

A nighttime cityscape featuring a prominent Ferris wheel in the foreground, illuminated with pink and white lights. The background is filled with various skyscrapers and buildings, some of which are lit up. The sky is a deep blue with some light clouds. The overall scene is a vibrant urban night view.

Quarterly Market Insights 2023: First Quarter

GENESIS CAPITAL

Capital Markets Overview

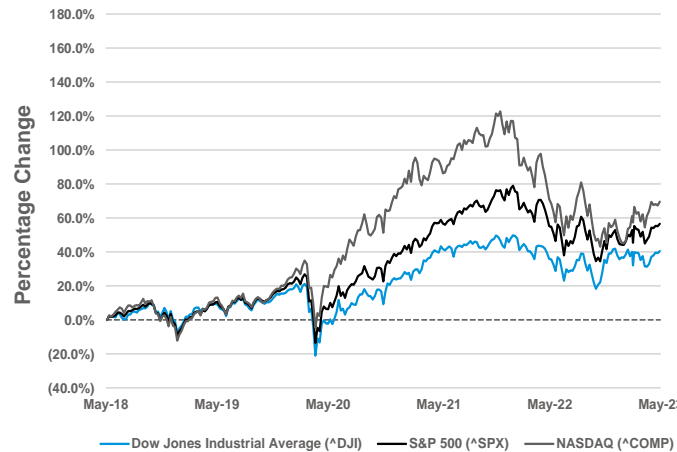
Commentary

- On April 28, 2023, the S&P 500 Index closed at 4,169.48, 8.6% higher than the beginning of the year, and 1.7% higher than its average closing price throughout 2022.
- The 10-year Treasury Note yield was 3.44% on April 28, 2023, 44 basis points lower than its yield of 3.88% at the beginning of the year, and 49 basis points above its average closing yield of 2.95% in 2022.
- The value of special purpose acquisition company (SPAC) gross proceeds in the year to date (YTD) period ended March 31, 2023 was \$0.8 billion, across 11 offerings. The value of SPAC gross proceeds in the year ended December 31, 2022 was \$13.4 billion.
- The value of initial public offerings (IPO) gross proceeds in the YTD period ended March 31, 2023 was \$1.1 billion, across 12 offerings.

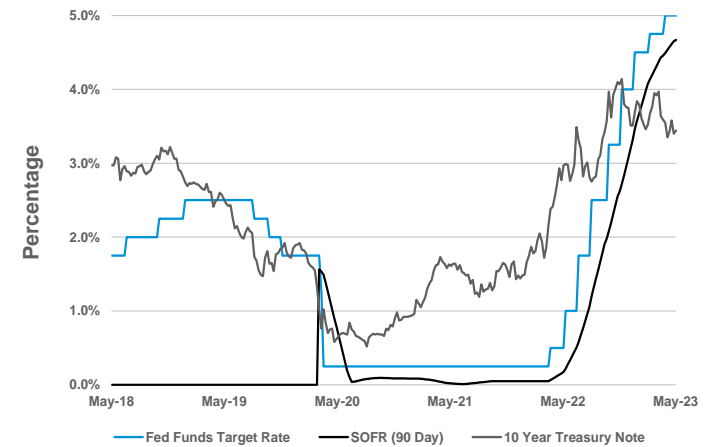
Note:

- Indexed relative to May 4, 2018.
- YTD as of March 31, 2023.

