

July 2023



Houlihan
Lokey

2022 Going-Private Transaction Study



**Houlihan
Lokey**

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STUDY OVERVIEW



Introduction

- In the 2022 Going-Private Transaction Study (the “Study”), we have summarized and analyzed 45 going-private transactions announced in the calendar year ended December 31, 2022.
- As of the date of this study, 43 of the going-private transactions have closed and two are pending closing.
- For purposes of this Study, a target company is generally considered to have “gone private” if its pre-transaction publicly traded shares were purchased by a privately held financial sponsor, investment company, or similar entity (generically referred to as a “financial buyer”), typically in a leveraged buyout transaction.
- Specifically, this Study analyzes the following key items for each of the 45 transactions:
 - Transaction background, focusing on management, stockholder, and board involvement;
 - Transaction valuation (including transaction multiples and acquisition premiums);
 - Deal protection measures and fiduciary provisions;
 - Transaction structure and financing; and
 - Termination provisions.

The Study was authored by Richard De Rose, Matt Kavney, and Gretta Conrath of Houlihan Lokey's New York, Atlanta, and Chicago offices, respectively. If you have any questions or comments, please contact Mr. De Rose at 212.497.7867, Mr. Kavney at 404.495.7030, or Ms. Conrath at 312.462.6407.

Definition of Key Items in the Study

- We used the following methodology to analyze each of the transactions:
 - **Transaction Value:** We calculated transaction value (TV) using data from S&P Capital IQ. TV represents the cost to acquire all common equity, preferred equity, and convertible securities, plus the face value of all outstanding debt, less cash, and marketable securities.
 - **Valuation Multiples:** The valuation multiples include TV/Revenue, TV/EBITDA, and TV/EBIT. We derived Revenue, EBITDA, and EBIT figures from S&P Capital IQ as of the latest 12-month (LTM) period prior to announcement.
 - **Acquisition Premiums:** We obtained acquisition premiums from S&P Capital IQ. These premiums are calculated by measuring the percentage change from the offer price per share to the trading prices one day, one week, and one month prior to the transaction announcement date.
 - Note: When analyzing the acquisition premiums, we excluded negative premiums from our high, low, median, and mean calculations, as these transactions involved companies in special or unusual situations and were not considered to be representative of going-private acquisition premiums.

Transaction Screening Methodology

- We identified the potential universe of going-private transactions through several screens from widely used transaction databases, including Refinitiv and S&P Capital IQ, as well as by reviewing transactions requiring a Schedule 13E-3 filing with the Securities and Exchange Commission (SEC).
- For this Study, we excluded transactions with the following characteristics:
 - Transactions involving target companies that have their primary business operations outside of the United States;
 - Transactions involving targets with an implied enterprise value under \$50 million;
 - Transactions for which there was insufficient information regarding terms (generally, smaller transactions);
 - “Going-dark” transactions, in which a publicly traded company reduces the number of stockholders of record below a certain threshold (often through reverse stock splits and share repurchases) to avoid SEC filing requirements;
 - Transactions involving a privately held, nonfinancial (i.e., strategic) buyer;
 - Transactions involving bankrupt, reorganizing, or distressed target companies; and
 - Transactions that were canceled or withdrawn prior to the execution of a merger agreement.

02

STUDY RESULTS



Summary Financial Statistics

- In the following table, we summarize the low, high, median, and mean financial metrics of the 45 transactions analyzed in the Study.

Summary Metrics

(Dollars in Millions)

	TV	LTM Multiples			Acquisition Premiums ⁽¹⁾		
		TV/Revenue	TV/EBITDA	TV/EBIT	1 Day	1 Week	4 Weeks
Low	\$68.8	0.4x	4.3x	6.7x	0.8%	2.2%	6.7%
High	\$46,173.4	17.0x	181.0x	154.1x	207.0%	207.0%	165.1%
Median	\$2,796.3	5.2x	16.8x	36.3x	34.0%	38.4%	46.3%
Mean	\$6,007.9	7.1x	25.1x	43.0x	51.2%	52.0%	52.4%

Source: S&P Capital IQ.

Notes: The high and low metrics shown in this chart represent the high and low TVs, TV multiples, and acquisition premiums shown in the study. The low TV multiples and acquisition premiums, respectively, are not necessarily associated with the transactions with the lowest transaction value, and the high TV multiples and acquisition premiums, respectively, are not necessarily associated with the transaction with the highest transaction value. Similarly, the low and high acquisition premiums, respectively, are not necessarily associated with the transactions with the lowest and highest transaction value or TV multiples.

(1) Calculation excludes negative premiums.

Transaction Analysis by Target Company Size

- Eighteen (40.0%) of the transactions in the Study had a transaction value in excess of \$5.0 billion, with eight (17.8%) transactions in excess of \$10.0 billion.
- Transaction values in 2022, on average, are materially higher than transaction values in recent previous years.
 - For the calendar years ended December 31, 2019, and December 31, 2020, there were a total of 32 going-private transactions with a median and average TV of \$1,706.7 million and \$2,940.2 million, respectively.⁽¹⁾

Analysis by Target Company Size

(Dollars in Millions)

Transaction Value	Number of Transactions		TV	LTM Multiples			Acquisition Premiums ⁽²⁾		
				TV/Revenue	TV/EBITDA	TV/EBIT	1 Day	1 Week	4 Weeks
More Than \$10.0 Billion	8	Median	\$14,782.1	11.2x	26.1x	36.6x	18.2%	14.4%	23.4%
		Mean	\$20,014.1	10.6x	25.1x	44.7x	18.7%	16.3%	30.0%
\$5.0 Billion to \$10.0 Billion	10	Median	\$7,294.6	8.5x	15.4x	34.7x	33.7%	39.0%	47.6%
		Mean	\$7,365.3	8.1x	15.0x	32.3x	48.0%	46.4%	50.0%
\$1.0 Billion to \$5.0 Billion	13	Median	\$1,999.0	3.2x	15.3x	19.6x	43.9%	37.5%	31.1%
		Mean	\$2,428.9	5.2x	37.3x	24.7x	40.2%	42.9%	39.6%
Less Than \$1.0 Billion	14	Median	\$260.9	3.8x	17.7x	73.0x	81.1%	83.8%	83.7%
		Mean	\$358.1	5.0x	18.8x	79.1x	79.7%	82.3%	78.7%
All Transactions	45	Median	\$2,796.3	5.2x	16.8x	36.3x	34.0%	38.4%	46.3%
		Mean	\$6,007.9	7.1x	25.1x	43.0x	51.2%	52.0%	52.4%

Source: S&P Capital IQ.

Notes: The high and low metrics shown in this chart represent the high and low TVs, TV multiples, and acquisition premiums shown in the study. The low TV multiples and acquisition premiums, respectively, are not necessarily associated with the transactions with the lowest transaction value, and the high TV multiples and acquisition premiums, respectively, are not necessarily associated with the transaction with the highest transaction value. Similarly, the low and high acquisition premiums, respectively, are not necessarily associated with the transactions with the lowest and highest transaction value or TV multiples.

(1) See "2019–2020 Going-Private Transaction Study Summary" in the Appendix for more detail.

(2) Calculation excludes negative premiums.

Transaction Analysis by Date Announced

- Transaction volume peaked in Q2 2022, while the other quarters remained consistently active.
- Transaction values were meaningfully higher in the first two quarters as compared to the first two quarters.
- Average implied multiples and acquisition premiums generally increased throughout the year, with the highest average acquisition premiums observed in Q4 2022.

Analysis by Transaction Announcement Date

(Dollars in Millions)

Transaction Date	Number of Transactions	TV	LTM Multiples			Acquisition Premiums ⁽¹⁾			
			TV/Revenue	TV/EBITDA	TV/EBIT	1 Day	1 Week	4 Weeks	
1/1/2022 – 3/31/2022	8	Median	\$7,277.0	4.2x	15.3x	30.1x	26.1%	39.2%	45.0%
		Mean	\$8,904.8	5.7x	14.8x	31.5x	37.6%	43.2%	44.8%
4/1/2022 – 6/30/2022	17	Median	\$1,939.0	5.4x	22.4x	36.8x	28.6%	29.6%	38.5%
		Mean	\$8,142.1	7.5x	22.9x	43.3x	39.5%	40.8%	43.9%
7/1/2022 – 9/30/2022	10	Median	\$2,154.7	9.1x	14.2x	19.6x	45.5%	39.1%	41.4%
		Mean	\$3,683.5	7.2x	41.2x	45.1x	63.5%	58.2%	52.5%
10/1/2022 – 12/31/2022	10	Median	\$1,276.3	8.0x	22.5x	76.4x	66.2%	71.4%	69.0%
		Mean	\$2,386.5	8.0x	22.5x	76.4x	69.5%	70.9%	72.2%
All Transactions	45	Median	\$2,796.3	5.2x	16.8x	36.3x	34.0%	38.4%	46.3%
		Mean	\$6,007.9	7.1x	25.1x	43.0x	51.2%	52.0%	52.4%

Source: S&P Capital IQ.

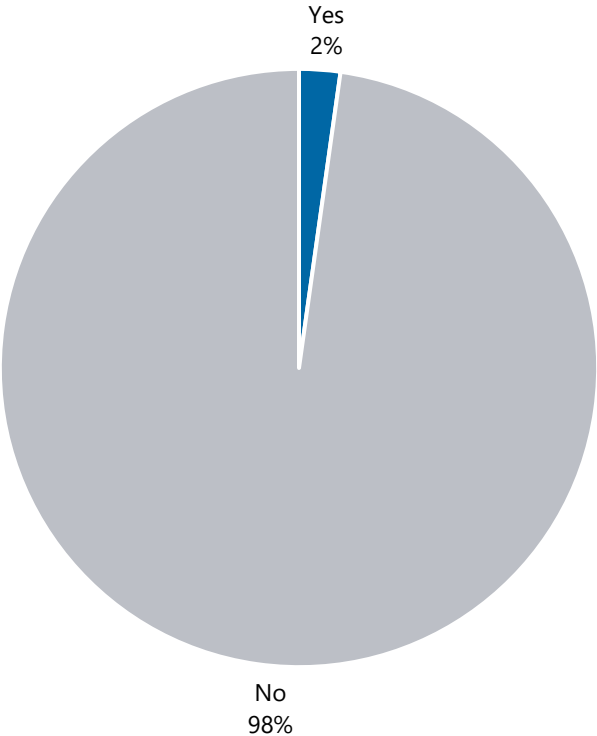
Notes: The high and low metrics shown in this chart represent the high and low TVs, TV multiples, and acquisition premiums shown in the study. The low TV multiples and acquisition premiums, respectively, are not necessarily associated with the transactions with the lowest transaction value, and the high TV multiples and acquisition premiums, respectively, are not necessarily associated with the transaction with the highest transaction value. Similarly, the low and high acquisition premiums, respectively, are not necessarily associated with the transactions with the lowest and highest transaction value or TV multiples.

(1) Calculation excludes negative premiums.

Management Initiation

- One transaction (2%) in the Study was initiated by the management of the target. For purposes of the Study, “management” does not include directors.

Was the Transaction Initiated by Management?



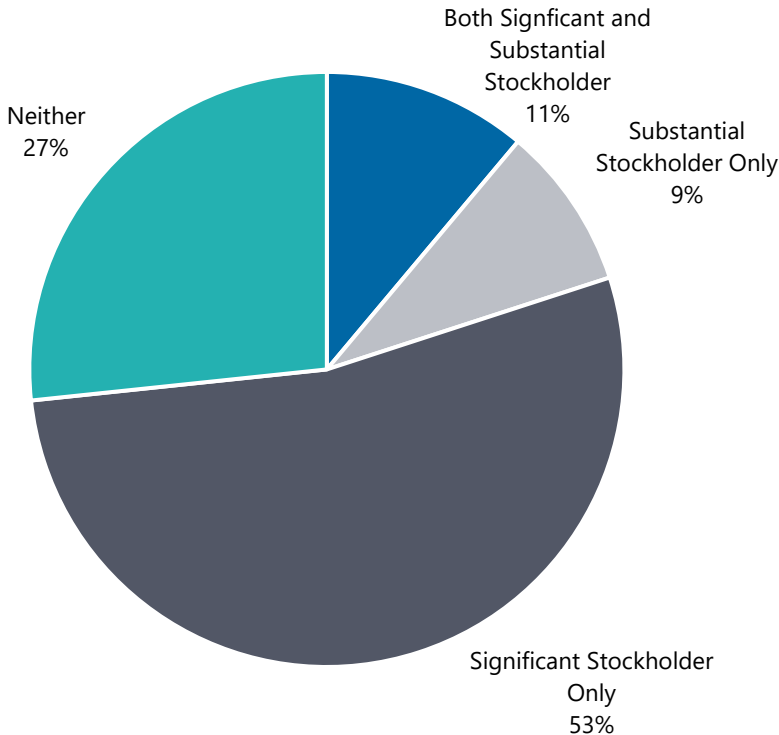
2019–2020 Study:
Yes: 16%
No: 84%

Source: Public filings.

