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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 First Quarter of 2016

Global M&A activity in the first quarter declined after a record year in 2015 with a 15% decrease in volume and a 50% decrease in value from 1Q15. U.S. M&A activity continued at a rather steady pace as M&A in the Americas reached \$350 billion, an 18% decrease in value over the prior year period. The reasons for the 1Q16 decline can be attributed to a cocktail of volatility factors that occurred during the first quarter, including fears of a global economic slowdown, fallout from lower oil prices, turbulent equity markets, uncertain monetary policy with the Fed's interest rate hike and continued concerns regarding China's economic policies. Political risks and uncertainty have also risen globally with the European refugee crisis, the upcoming EU referendum in the UK and the impending US presidential election, which are all clouding the outlook for both economic and foreign policy.

Private equity firms have continued to invest in new platform and add-on businesses. In the first quarter, slightly over 100 private equity funds closed, raising over \$80 billion with a median fund size of \$270 million, with over 90% of funds meeting or exceeding their fundraising target. Overall, private equity investors have capital to deploy, with "dry powder" of \$276 billion in the Americas region alone, providing more than sufficient capital for the right transaction.

Meanwhile, global venture capital activity revealed the lowest transaction volume since 2Q13. In the U.S., venture investors were cautious with over half of all investments made during the quarter going to late-stage financings. With the recent markdown of several so called "unicorn" companies, venture investors were less aggressive in bidding up financing rounds for private companies. However, the first quarter was one of the best fundraising quarters for new venture capital funds since the dot-com boom of 2000 and the decline in investment activity is likely to be short-lived as these funds are deployed over the coming quarters.

As is typical, the IPO market was highly sensitive to market volatility and general negative economic sentiment during the first quarter. Global IPO activity slowed significantly with a 40% decline in volume and a 70% decline in total capital raised compared with the prior year period and was the weakest first quarter recorded since 2009. Not only is the first quarter of the year often the weakest for IPO activity, but after several years of increased activity there is likely to be a period of depressed activity.

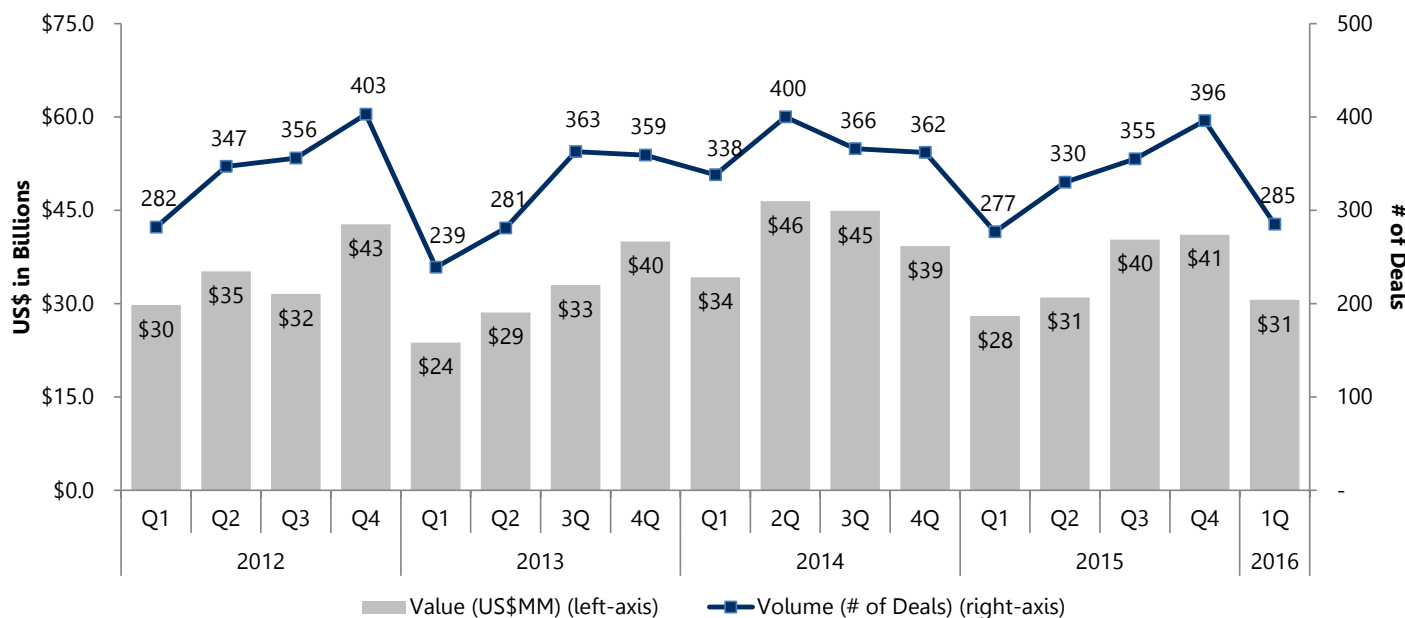
In addition, lower IPO pricing levels led to the postponement of IPOs, which represented investors' lack of confidence. Weakness in activity was evident across all major regions, with U.S. IPO activity showing a 75% decline in volume and 80% decrease in value from 1Q15.

