



Q3 2024

North American M&A Report



A snapshot of the North American M&A landscape in Q3 2024 followed by a sector spotlight on Retail Technology.

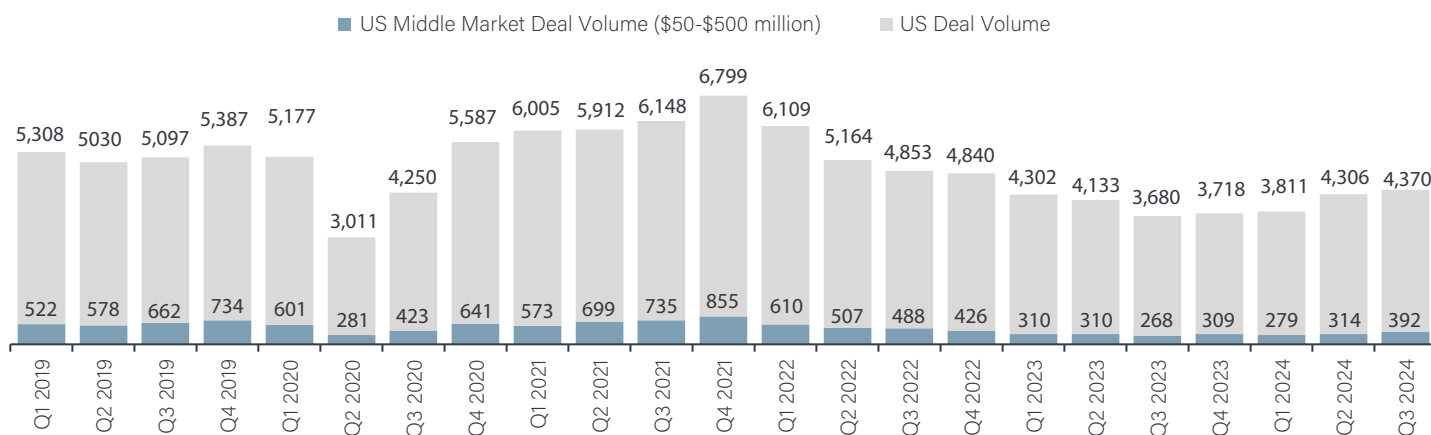
IN THIS ISSUE:

- ▶ *US Middle Market continues to show signs of recovery after a slow start to the year with an anticipated increase in activity following the upcoming election*
- ▶ *Canadian Middle Market remained slightly less active than the US, but had similar signs of growth*
- ▶ *Activity in the financials and industrials sectors show a marked increase in activity*
- ▶ *Sector Spotlight on Technology*

THE NORTH AMERICAN MIDDLE MARKET

In Q3 2024, M&A activity in both Canada and the United States improved with interest rate cuts and easing credit markets.

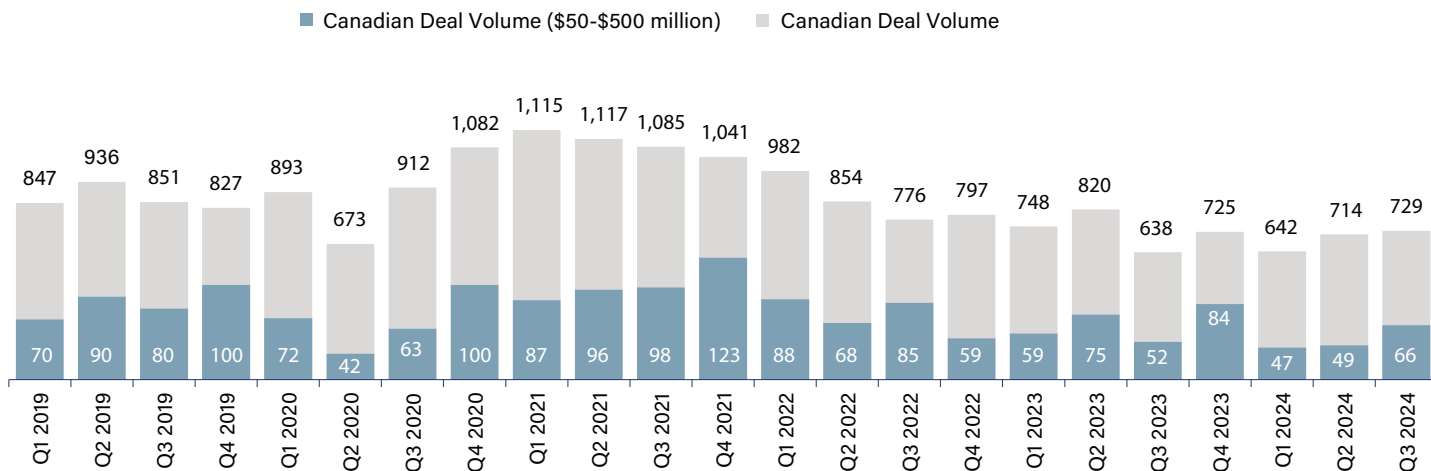
Total US Deal Volume (Q2 2019—Q3 2024)



