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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 2017

In the second quarter of 2017, overall global M&A deal value reached \$715 billion, a decrease from 2Q16; however, at the top end of the market, megadeals announced in 2Q17 accounted for \$256 billion, which represents a 20% increase compared to 2Q16. Among these megadeals was Amazon's \$13.5 billion move into the grocery business through its takeover of Whole Foods and JAB Holding's \$7.5 billion purchase of Panera Bread. This trend towards larger deals reflects a potential reversion to trends seen in 2015 (year of the megadeal) after a more middle market focused 2016. Industrials was the best-performing sector in terms of both deal size and deal volume in 2Q17, led by the largest deal of the quarter – a proposed \$45.5 billion merger between Praxair and Linde.

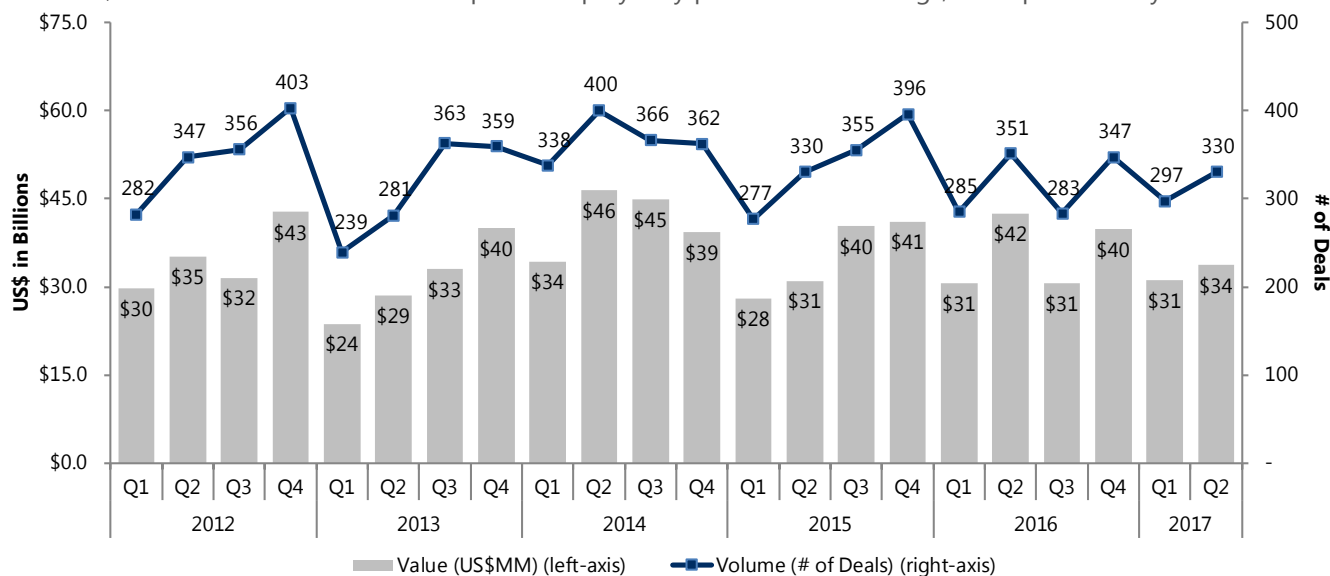
Private equity-backed buyout deals reached \$83 billion in value on 1,001 deals during the quarter. This value denotes a significant improvement in private equity activity from 1Q17. This increase was highlighted by Sycamore Partner's \$6.9 billion acquisition of Staples, Inc. Increased private equity deal value from 1Q17 to 2Q17 was especially prominent in North America (120% increase) and Asia (83% increase), with Europe seeing a slight dip in activity from the previous quarter (29% decrease). While activity was up significantly from 1Q17, these figures are down when compared to 2Q16. Industrials deals accounted for the largest portion of deal volume this quarter at 22%, with healthcare deals accounting for the largest share of deal value at 27%.

