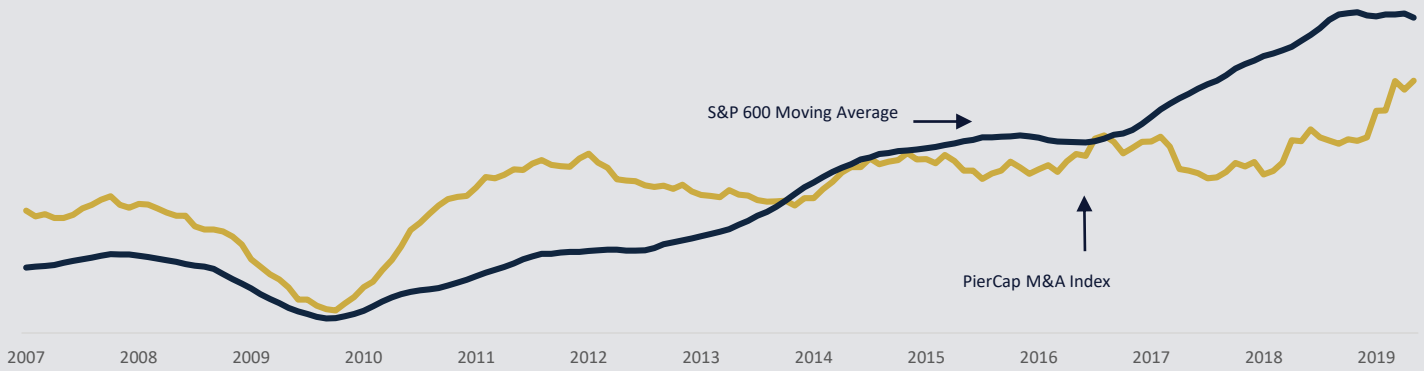


M&A MIDDLE MARKET INSIGHTS – MAY 2019

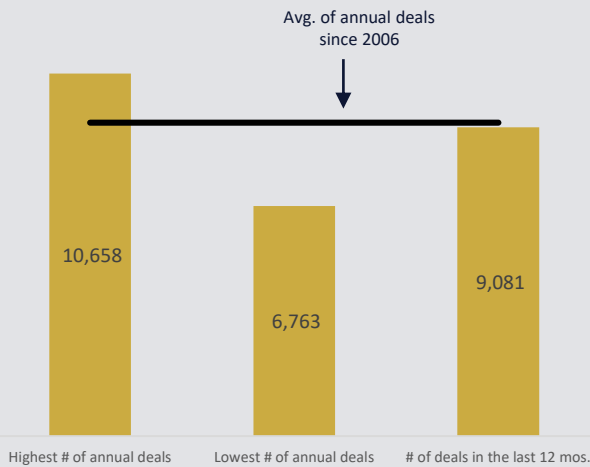
M&A INDEX REACHES NEW HIGH

➤ PierCap's Middle Market Index

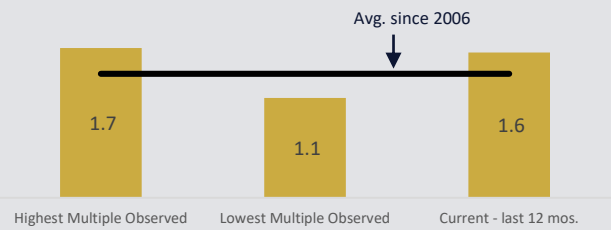


DEAL ACTIVITY AND MULTIPLES CONTINUE TO TREND UP

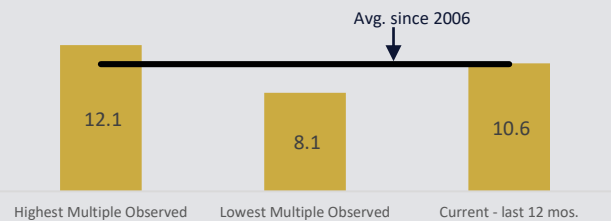
➤ All M&A Transaction Volumes



➤ Middle Market M&A Revenue Multiples

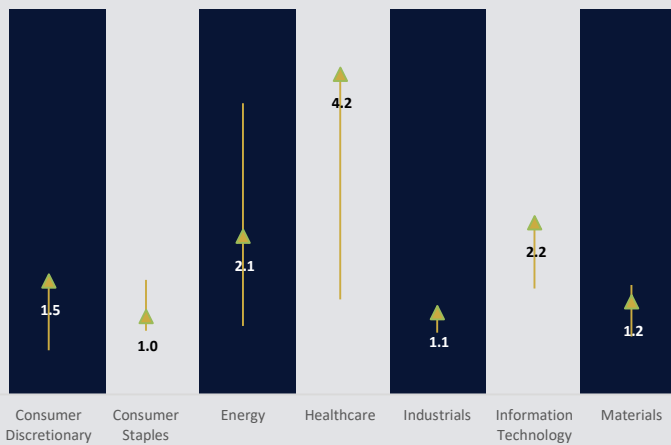


➤ Middle Market M&A EBITDA Multiples

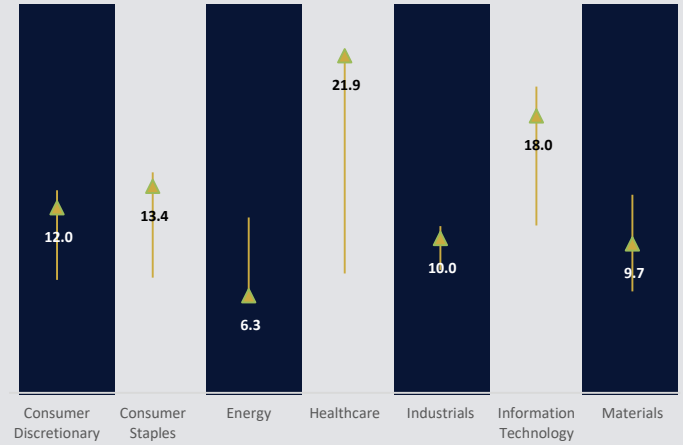


HEALTHCARE AND INFORMATION TECHNOLOGY LEAD THE WAY

➤ 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
5/9/2019	VertiFlex Inc.	Boston Scientific Corporation (NYSE:BSX)	Health Care Equipment	\$465	-	-

Buyer, a leading medical device developer and manufacturer, entered into an agreement to acquire Target for \$465 million. Target is a medical device company that is developing advanced, minimally invasive solutions for lumbar spinal stenosis. Target's FDA approved Superior® Indirect Decompression System continues to fill the gap in the continuum between conservative care and invasive surgery. Under the terms of the transaction, \$465 million will be paid in cash upfront, with additional payments to be made if certain commercial milestones for the next 3 years are achieved. Earl Fender, Target CEO, stated, "We are proud of the clinical and commercial successes we've been able to achieve and look forward to continued adoption of the therapy with the global resources and clinical expertise of the Boston Scientific pain management franchise."

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
5/14/2019	Assets and Operations of Mark Rite Lines Equipment Company, Inc.	Federal Signal Corporation (NYSE:FSS)	Construction Machinery and Heavy Trucks	\$71	1.06x	8.15x

Buyer, a provider of products and equipment for municipal, governmental, industrial, and commercial customers, entered into an agreement to acquire Target for \$71 million. Target manufactures equipment which is used for road marking and line removal, such as truck mounted strippers, push propelled applicators, and pre-melting kettles, among others. Of the total purchase price, \$55 million will be paid in cash upfront with an additional performance-based earn-out payment up to \$16 million contingent on certain performance metrics being achieved. Buyer intends on financing the acquisition with both cash on hand and existing credit facilities.

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
5/16/2019	ArrMaz Custom Chemicals, Inc.	Arkema S.A. (ENXTPA:AKE)	Specialty Chemicals	\$570	1.97x	10.8x

