MERGERS& ACQUISITIONS
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JUNE 2017

THE 10% SOLUTION

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Minority Stakes

Raising ever-bigger funds is one way to grow a private equity firm. Bringing outside investors aboard is another. While some bulge-bracket firms, most notably the Carlyle Group, have been moving in this direction for decades, selling minority stakes is a relatively new phenomenon in the middle market but one we expect will continue.

The Riverside Co., one of the most active private equity firms in the middle market, recently sold a minority stake in the firm to Parkwood LLC, a private trust company.

"We do not want to spend the next 10 years building our next idea," says Riverside co-CEO Béla Szigethy," in our cover story, which explores the trend. "This capital allows us to explore new opportunities and act quickly when appropriate.

In this issue, you'll also find our Buyer's Guide to Dealmaking 2017. From data providers to online deal networks, these are the products and services that help transaction professionals find deals. One company covered in the Buyer's Guide that's worth mentioning is Axial Networks Inc. Founded in 2010, Axial is an online deal network serving the middle market. More than 12,000 organizations use Axial to source deals and grow networks, according to the company.

"Axial is a business development tool that enables investors, lenders, advisers and CEOs to connect with the most relevant partners at the right time," says Peter Lehrman, Axial CEO and founder. "Particularly in a fragmented and highly competitive market, investors are looking for more efficient ways to discover deal opportunities, and the old way isn't cutting it anymore. We're seeing all types of capital providers turn to Axial to supercharge their deal-sourcing efforts."

Check out our special report on the PE industry coming up in the July/August issue. We'll examine ways the industry is changing and highlights firms to watch.

Mary Kathleen Flynn

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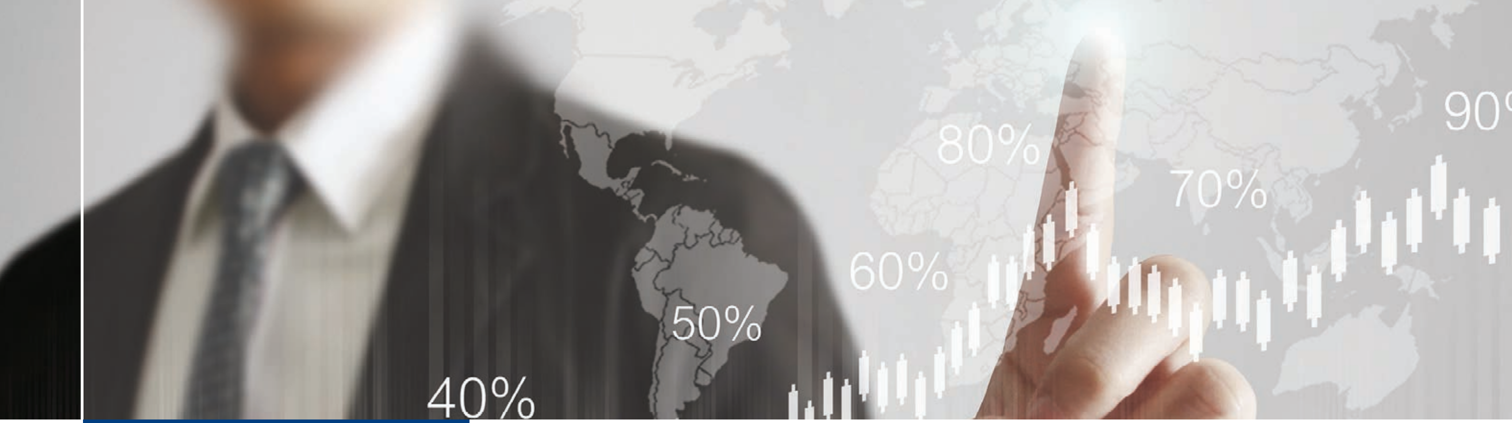

DEAL SOLUTIONS

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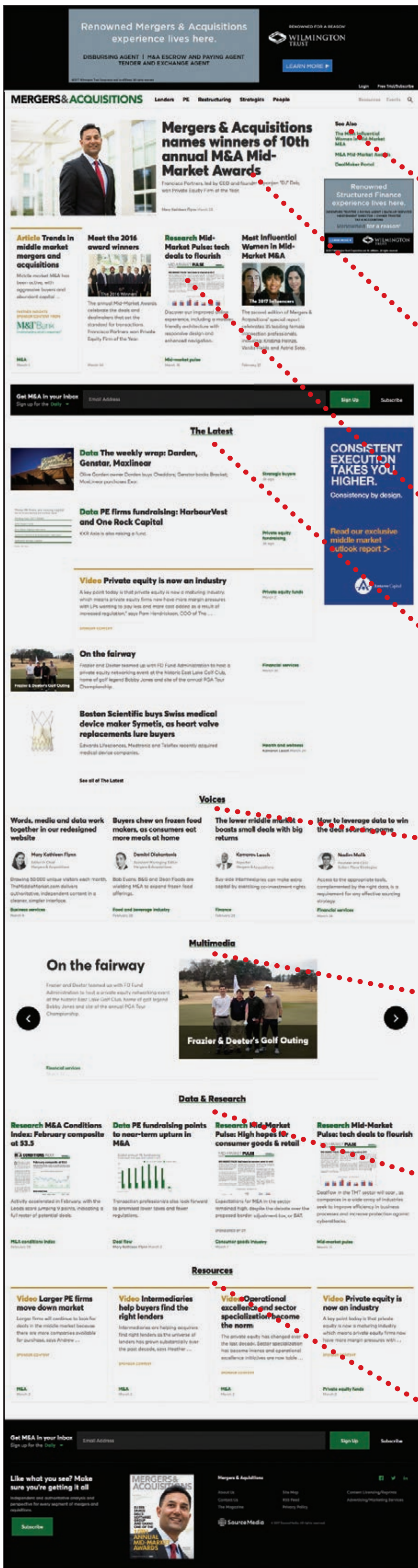


Words, media and data work together in our redesigned website.

The popularity and utility of our website has also been growing over the years. TheMiddleMarket.com draws 50,000 unique visitors each month. We recently revamped the site, giving it a cleaner, simpler interface that delivers our authoritative, independent content in a new user experience built specifically to meet the needs of busy dealmakers.

The home page offers quick access to the annual M&A Mid-Market Awards and The Most Influential Women in Mid-Market M&A.

The lead story showcases significant news and trends affecting the middle market.

The most important recent stories appear on the top half of the home page.

The Latest provides a steady stream of updated content, including news, features, research reports, slideshows and video interviews.

The Voices section highlights opinion pieces, including columns written by our M&A editorial team members and guest articles written by respected dealmakers.

The Multimedia section offers slideshows and videos, featuring prominent thought leaders.

The Data & Research section focuses on reports, including the Mergers & Acquisitions Conditions Index (MACI) and the Mid-Market Pulse (MMP), both based on our proprietary monthly surveys of 250-plus M&A professionals.

Resources showcases sponsored content.

The site has been reinvented to engage the entire community of middle-market dealmakers. Stories scroll, instead of click, so there are no unwanted page breaks. Just one click in the newsletter lets you read the full report on-site in a continuous reading list. The site has been optimized on all devices for ease of use and intuitive navigation, wherever you are.

Investors love pets

Bryan Jaffe, managing director of Cascadia Capital, shares his thoughts on the active M&A market for pet-related deals. Cascadia is a Seattle-based investment bank that helps companies seeking to transact in the capital markets. The bank has advised on numerous pet- related businesses, including Petflow (2017), Manna Pro Products (2015), Nutri-Vet (2015), I & Love & You (2014), PetSmart (2014, in the acquisition of Pet360), Only Natural Pet (2014), Zukes (2013) and Canine Hardware (2012). In one sign of the growing importance of pet deals, Mergers & Acquisitions gave the 2016 M&A Mid-Market Award for Dealmaker of the Year to Gregory Sandfort, the CEO of Tractor Supply Co. (Nasdaq: TSCO), which bought Petsense LLC to expand rapidly in the lucrative pet retail market.

What does all the recent deal activity say about the pet industry?

The pet industry began an evolutionary phase in the second half of 2014, and that continues today. Part of this includes the rise of digital within the pet category. As a result, key industry players are buying assets that position them for success in a world where the consumer increasingly has the upper hand. Digital industry leaders are also consolidating in order to position themselves for greater cash efficiency and likely public offerings.

In the last year, we have seen the merger of A Place for Rover and Dog Vacay; the agreement by PetSmart to acquire Chewy.com; and more than $150 million dollars invested in 46 pet-tech deals. Recently, Cascadia Capital acted as the exclusive financial adviser to PetFlow in its acquisition by Phillips Feed Services, which aims to arm independent retailers for the digital pet race. In addition, Petco Animal Supplies acquired PetCoach and hired its founder as the new head of digital experience.

Online retailers, such as Chewy, are increasingly taking market share from established retailers, even though most major pet store chains operate their own online properties. Today, nearly all major pet brands are available online through a variety of retailers. With their availability now commoditized, sales are driven by a better user experience tending to favor early, online-only pioneers like Chewy that are more intuitive to the digital consumer.


Bloomberg News

Additionally, the success of Rover, which recently acquired DogVacay, demonstrates that the discretionary services side of the market is also under siege.

Fiscally conservative companies are hesitant to acquire companies with no track record of profitability, and some players are waiting for market bargains or reduced valuations. Those who need to act, but are paralyzed by their approach to valuations, may seek to partner with others. Whatever the solution, market incumbents need to act quickly to capture the growing, high-volume spend of digital pet consumers.

Do you expect to see more deals in pet-related products in 2017?

We have seen increased volumes of closed M&A transaction since 2H2014 and expect the trend to further accelerate through 2017. We believe this is being driven by the fact that the pet industry is in a transitionary phase. There has been considerable growth in emerging pet owner segments, particularly from Generation X, Generation Y and millennials, who tend to engage with brands and retailers differently. These cohorts now outnumber baby boomers in terms of pet ownership: 35 percent versus 32 percent, according to the American Pet Products Association National Pet Owners Survey. While the baby boomers became the first generation to treat pets as part of the family – a phenomenon commonly referred to as the "humanization of pets" and still cited by many executives today – these younger generations have grown up only knowing their pet as a "peer."

Today, the expectations for domestic pets are even higher. A new generation of consumers favors pet products that reflect the same standards for packaged goods they would buy or consume for personal use. Whether that is a hard or soft good, food, or healthcare, the pet industry is now being shaped by this trend that we think transcends humanization and is more akin to personal wellness.

When an industry undergoes changes of this magnitude, M&A velocity tends to increase as the progressive major market participants take advantage of growing trends and acquire innovative new players. That said, the pet industry, despite its size, has a relatively small number of strategic buyers with deep pockets. If these companies do not maintain an active M&A bias, volume will adjust accordingly.

What kinds of pet-related companies are getting funded?

Private and growth equity continue to have a strong appetite for the pet industry, given the consistent consumer demand.

Pet food and treat companies will continue to see capital inflows if they are on trend and of critical mass. We also expect more deals where mid-sized brands partner with private equity funds to achieve partial liquidity and/or buy emerging competitors.

