



SPRING 2024 M&A TAKEAWAYS

- **M&A Activity Remained Slow in Q1 2024:** Following a sharp decline in M&A activity in 2023, the first quarter of 2024 saw global deal volume decline 16% and U.S. deal volume decline 15% compared to the first quarter of 2023.
- **Signs of M&A Resurgence.** Despite the decline in M&A volume, the aggregate value of deals announced increased 24% in Q1-2024, led by a 59% jump in U.S. deal value. In addition, Q1-2024 saw the first sequential increase in quarterly U.S. deal volume following eight straight declines.
- **Mega Deals Increasing:** In another positive sign for the return of the M&A market, Q1-2024 saw the number of mega deals (\$10B+) increase sharply. There were ten deals announced with enterprise values above \$10B in the first quarter versus three in the comparable 2023 quarter.
- **Deals Across a Breadth of Industries.** The deals took place across a broad range of industries including Technology, Energy, Healthcare, Building Products and Financials.
- **Strong Public Equity Markets.** All three major stock market indices showed robust gains in the first quarter, picking up where they left off in 2023. The S&P 500, Nasdaq, and Dow rose 10.8%, 10.9%, and 5.6%, respectively.
- **Slowing GDP While Inflation Remains Elevated.** U.S. GDP rose 1.6% in Q1-2024, much lower than the 2.4% gain economists estimated. While GDP growth slowed, inflation remained elevated, causing economists to question when the Fed can begin lowering interest rates after a rapid series of rate hikes.
- **Cautious Optimism.** With slower economic growth, mergers and acquisitions remain a potent approach to supplementing organic growth. Generally, CEOs seeking to bolster their growth profile are looking for smaller tuck-in acquisitions versus larger transformative combinations.



has acquired

MAGNETIC TECHNOLOGY, INC

Raptor Partners acted as financial advisor to Spang & Company and assisted in the negotiations.




has acquired

SUPERIOR MACHINE COMPANY OF SC

Raptor Partners acted as financial advisor to Woodings Industrial and assisted in the negotiations.




has been acquired by

KODIAK BUILDING PARTNERS

Raptor Partners acted as financial advisor to Don's Appliances and assisted in the negotiations.




has been acquired by

INCAP CORPORATION

Raptor Partners acted as financial advisor to Pennatronics and assisted in the negotiations.



- **Trusted Advisor**
- **\$40+ Billion Transactions Completed**
- **400+ Engagements**
- **Senior-Level Attention at All Phases**
- **Private and Public Company Experience**
- **Focused Industry Expertise**

For a confidential consultation, please contact:

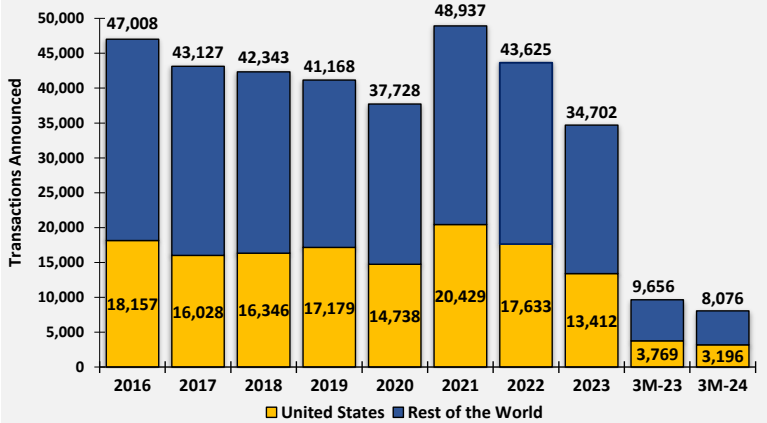
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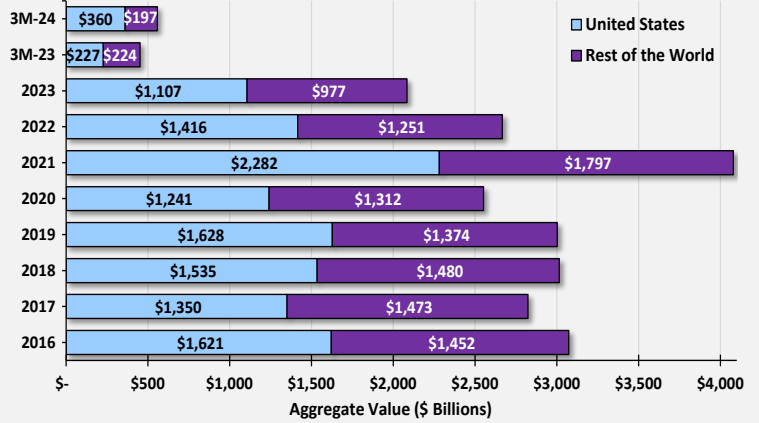


