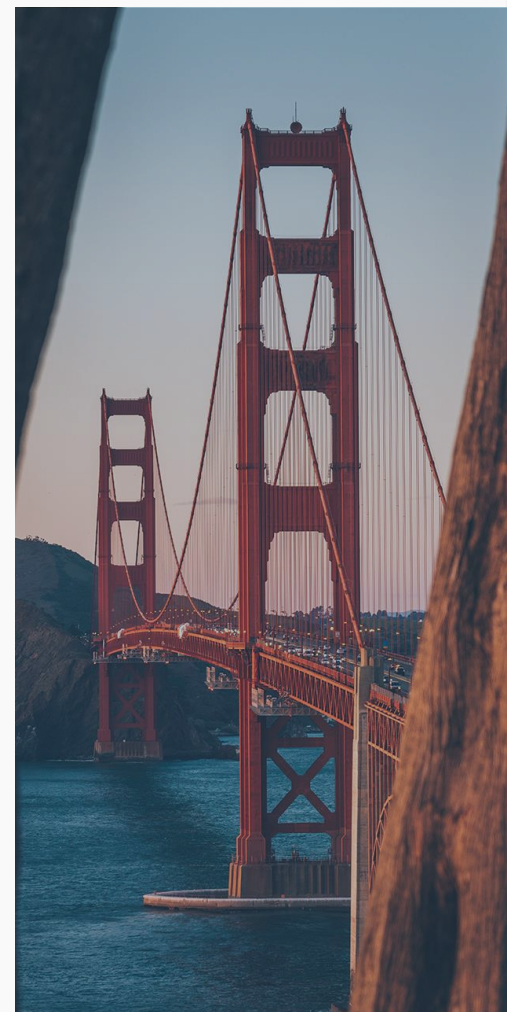
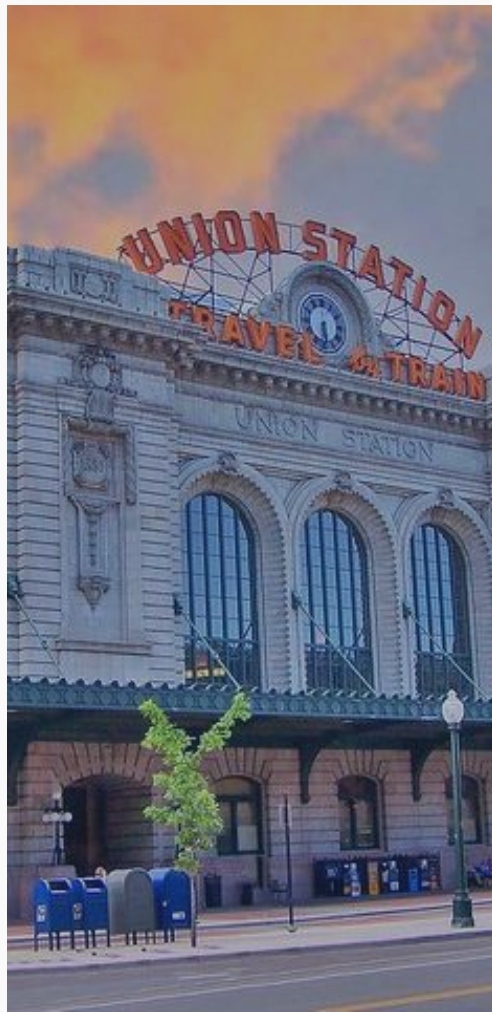


