

Private Market Perspectives: U.S. Edition

Covering Data as of Second Quarter 2025

Valuations & Opinions Group

August 2025



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Source: Lincoln VOG Proprietary Private Market Database

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Portfolio Valuations
per Quarter

225+

Alternative Asset
Manager Client

~30%

Of all US PE Backed
Companies Valued

2,500+

Asset Backed Finance Security
Valuations per Quarter

150+

Transaction Opinions
Over the Last 3 Years

Senior Attention,
Institutional Focus
and Experienced
Execution Team

Investment Banking
Service and Delivery
Model with Superior
Execution

Transaction
Experience and Real
Time Knowledge of
Capital Markets

Technical Expertise
Valuing Private,
Illiquid and Complex
Investments and
Structures

Significant
Experience
Communicating with
all Stakeholders

Differentiated Service
Model and Private
Market Insights
Driven by Best-In-
Class Technology
Platform

...providing a comprehensive range of Valuations and Opinions services

Portfolio Valuations	Asset Backed Finance (ABF)	Transaction Opinions & Board Advisory	Disputes / Valuation Advisory	
- Provided daily, weekly, monthly, quarterly, semiannually, and/or annually - Offers positive assurance, range of values, and point estimates - Flexible deliverable, including both short and standard-form reporting - Consult on internally prepared valuations - Review of valuation policies and procedures - Data analytics and benchmarking analyses	- Pool and / or loan level valuations - CECL advisory services - Litigation / expert testimony - Loss modeling services - Model review and advisory - Portfolio analytics and stress-testing - Pre-acquisition portfolio analysis - Risk retention valuation services - Underwriting due diligence services	- Buy- or sell-side M&A going-private transactions - Cross-fund / related party transactions - Recapitalizations (majority/minority) - Special situations (i.e., debt exchanges) - Bond indenture affiliate party covenants - Stock buyback / redemption transactions - Spin-offs / split-off	Disputes	Valuation Advisory
			- Working Capital Consulting – Post-acquisition dispute resolution - Earnout Consulting – Post-acquisition dispute resolution - Neutral arbitration services – Working Capital and Earnout - Representations and warranties claim support - Litigation and expert testimony – accounting / valuation - Forensic accounting	- Asset and portfolio stress-testing - Strategic Planning - Stock compensation - Business combinations - Tax planning - Debt capacity analysis

Source: Lincoln VOG Proprietary Private Market Database

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Table of Contents

SECTION 1	Proprietary Private Company Data Composition	7
SECTION 2	Lincoln's Proprietary Indices – U.S.	9
SECTION 3	Third-Party New M&A Transactions	14
SECTION 4	Company Performance Trends	18
SECTION 5	Private Credit Market Trends	23



Private Market Trends for Q2 2025

Lincoln's Indices

- The **Lincoln Private Market Index ("LPMI")** increased by 2.5% during the second quarter of 2025 driven by steady growth in Q2 2025 EBITDA as enterprise value multiples remained approximately steady since Q1.
- When comparing the LPMI to the public markets, the LPMI underperformed the S&P 500 in Q2 as the S&P 500 increased 10.6% driven primarily by growth of the Magnificent 7.
- The average fair value of loans in the **Lincoln Senior Debt Index (LSDI)** increased to 98.9%, up 20 bps since Q1 and above the historical average of 97.8%. However, the LSDI registered a quarterly return of 2.3%, an increase of just 0.1% since Q1 2025 and continued to approximate the lowest return since Q4 2022.
- Lincoln launched its **monthly LPMI and LSDI indices** which showed increases of 1.7% as of May and 1.6% as of June, as compared to the S&P 500's growth of 6.2% as of May and 5.0% as of June.
- *Lincoln's Indices can be found on pages 9 to 13.*

New Buyouts

- The market remains bifurcated with a shrinking population of A+ assets attracting significant interest while processes involving lower quality assets have been delayed or are on hold amidst lower deal activity overall.
- Lincoln observed approximately 38% of new buyouts for companies with enterprise values of \$1 billion or higher being done in the direct lending market thus far in 2025, compared to just 14% of deals in 2018.
- Recent buyout enterprise valuation multiples for highest quality assets are closing at premium multiples, with some transaction multiples recorded as high as nearly 25.0x, indicating that the deals getting done are generally for the best companies and industries.
- *New Buyouts can be found on pages 14 to 17.*

Private Market Trends for Q2 2025 (continued)

Company Performance

- Consistent with the first quarter of 2025, roughly two-thirds of private companies tracked by Lincoln grew LTM revenue and LTM Adjusted EBITDA. The share of companies growing LTM Adjusted EBITDA expanded to 63.4%, above the historical average of 60.6%, demonstrating the resilience of the private markets amidst macro uncertainty.
- Lincoln observed that 55.9% of portfolio companies beat YTD revenue budgets and 42.6% beat YTD Adjusted EBITDA budgets, demonstrating that companies performed relatively in line with budgets through Q1, April and May, but need to remain cautious of potential impacts of tariff and macroeconomic risk on company performance.
- LTM Adjusted EBITDA growth increased from 5.3% in Q1 2025 to 6.3% in Q2 2025, proving resilient through the recent market uncertainty and EBITDA adjustments remain consistent with historical levels.
- *Company Performance can be found on pages 18 to 22*

Private Credit Trends

- **Private Market Spreads:** Spreads for highest quality deals average S+4.50% to S+5.50%, performing in line or better than pre-Liberation Day levels, and recent deals have been underwritten to 4.50x – 6.00x leverage.
- **Performance by Vintage:** Across all vintages, leverage increased approximately 0.5x from deal inception to Q2 2025, demonstrating that adjustments to EBITDA and higher base rates have offset growth in LTM Adjusted EBITDA since deal inception, therefore restricting free cash flow.
- **Maturity Outlook:** Most loans mature in 2028 and 2029, with ongoing refinancing and "amend-and-extend" transactions are expected to continue, provided fixed charge coverage remains adequate, as lenders prioritize sponsor relationships.
- **Covenant Defaults:** Size-weighted covenant defaults have risen from 2.9% in Q1 2025 to 3.4% in Q2 2025.
- **PIK Utilization:** The use of PIK has increased to 11% of evaluated deals, with 53% classified as "bad PIK"—where PIK wasn't available at closing but is now utilized—reflecting a shadow default rate of 6%, highlighting private credit health concerns.
- **Lender Takeovers:** Lincoln observed lender takeovers resulting in \$21 billion of pre-takeover principal being taken over thus far in 2025 which exceeds the combined takeover principal volumes from 2019 to 2024. Over 70% of foreclosures were from 2021 and 2022 vintages.
- *Private Credit Trends can be found on pages 23 to 33*

Proprietary Private Company Data Composition

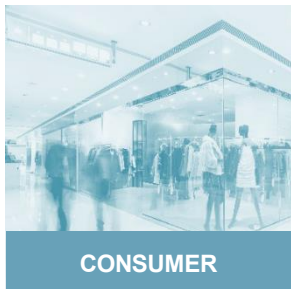
SECTION 1

Proprietary Private Company Data — As of June 30, 2025

Database Statistics

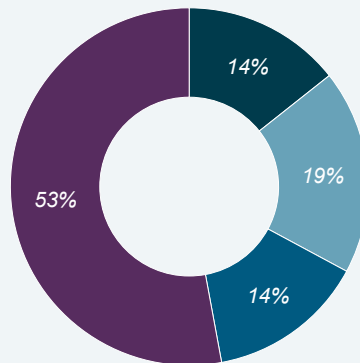
- Dataset: Approximately 6,250 U.S. operating portfolio company valuations, with data collected since 2011.
 - Representing over \$250+ billion of total privately held principal and invested capital by Lincoln's lender and sponsor clients in Q2 2025
- Company Ownership:
 - Private: 98.6% (primarily held by PE sponsors)
 - Public: 1.4%
- Median Company Size (LTM Adjusted EBITDA): \$56.6 million
- EV / LTM Adjusted EBITDA Average: 11.8x
- Debt / LTM Adjusted EBITDA Average: 5.2x
- "EBITDA" represents LTM earnings before interest, taxes, depreciation and amortization, inclusive of all agreed upon addbacks as defined by lenders in the respective credit agreement
- A "Default" is defined as a covenant default and not solely a monetary default

Industries Encompassed in Database



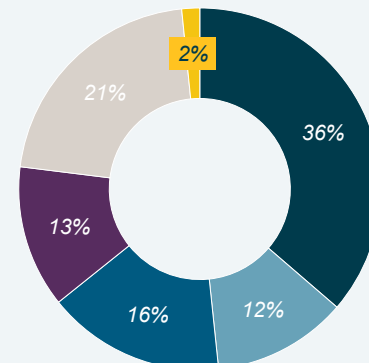
Portfolio Companies by

LTM Adjusted EBITDA



■ < \$10.0 million
■ \$10.0 - \$30.0 million
■ \$30.0 - \$50.0 million
■ > \$50.0 million

Industry



■ Business Services
■ Healthcare
■ Technology
■ Consumer
■ Industrials
■ Energy & Power

Lincoln's Proprietary Indices – U.S.

