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Q3 2024

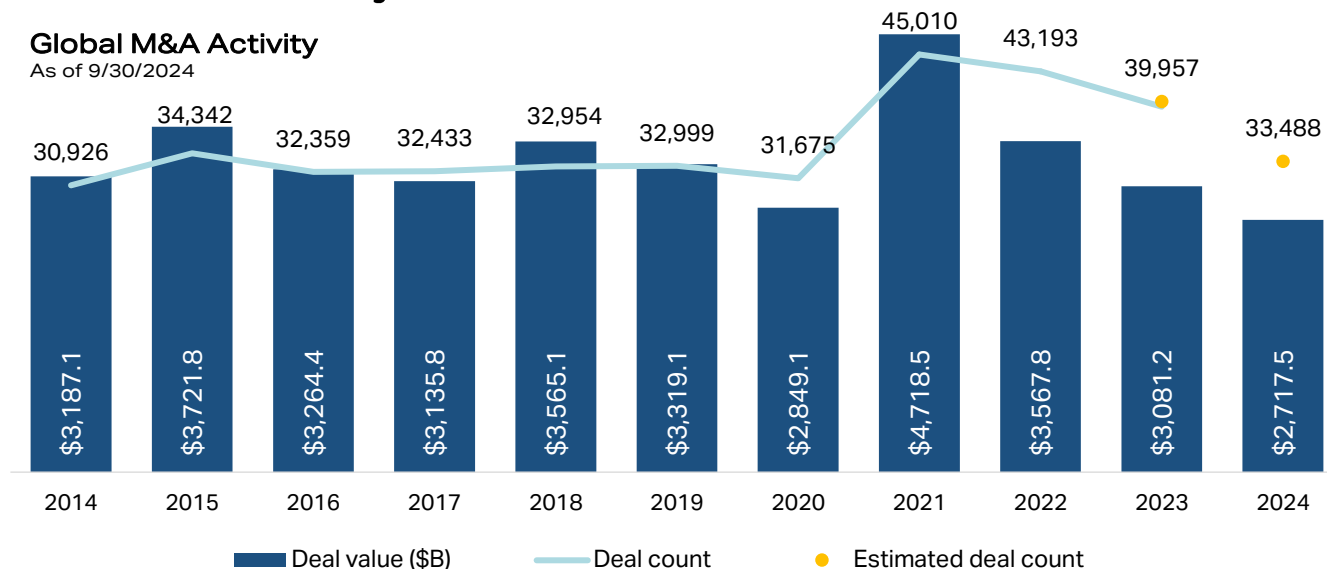
# Current Market Conditions

**TRUE NÔRTH**  
STRATEGIC ADVISORS

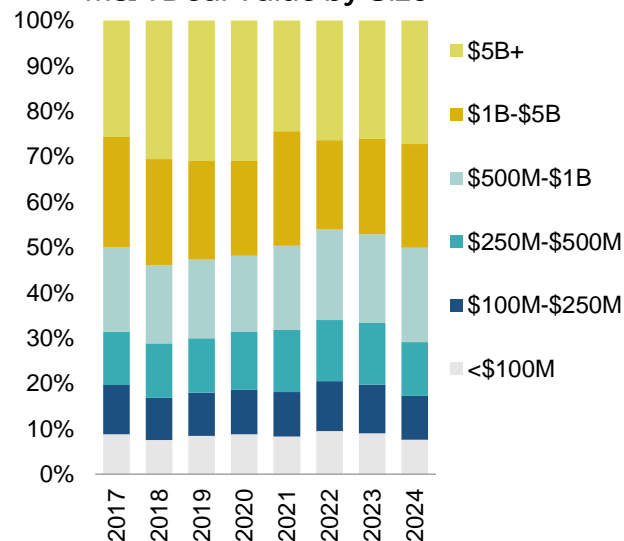
# General M&A Activity

## Global M&A