



# STRATEGIC ADVISORS

Middle Market Investment Bankers

*Bringing Efficiency to Inefficient Markets*

## 2013

*First Quarter (1Q 2013)*

## PITTSBURGH REGIONAL M&A REPORT

**Merger & Acquisition (M&A) Advisory**  
**Corporate Finance Advisory**  
**Strategic Consulting**

400 Southpointe Boulevard, Plaza I, Suite 440  
Canonsburg, PA 15317 • Tel. 724-743-5800  
Fax 724-743-5870 • [www.strategicad.com](http://www.strategicad.com)

Securities and investment advisory services are offered through  
BPU Investment Management, Inc.  
301 Grant Street, Suite 3300 / Pittsburgh, PA 15219  
Telephone: 412-288-9150 / Website: [www.bpuinvestments.com](http://www.bpuinvestments.com)  
member FINRA/SIPC, and a registered investment advisor

**PITTSBURGH REGIONAL 1Q 2013 M&A TRANSACTIONS**

Closed	Buyer / Investor (Ultimate Parent (Strategic) / Owner (PEG))	Buyer		Target (Seller)	Target		Trans Value (\$MM)
		Local	Type		Local	Sector	
01/01/2013	<b>K&amp;L Gates LLP</b>	PGH	PRI	Middletons		Prof Services	-
01/01/2013	<b>GAI Consultants, Inc.</b>	PGH	PRI	Lotspeich and Associates, Inc.		Industrials	-
01/02/2013	<b>Timken Co. (NYSE: TKR)</b>	CAN	PUB	Waze Companies, LLC (Gemini Investors; Socius Capital)		Industrials	-
01/02/2013	<b>Saint-Gobain Performance Plastics Corporation</b> (Compagnie de Saint-Gobain (ENXTPA: SGO))	AK	PUB	American Fluorochemical Corporation		Materials	-
01/02/2013	Talmer Bancorp, Inc. (WL Ross and Co. LLC)		PRI	<b>First Place Bank (First Place Financial Corp. (OTC: FPFC.Q))</b>	YTN	Financials	45.0
01/03/2013	Tetra Tech Inc. (NASDAQ: TTEK)		PUB	<b>American Environmental Group, Ltd.</b>	AK	Industrials	-
01/03/2013	<b>Furmanite America, Inc.</b> (Furmanite Corporation (NYSE: FRM))	CLK	PUB	Certain Assets of Midstream Inspection Division (ENGlobal Corp. (NASDAQ: ENG))		Bus Services	6.5
01/08/2013	Rolls Royce Holdings plc (LSE: RR)		PUB	<b>PKMJ Technical Services, Inc.</b>	PGH	Info Tech	-
01/08/2013	<b>WMK Inc.</b>	AK	PRI	Nor-Cal Mobility, Inc.		Healthcare	-
01/08/2013	<b>PNC RiverArch Capital</b> and Akoya Capital	PGH	FIN	LawLogix Group, Inc.		Info Tech	-
01/09/2013	<b>McKee Carbide Tool Co (Gasbarre Products, Inc.)</b>	ALT	PRI	Major Gauge & Tool Co.		Industrials	-
01/11/2013	YooChang Construction		PRI	<b>Railroad Development Corporation</b>	PGH	Financials	-
01/14/2013	<b>NexTier Insurance Services LLC (Snyder Group)</b>	NC	PRI	<b>Armstrong Insurance Associates, Inc.</b>	NC	Financials	-
01/15/2013	<b>Aim Leasing Company</b>	YTN	PRI	Larsen Leasing Ltd.		Industrials	-
01/21/2013	Epec, LLC		PRI	<b>UPE, Inc.</b>	AK	Industrials	-
01/28/2013	Axiell Corporation (NYSE: AXLL)		PUB	<b>Eagle Spingo Inc. (PPG Industries Inc. (NYSE: PPG))</b>	PGH	Materials	2,097.5
01/28/2013	<b>Aris Teleradiology LLC</b> (Great Point Partners, LLC)	AK	PRI	Pediatric Radiology of America Inc.		Healthcare	-
01/30/2013	<b>Howard Hanna Company</b>	AK	PRI	<b>Royster Group LLC</b>	AK	Financials	-
01/31/2013	<b>Fiduciary360, LLC</b>	PGH	PRI	<b>Financial Service Standards, LLC</b>	PGH	Bus Services	-
01/31/2013	Autodesk, Inc. (NASDAQ: ADSK)		PUB	<b>Allpoint Systems, Inc. (Innovation Works)</b>	PGH	Info Tech	-