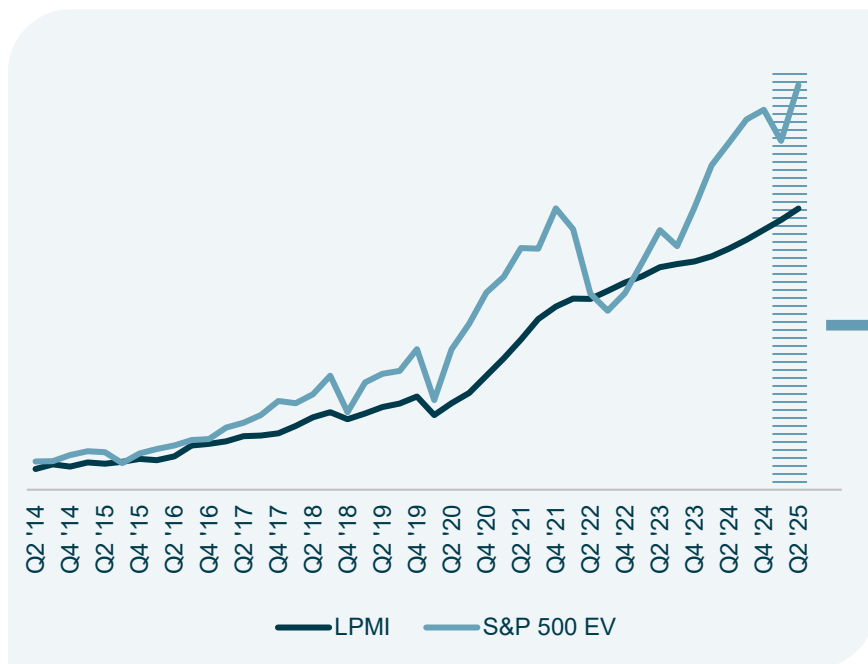
SECTION 2

Lincoln Private Market Index™

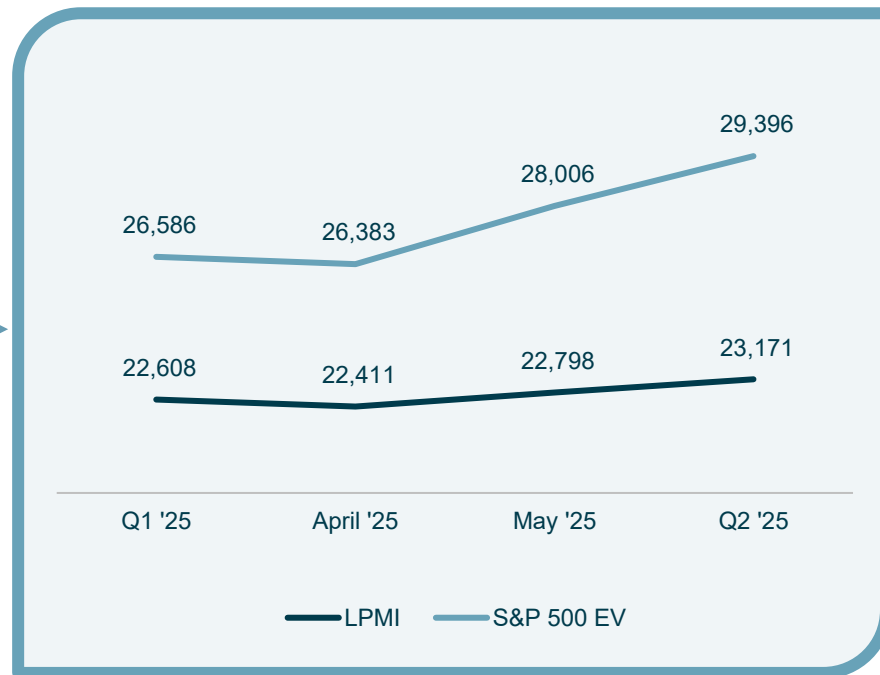
INDEX VS. S&P 500 ENTERPRISE VALUES

The LPMI increased by 2.5% during the second quarter of 2025, driven by steady growth in MTD EBITDA as enterprise value multiples remained steady since Q1.

Quarterly Lincoln Private Market Index



Monthly Lincoln Private Market Index



	April MTD	May MTD	June MTD	June QTD	June YTD
LPMI	(0.9%)	1.7%	1.6%	2.5%	4.8%
S&P 500 EV	(0.8%)	6.2%	5.0%	10.6%	4.4%

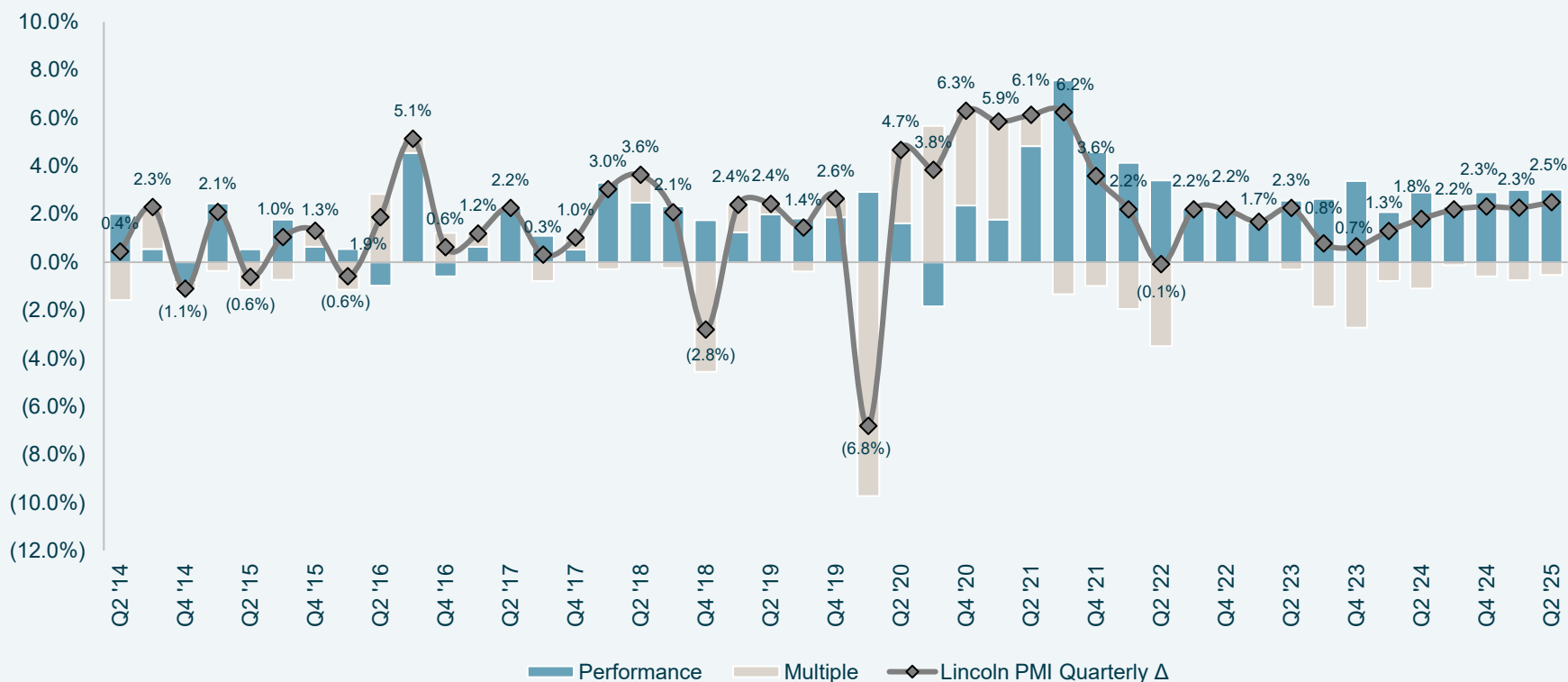
Source: Lincoln VOG Proprietary Private Market Database

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Lincoln Private Market Index™

INDEX DRIVERS: MULTIPLES VS. EARNINGS

While the full extent of tariffs and broader macroeconomic uncertainty may not yet be felt, private companies exhibited earnings growth once again in Q2.



Source: Lincoln VOG Proprietary Private Market Database

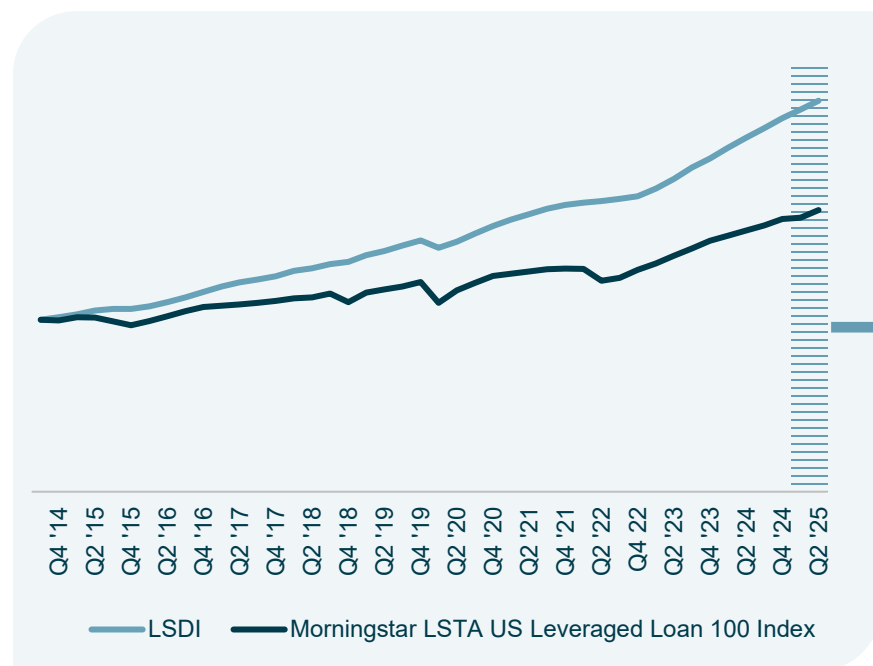
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Lincoln Senior Debt Index™

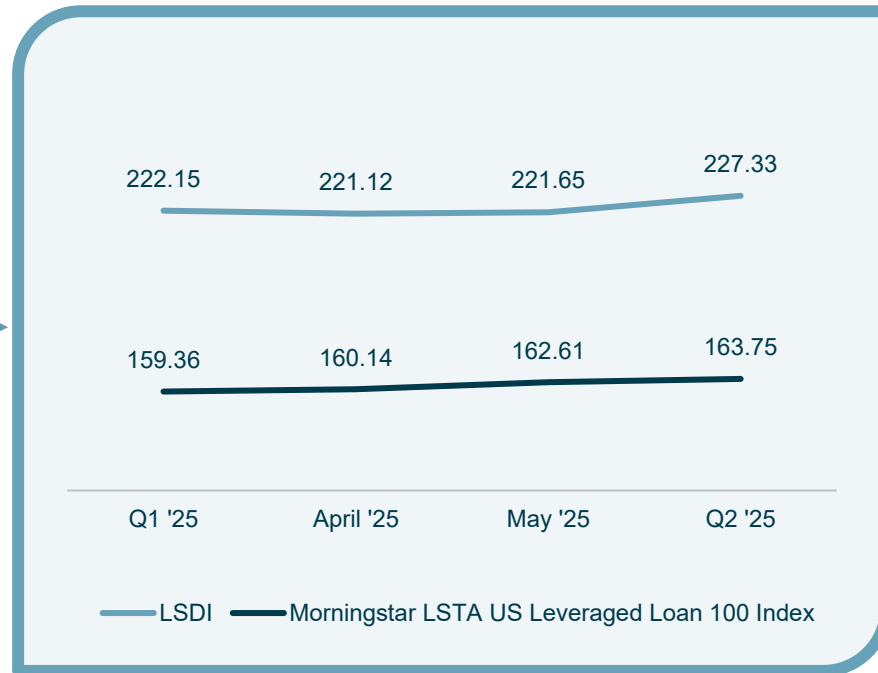
TOTAL RETURN - LSDI VS. MORNINGSTAR LSTA US LEVERAGED LOAN 100 INDEX

The LSDI increased by 2.3% during the second quarter of 2025, driven by high interest rates and strong company performance since Q1.

