

Midwest M&A Quarterly Update

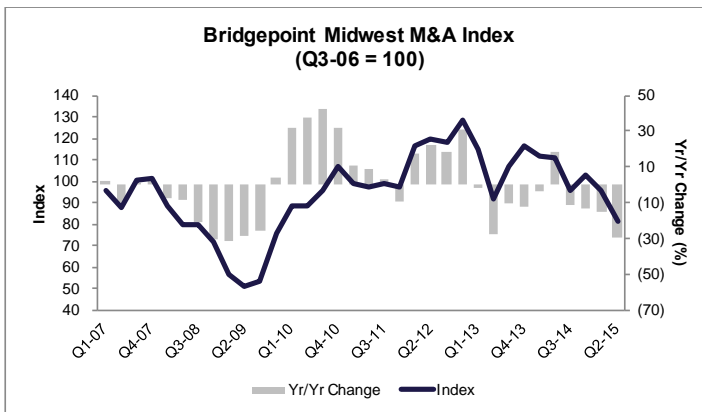
Second Quarter 2015

Midwest M&A Quarterly Update

Bridgepoint Midwest M&A Index

Midwest M&A: Strong Valuations, More Buyers Than Sellers

- Index Summary:** The Bridgepoint Midwest M&A Index, a measure of corporate merger and acquisition activity in the U.S. Midwest region, decreased by 14.6% in Q2-15 after having decreased 7.3% in Q1-15. On a year-over-year basis, the index decreased 29.3% from Q2-14. The index fell moderately below the baseline to 81.3 (Q3-06=100)
- Perspective:** In the latest quarter, the index went down 14.6 points. The reduction was largely driven by transaction volume decelerating, relative to deals with greater than \$10mm TEV. When quarterly Midwest M&A volume is analyzed without the \$10mm TEV requirement, volume increased 19.5% from 261 transactions in Q1-15 to 312 transactions in Q2-15. Median valuations grew significantly from 8.0x in Q1-15 to 12.4x in Q2-15, driven by aggressive capital market support. Bridgepoint projects the index to rebound in the third quarter of the year
- Key Drivers:** Continuing strength in the economy, low interest rates, rising competition among buyers, and increased pressure on corporations to generate growth are some of the key drivers of increased M&A activity according to the Wallstreet journal. The trends in Q2-15 show that PE firms display more interest for the higher middle markets, preferring to invest in less but bigger transactions. If and when the debt becomes more expensive, we may see some changes in the middle market figures
- Outlook:** Despite the slowdown in the index, Bridgepoint continues to see very strong deal-making activity in the region. Many industry insiders are reporting that deal activity had been picking up early in 2015 with closings later this year. A robust financing environment is also expected to drive a rebound in deal volume in the second half of 2015



- What the Index Means for You:** While the index decelerated in Q2-15, M&A valuations and deal sizes grew significantly relative to historical levels. The current environment represents an attractive opportunity for Midwest companies, management teams and business owners to:
 - Review Capital Structure and Financing Options* – Take advantage of the strong capital markets environment to refinance or to finance growth, acquisition or liquidity. Given the strong current market conditions, companies should evaluate their capital structure and options available to ensure they are well positioned relative to their strategic and financial priorities
 - Evaluate the strategic options impacting your company's value* – Midwest companies continue to garner premium valuations and strong M&A interest from both strategics and sponsors; cyclical sector valuations are at or near all-time highs, potentially representing an opportunity that may not be matched for years
 - Explore nontraditional deal-making opportunities* – Growth / expansion and recapitalization transactions can supplement traditional buy-out options given current market conditions

Index Definition

Q3-06 = 100. As defined by Bridgepoint Merchant Banking, the Bridgepoint Midwest M&A Index is assembled by summing the number of transactions (for transactions that meet the Transaction Requirements below, as sorted by announced date) announced over the latest two quarters. Year-over-year and quarter-over-quarter percent change is calculated and then applied to the index number for the previous applicable period.

