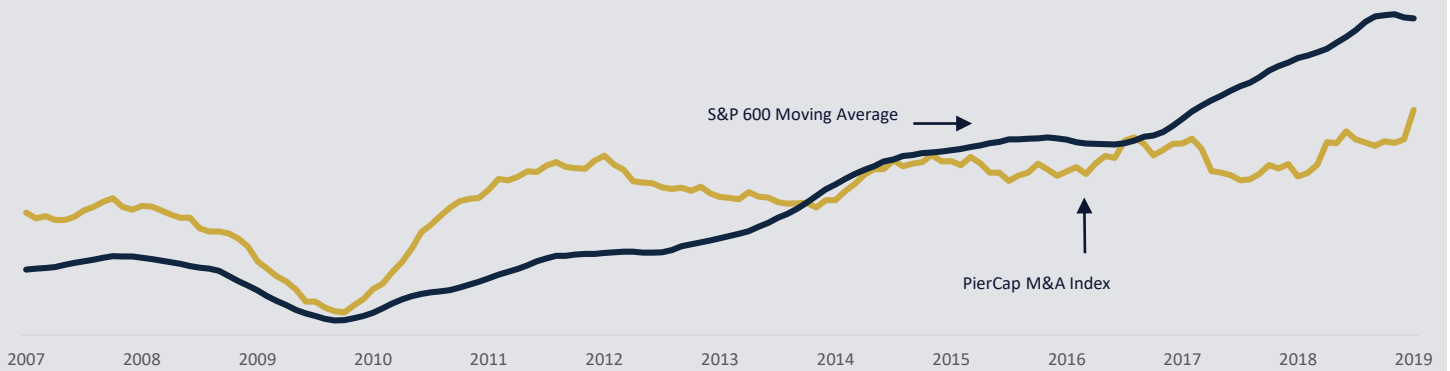


M&A MIDDLE MARKET INSIGHTS – JANUARY 2019

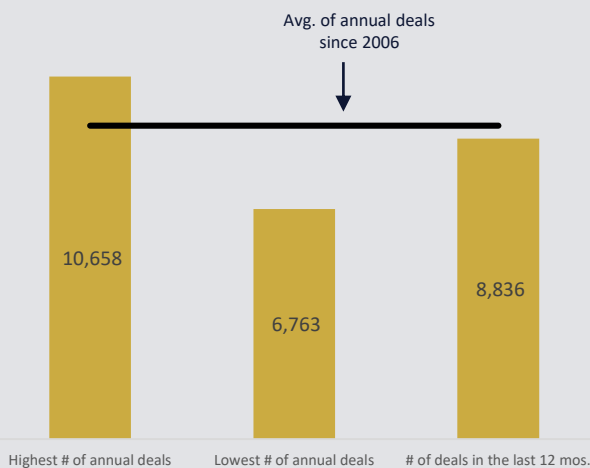
2019 KICKS OFF WITH A GOOD START

➤ PierCap's Middle Market Index



HUNT FOR ACQUISITIONS CONTINUE AT ELEVATED LEVELS

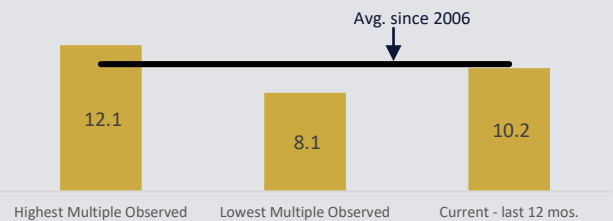
➤ All M&A Transaction Volumes



➤ Middle Market M&A Revenue Multiples

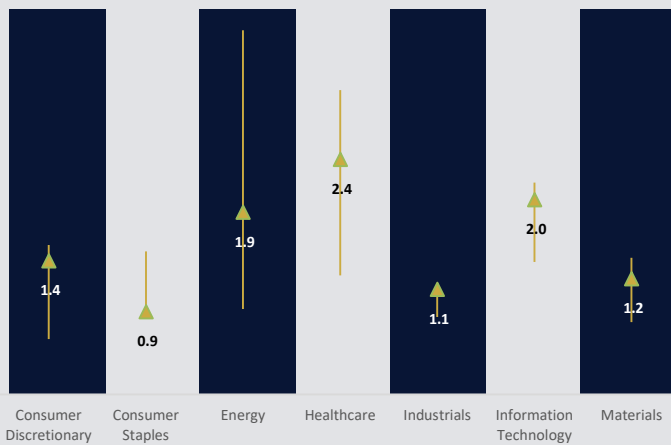


➤ Middle Market M&A EBITDA Multiples

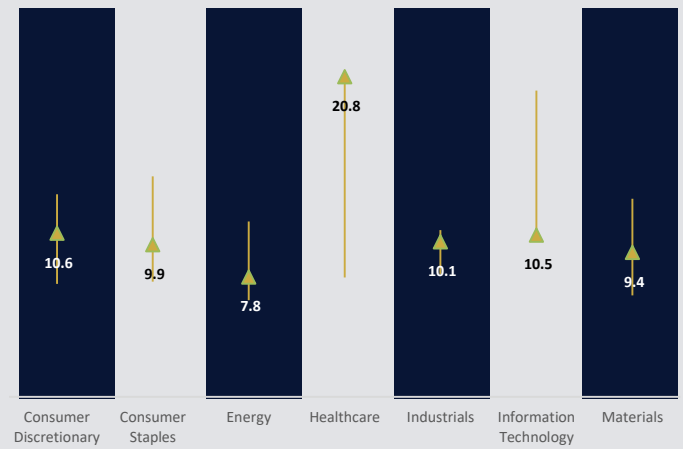


STRONG VALUATIONS AND CONFIDENCE SEEN ACROSS MOST SECTORS

➤ 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
1/11/2019	Florida Chemical Company, Inc.	Archer-Daniels-Midland Company (NYSE:ADM)	Specialty Chemicals	\$175	-	-

