



# CAPITAL MARKETS UPDATE

Middle Market M&A  
Q4 2022

# MARKET COMMENTARY

## Waiting for the Smoke to Clear

The collapse of Silicon Valley Bank and Signature Bank has sent shockwaves throughout the market, leading many to ask if this is the “break” in the economy that will quell the Federal Reserve’s rapid interest rate hikes. Market participants have meticulously evaluated the level of systemic risk presented by the second and third largest bank failures—bringing increased uncertainty to an already precarious economic environment. Few envy the task assigned to Chair Powell as the Fed now must contend with vicious market volatility in addition to stubborn levels of inflation that has been buoyed by a resilient labor market. While job creation in February decelerated from January’s consensus shattering number (504,000), the employment market remains stronger than many have expected. As the U.S. faces a potential recession, merger and acquisition (M&A) activity has been mixed as many privately-owned businesses have continued to pursue liquidity, while financial buyers have largely delayed exits from portfolio companies. The second half of the year and into 2024 may provide breathing room, or at least improved visibility, in credit conditions and capital markets. A robust level of pent-up demand will be waiting to hit the market, creating a healthy pipeline of M&A transaction activity.

Economists and market strategists have found it difficult to normalize economic data after COVID-19 disrupted nearly every facet of the economy. The same challenge applies to M&A activity. In the middle market, M&A volume declined 15.9% year-over-year (YOY). However, a historic view is more telling than a YOY comparison given the record number of transactions in 2021. Deal volume in 2022 registered a modest 5.8% decline compared to 2019—while operating amid

*“Capital markets are holding their breath. Investors are trying to figure out if the sell-off associated with recent bank failures constitutes a long-awaited buying opportunity. However, the recession case is firmly back on the table, so buyers and lenders are proceeding with extreme caution.”*



**Brendan Burke**  
Managing Director, Head of Sponsor Coverage

# MARKET COMMENTARY

significantly higher levels of inflation and the looming risk of a widespread recession. While the average enterprise value for closed deals in 2022 declined 7.1% YOY to \$69.5 million, it still marked the second-highest average deal value in the past two decades, trailing only 2021.

In Q4 2022, M&A valuations began to reflect recession risks as the average EBITDA multiple plunged to 7.2x in the quarter, leading to a full year average of 9.6x. This marked a significant drop from the steady valuation environment from 2019–2021, which averaged 10.7x EV/EBITDA. However, certain pockets of the market have demonstrated substantial resilience and even improvement from a valuation perspective. The core middle market, defined as transactions between \$100–\$250 million in enterprise value, experienced an increase in the average EBITDA multiple in 2022, rising to 12.4x from 11.3x in 2021. The upper middle market (\$250–\$500 million) also registered an uptick in pricing, rising YOY to 11.9x EV/EBITDA in 2022 from 11.7x. The drag on overall middle market valuations came largely from smaller transactions where target companies may have had less scale, reach, and potentially poorer margins—which inherently leads to less negotiating power in buyer conversations. Notably, 2022 valuations for transactions under \$100 million in enterprise value fell drastically to 8.8x from 9.7x in 2021.

Strategic buyers were increasingly cautious in their acquisition pursuits, focusing on acquiring companies that could provide earnings accretion and operational synergies. The number of closed transactions by private strategics fell 13.8% YOY in 2022, however the average transaction value remained robust at \$71.3 million. Closed acquisitions by public companies registered deeper declines, as volatile equity and capital market conditions created pressure by stakeholders to focus on the health and defensibility of internal operations. As a result, deal volume by public strategics fell 35.1% YOY with the average deal value declining 5.9%.

The strength of the U.S. dollar and persistent supply chain issues slowed foreign buyer activity in 2022. The number of transactions closed by international acquirers fell 26.2% YOY, although accounted for a healthy 10.1% of all U.S. middle market deals. Cross-border M&A is expected to continue to be impacted by the war in Ukraine in 2023. However, a weakening U.S. dollar may make domestic assets more attractive to foreign buyers seeking a foothold in the U.S. Notably, 76.3% of North American M&A advisors anticipate cross-border M&A volume to increase or remain the same in 2023, according to Capstone and IMAP's [Global M&A Trends Survey Report \(2022–2023\)](#).

Private equity dealmaking in 2022 notched one of its strongest years on record, despite volume declining 29.8% YOY. 2021 was a banner year for sponsors, with many firms liberally deploying capital post-pandemic which led to a historic surge in deal activity. Rising interest rates, macroeconomic headwinds, and a challenging fundraising environment encouraged selectivity among private equity firms in 2022. While the average EBITDA multiple paid by private equity increased slightly YOY to 7.5x from 7.4x (GF Data®), elevated financing costs significantly weighed on pricing at year end. In Q4, the average multiple paid by sponsors for transactions between \$10 and \$250 million dropped to 6.8x EV/EBITDA from 8.2x in Q3. Lower levels of debt utilization also likely impacted valuations, as the average 2022 equity contribution for platform deals increased to 56.1% from 54.4% in 2021.

Many prospective sellers and dealmakers are sitting on the sidelines in Q1 2023, waiting for further market visibility before launching a process. This dearth of sellers in the current market has contributed to an eagerness among private equity firms for new investment opportunities. A backlog of transactions has been steadily building in recent months, a dynamic that Capstone has seen firsthand. With significant levels of transaction inventory and pent-up demand, middle market M&A activity is expected to be robust in the second half of 2023.

# MIDDLE MARKET OUTLOOK

## 2022 TAKEAWAYS & THEMES

**Economic uncertainty, elevated inflation, and rising interest rates challenged middle market transaction activity through 2022.**

- Middle market M&A volume declined in 2022 as macroeconomic headwinds and a challenging operating environment facilitated caution among buyers and sellers.
- While buyers have demonstrated increased selectivity, quality companies have continued to command premium valuations.
- Resilient and defensible industries, including Industrial Technology and Technology, Media & Telecom, have maintained healthy M&A purchase multiples.
- Private equity activity has slowed from the record deal volume pace seen in 2021, however, add-on acquisitions have remained a key tool for sponsors.

**High-quality companies with healthy growth prospects are expected to continue to experience buyer appetite.**

- The Federal Reserve's ability to navigate a soft landing will likely prove consequential for middle market M&A throughout 2023.
- Concern surrounding Russia's war on Ukraine, potential antitrust scrutiny, interest rate increases, and foreign relations will be major factors in cross-border dealmaking in 2023.
- In the middle market, demographics are a key catalyst for deal volume. As aging founders and entrepreneurs look to monetize their business, a steady inventory of transaction volume is expected to follow.
- We are expecting deal activity to regain prior momentum in Q3/Q4 of 2023.

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- ▶ Recent Deal Closings
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# 2022 BY THE NUMBERS

15.9% ↓

## DECREASE IN DEAL VOLUME

M&A volume fell from the record heights seen in 2021 as recessionary headwinds encouraged caution among buyers and sellers.

3.9x ⇨

## AVERAGE DEBT MULTIPLE

The average debt multiple remained healthy at 3.9x in 2022, upheld by a small number of mid-sized deals.

9.6x ↓

## AVERAGE EBITDA MULTIPLE

Pricing across much of the middle market has softened as tightened lending conditions have impacted valuations.

29.8% ↓

## DECREASE IN PE TRANSACTIONS

While sponsor dealmaking fell compared to the prior year, private equity transactions remained historically strong.

\$69.5M ⇨

## AVERAGE DEAL VALUE

Average deal value held steady in 2022 at \$69.5 million, marking the second highest level in the past 20 years, trailing only 2021.

12.4x ↑

## \$100-\$250 EBITDA MULTIPLE

The core middle market continued to draw strong pricing, with the average EBITDA multiple rising to 12.4x.

26.2% ↓

## DEALS BY FOREIGN BUYERS

Deals closed by foreign acquirers declined in 2022 as geopolitical tensions and a strong dollar impacted volume.

6.5% ↑

## PUBLIC STRATEGIC DEAL VALUE

The average value for acquisitions by public strategics in Q4 alone rose to \$79.4 million, a healthy increase over Q3.

\$1.2T ↑

## GLOBAL PE DRY POWDER

Capital overhang has remained at elevated levels, with an overwhelming majority concentrated in U.S. funds.

