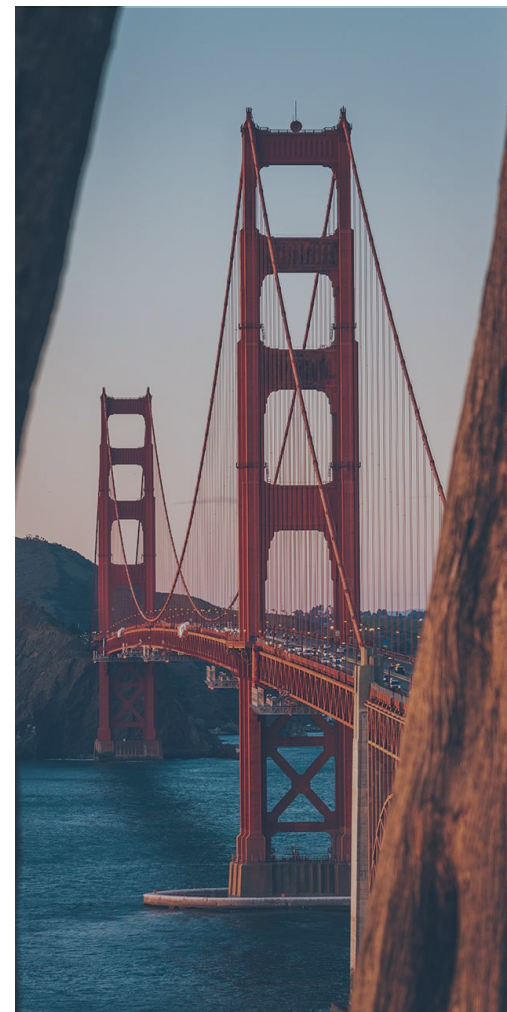
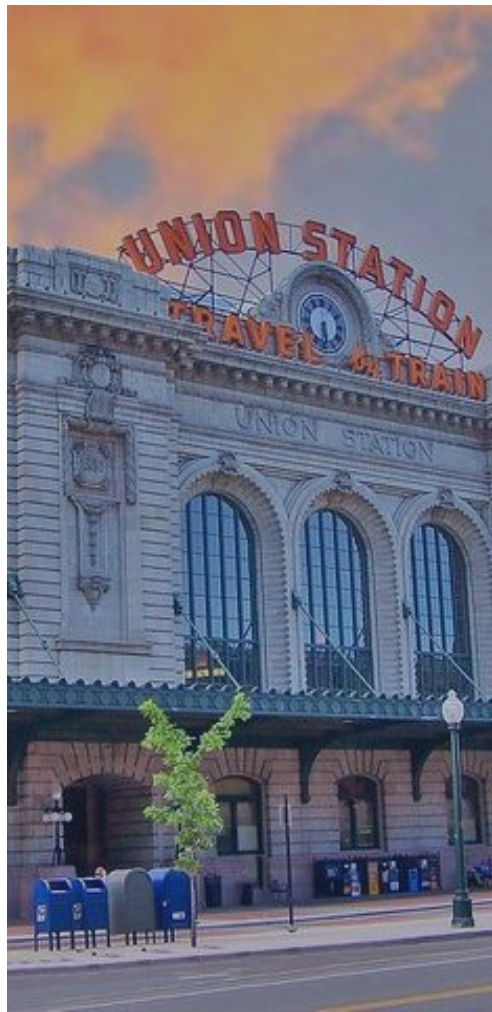


