Financial Sponsors Insight

Consumer & Retail // Convenience Store & Fuel Products Distribution
Diversified Industrials // Energy // Financial Services // Health Care // Real Estate
Technology & Services

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EU BASED COVERAGE

IN THIS ISSUE
RAYMOND JAMES OVERVIEW

RAYMOND JAMES

- Full-service financial services firm
- **Founded in 1962;** public since 1983 (NYSE: RJF)
- Fiscal 2019 net revenue over **$7.6 billion;** net income over **$1.03 billion**

EQUITY CAPITAL MARKETS

- Powerful institutional and retail distribution capabilities
- More than **8,000 financial advisors** serving nearly **3.0 million accounts**
- Global institutional sales force with **90+ professionals,** servicing more than **3,000 institutional accounts**

INVESTMENT BANKING

- Over **375 investment banking professionals** organized by industry and transaction groups
- Raised nearly **$220 billion in capital** for our corporate clients since 2015
- Completed over **720 middle-market M&A transactions** since 2015

EQUITY RESEARCH

- Over **60 fundamental equity analysts** covering nearly 1,200 companies in nine highly focused industries
- **Ranked in the top 10** among all brokers in the U.S. in StarMine Analyst Awards from Refinitiv over the past five-year period for total awards won (**2019**)

AWARDS AND RECOGNITION*

- Recognized with three M&A Deal of the Year awards in 2019 by **The M&A Advisor**
- Recognized with one Best PE Growth Capital Deal award in 2019 by **M&A Awards**
- Recognized with two Deal of the Year awards in 2019 at **The M&A Advisor Turnaround Awards**
- Recognized with three International M&A Deal of the Year awards in 2019 by **The M&A Advisor**
- Recognized with three M&A Deal of the Year awards in 2018 by **The M&A Advisor**
- Recognized with five International M&A Deal of the Year awards in 2018 by **The M&A Advisor**
- Honored with two Deal of the Year awards in 2018 at **The M&A Advisor Turnaround Awards**
- Recognized with three M&A Deal of the Year awards in 2016 and 2017 by **The M&A Advisor**
- Recognized with two International M&A Deal of the Year awards in 2017 by **The M&A Advisor**

RAYMOND JAMES IN THE NEWS

Pavel Molchanov on Bloomberg

Pavel Molchanov, Energy Analyst for equity research at Raymond James, discusses the oil markets during recent tensions in the Middle East. He speaks to Bloomberg's Jonathan Ferro on "Bloomberg The Open." [Watch here](#).

RECENT PRESS RELEASES

12/17/19 – [Raymond James expands Diversified Industrials Investment Banking practice](#)

12/02/19 – [Raymond James expands Financial Sponsors Investment Banking practice](#)

11/26/19 – [Raymond James Investment Banking recognized with three “Deal of the Year awards by M&A Advisor](#)

11/22/19 – [Raymond James adds James Kim to Health Care Investment Banking](#)

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*Criteria for the awards can be found at [https://www.raymondjames.com/corporations-and-institutions/accolades](https://www.raymondjames.com/corporations-and-institutions/accolades)*
ECONOMIC OUTLOOK

