LINCOLN INTERNATIONAL

Q4 2025







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

LINCOLN PMI

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 (LPMI). Some of the statements within 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.

The LPMI should not be construed as an offer to sell or buy, or a solicitation to sell or buy, any products linked to the performance of the LPMI. The use of the LPMI in any manner, including for benchmarking purposes, is not endorsed or recommended by Lincoln International, and Lincoln International is not responsible for any use made of the LPMI. Lincoln International does not guarantee the accuracy and / or completeness of the LPMI, and Lincoln International shall not have any liability for any errors or omissions therein. None of Lincoln International, any of its affiliates or subsidiaries, nor any of its directors, officers, employees, representatives, delegates or agents shall have any responsibility to any person (whether as a result of negligence or otherwise) for any determination made or anything done (or omitted to be determined or done) in respect of the LPMI and any use to which any person may put the LPMI. Lincoln International has no obligation to update the LPMI and has no obligation to investors with respect to any product based on the performance of the LPMI. Any investment in such a product will not acquire an interest in the LPMI. Lincoln International is not an investment adviser and will not provide any financial advice relating to a product linked to the performance of the LPMI. Investors should read any such product offering documentation and consult with their own legal, financial and tax advisors before investing in any such product.

© 2026 Lincoln Partners Advisors LLC. All rights reserved. LINCOLN PRIVATE MARKET INDEX 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.









LINCOLN INTERNATIONAL







LINCOLN'S PMI EXHIBITED ANOTHER QUARTER OF STEADY GROWTH IN Q4 2025 FUELED BY EARNINGS GROWTH.

The Lincoln Private Market Index (PMI), the only index that tracks changes in the enterprise value of U.S. privately held companies, increased by 1.9% during the fourth quarter of 2025, driven by continued EBITDA growth as enterprise value multiples remained relatively stable since Q3 2025.

ABOUT THE LINCOLN PRIVATE MARKET INDEX

The Lincoln PMI 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 Lincoln PMI 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.

Lincoln designed the Lincoln PMI to solve this problem by measuring 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

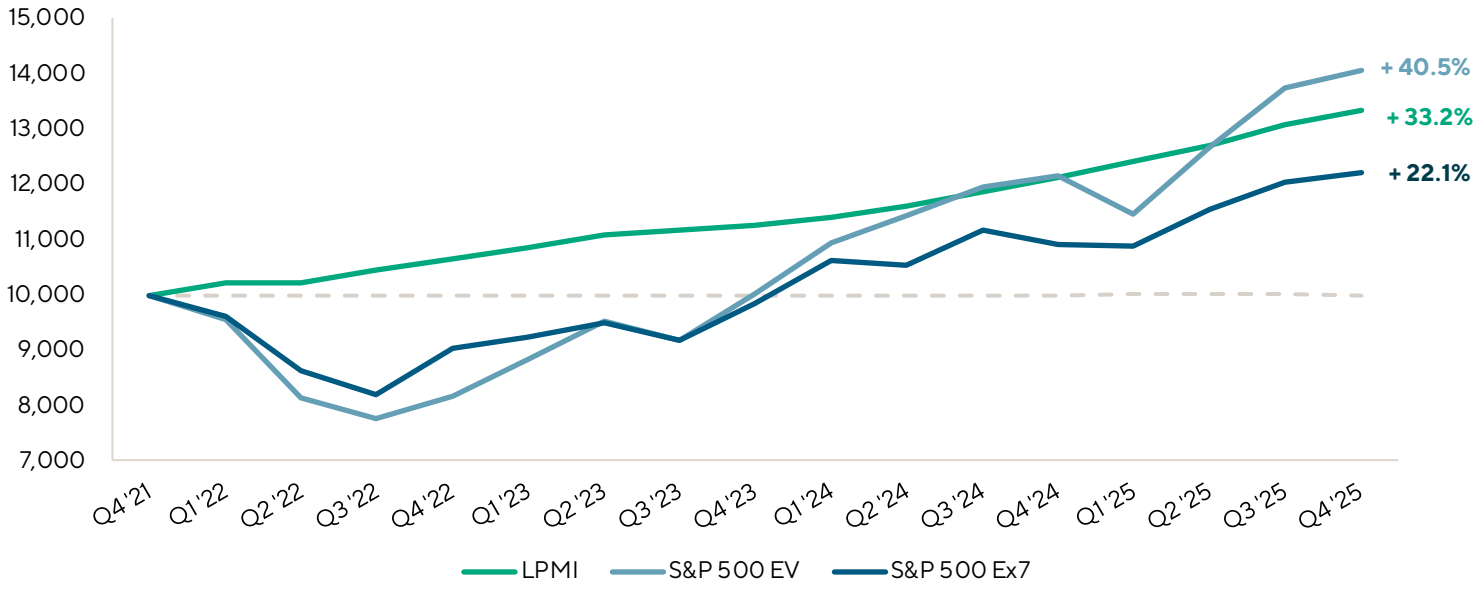
- 33rd Edition: Covers Q4 2025
- Measures quarterly changes in the enterprise values of ~1,500 private companies, based on a population of approximately 7,000+ companies primarily owned by private equity firms with a median EBITDA of ~$50-60 million
- Analyzes the impact from the change in a company's earnings versus its valuation multiple
- Assesses the change in value for six industry sectors

