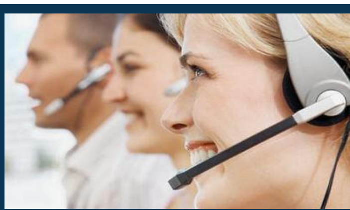


Middle Market M&A Update: Q3 2025

	Average EV/EBITDA of U.S. Announced M&A Transactions				
Size Range	2021	2022	2023	2024	LTM Q3 '25
$0-25mm	7.3x	6.9x	5.5x	6.0x	6.8x
$25-50mm	8.6x	6.3x	7.6x	8.0x	8.4x
$50-100mm	9.1x	7.2x	7.6x	8.6x	8.6x
$100-250mm	8.8x	7.6x	8.3x	9.6x	8.9x
$250-500mm	9.6x	7.8x	8.7x	9.9x	9.3x
$500mm-$1B	9.2x	10.4x	9.9x	9.3x	9.7x

	Total Transaction Value of U.S. Announced M&A Transactions				
	2021	2022	2023	2024	YTD 9/25
Undisclosed	-	-	-	-	-
Trans Value > $1B	1,070,364	803,022	820,058	800,648	1,197,925
$500mm - $1B	128,933	80,639	63,099	71,766	80,403
$250 - $500mm	105,032	60,177	37,809	47,308	37,216
Middle Market (< $250mm)	122,729	81,570	61,050	59,683	35,881
Total Transaction Value	**$ 1,426,147**	**$ 1,025,409**	**$ 982,016**	**$ 979,405**	**$ 1,351,425**

	Total Transaction Count of U.S. Announced M&A Transactions				
	2021	2022	2023	2024	YTD 9/25
Undisclosed	14,693	12,483	10,236	10,453	5,701
Trans Value > $1B	251	155	158	189	199
$500mm - $1B	178	115	87	98	107
$250 - $500mm	291	170	108	135	104
Middle Market (< $250mm)	2,788	1,918	1,424	1,300	852
Total Transaction Count	**18,201**	**14,841**	**12,013**	**12,175**	**6,963**

[1]*Source: Mufson Howe Hunter, FactSet, PitchBook*

Q3 2025 M&A Update

U.S. M&A Update — YTD 2025 (through September 30)

Through the first nine months of 2025, the U.S. M&A market remained bifurcated: robust at the top end, mixed in the middle, and sluggish at the lower end. Transactions ≥$500 million increased ~42% year to date, with aggregate value rising sharply and lifting overall market totals despite subdued deal counts. Activity in the $250–$500 million band rose ~8%, while sub-$250 million deals declined ~6% over recent quarters. Overall M&A dollar volume is up ~82% YTD, largely driven by mega-deals. Private equity activity mirrors this dynamic. U.S. PE deal counts are down ~9% YTD, yet aggregate PE value is up ~26%, reflecting a “fewer but larger” cadence. Exits show the same skew: counts are ~17% lower versus last year, but exit value is up ~76% year to date—evidence that large-cap transactions are driving dollars far more than the middle and lower ends of the market.

Outlook: Q4 2025 and 2026

We remain cautiously optimistic. As financing conditions improve and the cost of funds trends lower, we expect the large-cap momentum to filter into the middle market. If underwriting leverage continues to improve, bid-ask spreads should compress, unlocking more mid- and lower-market platform activity along with add-ons. We’re watching the path of rates, private-credit risk appetite, and broader macro signals; on balance, we anticipate a more constructive backdrop for middle-market M&A into 2026.

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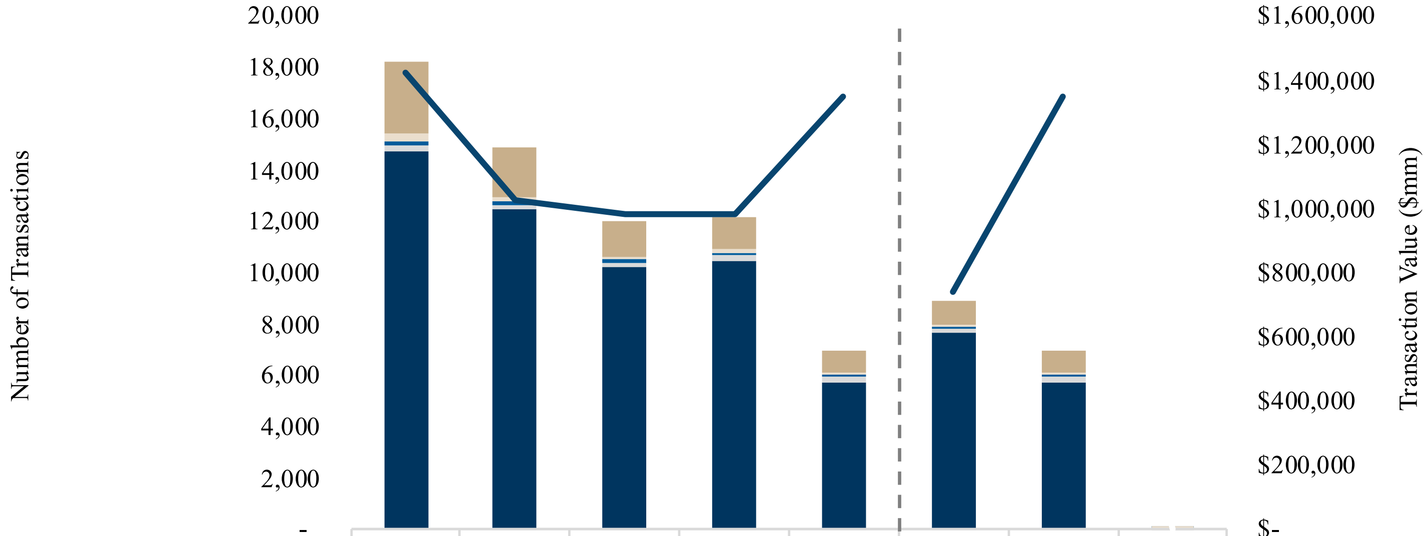
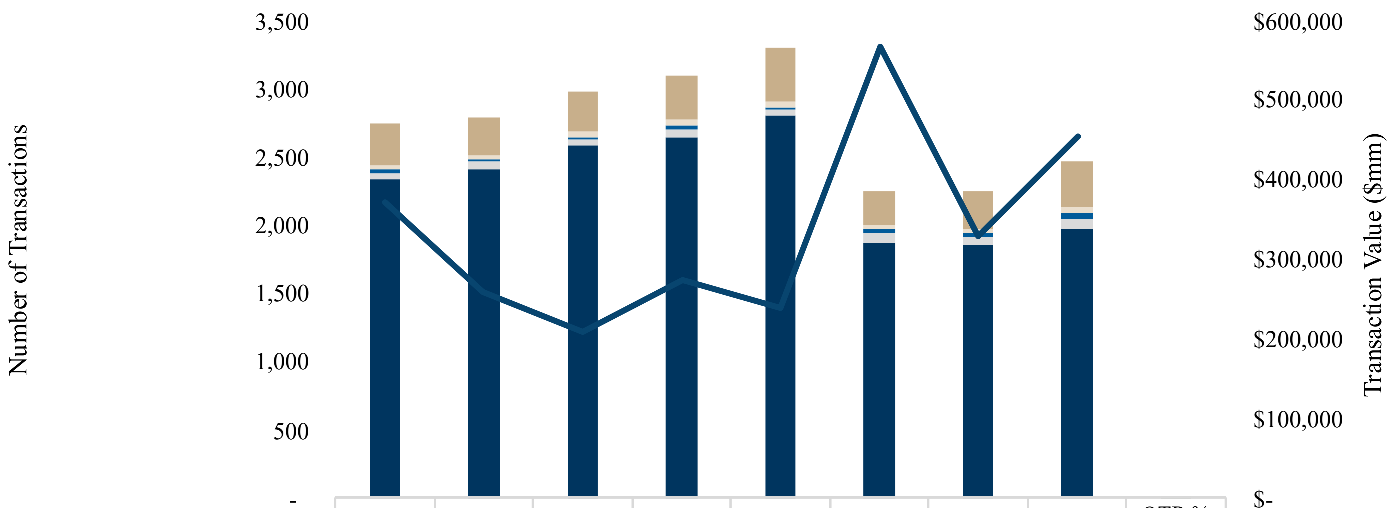
U.S. – All Reported M&A Activity by Year



