



CIBC CAPITAL MARKETS

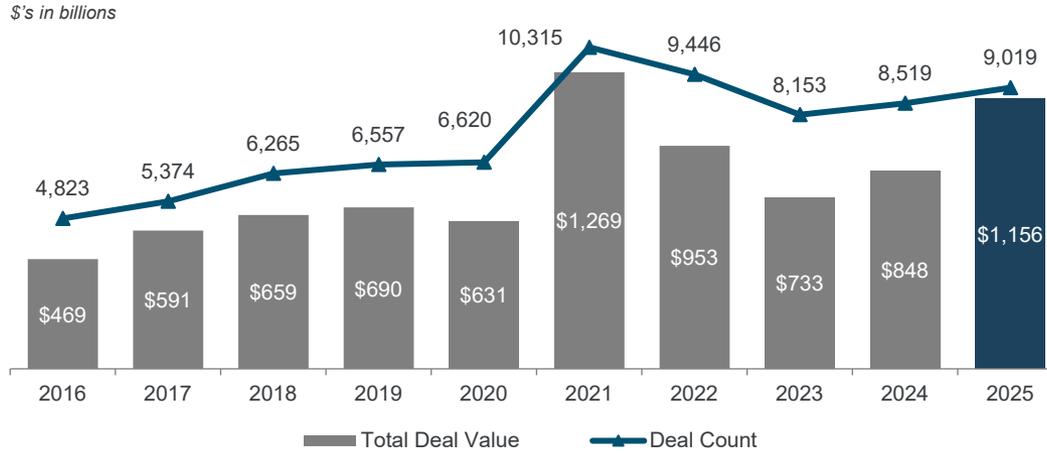
# FEI M&A and Capital Markets Update

March 2026

CONFIDENTIAL

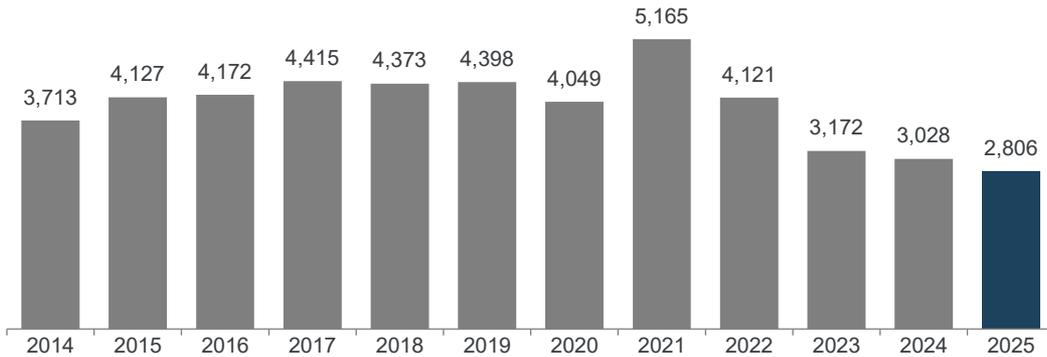
# M&A Transaction Volume

## Private Equity Deal Activity



- 2025 deal activity increased significantly as large deals dominated the headlines with nearly 600 more deals and \$300 billion more in value compared to 2024
- 2025 middle market M&A deal volumes declined 7.3% as smaller deal activity slowed

## U.S. Middle-Market M&A Volume <sup>(1)</sup>



Sources: Baird, Pitchbook

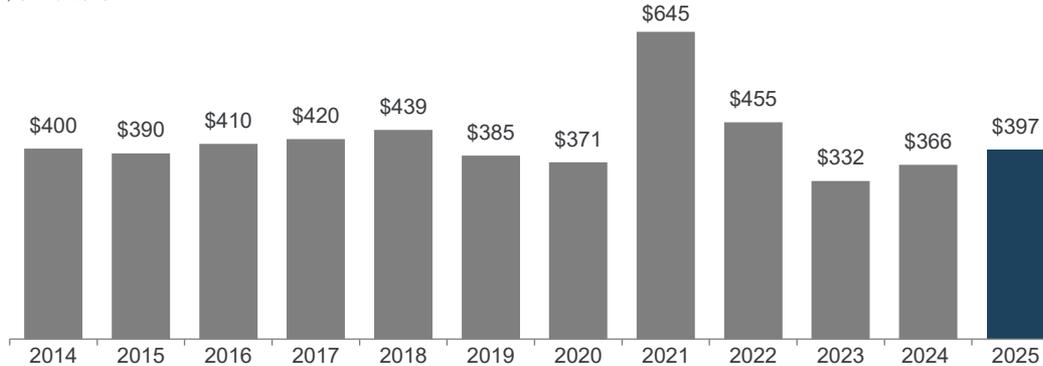
(1) Includes transactions below \$500 million of enterprise value as of 12/31/2025