Source: S&P CapitalIQ.

The US M&A market slump bottomed out in Q3 2023 and chalked up its fourth consecutive quarter of growth in Q3 2024. Year over year Q3 transaction values were up 31% to \$1.34 trillion. Volumes across the market were up 6.6% with middle market volumes showing particular strength up 46% from Q3 last year. We would expect continued recovery with the stabilization and reduction of interest rates as the middle market transaction volumes are still 55% below the Q4 2021 peak.

Total Canadian Deal Volume (Q1 2019—Q2 2024)

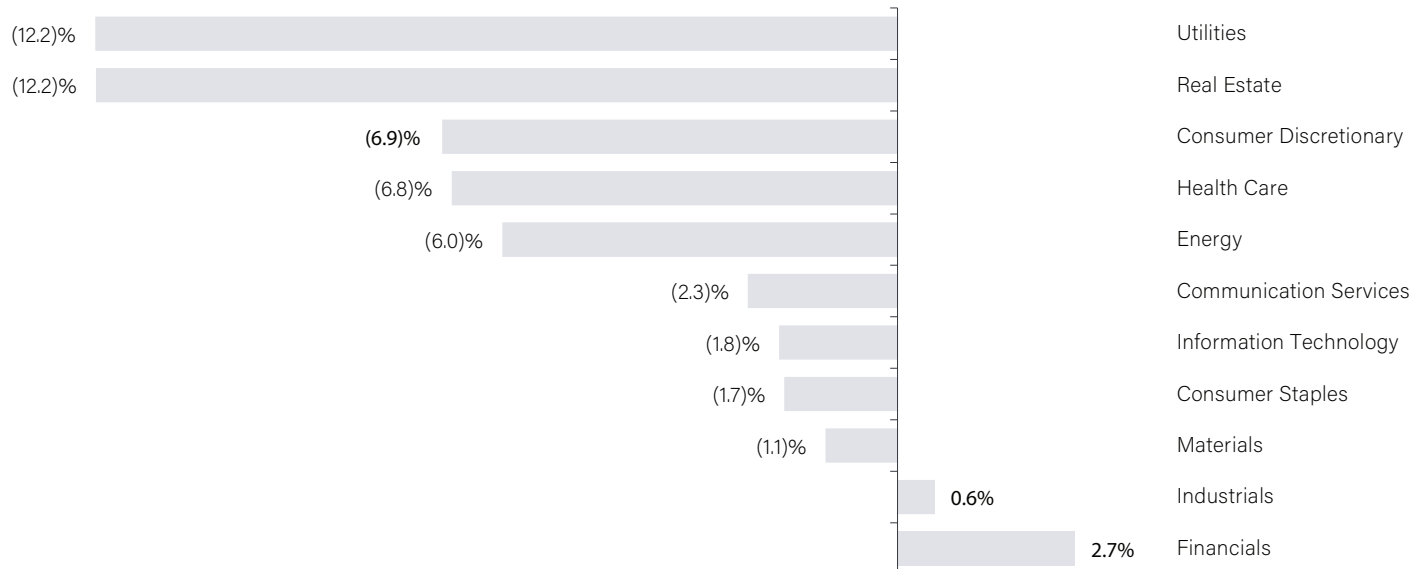


Source: S&P CapitalIQ.

Canadian M&A activity remained subdued in Q3 2024, continuing a trend from earlier in the year. The total number of deals was significantly lower compared to previous years, with an annualized value of around \$23 billion, down from \$60 billion in 2023. The count of Canadian acquisitions of US targets also decreased from 451 deals to approximately 405 deals.

Activity by Sector

North American M&A Activity by Sector 5-Year CAGR (Q3 2019—(Q3 2024)



Source: S&P Capital IQ.