Activity

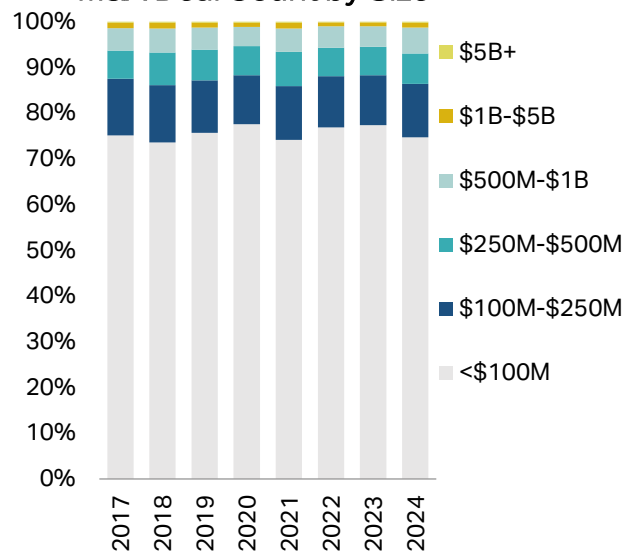
As of 9/30/2024



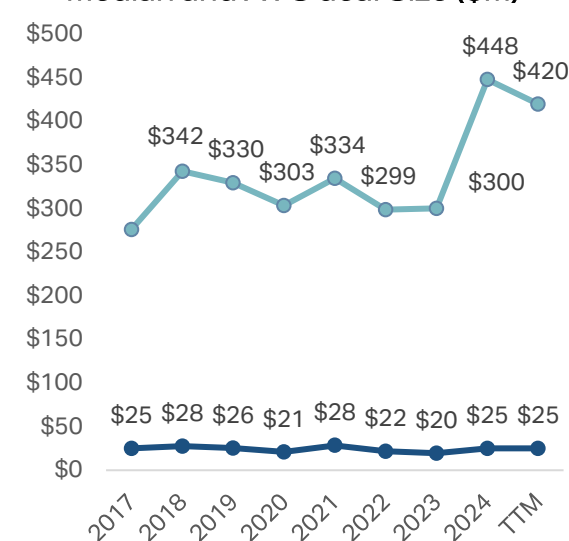
## M&A Deal Value by Size



## M&A Deal Count by Size



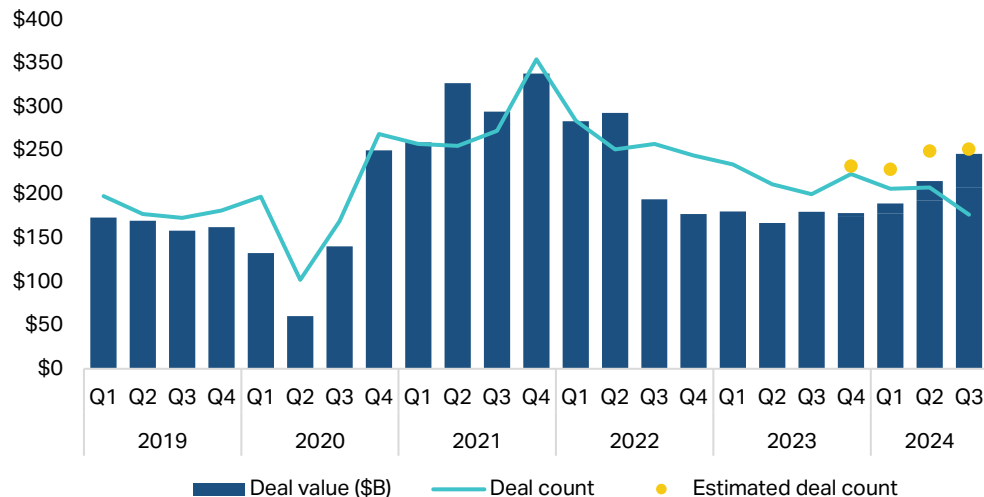
## Median and AVG deal Size (\$M)



