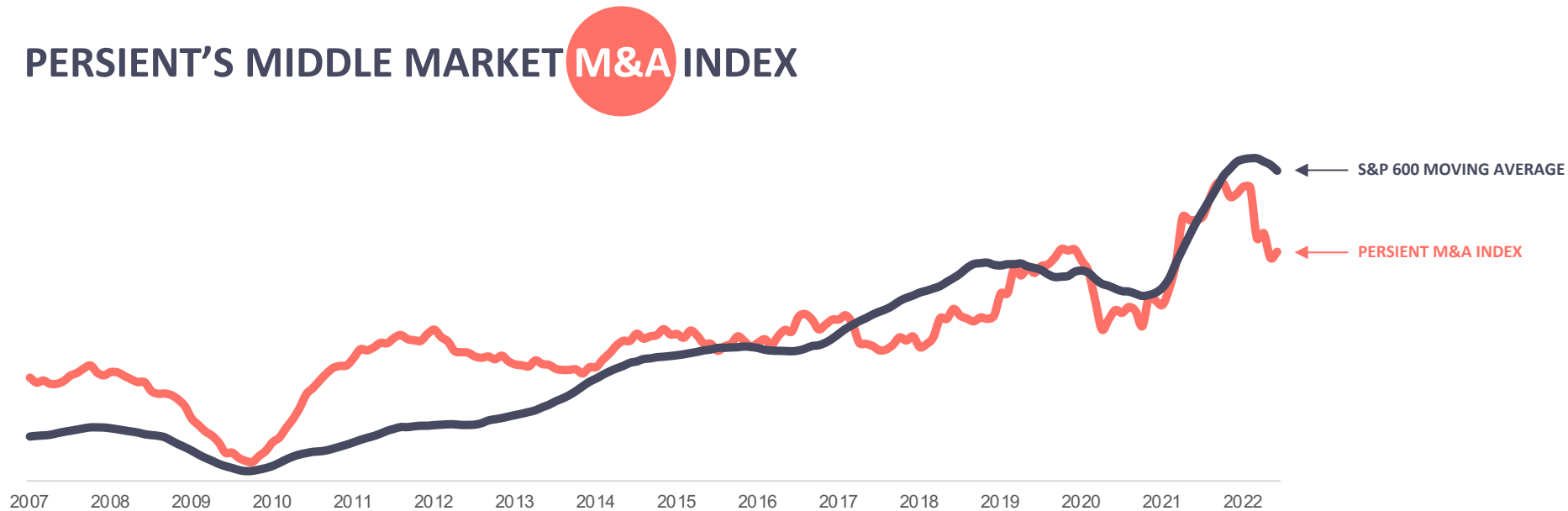


M&A MIDDLE MARKET INSIGHTS – Q2 2022

PERSIENT'S MIDDLE MARKET **M&A** INDEX

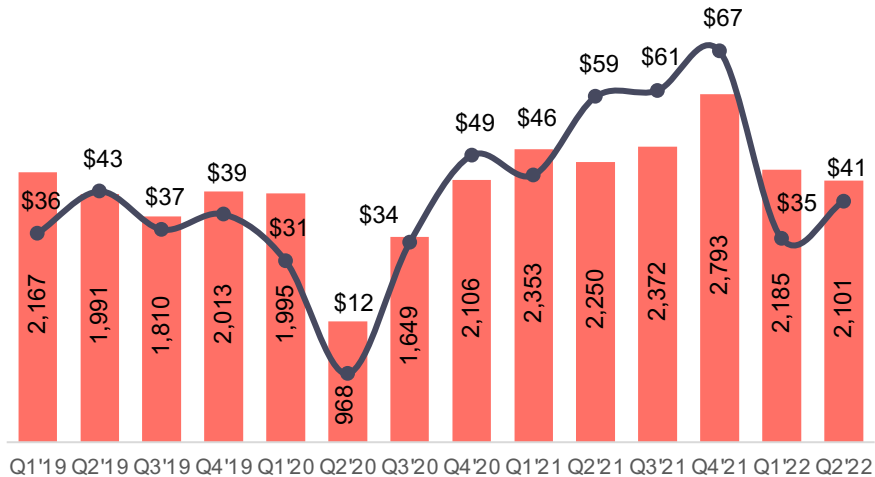


INSIGHTS

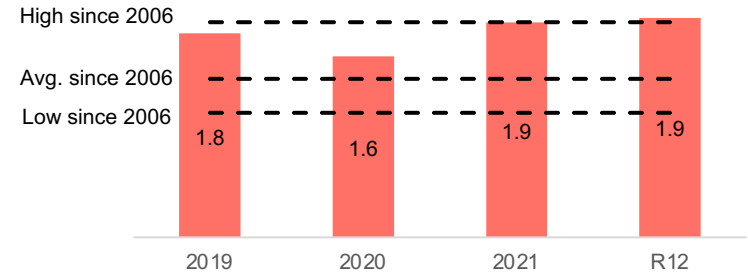
The war in Ukraine, a declining stock market, increasing interest rates, and decades-high inflation are capturing the news headlines. Despite the challenging environment, acquirers are still active, using M&A as a tool to overcome these challenges. Though the pace of M&A has slowed from the 2021 highs, activity remains near pre-COVID levels.

M&A ACTIVITY AND VALUATIONS

