

VISIONARY INVESTMENT BANKING



Mergers & Acquisitions Market Monitor Summer 2017

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Mergers & Acquisitions

Divestitures & Carve-outs

Corporate Finance Advisory

Valuations & Fairness Opinions

Debt & Equity Financing


- Trusted Advisor
- +\$40 Billion Transactions Completed
- +400 Engagements
- Senior-Level Attention at All Phases
- Private and Public Company Clients
- Broad Industry Experience

Representative Engagements:




has been acquired by
Fortive Corporation

Raptor Partners acted as financial advisor to Industrial Scientific and assisted in the negotiations.


has been acquired by
CÉMOI Group

Raptor Partners acted as exclusive financial advisor to Chris Candies and assisted in the negotiations.





has been acquired by
LIDAN MARINE AB

Raptor Partners acted as exclusive financial advisor to W.W. Patterson Company and assisted in the negotiations.




\$38,000,000



has issued
SERIES B PREFERRED STOCK

Raptor Partners acted as financial advisor to Cerève in connection with this financing.




has acquired the
U.S. IT STAFFING BUSINESS
from
HUDSON GLOBAL

Raptor Partners acted as financial advisor to Mastech and assisted in the negotiations.




has acquired
RESTORERX

Raptor Partners acted as exclusive financial advisor to Value Drug Company and assisted in the negotiations.



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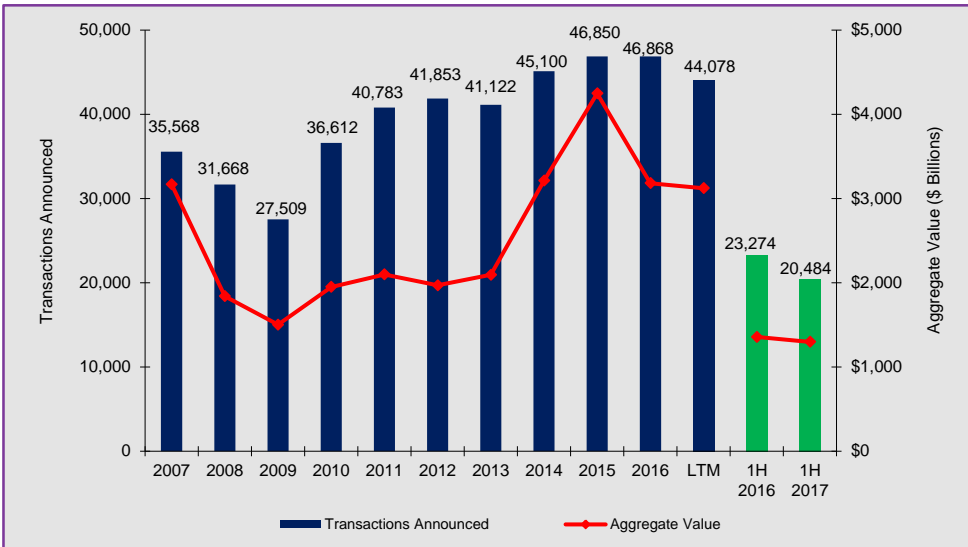
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MERGERS & ACQUISITIONS ACTIVITY

GLOBAL M&A TRENDS

- Despite the marginal deceleration of global M&A volume and aggregate value in the first half of 2017, deal activity remains very strong.
- In 1H 2017, global deal volume declined 11.9%, while global deal value declined 4.3%.
- Tepid global GDP growth has resulted in firms utilizing strategic acquisitions to supplement organic growth.
- The continued low cost of capital and the positive market reception to transactions have resulted in significant strength in the M&A market.

