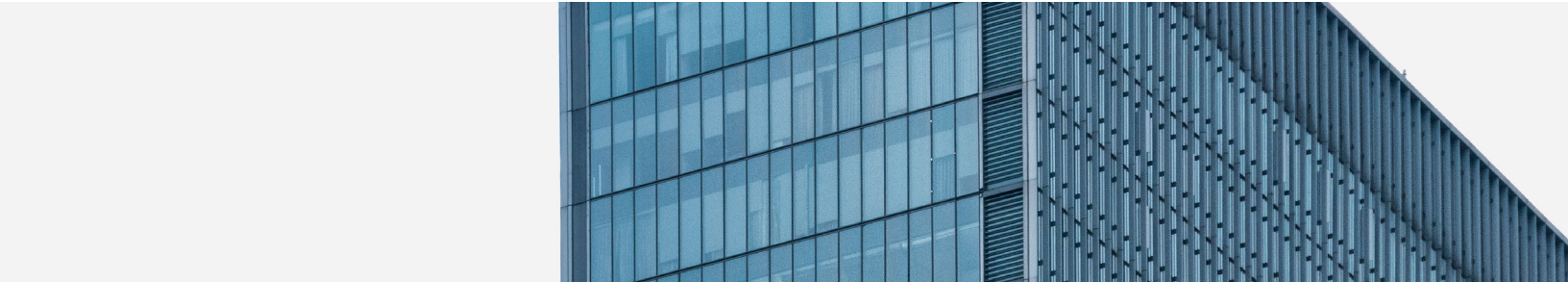




MID-MARKET INVESTMENT BANKING

June 2022 M&A Dashboard



June 2022 M&A Trends

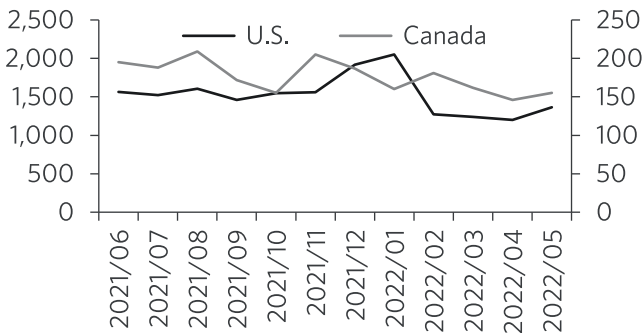
The M&A market in the U.S. and Canada so far seems unaffected by the increasing concerns brought by the war in Ukraine, rising interest rates and the prospects of a potential recession. Overall M&A volume in Canada and the U.S. remained in the same range as in previous months, and private equity volume gradually increased since the beginning of the year. Our own observations are consistent with data from the overall market: while we notice increased scrutiny from potential buyers on the impact of a potential recession on our clients' businesses, investors and acquirers remain eager to look for new M&A opportunities.

Quarterly Valuation and Leverage Analysis

Valuation multiples in the U.S. and Canada mid-market decreased slightly to 7.3x from the high of 7.5x reached in the third and fourth quarters of 2021. This level is consistent with the average multiple of 7.3x recorded in the full year 2021, and is reassuring considering that the first quarter of 2022 was fraught with potential concerns for businesses, including the war in Ukraine, rising interest rates and the prospects of a potential recession.

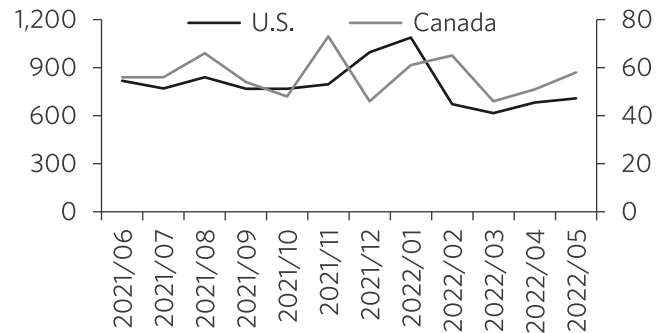
Leverage multiples trended down in the first quarter of 2022 to 4.0x from 4.2x in the fourth quarter of 2021. The decrease may be tied to rising interest rates, but it is still too early to assess the lasting impact of the changing interest rates on leverage.

M&A volume - U.S. and Canada



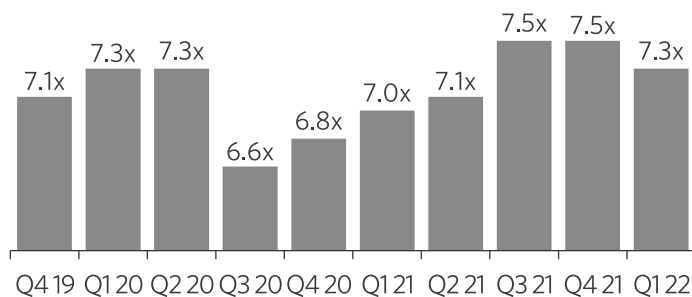
Source: Capital IQ.

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



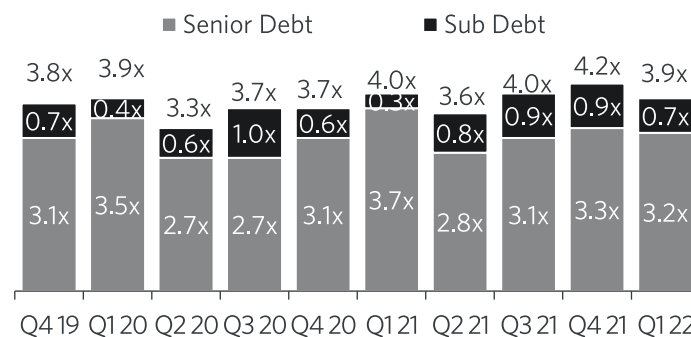
Source: Capital IQ.

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
Industrials	May 2022: 24%	UNIVERSAL GROUP	Groupes Signalisation	Traffic control services provider
	Last twelve months: 15%			
Materials	18%	GOLD FIELDS	YAMANAGOLD	Gold mining and production firm
	21%			
Real estate	13%	Killam APARTMENT REIT	Apartment building	49 unit apartment building in British Columbia
	10%			
Information technology	9%	VALIDERE	CLAIRIFI	SaaS regulatory compliance platform for the oil and gas industry
	13%			
Health care	8%	CIVICA	MOMENTUM HEALTHWARE A Civica Group company	Developer of IT systems for the healthcare industry
	8%			
Financials	8%	Westland	MCR	Personal and business insurance brokerage firm
	8%			
Energy	6%	Paramount resources	Natural gas assets	Natural gas reserves in Alberta
	5%			
Consumer discretionary	5%	FOOTASTIC	SIDELLESS JOE'S SPORTS GRILL	Sport-themed restaurant chain
	7%			
Consumer staples	4%	Valeo FOODS	BERNARD	Producer of maple syrup
	6%			
Communication services	3%	PARALLEL MEDIA GROUP	The Post Millennial.	News organization providing reports on politics, business and local news
	6%			
Utilities	2%	GENERATE	StormFisher	Owns and operates bio gas plants
	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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