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About W Partners

W Partners is a boutique investment banking advisory firm that provides financial advisory services to middle-market companies in the Western United States.

Our services include mergers, acquisitions, financings, capital raising, and strategic transaction advice to business owners and family offices.

Utah Middle Market M&A Update Fourth Quarter of 2018

In the fourth quarter of 2018, global M&A disclosed deal value dropped 16% year-over-year to \$1.1 trillion and was down 6% from 3Q18. Deal volume was down 8% year-over-year with announced deals totaling 25,852, a quarter-over-quarter rise of 4%. For the full year 2018, transaction value was up 11% over 2017 to \$5.4 trillion though deal volume dropped 1%, highlighting a trend toward larger deals. Despite turbulent stock markets, rising trade tensions between the U.S. and China, and Brexit uncertainty, 2018 showed strong global M&A activity. The U.S. led global activity in 2018 being targeted in 19,386 transactions for \$1.7 trillion in value and accounted for 12 of the 25 largest deals of the year including The Walt Disney Company's bid for Twenty-First Century Fox at over \$85 billion total transaction value, the largest deal for the year. China trailed in second place at 14,743 deals for a total deal value of \$758 billion in 2018. Despite geopolitical uncertainties, we expect the M&A market still has room to grow as deal-makers continue to focus on larger, more transformative transactions.

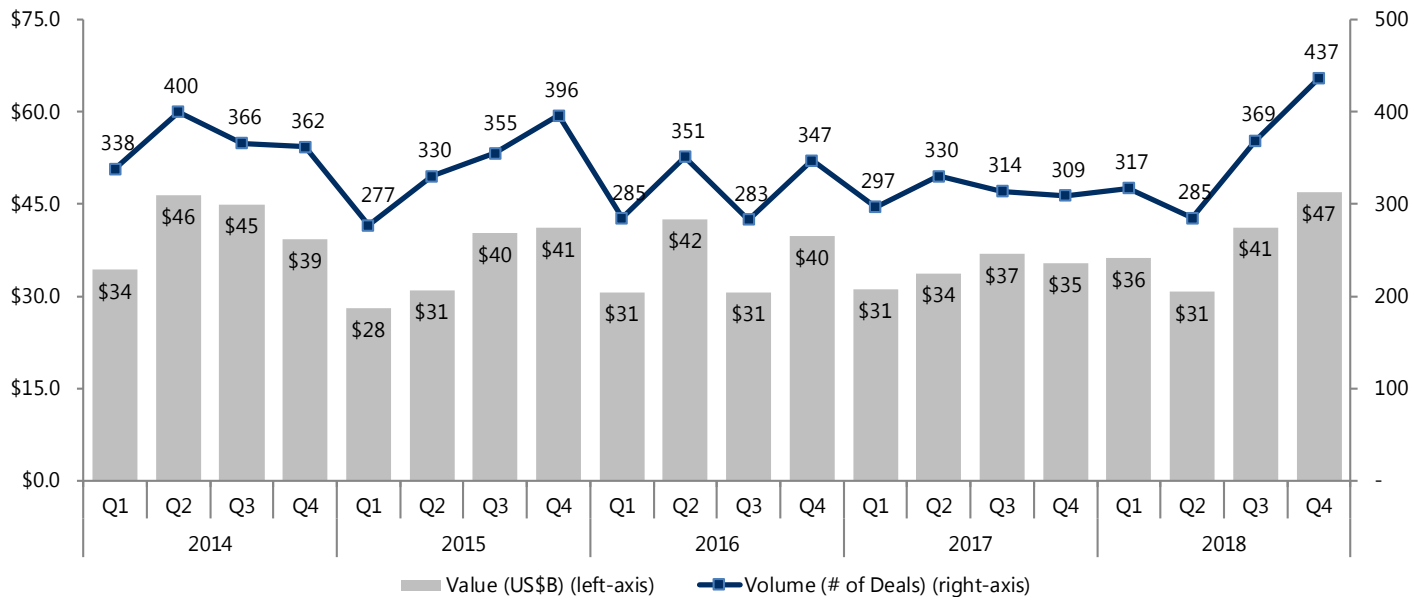
Global private equity buyout deal value was up, year-over-year, in 4Q18 by 28% reaching \$109 billion with a quarter-over-quarter rise of 10%. Deal volume for the quarter was up by 2% to 1,371 but slightly down from 3Q18 by 1%. North America experienced a significant jump in deal value, year-over-year, up 76% with Europe and Asia down 13% and 23% respectively. North American deal volumes showed a smaller 10% year-over-year rise for the quarter illustrating a jump in average deal size for the region in 4Q18. Though trade tensions loom between the U.S. and China, and Brexit uncertainties remain, record levels of dry powder continue to drive strong private equity activity. Fundraising in the private equity sector slowed in 4Q18 down 6% from 4Q17 at \$127 billion raised. The number of funds closed for the quarter was down as well at 374, a 31% drop year-over-year, indicating a rise in average fund size.