	2021	2022	2023	2024	2025	YTD Sep-24	YTD Sep-25	YTD % Change
Middle Market (< $250mm)	2,788	1,918	1,424	1,300	852	907	852	-6.1%
$250 - $500mm	291	170	108	135	104	96	104	8.3%
$500mm - $1B	178	115	87	98	107	70	107	52.9%
Trans Value > $1B	251	155	158	189	199	146	199	36.3%
Undisclosed	14,693	12,483	10,236	10,453	5,701	7,653	5,701	-25.5%
Total Transaction Value	$1,426,147	$1,025,409	$982,016	$979,405	$1,351,425	$740,569	$1,351,425	82.5%

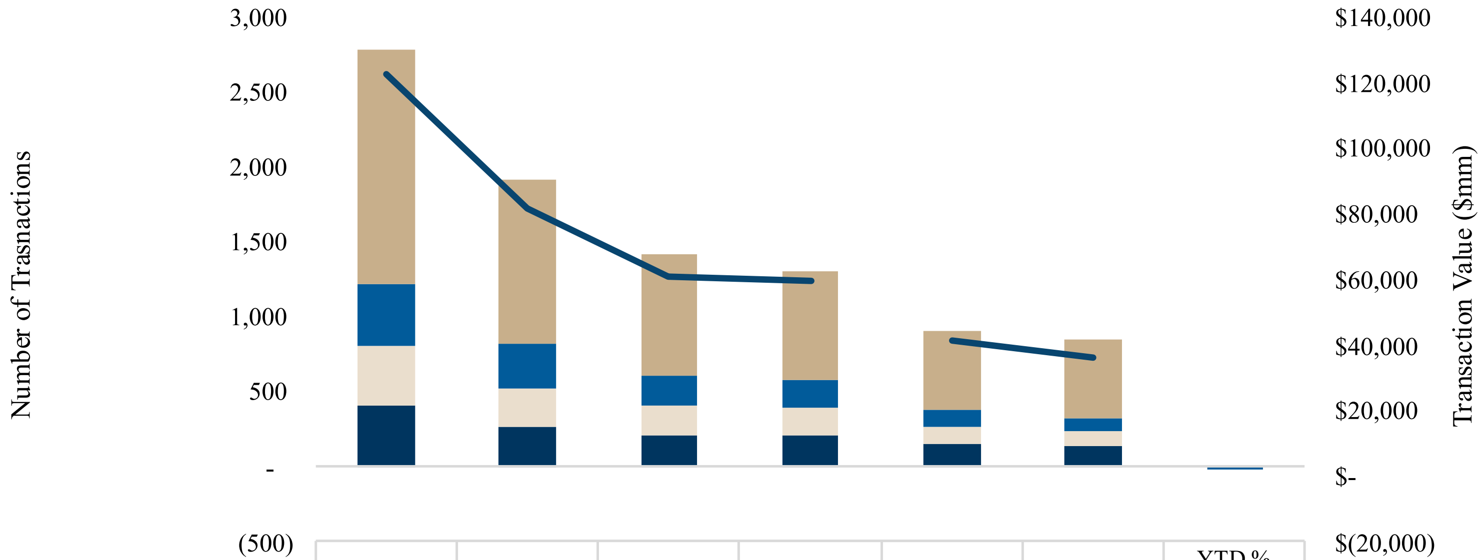
U.S. – All Reported M&A Activity by Year



	Q4-2023	Q1-2024	Q2-2024	Q3-2024	Q4-2024	Q1-2025	Q2-2025	Q3-2025	QTR % Change
Middle Market (< $250mm)	295	281	301	325	393	248	266	338	27.1%
$250 - $500mm	34	29	31	36	39	33	33	38	15.2%
$500mm - $1B	32	17	24	29	28	34	28	45	60.7%
Trans Value > $1B	43	51	39	56	43	73	57	69	21.1%
Undisclosed	2,336	2,415	2,588	2,650	2,800	1,865	1,859	1,977	6.3%
Total Transaction Value	$371,008	$258,069	$209,470	$273,031	$238,835	$567,874	$327,959	$455,591	38.9%

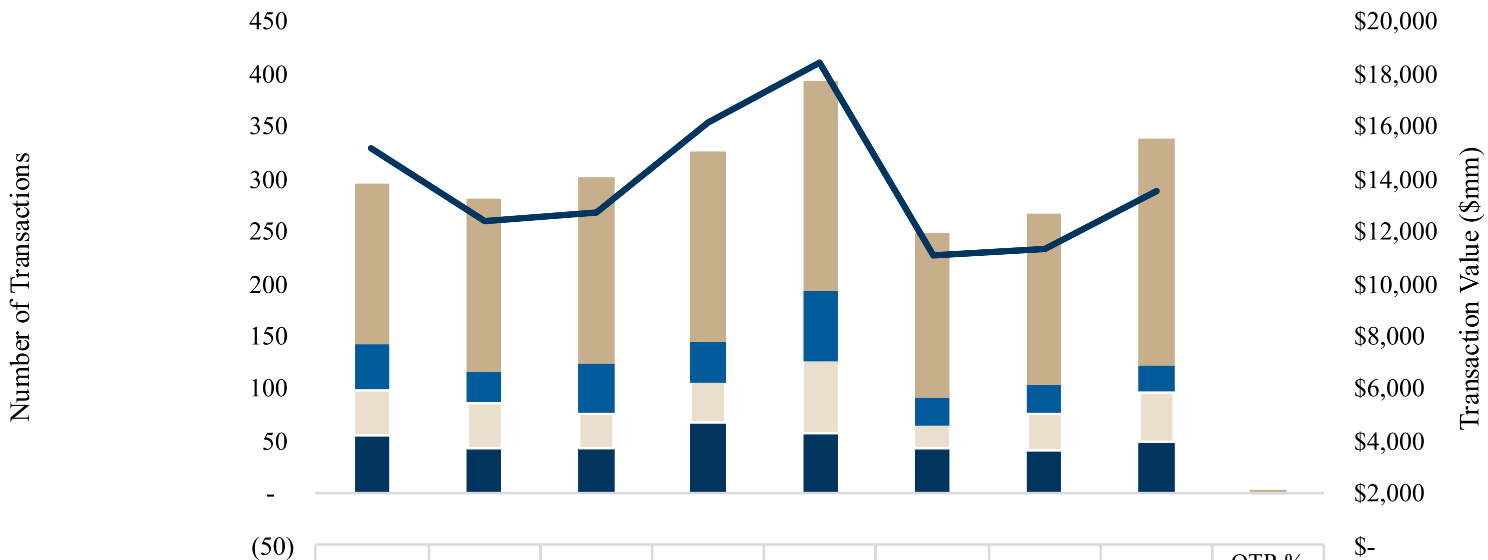
Source: FactSet, Mufson Howe Hunter
As of 9/30/2025

