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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 Second Quarter of 2016

In the second quarter, global M&A activity totaled \$839 billion, a 33% decrease in value from the comparable quarter last year. However, U.S. M&A activity remained solid and well ahead of similar half year figures from 2012-2014 despite \$462 billion in abandoned mega deals (Pfizer / Allergan, United Technologies / Honeywell). Increased regulation, tax complications, and market volatility factors (Brexit, the U.S. presidential election, the slowing Chinese economy, low oil prices, and a possible Fed interest rate hike) created a tough deal making environment, but were offset by many encouraging factors, including a ready market for U.S. corporate debt issued by acquirers, sluggish global GDP growth forcing executives to turn to acquisitions for growth, and Chinese corporate bidders seeking outbound deals to offset the effects of a decelerating home economy.

U.S. private equity deal values totaled \$135 billion in the second quarter, a 18% decline over the prior year period. Private equity investors played it safe by decreasing the proportion of debt in each deal and focusing on the middle market, with deals between \$25M and \$100M comprising over a quarter of all private equity activity, a level not seen since 2012. A meaningful portion of the \$63 billion raised by private equity firms this quarter will likely continue to be deployed in the middle market going forward as investors seek value in an increasingly turbulent market.

Globally, venture capital activity continued to slow after declines in 4Q15 and 1Q16, with deal volume dropping a further 6% this quarter as investors weighed market uncertainties and chose to spend more time raising capital or supporting existing portfolio companies. Nonetheless, worldwide deal value inched up 3% to \$27 billion thanks to the largest unicorns (Uber, Snapchat, Didi Chuxing) opting to raise significant rounds of private capital.

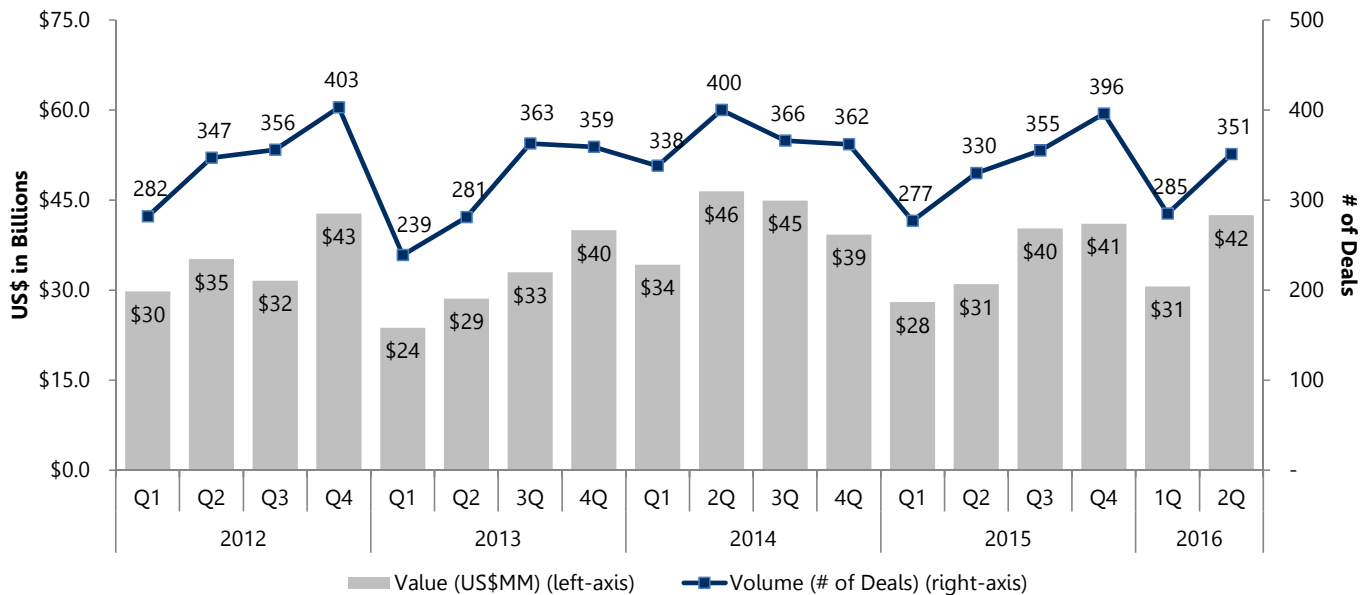
In the U.S., venture capitalists invested \$15 billion in 961 deals during the second quarter of 2016, a 12% decrease in deal volume over the prior year quarter. While caution has been voiced by U.S. venture capitalists, it is significant to note that 2Q16 is the tenth successive quarter with greater than \$10 billion invested in a single quarter.

