

# BRG Quarterly M&A Report

Q4 2020

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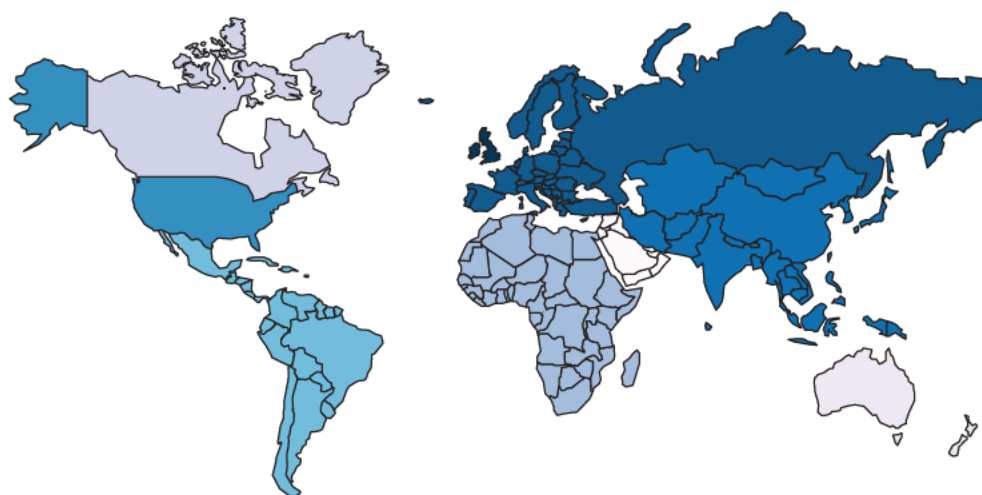


## Description of BRG Quarterly M&A Report

This report provides geographic data, industry data, and our proprietary view on global activity in the M&A space. The purpose of this report is to analyze trends in geographical regions and industries, both globally and in the U.S., and to provide insight into changes in pricing as a result of those trends. We further strive to provide up-to-date information on attractive markets to help navigate our clients' M&A efforts.

The primary source for the data contained in this report is S&P Global Market Intelligence. BRG does not take any responsibility for the data presented and bases its conclusions solely on the information obtained. This material is intended merely to highlight market developments and is not intended to be comprehensive and does not constitute investment, legal or tax advice.

## 2020 Global M&A Growth Rates by Number of Transactions



Source: S&P Global Market Intelligence

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## General Market Trends

In 2020, global M&A transaction volume decreased 17.7% YoY. Globally, the Healthcare sector proved to be the most resilient to the global pandemic, declining only 6.7% YoY on a transaction volume basis. On the contrary, the Energy and Utilities sector experienced the sharpest transaction volume decline of 25.4% globally YoY. Geographically, the Middle East declined the least at 11.3% YoY. M&A activity in the U.S. decreased 17.0% YoY, primarily due to a decrease in Energy and Utilities, which declined 30.4% over the year.

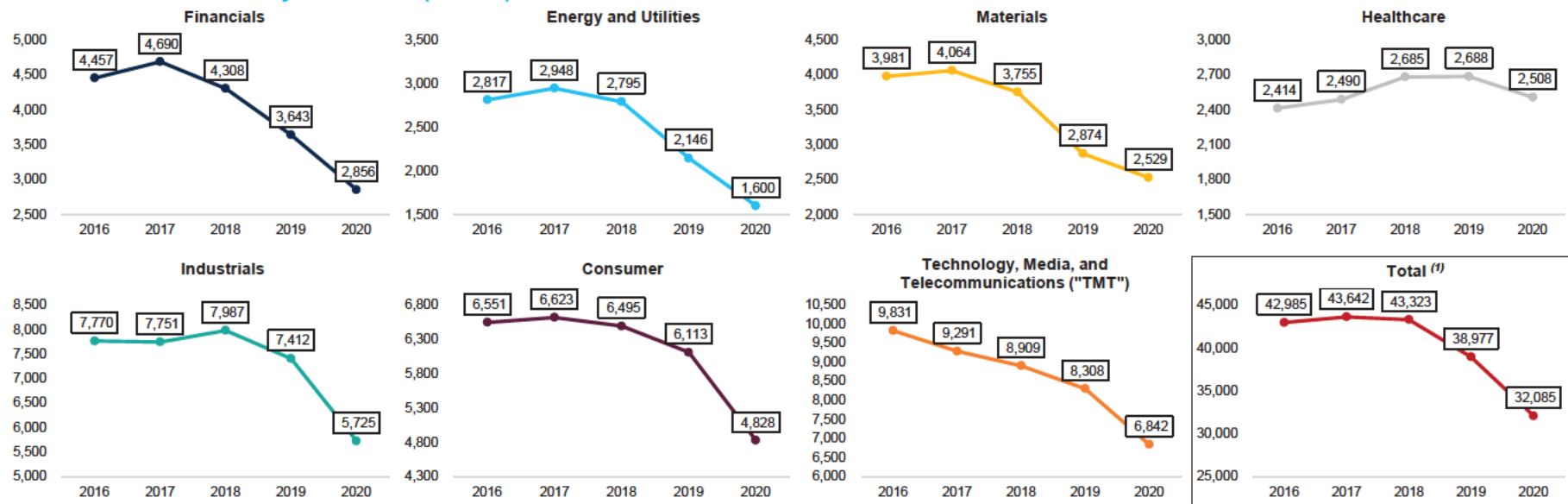
COVID-19 had adverse effects on global M&A transaction volume in 2020 as companies faced reduced demand and the threat of a global recession. Transaction volume decreased significantly during the first half of the year as COVID-19 lockdowns clouded future outlook; however, in Q3 transaction volume and value began to normalize and the M&A market ended the year at levels similar to 2019. Pricing multiples decreased both domestically and globally across nearly every industry. Chapter 11 bankruptcy filings spiked in 2020, driven primarily by consumer, energy, and real estate companies; although the filings did not rise to 2008 levels.

