

Strategic M&A and Financing Outlook



Mid Year 2018 Update



I. Macroeconomic Trends

II. Trends in Strategic M&A

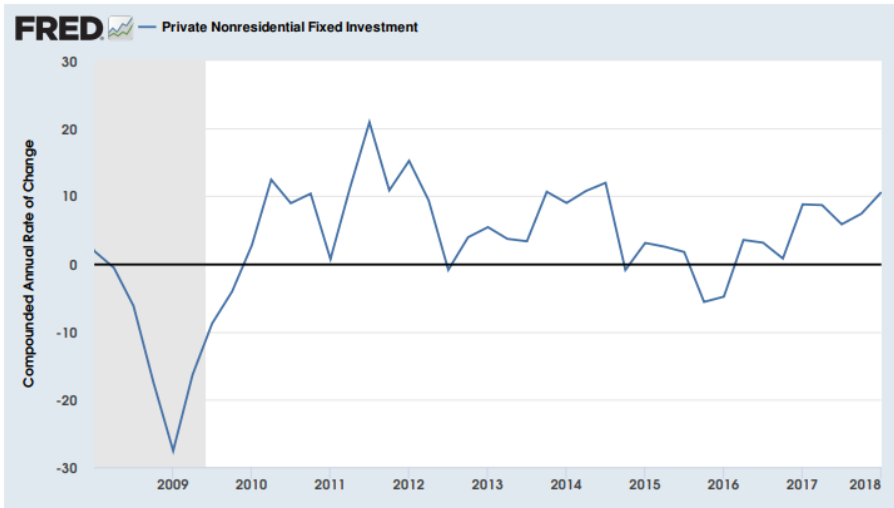
III. Industry Focus – Healthcare

IV. Industry Focus – Industrial

V. About Uplift Partners

The Economy – Big Picture

Private investment has picked up since 2016

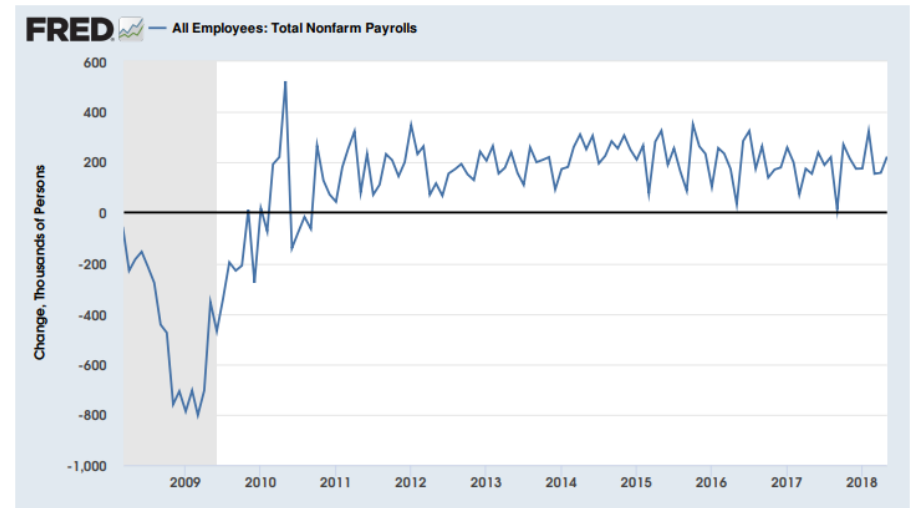


Shaded areas indicate U.S. recessions

Source: U.S. Bureau of Economic Analysis

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... resulting in employment growth

