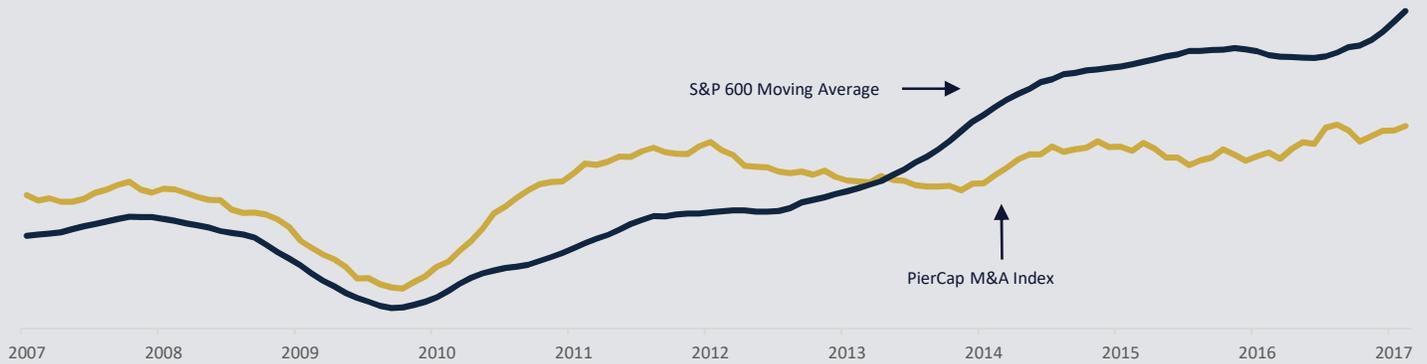


M&A MIDDLE MARKET INSIGHTS – FEBRUARY 2017

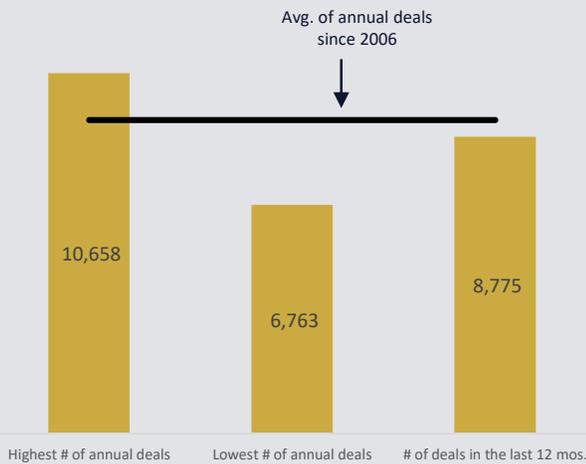
S&P CONTINUES MOMENTUM

➤ PierCap's Middle Market Index

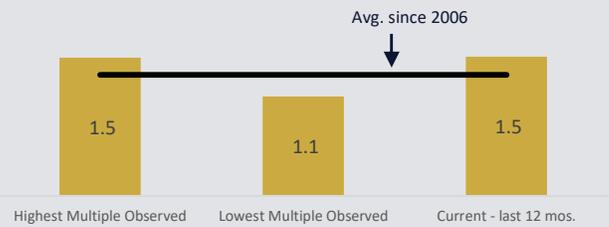


VOLUMES REMAIN BELOW AVERAGE, MULTIPLES CONTINUE TO BE STRONG

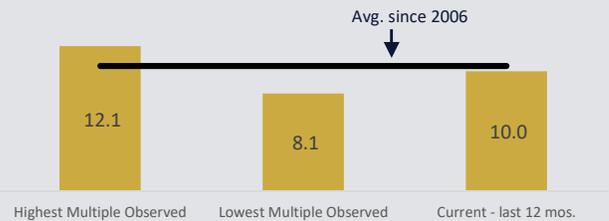
➤ All M&A Transaction Volumes



➤ Middle Market M&A Revenue Multiples

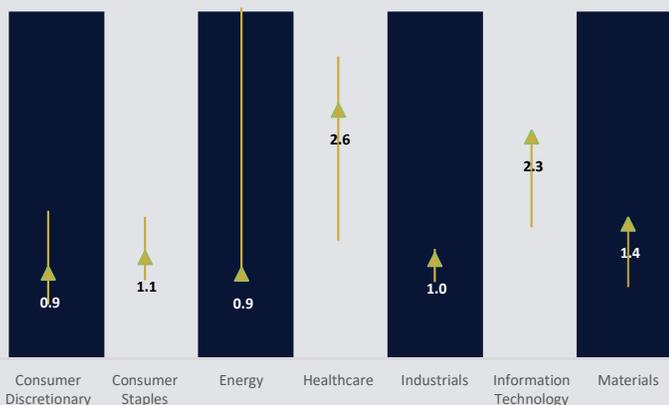


➤ Middle Market M&A EBITDA Multiples

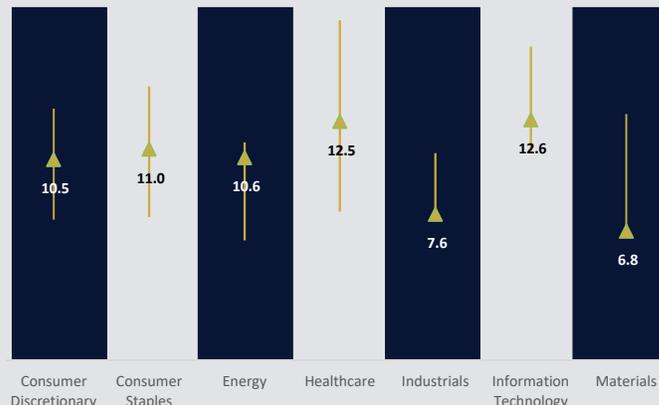


MONTH ON MONTH CHANGES IN MULTIPLES RELATIVELY UNCHANGED

➤ 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 |
|--------------|---|---|----------------------|-------------|------------------|-----------------|
| 2/3/17 | NetDimensions (Holdings) Limited (AIM:NETD) | Learning Technologies Group plc (AIM:LTG) | Application Software | \$67 | 2.2x | 166.93x |