U.S. Lower Middle Market Annual M&A Activity – Transactions Below $250m



	2021	2022	2023	2024	YTD Sep-24	YTD Sep-25	YTD % Change
$0 - 25mm	1,570	1,103	815	726	525	537	2.3%
$25 - 50mm	412	293	205	181	115	78	-32.2%
$50 - 100mm	396	254	197	184	115	107	-7.0%
$100 - 250mm	410	268	207	209	152	130	-14.5%
Total Transaction Value	$122,729	$81,570	$61,050	$59,683	$41,264	$35,881	-13.0%

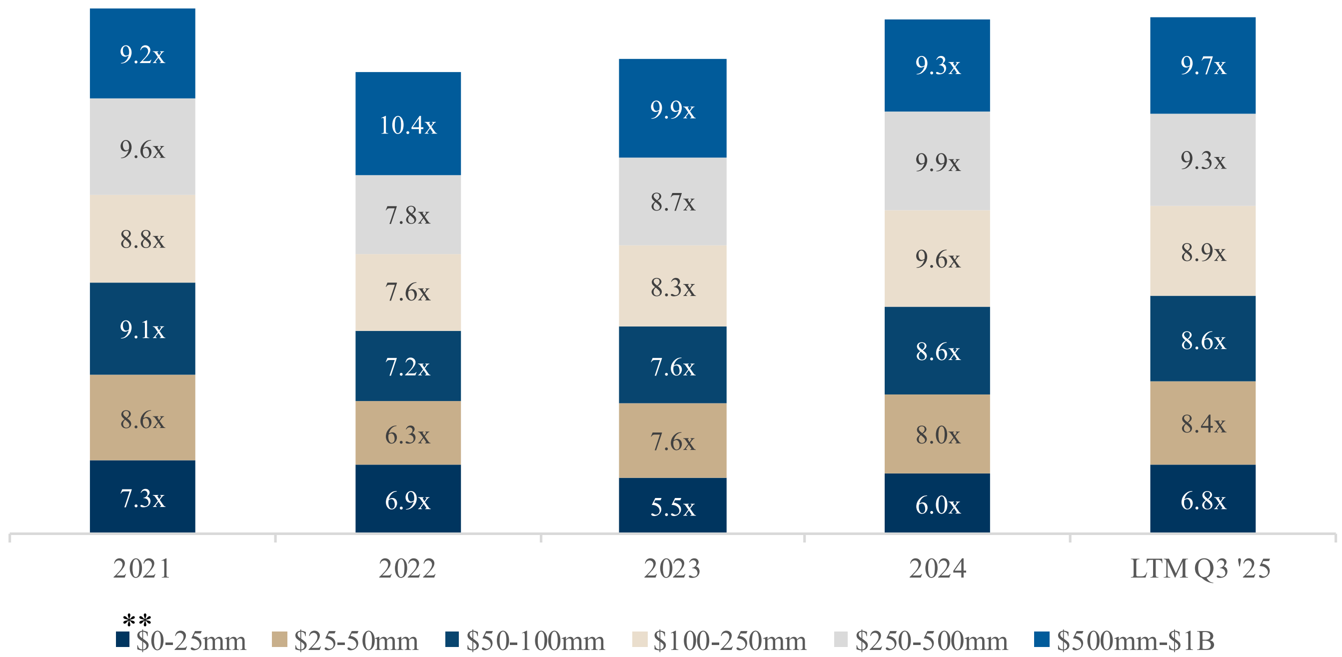
U.S. Lower Middle Market Quarterly M&A Activity – Transactions Below $250m



	Q4-2023	Q1-2024	Q2-2024	Q3-2024	Q4-2024	Q1-2025	Q2-2025	Q3-2025	QTR % Change
$0 - 25mm	153	166	177	182	201	158	163	216	32.5%
$25 - 50mm	44	29	48	38	66	25	27	26	-3.7%
$50 - 100mm	43	44	33	38	69	23	36	48	33.3%
$100 - 250mm	55	42	43	67	57	42	40	48	20.0%
Total Transaction Value	$15,125	$12,409	$12,725	$16,130	$18,419	$11,056	$11,280	$13,544	20.1%