After a lackluster first quarter, 246 IPOs worldwide raised \$30 billion in the second quarter. In the U.S., 37 IPOs raised a relatively modest \$6 billion. While this is a far cry from 2015 and many companies are waiting for market stabilization, the increased involvement of financial sponsors in IPO deals and the massive pipeline of IPO-ready companies in diverse sectors are all positive signals for capital markets in the coming quarters.

In summary, despite high market volatility, U.S. deal activity recuperated somewhat in the second quarter of 2016. As sources of volatility stabilize or markets grow accustomed to increased tumult, we expect deal activity to continue to recover during the third quarter.

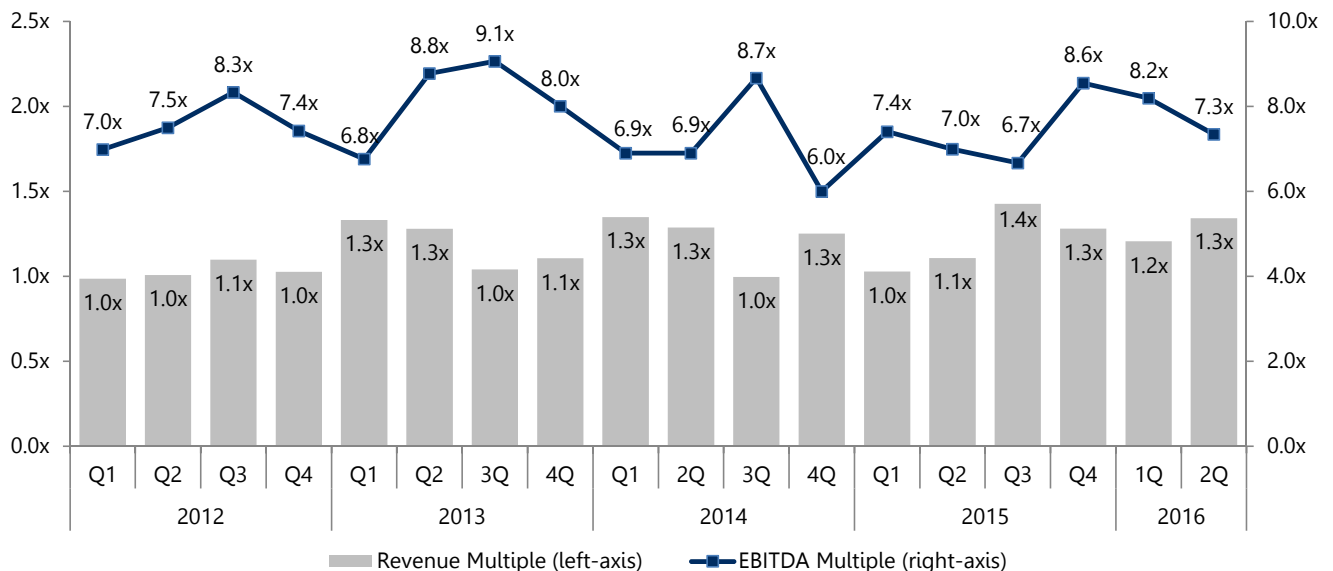
M&A Activity – Middle Market

U.S. middle market deal activity in the second quarter was higher than in the prior year quarter, and as anticipated, was higher than 1Q16 as deal activity tends to improve in the second quarter of the year. The most active sectors during the quarter were of Technology, Energy, and Financials constituting just under half of all deals. On a trailing 12-month basis, even though the number of Technology and Financials transactions fell by 7% and 15% respectively over the prior 12-month period, they increased in average deal size by 51% and 81% respectively, showing that buyers are increasingly focused on scale and less willing to take risks on smaller businesses.



