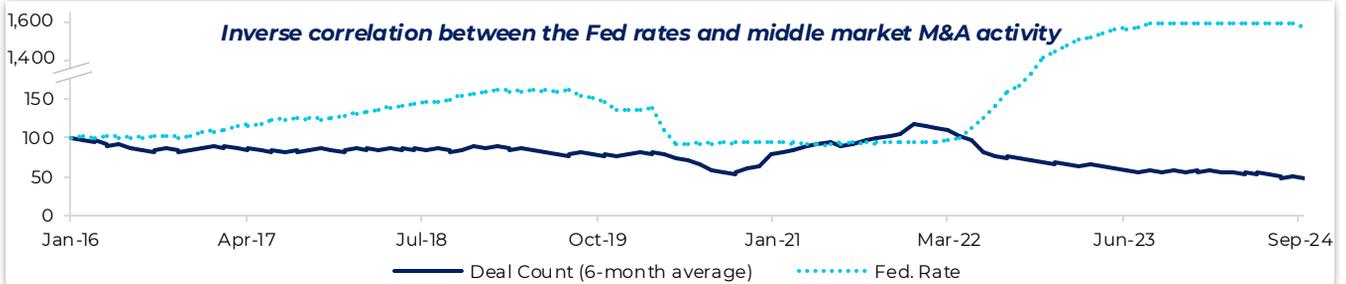
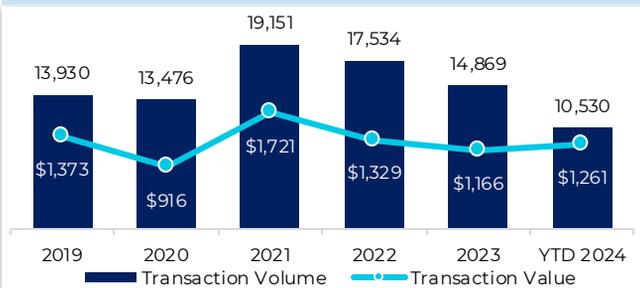


- In Q3 2024, the middle-market M&A segment continued to witness a decline, affected by capital constraints and valuation disparities. However, large corporations remained active, maintaining a steady flow of high-value transactions.
- The much anticipated 50 basis-point rate cut by the Federal Reserve in late Q3 is expected to bolster confidence in the M&A market, with a potential positive impact on the middle-market.
- At the same time, PE firms are facing mounting pressure to deliver returns as portfolio companies near the average hold period of 3.8 years. Increasing liquidity demands from LPs may prompt GPs to consider earlier-than-expected exits.
- Another trend likely to drive M&A growth in 2025 and beyond is the "Silver Tsunami," as over half of U.S. businesses, owned by individuals aged 55 and older, explore succession or exit strategies, potentially boosting activity in the small and middle market segment.

## U.S. Middle Market Index Trendline



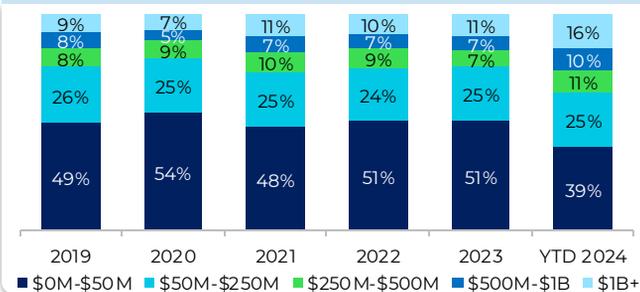
## Transaction Volume (#) and Value (\$B)



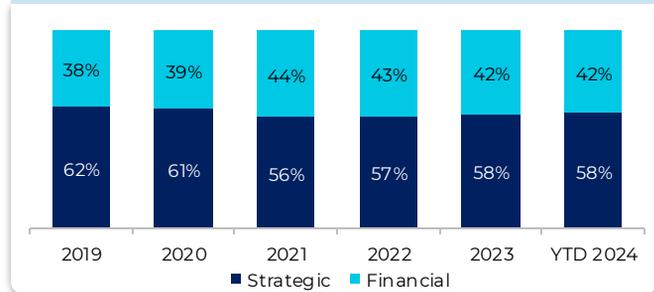
## Q3 Transaction Volume (#) and Value (\$B)



## Deal Size Breakdown (By Volume)



## Strategic vs. Financial Buyers (By Volume)



Source: Pitchbook, BMO, Reuters. Note: Data retrieved on 10/16/2024, reflecting information as of 09/30/2024; Middle Market encompasses deals valued up to \$1B.

## Select Mega Deals Announced in Q3 2024

Announced Date	Target	Buyers	Industry	Buyer Type	Size (\$B)	TEV/Rev	TEV/EBITDA
Aug-24	ellanova	MARS	Consumer	Strategic	\$35.9	3.1x	16.4x
Sep-24	F5	verizon	IT	Strategic	\$20.0	3.3x	8.6x
Aug-24	R1	TOWERBROOK	Healthcare	Financial	\$8.9	3.7x	20.3x
Sep-24	smartsheet	Blackstone  VISTA	IT	Financial	\$8.4	7.4x	NA
Jul-24	SPIRIT AEROSPACE	BOEING	Aerospace	Strategic	\$8.3	1.8x	NA
Jul-24	Paramount	SKYDANCE	Media	Strategic	\$8.0	NA	NA
Sep-24	MFGriif	MarshMcLennan	Insurance	Strategic	\$7.8	NA	NA
Sep-24	CITGO	AMBER	Energy	Strategic	\$7.3	NA	NA
Jul-24	IGT EVERI	APOLLO	FinTech	Financial	\$6.3	7.8x	22.3x
Jul-24	Bally's	STANDARD GENERAL	Entertainment	Financial	\$4.6	2.3x	NA

## Deal Metrics by Industry (YTD 2024 vs YTD 2023)

	Deal Count	Total Deal Value (\$B)	Median EV/Revenue	Median EV/EBITDA
<b>Information Technology</b>	1,639 1,671	\$298 \$115	2.8x 4.8x	18.6x 17.6x
<b>Healthcare</b>	1,190 1,421	\$177 \$136	3.8x 2.7x	25.0x 15.2x
<b>Financial Services</b>	1,070 1,082	\$179 \$107	4.0x 3.3x	10.0x 14.7x
<b>Materials &amp; Resources</b>	275 263	\$33 \$18	1.2x 1.8x	6.9x 11.3x
<b>Energy</b>	258 276	\$242 \$93	2.0x 2.4x	6.4x 6.0x
<b>Other B2B</b>	4,139 4,477	\$213 \$135	1.6x 1.4x	9.1x 11.0x
<b>Other B2C</b>	1,955 2,162	\$120 \$85	1.2x 1.0x	13.1x 8.8x

YTD 2024 YTD 2023

Source: Pitchbook. Note: Data retrieved on 10/16/2024, reflecting information as of 09/30/2024; Middle Market encompasses deals valued up to \$1B.

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