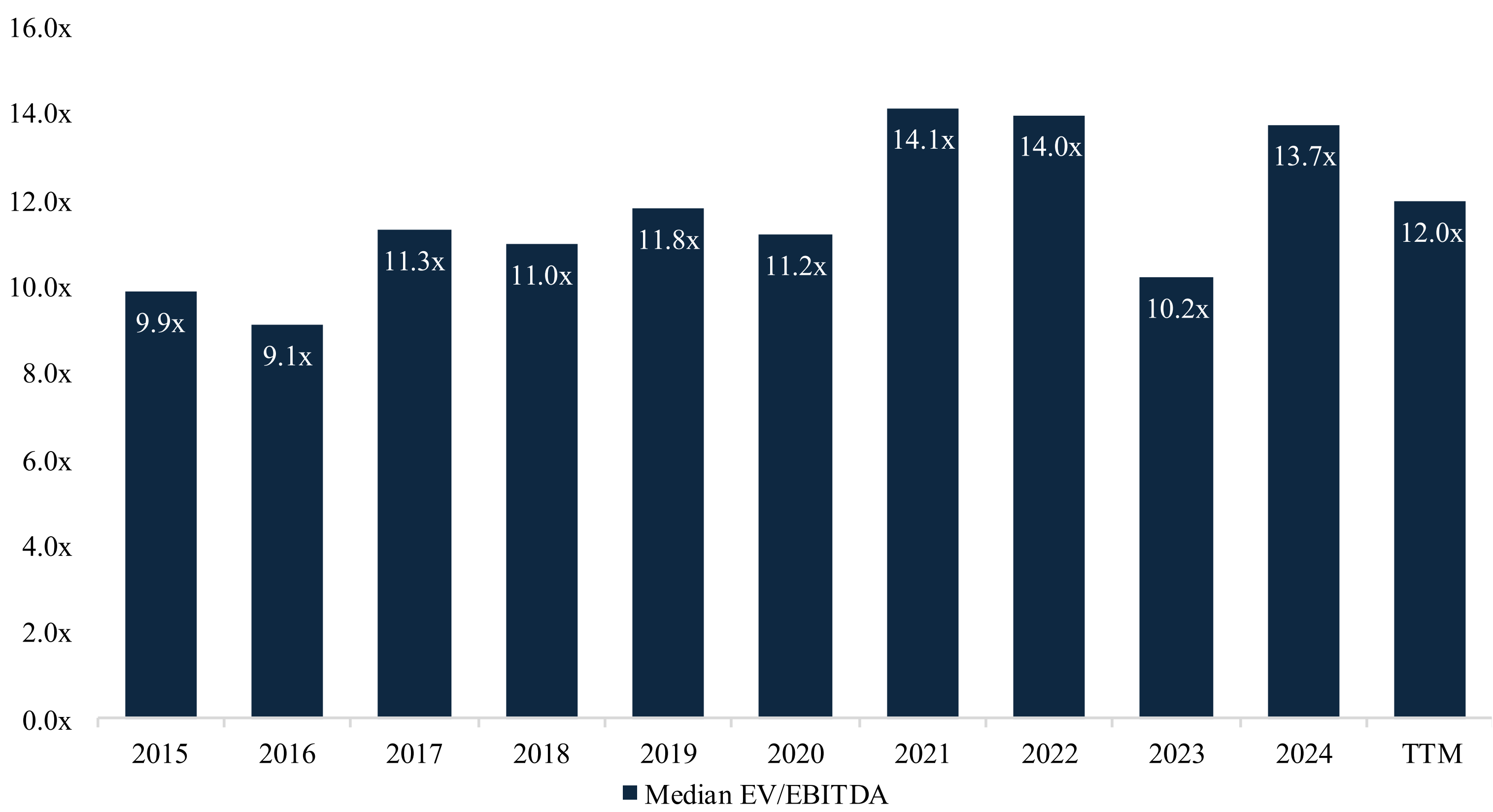
Source: FactSet, Mufson Howe Hunter
As of 9/30/2025

U.S. Middle Market M&A Valuation Multiples – Announced Transactions



n =	107	68	41	57	56
*Avg = **	8.7x	7.8x	7.9x	8.6x	8.6x

U.S. Buyout EV/EBITDA Multiples



** Average weighted by number of transactions*
*** Values Represent Enterprise Value ranges*
Source: FactSet, Mufson Howe Hunter
As of 9/30/2025

Mufson Howe Hunter
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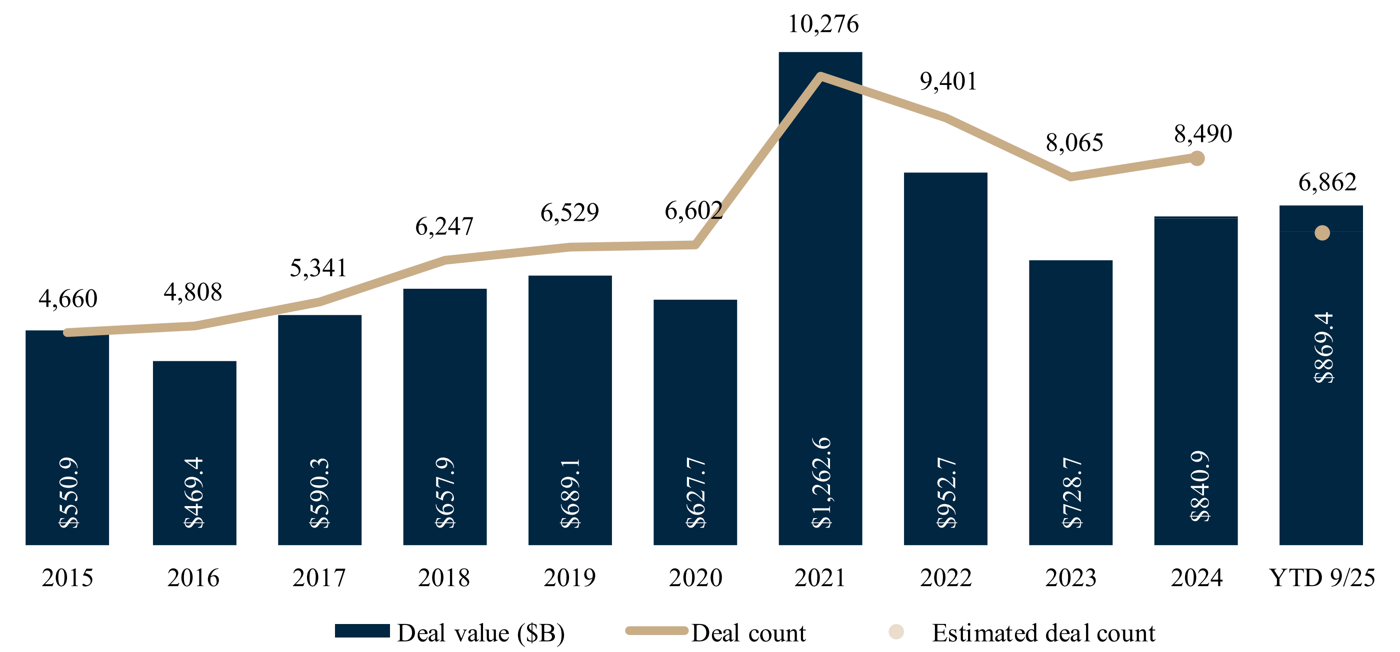
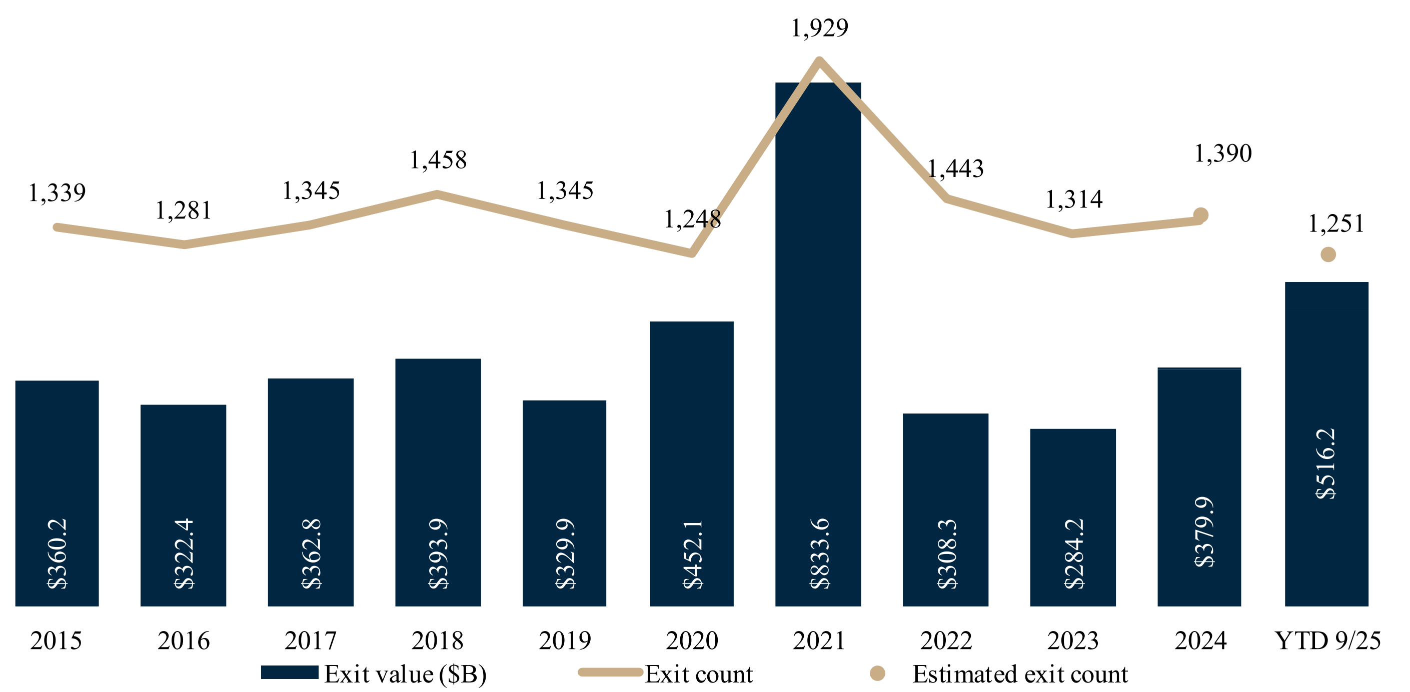
U.S. – All Reported M&A Activity by Year

