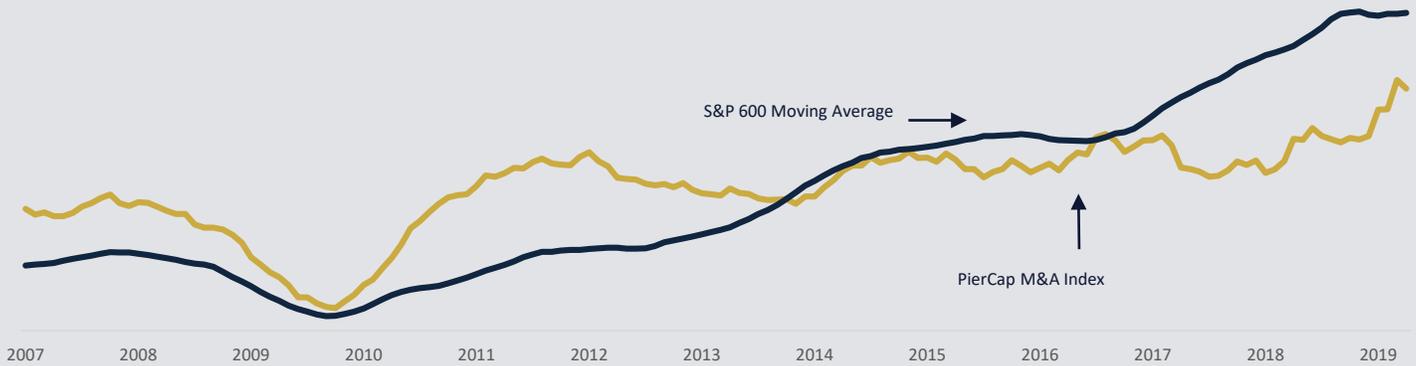


M&A MIDDLE MARKET INSIGHTS – APRIL 2019

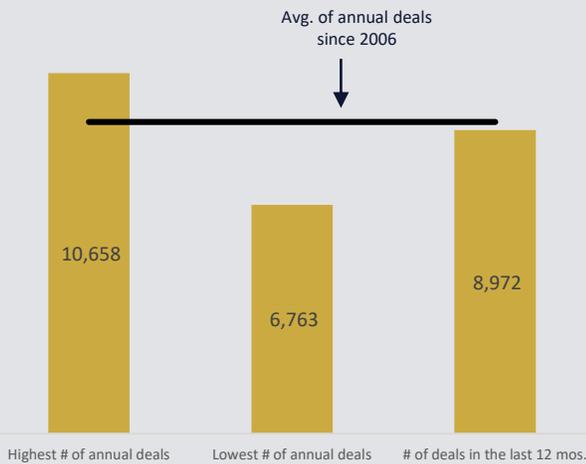
M&A INDEX SLIGHTLY OFF ITS RECENT HIGH

➤ PierCap's Middle Market Index



VOLUME AND MULTIPLES NEAR HISTORIC AVERAGES

➤ All M&A Transaction Volumes



➤ Middle Market M&A Revenue Multiples

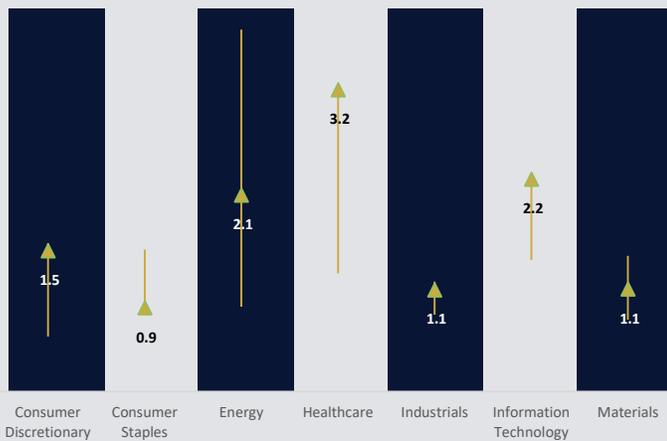


➤ Middle Market M&A EBITDA Multiples

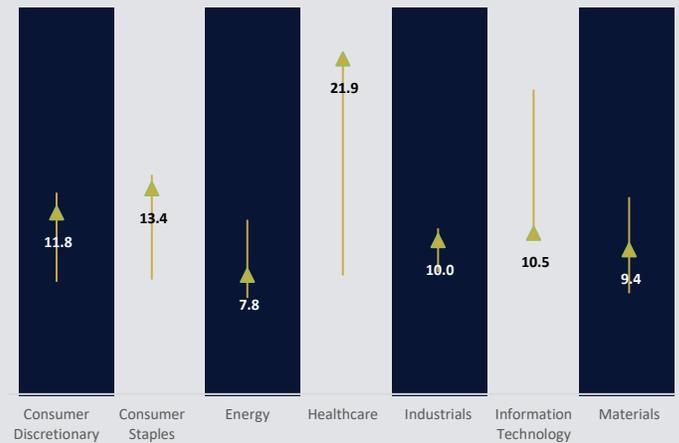


STRENGTH ACROSS SECTORS AS Q2 KICKS OFF

➤ 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
4/8/2019	Trilogy Education Services, Inc.	2U, Inc. (NasdaqGS:TWOU)	Education Services	\$750	7.73x	-

