

Value & Market Insights

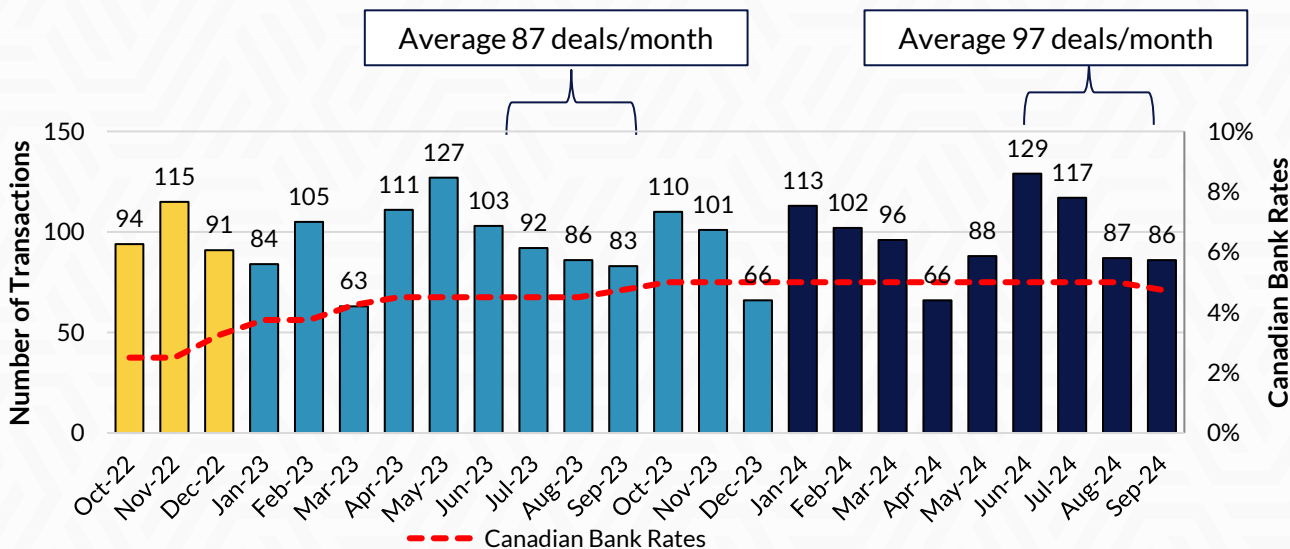
2024 | Q3

The logo for Sequeira Partners features a stylized bar chart icon with four vertical bars of increasing height, colored in shades of blue and teal. Below the icon, the word "sequeira" is written in a lowercase, sans-serif font, and "PARTNERS" is written in a smaller, uppercase, sans-serif font below it.

sequeira
PARTNERS

Deal Volume Trends – Positive 2024 outlook

Canadian Transaction Volume ⁽¹⁾



In Q3 2024, the average monthly transaction volume experienced a 15% year-over-year increase, indicating a steady recovery in market activity. The first month of the quarter saw a significant uplift, driven by renewed optimism and favorable economic conditions.