LINCOLN INTERNATIONAL

RESULTS:

Private Market Growth Remained Steady Despite Public Market Volatility

Q4
2025



(NOTE: Both the Lincoln PMI 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)

	Q4'25	YTD	CAGR Since Inception
LPMI	**1.9%**	**9.9%**	**7.8%**
S&P 500 EV	**2.3%**	**15.6%**	**10.6%**
S&P 500 Ex7 EV	**1.4%**	**11.9%**	**N/A**

The Lincoln PMI's quarter-over-quarter enterprise value increase of 1.9% slightly underperformed the S&P 500's increase of 2.3%. When excluding the "Magnificent Seven" from the S&P 500, which are less comparable to private market companies, the increase in enterprise value was less than that of the Lincoln PMI at only 1.4%. Public market enterprise value growth, both including and excluding the Magnificent Seven, was driven by performance improvement but offset by multiple contraction for the first time since Q1 2025; the same trend was true for the Lincoln PMI. Further, more than any point in history, the S&P 500 is highly concentrated to a few mega-cap stocks; conversely, the Lincoln PMI has no equivalent to any of the "Magnificent 7" and exhibits very low levels of concentration, further mitigating volatility.

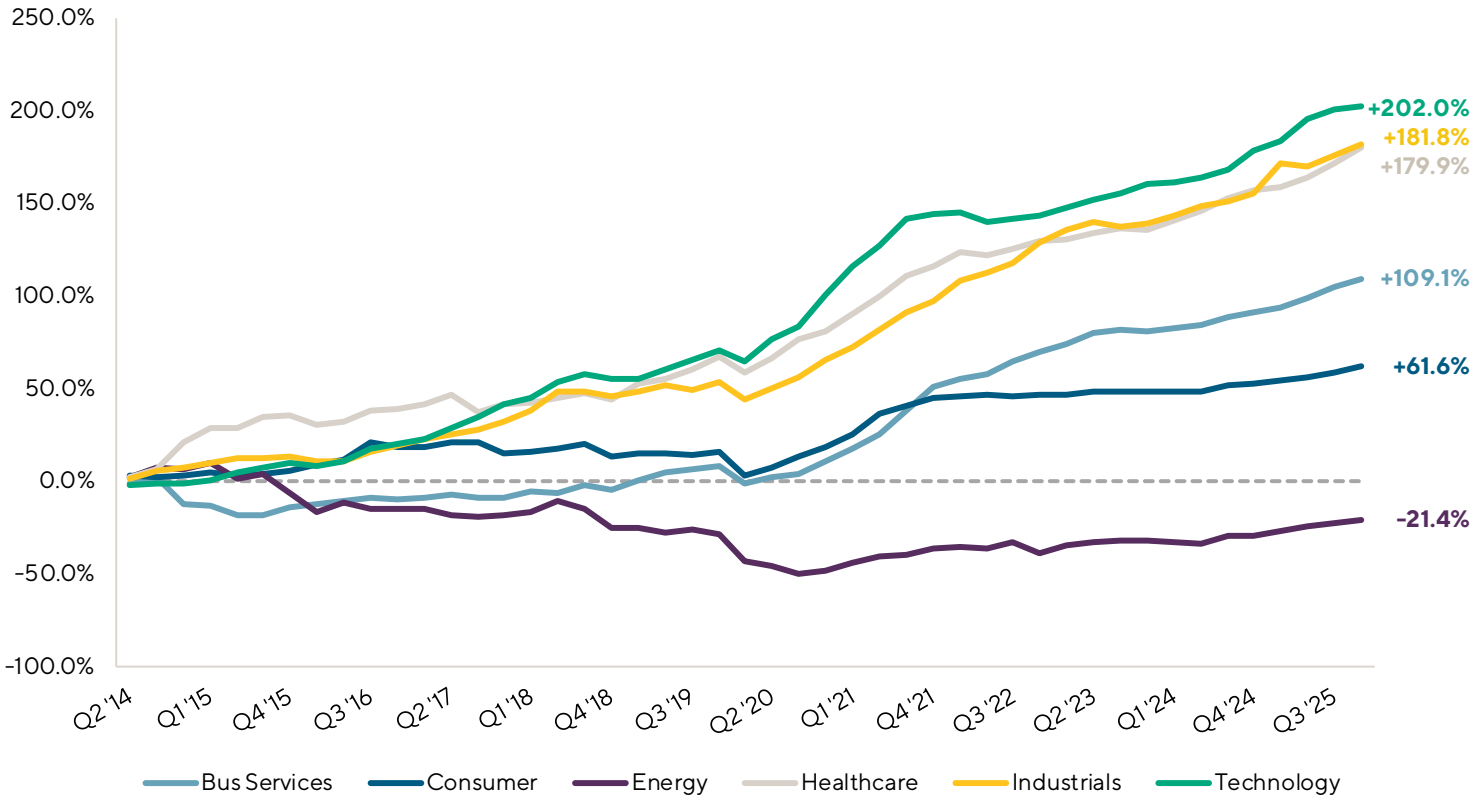
Although multiples were in aggregate relatively stable, "A-tier" assets continue to attract significant competition and garner record level multiples while "B-tier" assets were slow to come to market until late in the year. Further complicating the competitive landscape, sponsors looked to smaller deals to deploy capital amid competition for larger portfolio companies over the past few years. This momentum begs the question as to whether multiples will finally start rising for the average business next year.

LINCOLN INTERNATIONAL

SECTOR BREAKDOWN:

While Valuations Improved Across All Industries, Consumer Again Lagged the Rest

Q4
2025



Industry	Q4 '25	YTD
Business Services	**2.0%**	**9.3%**
Consumer	**1.9%**	**6.2%**
Energy	**1.3%**	**11.1%**
Healthcare	**3.2%**	**8.9%**
Industrials	**2.2%**	**10.6%**
Technology	**0.6%**	**8.6%**

Consumer companies lagged the broader index both this quarter and the totality of 2025 due to persistent inflation, macroeconomic uncertainty, and declining consumer confidence. Performance was further pressured by tariff policies enacted by the Trump administration which forced companies to reassess their supply chains and pass on to the end consumer much of the incremental cost. Combined with a higher interest rate environment, consumer companies saw higher a greater reliance of PIK interest and saw increases in loan-to-value (LTV) ratios.

Additionally, the technology sector slowed in Q4 and underperformed the broader index due to uncertainty around the sustainability of recurring revenue and competition from artificial intelligence following significant capital investments in AI businesses. In addition, investors began to question if valuations looked overextended, which led investors to seek safety by rotating into more defensive sectors such as healthcare and industrials.