MIDDLE MARKET
M&A UPDATE

Q3 2023



MIDDLE MARKET M&A AND PUBLIC MARKETS

Q3 2023 Highlights and Activity

9.1x

Median M&A Multiple

1,221

of Middle Market
M&A Transactions

79%

of Acquisitions by
Private Equity Buyers

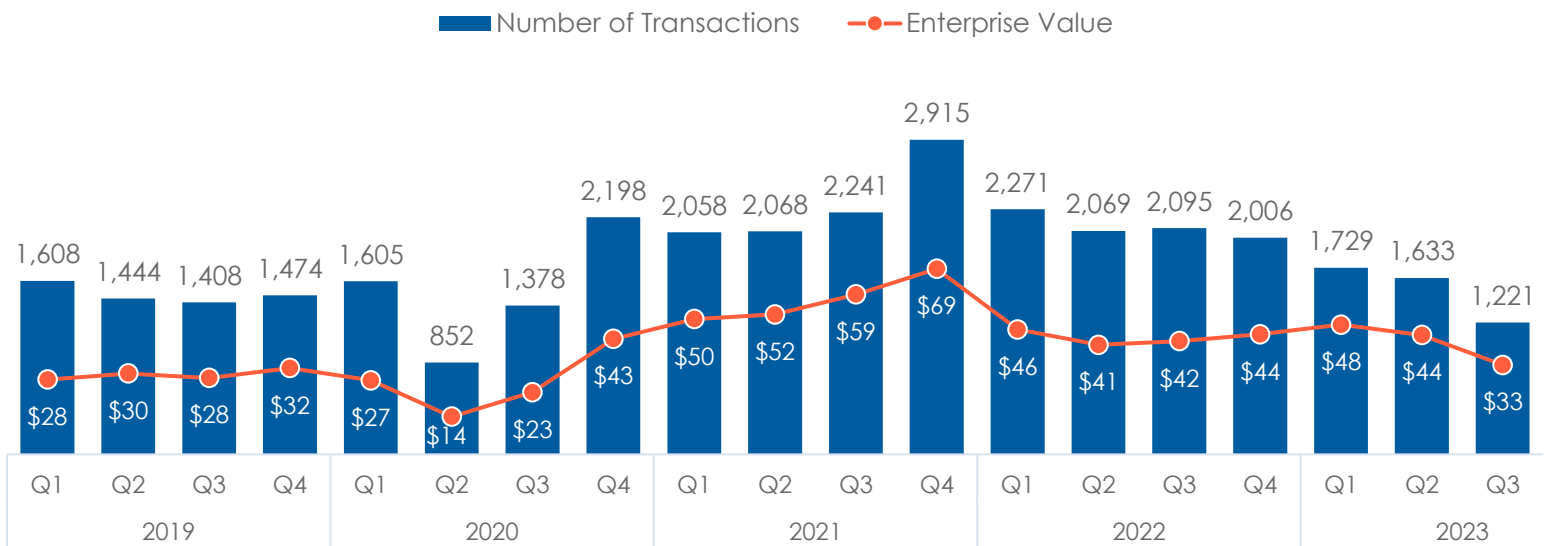
\$854B

2022 Private Equity
Overhang

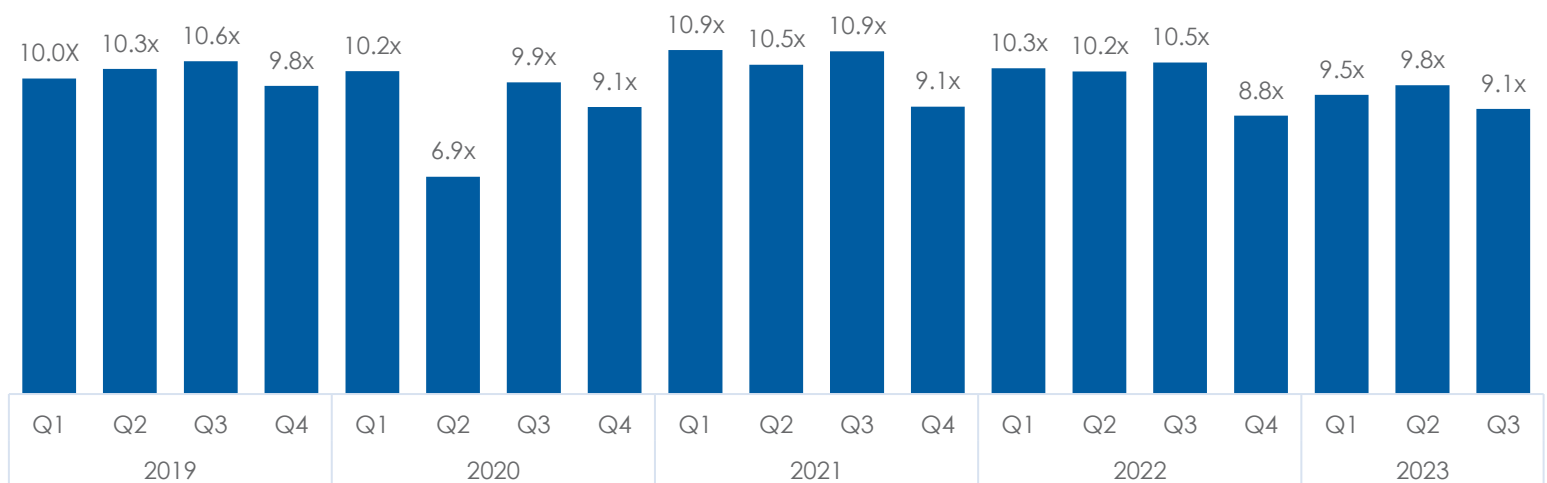
During Q3 '23, the number of Middle Market transactions posted the lowest quarterly total since COVID and is 15% below pre-COVID levels (average of 1,421 per quarter during '19). While volume is down, valuations continue to hold steady. Based on GLC discussions, in the market buyers focus on acquiring quality companies

with sustainable profits. As a result, valuation multiples for Middle Market companies have slipped to a median EBITDA multiple of 9.1x 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 9/30/2023

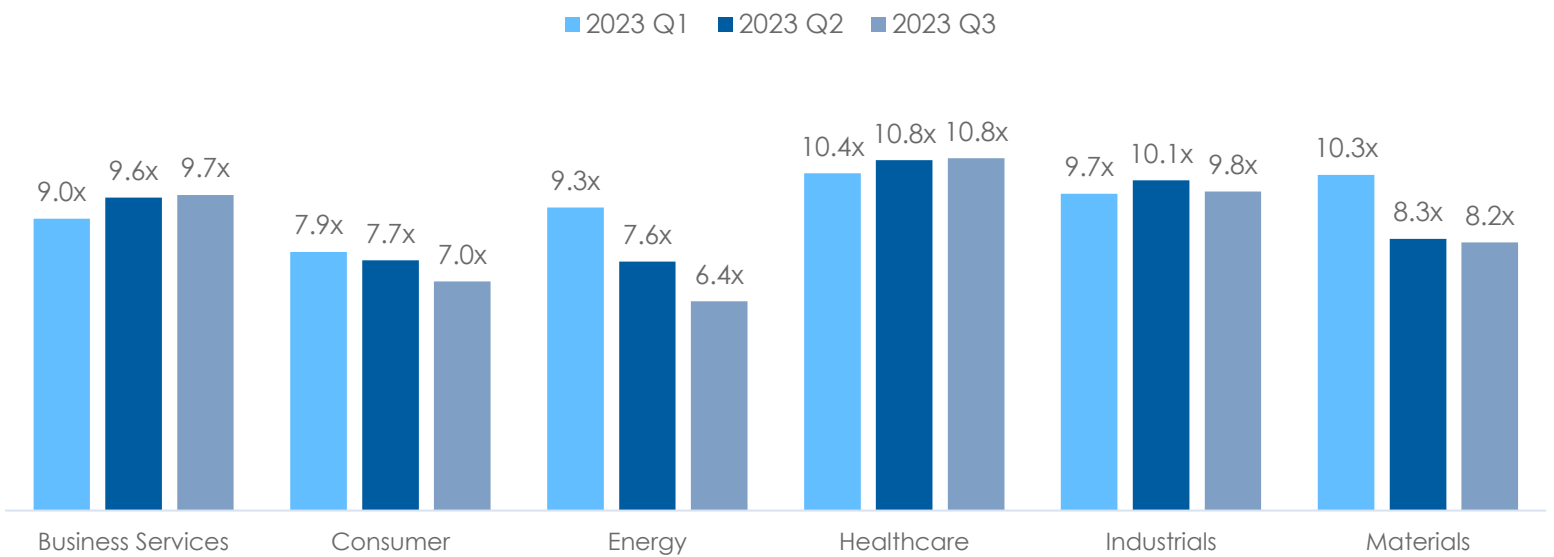
(1) Middle Market defined as <\$500M in Enterprise Value; (2) Excludes multiples <2.0x and >20.0x as well as Financial & Technology sectors