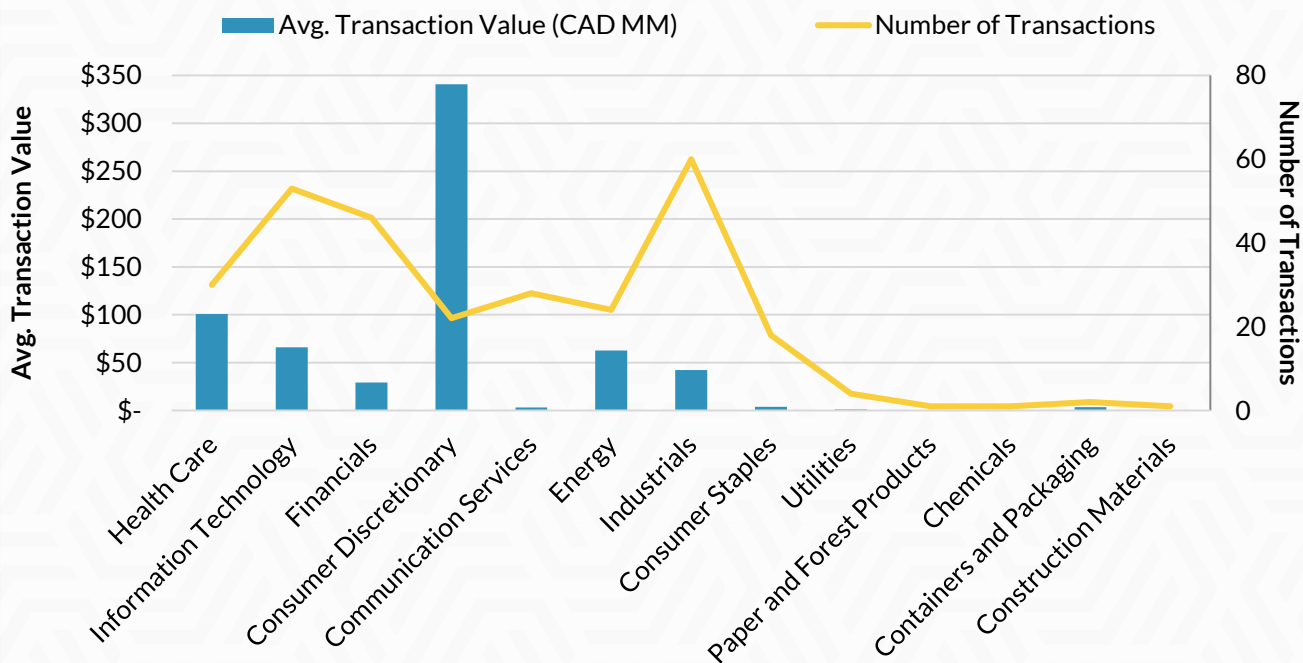
Deal Volumes	Q3 '24	Q3 '23	Change	%
April	117	92	25	27%
May	87	86	1	1%
June	86	83	3	4%

This upward trend coincides with the recent policy interest rate cut to 3.75% in October, boosting buyer confidence and creating a more favorable environment for acquisitions. Sequeira recently attended the global AICA conference with our American affiliates who cited market optimism and a return to more normal levels of M&A activities. The combination of lower financing costs and new tax incentives has encouraged financial sponsors and strategic acquirers to deploy capital, fueling growth opportunities. Buyers with robust cash reserves and access to flexible financing are now more inclined to pursue attractive deals.

Strategic alignment remains key, as companies prioritize acquisitions that can enhance operational synergies and strengthen core capabilities. This positive momentum reflects a selective yet determined approach to seizing opportunities in the current market climate.

Industry Overview

Q3 2024 Canadian Transactions By Industry ^(1,2,3)



Q3 2024's Most Active Industries ^(1,2)

Industry	2024 Transaction Volume	
	Q3	Average Transaction Value ⁽²⁾
Industrials	60	\$42.2M
Information Technology	53	\$66.1M
Financials	46	\$29.3M
Health Care	30	\$100.8M
Consumer Discretionary	24	\$340.6M
Energy	22	\$62.6M

- (1) Source: S&P Capital IQ - Includes announced & closed deals
- (2) Excludes outliers - Transaction Value > \$1B CAD
- (3) Some Q2 2024 transactions have no disclosed transaction values, including deals in the utilities, chemicals, container and packaging, and construction materials industries