Quarterly Lincoln Senior Debt Index



Monthly Lincoln Senior Debt Index



	April MTD	May MTD	June MTD	June QTD	June YTD
LSDI	(0.5%)	0.2%	2.6%	2.3%	4.6%
Morningstar LSTA	0.5%	1.5%	0.7%	2.8%	3.2%

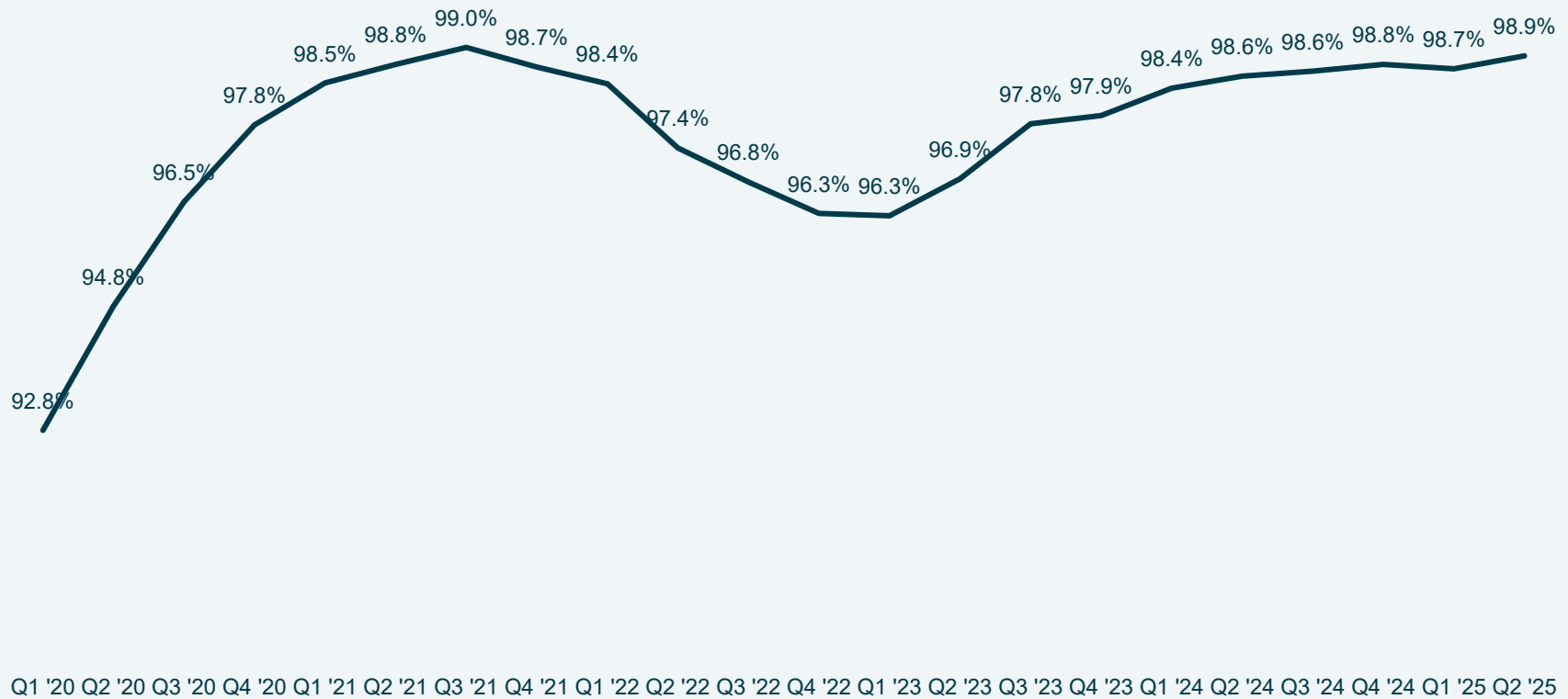
Source: Lincoln VOG Proprietary Private Market Database

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Fair Value Trends in U.S. Private Credit

VALUATIONS CONTINUE TO TREND UPWARD GIVEN PRIVATE CREDIT SPREAD TIGHTENING.

Lincoln Senior Debt Index™ – Fair Values Observed Across Private Loans



Source: Lincoln VOG Proprietary Private Market Database

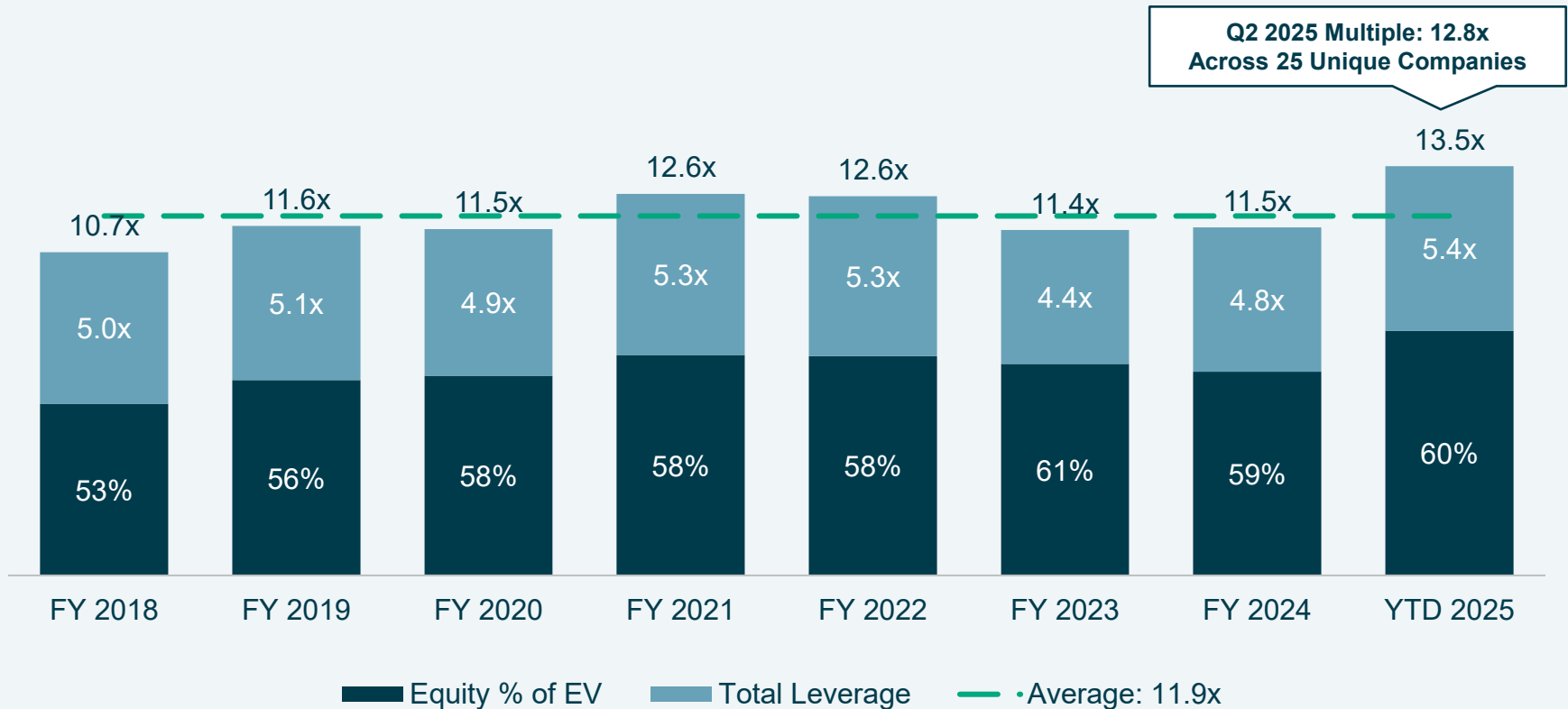
Third-Party New M&A Transactions

SECTION 3

Lincoln Observed New Third-Party M&A Buyouts

Transaction multiples and leverage levels have been steady to up in recent quarters. However, the market remains bifurcated with shrinking population of A+ assets attracting significant interest while processes involving lower quality assets have been delayed or are on hold.

EV / EBITDA Transaction Multiples

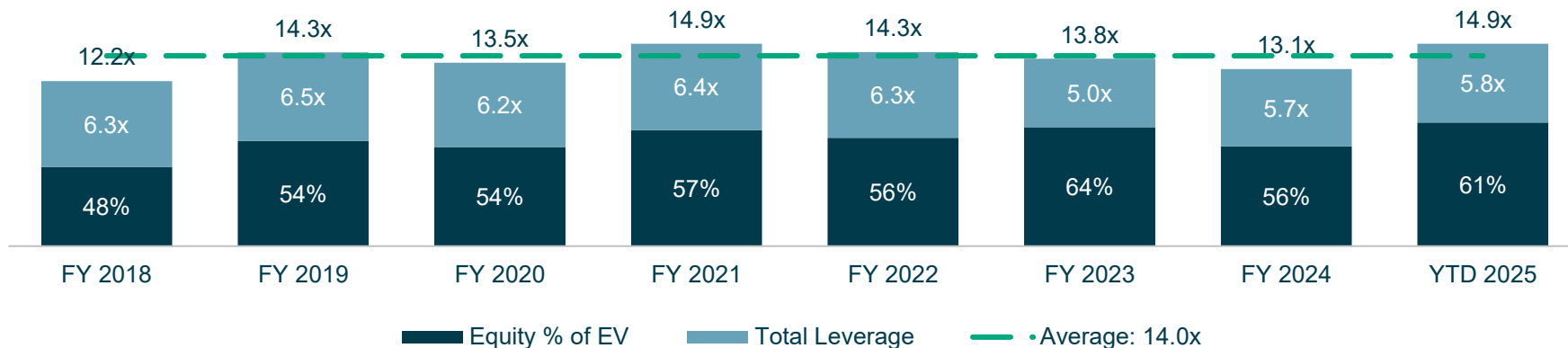


Source: Lincoln VOG Proprietary Private Market Database

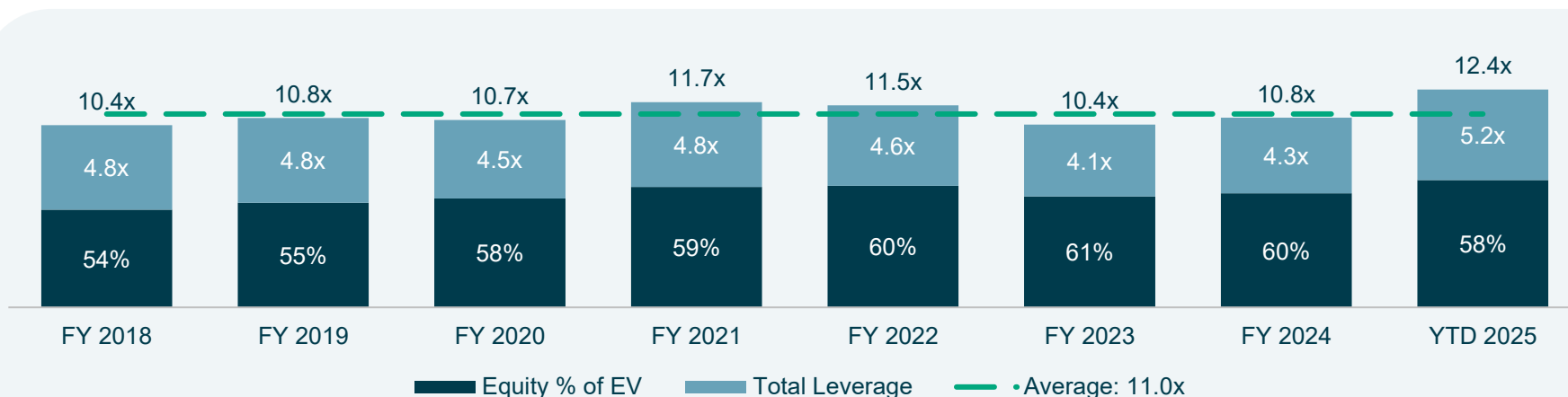
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Comparison of Transactions Over and Under \$1.0 Billion of Enterprise Value