Deal Flow and Valuation Multiples

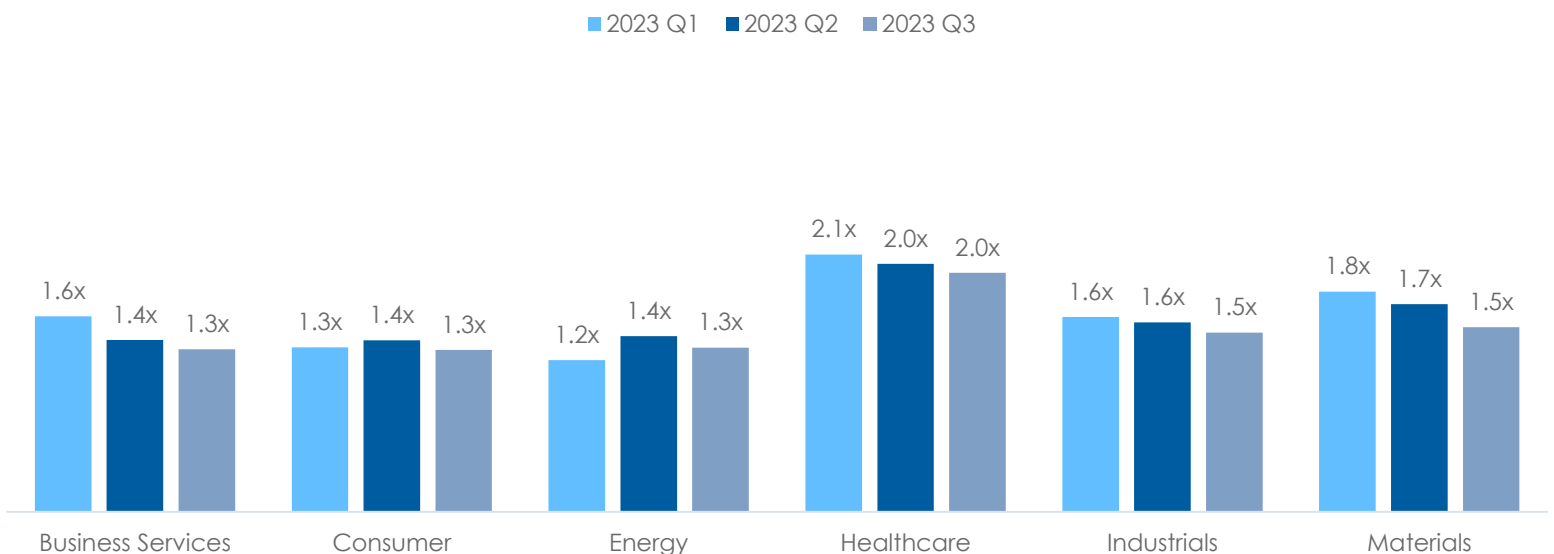
When examining each industry sector in more detail, valuation multiples reveal a varied environment as certain industries (such as Consumer, Energy, Industrials, and Materials) experienced a valuation decline. GLC continues to see interest from private equity and strategic acquirers in its Business Services

and Industrials clients. GLC's current M&A mandates are demonstrating strong, profitable companies that can demonstrate stability in a recessionary environment are highly sought-after.

