

Contents

Market Overview	1
Middle Market M&A Update	2-3
Middle Market IPO Activity	3
Private Placement and Venture Capital Activity	4
Utah M&A Activity	5-6
Utah Private Placement and Venture Capital Activity	7

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 Third Quarter of 2016

In the third quarter, global M&A deal value exceeded \$800 billion, signaling the second consecutive quarterly increase, after falling from the dizzying heights of 2015. Blockbuster deals (Spectra Energy/Enbridge, ARM Holdings/SoftBank Group) have driven significant deal value with a median deal size of \$210 million for the quarter, suggesting that while fewer quality companies are coming to market, those that do are receiving outsized multiples. In addition to other market influences (interest rates, oil prices, a tense presidential election in the U.S. and Turkey's failed coup), the lukewarm macro-economic conditions prevalent worldwide throughout the quarter in the wake of the Brexit vote contributed to an improved yet lackluster quarter. M&A tailwinds for the quarter included continued sluggish growth in U.S. GDP, causing companies to turn to acquisition as an alternative to organic growth, rapid advancements in technology, low interest rates and high levels of cash among strategic companies and private equity firms.

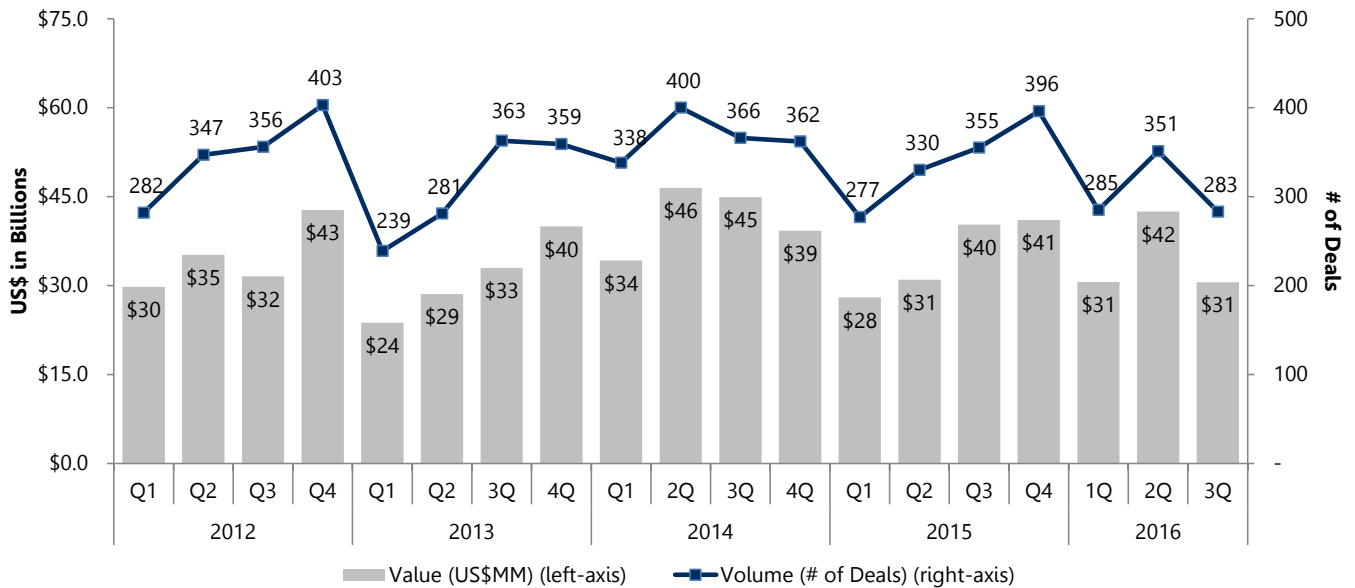
Amidst rather slow deal flow in the wider M&A market, private equity has shown resilience. The third quarter saw over 900 private equity-backed buyout deals announced or completed, worth an aggregate \$90 billion. Typically accounting for around 25% of M&A activity, sponsor-backed deals were responsible for 31% of total M&A transactions in Q3 2016, the highest portion of the market in the past five years. This growing slice of the market is another two consecutive quarter growth trend that suggests that the current slowdown in overall deal count is having a more significant impact on strategic rather than financial buyers. Add-on transactions are become increasingly prevalent, accounting for 56% of private equity transactions.