Global IPO activity in 2Q17 continued to grow, with proceeds exceeding \$50 billion on 392 IPOs. These figures represent an increase from the \$33 billion raised from 370 IPOs in 1Q17. This increase in IPO activity comes at a time in which equity markets are healthy and implied volatility is at record lows, despite the passing of controversial healthcare legislation in the United States and the recent election of unproven French leader Emmanuel Macron. The New York Stock Exchange, Hong Kong Exchange, and Shanghai Exchange accounted for 113 of these IPOs, with \$19.4 billion in proceeds raised. IPOs have been most abundant in the technology, industrials, and consumer products sectors, with the largest IPO of the quarter belonging to South Korea technology giant Netmarble Games Corp. at \$2.3 billion.

Global Venture Capital activity in 2Q17 has also continued to grow with \$47.8 billion invested – a 16% increase from 1Q17. However, despite this recent increase, the global venture capital market remains down 7.2% from 2Q16. Seed stage and technology growth investments have increased 16.5% and 10.7%, respectively from 2Q16 but early and late-stage investments have seen decreases in overall funding over the same period. Nonetheless, venture capital activity has steadily recovered from a slump in the second half of 2016 – a time period that was shaped with great uncertainty, including Brexit, the contentious United States election, and the rolling financial markets in China.

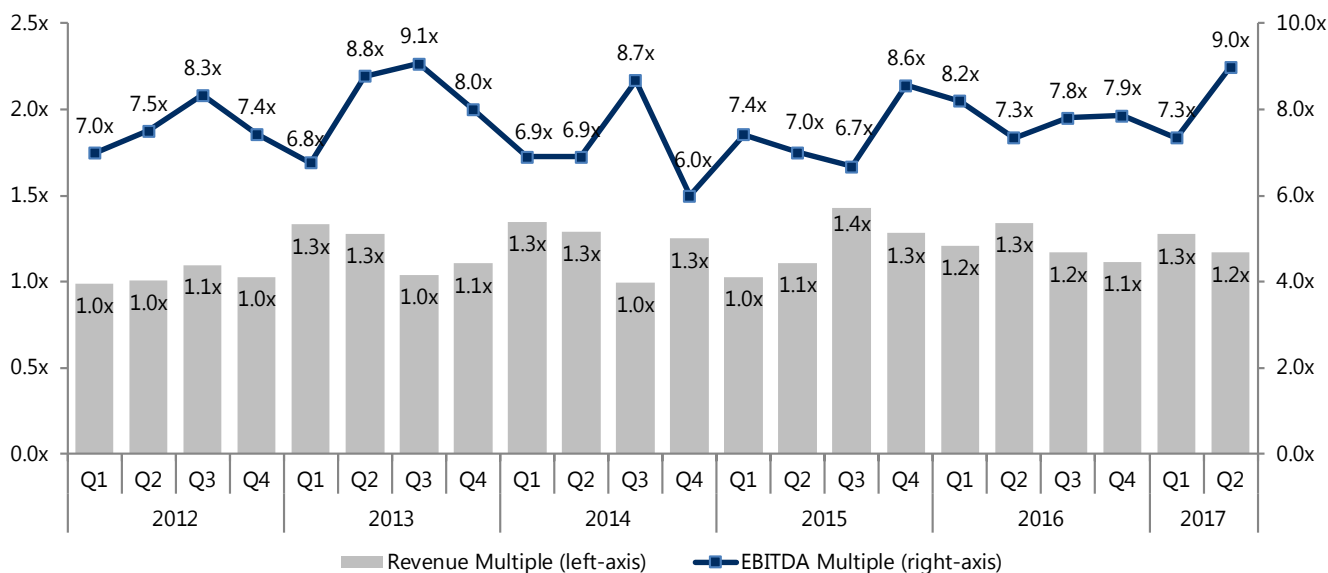
M&A Activity – Middle Market

U.S. middle market deal activity in the second quarter was relatively strong, with overall value and volume up 11% and 8% respectively, from 1Q17. However, compared to 2Q16, overall volume was down 6% with overall value down 21% indicating a material decrease in average deal size. The most active industries this quarter by deal volume were technology at 21% with industrials and financials both at 13%. Technology also led in deal value at 20% of activity in Q2 followed by the financial sector at 15%. With Trump's pro-business agenda looking somewhat problematic and stock market prices being perhaps uncomfortably high for some, M&A activity seemed to continue at a cautious pace in Q2. However, with S&P 500 companies holding record amounts of cash, approximately \$1.6 trillion as of May, and another \$839 billion of North American private equity "dry powder" in the wings, we expect activity to increase.



