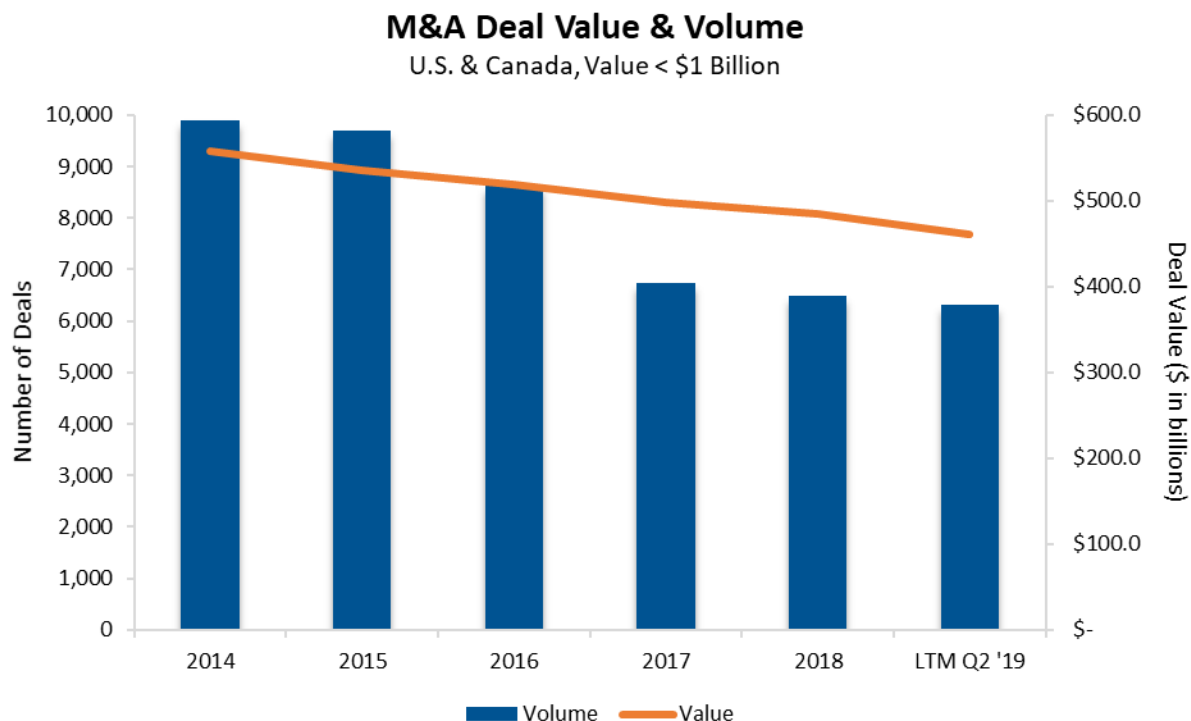


Capital Markets Update

2019 – Second Quarter

Capital Markets Update

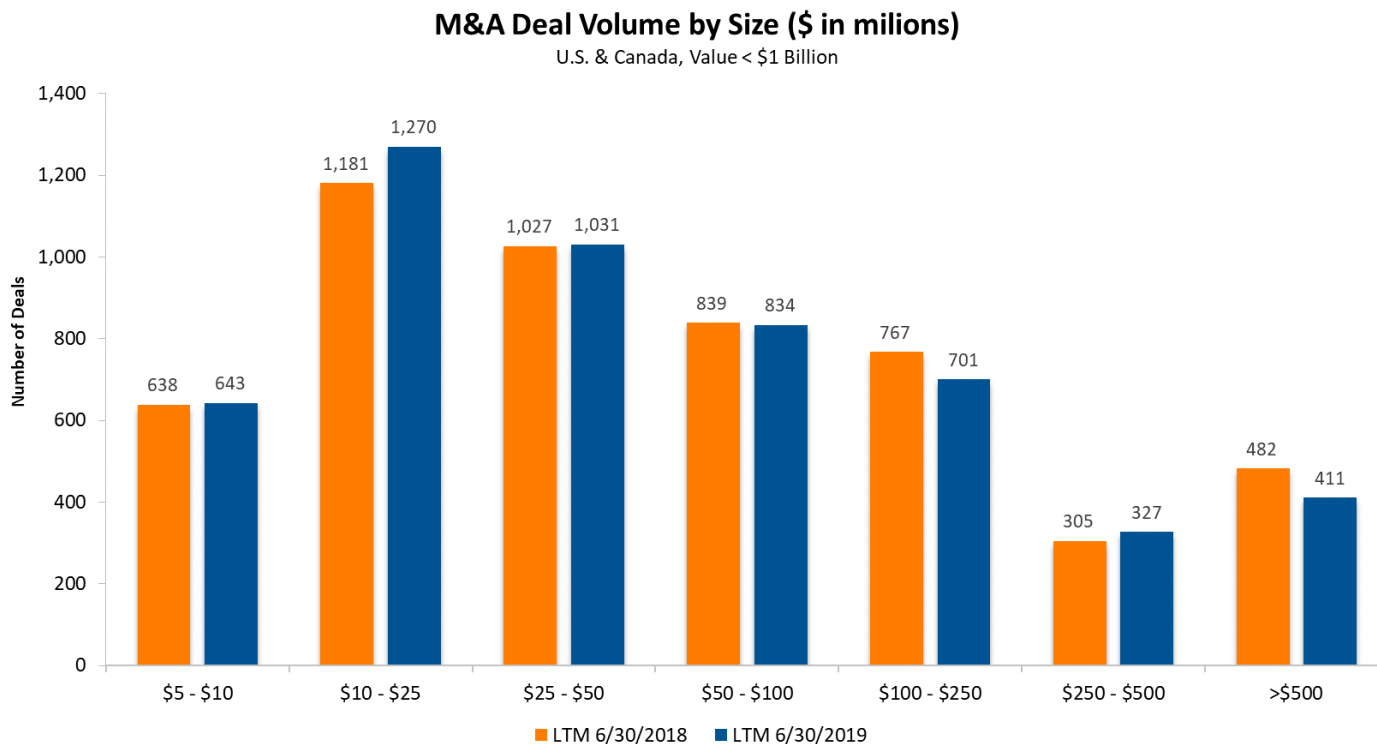
- Merger and Acquisition activity has been on a downward trend since 2014.
- Overall transaction volume decreased by 3.6% in 2018, while the total dollar value declined 2.5%, from approximately \$497.8 billion in 2017 to approximately \$485.4 