With signs of stabilization in the economic and political backdrop, there is significant "dry powder" available to private equity investors searching for quality transactions. Commercial lenders are still supporting leveraged transactions, albeit with less aggressive lending limits, and family offices have been significantly increasing their investments in private transactions as a way to diversify their holdings and generate higher returns in a low rate environment.

In summary, despite a slow start to the year driven by unusual volatility in the equity markets, we expect deal making activity to pick up for the remainder of the year.

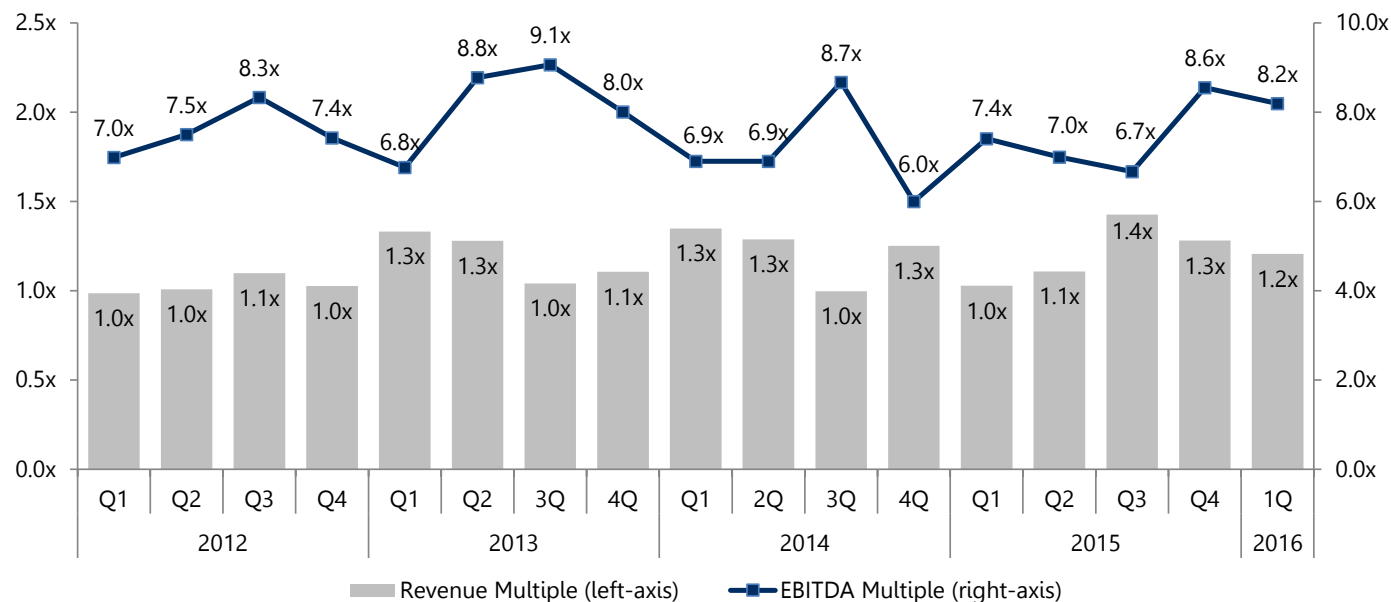
M&A Activity – Middle Market

U.S. middle market deal activity in the first quarter was consistent with the prior year quarter, and as anticipated, was down from 4Q15 as deal activity is typically weakest in the first quarter of the year. M&A activity in 1Q16 increased slightly in terms of both value and volume over the prior year period with the most active sectors of Technology, Consumer Discretionary, and Industrials constituting roughly half of all deals. On a trailing 12-month basis, the number of Healthcare transactions increased by 31% over the prior 12-month period whereas Energy and Materials transactions decreased by 24% and 27%, respectively.



