

For further information:
 Larry S. Starks
 Senior Managing Director
 Waterview Investment Banking, Inc.
 12201 Merit Drive, Suite 700
 Dallas, Texas 75251
 Office: 469-916-3937
 Direct: 469-916-3935
 larry.starks@waterviewadvisors.com

www.waterviewadvisors.com

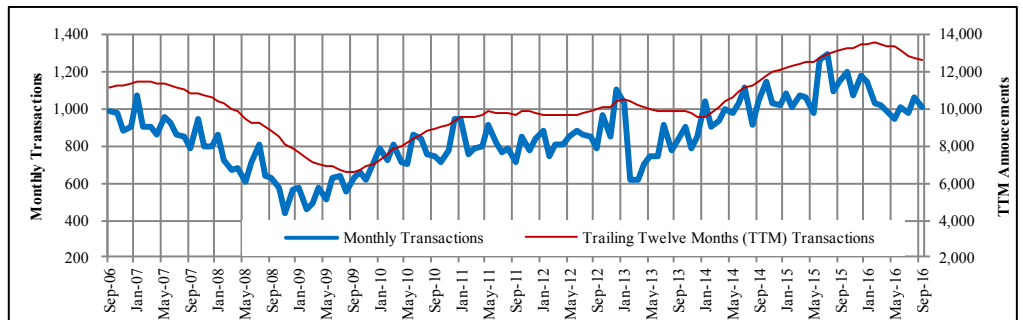
THE MARKET

FOR PRIVATELY HELD COMPANIES

Topics Relevant to Middle Market Mergers & Acquisitions

Q3 2016 - Monthly transaction volume, as evidenced by blue line in the chart below, has moderated at a very high level during 2016. Overall transaction volume (including public and private companies of all sizes) for the trailing 12 months ended September 30, 2016 is relatively flat when compared to the same period in 2015.

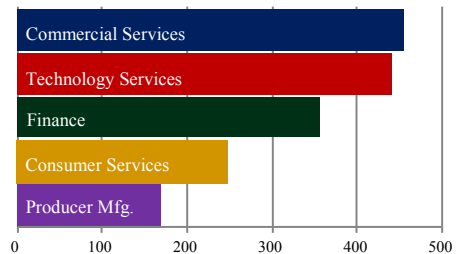
M&A Transaction Volume



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

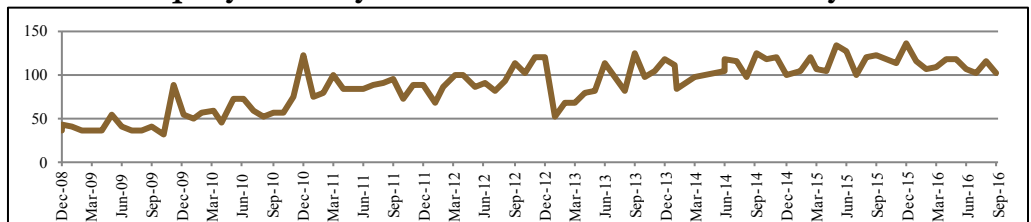
Which Sectors are Most Active?

The chart to the right reveals the five most active sectors in terms of transactions closed for the three months ended September 30, 2016. In addition to those listed in the chart, the following sectors also exhibited high transaction volume: Health Services, Distribution Services, Retail Trade, Process Industries, Industrial Services, and Electronic Technology.



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

Private Equity Activity - Number of Transactions by Month



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

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

- Waterview Investment Banking serves client companies with revenue between \$10 million and \$200 million:
 - Sell Side Representation (marketing to both strategic and financial buyers)
 - Capital Sourcing (senior debt, mezzanine and equity)
 - Valuation (to support exit planning strategies)