The third quarter proved to be the strongest quarter yet for a dreary 2016 in U.S. IPOs. 40 IPOs raising \$6.6 billion fell short of the 45 IPOs and \$7.3 billion raised in Q3 2015. Despite low activity, companies took advantage of low volatility and increasing investor interest during the quarter to get deals completed, resulting in the strongest activity in July and September, accompanied by the traditional summer slowdown in August. The third quarter recovery came after dismal first and second quarter of the year, partially due to the availability of cheap debt, providing effective private funding alternatives for large private companies such as Uber and Airbnb. Accompanied by a healthy, diverse industrial mix and strong aftermarket performance, the third quarter proved to be relatively optimistic for the IPO market. The third quarter also portended well for the follow-on market, as the strongest quarter since Q2 2015. With 168 follow-on deals raising over \$40 billion, issuances were up 21% compared to the same quarter of last year.

In summary, Q3 2016 had the essence of continued recovery, showing strength in many areas and delivering on growth across the board over the previous quarter. Moving forward, the E&Y Capital Confidence Barometer has said that more than half of executives surveyed plan to make acquisitions in the next 12 months, pointing to a determination to counter the low-growth disruptive environment. Executives are also aware of the need to show growth support valuations that are higher than the long-term average.

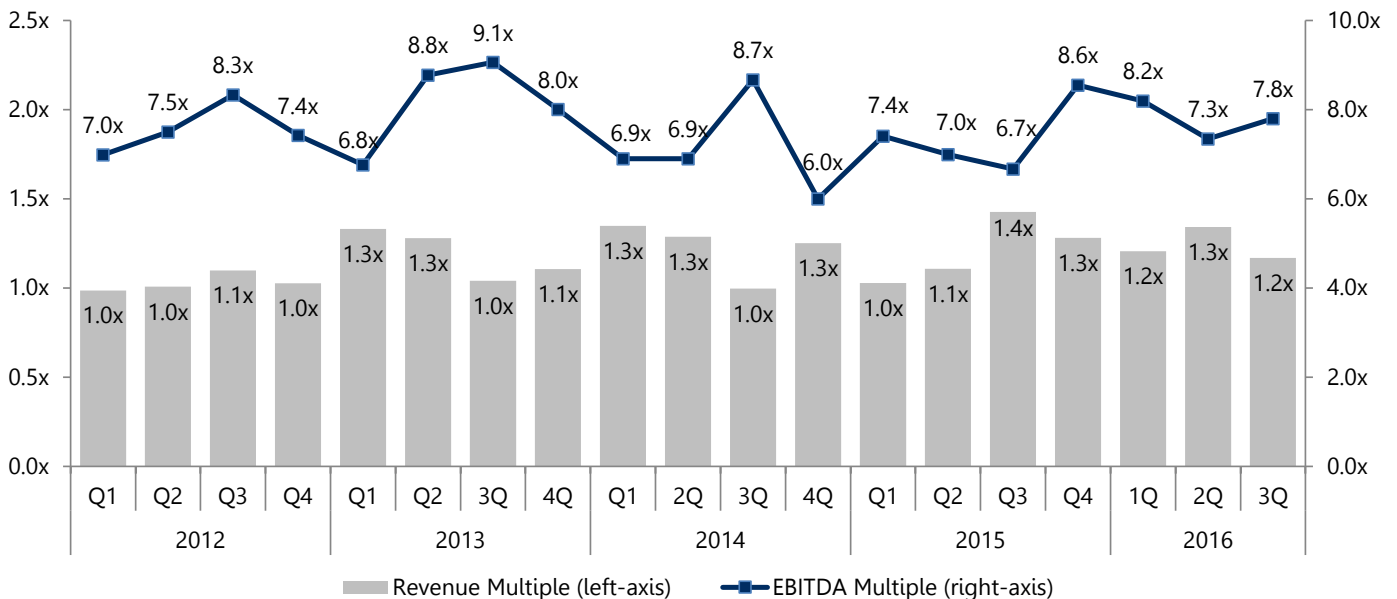
M&A Activity – Middle Market

U.S. middle market deal activity in the third quarter declined significantly from the prior year quarter, with deal volume and value taking a 20% dip. Technology and Healthcare were responsible for the largest portion of this decline, decreasing in deal volume by 45% and 30%, respectively. However, on a trailing 12-month basis, deal value was up 5% over the prior year period which may prove that Q3 was only a temporary decrease. Decreased activity suggests that the market is likely digesting the outsized multiples remaining from recent quarters, reaching a shortage of quality companies being brought to market to justify premium valuations.



