



JANUARY
2026

LINCOLN INTERNATIONAL CAPITAL ADVISORY GROUP

Capital Markets 2026 Outlook



Lincoln International Capital Advisory Group, DACH Update



European Capital Advisory Group in 2025

Lincoln International’s extensive global coverage and transaction experience

600+

Lender relationships globally

85+

Professionals worldwide

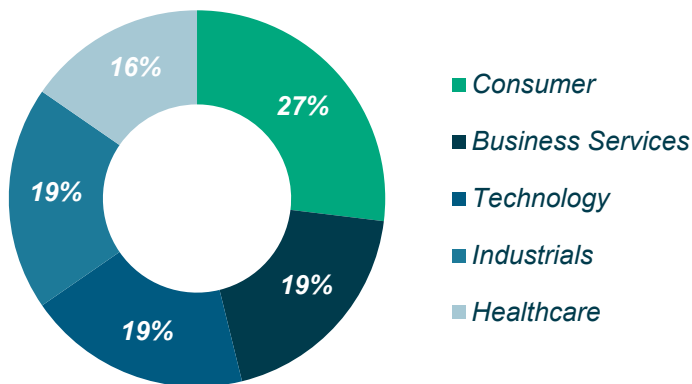
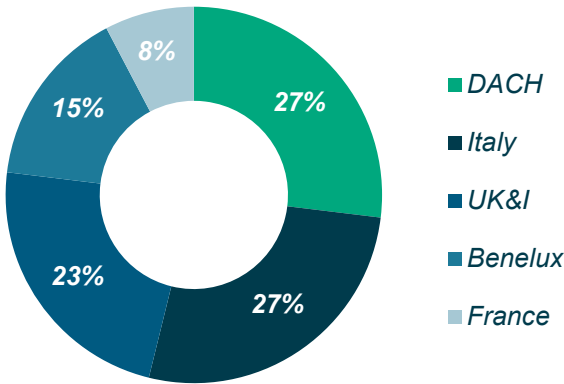
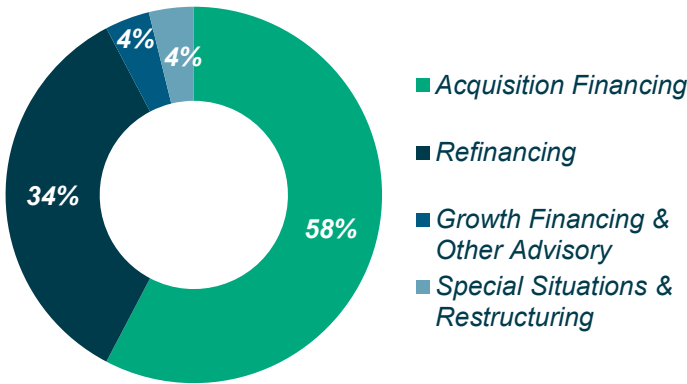
50+

European transactions completed since 2024

Zero

Hung deals over the past 5 years

Capital Advisory transaction statistics 2025 YTD⁽¹⁾



Contacts and strong relationships with international lenders

Outstanding knowledge of debt markets and instruments

End-to-end financing support from structuring to execution

Independent capital solutions tailored to each transaction

One of the Largest European Capital Raising Teams for Private Markets

Lincoln International's European Capital Advisory Group has grown to a team of 25+ professionals⁽¹⁾



Dominik Spanier
Managing Director



Julian Bley
Vice President



Colin Sass
Senior Associate



Ezgi Senel
Analyst



Lorenz Lukoschek
Analyst





Daniele Candiani
Managing Director



Matteo Cupello
Director



Iván Marina
Managing Director



Fred Odling
Director



Aude Doyen
Managing Director



Scott Archer
Director



Sander Thiadens
Managing Director



Sam White
Director



Serge Palleau
Managing Director



Olivia Guillaume
Director

European Capital Advisory Group – Credentials

Healthcare		Technology		Business Services		Consumer & Industrial	
QUADRIVIO GROUP and other co-investors have acquired MIR from AKSIA Buy-Side Acquisition Financing Leading provider of portable respiratory devices	FREMMAN CAPITAL has acquired rehaneo from Gimv Buy-Side Acquisition Financing Specializes in outpatient rehabilitation and aftercare	CNBB has refinanced spotler Refinancing AI-powered, omnichannel marketing software solutions	aldebaran. has refinanced NUMWORKS with financing provided by BNP PARIBAS BANQUE POPULAIRE Credit Mutuel ARKEA LCL Refinancing Designs, develops and sells graphing calculators	A group of investors has acquired LA PATRIA with acquisition financing provided by Five Arrows Acquisition Financing Market-leading alarm monitoring and integrated security solutions	KOLIBRI has refinanced ZEITFRACHT ZEITFRACHT MEDIEN with a € 145,000,000 senior secured Nordic bond Refinancing Leading logistics group specializing in media logistics and aviation services	SCOPE has acquired STONE FASHION including its subsidiary GD GOLDBERG Buy-Side Acquisition Financing Dutch outerwear specialist	EGERIA has acquired Junge DE BACKER Acquisition Financing Leading bakery and quick-service food provider
Capital-A have refinanced TROMP Refinancing Dutch medical imaging sales and service organization	eevolve has entered into a partnership with ALPRO ALPRO MEDICAL GMBH Buy-Side Acquisition Financing Leader in infection prevention for dentistry	EQS has refinanced accompio Refinancing Portfolio of cybersecurity, secure modern workplace, DevSecOps and secure data & cloud	GENUI has acquired Aagon Acquisition Financing Software developer specializing in IT management	skerritts a portfolio company of SOVEREIGN CAPITAL PARTNERS has been refinanced Refinancing Independent financial advisor	Deutsche Beteiligungs AG has acquired UNITY CONSULTING & INNOVATION Acquisition Financing Leading in technology consulting and digital transformation processes	Undisclosed Financial Sponsor has entered into a partnership with A leading Swiss Food Services group Buy-Side Acquisition Financing Leading food service company	Deutsche Beteiligungs AG has acquired ProMik Trusted Solutions Acquisition Financing Leading provider of programming and testing solutions

