

MIDWEST M&A QUARTERLY UPDATE

FOURTH QUARTER 2020

Midwest M&A Quarterly Update

Fourth Quarter 2020

Midwest M&A Activity Expected to Ramp Up Throughout the Spring with Vaccine Distribution and Tax Expectations

Midwestern companies are proceeding with caution into early 2021 due to COVID and political-related uncertainty; more clarity regarding Biden's economic plans and speed of vaccine distribution should directly cause greater M&A activity to occur in 2021

Economic Outlook By State

- Iowa** – Consumer confidence continues to increase from Spring lows signaling a cautious yet optimistic approach by Iowa economists
- Kansas** – State economists are expecting the Kansas economic recovery to be slightly increasing in Q1 and normalizing throughout 2021
- Missouri** – The 2021 economic outlook for middle-market and large companies is very positive; small businesses expecting rough start to 2021
- Nebraska** – Nebraska boasts one of the strongest job markets in the U.S.; economic optimism continued to grow in Q4-20
- North Dakota** – North Dakota economic consultants expect a solid recovery by the end of 2021 with “rough sailing” for Q1
- Oklahoma** – Climate regulations, trade wars, and state politics present uncertainty for Oklahoma ranchers and the oil & gas industry; many business owners are “rolling the dice”
- South Dakota** – South Dakota, like Nebraska, experienced some of the lowest decreases in demand for products and jobs; economic activity expected to boom once enough of the population has received the COVID-19 vaccine



Midwest M&A Trends

M&A Deal Activity

166 transactions closed in Q4-20, which is up from 145 from Q3-20. We expect overall M&A activity in the Midwest region to increase steadily through the end of H1 2021



Industry Activity

Industrials and Information Technology continued to lead in total deal volume throughout Q4-2020 both accounting for roughly 20% of total deal volume each



Kansas – M&A Trends

Strategics and sponsor-backed strategics are by far the most active buyers in the Midwest region accounting for ~91% of the total deal volume through Q4-20, while pure-play private equity recapitalizations make up ~9%

“The rebound from the Q2-20 M&A trough due to COVID continues. We saw a flurry of activity at year end. We expect 2021 to be a very robust M&A year as sellers will want to get deals done before tax policy changes, multiples and valuations remain at record-highs for performing companies, and buyers have found vintages they need to put to work quickly. The institutional debt markets have almost fully rebounded and will continue to support record multiples. 2021 will be a good year for sellers.”

Matt Plooster, CEO
Bridgepoint Investment Banking

Notable Midwest Transactions Q4-20

Industrials – Missouri



December 22, 2020

Ohio Transmission Corporation announced on December 22, 2020 that they have acquired Lee's Summit, MO-based JCI Industries, Inc.



“This acquisition of JCI further expands our regional footprint into the Midwest and aligns with OTC's growth strategy of providing current and future customers in the Midwest with a familiar and trusted solutions provider.” – David Scheer, Ohio Transmission Corporation, CEO

Information Technology – Kansas



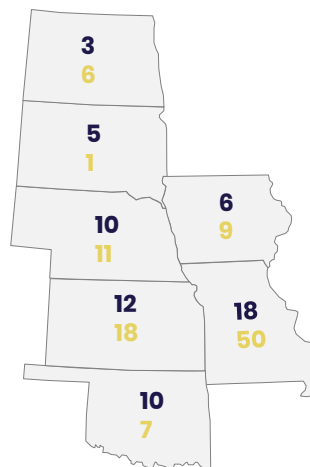
December 3, 2020

inerG, Inc. announced on December 3, 2020 that it has acquired Wichita-based PetroBase, a leader in oilfield software solutions.



