



US Private Equity Mid-Market Monitor: 2023 Outlook

What's driving deal flow in 2023?

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Making a difference in 2022



*DC Advisory US provided advisory services in CY 2022 for transactions including the companies listed above

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Hear from our senior bankers

“2023 has started off as an exciting time for private equity and M&A, with settling market conditions paving the way for transformation to a ‘new normal’. Despite past challenges the market has faced, dealmakers are optimistic about the future, and corporate growth imperative is stronger than ever. While the US continues to lead the way, DC Advisory persists in strengthening our depth of domain expertise to deliver transactions of real consequence for our clients, globally”



Scott Wieler
CEO DC Advisory US

This edition's authors



Sponsor Coverage
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e-Commerce & Marketing Tech
Frank Cordek, Managing Director



Infrastructure Technology
Joel Strauch, Managing Director



Real Estate Technology
Jane Santini, Director

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Sponsor Coverage



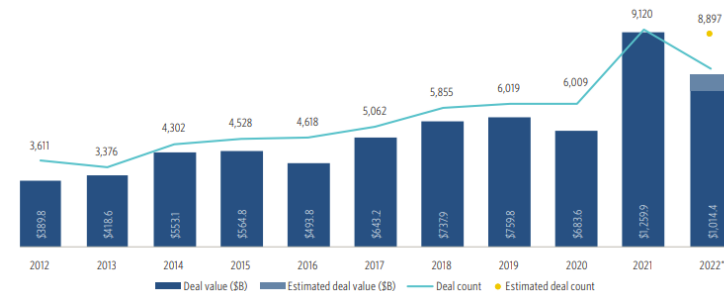
“Notwithstanding the genuine pain that the current economic situation is causing, the mood in the market feels more positive than it did just a month ago”

Daniel Graves, Managing Director
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A look back at 2022

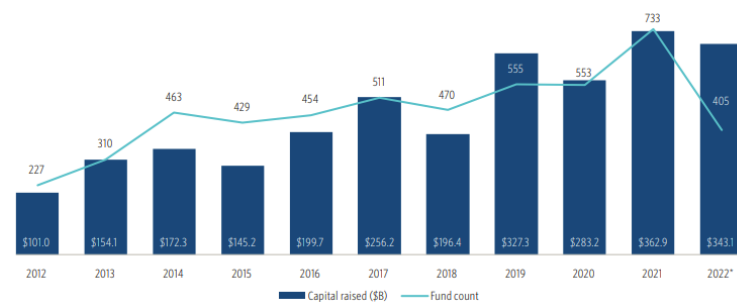
- The record year for US mid-market M&A activity in 2021 set a high bar for deal activity in 2022
- While 2022 total mid-market deal count was slower, it finished well ahead of previous years (see Fig 1)

Fig. 1: US PE deal activity: Jan – Dec 22



Source: Annual PE Breakdown, PitchBook, January 2023

Fig. 2: US PE fundraising activity: Jan– Dec 22

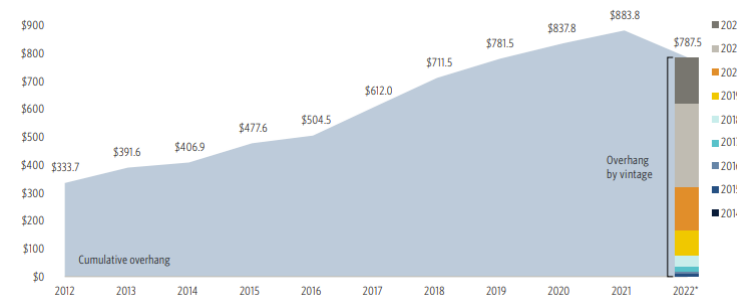


Source: Annual PE Breakdown, PitchBook, January 2023

- Similarly, mid-market fundraising slowed over 2022 given investor nervousness in H2
- Ample dry powder available for those transactions able to pass increased investor scrutiny (see Fig. 3)

- However, as a result of the competing forces of declining liquidity in the debt markets and a higher cost of borrowing, a 2022 ‘push-pull’ deal making environment has formed – fueling a continued disparity between investor and seller pricing expectations

Fig 3: US PE dry powder (\$B) by vintage: Jan – Dec 22



Source: 2022 Annual PitchBook US PE Breakdown

2023 outlook

We anticipate that levels of deal activity in the first six months of 2023 will be level with H2 2022 levels, but we see momentum building for stabilization (albeit a ‘new normal’), as the year progresses – investors and lenders are preparing to transact on the significant backlog of saleable businesses

