

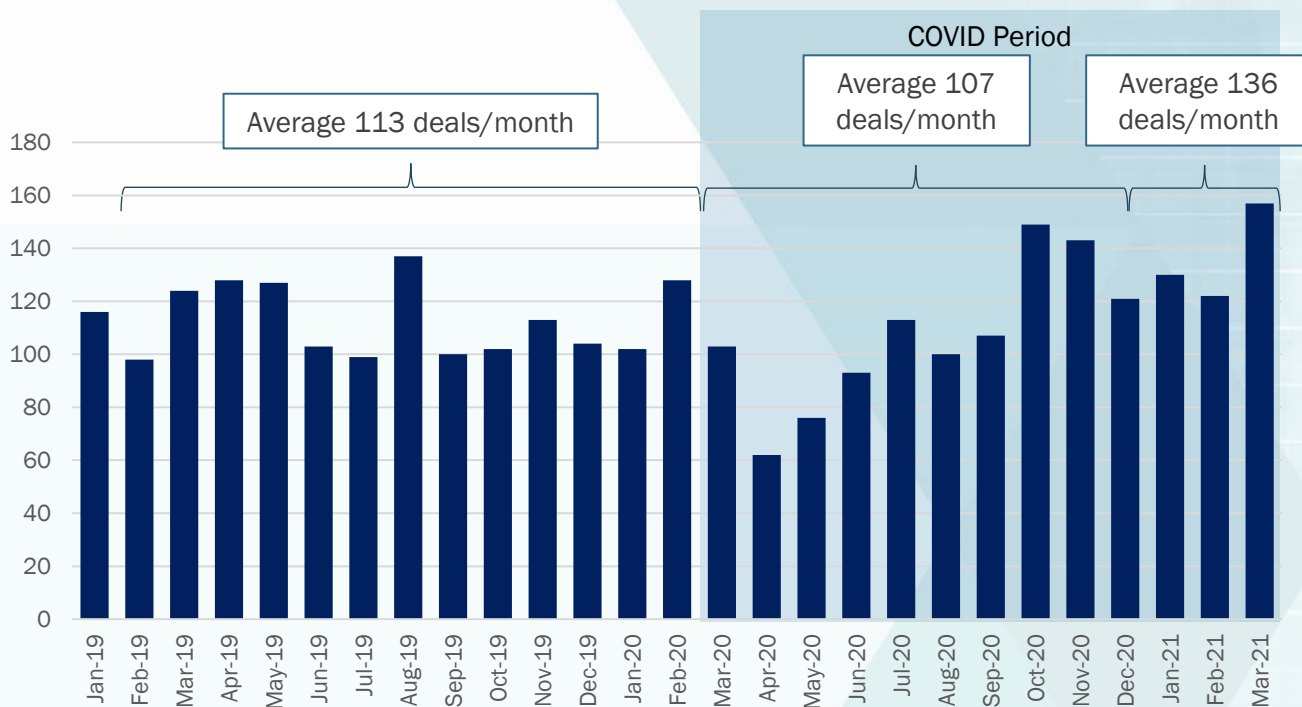


Value & Market Insights

2021 | Q1

Deal Volume

Canadian Transaction Volume ⁽¹⁾

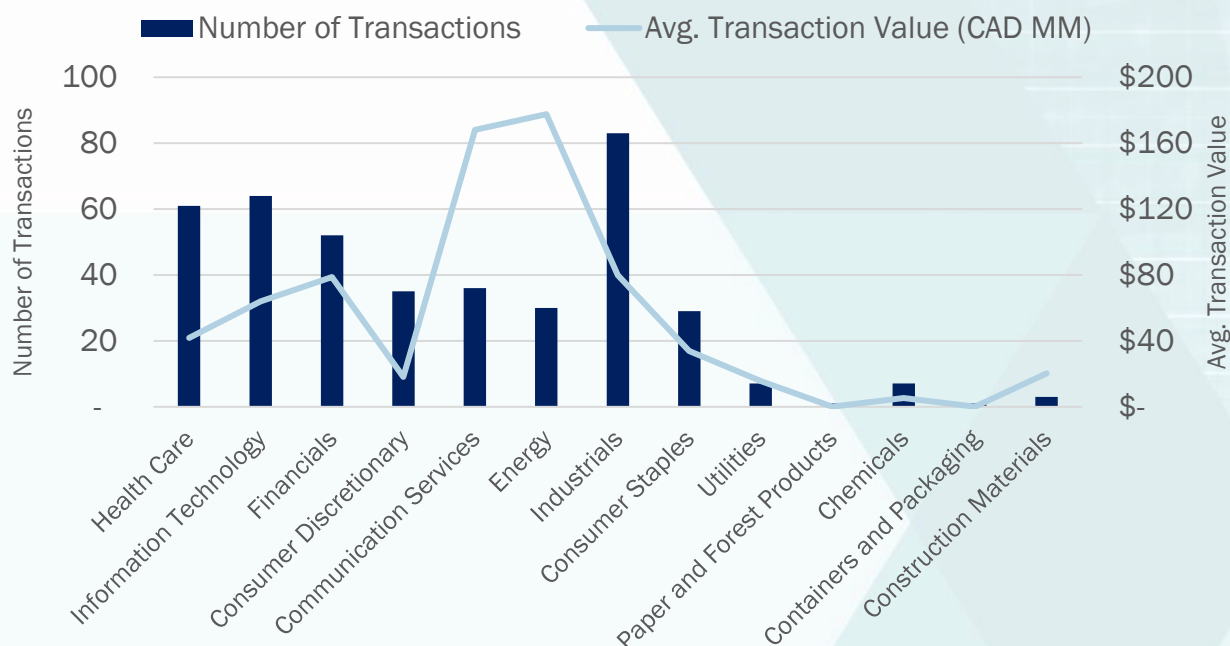


2020 and Q1 2021 saw significant volatility in deal volume due to the uncertainties surrounding the global pandemic. With the Canadian deals market hitting a sudden pause in the first half of 2020, the subsequent months saw a significant shift as transaction activity resumed. Q1 2021 further saw a record number of transactions averaging 136 deals per month, up 22.5% over the same period last year, with the strongest month being March (157 transactions).

As the vaccine rollout continues across Canada, we expect the market to continue to perform with robust activity throughout 2021.

Industry Overview

2021 Q1 Canadian Transactions By Industry ⁽¹⁾



2021 Q1's Most Active Industries ⁽¹⁾

Industry	2021 Transaction Volume		Average EV/EBITDA ⁽³⁾
	Q1		
Industrials	83		ND ⁽²⁾
Information Technology	64		9.2x
Health Care	61		8.5x
Financials	52		ND ⁽²⁾
Communication Services	36		11.6x
Consumer Discretionary	35		14.3x

(1) Source: S&P Capital IQ - Includes announced & closed deals

(2) ND - No meaningful publicly available data

(3) Excludes outliers - EV/EBITDA multiples >20.0x & Transaction Value >\$1.0B CAD

