

Midwest M&A Quarterly Update

First Quarter 2017

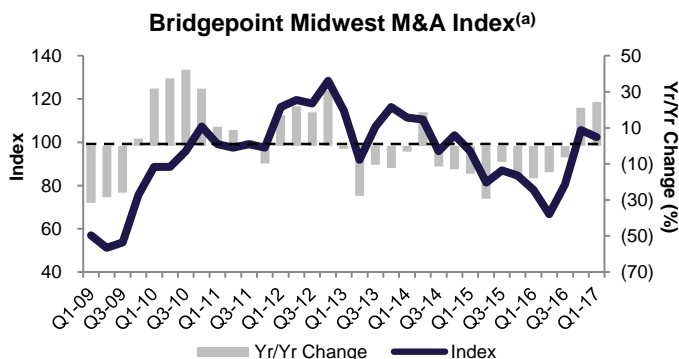
Midwest M&A Quarterly Update

Bridgepoint Midwest M&A Index

Midwest M&A: Sellers Market Persists As 2017 Begins To Take Shape

Index Summary: The Bridgepoint Midwest M&A Index, a measure of corporate merger and acquisition activity in the U.S. Midwest region, decreased by 3.1% in the first quarter of 2017. Year-over-year, the index jumped 31.3% compared to Q1-16. Quarter-to-quarter, the index decreased to 102.4, a 3.3 point decrease from 105.7 in Q4-16 (Q3-06=100)

Prospective / Key Drivers: Despite current global financial market uncertainty and volatility, private equity firms and corporations continue to invest in M&A due to ample reserves of cash, cheap debt as well as the need for growth. Deal volume remains strong, particularly for high quality "A" companies trading for record valuations. Double digit EBITDA multiples are becoming more and more common. Smaller, more challenged assets are not achieving "A" quality assets valuations but still remain elevated from historical norms. There have been more broken transaction processes of late with bidders looking to get exclusivity in a competitive market only to change their terms rather aggressively later. There is still an excess of capital chasing limited quality companies in the market



The majority of Midwest M&A transactions in the quarter were strategic purchases (about 60 percent of the total transaction value in the region). Contributing sectors have been Energy (oil & gas pipeline infrastructure), Financials, Healthcare and Information Technology, while the most active sectors remain Industrials and Consumer. With many buyers sitting on large amounts of capital and vying for deals with promising returns, we expect to see a gradual uptick in M&A activity, but it's late in this prolonged M&A bull cycle

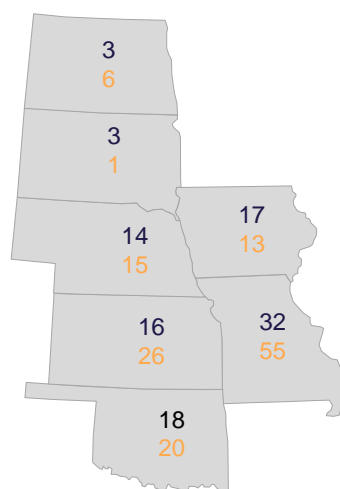
Conversations with the Buy-side

"Corporate acquirers with excess cash, investors with dry powder, and aggressive lenders are all leading to continued high transaction multiples. This is especially true with 'A quality assets' that are in the market which are demanding premium valuations, due to the scarcity of quality assets.

Historically, we have seen lower valuations (i.e. lower multiples) for companies that are sub \$8 million of EBITDA, however over the last 12-18 months valuations have been strong well below this EBITDA threshold. While it depends on industries, even smaller businesses (\$2 to \$5 million EBITDA) are trading at double digit multiples. Sectors that are most active include healthcare services, branded consumer products, and technology businesses."

D.J. Lipke
Prairie Capital
Chicago, IL

Q1-17 Midwest M&A By State



Midwest Targets	
Missouri	32
Oklahoma	18
Iowa	17
Kansas	16
Nebraska	14
North Dakota	3
South Dakota	3
Total	103

Midwest Buyers	
Missouri	55
Kansas	26
Oklahoma	20
Nebraska	15
Iowa	13
North Dakota	6
South Dakota	1
Total	136

Index Definition

(a) Q3-06 = 100. As defined by Bridgepoint Merchant Banking, the Bridgepoint Midwest M&A Index is assembled by summing the number of transactions (for transactions that meet the Transaction Requirements below, as sorted by announced date) announced over the latest two quarters. Year-over-year and quarter-over-quarter percent change is calculated and then applied to the index number for the previous applicable period.

Transaction Requirements

Buyer, target and/or seller must be located in the Midwest, and the Midwest participant must have purchased or sold majority control. Total Enterprise Value must be \$10mm or greater. Midwest defined as Iowa, Kansas, Missouri, Nebraska, North Dakota, Oklahoma, and South Dakota.