Valuation Multiples – Middle Market M&A Transactions

While disclosed multiples for private transactions are limited, Revenue and EBITDA multiples for middle market M&A transactions remain in-line with the longer term averages. In 1Q16, Revenue and EBITDA multiples declined from the prior quarter but still remain elevated compared to the prior year period. Investors are being forced to pay high multiples for quality opportunities due to robust competition but deal quality has recently declined which is likely to put pressure on transaction multiples throughout the remainder of 2016.



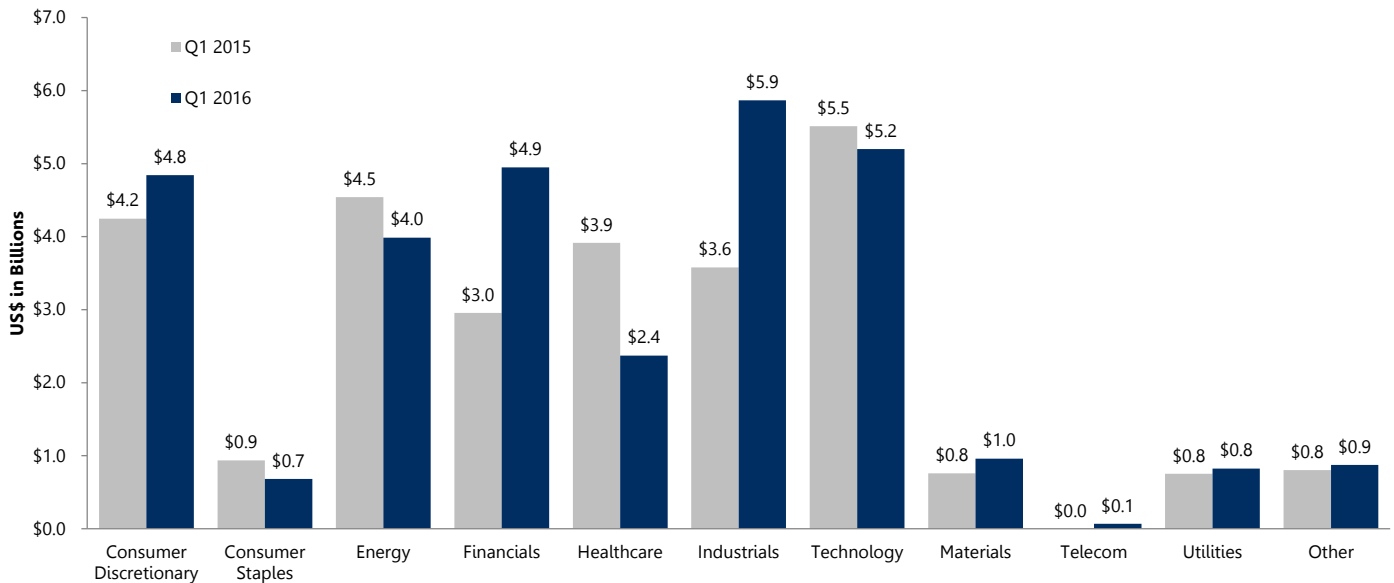
Note: Middle market defined as transactions between \$10 and \$500 million in the U.S., excluding transactions in real estate.

In 1Q16, revenue multiples were disclosed in 22% of all transactions and EBITDA multiples disclosed in 5% of all transactions.

Source: S&P Capital IQ.

