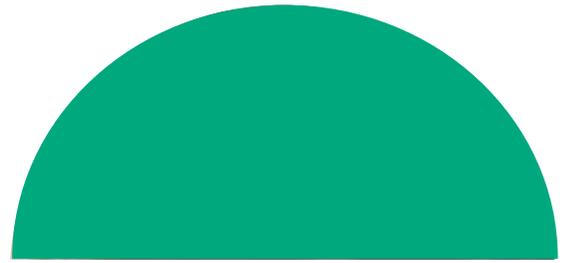




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PRIVATE COMPANY ENTERPRISE VALUES SOARED TO RECORD HIGHS AND OUTPERFORMED S&P 500 EVS IN Q1

Lincoln International's 15th edition of the Lincoln Middle Market Index (Lincoln MMI) reveals that in Q1 2021, middle market enterprise values increased 5.7%, compared to a 4.2% increase for enterprise values of S&P 500 companies. Continued growth in LTM earnings in Q1 2021 was coupled with continued increases in the Lincoln MMI's EBITDA multiples. In a case of the rising tide floating all boats, all industries experienced material enterprise value growth in Q1.

ABOUT THE LINCOLN MIDDLE MARKET INDEX

The Lincoln MMI is a first-of-its-kind index measuring changes in the enterprise values of private middle market companies over time – and a barometer of the performance of private middle market companies generally. The Lincoln MMI enables private equity firms and other investors to benchmark how private company investments are performing against peers, and how this performance correlates to the S&P 500.

Lincoln designed the Lincoln MMI to solve this problem by measuring the quarterly change in enterprise values for private middle market companies primarily owned by private equity firms. Enterprise value ("EV") is the sum of a company's equity value and debt.

