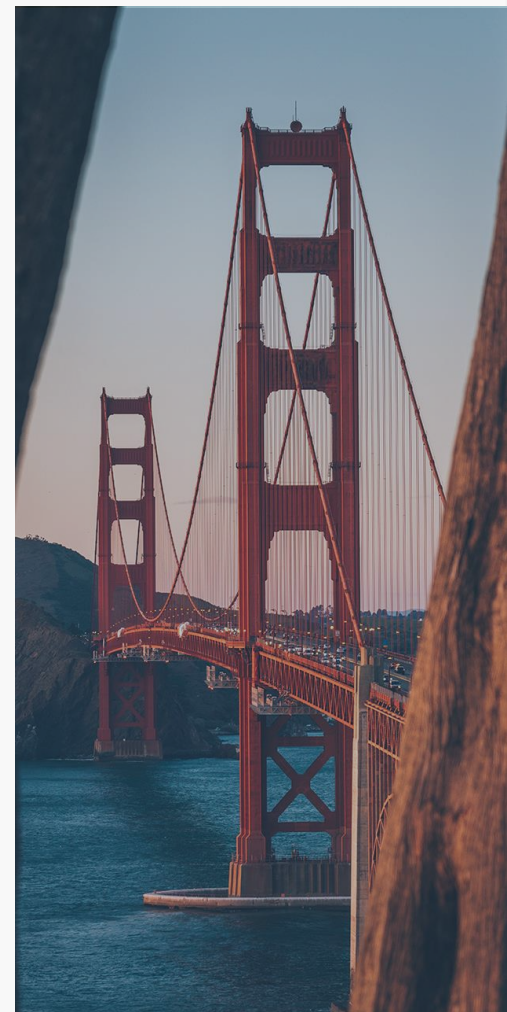
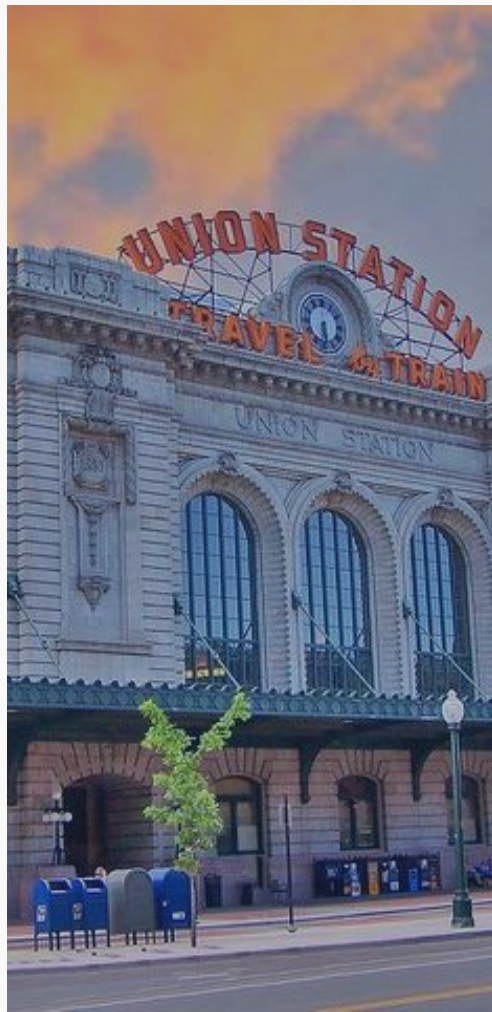


