MARKET BRIEF

Consumer confidence has remained at a very favorable level through August. The University of Michigan's Consumer Sentiment Index has been higher during the first eight months of 2017 than in any year since 2000, and the current rate for August is a strong 96.8. The renewed strength in 2017 was mainly due to consumers' favorable assessments of their own financial situations. Lows in unemployment, inflation, and interest rates, as well as renewed gains in the value of homes and stock portfolios, pushed personal financial confidence to near all-time peaks.

Unemployment Slightly Increases

The unemployment rate slightly increased to 4.4 percent in August. Job gains occurred in manufacturing, construction, professional and technical services, health care, and mining. Employment in other major industries, including wholesale trade, retail trade, transportation and warehousing, information, financial activities, and government, showed little change over the month. Among the marginally attached, there were 448,000 discouraged workers in August, down 128,000 from a year earlier. (https://www.bls.gov/news.release/pdf/empsit.pdf)

Consumer Confidence Begins to Increase

The Conference Board Consumer Confidence Index, which had increased in July, improved further in August. The Index now stands at 122.9, up from 121.1. in July. The Present Situation Index increased from 145.4 to 151.2, while the Expectations Index rose marginally from 103.0 last month to 104.0.

“Consumer confidence increased in August following a moderate improvement in July,” said Lynn Franco, Director of Economic Indicators at The Conference Board. “Consumers’ more buoyant assessment of present-day conditions was the primary driver of the boost in confidence, with the Present Situation Index continuing to hover at a 16-year high (July 2001, 151.3). Consumers’ short-term expectations were relatively flat, though still optimistic, suggesting that they do not anticipate an acceleration in the pace of economic activity in the months ahead.”
(https://www.conference-board.org/data/consumerconfidence.cfm)

The Case-Shiller Index Indicates Continued Rise in Home Value

The S&P CoreLogic Case-Shiller U.S. National Home Price NSA Index, covering all nine U.S. census divisions, reported a 5.8 percent annual gain in June, up from 5.7 percent the previous month. The 10-City Composite posted a 4.9 percent annual increase, down from 5.0 percent the previous month. The 20-City Composite reported a 5.7 percent year-over-year gain, the same as the previous month. Seattle, Portland, and Dallas reported the highest year-over-year gains among the 20 cities. In June, Seattle led the way with a 13.4 percent year-over-year price increase, followed by Portland with 8.2 percent, and Dallas with a 7.7 percent increase. Nine cities reported greater price increases in the year ending June 2017 versus the year ending May 2017.

“The trend of increasing home prices is continuing,” says David M. Blitzer, Managing Director and Chairman of the Index Committee at S&P Dow Jones Indices. “Price increases are supported by a tight housing market. Both the number of homes for sale and the number of days a house is on the market have declined for four to five years. Currently the months-supply of existing homes for sale is low, at 4.2 months. In addition, housing starts remain below their pre-financial crisis peak as new home sales have not recovered as fast as existing home sales.”

“Rising prices are the principal factor driving affordability down. However, other drivers of affordability are more favorable: the national unemployment rate is down, and the number of jobs created continues to grow at a robust pace,

rising to close to 200,000 per month. Wages and salaries are increasing, maintaining a growth rate a bit ahead of inflation. Mortgage rates, up slightly since the end of 2016, are under 4 percent. Given current economic conditions and the tight housing market, an immediate reversal in home price trends appears unlikely."
(http://us.spindices.com/index-family/real-estate/sp-corelogic-case-shiller)

The Consumer Price Index Experiencing a Slight Increase

The Consumer Price Index for All Urban Consumers (CPI-U) rose 0.4 percent in August on a seasonally adjusted basis, the U.S. Bureau of Labor Statistics reported today. Over the last 12 months, the all items index rose 1.9 percent. The all items index rose 1.9 percent for the 12 months ending August, a larger increase than the 1.7 percent increase for the 12 months ending July. The 12-month change in the index for all items less food and energy remained at 1.7 percent for the fourth month in a row. It has remained in the range of 1.6 percent to 2.3 percent since June 2011. The energy index rose 6.4 percent over the past 12 months, and the food index increased 1.1 percent.
(https://www.bls.gov/news.release/cpi.nr0.htm)

