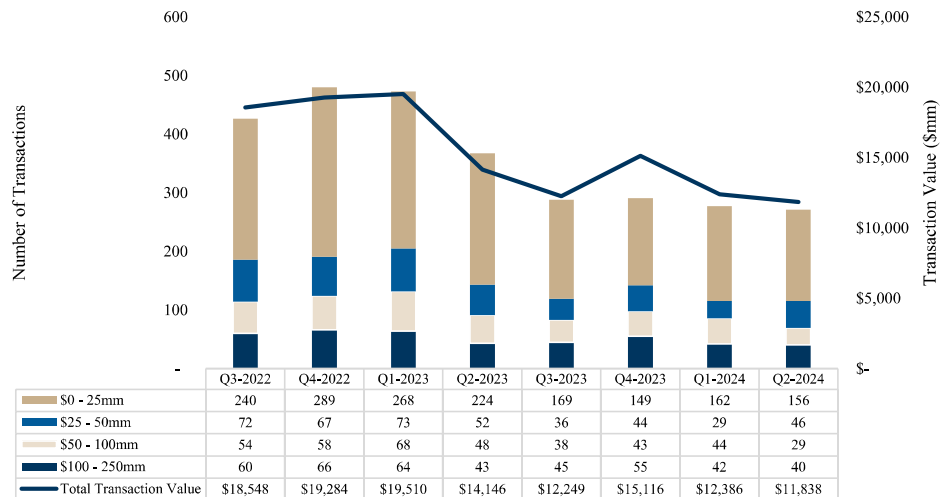


Mergers & Acquisitions Update: The Middle Market Q2 2024

Size Range	U.S. Announced M&A Transactions				
	2020	2021	2022	2023	LTM Q2 '24
\$0-25mm	6.8x	7.3x	7.1x	6.2x	6.9x
\$25-50mm	7.7x	8.6x	6.3x	7.6x	8.4x
\$50-100mm	8.1x	9.1x	7.5x	8.6x	9.3x
\$100-250mm	9.6x	9.1x	8.4x	8.3x	8.8x
\$250-500mm	8.3x	9.6x	8.3x	8.7x	9.2x
\$500mm-\$1B	10.2x	9.2x	10.4x	9.9x	9.4x

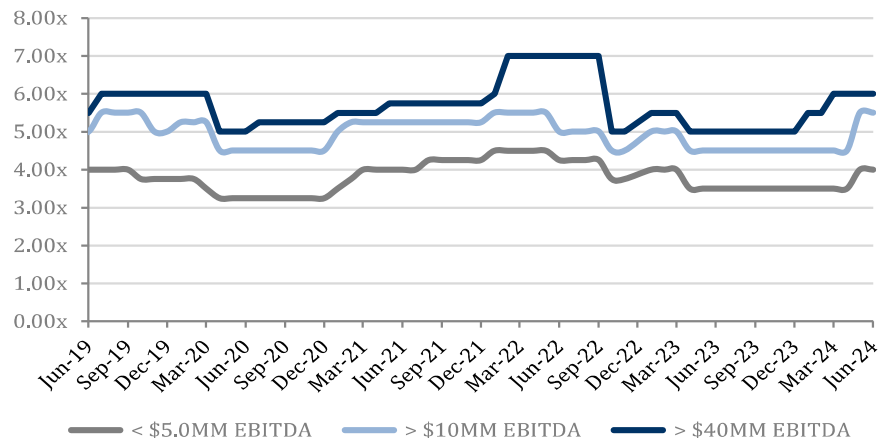
Source: Capital IQ, Mufson Howe Hunter

U.S. Lower Middle Market M&A Activity – Transactions Below \$250mm



Source: Capital IQ, Mufson Howe Hunter

Historical Total Debt Limit (x EBITDA)



Source: SPP's "MIDDLE MARKET LEVERAGE CASH FLOW MARKET AT A GLANCE" (see page 8)

Mufson Howe Hunter & Company LLC is a middle-market focused investment bank providing M&A, capital raising and financial advisory services.

Broker/Dealer services offered through a wholly owned subsidiary Mufson Howe Hunter & Partners LLC, Member SIPC | FINRA