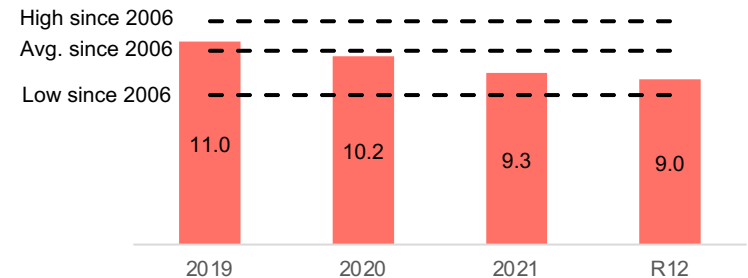
Total Middle Market M&A Volume and Value (\$b)



Middle Market M&A Revenue Multiples



Middle Market M&A EBITDA Multiples

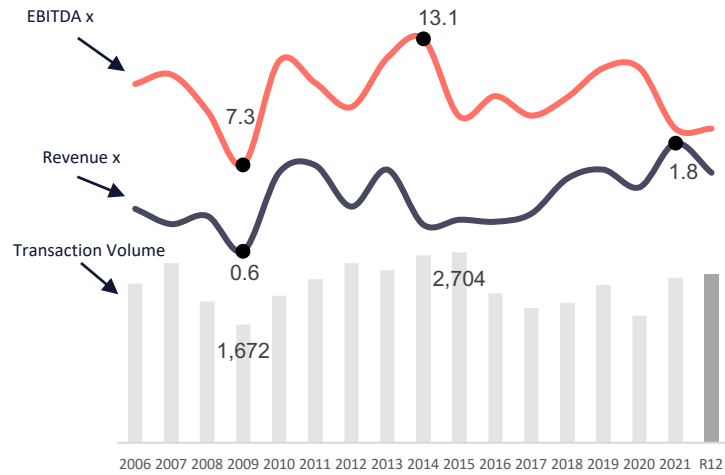


INSIGHTS

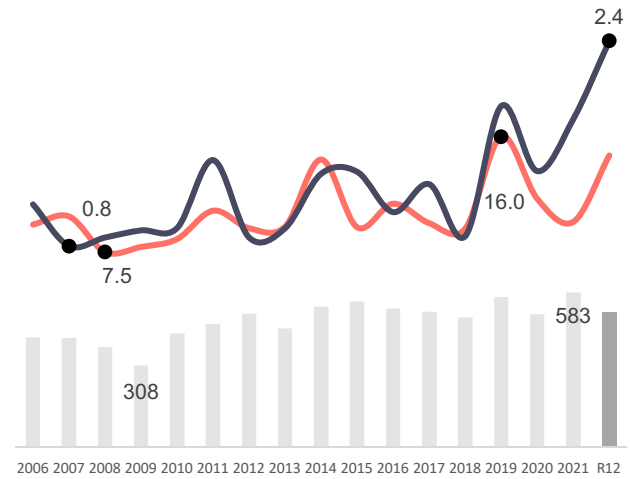
Down considerably from last year, deal volume has fallen back to 2019 levels, which is still historically strong. Though, amid continued global uncertainty, valuations have not held as strongly, declining further. With trillions in cash still sitting on the sidelines, the M&A engine is still running strong.