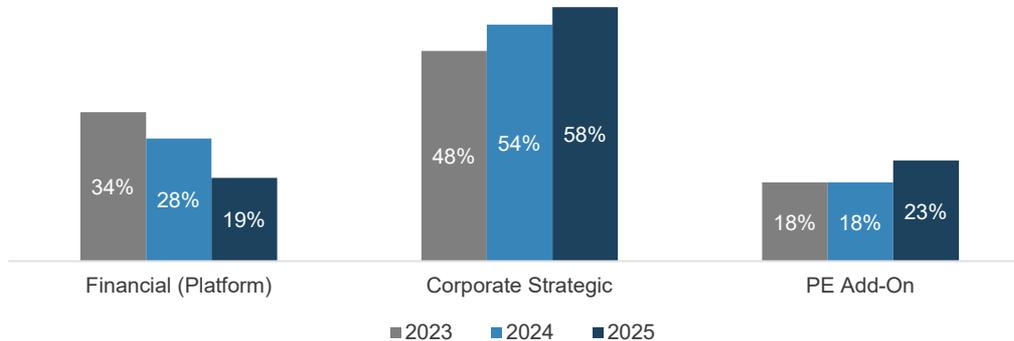
# M&A Transaction Volume

## U.S. Middle Market M&A Value<sup>(1)</sup>

\$'s in billions



## Buyer Mix by Year for \$10M - \$200M Total Enterprise Value Deals



- Total middle market M&A deal value increased by 8.5% signaling a healthy financing market

- The deal market was dominated by strategic and add-on activity
- Platform acquisitions declined 9% year-over-year

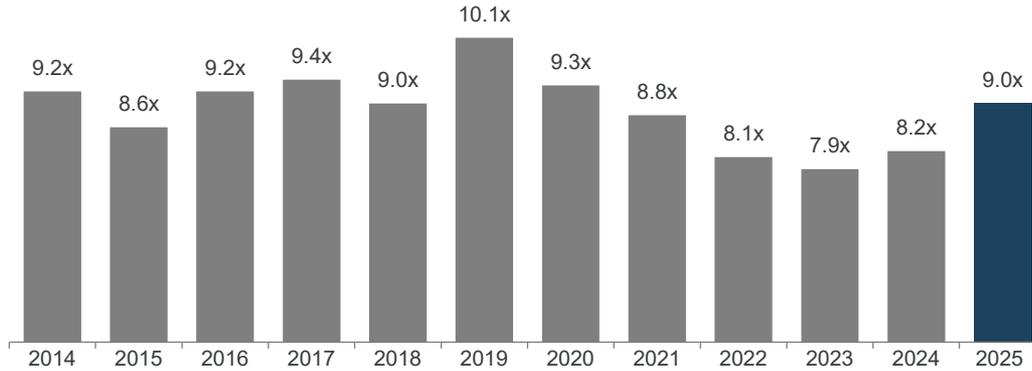
Sources: Baird, PowerComps

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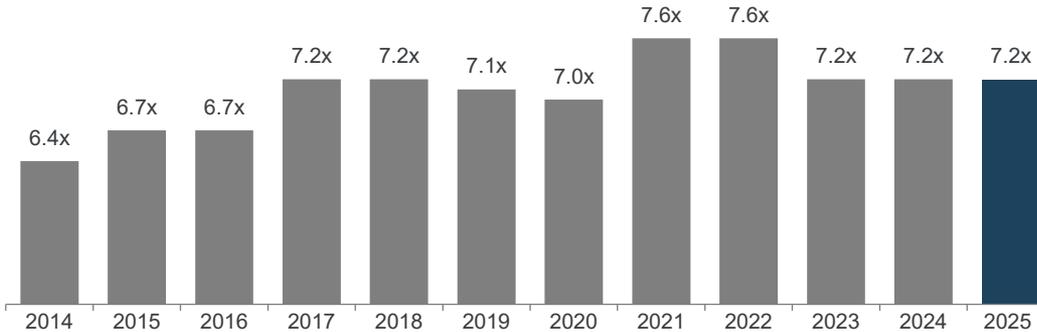


