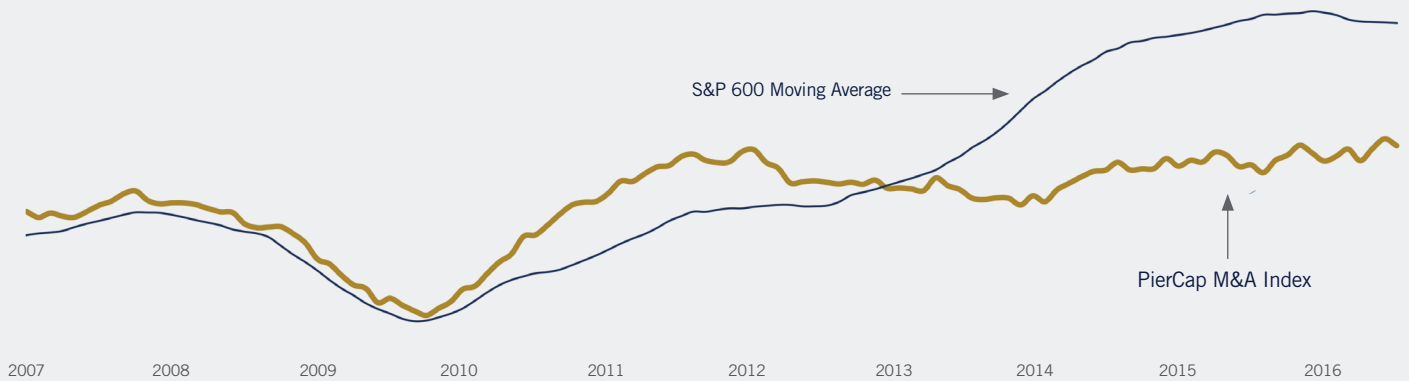


M&A MIDDLE MARKET INSIGHTS: JUNE 2016

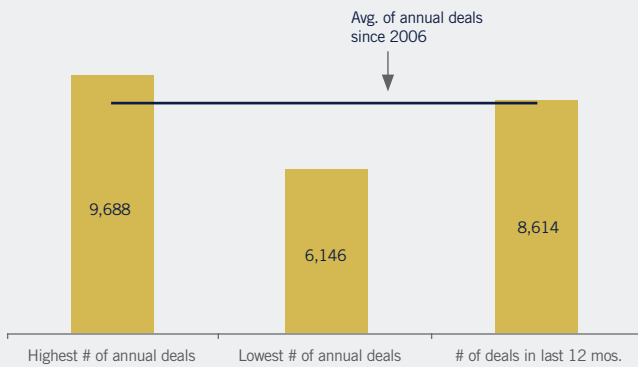
INDEX BACKS DOWN FROM PEAK...

➤ PierCap's Middle Market M&A Index

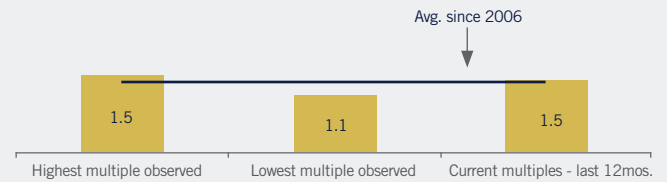


4TH STRAIGHT MONTH OF VOLUME DECLINE, PRICING HOLDS GROUND...