“With the addition of the PetroBase team and its products, we have assembled a broad spectrum of industry experts dedicated to reinventing and redefining the energy industry's digital tools.” – Celestine Vettical, inerG, Inc., CEO

Q4-20 Midwest M&A By State



● Targets ● Buyers

Midwest Targets

Missouri	18
Kansas	12
Oklahoma	10
Nebraska	10
Iowa	6
South Dakota	5
North Dakota	3
Total	64

Midwest BUYERS

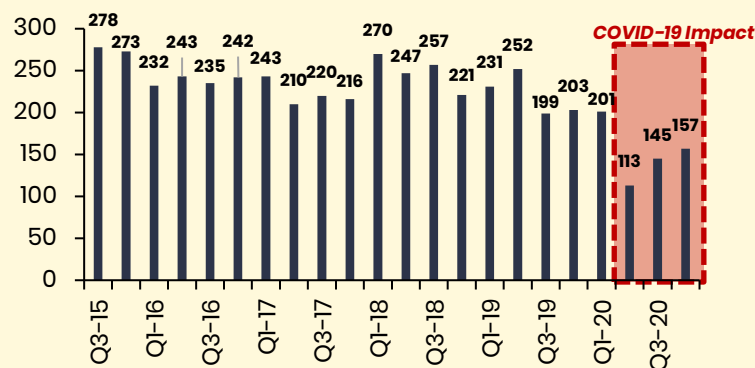
Missouri	50
Kansas	18
Nebraska	11
Iowa	9
Oklahoma	7
North Dakota	6
South Dakota	1
Total	102

Midwest M&A Quarterly Update

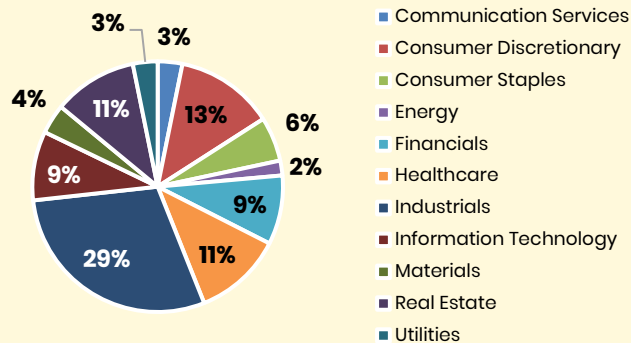
Fourth Quarter 2020

Selected Midwest Q4-20 M&A Transaction Statistics

Midwest M&A Volume By Quarter



Q4-20 Midwest M&A Volume By Sector

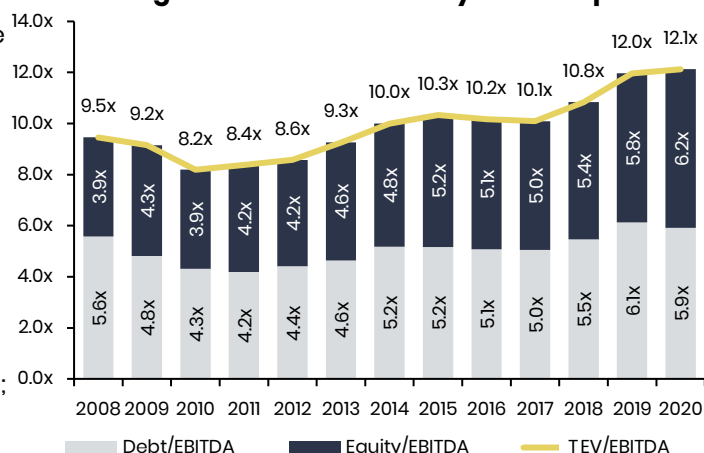


The Midwest middle market experienced an increase in deal volume in Q4 2020 compared to Q2 and Q3 2020 signaling a positive trend in future deal volume; despite the increases, Q4 2020 deal volume was 21.9% lower than Q4 2019

Despite the decline in deal volume and pandemic disruption, valuation **multiples remain elevated reaching all-time highs in Q3 / Q4 2020 for companies in pandemic / recession resistant industries**; select sectors include: transportation & logistics, information technology services and healthcare

Private equity played a unique role during the 2020 economic crisis providing more cash to portfolio companies than during the 2009 Global Financial Crisis; PE firms supported their portfolio where necessary to avoid lender takeover in certain circumstances