Material Stockholders

- Thirty-three (73%) target companies in the Study had at least one significant or substantial stockholder prior to the transaction, and five (11%) of the target companies had both a significant and substantial stockholder prior to the transaction.

Was There a Substantial ($\geq 35\%$) or Significant ($> 10\%$ and $< 35\%$) Stockholder Prior to the Transaction?



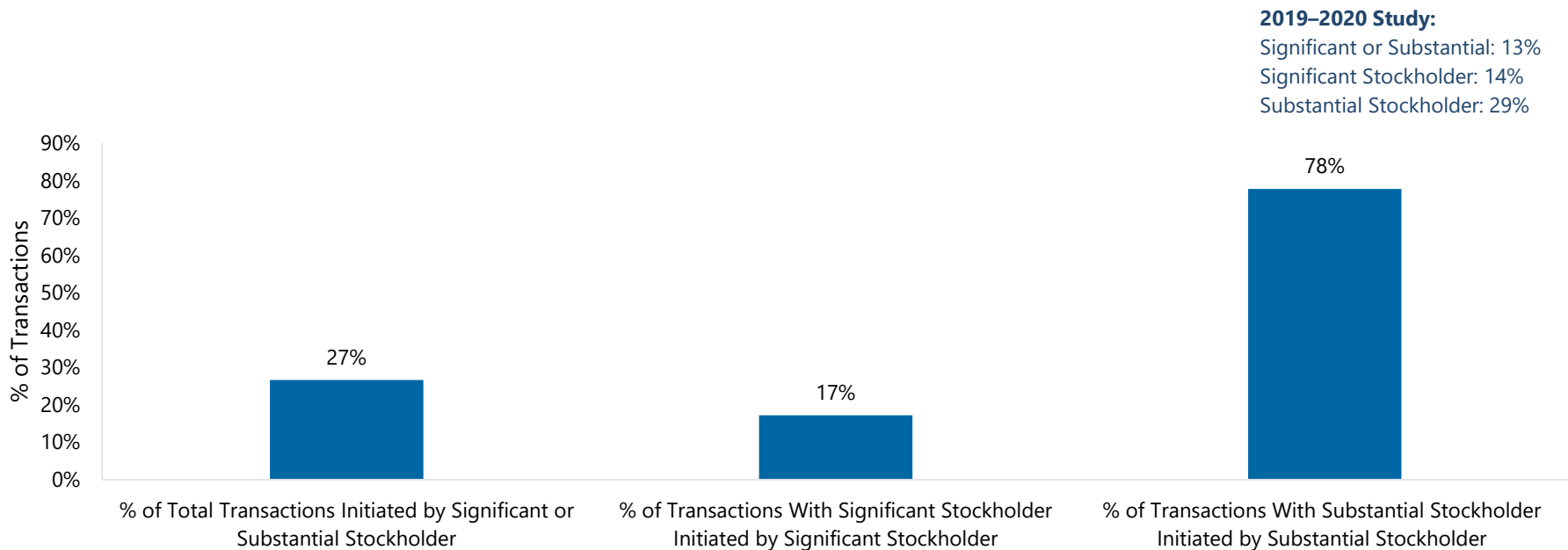
2019–2020 Study:
Substantial Stockholder Only: 22%
Significant Stockholder Only: 44%
Neither: 34%
Both: 0%

Source: Public filings.

Material Stockholder Initiation

- Twelve (27%) of the 45 observed going-private transactions in 2022 were initiated by an existing significant or substantial stockholder.
- Significant stockholders were less likely to initiate a transaction, doing so in five (17%) of 29 cases in which there was a significant stockholder.
- Of the nine transactions in which the target company had a substantial stockholder prior to the transaction, seven (78%) transactions were initiated by that substantial stockholder.

Did a Significant or Substantial Stockholder Initiate the Transaction Process?

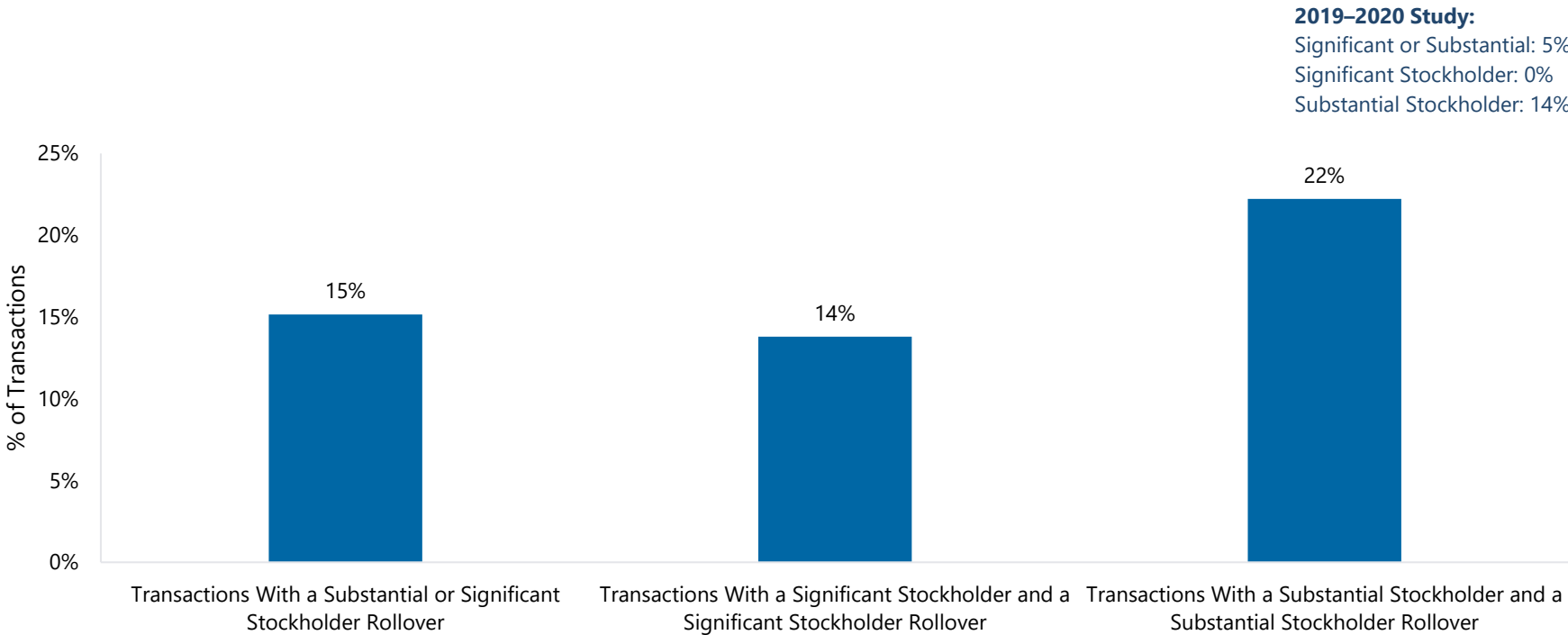


Source: Public filings.

Material Stockholder Rollover

- In the Study, significant and substantial stockholders rolled over their target stock into stock of the acquisition vehicle or the surviving corporation in five (15%) of the 33 applicable transactions.
- Four (14%) of the 29 transactions with a significant shareholder rolled over their holdings into the acquisition vehicle or surviving corporation.
- Where a substantial stockholder existed prior to the transaction, at least a portion of that stockholder’s position was rolled over in two (22%) of the nine applicable transactions.

Major Stockholder Rollover

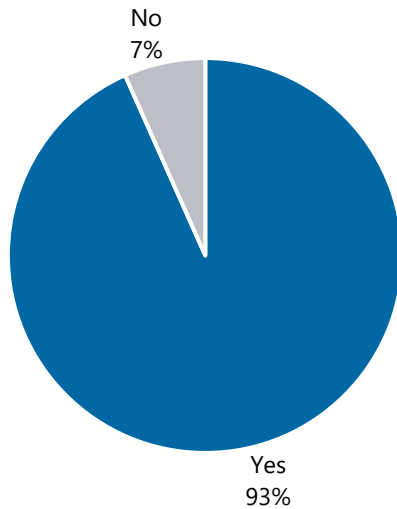


Source: Public filings.

“Auctioned” Targets

- Prior to certain going-private transactions, the target company retained a financial advisor to contact potential buyers and solicit proposals to acquire the target company (an “auction”).
- Ninety-three percent of the targets in the Study undertook a process to auction the company prior to the execution of a transaction agreement.
- All eight (100%) of the targets involved in transactions with TVs above \$10.0 billion were auctioned, as compared to 34 (92%) of the targets with TVs of less than \$10.0 billion.

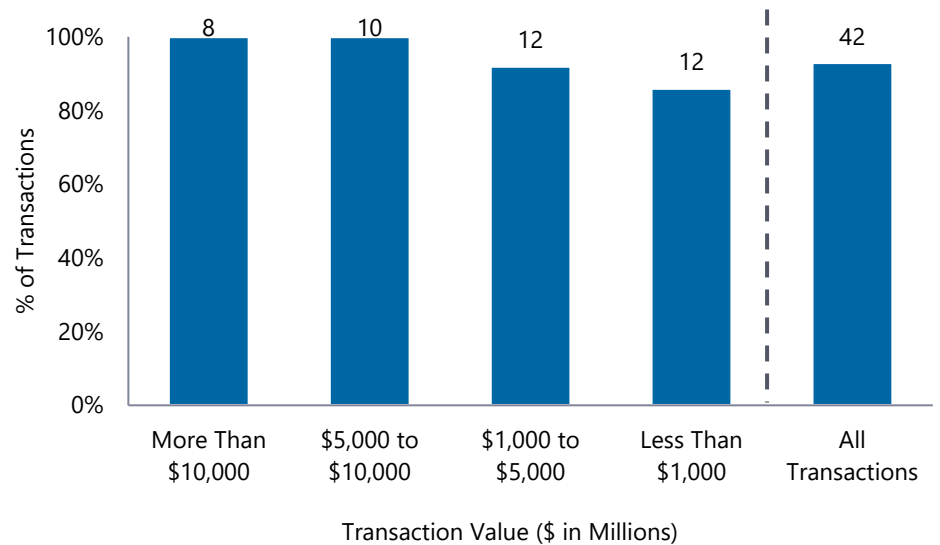
Was the Company “Auctioned?”



2019–2020 Study:

Yes: 62%
No: 38%

% of Total Transactions “Auctioned”

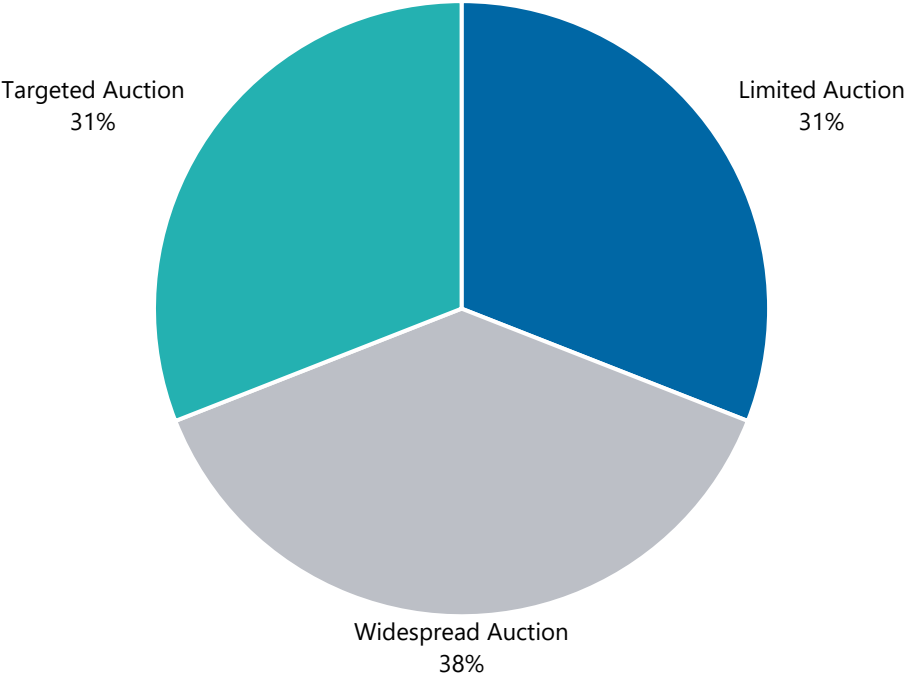


Source: Public filings.

Auction Process

- In 16 (38%) of the 42 transactions where the target was auctioned prior to the execution of a transaction agreement, the auction process was widespread (in excess of 15 prospective buyers solicited).
- Thirteen (31%) of the auctioned transactions involved limited auctions (five to 15 parties solicited).
- Thirteen (31%) of the auctioned transactions were involved in a targeted auction (less than five parties solicited).

If the Company Was Shopped Prior to an Acquisition Agreement Being Signed, Was the Process a Widespread, Limited, or Targeted Auction?



2019–2020 Study:
Targeted: 5%
Limited: 35%
Widespread: 60%

Source: Public filings.

Auction Process (cont.)

- Higher average implied multiples were observed in transactions with a widespread auction process (more than 15 parties) and targeted auction process (less than five parties) as compared to transactions with a limited auction process (five to 15 parties).

