

2017

YEAR IN REVIEW
Middle Market Advisory Update

LAZARD

Dear Friends,

As we look back on 2017, we express our appreciation to our clients for the opportunity to be your trusted advisor. We are proud of what we have accomplished together and treasure these relationships.

A RECORD YEAR

Lazard's middle market advisory practice celebrated an outstanding record year in 2017. The firm completed 224 middle market¹ transactions worldwide, of which 105 had at least one counter-party in North America. These global middle market transactions had an aggregate value of more than \$51 billion in disclosed value.

TRANSACTION MIX

Mergers and acquisitions comprised 174 of our middle market transactions, including 120 sell-side, 49 buy-side, and 5 strategic advisory assignments. Corporate finance advisory completed 39 transactions, representing a growing segment of our middle market practice. Our restructuring team was involved in 11 assignments.

CROSS-BORDER POWERHOUSE

Lazard's global presence is unmatched. With 43 offices in 27 countries, we access corporate decision makers directly through Lazard's global team. In 2017, 46 percent of our global sell-side transactions were cross-border and 24 percent of our clients located in North America were sold to foreign buyers.

DEEP SECTOR EXPERTISE COMBINED WITH TAILORED SOLUTIONS

Our teams bring extraordinary domain knowledge, and our differentiated access to buyer executives delivers insight into their growth strategies. We believe in highly-customized transactions that fit client circumstances and goals, instead of rigid M&A auctions.

CORPORATE FINANCE ADVISORY

Our growing corporate finance team, led by Michael Schwartz, advises on debt and equity placements to finance acquisitions, dividend recaps, debt maturities, and improved capital structure. We maintain independence by not using our own balance sheet, and we use a competitive process to find the best combination of leverage, rates, and terms to solve specific client needs.

RESTRUCTURING

Our well-known middle market restructuring team, led by Jason Cohen and Andrew Torgove, helps companies negotiate amendments and reduce leverage through negotiation or bond exchange offers, in order to avoid bankruptcy and minimize equity loss. While bankruptcy is a last resort, we manage the process to minimize loss of corporate value and to reduce business disruption as the capital structure is realigned.

PROMOTIONS

We are pleased to announce the following promotions, reflecting our commitment to developing exceptional professionals:

- Andrew Torgove, Head of our Restructuring Group in New York since 2007, was promoted to Chief Operating Officer of Lazard Middle Market and will remain Co-Head of Restructuring and an active dealmaker.
- Jason Cohen, Managing Director in our Restructuring Group in New York since 2013, was promoted to Co-Head of the group.
- Dermott O'Flanagan was promoted to Managing Director in our Restructuring Group in New York.
- Stephen Golmont was promoted to Vice President in our Restructuring Group in New York.

Best wishes to you for a successful 2018. We look forward to working with you this year.

Sincerely,



“Advice is not one-size fits-all; we combine sector insight, judgment and global relationships to provide ideas and solutions tailored to our clients’ needs.”

DAVID J. SOLOMON
CEO, Lazard Middle Market

2017 Highlights

Lazard's middle market advisory practice is tailored to serving the unique needs of mid-sized companies, while delivering the sophisticated services, global perspective, and broad resources of Lazard.

Lazard completed
224 | **105**
 Worldwide | North American
 transactions in the middle market¹

\$51 billion
 disclosed value globally

Global Expertise

Leading Middle Market Advisor

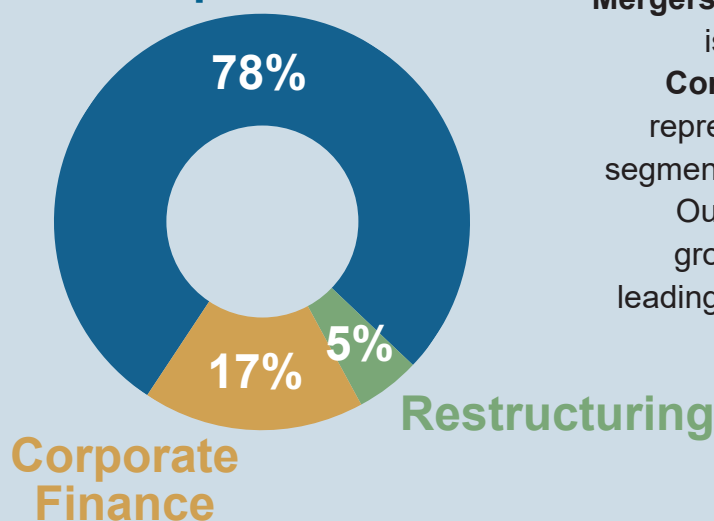
Lazard is consistently ranked one of the top advisors for deals under \$1 billion in value based on number of transactions