Global M&A Activity

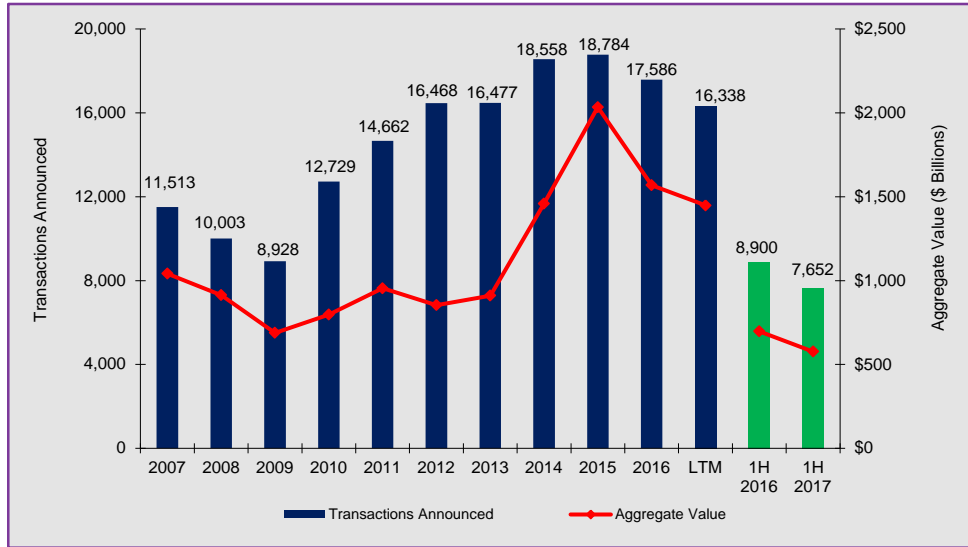


Source: Standard & Poor's Capital IQ
Excludes minority interest purchases and share buybacks.

U.S. M&A TRENDS

- Although the U.S. M&A market in 1H 2017 underperformed compared to 1H 2016, the market remains robust with deal volumes near historic highs.
- In 1H 2017, U.S. deal volume declined 14.0%, while U.S. deal value declined 17.2%.
- U.S. firms have benefited from record equity markets, excess reserves of cash, and low cost financing, making M&A transactions an attractive method to supplement organic growth.
- Following an unpredictable political cycle in 2016, M&A industry practitioners view the Trump administration as being positive for deal-making.

U.S. M&A Activity



Source: Standard & Poor's Capital IQ
Excludes minority interest purchases and share buybacks.

2017 LARGEST U.S. M&A TRANSACTIONS

Date	Target	Acquiror	Transaction Value	EV/ Revenue	EV/ EBITDA	Industry
09/04/2017	Rockwell Collins, Inc. (NYSE:COL)	UTC Aerospace Systems	\$30.9 B	5.0x	22.6x	Industrials
08/28/2017	Kite Pharma, Inc. (NasdaqGS:KITE)	Gilead Sciences, Inc. (NasdaqGS:GILD)	\$11.9 B	NA	NA	Healthcare
07/31/2017	Scripps Networks Interactive, Inc. (NasdaqGS:SNI)	Discovery Communications, Inc. (NasdaqGS:DISC.A)	\$15.1 B	4.3x	9.3x	Consumer Discretionary
07/05/2017	Worldpay Group plc (LSE:WPG)	Vantiv, Inc. (NYSE:VNTV)	\$11.9 B	7.5x	19.6x	Information Technology
06/29/2017	Rite Aid Corporation (2,186 Stores)	Walgreens Boots Alliance, Inc. (NasdaqGS:WBA)	\$5.2 B	NA	NA	Consumer Staples
06/28/2017	Staples, Inc. (NasdaqGS:SPLS)	Sycamore Partners	\$7.8 B	0.4x	5.2x	Consumer Discretionary
06/19/2017	Rice Energy Inc. (NYSE:RICE)	EQT Corporation (NYSE:EQT)	\$10.7 B	9.9x	34.1x	Energy
06/16/2017	Whole Foods Market, Inc. (NasdaqGS:WFM)	Amazon.com, Inc. (NasdaqGS:AMZN)	\$14.6 B	0.9x	10.3x	Consumer Staples
06/09/2017	DuPont Fabros Technology, Inc. (NYSE:DFT)	Digital Realty Trust, Inc. (NYSE:DLR)	\$7.5 B	14.1x	23.2x	Real Estate
06/01/2017	WIRTGEN GROUP Holding GmbH	Deere & Company (NYSE:DE)	\$5.2 B	1.8x	NA	Industrials