MIDDLE MARKET
M&A UPDATE

Q1 2024



MIDDLE MARKET M&A AND PUBLIC MARKETS

Q1 2024 Highlights and Activity

8.1x

Median M&A Multiple

2,213

of Middle Market
M&A Transactions

42%

of Acquisitions by
Private Equity Buyers

\$956B

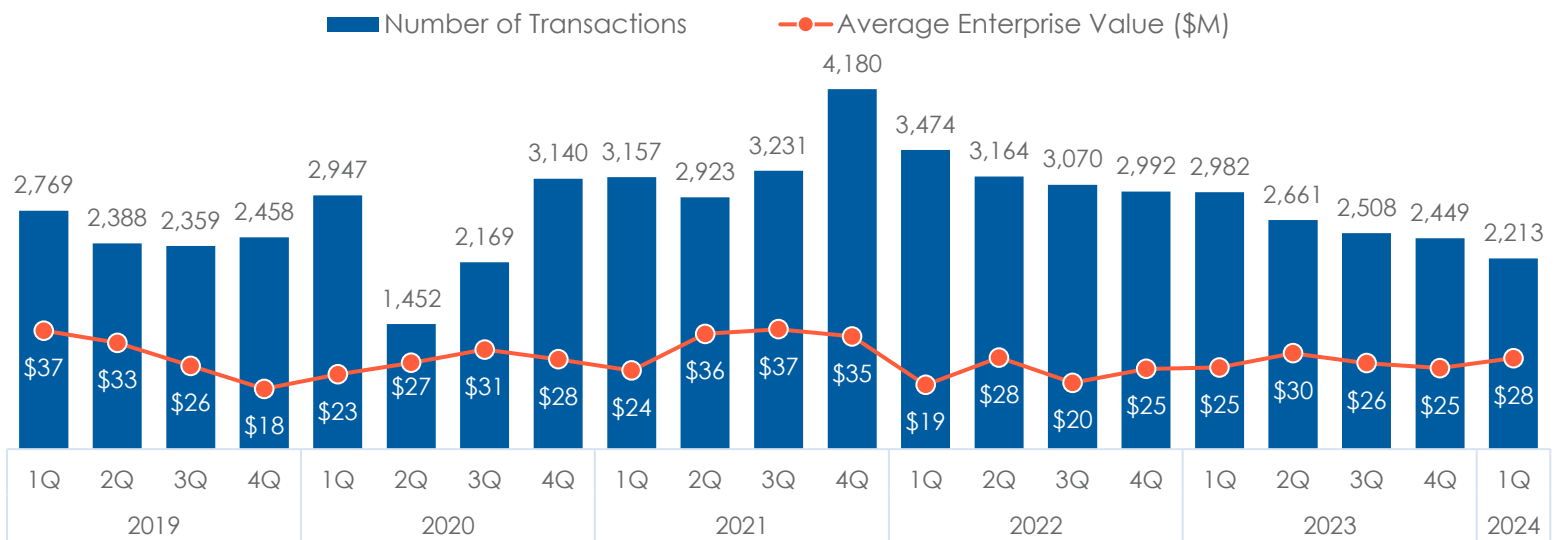
2023 Private Equity
Overhang

Deal Flow and Valuation Multiples

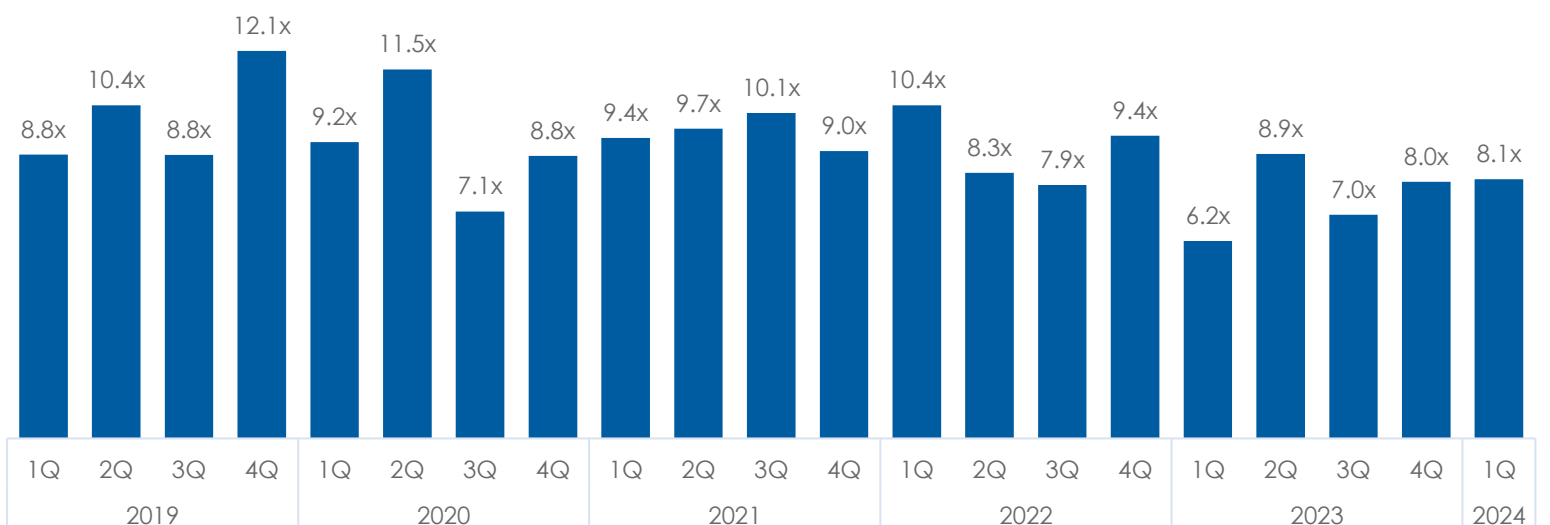
During Q1 '24, the number of Middle Market transactions posted the lowest quarterly total since COVID. While volume is down, valuations continue to hold steady. Based on GLC discussions, acquirers continue to focus on quality companies with sustainable profits. As a result, valuation multiples for Middle Market

companies have held at a median EBITDA multiple of 8.1x from the prior quarter.

U.S. Middle Market Transactions & Transaction Value ⁽¹⁾



U.S. Median Middle Market EBITDA Multiple ⁽²⁾



Source: Capital IQ, Pitchbook

Note: Data as of 3/31/2024

(1) Middle Market defined as <\$500M in Enterprise Value and no reported Enterprise Value

