

A wide-angle photograph of the Chicago skyline at dusk. The Chicago River flows through the foreground, reflecting the city lights. On the left, a historic building with a prominent clock tower stands next to modern glass skyscrapers. The sky is a deep blue, and the city lights are beginning to glow.

Seale & Associates

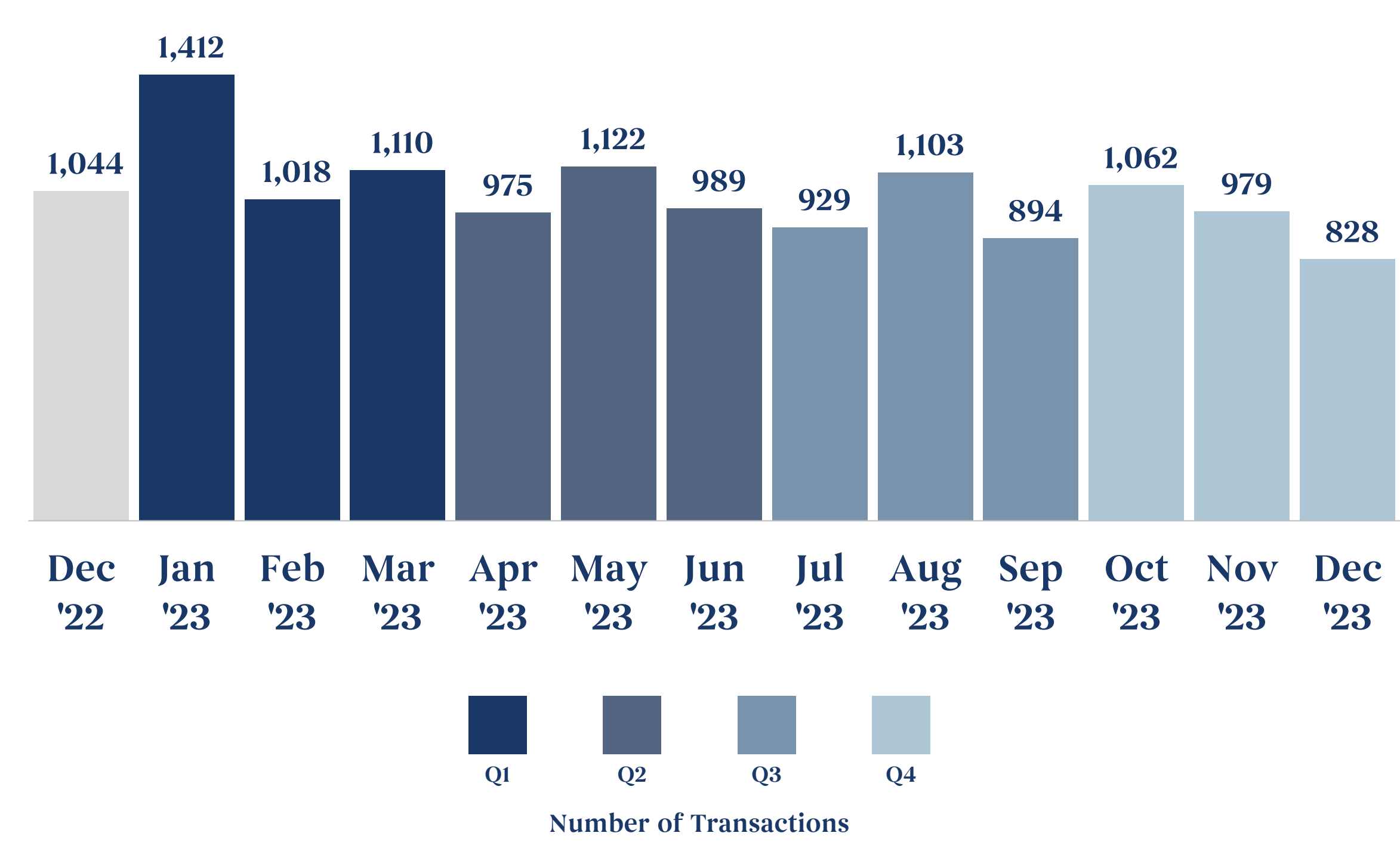
MERGERS & ACQUISITIONS
U.S.

DECEMBER 2023

Summary of Mergers & Acquisitions in the U.S.

During December 2023, **828 transactions** were announced in the U.S., **20.7% less** than in December 2022.

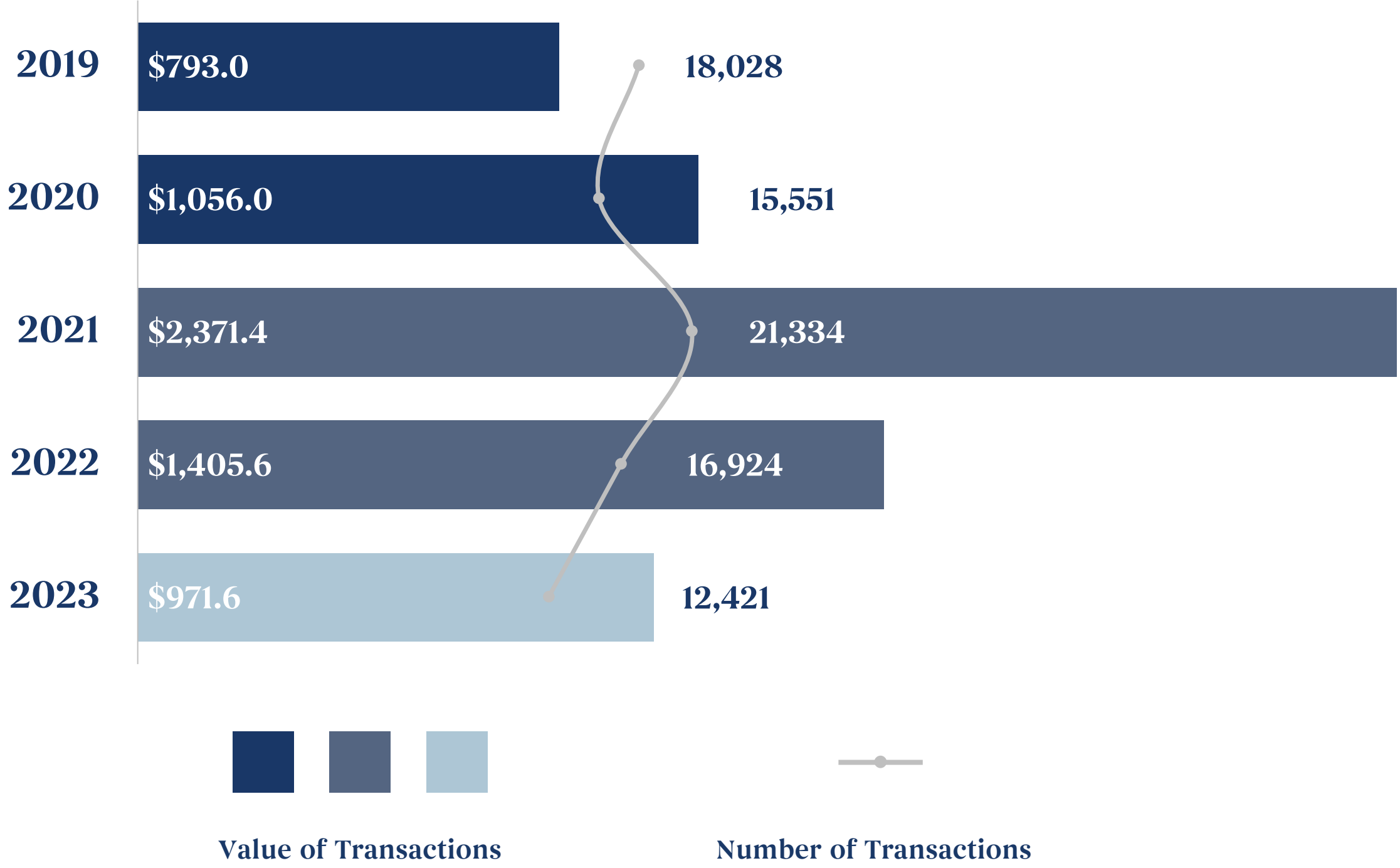
Disclosed Deal Volume in the U.S.
Number of Transactions per Month