## 2020 Geographical Trends

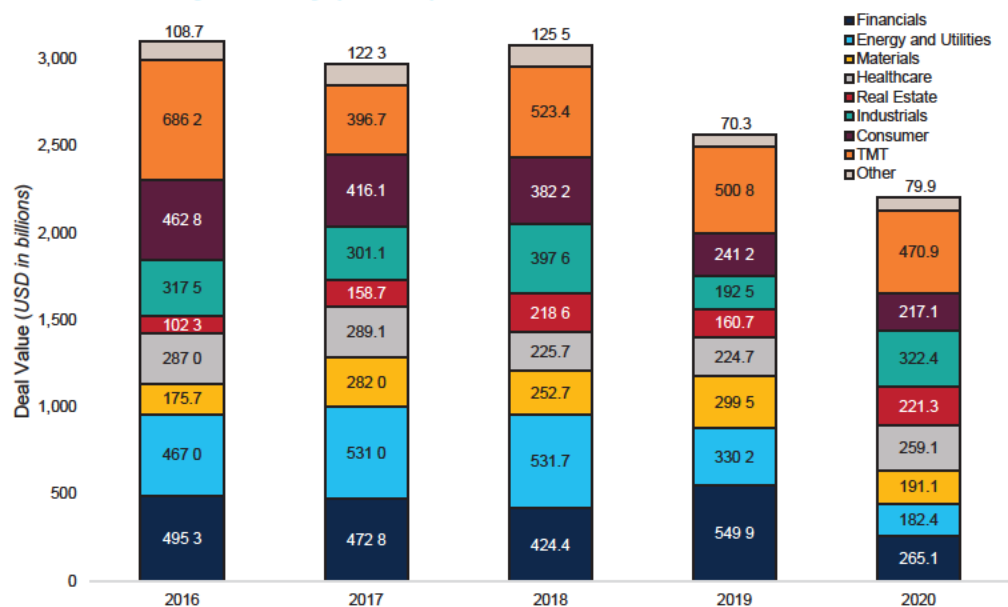
	2019 Volume	2020 Volume	YoY Growth
Africa	628	527	-16.1%
Asia	5,213	4,259	-18.3%
Australia and New Zealand	1,318	1,149	-12.8%
Europe (incl. Russia, excl. U.K.)	10,117	8,187	-19.1%
Latin America	1,256	1,045	-16.8%
Middle East	470	417	-11.3%
North America (excl. U.S.)	2,139	1,860	-13.0%
United Kingdom	3,298	2,625	-20.4%
United States	14,456	12,002	-17.0%

Transaction information based on publicly available data as of Q4 2020 end as obtained from S&P Global Market Intelligence and evaluated by BRG.

### Number of Transactions - Key Industries (Global)



### Total Deal Value by Industry (Global)



### Commentary

In 2020, we observed declines in transaction volumes globally across all industries. As mentioned earlier in the report, volume in the M&A space decreased 17.7%, with Energy and Utilities declining 25.4% YoY on a volume basis. Concurrently, Healthcare shows the lowest volume decrease of 6.7% YoY.

