



BUREAU VAN DIJK

AM&A

BOARD OF MERGER & ACQUISITION ADVISORS

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Zephyr Monthly M&A Report

North America Mid-Market, Q2 2015

The following joint report by Bureau van Dijk and the Alliance of Merger & Acquisition Advisors details mid-market mergers and acquisitions activity in North America (incl Mexico) and how it compares to the global M&A landscape in Q2 2015 using data from the Zephyr database.

It focuses on deal activity by target company.

Click [here](#) to access the raw data in an Excel spreadsheet.

Q-on-Q growth in North American midmarket M&A

The value of mergers and acquisitions (M&A) targeting North American midmarket companies crept up in the second quarter of 2015 compared to the previous quarter, but was down by more than a fifth on the corresponding three months of last year.

There were 2,562 transactions worth a combined USD 62,435 million between April and June, compared to 2,665 deals worth USD 61,270 million in Q1 2015, representing the third consecutive decrease by volume (Q3 2014: 3,011; Q4 2014: 2,857).

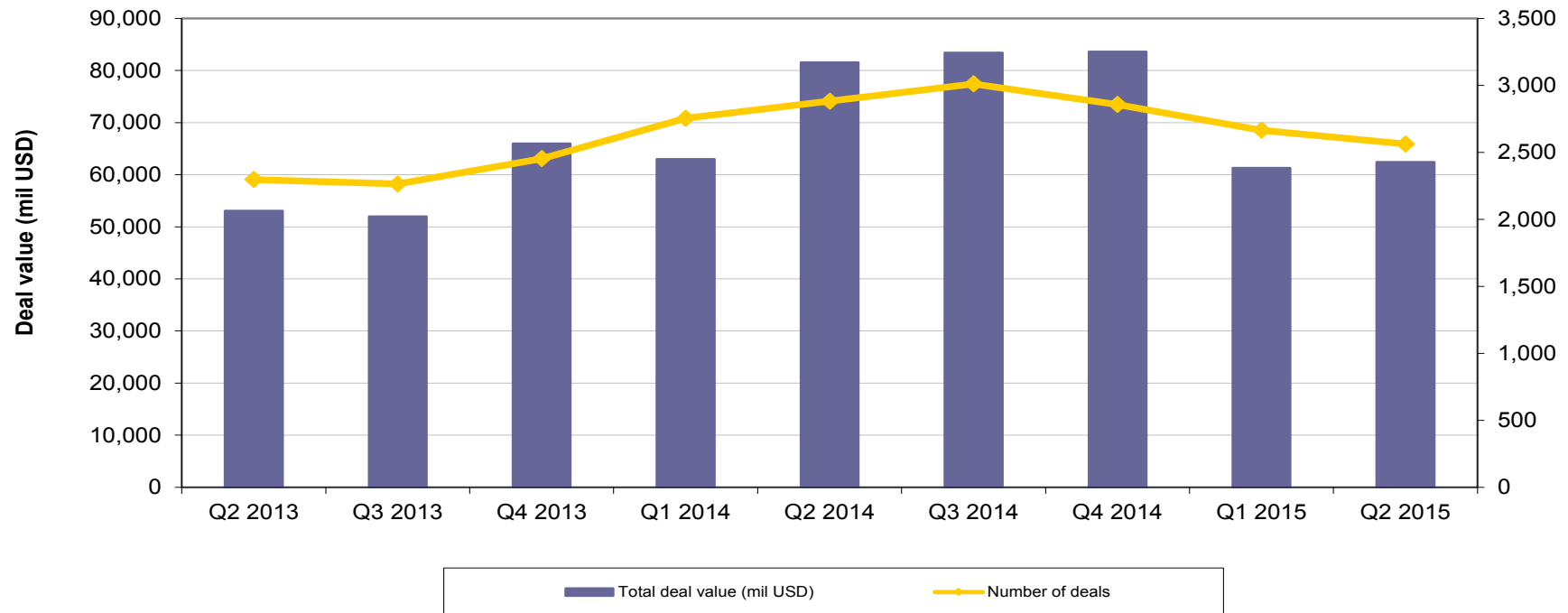
During the same three months of 2014 there were 2,882 transactions worth a collective USD 81,574 million.

Significant growth in M&A activity targeting Mexican companies boosted results in Q2, as both volume and value advanced from the preceding quarter. A sharp uptick in private equity and venture capital investment activity targeting the region as a whole also propped up overall M&A.

