

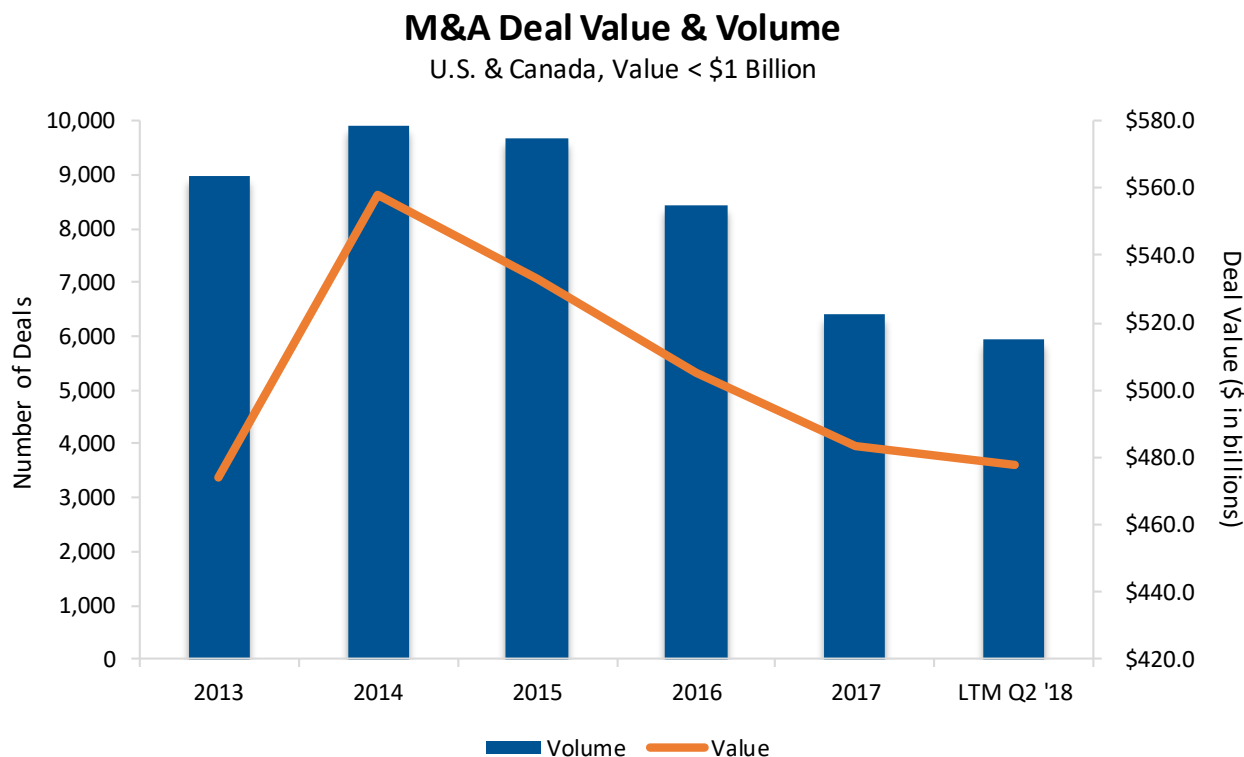
# Capital Markets Update

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2018 – Second Quarter

# Capital Markets Update

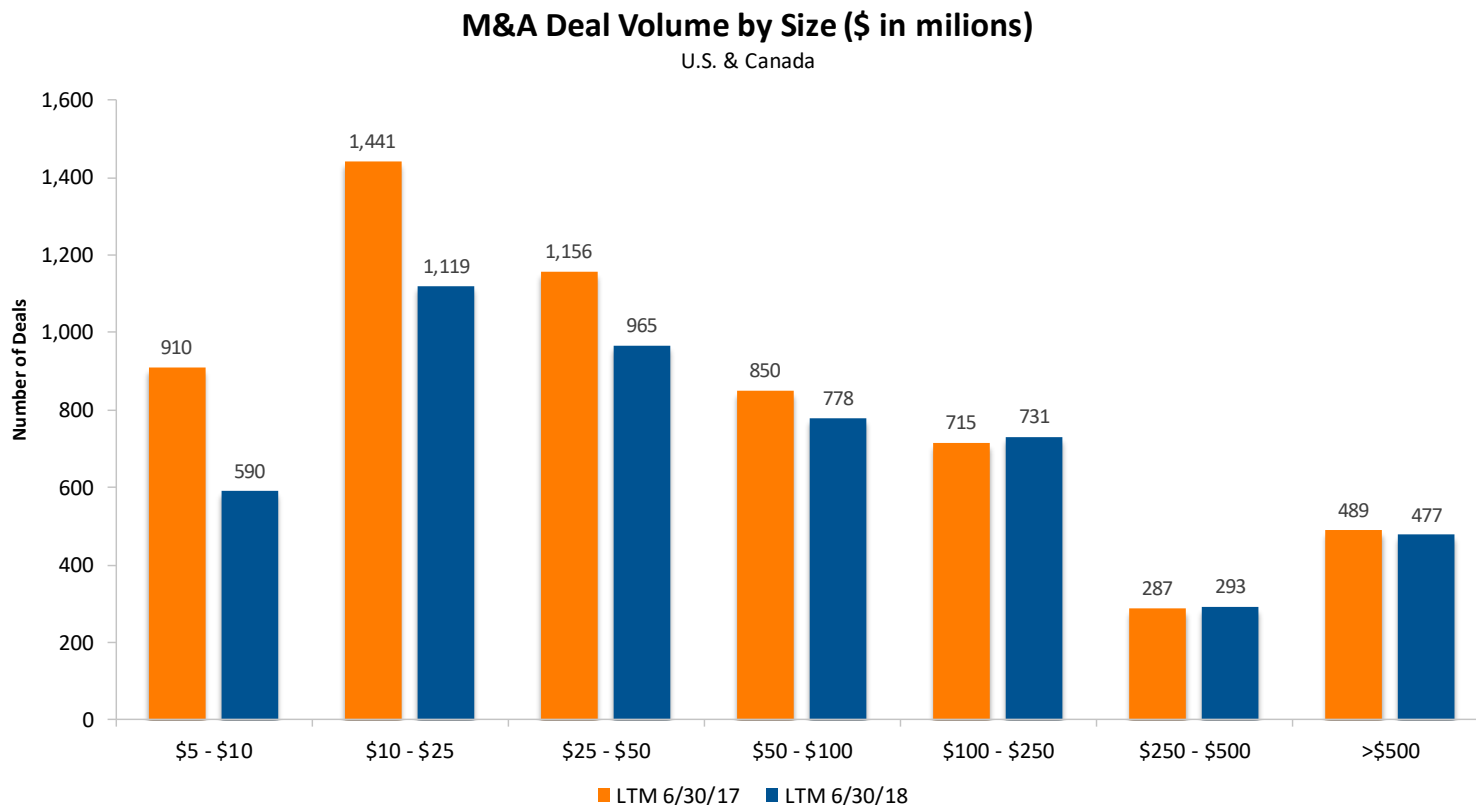
- Merger and Acquisition activity has been on a downward trend since 2014.
- Overall transaction volume decreased 24.0% in 2017, while the total dollar value declined 4.4%, from \$505.3 billion in 2016 to \$483.2 billion in 2017. For the latest twelve months (“LTM”) ended June 30, 2018, total dollar value of transactions is \$477.8 billion.