Global IPO activity for the fourth quarter was down 10% by value, year-over-year, with total proceeds of \$53.7 billion. IPO volume also experienced a year-over-year drop of 34% to 326 for the quarter. For the full year 2018, IPO proceeds were up 6% from 2017 while the number of IPOs dropped by 21% to 1,359. This sharp rise in average IPO size can largely be attributed to a number of unicorns and mega IPOs that were completed during the year. Asia-Pacific showed the strongest IPO activity for the year accounting for 49% of deal volume and 48% of proceeds. The Asia-Pacific region also showed a rise in average deal size with a 31% drop in IPO volume for the year while still achieving a 28% jump in proceeds over 2017. The America's share of the IPO market continued to improve in 2018 with a rise in both deal value and volume over 2017. The U.S. dominated this market accounting for 79% of IPO deal volume and 88% of proceeds.

Global venture capital investment activity showed a rise in deal value for 4Q18 reaching \$64 billion, a 20% bump from 4Q17. Deal volume, however, experienced a year-over-year drop of 12% highlighting a trend toward larger deal sizes in the venture capital market as well. Quarter-over-quarter results were down 9% by value and 16% by volume. North American deal volume in 4Q18 was down 4%, year-over-year, with Greater China down 25%, and Europe down only 1%.

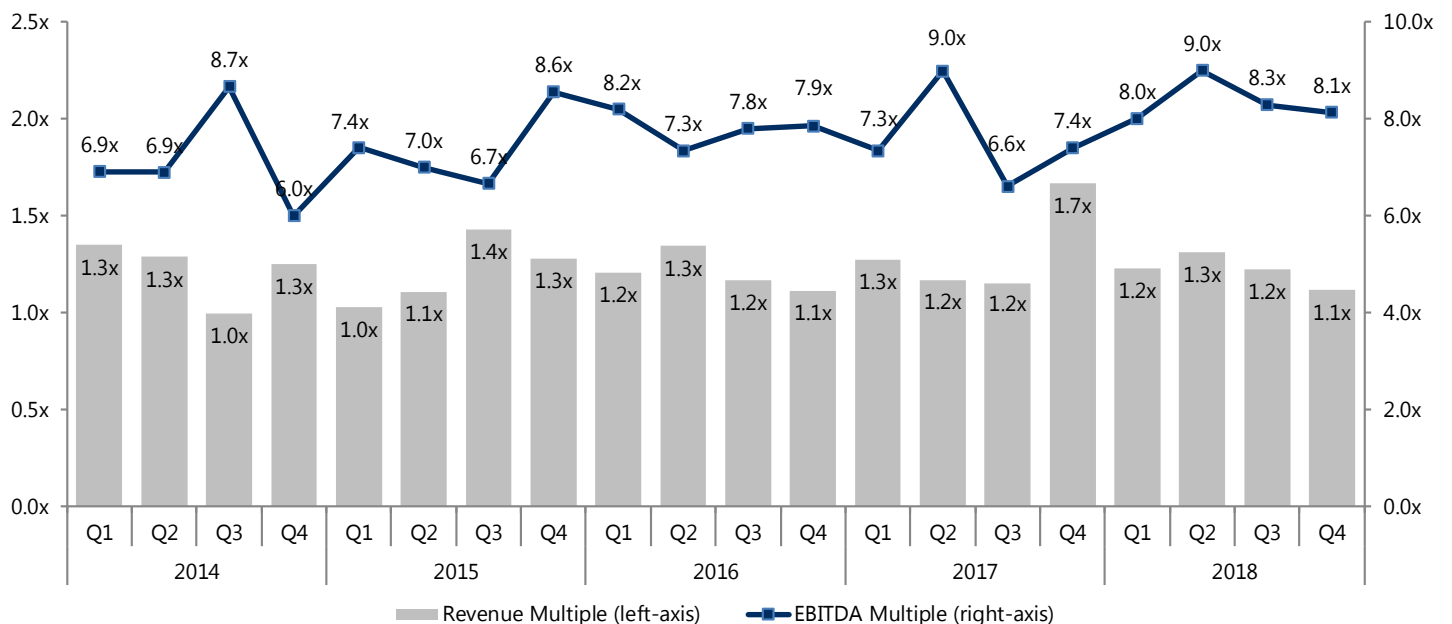
M&A Activity – Middle Market

U.S. middle market deal value in the fourth quarter of 2018 was up 33% year-over-year, with a 41% increase in volume. LTM statistics remain up as well with value and volume both rising 13% this quarter. Average deal size, however, was down by 6% year-over-year. 4Q18 marks the highest quarterly value and volume statistics we have observed over that last five years. We expect activity to remain strong as deal-makers continue to compete for large, high-quality deals.



