



MIDDLE MARKET UPDATE

Q2 2021

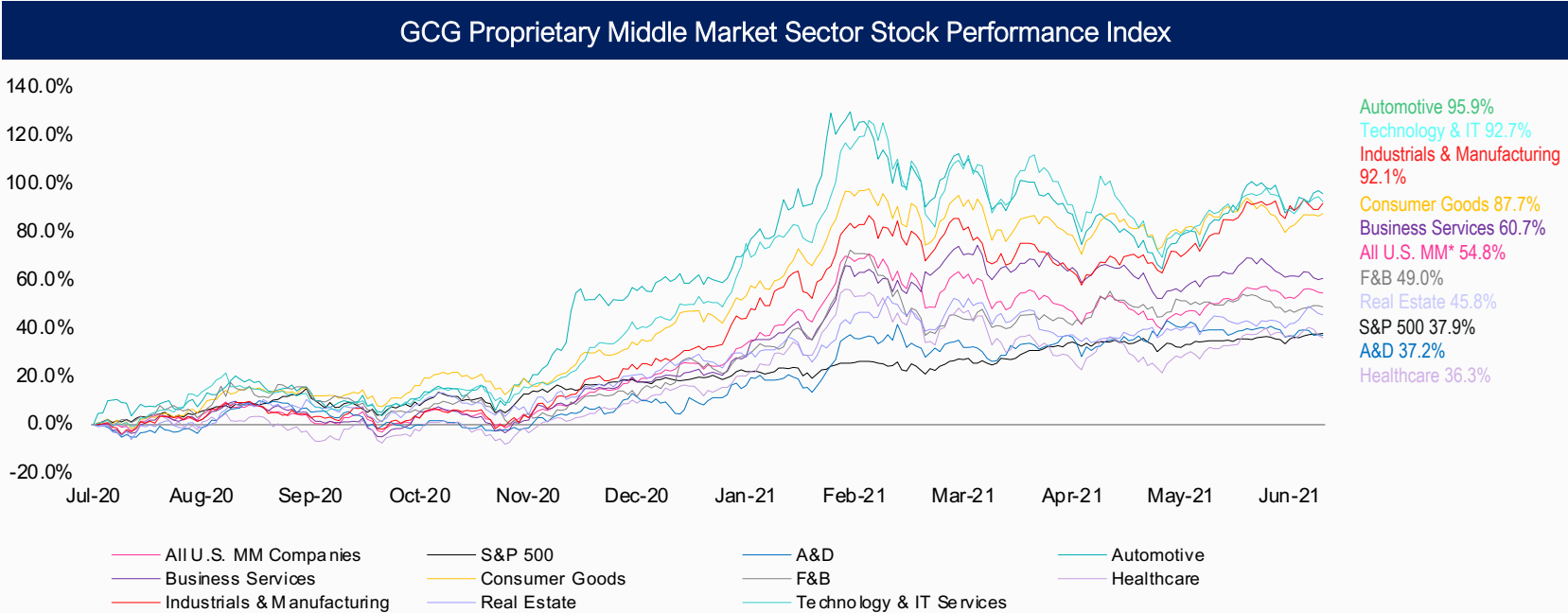


GREENWICH
CAPITAL GROUP

GCG Middle Market Update | Q2 2021

GCG Public Company Index Market Performance

GCG's proprietary middle market industry sector performance index has continued to show positive results in all industries as the market continues to recover from the pandemic. All middle market sectors, except for A&D and Healthcare, outperformed the large cap stocks as measured by the S&P 500 index. The S&P 500 index had a total annual return of positive 37.9% as of June 2021. The relative overall return for the middle market based on our index was an impressive 54.8% for the 12-month period, which is not as impressive as the ~99% growth seen in Q1 but still an impressive improvement. Automotive led the middle market over the past 12 months at 95.9% while the Healthcare sector was the worst performing sector at 36.3% in the same 12-month period. For the second quarter in a row, the small cap stock sector outperformed the large cap stock sector.