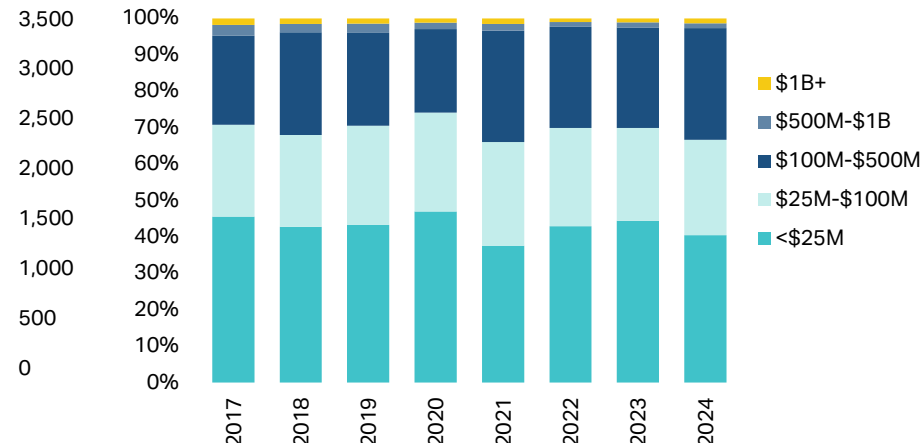
# Private Equity M&A Activity

## Quarterly US PE Activity

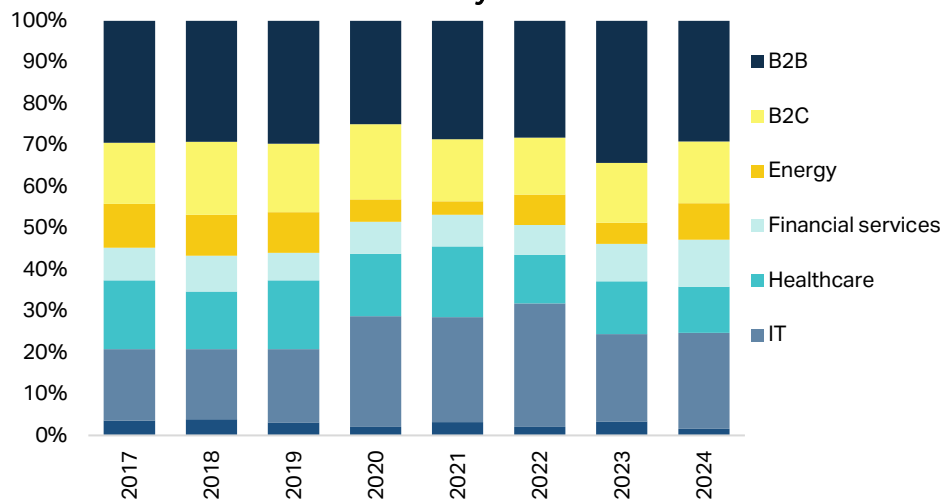
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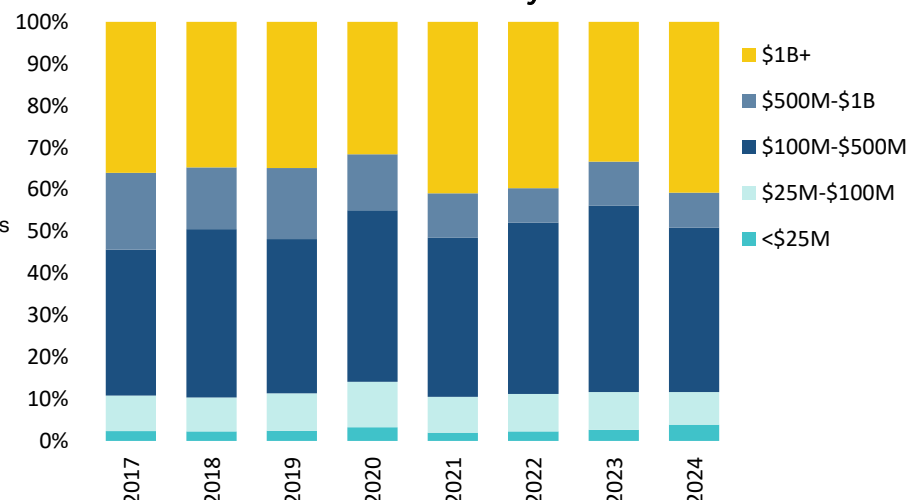
## US PE Deal Count by Size



