

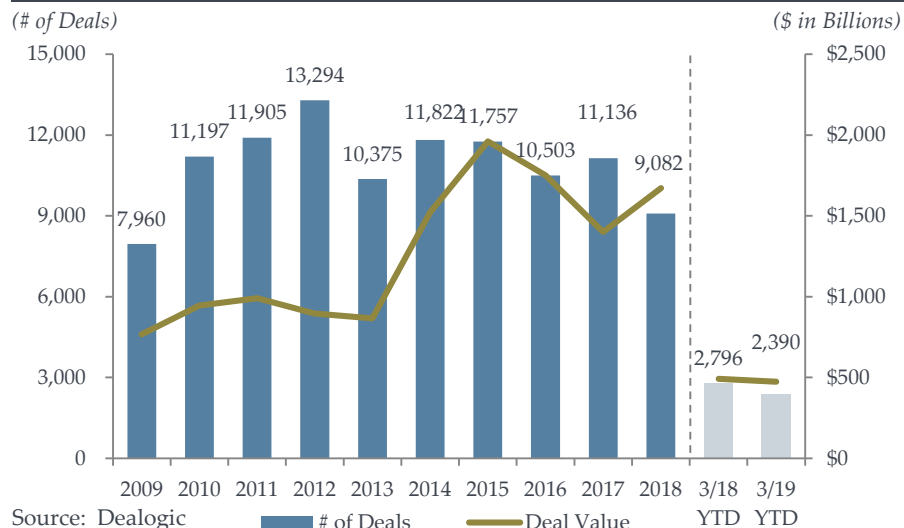


M&A MARKET OVERVIEW

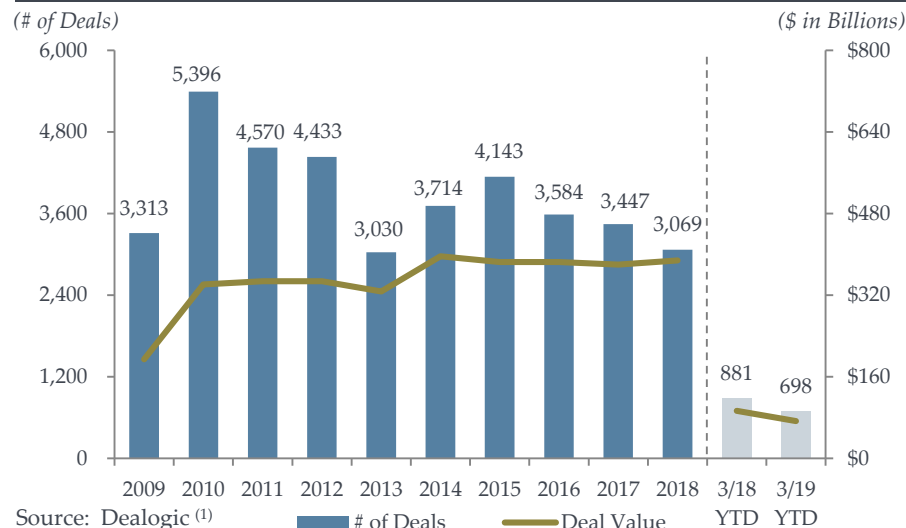
April 2019

M&A ACTIVITY RELATIVELY STEADY AS VALUATIONS REMAIN STRONG

