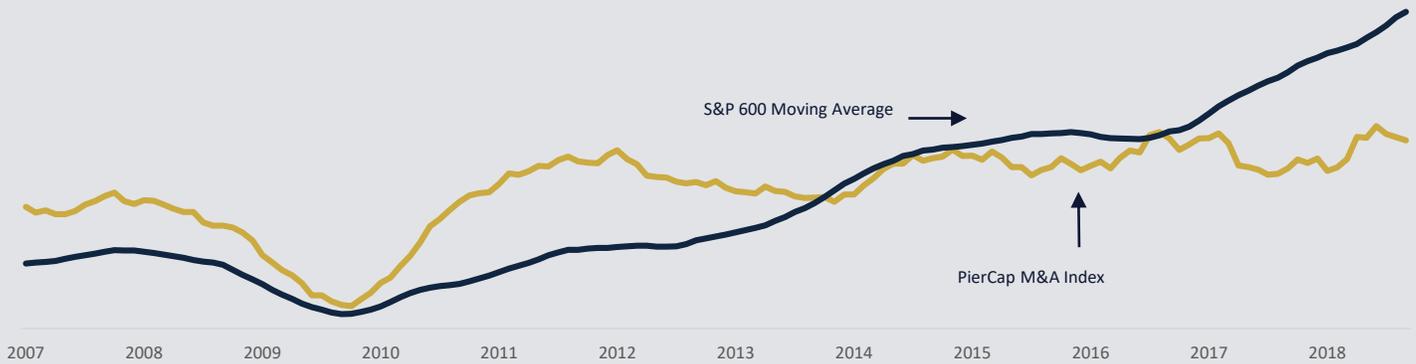


## M&A MIDDLE MARKET INSIGHTS – SEPTEMBER 2018

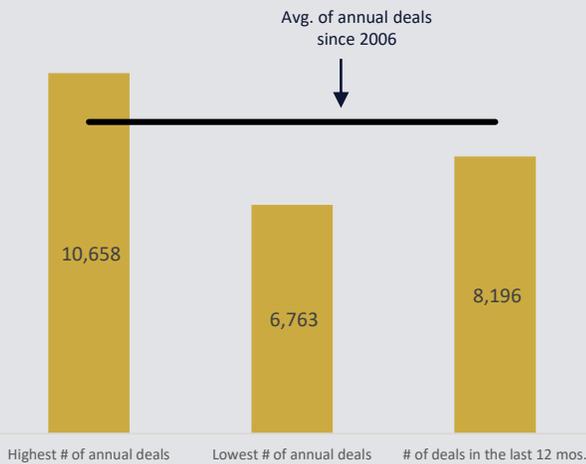
### S&P 600 RISES, M&A INDEX HOVERS AROUND IT'S PEAK

#### ➤ PierCap's Middle Market Index



### MULTIPLES REMAIN STEADY

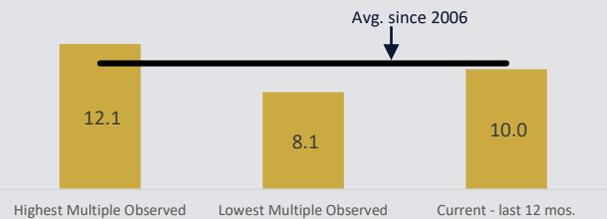
#### ➤ All M&A Transaction Volumes



#### ➤ Middle Market M&A Revenue Multiples

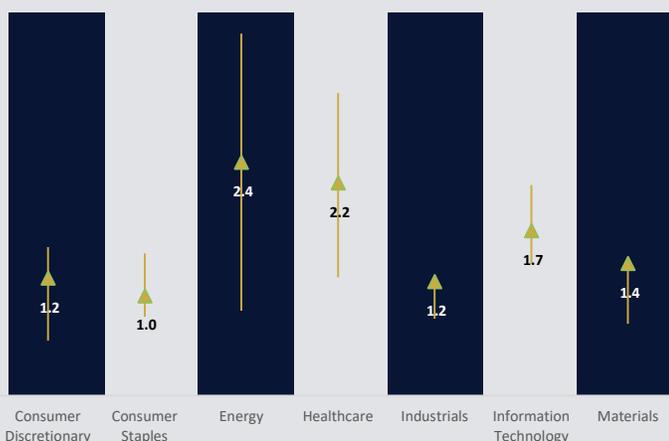


#### ➤ Middle Market M&A EBITDA Multiples

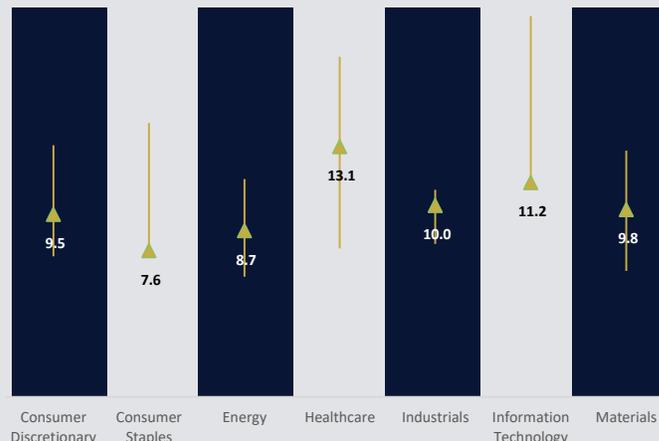


## CONSISTENCY IN STRENGTH OF MULTIPLES

### ➤ 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
9/4/2018	Ravin Crossbows, LLC	Velocity Outdoor, Inc.	Leisure Products	\$119	2.59x	-