The Purchasing Managers Index Slowly Increases

The Institute for Supply Management's Purchasing Managers Index registered 58.8 percent, an increase of 2.5 percentage points from the July reading. Timothy R. Fiore, Chair of the Institute for Supply Management, said that "Comments from the panel reflect expanding business conditions, with new orders, production, employment, backlog and exports all growing in August, as well as supplier deliveries slowing (improving) and inventories increasing during the period. The Customers' Inventories Index experienced a sharp decline in August compared to July."

PUBLIC MARKET

The stock market made slight gains in August, with the Dow Jones Industrial Average reporting a 1 percent gain, the Nasdaq Composite Index increasing 1 percent and the S&P 500 continuously increasing over five-month span.

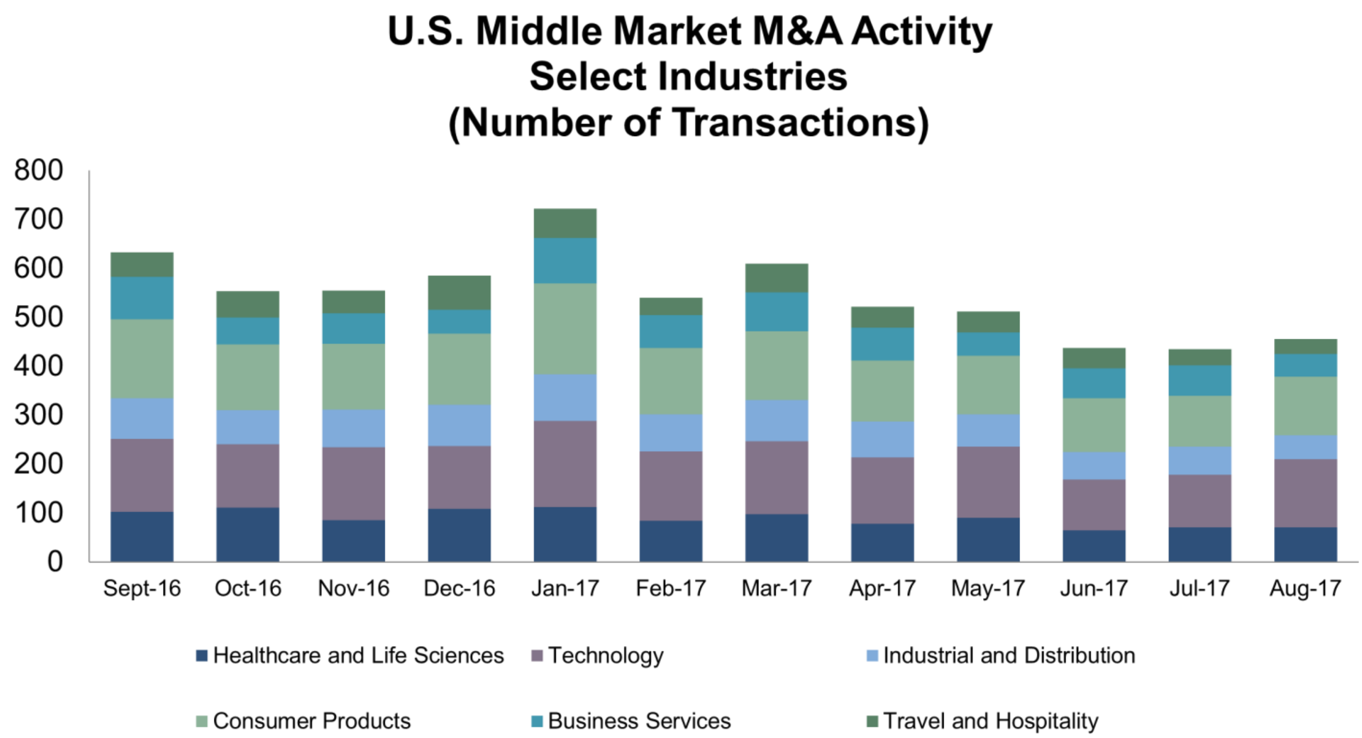
Public Trading Multiples

As of September 1, 2017

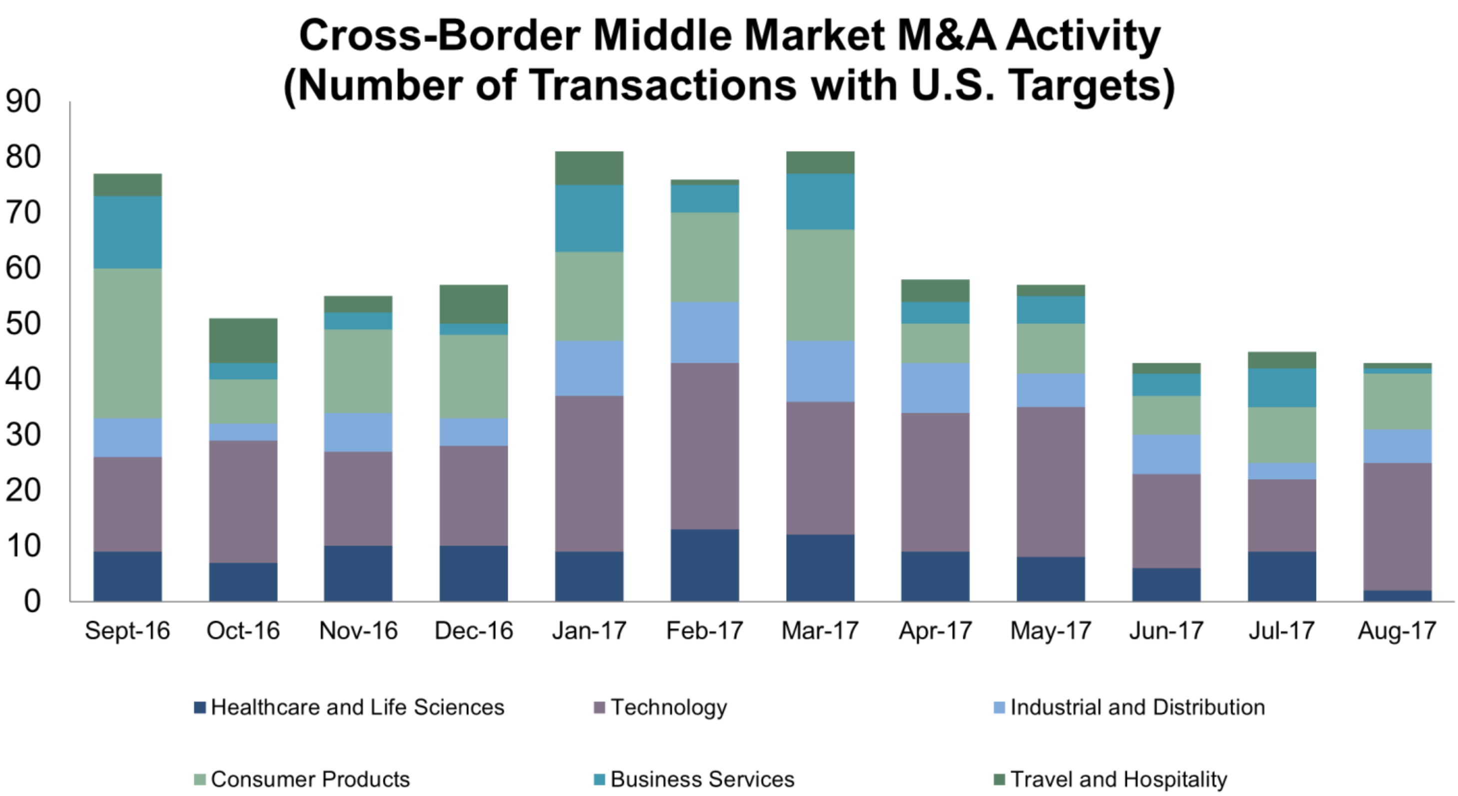
