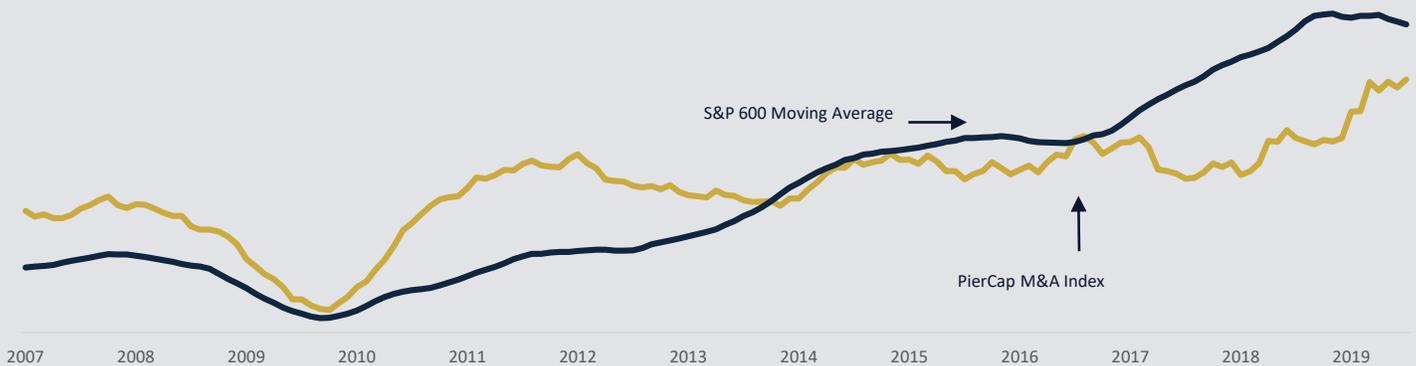


## M&A MIDDLE MARKET INSIGHTS – JULY 2019

### M&A INDEX CONTINUES CLIMBING AS EQUITIES FLATTEN

#### ➤ PierCap's Middle Market Index

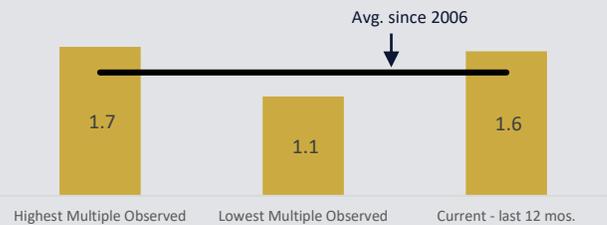


### VALUATIONS CARRY MOMENTUM INTO SECOND HALF OF THE YEAR

#### ➤ All M&A Transaction Volumes



#### ➤ Middle Market M&A Revenue Multiples

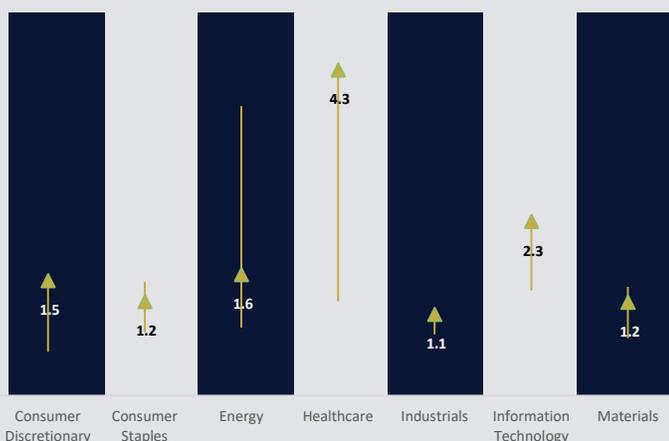


#### ➤ Middle Market M&A EBITDA Multiples

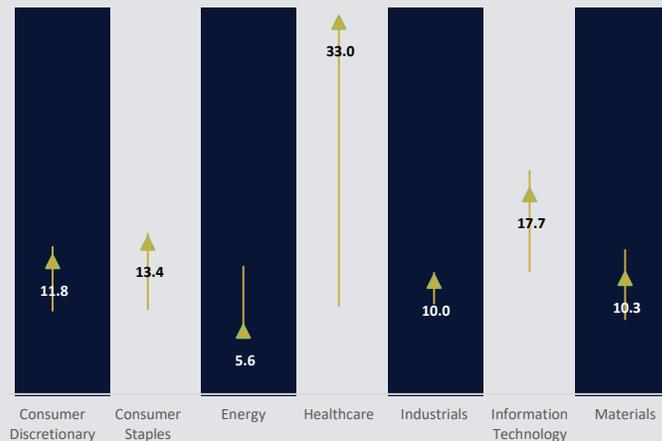


## OUTSIDE OF ENERGY, SUMMER HASN'T SLOWED FOR VALUATIONS

### ➤ 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
7/11/2019	Jungla Inc.	Invitae Corporation (NYSE:NVTA)	Health Care Technology	\$65	-	-