Buyer, an international designer, manufacturer, and marketer of a diverse portfolio of hunting and shooting products, entered into an agreement to acquire Target for \$119 million. Target, a leading manufacturer of high-end, technologically advanced crossbows, offers its product both online and through a variety of retailers. Of the \$119 million purchase price, \$25 million will be paid contingent on future financial performance thresholds being met. Buyer funded the acquisition through a drawdown on its existing revolving credit facility. Target will join as a distinct and separate brand within the Buyer's portfolio of brands. Robert Beckwith, Buyer CEO, stated, "The acquisition of Ravin positions Velocity Outdoor to more fully capitalize on the sizeable crossbow market, further diversify its customer base and take advantage of the product and market expertise inside of Ravin."

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
9/4/2018	C-Store Business of TravelCenters of America (TA)	EG Group	Food Retail	\$331	0.46x	7.70x

Buyer, a leading operator of convenience stores across Europe, entered into an asset purchase agreement to acquire Target for \$331 million. Target is an operator of 225 minimart convenience stores and fuel stations across nine Midwest US states. As part of the asset purchase agreement, Buyer will deposit \$15 million into escrow, to be credited against the purchase price at closing. Buyer intends to fund the acquisition solely with internal resources. Zuber Issa, Buyer co-founder and co-CEO, stated, "For the past 17 years, we have had a vision of becoming a leading gas-station/convenience-store operator around the world. This is another exciting international milestone on our growth journey."

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
9/6/2018	International Vapor Group, Inc.	Turning Point Brands, Inc. (NYSE:TPB)	Tobacco	\$29	0.60x	5.82x

Buyer, a worldwide provider of smokeless, smoking, and new generation (e.g. vaping, etc.) tobacco products, entered into an agreement to acquire Target for \$29 million from Pegasus Real Estate Investment Group and Milander Investments. Target, a manufacturer of electronic cigarettes and accessories, sells its products under many brand names, both online and through a variety of retailers. Of the \$29 million purchase price, \$15 million will be paid in cash, \$4 million will be paid in the form of an 18-month unsecured promissory note, \$5 million will be paid with Buyer common stock (0.15 million shares), with the remaining \$4.5 million to be paid at the end of two years, contingent on future financial performance thresholds being met. Post-closing, shareholders will exchange 0.15 million Buyer shares for 0.34 million of previously issued Buyer Parent Class A shares.

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
9/27/2018	CSM Parent, Inc.	Clinigen Group Plc (AIM:CLIN)	Office Services and Supplies	\$240	4.69x	31.58x
<p>Buyer, a global pharmaceutical and services company, entered into an agreement to acquire Target for \$240 million. Target is a provider of specialist packaging, labeling, warehousing, and distribution services in US and Europe. Of the \$240 million purchase price, \$150 million will be paid in cash upfront, with the remaining \$90 million to be paid in cash in 2020 if Target achieves specified EBITDA levels in the year to December 31, 2019. Buyer intends to fund the acquisition through refinancing of an existing debt facility as well as issuance of new shares. Shaun Chilton, Buyer CEO, stated, "CSM will expand further our global supply and distribution network in strategically important regions, particularly Continental Europe, and will support all parts of our business. It extends our platform to provide access to medicines from the pre-launch and unlicensed stages through to licensed status on a global basis."</p>						

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
9/27/2018	Navience Healthcare Solutions LLC	Huntsworth plc (LSE:HNT)	Advertising	\$64	10.94x	18.42x
<p>Buyer, a worldwide healthcare communications and public relations company, entered into an agreement to acquire an 80% stake in Target for \$64 million. Target is an advisory and marketing agency offering market research and analytics for the pharmaceutical and healthcare industries. Of the \$64 million purchase price, \$24 million will be paid in cash at closing, with the remaining consideration to be paid based on a multiple of earnings for the two years ending December 31, 2019, to be capped at \$40 million. Target's remaining 20% stake is subject to put and call rights which are exercisable in May of each calendar year, beginning in 2022, with the value to be determined based on a multiple of Target's earnings for the two calendar years preceding exercise. Total consideration to be paid for 100% stake is capped at \$94 million. Buyer funded the \$24 million cash consideration through issuance of new ordinary shares.</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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