Category	EV / Revenue	EV/ EBITDA	Revenue Growth 1 Year	Revenue Growth 3 Year	EBITDA Growth 1 Year	EBITDA Growth 3 Year	EBITDA Margin
Healthcare and Life Sciences							
Healthcare Technology	4.3x	22.1x	9.2%	5.5%	5.4%	7.4%	18.1%
Healthcare Equipment and Supplies	4.1x	17.4x	4.1%	5.0%	5.3%	6.7%	16.1%
Healthcare Providers and Services	0.8x	11.3x	5.4%	8.8%	6.3%	8.1%	6.8%
Healthcare and Life Sciences Aggregate	3.1x	16.9x	6.2%	6.5%	5.6%	7.4%	13.6%
Technology							
Internet Software and Services	7.2x	24.4x	23.6%	19.8%	33.4%	21.7%	11.3%
IT Services	2.6x	14.1x	5.7%	1.8%	7.9%	2.4%	9.5%
Software	5.2x	19.4x	10.2%	4.5%	5.8%	1.0%	17.0%
Computers and Other Electronic Equipment	1.3x	9.9x	-0.7%	-0.2%	2.8%	1.6%	18.0%
Technology Aggregate	4.1x	17.0x	9.7%	6.5%	12.5%	6.7%	13.9%
Industrial and Distribution							
Aerospace and Defense	1.7x	13.8x	3.1%	-1.2%	-8.4%	-2.9%	7.6%
Building Products	1.4x	10.9x	3.8%	0.0%	7.8%	3.9%	12.8%
Construction and Engineering	0.7x	9.9x	0.6%	-1.4%	0.9%	-0.7%	8.8%
Machinery	1.7x	13.6x	0.3%	-2.5%	7.5%	-1.0%	6.7%