Source: Capital IQ

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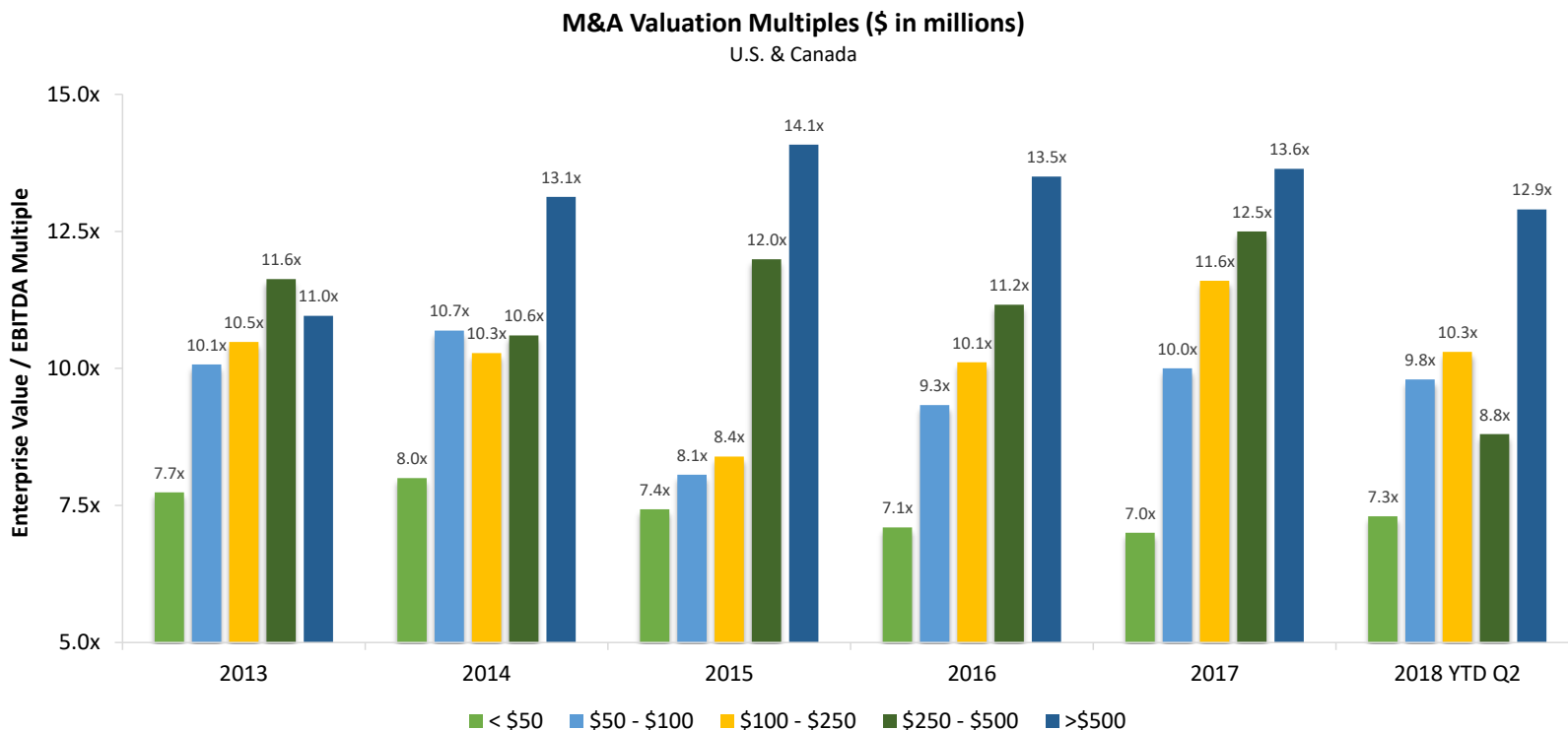
- Merger and Acquisition volume was relatively flat for transaction values of \$250.0 million or more.
- Volume for transactions under \$100.0 million declined 20.8% during LTM June 30, 2018 compared to LTM June 30, 2017.



