



Seale & Associates

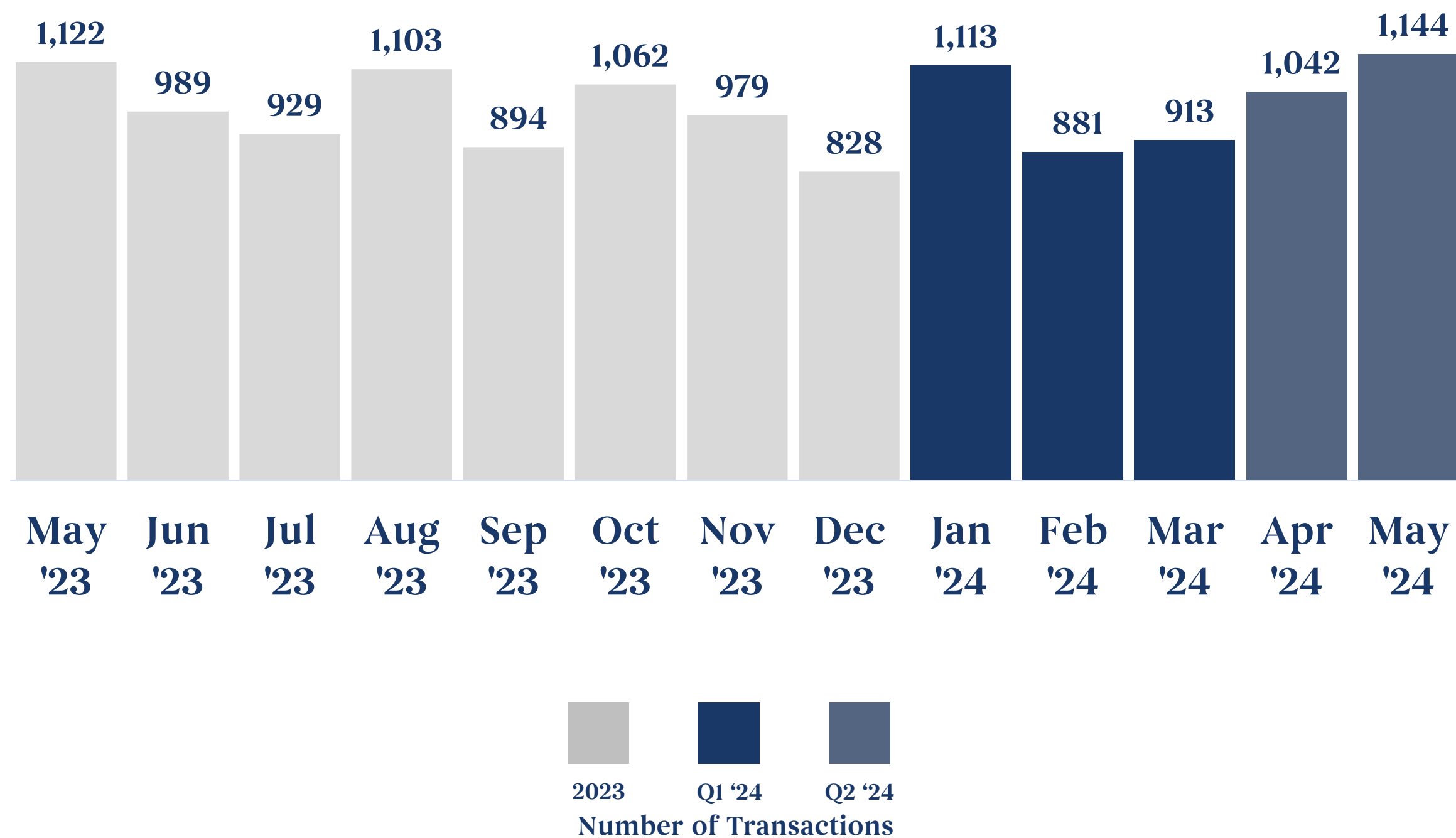
MERGERS & ACQUISITIONS
U.S.

MAY 2024

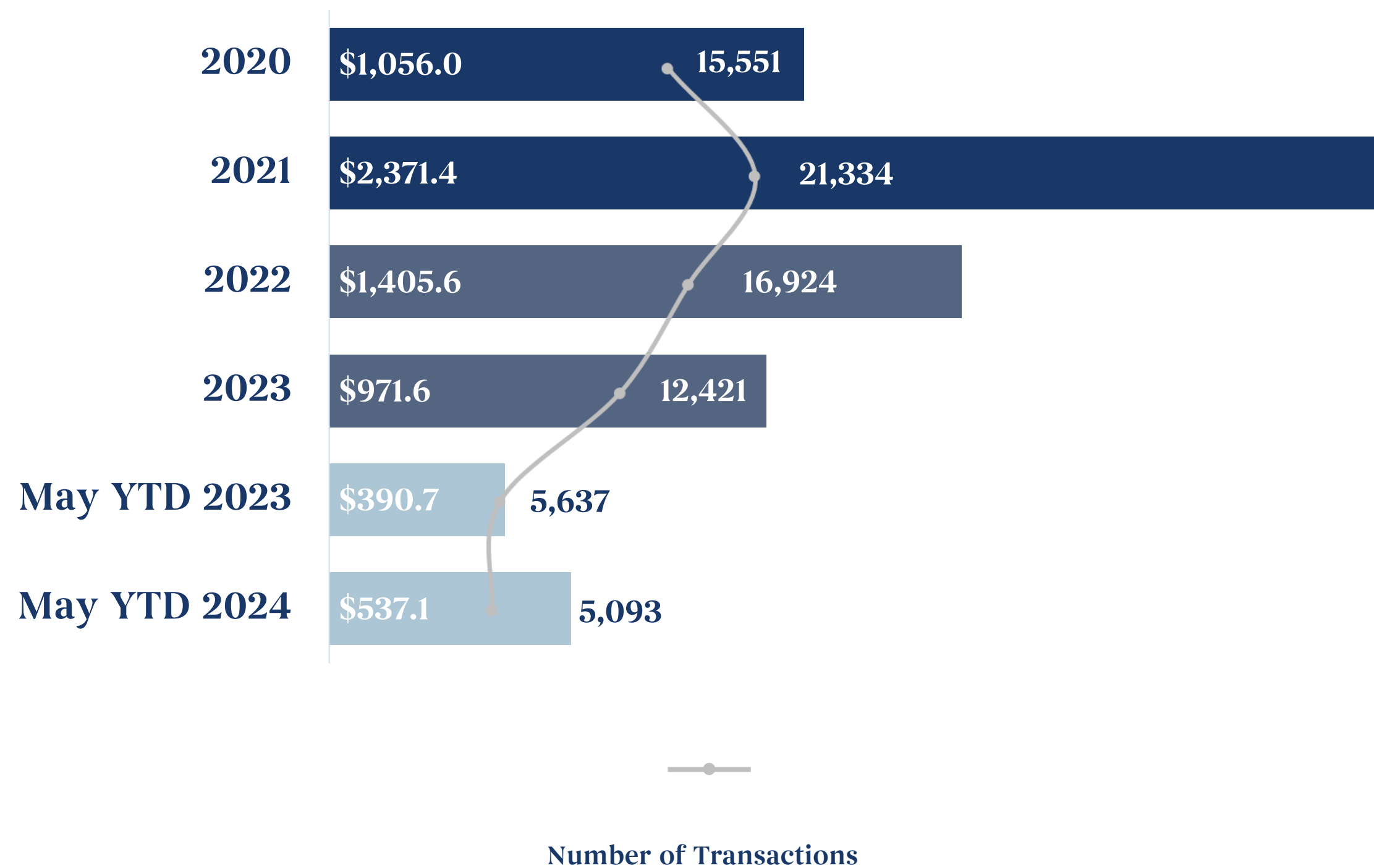
Summary of Mergers & Acquisitions in the U.S.