Market Commentary – Week of January 27th, 2020

<table>
<thead>
<tr>
<th>STATUS</th>
<th>ECONOMIC INDICATOR</th>
<th>COMMENTARY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Favorable</td>
<td>Employment</td>
<td>While the amount of labor market slack remains uncertain, constraints are expected to become more binding in 2020 – leading to a slower trend (excluding hiring). Wage growth has remained strong (but mixed).</td>
</tr>
<tr>
<td></td>
<td>Consumer Spending</td>
<td>Job gains, wage growth, and consumer confidence remain supportive. Middle class households will face some headwinds from higher health care costs and a lack of affordable housing.</td>
</tr>
<tr>
<td></td>
<td>Housing And Construction</td>
<td>Job growth and wage growth remain very supportive. Mortgage rates have remained moderate. Builders continue to note supply constraints and ongoing affordability issues.</td>
</tr>
<tr>
<td></td>
<td>The Dollar</td>
<td>With Federal Reserve (Fed) policy expected to remain on hold, any pressure is likely to come from changes in the policy of other central banks. The Fed lowered short-term interest rates three times in 2019, leaving monetary policy relatively accommodative. No change is expected, but the Fed would cut rates amid broader signs of economic weakness.</td>
</tr>
<tr>
<td>Neutral</td>
<td>Growth</td>
<td>Economic activity is expected to be mixed, but generally moderate in 2020. Risks to the growth outlook are weighted to the downside, but appear to be less severe than in the summer of 2019.</td>
</tr>
<tr>
<td></td>
<td>Business Investment</td>
<td>Ongoing problems at Boeing will weigh against business investment in the first half of the year. Business confidence weakened in 2019 and election-year uncertainty is likely to be a factor in 2020.</td>
</tr>
<tr>
<td></td>
<td>Manufacturing</td>
<td>Activity in the factory sector is expected to be mixed, but generally lackluster, partly reflecting weakness in aircraft production.</td>
</tr>
<tr>
<td></td>
<td>Inflation</td>
<td>The sub-2% trend in the PCE Price Index is a significant concern for the Fed. Firms have had mixed, but generally limited, success in passing higher costs along.</td>
</tr>
<tr>
<td></td>
<td>Long-Term Interest Rates</td>
<td>Long-term interest rates have remained low outside of the US, putting downward pressure on US bond yields, but we may see some increase in 2020. Inflation is expected to remain low.</td>
</tr>
<tr>
<td></td>
<td>Fiscal Policy</td>
<td>Government spending is set to expand roughly in line with the overall economy in 2020. The federal budget deficit has risen, but has not had much of an impact on bond yields or the overall economy.</td>
</tr>
<tr>
<td></td>
<td>Rest Of The World</td>
<td>Global growth was weaker than anticipated in 2019. The advanced economies face demographic challenges. Emerging economies ought to be helped by the Fed’s rate cut. However, protectionist policies have been on the rise and remain a notable risk.</td>
</tr>
</tbody>
</table>

The Outlook for Business Fixed Investment

Trade policy uncertainty, slower global growth, a decrease in energy exploration, and problems at Boeing had a negative impact on business fixed investment in 2019. So what’s different in 2020?

The Phase 1 trade deal was a positive in the sense that it prevented tariffs on the remaining imports from China (mostly consumer goods). However, it left in place most of the earlier tariffs (industrial inputs and intermediate products). The agreement set import goals for China (an additional $200 billion of U.S. goods over the next two years) which appear unrealistic. The agreement includes strong enforcement mechanisms, but the U.S. response to the likely shortfall in Chinese imports of U.S. goods would come well after this year’s election. In short, while the Phase 1 agreement provides some near-term clarity, longer-term trade policy remains very much uncertain. President Trump has now turned his attention to Europe, threatening tariffs in response to France’s tax on U.S. tech giants. Trump has long threatened tariffs on European motor vehicles. These tariffs would have negative implications for the U.S. economy (think of imported car dealers, wine sellers, etc.). France backed down last week. However, the mere threat of tariffs can be disruptive.

## CY 2019 YEAR IN REVIEW – FINANCIAL SPONSORS GROUP

### ANNUAL ACTIVITY OVERVIEW

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private Equity Related M&amp;A Transactions</td>
<td>105</td>
</tr>
<tr>
<td>Sell-Side Transactions Involving Private Equity</td>
<td>74</td>
</tr>
<tr>
<td>Companies Sold For Private Equity Firms</td>
<td>58</td>
</tr>
<tr>
<td>Companies Sold To Private Equity Firms</td>
<td>39</td>
</tr>
<tr>
<td>Private Equity Companies Sold To Private Equity Firms</td>
<td>36</td>
</tr>
<tr>
<td>Companies Sold To Private Equity Firms Through Portfolio Companies</td>
<td>13</td>
</tr>
</tbody>
</table>

### AWARDS & RECOGNITION

- The M&A Advisor honored with three 2019 M&A deal of the year awards.
- The M&A Advisor honored with three 2019 International M&A deal of the year awards.
- The M&A Advisor honored with two 2019 deal of the year turnaround awards.

