

QUARTERLY UPDATE

Q1

2019

M&A

NEWSLETTER



LAWRENCE, EVANS & CO., LLC

Investment Banking | Corporate Finance | Consulting

Q1 MARKET DEVELOPMENTS

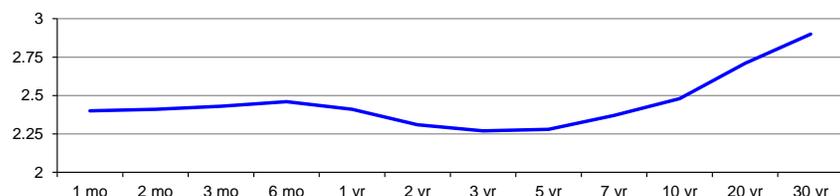
Index Performance			
Index Name	Index Price 3/29/2019	QoQ %	TTM %
NASDAQ	7,729.32	16.5%	9.4%
Dow Jones	25,928.68	11.2%	7.6%
S&P 500	2,834.40	13.1%	7.3%
Russell	1,539.74	14.2%	0.7%

The first quarter of 2019 proved to be an exciting one with volatility remaining high as the headlines continued to play tug of war with the markets. Although 2019 started off down and the equity markets ended the quarter on a positive basis with 3.2% GDP growth, that growth may not be sustainable through year end.

Arguably the most important factor for the markets in Q1 was the trade war with China, which continues to rage on. Fortunately there seems to be progress with this dispute, as the headlines suggest a deal is close. Across the pond, Brexit continues its constant state of panic, wreaking havoc on the British pound once again as the deadline for Theresa May's second deal came due and failed: leaving us wondering what will happen. Chaos in Venezuela over the Maduro regime led to a call for rebellion by U.S. supported Juan Guaidó.

Puerto Rico popped its head into the financial news once again following its Chapter 9 bankruptcy involving revenue backed municipal bonds ("muni") in May 2017 with interesting legal precedent. The Boston First Circuit Court ruled that municipalities in bankruptcy are not required to service their debts secured by "special revenues," which raises concerns around muni market as roughly 64% of muni's are backed by revenues.

Yield Curve - 4/10/2019

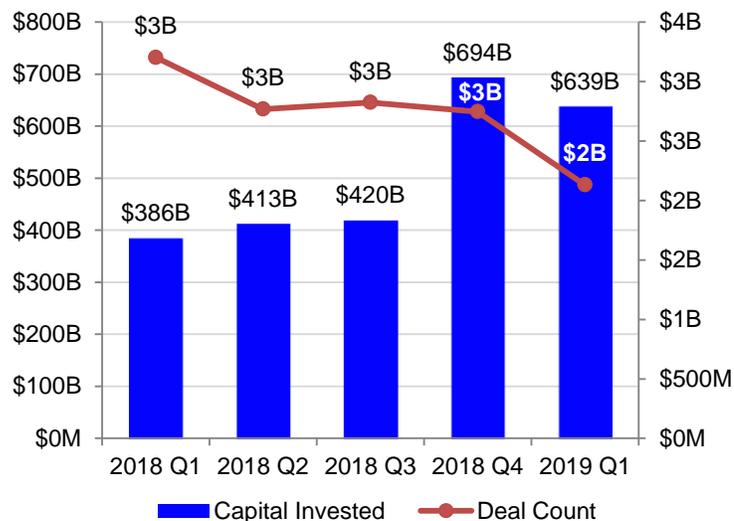


Lastly, and certainly the most bearish, the yield curve continued its inversion suggesting that the economy is slowing. While correlation doesn't equal causation, the persistence of the inversion shouldn't go unnoticed.

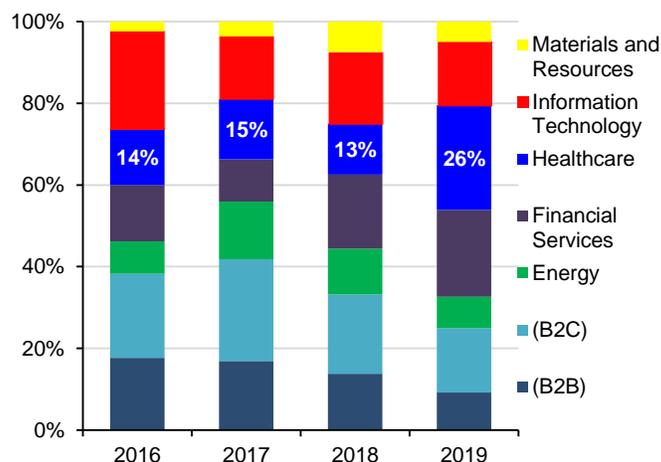
M&A ATMOSPHERE

Despite the alarms of the cycle nearing the end, Q1 M&A remained strong in terms of both deal count and capital invested. While capital invested QoQ a slight drop of 7.95%, it represented a 65.58% growth compared to 1Q18. Deal count, however continued to see a downward trend both QoQ at 22.39% and prior year of 33.44%, telling us that valuations are being pushed up as more funds and more companies look to grow via acquisition.