During May 2024, **1,144 transactions** were announced in the U.S., **2.0% more** than in May 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

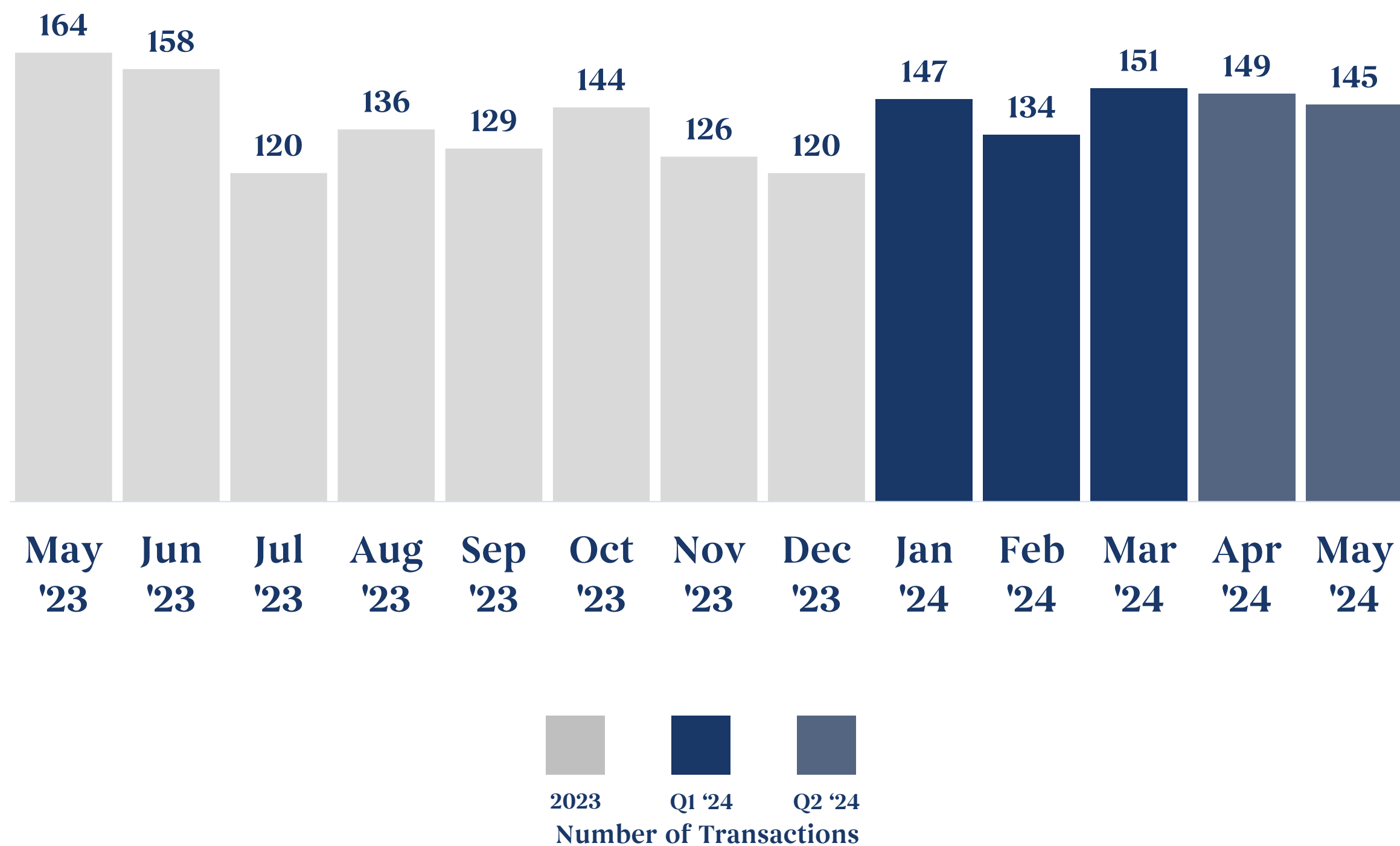
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Summary of Acquisitions Abroad by U.S.-based Companies

During May 2024, **145 acquisitions** were announced by U.S.-based companies abroad, **11.6% less** than in May 2023.

