



2025

Third Quarter

M&A & CORPORATE FINANCE
OVERVIEW

Merger & Acquisition
Corporate Finance Advisory
Strategic Consulting

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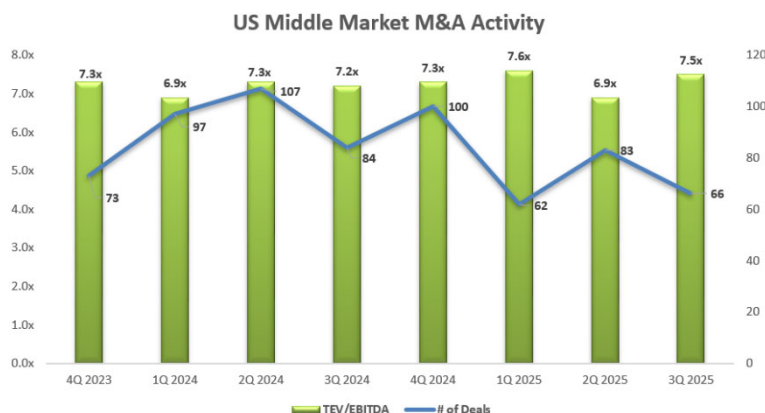
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Bringing Efficiency to Inefficient Markets

Executive Summary

Rebounding Valuations with Softening Deal Volume



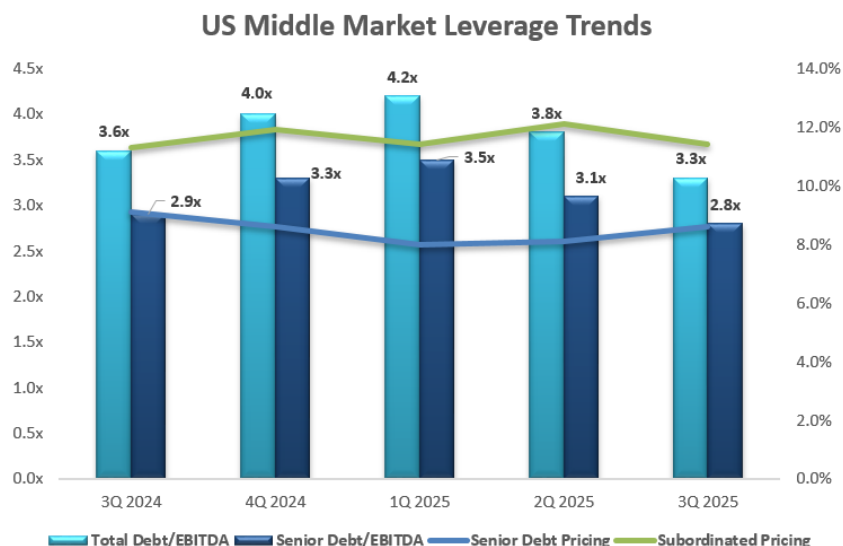
As the third quarter of 2025 concluded, the US middle market M&A environment showed signs of renewed valuation momentum. Deal volume moved to 66 completed transactions in 3Q, down from 83 in 2Q. Despite this volume movement year-to-date, valuations prove strong, reflecting the search for quality assets for buyers and lenders alike.

Average purchase price multiples climbed to 7.5x TTM adjusted EBITDA in 3Q, reversing the decline seen earlier in the year. This rebound was driven primarily by larger, well-capitalized businesses, while smaller deals continued to face pressure from tighter credit conditions and elevated

borrowing costs. The valuation spread between high- and mid-tier assets narrowed, with add-on transactions accounting for 39% of buyouts and settling at similar multiples as platform deals.

On the financing front, total debt utilization for platform deals declined to ~3.0x EBITDA in 3Q, marking the third consecutive quarterly drop. Senior debt coverage remained steady at 2.1x, as lenders maintained conservative structures. Notably, equity contributions stayed at 50.4% year-to-date, while subordinated debt usage fell down to approximately 9.1%. In the \$10 million to \$25 million TEV tier, senior debt represented 46.6% of total capitalization; highlighting senior lenders' continued aversion to smaller, riskier transactions.