01/31/2013	WellCare Health Plans, Inc. (NYSE: WCG)		PUB	UnitedHealthcare of South Carolina, Inc. ( <b>Three Rivers Holdings, Inc.</b> )	PGH	Healthcare	-
02/01/2013	<b>Westinghouse Air Brake Technologies Corporation (NYSE: WAB)</b>	PGH	PUB	Napier Turbochargers Limited (Primary Capital Limited)		Industrials	-
02/06/2013	<b>GiftCards.com, LLC (Direct Sites, Inc.)</b>	PGH	PRI	<b>GiftCardGirlfriend.com</b>	PGH	Consumer	-
02/06/2013	Nationstar Mortgage Holdings Inc. (NYSE: NSM) (Fortress Investment Group LLC (NYSE: FIG))		PUB	<b>Solutionstar Settlement Services LLC</b> (Equifax Information Services LLC)	PGH	Financials	-
02/07/2013	<b>The Davey Tree Expert Company</b>	AK	PRI	S&S Tree and Horticultural Specialists, Inc.		Industrials	-
02/15/2013	Group of Investors		PRI	<b>Blake's Café &amp; Cupcakery</b>	CAN	Consumer	-
02/18/2013	Unknown		PRI	<b>Nowlive Entertainment Division (NEP Supershooters, L.P.)</b>	PGH	Media & Pub	-
02/18/2013	<b>HGO Technology, Inc.</b>	WLG	PRI	Terradon Communication Group, LLC		Info Tech	-
02/19/2013	South Bay Mental Health Center, Inc. (H.I.G. Growth Partners, LLC)		PRI	<b>Family Behavioral Resources, Inc.</b>	GBG	Healthcare	-
02/20/2013	<b>Axiom Staff Management, Inc. (OTC: AXMA)</b>	PGH	PUB	Axiom Management, Inc., Prior to Reverse Merger with Norcal Gold		Bus Services	-
02/25/2013	Investors		PRI	<b>Y City Recycling LLC (Community Bank of Zanesville)</b>	ZAN	Industrials	-
02/28/2013	<b>W.H. Smith Hardware Company</b> (JWI Capital, LLC)	CLK	PRI	LaBarge Products, Inc.		Industrials	-
03/01/2013	FIBA Technologies, Inc.		PRI	<b>AMKO Service Company, Inc.</b> (Praxair Inc. (NYSE: PX))	CAN	Industrials	-
03/01/2013	<b>Cannon Instrument Company</b>	ALT	PRI	Advanced Technical Support, Inc.		Industrials	-
03/01/2013	<b>Highmark Inc.</b>	PGH	PRI	<b>Jefferson Regional Medical Center, Inc.</b>	PGH	Healthcare	200.0
03/01/2013	<b>Robertson Heating Supply Co., Inc.</b>	CAN	PRI	HVAC Division (The Palmer-Donavin Mfg. Co.)		Industrials	-
03/06/2013	<b>Saint-Gobain Performance Plastics Corporation</b> (Compagnie de Saint-Gobain (ENXTPA: SGO))	AK	PUB	Applied Bioprocess Containers, LLC		Healthcare	-
03/06/2013	<b>AVI Foodsystems, Inc.</b>	YTN	PRI	Sanese Services, Inc.		Consumer	-
03/13/2013	<b>Timken Co. (NYSE: TKR)</b>	CAN	PUB	Interlube Systems Limited (NVM Private Equity Limited)		Industrials	-
03/13/2013	<b>Superior-Speedie Portable Services Inc.</b>	AK	PRI	Waid's Rainbow Rentals of Valley View		Industrials	-
03/18/2013	<b>Ebix Health</b> (Ebix Inc. (NASDAQ: EBIX))	PGH	PUB	Benefit Software, Inc.		Info Tech	-
03/25/2013	<b>Eckert Seamans Cherin &amp; Mellott, L.L.C.</b>	PGH	PRI	Sterns & Weinroth		Prof Services	-
03/25/2013	Mar Cor Purification, Inc. (Cantel Medical Corp. (NYSE: CMN))		PUB	<b>Hemodialysis Water Business (Siemens Water Technologies Corp.)</b>	PGH	Utilities	-
03/26/2013	Hughes Drilling Pty Limited (ASX: HDX)		PUB	<b>REICHdrill Inc.</b>	ALT	Industrials	8.9
03/28/2013	<b>Butler Health System, Inc.; UPMC CancerCenter</b>	PGH	PRI	<b>Butler Radiation Oncology Associates, LLC</b>	NC	Healthcare	-
03/31/2013	Unknown		PRI	<b>Merchant Card Servicing Business (S&amp;T Bancorp Inc. (NASDAQ: STBA))</b>	JTN	Financials	4.8