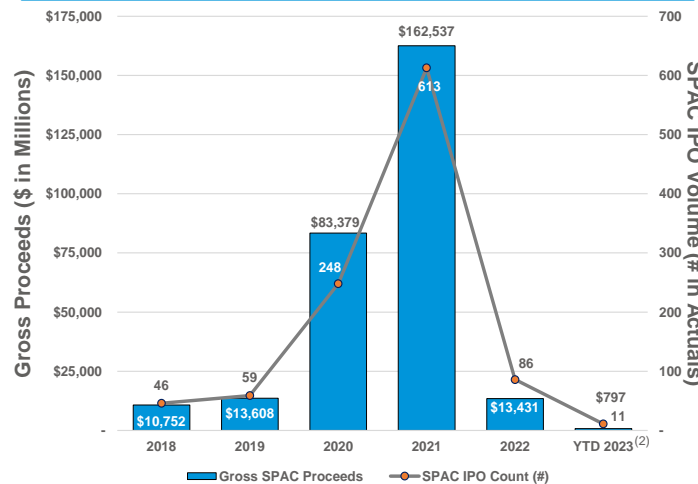
Public Equity Market Indices ⁽¹⁾



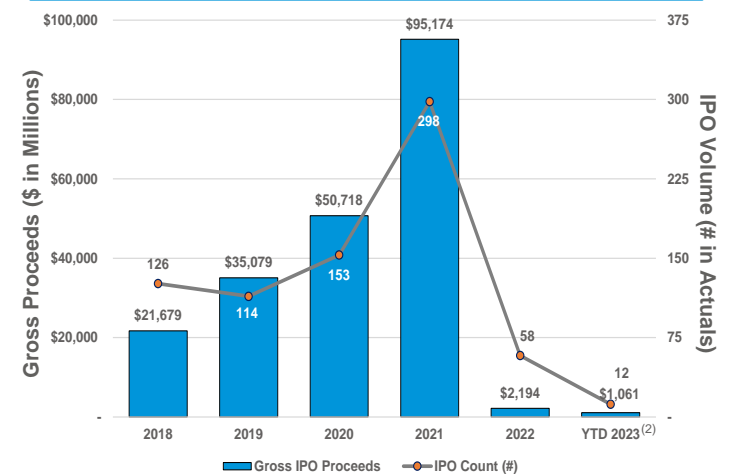
Interest Rates ⁽¹⁾



SPAC Activity



IPO Activity



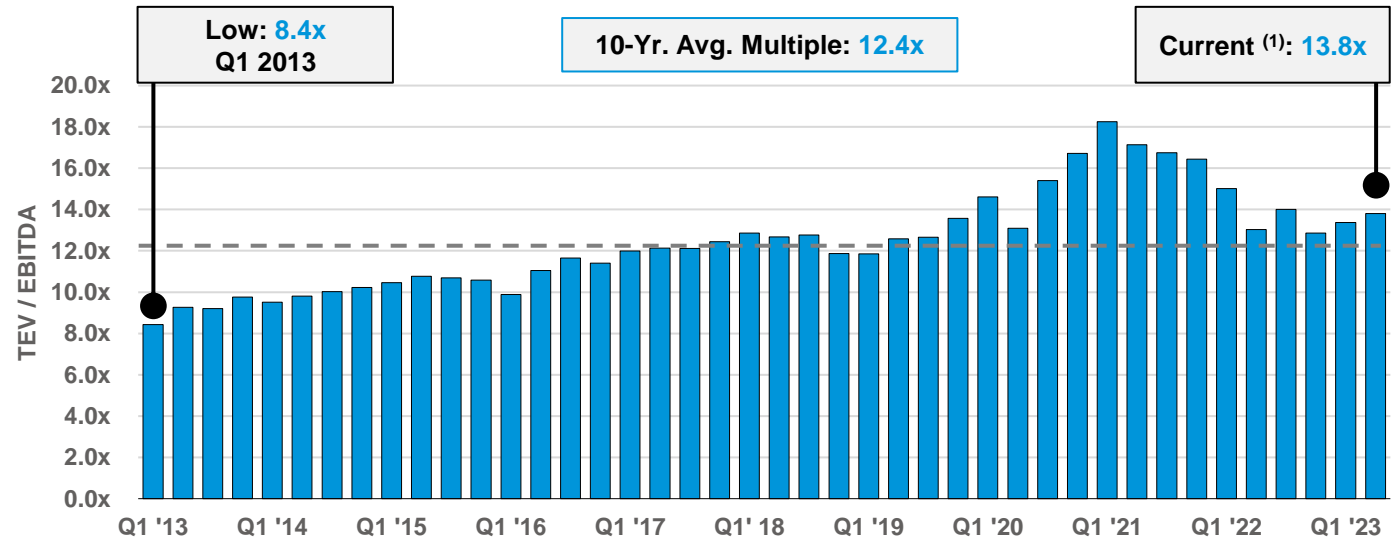
Source: S&P Capital IQ, SPAC Insider, U.S. Department of the Treasury.

Public Market Valuations

Commentary

- In the 10-year period ending Q1 2023, the average publicly traded TEV / EBITDA multiple was 12.4x.
- As of April 28, 2023, the S&P 500 average TEV / EBITDA multiple was 13.8x.

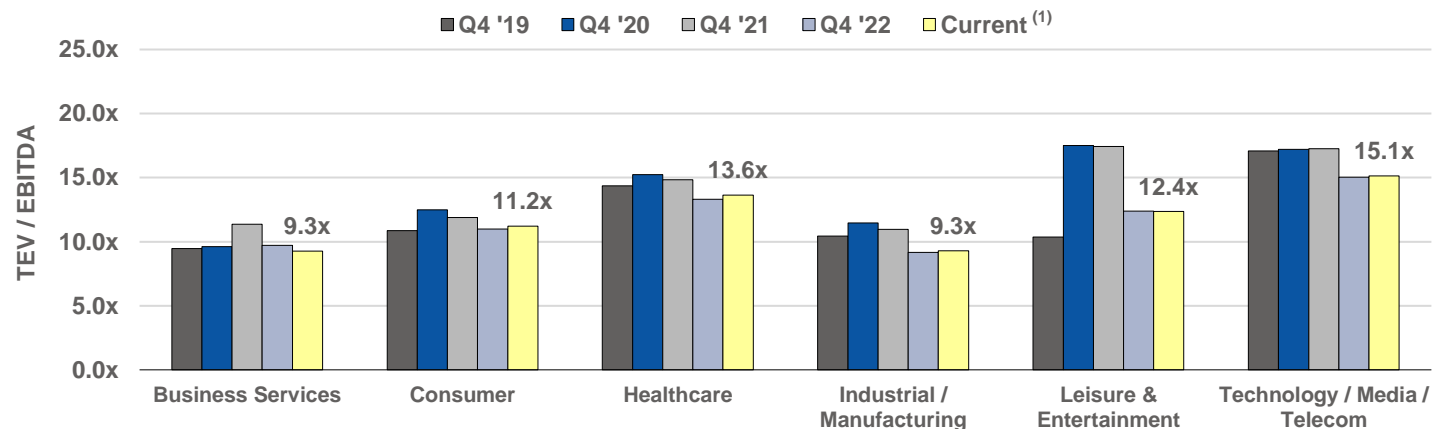
Mid-Quarter Public Trading TEV / EBITDA Multiples (S&P 500)



Commentary

- Top sectors by TEV / EBITDA valuation:
 - Technology / Media / Telecom: 15.1x
 - Healthcare: 13.6x
 - Leisure & Entertainment: 12.4x
 - Consumer: 11.2x
 - Industrial / Manufacturing: 9.3x
 - Business Services: 9.3x

Public Trading TEV / EBITDA Multiples by Select Sector



Note:

1. Current as of April 28, 2023.

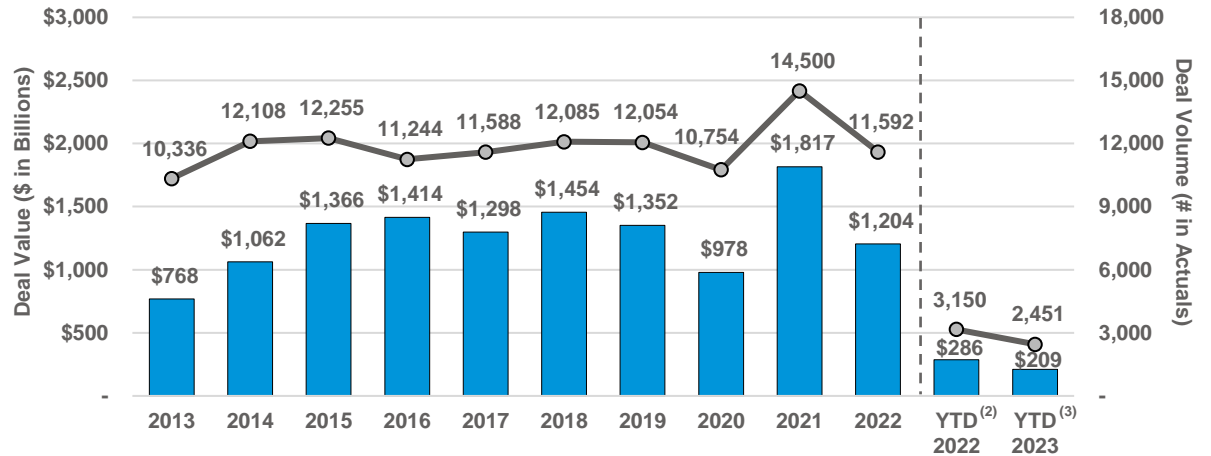
Source: S&P Capital IQ.

U.S. M&A Market Overview

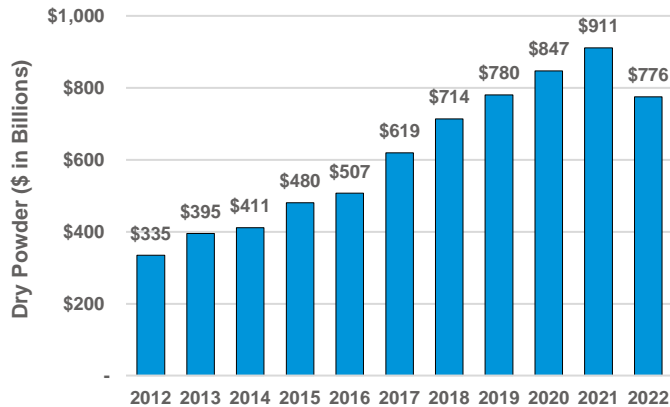
Commentary

- The value of M&A transactions completed in the U.S.⁽¹⁾ in the YTD period ended March 31, 2023 was \$209 million, a decrease of 26.8% from the comparable period in 2022. Further, the number of M&A transactions completed in the U.S.⁽¹⁾ in the YTD period ended March 31, 2023 decreased by 22.2% from the comparable period in 2022.
- The median TEV / EBITDA multiple for U.S. M&A transactions for the YTD period ended March 31, 2023 was 13.5x.

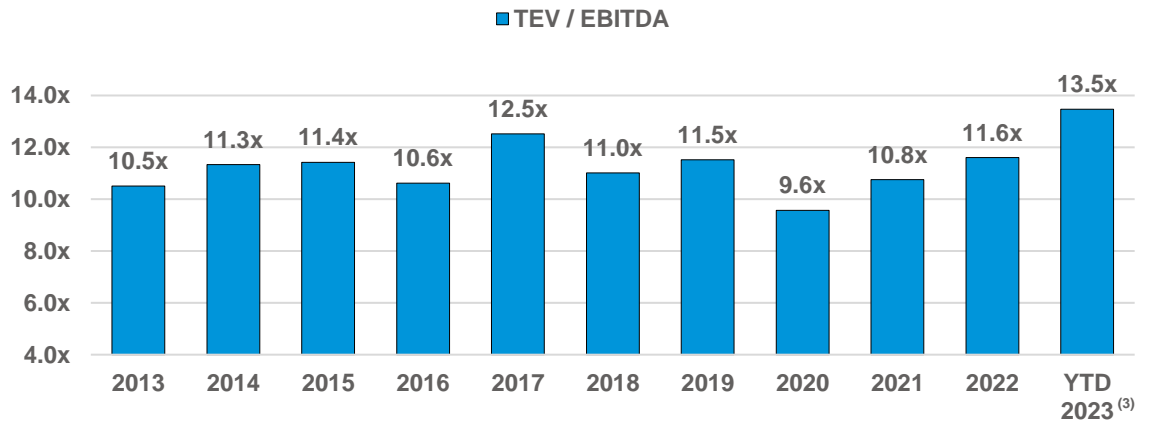
U.S. M&A Activity ⁽¹⁾



U.S. Private Equity Dry Powder



U.S. M&A Multiples ⁽¹⁾



Notes:

- U.S. M&A Activity includes closed deals with U.S. targets only; excludes real estate transactions.
- YTD as of March 31, 2022.
- YTD as of March 31, 2023.

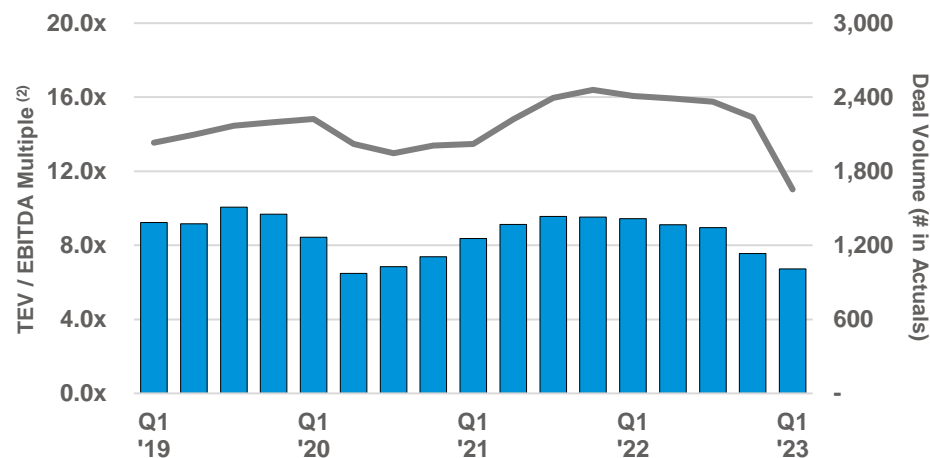
Source: S&P Capital IQ, Pitchbook, S&P Capital IQ Pro.