M&A BY SECTOR

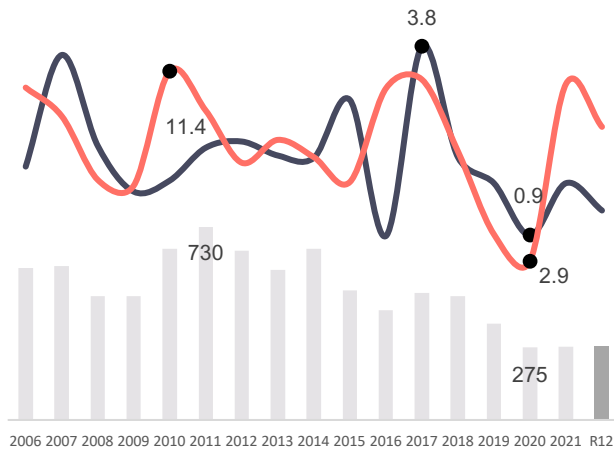
Consumer Discretionary



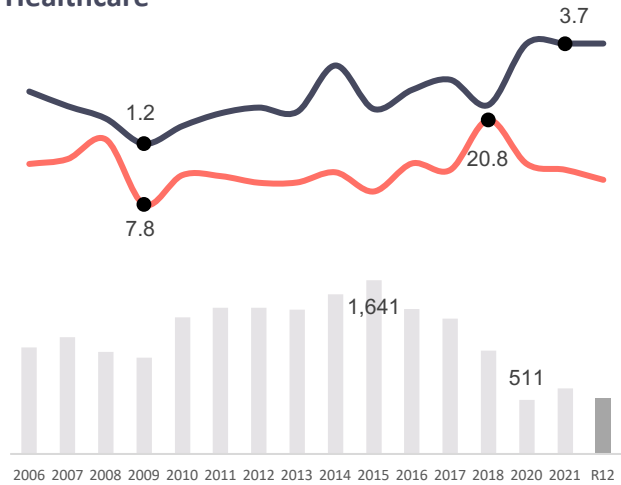
Consumer Staples



Energy

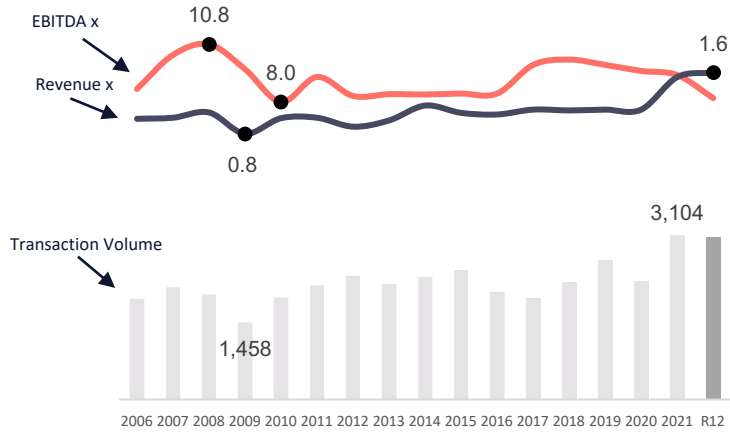


Healthcare

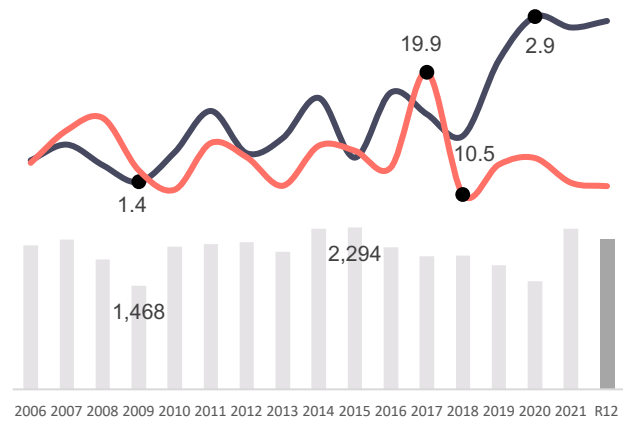


M&A BY SECTOR

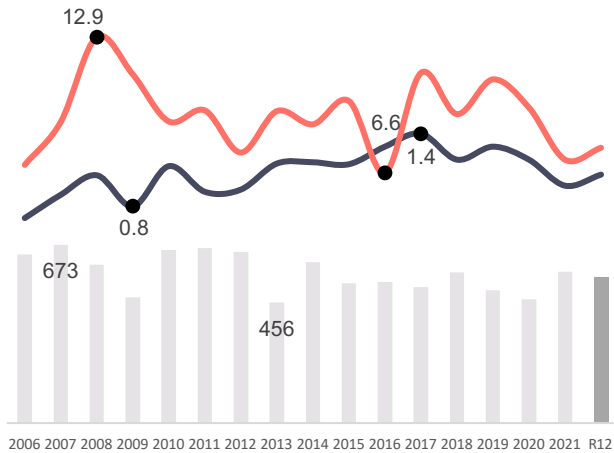
Industrials



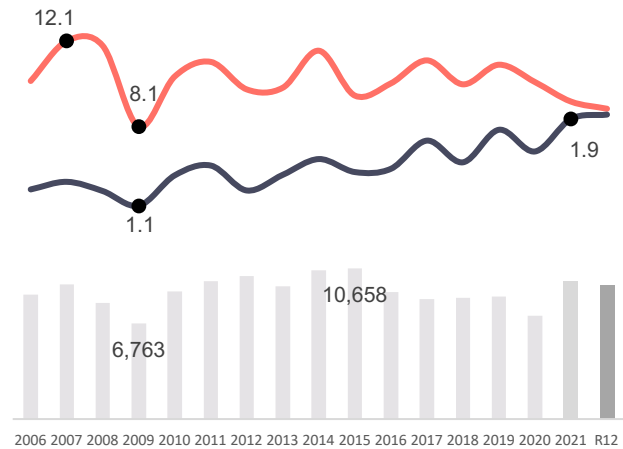
Technology



Materials



Overall



NOTEWORTHY M&A

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
Apr-22	Creative Breakthroughs, Inc.	Converge Technology Solutions Corp. (TSX:CTS)	IT Consulting and Other Services	\$64	0.727	8.94
Apr-22	Explora BioLabs Holdings, Inc.	Charles River Laboratories (NYSE:CRL)	Research and Consulting Services	\$295	7.76	-
Apr-22	Quality Synthetic Rubber, Inc.	Dätwyler Holding AG (SWX:DAE)	Commodity Chemicals	\$625	3.81	14.2
Apr-22	C&K Components, Inc.	Littelfuse, Inc. (NasdaqGS:LFUS)	Electronic Components	\$540	2.7	-
Apr-22	Convergence Acceleration Solutions, LLC	Wipro Limited (BSE:507685)	Research and Consulting Services	\$80	3.98	-
Apr-22	Rabern Rentals, LP	Manitex International, Inc. (NasdaqCM:MNTX)	Trading Companies and Distributors	\$37	1.72	4.63
Apr-22	ReKTGlobal, Inc.	Infinite Reality LLC	Research and Consulting Services	\$470	-	-
Apr-22	D&D Beyond	Hasbro, Inc. (NasdaqGS:HAS)	Interactive Home Entertainment	\$146	-	-
Apr-22	Speed Digital, LLC	Hagerty, Inc. (NYSE:HGTY)	Application Software	\$15	-	-
Apr-22	Epic Staffing Group	The Pritzker Organization, LLC	Health Care Services	\$675	-	11.25