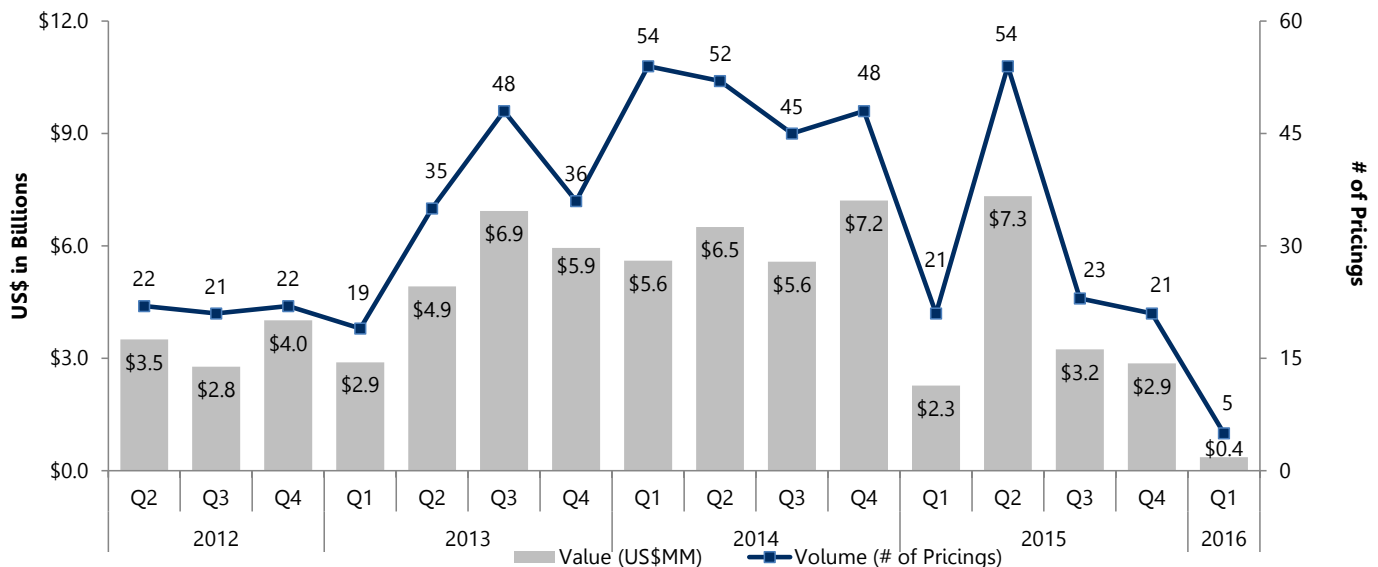
M&A Activity by Sector – Middle Market

Deal activity in the first quarter of 2016 was characterized by material changes in the average size of transactions for different industries due to transaction mix. For instance, in Healthcare there were the same number of transactions in 1Q16 as the prior year quarter but the average deal size decreased by 40% as more transactions in the Healthcare Equipment vertical were completed and a smaller number of Pharmaceutical transactions were completed. Additionally, while transaction values for the Financials and Industrials sectors increased nearly 65% over the prior year period, the volume of transactions was relatively unchanged. The average transaction size for the Industrials sector was driven up by an higher number of Aerospace and Defense transactions in 1Q16.



