



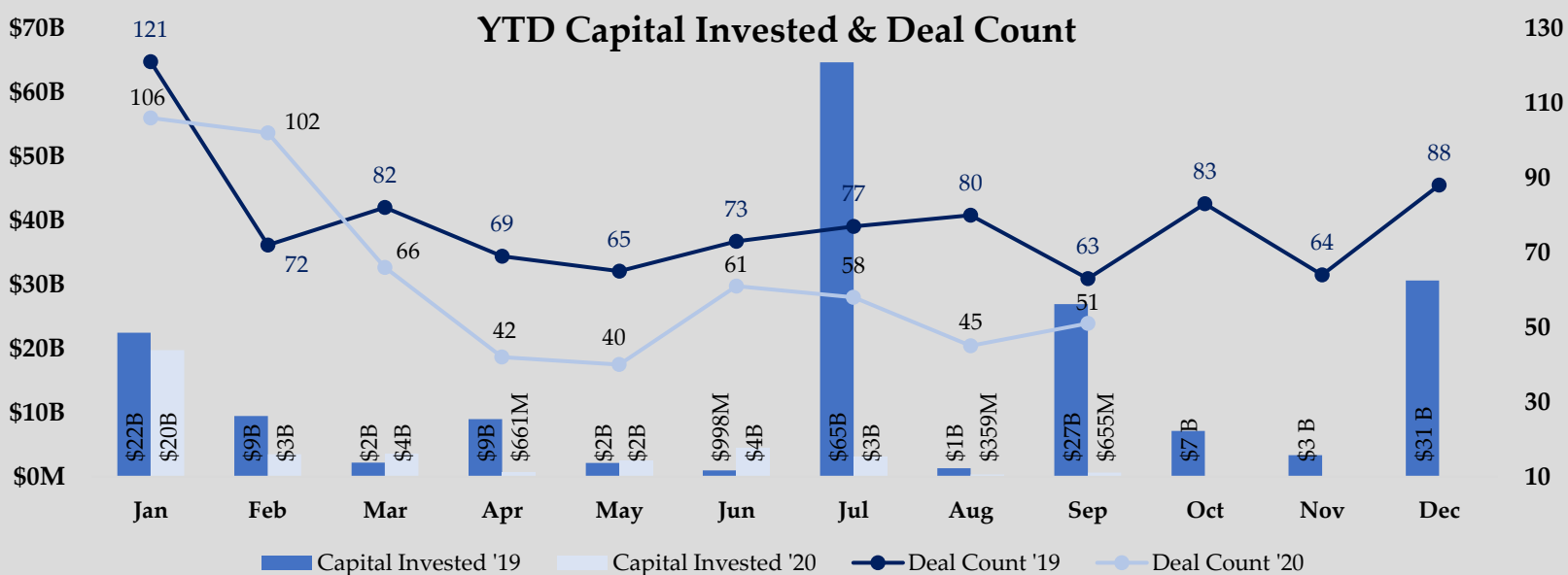
# Southeast M&A Update

September 2020

## Notable Trends in September 2020

For the month of September, deal count increased 13% after consecutive declines in July and August. However, deal activity was down 19% compared to September 2019. Capital invested decreased by 97% year-over-year but increased 83% compared to last month. Acquisitions of Crypsis and Ascyrus by Palo Alto and CryoLife, respectively, drove invested capital in

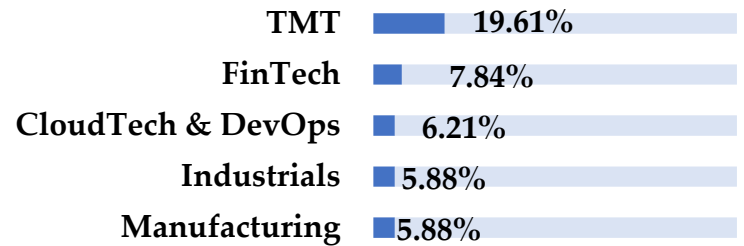
September. The two deals comprised 71% of capital investment in the Southeast. Median deal size fell to \$12 million, a significant decrease from \$75 million in June 2019 and \$22 million the previous month. The EV/EBITDA median multiple was 11.6x, a 5% decrease year-over-year.



