



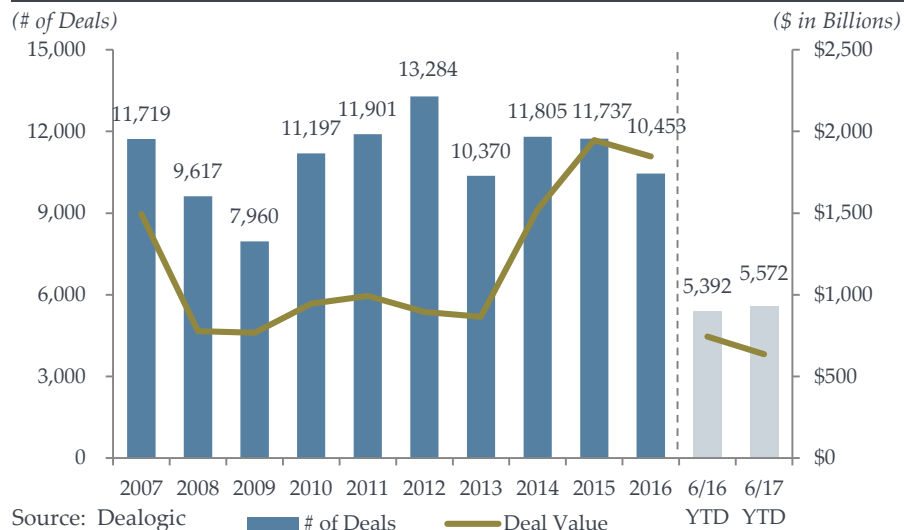
# **M&A MARKET OVERVIEW**

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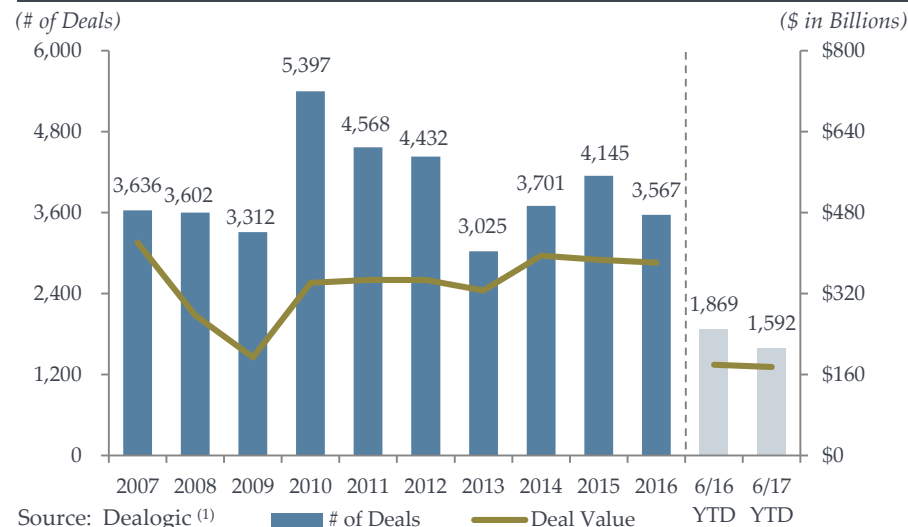
*July 2017*