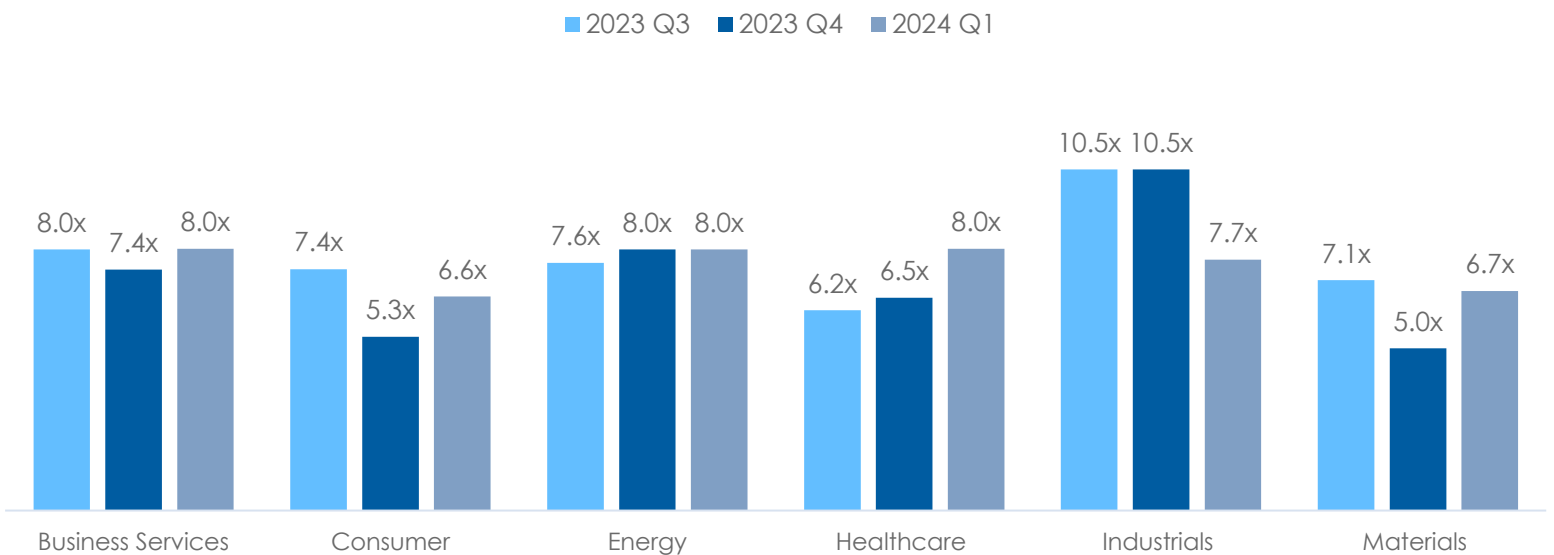
(2) Excludes multiples <2.0x and >20.0x as well as Financial & Technology sectors

Deal Flow and Valuation Multiples

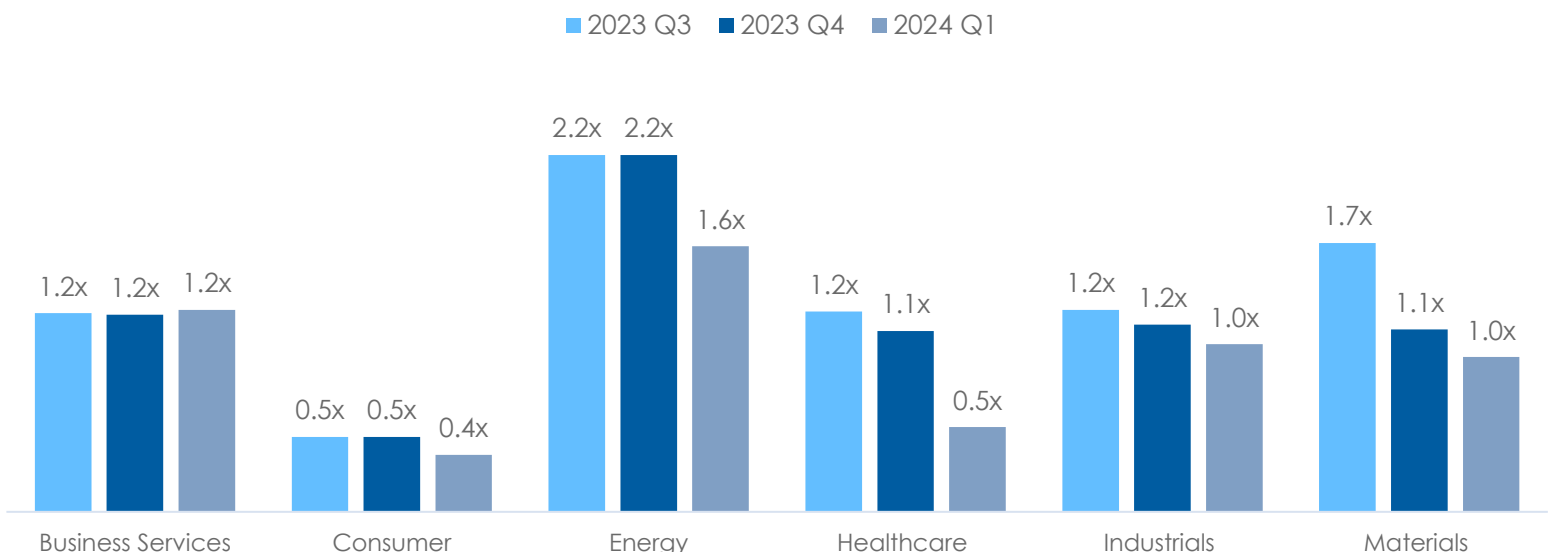
When examining each industry sector in more detail, valuation multiples reveal a varied environment with healthy valuations. GLC continues to see interest from private equity and strategic acquirers in its Business Services vertical. GLC's current M&A mandates are demonstrating strong, profitable companies

are highly sought-after. Looking ahead into 2024 with decreasing recession fears, top line growth is beginning to become more impactful to valuations for sellers.

U.S. Median Middle Market LTM EV/EBITDA Multiple by Sector ^{(1) (2)}



U.S. Median Middle Market LTM EV/Revenue Multiple by Sector ^{(1) (3)}



Source: Capital IQ, PitchBook
Note: Data as of 3/31/2024

(1) Middle Market defined as <\$500M in Enterprise Value;

(2) Excludes multiples <2.0x and >20.0x as well as Financial & Technology sectors;