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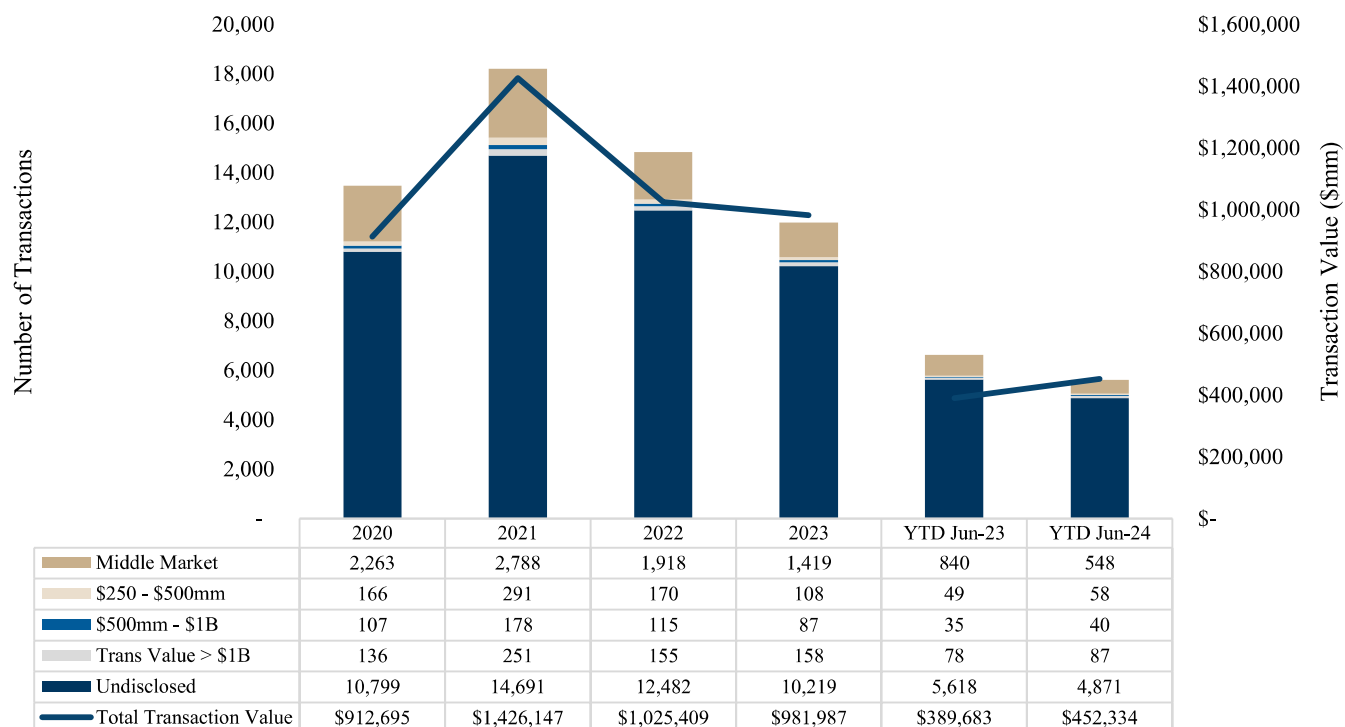
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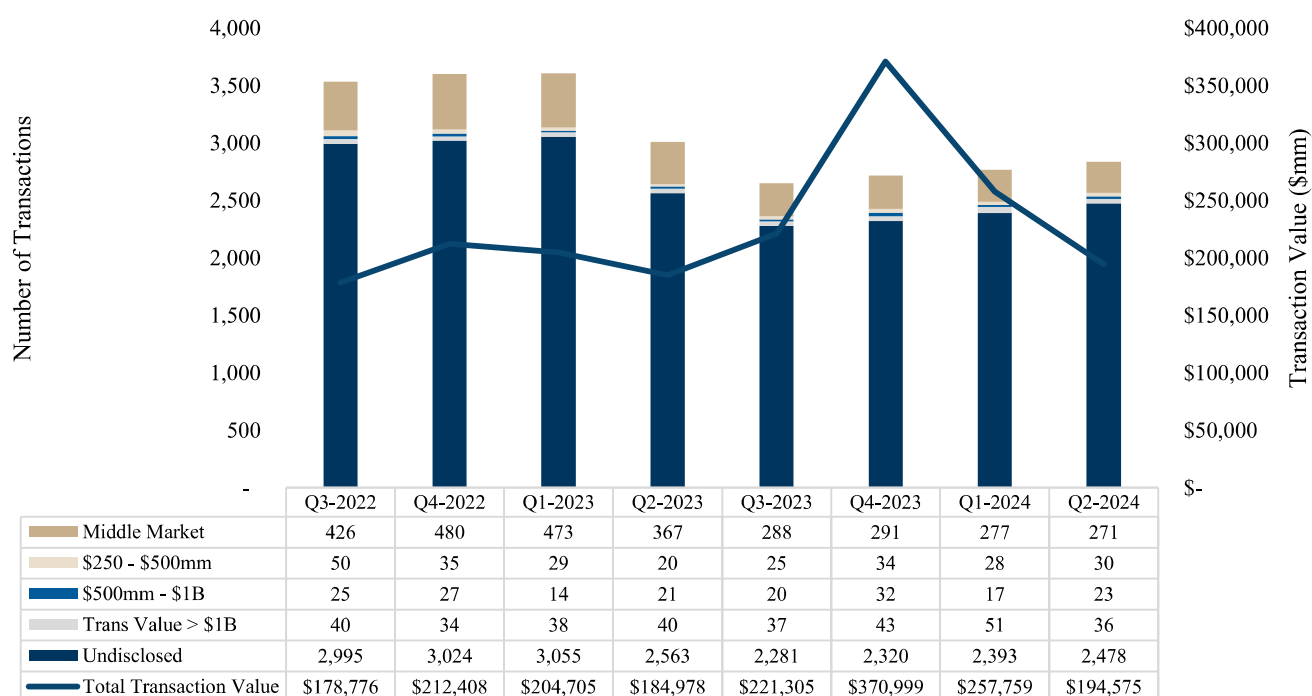
Scott Kendrick, Director
215.370.6128
skendrick@mhco.com