Valuation Multiples – Middle Market M&A Transactions

Disclosed middle market M&A revenue multiples for the quarter experienced a slight decline, while EBITDA multiples made a modest recovery from a two quarter slide. While both deal value and average deal size fell during the quarter, a rise in EBITDA multiples paid suggests that the middle market M&A deal pipeline is likely drying up after an explosive 2015 and early 2016, forcing increased investor demand for the remaining quality opportunities that bear smaller average enterprise values, further fueled by competition among funds for effective “dry powder” deployment.

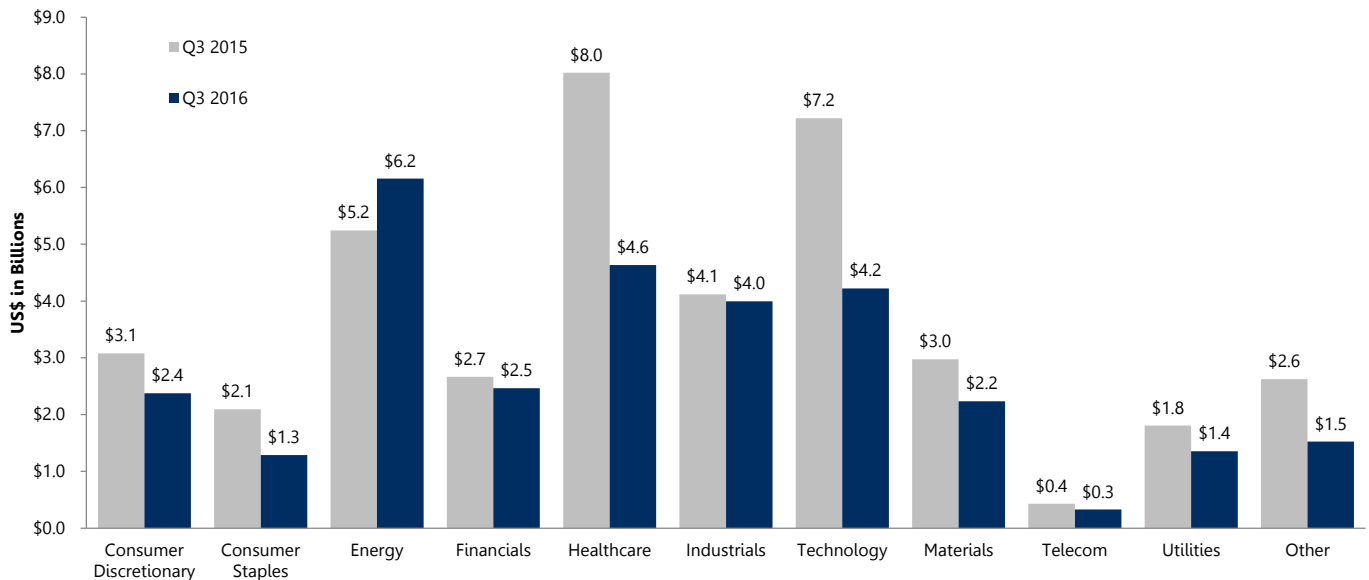


Note: Middle market defined as transactions between \$10 and \$500 million in the U.S., excluding transactions in real estate. EBITDA multiples disclosed in less than 10% of all transactions.

Source: S&P Capital IQ.

