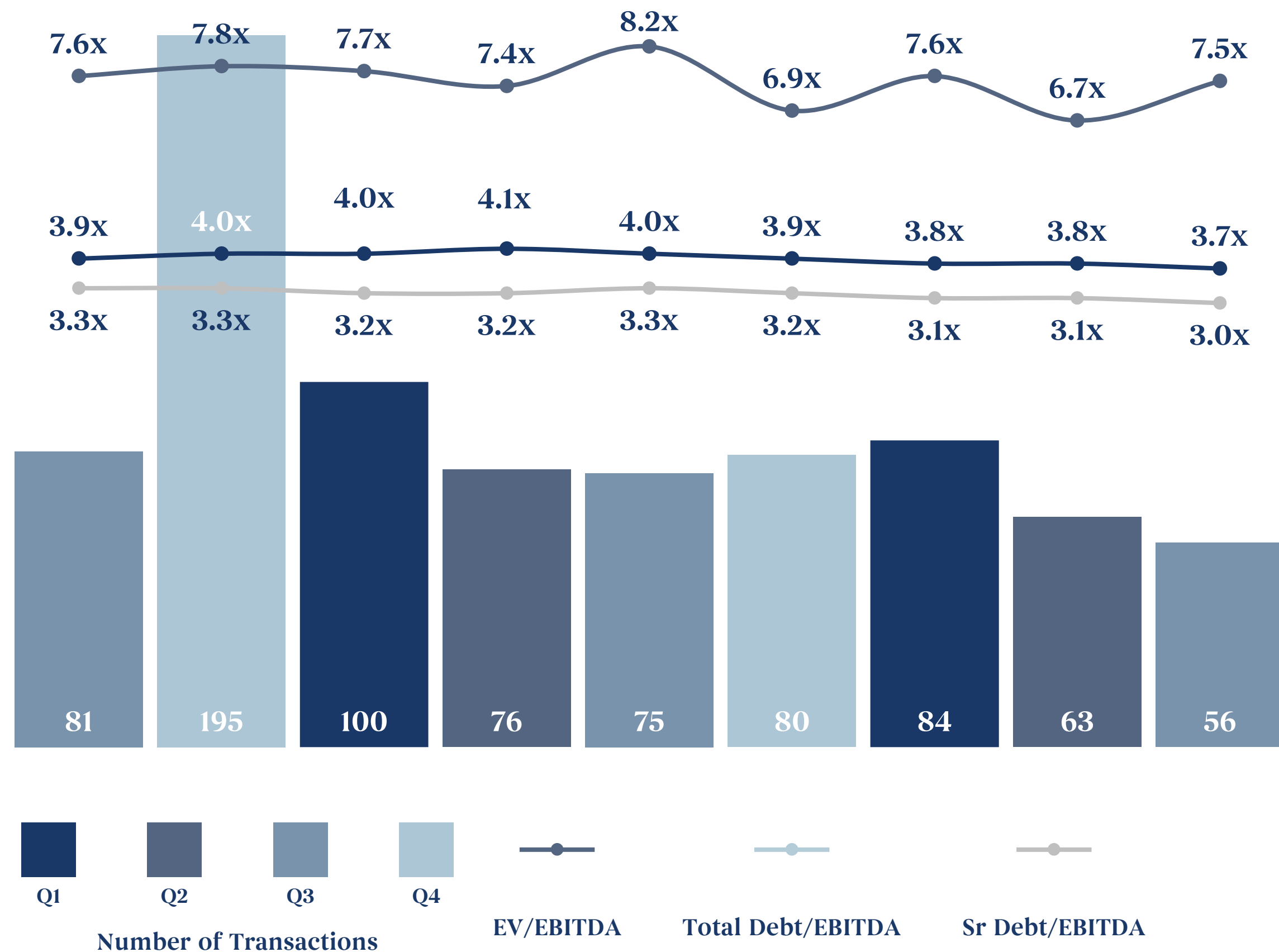
**Disclaimer:** Includes announced transactions subject to customary closing conditions and regulatory approvals.