MIDDLE MARKET
M&A UPDATE

Q3 2022



MIDDLE MARKET M&A AND PUBLIC MARKETS

Q3 2022 Highlights and Activity

10.5x

Median M&A Multiple

1,444

of Middle Market
M&A Transactions

81%

of Acquisitions by
Private Equity Buyers

\$259B

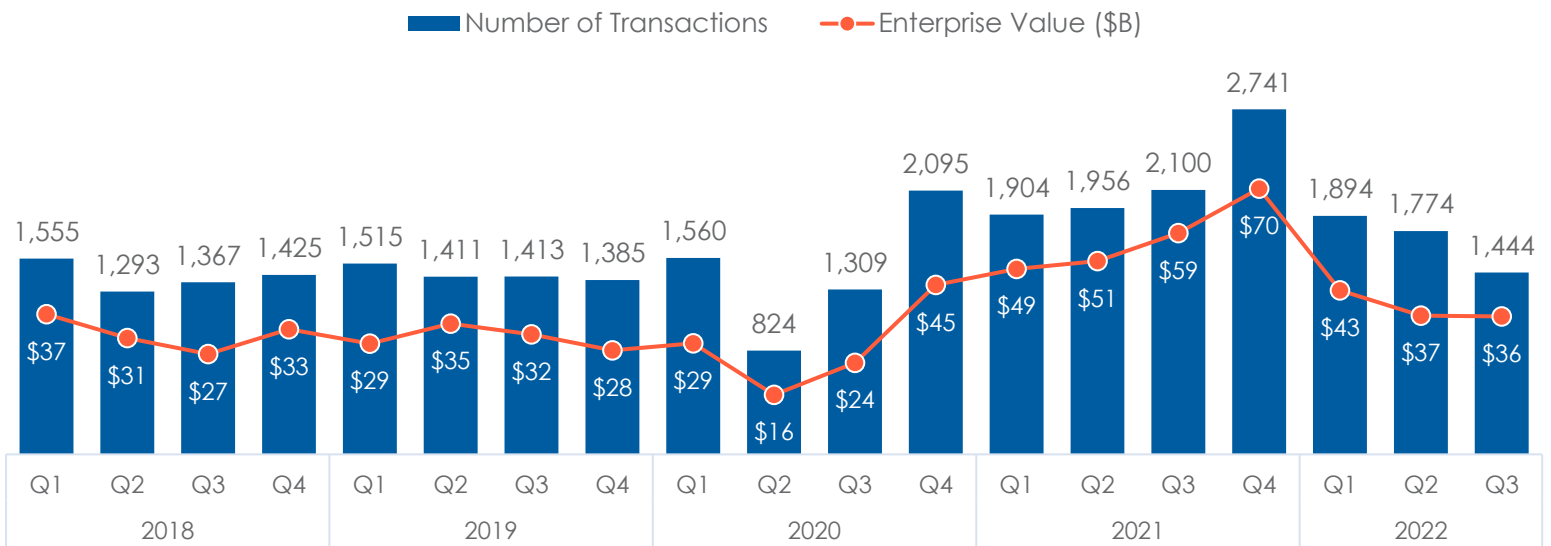
Private Equity Capital
Raised YTD

Deal Flow and Valuation Multiples

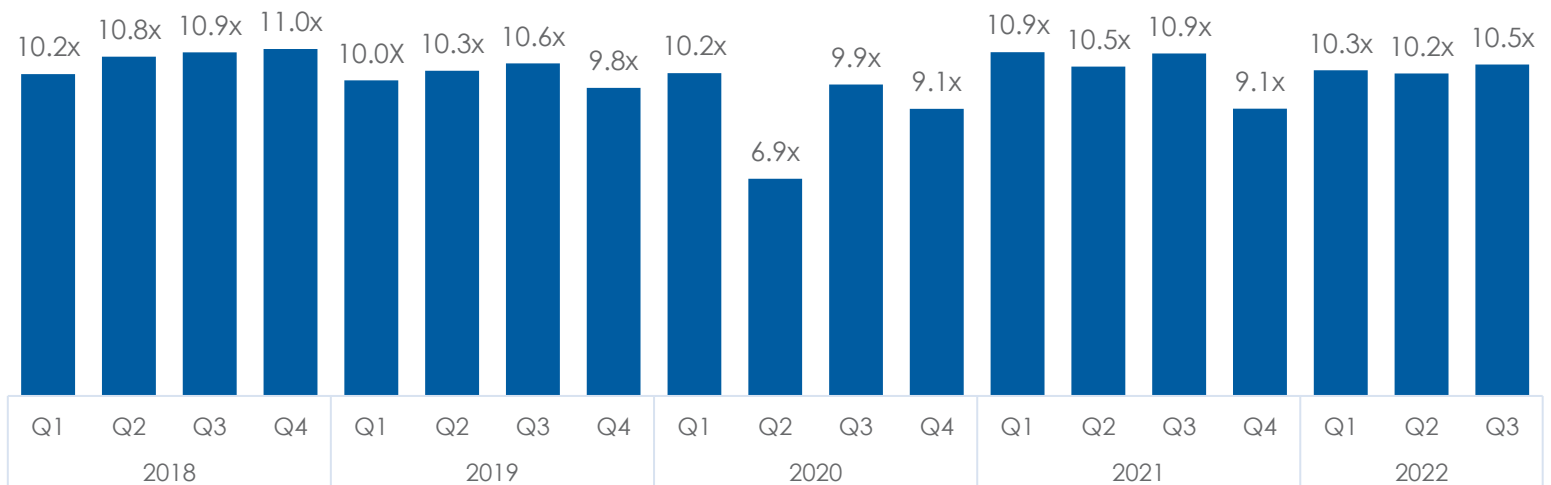
During Q3 '22, valuation multiples for Middle Market companies continue to remain stable with businesses transacting for a median EBITDA multiple of 10.5x. During the quarter, the number of Middle Market transactions continued to decline to normal pre-COVID

levels (average of 1,421 per quarter during '19 vs. 1,444 for Q3 '22). While volume has returned to a "normal" level, M&A activity is being impacted by market uncertainty from a recession, interest rates, and the geopolitical climate.