Within retail, operators of small and mid-sized boxes will continue to experience the strongest growth among physical retail formats, and consolidation opportunities will follow as consumers continue to favor their local pet stores. However, the risk of market erosion of these franchises from online players is likely to influence valuations and interest.

Finally, the pet healthcare space will continue to see significant capital inflows into over-the-counter pet healthcare, walk-in veterinary clinics, and those companies that serve this evolving ecosystem in a more personal and cost-effective way.

Why is the timing right for this subsector of consumer goods and retail?

The pet industry is generally viewed as recession-resistant. From a macroeconomic standpoint, we are late in the cycle. This means private equity acquirers want to buy companies they are confident about owning through a market downturn and where multiples are less likely to contract. This is a primary consideration driving their decision-making.

Strategic buyers have a different perspective, as they are preparing for the next phase of growth and industry evolution. Whether that involves acquiring digital assets or buying brands, the traditional pet retailers are keen to offset the exposure of their core franchise, either from disruption or increased competition. For each of the past five years, our pet industry index of publicly traded companies has outperformed the S&P 500, further supporting our premise that industry conditions continue to be favorable.

Are households spending more on pets than in the past and why?

Households increasingly spend more money on their pets. According to GfK Global, which tracks certain segments of the industry, pet food prices increased approximately 40 percent per pound between January 2011 and February 2016. This shift reflects the trend of owners seeking to feed their companion animals higher-quality foods; manufacturers and retailers are capitalizing on this trend and driving up the price per transaction. Additionally, according to the Bureau of Labor Statistics' Consumer Price Index, veterinary price inflation was 15.4 percent over the same period. However, at some point, consumers' willingness to spend on their pets will hit a cap. As a result, the industry risks a flattening of the growth curve and, in some categories, a deflationary cycle. We see an increasing number of new product offerings in pet food characterized as value-oriented premium, indicating that manufacturers also recognize these concerns.

Wing Hing

What consumer goods and retail trends are being played out in the pet category?

The growth phase of the pet industry was driven by companion animal owners' increasing willingness to treat pets as family members and, consequently, purchase products or services reflecting this. The behavioral pattern is commonly referred to as the humanization of pets.

Now, consumer behavior has evolved

Ethnic cuisine entices dealmakers

Private equity firm Swander Pace Capital has acquired Passport Food Group, a manufacturer of internationally-flavored foods for the foodservice and retail channels in North America. Financial terms of the deal were not disclosed.

Passport offers more than 125 flavored products to restaurants and retailer chains across the U.S. Passport's foodservices products such as Southeast Asian noodles, wraps, and fortune cookies that are sold under the company's Wing Hing and House of Bee brands. The target's customers include: Applebee's, P.F. Chang's (Nasdaq: PFCB), Panda Express, Cheesecake Factory (Nasdaq: CAKE), and Houlihan's. Passport was previously owned by private equity firm Wedbush Capital Partners. Swander Pace is a private equity firm that has invested in more than 45 companies since its inception in 1996 and targets companies with up to $500 million in revenue.

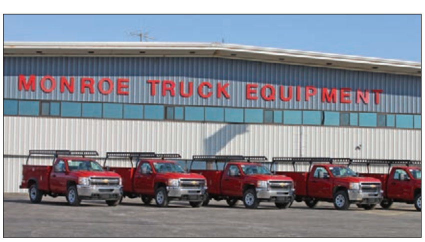
Globalization has made international cuisine more popular. Some other deals include: Palladium Equity Partners' investment in Hispanic food producer Del Real Foods; Findus' purchase of La Cocinera, a maker of chilled-dough products; Diaz Foods' acquiring La Cena Fine Foods, a manufacturer of branded Caribbean food and drinks; and Ajinomoto's purchase of nacho bites maker Windsor Quality Holdings LP. **—By Kamaron Leach** beyond humanization and is increasingly motivated by wellness decisions. Consumers appear to be motivated by the health, happiness and well-being of the companion animal. The results have spurred a shift in spending toward consumables with the cleanest ingredients at the consumers' desired price point, solutions with a transparent production pedigree, and products that contribute to a pet's physical and emotional development.

—By Mary Kathleen Flynn

Revving up auto deals

Industrial Opportunity Partners (IOP) platform company Monroe Truck Equipment Inc. has acquired Towmaster Inc., a Midwest manufacturer of trucking equipment. Financial terms of the deal were not disclosed.

Towmaster designs low-bed utility and industrial trailers, snow and ice removal tools, and sanding equipment for trucks. The Litchfield, Minnesota-based target serves customers in the construction, landscaping, and agricultural end-markets.



Monroe Truck Equipment

Monroe is a U.S. manufacturer of trucking equipment for the municipal and commercial industries. The Monroe, Wisconsin-based buyer will now have seven facilities throughout the Midwest with the addition of Towmaster. Monroe's facilities now span more than 550,000 square feet with approximately 800 employees. IOP acquired Monroe from its $275 million Industrial Opportunity Partners II fund.

The deal for Towmaster follows the firm's recent platform investment in roofing manufacturer Union Corrugating Company Holdings Inc. The Evanston, Illinois-based PE firm used the same IOP II fund to acquire wood molding distributor Alexandria Moulding Inc. in 2016 and hardwood manufacturer Coldwater Veneer Inc. in 2015. IOP's other investments from the Industrial Opportunity Partners II fund include: AAA Sales & Engineering Inc., Aarrowcast Inc., El Dorado Packaging Inc., KIC LLC, Betty Machine Co. Inc. and Coldwater Veneer Inc.

Businesses involving trucking and automotive equipment have become attractive targets across the middle market. Some related deals include: W.W. Williams', backed by One Equity Partners, purchase of truck maintenance company ASH; Carl Icahn's purchase of Pep Boys - Manny Moe & Jack; Platte River Equity's acquisition of CTS Engines; Ridgemont Equity Partners' purchase of Worldwide Express from Quad-C Management; and Roark Capital-backed Driven Brands completed deal for Take 5 Oil Change Inc.

Rice & Associates served as financial adviser to Towmaster. Freeport Financial Partners LLC provided financing, while Winston & Strawn LLP served as legal adviser to IOP on the deal.

—By Kamaron Leach

Grocers consolidate

Supervalu Inc. (NYSE: SVU) has agreed to acquire West Coast grocery store distributor Unified Grocers Inc. in an acquisition valued at $375 million. The deal fuses two complementary grocery wholesalers with combined sales of approximately $16 billion in 2016, amid heavy price competition in the U.S.

Unified Grocers is a retailer-owned wholesale grocery distributor founded in 1922. The target, headquartered in Commerce, California, supplies independent retailers throughout the Western U.S. Unified Grocers, through six distribution centers, offers resources and grocery materials for its customers to compete in the supermarket industry. Following completion of the merger, Unified Grocers will be a wholly-owned subsidiary of the buyer.

Bloomberg News

Supervalu, based in Minnesota, is one of the largest grocery retail suppliers in the U.S. Together, Supervalu and Unified Grocers operate 24 distribution centers supplying more than 3,000 stores and customers across 46 states. The deal is expected to close in the second quarter of 2017. In October 2016, Supervalu off-loaded its Save-A-Lot grocery chain business for nearly $1.37 billion in cash. The deal occurred amid heavy price competition in the U.S., reinforcing a broader shake-up and consolidation in the grocery store sector.

Other related deals in the grocery sector include: Haggen Inc.'s purchase of 146 grocery stores on the west coast of the U.S. for an undisclosed amount; Apollo Global Management LLC's (NYSE: APO) deal to buy grocer The Fresh Market Inc. (Nasdaq: TFM) for about $1.4 billion in

cash; and Kroger Co.'s (NYSE: KR), one of the largest U.S. grocery store chains, acquisition of Harris Teeter Supermarkets Inc. for $2.5 billion in cash.

RBC Capital Markets LLC is serving as financial adviser to Supervalu, while Faegre Baker Daniels LLP and Cleary Gottlieb Steen & Hamilton LLP are acting as legal counsel. Moelis & Co. LLC (NYSE: MC) is acting as financial adviser to Unified Grocers and Sullivan & Cromwell LLP is serving as legal counsel.

—By Kamaron Leach

Why deal pros admire coating makers

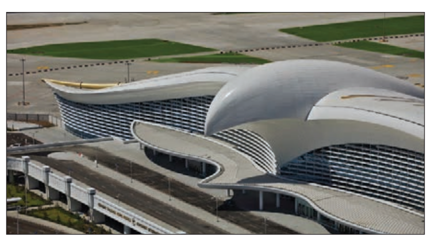
Axalta Coating Systems (NYSE: AXTA) has made an agreement with The Valspar Corp. (NYSE: VAL) and The Sherwin-Williams Co. (NYSE: SHW) to acquire Valspar's North American industrial wood coatings business. The deal, valued at approximately $420 million in cash, comes in connection with the reviews by the Federal Trade Commission and Canadian Competition Bureau regarding Sherwin-Williams' proposed acquisition of Valspar.

Valspar's North American industrial wood coatings business, currently known as Valspar Wood, is a provider of coatings for the original equipment manufacturer (OEM) and aftermarket industrial wood industries. The target's coatings are used on building products, cabinets, flooring and furniture materials in North America. The business generated $225 million in revenue in 2016, and operates using a variety of brand names, including: Zenith, Lustre Lac and Graintone.

"This is an outstanding opportunity for Axalta to enter the large industrial wood coatings market," states Axalta CEO Charlie Shaver. "This acquisition continues to build on our strategy to strengthen and further diversify our Performance Coatings segment."

Axalta, headquartered in Philadelphia, is also a global provider of coatings materials. The buyer's products are used on light OEM vehicles, commercial vehicles, and refinish applications to electric motors, pipelines and buildings. In March 2017, Axalta coated the Ashgabat International Airport in Central Asia. The buyer plans to operate Valspar's North American business as a tuck-in acquisition. As part of the deal, Axalta will acquire the personnel, the dedicated manufacturing sites, the research and development assets, and the underlying intellectual property of the business.

Coating companies continue to attract buyer interest. TA Associates backed coatings supplier Ideal Cures Private Limited; Axalta Coating Systems Ltd. (NYSE: AXTA) has purchased Netherlands distributor Geeraets Autolak; Audax Private Equity-backed Innovative Chemical Products (ICP) bought adhesives maker Fomo Products Inc.; and PPG (NYSE: PPG) is acquiring MetoKote Corp.


Axalta Coating Systems

The current transaction is subject to the closing of the Valspar and Sherwin-Williams merger. Centerview Partners LLC is acting as financial adviser to Axalta, and Morrison & Foerster LLP is serving as legal counsel. Deutsche Bank AG is providing financing to Axalta. Jones Day is acting as legal counsel to Sherwin-Williams.

—By Kamaron Leach

Plastics: the sector buyers continue to go after

Marmon Engineered Components Co. has acquired plastics parts maker Prism Plastics from Altus Capital Partners for undisclosed terms. The buyer is owned by Warren Buffett's Berkshire Hathaway (NYSE: BRK.A).

