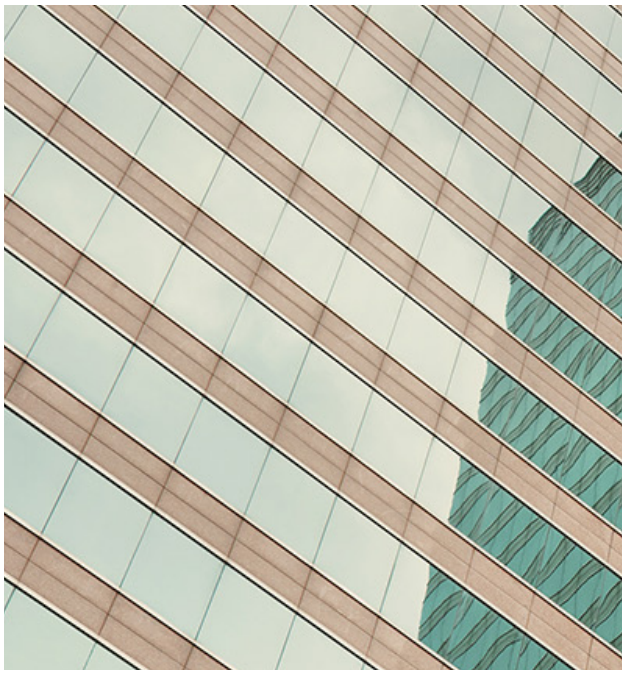
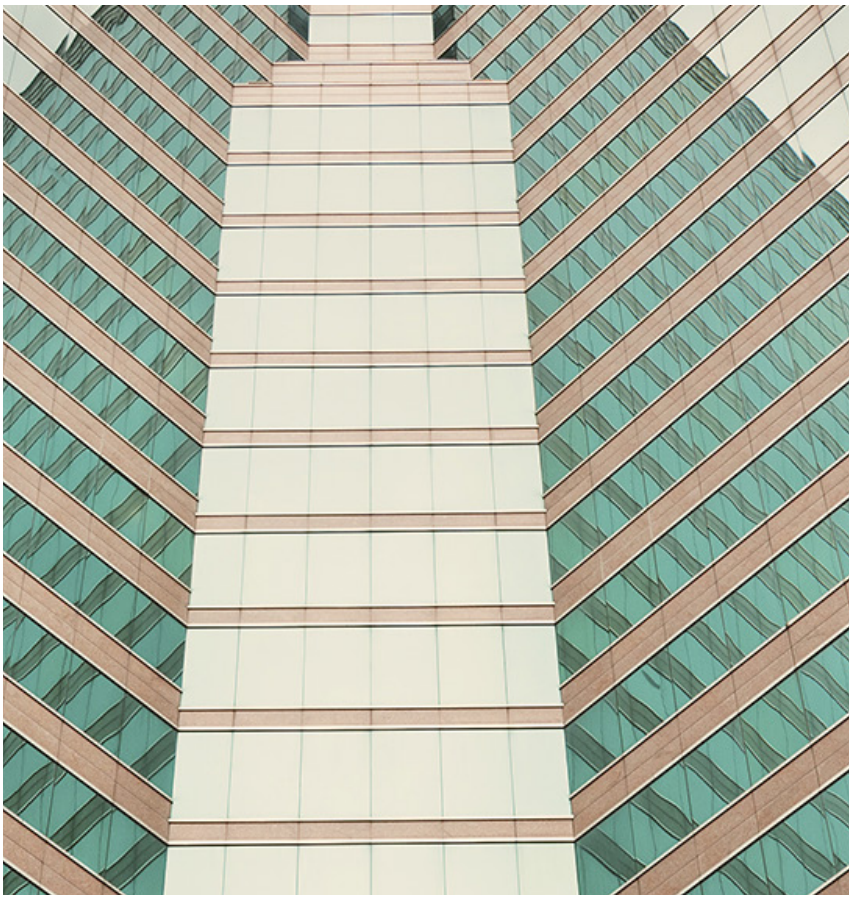
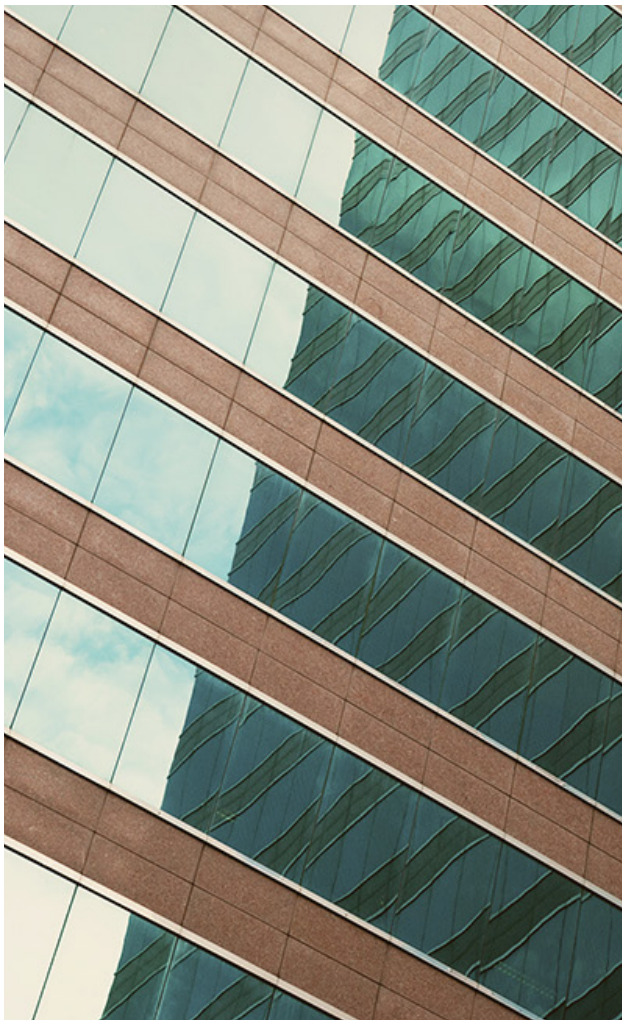
LINCOLN INTERNATIONAL

