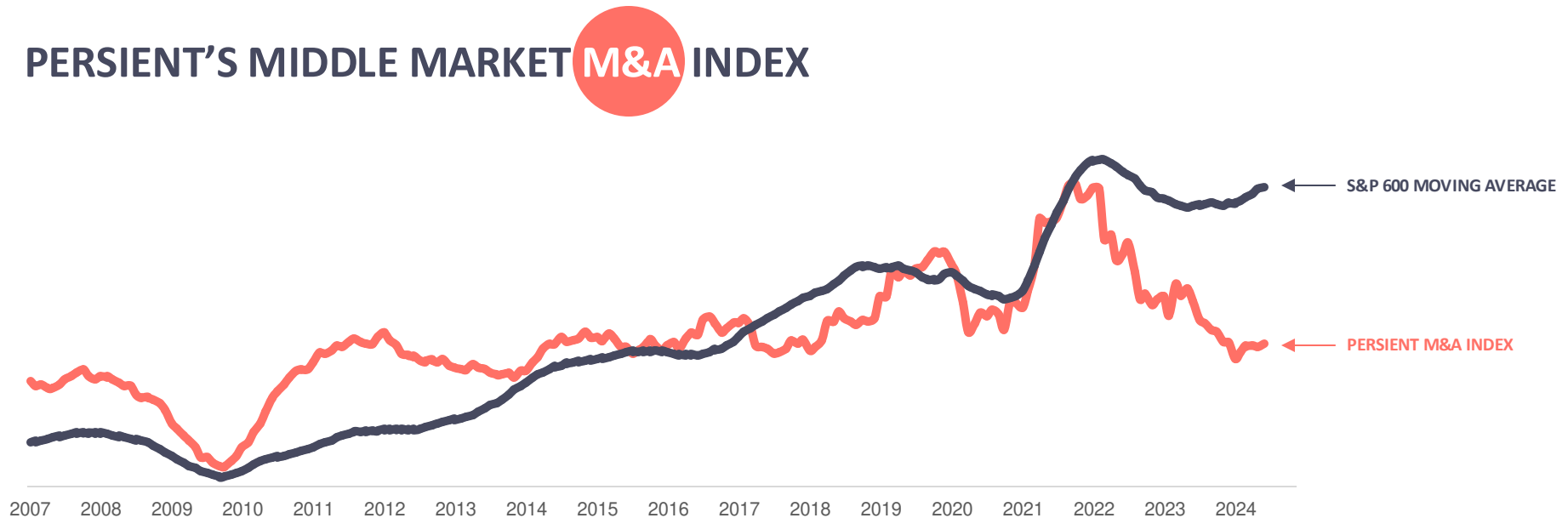


M&A MIDDLE MARKET INSIGHTS – Q2 2024

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

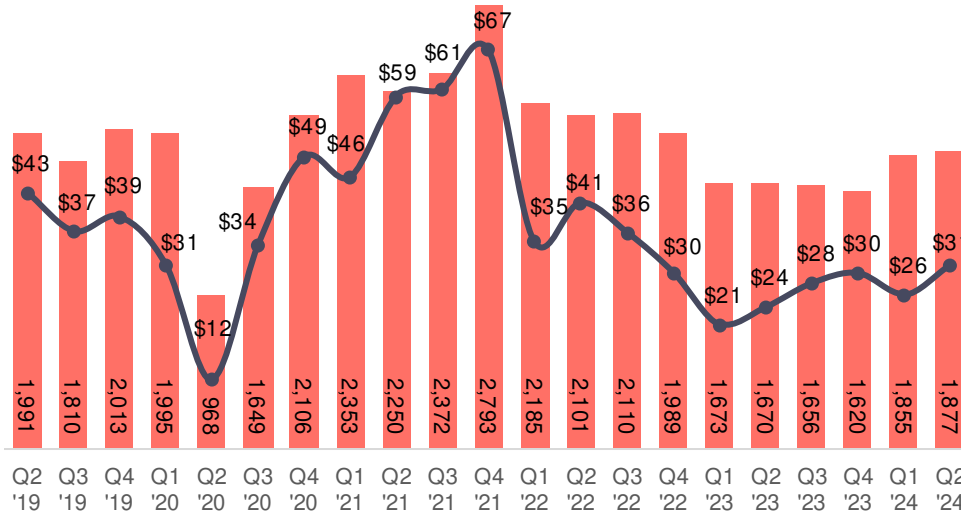


INSIGHTS

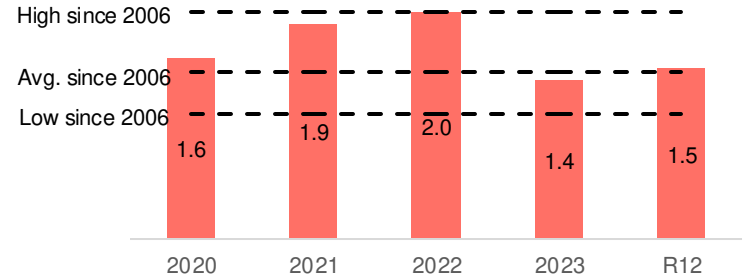
Despite geopolitical tensions and elevated interest rates, equities had a resilient first half of 2024. Investors showed increased confidence as improving inflation readings have indicated the potential for a fall rate cut. The M&A environment similarly showed strength in 2024, with both Q1 and Q2 2024 reporting higher deal volume and value relative to the same periods of the prior year.

M&A ACTIVITY AND VALUATIONS

