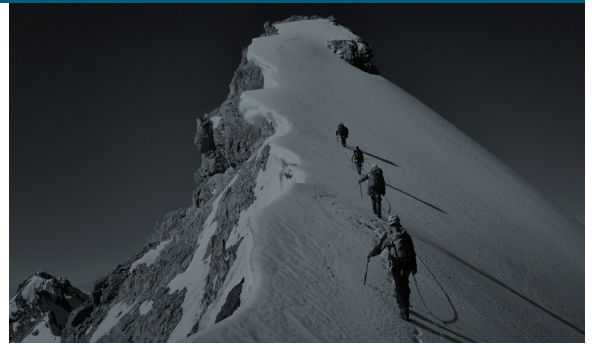


DEALS WEST

WESTERN CANADA'S CORPORATE TRANSACTION QUARTERLY



Middle Market Activity Remains Robust

MID-MARKET TRANSACTIONS IN NORTH AMERICA

The number of North American middle market M&A deals in Q3 2015 increased by 4%, compared to Q3 2014. The average transaction value over the same period stayed constant at \$112 million.

On a quarter over quarter basis, the number of transactions in Q3 2015 was up 9% from Q2 2015.

Overall, on a rolling twelve months basis M&A activity in the North American middle market continues on an upward trend driven by low interest rates and private equity activity.

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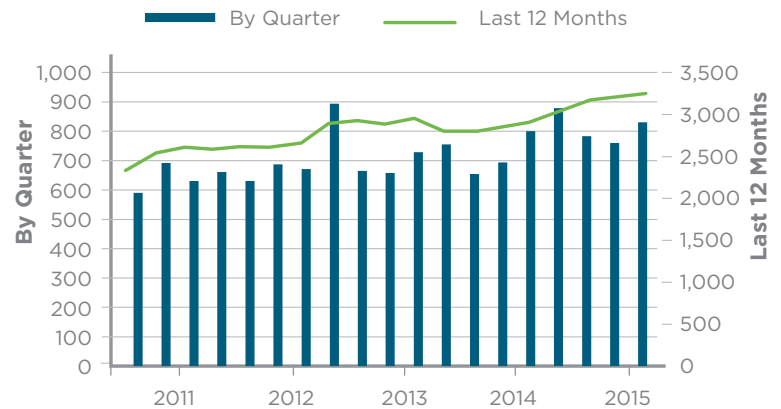
Q3 Mergers & Acquisitions Review

Strong M&A Activity for Aviation Sector

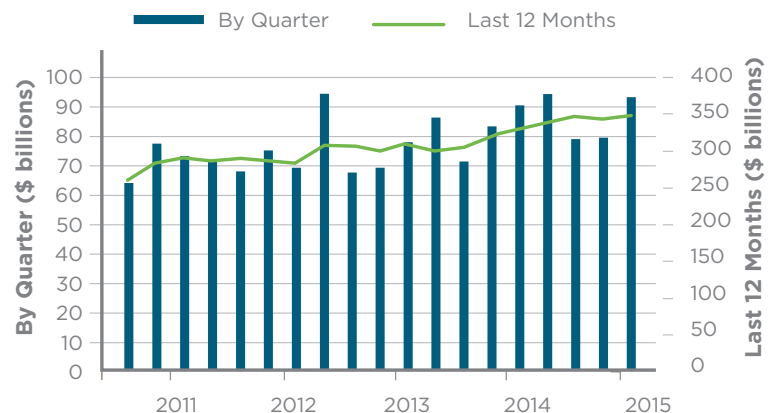
Recap of a Busy Summer

MID-MARKET ACQUISITIONS IN NORTH AMERICA (\$25 million - \$500 million)

Number of Transactions



Value of Transactions



Mergers & Acquisitions Review (continued)

MID-MARKET ACQUISITIONS IN CANADA (\$25 million - \$500 million)

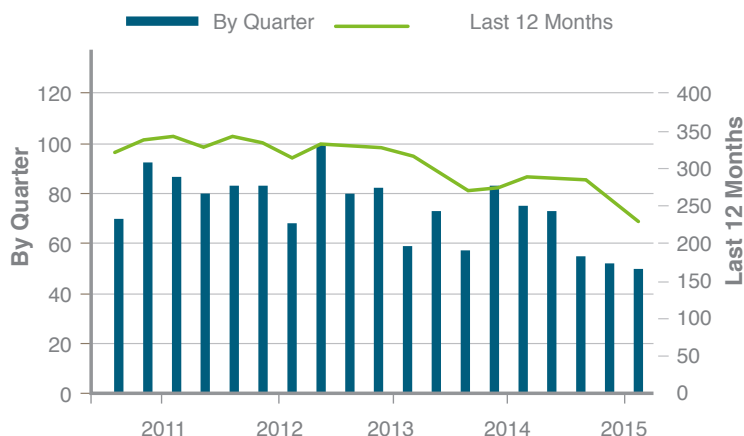
MID-MARKET TRANSACTIONS IN CANADA

Mid-market deal volume in Canada decreased by 33% in Q3 2015 vs Q3 2014. A decrease in deal activity in the mining and energy sectors accounted for the majority of the decline.

