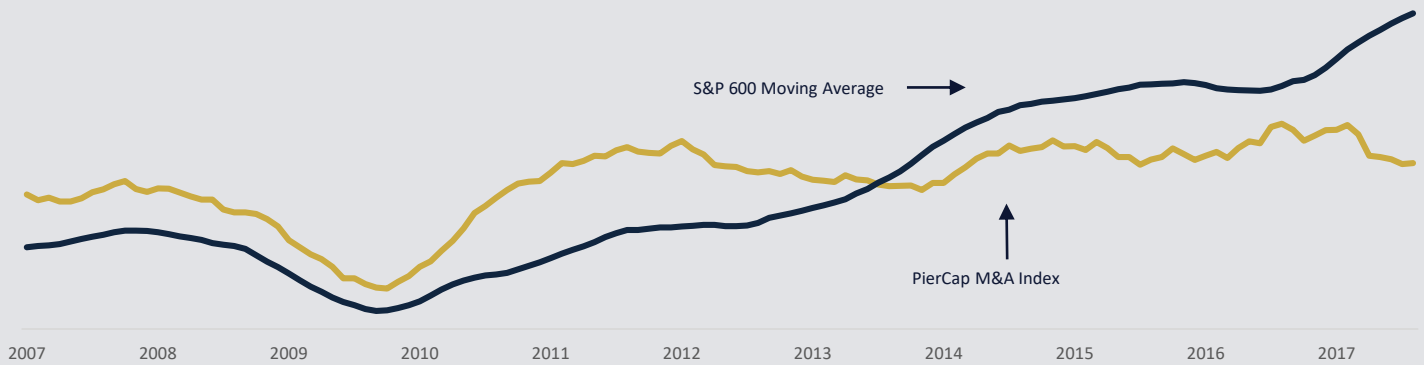


M&A MIDDLE MARKET INSIGHTS – AUGUST 2017

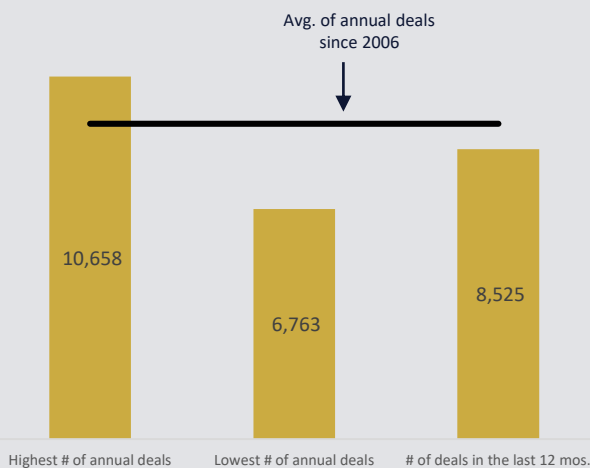
THE DECOUPLING CONTINUES TO BE MORE THAN A BLIP

