



The *Transaction News Update*, published monthly, covers selected M&A, private equity, and credit and capital market transactions of note.

Transaction News Update

February 2023



New Legislation - M&A Broker Exemption

On December 29, 2022, President Biden signed H.R.2617 which provides an exemption from SEC registration for small business M&A brokers. While limitations exist, this new legislation serves to clarify what has been a bit of a grey area regarding the required regulatory compliance for M&A advisors on smaller transactions. The exemption generally covers advisors in "change-of-control" transactions involving the sale of a business with prior-year EBITDA less than \$25 million or prior-year revenue less than \$250 million.

[>>Click here to read more about the new legislation](#)



ESOP Transaction Deal Flow and Financing Considerations (2023 Flash)

Contemplating an ESOP transaction and worried about feasibility and financing? Follow the link below for a summary of Mercer Capital's latest perspectives on current financing alternatives and deal structures.

[>> Click here to learn more](#)



HARVARD
LAW SCHOOL

Harvard Law School Forum on Corporate Governance

The Harvard Law School Forum on Corporate Governance reprinted a Wachtel, Lipton, Rosen & Katz update on 2022 M&A (a Tale of Two Markets). In the piece, 2022 was described as, in a sense, "the inverse of 2020" in which weak volume in the first half of the year transitioned to a strong second half of the year. Of course, weak(ish) equity prices (i.e., lower public market multiples for would be acquirers) and sharply higher financing costs weigh on the M&A market. The piece also has extensive comments on antitrust policy.

[>> Click here to read the full article](#)



JetBlue Airways Corporation Announces Acquisition of Spirit Airlines, Inc.

The tussle involving Frontier Group Holdings, Inc. (NASDAQGS: ULCC) and JetBlue Airways Corporation (NASDAQGS: JBLU) over Spirit Airlines (NYSE: SAVE) has been decided in favor of JetBlue. Mercer Capital's Andrew Frew takes a look at the fairness opinions rendered by Morgan Stanley and Barclays, then concludes by asking a pertinent question the market seems to have answered even if the board answered in a nuanced way.

[>> Click here to read the full article](#)

Market Snapshot

	2/17/23	11/17/22	2/17/22	Qtr Δ	Y/Y Δ
SOFR	4.55%	3.80%	0.05%	75 bps	450 bps
2-Year UST	4.59%	4.59%	1.42%	0 bps	317 bps
10-Year UST	3.80%	4.08%	1.95%	-28 bps	185 bps
BB Corp Bond Yield	7.08%	7.10%	4.63%	-2 bps	245 bps
B Corp Bond Yield	8.69%	8.97%	5.86%	-28 bps	283 bps
S&P 500	4,079	3,947	4,380	3.4%	-6.9%
NASDAQ	11,787	11,145	13,717	5.8%	-14.1%
Russell 2000	1,946	1,839	2,028	5.8%	-4.0%
	4Q22	3Q22	2Q22		
\$10-\$25M PE Deals	6.1x	7.4x	6.0x	-1.3x	0.1x
\$25-\$50M PE Deals	6.9x	7.8x	6.9x	-0.9x	0.0x
\$50-\$100M PE Deals	7.9x	8.6x	8.9x	-0.7x	-1.0x
\$100-\$250M PE Deals	7.6x	12.8x	9.1x	-5.2x	-1.5x

Source: St. Louis Federal Reserve (FRED), S&P Global Market Intelligence, GF Data®

Mercer Capital's Recent Transactions



Krause Brokerage Services

De Pere, Wisconsin

has acquired

USA-LTC

Rancho Santa Fe, California

Mercer Capital served as
exclusive financial advisor
to Krause Brokerage Services

— February 2023 —

U.S. Based Manufacturer of Flow Control and Process Equipment

Mercer Capital rendered a
solvency opinion for the
manufacturer related to
payment of a \$210 million
dividend following the
sale of a business unit

— January 2023 —



Atlanta, GA

has entered into a definitive
agreement to purchase



Rome, GA

Mercer Capital served
as financial advisor to
LGE Community Credit Union

— December 2022 —

[>> Click here to see more transactions <<](#)

For more information or to discuss your needs in confidence, please contact us.



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