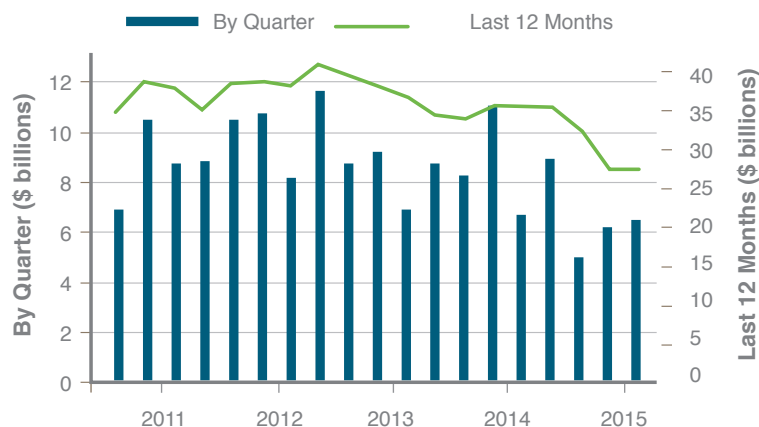
The number of transactions in Q3 2015 remained flat compared to Q2 2015 while the average value of deals increased 9%.

By industry, energy and financials were the only sectors that decreased in Q3 2015 compared to Q3 2014. Industries with the largest increase in deal activity were consumer products and services, hospitality and transportation, industrials and materials, and real estate.

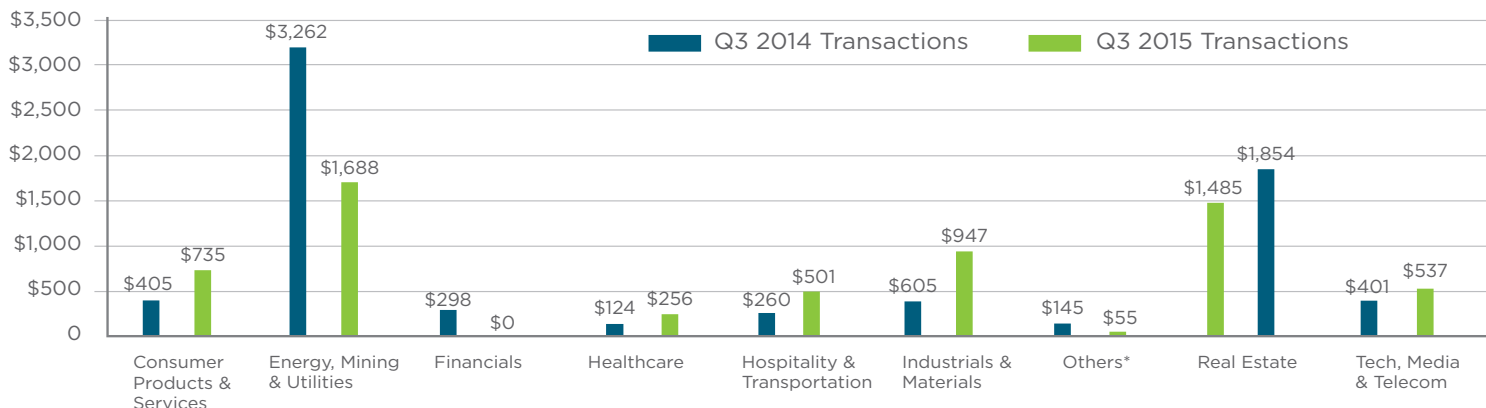
Number of Transactions



Value of Transactions



Q3 2015 vs. Q3 2014 Middle Market Transactions Value (\$millions)



* Others category includes a deal in the Forestry and Paper Products industry

Mergers & Acquisitions Review (continued)

