

Midwest M&A Quarterly Update

Fourth Quarter 2015

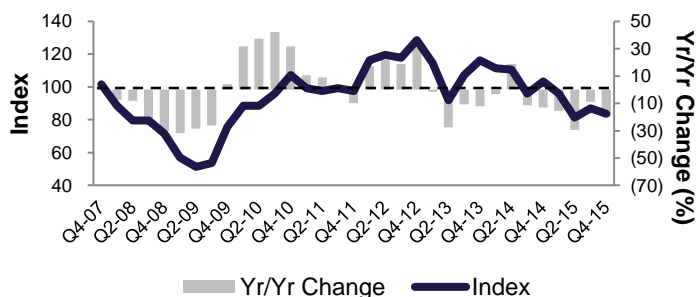
Midwest M&A Quarterly Update

Bridgepoint Midwest M&A Index

Midwest M&A: Activity and Valuations Peaking

- Index Summary:** The Bridgepoint Midwest M&A Index, a measure of corporate merger and acquisition activity in the U.S. Midwest region, decreased by 2.4% in Q4-15 after having increased 5.7% in Q3-15. On a year-over-year basis, the index decreased 18.7% from Q4-14. On a quarter-to-quarter basis, the index fell moderately below the baseline to 83.7. (Q4-06=100)
- Perspective:** In the latest quarter (Q4-15), the index dropped slightly, down 2.4 points less from Q3-15. Despite the small drop, the deal-making environment remained incredibly strong. Transactions in 2015 have risen to record levels. Valuations were above historical averages in many sectors, driven by low interest rates and large cash stockpiles. Volumes reflect the reality of more buyers than sellers
- Key Drivers:** The U.S. economy continues to grow slowly, limiting organic growth opportunities and causing companies to look to M&A for growth generation. Further, fueled by high demand, easy access to debt with historically aggressive terms, record levels of corporate cash, and supportive shareholders, valuations have reached all-time record levels across many sectors
- Outlook:** The latest Midwest M&A data available suggests continued strong deal making activity through 2016, although this may be the peak. Despite current global financial market uncertainty, private equity firms and corporations will continue to invest in M&A due to ample reserves of cash and the need for growth. We expect deal volume to continue to remain strong due to widespread industry consolidations, increased corporate confidence, pressure to increase profitability in a slow-growth environment, cheap debt, and the need to stay competitive amidst consolidation

Bridgepoint Midwest M&A Index
(Q4-06 = 100)



- What the Index Means for You:** While the index decelerated in Q4-2015, deal volumes increased from the latest quarter. Moreover, M&A valuations and deal sizes stayed above historical averages. The current environment represents an attractive opportunity for Midwest companies, management teams and business owners to:
 - ✓ *Evaluate the strategic options impacting your company's value* – Midwest companies continue to garner premium valuations and strong M&A interest from both strategics and sponsors; cyclical sector valuations are at or near all-time highs, potentially representing a selling opportunity that may not be matched for years
 - ✓ *Review Capital Structure and Financing Options* – Take advantage of the strong capital markets environment to refinance or to finance growth, acquisition or liquidity. Given the strong current market conditions, companies should evaluate their capital structure and options available to ensure they are well positioned relative to their strategic and financial priorities
 - ✓ *Explore nontraditional deal-making opportunities* – Growth / expansion and recapitalization transactions can supplement traditional buy-out options given current market conditions

Index Definition

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

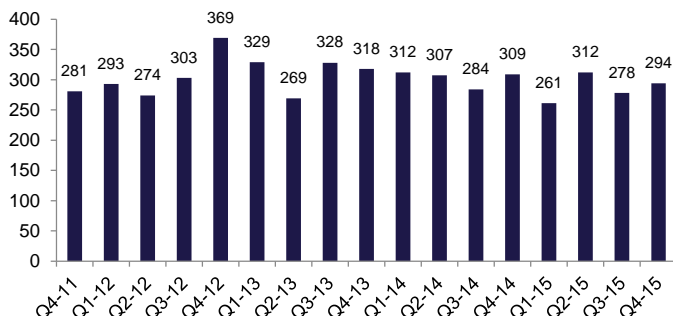
Buyer, target and/or seller must be located in the Midwest, and the Midwest participant must have purchased or sold majority control. Total Enterprise Value must be \$10mm or greater. Midwest defined as Iowa, Kansas, Missouri, Nebraska, North Dakota, Oklahoma, and South Dakota.