## US PE Deal Value by Sector



## US PE Deal Value by Size



# Private Equity M&A Activity



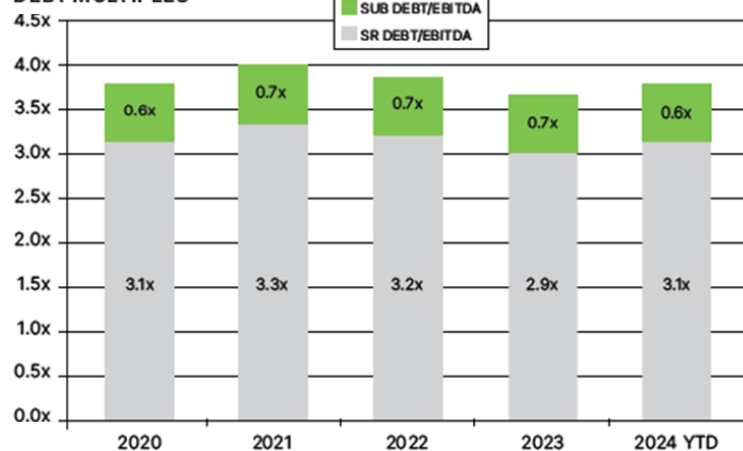
## CHART 1

### TOTAL ENTERPRISE VALUE (TEV)/EBITDA

	2003					YTD		
TEV	-2019	2020	2021	2022	2023	2024	Total	N =
10-25	5.8	5.9	6.1	6.4	6.0	6.4	5.9	2028
25-50	6.5	6.7	7.2	7.0	7.0	6.7	6.7	1567
50-100	7.5	8.0	8.3	8.5	8.0	8.5	7.7	1067
100-250	8.2	8.7	9.3	9.1	9.6	8.2	8.5	600
250 - 500	9.0	10.4	10.9	10.1	10.7	9.5	9.9	89
Total	6.6	7.0	7.6	7.5	7.2	7.1	6.9	

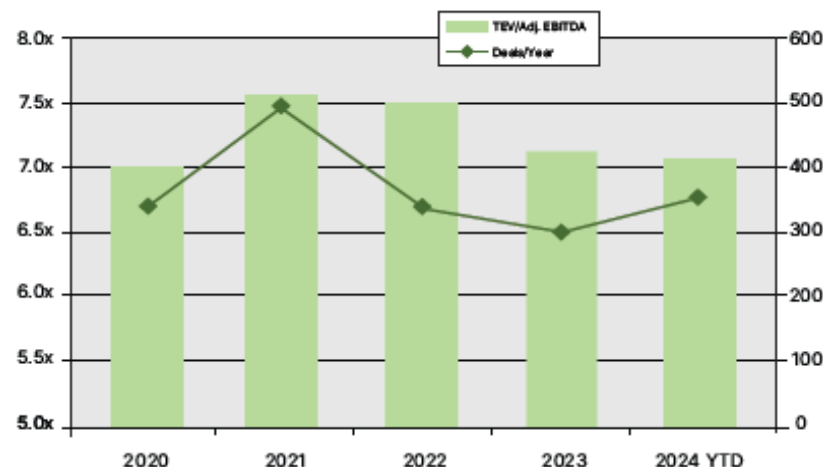
N =	3611	342	501	334	294	269	5351
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### DEBT MULTIPLES



	2023				2024		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
# of deals	89	67	63	75	97	102	70
TEV/EBITDA	6.9x	6.8x	7.3x	7.3x	6.8x	7.4x	7.1x
Total Debt/EBITDA	3.9x	3.7x	3.7x	3.6x	3.6x	3.7x	3.7x
Sr Debt/EBITDA	3.2x	3.0x	2.9x	3.0x	3.0x	3.1x	3.1x

