



2019 Transaction Termination Fee Study

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2019 Transaction Termination Fee Study Summary

Introduction

Houlihan Lokey's 2019 Transaction Termination Fee Study (2019 Study) employs search and screening criteria similar to those used in previous studies. We applied these criteria to the universe of announced transactions from 2015 through 2019 to provide a basis for comparison. Our study focuses on termination fees as a percentage of both "transaction value" and "enterprise value." Transaction value is the total value of consideration paid by an acquirer, including total rights, warrants, options, and net assumed liabilities, cash, and short-term investments, but excluding fees and expenses. Enterprise value is defined as the number of shares outstanding multiplied by the per-share offer price, plus the cost to acquire convertible securities, debt, and preferred equity, minus cash and marketable securities.

We conducted our search using data from Refinitiv (formerly Thomson Reuters) and S&P Capital IQ and applied the following screening criteria:

- Target company is a U.S. public company.
- Transaction announcement date is between January 1, 2019, and December 31, 2019.
- Transaction value is greater than \$50 million.
- Transaction type comprises:
 - Acquisitions of full or majority interest.
 - Leveraged buyouts.
 - Tender offers (bankruptcy, divestiture, and spinoff transactions are excluded).
- Deal status is completed, pending, or withdrawn.
- Target termination fee is disclosed.

For the 2019 Study, 150 transactions met these criteria; we have analyzed these transactions in terms of transaction and enterprise values.

Transaction Termination Fees

Given the time and expense involved in negotiating and structuring a proposed transaction, acquirers are continuously looking for creative ways to deter competing bids before the consummation of a transaction. Protective devices used by acquirers are heavily negotiated and may include termination fees, “lockup” agreements, and “no-shop” provisions. Conversely, in seeking to maximize stockholder value, boards of directors of target companies try to obligate the acquirer to consummate the agreed-upon transaction while maintaining the flexibility to seek and accept a superior offer for the target.

Termination (or breakup) fees are probably the most common type of lockup device and are typically payable by the target to the acquirer to compensate the acquirer if the transaction fails to close for one of the following reasons, among others:

- The target board elects to terminate the acquisition agreement in order to accept a competing offer.
- The target board changes its recommendation, and the acquirer elects to terminate the merger agreement rather than proceed with the stockholder vote.
- The original bid fails for some other specified reason, such as being voted down by the stockholders, after a competing proposal has been announced and is agreed to or closed within a specified period (typically six to 12 months).

Properly crafted, a termination fee provision can facilitate the sale of a company by ensuring that the bidder will receive a material “consolation prize” to defray its investment—in time, out-of-pocket expense, and opportunity cost—if the transaction is not consummated. On the other hand, termination fees protect the acquirer by effectively increasing the price that a third-party bidder will need to pay in order to consummate a competing transaction.

Enterprise and Transaction Values

Of the 150 transactions reviewed in 2019, the mean transaction value equaled approximately \$6.0 billion, marking a 56.9% increase from the 2018 mean transaction value of approximately \$3.8 billion. The mean enterprise value equaled approximately \$6.3 billion, marking a 33.9% increase from the 2018 mean enterprise value of approximately \$4.7 billion.

The median transaction value in 2019 equaled approximately \$2.0 billion, marking an 80.8% increase from the 2018 median transaction value of approximately \$1.1 billion. The median enterprise value equaled approximately \$2.0 billion, marking a 12.5% increase from the 2018 median enterprise value of approximately \$1.8 billion.

Enterprise and Transaction Value Annual Summary (\$ in millions)

	Transaction Value ⁽¹⁾⁽²⁾					Enterprise Value ⁽¹⁾⁽³⁾				
	2015	2016	2017	2018	2019	2015	2016	2017	2018	2019
Mean	\$6,200.2	\$4,381.8	\$3,135.9	\$3,820.4	\$5,993.7	\$8,357.0	\$6,682.8	\$4,067.4	\$4,719.6	\$6,320.9
Median	\$1,333.6	\$1,009.2	\$940.7	\$1,106.5	\$2,000.5	\$2,107.2	\$1,282.9	\$1,368.1	\$1,778.4	\$2,001.3
Number of Transactions	126	183	185	189	150	103	120	124	146	128

Sources: Refinitiv (formerly Thomson Reuters) and S&P Capital IQ.

(1) The mean transaction and enterprise value indications in 2015 were impacted by six "megadeals" with implied transaction values greater than \$30 billion, including Pfizer Inc.'s \$145.8 billion withdrawn merger with Allergan plc; Dell Inc.'s \$66.0 billion acquisition of EMC Corp.; Charter Communications, Inc.'s \$55.6 billion acquisition of Time Warner Cable Inc.; H.J. Heinz Holding Corp.'s \$46.1 billion merger with Kraft Foods Group, Inc.; Aetna Inc.'s \$34.6 billion withdrawn acquisition of Humana Inc.; and Shire plc's \$31.0 billion acquisition of Baxalta Inc.

(2) The mean transaction and enterprise value indications in 2019 were impacted by six "megadeals" with implied transaction values greater than \$30 billion, including Bristol-Myers Squibb Co.'s \$99.5 billion acquisition of Celgene Corp.; United Technologies Corp.'s \$91 billion acquisition of Raytheon Co.; Occidental Petroleum Corp.'s \$60 billion acquisition of Anadarko Petroleum Corp.; Chevron Corp.'s canceled \$54 billion acquisition of Anadarko Petroleum Corp.; Fidelity Inc.'s \$44 billion acquisition of Worldpay, Inc; and Fiserv, Inc.'s \$42 billion acquisition of First Data Corp.

(3) Excludes banks and other financial institutions due to lack of reliable data.

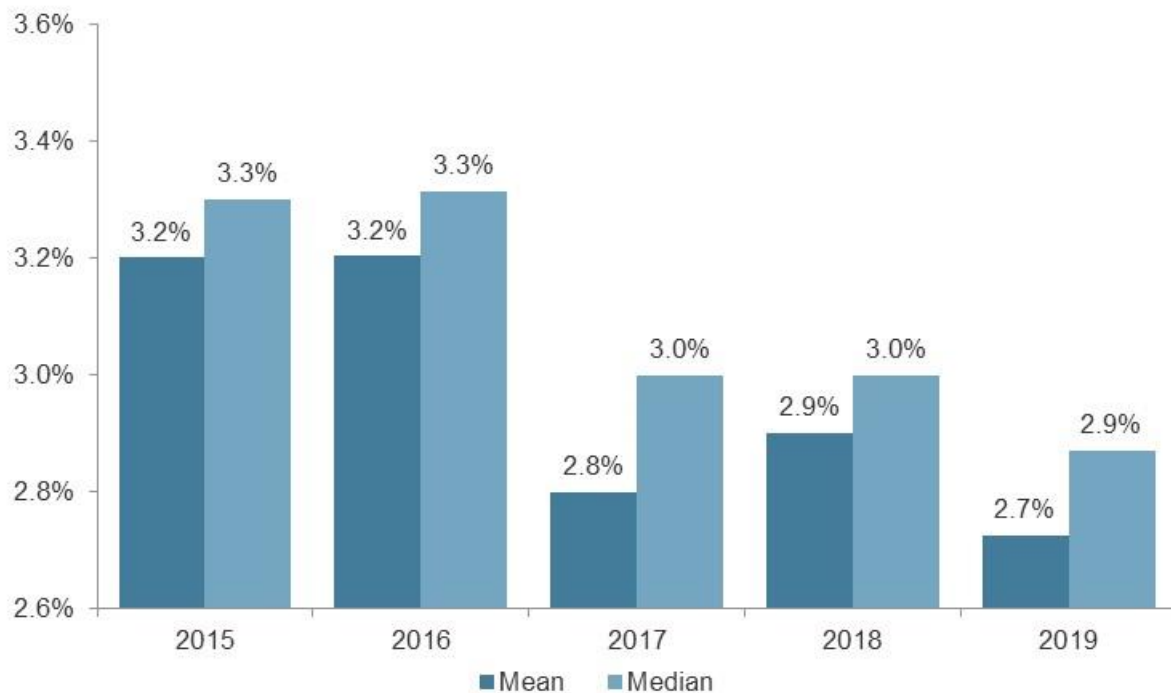
Transaction Termination Fees

Transaction Value

In the 2019 Study, termination fees as a percentage of transaction value ranged from 0.3% to 6.1%, with a mean of 2.7% and median of 2.9%.

- The 0.3% termination fee was observed in Expedia Group, Inc.'s \$22.4 billion acquisition of Liberty Expedia Holdings, Inc.
- The 6.1% termination fee was observed in H. Lundbeck A/S's \$1.4 billion acquisition of Alder BioPharmaceuticals, Inc.

Transaction Termination Fees as a Percentage of Transaction Value

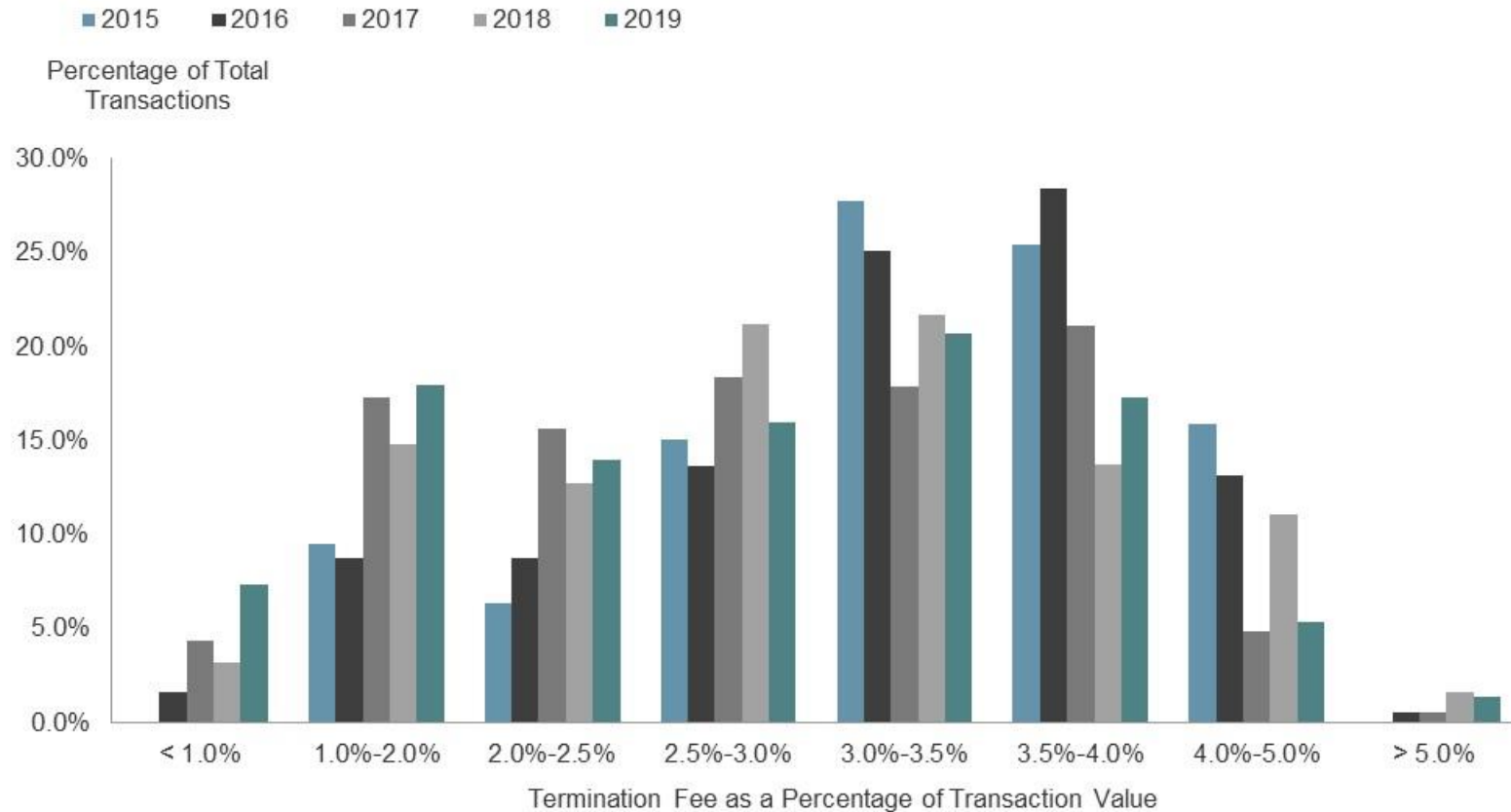


Transaction Termination Fees

Transaction Value (cont.)

The distribution of termination fees as a percentage of transaction value in 2019 generally resembles a classic bell curve, with most results clustered between 2.0% and 4.0%, with the observed mean (2.7%) and median (2.9%). However, in 2019, a greater percentage of transactions were structured with a termination fee of less than 2.0% of transaction value compared to prior years.

Distribution of Termination Fee Percentages

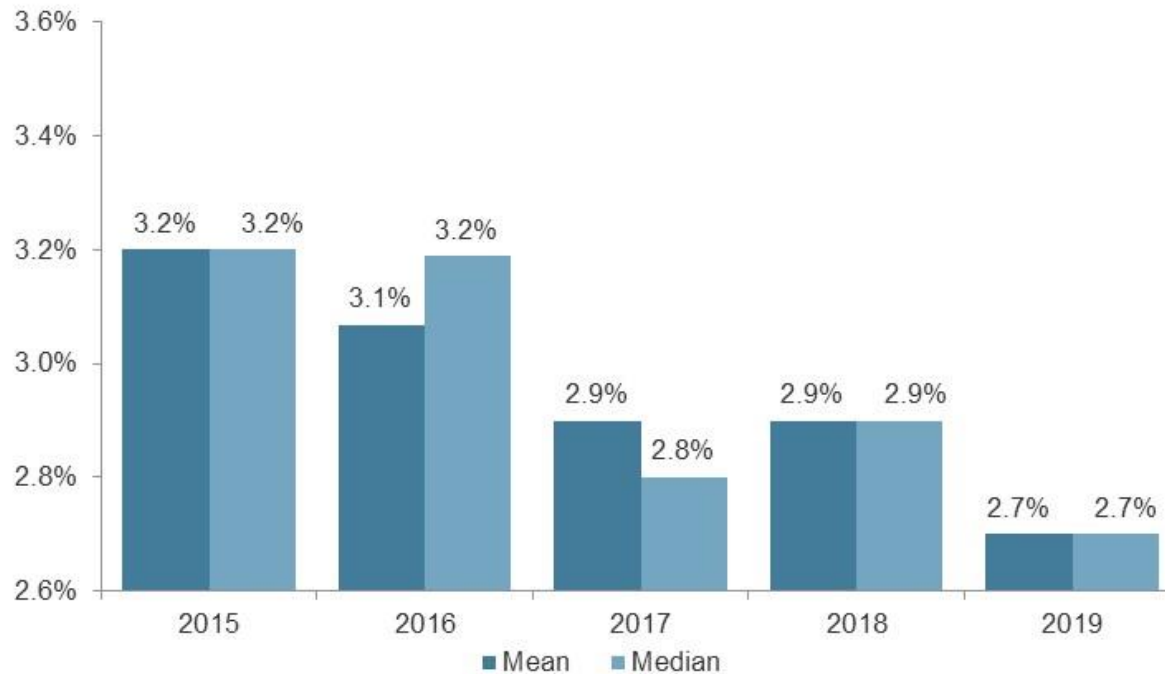


Transaction Termination Fees

Enterprise Value

Termination fees as a percentage of enterprise value were analyzed for deals announced from 2015 through 2019. Due to the inclusion of debt, enterprise value (the denominator in the fee percentage calculation) is typically greater than transaction value. Accordingly, the observed median termination fees based on enterprise value are generally slightly lower than those observed using transaction values over the past five years of data.

