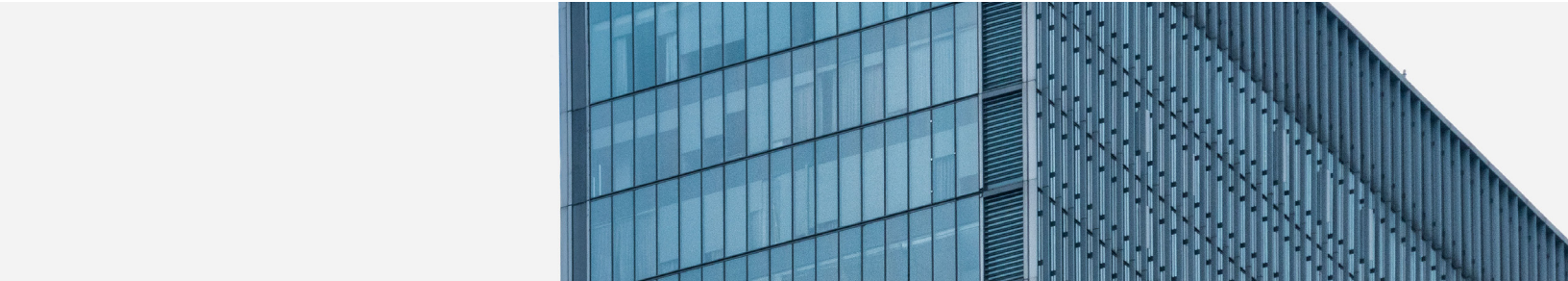




MID-MARKET INVESTMENT BANKING

July 2023 M&A Dashboard



July 2023 M&A Trends

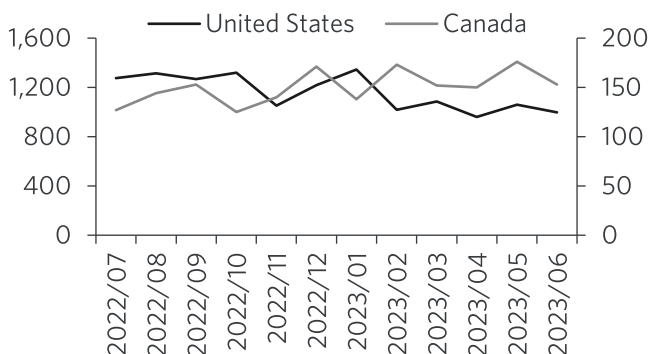
M&A transaction volume trends witnessed a slight pullback in the U.S. and Canada. Canadian M&A volume in June 2023 pulled back from the twelve-month high witnessed in May, whereas U.S. volume continued its twelve-month downward trend. This pull back trend is consistent across strategic and private equity buyers, although the Canadian M&A market is proving more resilient so far in 2023. Overall, our transaction pipeline remains strong and while some buyers are more selective, we still observe interest from both buyers and sellers to transact.

Quarterly valuation and leverage analysis

Valuations on deals completed in Q1 2023 had an average TEV/EBITDA multiple of 8.0x, rebounding from the 6.8x average recorded in Q4 2022 and in line with the 8.1x average set in Q3 2022. The rebound in valuation multiples was largely driven by deals with a TEV of \$50M to \$250M.

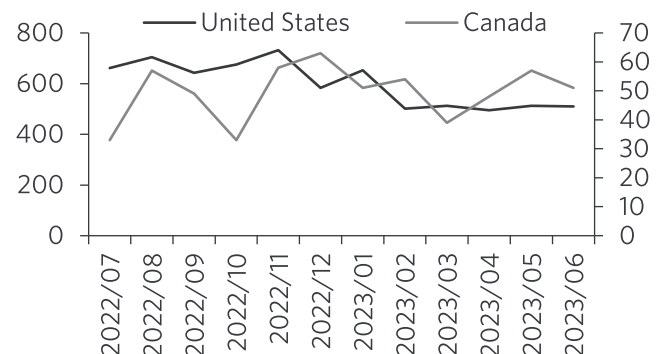
Meanwhile, total debt/EBITDA on platform deals decreased to an average of 3.3x, with senior leverage constant at 2.4x and subordinated debt decreasing to 0.9x. The decrease in leverage is largely driven by small and mid-sized transactions which rely more heavily on mezzanine financing. However, beyond the reported relative stability in leverage multiples, the more cautious lending environment continues to affect most transactions.

M&A Volume - US & CA



Source: CapitalIQ.

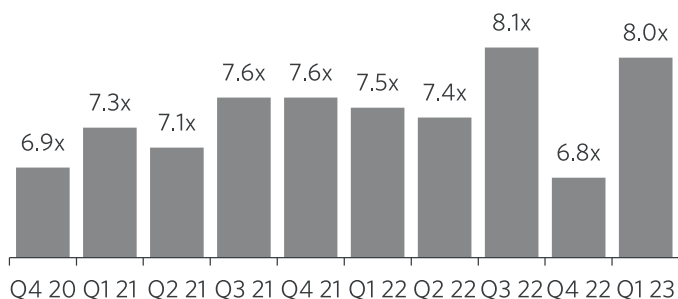
Private Equity M&A Volume - US & CA



Source: CapitalIQ.

