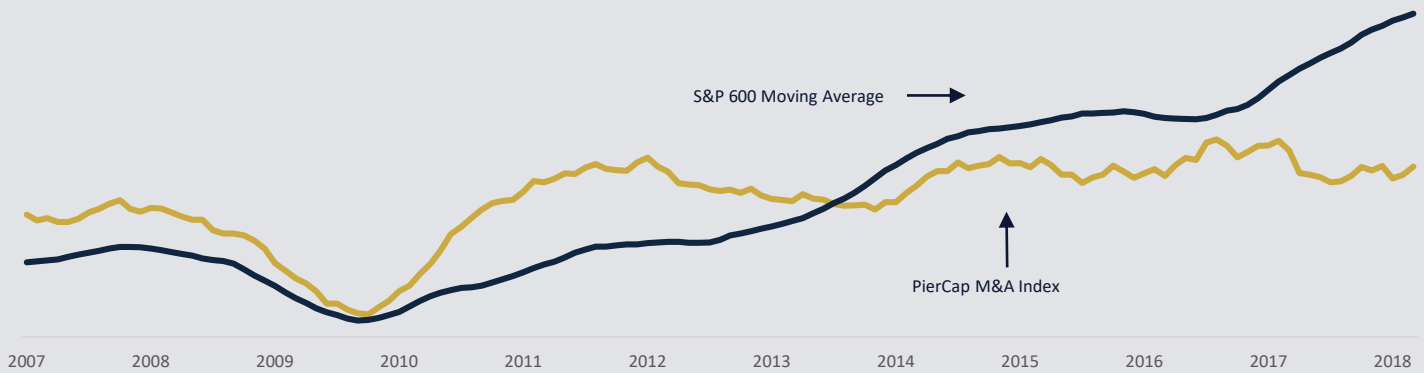


M&A MIDDLE MARKET INSIGHTS – MARCH 2018

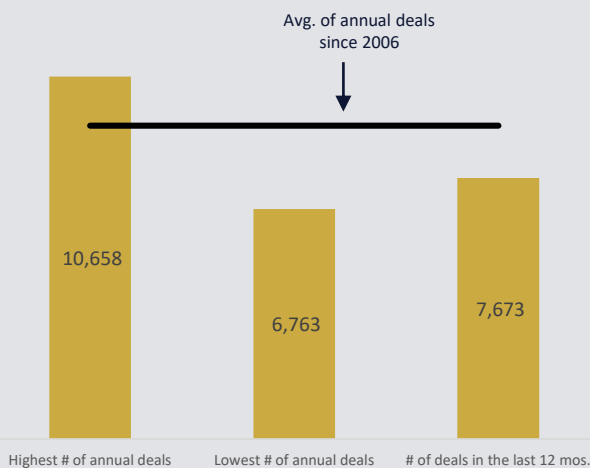
M&A INDEX PLAYING CATCH-UP

➤ PierCap's Middle Market Index

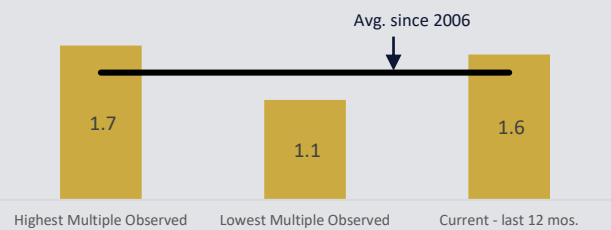


VOLUMES LOW, PRICING MULTIPLES HOLD THEIR GROUND

➤ All M&A Transaction Volumes



➤ Middle Market M&A Revenue Multiples

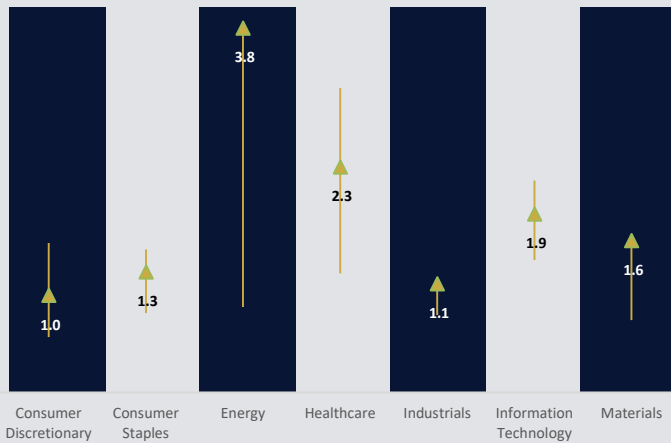


➤ Middle Market M&A EBITDA Multiples

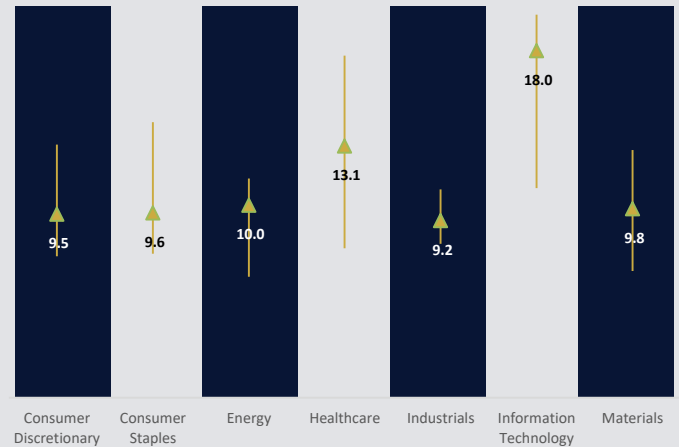


STRENGTH ACROSS SECTORS

➤ 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
3/1/18	Gulf Stream Marine, Inc.	Logistec Corporation (TSX:LGT.B)	Marine Ports and Services	\$66	0.95x	8.01x
<p>Buyer, a Quebec-based company providing cargo handling and other services to marine, industrial, and municipal customers in Canada and the U.S., entered into an agreement to acquire Target from The CapStreet Group, LLC and others for \$65.7 million. Target provides cargo handling, terminal operations, and stevedoring services for steel commodities, heavy equipment and machinery, bulk/mineral products, oil and gas process equipment, roll-on/roll-off services, wind turbine components, and forest products. The consideration was paid in cash and is subject to adjustments.</p>						

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
3/1/18	Oro Agri SEZC Limited	Omnia Group (Pty) Ltd	Fertilizers and Agricultural Chemicals	\$94	1.83x	9.31x
<p>Buyer, a South African company offering customized chemical solutions to chemical, mining, and agricultural markets, entered into stock purchase agreement to acquire Target for \$94 million, of which \$50 million will be paid on closing date, \$29 million on 6 month anniversary (less any deduction as defined in agreement), and \$15 million to be withheld for a period of 24 months as retention amount for indemnity losses or warranty claims. Target, a CA company, develops, manufactures, and markets agrochemical products that offer crop protection materials, liquid foliar fertilizers, plant nutrients, and soil conditioners for use in agricultural, turf and ornamental, industrial, and lawn and garden applications. As a result of this transaction, Buyer will hold 47.92% shares in Oro Agri SA. In a related transaction, Buyer also entered into an agreement to acquire remaining 52.08% shares in Target from MD Pullen for \$4 million. Omnia will fund the transaction through existing available cash.</p>						

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
3/12/18	Cedar Creek Holdings, Inc.	BlueLinx Corporation (NYSE: BXC)	Trading Companies and Distributors	\$413	0.29x	6.88x
