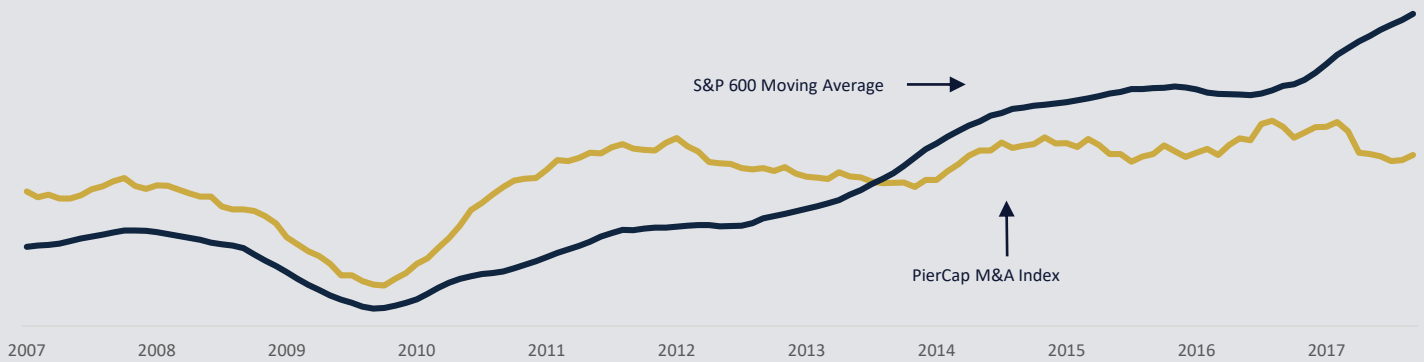


## M&A MIDDLE MARKET INSIGHTS – SEPTEMBER 2017

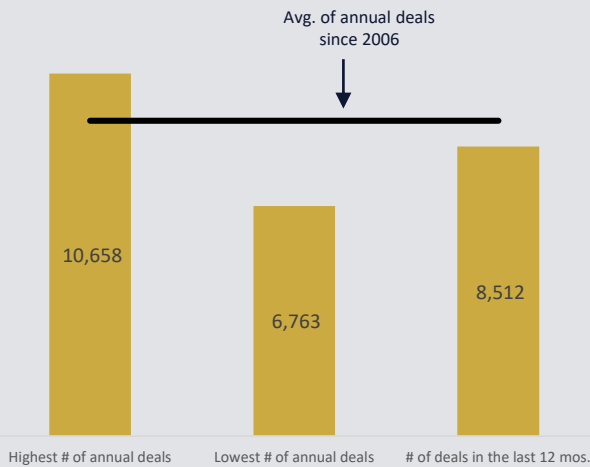
### M&A INDEX OFF FROM HIGHS – IS IT A SIGNAL?