Disclaimer: Some of the included transactions might still be subject to customary closing conditions and regulatory approvals.

Source: Capital IQ

Disclosed Deal Volume and Value of Acquisitions in the U.S.
Annual Transactions (US\$ Billion)

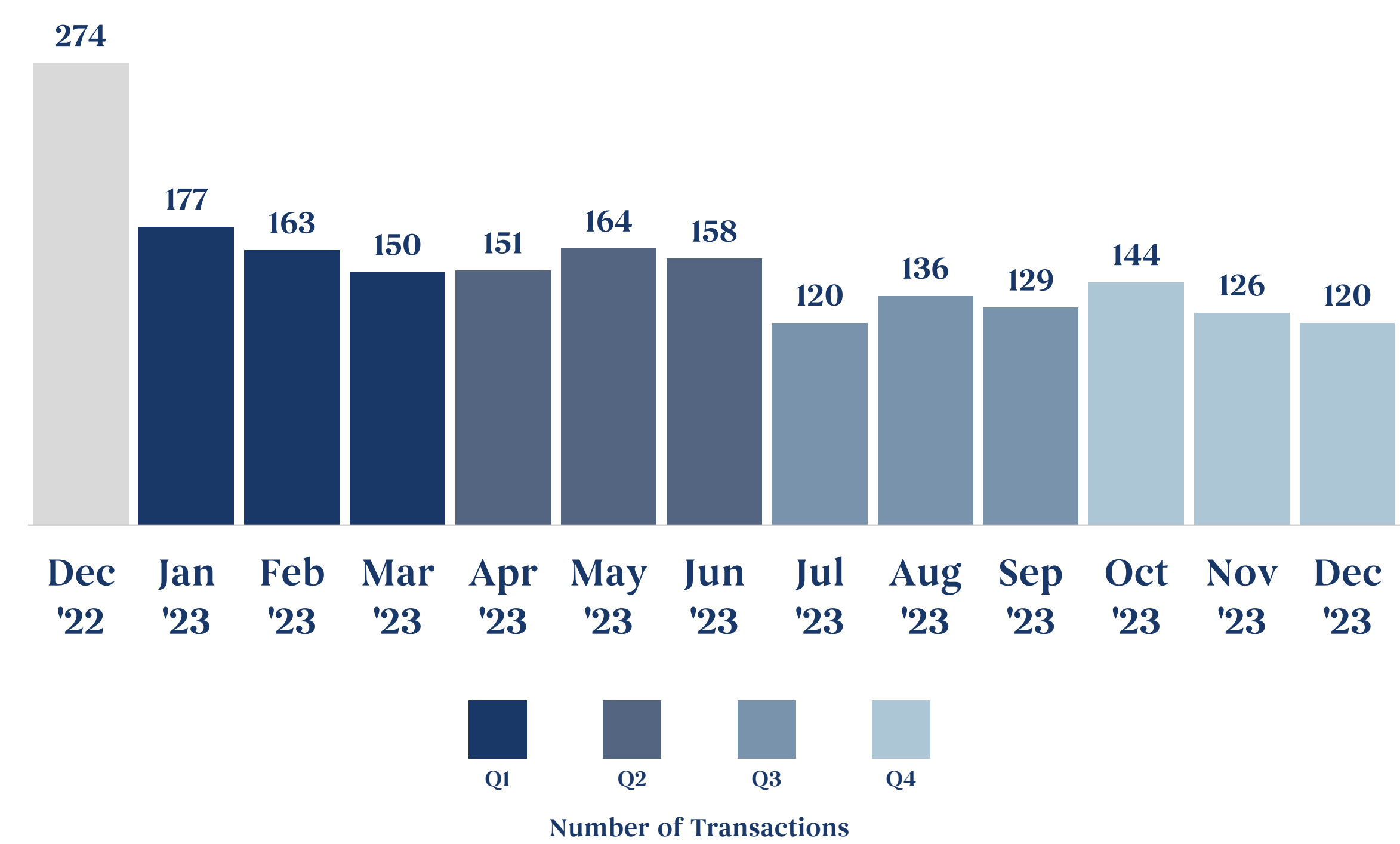


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Summary of Acquisitions Abroad by U.S.-based Companies

During December 2023, **120 acquisitions** were announced by U.S.-based companies abroad, **56.2% less** than in December 2022.