# M&A ACTIVITY RELATIVELY STEADY AS VALUATIONS INCREASE

## TOTAL U.S. M&A ACTIVITY



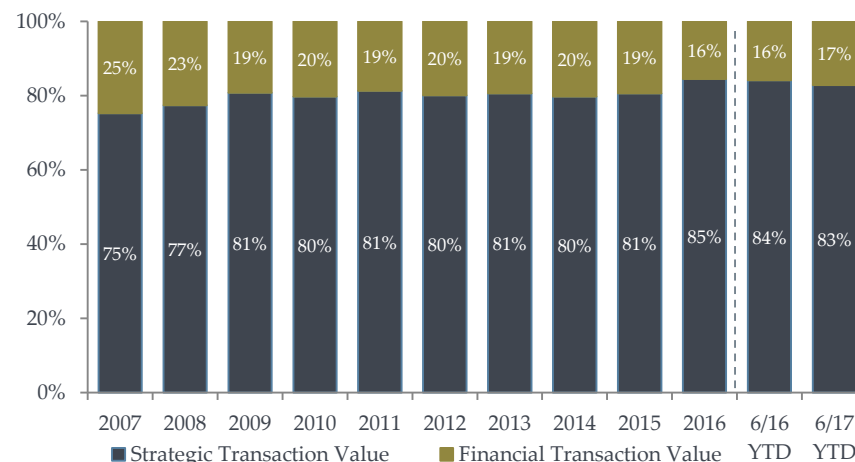
## MIDDLE-MARKET U.S. M&A ACTIVITY



## MEDIAN MIDDLE-MARKET PURCHASE MULTIPLES



## STRENGTH FROM ALL BUYERS IN THE MIDDLE MARKET

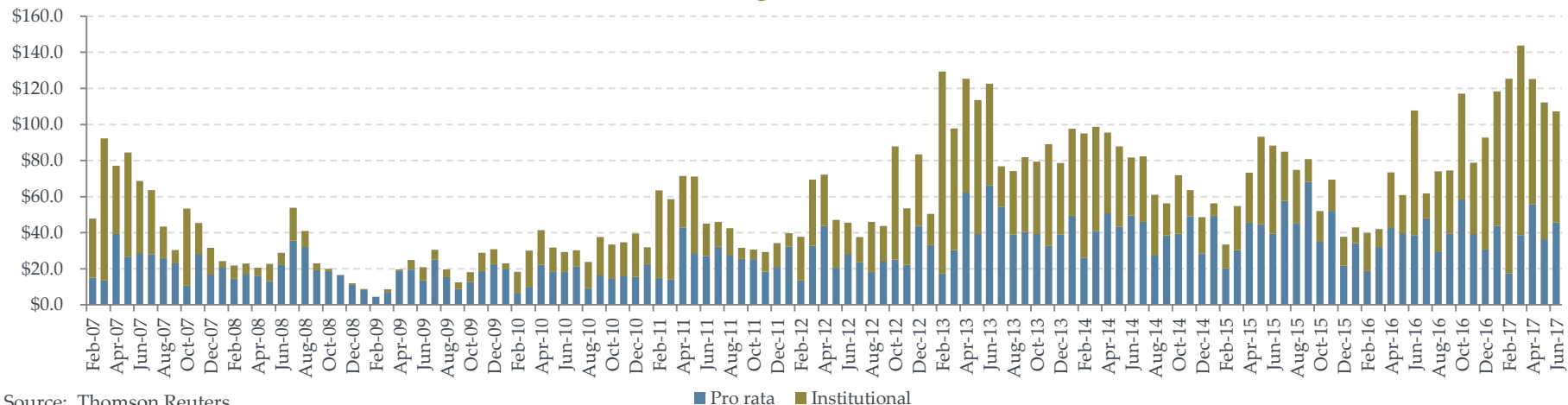


# FINANCING MARKETS REMAIN STABLE

## FINANCING ACTIVITY

(\$ in Billions)

### U.S. Leveraged Loan Issuance

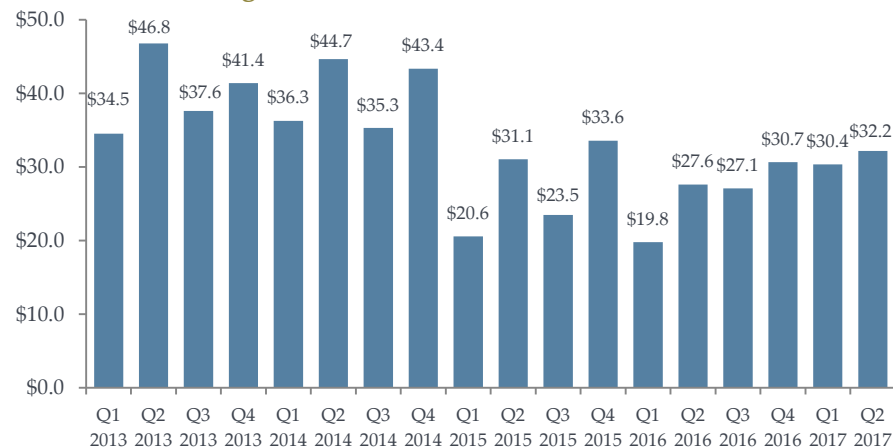


Source: Thomson Reuters

## LARGE MIDDLE-MARKET CAPITAL MARKETS

(\$ in Billions)