05/22/2017	Huntsman Corporation (NYSE:HUN)	Clariant AG (SWX:CLN)	\$11.2 B	1.1x	9.6x	Materials
05/15/2017	Patheon N.V. (NYSE:PTHN)	Thermo Fisher Scientific (NYSE:TMO)	\$7.3 B	3.7x	20.5x	Healthcare
05/10/2017	inVentiv Health Inc.	INC Research Holdings, Inc. (NasdaqGS:INCR)	\$4.3 B	2.0x	13.7x	Healthcare
05/08/2017	Tribune Media Company (NYSE:TRCO)	Sinclair Broadcast Group, Inc. (NasdaqGS:SBGI)	\$6.9 B	3.4x	11.7x	Consumer Discretionary
05/05/2017	VWR Corporation (NasdaqGS:VWR)	Avantor Performance Materials, Inc.	\$6.6 B	1.4x	13.5x	Healthcare
04/25/2017	AdvancePierre Foods Holdings, Inc. (NYSE:APFH)	Tyson Foods, Inc. (NYSE:TSN)	\$4.5 B	2.8x	17.0x	Consumer Staples
04/24/2017	Akorn, Inc. (NasdaqGS:AKRX)	Fresenius Kabi USA, LLC	\$5.1 B	4.4x	10.7x	Healthcare
04/23/2017	C. R. Bard, Inc. (NYSE:BCR)	Becton, Dickinson and Company (NYSE:BDX)	\$25.7 B	6.6x	21.4x	Healthcare
04/18/2017	Medtronic plc, Patient Care, Deep Vein Thrombosis and Nutritional Insufficiency Businesses	Cardinal Health, Inc. (NYSE:CAH)	\$6.1 B	2.5x	NA	Healthcare
04/05/2017	Panera Bread Company (NasdaqGS:PNRA)	JAB Holdings	\$7.7 B	2.7x	17.9x	Consumer Discretionary
03/13/2017	Mobileye N.V. (NYSE:MBLY)	Intel Corporation (NasdaqGS:INTC)	\$15.4 B	41.9x	120.0x	Information Technology
02/10/2017	Mead Johnson Nutrition Company	Reckitt Benckiser Group plc (LSE:RB.)	\$19.7 B	4.8x	17.7x	Consumer Staples
01/26/2017	Actelion Ltd (SWX:ATLN)	Johnson & Johnson (NYSE:JNJ)	\$29.9 B	12.2x	32.2x	Healthcare
01/25/2017	WGL Holdings, Inc. (NYSE:WGL)	AltaGas Ltd. (TSX:ALA)	\$6.6 B	2.8x	15.3x	Utilities
01/24/2017	AppDynamics, Inc.	Cisco Systems, Inc. (NasdaqGS:CSCO)	\$4.0 B	18.9x	NA	Information Technology
01/09/2017	VCA Inc. (NasdaqGS:WOOF)	Mars, Incorporated	\$9.2 B	3.6x	18.5x	Healthcare
01/09/2017	ARIAD Pharmaceuticals, Inc. (NasdaqGS:ARIA)	Takeda Pharmaceuticals U.S.A., Inc. (TSE: 4502)	\$5.5 B	27.6x	NA	Healthcare
01/09/2017	Surgical Care Affiliates, Inc. (NasdaqGS:SCAI)	UnitedHealth Group (NYSE:UNH)	\$4.3 B	3.3x	12.3x	Healthcare
01/05/2017	CEB Inc. (NYSE:CEB)	Gartner, Inc. (NYSE:IT)	\$3.8 B	3.9x	18.4x	Industrials