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 9/30/2023

(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

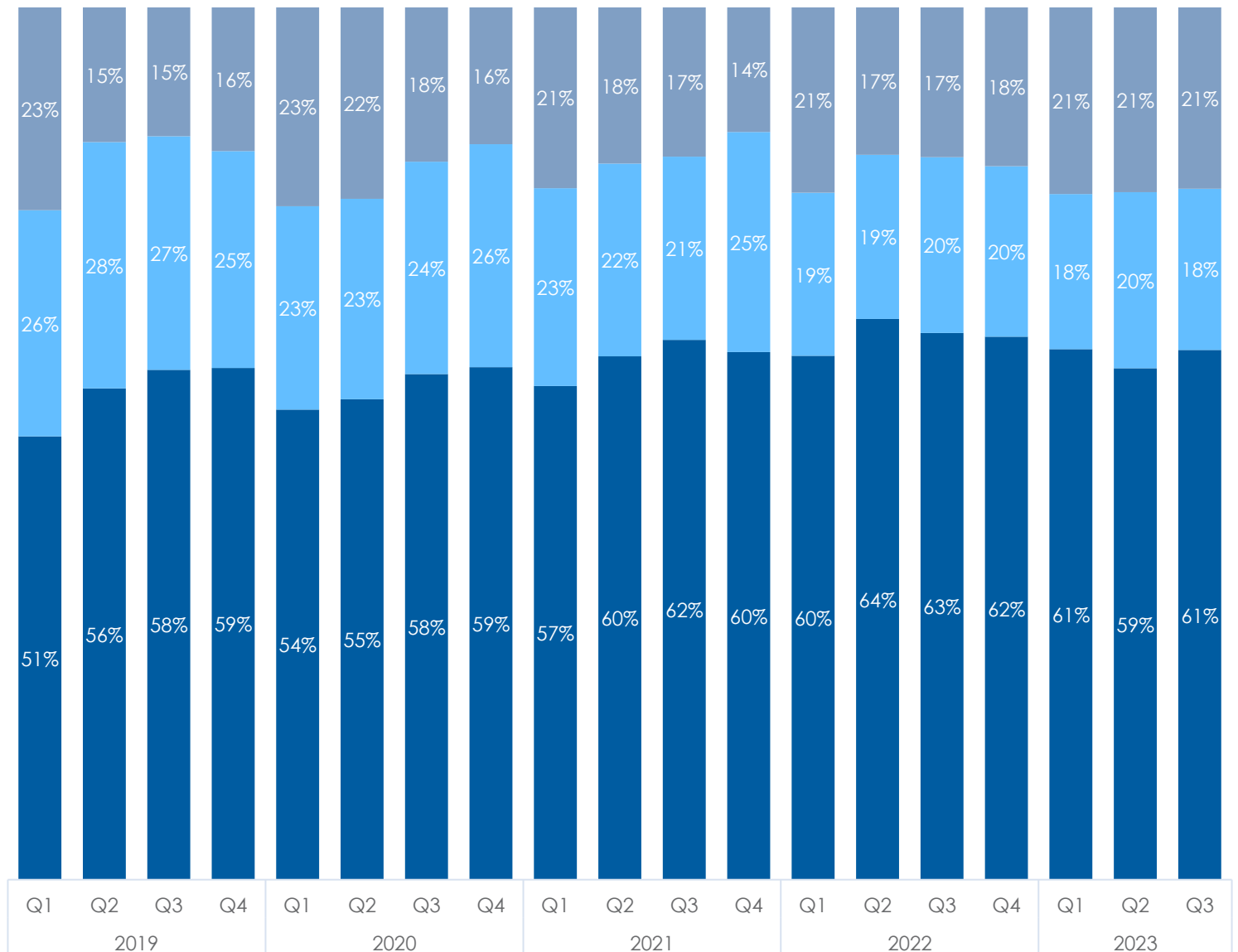
Acquirer Trends

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 Q3 '23, private equity add-ons comprised 61% of all M&A transaction volume. PE platforms remained flat and is at the lowest level seen over the past 21 quarters. Strategic acquirers continue to grow its share and comprise 21% of all M&A transactions in Q3 '23.

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

■ PE Add-on ■ PE Platform ■ Strategic



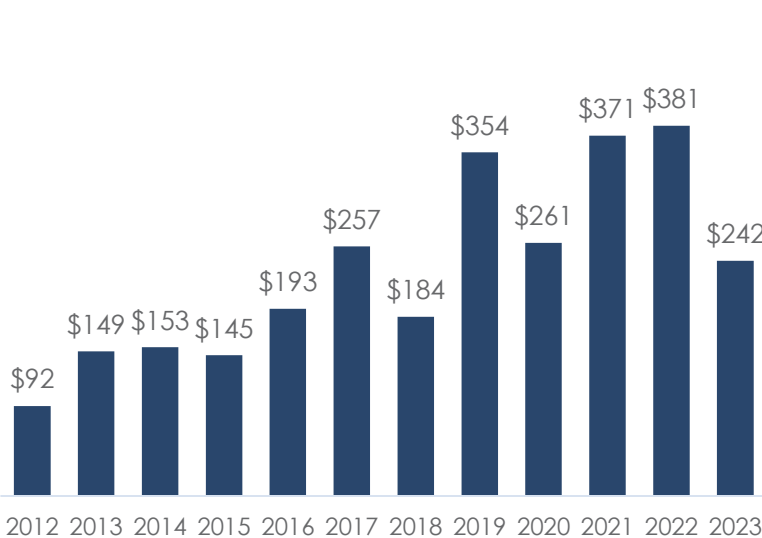
Source: Capital IQ, PitchBook
Note: Data as of 9/30/2023

The total amount of private equity capital raised and available for deployment ("U.S. Private Equity Capital Overhang") is approximately \$854B with the vast majority targeting Middle Market companies. The private equity capital overhang has declined for the first time in over a decade. In Q3 '23,

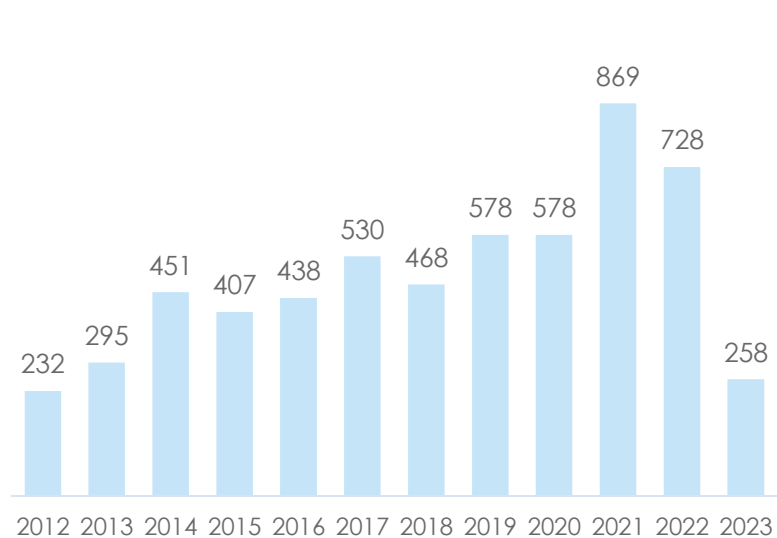
85+ new funds were formed totaling \$86B+ in new capital. On an annualized basis, private equity fundraising both capital raised (\$306B annualized) and number of funds (320 annualized) are projected to be lower than 2022 (\$381B capital raised and 728 new funds formed).

