



LONG ISLAND M&A REPORT

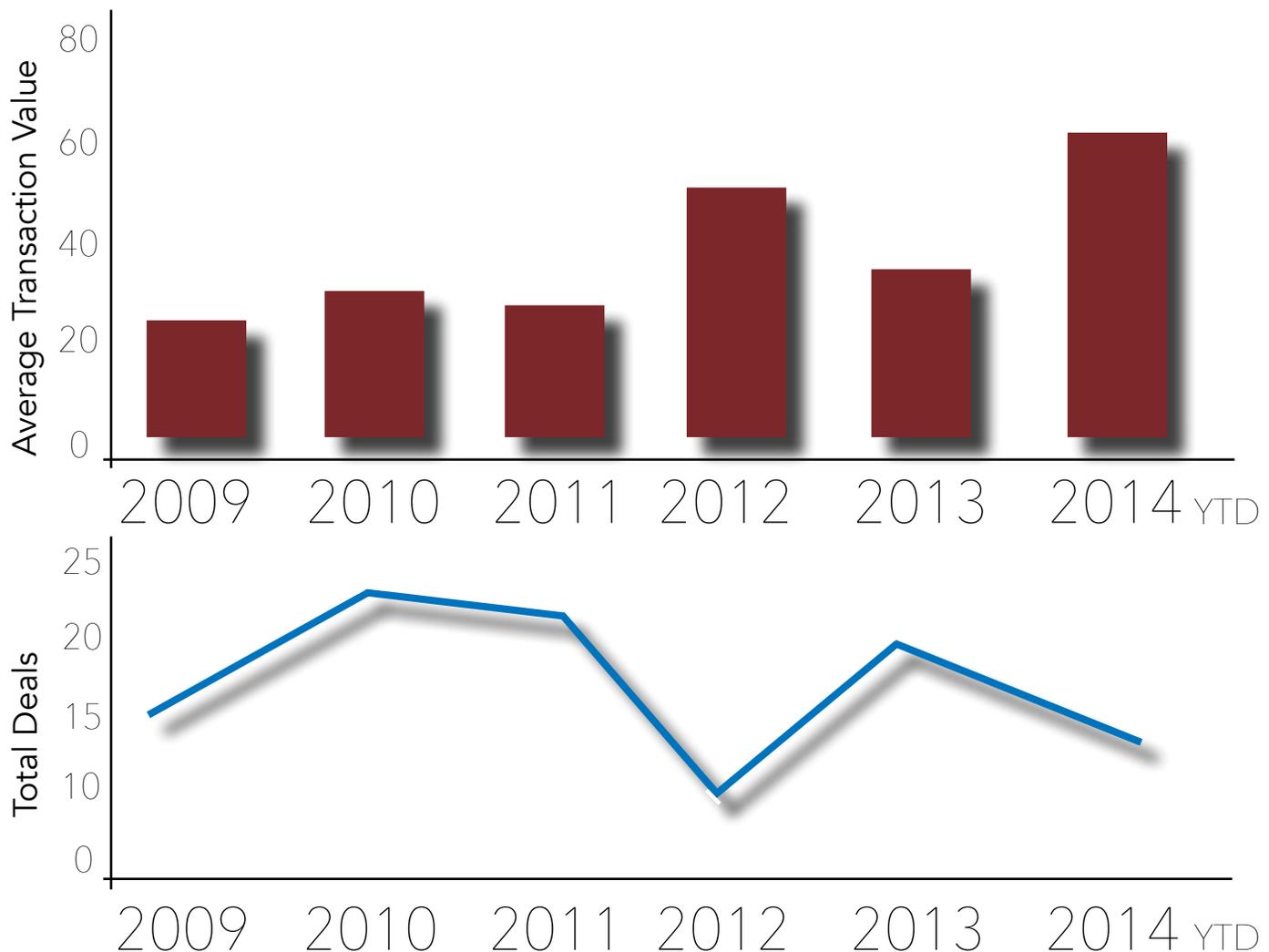
January 2009 – September 2014

Outlook.

M&A activity continues to be strong on Long Island, even as the country navigates what might best be described as a modest economic recovery.