Highly active Capital Advisory team in the DACH region

Recent assignments

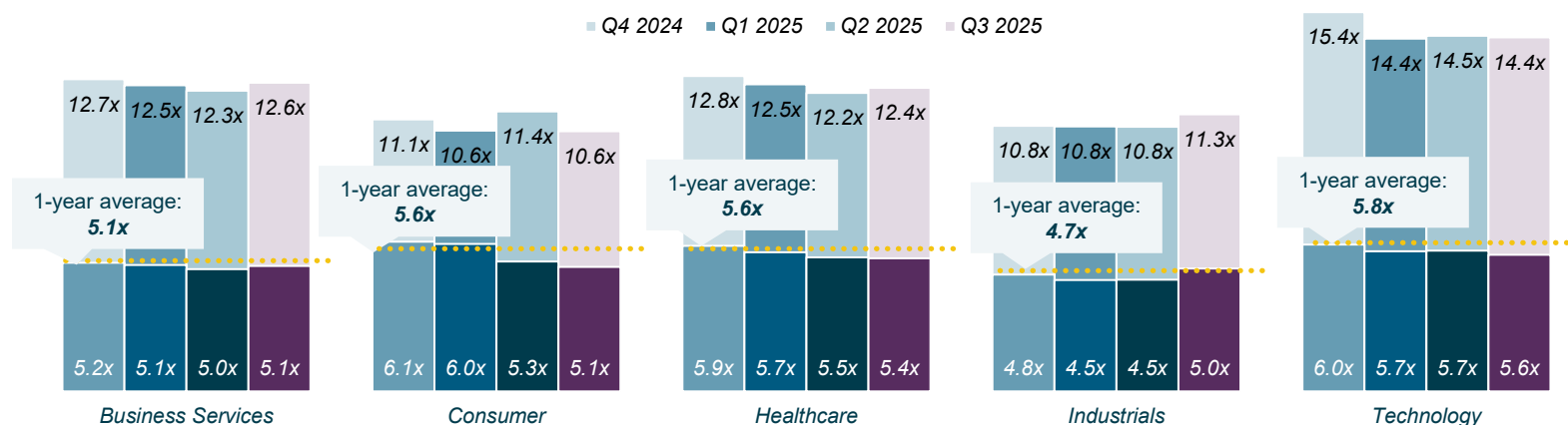
TECHNOLOGY  has acquired  Acquisition Financing  December 2025 PROCESS - Acquisition financing to support IBEX Wachstumspartner's investment in Softfolio, a leading ERP integrator - Lincoln ran a competitive process, securing multiple financing options and attractive terms - Flexible bank debt package to support Softfolios buy-and-build ambitions in a fragmented market LENDER(S) confidential	BUSINESS SERVICES A leading Swiss Business Services group has amended its loan agreement to reset covenants Covenant Reset   October 2025 PROCESS - Covenant reset for a leading European B2B distributor of media solutions supported by an international lending syndicate - The business continued to face challenges with tight covenants despite a comprehensive improvement package from management. - Lincoln led and managed a full covenant reset and handled all negotiations throughout the process. LENDER(S) confidential	HEALTHCARE  has entered into a partnership with  Buy-Side Acquisition Financing   August 2025 PROCESS - Acquisition financing for eevolve's purchase of Alpro Medical, a global leader in dental cleaning, disinfection, and hygiene syndicate - Lincoln ran a competitive financing process and secured a debt package suited to the client's needs - Full-service mandate, including selection and coordination of lenders, structuring, negotiation, and support through closing LENDER(S) confidential	CONSUMER  has acquired  Acquisition Financing   August 2025 PROCESS - Acquisition financing support to Egeria with its investment in Junge Die Bäckerei, a German bakery and quick-service restaurant chain - Ran a broad financing process with both banks and funds, resulting in a highly attractive package - The financing structure provides ample flexibility to support the Company's anticipated growth LENDER(S)  PEMBERTON	TECHNOLOGY  has refinanced  Refinancing  February 2025 PROCESS - Refinancing of Accompio, an established IT services group - The transaction refinanced existing facilities and supports the company's future acquisitive growth - Lincoln ran a competitive process, securing multiple options and attractive terms LENDER(S)  EURAZEO	TECHNOLOGY  has acquired  Acquisition Financing  February 2025 PROCESS - Acquisition financing to support GENUI's investment in Aagon, a leading IT and software developer - Lincoln ran a targeted process to ensure financing certainty in a competitive auction - Flexible debt package supporting Aagon's shift from licensing to a subscription model LENDER(S) CAPITAL FOUR	LOGISTICS  has refinanced  with a € 145,000,000 senior secured Nordic bond Refinancing  February 2025 PROCESS - Nordic bond issuance to refinance the upcoming bond maturity - Objective to optimize capital structure, secure growth liquidity, and broaden access to institutional investors - Resulting in the largest Nordic bond deal by a German company to date LENDER(S) Nordic Bond Issuance – Institutional Bond investors	HEALTHCARE  has acquired  from  Buy-Side Acquisition Financing    January 2025 PROCESS - Fremman Capital acquired rehaneo, a leading outpatient rehabilitation provider in Germany - Lincoln International advised Fremman as exclusive buy-side and financing advisor - The deal supports rehaneo's continued buy-and-build expansion LENDER(S)  ARES
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Financing Market Update: December 2025