Quarterly M&A Activity



Transactions by industry



TOP TRANSACTIONS

Deal Date	Company Name	Investors	Deal Status	Deal Size	Deal Synopsis
03-Jan-2019	Celgene (NAS: CELG)	Bristol-Myers Squibb (NYS: BMY)(Giovanni Caforio)	Announced/In Progress	79,267.00	The company reached a definitive agreement to be acquired by Bristol-Myers Squibb (NYS: BMY) for \$79.267 billion on January 4, 2019. Celgene shareholders will receive one Bristol-Myers Squibb share and \$50 in cash for each share held, or \$102.43 per share. The transaction is subject to approval by Bristol-Myers Squibb and Celgene shareholders and the satisfaction of customary closing conditions and regulatory approvals. Bristol-Myers Squibb and Celgene expect to complete the transaction in the third quarter of 2019.
20-Mar-2019	21st Century Fox	The Walt Disney Company (NYS: DIS)(Robert Iger)	Completed	71,300.00	The company (NASDAQ: FOXA) was acquired by The Walt Disney Company (NYS: DIS) for \$71.3 billion on March 20, 2019. With this acquisition, Walt Disney will be able to provide more appealing high-quality content and entertainment options to meet growing consumer demand, increase its international footprint and expand its direct-to-consumer offerings.
18-Mar-2019	Worldpay (NYS: WP)	Fidelity National Information Services (NYS: FIS)(Gary Norcross)	Announced/In Progress	43,000.00	The company (NYSE: WP) reached a definitive agreement to be acquired by Fidelity National Information Services (NYSE: FIS) for \$35 billion on March 18, 2019. The deal is the latest in a wave of consolidation in the financial software and payments technology sectors as firms bulk up to compete with new comers seeking to disrupt the way merchants are paid. The deal is expected to close in the second half of the year.
07-Feb-2019	SunTrust Banks (NYS: STI)	Branch Banking and Trust (NYS: BBT)(Kelly King)	Announced/In Progress	28,240.00	The company (NYSE: STI) reached a definitive agreement to be acquired by BB&T for \$28.24 billion on February 7, 2019. The combined company will operate under a new name and have around \$442 billion in assets, \$301 billion in loans and \$324 billion in deposits. The companies called it a merger of equals, valued at \$66 billion. BB&T shareholders will own 57% of the company and SunTrust will own the rest.
03-Jan-2019	Seterus	WMIH (NAS: COOP)(Jay Bray)	Completed	24,000.00	The company was acquired by WMIH (NAS: COOP) for \$24 billion on January 3, 2019. This acquisition is consistent with WMIH's outlook for profitability targets and portfolio growth.
16-Jan-2019	First Data (NYS: FDC)	Fiserv (NAS: FISV)(Jeffery Yabuki)	Announced/In Progress	22,000.00	The company reached a definitive agreement to be acquired by Fiserv (NAS: FISV) for an all stock transaction worth \$22 billion on January 16, 2019.
25-Feb-2019	GE (BioPharma business)	Danaher (NYS: DHR)	Announced/In Progress	21,000.00	The company reached a definitive agreement to be acquired by Danaher (NYS: DHR) from GE Healthcare for \$21.4 billion on February 25, 2019. The amount includes \$21 billion in cash as well as Danaher's assumption of certain pension liabilities. The acquisition will enable GE to reduce leverage and strengthen the balance sheet.
27-Mar-2019	WellCare Health Plans (NYS: WCG)	Centene (NYS: CNC)(Michael Neidorff)	Announced/In Progress	15,270.00	The company reached a definitive agreement to be acquired by Centene (NYSE:CNC) for \$15.27 billion on March 27, 2019. The cash and stock transaction sees Centene paying \$305.39 per share based on Centene's closing stock price on March 26, 2019 for a total enterprise value of \$17.3 billion. The acquisition would likely reduce Centene's dependence on the Obamacare health-care exchanges and also cement its dominance in Medicaid coverage.
02-Jan-2019	Scana	Dominion Resources (NYS: D)(Thomas Farrell)	Completed	14,600.00	The company was acquired by Dominion Resources (NYSE: D) for \$14.6 billion on January 1, 2019. The transaction is valued at approximately \$14.6 billion, including debt. SCANA shareholders would receive 0.6690 shares of Dominion Energy common stock for each share of SCANA common stock. The combination with SCANA would solidify Dominion Energy's position among the nation's largest and fastest-growing energy utility companies by adding significantly to its presence in the expanding Southeast markets.
25-Feb-2019	GE Transportation	Wabtec (NYS: WAB)(Albert Neupaver)	Completed	11,100.00	The company, a subsidiary of General Electric (NYSE: GE) was acquired by Wabtec (NYS: WAB) for \$11.1 billion on February 25, 2019. The consideration includes \$2.9 billion up-front payment in cash and its shareholders will own 50.1 percent of the combined company, while Wabtec shareholders will own the rest. This acquisition establishes Wabtec as a Fortune 500, global transportation and logistics leader by combining Wabtec's broad range of freight, transit and electronics products with the division's best-in-class equipment, services and digital solutions in the locomotive, mining, marine, stationary power and drilling industries.
04-Feb-2019	Ultimate Software Group (NAS: ULTI)	Canada Pension Plan Investment Board, GIC Private, Hellman & Friedman(David Tunnell), JMI Equity, The Blackstone Group (NYS: BX)(Martin Brand)	Announced/In Progress	11,000.00	The company reached a definitive agreement to be acquired by The Blackstone Group, Hellman & Friedman, GIC Private, Canada Pension Plan Investment Board and JMI Equity through a \$11 billion public-to-private LBO on February 4, 2019.
14-Jan-2019	Newmont Mining (NYS: NEM)	Goldcorp (TSE: G)	Completed	10,000.00	The company was acquired by Goldcorp (TSE: G) for \$10 billion on January 14, 2019. The acquisition will help Goldcorp to create the world's leading gold business with the best assets, people, prospects and value-creation opportunities.
08-Apr-2019	Versum Materials (VSM)	Merck (ETR: MRK)	Announced/In Progress	6,400.00	The company (NYS: VSM) reached a definitive agreement to be acquired by Merck (ETR: MRK) for \$6.4 billion on April 8, 2019. Under the terms of Merck's revised proposal, Merck would acquire all of the outstanding shares of common stock of Versum for \$53 per share in cash, an increase from the previously announced \$48 per share proposal made by Merck on February 27, 2019.