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 consistent with long term averages. In 2Q16, EBITDA multiples declined from the prior quarter but were similar to the prior year period. Quality opportunities continue to demand relatively high multiples from investors as robust competition and declining deal quality continue and “dry powder” raised by new funds needs to be deployed during the lifetime of the fund.

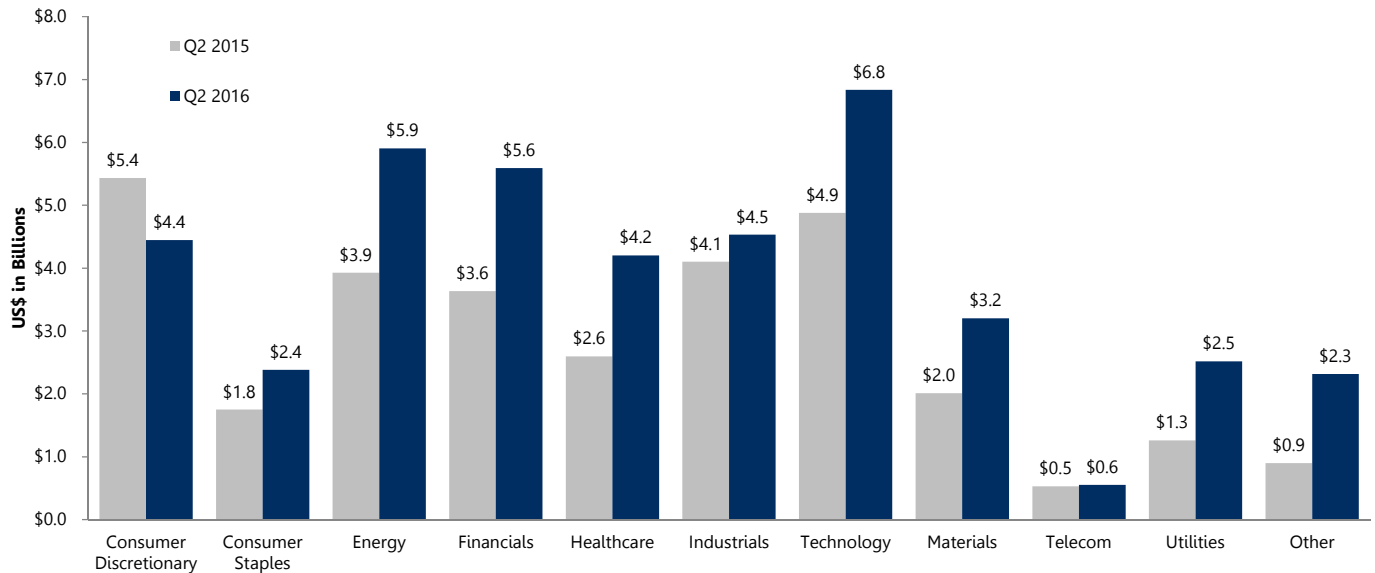


Note: Middle market defined as transactions between \$10 and \$500 million in the U.S., excluding transactions in real estate. EBITDA multiples disclosed in less than 10% of all transactions.

Source: S&P Capital IQ.