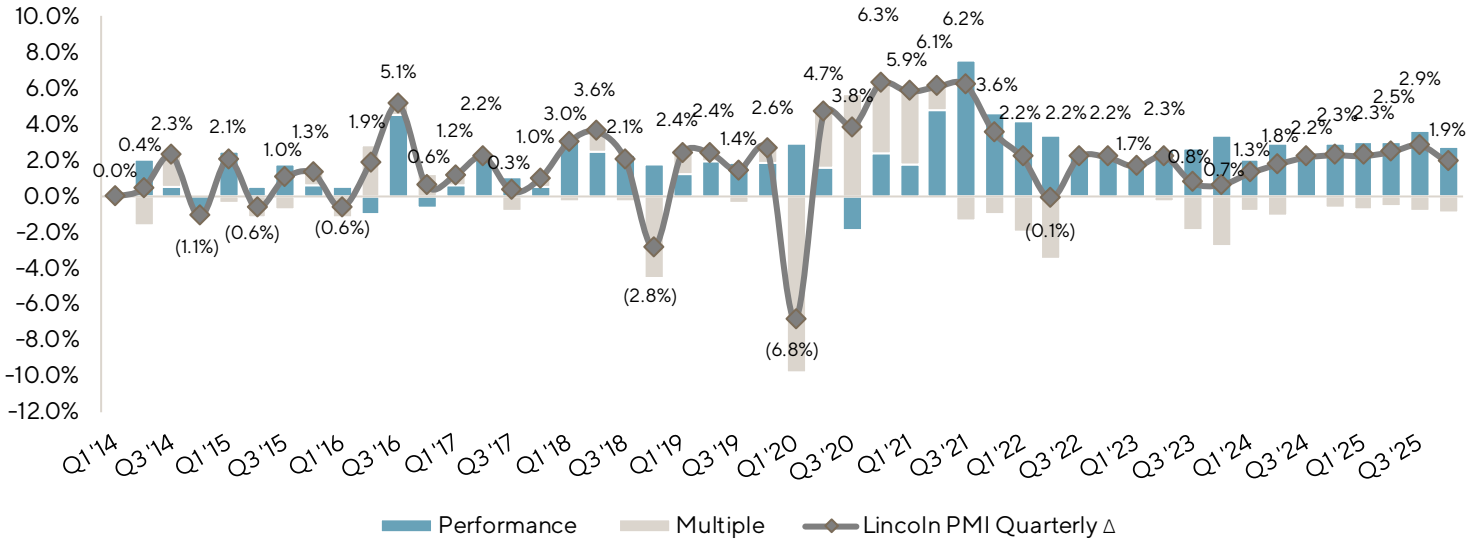
Industrials experienced above-average growth over the last 12 months, driven by renewed policy emphasis on reshoring U.S. manufacturing and supply chains under the Trump administration. In addition to the administrational push, elevated geopolitical tensions have reinforced bipartisan support for higher aerospace and defense spending.

LINCOLN INTERNATIONAL

EXAMINING THE LPMI:

EBITDA Multiples versus Earnings

Q4
2025



40%

Expansion of LPMI valuation multiples since Q2 2014

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

The Lincoln PMI saw the 21st consecutive quarter of earnings growth, driving the overall index growth as multiples remained steady since the prior quarter. Given Lincoln PMI's enterprise value growth remains driven by earnings, it is reasonable to expect it will continue to experience less volatility than the S&P 500, which is driven by swings in sentiment driving multiple changes.

"Private company enterprise value growth in Q4 was consistent with the rest of 2025 in that the growth was driven by an increase in earnings," 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 company enterprise value growth was less than that of the S&P 500 in Q4 and trailed the S&P enterprise value growth excluding the Magnificent 7 by just 2% in 2025, the LPMI's growth was almost entirely on the back of earnings growth whereas as the S&P 500 had a larger degree of multiple volatility driving its performance."