Deals by volume and value

Announced date	No of deals	Total deal value (mil USD)
Q2 2015	2,562	62,435
Q1 2015	2,665	61,270
Q4 2014	2,857	83,616
Q3 2014	3,011	83,419
Q2 2014	2,882	81,574
Q1 2014	2,754	62,996
Q4 2013	2,453	65,961
Q3 2013	2,264	51,996
Q2 2013	2,297	53,045

Deals by volume and value



Natural resources, online companies feature heavily in top 20

Ongoing consolidation in North America's oil and gas industry is still shaping the deal-making landscape and this was again the case in Q2, with five of the region's top 20 transactions targeting companies operating in the sector.

While these transactions chiefly involved US energy groups, one targeted a Mexico-based oil and gas company, when private equity firm Partners Group raised more than USD 500 million to support the continued platform expansion of its portfolio business Fermaca.

Online businesses also featured in the top 20 deals by value in Q2, among them ecommerce company Contextlogic and web-based payroll, benefits and human resources software provider Zenefits.

Mexico outperforms the US and Canada by M&A activity

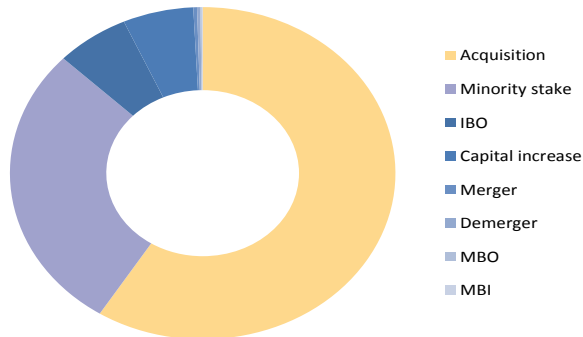
While the M&A value targeting US and Canadian companies inched up in Q2, deals targeting Mexican businesses leapt from USD 737 million in Q1 2015 to USD 1,365 million and was almost double USD 704 million in the year-ago quarter.

Mexico also outperformed the US and Canada by deal volume, which rose from 28 transactions in Q1 to 37 and was significantly higher than the 19 deals announced at the same time last year. By contrast, volume targeting US and Canadian companies between Q1 and Q2 fell by 5 per cent and 1 per cent, respectively.

