



MIDWEST M&A QUARTERLY UPDATE

THIRD QUARTER 2020

Midwest M&A Quarterly Update

Third Quarter 2020

Midwest M&A Activity Sees Uptick, But Continues To Lag as COVID-19 And The Election Leave More Questions Than Answers

The Midwest is showing signs of economic strength as some states show resilient M&A activity. While COVID-19 continues making headlines and the US Presidential Election looms, buyers/sellers indicate high motivation to complete deals prior to year end

Iowa – Economists predict Iowa's economy will shrink by 9.1% over the period of March 2020 – March 2021 due to COVID-19

Kansas – COVID-19 significantly decreased state and local tax revenue, as KS expects to collect \$1.2bn less over the current and next fiscal year

Missouri – Weathering COVID-19 better than others with a state ranking of 22 (1 being highest economic exposure and 50 the lowest) according to IBIS World

Nebraska – Economic impact isolated by industry, overall unemployment peaked in April 2020 at 8.3% and has slowly declined since

North Dakota – COVID-19 and collapse of oil prices has sent the state into a deep hole, recent models predict total wages and salaries to decrease by 8% and could fall by as much as 40%

Oklahoma – Exposure to the oil industry and pandemic has caused economic strain. 47% of all employees in the state are in industries that have high/medium level of economic exposure to COVID-19 and pandemic regulations

South Dakota – COVID-19 impacting the peak summer tourism months has SD bracing for increased economic fallout as total US travel spending is expected to decrease by 45% by year end

Notable Midwest Transactions Q3-20

Industrials – Kansas

July 5, 2020

Spire Capital announced on July 5th, 2020 that it acquired DBI Inc, a leading nondestructive testing and inspection service company for oil and gas pipelines.



"We are excited about our future together with ERI and view this as an opportunity for growth in expanded geographies and with additional technologies. Our customers will continue to receive excellent service as we strengthen the combined company with client-facing enhancements and a more diverse service line. We also believe this merger will provide professional growth opportunities for the members of our team."
– Jeff Hlilfiker, DBI, President



Industrials – Nebraska

July 20, 2020

Astec Industries (NASDAQ:ASTE) announced on July 20th, 2020 that it acquired Concrete Equipment Company, the company operates portable and stationary batch plants

"The addition of these highly regarded brands, along with our existing RexCon brand of concrete products will significantly strengthen our ability to serve our customers' needs – Rock to Road. By bringing these product lines together, our global customers will have access to the most robust line of concrete products in the infrastructure industry." – Barry Ruffalo, Astec Industries, CEO



Midwest M&A Trends

M&A Deal Activity

145 transactions closed in Q3-20, which is up from 113 from Q2-20. We expect overall M&A activity in the Midwest region to increase steadily in H2 2020 and Q1 2021



Industry Activity

Industrials continue to drive deal volume in 2020, accounting for 25% of the activity in the market followed by consumer discretionary, information technology and financials at 12% each



Nebraska – M&A Trends

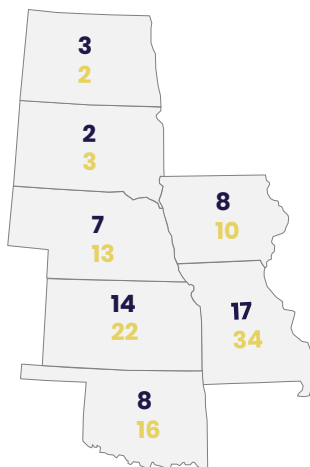
Strategics and sponsor-backed strategics remain the most active buyers in the Midwest region accounting for ~82% of the total deal volume through Q3-20, while pure-play private equity recapitalizations make up ~18%



"M&A activity has come back with a fury since June/July. Many are racing to the finish line to complete deals before year end and potential tax changes. We are consistently hearing from our private equity contacts that there aren't many quality assets to buy, and they are hungry to put capital to work. Valuation and structure is directly correlated to performance thru COVID. Focus on corporate strategy, capital markets options and balance sheet strength has never been more critical to consider – COVID continues to be a period of competitive reorganization in many key sectors."