Source: Standard & Poor's Capital IQ

DEALS BY GEOGRAPHIC LOCATION

Region	2015		2016		1H 2017	
	Deals	%	Deals	%	Deals	%
North America	20,948	44.4%	19,363	41.3%	8,589	41.9%
Europe	15,443	32.7%	15,768	33.6%	7,168	35.0%
Asia/Pacific	8,502	18.0%	9,523	20.3%	3,753	18.3%
Other	2,312	4.9%	2,214	4.7%	974	4.8%
Total	47,205	100%	46,868	100%	20,484	100%

Source: Standard & Poor's Capital IQ

Deal Volume By Region

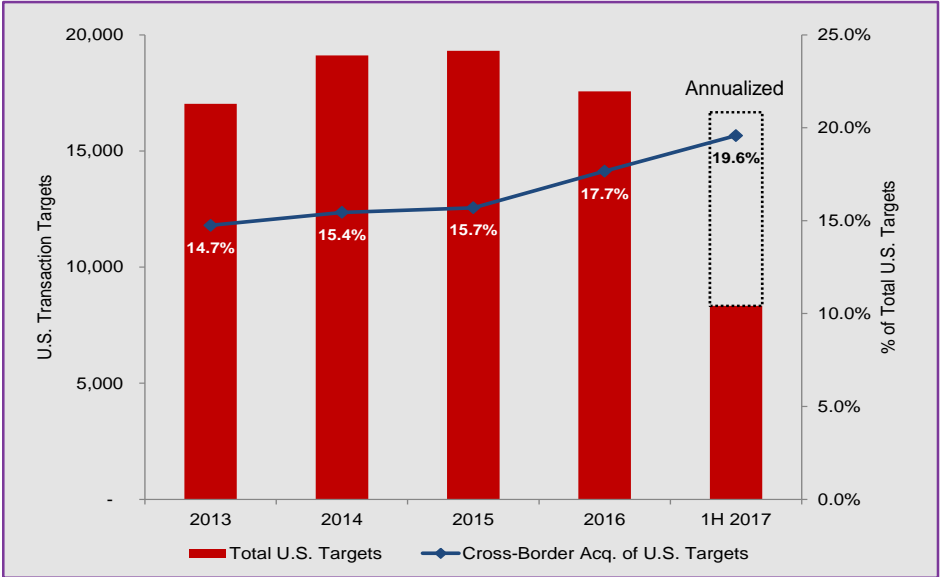
GEOGRAPHIC TRENDS

- North American transactions continue to represent the largest portion of global deals at 41.9% in 1H 2017, up from 41.3% in 2016.
- Transactions in Western Europe and the UK are driving Europe's strong M&A performance. European deals represent 35.0% of transactions for 1H 2017, up from 33.6% in 2016.
- The Asia/Pacific region's slowdown can be attributed to increased governmental regulation and scrutiny on Chinese deals.

CROSS-BORDER TRENDS

- Foreign firms are increasingly targeting U.S. acquisitions to gain a foothold into the world's largest economy.
- As a percentage of total U.S. acquisitions, foreign buyers have increased from 14.7% in 2013, to 19.6% in annualized 1H 2017.
- As it becomes increasingly crucial for foreign firms to have a global presence, especially within the U.S., expect to see more cross-border transactions.

Foreign Acquisitions of U.S. Targets



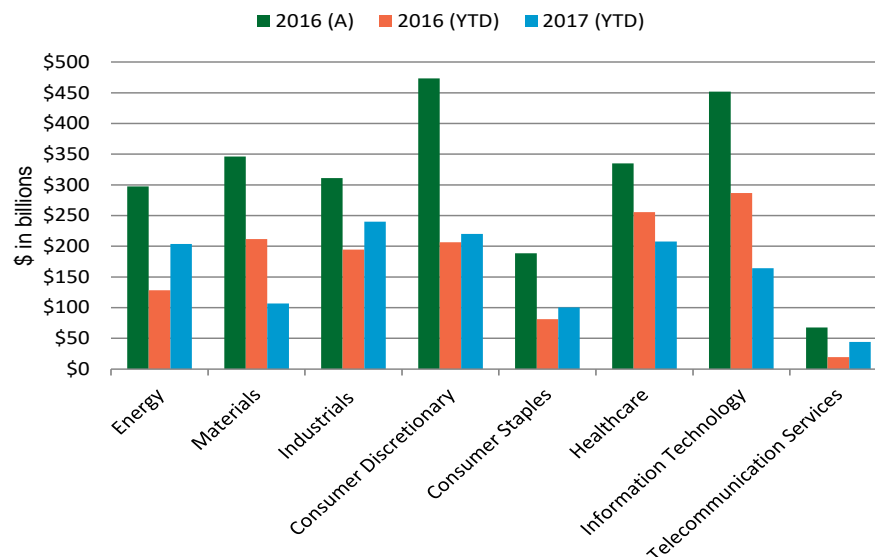
Source: Standard & Poor's Capital IQ

M&A TRANSACTIONS BY SECTOR

SECTOR TRENDS

- Compared to 1H 2016, transaction values for the Energy, Industrials, Consumer Discretionary/Staples, and Telecomm sectors have outperformed in 1H 2017, while Materials, Healthcare, and IT have underperformed.
- The Consumer Discretionary industry has showed considerable strength in 2016 and YTD, which can be attributed to increasing consumer confidence and improved economic activity in the United States.
- Total IT transaction volume in 1H 2017 remains robust, accounting for nearly 20% of all deals. Expect this trend to continue as technology acquisitions continue to be a strategic route to accelerate business growth.

U.S. Transaction Value By Sector



Source: Standard & Poor's Capital IQ

U.S. Sector Analysis*

Industry	Transaction Values (\$MM)	Enterprise Value (EV)/ Revenue	EV/ EBITDA
Consumer Discretionary	\$ 487,477	1.23x	8.46x
Energy	\$ 373,020	1.82x	6.37x
Industrials	\$ 356,530	1.16x	9.12x
Information Technology	\$ 329,450	2.00x	8.65x
Healthcare	\$ 287,540	2.35x	9.64x
Materials	\$ 241,416	1.48x	5.84x
Consumer Staples	\$ 207,808	1.19x	9.94x
Telecommunication Services	\$ 92,450	2.29x	6.82x

*All figures are TTM.

