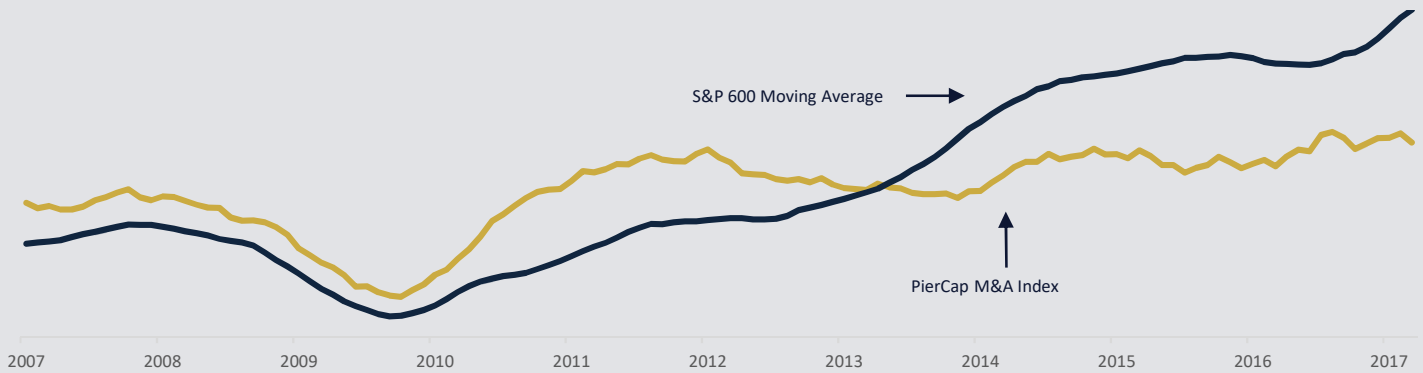


## M&A MIDDLE MARKET INSIGHTS – MARCH 2017

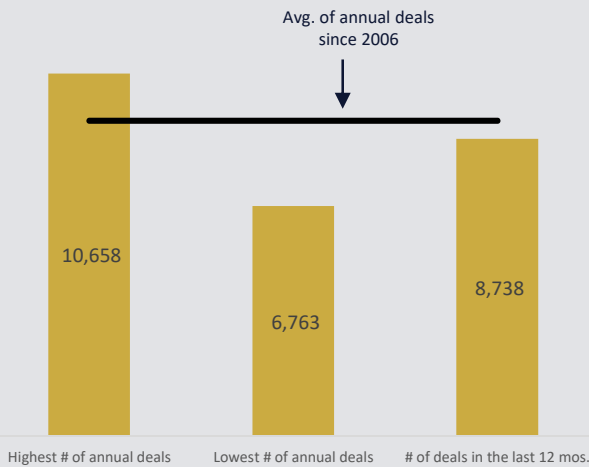
### S&P CONTINUES MOMENTUM

#### ➤ 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

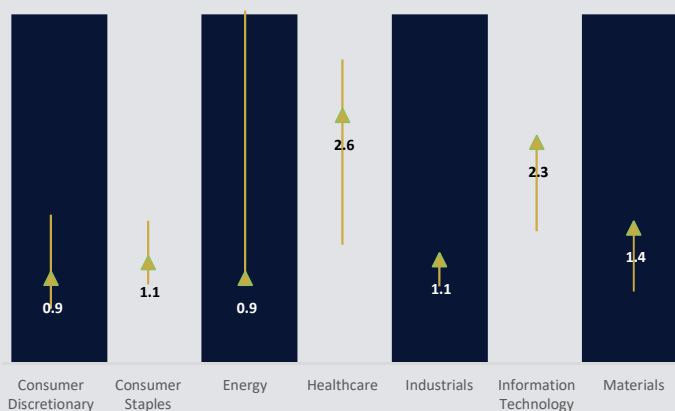


#### ➤ Middle Market M&A EBITDA Multiples

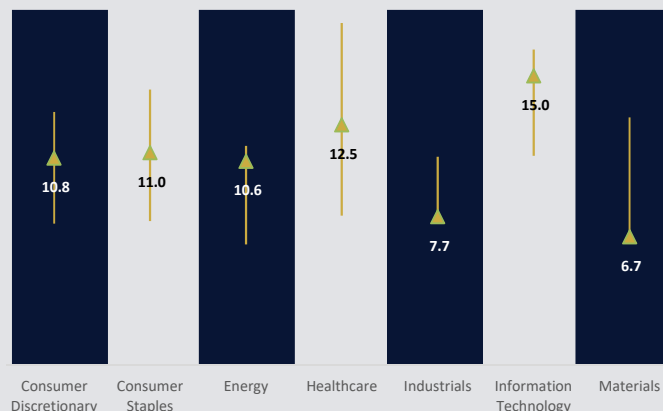


## STRONG MULTIPLES IN HEALTHCARE AND TECHNOLOGY SECTORS

### ➤ 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
3/2/17	Grindmaster-Cecilware Corporation	Electrolux Professional, Inc.	Industrial Machinery	\$108	1.66x	-

Buyer, a provider of commercial kitchen and laundry equipment, acquired Target from BNY Mezzanine Partners L.P. and other shareholders for approximately \$108 million in cash. Target is a leading U.S. based manufacturer of hot, cold and frozen beverage dispensing equipment, including coffee machines. The acquisition broadens Buyer's offering in its food service business and expects it to accelerate the growth of the Professional Products business area by increasing access to the U.S. market.