Mergers & Acquisitions Update

U.S. - All Reported M&A Activity



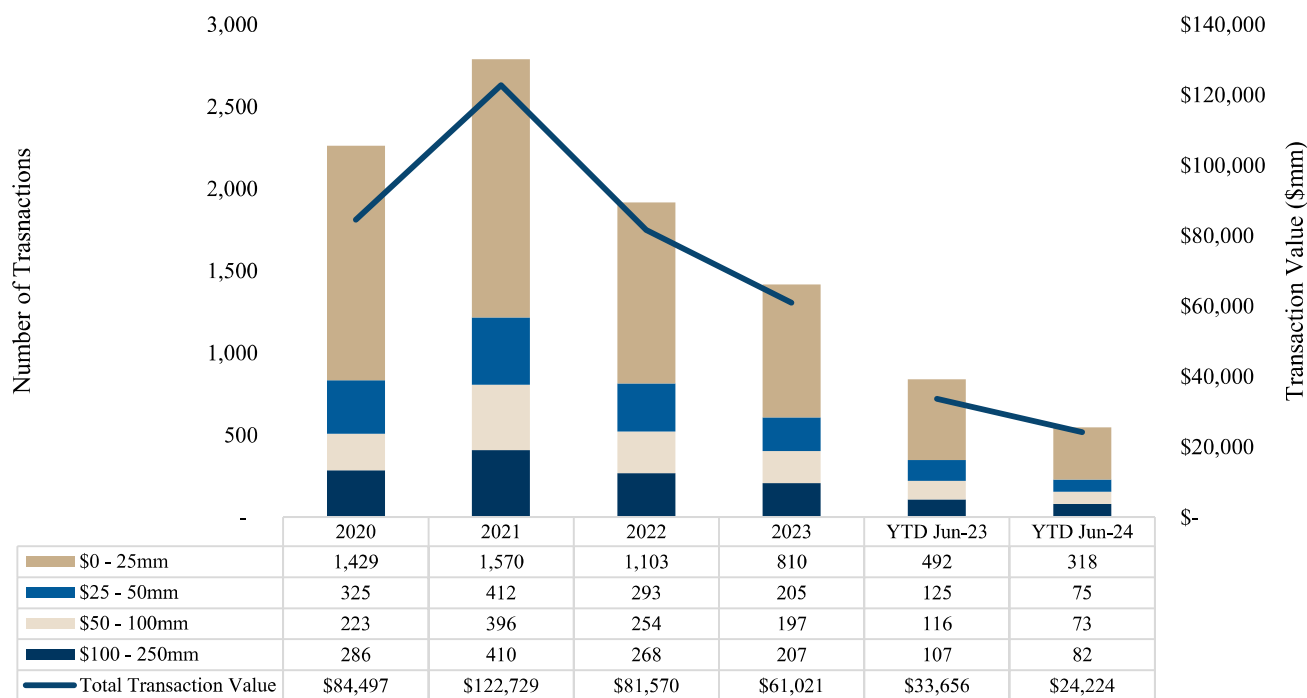
U.S. - All Reported M&A Activity



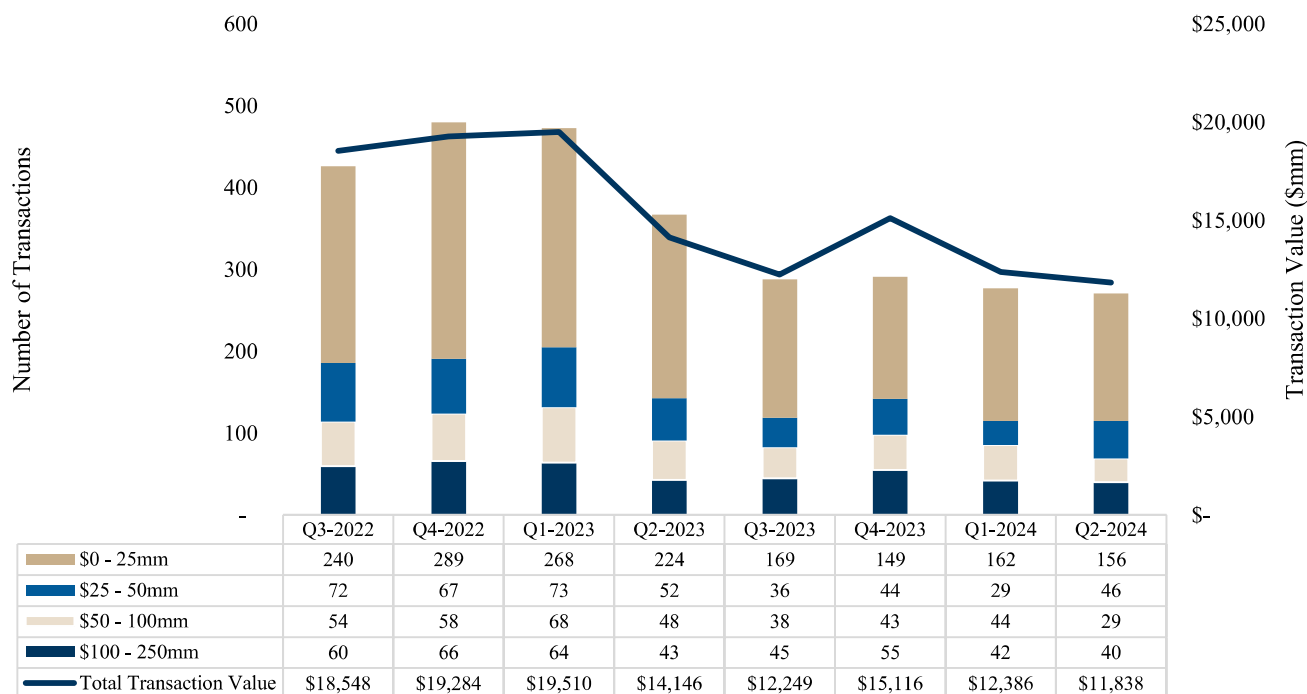
Source: Capital IQ
As of 06/30/2024

Mergers & Acquisitions Update

U.S. Lower Middle Market M&A Activity – Transactions Below \$250mm



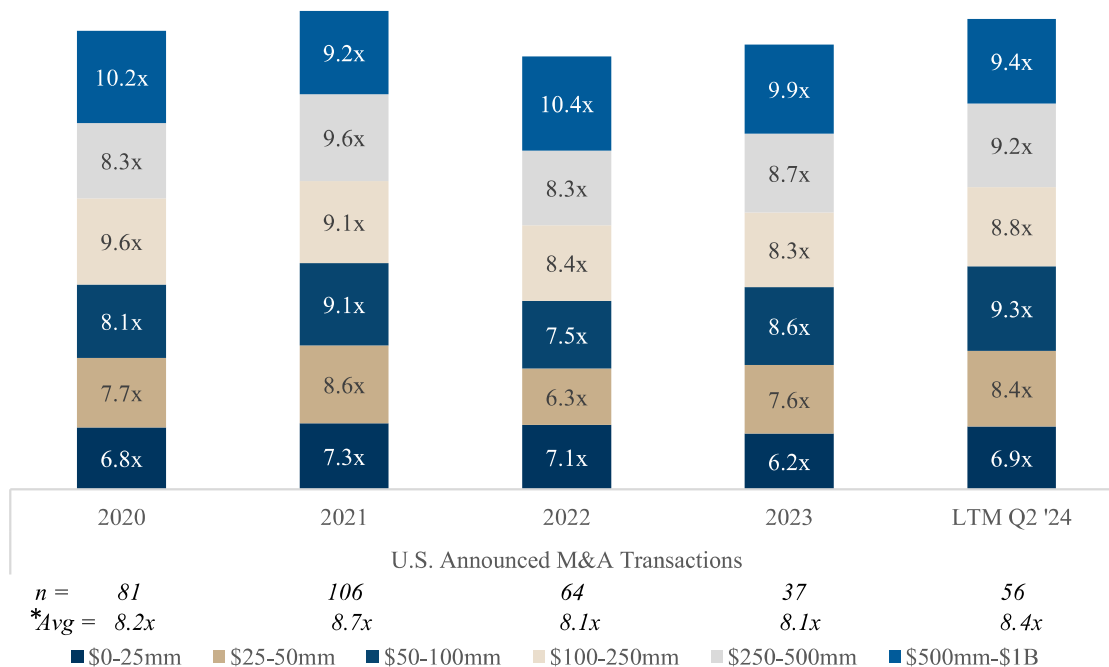
