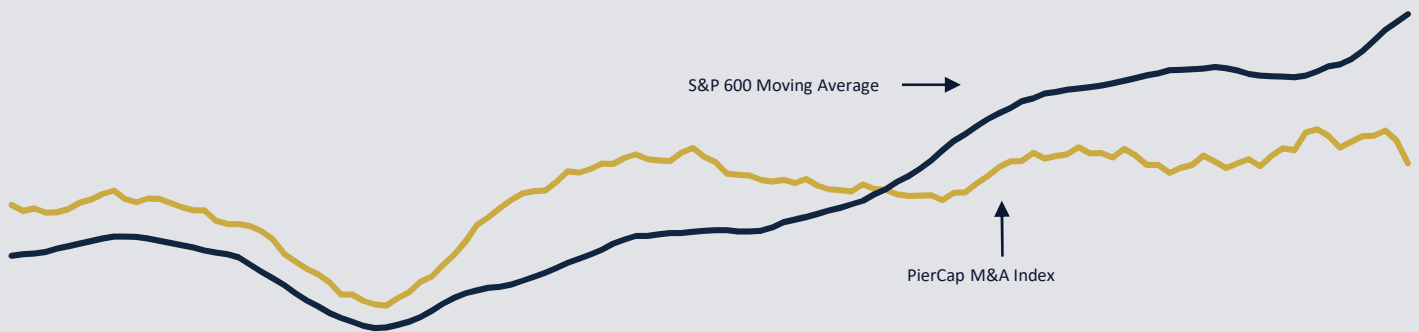


M&A MIDDLE MARKET INSIGHTS – APRIL 2017

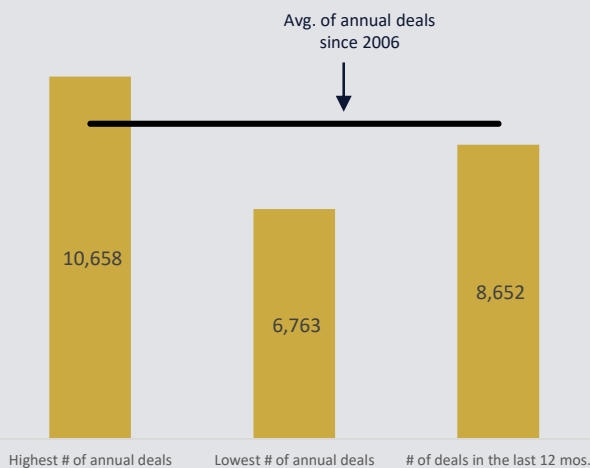
IS HIGH PRICING IMPACTING VOLUME AND THUS, OUR INDEX?

➤ PierCap's Middle Market Index

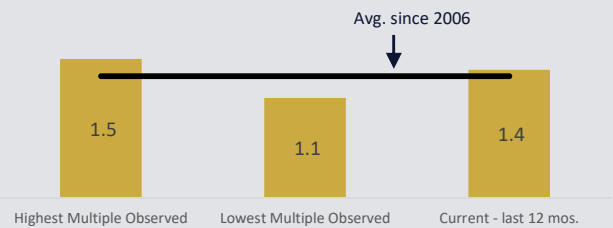


LESSER DEALS, BUT SEEMINGLY AT A HIGHER PRICE!

➤ All M&A Transaction Volumes



➤ Middle Market M&A Revenue Multiples

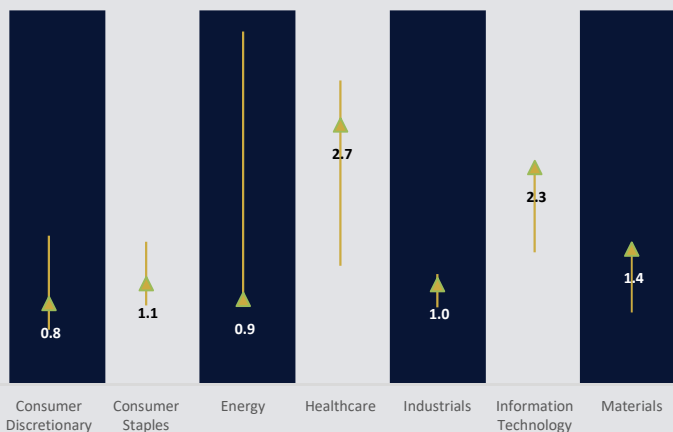


➤ Middle Market M&A EBITDA Multiples

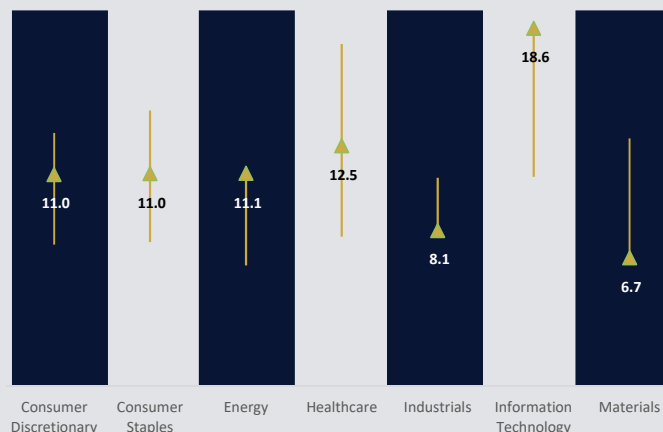


BIG BOOST FOR TECHNOLOGY SECTOR THIS MONTH

➤ 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
4/3/2017	Delta Microwave, Inc.	Mercury Systems, Inc. (NasdaqGS:MRCY)	Communications Equipment	\$41	3.16x	-