2023 – First half

- As 2023 opens, notwithstanding the genuine pain that the current economic situation is causing, the mood in the market feels more positive than it did just a month ago:
 - The inevitably risk-averse investors are wary of how the cost-of-living crisis has impacted confidence. With investor scrutiny at its peak, potential sellers – also risk averse – are reluctant to launch processes immediately
 - Lenders who are resolving stress in their current portfolio are resigned to some inevitable restructuring, and beginning to contemplate new opportunities
 - Private equity has spent time identifying businesses that can endure or benefit from inflation, have strong market positions, and generate significant margins and cash
- There’s a sense that the market’s shift towards the downside in bid/ask multiples on lower-quality assets will level off as 2023 progresses
- While this hesitation is likely to lead to a slow first quarter, we anticipate a marked increase in:
 - Bilateral, high-confidence transactions
 - Strategic buyer only processes
 - Greater overall participation from strategics
 - A more limited number of PE fund buyers included in lists for transactions
- An increase of strategic buyer only processes indicates a level M&A playing field, whereby strategics are now able to compete with private equity for exceptional assets
- Each of the above has the capacity to provide greater certainty for sell-side mandates and lower levels of distraction than a full-blown sale process – also providing investors with a higher probability of success
- We expect pockets of strength in H1 2023 deal activity, particularly in the Defense, Education, Healthcare, Technology and ESG-related sectors, with transactions elsewhere potentially accelerating in volumes before the Summer

2023 – Second half

- In 2023, private equity will need to realise as well as invest. Once the market is perceived to be stable, the impact of inflation is better understood, and the new valuation reality is established, decisions can be made – and we anticipate that happening in Q2 to drive H2 activity
- 2023 deal activity will likely increase sequentially with fierce competition in the mid-market, especially for exceptional assets, leading the way back

View our in-depth sector commentary >

Aerospace, Defense & Government Services

“Lean in early on processes that are high interest. In today’s market, buyers are prioritising certainty to close”

Ellis Chaplin, Managing Director
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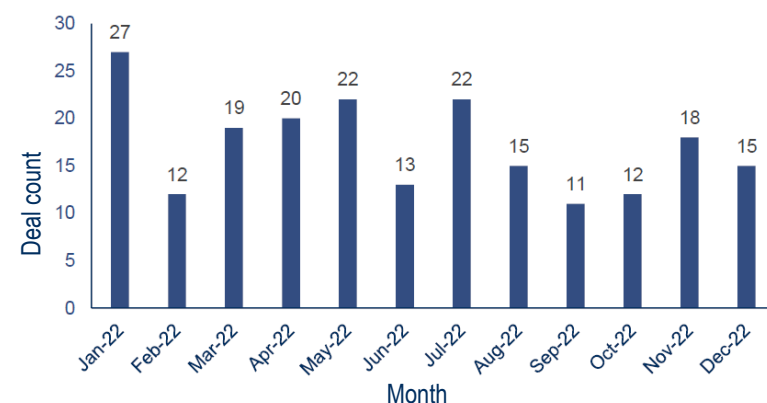
2022 overview

- While January 2022 benefited from the record level of activity in 2021, overall deal flow dipped throughout the year (see Fig. 4)
- Despite the reduced level of activity in Aerospace, Defense & Government Services, we view this as a modest decline as compared to the broader M&A market
- The Defense & Government market generally performed well in 2022 as the sector benefited from robust budgets, a rise in geopolitical risks (Ukraine, China, etc) and the relatively minor impact of Covid-19 on the sector

2023 outlook

- We expect to see an upcycle driven by an increase in defense spending within Europe and in the US, despite budgetary pressures – equipping buyers and sellers with the confidence to transact
- Unlike the rest of the market, the sector remains robust and an attractive market for private equity, as exceptional assets will continue to attract premium valuations regardless of macroeconomic / geopolitical impacts
- We expect both sellers and investors will remain optimistic and confident about growth

Fig. 4: Number of mid-market US transactions completed in Aerospace, Defense & Government Services: Jan– Dec 22



Source: Mergermarket: (for search criteria, please see Annex A)

Opportunities & deal flow drivers

- **Defense technology** – defense technology, including intelligence, surveillance, and reconnaissance (ISR) systems, will likely continue to be sought after by investors in 2023, driven by a need to operate in increasingly complex and multidomain environments
- **Space and cybersecurity** – these subsectors represent fast growing markets driven by increased global competition fueling investments in next-generation technologies, in a bid to maintain technological superiority
- **Data analytics & digital transformation** – we believe government agencies will continue to make investments to modernize their IT capabilities and infrastructure; in-demand capabilities include data analytics, cloud, managed services, low-code / no-code and DevOps

Business & Tech-Enabled Services

“Now is the time to get ahead and talk to business founders and the bankers they work with. There is an opportunity to be aggressive in the market while others wait on the side-lines. Good businesses will perform and drive value over the long term”