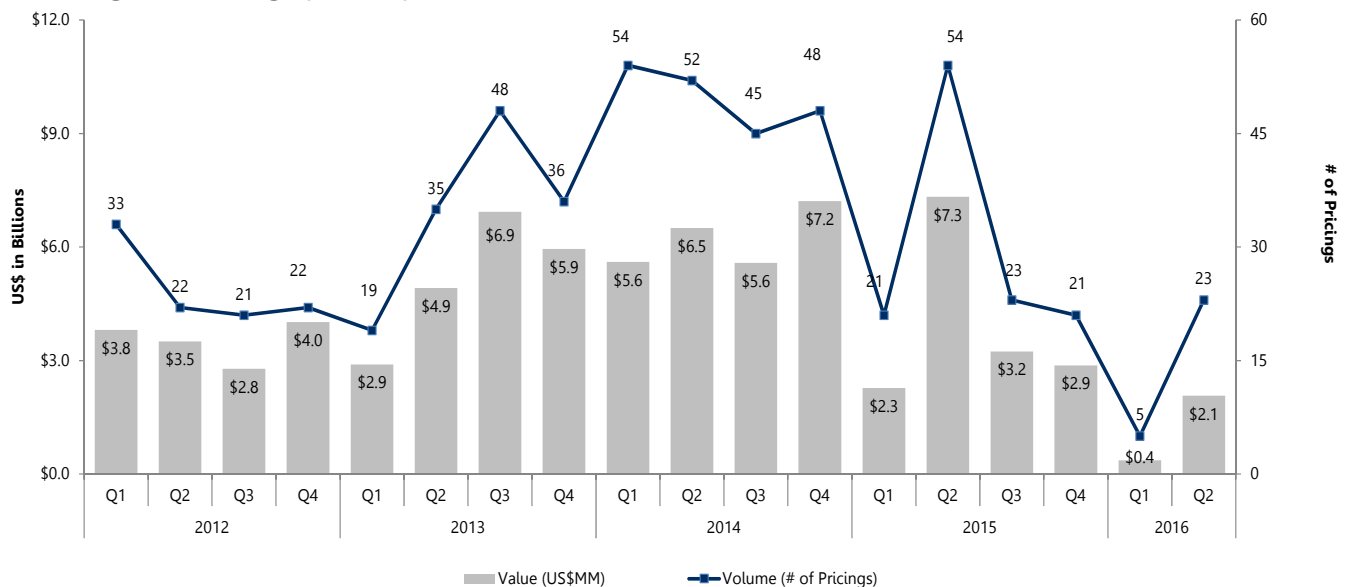
M&A Activity by Sector – Middle Market

Deal activity in the second quarter of 2016 was characterized by larger increases in average deal size than increases in number of transactions compared the second quarter of 2015. For instance, in Technology, deal volume fell by 7% compared to the prior year quarter, but average deal size increased by 51% overall thanks to deal sizes doubling in the verticals of Application Software, Communications Equipment, and IT Consulting. Notably, in the Energy sector, there were more Oil and Gas Exploration deals driving the growth for the sector. The average transaction size for the Financials sector was driven up by a 77% increase in the average deal size for the Regional Banks vertical.



