

2021 Annual Utah Deal Review

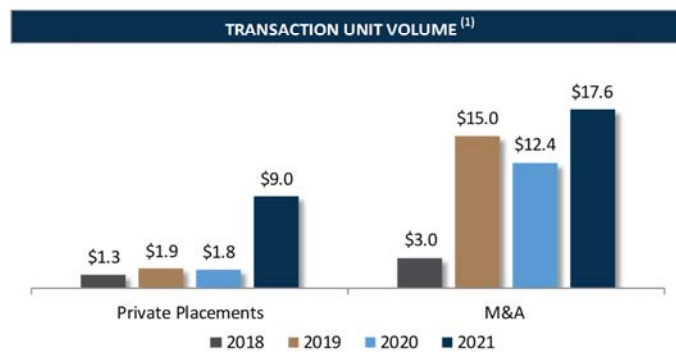
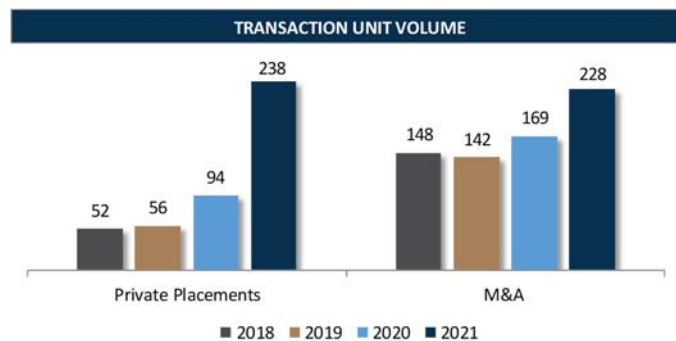
The Annual Utah Deal Review is prepared as a courtesy to the business community based on our research and analysis of data from various sources on disclosed deals for Utah-based companies.

M&A activity in 2021 exhibited a strong rebound from the COVID-19 pandemic, proven by the significant increase in transaction unit volume. Robust public equity markets raised business confidence and provided elevated buying power, underscoring the rebound. Although early 2022 rate hikes are increasing cost of capital and inflation is further hurting corporate margins, the NTM transaction outlook for 2022 is positive. Unprecedented private equity fundraising is laying the foundation for M&A activity in the coming year. By unit volume, Utah saw a 77.2% increase to 466 total M&A and private placement transactions. Technology and Financial services represented the majority of the largest transactions in the state.

Utah maintained the #3 spot on the Forbes Best State for Business list in 2021. Utah ended the year with a 2.1% unemployment rate, tied for the #1 spot among U.S. states. The Utah market saw M&A transactions increase by 34.9% in dollar volume over 2020. The top 10 M&A transactions accounted for 92.2% of total M&A dollar volume, compared to 89.9% in 2020. The median M&A transaction value was \$57.9 million, a considerable increase from \$35.0 million in 2020.

Private placement dollar volume experienced an increase of 392.0% to approximately \$9.0 billion, while unit volume increased 153.2%. The top ten 2021 private placement transactions accounted for 35.1% of total dollar volume, compared to 68.0% in 2020. The median private placement transaction value was \$20.0 million, an increase of 73.9% year-over-year. Utah far exceeded its typical trend of private placement transactions per year with 238 transactions disclosed. That value includes a staggering 28 placements of \$100 million or greater, a phenomenon unheard of anywhere 10 years ago, reflecting the continued shift of large deal making away from public markets into private companies.

As usual, the Technology/Software/Services sector drove Utah transaction activity with 48.2% of total transaction dollar volume, led by Pluralsight's almost \$4.8 billion acquisition. Financial Services followed with 21.1%, led by the EnerBank USA and Altabancorp transactions, and Consumer/Retail was 13.7% of the total. The Medical/Healthcare/Biotech sector accounted for only 5.1% of total transaction dollar volume, a significant decrease from 2020, but still accounted for 16.7% of the total transaction volume. All 13 industries analyzed showed growth in combined M&A and private placement unit volume, and most had dollar volume growth.



(1) \$ in billions. Excludes Real Estate, Mining, Energy Exploration, Project Finance, 144a placements and transactions under \$5 million. Transaction dollar volume includes only disclosed transactions.