Apr-22	Artel, Inc.	Advanced Instruments, LLC	Life Sciences Tools and Services	\$140	7.0	28.0
Apr-22	NTT Security AppSec Solutions Inc.	Synopsys, Inc. (NasdaqGS:SNPS)	Systems Software	\$330	-	-
Apr-22	Wenger Manufacturing, Inc.	Marel hf. (ICSE:MAREL)	Industrial Machinery	\$540	2.79	14.0
May-22	Intuicode Gaming Corporation	Everi Holdings Inc. (NYSE:EVRI)	Interactive Home Entertainment	\$27	2.7	-
May-22	Cyalume Technologies Holdings, Inc.	Cadre Holdings, Inc. (NYSE:CDRE)	Aerospace and Defense	\$35	-	-
May-22	Concorde Career Colleges, Inc.	Universal Technical Institute, Inc. (NYSE:UTI)	Education Services	\$50	0.278	3.85
May-22	Cisco Air Systems, Inc.	DXP Enterprises, Inc. (NasdaqGS:DXPE)	Trading Companies and Distributors	\$45	1.04	6.43
May-22	Keke's Breakfast Café	Denny's Corporation (NasdaqCM:DENN)	Restaurants	\$83	-	12.0
May-22	McMahon Associates, Inc.	Bowman Consulting Group (NasdaqGM:BWMN)	Construction and Engineering	\$19	-	-
May-22	Compass Water Solutions, Inc.	CECO Environmental Corp. (NasdaqGS:CECE)	Industrial Machinery	\$13	1.14	-
May-22	Pond5 Inc.	Shutterstock, Inc. (NYSE:SSTK)	Interactive Media and Services	\$210	-	-
May-22	PC Specialists, Inc.	Converge Technology Solutions Corp. (TSX:CTS)	IT Consulting and Other Services	\$74	0.217	6.2
May-22	Dippin' Dots, LLC	J&J Snack Foods Corp. (NasdaqGS:JJSF)	Packaged Foods and Meats	\$222	-	-
May-22	PetroChoice Holdings, Inc.	Moove Lubricants Limited	Trading Companies and Distributors	\$479	-	-
May-22	Brightline Interactive LLC	The Glimpse Group, Inc. (NasdaqCM:VRAR)	Application Software	\$33	6.5	-