U.S. vs. Global M&A Deal Count



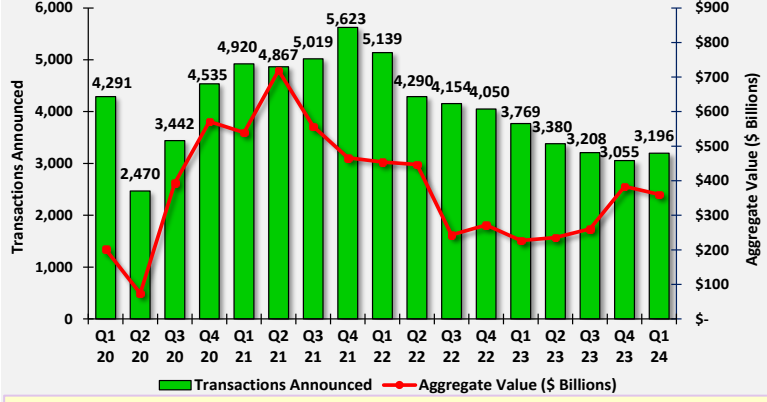
M&A activity remained slow in the first quarter of 2024 as global volume declined 16% and U.S. volume declined 15%.

U.S. vs. Global M&A Aggregate Deal Value



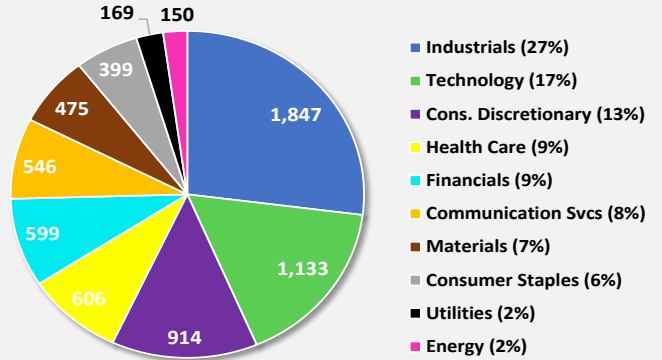
Despite the Q1-24 decline in M&A volume, aggregate deal value grew 24% over Q1-23 led by a strong increase in the U.S.

U.S. Quarterly M&A Volume & Value



U.S. deal volume broke a trend of eight straight negative quarters as volume increased 5% in Q1-24 versus Q4-23.

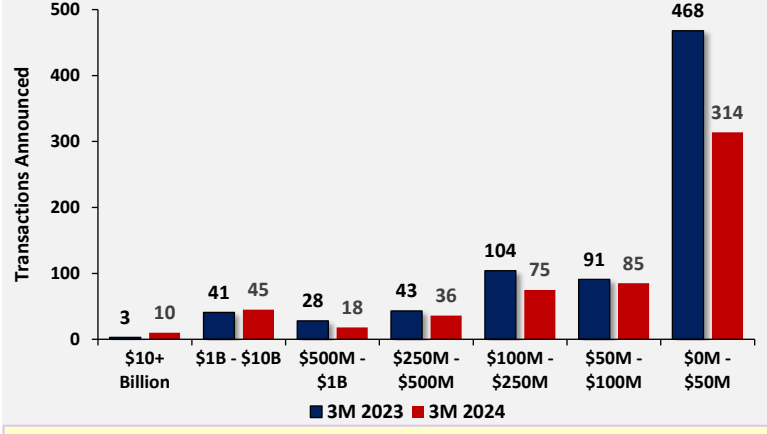
2024 M&A Deal Volume by Sector



Data: YTD as of March 31, 2024, global data.