Widespread Auction Processes (16 Transactions)

(Dollars in Millions)

	TV	LTM Multiples			Acquisition Premiums ⁽¹⁾		
		TV/Revenue	TV/EBITDA	TV/EBIT	1 Day	1 Week	4 Weeks
Low	\$254.3	0.8x	8.8x	14.0x	0.8%	6.6%	9.1%
High	\$16,654.9	16.9x	26.1x	46.9x	129.4%	121.6%	111.0%
Median	\$1,726.1	4.7x	14.2x	40.2x	43.9%	38.7%	30.4%
Mean	\$3,915.6	6.6x	15.7x	33.7x	49.4%	48.8%	45.6%

Limited Auction Processes (13 Transactions)

(Dollars in Millions)

	TV	LTM Multiples			Acquisition Premiums ⁽¹⁾		
		TV/Revenue	TV/EBITDA	TV/EBIT	1 Day	1 Week	4 Weeks
Low	\$68.8	1.1x	4.3x	6.7x	5.9%	6.2%	6.7%
High	\$10,080.8	16.0x	17.0x	36.3x	122.6%	138.6%	86.4%
Median	\$1,999.0	6.6x	7.9x	18.4x	31.0%	38.0%	49.0%
Mean	\$3,907.8	7.1x	9.3x	19.9x	45.3%	50.1%	52.6%

Targeted Auction Processes (13 Transactions)

(Dollars in Millions)

	TV	LTM Multiples			Acquisition Premiums ⁽¹⁾		
		TV/Revenue	TV/EBITDA	TV/EBIT	1 Day	1 Week	4 Weeks
Low	\$117.2	0.4x	4.8x	6.7x	7.4%	2.2%	10.4%
High	\$46,173.4	17.0x	27.2x	39.2x	207.0%	207.0%	152.9%
Median	\$7,538.0	8.8x	18.0x	23.4x	26.1%	38.1%	47.6%
Mean	\$11,806.7	8.3x	17.5x	22.4x	47.9%	46.6%	51.4%

Sources: S&P Capital IQ and public filings.

Notes: The high and low metrics shown in this chart represent the high and low TVs, TV multiples, and acquisition premiums shown in the study. The low TV multiples and acquisition premiums, respectively, are not necessarily associated with the transactions with the lowest transaction value, and the high TV multiples and acquisition premiums, respectively, are not necessarily associated with the transaction with the highest transaction value. Similarly, the low and high acquisition premiums, respectively, are not necessarily associated with the transactions with the lowest and highest transaction value or TV multiples.

(1) Calculation excludes negative premiums.

Public Disclosure

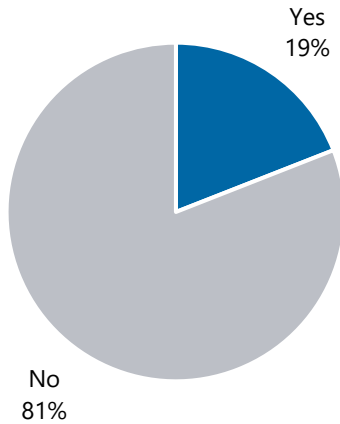
- In 81% of the transactions in the Study, there was no contemporaneous public announcement of the auction process.
- Widespread auctions constituted (i) five (63%) of the eight transactions in which an auction process was publicly disclosed and (ii) 11 (32%) of the 34 transactions in which the process was not publicly disclosed.
 - Auction processes with public disclosure included transactions with generally higher transaction values as compared to auction processes without public disclosure.

Transaction Value Analysis

(Dollars in Millions)

	Public Disclosure	No Public Disclosure
Low	\$1,513.2	\$68.8
High	\$16,654.9	\$46,173.4
Median	\$6,624.9	\$1,969.0
Mean	\$7,191.2	\$6,159.1

Was There Contemporaneous Public Disclosure of the Auction Process?

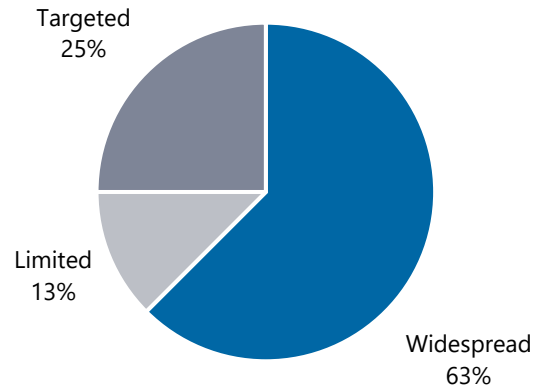


2019–2020 Study:

Yes: 20%
No: 80%

Sources: S&P Capital IQ and public filings.

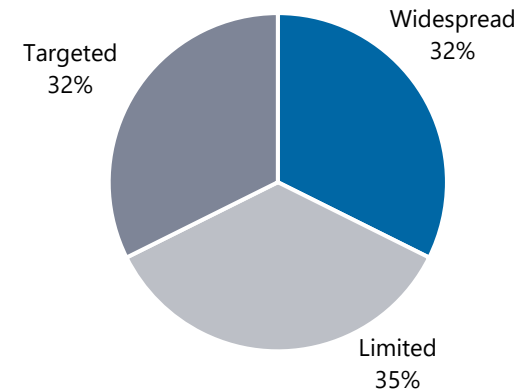
If There Was Public Disclosure, Was the Process a Widespread, Limited, or Targeted Auction?



2019–2020 Study:

Targeted: 0%
Limited: 0%
Widespread: 100%

If There Was No Public Disclosure, Was the Process a Widespread, Limited, or Targeted Auction?



2019–2020 Study:

Targeted: 6%
Limited: 44%
Widespread: 50%

Public Disclosure (cont.)

- Higher average implied multiples were observed in transactions with an auction process that was publicly disclosed as compared to transactions with auctions that were not publicly disclosed.
 - There are no discernible differences observed in the acquisition premiums.

Publicly Disclosed (8 Transactions)

(Dollars in Millions)

	TV	LTM Multiples			Acquisition Premiums ⁽¹⁾		
		TV/Revenue	TV/EBITDA	TV/EBIT	1 Day	1 Week	4 Weeks
Low	\$1,513.2	0.4x	5.1x	11.4x	7.4%	14.5%	9.9%
High	\$16,654.9	11.9x	26.1x	46.9x	129.4%	121.6%	111.0%
Median	\$6,624.9	6.0x	15.3x	44.0x	33.7%	39.2%	43.9%
Mean	\$7,191.2	6.4x	16.2x	36.5x	54.6%	54.4%	51.4%

Not Publicly Disclosed (34 Transactions)

(Dollars in Millions)

	TV	LTM Multiples			Acquisition Premiums ⁽¹⁾		
		TV/Revenue	TV/EBITDA	TV/EBIT	1 Day	1 Week	4 Weeks
Low	\$68.8	0.8x	4.3x	6.7x	0.8%	2.2%	6.7%
High	\$46,173.4	17.0x	27.2x	39.2x	207.0%	207.0%	152.9%
Median	\$1,969.0	5.3x	13.4x	18.8x	31.6%	37.8%	46.8%
Mean	\$6,159.1	7.5x	14.9x	22.5x	46.2%	47.3%	49.3%

Sources: S&P Capital IQ and public filings.

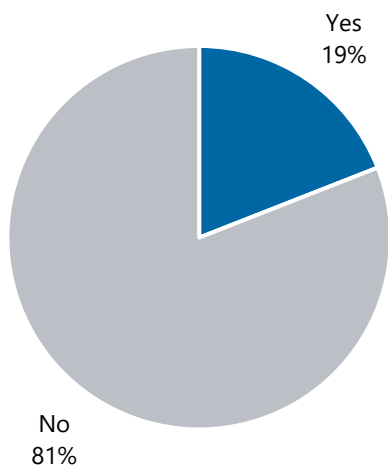
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(1) Calculation excludes negative premiums.

Exclusivity

- Exclusivity was granted to a prospective acquirer in eight (19%) of the 42 transactions in the Study where the Target was auctioned prior to the execution of a transaction agreement.
- Transactions with exclusivity periods garnered lower LTM multiples but higher acquisition premiums, on average, as compared to those without exclusivity periods.

Was Exclusivity Granted to Any Bidder During the Auction Process?



2019–2020 Study:

Yes: 40%

No: 60%

Sources: S&P Capital IQ and public filings.

Notes: The high and low metrics shown in this chart represent the high and low TVs, TV multiples, and acquisition premiums shown in the study. The low TV multiples and acquisition premiums, respectively, are not necessarily associated with the transactions with the lowest transaction value, and the high TV multiples and acquisition premiums, respectively, are not necessarily associated with the transaction with the highest transaction value. Similarly, the low and high acquisition premiums, respectively, are not necessarily associated with the transactions with the lowest and highest transaction value or TV multiples.

(1) Calculation excludes negative premiums.

Transactions With Exclusivity Periods

(Dollars in Millions)

	TV	LTM Multiples			Acquisition Premiums ⁽¹⁾		
		TV/Revenue	TV/EBITDA	TV/EBIT	1 Day	1 Week	4 Weeks
Low	\$165.1	0.4x	5.1x	11.4x	28.6%	33.9%	31.1%
High	\$6,707.9	9.9x	25.0x	36.3x	207.0%	207.0%	152.9%
Median	\$805.6	2.4x	13.7x	16.5x	75.7%	69.8%	69.0%
Mean	\$1,575.5	3.8x	14.4x	21.4x	88.4%	89.1%	72.7%

Transactions Without Exclusivity Periods

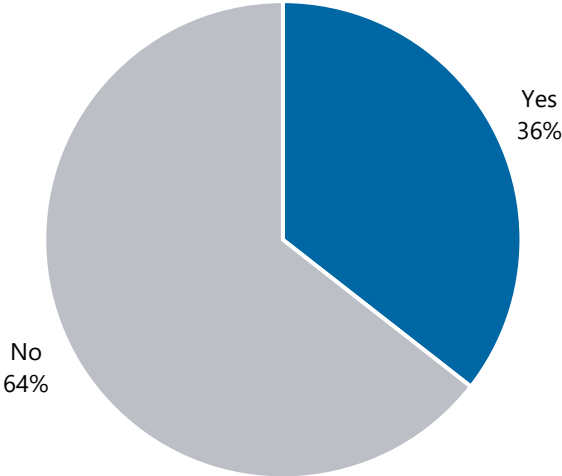
(Dollars in Millions)

	TV	LTM Multiples			Acquisition Premiums ⁽¹⁾		
		TV/Revenue	TV/EBITDA	TV/EBIT	1 Day	1 Week	4 Weeks
Low	\$68.8	0.8x	4.3x	6.7x	0.8%	2.2%	6.7%
High	\$46,173.4	17.0x	27.2x	46.9x	129.4%	121.6%	111.0%
Median	\$5,356.5	7.9x	14.8x	28.8x	26.1%	30.8%	40.6%
Mean	\$7,673.3	8.2x	15.4x	27.1x	35.7%	36.4%	42.7%

Special Committees

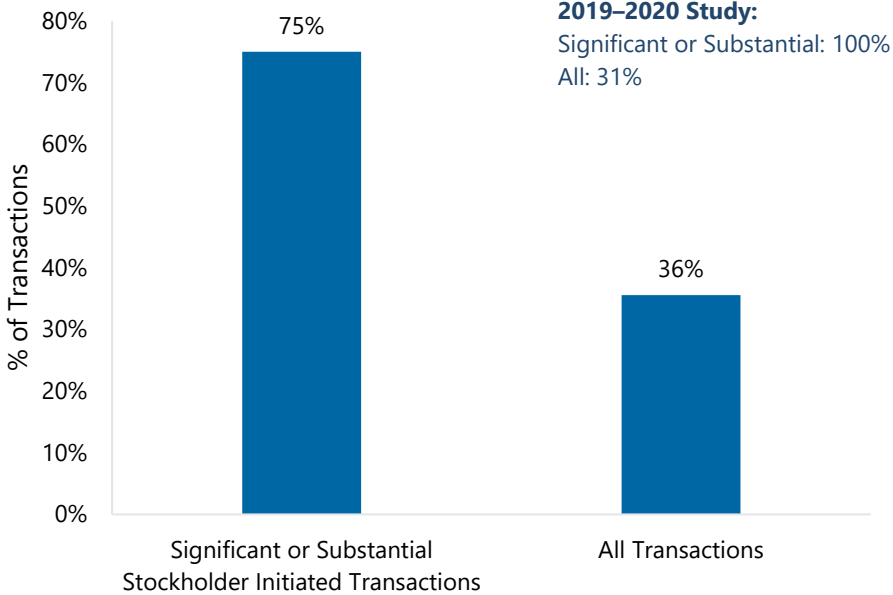
- In 36% of the transactions in the Study, a committee of independent directors was appointed to review and/or negotiate the transaction.
- Special committees were appointed in nine (75%) of 12 transactions that were initiated by a substantial or significant stockholder.

Was a Special Committee of Independent Directors Formed to Review the Transaction?