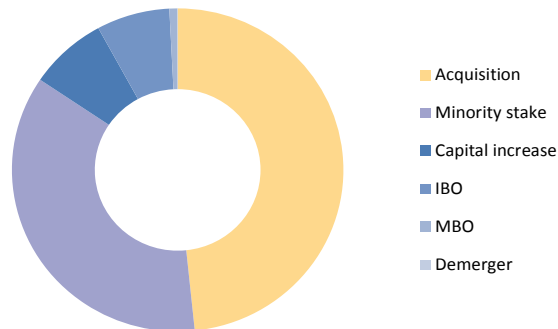
Top 20 Q2 deals by value

	Deal value (mil USD)	Deal type	Target	Target country	Acquiror	Deal status	Announced date
1.	500	IBO 100%	Alarm Security Group LLC	US	Apollo Global Management LLC	Completed	19/05/2015
2.	500	IBO 100%	Paradigm Acquisition Corporation	US	Summit Partners LP	Completed	02/06/2015
3.	500	Minority stake	Next Wave Energy Partners LP	US	Energy Capital Partners LLC	Completed	14/04/2015
4.	500	Acquisition 100%	Virtual Radiologic Corporation	US	MEDNAX Inc.	Completed	12/05/2015
5.	500	IBO majority stake	Too Faced Cosmetics LLC	US	General Atlantic LLC	Announced	03/06/2015
6.	500	IBO 100%	AmeriLife Group LLC	US	Management; JC Flowers & Company LLC	Completed	05/06/2015
7.	500	Minority stake 17%	Contextlogic Inc.	US	DST Managers Ltd	Completed	06/06/2015
8.	500	IBO	Fermaca Global LP	MX	Partners Group AG	Completed	07/05/2015
9.	500	Minority stake 11%	Zenefits Insurance Services	US	Institutional Venture Partners; TPG LLC; Khosla Ventures LLC; FMR LLC; Founders Fund Management LLC; Insight Venture Partners; Andreessen Horowitz LLC; Mr Jared Leto; Sound Ventures	Completed	06/05/2015
10.	500	Minority stake	Luxe Energy LLC	US	NGP Energy Capital Management LLC	Completed	04/05/2015
11.	500	Minority stake	Three Rivers Natural Resource Holdings III LLC	US	Management; Riverstone Holdings LLC	Completed	08/04/2015
12.	496	Acquisition 100%	Pexco LLC's aerospace business assets	US	TransDigm Group Inc.	Completed	30/04/2015
13.	495	Acquisition 100%	Dominion Carolina Gas Transmission LLC	US	Dominion Midstream Partners LP	Completed	01/04/2015
14.	485	Acquisition 100%	QuanticeL Pharmaceuticals Inc.	US	Celgene Corporation	Announced	27/04/2015
15.	485	MBO 63%	SFX Entertainment Inc.	US	Mr Robert Sillerman	Announced	26/05/2015
16.	480	Acquisition 100%	Rally Software Development Corporation	US	Grand Prix Acquisition Corporation	Completed	27/05/2015
17.	460	Acquisition 100%	Deutsche Bank AG's Fairview Container Terminal in Prince Rupert, British Columbia	CA	DP World Ltd	Announced	02/04/2015
18.	455	Acquisition 100%	Bentall Kennedy Group	CA	Sun Life Investment Management Inc.	Announced	15/06/2015
19.	450	Acquisition 100%	Lafarge North America Inc.'s cement assets in Davenport, Iowa	US	Summit Materials LLC	Announced	17/04/2015
20.	427	Acquisition 100%	Magna International Inc.'s car-interior business	CA	Grupo Antolin Irausa SA	Announced	16/04/2015

Deal types by volume in Q2



Deal types by value in Q2



Deal types by volume

Deal type	Q2 2014	Q1 2015	Q2 2015
Acquisition	1,769	1,710	1,513
Minority stake	758	650	723
IBO	157	142	158
Capital increase	177	137	152
Merger	12	15	8
Demerger	4	5	7
MBO	8	6	3
MBI	1	0	2

Deal types by value

Deal type	Q2 2014 (mil USD)	Q1 2015 (mil USD)	Q2 2015 (mil USD)
Acquisition	54,150	35,130	30,374
Minority stake	19,887	17,751	22,659
Capital increase	3,645	5,250	4,791
IBO	3,771	3,131	4,489
MBO	476	0	485
Demerger	18	0	20

Target sectors by volume

Target sector	Q2 2014	Q1 2015	Q2 2015
Business services	955	931	970
Engineering, accounting, research, management, and related services	270	286	256
Measuring, analyzing and controlling instruments; photographic, medical and optical goods; watches and clocks	87	67	80
Electronic and other electrical equipment and components, except computer equipment	83	73	78
Chemicals and allied products	95	64	72
Insurance agents, brokers, and service	62	58	62
Oil and gas extraction	101	52	57
Printing, publishing and allied industries	53	55	52
Industrial and commercial machinery and computer equipment	64	60	52
Health services	93	75	51
Wholesale trade, durable goods	57	55	44
Depository institutions	72	57	43
Holding and other investment offices	62	32	42
Food and kindred products	50	59	40
Electric, gas and sanitary services	44	44	39
Metal mining	43	29	38
Security and commodity brokers, dealers, exchanges and services	54	48	37
Insurance carriers	24	28	30

Target sectors by value

Target sector	Q2 2014 (mil USD)	Q1 2015 (mil USD)	Q2 2015 (mil USD)
Business services	16,550	16,894	17,192
Oil and gas extraction	10,088	6,499	6,262
Engineering, accounting, research, management, and related services	6,408	5,028	4,609
Electric, gas and sanitary services	2,732	1,778	2,712
Chemicals and allied products	4,006	2,062	1,999
Holding and other investment offices	2,045	1,674	1,910
Measuring, analyzing and controlling instruments; photographic, medical and optical goods; watches and clocks	3,480	1,458	1,841
Pipelines, except natural gas	279	1,271	1,634
Depository institutions	2,952	1,905	1,558
Electronic and other electrical equipment and components, except computer equipment	3,519	2,046	1,428
Food and kindred products	2,422	922	1,211
Wholesale trade, nondurable goods	412	649	966
Rubber and miscellaneous plastics products	1,281	393	926
Apparel and accessory stores	179	585	913
Security and commodity brokers, dealers, exchanges and services	1,412	1,669	904
Real estate	695	892	900
Transportation equipment	1,694	6	892
Wholesale trade, durable goods	1,135	547	807

