



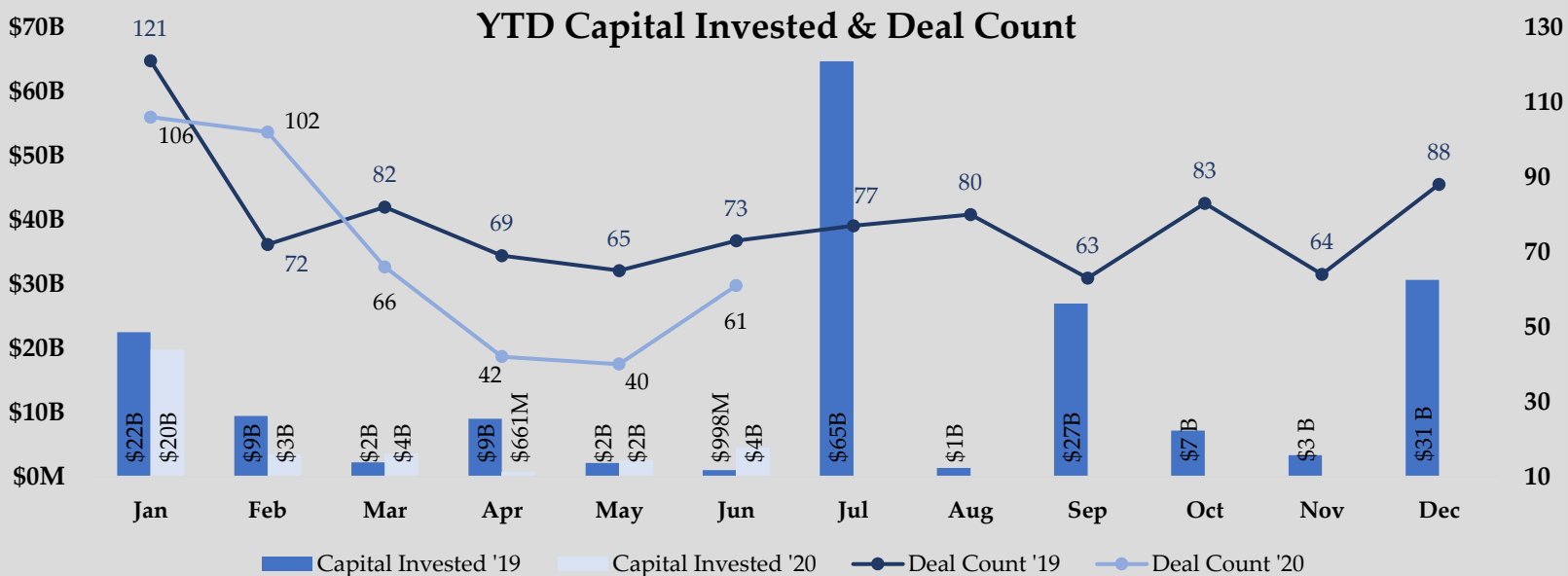
Southeast M&A Update

June 2020

Notable Trends in June 2020

For the month of June, deal count increased 53% after consecutive declines in April and May. However, deal activity was down 16% compared to June 2019. Capital invested increased 341% year-over-year and 81% compared to last month. The increase in capital invested was led by the acquisitions of CenterState Bank and Kemet by South State Corp. and Yageo, respectively. The

two acquisitions comprised 89% of capital investment in the Southeast. Median deal size rebounded to \$37 million - an increase from June 2019's amount of \$13 million and an increase from last month's amount of \$17 million. The EV/EBITDA median multiple was 9.4x, a 25% decrease year-over-year.

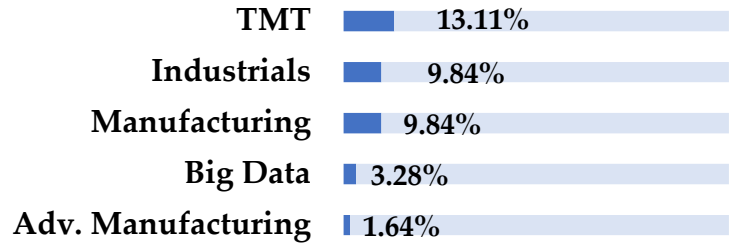


The top 3 most active verticals in the month of June were Technology, Media, and Telecommunications (TMT);

