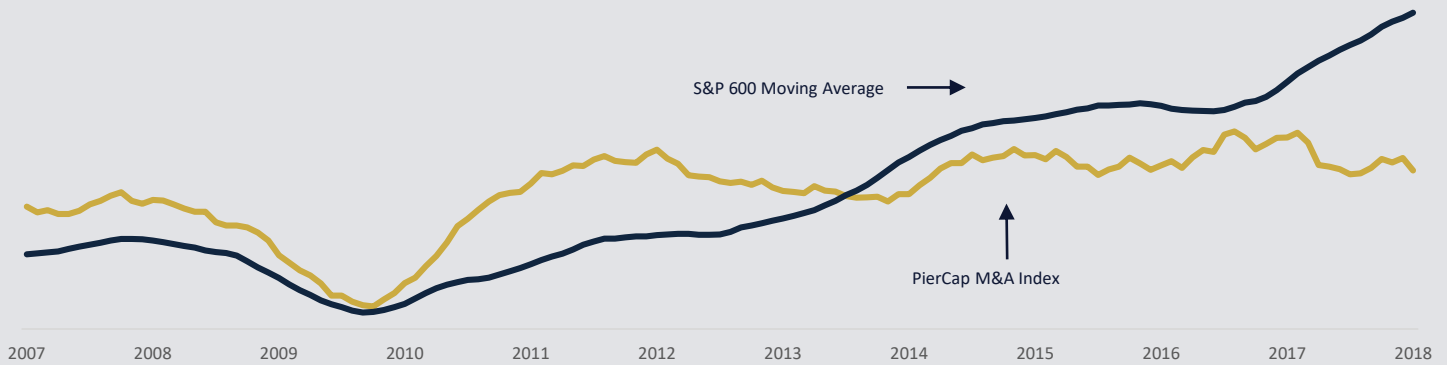


M&A MIDDLE MARKET INSIGHTS – JANUARY 2018

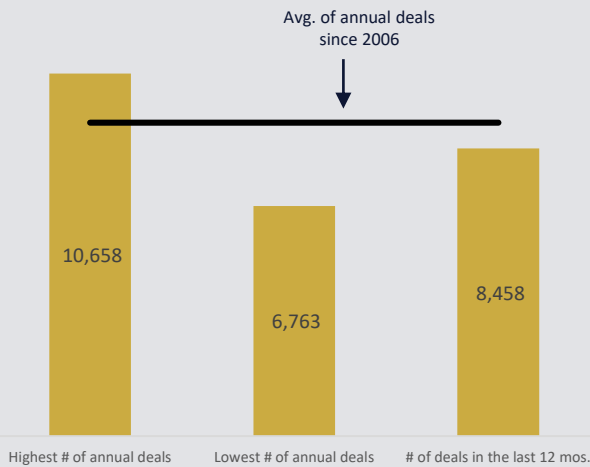
S&P'S FEARLESS CLIMB

➤ PierCap's Middle Market Index

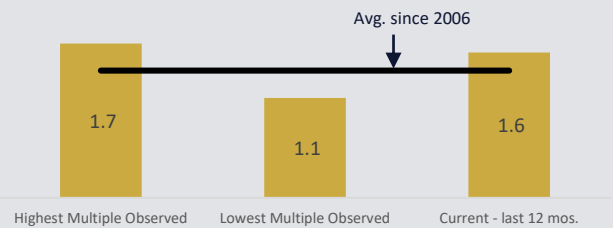


PRICING MULTIPLES CATCHING UP TO ALL TIME HIGHS SINCE A DECADE+

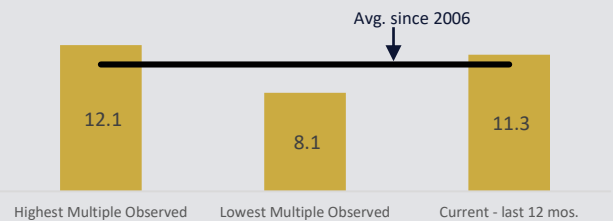
➤ All M&A Transaction Volumes



➤ Middle Market M&A Revenue Multiples

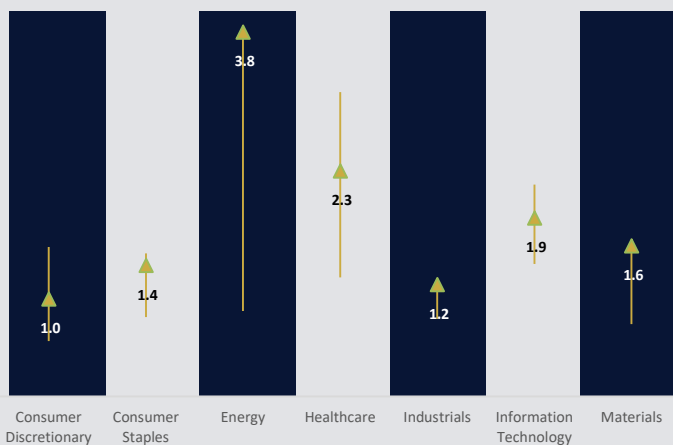


➤ Middle Market M&A EBITDA Multiples

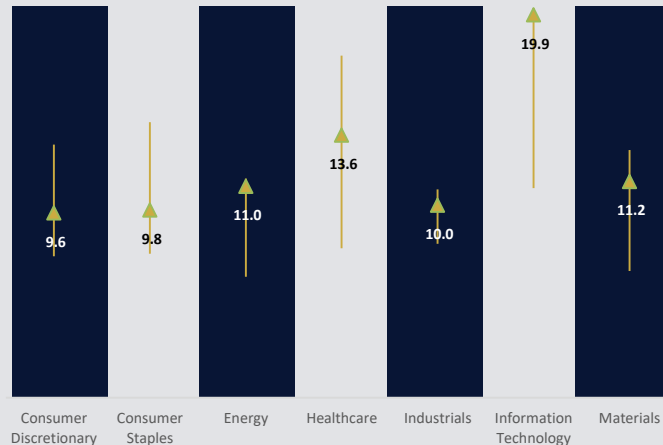


PRICING ABOVE AVERAGE OR NEAR HIGHS ACROSS MOST SECTORS

➤ 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
1/3/2018	Ethertronics Inc.	AVX Corporation (NYSE:AVX)	Electronic Components	\$150	1.67x	-

Buyer, a worldwide manufacturer and supplier of a broad line of passive electronic components and interconnect products, signed a definitive agreement to acquire Target for \$150 million. Target is a California-based manufacturer of antenna products for wireless applications such as mobile phones, Wi-Fi, defense, aerospace, medical, and Internet of Things. Transaction can be terminated by either party if not consummated on or prior to March 31, 2018 and is expected close in 30 days.

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
1/18/2018	Foam Fabricators, Inc	Compass Diversified Holdings LLC (NYSE:CODI)	Commodity Chemicals	\$248	1.96x	8.25x

Buyer, an owner of middle market businesses, entered into a definitive agreement to acquire Target, for a purchase price of \$247.5 million (excluding working capital and certain other adjustments upon closing). Target is an Arizona-based designer and manufacturer of custom molded protective foam solutions and OEM components made from expanded polymers such as expanded polystyrene and expanded polypropylene. Transaction is expected to close within the next 45 days. Approximately \$1.5 million will be in Escrow. Transaction cannot be terminated by Target on less than 90 days' notice without penalty or payment of damages involving aggregate consideration in excess of \$0.05 million.

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
1/22/2018	Data Sciences International, Inc.	Harvard Bioscience, Inc. (NasdaqGM:HBIO)	Life Sciences Tools and Services	\$70	1.59x	-