Top acquiror world regions by volume

Acquiror world region	Q2 2014	Q1 2015	Q2 2015
North America (excl. Mexico)	2,422	2,279	2,168
Western Europe	210	213	195
Far East and Central Asia	71	87	87
South and Central America	44	49	45
Oceania	21	12	24
Middle East	16	20	24
Eastern Europe	9	5	7
Africa	1	3	2

Top acquiror world regions by value

Acquiror world region	Q2 2014 (mil USD)	Q1 2015 (mil USD)	Q2 2015 (mil USD)
North America (excl. Mexico)	67,515	51,479	51,415
Western Europe	8,563	5,129	5,072
Far East and Central Asia	2,617	3,022	2,579
South and Central America	2,113	1,477	1,431
Oceania	325	81	832
Middle East	583	522	746
Eastern Europe	105	46	89
Africa	33	439	15

Top target countries by volume

Target country	Q2 2014	Q1 2015	Q2 2015
1 US	2,547	2,309	2,200
2 China	845	982	1,356
3 UK	927	986	919
4 Spain	591	395	524
5 Germany	368	472	413
6 India	283	288	372
7 France	326	381	344
8 Canada	320	332	328
9 Japan	491	525	319
10 Taiwan	373	379	315
11 Russia	446	226	299
12 Netherlands	255	238	296
13 Bulgaria	717	340	292
14 South Korea	246	195	273
15 Australia	393	255	270
16 Italy	233	179	216
17 Sweden	221	147	193
18 Ukraine	175	157	185
19 Finland	186	195	174
20 Cayman Islands	118	73	163
43 Mexico	19	28	37

Top target countries by value

Target country	Q2 2014 (mil USD)	Q1 2015 (mil USD)	Q2 2015 (mil USD)
1 China	50,262	57,927	95,217
2 US	68,686	53,119	53,161
3 UK	15,870	17,722	21,222
4 Cayman Islands	4,427	3,515	12,151
5 Netherlands	4,693	5,227	11,222
6 Taiwan	9,712	8,769	9,096
7 Australia	14,231	7,750	8,990
8 South Korea	12,156	7,836	8,758
9 France	7,177	8,158	8,371
10 India	9,079	10,414	8,103
11 Canada	12,239	7,492	7,909
12 Japan	14,060	9,347	7,338
13 Spain	4,469	4,600	6,662
14 Italy	7,547	4,273	6,593
15 Germany	4,804	7,162	6,526
16 Bermuda	1,142	1,886	5,780
17 Hong Kong	2,319	1,791	5,050
18 Russia	10,681	3,145	4,700
19 British Virgin Islands	2,927	2,919	3,964
20 Brazil	4,571	3,170	3,780
30 Mexico	704	737	1,365

PE and VC activity leaps

As mentioned previously, there was a significant upturn in private equity and venture capital (PE and VC) activity targeting North America between April and June, which bolstered overall M&A for the region.

A total of USD 24,583 million was invested across 848 transactions during the quarter, compared to USD 18,509 million over 735 deals in Q1, an increase of a third in monetary terms and of 15 per cent by volume.

Value was also up 7 per cent on the same time in 2014, when USD 22,960 million-worth of deals were announced.

