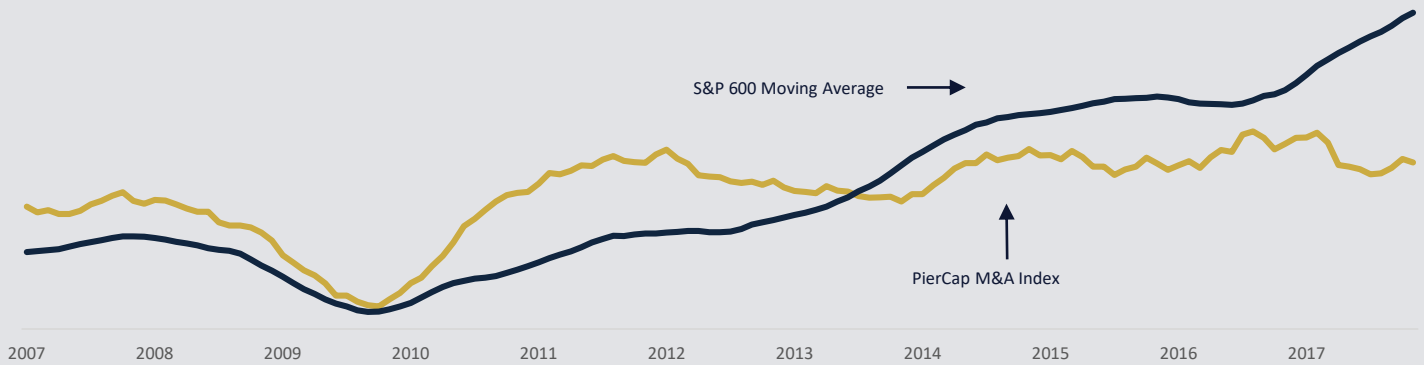


M&A MIDDLE MARKET INSIGHTS – NOVEMBER 2017

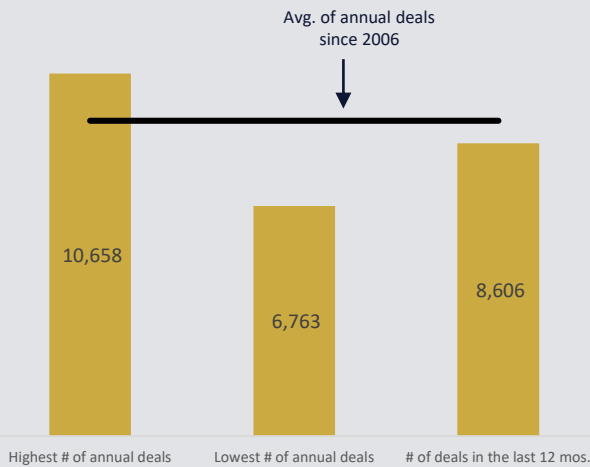
SPREAD CONTINUES TO WIDEN

➤ PierCap's Middle Market Index



REVENUE MULTIPLES AT THEIR HIGHEST SINCE 2006

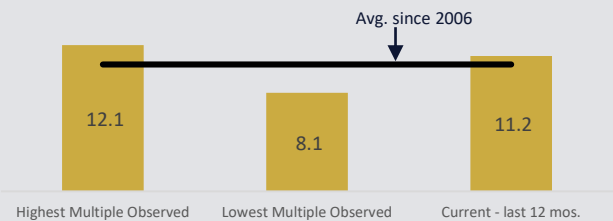
➤ All M&A Transaction Volumes



➤ Middle Market M&A Revenue Multiples

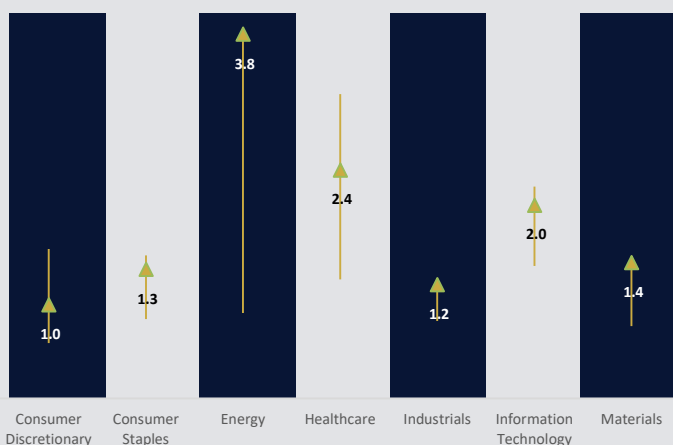


➤ Middle Market M&A EBITDA Multiples

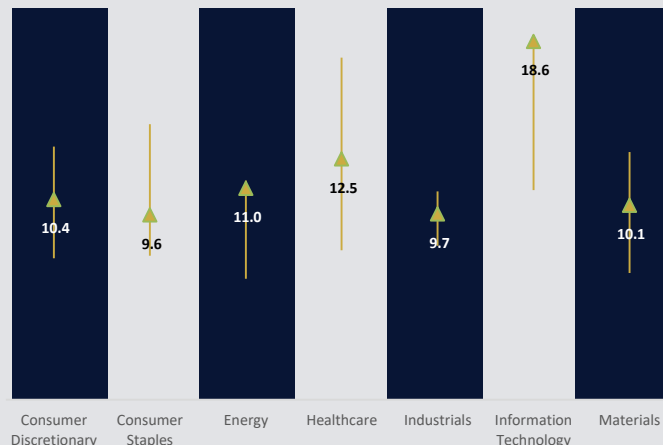


ENERGY, HEALTHCARE AND INDUSTRIALS CONTINUE TO SHOW PRICING STRENGTH

➤ 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
11/1/2017	D'Style, Inc.	Kimball Hospitality, Inc.	Home Furnishings	\$20	1.0x	-