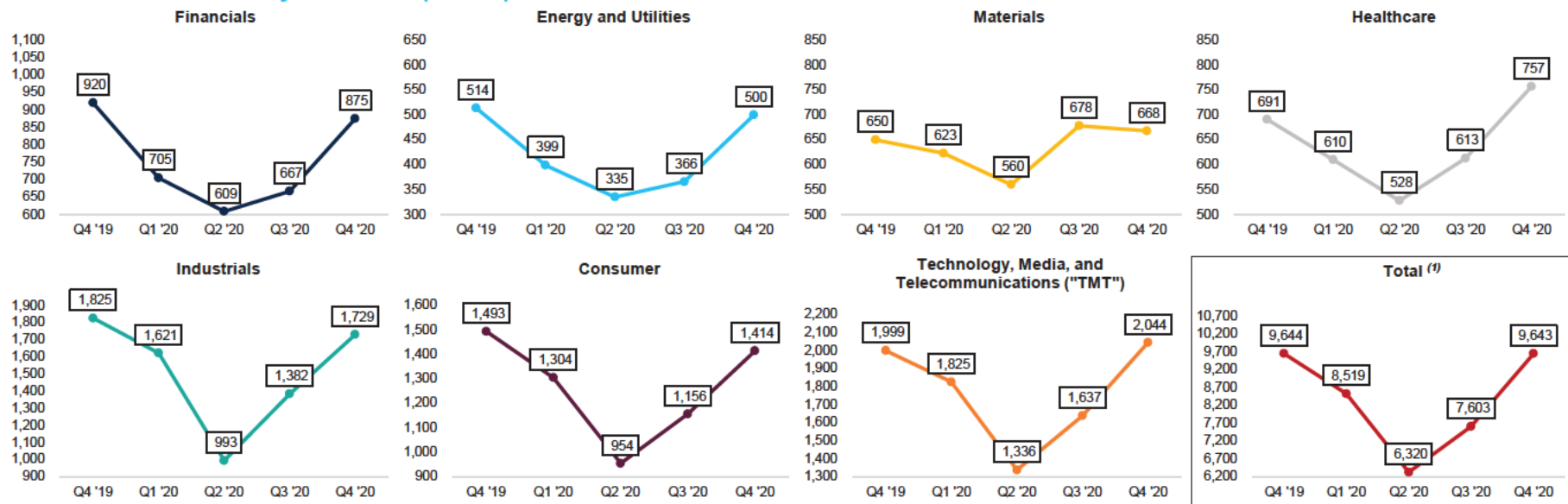
In 2020, total global deal value decreased 14.0% YoY, from \$2.6 trillion in 2019 to \$2.2 trillion in 2020. Conversely, the average value per transaction ("AVPT") increased 4.4%, from \$65.9 million in the prior year to \$68.9 million. The Industrials sector witnessed the highest growth in AVPT this year, growing 67.5% YoY from an aggregate deal value of \$192.5 billion in 2019 to \$322.4 billion in 2020.

2020 M&A activity came to a halt in Q1 as COVID-19 spread across the globe. Despite a significant recovery in Q3 and Q4, the M&A market did not recover to its recent historical highs. Energy & Utilities, Financials, and Materials experienced some of the sharpest decreases in YoY AVPT as the pandemic led to a drastic decrease in commodity demand and turmoil in the financial markets. Meanwhile, the highest YoY AVPT growth was in Healthcare and Industrials, driven primarily by a number of mega-deals in those industries. Demand for virtual healthcare services brought capital into the healthcare sector, particularly in the telehealth vertical, driving larger deals throughout the pandemic.

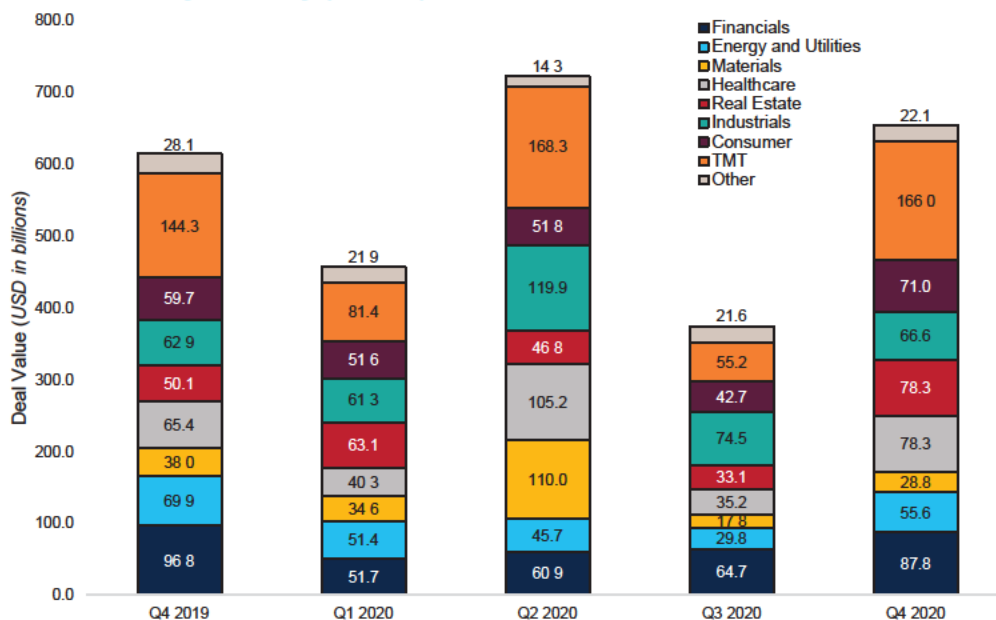
(1) Total is inclusive of Real Estate industry transactions and transactions uncategorized by S&P Global Market Intelligence. Source: S&P Global Market Intelligence

Transaction information based on publicly available data as of Q4 2020 end as obtained from S&P Global Market Intelligence and evaluated by BRG.

### Number of Transactions - Key Industries (Global)



### Total Deal Value by Industry (Global)



(1) Total is inclusive of Real Estate industry transactions and transactions uncategorized by S&P Global Market Intelligence.

Source: S&P Global Market Intelligence

### Commentary

In Q4 2020, we observed mixed performance in the globally tracked industries. Overall, M&A volume increased 26.8% QoQ. Materials, the only industry that declined QoQ, decreased 1.5% on a volume basis. Six industries grew with Energy and Utilities growing the most at 36.6% QoQ.