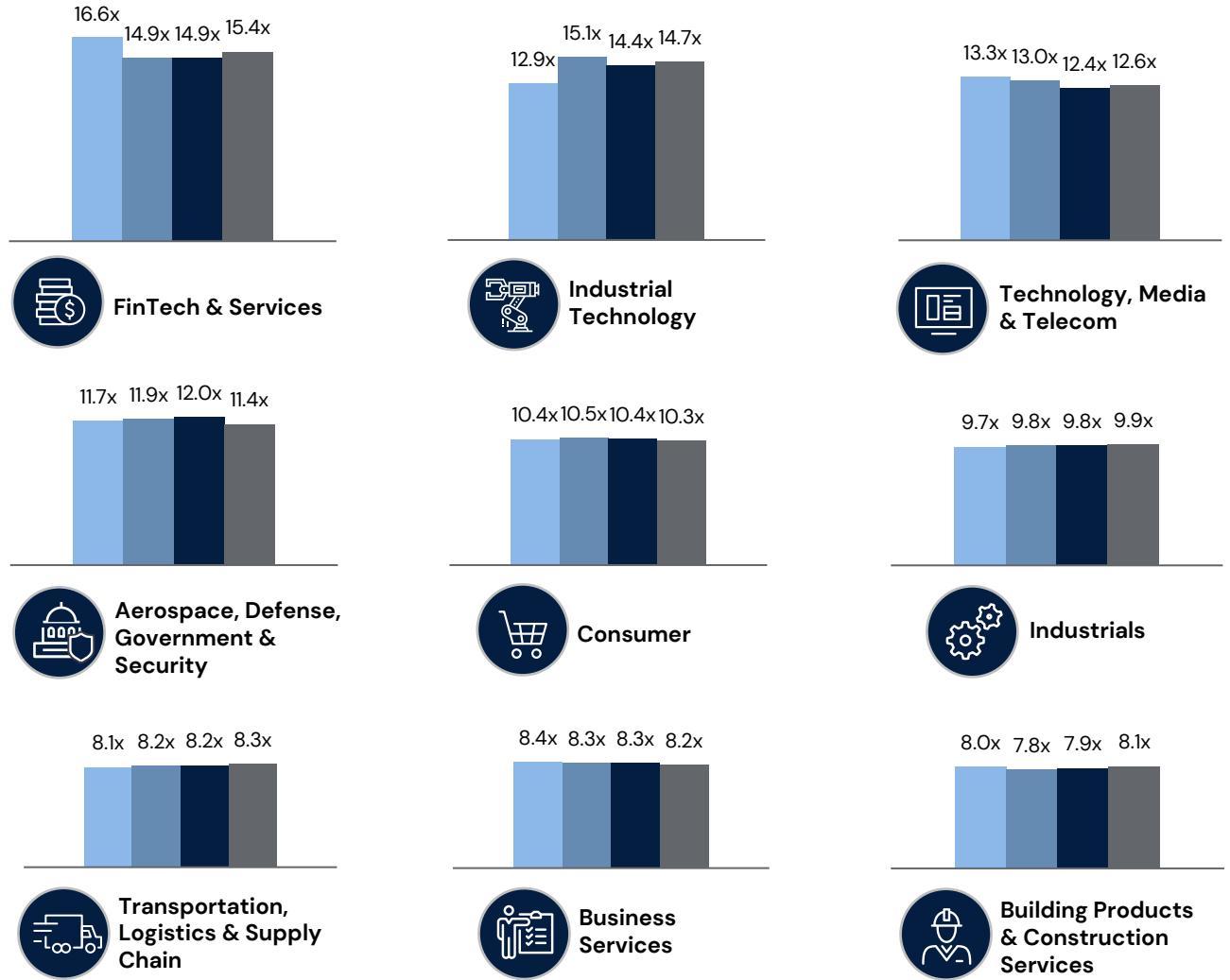
# CAPSTONE'S PROPRIETARY MIDDLE MARKET VALUATIONS INDEX

## Middle Market M&A Valuation Takeaways

- Capstone Partners actively monitors the purchase multiples of middle market transactions through its proprietary database to provide insight and transparency into the pricing environment.
- Valuations in the FinTech & Services industry remained robust, garnering the highest average EBITDA multiple through Q4 2022 at 15.4x.

EV/EBITDA Last Three Years

■ Q1 2022 ■ Q2 2022 ■ Q3 2022 ■ Q4 2022



# CAPITAL MARKET DASHBOARD

## YTD EQUITIES

S&P 500  
+7.9%



Last	1Y %	P/E LTM
4,136.5	-6.1%	19.4

Dow Jones Industrial  
+2.4%



Last	1Y %	P/E LTM
33,926.0	-1.3%	19.0

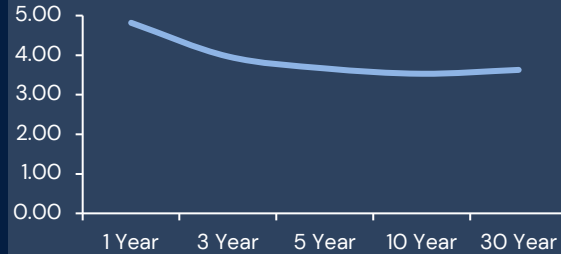
NASDAQ  
+14.8%



Last	1Y %	P/E LTM
11,902.4	-12.7%	29.2

## FIXED INCOME

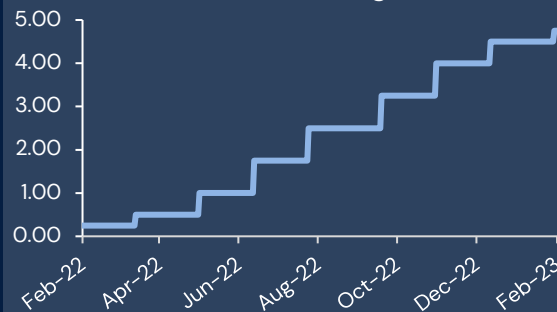
### U.S. Yield Curve



1Y	3Y	5Y	10Y	30Y
4.818	3.968	3.668	3.533	3.630

## POLICY RATE

### Federal Funds Target Rate



## ECONOMIC INDICATORS

### GDP, LABOR MARKET, & INFLATION

	Last	YOY	
GDP	2.9%	-4.1%	
Consumer Confidence	107.1	-3.6%	
Unemployment	3.4%	-0.6%	
Consumer Price Index	298.1	+6.4%	

### HOUSING MARKET

Housing Starts	\$1,382.0	-21.8%	
Total Construction	\$1,809.8	+7.7%	

### PMI & NMI

Purchasing Managers	47.4%	-17.7%	
Non-Manufacturing	55.2%	-8.6%	

### RETAIL

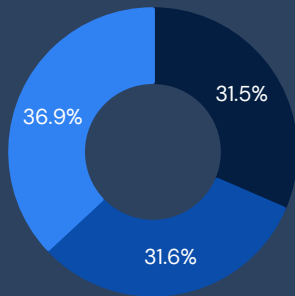
Retail Sales	\$677.1	+6.0%	
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Source: FactSet as of 2/6/23

# 2023 NORTH AMERICA M&A MARKET FORECASTS

## 2023 M&A VOLUME GROWTH EXPECTATIONS

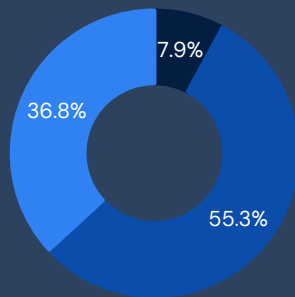
■ Increase ■ No major change ■ Decrease



North America Sample Size (N): 38

## 2023 FORECASTED M&A PURCHASE MULTIPLES

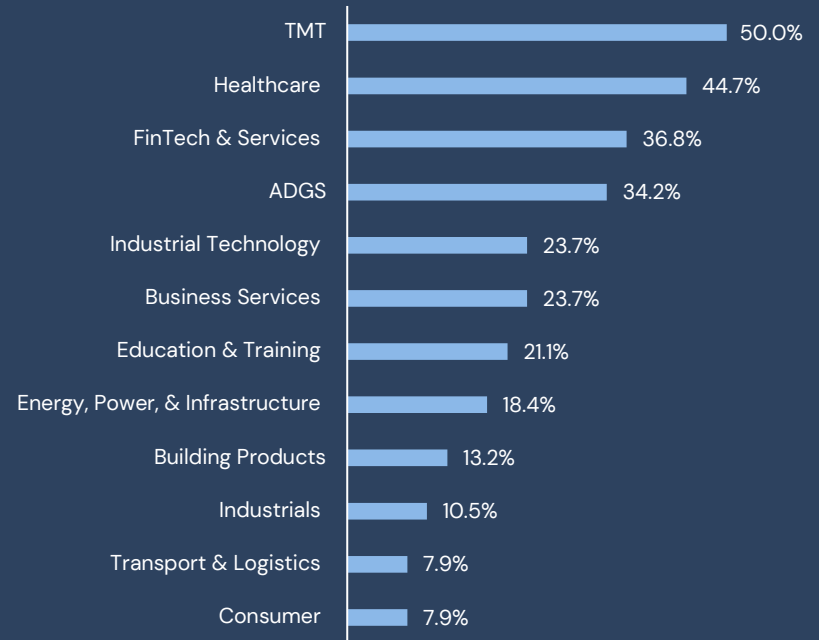
■ Higher ■ About the same ■ Lower



North America Sample Size (N): 38

## INDUSTRIES EXPECTED TO HAVE HIGHEST VALUATIONS

Investment banking advisors surveyed in North America showcased significant consistency regarding 2023 industry valuation forecasts, with the TMT, Healthcare, and FinTech & Services industries most likely to receive the highest M&A valuations, mirroring pricing trends reported in 2022.



