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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 2018

In the first quarter of 2018, global M&A value peaked at \$1.2 trillion, a 67 percent increase year-over-year, while the volume of activity dropped by 10 percent to 10,338, highlighting a trend toward larger deals. Among the largest transactions announced were U.S. health insurer Cigna Corp's \$67 billion bid to acquire the U.S. pharmacy chain Express Scripts Holding Co and German utility E.ON SE's \$38.5 billion bid to acquire RWE AG's renewable energy business Innogy SE. Regionally, Europe saw M&A volumes double year-over-year in Q1, with the United States up 67 percent and Asia up 11 percent. Clarity on U.S. tax reform has helped to unlock delayed M&A activity for U.S. companies and the stock market has continued to rally despite trade war scares and the blocked Broadcom/Qualcomm deal. In Europe, increasing intercontinental buyer activity should sustain valuations going forward while China's strong Q1 GDP growth at 6.8%, exceeding expectations, should bode well for economic activity in Asia-Pacific.

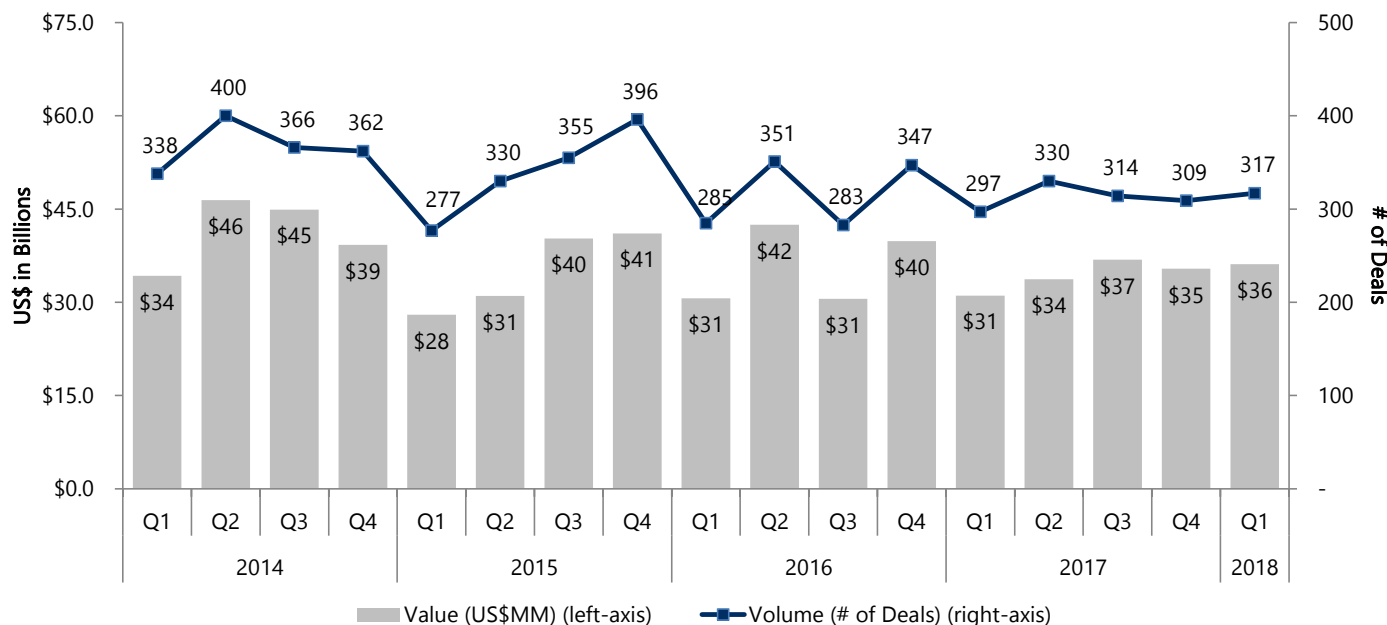
The global private equity sector raised \$80 billion across 180 funds in 1Q18, the first quarter since 3Q16 in which capital commitments totaled less than \$100 billion, though the first quarter of each year typically sees a slowdown in fundraising activity following a flurry of year-end closings. Capital remains concentrated among top funds with 59% of Q1 capital raised secured by the 10 largest funds. Private equity buyout deal volume reached 1,023 globally for an aggregate value of \$116 billion, 6% fewer deals year-over-year but an increase in deal value of 90%. Deal value was significantly buoyed by the merger of Keurig and Dr Pepper, valued at \$21 billion, and the takeover of the Financial and Risk Business of Thomson Reuters Corporation led by Blackstone Group, with participation from CPP Investment Board and GIC, valued at \$17 billion. Strong fundraising activities and a challenging deal environment have resulted in dry powder levels reaching \$1.09 trillion, placing pressure on funds to deploy capital.