Transaction Termination Fees as a Percentage of Enterprise Value⁽¹⁾

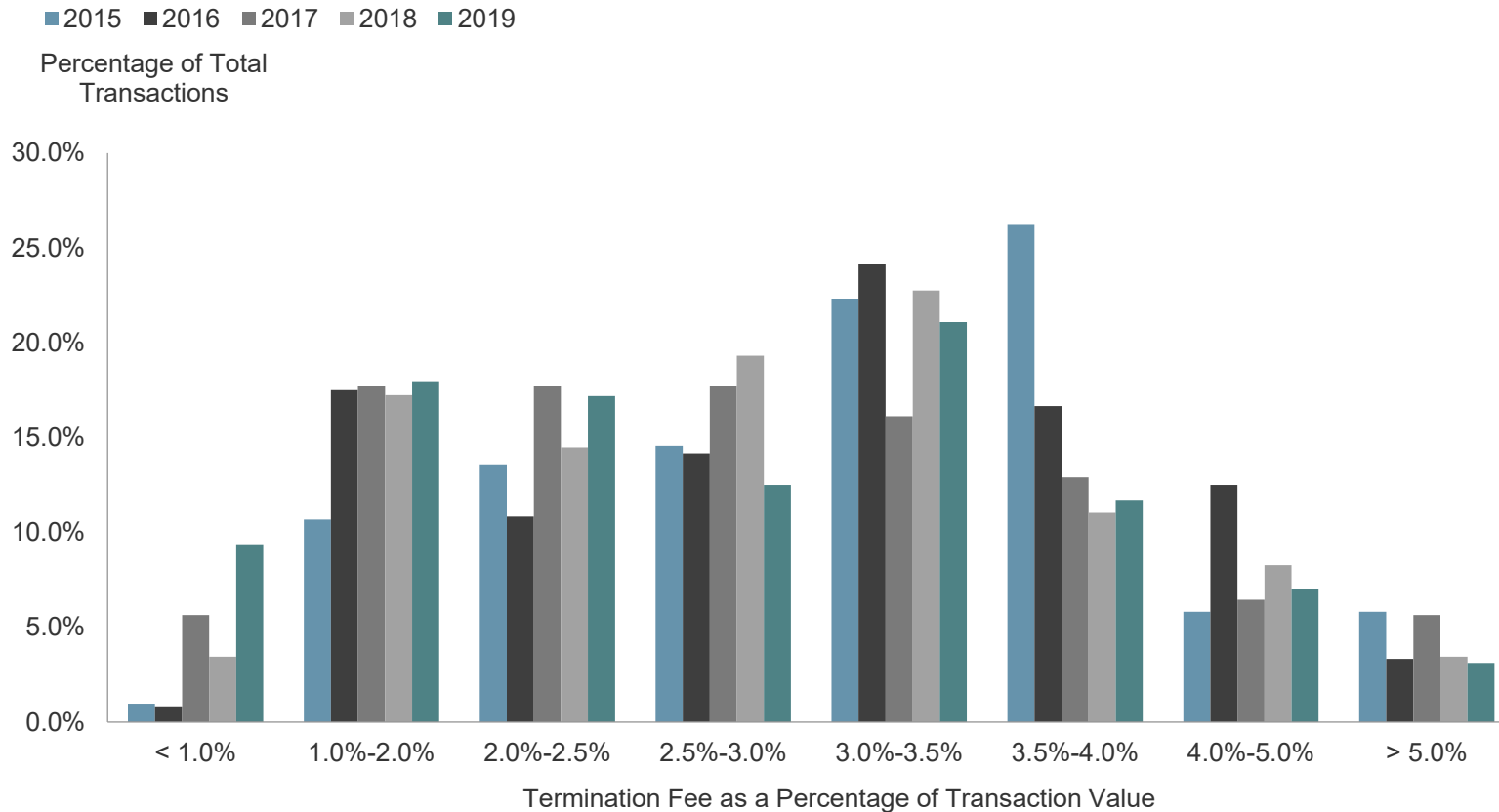


Transaction Termination Fees

Enterprise Value (cont.)

The distribution of termination fees as a percentage of enterprise value is weighted toward fees (as a percentage of enterprise value) centered around the mean of 2.7%, mostly between a range of 2.0% and 4.0%.

Distribution of Termination Fee Percentages



Transaction Termination Fees

Semiannual Summary

While the number of announced transactions increased in the second half of 2019, the median transaction size decreased, with the median transaction value in the second half of 2019 (approximately \$1.5 billion) 32.8% lower than that of the first half of 2019 (approximately \$2.3 billion).

In dollar terms, the median termination fee decreased from \$48.6 million in the first half of 2019 to \$30.5 million in the second half of 2019, which reflects a decrease in the size of observed deals over the same time period. The median termination fee decreased as a percentage of transaction value (3.0% to 2.6%) and as a percentage of enterprise value (3.0% to 2.4%) in the second half of 2019.

2019 Termination Fee Summary (\$ in millions)

	First Half of 2019	Second Half of 2019
Number of Transactions	72	78
Median Transaction Value	\$2,275.5	\$1,529.3
Median Enterprise Value⁽¹⁾	\$2,742.7	\$1,779.1
Median Termination Fee	\$48.6	\$30.5
Median Fee as a Percentage of Transaction Value	3.0%	2.6%
Median Fee as a Percentage of Enterprise Value⁽¹⁾	3.0%	2.4%

Termination Fees by Transaction Size

Transaction Value

In the 2019 Study, 35 deals had transaction values greater than \$5 billion, compared with 42 in 2018. These large transactions accounted for 41.3% of the sample in 2019, compared to 22.2% in 2018. For transactions of this magnitude, the median termination fee as a percentage of transaction value was 2.3% in 2019, which is consistent with 2018.

- The median termination fee as a percentage of transaction value is based on the median of all calculated termination fees as a percentage of transaction value, not the calculation of the observed median transaction value and median termination fee.

In dollar terms, the highest termination fee among the transactions reviewed in 2019 was observed in Bristol-Myers Squibb Co.'s \$99.6 billion acquisition of Celgene Corp. (with a termination fee of approximately \$2.2 billion, or 2.2% of the transaction value).

Termination Fees by Transaction Size—Transaction Value (\$ in millions)

Transaction Size	Number of Transactions		Median Transaction Value		Median Termination Fee		Median Termination Fee as a Percentage of Transaction Value	
	2018	2019	2018	2019	2018	2019	2018	2019
\$50 Million–\$250 Million	53	28	\$117.8	\$94.4	\$4.0	\$3.5	3.6%	3.7%
\$250 Million–\$500 Million	13	12	\$378.8	\$324.5	\$12.5	\$10.3	3.2%	3.4%
\$500 Million–\$1 Billion	23	19	\$725.4	\$785.5	\$22.8	\$18.7	3.3%	2.7%
\$1 Billion–\$5 Billion	58	56	\$2,019.7	\$2,390.4	\$48.9	\$53.8	2.7%	2.5%
More Than \$5 Billion	42	35	\$8,597.6	\$10,984.4	\$195.3	\$290.0	2.3%	2.3%
All	189	150	\$1,106.5	\$2,000.5	\$33.0	\$35.6	3.0%	2.9%

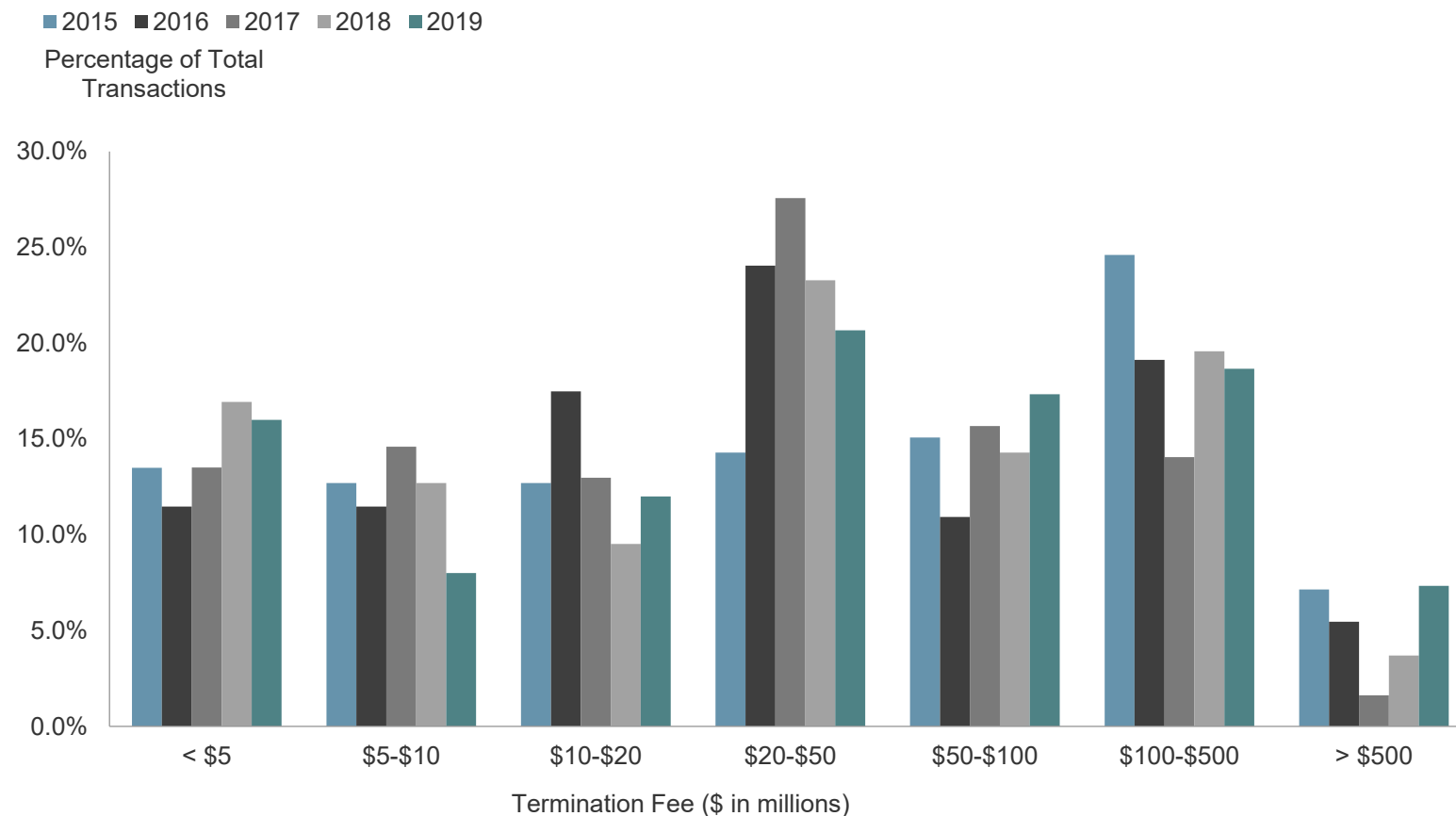
Termination Fees by Transaction Size

Distribution of Termination Fees

In dollar terms, termination fees have historically skewed toward the lower end of the distribution curve.

Approximately 20.7% of the deals sampled in the 2019 Study had termination fees between \$20 million and \$50 million, compared with 23.3% in 2018, 27.6% in 2017, 24.0% in 2016, and 14.3% in 2015.

Distribution of Termination Fees



Termination Fees by Transaction Size

Enterprise Value

In the 2019 Study, 33 deals had enterprise values greater than \$5 billion compared to 39 deals in 2018. These large transactions accounted for approximately 25.8% of the sample in 2019, compared to 26.7% in 2018. Within this segment of the sample, the median termination fee was 2.4% of enterprise values—the same termination fee as a percentage of enterprise value as observed in 2018.

- The median termination fee as a percentage of enterprise value is based on the median of all calculated termination fees as a percentage of enterprise value, not the calculation of the observed median of enterprise value and termination fee.

Termination Fees by Transaction—Enterprise Value (\$ in millions)⁽¹⁾

Transaction Size	Number of Transactions		Median Enterprise Value		Median Termination Fee		Median Termination Fee as a Percentage of Enterprise Value	
	2018	2019	2018	2019	2018	2019	2018	2019
\$50 Million–\$250 Million	29	16	\$122.2	\$104.0	\$4.0	\$3.5	3.4%	3.4%
\$250 Million–\$500 million	12	9	\$386.6	\$378.6	\$14.5	\$10.0	3.3%	3.4%
\$500 Million–\$1 Billion	14	20	\$748.3	\$716.4	\$22.4	\$19.3	3.2%	2.8%
\$1 Billion–\$5 Billion	52	50	\$2,020.1	\$2,283.9	\$58.8	\$52.4	2.6%	2.4%
More Than \$5 billion	39	33	\$9,238.2	\$10,500.3	\$204.0	\$265.0	2.4%	2.4%
All	146	128	\$1,778.4	\$2,001.3	\$45.0	\$40.0	2.9%	2.7%

Termination Fees by Consideration Form

While termination fees correlate to enterprise value and transaction size, they do not correlate strongly to the form of consideration.

The analysis indicates that during 2019, a similar percentage of the transactions included some form of stock consideration compared to 2018 (41.3% of the 2019 sample compared to 41.8% of the 2018 sample).

- The median termination fee as a percentage of deal value is based on the median of all calculated termination fees as a percentage of deal value, not the calculation of the observed median transaction or enterprise value and median termination fee.