Mid-Market M&A Multiples - US & CA

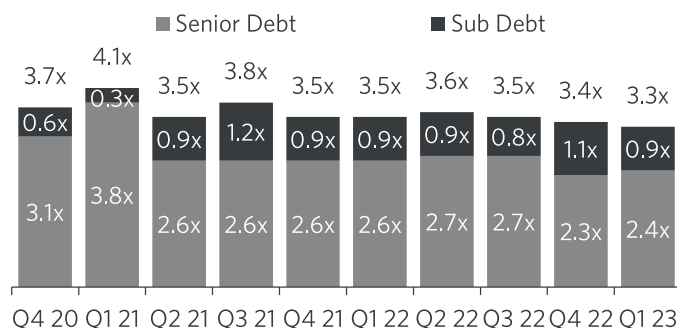
US & Canada private equity transactions \$10-\$250M



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
Industrials	June 2023: 21%	SAINT-GOBAIN	BP	Manufactures residential roofing shingles and wood fiber insulation panels
	Last twelve months: 19%			
Materials	June 2023: 21%	BENCHMARK METALS	THEISIS GOLD	Acquires, explores for, and develops gold and mineral properties
	Last twelve months: 23%			
Financials	June 2023: 11%	McDougall	DRAYDEN INSURANCE LTD.	Provides personal and commercial insurance services
	Last twelve months: 8%			
Information Technology	June 2023: 10%	Midwich Group Plc	sfm	Provides wholesale and distribution services for electronic equipment
	Last twelve months: 13%			
Real Estate	June 2023: 9%	SmartStop Self Storage REIT, Inc. ...The Smarter Way to Store!	Eight Self-Storage Facilities in Ontario	Comprises eight self-storage facilities in the Greater Toronto Area
	Last twelve months: 8%			
Consumer Discretionary	June 2023: 8%	iu GROUP	UNIVERSITY OF FREDERICTON	Online university offering online certificate, diploma, and degree programs
	Last twelve months: 7%			
Health Care	June 2023: 6%	MPM BioImpact	reunion NEUROSCIENCE	Clinical-stage biopharmaceutical company, develops solutions for mental health conditions
	Last twelve months: 7%			
Consumer Staples	June 2023: 6%	CORBY	ACE BEVERAGE GROUP	Manufactures and markets alcoholic beverages
	Last twelve months: 5%			
Communication Services	June 2023: 3%	Hackman Capital Partners	Vancouver Film Studios	Produces and hosts films and TV series
	Last twelve months: 6%			
Energy	June 2023: 3%	COSA	Orbit Uranium Exploration Property in Saskatchewan	Comprises a uranium exploration property in the Athabasca Basin Region, Saskatchewan
	Last twelve months: 4%			
Utilities	June 2023: 2%	world energy GH ₂	PORT OF STEPHENVILLE	Comprises a sheltered, deep sea and ice-free port
	Last twelve months: 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

cibc.com/mmib

Toronto

Trevor Gough
[416 271-3660](tel:416-271-3660)
trevor.gough@cibc.com

Christian Davis
[416 371-7238](tel:416-371-7238)
christian.davis@cibc.com

Iain Gallagher
[647 531-6044](tel:647-531-6044)
iain.gallagher@cibc.com

Dylan Moran
[289 259-7687](tel:289-259-7687)
dylan.moran@cibc.com

Jarred Seider
[416 888-3757](tel:416-888-3757)
jarred.seider@cibc.com

Daniel Lee
(Technology)
[416 242-5694](tel:416-242-5694)
daniel.lee@cibc.com

Montreal

Philippe Froundjian
[514 927-5173](tel:514-927-5173)
philippe.froundjian@cibc.com

Gabriel Fugère
[514 836-0773](tel:514-836-0773)
gabriel.fugere@cibc.com

Abboud Kaplo
[438 882-6243](tel:438-882-6243)
abboud.kaplo@cibc.com

Edmonton

Graham Drinkwater
[587 983-3134](tel:587-983-3134)
graham.drinkwater@cibc.com

Calgary / Vancouver

Amun Whig
[403 200-9171](tel:403-200-9171)
amun.whig@cibc.com

Raymond Zhang
[778 858-6698](tel:778-858-6698)
raymond.zhang1@cibc.com

This document has been prepared by CIBC Capital Markets FOR DISCUSSION PURPOSES ONLY. CIBC Capital Markets expressly disclaims any liability to any other person who purports to rely on it. These materials may not be reproduced, disseminated, quoted from or referred to in whole or in part at any time, in any manner or for any purpose, without obtaining the prior written consent of CIBC Capital Markets. The materials described herein are provided "as is" without warranty of any kind, either express or implied, to the fullest extent permissible pursuant to applicable law, including but not limited to the implied warranties of merchantability, operation, usefulness, completeness, accuracy, timeliness, reliability, fitness for a particular purpose or non-infringement. The information and data contained herein has been obtained or derived from sources believed to be reliable, without independent verification by CIBC Capital Markets, and we do not represent or warrant that any such information or data is accurate, adequate or complete and we assume no responsibility or liability of any nature in connection therewith. CIBC Capital Markets assumes no obligation to update any information, assumptions, opinions, data or statements contained herein for any reason or to notify any person in respect thereof.

CIBC Capital Markets is a trademark brand name under which Canadian Imperial Bank of Commerce ("CIBC"), its subsidiaries and affiliates provide products and services to our customers around the world. Securities and other products offered or sold by CIBC Capital Markets are subject to investment risks, including possible loss of the principal invested. Each subsidiary or affiliate CIBC is solely responsible for its own contractual obligations and commitments. Unless stated otherwise in writing CIBC Capital Markets products and services are not insured by the Canada Deposit Insurance Corporation, the Federal Deposit Insurance Corporation, or other similar deposit insurance and are not endorsed or guaranteed by any bank. The CIBC logo and "CIBC Capital Markets" are trademarks of CIBC, used under license. All other trademarks are owned by their respective trademark owners.