Buyer, a leader in advanced medical genetic testing, entered into an agreement to acquire Target for \$65 million from venture capital firm, Andreessen Horowitz. Target provides an artificial-intelligence driven software platform that augments and optimizes guidance in clinical genetic and genomic testing. The purchase price consists of upfront consideration of \$35 million in Buyer shares and \$15 million in cash, with earn-out consideration up to \$15 million payable if certain milestones are achieved within 24 months of closing. The earn-out is payable largely in Buyer shares, with a smaller portion payable in cash. For possible indemnification obligations, a portion of the consideration will be held back.

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
7/24/2019	3Cinteractive, L.L.C.	IMImobile PLC (AIM:IMO)	Application Software	\$53	1.56x	17.69x

Buyer, a provider of cloud communications software, entered into a conditional agreement to acquire Target for \$53 million from Kayne Anderson Capital Advisors and others via a tender offer. Target is a cloud-based mobile consumer engagement platform, creating customized mobile marketing solutions for leading brands and retailers. The purchase price consists of both cash and stock, with \$43 million paid in cash upfront, and the remainder through the issuance of 2.6 million new Buyer shares, deferred up to 2 years to satisfy any indemnification claims. Half of the new Buyer shares will be released on the first anniversary of the tender offer with the remaining half released on the second anniversary. Buyer shares will also be subject to a 12-month orderly market agreement. Buyer intends to fund the acquisition through a combination of new debt facilities and placement of new ordinary shares.

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
7/29/2019	SmartBrief, Inc.	Future plc (LSE:FUTR)	Publishing	\$66	1.88x	-

Buyer, a global multi-platform media company, entered into an agreement to acquire Target for \$66 million. Target is a leading digital media publisher of targeted information and business news, serving millions of executives and industry and thought leaders. The purchase price consists of both upfront and deferred consideration, with Target receiving \$32 million in cash and 1 million newly issued Buyer shares at closing, and up to \$20 million in cash and shares if certain financial targets are achieved for the year ending July 31, 2020. All shares issued in connection with the transaction will be subject to 6-month lock-up restrictions. Target is the third major recent acquisition by Buyer, as Buyer continues to aggressively expand its presence in the U.S. market.

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
7/30/2019	Hu-Friedy Mfg. Co., LLC	Cantel Medical Corp. (NYSE:CMD)	Health Care Equipment	\$775	3.62x	16.18x
<p>Buyer, a provider of infection prevention products and services, entered into an agreement to acquire Target for \$775 million. Target is a global provider of dental instruments and solutions, serving the industry practitioners for over a century. The transaction consideration includes both stock and cash components, with \$25 to \$60 million in Buyer shares issued at closing, along with \$665 to \$700 million paid in cash (specific amounts to be determined by Buyer at closing). Additionally, if certain commercial achievements are met 18-months after closing, Target can receive up to \$50 million in earn-out payments, with approximately \$2 million of the earn-out payable in Buyer shares. At closing, Buyer will deposit \$3 million and \$8 million, respectively, into escrow accounts to cover possible indemnifications and other adjustments. Buyer intends to fund the acquisition through credit facilities, new term loan financing, and cash on hand.</p>						

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
7/31/2019	Veracity Consulting Group, LLC	Resources Connection, Inc. (NasdaqGS:RECN)	Advertising	\$31	1.43x	-
<p>Buyer, a global management consulting firm, entered into an agreement to acquire Target for \$31 million. Target is a management consulting firm offering a full spectrum of solutions, including brand experience design, service management and process improvement, customer experience, advisory consulting, and custom app development, integration, and digital technology. The transaction consideration is all cash, with \$31 million paid at closing. Target also has the opportunity for potential additional payments based on longer-term performance. Kate Duchene, CEO of Buyer, stated, "With its proven track record of helping clients solve problems using digital solutions, Veracity offers us an instant and credible foundation upon which to build our digital innovation offerings. Most importantly, the cultural alignment here is compelling and undeniable – at its core, Veracity is a people-first business, just like RGP."</p>						

Notes: Middle Market defined as all M&A activity between \$10 million - \$1 billion 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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