

2017 Annual Arizona Deal Review

The Annual Arizona Deal Review is prepared as a courtesy to the Arizona business community based on our research and analysis of data from various sources on disclosed deals for Arizona-based companies.

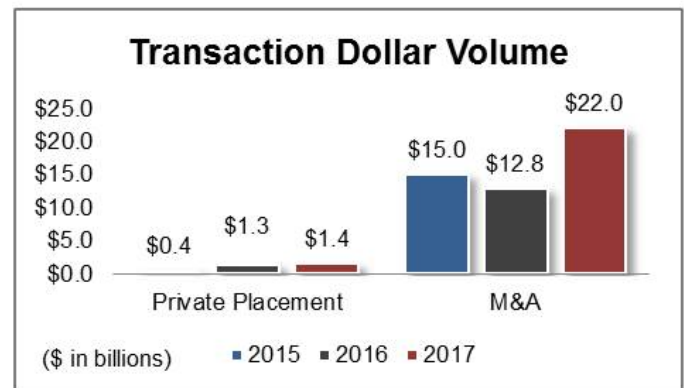
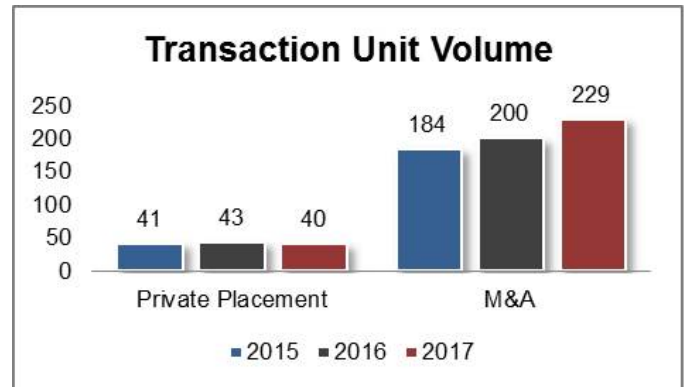
Equity markets in 2017 experienced their best results since 2013 with the Dow Jones Industrial Average ending near 25,000. M&A activity and private placements within Arizona also experienced substantial growth this past year. Disclosed M&A transactions for Arizona-based companies increased from 200 in 2016 to 229 in 2017, an increase of 14.5%. With the increase in overall transaction volume, 2017 M&A activity experienced an increase in transaction dollar volume from \$12.8 billion to \$22.0 billion, an increase of 71.9% aided by Circle K's acquisition of CST Brands. The average M&A deal size on disclosed transactions between \$5.0 million and \$1.0 billion was \$91.3 million, compared to 2016's average of \$72.0 million.

Private placement dollar volume experienced an increase of 11.6% in 2017 of \$1.4 billion compared to \$1.3 billion in 2016. This increase was largely driven by the \$750 million Liberty Utilities Co. transaction. Despite the growth, unit volume for 2017 actually had a modest decrease of 7% from 43 to 40 transactions.

The average private placement on disclosed transactions between \$5.0 million and \$500.0 million was \$25.4 million, compared to 2016's average of \$19.7 million.

Business Services led Arizona's activity, followed by Construction Services & Homebuilding which together comprised 78.2% of total dollar volume of M&A and capital raising transactions. The top three most active industries during the past year were Medical/Healthcare, Business Services, and Electronics/Semiconductors. Of the thirteen industries analyzed, seven illustrated an increase in combined M&A and private placement unit volume, while only two showed a decrease. By dollar volume, ten of the thirteen industries increased.

The strong motivation for business owners and investors to transact continues despite escalating geopolitical risk and concerns of market highs. With healthy P&Ls, subdued recession concerns, and a significant number of new private equity groups, enthusiasm for M&A and equity capital raising has continued.



**Excludes Real Estate, Mining, Energy Exploration, Project finance, 144 a placements and transactions smaller than \$5.0 million. Includes only disclosed transactions amounts.*

COLUMBIA WEST CAPITAL, LLC

INVESTMENT BANKING

TOP 10 2017 M&A DEALS:

(\$ in millions)

1:	CST Brands, Inc. (Circle K Stores)	\$6,086
2:	Chewy, Inc. (PetSmart)	3,400
3:	AVT Technology Solutions LLC and TS DivestCo B.V.	2,593
4:	LifeLock, Inc.	2,528
5:	Western Refining Logistics, LP	1,853
6:	Host Europe Holdings Ltd. (GoDaddy)	1,808
7:	Apollo Education Group, Inc.	1,212
8:	Rural Broadband Investments, LLC (Cable One)	735
9:	Datalink Corp. (Insight Enterprises)	285
10:	Estenson Logistics, LLC (Hub Group Trucking, Inc.)	285

TOP 10 2017 PRIVATE PLACEMENTS:

(\$ in millions)

1:	Liberty Utilities Co.	\$750
2:	OfferPad, LLC	260
3:	Mesa Air Group, Inc.	100
4:	Carvana Co. (NYSE:CVNA)	100
5:	The University of Phoenix, Inc.	23
6:	Vector Space Systems	21
7:	Solera Health, Inc.	18
8:	ClearDATA Networks, Inc.	12
9:	MyWorld, Inc.	12
10:	CampusLogic, Inc.	10

**Excludes Real Estate, Mining, Energy Exploration, Project Finance, 144a placements*

Includes only disclosed transaction amounts.

ARIZONA DEAL SUMMARY BY INDUSTRY

(\$ in millions)

	2017			2016			Variance		% Growth	
	\$ ⁽¹⁾	%	#	\$ ⁽¹⁾	%	#	\$	#	\$	#
Medical / Healthcare / Biotech	\$421	1.8%	52	\$ 945	6.7%	47	(524)	5	(55.4%)	10.6%
Business Services	\$13,708	58.4%	45	\$4,142	29.4%	23	9566	22	230.9%	95.7%
Technology / Software / Services	\$313	1.3%	22	\$275	2.0%	16	37	6	13.6%	37.5%
Electronics / Semiconductors	\$488	2.1%	46	\$41	0.3%	46	447	0	1096.7%	–
Consumer / Retail	\$819	3.5%	10	\$302	2.1%	10	518	0	171.7%	–
Manufacturing	\$10	0.0%	9	\$6,271	44.4%	24	(6261)	(15)	(99.8%)	(62.5%)
Construction Services/ Homebuilding	\$4,636	19.8%	39	\$1,933	13.7%	46	2703	(7)	139.9%	(15.2%)
Financial Services	\$35	0.1%	7	\$15	0.1%	5	20	2	131.3%	40.0%
Gaming / Leisure / Lodging	\$114	0.5%	16	\$23	0.2%	16	91	0	393.9%	–
Energy/Utilities	\$2,640	11.2%	8	\$158	1.1%	4	2482	4	1572.4%	100.0%
Telecom	\$27	0.1%	9	\$5	0.0%	2	22	7	421.9%	350.0%
Natural Resources	\$0	–	2	\$0	–	2	0	0	N/A	–
Real Estate Services	\$260	1.1%	4	\$0	–	2	260	2	N/A	100.0%
Totals	\$ 23,471	100.0%	269	\$ 14,110	100.0%	243	\$ 9,362	26	66.3%	10.7%

**Excludes Real Estate, Mining, Energy Exploration, Project Finance, 144a placements and transactions smaller than \$5.0 million.*

(1) Includes only disclosed transactions amounts

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