Source: *Capstone Partners & IMAP 2022-2023 Trends in Global M&A Survey*  
North America Sample Size (N): 38





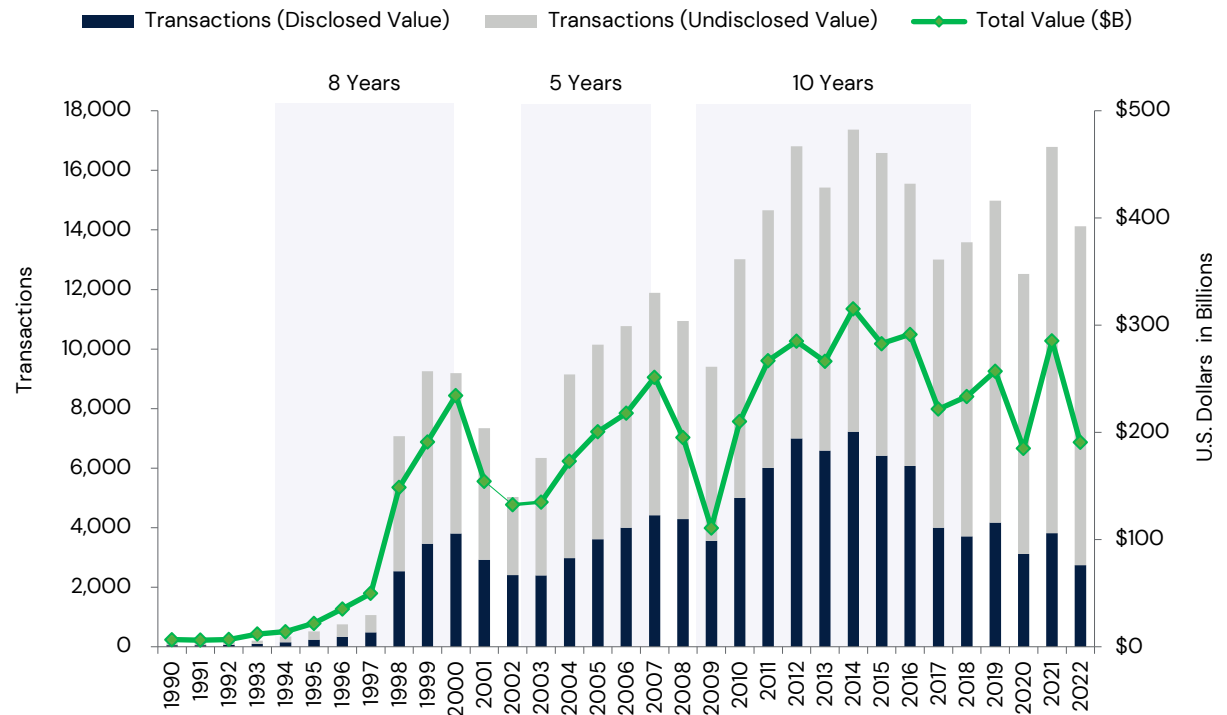
## MIDDLE MARKET M&A ACTIVITY

# M&A AMID ECONOMIC CYCLES

## MIDDLE MARKET M&A REMAINS IN LINE WITH HISTORIC FIGURES

- Total middle market M&A volume declined 15.9% YOY in 2022 as economic headwinds caused a slowdown in dealmaking. While many buyers approached M&A markets with heightened caution, quality assets have continued to attract acquirer appetite.
- Elevated inflation, market volatility, and unmet revenue projections have hindered deal activity. Gross margin strength has been increasingly emphasized amid higher costs.
- The average enterprise value of closed deals in 2022 fell a modest 7.1% to \$69.5 million, marking the second-highest average in the past two decades behind 2021.

## Middle Market Transactions



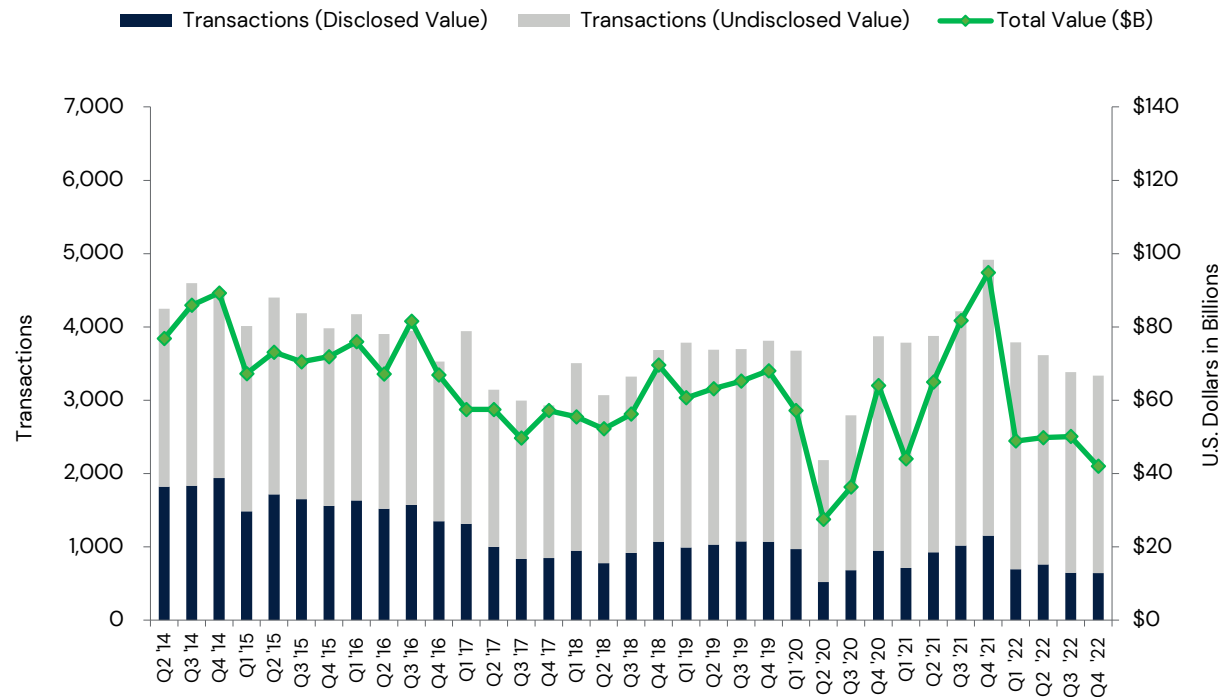
Shaded areas indicate expansion  
 Source: Capital IQ  
 Enterprise Value < \$500mm

# QUARTERLY M&A VOLUME

## DEAL VOLUME MODERATES THROUGH Q4

- Total closed transactions in Q4 fell 1.5% quarter-over-quarter (QoQ). Through the second half of 2022, acquirers have exhibited greater selectivity amid significant macroeconomic challenges.
- The average Q4 deal value was \$65.4 million, falling 15.7% from Q3 and nearly matching Q2 levels.
- Amid economic downturns, buyers often refrain from pursuing large-scale deals. The drop in average Q4 deal value may be indicative of buyers moving down market to target smaller businesses that offer a higher up-side.

## Quarterly Middle Market Transactions



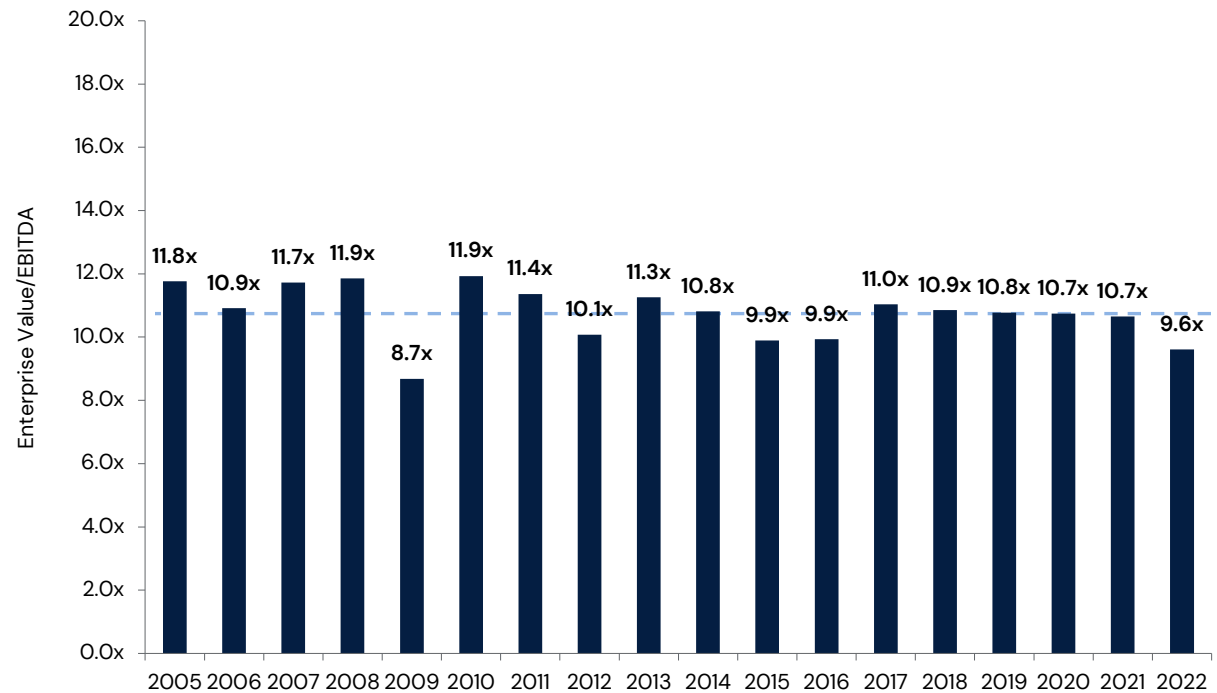
Source: Capital IQ  
Enterprise Value < \$500mm

# PRICING TRENDS

## TRANSACTION VALUATIONS FALL IN 2022

- Tightened credit conditions, stubborn levels of inflation, and an uncertain economic outlook dampened M&A valuations in 2022 with the average EBITDA multiple falling to 9.6x from 10.7x in 2021. The market seemingly began to price in recession risk in Q4 when the average EBITDA multiple fell to 7.2x after averaging 10.1x through the first three quarters of 2022.
- High-quality targets in resilient industries including TMT, Industrials, and Healthcare have drawn healthy multiples.
- Profitability, recurring revenue, and customer stickiness continued to be key factors scrutinized by strategic and financial buyers in 2022.

