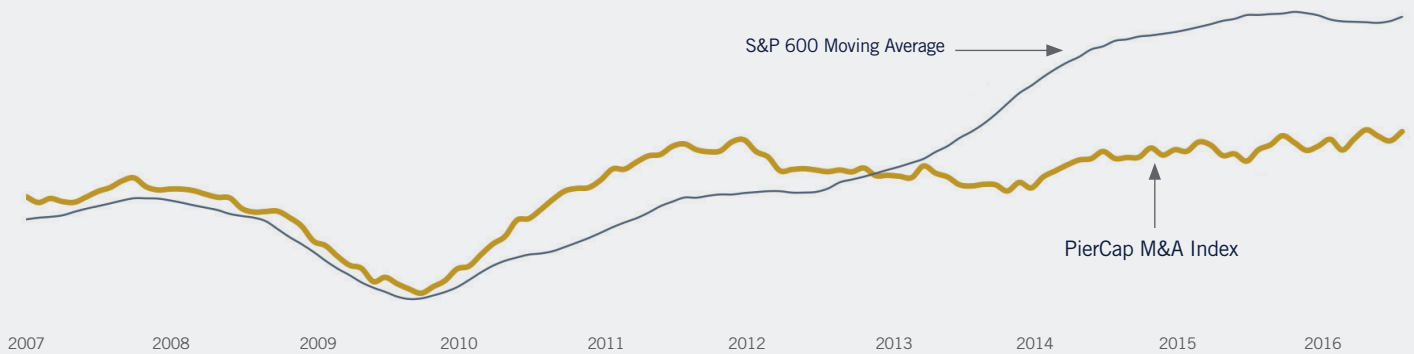


M&A MIDDLE MARKET INSIGHTS: AUGUST 2016

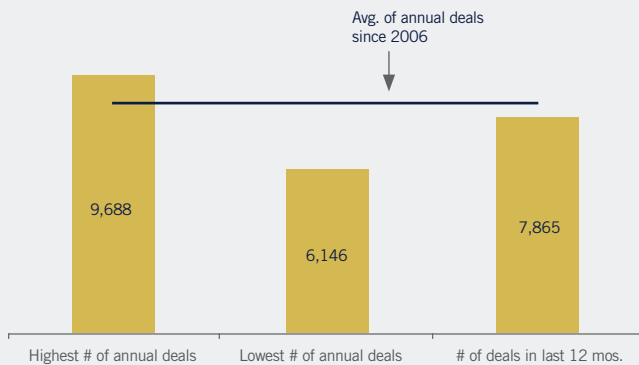
M&A...IN CONTINUED MOMENTUM

➤ PierCap's Middle Market M&A Index

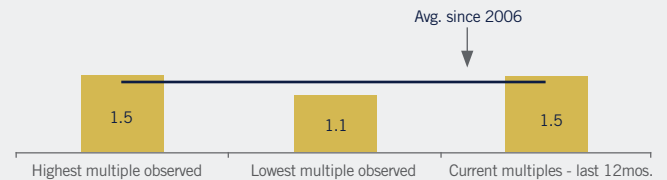


VOLUMES LACK STRENGTH, WHILE MULTIPLES REMAIN STRONG...