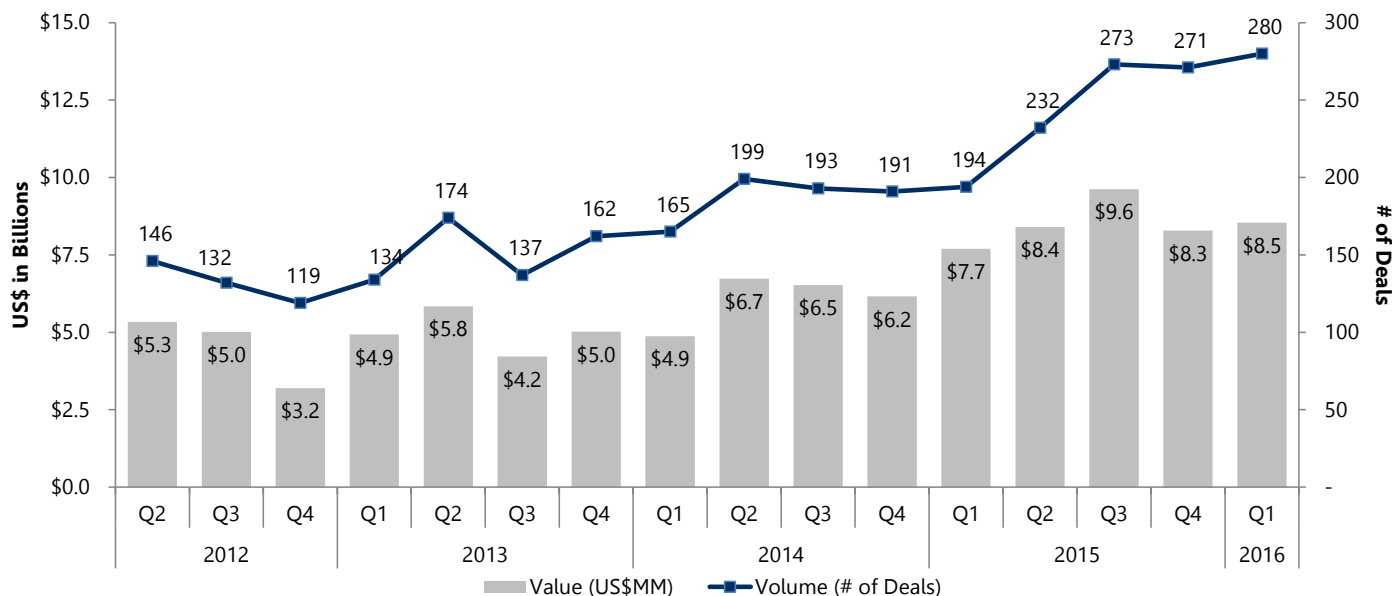
IPO Activity – Middle Market

The IPO market was essentially closed in the first quarter as market volatility took its toll on middle market IPO activity. There were only five middle market IPOs completed during the quarter, all from the Healthcare sector. Offering size also reached its lowest value in several years with the average offering of \$73 million, a 33% drop over the prior year period. Reduced IPO activity reflects the importance of having alternative financing sources and the trend of companies' pursuing multitrack capital raising strategies as they look to keep their strategic fundraising options open.



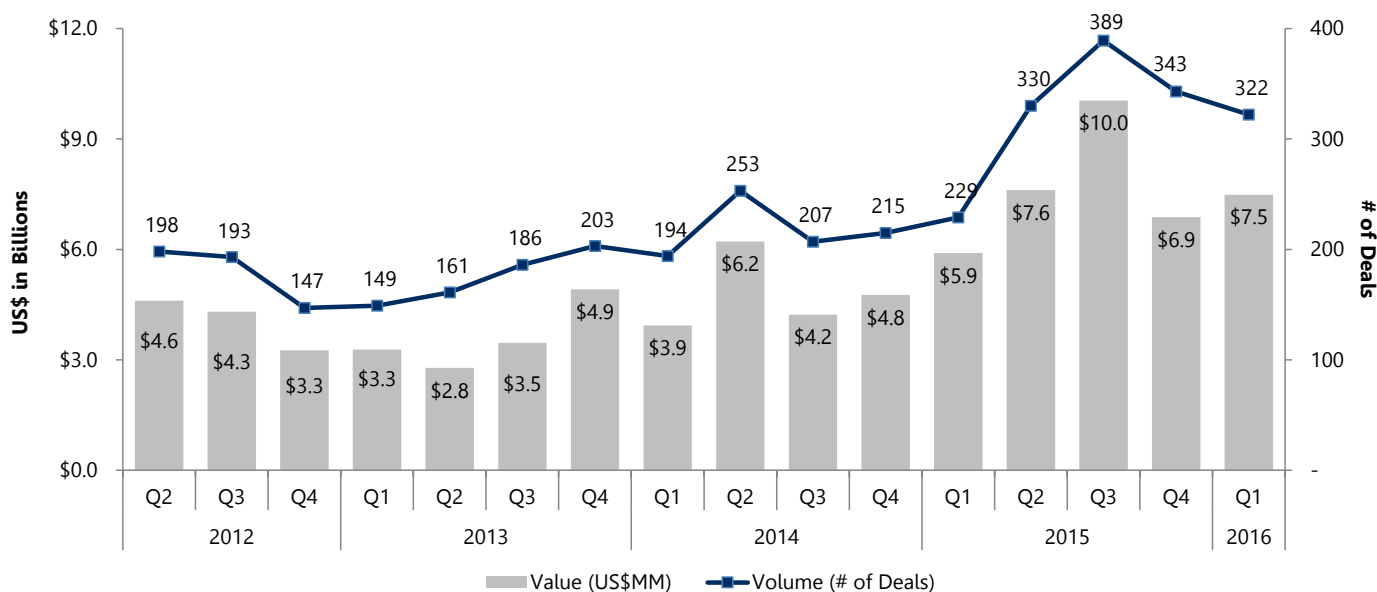
Private Placement Activity – Middle Market

Middle market private placement activity in the first quarter showed strength as institutional investors continued to fund growing private businesses. Total transaction value increased by 11% and transaction volume increased by 44% over the prior year period, continuing the trend from prior quarters. However, the average deal size dropped by 23% over the prior year period indicating increased risk aversion from investors as economic uncertainty persists. The most active sector during the quarter was Technology, which represented approximately half of all transaction volume, followed by the Healthcare sector, which represented approximately a quarter of total transaction volume.