Q3 2026







INSIDE THIS ISSUE

- Quarterly Overview
- Private Market Company Value Results
- Performance by Industry: Sector Breakdown
- Examining the LPMI: EBITDA Multiples vs. Earnings
- Summary of the LPMI
- Methodology: Data Collection and Academic Advisors

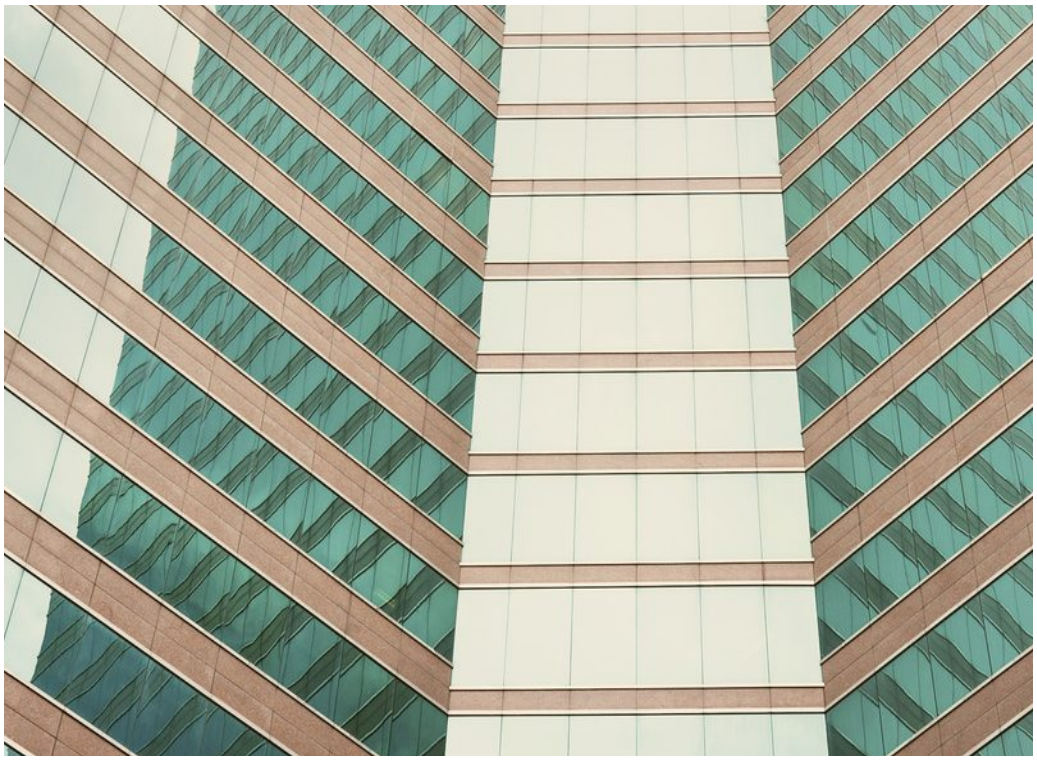
LPMI

LINCOLN PRIVATE MARKET INDEX™

Important Disclosure

The Lincoln Private Market Index is an informational indicator only and does not constitute investment advice or an offer to sell or a solicitation to buy any security. It is not possible to directly invest in the Lincoln Private Market Index. Some of the statements above contain opinions based upon certain assumptions regarding the data used to create the Lincoln Private Market Index, and these opinions and assumptions may prove incorrect. Actual results could vary materially from those implied or expressed in such statements for any reason. The Lincoln Private Market Index has been created on the basis of information provided by third-party sources that are believed to be reliable, but Lincoln International has not conducted an independent verification of such information. Lincoln International makes no warranty or representation as to the accuracy or completeness of such third-party information.