# M&A Valuations

**U.S. Middle-Market Enterprise Value to Median EBITDA - <\$1 billion<sup>(1)</sup>**



**Average EV/EBITDA for PE-Backed LBOs – <\$500 million<sup>(2)</sup>**



- Multiples climbed in 2025 for larger deals as high quality businesses realized strong valuations

- Average EV/EBITDA multiples for private equity backed LBOs remained steady compared to 2023 and 2024

Sources: Baird, GF Data

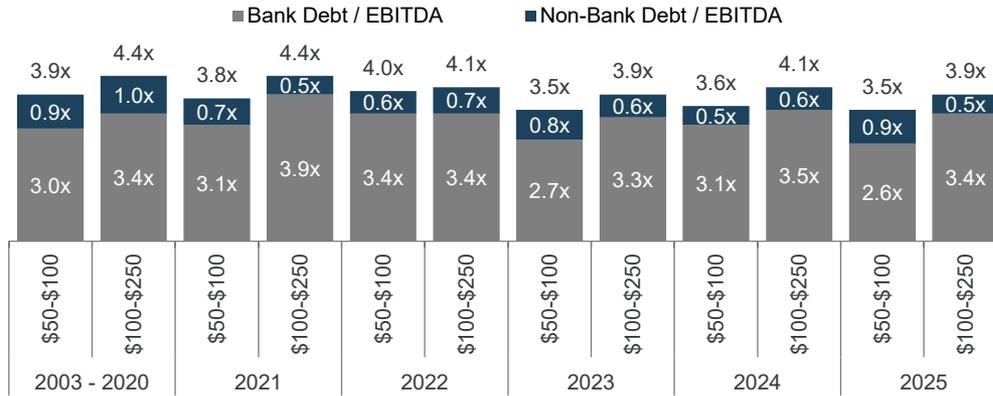
(1) Data current as of 12/31/2025

(2) Includes transactions below \$500 million of enterprise value as of 12/31/2025

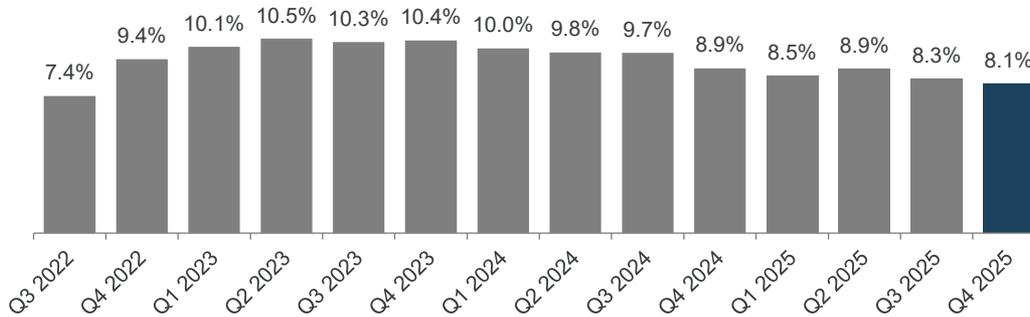


# Leverage Market

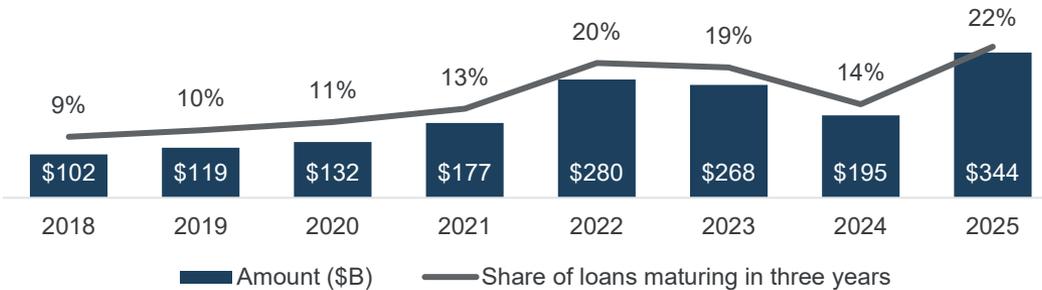
## Average LBO Debt Multiples<sup>(1)</sup>