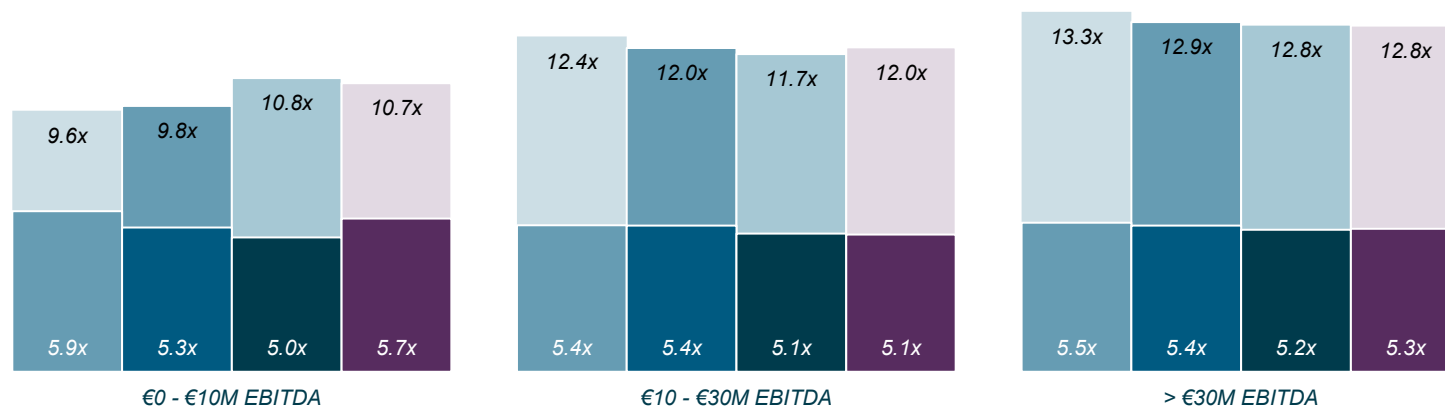


Lender Behavior Snapshot: Steady Appetite, Heightened Selectivity

EV / LTM EBITDA & LEVERAGE MULTIPLE EVOLUTION BY INDUSTRY



EV / LTM EBITDA & LEVERAGE MULTIPLE BY EBITDA SIZE

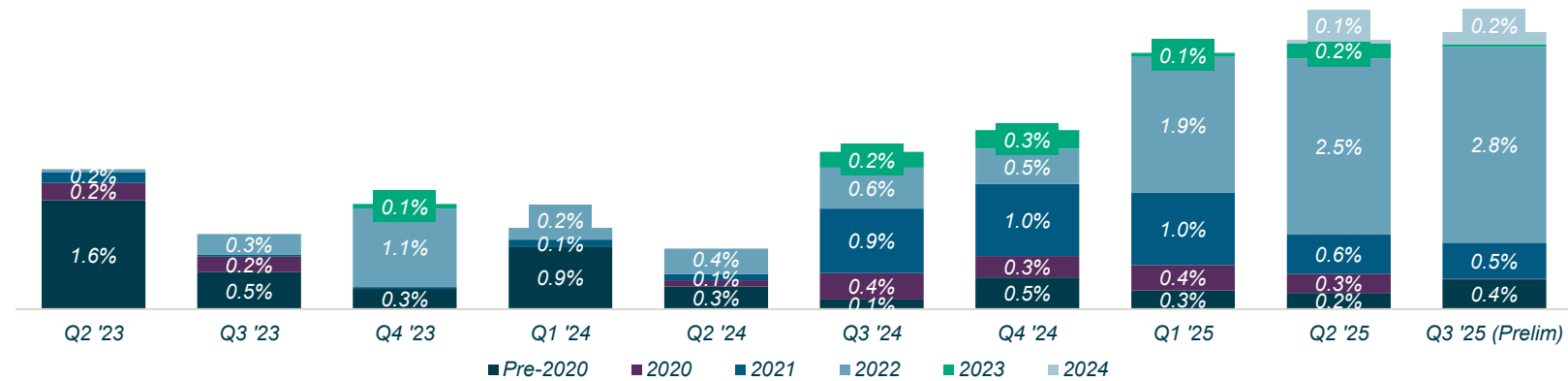


COMMENTS

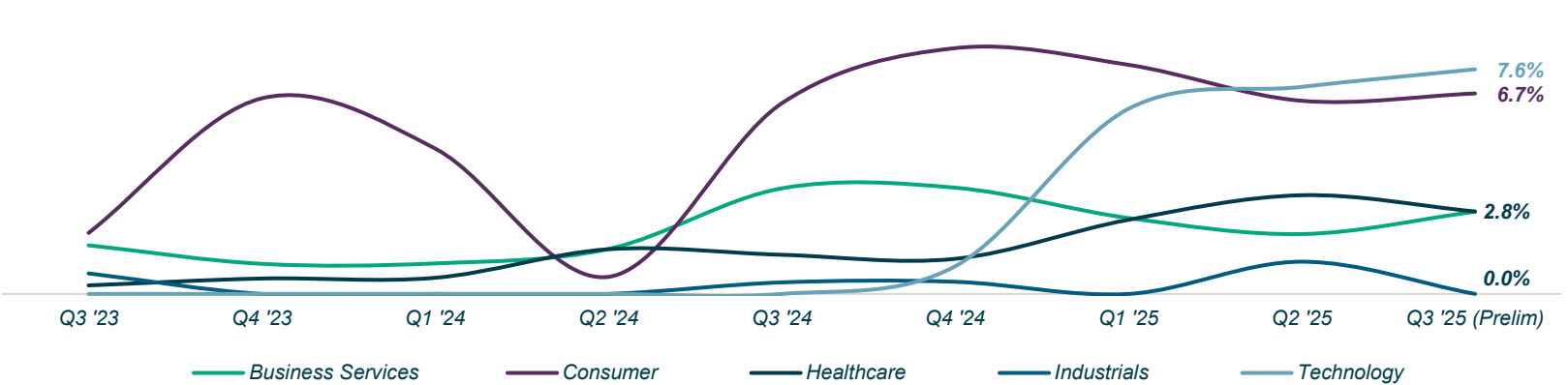
- **Leverage levels are broadly stable** across sectors, indicating consistent lender appetite
- **Technology maintains the highest leverage**, reflecting lender confidence in strong cash-flow visibility and valuation support
- Industrials exhibit the most conservative leverage, **signaling lender caution toward cyclical, asset-heavy businesses**
- Overall **lending conditions remain steady**, with no meaningful expansion or contraction in leverage across size categories
- Smaller companies show the greatest variability, suggesting **lenders are more sensitive to performance risk** at the lower end of the market