Transactions Over \$1.0 Billion Enterprise Value



Transactions Under \$1.0 Billion Enterprise Value

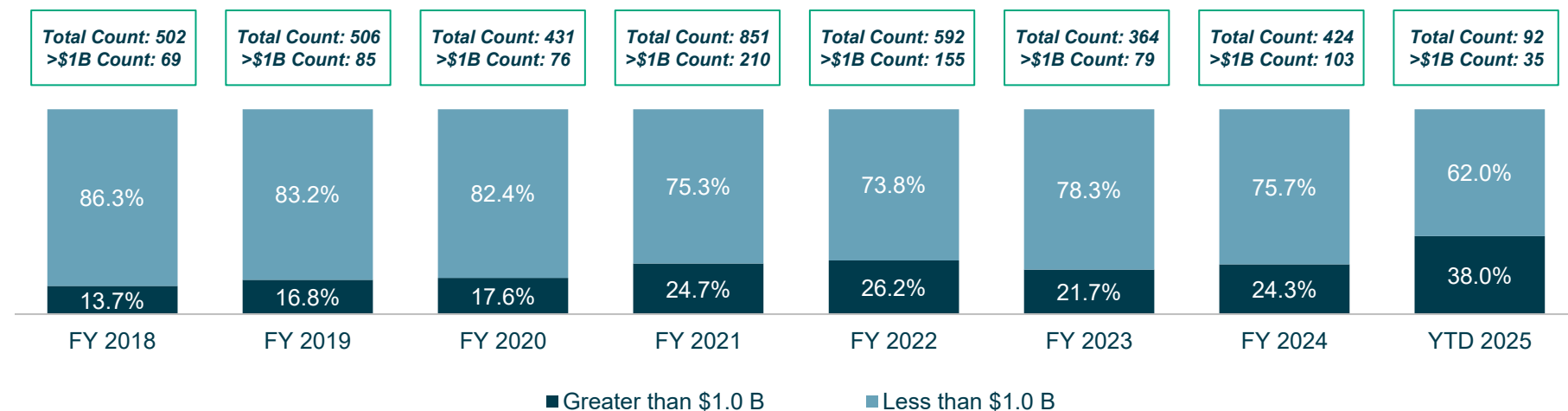


Source: Lincoln VOG Proprietary Private Market Database

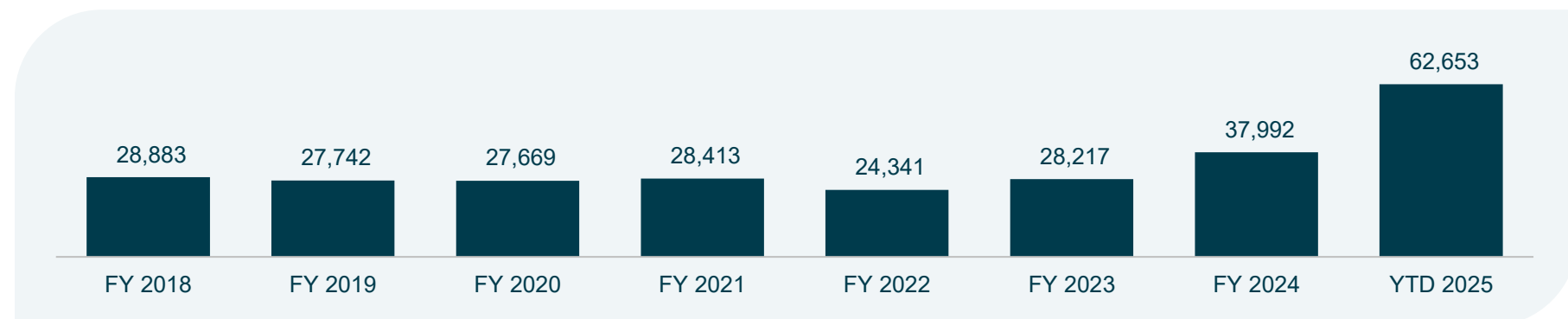
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A Deeper Look into Transactions Over and Under \$1.0 Billion of Enterprise Value

Percentage of Each Transaction Size (Inclusive of Counts)



Average EBITDA at Close for Transactions Less than \$1.0 Billion (in millions)



Source: Lincoln VOG Proprietary Private Market Database

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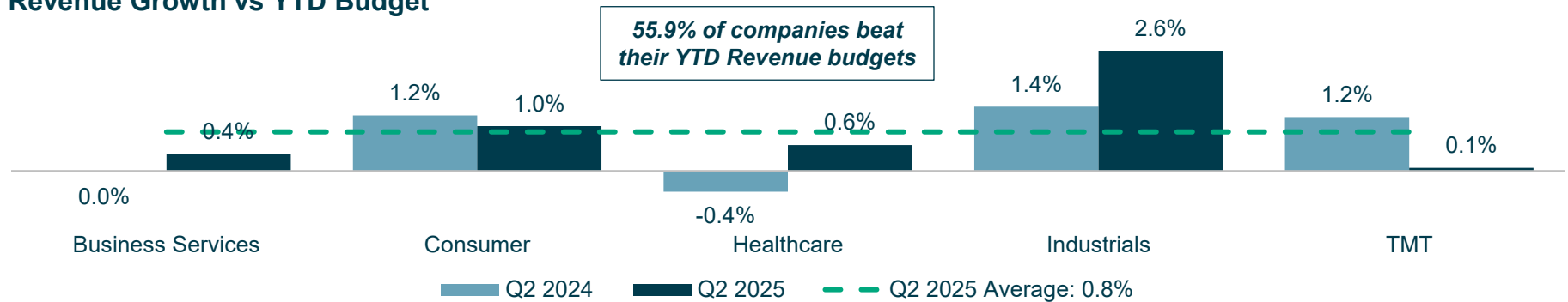
Company Performance Trends

SECTION 4

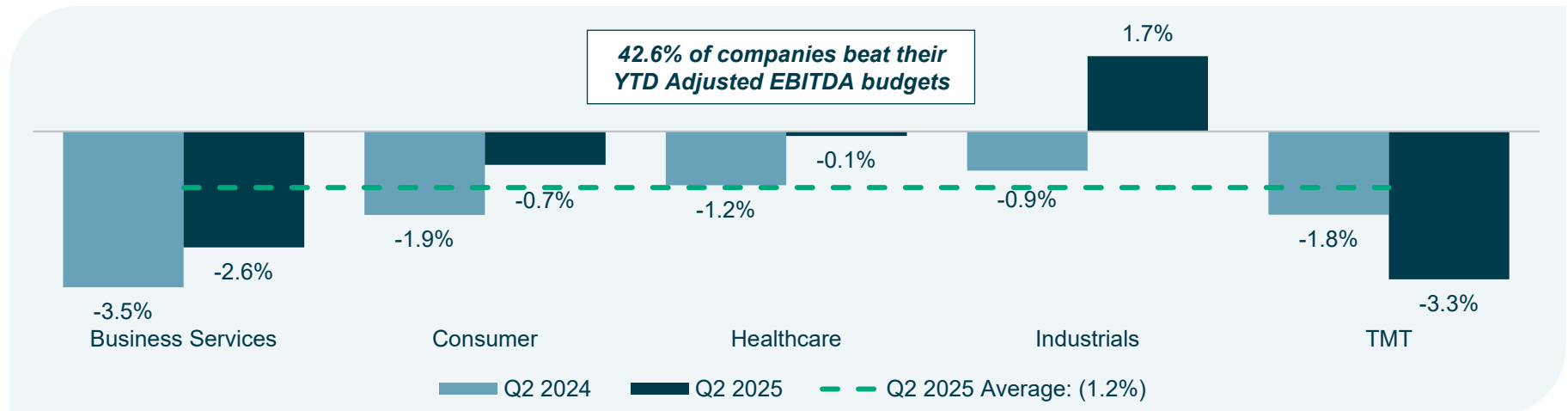
2025 YTD Actuals vs. Initial Budget by Industry

2025 YTD Revenue and Adjusted EBITDA Growth improved relative to 2024.

Revenue Growth vs YTD Budget



Adjusted EBITDA Growth vs YTD Budget

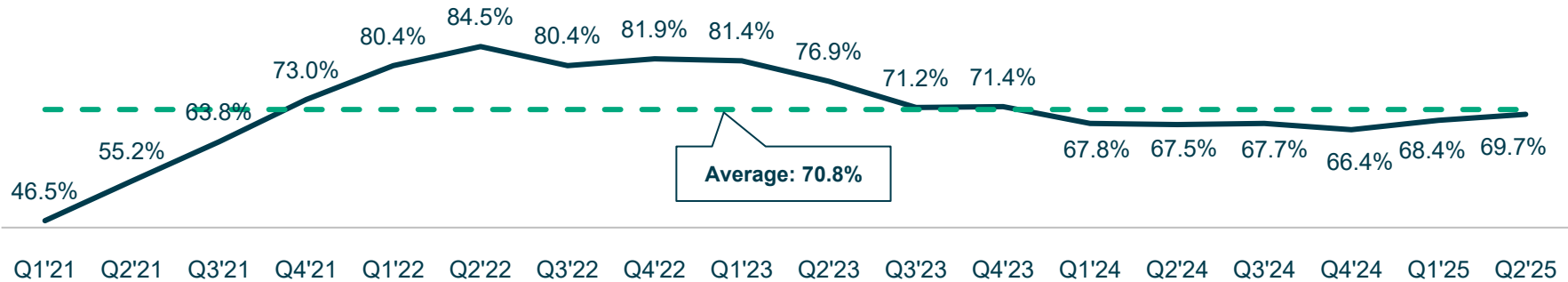


Note: Data includes companies with available budget data as of each time period. Source: Lincoln VOG Proprietary Private Market Database