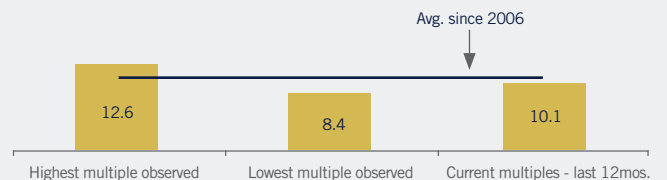
➤ All M&A transaction volumes



➤ Middle Market M&A Revenue multiples

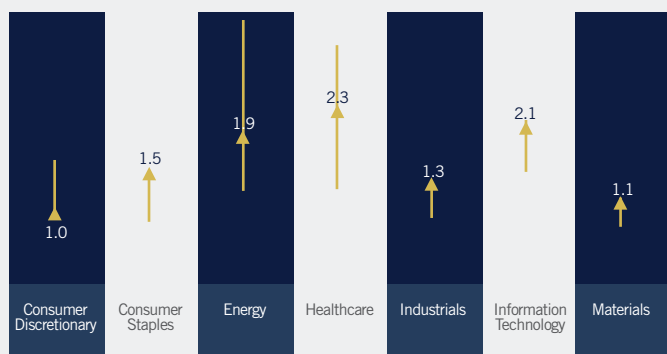


➤ Middle Market M&A EBITDA multiples

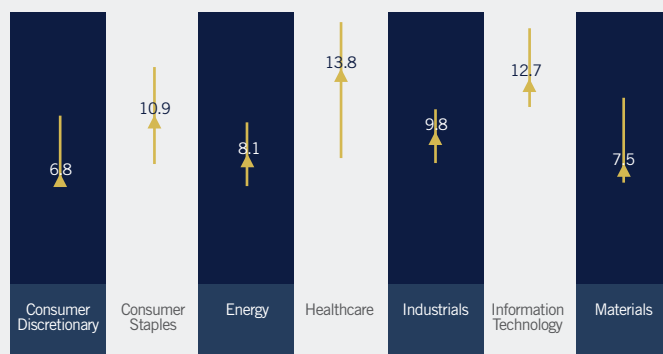


HEALTHCARE GAINS, WHILE CONSUMER DISCRETIONARY LOSES SOME SHINE

➤ 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
8/22/16	Media.net	Consortium is led by Zhiyong Zhang and Chinese investors	Advertising	\$900	3.88x	-

Consortium led by Zhiyong Zhang, the chairman of Beijing Miteno Communication Technology Co. Ltd. (SZ. 300038) and Chinese investors agreed to acquire Media.net from Starbuster TMT Investments. \$426 million being paid by the Consortium, and the rest to follow as per the agreed payment schedule and definitive agreement. As a second step to the merger, Media.net will be integrated into Beijing Miteno Communication Technology Co., Ltd.

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
8/2/16	Krestmark Industries, L.P., Crest Vinyl Extrusions, LLC, Legacy Vinyl Windows, LP	Headwaters Windows, LLC	Building Products	\$240	-	-

Buyer entered into an asset purchase agreement to acquire Target from William E. Robinson for \$240 million. Buyer will also assume all the liabilities. Buyer has received a debt financing commitment from Deutsche Bank AG New York Branch and Deutsche Bank Securities Inc. for the purpose of financing the acquisition in the form of up to \$350 million of incremental term loans under the Term B loan agreement.

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
8/3/16	Rocket Games	Penn Interactive Ventures, LLC	Entertainment and Games	\$170	-	-

Buyer entered into a stock purchase agreement to acquire Target. Under the terms of the agreement, \$60 million will be initial consideration of which \$7 million will be escrowed for 18 months and a maximum of \$110 million of earn-out payments will be made over the next two years based on a multiple of 6.25 times Rocket's then TTM EBITDA. The transaction is subject to third party approval, obtained all governmental and regulatory consents, cancellation of options, resignation by Directors of Rocket Games.

CONTINUED

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
8/2/16	Swimways Corporation	Spin Master Corp. (TSX:TOY)	Leisure Products	\$94	1.04x	-
Buyer acquired Target for \$93.5 million in cash. As part of consideration, Buyer will pay for non-voting shares \$85 million and for voting shares \$8.5 million payable over 4 years based on Target's sales growth. Buyer at closing will deposit with escrow agent \$4.45 million on account of closing net debt and PG receivable escrow amount, \$4.32 million on account of working capital, \$0.8 million on account of special expenditures, \$4 million for indemnity.						

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
8/8/16	Morrisey Associates Inc.	Echo Inc.	Health Care Technology	\$48	3.75x	-
Buyer acquired Target for \$48 million on August 8, 2016. Under the terms of the deal, the purchase price comprise of outstanding indebtedness of Target. An amount of \$3.88 million will be paid to the Escrow Agent. And the amount to be paid at closing shall be the purchase price minus outstanding Indebtedness of Target minus Escrowed Cash less 50% of the cost of the Tail Coverage payable by seller.						

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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