Venture Capital Investment Activity – Middle Market

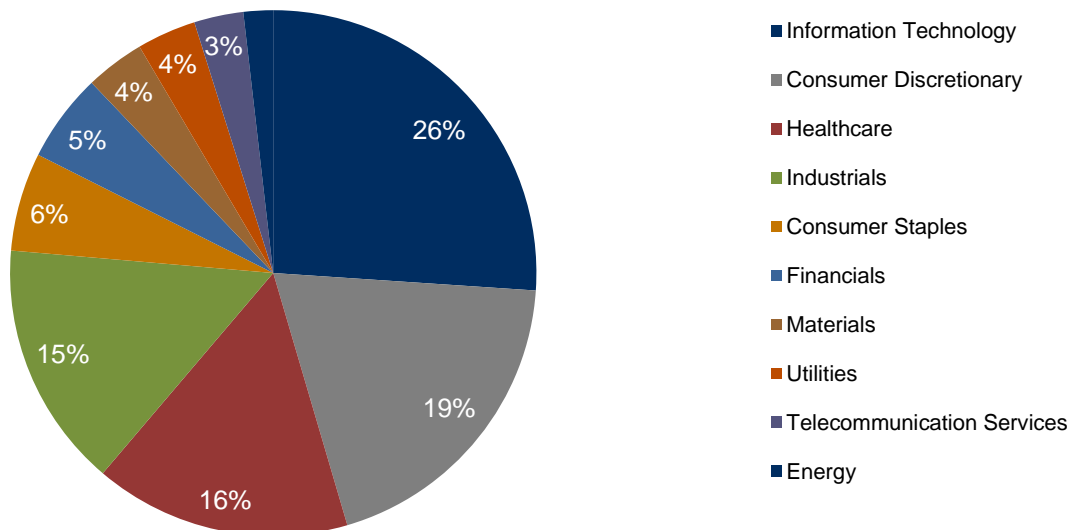
Continuing the recent trend, middle market venture capital transaction volume grew by over 40% in the first quarter and the value of transactions increased by more than 25% over the prior year period. On a trailing 12-month basis, both the volume and value of venture transactions grew by more than 50% over the prior year period demonstrating the availability of capital. The Technology and Healthcare sectors continued to constitute the majority of venture transactions during the first quarter with Technology investments outnumbering Healthcare investments by more than 2-to-1.



Utah M&A Activity by Sector

The first quarter included a total of more than 40 Utah related M&A transactions with more than 50% of the transaction volume coming from the Consumer Discretionary and Technology industries. The most notable transaction during the quarter was Salt Lake City-based Questar's all-cash sale to Dominion Resources for \$6.1 billion. Questar is a natural gas distribution, pipeline, and storage company serving nearly one million homes and businesses in Utah. Questar will be the Western hub for Dominion Resources post-acquisition. In the action sports sector, Salt Lake City-based Vista Outdoor continued its acquisition spree by acquiring bicycle helmet manufacturer Bell Sports for \$400 million as the company continues to diversify its portfolio with outdoor consumer products.

Utah Transaction Mix
(Last Twelve Months)



Utah M&A Transaction Details for Q1 2016

Announced Date	Target	Acquiror	Target Industry	Target Business Description	Size (\$mm)	TEV ¹ / Revenue	TEV ¹ / EBITDA
Consumer Discretionary							
03/28/2016	Leadgenix Inc	Big Leap LLC	Advertising	Digital marketing services	-	-	-
03/07/2016	Clear Link Technologies, LLC	Sykes Enterprises, Incorporated (NasdaqGS:SYKE)	Advertising	Marketing services	\$207	1.7x	-
03/02/2016	Precision Auto Glass LLC	TechnaGlass Inc.	Specialized Consumer Services	Glass and windshield repair	-	-	-
02/25/2016	Bell Sports Corp.	Vista Outdoor Inc. (NYSE:VSTO)	Leisure Products	Bicycle accessory manufacturer	\$400	1.3x	10.0x
02/22/2016	ENVE Composites, LLC - Seller: New Value Capital	Amer Sports Corp. (HLSE:AMEAS)	Leisure Products	Bicycle wheel manufacturer	\$50	1.7x	-
02/10/2016	Auto Farm Ford Lincoln	AutoFarm Group LLC	Automotive Retail	Ford automotive retailer	-	-	-
02/05/2016	efsAUDIO Inc.	Compass Biotechnologies Inc. (OTCPK:COBI)	Consumer Electronics	Musical instrument sound components	-	-	-
02/05/2016	Rico D Leon	Rockwell Time, Inc	Apparel, Accessories and Luxury Goods	Leather belt manufacturer	-	-	-
02/05/2016	Zepher Media LLC, Majority Assets	Plan E Inc.	Consumer Electronics	Supplier of security cameras	-	-	-
02/02/2016	mophie, inc.	ZAGG Inc (NasdaqGS:ZAGG)	Consumer Electronics	Mobile battery case manufacturer	\$105	-	-
01/07/2016	Majorsales, LLC	Level Nine Sports, INC.	Specialty Stores	Bicycle retailer	-	-	-
01/06/2016	Code3 CME LLC	Career Step, LLC	Education Services	Accredited virtual emergency medical courses	-	-	-