Source: Pitchbook Data, Inc.

TOP TRANSACTIONS

Deal Date	Company Name	Investors	Deal Status	Deal Size	Deal Synopsis
01-Feb-2019	Vectren	CenterPoint Energy (NYS: CNP)(Scott Prochazka)	Completed	8,500.00	The company was acquired by CenterPoint Energy (NYSE: CNP) for \$8.5 billion on February 1, 2018. CenterPoint Energy is funding the deal using debt and equity. Upon completion of the transaction, the combined company plans to implement a unified business strategy, which aims to provide safe and reliable delivery of electricity, natural gas and related services to customers.
23-Jan-2019	Qualtrics	SAP (ETR: SAP)(William McDermott)	Completed	8,000.00	The company was acquired by SAP (ETR: SAP) for \$8 billion on January 23, 2019. The acquisition will strengthen SAP's offering in the customer relations management sector.
15-Feb-2019	Loxo Oncology	Eli Lilly (NYS: LLY)(David Ricks)	Completed	8,000.00	The company was acquired by Eli Lilly (NYS: LLY) for \$8 billion on February 15, 2019. The acquisition expands the breadth of Lilly's portfolio into precision medicines and target cancers that are caused by specific gene abnormalities.
04-Apr-2019	Arris International	CommScope (NAS: COMM)(Marvin Edwards)	Completed	7,400.00	The company was acquired by CommScope (NASDAQ: COMM) for \$7.4 billion on April 4, 2019. The acquisition will help CommScope expand its product offerings and R&D capabilities.
01-Jan-2019	USG	Gebr. Knauf Verwaltungsverwaltungsgesellschaft(Alexander Knauf)	Completed	7,000.00	The company was acquired by Gebr. Knauf for \$7 billion on January 1, 2019. Under the terms of the agreement, USG shareholders will receive \$44 per share, which consists of \$43.50 per share in cash payable upon closing of the transaction and a \$0.50 per share special dividend that would be paid following shareholder approval of the transaction. The combined company results in a global building materials industry leader that will maximize Knauf and USG's highly complementary businesses, products and global footprint to better meet the needs of both companies' end-market customers.
11-Mar-2019	Mellanox Technologies (NAS: MLNX)	Nvidia (NAS: NVDA)(Jensen Huang)	Announced/In Progress	7,000.00	The company (NASDAQ: MLNX) reached a definitive agreement to be acquired by Nvidia (NASDAQ: NVDA) for \$7 billion on March 11, 2019. The acquisition will enable Nvidia to enhance its high performance computing services. The acquisition has been approved by the boards of directors of both companies, and is expected to close by the end of 2019.
08-Feb-2019	Dun & Bradstreet	Bilcar LLC, Black Knight (NYS: BKI)(Anthony Jabbour), Cannae Holdings (NYS: CNNE)(William Foley), CC Capital(Chinh Chu), Cohesive Capital Partners, Thomas H. Lee Partners(Thomas Hagerty)	Completed	6,900.00	The company was acquired by CC Capital, Thomas H. Lee Partners, Cannae Holdings, Cohesive Capital Partners, Black Knight (NYSE: BKI) and Bilcar LLC through a \$6.9 billion public-to-private LBO on February 8, 2019. The company has \$1.337 billion in existing debt, bringing the enterprise value to about \$6.7 billion. Bank of America Merrill Lynch, Citigroup and RBC Capital Markets will provide debt financing for the transaction. Black Knight (NYSE: BKI) invested \$375 million in the company. As a result of the completion of the transaction, shares of the company's common stock ceased trading on the New York Stock Exchange.
31-Dec-2018	Sedgwick Claims Management Services	The Carlyle Group (NAS: CG)(Stephen Wise)	Completed	6,700.00	The company was acquired by The Carlyle Group through a \$6.7 billion LBO on December 31, 2018. The company was recapitalized as a result of this transaction. Morgan Stanley MUFG Loan Partners, Kohlberg Kravis Roberts, Bank of America Merrill Lynch, SunTrust Robinson Humphrey, BNP Paribas, Citizens Bank, Morgan Stanley, Fifth Third Bank, ING Capital, GIC Private, Baring, HPS Investment Partners, Oak Hill Advisors and PSP Investments Credit USA provided debt financing in this transaction.