Source: Capital IQ

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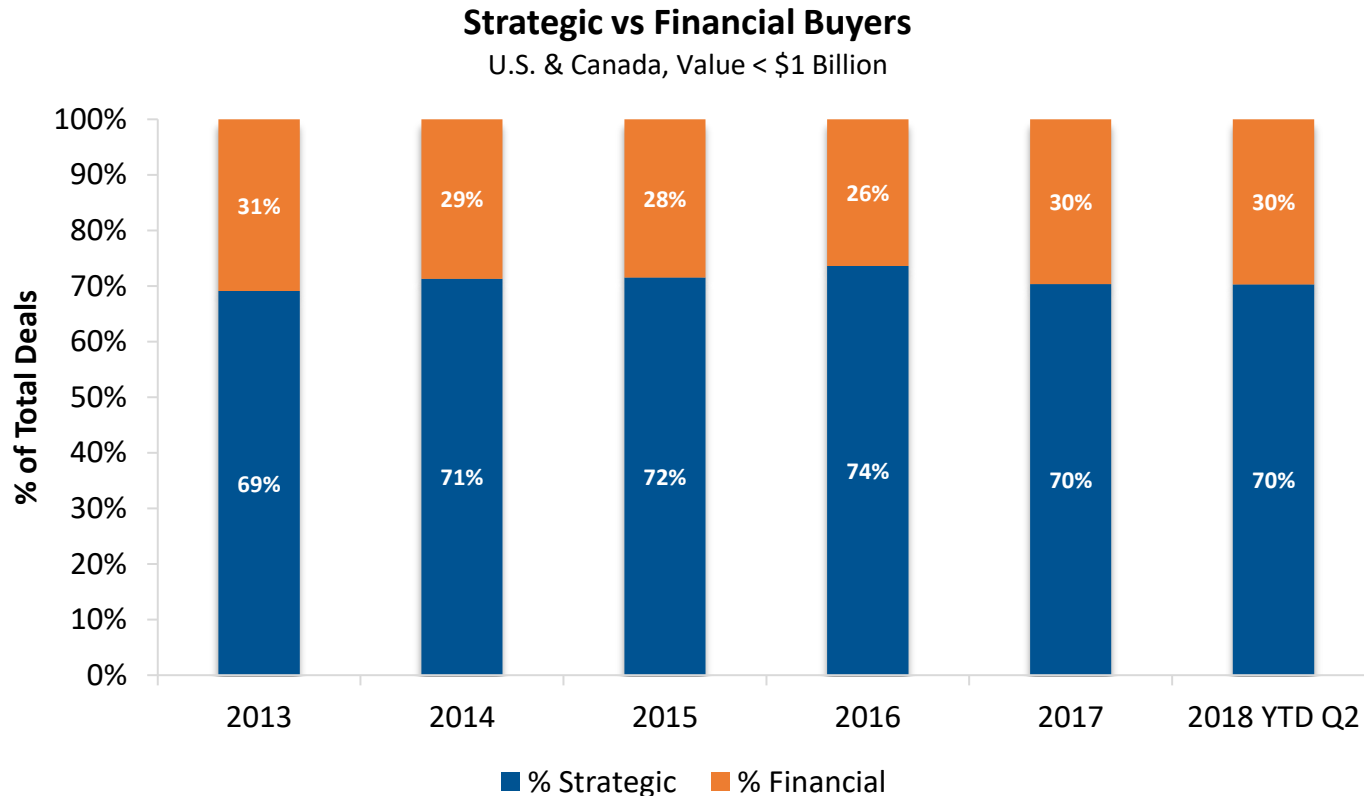
- Transaction sizes greater than \$50.0 million have exhibited lower median EBITDA multiples in the first two quarters of 2018 than for the 2017 calendar year.
- Generally, higher multiples continued to be placed on larger transactions, reflecting a size premium.



