

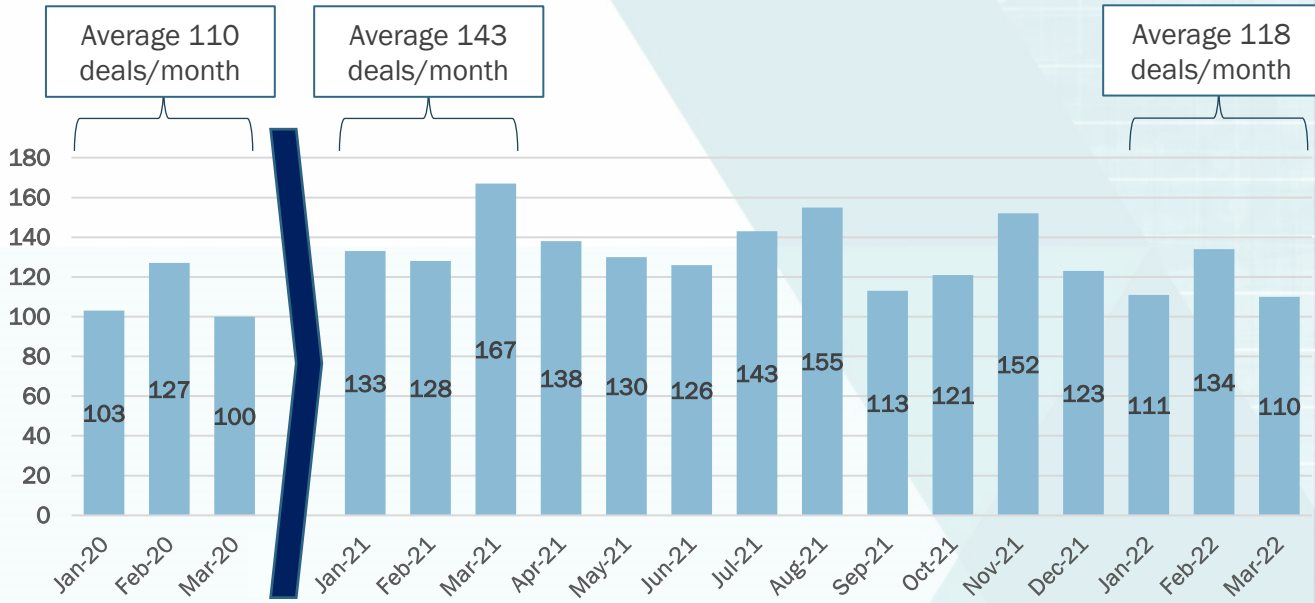


# Value & Market Insights

2022 | Q1

# Deal Volume

## Canadian Transaction Volume<sup>(1)</sup>



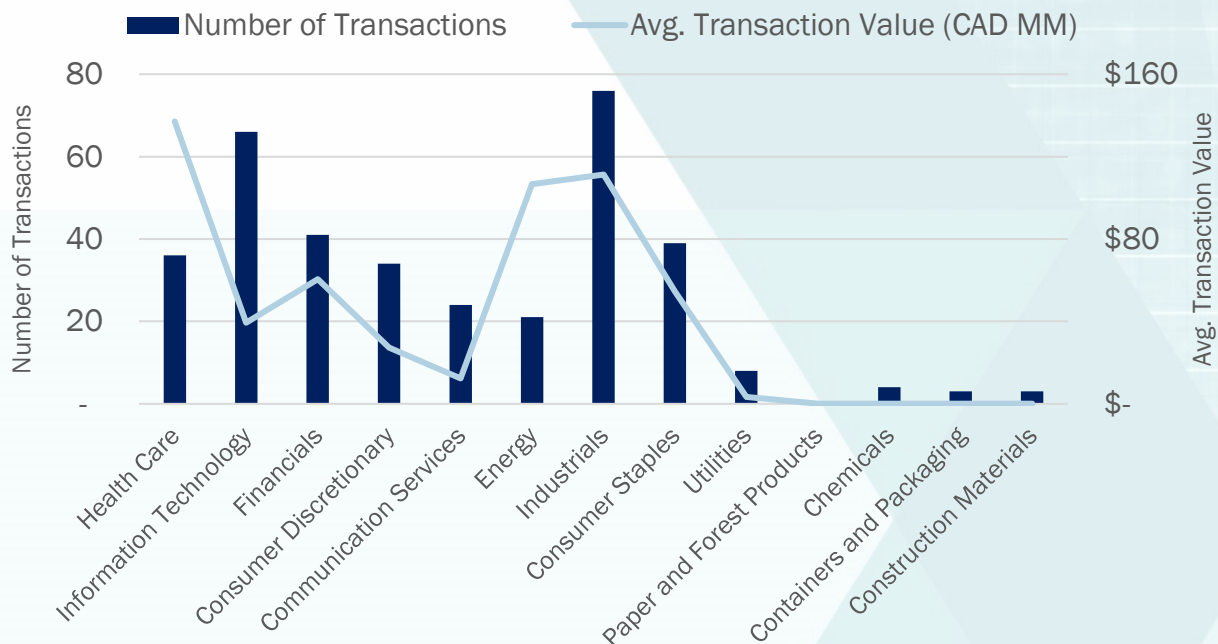
M&A activity is off to a strong start in Canada in 2022. The factors that drove record transaction volume in 2021, such as excessive private equity capital and the low cost of capital, largely remain in place. Speculation around a potential change to the capital gains inclusion rate, drove a significant number of transactions to close in Q1 2022.