Debt pricing trends shifted in 3Q, with senior debt rates rising to an average of 8.6%, up from 8.1% in 2Q. Subordinated debt pricing remained elevated, averaging between 11.2% and 12.7% across deal sizes, as providers continued to demand higher returns in response to persistent risk concerns. Overall, the third quarter reflected a market in transition: deal activity is rebounding, but pricing and capital structures remain conservative, with lenders and sponsors prioritizing quality and resilience in an uncertain environment.



* Certain charts and data per GF Data November 2025 M&A Report™ and GF Data November 2025 Leverage Report™, an ACG Company, and Pitchbook US PE Middle Market Report – 3Q 2025

** Pitchbook defines the Middle Market (MM) as deals having a TEV of \$25.0m - \$1.0bn; all other deals are > \$1.0bn

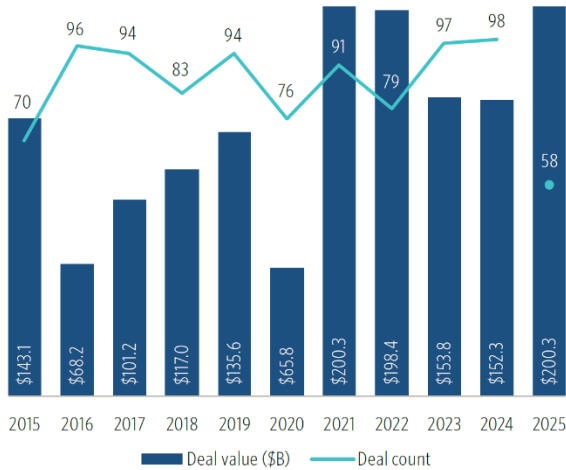
Digging In

Deal Activity:

Middle-Market Deals Continue to Move

The U.S. middle-market private equity sector closed 3Q at a slower deal pace than prior years, despite total deal value already reaching approximately 133% of full-year 2024 levels. This dynamic reflects a continued shift toward larger, more stable, cash-flowing businesses, which command higher entry multiples and are driving aggregate deal value to exceed historical norms even with fewer transactions.

PE take-private deal activity



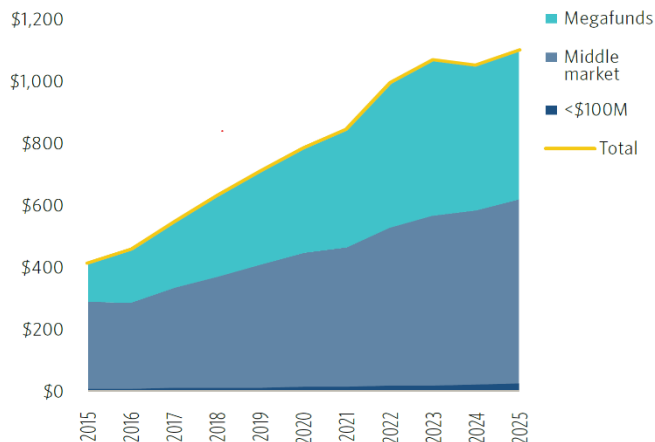
Source: PitchBook • Geography: North America and Europe
As of September 30, 2025

Fundraising Activity:

A Number That Keeps Growing

Fundraising conditions have tightened in 2025, as record levels of undeployed dry powder persist and some LPs grow more cautious amid limited realizations from existing investments. As shown below, U.S. private equity dry powder has continued its steady climb, with middle-market funds accounting for nearly half of total capital available; highlighting both the depth of capital supply and the ongoing pressure to deploy into scaled, high-quality assets.