Valuation Multiples – Middle Market M&A Transactions

Disclosed middle market M&A revenue multiples in 4Q18 showed a year-over-year drop of 33% with LTM figures also down by 7%. EBITDA multiples, however, rose year-over-year by 10% for the quarter and for the LTM period. Though multiples have slid quarter-over-quarter since 2Q18, they appear to remain within a reasonable range, which we expect would improve once geopolitical and market factors stabilize.

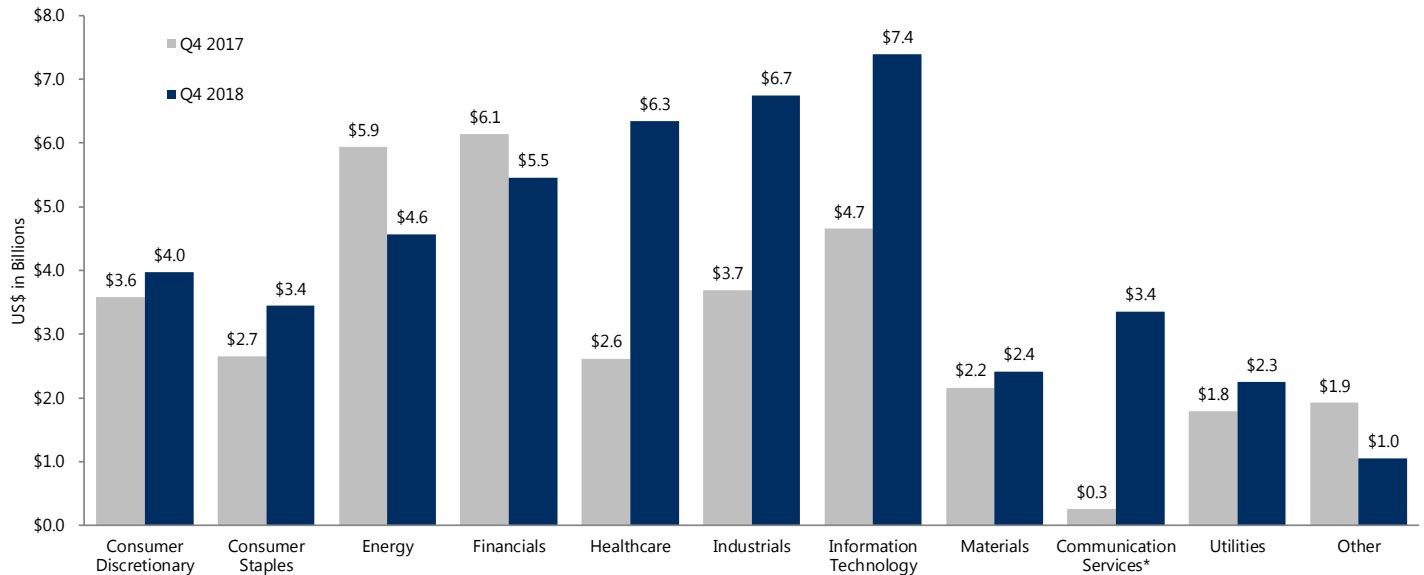


Note: Middle market defined as transactions between \$10 and \$500 million in the U.S., excluding transactions in real estate. EBITDA multiples disclosed in less than 10% of all transactions.

Source: S&P Capital IQ.