Buyer, a provider of secure processing subsystems for various critical defense and intelligence programs, acquired Target for \$40.5 million. Buyer is a designer and manufacturer of high-value radio frequency, microwave and millimeter wave subassemblies and components for military and space markets. Target will receive \$40.5 million in cash, subject to net working capital and net debt adjustments and is expected to be treated as an asset sale for tax purposes.

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
4/7/2017	eBags, Inc.	Samsonite LLC	Internet and Direct Marketing Retail	\$105	0.66x	-

Buyer, a travel luggage company, entered into merger agreement to acquire Target for approximately \$110 million. Target is a web-only travel bag e-retailer. The consideration will be settled by cash upon consummation of the merger, except for cash escrow in the aggregate amount of \$11.5 million, of which \$1 million may be used to cover any adjustment for working capital, transaction expenses or net debt and \$10.5 million may be used to cover any claims for indemnification that may arise. The consideration will be financed by internal resources of Samsonite International S.A. and Samsonite International S.A.'s revolving credit facility. Target will become a wholly-owned subsidiary of Buyer and keep its name, and its CEO, Mike Edwards will continue to run eBags. Both parties can terminate the agreement by mutual written consent and/or if the closing has not occurred on or prior to July 6, 2017.

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
4/10/2017	Unified Grocers, Inc.	SUPERVALU Inc. (NYSE:SVU)	Food Distributors	\$374	0.10x	9.60x

Buyer, a grocery wholesaler and retailer, entered into a definitive agreement to acquire Target for approximately \$380 million. Target is a retailer-owned wholesale grocery distributor that supplies independent retailers. Consideration includes \$114 million to be paid in cash and assumption and pay-off of Target's net debt of \$261 million. Buyer will be entitled to receive a termination fee of \$8 million, plus reimbursement of up to \$1 million in costs and expenses, in the event that the merger agreement is terminated by Target under certain circumstances, including as a result of a change in the recommendation of the board of directors of Target. In addition, a reverse termination fee of \$9.5 million may be payable by Buyer to Target upon termination of the merger agreement under certain circumstances, including if Buyer is unable to obtain antitrust approval before January 5, 2018.

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
4/11/2017	Atkins Nutritionals Holdings, Inc.	Conyers Park Acquisition Corp. (NasdaqCM:CPAA)	Trading Companies and Distributors	\$730	1.92x	11.41x
<p>Buyer, a special purpose acquisition company, entered into a definitive agreement to acquire Target from Roark Capital Group for approximately \$730 million. Target is a branded nutritional food and snacking products company. Target shareholders will receive \$730 million in total consideration through a combination of \$653 million cash (\$402.5 million of cash held in Buyer's trust account, \$150 million of new net debt, and (\$100 million common stock private placement from large institutional investors), and rollover stock (10.25 million shares of common stock of The Simply Good Foods Company). On closing, Buyer and Target will combine under a new holding company, The Simply Good Foods Company, which will list on the NASDAQ stock exchange under the symbol SMPL. The proposed stock ownership of Simply Good Foods includes the investment in Conyers Park's initial public offering (57%), the selling equity owners of Atkins (15%), Conyers Park Founders (14%) and the common stock private placement investment (14%).</p>						

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
4/12/2017	The Valspar Corporation's North American Industrial Wood Coating Business	Axalta Coating Systems Ltd. (NYSE:AXTA)	Specialty Chemicals	\$420	1.87x	-
<p>Buyer, global supplier of liquid and powder coatings, entered into an asset purchase agreement to acquire Target from The Valspar Corporation (NYSE:VAL) for \$420 million. In a related transaction, on May 19, 2016, The Valspar Corporation (NYSE:VAL) entered into agreement and plan of merger with The Sherwin-Williams Company. Valspar is divesting the business in connection with the reviews by the Federal Trade Commission (FTC) and Canadian Competition Bureau (CCB) of the proposed acquisition of Valspar by Sherwin-Williams. This divestiture of Valspar's wood coating business will clear the way for Sherwin-Williams' proposed \$11 billion acquisition of Valspar this year. The transaction is subject to antitrust regulations, regulatory approvals and the consummation of the merger between Valspar and Sherwin-Williams and is expected to close as soon as practicable following the closing of the Sherwin-Williams Valspar merger.</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.

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MIDDLE MARKET M&A INVESTMENT BANKING

Ashish Jariwala - 646.701.2359 | ashish@piercappartners.com
Zaheer Dhruv - 858.342.7517 | zaheer@piercappartners.com
piercappartners.com

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