TOP 10 2021 M&A DEALS ⁽¹⁾

(\$ in millions)

1	Pluralsight, Inc.	\$4,763
2	DivvyPay, Inc.	2,500
3	A Cloud Guru Ltd.	2,000
4	Acima LLC	1,653
5	Rotor Acquisition Corp.	1,496
6	Clarabridge, Inc.	1,125
7	EnerBank USA	960
8	Altabancorp	934
9	Orbit Irrigation Products LLC	480
10	ZAGG Inc	243

TOP 10 2021 PRIVATE PLACEMENTS ⁽¹⁾

(\$ in millions)

1	Entrata, Inc.	\$507
2	Saama Technologies, Inc.	430
3	Vintage Wine Estates, Inc. (NasdaqGM:VWE)	306
4	Eve Urban Air Mobility, LLC	305
5	Freenome, Inc.	300
6	Black Rifle Coffee Company, LLC	300
7	MX Technologies, Inc.	300
8	SonderMind Inc.	242
9	Holley Inc. (NYSE:HLLY)	240
10	Sarcos Technology and Robotics Corporation	220

* Excludes Real Estate, Mining, Energy Exploration, Project Finance, 144a placements.

(1) Only includes transactions with disclosed values.

Regional M&A in Utah was well correlated with the national M&A growth trends and public equity volumes in 2021. The Fed was reluctant to raise interest rates throughout 2021 given the continued supply chain disruption and the belief that inflation was transitory, leading to both aggressive capital markets activity in 2021 and heightened inflation concerns in early 2022, exacerbated by the Ukraine invasion. With the Fed no longer pumping liquidity into the market, bank and corporate profits have fallen in 2022 and many large cap transactions, especially the inevitably doomed SPACs, have been postponed amid the volatility. That said, corporations and institutional investors are still sitting on a large amount of unallocated capital that they are seeking to deploy. Lower middle market PEG transactions will continue given the historically high L.P. capital commitments and AUM, but they will not be perfectly insulated from public market volatility or supply chain challenges. We expect greater selectivity among private investors consciously moving more capital into growth industries and growth regions.

Columbia West forecasts continued Utah deal flow given its technology leadership, the national trends of private equity enthusiasm and a desire to inshore supply chains.

UTAH DEAL SUMMARY BY INDUSTRY

(\$ in millions)

	2021			2020			Variance		% Growth	
	\$ ⁽¹⁾	%	#	\$ ⁽¹⁾	%	#	\$	#	\$	#
Medical / Healthcare / Biotech	\$1,359	5.1%	78	\$2,030	14.3%	59	(\$670)	19	(33.0%)	32.2%
Consumer / Retail	3,632	13.7%	39	457	3.2%	23	3,175	16	694.7%	69.6%
Manufacturing	1,162	4.4%	24	2,064	14.6%	12	(903)	12	(43.7%)	100.0%
Business Services	717	2.7%	70	573	4.0%	51	145	19	25.2%	37.3%
Financial Services	5,614	21.1%	34	31	0.2%	3	5,583	31	18010.5%	1033.3%
Electronics / Semiconductors	761	2.9%	14	378	2.7%	12	383	2	101.1%	16.7%
Technology / Software / Services	12,792	48.2%	149	7,253	51.1%	81	5,539	68	76.4%	84.0%
Gaming / Leisure / Lodging	52	0.2%	8	242	1.7%	6	(190)	2	(78.6%)	33.3%
Construction Service/Homebuilding	52	0.2%	28	49	0.3%	7	2	21	4.7%	300.0%
Energy/Utilities	68	0.3%	5	-	-	1	68	4	N/A	400.0%
Telecom	277	1.0%	8	1,100	7.8%	6	(824)	2	(74.9%)	33.3%
Natural Resources	61	0.2%	5	5	0.0%	2	56	3	1110.2%	150.0%
Real Estate Services	13	0.0%	4	-	-	-	13	4	N/A	N/A
Totals	\$ 26,559	100.0%	466	\$ 14,182	100.0%	263	\$ 12,377	203	87.3%	77.2%

* Excludes Real Estate, Mining, Energy Exploration, Project Finance, 144a placements and transactions smaller than \$5.0 million.

(1) Only includes transactions with disclosed values.

For additional information or questions, please contact John Farr at jfarr@columbiawestcap.com.