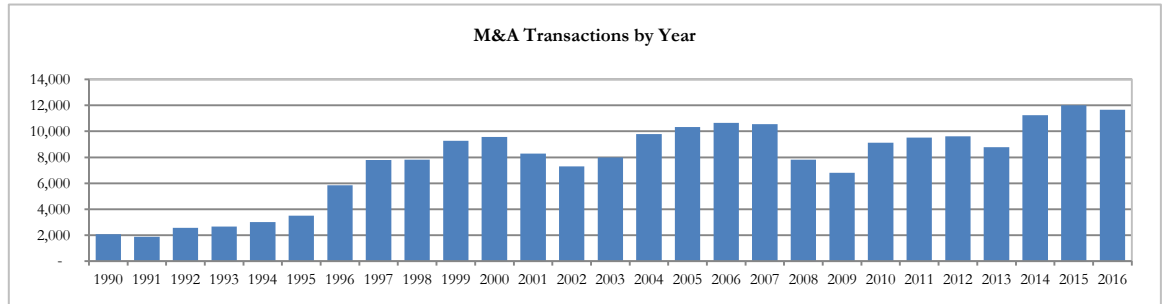


THE MARKET

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Topics Relevant to Middle Market Mergers & Acquisitions

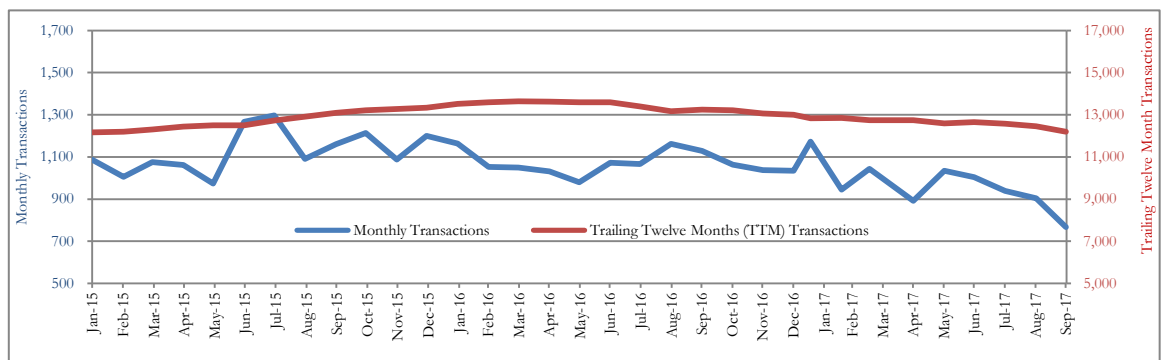
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M&A ADVISORY ♦ VALUATIONS ♦ CAPITAL SOURCING



Total Announced Transactions, U.S. Buyer or Seller | Source: Mergerstat Review

Q3 2017 - Monthly transaction volume, as evidenced by blue line in the chart below, moderated a bit during 2016 and continues to soften during 2017. Overall transaction volume (including public and private companies of all sizes) for the trailing twelve months ended September 30, 2017 decreased 10.9 percent when compared to the same period in 2016.

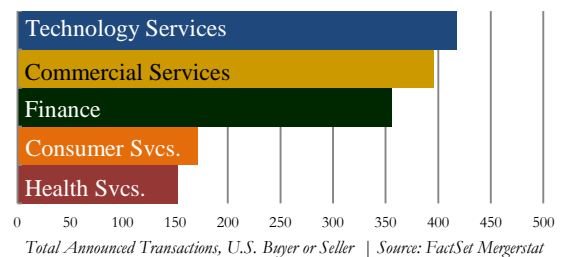
Monthly M&A Transaction Volume



Total Announced Transactions, U.S. Buyer or Seller | Source: FactSet Mergerstat

Which Sectors are Most Active?

The chart to the right reveals the five most active sectors in terms of transactions closed for the three months ended September 30, 2017. In addition to those listed in the chart, the following sectors also exhibited high transaction volume: Producer Manufacturing, Distribution Services, Process Industries, and Health Technology.