Valuation Multiples – Middle Market M&A Transactions

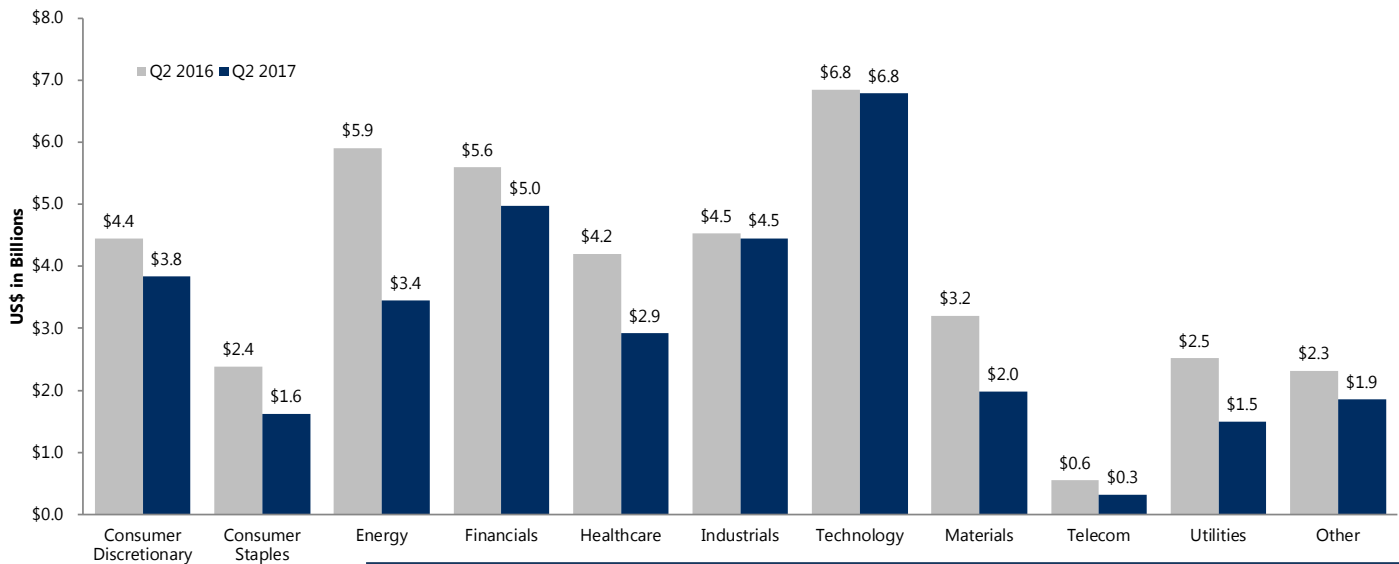
Disclosed middle market M&A revenue multiples remained relatively consistent in 2Q17 at 1.2x compared to 1.3x in 2Q16 and in 1Q17. EBITDA multiples increased significantly up 22% to 9.0x when compared to 1Q17 and to 2Q16. However, given the lack of disclosure on many of the completed transactions this quarter the 9.0x figure may be misleading. When comparing multiples observed in the last twelve months to the same period in 2Q16, revenue multiples were down 10% while EBITDA multiples increased by only 4%. With public market values reaching all-time highs, we expect M&A valuations to remain robust.



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.