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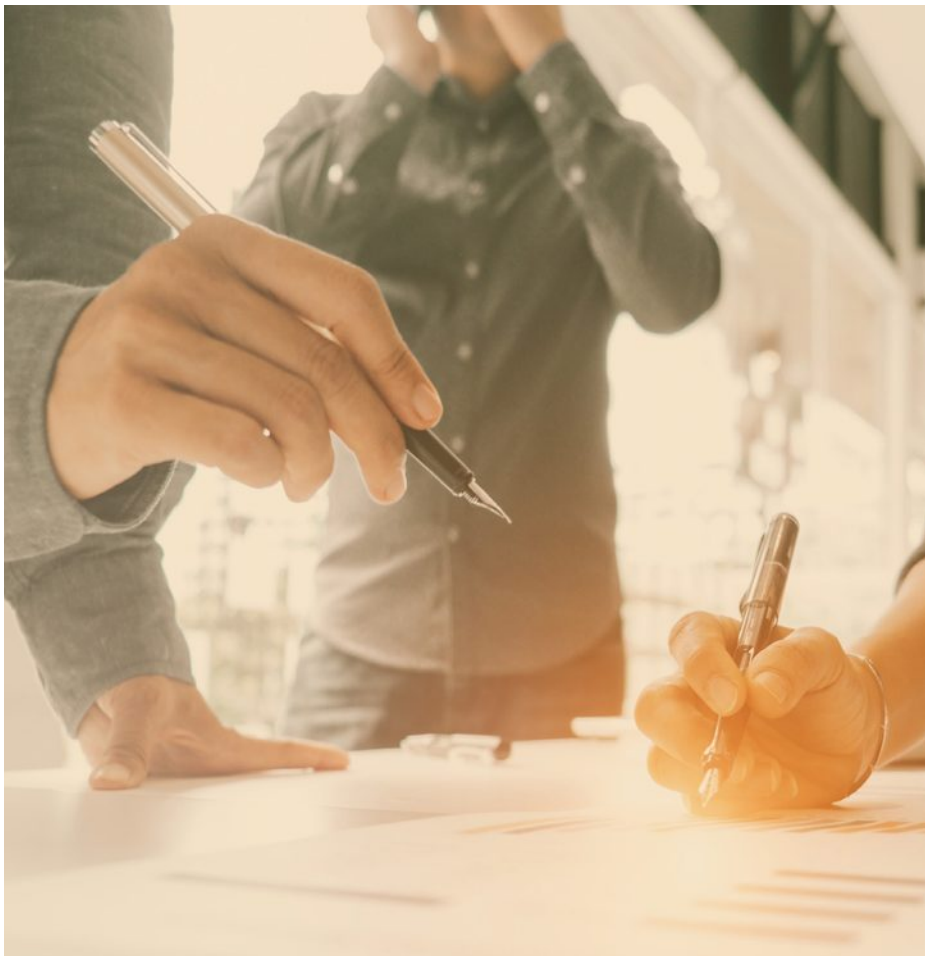



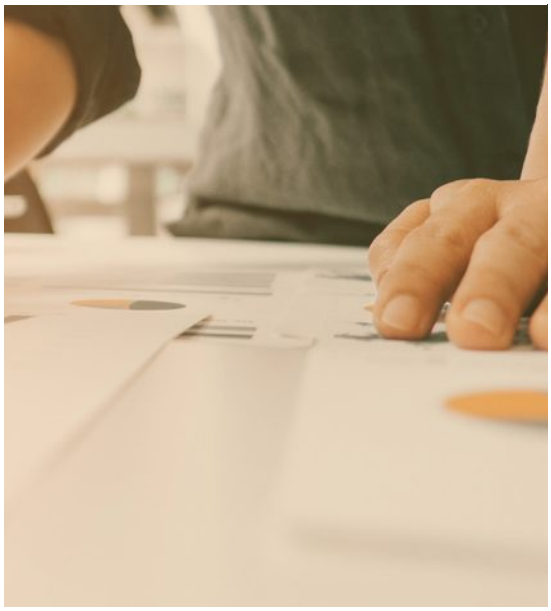

PERSISTENT EARNINGS GROWTH DROVE AN INCREASE IN LINCOLN'S PRIVATE MARKET INDEX AS VALUATION MULTIPLES REMAINED STABLE

The Lincoln Private Market Index (LPMI), the only index that tracks changes in the enterprise value of U.S. privately held companies, increased by 2.8% during the third quarter of 2026. Private companies continued to demonstrate growth, while higher rates and pockets of stress underscored differentiation across private markets and ultimately led to stable enterprise value multiples.

ABOUT THE LINCOLN PRIVATE MARKET INDEX

The LPMI is a first-of-its-kind index measuring changes in the enterprise values of private companies over time and a barometer of the performance of private companies generally. The LPMI 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.

The LPMI is designed to measure the quarterly change in enterprise values (EV) for private companies primarily owned by private equity firms.