**Source:** Capital IQ

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# Private Equity: Key Insights on M&A Deal Activity - As of Q3 2023

**Private Equity Activity**  
Quarterly Number of Transactions



## Mid-Market M&A: Q3 2023 Sees Deal Volume Decline, Valuations Climb for High Performers

- The **third quarter of 2023** showed a **decline** in mid-market **private-equity-backed M&A** with only **56 transactions** in the third quarter. The **total volume for 2023** is projected to be **18% lower** than last year and 46% lower than 2021.
- The **valuations** on completed deals in the **third quarter climbed** to 7.5x EV/EBITDA, **increasing 0.8x from** the **second quarter**. This is in line with the valuations seen in the first quarter and the overall average of 2022.
- Despite the slower transaction pace and high cost of capital in the market, companies with **above-average financial performance\*** continued to **attract higher** buyout purchase **prices**, averaging **8.1x** EV/EBITDA in the quarter – representing a **127% premium** over other buyouts – demonstrating that private equity continues to operate in the high-interest rate environment.
- **Interest rates remained high**, with **senior debt averaging 10.5%** in the third quarter. As a result, **use of senior debt declined** in the last nine months to an average contribution of 38.3%, while use of **subordinated debt increased** slightly to 9.3% from 8.8% in 2022.

\*GF Data defines better financial performers as businesses with TTM EBITDA margins and revenue growth rates both above 10%, or one above 12% and the other metric at least 8%. Outliers on the high side are also excluded.

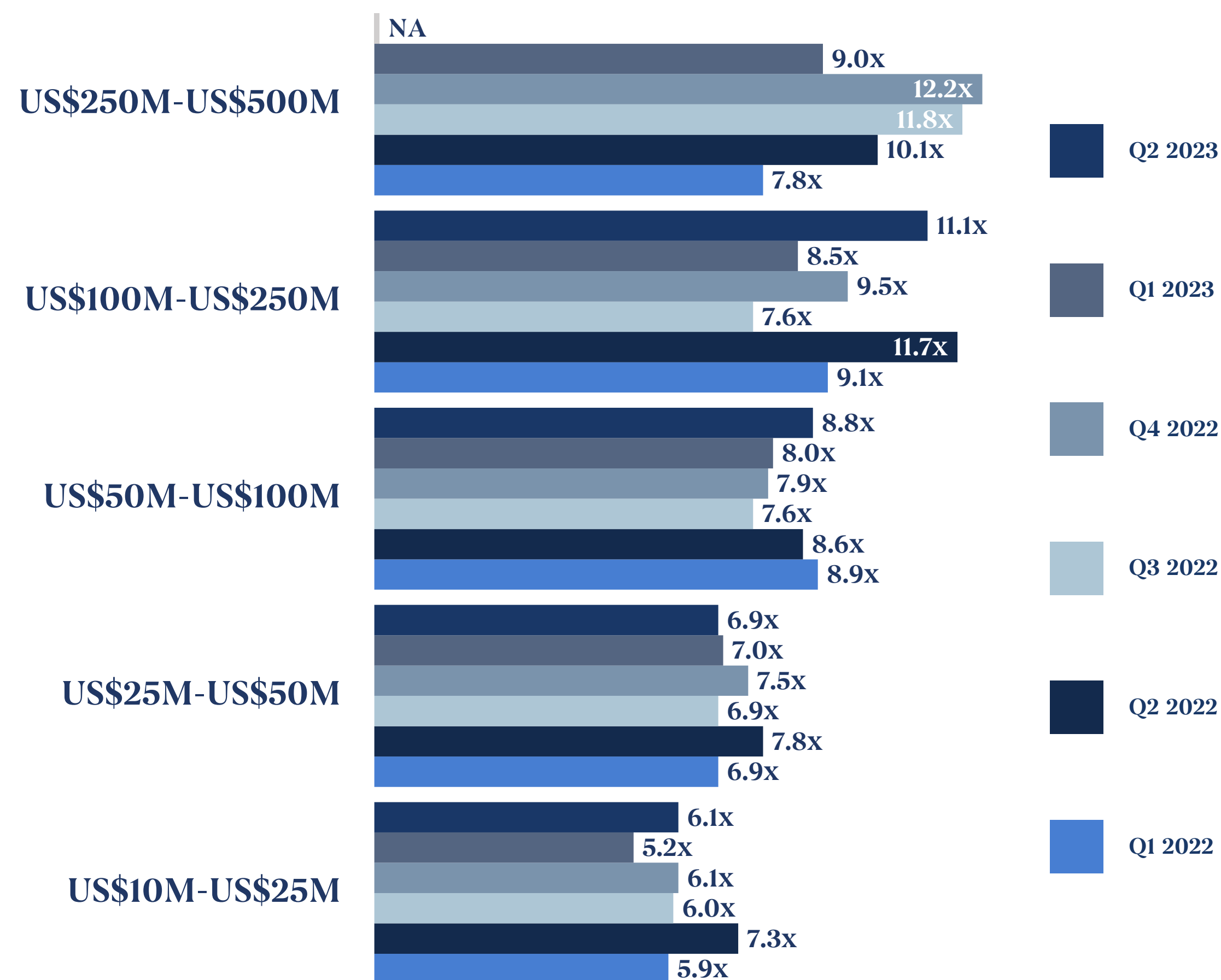
Source: GF Data

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# Private Equity: Key Insights on M&A Deal Valuation Trends - As of Q3 2023