U.S. Lower Middle Market M&A Activity – Transactions Below \$250mm



Source: Capital IQ
As of 06/30/2024

U.S. Middle Market Valuation Multiples

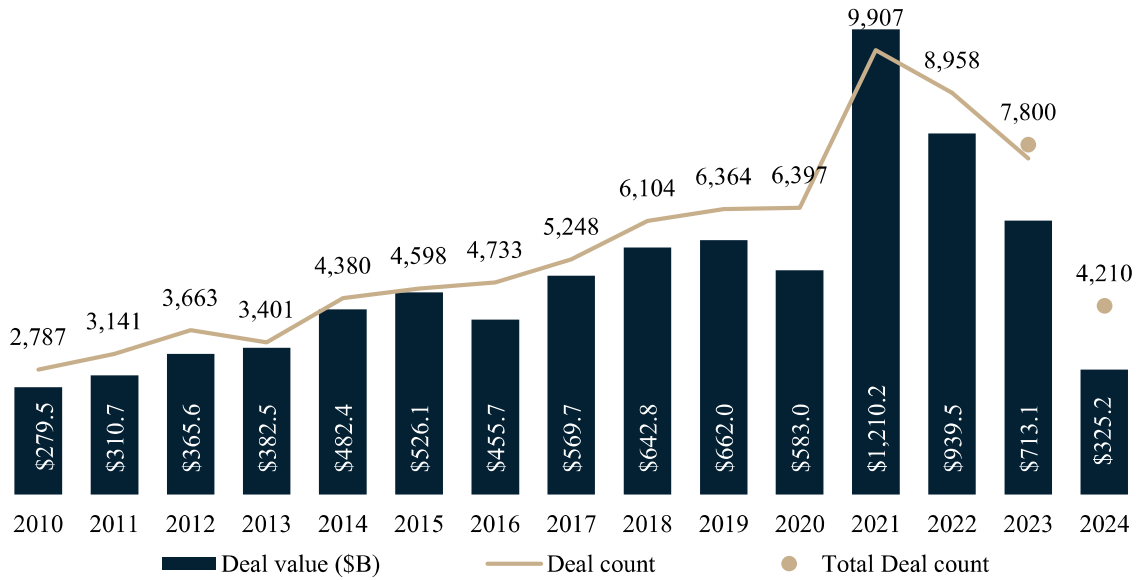
All U.S. Middle Market M&A Transactions Valuation Multiples



* Average weighted by number of transactions
 Source: Capital IQ
 As of 06/30/2024