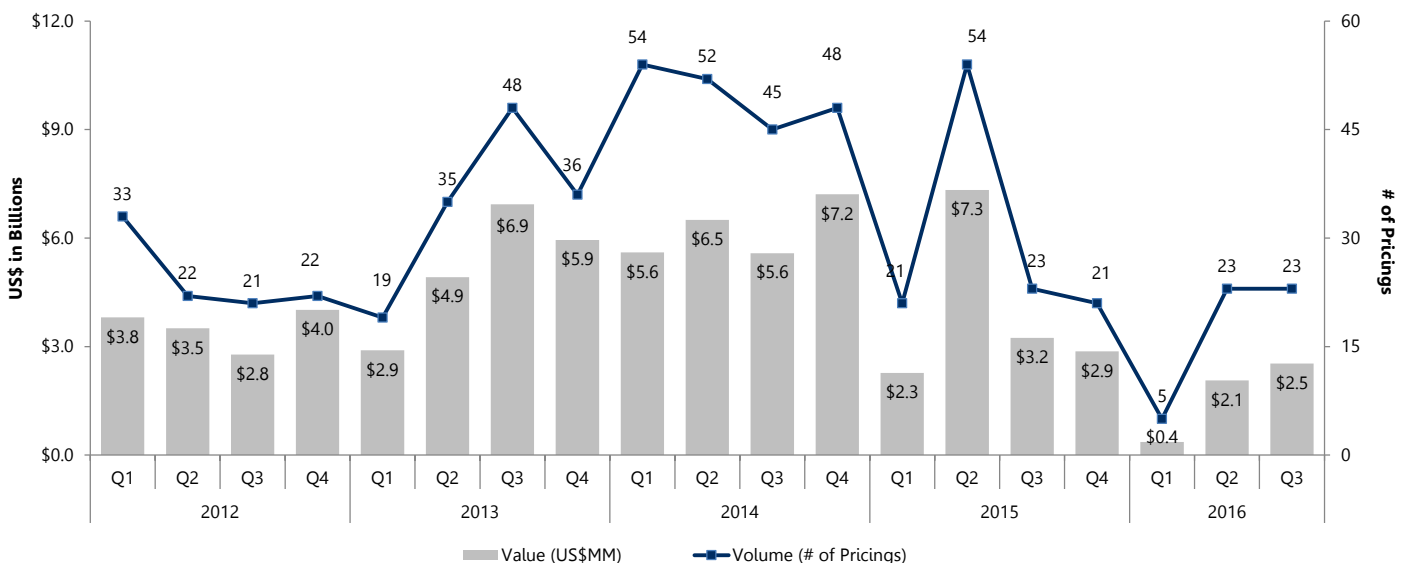
M&A Activity by Sector – Middle Market

Deal activity by sector in the third quarter of 2016 saw declines in deal value across the board, with exception to the Energy sector, which grew by 19% over the prior year quarter and accounted for 13% of quarterly deal volume. Primary contributors to the continued performance of the Energy sector include strong activity within the Oil and Gas Exploration and Production vertical. The largest decline, in Healthcare (43% decrease in deal value), can be attributed to a sharp reduction in deal value in the verticals of Life Sciences, Managed Healthcare, and Healthcare Distributors, the three of which collectively fell by 68%. Despite a 46% decline in deal volume from the Technology sector, compared to the prior year quarter, it remained a large portion of total deal volume for the quarter.