(3) Excludes multiples >5.0x as well as Financial & Technology sectors

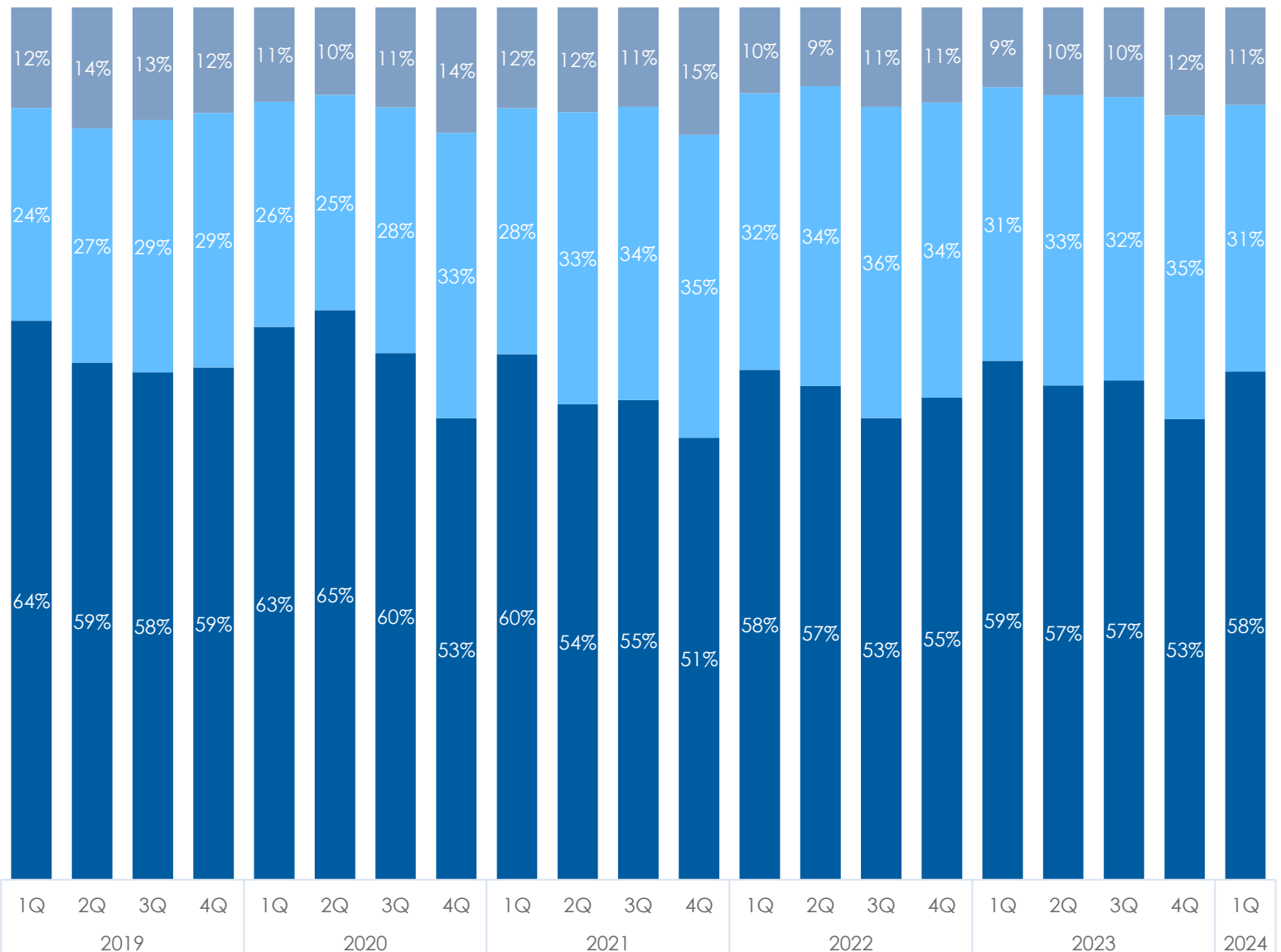
Acquirer Trends

M&A acquirers fall into three categories: i) private equity platforms (initial acquisition by private equity); ii) private equity add-ons (follow-on acquisitions by a private equity-backed platform); and iii) strategics (operating entity within the industry). In Q1 '24, strategic acquirers posted their largest share of all M&A

transactions in several quarters. PE buyers continue to be more selective in the current market.

U.S. M&A Transactions by Buyer Strategy Type

■ Strategic ■ PE Add-on ■ PE Platform



Source: Capital IQ, PitchBook
Note: Data as of 3/31/2024

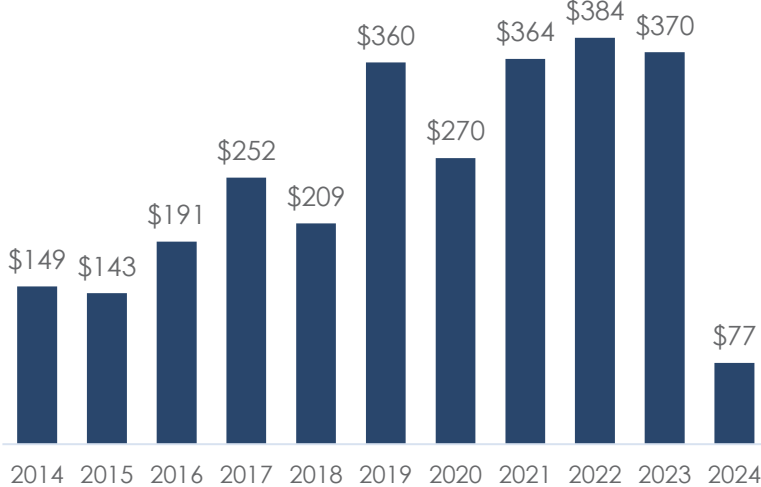
Fund Formation and Capital Overhang

The total amount of private equity capital raised and available for deployment ("U.S. Private Equity Capital Overhang") is approximately \$956B with the vast majority targeting Middle Market companies. 63 new funds were formed in Q1 totaling \$77B+ in new capital. Private equity new funds created is

