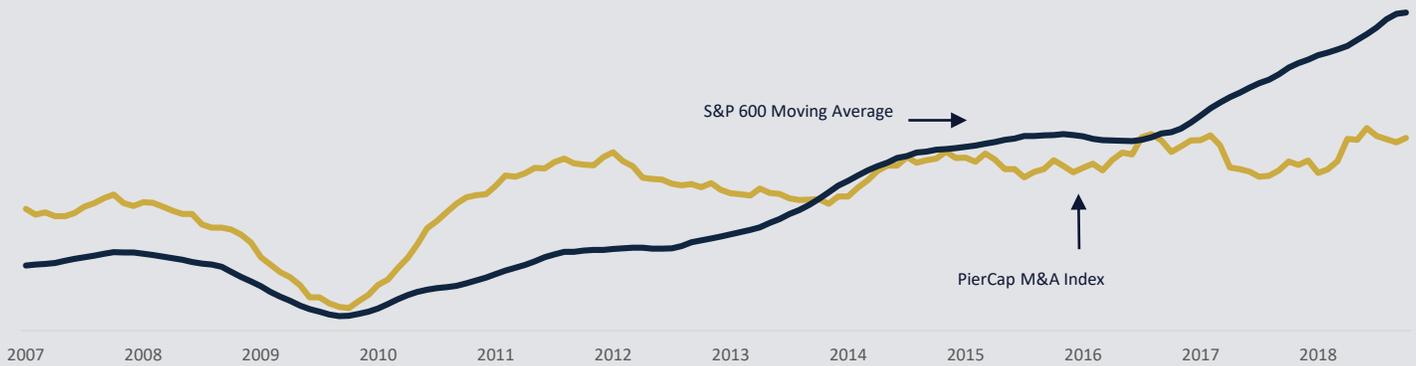


M&A MIDDLE MARKET INSIGHTS – OCTOBER 2018

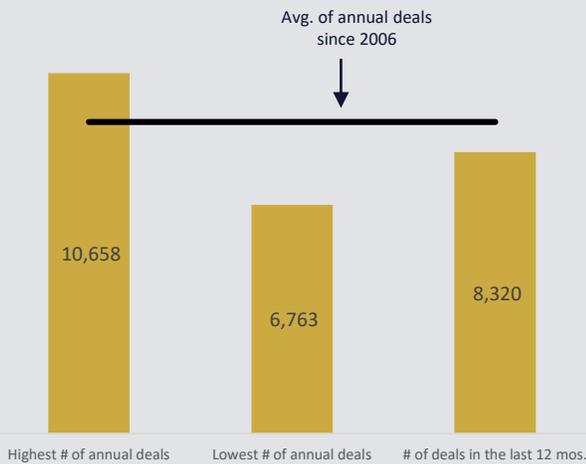
S&P 600 AND M&A INDEX INCH HIGHER

➤ PierCap's Middle Market Index



TRANSACTION VOLUME RISES, MULTIPLES REMAIN STEADY

➤ All M&A Transaction Volumes



➤ Middle Market M&A Revenue Multiples

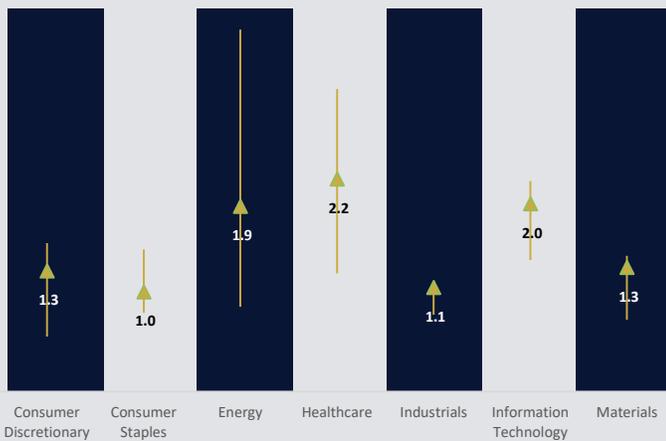


➤ Middle Market M&A EBITDA Multiples

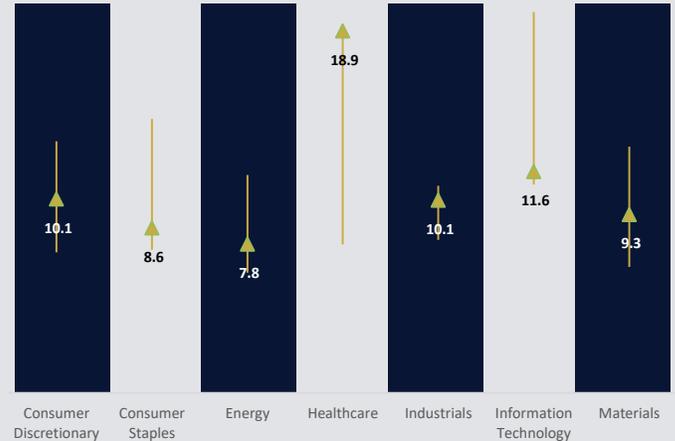


SEVERAL INDUSTRIES EXPERIENCE RISE IN MULTIPLES

➤ 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
10/9/2018	The Learning House, Inc.	Wiley Education Services	Education Services	\$200	3.33x	28.57x