To review the results of an independent study on the quality and breadth of Lincoln's private market database, **click here.**

QUARTERLY OVERVIEW

- 36th Edition: Covers Q3 2026
- Measures quarterly changes in the enterprise values of ~2,200 private companies, based on a population of 7,450+ companies primarily owned by private equity firms with a median EBITDA of ~$50-60 million
- Analyzes the impact from the change in a company's earnings versus its valuation multiple
- Assesses the change in value for six industry sectors

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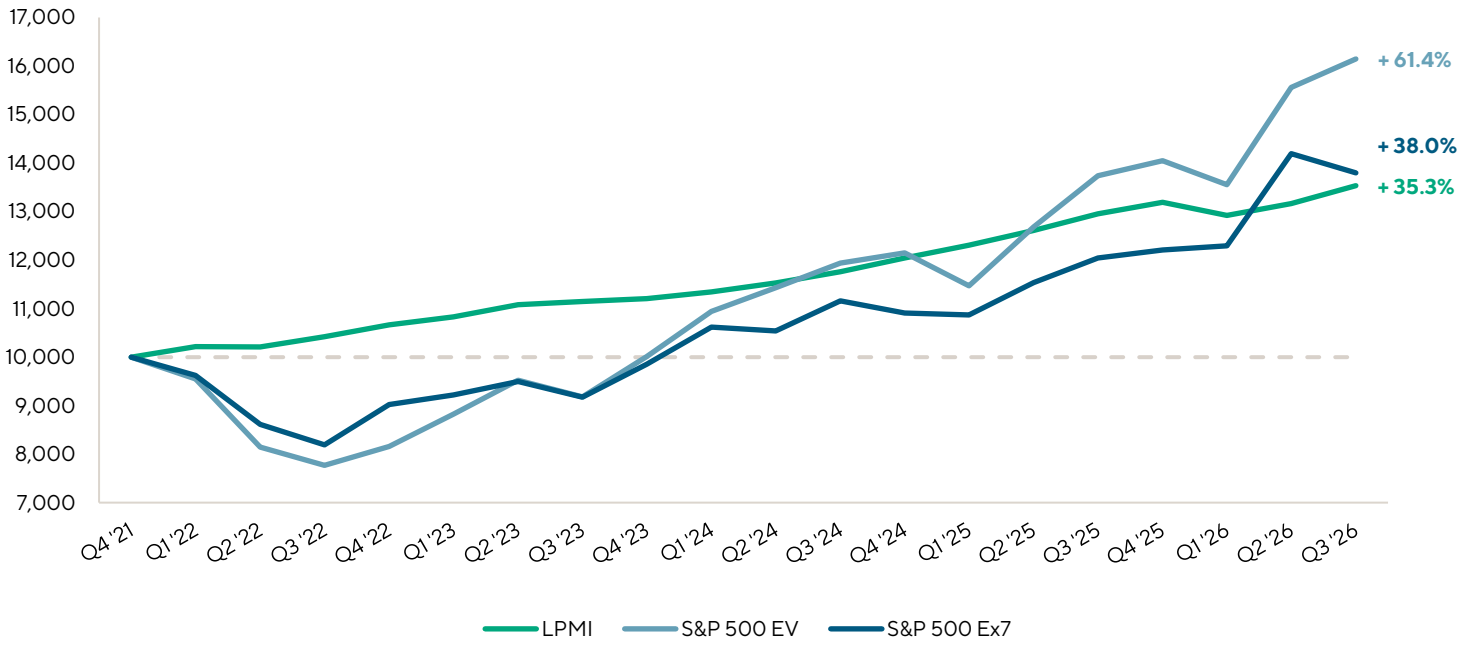
RESULTS:

Private Enterprise Values Increased Amid Narrow Public Market Leadership

Q3
2026



(NOTE: Both the LPMI 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; however, including such companies produces similar results)

	Q3'26	YTD	LTM	CAGR Since Inception
LPMI	**2.8%**	**2.6%**	**4.5%**	**7.5%**
S&P 500 EV	**3.8%**	**14.9%**	**17.5%**	**11.1%**
S&P 500 Ex7 EV	**(2.8%)**	**13.1%**	**14.6%**	**N/A**

The LPMI increased 2.8% in Q3 2026, while the S&P 500 enterprise values similarly increased 3.8% during the quarter; however, when excluding the "Magnificent Seven" from the S&P 500, which are less comparable to private market companies, the enterprise value of public companies conversely decreased 2.8%. While both public and private markets faced similar macroeconomic pressures, including inflation and elevated borrowing costs, differences in enterprise value performance largely reflect the composition of their respective constituents. The greater diversification of the private markets has enabled companies to find ways to succeed without reliance on the AI trade of the public markets.

"Q3 continued the LPMI's historical pattern of enterprise value growth being driven primarily by company fundamentals rather than changes in multiples," noted 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 LPMI. "While private companies have continued to demonstrate earnings growth, the ability to sustain that performance will become increasingly important as higher borrowing costs place additional demands on cash flow."