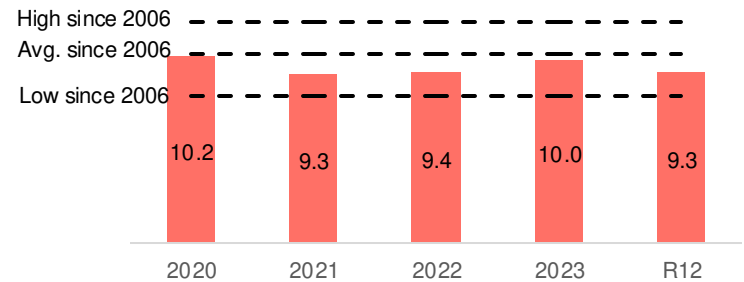
Total Middle Market M&A Volume and Value (\$b)



Middle Market M&A Revenue Multiples



Middle Market M&A EBITDA Multiples

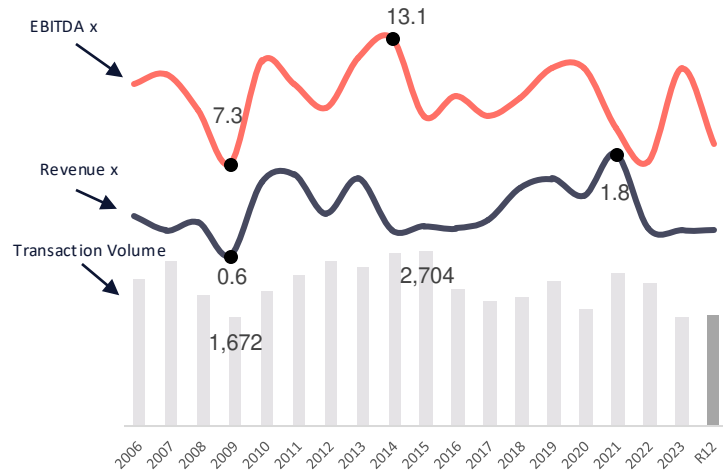


INSIGHTS

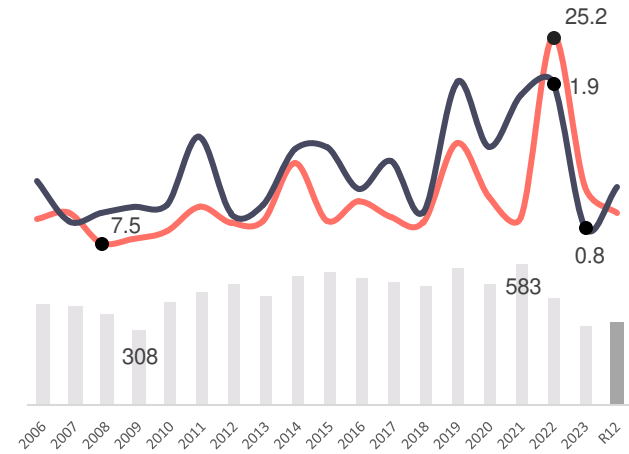
M&A in 1H 2024 has shown signs of resurgence, with both deal volume and value experiencing a noticeable increase over 1H 2023. The conclusion of Q2 this year marked the best quarter for both deal volume and value since Q4 2022. With central banks signaling potential rate cuts in 2H of this year, there is reason to trust the positive momentum in middle market M&A.

