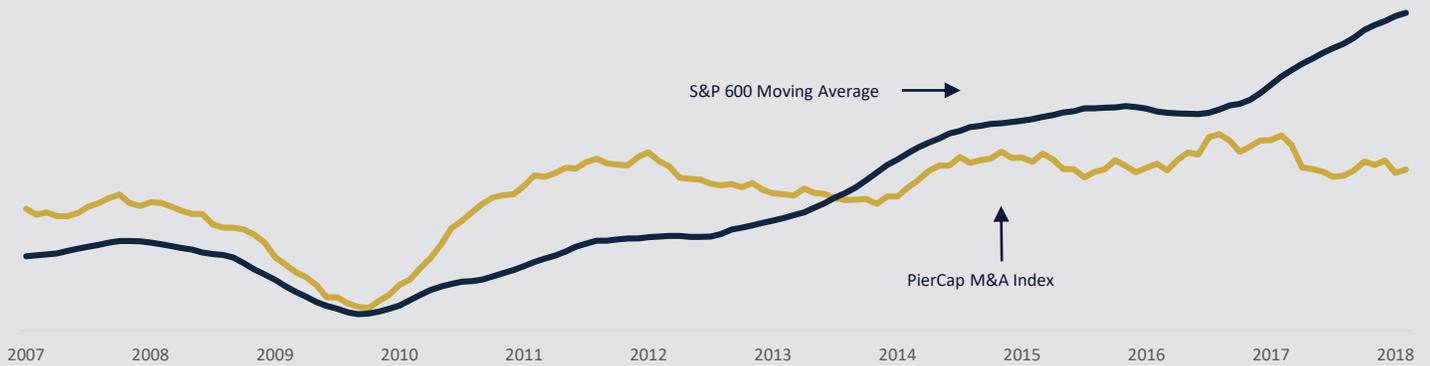


M&A MIDDLE MARKET INSIGHTS – FEBRUARY 2018

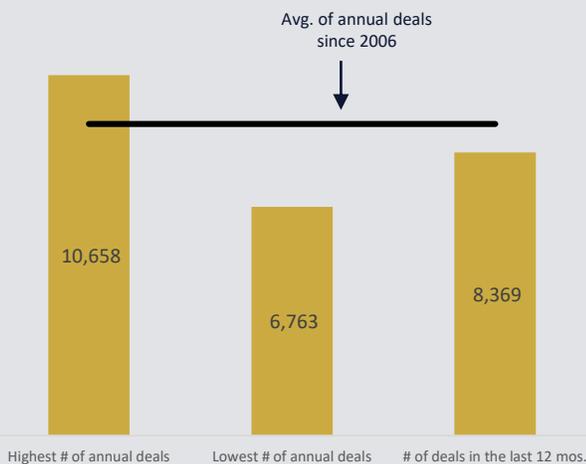
M&A INDEX OFF IT'S HIGHS; IS IT A TREND?

➤ PierCap's Middle Market Index



VOLUMES LOWER, PRICING ABOVE AVERAGE LEVELS

➤ All M&A Transaction Volumes



➤ Middle Market M&A Revenue Multiples

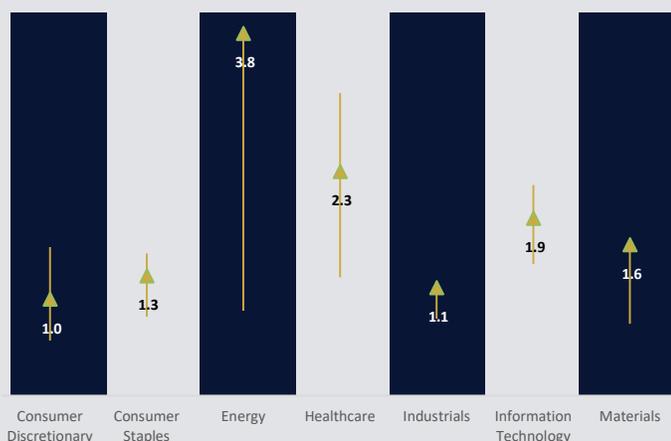


➤ Middle Market M&A EBITDA Multiples

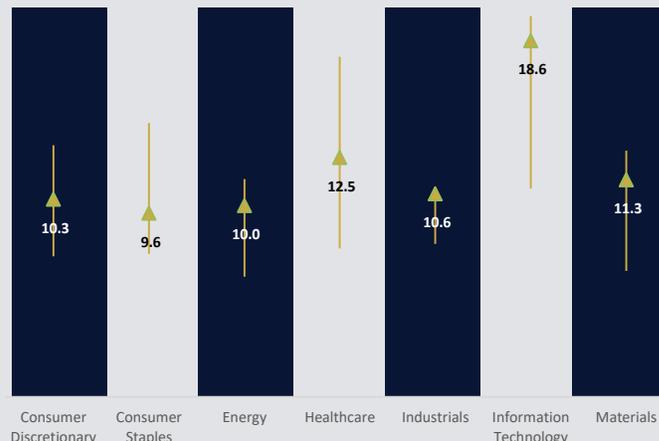


CONSUMER DISCRETIONARY AND CONSUMER STAPLES LAG OTHER SECTORS

➤ 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
2/1/2018	Arizona Instrument LLC	AMETEK, Inc. (NYSE:AME)	Electronic Equipment and Instruments	\$38	2.53x	-