Global IPOs raised \$42.8 billion in value on 287 offerings in 1Q18, a 28% year-over-year increase in deal value and 27% decrease in volume with the US contribution rising to 36%. Deal value was driven by six megadeals, over \$100 billion, compared to two in 1Q17. By sector, industrials led with 16% of global IPOs, followed by technology at 13% and consumer products at 12%. By region, the Americas led on deal value with 36% of proceeds and 15% of volume, while Asia-Pacific closed 55% of offerings by volume for 27% of value. Given rising volatility in the markets in February, IPO candidates will need to keep a close watch in the short term to evaluate the right IPO window.

Global venture capital surged in 1Q18 with deal value reaching \$77 billion, a year-over-year increase of 107% and up 20% from 4Q17. Deal volume, however, was up only 16% year-over-year as VC investors also show a trend toward larger deals. Average deal size in 1Q18 reached \$15 million, a significant increase over the average deal size of \$8.8 million in 1Q17. This trend was seen in all investment stages with late-stage deals reaching \$46 billion in value, a year-over-year increase of 116%, and deal volume at 576 deals, a 53% year-over-year jump. Early-stage and Seed VC deals showed year-over-year growth in deal value of 95% and 55%, respectively, and deal volume growth of 22% and 9%, respectively.

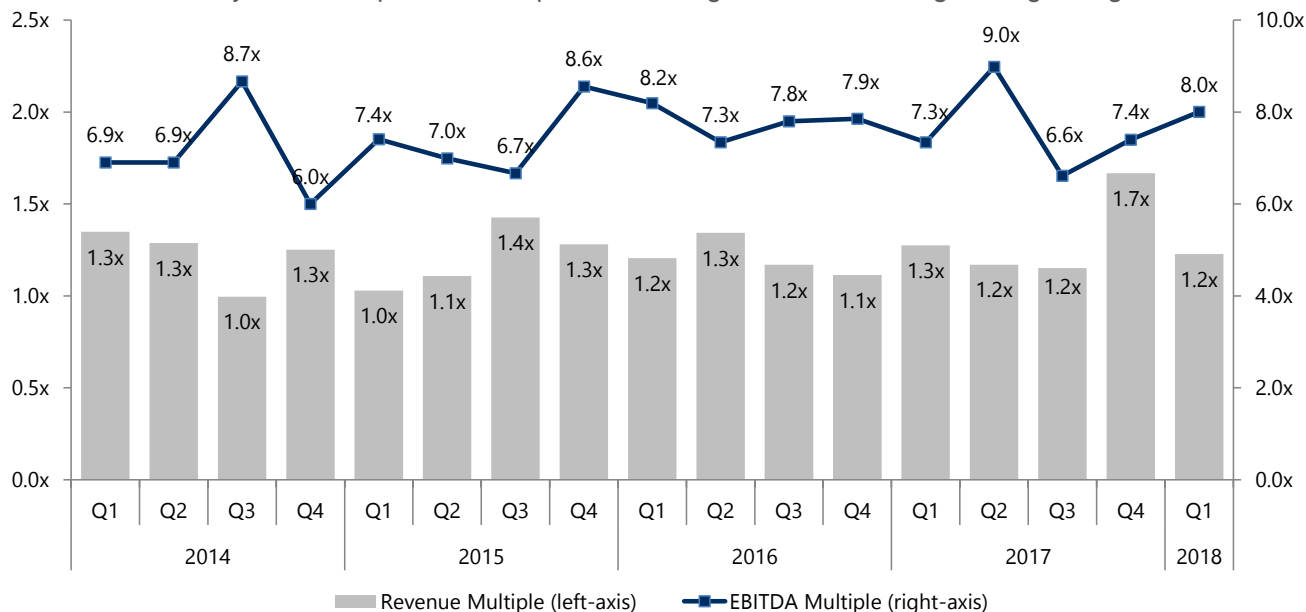
M&A Activity – Middle Market

U.S. middle market deal value in the first quarter of 2018 was up 16%, year-over-year, with a 7% increase in volume bucking the tendency of deal activity to dip in Q1 as year-end closings often drive up Q4 activity. Tax legislation has likely helped to mitigate this trend as deals delayed due to uncertainty in 4Q17 have elected to move forward in 2018. Average deal value was also up 6% from 1Q17 a trend observed in the global market as well. Overall, U.S. middle market M&A activity remains strong, despite rising valuations as buyers demonstrate an appetite to pay up for competitive assets.



