

Blackhawk Network Holdings, Inc. (NASDAQ: HAWK) has Agreed to be Acquired by Silver Lake and P2 Capital Partners**Deal Value: Approximately \$3.5 Billion****Sandler O'Neill served as financial advisor and provided a fairness opinion to Blackhawk Network Holdings, Inc. in this transaction. This represents Sandler O'Neill's 199th financial services transaction since January 1, 2015, more than any other investment bank during that time.¹**

Pleasanton, California – January 16, 2018 – Blackhawk Network Holdings, Inc. (NASDAQ: HAWK) (“Blackhawk”), a global financial technology company and a leader in prepaid gift, reward and incentive technologies and solutions, today announced that Silver Lake, the global leader in technology investing, and P2 Capital Partners have agreed to acquire Blackhawk in an all-cash transaction for a total consideration of approximately \$3.5 billion, which includes Blackhawk’s debt. Under the terms of the agreement, Blackhawk stockholders will receive \$45.25 per share in cash upon closing of the transaction, representing a premium of 24.0% over Blackhawk’s closing share price of \$36.50 on January 12, 2018 and a premium of 29.3% over the average closing share price during the 90 calendar days ended January 12, 2018.

Blackhawk operates a leading physical and digital gift card and prepaid payments network with global scale, connecting more than 1,000 brands to over 244,000 retail distribution locations and online channels. Upon completion of the transaction Blackhawk will operate as a private company under the leadership of the current management team. Blackhawk’s Board of Directors has unanimously approved the definitive merger agreement and recommends that stockholders vote in favor of the transaction. The definitive agreement has fully committed debt and equity financing, including an approximately \$1.7 billion equity commitment from Silver Lake. P2 Capital Partners, which beneficially owns approximately 5.4% of Blackhawk’s outstanding common stock, has committed to vote in favor of the proposed transaction.

“After a thorough assessment, the Board has determined that this transaction represents a compelling outcome for our stockholders, customers and employees. It recognizes the value of Blackhawk’s prospects while providing stockholders with an immediate cash value at a substantial premium,” said Bill Tauscher, Executive Chairman of Blackhawk.

“This transaction delivers immediate benefits and significant value to our stockholders,” said Talbott Roche, CEO and President of Blackhawk. “Silver Lake and P2 Capital Partners bring the long-term focus, financial resources and technology expertise that can enable us to accelerate growth initiatives globally and reach the company’s full potential.”

“Blackhawk’s outstanding network of partners and proprietary technology creates a unique franchise in the payments industry with a proven ability to innovate in both the physical and digital segments,” said Mike Bingle, Managing Partner at Silver Lake. “We are excited to work with Blackhawk’s world-class management team and our new partners at P2 Capital Partners to strengthen the company’s position in large and growing parts of the financial technology ecosystem.”

“This transaction represents the best way to maximize value for all stockholders,” said Alex Silver, Partner at P2 Capital Partners. “We have been an investor and supporter of Blackhawk’s strategy and management for several years, and we look forward to working with Silver Lake and Blackhawk management to drive the company’s next stage of growth.”

The transaction, which is expected to close mid-2018, is subject to customary closing conditions, including receipt of stockholder and regulatory approvals. The definitive merger agreement permits Blackhawk’s Board of Directors and its advisors to solicit, receive, evaluate and enter into negotiations with respect to alternative proposals through February 9, 2018. There can be no assurance that this process will result in a superior proposal, and Blackhawk’s Board of Directors does not intend to disclose developments with respect to the solicitation process unless and until the Board makes a determination requiring further disclosure.

*(1) Includes all geographies; Includes minority transactions; Excludes terminated transactions and self-advisory roles
Source: S&P Global Market Intelligence; Company press release*

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