Even with a strong start to 2022, it is important to keep in mind several factors that can impact the markets going forward:

- 1) An increase in Acqui-hire activity - Labour scarcity continues to be a struggle for all businesses. M&A presents an opportunity for companies to acquire specific talents and key skills to help grow businesses.
- 2) Impact of supply chain disruption - Supply chain constraints remain a hurdle for buyers and sellers. M&A could provide opportunities to increase inventory and capital assets, as well as combine resources in identifying possible business solutions.

# Industry Overview

## Q1 2022 Canadian Transactions By Industry<sup>(1,2)</sup>



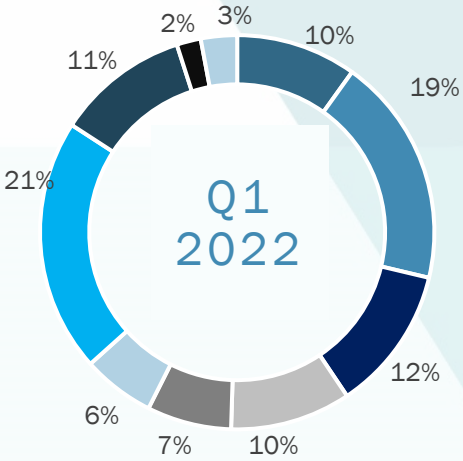
## Q1 2022's Most Active Industries<sup>(1,2)</sup>

Industry	2022 Transaction Volume		Average Transaction Value <sup>(2)</sup>
	Q1		
Industrials	76		<b>\$111.3M</b>
Information Technology	66		<b>\$39.4M</b>
Consumer Discretionary	34		<b>\$27.2M</b>
Financials	41		<b>\$60.6M</b>
Energy	21		<b>\$106.7M</b>
Healthcare	36		<b>\$137.1M</b>

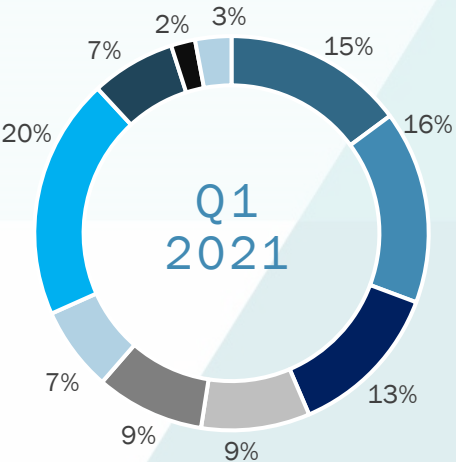
# Industry Overview

## Canadian Q4 2021 Transactions By Industry<sup>(1)</sup>

Q1 2022 transactions by industry proved to be consistent with Q1 2021. In 2021, there was a reduction in investment in healthcare after the boom in 2020, as a result of COVID. Q1 2022 saw a further reduction with healthcare transactions making up only 10% of all transactions. Investments in information technology, as a percentage of transactions, continues to be strong, 19% in Q1 2022 vs. 16% in Q1 2021. Industrials continue to remain the industry with the most transactions making up 21% in Q1 2022.



- Health Care
- Information Technology
- Financials
- Consumer Discretionary
- Communication Services
- Energy
- Industrials
- Consumer Staples
- Utilities
- Materials



<sup>(1)</sup> Source: S&P Capital IQ – Includes announced & closed deals

# Buyer Profile

## Canadian Transactions By Buyer Location<sup>(1)</sup>

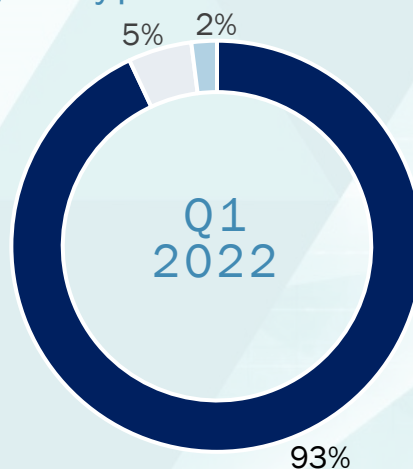
Buyer Location	Q1 2021 (Count)	Q1 2021 (%)	Q1 2022 (Count)	Q1 2022 (%)
Western Canada	98	24%	83	24%
Eastern Canada	139	34%	129	36%
USA	82	20%	82	23%
International	46	11%	40	11%
Not Disclosed	44	11%	21	6%
<b>Total</b>	<b>409</b>	<b>100%</b>	<b>355</b>	<b>100%</b>

The USA buyer market has shown relative increasing interest in the Canadian market, proven by the increase in the percentage of Canadian transactions. The domestic Canadian buyer's market continues to be the largest acquirer making up 60% of Canadian transactions in Q1 2022.