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



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



Source: Capital IQ, PitchBook
Note: Data as of 9/30/2022

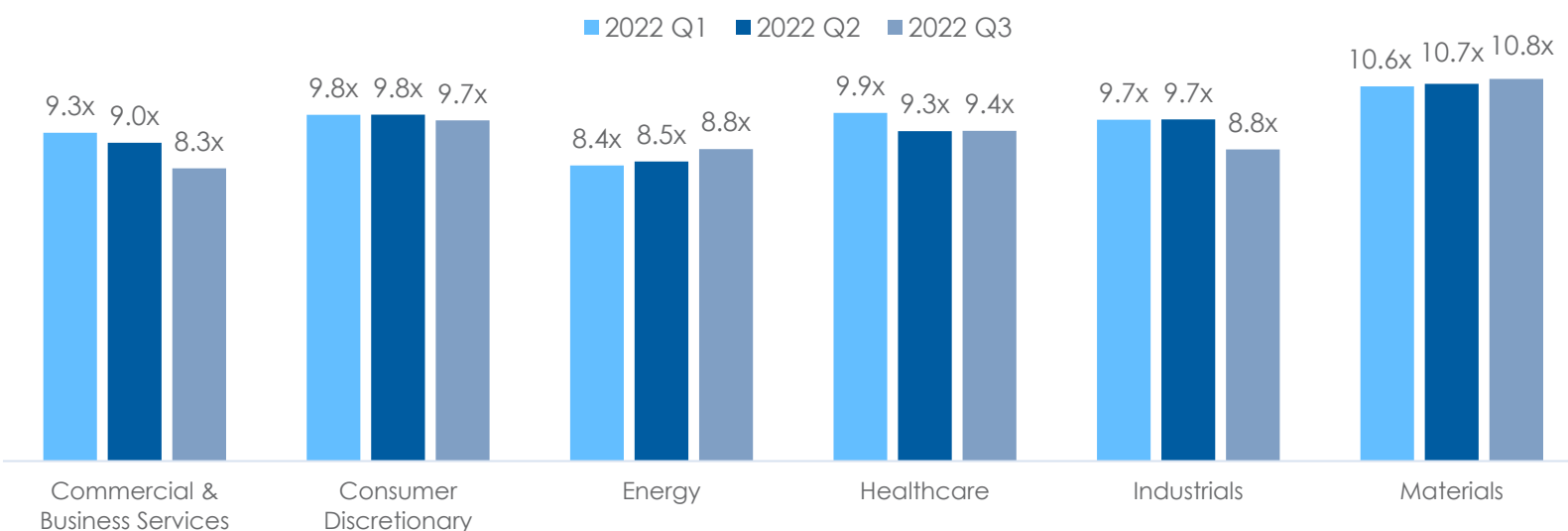
⁽¹⁾ Middle Market defined as <\$500M in Enterprise Value; ⁽²⁾ Excludes multiples <2.0x and >20.0x as well as Financial & Technology sectors

Deal Flow and Valuation Multiples

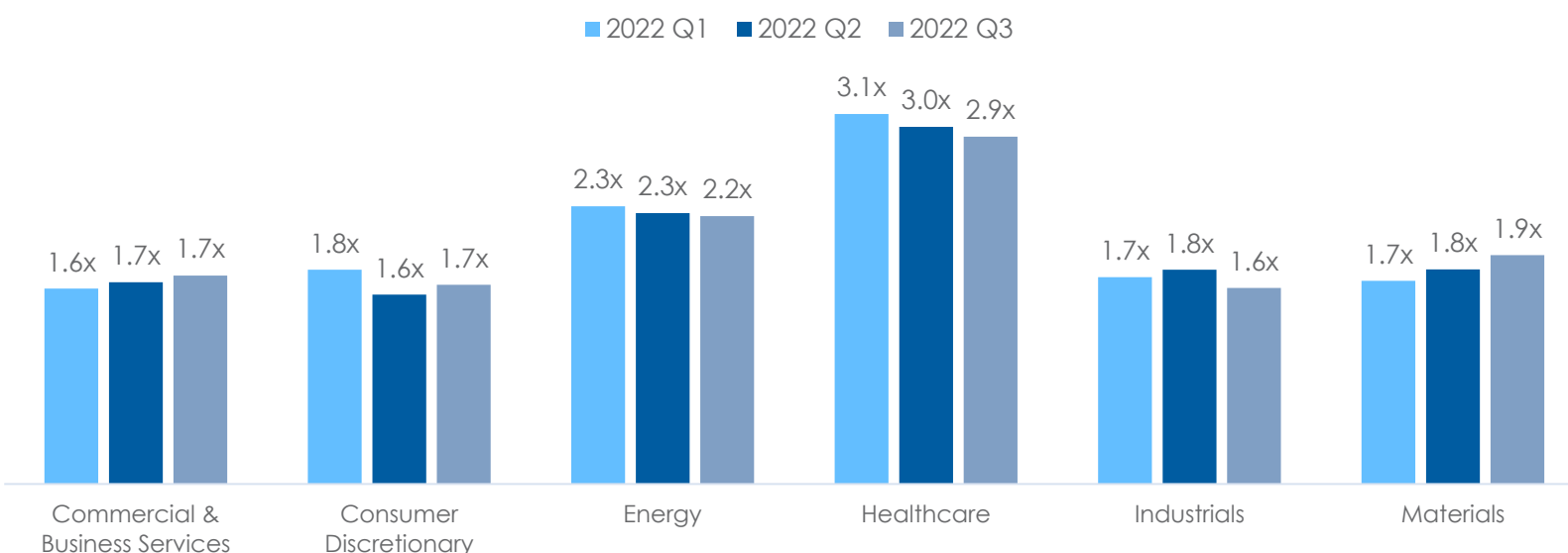
When examining each industry sector in more detail, valuation multiples continue to reveal a healthy environment for Middle Market M&A for quality sellers. As we see in GLC's current M&A mandates, strong, profitable companies that are demonstrating stability in a recessionary environment continue to be highly sought-after

by private equity and strategic acquirers alike. At the end of Q3 '22, industries experiencing steady or increasing EBITDA valuations compared to previous quarters include Consumer Discretionary, Energy, and Materials.