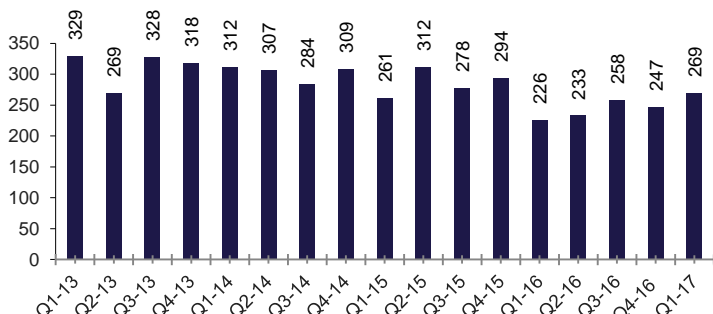
Source: Bridgepoint Merchant Banking, Capital IQ (May 2017)



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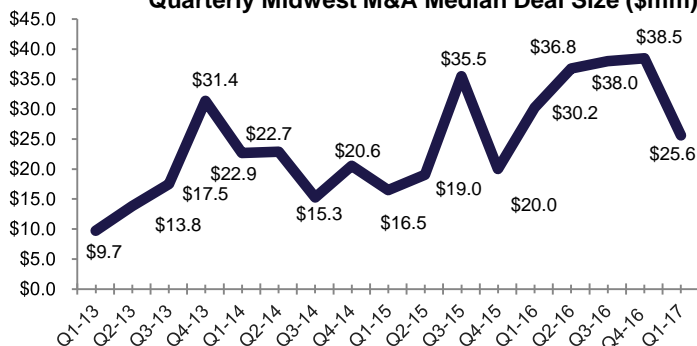
Selected Midwest Q1-17 M&A Transaction Statistics^(b)

Quarterly Midwest M&A Transaction Volume



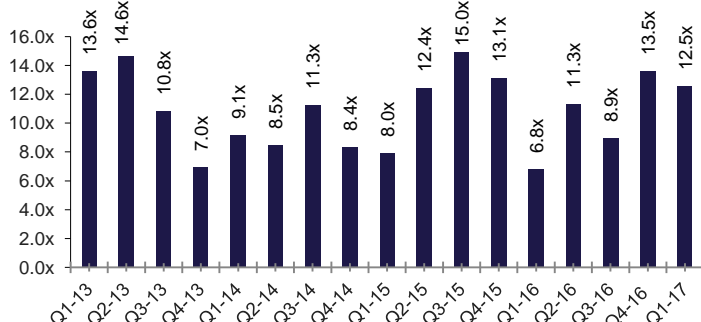
- Quarterly Midwest M&A transaction volume increased by about 8.9% from 247 transactions in Q4-16 to 269 transactions in Q1-17. Year-over-year volume increased by 19.0% from Q1-16 to Q1-17. The quarter begins with a modest increase in transaction volume as compared to the average volume in preceding quarters of year 2016
- Overall, transaction activity still remains somewhat muted despite strong demand, thereby pushing valuations higher for best-in-class companies. However, strong buyer appetite for well-positioned businesses, availability of capital and an easing regulatory environment are expected to continue to provide tailwinds for increased M&A activity

Quarterly Midwest M&A Median Deal Size (\$mm)



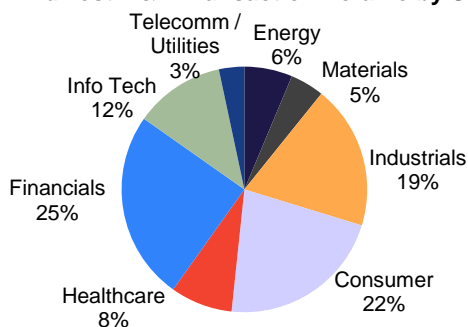
- Quarterly median deal size decreased from \$38.5mm in Q4-16 to \$25.6mm in Q1-17. However, the region has seen a few large ticket deals in the Energy, Information Technology and Financial sectors above \$150mm in valuation
- Although a decrease in median deal size occurred in Q1-17, valuation multiples remain at historically strong levels
- Buyers remain patient, willing to pay premium valuations given the right opportunity, particularly for best-in-class and / or strategic assets

Quarterly Midwest M&A Median Valuation



- On a TEV/EBITDA basis, median Midwest M&A valuations decreased slightly from 13.6x in Q4-16 to 12.5x in Q1-17. Transaction multiples ranged from 7.9x to 15.4x, excluding a few outliers, in the quarter. Despite a small decline valuations remain near all-time highs
- Given the present market dynamics, owners may find it the right time to take advantage of the frothy sell-side climate, or an attractive time to pursue recapitalization / dividend financing