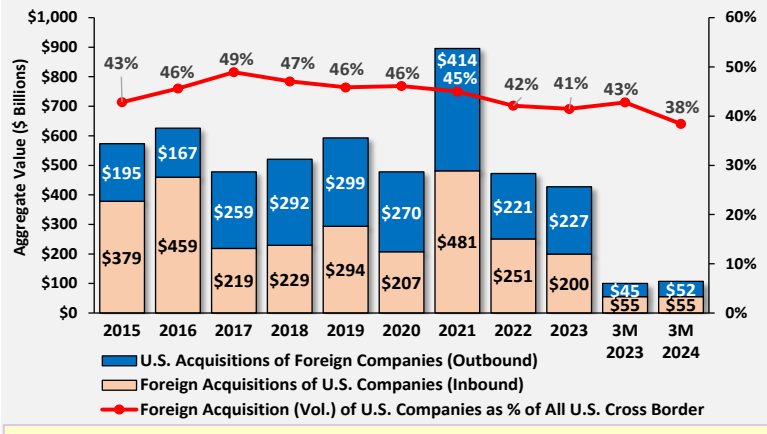
The Industrial, Technology and Consumer Discretionary sectors were the most active in Q1-24 at 57% of global deals.

U.S. M&A Volume by Deal Size



The U.S. saw strength in large deals (\$1B+) in Q1-24 while middle market and lower middle market transactions lagged.

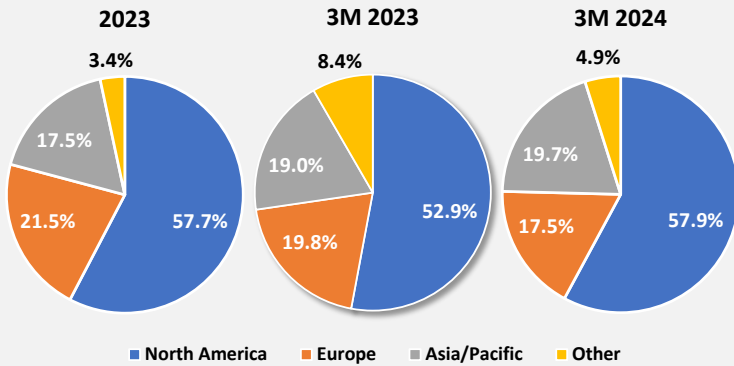
U.S. Inbound vs. Outbound Cross-Border Activity



U.S. cross-border activity increased 7% in Q1-24 as outbound acquisitions rose 16% while inbound transactions were flat.



% of Total Deal Value by Geographic Region



North American M&A value represented an increased portion of overall M&A activity in Q1-24 versus Q1-23.

Median U.S. M&A Control Premiums & Minority Discounts

Median M&A Control Premiums							
Years Ended December 31,							
Premiums	2018	2019	2020	2021	2022	2023	3M 2024
One Day	23.0%	22.1%	24.7%	24.3%	39.2%	32.4%	25.7%
One Week	27.1%	25.4%	28.4%	26.0%	41.4%	36.1%	26.7%
Four Week	31.3%	29.1%	31.9%	36.9%	49.0%	44.6%	36.8%

Median M&A Minority Discounts							
Years Ended December 31,							
Discounts	2018	2019	2020	2021	2022	2023	3M 2024
One Day	-18.7%	-18.1%	-19.8%	-19.5%	-28.2%	-24.4%	-20.4%
One Week	-21.3%	-20.3%	-22.1%	-20.6%	-29.3%	-26.5%	-21.1%
Four Week	-23.8%	-22.5%	-24.2%	-27.0%	-32.9%	-30.9%	-26.9%

U.S. M&A control premiums offered for public companies continued to decline in Q1-24 as equity markets rose.