- **Mid-sized companies display the most stable and lowest average leverage**, highlighting disciplined underwriting in this core segment

Lender Behavior Snapshot: Steady Appetite, Heightened Selectivity

COVENANT DEFAULT & HOLIDAY RATE BY VINTAGE



COVENANT DEFAULT & HOLIDAY RATE BY INDUSTRY

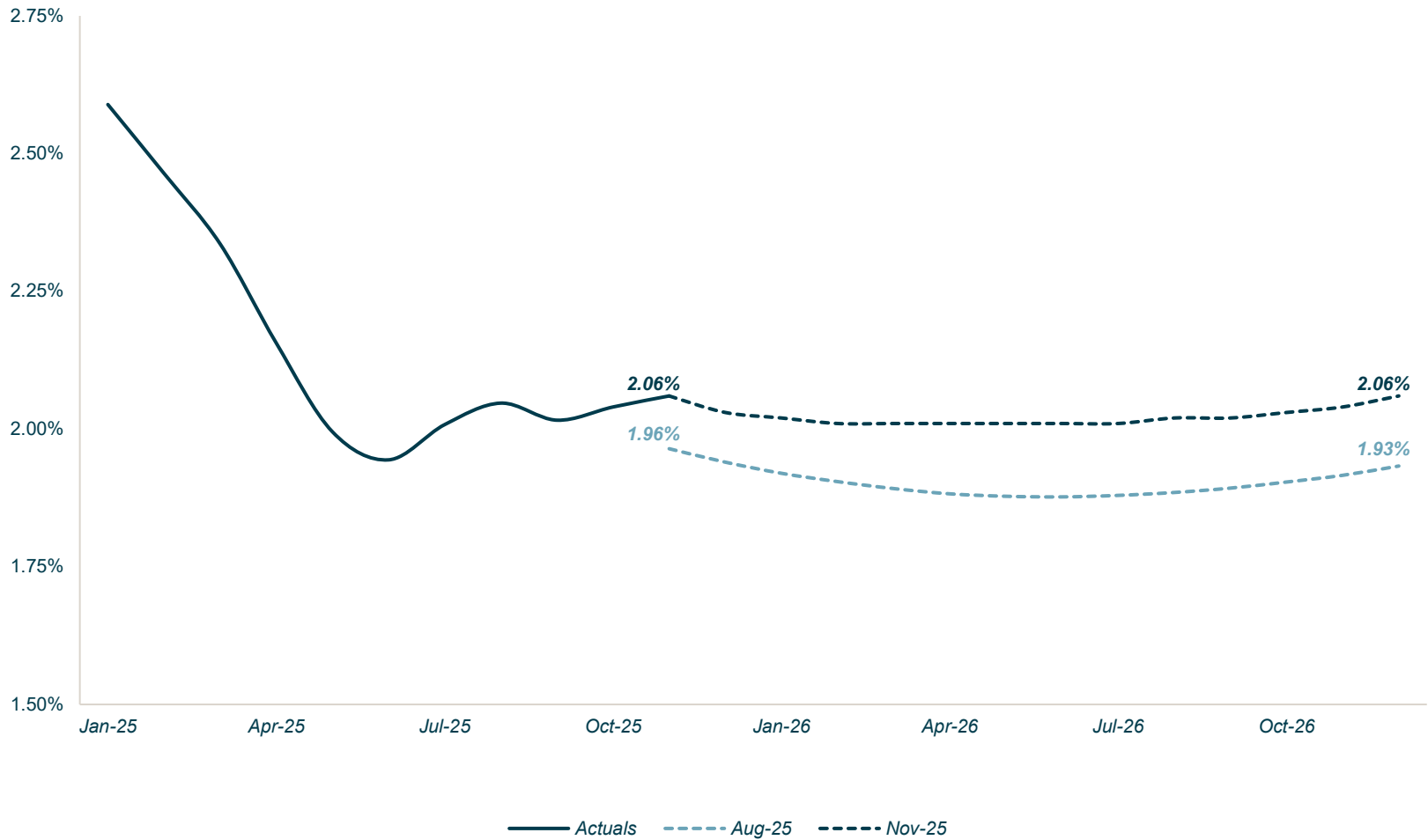


COMMENTS

- Overall, breach levels continue to trend upward into 2025, reflecting a combination of maturing post-COVID vintages and sector-specific performance pressure
- Covenant breaches are increasingly **concentrated in the 2022 vintage**, which now represents a growing share of total breaches as those loans season
- Regarding sector concentration, **consumer accounts for the highest breach incidence in 2023-2025**, driven by a mix of one large issuer and several smaller issuers more recently
- Technology breach rates rose notably in 2025, driven primarily by infrastructure, software, and digital-media subsectors