Chesterfield, Michigan-Prism, founded in 1999, makes injection molding plastic parts for the automotive, industrials and medical sectors. Altus acquired the company in 2014 and in 2016, Prism purchased Tech Molded Plastics.

Marmon, located, in Chicago is a diversified industrials manufacturer. The company operates four divisions: Marmon Energy Services Co.; Marmon Engineered Components Co.; Marmon Food, Beverage & Water Technologies Co. and Marmon Retail & Highway Technologies Co. Marmon makes parts for food equipment, electrical and plumbing supplies, and commercial vehicles.

Demand for plastic parts has been rising. Berry Plastics Group Inc. (NYSE: BERY) acquired rival AEP; Turnspire Capital purchased United Plastics; Wind Point and Ontario Teachers' Pension Plan bought Aurora Plastics.

—By Demitri Diakantonis

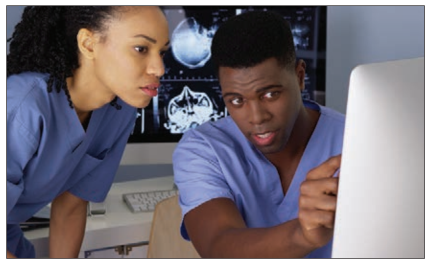
As regulations shift, PE firms invest in health data

Ciox Health LLC, a portfolio company of investment firm New Mountain Capital, has acquired healthcare data service provider ArroHealth. Financial terms of the deal were not disclosed.

ArroHealth is a provider of chart

retrieval and risk adjustment services for health plans and healthcare provider groups. The Hauppauge, New York-based target offers a variety of services, including: analytics, medical record retrieval, data aggregation, and risk adjustment coding. The acquisition strengthens Ciox's capability to deliver workflow-driven processes and technology needed to facilitate the management and exchange of protected health information.

Ciox Heatlh, headquartered in Alpharetta, Georgia, facilitates the movement and transfer of healthcare information. The buyer manages the release of information, record retrieval, and health information management process. Ciox Health reports a 98 percent retention rate among its health information management clients.


Adobe Stock

Originally driven by the Obama administration's Affordable Care Act, medical professionals have shifted their interest to new technology and healthcare data providers, despite regulatory uncertainty due to a change in presidential administrations. Related deals include: WNS Holdings Ltd. (NYSE: WNS) acquisition of management company HealthHelp; Genstar Capital's buying of Bracket Global LLC, a data collection service provider; and Thoma Bravo LLC's purchase of MedeAnalytics Inc., a cloud-based financial performance analytics company. **—By Kamaron Leach**

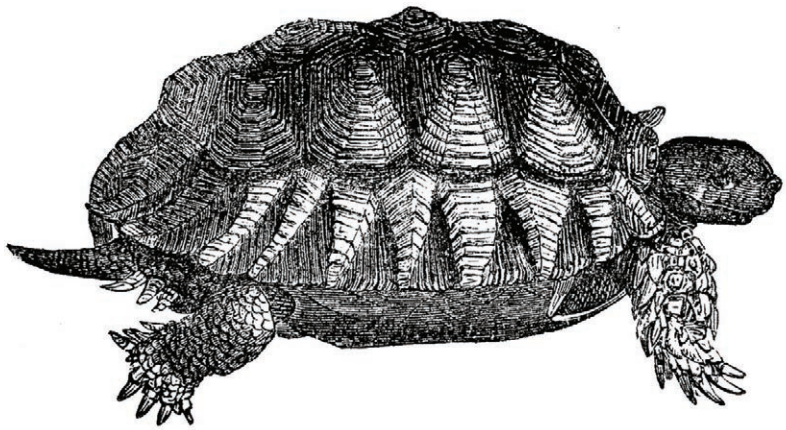


Figure 1:
Typical Paying Agent Process

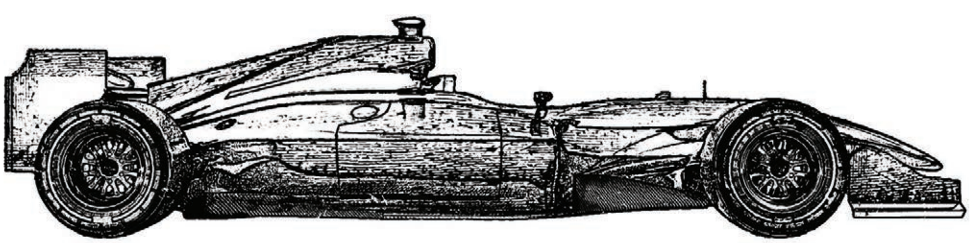


Figure 2:
Wilmington Trust FASTTRACK

Private Equity Perspective

New Cybersecurity Rules

KEITH BUTTON

Private equity firms doing business in the state of New York must adopt cybersecurity protections to comply with new requirements issued by the New York Department of Finance. The goal of the regulations is to avoid customer data breaches and other cybersecurity breakdowns, such as the suspected hacking of Chipotle customers' debit and credit card information and the breach that exposed AMP Futures trading account applicants.

"Firms must certify that customer data is secure at all times, including when it is in transit to and from the cloud."

The new cybersecurity regulation, which applies to all financial services companies in the state, went into effect on March 1. Companies have 180 days to comply with some of the requirements and up to two years to comply with all of them.

PE firms will have to show the steps they take to protect data access privileges, and how they establish a sound audit trail to track their handling of sensitive data, says Steve Durbin, managing director of the Information Security Forum, a non-profit association that offers best-practice guidance and consulting services on cybersecurity.

For many firms, the compliance burden will be more of a task of documentation than of implementing new procedures, Durbin says: "If you think about the process that PE firms tend to go through, then a lot of them will have fairly structured processes in place already. This is just reinforcing the fact that they need to be able to demonstrate that those things are in place."

New York seems to be particularly concerned about third-party data breaches, such as data leaked from cloud computing service providers, Durbin says. Companies will have to certify that their customers' data is secure at all times, including when it is in transit to and from the cloud and while it is stored on the cloud.

The regulation requires companies to document their due diligence and annual assessment of third-party providers' cybersecurity practices, as well as ensure that the providers use encryption and multi-factor authentication to protect data, and that they promise to meet certain breach notification requirements in their service contracts.

"If you're using a third-party cloud provider, then you need to be having a conversation with that third party about exactly what security is in place and how that maps across what your requirements might be," Durbin advises.

The New York regulation also requires financial services companies to adopt a written cybersecurity policy, identify potential cybersecurity risks, appoint a qualified company employee responsible for cybersecurity, train employees on cybersecurity and have the chairman of the board or a senior officer vouch for the company's compliance. M&A

The Buyside

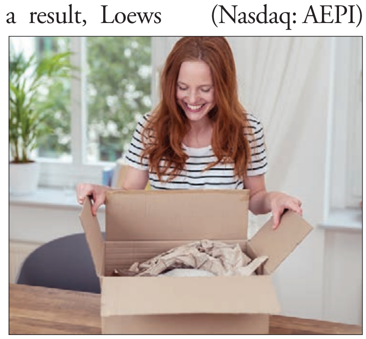
One Word: Packaging

DEMITRI DIAKANTONIS

Consumer markets are growing all over the world, which is creating demand for packaging. This is a trend that is not lost on investors, particularly conglomerate Loews. Other strategic buyers, such as Berry Plastics and Silgan Holdings, are looking to expand their presence in plastic products across the food and beverage and household sectors.

“We have been analyzing the packaging industry for some time, because it fits our key acquisition criteria.”

Loews Corp. (NYSE: L) has been eyeing deals in the packaging sector and says the space will continue to see robust M&A. The New York-based buyer has agreed to buy Consolidated Container Co. (CCC), a manufacturer of plastic packaging materials, for approximately $1.2 billion from Bain Capital Private Equity. As a result, Loews will form a new division called Loews Packaging Group. CCC makes rigid plastic products and also operates a recycled resin business called Envision Plastics. The target specializes in services for the household, food and nutritional pharmaceuticals, industrials, and beverage industries.



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“We have been analyzing the packaging industry for some time because it fits our key acquisition criteria: It is a fragmented industry that generates strong cash flows and we believe it is unlikely to be subject to major technological disruption,” said Loews CEO James Tisch.

Loews provides commercial property and casualty insurance. The company’s three subsidiaries include CAN Financial Corp. (NYSE: CAN), Diamond Offshore Drilling Inc. (NYSE: DO) and Boardwalk Pipeline Partners LP (NYSE: BWP). The buyer also operates Loews Hotels & Co.

Berry Plastics Group Inc. (NYSE: BERY) has also been active in the packaging space. In 2017, the company bought rival AEP Industries Inc. (Nasdaq: AEPI) for $765 million in cash and stock. AEP, based in Montvale, New Jersey makes flexible plastic films for consumer, industrials and agricultural products. In 2015, Evansville, Indiana-based Berry Plastics purchased Avintiv from Blackstone Group LP (NYSE: BX) for $2.45 billion.

In another strategic deal, Stamford, Connecticut-based packaging company Silgan Holdings Inc. (Nasdaq: SLGN), acquired WestRock Company’s (NYSE: WRK) closures and dispensing systems business for about $1 billion. The target manufactures spray bottles, folding cartons, paperboards, kraft paper and tissue materials.

M&A in the packaging sector is poised to rise alongside consumer spending across the globe. M&A

Finance Finesse

Divesting Media

KAMARON LEACH

For more than two decades, innovations in technology and shifts in consumer habits have been disrupting the business models of media and entertainment companies, and companies are still shedding assets to respond to the changes. Among those shrinking to grow are Thomson Reuters, Tribune Media and Tegna. And more media divestments are expected in the months ahead.

> "Thirty-three percent of media and entertainment companies are planning to divest within the next two years."

Advancements in technology are influencing divestment plans from declining and non-core business operations. In October 2016, Thomson Reuters (NYSE: TRI) sold its intellectual property and science business to Onex Corp. and Baring Private Equity Asia for $3.55 billion in cash. The news and wire service provider plans to use nearly $1 billion of the company's net proceeds to buy back shares, pay down debt and reinvest in the company.


Adobe Stock

"On both sides, divestments are good," says John Harrison, global media and entertainment leader at Ernest & Young LLC, who authored the recent EY Global Corporate Divestment Study. For the seller, the company now has a more focused set of operations by removing internal competition, while the company that's being divested is now either an integral part of a bigger company, or a carve-out standalone with the ability to strategically invest in itself. In totality, divestments present synergy opportunities and highlight tax upsides for each prospective buyer.

In February, Tribune Media completed the sale of Gracenote assets, a media data application, for $560 million. The deal generated nearly $500 million in proceeds after tax for the company, with plans to use $400 million to pay down debt and reinvest the remaining proceeds to focus more intently on Tribune Media's local television and entertainment business. Tegna Inc. (NYSE:TGNA) made similar efforts when the company spun off its Cars.com website into a separate publicly traded company in September 2016.

For many companies, dealmakers often see the market not giving any value to a company's non-essential assets. Thirty-three percent of media and entertainment companies are planning to divest within the next two years, according to the EY study.

