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EXCELLENCE ON A CONSISTENT BASIS

QUARTERLY UPDATE

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MERGERS & ACQUISITIONS

CAPITAL RAISING

STRATEGIC ADVISORY

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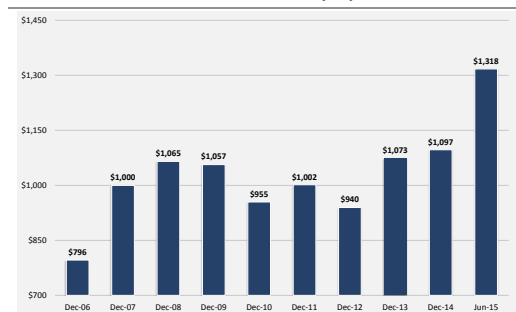
*THE NAME METRONOME IS SYMBOLIC OF THE IMPORTANCE OF TIMING AND OF ACHIEVING EXCELLENCE ON A CONSISTENT BASIS. FROM MARATHONERS TO SYMPHONY CONDUCTORS, A SEASONED PERFORMER'S RHYTHM, HARD WORK, DEDICATION, AND EXPERIENCE DICTATE THE OUTCOME.*

### SPOTLIGHT: M&A MARKET SUPPLY/DEMAND IMBALANCE DRIVING HIGHER VALUATIONS

M&A middle market deal volume increased 14% for the twelve months ended June 2015 compared to the same period ended June 2014. Multiple factors are leading to robust deal activity and strong valuations of middle market companies, all contributing to the highest values being paid for companies under \$1 billion in enterprise value since prior to the start of the 2008 global recession.

Key factors driving this M&A seller's market include a large capital overhang and strong growth in debt availability. According to Preqin data, there is \$1.3 trillion of available private equity capital worldwide, which is the highest level on record. Combined with a scarcity of high-quality assets, private equity groups are more inclined to stretch purchase price multiples in order to deploy capital. Similarly, S&P 500 firms are building cash reserves and currently hold more than \$1.4 trillion on their balance sheets. This cash is often deployed to facilitate strategic acquisitions, thereby providing immediate top-line growth and supplementing organic growth potential.

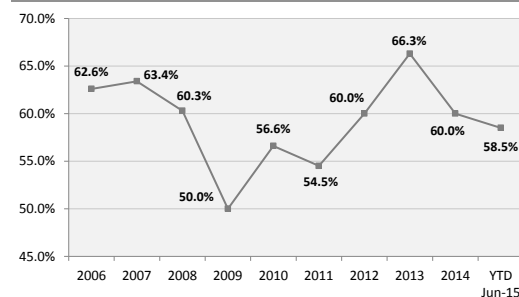
#### PRIVATE EQUITY CAPITAL OVERHANG (\$B)



Preqin

Further, the availability of inexpensive financing has pushed leverage multiples higher. In this low interest rate environment, leveraged-lending guidance remains robust, and the percentage of debt used in buyouts has increased from 50% in 2009 to approximately 60% in recent years.

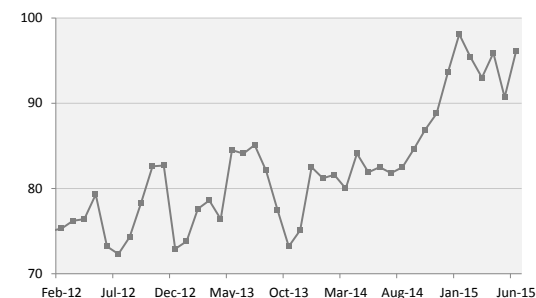
#### MEDIAN DEBT PERCENTAGES FOR BUYOUTS



PitchBook

According to a KPMG survey of 735 M&A professionals from U.S. corporations, private equity firms, and investments banks, 82% indicated that their company is planning at least one acquisition in 2015, up significantly from 50% and 75% in 2013 and 2014, respectively. Consumer confidence has also risen, as evidenced in the exhibit below.

#### CONSUMER SENTIMENT



University of Michigan

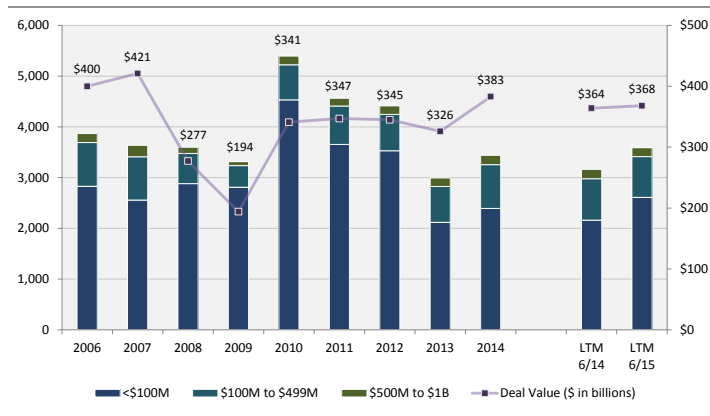
As a result of these market dynamics, there is a level of demand far outpacing supply, and elevated middle market company valuations persist across numerous industries and company sizes. These trends are expected to continue into the near future, and they favor business owners who are seeking an exit.