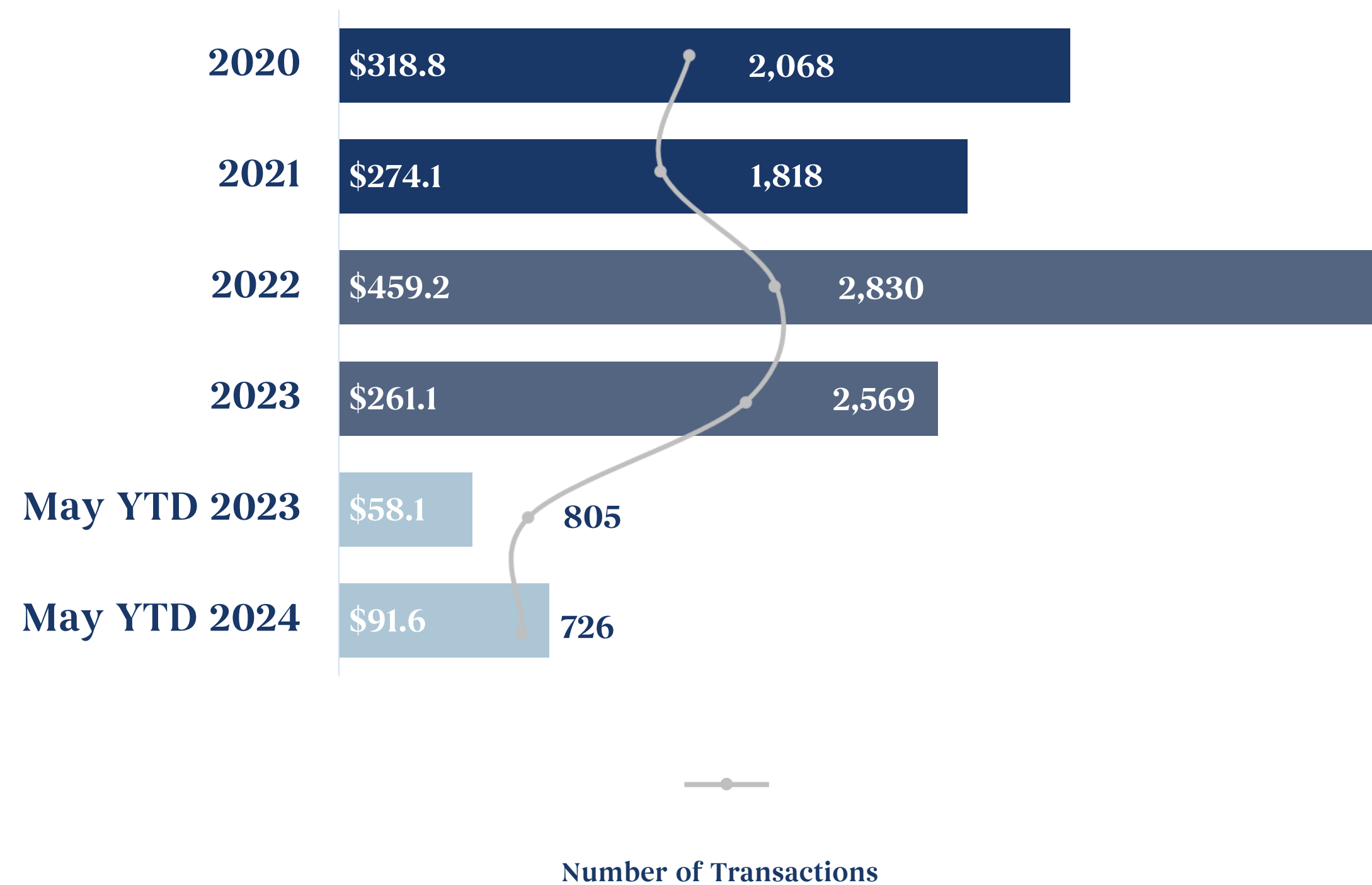
Disclosed Deal Volume by U.S.-based Companies Abroad

Number of Transactions per Month



Disclosed Deal Volume and Value of Acquisitions 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

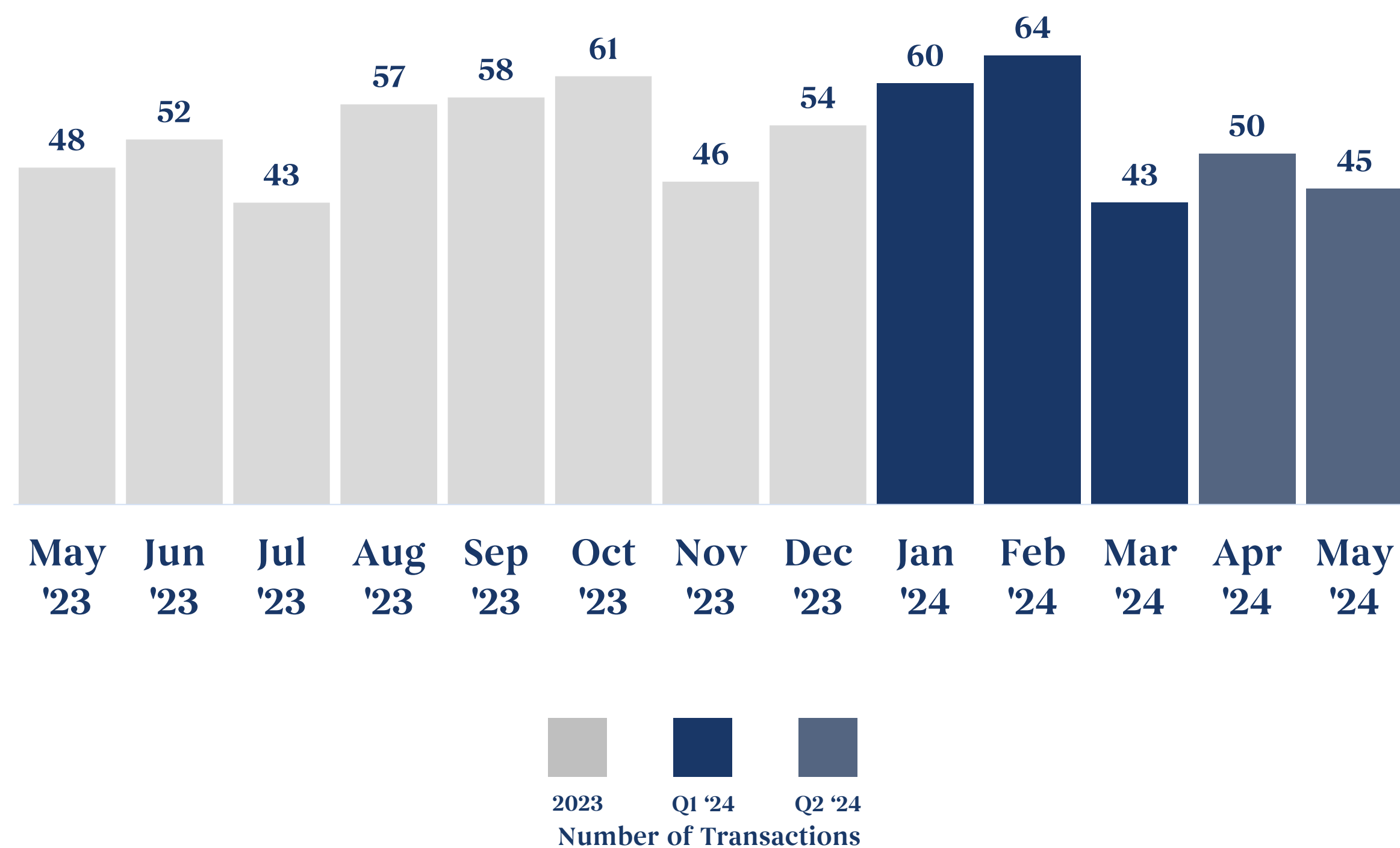
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Summary of Divestitures Abroad by U.S.-based Companies

During May 2024, **45 divestitures** were announced by U.S.-based companies abroad, **6.2% less** than in May 2023.