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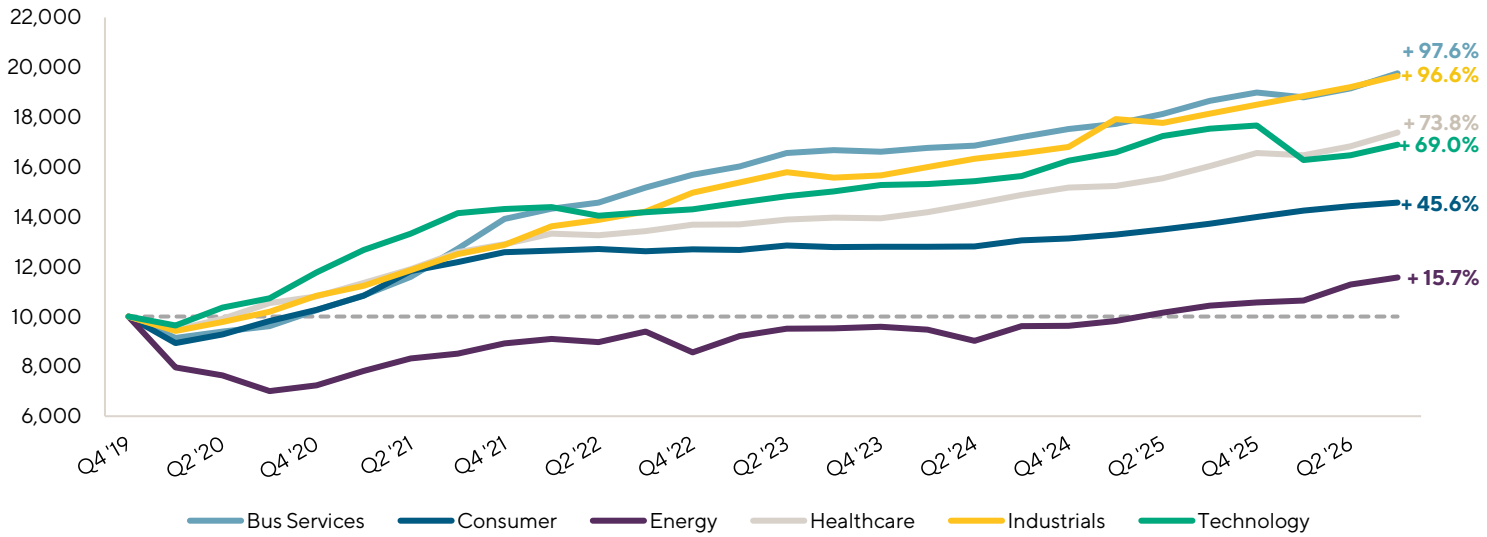
SECTOR BREAKDOWN:

Strong Earnings Drove Growth Across All Industries in Q3

Q3
2026



Industry	Q3'26	YTD	LTM
Business Services	**3.2%**	**4.1%**	**5.9%**
Consumer	**0.9%**	**4.1%**	**6.2%**
Energy	**2.4%**	**9.5%**	**10.8%**
Healthcare	**3.3%**	**4.9%**	**8.4%**
Industrials	**2.4%**	**6.3%**	**8.4%**
Technology	**2.6%**	**(4.3%)**	**(3.6%)**

In Q3, enterprise values of technology companies continued to partially recover from the February 2026 software sell-off as AI-related disruption concerns softened; however, the sector still lagged all others year-to-date. The trend in enterprise values of technology companies corroborated prior expectations that the repricing reflected longer-term disruption risks rather than changes in near-term results and outlook.

"The industries under pressure change with market conditions," noted Ron Kahn, Managing Director and Co-Head of Lincoln International's Valuations & Opinions Group. "Coming out of the pandemic, it was a question of when, not if, gyms and similar businesses would reopen, despite lifestyle and leisure demonstrating the highest degree of stress. Today, however, the fundamental concerns about the long-term viability of software and software-adjacent businesses are causing significant concentration of stress in software and related subsectors, demonstrated by the increased percentage of loans being marked below 90% of par."

Healthcare and business services companies led enterprise value growth in Q3, as investors shifted away from the volatile technology companies into more value-oriented sectors as constraints on cash flows persisted among inflationary pressures. Enterprise values of companies within the energy sector continued to outpace all other sectors over the past 12 months as oil prices continued to climb and electricity demand for data center and physical AI expansion persisted.