## Middle Market Average EBITDA Multiple



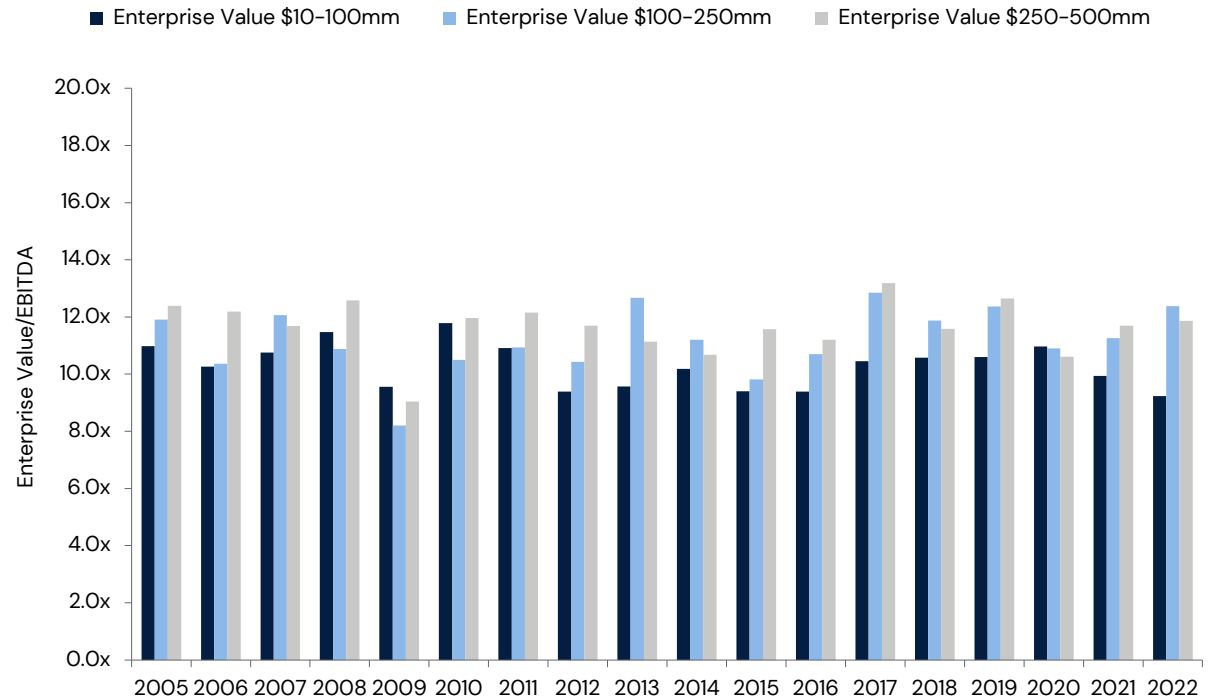
Dotted line indicates 2005 to 2021 average of 10.8x  
Source: Capital IQ and Capstone Partners  
Includes multiples 3x-30x  
Enterprise Value < \$500mm

# BREAKING IT DOWN BY SIZE

## CORE MIDDLE MARKET EBITDA MULTIPLES RISE

- Average EBITDA multiples in the upper middle market (\$250–\$500 million) and core middle market (\$100–\$250 million) increased YOY. Notably, the average core middle market EBITDA multiple reached 12.4x in 2022 compared to 11.3x in the prior year.
- The average lower middle market (\$10–\$100 million) EBITDA multiple declined slightly YOY, falling to 9.2x from 9.9x, as smaller assets have shown less valuation resilience.
- Improvements in upper and core middle market valuations suggest heightened competition among buyers for assets with healthy EBITDA margins and defensible revenues.

## Average Enterprise Value to EBITDA Multiple



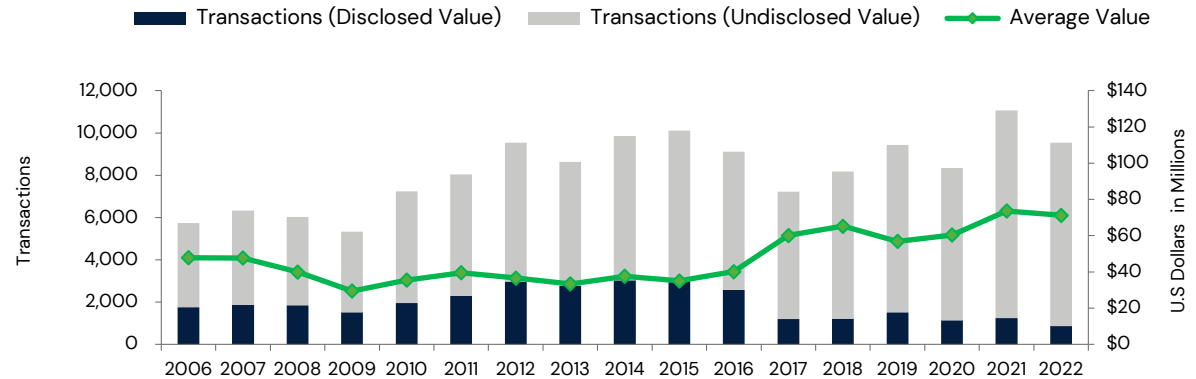
Source: Capital IQ  
Includes multiples 3x-30x  
Enterprise Value < \$500mm

# STRATEGIC ACQUIRERS

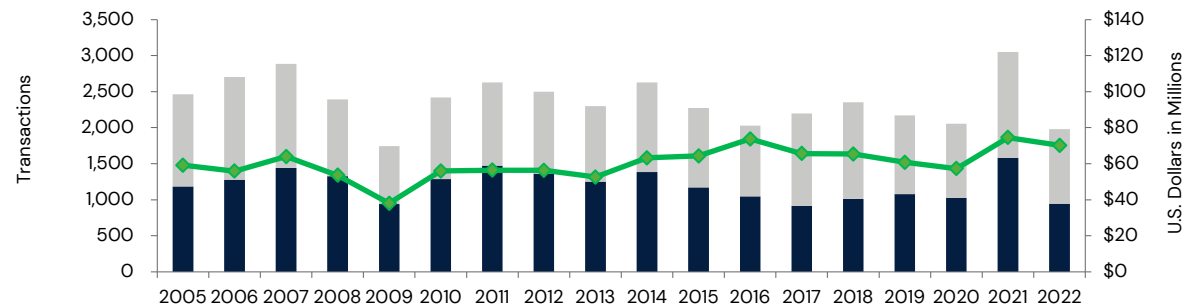
## PRIVATE BUYER M&A DEAL VALUE HOLDS STRONG

- The number of closed transactions by private companies declined 13.8% YOY in 2022. Average transaction value remained strong, reaching \$71.3 million which marked the second highest average value on record, trailing only 2021 at \$73.6 million.
- Closed transactions by public companies recorded deeper declines, falling 35.1% YOY in 2022. However, average deal value held steady, falling a modest 5.9% YOY.
- Driven by volatile public equity markets, public strategic buyers have been increasingly unwilling to deploy capital to acquisitions, focusing on internal operational enhancements.

## Acquisitions by Private Companies



## Acquisitions by Public Companies



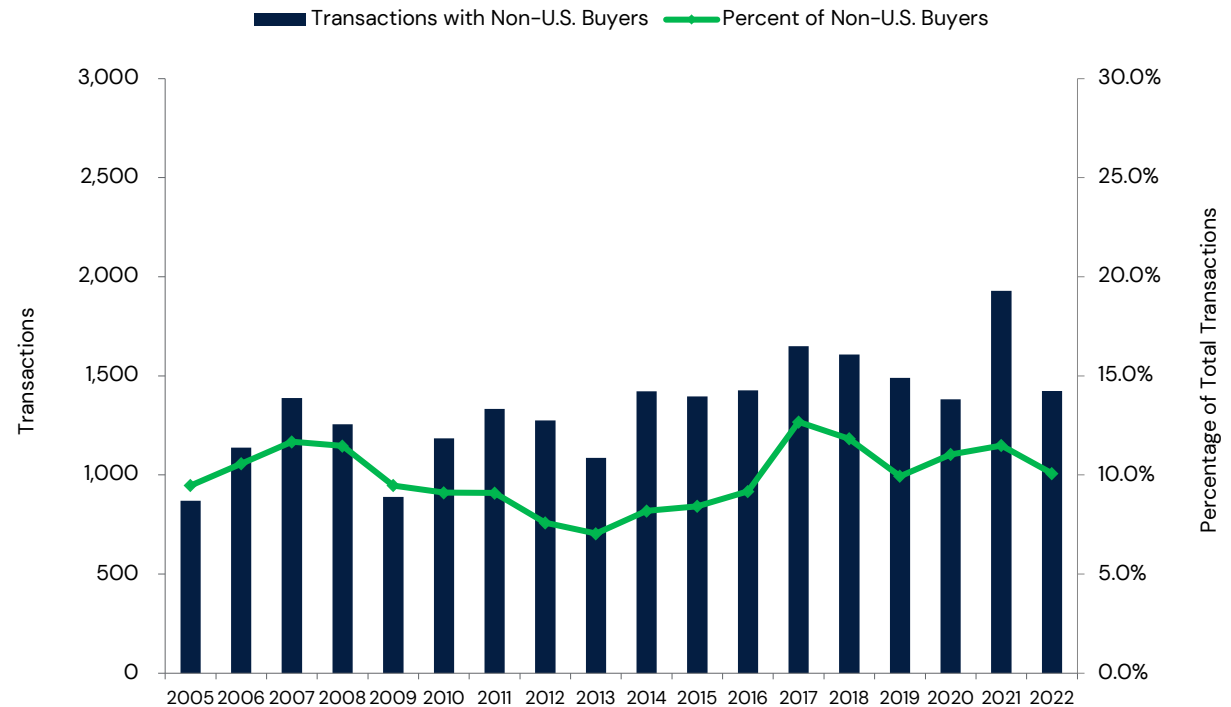
Source: Capital IQ  
Enterprise Value < \$500mm