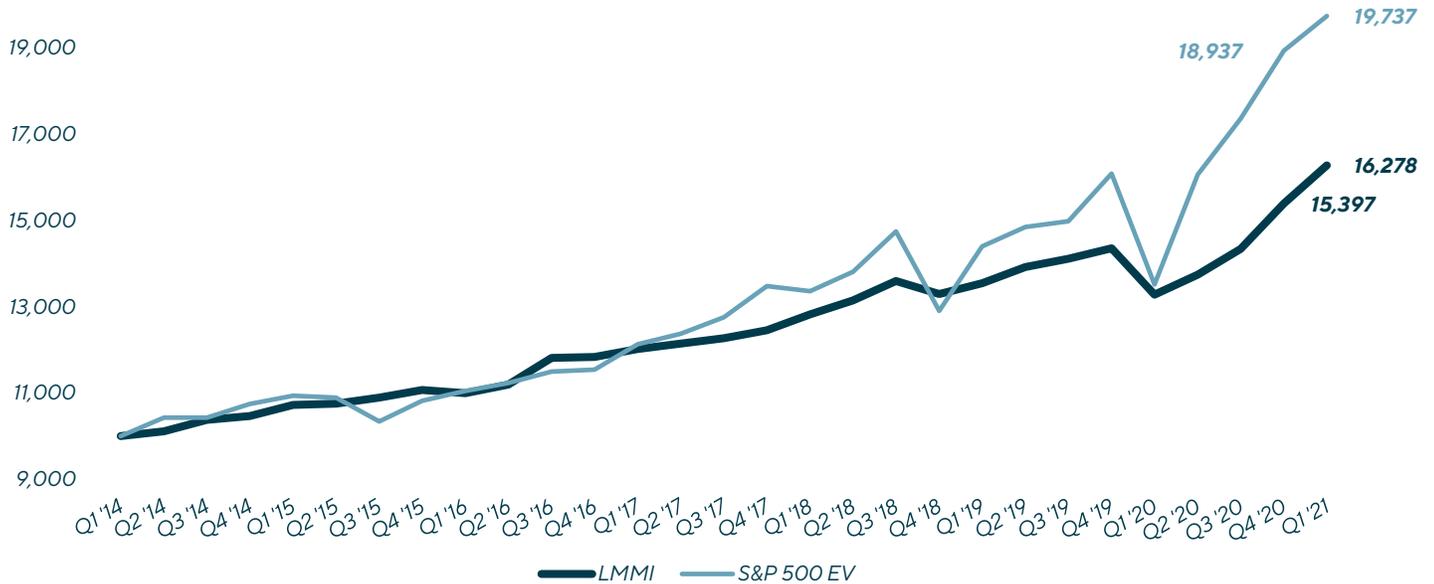
QUARTERLY OVERVIEW

- Fifteenth Edition: Covers Q1 2021
- Measures quarterly changes in the enterprise values of ~500 middle market companies, based on a population of approximately 2,500 companies primarily owned by private equity firms with a median EBITDA of ~\$30 million.
- Analyzes the impact from the change in company earnings versus market valuation multiples
- Assess the change in value for six industry sectors

RESULTS: Middle Market Valuations Continue to Grow into 2021

Q1

2021



NOTE: Both the Lincoln MMI and S&P 500 EV returns above reflect enterprise values (S&P 500 EV excludes financial companies for which enterprise value is generally not meaningful; including such companies produces similar results)

	Q1 '21	LTM
Lincoln MMI	5.7%	22.6%
S&P 500 EV	4.2%	46.0%

Starting at a value of 10,000 as of March 31, 2014, the Lincoln MMI increased by 62.8% cumulatively to 16,278, as of March 31, 2021. The Lincoln MMI grew at a compound annual growth rate of 7.2% since inception as compared to 10.2% for the enterprise values of the S&P 500.

The Lincoln MMI continued its strong recovery beyond pre-pandemic levels, increasing 7.3% from Q4 2019. This compares to the S&P 500 excluding the “Big 5”, which increased 9.7% since Q4 2019. The top five of Apple, Microsoft, Amazon, Google, and Facebook comprise approximately 20% of the S&P 500 but are generally not comparable to middle market businesses given their product offerings.

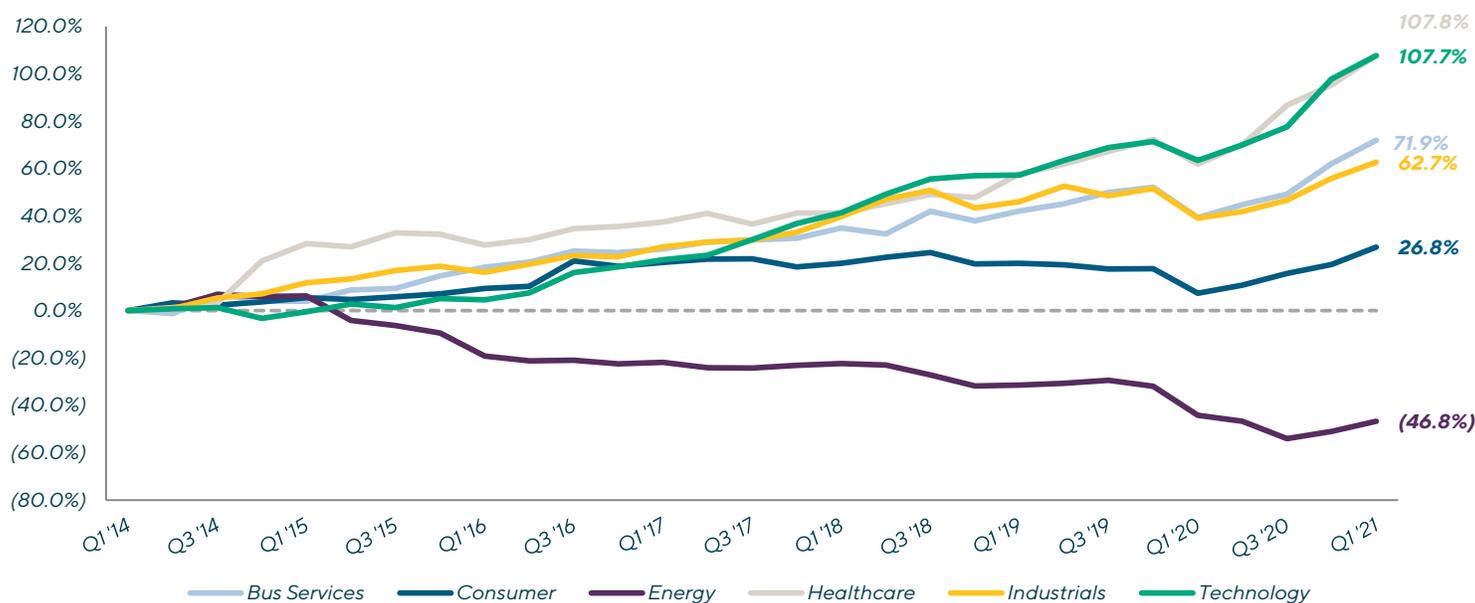
The Lincoln MMI shows that middle market, private company enterprise values remain less volatile than those of the S&P 500; the Lincoln MMI’s volatility is less than half that of the S&P 500 EV index as multiples have tended to be more stable than public company multiples. As a result, the Sharpe Ratio, which measures excess return per unit of risk, of the Lincoln MMI is superior to that of the S&P 500 EV index.