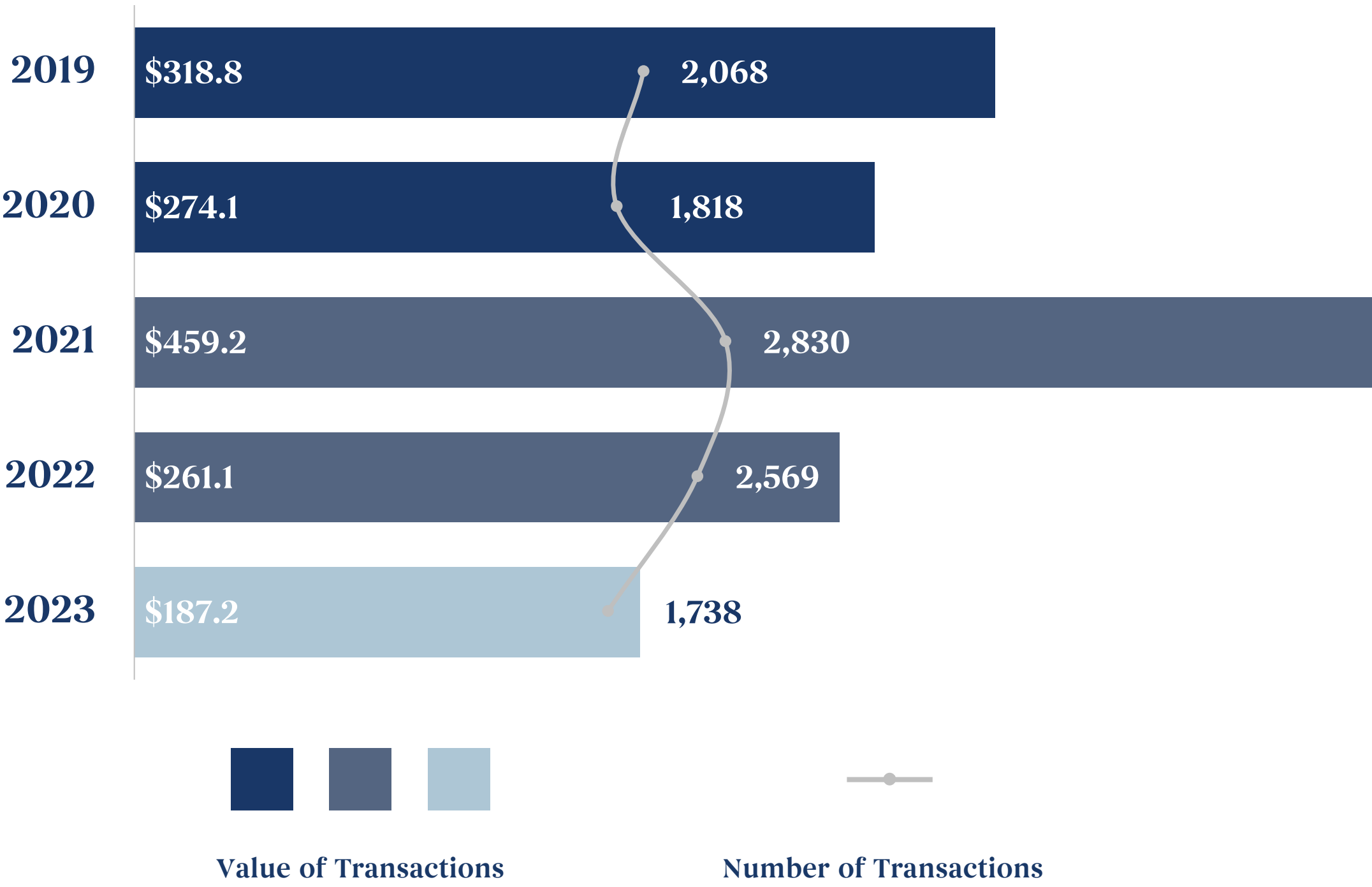
Disclosed Deal Volume by U.S.-based Companies Abroad
Number of Transactions per Month



Disclaimer: Some of the included transactions might still be subject to customary closing conditions and regulatory approvals.

Source: Capital IQ

Disclosed Deal Volume and Value of Acquisitions by U.S.-based Companies Abroad
Annual Transactions (US\$ Billion)