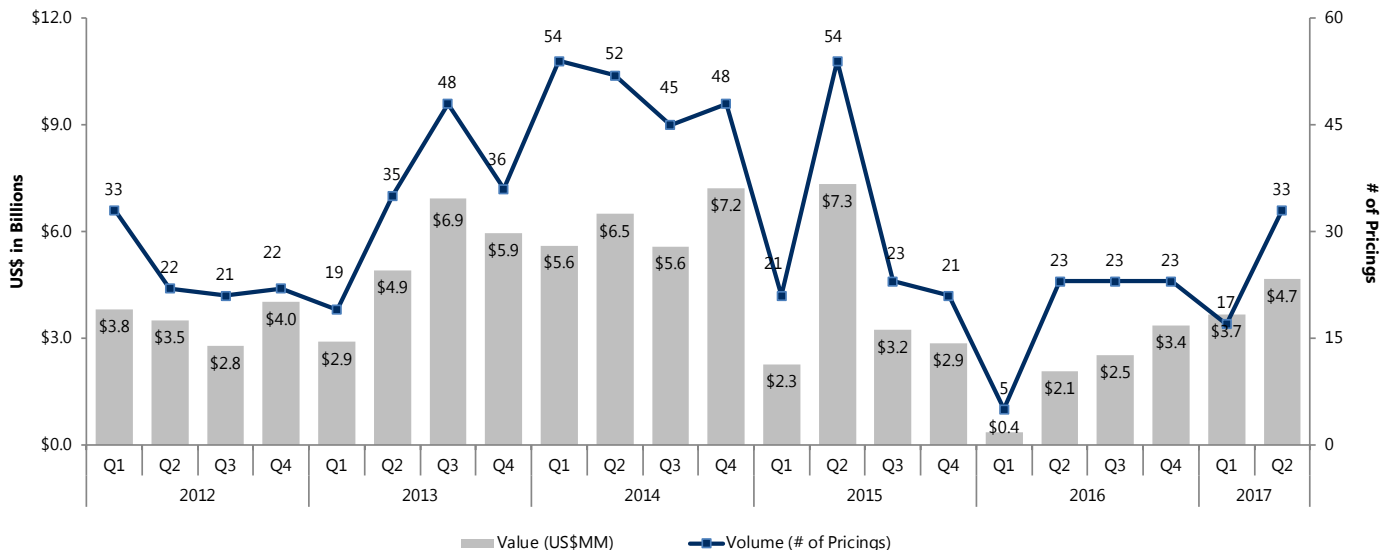
M&A Activity by Sector – Middle Market

The second quarter of 2017 brought lower deal activity across all industries when compared to 2Q16 deal value, with the most significant declines occurring in the energy and materials sectors, down 42% and 38%, respectively. Two of the most active industries, technology and industrials, which maintained relatively consistent deal values when compared to 2Q16, were both down less than 2%, however the average technology deal size dropped by 24%. The large decline in energy can be attributed to significant underperformance in the market driven by declining oil prices and contentious supply and demand dynamics.