John Lanza, Managing Director
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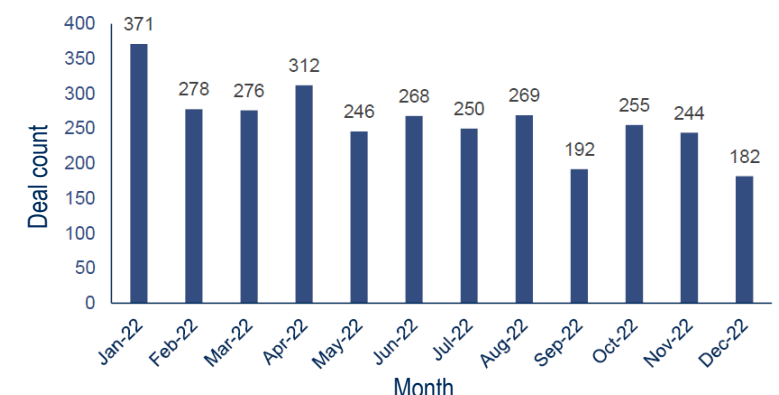
2022 overview

- In Q1 2022, we saw healthy deal flow. This turned abruptly in Q2 2022, as we started to see a steady decline in private transactions, proliferating the market (see Fig. 5)
- A myriad of factors contributed to the declining valuation multiples, and volume of activity, including:
 - **Increased borrowing costs** - against the backdrop of increased interest rates and inflation fears, we saw a decrease in tech-enabled deal flow – as well as the dollar value of deals
 - **Private equity pullback** - in tech-enabled services, private equity pivoted its focus to add-on acquisitions, rather than seeking new platforms

2023 outlook

- We expect market participants to remain in ‘preparation mode’ as market conditions stabilize throughout Q1
- Tech-enabled services businesses are likely to remain attractive investment targets as they are highly scalable, ensuring long-term viability and long-term security for investors
- An increase of strategic buyer only processes indicates a level M&A playing field, whereby strategics are able to compete with private equity for exceptional assets
- As market conditions stabilize, lending becomes more accessible, and the labor market loosens, we anticipate tech-enabled deal volumes to increase in H2 2023. However, we don’t believe that we are likely to return to 2021 levels in the near future

Fig. 5: Number of mid-market US transactions completed in Business & Tech-Enabled Services: Jan– Dec 22



Source: Mergermarket: (for search criteria, please see Annex A)

Opportunities & deal flow drivers

- **Consolidation** – portfolio companies, sponsor-backed companies and independents will likely look to consolidate tech-enabled businesses in 2023. Assets that require financial and operational solutions due to lack of capabilities or resources, will be attractive to players who have access to funding sources
- **Buy-and-build strategies** - although there has been over a decade of consolidation, the sector remains significantly fragmented, allowing for buy-and-build strategy opportunities for mid-market private equity

Education & EdTech

“H1 2023 is likely to be similar to H2 2022, which required creativity to close more complicated deals. We also expect a number of sellers to prepare for H2 2023 process launches, when we project a more normalized deal environment”

Justin Balciunas, Managing Director
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2022 overview

- The number of Education & EdTech traditional M&A processes accelerated from 2019 onwards, carrying through to the first half of Q1 2022, where we experienced the peak of deal volumes (see Fig. 6)
- In response to 2022's volatile economic backdrop, dealmaking processes became more complex, significantly slowing down transaction closes, particularly in H2 2022

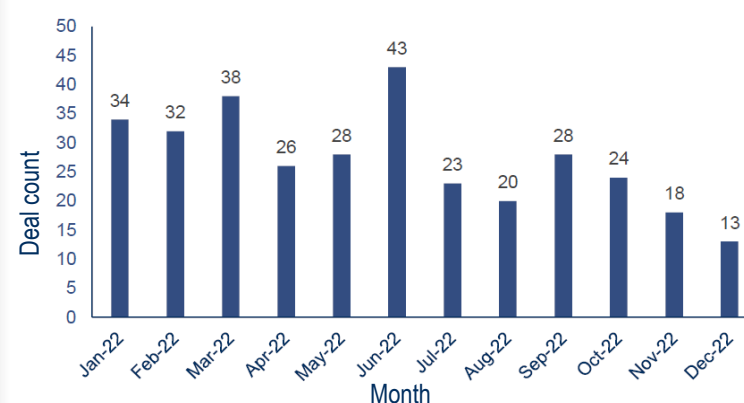
2023 outlook

- The outlook in the Education sector remains robust and attractive in our view since many education companies are less sensitive to economic downturns
- Despite buyers and sellers sharing caution going into 2023, we anticipate activity emerging in a few areas:
 - Private equity is likely to target add-ons for existing portfolio companies as opposed to acquiring new platform forms
 - Seller valuation expectations remain high, but they are willing to engage with strategics to gauge whether valuations will approach their expectations
- For H1 2023, we expect deal activity will continue to emphasize bilateral negotiations or highly targeted processes, rather than broad auctions

Opportunities & deal flow drivers

- Healthcare training and test prep, special education, and behavioural health**, are likely to be key areas of focus for investors for 2023, as they tend to be less impacted by unstable economic conditions given their necessity
- Exceptional assets** - in comparison to other sectors, Education is often viewed as a 'safe haven' for investors as it is less likely to be negatively affected by macroeconomic conditions. For example, during periods of high unemployment, individuals often seek new skills or retrain

Fig. 6: Number of mid-market US transactions completed in Education: Jan – Dec 22