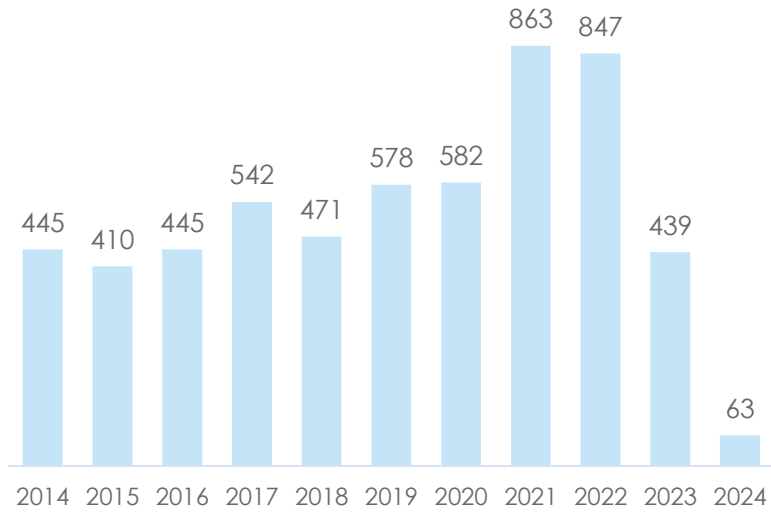
down from Q1 2023 (73 new funds), but capital raised is up from \$67B+ in Q1 2023. This year-over-year trend highlights a shift in the market towards reduced new funds while maintaining or increasing the amount of capital raised.

U.S. Private Equity Fundraising

TOTAL PE CAPITAL RAISED (\$B)

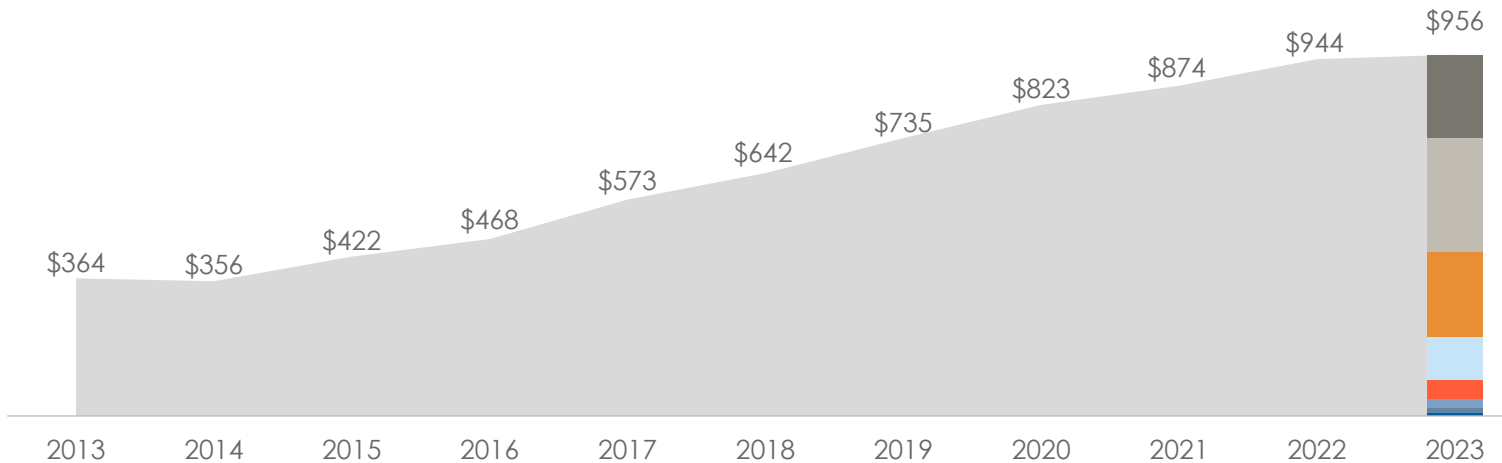


TOTAL NUMBER OF NEW FUNDS



U.S. Private Equity Capital Overhang (\$B)

■ 2016 ■ 2017 ■ 2018 ■ 2019 ■ 2020 ■ 2021 ■ 2022 ■ 2023



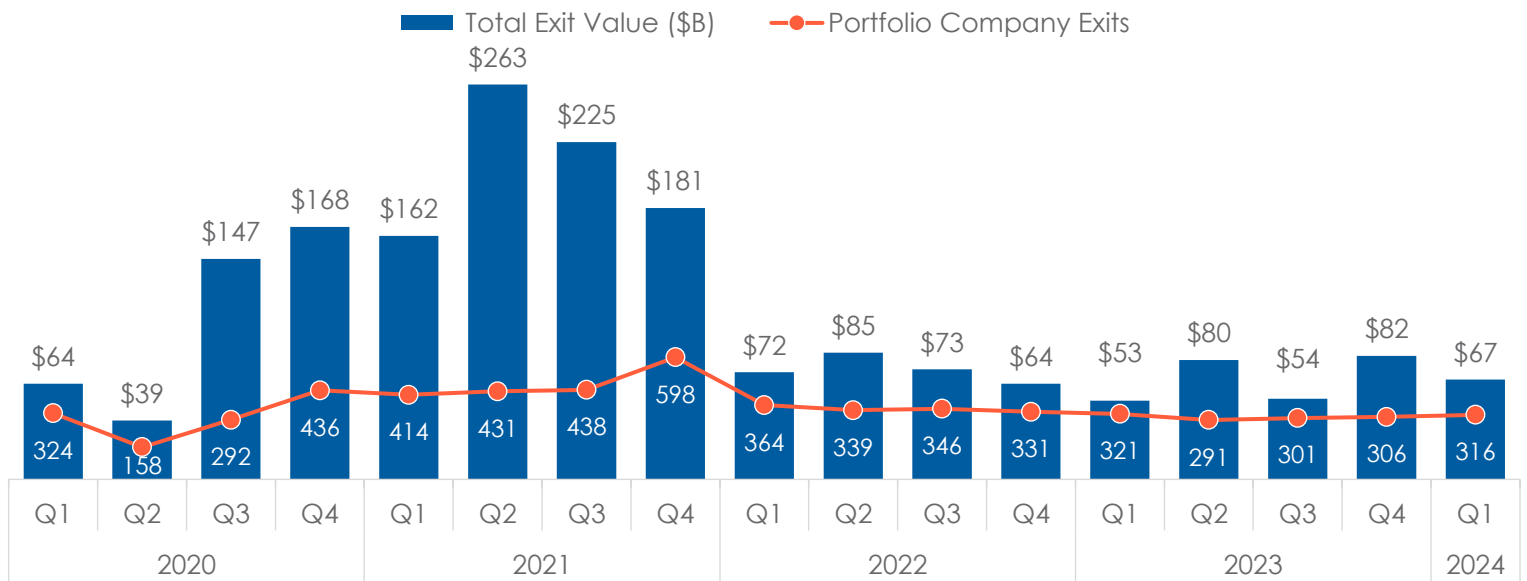
Note: U.S. PE Fundraising data as of 3/31/2024 & U.S. PE Capital Overhang data as of 12/31/2023; Excludes venture capital & real estate funds