### Large U.S. Middle-Market Loan Volume

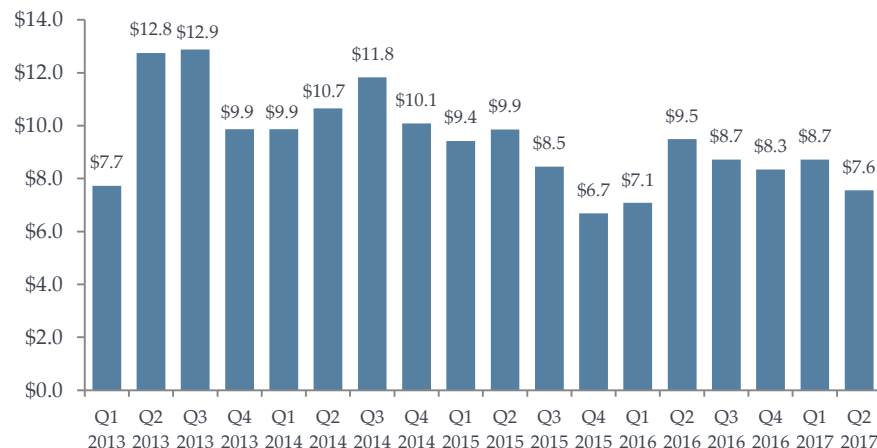


Source: Thomson Reuters (2)

## MIDDLE-MARKET CAPITAL MARKETS

(\$ in Billions)

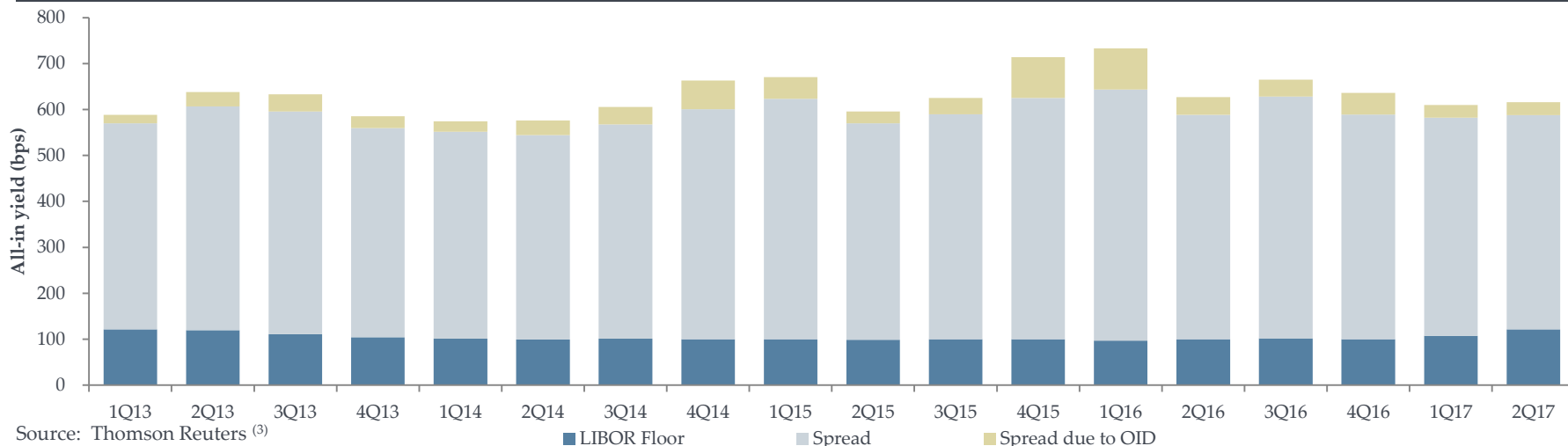
### Traditional U.S. Middle-Market Loan Volume