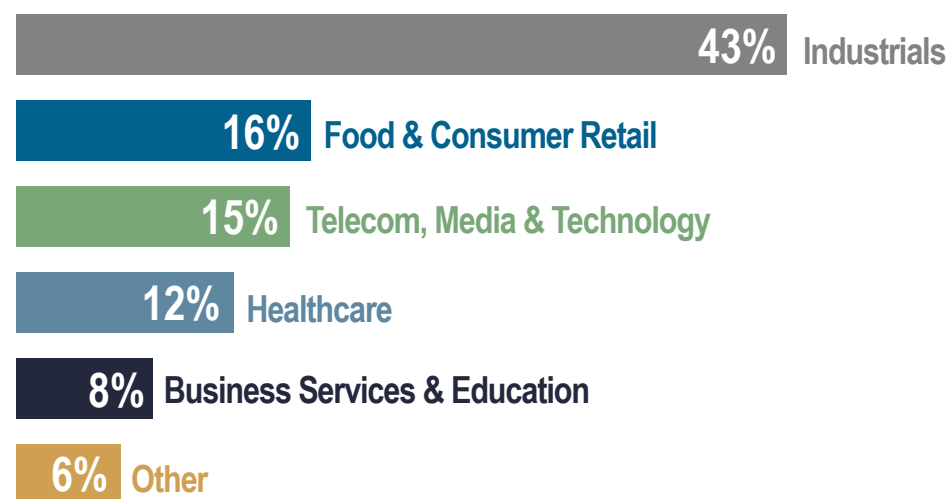
2017
 Middle Market
 Global Ranking

Mergers & Acquisitions

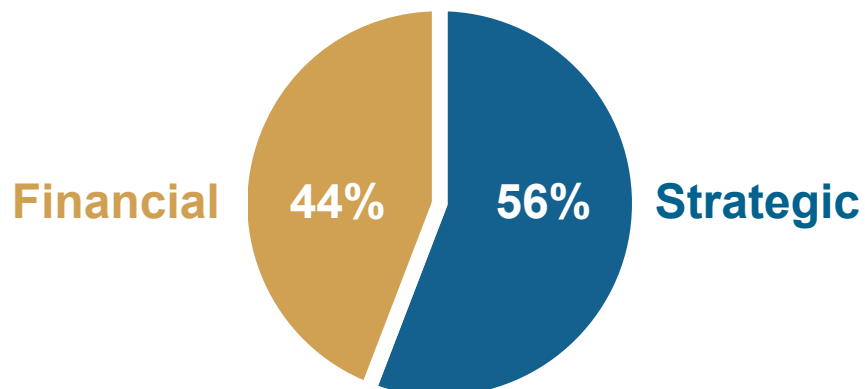
Mergers & Acquisitions is our core focus. **Corporate Finance** represents a growing segment of our practice. Our **Restructuring** group brings world-leading expertise to the middle market.



Middle Market Deals by Sector



A higher percentage of our clients are sold to **strategic** buyers



Buyer Nations



46%
 of All Sell-Sides

Cross-border
 sell-side advisory
 transactions

24%
 of North American
 Sell-Sides

2017 Select Middle Market Transactions

Leading global middle market advisor offering a wide array of financial advisory services to mid-sized clients around the world



174
Mergers & Acquisitions

39
Corporate Finance

11
Restructuring

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Deep Sector Expertise

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Healthcare



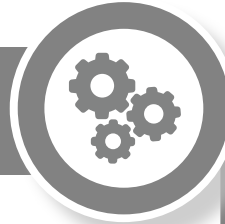
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Our Differentiated Strategy

Deep Sector Expertise

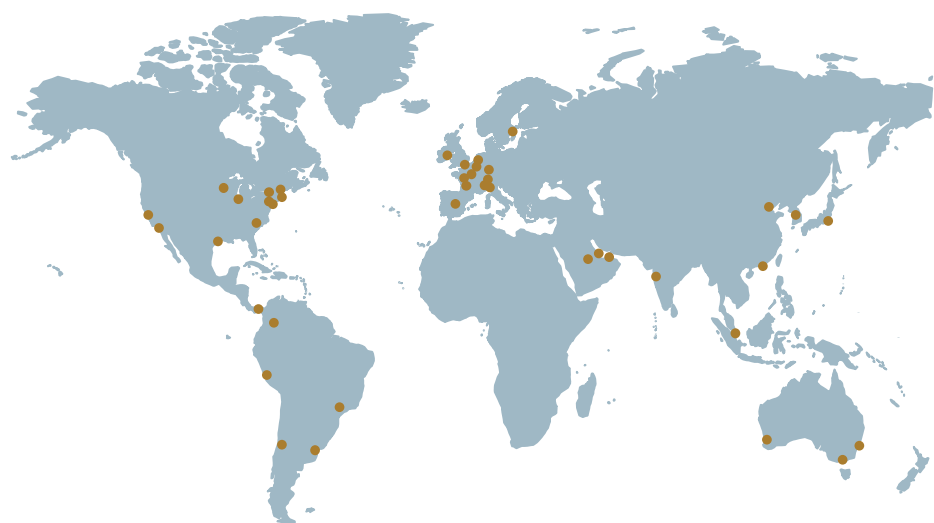
Our senior bankers are national **leaders** in their specific industry segments, bringing **knowledge** of sector dynamics and key participants.

Global Access to Decision Makers

Lazard's long-term **relationships** with CEOs, board members, and sponsors on a **worldwide** basis provide unparalleled buyer access and strategic insight for our middle market clients.

Transaction Craftsmanship, Trusted Advice

Our sophisticated professionals combine the highest level of transaction **leadership** with astute **judgment** to provide customized, analytically-robust solutions.



LAZARD

Global Reach and Strategic Access

43

global offices

27

countries

¹ The middle market is defined as transactions less than \$1 billion.
² Employees of Lazard Frères & Co. (United States), Lazard & Co., Limited (United Kingdom), Lazard Asesores Financieros S.A. (Spain), Lazard S.r.l. (Italy), or Lazard Frères SAS (France). Other bankers named are employees of Lazard Middle Market LLC. References to "Lazard" include entities named above and other subsidiaries of Lazard Ltd.

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