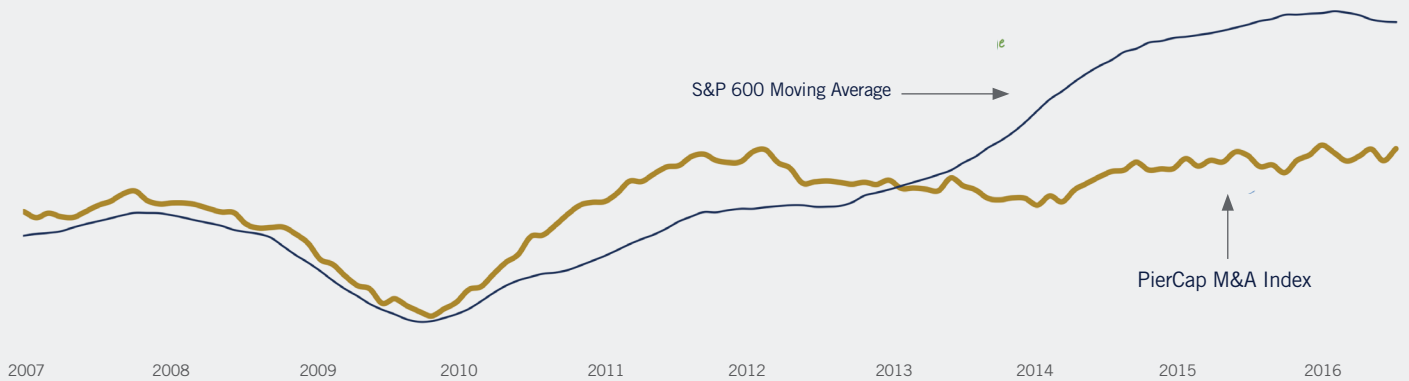


## M&A MIDDLE MARKET INSIGHTS: APRIL 2016

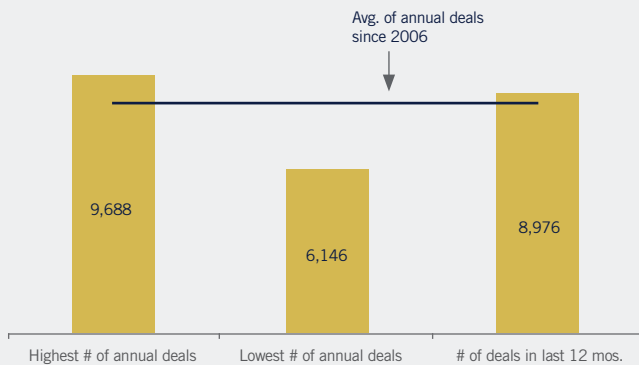
### OUR INDEX AT HISTORIC LEVELS...