Transaction Requirements

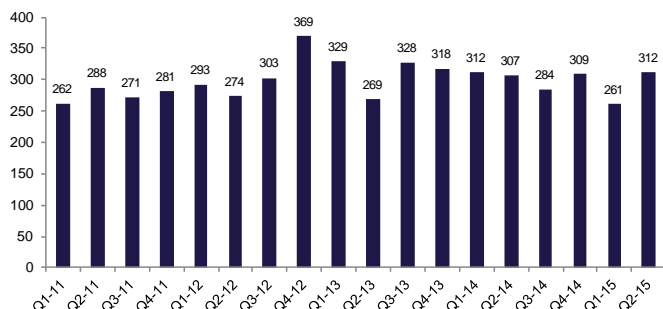
Buyer, target and/or seller must be located in the Midwest, and the Midwest participant must have purchased or sold majority control. Total Enterprise Value must be \$10mm or greater. Midwest defined as Iowa, Kansas, Missouri, Nebraska, North Dakota, Oklahoma, and South Dakota.

Source: Bridgepoint Merchant Banking, Capital IQ (6/30/2015), www.axial.net, www.bloomberg.com, www.deloitte.com, www.Pitchbook.com

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Selected Midwest Q2-15 M&A Transaction Statistics^(a)

Quarterly Midwest M&A Transaction Volume



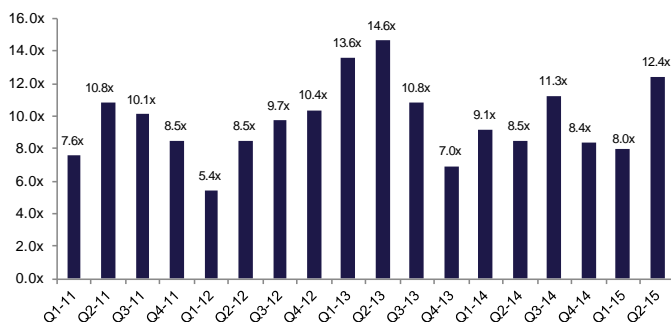
- Quarterly Midwest M&A volume increased by 19.5% from 261 transactions in Q1-15 to 312 transactions in Q2-15. On a year-over-year basis, quarterly Midwest M&A volume increased by 1.6% from Q2-15
- From a long-term perspective, Midwest deal flow continues to reflect an upward trajectory; 2014 aggregate transaction volume is consistent with previous historically high levels

Quarterly Midwest M&A Median Deal Size



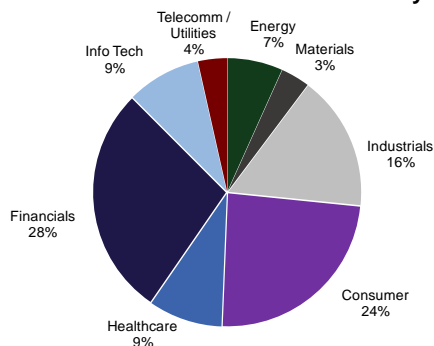
- Of the Midwest M&A transactions with transaction values, quarterly median deal size increased from \$16.5mm in Q1-15 to \$19.0mm in Q2-15
- Midwest owners have increasingly explored M&A monetization due to valuation trends in the lower middle market; however, buyers are waiting patiently for high quality deals
- As the supply of high quality firms is reduced, corporates and sponsors have shown a willingness to pay a premium to close deals

Quarterly Midwest M&A Median Valuation



- On a TEV/EBITDA basis, median Midwest M&A valuations increased from 8.0x in Q1-15 to 12.4x in Q2-15. On a TEV/sales basis, median Midwest M&A valuations went up from 1.2x in Q1-15 to 2.1x in Q2-15
- Lower middle market multiples in the Midwest remain elevated relative to broader market historical average figures of approximately 5.5x – 7.5x EBITDA

Q2-15 Midwest M&A Transaction Volume by Sector



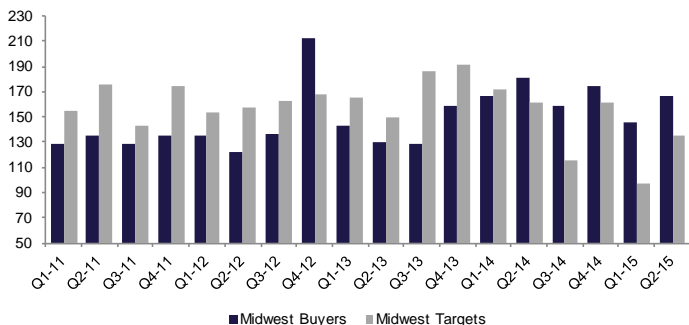
- Top targeted industries (Financial Services, Consumer Products & Services and Industrials) accounted for 68% of total Midwest M&A transaction volume in Q2-15
- Transaction volume share by sector in Q2-15 is largely unchanged relative to Q1-15. The Consumer Products & Services sector saw the biggest increase in Q2-15, up 4.9% from Q1-15