The Financial Services sector saw significant activity, including Capital One’s acquisition of Discover for \$35 billion. Energy’s major deals included ConocoPhillips’ proposed acquisition of Marathon Oil for \$22.5 billion. In Technology, Synopsys acquired Ansys for \$35 billion, showcasing strong interest in tech acquisitions. Persistent high interest rates and geopolitical uncertainties have made dealmakers cautious, leading to a dip in activity typical during presidential election years. Canadian firms have been more selective, focusing on smaller transactions primarily within active sectors like technology and financial services. This reflects a cautious approach amid ongoing economic challenges and regulatory scrutiny.

Positive Market Outlook

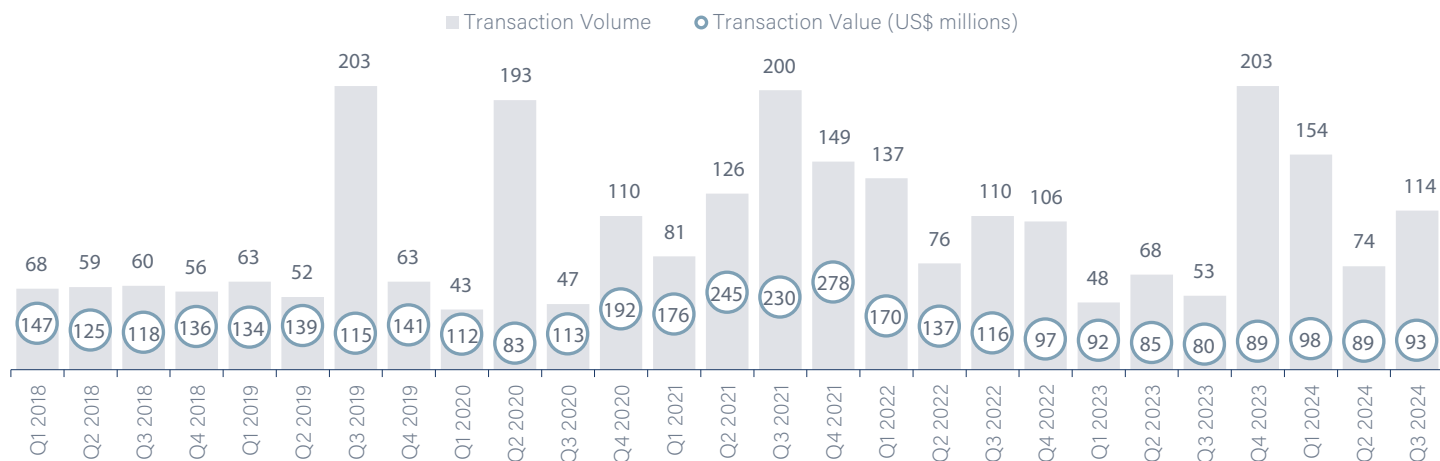
After a year in which over 4 billion people were eligible to vote, significant political uncertainty is beginning to stabilize. The upcoming results of the US presidential election are expected to clarify many uncertainties that have hindered deals in the first half of 2024, potentially leading to increased activity in M&A. Historically, US presidential elections influence deal timing more than outcomes. Typically, M&A activity dips in the third quarter of election years but rebounds in the first quarter following the election, as companies adjust their strategies based on the new political landscape.

Continuation funds have been employed extensively to return capital to limited partners and keep the investment cycle flowing. Falling interest rates, recovering credit markets and record low spreads in high yield markets are contributing to a strengthening outlook and renewed confidence among investors and deal makers.