billion in 2018. For the latest twelve months (“LTM”) ended June 30, 2019, total dollar value of transactions is \$460.7 billion.



Source: Capital IQ

Capital Markets Update

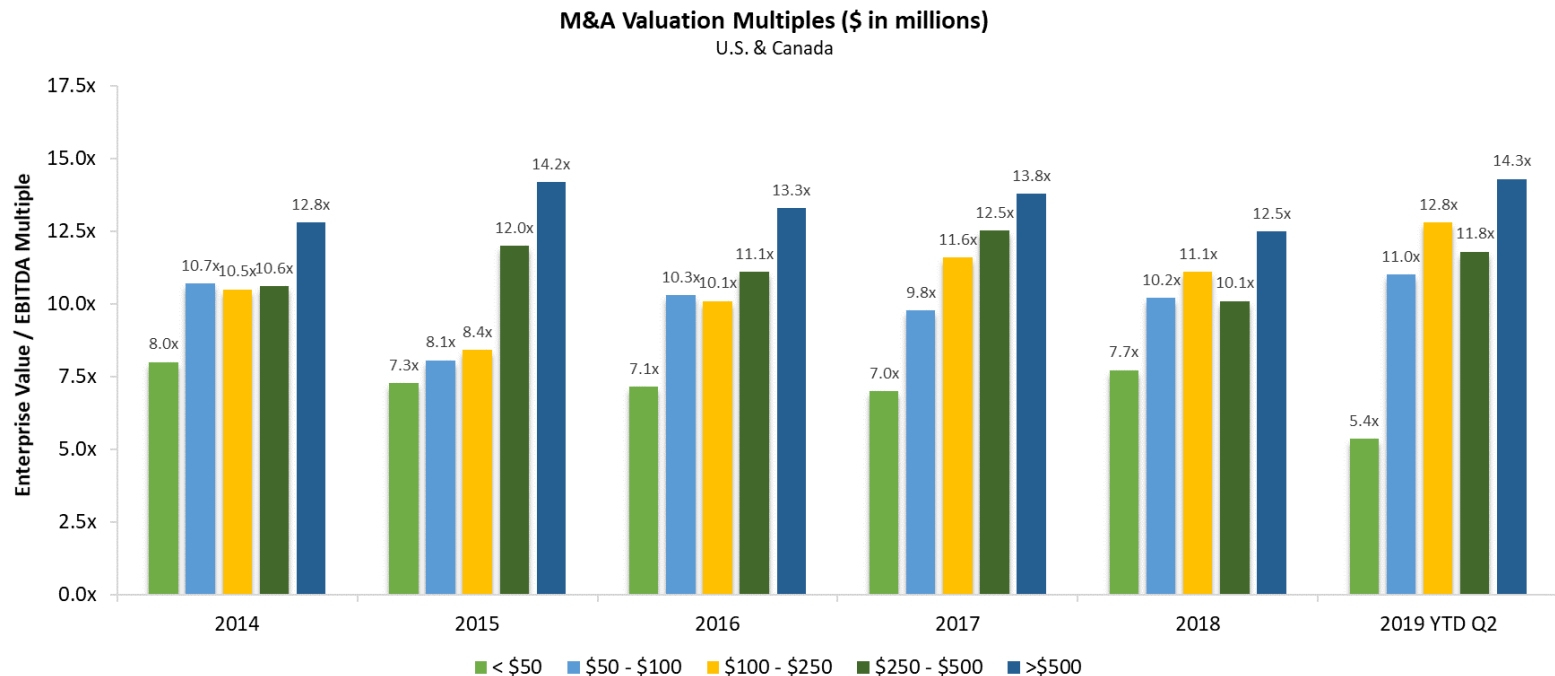
- Total transaction volume increased for transactions under \$50 million in size. However, the transaction volume for deals over \$50 million were trending down for the period.