Termination Fees by Consideration Form (\$ in millions)

Consideration Form	Number of Transactions		Median				Median Termination Fee as a Percentage of					
			Transaction Value		Enterprise Value ⁽¹⁾		Median Termination Fee		Transaction Value		Enterprise Value ⁽¹⁾	
	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019
All Stock	37	34	\$2,106.7	\$1,356.2	\$3,962.4	\$2,408.1	\$45.0	\$32.5	3.0%	3.2%	2.7%	2.6%
All Cash	110	88	\$836.2	\$1,518.7	\$1,579.5	\$1,393.2	\$24.7	\$32.1	3.0%	2.9%	3.0%	2.9%
Cash and Stock	42	28	\$1,119.5	\$2,359.1	\$1,405.3	\$3,106.4	\$33.3	\$54.3	2.7%	2.7%	2.6%	2.4%
All	189	150	\$1,106.5	\$2,000.5	\$1,778.4	\$2,001.3	\$33.0	\$35.6	3.0%	2.9%	2.9%	2.7%

Termination Fees by Acquisition Type

- We compared public-to-private transactions (including management buyouts, leveraged buyouts, and private equity investments) to all other types of transactions.
 - 20 transactions involved public targets going private, with median termination fees of 2.2% and 2.3% of transaction and enterprise values, respectively. The remaining 130 non-going-private transactions yielded median termination fees of 3.0% of both transaction and enterprise values.
- We also compared termination fees paid in transactions involving strategic buyers to those paid in transactions involving financial buyers. For the purposes of our study, a strategic buyer is defined as a buyer in the same industry or a buyer seeking to vertically or horizontally integrate (including private equity platform add-ons); a financial buyer is defined as a buyer seeking to profit by making an acquisition, but not necessarily by expanding its own business operations.
 - For the 122 transactions involving acquirers that Refinitiv (formerly Thomson Reuters) considered strategic, the median termination fees equaled 3.0% of transaction values and 3.0% of enterprise values. The other 28 transactions involved financial acquirers and had a median termination fee of 2.2% of transaction values and 2.3% of enterprise values.

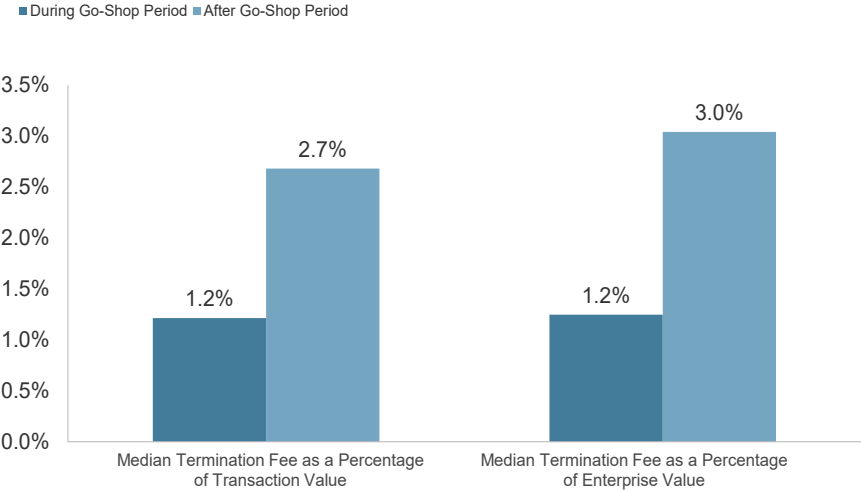
Bifurcated Termination Fees

Transactions with so-called “go-shop” provisions generally feature bifurcated termination fees, pursuant to which a lower termination fee is payable during the go-shop period (the period during which the target is allowed to actively solicit competing offers). In the 2019 Study, 21 transactions (14% of the sample) included bifurcated termination fees.

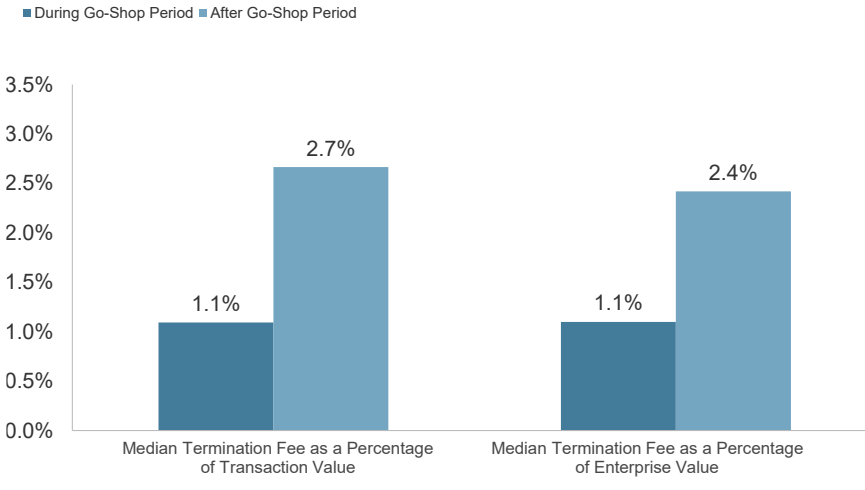
The post-go-shop period generally has higher termination fees as a percentage of transaction and enterprise value.

In 2019, bifurcated termination fees as a percentage of transaction value were similar to the observed 2018 data. However, as a percentage of enterprise value, the median termination fee in the “after go-shop period” decreased from 3.0% in 2018 to 2.4% in 2019.

Bifurcated Termination Fees for Deals Announced in 2018



Bifurcated Termination Fees for Deals Announced in 2019



Sources: Refinitiv (formerly Thomson Reuters), S&P Capital IQ, press releases, and public filings.

Transaction Termination Fees in Court

The Delaware courts have found termination fees to be an acceptable and customary component of M&A transactions. However, a target company's board of directors can face criticism if the agreed-upon termination fee (alone or in conjunction with other protective provisions) is sufficiently onerous to dissuade or prevent another potential bidder from making a superior offer for the target.

In assessing the reasonableness of termination fees, the Delaware Chancery Court (the "Court") has refused to establish a bright-line rule as to the maximum permissible size of a termination fee. Instead, the Court has insisted that each case be decided on the particular facts and circumstances surrounding the transaction. In this regard, Vice Chancellor Strine in *In re Toys "R" Us, Inc. S'holder Litig.*, 877 A.2d 975 (Del. Ch. 2005) (*Toys "R" Us*) observed that the reasonableness of a particular termination fee requires a "nuanced, fact-intensive inquiry." That inquiry requires the Court to "consider a number of factors, including without limitation: the overall size of the termination fee, as well as its percentage value; the benefits to shareholders, including a premium (if any) that directors seek to protect; the absolute size of the transaction, as well as the relative size of the partners to the merger; the degree to which a counterparty found such protections to be crucial to the deal, bearing in mind differences in bargaining power; and the preclusive or coercive power of all deal protections included in a transaction, taken as a whole." See *Louisiana Municipal Police Employees' Retirement System v. Crawford*, 918 A.2d 1172 (Del. Ch. 2007).

In *Paramount Gold and Silver Stockholders Litigation*, the plaintiffs alleged that the directors of Paramount Gold and Silver Corp. (Paramount) breached their fiduciary duties by agreeing to an unreasonable "deal protection device" in connection with the merger pursuant to which Paramount was acquired by Coeur Mining, Inc. (Coeur). At the time of the transaction, Paramount had two mining projects, one in Mexico and the other in Nevada. The transaction involved (i) the spinoff of the Nevada mining assets into a separate entity (Spinco), 95% of which would be distributed to Paramount stockholders and 5% of which would be owned by Coeur, and (ii) a stock-for-stock merger (the "Coeur Merger") of a subsidiary of Coeur into Paramount, which would hold solely the Mexican assets. Contemporaneously, Paramount entered into a royalty agreement (the "Royalty Agreement") pursuant to which a wholly owned subsidiary of Coeur acquired a 0.7% royalty interest in the Mexican assets in exchange for a payment of \$5.25 million.

Transaction Termination Fees in Court (cont.)

The plaintiffs contended that *Unocal* enhanced scrutiny should apply on the theory that the royalty agreement, when combined with the \$5 million termination fee provision in the merger agreement, constituted an unreasonable deal protection device. In making their argument, the plaintiffs conceded that the \$5 million termination fee—3.42% of the estimated value of the merger excluding Spinco and 2.72% of the overall transaction including Spinco—was not unreasonable by itself. The Court noted that “this concession is sensible given that this Court routinely has upheld termination fees of this magnitude.” The plaintiffs, however, asserted that the royalty “effectively served as a second termination fee because the Royalty Agreement would have required the payment of at least an additional \$5.25 million (or approximately 3.6% of the Transaction’s value) by any superior bidder to unshackle [the Mexican assets] from Coeur and its subsidiaries.” According to the plaintiffs, “the combined Royalty Agreement/termination fee reached \$10.25, or 7.02% of the Transaction value.” The Court observed that “this amount would be problematic if plaintiffs’ assertion were true.”

In rejecting the plaintiffs’ theory, the Court noted that the Royalty Agreement became effective when it was signed and was not contingent on consummation of the Coeur Merger. Moreover, the plaintiffs provided no evidence that a superior bidder had any obligation to buy out Coeur’s royalty interest for \$5.25 million “or any other price.” Instead, the Court noted, “a superior bidder could simply acquire Paramount subject to the Royalty Agreement and reaping the benefits of the \$5.25 million cash infusion.”

In *In re Zale Shareholders Litig.*, 2015 Del. Ch. LEXIS 249 (Oct. 1, 2015), the plaintiffs alleged that the board of directors of Zale Corp. agreed to impermissible deal protections, including, among other things, a \$26.7 million termination fee (equal to 2.75% of the transaction value). Citing prior cases approving fees of similar magnitude, the Court rejected the allegation.

In *Southeastern Pennsylvania Transportation Authority v. Abbvie Inc.*, C.A. Nos. 10374, 10408-VCG (Del. Ch. Apr. 15, 2015), the plaintiffs sought to inspect the books and records of AbbVie Inc. for the purpose of investigating potential breaches of fiduciary duty by AbbVie’s board in connection with AbbVie’s payment of a \$1.635 billion reverse termination fee that was triggered by the termination of its proposed inversion transaction with Shire plc. The plaintiffs argued that the board’s breach resulted from approving and eventually triggering an “enormous” reverse termination fee that did not carve out a contingency for the U.S. government taking action to deter tax-driven, merger-based inversions.

Transaction Termination Fees in Court (cont.)

In the course of denying the plaintiff's motion, the Court noted that "the [reverse breakup fee] is 'enormous,' to use SEPTA's phrasing, in the abstract, but not in the context of the equally enormous value of the transaction itself: [a]greeing to a 3% termination fee is not intrinsically unusual, let alone a credible indication of bad faith." The Court also observed that the record suggests that the fee was an actively negotiated provision sought by Shire, the target company, and that, though a large dollar amount, "it was a commonplace 3% of total value of that target."

In *In re Comverge, Inc. S'holders Litig.*, C.A. No 7368-VCP (Del. Ch. Nov. 25, 2014), the Court refused to dismiss a complaint alleging that the board of directors of Comverge, Inc., a financially distressed company, acted in bad faith by approving an unreasonable termination fee in connection with the acquisition of Comverge by H.I.G. Capital (H.I.G.). The stated termination fee was equal to 5.55% of Comverge's equity value (or 5.2% of enterprise value) if triggered during the "go-shop" period and 7% of the equity value (or 6.6% of enterprise value) if triggered afterwards.

The plaintiff argued that the potentially preclusive effects of these termination fees had to be assessed with reference to a \$12 million convertible bridge loan that H.I.G. provided to Comverge as part of the transaction (the "Bridge Note"). The plaintiff alleged that the conversion feature in the Bridge Note, which allowed H.I.G. to purchase Comverge common stock at a 20% discount to the merger price, would significantly increase the cost of a topping bid. The plaintiff argues that conversion of the Bridge Note would result in a total payment equal to 11.6% of the deal's equity value during the go-shop period and 13.1% of the deal's equity value after the go-shop period.

For purposes of the motion, Vice Chancellor Parsons accepted the plaintiff's argument that, if converted, the Bridge Note could add more than \$3 million to the purchase price a competing buyer would have to pay and therefore should be considered as part of the termination fee. In doing so, the Court also observed that the termination fees of 5.5% of equity value (or 5.2% of enterprise value) during the go-shop period and 7% of equity value (or 6.6% of enterprise value) after the go-shop period "test the limits of what this Court has found to be within a reasonable range for termination fees." Vice Chancellor Parsons concluded that, for the purposes of surviving a motion to dismiss, it was reasonably conceivable that the plaintiff might be able to show that the Comverge board's decision was "so beyond the bounds of reasonable judgment" as to be only explainable as "bad faith," and thus not exculpable under a Section 102 (b)(7) exculpatory clause.

In reviewing various deal protections for reasonableness under the Unocal standard, Vice Chancellor Noble, in *In re TriQuint Semiconductor, Inc. S'holders Litig.*, C.A. No. 9415-VCN (Del. Ch. Jun. 13, 2014), found a 2.8% termination fee to be common and acceptable under Delaware law. Similarly, in *C&J Energy Services, Inc. v. City of Miami General Employees*, 107 A. 3d 1049, the Delaware Supreme Court found a \$65 million termination fee to be "modest," since it was "2.27% of the deal value."

Transaction Termination Fees in Court (cont.)

In *In re Crimson Exploration Inc., S'holders Litig.*, C.A. No. 8541-VCP (Del. Ch. Oct. 24, 2014), Vice Chancellor Parsons found that it was not “reasonably conceivable that the plaintiffs could show that the director defendants acted in bad faith by approving, among other things, a \$7 million termination fee that represented 1.8% of Crimson’s enterprise value,” notwithstanding that the fee “represented 4.5% of Crimson’s equity value, which is at the high end of the range of fees the courts have found reasonable.”

The signpost for the outer limit of acceptability remains *Phelps Dodge Corp. v. Cyprus Amax Minerals Co.*, C.A. No. 17398 (Del. Ch. Sept. 27, 1999), in which the Court found that a 6.3% termination fee “stretches the definition of reasonableness beyond its breaking point.” In this regard, in *In re Theragenics Corp. S'holders Litig.*, C.A. No. 8790 (Del. Ch. May 5, 2014), Vice Chancellor Laster declined to approve a settlement agreement, in part because of a bifurcated termination fee that equated to “around north of 5 percent” of transaction value during the go-shop period and increased to 7.8% after the go-shop period. Another judicial warning is Vice Chancellor Strine’s admonition in *Toys “R” Us* that, in megadeals, the absolute size of a termination fee can be offensive, irrespective of being within the range of historical percentages, due to the “preclusive differences between termination fees starting with a ‘b’ rather than an ‘m.’”

