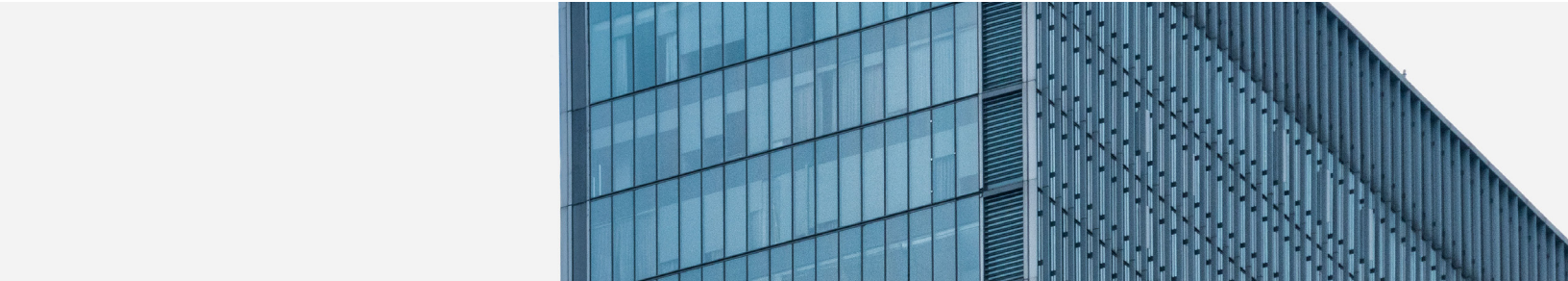


MID-MARKET INVESTMENT BANKING

November 2023 M&A Dashboard



November 2023 M&A Trends

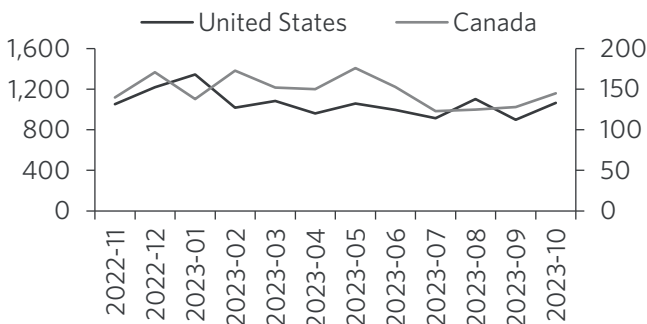
M&A transaction volume remains stable and close to the levels witnessed during the last six months. With the end of 2023 approaching, there is now sufficient data to observe trends that were logically expected to emerge following the rapid increase in interest rates and an increased likelihood of an economic slowdown. As expected, consumer products and real estate are the two sectors that suffered the most so far in 2023, with transaction volume declines of 32% and 54%, respectively, compared to an overall decline in volume of 7.2% for the overall market. Only two sectors witnessed an increase in transaction volume in 2023: communication services and financials. 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 Q2 2023 had an average TEV/EBITDA multiple of 6.4x, decreasing from the 8.0x average recorded in Q1 2023 and in line with the 6.8x average set in Q4 2022. The decrease in valuation multiples was largely driven by deals with a TEV of \$10M to \$50M.

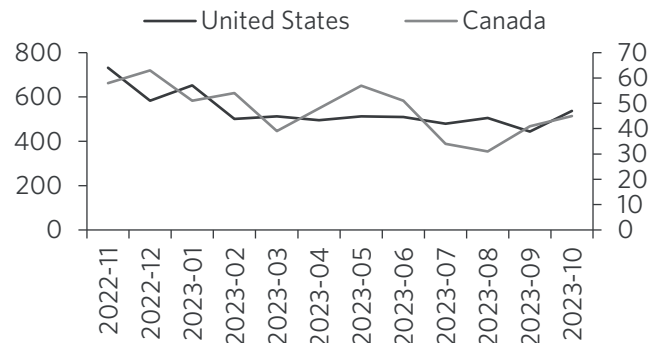
Meanwhile, total debt/EBITDA on platform deals decreased to an average of 3.1x, with senior leverage constant at 2.3x and subordinated debt decreasing to 0.8x. The decrease in leverage is largely driven by small and mid-sized transactions which rely more heavily on mezzanine financing. However, beyond the reported relative stability in leverage multiples, the more cautious lending environment continues to affect most transactions.

M&A Volume - US & CA



Source: CapitalIQ.

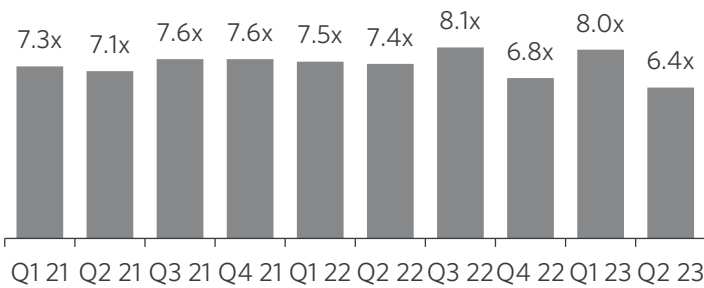
Private Equity M&A Volume - US & CA



Source: CapitalIQ.

Mid-Market M&A Multiples - US & CA

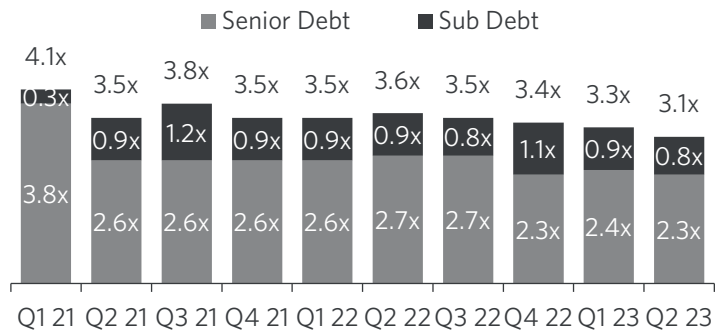
US & Canada private equity transactions \$10-\$250M



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	October 2023: 23%	ENSIGN GOLD Inc.	Taura Gold	Gold exploration firm
	Last twelve months: 24%			
Industrials	17%	PROTECH GROUP	MF	Manufacturer of architectural coatings
	19%			
Information Technology	11%	COFOMO	Agilia solutions	IT consulting company
	12%			
Financials	10%	HUB	D'ONOFRIO ASSURANCE INSURANCE	Insurance brokerage
	9%			
Communication Services	9%	WINDSOR PRIVATE CAPITAL	Bruce Telecom	Provides telecommunication services in the south-western Ontario region
	6%			
Energy	9%	TOURMALINE	BONAVISTA ENERGY CORPORATION	Producer of oil and natural gas
	5%			
Health Care	7%	HAEMONETICS	opSens	Provides fiber optic sensors for cardiovascular intervention
	7%			
Consumer Discretionary	5%	FOODTASTIC	NOODLE BOX	Quick service restaurant franchisor
	6%			
Real Estate	4%	Starlight INVESTMENTS	Multi-family property	Multi-family property in Langford, BC
	6%			
Consumer Staples	2%	CLARIANT	LUCASMEYER COSMETICS by IFF	Provides ingredients for the cosmetic and personal care industry
	5%			
Utilities	2%	AMERICAN PACIFIC GROUP	SPARK POWER	Provides electrical contracting, operations, and maintenance services
	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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