Source: Mergermarket: (for search criteria, please see Annex A)

Healthcare

“There is a window of opportunity to get creative in exploring transactions that can bridge the bid/ask spread. Lean in to investment opportunities when competition is limited”

Rich Blann, Managing Director
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2022 overview

- As credit markets tightened and the cost of capital increased, we faced a significant decline in deal volume across the sector in Q4 2022 (as shown in Fig. 7)
- Subsequently, investor appetite shifted focus back to investments with a demonstrable track record of organic growth, versus many platforms driving growth solely through M&A transactions
- Now that the cost of capital has almost doubled, the 'cheap financing' that fuelled so much consolidation is naturally declining and the investment platforms that are solely M&A focused need to incorporate more organic growth initiatives into their overall strategies
- At the 41st Annual J.P. Morgan Healthcare Conference in January 2023, we observed an overall sombre and risk averse mood among investors following the uncertain macroeconomic environment of H2 2022. As a result, many processes that launched in 2022 have come to a halt, temporarily, as sellers closely monitor financing markets

2023 outlook

- In certain instances, sellers are holding out for the exceptional valuations that we saw from Q2 2021 to Q2 2022, but it is unlikely we will revert to this in 2023 without an unforeseen catalyst
- We expect there to be a resetting of seller expectations over H1 2023 as a 'new normal' will take some time to be broadly accepted

Fig. 7: Number of mid-market US transactions completed in Healthcare: Jan – Dec 22



Source: Mergermarket: (for search criteria, please see Annex A)

Opportunities & deal flow drivers

The healthcare investment themes expected to drive 2023, remain consistent with those of 2022:

- Industry consolidation** will likely drive deal activity in 2023 given the significant fragmentation across many sub-sectors, including many physician-specialty sectors that are still less than 20% consolidated
 - Dental, Dermatology, and Ophthalmology continued to consolidate with transitioning focus to consolidating the consolidators
 - Emerging areas such as Cardiology, Orthopedics, MedSpa and Specialty Dental have generated substantial investment from private equity given early-stage consolidation of these sectors
- Vertical and horizontal integration** are emerging strategies to create strategic combinations of alliances to enhance, expand and improve the delivery of healthcare

Industrials

“ We believe there is a strong window of opportunity approaching, and the best outcomes will be achieved through preparation today ”

Matt Storkman, Director
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2022 overview

- Industrials focused deal activity in 2022 was consistent with M&A market trends more broadly
- The H2 2022 investor nervousness was driven by a rapidly increasing interest rate environment, which catalyzed a ‘thoughtful pause’ as investors and sellers both wait to see what market conditions look like in 2023, contributing to a ‘push-pull’ environment

2023 outlook

- Once the depth of the economic downturn is established, our view is the level of Industrials activity will return to the healthy levels of 2021, by H2 2023
- We’ve seen an eagerness to resume activity once market conditions take shape, and economic concerns are addressed

Fig. 8: Number of mid-market US transactions completed in Industrials: Jan – Dec 22



Source: Mergermarket: (for search criteria, please see Annex A)

Opportunities & deal flow drivers

- **Energy transition and decarbonization:** this is driven by rising energy prices amid geopolitical tension and increased regulation from the US government, resulting in the need to transition to renewable energy sources
- **Resilience of sector demand:** the critical nature of Industrials operations means we expect the sector to maintain its defensive investment position
- **Continued strength in macroeconomic spending / economic growth**

Media & Telecom

“ I am optimistic that 2023 will bring a narrowing of the significant gap between private equity and company expectations – leading to productive dialogue and opportunity for transactions & funding ”

Gretchen Tibbits, Managing Director
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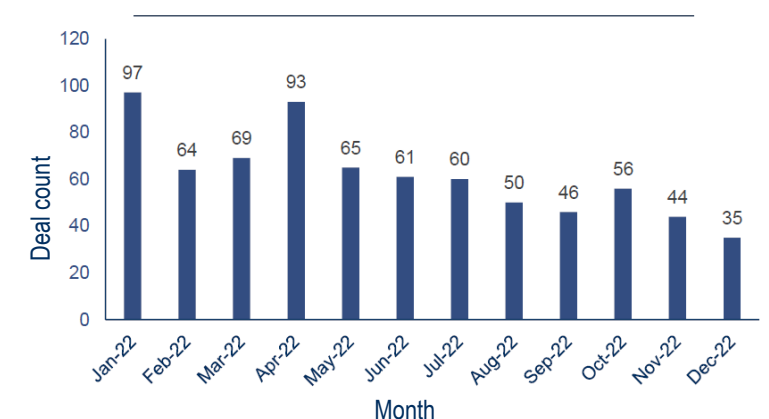
2022 overview

- We saw a decline in private Media transactions during 2022
- A shared optimism in the acceleration of streaming delivery and the emergence of the ‘creator economy’ resulted in what could be considered an overpriced market in 2021 and early 2022
- Like the rest of the market, higher interest rates, inflation, demand outlook, and geopolitical tensions all negatively impacted the availability of capital and confidence of dealmakers throughout 2022