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



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



Source: Capital IQ, PitchBook

Note: Data as of 9/30/2022

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

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

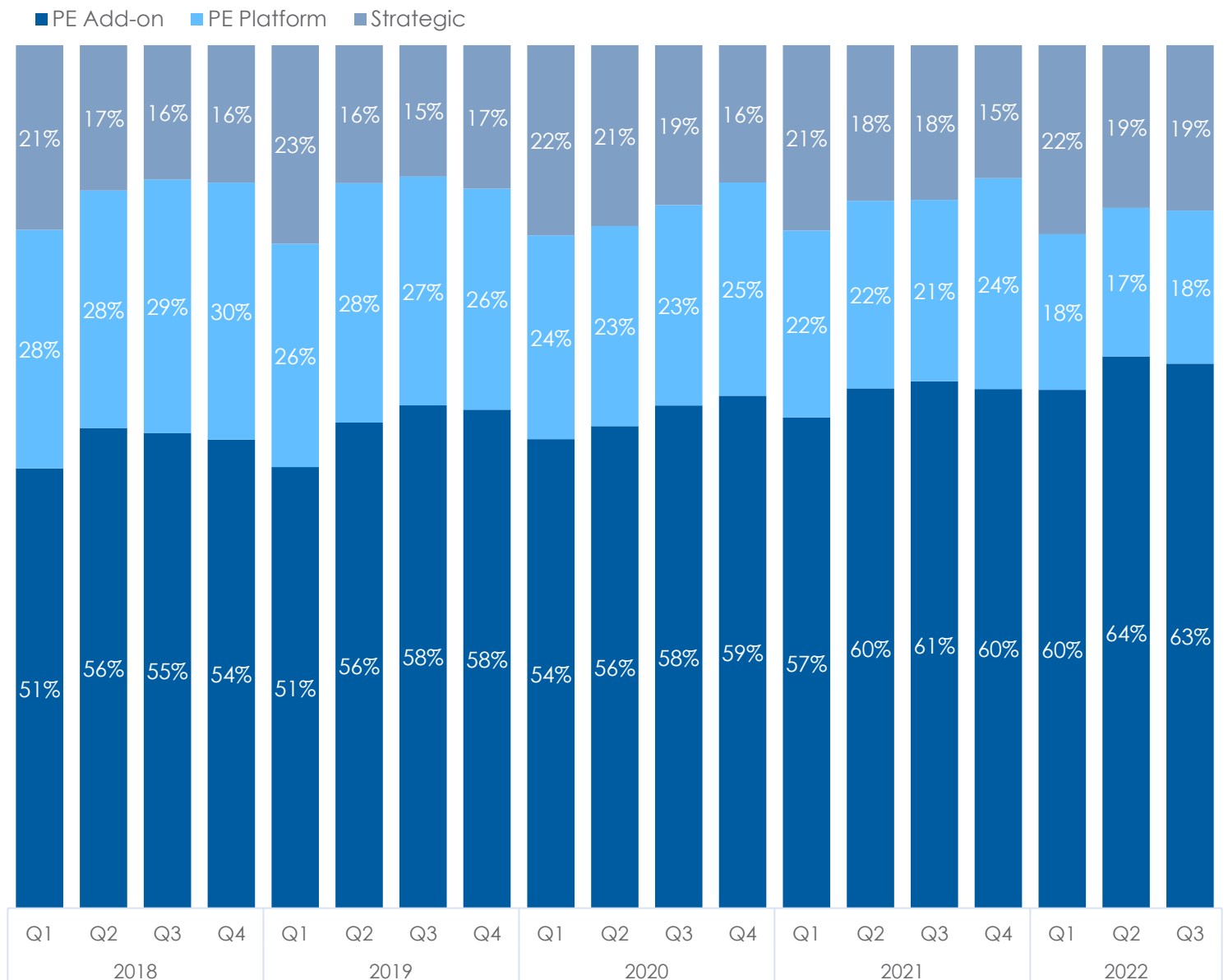
(3) Excludes multiples >7.5x as well as Financial & Technology sectors

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 Q3 '22, private equity add-ons continue to comprise approximately 60%+ of all M&A transaction volume, whereas PE platform activity reached one of its lowest levels in several years. Strategic acquirers comprised nearly 20% of all M&A transactions in Q2 '22.

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



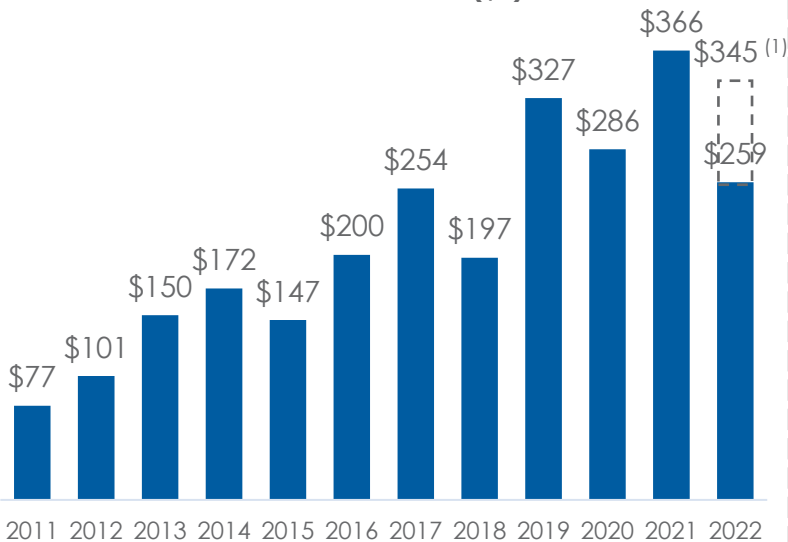
Source: Capital IQ, PitchBook
Note: Data as of 9/30/2022