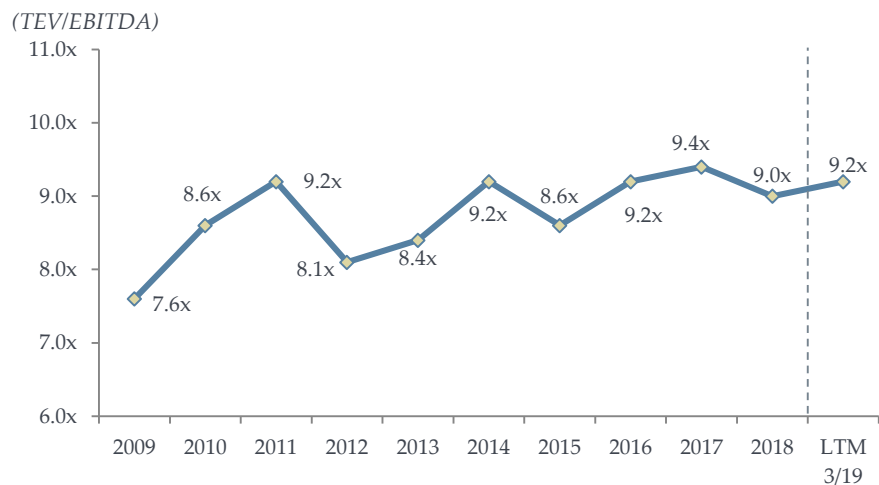
TOTAL U.S. M&A ACTIVITY



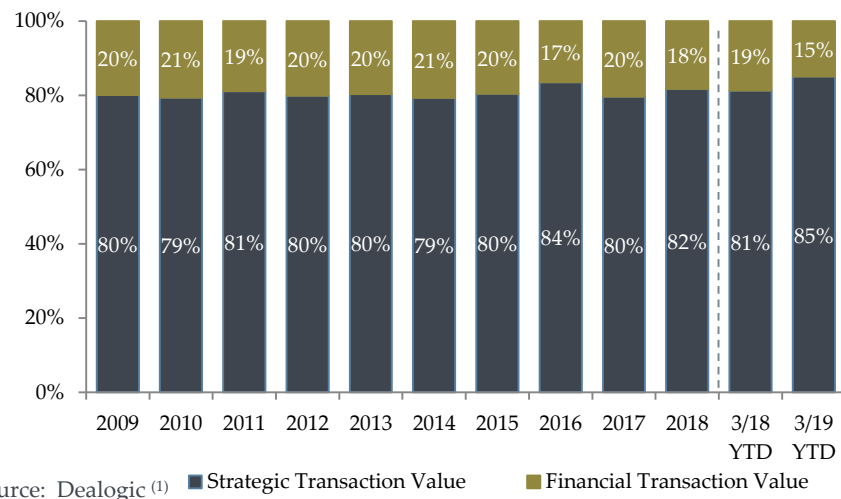
MIDDLE-MARKET U.S. M&A ACTIVITY



MEDIAN MIDDLE-MARKET PURCHASE MULTIPLES