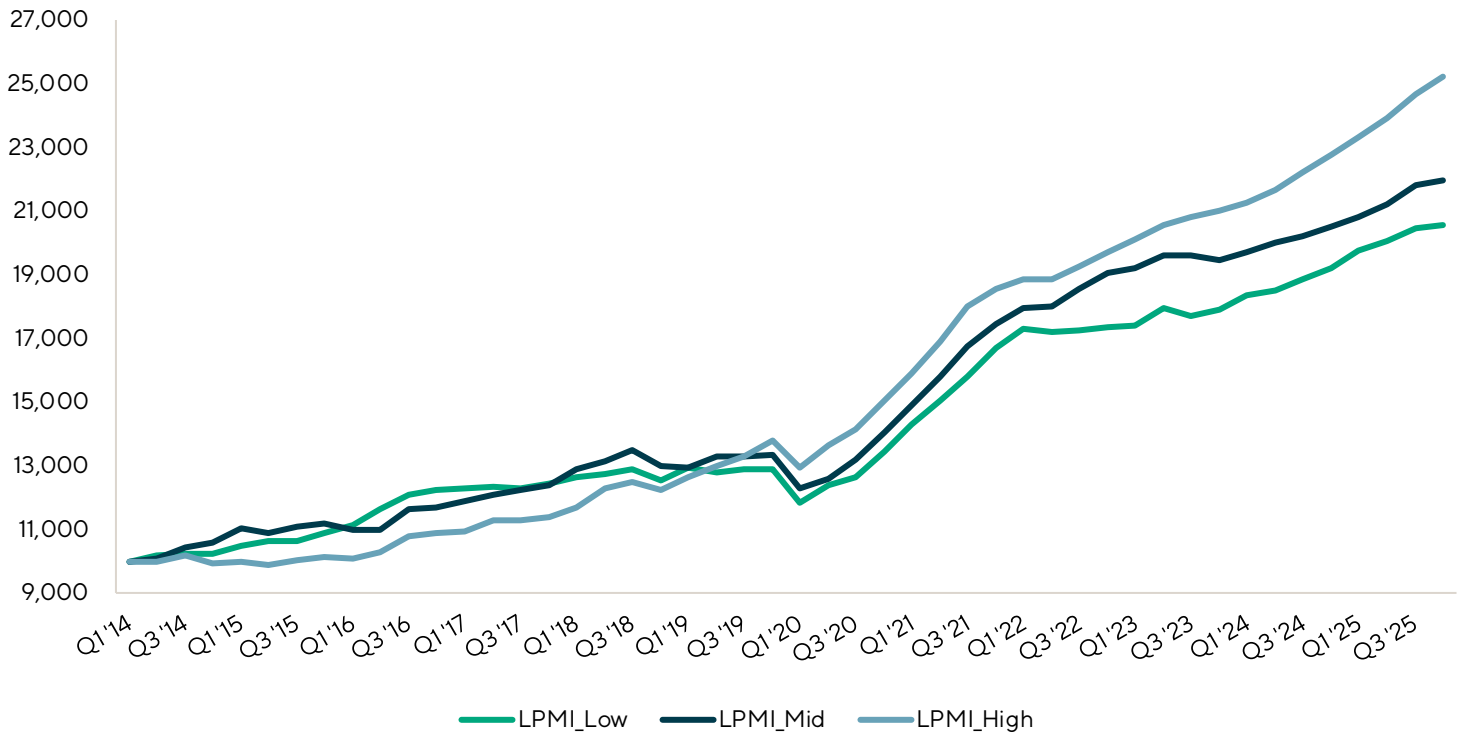
The percentage of private companies with EBITDA growth in the fourth quarter remained consistent at around two-thirds, and the magnitude of EBITDA growth for the full year of 2025 of 4.7% was favorable to 2024 of 3.5%. However, looking back across 2025, the magnitude of EBITDA growth steadily slowed from the beginning of the year as year-over-year LTM EBITDA growth declined from 6.5% in Q2 to 5.2% in Q3 and 4.7% in Q4. While EBITDA growth remains positive, this slowing growth may explain why Lincoln observed leverage increases of ~0.5x from a deal's inception to today across all vintages.

LINCOLN INTERNATIONAL

EXAMINING THE LPMI:

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

Q4
2025



(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 LTM EBITDA $50 million to $250 million)

For the fourth consecutive quarter, all size categories tracked by the Lincoln PMI grew in aggregate; however, the indices continue to see variability within performance trends and the movement of multiples.

While enterprise values increased amongst all size cohorts, larger companies (i.e. companies with EBITDA > $50 million) meaningfully outpaced their smaller counterparts. This dynamic can also be observed in public markets. Larger companies have been able to successfully handle inflationary pressures and have been insulated to a greater extent to tariffs than smaller companies. For these reasons, investors have sought out larger companies with more stable cash flows and lower idiosyncratic risk. Billion-dollar deals continue to take a larger share of the M&A market. Based on data from Lincoln's proprietary private market database, billion-dollar deals comprised approximately one-third of acquisitions in 2025, up from 25% in both 2024 and 2021.

LINCOLN INTERNATIONAL

SUMMARY:

Q4 2025 LPMI

Q4

2025

Q4 2025 LINCOLN PMI: GENERAL OBSERVATIONS

- Private company enterprise values increased for the 21st consecutive quarter as the Lincoln PMI increased 1.9%, driven by improved earnings.
- While the growth of the Lincoln PMI was similar to the S&P 500, it outperformed the S&P 500 after excluding the Magnificent 7, reflecting the greater diversification and smaller exposure to AI in the private markets.
- Since its inception in Q1 2014, the Lincoln PMI 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.