In Q3 '22, 100+ new funds were formed totaling \$80B+ in new capital. Private equity fundraising remains strong when measured in new capital raised (\$345B annualized '22 vs \$366B in 2021 – a banner year). However, the number of new funds formed is at the lowest annualized pace since '13. Overall, the total amount of private

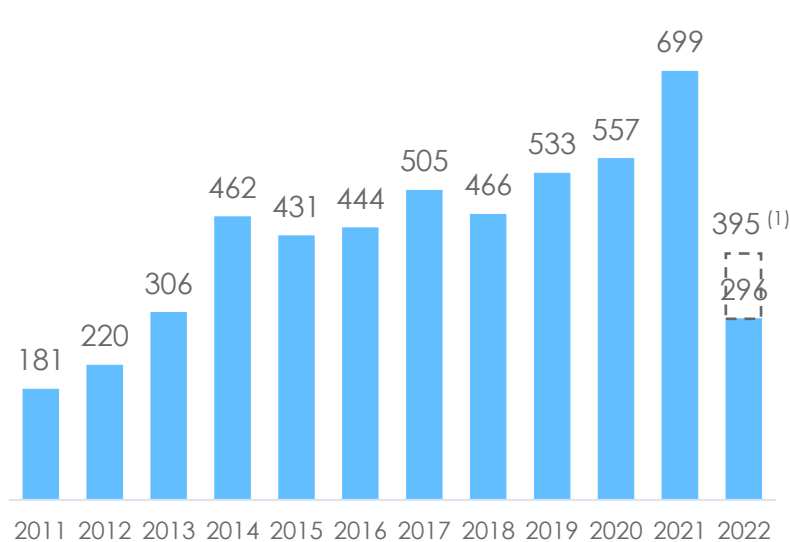
equity capital raised and available for deployment (“U.S. Private Equity Capital Overhang”) since '13 totals ~\$750B with the vast majority targeting Middle Market companies. However, the capital overhang has declined for two consecutive years for the first time since '08 to '10.

U.S. Private Equity Fundraising

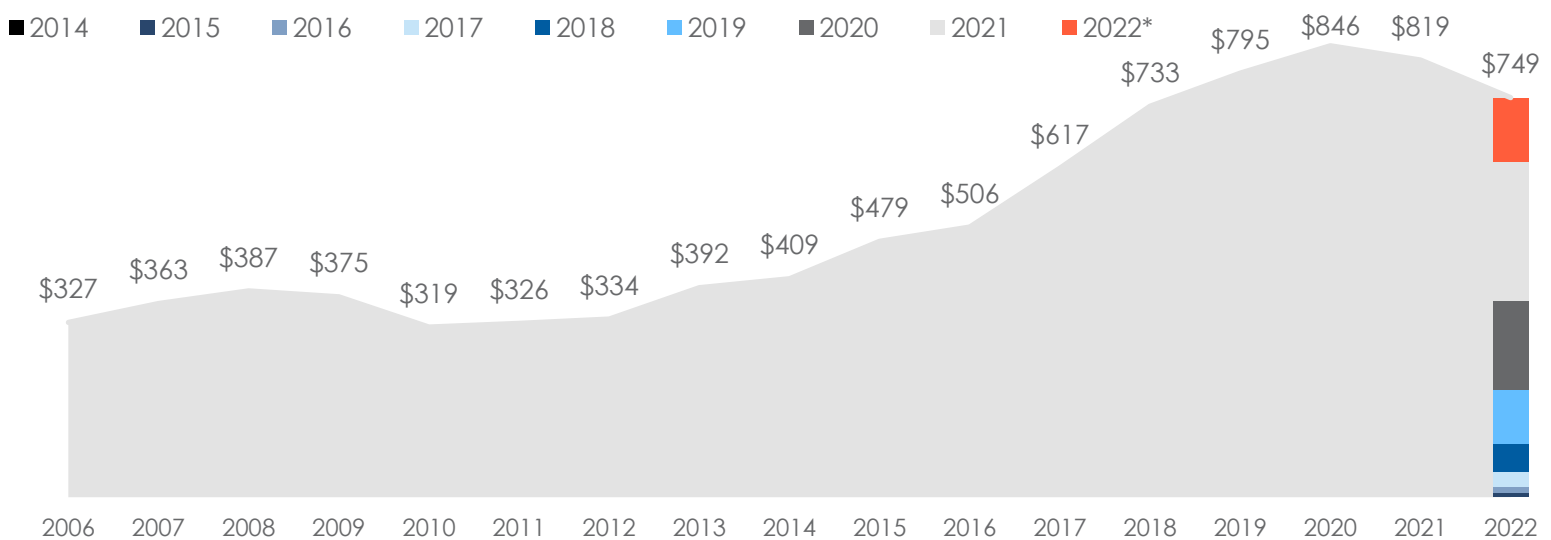
PE CAPITAL RAISED (\$B)