2023 outlook

- We don’t expect valuation multiples will rise to the high levels of 2021 – rather, valuation expectations of sellers will likely move closer to that of buyers/funders as they adjust to new market conditions
- We are optimistic that this gap will start to close in 2023 with active conversations starting in Q2 leading to the sector adopting ‘new normal’ levels of activity in Q3-Q4 of 2023

Fig. 9: Number of mid-market US transactions completed in Media & Telecom: Jan – Dec 22



Source: Mergermarket: (for search criteria, please see Annex A)

Opportunities & deal flow drivers

M&A activity in Media & Telecom is supported by structural growth drivers:

- **Multiple touch points** - successful media businesses have been innovating in response to dynamic markets. Key is the commitment to serve the customer by identifying multiple touchpoints to reach the consumer and integrating monetization into those interactions. Acquisitions that enable diversification in distribution and create/leverage new pathways to monetization will likely be prevalent
- **Consolidation** – we anticipate roll-ups that are led by experienced teams will leverage the opportunities available in a turbulent market

Technology & Software

“There is great opportunity to expand businesses through a focused acquisition strategy. This is especially true with cross-border opportunities given the decline in market valuations, strength of the dollar and fundamental long-term growth in the Technology & Software industry”

Eric Edmondson, Vice-Chairman
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2022 overview

- Like all sectors, following a year of unprecedented M&A activity in 2021, 2022 saw Software deal volumes settle back into a more familiar rhythm
- 2022 deal volumes finished about 35% lower than 2021's record levels, but still on par with 2015 - 2020 averages¹
- Software, like the market more broadly, saw valuations adjusted downward by about 30%, as a result, there is less appetite to transact in this environment
- However, while private equity investment was comparatively smaller vs 2020 volumes, its YoY growth remained in line with the 2007-2020 growth rate, in-part, due to an uptick of take-private transactions from companies like Citrix, Nielson and Zendesk²

2023 outlook

- Although private equity has ample liquidity available for transactions, many may take a 'wait and see' approach, looking for positive signs in the economy before moving forward with new investments
- Given the lower valuations in the sector, we expect private equity may be on the lookout for opportunistic 'tuck-in' acquisitions for their portfolio companies. As a result, we believe strategic acquirers may be more competitive at lower valuations and have the advantage of quickly reducing operating expenses. In addition, strategics could be willing to consider divestment of non-core assets
- We anticipate an uptick in activity in H2 2023, as the economic picture becomes clearer

Opportunities & deal flow drivers

We expect to see acquisitions which enhance current product offerings, increase the customer base, and expand geographies in areas such as:

- Artificial Intelligence and Machine Learning
- E-Commerce, Supply Chain and Logistics
- Security and Human Capital Management

Despite increased scrutiny, opportunities for innovative acquisition strategies that: improve productivity; broaden the service offering; increase the customer base; and lower costs; will progress

Fig. 10: Number of mid-market US transactions completed in Technology & Software: Jan– Dec 22



Source: Mergermarket: (for search criteria, please see Annex A)

Technology & Software

Cybersecurity

“We believe there is a strong window of opportunity approaching, and the best outcomes will be achieved through preparation today”

Matt Fiore, Managing Director
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2022 overview

- Cybersecurity related deal activity decreased in H2 2022. However, Cybersecurity companies were less impacted by market uncertainty due the necessity of the sector
- Private and public valuations therefore proved more resilient than broader technology peers
- **There was a bifurcated market:**
 - Premium asset transactions remained relatively unaffected as investors kept valuations aloft (eg, Vista Equity's take private of KnowBe4)³
 - Businesses with a critical need to transact faced lower valuations
- Companies that did not need to transact late last year extended their process preparation phases, or put processes on hold while market conditions settled at the end of 2022

2023 outlook

- Cybersecurity remains a top priority within enterprise IT budgets (ie, it's difficult to pull back on mission critical related spending)
- As a high growth sector, we continue to see several high-profile investors allocating more of their funds to Cybersecurity (eg Thoma Bravo, Vista Equity, etc)⁴
- Strategic acquirers and investors will likely continue to demonstrate an appetite to invest in market leaders
- As a sector that's less impacted by the debt markets, overall market sentiment improvement is still welcomed and expected following stabilization in The Federal Reserve rate increases
- Governments continue to roll-out new compliance initiatives, which we expect will in turn drive adoption of new cyber and compliance technologies
- We believe that the sector is trending toward a bounce-back of deal flow levels by H2 2023

Opportunities & deal flow drivers

- **Heightened threat environment:** cybersecurity remains an area of strong interest for investors given the heightened threat environment, risk mitigation / compliance requirements and board-level attention
- **Ample dry powder:** private equity and venture capital firms continue to raise new funds at a rapid pace, resulting in record levels of dry powder and a desire to put money to work
- **Managed detection and response (MDR)** – companies are rapidly embracing MDR to offset talent and skill shortages and enhance their adoption of increasingly complex technologies. We've seen increasing levels of investment and deal activity in this space over the last few years
- **Market consolidation** – we've seen an eagerness from private equity to carry out global roll-up expansion initiatives to enhance the scale and growth profile of their platform investments, and increase overall total addressable market (TAM)