Jun-22	Flatwork Technologies, LLC	Thermon Group Holdings, Inc. (NYSE:THR)	Industrial Machinery	\$35	2.08	-
Jun-22	Datum Consulting Group, LLC	Alithya Group Inc. (TSX:ALYA)	IT Consulting and Other Services	\$46	2.54	7.59
Jun-22	Smith Transport, Inc.	Heartland Express, Inc. (NasdaqGS:HTLD)	Trucking	\$170	-	-
Jun-22	Level5 Tools, LLC	Worthington Industries, Inc. (NYSE:WOR)	Building Products	\$80	2.45	12.9
Jun-22	The Yes Platform, Inc.	Pinterest, Inc. (NYSE:PINS)	Interactive Media and Services	\$88	-	-
Jun-22	Ergotron, Inc.	The Sterling Group; Constitution Capital Partners	Office Services and Supplies	\$650	-	8.39
Jun-22	Forgotten Empires, LLC	Keywords Studios plc (AIM:KWS)	Interactive Home Entertainment	\$33	4.51	-
Jun-22	SemaConnect, Inc.	Blink Charging Co. (NasdaqCM:BLNK)	Electronic Equipment and Instruments	\$199	42.43	-
Jun-22	Smith Engineering, Inc.	Evoqua Water Technologies Corp. (NYSE:AQUA)	Industrial Machinery	\$19	-	-
Jun-22	Namocell, Inc.	Bio-Techne Corporation (NasdaqGS:TECH)	Life Sciences Tools and Services	\$125	-	-
Jun-22	United Poly Systems, LLC	Atkore Inc. (NYSE:ATKR)	Building Products	\$215	-	-
Jun-22	On the Barrelhead, Inc.	NerdWallet, Inc. (NasdaqGM:NRDS)	Application Software	\$119	3.13	-
Jun-22	PLH Group, Inc.	Primoris Services Corporation (NasdaqGS:PRIM)	Construction and Engineering	\$470	0.641	8.7
Jun-22	Stillwell Partners LLC	Emerald Holding, Inc. (NYSE:EEX)	Advertising	\$34	-	-
Jun-22	Stratus Technologies, Inc.	SMART Global Holdings, Inc. (NasdaqGS:SGH)	Application Software	\$275	-	-