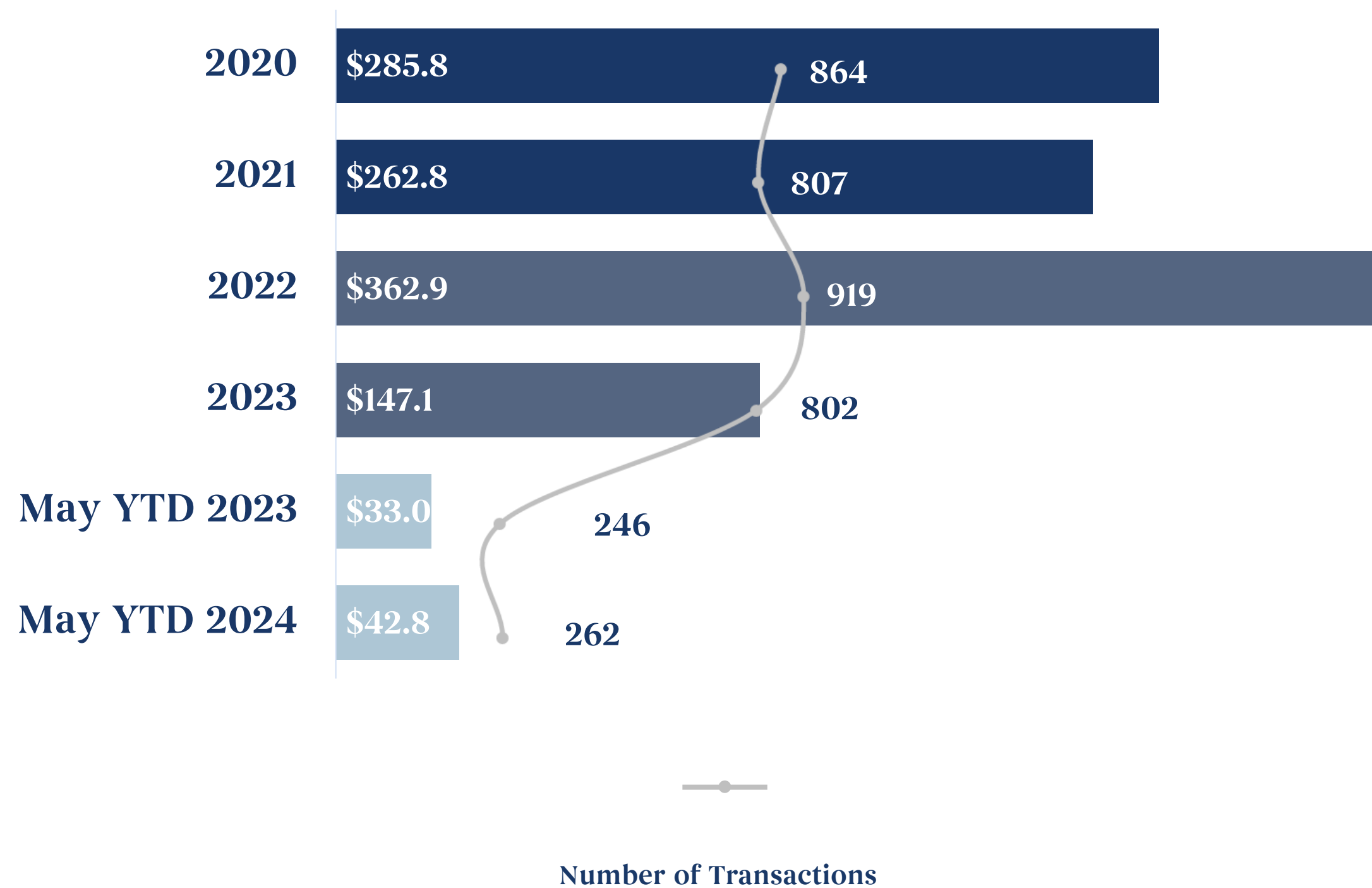
Disclosed Deal Volume of Divestitures by U.S.-based Companies Abroad