2019–2020 Study:
Yes: 31%
No: 69%

% of Transactions With Special Committees



Source: Public filings.

Special Committees (cont.)

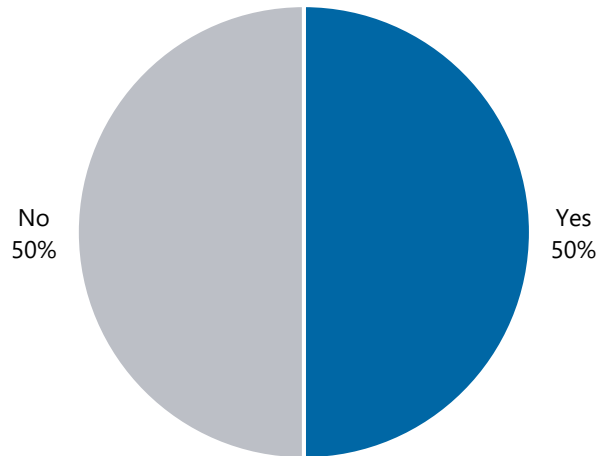
- In eight (50%) of the 16 transactions where a special committee was formed, compensation paid to the committee members was disclosed.
 - In two instances, each committee member was paid only a flat fee.
 - In five instances, each committee member was paid on a per-meeting or per-month basis.
 - In one instance, each committee member was paid a flat fee as well as on a per-month basis. The per-month fee was decreased from the go-shop period through the consummation of the transaction.

If There Was a Special Committee Formed, Was Compensation to Its Members Disclosed?

2019–2020 Study:

Yes: 30%

No: 70%



Summary Statistics for Special Committee Monthly Compensation⁽¹⁾

	Special Committee Chairperson	Special Committee Member
Low	\$10,000	\$5,000
High	\$39,000	\$36,000
Median	\$35,000	\$20,000
Mean	\$28,000	\$23,200

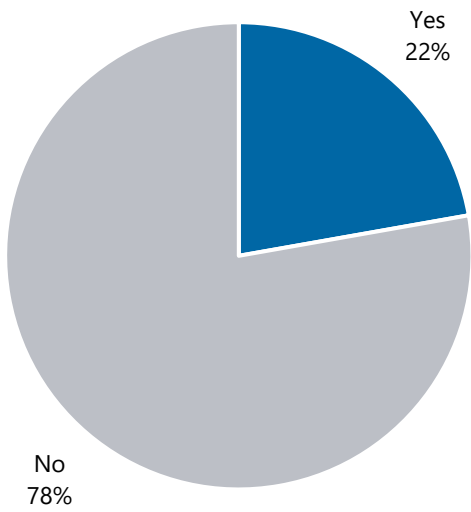
Source: Public filings.

(1) Does not include the instances for per meeting compensation or lump sum compensation.

Post-Transaction Employment

- Boards of directors of going-private targets are reluctant to allow management to discuss post-transaction employment prior to the board's selection of a winning bidder.

Did Management Discuss Post-Transaction Employment Prior to the Board's Selection of a Winning Bid?



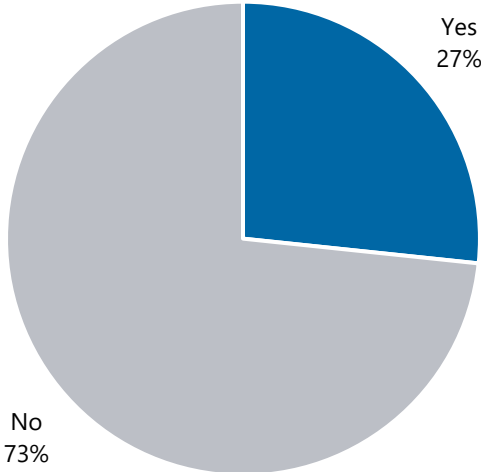
2019–2020 Study:
Yes: 25%
No: 75%

Source: Public filings.

13E-3 Transactions

- Twenty-seven percent of the transactions in the Study were “13E-3 transactions” as defined under the Securities Exchange Act of 1934.⁽¹⁾

Was the Transaction a 13E-3 Transaction?



2019–2020 Study:

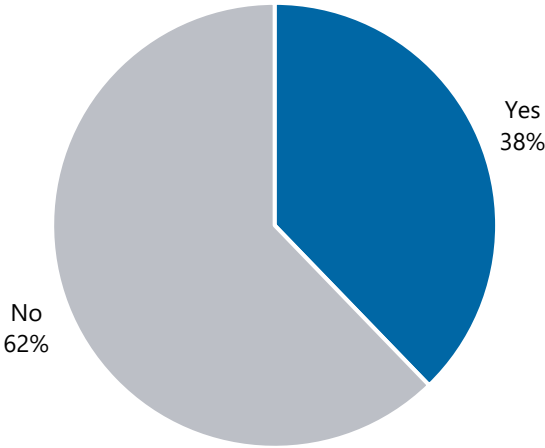
Yes: 12%
No: 88%

Source: Public filings.
(1) A going-private transaction is subject to Rule 13E-3 if it involves (i) a purchase of any equity security by the issuer of such security or by an affiliate or (ii) a tender offer for any equity security made by the issuer or by an affiliate. An affiliate is viewed as a person who directly or indirectly controls, is controlled by, or is under common control with the issuer. Due to the potential for abuse and overreaching by the issuer and/or its affiliates, who may be viewed as having roles on both sides of the transactions, and the significant impact that such transactions can have on minority shareholders, Rule 13E-3 imposes certain filing, dissemination, heightened disclosure and anti-fraud requirements on issuers and their affiliates engaged in these types of transactions.

Stockholder Lock-Ups

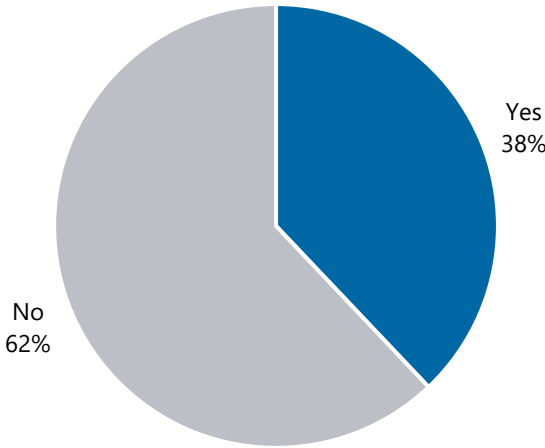
- Stockholder agreements to vote in favor of the transaction (a “lock-up”) were observed in 38% of the transactions in the Study.
- Of the 29 transactions involving a target with a significant stockholder, 11 (38%) had a lock-up.
- Eight (89%) of the nine transactions involving a target with a substantial stockholder had a lock-up of that stockholder.

Transactions With Stockholder Lock-Ups as a % of Total Transactions



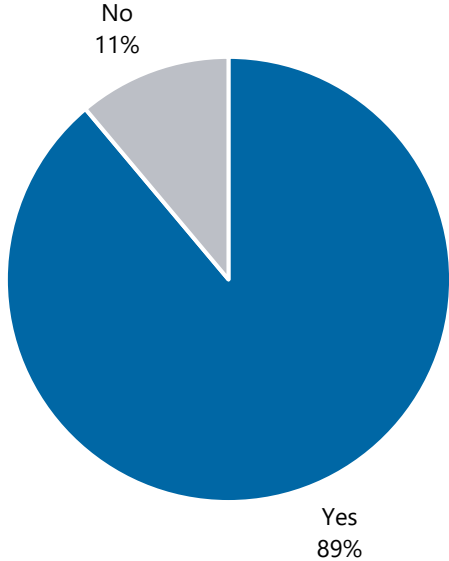
2019–2020 Study:
 Yes: 25%
 No: 75%

Transactions With Significant Stockholder Lock-Ups as a % of Total Transactions With Significant Stockholders



2019–2020 Study:
 Yes: 14%
 No: 86%

Transactions With Substantial Stockholder Lock-Ups as a % of Total Transactions With Substantial Stockholders



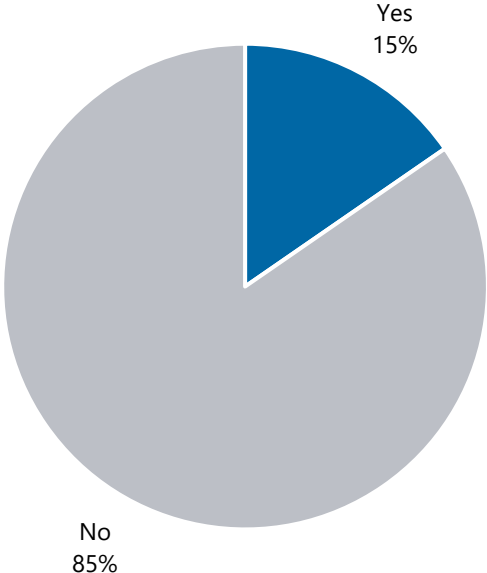
2019–2020 Study:
 Yes: 86%
 No: 14%

Source: Public filings.

Approval by a Majority of the Minority

- In the Study, three of the 13 transactions (15%) initiated by a substantial or significant stockholder or management were subject to approval by a majority of the minority stockholders.

Was the Transaction Subject to Approval by a Majority of the Minority if Initiated by a Substantial Stockholder, Significant Stockholder or Management?



2019–2020 Study:

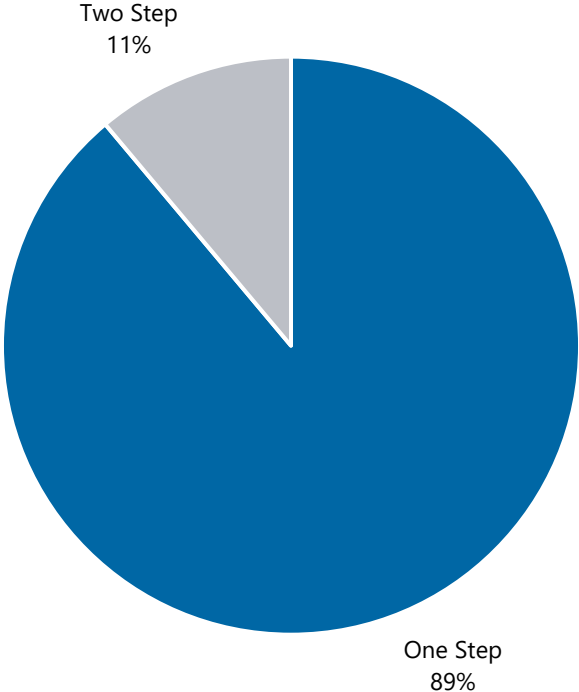
Yes: 25%
No: 75%

Source: Public filings.

Transaction Structure

- Despite the advantage of being able to quickly gain control of a target through the use of a tender offer, 89% of the transactions in the Study were structured as one-step merger transactions.

Transaction Structure



2019–2020 Study:
Two Step: 16%
One Step: 84%

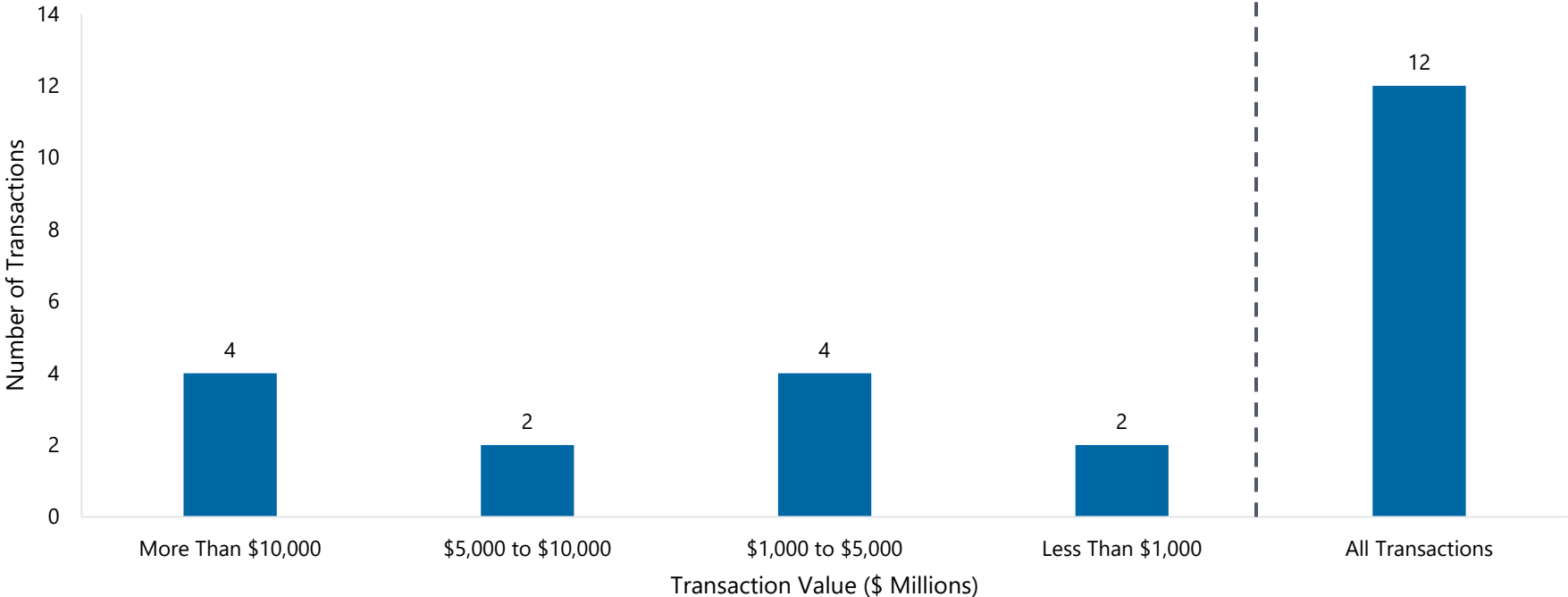
Source: Public filings.