Essendant Inc., an office supply company, entered into an agreement (the “GPC Agreement”) to acquire the S.P. Richards business owned by Genuine Parts Co. (GPC) for consideration consisting of Essendant common stock. Pro forma for the issuance of the Essendant stock, GPC would have owned 51% of Essendant. The GPC Agreement contained a nonsolicitation provision that required Essendant to abandon all pending merger negotiations and prohibited the company from pursuing a competing transaction unless the competing transaction constituted a “superior proposal.” If Essendant decided to pursue a superior proposal, it could terminate the agreement by paying a \$12 million termination fee. The payment of such fee was to be the “sole and exclusive remedy” in the event Essendant terminated the GPC Agreement in order to accept a superior proposal.

Three days before the execution of the GPC Agreement, Sycamore Partners (Sycamore) expressed an interest in acquiring Essendant. However, the Essendant board of directors determined to proceed with the GPC transaction. Following the execution of the GPC Agreement, Sycamore offered to purchase Essendant at \$11.50 per share. The Essendant board rejected the offer and informed GPC of the offer. Subsequently, Sycamore indicated that it might raise its price after due diligence. Essendant determined that the Sycamore offer was a superior proposal.

GPC disagreed that the Sycamore offer was a superior proposal and advised Essendant that further negotiations with Sycamore would violate the GPC Agreement. GPC also offered to add a \$4-per-share contingent value right to its consideration for Essendant.

Transaction Termination Fees in Court (cont.)

Finding that there were antitrust risks to a transaction with GPC, Essendant accepted the Sycamore offer, terminated the GPC Agreement, and paid the \$12 million termination fee to GPC.

GPC subsequently sued in the Court alleging (among other things) that Essendant's negotiations with Sycamore and its acceptance of an inferior offer violated the GPC Agreement, and that the payment of the termination fee was neither an exclusive nor adequate remedy. Essendant moved to dismiss the suit on the basis that the termination fee was the exclusive remedy.

The Court denied the motion to dismiss, finding that the termination fee was not the exclusive remedy if the termination was not the result of a superior proposal or if termination resulted from a breach of the nonsolicitation provision of the GPC Agreement.

Reverse Breakup Fees

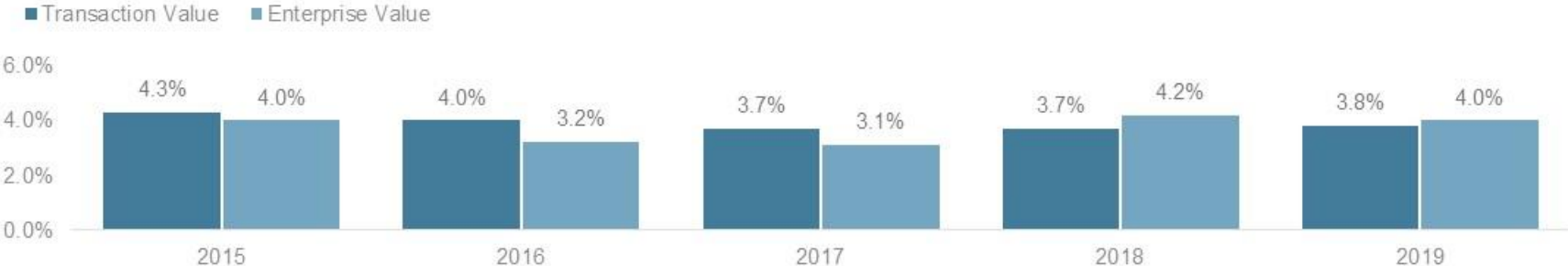
Prior to 2005, private equity transactions were typically subject to financing conditions that would allow the buyer to terminate the deal if debt financing was unavailable. As competition among private equity firms increased and financing became readily available, targets began to require private equity buyers to absorb more of the financing risk and provide recourse in the form of “reverse breakup fees,” which are fees payable by the acquirer to the target if funding falls through or the transaction is otherwise terminated. These fees are backstopped by a limited guarantee by the private equity fund. The rationale behind such fees is to compensate the target for the risk that “committed” financing does not fund and the transaction does not close.

With the addition of a fund commitment or guarantee, financial sponsors sought to limit the exposure of their investors by seeking a capitalization on the maximum extent of the fund’s exposure for a failed deal. Sponsors were generally successful in this effort, and the reverse termination fee quickly became a ceiling on a fund’s liability for intentionally breaching the agreement.

In the aftermath of the numerous transactions that were abandoned in late 2007 and 2008, sellers became more concerned about the optionality created by the reverse termination fee structure.

However, in recognition of the sometimes turbulent financing markets, two-tier fees were not uncommon, with a lower fee payable if the closing did not occur due to a financing failure rather than a willful failure. For example, during 2011, in connection with its acquisition of Emdeon Inc., Blackstone Capital Partners VI agreed to a reverse termination fee of 3.6% of transaction value in the event it was unable to raise financing, but a 7.0% reverse termination fee for a “willful breach” of the merger agreement. Similarly, in 2011, Eagle Parent Inc. agreed to pay 2.5% of transaction value in the event it was unable to raise financing for its acquisition of Epicor Software Corp., but a fee of 7.5% for a “willful breach” of the merger agreement.

Reverse Breakup Fee Trends



Sources: Refinitiv (formerly Thomson Reuters), S&P Capital IQ, and public filings.

Reverse Breakup Fees (cont.)

Beginning in 2008, a number of strategic cash deals began to duplicate the private equity reverse breakup fee structure. Historically, sellers had less deal protection concerns with strategic buyers than with private equity buyers. However, with the state of the financing markets at the time, and the fact that banks began to introduce greater conditionality into their commitments, that attitude changed. In April 2008, the \$23 billion Mars Inc./Wm. Wrigley Jr. Co. deal became the first large strategic deal to be structured with a private-equity-style reverse termination fee.

In 2017, CVS Health Corp.'s merger agreement with Aetna, Inc., required CVS Health to pay a reverse termination fee of \$2.1 billion (3.0% of transaction value and 2.9% of enterprise value) if antitrust clearance was not obtained and the transaction was terminated as a result.

Commentators have noted that forward and reverse termination fees serve different functions and should be analyzed differently. Target termination fees have the potential to foreclose a competitive bidding process (against the interests of shareholders of the target) by making acquisitions prohibitively expensive for bidders late to approach the target. Accordingly, courts have expressed concern that termination fees greater than approximately 3% of the purchase price may interfere with the Revlon duties of a seller's board to secure the highest price under the circumstances. By contrast, reverse termination fees raise no such obvious concerns, because they do not increase the cost of a bidding contest for later bidders.

Reverse Breakup Fees (cont.)

Of the 150 transactions reviewed in the 2019 Study, 82 (approximately 55%) had reverse breakup fees, with median fees of 3.8% and 4.0% of transaction and enterprise values, respectively. In 2018, 102 (54%) of the 189 transactions reviewed had reverse termination fees, with median fees of 3.7% and 4.2% of transaction and enterprise values, respectively.

Reverse Breakup Fee Summary (\$ in millions)

	2018	2019
Number of Transactions	102	82
Median Transaction Value	\$1,398.6	\$2,280.5
Median Target Fee as a Percentage of Transaction Value	2.9%	2.4%
Median Acquirer Fee as a Percentage of Transaction Value	3.7%	3.8%
Median Enterprise Value	\$1,821.3	\$2,361.3
Median Target Fee as a Percentage of Enterprise Value	2.9%	2.4%
Median Acquirer Fee as a Percentage of Enterprise Value	4.2%	4.0%
Percentage With Identical Termination Fee	19.6%	24.4%
Percentage With Target Fee Higher Than Acquirer Fee	2.9%	3.7%
Percentage With Acquirer Fee Higher Than Target Fee	77.5%	72.0%

Reverse Breakup Fees (cont.)

In 2019, reverse breakup fees as a percentage of transaction and enterprise values were higher in transactions involving financial buyers.

Reverse Breakup Fee Summary (\$ in millions)

	2018 Transactions		2019 Transactions	
	Strategic Buyers	Financial Buyers	Strategic Buyers	Financial Buyers
Number of Transactions	79	23	59	23
Median Transaction Value	\$1,406.2	\$1,384.6	\$2,211.2	\$2,604.5
Median Target Fee as a Percentage of Transaction Value	3.0%	2.8%	2.6%	2.2%
Median Acquirer Fee as a Percentage of Transaction Value	3.6%	5.3%	3.8%	3.9%
Median Enterprise Value	\$1,827.8	\$1,814.7	\$2,080.8	\$2,545.2
Median Target Fee as a Percentage of Enterprise Value	2.9%	3.0%	2.4%	2.3%
Median Acquirer Fee as a Percentage of Enterprise Value	3.8%	5.6%	3.9%	4.1%

Analysis of Withdrawn Transactions

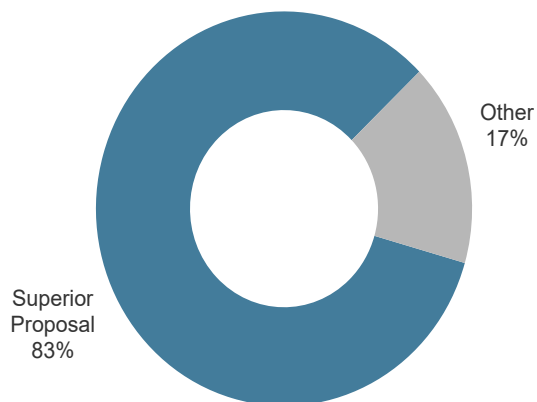
Of the 150 transactions reviewed in the 2019 Study, six (4.0%) were terminated. In comparison, 10 of the 189 transactions reviewed in 2018 were withdrawn (approximately 5.3%).

The following transactions were all withdrawn in 2019 due to a superior offer, resulting in the payment of the termination fee:

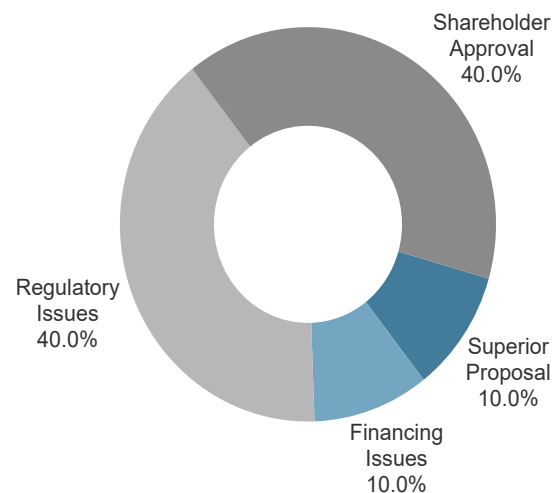
- Brookfield Infrastructure Partners LP's proposed \$2.9 billion acquisition of Cincinnati Bell Inc.
- Entegris, Inc.'s proposed \$5.1 billion acquisition of Versum Materials, Inc.
- Chevron Corp.'s proposed \$54.0 billion acquisition of Anadarko Petroleum Corp.
- Clayton, Dubilier & Rice, LLC's proposed \$4.6 billion acquisition of Anixter International Inc.
- SmartFinancial Inc.'s proposed \$156.5 million acquisition of Entegra Financial Corp.

Additionally, Standex International Corp.'s proposed \$50.0 million acquisition of Torotel, Inc., was withdrawn, as certain closing conditions related to a supply agreement were not satisfied.