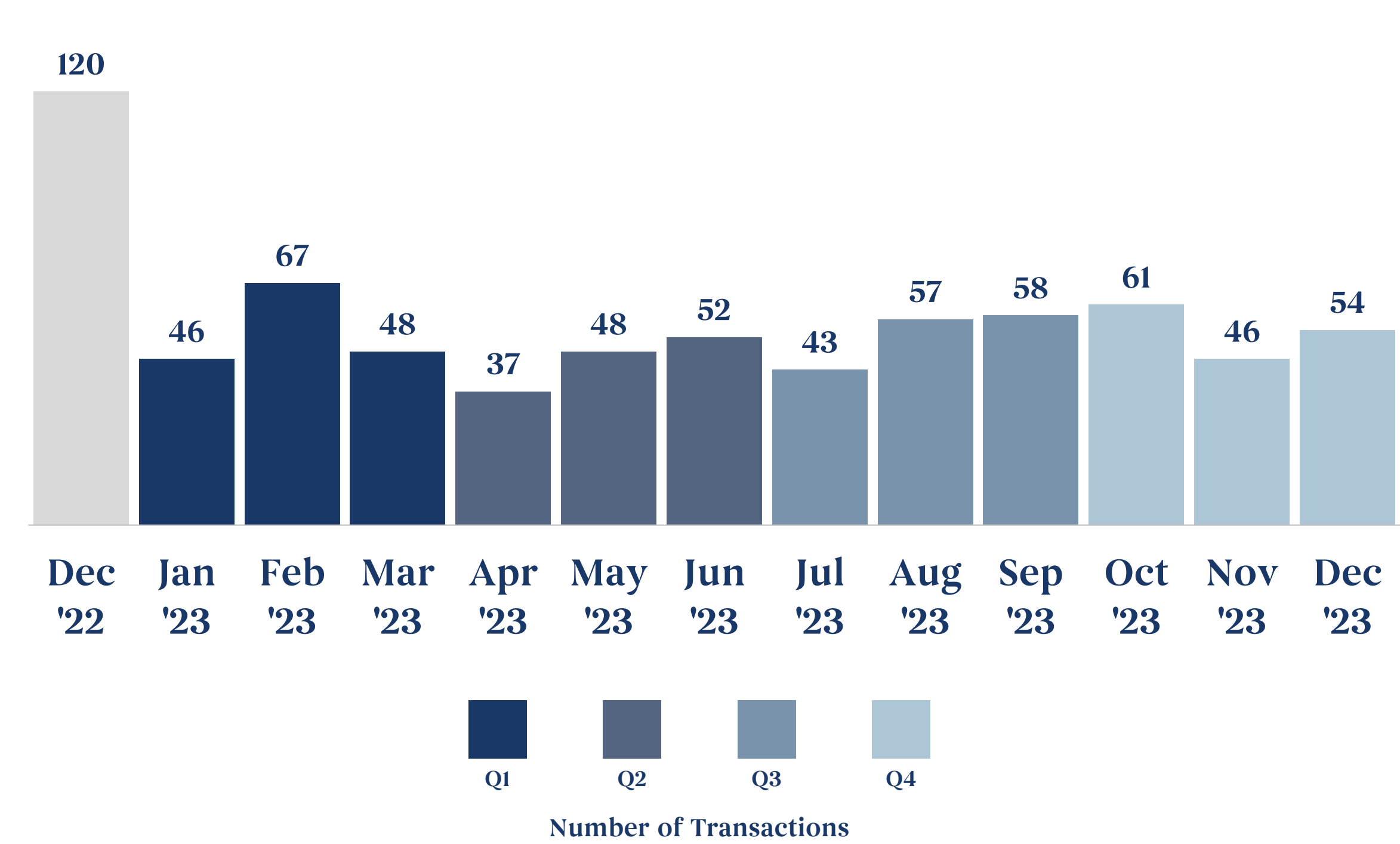


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Summary of Divestitures Abroad by U.S.-based Companies

During December 2023, **54 divestitures** were announced by U.S.-based companies abroad, **55.0% less** than in December 2022.

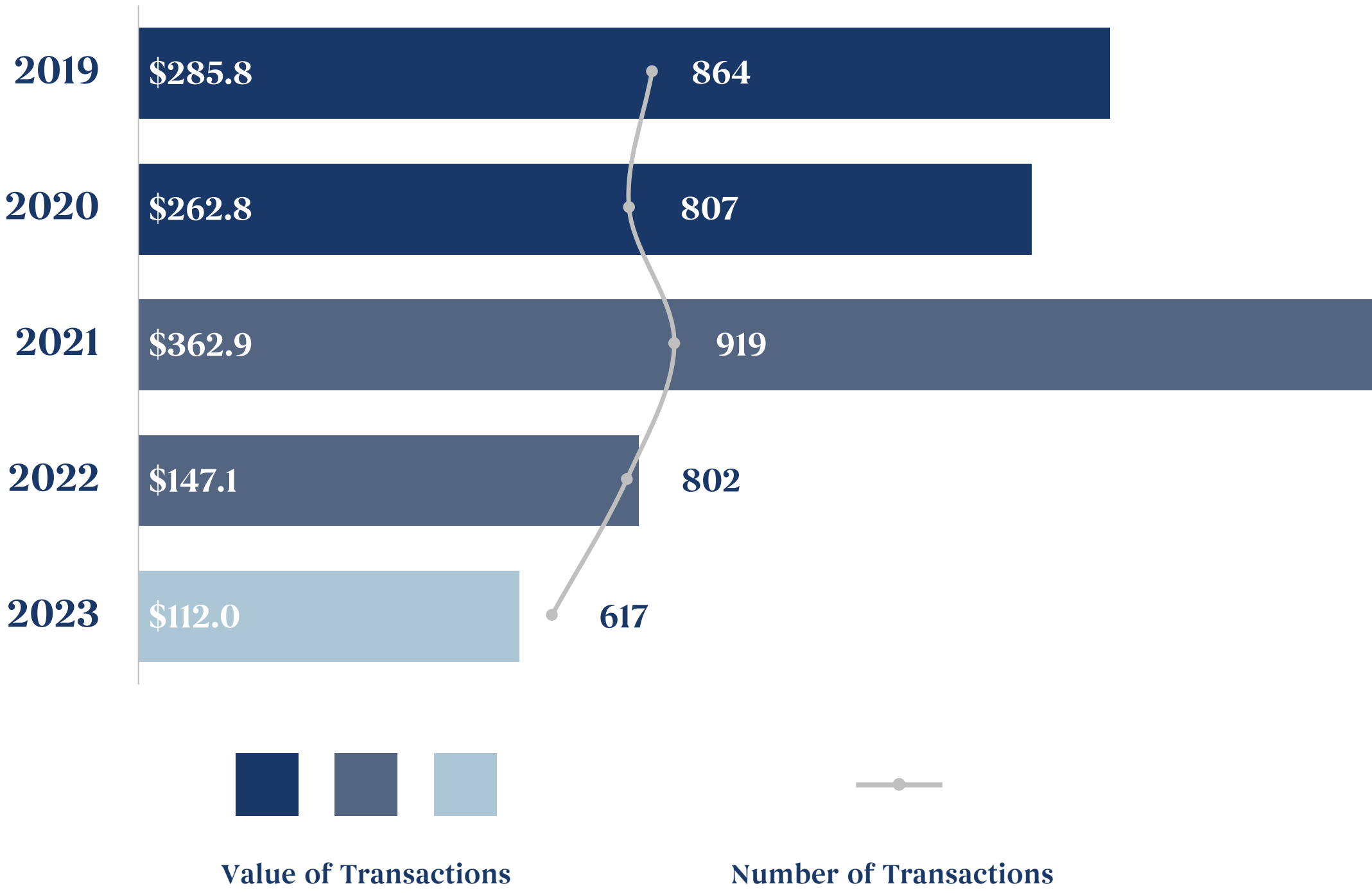
Disclosed Deal Volume of Divestitures by U.S.-based Companies Abroad
Number of Transactions per Month



Disclaimer: Some of the included transactions might still be subject to customary closing conditions and regulatory approvals.