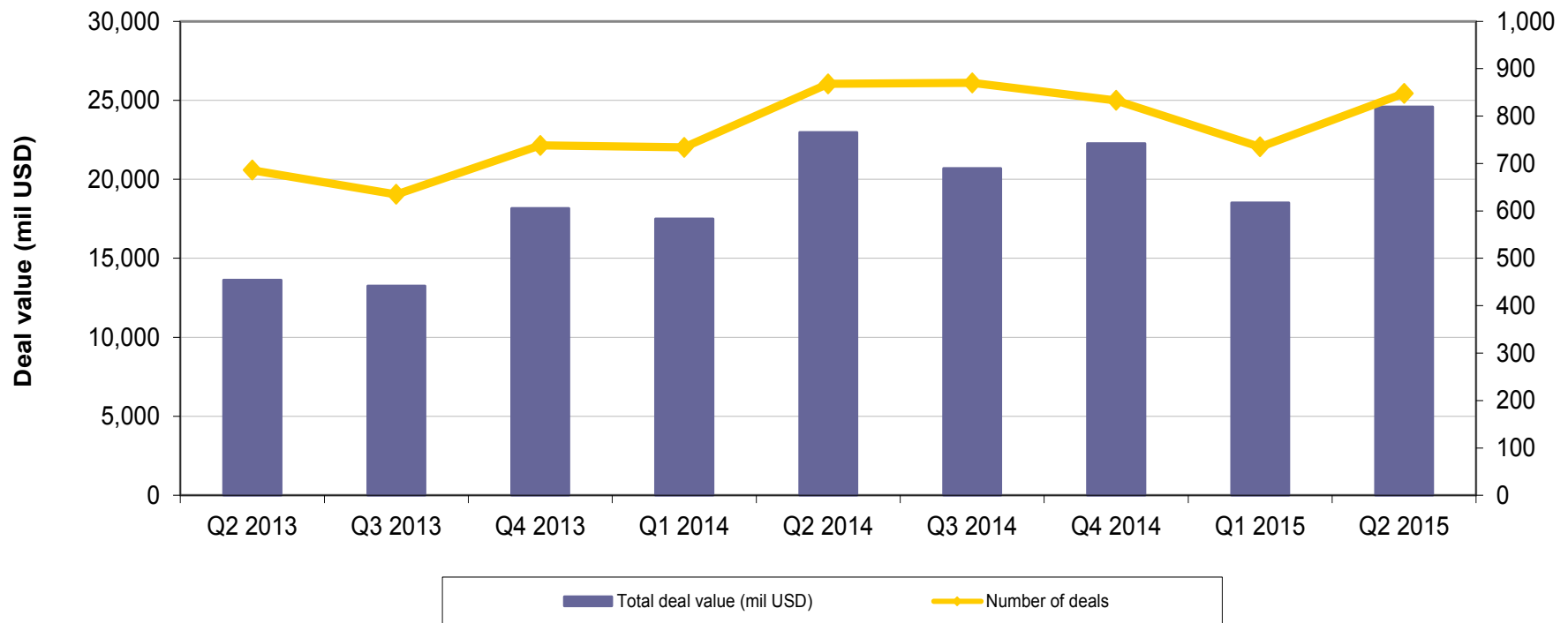
Although the US fell behind China in terms of the value of overall M&A value during the three months, the amount of PE and VC invested in US companies was significantly higher at USD 23,345 million, compared to USD 6,403 million targeting Chinese companies.

PE and VC investment in Canada more than halved quarter-on-quarter from USD 1,478 million to USD 643 million, while in Mexico, investment value soared from USD 87 million in Q1 to USD 595 million.

Private equity deals by volume and value

Announced date	No of deals	Total deal value (mil USD)
Q2 2015	848	24,583
Q1 2015	735	18,509
Q4 2014	833	22,268
Q3 2014	870	20,695
Q2 2014	868	22,960
Q1 2014	734	17,505
Q4 2013	738	18,156
Q3 2013	635	13,239
Q2 2013	686	13,612

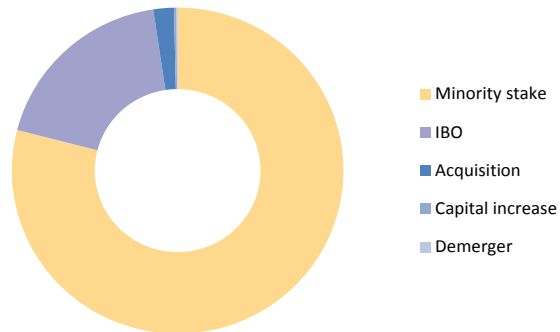
Private equity deals by volume and value