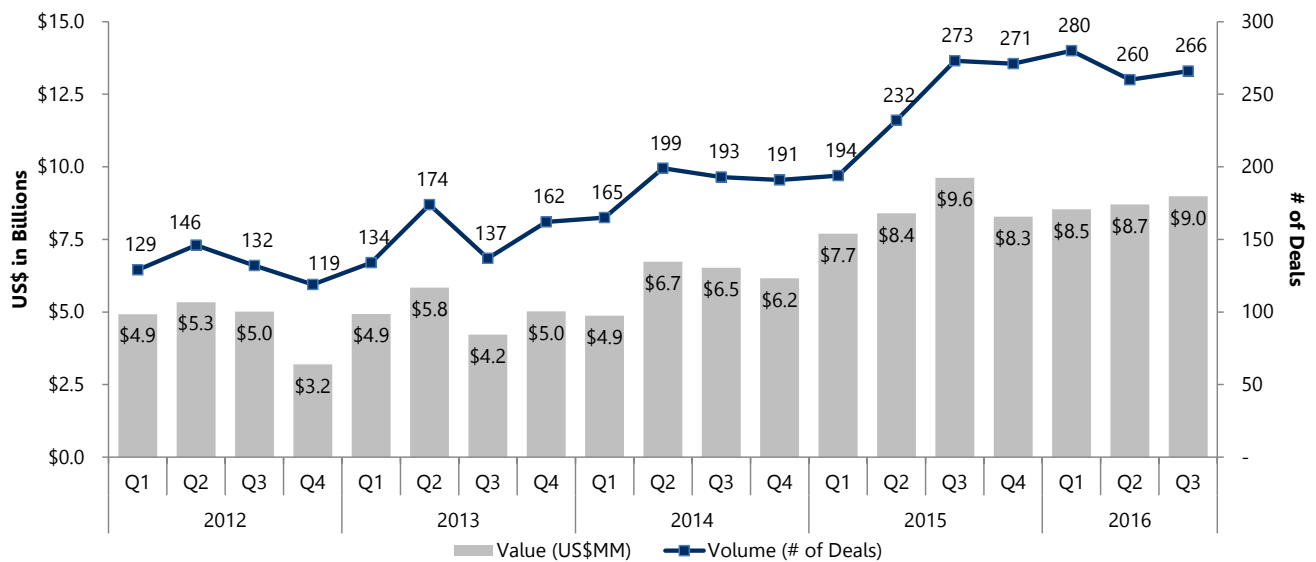
IPO Activity – Middle Market

Middle market IPO activity was relatively flat in the third quarter, maintaining the same level of 23 IPOs as both the previous quarter and the prior year quarter. Deal value declined 22% from the same quarter of 2015, as the IPO market continues to be weak in 2016. Healthcare continued to contribute the largest number of IPOs, yet saw a 29% decrease compared to the prior year quarter, a shortfall that was compensated for by IPOs from the Technology sector. Stagnant IPO activity is accompanied by a prevailing market for alternative methods of financing as companies continue to keep their options open amidst private capital markets that remain open.



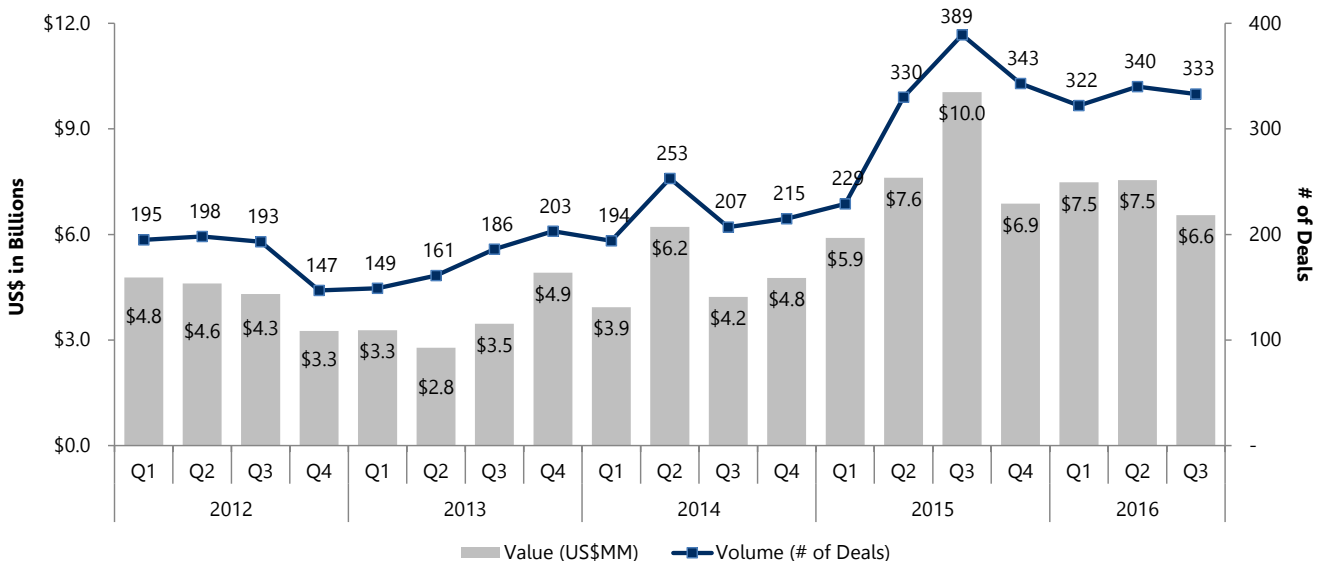
Private Placement Activity – Middle Market

Middle market private placement activity in the third quarter kept pace with the marginal gains in deal value over the previous two quarters. In comparison to the same quarter of 2015, activity tapered off slightly yet maintained healthy levels, relatively consistent with the previous four quarters. Low interest rates and market ambiguity have sustained a healthy market for private funding in the absence of true IPO activity. Major strides were taken in the Industrials and Consumer Discretionary sectors, while Technology, Consumer Staples, and Materials combined for a collective 27% decline in deal volume from the prior year quarter. Healthcare and Technology continued to represent the largest portion of deal activity, with nearly two thirds of total deal volume.