Buyer, a specialty chemicals and advanced materials company, entered into an agreement to acquire Target for \$570 million from Golden Gate Capital. Target produces specialty chemicals for the fertilizer, mining, asphalt, construction, and industrial minerals markets – serving customers in more than 70 countries across the world. The transaction is an all-cash deal, and Buyer intends to integrate Target into its Performance Additives business. Target CEO, Dave Keselica, stated, "We look forward to continuing to provide our customers with the highest quality chemical solutions and unrivalled end-to-end support as we enter this next chapter of our growth."

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
5/20/2019	Just Biotherapeutics, Inc.	Evotec SE (XTRA:EVT)	Biotechnology	\$90	3.93x	-
<p>Buyer, a drug discovery and development solutions provider, entered into an agreement to acquire Target for \$90 million from Arch Venture Partners, Lilly Asia Ventures, Merck & Co., and the Bill and Melinda Gates Foundation. Target provides molecular, process, and plant design machine learning technologies with the purpose of solving the scientific and technical hurdles blocking access to life changing protein therapeutics. The transaction consideration includes both an upfront cash payment of \$60 million and a performance-based earn-out up to \$30 million to be paid within the next 3 years. Buyer CEO, Werner Lanthaler, stated, "Broadening our platform into biologics has always been key to our strategy. With this acquisition, we finally found the perfect match to complement our leadership in small molecules."</p>						

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
5/21/2019	Putnam Associates, Inc.	Ashfield Healthcare Communications (UDG Healthcare)	Health Care Services	\$89	-	-
<p>Buyer, a provider of advisory, communications, commercial, and clinical services for the healthcare industry, entered into an agreement to acquire Target for \$89 million. Target is a strategy consulting firm focused on the life science and healthcare industries, providing a range of advisory and analytical services designed to solve the complex problems arising from interactions of patients, physicians, payers, healthcare institutions, and regulators. The transaction is comprised of both upfront and deferred cash consideration, with \$60 million at closing, up to \$20 million over 3 years, and up to \$9 million over 5 years. The deferred consideration will be paid contingent on certain financial objectives being achieved. Buyer intends to fund the acquisition with both cash on hand and existing debt facilities.</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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