PE dry powder (\$B) by size bucket

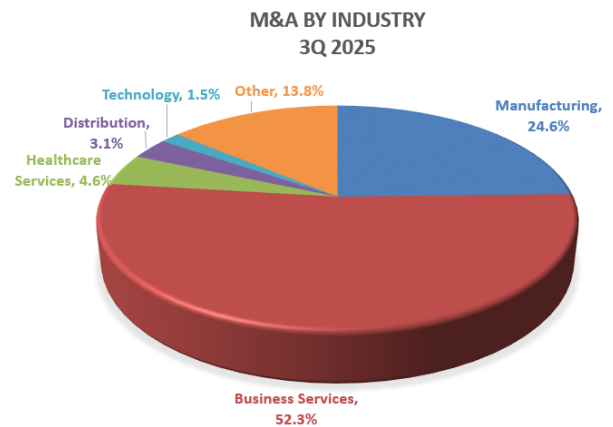


Source: PitchBook • Geography: US • As of March 31, 2025

Sectors:

Where the Deals Are Happening

The overall Manufacturing sector's average multiple ticked up to 6.7x EBITDA in 3Q 2025, a modest increase from the prior quarter, but still below the 7.0x average recorded in 2024. This movement reflects selective buyer interest with increased volume, yet underscores that manufacturing valuations remain subdued compared to historical normals. Discretionary-focused deals within Manufacturing and Business Services continue to see volume, as ongoing macroeconomic uncertainty and lender conservatism persist around other industries.

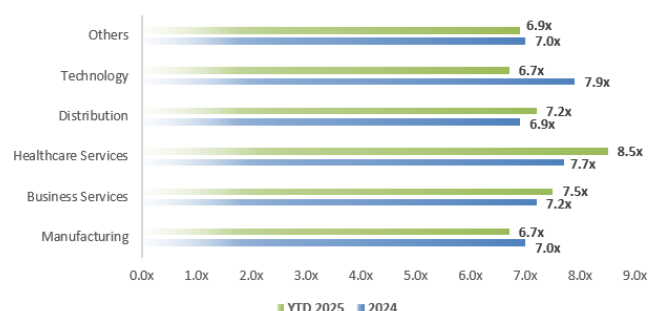


Sector Multiples:

Sectors Setting the Pace

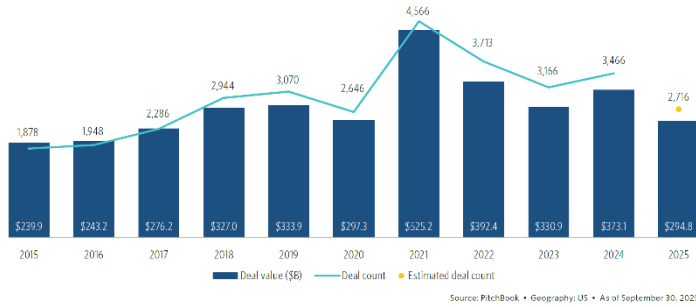
The third quarter of 2025 continued to highlight clear segmentation in middle-market valuations across key industry sectors. Healthcare Services maintained its lead, with average multiples rising to 8.5x EBITDA, up from 7.7x in 2024, reflecting sustained strategic and private equity interest in the sector. Other sectors averaged 6.9x, slightly below last year's 7.0x. The persistent divergence in valuations underscores that well-capitalized buyers continue to prioritize high-growth and resilient industries, while sectors maintain exposure to discretionary spending.

MULTIPLES BY INDUSTRY



APPENDIX – HISTORICAL CHARTS

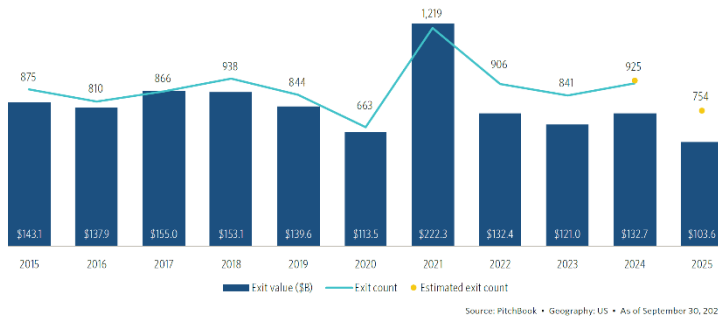
PE middle-market deal activity



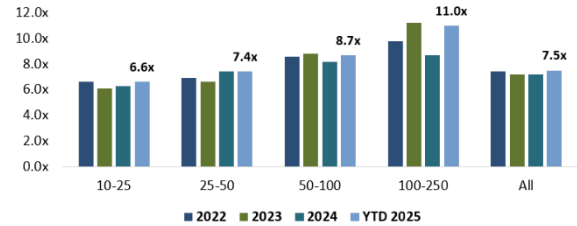
TEV/EBITDA - Manufacturing by TEV range (2022 - 3Q2025)