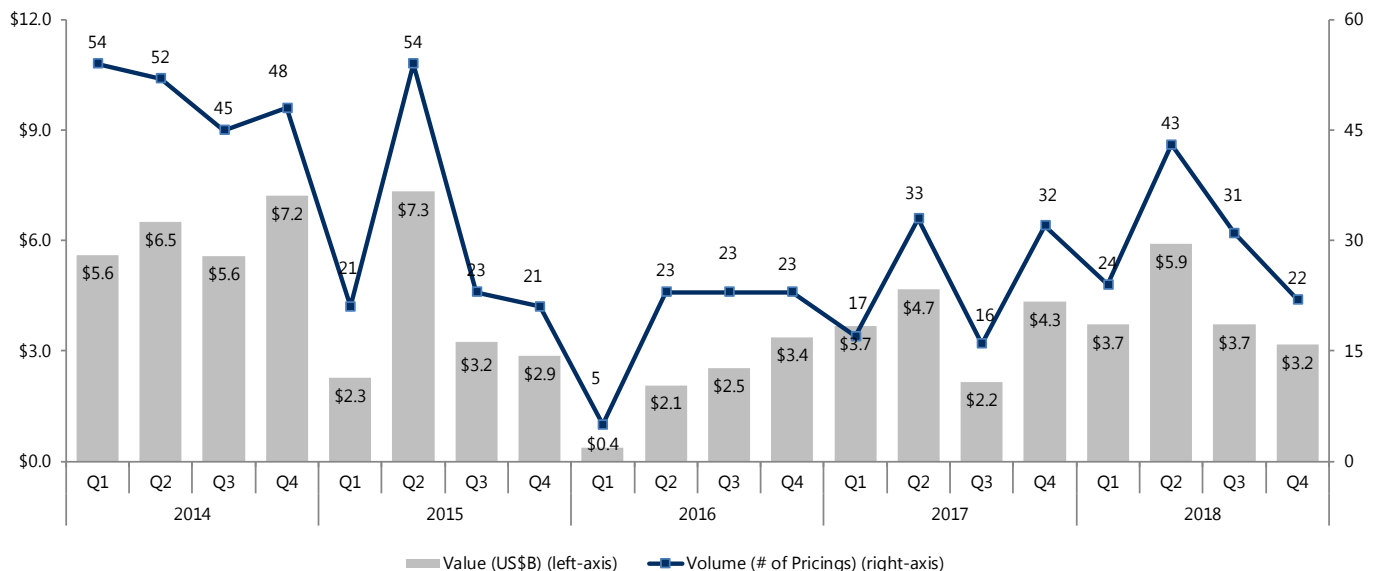
M&A Activity by Sector – Middle Market

The fourth quarter of 2018 showed a year-over-year jump in middle market M&A deal value of 33%. Sectors experiencing notable year-over-year increases were Healthcare, Industrials, and Technology up by 142%, 83%, and 59% respectively by value and 104%, 71%, and 74% by volume. The sector experiencing the largest dip in activity was Energy which ended the quarter down 23% by value and 13% by volume, driven largely by falling oil prices throughout the quarter.



IPO Activity – Middle Market

Middle market IPO activity in the fourth quarter of 2018 dropped year-over-year by both value and volume at 27% and 31% respectively, however, LTM figures remained up 11% by value and 22% by volume. Healthcare stocks made up the largest share of activity this quarter accounting for 64% of deal volume, while Information Technology and Consumer Discretionary each accounted for 14% of activity. Year-over-year the Healthcare sector showed the largest drop by sector down 70%, however, LTM figures remain up 10%. The largest middle market IPO for the quarter was SolarWinds Corporation, provider of IT infrastructure management software products, at \$375 million.



Value (US\$B) (left-axis) | Volume (# of Pricings) (right-axis)

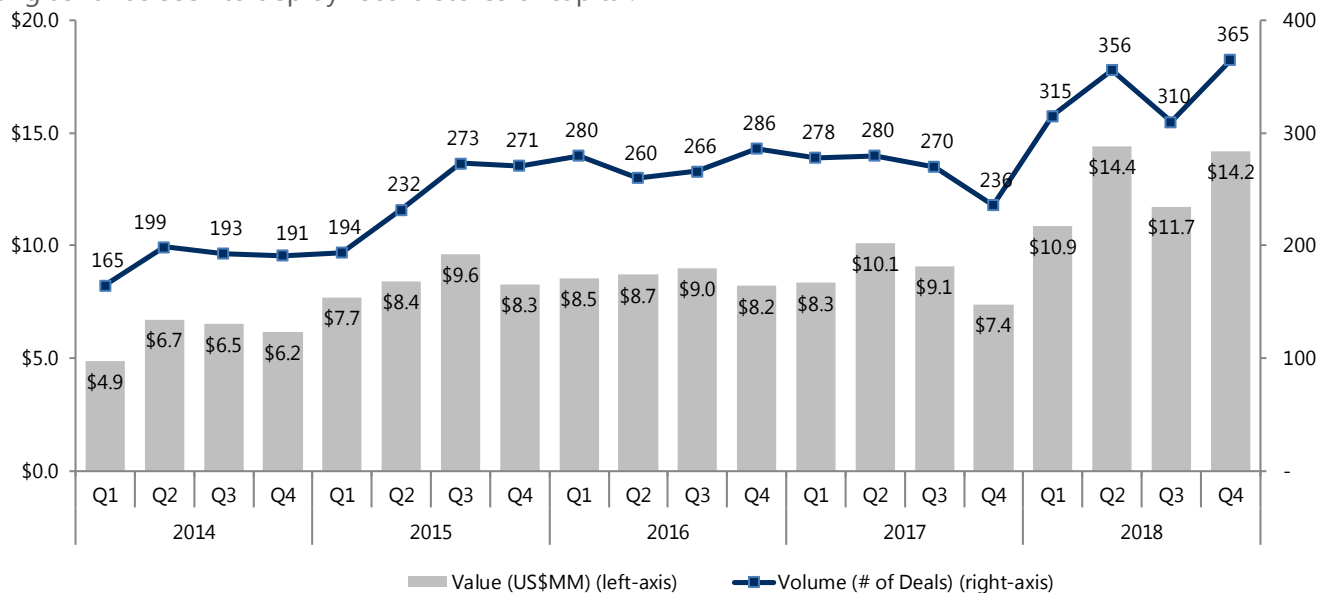
Note: Middle market defined as transactions between \$10 and \$500 million in the U.S., excluding transactions in real estate.