Technology & Software

e-Commerce & Marketing Tech

“ **Execute on consolidation strategies based on thematic work that’s been done to build a sector leading platform** ”

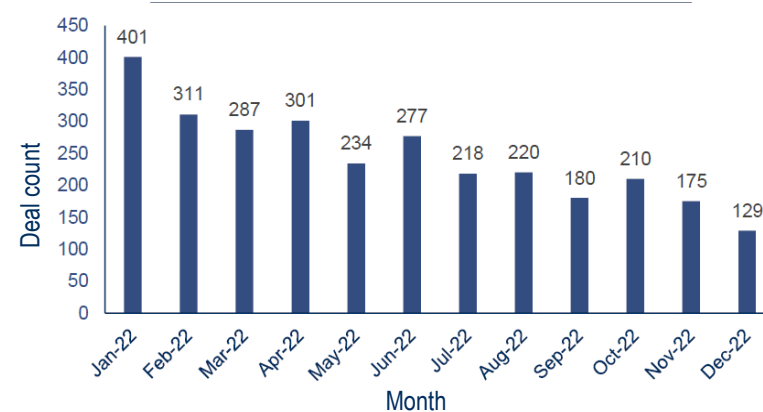
Frank Cordek, Managing Director
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2022 overview

- We observed a downward shift in valuations across e-Commerce and Marketing Technology solutions in 2022
- Valuations in the 18 – 24 months prior to 2022 could be considered somewhat ‘bloated’, leaving companies that require growth capital today at odds with the economics and optics of a down round
- Market participants started taking a ‘thoughtful pause’ to see how market conditions settle, following an unstable economic environment throughout the year

Fig. 10: Number of mid-market US transactions completed in Technology & Software: Jan– Dec 22



Source: Mergermarket: (for search criteria, please see Annex A)

2023 outlook

- Profitability for tech companies is now ‘in vogue’, as opposed to the high growth criteria of 2019 - 2021. We believe most investors bought into the view that high growth investments would become substantially profitable at scale, but many factors including business model specific metrics, economic, geopolitical, etc. stifled the opportunity for many of these companies to turn profitable
- We believe trade buyers have capacity to look at strategic opportunities and with significant amounts of capital to deploy, investors are eager to transact. But, there’s still a bid/ask gap between them and stakeholders, particularly founders
- Exceptional assets will still command top multiples

Opportunities & deal flow drivers

- **Consolidation** – corporates that have solid tech and /or a strong customer base, but aren’t scaling due to limited business unit functions (such as sales, marketing, product management), including those that require capital to drive growth, but aren’t able to raise for one reason or the other and are forced to further optimize with less - may opt to consolidate
- **Global expansion** – US corporates and private equity firms are looking more and more to expand into Europe and English-speaking countries
- **Tech lay-offs** – this provides an opportunity for other businesses to bring new high-quality talent on board, while at the same time fueling another segment of entrepreneurs launching new endeavours

Technology & Software

Infrastructure Software

“ **Break the logjam by catalyzing transactions with the targets you are most interested in pursuing** ”

Joel Strauch, Managing Director
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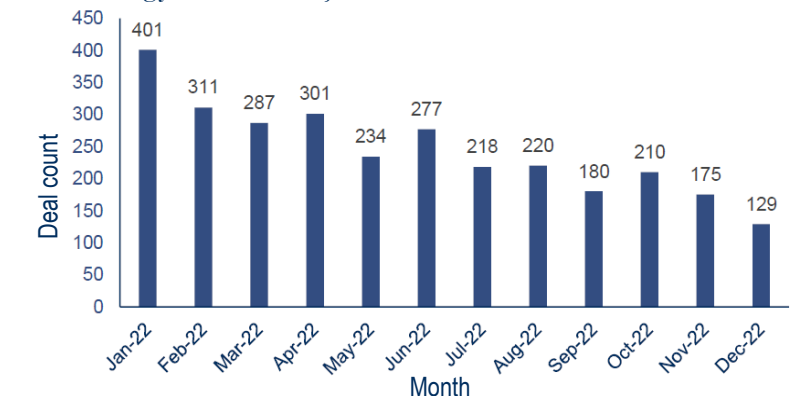
2022 overview

- Like the rest of the market, Infrastructure Software was impacted by lower public stock prices, higher interest rates and inflation
- A disparity between investors and the companies selling or raising capital on the view of future performance and valuation was substantial, and contributed to stagnation in the deal environment
- Enterprise IT spending has not been impacted as much as other sectors of the economy. In our experience, the drivers for adopting the new technologies around cloud, analytics and automation that drive the business of many companies, were not negatively impacted in 2022