Venture Capital Investment Activity – Middle Market

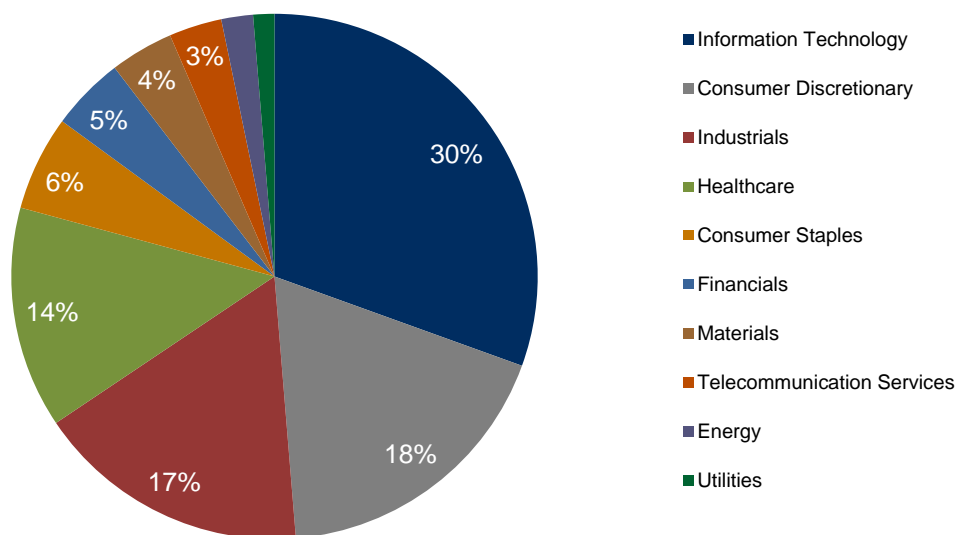
Venture capital activity experienced a significant decline from the prior year quarter, falling 14% and 34% in volume and value, respectively. The Consumer Discretionary sector was the only sector that showed year over year growth, increasing in deal volume by 12%. The Technology and Healthcare sectors maintained a dominant presence in venture capital, accounting for two thirds of investment activity in terms of deal volume for the quarter, despite a 6% drop in Technology and flat growth in Healthcare when compared to the prior year quarter. A subdued quarter for venture capital reflects the general skepticism found in the market, pushing investors toward safer, more mature opportunities for stability while concerns grow louder on the valuations of the unicorn companies.



Utah M&A Activity by Sector

The third quarter of 2016 included 37 Utah related M&A transactions, two-thirds of which were Utah companies being targeted by strategic acquirors. Technology accounted for the largest portion of total transaction volume, followed by Consumer Discretionary, which saw several notable transactions including Camp Chef, Inc. being acquired by Vista Outdoor, Inc. for \$74 million and FFG Global Holdings' acquisition of R&R BBQ, LLC, a chain of Utah based barbeque restaurants. Other notable transactions included the purchase of AssureRX Health, Inc. by Utah based Myriad Genetics, Inc. (NasdaqGS:MYGN) for \$410 million in August. Overall activity for third quarter M&A was strong, with a diverse mix of sector activity.

Utah Transaction Mix
(Last Twelve Months)



Utah M&A Transaction Details for Q3 2016

Announced Date	Target	Acquiror	Target Industry	Target Business Description	Size (\$mm)	TEV ¹ /Revenue	TEV ¹ /EBITDA
Consumer Discretionary							
09/30/2016	Medic-CE.com, LLC	Career Step, LLC	Education Services	Online continuing education services	-	-	-
09/30/2016	R&R BBQ, LLC	FFG Global Holdings, LLC	Restaurants	Barbeque restaurants	-	-	-
09/01/2016	Camp Chef, Inc.	Vista Outdoor Inc. (NYSE:VSTO)	Household Appliances	Outdoor cooking instruments	\$74	-	-
08/22/2016	Lee Enterprises, Incorporated, Provo Newspaper Assets	Ogden Newspapers of Utah, LLC	Publishing	Newspaper publishing and digital media	-	-	-
07/19/2016	Pacific Truck and Trailer, Inc.	Great Western Leasing & Sales, Inc.	Automotive Retail	Semi-trucks and trailer sales	-	-	-
Consumer Staples							
09/30/2016	High West Distillery, LLC	Constellation Brands Inc. (NYSE:STZ)	Distillers and Vintners	Distiller of whiskey and spirits	\$160	-	-
09/19/2016	IdealShape, LLC	The Hut.com Ltd	Personal Products	Weight loss supplements	-	-	-
Energy							
09/19/2016	Woods Cross Operating LLC	Holly Energy Partners - Operating, LP.	Oil and Gas Refining and Marketing	Oil refinery	\$278	-	-
Healthcare							
09/06/2016	Semfinder AG	3M Health Information Systems, Inc.	Health Care Technology	Semantic interpretation software	-	-	-
08/24/2016	Global Medical Staffing, Inc.	CHG Healthcare Services, Inc.	Healthcare Services	Recruiting services for healthcare facilities	-	-	-
08/10/2016	Domain Surgical, Inc. - Seller: Salt Lake Life Science	OmniGuide, Inc.	Healthcare Equipment	Thermal surgical products	-	-	-