SECTOR SPOTLIGHT ON: TECHNOLOGY

North American Tech Deal Landscape

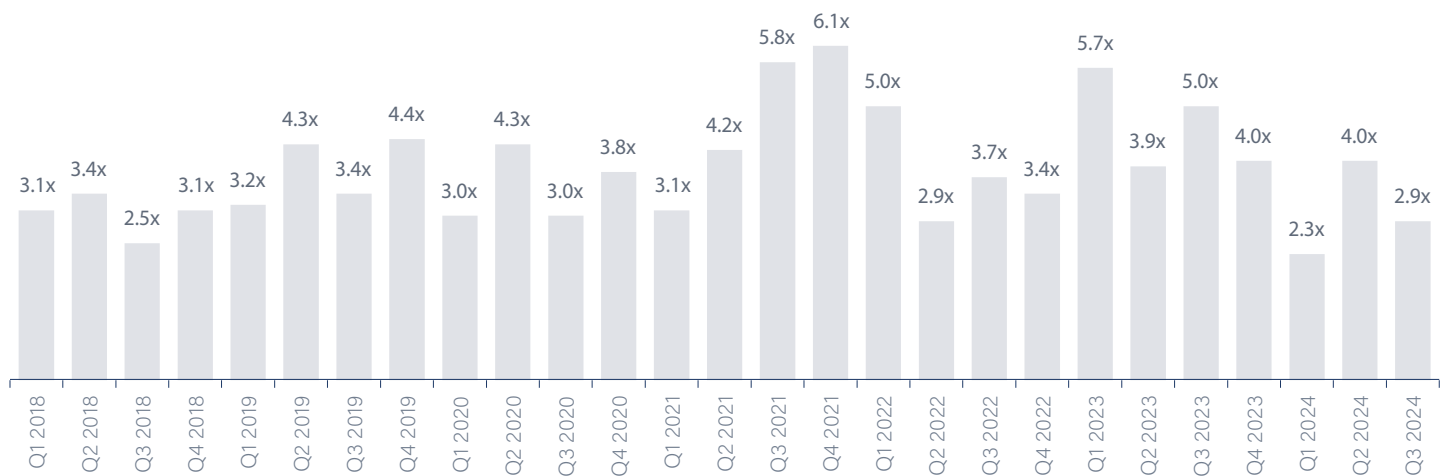
Quarterly Deal Activity (Q1 2018—Q3 2024)



Source: Pitchbook.

- ▶ Q3 2024 transaction volume in the North American technology sector showed some signs of recovery with an increase of 4.5% after larger-than-usual interest rate cuts by the Bank of Canada and Federal Reserve, which have eased financing conditions, following an extended period of unfavorably high interest rates for M&A conditions
- ▶ Transaction value saw a substantial increase of 54% in Q3 2024 from Q2 2024, further demonstrating a recovery to average levels

Quarterly Median Implied TEV/Revenue (Q1 2018—Q4 2024)



Source: Pitchbook.











- ▶ The median revenue multiple for Q3 2024 declined 27% from the previous quarter, reflecting the current market sentiment and credit environment

Retail Tech

Over the last five years, Origin has become a trusted advisor to the mobile electronic retail industry, with three highly successful transactions including two for Mobile Klinik as well as our most recent Jump+ transaction. Origin has strong relationships with strategic parties and financial sponsors that have demonstrated strong interest in the sector.

5 Key Trends in the Retail Tech Sector

- AI and Automation on the Rise** — AI and automation are at the forefront of retail technology trends in 2024. Retailers are increasingly leveraging AI for personalized shopping experiences and operational efficiency. This trend is prompting larger retailers to seek acquisitions of tech startups specializing in AI and automation to enhance their capabilities and streamline operations.
- “Phygital” Retail Experiences** — The blending of physical and digital shopping experiences—termed “phygital” retail—is driving M&A as companies seek to create seamless customer journeys. Investments are being made in technologies that facilitate this integration, such as smart shopping baskets and omnichannel customer profiles, prompting larger retailers to acquire smaller tech firms that provide innovative solutions.
- Augmented Reality Integration** — Augmented reality is transforming consumer engagement by enhancing shopping experiences both online and in-store. Retailers are increasingly acquiring AR technology firms to integrate these capabilities into their platforms, allowing customers to interact with products virtually before purchase. This trend is particularly appealing for fashion and home goods retailers looking to differentiate themselves in a competitive market.
- Supply Chain Innovations** — Supply chain resilience is becoming increasingly important, especially following disruptions caused by global events. Retailers are focusing on acquiring technologies that enhance supply chain transparency and efficiency, including predictive analytics and blockchain solutions. This focus on supply chain innovation is likely to lead to strategic partnerships and acquisitions aimed at bolstering operational capabilities.
- Emergence of Recommerce** — Recommerce, or the resale of pre-owned goods, is gaining traction as consumers become more environmentally conscious. Retailers are acquiring platforms that facilitate recommerce to tap into this growing market. This trend not only promotes sustainability but also allows retailers to attract a new customer base interested in budget-friendly options while enhancing their brand image through eco-friendly practices.