* Reclassified sector including new sub-sectors from 4Q18.

Source: S&P Capital IQ.

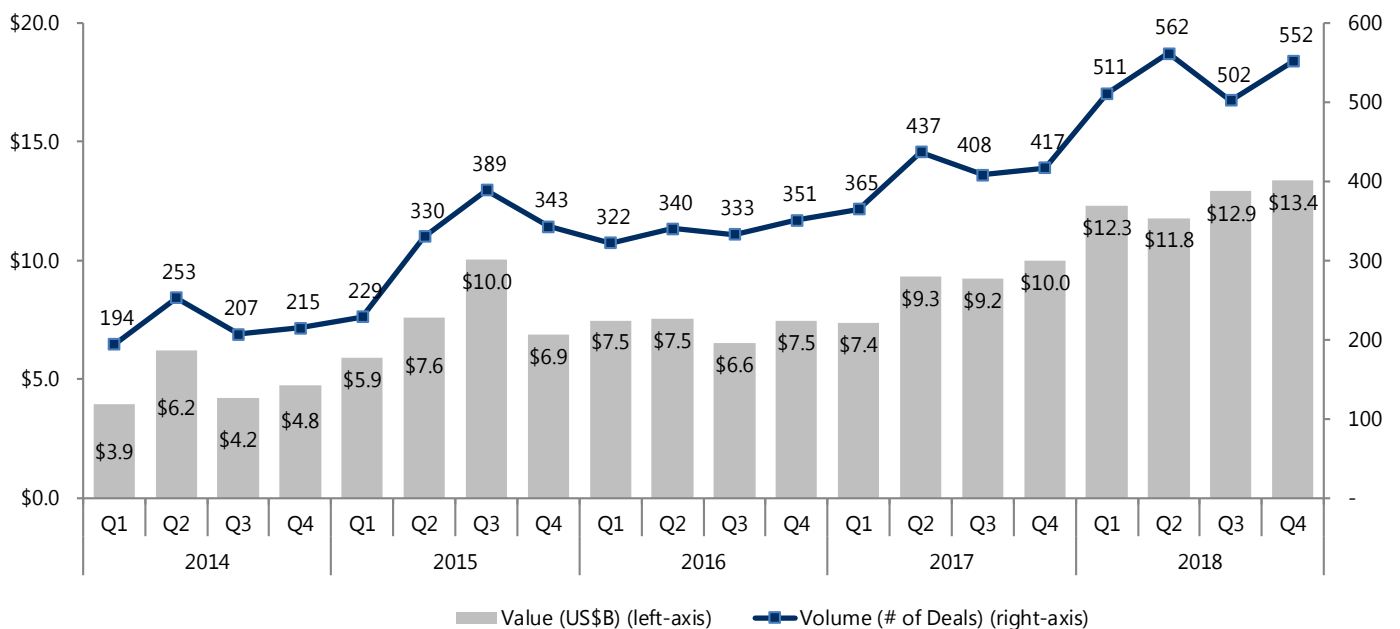
Private Placement Activity – Middle Market

Middle market private placement activity rose considerably, year-over-year, in 4Q18 reaching \$14.2 billion in value, a 92% jump, with 365 transactions, a 55% increase in volume. LTM statistics are also up year-over-year with value increasing 47% and volume 27%. The average deal size also climbed year-over-year by 24%. The Technology and Healthcare sectors continued to attract the majority of private placement funds accounting for 39% and 24% of total volume respectively. Both sectors also saw a strong rise in deal volume for the quarter with Technology up 42% and Healthcare up 87% year-over-year. We expect private placement activity to remain strong as funds seek to deploy record stores of capital.



Venture Capital Investment Activity – Middle Market

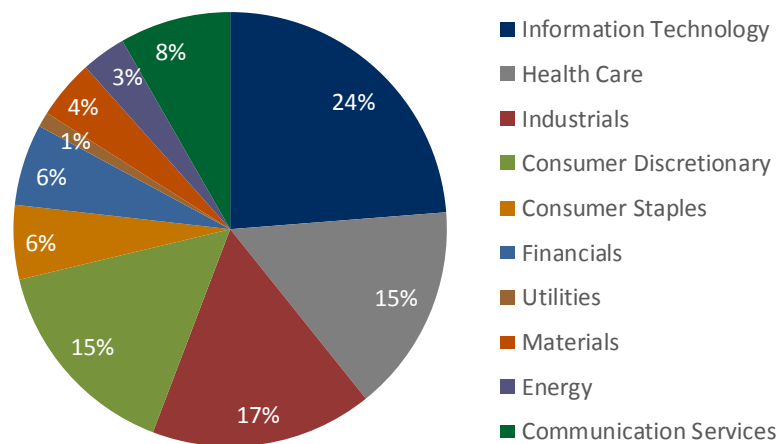
Venture capital activity in the fourth quarter was up year-over-year to \$13.4 billion, a 34% increase with deal volume up 32% at 552 transactions. The Technology and Healthcare sectors continued to draw the most funding accounting for 32% and 18% of transaction volume respectively. Year-over-year Technology volume was down 2% for the quarter while Healthcare was up 26%. The largest middle market deal of the quarter was a \$225 million round for Achieve, Inc., provider of real estate brokering services.