# FOREIGN ACQUIRERS

## STRONG U.S. DOLLAR DETERS FOREIGN BUYER INTEREST

- In 2022, the volume of transactions and the share of total deals involving a foreign buyer fell 26.2% and 1.4%, respectively, compared to the prior year.
- Near-term cross-border M&A is likely to be impacted by the war in Ukraine, antitrust scrutiny, interest rate hikes, and foreign relations. In addition, a strong U.S. dollar in 2022 reduced the purchasing power of foreign buyers, making U.S. assets more expensive.
- As the U.S. dollar has weakened in recent months, foreign buyers are expected to regain purchasing power in 2023, providing a favorable outlook for cross-border M&A.

## Non-U.S. Buyers



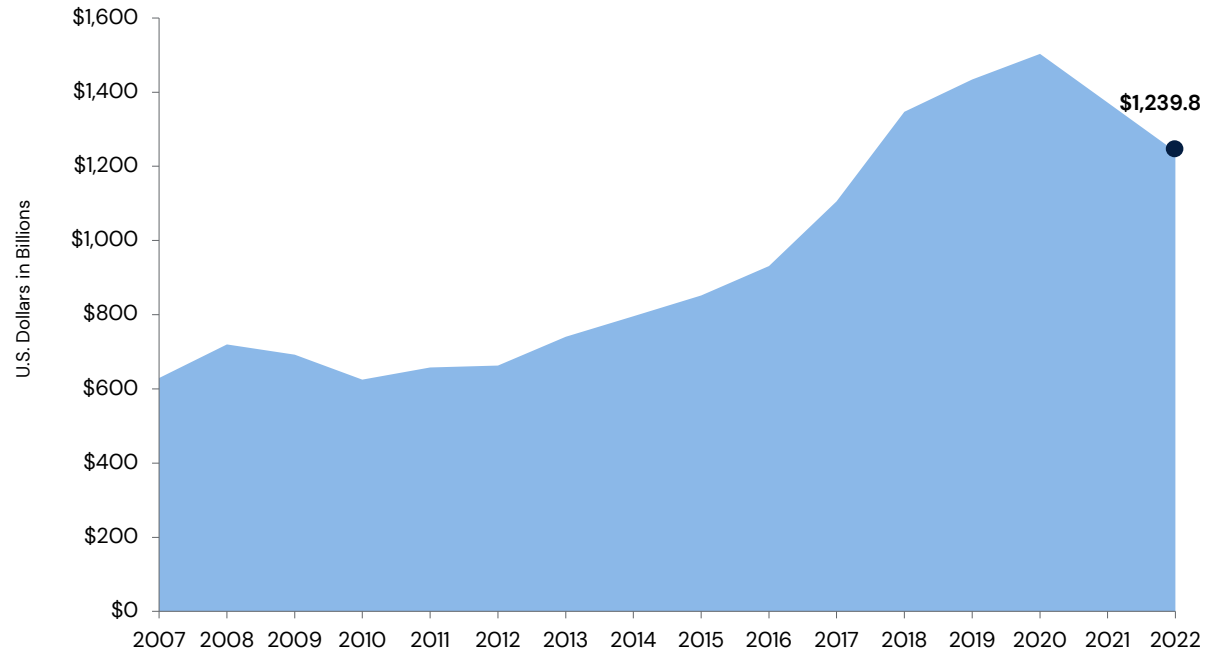
Source: Capital IQ  
Enterprise Value < \$500mm  
To ensure accuracy, data methodology has changed as of 2022 publication

# PRIVATE EQUITY DRY POWDER

## CAPITAL OVERHANG LEVELS REMAIN ROBUST

- Private equity firms remain armed with vast reserves of dry powder, which have exceeded \$1.2 trillion. While capital overhang fell 9.6% YOY, middle market companies that complement sponsors' investment theses have continued to attract investment.
- The rise of GP-led secondaries has added another value-creation tool to sponsors' playbooks. These continuation vehicles allow GPs to secure liquidity by extending the holding period of high-performing assets.
- The majority (\$787.5 billion) of dry powder is held in U.S.-domiciled funds, providing a favorable outlook for stateside private equity platform acquisitions and add-on deals in 2023.

## PE Capital Overhang by Year



2022 dry powder figure as of June 30, 2022  
Source: PitchBook

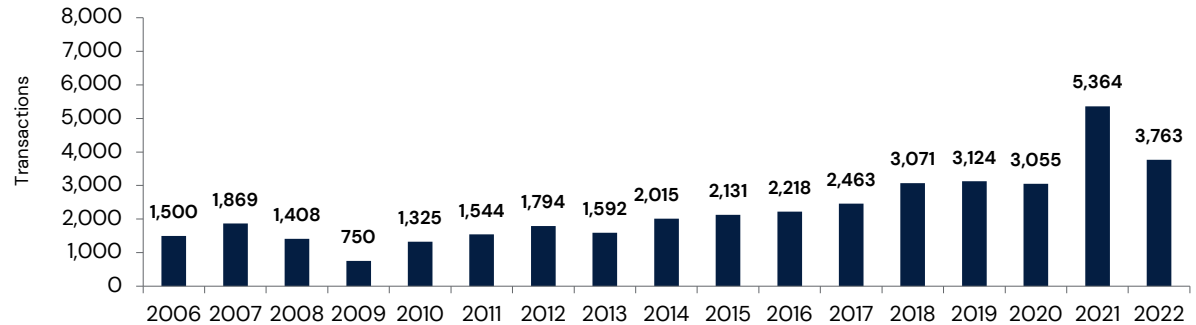


# PRIVATE EQUITY ACTIVITY

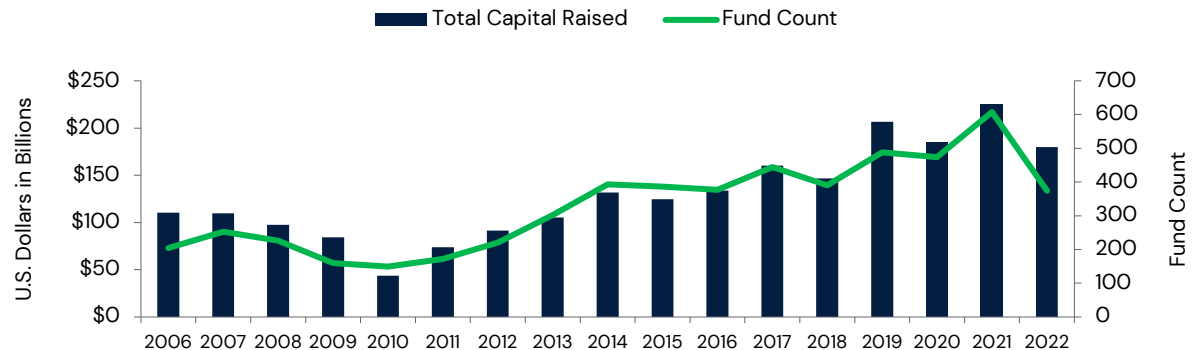
## PRIVATE EQUITY ACTIVITY REMAINS ELEVATED IN 2022

- Closed transactions by private equity firms remained elevated in 2022, marking the second-most active year behind 2021. However, sponsor dealmaking slowed in the second half of the year as higher borrowing rates impacted transaction financing.
- Rising interest rates and uncertainty in forecasting financials tempered the frenzy of sponsor-led transaction activity experienced in 2021.
- Private equity fundraising fell 20.2% YOY in 2022 to \$179.8 billion in capital raised. However, 2022 fundraising remained in line with historic levels and the replenishment of dry powder bodes well for private equity transaction activity in 2023.