Matt Plooster, Managing Director
Bridgepoint Investment Banking

Q3-20 Midwest M&A By State



● Targets ● Buyers

Midwest Targets

Missouri	17
Kansas	14
Iowa	8
Oklahoma	8
Nebraska	7
North Dakota	3
South Dakota	2
Total	59

Midwest BUYERS

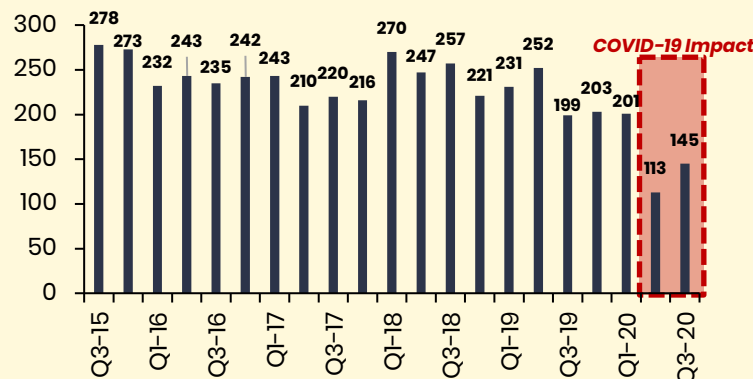
Missouri	34
Kansas	22
Oklahoma	16
Nebraska	13
Iowa	10
South Dakota	3
North Dakota	2
Total	100

Midwest M&A Quarterly Update

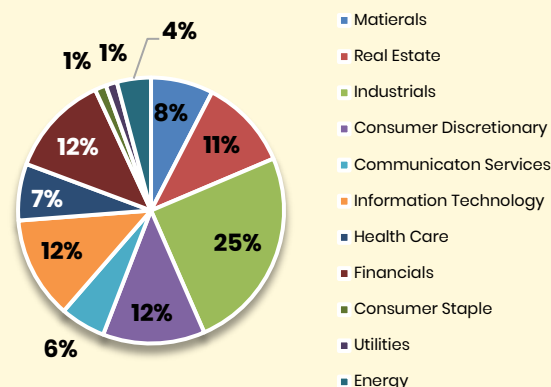
Third Quarter 2020

Selected Midwest Q3-20 M&A Transaction Statistics

Midwest M&A Volume By Quarter



Q3-20 Midwest M&A Volume By Sector

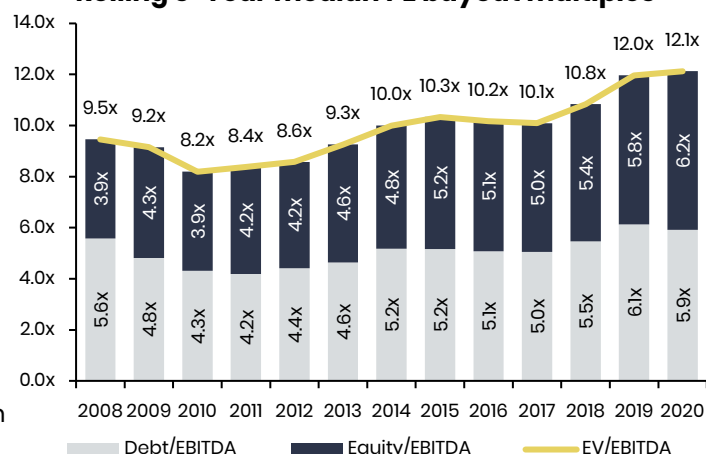


The Midwest middle market felt the full burden of the COVID-19 pandemic in Q2 and Q3. The first quarter of the year saw 201 deals close and then experienced a 43% decline in Q2 to 113 transactions; **YTD Q3-20 deal volume is down 32.6% year-over-year from 2019 levels**

Despite the decline in deal volume and pandemic disruption, valuation **multiples remain elevated for companies in pandemic / recession resistant industries**; select sectors include: transportation & logistics, information technology services and healthcare

Private equity is in a unique position as the COVID-19 government relief regulations and potential tax code changes create internal uncertainty while most remain eager to deploy committed funds into opportunities created by the pandemic