M&A BY SECTOR

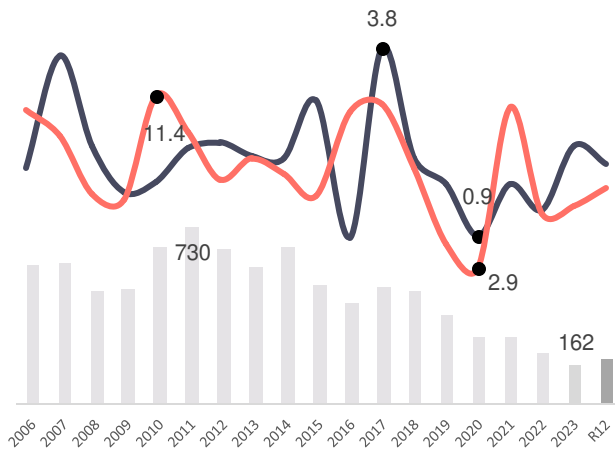
Consumer Discretionary



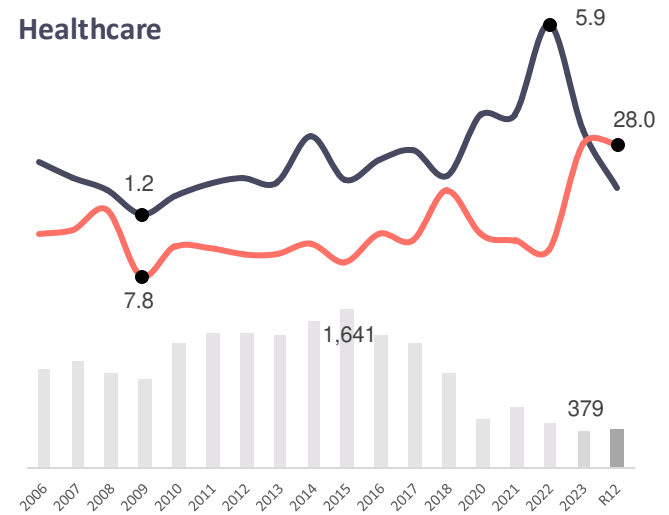
Consumer Staples



Energy

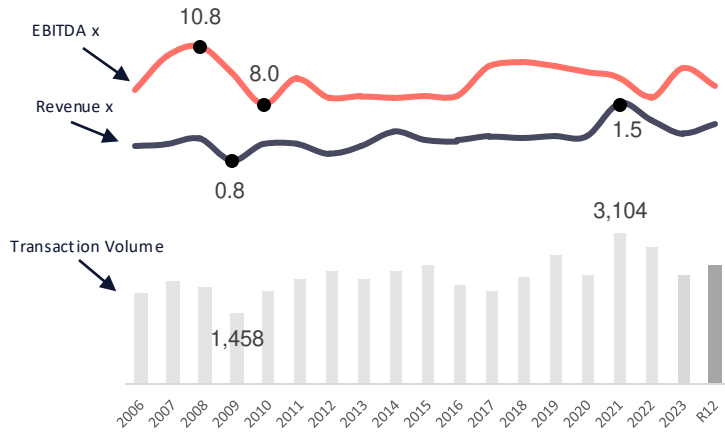


Healthcare

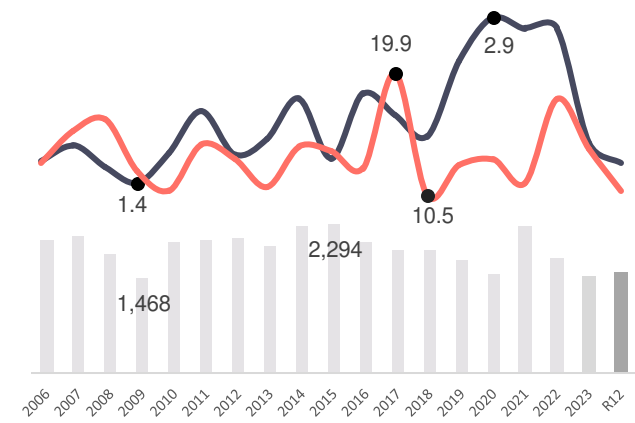


M&A BY SECTOR

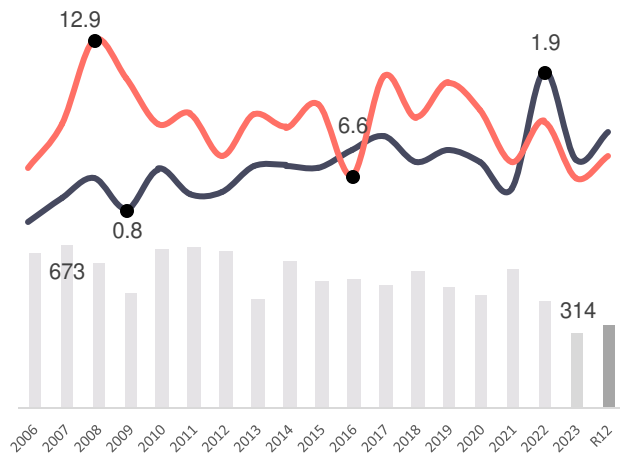
Industrials



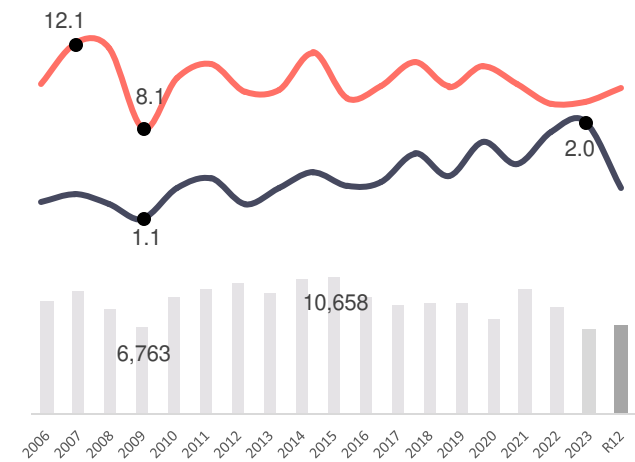
Technology



Materials



Overall



NOTEWORTHY M&A

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
Apr-24	Southwest Data Products, Inc.	Nucor Corporation (NYSE:NUE)	Office Services and Supplies	\$115	-	-
Apr-24	Venshure Test Services, LLC	AB Dynamics plc (AIM:ABDP)	Industrial Machinery and Supplies	\$30	-	-
Apr-24	Redviking Group, LLC	Lincoln Electric Holdings, Inc. (NasdaqGS:LECO)	Industrial Machinery and Supplies	\$115	1.64	-
Apr-24	Abceutics Inc.	Merck & Co., Inc. (NYSE:MRK)	Biotechnology	\$208	-	-
Apr-24	Ultra Pet, Inc.	Oil-Dri Corporation of America (NYSE:ODC)	Household Products	\$46	1.92	-
Apr-24	Becnel Rental Tools, LLC	Transcat, Inc. (NasdaqGM:TRNS)	Industrial Machinery and Supplies	\$51	-	8.76
Apr-24	AdTheorent Holding Company, Inc.	Cadent, LLC	Advertising	\$331	1.51	264.65
Apr-24	Appranix, Inc.	Commvault Systems, Inc. (NasdaqGS:CVLT)	Systems Software	\$26	-	-
Apr-24	Silk Security, Inc.	Armis Inc.	Systems Software	\$150	-	-
Apr-24	Nehring Electrical Works Company	Mueller Industries, Inc. (NYSE:MLI)	Electrical Components and Equipment	\$600	1.5	-