Valuation Multiples – Middle Market M&A Transactions

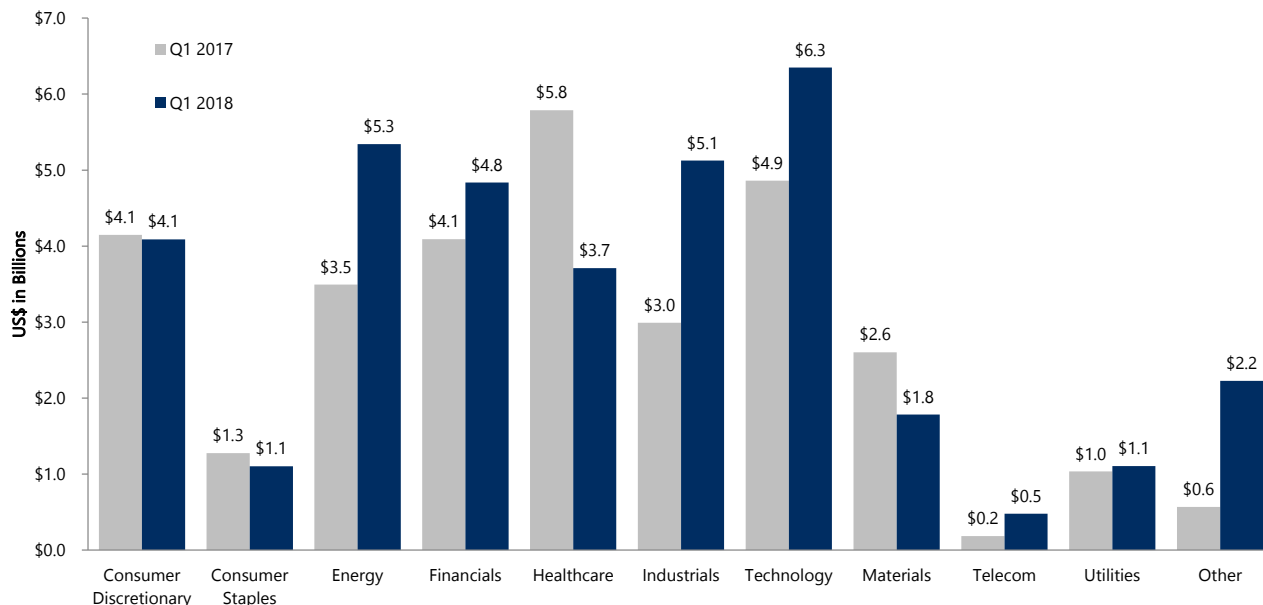
Disclosed middle market M&A revenue multiples have normalized in the first quarter to 1.2x, back within their historically tight range following a jump in 4Q18. An increase in energy and industrial sector transactions in 18Q1 likely helped to temper the recent spike though average deal size was up year-over-year by 9%. EBITDA multiples have continued to climb since 3Q17 reaching 8.0x but remain below the recent high of 9.0x in 2Q17. The overall trend is consistent with strong valuations continuing to hold as significant stores of dry powder pressure financial buyers to compete with acquisitive strategics for well-managed, larger targets.



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.