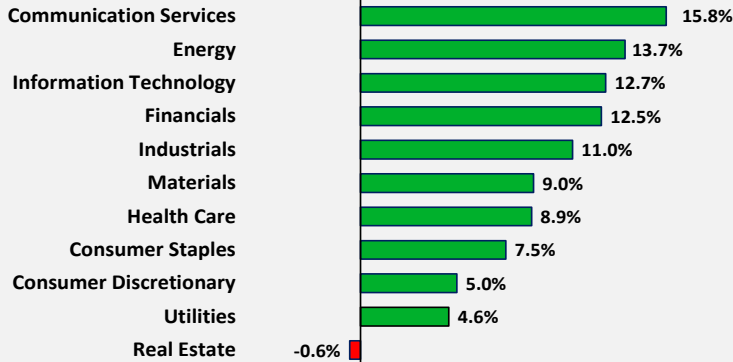
LARGEST U.S. M&A TRANSACTIONS ANNOUNCED YTD 3-2024

Announce Date	Target	Acquiror	Enterprise Value	Industry
02/19/2024	Discover Financial Services (NYSE:DFS)	Capital One Financial Corporation (NYSE:COF)	\$35.3 B	Financials
01/16/2024	ANSYS, Inc. (NasdaqGS:ANSS)	Synopsys, Inc. (NasdaqGS:SNPS)	\$33.5 B	Technology
02/12/2024	Endeavor Energy Resources, LP	Diamondback Energy, Inc. (NasdaqGS:FANG)	\$25.8 B	Energy
03/28/2024	SRS Distribution Inc.	The Home Depot, Inc. (NYSE:HD)	\$18.3 B	Building Products
02/05/2024	Catalent, Inc. (NYSE:CTLT)	Novo Holdings A/S	\$16.7 B	Health Care
01/09/2024	Juniper Networks, Inc. (NYSE:JNPR)	Hewlett Packard Enterprise Company (NYSE:HPE)	\$15.4 B	Technology
03/11/2024	Equitrans Midstream Corporation (NYSE:ETRN)	EQT Corporation (NYSE:EQT)	\$14.4 B	Energy
02/20/2024	Truist Insurance Holdings, LLC	Clayton, Dubilier & Rice, LLC; Mubadala Investment Company PJSC; Stone Point Capital LLC	\$12.6 B	Financials
01/12/2024	Global Infrastructure Management, LLC	BlackRock, Inc. (NYSE:BLK)	\$12.5 B	Financials
01/11/2024	Southwestern Energy Company (NYSE:SWN)	Chesapeake Energy Corporation (NasdaqGS:CHK)	\$11.5 B	Energy
01/22/2024	NuStar Energy L.P. (NYSE:NS)	Sunoco LP (NYSE:SUN)	\$7.4 B	Energy
01/18/2024	M.D.C. Holdings, Inc. (NYSE:MDC)	SH Residential Holdings, LLC	\$6.6 B	Homebuilders
02/26/2024	R1 RCM Inc. (NasdaqGS:RCM)	New Mountain Capital, L.L.C.	\$5.8 B	Technology
03/11/2024	Bally's Corporation (NYSE:BALY)	Standard General L.P.	\$5.6 B	Casinos & Gaming
01/04/2024	Callon Petroleum Company (NYSE:CPE)	APA Corporation (NasdaqGS:APA)	\$4.6 B	Energy
02/12/2024	CymaBay Therapeutics, Inc. (NasdaqGS:CBAY)	Gilead Sciences, Inc. (NasdaqGS:GILD)	\$4.4 B	Health Care
02/09/2024	Masonite International Corporation (NYSE:DOOR)	Owens Corning (NYSE:OC)	\$4.4 B	Building Products
02/26/2024	End-User Computing Division of Broadcom Inc.	KKR & Co. Inc. (NYSE:KKR)	\$4.0 B	Technology
01/29/2024	McGrath RentCorp (NasdaqGS:MGRC)	WillScot Mobile Mini Holdings Corp. (NasdaqCM:WSC)	\$3.9 B	Business Services
01/08/2024	Axonics, Inc. (NasdaqGS:AXNX)	Boston Scientific Corporation (NYSE:BSX)	\$3.7 B	Health Care
01/31/2024	Medicare Advantage, Cigna Supplemental Benefits and CareAllies Businesses	Health Care Service Corporation	\$3.3 B	Insurance
01/02/2024	PGT Innovations, Inc. (NYSE:PGTI)	MITER Brands	\$3.2 B	Building Products
03/01/2024	Vista Outdoor Inc. (NYSE:VSTO)	MNC Capital Partners, L.P.	\$3.2 B	Consumer
03/19/2024	Pharma Solutions Business of International Flavors & Fragrances Inc.	Roquette Frères S.A.	\$2.9 B	Health Care
02/20/2024	VIZIO Holding Corp. (NYSE:VZIO)	Walmart Inc. (NYSE:WMT)	\$2.5 B	Consumer
03/25/2024	ILC Dover LP	Ingersoll Rand Inc. (NYSE:IR)	\$2.4 B	Industrials
02/29/2024	Sterling Check Corp. (NasdaqGS:STER)	First Advantage Corporation (NasdaqGS:FA)	\$2.2 B	Business Services
02/07/2024	Aera Energy LLC	California Resources Corporation (NYSE:CRC)	\$2.1 B	Energy

