

2013 ANNUAL UTAH DEAL REVIEW

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

Utah M&A and private placement activity decreased in 2013. Transaction dollar volume decreased 74% from \$9.9 billion in 2012 to \$2.6 billion in 2013. Transaction unit volume decreased 6% from 192 deals in 2012 to 180 deals in 2013. This data suggests that the significantly higher 2012 dollar volume was driven by a few large deals.

In an effort to take advantage of lower capital gains tax rates, many business owners chose to accelerate the sale of their businesses in order to close during 2012, as evidenced by the unusually high volume of M&A deals closed in the last quarter of 2012. It can be assumed that many of the transactions that closed in late 2012 would have likely closed in 2013 had tax rates remained unchanged.

M&A activity was led by the \$1.2 billion take-private acquisition of Energy Solutions by private equity group Energy Capital Partners. The Energy Solutions deal represents Utah's only billion-plus 2013 transaction compared to 2012 which had three.

Historically, the Utah M&A market has been generalized as "middle market", but 2013 deals were even smaller than usual. After the Energy Solutions deal, the next largest M&A transaction fell to the \$225 million acquisition of Central Refrigerated Service, Inc. by Swift Transportation. Disclosed transactions ranging between \$5 million and \$1 billion had an average deal size of \$66 million across 13 deals, compared to the 2012 average deal size of \$132 million across 33 deals.

Private placements in Utah made up a larger overall percentage of the transactions in 2013 (26%) when compared to 2012 (18%). Utah companies raised a disclosed \$585 million of capital during 2013, a 14% increase over the \$513 million raised in 2012.

The Technology/Software sector led Utah in M&A and capital raising transactions by unit volume, making up 39 deals (22%) out of a total 180 reported transactions. Several of 2013's top private placement deals fell within the sector, including the \$60 million growth equity round for business intelligence SaaS provider Domo. Domo has since gone on to raise additional capital in early 2014 and is positioned for what some expect will be a 2015 IPO.

Companies seeking growth capital or exit opportunities in 2014 will be pleased by the attention they get from potential investors. Columbia West Capital expects financial buyers will enthusiastically seek acquisitions in 2014 as many funds near the end of their fund cycle and as credit providers stay aggressive. These market dynamics along with growing P&Ls will contribute to an improving outlook for M&A and capital raising in Utah and nationally barring any dramatic escalation in interest rates or other macroeconomic shock.

If you would like more detail on our Annual Utah Deal Review, please feel free to call us at (480) 664-3949.

COLUMBIA WEST CAPITAL, LLC

INVESTMENT BANKING

UTAH DEAL SUMMARY BY INDUSTRY

(\$ in millions)

	2013			2012			Variance		% Growth	
	\$(⁽¹⁾)	%	#	\$(⁽¹⁾)	%	#	\$	#	\$	#
Medical / Healthcare / Biotech	\$ 94	3.5%	25	\$ 350	3.5%	28	\$ (256)	(3)	(73.1%)	(10.7%)
Consumer / Retail	133	4.9%	28	3,025	30.4%	32	(2,893)	(4)	(95.6%)	(12.5%)
Manufacturing	244	9.1%	8	–	–	8	244	–	N/A	–
Business Services	1,223	45.6%	26	816	8.2%	28	408	(2)	50.0%	(7.1%)
Financial Services	164	6.1%	12	328	3.3%	12	(164)	–	(50.0%)	–
Electronics / Semiconductors	381	14.2%	14	2,165	21.8%	13	(1,784)	1	(82.4%)	7.7%
Technology / Software / Services	211	7.8%	39	2,741	27.6%	42	(2,531)	(3)	(92.3%)	(7.1%)
Gaming / Leisure / Lodging	28	1.0%	6	115	1.2%	12	(87)	(6)	(75.6%)	(50.0%)
Construction Services / Homebuilding	78	2.9%	8	99	1.0%	7	(21)	1	(21.2%)	14.3%
Energy	10	0.4%	3	99	1.0%	4	(89)	(1)	(89.9%)	(25.0%)
Telecom	120	4.5%	7	200	2.0%	5	(80)	2	(39.9%)	40.0%
Natural Resources	–	–	5	–	–	1	–	4	N/A	400.0%
Real Estate Services	–	–	–	–	–	–	–	–	N/A	N/A
Totals	\$ 2,686	100.0%	181	\$ 9,939	100.0%	192	\$ (7,254)	(11)	(73.0%)	(5.7%)
% Growth										

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

(1) Includes only disclosed transactions amounts.

TOP 10 2013 M&A DEALS:

(\$ in millions)

1: EnergySolutions, Inc	\$ 1,178
2: Central Refrigerated Service, Inc.	225
3: UMIA Insurance	142
4: NexGen Storage, Inc.	135
5: 2GIG Technologies, Inc.	135
6: Spring Communications, Inc.	97
7: Parvus Corporation	38
8: Westroc, Inc.	35
9: Cambric Corporation	33
10: TrainSignal, Inc.	24

TOP 10 2013 PRIVATE PLACEMENTS:

(\$ in millions)

1: Exo Level, LLC	\$ 69
2: Domo, Inc.	60
3: Primary Data	56
4: Instructure, Inc.	30
5: Ingram Medical, Inc.	30
6: Pluralsight LLC	28
7: HireVue, Inc.	25
8: inthinc Technology Solutions, Inc.	24
9: Jive Communications, Inc.	22
10: Falls Event Center LLC	20

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