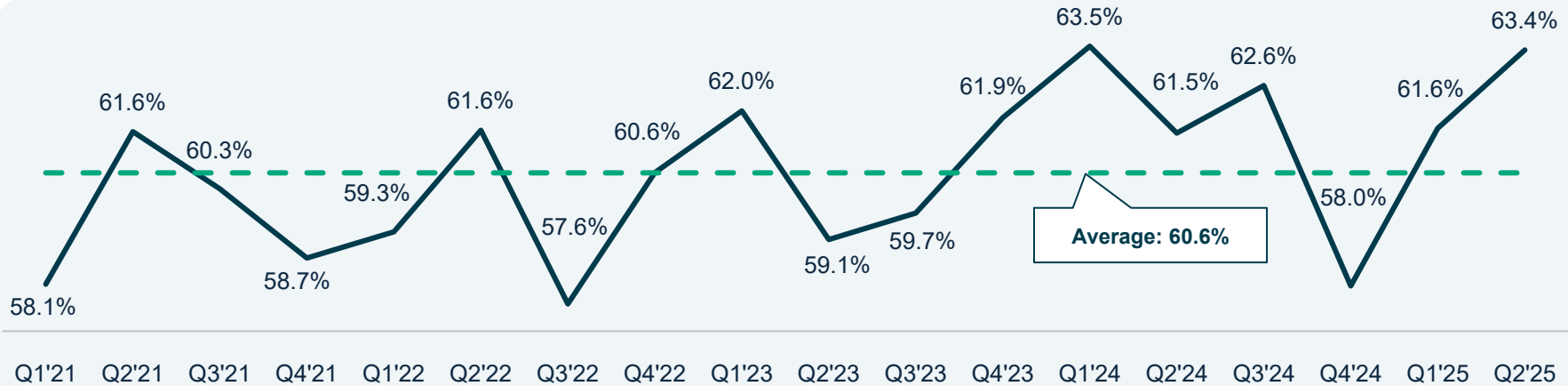
Portfolio Company Gainers and Decliners

The percentage of companies demonstrating revenue growth have remained stable over the past five quarters while companies with LTM Adjusted EBITDA growth increased in Q2 towards the Q1 2024 peak.

Percentage of Companies Reporting YoY LTM Revenue Growth



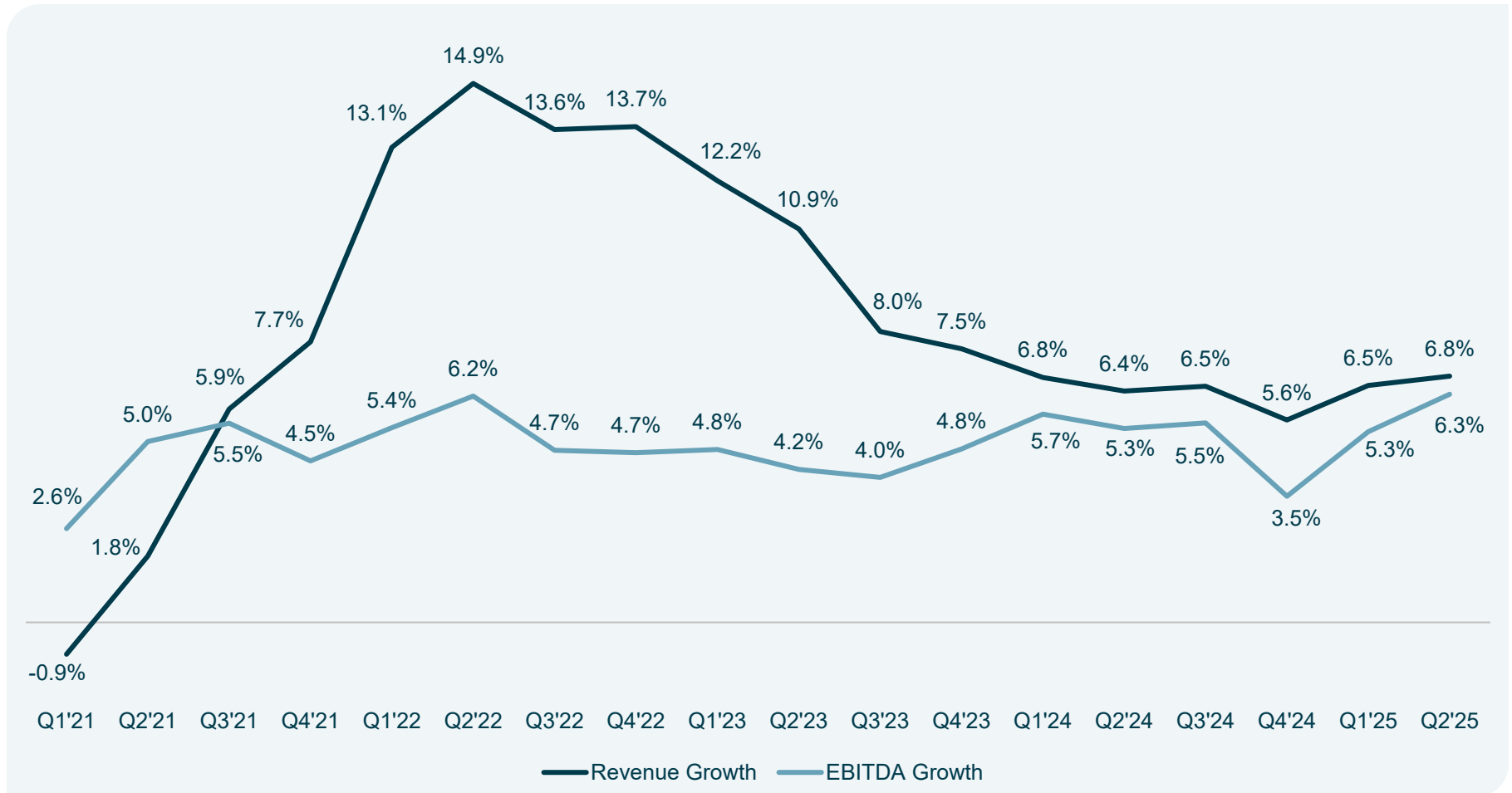
Percentage of Companies Reporting YoY LTM Adjusted EBITDA Growth



Source: Lincoln VOG Proprietary Private Market Database

YoY LTM Revenue & Adjusted EBITDA Growth

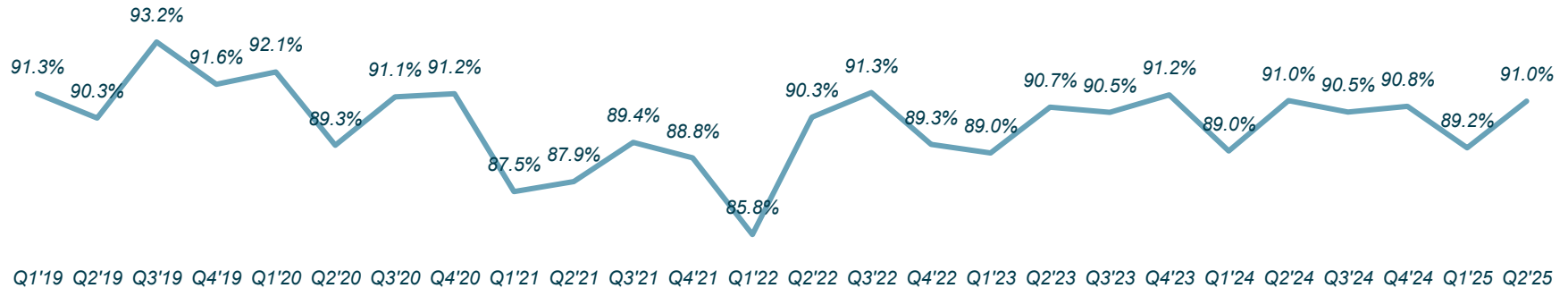
Private markets revenue and Adjusted EBITDA growth continued to rebound in Q2 2025 proving resilient through the recent market uncertainty. As of Q2 2025, YoY LTM Adjusted EBITDA growth is at its highest level in the last five years.



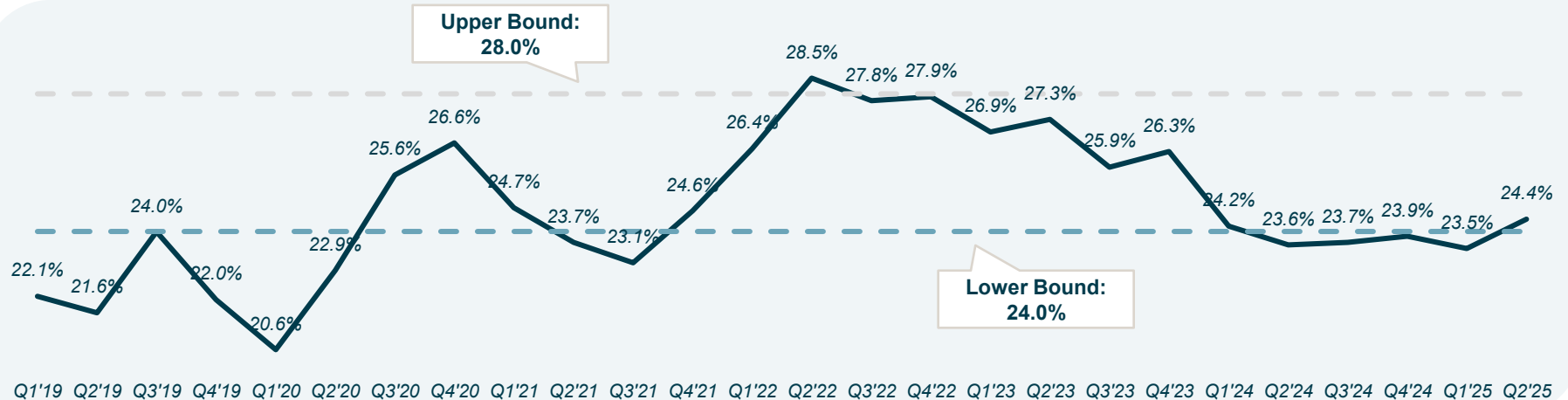
Source: Lincoln VOG Proprietary Private Market Database; Note: Above data reflects the impact of acquisitions / inorganic growth

LTM EBITDA Adjustments

Percentage of Companies Reporting LTM EBITDA Adjustments



Magnitude of LTM EBITDA Adjustments as a % of Adj. LTM EBITDA



Note: Adjustments to EBITDA as a percentage of Adj. EBITDA were calculated by dividing EBITDA adjustments by the concluded Adj. EBITDA as used for valuation purposes Source: Lincoln VOG Proprietary Private Market Database; Above data reflects the impact of acquisitions / inorganic growth
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Private Credit Market Trends

SECTION 5

Private Credit Financing Environment

(\$40 million - \$100 million Adjusted EBITDA Businesses)

Q2 2025

475 to 575 bps
Pricing Spread

9.05% - 9.80%

All-in Pricing (assumes SOFR of 4.30%)

