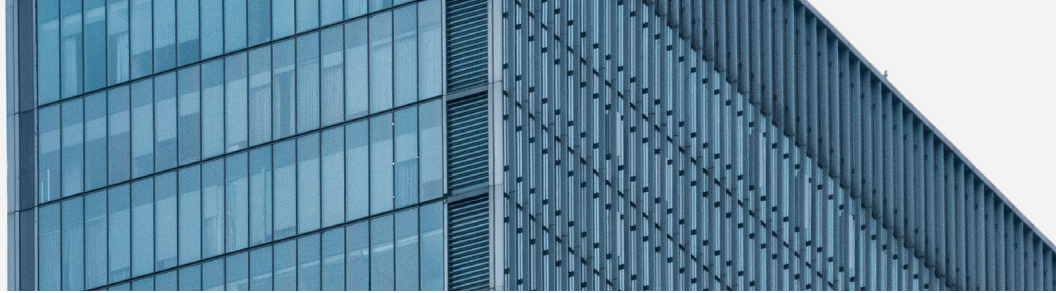




MID-MARKET INVESTMENT BANKING

April 2022 M&A Dashboard



April 2022 M&A Trends

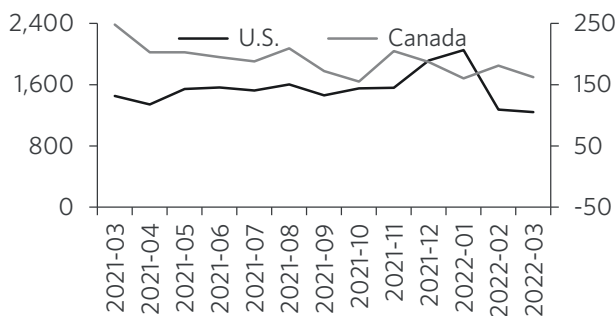
M&A transaction volume in the U.S. during March 2022 remained close to the level recorded in February 2022. Canadian M&A transaction volume decreased from February 2022 but stayed within the same range observed over the last twelve months. The conflict in Ukraine has overwhelmed the news in the past month, but it is still too early to notice an impact (if any) on M&A transactions. Companies dealing directly with counterparties in Russia or Ukraine obviously suffered immediate consequences from the conflict, but it will take more time to understand the farther-reaching impacts on Canadian companies' supply chains, or any change in investors' risk appetite as a result of the conflict. We remain cautiously optimistic that the Canadian and U.S. M&A markets should not be significantly impacted unless the situation escalates.

Quarterly Valuation and Leverage Analysis

Valuation multiples in the U.S. and Canada mid-market maintained the elevated levels reached in the third quarter of 2021 at 7.5x EBITDA. The valuation gap enjoyed by high-performing businesses widened further in 2021, with a 30% valuation premium over other businesses, compared to a 27% premium in 2020 and an average premium of 16% for the 2003 to 2021 period.

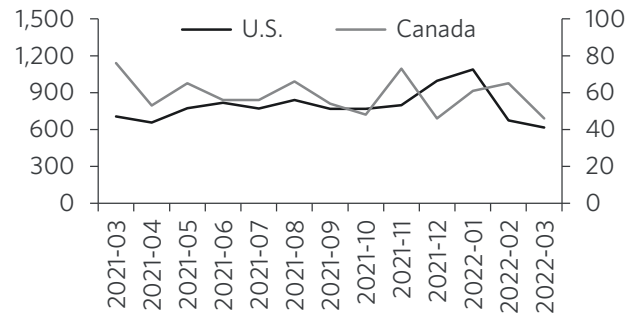
Leverage ticked up as well in Q2 2021 with total leverage increasing to a high of 4.2x from the previous high of 4.0x registered over the last two years.

M&A volume - U.S. and Canada



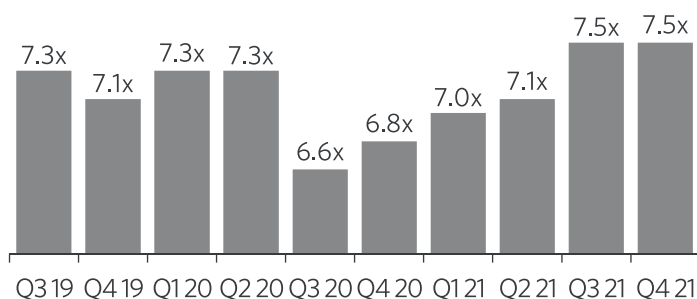
Source: Capital IQ.

Private equity M&A volume - U.S. and Canada



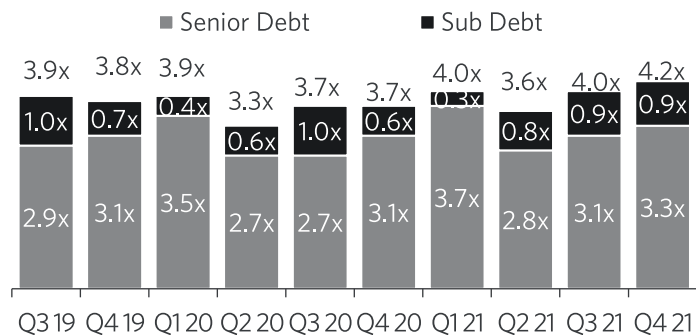
Source: Capital IQ.

Mid-Market M&A multiples - U.S. and Canada



Source: GF Data.

Mid-Market M&A leverage - U.S. and Canada



Source: GF Data.

Canadian M&A activity and notable transactions by sector

Sector	Percent (%) of M&A volume	Acquirer	Target	Target description
Materials	March 2022: 22%	SKEENA	QuestEx	Gold mining exploration firm
	Last twelve months: 22%			
Information technology	12%	TELUS Health	sprout	Provider of health technology solutions for employers
	13%			
Industrials	12%	SSC Security Services Corp.	LOGIXX SECURITY	Provider of security guard services
	14%			
Consumer staples	10%	Neighbourly Pharmacy	Rubicon PHARMACIES	Operates pharmacies in Western Canada
	6%			
Real estate	9%	EQUITON®	URBN	Apartment properties
	10%			
Health care	9%	ANJAC HEALTH & BEAUTY	PILLAR5 PHARMA INC.	Provides pharmaceutical contract manufacturing services
	8%			
Financials	8%	The RepTrak Company.	ESG ANALYTICS	Offers ESG data, analytics and research platform
	8%			
Consumer discretionary	6%	SRP CANADA	franco	Distributor of electronics, eyewear, toys, jewelry and clothing
	7%			
Energy	5%	USD PARTNERS	BZ Briefs INDUSTRIAL	Oil & gas exploration properties
	5%			
Communication services	4%	LO KNOW	Dandelion	Offers marketing services
	6%			
Utilities	4%	CINDRIGO	ECC	Developer of power generation projects
	1%			

Source: Capital IQ.

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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