Rolling 3-Year median PE buyout multiples



Recent Midwest Q3-20 M&A Transactions

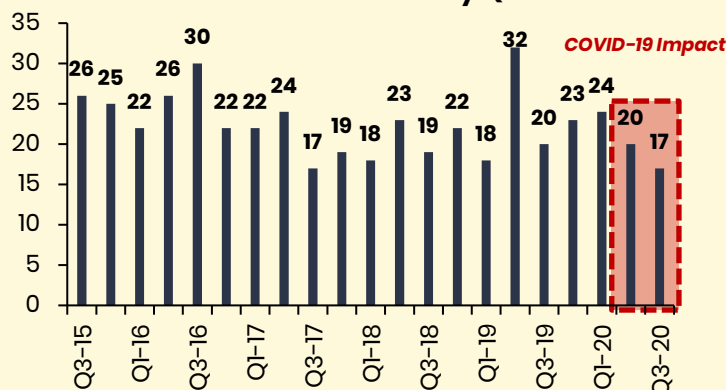
ANNOUNCED	TARGET	TARGET LOCATION	BUYER	BUYER LOCATION	TARGET SECTOR
09/30/2020	Nanopareil	South Dakota	ProMetic Biosciences	Cambridgeshire	Materials
09/29/2020	Marketplace West Covina	California	Waterford Property Company	Kansas	Real Estate
09/22/2020	Environmental Planning Group	Arizona	Terracon Consultants	Kansas	Industrials
09/14/2020	MidStates VRS	North Dakota	Trimble	California	Information Technology
09/08/2020	Nexgen Industrial Services	Pennsylvania	Emory Industrial Services	Iowa	Industrials
08/31/2020	DSCM	Nebraska	AdaptHealth	Pennsylvania	Healthcare
08/25/2020	Catapult	Kansas	Magaya	Florida	Information Technology
08/18/2020	Trasnwater	Texas	Patriot Environmental	Oklahoma	Information Technology
08/11/2020	Lenox Wealth Management	Ohio	Creative Planning	Kansas	Financials
08/05/2020	DBI Inc	Kansas	Spire Capital	New York	Industrials
07/23/2020	Flow Forward Medical	Kansas	Artio Medical	Kansas	Healthcare
07/14/2020	LightSpeed	District Of Columbia	Xcellence	Kansas	Information Technology
07/09/2020	Panoramic	Wisconsin	Anchor Packaging	Missouri	Materials
07/01/2020	Vero Business Capital	Tennessee	Love's Financial	Oklahoma	Financials

Nebraska M&A Quarterly Update

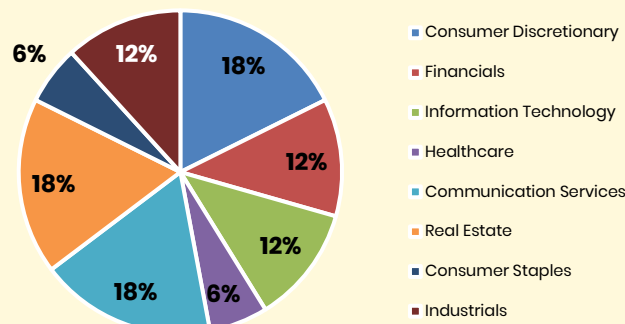
Third Quarter 2020

Selected Nebraska Q3-20 M&A Transaction Statistics

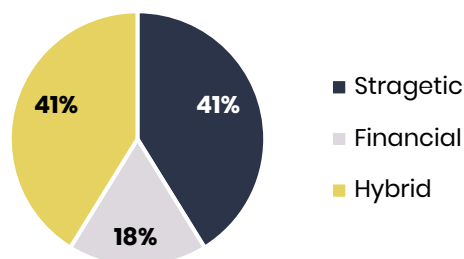
Nebraska M&A Volume By Quarter



Q3-20 Nebraska M&A Volume By Sector



Q3-20 Nebraska Buyer Types



Notable Nebraska Transactions Q3-20

Health Care

August 31, 2020
Diabetes Supply Center of the Midlands, provider of diabetes products, announced on August 31st, 2020 it got acquired by AdapthHealth (NASDAQ: AHCO).
"DSCM had outgrown our nonprofit and needed a partner to compete in the ever-changing diabetes and payor reimbursement market." – Mark Huber, Chairman of the Board, DSCM