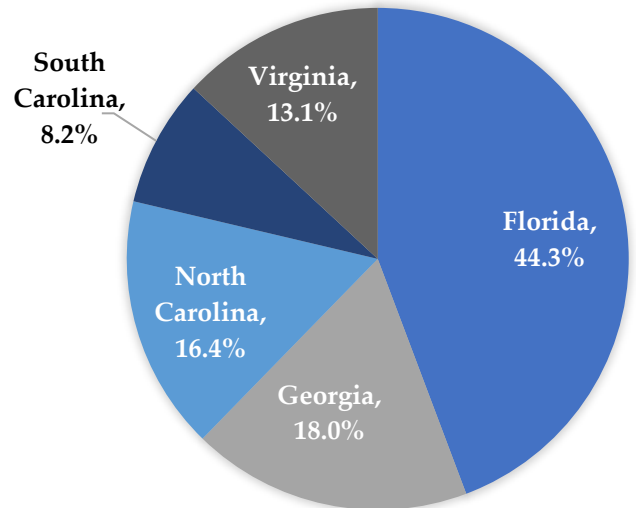
Manufacturing; and Industrials at 13.11%, 9.84%, and 9.84%, respectively. TMT was the top performer every month in Q2, and provided the second largest deal in June, totaling \$1.64 billion. Financial Services was the least active primary industry at 11% of completed deals, but led capital invested at 52%. This was due to South State Corp.'s acquisition of CenterState Bank for \$2.3 billion – the largest deal in June.

Florida was the most active state at 27 completed deals. The state had the first, second, and fifth largest deals, totaling 90% of the \$4.4 billion total capital invested. Virginia rounded out the top 5 with the third and fourth slots.