SELECT M&A INSIGHT

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
4/26/22	Artel, Inc.	Advanced Instruments, LLC	Life Sciences Tools and Services	\$140	7.0	28.0
<p>Buyer, a global provider of scientific and analytical instruments for the biotechnology, clinical, and food and beverage industries, entered into an agreement to acquire Target for up to \$140 million. Target is a leading provider of analytical instruments, consumables, software, and services used by life science laboratories within the biopharmaceutical, clinical, and diagnostics industries to validate, automate, and calibrate their liquid handling processes and instrumentation. The transaction consideration consists of all-cash, with \$85 million paid at closing and up to an additional \$55 million if certain 2022 revenue targets are achieved. The transaction is funded through equity via Buyer investor Patricia Industries, Buyer cash on-hand, and third-party debt.</p>						
4/27/22	Wenger Manufacturing, Inc.	Marel hf. (ICSE:MAREL)	Industrial Machinery	\$540	2.79	14.0
<p>Buyer, an Iceland-based global provider of food processing solutions, entered into an agreement to acquire Target for \$540 million. Target is the leader in extrusion systems for producing pet food, aqua feed, and plant-based protein. The transaction consideration consists of cash and stock, with Target family receiving \$526 million in cash and 960,000 shares of Buyer stock. Additionally, as part of the agreement, the remaining \$10 million will consist of a cash contribution to a not-for-profit foundation to continue the legacy of Target as well as shares of Buyer stock for Target employees. The transaction is funded through Buyer cash on-hand and existing credit facilities.</p>						
5/4/22	McMahon Associates, Inc.	Bowman Consulting Group (NasdaqGM:BWMN)	Construction and Engineering	\$19	-	-
<p>Buyer, an engineering services firm focused on infrastructure solutions, entered into an agreement to acquire Target for \$19 million. Target is a firm focused on providing a broad array of innovative transportation planning and engineering services to private and public sector clients. The transaction consideration consists of cash, seller notes, and restricted common stock. Upon closing, Target will receive \$7.5 million in cash, \$3.4 million in seller notes, and 476,796 shares of Buyer restricted common stock. The stock is subject to a six-month lock-up period.</p>						
5/26/22	Brightline Interactive LLC	The Glimpse Group, Inc. (NasdaqCM:VRAR)	Application Software	\$33	6.5	-
<p>Buyer, a virtual and augmented reality platform company, entered into an agreement to acquire Target for up to \$33 million. Target is the global leader in 5G integration, spatial computing, and deep tech. The transaction consideration consists of cash and stock, with Target receiving \$3 million in cash and \$5 million in common stock at closing. The remaining transaction value of \$25 million is contingent on revenue milestones being achieved over the next three years. Of the total consideration, up to \$15 million in cash can be earned, with the remainder of up to \$18 million paid in Buyer common stock. The common stock issued as part of the transaction has a floor price of \$7.00 per share.</p>						
6/2/22	Level5 Tools, LLC	Worthington Industries, Inc. (NYSE:WOR)	Building Products	\$80	2.45	12.9
<p>Buyer, a global diversified metals manufacturing company, entered into an agreement to acquire Target for up to \$80 million. Target is a leading provider of drywall tools, including automatic drywall taping and finishing tools, skimming blades, hand tools, and accessories. The transaction consideration consists of all-cash, with an earnout component. At closing, Target will receive \$30 million, and based upon performance through 2024, Target can receive up to an additional \$25 million. The transaction is funded through Buyer cash on-hand and existing credit facilities.</p>						