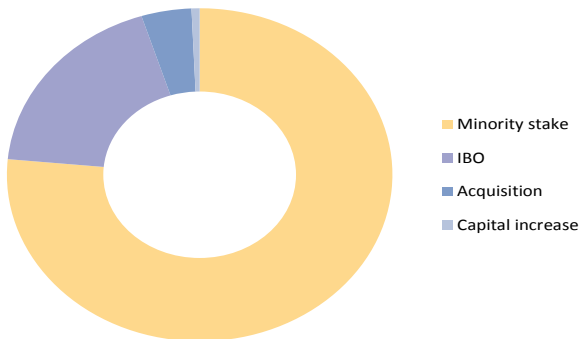
Top 20 Q2 private equity deals by value

	Deal value (mil USD)	Deal type	Target	Target country	General Partner/Fund Manager	Deal status	Announced date
1.	500	IBO 100%	Alarm Security Group LLC	US	Apollo Global Management LLC	Completed	19/05/2015
2.	500	IBO 100%	Paradigm Acquisition Corporation	US	Summit Partners LP	Completed	02/06/2015
3.	500	Minority stake	Next Wave Energy Partners LP	US	Energy Capital Partners LLC	Completed	14/04/2015
4.	500	IBO majority stake	Too Faced Cosmetics LLC	US	General Atlantic LLC	Announced	03/06/2015
5.	500	IBO 100%	AmeriLife Group LLC	US	JC Flowers & Company LLC	Completed	05/06/2015
6.	500	Minority stake 17%	Contextlogic Inc.	US	DST Managers Ltd	Completed	06/06/2015
7.	500	IBO	Fermaca Global LP	MX	Partners Group AG	Completed	07/05/2015
8.	500	Minority stake 11%	Zenefits Insurance Services	US	Institutional Venture Partners; TPG LLC; Khosla Ventures LLC; FMR LLC; Founders Fund Management LLC; Insight Venture Partners; Andreessen Horowitz LLC; Sound Ventures	Completed	06/05/2015
9.	500	Minority stake	Luxe Energy LLC	US	NGP Energy Capital Management LLC	Completed	04/05/2015
10.	500	Minority stake	Three Rivers Natural Resource Holdings III LLC	US	Riverstone Holdings LLC	Completed	08/04/2015
11.	403	IBO 100%	Worldwide Flight Services Inc.	US	Platinum Equity LLC	Completed	27/04/2015
12.	400	Minority stake 4%	WeWork Companies Inc.	US	Fidelity Management & Research Company	Completed	24/06/2015
13.	400	Minority stake	Nuevo Midstream Dos LLC	US	EnCap Flatrock Midstream	Completed	09/04/2015
14.	350	IBO 100%	PowerSchool Inc.	US	Vista Equity Partners LLC	Announced	17/06/2015
15.	350	Minority stake	VetCor Group Holdings Corporation	US	Harvest Partners LLC	Completed	07/04/2015
16.	335	Minority stake 20%	Raytheon Websense	US	Vista Equity Partners LLC	Completed	20/04/2015
17.	335	Minority stake	TerraForm Global LLC	US	General Electric Company; Baron Capital Group Inc.; Kingdon Capital Management LLC; Capricorn Management LLC; Glenview Capital Management LLC	Completed	16/06/2015
18.	300	Minority stake	Tall Oak Midstream II LLC	US	EnCap Flatrock Midstream	Completed	23/04/2015
19.	300	Minority stake	Meritage Midstream Services III LLC	US	Riverstone Holdings LLC	Completed	10/04/2015
20.	278	Minority stake 9%	DocuSign Inc.	US	Intel Capital Corporation; Dell Ventures Corporation; Wellington Management Company LLP; Brookside Capital LLC; Wasatch Advisors Inc.; Bain Capital Venture Partners LLC; Generation Investment Management LLP; Sands Capital Management LLC; ClearBridge Investments LLC; ICONIQ Capital LLC	Completed	12/05/2015

PE/VC Deal types by volume in Q2



PE/VC Deal types by value in Q2



PE/VC Deal types by volume

Deal type	Q2 2014	Q1 2015	Q2 2015
Minority stake	676	576	670
IBO	157	142	158
Acquisition	30	12	17
Capital increase	2	2	2
Demerger	0	0	1

PE/VC Deal types by value

Deal type	Q2 2014 (mil USD)	Q1 2015 (mil USD)	Q2 2015 (mil USD)
Minority stake	16,206	14,623	20,005
IBO	3,771	3,131	4,489
Capital increase	126	10	90

PE/VC Target sectors by volume

Target sector	Q2 2014	Q1 2015	Q2 2015
Business services	438	367	460
Engineering, accounting, research, management, and related services	97	89	79
Measuring, analyzing and controlling instruments; photographic, medical and optical goods; watches and clocks	35	25	38
Chemicals and allied products	27	17	28
Electronic and other electrical equipment and components, except computer equipment	20	22	26
Industrial and commercial machinery and computer equipment	19	14	15
Health services	20	16	15
Oil and gas extraction	18	13	14
Fabricated metal products, except machinery and transportation equipment	8	7	11
Food and kindred products	6	14	10
Miscellaneous retail	7	7	10
Miscellaneous manufacturing industries	9	6	9
Non-depository credit institutions	5	12	9
Electric, gas and sanitary services	14	10	8
Real estate	2	1	7
Eating and drinking places	5	6	6
Transportation equipment	10	5	6
Wholesale trade, durable goods	7	7	6
Educational services	5	3	6