Source: Capital IQ

Capital Markets Update

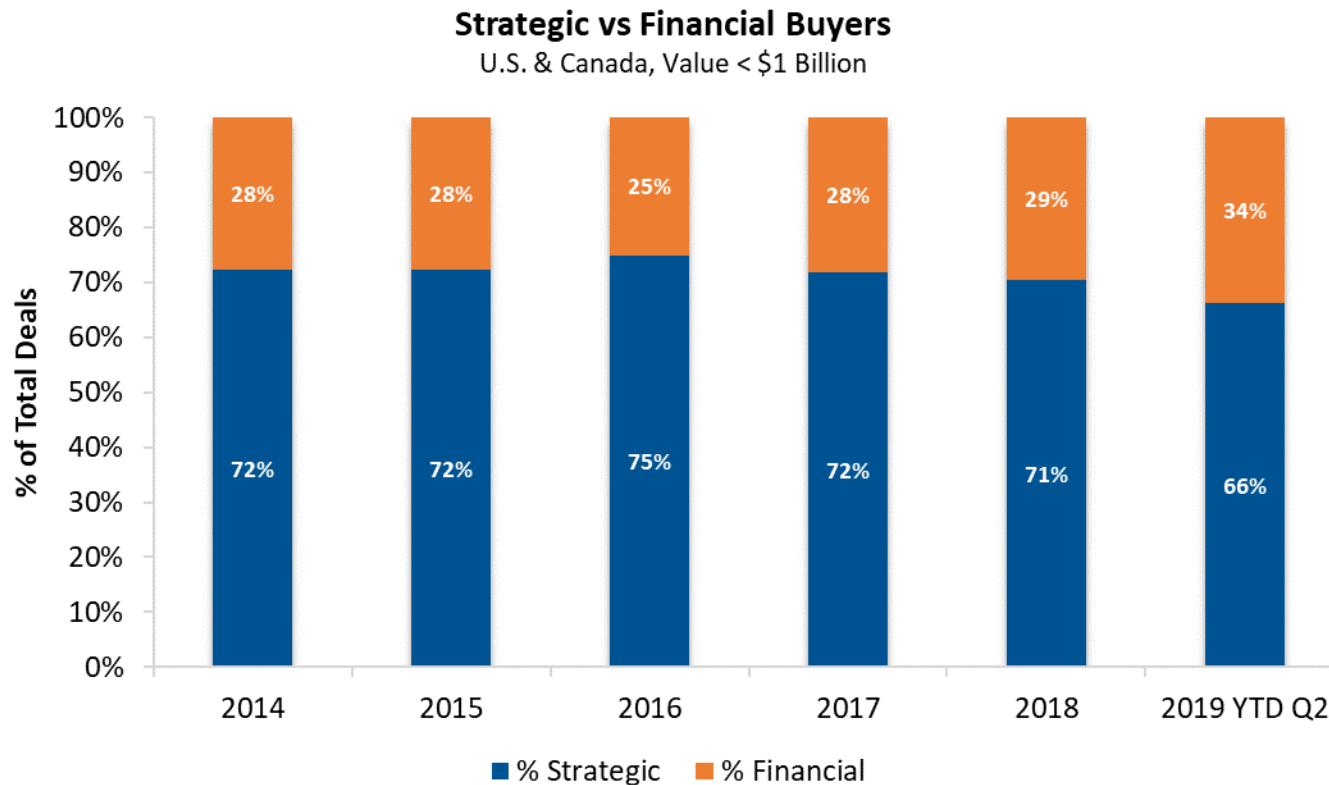
- Median EBITDA multiples for transactions under \$50.0 million rebounded in 2018, before declining in 2019. Median EBITDA multiples for transaction sizes of \$50.0 million to greater than \$500 million in 2019 are pushing 5 years highs.
- Generally, higher multiples continued to be placed on larger transactions, reflecting a size premium.