December 2016

THE MARKET

FOR PRIVATELY HELD COMPANIES

Topics Relevant to Middle Market Mergers & Acquisitions

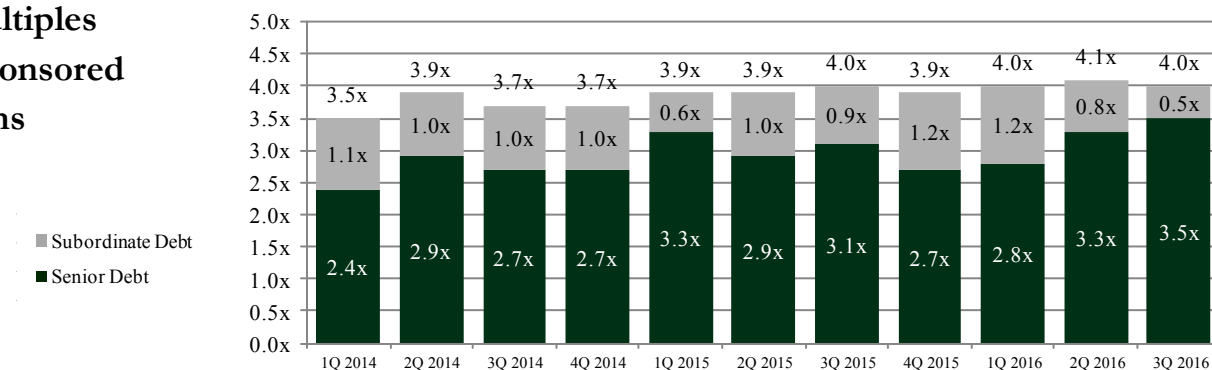
© 2016 Waterview Investment Banking, Inc.

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

TEV (\$ Millions)	2003 -					YTD	Std	Average	N =
	2011	2012	2013	2014	2015	Sep-16	Dev		
10-25	5.6	5.8	6.0	5.6	5.8	6.0	1.6	5.7	994
25-50	6.2	6.2	6.8	6.6	6.6	6.5	1.6	6.3	747
50-100	6.8	6.7	6.8	8.4	7.8	7.6	1.7	7.0	512
100-250	7.3	7.4	7.5	7.8	9.0	8.9	1.9	7.7	238
Average	6.2	6.3	6.5	6.7	6.7	7.0	1.7	6.3	
N =	1,484	247	162	215	235	148			2,491

Seller Type: Private | Multiple Range: 3x - 15x | Geography: U.S. or Canadian Buyer

Average Debt Multiples Private Equity Sponsored M&A Transactions



Senior Debt Pricing / EBITDA Splits by Period

TEV (\$ Millions)	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16
10-25	3.8%	4.7%	4.9%	4.2%	4.6%	4.4%	4.5%	5.1%
25-50	4.9%	5.0%	4.6%	4.5%	5.1%	4.9%	4.8%	4.5%
50-100	4.6%	4.9%	4.4%	4.2%	4.8%	4.7%	5.5%	6.0%
100-250	6.0%	5.6%	4.9%	3.7%	4.8%	5.3%	5.8%	6.0%
Total	4.7%	4.9%	4.7%	4.3%	4.8%	4.7%	5.1%	5.5%
N =	49	48	44	36	47	39	54	19

90-Day LIBOR*	0.3%	0.3%	0.3%	0.3%	0.6%	0.6%	0.6%	0.8%
Spread vs. LIBOR	4.4%	4.6%	4.4%	4.0%	4.2%	4.1%	4.4%	4.7%

Subordinated Debt Average Coupons & Spreads

TEV (\$ Millions)	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16
10-25	11.1%	11.5%	11.3%	11.4%	11.8%	11.9%	11.4%	12.0%
25-50	11.8%	11.4%	10.9%	12.0%	11.7%	11.6%	12.1%	11.8%
50-100	11.6%	11.2%	10.8%	10.8%	11.8%	11.2%	11.5%	12.0%
100-250	11.8%	11.2%	11.3%	11.2%	10.5%	10.0%	11.0%	10.3%
Total	11.6%	11.4%	11.1%	11.5%	11.6%	11.4%	11.6%	11.8%
N =	32	27	27	23	32	29	36	14

90-Day LIBOR*	0.3%	0.3%	0.3%	0.3%	0.6%	0.6%	0.6%	0.8%
Spread vs. LIBOR	11.4%	11.1%	10.8%	11.2%	11.0%	10.7%	10.9%	10.9%

Source: GF Data® Resources