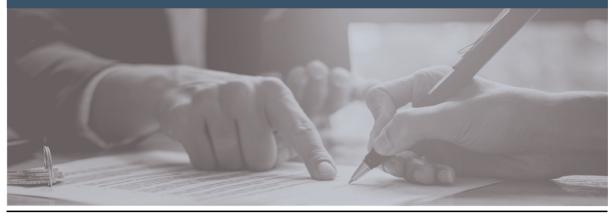
TRANSACTION NEWS UPDATE



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 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.

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Market Snapshot

	2/17/23	11/17/22	2/17/22	Qtr ∆	Y/Y ∆
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



>> Click here to see more transactions <<

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



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