Buyer, a provider of hospitality case goods and seating furniture solutions for guest rooms and public spaces, acquired Target for \$20 million. Target is a California-based vendor for custom hospitality furnishings. The purchase price is subject to certain post-closing working capital adjustments and includes \$2.2 million of contingent earn-out payment. Upon completion, Roberto Besquin will serve as Executive Director and Jacob Shor will serve as the Senior Director of Operations of D'Style. D'Style employees will join Kimball upon completion. The transaction is expected to close within the next 30 days.

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
11/2/2017	Jackson Hole Aviation, LLC	Jackson Hole Airport Board	Aerospace and Defense	\$26	1.04x	-

Buyer, an airport authority board, acquired Target for \$26 million. Target is a full-service fixed base operator located at the Jackson Hole Airport, providing a full array of services for all types of aircraft, including on-call maintenance. To take effect in May 2018, the purchase will require an amendment to the airport's budget that must be approved by the county and the town of Jackson. The airport expects to recoup its purchase price over the next five years, which equals the amount of time remaining on the fixed base operators lease.

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
11/2/2017	Tazo Tea Company	Unilever United States, Inc.	Packaged Foods	\$384	3.41x	-

Buyer, one of the world's leading suppliers of food, home care, personal care and refreshment products, entered into an agreement to acquire Target for \$384 million from Starbucks. Target is a leading brand in the fast growing specialty tea category and has a strong position in specialty black, green and herbal teas as well as liquid concentrates focused in the chai latte segment. Under the asset purchase agreement, Buyer will acquire Target's brand and all related intellectual property, signature recipes and inventory. Transaction represents a 10.0x multiple of proforma EBIT and is subject to regulatory approvals.

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
11/9/2017	Respawn Entertainment, LLC	Electronic Arts Inc. (NasdaqGS:EA)	Home Entertainment Software	\$291	-	-

Buyer, a leading publisher of games on personal computers, consoles and mobile, entered into an agreement to acquire Target for \$291 million. Target is a US-based video game development studio. As part of consideration, Buyer will pay \$151 million in cash and up to \$164 million in long-term equity, which will vest over four years. In addition, Buyer may be required to pay additional variable cash consideration that is contingent upon achievement of certain performance milestones, relating to the development of future titles, through the end of calendar 2022. The additional consideration is limited to a maximum of \$140 million. Vince Zampella, Chief Executive Officer of Target, will continue to run Target and will also become part of the studio leadership team at Target. The transaction is subject to regulatory approvals, anti-trust approval and other customary closing conditions.

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
11/14/2017	Detrex Corporation (OTCPK:DTRX)	Italmatch Chemicals S.p.A.	Commodity Chemicals	\$46	1.18x	12.09x

Buyer, a leading innovate chemical group, specializing in performance additives for lubricants, plastics, water and oil markets. entered into a definitive agreement to acquire Target for \$46 million. Target is an Ohio-based producer of high performance lubricant additives, for industrial applications and high purity hydrochloric acid. Under the terms of the agreement, each share of Target's common stock outstanding immediately prior to the merger will be converted into and exchanged for the right to receive \$27 in cash. The merger is subject to the approval by the holders of at least two-thirds of the issued and outstanding shares of common stock of Target and the satisfaction or waiver of customary closing conditions. There is no financing condition to complete the acquisition. Directors and major shareholders representing approximately 52% of the shares have agreed to vote in favor of this proposal unless a superior proposal is received.

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.

Disclosure: The M&A Middle Market Insights publication is intended for private use of the recipient, for informational purpose only, and to provide an overview of certain information relating to the Middle Market Mergers & Acquisition market. This is general information only and is not a substitute for any professional advice or services, nor should it be used as a basis for any decision or action that may affect your business, or construed as containing advice or recommendation. The information provided herein is based on data obtained from certain sources we consider accurate and reliable, but we do not represent as to its accuracy or completeness. Information and our opinions are as of date provided herein without any obligation to update the information. No part of this information may be copied, photocopied, or duplicated in any form by any means or redistributed without PierCap Partners, LLC's express written consent. Investment banking services offered through Independent Investment Bankers Corp., a registered broker-dealer, Member FINRA / SIPC. PierCap Partners, LLC and Independent Investment Bankers Corp. are not affiliated entities.



Not sure how the market impacts your current situation? Received an unsolicited offer?
Connect with us for custom insights, assessments, and suitable options.

MIDDLE MARKET M&A INVESTMENT BANKING

Ashish Jariwala - 646.701.2359 | ashish@piercappartners.com

Zaheer Dhruv - 858.342.7517 | zaheer@piercappartners.com

piercappartners.com

Acquire or sell your business... for the best possible combination of price, terms and strategic fit.

PierCap Partners, LLC | 4320 La Jolla Village Drive, Suite 300, San Diego, 92122