Reasons for the Termination of Transactions in 2019



Reasons for the Termination of Transactions in 2018



2019 Transaction Termination Fee Detail

2019 Transaction Termination Fee Detail

Date Announced	Status	Target Name	Target Description	Acquirer Name	Acquirer Description	Acquisition Technique	Consideration	Transaction Value (\$M)	Enterprise Value (\$M)	Target's Termination Fee (\$M)	Term Fee as a % of Transaction Value	Term Fee as a % of Enterprise Value
1/2/2019	Closed	MedEquities Realty Trust, Inc.	Invests in healthcare properties and real estate debt investments	Omega Healthcare Investors, Inc.	Real estate investment trust	Not Applicable	Cash and Stock	\$610.8	\$600.3	\$12.3	2.0%	2.0%
1/3/2019	Closed	Celgene Corp.	Develops therapies for the treatment of cancer	Bristol-Myers Squibb Co.	Biopharmaceutical products	Not Applicable	Cash and Stock	\$99,553.6	\$93,504.6	\$2,200.0	2.2%	2.4%
1/7/2019	Closed	HopFed Bancorp Inc	Bank holding company	First Financial Corp.	Bank holding company	Not Applicable	Cash and Stock	\$134.7	NA	\$5.1	3.8%	NA
1/7/2019	Closed	Loxo Oncology, Inc.	Develops and sells medicine	Eli Lilly and Co.	Pharmaceutical products	Tender Offer	Cash	\$8,013.1	\$7,391.1	\$265.0	3.3%	3.6%
1/15/2019	Withdrawn	Entegra Financial Corp.	Retail and commercial banking	SmartFinancial Inc.	Bank holding company	Stock Swap	Stock	\$156.5	NA	\$6.4	4.1%	NA
1/16/2019	Closed	Blue Valley Ban Corp.	Bank holding company	Heartland Financial USA Inc.	Bank holding company	Stock Swap	Stock	\$101.0	NA	\$3.8	3.7%	NA
1/16/2019	Closed	First Data Corp.	Provides commerce enabled technology and solutions	Fiserv, Inc.	Provides financial services technology	Stock Swap	Stock	\$41,770.6	\$41,215.6	\$665.0	1.6%	1.6%
1/21/2019	Closed	UQM Technologies, Inc.	Manufactures electric motors, generators, and other electronics	Danfoss Power Solutions Co.	Provides mobile hydraulics and electronic components	Not Applicable	Cash and Stock	\$102.9	\$100.9	\$3.5	3.4%	3.5%
1/28/2019	Closed	Chemical Financial Corp.	Retail banking	TCF Financial Corp.	Financial holding company	Stock Swap	Stock	\$3,536.3	\$5,202.5	\$134.0	3.8%	2.6%
1/28/2019	Cancelled	Versum Materials, Inc.	Makes parts for semiconductor and display industries	Entegris, Inc.	Manufactures specialty chemicals and related solutions	Stock Swap	Stock	\$5,121.2	\$4,713.2	\$140.0	2.7%	3.0%
2/4/2019	Closed	Maxwell Technologies, Inc.	Manufactures energy storage and power delivery products	Tesla, Inc.	Manufactures electric vehicles	Tender Offer	Stock	\$339.1	\$281.0	\$8.3	2.4%	3.0%
2/4/2019	Closed	Liberty Expedia Holdings, Inc.	Operates as an online travel company	Expedia Group, Inc.	Online travel company	Stock Swap	Stock	\$22,436.0	\$18,163.0	\$72.0	0.3%	0.4%
2/4/2019	Closed	The Ultimate Software Group, Inc.	Provides cloud-based human capital management solutions	Hellman & Friedman LLC	Private equity firm	Not Applicable	Cash	\$10,984.4	\$10,822.4	\$331.0	3.0%	3.1%
2/7/2019	Closed	SunTrust Banks Inc.	Bank holding company	BB&T Corp.	Bank holding company	Stock Swap	Stock	\$28,281.6	NA	\$1,121.0	4.0%	NA
2/12/2019	Closed	CAS Medical Systems, Inc.	Manufactures noninvasive patient monitoring products	Edwards Lifesciences Corp.	Provides products for structural health monitoring	Not Applicable	Cash	\$108.2	\$104.9	\$3.5	3.2%	3.3%
2/12/2019	Closed	Ellie Mae, Inc.	Provides a cloud-based platform for the mortgage finance industry	Thoma Bravo, LLC	Private equity firm	Going Private	Cash	\$3,683.3	\$3,380.7	\$110.0	3.0%	3.3%
2/21/2019	Closed	Citizens First Corp.	Bank holding company	German American Bancorp Inc.	Bank holding company	Stock Swap	Cash and Stock	\$68.2	NA	\$2.5	3.7%	NA
2/21/2019	Closed	Immune Design Corp.	A clinical-stage immunotherapy company	Merck Sharp & Dohme Corp.	Manufactures health products	Tender Offer	Cash	\$296.0	\$200.1	\$10.5	3.5%	5.2%
2/25/2019	Closed	Multi-Color Corp.	Manufactures label solutions	WS Packaging Group, Inc.	Manufactures packaging products	Not Applicable	Cash	\$2,575.9	\$2,523.1	\$36.2	1.4%	1.4%
2/25/2019	Closed	Spark Therapeutics, Inc.	Develops of gene therapy products	Roche Holding AG	Engages in the prescription pharmaceuticals and diagnostics	Tender Offer	Cash	\$4,851.2	\$4,397.6	\$144.0	3.0%	3.3%
2/27/2019	Closed	Versum Materials, Inc.	Manufactures specialty materials	MERCK Kommanditgesellschaft auf Aktien	Operates in healthcare, life science, and materials sectors	Stock Swap	Cash	\$6,988.4	\$6,586.2	\$235.0	3.4%	3.6%
3/11/2019	Closed	Mellanox Technologies, Ltd.	Manufactures semiconductors	NVIDIA Corp.	Operates as a visual computing company worldwide	Not Applicable	Cash	\$7,339.0	\$6,900.5	\$225.0	3.1%	3.3%
3/12/2019	Closed	Osiris Therapeutics, Inc.	Manufactures regenerative medicine products	Smith & Nephew plc	Develops, manufactures, and sells medical devices	Tender Offer	Cash	\$660.5	\$625.8	\$18.7	2.8%	3.0%
3/12/2019	Closed	Oaktree Capital Group LLC	Provides asset management services	Brookfield Asset Management Inc.	Provides asset management services	Stock Swap	Cash	\$4,883.6	NA	\$225.0	4.6%	NA
3/18/2019	Closed	Worldpay, Inc.	Provides electronic payment processing services	Fidelity National Information Services, Inc.	Operates as a financial services technology company	Not Applicable	Cash and Stock	\$43,590.5	\$43,374.7	\$1,000.0	2.3%	2.3%
3/18/2019	Closed	HFF Inc	Provides commercial real estate and capital market services	Jones Lang LaSalle Inc.	Provides real estate, investment management services	Not Applicable	Cash and Stock	\$2,054.1	NA	\$54.0	2.6%	NA
3/24/2019	Closed	County Bank Corp.	Bank holding company	ChoiceOne Financial Services Inc.	Commercial banking	Stock Swap	Stock	\$89.0	NA	\$3.6	4.0%	NA
3/25/2019	Closed	TIER REIT, Inc.	Real estate investment trust	Cousins Properties Inc.	Real estate investment trust	Stock Swap	Stock	\$2,374.6	\$2,336.1	\$45.5	1.9%	1.9%

2019 Transaction Termination Fee Detail

Date Announced	Status	Target Name	Target Description	Acquirer Name	Acquirer Description	Acquisition Technique	Consideration	Transaction Value (\$M)	Enterprise Value (\$M)	Target's Termination Fee (\$M)	Term Fee as a % of Transaction Value	Term Fee as a % of Enterprise Value
3/26/2019	Closed	WellCare Health Plans Inc.	Provides government-sponsored managed care services	Centene Corp.	Direct health and medical insurance carriers	Stock Swap	Cash	\$15,620.6	NA	\$640.4	4.1%	NA
3/27/2019	Closed	Quantenna Communications, Inc.	Develops wireless communication solutions	ON Semiconductor Corp.	Manufactures and sells semiconductor components	Not Applicable	Cash	\$1,082.6	\$946.4	\$32.2	3.0%	3.4%
3/27/2019	Pending	WABCO Holdings Inc.	Supplies electronic, mechanical, and aerodynamic products	ZF Friedrichshafen AG	Manufactures and wholesales motor vehicle transmission	Going Private	Cash	\$7,985.0	\$7,345.4	\$211.0	2.6%	2.9%
4/2/2019	Closed	AmeriGas Partners, LP	Distributes propane and related equipment and supplies	UGI Corp.	Distributes energy products and related services	Not Applicable	Cash and Stock	\$5,308.2	\$6,149.2	\$20.0	0.4%	0.3%
4/10/2019	Closed	Global Brass and Copper Holdings, Inc.	Fabricates and distributes specialized nonferrous products	Wieland-Werke AG	Manufactures copper products and copper alloys	Not Applicable	Cash	\$1,320.2	\$1,209.9	\$40.0	3.0%	3.3%
4/11/2019	Closed	Papa Murphy's Holdings, Inc.	Owns, operates, and franchises pizza stores	MTY Franchising USA, Inc.	Food and restaurant	Tender Offer	Cash	\$184.5	\$184.2	\$5.7	3.1%	3.1%
4/12/2019	Cancelled	Anadarko Petroleum Corp.	Engages in the development of oil and gas properties	Chevron Corp.	Integrated energy, chemicals, and petroleum operations	Not Applicable	Stock	\$54,005.5	\$51,958.5	\$1,000.0	1.9%	1.9%
4/15/2019	Closed	Electronics for Imaging, Inc.	Provides industrial format display graphics	Siris Capital Group, LLC	Private equity firm	Going Private	Cash	\$2,194.1	\$1,805.9	\$59.2	2.7%	3.3%
4/15/2019	Announced	Advanced Disposal Services, Inc.	Provides nonhazardous solid waste disposal services	Waste Management, Inc.	Provides waste management environmental services	Not Applicable	Cash	\$4,656.4	\$4,625.4	\$100.0	2.1%	2.2%
4/16/2019	Closed	Smart & Final Stores, Inc.	Operates as a food retailer	Apollo Management IX LP	Investment firm	Going Private	Cash	\$2,135.4	\$2,077.5	\$15.0	0.7%	0.7%
4/22/2019	Closed	The KeyW Holding Corp.	Provides national security solutions	Jacobs Engineering Group Inc.	Provides consulting, technical, and project delivery services	Tender Offer	Cash	\$946.3	\$920.8	\$21.0	2.2%	2.3%
4/23/2019	Closed	Entegra Financial Corp.	Operates in retail and commercial banking	First Citizens Bank & Trust Co.	Commercial bank	Not Applicable	Cash	\$213.4	NA	\$8.0	3.7%	NA
4/24/2019	Closed	Anadarko Petroleum Corp.	Engages in the development of oil and gas properties	Occidental Petroleum Corp.	Acquisition and development of oil and gas properties	Not Applicable	Cash and Stock	\$59,856.2	\$57,809.2	\$1,000.0	1.7%	1.7%
4/26/2019	Closed	Aratana Therapeutics, Inc.	Pet therapeutics company	Elanco Animal Health Inc.	Manufactures products for companion and food animals	Stock Swap	Cash and Stock	\$251.1	\$214.1	\$7.0	2.8%	3.3%
4/29/2019	Closed	WageWorks, Inc.	Administers consumer-directed benefits	HealthEquity, Inc.	Provides technology-enabled services platforms	Not Applicable	Cash	\$2,356.8	\$1,390.5	\$69.7	3.0%	5.0%
5/6/2019	Closed	Aquantia Corp.	Develops communication integrated circuits	Marvell Technology Group Ltd.	Develops digital signal processing and integrated circuits	Not Applicable	Cash	\$561.1	\$498.7	\$16.5	2.9%	3.3%
5/6/2019	Closed	Chesapeake Lodging Trust	Lodging real estate investment trust	Park Hotels & Resorts Inc.	Real estate investment trust	Not Applicable	Cash and Stock	\$2,791.0	\$2,742.7	\$62.5	2.2%	2.3%
5/6/2019	Closed	Intermolecular Inc.	Develops advanced materials for electronics	Merck & Co.	Healthcare solutions	Not Applicable	Cash	\$76.4	\$49.0	\$2.3	3.1%	4.8%
5/8/2019	Closed	Zayo Group Holdings, Inc.	Provides bandwidth infrastructure solutions	EQT Partners AB	Private equity firm	Going Private	Cash	\$14,438.2	\$14,258.5	\$209.7	1.5%	1.5%
5/9/2019	Closed	Control4 Corp.	Provides smart home and business	Wirepath Home Systems, LLC	Manufactures custom audio/visual products	Not Applicable	Cash	\$693.7	\$625.1	\$20.0	2.9%	3.2%
5/10/2019	Closed	Buckeye Partners, LP	Owns and operates liquid petroleum products pipelines	IFM Investors Pty Ltd.	Investment firm	Going Private	Cash	\$10,501.8	\$10,500.3	\$130.0	1.2%	1.2%
5/13/2019	Closed	Amber Road, Inc.	Provides cloud-based global trade management solutions	E2open, LLC	Provides solutions for supply chain management	Tender Offer	Cash	\$433.6	\$424.0	\$14.9	3.4%	3.5%
5/17/2019	Closed	Cray Inc.	Manufactures computing products	Hewlett Packard Enterprise Co.	Provides information technology solutions	Not Applicable	Cash	\$1,543.0	\$1,337.9	\$46.0	3.0%	3.4%
5/28/2019	Closed	Total System Services, Inc.	Provides payment processing and related payment services	Global Payments Inc.	Provides payment technology and software solutions	Stock Swap	Stock	\$26,711.0	\$26,216.3	\$860.0	3.2%	3.3%
6/3/2019	Announced	El Paso Electric Co.	Engages in the generation and distribution of electricity	J.P. Morgan Asset Management, Inc.	Investment firm	Not Applicable	Cash	\$4,332.6	\$4,324.1	\$85.0	2.0%	2.0%
6/3/2019	Closed	Cypress Semiconductor Corp.	Manufactures, markets, and sells embedded system solutions	Infineon Technologies AG	Manufactures semiconductors and related system solutions	Not Applicable	Cash	\$10,352.3	\$10,067.2	\$330.0	3.2%	3.3%
6/6/2019	Closed	Stewardship Financial Corp.	Bank holding company	Columbia Financial Inc.	Savings Institutions	Not Applicable	Cash	\$137.2	NA	\$5.4	3.9%	NA
6/7/2019	Closed	Barnes & Noble, Inc.	Retail bookseller	Elliott Management Corp.	Investment firm	Going Private	Cash	\$694.2	\$684.8	\$17.5	2.5%	2.6%