Apr-24	Only What You Need, Inc.	The Simply Good Foods Company (NasdaqCM:SMPL)	Soft Drinks and Beverages	\$280	-	-
Apr-24	Airgap Networks Inc.	Zscaler, Inc. (NasdaqGS:ZS)	Systems Software	\$124	-	-
Apr-24	Flavor Producers, LLC	Glanbia plc (ISE:GL9)	Packaged Foods and Meats	\$355	4.12	18.02
Apr-24	Cryoworks, Inc.	Crane Company (NYSE:CR)	Industrial Machinery and Supplies	\$61	2.18	12.2
Apr-24	3form, LLC	Armstrong World Industries, Inc. (NYSE:AWI)	Building Products	\$95	0.99	-
Apr-24	Togai Inc.	Zuora, Inc. (NYSE:ZUO)	Application Software	\$26	-	-
May-24	Insulation Works, Inc.	TopBuild Corp. (NYSE:BLD)	Construction and Engineering	\$25	0.9	-
May-24	Lexion	DocuSign, Inc. (NasdaqGS:DOCU)	Application Software	\$165	-	-
May-24	Noname Gate, Inc.	Akamai Technologies, Inc. (NasdaqGS:AKAM)	Systems Software	\$450	-	-
May-24	Paymerang, LLC	Corpay, Inc. (NYSE:CPAY)	Application Software	\$475	-	-
May-24	Sea Smoke Estate Vineyards	Constellation Brands, Inc. (NYSE:STZ)	Distillers and Vintners	\$170	-	-
May-24	Roberto Coin Inc.	Watches of Switzerland Group plc (LSE:WOSG)	Accessories and Luxury Goods	\$130	0.937	-
May-24	Revel Systems, Inc.	Shift4 Payments, Inc. (NYSE:FOUR)	Application Software	\$250	-	-
May-24	Skytap, Inc.	Kyndryl Holdings, Inc. (NYSE:KD)	Application Software	\$51	-	-
May-24	Proteologix, Inc.	Johnson & Johnson (NYSE:JNJ)	Biotechnology	\$850	-	-