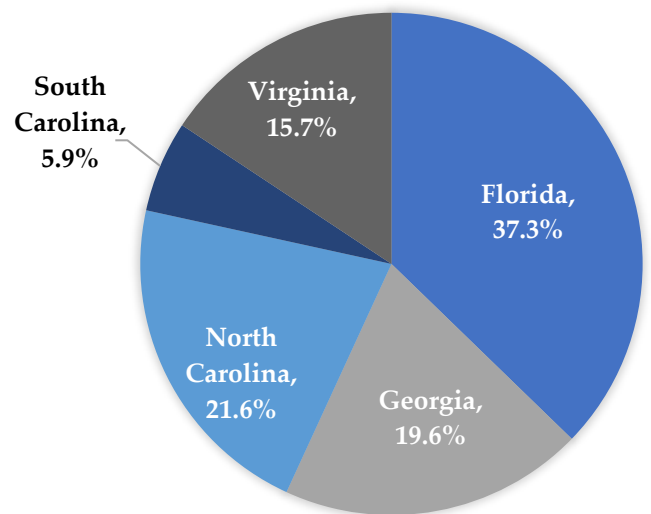
The top 3 active verticals in the month of September were Technology, Media, and Telecommunications (TMT); FinTech; and CloudTech & DevOps at 19.61%, 7.84%, and 6.21%, respectively. TMT was the top performer every month in Q3. Manufacturing and Industrials tied for the least active primary industries at 5.88% of completed deals.

Florida was the most active state at 19 completed deals. The state had four out of the top five largest deals, totaling 65% of the \$655 million total capital invested. Virginia had the largest deal of the month at \$265 million.