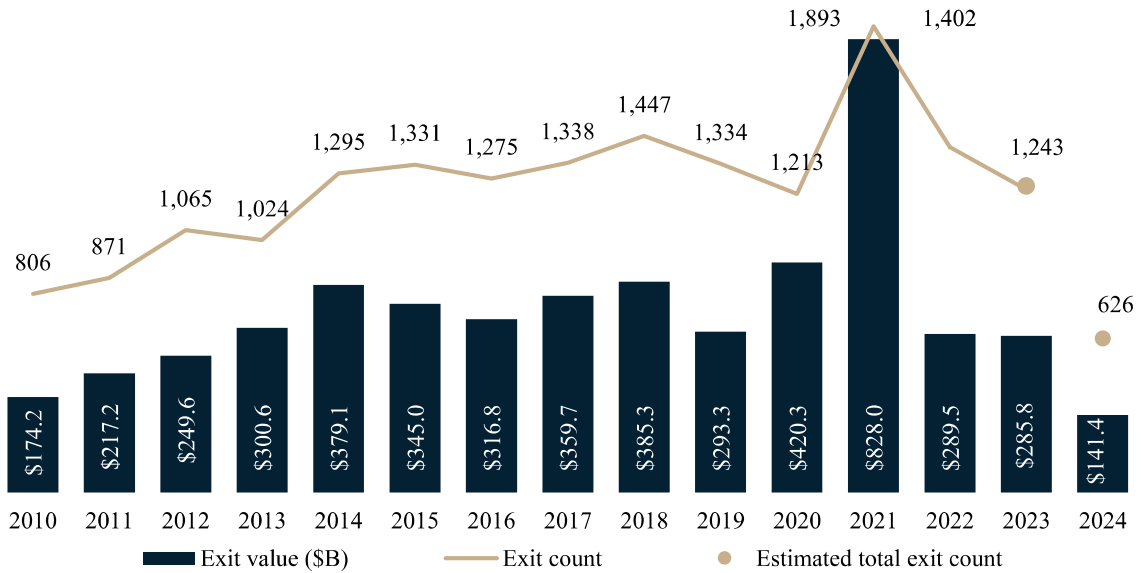
U.S. Middle Market Private Equity Sponsor Activity

U.S. PE Deal Activity



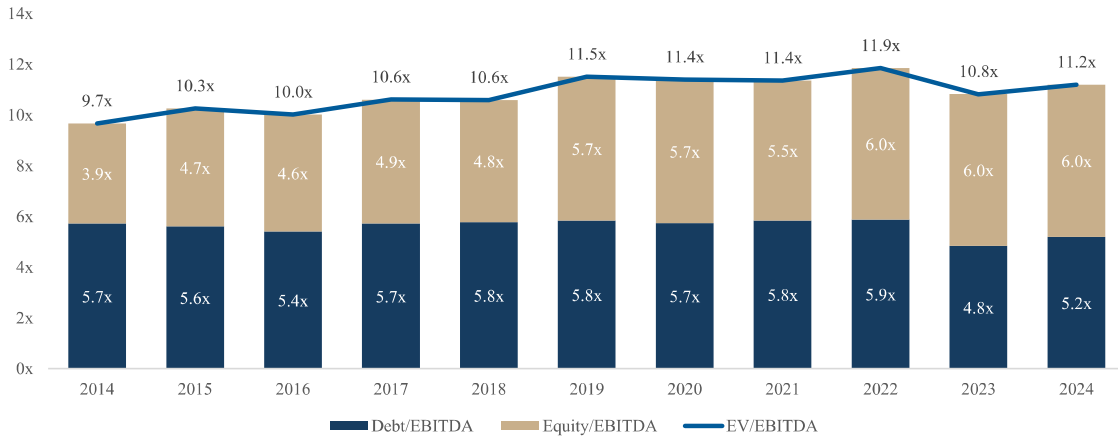
Source: PitchBook
*YTD as of 06/30/2024

U.S. PE Exit Activity



Source: PitchBook
*YTD as of 06/30/2024

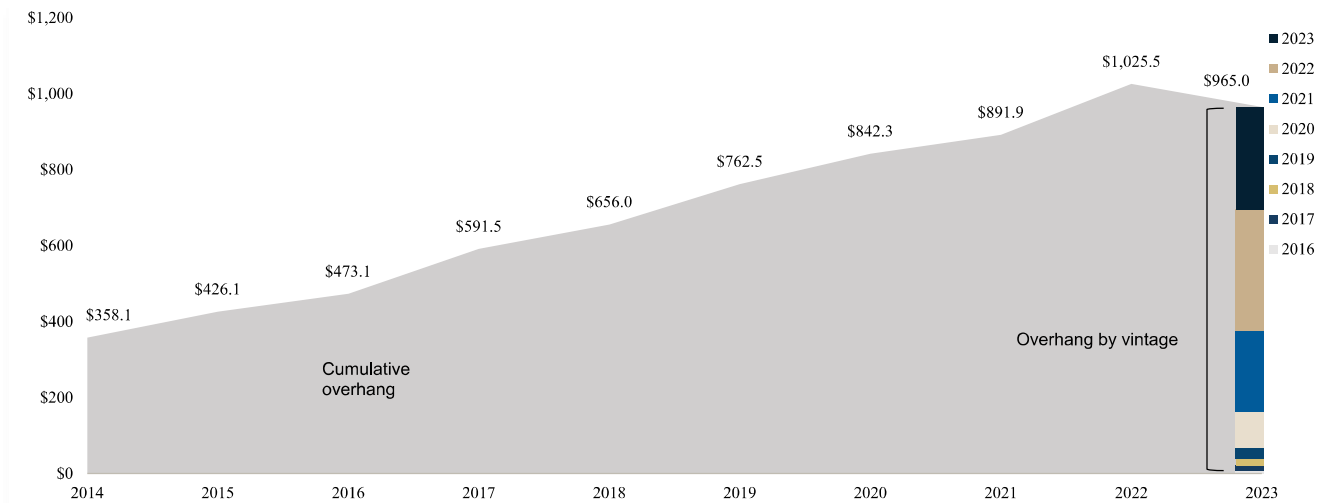
Multiples on BSL-Funded Deals



Source: PitchBook

*YTD as of 06/30/2024

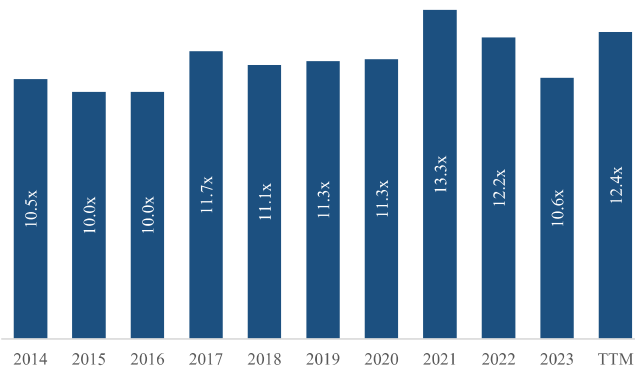
US PE middle-market and overall PE dry powder (\$B)



