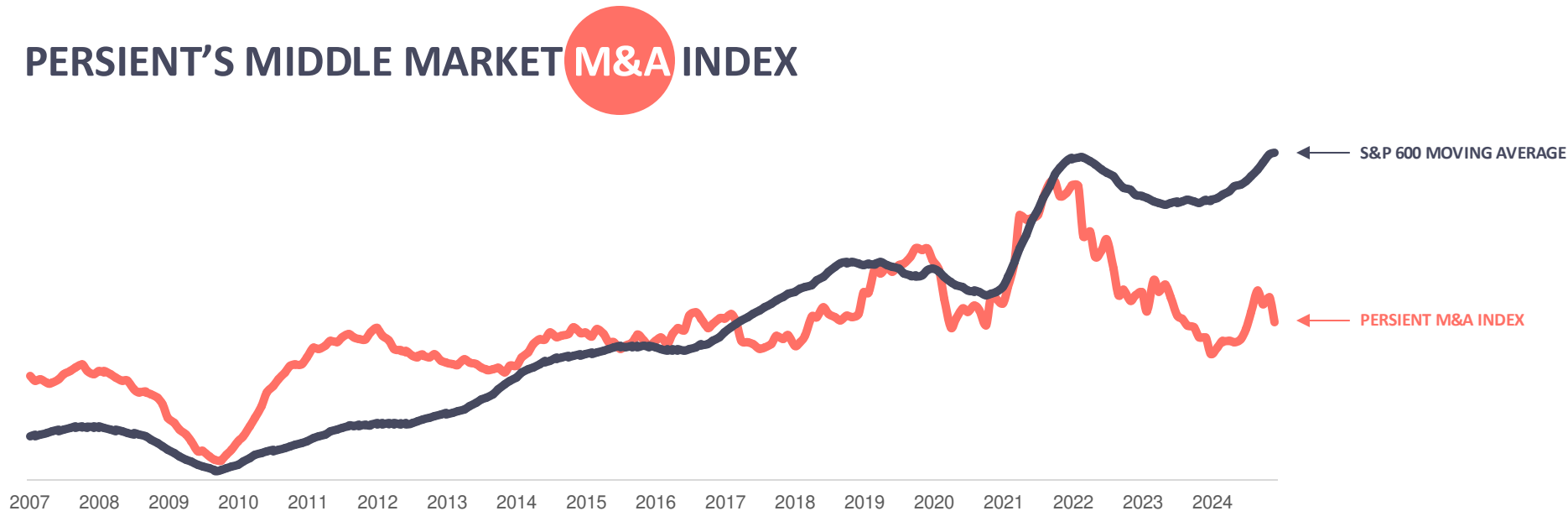


M&A MIDDLE MARKET INSIGHTS – Q4 2024

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

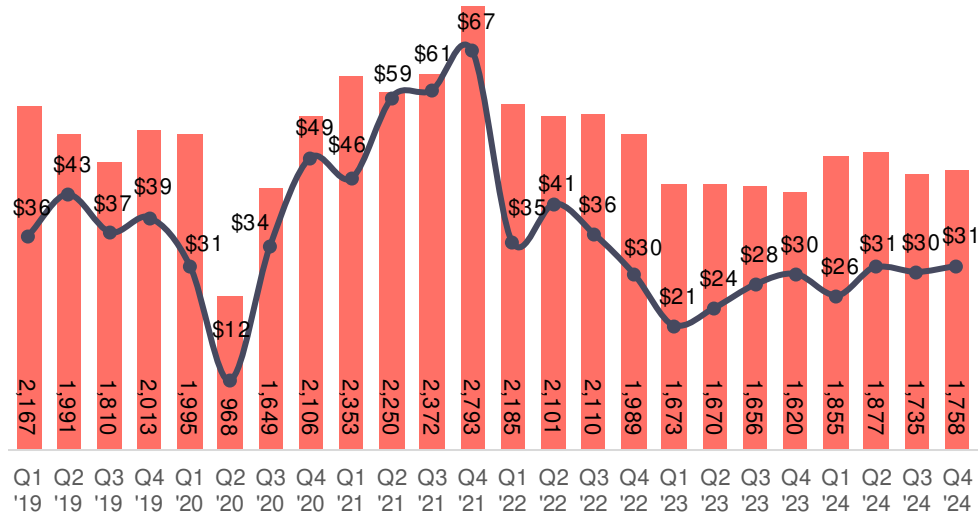


INSIGHTS

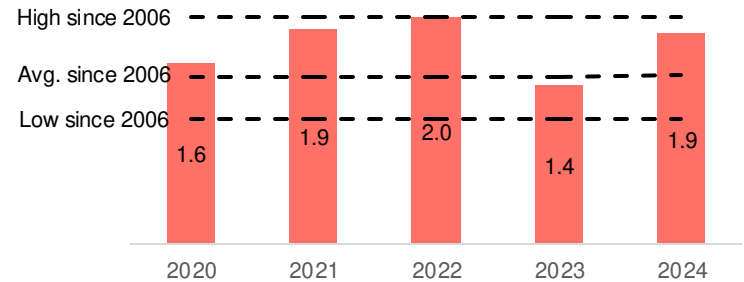
While mixed, equities maintained upward momentum into Q4 2024, buoyed by the Fed's quarter-point rate cut in November. Overall, 2024 represented a strong year for equities, with small caps performing modestly relative to large cap indices. M&A activity continued inching back, with average deal size and volume outpacing last year's figures, hopeful for a strong 2025, despite a shifting political climate bringing inherent uncertainty.

