

M&A UPDATE

MARCH 2025

Clearing Uncertainty in the First Half of 2025

The M&A markets have shown consistency in both key themes and corresponding data over the past six months. In 2024, there was a rebound in M&A activity — approximately 10 – 20% — but was less of a boost than expected. The good news is that optimism abounds; the market expects transaction volumes to increase and activity levels are picking up.

Last September, we noted the potential impact of the U.S. election on M&A. While the new administration's current policy posture should be a net positive for M&A volumes, there are some conflicting forces. A push for deregulation and a lighter anti-trust touch is positive for animal spirits, but a constantly changing tariff regime and undefined immigration policies have injected a degree of uncertainty into boardrooms and the C-suite.

Outside of the initial impacts of the election, many elements of market activity are proceeding as expected. There is still a dense backlog of deals that has been growing since mid-2023, with companies waiting for the right time to transact. Additional themes influencing the market in 2025 include:

- **Economic Policy Uncertainty** — Tariffs and interest rates continue to be unpredictable. The outcomes of these policies will likely be good news for some M&A sectors and less than ideal for others.
- **Financing Markets** — These markets are still extremely strong, with low spreads and high availability. The private debt arms race continues, increasing the pool of capital and continually driving competition.
- **Sector-Specific Outlook** — Domestic-based, non-discretionary service-focused businesses continue to outperform.

Now, almost a full quarter into 2025, we feel more optimistic than six months ago. The market is primed for a year of higher deal activity, increased exits and continued progress.