ECB Pauses Rate Cuts As EU Is on Track to Reach 2% Inflation Targets

EURIBOR 3-MONTHS FORWARD CURVE

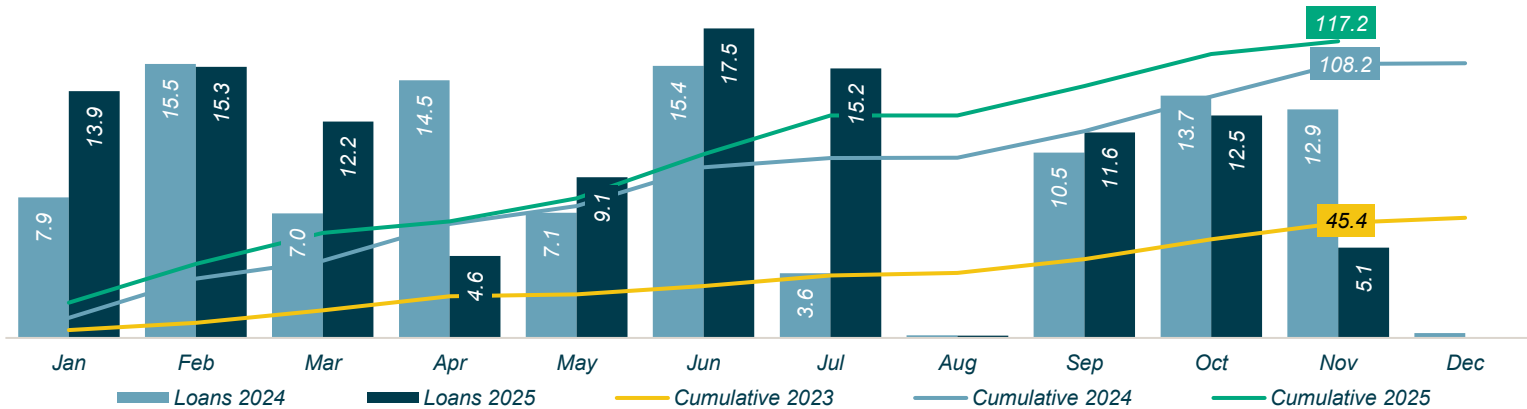


COMMENTS

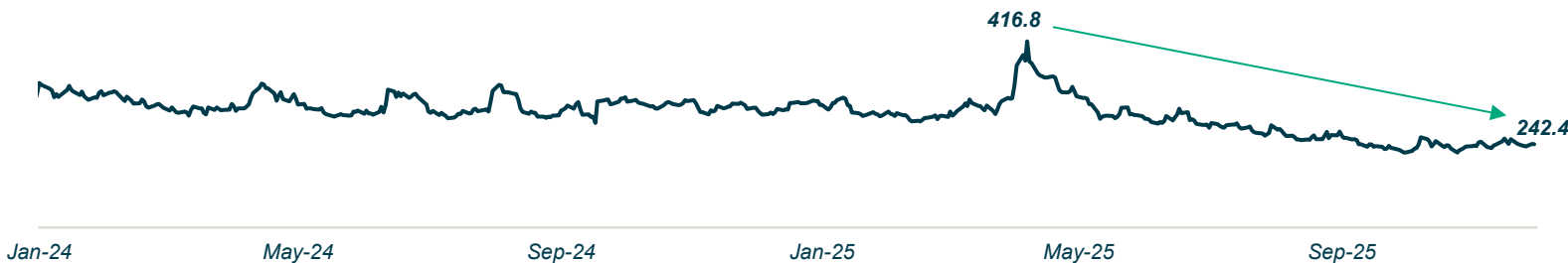
- After eight rate cuts, the European Central Bank (ECB) **left interest rates unchanged in its July, September and October meetings**. The deposit rate currently stands at 2%. The ECB indicated that any future adjustments will depend on key economic data
- The **ECB remains cautious** amid persistent geopolitical and trade-related uncertainties. Euro Area GDP grew by 0.2% in Q3. Although progress on EU / U.S. trade relations has alleviated some risks, ongoing global tensions and uneven growth across member states continue to cloud the outlook
- **Euro Area inflation came down to reach 2.1% in October 2025**, down from 2.2% in September. In the DACH region, Austria is projected at 4.0% and Germany at 2.3%, highlighting the challenge for the ECB in setting a uniform policy

European Public Credit Markets Experiencing Strong Activity, With YTD Volumes at Highest Levels Since 2021

EUROPEAN INSTITUTIONAL LEVERAGE FINANCE VOLUME – LOANS (€ BILLION)



ITRAXX EUROPE CROSSOVER INDEX (IN BPS)



COMMENTS

- **Sustained primary market momentum in Q4 2025**, with volumes ~10% above the same period in 2024, reflected strong investor appetite and favorable market conditions, besides the summer break
- **The issuance trend remained strong** after a robust Q3, with active new issuances continuing throughout the period, except for a brief slowdown during the August summer break. This momentum is expected to persist, with issuance volumes already reaching record highs in 2025
- Market **volatility** (*iTraxx – Crossover CDS*), which peaked in mid-April 2025, **has since fallen below pre-tariff announcement levels** (280 bps), suggesting the turbulence was temporary. **Market volatility** is now at its **lowest level since 2024**

Refinancing & Recapitalization Activity Has Increased as a Proportion of Total Deals, Given Market Conditions...

