

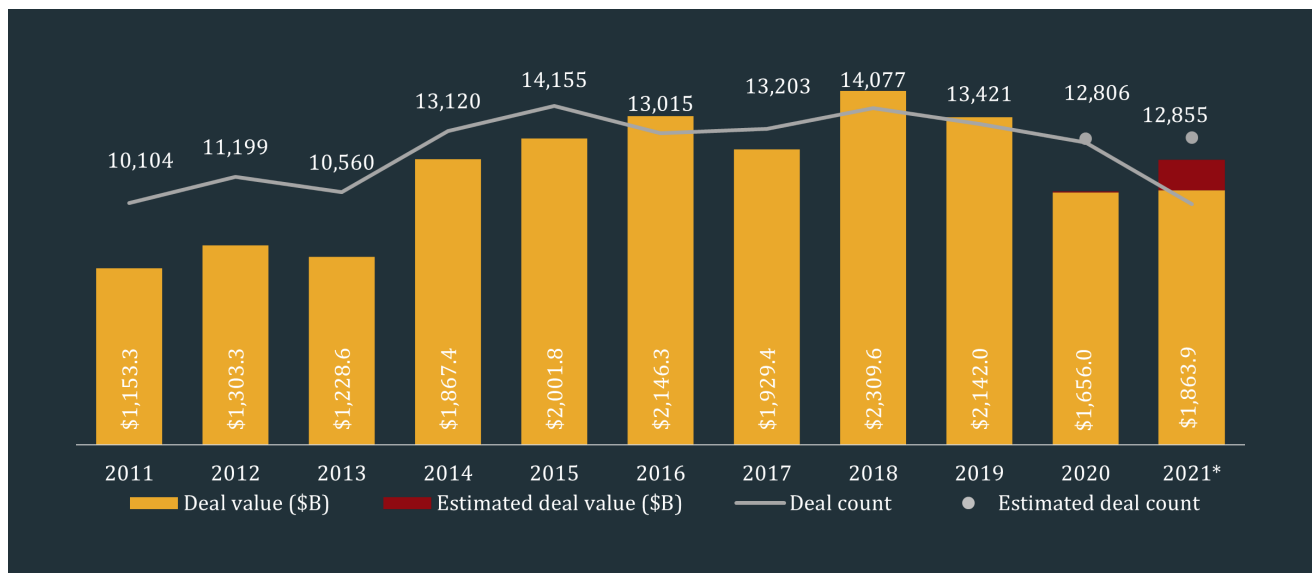
M&A Quarterly Update: 2021 Fourth Quarter



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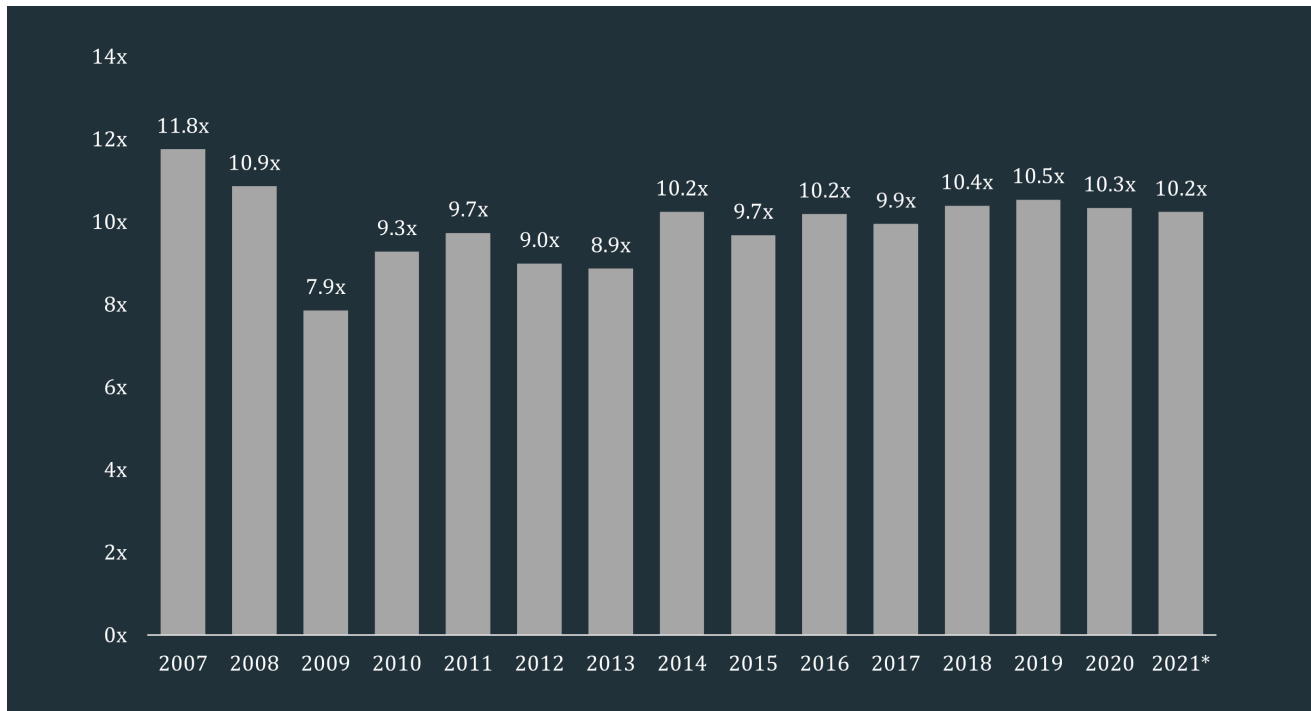
Welcome to the quarterly M&A update for the fourth quarter of 2021. Our 2021 Fourth Quarter Report analyzes data from the third quarter of 2021.