Sector Overview: Business Services

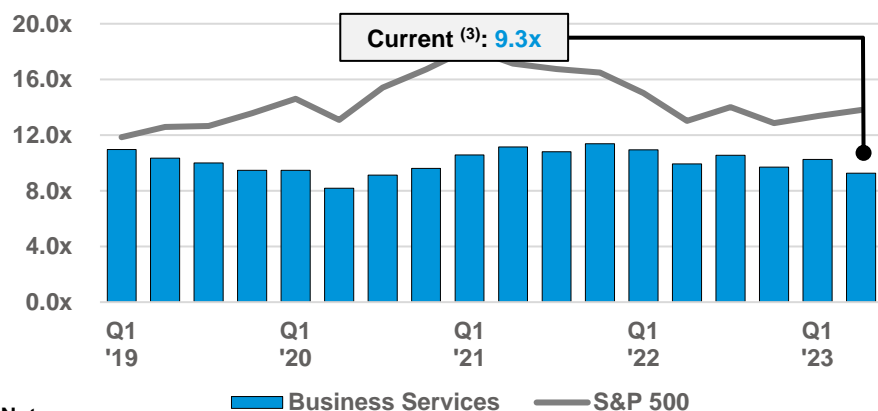
Commentary

- The number of M&A transactions completed in the Business Services sector for the LTM period ended March 31, 2023 was 1,652, a decrease of 31.5% from the comparable period in 2022.
- The weighted average TEV / EBITDA multiple for U.S. M&A transactions in the Business Services sector for the LTM period ended March 31, 2023 was 6.7x.
- As of April 28, 2023, the average publicly traded TEV / EBITDA multiple for the Business Services sector was 9.3x.

M&A Trends (1)



Mid-Quarter Public Trading TEV / EBITDA Multiples



Notes:

1. Four-quarter rolling.
2. Weighted average U.S. TEV / EBITDA multiples.
3. Current as of April 28, 2023.
4. Not disclosed as of publication date.

Notable M&A Transactions

Announced Date	Target	Target Description	Acquirer	Disclosed EV (\$MM)
03/21/23	U.S. XPRESS	Provides truckload carrier services throughout the United States.	KNIGHT TRANSPORTATION SWIFT	\$808
03/07/23	PRA Experience Anywhere.	Provides event management services to hotels, resorts and cruise lines.	EAGLE TREE CAPITAL	N.D. (4)
02/28/23	FleetNet Fleet	Provides fleet repair and maintenance services in the United States.	COX AUTOMOTIVE MOBILITY	\$100
02/09/23	Quala THE TANK GROUP	Provides cleaning, testing and repair services for commercial and industrial bulk containers.	BOASSO GLOBAL	N.D. (4)
01/26/23	Yard Works Landscape & Lawn Care	Provides residential landscape design, maintenance and installation services.	WSC&Company	N.D. (4)

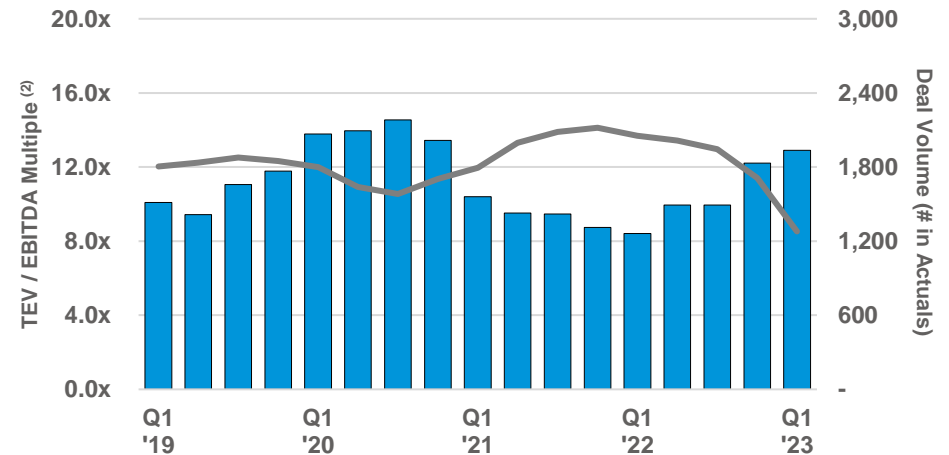
Source: S&P Capital IQ.

Sector Overview: Consumer

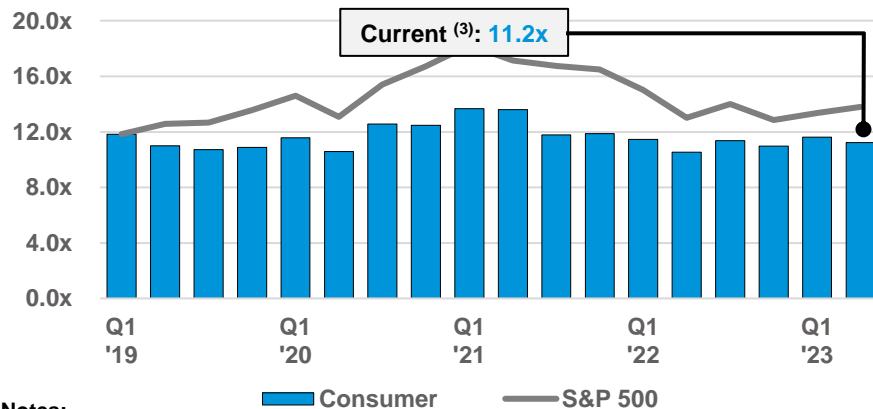
Commentary

- The number of M&A transactions completed in the Consumer sector for the LTM period ended March 31, 2023 was 1,277, a decrease of 37.8% from the comparable period in 2022.
- The weighted average TEV / EBITDA multiple for U.S. M&A transactions in the Consumer sector for the LTM period ended March 31, 2023 was 12.9x.
- As of April 28, 2023, the average publicly traded TEV / EBITDA multiple for the Consumer sector was 11.2x.