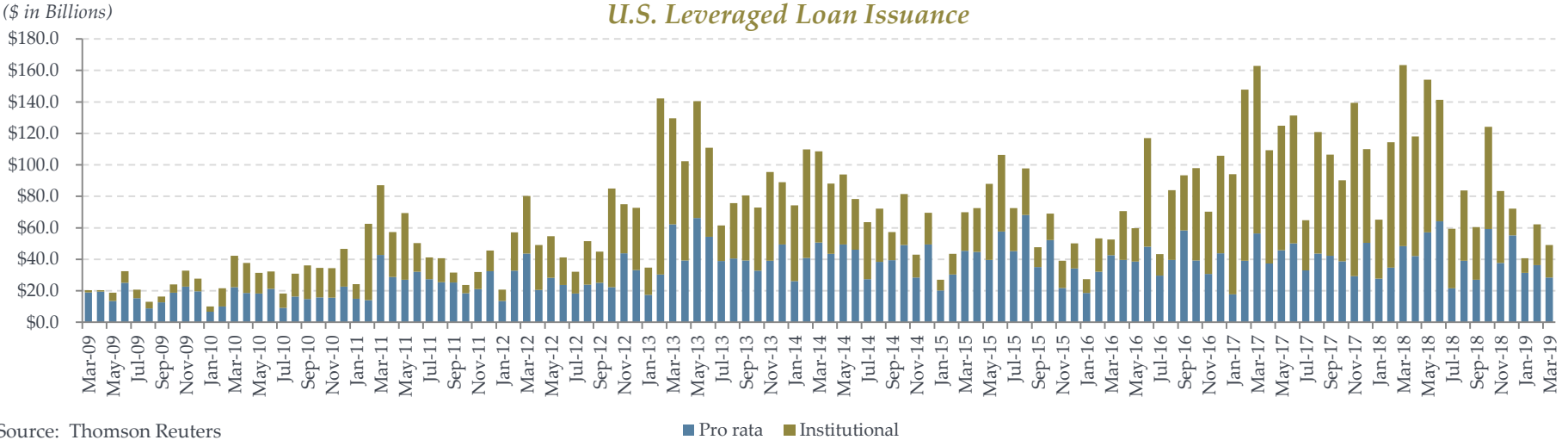


STRENGTH FROM ALL BUYERS IN THE MIDDLE MARKET

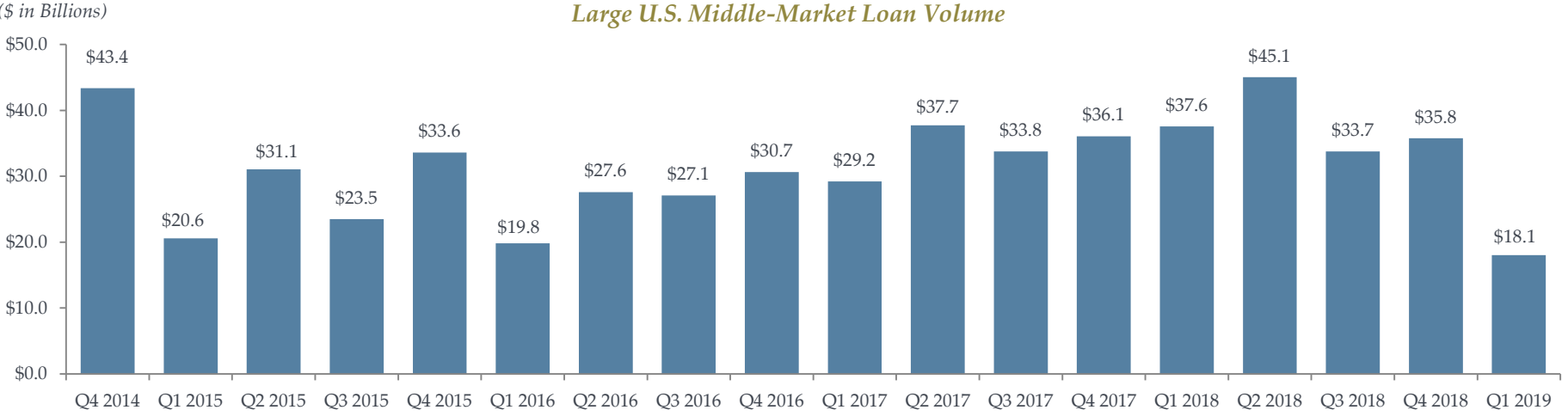


FINANCING MARKETS REMAIN STRONG

FINANCING ACTIVITY