U.S. Private Equity Fundraising

PE CAPITAL RAISED (\$B)

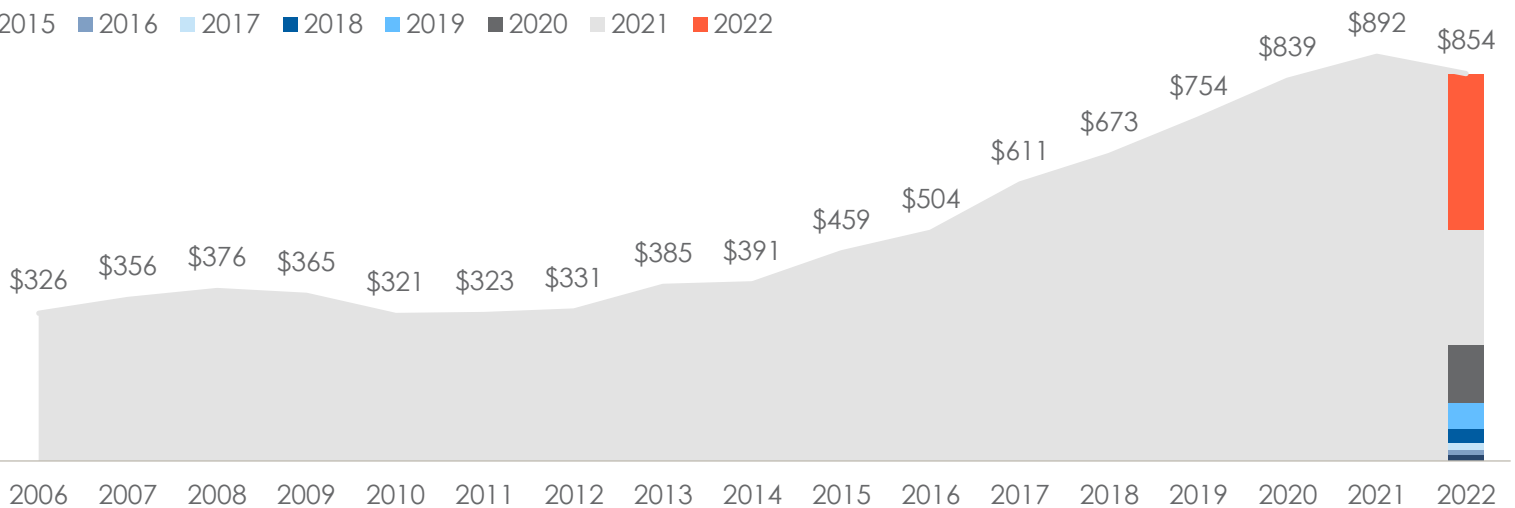


NUMBER OF NEW FUNDS



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

■ 2015 ■ 2016 ■ 2017 ■ 2018 ■ 2019 ■ 2020 ■ 2021 ■ 2022



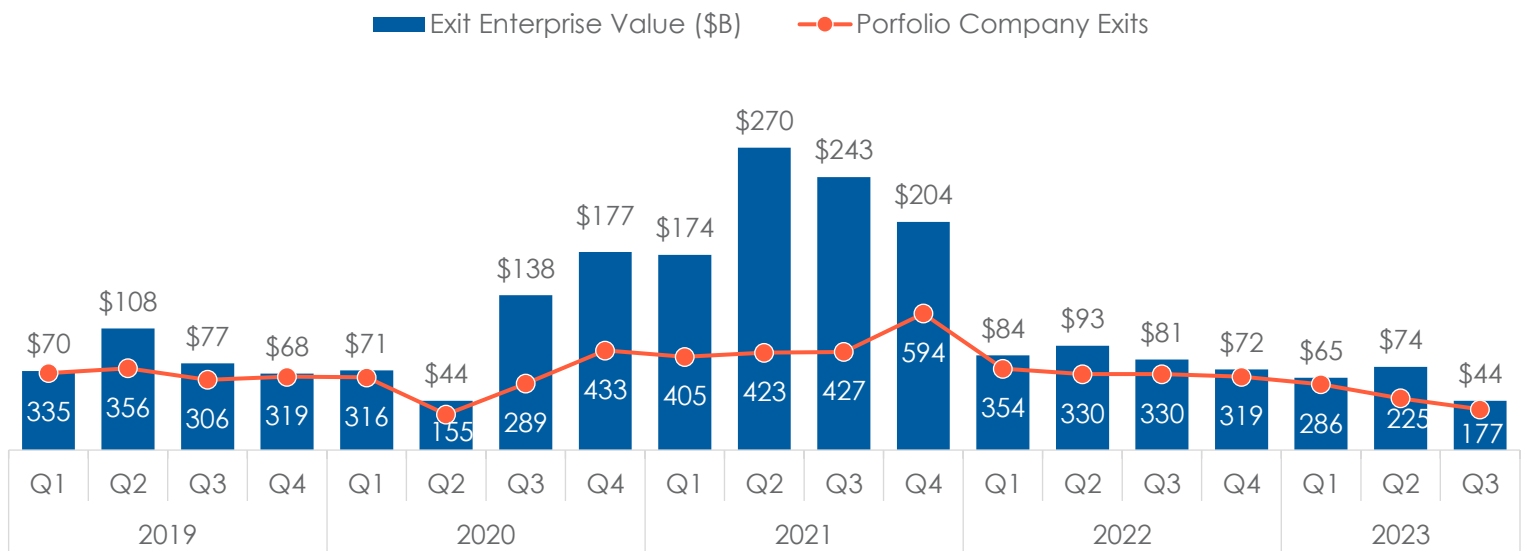
Note: U.S. PE Fundraising data as of 9/30/2023 & U.S. PE Capital Overhang data as of 12/31/2022; Excludes venture capital & real estate funds