Source: S&P Capital IQ.



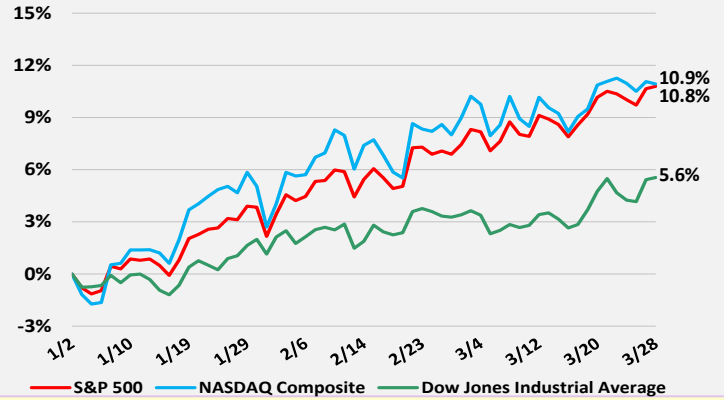
S&P Sector Performance – Q1 2024



Source: S&P Capital IQ. Based on S&P 500 industry groups.

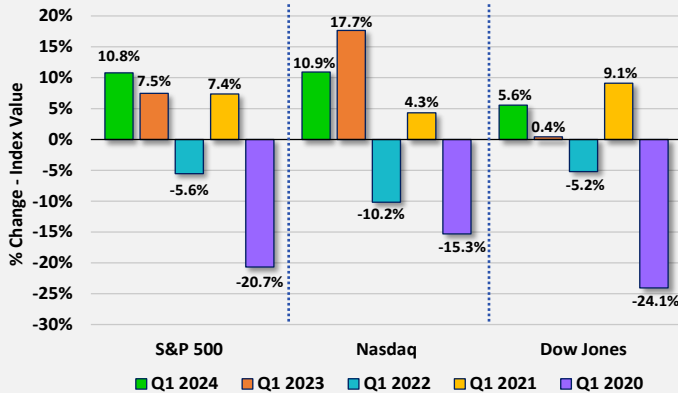
All major S&P industry groups showed strong gains in Q1-2024, except for the highly-rate-sensitive Real Estate sector.