Source: Capital IQ

Capital Markets Update

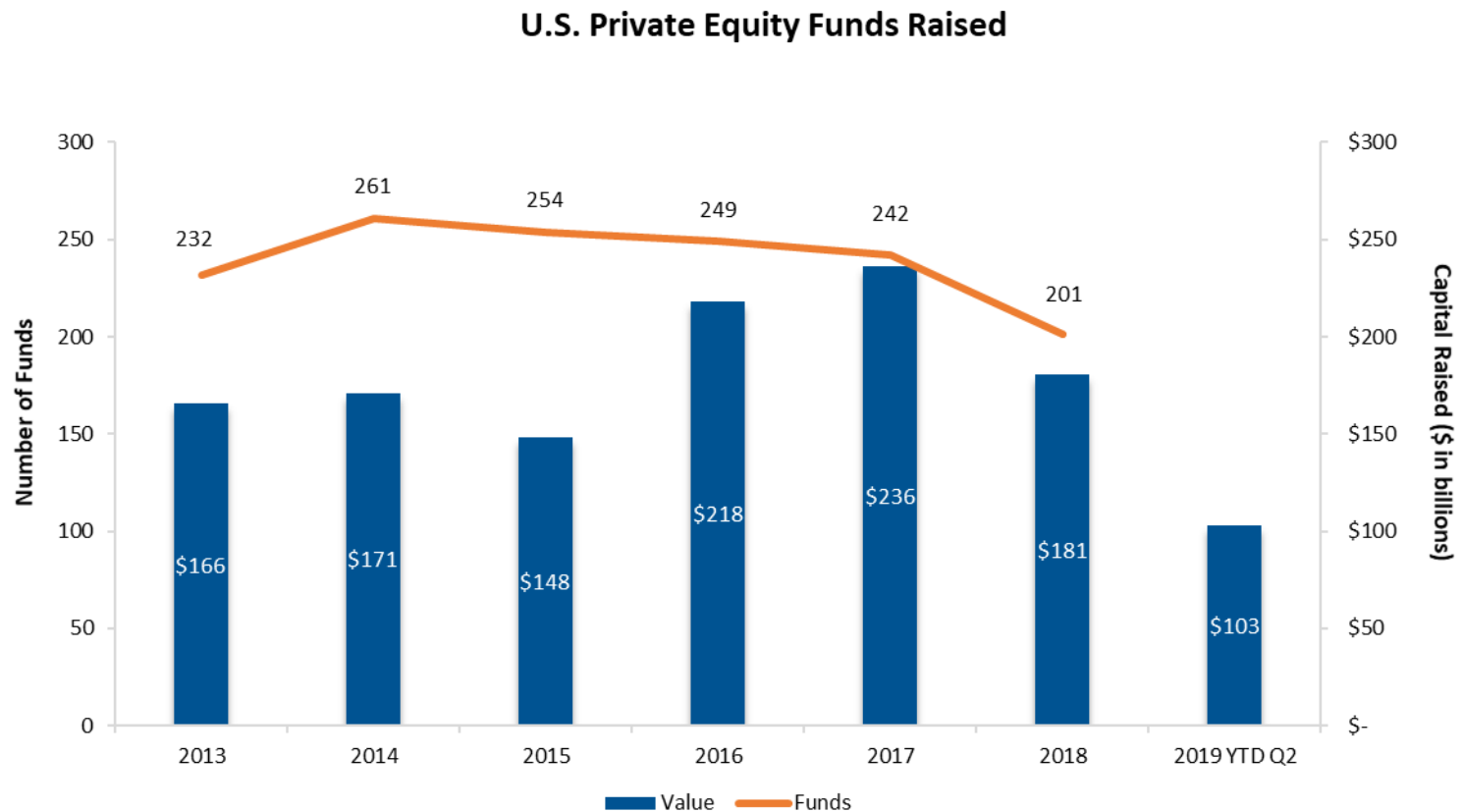
- Transactions with strategic buyers continue to account for approximately 70% of transactions under \$1.0 billion in value.