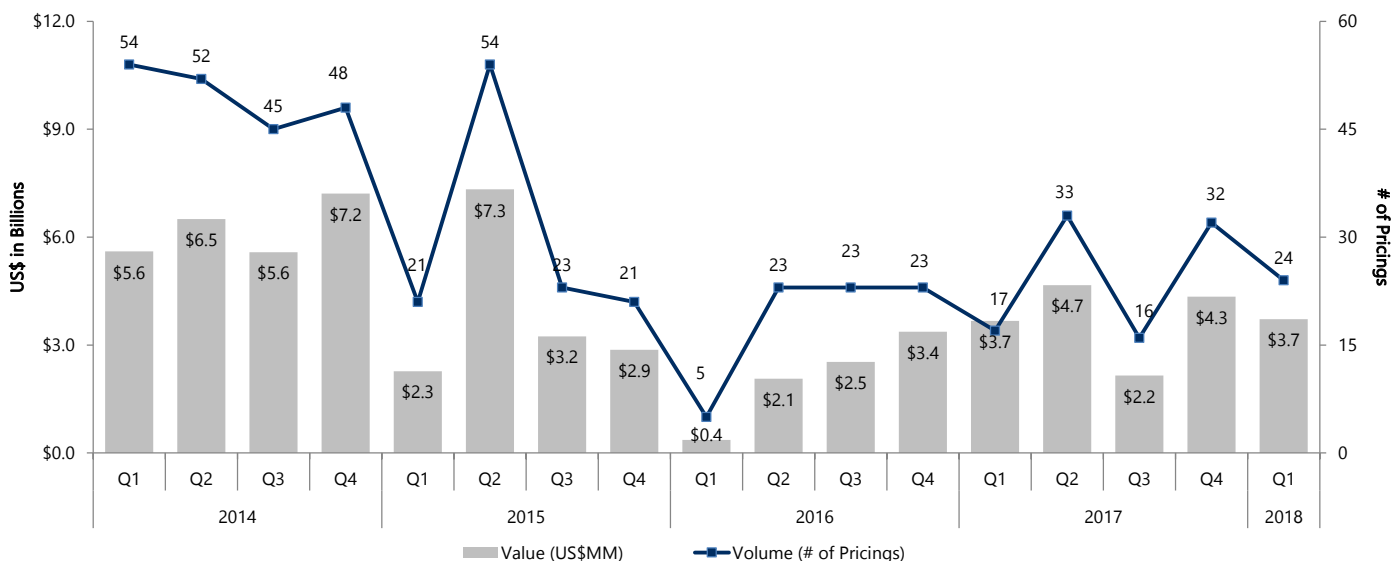
M&A Activity by Sector – Middle Market

The first quarter of 2018 showed a year-over-year quarterly increase in deal value of 17% and a volume increase of 7%. Technology transaction values rose 30% year-over-year and 6% by volume, while Healthcare and Consumer Staple transaction values decreased by 36% and 13%, respectively. Average deal size was up overall by 9% and the Energy sector experienced significant growth with transaction value and volume up by 53% and 39%, respectively. We would expect activity in the Energy sector to remain strong given the recent rally in oil prices above the \$70 per barrel mark for the first time since 2014.