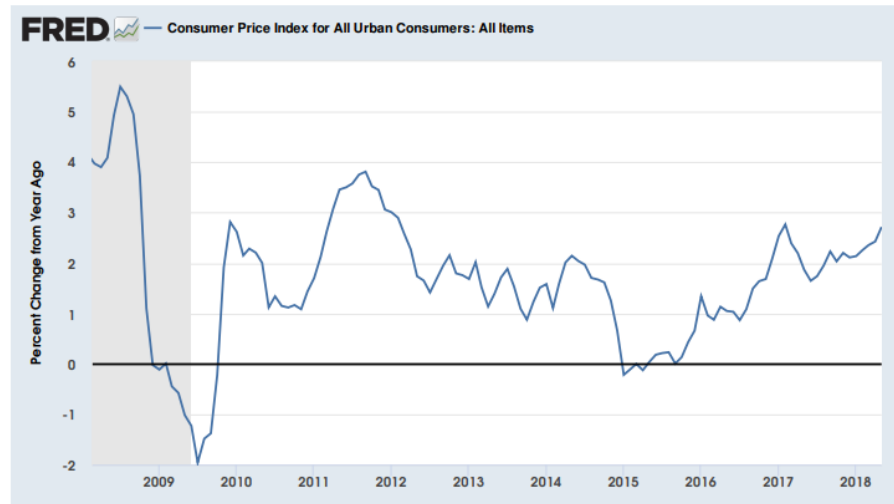


Shaded areas indicate U.S. recessions

Source: U.S. Bureau of Labor Statistics

myfred/g/kd43

... amid steadily rising inflation

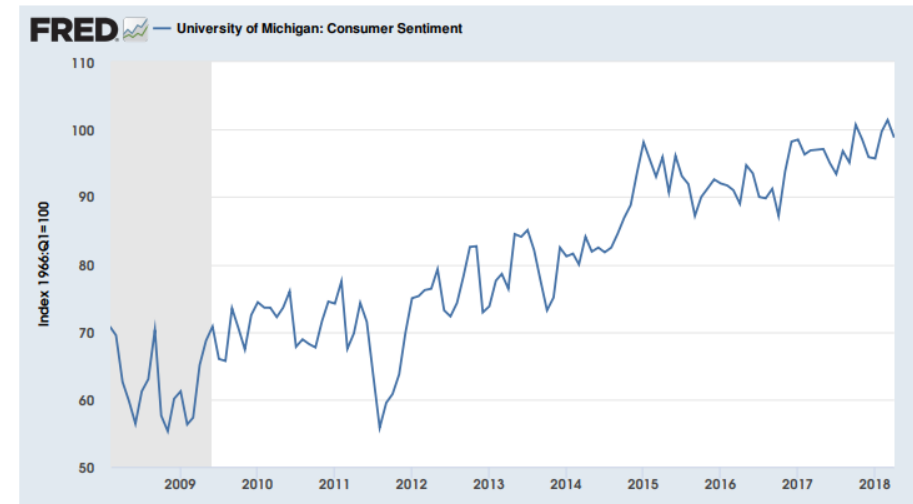


Shaded areas indicate U.S. recessions

Source: U.S. Bureau of Labor Statistics

myfred/g/kd47

... and healthy consumer confidence



Shaded areas indicate U.S. recessions

Source: University of Michigan

myfred/g/kd49

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- The decade after the Great Recession will set itself apart by:
 - Transformational growth in both liquidity, capital and wealth generation
 - Entrepreneurial innovation as reflected in the number of startups and disruption of how we purchase goods and services, get healthcare, engage in business relationships and define value
 - Vertical integration of businesses who want to control the entire supply and distribution chain
 - Bold ventures that change how we think about basic human needs (Amazon, Berkshire and JP Morgan healthcare venture), and ultimately,

- Going forward, what can our clients expect over the next ten years?
 - More aggressive strategic acquisition activity fueled by recent tax legislation change
 - Business owners, tempted with high valuations in the public and private markets, will explore options to maximize value
 - Growth in both number and breadth of alternative equity investors – from traditional private equity to family offices and direct LPs – and how much longer will we see aggressive lending?

Strategic M&A – Trends We Are Seeing

- **Transacting in the Information Age – vast data available at our fingertips**
 - Will continue to increase and shape perceptions – thus, becoming more and more important to manage in M&A processes
 - Strategic M&A is... Obtaining, distilling and delivering the right information to the right decision makers at the right time

- **Defending through M&A**
 - Amazon has disrupted many industries; yet, we see how Home Depot and Staples are defending – by acquiring pure distribution businesses. (Hint: Expect this to continue)

- **Valuation Multiples**
 - Public multiples have expanded by nearly 50% since 2013
 - Private multiples have also expanded similarly – larger deals generally command stronger multiples

- **Robust Liquidity on Sidelines**
 - We are seeing continued aggressive lending which is fueling private equity
 - Large public companies have hoarded extensive amount of cash – with elevated valuation levels, highly accretive to be acquisitive

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Select Transactions in Healthcare

(\$ in millions, except where noted)

Announced / Rumored Date	Acquiror	Target	Category	Enterprise Value (EV)	EV / Trailing	
					Revenue	EBITDA
Jun-18	Stryker	Boston Scientific	Medtech	\$50,487	5.4x	19.8x
Jun-18	KKR (PE)	Envision Health	Physician Staffing	\$10,079	1.4x	12.6x
May-18	Elliott Management (PE)	athenahealth	Healthcare Technology	\$6,880	5.4x	32.2x
Apr-18	Takeda	Shire	Pharma	\$58,467	5.3x	12.6x