Major Stock Index Performance – Q1 2024



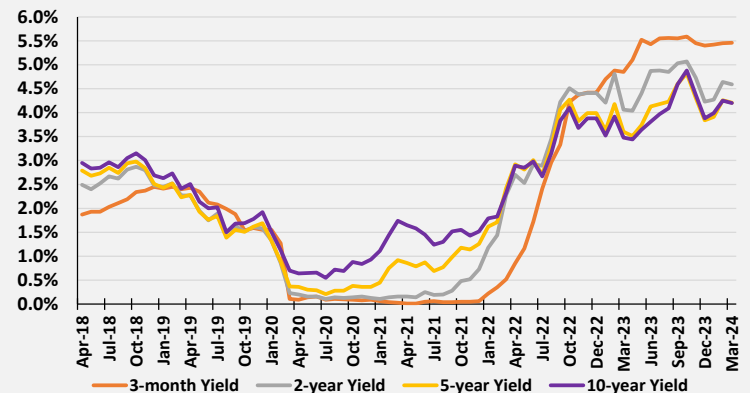
Equity market strength at the end of 2023 rolled into 2024 with all three major indices recording big gains in Q1.

Historical Stock Index Performance



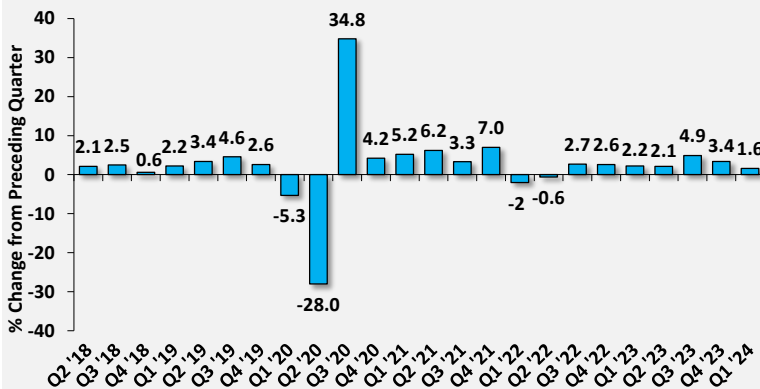
The S&P500 had its best Q1 performance of the last five years, while the Dow and Nasdaq also showed strong gains.

Historical U.S. Treasury Market Yields



Treasury yields increased slightly between December and March following a series of hotter than expected inflation data.

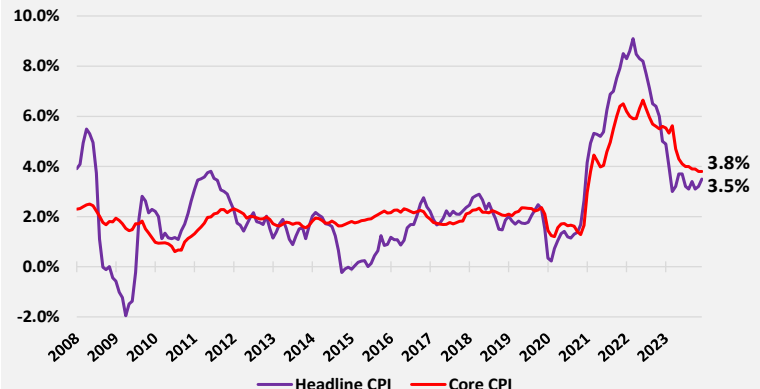
U.S. Real GDP: % Change from Preceding Quarter



Q1-2024 U.S. Real GDP was much weaker than expected, increasing at a 1.6% annualized rate versus a 2.4% estimate.

* Seasonally adjusted at annualized rates. Q1 '24 GDP is the "advance" estimate released by the Bureau of Economic Analysis. Sources: Federal Reserve Bank of St. Louis, Bureau of Labor Statistics, Bureau of Economic Analysis, Department of the Treasury, The Conference Board.