Private Equity Exit Activity

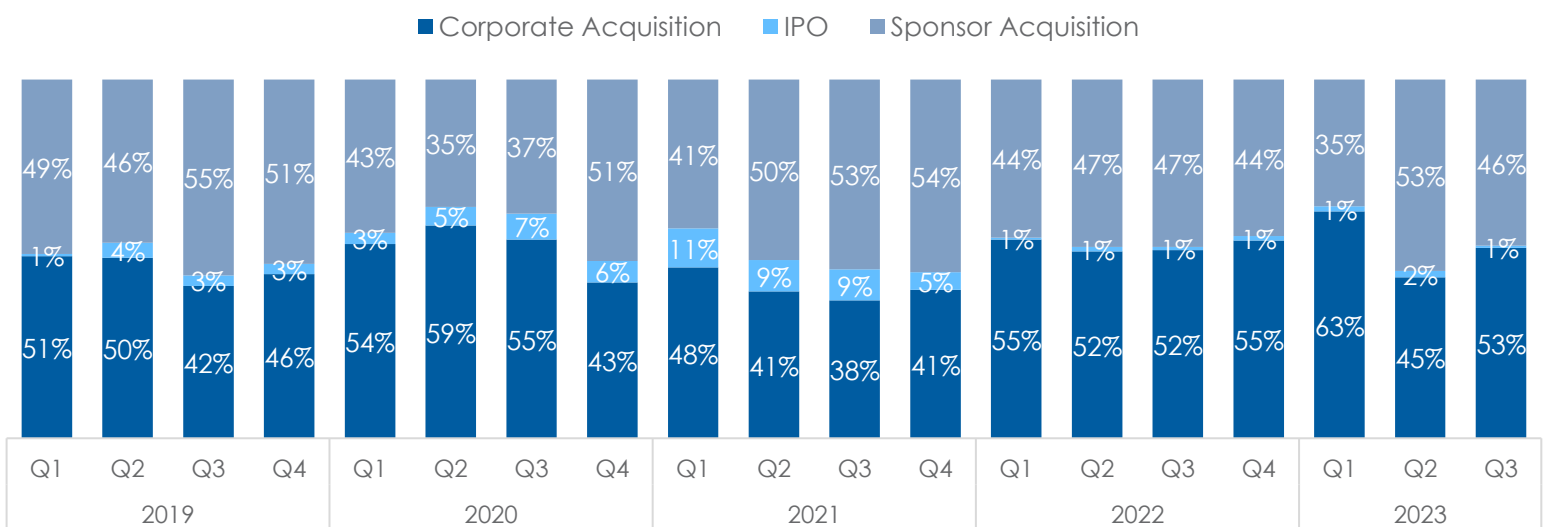
Private equity exit activity reached a 12-quarter low in Q3 '23 with 177 portfolio company exits. Private equity funds have slowed exit rates after capitalizing on higher valuations in '21 and are taking a cautious approach to the current macroeconomic environment. Private equity exits continue to be 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 9/30/2023