Source: Standard & Poor's Capital IQ

SECTOR ANALYSIS

- TTM total transaction value was the highest for the Consumer Discretionary sector partly due to AT&T's intentions to purchase Time Warner for \$109B.
- The Energy sector remains strong with numerous oil & gas consolidations.
- Industrials and IT M&A activity is also strong given the attractive U.S. economic backdrop.
- Valuation multiples have been elevated in the last twelve months as numerous buyers seek a scarce amount of quality assets in the market. Healthcare, Industrials, Consumer Staples, and IT have received the highest median valuation multiples during the TTM period.

U.S. MERGERS & ACQUISITIONS STATISTICS

U.S. Transaction Volume By Deal Size

Transaction Value	Transaction Volume			Aggregate Transaction Value (\$B)		
	1H 2017	1H 2016	% Change	1H 2017	1H 2016	% Change
\$10 Billion +	6	9	-33.3%	\$99.4	\$224.6	-55.7%
\$1B - \$10B	106	89	19.1%	\$294.7	\$257.2	14.6%
\$500MM - \$1B	80	69	15.9%	\$58.0	\$48.7	19.1%
\$250MM - \$500MM	99	147	-32.7%	\$35.2	\$53.0	-33.6%
\$100MM - \$250MM	260	288	-9.7%	\$41.3	\$46.0	-10.3%
\$50MM - \$100MM	315	432	-27.1%	\$22.6	\$30.8	-26.6%
>\$0MM - \$50MM	1,699	2,701	-37.1%	\$25.4	\$35.6	-28.7%
Undisclosed	5,087	5,166	-1.5%	NA	NA	NA
Total	7,652	8,900	-14.0%	\$576.5	\$695.9	-17.1%

Source: Standard & Poor's Capital IQ

Median M&A Control Premiums

Premiums	Years Ended December 31,						
	2011	2012	2013	2014	2015	2016	LTM
One Day	30.9%	37.8%	28.7%	28.2%	23.2%	26.7%	25.3%
One Week	31.8%	37.2%	33.2%	28.5%	26.4%	30.0%	29.0%
Four Week	33.9%	38.7%	38.1%	31.0%	29.7%	33.1%	31.0%

Median M&A Minority Discounts

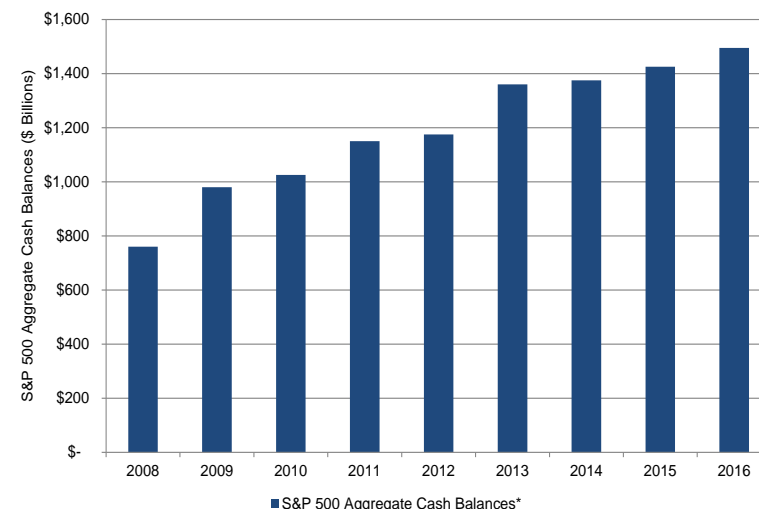
Discounts	Years Ended December 31,						
	2011	2012	2013	2014	2015	2016	LTM
One Day	-23.6%	-27.4%	-22.3%	-22.0%	-18.8%	-21.1%	-20.2%
One Week	-24.1%	-27.1%	-24.9%	-22.2%	-20.9%	-23.1%	-22.5%
Four Week	-25.3%	-27.9%	-27.6%	-23.7%	-22.9%	-24.9%	-23.6%

Source: Standard & Poor's Capital IQ

U.S. M&A Statistics

- 1H 2017 witnessed a sharp decline in mega-deals (\$10B+) and middle-market deals (\$50MM-\$500MM). This was partially offset by strong activity in transactions between \$500MM and \$10B. Smaller deals (below \$50MM) and deals with undisclosed values declined 13.7%.
- Aggregate corporate cash balances have reached record levels of nearly \$1.5 trillion in 2017, further bolstering future potential M&A activity.
- Median control premiums have marginally decreased due to strong equity markets.