**Regional M&A Notes:**

Bold companies are local

Local areas include: Pittsburgh (PGH), Zanesville (ZAN), Bradford (BDF), Erie (ERIE), Johnstown (JTN), Altoona (ALT), Canton (CAN), Greensburg (GBG), New Castle (NC), Akron (AK), Steubenville (SBV), Youngstown (YTN), Cumberland (CBD), Oil City (OC), Clarksburg (CKL), Wheeling (WLG), and DuBois (DB).

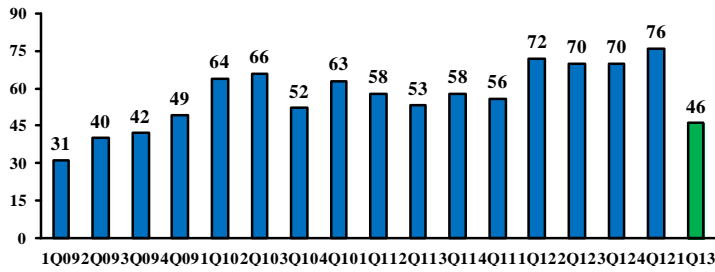
**M&A Transaction Requirements:**

Either buyer, buyer parent, target or seller must be local, and the local participant must have purchased or sold majority control.

Excluded transactions which only involved selling of real estate or facilities.

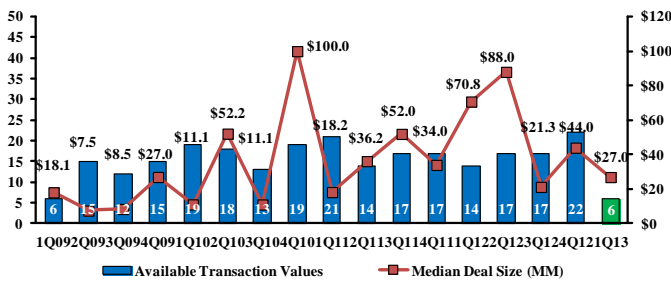
# REGIONAL 1Q 2013 M&A TRANSACTION STATISTICS

**Quarterly Regional M&A Deal Volume**



- Following the scramble for sellers to get deals done before the end of 2012, quarterly regional M&A volume decreased significantly from 76 deals in the fourth quarter of 2012 (4Q 2012) to 46 deals in 1Q 2013. This was the lowest level of regional M&A activity since 3Q 2009.
- M&A activity for the remainder of 2013 will most likely settle at a more normalized level as the massive push to get transactions closed in 2012 may have artificially raised M&A activity over the past year.

**Quarterly Regional M&A Median Deal Size**



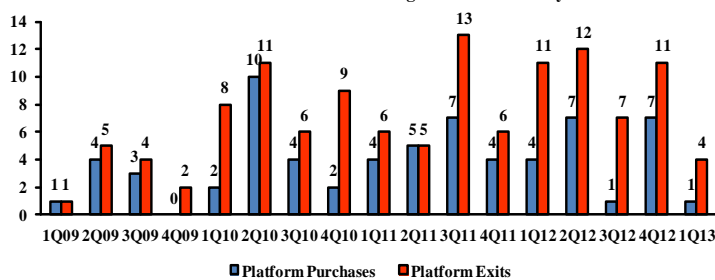
- Of the regional M&A transactions with available transaction values, quarterly median deal value decreased from \$44.0MM in 4Q 2012 to \$27.0MM in 1Q 2013. It should be noted that only 6 transactions had available data in 1Q 2013.
- The largest transaction with available data in 1Q 2013 was PPG Industries Inc.'s sale of its commodity chemical business to Georgia Gulf Corp. for \$2.1 billion.