5.00x – 6.00x
Leverage

100 - 200 bps
OID

45%+

Equity Cushion Inclusive of All-PIK Preferred

Volatile BSL Market

Tariff Impact

Focus on Portfolio Management
(highly focused on Tariff Diligence)

August 2025

450 to 550 bps
Pricing Spread

8.75% - 9.75%

All-in Pricing (assumes SOFR of 4.25%)

4.50x – 6.00x
Leverage

100 - 200 bps
OID

45%+

Equity Cushion Inclusive of All-PIK Preferred

Reopened BSL Market

**Competitive Deal Environment
Despite Tariff Uncertainty**

While LBO activity **remained slow in 2024 and into 2025**, the reopening of the BSL market, coupled with ample dry powder, **has caused many lenders to compete aggressively for new opportunities, leading to improved deals terms for borrowers.**

Note: Data representative of a \$40 - \$100 million EBITDA business

Lincoln's Private Credit Snapshot

Private Credit Snapshot as of August 15, 2025, and published on LevFin Insights (*Fitch affiliate*)

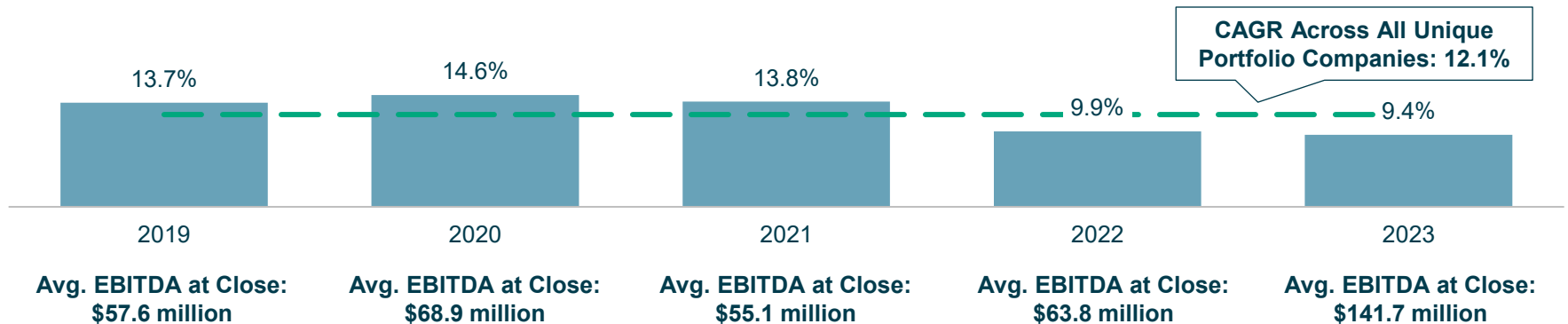
EBITDA	<\$15mm of EBITDA		\$15mm to \$40mm of EBITDA		\$40-100mm of EBITDA		>\$100mm of EBITDA	
Security Type	Pricing	EBITDA Multiples	Pricing	EBITDA Multiples	Pricing	EBITDA Multiples	Pricing	EBITDA Multiples
Asset Based Senior	S + 200 - 300 bps	N / A	S + 150 - 250 bps	N / A	S + 150 - 250 bps	N / A	S + 150 - 250 bps	N / A
Cash Flow Senior	S + 425 - 525 bps	2.00x - 3.50x	S + 400 - 500 bps	2.50x - 4.00x	S + 400 - 475 bps	3.00x - 4.50x	S + 350 - 425 bps	3.50x - 5.00x
Senior Stretch	S + 475 - 550 bps	2.50x - 4.00x	S + 450 - 525 bps	3.00x - 4.50x	S + 425 - 500 bps	4.00x - 5.50x	S + 400 - 475 bps	4.00x - 5.50x
Unitranche	S + 500 - 575 bps	3.50x - 5.00x	S + 475 - 550 bps	4.00x - 5.50x	S + 450 - 550 bps	4.50x - 6.00x	S + 450 - 525 bps	5.00x - 6.50x
2nd Lien Loans	N / A	N / A	S + 725 - 825 bps	4.50x - 5.50x	S + 700 - 800 bps	5.00x - 6.00x	S + 675 - 775 bps	5.50x - 6.50x
Sub Debt	Cash: 11.5% - 13.0% PIK: 1.0% - 2.0% All-in: 12.5% - 15.0%	4.00x - 5.00x	Cash: 10.5% - 12.0% PIK: 1.0% - 2.0% All-in: 11.5% - 14.0%	4.50x - 5.50x	Cash: 10.5% - 12.0% PIK: 1.0% - 2.0% All-in: 11.5% - 14.0%	5.00x - 6.00x	Cash: 10.5% - 12.0% PIK: 1.0% - 2.0% All-in: 11.5% - 14.0%	5.50x - 6.50x
Preferred	All-in: 17.0% - 21.0%	~15%+ of Total Capitalization	All-in: 16.0% - 20.0%	~15%+ of Total Capitalization	All-in: 13.5% - 17.5%	~15%+ of Total Capitalization	All-in: 13.0% - 17.0%	~15%+ of Total Capitalization
Equity Cushion		Minimum 50%+ (incl. Preferred)		Minimum 45%+ (incl. Preferred)		Minimum 45%+ (incl. Preferred)		Minimum 45%+ (incl. Preferred)

Note: Latest Private Credit Snapshot as of August 15, 2025. The values presented above are based on prevailing metrics observed by Lincoln International in recent months; however, leverage multiples and pricing are highly dependent on a borrower's credit profile and may be higher or lower than those shown above for certain companies. SOFR floors, when included, are generally ~100 bps.

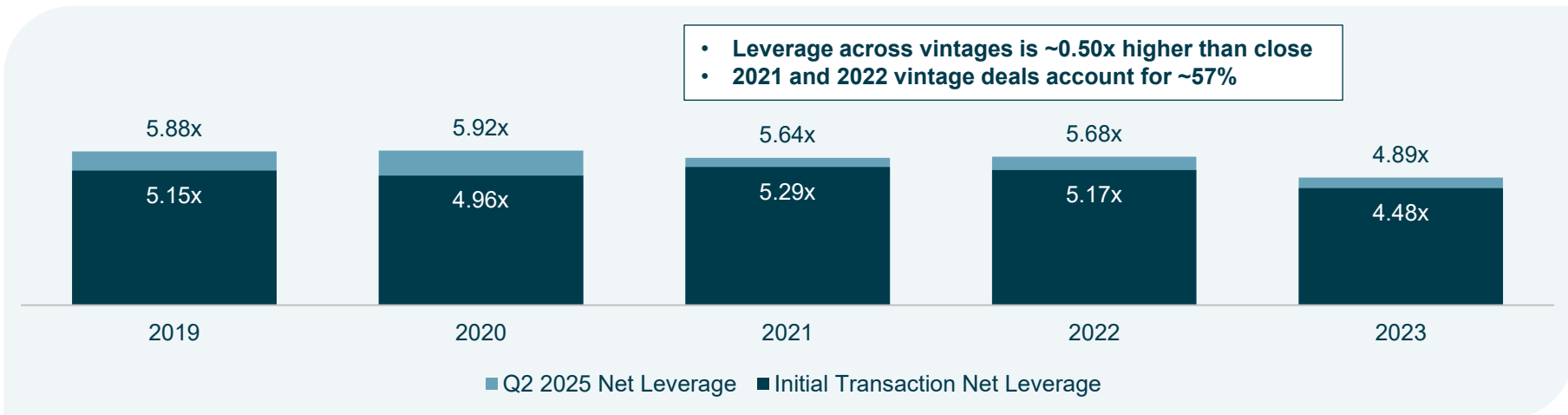
The above spreads exclude any impact from OID

Vintage Analysis – Fundamental Performance Overview

LTM Adjusted EBITDA CAGR between Initial Deal Closing and Today (Aggregated by Vintage Year)



Change in Net Leverage Multiple between Initial Deal Closing and Today (Aggregated by Vintage Year)



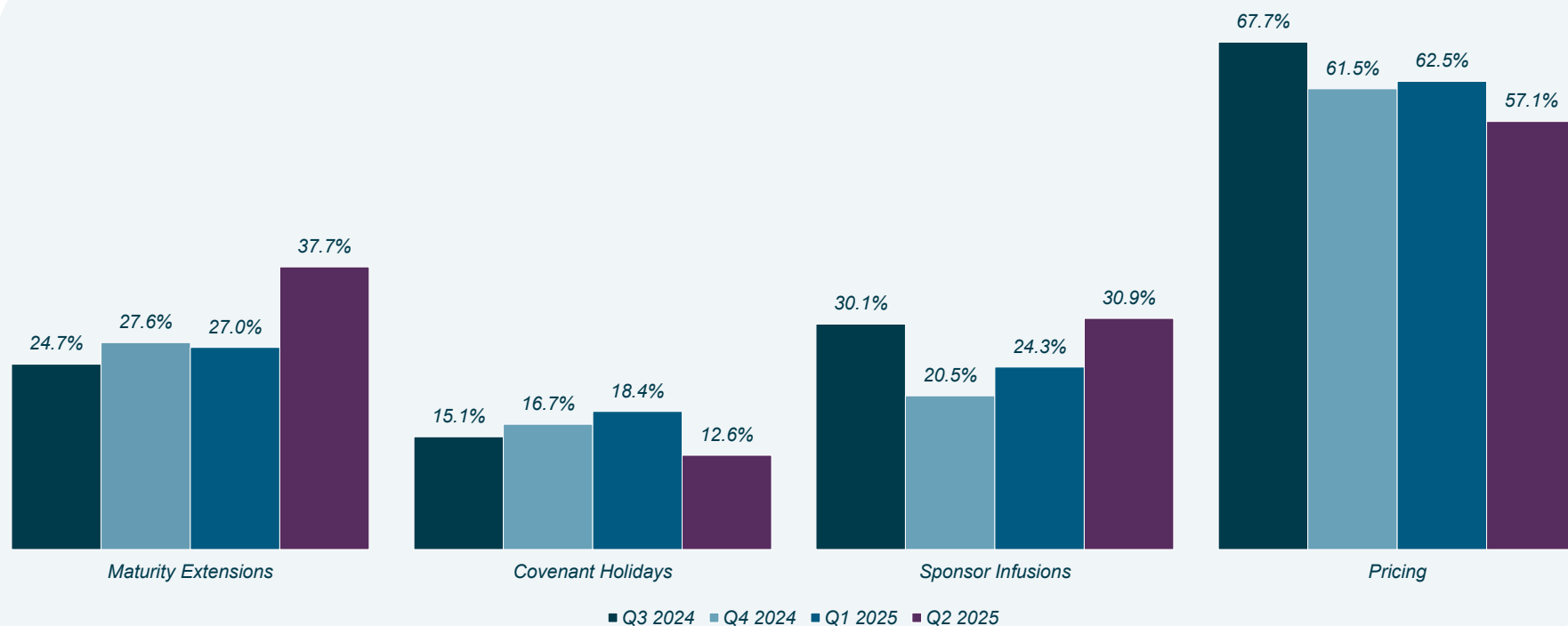
Source: Lincoln VOG Proprietary Private Market Database; Note: Adjusted EBITDA is representative of organic and inorganic growth (i.e. it includes acquisitions). Analysis may be biased by survivorship bias; © 2025 Lincoln Partners Advisors LLC. All rights reserved. LINCOLN PRIVATE MARKET INDEX™, LINCOLN SENIOR DEBT INDEX™, LINCOLN VOG PROPRIETARY DATABASE and LINCOLN INTERNATIONAL are service marks owned by Lincoln Partners Advisors LLC and its affiliated entities. Any use of these service marks and these materials, including the reproduction, modification, distribution or republication of these materials, without the prior written consent of Lincoln International, is strictly prohibited.