M&A ACTIVITY AND VALUATIONS

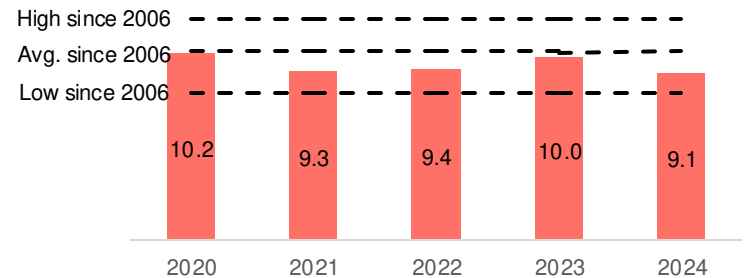
Total Middle Market M&A Volume and Value (\$b)



Middle Market M&A Revenue Multiples



Middle Market M&A EBITDA Multiples

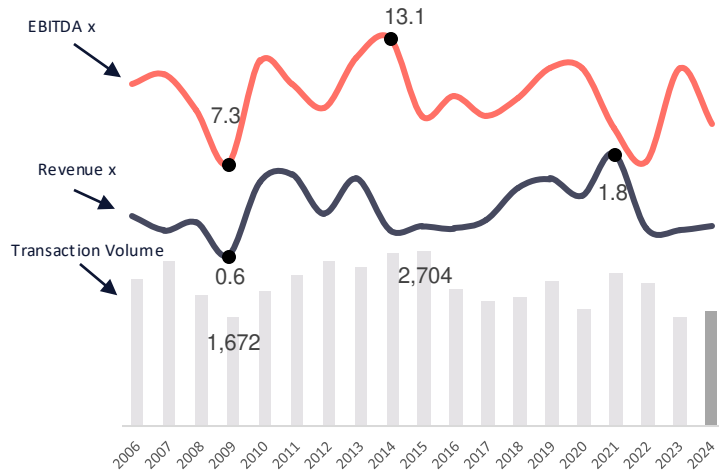


INSIGHTS

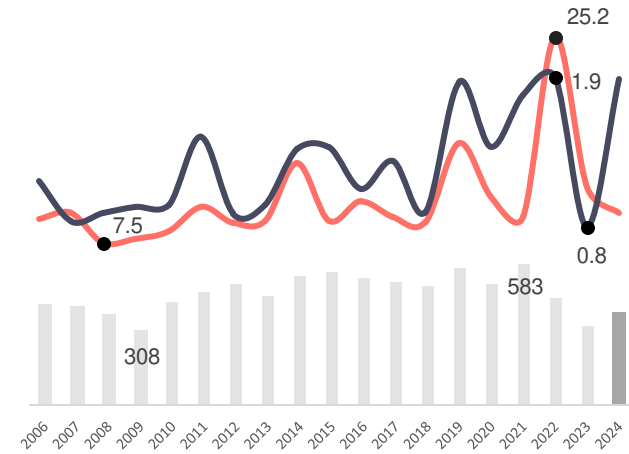
M&A activity in the final quarter of 2024 showcased strength, with a notable increase in both the number and average scale of transactions compared to the prior year, as well as posting a slight increase in both categories over Q3 2024. With the election in the rear-view, attention shifts towards deal-making in a new political arena, with cautious optimism that 2025 will see a resurgence of M&A.