NUMBER OF NEW FUNDS



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



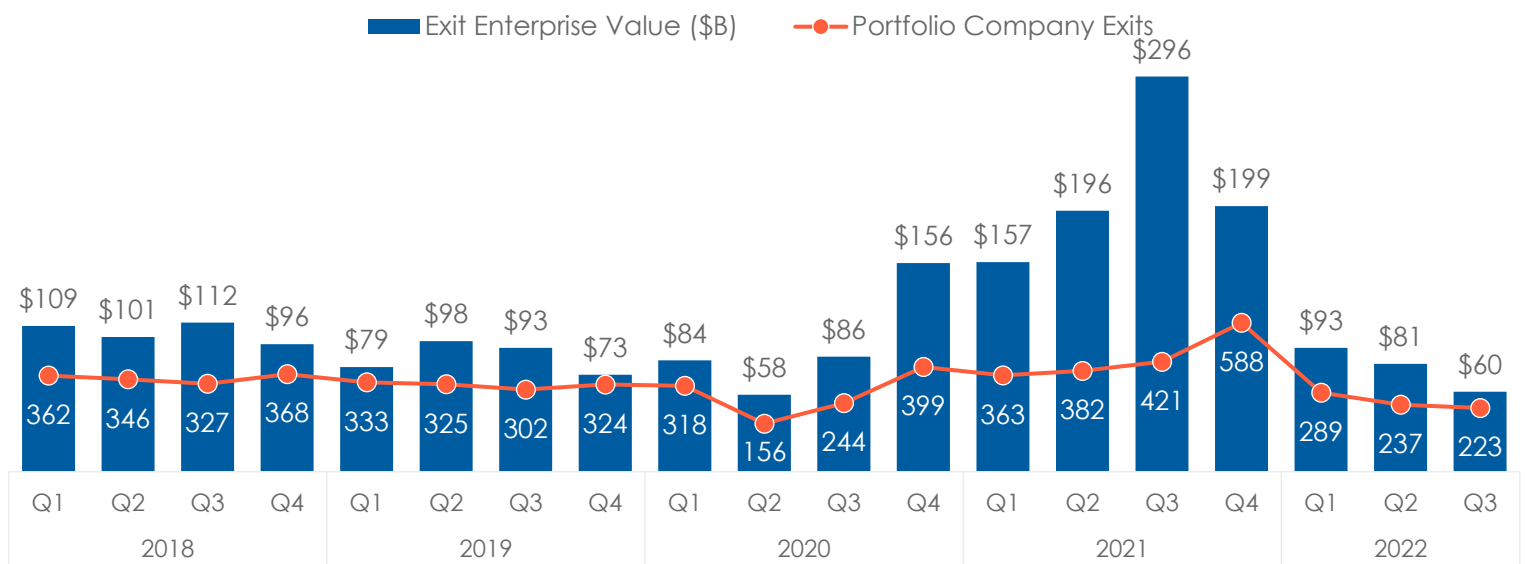
Source: Capital IQ, PitchBook
 Note: U.S. PE Fundraising data as of 9/30/2022 & U.S. PE Capital Overhang data as of 6/30/2022; Excludes venture capital & real estate funds
 (1) Annualized year-end estimate

Private Equity Exit Activity

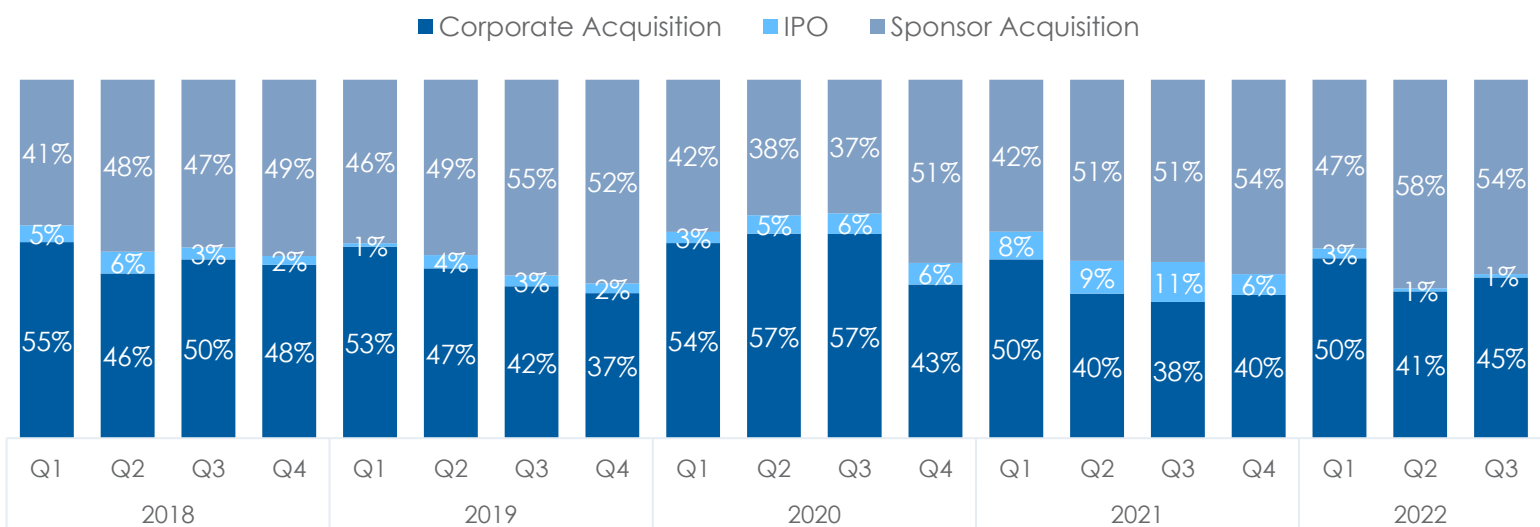
The decrease in private equity exit activity reached a fourth consecutive quarter in Q3 '22 with 223 portfolio company exits totaling \$60B+ in Enterprise Value. Private equity funds have slowed exit rates after capitalizing on valuation exuberance in '21 and are taking a "wait and see" approach to current macroeconomic

