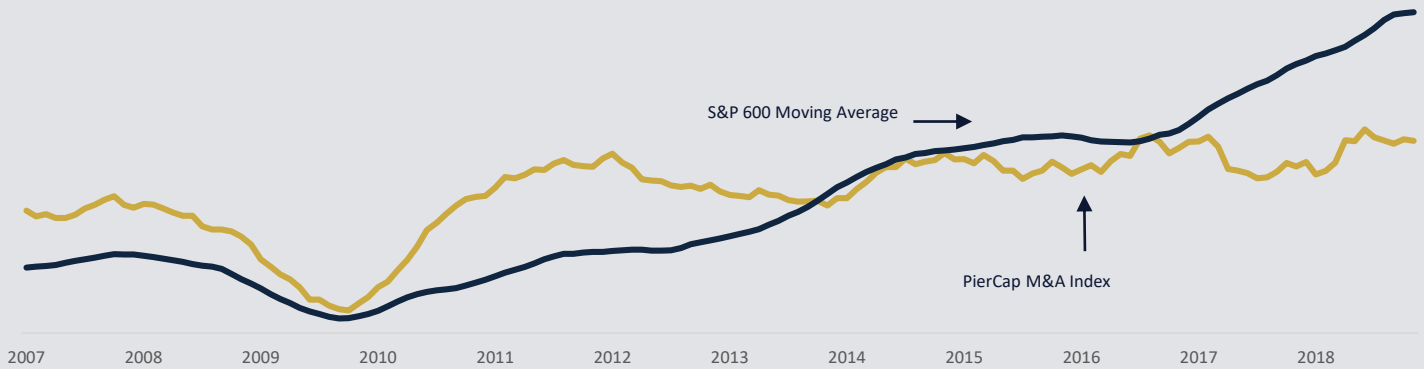


M&A MIDDLE MARKET INSIGHTS – NOVEMBER 2018

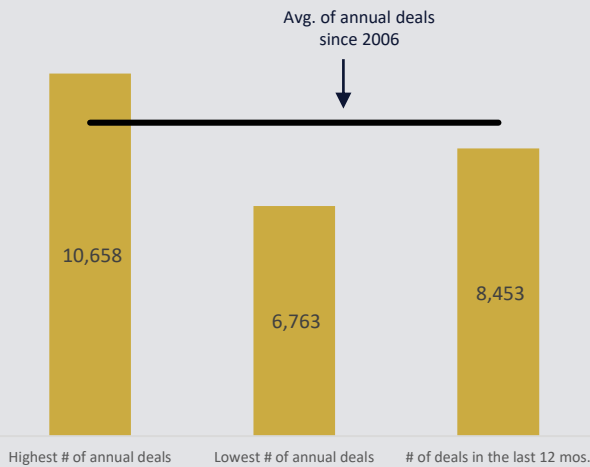
S&P 600 AND M&A INDEX STARTING TO LEVEL-OFF