North America M&A activity continued its bull run in the third quarter of 2021. More than 4,600 deals closed for a combined \$708.3 billion transaction value in the quarter, setting both deal count and value on track to exceed the previous annual record. As of September 30, an estimated 12,855 deals have been completed in 2021 for a total value of \$1,863.9 billion. This is an increase of \$802.4 billion in deal value recorded for the same period in 2020.



*As of 9/30/2021

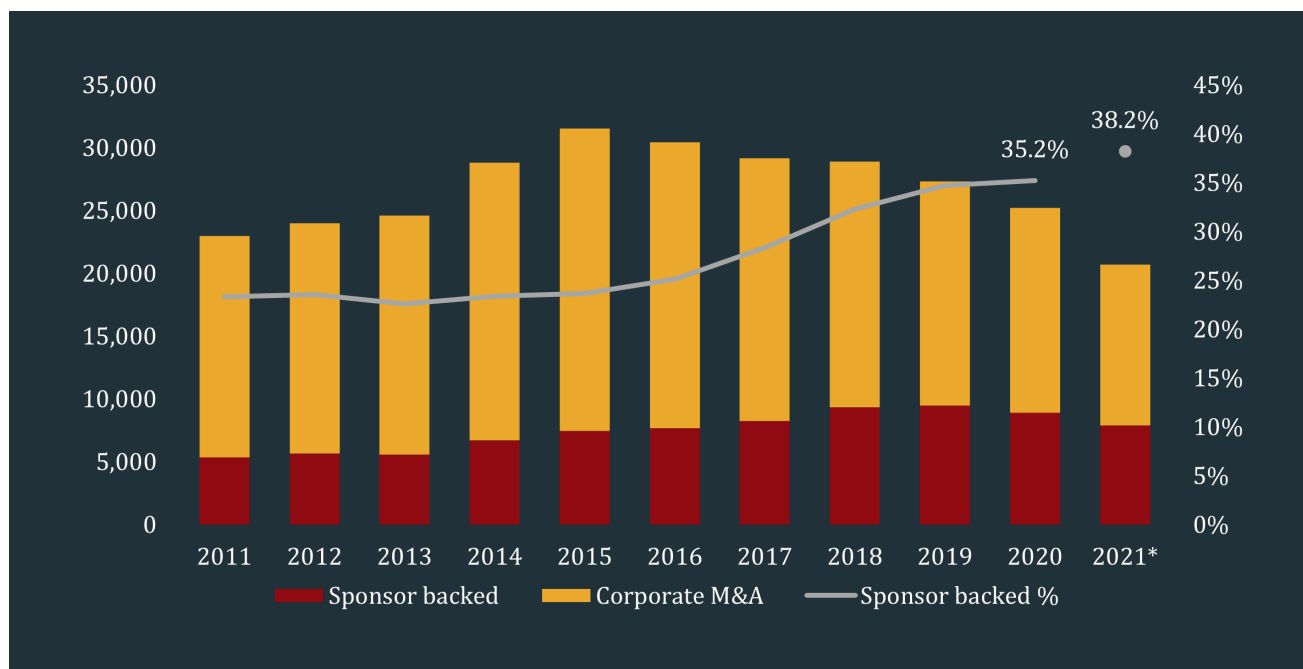
Deal multiples have remained relatively consistent since 2018. Median EV/EBITDA multiples are 10.2x year-to-date compared to 10.3x in 2020.