headwinds. Private equity exits continue to be evenly split between sales to other private equity firms and strategic acquirers. IPO exits are at the lowest two quarter levels since pre-'18.

U.S. Private Equity Exit Activity



U.S. Private Equity Exit by Type



Source: Capital IQ, PitchBook
Note: Data as of 9/30/2022

In Q3 '22, public company valuations declined. During this period, the S&P 500 Index ("S&P") retreated -5.4% and the Russell 2000 Index ("Russell") finished down -2.6%. The EBITDA multiple for the Russell and S&P ended at approximately 11.1x and 11.9x, respectively. EBITDA multiples are down well below pre-

COVID levels (2019 average of 12.7x and 12.4x for the S&P and Russell, respectively) due to declining stock prices against strong, post-COVID trailing twelve-month EBITDA growth. Markets are forward looking and are pricing in declining EBITDA performance in the near future.

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 9/30/2022

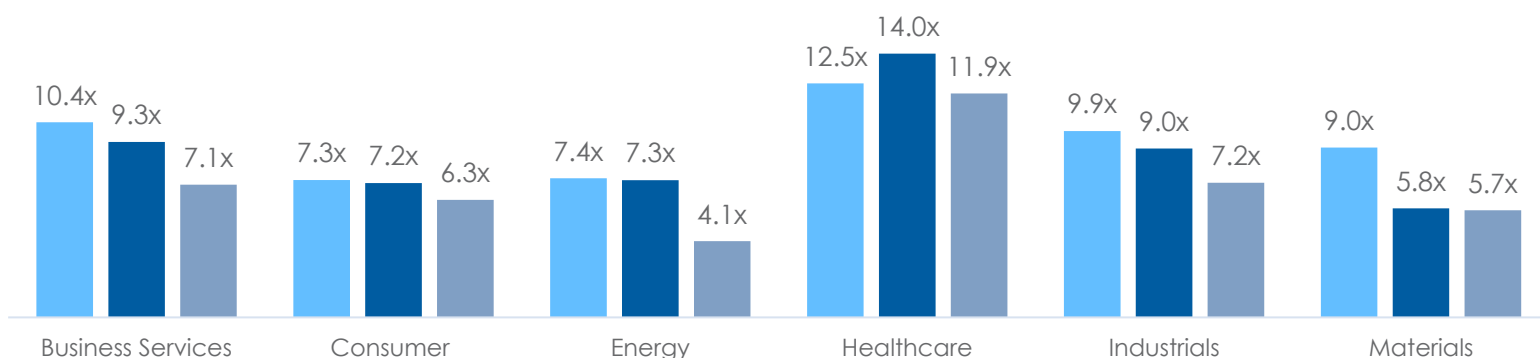
Public Markets' Valuation Multiples by Sector

GLC monitors the Russell 2000 Index as a barometer for Middle Market valuations due to the index's focus of small-cap stocks. Each sector in the Russell reported a decline in valuation multiples from Q2 '22 to Q3 '22. Overall, the average EBITDA multiple decline of the Russell's sectors in Q3 '22 was

approximately 8% compared to Q2 '22 and 17% compared to Q1 '22. Valuation multiples in the public markets continued to fall as investors are factoring in slowing economic growth and rising interest rate impacts to near-term financial performance.