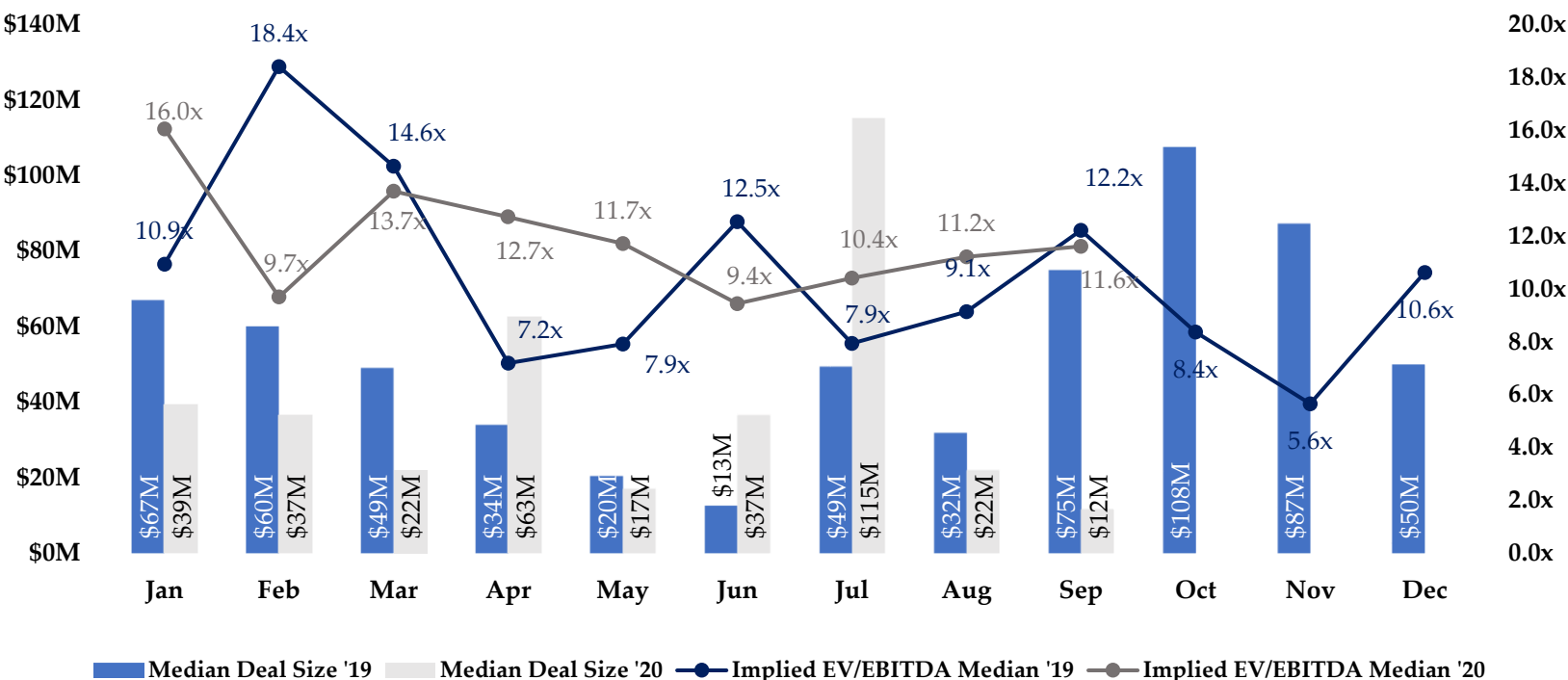
## Top 5 Associated Verticals



## DEAL COUNT PERCENTAGE BY STATE



## YTD Median Deal Size & Implied EV/EBITDA



## Selected Southeast Transactions for September

Deal Date	Buyer/Investors	Target/Issuer	Company State/Province	Verticals	Deal Size (\$mm)
17-Sep-2020	Palo Alto Networks (NYS: PANW)	Crypsis	Virginia	Cybersecurity	265.00
02-Sep-2020	CryoLife (NYS: CRY)	Ascyrus Medical	Florida	Digital Health, HealthTech	200.00
11-Sep-2020	Verisk Analytics (NAS: VRSK)	Franco Signor	Florida		160.00
08-Sep-2020	Newtimes Group	Coldwater Creek	Florida	E-Commerce, TMT	12.20
29-Sep-2020	Sunview Medical Center	Jerome Golden Center For Behavioral Health	Florida		11.00
11-Sep-2020	Group Nanoxplore (TSX: GRA)	Continental Structural Plastics	North Carolina		3.50
28-Sep-2020		firstPRO	Georgia	Industrials	3.30
30-Sep-2020		Outer Banks Jeep Rentals	North Carolina		0.40
09-Sep-2020	Natural Retreats	360 Blue	Florida		
30-Sep-2020	Edison Nation (NAS: EDNT)	911 Help Now	Florida		
16-Sep-2020	Finseca	AALU	Virginia		
14-Sep-2020		AP Exhaust Technologies	North Carolina	Industrials, Manufacturing	
15-Sep-2020	CATO SMS	Array Biostatistics	North Carolina		
01-Sep-2020	Buckingham Asset Management	Baldwin & Associates (Florida)	Florida		
30-Sep-2020	Orlando Health	Bayfront Health System	Florida		
29-Sep-2020	Tetra Tech (NAS: TTEK)	Bluewater Federal Solutions	Virginia	CloudTech & DevOps, Cybersecurity, TMT	
28-Sep-2020	S&B Infrastructure	Cape Environmental Management	Georgia		
01-Sep-2020	CRH Medical Corporation (TSE: CRH)	Coastal Carolina Sedation Associates	North Carolina		
24-Sep-2020	Fungible	Compose Cloud	Virginia	SaaS, TMT	
08-Sep-2020	Glickfeld Capital Ventures	Compression Z	Florida		
01-Sep-2020	TeamLogic IT	Convergent Technologies (Infrastructure Products)	North Carolina	TMT	
10-Sep-2020	TargetMarket	Digico Agency	South Carolina		
08-Sep-2020	MantelMount	Dynamic Mounting	North Carolina		
10-Sep-2020	Alex C. Fergusson	Ecoclear	Georgia		
25-Sep-2020	JOX Energy	EnergyWare	Florida	CleanTech	

## Transactions Highlights in September

### Franco Signor (Florida)

Verisk, a leading data analytics provider, announced in September that it had acquired Franco Signor, a highly regarded Medicare Secondary Payer (MSP) service provider, for \$160 million. Franco Signor will become part of Verisk's Claims Partners business, a leading provider of MSP compliance and other analytic claim services.



