

Links Capital

Links' List of Multiples and Buyers

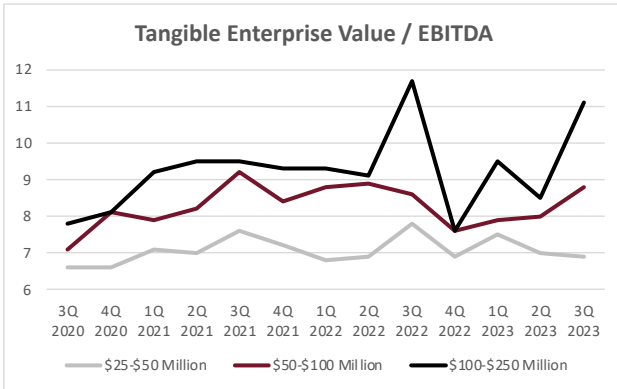
December 2023



Links Capital

Divestitures • Acquisitions • Financings

Q3 2023 Private Equity Multiples



Data Source: GF Data®

Buckle up for another year of financial rollercoaster madness, brought to you by the unpredictable dance of EBITDA multiples and the continuing climb of debt costs. Yes, we blame them entirely for the sarcasm.

Cost of Debt Trends: The High Dive into Financial Uncertainty- Ah, the sweet melody of stability! While banks are graciously maintaining Total Debt to EBITDA multiples, the cost of senior debt has decided to break free and do its own wild dance, doubling from 5% to a dazzling 10.5% since 2021. Because who doesn't love a good surprise increase in financial stress? Buyers are now tap-dancing with lenders and sellers, exploring alternative debt structures like never before. Vendor notes are like the cool kids on the cost of capital ladder, offering flexibility that's almost as elusive as low-interest rates used to be.

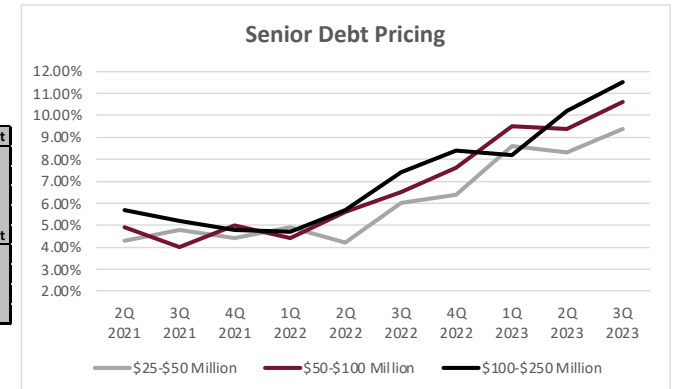
Multiple Expansion and Interest Rates: The Mysterious Ballet of EBITDA Multiples- Higher debt costs? No problem! In the mesmerizing dance of finance, EBITDA multiples are defying gravity and climbing back up, like a phoenix rising from the ashes of economic logic. Who needs conventional trends when you can have counterintuitive magic? Stable debt multiples? Child's play! Buyers adapt, EBITDA multiples soar, and the market adjusts. It's like a financial tango, with everyone gracefully stepping on each other's toes.

Very Low Deal Activity: The Enthralling Desert of Opportunities- Ah, the thrill of the chase in a barren land! Deal activity is at its lowest since the pandemic, but fear not! Private equity funds, operating under time constraints (because who needs a leisurely stroll when you can sprint?), are on the prowl for the golden goose of opportunities. The market is now a discerning connoisseur, savoring only the finest deals. A measured approach to deal-making is in vogue, as investors don their detective hats and seek value in a transaction landscape quieter than a library on a Sunday.

Navigating the Future: A Symphony of Chaos and Opportunity- As we waltz through this unpredictable landscape, remember a few nuggets of wisdom:

- Be as adaptable as a chameleon in structuring deals. The evolving cost of debt is like a capricious cat – you never know which way it'll pounce. Exploring alternative financing mechanisms, like playing poker with vendor notes may be the answer to getting a deal done.
- Embrace the zen of patience in deal-making. Low deal activity is just the universe's way of telling you to slow down and savor the uncertainty. Don't push on that string, timing is everything when it comes time to divest.
- Keep an eye out for the potential rate cut. It's like finding a four-leaf clover in the financial meadow. Approach it with cautious optimism, because, let's face it, economic shifts are like plot twists in a suspenseful novel.

In conclusion, fellow adventurers in the M&A rollercoaster, buckle up for more unexpected twists and turns! Having a skilled advisor is like having a GPS for this chaotic journey – it won't eliminate the bumps, but it'll certainly make the ride more entertaining.



Data Source: GF Data®

TEV/EBITDA	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	2003-Present
\$25-\$50 Million	7.8	6.9	7.5	7.0	6.9	6.7
\$50-\$100 Million	8.6	7.6	7.9	8.0	8.8	7.7
\$100-\$250 Million	11.7	7.6	9.5	8.5	11.1	8.5
TOTAL DEBT/EBITDA	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	2003-Present
\$25-\$50 Million	3.8	3.8	3.8	3.6	3.6	3.6
\$50-\$100 Million	3.9	4.0	4.0	4.0	4.0	3.9
\$100-\$250 Million	4.3	4.2	4.2	4.0	4.0	4.4
US Senior Debt Pricing	6.4%	6.8%	8.5%	9.5%	10.5%	

Data Source: GF Data®



Private Equity Platform Investments and Buyouts

**Investors Seeking Strong Stable Cash Flows with
Growth Oriented Niche Industries
(>\$3 million EBITDA)**

**Management Buyouts
(>\$ 2 million EBITDA)**

**Distressed Balance Sheets
(\$2-\$10 million Historical EBITDA)**

**Consumer Packaged Goods
(> \$3 million EBITDA)**

**Distribution Businesses
(\$2-\$10 million EBITDA)**

**Food Manufacturing
(\$2-20 million EBITDA)**

**Healthcare Services & HCIT
(\$2-\$20 million EBITDA)**

Current Add-on Investments Strategic and Private Equity Investors

Food and Agribusiness

Value Added Distribution

Industrial Distribution Services

Packaging Materials

Healthcare Services Businesses

High Tech Contract Manufacturing (EMS)

Co-Packaging & Co-Manufacturing

Commercial B2B Building Services

Power Distribution and Protection Equipment

Engineering Services

Pet Care Products & Services

Environmental (Waste Management/ Recycling)





DIVESTITURES



FINANCINGS



ACQUISITIONS

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