Q4 2020 total global deal value increased 74.8% QoQ, from \$374.5 billion in Q3 2020 to \$654.5 billion in Q4 2020. In addition, the AVPT increased 37.8%, from \$49.3 million in the prior quarter to \$67.9 million. The TMT sector witnessed the highest growth in deal value (+200.7%) in Q4 with AVPT increasing 140.9%.

In Q4 2020, M&A transaction volume continued the recovery started in Q3 and reached levels similar to Q4 2019. Global transaction value also increased in line with levels seen in 2019 as companies began to look toward a post-COVID economy. Many mega-deals closed in Q4, further indicating a return to normalcy following the height of the pandemic and an eagerness by companies to start deploying capital again. Chevron acquired Noble Energy for \$12.8B in an all-stock deal. Chevron's strong financial position, despite challenging times for the industry, allowed them to acquire low-cost oil reserves and represented a growing trend of consolidation in the industry.

Pricing information is based on publicly available data as of Q4 2020 end as obtained from S&P Global Market Intelligence and evaluated by BRG.

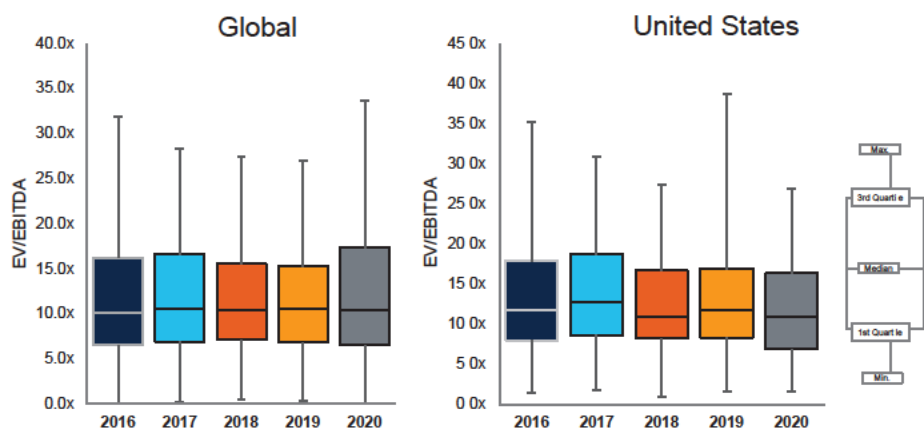
### EV/EBITDA Multiples <sup>(1)</sup>

\$ in millions

	2016			2017			2018			2019			2020		
	Median Multiple	Median EV	Count	Median Multiple	Median EV	Count	Median Multiple	Median EV	Count	Median Multiple	Median EV	Count	Median Multiple	Median EV	Count
<b>Global</b>															
Consumer	10.0x	\$ 103	266	9.6x	\$ 153	223	10.6x	\$ 133	252	10.6x	\$ 134	217	10.0x	\$ 200	141
Energy and Utilities	9.2x	485	76	11.7x	681	62	9.8x	540	78	8.1x	724	57	7.7x	560	40
Financials	10.9x	3,796	2	9.8x	1	4	10.4x	11	7	13.5x	193	3	7.0x	-	3
Healthcare	12.5x	103	84	13.2x	203	76	11.4x	207	74	14.1x	155	61	13.6x	225	65
Industrials	8.1x	115	143	9.5x	136	147	9.6x	114	140	8.9x	113	122	8.6x	130	73
Materials	8.2x	142	79	8.1x	214	77	9.3x	187	82	9.8x	543	56	9.0x	578	66
TMT <sup>(2)</sup>	11.4x	119	248	11.6x	90	247	10.9x	89	205	11.1x	104	186	9.9x	220	145

	2016			2017			2018			2019			2020		
	Median Multiple	Median EV	Count	Median Multiple	Median EV	Count	Median Multiple	Median EV	Count	Median Multiple	Median EV	Count	Median Multiple	Median EV	Count
<b>United States</b>															
Consumer	11.1x	\$ 174	65	10.9x	\$ 528	74	11.1x	\$ 171	88	12.9x	\$ 170	64	11.0x	\$ 209	38
Energy and Utilities	10.3x	4,524	21	14.2x	2,113	20	10.6x	1,396	32	9.5x	2,789	27	4.8x	1,399	12
Financials	n/a	n/a	0	10.0x	1,882	2	10.4x	20,000	1	26.1x	193	1	6.0x	-	1
Healthcare	15.2x	163	38	15.0x	960	37	14.0x	731	28	15.7x	272	30	12.6x	240	23
Industrials	8.6x	198	37	10.0x	350	37	10.0x	263	43	10.1x	330	42	10.2x	268	22
Materials	7.8x	323	14	10.5x	430	19	10.2x	416	25	10.3x	1,371	15	9.6x	430	18
TMT <sup>(2)</sup>	13.8x	582	89	14.2x	447	67	11.7x	205	67	14.7x	804	52	11.7x	404	35

### EV/EBITDA Multiples <sup>(3)</sup>



### Commentary

Internationally, we have seen decreases in pricing multiples across 5 sectors and no material change in 2 industries. Financials saw the largest decline, moving from 13.5x in 2019 to 7.0x in 2020. Despite the large decline in M&A volume, we observed little change in pricing multiples of Energy and Utilities deals. Domestically, no sectors witnessed multiple expansion, 6 sectors witnessed multiple contraction, and 1 sector remained flat. In line with global trends, the U.S. Financials sector witnessed the largest decrease in EBITDA multiples YoY while the U.S. Industrials, in line with the global sector, remained relatively flat.

