



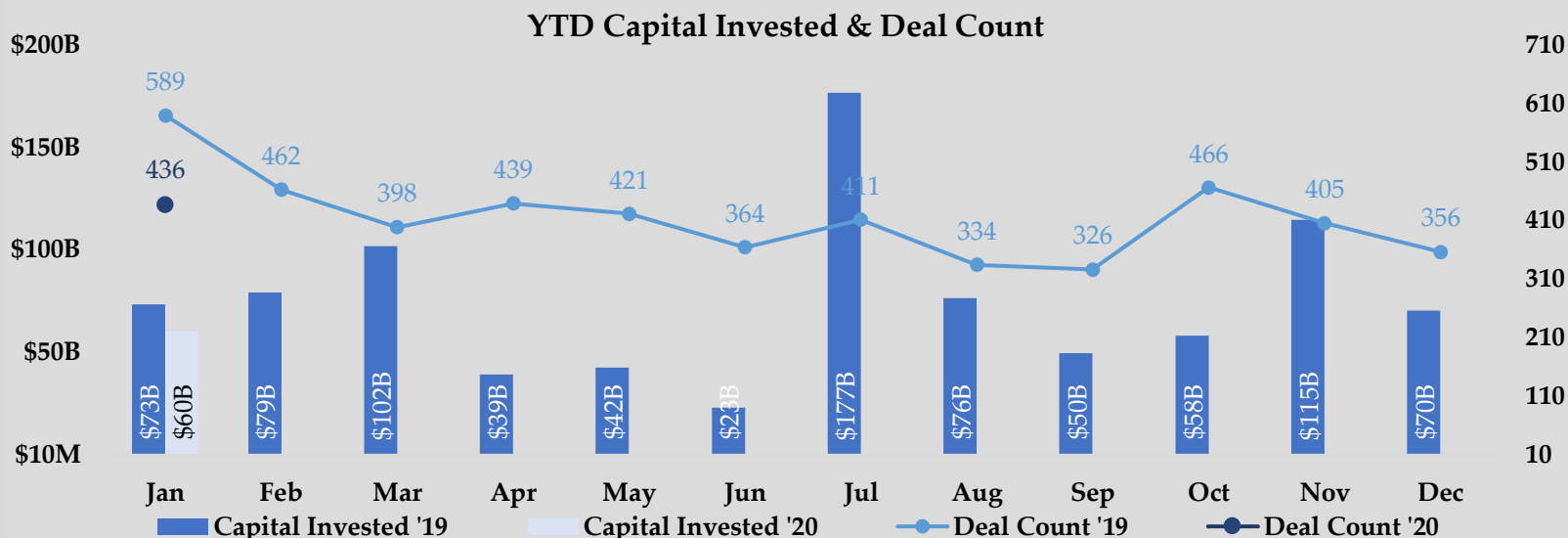
U.S. M&A Update

January 2020

Notable Trends in January 2020

Year-over-year, both total capital invested and deal count are down from 2019 to 2020. Total capital invested is down 17.8% from \$73.345 billion in 2019 to \$59.84 billion in 2020, while deal count is down even more at almost 26%, from 589 deals in January 2019 to 436 deals in 2020. Year-over-year, median deal size has decreased slightly from \$85

million in 2019 to \$80 million in 2020. It is also down from last month's median deal size of \$88.8 million. The EV/EBITDA median multiple is down slightly, year-over-year, from 11.4x in 2019 to 11.1x in 2020; however, it is more than last month's multiple of 10.8x. The cumulative impact of high stock valuations and macroeconomic

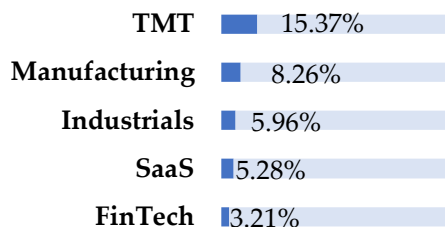


uncertainty has led to the lack of deal size and activity during the month.

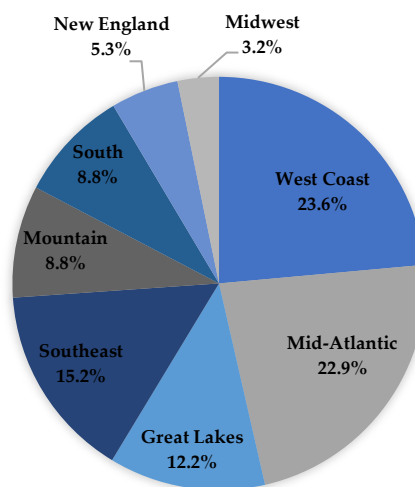
The most active verticle in the month of January was Telecommunications, Manufacturing and Transportation (TMT) at 15.37%, which was the also the top verticle in the past month. Healthcare deals are included in this verticle, and three of the top five biggest deals in January were within this verticle. There is a slight drop off followed by Manufacturing, Industrials, and SaaS sitting at 8.26%, 5.96%, and 5.28%, respectively.