M&A Trends (1)



Mid-Quarter Public Trading TEV / EBITDA Multiples



Notes:

1. Four-quarter rolling.
2. Weighted average U.S. TEV / EBITDA multiples.
3. Current as of April 28, 2023.
4. Not disclosed as of publication date.

Notable M&A Transactions

Announced Date	Target	Target Description	Acquirer	Disclosed EV (\$MM)
03/28/23	UNITED MALT	Processes and supplies malt and craft ingredients to brewers, distillers and food markets.		\$1,310
02/28/23	BURGERFI	Owns and franchises fast-casual and premium-casual dining restaurants.	LION-HEART CAPITAL	\$169
02/22/23	Moosejaw	Retails apparel and related products for men, women and kids.	DICK'S SPORTING GOODS	N.D. ⁽⁴⁾
02/20/23	WILLIAMS-SONOMA SAUSAGE	Produces and distributes breakfast foods to retail stores.	Tyson	N.D. ⁽⁴⁾
02/01/23	TA TRAVELCENTERS OF AMERICA	Operates travel centers, truck service facilities and restaurants in the U.S. and Canada.	bp	\$3,165

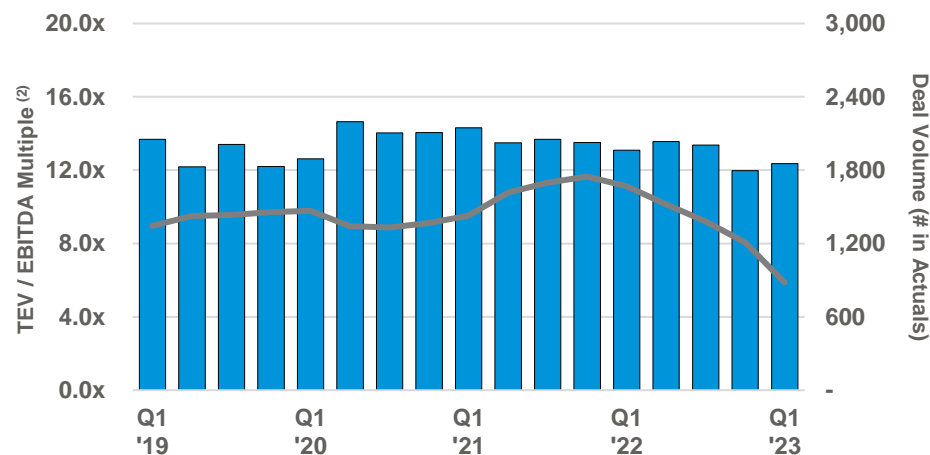
Source: S&P Capital IQ.

Sector Overview: Healthcare

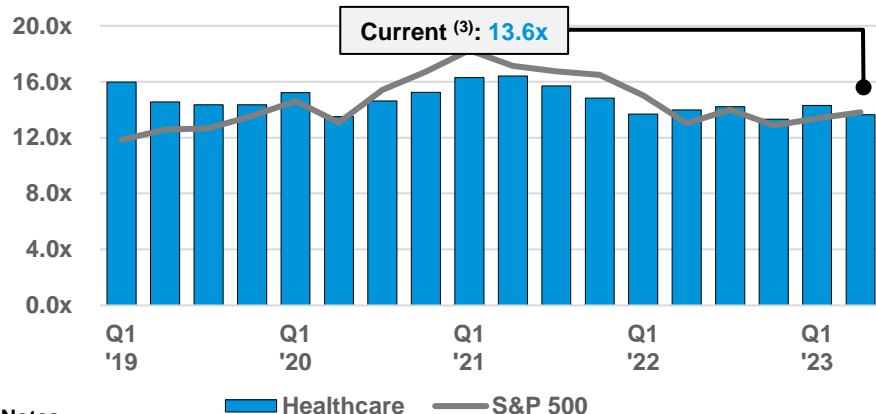
Commentary

- The number of M&A transactions completed in the Healthcare sector for the LTM period ended March 31, 2023 was 880, a decrease of 47.3% from the comparable period in 2022.
- The weighted average TEV / EBITDA multiple for U.S. M&A transactions in the Healthcare sector for the LTM period ended March 31, 2023 was 12.4x.
- As of April 28, 2023, the average publicly traded TEV / EBITDA multiple for the Healthcare sector was 13.6x.

M&A Trends (1)



Mid-Quarter Public Trading TEV / EBITDA Multiples



Notes:

1. Four-quarter rolling.
2. Weighted average U.S. TEV / EBITDA multiples.
3. Current as of April 28, 2023.
4. Not disclosed as of publication date.

Notable M&A Transactions

Announced Date	Target	Target Description	Acquirer	Disclosed EV (\$MM)
03/13/23	Seagen	Provides a cell-free ribonucleic acid (RNA) production platform.	Pfizer	\$42,816
03/13/23	proventionbio	Develops and commercializes therapies for the treatment of cancer in the Internationally.	sanofi	\$2,784
02/23/23	PEDIATRIC AFFILIATES	Operates as a New Jersey-based pediatric network with 6 locations.	Webster Equity Partners	N.D. ⁽⁴⁾
02/09/23	NUVASIVE	Develops, manufactures and sells procedural solutions for spine surgery.	GLOBUS MEDICAL	\$3,592
02/08/23	Oak St. Health	Operates 129 primary care centers for Medicare beneficiaries.	CVS Health.	\$10,600