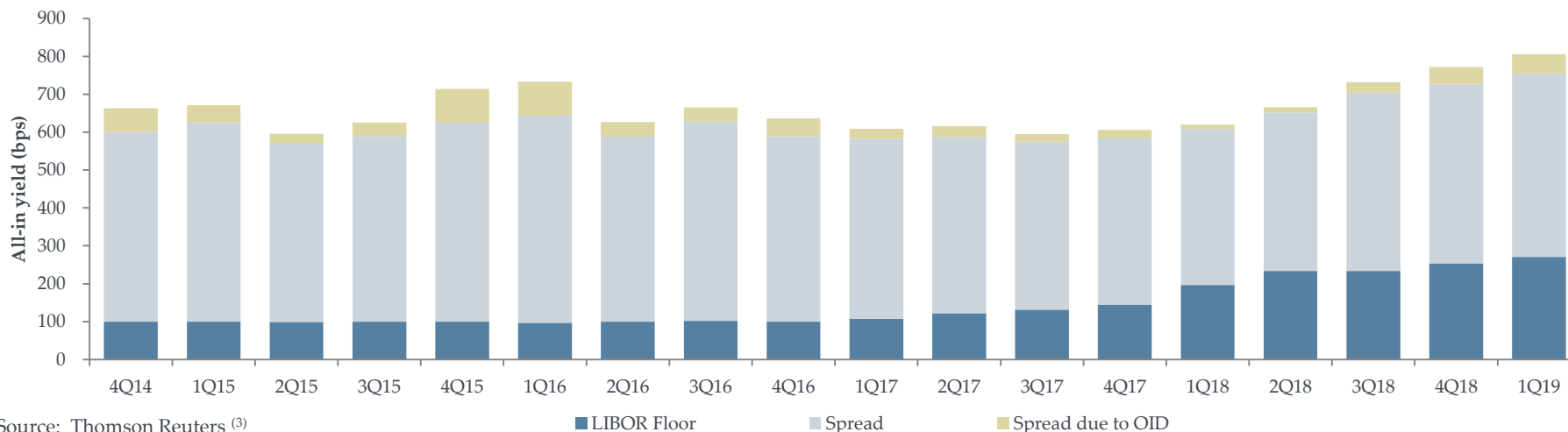


LARGE MIDDLE-MARKET CAPITAL MARKETS



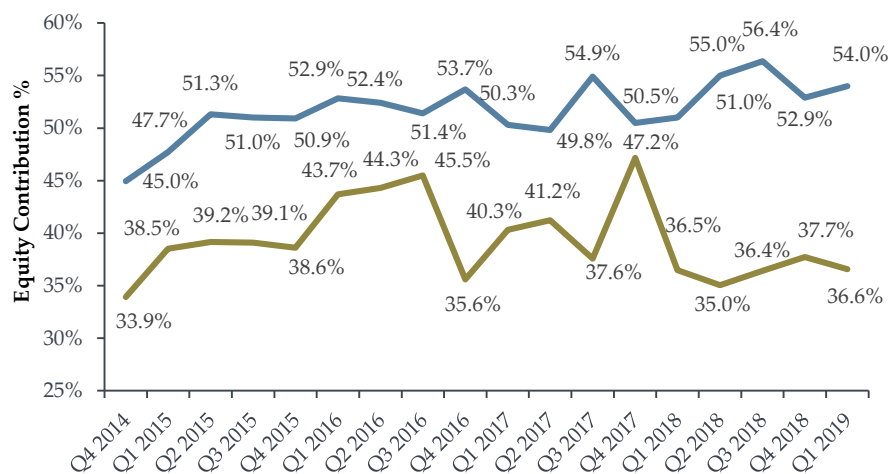
LEVERAGE AVAILABILITY & PRICING REMAIN ATTRACTIVE