#### ➤ PierCap's Middle Market Index

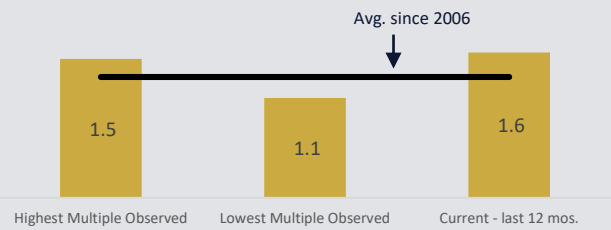


### STRONG MULTIPLES, LOWER TRANSACTION VOLUMES

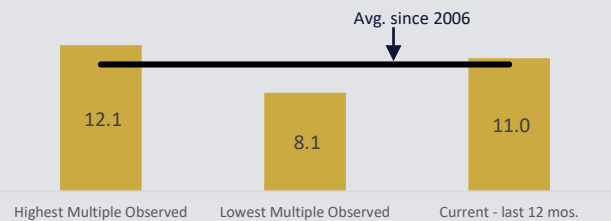
#### ➤ All M&A Transaction Volumes



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

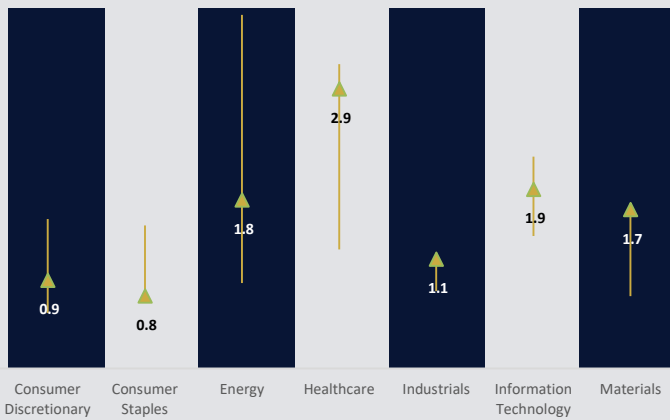


#### ➤ Middle Market M&A EBITDA Multiples

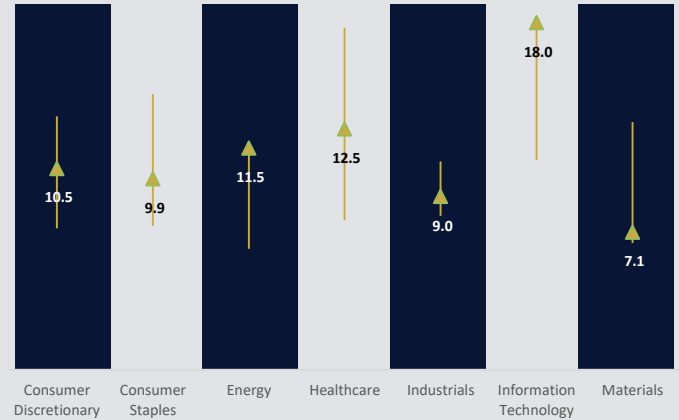


## STRENGTH OF MULTIPLES VARY ACROSS INDUSTRIES

### ➤ 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
9/6/17	SinfoniaRx	Tabula Rasa Healthcare, Inc. (Nasdaq:TRHC)	Healthcare Services	\$131	4.8x	43.3x

Buyer, a healthcare technology company - provides patient-specific, data-driven technology and solutions that enable healthcare organizations to optimize medication regimens to improve patient outcomes, reduce hospitalizations, and manage risk - agreed to acquire Target for approximately \$131 million. Target, founded in 2013, provides medication management services. Consideration was paid via stock (8%), cash (27%) and earn-outs (65%) and the cash portion was funded by a revolver facility agreement.

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
9/7/17	Chesapeake Bay Candle Company, LLC	Newell Brands Inc. (NYSE:NWL)	Commodity Chemicals	\$75	1.4x	-

Buyer, marketer of consumer and commercial products worldwide, agreed to acquire Target from Pacific Trade International, Inc., for \$75 million. Target, founded in 1994, develops, manufactures, and markets candles, home fragrance, and home decor products. The purchase price is subject to adjustment for net working capital on closing. Key members will join the Buyer's Home Fragrance Division as part of the purchase. The transaction is subject to customary closing conditions, and expected to close Q4 2017. The transaction was funded by cash on hand at time of closing.

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
9/12/17	Rader Farms Inc. & Willamette Valley Fruit Company, LLC	Oregon Potato Co.	Packaged Foods and Meats	\$50	-	-

Buyer, a grower / processor of potatoes, select vegetable and fruits, acquired Target from Inventure Foods, Inc. (NasdaqGS: SNAK) for \$50 million along with assets, rights and properties related to its frozen fruits, vegetable blends, beverages, and frozen desserts business. Targets are farms that produce fruits and vegetables and also offer local produce. Under the terms of the transaction, the consideration was paid with approximately \$48 million in cash and \$2 million will be set aside in escrow.

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
9/20/17	Acturus Inc.	MetrixLab US Inc.	Advertising	\$13	0.6x	4.5x
<p>Buyer, a global market research company offering customer insight services and market research data for businesses, signed a definitive agreement to acquire Target for approximately \$13 million. Target, founded in 1978, provides market research consultation, brand positioning, and consumer behavior analysis services across B2B and B2C segments. Post-acquisition, Target will be fully integrated in Buyer's existing operations and it's three Principals - Dale Lersch, Gigi Ryan and Kevin Moran will also join the Buyer's team.</p>						

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
9/27/17	Bird and Cronin, Inc.	Dynatronics Corporation (NasdaqCM:DYNT)	Healthcare Equipment	\$15	0.6x	-
<p>Buyer, designs, manufactures, and distributes advanced-technology medical devices, therapeutic and medical treatment tables, rehabilitation equipment as well as other rehabilitation and therapy products and supplies, signed a definitive agreement to acquire Target for approximately \$15 million. Target, founded in 1970, manufactures orthopedic soft goods, sports medicine related items, and specialty patient care products for healthcare professionals and their patients. Under the terms of the agreement, Buyer will pay \$10 million in cash, subject to adjustment, an earn out payment ranging from \$0.5 - \$1.5 million and will issue 1.5 million new series of preferred stock designated as Series D Convertible Non-Voting Preferred Stock of \$4 million. Following closing of the transaction Target will operate as Buyer's wholly-owned subsidiary.</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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