Club Deals

- Twelve (27%) of the transactions in the Study were “club deals” involving two or more sponsors.

Number of Club Deals by Transaction Value

(Dollars in Millions)



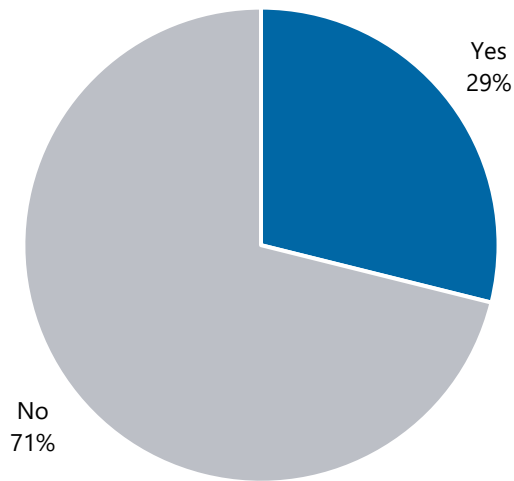
2019–2020 Study:
Club Deals: 22%

Sources: S&P Capital IQ and public filings.

Go-Shop Provisions

- Thirteen (29%) of the transactions in the Study provided for a post-agreement go-shop period.
- The average go-shop period length for all of the observed transactions was 37.8 days, with smaller transactions having shorter average “shopping days.”

Was There a Go-Shop Provision?



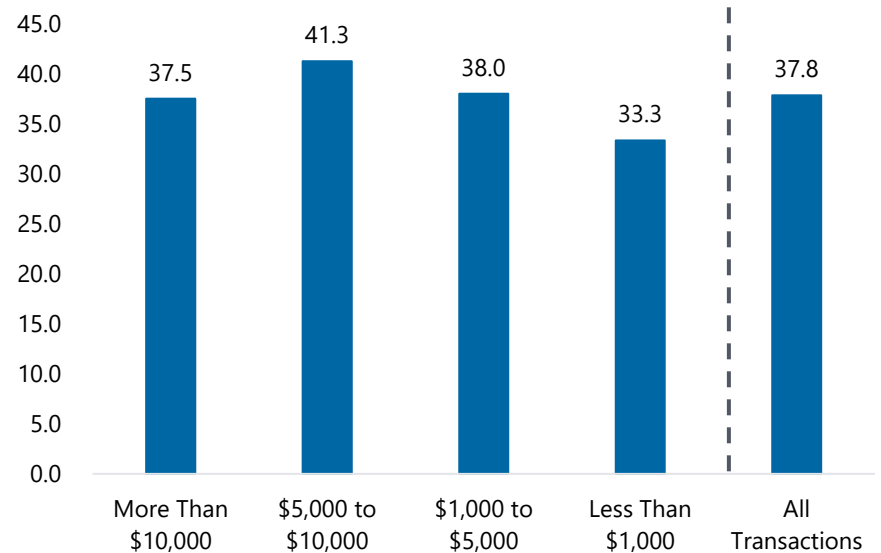
2019–2020 Study:

Yes: 44%

No: 56%

Average Length of Go-Shop (Days)

(Dollars in Millions)

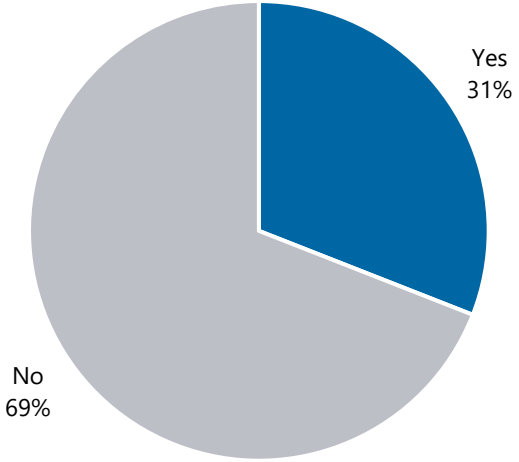


Sources: S&P Capital IQ and public filings.

Go-Shop Provisions (cont.)

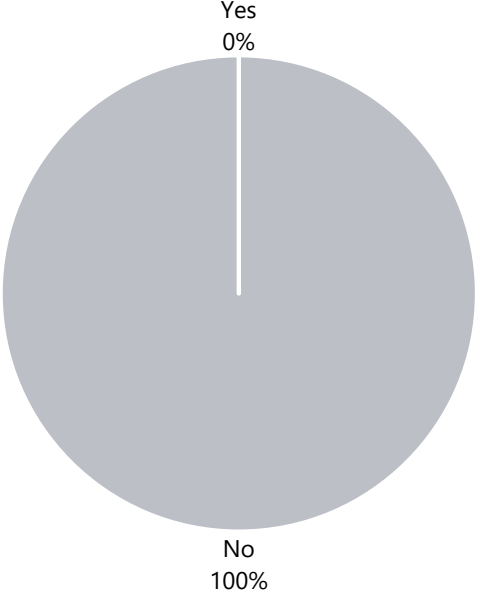
- Go-shop provisions were not present in any (0%) of the three transactions that were not preceded by an auction process.

If There Was an Auction Process, Was There a Go-Shop Provision?



2019–2020 Study:
Yes: 45%
No: 55%

If There Was Not an Auction Process, Was There a Go-Shop Provision?



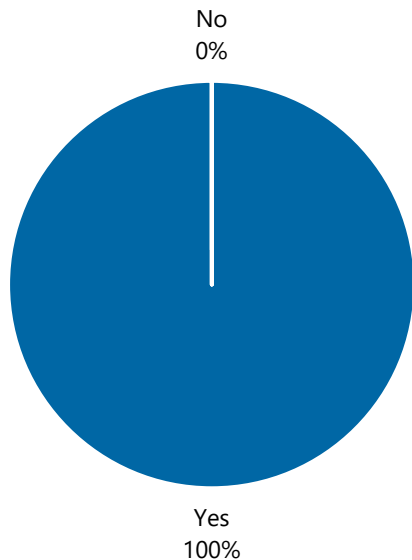
2019–2020 Study:
Yes: 42%
No: 58%

Source: Public filings.

Fiduciary Out to a Superior Proposal

- All transactions contained a fiduciary out in the event the target received a superior outside proposal (either pursuant to a go-shop provision or otherwise); however, in all cases, the original bidder was granted matching rights effective for a period of up to five days.

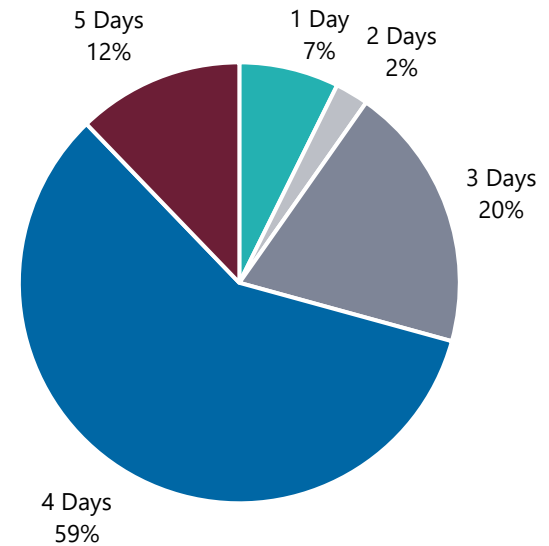
If There Was a Fiduciary Out for a Superior Proposal, Did the Original Bidder Have Matching Rights?



2019–2020 Study:

Yes: 100%
No: 0%

If the Bidder Did Have Matching Rights, Over What Period Were the Matching Rights Effective?



2019–2020 Study:

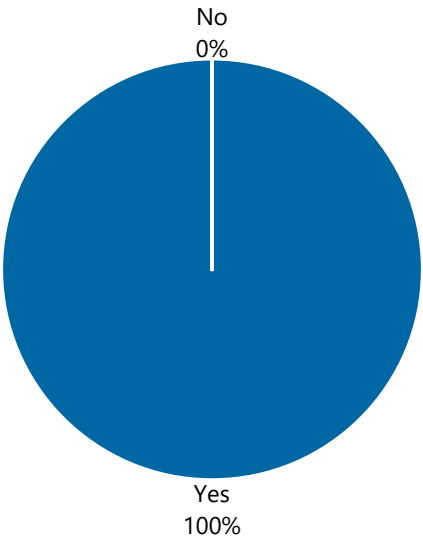
5 Days: 36%
4 Days: 37%
3 Days: 18%
2 Days: 9%
1 Day: 0%

Source: Public filings.

Fiduciary Out for an Intervening Event

- In all of the transactions in the Study, the target board was permitted to change its recommendation in favor of a deal by reason of an “intervening event.”
 - The definition of an intervening event varies by deal, but typical definitions may include that such event was not known by the target’s board and/or management as of the date of the merger agreement, is material, was not reasonably foreseeable, and/or occurs or arises after the date of the merger agreement.

Was There a Fiduciary Out for an “Intervening Event”?



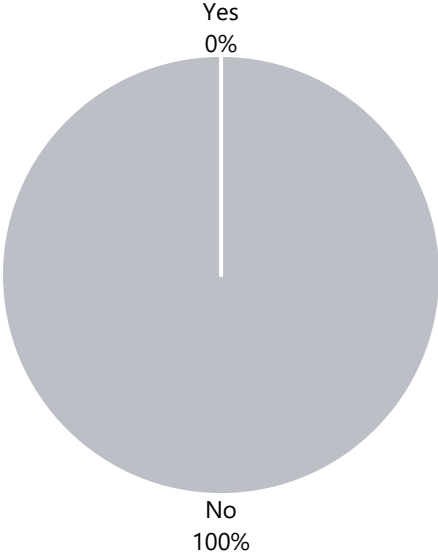
2019–2020 Study:
Yes: 91%
No: 9%

Source: Public filings.

Financing

- None of the transactions in the Study were conditioned on the availability of financing.

Was There a Financing Out in the Agreement?



2019–2020 Study:

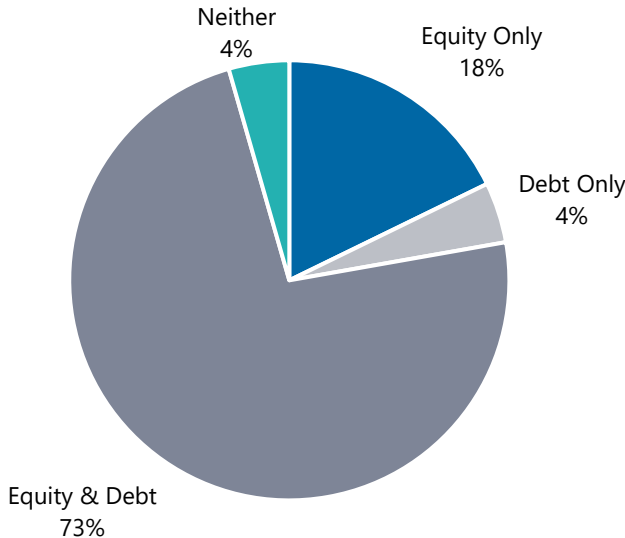
Yes: 6%
No: 94%

Source: Public filings.

Financing (cont.)

- Commitment letters for the provision of debt and/or equity financing were delivered prior to signing the acquisition agreement in 96% of the transactions in the Study.

Was a Commitment Letter Delivered Upon Signing the Transaction Agreement?



2019–2020 Study:

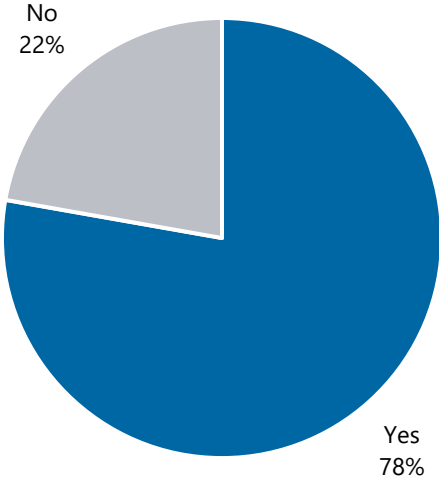
- Equity & Debt: 69%
- Equity Only: 19%
- Debt Only: 6%
- Neither: 6%

Source: Public filings.

Financing (cont.)

- In 78% of transactions, the financial sponsor (through the fund making the investment) guaranteed the payment of any reverse termination fees.