U.S. PE Deal Activity

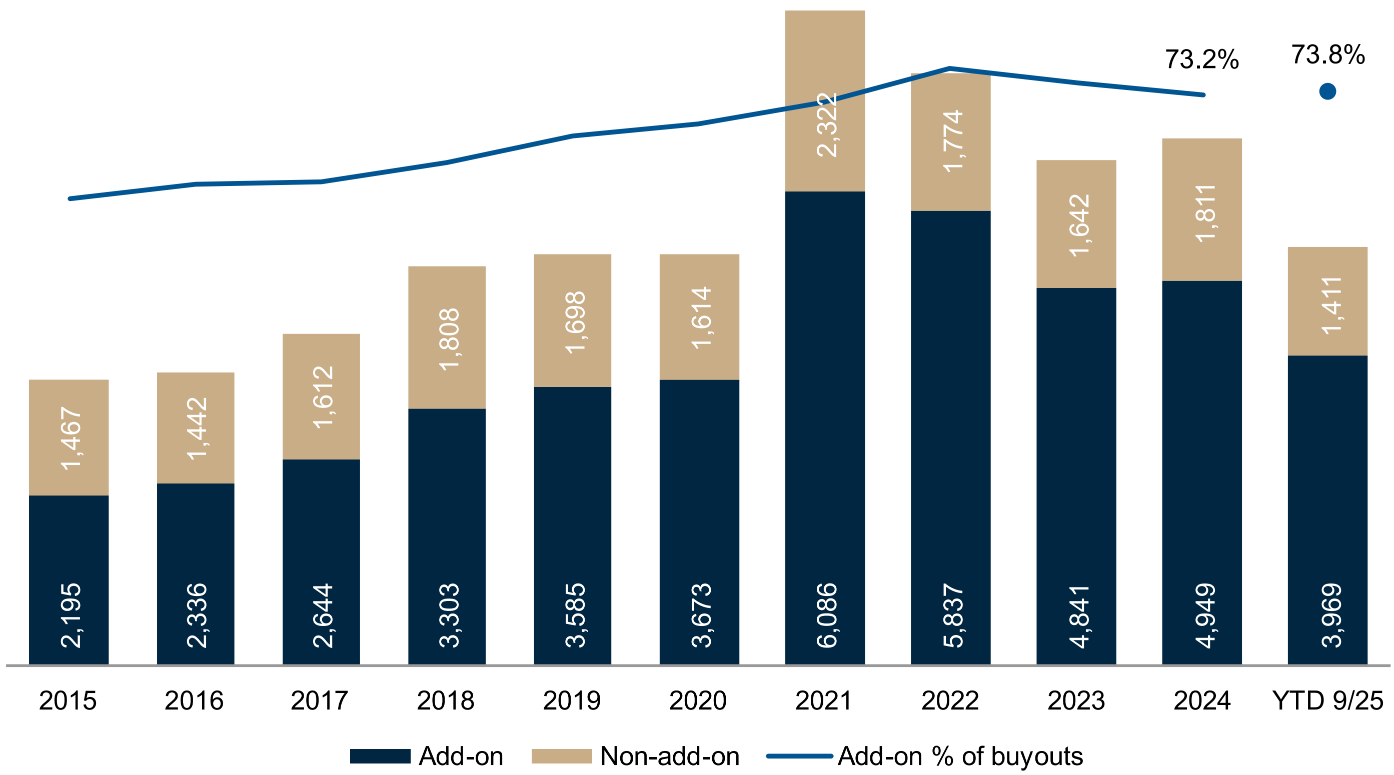


U.S. PE Exit Activity

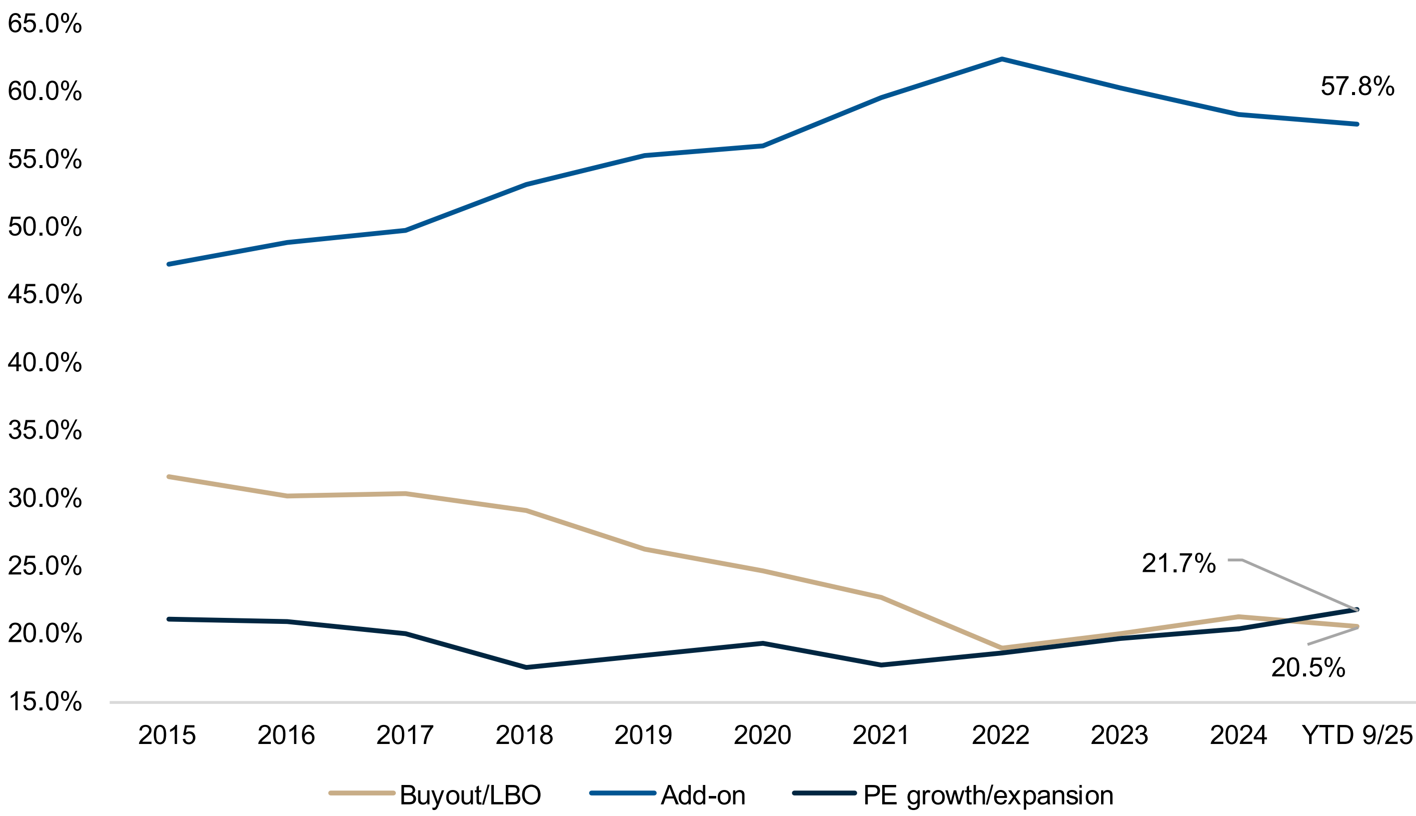


Source: FactSet, Mufson Howe Hunter