S&P 500 Aggregate Cash Balances



*Excludes financial firms.

Sources: Standard & Poor's Capital IQ, PitchBook, Factset

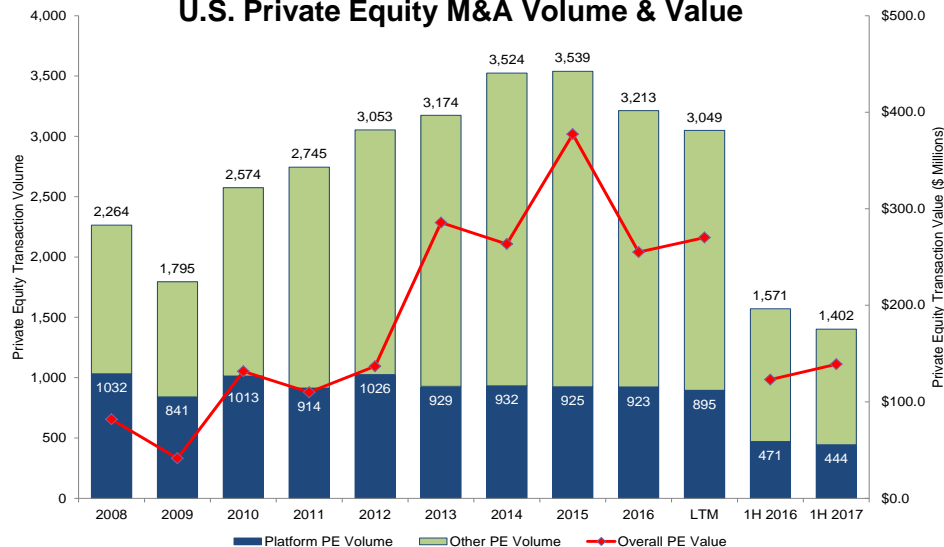
FINANCIAL BUYER ANALYSIS

U.S. Private Equity-Sponsored Acquisitions

- Despite the modest deceleration in transaction volume compared to 1H 2016, the overall value of U.S. PE-backed transactions in 1H 2017 has increased.
- After years of raising capital, private equity firms have accumulated over \$800 billion in dry powder. As these firms begin to deploy this capital, expect competition between financial and strategic buyers, further bolstering M&A activity.