Source: Bridgepoint Merchant Banking, Capital IQ (12/31/2015), www.axial.net, www.bloomberg.com, www.deloitte.com, www.Pitchbook.com

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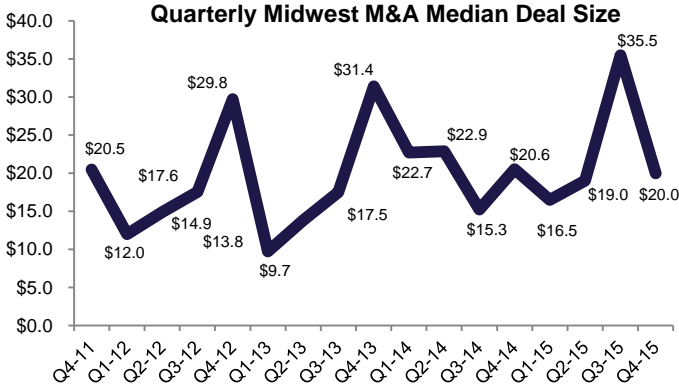
Selected Midwest Q4-15 M&A Transaction Statistics^(a)

Quarterly Midwest M&A Transaction Volume



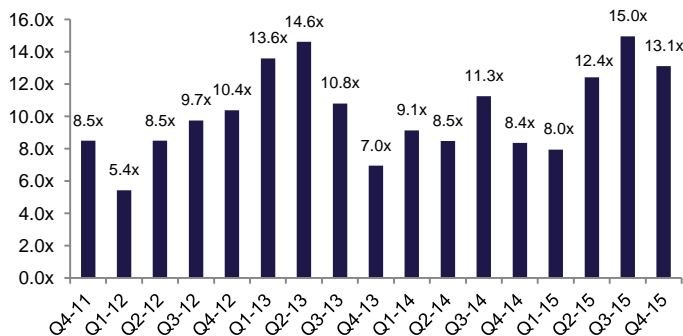
- Quarterly Midwest M&A volume increased by 5.8% from 278 transactions in Q3-15 to 294 transactions in Q4-15. On a year-over-year basis, quarterly Midwest M&A volume decreased by 4.9% from Q4-14
- Midwest deal volume recovered in the latest quarter, rebounding from Q3-15. From a long-term perspective, Midwest deal flow continues to reflect an upward trajectory; Q4-15 transaction volume remains consistent with historical averages in the Midwest

Quarterly Midwest M&A Median Deal Size



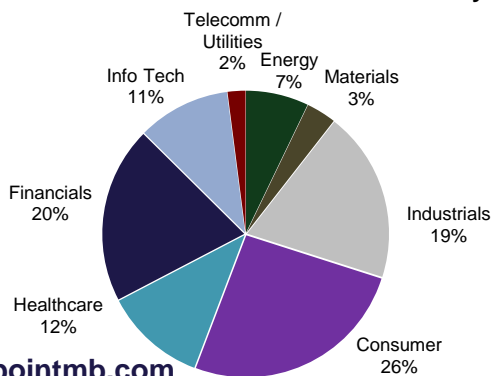
- Of the Midwest M&A transactions with transaction values, quarterly median deal size decreased from \$35.5mm in Q3-15 to \$20.0mm in Q4-15
- Although a decrease in median deal size occurred following Q3-15, deal sizes are still trending upward over the previous four years

Quarterly Midwest M&A Median Valuation



- On a TEV/EBITDA basis, median Midwest M&A valuations decreased from 15.0x (all-time record) in Q3-15 to 13.1x in Q4-15. On a TEV/sales basis, median Midwest M&A valuations decreased from 2.5x to 1.4x in Q4-15
- Despite the slight drop from Q3-15, lower middle market multiples in the Midwest remain elevated relative to broader market historical average figures of approximately 7.0x – 8.5x EBITDA

