



CALABASAS CAPITAL

3rd Quarter 2021 Private Equity M&A Update

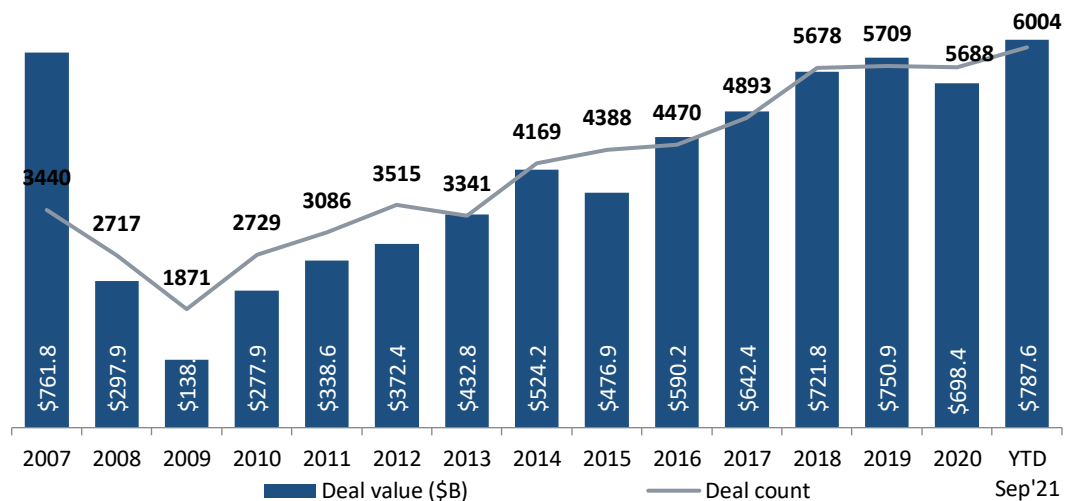
About Us

Calabasas Capital is a boutique investment banking firm focused on serving lower middle-market privately held companies, including many family-held businesses, and their owners. We specialize in sell-side and buy-side mergers, sales and acquisitions and we raise private equity and debt capital.

Private Equity M&A Momentum Continues

According to PitchBook Data, U.S. private equity M&A deal activity continued its record-setting pace in Q3 2021. Deal count and value totals for the first nine months of 2021 (6,004 deals closed for \$787.6 billion) were already above the highest-ever full-year numbers. Key drivers continue to be the economic recovery, availability of low-cost financing, significant buy side dry powder and the likelihood of a capital gains tax hike.

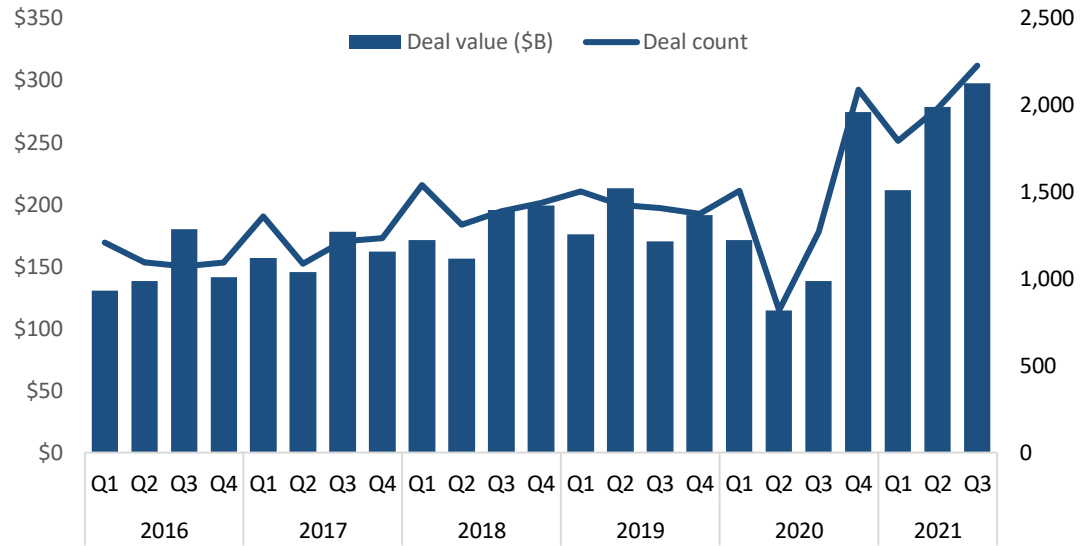
U.S. Private Equity M&A Activity (\$Bns)*