Source: Capital IQ

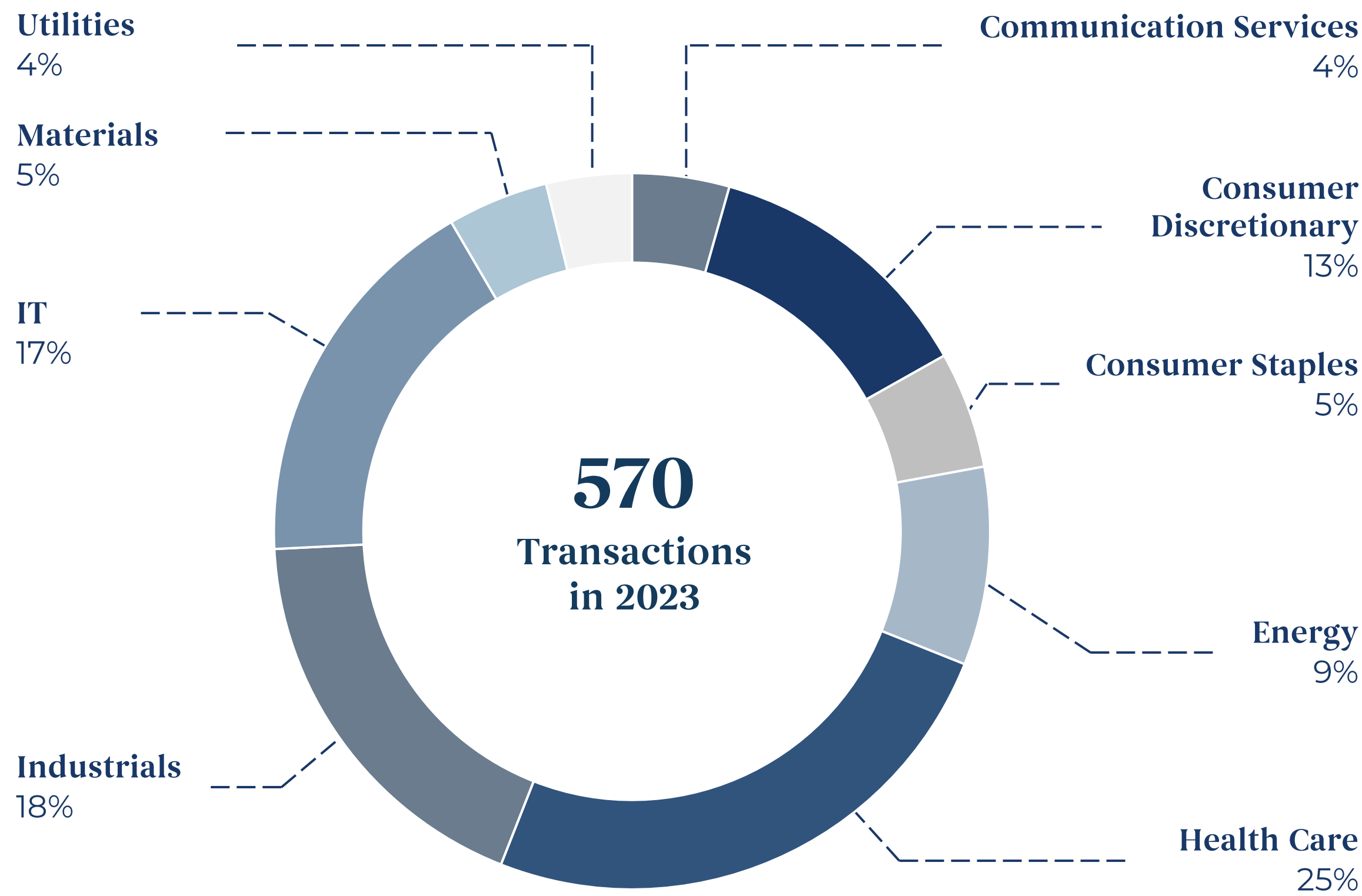
Disclosed Deal Volume and Value of Divestitures by U.S.-based Companies Abroad
Annual Transactions (US\$ Billion)



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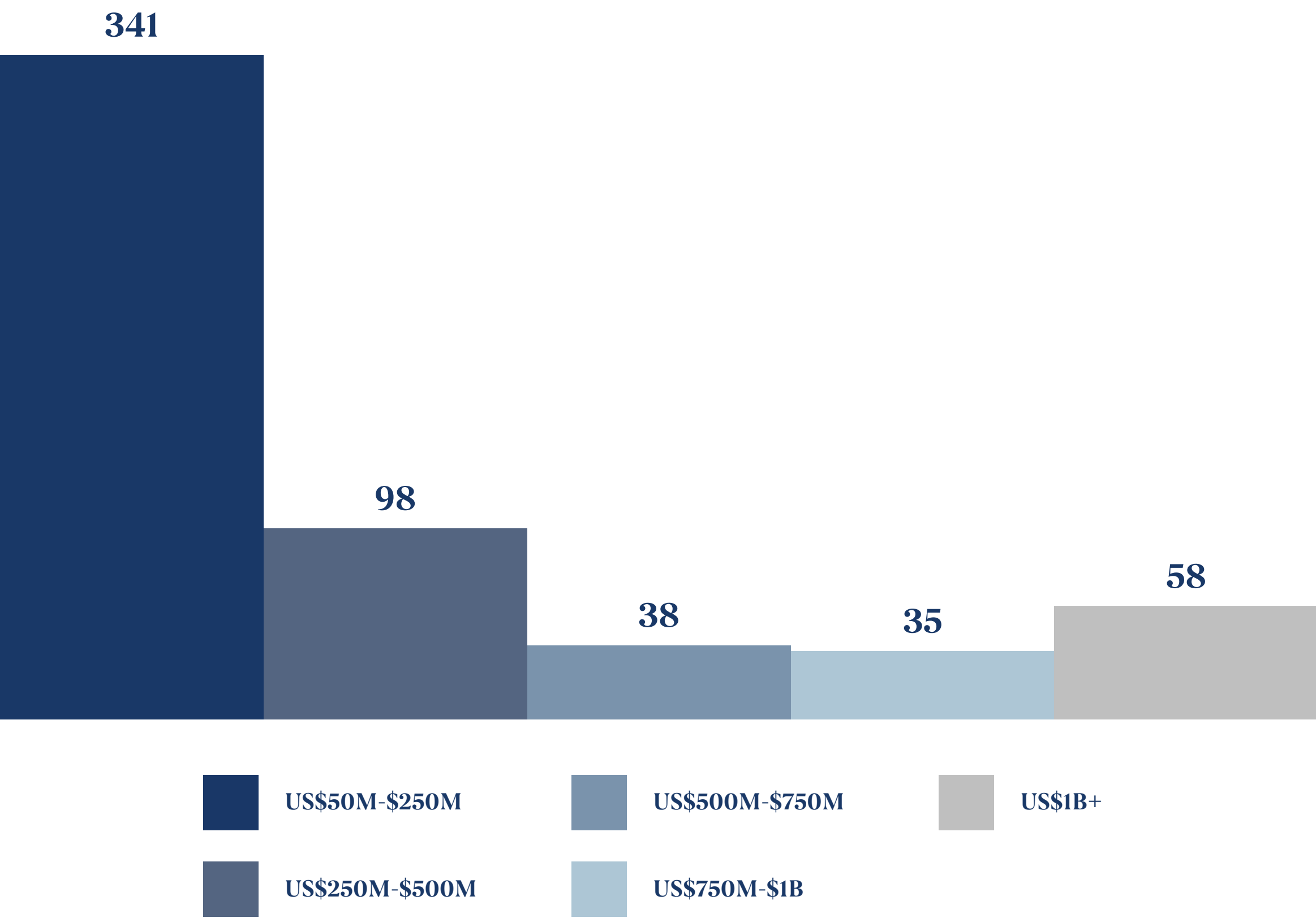
Summary of US\$50M-US\$2B Deals by Sector