While both indexes since inception show relatively comparable growth in enterprise values, private equity owned companies traditionally have more leverage than public companies and, therefore, generate relatively greater equity gains.

SECTOR BREAKDOWN: All Industries Continue to See Strong Growth and Energy Continues to Recover

Q1

2021



Industry	Q1 2021	LTM	Q1 2020	Q1 2021
Bus Services	6.1%	23.4%	13,935	17,194
Consumer	6.2%	18.2%	10,727	12,684
Energy	8.8%	(4.7%)	5,583	5,322
Healthcare	6.4%	28.3%	16,198	20,777
Industrials	4.4%	17.1%	13,900	16,271
Technology	5.0%	27.1%	16,340	20,772

SECTOR BREAKDOWN:

All Industries Continue to See Strong Growth and Energy Continues to Recover

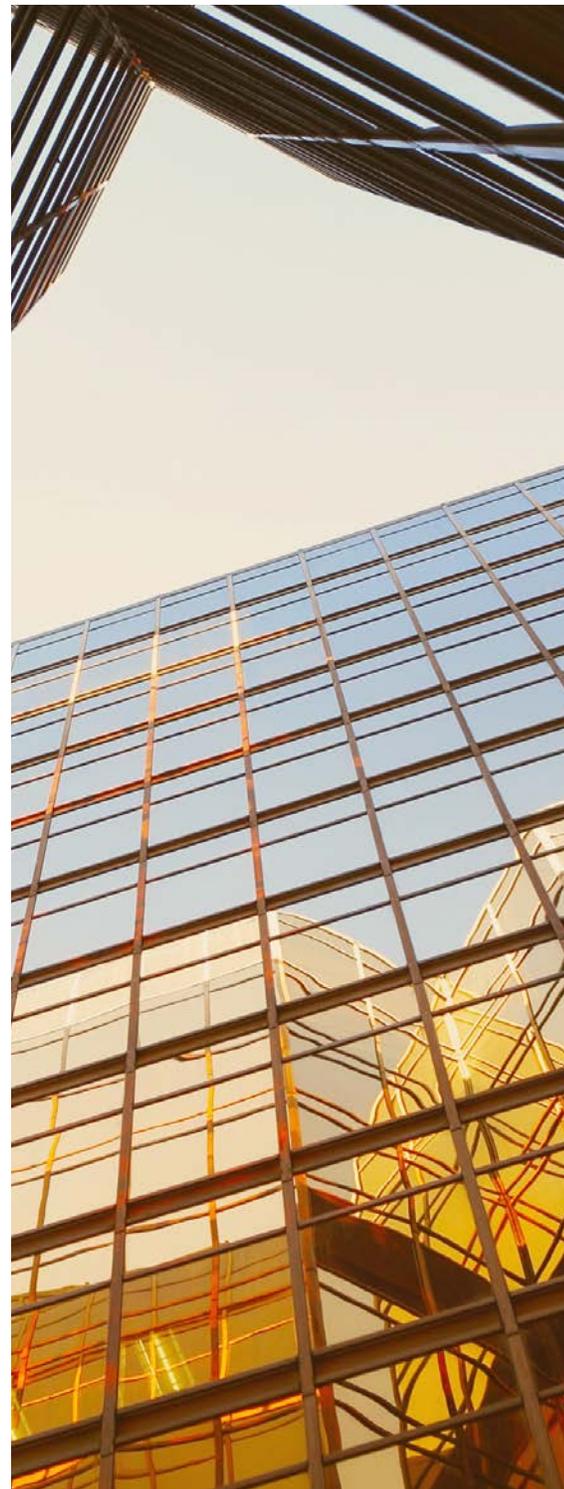
Q1

2021

Healthcare and Technology businesses were generally the industries least impacted by the pandemic and, as a result, those multiples benefitted the most leading to the greatest overall valuation gains since March 31, 2020.