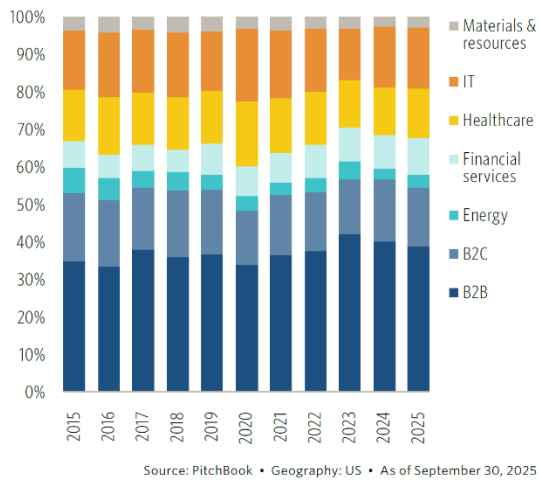
PE middle-market exit activity



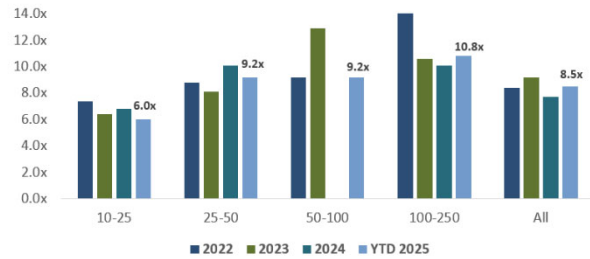
TEV/EBITDA - Business Services by TEV range (2022 - 3Q2025)



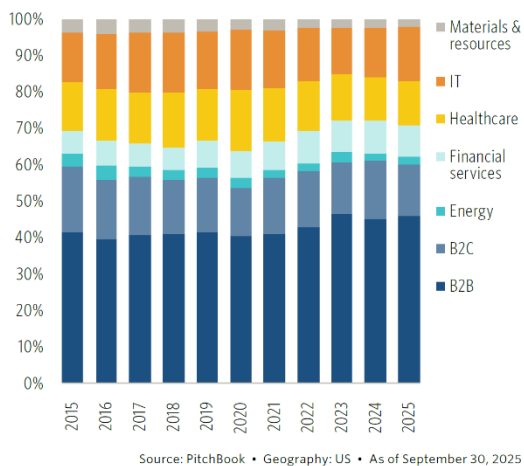
Share of PE middle-market deal value by sector



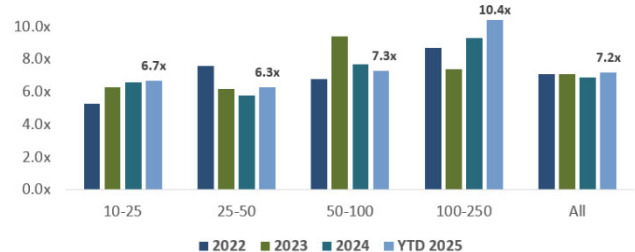
TEV/EBITDA - Healthcare Services by TEV range (2022 - 3Q2025)



Share of PE middle-market deal count by sector



TEV/EBITDA - Distribution by TEV range (2022 - 3Q2025)





About Strategic Advisors

Strategic Advisors is a middle market investment-banking firm that helps clients achieve financial and business goals by providing merger and acquisition advisory, corporate finance advisory and strategic consulting services. Along with many years of experience in advising middle market clients, our Managing Directors have experience investing in and managing portfolio companies. As a result, Strategic Advisors not only has expertise in advisory services but also firsthand knowledge of what stakeholders, investors, and lenders expect and desire.