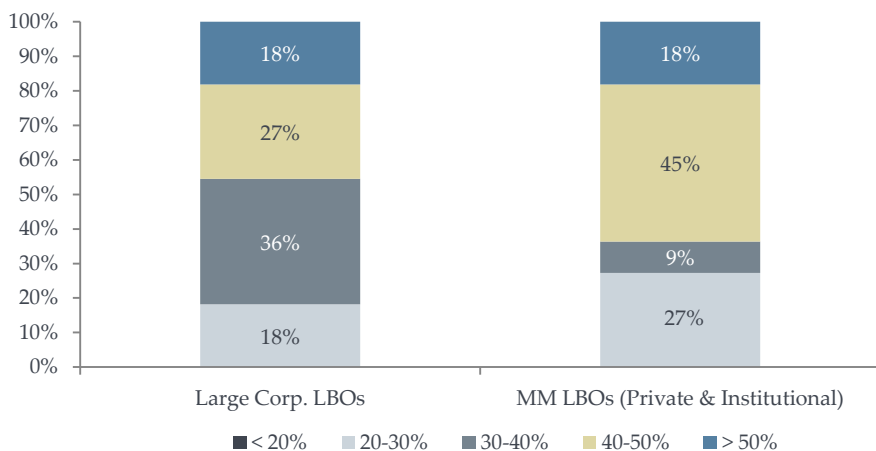
Sources: Thomson Reuters (2)