As of 9/30/2025

PE Add-On Activity



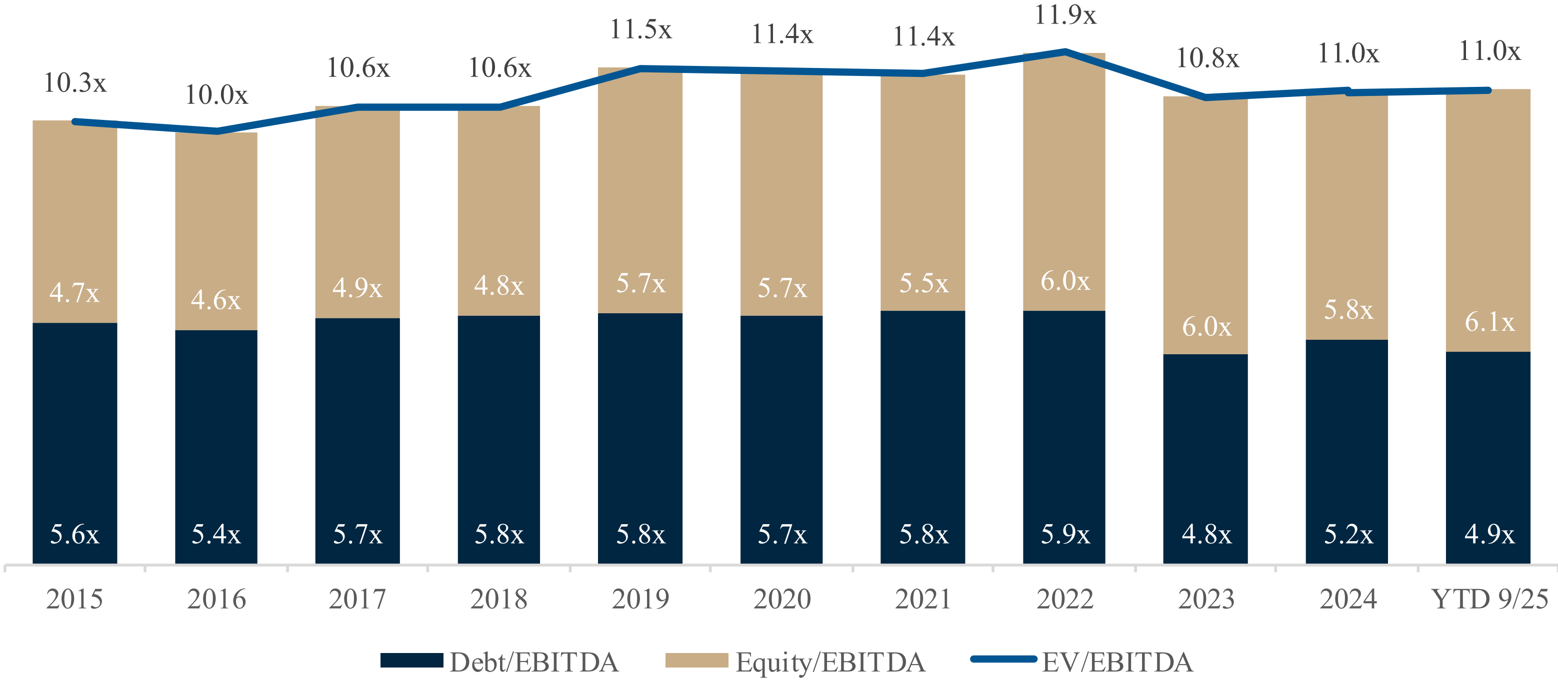
Platform LBO and Growth Equity Deals as a Share of all PE Deals