Consumer Price Index: % Change from a Year Ago

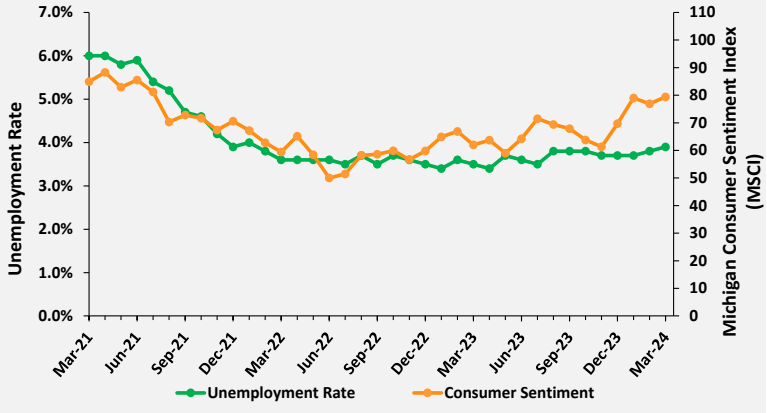


The U.S. CPI increased by a greater-than-expected 3.5% in March, up from 3.2% in February as shelter and energy drove inflation.

Headline CPI = CPI for All Urban Consumers: All Items in US City Average for latest 12 months. Core CPI = CPI for All Urban Consumers: All Items Less Food and Energy in U.S. City Average for the latest twelve months.

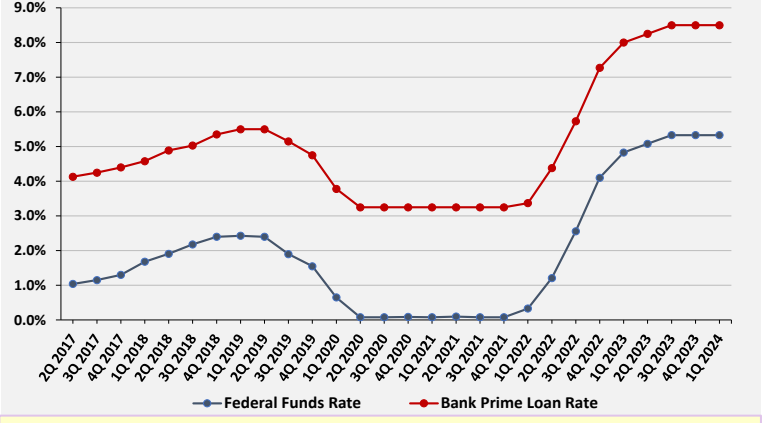


Unemployment Rate & Consumer Sentiment



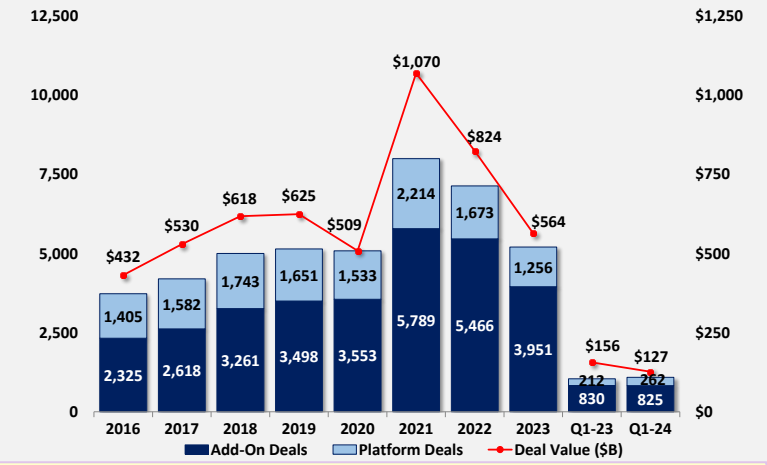
The unemployment rate ticked up slightly to 3.9% in March 2024, while consumer sentiment remained strong.

Federal Funds Rate & Prime Lending Rate



The Federal Reserve held its policy rate in the 5.25-5.5% range at its March meeting and signaled three rate cuts in 2024.