"We expect to see divestments keep going," according to Harrison. "Smart management teams and boards are taking a hard look to see what they've got and what they need." M&A

THE 10% SOLUTION

Private equity firms are selling small stakes to fund growth. The infusion of cash opens up a range of possibilities, including buying other firms.

By Danielle Fugazy

Raising ever-bigger funds is one way to grow a private equity firm. Bringing outside investors aboard is another. While some bulge-bracket firms, most notably the Carlyle Group, have been moving in this direction for decades, selling minority stakes is a relatively new phenomenon in the middle market. But the private equity industry is maturing, and at firms founded in the 1980s, some general partners are seeking liquidity. They are also eyeing the chance to expand.

In April, the Riverside Co., one of the most active private equity firms in the middle market, sold a minority stake in the firm to Parkwood LLC, a private trust company. In May, Accel-KKR sold a minority equity investment in the firm to Goldman Sachs Asset Management's Petershill program. Over the last few years, several middle-market private equity firms, including Littlejohn & Co. LLC and Vista Equity Partners, have brought aboard outside investors to fund expansion.

In the case of Riverside, Parkwood CEO Morton Mandel and Riverside co-CEO Stewart Kohl have known each other for more than 10 years, and Parkwood has been a limited partner in various Riverside funds for seven years. Mandel, a long-time business leader and philanthropist in the Cleveland area, approached Kohl about buying a stake in Riverside years ago. (Riverside is headquartered in Cleveland and New York.)

"This relationship had been building," says Béla Szigethy, co-CEO of Riverside. "Mort talked to us over 10 years ago. He was really ahead of his time. We weren't considering this then, but as more and more general partners look for access to capital and the market becomes more competitive, we thought now was the right time to enter this type of relationship."

"We do not want to spend the next 10 years building our next idea. This capital allows us to explore new opportunities and act quickly when appropriate," he says.

Riverside intends to spend the capital from the deal on its new debt lending business, its deal businesses in Europe and Asia, and acquiring other private equity firms. "The most immediate opportunities in front of us are to build our credit platform," says Szigethy. "Having said that I don't want to ignore that there are significant opportunities in Europe and Asia. Because those opportunities are right in front of us they may take precedence."

Buying other private equity firms and folding them into the Riverside brand has been on Riverside's radar for some time. "We have been approached about two dozen times by private equity firms from different countries or with different specializations who were looking to join up with a firm that has a strong brand, back office and origination function. Before, we were interested in this idea, but now with this capital I can see it becoming a reality," says Szigethy.

Consolidation within the private equity industry may not be that far off. As it becomes increasingly harder for PE firms to raise funds and grow their businesses, some firms may look to buy other private equity firms, which may allow them to offer new specializations or lines of business. Perhaps this trend is already underway. In April, Schroders announced that it was acquiring private equity firm Adveq. Adveq focuses on global small and medium-sized buyout, turnaround, and growth and venture opportunities. Until this deal, Schroders' private asset business focused only on real estate and infrastructure. Adveq will continue with business as usual.


The Riverside Co.

Béla Szigethy, Stewart Kohl

Parkwood's ownership in Riverside is less than 10 percent and is a non-voting stake. Riverside expects Parkwood to continue to invest as a limited partner in its funds, although that isn't mandatory. Mandel spent 36 years as the chairman of the Premier Industrial Corp., a leading distributor of industrial parts and electronic components.

"Fit is very important," says Kohl. "The wrong partner can make one plus one equal less than two, while the right partner can make one plus one equal more than two. We hold Parkwood in the highest esteem. We are in tune with its mission, which is charitable. We are happy to make money to help Mort and his entity fulfill their philanthropic mission. Mort made his fortune from nothing more than the enormous human capital of Mort and his two brothers, and he does a lot of good with it. We are pleased to be partners."

While this is the first time Riverside has taken capital in exchange for a piece of its business, it may not be the last. However, there are no plans to sell more of Riverside. Szigethy and Stewart plan to remain co-CEOs and have no plans to stop running Riverside or to make personnel changes.

The Riverside-Parkwood deal comes at a time when it has become harder for private equity firms to achieve growth as a result of increased margin pressure. Capital infusions help private equity firms grow more quickly than they could organically in today's environment.

Over the past two years, a number of private equity firms have taken this route. In 2015, Vista Equity Partners sold a less than 20 percent stake to a consortium led by Dyal Capital Partners—a division of Neuberger Berman that focuses on making minority investments in private equity firms and hedge funds. In 2016, Dyal also made a minority investment in KPS Capital Partners. Both were non-voting ownership interests. Other firms are getting in on the action. Wafra Investment Advisory Group, a $15 billion money management firm owned by the Public Institution for Social Security of Kuwait, acquired a 10 percent passive interest in private equity firm TowerBrook Capital Partners.

Because of the increase in deal activity, private equity firms see the appeal in selling minority stakes in their firms. The first reason is there is a consistent need for capital at the fund level. General partnerss have to make commitments to their funds. As older GPs funnel out and newer GPs have to put up capital, there can be a gap because the younger GPs simply can't uphold their end of the bargain. Many times the older GPs are lending capital to the new generation of GPs. However, capital gained from a minority sale can help fill that gap. Additionally, private equity firms need capital to grow. "Private equity firms sometimes use the investment to broaden the ownership base, including bringing on the next generation. A minority sale can ease a generational transfer issue. It also gives private equity firms the option of expansion," says Sean Ward, co-head of Dyal Capital.

An initial public offering is the alternative to a minority sale, but there is no guarantee of a successful offering. Going public is pricey, and it gives many companies unwanted exposure. "While we certainly purchase at a discount to public market valuations, our managers also don't have to deal with the expense and other headaches of being a public company. They also benefit from the opportunity to establish deeper relationships with our broad array of institutional investors and the strategic assistance of our dedicated operational team," says Ward.

> "A minority sale can ease a generational transfer issue."

Carlyle and CalPERS

The trend of buying stakes in private equity firms started with the largest private equity firms many years ago. For example, in 2000, the Carlyle Group (NASDAQ: CG) sold about a 5 percent stake of itself to the California Public Employees' Retirement System (CalPERS), which was, and remains, a limited partner with the firm. Then in 2007, Mubadala Development Co., a sovereign wealth fund of the Abu Dhabi government, bought a 7.5 percent stake in Carlyle for $1.35 billion. At the time, that deal was met with resistance. The Carlyle Group came under fire for the sale. In fact, a California state legislator had written a bill to block state pension

> Blackstone closed a $3.3 billion fund to buy minority stakes in hedge funds and private equity firms.

funds from investing in firms partially owned by sovereign wealth funds of governments with poor human rights records. The deal ultimately went through. Both CalPERS and Mubadala reportedly tripled their investment when Carlyle went public in 2012.

"The reasons for selling a minority stake in a firm vary from wanting a liquidity event and getting cash off the table to wanting to work in partnership with a firm. In our case we never sold a voting stake, but it gave us capital to grow and expand," says Christopher Ullman, a managing director with Carlyle.

Many larger private equity firms and banks followed suit around the same time. The China Investment Corp., which controls $200 billion in sovereign wealth funds, took a $3 billion stake non-voting stake in the Blackstone Group (NYSE: BX). Abu Dhabi's sovereign wealth fund invested $7.5 billion in Citigroup (NYSE:C), the largest U.S. bank. Singapore's government put $9.72 billion into UBS, the big Swiss bank. Apollo Management (NYSE: APO) sold a little less than 10 percent of itself to the Abu Dhabi Investment Authority, a long-time limited partner.

While this trend first started making headlines when the largest firms such as Carlyle and Blackstone did it, Dyal Capital Partners has been quietly buying minority stakes in private firms for almost 20 years. Founded 19 years ago, today the firm has bought stakes in EnCap Investments, HIG Capital, Providence Equity, SilverLake, Starwood Capital Group in addition to Vista and KPS. Many of the deals were completed in 2016.

The firm has raised three different funds and has $8.7 billion of capital under management. Dyal originally started by buying stakes in hedge funds, but started including private equity firms after doing what the firm thought was going to be a one-off deal with Providence, but soon realized that this was a strong new line of business.

Dyal has no plans of letting up anytime soon. In December 2016, the firm closed on $5.3 billion for its third fund, surpassing its target of $2.5 billion. Dyal is the largest firm taking passive interest in private equity firms. Its limited partners include large institutional investors like the State of New Jersey, the State of New York, the State of Minnesota and The Alaska Permanent fund. Sovereign Wealth Funds are also investors.

Limited partners are showing a strong interest in taking ownership in private equity firms, which makes sense. The capital goes directly into the private equity firm, meaning there is no J curve and there is consistent yield unlike investing in a fund where are fees and a typically long period before distributions begin. In fact, according to an internal review by CalPERs, the pension funds private equity returns were 12.3 percent over 20 years, but they would have been 19.3 percent without fees and costs. The pension fund is looking to make changes. However, there is a downside to investing at the firm lever: there isn't necessarily a liquidity event to look forward too and capital can be tied up for a very long while.

That said, it's interesting to note that as the largest private equity firms have grown they are now also taking stakes in smaller firms. Just last year, Goldman Sachs (NYSE:GS) through its Goldman Sachs Asset Management Petershill program, jumped into the business raising $1.5 billion to buy minority interests in private equity firms. In 2016, Littlejohn & Co. LLC sold less than 10 percent stake to the firm. The Petershill group also bought a minority stake in ArcLight Capital Partners.

Also in 2016, Blackstone officially closed a $3.3 billion fund to buy minority stakes in hedge funds and private equity firms. The firm has taken positions in four hedges funds to date. Blackstone has taken a minority stake in Marathon Asset Management, Magnetar Capital, Solus Alternative Asset Management and Senator Investment Group. They have not made an investment in a private equity firm yet.

"We are not the first to do this, and we won't be the last," says Szigethy. "It might be something we see more of going forward."

MID-MARKET PULSE: Manufacturing Deals to Skyrocket

A dramatic uptick in manufacturing M&A is expected, according to Mergers & Acquisitions' Mid-Market Pulse (MMP). Dealmakers surveyed in April gave the manufacturing industry a score of 80.3 for the 3-month outlook and 79.0 for the 12-month outlook, significantly higher than the respective scores for overall M&A.