**Disclosed Valuation Multiples of Private Equity Transactions**  
EV/EBITDA Multiples by Enterprise Value Range



## Shifting Dynamics of M&A and Valuations

- **Average purchase price** was **up** in the third quarter across **all size tiers** except the **\$25 million to \$50 million tier**, which was off by just 0.1x EV/EBITDA. Transactions larger than \$50 million all recorded gains in average purchase price between 1 and 2.5x EV/EBITDA.
- Deal valuations in **Manufacturing, Distribution, and Health Care Services** are **up year to date**; **only the Business Services** sector recorded a **decrease of 0.7x**
- **Add-on investments** have **accounted for 48% of deals** this year, well **above historical averages**, as **PE firms focus more on existing portfolio companies rather than acquiring new platforms**. Purchase prices for add-ons remain about a turn lower than on platforms.
- The **size premium** for **more significant deals** (TEV \$100-500M) versus smaller deals (\$10-100M) **stands at 3.2x**, much higher than the **typical spread of 2-2.5x**. Suggesting greater competition and higher premiums for larger assets.
- Purchase **prices rose** more dramatically for **sponsor-backed platform deals than family office-sponsored transactions**, especially in deals larger than \$50 million of TEV. This likely reflects the deeper pools of capital that PE firms can leverage.

Source: GF Data

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# Representative Sub-US\$2B Transactions During November 2023

| Target   |   |                        | Buyer  |         | Seller  | Financial Information |            |            |             |
|--|---|------------------------|--|---------|---|-----------------------|------------|------------|-------------|
| Name   | Description   | Sector                 | Name   | Country | Name  | Size (US\$M)          | % Acquired | EV/ EBITDA | EV/ Revenue |
|  <b>KAMAN</b>               | Designs and manufactures products for aerospace, defense, medical, and industrial markets               | Industrials            | <b>ARCLINE</b>   | USA     | -   | \$1,800.0             | 100.0%     | -          | -           |
|  <b>Procare SOLUTIONS</b>   | Develops software and hardware solutions for the child care industry                                    | Information Technology | <b>Roper TECHNOLOGIES</b>  | USA     | <b>WARBURG PINCUS</b>   | \$1,750.0             | 100.0%     | 18.0x      | -           |
|  <b>INHIBRX</b>             | Develops novel biologic therapeutics for various diseases in clinical stages                            | Health Care            | <b>sanofi</b>  | USA     | <b>RACAPITAL</b>  | \$1,700.0             | 100.0%     | -          | -           |
|  <b>QUARTER NORTH ENERGY</b> | Explores and produces oil and natural gas in the United States  | Energy                 | <b>TALOS ENERGY</b>  | USA     | -   | \$1,290.0             | 100.0%     | -          | -           |
|  <b>Specialty Networks</b>  | Operates a technology-enabled group purchasing organization for urology practices and medical companies | Health Care            |  <b>CardinalHealth™</b>                      | USA     | <b>LINDEN<sup>7</sup></b>   | \$1,200.0             | 100.0%     | -          | 5.9x        |
|  <b>CARROLS</b>           | Operates a chain of restaurants across the United States through its subsidiaries                       | Consumer Discretionary |  <b>rbi restaurant brands international</b> | CAN     | Cambridge Franchise Holdings, LLC   | \$1,000.0             | 85.0%      | -          | 0.6x        |
|  <b>SUNOCO</b>            | Operates gas stations and convenience stores, and owns oil and gas exploration properties               | Convenience Retail     | <b>7-ELEVEN®</b>   | USA     | <b>SUNOCO LP</b>  | \$950.0               | 100.0%     | -          | -           |
|  <b>SIGNATURE SYSTEMS</b> | Manufactures and distributes composite matting, sports flooring, and temporary event solution           | Industrials            | <b>myers INDUSTRIES</b>  | USA     | -   | \$350.0               | 100.0%     | 8.0x       | 2.9x        |
| <b>transphorm</b>  | Develops and sells gallium nitride semiconductor components for power conversion globally               | Information Technology | <b>RENESAS</b>   | JPN     |  <b>KAR Center Rock</b>          | \$339.0               | 100.0%     | -          | 18.2x       |
|  <b>SPORTECH</b>          | Develops novel T cell engagers for cancer and other diseases by harnessing the immune system            | Consumer Discretionary |  <b>PATRICK</b>                             | USA     |  <b>MONOMOY CAPITAL PARTNERS</b> | \$315.0               | 100.0%     | 6.8x       | -           |

