

## 2023 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.

Utah transaction activity in 2023 demonstrated remarkable resilience in the midst of a historically challenging period for M&A activity. In 2023, the total U.S. M&A market dropped 15%, to \$3.2 trillion, the lowest level in a decade. Strategic M&A declined 6% as buyers and sellers struggled to close the gap on valuations, and strategic deal multiples were the lowest they've been in a decade. Concerning developments in 2023 included regional bank failures and solvency issues due to struggling cryptocurrency and commercial real estate sectors, higher housing prices, and dramatically higher interest rates. Nevertheless, total transaction dollar volume in Utah reached an all-time high of \$55.4 billion. Total transaction unit volume remained relatively flat compared with 2022, but the size and valuations of such deals soared.

Utah M&A transaction dollar volume in 2023 increased an extraordinary 414.9% from \$9.9 billion to \$50.8 billion. By unit volume, Utah saw a 16.1% decrease to 187 total M&A transactions, more in line with U.S. performance. Technology and enterprise software still represented most of Utah's largest transactions.

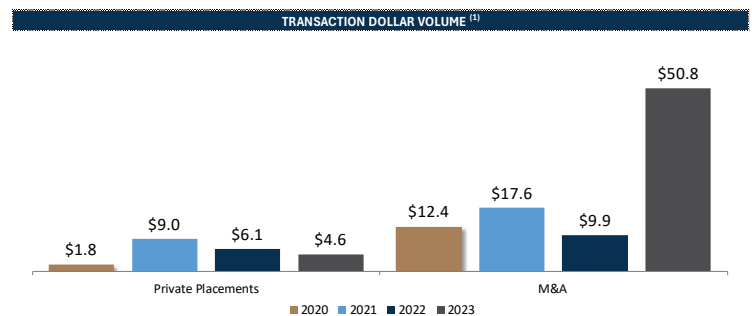
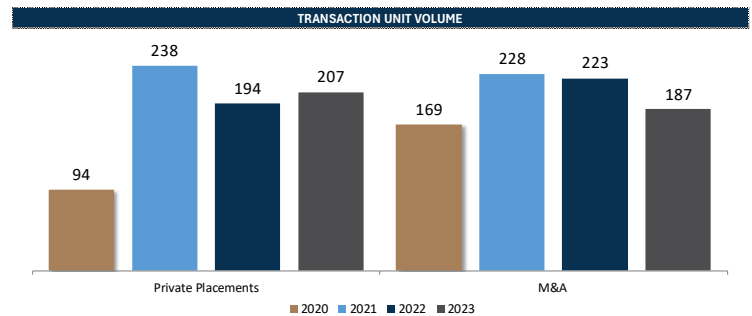
The top 10 M&A transactions accounted for 94.9% of total M&A dollar volume, compared to 92.9% in 2022. The median M&A transaction value was \$100.0 million, comparable to the \$55.4 million in 2022.

Utah maintained its #3 spot on the Forbes Best State for Business list in 2023 for the fourth year. Utah had a 2.4% unemployment rate and slightly lower inflation of 2.9% in November, according to the U.S. Labor Department.

Private placement dollar volume decreased 24.3% to approximately \$4.6 billion, while unit volume increased 6.7%. The top ten 2023 private placement transactions accounted for 44.2% of total dollar volume, compared to 41.5% in 2022. The median private placement transaction value was \$12.0 million, down from \$16.4 million in 2022. Utah closed 207 private placement transactions in 2023, a very impressive performance compared to 194 in 2022. That value includes an impressive 10 placements of \$100.0 million or greater, though lower than the 19 in 2022.

As usual, the Technology/Software/Services sector led transaction activity, with 22.0% of M&A transaction dollar volume dominated by Silver Lake and CPP Investments' acquisition of Qualtrics International. Surprisingly, Real Estate Services was active with 26.1% of total transaction dollar volume, given the \$14.0 billion acquisition of Life Storage by Extra Space Storage. Other active categories include Financial Services and Electronics/Semiconductors. Of the 13 industry categories analyzed, 9 showed increases in combined M&A and private placement dollar volume. Only 6 had declines in unit volume.

Utah has emerged as a dominant force in the enterprise software industry due to its vibrant tech ecosystem, characterized by a convergence of top-tier talent, innovative startups, robust infrastructure, and a supportive business environment, fostering unparalleled growth and proven success in this sector. Furthermore, in February, Texas Instruments announced



(1) \$ in billions. Excludes Oil and Gas, Mining, Energy Exploration, Project Finance, 144a placements, reverse mergers, and transactions under \$5 million. Transaction dollar volume includes only disclosed transactions. Private Placements include Utah targets and Utah Investor transactions.



plans to create up to 800 new high-tech jobs in Lehi over the next two decades, accompanied by a record-breaking \$11 billion capital investment—the largest corporate recruitment project in Utah's history. Subsequently, in October, the University of Utah launched the Utah Network for Integrated Computing and Semiconductor Research and Education (UNICOS) to support this initiative and other projects under the CHIPS Act. CW expects to see continued expansion in this sector, propelled by a growing pool of talent and other legislative incentives.