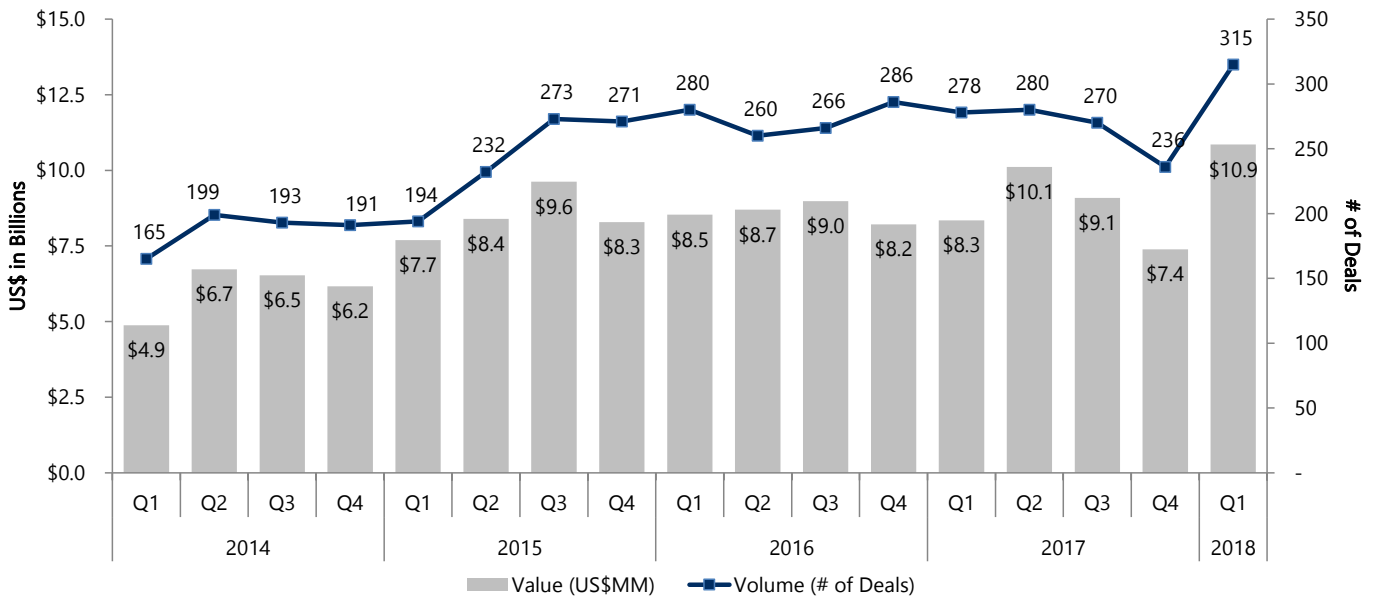
IPO Activity – Middle Market

Middle market IPO activity in the first quarter of 2018 was relatively flat year-over-year when comparing offering proceeds, however, deal volume was up 41% resulting in average deal value falling by 28% compared to last year. Despite a slowdown in M&A activity, the volume of middle market Healthcare IPOs surged year-over-year growing by 300% and accounting for 50% of all IPO activity with biotechnology alone accounting for 17%. The Energy sector saw a 67% jump in volume and accounted for 21% of IPO activity following the upward trend in oil prices. The Technology sector accounted for only 13% of IPO activity with volume flat year-over-year and the Zscaler Inc. systems software offering accounting for 68% of sector activity.



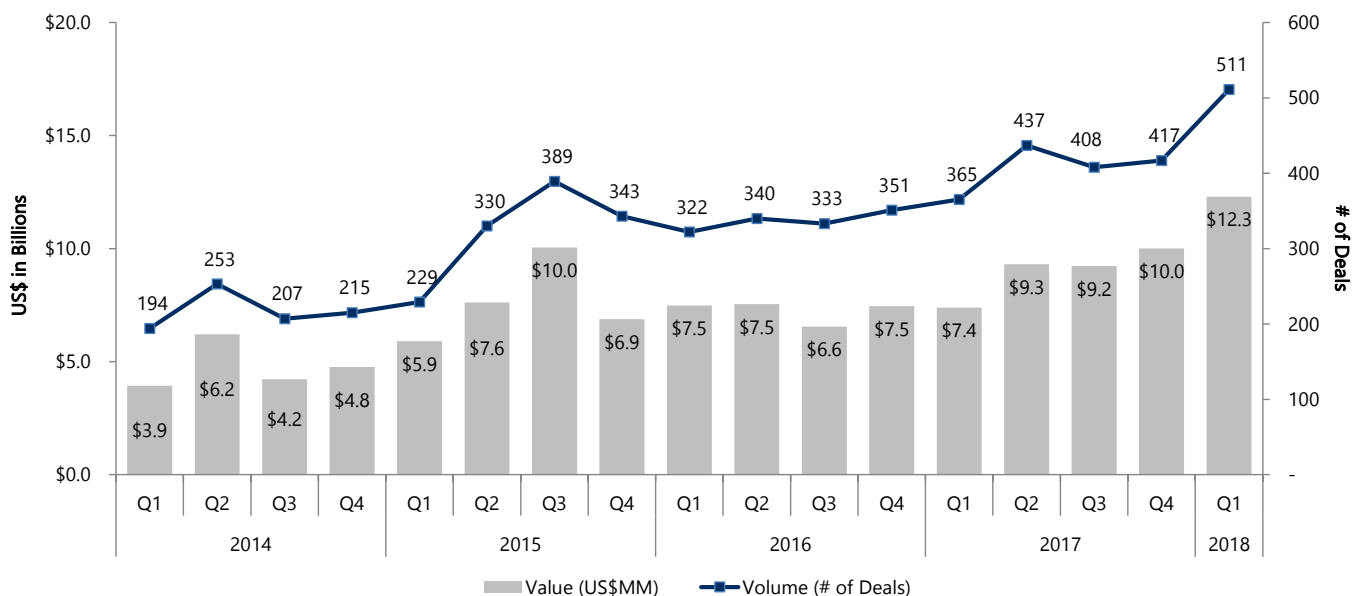
Private Placement Activity – Middle Market

Middle market private placement deal value and volume reached highs in the first quarter of 2018 jumping to \$10.9 billion, a 30% rise year-over-year, with 315 transactions, a 13% increase in volume. The average deal size also rose year-over-year by 15%. The Technology and Healthcare sectors continued to attract the bulk of private placement funds accounting for 44% and 24% of total volume respectively, and showing year-over-year growth of 23% and 18%, respectively. We expect activity to remain robust as ‘dry power’ stores continue to grow increasing the pressure to deploy capital.