“As seen consistently in the Lincoln MMI, we expect fundamentals, rather than multiple expansion, to remain the long-term growth driver in the Middle Market. Q1 2021 represented the second consecutive quarter wherein every industry in the LMMI increased quarter-over-quarter, reflecting the breadth of the recovery,” noted Professor Steve Kaplan, Neubauer Distinguished Service Professor of Entrepreneurship and Finance at the University of Chicago Booth School of Business, who assists and advises Lincoln on the Lincoln MMI. Clearly every industry welcomed clarity into seeing the light at the end of the tunnel given the record valuations across all industries, excluding Energy.

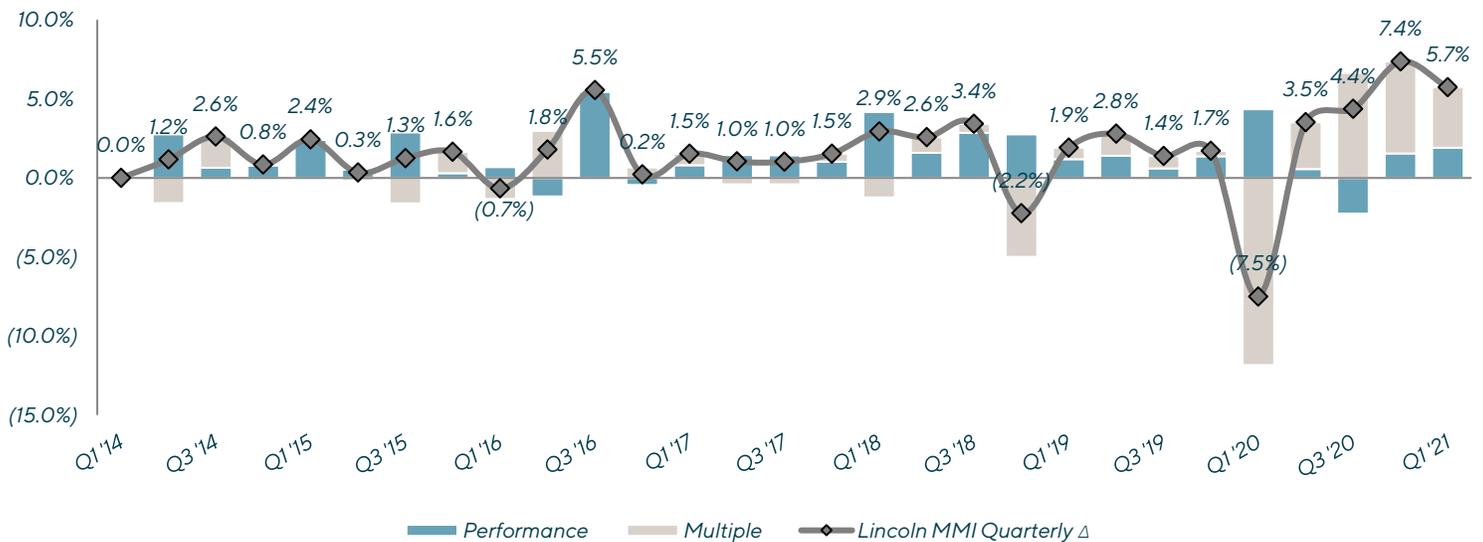
While healthcare and technology enterprise values increased on the back of pandemic tailwinds, their growth stabilized as the pandemic’s impacts subsided. While Energy industry enterprise values experienced record EV growth since inception of the Lincoln MMI, valuations remained below pre-pandemic levels. Growth in energy was primarily driven by higher oil and gas prices stemming from demand returning.