Buyer, a provider of comprehensive and integrated range of e-learning services and technologies to corporate and government clients, reached an agreement to acquire Target – provider of integrated Learning Management System and Talent Management System to organizations in highly regulated industries, from a group of sellers for £53.6 million. Target's shareholders will be entitled to receive £1 per share in cash for each share. The outstanding options of Target will be acquired for an aggregate value of £2.3 million. It is currently intended that the offer will be implemented by means of a Takeover offer, although Buyer reserves the right to implement the offer by way of a Scheme or a merger.

| Announcement | Target | Buyer | Target Industry | Size (\$mm) | Revenue Multiple | EBITDA Multiple |
|--------------|--------------------|-------------------------|----------------------------|-------------|------------------|-----------------|
| 2/9/17 | Letica Corporation | RPC Group Plc (LSE:RPC) | Metal and Glass Containers | \$640 | 1.42x | 11.23x |

Out of total consideration, \$490 million will be paid as upfront consideration and \$150 million will be paid as earn-out consideration which will become payable, subject to Target – a packaging manufacturer, serving business-to-business, consumer and special project customers spanning markets from industrial and foodservice to entertainment and retail, achieving EBITDA greater than \$140 million and up to \$201 million over the two-year period commencing on the later of July 1, 2017, and the first day of the month following completion of the transaction. The total consideration is on a cash-free and debt-free basis. The gross proceeds raised through a fully underwritten rights issue of the Buyer – a global design and engineering company specializing in polymer conversion in packaging and non-packaging markets, will be used to finance the transaction.

| Announcement | Target | Buyer | Target Industry | Size (\$mm) | Revenue Multiple | EBITDA Multiple |
|--------------|--|-------------------|---------------------|-------------|------------------|-----------------|
| 2/15/17 | The Garvey Group, LLC and Graphic Tech LLC | IntegraColor, LLC | Commercial Printing | \$54 | 0.60x | 5.80x |

Consideration of \$48 million will be paid upfront and \$6 million holdback is payable in installments from 12 to 36 months post completion. The consideration will be funded from existing bank debt facilities. Target provides pre-press, printing, and bindery services, including print and distribution solutions to large-format, packaging, entertainment, retail, outdoor and environmental, transit, point-of-purchase/point-of-sale, and signage markets in the US. Current management teams will continue to have responsibility for the day-to-day operations and report to the Chief Executive Officer of Buyer. Transaction is expected to be completed by the end of March 2017. Buyer (recently acquired by Orara Ltd. (ASX: ORA)) – which offers printing, finishing and fulfillment solutions under-one-roof, intends to use its platform for further organic and bolt-on acquisition growth.

| Announcement | Target | Buyer | Target Industry | Size (\$mm) | Revenue Multiple | EBITDA Multiple |
|--|-------------------------------|--|-------------------------------------|-------------|------------------|-----------------|
| 2/21/17 | Atlas Lighting Products, Inc. | LSI Industries Inc. (NasdaqGS:LYTS) | Electrical Components and Equipment | \$97 | 1.71x | 9.99x |
| Purchase agreement provides \$96.89 million in cash and warrants to Buyer - a manufacturer of energy saving lighting products and offers its products through distributors. \$1 million is deposited in escrow within 1 business day after closing for the purpose of securing the indemnification obligations of sellers and remaining amount is paid at closing to sellers. Funding will be provided by a combination of cash on hand and \$66 million from a new revolving credit loan. Target became a direct wholly owned subsidiary of Buyer – a manufacturer of energy efficient lighting (LED) and custom graphic products. Buyer will keep Target’s brand. In case of termination, Target will pay termination fee of \$5 million. The transaction is subject to conditions including due diligence investigation, Retention Agreements with the Key Employees, Non-Compete and Non-Solicitation Agreement, Target and Landlord shall have entered into the Lease Agreement, approval from third parties, including without limitation, any Governmental Authority, HSR Act and LSI shall have obtained the R&W Insurance Policy. | | | | | | |

| Announcement | Target | Buyer | Target Industry | Size (\$mm) | Revenue Multiple | EBITDA Multiple |
|--|-----------------------------|---|-----------------|-------------|------------------|-----------------|
| 2/28/17 | MBS Textbook Exchange, Inc. | Barnes & Noble Education, Inc. (NYSE:BNED) | Distributors | \$174 | 0.35x | 3.18x |
| Consideration was paid in cash and Buyer – which operates as a contract operator of bookstores on college and university campuses in the US and a provider digital education services, will borrow \$55 million and will extend existing credit facility by \$100 million to fund the transaction. Transaction is subject to approval from regulatory authorities, antitrust authorities, execution of ancillary agreements, resignation of Directors of Target – which engages in wholesale distribution of textbooks to bookstores in the US, and obtaining financing. | | | | | | |

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.

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