2019 Transaction Termination Fee Detail (cont.)

Date Announced	Status	Target Name	Target Description	Acquirer Name	Acquirer Description	Acquisition Technique	Consideration	Transaction Value (\$M)	Enterprise Value (\$M)	Target's Termination Fee (\$M)	Term Fee as a % of Transaction Value	Term Fee as a % of Enterprise Value
6/9/2019	Closed	Raytheon Co.	Develops products and solutions for the defense markets	United Technologies Corp.	An aerospace and defense company	Stock Swap	Stock	\$93,157.5	\$91,064.5	\$1,785.0	1.9%	2.0%
6/10/2019	Closed	Shutterfly, Inc.	Manufactures and retails personalized products	Apollo Global Management, Inc.	Investment firm	Not Applicable	Cash	\$2,931.3	\$2,750.6	\$51.2	1.7%	1.9%
6/10/2019	Closed	Tableau Software, Inc.	Provides business analytics software products	salesforce.com, inc.	Develops enterprise cloud computing solutions	Tender Offer	Stock	\$17,377.6	\$16,322.5	\$552.0	3.2%	3.4%
6/12/2019	Closed	Medidata Solutions, Inc.	Provides cloud-based solutions for life sciences	Dassault Systemes Americas Corp.	Develops and provides CADAM drafting software solutions	Not Applicable	Cash and Stock	\$6,028.5	\$5,822.3	\$207.0	3.4%	3.6%
6/16/2019	Closed	LegacyTexas Financial Group Inc.	Bank holding company	Prosperity Bancshares Inc.	Bank holding company	Stock Swap	Cash and Stock	\$2,029.1	NA	\$82.0	4.0%	NA
6/17/2019	Closed	Sotheby's	Operates as auction broker of collectibles	Individual Investor	Individual Investor	Going Private	Cash and Stock	\$3,879.1	\$3,803.9	\$110.9	2.9%	2.9%
6/17/2019	Closed	C&J Energy Services, Inc.	Provides well construction, well completion, and well support	NexTier Oilfield Solutions Inc.	Provides well completion and production services	Stock Swap	Stock	\$788.1	\$699.2	\$30.0	3.8%	4.3%
6/17/2019	Closed	Array BioPharma Inc.	Developments small-molecule drugs	Pfizer Inc.	Develops, manufactures, and sells healthcare products	Tender Offer	Cash	\$11,499.3	\$11,076.3	\$400.0	3.5%	3.6%
6/23/2019	Closed	Nanonmetrics Inc.	Provides control metrology and inspection systems	Rudolph Technologies Inc.	Manufactures semiconductors	Stock Swap	Stock	\$892.2	\$721.4	\$26.0	2.9%	3.6%
6/24/2019	Closed	Del Frisco's Restaurant Group	Owns, develops, and operates restaurants	L Catterton Partners	Private equity and venture capital firm	Going Private	Cash	\$841.2	\$836.3	\$9.6	1.1%	1.1%
6/24/2019	Closed	PCM, Inc.	Provides technology products and solutions	Insight Enterprises, Inc.	Provides information technology solutions	Not Applicable	Cash	\$624.1	\$616.9	\$16.6	2.7%	2.7%
6/24/2019	Closed	NRC Group Holdings Corp.	Provides environmental and compliance services	US Ecology, Inc.	Provides environmental services	Stock Swap	Stock	\$955.4	\$937.5	\$35.0	3.7%	3.7%
6/24/2019	Announced	Caesars Entertainment Corp.	Provides casino entertainment services	Eldorado Resorts, Inc.	Casino entertainment company	Not Applicable	Cash and Stock	\$18,840.4	\$17,445.4	\$418.4	2.2%	2.4%
6/26/2019	Closed	Aerohive Networks, Inc.	Operates as a computer networking equipment company	Extreme Networks, Inc.	Provides software networking solutions for enterprise	Tender Offer	Cash and Stock	\$310.0	\$228.4	\$11.4	3.7%	5.0%
6/26/2019	Closed	Choice Bancorp Inc.	Bank holding company	Nicolet Bankshares Inc.	Commercial banking	Stock Swap	Cash and Stock	\$73.7	NA	\$3.0	4.1%	NA
6/27/2019	Closed	ASV Holdings, Inc.	Designs and manufactures compact construction equipment	Yanmar America Corp.	Provides diesel engines, tractors, and construction equipment	Not Applicable	Cash	\$107.0	\$105.8	\$2.7	2.5%	2.5%
7/1/2019	Closed	Genesee & Wyoming Inc.	Owns and leases freight railroads	Brookfield Asset Management Inc.	Investment firm	Going Private	Cash	\$9,556.3	\$9,473.9	\$194.0	2.0%	2.0%
7/3/2019	Closed	OMNOVA Solutions Inc.	Provides specialty solutions and performance materials	Synthomer USA LLC	Manufactures specialty chemicals	Not Applicable	Cash	\$785.5	\$751.8	\$15.8	2.0%	2.1%
7/3/2019	Closed	Northstar Realty Europe Corp.	Commercial real estate company	AXA Real Estate Investment Managers SGP	Real estate investment management	Not Applicable	Cash	\$1,436.5	\$1,058.6	\$31.0	2.2%	2.9%
7/9/2019	Announced	Acacia Communications, Inc.	Manufactures optical interconnect products	Cisco Systems, Inc.	Manufactures internet protocol networking and other products	Not Applicable	Cash	\$3,080.1	\$2,762.0	\$120.0	3.9%	4.3%
7/12/2019	Closed	Tower International, Inc.	Manufactures engineered automotive metal components	Autokiniton US Holdings, Inc.	Supplies stampings and welded assemblies for automobiles	Tender Offer	Cash	\$1,206.1	\$1,050.3	\$19.9	1.6%	1.9%
7/12/2019	Closed	Milacron Holdings Corp.	Manufactures engineered and customized systems	Hillenbrand, Inc.	Operates as a diversified industrial company	Not Applicable	Cash and Stock	\$2,205.1	\$2,051.1	\$45.0	2.0%	2.2%
7/15/2019	Closed	Carrizo Oil & Gas, Inc.	Engages in the exploration and development of oil and gas	Callon Petroleum Co.	Oil and natural gas company	Stock Swap	Stock	\$2,747.9	\$2,745.7	\$20.0	0.7%	0.7%
7/16/2019	Closed	OmniComm Systems, Inc.	Provides web-based software and services	Anju Software, Inc.	Enterprise software company	Not Applicable	Cash	\$77.5	\$76.4	\$3.5	4.5%	4.6%
7/22/2019	Closed	Peak Resorts, Inc.	Owns, operates, and leases day and overnight drive ski resorts	Vail Holdings, Inc.	Operates resorts	Not Applicable	Cash	\$494.3	\$464.1	\$9.2	1.9%	2.0%
7/22/2019	Announced	Condor Hospitality Trust, Inc.	Real estate investment trust	NHT Operating Partnership, LLC	Owns and operates real estate properties	Not Applicable	Cash	\$280.5	\$277.3	\$9.5	3.4%	3.4%
7/26/2019	Closed	Monotype Imaging Holdings Inc.	Develops, markets, and licenses technologies and fonts	HGGC, LLC	Private equity firm	Going Private	Cash	\$906.0	\$858.3	\$24.8	2.7%	2.9%
7/29/2019	Closed	Genomic Health, Inc.	Provides clinically actionable genomic information	Exact Sciences Corp.	Provides cancer screening and diagnostic test products	Stock Swap	Cash and Stock	\$2,534.5	\$2,259.1	\$92.4	3.6%	4.1%

2019 Transaction Termination Fee Detail (cont.)

Date Announced	Status	Target Name	Target Description	Acquirer Name	Acquirer Description	Acquisition Technique	Consideration	Transaction Value (\$M)	Enterprise Value (\$M)	Target's Termination Fee (\$M)	Term Fee as a % of Transaction Value	Term Fee as a % of Enterprise Value
8/2/2019	Closed	Navigant Consulting, Inc.	Provides professional services	Guidehouse LLP	Provides business advisory services	Not Applicable	Cash	\$1,234.0	\$1,143.4	\$30.9	2.5%	2.7%
8/5/2019	Closed	Gannett Co., Inc.	Operates as a media and marketing solutions company	New Media Investment Group Inc.	Operates as a media and marketing solutions company	Not Applicable	Cash and Stock	\$2,295.8	\$2,227.2	\$45.0	2.0%	2.0%
8/6/2019	Closed	Empire Resorts, Inc.	Engages in hospitality and gaming businesses	Genting Malaysia Berhad	Tourist and resort business	Tender Offer	Cash	\$57.9	\$964.1	\$1.8	3.0%	0.2%
8/7/2019	Closed	Avedro, Inc.	Develops products to treat ophthalmic disorders	Glaukos Corp.	Ophthalmic medical technology and pharmaceutical company	Stock Swap	Stock	\$591.3	\$533.4	\$22.5	3.8%	4.2%
8/7/2019	Closed	Cambrex Corp.	Provides products for the development of therapeutics	Permira Advisers Ltd.	Private equity firm	Going Private	Cash	\$2,604.5	\$2,545.2	\$61.6	2.4%	2.4%
8/8/2019	Closed	Vitamin Shoppe, Inc.	Retailer and manufacturer of nutritional products	Liberty Tax, Inc.	Holding company for tax returns preparation companies	Not Applicable	Cash	\$653.5	\$638.8	\$5.7	0.9%	0.9%
8/9/2019	Closed	Wesco Aircraft Holdings, Inc.	Provides supply chain management services	Pattonair Ltd.	Provides supply chain solutions	Not Applicable	Cash	\$1,949.3	\$1,903.8	\$39.0	2.0%	2.0%
8/13/2019	Closed	Viacom Inc.	Operates as a media and entertainment company	CBS Corp.	Operates as a media and entertainment company	Stock Swap	Stock	\$20,947.0	\$20,225.0	\$373.0	1.8%	1.8%
8/14/2019	Closed	Presidio, Inc.	IT consulting firm	BC Partners	Private equity firm	Going Private	Cash	\$2,406.1	\$2,375.4	\$40.0	1.7%	1.7%
8/22/2019	Closed	Carbon Black, Inc.	Provides security solutions	VMware, Inc.	Software company	Tender Offer	Cash and Stock	\$2,208.4	\$2,060.3	\$70.0	3.2%	3.4%
8/22/2019	Closed	Pivotal Software, Inc.	Provides a cloud-native application platform and services	VMware, Inc.	Software company	Not Applicable	Cash and Stock	\$3,349.3	\$3,106.4	\$95.0	2.8%	3.1%
8/26/2019	Closed	SRC Energy Inc.	Purchases, develops, and produces oil and natural gas	PDC Energy, Inc.	Independent exploration and production company	Stock Swap	Stock	\$1,702.8	\$1,675.0	\$35.0	2.1%	2.1%
8/27/2019	Closed	Tallgrass Energy, LP	Provides crude oil transportation services	The Blackstone Group Inc.	Private equity firm	Not Applicable	Cash	\$7,367.2	\$10,184.9	\$70.0	1.0%	0.7%
8/28/2019	Closed	Ecology & Environment, Inc.	Environmental consulting firm	WSP Global Inc.	Advises and manages infrastructure projects	Not Applicable	Cash	\$66.2	\$51.3	\$4.0	6.0%	7.8%
8/28/2019	Closed	Castle Brands Inc.	Sells beverage alcohol and non-alcoholic beverage products	Pernod Ricard S.A.	Produces and sells wines and spirits worldwide	Tender Offer	Cash	\$276.6	\$276.1	\$10.0	3.6%	3.6%
9/3/2019	Closed	MAM Software Group, Inc.	Provides software and e-commerce and related services	Kerridge Commercial Systems Group Ltd.	Designs and develops ERP software	Not Applicable	Cash	\$158.8	\$153.3	\$3.1	2.0%	2.0%
9/8/2019	Closed	United Community Financial Corp	Bank holding company	First Defiance Financial Corp.	Bank holding company	Stock Swap	Stock	\$475.1	NA	\$18.4	3.9%	NA
9/10/2019	Closed	Highlands Bankshares Inc.	Bank holding company	First Community Bancshares Inc.	Bank holding company	Stock Swap	Stock	\$93.2	NA	\$4.0	4.3%	NA
9/12/2019	Closed	Fibrocell Science, Inc.	Autologous cell and gene therapy company	Castle Creek Pharmaceutical Holdings, Inc.	Develops biopharmaceuticals	Not Applicable	Cash	\$63.3	\$63.3	\$2.0	3.2%	3.2%
9/16/2019	Closed	SemGroup Corporation	Provides storage, distribution, and marketing services	Energy Transfer LP	Provides energy-related services	Not Applicable	Cash and Stock	\$5,260.3	\$5,007.4	\$54.5	1.0%	1.1%
9/16/2019	Closed	Alder BioPharmaceuticals, Inc.	Operates as a clinical-stage biopharmaceutical company	H. Lundbeck A/S	Develops pharmaceuticals	Tender Offer	Cash	\$1,429.1	\$1,571.3	\$87.0	6.1%	5.5%
9/23/2019	Closed	Arotech Corp.	Provides defense and security products worldwide	Greenbriar Equity Group, LP	Private equity firm	Going Private	Cash	\$106.8	\$103.0	\$2.4	2.2%	2.3%
9/30/2019	Closed	Dova Pharmaceuticals, Inc.	Pharmaceutical company	Swedish Orphan Biovitrum AB	Develops pharmaceuticals	Tender Offer	Cash	\$937.4	\$868.9	\$32.0	3.4%	3.7%
10/1/2019	Closed	Roan Resources, Inc.	Engages in the development and production of oil and natural gas	Citizen Energy Operating, LLC	Engaged in oil and gas exploration	Not Applicable	Cash	\$1,020.9	\$1,017.4	\$25.0	2.4%	2.5%
10/2/2019	Closed	Progenics Pharmaceuticals, Inc.	Develops and manufactures pharmaceutical products	Lantheus Holdings, Inc.	Develops diagnostic medical imaging agents and products	Stock Swap	Stock	\$498.4	\$456.3	\$18.3	3.7%	4.0%
10/8/2019	Closed	Astea International Inc.	Develops and supports service management software solutions	IFS Americas, Inc.	Develops and delivers enterprise software	Not Applicable	Cash	\$76.3	\$75.9	\$2.6	3.4%	3.4%
10/10/2019	Closed	Ra Pharmaceuticals, Inc.	Clinical-stage biopharmaceutical company	UCB S.A.	Develops solutions for neurology and immunology diseases	Not Applicable	Cash	\$2,463.0	\$2,170.4	\$75.0	3.0%	3.5%
10/14/2019	Closed	Jagged Peak Energy Inc.	Oil and natural gas company	Parsley Energy, Inc.	Oil and natural gas company	Stock Swap	Stock	\$2,418.7	\$2,408.1	\$57.4	2.4%	2.4%