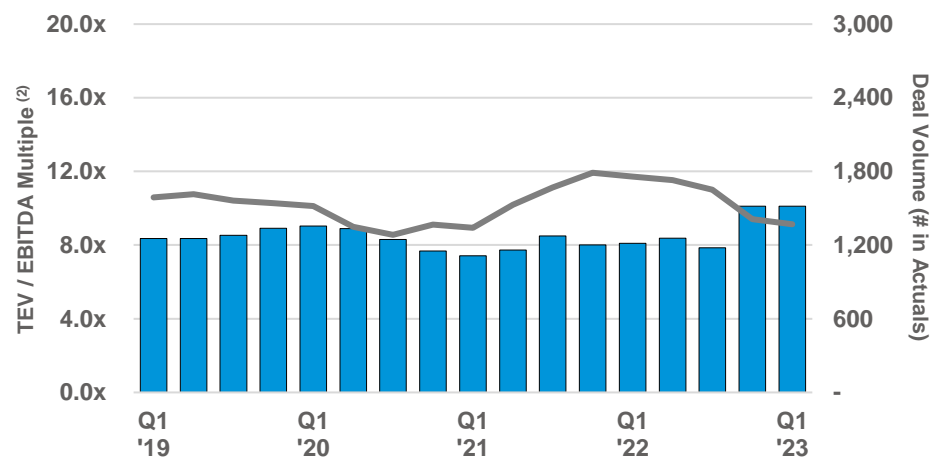
Source: S&P Capital IQ.

Sector Overview: Industrial / Manufacturing

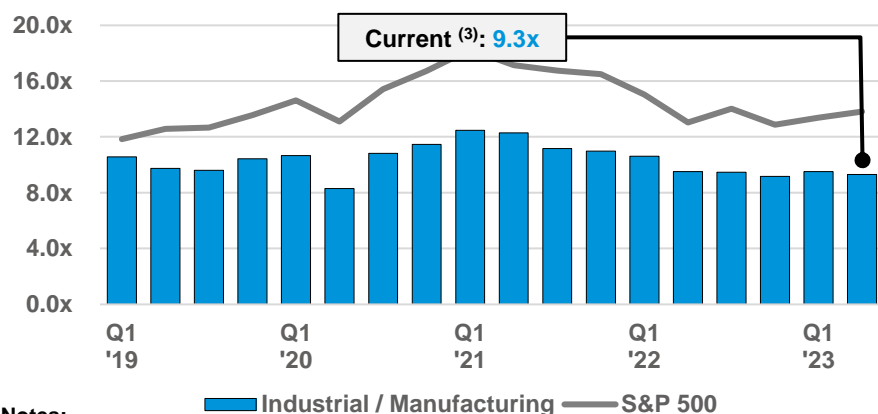
Commentary

- The number of M&A transactions completed in the Industrial / Manufacturing sector for the LTM period ended March 31, 2023 was 1,370, a decrease of 22.1% from the comparable period in 2022.
- The weighted average TEV / EBITDA multiple for U.S. M&A transactions in the Industrial / Manufacturing sector for the LTM period ended March 31, 2023 was 10.1x.
- As of April 28, 2023, the average publicly traded TEV / EBITDA multiple for the Industrial / Manufacturing sector was 9.3x.

M&A Trends (1)



Mid-Quarter Public Trading TEV / EBITDA Multiples



Notes:

1. Four-quarter rolling.
2. Weighted average U.S. TEV / EBITDA multiples.
3. Current as of April 28, 2023.
4. Not disclosed as of publication date.

Notable M&A Transactions

Announced Date	Target	Target Description	Acquirer	Disclosed EV (\$MM)
03/14/23	Univar Solutions	Distributes specialty chemicals and ingredients.	APOLLO ADIA	\$8,100
03/08/23	Kimball International	Manufactures commercial furnishings.	HNI	\$485
02/07/23	DURO-LAST THE WORLD'S BEST ROOF	Manufactures commercial roof systems.	HOLCIM	\$1,290
01/25/23	UPI	Designs and manufactures automated cartoning machines.	Massman Companies	N.D. (4)
01/23/23	FW FloWorks	Distributes critical flow control products.	WYNNHURCH CAPITAL	N.D. (4)

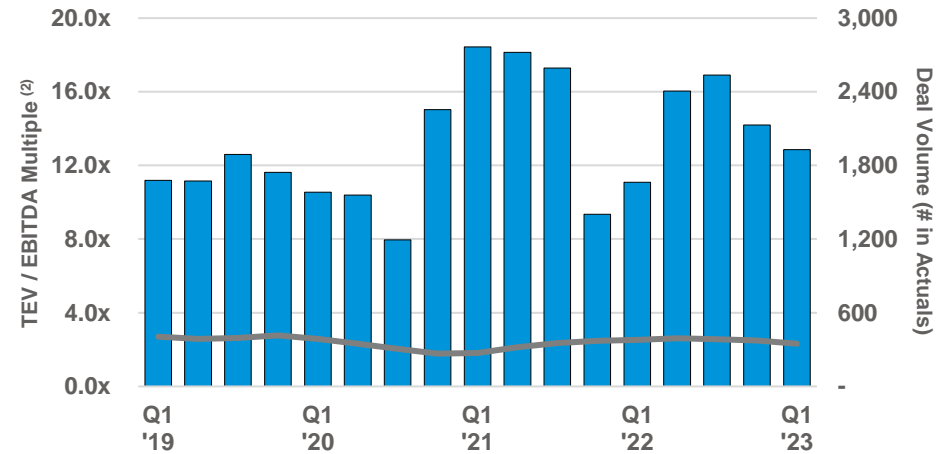
Source: S&P Capital IQ.