KEY TAKEAWAYS

1 Refinancing activity continues

Refinancing, add-ons and recapitalizations are fueling market activity. Refinancings and recapitalizations have averaged 67% of total European loan activity in 2025 YTD (28% in direct lending transactions, which see a higher level of leveraged buyout activity), driven by:

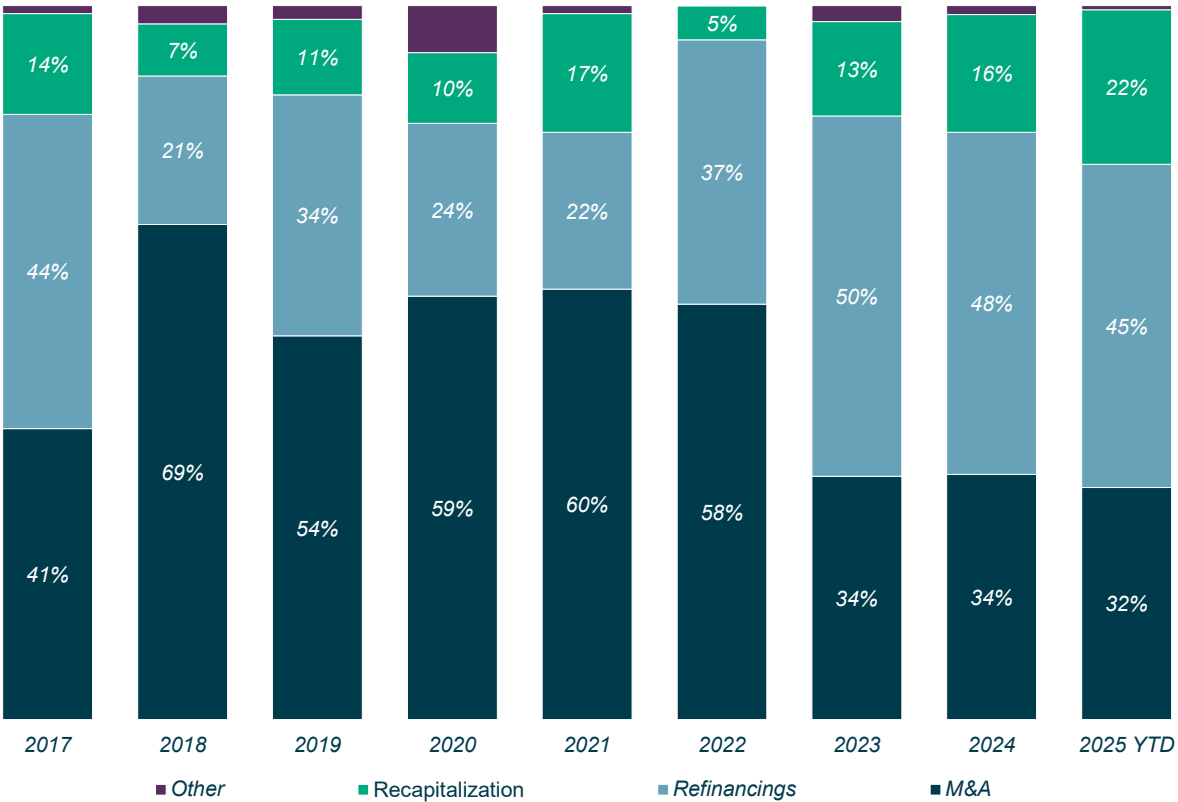
- **Imminent debt maturities**
- **Dividend recapitalizations** (while allowing for portability) where 1) strong growth allows a sponsor to return capital before considering a sale; or 2) sponsors refinance following a failed sale process (or lack thereof given extended hold periods)
- **Opportunistic refinancings** to take advantage of improved market conditions (e.g., deals done between March 2022 and October 2023, when the market was less favorable)

2 Financing structures favorable for borrowers

- Average margin on European unitranche deals has reduced to a record low of 529 bps in 2025 YTD, as low mergers and acquisition activity has driven pressure and competition for deployment
- Lenders offering flexible financing structures (e.g., PIK-toggle)
- Leverage levels have stagnated but remain at a high level for strong credits