MIDDLE-MARKET TERM LOAN YIELDS



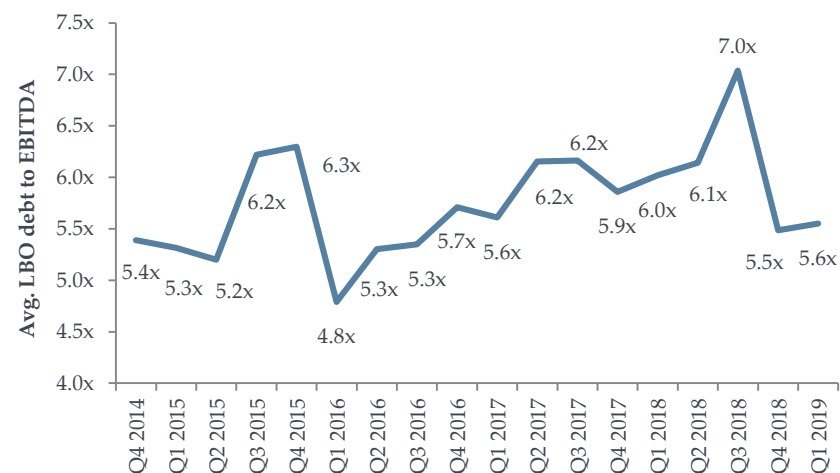
Source: Thomson Reuters ⁽³⁾

EQUITY CONTRIBUTION COMPARISON



Source: Thomson Reuters ⁽³⁾

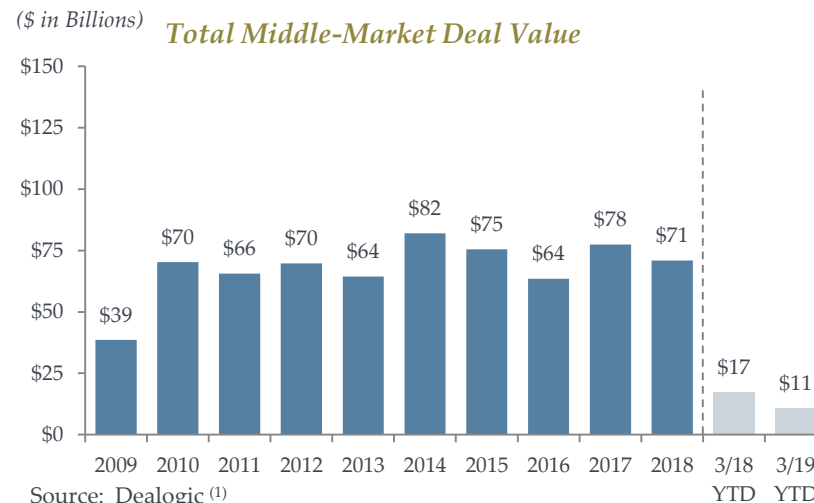
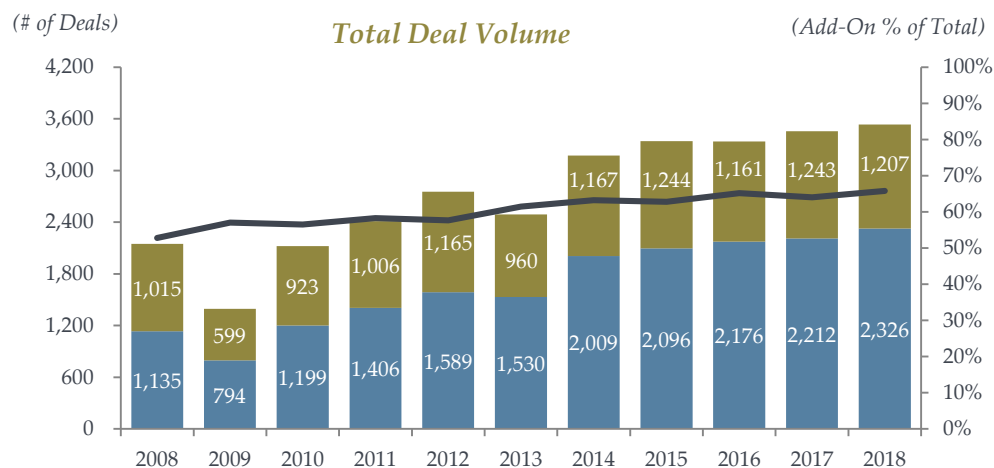
MIDDLE-MARKET LEVERAGE MULTIPLES