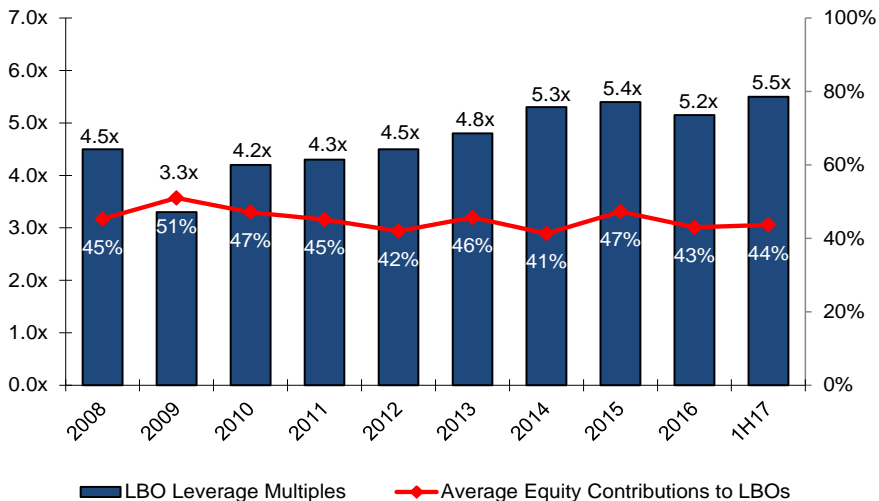


U.S. Private Equity M&A Volume & Value



Source: Standard & Poor's Capital IQ

Middle-Market LBO Leverage Multiples & Equity Contributions



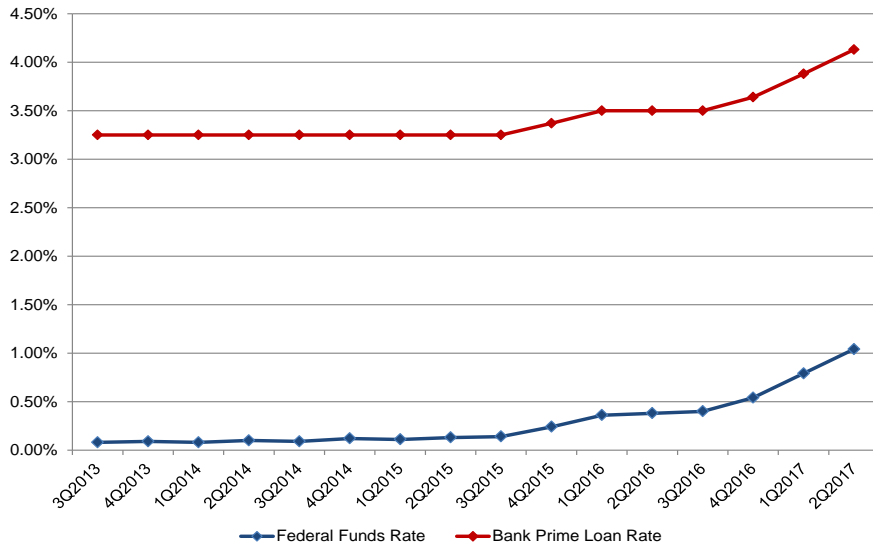
Source: Standard & Poor's LCD

Leveraged Buyout Statistics

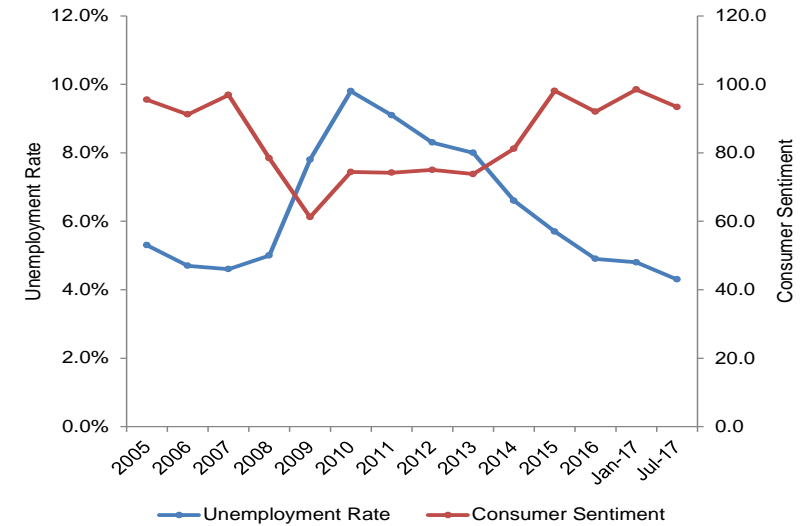
- Private equity-backed company inventory has increased to over 7,100 firms in 2017, representing nearly a 50% increase over inventory dating back to the late 2000's.
- Financing conditions for the pursuit of LBOs remain favorable, as middle-market LBO leverage multiples increased to 5.5x in 1H 2017.
- Conditions in the middle-market lending environment have been increasingly competitive.
- Average equity contributions to LBOs are at 44% for 1H 2017, which has remained relatively consistent over the past several years.

Economic Performance

Federal Funds Rate & Prime Lending Rate



Unemployment Rate & Consumer Sentiment

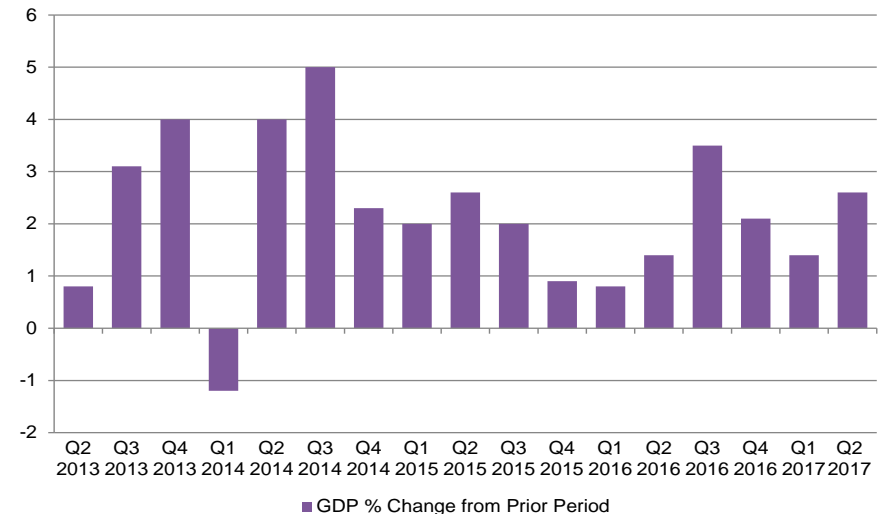


Economic Analysis

- As post-election turmoil dissipates, the U.S. economy continues to advance and strengthen.
- The Federal Reserve has raised the federal funds rate three times since December to a current target range of 1.00%-1.25%.
- In 1H 2017, the unemployment rate has reached historically low levels, dropping down to 4.3%. Consumer sentiment, often used as an indicator of overall economic health in the eye of the consumer, has remained in the upper-90's.
- Given this strong performance, and that GDP has increased 2.6% over Q1, expect to see increasing M&A activity in 2H 2017 as the economy continues to strengthen.