PE/VC Target sectors by value

Target sector	Q2 2014 (mil USD)	Q1 2015 (mil USD)	Q2 2015 (mil USD)
Business services	9,388	7,777	11,242
Oil and gas extraction	2,649	2,017	2,750
Engineering, accounting, research, management, and related services	2,098	2,322	2,215
Electric, gas and sanitary services	790	793	1,118
Chemicals and allied products	729	128	757
Insurance carriers	0	0	645
Measuring, analyzing and controlling instruments; photographic, medical and optical goods; watches and clocks	477	235	642
Insurance agents, brokers, and service	0	0	500
Pipelines, except natural gas	125	0	500
Real estate	20	0	436
Electronic and other electrical equipment and components, except computer equipment	251	354	421
Transportation by air	0	24	403
Agricultural services	0	440	350
Industrial and commercial machinery and computer equipment	384	118	312
Miscellaneous retail	126	35	226
Security and commodity brokers, dealers, exchanges and services	400	241	225
Eating and drinking places	311	80	215
Non-depository credit institutions	164	684	195

Top equity provider world regions by volume

Acquiror world region	Q2 2014	Q1 2015	Q2 2015
North America (excl. Mexico)	738	646	743
Western Europe	74	76	83
Far East and Central Asia	31	38	43
South and Central America	14	17	24
Middle East	10	13	19
Eastern Europe	7	2	5
Oceania	5	5	4
Africa	1	0	2

Top equity provider world regions by value

Acquiror world region	Q2 2014 (mil USD)	Q1 2015 (mil USD)	Q2 2015 (mil USD)
North America (excl. Mexico)	20,482	17,022	21,885
Western Europe	2,374	2,339	2,670
South and Central America	928	537	929
Far East and Central Asia	689	1,223	905
Middle East	239	268	280
Oceania	119	59	91
Eastern Europe	105	46	89
Africa	33	0	15

Top PE/VC target countries by volume

Target country	Q2 2014	Q1 2015	Q2 2015
1 US	819	685	786
2 China	90	206	245
3 India	68	109	131
4 UK	153	149	128
5 Germany	75	99	82
6 France	85	83	65
7 Canada	46	43	53
8 Netherlands	29	25	30
9 Italy	27	22	27
10 Israel	17	24	27
11 South Korea	8	8	26
12 Spain	37	49	23
13 Sweden	32	13	22
14 Brazil	18	16	20
15 Japan	25	29	18
16 Finland	18	14	18
17 Denmark	9	10	15
18 Poland	7	11	15
19 Australia	14	11	15
20 Portugal	5	6	14
23 Mexico	3	7	9

Top PE/VC target countries by value

Target country	Q2 2014 (mil USD)	Q1 2015 (mil USD)	Q2 2015 (mil USD)
1 US	21,915	16,944	23,345
2 China	2,736	4,365	6,403
3 UK	4,583	4,181	5,637
4 India	1,061	2,306	2,768
5 South Korea	966	161	2,128
6 Germany	1,281	750	1,452
7 Australia	1,457	278	1,207
8 France	972	1,320	1,189
9 Netherlands	840	492	964
10 Italy	347	112	956
11 Canada	1,016	1,478	643
12 Japan	1,328	1,248	620
13 Mexico	28	87	595
14 Brazil	537	946	578
15 Spain	387	224	548
16 Denmark	46	237	539
17 Israel	167	274	496
18 Singapore	13	189	464
19 Egypt	45	0	419
20 Hungary	8	6	339

Notes to editors

Activity is based on the activity of the target company

Deal status is announced within the time period

Data refers to deals valued at between USD 5 million and USD 500 million within the time period

The sector breakdown uses targets' activities by US SIC code

Data refers to target companies based in the US, Canada and Mexico except where specified as target countries on pages 8 and 15

The date range is 01/04/2015 - 30/06/2015 inclusive

The search strategy for this report has been altered slightly in order to focus on M&A and Private Equity, thus moving forward all capital raisings by placing and share capital increases have been removed from the search strategy

About The Alliance

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