*Please contact our firm's principals to discuss your company's strategic alternatives, including majority and minority transactions as well as recapitalizations. We have more than 75 years of deal experience and have sold over 200 companies, including numerous entrepreneur- and family-owned businesses. Metronome recently completed an entrepreneur-owned transaction, and a summary of the deal is provided on the following page.*

### M&A MARKET UPDATE: U.S. MIDDLE MARKET TRANSACTIONS

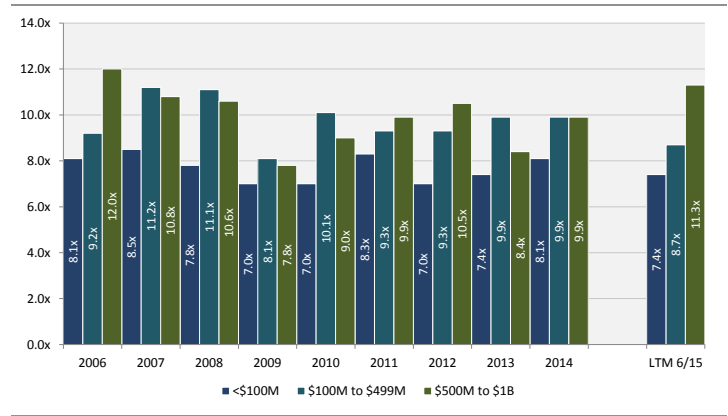
The middle market continues to account for the vast majority of M&A transactions. Lower middle market transactions, those deals valued at under \$100 million, accounted for 73% of total middle market deal volume for the twelve months ended June 2015, up from approximately 68% in the same period ended June 2014. In addition to higher M&A volume, deal value also increased, albeit marginally. The first six months of 2015 saw a 9% increase in number of deals versus the first six months of 2014, while deal value across both periods remained largely consistent. Finally, larger middle market transactions, those deals valued between \$500 million and \$1 billion, realized a meaningful increase in valuation; EV / EBITDA multiples climbed approximately 14% for the twelve months ended June 2015 as compared to full-year 2014, nearly reaching the 2006 peak valuation multiple of 12.0x.

MIDDLE MARKET M&A ACTIVITY BY TRANSACTION VALUE



Dealogic

MEDIAN ENTERPRISE VALUE / EBITDA MULTIPLES



Dealogic

### RECENT TRANSACTION: EMPG INVESTMENT LLC

Metronome served as exclusive advisor to EMPG Investment LLC (the "Company") in its recapitalization with Linsalata Capital Partners, an investment firm based in Mayfield Heights, Ohio. EMPG Investment LLC is a premier equipment and supplies marketing and procurement group. The Company performs a critical role within its industry's multi-tiered supply chain by aggregating the purchasing power of its clients to negotiate favorable pricing. Metronome worked with senior management to find and select a new financial partner that best fit the Company's management team and long-term objectives.

The CEO of EMPG Investment LLC commented, "Randy Karchmer and his team exceeded all expectations. They were wholly committed to this process from start to finish. Metronome achieved a terrific outcome for all stakeholders."

EMPG Investment LLC provides a broad portfolio of differentiated value-added services that allows it to maintain long-term relationships with its network of clients and partners. EMPG Investment LLC is one of the fastest growing marketing and procurement groups in its market.

March 2015

## EMPG Investment LLC

*has completed a successful recapitalization with*



**LINSALATA CAPITAL PARTNERS**

*The undersigned served as exclusive financial advisor to EMPG Investment LLC*



**METRONOME PARTNERS LLC**

Metronome Partners, LLC is an independent, Chicago and Memphis based M&A advisory firm that specializes in managing, structuring, and negotiating transactions of varying sizes and complexities in a broad range of industries. With over 200 transactions completed by Metronome's principals, the firm guides its clients through critical, value-based corporate finance alternatives, including strategic sales, recapitalizations, divestitures, and debt and equity placements. The firm focuses on middle-market businesses nationwide, valued from \$30 million to over \$500 million.