

Midwest M&A Quarterly Update

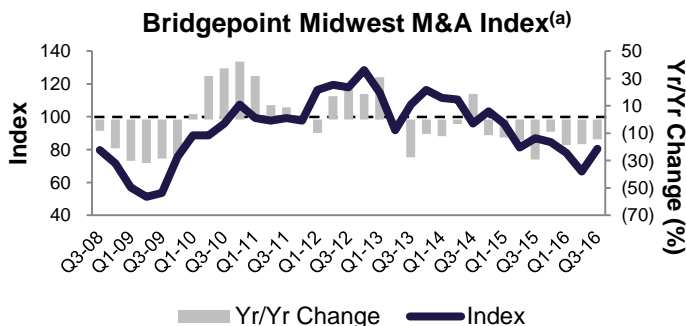
Third Quarter 2016

Midwest M&A Quarterly Update

Bridgepoint Midwest M&A Index

Midwest M&A: Low Deal Count, Strong Valuations

Index Summary: The Bridgepoint Midwest M&A Index, a measure of corporate merger and acquisition activity in the U.S. Midwest region, increased by 20.7% in Q3-16 after having decreased 14.5% in Q2-16. On a year-over-year basis, the index decreased 7.4% from Q3-15. However, on a quarter-to-quarter basis, the index increased to 80.5, up 13.8 points from the previous cycle low of 66.7 in Q2-16 (Q3-06=100).



Perspective / Key Drivers: Many companies chose M&A as an essential part of their tool kit to facilitate growth and achieve competitive advantage. Technological change and disruption is creating a blur between industries, forcing companies to expand their core businesses to accommodate change while uneven geographical growth is causing companies to stretch across borders to maintain and achieve additional growth. Availability of low-cost capital to finance the acquisition also encourages companies to consider M&A to supplement their organic growth. Despite the overall slowdown the dealmakers are experiencing this year, we see an uptick in Q2 and Q3 Midwest M&A activity. The full year weak deal volume is associated with several factors like the geopolitical instability, weak commodity and oil prices, slowing

Chinese economy and/or the weakness in economic activity in emerging markets. Valuations continue to stay strong, in line with historical averages figures.

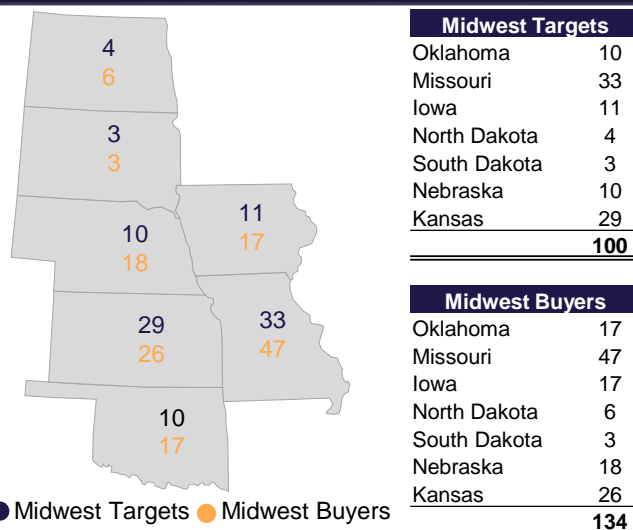
Despite economics and geopolitical uncertainties, North America M&A prospects remain bullish. M&A activity is expected to pick up in 2017, with corporations and financial sponsors reporting that they are actively pursuing deals in the next 12 months.

Conversations with the Buy-side

"The buy side remains a bit challenging of late with lots of capital in the market helping to push valuations ever higher...it's a good time to be a seller. We anticipated the market to normalize a bit with the middle market debt markets tightening a bit, but as of yet that has not occurred. We are still seeing high valuations in industrial sectors that historically were selling in the 4 to 5x EBITDA. They now trade in the upper 6s and 7s as a multiple of EBITDA, with a few even approaching 8 times."

Dan Needham
Wynchurch Capital
Chicago, IL

Q3-16 Midwest M&A Activity



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.

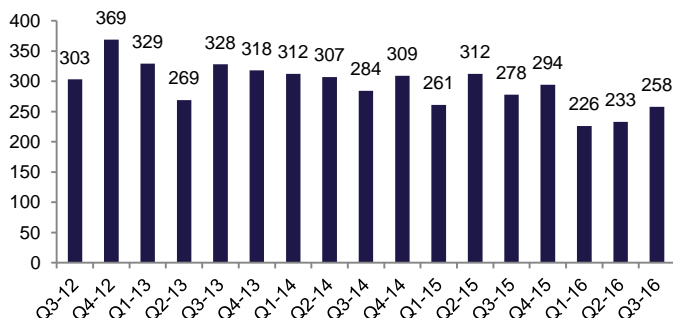
Source: Bridgepoint Merchant Banking, Capital IQ (10/28/2016), PitchBook