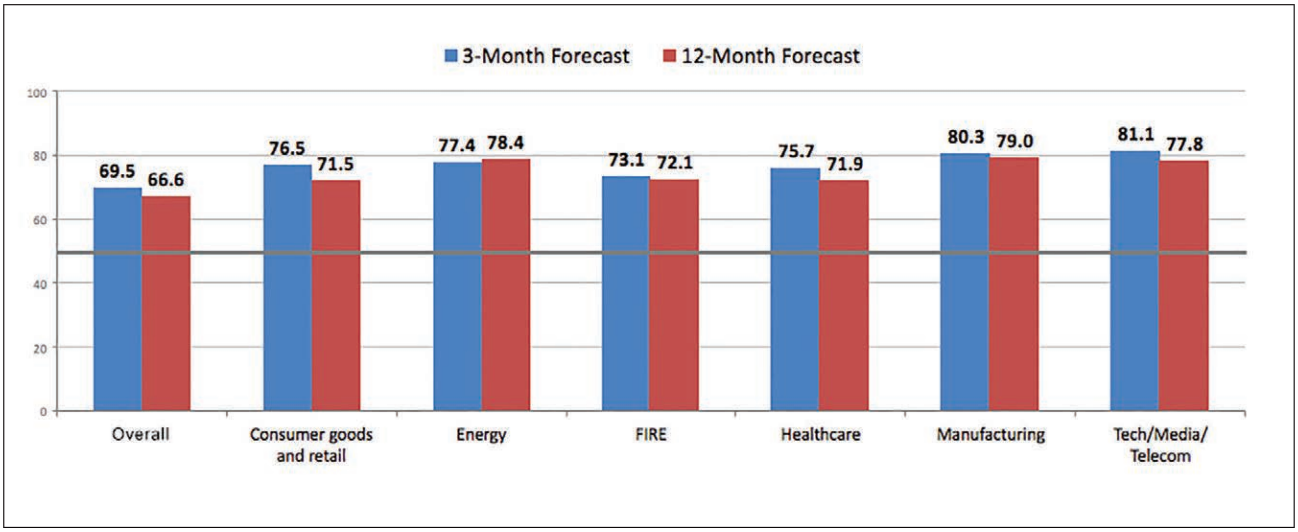
Regulations in the manufacturing industry are becoming "more business-friendly," said one participant. "The expectation of lower taxes due to most companies will improve operating cash flow and improve valuations," said another. Most respondents expressed optimism about the overall economy, although some expressed concerns about global politics and the delay in healthcare legislation.

The scores were significantly higher than the ones the manufacturing sector received in September, the last time we featured the sector in our MMP reports. At that time, the manufacturing sector received a score of 59.5 for the three-month outlook and 57.9 for the 12-month outlook, outpacing the scores for overall M&A, which were 56.2 and 57.0 respectively back then.

Technological advances and high demand for products in the automotive, aerospace and other industries are driving M&A in manufacturing industry. "Advanced manufacturing is creating a lot of new opportunities in many different sectors for many different companies," said Steve Karol, the founder of Watermill Group, a private equity that backs companies in the sector. In our May cover story, we examined five areas that are benefiting from breakthroughs in manufacturing and their impact on M&A.

Other industries that fared well on the April survey included: technology, media and telecom (TMT), with 81.1 for the three-month forecast and 77.8 for the 12-month; and energy, with 77.4 and 78.4.

The MMP is a forward-looking sentiment indicator, published in partnership with CT, a provider of business compliance and deal support services. ■



ABOUT THE *MERGERS AND ACQUISITONS* MID-MARKET PULSE (MMP)

The MMP is a monthly barometer for the outlook of M&A activity and conditions from the collective viewpoint of approximately 250 business executives in private equity firms, investment banks, lenders and advisor firms, such as accounting, law, and consulting firms, involved in M&A activity. Various sub-indicators that make up the overall MMP composite include projected deal volumes and pricing, staffing and resource utilization levels, and the expected impacts of economic conditions, taxes, and regulatory policy on respondents' future M&A activity.

MMP results are presented as rolling aggregate indicators for both three- and 12-month outlook periods for macro M&A issues as well as for individual industry sector issues in healthcare, consumer/retail, manufacturing, energy, and technology/media/telecommunications on a monthly rolling basis. A diffusion index is produced by calculating the sum of percentages of those indicating on survey responses that describe a change in sentiment for three and 12 months (e.g., increase/positive, decrease/negative, or no change/neutral) to arrive at three-month and 12-month aggregate index values that are then averaged to create a total composite for the month. A reading of over 50 indicates an expansion relative to the prior month, and a reading below 50 indicates a contraction.

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Buyer's Guide to Dealmaking 2017

From data providers to online deal networks, products and services help transaction professionals find and close deals

By Danielle Fugazy

The M&A industry is more competitive than ever, and dealmakers are constantly looking for a leg up on their competition and for ways to maximize their investment returns. Products and services that may give dealmakers an upper hand are highly sought after. Here's our updated annual look at some of the tools and services designed for dealmakers.

“Business owners will say they had a friend that sold for a high multiple, and they expect the same.”

Data providers

No good dealmaker can make the right decisions without having the numbers. Access to reliable data is extremely important. The number of data providers in the industry has grown substantially over the years, as they recognize that dealmakers seem to have an insatiable appetite for data. Venture Economics, now known as Thomson Reuters Corp. (NYSE: TRI), used to be the only formidable game in town, but today the industry has a wide variety of data providers.

Data providers are targeting narrow, tightly defined categories of customers according to size, geography and other criteria. Some of the most popular data providers are Dealogic, Pitchbook Data, Preqin and Thomson Reuters, all of which are constantly trying to gain market share. For example, Pitchbook, which had been covering private equity deals in the U.S. only, started covering M&A transactions globally in the last two years.

Despite the growth in data providers, the managers of GF Data Resources LLC still felt there wasn't enough data available on the lower middle market. In 2006, the company started collecting data on deal values from private equity groups and selling it to other PE groups. Specializing in private equity -sponsored transactions with enterprise values of $10 million to $250 million, GF Data has provided benchmark historic data for firms to value their portfolio companies based on fair value accounting standards. However, many dealmakers are also increasingly using the data of GF Data and other providers to guide the valuation expectations of sellers.


GF Data Resources LLC

Graeme Frazier

“There was so little data available for deals in the $10 million to $250 million enterprise value range, which is why we launched the firm,” says Graeme Frazier, a partner in Conshohocken, Pennsylvania-based GF Data. “Today, we find business owners will say they had a friend that sold for a high multiple and then they expect the same. The reality is this is a one-time event for most of these guys and they need perspective on what drives valuations. Buyers use the data to show the sellers examples of what deals sold for and why.”

Investment bankers and private equity firms are particularly interested in this issue because usually they have to set sellers' expectations. The data allows them to show the seller similar companies and explain why the company was valued as it was. "Instead of calling the baby ugly, you are showing the sellers real examples of deals that are similar to theirs that have closed. It really helps define expectations," says Frazier.

In addition to helping to set deal prices and showing market trends, the data can help the involved parties understand the entire capital structure, including the debt and sub-debt in the deal.

VDRs

Virtual data rooms, or VDRs, are now as much a part of the M&A industry as auctions. Gone are the days of traveling to an office to search through papers in a physical data room. The virtual data room software niche continues to grow at a steady pace. The VDR market has hit its stride particularly over the last five years, growing 16 percent per year during that period, according to research firm IBIS. The market was roughly $625 million in 2012; it's expected to reach more than $1.3 billion by 2017.

Because of fierce competition in the space, virtual data room providers are offering more services before the sale to entice sellers to work with them. For example, most virtual data rooms are offered as a secure place for documents that potential buyers review during their due diligence. But companies are increasingly using the virtual rooms to store documents permanently, keeping them in a constant state of readiness for sale opportunities that can pop up when least expected.

"The concept of the virtual data room is not new, but we have been doing a lot to wrap services around our VDR offering to address the entire deal process," says Craig Clay, executive vice president of RR Donnelley's (Nasdaq: RRD) financial services group. "We have also invested in innovative features, making it a lot easier to use."

Virtual data room companies are also trying to stay on the cutting edge of technology to gain the upper hand with competitors. For example, RR Donnelley offers sellers options to create videos and graphics to tell their story. Instead of just creating a paper trail, users are able to communicate more personally through video.

"Typically, banks are used to putting out a classic pitch book, but with venue deal marketing, we bring deal information to life with video, audio and other rich media," says Clay. "These are no longer stagnant PowerPoints. It makes the process much more interactive. We are communicating in an amazing new way today."

Networking groups

Networking with the right people can go a long way. Investment bankers are always suggesting to clients that they meet people in the industry and keep taking the pulses of the markets they are interested in investing in. As the M&A industry has grown over the years, organizations supporting the industry have also grown substantially.

These organizations not only provide networking opportunities, but a sense of community, and in many cases, a national voice for the M&A and private equity industries.

That is the case with the American Investment Council (AIC). Founded in 2007 as the Private Equity Council, the Washington, D.C.-based organization lobbies federal politicians on behalf of the private equity industry. In 2016, based on the increased diversity of private equity firms and growing focus on the industry, the organization changed its name to AIC. The organization's mission is still the same.

AIC will host over 30 events in 2017 and convene various committees and working groups to share private equity best practices and insights. But AIC is just one of many organizations M&A and private equity professionals belong to today. The Association for Corporate Growth has become a go-to networking organization for middle-market M&A professionals. Although the association was founded in the 1950s, it

> "Investment bankers are always suggesting to clients that they meet people in the industry."

> Investors are looking for more efficient ways to discover deal opportunities.

wasn't until the late 1990s that the association started focusing its efforts on the private equity community. Today, the association has 14,500 members worldwide and offers guides on compliance issues, provides a job source network and works with AIC to lobby on behalf of the middle-market M&A industry.

"Associations provide great networking opportunities; it's great to hear what your peers are seeing in the market," says Gretchen Perkins, a partner with Huron Capital Partners. "They also work hard to promote the M&A and private equity because it has become increasingly important we have a voice in Washington, D.C."

The Alliance of Merger & Acquisition Advisors focuses on dealmaking in the lower middle market, offering members networking opportunities as well educational classes. The alliance also lobbies on behalf of private placement brokers. The Small Business Investment Alliance focuses on the lower middle market and also provides networking opportunities and lobbies on behalf of the industry. These groups commonly work together.

Rounding out the top five associations or organizations in M&A today is the Turnaround Management Association, which targets a slightly different crowd by focusing on distressed investments. Many investment professionals belong to multiple organizations, and it's important that they join groups that focus on their industry verticals.

"Many of the associations and organizations in middle-market M&A have become invaluable tools because they are so efficient," says Pam Hendrickson, chief operating officer of the Riverside Co. "The ability to talk with peers about what's happening in the market through either events or social media is a huge time saver. These organizations also provide a voice for the 'middle child' of the M&A industry, a group that represents over 90 percent of all M&A transactions. Historically this group has been absent from the major finance publications as well as from Washington. It is great and important to see us finally having a voice."

Online services

A slew of services don't fit neatly into well-defined categories, but they shouldn't be dismissed because they can be very important for dealmakers. Axial Networks Inc. is one company that didn't fit squarely in a category, so it created its own category: online deal networks. While using an investment banker or business broker is still the predominant way for companies to raise money and find buyers, Axial is one of the more successful online networks that sellers and buyers turn to for improved deal flow. More than 12,000 organizations use Axial to source deals

Axial Networks Inc.

Peter Lehrman

and nurture connections with other dealmakers.