➤ PierCap's Middle Market Index



PRICING SIGNALS APPROACHING ALL TIME HIGHS

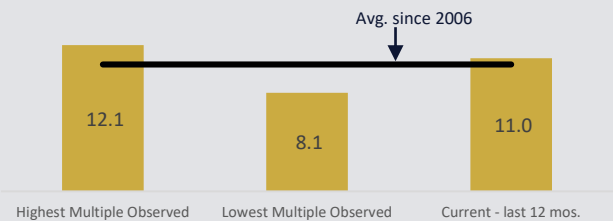
➤ All M&A Transaction Volumes



➤ Middle Market M&A Revenue Multiples

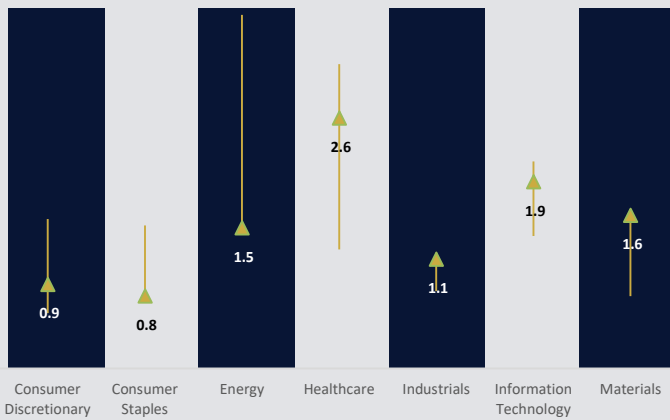


➤ Middle Market M&A EBITDA Multiples

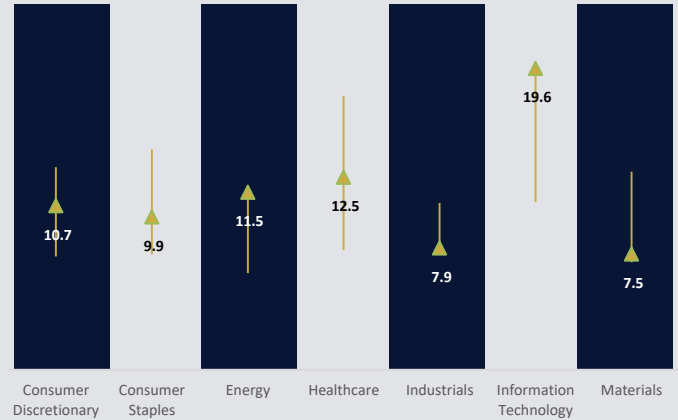


STRENGTH OF MULTIPLES VARY ACROSS APPROACHES

➤ Middle Market Revenue Multiples by Sector



➤ Middle Market EBITDA Multiples by Sector



NOTEWORTHY TRANSACTIONS...

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
8/3/17	Anchor Brewing Company, LLC	Sapporo Holdings Limited (TSE:2501)	Brewers	\$85	2.6x	-

Buyer, a Japanese alcohol company selling beer, liquors, wine and other alcoholic beverages since 1876, agreed to acquire Target for \$85 million. Target, founded in 1896, produces beers and ales and sell through distributors worldwide. Target's experienced management team will continue to run the business and will continue to run operations from San Francisco, including Potrero Hill brewery. Anchor Distilling Company is not part of this transaction and will now become a fully independent company in its own right.

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
8/14/17	Calumet Superior, LLC	Husky Energy Inc. (TSX:HSE)	Commodity Chemicals	\$435	-	-

Buyer, one of Canada's largest energy and energy-related company, agreed to acquire Target from Calumet Lubricants Co., Limited Partnership for approximately \$440 million. Target, founded in 2011, produces and sells specialty lubricants and oil products. The purchase price is subject to adjustment for net working capital on closing. Buyer plans to retain the approximately 180 workers at the refinery. The transaction is subject to customary closing conditions, third party approvals, antitrust approval and regulatory approvals. The transaction is expected to be immediately accretive to Buyer's earnings and funds from operations.

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
8/14/17	Williamson-Dickie Manufacturing Company	V.F. Corporation (NYSE:VFC)	Apparel, Accessories and Luxury Goods	\$820	0.9x	11.0x

Buyer, an American branded lifestyle apparel, footwear and accessories company with over 30 brands, signed a definitive agreement to acquire Target for approximately \$820 million. Target, founded in 1918, manufactures automotive accessories; bags, luggage, and mobile device accessories; belts, wallets, and suspenders; apparel for boys, girls, infants, juniors, and toddlers; chef wear, headwear, and cold weather accessories; industrial workwear; medical apparel and medical footwear; men's tops, base layers, and sleepwear; occupational wear; performance socks; sunglasses and readers; uniforms; work boots and shoes; and workwear gloves and support accessories. The company serves federal and state government, heavy and light manufacturing. The transaction will be financed with cash. Upon closing Target will become part of Buyer's Imagewear coalition. Philip Williamson will be retained as CEO of Target. The transaction is expected to close in the early fourth quarter of 2017 and will be immediately accretive.

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
8/15/17	MacroPoint LLC	The Descartes Systems Group Inc (TSX:DSG)	Application Software	\$107	8.6x	-
<p>Buyer, a Canadian technology company specializing in logistics software, supply chain management software, and cloud-based services for logistics businesses, acquired Target from Susquehanna Growth Equity, LLC and other shareholders for approximately \$110 million. Target develops automated location tracking solutions, offering real time shipment and load tracing and mapping for freight brokers, third party logistic firms, and shippers. Under the terms of the transaction, the consideration was paid with approximately \$87 million in cash and \$20 million in shares. The cash consideration was satisfied from \$7 million of cash on hand and the balance from existing acquisition line of credit. The share consideration is subject to a 12 month hold period, with 50% of the share consideration required to be held for at least 18 months.</p>						

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
8/22/17	Sierra Bullets, L.L.C.	Clarus Corporation (NasdaqGS:CLAR)	Aerospace and Defense	\$79	2.5x	6.3x
<p>Buyer, engaged in designing and manufacturing of active outdoor performance equipment and apparel for climbing, mountaineering, backpacking, skiing and other recreation activities, acquired Target from BHH Management, Inc. for \$79 million. Target manufactures bullet jackets, accessories and hunting/target bullets for rifles and handguns. The consideration is subject to a post-closing working capital adjustment. In connection with the transaction, Buyer increased the size of its senior credit facility from \$20 million to \$40 million. All 140 employees will remain with no changes to the staff of Target, including Target's President, Pat Daly. Target will remain at Sedalia, MO and the acquisition is expected to be immediately accretive to Buyer's earnings per share.</p>						

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. Starting September 2016, trailing 12 month data also includes transactions that have been announced but not yet closed. Data Source: PierCap Partners, S&P, CapitalIQ.

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