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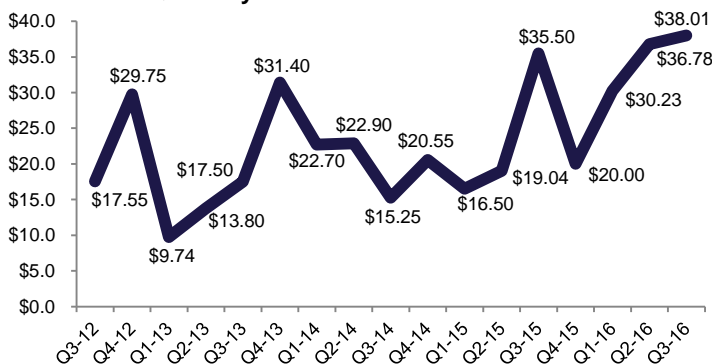
Selected Midwest Q2-16 M&A Transaction Statistics^(b)

Quarterly Midwest M&A Transaction Volume



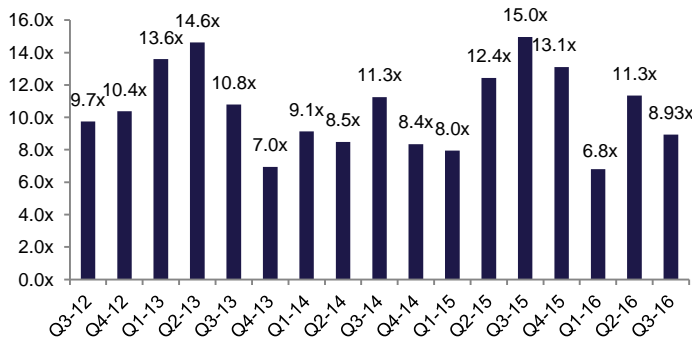
- Quarterly Midwest M&A volume increased by 10.7% from 233 transactions in Q2-16 to 258 transactions in Q3-16. On a year-over-year basis, quarterly Midwest M&A volume decreased by 12.2% from Q3-15. Despite the uptrend, quarterly Midwest transaction volumes in 2016 remain low
- The deal flow in 2016 has been far less robust than in the previous years. The slowdown the market has been experiencing this year is largely driven by market volatility and poor supply of good companies

Quarterly Midwest M&A Median Deal Size



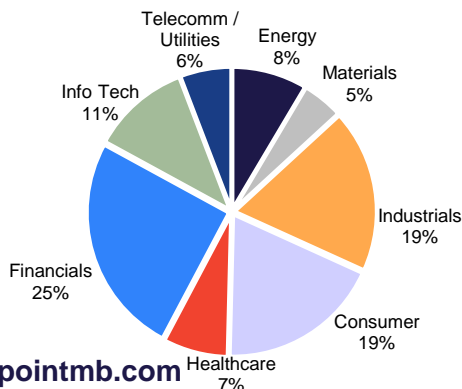
- Of the Midwest M&A transactions with transaction values, quarterly median deal size increased from \$36.78mm in Q2-16 to \$38.0mm in Q3-16
- Despite slow M&A activity in 2016, median deal size continues to increase to an above average level over the past 4 years.
- Corporates and sponsor buyers have been paying premium valuations backed up by strong capital markets

Quarterly Midwest M&A Median Valuation



- On a TEV/EBITDA basis, median Midwest M&A valuations decreased from 11.3x in Q2-16 to 8.93x in Q3-16. While the EBITDA multiples slightly went down, Q3-16 multiples are in line with historical averages figures and representative of transaction multiples observed in the broader market
- Multiples remain at historically strong levels indicating that buyers are still very determined to put their capital to work

Q2-16 Midwest M&A Transaction Volume by Sector



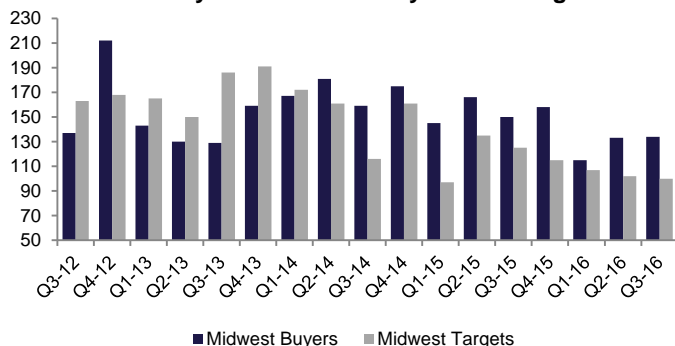
- Consumer Products & Services, Financial Services, and Industrials accounted for 63% of total Midwest M&A transaction volume in Q3-16
- The share of transactions by sector remained relatively consistent with Q2-16 share. The Consumer and Info Tech sectors both had the biggest drop in Q3-16, down 5.1% from Q2-16. The Financial Services sector deal share saw the biggest increase in Q3-16, up 7.6% from Q2-14



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Selected Midwest Q2-16 M&A Transaction Statistics (Continued)^(b)

Quarterly Midwest M&A Buyers and Targets



- The number of M&A transactions involving Midwest targets and buyers remained consistent with the transaction volume in the second quarter of 2016
- Transactions with Midwest companies as acquisition targets continue to come below average level over the past 4 years which reiterates buyers cautiousness and discretion in their acquisition selections.
- Midwest buyers continue to outpace available targets regionally, a trend persistent since Q2-14