Buyer, a manufacturer of electronic and electromechanical instruments for the process, power and industrial, and aerospace markets, acquired Target for about \$38 million. Target provides high precision moisture and gas measurement instruments, for use in high-value application. Target also provides calibrations and repair, trading, and on-site services. After the completion of transaction, Target will join AMETEK as part of its Electronic Instruments Group.

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
2/6/2018	Talent Assessment Business of CEB Inc.	Exponent Private Equity LLP	Research and Consulting Services	\$400	-	10.50x

Buyer, a UK-based private equity firm, entered into definitive agreement to acquire talent assessment business from Target (formerly SHL), a subsidiary of Gartner, Inc. (NYSE:IT), for \$400 million. Target provides data, analytics, and insights for assessing and managing employees and applicants to achieve better business results through enhanced intelligence for talent and key decision-making processes—from hiring and recruiting to employee development and succession planning. As per the terms of agreement, the purchase price is subject to typical adjustments for among other things and the working capital of the business. The transaction is subject to customary closing conditions and is expected to close in the first half of 2018. Target's parent Gartner, Inc. intend to use majority of the proceeds to repay debt, and remains committed to reaching its leverage targets in-line with its existing plan.

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
2/7/2018	Los Angeles Times Communications and The San Diego Union-Tribune and Some Other Newspapers	Nant Capital, LLC	Publishing	\$590	1.26x	8.08x

Buyer, a investment vehicle owned by LA resident Dr. Patrick Soon-Shiong, entered into agreement to acquire Los Angeles Times Communications, Tribune Washington Bureau, and The San Diego Union-Tribune, and the other California News Group titles from tronc, Inc. (NasdaqGM:TRNC) for approximately \$590 million. Under the terms, the consideration includes \$500 million in cash and the assumption of \$90 million in pension liabilities. Post-acquisition, tronc and Buyer will enter into a transition services agreement providing for up to twelve months of transition services between the parties. FTC and Department of Justice reviewed the transaction and determined that it would not be anticompetitive. This transaction would return one of the nation's largest newspapers to local control.

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
2/24/2018	Lehigh White Cement Company	CEMEX, Inc., Aalborg Cement Company Inc.	Construction Materials	\$275	1.85x	10.60x
<p>Buyers signed an agreement to acquire additional 51% stake in Lehigh White Cement Company from HeidelbergCement AG (DB:HEI) for approximately \$140 million on February 14, 2018. Target manufactures a variety of cements, covering a range of ordinary portland cement for traditional uses as well as white cement, masonry products, custom-colored, blended and slag cements. Target operates out of two facilities based in TX and PA with combined production capacity of 0.255Mta. Under the terms, Aalborg Cement Company is acquiring 38.75% stake for approximately \$110 million, on cash and debt-free basis and will finance it with cash and available credit lines; and CEMEX is acquiring 12.25% stake for approximately \$34 million. Pursuant to completion, Aalborg Cement Company will hold 63.25% stake while CEMEX will hold the remaining 36.75% stake in Lehigh White Cement Company. The transaction is subject to customary closing conditions and is approved by the antitrust bodies.</p>						

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
2/26/2018	Intermedix Corporation	R1 RCM Inc. (NasdaqCM:RCM)	Health Care Technology	\$460	2.38x	9.58x
<p>Buyer, a provider of revenue cycle management (RCM) services and physician advisory services (PAS) to hospitals and other medical services providers, entered an definitive agreement to acquire Target for \$460 million. The emergency preparedness division of Intermedix is not a part of the transaction and will become an independent company, backed by Thomas H. Lee Partners, once the transaction closes. Target provides technology-enabled solutions that supports and connects healthcare providers, public health agencies, and emergency management personnel. The purchase price will be paid in cash and is subject to customary adjustments for cash, debt, transaction expenses and normalized working capital. Buyer will finance the transaction through \$380 million debt financing and \$80 million cash on hand. If all conditions to closing have been satisfied or waived and Buyer fails to consummate the transaction, following confirmation by Buyer it is prepared to close, in which case Buyer will be required to pay to Target a reverse termination fee of \$23 million (5% of transaction value) or if Buyer fails to execute an agreement with Ascension Health incorporating the terms of the term sheet for Medical Group RCM Services, then Buyer will be required to pay to Target a termination fee of \$32.2 million (7% of transaction value).</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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Ashish Jariwala - 646.701.2359 | ashish@piercappartners.com
Zaheer Dhruv - 858.342.7517 | zaheer@piercappartners.com
piercappartners.com

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PierCap Partners, LLC
San Diego, CA | Irvine, CA