When considering a sale of your business, the acquisition of a business, or the restructuring or recapitalization of your balance sheet, the best pathway for achieving your expectations is a well-run process that addresses all your business and personal goals. Strategic Advisors is accustomed to working with business owners to determine the best pathway to achieve their goals and objectives. Give us a call to discuss your possibilities.

Strategic Advisors works with clients across diverse industries. Selected recent transactions include:

<p>Automotive Glass Repair and Installation Company</p> <p><i>has been acquired by</i></p> <p>Undisclosed Strategic Acquirer</p> <p><i>The undersigned acted as the exclusive merger & acquisition advisor to the ownership of the Automotive Glass Repair and Installation Company.</i></p> <p> STRATEGICADVISORS Middle Market Investment Bankers</p> <p>March 2025</p>	<p></p> <p><i>has been acquired by</i></p> <p> PURIS <i>a portfolio company of</i>  J.F. Lehman & Company</p> <p><i>The undersigned acted as the exclusive merger & acquisition advisor to the ownership of Insight Pipe and IPC Services.</i></p> <p> STRATEGICADVISORS Middle Market Investment Bankers</p> <p>February 2025</p> <p><small>Securities transactions conducted through StillPoint Capital, LLC, Tampa, FL.</small></p>	<p>Mid-Atlantic Farm and Farmers Market</p> <p><i>has been acquired through a</i></p> <p>Management Buyout</p> <p><i>The undersigned acted as the exclusive merger & acquisition advisor to the ownership of the Mid-Atlantic Farm and Farmers Market</i></p> <p> STRATEGICADVISORS Middle Market Investment Bankers</p> <p>July 2024</p>	<p></p> <p><i>has been acquired by</i></p> <p></p> <p><i>The undersigned acted as the exclusive merger & acquisition advisor to the ownership of Allegheny Plywood Company</i></p> <p> STRATEGICADVISORS Middle Market Investment Bankers</p> <p>March 2024</p>
<p>Specialty Fastener Supplier</p> <p><i>has been acquired by</i></p> <p>Undisclosed Strategic Acquirer</p> <p><i>The undersigned acted as the exclusive merger & acquisition advisor to the ownership of the Specialty Fastener Supplier.</i></p> <p> STRATEGICADVISORS Middle Market Investment Bankers</p> <p>March 2024</p>	<p>A Commercial and Residential Restoration Service Provider</p> <p><i>has been acquired by</i></p> <p>An Investment Firm</p> <p><i>The undersigned acted as the exclusive merger & acquisition advisor to the Owner of the Restoration Service Provider.</i></p> <p> STRATEGICADVISORS Middle Market Investment Bankers</p> <p>January 2024*</p> <p><small>Securities transactions conducted through StillPoint Capital, LLC, Tampa, FL.</small></p>	<p></p> <p><i>has merged with</i></p> <p> ATI <small>DISASTER RECOVERY SERVICES</small></p> <p><i>along with</i></p> <p>TSG CONSUMER</p> <p><i>The undersigned acted as the exclusive merger & acquisition advisor to the owners of Kress Restoration.</i></p> <p> STRATEGICADVISORS Middle Market Investment Bankers</p> <p>October 2023 ♦</p> <p><small>Securities transactions conducted through StillPoint Capital, LLC, Tampa, FL.</small></p>	<p></p> <p><i>has been acquired by</i></p> <p> INCLINE <small>EQUITY PARTNERS</small></p> <p><i>The undersigned acted as the exclusive merger & acquisition advisor to the owners of White Label Communications, LLC.</i></p> <p> STRATEGICADVISORS Middle Market Investment Bankers</p> <p>October 2023 ♦</p> <p><small>Securities transactions conducted through StillPoint Capital, LLC, Tampa, FL.</small></p>

*Securities transactions conducted through StillPoint Capital, LLC, Tampa, FL.

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Sources: Pitchbook – 3Q 2025 US PE Middle Market Report ; GF Data – November 2025 M&A Report [™], November 2025 Leverage Report [™]

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