EXAMINING THE LINCOLN MMI: Examining the Lincoln MMI - EBITDA Multiples versus Earnings

Q1

2021



35%+

Expansion of
Lincoln MMI valuation
multiples since Q1 2014

The grey line in Graph 3 indicates the quarterly change in Lincoln MMI enterprise values; this change is based on changes in performance (i.e., EBITDA) combined with the change in EBITDA multiples.

Despite notable multiple contraction in Q1 2020, middle market valuation multiples have increased by ~35%+ since the inception of the Lincoln MMI in Q1 2014. The average enterprise valuation multiple of the Lincoln MMI exceeded pre-pandemic levels at ~11x LTM EBITDA, a record high.

The dramatic expansion of multiples in 2020 and into 2021 was in part a reflection of disruption rather than destruction in relation to the pandemic but also the expectation for strong future growth. Looking ahead to 2021, the average expected revenue and EBITDA growth from Q1 2021 is 9% and 8%, respectively.

SUMMARY: The Lincoln MMI

Q1

2021

GENERAL OBSERVATIONS:

- Middle market enterprise values grew to record levels in Q1 2021, following a strong recovery in 2020, as the LMMI increased 5.7%, up 22.6% from the pandemic lows observed in Q1 2020.
- Since its inception in Q1 2014, the Lincoln MMI has shown that middle market enterprise value multiples have been less volatile than public company multiples and that earnings, are the primary factor driving long term value creation despite multiples expanding dramatically since the second half of 2020.

ENTERPRISE VALUE RESULTS:

- The Lincoln MMI enterprise value index increased 5.7% in Q1 2021 versus 4.2% for the S&P 500 as multiples increased notably for both indices which compounded LTM EBITDA growth for the second time since the onset of the pandemic. The Lincoln MMI saw valuation multiples hit another record high.
- Performance through the pandemic compared similarly to the S&P 500 after excluding the performance of the Big 5 (AAPL, MSFT, AMZN, GOOG, FB), which are generally not comparable to middle market businesses and were viewed as safe havens during the pandemic. Since Q4 2019, the Lincoln MMI increased 7.3% compared to 9.7% for the S&P 500 EV excl the Big 5.

INDUSTRY BREAKDOWN ON AN ENTERPRISE VALUE BASIS:

- Although COVID-19 created a tale of two cities depending on industry, Q1 2021 saw significant and continued growth across every industry.
- There can be no doubt that healthcare (+28.3%) and technology (+27.1%) companies, as the most pandemic-resilient, experienced the greatest EV growth since the onset of the pandemic, driven by investors gravitating towards business with higher recurring revenue models.

IN SUMMARY, WE BELIEVE THE LINCOLN MMI:

- Enables investors in private companies, including private equity firms, to benchmark their investments against their peers and the S&P 500 on both enterprise value and equity value bases;
- Demonstrates that middle market private companies generate returns comparable to major public stock market indices with less volatility;
- Offers many unique valuation insights into the fair value of private companies for a wide array of stakeholders and investors; and
- Represents a significant enhancement to the information available to investors in private companies

METHODOLOGY: Source of Data and Sample Size

Q1

2021

SOURCE OF DATA AND SAMPLE SIZE

On a quarterly basis, Lincoln determines the enterprise fair value of over 2,500 portfolio companies for approximately 100 sponsors (i.e., private equity groups and lenders to private equity groups). These portfolio companies report quarterly financial results to the sponsor or lender. Lincoln obtains this information and determines the appropriate enterprise value multiple so as to compute the enterprise value in accordance with the fair value measurement principles of generally accepted accounting principles. In assessing enterprise value, Lincoln relies on well accepted valuation methodologies such as the market approach and income approach considering each company's historical and projected performance and other qualitative and quantitative factors. Finally, each valuation is then vetted by auditors, company management, boards of directors and regulators. Upon concluding each quarterly valuation cycle, Lincoln aggregates the underlying financial performance and enterprise value data for analysis.

To construct the Lincoln MMI, Lincoln selects a subsection of the companies valued each quarter, including companies each generating earnings before interest, taxes, depreciation and amortization of less than \$100.0 million, disregarding venture-stage businesses and non-operating entities, such as special purpose entities that own real estate and specialty finance assets.