# LEVERAGE AVAILABILITY & PRICING REMAIN ATTRACTIVE

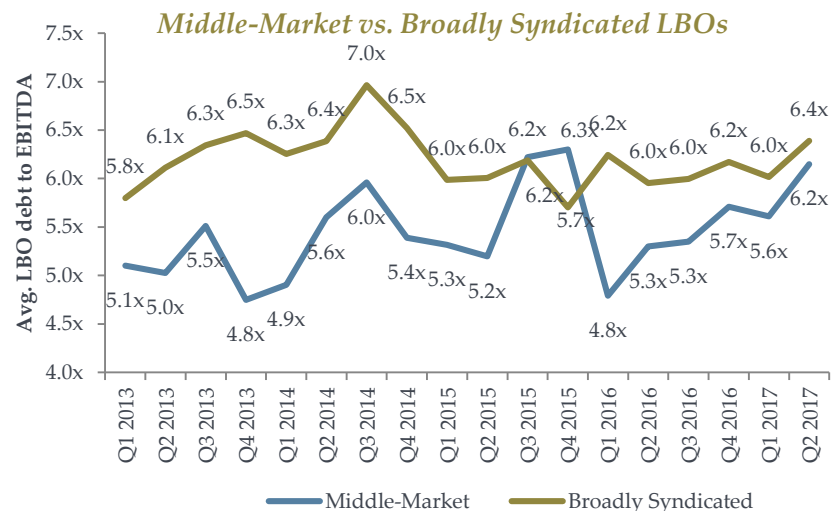
## MIDDLE-MARKET TERM LOAN YIELDS



## EQUITY CONTRIBUTION DISTRIBUTION ACROSS MARKETS



## LEVERAGE MULTIPLES COMPARISON

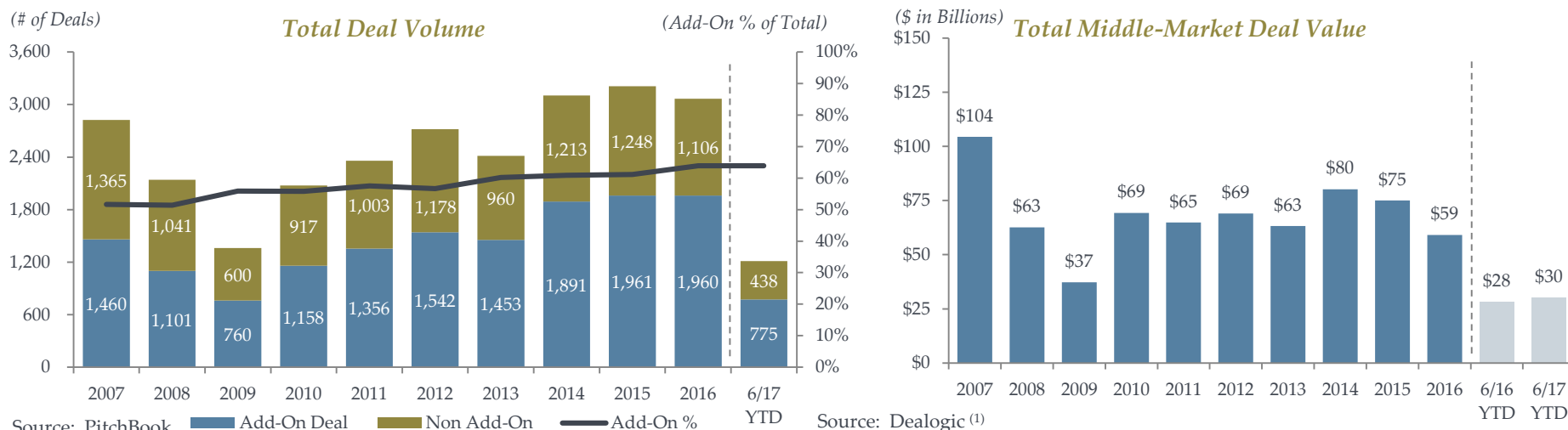


Source: Thomson Reuters <sup>(3)</sup>

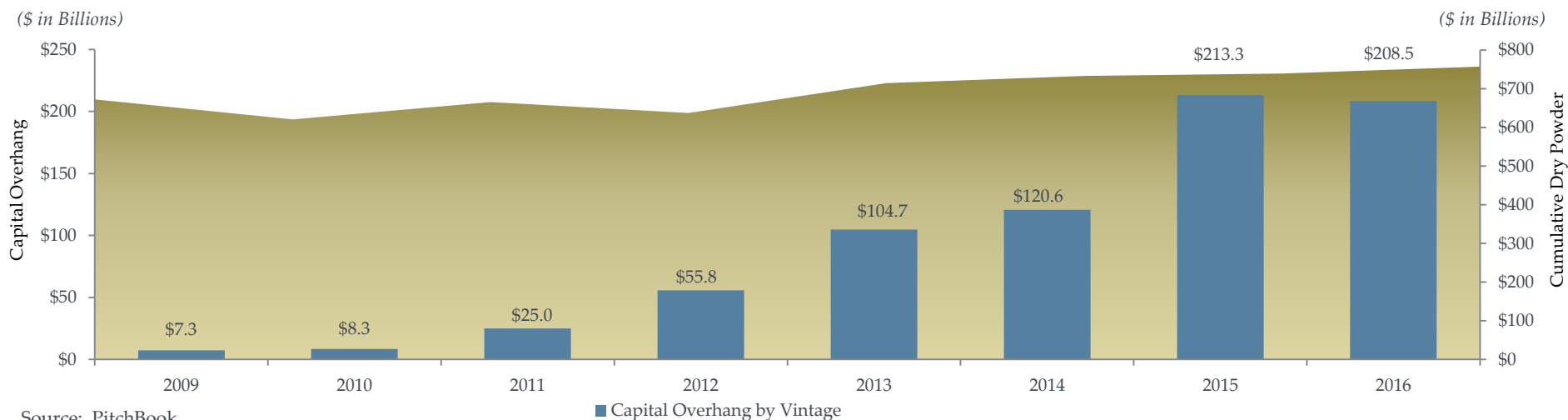
Sources: Thomson Reuters <sup>(3)</sup>

# FINANCIAL SPONSORS REMAIN ACTIVE WITH CAPITAL TO DEPLOY

## PRIVATE EQUITY M&A ACTIVITY



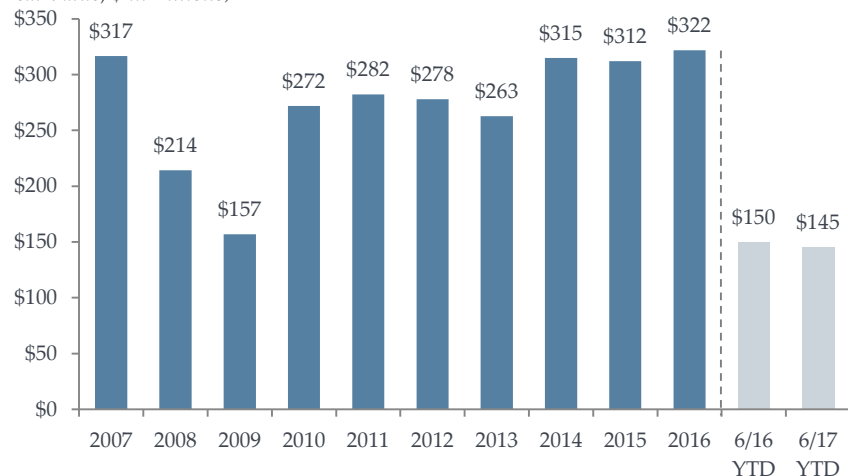
## REALLOCATION OF OVERHANG TO NEXT VINTAGE OF FUNDS