Distributors	0.8x	11.4x	-3.4%	-5.6%	12.2%	-1.6%	4.4%
Industrial and Distribution Aggregate	1.2x	11.9x	0.8%	-2.1%	4.0%	0.5%	8.1%
Consumer Products							
Food and Beverage	2.0x	13.8x	3.9%	-1.6%	7.0%	0.7%	15.0%
Household and Personal Products	3.0x	15.9x	3.8%	-1.8%	7.1%	0.2%	18.5%
Household Durables	1.1x	10.3x	3.5%	0.9%	9.6%	5.8%	7.4%
Textiles, Apparel, and Luxury Goods	1.8x	12.6x	4.1%	3.0%	3.4%	-0.7%	7.5%
Consumer Products Aggregate	1.9x	13.2x	3.8%	0.1%	6.8%	1.5%	12.1%
Business Services							
Human Resource and Employment Services	0.8x	11.3x	6.6%	2.9%	3.8%	5.6%	20.9%
Research and Consulting Services	3.1x	15.8x	9.2%	2.2%	11.3%	3.2%	12.6%
Business Services Aggregate	1.9x	13.6x	7.9%	2.6%	7.6%	4.4%	16.8%
Travel and Hospitality							
Hotels, Resorts, and Cruise Lines	3.0x	19.3x	3.8%	1.2%	11.2%	8.5%	8.8%
Restaurants	2.3x	13.7x	-2.1%	0.0%	1.2%	2.5%	8.7%
Leisure Facilities	3.4x	12.4x	0.8%	0.5%	1.1%	-0.1%	29.8%
Travel and Hospitality Aggregate	2.9x	15.1x	0.8%	0.6%	4.5%	3.6%	15.8%