M&A BY SECTOR

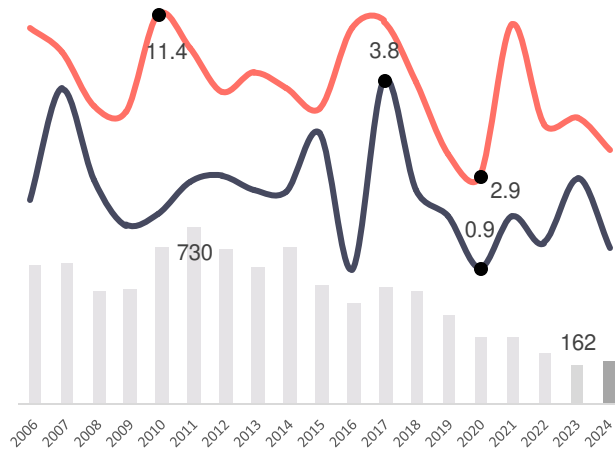
Consumer Discretionary



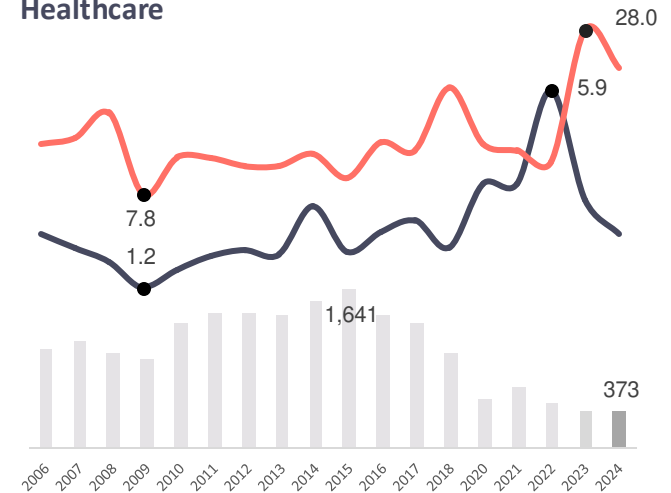
Consumer Staples



Energy

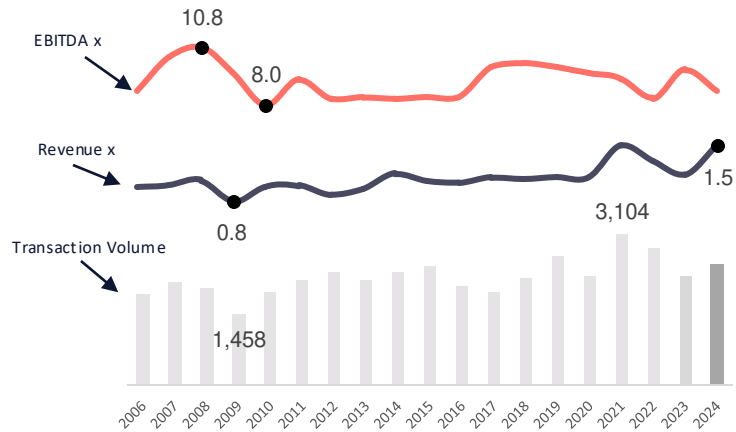


Healthcare

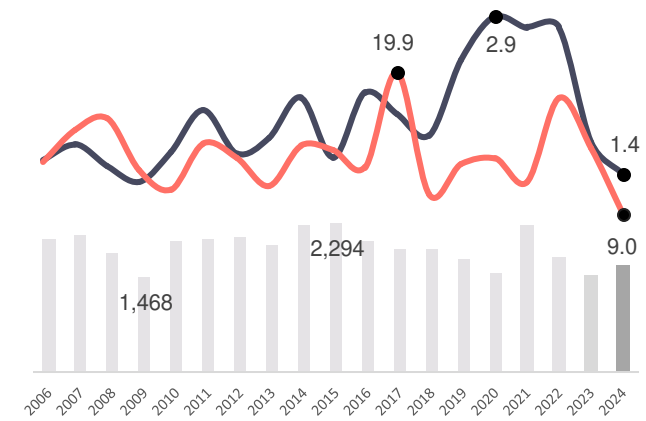


M&A BY SECTOR

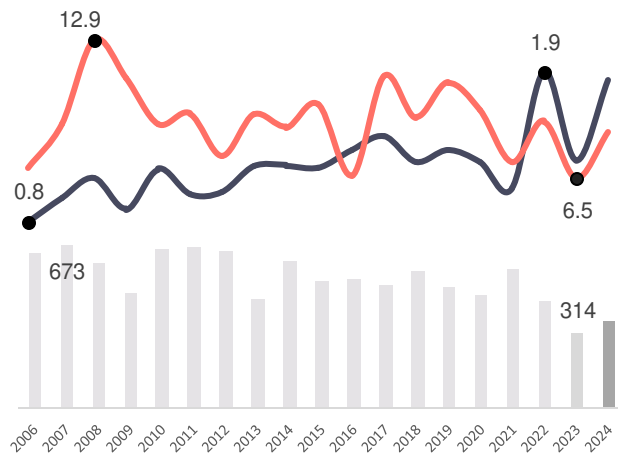
Industrials



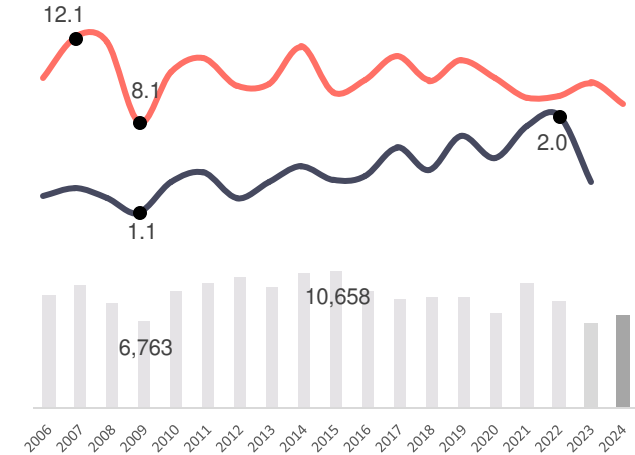
Technology



Materials



Overall



NOTEWORTHY

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
Oct-24	MG LLC	GTCR LLC; Recognize Partners LP	Advertising	\$632	-	-
Oct-24	One Life Fitness, LLC	26North Partners LP	Leisure Facilities	\$500	-	-
Oct-24	MSO Metro, LLC	U.S. Physical Therapy, Ltd.	Health Care Services	\$173	2.70	14.42
Oct-24	The Pittsburgh Paints Company	AIP, LLC	Specialty Chemical	\$550	0.28	-
Oct-24	Plasti-Fab	Carlisle Companies (NYSE:CSL)	Building Products	\$260	2.40	-
Oct-24	Hypothesis Group, LLC	Elixirr Inc.	Advertising	\$45	1.59	8.78
Oct-24	Deflecto, LLC	Acacia Research Corporation (NasdaqGS:ACTG)	Office Services and Supplies	\$104	0.79	-
Oct-24	SecureWorks Corp.	Sophos, Inc.	Systems Software	\$872	2.38	-
Oct-24	Engineered Wire Products	Insteel Wire Products	Building Products	\$70	0.80	-
Oct-24	Lumos Pharma, Inc.	Double Point Ventures LLC	Biotechnology	\$54	18.50	-
Oct-24	Profire Energy, Inc.	CECO Environmental Corp. (NasdaqGS:CECO)	Oil and Gas Equipment and Services	\$123	1.88	10.15