The West Coast and Mid-Atlantic regions made up almost half of the total months' deal count at 46.5%. The next two regions, Southeast and Great Lakes made up 15.2% and 12.2%, respectively. These regions made up the top four in the past month as well.

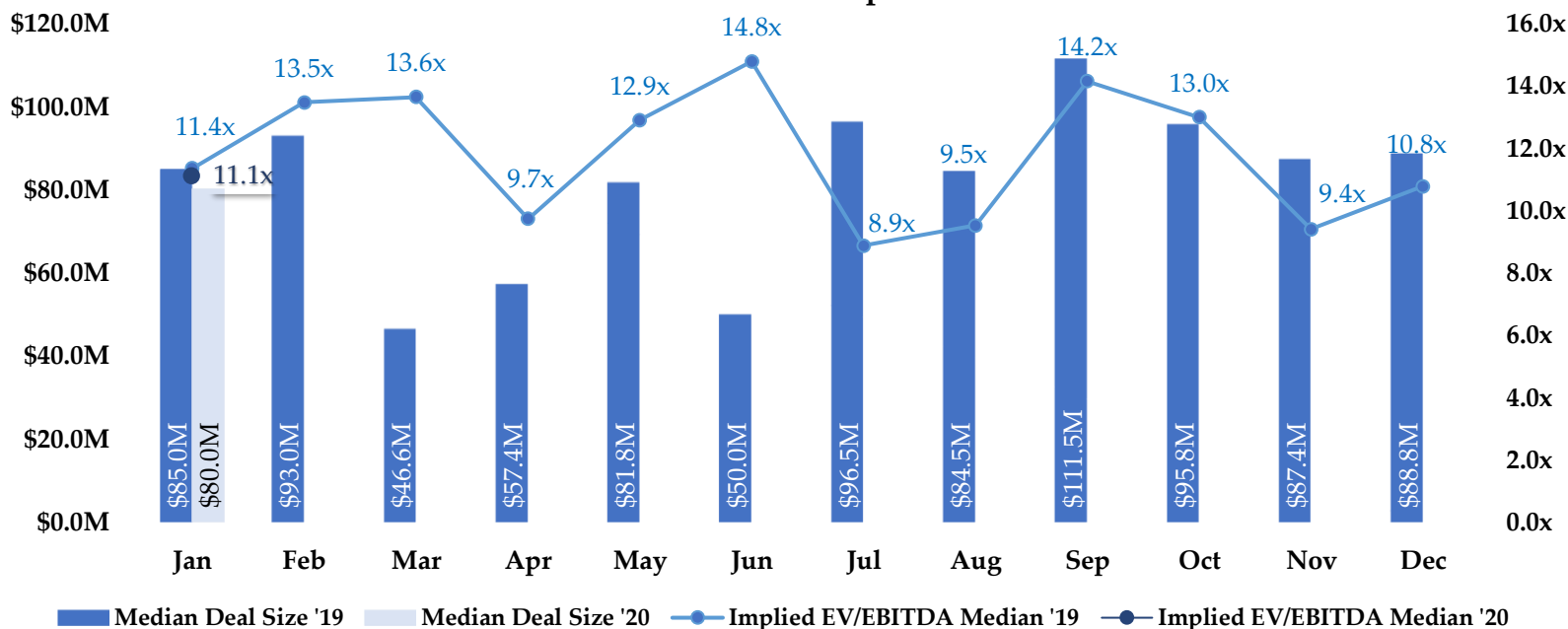
Top 5 Associated Verticles



DEAL COUNT PERCENTAGE BY US REGIONS



YTD Median Deal Size & Implied EV/EBITDA



Selected U.S. Transactions

Deal Date	Target	Buyers/Investors	Primary Industry Sector	State	Deal Size
23-Jan-2020	WellCare Health Plans	Centene (NYS: CNC)(Michael Neidorff)	Healthcare	Florida	15,270.00
06-Jan-2020	The Medicines Company	Novartis (SWX: NOVN)	Healthcare	New Jersey	9,700.00
17-Jan-2020	Plaid (Financial Software)	Visa (NYS: V)(Alfred Kelly)	Information Technology	California	5,300.00
17-Jan-2020	Peoples Natural Gas	Aqua America (NYS: WTRG)(Christopher Franklin)	Energy	Pennsylvania	4,275.00
16-Jan-2020	ArQule	Merck & Co. (NYS: MRK)(Roger Perlmutter)	Healthcare	Massachusetts	2,700.00
24-Jan-2020	Synthorx	Sanofi (PAR: SAN)(Paul Hudson)	Healthcare	California	2,500.00
15-Jan-2020	Audentes Therapeutics	Astellas Pharma (TKS: 4503)(Kenji Yasukawa)	Healthcare	California	2,151.17
31-Jan-2020	Dynetics	Leidos (NYS: LDOS)(Roger Krone)	Business Products and Services (B2B)	Alabama	1,650.00
10-Jan-2020	Jagged Peak Energy	Parsley Energy (NYS: PE)(Matthew Gallagher)	Energy	Texas	1,620.00
06-Jan-2020	Nebula Acquisition (NAS: NEBU)	Open Lending	Financial Services	California	1,300.00
02-Jan-2020	TMK IPSCO	Tenaris (MIL: TEN)(Paolo Rocca)	Business Products and Services (B2B)	Texas	1,209.00
24-Jan-2020	Shape Security	F5 Networks (NAS: FFIV)(Francois Locoh-Donou)	Information Technology	California	1,000.00
14-Jan-2020	SRC Energy	PDC Energy (NAS: PDCE)(Barton Brookman)	Energy	Colorado	971.30
28-Jan-2020	Achillion	Alexion (NAS: ALXN)(Ludwig Hantson)	Healthcare	Pennsylvania	930.00
31-Jan-2020	Bumble Bee Seafoods	FCF Fishery(Max Chou)	Consumer Products and Services (B2C)	California	928.00
30-Jan-2020	Boxwood Merger	Atlas Technical Consultants (NAS: ATCX)	Financial Services	California	709.50
03-Jan-2020	Sandler O'Neill + Partners	Piper Sandler Companies (NYS: PIPR)(Chad Abraham)	Financial Services	New York	485.00
30-Jan-2020	Retirement Wealth Specialists	Bluespring Wealth Partners(Stuart Silverman)	Financial Services	Florida	400.00
06-Jan-2020	Defenders	ADT Security Services (NYS: ADT)(James DeVries)	Consumer Products and Services (B2C)	Indiana	381.00
31-Jan-2020	ID Analytics	LexisNexis Risk Solutions(Rick Trainor)	Information Technology	California	375.00
03-Jan-2020	Bal Seal Engineering	Kaman (NYS: KAMN)(Neal Keating)	Business Products and Services (B2B)	California	330.00
17-Jan-2020	Mosaic Acquisition	Fortress Investment Group(Joshua Pack), The Blackstone Group (NYS: BX), Vivint Smart Home (NYS: VVNT)(Todd Pedersen)	Financial Services	New York	325.00