M&A MARKET

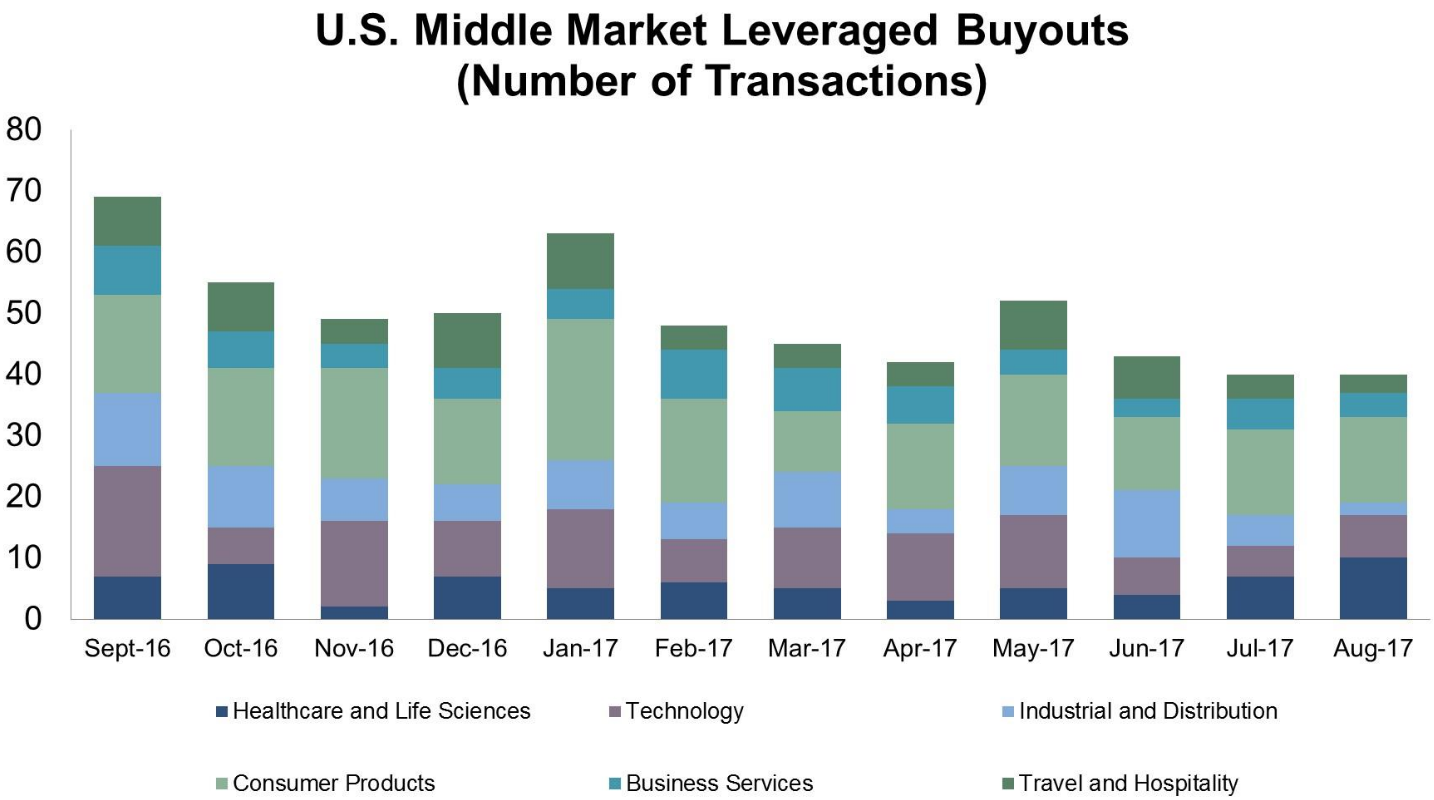
Industrials M&A activity experienced an 11 percent decrease in volume and 1 percent increase in value. It is anticipated that meaningful tailwinds remain in place for the remainder of 2017 as we continue to see strategic agendas defined by geographic and market expansion, technology advancement themes and consolidation.