The recovery witnessed in Q3 and Q4 was not enough to offset the negative effects of the pandemic on domestic valuations. Energy and Utilities was particularly affected and median EV decreased by 50% YoY. Despite an increase in household energy consumption, electricity and gas retailers were burdened by a significant drop in demand from industrial and commercial customers. That being said, not all Energy and Utilities verticals were equally affected, with renewables producers largely shielded by tariffs and state-driven clean energy incentives.

(1) Changes in EBITDA multiples of 0.5x and less are characterized as not significant. Changes in Enterprise Value of 10% and less are characterized as not significant. Median Enterprise Value is in USD millions.

(2) TMT refers to Technology, Media, and Telecommunication.

(3) Graphed data excludes any multiples above the 90th percentile of the observed data. BRG deemed multiples above the 90th percentile as outliers and not representative of the market.

Source: S&P Global Market Intelligence

Pricing information is based on publicly available data as of Q4 2020 end as obtained from S&P Global Market Intelligence and evaluated by BRG.

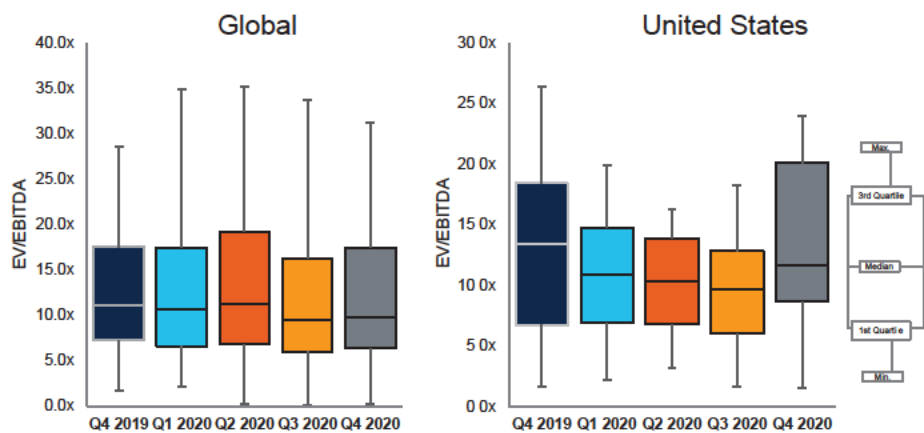
### EV/EBITDA Multiples <sup>(1)</sup>

\$ in millions

Global	Q4 2019			Q1 2020			Q2 2020			Q3 2020			Q4 2020		
	Median Multiple	Median EV	Count	Median Multiple	Median EV	Count	Median Multiple	Median EV	Count	Median Multiple	Median EV	Count	Median Multiple	Median EV	Count
Consumer	12.1x ▲	\$ 179 ▲	61	9.7x ▼	\$ 90 ▼	43	9.6x ▫	\$1,588 ▲	18	9.1x ▼	\$ 197 ▼	24	10.8x ▲	\$ 207 ▫	56
Energy and Utilities	7.7x ▲	460 ▫	16	7.9x ▫	862 ▲	14	14.3x ▲	2,153 ▲	6	3.1x ▼	80 ▼	7	6.8x ▲	565 ▲	13
Financials	n/a	n/a	0	n/a	n/a	0	14.5x	2,482	1	6.5x ▼	- ▼	2	n/a	n/a	0
Healthcare	15.1x ▲	206 ▲	16	14.3x ▼	406 ▲	14	13.6x ▼	183 ▼	11	12.6x ▼	225 ▲	15	17.0x ▲	140 ▼	25
Industrials	9.9x ▲	108 ▲	26	10.3x ▫	92 ▼	24	10.6x ▫	545 ▲	7	8.2x ▼	629 ▲	12	8.1x ▫	117 ▼	30
Materials	7.0x ▼	89 ▼	12	9.2x ▲	553 ▲	20	10.8x ▲	832 ▲	16	9.5x ▼	215 ▼	14	6.7x ▼	881 ▲	16
TMT <sup>(2)</sup>	11.0x ▫	163 ▲	41	10.9x ▫	156 ▫	34	8.7x ▼	241 ▲	34	11.1x ▲	179 ▼	29	12.4x ▲	226 ▲	48