Rolling 3-Year Median PE Buyout Multiples



Recent Midwest Q4-20 M&A Transactions

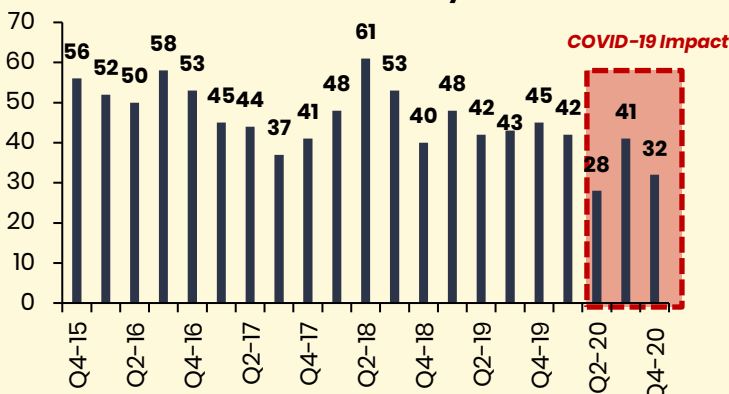
ANNOUNCED	TARGET	TARGET LOCATION	BUYER	BUYER LOCATION	TARGET SECTOR
12/31/2020	Nebraska Vet Services	Nebraska	Main Street Capital Corporation	Texas	Healthcare
12/31/2020	Iowa Interstate Railroad	Iowa	iCON Infrastructure	London	Industrials
12/29/2020	Etech Solutions	Iowa	Valeo Networks	Arizona	Information Technology
12/29/2020	Miramamar Bobcat	California	Gateway Dealer Network	Missouri	Industrials
12/23/2020	Keystone Industrial Port Complex	Oklahoma	NorthPoint Development	Missouri	Real Estate
12/22/2020	JCI Industries	Nebraska	Ohio Transmission	Missouri	Industrials
12/22/2020	Asparia, Inc.	Missouri	Intrado	Ohio	Health Care
12/18/2020	REAMS Sprinkler Supply Company	California	Heritage Landscape Supply Group,	Nebraska	Industrials
12/16/2020	Virtual Properties Realty	Nebraska	United Real Estate	Texas	Real Estate
12/15/2020	TLG Peterbilt	Georgia	The Larson Group	Missouri	Consumer Discretionary
12/15/2020	PANTHERx Rare	North Carolina	Centene Corporation	Missouri	Consumer Staples
12/15/2020	The Coeur D'Alenes	Idaho	Norfolk Iron & Metal Company	Missouri	Materials
12/15/2020	Ozark Mountain Energy	Washington	Offen Petroleum	Nebraska	Consumer Discretionary
12/14/2020	WeVideo	Missouri	Thompson Street Capital Partners	Colorado	Information Technology

Kansas M&A Quarterly Update

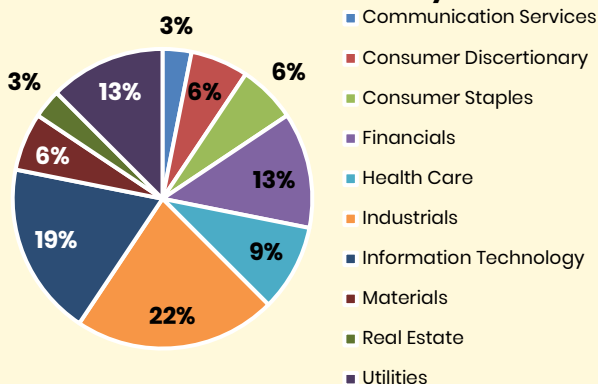
Fourth Quarter 2020

Selected Kansas Q4-20 M&A Transaction Statistics

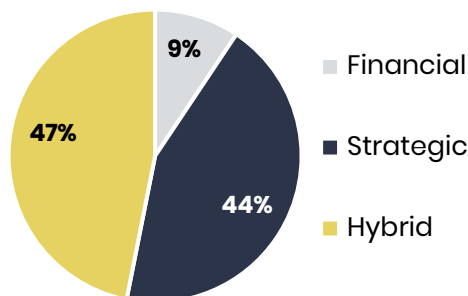
Kansas M&A Volume By Quarter



Q3-20 Kansas M&A Volume By Sector



Q4-20 Kansas Buyer Types



Notable Kansas Transactions Q4-20

Health Care

August 31, 2020
Midwest Alarm Services announced that it acquired TED Systems, provider of fire detection and security solutions for the Kansas City Area.