Selected Midwest Q2-16 M&A Transactions^(b)

Announced	Target	Target Location	Buyer	Buyer Location	Target Sector	TEV (\$mm)
09/28/2016	Prairie States Surgical Center, L.L.C.	SD	Sioux Falls Specialty Hospital, L.L.P.	SD	Healthcare	\$19.9
09/27/2016	Travelex Insurance Services, Inc.	NE	Cover-More Group Limited (ASX:CVO)	Australia	Financials	105.8
09/26/2016	BATS Global Markets, Inc. (BATS:BATS)	KS	CBOE Holdings, Inc. (NasdaqGS:CBOE)	IL	Financials	3,846.23
09/19/2016	Isle of Capri Casinos, Inc. (NasdaqGS:ISLE)	MO	Eldorado Resorts, Inc. (NasdaqGS:ERI)	NV	Consumer	1,908.2
09/09/2016	Wescon Controls, LLC	KS	Suprajit USA Inc.	India	Industrials	44.4
09/09/2016	Mayes County Petroleum Products, Inc.	OK	Brenntag AG (XTRA:BNR)	Germany	Energy	15.5
08/31/2016	Leawood ADP, Ltd	KS	Supertel Limited Partnership	NE	Consumer	22.5
08/24/2016	Mallinckrodt Nuclear Medicine LLC	MO	IBA Molecular France, SA	France	Healthcare	690.2
08/18/2016	Pentair plc, Valves & Controls Business	Switzerland	Emerson Electric Co. (NYSE:EMR)	MO	Industrials	3,150.0
08/18/2016	HDIS Inc.	MO	Domtar Corporation (NYSE:UFS)	SC	Consumer	55.0
08/01/2016	U.S. Paint Corporation	MO	Kansai Paint (America), Inc.	MI	Materials	51.0
07/28/2016	Design Data Corporation	NE	Nemetschek SE (XTRA:NEM)	Germany	Info Tech	48.9
07/27/2016	Epiq Systems, Inc.	KS	DTI	GA	Info Tech	1,026.3
07/26/2016	Whitlock Packaging Corporation	OK	Refresco Group N.V. (ENXTAM:RFRG)	Netherlands	Consumer	129.0
07/25/2016	Heartland Crop Insurance, Inc.	KS	CGB Diversified Services, Inc.	IL	Financial	49.0
07/18/2016	Taylor Brands, LLC	TN	Battenfeld Technologies, Inc.	MO	Consumer	85.0
07/12/2016	Odeon and UCI Cinemas Holdings Limited	UK	AMC Entertainment Holdings, Inc. (NYSE:AMC)	KS	Consumer	1,199.6
07/07/2016	Power Flame Incorporated	KS	Astec Industries, Inc. (NasdaqGS:ASTE)	TN	Industrial	43.0
07/07/2016	Hostess Brands, LLC	MO	Gores Holdings, Inc. (NasdaqCM:GRSH)	CA	Consumer	2198.4
07/07/2016	Total Hockey Inc.	MO	TSG Enterprises, LLC	MA	Consumer	22.5

(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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About Bridgepoint Merchant Banking

Bridgepoint Merchant Banking, a Division of Bridgepoint Holdings, LLC, is a lower and 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 94+ years of cumulative experience, Bridgepoint Merchant Banking professionals have completed over \$110 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

SD1.9 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 advisor 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	USD200 million BridgepointMonroe Capital Investors LLLP Lead Bookrunner & Sole Financial Advisor
SD1.9 billion Senior secured credit facilities Joint Bookrunner	USD1.17 billion Buy-side Advisor to private equity consortium on its acquisition Cooper Standard Automotive Sole Financial Advisor	NOT DISCLOSED Buy-side advisory and acquisition financing for management buyout Sole Financial Advisor	USD5.1 million Secured Promissory offering Lead Bookrunner	NOT DISCLOSED Sell side and acquisition financing advisory on sale of Complete Nutrition Austin Sole Financial Advisor	USD10 million+ Preferred stock offering Joint Bookrunner	USD20 billion Joint Lead Arranger for the financing supporting Koch's acquisition of Georgia-Pacific Joint Lead Arranger	USD200 million Convertible notes offering Joint Bookrunner	
SD1.2 billion Buy-side Advisor to Ashai Tec (Chinese automotive supplier) its acquisition of N.A. automotive supplier Financial Advisor	NOT DISCLOSED Nutraceutical Company Not Disclosed Sell side and acquisition financing advisory on sale of Complete Nutrition Austin Sole Advisor December 2015	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	NOT DISCLOSED December 2015 Sole Financial Advisor	T-STONE \$100 million Senior on senior Joint Bookrunner	METLCAST Not Disclosed Buy-side advisory and financing on acquisition of metal foundry Sole Financial Advisor & Sole Financing Arranger	Powderhook Not Disclosed Unsecured Promissory Note Financial Advisory	ScanMed Not Disclosed M&A advisory Sole Financial Advisor



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