### Coldwater Creek (Florida)

CWC Companies, the parent company of the women's apparel retailer, which shut down operations at the end of July, has been acquired by Newtimes Group, one of the world's largest supply providers to the apparel industry. The Hong Kong-based Newtimes said it purchased CWC's inventory and intellectual property assets from Sycamore Partners for \$12.2 million.

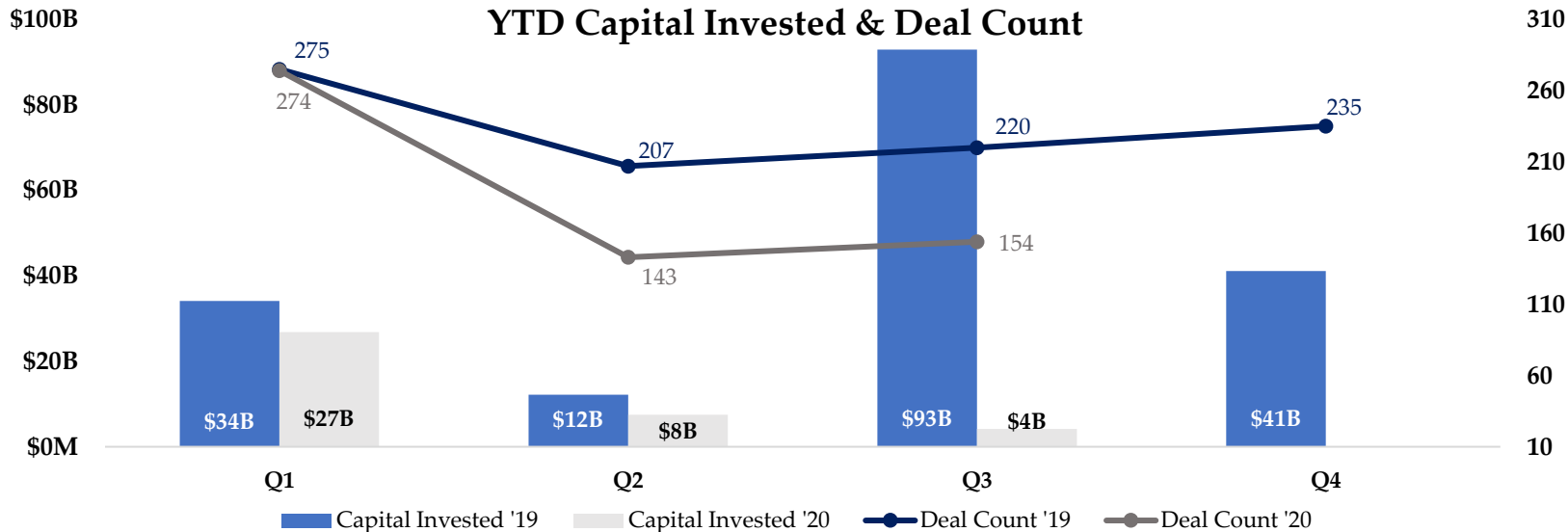
### Jerome Golden Center (Florida)

The financially ruined Jerome Golden Center for Behavioral Health sold for \$11 million to Sunview Medical of New Jersey. Sunview bought the shuttered nonprofit's seven properties in West Palm Beach and Belle Glade, paying \$9.5 million for the main structure. The transaction closed on September 29<sup>th</sup>, almost one year to the day that the center initially filed for bankruptcy.