Q1-17 Midwest M&A Transaction Volume by Sector



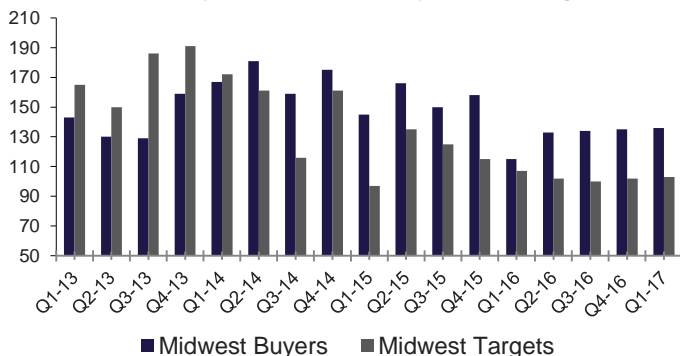
- Consumer Products & Services, Financial Services, and Industrials accounted for 66% of total Midwest M&A transaction volume in Q1-17. The share of transactions by sector remained relatively consistent with Q4-16. Consumer and Healthcare sectors had a nominal dip in transaction count while Information Technology and Industrials each experienced corresponding increase
- Consumer, Healthcare, Info Tech and Industrials remain favored sectors while ag and energy remain challenging



Midwest M&A Quarterly Update

Selected Midwest Q1-17 M&A Transaction Statistics (Continued)^(b)

Quarterly Midwest M&A Buyers and Targets



- M&A transactions involving Midwest targets and buyers remained steady with the previous three quarters of 2016. The most likely reason for this lack of movement may be attributed to the lack of suitable targets
- Against this backdrop and with the seller's market in place, mid-market business valuations are at record highs, implying an excellent opportunity for businesses looking to monetize or take chips off the table

Selected Midwest Q1-17 M&A Transactions^(b)

Announced	Target	Target Location	Buyer	Buyer Location	Target Sector	TEV (\$mm)
03/31/2017	Rockies Express Pipeline LLC	KS	Tall Grass Energy Partners, LP	KS	Energy	\$400.0
03/28/2017	Aerospace Holdings, Inc.	NY	Harlow Aerostructures, LLC	KS	Industrials	16.1
03/27/2017	International Financial Data Services Ltd.	UK	DST Systems	MO	Info Tech	175.0
03/23/2017	Chieftain Sand and Proppant, LLC	CO	Mammoth Energy Services	OK	Industrials	35.3
03/23/2017	Fresh Frozen Foods, LLC	NE	The Pictsweet Company	TN	Consumer	23.7
03/14/2017	MoneyGram International, Inc.	TX	Euronet Worldwide, Inc.	KS	Info Tech	1,928.6
03/09/2017	Valenti Mid-Atlantic Management LLC, 62 Wendy's Restaurants	PA	NPC Quality Burgers, Inc.	KS	Consumer	52.6
03/07/2017	Provant Health Solutions Inc.	RI	Hooper Holmes, Inc.	KS	Healthcare	7.4
02/28/2017	MBS Textbook Exchange, Inc.	MO	Barnes & Noble Education, Inc. (NYSE:BNED)	NJ	Consumer	174.2
02/20/2017	Superstation, Inc.	GA	Meredith Corporation	IA	Consumer	70.0
02/13/2017	Sedalia Imaging Center	MO	Bothwell Regional Health Center	MO	Healthcare	0.86
02/13/2017	Citywide Banks of Colorado, Inc.	CO	Heartland Financial USA, Inc.	IA	Financials	203.0
02/10/2017	Red Mountain Energy, LLC	OK	SandRidge Energy, Inc.	OK	Energy	47.8
02/03/2017	Healthcare Staffing, Inc.	GA	Novation Companies, Inc.	MO	Info Tech	24.0
02/02/2017	Jack's Heavy Equipment	WY	Floyd's Truck Center Inc.	NE	Industrial	-
01/24/2017	ONEOK Partners, L.P.	OK	ONEOK, Inc.	OK	Energy	1,7515.4
01/23/2017	Alpha Holding Company, LLC	OK	Plains Pipeline L.P.	CA	Energy	1,215.0
01/11/2017	Tammcorp, Inc.	IL	Southern Missouri Bancorp, Inc.	MO	Financials	27.2
01/03/2017	Tallgrass NatGas Operator, LLC and Tallgrass Terminals, LLC	KS	Tallgrass MLP Operations, LLC	KS	Energy	140.0

(b) Midwest defined as Iowa, Kansas, Missouri, Nebraska, North Dakota, Oklahoma and South Dakota. Either buyer, target, or seller must be located in the Midwest, and the Midwest participant must have purchased or sold majority control.