Source: PitchBook

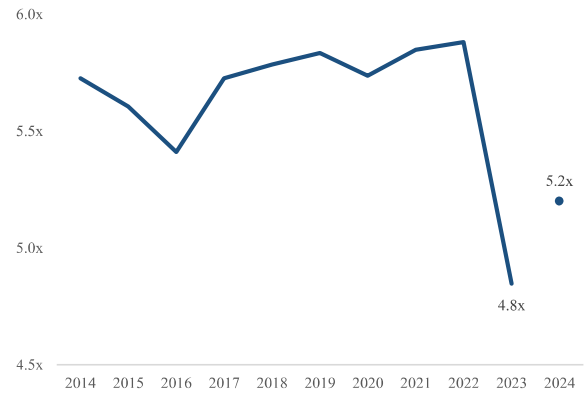
*As of 09/30/2023

Median PE EV/EBITDA Multiples



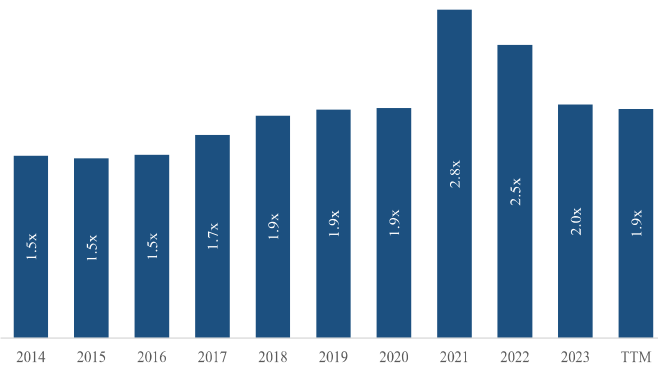
Source: PitchBook
*As of 06/30/2024

Median PE Debt/EBITDA Multiples



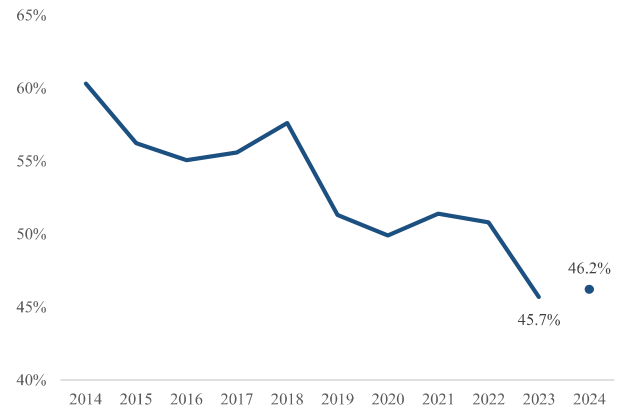
Source: PitchBook
*As of 06/30/2024

Median PE EV/Revenue Multiples



Source: PitchBook
*As of 06/30/2024

Share of PE LBO debt to EV



Source: PitchBook
*As of 06/30/2024

Leverage Market at a Glance

By SPP Capital Partners
www.sppcapital.com

Changes from Previous Month Noted in Red.

Cash Flow Senior Debt/EBITDA

	< \$5.0MM EBITDA	> \$10MM EBITDA	> \$40MM EBITDA
June 2024	1.50x - 2.50x	2.00x - 3.50x	4.00x - 5.00x
May 2024	1.50x - 2.50x	2.00x - 3.50x	4.00x - 5.00x
June 2023	1.50x - 2.00x	2.00x - 3.00x	2.50x - 4.50x

Commentary: *Pricing and Leverage Multiples Stable at Current Levels: General Liquidity Conditions Clearly Favor Issuers*

Total Debt/EBITDA

	< \$5.0MM EBITDA	> \$10MM EBITDA	> \$40MM EBITDA
June 2024	2.50x - 4.00x	3.50x - 5.50x	5.00x - 6.00x
May 2024	2.50x - 4.00x	3.50x - 5.50x	5.00x - 6.00x
June 2023	2.50x - 3.50x	3.50x - 4.50x	4.00x - 5.00x

Commentary: *Pricing and Leverage Multiples Stable at Current Levels: General Liquidity Conditions Clearly Favor Issuers*

Senior Cash Flow Pricing

	Bank	Non-Bank < \$10MM EBITDA	Non-Bank > \$40MM EBITDA
June 2024	S+ 3.50% - 4.00%	S+ 5.50% - 7.50%	S+ 5.00% - 5.75%
May 2024	S+ 3.50% - 4.00%	S+ 5.50% - 7.50%	S+ 5.00% - 5.75%
June 2023	S+ 3.75% - 5.00%	S+ 6.50% - 8.50%	S+ 6.50% - 8.00%

Commentary: *Pricing and Leverage Multiples Stable at Current Levels: General Liquidity Conditions Clearly Favor Issuers*