## AVERAGE MULTIPLES AND DEAL VOLUME



The third quarter continued its streak as the quarter of the year with the fewest middle-market, private equity-backed deals completed. After GF Data reported on a rebounding market that saw 102 completed transactions in the second quarter and 97 completed deals in the first quarter, GF Data's contributing private equity firms reported on 70 completed transactions in the third quarter fitting our parameters. While 2024 is still on pace to top 2023's deal tally by 15%, the summer slowdown dealt dealmaking a surprise setback despite improving debt markets and lower interest rates. Year to date, GF Data reported on 269 private equity-backed investments

# Private Equity M&A Activity



## VALUATION DRILLDOWN BY TYPE OF BUYER—2024 YTD

TEV	ALL	PE Group	Family Office*	Mezz/Jr. Capital	SBIC	Buyouts Only	
						Platforms	Add-Ons
10-25	6.4	6.5	6.7	5.3	5.4	5.4	6.9
25-50	6.7	6.6	7.2	6.7	6.6	6.5	6.9
50-100	8.5	8.9	8.8	6.9	6.6	8.9	8.8
100-250	8.2	8.2	8.2	7.6	7.7	8.5	8.0
250-500	9.5	10.0	10.0	7.4	10.6	10.0	NA
Total	7.1	7.2	7.5	6.6	6.4	7.0	7.2
N =	269	194	22	53	59	136	99

## TEV/EBITDA—QUARTERLY SPLITS

TEV	4Q 2022	1Q 2023	2Q 2023	3Q 2024	4Q 2023	1Q 2024	2Q 2024	3Q 2024	N =
10-25	6.1	6.4	5.4	5.9	6.2	6.3	6.5	6.4	255
25-50	6.9	7.2	6.9	6.8	7.1	6.0	7.1	7.0	182
50-100	7.6	7.9	8.0	8.7	7.6	7.9	8.7	8.8	108
100-250	7.5	9.5	8.5	10.0	9.9	8.8	7.9	7.5	79
250-500	11.8	12.2	9.0	14.8	9.6	8.7	10.8	8.7	21
Total	6.9	7.6	6.8	7.3	7.3	6.8	7.4	7.1	
N =	82	89	67	63	75	97	102	70	645

- More financially strong businesses completed deals in the third quarter compared to the prior two quarters. Above Average Financial Performing (AAFP) companies through the third quarter accounted for 40% of completed deals compared to 38% in the first half of the year—yet well below the 47% average recorded through all of 2023 and the historical average of 56%. The average spread in valuations between AAFP companies and non-AAFP companies also improved to 16% compared to just 7% through the first half of the year and moving above the historical average of 15%.
- Average valuations on AAFP companies through the first three quarters remained a half-turn below the average for all of 2023—7.7x compared to 8.2x—while valuations for non-AAFP companies that completed transactions this year were actually up compared to full year 2023—6.6x compared to 6.4x—and above the historical average of 6.3x. The convergence toward the center for the two cohorts is likely due to increased add-on activity, where business fit counts as much as financial performance.
- Add-on investments continued to play an outsized role in deal activity through the first three quarters, accounting for more than 42% of submitted transactions, compared to 35% for all of 2023. While the tally for add-on investments remains high—and reflects a market where private equity firms continued to focus on improving portfolio companies versus launching new platform investments—it does mark a decline from the first half of 2024 when add-ons accounted for 44% of deal volume.