Source: Bridgepoint Merchant Banking, Capital IQ



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Bridgepoint Merchant Banking Contact Information

Matt Plooster
Managing Principal
 mplooster@bridgepointmb.com
 402.817.7900

Adam Claypool
Managing Principal
 aclaypool@bridgepointmb.com
 515.325.7615

Wm. Lee Merritt
Managing Principal
 wmerritt@bridgepointmb.com
 402.817.7904

Mike Anderson
Managing Principal
 manderson@bridgepointmb.com
 402.817.7902

Gary Grote
Managing Principal
 ggrote@bridgepointmb.com
 402.817.7940

James Mackay
Managing Principal
 jmackay@bridgepointmb.com
 515.325.7615

Paul Galloway
Managing Principal
 pgalloway@bridgepointmb.com
 515.325.7615

Bill Oliver
Managing Principal
 bill@oliverinvestmentbanking.com
 515.325.7615

Joe Liss
Transaction Principal
 jliss@bridgepointmb.com
 402.817.7900

Ryan Zink
Executive Partner
 rzink@bridgepointmb.com
 402.817.7900

Omaha, Nebraska
Lincoln, Nebraska



Des Moines, Iowa
Denver, Colorado

About Bridgepoint Merchant Banking

Bridgepoint Merchant Banking, a Division of Bridgepoint Holdings, LLC, is a middle market investment banking firm that serves clients throughout the corporate lifecycle by providing merger and acquisition and corporate finance advisory services.

With more than 117 years of cumulative experience, Bridgepoint Merchant Banking professionals have completed over \$158 billion of merger and acquisition and capital raising transactions across a wide range of industries.

When considering a sale of your business, the acquisition of a business, and/or raising capital for a business or transaction, the Principals of Bridgepoint Merchant Banking, through our broker dealer relationship, can help you to achieve your personal and business goals. Our specialized expertise helps our clients achieve better value, identify better transaction partners, reach smarter decisions and negotiate more favorable outcomes. Please reach out to us at the contact information above to discuss how we can help you.

Selected Bridgepoint Merchant Banking Transactions

USD1.9 million Investor Due and Preferred Equity Placement Sole Financial Advisor	NOT DISCLOSED Buy-side advisory on its potential acquisition of publicly traded technology services company and related acquisition financing Sole Financial Advisor	NOT DISCLOSED Sell-side advisory and Buy-side acquisition financing Sole Financial Advisor	USD1.0 million Follow-on equity offering Senior Co-Manager	USD300 million Joint Bookrunner and Joint Arranger for new revolving credit facility and senior note offering Bookrunner	USD200 million Exit financing facilities Bookrunner	USD3.0 billion Joint Bookrunner on senior notes offering Joint Bookrunner	USD300 million Secondary equity offering Joint Lead Bookrunner	USD50 million BridgepointMoneys Capital Investors, LLLP Lead Bookrunner & Sole Financial Advisor	
GOOD YEAR SD1.9 billion Senior secured credit facilities Joint Bookrunner	THE CORPUS GROUP USD1.17 billion Buy-side Advisor to private equity consortium on its acquisition Cooper Standard Automotive Sole Financial Advisor	INTEGRITY'S GLASS COOKERS Not Disclosed Buy-side advisory and acquisition financing for management buyout Sole Financial Advisor	VALUE PLACE USD5.1 million Secured Promissory offering Lead Bookrunner	ACCESSbank bankingYOURway Not Disclosed Buy-side M&A advisory related to acquisition of Bank of Nebraska Financial Advisor	RCI Senior secured credit offering by Advisor	complete nutrition Not Disclosed Sell-side advisory on sale to Beacon Roofing Supply, Inc. Sole Financial Advisor	BirdDog Not Disclosed Bridge debt capital raise USD4.0 million Equity capital raise Sole Financial Advisor		
SARI TEC SD1.2 billion Buy-side Advisor to Sarsi Tec (Chinese automotive supplier) on its acquisition of N.A. automotive supplier Financial Advisor	Access Bank Not Disclosed Buy-side M&A advisory related to acquisition of Bank of Nebraska Financial Advisor	LKQ 2014 Recipient of Automotive by Reuters USD765 million Senior secured credit facilities (financing for LKQ's acquisition of top competitor) Joint Bookrunner	BirdDog Not Disclosed Equity Capital Raise Sole Bookrunner June 2014	Financial Advisor	T-STONE Senior secured credit offering Joint Bookrunner	METLCAST Senior secured credit offering on acquisition of metal foundry Sole Financial Advisor & Sole Financing Arranger	Powderhook Not Disclosed Unsecured Promissory Note Financial Advisory	INTERNATIONAL LIFE INSURANCE SOLUTIONS Creative life insurance solutions for specialists USD5.0 million Equity capital raise USD2.5 million Debt capital raise Sole Financial Advisor	
WCC	YORK LABEL	Hertz	Manitowoc	IWCODIRECT	SOHO DEVELOPMENT	ACCURIDE	Korn/Clarity	NAVTEQ	

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