Private Equity Exit Activity

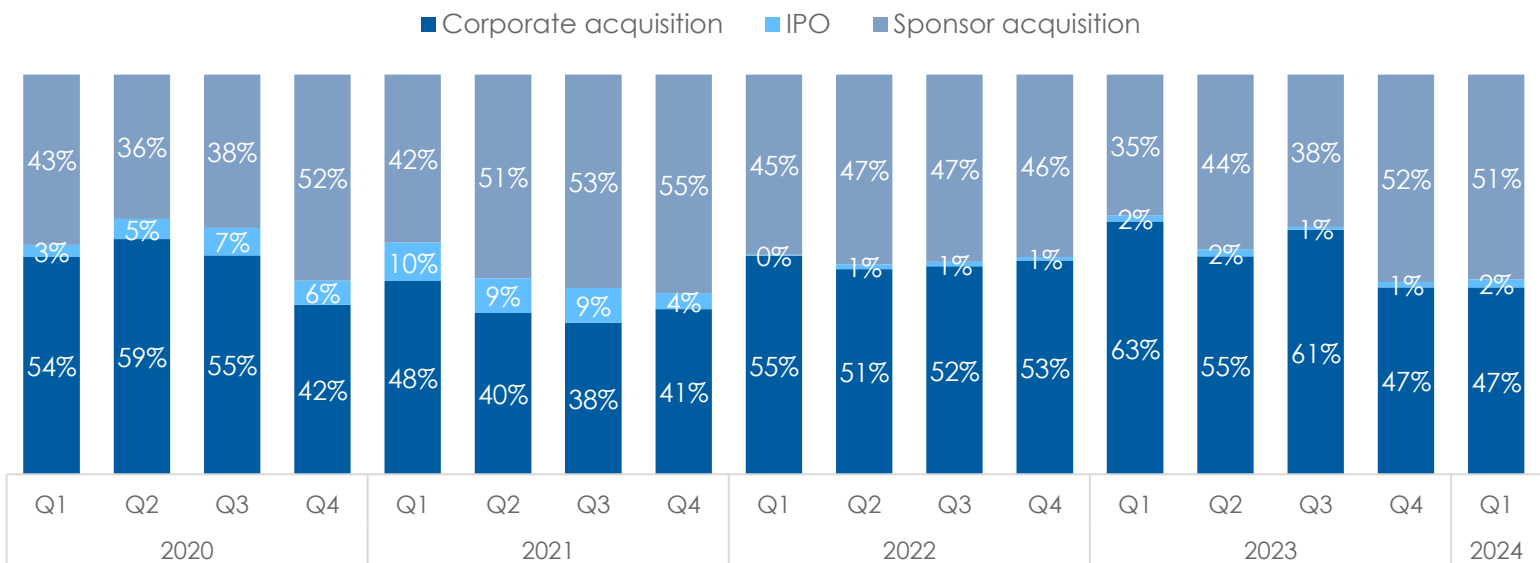
Private equity continues to maintain portfolio company exits with relatively little variance over the last 9 quarters. Private equity funds have slowed exit rates after capitalizing on higher valuations in '21 and are taking a cautious approach to the current macroeconomic environment. Private equity

exits continue to be evenly split between sales to other private equity firms and strategic acquirers.