## QUALITY PREMIUM—BUYOUTS ONLY (TEV \$10-500M)

	2003-2019	2020	2021	2022	2023	YTD 2024	Total
Above Average Financials	6.8	7.7	8.2	7.9	8.2	7.7	7.2
Other Buyouts	6.2	6.2	6.4	6.5	6.4	6.6	6.3
Premium/(Discount)	110%	124%	127%	122%	128%	116%	115%
Incidence	55%	55%	63%	66%	47%	40%	56%

# Private Equity M&A Activity



## TEV/EBITDA—BY INDUSTRY (\$10-250M TEV)

INDUSTRY	2003 -2019	2020	2021	2022	2023	YTD 2024	Total	N =
Manufacturing	6.2	6.7	7.1	7.3	6.5	6.8	6.4	2103
Business services	6.7	7.1	7.3	7.4	7.3	7.1	6.9	1219
Health care services	7.4	7.6	8.1	8.4	8.9	8.9	7.6	463
Retail	7.0	6.5	8.3	8.0	6.0	6.1	7.0	145
Distribution	6.6	7.5	7.2	7.2	7.1	7.1	6.8	571
Media & Telecom	7.6	8.3	7.0	9.1	7.8	7.3	7.6	81
Technology	8.5	7.6	10.3	8.1	10.2	8.2	8.6	182
Other	6.3	6.2	7.3	6.7	6.9	7.0	6.4	498
N=								5262

## TEV/EBITDA—MANUFACTURING (\$10-250M TEV)

TEV	2003 -2019	2020	2021	2022	2023	YTD 2024	Total	N =
10-25	5.6	5.9	6.0	6.2	5.4	5.8	5.7	814
25-50	6.1	6.6	6.8	7.2	6.5	6.3	6.3	634
50-100	6.9	7.7	8.0	8.3	7.0	9.2	7.3	446
100-250	7.7	7.4	8.5	9.0	8.6	7.6	7.9	209
Total	6.2	6.7	7.1	7.3	6.5	6.8	6.4	
N =	1489	125	185	113	99	92		2103

- Four major business categories—Manufacturing, Business Services, Health Care Services and Distribution—comprise about 80 percent of the GF Data deal volume.
- Contributors place Manufacturing deals in one of three sub-categories. The overall multiples in that category breakdown as follows. (Note, these multiples cover Manufacturing deals between \$10 million and \$500 million TEV):

	2022	2023	YTD 2024
Manuf. Branded Consumer	7.6	7.3	7.1
Manuf. Bus to Business	7.3	6.2	6.5
Manuf. Unbranded Consumer	7.3	8.0	8.6
Manufacturing	7.4	6.7	6.9

- While valuations on Manufacturing deals improved in the first three quarters of the year overall, the increase was driven by deals valued between \$10 million and \$25 million and those valued between \$50 million and \$100 million, while other size tiers recorded declines in average valuations.

## TEV/EBITDA—BUSINESS SERVICES (\$10-250M TEV)

TEV	2003 -2019	2020	2021	2022	2023	YTD 2024	Total	N =
10-25	5.6	5.8	6.0	6.6	6.1	6.5	5.9	496
25-50	6.7	7.0	7.2	6.9	7.2	7.1	6.8	349
50-100	7.9	7.6	8.5	8.6	8.2	8.1	8.1	233
100-250	8.5	10.0	9.1	9.8	11.2	8.8	9.0	141
Total	6.7	7.1	7.3	7.4	7.3	7.1	6.9	
N =	719	92	130	106	82	90		1219

## Summary



True North Strategic Advisors, LLC ("TN") is a premier merger and acquisition advisory firm, headquartered in northern Indiana



Founded in August 2002 by Managing Principal, Chris Goeglein



Prior to forming TN, the principals brought over 100 years of combined transaction experience, including approximately \$8 billion of M&A deal volume



Since inception, TN has served over 300 clients with completed transaction enterprise value totaling more than \$1 billion