Buyer, a global provider of education technology solutions, entered into an agreement to acquire Target for \$750 million. Target is an education service provider focused on preparing students for careers in the digital economy – offering programs in web development, data analytics, UX/UI design, and cybersecurity through its learning platform and partner universities. The transaction consideration is comprised of both cash and stock, with \$400 million paid in cash and \$350 million in newly issued shares of Buyer common stock. Under the agreement, \$14 million and \$26 million of the cash and stock, respectively, will be held in escrow. The acquisition will be funded through both cash on hand as well as a \$250 million senior secured term loan facility. The acquisition greatly increases both the portfolio of service offerings and number of university partners for Buyer, increasing from 36 to 68 partners.

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
4/15/2019	Substantially All of the Assets of Dynamic Manufacturing Solutions	Ultra Clean Holdings, Inc. (NasdaqGS:UCTT)	Construction and Engineering	\$43	0.88x	7.59x

Buyer, a global leader in the design, engineering, and manufacture of critical subsystems and turnkey solutions, entered into an agreement to acquire Target for \$43 million. Target is a contract manufacturer with a range of offerings, including but not limited to, welding solutions, gas and chemical delivery solutions, engineering services, and electrical and mechanical design. Of the total purchase price, \$30 million is upfront cash consideration while additional \$13 million in earn-out consideration may be paid to Target if certain gross profit and gross margin targets are achieved for the twelve months ending June 26, 2020. Robb Misso, co-founder and CEO of Target, stated, "The combination of DMS and UCT will result in an even stronger presence in the weldment segment of the WFE industry and significantly strengthens our ability to provide high-value solutions for our customers."

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
4/17/2019	Breezy HR, Inc.	Learning Technologies Group plc (AIM:LTG)	Application Software	\$30	8.33x	-

Buyer, a provider of workplace digital learning and talent management solutions, entered into an agreement to acquire Target for \$30 million. Target provides an easy-to-use and streamlined recruiting and applicant platform, with features such as candidate sourcing and scoring, video interviewing, resume parsing, reporting and analytics, and candidate management, among others. The transaction consideration is comprised of both an upfront cash payment and performance-based earn-out, with \$12 million in cash at closing, and up to \$18 million paid if revenue growth targets are achieved for the years ending December 31, 2019, 2020, and 2021. Buyer intends to fund the acquisition with both existing cash and bank facilities.

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
4/26/2019	C Technologies, Inc.	Repligen Corporation (NasdaqGS:RGEN)	Communications Equipment	\$240	9.78x	-
<p>Buyer, a bioprocessing-focused life science company, entered into an agreement to acquire Target for \$240 million. Target is a designer and manufacturer of fiber optic assemblies, instrumentation, and systems for spectroscopy applications – serving a wide range of industries, such as life science, government, industrial, and research and academia. The transaction consideration is comprised of both a cash and stock component, with \$192 million paid in cash and the remaining \$48 million paid in Buyer shares. Buyer intends on financing the acquisition with \$194 million in cash on hand as well as debt financing. Additionally, as part of the agreement, \$3.4 million of the cash consideration is to be held in escrow for any potential claims or adjustment.</p>						

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
4/30/2019	Advanced Medical Personnel Services, Inc.	AMN Healthcare, Inc.	Health Care Services	\$220	1.67x	11.58x
<p>Buyer, a provider of innovative healthcare workforce solutions and staffing services, entered into an agreement to acquire Target for \$220 million from Clearview Capital. Target specializes in the placement of occupational, physical, and speech therapists in assignments across the U.S. The terms of the transaction include a \$200 million upfront cash payment as well as a performance-based earn-out up to \$20 million if Target achieves certain financial results as of December 31, 2019. Further, Buyer will deposit \$17 million of the purchase price into escrow for any potential claims or adjustment. Jennifer Fuicelli, Target CEO, stated, “We are pleased that AMN will further accelerate the unique position Advanced has developed in healthcare staffing, particularly in school services and technology to deliver therapy remotely. Under AMN's leadership, Advanced will continue to flourish in providing innovative solutions in the constantly evolving healthcare landscape.”</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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MIDDLE MARKET M&A INVESTMENT BANKING

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