MID-MARKET TRANSACTIONS IN WESTERN CANADA

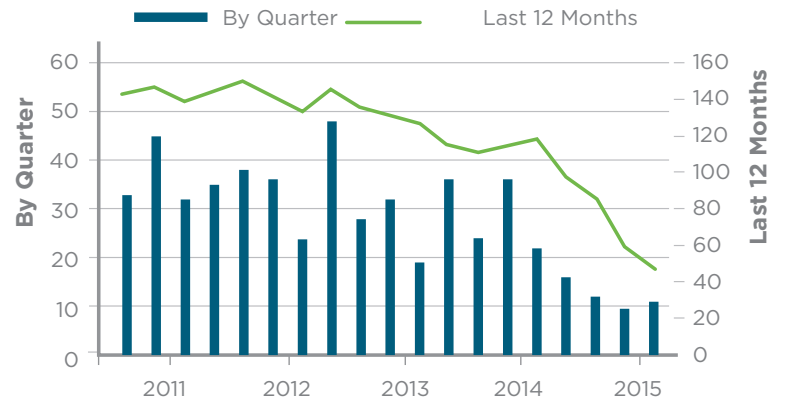
The number of Western Canadian mid-market M&A transactions decreased by 30% in Q3 2015 compared to Q3 2014, primarily driven by a reduction in oil and gas sector transactions.

On a quarter over quarter basis, deal activity in Q3 2015 increased by 22%

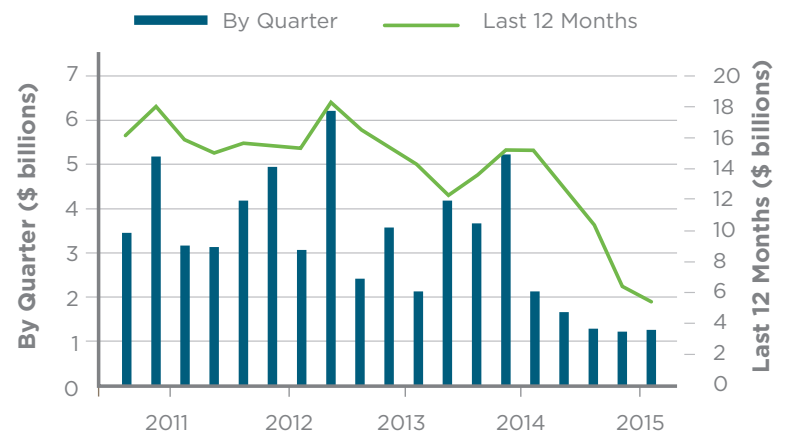
The top ten M&A deals in Canada in Q3 2015 were across a wider range of industries compared to prior quarters. Again, this change is primarily due to a drop in large energy and mining deals, as only one deal in this quarter's top ten deals is from these sectors. Deals of particular interest in British Columbia were the acquisitions of Amica Mature Lifestyles by Toronto's Bay Bridge Seniors Housing and Plenty Of Fish Media by Match.com.

MID-MARKET ACQUISITIONS IN WESTERN CANADA (\$25 million - \$500 million)

Number of Transactions



Value of Transactions



Top 10 Canadian Deals in Q2 2015

Date	Industry	Target	Buyer	Value (\$mm)
Jul 15	Consumer Products	Shred-it International Inc.	Stericycle	\$4,235
Sep 02	Healthcare	Amica Mature Lifestyles	BayBridge Seniors Housing	\$1,114
Sep 24	Real Estate	22 Canadian Properties	Riocan REIT	\$954
Aug 10	Real Estate	True North Apartment REIT	Northern Property REIT	\$946
Aug 10	Industrials & Materials	Stackpole International	Johnson Electric International	\$867
Jul 30	Energy, Mining & Utilities	Romarco Minerals	OceanaGold	\$860
Jul 14	Tech, Media & Telecom	Plenty Of Fish Media	Match.com	\$733
Jul 27	Industrials & Materials	Noranco	Precision Castparts	\$730
Aug 10	Real Estate	Portfolio of Suites in E. Canada	Northern Property REIT	\$535
Sep 21	Real Estate	Portfolio of Suites in Montreal	CAPREIT	\$491

Despite the recent decline in deal activity in Western Canada, Capital West remains very active and closed four deals this quarter.