*As of 9/30/2021



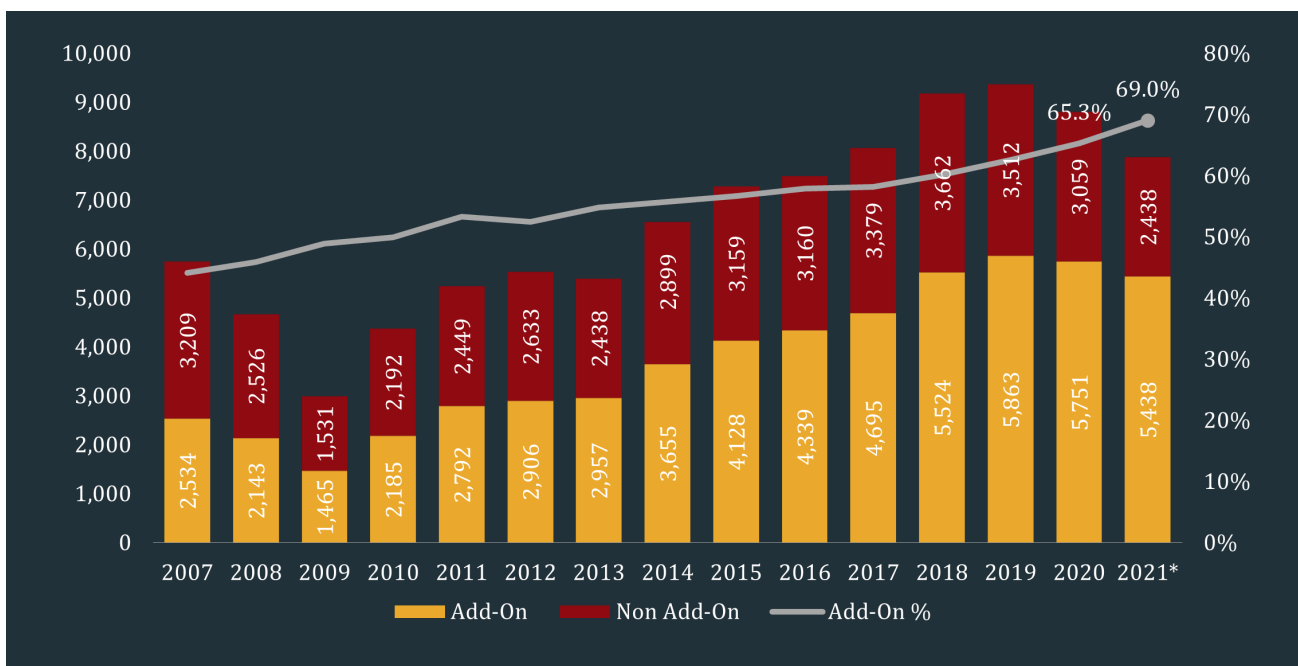
The trend of sponsor-backed transactions gaining share of M&A volume continued in Q3 2021 as private equity firms accounted for 38.2% of transactions through the deployment of record amounts of dry powder. By comparison, PE-backed deals constituted 23.3% of the global M&A count in 2011.



*As of 9/30/2021



The number of add-on deals continued to outpace platform and strategic investments. The proportion of add-ons to overall transactions has increased from 65.3% in 2020 to 69.0% of year-to-date transactions.



*As of 9/30/2021

M&A activity in 2021 is on track to exceed the previous annual record. The robust M&A activity is expected to continue in the coming quarters, driven by ample cash on corporate balance sheets, cheap financing, and record levels of private equity dry powder. However, there are headwinds to keep an eye on, such as labor shortages, supply chain woes, and elevated energy prices as we head towards the end of the year.

Source: Pitchbook

If you would like to discuss M&A market conditions with Colonnade, please contact:



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Sources: SEC filings, regulatory filings, Pitchbook, and company presentations. ©2021 Colonnade Advisors LLC.

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