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
3/3/2017	RISI, Inc.	Euromoney Institutional Investor PLC (LSE:ERM)	Research and Consulting Services	\$125	4.22x	16.23x

Buyer, a international business-to-business online information and events group, agreed to acquire 100% of the equity of Target from AXIO Group Management Ltd for \$125 million. Target provides information to the global forest products industry, with clients in the pulp and paper, packaging, wood products, timber, biomass, tissue and nonwovens industries to help them make better decisions. Deal will be funded by Buyer's existing revolving credit facility. Deal is subject to regulatory approval and Hart-Scott-Rodino approval, which is expected to take approximately four weeks. The acquisition is expected to be earnings-enhancing for buyer in its current financial year.

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
3/6/2017	CJS Solutions Group (dba - The HCI Group)	Tech Mahindra (Americas), Inc.	Health Care Technology	\$220	1.93x	-

Buyer, a software services firm specializing in digital transformation, consulting and business reengineering, signed a definitive agreement to acquire Target for \$220 million. Target, a healthcare Information Technology consulting company, focuses on providing end-to-end implementation of Electronic Health Record (EHR) and Electronic Medical Record (EMR) software, training and support services. Under the terms of the transaction, 84.7% of HCI Group will be acquired for \$110 million, out of which \$89.5 million is paid upfront, and a contingent consideration of maximum of \$130.5 million will be payable in calendar years 2018, 2019 and 2020 for acquiring the remaining 15.3% membership units based on revenue and EBITDA achieved over calendar years 2017, 2018 and 2019. The transaction is subject to Hart-Scott-Rodino approval, regulatory approvals and has been approved by the Board of Directors of Tech Mahindra.

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
3/9/2017	Ultra Chem, S. De R.L. De C.V., Speciality Chemical Distribution Business	Nexeo Solutions, Inc. (NasdaqCM:NXEO)	Trading Companies and Distributors	\$58	0.97x	-
<p>Buyer, a leader in chemicals and plastics distribution, agreed to acquire specialty chemicals distribution business of Ultra Chem, S. de R.L. de C.V. for \$58 million. Target based in Mexico City, distributes polyurethanes for flexible foam products, as well as a range of specialty chemicals. Buyer will pay \$58 million, subject to certain adjustments based upon closing date cash, debt, working capital and a portion of the purchase price will be placed into the escrow at closing. The deal is expected to be financed with cash on hand, and borrowings under Nexeo Solutions, Inc.'s credit facilities. The transaction is subject to customary closing conditions including approval from Mexico's Ley Federal de Competencia Económica and other regulatory agencies.</p>						

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
3/22/2017	Hausmann Industries, Inc.	Dynatronics Corporation (NasdaqCM:DYNT)	Healthcare Equipment	\$10	0.67x	8.33x
<p>Buyer, a manufacturer of advanced-technology medical devices, orthopedic soft goods, treatment tables and rehabilitation equipment, entered into a definitive agreement to acquire substantially all assets of Target for \$10 million. Target manufactures high quality physical therapy and athletic training products. Buyer will hold back \$1.0 million of the purchase price for purposes of satisfying adjustments to the purchase price as may be required by the Asset Purchase Agreement and indemnification claims, if any. Subject to adjustments or claims as provided by the Agreement, 25% of the holdback amount will be released on 1/1/2018, and the balance of the remaining holdback amount will be released to 18 months after Closing. The transaction will be funded with proceeds from private placement of up to \$9 million and under an asset-based lending facility, of up to \$8 million, provided by Bank of the West. Upon closing, Buyer will make offers of employment to employees of Target.</p>						

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.

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.



**Not sure how the market impacts your current situation?** Received an unsolicited offer?  
Connect with us for custom insights, assessments, and suitable options.

### MIDDLE MARKET M&A INVESTMENT BANKING

Ashish Jariwala - 646.701.2359 | ashish@piercappartners.com  
Zaheer Dhruv - 858.342.7517 | zaheer@piercappartners.com  
[piercappartners.com](http://piercappartners.com)

**Acquire or sell your business... for the best possible combination of price, terms and strategic fit.**

PierCap Partners, LLC | 4320 La Jolla Village Drive, Suite 300, San Diego, 92122