Utah M&A Activity by Sector

The fourth quarter of 2018 showed an 11% uptick in M&A activity year-over-year with 51 announced Utah-related M&A deals, consisting of both buy-side and sell-side transactions. Health Care and Communications Services sectors saw the highest levels of activity accounting for a combined 33% of deal volume. Utah's diverse economy continues to be evident in the overall mix of transactions from the last twelve months with large weights in each of the Technology, Healthcare, Industrials, and Consumer Discretionary sectors. The most notable transaction of the quarter was Qualtrics International, Inc.'s sale to SAP America, Inc. for \$8 billion. Qualtrics develops and provides an experience management platform to manage customer, employee, brand, and product experiences.

Utah Transaction Mix (Last Twelve Months)



Utah M&A Transaction Details for Q1 2019

Announced Date	Target	Acquiror	Target Industry	Target Business Description	Size (\$mm)	TEV ¹ /Revenue	TEV ¹ /EBITDA
Communication Services							
12/20/2018	Method Communications Inc.	Chime Communications Limited	Advertising	Public relations services	-	-	-
12/12/2018	Westgate Acquisitions Corporation (nka:WeedClub, Inc.)	Farmhouse, Inc. (nka:WeedClub, Inc.)	Interactive Media and Services	Cannabis industry online platform	-	-	-
11/1/2018	Manta Media Inc.	Boostability Inc.	Interactive Media and Services	Online business directory	-	-	-
6/1/2018	One AM radio station and One Construction Permit of FM translator of Broadway Media, LLC	SVI Media LLC	Broadcasting	Radio broadcasting station	0	-	-
4/30/2018	K261DB-FX	Frandsen Media Company LLC	Broadcasting	Radio broadcasting station	0	-	-
10/29/2018	Transportation Data Source, LLC	Randall-Reilly, LLC	Interactive Media and Services	Carrier monitoring database	-	-	-
10/27/2018	All Technology Assets Related to Pay-To-Play Style Mobile Games of Shout TV Inc. (Seller: Shout TV, Inc.)	MME, Inc.	Interactive Home Entertainment	Pay-to-play style mobile games	-	-	-
10/9/2018	Temkin Group, LLC	Qualtrics International Inc.	Advertising	Consumer experience research and consulting services	-	-	-
10/4/2018	Practicolgy Ltd.	iServe Products, Inc.	Advertising	Strategy development and planning services	-	-	-

1. Total enterprise value.

Note: Reflects all disclosed M&A transactions excluding real estate where the acquiror, target or seller headquarters are in the greater Utah area. The Utah-based company is denoted in bold. * indicates that the seller was one of a group of sellers.

Sources: S&P Capital IQ and W Partners research and estimates.

Utah M&A Transactions (Cont'd)