- CEO confidence is strong as strategic buyers continue to take advantage of low cost of capital and ability to grow via M&A:
 - “Bigger is better” (Takeda/Shire, Stryker/Boston Scientific (rumored))
- Private equity participants focus on undervalued and “healthcare-lite” assets i.e., companies not driven by or dependent on reimbursement or regulatory concerns:
 - Undervaluation in public markets and consolidation (Elliott/athenahealth)
 - Take private companies that engineer shift towards ambulatory vs. costlier inpatient care (KKR/Envision)

Where opportunities are:

- Financings – medtech – few buyers (Medtronic, Stryker, Boston Scientific) – need to prove scale before exit event
- M&A – healthcare technology – multiple buyers – traditional tech, pharma and healthcare IT
 - Drive to automate healthcare and generate analytical insights
 - M&A opportunities for companies that accumulate data and function in an industry ripe for consolidation (EMR)
- M&A – healthcare services – similar to healthcare IT – multiple buyers and consolidation themes – focus on companies that help take costs out of system (prevention, physical therapy, underserved areas)

Developments to Watch

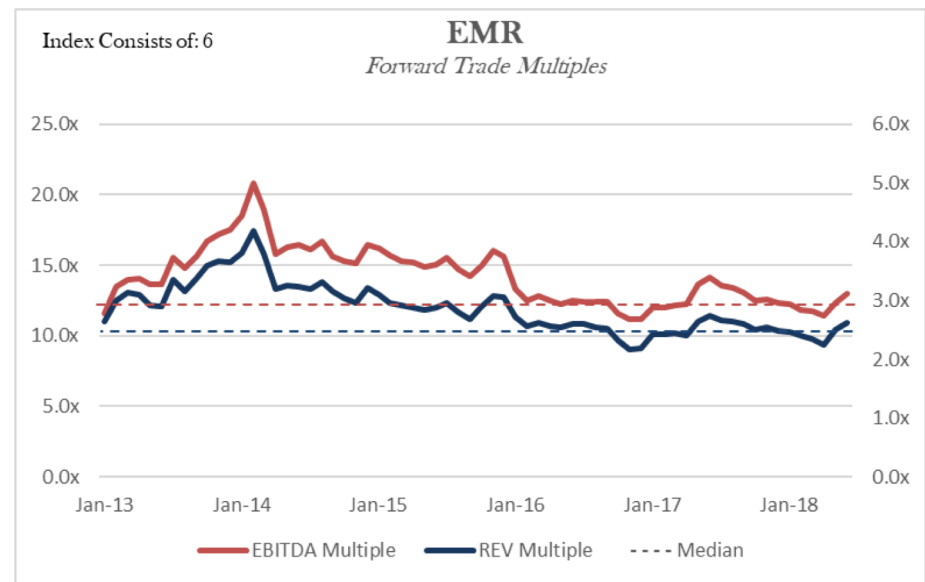
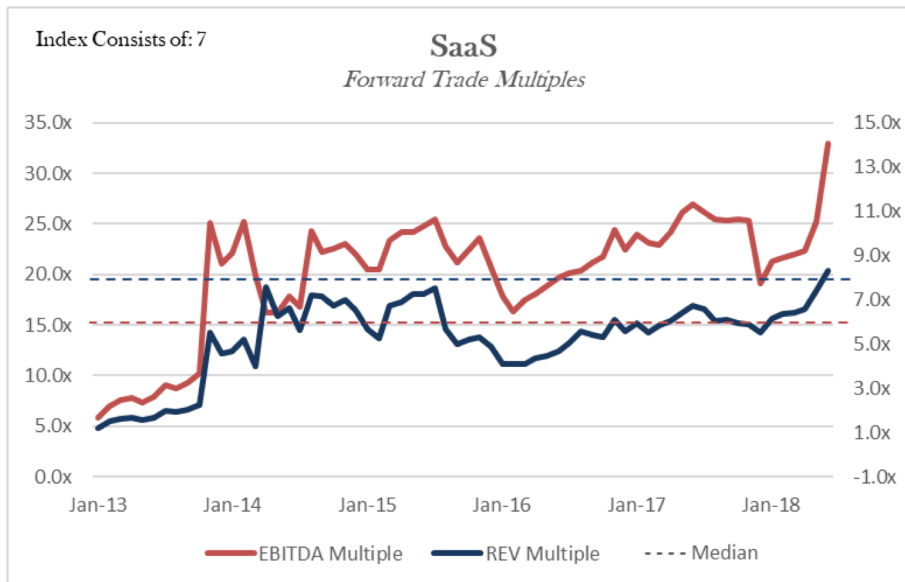
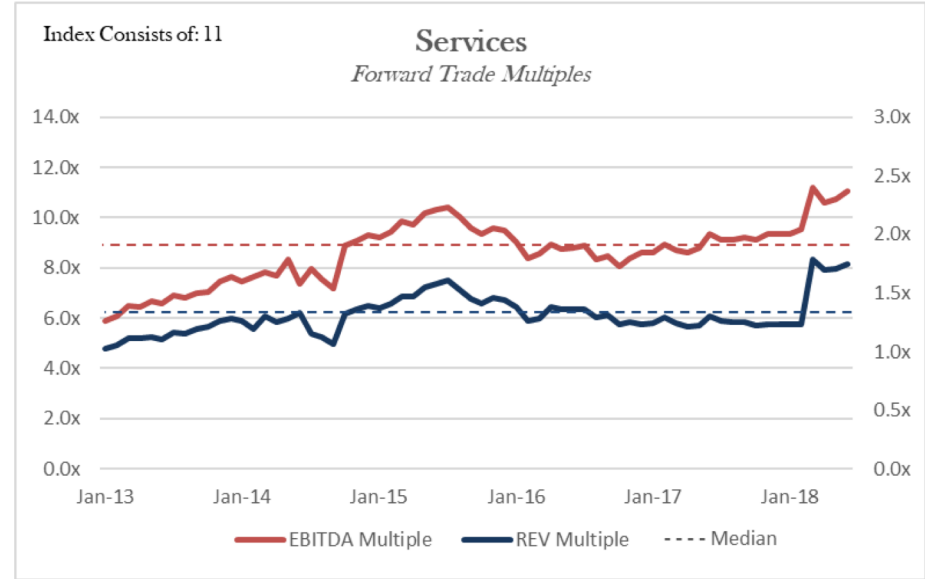
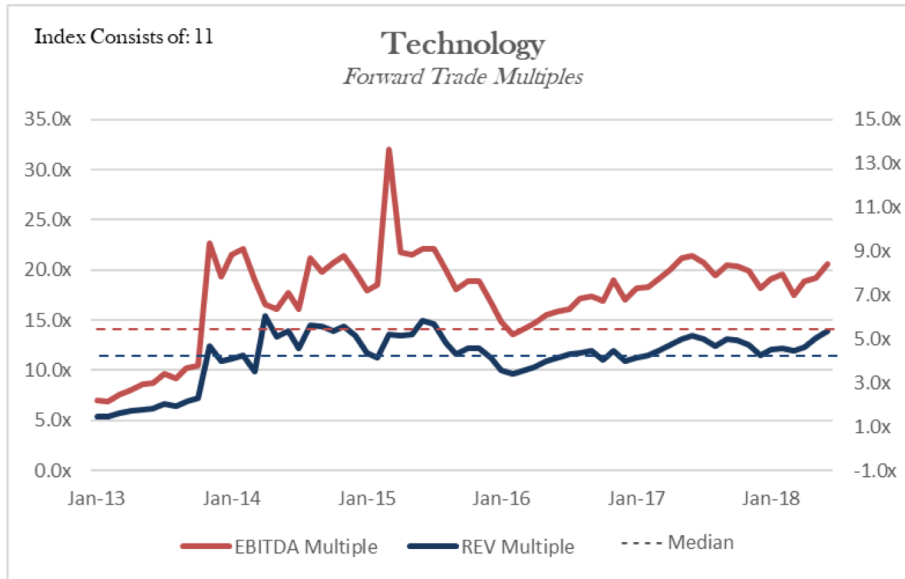
“ In the American health-care system ... different people get astonishingly different deals. That disparity is having a corrosive effect on how we view our country, our government, and one another.”

Dr. Atul Gawande, current CEO of Amazon, Berkshire and JP Morgan Healthcare Ventures (ABJ) in New Yorker, October 2 2017 Issue

- In June, Dr. Atul Gawande, surgeon at Brigham Young and best-selling author, was appointed as CEO of ABJ Ventures with headquarters in Boston
- While details are scarce, Dr. Gawande’s background is helpful:
 - He is an accomplished surgeon and writer, but has not invented a revolutionary pill or managed a company as a CEO...
 - Instead, he designed a checklist for surgeons that improved outcomes, advocated empathy for patients when medicine can no longer save you and focused on healthcare costs – his book titles are telling: "Complications," "Better," "The Checklist Manifesto" and "Being Mortal: Medicine and What Matters in the End."
- While his likely first steps are to find a name for new organization and meet his new patients (1 million+ employees of three companies), his first public speaking since this nomination focused on:
 - High administration costs and a lot of "middle men", pricing and mis-utilization
- Dr. Gawande’s long term objective may be a system where:
 - Everyone pays in and gets the same deal
 - Costs are the same, no matter where healthcare is delivered and, effectiveness of outcomes does not vary by geography and institution
- It’s a tall order, but he’s got the dream team of investors to back him