Source: Capital IQ

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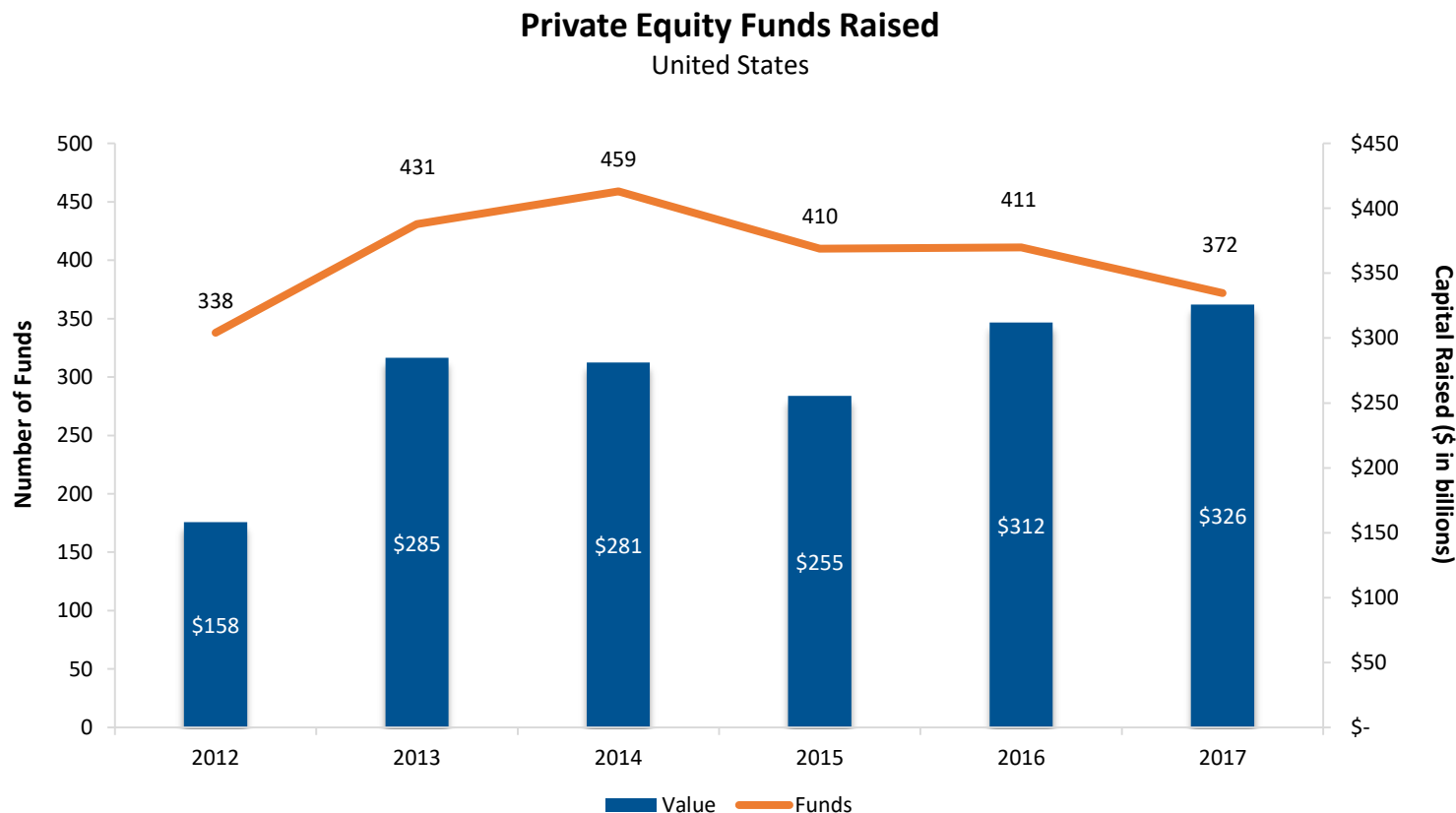
- Transactions with strategic buyers continue to account for approximately 70% of transactions under \$1.0 billion in value.



