

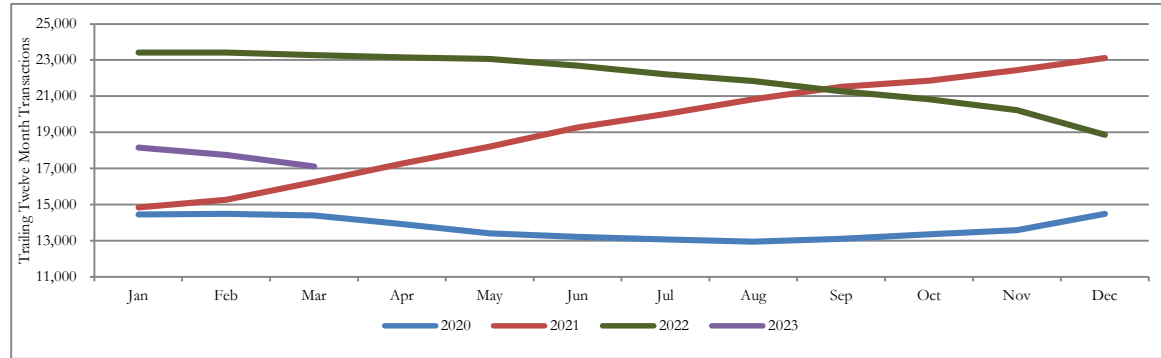
THE MARKET

FOR PRIVATELY HELD COMPANIES

Topics Relevant to Middle Market Mergers & Acquisitions

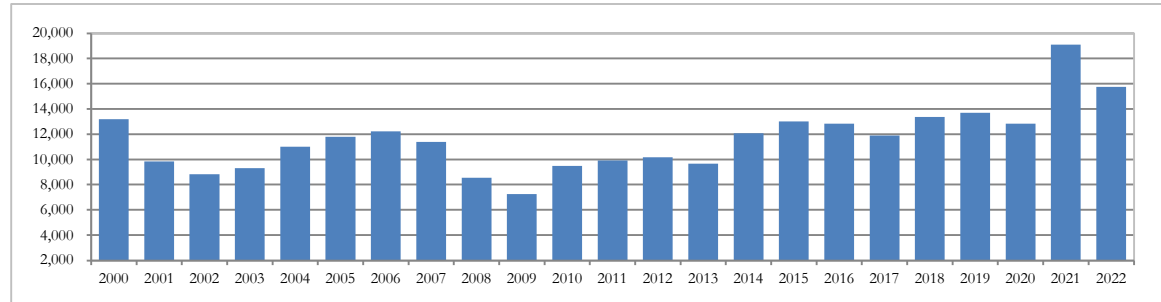
Trailing twelve month transaction activity, while moderating, still exceeds levels observed in 2020.

Chart 1: Trailing Twelve Month (TTM) Total M&A Transaction Volume



Total Announced Transactions, U.S. Buyer or Seller | Source: FactSet Mergerstat

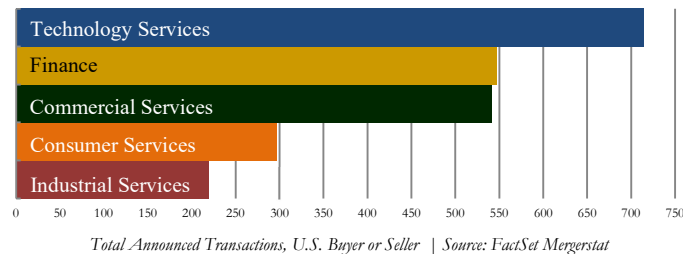
Chart 2: Annual M&A Transaction Volume



Total Announced Transactions, U.S. Buyer or Seller | Source: Mergerstat Review 2023

Which Sectors are Most Active?

The chart to the right reveals the five most active sectors in terms of transactions closed for the three months ended March 31, 2023. In addition to those listed in the chart, the following sectors also exhibited high transaction volume: Distribution Services, Producer Manufacturing, Retail Trade, Health Services, and Health Technology.