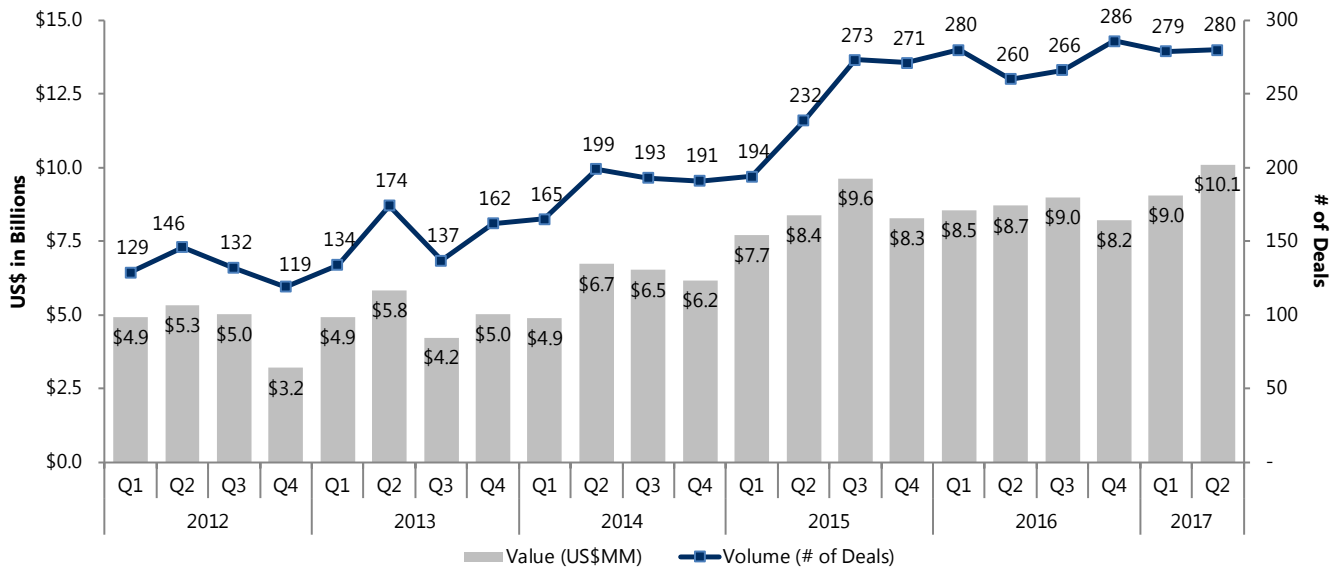
IPO Activity – Middle Market

The second quarter of 2017 marked a significant recovery in IPO volume, with 33 middle-market IPOs, representing a 43% increase from 2Q16 and a 94% increase from 1Q17. IPO value was up 125% from 2Q16 and 27% from 1Q17. Healthcare and technology companies accounted for the majority of the IPOs, representing 19 of the 33 that occurred in the quarter. However, the consumer discretionary industry lead the pack in transaction value, comprising approximately 30% of total pricings, with healthcare and technology rounding out the top three at 18% and 17% respectively. IPO volume looks to maintain growth in the second half of 2017, as public investors seem willing to support equities that continue to trade at all-time highs.



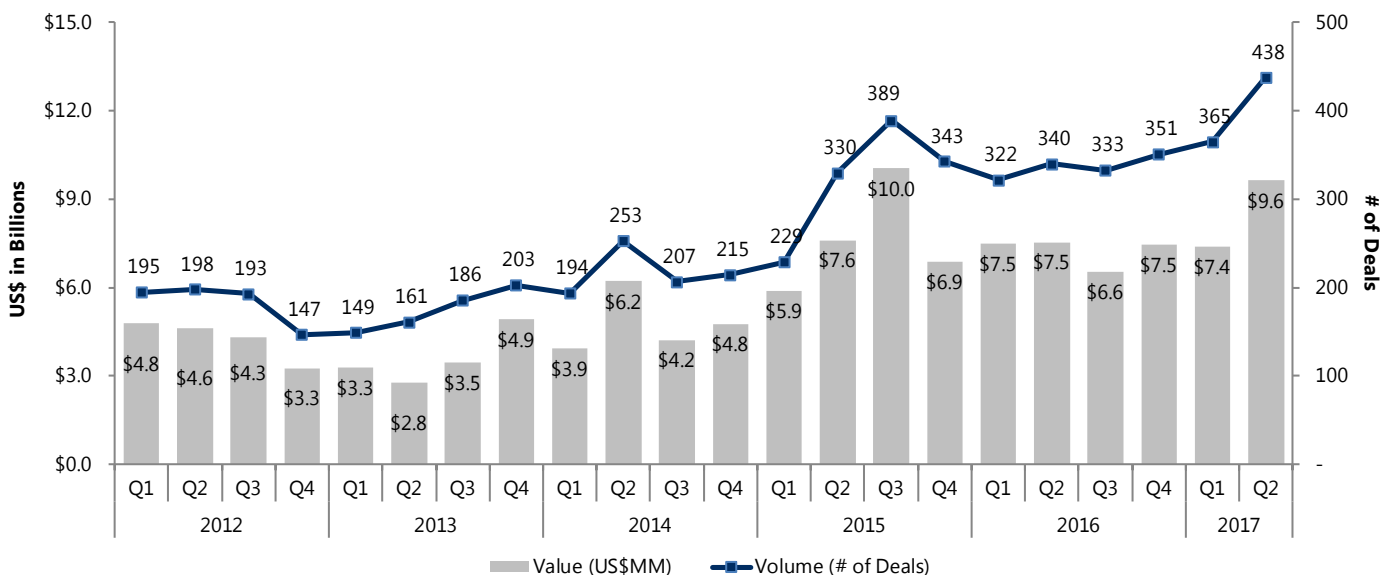
Private Placement Activity – Middle Market

Middle market private placement volume in the second quarter of 2017 remained stable compared to 1Q17, with 280 deals completed during the quarter. However, overall deal value increased 12% from 1Q17 and 16% from 2Q16. In fact, the total value of deals reached its highest point in the last five years. The technology and healthcare sectors were the most sought out industries for private placement activity comprising 44% and 26% of total deal volume, respectively. The technology and healthcare sectors also saw 14% and 28% increases in deal volume from 2Q16, respectively. With significant dry powder available and many public entities going private, institutions continue to have a strong appetite for private placements, a trend we expect to continue.