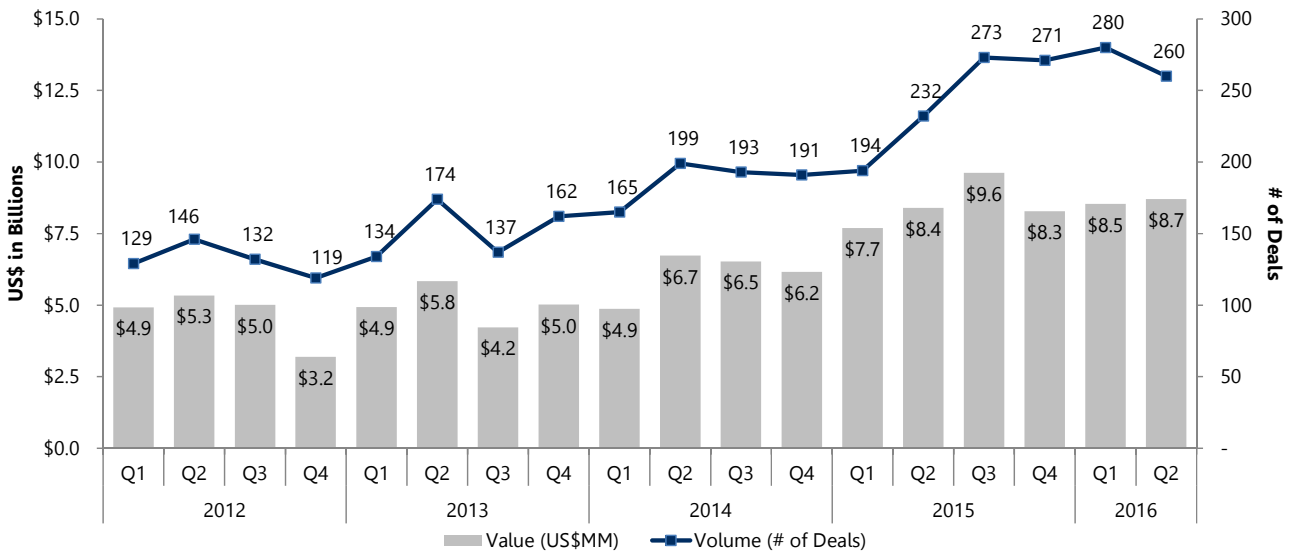
IPO Activity – Middle Market

The IPO market showed weak signs of recovery as 23 middle market IPOs were completed in the face of continued market volatility. Healthcare remained the most active sector, swelling to 15 middle market IPOs or 65% of all IPOs, although Technology and Industrials also debuted 3 IPOs each. Average offering size rose slightly to \$90 million, but nevertheless represented a 34% drop over the prior year period. Tepid IPO activity continues to reflect the importance of alternative financing and the trend of companies' pursuing private capital raising strategies as they look to keep their strategic fundraising options open.



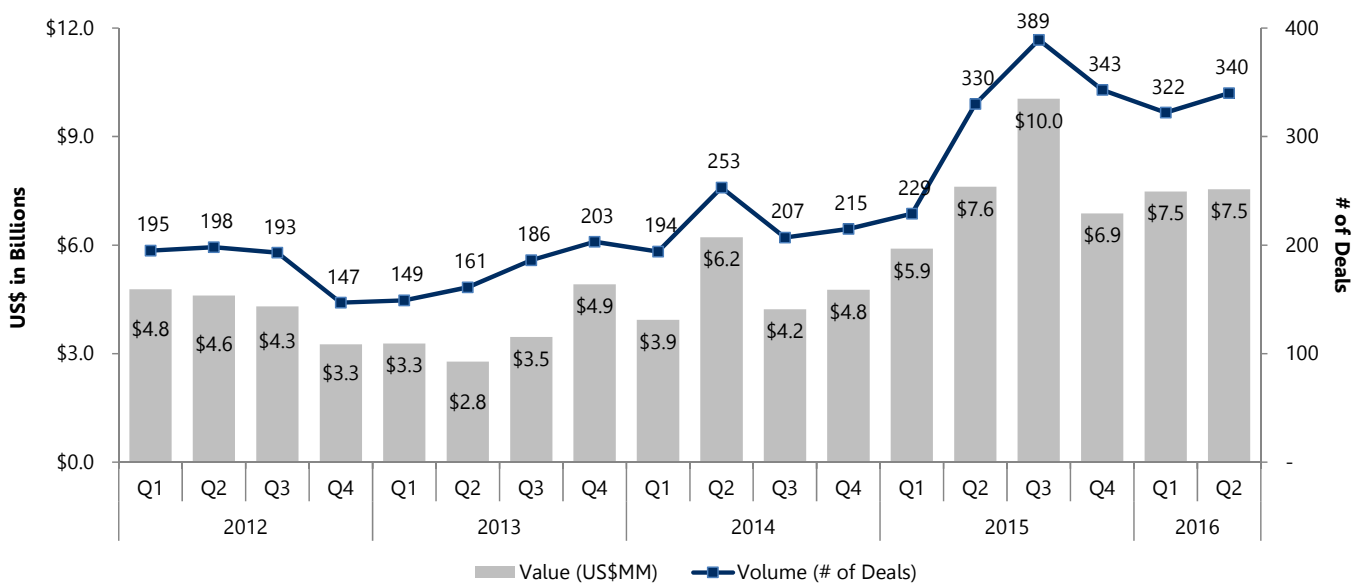
Private Placement Activity – Middle Market

Middle market private placement activity in the second quarter continued to slowly trek higher when compared with the prior year quarter as institutional investors continue to expand their portfolios. Interestingly, transaction value for the 12 month period ended 2Q16 increased by 22% and transaction volume increased by 34% over the prior year 12 month period, demonstrating how private capital is funding companies in lieu of IPO activity. The most active sectors during the quarter were Technology and Healthcare representing two-thirds of transaction volume, followed by Consumer Discretionary, Financials and Industrials, which represented approximately a quarter of total transaction volume.