United States	Q4 2019			Q1 2020			Q2 2020			Q3 2020			Q4 2020		
	Median Multiple	Median EV	Count	Median Multiple	Median EV	Count	Median Multiple	Median EV	Count	Median Multiple	Median EV	Count	Median Multiple	Median EV	Count
Consumer	14.2x ▲	\$ 400 ▲	17	10.1x ▼	\$ 90 ▼	15	12.4x ▲	\$ 585 ▲	2	8.5x ▼	\$ 470 ▼	4	11.8x ▲	\$ 296 ▼	17
Energy and Utilities	3.8x ▼	1,165 ▼	7	6.9x ▲	1,653 ▲	5	11.9x ▲	10,161 ▲	1	7.3x ▼	2,204 ▼	2	2.9x ▼	664 ▼	4
Financials	n/a	n/a	0	n/a	n/a	0	n/a	n/a	0	6.0x	-	1	n/a	n/a	0
Healthcare	15.7x ▲	1,517 ▲	10	14.0x ▼	475 ▼	9	n/a	n/a	0	11.6x	25	4	14.9x ▲	190 ▲	10
Industrials	10.5x ▫	401 ▲	9	10.9x ▫	1,400 ▲	7	10.1x ▼	29,482 ▲	2	4.6x ▼	14 ▼	2	9.7x ▲	213 ▲	11
Materials	10.5x ▫	1,842 ▲	2	8.6x ▼	665 ▼	7	10.4x ▲	532 ▼	6	10.0x ▫	202 ▼	3	7.7x ▼	221 ▫	2
TMT <sup>(2)</sup>	11.0x ▼	858 ▼	13	8.7x ▼	140 ▼	9	9.3x ▲	1,708 ▲	11	12.3x ▲	305 ▼	9	28.2x ▲	220 ▼	6

### EV/EBITDA Multiples <sup>(3)</sup>



### Commentary

Globally, we have seen QoQ increases in pricing multiples across 4 sectors. Materials, the only sector experiencing a decrease, moved from 9.5x in the prior quarter to 6.7x in Q4 2020. Healthcare, on the other hand, experienced the largest increase. Domestically, 4 sectors experienced multiple expansion and 2 sectors witnessed multiple contraction. In the U.S., Energy and Utilities experienced the largest decrease in multiples QoQ. The U.S. TMT sector, on the other hand, experienced the largest increase in EBITDA multiples, growing from 12.3x in Q3 to 28.2x in Q4.

Growth was largely driven by mega-deals in the TMT sector, brought on by pandemic-driven demand. Liberty Broadband, a major cable provider, acquired GCI Liberty, Inc. in a \$12.5B stock-for-stock merger at an EV/EBITDA multiple of 55x. The companies announced the deal in August, when a transition to working from home brought increased demand to both companies. TMT was generally positively affected by COVID-19 as consumers looked for ways to move virtual, and many in the industry believe this trend will be sustained even after the pandemic ends.

(1) Changes in EBITDA multiples of 0.5x and less are characterized as not significant. Changes in Enterprise Value of 10% and less are characterized as not significant. Median Enterprise Value is in USD millions.

(2) TMT refers to Technology, Media, and Telecommunication.

(3) Graphed data excludes any multiples above the 90th percentile and the 85th percentile for the global and U.S. markets. BRG deemed these multiples as outliers and not representative of the market.

Source: S&P Global Market Intelligence

Deal size information is based on publicly available data as of Q4 2020 end as obtained from S&P Global Market Intelligence and evaluated by BRG.

### Number of 2019 and 2020 Deals by Market Capitalization and Industry

Global	\$0-500M		\$500M-\$1B		\$1B+		United States	\$0-500M		\$500M-\$1B		\$1B+	
	2019	2020	2019	2020	2019	2020		2019	2020	2019	2020	2019	2020
Consumer	1877	▼ 1171	45	▼ 30	38	▼ 25	Consumer	464	▼ 270	18	▼ 16	13	▼ 6
Energy and Utilities	839	▼ 509	56	▼ 26	48	▼ 8	Energy and Utilities	286	▼ 143	25	▼ 7	27	▼ 18
Financials	964	▼ 544	55	▼ 29	63	▼ 12	Financials	323	▼ 179	24	▼ 15	25	▼ 16
Healthcare	945	▼ 702	24	▼ 21	40	▼ 11	Healthcare	352	▼ 240	14	▲ 15	29	▼ 24
Industrials	1668	▼ 1037	45	▼ 26	29	▼ 12	Industrials	333	▼ 198	18	▼ 8	17	▲ 18
Materials	1355	▼ 1061	25	▼ 19	33	▼ 4	Materials	146	▼ 133	8	▼ 6	10	▼ 4
TMT	(1) 2326	▼ 1411	67	▼ 37	70	▼ 20	TMT	(1) 830	▼ 386	35	▼ 14	35	▼ 32

### Selected M&A Transactions

<b>Closed October 2020</b> <b>Teladoc Health, Inc.</b> Has acquired <b>Livongo Health, Inc</b> <b>For \$19.1B</b> <b>Health Care Technology</b>	<b>Announced December 2020</b> <b>salesforce.com, Inc.</b> Announced acquisition of <b>Slack Technologies, Inc.</b> <b>For \$29.3B</b> <b>Application Software</b>	<b>Announced November 2020</b> <b>S&amp;P Global, Inc.</b> Announced acquisition of <b>IHS Markit Ltd.</b> <b>For \$44.5B</b> <b>Research and Consulting Services</b>
<b>Announced September 2020</b> <b>NVIDIA Corporation</b> Announced acquisition of <b>ARM Limited</b> <b>For \$38.6B</b> <b>Semiconductors</b>	<b>Announced March 2020</b> <b>Aon Plc</b> Announced acquisition of <b>Willis Towers Watson Plc</b> <b>For \$30.2B</b> <b>Insurance Brokers</b>	<b>Closed March 2020</b> <b>Danaher Corporation</b> Has acquired <b>Cytiva</b> <b>For \$21.3B</b> <b>Life Sciences</b>