M&A MOTIVATION – CEO CHATTER

The addition of Artel aligns with our core strategy to **develop and commercialize leading technologies** that deliver significant customer value across the clinical, biopharma, and food and beverage markets. With the **strong brand names** of Advanced Instruments and Artel, along with our **core technologies and services**, we will deliver an even more powerful portfolio in support of the sectors we serve.

- [Byron Selman, CEO of Advanced Instruments on acquisition of Artel](#)

By joining up with Bowman, we **gain access to new resources and technologies that allow for an even greater investment in the delivery of innovative transportation solutions to our clients**, while continuing to offer the same personal attention and trusted relationships our clients have come to expect from us.

- [Joseph DeSantis, CEO of McMahon on joining forces with Bowman](#)

We are thrilled to join forces with the great team in Wenger with whom we have a **strong strategic and cultural fit**. Wenger's **passion for innovation and commitment to high-quality solutions, in addition to their excellent customer focus and talent management, are the key attributes Marel is proud to partner with**. Wenger is a true leader in its field of providing solutions and services to the pet food industry and aqua feed industries, and has in recent years made its mark on the fast-growing plant-based protein consumer market with **best-in-class solutions positioned right in the center point of the value chain**.

- [Arni Oddur Thordarson, CEO of Marel on acquisition of Wenger](#)

This well-structured, accretive transaction **adds approximately \$5 million in annual revenue and places us on a \$15 million annual run rate for Glimpse combined, strengthens our operating foundation, adds new Tier 1 customers, 2 potentially wide-reaching patents (10 issued in total) and deepens our executive team**. We believe that our unique platform model offers scale and unmatched diverse exposure across a wide range of industries, technologies, customers, and talent which strengthen our position as a premier Enterprise-focused Immersive Technology software and services company.

- [Lyron Bentovim, CEO of Glimpse of acquisition of Brightline Interactive](#)

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Our team of investment banking professionals have spent decades preparing business owners for success, helping them realize the full potential value for their companies. We look beyond simple price and terms to skillfully execute deals that fulfill owners' lifestyle, legacy, and monetary goals.

Our clients typically generate sales in the \$10 – \$200 million range OR expect to generate profits/earnings (adjusted for nonrecurring add-backs) in the \$2 – \$20 million range. We have experience with companies in a variety of industry verticals, including:



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Notes: Middle Market defined as all M&A activity between \$10 million - \$1 billion in transaction value. EBITDA and Revenue multiples are based on median observations and calculated for disclosed transactions only. Our data includes majority sales and excludes Financials, Telecommunication Services and Utilities sectors. Starting September 2016, trailing 12 month data also includes transactions that have been announced but not yet closed. Within the Healthcare sector, 2019 data has been excluded as was determined to not be meaningful. Data Source: Persient, Standard and Poor's, and other public databases and announcements. Disclosure: The M&A Middle Market Insights publication is intended for private use of the recipient, for informational purpose only, and to provide an overview of certain information relating to the Middle Market Mergers & Acquisition market. This is general information only and is not a substitute for any professional advice or services, nor should it be used as a basis for any decision or action that may affect your business, or construed as containing advice or recommendation. The information provided herein is based on data obtained from certain sources we consider accurate and reliable, but we do not represent as to its accuracy or completeness. Information and our opinions are as of date provided herein without any obligation to update the information. No part of this information may be copied, photocopied, or duplicated in any form by any means or redistributed without Persient LLC's express written consent. Investment banking services offered through Independent Investment Bankers Corp., a registered broker-dealer, Member FINRA / SIPC. Persient LLC and Independent Investment Bankers Corp. are not affiliated entities.