Sources: Federal Reserve Bank of St. Louis, Bureau of Labor Statistics, Bureau of Economic Analysis.

GDP Percent Change

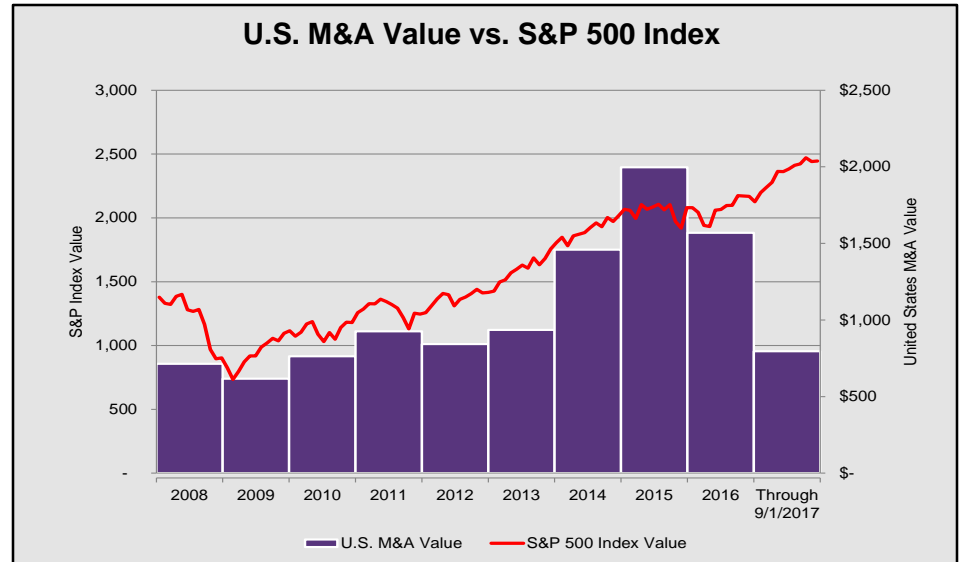


Stock Market Performance

Industry	TTM Sector Performance	Enterprise Value (EV) (\$MM)	EV/LTM Total Revenue	EV/LTM EBITDA
Energy	-10.80%	6,908,198	1.5x	8.1x
Materials	10.23%	7,261,352	1.6x	9.3x
Industrials	13.45%	12,342,770	1.4x	11.2x
Consumer Discretionary	9.30%	12,451,593	1.4x	10.7x
Consumer Staples	0.60%	8,172,467	1.5x	13.2x
Healthcare	8.57%	7,644,332	2.4x	13.6x
Information Technology	26.81%	11,366,810	2.6x	13.6x
Telecommunication Services	-8.24%	3,957,809	2.1x	6.8x

*Through 9/1/2017

Source: Standard & Poor's Capital IQ



Source: Standard & Poor's Capital IQ

Stock Market Analysis

- During the first half of 2017, equity markets reached all-time highs, with the S&P 500 approaching 2,500.
- Factors contributing to the success of the stock market are corporate earnings growth, low interest rates, and improving macroeconomic conditions, including unemployment near 4.3%, low to moderate inflation, and the general stability of GDP.
- Strength in the U.S. equity markets has helped bolster U.S. M&A activity. Expect value to remain robust as corporations pursue transactions to supplement organic growth.

Industry Performance

S&P 500	9.27%	MSCI World Index	11.07%
Top Performing Industries *	% Change	Worst Performing Industries *	% Change
Technology Hardware, Storage and Peripherals	36.63%	Energy Equipment and Services	-26.13%
Internet Software and Services	28.06%	Oil, Gas and Consumable Fuels	-15.46%
Internet and Direct Marketing Retail	27.24%	Multiline Retail	-14.91%
Software	25.61%	Trading Companies and Distributors	-13.93%
Aerospace and Defense	25.55%	Construction and Engineering	-12.34%

*By index value.

Source: Standard & Poor's Capital IQ