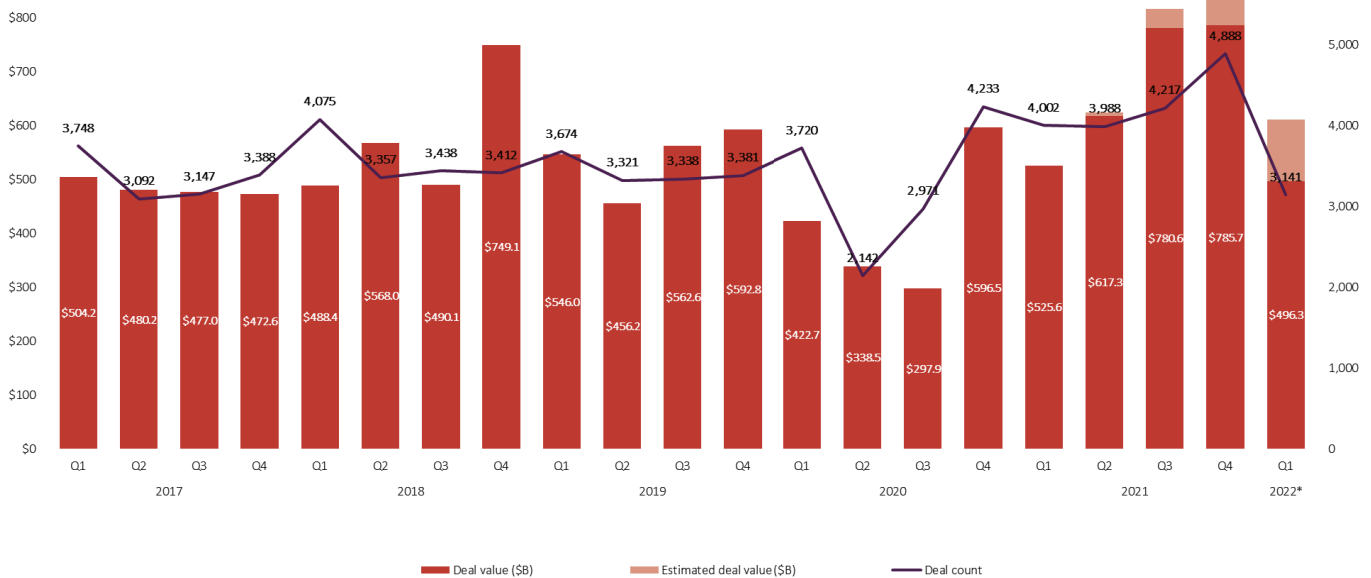


M&A Market Overview (Q1 2022)

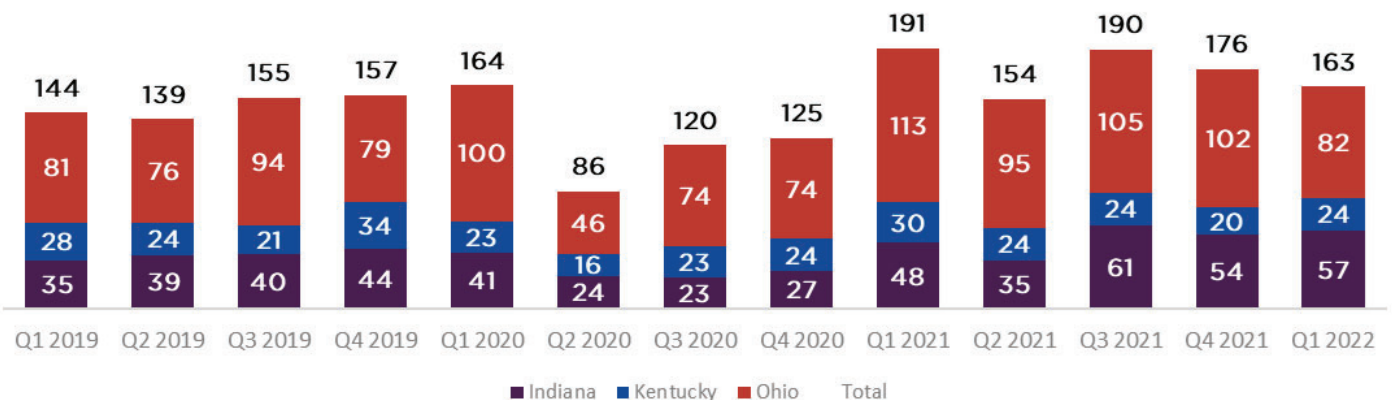
A total of 4,739 deals closed for a combined value of \$611.3 billion, which was roughly a 20% decrease in both deal count and value from Q4 2021. Despite this dip, M&A activity was in line with that of the last five years, proving that dealmakers are still finding growth opportunities despite the market volatility and valuation adjustments. We could possibly see an increase in smaller M&A deals spilling over in Q2 2022 due to some investors viewing the market turbulence as an opportunity to secure more reasonable valuations.

Higher inflation rates dampened M&A activity during Q1 2022. Inflation soared with the US CPI posting 8.5% YoY gains for the period ending in March 2022, the fastest inflation rate since 1981. According to the US Bureau of Labor Statistics, the US Consumer Price Index (CPI) is defined as a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services. (Pitchbook, March 2022)

Quarterly North American M&A Activity



Quarterly Regional M&A Activity



While deal volume dropped in Q1 compared to Q3 and Q4 of 2021, regional deal volume did not see as steep a decline as national volumes. A number of factors, including the war in Ukraine, interest rate increases and continued supply chain issues leave everyone watching the deal market with anticipation.

Regionally, Q1 saw a slight relative increase in strategic M&A activity, from 74% of total deal volume up from 71% in Q4 and a similar decrease in financial sponsor activity for the same period. Additionally, total regional deal volume in Q1 2022 outperformed both Q2 and Q3 in 2021.

M&A Market Overview (Q1 2022) Continued

TEV/EBITDA - All Industries

TEV	2003-2017	2018	2019	2020	2021	YTD 2022	Total	N =
10-25	5.7	5.9	6.1	5.9	6.1	6.6	5.8	1684
25-50	6.4	6.9	6.9	6.8	7.0	6.9	6.5	1310
50-100	7.1	8.8	7.5	8.0	8.3	8.5	7.5	892
100-250	7.9	8.7	9.3	8.6	9.0	9.3	8.3	483
Total	6.4	7.2	7.0	7.0	7.3	7.3	6.7	
N =	2919	299	325	329	441	56		4369

Please note that N for 2003-17 encompasses fifteen years of activity.

GF SOURCE: GF DATA®

Transactions reporting to GF Data:

- Overall multiples were stagnant from 2021 to YTD 2022, remaining at 7.3x. This still exceeds the long-term average of 6.7x.
- In the YTD 2022, multiples expanded for two out of the four TEV (Total Enterprise Value) ranges, only decreasing in the \$25 to \$50 million and \$100 to \$250 million TEV categories.

About MCM Capital Markets Group

MCM Capital Markets Group ("MCM CMG") provides full-service investment banking services to lower middle market clients in the Kentucky, Indiana and Ohio regions. Whether selling or buying a business, MCM CMG can develop customized strategy to optimize for your transaction. With a thorough understanding of, and specialization in middle market M&A, our team applies deep industry knowledge with experienced negotiation strategy to maximize value in business transactions, while minimizing risk and exposure faced during those transactions. This approach emphasizes collaboration, proactive communication, responsiveness and high levels of participation from our seasoned professionals throughout the entire transaction life cycle. MCM CMG is a subsidiary of MCM CPAs & Advisors LLP, which provides specialized

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