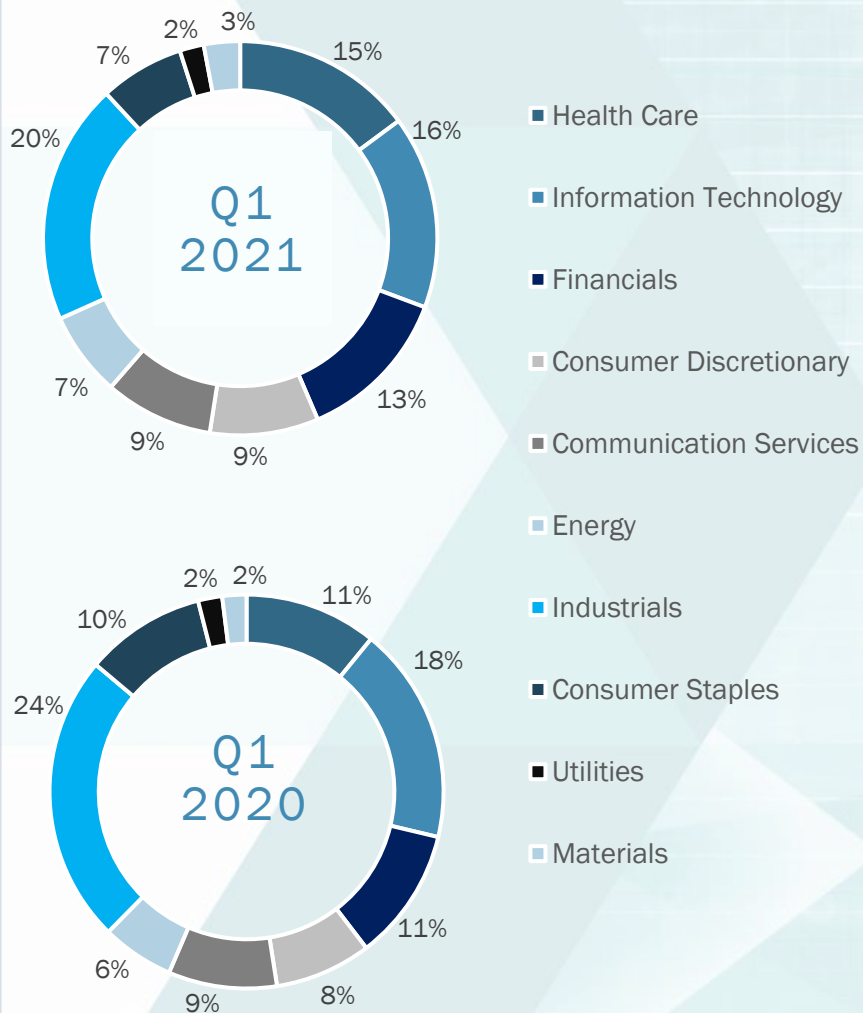
Industry Overview

Canadian 2020 Transaction By Industry ⁽¹⁾

Following a similar theme as the later half of 2020, there was continued interest in the Health Care and Financials sectors. These industries made up 15% and 13%, respectively, of the transactions in Q1 2021, compared to just 11% each in Q1 2020. These industries remain top of mind for buyers through the start of 2021 as they look to find sectors that have been quick to adapt to the remote work environment or are playing a pivotal role in mitigating the effects of the COVID pandemic.

Although the most active sector in the quarter, Industrials remain a smaller portion of total deal composition compared to Q1 2020. The increase in Treasury Yields will continue to provide headwinds due to the capital-intensive nature of the industry.

Surprisingly, Consumer Discretionary deal volume has surpassed pre-pandemic levels. This resurgence indicates buyers are bullish on consumer spending as the Canadian economy begins to re-open fully.



Buyer Profile

Canadian Transaction By Buyer Location⁽¹⁾

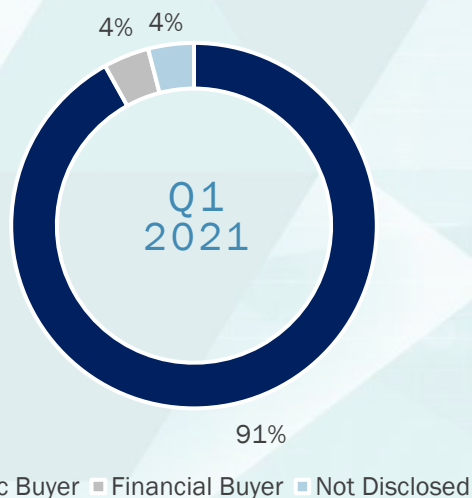
Buyer Location	2020 Q1 (Count)	2020 Q1 (%)	2021 Q1 (Count)	2020 Q1 (%)
Western Canada	72	21.6%	98	24.0%
Eastern Canada	138	41.4%	139	34.0%
USA	49	14.7%	82	20.0%
International	29	8.7%	46	11.2%
Not Disclosed	45	13.5%	44	10.8%
Total	333	100%	409	100%

Consistent with Q1 2020, domestic parties continue to be the largest acquirer of Canadian-based businesses. However, US and International buyers were significantly more active than they were a year ago, acquiring a combined 128 business during the quarter compared to just 78 in Q1 2020. This change in buyer composition supports that acquirers are navigating border closures and finding ways to complete transactions.

Canadian Transaction By Buyer Type⁽¹⁾

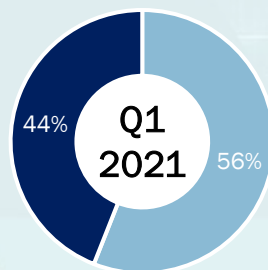
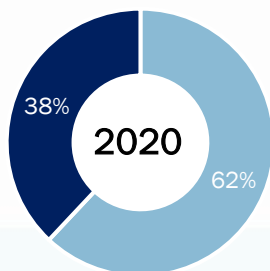
Canadian Q1 transactions have been trending towards strategic buyers, increasing 8.9% from 2019 to 2021. Although record amounts of PE dry powder remain on the sidelines, the data indicates that financial buyers remain cautious in making significant Canadian investments through the start of 2021.