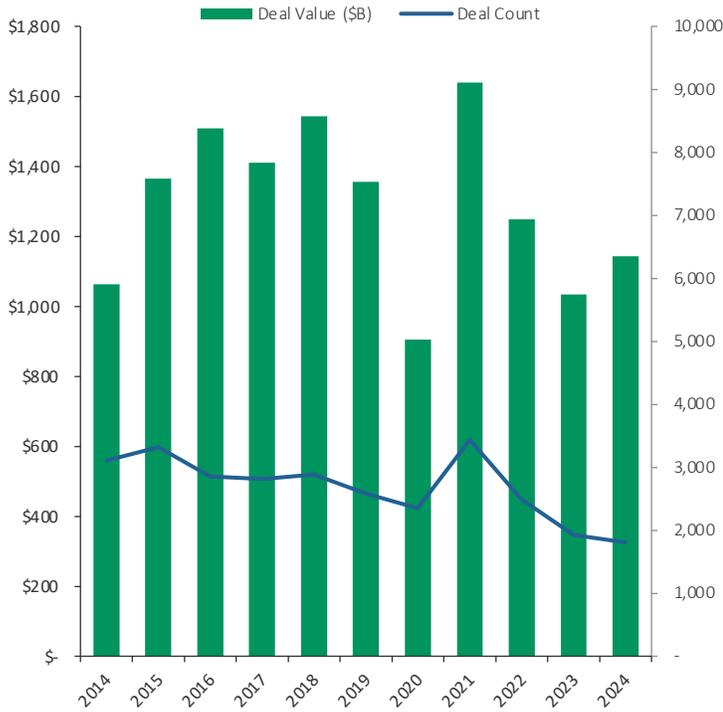
JASON WALLACE

Head of M&A Advisory

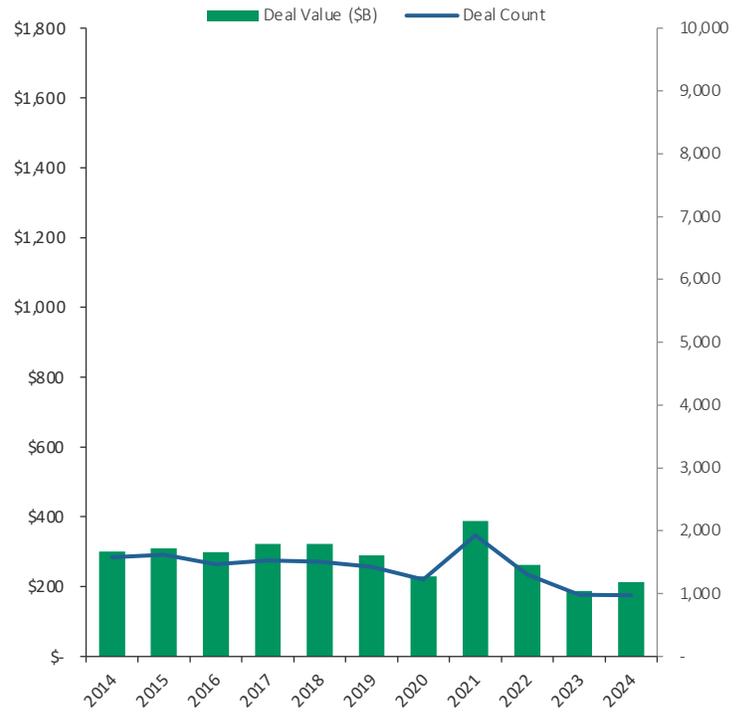
jason.wallace@citizensbank.com

MARKET UPDATE

TOTAL U.S. M&A ACTIVITY

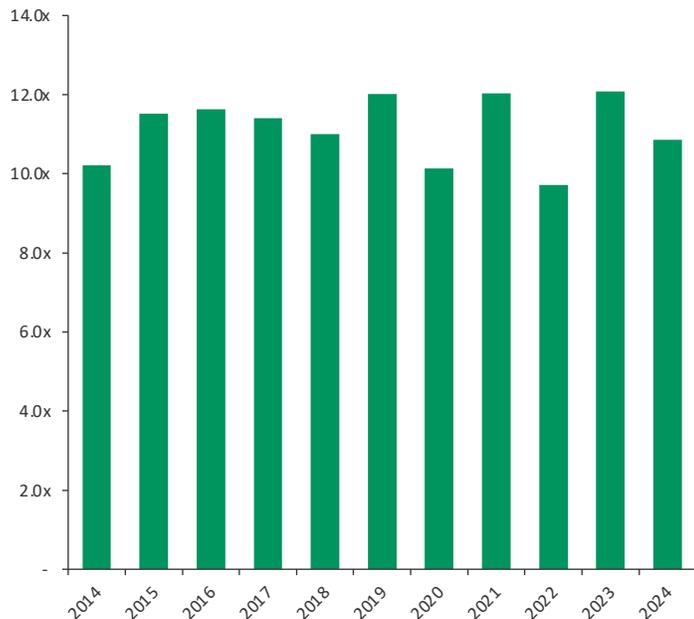


U.S. MIDDLE-MARKET M&A ACTIVITY



