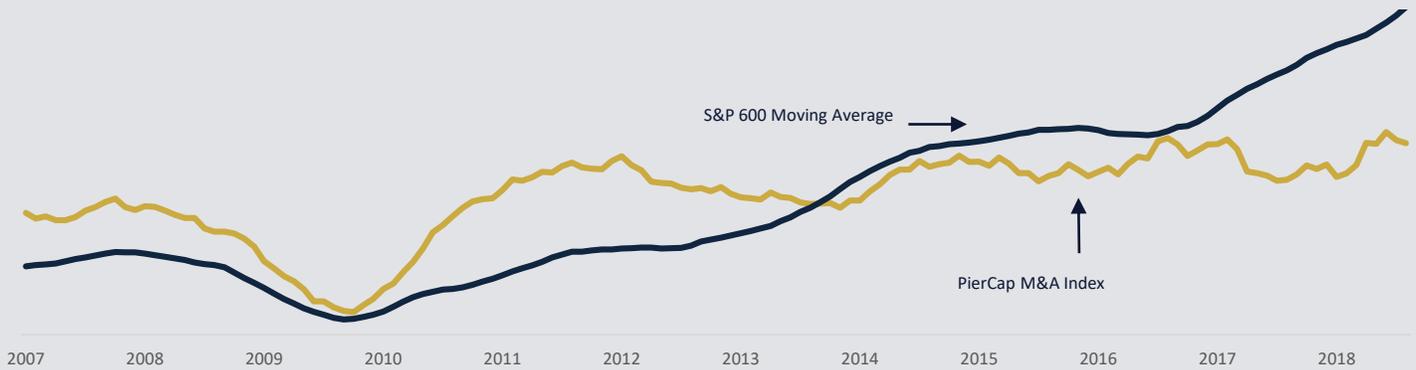


M&A MIDDLE MARKET INSIGHTS – AUGUST 2018

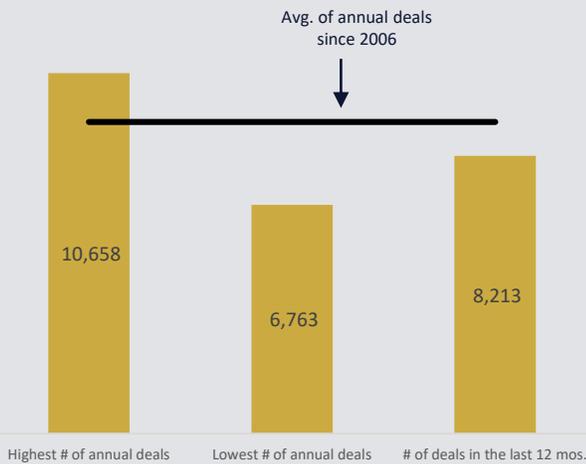
S&P 600 CONTINUES ITS ASCENT

➤ PierCap's Middle Market Index



PRICING STEADY AS VOLUMES DECLINE SLIGHTLY

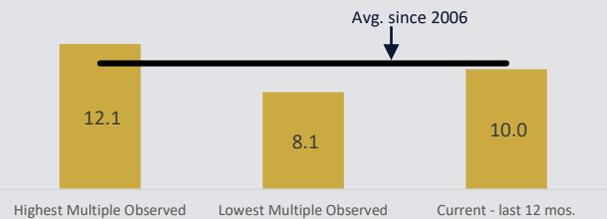
➤ All M&A Transaction Volumes



➤ Middle Market M&A Revenue Multiples

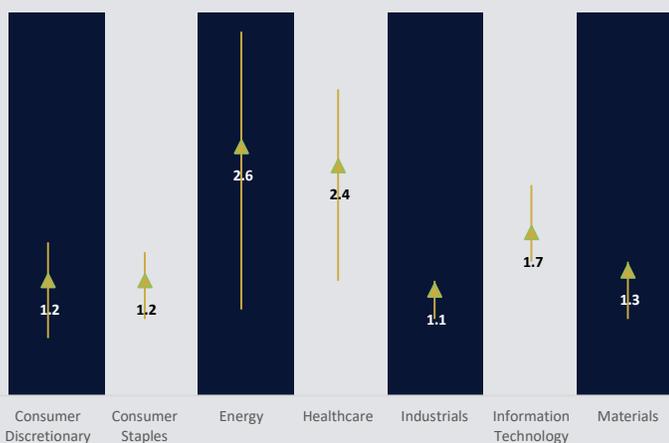


➤ Middle Market M&A EBITDA Multiples

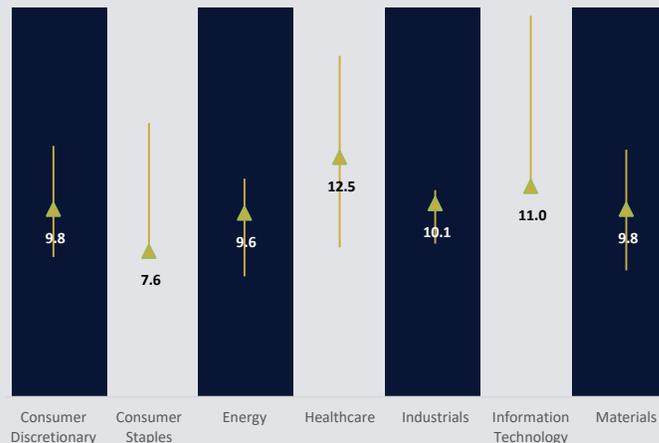


MULTIPLES STRONG, MOST SECTORS STEADY OR INCREASED FROM PRIOR MONTH

➤ 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
8/14/2018	Stuart Rentals, LLC	Arena Events Group, PLC (AIM:ARE)	Specialized Consumer Services	\$17	1.16x	6.53x

Buyer, a provider of temporary event services, such as structures, seating, tableware, furniture, among other offerings, entered into an agreement to acquire Target for \$17 million. Target, also a provider of temporary event services, has three showroom locations, and offers a wide variety of rental options for events of any size. Of the \$17 million purchase price, up to \$7 million is payable over the next three years, contingent on EBITDA thresholds being met. The contingent consideration of up to \$7 million to be paid to Target will be calculated as 10% of 2018, 2019, and 2020 full year EBITDA. To fund the acquisition, Buyer issued new ordinary shares. Target's management team is expected to remain in their current roles post-acquisition.

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
8/15/2018	MVMT Watches, Inc.	Movado Group, Inc. (NYSE:MOV)	Apparel, Accessories and Luxury Goods	\$200	2.82x	-

Buyer, a worldwide wholesaler and retailer of watches, entered into a definitive agreement to acquire Target for \$200 million. Target, a brand devoted to providing competitively priced, high quality, minimalist watches and accessories, offers its products both online and through various retailers. Of the \$200 million purchase price, \$100 million will be paid in cash upfront, while another \$100 million will be paid contingent on certain future financial performance thresholds being met, with no minimum required future payment. Buyer will finance the acquisition with both cash on-hand and borrowings under an existing revolving credit facility. Target's existing management team, workforce, and headquarters are expected to remain intact, while Target's brand will be offered alongside Buyer's existing brand offerings.

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
8/20/2018	Grakon, LLC	Methode Electronics, Inc. (NYSE:MEI)	Auto Parts and Equipment	\$420	2.64x	10.24x