Did the Financial Sponsor Guarantee the Reverse Termination Fee?



2019–2020 Study:

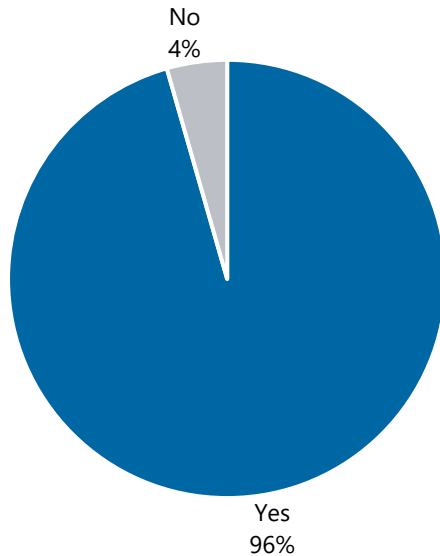
Yes: 71%
No: 29%

Source: Public filings.

Termination Fees

- Ninety-six percent of the transactions in the Study featured a termination fee payable to the acquirer under certain circumstances in which the transaction did not close.
- Median and mean termination fees as a percentage of transaction value were approximately 2.6% and 3.0%, respectively, for all transactions.

Did the Transaction Have a Termination Fee?



2019–2020 Study:

Yes: 100%
No: 0%

Termination Fee as a % of Transaction Value

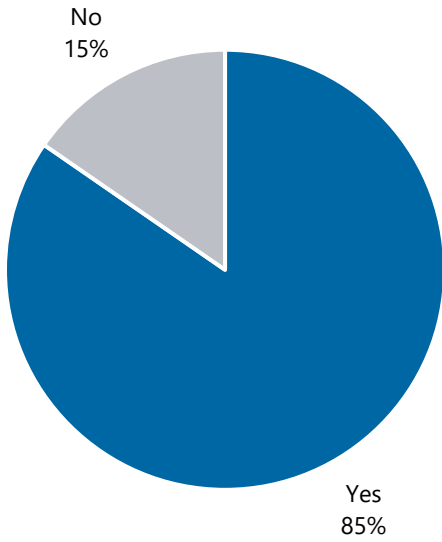
	More Than \$10.0 Billion	\$5.0 Billion to \$10.0 Billion	\$1.0 Billion to \$5.0 Billion	Less Than \$1.0 Billion	All Transactions
Low	0.6%	0.7%	0.6%	1.9%	0.6%
High	3.0%	6.0%	3.8%	12.4%	12.4%
Median	2.4%	2.4%	2.6%	3.3%	2.6%
Mean	2.3%	2.6%	2.5%	4.3%	3.0%

Sources: S&P Capital IQ and public filings.

Bifurcated Termination Fees

- The majority of the transactions in the Study that had “go-shop” provisions had a bifurcated structure pursuant to which the termination fee during the go-shop period was lower than the termination fee payable after the go-shop period had ended.

For Transactions With Go-Shop Provisions, Was the Fee Bifurcated During the Go-Shop Period?



2019–2020 Study:

Yes: 62%

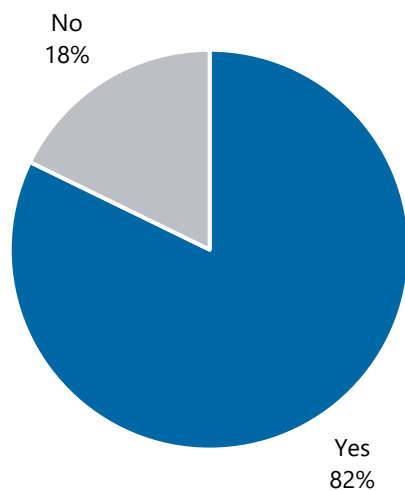
No: 38%

Source: Public filings.

Reverse Termination Fees

- Eighty-two percent of the transactions in the Study had a reverse termination fee payable by the acquirer if the financing for the transaction fell through or the acquirer otherwise terminated the acquisition agreement.
- Median and mean reverse termination fees as a percentage of transaction value were approximately 5.2% and 5.9%, respectively, for all transactions.

Did the Transaction Have a Reverse Termination Fee?



2019–2020 Study:

Yes: 97%
No: 3%

Reverse Termination Fee as a % of Transaction Value

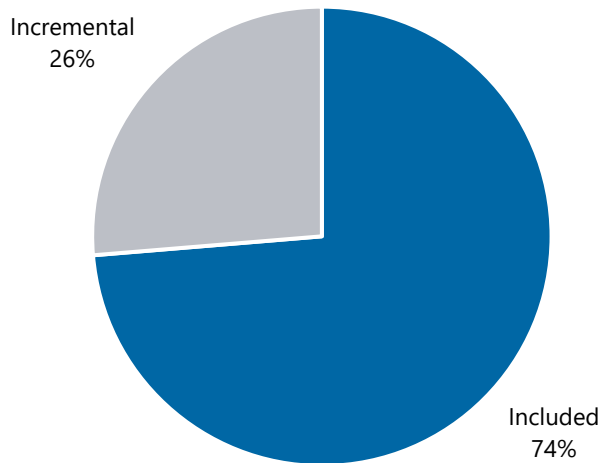
	More Than \$10.0 Billion	\$5.0 Billion to \$10.0 Billion	\$1.0 Billion to \$5.0 Billion	Less Than \$1.0 Billion	All Transactions
Low	2.2%	1.4%	3.6%	2.7%	1.4%
High	9.0%	12.0%	7.7%	25.8%	25.8%
Median	4.7%	5.5%	4.7%	5.6%	5.2%
Mean	5.1%	6.2%	5.1%	6.8%	5.9%

Sources: S&P Capital IQ and public filings.

Expense Reimbursement in the Event of Termination

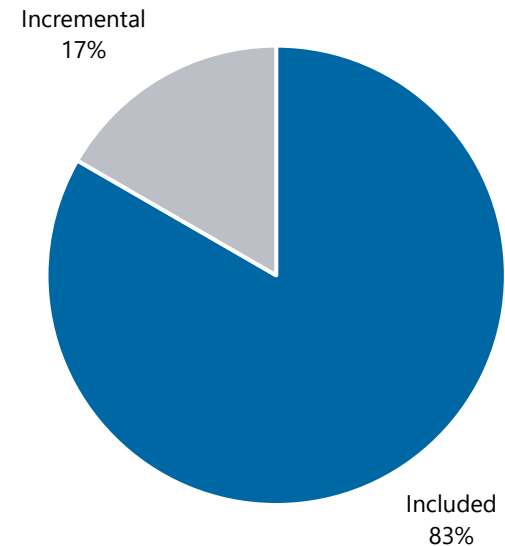
- Thirty-eight of the termination fee provisions observed in the Study addressed treatment of expenses. Of these, 10 (26%) transactions provided for the reimbursement of transaction expenses (i.e., expense reimbursement was incremental to the termination fee payable upon termination). Additionally, expense reimbursement was treated as an incremental expense in six (17%) of the 36 reverse termination fee provisions that specified expense treatment.

Were Expenses Included in the Termination Fee or Incremental?



2019–2020 Study:
Incremental: 36%
Included: 64%

Were Expenses Included in the Reverse Termination Fee or Incremental?



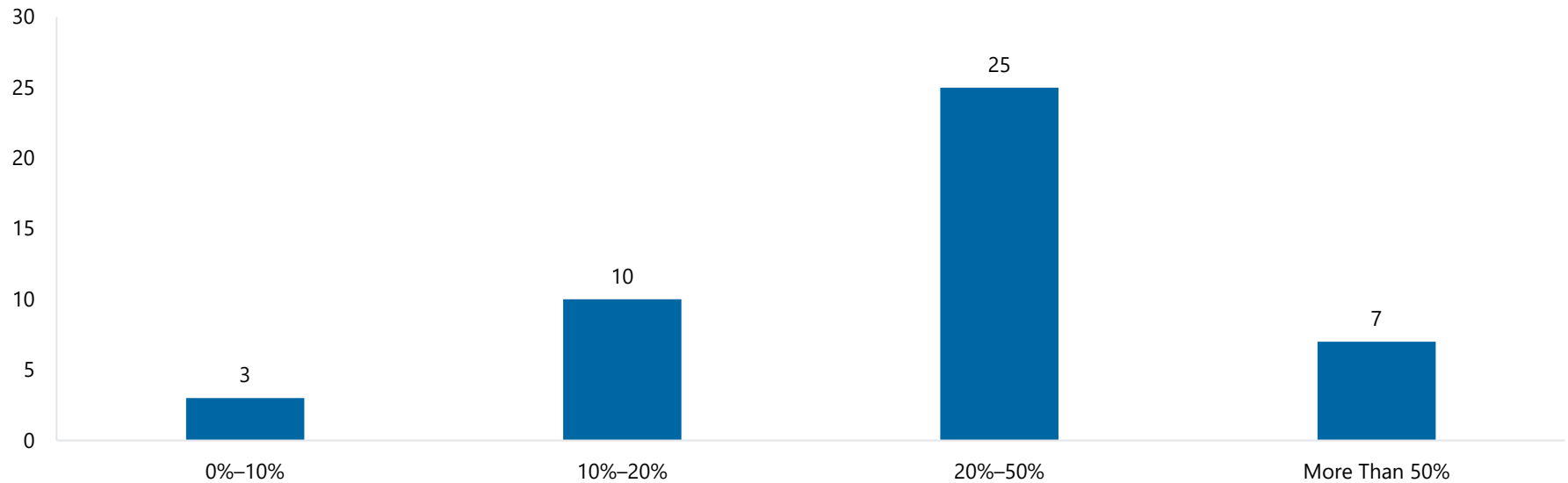
2019–2020 Study:
Incremental: 47%
Included: 53%

Source: Public filings.

Initial Offer per Share Price Premium

- In 25 (56%) of the transactions in the Study, the first per share offer by any bidder was 20% to 50% higher than the target's current stock price as of that date.

What Was the % Premium of the First Offer to Market Price of the Target's Stock?



2019–2020 Study:

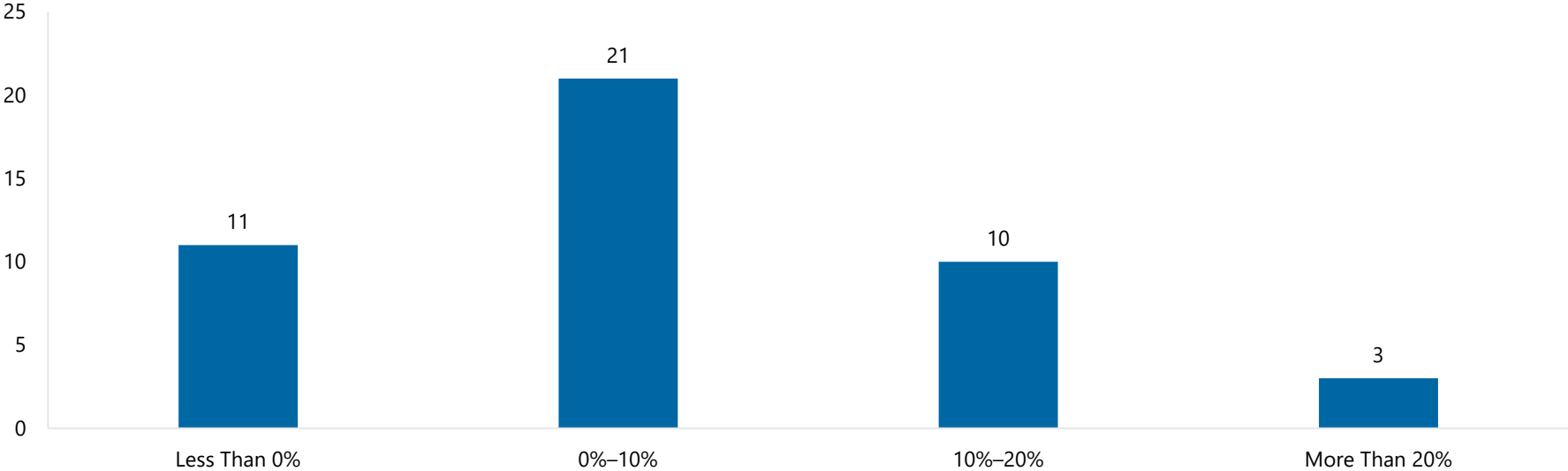
- 0%–10%: 2
- 10%–20%: 5
- 20%–50%: 19
- More Than 50%: 2

Source: Public filings.

Final Transaction Value per Share Premium

- In 21 (47%) of the transactions in the Study, the final deal price was 0% to 10% higher than the initial per share offer by any bidder, and notably, 11 (24%) of the transactions had a final deal price below the first offer price.

What Was the % Premium of the Final Deal Price to the First Offer Price?