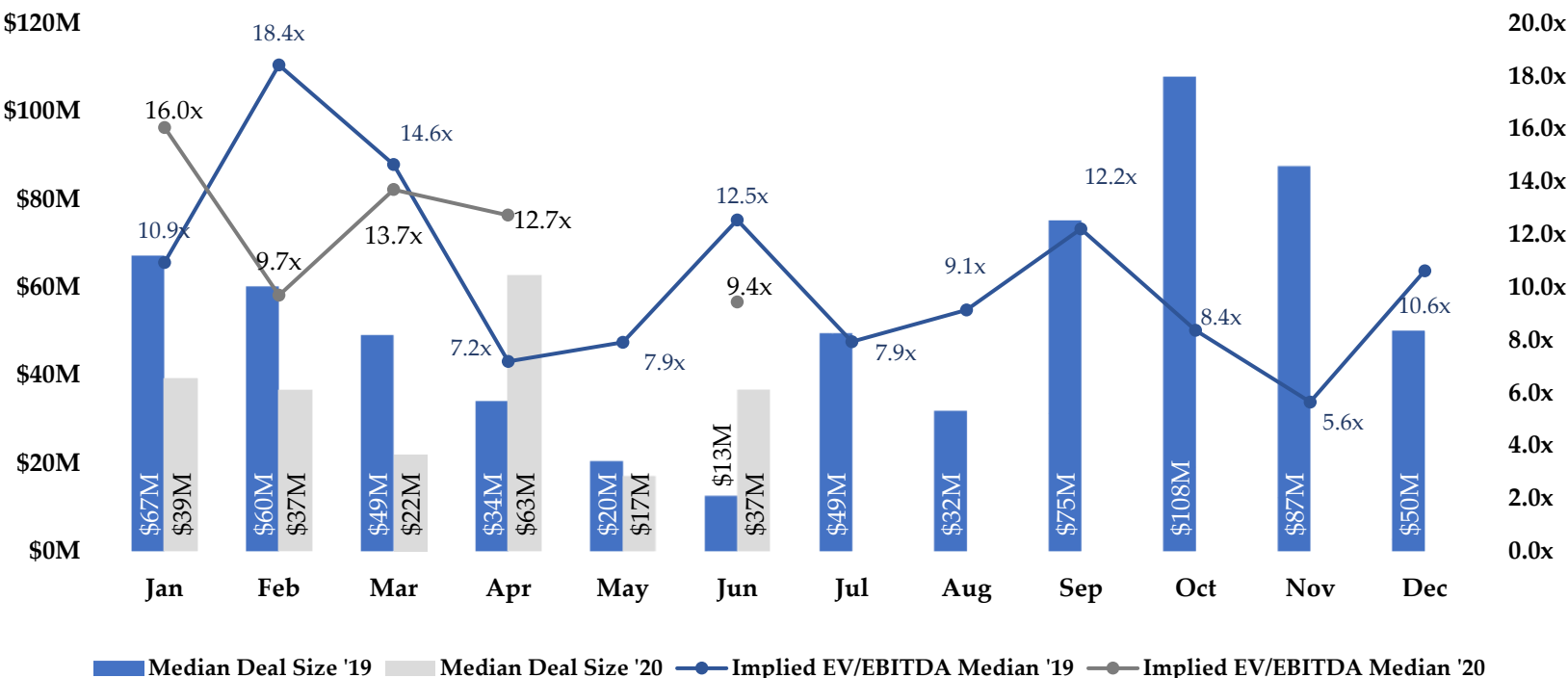
Top 5 Associated Verticals



DEAL COUNT PERCENTAGE BY STATE



YTD Median Deal Size & Implied EV/EBITDA



EV/EBITDA multiples not provided for the month of May

Selected Southeast Transactions for June

Deal Date	Buyer/Investors	Target/Issuer	Company State/Province	Verticals	Deal Size
09-Jun-2020	South State Corporation (NAS: SSB)(Robert Hill)	CenterState Bank	Florida		2,300.00
15-Jun-2020	Yageo (TAI: 2327)(Pierre Chen)	Kemet (US)	Florida	Manufacturing, TMT	1,640.00
12-Jun-2020	Cognizant Technology Solutions (NAS: CTSH)(Gregory Hyttenrauch)	Collaborative Solutions	Virginia	Industrials, SaaS, TMT	385.00
06-Jun-2020	Tacit Salon Holdings(Azhar Quader)	Ratner Companies	Virginia		36.50
11-Jun-2020	Earl Enterprises(Robert Earl)	FoodFirst Global Restaurants	Florida		30.00
29-Jun-2020	Transport America	CT Transportation	Georgia		15.00
15-Jun-2020	Federal Signal (NYS: FSS)(Jennifer Sherman)	Public Works Equipment And Supply	North Carolina		2.50
16-Jun-2020	Keystone Heart(Chris Richardson)	510 Kardiac Devices	Georgia		
18-Jun-2020	Microsoft (NAS: MSFT)(Ravi Krishnaswamy)	ADRM Software	North Carolina		
01-Jun-2020	Excel Impact(Alex Matseikovich)	AgileRates	Florida	InsurTech	
11-Jun-2020	Sanwire (PINX: SNWR)(Christopher Whitcomb)	Art is War Record label	North Carolina		
22-Jun-2020	The Plexus Groupe(Walter Fawcett)	Artisan Insurance Group	Florida		
27-Jun-2020	Qualivis	Associated Purchasing Services (Staffing Division)	South Carolina		
23-Jun-2020	Arthur J. Gallagher & Company (NYS: AJG)(Patrick Gallagher)	Barrett, Liner & Buss	Florida		
04-Jun-2020	Projekt202(David Lancashire)	Big Nerd Ranch	Georgia	TMT	
08-Jun-2020	Berry Companies(Walter Berry)	Bobcat of Atlanta	Georgia		
09-Jun-2020	SevenFifty(Aaron Sherman)	Bridge (Business/Productivity Software)	Florida	Artificial Intelligence & Machine Learning, Big Data, FinTech	
01-Jun-2020	Transportation Infrastructure Partners	Carolina Marine Terminal	North Carolina	Industrials, Infrastructure	
29-Jun-2020	Richelieu Hardware (TSE: RCH)(Richard Lord)	Central Wholesale Supply	Virginia		
22-Jun-2020	The Plexus Groupe(Walter Fawcett)	Community Insurance Group (Florida)	Florida		
19-Jun-2020	Group Management Services(Mike Kahoe)	Corporate Business Solutions	Georgia	HR Tech	
05-Jun-2020		Crom	Florida	Industrials	
29-Jun-2020	Service Transport	CTL Transportation	Florida		
08-Jun-2020	Overground Cloud Services(Paul Yoder)	DecisionPoint Selling	North Carolina		
30-Jun-2020	Element Solutions Inc (NYS: ESI)	DMP Corporation	South Carolina		

Transactions Highlights in June

CenterState Bank (Florida)

CenterState Bank is a commercial bank, which operates primarily in the Southeast. The firm was acquired by South State Corp. in an all-stock deal for \$2.3 billion, making the newly formed “South State Bank, National Association” the eighth largest bank in the Southeast U.S. The company is listed on the NASDAQ as SSB.