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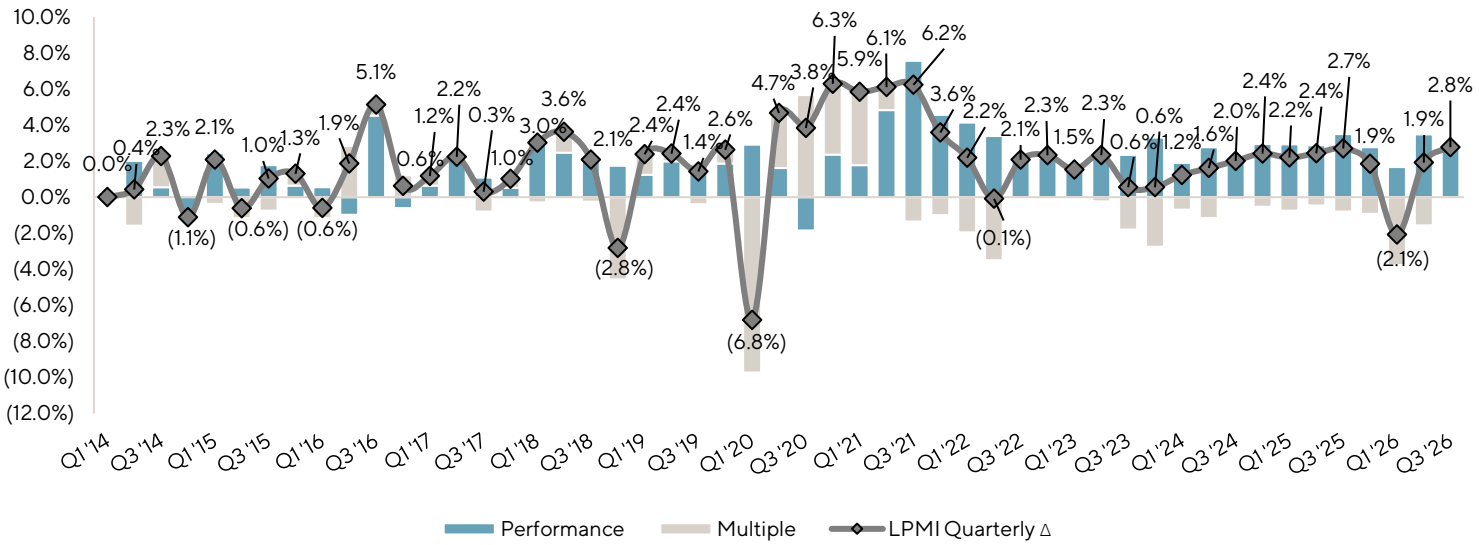
Examining the LPMI - EBITDA Multiples Versus Earnings



~55%

Expansion of LPMI valuation multiples since Q2 2014

The gray line in Graph 3 indicates the quarterly change in LPMI enterprise values, which is based on changes in performance (e.g., EBITDA), combined with the change in EBITDA multiples.

Private company operating performance was resilient in Q3. Data from Lincoln Lens, Lincoln's comprehensive client portal and private market intelligence platform from which the LPMI is derived, indicates that 72% of companies grew revenue and 64% grew EBITDA year-over-year, with revenue growth of 7% and EBITDA growth of 5%. These results were largely consistent with Q2, indicating steady earnings expansion.

Software fundamentals were also largely unchanged following the Q1 multiple-driven repricing, with year-over-year revenue growth near 7% and EBITDA growth near 5% in Q3. At the same time, broad sector stability does not imply that all software assets are one in the same but rather still distinguished between exposure to AI-driven change, operating durability, leverage and loan-to-value. Software valuations deviated by subsector, with cybersecurity and supply chain technology performing the best given their positioning relative to AI's growth and concerns.

Similarly, new buyout valuations were steady in Q3. The average enterprise value multiple for new buyouts was 12.1x EBITDA year-to-date through Q3 2026, compared with 12.0x for the first half of 2026 and 12.7x for the comparable 2025 period, and remained above the long-term average of 11.5x.

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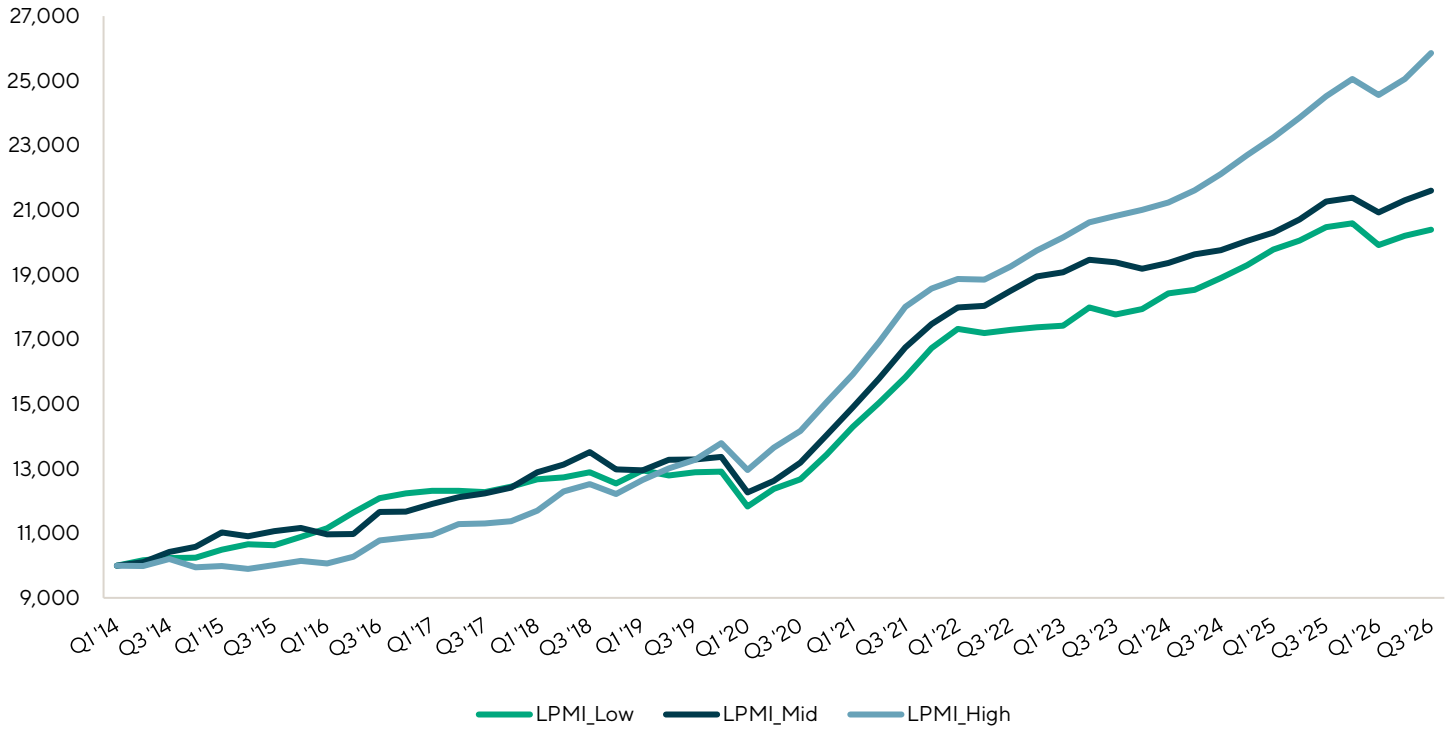
EXAMINING THE LPMI:

Lower-Middle Market vs Middle Market vs Large Corporate Sub-Indices

Q3
2026



(Low includes companies with LTM EBITDA <$20 million, Mid includes companies with LTM EBITDA of $20 million to $50 million and High includes companies with $50 million to $250 million)

Similar to prior quarters, all size categories tracked by the LPMI moved in alignment with negligible variability by size.

While enterprise values increased for all size cohorts, smaller companies (i.e., companies with EBITDA <$20 million) experienced a lesser increase than their larger counterparts, as larger companies have been broadly able to handle inflationary pressures and have been insulated to a greater extent from various broader market headwinds. Conversely, investor demand has risen for smaller businesses given the potential for opportunistic valuations despite the inherent greater risk for smaller businesses as market participants facing deployment pressures look down-market for platform businesses. The shift in focus continues to be driven by heightened competition and the empirical trend of add-on opportunities remaining constructive and stable while also buying down entry multiples on existing platforms.

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SUMMARY:

Q3 2026 LPMI

Q3
2026

Q3 2026 LPMI: GENERAL OBSERVATIONS

- The LPMI increased 2.8% in Q3 2026, driven by earnings growth as enterprise value multiples remained stable.
- S&P 500 enterprise values increased 3.8% during Q3 whereas S&P 500 enterprise values excluding the tech-heavy Magnificent 7 decreased 2.8%, reflecting both the concentration of the public markets as well as the concentration of the public markets' gains in AI's beneficiaries.
- Since its inception in Q1 2014, the LPMI has shown that private company enterprise value multiples have been less volatile than public company multiples and that earnings are the primary factor driving long-term value creation.

Q3 2026 LPMI: ENTERPRISE VALUE RESULTS

- Despite investor concerns around recent cash flow constraints, strong earnings led to an increase in enterprise values within both the private and public markets.
- Enterprise values of all EBITDA sizes tracked by the LPMI increased this quarter, though larger companies have outperformed smaller companies in recent years as the market has been largely risk-avoidant.

Q3 2026 LPMI: INDUSTRY BREAKDOWN ON AN ENTERPRISE VALUE BASIS

- Enterprise values of technology companies continued to partially recover from the February 2026 software sell-off; however, technology enterprise values have not yet fully recovered and lagged all other industries year-to-date.
- Enterprise values of companies within the energy sector continued to outpace all other sectors over the past twelve months as oil prices remain elevated and electricity demand for data center and physical AI expansion persisted.

IN SUMMARY, WE BELIEVE THE LINCOLN PMI:

- 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 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.

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METHODOLOGY:

Source of Data and Sample Size

Q3
2026

SOURCE OF DATA AND SAMPLE SIZE

On a quarterly basis, Lincoln determines the enterprise fair value of over 7,450 portfolio companies for over 250 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 LPMI, Lincoln selects a subsection of the companies valued each quarter, including private companies each generating earnings before interest, taxes, depreciation and amortization of less than $250.0 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/perspectives/an-overview-of-the-lincoln-private-market-index/**

INDEPENDENT ACADEMIC VALIDATION OF LINCOLN'S DATA

In January 2024, an Assistant Professor of Finance at Penn State University's Smeal College of Business conducted a study to evaluate the statistical significance of Lincoln's private market Database as compared to other independent sources, like Pitchbook, BDC Collateral and Preqin. The test was akin to an FDA pharmaceutical drug effectiveness test wherein Lincoln's data was tested in relation to the independent data sets, measuring overlap of deals detailed and congruency of reported terms. The results were robust and concluded that Lincoln's data was representative of the private debt universe, and comprehensive of sponsor backed deals, in particular. Lincoln's database featured 53% of reported private debt deals with terms in Pitchbook and 48% of sponsor backed deals with reported debt terms that appeared in BDC Collateral. However, beyond the abundance of pure deals, Lincoln's database goes a step beyond and includes vital operating performance figures from the portfolio company level that the other databases don't feature. Lincoln's data is more comprehensive, inclusive of enterprise value and financial performance metrics that allow for a much clearer picture of the state of the private markets.