*Source: PitchBook Data 3rd Quarter 2021 U.S. Private Equity Report.

On a quarterly basis, 3Q 2021 deal activity (2,227 deals closed for \$297.5 billion) also set a record and followed a very strong 2Q 2021 which set the previous record.

U.S. Private Equity M&A Quarterly Activity (\$Bns)*

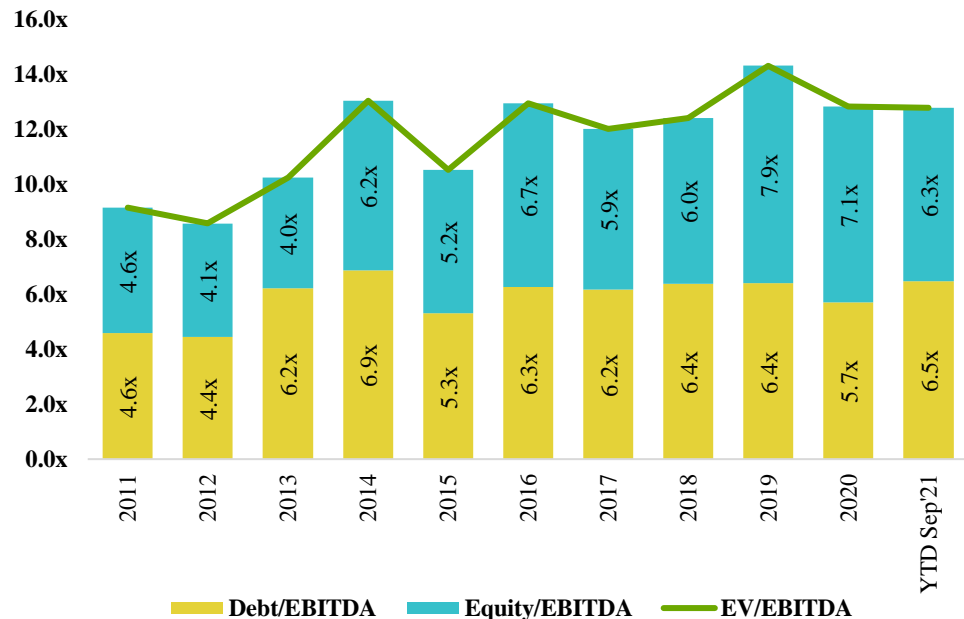


*Source: PitchBook Data 3rd Quarter 2021 U.S. Private Equity Report.

Valuation Multiples Remain Steady

According to PitchBook Data, middle market PE valuation multiples (covering deals from \$10MM to \$1Bn) have remained steady so far in 2021 at 12.8x, the same as in 2020. According to GF Data, the multiples for lower middle market deals (\$10MM to \$250MM) have also remained steady at 7.0x. In both cases, the data clearly indicates that multiples on annual basis peaked in 2019.

Median PE buyout EV/EBITDA multiples*



*Source: PitchBook Data 3rd Quarter 2021 Private Equity Report.

Calabasas Capital

Our comprehensive services include:

- Sell-Side and Buy-Side Mergers & Acquisitions Advisory
- Private Equity & Debt Capital Raising
- Acquisition Financing
- Financial Restructuring

Our industries of expertise include:

- Consumer Products & Services
- Business Services
- Aerospace & Defense
- Software & Ecommerce
- Industrial Manufacturing & Distribution

Contact Us

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