Announced Date	Target	Acquiror	Target Industry	Target Business Description	Size (\$mm)	TEV ¹ /Revenue	TEV ¹ /EBITDA
Consumer Discretionary							
12/29/2018	BuyIpeDirect.com	Ipe Woods USA, LLC	Internet and Direct Marketing Retail	Wood supplies online platform	-	-	-
12/3/2018	ENVY Jewellery Pty Ltd	ARIIX Holdings, LLC	Apparel, Accessories and Luxury Goods	Jewelry design and sales	-	-	-
11/21/2018	Spring Communications Holding, Inc	Prime Communications, L.P.	Computer and Electronics Retail	Wireless solution retailer	737	-	-
5/2/2018	Autosource Motors LLC	ONCAP; ONCAP IV	Automotive Retail	Branded vehicle retailer	41	-	-
10/24/2018	Reynolds Cycling, L.L.C.	HB Performance Systems, Inc.	Leisure Products	Carbon fiber bicycle wheels	-	-	-
Consumer Staples							
12/2/2018	Morinda Holdings, Inc.	New Age Beverages Corporation	Packaged Foods and Meats	Noni-based products	99	0.4x	5.0x
11/9/2018	Assets of SKINourishment, Inc.	Clarus Corporation	Personal Products	Organic skin products	-	-	-
7/10/2018	Substantially All of the Assets of Food for Health International, LLC	Exemplar Design, LLC	Packaged Foods and Meats	Quick-prep meals	4	-	-
10/17/2018	HBH Enterprises LLC	Petiq, LLC	Packaged Foods and Meats	Pet treats and supplements	15	-	-
Energy							
11/16/2018	Northwest Louisiana Natural Gas Assets of QEP Resources, Inc. (Seller: QEP Marketing Company)	Aethon Energy Management LLC	Oil and Gas Exploration and Production	Natural gas and oil producing properties	735	-	-
10/26/2018	Adler Hot Oil Service, LLC.	Enservco Corporation	Oil and Gas Equipment and Services	Oilfield services	13	0.7x	4.5x
6/29/2018	Liquid Dynamics, Inc.	Kou You Kai, Ltd.	Oil and Gas Equipment and Services	Water filtration and purification services	-	-	-
Financials							
12/31/2018	Gunnison Valley Bank	State Bank of Southern Utah (Cedar City, UT)	Regional Banks	Personal and commercial banking services	-	-	-
12/13/2018	National Partners PFco, LLC	WebBank Inc.	Specialized Finance	Commercial finance solutions	-	-	-
12/4/2018	Amaces Inc. (nka:MJ Hudson Amaces)	MJ Hudson LLP	Asset Management and Custody Banks	Investment tools and consulting	-	-	-
11/13/2018	Consumers United, Inc. (Seller: Coffin Capital & Ventures)	Seeman Holtz Property and Casualty, Inc.	Insurance Brokers	Insurance products and services	-	-	-
10/11/2018	Great Western Life Insurance Company (nka:US Alliance Life and Security Company Montana) (Seller: Great Western Insurance Company)	US Alliance Life And Security Company	Life and Health Insurance	Funeral insurance services	1	-	-
Health Care							
12/14/2018	All Assets of Vascular Insights, LLC	Merit Medical Systems, Inc.	Health Care Supplies	Specialty infusion and occlusion catheter systems	60	-	-
11/14/2018	Metamorphosis Ogden, Inc.	BayMark Health Services Inc.	Health Care Services	Opioid addiction treatment	-	-	-
10/24/2018	SilverVue, Inc.	Mingle Analytics, Inc. (nka:Mingle Health)	Health Care Technology	Healthcare software company	-	-	-
10/4/2018	Certain Assets of Vital Access Corp.	Advent Access Pte. Ltd.	Health Care Equipment	Implantable medical devices	-	-	-
8/22/2018	DNA and Ancestry Assets of Taueret Laboratories, LLC	Predictive Technology Group, Inc.	Biotechnology	Genetic data	-	-	-
10/1/2018	Cianna Medical, Inc.	Merit Medical Systems, Inc.	Health Care Equipment	Breast cancer treatment technologies	200	-	-
Industrials							
12/17/2018	ExpressJet Airlines, Inc. (Seller: SkyWest, Inc.)	ManaAir, LLC	Airlines	Regional airline	13	-	-
12/3/2018	Megastir Technologies Llc (nka:Mazak MegaStir)	Mazak Corporation	Industrial Machinery	Welding tool manufacturing	-	-	-
11/1/2018	Assets of Paxton Production Tools	Industrial Supply Company, Inc.	Trading Companies and Distributors	Metalworking tools for cutting-tool industry	-	-	-
10/18/2018	J. C. Hunt Company, Inc.	RelaDyne, Inc.	Trading Companies and Distributors	Fuel and related products distribution	-	-	-

1. Total enterprise value.

Note: Reflects all disclosed M&A transactions excluding real estate where the acquiror, target or seller headquarters are in the greater Utah area. The Utah-based company is denoted in bold. * indicates that the seller was one of a group of sellers.

Sources: S&P Capital IQ and W Partners research and estimates.

Utah M&A Transactions (Cont'd)