1. Total enterprise value.

Note: Reflects all disclosed M&A transactions excluding real estate where the acquiror, target or seller headquarters are in Utah. 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 Staples							
02/20/2016	SAVI Health, LLC	Modere, Inc.	Personal Products	Nutritional supplements	-	-	-
02/19/2016	The Coca-Cola Company, Additional Territory Rights in Pacific Northwest of United States	Swire Pacific Holdings, Inc.	Soft Drinks	Beverage production and distribution	-	-	-
02/01/2016	Albion Laboratories, Inc.	Balchem Corp. (NasdaqGS:BCPC)	Personal Products	Nutritional and mineral compound manufacturer	\$112	2.1x	10.7x
Financials							
03/31/2016	Pacific Western Equipment Finance, Certain Operations	BofI Federal Bank	Specialized Finance	Equipment finance and leasing	-	-	-
03/21/2016	First Guaranty Insurance Company	Security National Life Insurance Company	Life and Health Insurance	Life insurance provider	\$7	0.8x	-
01/21/2016	M&T Bank, Health Savings Account (HSA) Portfolio	HealthEquity, Inc. (NasdaqGS:HQY)	Regional Banks	Health savings account portfolio	-	-	-
Healthcare							
03/07/2016	Jade Therapeutics, Inc.	Eyegate Pharmaceuticals, Inc. (NasdaqCM:EYEG)	Biotechnology	Ophthalmic drug delivery platforms	\$5	-	-
03/01/2016	ReNovo Biotech, Inc.	Predictive Therapeutics, LLC	Biotechnology	Distributes biomaterials for disease treatment	-	-	-
02/11/2016	Supplemental Health Care, Inc.	The Vistria Group, LLC	Healthcare Services	Healthcare staffing agency	-	-	-
02/04/2016	CryoLife, Inc., HeRO Graft Product Line	Merit Medical Systems, Inc. (NasdaqGS:MMSI)	Healthcare Equipment	Manufacturer of vascular graft system	\$19	2.5x	-
01/29/2016	Cirque Lodge, Inc.	MAP Health Management, LLC	Healthcare Services	Addiction rehabilitation services	-	-	-
01/11/2016	NorMedix LLC - Seller: Merit Medical Systems, Inc.*	SurModics, Inc. (NasdaqGS:SRDX)	Healthcare Equipment	Multi-disciplinary medical device developer	\$14	-	-
Industrials							
03/23/2016	Osullivanfield Pty Limited	Full Circle Group North America, LLC	Human Resource and Employment Services	C-level leadership consulting	-	-	-
02/10/2016	LithoFlexo Graphics Inc.	Resource Label Group, LLC	Commercial Printing	Lithographic/flexographic printing services	-	-	-
02/05/2016	Star Seismic, LLC	CoreBrace, LLC	Building Products	Manufactures buckling restraining braces	-	-	-
01/19/2016	The Litigation Document Group, LLC	Xcellence, Inc.	Research and Consulting Services	Law firm support services	-	-	-
01/07/2016	HJ & Associates, LLC	Haynie & Co	Research and Consulting Services	Accounting firm	-	-	-
Information Technology							
03/22/2016	Dan Seibert Consulting LLC	Fruition, LLC	Internet Software and Services	Web hosting services	-	-	-
03/17/2016	Wasatch Digital Media LLC	The International MLS	Application Software	Real estate investment software	-	-	-
03/14/2016	AppSense, Inc.	LANDESK Software, Inc.	Application Software	Secure enterprise management software	-	-	-
03/09/2016	Performance Matters LLC	TrueNorthLogic, LLC	Application Software	Data warehousing and business intelligence solutions	-	-	-
03/02/2016	Crossfuzze LLC	Inergex, Inc.	IT Consulting and Other Services	ServiceNow software implementation	-	-	-
02/23/2016	Arellia Corporation	Thycotic Software Ltd.	Systems Software	Windows focused security solutions	-	-	-
02/16/2016	AC2 Solutions, Inc.	inContact, Inc. (NasdaqCM:SAAS)	Internet Software and Services	Multi-platform workforce management software	\$12	-	-
02/04/2016	Pillars International	DirectScale, Inc.	Application Software	Direct sales software solutions	-	-	-
02/04/2016	Pakedge Device & Software, Inc.	Control4 Corporation (NasdaqGS:CTRL)	Communications Equipment	Networking and AV software solutions	\$34	1.7x	44.0x