2023 outlook

- There is anticipation from both investors and sellers for a more normalized level of deal activity
- Strategic buyers will likely need to address concerns about how economic conditions will impact their business for the next 12-18 months. Investors are addressing the performance of existing portfolio companies and LP reweighting of asset allocations

Fig. 10: Number of mid-market US transactions completed in Technology & Software: Jan– Dec 22



Source: Mergermarket: (for search criteria, please see Annex A)

Opportunities & deal flow drivers

- Some compelling trends that support the possibility of higher deal volumes in Infrastructure software during 2023:
 - **New technologies:** the rationale and ability for enterprises to adopt new technologies continues to improve. However, the pool of human resources to execute these remains limited
 - **Software and managed services** are ideal for filling this gap. Strategic buyers need to expand portfolios to keep up with technology adoption
- **Major growth investors** have become increasingly interested in infrastructure software and many have launched investment vehicles focused on earlier stage investing
- **Digital transformation driving CloudOps and DataOps** – this enables businesses to streamline operations and forge stronger customer relationships

Technology & Software

Property Technology

“2023 will likely be rough for capital intensive prop tech, with companies being absorbed or going out of business. It’s a great time for investors to come in or for strategics to augment their products, capabilities, and customers”

Jane Santini, Director
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2022 overview

- Prop tech deal flow slowed down in H2 2022 (see Fig. 11) due to headwinds from increasing interest rates and the decline in the macroeconomic environment
- Many unprofitable businesses were unable to continue to raise more capital to fund operations, and significant cuts were made to operating expenses to reach profitability as quickly as possible

2023 outlook

- Exceptional businesses will likely receive a lot of attention due to the lack of quality assets in the market, and we expect that a premium will be paid driven by the competition in a process
- Tech valuations are likely to increase from the lows of 2022, but 2021 is unlikely to repeat itself in the near future
- There is a lot of uncertainty in commercial real estate with regards to valuation, return to office, and lease terms
- Single family prop tech will likely see a rebound in the second half of 2023 as interest rates will hopefully have peaked and start to come back down

Fig. 11: Number of mid-market US transactions completed in Property Technology: Jan– Dec 22



Source: Pitchbook: (for search criteria, please see Annex A)

Opportunities & deal flow drivers

- **Chat GPT** – like many other industries, Chat GPT is a game changer in the real estate vertical that could help companies break out ahead of the pack

Our full team

Aerospace, Defense & Government Services

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Chris Oliver, Managing Director

Business & Tech-Enabled Services

Jordan Finkler, Managing Director
John Lanza, Managing Director
Michael Kremen, Director

Consumer, Retail & Leisure

Mark Goodman, Vice-Chairman
Darren Gange, Managing Director
Patrick Furlong, Director

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Justin Balciunas, Managing Director

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Restructuring

John Bosacco, Managing Director

Sponsor Coverage

Daniel Graves, Managing Director

Firm Leadership

Scott Wieler, CEO DC Advisory US
Bill Kohr, President & Deputy CEO

All data included in this publication was sourced from Mergermarket and Pitchbook unless otherwise indicated.

2022 Mergermarket Search Criteria for figures 4 to 10	
Sector	Search criteria
Aerospace, Defense & Government Services	Target or Buyer or Seller sector is Aerospace or Government or Government or Armoured vehicles, etc or Defence or Missiles and missile guidance systems or Other ordnance or Small arms manufacturing or Defence, transactions located in USA, value is between USD (m) 75 and 500 (undisclosed value deals are included) and transaction completed between 01/01/2022 - 31/12/2022
Business & Tech-Enabled Services	Target or Buyer or Seller sector is IT consulting or IT training or Business support services or Consulting services (excl. IT consulting) or Distributors or Educational & Training Services or Engineering services or Importers and wholesalers or Other services or Other services, transactions located in USA, value is between USD (m) 75 and 500 (undisclosed value deals are included) and transaction completed between 01/01/2022 - 31/12/2022
Consumer, Leisure & Retail	Target or Buyer or Seller sector is Agri processing/ cereals or Baby food or Baked goods or Dairy products or Fish/ meat/ poultry or Food ingredients or Food-others or Fresh produce or Frozen and chilled foods or Sugar and confectionery or Consumer: Foods or Beer or Bottling/ canning or Clothes or Household electrical appliances or Household products or Luxury goods or Manufacture and supply of other consumer products or Personal care or Soft beverages or Tobacco or Toys or Wine/spirits or Consumer: Other or Apparel or Building materials/DIY/Garden or Chemists/health or Department stores or Electrical appliances or Furniture or Lifestyle including sports/music/ books etc or Other retailing of consumer products and services or Supermarkets (food chains) or Vehicles or Consumer: Retail or Accommodation or Other entertainment or Restaurants/Pubs or Travel/ holidays/tour operators or Leisure, transactions located in USA, value is between USD (m) 75 and 500 (undisclosed value deals are included) and transaction completed between 01/01/2022 - 31/12/2022
Education	Target Sector is Educational & Training Services, transactions located in USA, value is between USD (m) 75 and 500 (undisclosed value deals are included) and transaction completed between 01/01/2022 - 31/12/2022
Healthcare	Target or Buyer or Seller sector is Agricultural/animal biotechnology or Biotechnology production equipment or Biotechnology related research or Industrial biotechnology or Biotechnology or Handicap aids and basic healthcare supplies or Health institutions or Hospital management or Medical or Medical or Drug development or Drug manufacture or Drug supply or Medical: Pharmaceuticals, transactions located in USA, value is between USD (m) 75 and 500 (undisclosed value deals are included) and transaction completed between 01/01/2022 - 31/12/2022