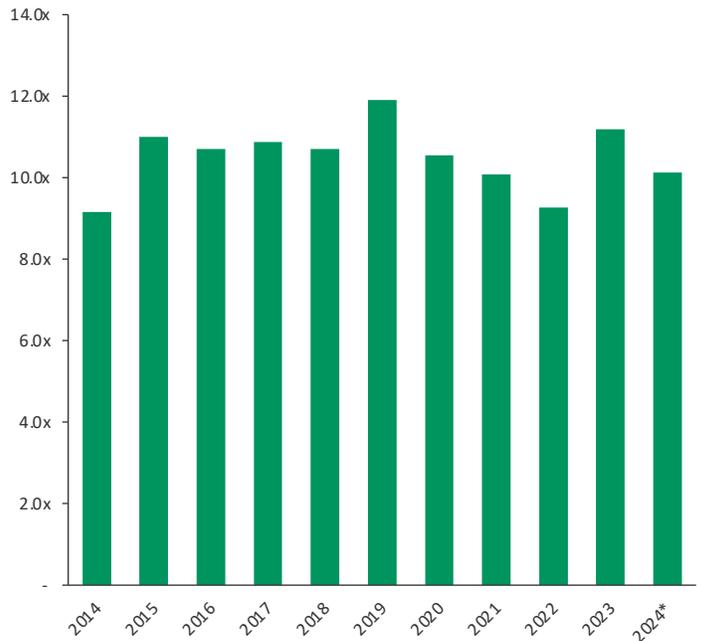
MEDIAN U.S. M&A DEAL MULTIPLES

TEV / EBITDA



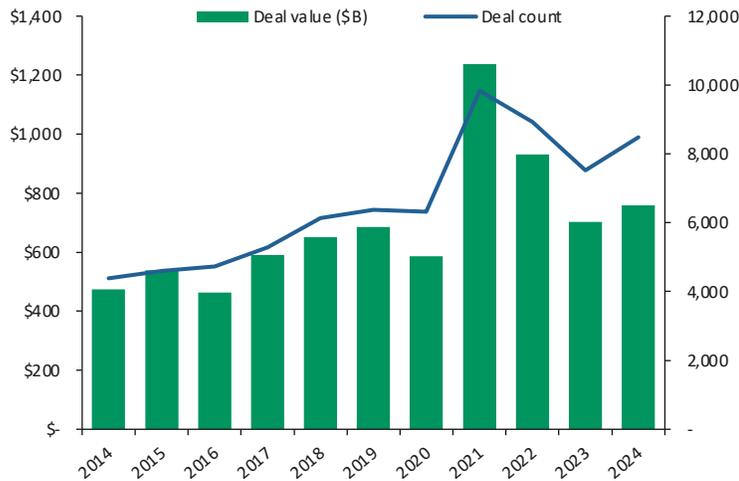
MEDIAN U.S. MIDDLE-MARKET M&A DEAL MULTIPLES

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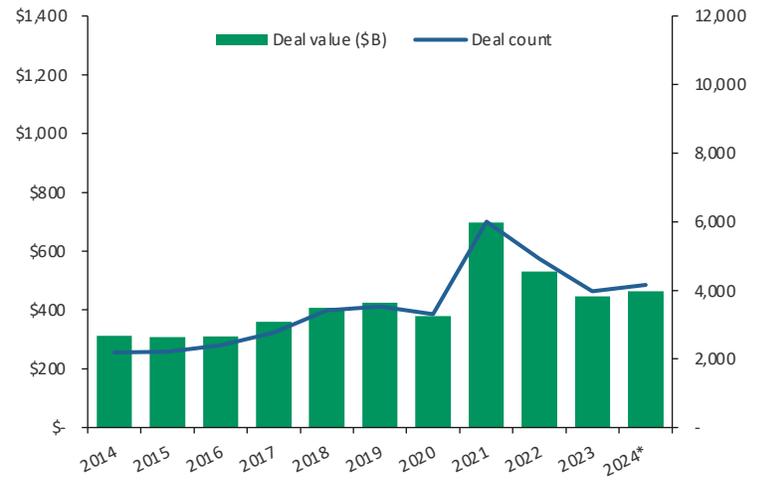