Total Announced Transactions, U.S. Buyer or Seller | Source: FactSet Mergerstat

Waterview is a Financial Advisory Services firm focused on Investment Banking and Valuation Services

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Topics Relevant to Middle Market Mergers & Acquisitions

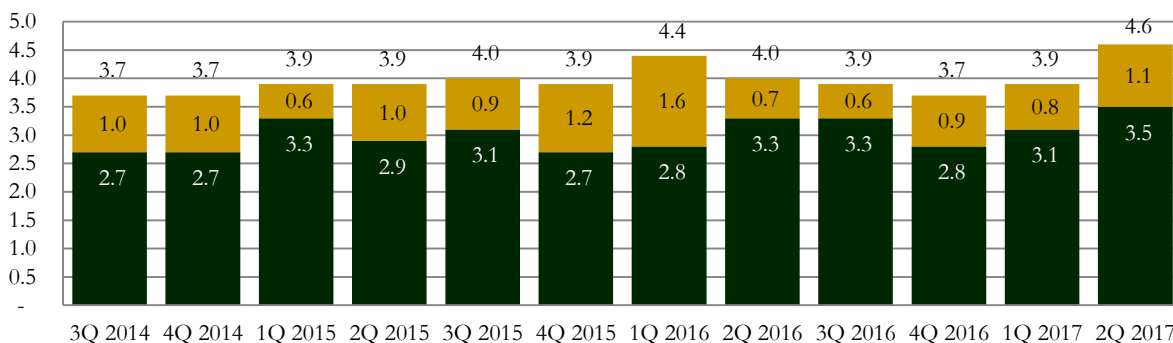
Average Multiples Paid TEV / EBITDA Private Equity Sponsored M&A Transactions

TEV (\$Millions)	2003-2012	2013	2014	2015	2016	2017 YTD	Average	Std Dev	N =
10-25	5.6	5.9	5.6	5.8	6.0	5.8	5.7	1.6	1,049
25-50	6.2	6.8	6.6	6.6	6.5	6.6	6.3	1.6	800
50-100	6.8	6.8	8.4	7.8	7.3	7.6	7.1	1.7	550
100-250	7.3	7.5	7.8	9.0	9.0	8.7	7.8	2.0	263
Average	6.2	6.5	6.7	6.7	6.9	6.9	6.4	1.8	
N =	1,731	163	216	236	213	103			2,662

Source: GF Data® M&A Report, August 2017. Seller Type: Private | Multiple Range: 3x - 15x | Geography: U.S. or Canadian Buyer

Average Debt Multiples Private Equity Sponsored M&A Transactions

Subordinated Debt
Senior Debt



Source: GF Data® Leverage Report, August 2017. Seller Type: Private | Multiple Range: 3x - 15x | Geography: U.S. or Canadian Buyer

Senior Debt Pricing

TEV (\$Millions)	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17
10-25	4.2%	4.6%	4.4%	4.9%	5.2%	4.4%	4.8%	4.6%
25-50	4.5%	5.1%	4.9%	4.8%	4.4%	4.4%	5.5%	5.4%
50-100	4.2%	4.8%	4.7%	5.3%	6.0%	4.4%	5.6%	6.2%
100-250	3.7%	4.8%	5.3%	5.8%	5.3%	6.5%	5.3%	7.1%
Total	4.3%	4.8%	4.7%	5.1%	5.4%	4.7%	5.3%	5.7%
N =	36	47	39	60	20	36	48	28

90-Day LIBOR	0.3%	0.6%	0.6%	0.6%	0.8%	1.0%	1.1%	1.3%
Spread vs. LIBOR	4.0%	4.2%	4.1%	4.5%	4.5%	3.7%	4.2%	4.4%

Source: GF Data® Leverage Report, August 2017. Seller Type: Private | Multiple Range: 3x - 15x | Geography: U.S. or Canadian Buyer

Subordinated Debt Average Coupons & Spreads

TEV (\$Millions)	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17
10-25	11.4%	11.8%	11.9%	11.4%	12.1%	11.6%	10.3%	13.3%
25-50	12.0%	11.7%	11.6%	12.1%	11.0%	11.3%	11.1%	11.2%
50-100	10.8%	11.8%	11.2%	11.5%	12.0%	10.4%	11.2%	12.3%
100-250	11.2%	10.5%	10.0%	11.0%	10.3%	10.7%	10.0%	11.0%
Total	11.5%	11.6%	11.4%	11.6%	11.8%	11.0%	10.9%	11.9%
N =	23	32	29	37	16	25	25	18

90-Day LIBOR	0.3%	0.6%	0.6%	0.6%	0.8%	1.0%	1.1%	1.3%
Spread vs. LIBOR	11.2%	11.0%	10.7%	10.9%	10.9%	10.0%	9.8%	10.7%

Source: GF Data® Leverage Report, August 2017. Seller Type: Private | Multiple Range: 3x - 15x | Geography: U.S. or Canadian Buyer