U.S. Private Equity Exit Activity



U.S. Private Equity Exit by Type



Source: Capital IQ, PitchBook
Note: Data as of 3/31/2024

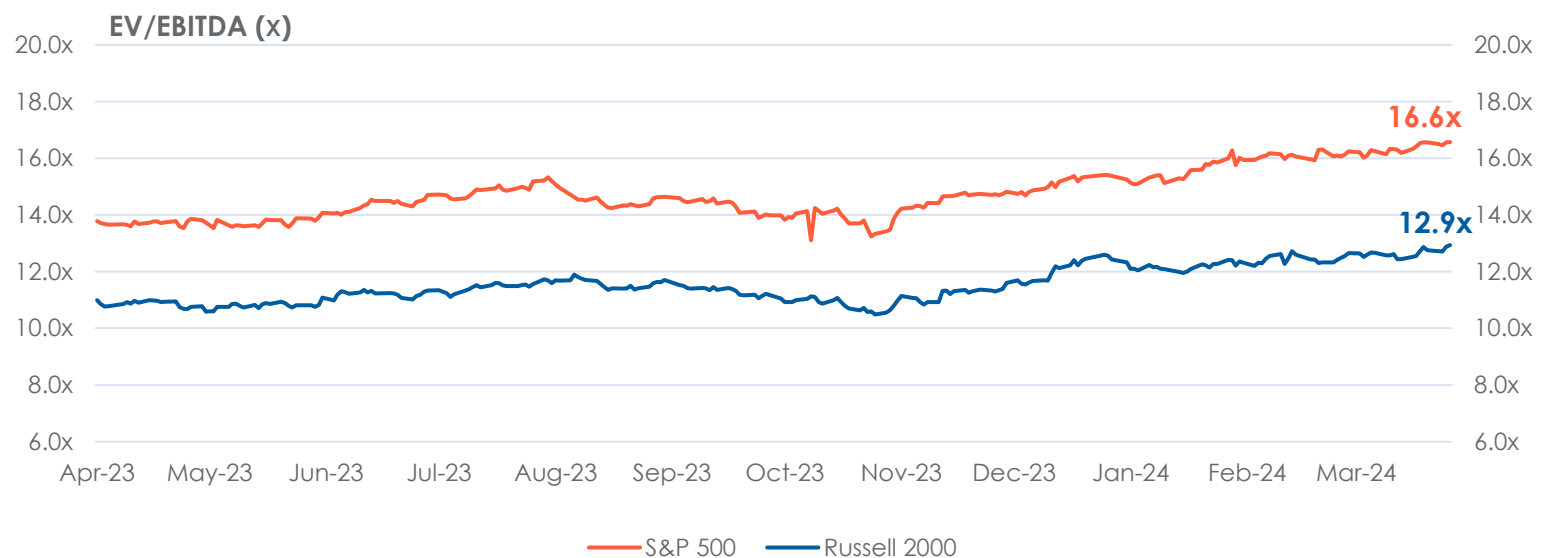
In Q1 '24, public company valuation multiples increased. Over the last 12 months, the S&P 500 Index ("S&P") finished up 27% and the Russell 2000 Index ("Russell") finished up 18%. The EBITDA multiple for the Russell and S&P ended at approximately 12.9x and 16.6x, respectively (an increase compared to 12.6x and 15.4x at

the end of Q4 '23. Stock indices and valuation multiples are beginning to reflect positive investor sentiment towards a 'soft landing' orchestrated by the Federal Reserve.

S&P 500 and Russell 2000 Index Performance



S&P 500 and Russell 2000 Index EV/EBITDA Performance



Source: Capital IQ, PitchBook
Note: Data as of 3/31/2024

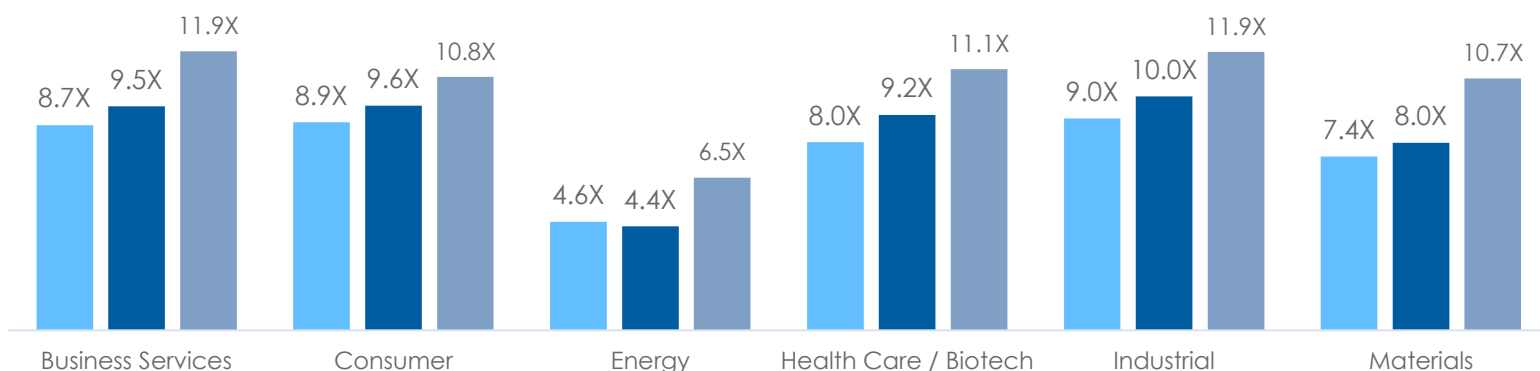
Public Markets' Valuation Multiples by Sector

GLC monitors the Russell 2000 Index as a barometer for Middle Market valuations due to the index's focus of small-cap stocks. Majority of the sectors in the Russell reported an increase in valuation multiples from Q4 '23 to Q1 '24. Valuation multiples in the public markets continued to be emotionally driven as

investors factor in positive signals of a 'soft landing'.