Source: Capital IQ

Capital Markets Update

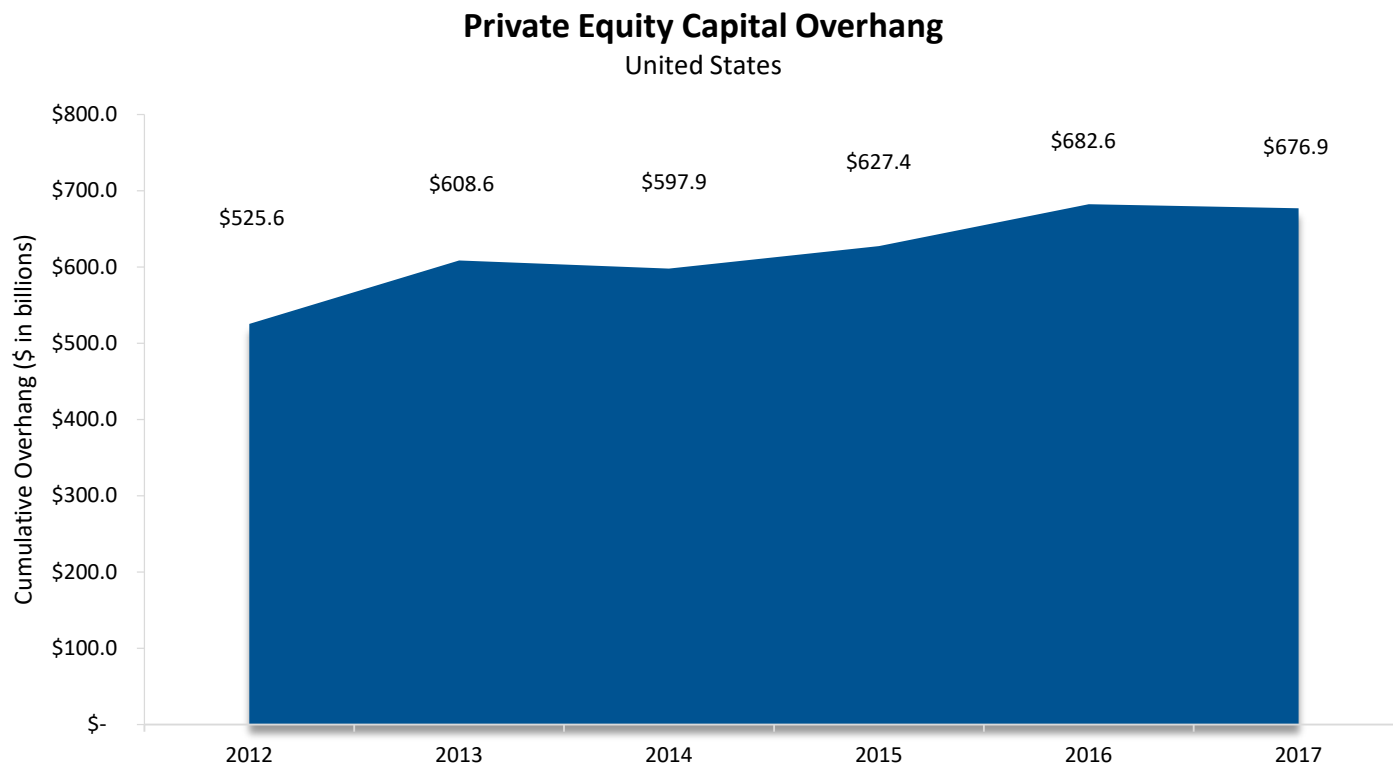
- Between 2016 and 2018, capital raised by private equity decreased 17.0%. The total number of funds raised has declined since 2014.



Source: PitchBook

Capital Markets Update

- Increased fundraising and a slowdown in transaction activity led to the private equity capital overhang in the U.S. market reaching a peak in 2016, before leveling off in 2017.
- In the second quarter of 2019, global private equity dry powder was approximately \$2.5 trillion. The majority of the capital was in the U.S. market.



Sources: PitchBook (Pitchbook has not yet released 2018 U.S. Private Equity overhang results.)

Financial Times "Private equity races to spend record \$2.5tn cash pile" by Javier Espinoza and Eric Platt