Kemet (Florida)

The company is a manufacturer of passive electronic components and distributes products to North America, South America, Europe, the Middle East, Africa, and Asia. Kemet was acquired by Yageo, a Taiwanese-based passive components manufacturer, for \$1.6 billion in an all-cash transaction. The combination will create an industry leader in the \$30 billion passive components industry and expand the newly formed company’s global operations.

Collaborative Solutions (Virginia)

Collaborative Solutions provides cloud-based consultancy services, specializing in finance and human resources. The firm was acquired by Cognizant Tech Solutions for \$385 million. Cognizant is a global IT services provider with nearly 300,000 employees. The firm, headquartered in New Jersey, is looking to grow its digital business and has relied on M&A to do so – Cognizant has made at least five acquisitions this year alone. The firm’s digital revenue grew 14% year-over-year for June.



Ratner Companies (Virginia)

Ratner Companies, one of the largest family owned hair salon chains in the country, has agreed to sell all assets of its affiliate Creative Hairdressers to Tacit Salon Holdings as a plan to reduce debt obligations under Chapter 11 bankruptcy. Creative Hairdressers operates Hair Cuttery, BUBBLES, and Salon Cielo; however, the company is looking to restructure its financial platform for long term growth, following the pandemic. Tacit Salon, a holding company formed to acquire salon platforms, acquired the assets for \$36.5 million.



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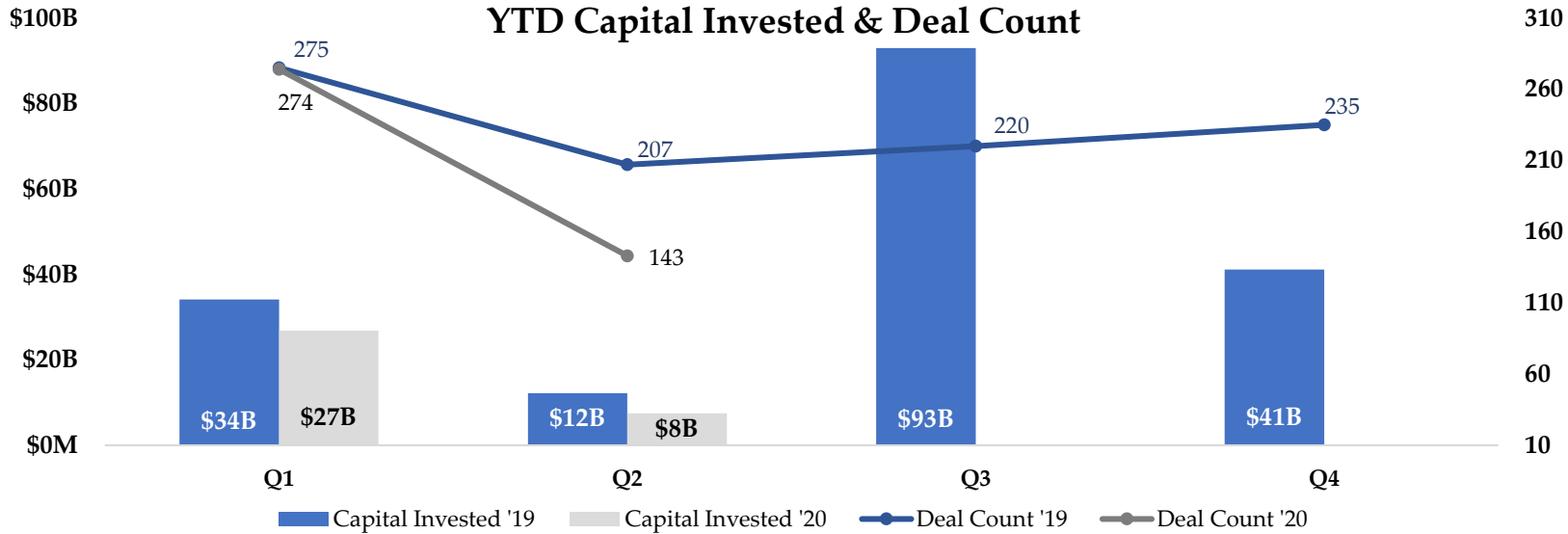


CT Transportation (Georgia)

Comcar Industries agreed to sell its subsidiary CT Transport to Transport America for \$15 million. This transaction comes after Comcar's Chapter 11 bankruptcy filing. CT Transport provides flatbed trucking transportation and logistics services, and Transport America, an affiliate of TFI International, is looking to strengthen its trucking presence in the Southeast. TFI has been active in the month of June; the company has acquired four transportation companies, including two from Comcar.