May-24	Timber Technologies, LLC	Star Equity Holdings, Inc. (NasdaqGM:STRR)	Forest Products	\$24	1.28	4.38
May-24	Supreme Cabinetry Brands, Inc.	MasterBrand Cabinets, LLC	Home Furnishings	\$520	8.9	-
May-24	Aether Media, Inc.	Autodesk, Inc. (NasdaqGS:ADSK)	Systems Software	\$130	-	-
May-24	Rowman & Littlefield Publishing Group, Inc.	Bloomsbury Publishing Plc (LSE:BMJ)	Publishing	\$76	2.11	-
Jun-24	Acroname Inc.	Valens Semiconductor Ltd. (NYSE:VLN)	Electronics Equipment and Instruments	\$16	-	-
Jun-24	iCG Pay	CSG Systems International, Inc. (NasdaqGS:CSGS)	Transaction Processing Services	\$17	1.79	-
Jun-24	Dynamic Sealing Technologies, Inc.	Kadant Inc. (NYSE:KAI)	Industrial Machinery and Supplies	\$55	2.2	-
Jun-24	Hearsay Systems, Inc.	Yext Inc. (NYSE:YEXT)	Application Software	\$220	-	-
Jun-24	Pro-ficiency Holdings, Inc.	Simulations Plus, Inc. (NasdaqGS:SLP)	Health Care Technology	\$100	6.67	-
Jun-24	Sustain.Life, Inc.	Workiva Inc. (NYSE:WK)	Application Software	\$100	-	-
Jun-24	Jun Group Productions, LLC	Verve Group SE (XTRA:M8G)	Advertising	\$185	2.4	4.8
Jun-24	Summer Garden Food Manufacturing	Lassonde Industries Inc. (TSX:LAS.A)	Packaged Foods and Meats	\$280	1.89	10.04
Jun-24	Premier Tool Grinding, Inc.	MSC Industrial Direct Co., Inc. (NYSE:MSM)	Industrial Machinery and Supplies	\$11	-	-
Jun-24	Celsius Therapeutics, Inc.	AbbVie Inc. (NYSE:ABBV)	Biotechnology	\$250	-	-
Jun-24	VectorVMS1, LLC	PIXID SAS	Application Software	\$50	4.39	-

