

2022 Year-End Sector Report: Distribution & Supply Chain

2022 Review: Overview of M&A and private market performance

Multiple macro factors have driven uncertainty and volatility in the public markets over the last year: inflation concerns, supply-chain issues fueled by lingering effects of the pandemic, slowing growth, a challenging interest rate environment and the Russia-Ukraine conflict. All of these factors have put pressure on valuations and the pace/volume of M&A activity in 2022 (relative to the torrid pace of 2021). However, private market M&A activity (especially financial sponsor activity) has shown strong resistance to these headwinds and the outlook for overall M&A activity in 2023 remains positive.

While economic concerns, debt markets and higher interest rates impacted M&A activity in 2022, strategic and financial dealmakers have remained active. High quality companies are still commanding attractive multiples despite choppy macro headlines and an uncertain near-term outlook. Additionally, valuations in the private market for 2022 remained resilient, dipping only moderately relative to the public market downturn despite rising interest rates that contributed to a decline in total debt utilization in M&A transactions.

[READ MORE](#)

Mesirow refers to Mesirow Financial Holdings, Inc. and its divisions, subsidiaries and affiliates. The Mesirow name and logo are registered service marks of Mesirow Financial Holdings, Inc., © 2023, Mesirow Financial Holdings, Inc. All rights reserved. Mesirow does not provide legal or tax advice. Securities offered by Mesirow Financial, Inc. member FINRA, SIPC. Some information contained herein has been obtained from sources believed to be reliable but is not necessarily complete and its accuracy cannot be guaranteed. Any opinions expressed are subject to change without notice. It should not be assumed that any historical market performance information discussed herein will equal such future performance. This report is for information purposes only and should not be considered a solicitation to buy or sell any security.