

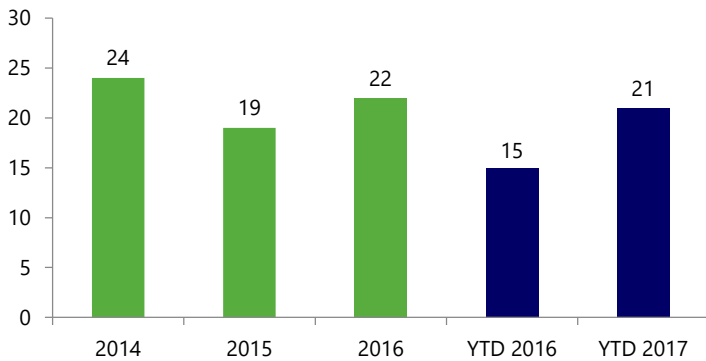


### KEY M&A TAKEAWAYS

- ▶ Overall transaction volume in the Environmental, Health & Safety (EH&S) industry reached 50 deals through mid-August 2017. Over that time, the harmonic mean for valuations has reached a premium of 7.9x EBITDA.
- ▶ Fire protection related deals have been a major source of deal activity in 2017 accounting for a total of 15 transactions, or 30% of overall volume. With high levels of fragmentation and strong growth prospects, *Research And Markets* predicted an annual growth rate of 9.7% for the segment through 2022, both strategic (7 deals) and private equity (8 deals) buyers have been highly active.
- ▶ As the head of the EPA, Scott Pruitt has worked to rollback environmental regulations causing uncertainty in the industry and also in M&A.

### EH&S EQUIPMENT TRANSACTION VOLUME

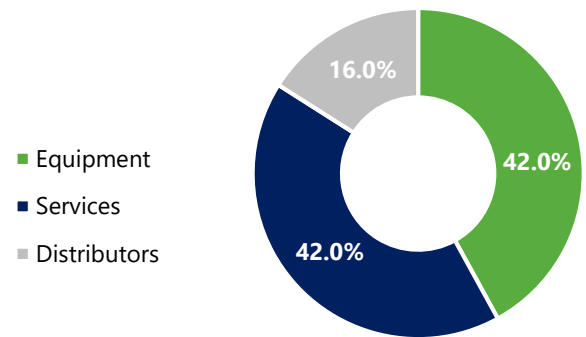
- ▶ Transaction volume in the EH&S Equipment segment accounted for 21 deals year-to-date (YTD), almost reaching the total for 2016.
- ▶ Private equity buyers increased their share of deal volume for the EH&S industry overall (50 deals YTD), accounting for 32.0% of deals in 2017 compared to 29.2% last year.



YTD ended August 15

### SEGMENT BREAKDOWN

- ▶ Equipment deals accounted for a higher percentage of transaction volume in YTD 2017 (42.0%) compared to the full year 2016 (24.7%).
- ▶ This increase is partly attributed to private equity's activity in the equipment subsector, already accounting for five deals YTD compared to four in 2016.



All chart sources: CapIQ and Capstone Partners LLC Research

### RECENT TRANSACTIONS

Date	Target	Acquirer	Target Description	EV	EV / LTM	
					R	EBITDA
8/17	Cyalume	Arsenal Capital	Manufactures reflective materials.	\$40.2	0.9x	4.7x
8/17	Matex Wire	Bishop Lifting	Distributes lifting slings & fall protection solutions.	-	-	-
7/17	Intl. Barrier	Louisiana-Pacific	Develops fire resistant building materials.	\$20.5	2.0x	22.5x
7/17	Keytroller	I.D. Systems	Designs safety devices designed for forklifts.	\$12.0	1.8x	9.8x
6/17	Crane Safety	Leavitt Machinery	Offers crane operation training courses.	-	-	-
4/17	Academy Fire	Audax and GMB	Installs fire extinguishers, sprinklers and alarms.	-	-	-
3/17	Scott Tech.	3M	Offers respiratory and protective equipment.	\$2,000.0	3.5x	12.9x
3/17	Total Safety	Littlejohn	Provides integrated industrial safety services.	-	-	-
2/17	Fire & Life Safety	Blue Point Capital	Provides fire protection services.	-	-	-

### SELECT CAPSTONE DEALS

<p><b>CLIENT (CONFIDENTIAL)</b></p> <p>is pursuing a corporate sale</p> <p><b>MANUFACTURER OF FIRE SAFETY PRODUCTS</b></p>	<p><b>CLIENT (CONFIDENTIAL)</b></p> <p>is pursuing a corporate sale</p> <p><b>MANUFACTURER OF FIRE RETARDANT COATINGS</b></p>	<p><b>AWG</b></p> <p>has been acquired by</p> <p><b>INEX</b></p>
<p><b>NTT</b> Workforce Development Institute</p> <p>has been acquired by</p> <p><b>PROVIDER OF CORPORATE TRAINING</b></p>	<p><b>SS SAFETY SERVICES COMPANY</b></p> <p>has recapitalized with</p> <p><b>Serent CAPITAL</b></p>	<p><b>E-Mon</b> a division of HUNT CAPITAL</p> <p>has been acquired by</p> <p><b>BRANFORD CASTLE, INC.</b></p>