## Notable Trends in Q3

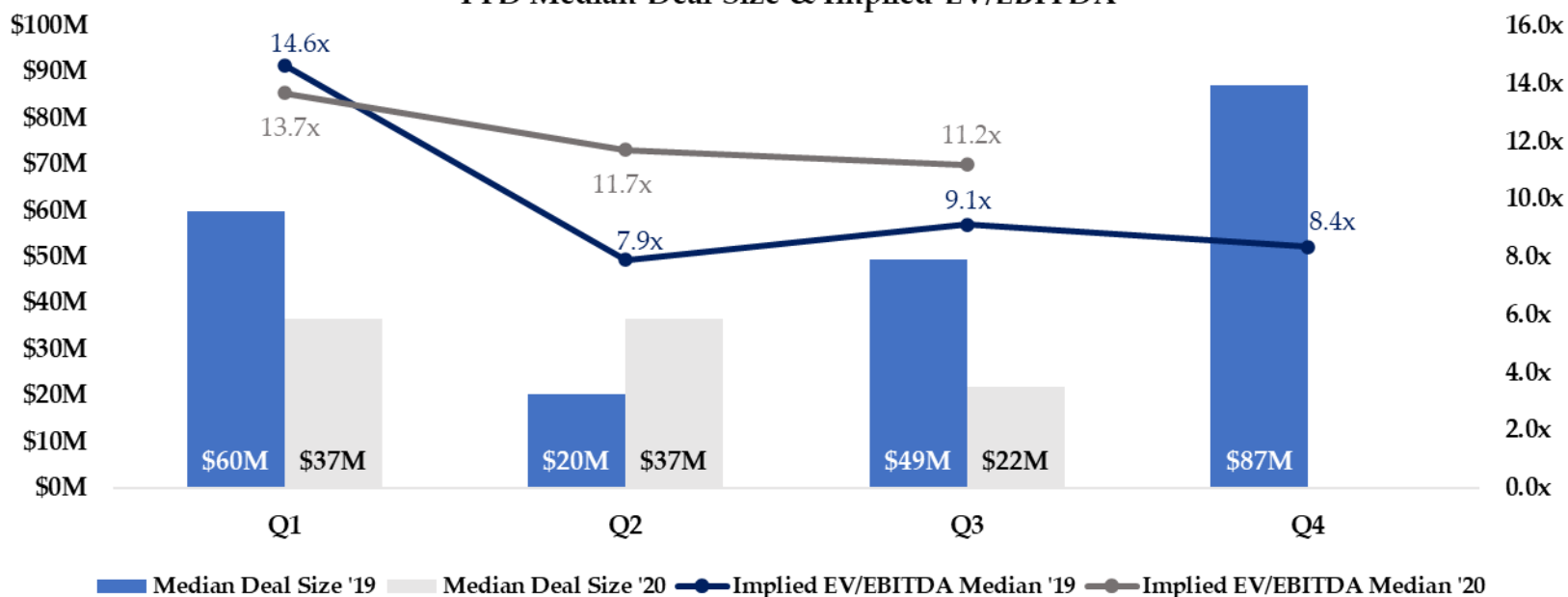
### YTD Capital Invested & Deal Count



In the third quarter of 2020, deal count started to bounce back slightly. M&A activity increased 8% from Q2 to Q3 as corporates and financial sponsors alike looked to the middle market to complete deals. The 153 deals completed in the quarter is a 30% decrease compared to the same quarter last year. Total capital

invested decreased by 44% and 95% from Q2 of 2020 and Q3 of 2019, respectively. The largest deal of the quarter was BAE System's acquisition of Collins Aerospace for \$1.95 billion. Four transactions in the Southeast exceeded a \$200 million deal size. These four transactions comprised 75% of the total capital invested in the quarter.

### YTD Median Deal Size & Implied EV/EBITDA



During Q3, there was a slight return in M&A activity due to markets opening back up. While this slight uptick in activity is a good sign, we are not out of the pandemic woods yet. There is still complications on the vaccine front, and no defined plan to reopen the economy. There have been over 220,000 deaths from the virus in the US alone.

Moving forward, the November elections are going to play a big role in the direction of the M&A markets. Dealmakers are not only factoring in policy changes, but also whether there will be more stimulus in order to boost the economy. These potential policy changes often set the stage for forthcoming M&A or a lack-thereof depending on the conditions these changes produce.

## Transaction Highlights Q3

### **Collins Aerospace (Florida)**

On July 31 BAE Systems announced it has completed the acquisition of the Collins Aerospace military Global Positioning System business that was previously owned by United Technologies Corp. United Technologies had to sell Collins' GPS business in order to clear the antitrust regulatory requirements of its merger with Raytheon. BAE Systems in January announced its intent to buy Collins military GPS division for \$1.9 billion. Collins military GPS will be integrated into BAE Systems' Electronic Systems sector.

The BAE Systems logo features the words 'BAE SYSTEMS' in white, bold, sans-serif capital letters, centered within a solid red rectangular background.