2019 Transaction Termination Fee Detail (cont.)

Date Announced	Status	Target Name	Target Description	Acquirer Name	Acquirer Description	Acquisition Technique	Consideration	Transaction Value (\$M)	Enterprise Value (\$M)	Target's Termination Fee (\$M)	Term Fee as a % of Transaction Value	Term Fee as a % of Enterprise Value
10/16/2019	Closed	Achillion Pharmaceuticals, Inc.	Clinical-stage biopharmaceutical company	Alexion Pharmaceuticals, Inc.	Therapeutic products	Not Applicable	Cash	\$1,233.2	\$1,079.5	\$20.0	1.6%	1.9%
10/21/2019	Closed	Innophos Holdings, Inc.	Produces specialty ingredients	Iris Parent LLC	Operates in the agricultural chemical manufacturing industry	Not Applicable	Cash	\$1,034.3	\$1,003.6	\$20.6	2.0%	2.1%
10/22/2019	Closed	Cision Ltd.	Provides public relations software and media intelligence	MJ23 UK Acquisition Ltd.	An acquisition vehicle	Not Applicable	Cash	\$2,877.7	\$2,782.8	\$53.6	1.9%	1.9%
10/27/2019	Closed	Liberty Property Trust	Commercial real estate	Prologis, LP	Engages in the acquisition and operation of industrial properties	Stock Swap	Cash and Stock	\$12,868.7	\$12,353.8	\$325.0	2.5%	2.6%
10/28/2019	Announced	Tiffany & Co.	Designs, manufactures, and retails jewelry	LVMH Moët Hennessy—Louis Vuitton SE	Operates as a luxury products company	Not Applicable	Cash	\$18,787.8	\$18,258.2	\$575.0	3.1%	3.1%
10/30/2019	Cancelled	Anixter International Inc.	Distributes enterprise cabling and security solutions	Clayton, Dubilier & Rice, LLC	Private equity firm	Going Private	Cash	\$4,631.7	\$4,536.0	\$90.0	1.9%	2.0%
11/1/2019	Announced	Fitbit, Inc.	Technology company that provides health solutions	Google LLC	Internet-related services and products	Not Applicable	Cash	\$2,265.3	\$1,763.1	\$21.0	0.9%	1.2%
11/4/2019	Pending	IBERIABANK Corp.	Bank holding company	First Horizon National Corp.	Bank holding company	Stock Swap	Stock	\$3,978.8	NA	\$156.0	3.9%	NA
11/4/2019	Closed	Pattern Energy Group Inc.	Operates as integrated renewable energy company	Canada Pension Plan Investment Board	Investment company	Going Private	Cash	\$6,414.3	\$6,308.3	\$79.0	1.2%	1.3%
11/6/2019	Closed	Diversified Restaurant Holdings	A restaurant company	ICV Partners, LLC	Private equity firm	Going Private	Cash	\$180.8	\$176.7	\$4.0	2.2%	2.3%
11/6/2019	Closed	William Lyon Homes	Constructs single-family detached and attached homes	Taylor Morrison Home Corp.	Operates as a public homebuilder	Not Applicable	Cash and Stock	\$2,422.5	\$2,361.3	\$18.0	0.7%	0.8%
11/6/2019	Closed	Aircastle Ltd.	Leases and sells commercial flight equipment to airlines	Marubeni Corp.	Trading and investment business conglomerate	Not Applicable	Cash	\$6,916.3	\$7,380.9	\$73.5	1.1%	1.0%
11/11/2019	Announced	Craft Brew Alliance, Inc.	Brews and sells craft beers, ciders, and seltzers	Anheuser-Busch Companies, LLC	Produces and sells beers and other alcoholic beverages	Not Applicable	Cash	\$288.1	\$378.6	\$9.0	3.1%	2.4%
11/11/2019	Closed	Carbonite, Inc.	Provides technology solutions	Open Text Corp.	Provides a suite of software products and services	Tender Offer	Cash	\$1,494.4	\$1,395.8	\$28.9	1.9%	2.1%
11/11/2019	Closed	KEMET Corp.	Manufactures and sells passive electronic components	Yageo Corp.	Manufactures and sells passive components	Not Applicable	Cash	\$1,971.9	\$1,779.1	\$63.8	3.2%	3.6%
11/12/2019	Closed	Continental Building Products, Inc.	Manufactures gypsum wallboard and complementary products	CertainTeed Gypsum & Ceiling USA, Inc.	Manufactures plaster, insulation products, and ceiling tiles	Not Applicable	Cash	\$1,564.2	\$1,437.8	\$40.0	2.6%	2.8%
11/13/2019	Closed	Tech Data Corp.	Operates as an IT distribution and solutions company	Apollo Global Management, Inc.	Private equity firm	Not Applicable	Cash	\$6,914.8	\$5,950.7	\$184.3	2.7%	3.1%
11/18/2019	Announced	Standard Diversified Inc.	Tobacco products and outdoor advertising activities	Turning Point Brands, Inc.	Provides tobacco products	Stock Swap	Stock	\$836.5	\$711.5	\$3.0	0.4%	0.4%
11/18/2019	Pending	Carolina Financial Corp.	Community banking	United Bankshares Inc.	Bank holding company	Stock Swap	Stock	\$1,009.6	NA	\$39.7	3.9%	NA
11/24/2019	Closed	The Medicines Co.	Biopharmaceutical company	Novartis AG	Develops, manufactures, and markets healthcare products	Tender Offer	Cash	\$9,567.9	\$9,299.6	\$290.0	3.0%	3.1%
12/2/2019	Cancelled	Torotel, Inc.	Manufactures precision magnetic components	Standex International Corp.	Manufactures industrial and commercial products	Not Applicable	Cash	\$50.6	\$50.1	\$1.9	3.7%	3.7%
12/2/2019	Closed	Audentes Therapeutics, Inc.	Clinical-stage biotechnology company	Astellas US Holding, Inc.	Gene therapy products	Tender Offer	Cash	\$3,003.2	\$2,651.8	\$104.1	3.5%	3.9%
12/3/2019	Closed	AK Steel Holding Corp.	Produces flat-rolled carbon and stainless steel products	Cleveland-Cliffs Inc.	Operates as an independent iron ore mining company	Stock Swap	Stock	\$3,634.8	\$3,604.0	\$30.0	0.8%	0.8%
12/4/2019	Closed	Instructure, Inc.	Provides software as a service for learning	Thoma Bravo, LLC	Private equity firm	Going Private	Cash	\$2,068.3	\$1,951.5	\$63.5	3.1%	3.3%
12/5/2019	Pending	Wellesley Bancorp Inc.	Bank holding company	Cambridge Bancorp	Commercial banking	Not Applicable	Stock	\$117.9	NA	\$4.1	3.5%	NA
12/9/2019	Closed	Diplomat Pharmacy, Inc.	Operates as an independent specialty pharmacy	OptumRx, Inc.	Pharmacy benefit management company	Tender Offer	Cash	\$905.7	\$897.3	\$15.0	1.7%	1.7%
12/9/2019	Closed	Synthorx, Inc.	Biopharmaceutical company	Sanofi	Operates as a pharmaceutical company	Tender Offer	Cash	\$2,459.7	\$2,308.8	\$94.0	3.8%	4.1%
12/9/2019	Closed	ArQule, Inc.	Researches and develops therapeutics	Merck Sharp & Dohme Corp.	Makes vaccines and prescription and consumer products	Tender Offer	Cash	\$2,643.0	\$2,517.8	\$95.3	3.6%	3.8%

2019 Transaction Termination Fee Detail (cont.)

Date Announced	Status	Target Name	Target Description	Acquirer Name	Acquirer Description	Acquisition Technique	Consideration	Transaction Value (\$M)	Enterprise Value (\$M)	Target's Termination Fee (\$M)	Term Fee as a % of Transaction Value	Term Fee as a % of Enterprise Value
12/10/2019	Pending	MNB Corp.	Bank holding company	Fidelity Deposit & Discount Bancorp Inc.	Provides banking services	Stock Swap	Stock	\$79.9	NA	\$3.0	3.8%	NA
12/17/2019	Announced	LogMeIn, Inc.	Cloud-based communication and collaboration solutions	Francisco Partners Management; Evergreen Coast Capital Corp.	Private equity firm	Going Private	Cash	\$4,677.0	\$4,557.8	\$130.0	2.8%	2.9%
12/18/2019	Pending	Bank of Akron	Operates in retail and commercial banking	CNB Financial Corp.	Bank holding company	Stock Swap	Cash and Stock	\$65.8	NA	\$2.5	3.8%	NA
12/18/2019	Pending	MSB Financial Corp.	Bank holding company	Kearny Financial Corp.	Bank holding company	Stock Swap	Cash and Stock	\$95.7	NA	\$3.5	3.7%	NA
12/19/2019	Closed	Telaria, Inc.	Provides a software platform	The Rubicon Project, Inc.	Operates an independent sell-side advertising platform	Stock Swap	Stock	\$441.4	\$375.6	\$13.7	3.1%	3.6%
12/19/2019	Closed	TiVo Corp.	Provides media and entertainment products	Xperi Holding Corp.	Invents, develops, and delivers various technologies	Stock Swap	Stock	\$2,211.2	\$1,934.5	\$50.8	2.3%	2.6%
12/20/2019	Closed	Care.com, Inc.	Operates an online marketplace for family care	IAC/InterActiveCorp	Provides dating products worldwide	Tender Offer	Cash	\$654.8	\$525.2	\$20.0	3.1%	3.8%
12/23/2019	Pending	VSB Bancorp Inc.	Bank holding company	Northfield Bancorp Inc.	Savings institutions	Stock Swap	Stock	\$69.0	NA	\$2.5	3.6%	NA
12/23/2019	Canceled	Cincinnati Bell Inc.	Provides telecommunications and technology services	Brookfield Infrastructure Partners LP	Private equity firm	Not Applicable	Cash	\$2,899.8	\$2,888.2	\$18.0	0.6%	0.6%
12/24/2019	Closed	Anixter International Inc.	Distributes enterprise cabling and security solutions	WESCO International, Inc.	Operates maintenance, repair, and operations company	Going Private	Cash and Stock	\$5,282.6	\$5,000.6	\$100.0	1.9%	2.0%

2019 Reverse Transaction Termination Fee Detail

2019 Reverse Transaction Termination Fee Detail

Date Announced	Status	Target Name	Target Description	Acquirer Name	Acquirer Description	Acquisition Technique	Consideration	Transaction Value (\$M)	Enterprise Value (\$M)	Acquirer's Termination Fee (\$M)	Term Fee as a % of Transaction Value	Term Fee as a % of Enterprise Value
1/3/2019	Closed	Celgene Corp.	Develops therapies for the treatment of cancer	Bristol-Myers Squibb Co.	Biopharmaceutical products	Not Applicable	Cash and Stock	\$99,553.6	\$93,504.6	\$2,200.0	2.2%	2.4%
1/15/2019	Withdrawn	Entegra Financial Corp.	Retail and commercial banking	SmartFinancial Inc.	Bank holding company	Stock Swap	Stock	\$156.5	NA	\$6.4	4.1%	NA
1/16/2019	Closed	First Data Corp.	Provides commerce-enabled technology and solutions	Fiserv, Inc.	Provides financial services technology	Stock Swap	Stock	\$41,770.6	\$41,215.6	\$665.0	1.6%	1.6%
1/28/2019	Closed	Chemical Financial Corp.	Retail banking	TCF Financial Corp.	Financial holding company	Stock Swap	Stock	\$3,536.3	\$5,202.5	\$134.0	3.8%	2.6%
1/28/2019	Cancelled	Versum Materials, Inc.	Makes parts for semiconductor and display industries	Entegris, Inc.	Manufactures specialty chemicals and related solutions	Stock Swap	Stock	\$5,121.2	\$4,713.2	\$155.0	3.0%	3.3%
2/4/2019	Closed	The Ultimate Software Group, Inc.	Provides cloud-based human capital management solutions	Hellman & Friedman LLC	Private equity firm	Not Applicable	Cash	\$10,984.4	\$10,822.4	\$550.0	5.0%	5.1%
2/7/2019	Closed	SunTrust Banks Inc.	Bank holding company	BB&T Corp.	Bank holding company	Stock Swap	Stock	\$28,281.6	NA	\$1,121.0	4.0%	NA
2/12/2019	Closed	Ellie Mae, Inc.	Provides a cloud-based platform for the mortgage finance industry	Thoma Bravo, LLC	Private equity firm	Going Private	Cash	\$3,683.3	\$3,380.7	\$256.0	7.0%	7.6%
2/25/2019	Closed	Multi-Color Corp.	Manufactures label solutions	WS Packaging Group, Inc.	Manufactures packaging products	Not Applicable	Cash	\$2,575.9	\$2,523.1	\$103.3	4.0%	4.1%
3/11/2019	Closed	Mellanox Technologies, Ltd.	Manufactures semiconductors	NVIDIA Corp.	Operates as a visual computing company worldwide	Not Applicable	Cash	\$7,339.0	\$6,900.5	\$350.0	4.8%	5.1%
3/18/2019	Closed	Worldpay, Inc.	Provides electronic payment processing services	Fidelity National Information Services, Inc.	Operates as a financial services technology company	Not Applicable	Cash and Stock	\$43,590.5	\$43,374.7	\$1,000.0	2.3%	2.3%
3/18/2019	Closed	HFF Inc.	Provides commercial real estate and capital market services	Jones Lang LaSalle Inc.	Provides real estate, investment management services	Not Applicable	Cash and Stock	\$2,054.1	NA	\$75.0	3.7%	NA
3/24/2019	Closed	County Bank Corp.	Bank holding company	ChoiceOne Financial Services Inc.	Commercial banking	Stock Swap	Stock	\$89.0	NA	\$3.6	4.0%	NA
3/26/2019	Closed	WellCare Health Plans Inc.	Provides government-sponsored managed care services	Centene Corp.	Direct health and medical insurance carriers	Stock Swap	Cash	\$15,620.6	NA	\$954.8	6.1%	NA
3/27/2019	Pending	WABCO Holdings Inc.	Supplies electronic, mechanical, and aerodynamic products	ZF Friedrichshafen AG	Manufactures and wholesales motor vehicle transmission	Going Private	Cash	\$7,985.0	\$7,345.4	\$211.0	2.6%	2.9%
4/15/2019	Closed	Electronics for Imaging, Inc.	Provides industrial format display graphics	Siris Capital Group, LLC	Private equity firm	Going Private	Cash	\$2,194.1	\$1,805.9	\$109.9	5.0%	6.1%
4/15/2019	Announced	Advanced Disposal Services, Inc.	Provides nonhazardous solid waste disposal services	Waste Management, Inc.	Provides waste management environmental services	Not Applicable	Cash	\$4,656.4	\$4,625.4	\$250.0	5.4%	5.4%
4/16/2019	Closed	Smart & Final Stores, Inc.	Operates as a food retailer	Apollo Management IX LP	Investment firm	Going Private	Cash	\$2,135.4	\$2,077.5	\$30.0	1.4%	1.4%
4/23/2019	Closed	Entegra Financial Corp.	Retail and commercial banking	First Citizens Bank & Trust Co.	Commercial bank	Not Applicable	Cash	\$213.4	NA	\$8.8	4.1%	NA
4/24/2019	Closed	Anadarko Petroleum Corp.	Engages in the development of oil and gas properties	Occidental Petroleum Corp.	Acquisition and development of oil and gas properties	Not Applicable	Cash and Stock	\$59,856.2	\$57,809.2	\$1,000.0	1.7%	1.7%
5/6/2019	Closed	Aquantia Corp.	Develops communication integrated circuits	Marvell Technology Group Ltd.	Develops digital signal processing and integrated circuits	Not Applicable	Cash	\$561.1	\$498.7	\$25.7	4.6%	5.2%
5/8/2019	Closed	Zayo Group Holdings, Inc.	Provides bandwidth infrastructure solutions	EQT Partners AB	Private equity firm	Going Private	Cash	\$14,438.2	\$14,258.5	\$419.4	2.9%	2.9%
5/9/2019	Closed	Control4 Corp.	Provides smart home and business	Wirepath Home Systems, LLC	Manufactures custom audio/visual products	Not Applicable	Cash	\$693.7	\$625.1	\$41.0	5.9%	6.6%
5/10/2019	Closed	Buckeye Partners, LP	Owens and operates liquid petroleum products pipelines	IFM Investors Pty Ltd.	Investment firm	Going Private	Cash	\$10,501.8	\$10,500.3	\$390.0	3.7%	3.7%
5/28/2019	Closed	Total System Services, Inc.	Provides payment processing and related payment services	Global Payments Inc.	Provides payment technology and software solutions	Stock Swap	Stock	\$26,711.0	\$26,216.3	\$860.0	3.2%	3.3%
6/3/2019	Announced	El Paso Electric Co.	Engages in the generation and distribution of electricity	J.P. Morgan Asset Management, Inc.	Investment firm	Not Applicable	Cash	\$4,332.6	\$4,324.1	\$170.0	3.9%	3.9%
6/3/2019	Closed	Cypress Semiconductor Corp.	Manufactures, markets, and sells embedded system solutions	Infineon Technologies AG	Manufactures semiconductors and related system solutions	Not Applicable	Cash	\$10,352.3	\$10,067.2	\$425.0	4.1%	4.2%
6/7/2019	Closed	Barnes & Noble, Inc.	Retail bookseller	Elliott Management Corp.	Investment firm	Going Private	Cash	\$694.2	\$684.8	\$30.0	4.3%	4.4%