2019–2020 Study:

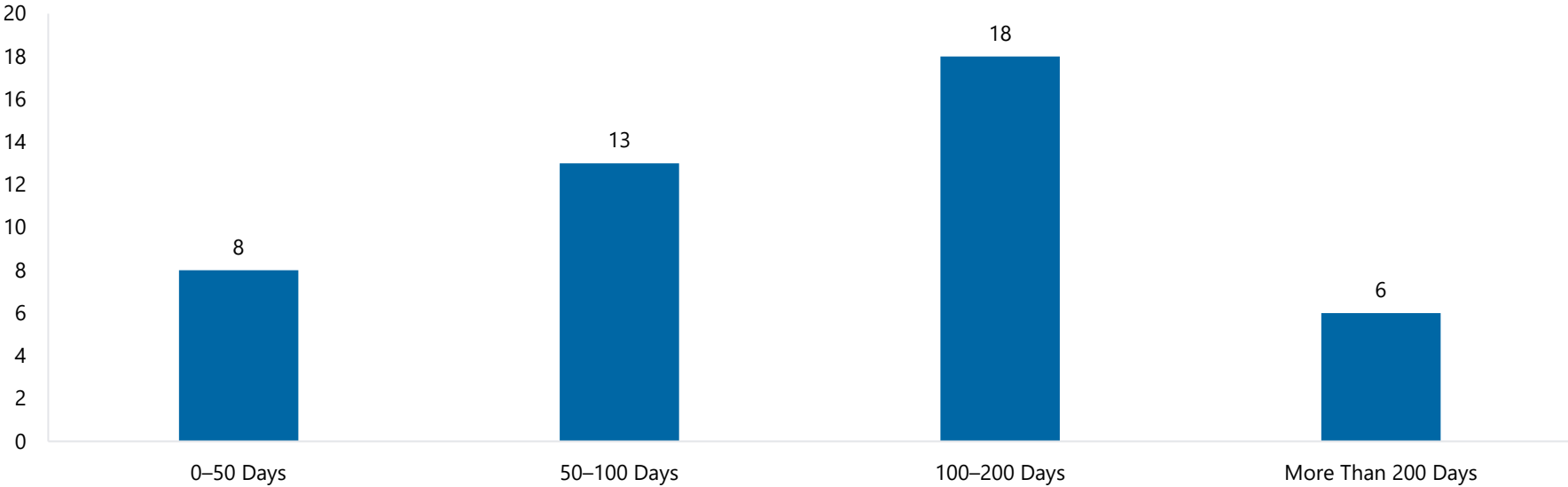
- Less Than 0%: 6
- 0%–10%: 7
- 10%–20%: 7
- More Than 20%: 12

Source: Public filings.

Duration of Negotiation Process

- In 18 (40%) of the transactions in the Study, 100 to 200 days passed between the initial bid received by the target and the signing of the merger agreement.

What Was the Number of Days Between the Initial Bid and Signing of the Merger Agreement?



Source: Public filings.

03

APPENDICES



03

APPENDICES

Transaction Details



Transaction Details

Date Announced	Status	Target	Acquirer Name(s)	TV (\$mil)	LTM Multiples			Acquisition Premiums		
					TV/ Revenue	TV/ EBITDA	TV/ EBIT	1 Day	1 Week	1 Month
12/16/2022	Closed	Maxar Technologies Inc.	Advent International Corp.; British Columbia Investment Management Corp.	\$6,542.0	3.7x	14.2x	43.6x	129.4%	121.6%	111.0%
12/16/2022	Closed	Trean Insurance Group, Inc.	Altaris Capital Partners, LLC	\$172.1	NA	NA	NA	97.1%	107.1%	165.1%
12/12/2022	Closed	Coupa Software Inc.	Abu Dhabi Investment Authority; Thoma Bravo, LP	\$8,193.6	10.0x	NM	NM	30.5%	29.2%	46.7%
11/28/2022	Closed	INDUS Realty Trust, Inc.	GIC Real Estate, Inc.; Centerbridge Partners, LP	\$803.9	16.3x	30.8x	109.2x	17.0%	17.0%	30.4%
11/16/2022	Closed	Elevate Credit, Inc.	Park Cities Asset Management LLC	\$68.8	NA	NA	NA	76.4%	94.8%	85.1%
11/03/2022	Announced	Focus Financial Partners Inc.	Clayton, Dubilier & Rice, LLC; Stone Point Capital LLC	\$1,436.3	NA	NA	NA	56.0%	55.2%	52.9%
10/27/2022	Closed	UserTesting, Inc.	Thoma Bravo, LP; Sunstone Partners Management, LLC	\$1,116.4	6.0x	NM	NM	94.3%	111.9%	88.9%
10/27/2022	Closed	AgroFresh Solutions, Inc.	Paine Schwartz Partners, LLC	\$540.3	3.20x	9.4x	NA	87.5%	87.5%	85.2%
10/24/2022	Closed	Weber Inc.	BDT Capital Partners, LLC	\$2,993.0	1.9x	NM	NM	53.6%	35.1%	23.1%
10/11/2022	Announced	ForgeRock, Inc.	Thoma Bravo, LP	\$1,999.0	9.9x	NM	NM	53.4%	50.1%	33.3%
09/28/2022	Closed	BTRS Holdings Inc.	EQT Partners Inc.	\$1,513.2	10.5x	NM	NM	64.6%	53.5%	43.9%
09/19/2022	Closed	KnowBe4, Inc.	Vista Equity Partners Management, LLC	\$3,769.3	13.0x	181.0x	NM	43.9%	28.3%	27.0%
09/15/2022	Closed	Store Capital LLC	GIC Real Estate, Inc.; Oak Street Real Estate Capital, LLC	\$13,801.7	16.2x	18.0x	28.8x	20.4%	18.1%	10.4%
08/17/2022	Closed	Hill International, Inc.	Global Infrastructure Solutions Inc.	\$267.5	0.8x	10.4x	16.5x	95.4%	100.0%	94.3%

Source: S&P Capital IQ.

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NM refers to Not Meaningful.

TV refers to Transaction Value.

Transaction Details (cont.)

Date Announced	Status	Target	Acquirer Name(s)	TV (\$mil)	LTM Multiples			Acquisition Premiums		
					TV/ Revenue	TV/ EBITDA	TV/ EBIT	1 Day	1 Week	1 Month
08/08/2022	Closed	Avalara, Inc.	Vista Equity Partners Management, LLC	\$8,367.6	10.6x	NM	NM	-2.1%*	6.2%	6.7%
08/04/2022	Closed	Atlas Air Worldwide Holdings, Inc.	Apollo Global Management, Inc.; J.F. Lehman and Company, LLC; Hill City Capital LP	\$4,664.2	1.1x	4.3x	6.7x	5.9%	40.0%	66.4%
08/03/2022	Closed	Ping Identity Holding Corp.	Thoma Bravo, LP	\$2,796.3	9.1x	NM	NM	63.1%	58.7%	54.9%
07/26/2022	Closed	Pzena Investment Management, Inc.	Pzena Investment Management LLC	\$117.2	NA	NA	NA	45.5%	38.1%	38.9%
07/21/2022	Closed	Hanger, Inc.	Patient Square Capital, LP	\$1,373.3	1.2x	8.7x	19.6x	25.8%	32.0%	29.2%
07/12/2022	Closed	Sharps Compliance Corp.	Aurora Capital Partners	\$165.1	2.4x	25.0x	154.1x	207.0%	207.0%	152.9%
06/24/2022	Closed	Zendesk, Inc.	Hellman & Friedman LLC; Permira Advisers Ltd.; GIC Private Ltd.; Abu Dhabi Investment Authority	\$9,890.9	6.9x	NM	NM	33.7%	38.7%	-15.9%*
06/23/2022	Closed	Radius Health, Inc.	Gurnet Point Capital Limited; Patient Square Capital, LP	\$821.4	3.8x	NM	NM	23.5%	29.6%	85.5%
06/21/2022	Closed	Convey Health Solutions Holdings, Inc.	TPG Capital, LP	\$251.1	0.7x	20.5x	NA	143.1%	156.1%	82.3%
06/14/2022	Closed	Continental Resources, Inc.	Omega Acquisition Inc.	\$33,715.6	3.6x	4.8x	6.7x	15.2%	2.2%	28.4%
05/20/2022	Closed	Covetrus, Inc.	Clayton, Dubilier & Rice, LLC; TPG Capital, LP	\$4,182.7	0.9x	22.4x	NM	16.5%	37.5%	30.2%
05/11/2022	Closed	Treco Resources	Balmoral Funds LLC	\$254.3	0.8x	8.8x	36.8x	29.9%	7.7%	18.9%
05/11/2022	Closed	Switch, Inc.	IFM Investors Pty Ltd; DigitalBridge Group, Inc.	\$10,579.1	16.9x	35.0x	99.3x	11.4%	8.2%	11.6%
05/06/2022	Closed	Hemisphere Media Group, Inc.	InterMedia Advisors, LLC; Gato Investments LP	\$482.9	NA	NA	NA	85.7%	80.0%	70.7%

Source: S&P Capital IQ.

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*Excluded from the range.

Transaction Details (cont.)

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					TV/ Revenue	TV/ EBITDA	TV/ EBIT	1 Day	1 Week	1 Month
04/29/2022	Closed	GTY Technology Holdings Inc.	GI Manager LP	\$417.3	6.6x	NM	NM	122.6%	138.6%	86.4%
04/25/2022	Closed	PS Business Parks, Inc.	Blackstone Real Estate Advisors LP	\$7,538.0	17.0x	26.6x	39.2x	11.8%	14.9%	15.3%
04/19/2022	Closed	American Campus Communities, Inc. (nka: American Campus Communities LLC)	Blackstone Real Estate Advisors LP	\$13,344.4	13.6x	27.2x	71.1x	13.7%	14.4%	18.5%
04/18/2022	Closed	Natus Medical Inc.	ArchiMed SAS	\$1,122.4	2.3x	17.0x	36.3x	28.6%	33.9%	31.1%
04/14/2022	Closed	Twitter, Inc.	X Holdings I Inc.	\$46,173.4	8.8x	51.2x	NM	18.2%	12.8%	59.6%
04/11/2022	Closed	SailPoint Technologies Holdings, Inc.	Thoma Bravo, LP	\$7,051.2	15.2x	NM	NM	31.6%	24.4%	49.0%
04/06/2022	Closed	Tufin Software Technologies Ltd.	Turn/River Management, LP	\$488.8	4.2x	NM	NM	44.0%	43.6%	45.9%
04/05/2022	Closed	Tivity Health, Inc.	Stone Point Capital LLC	\$1,939.0	3.9x	12.7x	14.0x	0.8%	6.6%	9.1%
04/01/2022	Closed	Manning & Napier, Inc.	Callodine Group, LLC	\$162.5	NA	NA	NA	41.1%	44.4%	59.8%
03/29/2022	Closed	Nielsen Holdings plc	Brookfield Business Partners LP; Evergreen Coast Capital Corp.	\$15,762.6	4.5x	13.4x	17.9x	26.1%	20.5%	59.4%
03/20/2022	Closed	Anaplan, Inc.	Thoma Bravo, LP	\$10,080.8	16.0x	NM	NM	26.0%	38.0%	42.4%
02/24/2022	Closed	South Jersey Industries, Inc.	JP Morgan Asset Management	\$7,846.1	3.9x	16.6x	30.1x	53.3%	51.6%	47.6%
02/23/2022	Closed	Tenneco Inc.	Apollo Global Management, Inc.	\$6,707.9	0.4x	5.1x	11.4x	100.4%	84.3%	85.0%
02/22/2022	Closed	Houghton Mifflin Harcourt Company	Veritas Capital Fund Management, LLC	\$2,671.0	2.5x	15.3x	46.9x	15.9%	14.5%	25.1%

Source: S&P Capital IQ.

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02/16/2022	Closed	Preferred Apartment Communities, Inc.	Blackstone Real Estate Income Trust, Inc.	\$5,356.5	11.9x	20.3x	52.6x	7.4%	39.2%	38.2%
02/14/2022	Closed	Cornerstone Building Brands, Inc.	Clayton, Dubilier & Rice, LLC	\$6,158.8	1.1x	7.1x	17.1x	34.0%	53.9%	50.9%
01/31/2022	Closed	Citrix Systems, Inc.	TIBCO Software Inc. (nka: Cloud Software Group, Inc.)	\$16,654.9	5.2x	26.1x	44.3x	-1.5%*	-2.2%*	9.9%

Low ⁽¹⁾	\$68.8	0.4x	4.3x	6.7x	0.8%	2.2%	6.7%
High ⁽¹⁾	\$46,173.4	17.0x	181.0x	154.1x	207.0%	207.0%	165.1%
Median ⁽¹⁾	\$2,796.3	5.2x	16.8x	36.3x	34.0%	38.4%	46.3%
Mean ⁽¹⁾	\$6,007.9	7.1x	25.1x	43.0x	51.2%	52.0%	52.4%

Source: S&P Capital IQ.

EBIT refers to Earnings Before Interest and Taxes.

EBITDA refers to Earnings Before Interest, Taxes, Depreciation and Amortization.

LTM refers to Latest 12 Months.

TV refers to Transaction Value.

(1) Calculation excludes negative premiums and other outliers.

*Excluded from the range.