1. Total enterprise value.

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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
Information Technology (continued)							
01/27/2016	NexGen Storage, Inc. - Seller: Fusion-io, Inc.	Pivot3 Inc.	Technology Hardware, Storage and Peripherals	Flash arrays for prioritization of business data	-	-	-
01/14/2016	SoundConnect, LLC	CallTower Inc.	Internet Software and Services	Communication/collaboration software solutions	-	-	-
01/11/2016	Big Brainz, Inc.	Imagine Learning, Inc.	Home Entertainment Software	Electronic math game developer	-	-	-
Materials							
03/02/2016	Synthetic Materials LLC	Headwaters Resources, Inc.	Construction Materials	Provider of synthetic gypsum	\$45	-	7.0x
Utilities							
02/01/2016	Questar Corporation (NYSE:STR)	Dominion Resources, Inc. (NYSE:D)	Gas Utilities	Integrated natural gas company	\$6,110	5.4x	9.7x
M&A Exits for Companies that have a Financial Investor Based in Utah							
03/14/2016	Jetscape, Inc. - Seller: Peterson Partners LP*	Nordic Aviation Capital A/S	Trading Companies and Distributors	Commercial aircraft leasing	-	-	-

Utah Private Placement and Venture Capital Activity

There were nine Utah-related private placement and venture transactions in the first quarter. Utah-based companies started the year strong by raising over \$300 million in financings with nearly 75% going to the Technology sector. The most significant investment was made in StorageCraft Technology, a software company that develops and provides backup, recovery, and security solutions, which raised \$187 million from TA Associates. Another notable investment was made in Health Catalyst, a leader in healthcare data warehousing, analytics and outcomes improvement, which raised \$70 million from a number of institutional investors, including Utah-based EPIC Ventures and Leavitt Partners.

Announced Date	Issuer	Round/Investors(s)	Issuer Industry	Issuer Business Description	Amount Raised (\$mm)
Healthcare					
02/09/2016	Health Catalyst, LLC	Series E: Norwest Venture Partners; Sequoia Capital; EPIC Ventures ; Kaiser Permanente Ventures; MultiCare Health System, Inc.; Sands Capital Management, LLC; OSF Healthcare System; Tenaya Capital; Partners Innovation Fund; CHV Capital, Inc.; Leavitt Partners, LLC ; Leerink Capital Partners; UPMC Enterprises	Health Care Technology	Healthcare data warehousing solutions	\$70
01/25/2016	Social Dental, Inc.	Not disclosed	Health Care Technology	Dental social media marketing solution	\$4
Information Technology					
03/17/2016	Homie, Inc.	Not disclosed	Internet Software and Services	Consumer real estate marketplace	\$4
03/15/2016	ObservePoint LLC	Not disclosed	Application Software	Data quality assurance platform	\$7
02/29/2016	NetVoyage Corporation	Not disclosed	Internet Software and Services	Secure email/doc-share cloud solutions	\$5
01/27/2016	Chatbooks Inc.	Series A: Peterson Ventures, LLC ; Deseret Digital Media Inc. ; Kickstart Seed Fund ; Signal Peak Ventures ; BYU Cougar Capital	Application Software	App converting photos to photobooks	\$6
01/20/2016	TaskEasy, Inc.	Not disclosed	Internet Software and Services	Contractor services marketplace platform	\$8
01/19/2016	LeisureLink, Inc.	Clearstone Venture Partners; Kinderhook Industries; Escalate Capital Partners	Internet Software and Services	Vacation rental sales management software	\$17
01/13/2016	StorageCraft Technology Corporation	TA Associates Management, L.P.	Systems Software	Data warehousing and security solutions	\$187

1. Total enterprise value.

Note: Reflects all disclosed M&A transactions excluding real estate where the acquiror, target or seller headquarters are in Utah and disclosed private placement and venture capital transactions greater than \$3.0 million where the issuer is headquartered in the Utah.

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.

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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Selected Transactions by W Partners





Haisla Nation
 Joint-Venture Agreement with

 Financial Advisory



Was Acquired by


 Financial Advisory




Master Franchisee and Exclusive Development Agent for

 Financial and Strategic Advisory




Private Placement of Debt and Equity Securities
 Financial Advisory



Strategic Advisory



Was Acquired by

 Financial Advisory



Acquired the Marine Transportation Assets of

 Financial Advisory



\$100 Million Private Placement

 Financial Advisory



\$95 Million Credit Facility


 Financial Advisory

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