References

- [1]: S&P Global Market Intelligence, M&A Database: Technology Deal Volume for US transactions (Search criteria: Industries, Verticals, & Keywords: Software (industry group), software (keyword)) – for transactions completed between 1/1/07 – 1/3/22; PitchBook, M&A Database: Technology Deal Volume for US transactions (Search criteria: Industries, Verticals, & Keywords: Software (industry group), software (keyword)) – for transactions completed between 1/1/07-1/3/22
- [2] <https://www.axios.com/pro/media-deals/2022/04/04/top-global-tmt-deals>
- [3]: <https://www.reuters.com/markets/europe/vista-equity-partners-take-cybersecurity-firm-knowbe4-private-46-bln-deal-2022-10-12/>
- [4]: <https://pitchbook.com/newsletter/vista-equity-cashes-out-on-thoma-bravos-latest-take-private-deal>

2022 Mergermarket Search Criteria for figures 4 to 10	
Sector	Search criteria
Industrials	Target or Buyer or Seller sector is Automotive components or Vehicle manufacturing or Automotive or Agrochemicals or Commodity chemicals (non-petrochemical) or Construction chemicals or Cosmetic/care chemicals or Fine chemicals- other or Fine chemicals-pharmaceuticals or Flavours and fragrances or Food additives/ ingredients or Industrial gases or Inorganic chemicals or Paints and chemicals or Petrochemicals- base or Petrochemicals- derivatives or Specialities - intermediates or Speciality-other or Chemicals and materials or Electronic components or Semiconductor fabrication equipment or Semiconductors or Computer: Semiconductors or Aggregates or Building suppliers (trade) or Cement or Concrete or Construction services or Glass or Heavy construction or Manufacture of pre-fabricated buildings and system or Other heavyside materials or Other lightside materials or Plastics or PVC Windows or Residential builders or Construction or Industrial measurement and sensing equipment or Machine vision systems or Numeric and computerised control of machine tools or Process control equipment or Robotics or Industrial automation or Aluminium raw material production or Industrial equipment and machinery or Industrial Services or Iron and steel production or Other metal products or Pollution and recycling related or Pumps and compressors or Rail stock and parts or Refrigeration equipment or Security & safety systems or Ship Building and parts or Ventilation/heating/air conditioning or Analytical and scientific instrumentation or Batteries and Power supplies or Electrical components or Fibre optics and electric cabling or Industrial: Electronics or Business products or Hardware and plumbing supplies or Office and household furniture or Packaging products and systems or Printing and binding or Pulp and paper or Textiles or Manufacturing (other), transactions located in USA, value is between USD (m) 75 and 500 (undisclosed value deals are included) and transaction completed between 01/01/2022 - 31/12/2022
Media & Telecom	Target or Buyer or Seller sector is Advertising or Media or Publishing or Radio broadcast or TV broadcast or Media or Cable telecom carriers or Fixed line telecoms or Mobile/satellite telecoms carriers or Telecommunications: Carriers or Cable equipment or Mobile/satellite network equipment or Voice and data communication equipment or Telecommunications: Hardware, transactions located in USA, value is between USD (m) 75 and 500 (undisclosed value deals are included) and transaction completed between 01/01/2022 - 31/12/2022
Real Estate	Target or Buyer or Seller sector is Real Estate or Real Estate, transactions located in USA, value is between USD (m) 75 and 500 (undisclosed value deals are included) and transaction completed between 01/01/2022 - 31/12/2022
Technology & Software	Target or Buyer or Seller sector is Browsers or e-retailing or ISPs or Portals or Search engines and other internet enabling technology or Trading / procurement systems or Website design/consultancy or Internet / ecommerce or Data processing or Hardware maintenance or Application software products or Operating systems and systems-related software or Software development or Systems integration or Computer software or Computer mainframes or Computer peripherals or Laptops or Minicomputers or Optical scanning equipment or PDA/hand-held devices or Voice synthesis/recognition equipment or Computer: Hardware, transactions located in USA, value is between USD (m) 75 and 500 (undisclosed value deals are included) and transaction completed between 01/01/2022 - 31/12/2022

2022 PitchBook Search Criteria for Figure 11	
Sector	Search criteria
Property Technology	Target or Buyer or Seller sector is Property Technology. Transactions located in USA, value up to USD (m) 500 (undisclosed value deals are included) and transaction completed between 01/01/2022 - 31/12/2022



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