Venture Capital Investment Activity – Middle Market

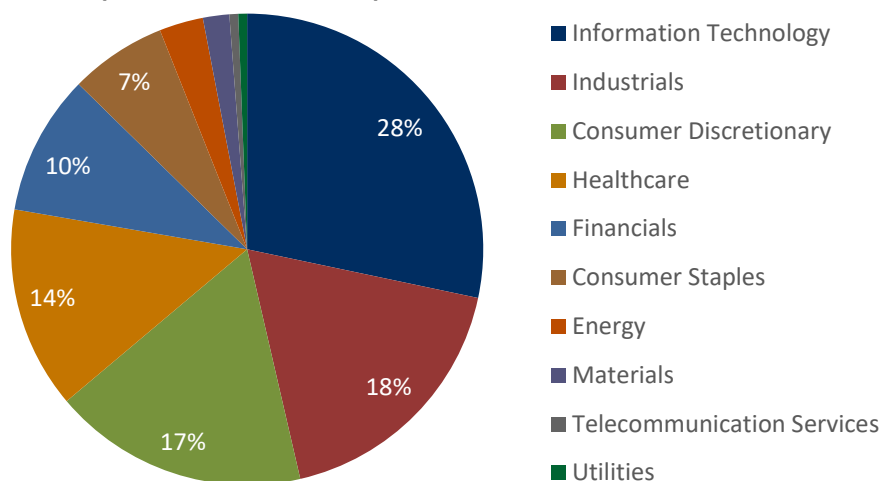
Venture capital activity in 2018 Q1 reached all-time highs with deal value up 66% year-over-year to \$12.3 billion and volume up 40% to 511 deals. Average deal size also increased by 19% year-over-year. LTM figures were also up showing a 41% increase in deal value over prior period with volume increasing by 28%. The Technology and Healthcare sectors continued to draw the most funding accounting for 37% and 18% respectively, of all venture capital raised. We expect venture activity to remain strong for well positioned companies and for valuations to remain elevated as the general availability of capital to fund high growth companies provides increasing pricing power in negotiations with investors.



Utah M&A Activity by Sector

The first quarter of 2018 included 40 Utah-related M&A transactions, consisting of both buy-side and sell-side transactions. Technology deals had the strongest showing this quarter accounting for 28% of all deals, however, the broad mix of transactions by industry demonstrates the unique diversification of Utah's business environment with a significant volume of transactions in the Industrials, Consumer, Healthcare and Financial sectors as well. Notable transactions include Sterno Products' \$170 million acquisition of Provo-based Rimports Inc. a manufacturer and distributor of wickless candle products and Nu Skin's \$55 million acquisition of Treviso, a developer and manufacturer of personal care products. NuSkin was particularly active this quarter with two additional transactions including a \$24 million buyout of Innvate Health Sciences and the acquisition of L&W Holdings for an undisclosed amount. The largest deal this quarter was LogMeln USA's \$342 million acquisition of Orem-based Jive Communications, a provider of enterprise-grade hosted VoIP and unified communications.

Utah Transaction Mix (Last Twelve Months)



Utah M&A Transaction Details for Q1 2018

Announced Date	Target	Acquirer	Target Industry	Target Business Description	Size (\$mm)	TEV ¹ / Revenue	TEV ¹ / EBITDA
Consumer Discretionary							
2/12/2018	L&W Holdings, Inc.	Nu Skin Enterprises, Inc.	Packaging	Sources, procures product packaging	-	-	-
2/12/2018	Treviso, LLC	Nu Skin Enterprises, Inc.	Personal Care	Personal care products manufacturer, developer	\$55	-	-
2/1/2018	Sky Zone Franchise Group, LLC	CircusTriX LLC	Leisure Facilities	Operator, franchisor of trampoline parks	-	-	-
1/23/2018	Rimports Inc.	Sterno Products, LLC	Home Furnishings	Manufacturer, distributor wickless candle products	\$170	1.1x	5.0x
1/22/2018	Innvate Health Sciences, LLC	Nu Skin Enterprises, Inc.	Supplements	Develops, manufactures nutritional supplements	\$24	-	-
1/19/2018	Links & Kings, LLC	Acushnet Holdings Corp.	Leisure Products	Designer, Manufacturer of leather golf products	-	-	-
1/4/2018	Harmon AutoGlass, Inc.	TechnaGlass Inc.	Specialized Consumer Services	Auto glass repair services	-	-	-
Consumer Staples							
3/5/2018	Nucery International, Inc.	ARIIX Holdings, LLC	Personal Products	Skin care products manufacturer, marketer	-	-	-