Total Announced Transactions, U.S. Buyer or Seller | Source: FactSet Mergerstat

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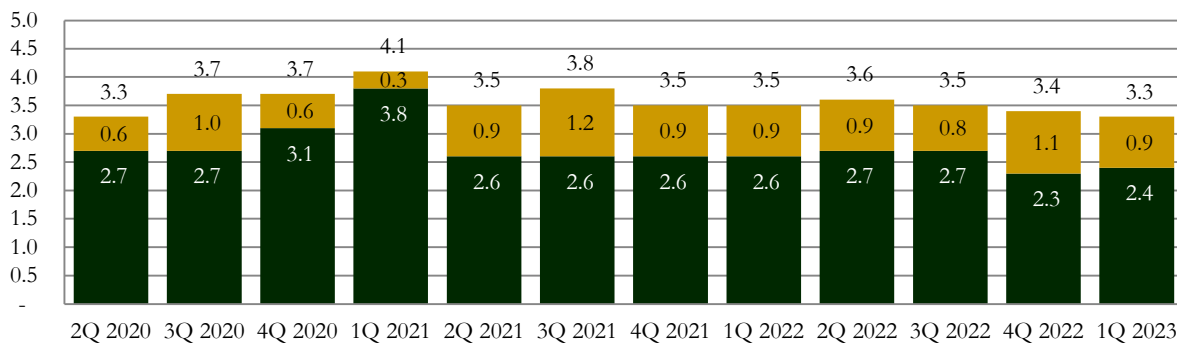
Valuation Multiples TEV / EBITDA Private Equity Sponsored M&A Transactions

TEV (\$Millions)	2003-2018	2019	2020	2021	2022	YTD 2023	Average	Std Dev	N =
10-25	6.0	6.1	5.9	6.1	6.5	6.5	5.9	1.6	1,822
25-50	6.9	7.0	6.7	7.2	7.1	7.7	6.7	1.8	1,425
50-100	8.9	7.5	8.0	8.3	8.5	8.1	7.7	2.0	986
100-250	8.8	9.2	8.7	9.3	9.1	10.0	8.5	2.2	543
Average	7.3	7.1	7.0	7.6	7.6	8.0	6.8	2.0	
N =	3,276	335	341	499	326	70			4,847

Source: GF Data® M&A Report, May 2023. Seller Type: Private | Multiple Range: 3x - 15x | Geography: U.S. or Canadian Buyer

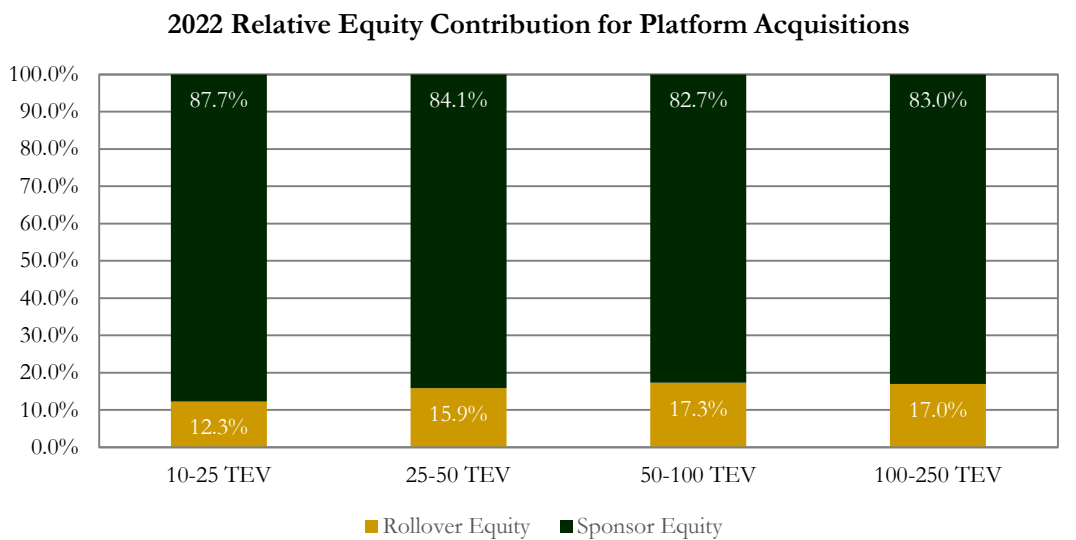
Average Debt Multiples Private Equity Sponsored M&A Transactions

Subordinated Debt
Senior Debt



Source: GF Data® Leverage Report May 2023. Seller Type: Private | Geography: U.S. or Canadian Buyer

2022 Relative Equity Contribution For Platform Acquisitions



Source: GF Data® Leverage Report, May 2023. Seller Type: Private | Geography: U.S. or Canadian Buyer