Unitranche and Second Lien Pricing

	< \$5.0MM EBITDA	> \$10MM EBITDA	> \$40MM EBITDA
June 2024	S+ 7.50% - 9.50%	S+ 5.25% - 7.50%	S+ 5.00% - 6.50%
May 2024	S+ 7.50% - 9.50%	S+ 5.25% - 7.50%	S+ 5.00% - 6.50%
June 2023	S+ 8.50% - 11.00%	S+ 6.75% - 8.50%	S+ 6.50% - 8.00%

Commentary: *Pricing and Leverage Multiples Stable at Current Levels: General Liquidity Conditions Clearly Favor Issuers*

Sub Debt Pricing (Total Coupon: Cash + PIK)

	< \$5.0MM EBITDA	> \$10MM EBITDA	> \$40MM EBITDA
June 2024	13.50% - 16.00%	12.00% - 14.00%	11.00% - 12.50%
May 2024	13.50% - 16.00%	12.00% - 14.00%	11.00% - 12.50%
June 2023	13.00% - 16.00%	12.50% - 14.00%	11.00% - 14.00%

Commentary: *Pricing and Leverage Multiples Stable at Current Levels: General Liquidity Conditions Clearly Favor Issuers*

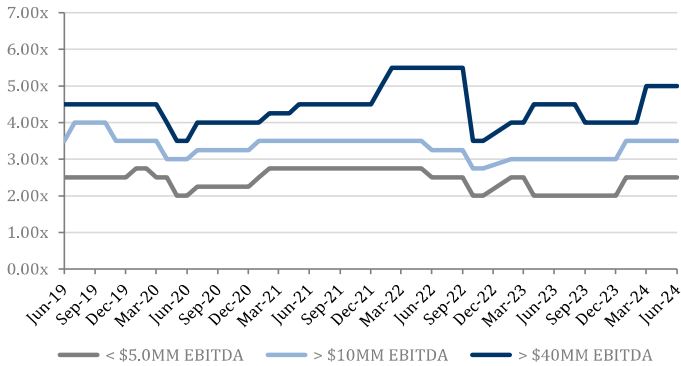
Source: SPP Capital Partners – “Capital Market Update June 2024”

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Historical Leverage Metrics

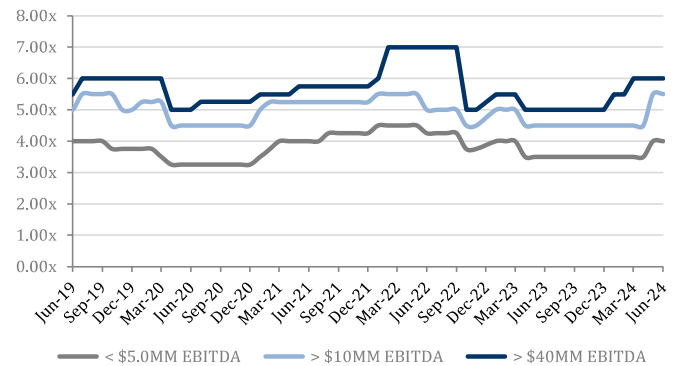
By SPP Capital Partners

Historical Senior Debt Cash Flow Limit (x EBITDA)



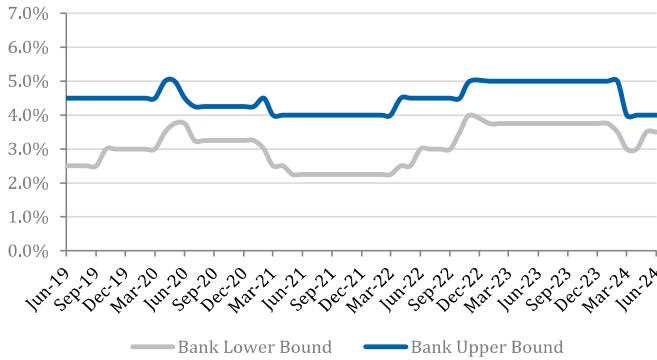
Source: SPP's "MIDDLE MARKET LEVERAGE CASH FLOW MARKET AT A GLANCE"

Historical Total Debt Limit (x EBITDA)



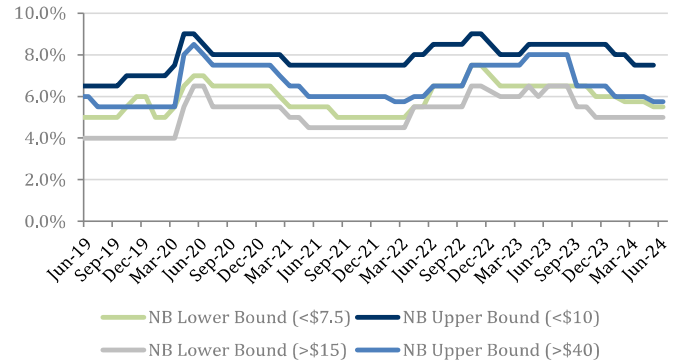
Source: SPP's "MIDDLE MARKET LEVERAGE CASH FLOW MARKET AT A GLANCE"

Historical Senior Cash Flow Pricing (Bank)



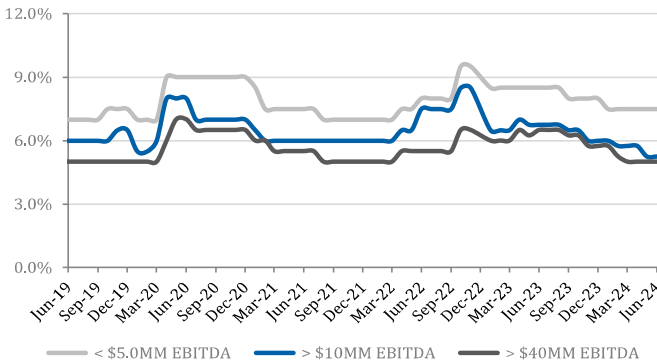
Source: SPP's "MIDDLE MARKET LEVERAGE CASH FLOW MARKET AT A GLANCE"