Communication Services

July 28, 2020
Central Stockyards announced that it acquired Fed Cattle Exchange, an online live cattle trading platform.
"We look forward to servicing existing customers of the Fed Cattle Exchange and earning the business of new customers." – Surcy Peoples, Central Stockyards, Director of Operations

Recent Nebraska Q3-20 M&A Transactions

ANNOUNCED	TARGET	TARGET LOCATION	BUYER	BUYER LOCATION	TARGET SECTOR
09/17/2020	Tom Oldham Baseball, LLC	Nebraska	Elkhorn Training Camp	Nebraska	Consumer Discretionary
09/17/2020	University & State Employees Credit Union	California	Securities America	Nebraska	Financials
09/11/2020	Syn-Apps	Oregon	Intrado	Nebraska	Information Technology
09/07/2020	Strasburger Orthopedics	Nebraska	Syracuse Area Health	Nebraska	Healthcare
08/31/2020	DSCM	Nebraska	Strategic Acquirer	N/A	Healthcare
08/03/2020	Junction Networks	New York	Intrado	Nebraska	Communication Services
07/28/2020	Fed Cattle Exchange	Oklahoma	Central Stockyards	Nebraska	Communication Services
07/23/2020	PrecisionKing	Mississippi	Valmont Industries	Nebraska	Industrials
07/08/2020	Aircraft Management and Air Charter Business	New Jersey	Jet Linx Aviation	Nebraska	Industrials
07/08/2020	Share Good	North Carolina	SHARE Omaha	Nebraska	Communication Services

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Market-leading boutique investment bank providing M&A and capital raising advisory solutions – dedicated team serving the Midwest region

- 259+ years cumulative investment banking experience spanning 194 transactions
- \$121+ billion of M&A, capital raising, corporate finance and transaction advisory service experience
- 96 completed M&A assignments spanning more than \$36 billion
- 118 completed corporate finance transactions, raising more than \$85 billion in capital

SELECTED RECENT BRIDGEPOINT TRANSACTIONS

 <p>HAS BEEN ACQUIRED BY</p>  <p>Sell-side advisory Financial Advisor</p>	 <p>Reliable...Responsive...Resourceful...Proactive HAS BEEN ACQUIRED BY</p>  <p>Sell-side Advisory Financial Advisor</p>	 <p>HAS BEEN ACQUIRED BY</p>  <p>Buy-side advisory Financial Advisor</p>	 <p>HAS BEEN ACQUIRED BY</p>  <p>Buy-side advisory Sole Financial Advisor</p>	 <p>HAS BEEN ACQUIRED BY</p>  <p>Sell-side advisory Financial Advisor</p>
 <p>HAS BEEN ACQUIRED BY</p>  <p>Sell-side advisory Sole Financial Advisor</p>	 <p>HAS BEEN ACQUIRED BY</p>  <p>Sell-side advisory Financial Advisor</p>	 <p>HAS BEEN ACQUIRED BY</p>  <p>Sell-side advisory Financial Advisor</p>	 <p>Uni-tranche financing for dividend recapitalization Sole Financial Advisor</p>	 <p>Senior & Uni-tranche debt financings for debt recapitalization Sole Financial Advisor</p>

SECTORS OF FOCUS

 Business & IT Services	 Healthcare	 Industrials & Transportation	 Technology	 Consumer & Retail
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MORE THAN

259

YEARS OF EXPERIENCE

\$121B

IN TRANSACTIONS

214

TOTAL TRANSACTIONS

SENIOR LEADERSHIP

 <p>Matt Plooster Managing Director</p>	 <p>Wm. Lee Merritt Managing Director</p>	 <p>Gary Grote Managing Director</p>	 <p>Mike Anderson Managing Director</p>	 <p>Nick Orr Managing Director</p>
 <p>Bryan Wallace Managing Director</p>	 <p>Chad Gardiner Director</p>	 <p>Adam Claypool Former Managing Director</p>	 <p>Natasha Plooster COO</p>	 <p>Subhash Marineni Vice President</p>

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