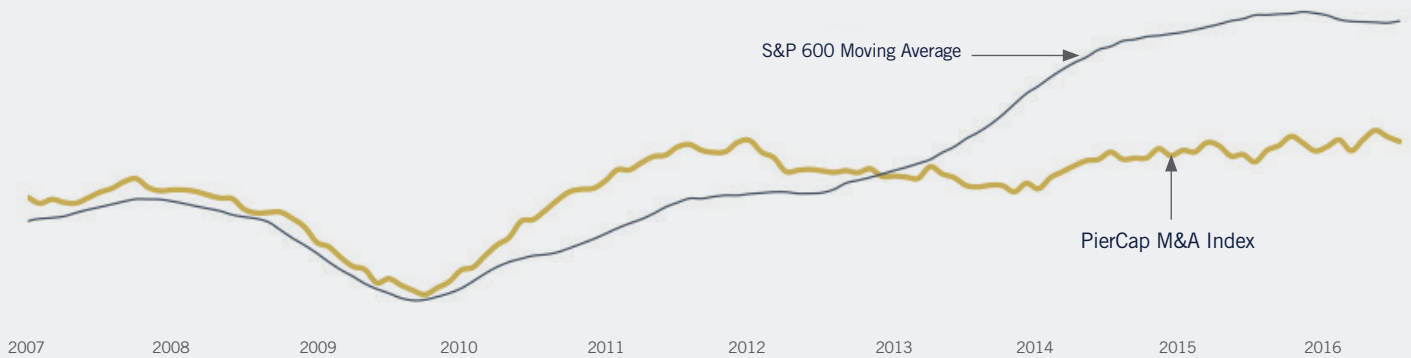


M&A MIDDLE MARKET INSIGHTS: JULY 2016

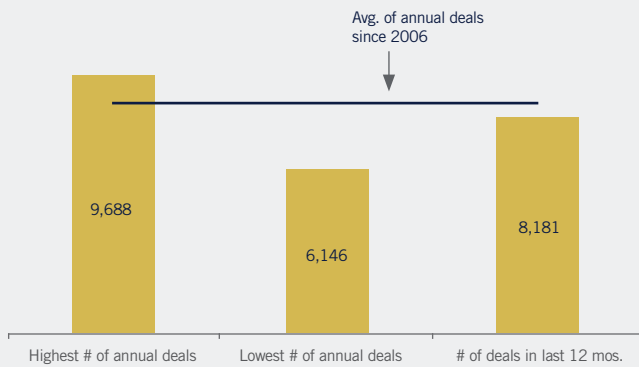
INDEX STILL HIGH, BUT...

➤ PierCap's Middle Market M&A Index

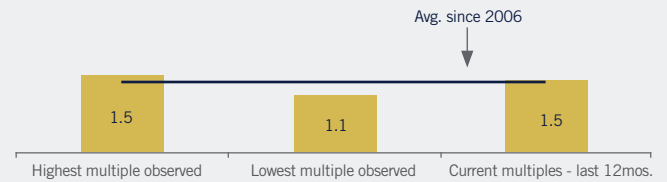


...VOLUME CONTINUES DECLINE, PRICING MAINTAINS STRENGTH...

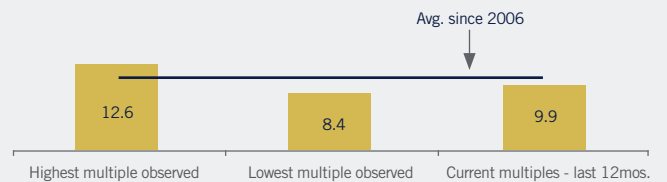
➤ All M&A transaction volumes



➤ Middle Market M&A Revenue multiples

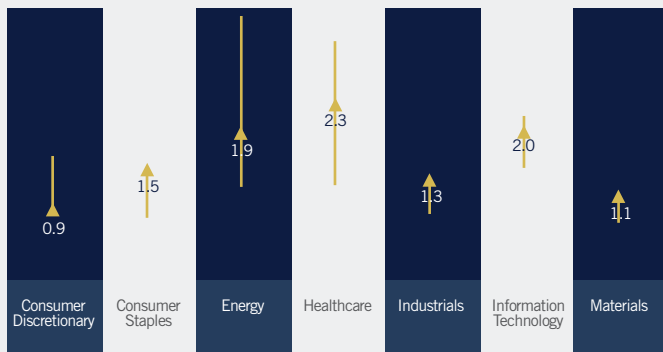


➤ Middle Market M&A EBITDA multiples

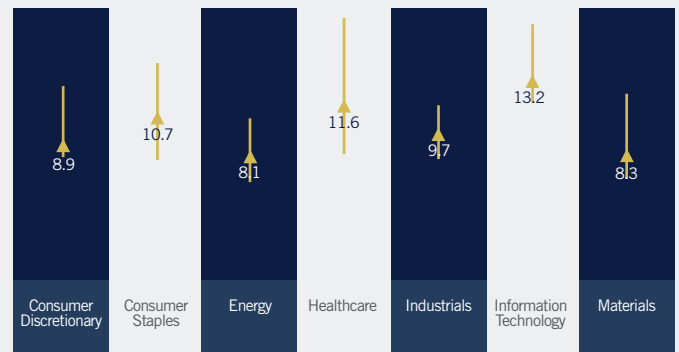


STRENGTH ACROSS THE SECTORS...

➤ 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
7/1/16	Jayco, Inc.	Thor Industries Inc. (NYSE: THO)	Automobile Manufacturers	\$576	0.39x	-
<p>Buyer acquired substantially all of the assets of Target in cash. Under the terms of the agreement, the consideration price is subject to adjustments of Seller Representative Holdback Funds of \$5 million and Escrow Funds of \$4.5 million. The transaction was financed through existing cash balances as well as borrowings from an asset-based revolving line of credit. As part of the transaction, Buyer purchased a Buyer-side representations and warranties insurance policy.</p>						

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
7/1/16	DFINE Inc.	Merit Medical Systems, Inc. (NasdaqGS:MMSI)	Healthcare Equipment	\$98	2.92x	-
<p>Buyer acquired Target for in cash. Under the terms of the agreement, \$9.75 million from the total consideration will be placed into an 18- month escrow arrangement for the purpose of satisfying indemnification claims. An additional \$5 million was withheld from the total consideration payable to Target stockholders and placed into a 9- month escrow arrangement.</p>						

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
7/5/16	HySecurity Inc.	Nice Group USA Inc.	Electronic Equipment and Instruments	\$27	1.7x	10.75x
<p>10% of final price was paid into an escrow account in favor of the seller and as buyer warranty. The latter amount will be redeemed on January 1, 2018. There is also an earn-out agreement based on the performance achieved in North America by Buyer with reference to the period 2017-2018.</p>						

CONTINUED

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
7/1/16	Engineered Printing Solutions, Inc.	Xaar plc (LSE:XAR)	Industrial Machinery	\$19	1.32x	-
Initial consideration for the acquisition is \$11 million with deferred consideration of \$7.5 million based on revenue and profit performance over a 3 year period.						

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
7/5/16	Vacuplast, LLC	Patrick Industries Inc. (NasdaqGS:PATK)	Auto Parts and Equipment	\$11	0.92x	-
The purchase price is funded under Buyer's existing credit facility and includes the acquisition of accounts receivable, inventory, and machinery and equipment. Buyer expects the acquisition to be immediately accretive to 2016 net income per share.						

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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