#### ➤ PierCap's Middle Market M&A Index

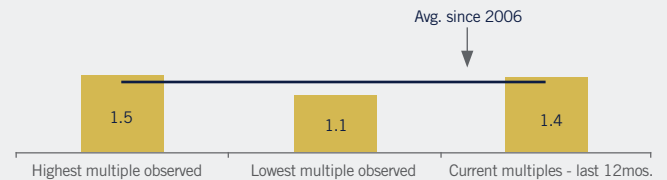


### BUT VOLUME LOWER, WHILE PRICING HOLDS...

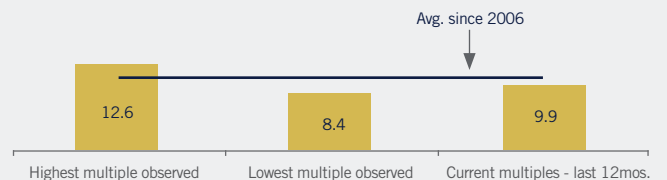
#### ➤ All M&A transaction volumes



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

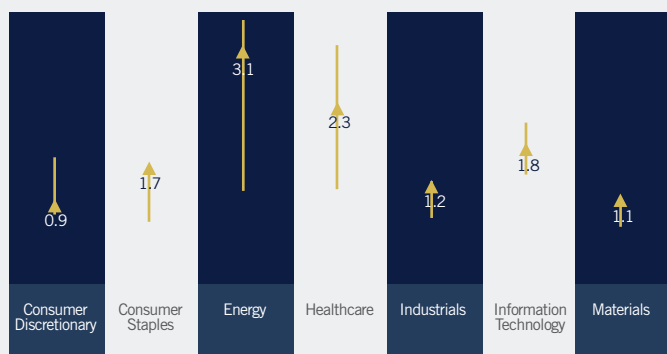


#### ➤ Middle Market M&A EBITDA multiples

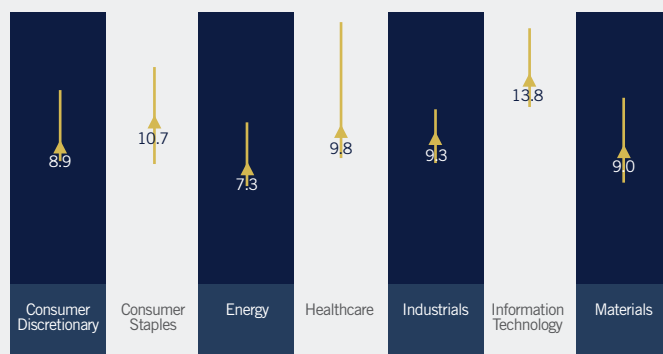


## EARNING MULTIPLES SHOW STRENGTH ACROSS THE BOARD...

### ➤ Middle Market M&A Revenue multiples by sector



### ➤ Middle Market M&A EBITDA multiples by sector



## NOTEWORTHY TRANSACTIONS...

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
4/26/16	Kaydon Corporation	Stabilus S.A. (DB:STM)	Industrial Machinery	\$339	2.83x	-

Under the transaction, Stabilus will acquire velocity control and vibration damping components business of Kaydon. The deal will not include Kaydon's own bearings unit. The bearings unit will be integrated instead into SKF's operational structure and run by the parent company, while Target's Ann Arbor headquarters will be closed. The deal is subject to approval by the relevant antitrust authorities and regulatory approval.

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
4/1/16	Downhole Technology LLC	Schoeller-Bleckmann Oilfield Equipment AG (WBAG:SBO)	Industrial Machinery	\$103	3.52x	-

Buyer acquired 68% stake in Target from Pelican Energy Partners LP and the management team of Downhole Technology for approximately \$100 million. Pelican sold all of its equity holdings in Target, but the management team retained the majority of its equity and will continue with the business as partners with Buyer. As per the terms of the deal, the agreement includes an option to acquire the remaining 32% stake in Downhole Technology, held by the founder and key managers, after three years.

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
4/28/16	Valley Campus Pharmacy, Inc.	Diplomat Pharmacy, Inc. (NYSE:DPL0)	Drug Retail	\$76	0.19x	8.41x

Buyer entered into a definitive agreement to acquire Target for \$75.7 million in cash and stock. The consideration payout will be \$65 million in cash and issue of 0.32 million shares of Buyer. The cash portion of the deal will be funded using cash on hand and existing credit facility. Target's co-founders and key management team will remain in place.

CONTINUED

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
4/4/16	Genesis Genetics Institute, LLC	CooperSurgical Inc.	Biotechnology	\$60	2.50x	-
Buyer acquired Target for \$60 million on April 4, 2016. The deal is expected to be neutral to earnings per share in fiscal 2016 and accretive thereafter, excluding one-time charges and deal-related amortization.						

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
4/12/16	Cracked Entertainment, Inc.	Scripps Media, Inc.	Publishing	\$39	3.58x	-
Buyer signed an asset purchase agreement to acquire substantially all assets of Target from Demand Media, Inc. (NYSE:DMD) for \$39 million in cash. The acquisition includes Cracked.com website. As reported, \$35.1 million will be paid on the closing date and an amount equal to \$3.9 million was placed into escrow at closing by Buyer to secure any post-closing indemnification obligations of Demand Media. Any remaining portion of the escrow amount that is not subject to then-pending claims will be paid to Demand Media on the 15-month anniversary of the closing date of the disposition. At closing, Buyer will also assume liabilities of the acquired business.						

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. Data Source: PlerCap Partners, S&P, CapitalIQ.

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