2019 Reverse Transaction Termination Fee Detail (cont.)

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6/9/2019	Closed	Raytheon Co.	Develops products and solutions for the defense markets	United Technologies Corp.	An aerospace and defense company	Stock Swap	Stock	\$93,157.5	\$91,064.5	\$2,365.0	2.5%	2.6%
6/10/2019	Closed	Shutterfly, Inc.	Manufactures and retails personalized products	Apollo Global Management, Inc.	Investment firm	Not Applicable	Cash	\$2,931.3	\$2,750.6	\$102.5	3.5%	3.7%
6/17/2019	Closed	C&J Energy Services, Inc.	Provides well construction, well completion, and well support	NexTier Oilfield Solutions Inc.	Provides well completion and production services	Stock Swap	Stock	\$788.1	\$699.2	\$30.0	3.8%	4.3%
6/17/2019	Closed	Sotheby's	Operates as auction broker of collectibles	Individual Investor	Individual Investor	Going Private	Cash and Stock	\$3,879.1	\$3,803.9	\$221.7	5.7%	5.8%
6/23/2019	Closed	Nanonmetrics Inc.	Provides control metrology and inspection systems	Rudolph Technologies Inc.	Manufactures semiconductors	Stock Swap	Stock	\$892.2	\$721.4	\$26.0	2.9%	3.6%
6/24/2019	Closed	Del Frisco's Restaurant Group	Owms, develops, and operates restaurants	L Catterton Partners	Private equity and venture capital firm	Going Private	Cash	\$841.2	\$836.3	\$15.5	1.8%	1.9%
6/24/2019	Closed	NRC Group Holdings Corp.	Provides environmental and compliance services	US Ecology, Inc.	Provides environmental services	Stock Swap	Stock	\$955.4	\$937.5	\$60.0	6.3%	6.4%
6/24/2019	Announced	Caesars Entertainment Corp.	Provides casino entertainment services	Eldorado Resorts, Inc.	Casino entertainment company	Not Applicable	Cash and Stock	\$18,840.4	\$17,445.4	\$836.8	4.4%	4.8%
7/1/2019	Closed	Genesee & Wyoming Inc.	Owms and leases freight railroads	Brookfield Asset Management Inc.	Investment firm	Going Private	Cash	\$9,556.3	\$9,473.9	\$388.0	4.1%	4.1%
7/3/2019	Closed	OMNOVA Solutions Inc.	Provides specialty solutions and performance materials	Synthomer USA LLC	Manufactures specialty chemicals	Not Applicable	Cash	\$785.5	\$751.8	\$15.8	2.0%	2.1%
7/3/2019	Closed	Northstar Realty Europe Corp.	Commercial real estate company	AXA Real Estate Investment Managers SGP	Real estate investment management	Not Applicable	Cash	\$1,436.5	\$1,058.6	\$53.0	3.7%	5.0%
7/9/2019	Announced	Acacia Communications, Inc.	Manufactures optical interconnect products	Cisco Systems, Inc.	Manufactures internet protocol networking and other products	Not Applicable	Cash	\$3,080.1	\$2,762.0	\$120.0	3.9%	4.3%
7/12/2019	Closed	Tower International, Inc.	Manufactures engineered automotive metal components	Autokiniton US Holdings, Inc.	Supplies stampings and welded assemblies for automotives	Tender Offer	Cash	\$1,206.1	\$1,050.3	\$46.3	3.8%	4.4%
7/15/2019	Closed	Carrizo Oil & Gas, Inc.	Engages in the exploration and development of oil and gas	Callon Petroleum Co.	Oil and natural gas company	Stock Swap	Stock	\$2,747.9	\$2,745.7	\$57.0	2.1%	2.1%
7/16/2019	Closed	OmniComm Systems, Inc.	Provides web-based software and services	Anju Software, Inc.	Enterprise software company	Not Applicable	Cash	\$77.5	\$76.4	\$4.5	5.8%	5.9%
7/22/2019	Announced	Condor Hospitality Trust, Inc.	Real estate investment trust	NHT Operating Partnership, LLC	Owms and operates real estate properties	Not Applicable	Cash	\$280.5	\$277.3	\$11.9	4.3%	4.3%
7/26/2019	Closed	Monotype Imaging Holdings Inc.	Develops, markets, and licenses technologies and fonts	HGGC, LLC	Private equity firm	Going Private	Cash	\$906.0	\$858.3	\$49.5	5.5%	5.8%
8/2/2019	Closed	Navigant Consulting, Inc.	Provides professional services	Guidehouse LLP	Provides business advisory services	Not Applicable	Cash	\$1,234.0	\$1,143.4	\$67.5	5.5%	5.9%
8/5/2019	Closed	Gannett Co., Inc.	Operates as a media and marketing solutions company	New Media Investment Group Inc.	Operates as a media and marketing solutions company	Not Applicable	Cash and Stock	\$2,295.8	\$2,227.2	\$28.0	1.2%	1.3%
8/7/2019	Closed	Cambrex Corp.	Provides products for the development of therapeutics	Permira Advisers Ltd.	Private equity firm	Going Private	Cash	\$2,604.5	\$2,545.2	\$123.2	4.7%	4.8%
8/8/2019	Closed	Vitamin Shoppe, Inc.	Retailer and manufacturer of nutritional products	Liberty Tax, Inc.	Holding company for tax returns preparation companies	Not Applicable	Cash	\$653.5	\$638.8	\$11.3	1.7%	1.8%
8/9/2019	Closed	Wesco Aircraft Holdings, Inc.	Provides supply chain management services	Pattonair Ltd.	Provides supply chain solutions	Not Applicable	Cash	\$1,949.3	\$1,903.8	\$112.0	5.7%	5.9%
8/13/2019	Closed	Viacom Inc.	Operates as a media and entertainment company	CBS Corp.	Operates as a media and entertainment company	Stock Swap	Stock	\$20,947.0	\$20,225.0	\$560.0	2.7%	2.8%
8/14/2019	Closed	Presidio, Inc.	IT consulting firm	BC Partners	Private equity firm	Going Private	Cash	\$2,406.1	\$2,375.4	\$80.0	3.3%	3.4%
8/26/2019	Closed	SRC Energy Inc.	Purchases, develops, and produces oil and natural gas	PDC Energy, Inc.	Independent exploration and production company	Stock Swap	Stock	\$1,702.8	\$1,675.0	\$55.0	3.2%	3.3%
8/27/2019	Closed	Tallgrass Energy, LP	Provides crude oil transportation services	The Blackstone Group Inc.	Private equity firm	Not Applicable	Cash	\$7,367.2	\$10,184.9	\$105.0	1.4%	1.0%
9/3/2019	Closed	MAM Software Group, Inc.	Provides software and e-commerce and related services	Kerridge Commercial Systems Group Ltd.	Designs and develops ERP software	Not Applicable	Cash	\$158.8	\$153.3	\$8.4	5.3%	5.5%
9/8/2019	Closed	United Community Financial Corp.	Bank holding company	First Defiance Financial Corp.	Bank holding company	Stock Swap	Stock	\$475.1	NA	\$18.4	3.9%	NA

2019 Reverse Transaction Termination Fee Detail (cont.)

Date Announced	Status	Target Name	Target Description	Acquirer Name	Acquirer Description	Acquisition Technique	Consideration	Transaction Value (\$M)	Enterprise Value (\$M)	Acquirer's Termination Fee (\$M)	Term Fee as a % of Transaction Value	Term Fee as a % of Enterprise Value
9/12/2019	Closed	Fibrocell Science, Inc.	Autologous cell and gene therapy company	Castle Creek Pharmaceutical Holdings, Inc.	Develops biopharmaceuticals	Not Applicable	Cash	\$63.3	\$63.3	\$2.0	3.2%	3.2%
9/23/2019	Closed	Arotech Corp.	Provides defense and security products worldwide	Greenbriar Equity Group, LP	Private equity firm	Going Private	Cash	\$106.8	\$103.0	\$3.2	3.0%	3.1%
10/1/2019	Closed	Roan Resources, Inc.	Engages in the development and production of oil and natural gas	Citizen Energy Operating, LLC	Engaged in oil and gas exploration	Not Applicable	Cash	\$1,020.9	\$1,017.4	\$35.0	3.4%	3.4%
10/2/2019	Closed	Progenics Pharmaceuticals, Inc.	Develops and manufactures pharmaceutical products	Lantheus Holdings, Inc.	Develops diagnostic medical imaging agents and products	Stock Swap	Stock	\$498.4	\$456.3	\$18.3	3.7%	4.0%
10/8/2019	Closed	Astea International Inc.	Develops and supports service management software solutions	IFS Americas, Inc.	Develops and delivers enterprise software	Not Applicable	Cash	\$76.3	\$75.9	\$2.9	3.9%	3.9%
10/14/2019	Closed	Jagged Peak Energy Inc.	Oil and natural gas company	Parsley Energy, Inc.	Oil and natural gas company	Stock Swap	Stock	\$2,418.7	\$2,408.1	\$189.0	7.8%	7.9%
10/16/2019	Closed	Achillion Pharmaceuticals, Inc.	Clinical-stage biopharmaceutical company	Alexion Pharmaceuticals, Inc.	Therapeutic products	Not Applicable	Cash	\$1,233.2	\$1,079.5	\$60.0	4.9%	5.6%
10/21/2019	Closed	Innophos Holdings, Inc.	Produces specialty ingredients	Iris Parent LLC	Operates in the agricultural chemical manufacturing industry	Not Applicable	Cash	\$1,034.3	\$1,003.6	\$40.0	3.9%	4.0%
10/22/2019	Closed	Cision Ltd.	Provides public relations software and media intelligence	MJ23 UK Acquisition Ltd.	An acquisition vehicle	Not Applicable	Cash	\$2,877.7	\$2,782.8	\$91.8	3.2%	3.3%
10/30/2019	Cancelled	Anixter International Inc.	Distributes enterprise cabling and security solutions	Clayton, Dubilier & Rice, LLC	Private equity firm	Going Private	Cash	\$4,631.7	\$4,536.0	\$190.0	4.1%	4.2%
11/1/2019	Announced	Fitbit, Inc.	Technology company that provides health solutions	Google LLC	Internet-related services and products	Not Applicable	Cash	\$2,265.3	\$1,763.1	\$250.0	11.0%	14.2%
11/4/2019	Pending	IBERIABANK Corp.	Bank holding company	First Horizon National Corp.	Bank holding company	Stock Swap	Stock	\$3,978.8	NA	\$156.0	3.9%	NA
11/4/2019	Closed	Pattern Energy Group Inc.	Operates as integrated renewable energy company	Canada Pension Plan Investment Board	Investment company	Going Private	Cash	\$6,414.3	\$6,308.3	\$204.0	3.2%	3.2%
11/6/2019	Closed	Diversified Restaurant Holdings	A restaurant company	ICV Partners, LLC	Private equity firm	Going Private	Cash	\$180.8	\$176.7	\$4.0	2.2%	2.3%
11/6/2019	Closed	William Lyon Homes	Constructs single-family detached and attached homes	Taylor Morrison Home Corp.	Operates as a public homebuilder	Not Applicable	Cash and Stock	\$2,422.5	\$2,361.3	\$40.0	1.7%	1.7%
11/11/2019	Announced	Craft Brew Alliance, Inc.	Brews and sells craft beers, ciders, and seltzers	Anheuser-Busch Companies, LLC	Produces and sells beers and other alcoholic beverages	Not Applicable	Cash	\$288.1	\$378.6	\$15.0	5.2%	4.0%
11/11/2019	Closed	KEMET Corp.	Manufactures and sells passive electronic components	Yageo Corp.	Manufactures and sells passive components	Not Applicable	Cash	\$1,971.9	\$1,779.1	\$65.4	3.3%	3.7%
11/12/2019	Closed	Continental Building Products, Inc.	Manufactures gypsum wallboard and complementary products	CertainTeed Gypsum & Ceiling USA, Inc.	Manufactures plaster, insulation products, and ceiling tiles	Not Applicable	Cash	\$1,564.2	\$1,437.8	\$75.0	4.8%	5.2%
11/13/2019	Closed	Tech Data Corp.	Operates as an IT distribution and solutions company	Apollo Global Management, Inc.	Private equity firm	Not Applicable	Cash	\$6,914.8	\$5,950.7	\$315.9	4.6%	5.3%
12/3/2019	Closed	AK Steel Holding Corp.	Produces flat-rolled carbon and stainless steel products	Cleveland-Cliffs Inc.	Operates as an independent iron ore mining company	Stock Swap	Stock	\$3,634.8	\$3,604.0	\$30.0	0.8%	0.8%
12/4/2019	Closed	Instructure, Inc.	Provides software as a service for learning	Thoma Bravo, LLC	Private equity firm	Going Private	Cash	\$2,068.3	\$1,951.5	\$136.9	6.6%	7.0%
12/17/2019	Announced	LogMein, Inc.	Cloud-based communication and collaboration solutions	Francisco Partners Management; Evergreen Coast Capital Corp.	Private equity firm	Going Private	Cash	\$4,677.0	\$4,557.8	\$303.0	6.5%	6.6%
12/18/2019	Pending	Bank of Akron	Operates in retail and commercial banking	CNB Financial Corp.	Bank holding company	Stock Swap	Cash and Stock	\$65.8	NA	\$1.3	1.9%	NA
12/19/2019	Closed	Telaria, Inc.	Provides a software platform	The Rubicon Project, Inc.	Operates an independent sell-side advertising platform	Stock Swap	Stock	\$441.4	\$375.6	\$16.0	3.6%	4.3%
12/19/2019	Closed	TiVo Corp.	Provides media and entertainment products	Xperi Holding Corp.	Invents, develops, and delivers various technologies	Stock Swap	Stock	\$2,211.2	\$1,934.5	\$44.0	2.0%	2.3%
12/24/2019	Closed	Anixter International Inc.	Distributes enterprise cabling and security solutions	WESCO International, Inc.	Operates maintenance, repair, and operations company	Going Private	Cash and Stock	\$5,282.6	\$5,000.6	\$190.0	3.6%	3.8%

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4	Morgan Stanley	621
5	Bank of America Merrill Lynch	612

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