Long Island, including both Nassau and Suffolk Counties, has already posted strong middle market activity through the first 9 months of 2014 as the 14 M&A transactions this year approaches the 2013 total of 19. For the first time, too, total transaction value in 2014 exceeded \$1.0 billion while the average transaction value is nearly double the average for 2013 – driven in part by two large transactions, the sale of Tri-Ed Distribution to Anixter, Inc. for \$429 million and the sale of Medical Action Industries to Owens & Minor, Inc. for \$287 million. Higher earnings across most industry sectors also contributed to higher transaction values.

Over the five-year period from 2009 through September 2014, Long Island businesses have consummated 94 of the 102 announced M&A transactions, representing \$4.2 billion in total value. The average transaction value was \$41 million.



Aggregate Metrics.

TOTAL DEAL VALUE

\$4.2 BILLION

AVERAGE DEAL VALUE

\$41 MILLION

TOTAL DEAL COUNT

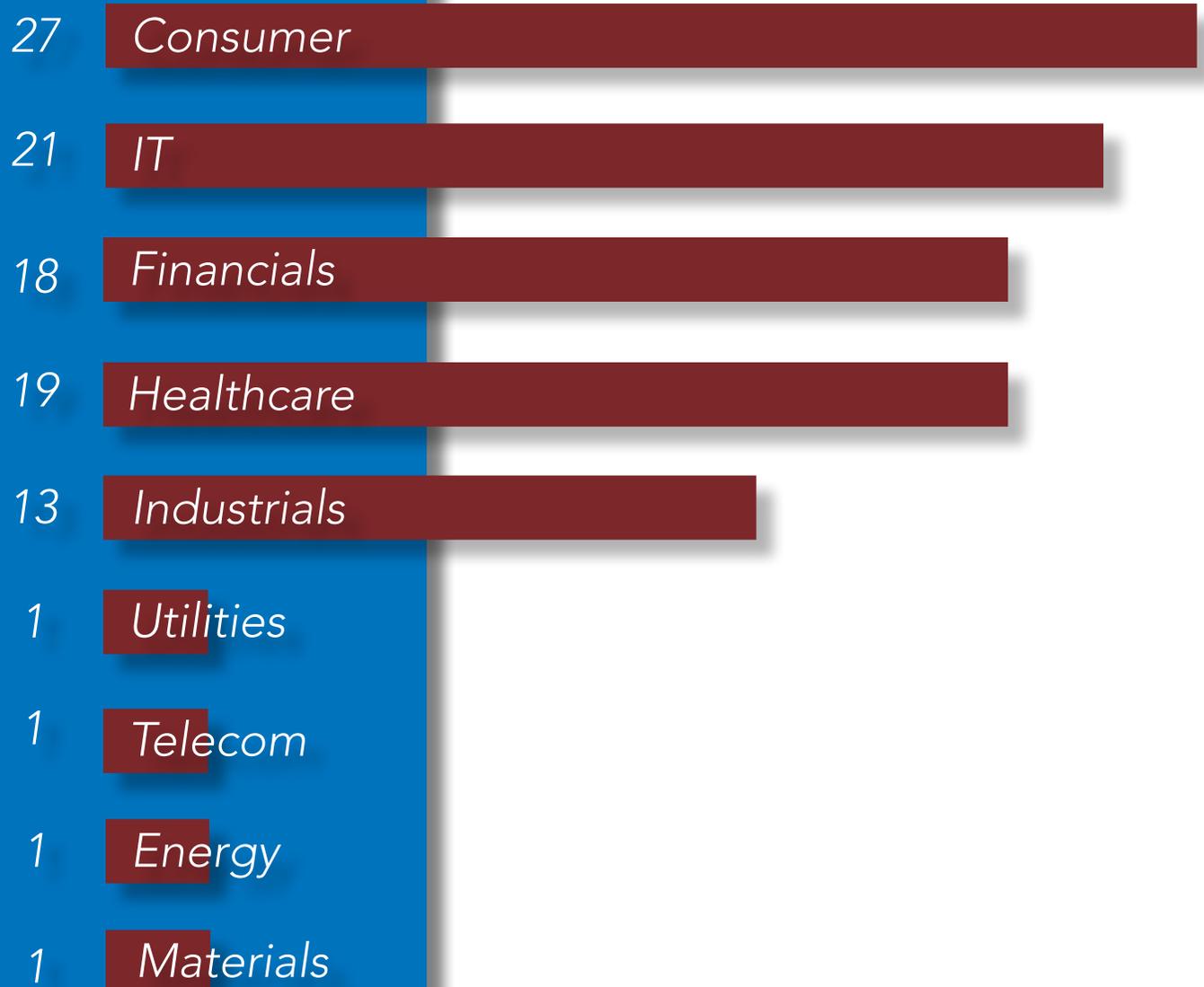
102

TOTAL CLOSED DEALS

94

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“WITH A SURGE IN VALUATION AND **M&A** ACTIVITY,
THE **LONG ISLAND** AREA PRESENTS A PROMISING **M&A**
ENVIRONMENT FOR BUSINESS OWNERS...”
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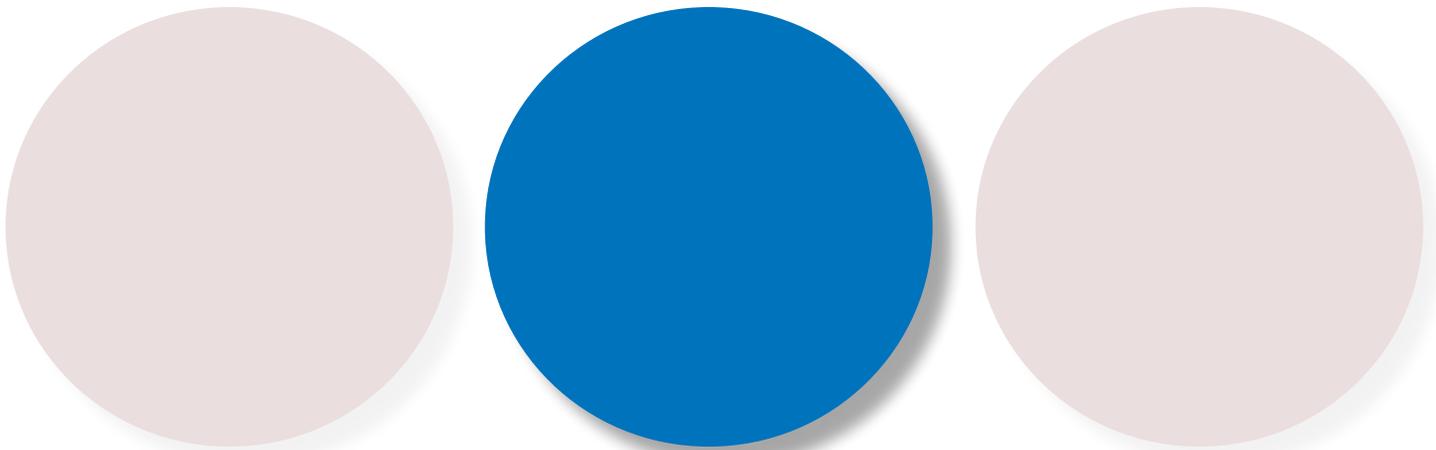
Growing Sectors.



Leading M&A sectors in the Long Island region over the past five years included Consumer, IT, Financials, Healthcare, and Industrials, which together accounted for 95% of the total number of announced transactions. Through the end of 2013, the two largest deals, measured in terms of dollar value, were in the Energy and Telecom sectors, at \$80 million and \$58 million respectively.

Huge Potential for Growth.

The Long Island M&A climate expresses a strong interest in advertising, financial services, technology, and software packaging. These sectors were especially prominent for their year-over-year growth in the first three quarters of 2014. Also worth noting are increasing valuations in the software sector, which reflect the national shift to cloud-based or proprietary service solutions. Industrial sector businesses have also attracted renewed attention from investors. To date, transactions in Industrials have doubled year over year with ATV increasing by more than \$10 million.



Conclusion.

With a surge in valuation and M&A activity, the Long Island area presents a promising M&A environment for business owners who want to capitalize on an increasing number of private equity buyers as well as corporations that are pursuing aggressive acquisition strategies. The region's positive trend line is a strong indicator of solid growth in M&A activity for the balance of 2014 and the new year.

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