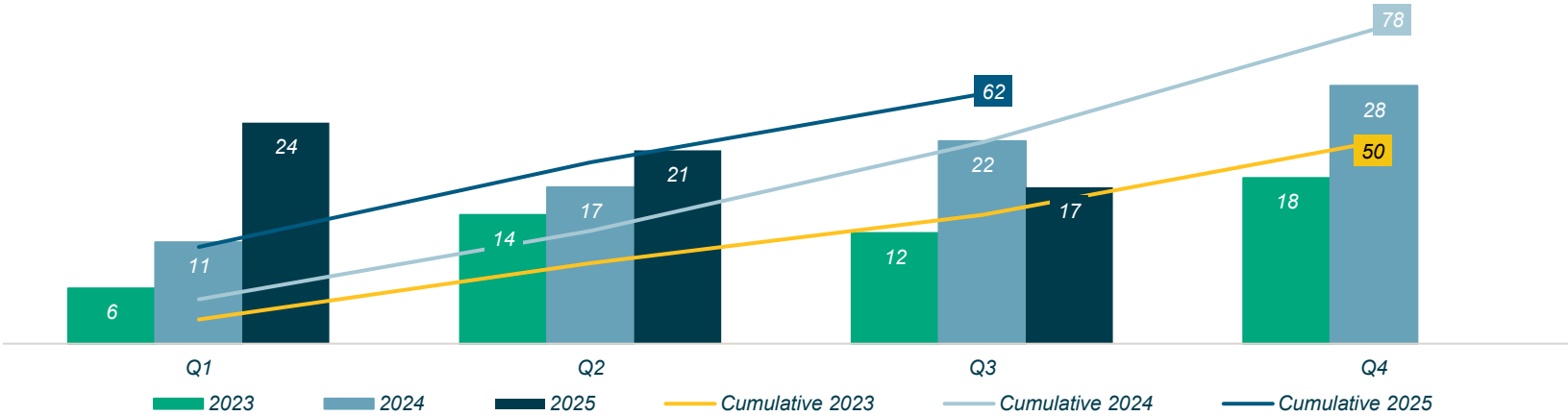
INCREASE IN THE PROPORTION OF REFINANCINGS AND RECAPS

Total European loan activity

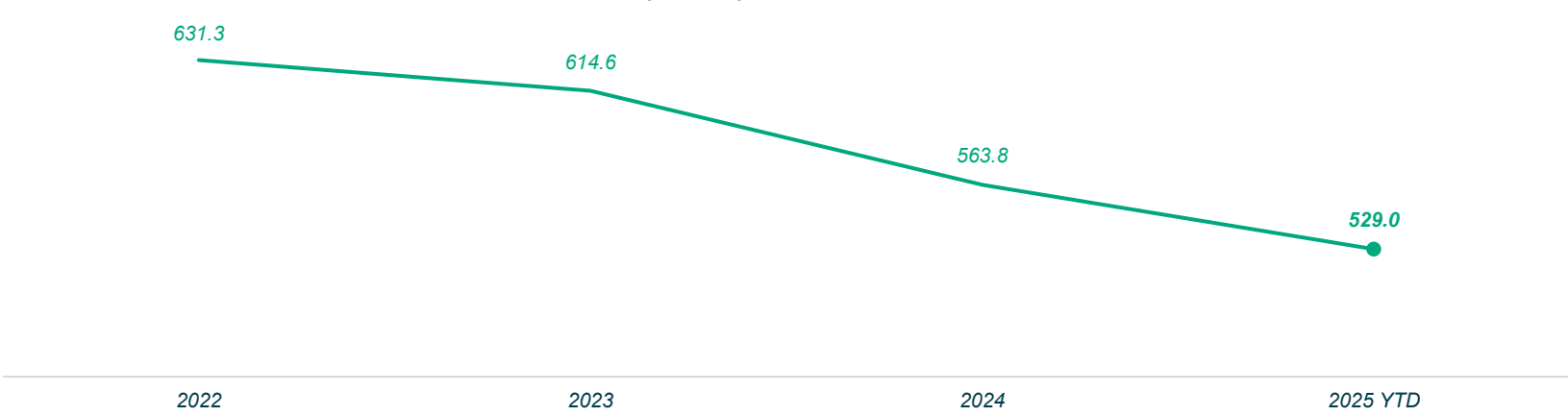


...Resulting in High Levels of Direct Lending Activity & Unitranche Pricing Pushed to All-time Low

EUROPEAN DIRECT LENDING DEAL COUNT (UNIT)



EUROPEAN DIRECT LENDING AVERAGE SPREADS (IN BPS)