Historical Senior Cash Flow Pricing (Non-Bank)



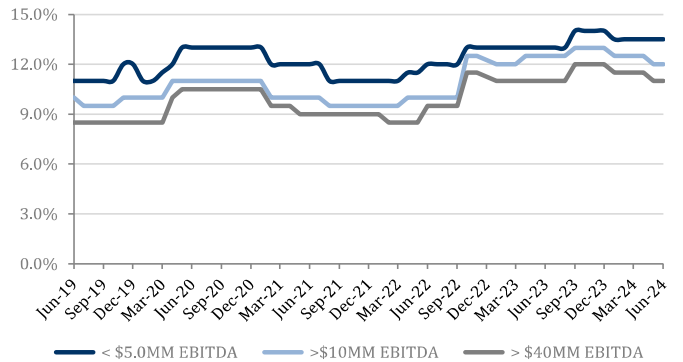
Source: SPP's "MIDDLE MARKET LEVERAGE CASH FLOW MARKET AT A GLANCE"

Historical Second Lien Pricing



Source: SPP's "MIDDLE MARKET LEVERAGE CASH FLOW MARKET AT A GLANCE"

Historical Subordinated Debt Pricing

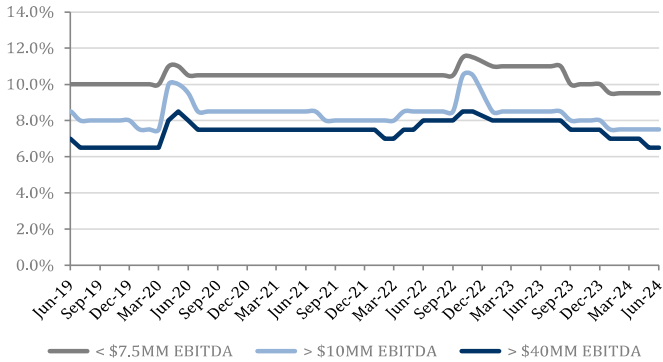


Source: SPP's "MIDDLE MARKET LEVERAGE CASH FLOW MARKET AT A GLANCE"

Historical Leverage Metrics (cont.)

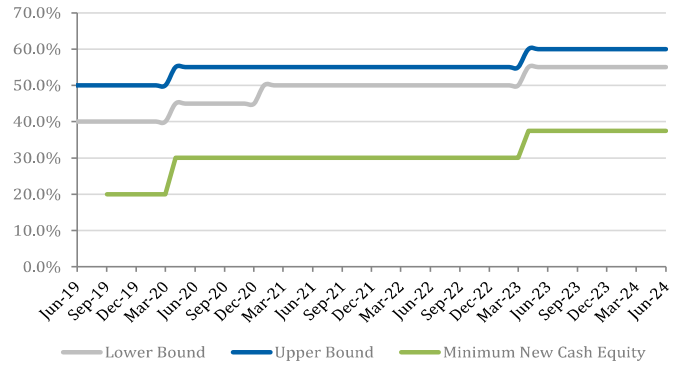
By SPP Capital Partners

Historical Unitranche Pricing



Source: SPP's "MIDDLE MARKET LEVERAGE CASH FLOW MARKET AT A GLANCE"

Historical Minimum Equity Contribution




Source: SPP's "MIDDLE MARKET LEVERAGE CASH FLOW MARKET AT A GLANCE"


Source: SPP Capital Partners – "Capital Market Update March 2024"

[SPP Capital Partners - Middle Market Investment Banking and Asset Management Home](#)


Mufson Howe Hunter & Co. M&A Activity
Selected Recent Transactions



has been acquired by



A wholly-owned subsidiary of



The undersigned served as exclusive financial advisor to Verocel in this transaction

Mufson Howe Hunter
INVESTMENT BANKERS FOR GROWTH



has been acquired by



a portfolio company of



The undersigned served as the exclusive financial advisor to I&I Sling Max in this transaction

Mufson Howe Hunter
INVESTMENT BANKERS FOR GROWTH



has been acquired by




a portfolio company of




The undersigned served as the exclusive financial advisor to Bluestream Health in this transaction

Mufson Howe Hunter
INVESTMENT BANKERS FOR GROWTH



has been acquired by



The undersigned served as the exclusive financial advisor to Pennsylvania Paper & Supply in this transaction

Mufson Howe Hunter
INVESTMENT BANKERS FOR GROWTH

Mufson Howe Hunter is an independent investment bank for middle-market companies. We focus on selling businesses, recapitalizations, buy-outs, acquisitions and raising capital. Unique to the middle market, our senior bankers have extensive corporate finance experience and deep knowledge of the capital markets.

Mergers & Acquisitions

- Advise buyers and sellers (public and private companies)
- Sale of businesses, strategic acquisitions, recapitalizations, management buy-outs and industry build-ups
- Specific background in representing closely-held and family-owned businesses

Raise Capital

- Equity (control and non-control)
- Mezzanine financing
- Senior and junior debt
- Typically raise debt & equity capital from commercial banks, finance companies, investment funds and private equity sponsors

Financial Advisory Services

- Analysis of business strategies and options
- Fairness opinions
- Complex valuations

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