PRIVATE EQUITY MARKET UPDATE

TOTAL U.S. PRIVATE EQUITY ACTIVITY

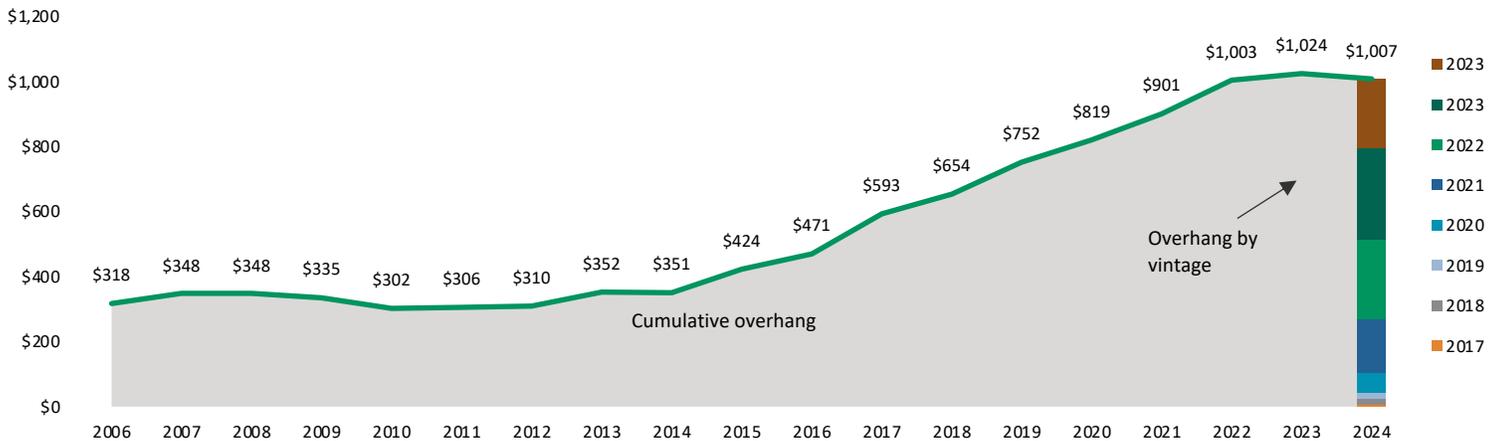


U.S. MIDDLE-MARKET PRIVATE EQUITY ACTIVITY



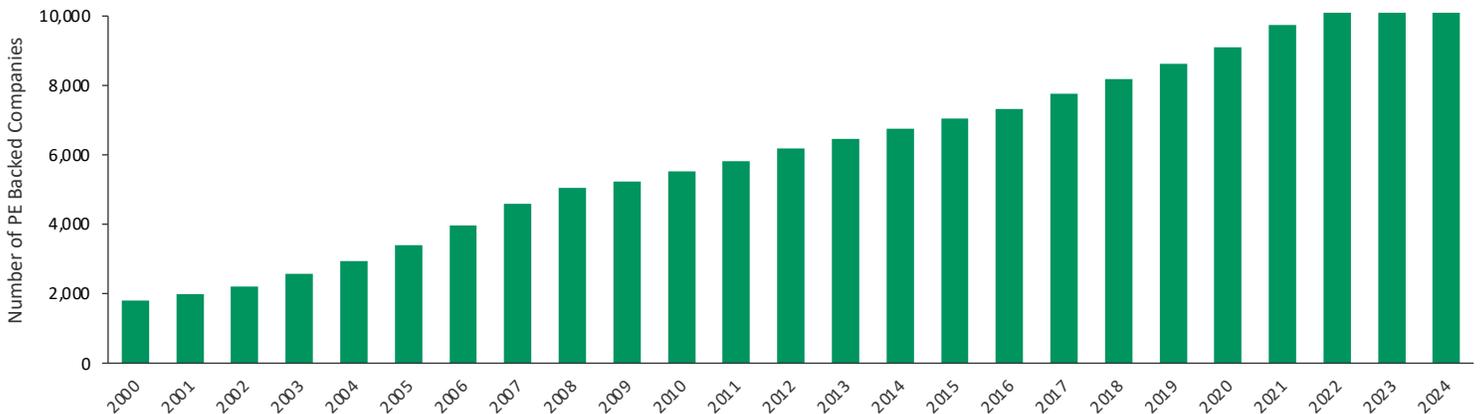
U.S. PRIVATE EQUITY CAPITAL OVERHANG

Capital overhang (\$B), by vintage, size bucket

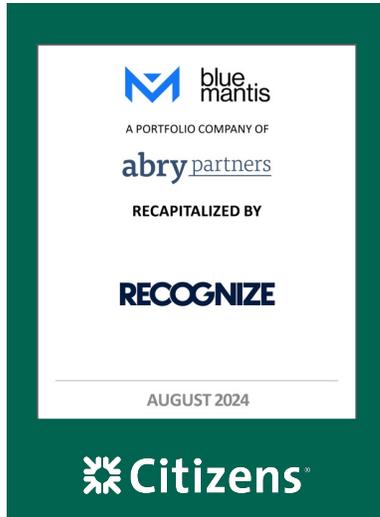


U.S. PRIVATE EQUITY COMPANY INVENTORY

Overall PE portfolio inventory



CITIZENS M&A DEAL SPOTLIGHTS



SECTOR: TECH SERVICES

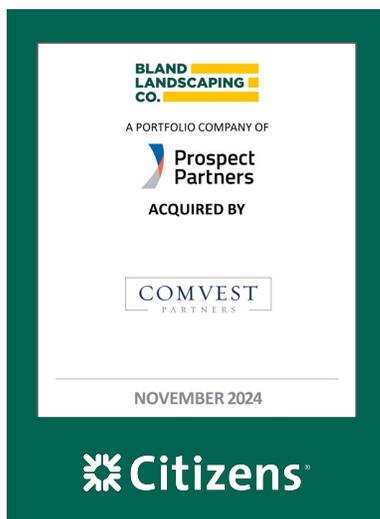
Citizens Advised Blue Mantis on its Recapitalization by Recognize

DEAL HIGHLIGHTS

- Blue Mantis, a premier IT services provider with deep expertise in managed services, cybersecurity and cloud solutions, was previously backed by Abry Partners who will continue as a minority investor in the company
- The recapitalization will enable Blue Mantis to benefit from increased cybersecurity spending and focus on growing client demand for its expanding portfolio of services

“Attending the Citizens Engage conference led to an amazing transaction for Blue Mantis, Recognize and Abry. The Citizens team was instrumental in identifying a tremendous opportunity and guiding the process that led to the next leg of our journey. We look forward to furthering our partnership with the Citizens team.”