Buyer, a worldwide manufacturer of custom-engineered and application-specific products, entered into an agreement to acquire Target for \$420 million in cash. Target, a developer of customized lighting solutions for the transportation industry, serves customers in the truck, locomotive, and specialty passenger vehicles markets worldwide. To finance the acquisition, Buyer will utilize up to \$140 million in cash on-hand and has entered into debt commitments with Bank of America and Wells Fargo to secure a \$250 million senior unsecured term loan and a \$200 million senior unsecured revolver. Post-acquisition, Target will become a wholly owned subsidiary of Buyer, with Target's name and brands remaining intact. Dave Paborsky, Target CEO, stated, "Upon closing, our companies will be positioned to accelerate our leadership as a global solutions provider of advanced lighting systems and electronic controls for premier vehicle Original Equipment Manufacturers."

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
8/28/2018	Impact Innovations, Inc.	IG Design Group Americas, Inc.	Paper Products	\$73	0.47x	4.85x
<p>Buyer, a manufacturer of gift packaging, stationary, greeting cards, and other gifting and event products, entered into an agreement to acquire Target for \$73 million. Target, operates both Seasonal and Commercial business units, with Seasonal providing décor, paper, and fabric products, such as ribbons, bows, and gift wrap, while Commercial is a provider of UV printed products, such as displays and plastic cards. The transaction is to be funded through both the issuance of Buyer's parent company shares in a private placement transaction as well as through extension of existing debt facilities. The shares will be issued to Target CEO and others close to the Target CEO in two tranches under a 6-12-24 month lock-in, followed by a 12 month orderly market, for each tranche respectively. As part of the new transaction, Target CEO will sign a new service contract and join Buyer's management team.</p>						

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
8/28/2018	Key Resources, Inc.	Monroe Staffing Services, LLC	Human Resources and Employment Services	\$12	0.35x	-
<p>Buyer, a staffing and consulting company providing placement and workforce management services, entered into an agreement to acquire Target for \$12 million. Target is a full service staffing firm specializing in distribution, product, clerical, and skilled labor. The \$12 million purchase price is comprised of \$8 million paid in cash at closing and \$2 million paid in August 2019 and August 2020, respectively, if certain trailing gross profit thresholds are met. Post-acquisition, the Target will become part of Buyer's Commercial Staffing division. Brendan Flood, Buyer CEO, stated, "Culturally, our businesses are very similar, and we expect that each of our current teams will work well together on cross selling ventures to further the revenue of both Key Resources and Monroe Staffing Services."</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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