Oct-24	Infusion Software, Inc.	Thryv Holdings, Inc. (NasdaqCM:THRY)	Application Software	\$80	0.94	-
Oct-24	Amran, Inc.	Standex International Corporation (NYSE:SXI)	Heavy Electrical Equipment	\$181	-	-
Oct-24	Ascent, LLC	WESCO International, Inc. (NYSE:WCC)	Internet Services and Infrastructure	\$185	1.61	-
Nov-24	Big Beverages Contract Manufacturing L.L.C.	Celsius Holdings, Inc. (NasdaqCM:CELH)	Food Distributors	\$75	-	-
Nov-24	Technifab Products, Inc.	Crane Company (NYSE:CR)	Industrial Machinery and Supplies	\$41	2.03	10.13
Nov-24	Ambry Genetics Corporation	Tempus AI, Inc. (NasdaqGS:TEM)	Health Care Services	\$598	2.49	-
Nov-24	RepairPal Inc.	Yelp Inc. (NYSE:YELP)	Interactive Media and Services	\$80	2.67	-
Nov-24	PF Waterworks	CSW Industrials (NasdaqCM:CWSI)	Building Products	\$40	-	9.50
Nov-24	Grubhub Inc.	Wonder Group, Inc.	Food Retail	\$650	-	-
Nov-24	Black Hills Surgical Hospital, LLP	Sanford Health	Health Care Facilities	\$194	1.83	-
Nov-24	SEACRET Direct, LLC	Stemtech Corporation (OTCPK:STEK)	Personal Care Products	\$33	-	-
Nov-24	Datavolo, Inc.	Snowflake Inc. (NYSE:SNOW)	Systems Software	\$170	-	-
Nov-24	Innovid Corp.	Flashtalking, Inc.	Advertising	\$536	3.31	171.19
Nov-24	Spacecraft Components Corporation	Mobix Labs, Inc. (NasdaqCM:MOBX)	Electronic Components	\$24	1.33	-