Sources: Thomson Reuters ⁽³⁾

FINANCIAL SPONSORS REMAIN ACTIVE WITH CAPITAL TO DEPLOY

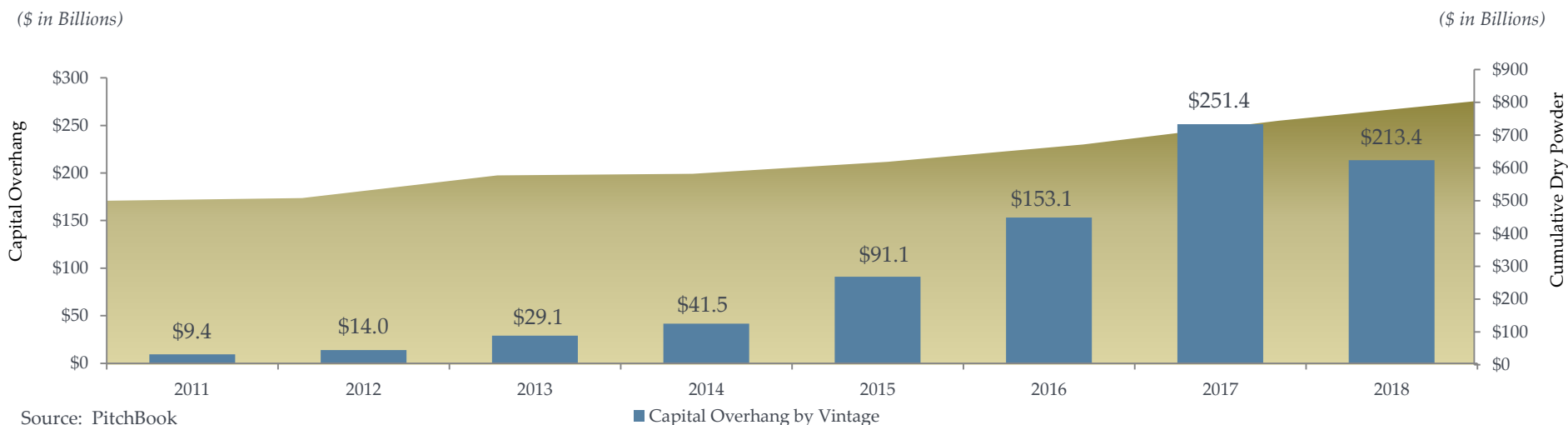
PRIVATE EQUITY M&A ACTIVITY



Source: PitchBook Add-On Deal Non Add-On Add-On %

Source: Dealogic (1)