SELECT M&A INSIGHT

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
4/16/24	Ultra Pet, Inc.	Oil-Dri Corporation of America (NYSE:ODC)	Household Products	\$46	1.92	-
<p>Buyer, a manufacturer of sorbent minerals and liquid absorption products, entered into an agreement to acquire Target for \$46 million. Target, is a provider of silica gel-based crystal cat litter. The transaction is all-cash, with \$46 million upfront. The transaction is funded through a combination of the Buyer's cash on-hand, and \$10 million in senior notes.</p>						
4/22/24	Cryoworks, Inc.	Crane Company	Industrial Machinery and Supplies	\$61	2.18	12.2
<p>Buyer, a designer and manufacturer of engineered industrial products, entered into an agreement to acquire Target for \$61 million. Target, is a designer and manufacturer of cryogenic piping systems. The transaction is all-cash, with \$61 million upfront. The transaction is funded through a combination of cash on-hand and approximately \$50 million borrowed under the Buyer's existing revolving credit facility.</p>						
5/9/24	Roberto Coin, Inc.	Watches of Switzerland Group plc (LSE:WOSG)	Accessories and Luxury Goods	\$130	0.937	-
<p>Buyer, a retailer of luxury watches in the United States and the United Kingdom, entered into an agreement to acquire Target for \$130 million. Target, is a producer and marketer of jewelry. The transaction consideration consists of all-cash, with both upfront and earnout components. At closing, Target receives \$120 million, with an additional \$10 million deferred for one year and contingent on the future profitability of Target. The transaction is funded through a \$115 million term loan facility.</p>						
5/13/24	Skytap, Inc.	Kyndryl Holdings Inc. (NYSE:KD)	Application Software	\$51	-	-
<p>Buyer, a technology services company and IT infrastructure services provider, entered into an agreement to acquire Target for \$51 million. Target, is a provider of cloud-based development and testing for organizations looking to expand their cloud capabilities. The transaction is all-cash, with \$51 million paid upfront. The transaction is funded through the Buyer's cash on-hand.</p>						
5/20/24	Aether Media, Inc.	Autodesk, Inc. (NasdaqGS:ADSK)	Systems Software	\$130	-	-
<p>Buyer, a global provider of software development, design and technology, entered into an agreement to acquire Target for \$130 million. Target, is a media-tech company with AI-driven production tools for filmmakers. The transaction is all-cash, with \$130 million upfront. The transaction is funded through the Buyer's cash on-hand.</p>						

M&A MOTIVATION – CEO CHATTER

We look forward to bringing our considerable retail expertise to bear to **nurture and grow** the Roberto Coin brand. This will be achieved by elevating the brand's in-store presence, leveraging the group resources to enhance the brand's digital presence and online sales, and with the development of a mono-brand network and franchised boutiques with the support of current and new wholesale partners. This is an outstanding brand with **significant growth potential**.

- [Brian Duffy, CEO of Watches of Switzerland](#)

CryoWorks is a leading supplier of vacuum-insulated pipe systems for hydrogen and cryogenic applications, which is **highly synergistic with the ongoing organic development** of our CRYOFLO brand... It will help us **access a number of high-growth** markets.

- [Max Mitchell, Crane Company President, Chairman and CEO](#)

The completion of this acquisition is a testament to the hard work and dedication of our teams, and it opens up a wealth of opportunities for **growth and product innovation**. As we become a key player in the crystal cat litter segment, our dedication to delivering superior quality products and services will continue to distinguish us as an industry leader... Together, we are poised to build on the success that Ultra Pet has achieved in growing their crystals cat litter business by **expanding our combined customer base** with this broader range of product offerings.

- [Daniel Jaffee, President and CEO of Oil-Dri](#)

Kyndryl customers will have access to a more comprehensive service offering, with the ability to use Skytap's technology for an easier transition to the cloud. This acquisition is about helping our customers modernize their IT environments. Many of our customers face challenges with unique technologies that do not easily migrate to public clouds. With Skytap, we can **offer a seamless lift and shift of current applications** into a Microsoft environment, using Azure's capabilities. This technology enables our customers to migrate, modernize and operate at their own pace with minimal change, which is a **significant advantage** in today's fast-paced technology landscape.

- [Dave Simpson, Global Cloud Practice Leader of Kyndryl](#)

About Persient™

M&A is our singular focus. We are a middle market investment banking firm delivering creative, global take-to-market strategies for mature, profitable business owners ready to sell.

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:



Manufacturing / Distribution



Business Services



Technology



Media and Marketing



Healthcare



Specialty Services and Products

Considering selling your business? Follow the link to schedule a [M&A Consult](#).

San Diego

4225 Executive Square, Suite 600
San Diego, CA 92037
Tel: (858) 523-8399



Ashish Jariwala
Managing Member



Brian Gallagher
Director

Los Angeles/Orange County

100 Spectrum Center Drive, Suite 900
Irvine, CA 92618
Tel: (949) 385-1379

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.