### FIRMS RAYMOND JAMES HAS WORKED WITH IN CY 2019

#### REPRESEMTATIVE FIRMS RAYMOND JAMES SOLD COMPANIES TO

- ABRY Partners
- AKKR
- Apax digital
- Argosy Capital
- ATAR Capital
- BV
- CDPQ
- Cerberus
- CIP Capital
- Credit Suisse
- CVC Capital Partners
- Deutsche Private Equity
- FFL Partners
- FORT POINT Capital
- GPB Capital
- General Atlantic
- GENSTAR
- GOLDEN GATE Capital
- Great Hill Partners
- GTCR
- H&F
- Hg
- Kinderhook Industries
- LEEDS Equity Partners
- LG Partners
- LLR Partners
- Loomis, Sayles & Company
- Miller Thalman & Company
- Monarch Capital
- Norwest Capital
- O’Connor Capital Partners
- ORIGIN Capital Group
- PARTNERSHIP Capital
- PRITZKER Private Capital
- Providence Equity
- RVCA
- SilverLake
- TA Associates
- Tailwind Capital
- TCV
- Vance Street Capital
- Wendel

#### REPRESEMTATIVE FIRMS RAYMOND JAMES SOLD COMPANIES FOR

- AlpInvest Partners
- Apollo
- Auctus
- AXCEL
- Balance Point Capital
- Black Dragon Capital
- Bluff Point Associates
- The Carlyle Group
- Castanea
- Crosslink Capital
- Dominus Capital
- FFL Partners
- FP Merchant Bank
- Freestyle Capital
- FTV Capital
- GENSTAR
- The Gores Group
- Hawk Capital Partners
- H&F
- Insight Partners
- Inveness Capital
- The Jordan Company
- KELSO
- Lightyear Capital
- Long Point Capital
- McCarthy Capital
- Montagu
- Norwest Capital
- Pamlico Capital
- Platinum Equity
- rho
- SFW Capital Partners
- Summit Partners
- TA Associates
- Vista Equity Partners
- Warburg Pincus
- Waterland Private Equity
- Wind Point Partners

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1. Includes sell-side, buy-side, strategic advisory, fairness opinion, other.
2. Includes sell-side transactions sold to private equity, sold to private equity through portfolio company, sold for private equity.
3. Does not include add-ons.
4. Includes sell-side transactions where both the seller and the buyer were private equity firms.

Annual Activity Overview does not include transactions from the Canadian team. Criteria for the awards can be found at [https://www.raymondjames.com/corporations-and-institutions/accolades](https://www.raymondjames.com/corporations-and-institutions/accolades)
## COMPANY DESCRIPTIONS

<table>
<thead>
<tr>
<th>Company</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Black Box</td>
<td>Provider of technology solutions to build and manage IT infrastructure of its customers.</td>
</tr>
<tr>
<td>Millennium</td>
<td>Provider of administrative and custodial services in the United States.</td>
</tr>
<tr>
<td>ConvergeOne</td>
<td>Provider of information technology services.</td>
</tr>
<tr>
<td>TRUSTID</td>
<td>Provider of caller ID identification services designed to provide pre-answer caller authentication.</td>
</tr>
<tr>
<td>Applied Plastics</td>
<td>Provider of advanced coating solutions for the medical device industry.</td>
</tr>
<tr>
<td>Gemini</td>
<td>Provider of financial technology services.</td>
</tr>
<tr>
<td>Cambio</td>
<td>Provider of healthcare information and management systems.</td>
</tr>
<tr>
<td>ConnectWise</td>
<td>Developer of remote monitoring and management (RMM) platform.</td>
</tr>
<tr>
<td>Intellitech</td>
<td>Provider of outsourcing solutions intended for revenue cycle management.</td>
</tr>
<tr>
<td>Invoice Cloud</td>
<td>Provider of SaaS-based payment acceptance and invoice presentment platform.</td>
</tr>
<tr>
<td>EnterWorks</td>
<td>Developer of master data management and product information management software.</td>
</tr>
<tr>
<td>Sage Payroll Solutions</td>
<td>Provider of payroll, tax-filing and HR services to small and mid-sized businesses.</td>
</tr>
<tr>
<td>Servelec Technologies</td>
<td>Provider of remote monitoring systems, secure SCADA systems and business optimization.</td>
</tr>
<tr>
<td>Combell.group</td>
<td>Provider of Internet hosting services.</td>
</tr>
<tr>
<td>Greenshades</td>
<td>Developer of payroll tax processing software.</td>
</tr>
</tbody>
</table>
### Company Descriptions