“Cross-border deal volume fell to 12-month lows across multiple measures in August 2017, and the number of cross-border deals also declined. Globally, cross-border deal volume declined 48.9 percent to a 12-month low of $59.14 billion, and the number of deals declined 16.2 percent to 721. In the U.S., inbound deal volume declined to a 12-month low, falling by 33.8 percent to $13.34 billion, with the number of U.S. inbound deals remaining flat from the prior month at 125 transactions. In contrast, the industrial sector gained inbound interest, with foreign acquirers accounting for 19 percent of all M&A activity for the first half of 2017, as compared to 15 percent in 2016. Outbound U.S. deal volume declined by 58.1 percent to $10.44 billion and the number of outbound U.S. deals increased by a mere 1.6 percent to 130,” stated Paul Weiss, Paul, Rifkind, Wharton & Garrison LLP. Cross-border transaction volume is still facing a decline as we reach the latter half 2017, as compared to months prior and mid-year 2016.



“Although buyout activity has strengthened in the third quarter, it has not been enough to meet overwhelming demand from loan buyers, including Collateralized Loan Obligation (CLO) funds, loan funds and foreign investors. Investors are favoring loans in the technology, healthcare, industrials and packaging sectors but the picture is mixed as other sectors including retail and energy remain under pressure, which is reflected in low secondary prices. The extraordinary levels of investor demand for buyout deals that hit the market in the run up to Labor Day kept the market unusually busy in the August holiday period,” bankers and investors said.



SELECT M&A TRANSACTIONS – INDUSTRIALS

Double Eagle Acquisition Corp. to Combine with Williams Scotsman International, Inc.

Double Eagle Acquisition Corp. ("DEAC") (NASDAQ: EAGL, EAGLU, EAGLW), a special purpose acquisition company, announced that it has entered into a definitive agreement with Algeco Scotsman Global S.à r.l. and Algeco Scotsman Holdings KFT. (together the "Algeco Holders"), pursuant to which DEAC will combine with Williams Scotsman International, Inc. ("WSII" and together with its subsidiaries, "Williams Scotsman"). The Algeco Holders will retain a 10% minority interest in Williams Scotsman through a wholly owned subsidiary of DEAC (the "Algeco Holders' Rollover Interest"), which interest will be exchangeable for shares of New DEAC (as defined below), subject to certain anti-dilution protection. Upon the closing of the transaction, DEAC will be renamed ("New DEAC"), and will remain NASDAQ-listed under a new ticker symbol.

Williams Scotsman, headquartered in Baltimore MD, and established in the 1940s, is a specialty rental services company providing innovative modular space and storage solutions across North America. It is considered to be a modular space industry pioneer in North America and serves a diverse range of end markets. Approximately 90% of Williams Scotsman's adjusted EBITDA(1) is generated in the United States, which has exhibited a +14% organic compound annual growth rate in adjusted EBITDA(1) since 2015. Williams Scotsman is well-positioned to continue to take advantage of strong underlying market fundamentals to maintain its organic growth momentum.

Jeff Sagansky, CEO of DEAC, said, "We are tremendously excited by the opportunity to partner with Williams Scotsman. The leadership team, led by Brad Soultz and Tim Boswell, has done an outstanding job in delivering strong organic growth in their U.S. business despite facing capital constraints. This is a fragmented industry with a few large players; and we believe that the differentiated and scalable operating platform of Williams Scotsman make the economics of consolidation hugely compelling. To reflect our confidence, we have agreed to defer all our founder shares to an earnout structure."

Brad Soultz, CEO of Williams Scotsman, remarked, "Partnering with DEAC will provide the opportunity to enhance our position as a specialty rental services market leader across North America, creating new and exciting opportunities for our customers and employees. We will continue to focus on executing the three core objectives driving our growth strategy: rolling out our unique "Ready to Work" solutions; leveraging our differentiated and highly scalable operating platform to grow units on rent to better serve our customer base; and delivering attractive returns through disciplined capital management."