# STRATEGIC BUYERS ARE LOOKING TO M&A TO AUGMENT GROWTH

## CORPORATE M&A ACTIVITY

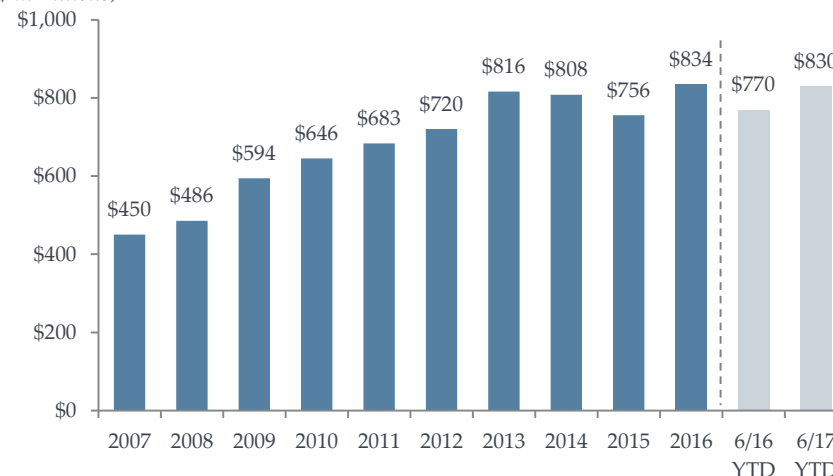
(Deal Value, \$ in Billions)



Source: Dealogic

## CORPORATIONS HAVE HEALTHY CASH BALANCES

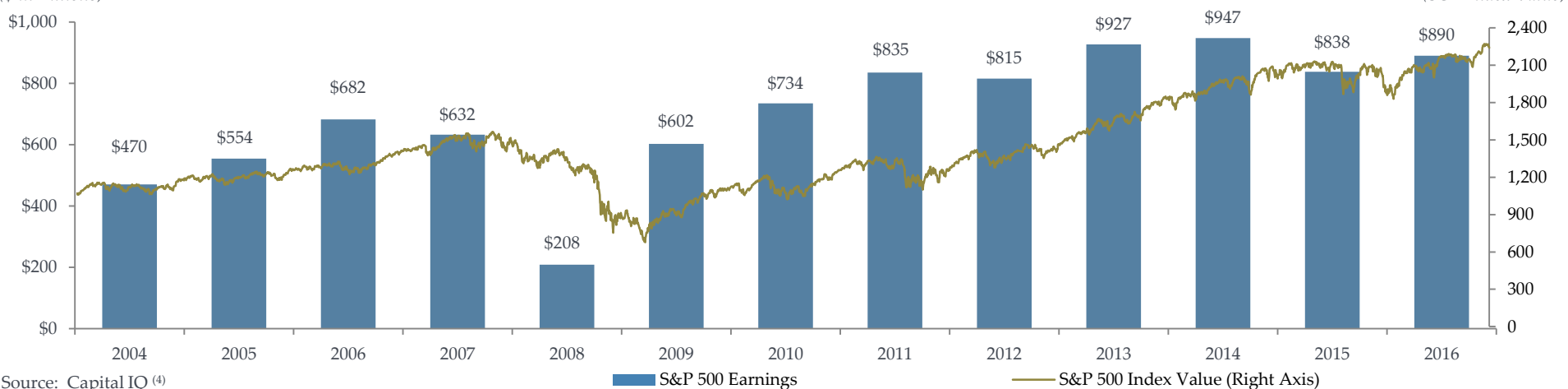
(\$ in Billions)



Source: Capital IQ <sup>(4)</sup>

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

(\$ in Billions)



Source: Capital IQ <sup>(4)</sup>

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## SOURCES AND DEFINED TERMS

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### *Sources*

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- Dealogic: Data as of July 18, 2017 for transactions June 31, 2017
- Thomson Reuters: Data through June 31, 2017
- Capital IQ: Data as of July 18, 2017, for transactions through June 31, 2017
- Pitchbook: Data through June 31, 2017

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### *Footnotes and Defined Terms*

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- (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 deal sizes <\$500 million
- (4) Capital IQ: Represents current members of S&P 500; excludes banks, insurance companies and REITs

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