Venture Capital Investment Activity – Middle Market

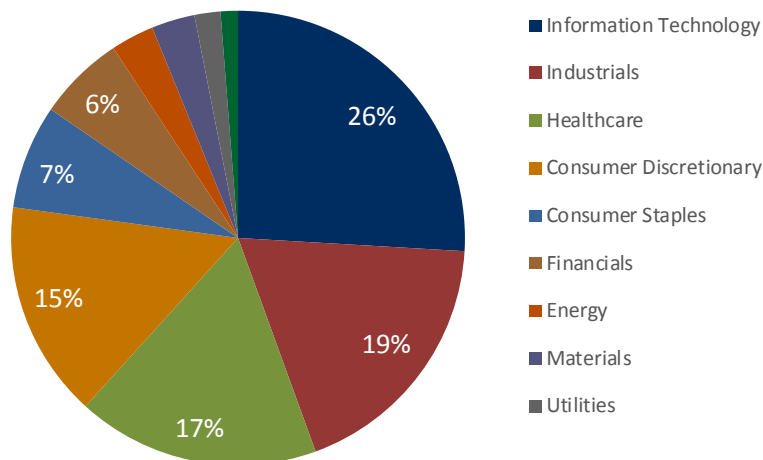
Venture capital activity experienced a significant increase in both total deal volume and value of 20% and 30% respectively when compared to 2Q16. Overall, venture capital activity reached its highest point in the last five years in terms of volume, with total value nearing the 3Q15 high. As expected, the technology sector led venture capital investment with 45% of total transactions during the quarter while healthcare transactions comprised 20% of transaction volume. We expect venture investing to remain active as capital sources remain flush and investors continue to put the capital to work in alternatives.



Utah M&A Activity by Sector

The second quarter of 2017 included 42 Utah related M&A transactions, consisting of both buy side and sell side transactions. Technology and industrials accounted for 26% and 19% of quarterly deal volume, respectively, followed closely by healthcare, which ended with 17% of deal volume. The largest transaction of the quarter was the \$433 million sale of Nutraceutical International Corporation, a Park City based nutritional supplement provider. Another notable deal was the \$60 million sale of Inthinc, a Salt Lake City based company that provides telematics services to transportation and heavy equipment markets.

Utah Transaction Mix (Last Twelve Months)



Utah M&A Transaction Details for Q2 2017

Announced Date	Target	Acquiror	Target Industry	Target Business Description	Size (\$mm)	TEV ¹ /Reven	TEV ¹ /EBITD
Consumer Discretionary							
06/13/17	Academy Sports, Inc.	BSN Sports, Inc.	Distributors	Sporting good distributor	-	-	-
05/24/17	Zion Golf Headquarters, Inc.	Uinta Golf Inc.	Specialty Stores	Golf product retailer	-	-	-
05/09/17	Mountain Performance, Inc.	Straightline Performance Inc.	Auto Parts and Equipment	Motor vehicle parts and accessories	-	-	-
05/05/17	AdvancePath Academics, Inc.	Graduation Alliance Inc.	Education Services	Technology based learning platform	-	-	-
04/13/17	3AM Projects LLC (Brand X Customer T-Shirts)	AlphaGraphics, Inc.	Textiles	Personalized apparel printing	-	-	-
04/03/17	Rockin' Jump Holdings, LLC	CircusTrix Holdings, LLC	Leisure Facilities	Trampoline park	-	-	-
Consumer Staples							
05/21/17	Nutraceutical International Corporation	HGGC, LLC	Personal Products	Nutritional supplements and natural products	\$433	1.8x	9.9x
05/19/17	Life Matters, LLC	Young Living Essential Oils LC	Personal Products	Nutritional products and supplements	-	-	-