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

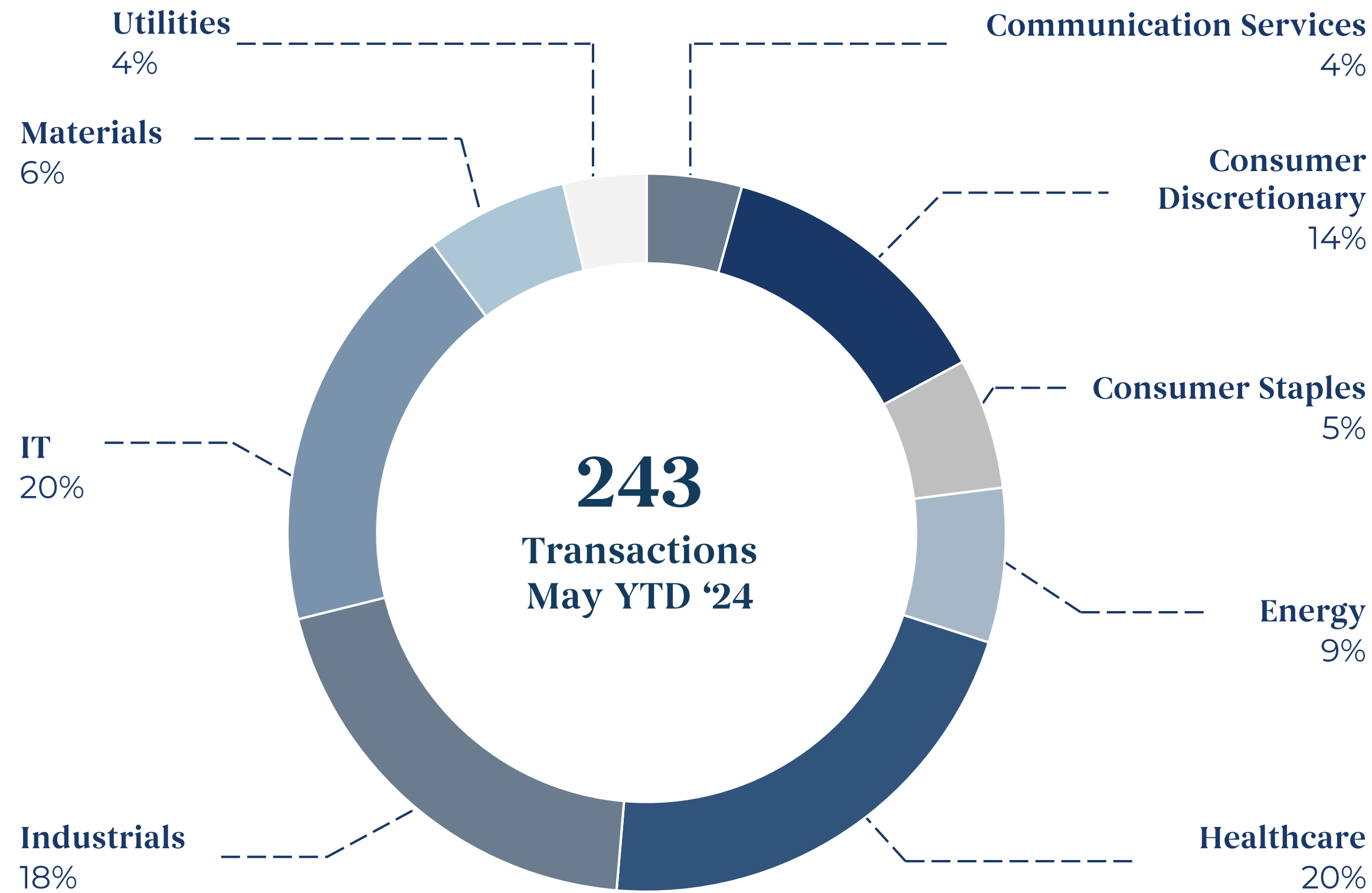
Source: Capital IQ

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

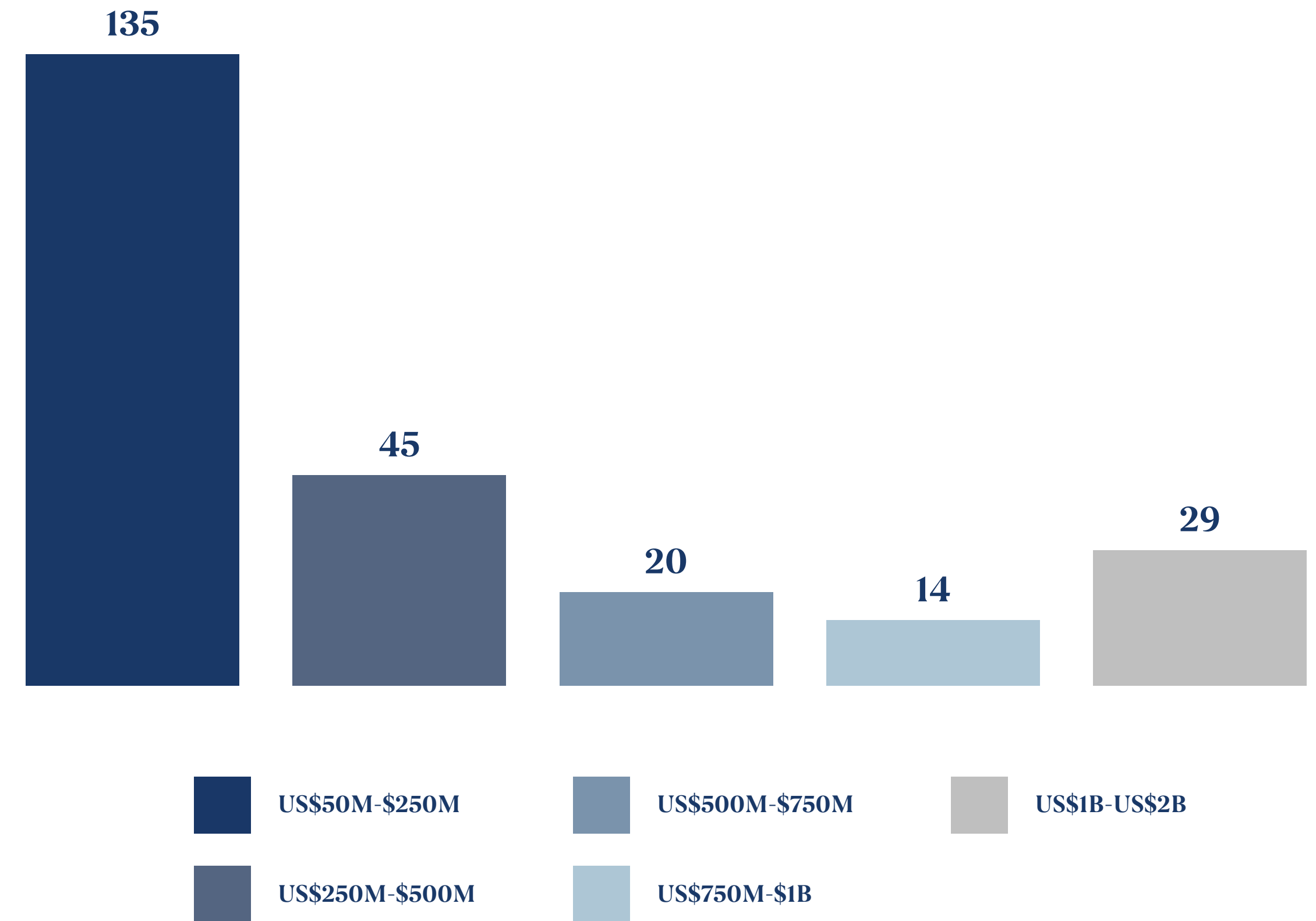
U.S. Transactions by Sector

Percentage of Transactions May YTD '24¹



Disclosed Deal Volume and Value of U.S. Transactions

Number of Transactions May YTD '24 by Enterprise Value



¹This 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 approval

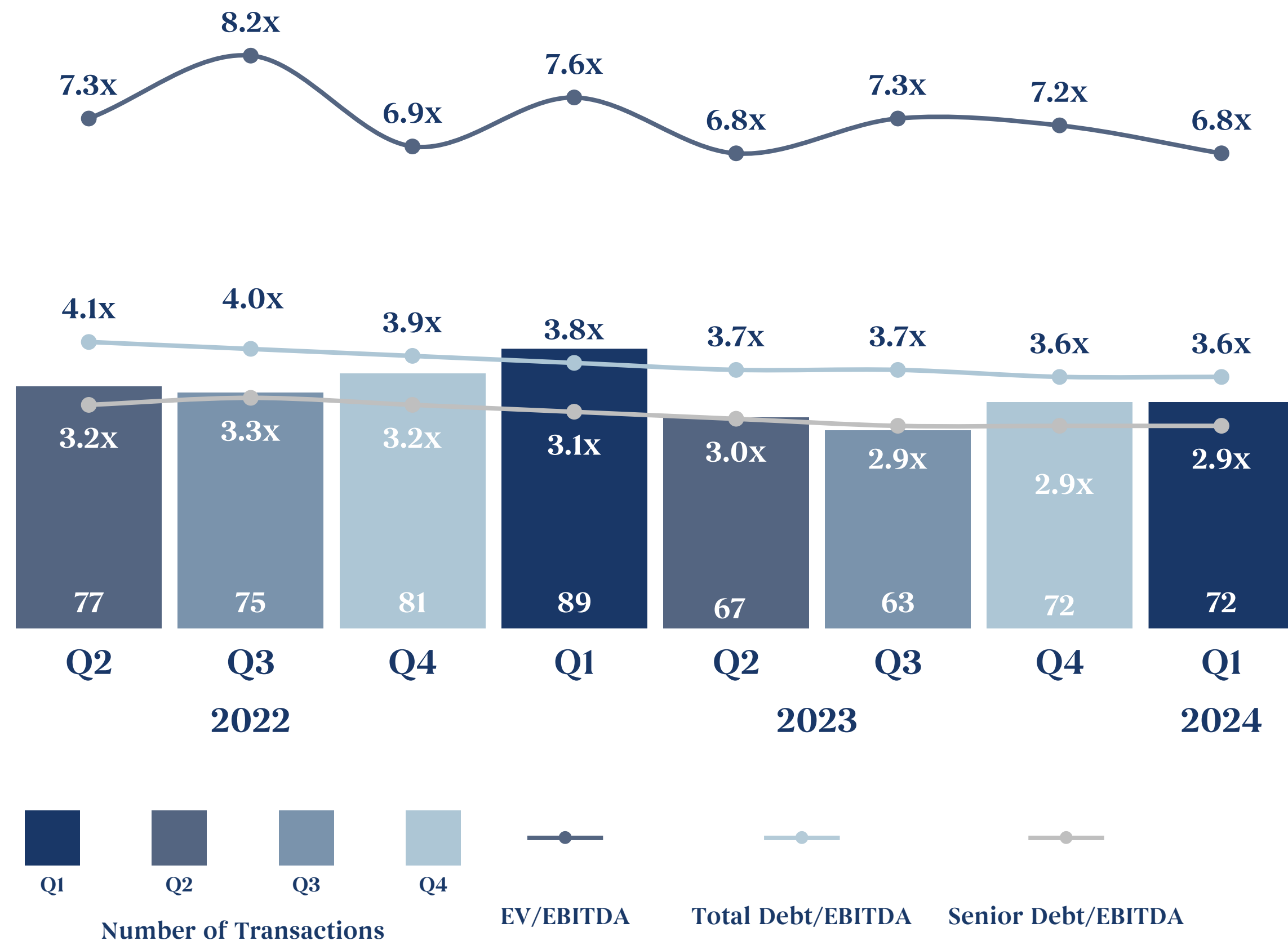
Source: Capital IQ

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Private Equity: Key Insights on M&A Deal Activity – As of Q1 2024

Private Equity Activity

Quarterly Number of Transactions



Mid-Market M&A: Q1 2024 Shows Resurgence in Deal Volume and Decline in Valuations

- The **first quarter of 2024** saw an **uptick** in mid-market **private-equity-backed M&A**, with **72 completed transactions**, reflecting an increase in deal volume compared to recent quarters. This resurgence indicates potential improvement in deal activity for the coming quarters.