– JOSH DINNEEN, CEO, BLUE MANTIS



SECTOR: COMMERCIAL AND INDUSTRIAL SERVICES

Citizens Served as Exclusive Financial Advisor to Bland Landscaping on its Sale to Comvest Partners

DEAL HIGHLIGHTS

- Bland Landscaping was previously a portfolio company of Prospect Partners, a Chicago-based middle-market private equity firm
- Bland provides a comprehensive suite of maintenance-oriented landscaping services to more than 2,300 commercial customers across North and South Carolina annually
- Bland President Kurt Bland and Bland CFO and COO Matt Bland will continue to lead Bland Landscaping alongside its management team

“The Citizens team provided sage counsel and significant leverage to our company at a critical inflection point. Their knowledge of the industry, market dynamics and deep buyer relationships proved vital in finding the best partner for Bland and we are grateful for their efforts.”

– KURT BLAND, PRESIDENT, BLAND LANDSCAPING

CITIZENS M&A DEAL SPOTLIGHTS



ACQUIRED BY



NOVEMBER 2024



SECTOR: INDUSTRIAL SERVICES

Citizens Advised BLEACHTECH on its Acquisition by ANSA McAL Limited for \$327 Million

DEAL HIGHLIGHTS

- BLEACHTECH is a vertically integrated leader in producing high-purity bleach, hydrochloric acid and caustic soda, serving both municipal and industrial clients in potable and wastewater treatment across the Midwest and Mid-Atlantic
- ANSA McAL, via its subsidiary ANSA McAL Chemicals Limited, is the leading chlor-alkali producer in the Commonwealth Caribbean, serving the water treatment needs of the Caribbean region for more than 35 years

“We very much appreciate the efforts by the Citizens M&A team to deliver this exceptional outcome for our shareholders, employees and customers. Citizens ran a competitive process that exceeded our expectations and resulted in a great partnership for BLEACHTECH.”

– RICHARD IMMERMANN, CO-FOUNDER, BLEACHTECH

PRINCIPAL
INDUSTRIES

A PORTFOLIO COMPANY OF



ACQUIRED BY



NOVEMBER 2024



SECTOR: INDUSTRIALS

Citizens Advised Principal Industries on its Sale to Wynnchurch Capital

DEAL HIGHLIGHTS

- Principal was previously a portfolio company of Valesco Industries that specializes in LED components and engineered assemblies used in signage and brand imaging applications

“We appreciate the invaluable support, expertise and partnership from the Citizens team to deliver this exceptional outcome for our families, shareholders and employees.”

– BRYAN VINCENT, CO-FOUNDER, PRINCIPAL

CITIZENS M&A DEAL SPOTLIGHTS

Pearl Meyer

A PORTFOLIO COMPANY OF

MAINST
CAPITAL CORPORATION

RECAPITALIZED BY



DECEMBER 2024



SECTOR: HUMAN CAPITAL MANAGEMENT

Citizens Advised Pearl Meyer on its Recapitalization by Coalesce Capital

DEAL HIGHLIGHTS

- With this recapitalization, Pearl Meyer is well-positioned to continue growing and finding unique and innovative ways to serve its stakeholders
- Pearl Meyer helps boards and executives build and reward teams for lasting impact
- CEO Beth Florin will continue to lead the company alongside the management team

“Citizens leveraged deep sector expertise and worked tirelessly to understand and communicate our culture, vision and growth story. The Citizens team was exceptional to work with and instrumental in securing a tremendous outcome through an efficient and competitive process. We could not be more thrilled with our new partners at Coalesce Capital as our company begins a new chapter.”