Buyer Type	2019 Q1	2020 Q1	2021 Q1
Strategic	82.6	89.2%	91.5%
Financial	8.5%	5.7%	4.1%
Not Disclosed	8.8%	5.1%	4.4%



Seller Profile

Western Canada vs. Eastern Canada ⁽¹⁾⁽²⁾



■ Western Canada
■ Eastern Canada

Q1 2021 saw an increase in deal activity in Western Canada making up 44% of Canadian deals, compared to an average of 38% in 2020.

Western Canadian Transactions By Location ⁽¹⁾⁽²⁾⁽³⁾

Seller Location	2020 Q4 (Count)	2020 Q4 (%)	2021 Q1 (Count)	2021 Q1 (%)
British Columbia	75	65%	83	58%
Alberta	29	25%	42	30%
Saskatchewan	5	4%	10	7%
Manitoba	7	6%	7	5%
Total	116	100%	142	100%
Largest Transactions ⁽⁴⁾	\$1.2B acquisition of People Corporation by West Street Capital Partners VII Investments, L.P. (Subsidiary of Goldman Sachs Group Inc. and Broad Street Principal Investments, L.L.C.)		\$26.6B acquisition of Shaw Communications Inc. (TSX:SJR.B) and Freedom Mobile by Rogers Communications Inc. (TSX:RCL.B)	

Q1 saw significant growth in deal activity in Western Canada (a 22% increase). British Columbia and Alberta continue to have the most sellers in the Western Canadian provinces, making up 58% and 30%, respectively.

Notable Canadian Transactions

Select Q1 2021 Industrial and Diversified Deals in Western Canada

Date	Target	Target Prov.	Buyer
3/30/2021	Appraisers Now Ltd.	AB	Voxtur Analytics Corp. (TSXV:VXTR)
3/26/2021	Range Energy Resources Inc. (CNSX:RGO.X)	BC	EnviroGold Global (Can) Ltd.
3/15/2021	Shaw Communications Inc. (TSX:SJR.B)	AB	Rogers Communications Inc. (TSX:RCI.B)
3/12/2021	Bluejay Mental Health Group Inc.	BC	Core One Labs Inc. (CNSX:COOL)
3/9/2021	Tervita Corporation (TSX:TEV)	AB	Secure Energy Services Inc. (TSX:SES)
3/5/2021	Woodcote Petroleum Inc.	AB	WSB Titan Inc.
3/3/2021	Dick Agencies Insurance Brokers	MB	Westland Insurance Group Ltd.
3/2/2021	MAD Oilfield Solutions Inc.	AB	Vertex Resource Group Ltd. (TSXV:VTX)
2/19/2021	Orion Environmental Services Ltd.	AB	Ambipar Holding Canada Inc
2/18/2021	Kingsland Energy Corp. (TSXV:KLE.H)	SK	Selective Solution Xtraction Inc.
2/16/2021	Inception Exploration Ltd.	AB	Spartan Delta Corp. (TSXV:SDE)
2/10/2021	Seven Generations Energy Ltd.	AB	ARC Resources Ltd. (TSX:ARX)
2/8/2021	CRH Medical Corporation (TSX:CRH)	BC	WELL Health Technologies Corp. (TSX:WELL)
2/2/2021	Peters Energy Solutions Inc.	AB	IBI Group Inc. (TSX:IBG)
1/18/2021	Baby Gourmet Foods Inc.	AB	Hero Group AG
1/5/2021	Bison Transport Inc.	MB	James Richardson & Sons, Limited
1/4/2021	Bevo Farms Ltd	BC	Langley Propagation and Floral Company Ltd.

Sequeira Update

Our Team



As our Valuations practice continues to grow so too does our team!

We're very excited to announce Sarry Mourad, CPA has joined the Sequeira team as an Analyst and will be based out of our Edmonton office.

Welcome to the team Sarry!

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Recent Transactions

<p>Advisor to</p> <p>on the sale to</p> <p>sequeira PARTNERS</p>	<p>Advisor to</p> <p>on the sale to</p> <p>sequeira PARTNERS</p>	<p>Sales Agent to</p> <p>on the sale of its USA subsidiary, ENTREC Cranes & Heavy Haul Inc. to</p> <p>sequeira PARTNERS</p>	<p>Advisor to</p> <p>on the sale to</p> <p>sequeira PARTNERS</p>
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About Us

Sequeira Partners is Western Canada's leading sell-side transaction advisor to private and public industrial, energy and diversified businesses. From our offices in Vancouver, Edmonton and Calgary, the team at Sequeira Partners has completed more than 200 mid-market transactions in Canada, the United States, and countries around the world.

www.sequeirapartners.com.

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