Sector Overview: Leisure & Entertainment

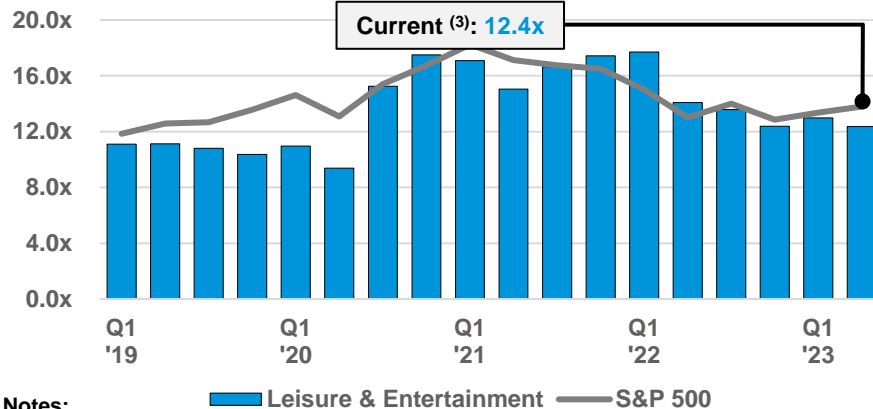
Commentary

- The number of M&A transactions completed in the Leisure & Entertainment sector for the LTM period ended March 31, 2023 was 347, a decrease of 8.4% from the comparable period in 2022.
- The weighted average TEV / EBITDA multiple for U.S. M&A transactions in the Leisure & Entertainment sector for the LTM period ended March 31, 2023 was 12.8x.
- As of April 28, 2023, the average publicly traded TEV / EBITDA multiple for the Leisure & Entertainment sector was 12.4x.

M&A Trends (1)



Mid-Quarter Public Trading TEV / EBITDA Multiples



Notes:

1. Four-quarter rolling.
2. Weighted average U.S. TEV / EBITDA multiples.
3. Current as of April 28, 2023.
4. Not disclosed as of publication date.

Notable M&A Transactions

Announced Date	Target	Target Description	Acquirer	Disclosed EV (\$MM)
03/16/23	COURT SQUARE	Partners with and invests in leading FECs.	FIVE STAR FIVE STAR PARKS & ATTRACTIONS	N.D. ⁽⁴⁾
03/09/23	BOLA SPORTS MANAGEMENT	An athlete management agency and marketing firm that provides services to professional basketball players.	ENDEAVOR	N.D. ⁽⁴⁾
03/06/23	GOLDEN ENTERTAINMENT	Operates as a route operator of gaming devices for bars, taverns and convenience and grocery stores.	J&J Ventures	\$214
02/28/23	AthletesFirst	A full-service management firm that represents elite players, coaches, personnel and broadcasters.	GENERAL CATALYST MASTRY	N.D. ⁽⁴⁾
02/03/23	The DIPLOMAT BEACH RESORT	Operates a 39-story oceanfront resort in Hollywood, Florida.	TRINITY CREDIT SUISSE	\$835

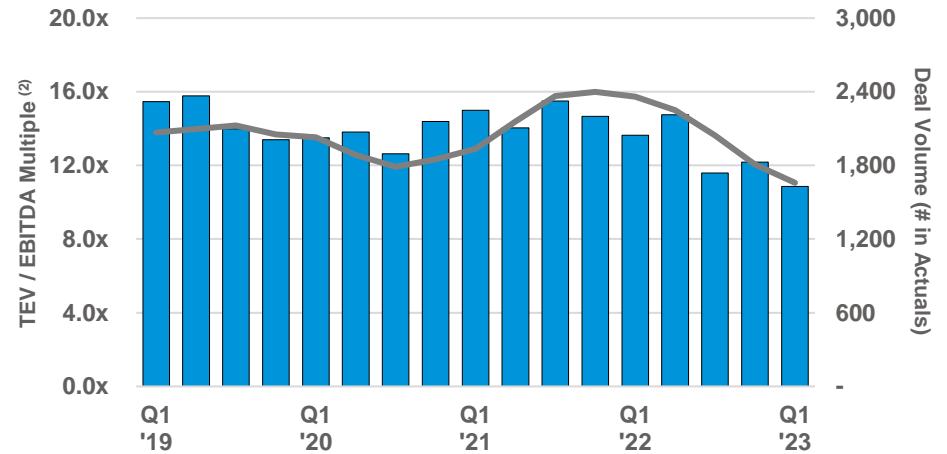
Source: S&P Capital IQ.

Sector Overview: Technology / Media / Telecom

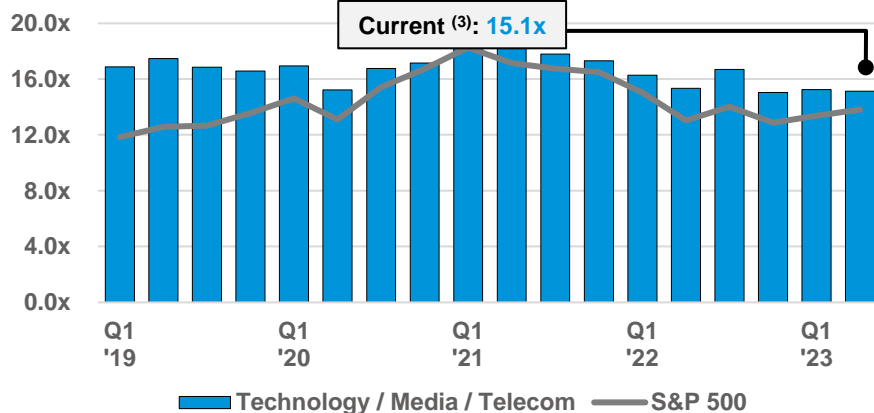
Commentary

- The number of M&A transactions completed in the Technology / Media / Telecom sector for the LTM period ended March 31, 2023 was 1,659, a decrease of 29.7% from the comparable period in 2022.
- The weighted average TEV / EBITDA multiple for U.S. M&A transactions in the Technology / Media / Telecom sector for the LTM period ended March 31, 2023 was 10.9x.
- As of April 28, 2023, the average publicly traded TEV / EBITDA multiple for the Technology / Media / Telecom sector was 15.1x.