"It's a business development tool that enables investors, lenders, advisers and CEOs to connect with the most relevant partners at the right time," says Peter Lehrman, who founded Axial in 2010 and serves as CEO. "Particularly in in a fragmented and highly competitive market, investors are looking for more efficient ways to discover deal opportunities and the old way isn't cutting it anymore. We're seeing all types of capital providers turn to Axial to supercharge their deal-sourcing efforts." In 2016, members of Axial signed more than 10,000 nondisclosure agreements and closed 647 transactions through the platform, representing more than $3 billion in total transaction volume, according to the company. Average revenue per closed transaction was $20 million, and Ebitda ranged from $390,000 to $17.9 million. Twenty-seven percent of 2016 buyers on Axial were strategic buyers, while 11 percent were family offices, reflecting the growing diversity of buyer types that are active in the middle market.

"When we started the company, private equity professionals and investment bankers were very skeptical that it would ever work. But today, the market increasingly appreciates that if you have no presence on online deal networks, you're putting your head in the sand, as a large and growing new channel of deal flow and relationships opens up," says Lehrman. "Over 3,000 investment bankers launched private deal processes on Axial in 2016, leveraging the platform to research buyers, close deals much faster, and get the best outcomes for their clients. And wherever the investment bankers and CEOs go, the investment and corporate development community tends to follow."

As of late April, in 2017, bankers and CEOs have launched 906 private deal processes on Axial, and 179 deals have closed. Recently announced transactions originated via the Axial network include: Sterling Partners' investment in Grand Rapids Ophthalmology; and The Courtney Group's acquisition of Flojos. Recently active sellside members include Quarton International, Allegiance Capital, Cascadia Capital, and HT Capital Advisors. Sutton Place Strategies is another company that helps transaction professionals improve deal flow. The New York-based information services firm, which helps investors optimize their business development and deal sourcing effectiveness, was founded on the understanding that it's almost impossible for dealmakers to view all of the transactions in their own sectors. Firms such as HighRoad Capital Partners, Huron Capital Partners, Little John & Co., Kolhberg Co. and Moelis Capital (now NexPhase Capital) have used Sutton Place's services.

"Deal sourcing is so competitive today. At Sutton Place Strategies, we track all the transactions that have been completed in the M&A universe using a variety of methods, and we are able to show clients how many deals in their space they are not seeing on a regular basis," says Nadim Malik, founder of Sutton Place Strategies. "We can let clients know what their level of market coverage is, and who the relevant deal sources are that they ought to be spending more time with, which is very important."

The company recently rolled out a new feature that allows clients to see which processes were broad auctions or limited, and which banks ran them. Every intermediary is put on a scale based on the deals they closed over the last four years. "It's very powerful to be able to target firms that are closing the most relevant deals via processes that best fit your business development strategy, as well as who you may want to engage on the sell side," say Malik.

Another company catching dealmaker eyes is BoardProspects.com, which is a board recruitment network. Board members, aspiring board members and corporations join BoardProspects to find corporate governance news, education, best practices and board recruitment solutions. Founded in 2011, the members of BoardProspects include executives and board members of Fortune 100 companies, industry experts, former members of the U.S. Congress, university presidents and professors, retired military leaders and federal judges, and experienced corporate directors from well-known corporations including Dunkin' Brands Group Inc. (Nasdaq: DNKN), Coca-Cola Co. (NYSE: KO), General Motors Co. (NYSE: GM) and Morgan Stanley (NYSE: MS).

> "Many firms are opting to conduct negative news searches."

> "What if you can give your CFO the tools to close their books in a timely manner?"

Non-traditional due diligence

Due diligence isn't a maybe when trying to close a deal; it's a necessity. No deal is done without traditional financial due diligence. However, in today's world where people's actions can easily play out in the public, online or elsewhere, dealmakers are looking for a little more than traditional due diligence. More and more buyers perform reputational due diligence and anti-money-laundering/know-your-customer due diligence.

As part of reputational due diligence, many firms are opting to conduct negative news searches. Providers like CT Corp., a provider of business compliance and deal support services based in New York, comb through thousands of press outlets and alert clients to any red flags or negative information that could be potentially impactful.

"The risks around transactions have increased, and many lenders and buyers are requiring these types of due diligence searches," says Ian Bone, who heads up new product development for CT's due diligence offerings. Since formalizing their offering in late-2015, CT has seen a 300 percent jump in the searches, which comb through 18,000 global media outlets and bring the information to the attention of lawyers.

One CT client was buying a food manufacturer, and the reputational due diligence uncovered food product recalls for the manufacturer because allergens were not properly listed on the food labels--a serious issue operationally and financially. These types of searches can be run on individuals or legal entities, and can also uncover information about company executives who could be harmful.

"Things like criminal records were always public, but we find information that goes well beyond public documents," says Bone.

Anti-money-laundering and know-your-customer regulations have become important requirements of banks to verify the identity and business history of individuals whom firms are considering doing business with. This type of search will uncover if someone has political exposure or affiliations and if that person is on a U.S. government or international watch list for money laundering or terrorist-related activities. It can also uncover things like past insider trading violations or other sanctions against a company or C-suite executives.

While other firms run these searches, not many specialize in this type of due diligence. "A provider or law firm may look into this for you, but most do not have a team of professionals who specialize in these new and at times esoteric searches like at CT," says Bone. "In many cases people weren't used to doing this type of due diligence before because the laws that brought this to the forefront, like the Patriot Act, are relatively new. So the volume our teams see has really made a competitive difference on output quality and turnaround."

Back office technology

Technology provides new and innovative techniques to help chief financial officers do their job more effectively and more accurately, yet many CFOs are not taking advantage of it. "It's unfortunate, but private equity firms usually find two or three key things to prioritize at portfolio companies and back office support isn't always on that list," says Gavin Backos, principal, technology and management consulting at RSM US. "But most CFOs have the same issues and there are tools to alleviate some of the burden."

Many accounting firms known for their due diligence on private equity deals have expanded their offerings to include sizing up back office technology offerings that private equity firms and portfolio companies could benefit from. Not all private equity firms take advantage of the new offerings, but their interest is increasing. "We do have more firms coming to us to help them because there's only so many things they can focus on and they are starting to recognize this is important," says Backos.

RSM has been helping private equity firms with this for several years. The process requires RSM to assess the current situation, make recommendations and then implement new technology. "What if you can give your CFO the tools to close their books in a timely manner and feel confident that they have accurate information? With the right technology and process you can, and this is so important, as key decisions are often made based on this financial information," says Backos. "It's like advertising you can lose 10 pounds in three days if you take certain steps. It really opens the CFOs' eyes up, because it's a game changer."

The process of learning about automation options and then implementing them can take anywhere from three to six months, but can be worth it. Automation technology can save on staffing and other costs, and provide many additional benefits. Back office technology can help a company mine its data better and get all financial statements in a single repository.

Backos went through this process for a portfolio company of a reputable middle market private equity firm and it made a big difference. "You see immediate results. They had a team of people working 12 hours days and they were able to cut that down to eight hours with technology enhancements," says Backos. "The client said, 'The most important thing is making sure I can close my book and provide accurate financial reporting.' The other thing he wanted was real-time visibility into the results of that month and to be able to compare them to previous months. That's all doable today."

Fund Administration

No private equity firm sets out to build a giant back office, but over time, as funds and firms grow, back-office fund administration processes can take on a life of their own. "A lot of firms start off small, and they have a small back office, but the next thing you know, they have a big operation. They never raised a fund with the intention of becoming experts in fund administration, that's not what they want to do," says Robert Woosley, national practice leader at Frazier & Deeter, an accounting firm that offers fund administration services to private equity firms and real estate firms through FD Fund Administration.

Woosley says offering fund administration was a natural extension of Frazier & Deeter's certified public accountant capabilities. The firm had a strong relationship with a multi-billion private equity firm that had a team of people that worked in the back office handling investor services, accounting, audits and valuations. In 2013, FD Fund Administration took a few of those employees out of the firm and worked with them side by side. The test was successful, and the new practice line was born. Today, FD Fund Administration provides back-office fund administration for many well-known firms including Hamilton Lane and real estate firm Lubert Adler. Since FD Fund Administration started operations in January 2013, the firm has added 19 new funds, representing more than $8 billion in new committed capital. "We knew there was a need for this. A lot of firms start off small, build strong reputations and grow. They create their own back office, but that's not their sweet spot. Their sweet spot is finding deals, creating value and putting investors' capital to work," says Woosley. "We understand administration is not their core."

Using a third-party fund administrator is becoming more acceptable to limited partners who are looking for a higher level of transparency. Hedge funds are required to have a third-party administrator. While it's not a requirement of private equity firms, each year more firms shift to a third-party model. According to estimates from BaseVenture, a software company that specializes in fund administration, only 30 percent of the assets under management in private equity and real estate funds are administered by third-party fund administrators, but that number is expected to increase to 45 percent by 2018.

In addition to a call for transparency from limited partners, the complexity of regulations and the ever emerging investment strategies today make working with a third-party fund administrator a more logical choice.

Says Woosley: "Private equity firms are starting to realize they should focus on what they do best and leave this to the experts."

"Each year more firms shift to a third-party model."

MID-MARKET

M&A CONDITIONS INDEX

MERGERS & ACQUISITIONS

JUNE 2017

Dealmaking expanded in April but not as rapidly as in March, according to Mergers & Acquisitions' M&A Conditions Index (MACI). The MACI composite score was 54.0, down from 57.5 the previous month.

The index component that dropped the most was Divestitures, which fell 12 points. Corporate spin-offs fueled activity in 2016, especially in the first half of the year, but they may be tapering off in 2017.

Leads for new deals declined nearly 5 points but remained robust, with a score of 65.6. M&A business activity fell more than 5 points and staffing 3.5 points, while completed deals stayed flat.

Contributing to the slower pace were concerns about the federal budget, tax policy, healthcare legislation, trade agreements and global politics, dealmakers said. Nonetheless, most who participated predicted that regulatory hurdles and taxes will be reduced by the federal government, moves expected to boost M&A. ■

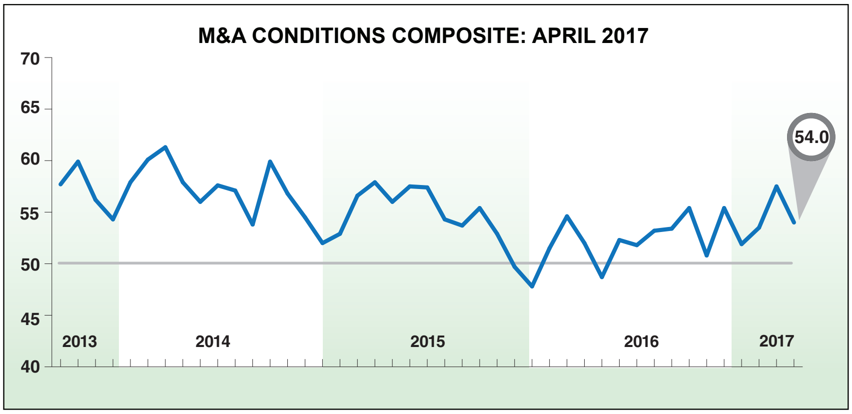
ABOUT THE MID-MARKET MERGERS AND ACQUISITIONS CONDITIONS INDEX (MACI)

The MACI is a composite index of mergers and acquisitions activity and conditions in the U.S. It is the result of the Mergers & Acquisitions' survey of executives in private equity firms, investment banks, lenders and advisor firms to track activity such as deals announced and deals completed, as well as acquisitions and divestitures.