➤ PierCap's Middle Market Index

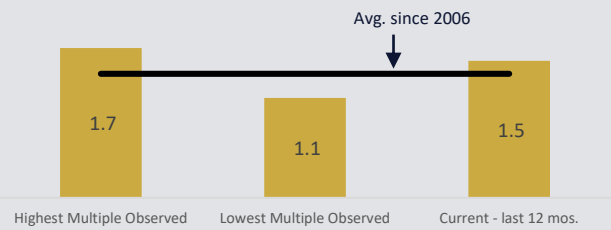


MULTIPLES CONSISTENT AS TRANSACTION VOLUMES CONTINUE INCREASING

➤ All M&A Transaction Volumes



➤ Middle Market M&A Revenue Multiples

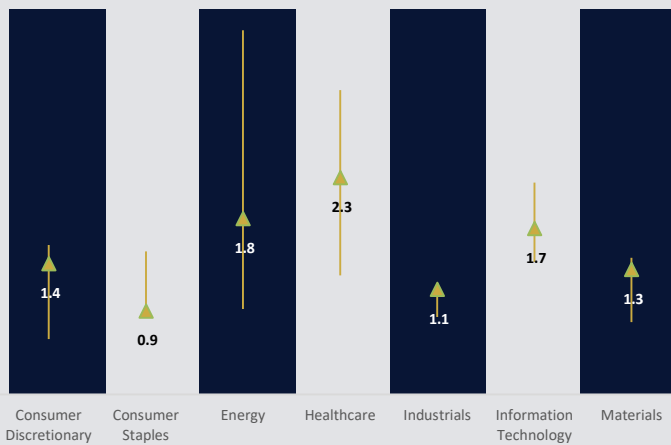


➤ Middle Market M&A EBITDA Multiples

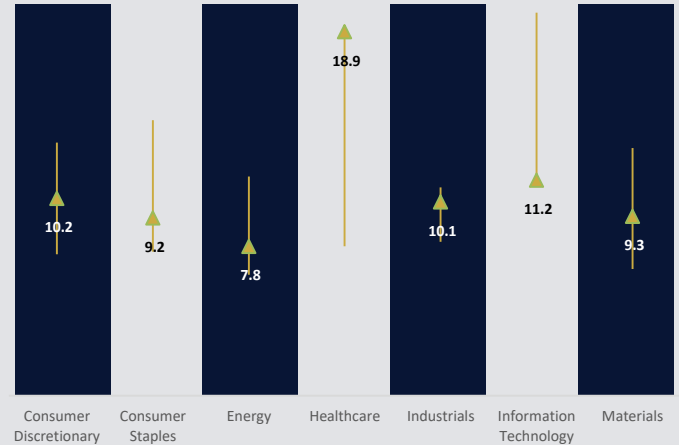


MULTIPLES HOLD FIRM ACROSS SECTORS

➤ 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
11/9/2018	Columbia Helicopters, Inc.	Bristow Group Inc. (NYSE:BRS)	Airlines	\$559	1.99x	4.78x

Buyer, a provider of industrial aviation services to offshore energy companies, entered into an agreement to acquire Target for \$559 million. Target is a manufacturer of tandem rotor helicopters used primarily for heavy-lift missions, such as firefighting, oil exploration, construction, and disaster response. The \$559 million purchase price is comprised of a cash payment of \$492 million and Buyer common stock valued at \$67 million. Under the agreement, if the common stock issued in connection with the transaction would exceed 17.31% of Buyer outstanding common stock prior to closing, the number of shares issued would be reduced and replaced with a cash payment up to \$4 million. The existing Target owners and management team will roll over \$77 million of current Target ownership into Buyer common stock, up to a maximum of 7 million shares. Buyer funded the transaction through a combination of debt, convertible debt, newly issued shares, and cash on-hand.

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
11/9/2018	MC Test Service, Inc.	SMTC Corporation (NasdaqGM:SMTX)	Electronic Manufacturing Services	\$70	0.47x	6.67x

Buyer, a provider of end-to-end electronics manufacturing services, entered into an agreement to acquire Target for \$70 million. Target provides electronic manufacturing services to original equipment manufacturers, offering services such as engineering / test development, supply chain management, program management, among others. Of the \$70 million purchase price, \$65 million will be paid upfront in cash while an additional \$5 million can be earned, contingent on performance measures being achieved for the twelve months ending March 31, 2019. Each qualifying holder of Target options has agreed to cancel and forfeit such options in exchange for 10% portion of the earnout payment. Buyer funded the transaction through a combination of new debt financing as well as cash on-hand.

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
11/15/2018	ADA Carbon Solutions, LLC	Advanced Emissions Solutions, Inc. (NasdaqGM:ADES)	Commodity Chemicals	\$75	1.0x	5.95x

Buyer, a provider of emission reduction technologies and specialty chemicals, entered into an agreement to acquire Target for \$75 million from Energy Capital Partners. Target is a designer and manufacturer of powdered activated carbon products for achieving optimal mercury compliance. The \$75 million purchase price is comprised of \$65 million in cash and \$10 million of assumed capital equipment leases. The agreement also included a clause providing for a \$2 million payment to Target in the event of a failed transaction close due to Buyer. Buyer funded the transaction primarily through a \$70 million secured term loan. L. Heath Sampson, Buyer CEO, stated, "Carbon Solutions brings a recurring revenue stream, strong financial profile and natural synergies given our history and shared client base."

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
11/19/2018	Blommer Chocolate Company	Fuji Oil Holdings Inc. (TSE:2607)	Packaged Foods and Meats	\$750	0.83x	13.39x
<p>Buyer, a manufacturer of oils, fats, processed foods, and soy protein related products, entered into an agreement to acquire Target for \$750 million. Target is a leading cocoa processor and ingredient chocolate supplier, with a worldwide customer base in the confectionary, baking, and dairy industries. The transaction is an all cash transaction, with the Buyer financing the transaction through both cash on-hand and bridge loans. Buyer intends to keep existing Target management team in place post-acquisition. Hiroshi Shimizu, Buyer CEO, stated, "In our industrial chocolate business we are a leader in Asia and have expanded our presence in Europe and South America. By partnering with Blommer we are convinced that the combination of our knowhow and operations in our respective regions will provide significant opportunities and choices for our customers."</p>						

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
11/23/2018	Glen-Gery Corporation	Brickworks Limited (ASX:BKW)	Construction Materials	\$110	0.93x	8.46x
<p>Buyer, a manufacturer, seller, and distributor of building products in Australia, entered into an agreement to acquire Target for \$110 million from Ibstock plc. Target is a leading manufacturer of building products, known for its premier, expansive line of over 600 brick and stone products. The \$110 million purchase price is comprised of \$95 million in cash as well as \$15 million in assumed pension liabilities and debts. Buyer funded the transaction through a committed bridge facility up to \$140 million. Post-acquisition, Buyer intends on leaving Target management team intact, as well as operating Target business separately from Buyer's Australia business. Greg Silvestri, Target CEO, stated, "Our partnership with Brickworks will enable shared technology advancements and innovations, and the expansion of Glen-Gery's product diversity and market coverage."</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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