Strong M&A Activity in Aviation Sector



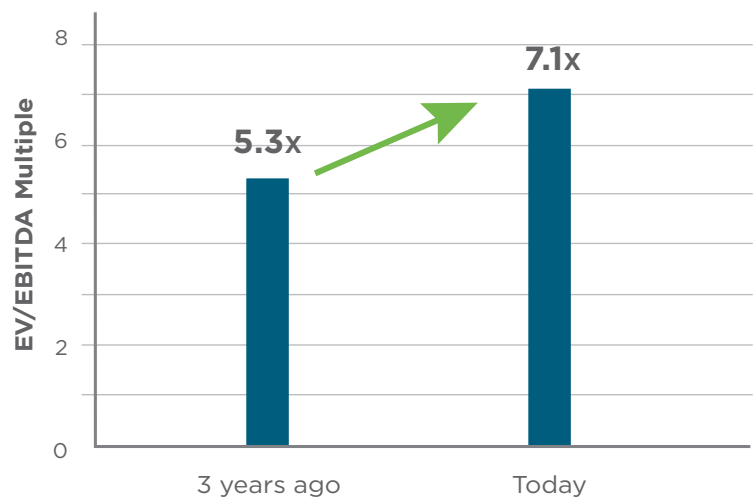
Acquisition activity in the mid-market in Western Canada has been strong across many sectors, and one of those sectors is aviation. This includes regional airlines as well as companies that provide services to such businesses.

Aviation businesses have a number of attractive features that are catching the attention of domestic and international buyers alike, including:

- Represent a key component of transportation infrastructure
- Often have a recurring revenue stream under long term contracts
- Strong barriers to entry due to:
 - (1) capital costs of aircraft,
 - (2) importance of long-term safety record, and
 - (3) regulatory requirements.
- The sub-sectors of the aviation industry are often fragmented with substantial opportunities for consolidation through add-on acquisitions

The growing attractiveness of the sector is reflected in the public market valuations of mid-sized publicly traded aviation companies. The average EV/EBITDA multiple has increased from 5.3x to 7.1x over the past three years.

PUBLIC AVIATION COMPANIES'¹ AVERAGE EV/EBITDA MULTIPLE



¹ Includes Cargojet, Chorus Aviation, Discovery Air, Exchange Income Corp, HNZ Group and Air Methods.

Recent transaction examples involving Canadian-based businesses in the sector include:

Harbour Air/Zongshen - Harbour Air, the world's largest seaplane company, sold a 49% economic interest to Zongshen, a China-based industrial group. Harbour Air is a core component of the BC transportation infrastructure, with an average of 200 daily flights from Vancouver to Victoria,

Strong M&A Activity in Aviation Sector (continued)

Nanaimo and many other BC coastal destinations. Zongshen was attracted to Harbour Air due to the strength of its business in BC as well as the expertise Harbour Air's team could provide to Zongshen as it pursues a similar strategy to operate a seaplane business in China.

Avmax/Sunward - Avmax, based in Calgary, is a global provider of aviation services including avionics, component repairs, aircraft leasing and engineering services. Avmax was acquired by China based construction equipment maker Sunward Intelligent Equipment. Sunward had made smaller investments in the aviation sector in China and was looking to add more expertise and a broader range of services in the sector.

Voyageur/Chorus - Voyageur Airways, an Ontario-based provider of contract flying operations and engineering and maintenance services, was acquired by Chorus Aviation (the parent company of Jazz Aviation). Chorus viewed Voyageur as a strategic fit to its existing contract flying operations and also saw an opportunity to utilize Voyageur's fleet as Chorus looks to replace its aging fleet.

In two of the three examples above, the acquirer was headquartered outside of Canada. There are strict regulations in Canada's aviation sector regarding foreign ownership and therefore deals need to be carefully structured.

We expect the trend of M&A for aviation businesses in Canada to continue, as domestic and foreign buyers are drawn to the attractive investment features of well run, profitable aviation businesses.

Recap of a Busy Summer



sale of a 49% interest and entered into a strategic partnership with Zongshen

- Harbour Air is the world's largest seaplane airline
- The scheduled airline transports more than 420,000 passengers annually
- Zongshen is a leading motorcycle and engine manufacturer in China
- As part of the transaction, Harbour Air will provide its expertise to assist Zongshen establishing seaplane commuter service to major cities throughout China
- Capital West Partners acted as exclusive financial advisor to Harbour Air on the transaction



sale of its assets to Harley-Davidson

- Deeley Harley-Davidson Canada was the exclusive distributor of Harley-Davidson products to independently owned dealers in Canada since 1973
- Harley-Davidson, a NYSE listed Fortune 500 company is a global provider of motorcycles and related parts and accessories
- As part of its global strategy, Harley-Davidson has been transitioning from independent regional distributors to direct distribution of its products to its dealers
- Capital West Partners acted as exclusive financial advisor to Deeley Harley-Davidson Canada on the transaction



sale to Blue Point Capital Partners

- Russell Food Equipment is a value added distributor, manufacturer and service provider of food service equipment and supplies across Canada
- Blue Point Capital is a US based private equity firm managing over \$800 million in committed capital
- Blue Point saw the opportunity to use Russell as a platform to consolidate a highly fragmented industry
- Capital West Partners acted as exclusive financial advisor to Russell Food Equipment on the transaction

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