Each sub-indicator is based on survey responses that describe a change from the previous month (e.g., increase, decrease, or no change). Respondents are also asked to elaborate on any of the changes and provide their opinions about other internal or external conditions that affect their firm's operations or business outlook. A diffusion index is produced for each sub-indicator by calculating the sum of percentages of those indicating "higher" (for positive sub-indicators) and "lower" (for negative sub-indicators) and half of those indicating the "same." A reading of over 50 indicates an expansion relative to the prior month, and a reading below 50 indicates a contraction.

April composite at 54.0

The composite was high in April but 3.5 points lower than it was in March. Dealmakers expressed some concern about a range of economic and political factors but remained optimistic overall.



Month to Month Trends

Index	April Index	March Index	% Point Change	Direction	Rate of Change	Trend (months)
Composite	54	57.5	-3.5	Slower	Expansion	59
Leads	65.6	70.4	-4.8	Slower	Expansion	3
Signed Letters	56.6	61.1	-4.4	Slower	Expansion	15
Completed Deals	50.0	50.0	0	Unchanged	Expansion	3
Divestitures	46.6	58.6	-12	From Expansion	Contraction	1
Financing Availability	53.4	56.1	-2.6	Slower	Expansion	30
M&A Business Activity	54.5	59.8	-5.2	Slower	Expansion	30
M&A Business Staffing	52.3	55.8	-3.5	Slower	Expansion	15
Bidders	46.6	38.4	8.3	Slower	Expansion	59

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Matt Kinsey

David Lynn

Mike Ricciardelli

New Hires and Promotions By Kamaron Leach

John Brockland was hired by San Francisco-based **Hogan Lovells LLP** as an IP and technology transactions partner. Brockland focuses on M&A involving the development and licensing of technology and intellectual property assets.

Cody Carper has joined **Wilkie Farr & Gallagher LLP** as a partner in Houston. Carper advises clients on transactions across the energy sector, including M&A, joint ventures and drilling partnerships.

Anthony Cassano has been promoted from principal to partner at New York-based **Spire Capital Partners**. Cassano focuses on the business services, information services, education, and media sectors. Cassano previously worked in Citigroup Inc.'s (NYSE: C) M&A department.

Richard Climan has joined **Hogan Lovells** as an M&A partner in the firm's San Francisco office. Climan joins most recently from Weil Gotshal & Manges LLP with experience advising on M&A, divestures and leveraged buyouts.

Karl Eidem has joined London-based **Silverfleet Capital** as co-head of the Nordic region. Joining most recently from Swedish pension fund AP6, Eidem's experience includes overseeing an international investment program through mid- to large-cap private equity firms and co-investments.

Keith Flaum was hired by **Hogan Lovells** as an M&A partner in San Francisco. Flaum joins most recently from Weil Gotshal & Manges with experience advising on acquisitions of publicly traded companies.

Tom Goila was hired by **Comvest Partners'** direct lending group Comvest Capital as a managing director in West Palm Beach, Florida. Goila is responsible for structuring and managing debt investment opportunities.

Alison Harrall was promoted from associate to partner at New York-based **Burns & Levinson LLP.** Harrall represents public and private companies on debt financing and M&A matters.

John Heber has joined Fort Lauderdale, Florida-based law firm **Lewis Brisbois** as a partner. Heber joins the firm's corporate and tax practice with experience advising on M&A, fund formations, and initial public offerings.

Thomas Jones has joined lower middle-market private equity firm **Star Mountain Capital LLC** as a senior adviser in New York. Jones focuses on lending and restructuring.

Christopher Kampe was hired by investment bank **Dresner Partners** as a managing director in Boston. Kampe provides financial advisory services to companies in the consumer and retail sectors.

Elan Keller has joined **Reed Smith LLP** as a partner in New York. Most recently with Arnold & Porter Kaye Scholer, Keller focuses on tax matters related to M&A.

Matt Kinsey was promoted from partner to managing director at PE firm **BV Investment Partners**. Kinsey has banking and principal investing experience and joined the Boston-based firm as an associate in 2000.

John Lewis was hired by Chicago-based private equity firm **Madison Dearborn Partners LLC** as an executive partner. Most recently with Nielsen Holdings Plc (NYSE: NLSN) as global president, Lewis will assist Madison Dearborn with identifying investment opportunities across the information services sector.

David Lynn has joined New York-based **Jenner & Block LLP** as co-chair of the firm's securities practice. Lynn provides counsel on securities law compliance issues and transactions. Lynn previously served as chief counsel of the Securities and Exchange Commission's division of corporation finance from 2003 to 2007.

Gabriel Monzon-Cortarelli has joined **Orrick** as a partner. Monzon-Cortarelli is based in Milan, Italy and covers M&A in the tech, energy & infrastructure, transportation, defense, consumer, and food sectors. Monzon-Cortarelli joins from Seyfarth Shaw.

Seth Pritikin was hired by Chicago-based **Neal Gerber Eisenberg** as a partner in the firm's corporate and securities practice. Pritikin's experience includes M&A, divestitures, carve-out transactions, and joint ventures.

Mike Ricciardelli has joined Boston-based **BV Investment Partners** as a managing director and operating partner. Ricciardelli has worked with BV Investment Partners on its operating advisory board since 2012, concentrating on business and IT services.

Jane Ross has joined San Francisco-based **Hogan Lovells** as an M&A partner in the firm's corporate practice. Most recently with Weil Gotshal & Manges, Ross concentrates on M&A in the information technology and life sciences sectors.

Michael Siano was hired by **Houlihan Lokey Inc. (NYSE: HLI)** as a director in the firm's healthcare group. Siano joins from Deutsche Bank, where he worked on M&A for healthcare information technology companies.

Steven Silverstein has joined New York-based commercial bank **Santander Bank** as a senior vice president in the firm's asset-based lending group. Joining from Macquarie Bank, Silverstein served on the structured commodoties finance team.

Phil Smith was hired by **Duff & Phelps** as a managing director in the firm's healthcare M&A advisory group. Based in Minneapolis, Smith has more than 25 years of healthcare M&A experience.

Brien Wassner was hired by **Sherman & Sterling** as an M&A partner in New York. Wassner advises companies and PE sponsors on corporate transactions and business combinations.

Troy Zander has joined San Diego-based **Cooley LLP** as a partner in the firm's debt finance practice. Zander represents lenders and companies in technology, life sciences and middle-market financing.

Key Middle-Market M&A Deals Completed Q1 2017

Date	Acquirer	Target	Target Industry	Value ($mil)
01/28/17	Shareholders	Varex Imaging Corp	Measuring, Medical, Photo Equipment; Clocks	949.9
03/01/17	Eli Lilly & Co	CoLucid Pharmaceuticals Inc	Drugs	948.9
02/17/17	Columbia Pipeline Group Inc	Columbia Pipeline Partners LP	Electric, Gas, and Water Distribution	915.3
01/10/17	GE Digital Energy(GE Power)	ServiceMax Inc	Prepackaged Software	915.0
02/06/17	ICU Medical Inc	Hospira Inc-Hospira Infusion	Wholesale Trade-Nondurable Goods	903.1
01/03/17	Elanco Animal Health Inc	BIVI-US Vaccine Portfolio	Drugs	885.0
02/01/17	Vista Equity Partners LLC	SunGard Data Sys Inc-Public	Prepackaged Software	850.0
02/01/17	HollyFrontier Corp	Petro-Canada Lubricants Inc	Oil and Gas; Petroleum Refining	839.0
01/03/17	Teijin Holdings USA Inc	Continental Structural Plastic	Rubber and Miscellaneous Plastic Products	825.0
02/01/17	Ecolab Inc	Laboratoires Anios SA	Drugs	809.8
03/13/17	Investor Group	SM Energy Co-Non Operated	Oil and Gas; Petroleum Refining	800.0
02/10/17	Onvoy Inc	Inteliquent Inc	Telecommunications	791.7
01/25/17	Dainippon Sumitomo Pharma	Tolero Pharmaceuticals Inc	Drugs	780.0
02/27/17	Hennessy Capital Acquisition	Daseke Inc	Transportation and Shipping (except air)	774.1
01/19/17	Synchronoss Technologies Inc	IntraLinks Holdings Inc	Prepackaged Software	768.3
01/26/17	MACOM Technology Solutions Hol	Applied Micro Circuits Corp	Electronic and Electrical Equipment	761.3
02/22/17	dorma+kaba Holding AG	Stanley Black & Decker-Mec Lck	Wholesale Trade-Durable Goods	725.0
02/28/17	Halcon Energy Properties Inc	Samson Expl LLC-Pecos Cnty	Oil and Gas; Petroleum Refining	705.0
01/03/17	Tesoro Logistics Operations	Whiting Petro Corp-Robinson	Oil and Gas; Petroleum Refining	700.0
01/27/17	IBA Molecular Holding SA	Mallinckrodt-Nuclear Imaging	Measuring, Medical, Photo Equipment; Clocks	690.0
02/01/17	TPG Capital LP	Grande Commun Networks LLC	Telecommunications	650.0
02/17/17	Hewlett Packard Enterprise Co	SimpliVity Corp	Business Services	650.0
03/13/17	RPC Group PLC	Letica Corp	Paper and Allied Products	640.0
03/16/17	Scion Student Communities LP	US Student Housing Ppty(11)	Real Estate; Mortgage Bankers and Brokers	640.0
01/19/17	CA Inc	Automic Software GmbH	Prepackaged Software	635.8
02/08/17	AEA Investors LP	Visual Comfort & Co	Retail Trade-Home Furnishings	630.0
02/27/17	Windstream Holdings Inc	EarthLink Holdings Corp	Business Services	624.8
02/10/17	Lennar Corp	WCI Communities Inc	Construction Firms	619.0
03/01/17	Nippon Paint Holdings Co Ltd	Dunn-Edwards Corp	Chemicals and Allied Products	608.0
01/05/17	Constellation Brands Inc	Grupo Modelo SAB-Brewery	Food and Kindred Products	600.0
02/01/17	Coty Inc	Younique LLC	Soaps, Cosmetics, and Personal-Care Products	600.0
01/09/17	GTT Communications Inc	Hibernia Networks Inc	Metal and Metal Products	585.0
02/28/17	Performance Sports Grp Ltd SPV	Performance Sports Group Ltd	Miscellaneous Manufacturing	575.0
01/20/17	Berry Plastics Group Inc	AEP Industries Inc	Rubber and Miscellaneous Plastic Products	566.5
02/01/17	Nielsen NV	Gracenote Inc	Business Services	560.0
01/31/17	Quikrete Holdings Inc	Cemex SAB de CV-US Reinforced	Stone, Clay, Glass, and Concrete Products	540.0
02/27/17	EQT Production Co	Stone Energy Corp-Appalachian	Oil and Gas; Petroleum Refining	527.0
01/09/17	Genstar Capital LLC	Power Products LLC	Electronic and Electrical Equipment	496.0
03/01/17	CyrusOne Inc	Sentinel Data Ctrs-Data	Business Services	490.0
02/17/17	Blue Nile Inc SPV	Blue Nile Inc	Business Services	478.9
02/15/17	Covey Park Energy LLC	CEC-Haynesville,LA	Oil and Gas; Petroleum Refining	465.0
03/22/17	Deutsche Asset Management Inc	Office Building, Boston, MA	Real Estate; Mortgage Bankers and Brokers	447.0