**Regional M&A Buyers and Targets**



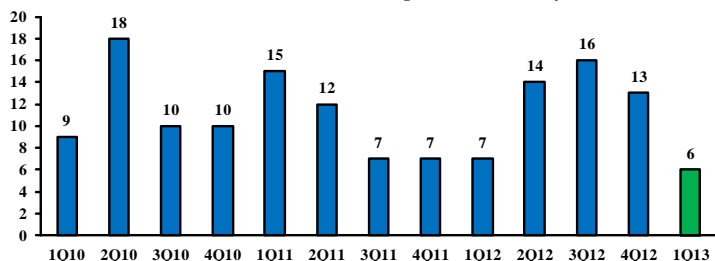
- Quarterly regional M&A transactions with local buyers decreased 23.7% from 38 deals in 4Q 2012 to 29 deals in 1Q 2013. Although quarterly activity was low, 63% of buyers in regional transactions were local, which was the highest percentage since 4Q 2010.
- Quarterly regional M&A transactions with local targets decreased 52.1% from 48 deals in 4Q 2012 to 23 deals in 1Q 2013.

**Investment Firm Platform Regional M&A Activity\***



- Regionally, 1Q 2013 exhibited the lowest level of investment firm activity since 4Q 2009.
- The lone platform purchase was completed by the local investment firm PNC RiverArch Capital, which acquired a controlling interest in LawLogix Group, Inc.

**Investment Firm Add-On Regional M&A Activity\***



- In 1Q 2013, add-on activity was at its lowest level since data collection began in 1Q2010.
- On the bright side, Prequin estimates that private equity firms focused on middle market buyouts still have over \$350 billion of dry powder to deploy. This amount of capital should help increase platform and add-on investment activity for the remainder of 2013.

Investment Firms are classified as either Private Equity Groups or Venture Capital Firms

\*Platform Acquisition - The initial acquisition made by an investment firm in a specific industry or investment type. It will serve as a base for add-on acquisitions.

\*Add-On Acquisition - Companies acquired as part of a consolidation investment strategy added on to a platform investment.

**For more information, please contact any of the professionals listed below or visit our website at**

**[www.strategicad.com](http://www.strategicad.com)**

<i>Andy Hays</i>	<i>Managing Director and Founder</i>	<a href="mailto:arhays@strategicad.com">arhays@strategicad.com</a>	724-743-5810
<i>Andy Bianco</i>	<i>Managing Director and Founder</i>	<a href="mailto:ajbianco@strategicad.com">ajbianco@strategicad.com</a>	724-743-5820
<i>Matt Steve</i>	<i>Senior Associate</i>	<a href="mailto:masteve@strategicad.com">masteve@strategicad.com</a>	724-743-5830
<i>Marcia McCracken</i>	<i>Administrative Assistant</i>	<a href="mailto:mjm@strategicad.com">mjm@strategicad.com</a>	724-743-5801

Strategic Advisors is a middle market investment banking firm that helps clients achieve financial and business goals by providing merger and acquisition advisory, corporate finance advisory and strategic consulting services. Along with many years of experience in advising middle market clients, our Managing Directors have experience investing in and managing portfolio companies. As such, Strategic Advisors not only has expertise in advisory services but also firsthand knowledge of what stakeholders, investors and lenders expect and desire.

When considering a sale of your business, the acquisition of a business, or the restructuring or recapitalization of your balance sheet, the best pathway for achieving your expectations is a well-run sale process that addresses all your personal and business goals. Strategic Advisors is accustomed to working with business owners to determine the best pathway to achieve their goals and objectives. Give us a call to discuss your possibilities.

Author: Matt Steve, Senior Associate

Transaction data taken from S&P Capital IQ

Please be advised that the accuracy and completeness of this information are not guaranteed. The opinions expressed are those of the author(s) and are not necessarily those of Strategic Advisors.

The material is distributed solely for informational purposes and is not a solicitation of an offer to buy any security or instrument or to participate in any trading strategy. Any forecasts contained herein are for illustrative purposes only and are not to be relied upon as advice or interpreted as a recommendation.

Securities and investment advisory services are offered through BPU Investment Management, Inc. • 301 Grant Street, Suite 3300  
Pittsburgh PA 15219 • 412-288-9150 • [www.bpuinvestments.com](http://www.bpuinvestments.com) • Member FINRA/SIPC and a registered investment advisor