- **Average valuations on completed deals decreased to 6.8x EV/EBITDA** in Q1 2024, down from **7.2x in the previous quarter**. This decline reflects sellers' acceptance of lower sale prices, including value-bridging mechanisms like earnouts and seller rollover equity.
- **The incidence and valuation of Above-Average Financial Performers (AAFP) companies declined significantly**, with the EBITDA multiple for AAFP companies dropping to 7.0x from an average of 8.2x in 2023. The premium for AAFP companies fell to 12.0%, the lowest in the past five years, highlighting a more challenging environment for high-performing firms.
- **Large transactions saw the greatest impact in valuations**, with deals between US\$250M-US\$500M falling from 8.7x in Q4 2023 to 6.8x in Q1 2024. Many of these companies had low or negative revenue growth in the prior year, indicating continued post-pandemic growth challenges.

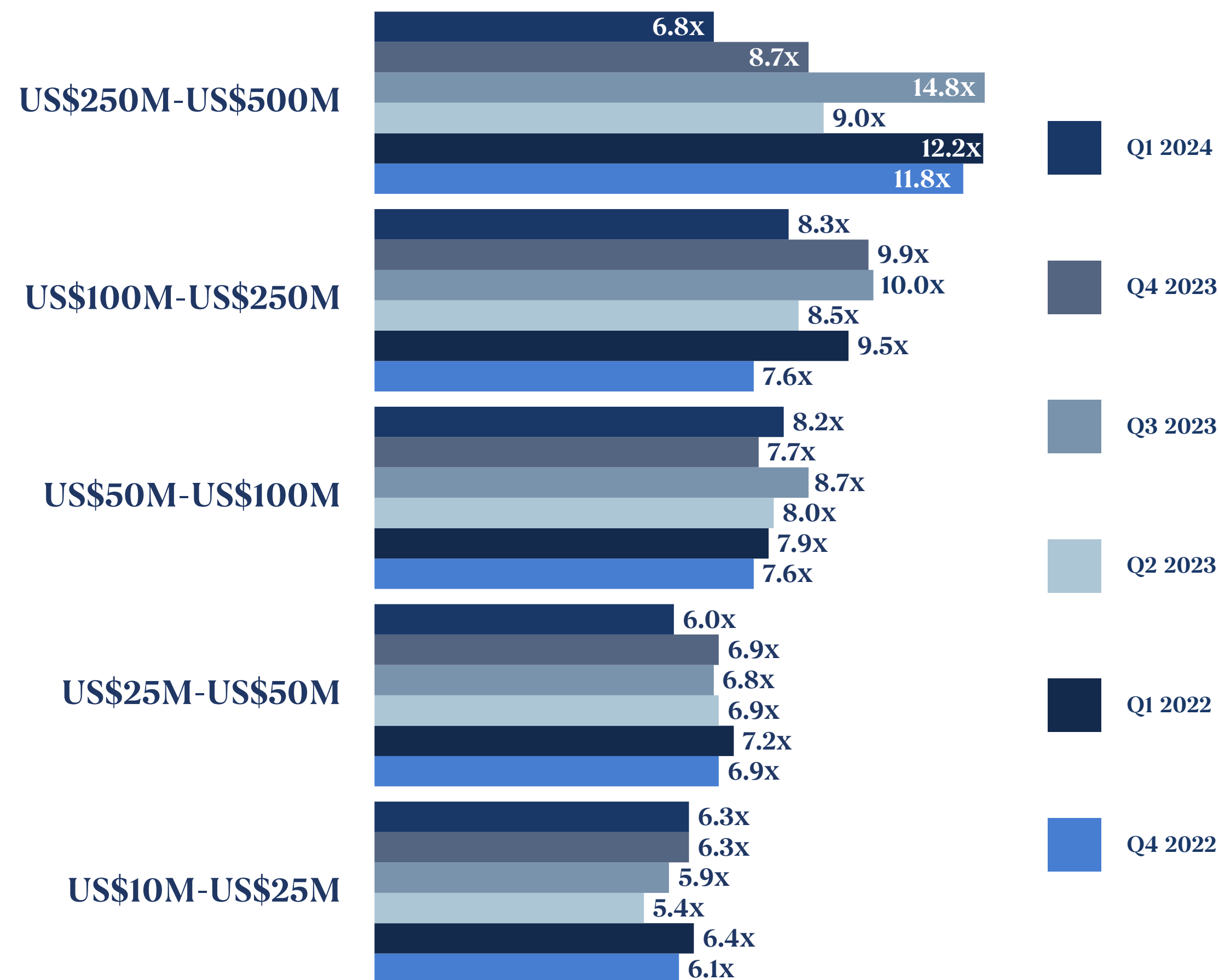
*GF Data defines above-average financial performers as businesses with TTM EBITDA margins and revenue growth rates both above 10%, or one above 12% and the other metric at least 8%. Outliers on the high side are also excluded.