Date	Acquirer	Target	Target Industry	Value ($mil)
01/03/17	SpeedCast International Ltd	CapRock Communications Corp	Telecommunications	425.0
02/03/17	Atlassian Corp PLC	Trello Inc	Prepackaged Software	425.0
01/30/17	Solera Holdings Inc	Autodata Ltd	Prepackaged Software	416.0
03/21/17	Bonduelle SA	Ready Pac Produce Inc	Food and Kindred Products	409.0
02/10/17	Eagle Materials Inc	CEMEX-Cement Plant,Fairborn,OH	Stone, Clay, Glass, and Concrete Products	400.0
01/03/17	Ingredion Inc	TIC Gums Inc	Business Services	400.0
03/22/17	Intervet Inc	Vallee SA	Drugs	400.0
02/28/17	Xura Inc	Mitel Mobility Inc	Telecommunications	385.0
03/16/17	Scion Student Communities LP	US Student Housing Ppty(6)	Real Estate; Mortgage Bankers and Brokers	385.0
01/19/17	Werfen Life Group SA	Accriva Diagnostics	Drugs	380.0
01/03/17	Marsh Inc	Bluefin Insurance Group Ltd	Insurance	370.9
02/07/17	AMETEK Inc	Rauland-Borg Corp	Prepackaged Software	370.0
03/16/17	Mack-Cali Realty Corp	RXR Rlty LLC-Class A Office	Real Estate; Mortgage Bankers and Brokers	368.0
02/28/17	HIG Capital LLC	Lionbridge Technologies Inc	Business Services	353.6
01/06/17	Pilgrim's Pride Corp	GNP Co	Agriculture, Forestry, and Fishing	350.0
01/23/17	Edwards Lifesciences Corp	Valtech Cardio Ltd	Drugs	340.0
01/09/17	First Midwest Bancorp Inc	Standard Bancshares Inc,IL	Commercial Banks, Bank Holding Companies	339.3
01/03/17	South State Corp	Southeastern Bank Financial Co	Commercial Banks, Bank Holding Companies	338.3
01/10/17	DataCore LP	GSK Global Vaccine	Real Estate; Mortgage Bankers and Brokers	337.5
02/14/17	Hill-Rom Holdings Inc	Mortara Instrument Inc	Health Services	330.0
01/09/17	One Equity Partners LLC	Anvil International Inc	Metal and Metal Products	315.0
03/03/17	Cardinal Health Inc	Navidea-Lymphoseek	Drugs	310.0
03/01/17	Vitro SAB de CV	Pittsburgh Glass Works-OEM	Transportation Equipment	310.0
01/31/17	CC Capital Management LLC	Constellation Healthcare Tech	Health Services	307.7
01/23/17	Icahn Enterprises Holdings LP	Federal-Mogul Holdings Corp	Transportation Equipment	304.5
03/06/17	Filtration Group Corp	Essentra PLC-Porous Tech Bus	Rubber and Miscellaneous Plastic Products	291.1
02/01/17	Take-Two Interactive Software	Social Point SL	Prepackaged Software	280.3
01/09/17	Spear Street Capital LLC	Columbia Ppty Tr Inc-Houston	Real Estate; Mortgage Bankers and Brokers	272.0
01/17/17	Gray Television Inc	Media Gen Inc-Tv Stn(2)	Radio and Television Broadcasting Stations	270.0
02/07/17	Alignvest Acquisition Corp	Trilogy International Partners	Telecommunications	269.0
01/06/17	Insight Enterprises Inc	Datalink Corp	Business Services	267.9
01/31/17	Millennia Housing Mgmt Ltd	Key Center,Cleveland,Ohio	Real Estate; Mortgage Bankers and Brokers	267.5
01/06/17	Cardtronics Inc	DirectCash Payments Inc	Wholesale Trade-Durable Goods	255.8
02/14/17	Daiwa House USA Inc	Stanley Martin Communities LLC	Construction Firms	251.0
01/24/17	Booz Allen Hamilton Hldg Corp	eGov Holdings Inc	Business Services	250.0
02/10/17	Blackstone Group LP	TEP V-French Logistics	Real Estate; Mortgage Bankers and Brokers	248.3
02/27/17	Morgan Properties Trust	Harbor Grp-Apts	Real Estate; Mortgage Bankers and Brokers	247.0
01/31/17	Columbus McKinnon Corp	STAHL CraneSystems GmbH	Machinery	246.6
03/06/17	Textron Inc	Arctic Cat Inc	Transportation Equipment	241.4
03/08/17	DLJ Mortgage Capital Inc	HSBC Hldg PLC-predominately	Commercial Banks, Bank Holding Companies	237.7
01/04/17	Curtiss-Wright Corp	Teletronics Technology Corp	Business Services	233.0
03/14/17	Sonoco Products Co	Peninsula Packaging Co LLC	Chemicals and Allied Products	230.0
02/01/17	WEC Energy Group Inc	Plains All Amer Pipeline-Bluew	Transportation and Shipping (except air)	230.0
01/09/17	SpartanNash Co	Caito Foods Service Inc	Wholesale Trade-Nondurable Goods	229.9

Deal Flow

Date	Acquirer	Target	Target Industry	Value ($mil)
02/24/17	Meridian Group LLC	Beacon Capital Partners LLC-	Investment & Commodity Firms,Dealers,Exchanges	227.0
02/02/17	Farmland Partners Inc	American Farmland Co	Investment & Commodity Firms,Dealers,Exchanges	224.1
01/02/17	Blue Media Investment Inc	GS Unidos LLC	Investment & Commodity Firms,Dealers,Exchanges	219.6
03/08/17	Host Hotels & Resorts Inc	W Hollywood	Hotels and Casinos	219.0
01/03/17	Altra Industrial Motion Corp	GKN Stromag Holding GmbH	Transportation Equipment	216.3
01/12/17	Midcontinent Communications	WideOpenW Fin LLC-Lawrence,	Radio and Television Broadcasting Stations	215.0
01/09/17	Investor Group	Hemnet Service Hns AB	Business Services	212.7
02/01/17	Z Capital Partners LLC	Affinity Gaming LLC	Hotels and Casinos	209.0
02/01/17	The Madison Square Garden Co	Tao Group Ltd	Retail Trade-Eating and Drinking Places	206.5
03/20/17	FactSet Research Systems Inc	Bi-Sam Technologies SA	Prepackaged Software	205.2
01/26/17	Dunes Point Capital LLC	Smiths Interconnect-Power Bus	Electronic and Electrical Equipment	204.0
03/20/17	Piramal Critical Care Ltd	Mallinckrodt PLC-Intrathecal	Wholesale Trade-Nondurable Goods	203.0
02/13/17	Investor Group	Hubspot Inc-The Davenport	Real Estate; Mortgage Bankers and Brokers	202.5
02/01/17	John Menzies PLC	Aircraft Service Intl Group	Air Transportation and Shipping	202.0
03/07/17	RPAFA Investors LLC	Alarm Funding Associates	Credit Institutions	200.0
02/24/17	Integra LifeSciences Hldg Corp	Derma Sciences Inc	Measuring, Medical, Photo Equipment; Clocks	198.4
03/03/17	First Bancorp,Troy,NC	Carolina Bank Holdings Inc,NC	Commercial Banks, Bank Holding Companies	196.8
01/09/17	Hines Global REIT II Inc	Rookwood Commons and Pavilion	Real Estate; Mortgage Bankers and Brokers	190.0
03/02/17	DivcoWest RE Svcs	PGIM Reals Estate-Office	Real Estate; Mortgage Bankers and Brokers	179.0
02/28/17	Barnes & Noble Education Inc	MBS Textbook Exchange Inc	Wholesale Trade-Nondurable Goods	174.2
01/06/17	Goldman Sachs Grp Inc-Rlty	1125 17th Street Office Tower	Real Estate; Mortgage Bankers and Brokers	170.0
02/15/17	Cytori Therapeutics Inc	Azaya Therapeutics Inc-Cert	Drugs	170.0
01/19/17	Merlone Geier Partners LP	Macerich Co-Mall Properties(2)	Retail Trade-General Merchandise and Apparel	170.0
01/23/17	Duke Energy Florida Inc	Calpine Corp-Osprey Natural	Electric, Gas, and Water Distribution	166.0
02/02/17	InvenTrust Properties Corp	Paraiso Parc	Retail Trade-General Merchandise and Apparel	163.0
01/20/17	Church & Dwight Co Inc	Viviscal Ltd	Soaps, Cosmetics, and Personal-Care Products	160.0
03/08/17	American Midstream Partners LP	JP Energy Partners LP	Wholesale Trade-Nondurable Goods	160.0
01/03/17	Wellcare Health Plans Inc	Care1st Health Plan Arizona	Insurance	157.5
03/23/17	Western Gas Partners LP	Delaware Basin JV Gathering	Oil and Gas; Petroleum Refining	155.0
02/06/17	Carroll Organization	Starwood Capital Grp-Apt Comp	Real Estate; Mortgage Bankers and Brokers	153.5
02/28/17	Green Dot Corp	UniRush LLC	Credit Institutions	151.0
02/14/17	Race Winning Brands	Performance Motorsports Intl	Machinery	150.0
02/16/17	UNIZO Holdings Co Ltd	Clark Entrps Inc-Capitol View	Real Estate; Mortgage Bankers and Brokers	148.0
03/24/17	Investor Group	Goff Ppty-Office Bldg(16)	Real Estate; Mortgage Bankers and Brokers	148.0
02/10/17	Tellurian Inc	Tellurian Investments Inc	Investment & Commodity Firms,Dealers,Exchanges	146.8
02/02/17	Deka Immobilien GmbH	Credit Suisse-	Real Estate; Mortgage Bankers and Brokers	146.4
01/12/17	Sequential Tech Intl LLC	Synchronoss Tech Inc-Carrier	Prepackaged Software	146.0
01/03/17	Smithfield Foods Inc	Clougherty Packing LLC	Food and Kindred Products	145.0

Source : Thomson Reuters

Editor's Note:

Editor's Note: To measure activity in the middle market, Mergers & Acquisitions looks at transactions that fulfill several requirements: Deals must have a value of roughly $1 billion or less, or an undisclosed value; they must be completed (not just announced) within the timeframe designated; and they must include at least one U.S. company in the role of buyer and/or seller. Excluded from our charts are: recapitalizations; self-tenders; exchange offers; repurchases; stake purchases; and transactions with undisclosed buyers or sellers. Except where noted, our data provider is Thomson Reuters, which updates its databases continuously. We use the data available at press time. For this article, data was collected on April 3, 2017.

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