Private Credit Markets

AMENDMENTS

LTM Amendment activity declined quarter over quarter with over 750 amendments to the credit agreement being executed, which was approximately a 10% decline from peak levels observed as of Q4 2024.

Amendment Allocation

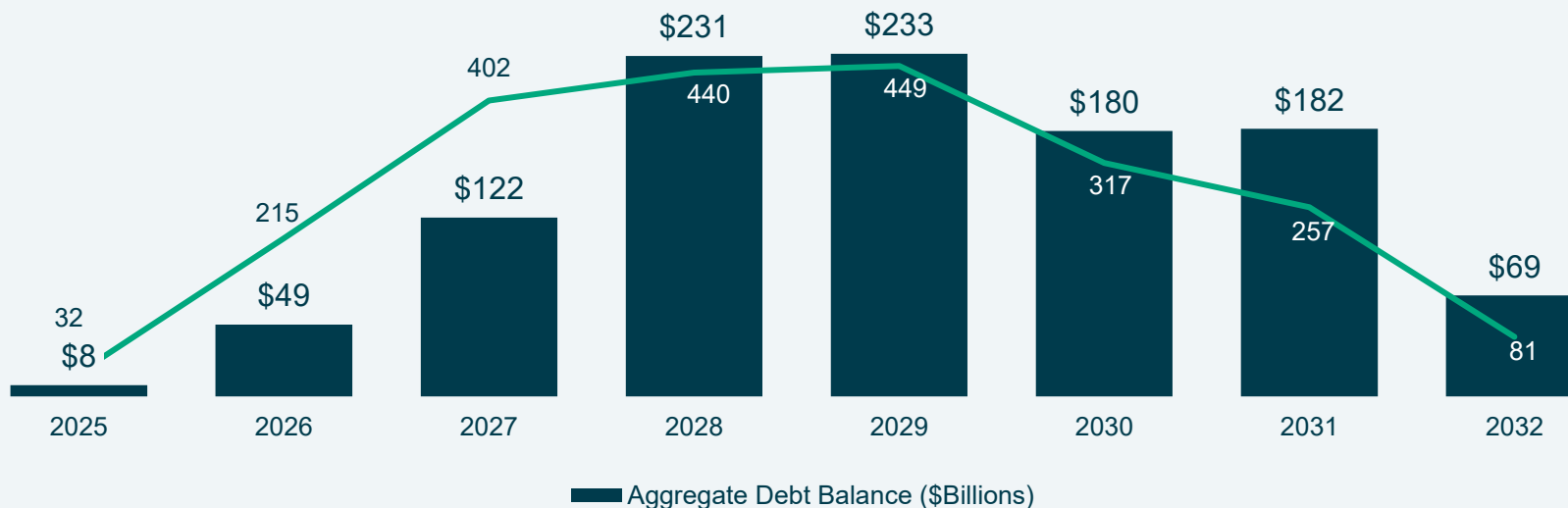


Source: Lincoln VOG Proprietary Private Market Database. Note: Multiple terms can be addressed via one Amendment to the Credit Agreement. Amendments capture all comprehensive activity, for example, data can include both increases and decreases to pricing.

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Maturity Wall

Aggregate Debt Balance Due in Each Fiscal Year (Inclusive of Company Counts)



Lincoln found a maturity wall was insubstantial at this time with majority of aggregate debt balances maturing **throughout FY 2028 and FY 2029**

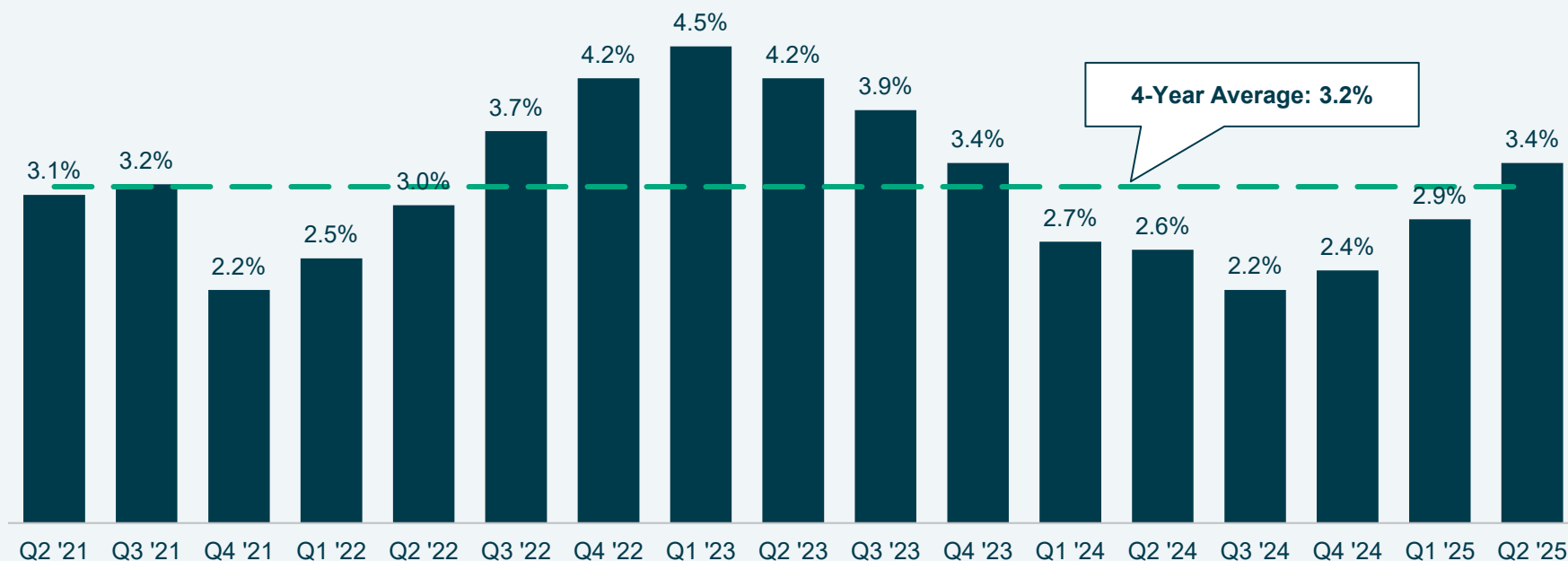
71.9%

Of debt maturing in 2027 and 2028 are from **2020 through 2022** vintage portfolio companies

Source: Lincoln VOG Proprietary Private Market Database.

Covenant Default Rate

SIZE-WEIGHTED



Note: A default is defined as a covenant default and not necessarily a monetary default.

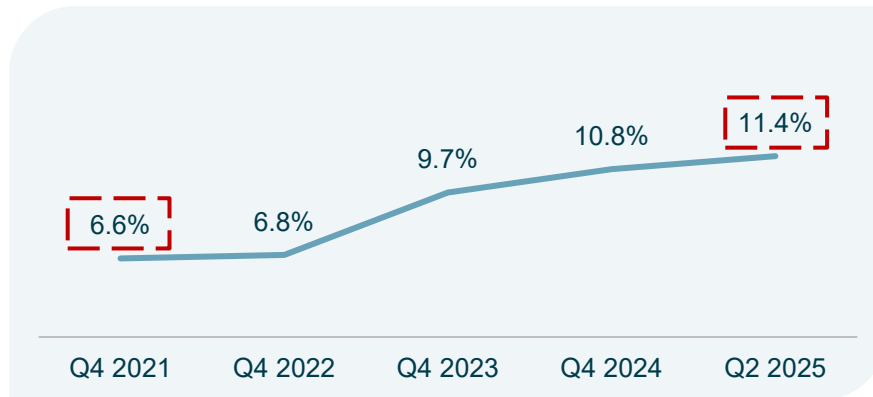
The analysis was performed based on a size-weighted approach, which considered the total net debt balance for each of the portfolio companies that had a defaulting security in the respective quarter.

Covenant defaults increased from 2.9% to 3.4% since Q1, though a higher default rate may be disguised by significant amendment activity to avoid potential default before it happens.

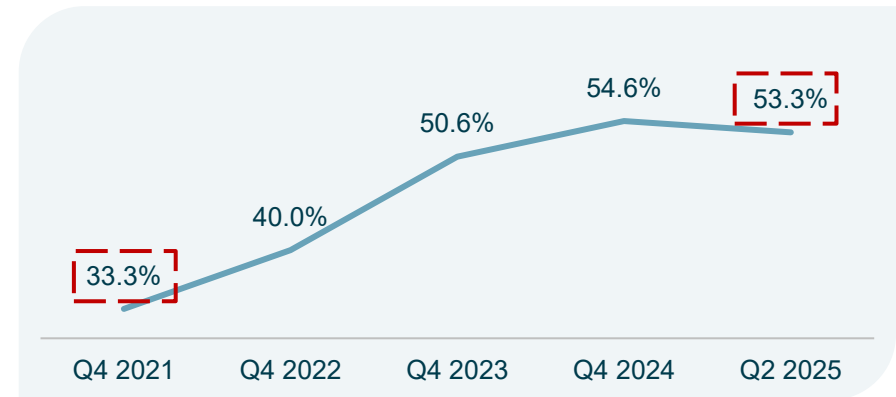
Source: Lincoln VOG Proprietary Private Market Database; Note: Data represented above considered Senior and Unitranche Term Loans.