Venture Capital Investment Activity – Middle Market

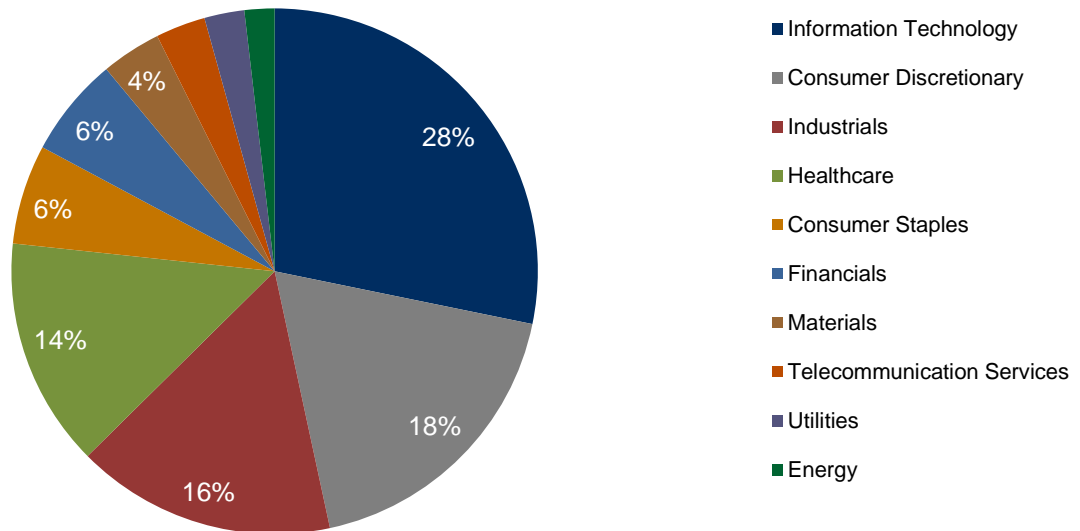
Venture capital activity was essentially flat with the prior year quarter and remains at healthy levels. When viewed on a trailing 12 month period, middle market venture capital transaction volumes and values grew by over 40% as compared to the prior 12 month period, demonstrating the vast availability of capital for well run and positioned companies. The Technology and Healthcare sectors continued to dominate venture transactions during the second quarter with Technology investments constituting just under half of all deals and Healthcare transactions accounting for 20% of all transactions.



Utah M&A Activity by Sector

The first quarter included 37 Utah related M&A transactions with more than half being Utah companies targeted for acquisition by companies outside of the region. More than 50% of the transaction volume came from the Technology, Consumer Discretionary and Industrials industries. The most notable transaction during the quarter was Sandy-based inContact, Inc.'s sale to NICE Ltd. for nearly \$1 billion. inContact, Inc. is a leading provider of cloud contact center software solutions. In the materials sector, Energizer Reliance, Inc. acquired local company American Covers Inc. for \$340 from Trivest Partners with \$250 million in cash and the remainder through debt facilities. Overall, M&A activity remained strong for the region during Q2.

Utah Transaction Mix
(Last Twelve Months)