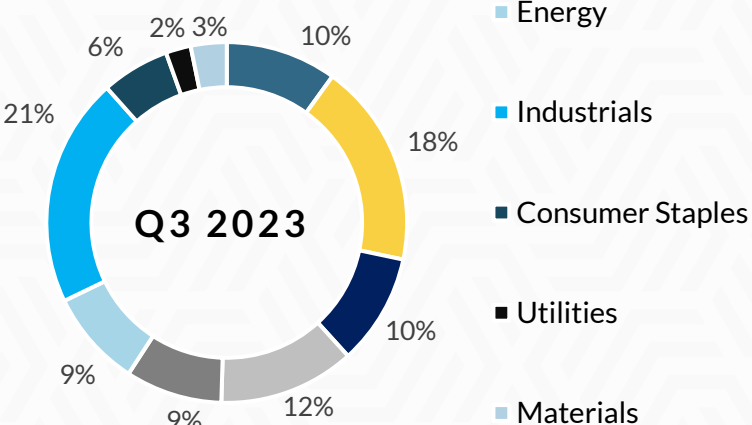
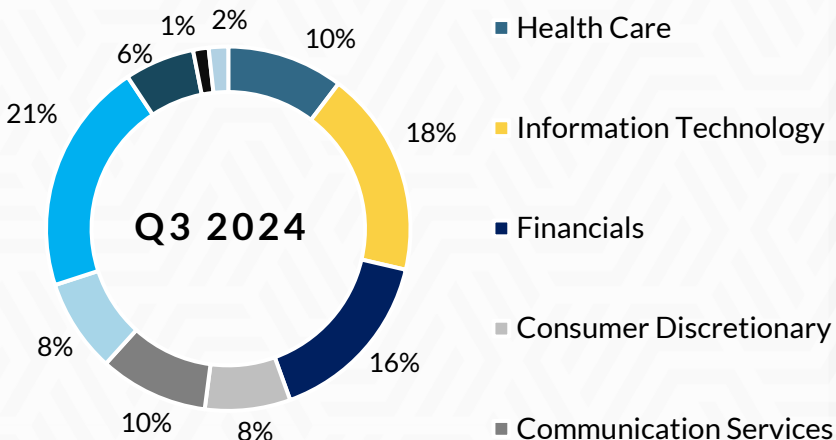
Industry Overview

Q3 2024 Canadian Transactions By Industry ⁽¹⁾

The distribution of M&A activity by industry in Q3 2024 remains relatively consistent compared to the same period last year.

Notably, the Financials sector saw a significant increase, rising by 6% compared to the same quarter in 2023. This uptick reflects growing deal activity in financial services as companies pursue consolidation and growth strategies to navigate evolving market dynamics.

Other sectors, such as Industrials and Information Technology, maintained similar proportions, indicating stable interest across these industries.



Buyer Profile

Canadian Transactions By Buyer Location⁽¹⁾

Buyer Location	Q3 2023 (Count)	Q3 2023 (%)	Q4 2024 (Count)	Q4 2024 (%)
Western Canada	61	24%	80	28%
Eastern Canada	79	30%	69	24%
USA	61	23%	79	27%
International	29	11%	32	11%
Not Disclosed	31	12%	30	10%
Total	261	100%	290	100%

Domestic buyers remain the largest group of acquirers in Q3 2024 with 52% buying out Canadian businesses during the quarter. The make up remains consistent although Eastern Canadian buyers saw a slight dip in volume. International appetite still remains steady, indicating a sustained interest in investing in Canadian companies.

Canadian Transaction By Buyer Type⁽¹⁾

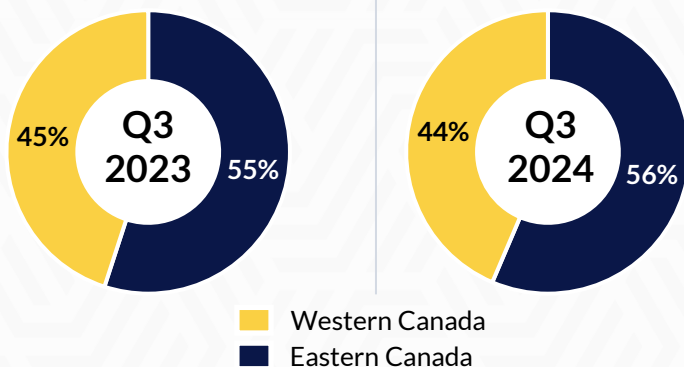
Strategic buyers remained the dominant force in the M&A landscape for Q3 2024. With interest rates recently declining to 3.75%, the cost of capital has become more attractive, suggesting a potential shift in the coming quarters. This lower rate environment is expected to boost the activity of financial buyers, as cheaper financing could reignite interest in leveraged transactions and expand their share of the market.