Notable Trends in Q2

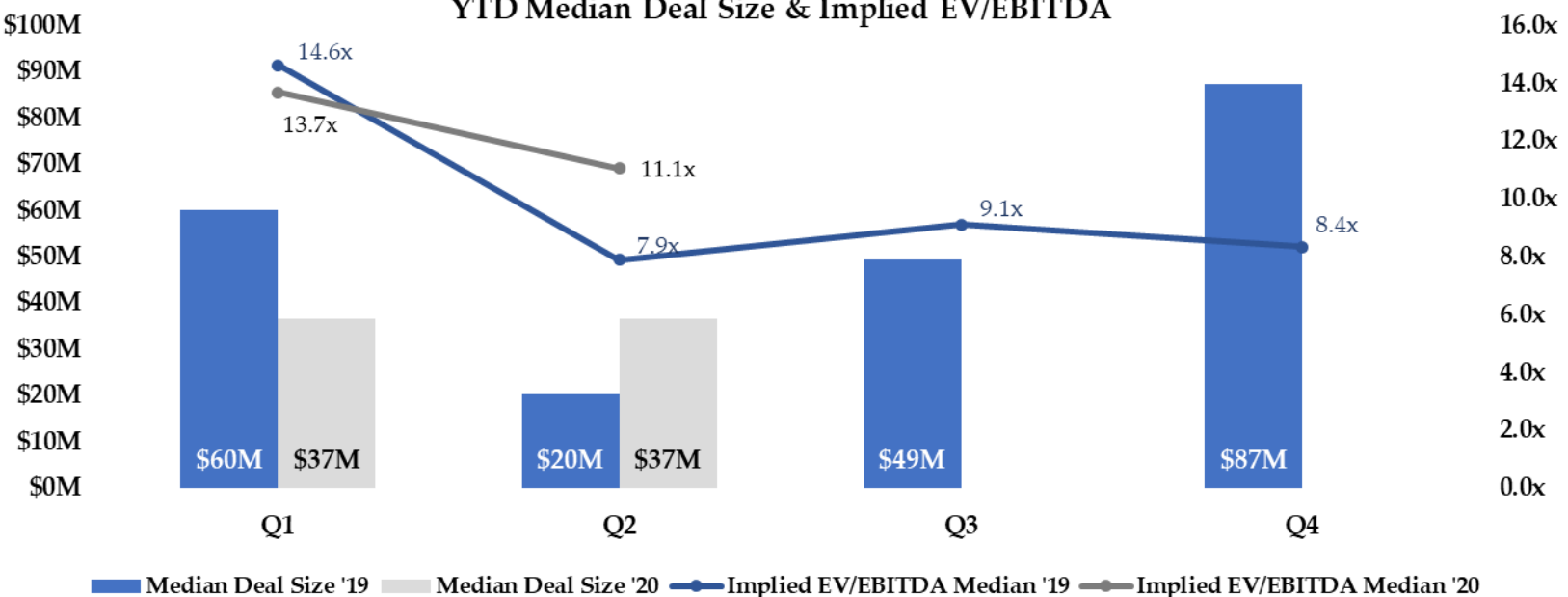
YTD Capital Invested & Deal Count



In the second quarter of 2020, deal count slowed down substantially in light of Covid-19. M&A activity decreased 48% from Q1 to Q2 as companies adjusted to new working conditions and depressed revenue streams. The 143 deals completed in the quarter is a 30% decrease compared to the same quarter last year. Total capital

invested decreased by 72% and 38% from Q1 of 2020 and Q2 of 2019, respectively. The largest deal of the quarter was South State Corp.'s acquisition of CenterState Bank for \$2.3 billion. Four transactions in the Southeast exceeded a \$1 billion deal size. These four transactions comprised 80% of total capital invested in the quarter.

YTD Median Deal Size & Implied EV/EBITDA



Deals and capital invested diminished significantly in reaction to the pandemic. During the quarter, bankrupt companies sold off assets and companies merged to combat the negative economic effects. This resulted in a lower EV/EBITDA median multiple from 13.7x in Q1 to 11.1x in Q2.