Q4-15 Midwest M&A Transaction Volume by Sector

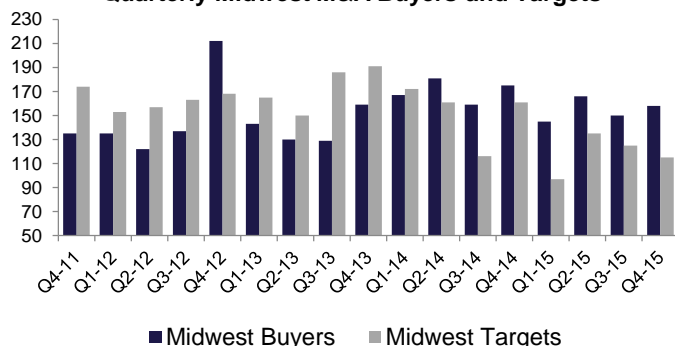


- Financial Services, Consumer Products & Services and Industrials accounted for 66% of total Midwest M&A transaction volume in Q4-15
- Transaction volume share by sector in Q4-15 is largely unchanged relative to Q3-15. The Energy sector saw the biggest increase in Q4-15, up 3% from Q3-15

Midwest M&A Quarterly Update

Selected Midwest Q4-15 M&A Transaction Statistics (Continued)^(a)

Quarterly Midwest M&A Buyers and Targets



- Quarterly M&A transactions with Midwest buyers increased to 158 in Q4-15 from 150 in Q3-15. Transactions with Midwest targets decreased 8.0% to 115 in Q4-15 from 125 in Q3-15
- The demand for Midwest targets is undoubtedly strong with the decrease in the number of transactions being caused by the low supply of quality targets

Selected Midwest Q4-15 M&A Transactions^(a)

Announced	Target	Target Location	Buyer	Buyer Location	Target Sector	TEV (\$mm)
12/22/2015	Northstar Financial Corp.	MN	Midwest holding Inc. (OTCPK:MDWT)	NE	Financials	\$18.0
12/22/2015	Complete Nutrition, Inc	NE	Dominus Capital, L.P.	NY	Consumer	-
12/21/2015	Husmann Corporation	MO	Panasonic Corporation of North America, Inc.	NJ	Industrials	1,545.0
12/11/2015	Tropicem Research Labs, Inc.	FL	Thompson Street Capital Partners	MO	Industrials	20.0
12/08/2015	MBT Bancshares, Inc.	MO	BOK Financial Corporation (NasdaqGS:BOKF)	OK	Financials	102.5
12/07/2015	TOMPC, LLC	OK	EnLink Midstream, LLC (NYSE:ENLC); EnLink Energy GP, LLC; EnLink Midstream Partners, LP (NYSE:ENLK)	TX	Energy	211.4
12/03/2015	Pulaski Financial Corporation (NasdaqGS:PULB)	MO	First Busey Corporation (NasdaqGS:BUSE)	IL	Financials	210.9
12/01/2015	RCI Roofing Supply Company, Inc	NE	Beacon Roofing Supply, Inc.(Nasdaq: BECN)	VA	Industrials	-
11/30/2015	HF Financial Corp. (NasdaqGM:HFCC)	SD	Great Western Bancorp. Inc. (NYSE:GWB)	SD	Financials	139.3
11/18/2015	DairiConcepts, L.P.	MO	Dairy Farmers of America, Inc.	MO	Consumer	126.1
11/18/2015	Grant's Farm	MO	St. Louis Zoo Friends Association	MO	Consumer	30.0
11/18/2015	DairiConcepts, L.P.	MO	Dairy Farmers of America, Inc.	MO	Consumer	126.1
11/17/2015	B. E. Smith, Inc.	KS	AMN Healthcare, Inc.	CA	Healthcare	160.0
11/16/2015	Allo Communications LLC	NE	Nelnet, Inc. (NYSE:NNI)	NE	Telecommunication Services	46.3
11/09/2015	Fidelity & Guaranty Life (NYSE:FGL)	IA	Anbang Insurance Group Co., Ltd.	China	Financials	1,880.2
11/05/2015	The Mutual Fund Store, LLC	KS	Financial Engines, Inc. (NasdaqGS:FNGN)	CA	Financials	584.0
11/04/2015	EE3 LLC	CO	SandRidge Energy, Inc. (OTCPK:SDOC)	OK	Energy	190.0
11/02/2015	Ralcorp Holdings Inc.	MO	Treehouse Foods, Inc. (NYSE:THS)	IL	Consumer	2,700.0
10/15/2015	Benaissance LLC	NE	Evolution1, Inc.	MN	Information Technology	80.0
10/05/2015	Pinon Gathering Company, LLC	TX	SandRidge Energy, Inc. (OTCPK:SDOC)	OK	Energy	126.0