PIK Interest Usage – Trend Analysis

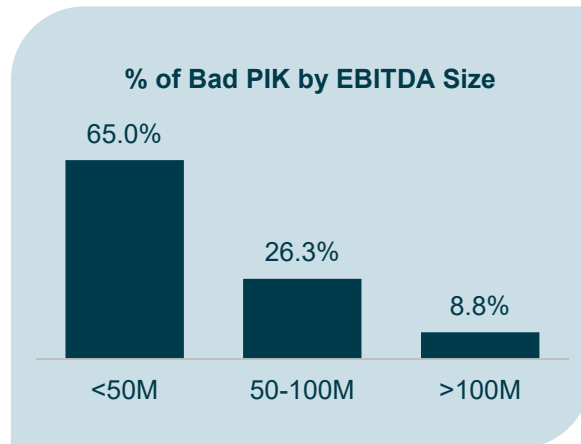
% of Investments with PIK



Investments without PIK at Close but Have PIK Now (Bad PIK)



Digging Into the Bad PIK



37.5%

Increase in LTV since initial close from 45.1% to 82.7% as of Q2 2025

~2.0%

Shadow Default Rate
As of Q4 2021

$(6.6\% * 33.3\%)$

~6.0%

Shadow Default Rate
As of Q2 2025

$(11.4\% * 53.3\%)$

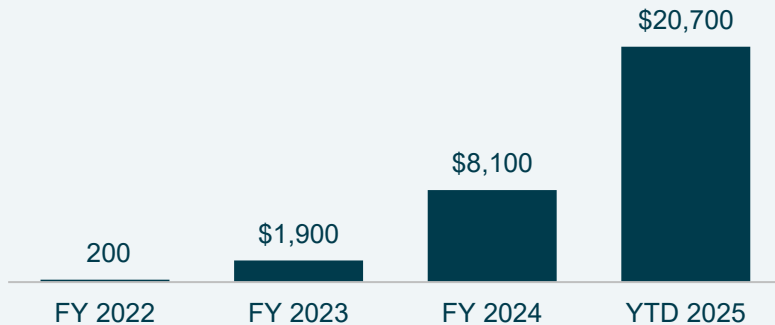
Source: Lincoln VOG Proprietary Private Market Database; Note: Data represented above considered Senior and Unitranche Term Loans.

Lender Foreclosures

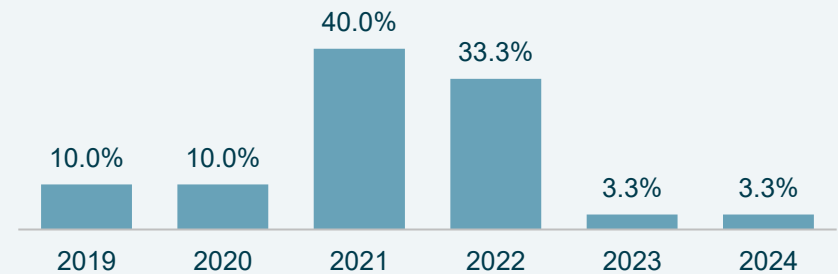
Lincoln examined companies in which lenders had either taken control or were imminently expecting to take control from the sponsor.

Of this population...

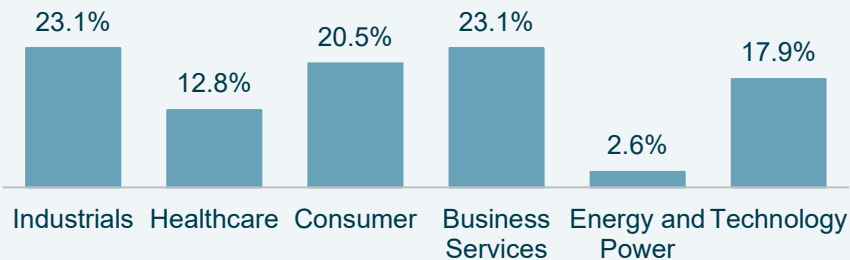
Total Debt Foreclosed (\$ millions)



Percent of Debt Foreclosed in 2025 by Vintage



Percent of Debt Foreclosed in 2025 by Industry



38.5%

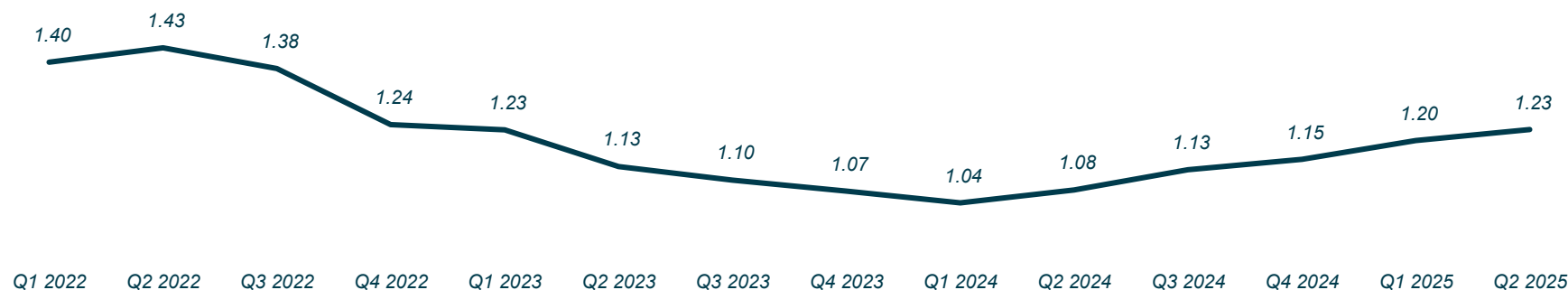
Of companies with lender control transactions in 2025 also had **sponsor infusions** in 2025

Source: Lincoln VOG Proprietary Private Market Database; Note: Data represented above considered Senior and Unitranche Term Loans.

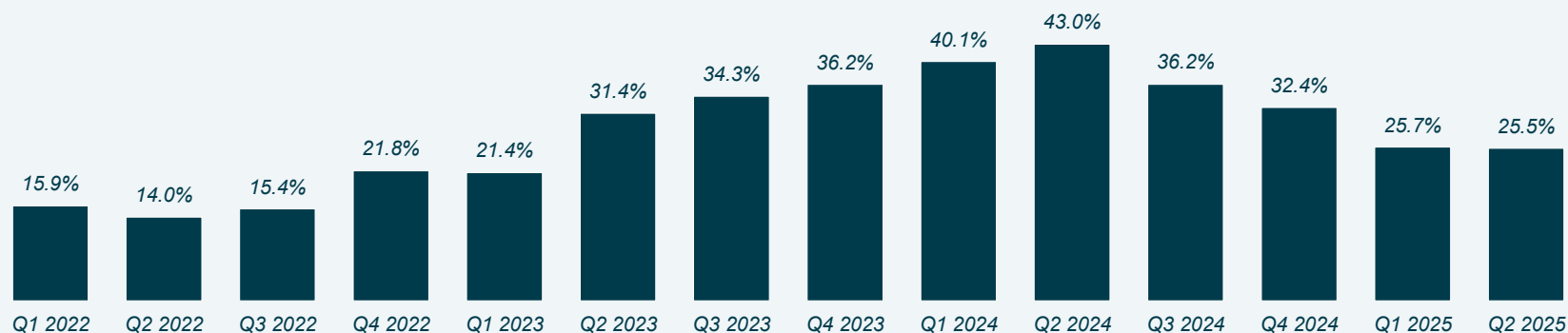
Fixed Charge Coverage Ratios

SIZE-WEIGHTED ACTUAL SOFR

Size-Weighted Fixed Charge Coverage Ratio



Fixed Charge Coverage Ratio < 1.0x (Weighted Average)



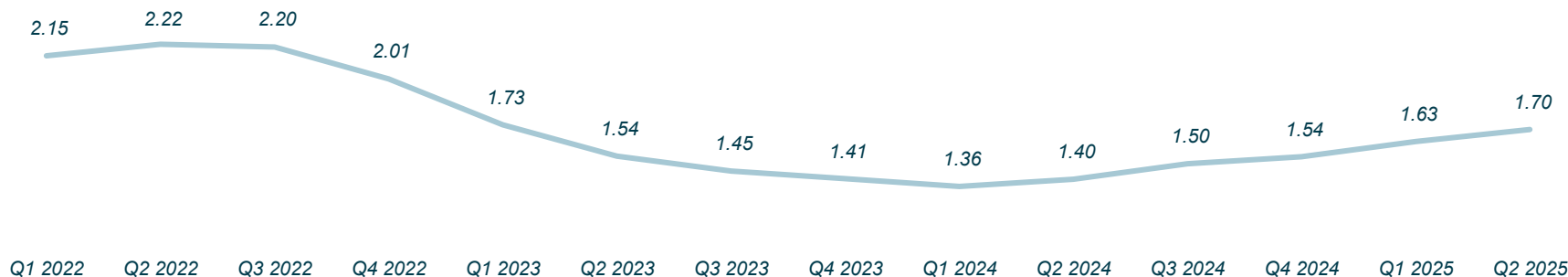
Calculations: Interest Coverage = LTM EBITDA / Interest; Fixed Charge Coverage = (LTM EBITDA – Taxes - Capex) / (Interest Expense + (1% * Total Debt))
Capital Expenditures (“Capex”) utilizes LTM Capex by default. If LTM Capex is not available, NFY Capex is utilized, and LFY Capex if both LTM Capex and NFY Capex are unavailable.

Source: Lincoln VOG Proprietary Private Market Database

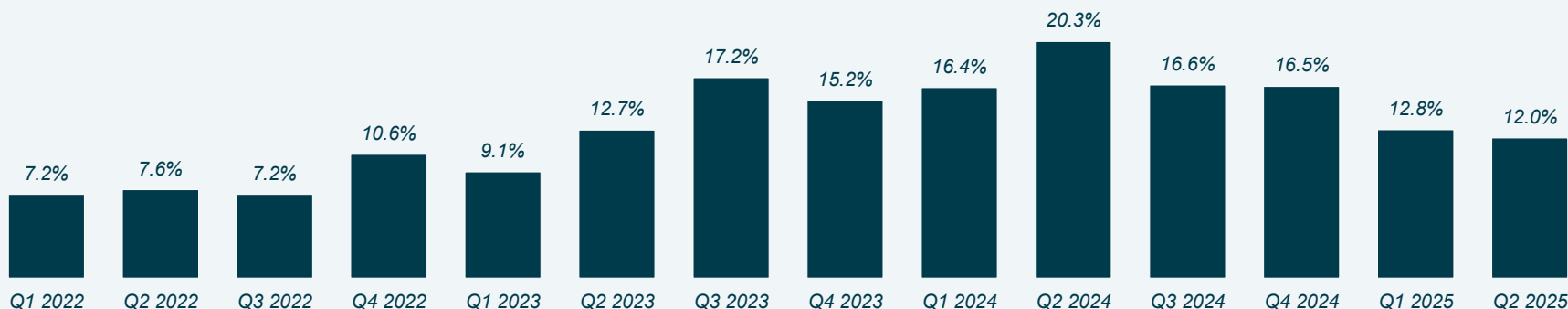
Interest Coverage Ratio

SIZE-WEIGHTED ACTUAL

Size-Weighted Interest Coverage Ratio



Interest Coverage Ratio < 1.0x (Weighted Average)



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063