"I'm excited that TED Systems will be joining Midwest Alarm Services as our Kansas City branch." – Doug Richard, President, Midwest Alarm Services

Consumer Staples

July 28, 2020
Shore Capital Partners announced that it acquired Old World Spices and Seasonings, a spice blend manufacturer.

"We look forward to building the business with a keen focus on existing customer partnerships and expansion into new relationships." – Richard Boss, Shore Capital Partners, Partner

Recent Kansas Q4-20 M&A Transactions

ANNOUNCED	TARGET	TARGET LOCATION	BUYER	BUYER LOCATION	TARGET SECTOR
12/13/2020	Trinium Contractors	Kansas	Icon Structures	Kansas	Industrials
12/03/2020	PetroBase	Kansas	inerG	Texas	Information Technology
11/19/2020	Old World Spices & Seasonings	Kansas	Shore Capital Partners	Illinois	Consumer Staples
11/18/2020	TED Systems	Kansas	Midwest Alarm Services	Iowa	Industrials
11/16/2020	CTI Solutions	Kansas	Velocity, A Managed Services Company	Ohio	Information Technology
11/11/2020	LIA Great Bend	Kansas	World Insurance Associates	New Jersey	Financials
11/06/2020	Right Size Solutions	Kansas	Hosting Enterprises	Washington	Information Technology
11/03/2020	Tabco	Kansas	Inovar Packaging Group	Texas	Materials
10/23/2020	Almena State Bank	Kansas	Equity Bank	Kansas	Financials
10/14/2020	Wonder 7 Global	Kansas	Industry Source Consulting	Georgia	Industrials

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Fourth Quarter 2020

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

274+ years cumulative investment banking experience spanning 216 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

120 completed corporate finance transactions, raising more than \$85 billion in capital

SELECTED RECENT BRIDGEPOINT TRANSACTIONS

 N&S Nebraska Vet Services HAS BEEN RECAPITALIZED BY  MAINST CAPITAL CORPORATION Growth equity and debt capital raise Financial Advisor	 diabetes supply HAS BEEN ACQUIRED BY  adapthealth Sell-side advisory Financial Advisor	 DBI, Inc. <i>Reliable...Responsive...Resourceful...Proactive</i> HAS BEEN ACQUIRED BY  SpireCapital Sell-side Advisory Financial Advisor	 Dabarc Data Advisors HAS BEEN ACQUIRED BY  DMR Buy-side advisory Financial Advisor	 TWIN EAGLE™ HAS BEEN ACQUIRED BY  Buy-side advisory Sole Financial Advisor
 AULICK <i>Leasing</i> HAS BEEN ACQUIRED BY  TFI International Sell-side advisory Sole Financial Advisor	 PrairieLife FITNESS HAS BEEN ACQUIRED BY  THE ATHLETIC CLUB Sell-side advisory Financial Advisor	 CONTRACTORS <i>SOME WINDOWS & ROOFING SUPPLY</i> HAS BEEN ACQUIRED BY  SRS Distribution Sell-side advisory Financial Advisor	 MONEY SHEDS FISH CO. HAS BEEN ACQUIRED BY  McCarthy Capital Sell-side advisory Financial Advisor	 DMR Senior & Uni-tranche debt financings for debt recapitalization Sole Financial Advisor

SECTORS OF FOCUS



Business & IT
Services



Healthcare



Industrials &
Transportation



Technology



Consumer &
Retail

MORE THAN

274

YEARS OF EXPERIENCE

\$121B

IN TRANSACTIONS

216

TOTAL TRANSACTIONS

SENIOR LEADERSHIP



Matt Plooster
President & CEO



Wm. Lee Merritt
MD & General
Counsel



Gary Grote
Managing
Director



Mike Anderson
Managing
Director



Nick Orr
Managing
Director



Bryan Wallace
Managing
Director



Chad Gardiner
Director



Joe Liss
Managing
Director



Natasha Plooster
COO



Subhash Marineni
Vice President

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