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 (cont.)							
08/03/2016	AssureRx Health, Inc.	Myriad Genetics, Inc. (NasdaqGS:MYGN)	Biotechnology	Development of genetic tests	\$410	6.8x	-
07/27/2016	MediPurpose Pte Ltd, babyLance	Clinical Innovations, LLC	Healthcare Equipment	Innovative healthcare solutions	-	-	-
07/06/2016	DFINE Inc.	Merit Medical Systems, Inc. (NasdaqGS:MMSI)	Healthcare Equipment	Minimally invasive therapeutic devices	\$98	2.9x	-
Industrials							
09/16/2016	Electronic Recycling Solutions LLC	B & K Technology Solutions Inc.	Environmental and Facilities Services	Electronic recycling services	-	-	-
09/07/2016	BCM Logistics, LLC	Watco Supply Chain Services, L.L.C.	Railroads	Door-to-door intermodal services	-	-	-
09/07/2016	Healthnostics, Inc.	EnviroTechnologies International, Inc (OTCPK:ETI)	Environmental and Facilities Services	Medical and biotechnology analytics	-	-	-
08/01/2016	Krestmark Industries LP, Crest Vinyl Extrusions LLC and Legacy Vinyl Windows LP	Headwaters Windows, LLC	Building Products	Windows and patio doors	\$240	-	-
07/28/2016	The Glass Shoppe, Inc.	TechnaGlass Inc.	Diversified Support Services	Automotive glass repair and replacement	-	-	-
07/14/2016	ASAP Printing Corporation	4over, Inc.	Commercial Printing	Offset printing services	-	-	-
07/11/2016	Piracle, Inc., Check Supply Business	Relyco Sales, Inc.	Trading Companies and Distributors	Distribution of secure check stocks, envelopes and MCR toner	-	-	-
Information Technology							
09/30/2016	BaldPeak Consulting, Inc.	Simplus	IT Consulting and Other Services	Quote-to-cash services	-	-	-
09/27/2016	RallyMe, Inc.	Sports Engine	Internet Software and Services	Money raising platform	-	-	-
09/26/2016	Spillman Technologies, Inc.	Motorola Solutions, Inc. (NYSE:MSI)	Application Software	Law enforcement and public safety software	-	-	-
09/20/2016	DreamFu Ventures LLC	Protect Pharmaceutical Corporation (OTCPK:PRTT)	Internet Software and Services	Online social platform for entrepreneurs	-	-	-
09/19/2016	Gillware Data Services, LLC, Gillware Online Backup	StorageCraft Technology Corporation	Internet Software and Services	Cloud-based backup solutions	-	-	-
09/15/2016	The iTransact Group, LLC	Payroc LLC	Data Processing and Outsourced Services	Payment gateway and merchant accounts solutions	-	-	-
09/14/2016	LogoMaker Inc.	LogoMx Inc.	Internet Software and Services	Online platform for logo design	-	-	-
09/06/2016	Encomia, LLC	International Document Services, Inc.	Application Software	Software solutions for Web-based applications	-	-	-
09/01/2016	Adaptive Computing Enterprises, Inc. - Seller: EPIC Ventures*	ALA Services LLC	Systems Software	Workload and resource management software	-	-	-
08/30/2016	ADVANTAGEO Corporation	Golden Eagle International Inc. (OTCPK:MYNG)	IT Consulting and Other Services	Software development services and solutions	-	-	-
08/25/2016	Oneclickretail.com LLC	Ascential plc (LSE:ASCL)	Internet Software and Services	Data measurement and sales analytics	\$225	NM	NM
08/01/2016	Sandboxr, Inc.	whiteclouds inc.	Internet Software and Services	Custom merchandising platform	-	-	-
07/19/2016	A Train Simple Company, Inc.	Pluralsight LLC	Internet Software and Services	Online training videos	-	-	-
07/07/2016	Financial Guard LLC	Legg Mason, Inc. (NYSE:LM)	Internet Software and Services	Online investment and financial advisory services	-	-	-
Materials							
09/21/2016	PureCO2, Purification and Liquefaction Plant	Praxair Inc. (NYSE:PX)	Industrial Gases	Purification and liquefaction of carbon dioxide	-	-	-
Utilities							
09/30/2016	Cardwell Distributing, Inc.	RelaDyne, Inc.	Gas Utilities	Retail fuel and lubricant supply	-	-	-