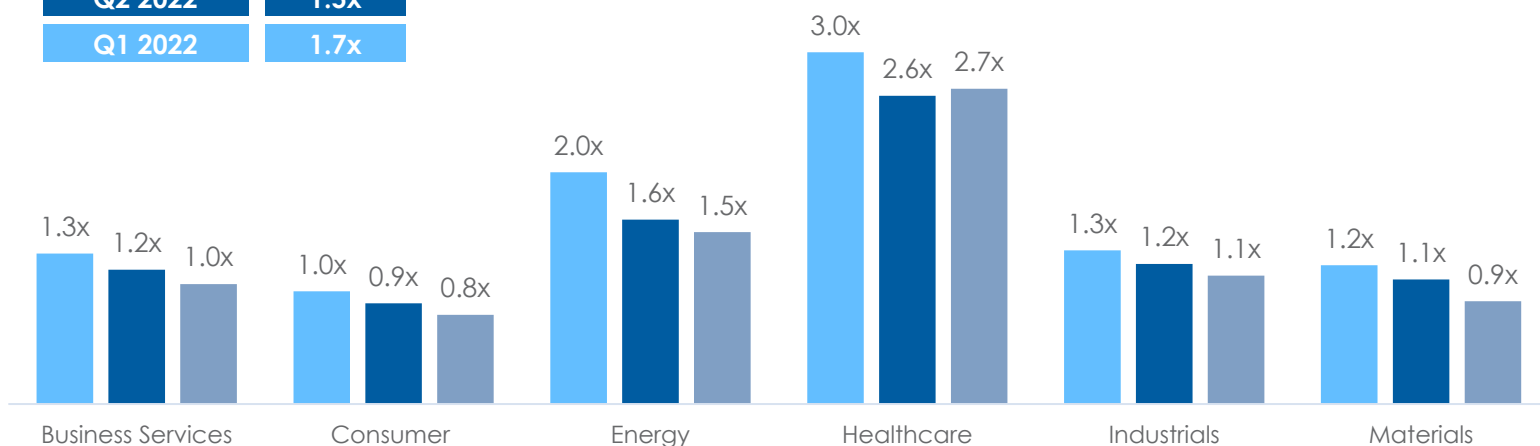
Russell 2000 Median EV/EBITDA Multiples by Sector ⁽¹⁾

Q3 2022	8.5x
Q2 2022	9.2x
Q1 2022	10.2x



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

Q3 2022	1.4x
Q2 2022	1.5x
Q1 2022	1.7x



Source: Capital IQ, PitchBook
 Note: Data as of 9/30/2022; 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

50+
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 & Diversified Industries Team

GLC's Business Services and Diversified Industries Team is exclusively 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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MIDDLE MARKET M&A UPDATE

Representative Transactions

Q3
2022

Recent M&A Advisory



AccuSystems
Acquired By
Alogent
Battery

Advisor to
AccuSystems



Dema
Plumbing
Acquired By
GLADSTONE INVESTMENT
Merged with
MAI
MECHANICAL

Advisor to
Dema Plumbing



SpineOne
Spine & Sport Medical Center
Acquired By
TRINITY HUNT
PARTNERS

Advisor to
SpineOne



ELMDALE
PARTNERS
Recapitalization &
Growth Capital
STELLUS
CAPITAL MANAGEMENT

Advisor to
Elmdale Partners



FINACITY
A Portfolio Company of
Greensill
Acquired By
WHITE OAK

Advisor to
Greensill U.S.




LPI
Sold the assets of
WeShare WEBGATHER
To
Ministry Brands
INSIGHT PARTNERS GSV GENSTAR

Advisor to
LPI



Mark Young
Construction, LLC
Majority Recap
Argonaut Private Equity

Advisor to
Mark Young



Brian Head
Acquired By
MCP

Advisor to
Brian Head



THUNDER
Acquired By
TLC SIE Capital


Advisor to
Thunder



MINTZ
GROUP
Acquired By
ICV PARTNERS

Advisor to
Mintz Group

Recent Capital Raise Advisory




All Pro
Capital
Acquired a Stake in
ADVENIRE
Wealth Management

Advisor to All Pro
Capital



trapp
Minority Recap
LIMC

Advisor to
Trapp Technology



ALPHA MEDIA
OH-AIR, OH-SITE, OH-DEMAND
Debt Capital Raise

Advisor to
Ad Hoc Group of Creditors




Dean
FOODS
Financing for
Alternative Transaction

Advisor to
Dean Foods




AGC
Debt Private Placement
in the Acquisition of
BLACK BOX

Advisor to
AGC Networks




Starcity
Capital Raise

Advisor to
Star City



AspenDental
Debt Capital Raise

Advisor to
Aspen Dental




EMPIRE
RESORTS, INC.
Debt Capital Raise

Advisor to
Empire Resorts



AMERICAN
RESOURCES CORPORATION
Capital Raise


Advisor to
American Resources



MACHINE
ZONE
Debt Capital Raise

Advisor to
Machine Zone

Recent Restructuring Advisory




FirstEnergy
Chapter 11
Restructuring

Advisor to
First Energy




PENGROWTH
Restructuring

Advisor to
Pengrowth



iHEART
MEDIA
Restructuring

Advisor to
iHeartMedia




Toys R Us
Chapter 11
Restructuring

Advisor to
Toys "R" Us




Platinum Partners
Advisors to Cayman
Liquidators of Value
Arbitrage Fund

Advisor to
Platinum Partners




FALLBROOK
TECHNOLOGIES
Chapter 11
reorganization

Advisor to
Fallbrook




Brookstone
Chapter 11
reorganization and
Section 363 asset sale

Advisor to
Brookstone



ALGOMA
STEEL INC.
Chapter 11
Restructuring

Advisor to
Algoma



uBiome
Chapter 11
Restructuring

Advisor to
uBiome



VMI
Restructuring

Advisor to
Vantage Mobility

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