1. Total enterprise value.

Note: Reflects all disclosed M&A transactions excluding real estate where the acquirer, 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
Financials							
2/6/2018	Weeden Prime Services, LLC	t0 Technologies, LLC	Investment Banking and Brokerage	Financial brokerage services	\$11	-	-
1/29/2018	Altier Credit Union	America First Federal Credit Union	Specialized Finance	Credit union services	-	-	-
1/5/2018	Great Western Insurance Company, Inc.	American Republic Insurance Company	Life and Health Insurance	Insurance and annuity underwriter	-	-	-
Healthcare							
2/8/2018	Qualis Health Inc.	HealthInsight, Inc.	Healthcare Services	Healthcare consulting and care management	-	-	-
1/9/2018	FlagshipHealth Group	Predictive Technology Group, Inc.	Healthcare Services	Sales and consulting services for healthcare industry	-	-	-
1/4/2018	TruClinic LLC	InTouch Technologies, Inc.	Health Care Technology	Developer, operator of telemedicine solutions	-	-	-
Industrials							
3/19/2018	Norwest Corporation	Stantec Inc.	Research and Consulting Services	Natural resource consulting services	-	-	-
3/15/2018	Smart Rhino Labs LLC	Randall-Reilly, LLC	Human Resource and Employment Services	Trucking recruiting services	-	-	-
3/14/2018	The Westlake Village Office - Seller: SEARCH Group Partners LLC	Partners Personnel Inc	Human Resource and Employment Services	Staffing services	-	-	-
3/5/2018	Alphacorp, Inc.	Convergent Technologies LLC	Security and Alarm Services	Security solutions and support	-	-	-
3/1/2018	EnviroServe	Savage Industries, Inc.	Transportation	Specialized waste transportation and disposal	-	-	-
1/12/2018	THB, Inc.	Fairmont Supply Company	Distribution	Distributes industrial fasteners	-	-	-
1/5/2018	Photography Business of Circlepix.Com, Llc	VHT Studios, Inc.	Diversified Support Services	Photography business	-	-	-
1/2/2018	Bertolini Inc.	MITY Enterprises, Inc.	Office Services and Supplies	Manufactures stackable chairs	-	-	-
Information Technology							
3/13/2018	United States Traffic Network LLC	Fair and Equal, LLC	Application Software	Audience capture software and services	-	-	-
3/6/2018	Appia Communications, Inc.	CallTower Inc.	Internet Software and Services	Cloud-based communication and networking services	-	-	-
2/20/2018	Red Rock IT	Executech Utah, Inc.	IT Consulting and Other Services	Information technology support services	-	-	-
2/12/2018	Verify Investor, LLC	t0 Technologies, LLC	Internet Software and Services	Online investor verification services	\$12	-	-
2/8/2018	Eclipse Composites Engineering, LLC	CopaSAT LLC	Communications Equipment	Designer, manufacturer of satellite communication antennas	-	-	-
2/2/2018	CirrusOne LLC	Simplus	IT Consulting and Other Services	CPQ and CLM consulting services	-	-	-
2/1/2018	Circlepix.com LLC	Inside Real Estate	Application Software	Marketing automation software for real estate industry	-	-	-
1/31/2018	Performance Matters LLC	PeopleAdmin, Inc.	Application Software	Creates professional development tools for educators	-	-	-
1/29/2018	Myriad Software Productions, LLC - Seller: Appiphany Technologies Holdings Corp.	DATA443 Risk Mitigation, Inc.	Internet Software and Services	Develops data classification and governance platforms	-	-	-
1/25/2018	Bask Technology, Inc. - Seller: HandsFree Networks, Inc.	Brainly, Inc.	IT Consulting and Other Services	Remote technology support services	-	-	-

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 (Cont.)							
1/22/2018	HTS Vehicle Recognition Company	Teamtronics, Inc.	Application Software	Develops computer vision image processing solutions	-	-	-
1/22/2018	Assets of Rental Roost, Inc.	Overstock.com, Inc.	Application Software	Online apartment search engine	-	-	-
1/22/2018	LinkTrust Systems, Inc.	Loyal Companies	Internet Software and Services	Developer of lead management software solutions	-	-	-
1/11/2018	Shugo, LLC	MC2 Consulting Services, Inc.	Systems Software	Provides cloud-based secure file transfer services	-	-	-
1/8/2018	Decipher Forensics LLC	Eide Bailly LLP	IT Consulting and Other Services	Digital forensic consulting services	-	-	-
1/2/2018	SPOT Business Systems, LLC.	Clearent, LLC	Application Software	Developes software solutions for dry-cleaning industry	-	-	-
Materials							
1/31/2018	Metro Readymix, LLC - Seller: Banyan Venture Partners	Summit Materials, Inc.	Construction Materials	Concrete processor, marketer	-	-	-
Telecommunication Services							
2/7/2018	Jive Communications, Inc. - Sellers: BYU Cougar Capital, InnoVentures Capital Partners, LLC*	LogMeIn USA, Inc.	Alternative Carriers	Hosted VoIP and unified enterprise communications	\$342	4.3x	NM