### Selected Bankruptcy Filings

<b>Filed November 2020</b> <b>CBL &amp; Associated Properties</b> Has filed for Chapter 11 Bankruptcy Protection. Assets: \$4.7B Liabilities: \$4.0B <b>Real Estate</b>	<b>Filed November 2020</b> <b>Guitar Center</b> Has filed for Chapter 11 Bankruptcy Protection. Assets: \$1.0B Liabilities: \$1.0B <b>Retail</b>	<b>Filed November 2020</b> <b>Friendly's Ice Cream</b> Has filed for Chapter 11 Bankruptcy Protection. Assets: \$4.1M Liabilities: \$97.4M <b>Restaurants</b>
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### Deal Commentary

The telehealth industry has experienced immense growth due to the coronavirus pandemic with telehealth visits increasing over 55x in 2020. In October Teladoc, a leading provider of virtual healthcare, acquired Livongo, a provider of coaching services that help people manage chronic conditions, which has also seen skyrocketing demand due to the pandemic. Salesforce plans to acquire Slack, a prominent business communication platform, in a bet that work practices going forward will not return to pre-pandemic levels and more people will rely on virtual collaboration tools. S&P Global announced they plan to acquire IHS Markit to create one of the largest financial data providers. The \$44B deal highlights the value of data in today's market, driving consolidation in the financial industry.

2020 included many other notable transactions including NVIDIA's announced acquisition of ARM, a leading chip designer. The \$38.6B deal will combine NVIDIA's powerful AI technology with the vast application of ARM's products. Aon Plc has announced plans to acquire Willis Towers Watson for \$30.2B resulting in the insurance industry's largest merger to date. The deal combines two insurance giants in hopes of creating synergies that will drive innovation. Danaher closed on a \$21.3B acquisition of Cytiva, formerly known as GE Healthcare Sciences. The acquisition will aid in Danaher's expansion into biological therapies.

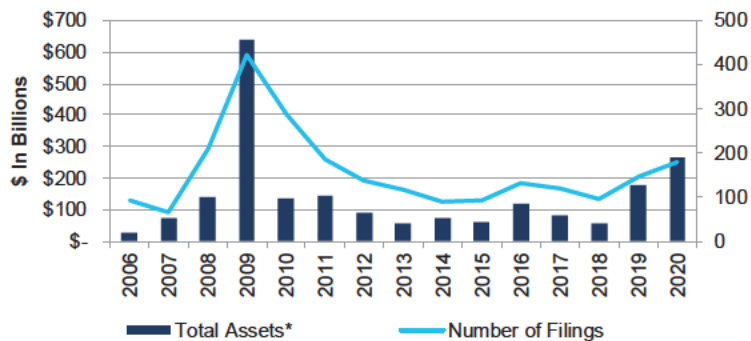
CBL & Associated Properties owns and operates a portfolio of shopping malls across the country. With many of its tenants filing for bankruptcy and unable to make rent payments, CBL & Associated Properties filed for Chapter 11 to restructure and withstand the difficult retail environment. Guitar Center, the nation's largest retailer of musical instruments and gear, struggled to compete with e-commerce rivals and an overall decrease in consumer discretionary spending during the COVID-19 pandemic. In November, the company filed for bankruptcy in an effort to reduce its debt burden and inject cash to sustain the uncertainty ahead. Friendly's Ice Cream has joined many other restaurant chains in filing for bankruptcy due to pandemic-related dining restrictions, plummeting sales, and the rise of fast-casual competitors.

(1) TMT refers to Technology, Media, and Telecommunication.

Source: S&P Global Market Intelligence, Reuters, Business Insider, The Deal, CNBC, WSJ

Bankruptcy information is based on publicly available data as reported by The Deal® and S&P Global Market Intelligence

## US Bankruptcy Filings with Assets > \$50 Million



Lehman Brothers and Washington Mutual excluded from Sep '08

\*As reported by The Deal - may be understated due to the lack of reporting for certain companies and ranges of values provided for others  
Source: The Deal®

## US Bankruptcy Filings with Assets >\$50 Million by Industry

Industry	Total 2020	Total 2019	YoY Change
Energy / Coal	46	34	35.3%
Retail	36	19	89.5%
Healthcare	17	9	88.9%
Services	11	15	-26.7%
Leisure	10	6	66.7%
Real Estate	8	1	700.0%
Automotive	8	6	33.3%
Financial Services	7	4	75.0%
Construction	7	6	16.7%
Non Profit Organizations	6	2	200.0%
Manufacturing	4	9	-55.6%
Transportation	4	6	-33.3%
Technology	3	2	50.0%
Consumer / Household Prods	3	-	-
Agriculture	2	4	-50.0%
Telecommunication	2	6	-66.7%
Internet	2	-	-
Media	1	1	0.0%
Business Communication	1	3	-66.7%
Food	-	9	-100.0%
Government	-	2	-100.0%
Advisory	-	1	-100.0%
Chemicals	-	1	-100.0%
<b>Total</b>	<b>178</b>	<b>146</b>	<b>21.9%</b>