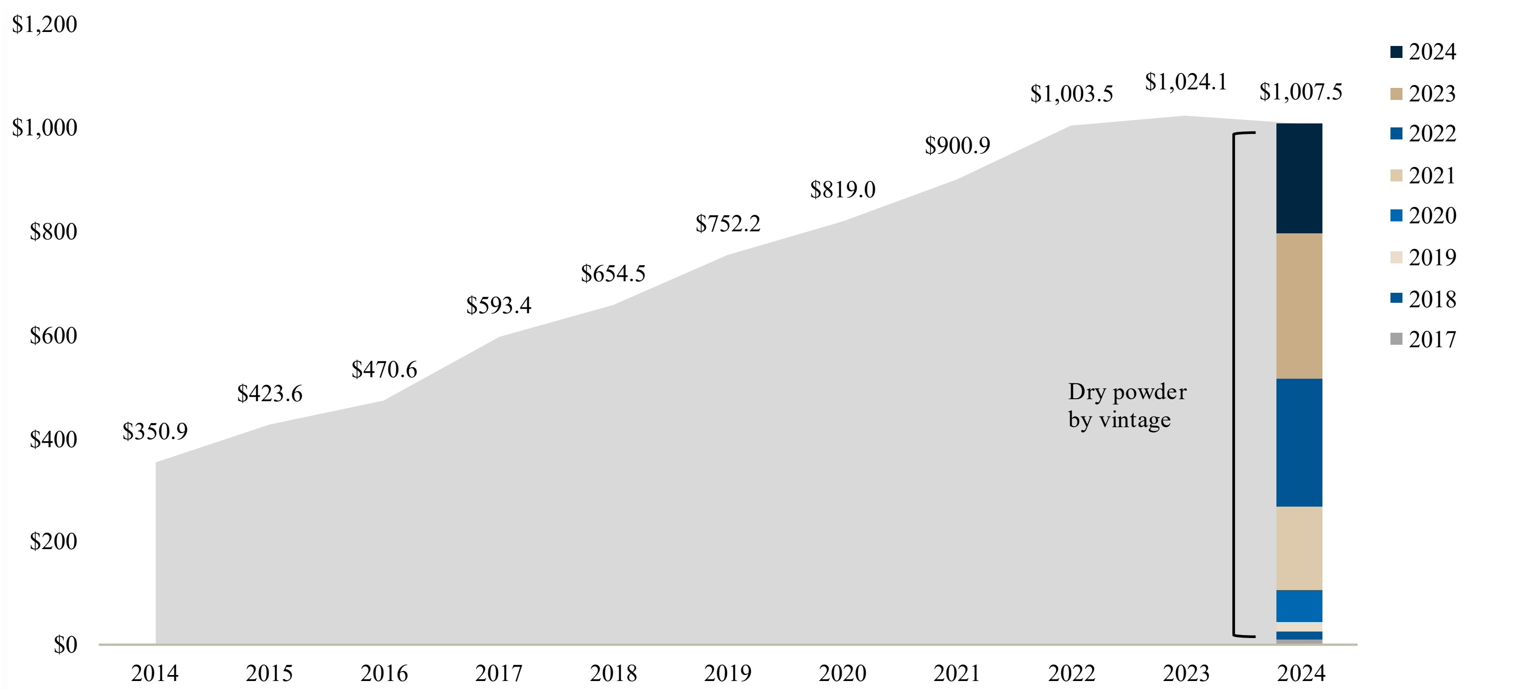
Source: FactSet, Mufson Howe Hunter
As of 9/30/2025

Mufson Howe Hunter
INVESTMENT BANKERS FOR GROWTH

Leverage Multiple on BSL-Funded Transactions*



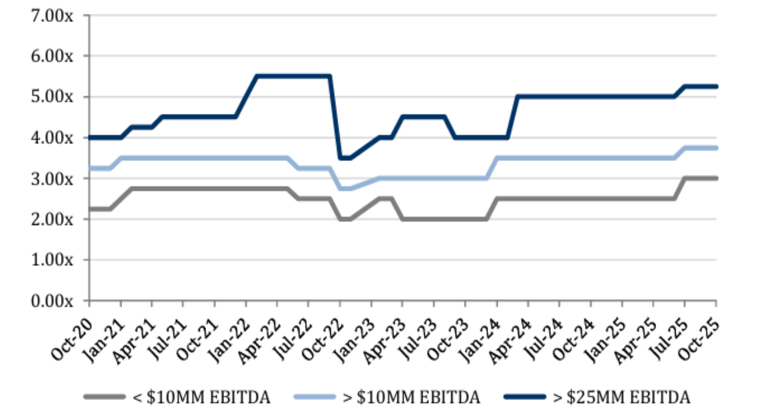
U.S. PE Dry Powder ($B)



** BSL: Broadly-Syndicated Loan*
Source: FactSet, Mufson Howe Hunter
As of 9/30/2025

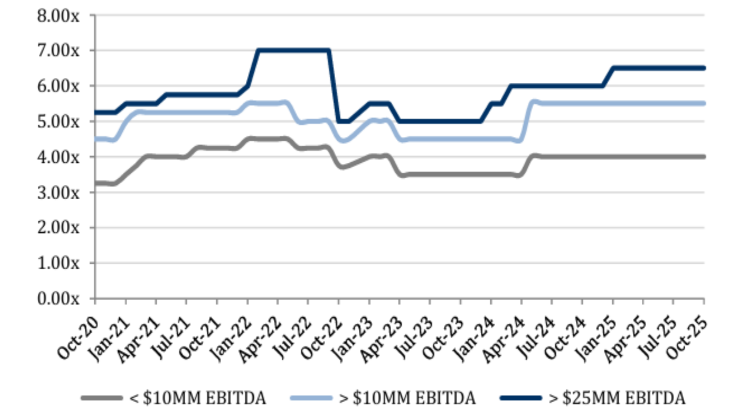
U.S. – All Reported M&A Activity by Year

Historical Senior Debt Cash Flor Limit (x EBITDA)



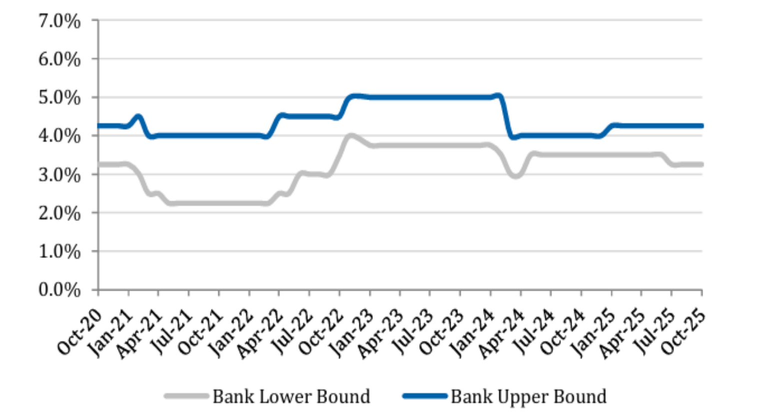
Source: SPP's "MIDDLE MARKET LEVERAGE CASH FLOW MARKET AT A GLANCE"

Historical Total Debt Limit (x EBITDA)



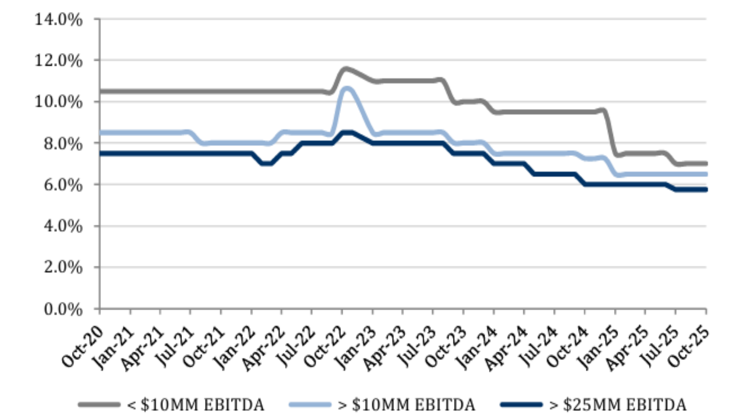
Source: SPP's "MIDDLE MARKET LEVERAGE CASH FLOW MARKET AT A GLANCE"

Historical Senior Cash Flow Pricing (Bank)