– BETH FLORIN, CEO, PEARL MEYER



ACQUIRED BY



DECEMBER 2024



SECTOR: DIGITAL INFRASTRUCTURE

Citizens Digital Infrastructure Services Team Acted as Sole Advisor to Ascent on its Sale to Wesco

DEAL HIGHLIGHTS

- Ascent delivers solutions at all stages of the data center lifecycle – from design and build services for new developments and/or retrofits to ongoing site operations, facility-wide maintenance, critical systems repairs, emergency services and management of third-party maintenance workflows

Note: The testimonials presented are applicable to the individuals depicted and may not be representative of the experience of others. The testimonials are not paid and are not indicative of future performance or success.

M&A UPDATE

MARCH 2025



Substantial Momentum with Private Equity – Select Recent Clients



Recent Sponsor-Related M&A Transactions

 <p>ACQUIRED BY</p> <p>DECEMBER 2024</p>	<p>Pearl Meyer A PORTFOLIO COMPANY OF RECAPITALIZED BY</p> <p>DECEMBER 2024</p>	 <p>ACQUIRED BY</p> A PORTFOLIO COMPANY OF GOLDNERHAWN <p>NOVEMBER 2024</p>	 A PORTFOLIO COMPANY OF ACQUIRED BY <p>NOVEMBER 2024</p>	<p>PRINCIPAL INDUSTRIES A PORTFOLIO COMPANY OF</p> ACQUIRED BY <p>NOVEMBER 2024</p>
 <p>RECAPITALIZED BY</p> <p>SEPTEMBER 2024</p>	 A PORTFOLIO COMPANY OF RECAPITALIZED BY <p>AUGUST 2024</p>	<p>Berkshire Partners AND</p> ACQUIRED <p>AUGUST 2024</p>	 ACQUIRED <p>AUGUST 2024</p>	 A PORTFOLIO COMPANY OF ACQUIRED BY A PORTFOLIO COMPANY OF <p>JUNE 2024</p>
<p>Undisclosed Sponsor</p> <p>ACQUIRED</p> <p>JUNE 2024</p>	 ACQUIRED <p>MAY 2024</p>	 HAS ENTERED INTO DEFINITIVE AGREEMENT TO ACQUIRE <p>ANNOUNCED MAY 2024</p>	 ACQUIRED BY <p>MAY 2024</p>	<p>TJC</p> <p>RECAPITALIZED</p> <p>APRIL 2024</p>

AT-A-GLANCE — CITIZENS M&A ADVISORY¹



100+
Professionals



7
Offices



9
Sectors of Focus



\$10 – \$150M
Client EBITDA

INTEGRATED SECTOR COVERAGE AND EXPERTISE

AEROSPACE, DEFENSE & GOVERNMENT SERVICES

- Air, Land, Sea and Space Platforms
- Commercial Aerospace
- Defense Technology and Solutions
- Engineering and Technical Services
- IT Services and Software

BUSINESS SERVICES

- Business Process Outsourcing
- Commercial & Industrial Services
- Data & Analytics
- Human Capital Management
- Tech Services

CONSUMER

- Consumer Products and Services
- E-Commerce and Direct-to-Consumer
- Food and Beverage
- Restaurants, C-Store & Retail Fuel and Multi-Unit Retail

FINANCIAL SERVICES

- Alternative Asset Managers & Broke-Dealers
- Commercial & Consumer Finance
- Commercial & Residential Mortgage Finance
- Insurance & InsurTech
- Registered Investment Advisors

REAL ESTATE, GAMING, LODGING & LEISURE

- Gaming & Lodging Operators
- Gaming Technology
- Marinas
- REITs
- Real Estate
- Vacation Ownership & Leisure

HEALTHCARE

- Biotechnology
- Healthcare Services
- Healthcare Technology
- Medical Devices and Products
- Pharma / Provider Services

INDUSTRIALS

- Automation
- Building Products
- Distribution
- Equipment
- Paper & Packaging

TECHNOLOGY & COMMUNICATIONS

- Communication Infrastructure and Technology
- Electronic Security
- Financial Technology & Services
- Software

TRANSPORTATION & LOGISTICS

- Leasing
- Logistics
- Niche Transportation
- Ports and Infrastructure
- Trucking

1.) Source: Refinitiv LPC and Citizens