## Middle Market Transactions Closed by Private Equity Firms



## Middle Market Fundraising by Private Equity Firms



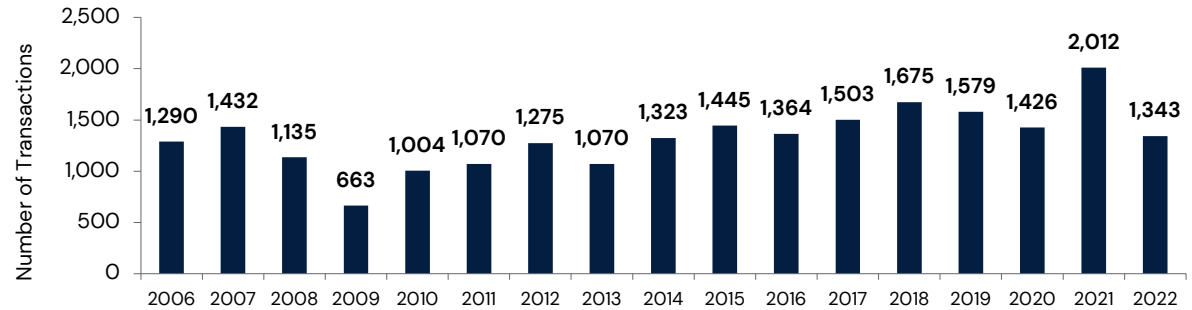
Source: PitchBook  
Enterprise Value; \$25-\$500mm, Fund size < \$5B

# PRIVATE EQUITY TRANSACTION TYPES

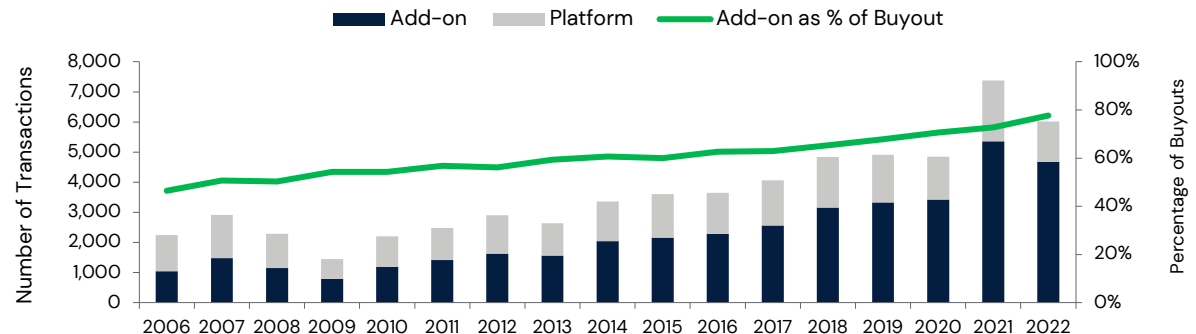
## PE FIRMS CREATE VALUE THROUGH ADD-ON DEALS

- Platform investments declined 33.3% YOY as GPs focused on maintaining the financial and operational health of their existing holdings amid current macroeconomic headwinds.
- Add-ons comprised a historic 77.7% of buyouts in 2022 as sponsors increasingly pursued complementary middle market businesses to bolster their portfolio holdings with effective operational synergies.
- Many sponsors turned to growth equity transactions, which often require far less debt usage than traditional buyouts. Notably, growth equity investments accounted for 19.7% of PE transactions, an uptick from 17.5% in 2021.

## PE Platform Investments



## PE Add-On Acquisitions



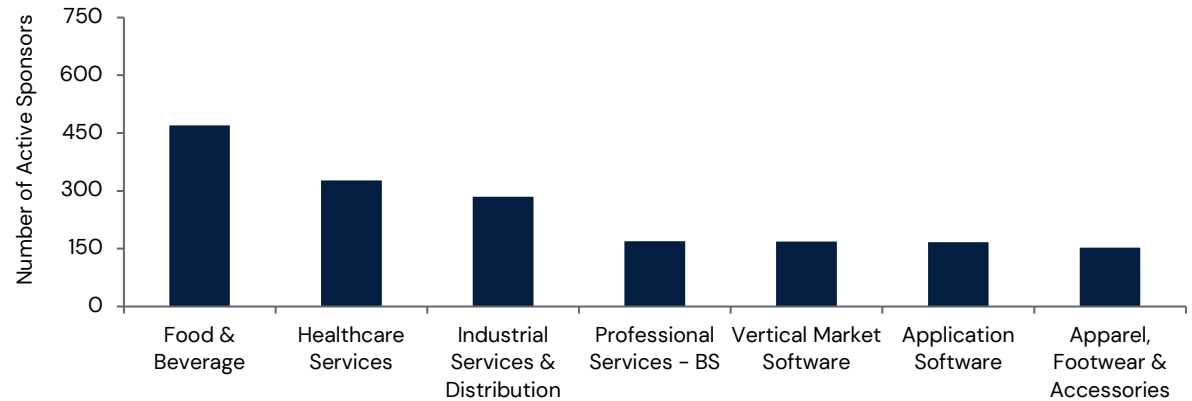
Source: PitchBook  
Includes all U.S. PE transactions

# CAPSTONE'S PRIVATE EQUITY NETWORK PREFERENCES

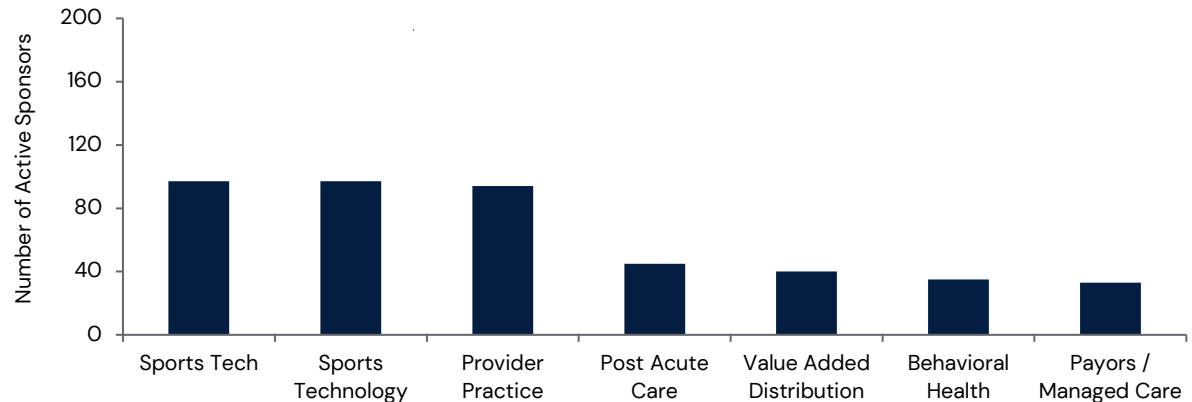
## FOOD & BEVERAGE REMAINS TOP PE SECTOR

- Food & Beverage and Healthcare Services remain the most preferred sectors among Capstone's sponsor network, followed by Industrial Services & Distribution.
- Healthcare subsectors have been highly sought after by private equity, comprising four out of the top seven most preferred spaces by Capstone's sponsor network.
- **Sports Technology** has become the most preferred subsector among Capstone's sponsor network, passing Provider Practice, as growing digital fan engagement capabilities have prompted sponsors to build platforms in the space.

## PE Sector Preferences



## PE Subsector Preferences



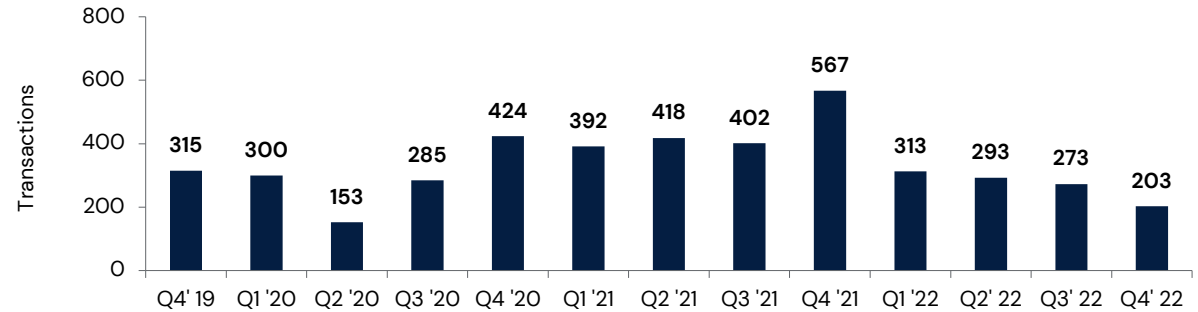
Source: Capstone proprietary data

# PRIVATE EQUITY ACTIVITY

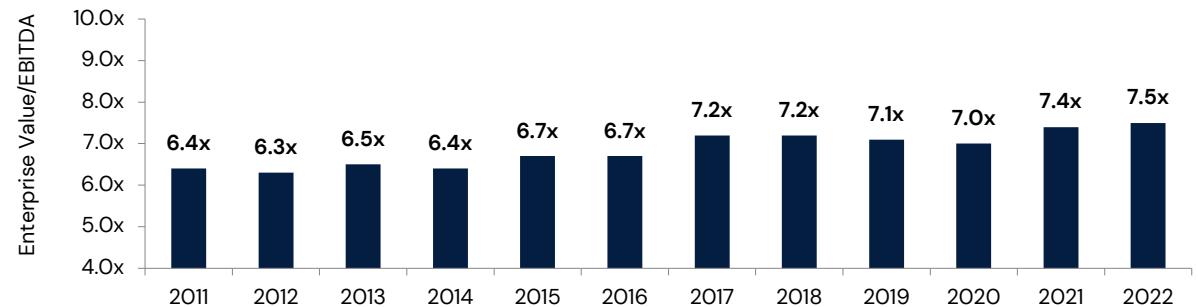
## EBITDA MULTIPLES PAID BY SPONSORS RISE IN 2022

- Private equity exit activity in Q4 fell to its lowest level since Q2 2020 as poor equity market performance discouraged widespread public listings. Exits may remain lower over the next few quarters if economic headwinds persist.
- EBITDA multiples paid by sponsors in 2022 have surpassed historic levels, averaging 7.5x EV/EBITDA. Despite an elevated interest rate environment, private equity firms have paid premiums for quality targets.
- Sponsors have been starved for acquisition targets, presenting an opportunity for middle market businesses engaging in sell-side M&A.