<p>Buyer, a two-step distributor providing building materials in the U.S., entered into agreement to acquire Target from Charlesbank Capital Partners and others for \$413 million, on a cash and debt free basis. \$345 million will be paid in cash to sellers and \$68 million as agreed value of capital leases. Target engages in the distribution of lumber, building materials and industrial products, including hardwood lumber and plywood, melamine, MDF, particleboard, hardboard, panel products, timbers, and custom millwork services. The consideration is subject to standard adjustment for working capital, cash at closing, transaction expenses and indebtedness. Buyer has financed the transaction from the existing senior secured credit facility inclusive of an accordion feature and term loan facility. Mitch Lewis will continue as CEO of the combined company, which will remain headquartered in Atlanta, GA and Alex Averitt, CEO of Target, will become COO of Buyer.</p>						

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
3/20/18	Oboz Footwear, LLC	Kathmandu Holdings Limited (NZSE:KMD)	Footwear	\$75	2.48x	16.30x
<p>Buyer, a transnational chain of retail stores selling travel & adventure outdoor apparel and equipment, entered into a binding agreement to acquire Target for \$75 million. Of the \$75 million, \$60 million will be paid as base consideration and remaining upto \$15 million will serve as an earnout based on an EBITDA target as of 12/31/2018. The earn out amount will be kept in escrow. Target designs, manufactures, and sells men/women shoes for trail running, hiking, backpacking, approaching crags, scrambling, multisport, lifestyle, and general exploration of wild places. Buyer will fund the purchase through combination of placement of ordinary shares, new acquisition debt facility, and expansion of existing debt facilities. The Oboz business will continue to operate independently with minimal integration costs. John Connelly, President and founder of Oboz will continue to lead Oboz from Bozeman.</p>						

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
3/26/18	BioMed Laboratories LLC	Scapa Group plc (AIM:SCPA)	Life Sciences Tools and Services	\$32	3.14x	22.86x
<p>Buyer, a UK based global supplier of bonding solutions and manufacturer of adhesive-based products for the healthcare and industrial markets, acquired Target for \$32 million. The consideration involves payment of \$19 million in cash, and a further cash consideration of up to \$13 million payable depending on performance in years 2018 and 2019. Target, a Dallas company, operates as a contract development and manufacturing organization (CDMO), manufacturing gels, creams, lotions, liquids, powders, and hot fill waxes for over-the-counter (OTC), wound care, and skin care markets. The transaction will be funded from existing cash reserves and bank facilities.</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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