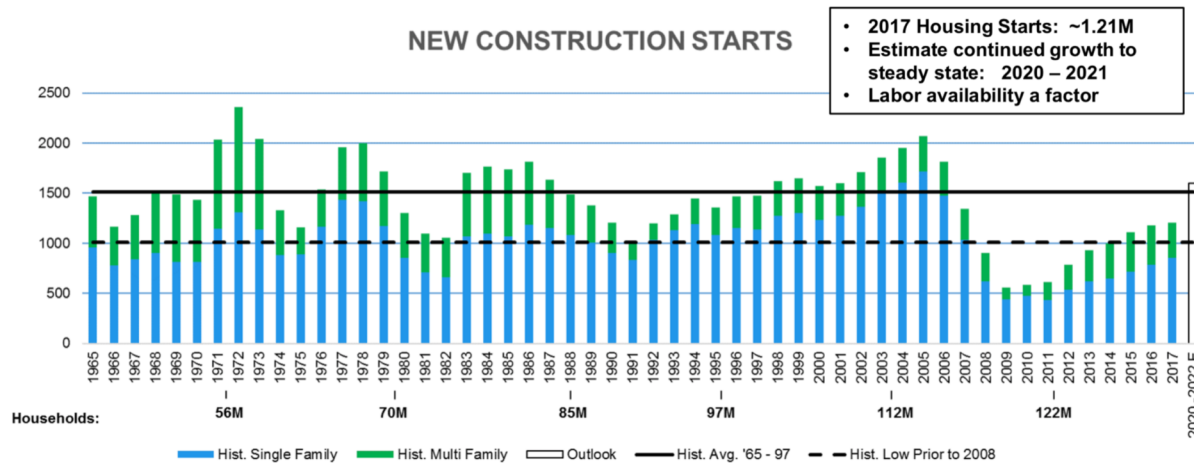
Healthcare Valuation Trends

Healthcare sub sectors are trading above 5-year averages

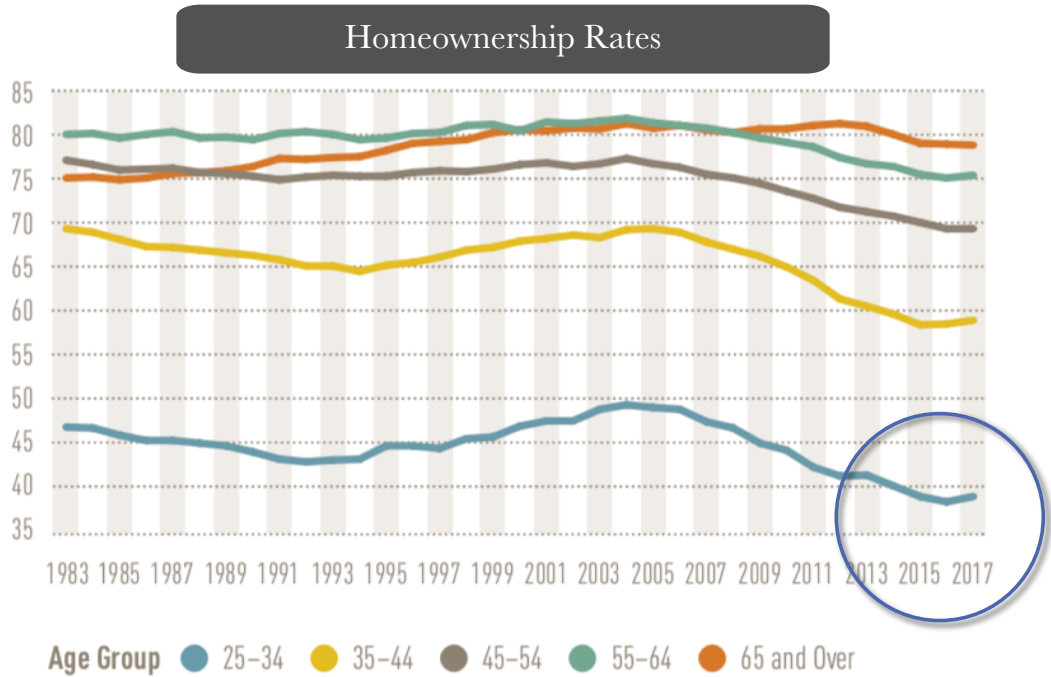


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Fundamentals Shaping Building Growth