Utah M&A Transaction Details for Q2 2016

Announced Date	Target	Acquiror	Target Industry	Target Business Description	Size (\$mm)	TEV ¹ /Revenue	TEV ¹ /EBITDA
Consumer Discretionary							
06/24/2016	Skullcandy, Inc. (NasdaqGS:SKUL)	Incipio, LLC	Consumer Electronics	Audio and gaming products	\$175	0.5x	8.0x
06/03/2016	Felt Auto Parts Company	National Auto Parts Warehouse, Inc.	Automotive Retail	Auto parts retail store	-	-	-
05/19/2016	Hub City Outdoor, Inc.	Aquamira Technologies, Inc.	Leisure Products	Hydration systems and packs manufacturer	-	-	-
05/18/2016	StoryBox.tv	Cinedigm Corp. (NasdaqGM:CIDM)	Movies and Entertainment	Multi-platform entertainment streaming site	-	-	-
04/20/2016	Kearns Tribune LLC	Paul Huntsman	Publishing	Newspaper publisher	-	-	-
04/12/2016	JAYBIRD, LLC	Logitech Europe S.A.	Consumer Electronics	Bluetooth headphone and activity tracker developer	\$95	-	-
Consumer Staples							
05/19/2016	Day Boat Seafood, LLC	The Green PolkaDot Box, Inc. (OTCPK:GPDB)	Packaged Foods and Meats	Seafood provider	-	-	-
04/29/2016	Eagle One Industries, Inc.	American Covers Inc.	Household Products	Automobile care product provider	-	-	-
Financials							
06/29/2016	First West Brokerage Services, Inc.	NFP Corp.	Insurance Brokers	Insurance brokerage	-	-	-
05/31/2016	Wells Fargo & Company, HSA Business	Optum Bank, Inc.	Regional Banks	Health savings account services	-	-	-
05/18/2016	Mantyla McCreynolds LLC	BDO USA, LLP	Accounting	Audit 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
Healthcare							
06/28/2016	ChartLogic, Inc.	Medsphere Systems Corporation	Health Care Technology	Electronic health records provider	-	-	-
05/31/2016	Sividon Diagnostics GmbH	Myriad Genetics, Inc. (NasdaqGS:MYGN)	Biotechnology	Molecular tumor diagnostics	\$56	-	-
05/23/2016	Persoon Corporation, Substantially all Assets	Medlink Technologies, LLC	Healthcare Equipment	Develops heat therapy cancer treatments	\$4	-	-
04/25/2016	ENDEVR, STRENGTHTAPE Brand & Assets	Compass Health Brands Corporation	Healthcare Supplies	Kinesiology tape manufacturer	-	-	-
04/04/2016	Nelson Laboratories, Inc.	Sterigenics International, Inc.	Life Sciences Tools and Services	Life-cycle microbiology testing services	-	-	-
Industrials							
06/03/2016	Isotank Services Limited	Quality Distribution, Inc.	Trucking	Integrated tank container transport, cleaning, and depot services (U.K.)	-	-	-
05/12/2016	Desert Deep Foundations, LLC	Clyde Companies, Inc.	Construction and Engineering	General contractor for driven piles and earth shoring systems	-	-	-
05/02/2016	Grove Madsen Industries	Codale Electric Supply, Inc.	Trading Companies and Distributors	Electrical product distributor	-	-	-
04/04/2016	USI Senior Holdings, Inc.	Hennessey Capital Acquisition Corp. II (NasdaqCM:HCAC)	Construction and Engineering	Installation services for structural building components	\$337	-	-
Information Technology							
06/30/2016	CleanSpark LLC	Stratean Inc. (OTCPK:SRTN)	Internet Software and Services	SaaS based energy microgrid software platform	\$27	-	-
06/22/2016	Business.com Media, Inc.	Purch, Inc.	Internet Software and Services	Performance-based marketing platform	-	-	-
06/20/2016	ClientRunner Software, Inc.: Seller - ThinkAtomic, Inc.	Next Gear Solutions, Inc.	Application Software	Job management software	-	-	-
06/14/2016	Bidlive Management FZE	Infrastucture Developments Corp. (OTCPK:IDVC)	Internet Software and Services	Online portal for transport and industrial equipment auctioneers	-	-	-
06/06/2016	B4 Enterprises Inc.	Midigator LLC	Technology Distributors	Reseller of chargeback prevention technologies	-	-	-
06/01/2016	Equation, Inc.	nThrive, Inc.	Internet Software and Services	Healthcare analytics and consulting services	-	-	-
05/26/2016	Satwing, Inc.	Qualtrics, LLC	Internet Software and Services	Data analysis tools	-	-	-
05/18/2016	inContact, Inc. (NasdaqCM:SAAS)	NICE Ltd. (TASE:NICE)	Internet Software and Services	Cloud contact center software solutions	\$968	3.8x	-
05/18/2016	Adpay, Inc.	Ancestry.Com Operations Inc.	Internet Software and Services	Software for advertising and media companies	-	-	-
05/11/2016	PerkinElmer Health Sciences, Inc., LABWORKS LIMS	LABWORKS LLC	Internet Software and Services	Web-based software to run test results and reports	-	-	-
04/26/2016	US Storage Search, Inc.	Self Storage Co, LLC	Internet Software and Services	Web-based storage location search and compare	-	-	-
04/26/2016	Solidfax.com	OnlineFaxes.com	Internet Software and Services	Online faxing service provider	-	-	-
04/19/2016	ConnectSolutions LLC, Skype For Business Assets	CallTower Inc.	Internet Software and Services	Skype-based business communication solutions	-	-	-
04/19/2016	Luxul Wireless, Inc. - Seller: Signal Peak Ventures	Legrand SA (ENXTPA:LR)	Communications Equipment	Wireless signal propagation technology provider	-	-	-
04/05/2016	SocialYantra, Inc.	Experticity, Inc.	Internet Software and Services	Social content marketing platform	-	-	-
Materials							
06/01/2016	Plateau Ventures LLC, Western Nevada Basin Project	Oroplata Resources, Inc. (OTCPK:ORRP)	Diversified Metals and Mining	Lithium mining claims	\$15	-	-
05/24/2016	American Covers Inc. (Handstands)	Energizer Reliance, Inc.	Specialty Chemicals	Automotive cleaning products	\$340	-	-