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### **Ironman Group (Florida)**

Advanced Publications completed the acquisition of the IRONMAN Group in July of 2020 from Wanda Sports, bringing a close to a deal announced just as the COVID-19 pandemic was beginning. The original transaction price of \$730 million appears to have stood, based on releases from both Advance and former owner Wanda Sport Group.



### **Crypsis (Virginia)**

Palo Alto Networks, the global cybersecurity leader, announced that it has entered into a definitive agreement to acquire The Crypsis Group, a leading incident response, risk management and digital forensics consulting firm. Under the terms of the agreement, Palo Alto Networks will acquire The Crypsis Group for a total purchase price of \$265 million, subject to adjustment, to be paid in cash.



### **Ascyrus Medical (Florida)**

CryoLife, Inc., a leading cardiac and vascular surgery company focused on aortic disease, announced in early September that it has acquired Ascyrus Medical LLC. Ascyrus is a Florida-based, privately-held developer of the Ascyrus Medical Dissection Stent, the world's first aortic arch remodeling device used for the treatment of acute Type A aortic dissections. The addition of the AMDS to CryoLife's product portfolio further strengthens the Company's position as a leader in the growing aortic repair market. Under the terms of the agreements, CryoLife will acquire Ascyrus Medical for up to \$200 million consisting of a mix of cash and stock.





## Selected Transactions Q3

Deal Date	Buyer/Investors	Target/Issuer	Company State/Province	Verticals	Deal Size (\$mm)
31-Jul-2020	BAE Systems (LON: BA.)	Collins Aerospace	Florida		1,925.00
20-Jul-2020	Advance Publications, Orkila Capital	Ironman	Florida		730.00
17-Sep-2020	Palo Alto Networks (NYS: PANW)	Crypsis	Virginia	Cybersecurity	265.00
02-Sep-2020	CryoLife (NYS: CRY)	Ascyrus Medical	Florida	Digital Health, HealthTech	200.00
01-Jul-2020	United Community Bank (NAS: UCBI)	Seaside National Bank & Trust	Florida		180.00
03-Aug-2020	Enviva Partners (NYS: EVA)	Georgia Biomass	Georgia		175.00
11-Sep-2020	Verisk Analytics (NAS: VRSK)	Franco Signor	Florida		160.00
01-Jul-2020	DigitalGlobe	Vricon	Virginia	Industrials, Manufacturing	140.00
14-Jul-2020	Uber (NYS: UBER)	Routematch Software	Georgia	Mobile, Mobility Tech, TMT	115.00
21-Aug-2020	Seacoast Bank (NAS: SBCF)	Freedom Bank (Florida)	Florida		63.60
24-Aug-2020	EcoFibre (ASX: EOF)(Eric Wang)	Texinnovate	North Carolina		42.00
16-Jul-2020	Standex International (NYS: SXI)	Renco Electronics	Florida	Manufacturing	28.00
19-Aug-2020	Vocera Communications (NYS: VCRA)	EASE (United States)	Florida	HealthTech	25.00
17-Aug-2020	Stewart's Automotive Group	American Equipment Company	South Carolina	Industrials	22.00
06-Jul-2020	ComSovereign (PINX: COMS)	Virtual Network Communications	Virginia	TMT	19.00
01-Jul-2020	Swedencare (STO: SECARE)	Stratford Animal Health	Florida	Manufacturing	17.08
21-Aug-2020	iSocialy (PINX: PPPS)	Alpha Modus	North Carolina	FinTech	12.50
08-Sep-2020	Newtimes Group	Coldwater Creek	Florida	E-Commerce, TMT	12.20
29-Sep-2020	Sunview Medical Center	Jerome Golden Center For Behavioral Health	Florida		11.00
01-Jul-2020	Pinellas Corridor	Best Western International	Florida		10.50
25-Aug-2020		Sunny Grove Mobile Home Community	Florida		10.00
31-Aug-2020	Nutriband (PINX: NTRB)	Pocono Coated Products	North Carolina	Manufacturing	7.50
11-Sep-2020	Group Nanoxplore (TSX: GRA)	Continental Structural Plastics	North Carolina		3.50
28-Sep-2020		firstPRO	Georgia	Industrials	3.30
03-Aug-2020	Globant (NYS: GLOB)	Grupo ASSA Worldwide	Florida	TMT	1.04