Source: The Deal®

10 Largest Chapter 11 Filings in 2020*	Filing Date	Assets (\$ in Mill)	Liabilities (\$ in Mill)	Court	Industry
Hertz Corp.	5/22/2020	\$ 25,842	\$ 24,355	DE	Transportation
LATAM Airlines Group S.A.	5/25/2020	21,088	17,959	SDNY	Transportation
Frontier Communications Corp.	4/1/2020	17,433	21,856	SDNY	Telecom
Chesapeake Energy Corp.	6/28/2020	16,193	11,792	SDTX	Energy
Ascena Retail Group Inc.	7/23/2020	13,691	12,516	EDVA	Retail
Valaris plc	8/19/2020	13,039	7,854	SDTX	Energy
Intelsat S.A.	5/14/2020	11,652	16,806	EDVA	Telecom
Mallinckrodt plc	10/12/2020	9,585	8,648	DE	Healthcare
McDermott International Inc.	1/21/2020	8,754	9,863	SDTX	Energy
J.C. Penney Co. Inc.	5/15/2020	8,569	8,033	SDTX	Retail

\* By assets reported by The Deal and Capital IQ

Source: The Deal®, S&P Global Market Intelligence

## Commentary

Pandemic-plagued 2020 featured 178 US bankruptcy filings with over \$50 million in assets, a 21.9% increase over 146 filings in 2019 and the most since the great recession in 2009. Court-supervised restructurings were headlined by energy, retail, and healthcare filings as the pandemic pushed problematic industries and companies into Chapter 11. Leisure and travel were also impacted, with 2020 filings punctuated by Hertz's \$25.8 billion-in-assets bankruptcy – which, while not rivaling PG&E's \$71.4 billion filing (2019's largest), led a cavalcade of 58 filings with over \$1 billion in assets, doubling 29 in 2019. Aggregate asset volume of filings with over \$50 million in assets surged 48.4% YoY in 2020.

COVID-19 culminated distress mounting in the energy industry. Already contending with volatile commodity prices, O&G operators endured dual setbacks of a Saudi Arabia-Russia price war and a COVID-induced collapse in global travel in spring 2020, driving oil prices to unprecedented lows. Upstream suffered heavily as demand waned, leading a wave of global offshore players, including Diamond Offshore, Noble Corp., Pacific Drilling, and Valaris plc, and a number of key US E&P companies, namely Chesapeake Energy, Denbury Resources, and Gulfport Energy, to file.

The pandemic was also more of a "last straw" than "black swan" for retailers, forcing them to renegotiate rents, rationalize footprints, and market or dissolve unprofitable businesses as foot traffic was obstructed by COVID-related closures in the spring and summer of 2020. A mall's worth of household names headed to Chapter 11 in 2020, including Ascena Retail Group (Ann Taylor, Justice), Brooks Brothers, Century 21, GNC, Guitar Center, J. Crew, J.C. Penney, Lord & Taylor, Neiman Marcus, RTW Retailwinds (New York & Co.), Stage Stores, Tailored Brands (Jos. A. Bank, Men's Warehouse), and Tuesday Morning. Restaurants, relegated to take-out and delivery with dining rooms shuttered, also landed on the Chapter 11 chopping block, led by California Pizza Kitchen, Friendly's, and Ruby Tuesday. Retail will likely see ongoing distress as the pandemic continues in 2021.

COVID-19 did, and will continue to, uniquely impact some industries – travel and leisure among them. Rental car leaders Hertz and Advantage Rent A Car and airline operators Aeroméxico, Avianca, and LATAM filed as global travel ground to a halt. In-flight and on-cruise connectivity providers Global Eagle Entertainment and Speedcast similarly succumbed to Chapter 11. 24 Hour Fitness and TownSports exercised bankruptcy protection as their gyms closed and struggled to reopen under an array of new virus restrictions. As COVID closed down and complicated factory operations, manufacturers like Briggs & Stratton (small engines), Libbey Glass (glassware), and Techniplas (plastics) faced liquidity issues and ultimately bankruptcy.

Some companies entered bankruptcy prior to or independent of COVID-19. Early 2020 filers Frontier Communications, McClatchy, and McDermott faced untenable leverage and operations from M&A in prior years. The Boy Scouts of America and Mallinckrodt filed Chapter 11 following mounting tort claims. Coal remained under perennial pressure, highlighted by first-quarter filings of Foresight Energy and Murray Met. 7

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## BRG Value Add Continuum



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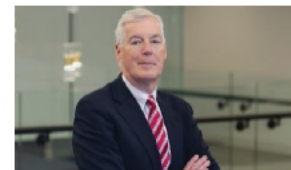
William Epstein has almost 30 years of experience in valuation, and specializes in transaction-related opinions and other valuation services. He has provided financial advice and independent opinions to Fortune 500 and middle-market clients.

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