Source: GF Data

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Private Equity: Key Insights on M&A Deal Valuation Trends – As of Q1 2024

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



Shifting Dynamics of M&A and Valuations

- Smaller deals valued between **US\$10M-US\$25M** remained stable at **6.3x**, reflecting resilience in this segment. In contrast, mid-sized deals between **US\$25M-US\$50M** experienced a decline to **6.0x from 6.9x** in **Q4 2023**, indicating cautious investor sentiment. Larger deals between **US\$100M-US\$250M** also saw a notable decrease to **8.3x from 9.9x**, highlighting a more conservative investment climate.
- **Technology sector** deals continued to command high multiples, **averaging 7.2x**, driven by strong investor interest. Meanwhile, **healthcare services** dropped sharply to **6.4x from 9.0x** in **2023**, reflecting regulatory and market pressures. The **distribution sector** maintained **stable valuations at 7.1x**, indicating consistent demand and performance.
- The total number of completed deals in **Q1 2024 matched Q4 2023**, with **72 transactions reported**, suggesting a resurgence in **deal volume** despite valuation pressures. Additionally, the **high-interest rate environment** has continued to impact the **M&A landscape**, pushing more deals towards the **lower middle market** where financing conditions are relatively more favorable.
- **Add-on investments represented a high percentage of total deals**, making up **43.0% of Q1 2024 transactions, up from 35.0% in 2023**. This trend is driven by challenges in the debt market, with sponsors focusing on existing debt facilities to support platform investments.

NOTE: All multiples mentioned above represent EV/EBITDA

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Representative Sub-US\$2B Transactions During May 2024 (1/2)

Target			Buyer		Seller	Financial Information			
Name	Description	Sector	Name	Country	Name	Size (US\$M)	% Acquired	EV/ EBITDA	EV/ Revenue
 HI-Bio	Develops therapies for immune-mediated diseases	Healthcare	 Biogen	USA	Multiple Sellers	\$1,150.0	100.0%	-	-
 a95	Designs and supplies gaming products	Consumer Discretionary	 BRIGHTSTAR CAPITAL PARTNERS	USA	BlackRock, Inc.; The Vanguard Group, Inc.; ArrowMark Colorado Holdings, LLC; Emmett	\$1,100.0	100.0%	6.9x	2.9x
 mariana ONCOLOGY	Develops radiopharmaceutical therapies for solid tumor cancers	Healthcare	 NOVARTIS	CHE	Multiple Sellers	\$1,000.0	100.0%	-	-
 Atrion Corporation	Manufactures medical devices and components	Healthcare	 Nordson	USA	-	\$800.0	100.0%	15.0x	4.7x
 RAPTOR SCIENTIFIC	Provides test and measurement solutions for aerospace and defense sector	Industrials	 TRANSDIGM GROUP INC.	USA	 L ² CAPITAL PARTNERS	\$655.0	100.0%	-	-
 SURMODICS	Provides performance coating technologies for intravascular medical devices	Healthcare	 GTCR	USA	-	\$627.0	100.0%	21.4x	4.3x
 SUPREME CABINETRY BRANDS	Manufactures residential cabinetry	Consumer Discretionary	 MASTER BRAND	USA	 GHK CAPITAL PARTNERS	\$520.0	100.0%	8.9x	-
 paymerang	Provides automated accounts payable solutions	Information Technology	 Corpay [^]	USA	 ALDRICH Capital Partners	\$475.0	100.0%	-	-
 noname	Develops and operates security solutions for protecting application programming interfaces	Information Technology	 Akamai	USA	Multiple Sellers	\$450.0	100.0%	-	-
 MOTION RECRUITMENT	Provides IT staffing, recruitment outsourcing, and tech consulting services	Industrials	 Kelly	USA	 LITTLEJOHN & Co.	\$425.0	100.0%	-	-
AEP Onsite Partners LLC	Provides behind-the-meter energy solutions	Utilities	 BASALT INFRASTRUCTURE PARTNERS	USA	 AMERICAN ELECTRIC POWER	\$315.0	100.0%	-	-

Source: Capital IQ, Press Releases

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Representative Sub-US\$2B Transactions During May 2024 (2/2)

Target			Buyer		Seller	Financial Information			
Name	Description	Sector	Name	Country	Name	Size (US\$M)	% Acquired	EV/ EBITDA	EV/ Revenue
 CoverFlexx Group <small>Innovation, Protection, Performance</small>	Manufactures and distributes coatings for automotive refinish and aftermarket applications	Materials	 AXALTA	USA	 TRANSTAR <small>TRANSTAR HOLDING, CO.</small>	\$285.0	100.0%	-	3.7x
 Revel <small>SYSTEMS</small>	Provides cloud-based business management solutions	Information Technology	SHIFT 4	USA	Multiple Sellers	\$250.0	100.0%	-	-
 Bren-Tronics, Inc.	Manufactures portable power solutions	Industrials	 EnerSys	USA	-	\$208.0	100.0%	8.7x	2.1x
 lexion	Develops AI-powered contract management software to streamline and automate legal workflows	Information Technology	 docusign	USA	-	\$165.0	100.0%	-	-
Roberto Coin Inc.	Designs luxury jewelry	Consumer Discretionary	 THE WATCHES OF SWITZERLAND GROUP	GBR	Roberto Coin S.p.A.	\$120.0	100.0%	-	0.8x

Source: Capital IQ, Press Releases

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Selected Transactions Commentary



“With its deep development and commercialization capabilities, Biogen is in a position to accelerate the development of new medicines, including felzartamab, for patients with severe immune-mediated diseases.”