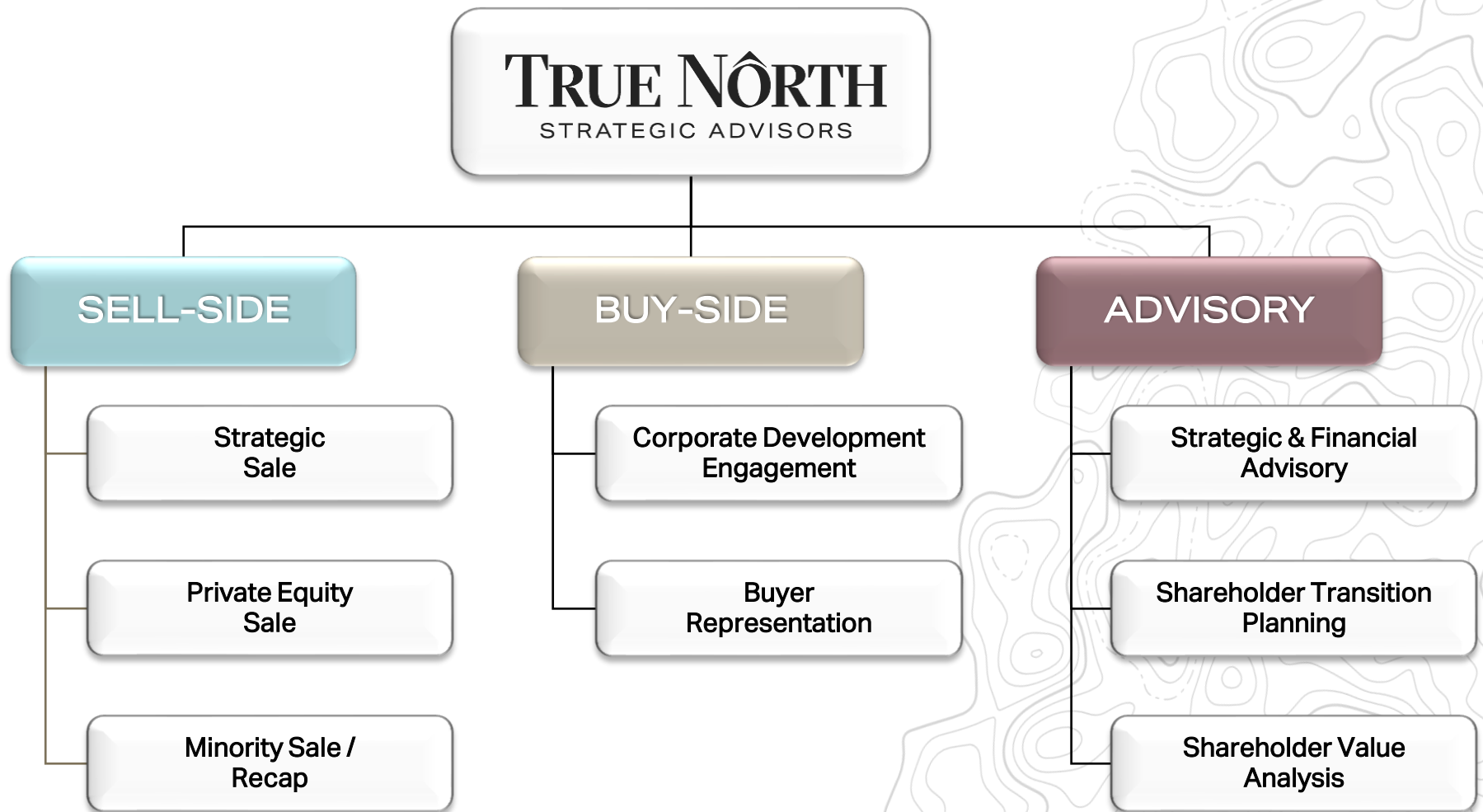
Our team is one of the largest advisory groups in Indiana and has extensive experience in strategy formation, turnaround management, corporate financial analysis, and corporate governance



TN maintains a vast network of regional and national contacts with private equity, venture capital, and investment banking firms



# Practice Areas





# True North Team



Chris Goeglein, MBA  
Managing Principal  
& Founder



Ken Sipe, FSA, MAAA  
Principal



Scott Metzger, MBA  
Principal



Josh Sipe, CFA, MBA  
Principal



Dennis Schoff, JD  
General Counsel



Luke Hunter, CPA  
Vice President



Kayla Luithly, MBA  
Associate



Jack Wert  
Senior Analyst



Amy Kramer  
Analyst



Sally Stitzer  
Contractor