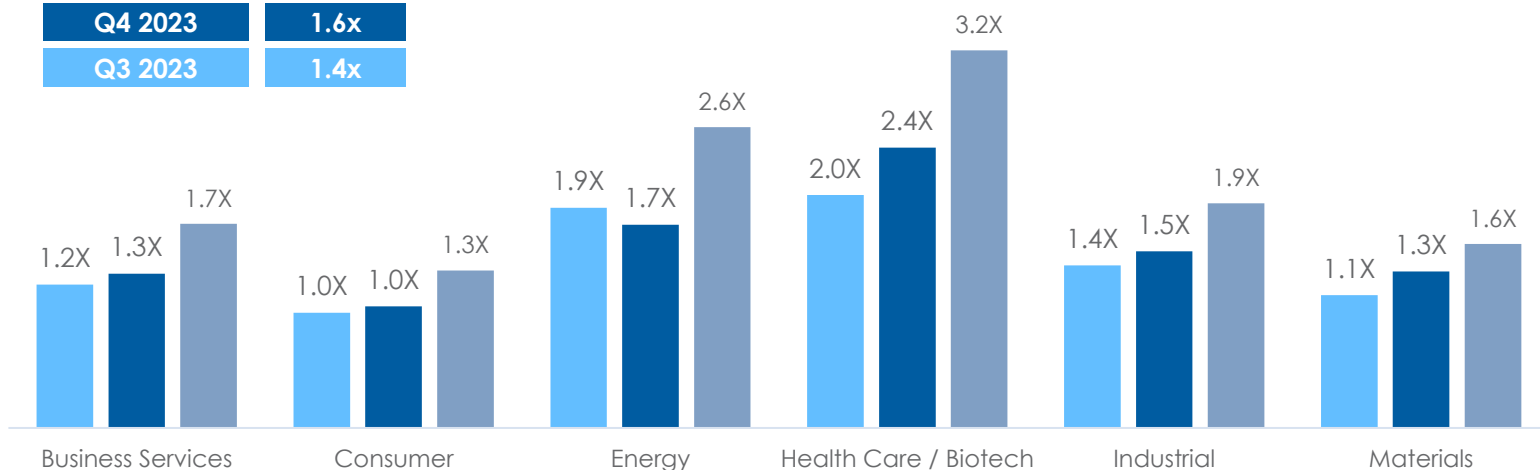
Russell 2000 Median EV/EBITDA Multiples by Sector ⁽¹⁾

Q1 2024	10.5x
Q4 2023	8.5x
Q3 2023	7.8x



Russell 2000 Median EV/Revenue Multiples by Sector ⁽²⁾

Q1 2024	2.1x
Q4 2023	1.6x
Q3 2023	1.4x



Source: Capital IQ, PitchBook
 Note: Data as of 3/31/2024; Summary multiples do not tie to prior page due to exclusion of Financial & Technology sectors
 (1) Excludes EV/EBITDA multiples <0x and >40x; Excludes Financial & Technology sectors
 (2) Excludes EV/Rev multiples >7.5x; Excludes Financial & Technology sectors

FIRM OVERVIEW

A Leading, Full-Service Investment Bank

GLC Advisors & Co. is a leading independent investment banking advisory firm, delivering objective, senior-level expertise to successfully execute financial advisory assignments for our clients. We advise Shareholders, Board of Directors, Entrepreneurs, Management Teams, and Capital Providers on material financial transactions regarding strategic alternatives, capital structure, and transactions.

We excel working with founder and owner operators and are passionate about the businesses and people we work with.

900+
CLOSED
TRANSACTIONS

\$730B+
TRANSACTION
VALUE

60+
PROFESSIONALS

15+
MANAGING
DIRECTORS

Key Capabilities

M&A Advisory

- 100% Sale
- Valuations
- Fairness Opinions

Capital Raising

- Growth Equity
- Debt Capital
- Minority Recap

Restructuring

- Debt Advisory
- Distressed M&A
- 363 Transactions

Business Services & Industrials Team

GLC's Business Services and Industrials Team is focused on advising business services and industrials clients in the Middle Market. Our team's advisory work includes M&A (sell-side and buy-side), financing/debt advisories, recapitalizations, fairness opinions, and valuations. We excel at working with founders and owner-operators. Our team is passionate about the businesses and people that hire us to advise in their strategic decisions and events.



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& COMPANY**


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MIDDLE MARKET M&A UPDATE


Representative Transactions

Q1
2024

Recent M&A Advisory



Acquired By



Advisor to
Champion



Acquired By



A portfolio company of



Advisor to
Augustus



Recapitalized By



Advisor to
Next Step Energy Solutions



Acquired By



Advisor to
Octopi Brewing



Recapitalized By



Advisor to
Race Technologies



Acquired By



Advisor to
Video King



Acquired By



Advisor to
Melvin Brewing



Acquired By



A portfolio company of



Advisor to
Verus Global



Acquired By



Advisor to
AccuSystems



Acquired By



Merged with



Advisor to
Dema Plumbing

Recent Capital Raise Advisory



Recapitalization &
Growth Capital



Advisor to
Elmdale Partners



Acquired a Stake in



Advisor to All Pro
Capital



Strategic Investment from




Advisor to
Marker Trax



Minority Recap



Advisor to
Trapp Technology



Debt Financing

Advisor to
Mount Airy



Debt Capital Raise

Advisor to
Ad Hoc Group of Creditors




Capital Raise

Advisor to
Riverbed Technology



Financing for
Alternative Transaction

Advisor to
Ad Hoc Bondholder Group



Debt Capital Raise


Advisor to
Aspen Dental



Debt Capital Raise

Advisor to
Empire Resorts

Recent Restructuring Advisory




Restructuring

Advisor to
Invacare



Restructuring

Advisor to
Second Lien Lenders




Restructuring

Advisor to
Riverbed Technology



Restructuring

Advisor to
Redrock Biofuels



Chapter 11
Restructuring

Advisor to
Ad Hoc Group of Creditors




Restructuring

Advisor to
Noteholders



Restructuring

Advisor to
Guarantee Bondholders




Chapter 11
Restructuring

Advisor to
TAJ Bondholder Group



Chapter 11
reorganization

Advisor to
First Lien Lenders



Chapter 11
reorganization and
Section 363 asset sale

Advisor to
Brookstone

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