Household Formations
Steady – Driving
Construction Spending

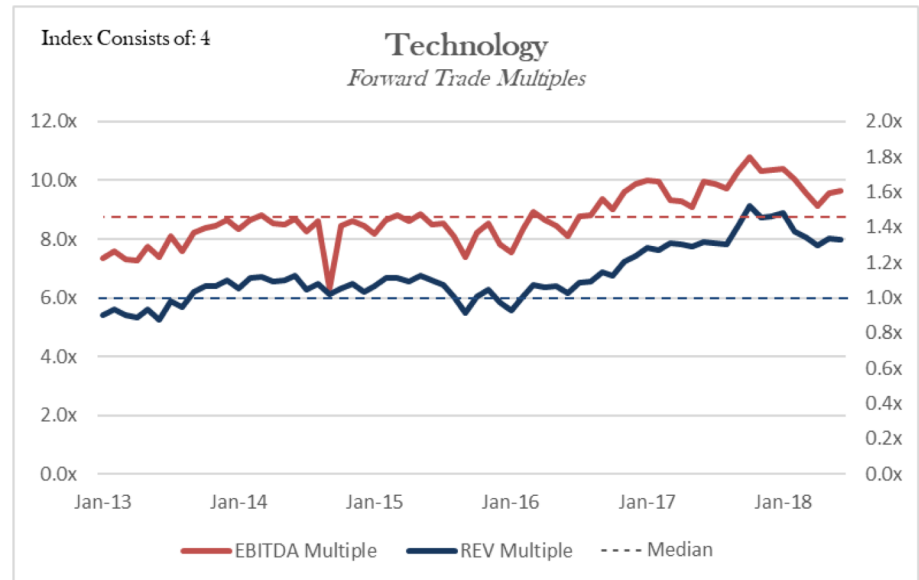