06-Jan-2020	Cherry Companies	Arcosa (NYS: ACA)(Antonio Carrillo)	Materials and Resources	Texas	298.00
31-Jan-2020	Incentive Technology Group	ICF International (NAS: ICFI)(John Wasson)	Information Technology	Virginia	255.00
23-Jan-2020	Drybar	Helen Of Troy (NAS: HELE)(Julien Mininberg)	Consumer Products and Services (B2C)	California	255.00

Transactions Highlight

WellCare Health Plans (Florida)

The company, who focuses on government-sponsored care services including Medicare and Medicaid, was acquired by Centene Corporation for \$15.27 billion in stock and cash to help bulk up Centene's Medicare and Medicaid businesses. Centene Corporation is a healthcare company that focuses on under-insured and uninsured individuals. Their two main segments are Managed Care and Specialty Services. Both companies expect around \$500 million in cost savings from the deal as soon as it closes.

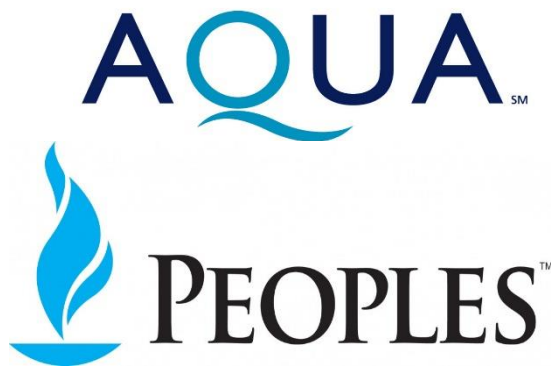


The Medicines Company (New Jersey)

The Medicines Company was bought by Novartis AG for \$9.7 billion at a 24% premium. This acquisition will help expand the range of heart medicines for Novartis, as The Medicines Company's leading drug is a cholesterol-lowering drug for heart patients. Novartis AG is a holding company who provides healthcare solutions and is engaged in both manufacturing and marketing for a range of healthcare products. Novartis expects this deal to be accretive to operating income and core EPS.

Plaid (California)

Plaid's technology helps people link their bank accounts to other mobile apps, such as Venmo, and was bought by Visa for \$5.3 billion. Visa is a payment technology company that enables global commerce through different parties, including consumers, financial institutions, and businesses, and this deal will help boost Visa's access to the financial technology sector.



People's Natural Gas (Pennsylvania)

People's Natural Gas was bought by Aqua America Inc in an all cash deal for \$4.3 billion. Aqua America Inc., now called Essentials Utilities Inc., is a holding company engaged in providing natural gas, water, and wastewater to certain parts of the US. This acquisition will help the company build scale and provide cost cuts. This acquisition comes at a key time as Aqua America Inc. had been struggling with aging infrastructure that needs to be upgraded, and this deal gives the company extra funds to be able to make that happen.

ArQule (Massachusetts)

ArQule, who has a focus on precision medicine, was bought by Merck & Co for \$2.7 billion at \$20 a share, which was more than double ArQule's closing price on the day the deal was announced. Merck & Co is a global healthcare company that offers prescription medicines, vaccines, and other biologic therapies. This strategic acquisition will let Merck & Co, who is a bigger company, unlock value by developing ArQule's assets more aggressively.