Buyer, a global developer, manufacturer and marketer of a broad range of solutions to advance life science, has entered into a definitive merger agreement to acquire Target, for approximately \$70 million (subject to adjustment for net working capital and other customary adjustments). Target, a Minnesota-based life science research company, provides physiologic monitoring focused on delivering preclinical products, systems, services and solutions to biotech and pharma clients, as well as contract research organizations, academic labs and government researchers. The acquisition will be financed through a combination of debt, sale of a subsidiary and cash-on-hand. Transaction is expected to close Q1 2018.

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
1/29/2018	SingleHop, LLC	Internap Corporation (NasdaqGS:INAP)	Data Processing and Outsourced Services	\$132	2.77x	8.0x
<p>Buyer, a provider of high-performance data center services including colocation, managed hosting, cloud and network services, agreed to acquire membership interest of Target for \$132 million. Target is a global managed hosting and infrastructure-as-a-service (IaaS) specialist, offering highly automated and on-demand IT infrastructure. Purchase price will be payable in cash and upon closing Buyer will pay 1.5% of the purchase price in cash with the escrow agent and in case of termination Buyer will pay fees of \$5.28 million or 4% of transaction price.</p>						

Announcement	Target	Buyer	Target Industry	Size (\$mm)	Revenue Multiple	EBITDA Multiple
1/31/2018	Cascadian Therapeutics, Inc. (NasdaqGS:CASC)	Seattle Genetics, Inc. (NasdaqGS:SGEN)	Biotechnology	\$614	-	-
<p>Buyer, a biotechnology company focused on developing and commercializing monoclonal antibody-based therapies for the treatment of cancer, signed a definitive purchase agreement to acquire Target by paying \$10/share in cash – a 139% premium to its 30-day volume weighted average stock price. Target is a clinical-stage biopharmaceutical company dedicated to developing product candidates for the treatment of cancer. The tender offer is subject to customary closing conditions, including regulatory approvals and the tender of at least a majority of the outstanding shares of Target's common stock (on a fully diluted basis). Following the closing of the tender offer, a wholly-owned subsidiary of Buyer will merge with and into Target, with each share of Target's common stock that has not been tendered being converted into the right to receive the same \$10 per share in cash offered in the tender offer. Buyer also secured a \$400 million financing commitment while paying the remainder transaction amount in cash. Transaction is anticipated to close Q1 2018.</p>						

Notes: Middle Market defined as all M&A activity between \$10 million - \$1 billion 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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