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 /Reven	TEV ¹ /EBITD
Consumer Staples (Cont'd.)							
05/05/17	XanGo, LLC	Zija International, Inc.	Packaged Foods and Meats	Nutritional beverages and products	-	-	-
04/06/17	Zhou Nutrition	Nutraceutical International Corporation	Personal Products	Nutritional foods and supplements	\$20	-	-
Energy							
05/23/17	Aspire Energy of Ohio, LLC	Legend Ventures LLC	Oil and Gas Transportation	Oil and gas services	-	-	-
Financials							
06/28/17	Fidelity Transfer Company	Pacific Stock Transfer Company	Investment Banking and Brokerage	Stock transfer agent	-	-	-
06/02/17	BLIS, Inc.	Leavitt Partners, LLC	Life and Health Insurance	Health and insurance products	-	-	-
05/31/17	BenefitGuard, LLC	HealthEquity, Inc.	Asset Management and Custody Banks	Retirement solutions	-	-	-
05/31/17	Town & Country Bank, Inc.	People's Intermountain Bank	Regional Banks	Commercial banking services	\$21	-	-
05/24/17	Berrett Mortgage Services	Xcel Financial, LLC	Thrifts and Mortgage Finance	Mortgage brokerage services	-	-	-
05/23/17	Title West, Inc.	Stewart Title Insurance Agency of Utah, Inc.	Property and Casualty Insurance	Title insurance services	-	-	-
Healthcare							
06/09/17	Rehaba Inc.	South American Gold Corp.	Healthcare Equipment	Medical devices	-	-	-
05/22/17	Hospice Management, LLC	Optima Healthcare Solutions, LLC	Health Care Technology	Software solution for hospice management	-	-	-
05/11/17	Symmetry Global	Xyngular Corporation	Healthcare Distributors	Nutritional solutions	-	-	-
04/27/17	HealthInsight, Inc.	Oregon Health Care Quality Corporation	Healthcare Services	Healthcare quality improvement services	-	-	-
04/18/17	Air Medical Resource Group, Inc.	Air Medical Group Holdings, Inc.	Healthcare Services	Air medical transportation services	-	-	-
Industrials							
06/30/17	MFS, LLC	CertainTeed Corporation	Building Products	Plastic, stone, and pine wood products	-	-	-
06/07/17	The Crypto Company	CROE, INC.	Research and Consulting Services	Consulting and advisory services in digital currencies	\$25	-	-
05/15/17	Robert Gregory Partners, LLC	Franklin Covey Co.	Human Resource and Employment Services	Coaching and leadership development services	\$8	-	-
05/08/17	HandstandsPROMO, Inc.	Individuals	Office Services and Supplies	Promotional products and accessories	-	-	-

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 Target Date	Acquiror	Target Industry	Target Business Description	Size (\$mm)	TEV ¹ / Reven	TEV ¹ / EBITD
Industrials (Cont'd.)						
04/25/17	ChairPort Products, LLC	MITY Enterprises, Inc.	Office Services and Supplies	Storage and transportation solutions	-	-
04/20/17	LCL Staffing LLC	Intermountain Staffing, Inc.	Human Resource and Employment Services	Staffing services	-	-
04/18/17	Gobco, LLC and Power Fuels LLC	Savage Industries, Inc.	Environmental and Facilities Services	Waste management services	-	-
04/12/17	Media 1 Interactive, Inc.	eLearning Brothers, LLC	Human Resource and Employment Services	Custom training services	-	-
Information Technology						
06/29/17	DocuMatix, LLC	Marquis Software Solutions, Inc.	Internet Software and Services	Communication software	-	-
06/12/17	Modevity, LLC, ARALOC	Appiphany Technologies Inc.	Internet Software and Services	Data storage, protection	-	-
06/09/17	inthinc, inc.	ORBCOMM Inc.	Application Software	Telematics solutions	\$60	-
06/07/17	ELEMENT99, llc	BSN Sports, Inc.	Internet Software and Services	Customer engagement improvement platform	-	-
05/05/17	DataImage Inc.	MetaSource, LLC	IT Consulting and Other Services	Process automation and process	-	-
05/03/17	Crossfuzze LLC , Business Segment	I-Evolve Inc.	IT Consulting and Other Services	Small and middle business management	-	-
04/12/17	PayVisors LLC	Zift LLC	IT Consulting and Other Services	Technology and sales consulting	-	-
04/12/17	Concorde Solutions Limited	Ivanti	Application Software	Software asset management solutions	-	-
04/12/17	BeesPath Inc.	Mortgage Cadence, LLC	Internet Software and Services	Communications for real estate transactions	-	-
04/10/17	Myriad Software Productions, LLC	Appiphany Technologies Inc.	Internet Software and Services	Data classification and governance	-	-
04/07/17	EDL Consulting, Inc.	Simplus	IT Consulting and Other Services	Integration solutions	-	-
Utilities						
04/28/17	Nevada Geothermal Utility Company	Cyrg Energy, Inc.	Water Utilities	Geothermal space heating solutions	-	-