MIDDLE MARKET M&A UPDATE

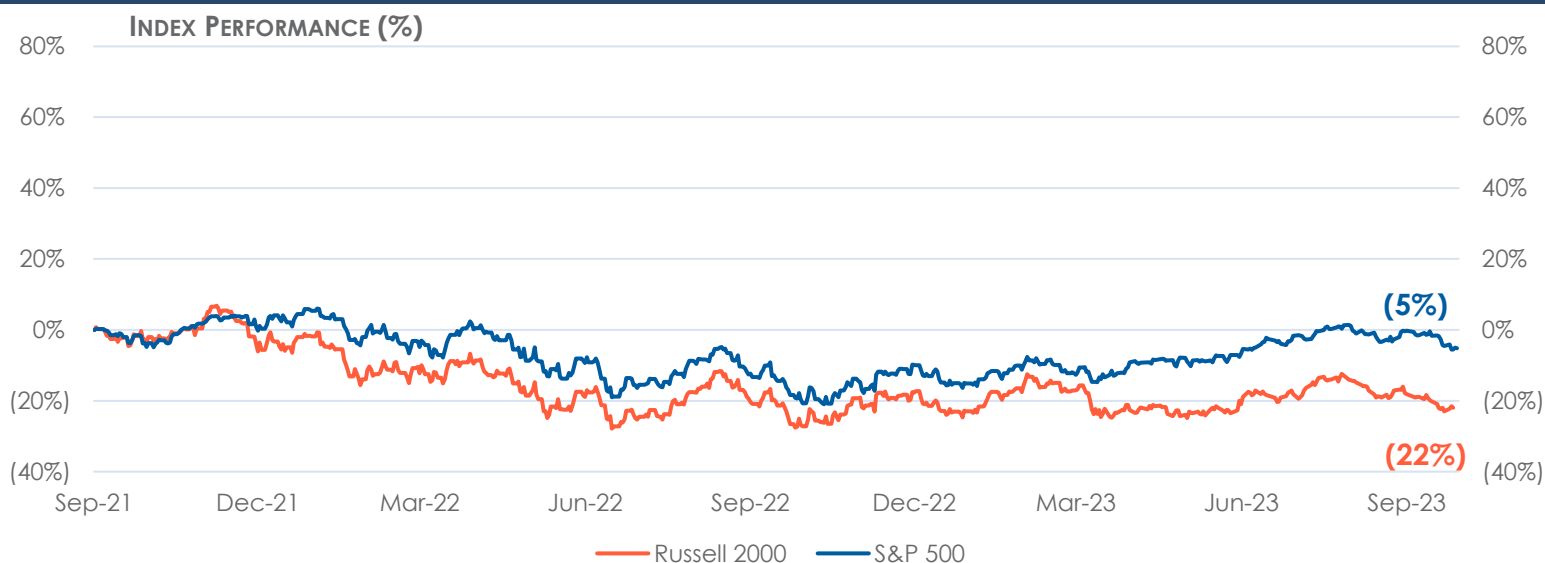
S&P 500 and Russell 2000 Performance

Q3
2023

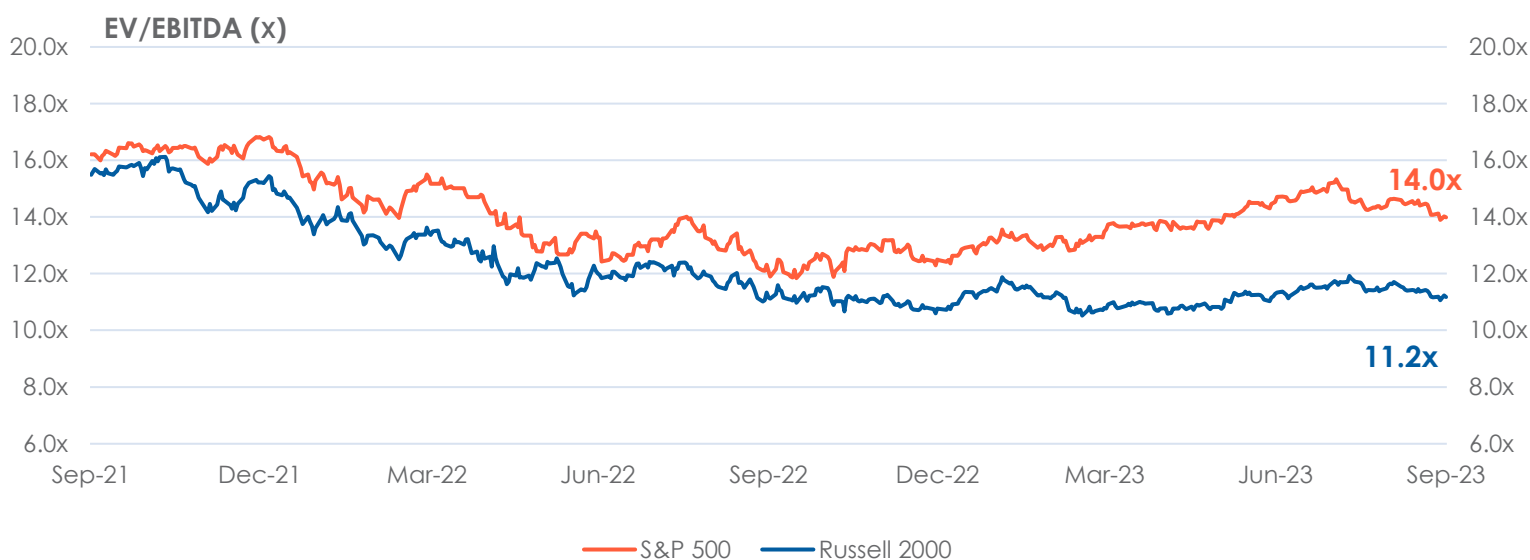
In Q3 '23, public company valuations increased. During the quarter, the S&P 500 Index ("S&P") finished down (3.7%) and the Russell 2000 Index ("Russell") finished down (5.5%). The EBITDA multiple for the Russell and S&P ended at approximately 11.2x and 14.0x, respectively.

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 9/30/2023

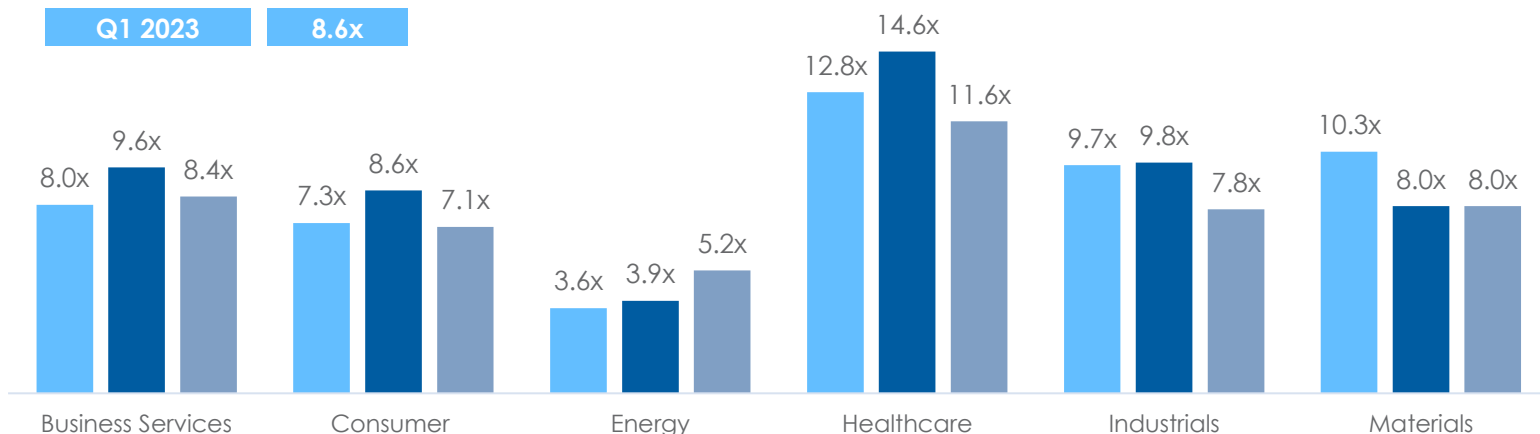
Public Markets' Valuation Multiples by Sector