U.S. Transactions by Sector
Percentage of Transactions in 2023 ¹



¹This page only considers transactions with disclosed enterprise values larger than US\$50M and where the acquired equity stake was larger than 51%. Also, it excludes financials and real estate. Please contact us for more information on a particular sector.
Disclaimer: Some of the included transactions might still be subject to customary closing conditions and regulatory approvals.
Source: Capital IQ

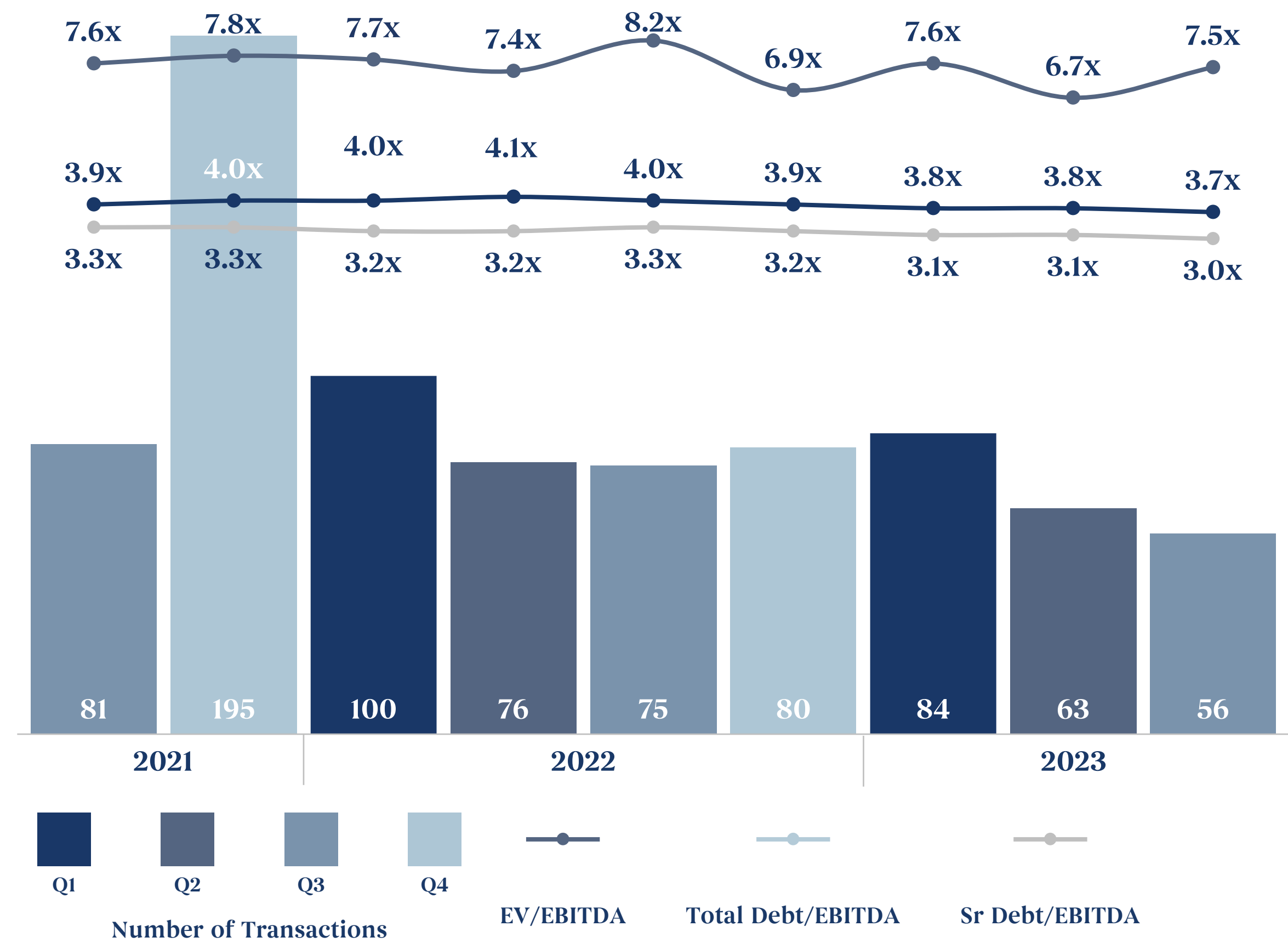
Disclosed Deal Volume and Value of U.S. Transactions
Number of Transactions in 2023 by Enterprise Value



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Private Equity: Key Insights on M&A Deal Activity - As of Q3 2023

Private Equity Activity
Quarterly Number of Transactions



Source: GF Data

Mid-Market M&A: Q3 2023 Sees Deal Volume Decline, Valuations Climb for High Performers