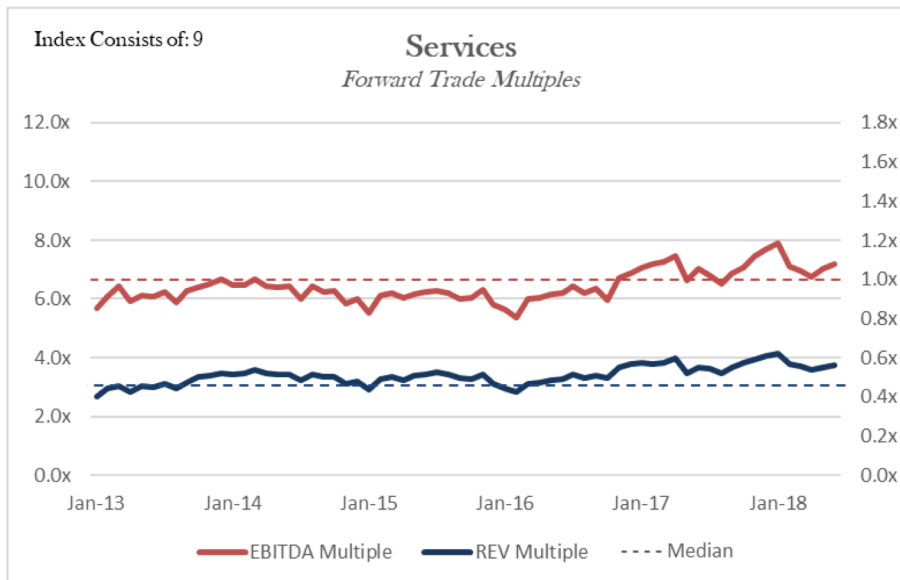
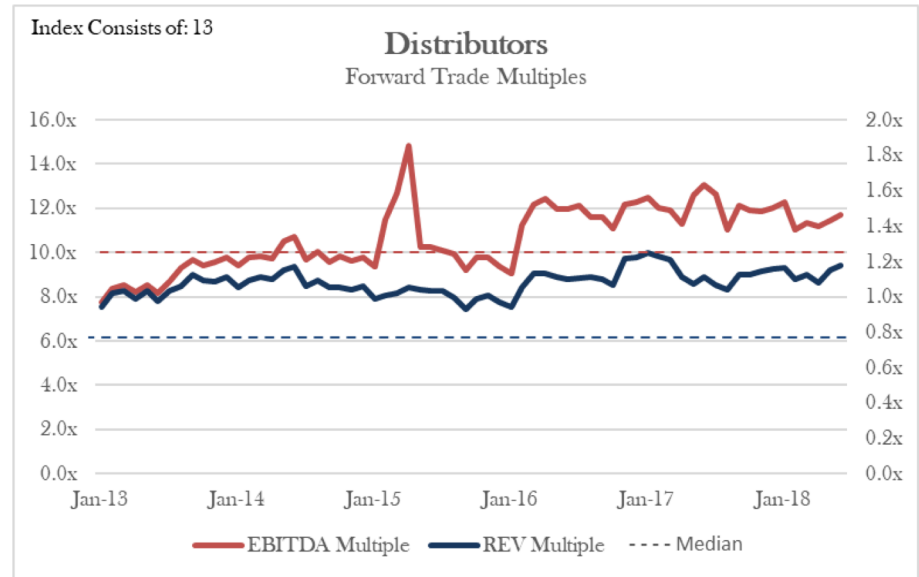
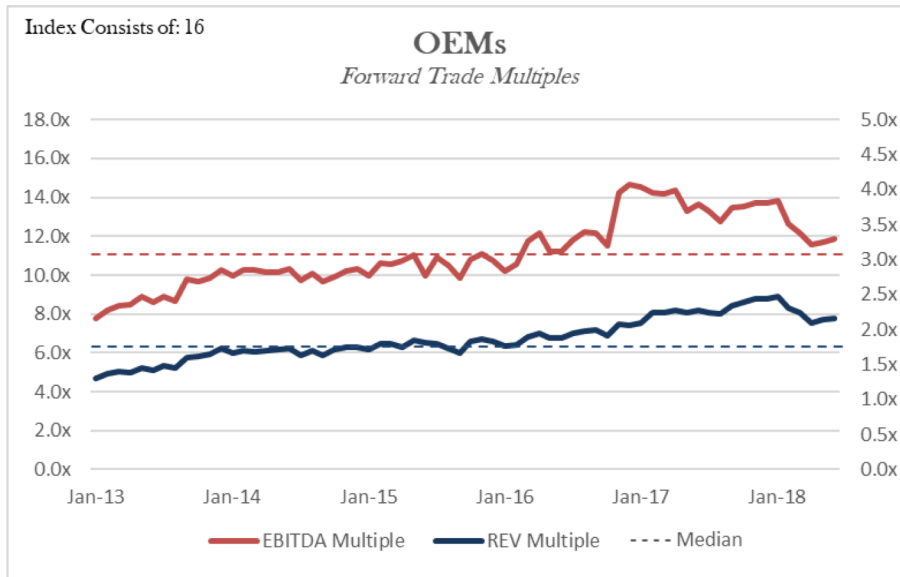