Buyer, a global food processing and commodities trading corporation, entered into an agreement to acquire Target from Flotek Industries, Inc. (NYSE:FTK) (Seller) for \$175 million. Target is a global leader in the citrus industry, providing a variety of citrus oils and flavorings for products in the automotive, household consumer products, oil and gas, printing, and water treatment sectors. The transaction consideration will be paid in cash. In connection with the transaction, Buyer and Seller will enter into long-term reciprocal supply agreements, as well as work together on exploring next generation technologies, particularly in the oil and gas sector. Vince Macciocchi, President of Buyer's Nutrition business unit, stated, "ADM is already a leader in natural flavors for food and beverages, offering a wide variety of high-value products and solutions in areas such as vanilla and mint, and this acquisition will place us in a leadership position for citrus flavors as well."

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
1/17/2019	Discovery Benefits, Inc.	WEX Inc. (NYSE:WEX)	Human Resource and Employment Services	\$425	4.45x	-

Buyer, a provider of corporate card payment solutions across fleet, travel and corporate, and health and employee benefit segments, entered into an agreement to acquire 95% of Target for \$425 million. Target is a provider of employee benefit administration services in the United States, offering services with flexible spending accounts, health savings accounts, transportation benefit plans, among other benefit and spending accounts. Of the \$425 million purchase price, \$375 million will be paid in cash at closing, with the remaining \$50 million deferred until January 2020. Buyer intends to fund the acquisition through expanded borrowing capacity under existing credit agreements.

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
1/21/2019	Software Information Systems, LLC	Converge Technology Solutions Corp. (TSXV:CTS)	IT Consulting and Other Services	\$15	0.17x	5.91x

Buyer, a provider of IT solutions worldwide, entered into an agreement to acquire Target for \$15 million. Target provides technology infrastructure and managed information services throughout the United States, offering solutions such as analytics optimization, data center and cloud, security, virtualization, and managed platform hosting, among others. The purchase price includes both cash and stock components, with \$12 million to be paid in cash, along with the right to exchange Class B membership units in Target held by Target management for 8 million common shares of Buyer. Under the agreed upon share exchange, 1.5 million shares will become eligible for exchange 6 months after closing, with additional 1.5 million shares becoming eligible for exchange every 6 month anniversary thereafter, until 8 million shares have been exchanged.

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
1/23/2019	Trendkite, Inc.	Cision Ltd. (NYSE:CISN)	Application Software	\$221	8.7x	-
<p>Buyer, a provider of public relations software, media distribution, media intelligence, and related professional services to businesses worldwide, entered into an agreement to acquire Target for \$221 million. Target is a provider of public relations and media monitoring software, giving customers the power to measure brand, marketing, and bottom-line impact. The purchase price is a cash / stock combination, with \$94 million to be paid in cash and the remainder in shares of Buyer, comprising approximately 10.3 million shares. Erik Huddleston, Target CEO, stated "Combining our offerings and capabilities with Cision's comprehensive earned media platform will allow us to powerfully impact the marketing communications industry and provide best-in-class PR and communications solutions."</p>						

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
1/28/2019	Geneva Healthcare, Inc.	BioTelemetry, Inc. (NasdaqGS:BEAT)	Health Care Technology	\$65	10.83x	-
<p>Buyer, a mobile and wireless medical technology company, entered into an agreement to acquire Target for \$65 million. Target provides remote monitoring consulting for cardiac device patients, offering both platform solutions and remote monitoring-as-a-service for enablement of data-driven patient care. Of the \$65 million purchase price, \$45 million will be paid in cash at closing, while the remainder will be paid in the form of a performance-based earn-out. The earn-out will be paid on the third anniversary of closing and will be based on revenue for the trailing twelve-month period ending on the earn-out date, with a minimum earn-out payment of \$20 million. Target may elect to receive the earn-out payment in 100% cash, 50% cash / 50% Buyer common stock, or 75% cash / 25% Buyer common stock. Buyer is expected to fund the acquisition with cash on-hand, borrowings under a current revolving credit facility, issuance of Buyer common stock, or a combination thereof.</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. Disclosure: The M&A Middle Market Insights publication is intended for private use of the recipient, for informational purpose only, and to provide an overview of certain information relating to the Middle Market Mergers & Acquisition market. This is general information only and is not a substitute for any professional advice or services, nor should it be used as a basis for any decision or action that may affect your business, or construed as containing advice or recommendation. The information provided herein is based on data obtained from certain sources we consider accurate and reliable, but we do not represent as to its accuracy or completeness. Information and our opinions are as of date provided herein without any obligation to update the information. No part of this information may be copied, photocopied, or duplicated in any form by any means or redistributed without PierCap Partners, LLC's express written consent. Investment banking services offered through Independent Investment Bankers Corp., a registered broker-dealer, Member FINRA / SIPC. PierCap Partners, LLC and Independent Investment Bankers Corp. are not affiliated entities.



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