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APPENDICES

2019–2020 Going-Private Transaction Study Summary



2019–2020 Transaction Analysis by Target Company Size

- Twenty-six of the transactions (81%) in the 2019–2020 Going-Private Transaction Study had a TV in excess of \$500 million, with 20 transactions (63%) in excess of \$1.0 billion.
- Transaction values in 2019 and 2020, on average, were materially higher than transaction values in the 2016 and 2017 Study. For the calendar years ended December 31, 2016, and December 31, 2017, there were 50 going-private transactions with median and average TV of \$970.6 million and \$1,945.1 million, respectively.

Analysis by Target Company Size

Transaction Value	Number of Transactions		TV (\$mil)	LTM Multiples			Acquisition Premiums ⁽¹⁾		
				TV/Revenue	TV/EBITDA	TV/EBIT	1 Day	1 Week	4 Weeks
More Than \$1 Billion	20	Median	\$2,647.9	3.88x	12.1x	27.0x	18.9%	25.0%	28.6%
		Mean	\$4,402.1	4.37x	18.1x	41.6x	22.7%	26.1%	28.0%
\$500 Million to \$1 Billion	6	Median	\$843.1	3.52x	14.4x	28.6x	30.8%	31.9%	41.5%
		Mean	\$817.0	3.79x	18.6x	30.9x	43.2%	41.9%	53.0%
\$100 Million to \$500 Million	5	Median	\$212.4	1.22x	8.4x	20.5x	34.7%	44.5%	13.4%
		Mean	\$216.8	1.17x	8.6x	19.9x	34.5%	40.4%	27.9%
Less Than \$100 Million	1	Median	\$57.7	1.26x	2.3x	NA	NA	NA	NA
		Mean	\$57.7	1.26x	2.3x	NA	NA	NA	NA
All Transactions	32	Median	\$1,706.7	1.93x	11.3x	26.8x	25.9%	28.0%	29.3%
		Mean	\$2,940.2	3.75x	16.1x	35.5x	28.8%	31.7%	33.2%

Source: S&P Capital IQ.

(1) Excludes one transaction that was structured as a separate asset sale and merger.

Notes: Mean and median calculations exclude negative premiums and other outliers. The high and low metrics shown in this chart represent the high and low TVs, TV multiples, and acquisition premiums shown in the study. The low TV multiples and acquisition premiums, respectively, are not necessarily associated with the transactions with the lowest transaction value, and the high TV multiples and acquisition premiums, respectively, are not necessarily associated with the transaction with the highest transaction value. Similarly, the low and high acquisition premiums, respectively, are not necessarily associated with the transactions with the lowest and highest transaction value or TV multiples.

2019–2020 Transaction Analysis by Date Announced

- Transaction volume during 2019 and 2020 peaked in the fourth quarter of 2020, with slightly more transactions in 2020 (18) than in the prior year (14). Median EBITDA and EBIT multiples were volatile during the two-year period, with the median EBITDA multiples ranging from 2.3x to 88.0x and the median EBIT multiples ranging from 15.1x to 129.4x.

Analysis by Transaction Announcement Date

Transaction Date	Number of Transactions		TV (\$mil)	LTM Multiples			Acquisition Premiums ⁽¹⁾		
				TV/Revenue	TV/EBITDA	TV/EBIT	1 Day	1 Week	4 Weeks
1/1/2019 – 3/31/2019	1	Median	\$10,822.4	9.49x	88.0x	129.4x	19.3%	21.2%	32.2%
		Mean	\$10,822.4	9.49x	88.0x	129.4x	19.3%	21.2%	32.2%
4/1/2019 – 6/30/2019	5	Median	\$2,750.6	3.52x	10.8x	22.9x	15.6%	17.5%	18.3%
		Mean	\$4,812.1	3.08x	13.0x	24.6x	20.7%	20.3%	24.4%
7/1/2019 – 9/30/2019	4	Median	\$2,460.3	3.81x	13.3x	20.9x	24.4%	22.8%	19.6%
		Mean	\$3,813.2	3.21x	13.5x	21.8x	27.0%	24.5%	21.5%
10/1/2019 – 12/31/2019	4	Median	\$3,254.7	2.49x	8.4x	15.1x	10.0%	16.3%	6.2%
		Mean	\$3,365.9	3.17x	9.4x	42.6x	10.0%	16.3%	14.7%
1/1/2020 – 3/31/2020	2	Median	\$2,264.8	3.46x	7.3x	35.8x	20.7%	35.5%	48.3%
		Mean	\$2,264.8	3.46x	7.3x	35.8x	20.7%	35.5%	48.3%
4/1/2020 – 6/30/2020	1	Median	\$57.7	1.26x	2.3x	NA	NA	NA	NA
		Mean	\$57.7	1.26x	2.3x	NA	NA	NA	NA
7/1/2020 – 9/30/2020	5	Median	\$702.1	1.68x	20.2x	29.6x	32.7%	42.8%	27.8%
		Mean	\$858.1	2.67x	20.2x	32.5x	49.6%	53.8%	50.4%
10/1/2020 – 12/31/2020	10	Median	\$978.4	1.42x	10.0x	28.6x	28.9%	32.7%	41.2%
		Mean	\$2,160.8	4.58x	14.5x	34.4x	31.5%	35.2%	37.7%
All Transactions	32	Median	\$1,706.7	1.93x	11.3x	26.8x	25.9%	28.0%	29.3%
		Mean	\$2,940.2	3.75x	16.1x	35.5x	28.8%	31.7%	33.2%

Sources: Refinitiv and S&P Capital IQ.

Notes: Mean and median calculations exclude negative premiums and other outliers. The high and low metrics shown in this chart represent the high and low TVs, TV multiples, and acquisition premiums shown in the study. The low TV multiples and acquisition premiums, respectively, are not necessarily associated with the transactions with the lowest transaction value, and the high TV multiples and acquisition premiums, respectively, are not necessarily associated with the transaction with the highest transaction value. Similarly, the low and high acquisition premiums, respectively, are not necessarily associated with the transactions with the lowest and highest transaction value or TV multiples.

(1) Excludes one transaction that was structured as a separate asset sale and merger.

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Introduction to Houlihan Lokey



Houlihan Lokey is the trusted advisor to more top decision-makers than any other independent global investment bank

Top Global M&A Firm

2022 M&A Advisory Rankings
Global Transactions Under \$1 Billion

	Advisor	Deals
1	Houlihan Lokey	381
2	Rothschild & Co	369
3	JP Morgan	217
4	Lazard	206
5	Goldman Sachs & Co	203

Source: Refinitiv. Excludes accounting firms and brokers.

Top Global Restructuring Firm

2022 Global Distressed Debt &
Bankruptcy Restructuring Rankings

	Advisor	Deals
1	Houlihan Lokey	58
2	PJT Partners Inc	30
3	Lazard	29
4	Rothschild & Co	25
5	Moelis & Co	21

Source: Refinitiv.

Top Global Fairness Opinion Firm

1998–2022 Global M&A
Fairness Advisory Rankings

	Advisor	Deals
1	Houlihan Lokey	1,232
2	JP Morgan	1,030
3	Duff & Phelps, A Kroll Business	938
4	Morgan Stanley	725
5	BofA Securities Inc	710

Source: Refinitiv. Announced or completed transactions.

No. 1

Global M&A Advisor Under \$1 Billion

No. 1

Global Restructuring Advisor

No. 1

Global M&A Fairness Opinion
Advisor Over the Past 25 Years

No. 1

U.S. M&A Advisor

1,500+

Transactions Completed Valued at
More Than \$3.0 Trillion Collectively

1,000+

Annual Valuation Engagements

Leading

Capital Markets Advisor

Our product knowledge, industry expertise, and global reach deliver superior results

PRODUCT EXPERTISE



Corporate Finance



Financial Restructuring



Financial and Valuation Advisory

DEDICATED INDUSTRY GROUPS

Business Services

Consumer, Food, and Retail

Energy

Financial Services

FinTech

Healthcare

Industrials

Real Estate, Lodging, and Leisure

Technology

KEY FACTS AND FIGURES

36

Locations Worldwide

2,610

Global Employees

313

Managing Directors⁽¹⁾

\$1.8B

Revenues⁽²⁾

\$6.5B

Market Capitalization⁽³⁾



(1) As of April 2023; excludes corporate MDs. (2) LTM ended March 31, 2023. (3) As of June 2023.

Overview of Financial Sponsors Group

Houlihan Lokey has the largest Financial Sponsors Group focused on mid and large-cap funds. In the past five years, 800+ Private Equity firms have chosen Houlihan Lokey to advise on M&A or Capital Raising for their portfolio companies

Largest Financial Sponsor Group

Importance of Sponsors

- HL has sold over 184 companies to financial sponsors in 2022

Broadest & Deepest Financial Sponsor Coverage Group

- HL has 25 senior officers dedicated to the sponsor community in the Americas and Europe
- Coverage of 1,000+ private equity firms, 250+ credit funds and 75+ family offices
- Organized geographically to ensure client coverage proximity

High Quality Relationships

- 196 Closed M&A transactions in 2022 (with sponsors)
- 52 Closed FRG transactions in 2022 (with sponsors)
- 1,800 FVA engagements worked on in 2022 (with sponsors)
- Provide financial sponsors access to successful solutions – with coverage officers facilitating two-way information flow between the sponsors and Houlihan Lokey

Unparalleled Data on Buyer Behavior

- Knowledge of, and database on, financial sponsor preferences and behavior through our relationships and deal flow
- Collect and analyze comprehensive data on industry, size and general market trends

Deep Relationships Across Fund Sizes and Types



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Selected Professional Biographies





Richard De Rose

Senior Advisor

NEW YORK

QUALIFICATIONS

University of Pennsylvania

B.A.

Brown University

Ph.D.

New York University

J.D.

Bear, Stearns & Co.

Wachtell, Lipton, Rosen & Katz

PAST

Mr. De Rose is a member of Houlihan Lokey's Financial and Valuation Advisory business, where his primary responsibilities include providing investment banking, valuation, and transactional opinion services. He is a member of the firm's Fairness, Solvency, and Technical Standards committees. With over three decades of investment banking experience, Mr. De Rose has extensive expertise in successfully managing complex transactions across a broad spectrum of industries.

Before joining Houlihan Lokey, Mr. De Rose served as Managing Director in the M&A Group of Bear, Stearns & Co. Inc. In that capacity, he advised clients in negotiated M&A, divestitures, leveraged buyouts, contested takeovers, and proxy fights—completing more than 200 M&A transactions. In addition, he was a Managing Director in Bear Stearns' Financial Restructuring Group, advising debtors, senior lenders, bondholders, and prospective acquirers of Chapter 11 debtors and other financially distressed companies. He also served as a member of Bear Stearns' Valuation Committee.

Mr. De Rose began his career as a corporate attorney at Wachtell, Lipton, Rosen & Katz. His responsibilities there included providing counsel to clients in M&A transactions and public and private securities offerings, as well as advising banks and institutional investors in connection with debt financings and troubled loan workouts.

Mr. De Rose earned a B.A. in Philosophy from the University of Pennsylvania, a Ph.D. in Philosophy from Brown University, and a J.D. from the New York University School of Law. He is currently a member of the Mergers & Acquisitions Committee of the American Bar Association and the American Bankruptcy Institute. Mr. De Rose is a member of the Corporation Law Committee and a former member of the M&A Committee of the New York City Bar Association. He is also the past Chairman of the Corporation Law Committee of the New York State Bar Association (NYSBA) and a member of the Executive Committee of the Business Law Section of the NYSBA. Mr. De Rose has been qualified as an expert in valuation by the Delaware Chancery Court.



Matt Kavney

Vice President

ATLANTA

QUALIFICATIONS

Georgia Institute of Technology

B.S.

Wells Fargo Securities

PAST

Mr. Kavney is a member of Houlihan Lokey's Financial and Valuation Advisory business. He primarily advises boards of directors, special committees, company management, and other constituents in evaluating transaction proposals, strategic alternatives, and corporate governance matters as well as understanding critical deal-related issues. Mr. Kavney is also active in the firm's Transaction Opinions practice and is experienced in providing fairness, solvency, and other transaction opinions to public and private clients on take-privates, spin-offs, recapitalizations, asset sales, and other M&A transactions across a variety of industries.

Before joining Houlihan Lokey, Mr. Kavney was awarded an investment banking summer analyst position at Wells Fargo Securities.

Mr. Kavney graduated with highest honors from the Georgia Institute of Technology, earning a B.S. in Mechanical Engineering and a Certificate of Finance.



Gretta Conrath

Associate

CHICAGO

QUALIFICATIONS

University of Wisconsin–Madison

B.B.A.

Certified Public Accountant

OTHER

Deloitte

PAST

Ms. Conrath is a member of Houlihan Lokey’s Financial and Valuation Advisory business. Her experience includes fairness opinions, solvency opinions, ESOP-related transactions, and general business valuation.

Before joining Houlihan Lokey, Ms. Conrath worked as a Senior Consultant in Deloitte’s investment management tax practice.

Ms. Conrath graduated with distinction and honors from the University of Wisconsin–Madison with a B.B.A. in Accounting and Information Systems and a concentration in French. She is a Certified Public Accountant in the state of Illinois.

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