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 16 Utah related private placements throughout the third quarter of 2016, of which Technology accounted for nearly half of both volume and value of the total funding allocated during the quarter. The largest investment of the quarter came from the Technology sector, which was a \$36 million capital raise by Lucid Software, Inc. and was accompanied by a \$14 million investment in series B funding by Ender Labs, LLC, a scheduling management platform company. Healthcare also saw strong activity with investments including \$24 million in series B funding for Doppler Labs, Inc.. The only exit for Utah based financial sponsors for the period was Cross Creek Advisors' sale of IronPlanet, Inc., an online auction service provider to Ritchie Bros. Auctioneers Incorporated (NYSE:RBA) for \$759 million in late August.

Utah-based Companies that Raised Capital

Announced Date	Issuer	Round/Investors(s)	Issuer Industry	Issuer Business Description	Amount Raised (\$mm)
Consumer Discretionary					
08/25/2016	FFG Global Holdings LLC	Opus Bank, Red Bridge Capital , Undisclosed	Restaurants	Restaurant ownership and operation	\$35
07/22/2016	Kodiak Cakes, LLC	Sunrise Strategic Partners, LLC	Packaged Foods and Meats	Pancakes and mixes	\$17
Healthcare					
09/19/2016	LSK BioPartners, Inc.	HLB Life Science Co., Ltd. (KOSDAQ:A067630)	Pharmaceuticals	Healthcare product development	\$5
09/02/2016	Recursion Pharmaceuticals, LLC	EPIC Ventures ; Lux Capital Management; Data Collective; AME Cloud Ventures; Wild Basin Investments, LLC; Obvious Ventures	Pharmaceuticals	Research and development of pharmaceuticals	\$13
08/10/2016	Wasatch Microfluidics, Inc.	Undisclosed	Life Sciences Tools and Services	Biomolecular interaction analysis solutions	\$10
07/19/2016	Doppler Labs, Inc.	Series B: The Chernin Group, LLC	Healthcare Equipment	Develops and provides earplugs	\$24
07/15/2016	Foldax, Inc.	Undisclosed	Technology	Synthetic heart valves	\$3
07/11/2016	Central Logic, Inc.	Iron Gate Capital, LLC; Mercato Partners	Health Care Technology	Scheduling technology solutions	\$6
Information Technology					
09/22/2016	Impartner Software, Inc.	SVB Capital; ORIX Growth Capital	Internet Software and Services	SaaS based partner relationship management	\$8
09/14/2016	Lucid Software Inc.	Grayhawk Capital, LLC; Spectrum Equity Management, LP; Kickstart Seed Fund	Internet Software and Services	Cloud-based tool development	\$36
09/02/2016	Sarcos Corp.	Microsoft Corporation (NasdaqGS:MSFT); Cottonwood Capital Partners, LLC; GE Ventures; Caterpillar Ventures	Electronic Equipment and Instruments	Robotics and sensor production	\$11
08/17/2016	Ender Labs, LLC	Series B: Origin Ventures; Nokia Growth Partners; Greycroft Partners LLC; GE Ventures; Zetta Venture Partners	Internet Software and Services	Scheduling management platform	\$14
08/12/2016	Saurus, Inc.	Series A: Index Ventures	Technology	Internet based technology	\$8
07/29/2016	Simplex	EPIC Ventures ; SVB Silicon Valley Bank, Investment Arm; Salesforce Ventures	Internet Software and Services	SaaS for work management processes	\$6
07/14/2016	Grow, Inc.	Series A: Toba Capital	Application Software	Dashboard software	\$11
Telecommunication Services					
08/10/2016	Jive Communications, Inc.	Undisclosed	Alternative Carriers	VoIP and unified communications	\$3

Exits for Utah-based Financial Sponsors

Announced Date	Target	Acquiror	Target Industry	Target Business Description	Size (\$mm)	TEV ² /Revenue	TEV ² /EBITDA
M&A Exits for Companies that have a Financial Investor Based in Utah							
08/29/2016	IronPlanet, Inc. - Seller: Cross Creek Advisors*	Ritchie Bros. Auctioneers Incorporated (NYSE:RBA)	Diversified Support Services	Online auction services	\$759	-	13.0x

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.

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