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Selected Midwest Q2-15 M&A Transaction Statistics (Continued)^(a)

Quarterly Midwest M&A Buyers and Targets



- Quarterly M&A transactions with Midwest buyers increased to 166 in Q2-15 from 145 in Q1-15. Transactions with Midwest targets increased 39.2% to 135 at Q2-15 from 97 at Q1-15
- The increase in transactions with Midwest targets reiterates the strong buyer appetite for Midwest companies

Selected Midwest Q2-15 M&A Transactions^(a)

Announced	Target	Target Location	Buyer	Buyer Location	Target Sector	TEV (\$mm)
06/29/2015	United Suppliers, Inc.	IA	WinField Solutions, LLC	MN	Industrials	-
06/22/2015	Metropolitan National Bank	MO	Bear State Financial, Inc. (NasdaqGM:BSF)	AR	Financials	\$70.0
06/21/2015	Williams Companies, Inc. (NYSE:WMB)	OK	Energy Transfer Equity, L.P. (NYSE:ETE)	TX	Energy	81,793.1
06/15/2015	Grayson County Physicians Property, LLC	TX	Power Solutions International, Inc. (NasdaqCM:PSIX)	IL	Healthcare	25.9
06/15/2015	Huttig Building Products Inc., Southwest Roofing Supply Branch in Farmers Branch, Texas	TX	Pacific Coast Supply, LLC	CA	Industrials	-
06/05/2015	Dakota Plains Surgical Center, LLP	SD	Avera St. Luke's Hospital	SD	Healthcare	36.9
06/02/2015	Intrafinity Inc.	Canada	West Corporation (NasdaqGS:WSTC)	NE	Information Technology	19.0
06/01/2015	Sheplers, Inc.	KS	Boot Barn, Inc.	CA	Consumer	147.0
06/01/2015	Bridger Logistics, LLC	TX	Ferrellgas Partners LP (NYSE:FGP)	KS	Energy	839.3
05/29/2015	Premier Valley Bank (OTCPK:PVLV)	CA	Heartland Financial USA, Inc. (NasdaqGS:HTLF)	IA	Financials	95.1
05/29/2015	Hazelwood Logistics Center	MO	NorthPoint Development LLC	MO	Financials	9.2
05/27/2015	First Commercial Bancshares, Inc.	OK	Bank SNB, National Association	OK	Financials	41.8
05/25/2015	Hodges Trucking Company, L.L.C.	OK	Aveda Transportation and Energy Services Inc. (TSX:AVE)	Canada	Industrials	42.0
05/20/2015	Billy Goat Industries, Inc.	MO	Briggs & Stratton Corporation (NYSE:BGG)	WI	Consumer	26.0
05/18/2015	Kay-Flo Industries Inc.	IA	The Andersons, Inc. (NasdaqGS:ANDE)	OH	Materials	149.7
05/18/2015	Protection 1, Inc.	KS	Apollo Global Management, LLC (NYSE:APO)	NY	Consumer	1,500.0
05/13/2015	Winside Bancshares, Inc.	NE	Madison County Financial, Inc. (NasdaqCM:MCBK)	NE	Financials	4.3
05/08/2015	Syngenta AG (SWX:SYNN)	Switzerland	Monsanto Company (NYSE:MON)	MO	Materials	48,253.6
05/06/2015	Carpathia Hosting, Inc.	VA	Quality Technology Services Holding, LLC	KS	Information Technology	326.0
04/20/2015	Accountable Health Solutions, Inc.	IA	Hooper Wellness, LLC	KS	Healthcare	6.8
04/16/2015	Community Bancorporation of New Mexico Inc.	NM	Heartland Financial USA, Inc. (NasdaqGS:HTLF)	IA	Financials	11.3
04/15/2015	Paloma Partners III, LLC	TX	Gulfport Energy Corp. (NasdaqGS:GPOR)	OK	Energy	301.3
04/08/2015	Iris Data Services, Inc.	KS	Epiq Systems, Ltd.; Epiq Systems Acquisition, Inc.	KS	Information Technology	134.0
04/07/2015	Result Radio, Inc. And KAGE Inc.	MN	Leighton Broadcasting Inc.	ND	Consumer	9.5
04/06/2015	Lost Creek Wind Finco, LLC and Lincoln County Wind Project Holdco, LLC	MO	Pattern Energy Group Inc. (NasdaqGS:PEGI)	CA	Utilities	344.0

(a) Midwest defined as Iowa, Kansas, Missouri, Nebraska, North Dakota, Oklahoma and South Dakota. Either buyer, target, or seller must be located in the Midwest, and the Midwest participant must have purchased or sold majority control.