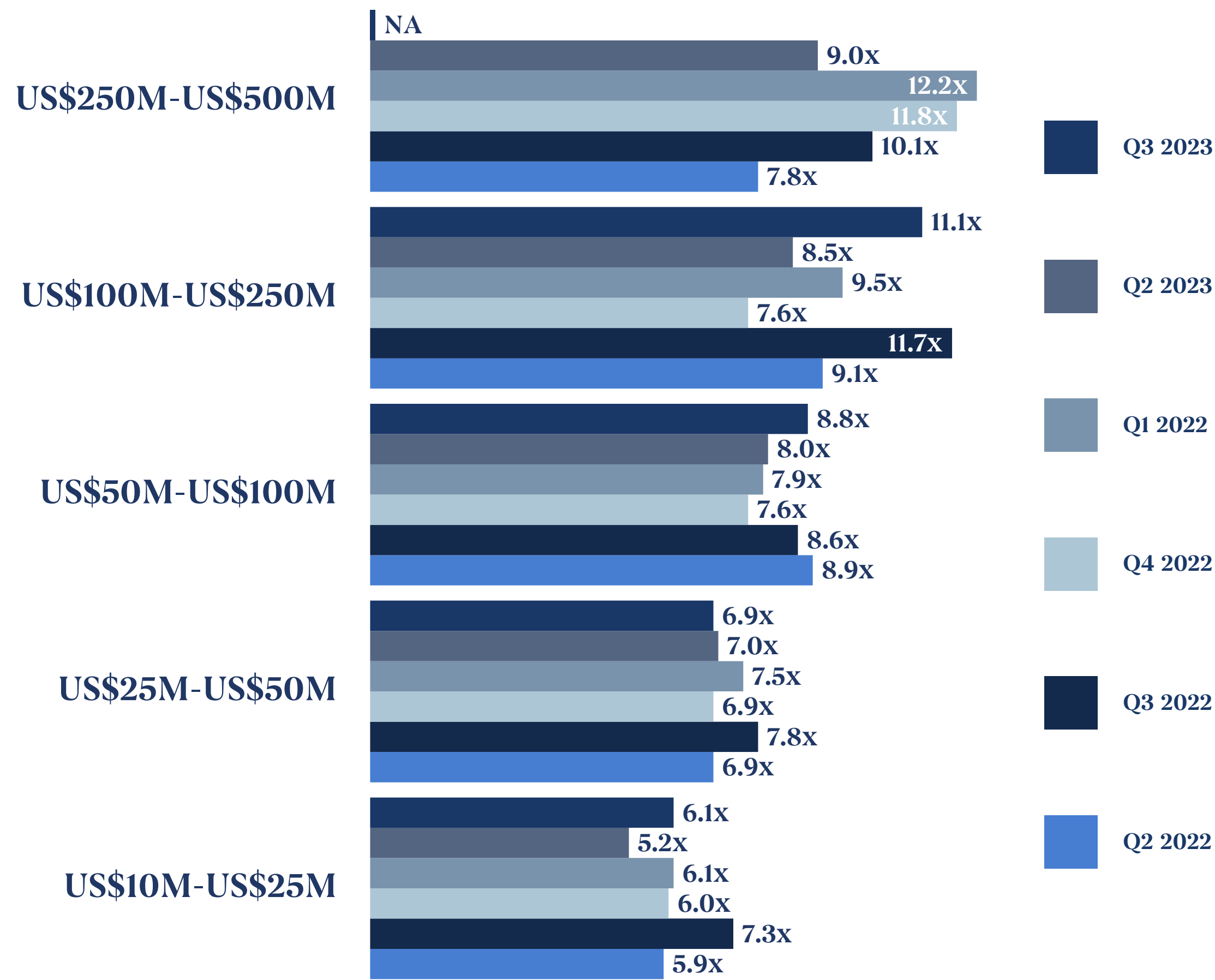
- The **third quarter** of **2023** showed a **decline** in mid-market **private-equity-backed M&A** with only **56 transactions** in the third quarter. The **total volume for 2023** is projected to be **18% lower** than last year and 46% lower than 2021.
- The **valuations** on completed deals in the **third quarter climbed** to 7.5x EV/EBITDA, **increasing 0.8x from** the **second quarter**. This is in line with the valuations seen in the first quarter and the overall average of 2022.
- Despite the slower transaction pace and high cost of capital in the market, companies with **above-average financial performance*** continued to **attract higher** buyout purchase **prices**, averaging **8.1x** EV/EBITDA in the quarter – representing a **127% premium** over other buyouts – demonstrating that private equity can operate in a high-interest rate environment.
- **Interest rates remained high**, with **senior debt averaging 10.5%** in the third quarter. As a result, **use of senior debt declined** in the last nine months to an average contribution of 38.3%, while use of **subordinated debt increased** slightly to 9.3% from 8.8% in 2022.

*GF Data defines better financial performers as businesses with TTM EBITDA margins and revenue growth rates both above 10%, or one above 12% and the other metric at least 8%. Outliers on the high side are also excluded.

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Private Equity: Key Insights on M&A Deal Valuation Trends - As of Q3 2023

Disclosed Valuation Multiples of Private Equity Transactions
EV/EBITDA Multiples by Enterprise Value Range



Shifting Dynamics of M&A and Valuations

- **Average purchase price** was **up** in the third quarter across **all size tiers** except the **\$25 million to \$50 million tier**, which was off by just 0.1x EV/EBITDA. Transactions larger than \$50 million all recorded gains in average purchase price between 1 and 2.5x EV/EBITDA.
- Deal volume in **Manufacturing, Distribution, and Health Care Services** is **up year to date**; **only** the **Business Services** space recorded a **drop**
- **Add-on investments** have **accounted for 48% of deals** this year, well **above historical averages**, as **PE firms focus more on existing portfolio companies versus acquiring new platforms**. Purchase prices on add-ons remain about a turn lower than on platforms.
- The **size premium** for **more significant deals** (TEV \$100-500M) versus smaller ones (\$10-100M) **stands at 3.2x**, much higher than the **typical spread of 2-2.5x**. This suggests greater competition and prices for larger assets.
- Purchase **prices rose** more dramatically for **sponsor-backed platform deals than family office-sponsored ones**, especially in deals larger than \$50 million of TEV. This likely reflects the deeper pools of capital that PE firms can leverage.

Source: GF Data

Representative Transactions During December 2023

Target			Buyer		Seller	Financial Information			
Name	Description	Sector	Name	Country	Name	Size (US\$M)	% Acquired	EV/ EBITDA	EV/ Revenue
 HAWAIIAN AIRLINES	Provides air transportation of passengers and cargo	Industrials	 ALASKA AIRLINES	USA	-	\$1,900.0	100.0%	10.3x	0.7x
 DASEKE®	Provides transportation and logistics solutions across North America through flatbed and specialized services	Industrials	 TFI International	CAN	-	\$1,152.6	100.0%	5.3x	0.7x
 ICOSAVAX	Develops vaccines against infectious diseases through virus-like particle (VLP) platform technology	Health Care	 AstraZeneca	GBR	-	\$1,141.4	100.0%	-	-
 EAGLE BULK	Owns and operates ships for the global transportation of drybulk commodities	Industrials	 STAR BULK	GRC	-	\$1,109.8	100.0%	9.7x	2.2x
 stratasys	Provides connected polymer-based 3D printing solutions	Industrials	 NANODIMENSION	ISR	-	\$1,051.6	88.0%	NM	1.6x
 La COLOMBE COFFEE	Roasts and retails a premium range of specialty coffees	Consumer Staples	 Chobani®	USA	 Keurig Dr Pepper	\$900.0	100.0%	-	-
 COMPRESSCO LP	Provides compression services and equipment for oil and natural gas production, gathering, transportation, processing, and storage	Energy	 KODIAK GAS SERVICES, LLC	USA	-	\$885.7	100.0%	6.8x	2.3x
 STANLEY Infrastructure	Manufactures handheld hydraulic tools	Industrials	 Epiroc	SWE	 StanleyBlack&Decker	\$760.0	100.0%	-	1.4x
 AMERICAN PACIFIC™	Manufactures critical performance additives used in solid rocket motors for space launch and military defense applications	Materials	 NewMarket™	USA	-	\$700.0	100.0%	-	-
Ethylene Oxide & Derivatives Business and Production Facility	Produces high-quality ethylene oxide and various derivatives	Materials	 INEOS Oxide	GBR	 LYB LyondellBasell	\$700.0	100.0%	-	-

Source: Capital IQ, MergerMarket, Dealogic
NM: Not Mesurable

Selected Transactions Commentary



“This combination is an exciting next step in our collective journey to provide a better travel experience for our guests and expand options for West Coast and Hawai’i travelers.”