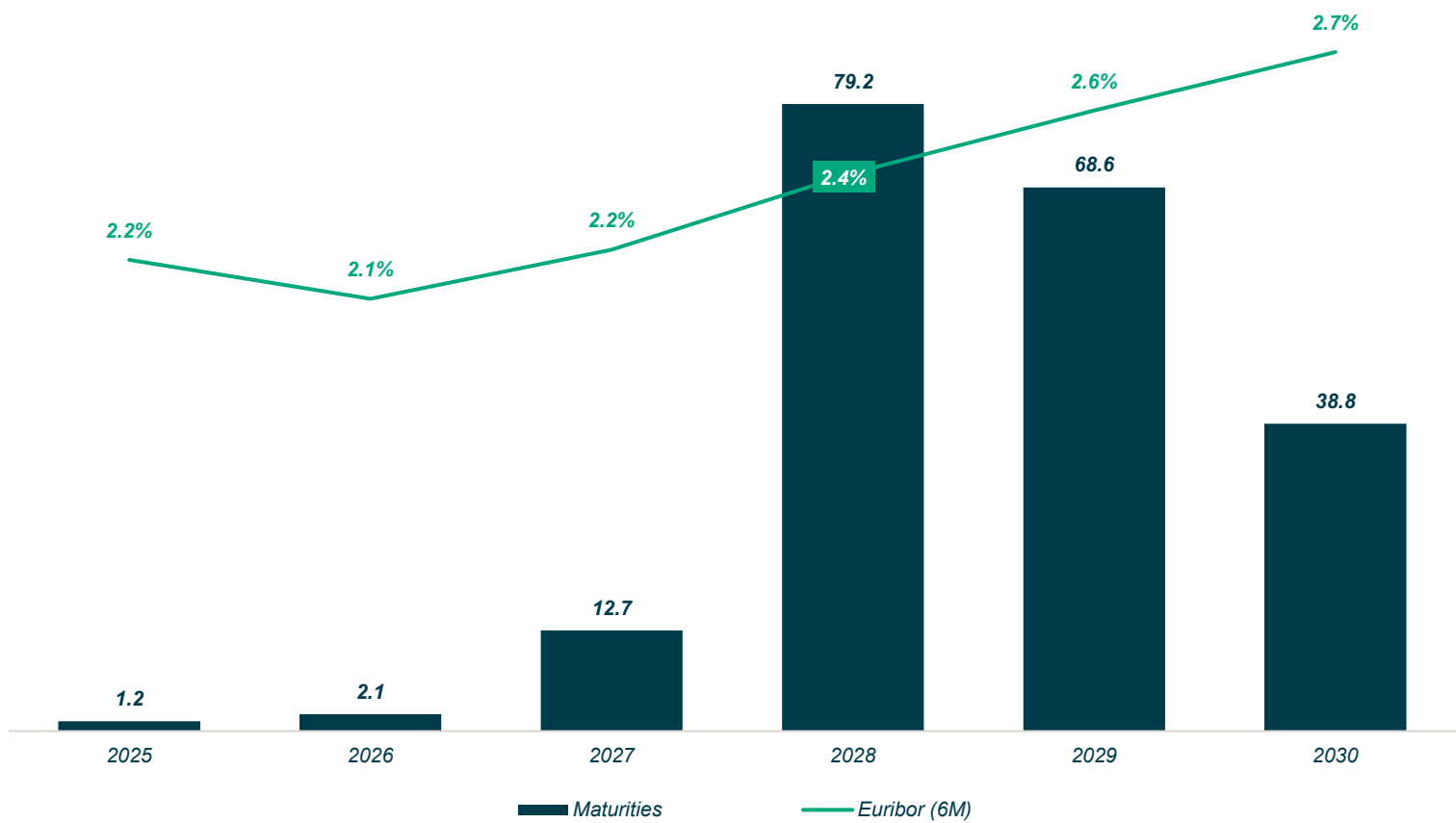


COMMENTS

- In Q3 2025, **deal count of 62** in Europe's **direct lending** and private credit markets is on track to **record levels**, which showcases the **favorable market circumstances for borrowers**. Direct lenders are still funding most of the new European buyouts
- Throughout 2025, the direct lending market in Europe continued to mature. Over the last five years, direct lending deals have made up between **22% and 34% of the leveraged finance market⁽¹⁾** in Europe by deal count, and this percentage is growing each year
- During the first three quarters of 2025, direct lenders further **reduced pricing**, continuing the trend toward **all-time lows**. The spike in market volatility in April had little impact, while the **pricing gap** between **bank debt** and **private credit** continues to **narrow further**. **Unitranches priced below 500bps** are not uncommon anymore

Refinancing Window Opens as European Leverage Wall Draws Near

EUROPEAN LEVERAGED LOAN MATURITY WALL (€ BILLION)



COMMENTS

- The maturity wall steepens materially from 2027 onward, with a heavy concentration in 2028-2030, increasing refinancing pressure as volumes bunch up in a short period
- With Euribor stabilizing and markets currently open, borrowers can benefit from pre-emptive refinancing to lock in terms before competition for capital intensifies
- The pronounced spike in maturities highlights the importance of early preparation and proactive lender engagement to avoid bottlenecks during peak refinancing years

European Leverage Loan Market Update: Executive Summary

Outlook 2026

“With stable leverage levels, tightening yields, a high share of refinancings and private credit deployment pace at record height, the European financing market is demonstrating remarkable depth and resilience. For borrowers with high quality credit characteristics, conditions remain extremely favourable”



Dominik Spanier

Managing Director

Head of DACH

Rate outlook stabilizes as central banks pause further cuts

Central banks have paused rate cuts as inflation nears the 2% target; Euribor forward curves suggest a stable environment around 2.0%, enhancing visibility for borrowers and sponsors

Financing conditions remain exceptionally supportive across Europe

Financing conditions remain highly favourable, with leverage stable at around 5.0-5.5x (depending on borrower sector and EBITDA size), tightening loan yields and direct-lending spreads at all-time lows (c. 529bps), driven by intense lender competition

European credit markets demonstrate strong and sustained momentum

European credit markets are experiencing their highest activity levels since 2021, with record public issuance and direct-lending deal counts supported by low volatility and strong investor demand

Refinancings and recapitalizations continue to dominate overall deal activity

Refinancings and recapitalizations account for over 65% of European loan activity, fueled by immanent maturities, dividend recaps, and opportunistic refinancings taking advantage of improved pricing

Private credit remains a key driver of liquidity and competitive tension

Direct lenders continue to play a dominant role in the European financing market, with deal counts tracking record levels and pricing converging further with bank debt, reinforcing private credit's importance as a core source of liquidity

Europe's leveraged loan maturity wall creates a near-term refinancing window

A sharp rise in maturities from 2027 onward creates a favorable near-term window for borrowers to secure refinancing before competition for capital intensifies

Outlook

We expect the European financing environment to remain highly supportive into 2026, with stable leverage, tightening yields, and a predictable rate backdrop. Market activity should remain strong, driven primarily by refinancings and recapitalizations as borrowers lock in improved terms

About Lincoln International

We are trusted investment banking advisors to business owners and senior executives of leading private equity firms and their portfolio companies and to public and privately held companies around the world. Our services include mergers and acquisitions advisory, private funds and capital markets advisory, and valuations and fairness opinions. As one tightly integrated team of more than 1,000 professionals in 25+ offices in 16 countries, we offer an unobstructed perspective on the global private capital markets, 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.



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