Toromont Industries to Acquire Hewitt Equipment

Toromont Industries Ltd. (TSX:TIH), a diversified industrials company providing specialized capital equipment and ongoing support to customers in various sectors, announced that it has entered into a definitive agreement to acquire the businesses and net operating assets1 of the Hewitt Group of companies in exchange for consideration of $917.7 million cash plus the issuance of 2.25 million Toromont shares (nominally $100 million based on 10 day average share price as at signing) for a total consideration of $1.0177 billion. Hewitt Equipment Limited is the authorized Caterpillar dealer for the province of Québec, Western Labrador and the Maritimes, as well as the Caterpillar lift truck dealer for most of Ontario. Hewitt is also the MaK dealer for Québec, the Maritimes and the Eastern seaboard of the United States, from Maine to Virginia. All amounts are in Canadian currency.

"Acquiring Hewitt marks a very important milestone for Toromont and is beneficial to our customers, employees and shareholders on many levels," said Scott J. Medhurst, Toromont President and CEO. "The Hewitt family has built a world-class organization throughout much of Eastern Canada over many decades with a strong reputation for quality service among its customers. We are very proud to have the Hewitt Group join us and are privileged to be taking on the stewardship of this excellent business and building on the family legacy. We intend to add to its position of strength by investing in people, facilities, technology and rental fleets. Our position will allow us to better capitalize on organic growth opportunities given the recovery of the mining sector that we are currently experiencing and the promise of significant infrastructure investment. We look forward to working with key members of Hewitt's leadership team."

Headquartered in Pointe-Claire, Québec, Hewitt sells, rents and services the full line of Caterpillar and other products through its six operating business entities: Hewitt Equipment, Atlantic Tractors, Location Hewitt/Hewitt Rentals, Hewitt Material Handling, Montréal Hydraulique and SITECH QM. Founded in 1952, Hewitt has 45 branches across Eastern Canada and employs more than 2,000 people. Hewitt is privately held.

Wabash to Acquire Supreme Industries

Trailer maker Wabash National Corp. aims to acquire fellow Indiana-based manufacturer Supreme Industries, which makes truck bodies, in a $21 per share stock offer worth between $342 million and $364 million. Founded in 1974, Supreme is the second largest U.S. manufacturer of truck bodies, with 2016 sales of $299 million, according to Wabash -- primarily building light- and medium-duty truck bodies at seven facilities throughout the U.S.

Dick Giromini, Wabash's CEO, said in a statement that the deal would merge the two companies and beef up Wabash's own truck body manufacturing operations, positioning it to capitalize on the $2 billion "final mile" logistics market that's rapidly increasing due to e-commerce activity.

"We formally entered the final mile space in 2015 with the launch of our dry and refrigerated truck bodies, and we have been aggressively growing our presence and product offering over the past two years," he explained. "This acquisition supports these efforts and accelerates our objective to transform our business into a more diversified industrial manufacturer."

Giromini noted that acquiring Supreme provides Wabash with "significant growth and diversification benefits" in line with the company's long-term strategic plan, including reduced dependence on dry van trailer demand, "reduced cyclicality" and new segments for growth.

Under the terms of the agreement and merger plan, Wabash formed an acquisition subsidiary – Redhawk Acquisition Corp. – that will commence a tender offer to purchase all outstanding shares of Supreme for $21 per share. The deal is expected to be wrapped up no later than the fourth quarter of this year.

FURTHER INFORMATION

Founded in 1987, Mirus Capital Advisors is a middle-market investment bank that specializes in merger advisory, capital-raising services, fairness opinions and valuations to entrepreneurs, corporations and professional investors. By combining a proven process, industry and transactional expertise, and personalized service, Mirus has completed hundreds of transactions for both public and private companies.

Our affiliate Mirus Securities, Inc. is a registered broker-dealer and FINRA/SIPC member.

For any questions about the Middle Market Monitor or Mirus Capital Advisors, please contact Mirus Capital Advisors at 781-418-5900 or visit http://merger.com. You can also contact our senior bankers directly:

Peter Alternative

Bruce Boes

Andy Crain

Alan Fullerton

Brendan Kiernan

Michael Krongel

Patrick West

Sources: CapitalIQ, Bloomberg, Forbes, Reuters, The New York Times, The Wall Street Journal, Bureau of Labor Statistics, Ernst & Young, JP Morgan, Financial Times, other sources as referenced within, and Mirus analysis.