Announced Date	Target	Acquiror	Target Industry	Target Business Description	Size (\$mm)	TEV ¹ /Revenue	TEV ¹ /EBITDA
Industrials (cont.)							
10/12/2018	Specialized Rail Service, Inc.	Westport Axle Corp.	Trucking	Local and regional drayage services	12	0.5x	-
10/5/2018	Lewis Cabinet Specialties Group, LLC	LongWater Opportunities LLC; LongWater Fund II, LP	Building Products	Made-to-order cabinetry	-	-	-
Information Technology							
12/4/2018	Z7 Networks	Executech Utah, Inc.	IT Consulting and Other Services	IT consulting, security, and hosting	-	-	-
11/11/2018	Qualtrics International Inc.	SAP America, Inc.	Application Software	Experience management platform	8,000	-	-
11/7/2018	GreatRateFreight, Inc.	Gold River Productions, Inc; RushNet, Inc.	Application Software	Trucking management application	-	-	-
11/1/2018	Hi-Techniques, Inc.	Executech Utah, Inc.	Electronic Equipment and Instruments	Data acquisition systems	-	-	-
10/31/2018	WISekey QuoVadis/PKI Business	DigiCert, Inc.	Internet Services and Infrastructure	Data center and cloud services	45	-	-
12/12/2017	All Assets of Blockmines (Blockmines, LLC)	Adrenaline Pty Ltd	Data Processing and Outsourced Services	Cryptocurrency mining assets	-	-	-
10/5/2018	HTS Image Processing, Inc.	Quest Solution, Inc.	Application Software	AI based image processing	6	-	-
10/4/2018	Softvision, LLC (Seller: Tower Arch Capital)	Cognizant Technology Solutions Corporation	IT Consulting and Other Services	IT services and solutions for retailers	541	-	-
Materials							
11/30/2018	Gear4 HK Limited	ZAGG Inc	Commodity Chemicals	Mobile phone cases	40	-	-
11/27/2018	Temkin International, Inc.	PPC Flexible Packaging LLC	Paper Packaging	Film packaging products	-	-	-
11/19/2018	Tri County Concrete, LLC	Sunroc Corporation	Construction Materials	Ready mix concrete manufacturing	-	-	-
10/23/2018	Semblant Limited	HZO, Inc.	Diversified Metals and Mining	Circuit board protection	-	-	-
10/15/2018	FiberFix, LLC (Seller: Spark Innovation, LLC)	J-B Weld Company, LLC	Specialty Chemicals	Repair wraps manufacturing	-	-	-

Q4 2018

1. Total enterprise value.

Note: Reflects all disclosed M&A transactions excluding real estate where the acquiror, target or seller headquarters are in the greater Utah area. The Utah-based company is denoted in bold. * indicates that the seller was one of a group of sellers.

Sources: S&P Capital IQ and W Partners research and estimates.

Utah Private Placement and Venture Capital Activity

There were ten disclosed Utah-related private placements during the fourth quarter of 2018, attracting \$402 million of fresh capital. The Technology sector was the most active this quarter raising approximately 56% of the total proceeds, at \$225 million, with five transactions. The largest deal this quarter was a venture round for Rockwell Holdco, Inc., which operates low-level radioactive waste disposal facilities, at \$118 million.

Utah-based Companies that Raised Capital

Announced Date	Issuer	Round	Investors(s)	Issuer Industry	Issuer Business Description	Amount Raised (\$mm)
Health Care						
12/12/18	Foldax, Inc.	Venture	NA	Health Care	Mechanical heart valves	\$10
11/19/18	Weave Communications Inc.	Series C	Bessemer Venture Partners; CrossLink Capital, Inc.; Pelion Venture Partners; Catalyst Investors; Lead Edge Capital Management, LLC	Health Care Technology	Long-distance and local communication services	\$38
10/01/18	Amedica Corporation (nka:Sintx Technologies, Inc.)	Debt	NA	Health Care Equipment	Medical implant products	\$6
Industrials						
11/26/18	Rockwell Holdco, Inc.	Venture	NA	Environmental and Facilities Services	Waste control services	\$118
11/26/18	Rockwell Holdco, Inc.	Venture	NA	Environmental and Facilities Services	Radioactive waste disposal	\$5
Information Technology						
12/12/18	SpeakWorks, Inc.	Growth	Five Elms Capital; University Venture Fund	Application Software	Online video assessment platform	\$4
11/29/18	Venafi, Inc.	Growth	Technology Crossover Ventures; QuestMark Partners; NextEquity	Systems Software	Cyber security	\$100
11/27/18	International Membership Data, LLC	Venture	Protect Pharmaceutical Corporation	Data Processing and Outsourced Services	Cryptocurrency blockchain	\$40
11/07/18	Big Squid, Inc.	Series A	Silverton Partners; Kickstart Seed Fund; Signal Peak Ventures; Lewis & Clark Venture Capital, LLC	Application Software	Business intelligence software solutions	\$9
10/17/18	Lucid Software Inc.	Growth	MeriTech Capital Partners; Spectrum Equity Management, L.P.; ICONIQ Capital, LLC	Application Software	Cloud-based visual content tools	\$72

Q4 2018

1. Total enterprise value.

Note: Reflects disclosed private placement and venture capital transactions greater than \$3.0 million where the issuer is headquartered in the greater Utah area. Utah-based companies and funds are denoted in bold. * indicates that the seller was one of a group of sellers.

Sources: S&P Capital IQ and W Partners research.

Please contact the W Partners team for additional information regarding M&A transactions, private placements, venture capital investments or public market valuations in your particular industry or sector:

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Joint-Venture Agreement with



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\$100 Million Private Placement



Financial Advisory



Was Acquired by



Financial Advisory

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