The median deal size stayed constant at \$37 million for the first two quarters of 2020 and increased by 78% compared to the second quarter of 2019. However, the capital invested is higher in previous quarters, suggesting the deal size in Q2 was primarily propped up by the four billion-dollar transactions.

Transaction Highlights Q2

Carolina Financial (*South Carolina*)

Carolina Financial was a bank holding company operating through CresCom Bank and headquartered in Charleston, South Carolina. United Bank acquired them for \$1.1 billion on May 1, 2020. United Bank entered the Southeast in 2017 and has been steadily looking to evolve in this region. This transaction will generate more growth opportunities and help establish them as a leading community bank in the Southeast and Mid-Atlantic regions.



Morgan Stanley

L3 Harris (*Florida*)

The company, a technology firm that provides products, systems, and services to the government and commercial consumers, was bought by Leidos Holdings for \$1 billion in cash. Leidos is a global science and technology firm that provides services mainly for the government. This acquisition is expected to be accretive to Leidos' revenue growth, EBITDA margins, and non-GAAP EPS.

Selected Transactions Q2

Deal Date	Buyer/Investors	Target/Issuer	Company State/Province	Verticals	Deal Size
09-Jun-2020	South State Corporation (NAS: SSB)(Robert Hill)	CenterState Bank	Florida		2,300.00
15-Jun-2020	Yageo (TAI: 2327)(Pierre Chen)	Kemet (US)	Florida	Manufacturing, TMT	1,640.00
01-May-2020	United Bank (Charleston) (NAS: UBSI)(Richard Adams)	Carolina Financial	South Carolina		1,100.00
04-May-2020	Leidos (NYS: LDOS)(Roger Krone)	L3Harris (Airport Security and Automation Business)	Florida		1,000.00
12-Jun-2020	Cognizant Technology Solutions (NAS: CTSH)(Gregory Hyttenrauch)	Collaborative Solutions	Virginia	Industrials, SaaS, TMT	385.00
06-May-2020	LogistiCare Solutions	National MedTrans Network	Georgia		305.00
29-Apr-2020	Stillfront Group (STO: SF)(Jörgen Larsson)	Candywriter	Florida	Gaming	195.00
28-Apr-2020	Rapid7 (NAS: RPD)(Corey Thomas)	DivvyCloud	Virginia	SaaS, TMT	145.00
17-Apr-2020	Computershare (ASX: CPU)(Stuart Irving)	Corporate Creations Enterprises	Florida		142.90
03-Apr-2020	First Bancshares (NAS: FBMS)(Ray Cole)	Southwest Georgia Bank	Georgia		88.00
06-Apr-2020	Orbital Energy Group (NAS: OEG)(William Clough)	Reach Construction Group	North Carolina		37.00
06-Jun-2020	Tacit Salon Holdings(Azhar Quader)	Ratner Companies	Virginia		36.50
01-Apr-2020	Pinnacle Bank (Georgia)(L. McConnell)	Southern Bank & Trust	Georgia		36.00
11-Jun-2020	Earl Enterprises(Robert Earl)	FoodFirst Global Restaurants	Florida		30.00
07-May-2020	Nammo	Chemring Ordnance	Florida	Industrials, Manufacturing	17.00
06-May-2020		McArthur Dairy	Florida		16.50
29-Jun-2020	Transport America	CT Transportation	Georgia		15.00
24-Apr-2020	NCAB Holding (STO: NCAB)(Hans Ståhl)	Bare Board Group	Florida	TMT	12.46
20-Apr-2020	Genesis Networks Global Services(Jay Bock)	Onepath Field Services	Georgia	Industrials, TMT	5.00
15-Jun-2020	Federal Signal (NYS: FSS)(Jennifer Sherman)	Public Works Equipment And Supply	North Carolina		2.50
04-May-2020	Oragenics (ASE: OGEN)(Alan Joslyn)	Noachis Terra	Florida		1.90
18-May-2020	HealthLynked (PINX: HLYK)(Michael Dent)	CURA Health Management	Florida		1.75
16-Jun-2020	Keystone Heart(Chris Richardson)	510 Kardiac Devices	Georgia		
06-May-2020	Aerospace Marketing Group(Jason Altzman)	721 Solutions	Georgia		
30-Apr-2020	Olgoonik Corporation	A-American Electric	North Carolina		