#### TOP 10 2023 M&A DEALS <sup>(1)</sup>

(\$ millions)		
1	Life Storage, Inc.	\$14,023
2	Qualtrics International Inc.	\$11,166
3	Vivint Smart Home, Inc.	\$5,579
4	Altra Industrial Motion Corp.	\$5,185
5	Scopely, Inc.	\$4,900
6	Focus Financial Partners Inc.	\$4,165
7	Poshmark, Inc.	\$1,638
8	VIA Motors Inc.	\$551
9	Quotient Technology Inc.	\$506
10	LiveVox Holdings, Inc.	\$485

#### TOP 10 2023 PRIVATE PLACEMENTS <sup>(1)</sup>

(\$ millions)		
1	PCF Insurance Services of the West, LLC	\$500
2	Lambda, Inc.	\$320
3	Alpine Racing Limited	\$218
4	Cappella Eduinfra Private Limited	\$200
5	Cottonwood Communities, Inc.	\$160
6	Bridge Investment Group Holdings Inc. (NYSE:BRDG)	\$150
7	Strategic Storage Trust VI, Inc.	\$150
8	BillGO, Inc.	\$131
9	Consensus Sales, Inc.	\$110
10	Balanced Rock Power, LLC	\$100

\* Excludes Oil and Gas, Mining, Energy Exploration, Project Finance, 144a placements.  
(1) Only includes transactions with disclosed values.

In 2024, the M&A landscape is poised for significant shifts driven by advancements in technology and evolving market conditions. Additionally, following a slowdown in M&A activity in 2023, industry experts anticipate a resurgence in deal-making fueled by a backlog of assets awaiting trade and a favorable economic outlook. As interest rates stabilize and regulatory uncertainties diminish, 2024 presents a favorable environment for increased M&A activity, offering opportunities for strategic buyers and private equity firms to capitalize on divestitures and strategic acquisitions. We are curious to see how quickly artificial intelligence tools integrate into due diligence processes, which promise to streamline operations and accelerate transaction timelines, enhancing efficiency and precision.

We expect greater selectivity among private investors with preference towards revenue predictability, validated business models, and proven growth. Utah is beholden to its vibrant tech community, which will benefit from its higher quality business models (more software, less cryptocurrency). Other key industries such as Healthcare, Health & Wellness, and Business Services are often less volatile, creating further opportunities for the Beehive State.

#### UTAH DEAL SUMMARY BY INDUSTRY

	2023			2022			Variance		% Growth	
	\$ <sup>(1)</sup>	%	#	\$ <sup>(1)</sup>	%	#	\$	#	\$	#
Medical / Healthcare / Biotech	\$770	1.4%	65	\$1,232	7.7%	46	(\$463)	19	(37.5%)	41.3%
Consumer / Retail	2,261	4.1%	35	920	5.8%	52	1,341	(17)	145.7%	(32.7%)
Manufacturing	636	1.1%	15	198	1.2%	21	438	(6)	221.5%	(28.6%)
Business Services	1,502	2.7%	62	1,198	7.5%	91	305	(29)	25.4%	(31.9%)
Financial Services	5,274	9.5%	24	705	4.4%	18	4,569	6	648.0%	33.3%
Electronics / Semiconductors	10,946	19.8%	13	5,932	37.2%	12	5,014	1	84.5%	8.3%
Technology / Software / Services	19,012	34.3%	121	3,292	20.6%	127	15,719	(6)	477.4%	(4.7%)
Gaming / Leisure / Lodging	318	0.6%	7	621	3.9%	11	(303)	(4)	(48.8%)	(36.4%)
Construction Service / Homebuilding	60	0.1%	22	259	1.6%	21	(199)	1	(76.8%)	4.8%
Energy / Utilities	113	0.2%	3	1,500	9.4%	2	(1,387)	1	(92.5%)	50.0%
Telecom	59	0.1%	6	49	0.3%	10	10	(4)	19.5%	(40.0%)
Natural Resources	-	-	3	-	-	1	-	2	N/A	200.0%
Real Estate Services	14,435	26.1%	18	44	0.3%	5	14,390	13	32410.8%	260.0%
<b>Totals</b>	<b>\$ 55,386</b>	<b>100.0%</b>	<b>394</b>	<b>\$ 15,951</b>	<b>100.0%</b>	<b>417</b>	<b>\$ 39,435</b>	<b>(23)</b>	<b>247.2%</b>	<b>(5.5%)</b>

\* Excludes Real Estate, Mining, Energy Exploration, Project Finance, 144a placements, reverse mergers, 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](mailto:jfarr@columbiawestcap.com).