Nov-24	Brightcove Inc.	Bending Spoons US Inc.	Internet Services and Infrastructure	\$257	1.15	271.82
Nov-24	Berry Specialty Tapes, LLC	Nautic Partners, LLC	Paper and Plastic Packaging	\$540	-	-
Nov-24	ZP Better Together, LLC	Language Line Services, Inc.	Interactive Media and Services	\$490	-	-
Nov-24	Giant Cement Holding Inc.	Heidelberg Materials US, Inc.	Construction Materials	\$600	-	-
Dec-24	G&F Manufacturing, LLC	Pentair plc (NYSE:PNR)	Industrial Machinery and Supplies	\$108	-	-
Dec-24	Cogito Corporation	Verint Systems Inc. (NasdaqGS:VRNT)	Application Software	\$61	-	-
Dec-24	Bullskin Stone and Lime LLC	Eagle Materials Inc. (NYSE:EXP)	Construction Materials	\$153	-	-
Dec-24	Bridge It, Inc.	Upbound Group, Inc. (NasdaqGS:UPBD)	Application Software	\$460	-	-
Dec-24	Nimble Therapeutics, Inc.	AbbVie Inc. (NYSE:ABBV)	Biotechnology	\$200	-	-
Dec-24	Veridian Limited	Lakeland Industries, Inc. (NasdaqGM:LAKE)	Apparel, Accessories and Luxury Goods	\$25	1.19	-
Dec-24	Downtown Music Holdings LLC	Virgin Music Group Limited	Movies and Entertainment	\$983	-	-
Dec-24	CMD Inc.	1847 Holdings LLC (NYSEAM:EFSH)	Home Furnishings	\$19	0.57	-
Dec-24	Hiya Health Products LLC	USANA Health Sciences, Inc. (NYSE:USNA)	Personal Care Products	\$205	2.52	11.82
Dec-24	The ERGO Baby Carrier, Inc.	Highlander Partners, L.P.	Home Furnishings	\$99	-	-