Retail Tech		
<p>An investor Group led by Tim McGuire has acquired</p>  <p>July 2024</p>	 <p>SILVERWARE</p> <p>Exclusive Financial Advisor on its sale to</p>  <p>April 2023</p>	 <p>DecorFusion</p> <p>Exclusive Financial Advisor on its sale to</p>  <p>October 2021</p>
 <p>Exclusive Financial Advisor on its sale to</p>  <p>July 2020</p>	 <p>Exclusive Financial Advisor on its sale to</p>  <p>October 2019</p>	 <p>\$275 million Private Placement</p> <p>May 2019</p>

RECENT RETAIL TECHNOLOGY EXPERIENCE

Origin Merchant Partners advises Jump+ on its sale to an Investor Group led by Tim McGuire.

The Company

Jump+ is North America's first and largest Apple Premium Reseller, catering to a nationwide network of retail and enterprise customers, through providing a complete offering of Apple products, accessories, and support services. Established in 2011, following a 30 year history and experience with Apple products, Jump+ started in Guelph, Ontario and has grown quickly to have a presence across Canada from coast to coast.

Background

Origin was engaged by Jump+ to explore a sale of the Company. Origin facilitated a tailored transaction process, reaching out to key strategic parties and financial investors in Canada, the United States, and internationally. The Origin team targeted potential buyers with complementary operations to Jump+ or who were actively pursuing mobile electronic and / or consumer retail investments.

Outcome

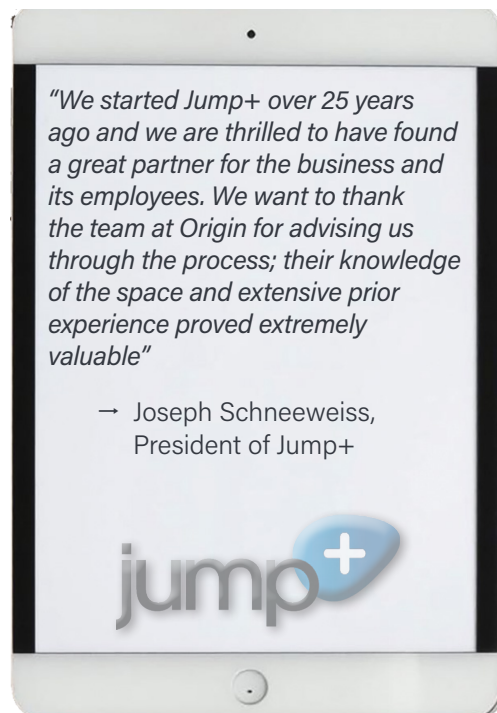
An Investment Group led by Tim McGuire distinguished themselves throughout the process, particularly given their prior success executing on the growth strategy of similar business operations, including the previous Mobile Klinik expansion. The Investment Group led by Tim McGuire emerged as the successful buyer of Jump+, recognizing the Company's established platform and future growth potential.

*Exclusive Financial Advisor
on the sale of*



*to an investor Group
led by Tim McGuire*

July 2024



Connect with the Team







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AND FROM ORIGIN'S ADVISORY PRACTICE...

Q3 has been busy at Origin as infectious “back to school” energy has kept us on our toes. Increased activity in the North American Market has kept our team hard at work. Our most active sectors include Technology, Industrials, and Agriculture.

Quarter	Transaction	Transaction Type	Sector	Geography
Q3 '24	North American Re-used Packaging Company	Sell-Side	Environmental & Sustainability	Buyer:  Seller: 
Q3 '24	UGE	Take Private	Environmental & Sustainability	 / 
Q3 '24	Private Contract Research Organization	Sell-Side	Healthcare	Buyer:  Seller: 
Q3 '24	Nexii	Sell-Side	Environmental & Sustainability, Industrials & Industrial Tech	Buyer:  Seller: 
Q2 '24	Jump+	Sell-Side	Technology, Media & Telecom	Buyer:  Seller:  / 
Q2 '24	RYCOM	Sell-Side	Industrials & Industrial Tech	Buyer:  Seller: 
Q1 '24	Burke & Co., and Orion Audit	Sell-Side	Healthcare	Buyer:  Seller: 
Q1 '24	FanTuan	Buy-Side	Technology	Buyer:  Seller: 
Q4 '23	Buhler Industries	Sell-Side	Food & Agriculture	Buyer:  Seller: 
Q4 '23	Teck Resources	Sell-Side	Metals & Mining	Buyer:  Seller: 
Q3 '23	Extruded Aluminum¹	Sell-Side	Industrials	Buyer:  Seller: 
Q3 '23	Velocity Trade	Sell-Side	Financials	Investor:  Investee: 