Q4 2025 LINCOLN PMI: ENTERPRISE VALUE RESULTS

- Although the rate of earnings growth slowed, earnings growth continued to drive the growth in the Lincoln PMI, suggesting that the index would remain less volatile than the public markets that experienced greater impacts from multiple changes.
- Large companies in the Lincoln PMI continued to drive overall index growth as smaller companies remain constrained by their less diversified business models and the risk-off sentiment from investors.

Q4 2025 LINCOLN PMI: INDUSTRY BREAKDOWN ON AN ENTERPRISE VALUE BASIS

- All six industries experienced enterprise value growth, although consumer companies continue to lag all other industries given the economic uncertainty and inflationary concerns.
- While technology companies experienced positive enterprise value growth over the last 12 months, the rate of growth continued to slow this quarter, perhaps signaling "risk-off" sentiment from investors amid growing AI fears and heightened ARR churn.

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.

LINCOLN INTERNATIONAL

METHODOLOGY:

Source of Data and Sample Size

Q4
2025

SOURCE OF DATA AND SAMPLE SIZE

On a quarterly basis, Lincoln determines the enterprise fair value of over 7,000 portfolio companies for over 225 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 Lincoln PMI, 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
http://www.lincolninternational.com/services/valuations-and-opinions/lincolnpmi

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.

7,000+

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

225+

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

LINCOLN INTERNATIONAL

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.

GLOBAL INDUSTRY GROUPS

Business Services

Consumer

Energy Transition, Power & Infrastructure

Financial Services

Healthcare

Industrials

Technology

ADVISORY SERVICES

Mergers & Acquisitions

Capital Advisory

Private Funds Advisory

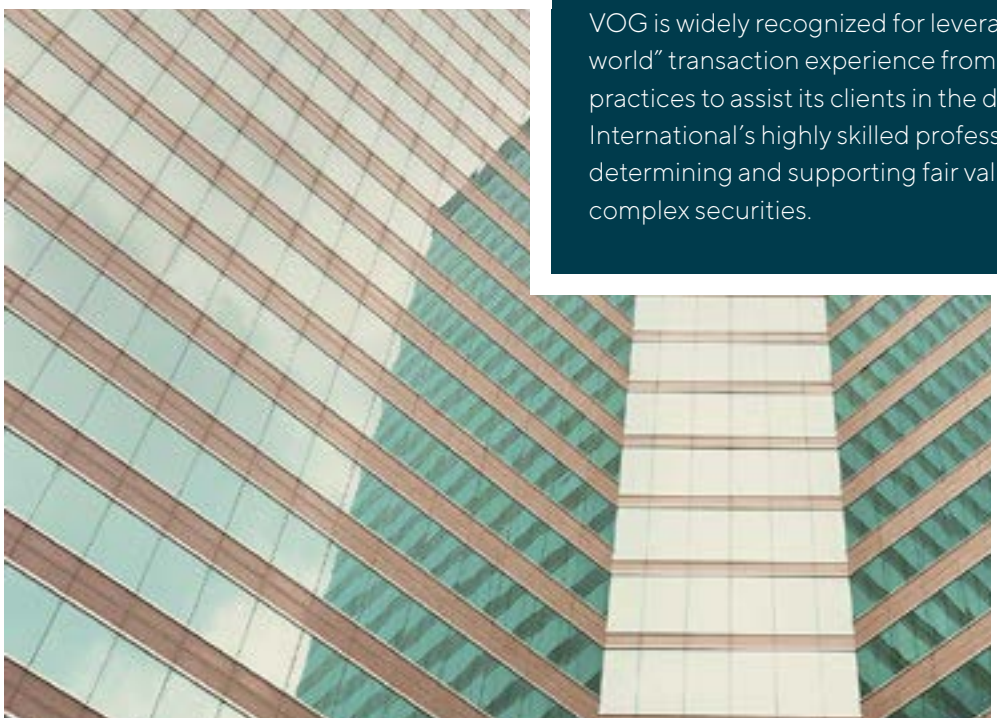
Valuations & Opinions

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 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.**

VOG is a leading independent valuation advisor to managers of illiquid assets and lenders to alternative assets funds. VOG specializes in in the valuation of illiquid debt, equity and derivative securities. Additionally, they provide 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 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.









LINCOLN INTERNATIONAL