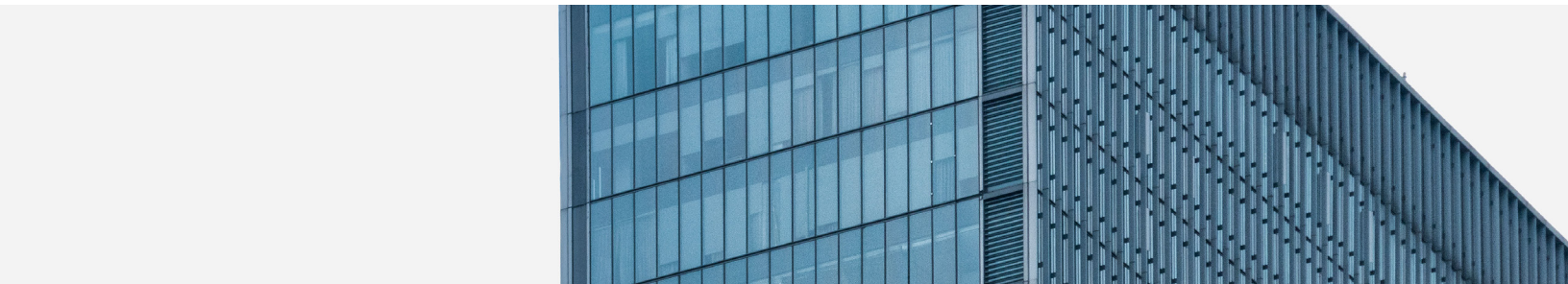




# MID-MARKET INVESTMENT BANKING

M&A Dashboard - January 2021

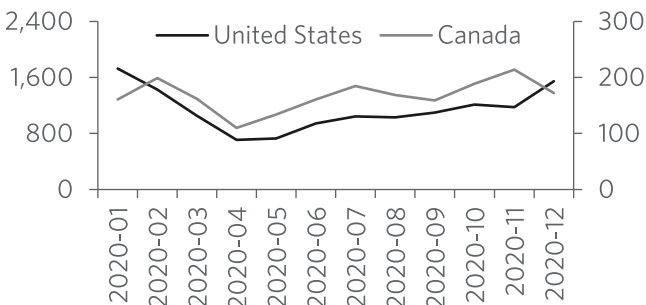


M&A volume in the United States sustained its recovery in December, reaching a new post-pandemic high and achieving a level of activity comparable to the pre-pandemic average. Canadian M&A activity appears to have reached a plateau over the last few months as a result of sector rotation, with increasing activity from cyclical sectors offset by a decline in transaction volume in the materials sector. Private equity transaction volume is following the same trends as the overall M&A market. Interestingly, the share of private equity volume has been consistently increasing in the United States since August 2020, reflecting the strong momentum and availability of capital in the financial sponsor universe.

Average mid-market multiples declined to 6.7x in Q3 2020, compared to the 7.4x average achieved during the first half of 2020. While some of the variance could be a result of the small sample size, a few consistent trends emerge when analyzing the data. Smaller deal valuations (<\$50 million) were stable or increasing in Q3 2020, while larger, higher multiples transactions (>\$50 million) saw a significant decline. Unsurprisingly, we notice that the retail sector posted the largest decline in multiple within the sample during the period.

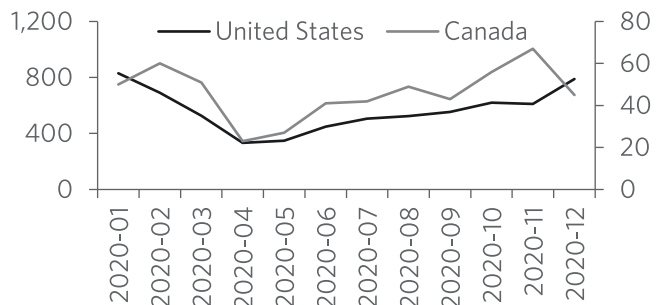
The updated leverage data confirms the trend observed over the summer, when lenders became increasingly prudent and selective. While overall private equity buyout leverage rose back to levels close to pre-pandemic levels, senior debt leverage stayed close to the Q2 2020 level, with additional subordinated debt bridging the gap.

M&A volume - U.S. and Canada



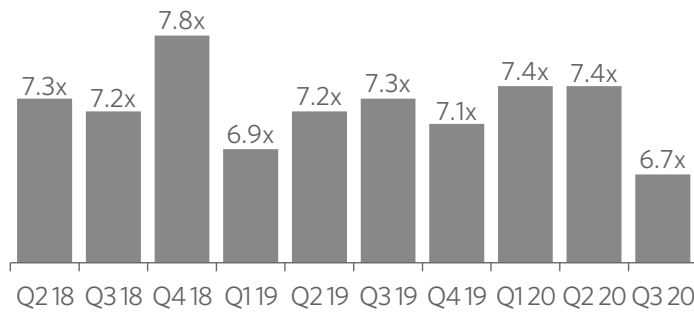
Source: Capital IQ.

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



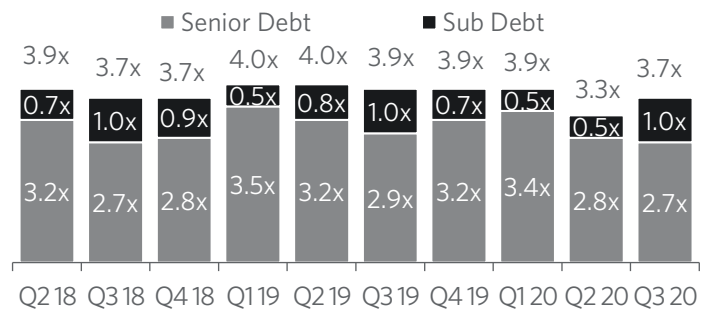
Source: Capital IQ.

### 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	% of M&A volume	Acquirer	Target	Target description
Materials	December 2020: 23%	EQUINOX GOLD	PREMIER GOLD MINES LIMITED	Gold and silver mining company
	Last twelve months: 29%			
Information Technology	14%	Dye & Durham	DoProcess	Developer of practice-specific law office software products
	12%			
Industrials	14%	WAJAX	TUNDRA Process Solution Ltd.	Distributor of industrial process equipment
	13%			
Health Care	13%	NOVACAP	Logibec	Provides IT solutions for hospitals
	8%			
Financials	12%	NFP	ogilvy ASSURANCE - INSURANCE	Insurance broker based in Quebec
	10%			
Consumer Discretionary	8%	AutoCanada	HALDIMAND MOTORS	Used car dealership located in Ontario
	5%			
Consumer Staples	5%	NATIONAL FLAVORS	essences Bonnie & Don Flavours Ltd.	Manufacturer of flavours and extracts
	6%			
Real Estate	5%	Choice Properties	Industrial Properties	Industrial properties acquired from Weston Foods
	7%			
Communication Services	4%	MEDIACENTRAL	LAZARUS LAZARUS BLEAU INCORPORATED	Media and marketing services provider
	5%			
Energy	3%	WHITECAP RESOURCES INC.	TORC Oil & Gas Ltd.	Oil and gas production and exploration company
	5%			
Utilities	1%	Greenbriar CAPITAL CORP.	Solar Energy Projects	500 MW portfolio of solar energy generation projects in Alberta
	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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