## Canadian Transaction By Buyer Type<sup>(1)</sup>

Strategic acquirors remained the dominant buyer type through Q1 2022, looking for synergistic opportunities in a low-cost debt environment.

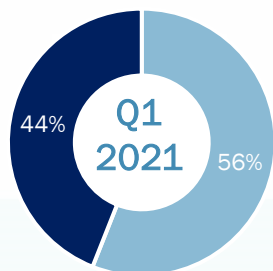
Buyer Type	Q1 2021	Q1 2022
Strategic	92%	93%
Financial	4%	5%
Not Disclosed	4%	2%



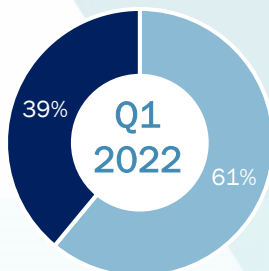
■ Strategic Buyer ■ Financial Buyer ■ Not Disclosed

# Seller Profile

## Western Canada vs. Eastern Canada<sup>(1)(2)</sup>



■ Western Canada  
■ Eastern Canada



Eastern Canadian companies continue to make up the majority of sellers in Canada, making up 61% vs. Western Canada at 39%.

## Western Canadian Transactions By Location<sup>(1)(2)(3)</sup>

Seller Location	Q1 2021 (Count)	Q1 2021 (%)	Q1 2022 (Count)	Q1 2022 (%)
British Columbia	83	58%	56	61%
Alberta	42	30%	26	28%
Saskatchewan	10	7%	5	5%
Manitoba	7	5%	5	5%
<b>Total</b>	<b>142</b>	<b>100%</b>	<b>92</b>	<b>100%</b>
Largest Transactions <sup>(4)</sup>	\$26.6B acquisition of Shaw Communications Inc. (TSX:SJR.B) and Freedom Mobile by Rogers Communications Inc. (TSX:RCI.B)		\$845M acquisition of Lifemark Health Group by Shoppers Drug Mart Corporation	

After record transaction volume in 2021 in Western Canada, Q1 2022 experienced a more modest number of transactions. BC and Alberta continue to lead in number of transactions in Western Canada, with BC showing a percentage increase up to 61% in Q1 2022 compared to 58% in Q1 2021.



# Notable Canadian Transactions

Select Q4 2021 Industrial and Diversified Deals in Western Canada			
Date	Target	Target Prov.	Buyer
1/10/2022	TimberRock Energy Corp.	AB	Whitecap Resources Inc. (TSX:WCP)
1/14/2022	HiRail Leasing Group	AB	Custom Truck One Source, Inc. (NYSE:CTOS)
1/24/2022	Ziva Dynamics Inc.	BC	Unity Software Inc. (NYSE:U)
1/25/2022	Barclay Insurance Services Inc.	BC	Sterling Capital Brokers
1/27/2022	Roughrider International	AB	McKay Métis Group Ltd.
1/31/2022	Tricom Building Maintenance Ltd.	BC	Dexterra Group Inc. (TSX:DXT)
2/8/2022	JustGo Juice Nutrition Ltd.	BC	Ritual Superfoods Inc. (CNSX:RSF)
2/8/2022	United Transfer Ltd.	SK	Consolidated Fastfrate Inc.
2/10/2022	FULLYMANAGED INC.	BC	TELUS Corporation (TSX:T)
2/23/2022	Nemco Resources Ltd.	MB	Catalys Lubricants Ltd
2/24/2022	Sun Machine Entertainment Inc.	BC	WonderFi Technologies Inc. (NEOE:WNDR)
2/25/2022	Cordy Oilfield Services Inc. (TSXV:CKK)	AB	Vertex Resource Group Ltd. (TSXV:VTX)
3/10/2022	Rubicon Pharmacies Canada Inc.	MB	Neighbourly Pharmacy Inc. (TSX:NBLV)
3/11/2022	Vegables Food Inc.	BC	Modern Plant Based Foods Inc. (CNSX:MEAT)
3/28/2022	InterDynamix Systems Corp.	AB	Converge Technology Solutions Corp. (TSX:CTS)
1/10/2022	TimberRock Energy Corp.	AB	Whitecap Resources Inc. (TSX:WCP)



# Team Update



Building on the momentum of 2021 we continue to enhance the strength and depth of our team, adding a new member to Sequeira Partners in our Vancouver office. Welcome to the team Robyn!

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Vancouver

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on senior secured debt  
and credit facility  
refinancing

**sequeira**  
PARTNERS

Advisor to

**Comalatech**

on the sale to

**appfire**

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## About Us

Sequeira Partners is Western Canada's leading sell-side transaction advisor to private and public industrial, energy services, business services, manufacturing and insurance 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](http://www.sequeirapartners.com).

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