Source: Capital IQ, MergerMarket, Dealogic

ND: Not Disclosed



## Selected Transactions Commentary



*"Given the rigorous review of alternatives we recently completed, we are confident this transaction maximizes value for shareholders and is in the best interest of Kaman as well as our employees, customers and other stakeholders."*

**Ian K. Walsh, Chairman, President and CEO of Kaman**



*"This acquisition demonstrates Roper's disciplined capital deployment strategy that focuses on identifying high-quality, market-leading technology businesses that will enhance Roper's long-term cash flow compounding."*

**Neil Hunn, President and CEO of Roper Technologies**



*"The addition of INBRX-101 as a high potential asset to our rare disease portfolio reinforces our strategy to commit to differentiated and potential best-in-class products... INBRX-101 will complement our approach to deploy R&D efforts in key areas of focus and address the needs of the underserved AATD patients and communities."*

**Houman Ashrafian, Head of Research and Development of Sanofi**



*"The addition of QuarterNorth's overlapping deepwater portfolio with valuable operated infrastructure will increase Talos's operational breadth and production profile while enhancing our margins and cash flow. This Transaction aligns with Talos's overall strategy of leveraging existing infrastructure and complementary acreage to accelerate shareholder value creation."*

**Timothy S. Duncan, President and CEO of Talos**



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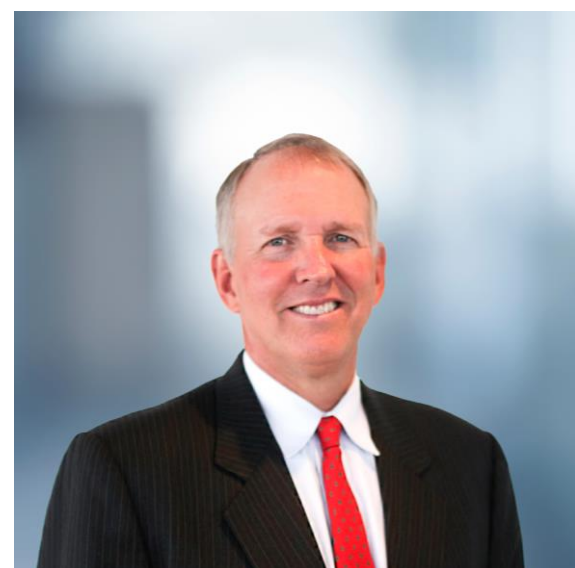




# Representative Global Engagements

|   |   |   |   |  |  |   |  |   |   |   |
|---|---|---|---|--|--|---|--|---|---|---|
| <br>has acquired<br>  | <br>has acquired<br>  | <br>has sold<br><br>to<br> | <br>has sold<br>Triumph Air Repair & Triumph Engines businesses<br>to<br>  | <br>has acquired<br><br>from<br>  | <br>has partnered with<br><br>a company backed by<br>  | <br>has acquired<br>  | <br>has sold<br>the North American guarding business of<br><br>to<br>             | <br>has sold<br><br>to<br>       | <br>has sold<br><br>to<br>   | <br>a subsidiary of<br><br>has sold<br><br>to<br> |
| <br>has sold<br><br>to<br>Daives Baird Pty Ltd<br>a sister company of<br> | <br>has acquired<br>   | <br>has sold<br><br>to<br>Code Flower Inc.  | <br>has sold its<br>GRACE Membranes Business<br><br>a subsidiary of<br> | <br>has sold<br><br>and<br><br>to<br> | <br>has sold a controlling interest to<br>   | <br>has been acquired by<br>   | <br>has sold<br>SENSI CARE and ALOE VESTA<br>to<br>   | <br>has sold their<br>Sanitaryware Manufacturing Plant<br>to<br>   | <br>has acquired<br>Multiple snack companies<br><br>  | <br>has sold<br><br>to<br>  |
| <br>has sold<br><br>to<br>   | <br>has been acquired by<br>  | <br>has sold<br>Oxbow Sulphur, Inc.<br>to<br>   | <br>has been acquired by<br>  | <br>has sold<br><br>to<br>KPAC Holdings, Inc.<br>A private investment group  | <br>Engineers & Constructors<br>has acquired<br>   | <br>has acquired<br>  | <br>has acquired<br>   | <br>has sold its<br>SYCAR Resins business<br>to<br>   | <br>has sold<br><br>to<br>Private Equity Partners   | <br>has been acquired by<br>  |
| <br>has sold<br><br>to<br>   | <br>has acquired<br><br>from<br> | <br>has been acquired by<br>  | <br>has sold<br><br>to<br>   | <br>has sold the<br>Films Business of<br><br>to<br>   | <br>has been acquired by<br>   | <br>has sold<br><br>to<br> | <br>Oxbow's Senior Subordinated debt issued by<br><br>was refinanced by<br> | <br>has sold<br><br>to<br> | <br>has acquired<br><br>from<br>THE MOORE COMPANY   | <br>sold its concrete pumping business to<br>   |