01-Jan-2019	Gulf Power	NextEra Energy (NYS: NEE)(James Robo)	Completed	6,450.00	The company was acquired by NextEra Energy (NYSE: NEE) for \$6.45 billion on January 1, 2019. The acquisition also includes the assumption of approximately \$1.4bn of Gulf Power debt. NextEra Energy will finance the \$5.1 billion cash portion of the transaction through the issuance of new debt.
29-Mar-2019	Integrated Device Technology	Renesas Electronics (TKS: 6723)(Bunsei Kure)	Completed	6,300.00	The company was acquired by Renesas Electronics (TKS: 6723) for \$6.3 billion on March 29, 2019. The acquisition will enable Renesas to deliver an even broader range of leading-edge technology and embedded solutions by combining IDT's RF, high-performance timing, memory interface, real-time interconnect, optical interconnect, wireless power and smart sensors with Renesas microcontrollers, system-on-chips and power management ICs.
13-Feb-2019	Auris	Johnson & Johnson (NYS: JNJ)(Ashley McEvoy)	Completed	5,750.00	The company was acquired by Johnson & Johnson (NYS: JNJ) for \$5.75 billion, and has agreed to pay \$3.4 billion in cash on February 13, 2019, and will receive a contingent payout of \$2.35 billion upon the completion of future performance terms.
12-Feb-2019	Newfield Exploration	Encana (TSE: ECA)(Doug Suttles)	Completed	5,500.00	The company (NYSE: NFX) was acquired by Encana (TSE: ECA) for \$5.5 billion on February 12, 2019. In addition, Encana also assumed \$2.2 billion of the company's net debt. Encana will proceed with its previously announced \$1.25 billion share buyback in 2019, following receipt of regulatory approvals and increase its dividend by 25 percent. The remaining 36.5% stake will be held by shareholders of the company.
03-Jan-2019	Hortonworks	Cloudera (NYS: CLDR)(Thomas Reilly)	Completed	5,200.00	The company was acquired by Cloudera (NYS: CLDR) for \$5.2 billion on January 3, 2019. Under the terms of the transaction agreement, Cloudera stockholders will own approximately 60% of the equity of the combined company and Hortonworks stockholders will own approximately 40%. Hortonworks stockholders will receive 1.305 common shares of Cloudera for each share of Hortonworks stock owned. The acquisition will help Cloudera to create optimizations in sales and research and development and increase their earnings.
11-Feb-2019	Sears Holdings (PINX: SHLDQ)	ESL Investments(Edward Lampert)	Completed	5,200.00	The company was acquired by ESL Investments through a \$5.2 billion LBO on February 11, 2019.

Source: Pitchbook Data, Inc.

Lawrence, Evans & Co., LLC. is a boutique healthcare financial advisory and investment banking firm comprised of senior level professionals who provide lead advisory services to private companies, lenders, and other parties-in-interest that are executing financial and strategic transactions. Founded in 2003, the firm provides a wide array of services such as finance and capital raising, mergers and acquisitions, management consultancy services, turnaround management and restructuring, and real estate finance and development. The firm caters to the healthcare providers and service companies (senior housing, hospital, physician services, dental, dermatology, ophthalmology, physical therapy, behavioral health, RCM, HCIT, Population Health, etc.), transportation and logistics, and select niche manufacturing sectors. Transactions are typically under \$250 million or \$10 million EBITDA.

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