Source: Bridgepoint Merchant Banking, Capital IQ



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Lincoln, Nebraska
Omaha, Nebraska



Des Moines, Iowa
Denver, Colorado

About Bridgepoint Merchant Banking

Bridgepoint Merchant Banking, a Division of Bridgepoint Holdings, LLC, is a lower and middle market investment banking and private equity firm that serves clients throughout the corporate lifecycle by providing merger and acquisition and corporate finance advisory services.

With more than 35+ years of cumulative experience, Bridgepoint Merchant Banking professionals have completed over \$104 billion of merger and acquisition and capital raising transactions across a wide range of industries. Bridgepoint also manages capital and invests directly into operating companies through its private equity and venture capital funds.

When considering a sale of your business, the acquisition of a business, and/or raising capital for a business or transaction, the Principals of Bridgepoint Merchant Banking, through our broker dealer relationship, can help you to achieve your personal and business goals. Our specialized expertise helps our clients achieve better value, identify better transaction partners, reach smarter decisions and negotiate more favorable outcomes. Please reach out to us at the contact information above to discuss how we can help you.

Selected Bridgepoint Merchant Banking Transactions

USD1.9 million Investor Debt and Preferred Equity Placement Sole Financial Advisor	NOT DISCLOSED Buy-side advisory on its potential acquisition of publicly traded technology services company and related acquisition financing Sole Financial Advisor	NOT DISCLOSED Sell-side advisory and Buy-side acquisition financing Sole Financial Advisor	USD1.0 billion Follow-on equity offering Senior Co-Manager	USD300 million Joint Bookrunner and Joint Arranger for new revolving credit facility and senior note offering	USD200 million Exit financing facilities Bookrunner	USD3.0 billion Joint Bookrunner on senior notes offering Joint Bookrunner	USD300 million Secondary equity offering Joint Lead Bookrunner	USD200 million BridgepointMonroe Capital Investors, LLLP Lead Bookrunner & Sole Financial Advisor
GOOD YEAR SD1.9 billion Senior secured credit facilities Joint Bookrunner	THE EXPRESS GROUP USD1.17 billion Buy-side advisory to private equity consortium on its acquisition Coogen-Standard Automotive Sole Financial Advisor	INTEGRITY'S Not Disclosed Buy-side advisory and acquisition financing for management buyout Sole Financial Advisor	VALUE PLACE USD5.1 million Secured Promissory offering Lead Bookrunner	Verhaeusser \$1 billion Joint Bookrunner on senior notes offering Advisor	QCommerce USD10 million+ Preferred stock offering Joint Bookrunner	KOCH INDUSTRIES INC USD20 billion Joint Lead Arranger for the financing supporting Koch's acquisition of Georgia Pacific Joint Lead Arranger	Constar's redbox USD200 million Convertible notes offering Joint Bookrunner	
SARI TEC SD1.2 billion Buy-side advisor to Sarih Tec (hires automotive supplier) its acquisition of N.A. automotive supplier Financial Advisor	Building Products Distributor Not Disclosed Sell-side M&A Advisory Sole Financial Advisor June 2015	LKQ USD765 million Senior secured credit facilities (financing for LKQ's acquisition of top competitor) Joint Bookrunner	BirdDog Not Disclosed Equity Capital Raise Sole Bookrunner June 2014	T-STONE \$100 million Senior on senior notes offering Joint Bookrunner	METLCAST PRODUCTS, INC. Not Disclosed Buy-side advisory and financing on acquisition of metal foundry Sole Financial Advisor & Sole Financing Arranger	Powderhook Not Disclosed Unsecured Promissory Note Financial Advisory	ScanMed Not Disclosed M&A advisory Sole Financial Advisor	
WCC	YORK LABEL	Hertz	Manitowoc	IWCODIRECT	SOHO DEVELOPMENT	ACCURIDE	KamDann	NAVTEQ

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