Buyer Type	Q3 2023	Q3 2024
Strategic	88%	89%
Financial	5%	5%
Not Disclosed	7%	6%



Seller Profile

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



Eastern Canadian companies continued to represent the majority of the seller landscape in Q3 2024. The regional mix remained relatively similar to last year. This steady distribution indicates a consistent balance in M&A activity between Eastern and Western Canada.

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

Seller Location	Q3 2023 (Count)	Q3 2023 (%)	Q3 2024 (Count)	Q3 2024 (%)
British Columbia	50	53%	46	49%
Alberta	39	41%	40	42%
Saskatchewan	2	2%	5	5%
Manitoba	4	4%	4	4%
Total	95	100%	95	100%
Notable Transactions ⁽⁴⁾	\$1.2B acquisition of Crew Energy Inc. by Tourmaline Oil Corp. (TSX:TOU)		\$3.4B acquisition for the Renewable Energy Business of Algonquin Power & Utilities Corp by Altius Renewables, ULC.	

Q3 2024 saw stable deal volume across Western Canada, with 95 closed transactions, matching the count from Q3 2023. While the overall number of deals remained consistent, there was a slight shift in activity within the provinces. British Columbia's share decreased from 53% to 49%, while Saskatchewan saw an increase from 2% to 5%.

Notable Canadian Transactions



Select Q3 2024 Deals in Western Canada

Date	Target	Target Prov.	Buyer
9/26/2024	Baker Insurance Ltd.	AB	Axis Insurance Managers Inc.
9/5/2024	Gatos Silver (NYSE:GATO)	BC	First Majestic Silver (NYSE:AG)
8/12/2024	OneSoft Solutions Inc. (TSXV:OSS)	AB	Irth Solutions, Inc.
8/7/2024	Crew Energy Inc	BC	Tourmaline Oil Corp. (TSX:TOU)
8/2/2024	SSR Roof Supply Ltd.	BC	Beacon Roofing Supply, Inc.
8/2/2024	Buffalo Mission Energy Corp.	AB	Rubellite Energy Inc. (TSX:RBY)
7/30/2024	Hayfin Capital Management (BCIMC)	BC	Undisclosed
7/29/2024	Filo Corp. (TSX:FIL)	BC	Lundin Mining (TSX:LUN); BHP Group (NYSE:BHP)
7/22/2024	A&W Revenue Royalties Income Fund	BC	A&W Food Services of Canada Inc. (TSX:AW)
7/16/2024	PCA Valence Engineering Technologies Ltd	AB	RESA Power, LLC
7/9/2024	True North Automatic Inc.	AB	Accenture plc (NYSE:CAN)
7/5/2024	Janzen Insurance Brokers Ltd.	BC	Acera Insurance Services Ltd.
7/3/2024	RiskTech Insurance Services Inc.	AB	Westland Insurance Group Ltd.

Team Update

We are proud of the hard work and dedication of our team. As we continue to strive for excellence we are excited to announce the following promotions.



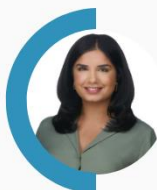
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Tannie Lam
Vice President



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Senior Associate



Neesha Chahal
Associate



Timothy Chow
Associate



Andrew Zanello
Associate



Michelle Zhou
Associate

About Us

Sequeira Partners is Western Canada's largest boutique advisory firm, specializing in sell-side deal advisory and corporate valuations. Having completed more than 175 national and cross-border transactions, and over 500 valuation mandates, we are proud of our diverse industry experience and credentials. At Sequeira Partners, we combine decades of experience and top-tier credentials to deliver client-centric service with a personalized, boutique approach.

Learn more at: www.sequeirapartners.com



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