## Quarterly Average Cost of Debt<sup>(1)</sup>



## U.S. Leveraged Loan Near-Term Maturity Wall<sup>(1)</sup>



- Average LBO multiples have remained largely unchanged and signal a strong bank market with total leverage above 3.5x for deals \$50M-\$100M and 3.9x for deals \$100M-\$250M
- The quarterly average cost of debt continues to decline however rates remain above 2022 levels
- The share of loans maturing within three years has increased by 8% year over year

Sources: Pitchbook and GF Data

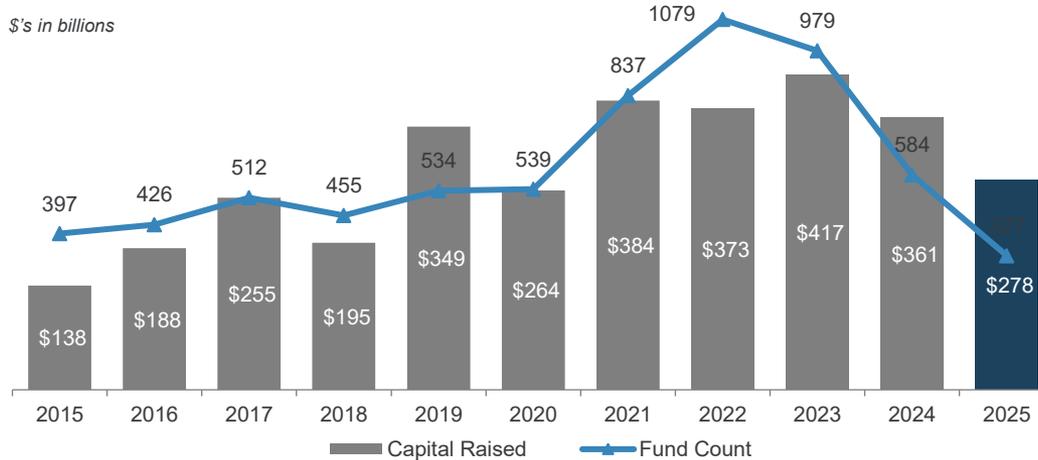
(1) Data current as of 12/31/2025

(2) Direct lending spread data reflects senior secured first-lien loans and unitranche facilities

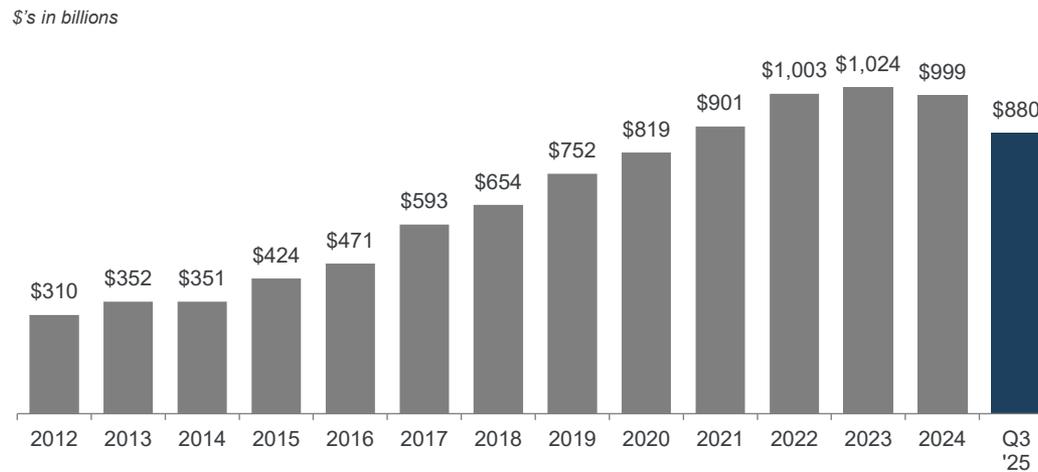


# Private Equity Capital

## Private Equity Fund Count and Capital Raised <sup>(1)</sup>



## U.S. Private Equity Dry Powder <sup>(1)</sup>



- Private Equity fund count and capital raised are both lower year-over-year as extended hold periods are preventing firms from raising new funds

- Despite an overall decline in fund count and capital raised in 2024, dry powder remained close to \$1 trillion in 2025

Source: Pitchbook, PWC  
 (1) As of 12/31/2025