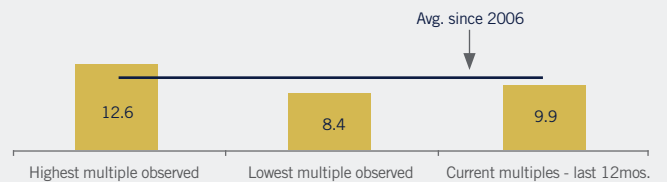
➤ All M&A transaction volumes



➤ Middle Market M&A Revenue multiples

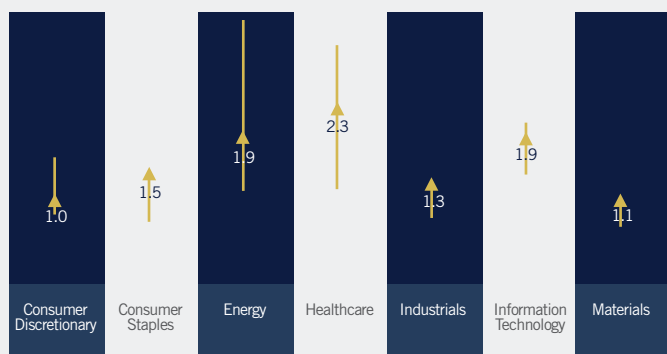


➤ Middle Market M&A EBITDA multiples

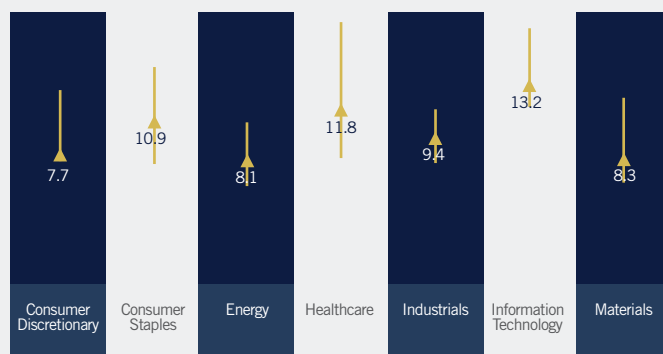


CONSUMER DISCRETIONARY AND ENERGY SHOW SLIGHT WEAKNESS, OTHERS HOLD FAST...

➤ Middle Market M&A Revenue multiples by sector



➤ Middle Market M&A EBITDA multiples by sector



NOTEWORTHY TRANSACTIONS...

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
6/14/16	DST Systems Inc., North American Customer Communications Business.	Broadridge Investor Communications Corporation; Broadridge Output Solutions, Inc.	Office Services and Supplies	\$410	0.37x	-

Consideration is subject to customary working capital and other closing adjustments. Senior management will be joining Buyer as part of this transaction. The transaction has been approved by Board of Directors of Target and Buyer and is now subject to antitrust approval and expiration or early termination of the applicable waiting period, including any extensions thereof, under the Hart-Scott-Rodino Antitrust Improvements Act of 1976.

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
6/16/16	Dejana Truck & Utility Equipment Co., Inc.	Douglas Dynamics, Inc. (NYSE:PLOW)	Construction Machinery and Heavy Trucks	\$206	1.42x	-

The consideration is subject to working capital and other adjustments. Under the terms of the agreement, \$26 million of the consideration is contingent on the financial performance of Target. \$10 million of the earn out will be paid in the year ending on 12/31/16, another \$10 million in year ending on 12/31/17 and remaining \$6 million in year ending on 12/31/18. Of the consideration, \$18 million will be deposited in escrow. As of July 7, 2016, United States Federal Trade Commission granted early termination of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act.

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
6/13/16	Rugby IPD Corp.	Hardwoods Specialty Products US LP	Trading Companies and Distributors	\$120	0.42x	9.40x

Buyer entered into an agreement to acquire substantially all of the assets of Target for approximately CAD 150 million in cash and shares. Under the terms of transaction, Buyer will pay approximately CAD 127.9 million (\$100 million) in cash payable at closing and will issue Hardwoods Distribution Inc. (TSX : HWD) 0.56 million shares valued at CAD 8.9 million plus up to another CAD 16.7 million (\$13 million) based on future performance payable over the two years following closing. The buy side termination fee is CAD 2.6 million. The transaction is subject to obtain approval from TSX, US antitrust approval, execution of the Escrow Agreement, the Employment Agreements, a Non-Competition Agreement, a Non-Solicitation Agreement, and other conditions customary.

CONTINUED

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
6/6/16	BNN Holdings Corp.	NuVasive, Inc. (NasdaqGS:NUVA)	Health Care Technology	\$98	1.96x	-

The consideration will be subject to working capital, net debt, net cash and transaction expense adjustments. At the closing, \$9.8 million of the consideration will be contributed to an escrow fund to secure the Target's obligations to indemnify Buyer for a period of 15 months following the closing for certain matters. In addition, all outstanding options to purchase the Target's capital stock will be cancelled and receive cash in the amount equal to the excess of per share consideration over exercise price of options. 80% of the aggregate employees of BNN Holdings, who are employed as of the date hereof shall remain employed as of the closing date, each stockholder, non-competition and non-solicitation agreement shall be in full force and effect.

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
6/1/16	Z Squared Media, LLC	UBM plc (LSE:UBM)	Advertising	\$18	1.96x	-

As a part of the deal Buyer will also pay an additional earn-out payment subject to meeting profit targets over the next 2 years. Post-acquisition Content Marketing Institute and Content Marketing World will become part of Buyer's technology events group.

Notes: Middle Market defined as all M&A activity between \$10 million - \$1billion in transaction value. EBITDA and Revenue multiples are based on median observations and calculated for disclosed transactions only. Our data includes majority sales and excludes Financials, Telecommunication Services and Utilities sectors. Data Source: PlerCap Partners, S&P, CapitalIQ.

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