<table>
<thead>
<tr>
<th>Company</th>
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</thead>
<tbody>
<tr>
<td><strong>Sirius</strong></td>
<td>Provider of information technology infrastructure and data center-focused technology integration services.</td>
</tr>
<tr>
<td><strong>Datablue</strong></td>
<td>Provider of data storage and server virtualization and consolidation services.</td>
</tr>
<tr>
<td><strong>Sundance</strong></td>
<td>Provider of mental healthcare services.</td>
</tr>
<tr>
<td><strong>Securadyne Systems</strong></td>
<td>Developer of security systems integration software and services.</td>
</tr>
<tr>
<td><strong>PEI</strong></td>
<td>Provider of information and analysis of alternative asset finance and investment intended for business professionals.</td>
</tr>
<tr>
<td><strong>Rave</strong></td>
<td>Provider of critical communication and data platform designed to prepare better, respond faster and communicate more effectively before, during and after emergencies.</td>
</tr>
<tr>
<td><strong>AMS Fulfillment</strong></td>
<td>Provider of outsourced logistics services.</td>
</tr>
<tr>
<td><strong>PayScale</strong></td>
<td>Developer of online cloud compensation software intended to provide an immediate and precise snapshot of current market salaries.</td>
</tr>
<tr>
<td><strong>North Florida OBGYN</strong></td>
<td>Provider of healthcare services.</td>
</tr>
<tr>
<td><strong>Karsten</strong></td>
<td>Provider of wealth management services.</td>
</tr>
<tr>
<td><strong>AgriBriefing</strong></td>
<td>Provider of market information, pricing benchmarks, insight and events news.</td>
</tr>
<tr>
<td><strong>ThreatConnect</strong></td>
<td>Developer of a threat intelligence software.</td>
</tr>
<tr>
<td><strong>Rhapsody</strong></td>
<td>Provider of interoperability platforms for healthcare organizations.</td>
</tr>
<tr>
<td><strong>Anexinet</strong></td>
<td>Operator of a system integration and technology management firm.</td>
</tr>
<tr>
<td><strong>Simplifile</strong></td>
<td>Developer of a web-based electronic-recording network.</td>
</tr>
</tbody>
</table>
## COMPANY DESCRIPTIONS

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<tr>
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</tr>
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<tbody>
<tr>
<td>Clarus</td>
<td>Provider of marketing loyalty programs and internet service platform.</td>
</tr>
<tr>
<td>1000heads</td>
<td>Provider of marketing services helping brands be more social.</td>
</tr>
<tr>
<td>vwd</td>
<td>Provider of financial market data and advisory services in Germany.</td>
</tr>
<tr>
<td>Definitive Healthcare</td>
<td>Provider of database and intelligence services.</td>
</tr>
<tr>
<td>Valicor</td>
<td>Provider of non-hazardous wastewater treatment services in North America.</td>
</tr>
<tr>
<td>Aspire</td>
<td>Operator of an investment platform designed to simplify the retirement management process.</td>
</tr>
<tr>
<td>Wealth Enhancement Group</td>
<td>Provider of financial planning and advisory services.</td>
</tr>
<tr>
<td>Stealth Monitoring</td>
<td>Provider of video surveillance services.</td>
</tr>
<tr>
<td>Benefit Resource</td>
<td>Provider of administration services nationwide to over 2,200 employers.</td>
</tr>
<tr>
<td>Control4</td>
<td>Control4 Corp provides solutions and products for the home improvement market.</td>
</tr>
<tr>
<td>IMA</td>
<td>Operator of a digital influencer marketing agency.</td>
</tr>
<tr>
<td>Investcorp Credit Management US LLC</td>
<td>Manager of funds which invest in senior and mezzanine corporate debt in large private companies.</td>
</tr>
<tr>
<td>Capital Waste Services</td>
<td>Provider of waste management services to industrial and individual clients.</td>
</tr>
<tr>
<td>Instinctif</td>
<td>Instinctif Partners is an international business communications consulting firm.</td>
</tr>
<tr>
<td>MetaMetrics</td>
<td>Developer of scientific measures for academic achievements and complementary technologies intended to link assessment results with real-world instructions.</td>
</tr>
</tbody>
</table>
### Company Descriptions