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 a decrease in valuation multiples from Q2 '23 to Q3 '23. Overall, the median EBITDA multiple decrease of the Russell's sectors in Q3 '23 was

approximately 12% compared to Q2 '23 and an increase of 8% compared to Q3 '22 (prior year). Valuation multiples in the public markets continued to be emotionally driven as investors factor in positive signals of economic growth and geopolitical tensions.

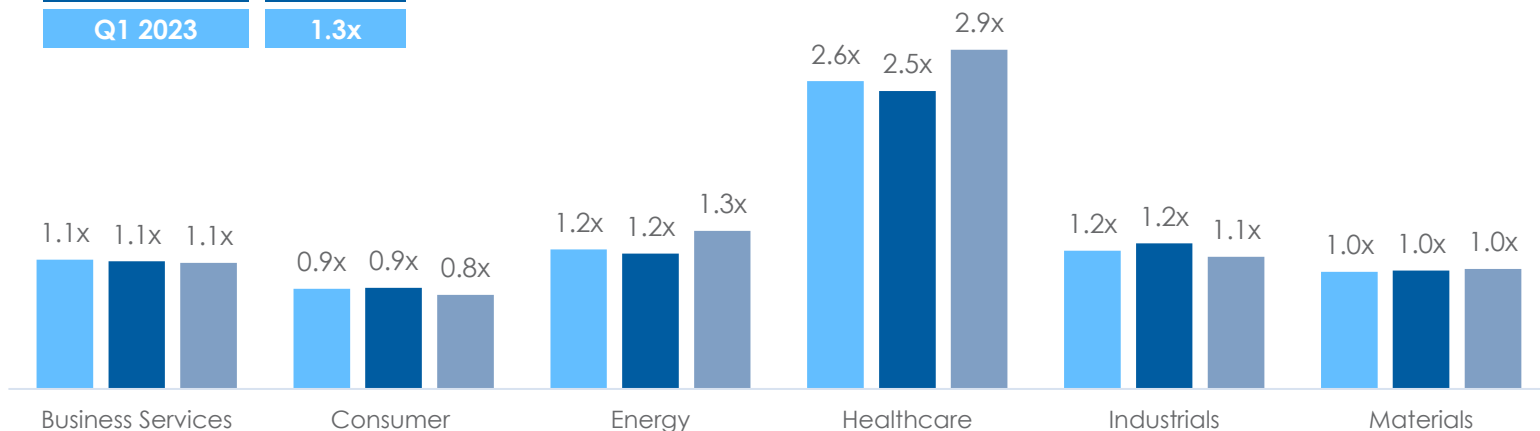
Russell 2000 Median EV/EBITDA Multiples by Sector ⁽¹⁾

Q3 2023	8.0x
Q2 2023	9.1x
Q1 2023	8.6x



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

Q3 2023	1.4x
Q2 2023	1.3x
Q1 2023	1.3x



Source: Capital IQ, PitchBook
 Note: Data as of 9/30/2023; 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.



ADAM FIEDOR
Managing Director

Adam.Fiedor@glca.com

O: 303.479.3845
M: 720.255.7978



MICHAEL RICHTER
Managing Director

Michael.Richter@glca.com

O: 303.479.3844
M: 704.770.5172



MIKE FLESCHNER
Director

Michael.Fleschner@glca.com

O: 303.479.3846
M: 816.698.9598



MIKE ARMBRUSTER
Vice President

Michael.Armbruster@glca.com

O: 303.479.3851
M: 303.483.8576



JACKSON WINN
Associate

Jackson.Winn@glca.com

O: 303.479.3854
M: 925.819.1150



**ADVISORS
& COMPANY**

glca.com
NY | DEN | LA | SF

MIDDLE MARKET M&A UPDATE

Representative Transactions

Q3

2023

Recent M&A Advisory

 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	 Acquired By Advisor to SpineOne	 Recapitalization & Growth Capital Advisor to Elmdale Partners	 A Portfolio Company of Acquired By Advisor to Greensill U.S.	 Sold the assets of To Ministry Branches Advisor to LPI

Recent Capital Raise Advisory

 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	 Debt Capital Raise Advisor to Physicians Endoscopy

Recent Restructuring Advisory

 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	 Restructuring and Strategic Advisory Advisor to Medium Term Noteholders

Includes representative transactions completed by the professionals of GLC Advisors & Co. while at GLC and other firms
© 2023 GLC. All rights reserved. This material may not be reproduced in any format by any means or redistributed without the prior written consent of GLC. GLC gathers its data from sources it considers reliable; however, it does not guarantee the accuracy or completeness of the information within this presentation. This material has been prepared solely for informational purposes and is not to be construed as a solicitation or an offer to buy or sell any securities or related financial instruments. No investment, divestment or other financial decisions or actions should be based solely on the information in this presentation and GLC is not, by making this report available, providing investment, legal, tax, financial, accounting or other advice to you or any other party. GLC may from time to time provide investment banking or related services to companies referenced in this presentation.