7,450+

Portfolio companies are evaluated by Lincoln on a quarterly basis to determine their enterprise fair value

250+

Sponsors participate in LPMI (i.e. private equity groups & lenders to private equity groups)

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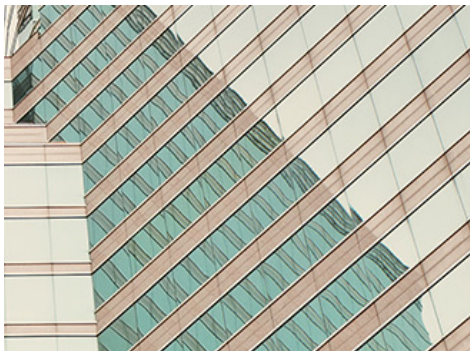
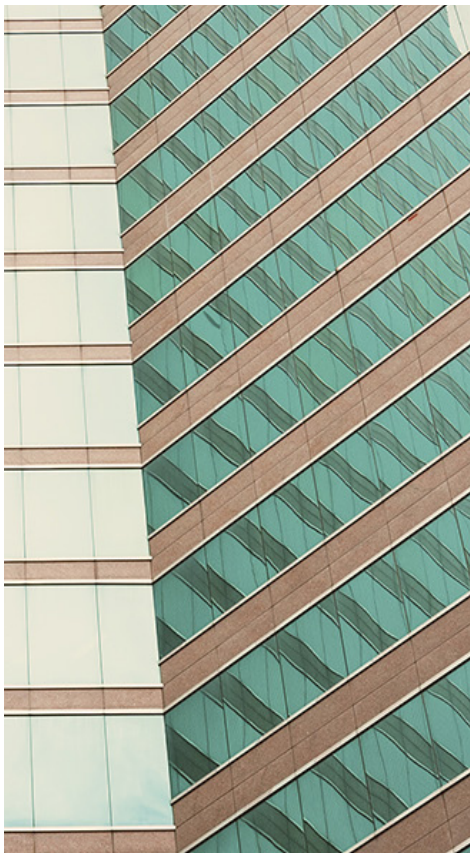
METHODOLOGY:

Academic Advisors







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.

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 the Deputy Dean for Faculty and Fuji Bank and Heller 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.

From 2018 to 2024 Professor Minnis was 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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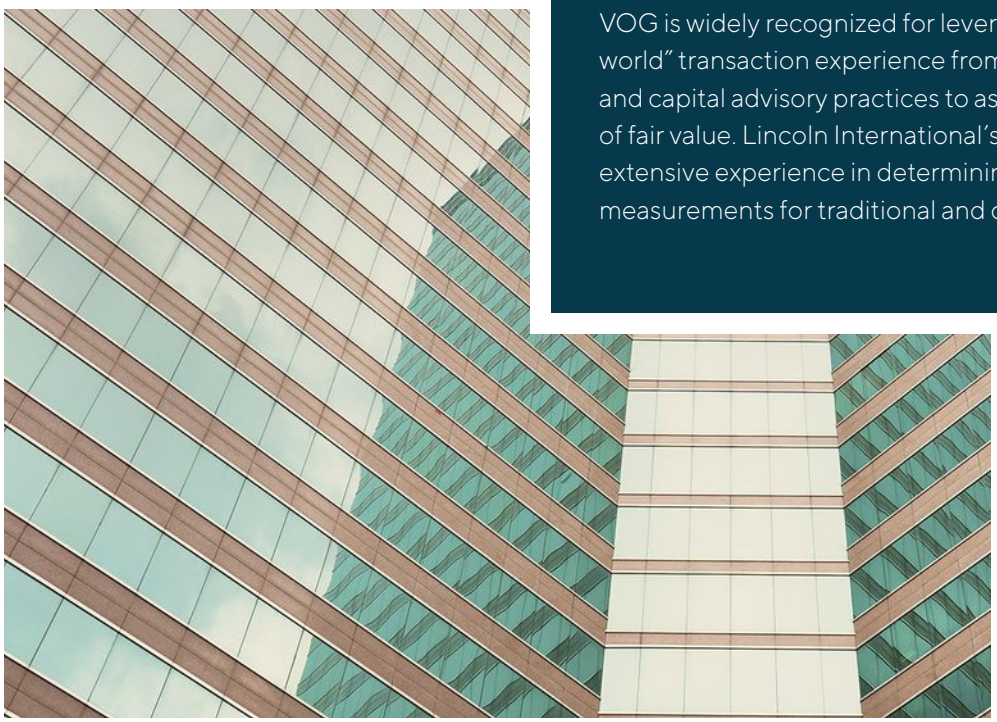
ABOUT LINCOLN INTERNATIONAL

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 1,400 professionals in more than 30 offices in 14 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.**

Lincoln International's Valuations & Opinions Group (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, it provides 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 mergers and acquisitions (M&A) and capital 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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