¹ Securities transactions conducted through StillPoint Capital, LLC, Tampa, FL

ORIGIN MERCHANT PARTNERS' Q1 2023—Q3 2024 TRANSACTIONS

<p>North American Re-used Packaging Company</p> <p><i>Excursive Financial Advisor on its sale to a Confidential Private Equity Firm</i></p>	<p>UGE</p> <p><i>Financial Advisor to the Special Committee with respect to the take-private transaction by</i></p> <p>NOVA INFRASTRUCTURE</p>	<p>Private Contract Research Organization</p> <p><i>Has been sold to a private buyer</i></p>	<p>NEXII</p> <p><i>Has been sold to a Private Investor Group</i></p>	<p><i>An investor Group led by Tim McGuire has acquired</i></p> <p>jump+</p>	<p>RYCOM</p> <p><i>Exclusive Financial Advisor to RYCOM on its sale to</i></p> <p>GDI AINSWORTH</p>
<p>飯团 FANTUAN</p> <p><i>Has acquired the Food Delivery business of</i></p> <p>chowbus</p>	<p>Burke & Company Ltd</p> <p>&</p> <p>orionaudit</p> <p><i>Have been acquired by</i></p> <p>NAVACORD</p>	<p>bühler</p> <p><i>Has been acquired by</i></p> <p>ASKO</p>	<p>Teck</p> <p>\$12 billion</p> <p><i>Financial Advisor to the Special Committee with respect to the sale of Elk Valley Resources to Glencore plc</i></p>	<p>TEAC[*]</p> <p><i>Has been acquired by</i></p> <p>METRA</p> <p><i>a portfolio company of</i></p> <p>KPS CAPITAL PARTNERS, LP</p>	<p>VELOCITY TRADE</p> <p><i>Has received a significant investment from</i></p> <p>WEBBUSH</p>
<p>Northview</p> <p>\$742 million</p> <p><i>Financial Advisor to the Special Committee regarding the acquisition of 3 property portfolios and REIT conversion</i></p>	<p>DISH LIMITED</p> <p><i>Has been acquired by</i></p> <p>THRUST CAPITAL PARTNERS</p>	<p>coinsquare</p> <p><i>Has combined with</i></p> <p>coinsmart</p> <p>and</p> <p>WonderFi</p>	<p>PCP Persistence Capital Partners</p> <p>CENTRICITY Research</p> <p><i>Exclusive Financial Advisor to Persistence & Management Shareholders of Centricity on its sale to</i></p> <p>TRINITY HUNT PARTNERS</p>	<p>MyLand</p> <p><i>Has received an equity investment from</i></p> <p>WPL</p> <p>Climate Innovation Capital</p>	<p>COPPER MOUNTAIN MINING CORPORATION</p> <p>US\$439 million</p> <p><i>Financial advisor to the Special Committee and the Board of Directors on its combination with</i></p> <p>HUBBAY</p>
<p>VEGA.education</p> <p>IBU International Business University</p> <p><i>Raised growth capital from a group of investors lead by</i></p> <p>JKR</p>	<p>SILVERWARE</p> <p><i>Has been acquired by</i></p> <p>FULLSTEAM</p>	<p>SDR DISTRIBUTION SERVICES INC.</p> <p><i>Has been acquired by</i></p> <p>NFI</p>	<p>Teck</p> <p><i>Financial Advisor to the Special Committee with respect to the separation of Teck Resources into Teck Metals Corp. and Elk Valley Resources Ltd.</i></p>	<p>Teck</p> <p><i>Financial Advisor to the Special Committee with respect to the proposed unification of the Dual Class Share structure</i></p>	<p>ICPEI</p> <p><i>Financial Advisor to the Special Committee on the acquisition by a consortium led by</i></p> <p>Desjardins</p>

Visit Origin's website for our [full transaction history](#).

Weeks into the fourth quarter of 2024, our pipeline is full with sell-side, buy-side, and capital raising mandates in sectors including transportation and logistics, financial services, industrials, environmental & sustainability, food & ag, healthcare, technology, power and utilities, and education. Please contact our Business Development Associate, [Adrienne Butler](#), to enquire about any of our current mandates by industry.

Watch our Q4/24 M&A review, coming in 2025.

* Securities transactions conducted through StillPoint Capital, LLC, Tampa, FL

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