1. Total enterprise value.

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

Utah Private Placement and Venture Capital Activity

There were five Utah-related private placements throughout the second quarter of 2017, reaching \$221 million in deal value. Technology drove deal volume for the quarter, comprising 60% of total volume, and 94% of deal value. The largest capital raises of the quarter came from the Technology sector led by Qualtrics, LLC's \$180 million funding from Accel Partners, Insight Venture Partners LLC, and Sequoia Capital prior to plans of an IPO. Qualtrics is a Provo based leader in software experience management, and with the recent capital raise the company is poised to go on an acquisition spree.

Utah-based Companies that Raised Capital

Announced Date	Issuer	Round/Investors(s)	Issuer Industry	Issuer Business Description	Amount Raised (\$mm)
Healthcare					
05/09/17	Artemis Health Inc.	Maverick Capital, Ltd.	Health Care Technology	Health data analytics	\$8
Industrials					
05/06/17	Fortem Technologies, Inc.	Seed Round: Data Collective; Signia Venture Partners	Aerospace and Defense	Aircraft radars	\$6
Information Technology					
04/12/17	Qualtrics, LLC	Accel Partners; Insight Venture Partners LLC; Sequoia Capital	Application Software	Feedback software	\$180
06/01/17	RiskRecon Inc.	Series A: General Catalyst Partners; F-Prime Capital Partners; Dell Technologies Capital	Internet Software and Services	Online vendor security assessment solutions	\$12
06/29/17	Impartner Software, Inc.	Not Disclosed	Internet Software and Services	Relationship management and marketing platform	\$15

Utah-based Financial Sponsors that Sold a Portfolio Company

Announced Date	Target	Acquiror	Target Industry	Target Business Description	Size (\$mm)	TEV ¹ /Reven	TEV ¹ /EBITD
M&A Exits for Companies that have a Financial Investor Based in Utah							
06/16/17	Bonobos, Inc. - Seller: Peterson Venutres,	Wal-Mart Stores, Inc.	Apparel, Accessories	Men's clothing retailer	\$310	-	-
06/26/17	Meetinghouse Bancorp, Inc. - Seller: M3F, Inc.*	Meridian Bancorp, Inc.	Regional Banks	Banking products and services	\$18	-	-
06/11/17	Miramar Labs, Inc. - Seller: Cross Creek	Sientra, Inc.	Healthcare Equipment	Medical technology	\$34	1.7x	-
04/03/17	Custom Control Concepts, Inc. - Seller:	Astronics Custom Control Concepts Inc.	Aerospace and Defense	In-flight entertainment and plane management	\$11	-	-
05/01/17	Angie's List, Inc. - Seller: Cross Creek Advisors; Wasatch Advisors, Inc.*	HomeAdvisor, Inc.	Internet Software and Services	Consumer review service	\$615	1.8x	51.6x
05/21/17	Huntsman Corporation - Seller: Huntsman Family Holdings	Clariant AG	Diversified Chemicals	Organic and inorganic chemicals	\$11,248	1.1x	9.6x

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.

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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