Source: Capital IQ

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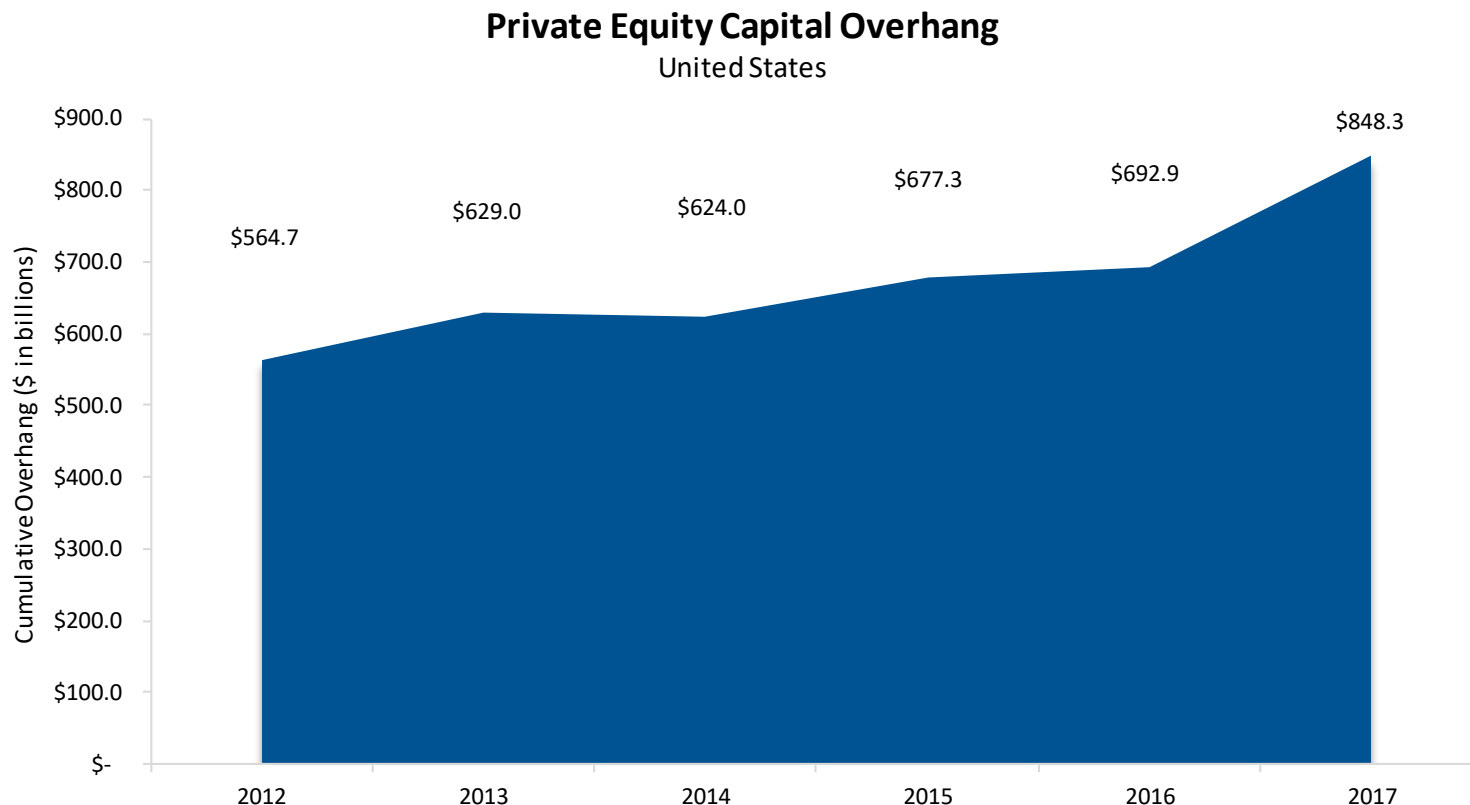
- Capital raised by private equity has continued to increase since 2015 while the number of funds has been decreasing since 2014.



Source: PitchBook

# Capital Markets Update

- Increased fundraising and a slowdown in transaction activity lead to the level of private equity capital overhang in the U.S. market to reach a peak during 2017.



Source: PitchBook