Ben Minicucci, CEO of Alaska Airlines



“We view AMPAC as a strategic, national asset with a mission-critical role in global safety, security, and space programs, and we believe NewMarket is the right long-term owner for this essential business. We look forward to welcoming the entire AMPAC team into the NewMarket family.”

Thomas E. Gottwald, Chairman and CEO of NewMarket



“We are pleased to announce this strategic acquisition. INEOS is a leading producer in Europe and this significant step expands its Ethylene Oxide & Derivatives business into the US, which is the world’s largest market. It also complements our existing Ethanolamines production facility in Plaquemine, Louisiana.”

Tobias Hannemann, CEO of INEOS Oxide



“We are pleased to announce the proposed acquisition of Icosavax by AstraZeneca as we believe it offers the opportunity to accelerate, and expand access to, our potential first-in-class combination vaccine for older adults at risk of RSV and hMPV.”

Adam Simpson, CEO of Icosavax

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25

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TRANSACTIONS
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We have worked repeatedly with many of the most well-known companies in the world...

...as well as with reputable funds, family-offices and privately held companies.



Representative Global Engagements

 has acquired 	 has acquired 	 has sold to All Metals Processing of Orange County	 has sold Triumph Air Repair & Triumph Engines businesses to THE GORES GROUP	 has acquired unified brands from 	 has partnered with ROVENSA — WELL-BALANCED AGRICULTURE — a company backed by 	 has acquired 	 has sold the North American guarding business of to GARDA	 has sold to 	 has sold to 	 a subsidiary of has sold HTPG <small>A Division of Carrier Commercial Refrigeration, Inc.</small> to
 has sold to Daives Baird Pty Ltd <small>a sister company of</small> 	 has acquired Wabi <small>Wabi Development Corporation</small>	 has sold JAMES BURN INTERNATIONAL to Code Flower Inc.	 has sold its GRACE Membranes Business Uop <small>a subsidiary of</small> Honeywell	 has sold and Cleveland Motion Controls to 	 <small>MOVING THE CIRCULAR ECONOMY FORWARD</small> has sold a controlling interest to 	 <small>STEVEDORES - TERMINAL OPERATORS</small> has been acquired by 	 has sold to 	 has sold their Sanitaryware Manufacturing Plant to corona	 has acquired Multiple snack companies 	 has sold <small>SAFETY • INTEGRITY • EXPERIENCE</small> to
 has sold to 	 <small>WE DELIVER HEALTH</small> has been acquired by 	 has sold Oxbow Sulphur, Inc. to 	 has been acquired by 	 has sold to KPAC Holdings, Inc. <small>A private investment group</small>	 <small>Engineers & Constructors</small> has acquired 	 has acquired 	 has acquired 	 has sold its SYCAR Resins business to <small>A member of the ICI Group</small>	 has sold NEGRI BOSSI™ to Private Equity Partners	 has been acquired by
 has sold to 	 has acquired KFC Costa Rica from 	 has been acquired by 	 has sold to 	 has sold the Films Business of to 	 has been acquired by 	 has sold to 	 Oxbow's Senior Subordinated debt issued by was refinanced by 	 has sold to 	 <small>A Garware Holdings Company</small> has acquired Fulflex™ <small>YOUR ELASTICS EXPERT</small> from THE MOORE COMPANY	 sold its concrete pumping business to

Washington, D.C. | Miami | Cincinnati | Mexico City | Monterrey

Our Leadership

Founders

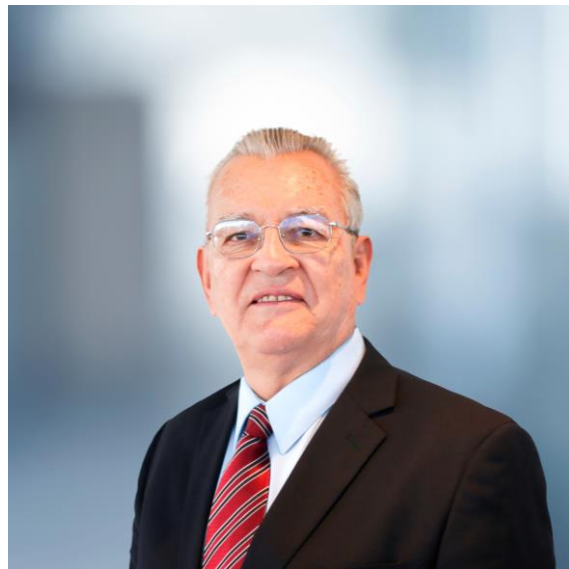


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University of Kentucky - BS in Accounting

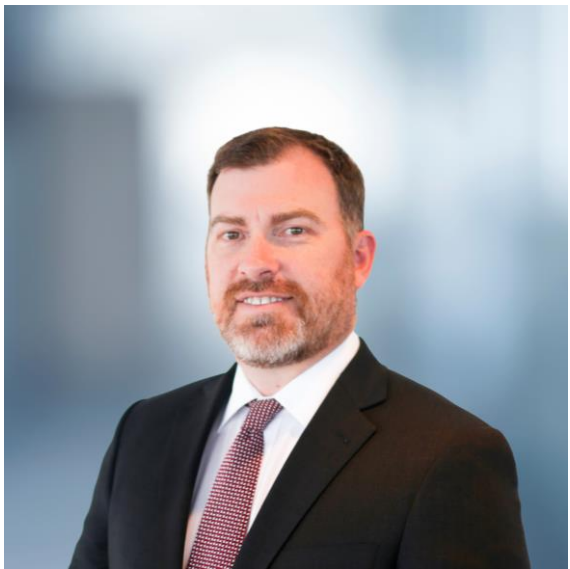


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