## Private Equity Exit Activity



## Average EBITDA Multiple Paid By Financial Buyers



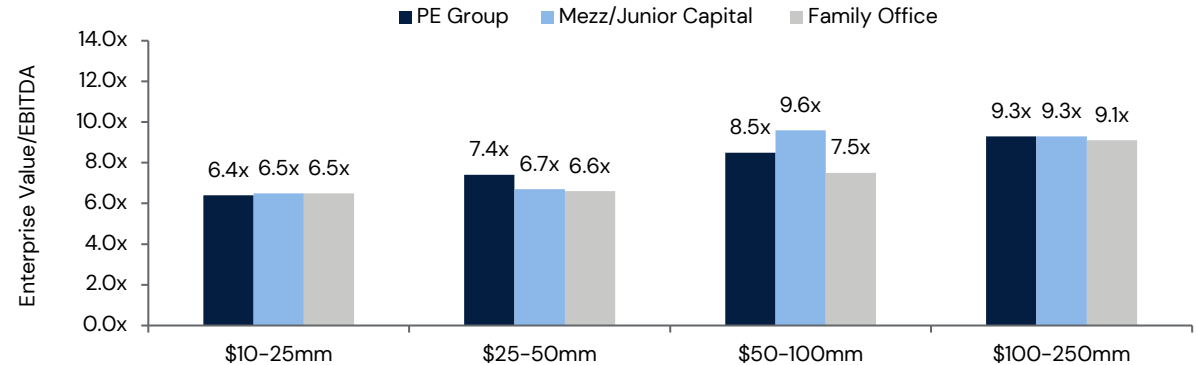
Note: Exit activity inclusive of all enterprise value ranges  
 Source: PitchBook and GF Data®  
 Includes multiples 3x-15x; Enterprise Value \$10mm-\$250mm

# PRIVATE EQUITY VALUATIONS

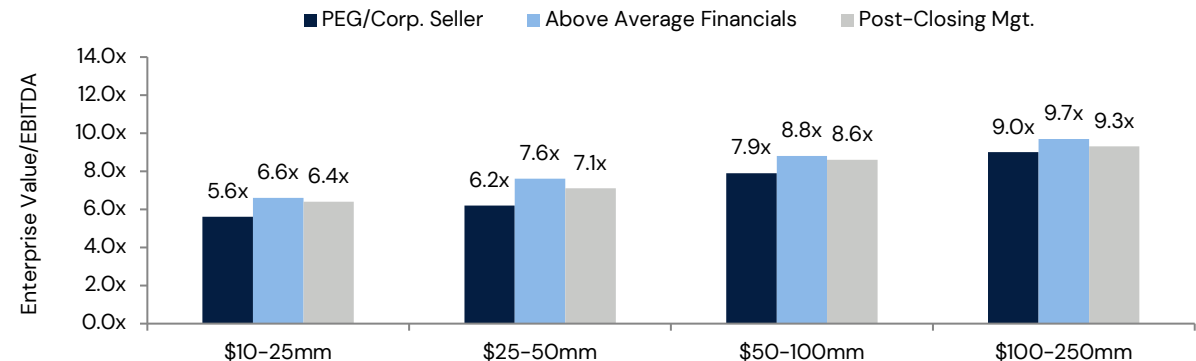
## INCREASED EMPHASIS PLACED ON FINANCIAL PERFORMANCE

- Larger transactions continued to command elevated valuations in 2022. Mezzanine/junior capital providers seemingly moved down market, paying an average of 9.6x EV/EBITDA for businesses in the \$50–\$100 million range, higher than the average multiple in the \$100–\$250 million range.
- Buyout targets with above average financials garnered premium multiples in 2022, averaging 7.9x EV/EBITDA compared to 6.3x EV/EBITDA for all other buyout transactions.
- Above average financials and a strong management team have remained key determinants of pricing, which has been most evident in the \$25–\$50 million enterprise value range.

## Average Valuations by Buyer Type



## Key Transaction Valuation Drivers



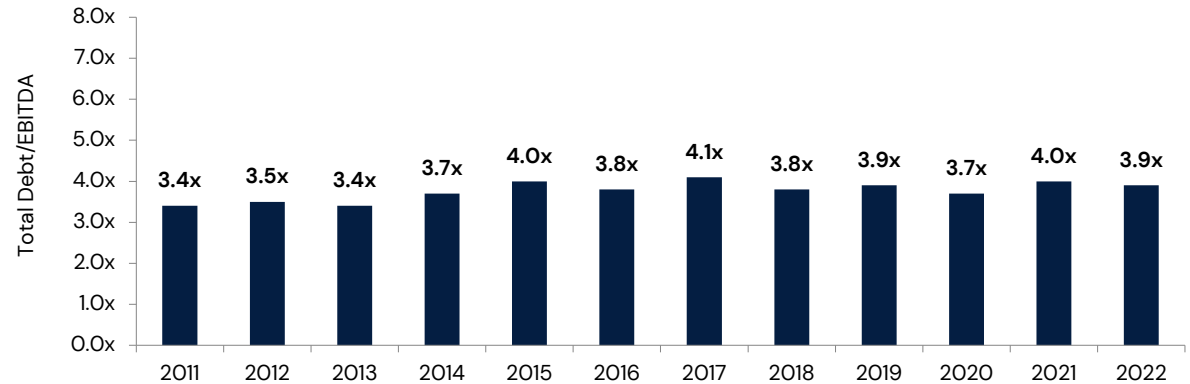
Source: GF Data®  
 GF Data® defines Above Average Financial Performers as businesses with TTM EBITDA margins and revenue growth above 10%, or one above 12% and the other metric at least 8%.  
 Includes multiples 3x–15x; Enterprise Value \$10mm–\$250mm

# PRIVATE EQUITY VALUATIONS

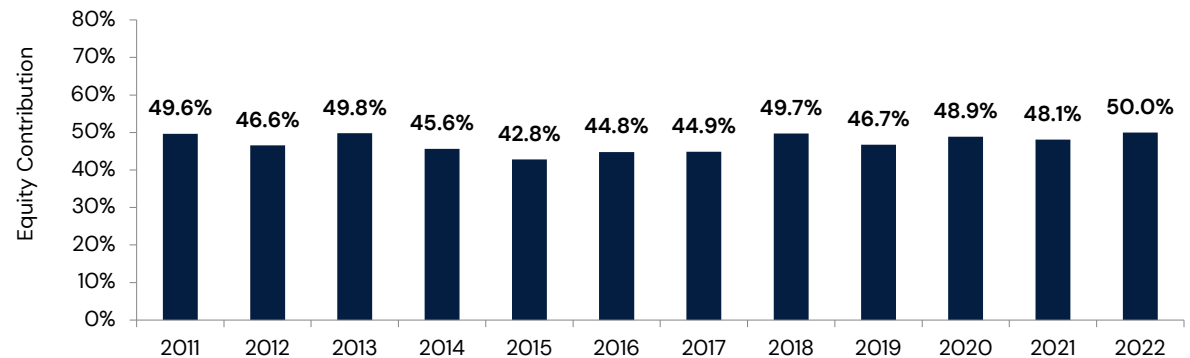
## AVERAGE DEBT MULTIPLES REMAIN ELEVATED IN 2022

- The average debt multiple remained healthy at 3.9x in 2022. However, the average senior debt multiple in the \$100-\$250 million enterprise value range dropped to 2.9x in Q4 from 4.3x in Q3, indicating an increasingly difficult lending environment for larger deals.
- The lower levels of debt utilization in transactions has encouraged buyers to increase their equity contributions. In 2022, the average equity commitment reached a record high of 50%.
- The average equity contribution towards sponsor platform transactions in 2022 rose to 56.1%, indicating downward pressure on valuations.

## Average Debt Multiples of Middle Market LBO Transactions



## Average Middle Market LBO Equity Contribution



Source: GF Data®  
Includes multiples 3x-15x; Enterprise Value \$10mm-\$250mm



**CAPSTONE BAROMETERS**

# CAPSTONE PARTNERS' FULLY INTEGRATED EXPERTISE

We have developed a service delivery model that can address the needs of any client situation, supported by vast internal resources. These capabilities are delivered together with deep domain expertise across 12 dedicated industry groups with an established, real-time access to the private equity community.