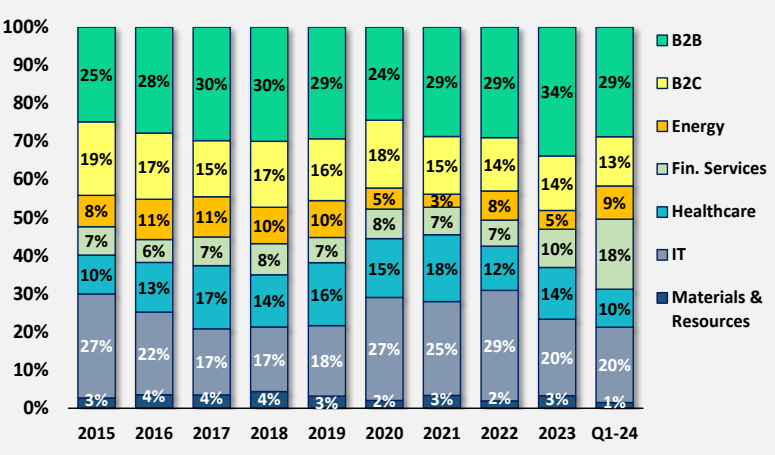
U.S. Private Equity M&A Volume & Value



Following a large decline in 2023, Q1-24 U.S. private equity transaction volume increased slightly while total value declined.

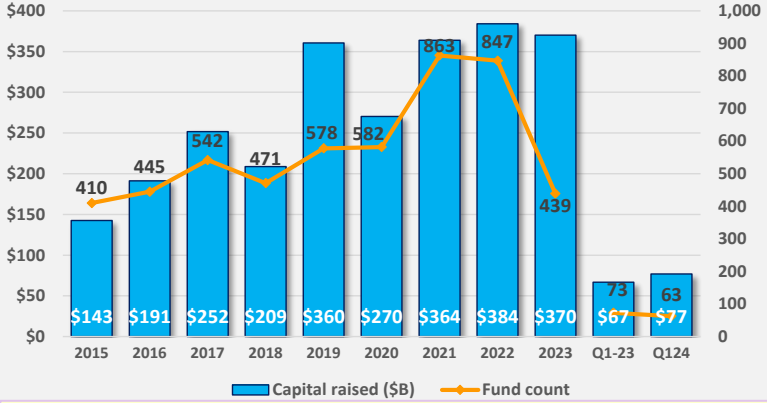
* Excludes PE Growth/Expansion investments.

U.S. Private Equity Deal Value by Sector (%)



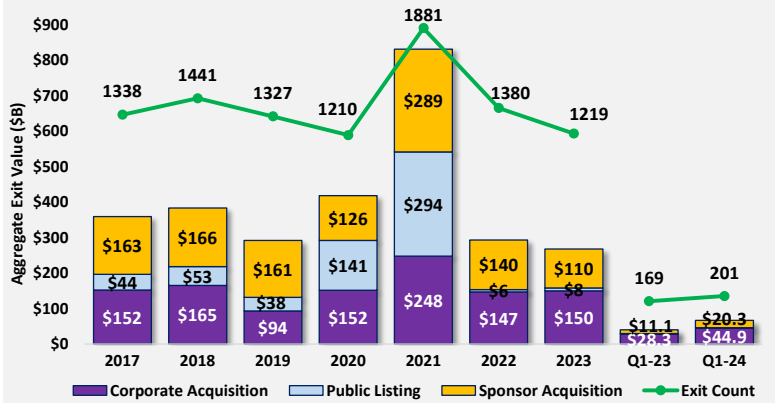
B2B, IT, and Financial Services deals represented the largest PE deal sectors in Q1-24.

Private Equity Fundraising and Fund Count



Total number of PE fundraises declined in Q1-24, following a sharp falloff in 2023; however, the amount raised increased by 15%.

Private Equity Exit Volume and Value by Type



PE exits rose 19% in Q1-24 after a slow 2023. The value of exits also increased sharply as activity shows signs of improvement.

Source for all private equity data: PitchBook Data, Inc.