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 announced Utah-related private placement and venture transactions in the second quarter. Utah-based companies continued their strong momentum by raising over \$363 million in financings, up from \$300 million in Q1. Nearly two-thirds of the investment was in the Technology sector, including a notable investment by TA Associates \$187 million into StorageCraft Technology Corporation, a leading provider of backup and disaster recovery software. The largest investment of the quarter was made by Solamere Capital LLC and Peter Thiel into APX Group Holdings, Inc., who sells, installs, services, and monitors electronic home security and home systems and its products and service packages allow subscribers to remotely control, monitor, and manage their homes from various devices. Sorenson Capital also sold portfolio company Nexmo Inc., a provider of a SMS, voice, and phone verifications communication platform to Vonage during the second quarter.

Utah-based Companies that Raised Capital

Announced Date	Issuer	Round/Investors (s)	Issuer Industry	Issuer Business Description	Amount Raised (\$mm)
Consumer Discretionary					
04/25/2016	APX Group Holdings, Inc.	Solamere Capital LLC , Peter Thiel	Specialized Consumer Services	Electronic home and home systems	\$100
Healthcare					
05/13/2016	SilverVue, Inc.	EPIC Ventures ; GE Ventures; Pritzker Group Venture Capital	Health Care Technology	Healthcare software, including EMR	\$18
Industrials					
01/12/2016	Action Target, Inc.	Praesidian Capital	Aerospace and Defense	Custom shooting range manufacturer	\$12
Information Technology					
06/28/2016	Grow, Inc.	Undisclosed	Application Software	Business intelligence dashboard software	\$7
06/03/2016	Eas twind Networks, Inc.	Signal Peak Ventures ; TEDCO Capital Partners	Internet Software and Services	Cloud-based breach detection systems	\$6
05/04/2016	eFileCabinet, Inc.	Undisclosed	Internet Software and Services	Enterprise content management	\$5
04/07/2016	Ris kRecon Inc.	General Catalyst Partners	Internet Software and Services	Online vendor security assessment solutions	\$3
01/20/2016	Tas kEas y, Inc.	Undisclosed	Internet Software and Services	On-demand lawn maintenance	\$8
01/19/2016	Leis ureLink, Inc.	Clearstone Venture Partners; Kinderhook Industries; Escalate Capital Partners	Internet Software and Services	CRM for property managers	\$17
01/13/2016	StorageCraft Technology Corporation	TA Associates Management, L.P.	Systems Software	Backup and disaster recovery software	\$187

Exits for Utah-based Financial Sponsors

Announced Date	Target	Acquiror	Target Industry	Target Business Description	Size (\$mm)	TEV ¹ /Revenue	TEV ¹ /EBITDA
M&A Exits for Companies that have a Financial Investor Based in Utah							
06/21/2016	Portfolio of Generic Products - Seller: Actavis Laboratories UT, Inc.*	Impax Laboratories Inc. (NasdaqGS:IPXL)	Pharmaceuticals	Portfolio of pharmaceutical products	\$586	-	-
06/21/2016	Telogis, Inc. - Seller: Cross Creek Advisors*	Verizon Telematics, Inc.	Internet Software and Services	Location intelligence software cloud platform	-	-	-
05/27/2016	Zeris ta, Inc. - Seller: Kicks tart Seed Fund*	JackRabbit Systems, Inc.	Application Software	Applications for conferences, expos, and meeting	-	-	-
05/05/2016	Nexmo Inc. - Seller: Sorenson Capital*	Vonage Holdings Corporation (NYSE:VG)	Internet Software and Services	APIs for SMS, voice, and phone verifications communication platform	\$249	-	-

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\$100 Million Private Placement



Financial Advisory



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