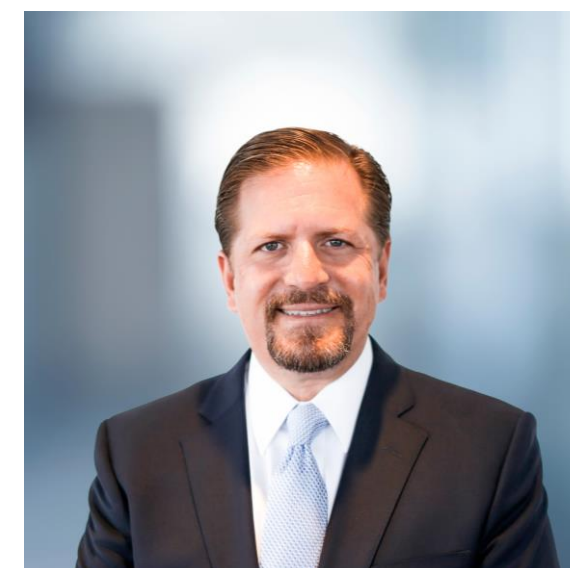


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University of Florida - BA in Political Science with High Honors

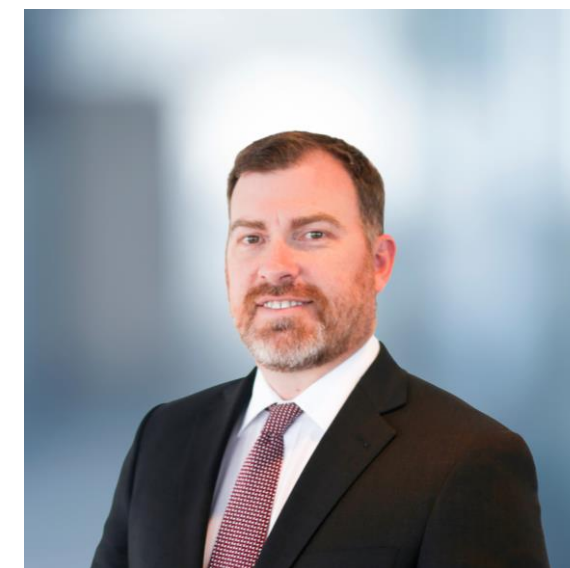


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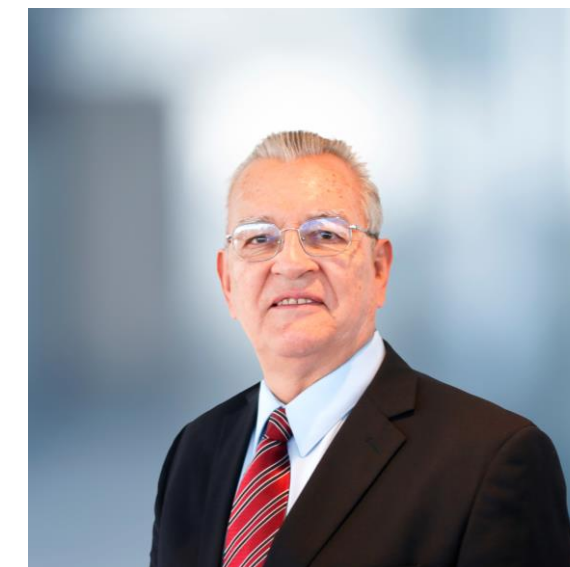


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