## Mergers & Acquisitions

- Sell-side Advisory
- Buy-side Advisory
- Recapitalizations
- Mergers & Joint Ventures

## Capital Advisory

- Equity Advisory
- Debt Advisory
- Infrastructure Finance

## Financial Advisory

- Transaction Advisory
- Interim Management
- Performance Improvement
- Valuation Advisory
- Litigation Support

## Special Situations & Restructuring

- Special Situations
- Turnaround
- Restructuring
- Bankruptcy
- Insolvency

## Industry Groups



Aerospace, Defense, Government & Security



Building Products & Construction Services



Business Services



Consumer



Education & Training



Energy, Power, & Infrastructure



FinTech & Services



Healthcare



Industrials



Industrial Technology



Technology, Media, & Telecom



Transportation & Logistics

## Sponsor Coverage Group

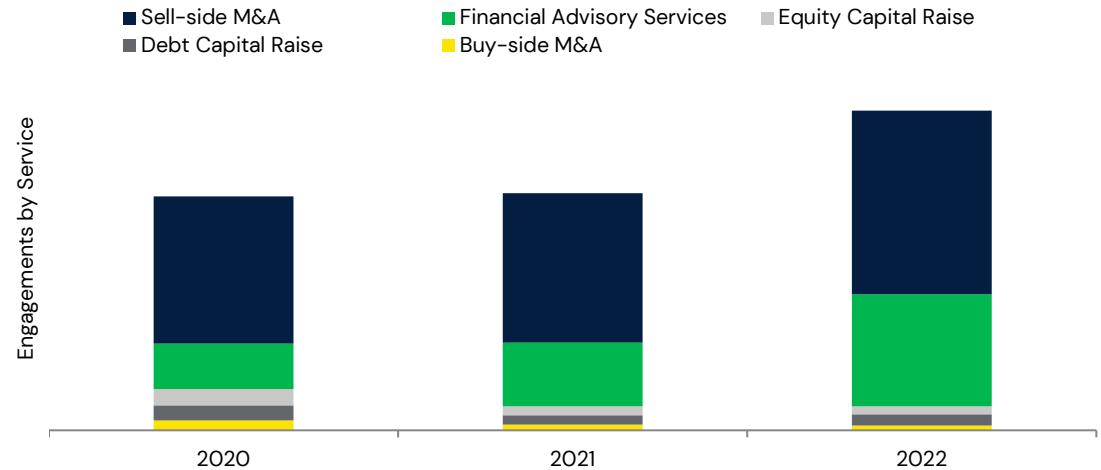


# FIRM DATA

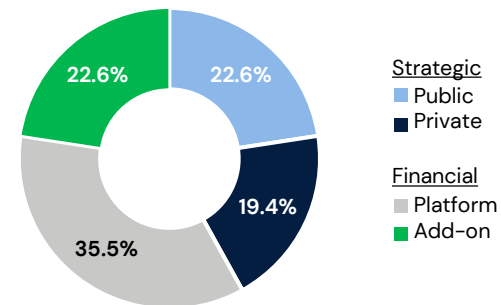
## CAPSTONE SEES HEALTHY BUYER ACTIVITY

- The backlog of sell-side M&A engagements has continued to expand, setting the stage for a potentially favorable backdrop for transaction activity towards year end and into 2024.
- Financial buyers accounted for the largest share of M&A transactions in 2022, comprising 58% of total deals. Private equity firms have continued to pursue middle market platform investments (35.5%) at a healthy pace.
- Public and private strategic buyers comprised an equal percentage of 2022 transactions at 22.3%, respectively. While many strategics have pulled back on M&A spending, accretive targets have still drawn interest.

## Capstone Engagements By Service



## Capstone TTM Buyer Breakdown



Source: Capstone proprietary data based on live engagements and closed sell-side engagements

# RECENT DEAL CLOSINGS

Capstone is an active leader in middle market M&A advisory, serving many clients and their needs, despite the unprecedented disruptions to the economy. Select our recent tombstones below to read the full press release.



HAS BEEN ACQUIRED BY

AN EMPLOYEE STOCK OWNERSHIP PLAN (ESOP)



HAS RAISED 20 MM IN EQUITY FROM



ATALAYA




HAS BEEN ACQUIRED BY




HAS BEEN ACQUIRED BY




HAS BEEN ACQUIRED BY




HAS BEEN ACQUIRED BY



A portfolio company of




a portfolio company of



HAS RECEIVED DEBT FINANCING



HAS BEEN ACQUIRED BY



VERTICALS



HAS BEEN RECAPITALIZED BY

AN UNDISCLOSED PRIVATE EQUITY SPONSOR



HAS BEEN ACQUIRED BY




CRO AND FINANCIAL ADVISORY SERVICES



HAS BEEN ACQUIRED BY




HAS BEEN ACQUIRED BY



A portfolio company of




HAS BEEN ACQUIRED BY




HAS BEEN ACQUIRED BY




HAS BEEN ACQUIRED BY



PRIVATE DIGITAL EVENT TICKET BROKERAGE

HAS RECEIVED DEBT FINANCING FROM



THE BRUNER GOLD PROJECT  
A PROPERTY OF



HAS BEEN ACQUIRED BY




SECURED

\$17.5 MILLION  
IN SERIES B FINANCING



HAS BEEN ACQUIRED BY





HAS BEEN ACQUIRED BY



FERNANDEZ HOLDINGS, INC.

# LEADERSHIP TEAM



## **JOHN FERRARA, FOUNDER AND PRESIDENT**

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John has dedicated 30+ years to serving as a trusted advisor to privately held businesses. Representative of over 200 engagements, he has acted as investment banker, management consultant, interim executive, investor, founder and board member. John has been recognized as one of the Top 50 M&A advisors in the U.S. and honored as an M&A Advisor Hall of Fame inductee. Under his leadership, Capstone has expanded to 19 offices in the U.S., U.K., and Brazil with an international platform that spans over 450 professionals in 40 countries worldwide. John graduated from Wesleyan University with an MBA from UCLA and The London School of Economics.



## **PAUL JANSON, HEAD OF INVESTMENT BANKING**

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With 25 years of executive experience, Paul manages all investment banking operations for the firm. On the M&A Advisory side, he is active in telecommunications services, manufacturing and infrastructure. Previously, Paul served as President & CEO of Camiant, a Packet Cable Multimedia broadband company. Paul was also CEO of Worldbridge Broadband Services Inc, a broadband and telecommunications company that was later acquired by C-Cor. Paul then became President of C-Cor's Global Services Division. He earned a BA-Business from Saint Anselm College.



## **OLIVIA FERRIS, COO**

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Olivia Ferris has over 10 years of investment banking experience with Capstone Partners and currently serves as Chief Operating Officer on the firm's executive team. In this role, Olivia is responsible for overall firm strategy, corporate development, partnerships, strategic initiatives, and investments. She is central to communicating, executing, and sustaining Capstone's priorities and translating them into a comprehensive strategic plan. Olivia earned a BSBA in Finance from Daniels College of Business, University of Denver.



## **BRENDAN BURKE, HEAD OF SPONSOR COVERAGE**

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Brendan has 16 years in investment banking experience. He oversees the firm's outreach to private equity sponsors and recruitment of senior investment bankers. Since joining Headwaters MB (now Capstone) in 2004, he has held roles in transaction execution, business development, recruiting and marketing. In 2012, he was awarded 40 UNDER 40 by the M&A Advisor. He received a BA in Politics, Philosophy, Economics from Pomona College.



## **DANIEL MCBROOM, HEAD OF PRIVATE CAPITAL MARKETS**

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Daniel has 15 years of private and investment banking experience and is responsible for sourcing and analyzing hundreds of companies a year introduced by the firm's institutional clients and partners. Select companies are engaged and his team will stay involved until the transaction is closed. Before his financial career, Daniel spent seven years as a pilot in the United States Air Force. He earned an MBA from the University of Notre Dame and a BS from the United States Air Force Academy.

# LEADERSHIP TEAM (CONTINUED)



## **PETER ASIAF, HEAD OF BUSINESS DEVELOPMENT**

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Peter has more than 20 years of experience as a senior business development executive across the professional and financial services industries. He has been a growth-oriented leader in early-stage, middle-market and Fortune 500 enterprises, helping them to design and execute strategic expansion plans, optimize brand positioning and strengthen key market relationships. Peter is a Certified Exit Planning Advisor (CEPA) designated by the Exit Planning Institute



## **SARAH DOHERTY, DIRECTOR OF MARKET INTELLIGENCE**

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Sarah has nearly 10 years of professional research, writing, and data visualization experience and leads the strategic coverage and development of Capstone's middle market insights. She manages the firm's Market Intelligence Team, which produces 150+ reports, articles, white papers, surveys, and capital markets updates each year. Her team's award-winning M&A commentary and analysis has been featured in more than 50 of the nation's top news outlets. Sarah earned a BA from Biola University and was recognized in 2021 with the "Emerging Leader Award" by the M&A Advisor.



## **BRIAN DAVIES, MANAGING PARTNER, FINANCIAL ADVISORY SERVICES GROUP**

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Brian has 20+ years of experience working in the fields of corporate recovery, business reorganization and interim management services. He has provided financial advisory services to lenders, debtors, creditors' committees, trustees and equity holders in bankruptcy matters and out-of-court restructurings. Brian has provided assistance to under-performing businesses, acquirers of distressed companies. He has worked with companies to develop cost containment and asset rationalization plans, improve liquidity, re-engineer financial and other back-office functions. He received a MS from Bentley University and MSF from The McCallum School, Bentley University.



## **JIM CALANDRA, HEAD OF FINANCIAL ADVISORY SERVICES GROUP**

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Jim has more than 25 years of experience in turnaround management consulting, interim management, fraud and forensic accounting, mergers and acquisitions, and recapitalizations. He has advised more than 50 companies through significant strategic transitions involving both public and private middle market companies with varying situations. Jim received a BS in Accountancy from Bentley University and an MS in Accountancy from The McCallum Graduate School of Business, Bentley University.



**Capstone Partners**, a subsidiary of Huntington Bancshares Incorporated (NASDAQ:HBAN), has been a trusted advisor to leading middle market companies for over 20 years, offering a fully integrated range of investment banking and financial advisory services uniquely tailored to help owners, investors, and creditors through each stage of the company's lifecycle. Capstone's services include M&A advisory, debt and equity placement, corporate restructuring, special situations, valuation and fairness opinions, and financial advisory services. Headquartered in Boston, the firm has 175+ professionals in multiple offices across the U.S. With 12 dedicated industry groups, Capstone delivers sector-specific expertise through large, cross-functional teams. For more information, visit [www.capstonepartners.com](http://www.capstonepartners.com).

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