Millennials FINALLY
Moving Out of the Basement
and BUYING Homes!

Source: JCHS tabulations of US Census Bureau, Housing Vacancy Surveys.

Industrial Valuation Trends

Industrial sub sectors are trading above 5-year averages



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Introduction to Uplift

Boutique investment bank founded in
late 2015

Bulge bracket experience on a client-
centric M&A platform

Specialize in industry-focused,
strategic transactions

Senior execution on every assignment

Six strategic M&A transactions closed
since Jan 2017

We Have One Goal in Mind: Achieve the Best Outcome for our Clients

Our Value Proposition

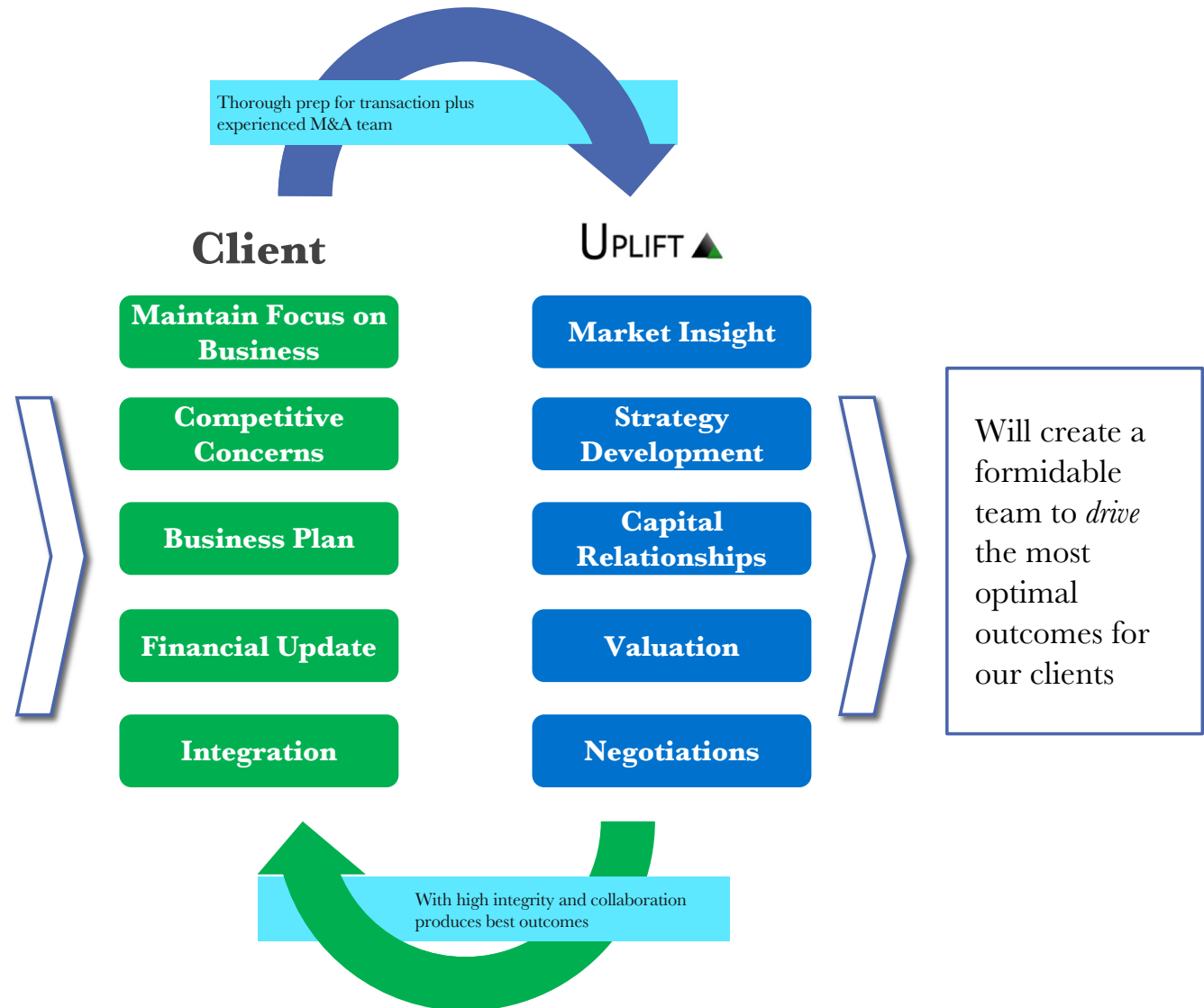
Transaction Strategy – Senior Team Approach

Targeting and Achieving the Best Outcome

With our **senior level commitment** to an M&A mandate, we enhance the authenticity of a transaction process.

We also bring our **deep experience** executing strategic transactions for clients.

We are hands-on from kick-off to marketing to closing. This ensures no detail is too small and every phase of the process is managed with expertise.



Our Services

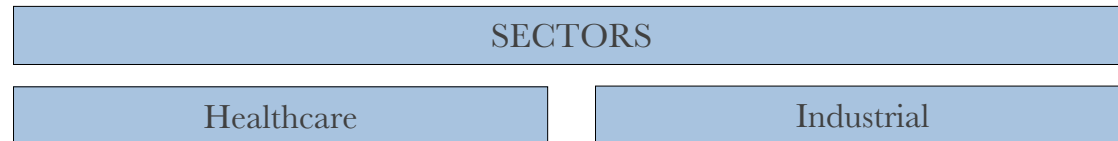
We Execute Sell-Side, Buy-Side and Capital Raise Assignments For Our Clients



The M&A market has evolved dramatically over the past decade. What hasn't changed, however, is the importance of having a trusted financial partner - one with the experience, expertise and utmost integrity - to deliver the best transaction outcome for clients.

Our Coverage

We have deep experience in Healthcare and Industrials, and cover a broad spectrum of sub sectors in each



Sub Sectors

Technology
Services
EMR
SaaS

OEMs
Distributors
Services
Technology

Clients Served



Our Deal Team

Team Background and Overview



Quinn Carlson

Managing Director

- Bulge bracket experience at Deutsche Bank
- MBA, University of Chicago
- BS, University of Illinois
- Prior Experience at Ernst & Young and Duff & Phelps



Victor Culiuc

Managing Director

- Bulge bracket experience at Credit Suisse
- MBA, University of Chicago
- MA, University of Denver
- Prior Experience at Healthios and the IMF



Aymsley Upp

Director

- Has run and sold family business; specializes in family-owned M&A
- BA, Georgetown



Phil Ramsbottom

VP

- Specializes in due diligence and private equity
- BA, Beloit College

Our team blends extensive M&A experience with a shared goal of reaching the best outcomes for our clients. We seek to be the trusted financial partner for those pursuing strategic acquisitions, recapitalizations and sale transactions.



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