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
10/21/24	Hypothesis Group, LLC	Elixirr Inc.	Advertising	\$45	1.59	8.78
Buyer, a provider of business consulting and advisory services, entered into an agreement to acquire Target for \$45 million. Target, is a market research and strategy consulting firm. The transaction consideration consists of cash and stock , both upfront and contingent . At closing, Target will receive \$29 million in cash , and \$8.4 million in stock. Target can receive up to \$7.6 million contingent on certain performance measures being achieved. The transaction is funded through the Buyer’s cash reserve, existing credit facilities and a new issuance of 914,604 ordinary shares.						
10/31/24	Ascent, LLC	WESCO International, Inc. (NYSE:WCC)	Internet Services and Infrastructure	\$185	1.61	-
Buyer, a supply chain distribution services company, entered into an agreement to acquire Target for \$185 million. Target, is a provider of data center facility management services. The transaction is all-cash , with \$185 million upfront .						
11/4/24	Technifab Products, Inc.	Crane Company (NYSE:CR)	Construction Machinery	\$41	2.03	10.13
Buyer, an industrial manufacturing and technology company entered into an agreement to acquire Target for \$40.5 million. Target, is a provider of vacuum-insulated pipe systems and valves. The transaction is all-cash , with \$40.5 million upfront .						
11/20/24	Datavolo, Inc.	Snowflake Inc. (NYSE:SNOW)	Systems Software	\$170	-	-
Buyer, a provider of AI data cloud services, entered into an agreement to acquire Target for \$170 million. Target, is a provider of data pipeline solutions. The transaction consideration consists primarily of common stock , with the remainder in cash both upfront and contingent . A portion of the equity consideration issued to certain Target employees is subject to vesting agreements pursuant to which the shares will vest over four years, subject to their continued employment.						
12/23/24	Hiya Health Products LLC	USANA Health Sciences, Inc. (NYSE:USNA)	Personal Care Products	\$205	2.52	11.82
Buyer, a provider of health and wellness products, entered into an agreement to acquire Target for \$205 million. Target, is a provider of children's health and wellness products. The transaction is all-cash , with \$205 million upfront . The transaction is funded through the Buyer's cash reserve, and a draw of \$23 million on its existing credit facility.						

M&A MOTIVATION – CEO CHATTER

*"By bringing Datavolo into the Snowflake fold, we are **expanding how much of the data lifecycle Snowflake captures** - unlocking both **simplicity and cost savings** for our customers, without any sacrifice to data extensibility. We are excited to have the Datavolo team join Snowflake as we accelerate what is the best platform for enterprise data - unstructured and structured, batch and streaming - and dedicated to the success of the open source community."*

- [Sridhard Ramaswamy, CEO of Snowflake](#)

*"Wesco continues to expand our leading data center solutions offering," ... Ascent's expertise in engineering and design-build consultation services, in addition to daily site operations, **extends our suite of capabilities and solutions** that serve the entire lifecycle of the data center."*

- [John Engel, President and CEO of Wesco International](#)

*The Hiya brand is a natural fit for USANA and this acquisition represents a key strategic milestone for our business, this strategic acquisition **adds a diversified layer of growth** to USANA's overall business, while maintaining our commitment to our core direct sales business, where we continue to invest in initiatives to drive growth. Notably, this acquisition will allow USANA to **reach a broader audience** by diversifying distribution channels through Hiya, which we believe will enhance our ability to **generate sustainable long-term growth** and deliver value for our stakeholders.*

- [Jim Brown, President and CEO of USANA](#)

*"I am excited to announce the acquisition of Profire and we look forward to welcoming their tremendous organization to our portfolio of leading solution companies,... With an installed base approaching 100,000 burner management systems and a growing industrial market product offering, we look forward to **accelerating their global market expansion** and introducing their high-efficiency solutions to more customers in industrial air and water. We are also confident that the increased scale and combined corporate organizations will **generate meaningful efficiencies and synergies**. The addition of Profire is another important step in our ongoing execution of **programmatic M&A** and we expect it will further advance our position as the leading environmental solutions provider in industrial markets.*

- [Todd Gleason, CEO of CECO Environmental](#)

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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:



Manufacturing / Distribution



Business Services



Technology



Media and Marketing



Healthcare



Specialty Services and Products

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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.