Utah-based Financial Sponsors that Sold a Portfolio Company

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							
3/28/2018	Beeline Bikes, Inc. - Sellers: Backcountry.com, LLC*	Accell North America, Inc.	Specialized Consumer Services	Mobile bicycle shops	-	-	-
3/16/2018	IntegenX Inc. - Seller: Cross Creek Advisors*	Thermo Fisher Scientific Inc.	Life Sciences Tools and Services	DNA identification solutions	-	-	-
3/12/2018	Booker Software, Inc. - Seller: Signal Peak Ventures*	MINDBODY, Inc.	Internet Software and Services	Cloud-based service commerce platform	\$150	6.0x	-
1/30/2018	Angoss Software Corp. - Sellers: Peterson Partners LP*	Datawatch Corporation	Application Software	Provides predictive analytics software and solutions	\$33	2.8x	40.4x

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 nine Utah-related private placements throughout the first quarter of 2018, reaching \$140 million in capital. The Technology sector was most active this quarter raising over 79% of committed proceeds on six transactions. Two Technology transactions topped the list this quarter with Lindon-based Midigator, developer and operator of a chargeback and fraud mitigation technology platform, raising \$30 million from LLR Partners. In addition, Lehi-based Canopy Tax Inc., provider of an accounting workflow management platform, raised \$30 from New Enterprise Associates along with three Utah-based firms Pelion Venture Partners, EPIC Ventures, and University Venture Fund. Utah investors were active this quarter, particularly in the Technology space, contributing funds to five equity raises.

Utah-based Companies that Raised Capital

Announced Date	Issuer	Round/Investor(s)	Issuer Industry	Issuer Business Description	Amount Raised (\$mm)
Healthcare					
01/18/18	Techcyte, Inc.	Undisclosed	Health Care Technology	Learning software platform for pathology diagnostics	\$4
01/17/18	Wasatch Microfluidics, Inc.	Telegraph Hill Partners	Life Sciences Tools and Services	Develops label-free biomolecular interaction analysis solution	\$10
Industrials					
01/29/18	Fortem Technologies, Inc.	Data Collective; Signia Venture Partners; New Ground Ventures, LP; Boeing HorizonX; Manifest Investment Partners, LLC.; Mubadala Investment Company	Aerospace and Defense	Develops, manufactures ultra-small radar devices	\$15
Information Technology					
03/27/18	Midigator LLC	LLR Partners Inc.	Internet Software and Services	Develops, operates fraud mitigation platform	\$30
03/16/18	Canopy Tax Inc.	New Enterprise Associates; Pelion Venture Partners; EPIC Ventures; University Venture Fund ; Wells Fargo Strategic Capital	Internet Software and Services	Provides software platform for tax professionals	\$30
02/14/18	Salt Stack, Inc.	EPIC Ventures; Peak Capital ; Deep Fork Capital; Mercato Partners	Internet Software and Services	Develops, sells IT infrastructure management software	\$16
02/05/18	Grow, Inc.	Pelion Venture Partners ; HubSpot, Inc. (NYSE:HUBS); Peterson Ventures, LLC; Kickstart Seed Fund ; Toba Capital	Application Software	Develops performance metric dashboard software	\$16
01/30/18	Cake Technologies, Inc.	Pelion Venture Partners; Kickstart Seed Fund; Peak Ventures	Application Software	Develops swipeable browser for mobile devices	\$5
01/23/18	PrinterLogic, LLC	Mercato Partners	Application Software	Designs, develops enterprise printer management solutions	\$15

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:

Todd Wilson
 Managing Director
 Phone: 858.333.8445
 twilson@wpartners.com

Joel Weinstein
 Managing Director
 Phone: 858.333.8447
 jweinstein@wpartners.com

San Diego Office
 11455 El Camino Real
 Suite 450
 San Diego, CA 92130
 Phone: 858.333.8445

Salt Lake City Office
 136 E. South Temple
 Suite 2440
 Salt Lake City, UT 84111
 Phone: 801.890.4175

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