(a) 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

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Lincoln, Nebraska
 Omaha, Nebraska



Des Moines, Iowa
 Denver, Colorado

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 \$104 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

<p>USD1.9 million Invertible Debt and Preferred Equity Placement</p> <p>Sole Financial Advisor</p>	<p>NOT DISCLOSED Buy-side Advisory on its potential acquisition of publicly traded technology services company and related acquisition financing</p> <p>Sole Financial Advisor</p>	<p>NOT DISCLOSED Sell-side Advisory and Buy-side acquisition financing</p> <p>Sole Financial Advisor</p>	<p>USD1.0 million Follow-on equity offering</p> <p>Senior Co-Manager</p>	<p>USD300 million Joint Bookrunner and Joint Arranger for new revolving credit facility and senior note offering</p> <p>Bookrunner</p>	<p>USD200 million Exit financing facilities</p> <p>Bookrunner</p>	<p>USD3.0 billion Joint Bookrunner on senior notes offering</p> <p>Joint Bookrunner</p>	<p>USD300 million Secondary equity offering</p> <p>Joint Lead Bookrunner</p>	<p>USD200 million Bridgepoint Monroe Capital Investors, LLLP</p> <p>Lead Bookrunner & Sole Financial Advisor</p>
<p>GOOD YEAR</p> <p>USD1.9 billion Senior secured credit facilities</p> <p>Joint Bookrunner</p>	<p>THE CORPUS GROUP</p> <p>USD1.17 billion Buy-side Advisor to private equity consortium on its acquisition Cooper Standard Automotive</p> <p>Sole Financial Advisor</p>	<p>INTEGRITY'S</p> <p>Not Disclosed Buy-side advisory and acquisition financing for management buyout</p> <p>Sole Financial Advisor</p>	<p>VALUE PLACE</p> <p>USD6.1 million Secured Promissory offering</p> <p>Lead Bookrunner</p>	<p>RCI Roofing Supply Company Inc.</p> <p>Not Disclosed Sell side Advisor on sale to Beacon Roofing Supply, Inc.</p> <p>Sole Financial Advisor</p> <p>December 2015</p>	<p>QCommerce</p> <p>USD10 million+ Preferred stock offering</p> <p>Joint Bookrunner</p>	<p>KOCH INDUSTRIES INC</p> <p>USD20 billion Joint Lead Arranger for the financing supporting Koch's acquisition of Georgia Pacific</p> <p>Joint Lead Arranger</p>	<p>Constar redbox</p> <p>USD200 million Convertible notes offering</p> <p>Joint Bookrunner</p>	
<p>SARI TEC</p> <p>SD1.2 billion Buy-side Advisor to Asahi Tec (Chinese automotive supplier) on its acquisition of N.A. automotive supplier</p> <p>Sole Financial Advisor</p> <p>December 2015</p>	<p>Roofing Supply Distribution Company</p> <p>Not Disclosed Sell side Advisor on sale to Beacon Roofing Supply, Inc.</p> <p>Sole Financial Advisor</p> <p>December 2015</p>	<p>LKQ</p> <p>USD765 million Senior secured credit facilities (financing for LKQ's acquisition of top competitor)</p> <p>Joint Bookrunner</p>	<p>BirdDog</p> <p>Not Disclosed Equity Capital Raise</p> <p>Sole Bookrunner</p> <p>June 2014</p>	<p>T-STONE</p> <p>100 million Offer on senior notes</p> <p>Joint Bookrunner</p>	<p>METLCAST PRODUCTS, INC.</p> <p>Not Disclosed Buy-side advisory and financing on acquisition of metal foundry</p> <p>Sole Financial Advisor & Sole Financing Arranger</p>	<p>Powderhook</p> <p>Not Disclosed Unsecured Promissory Note</p> <p>Financial Advisory</p>	<p>ScanMed</p> <p>Not Disclosed M&A advisory</p> <p>Sole Financial Advisor</p>	



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