M&A Trends (1)



Mid-Quarter Public Trading TEV / EBITDA Multiples



Notes:

1. Four-quarter rolling.
2. Weighted average U.S. TEV / EBITDA multiples.
3. Current as of April 28, 2023.

Notable M&A Transactions

Announced Date	Target	Target Description	Acquirer	Disclosed EV (\$MM)
03/20/23	Trax	Provides software solutions and services for aircraft maintenance customers.	AAR	\$140
03/14/23	cvent	Provides a cloud-based enterprise event marketing, management and hospitality platform.	ADIA Blackstone	\$4,576
03/13/23	momentive	Provides software-as-a-service solutions that help businesses turn stakeholder feedback into action.	STG SYMPHONY TECHNOLOGY GROUP	\$1,527
03/12/23	qualtrics	Operates a platform to design and manage customer, employee, product and brand experiences.	CPP Investments SILVERLAKE	\$10,911
01/09/23	Duck Creek Technologies	Provides software-as-a-service core systems to the property and casualty insurance industry.	VISTA EQUITY PARTNERS	\$2,369

Source: S&P Capital IQ.

Overview of Genesis Capital

Independent Investment and Merchant Bank

An Independent Firm Focused On Families & Companies in Growth Sectors of the Economy

Providing a Full Suite of Investment Banking Services

- Focused on “Need” not Size
- Expertise with Public Corporations
- Deep Experience with Family Businesses
- Solution Focused vs Product Oriented
- Extensive Sell-Side and Buy-Side M&A Experience
- National Client Base
- Active Cross Border Practice with International Operations and Buyers
- Proven Track Record and Strong References

Mergers, Acquisitions & Sales

- Sell-Side
- Buy-Side Acquisition Programs
- Management Buyouts
- Restructurings
- Corporate Divestitures

Financial Advisory Services

- Strategic Alternatives Review
- Capital and Strategic Planning
- Strategic Investments & Joint Ventures
- Fairness and Valuation Opinions
- Committee Representation

Capitalizations

- Recapitalizations
- Private Placements
- Private Investment in Public Equity (PIPE)
- Employee Stock Ownership Plans (ESOP)

Genesis Capital Track Record

Deep Expertise Across Several Industries

Business Services

 NETWORK CONTROLS

has been acquired by

 ABACUS

 DW
DUNCAN-WILLIAMS, INC.

has been acquired by

 SOUTH STATE CORPORATION
(NASDAQ: SSB)

 SIMOS
Business. Re-engineered.

has been acquired by

 TRUEBLUE
(NYSE: TBI)

Consumer

 Rusty TACO

a subsidiary of

 INSPIRE Brands

has been acquired by

 GCP
GALA CAPITAL PARTNERS

 PAPA JOHN'S®
Better Ingredients. Better Pizza.
(NASDAQ: PZZA)

refranchises its majority stake in its joint venture with Blue and Silver Ventures, Ltd. to

 SUN HOLDINGS, INC.

 scrubs & beyond

has been acquired by

 kindthread

a portfolio company of

 LKCM HEADWATER INVESTMENTS

Healthcare

 FIRST CALL

has been acquired by

 PRIORITY AMBULANCE

 SOUTHEAST PRIMARY CARE PARTNERS

has partnered with

 BPOC

 TRM ONCOLOGY


and

 axiess ONCOLOGY


have been restructured and rebranded as

 APTITUDE HEALTH


Industrial / Specialty Manufacturing

 Coffman STAIR PARTS


a portfolio company of

 Prophet Equity

has been acquired by

 BROADVIEW GROUP

and

 HUNTERS GATE HOLDINGS

 kwalu.

Furnishing the Future™

has been acquired by

 DUNES POINT CAPITAL

 Polytek Development Corp.

has acquired

 bee

 ProMarine supplies

 STONE COAT

 INCREDIBLE™ Solutions

 endurance

 LSC

Leisure & Entertainment

 HERSCEND FAMILY ENTERTAINMENT.


has acquired

 THE ORIGINAL HARLEM GLOBETROTTERS.


 v-moda

has formed a partnership with and received a majority investment from


 Roland®


 THE WOODRUFF ARTS CENTER

has entered into a long term agreement with

 LIVE NATION ENTERTAINMENT
(NYSE: LYV)

to operate

 verizon wireless AMPHITHEATRE

 DELTA CLASSIC CHASTAIN

Technology, Media, Telecom


 RUBICON

has acquired

 RiverRoad.
A new future for waste.

and the waste services division of

 WestRock
(NYSE: WRK)

 FIVE POINT

has been acquired by

 EY
Building a better working world

 prIME ONCOLOGY

has been acquired by

 WebMD

a subsidiary of

 ib Internet Brands

a portfolio company of

 KKR

Definitions & Disclosure

Definitions:

- **Last Twelve Months (LTM)** — Timeframe of the immediately preceding 12 months.
- **Year to Date (YTD)** — Period of time beginning the first day of the current calendar year or fiscal year up to the current date.
- **Total Enterprise Value (TEV)** — Equity Value (fully-diluted shares outstanding x current market share price) + market value of debt + minority interest - cash and equivalents.
 - TEV may include payments to seller(s) in cash or stock, the present value of notes or similar instruments, net long-term debt assumed by a buyer, and appropriate adjustments for other assets retained by a seller or liabilities assumed by a buyer.
- **Total Debt** — Short-Term Debt (interest-bearing liabilities due in 12 months or less, including, but not limited to, short-term bank loans and lease payments) + Long-Term Debt (interest-bearing liabilities with a maturity date longer than 12 months, including, but not limited to, bonds, lease payments, term loans, revolving lines of credit, and notes payable).
- **EBITDA** — Earnings Before Interest, Taxes, Depreciation, and Amortization. It is calculated as: Net Income + Interest + Taxes + Depreciation + Amortization.
- **Special Purpose Acquisition Company (SPAC)** — It is formed strictly to raise capital through an initial public offering for the purpose of acquiring an existing company.
- **Dry Powder** — Capital/funds raised by private equity firms that are available to be invested.
- **Middle Market** — Companies having Total Enterprise Values between \$10 and \$250 million.
- **Middle Market Financial Sponsor** — A Private Equity firm which invests in companies with Total Enterprise Values between \$10 and \$250 million.

Disclosure:

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