For more information, visit www.lincolninternational.com/services/valuations-and-opinions/lincolnmimi

2,500

Portfolio Companies are evaluated by Lincoln on a quarterly basis to determine their Enterprise Fair Value

~100

Sponsors participate in Lincoln MMI i.e. Private Equity Groups & lenders to Private Equity Groups

METHODOLOGY:

Academic Advisors

Q1

2021

PROFESSOR STEVEN KAPLAN

Professor Steven Kaplan is a Senior Advisor to Lincoln's Valuations and Opinions Group. He is the Neubauer Family Distinguished Service Professor of Entrepreneurship and Finance and Kessenich E.P. Faculty Director at the Polsky Center for Entrepreneurship and Innovation at the University of Chicago Booth School of Business. Among other courses, Professor Kaplan teaches advanced Master of Business Administration and executive courses in entrepreneurial finance and private equity, corporate finance, corporate governance and wealth management. Professor Kaplan conducts research on a wide array of issues in private equity, venture capital, corporate governance, boards of directors, mergers and acquisitions, and corporate finance. He has been a member of the Chicago Booth faculty since 1988.

Professor Kaplan serves on the board of Morningstar and several fund and company advisory boards. He is also a Research Associate at the National Bureau of Economic Research and an Associate Editor of the Journal of Financial Economics.

Professor Kaplan received a Bachelor of Arts, summa cum laude, in applied mathematics and economics from Harvard College and earned a Doctor of Philosophy in business economics from Harvard University.

PROFESSOR MICHAEL MINNIS

Professor Michael Minnis is a Senior Advisor to Lincoln's Valuations and Opinions Group. He is a Professor of Accounting at the University of Chicago Booth School of Business, where he researches the role of accounting information in allocating investment efficiently by both managers and capital providers. His recent research focuses on understanding the role of privately held companies in the U.S. economy and how these firms use financial reporting to access, deploy and manage capital. He particularly enjoys identifying unique data and methods to empirically examine issues in a novel way.

In January 2018, Professor Minnis became a member of the Private Company Council, the primary advisory council to the Financial Accounting Standards Board (FASB) on private company issues. Professor Minnis received his Ph.D. from the University of Michigan and his B.S. from the University of Illinois, where he graduated with Highest Honors.

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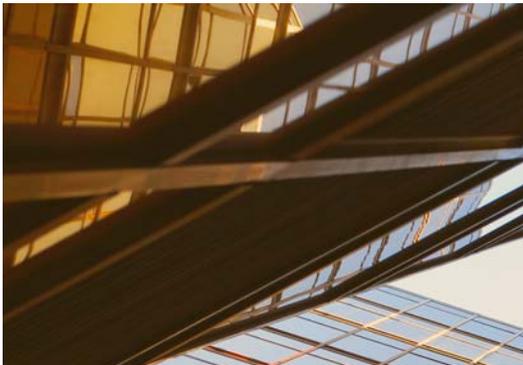
Valuations & Opinions

ABOUT LINCOLN INTERNATIONAL

We are trusted investment banking advisors to business owners and senior executives of leading private equity firms and public and privately held companies around the world. Our advisory services include mergers and acquisitions, debt advisory, growth equity and restructuring for the mid-market. We also provide valuations and fairness opinions and joint ventures advisory services. As one tightly integrated team of more than 625 professionals across 16 countries, we offer an unobstructed perspective, backed by superb execution and a deep commitment to client success. With extensive industry knowledge and relationships, timely market intelligence and strategic insights, we forge deep, productive client relationships that endure for decades. Connect with us to learn more at www.lincolninternational.com.

VOG is a leading independent valuation advisor to managers of illiquid assets and lenders to alternative assets funds. VOG specializes in the valuation of illiquid debt, equity and derivative securities. Additionally, they provide independent fairness, solvency and other transaction opinions for a variety of corporate transactions for both public and private companies.

VOG is widely recognized for leveraging Lincoln International's "real world" transaction experience from its M&A and debt advisory practices to assist its clients in the determination of fair value. Lincoln International's highly skilled professionals have extensive experience in determining and supporting fair value measurements for traditional and complex securities.



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