Travis Murdoch, CEO of HI-Bio



“We are excited about the acquisition of Raptor Scientific. The Company's comprehensive proprietary and highly engineered product portfolio of aerospace and defense testing and instrumentation solutions fits well with our value generation strategy. Raptor Scientific's test and measurement solutions are used on a diverse range of new and existing aircraft platforms, and the Company has an outstanding reputation with its customers.”

Kevin Stein, President and CEO of TransDigm



“Combining Noname with Akamai's API Security offering will provide a solution for any type of customer. No matter where the customer's applications reside – be it in the cloud, natively on the edge, on-premise, or on other vendor platforms – they will be protected.”

Oz Golan, CEO of Noname



“AEP is focused on a strong balance sheet as we direct capital to our regulated operations to provide reliable, affordable energy to our customers. The proceeds from the sale will be used to support our financing plan as we make these investments to benefit customers and deliver value to all of our stakeholders.”

Ben Fowke, Interim CEO of AEP

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Trusted Advisor to Leading Companies Worldwide

We have worked repeatedly with many of the most well-known companies in the world...

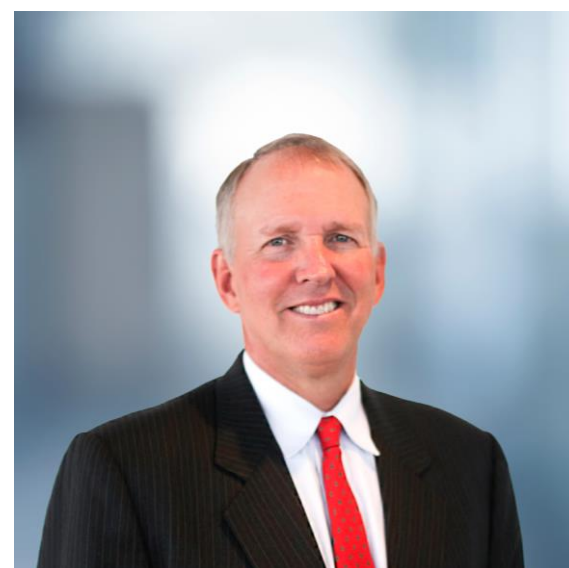
...as well as with reputable funds, family-offices and privately held companies.



Representative Global Engagements

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

Washington, D.C. | Miami | Mexico City | Monterrey | San Luis Potosi

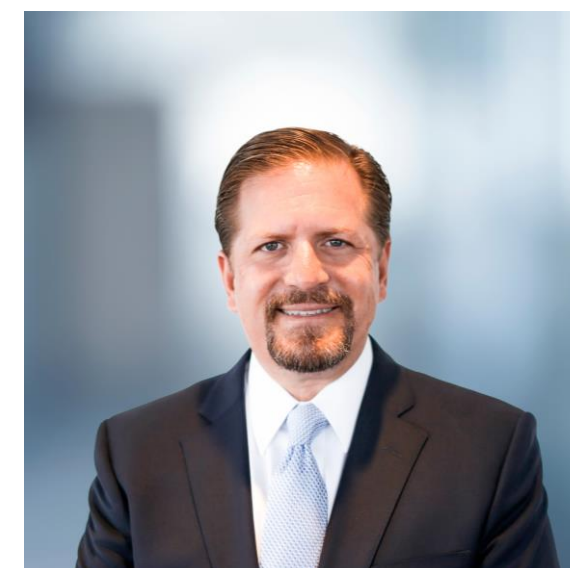


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University of Florida - BA in Political Science with High Honors

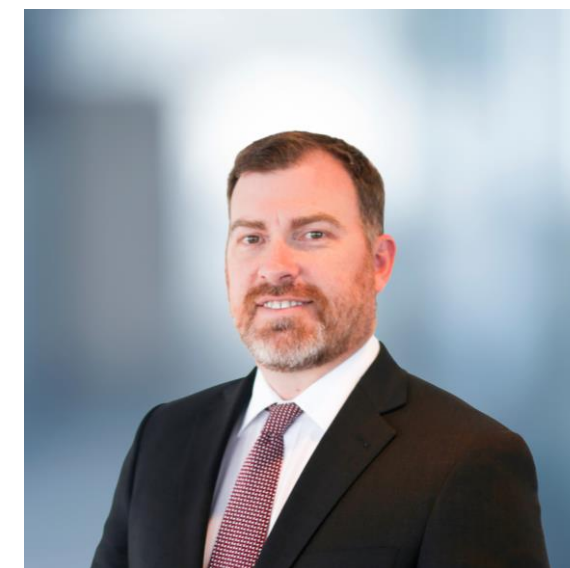


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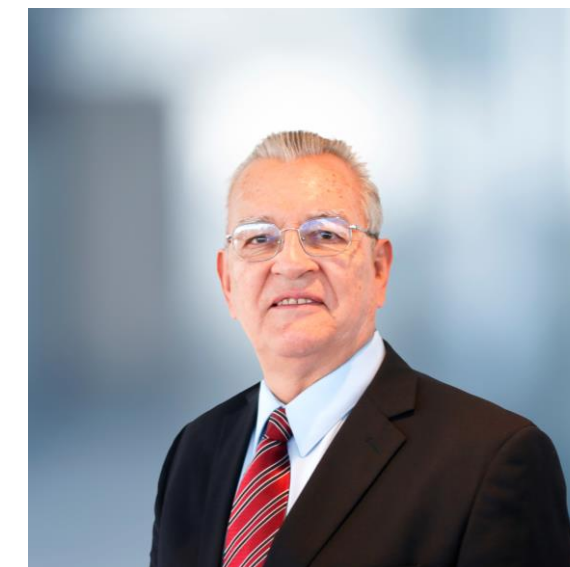


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Please contact us if you would like further information about M&A trends and/or specific transaction multiples for your industry.

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