Buyer, a provider of education solutions and services to colleges and universities, entered into an agreement to acquire Target for \$200 million from Weld North LLC. Target is developer of a cloud-based education technology platform used at colleges and universities for creating, managing, and developing online courses and degree programs. The \$200 million purchase price will be paid in cash to the Target shareholders. Buyer funded the acquisition through its \$1.1 billion revolving credit facility. Brian Napack, President and CEO of Buyer, stated, "The addition of Learning House extends our position as the service partner of choice for universities working to help students achieve their goals in education and throughout their careers."

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
10/9/2018	Valiance Partners, Inc.	NNIT A/S (CPSE:NNIT); NNIT Inc.	Application Software	\$36	3.64x	-

Buyer, a worldwide provider of IT advisory, development, and outsourcing services, entered into an agreement to acquire Target for \$36 million. Target is a data and content migration services provider, providing end-to-end data and content migration for IT, quality, validation, integration, and test management through Target's TRUseries software tools. Of the \$36 million purchase price, \$25 million will be paid in cash upfront, with the potential for an additional earn-out payment of up to \$11 million if certain EBITDA, revenue, employee attrition rates, and software development investment and integration metrics are achieved between 2019 and 2021. Buyer intends to finance the acquisition through cash on-hand and existing credit facilities.

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
10/9/2018	Vector Neurosciences Inc.	MeiraGTx Holdings plc (NasdaqGS:MGTX)	Biotechnology	\$24	-	-

Buyer, a clinical stage gene therapy company, entered into an agreement to acquire Target in an all-stock transaction valued at \$24 million. Target is a clinical stage gene therapy company, developing an investigational gene therapy medicine ready for Phase 2 clinical development for Parkinson's disease. As part of the all-stock transaction, Buyer will issue Target shareholders a total of 0.23 million Class A ordinary shares, with 0.2 million shares issued at closing and the remainder 18 months following closing. Additionally, if specified regulatory milestones are achieved, Target shareholders will receive additional ordinary shares up to \$21 million. Further, once sales commence, Target shareholders will receive royalty payments, also in the form of ordinary shares, equal to a percentage of sales on products developed using Target assets.

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
10/25/2018	Thursby Software Systems, Inc.	Identiv, Inc. (NasdaqCM:INVE)	Technology Hardware, Storage and Peripherals	\$13	-	-
<p>Buyer, a provider of physical security and secure identification, entered into an agreement to acquire Target for \$13 million. Target provides security software solutions for enterprise and personal mobility, with a focus on Apple iPad, iPhone, and Mac. Of the \$12 million purchase price, \$5 million will be paid at closing, comprised of \$2.5 million in cash and \$2.5 million in Buyer common stock. Target can earn an additional \$7.5 million of Buyer common stock if certain performance measures are achieved. Steven Humphreys, CEO of Buyer, stated, Thursby's solutions truly deliver beyond its customers' expectations, providing both high security and terrific end-user convenience. The company's deep government strengths and mobile app expertise are core elements in our vision for federal and commercial security solutions."</p>						

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
10/29/2018	Alpha Technologies Services, Inc./Alpha Technologies Ltd.	EnerSys (NYSE:ENS)	Electrical Components and Equipment	\$750	1.27x	11.19x
<p>Buyer, a manufacturer of batteries, chargers, and accessories for motive, reserve, aerospace, and defense applications, entered into an agreement to acquire Target for \$750 million. Target is a manufacturer and provider of comprehensive commercial-grade energy solutions (systems, software, and services) for broadband, telecom, renewable, industrial and traffic customers, which is sold across a highly diversified set of networks and applications, including DOCSIS3.1 / FTTx, 5G, fixed wireless and IoT. Of the \$750 million purchase price, \$650 million will be paid in cash, while \$100 million will be paid in Buyer common stock. The equity portion of the purchase price may be decreased (with cash increased accordingly) at election of Target if the 30 day volume weighted average price of Buyer stock at closing is greater than \$95, or at election of Buyer, if less than \$65.</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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