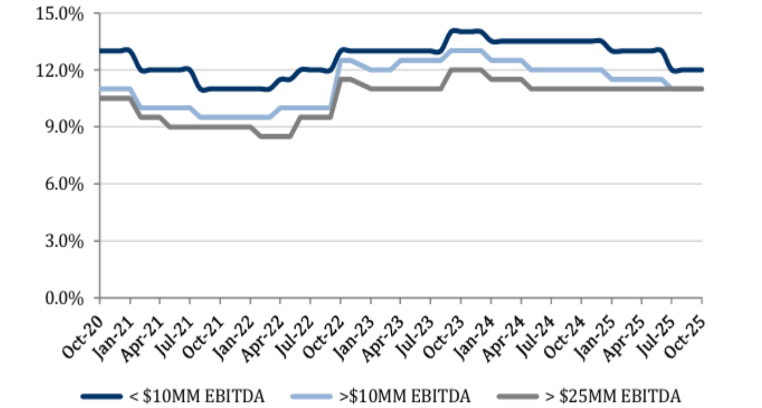
Source: SPP's "MIDDLE MARKET LEVERAGE CASH FLOW MARKET AT A GLANCE"

Historical Unitranche Pricing



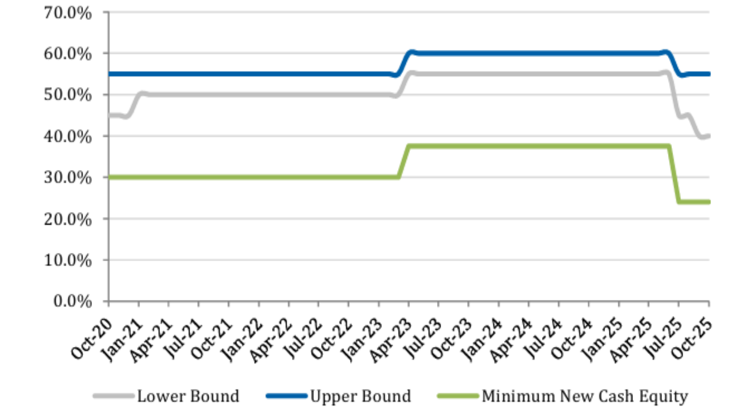
Source: SPP's "MIDDLE MARKET LEVERAGE CASH FLOW MARKET AT A GLANCE"

Historical Subordinated Debt Pricing



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

Historical Minimum Equity Contribution



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

Source: SPP Capital Partners – "Capital Market Update October 2025"
SPP Capital Partners – Middle Market Investment Banking and Asset Management Home

Leverage Market at a Glance | *SPP Capital Partners | www.sppcapital.com*

Changes from Previous Month Noted in Red.

	Leverage: Senior Debt/EBITDA		
	< $10MM EBITDA	> $10MM EBITDA	> $25MM EBITDA
October 2025	2.00x - 3.00x	2.25x - 3.75x	4.25x - 5.25x
September 2025	2.00x - 3.00x	2.25x - 3.75x	4.25x - 5.25x
October 2024	1.50x - 2.50x	2.00x - 3.50x	4.00x - 5.00x
Commentary:	*Lack of Activity Keeping Senior Leverage Multiples Competitive; No Changes in October*		

	Leverage: Total Debt/EBITDA		
	< $10MM EBITDA	> $10MM EBITDA	> $25MM EBITDA
October 2025	2.50x - 4.00x	4.00x - 5.50x	5.00x - 6.50x
September 2025	2.50x - 4.00x	4.00x - 5.50x	5.00x - 6.50x
October 2024	2.50x - 4.00x	3.50x - 5.50x	5.00x - 6.00x
Commentary:	*Lack of Activity Keeping Total Leverage Multiples on the Aggressive Side; No Changes in October*		

	Pricing: Senior Commercial Bank Cash Flow		
	< $10MM EBITDA	> $10MM EBITDA	> $25MM EBITDA
October 2025	S+ 3.25% - 4.25%	S+ 3.00% - 3.75%	S+ 2.75% - 3.50%
September 2025	S+ 3.25% - 4.25%	S+ 3.00% - 3.75%	S+ 2.75% - 3.50%
October 2024	S+ 3.50% - 4.00%	S+ 3.50% - 4.00%	S+ 3.50% - 4.00%
Commentary:	*No Changes to Bank Credit Spreads in October; Levels Remain at Their Most Competitive Levels for the Year*		

	Pricing: Senior Non-Bank/Unitranche		
	< $10MM EBITDA	> $10MM EBITDA	> $25MM EBITDA
October 2025	S+ 5.50% - 7.00%	S+ 4.75% - 6.50%	S+ 4.25% - 5.75%
September 2025	S+ 5.50% - 7.00%	S+ 4.75% - 6.50%	S+ 4.25% - 5.75%
October 2024	S+ 7.50% - 9.50%	S+ 5.00% - 7.25%	S+ 4.50% - 6.00%
Commentary:	*Non-Bank Direct Lenders Holding Pricing at the Current Levels; Still Very Aggressive*		

	Pricing: Junior Capital (Cash + PIK)		
	< $10MM EBITDA	> $10MM EBITDA	> $25MM EBITDA
October 2025	12.00% - 15.00%	11.00% - 13.00% (S+6.5%-8.0%)	11.00% - 12.00% (S+6.25%-7.5%)
September 2025	12.00% - 15.00%	11.00% - 13.00% (S+6.5%-8.0%)	11.00% - 12.00% (S+6.25%-7.5%)
October 2024	13.50% - 16.00%	12.00% - 14.00%	11.00% - 12.50%
Commentary:	*Junior Capital Spreads Remain Constant for October; Competition Keeping Spreads at the Low End of Range*		

Source: SPP Capital Partners – "Capital Market Update October 2025"
SPP Capital Partners – Middle Market Investment Banking and Asset Management Home

Mufson Howe Hunter & Co. M&A Activity

Select Recent Transactions

Interstate Auto Care, LLC d.b.a

Valvoline

has been acquired by

ICV PARTNERS

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

Mufson Howe Hunter
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VEROCEL
The Software Verification Company

has been acquired by

wisk

A wholly-owned subsidiary of

BOEING

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

Mufson Howe Hunter
INVESTMENT BANKERS FOR GROWTH

EDA CONTRACTORS
successful together.

has acquired

GLAZING CONCEPTS, LLC
ARCHITECTURAL GLASS & METAL

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

Mufson Howe Hunter
INVESTMENT BANKERS FOR GROWTH

STRAUB METAL

has been acquired by

NIM
NORFOLK IRON & METAL

The undersigned served as exclusive financial advisor to the seller 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.

Firm Practice Areas

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 business

Capital Raise

- 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

Industry Coverage

Business Services

B2B Distribution
Defense & Government Services
Infrastructure & Construction Services
Market Research & Insights
Outsourced Facility Maintenance
Professional & Consulting Services
Contact: Michael Mufson & Joe Golden

Consumer & Retail

Consumer Products & Services
Direct-to-Consumer e-commerce
Food Products & Services
Home Furnishings & Architectural Finishing
Hospitality Services
Specialty Retail
Contact: Michael Mufson & Anthony Lopez-Ona

Manufacturing & Industrial Services

Aerospace & Defense (including MRO)
Automation & Test/Measurement
Environmental & Infrastructure Services
Industrial Products & MRO
Value-Added Distribution
Contact: Michael Howe & Joe Golden

Technology & Services

Enterprise Software
Internet
Mobile
Outsourcing Services
Tech-Enabled Services
Contact: Brandon Eck

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