<table>
<thead>
<tr>
<th>Company</th>
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<tbody>
<tr>
<td>Quantros</td>
<td>Provider of safety, quality and compliance software services to the healthcare industry.</td>
</tr>
<tr>
<td>VitalSmarts</td>
<td>Provider of corporate training and leadership development services.</td>
</tr>
<tr>
<td>Keypoint Intelligence</td>
<td>Provider of critical intelligence on the imaging industry.</td>
</tr>
<tr>
<td>New Era</td>
<td>Provider of integration services for audiovisual systems.</td>
</tr>
<tr>
<td>Fi360</td>
<td>Provider of fiduciary certification and training arena services.</td>
</tr>
<tr>
<td>Contabo</td>
<td>Offers professional hosting solutions for business and private applications.</td>
</tr>
<tr>
<td>DaySmart Software</td>
<td>Developer and supplier of business management software designed to make it easier for entrepreneurs to run and grow their businesses.</td>
</tr>
<tr>
<td>TwentyEighty</td>
<td>Provider of workforce training and learning services.</td>
</tr>
<tr>
<td>Torrent Resources</td>
<td>Provider of stormwater drainage services.</td>
</tr>
<tr>
<td>Medius</td>
<td>Provider of cloud-based accounts payable automation software created to automate and efficiently manage invoice management process.</td>
</tr>
<tr>
<td>Pathstone</td>
<td>Pathstone Family Office is a multi-family office based in Fort Lee, New Jersey.</td>
</tr>
<tr>
<td>Prime Technology Group</td>
<td>Provider of consulting and software development services intended to bridge the immediate business solutions of today to the technology advances of tomorrow.</td>
</tr>
<tr>
<td>Crisis Prevention Institute</td>
<td>Provider of behavioral management and violence prevention training services.</td>
</tr>
<tr>
<td>WebPros</td>
<td>Developer and provider of website operating platforms intended to run, automate and grow applications, websites and hosting businesses.</td>
</tr>
<tr>
<td>Asure Software</td>
<td>Provider of cloud-based software-as-a-service solutions that help companies to bring people, time, space and assets together.</td>
</tr>
</tbody>
</table>
FINANCIAL SPONSORS INSIGHT

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Chief Operating Officer, Head of European Advisory

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Head of Convenience Store & Fuel Products Distribution Group

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Head of Diversified Industrials Group

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Head of Energy Group

European Advisory
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Chief Operating Officer, Head of European Advisory

Financial Services
John Roddy | Managing Director
Head of Financial Services Group

Health Care
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Co-Head of Health Care Group
Andrew Gitkin | Managing Director
Co-Head of Health Care Group

Real Estate
Brad Butcher | Managing Director
Co-Head of Real Estate Group
Jamie Graff | Managing Director
Co-Head of Real Estate Group

Technology & Services
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Co-Head of Technology & Services Group
Jon Steele | Managing Director
Co-Head of Technology & Services Group

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Head of Private Capital Solutions and Recapitalization & Restructuring

Mergers & Acquisitions
Jeff Maxwell | Managing Director
Head of Mergers & Acquisitions Group

Credit Finance
Raj Singh | Vice Chairman of Investment Banking
Head of Credit Finance Group

UPCOMING CONFERENCES
February 18th – 20th
WWETT Show 2020

March 1st – 4th
RJ Institutional Investors Conference

March 25th – 27th
Northstar Investment Forum

April 2nd
ACG Boston M&A Outlook Conference

April 20th – 22nd
ACG InterGrowth

RECENT CONFERENCES
December 9th – 11th
RJ Technology Investors Conference

January 13th – 15th
ICR Conference

January 21st
ACG Boston BIG Deal Event

January 27th – 28th
ACG Northeast Dealmaking Conference

RAYMOND JAMES FEATURED NEWSLETTERS
Defense & Government Services Market Intel Report
Executive Freight Trends Digest
FinTech Monthly
Food & Beverage Insight
Human Capital Monthly
IT Services & Solutions Quarterly
M&A Insight
Real Estate Solutions Insight
Water Quarterly Newsletter

RAYMOND JAMES EQUITY RESEARCH
August 2019 Research Register

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