REALLOCATION OF OVERHANG TO NEXT VINTAGE OF FUNDS



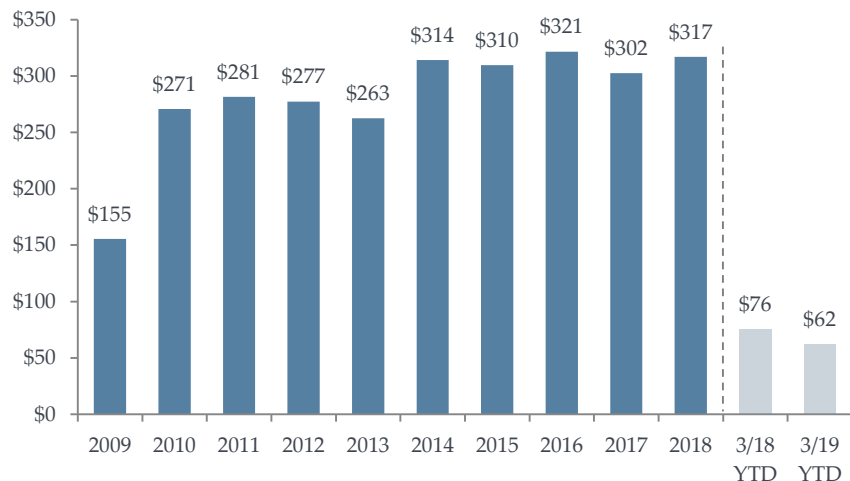
Source: PitchBook

Capital Overhang by Vintage

STRATEGIC BUYERS ARE LOOKING TO M&A TO AUGMENT GROWTH

CORPORATE M&A ACTIVITY

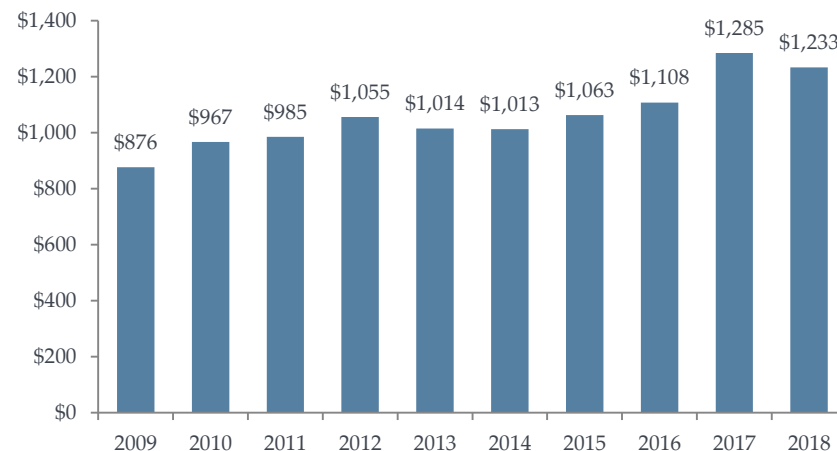
(Deal Value, \$ in Billions)



Source: Dealogic

CORPORATIONS HAVE HEALTHY CASH BALANCES

(\$ in Billions)

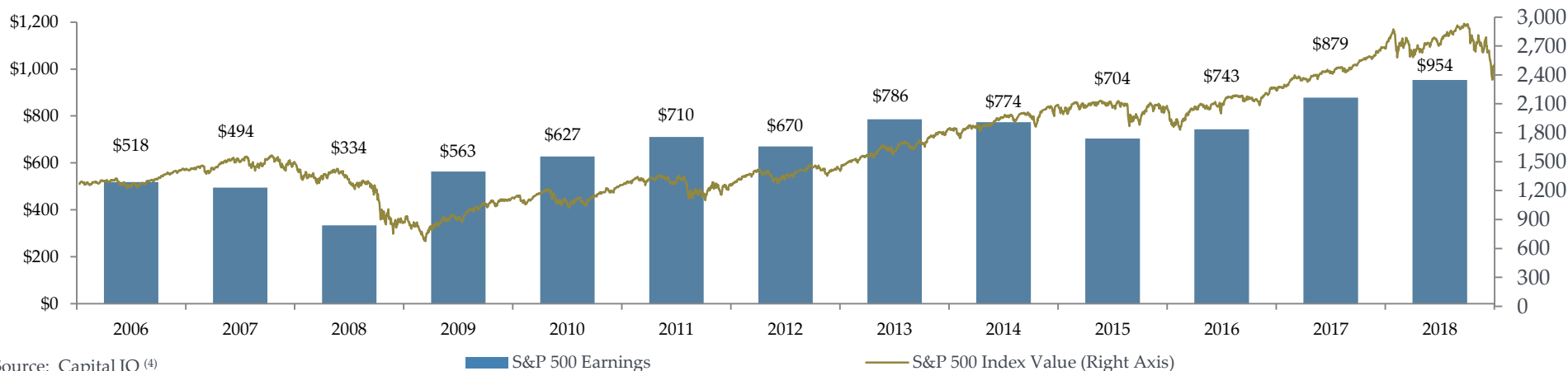


Source: Capital IQ (4)

STABLE CORPORATE EARNINGS AND RISING PUBLIC MARKETS OVER THE PAST 5 YEARS

(\$ in Billions)

(S&P Index Value)



Source: Capital IQ (4)

SOURCES AND DEFINED TERMS

Sources

- Dealogic: Data as of March 31, 2019
- Thomson Reuters: Data through March 2019
- Capital IQ: Data as of March 19, 2018 for transactions through December 31, 2018
- Pitchbook: Data as of February 17, 2019 for data through December 31, 2018

Footnotes and Defined Terms

- (1) Dealogic: Middle Market is defined as transactions under \$1 billion
- (2) Thomson Reuters: Traditional Middle Market defined as deal size <=\$100 million; Large Middle Market defined as deal size >\$100 million and <=\$500 million
- (3) Thomson Reuters: Middle Market defined as deals with an average EBITDA around \$50 million (\$40-\$60 million EBITDA range)
- (4) Capital IQ: Represents current members of S&P 500; excludes banks, insurance companies and REITs

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