Source: S&P Capital IQ and GCG Proprietary Research, all values based on publicly available data as of 6/30/2021
 Note: Benchmark index for comparison is All U.S. MM Companies, MM defined as average enterprise value in 2020 between \$10M and \$500M

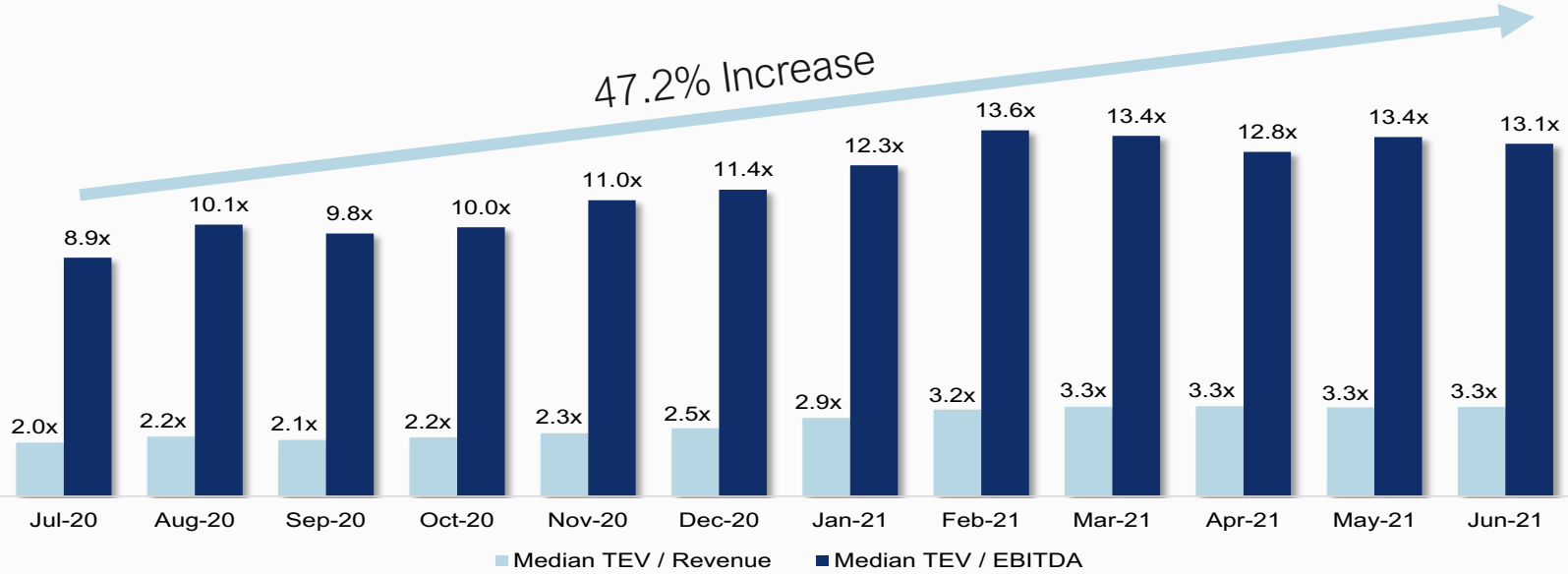


GCG Middle Market Update | Q2 2021

GCG Public Company Index Trading Multiples

The median quarterly middle market public company revenue and EBITDA multiples have generally increased since July 2020, through 2020 and into February 2021, representing an increase of 52.8%. The median revenue and EBITDA multiples have since leveled out to more sustainable levels of 3.3x and 13.1x, respectively in June 2021. As a result, EBITDA multiples have grown at only a somewhat less impressive 47.2% over the last 12 months. At its 2020 low in April 2020, EBITDA multiples decreased to 7.3x, about two and a half turns from January and the start of 2020. As of June 2021, the median EBITDA multiple has increased nearly six turns since April 2020. This means current multiples are higher than they were pre-pandemic and represents a dramatic shift in valuations in 2021.

All U.S. Middle Market Company Index Trading Multiples



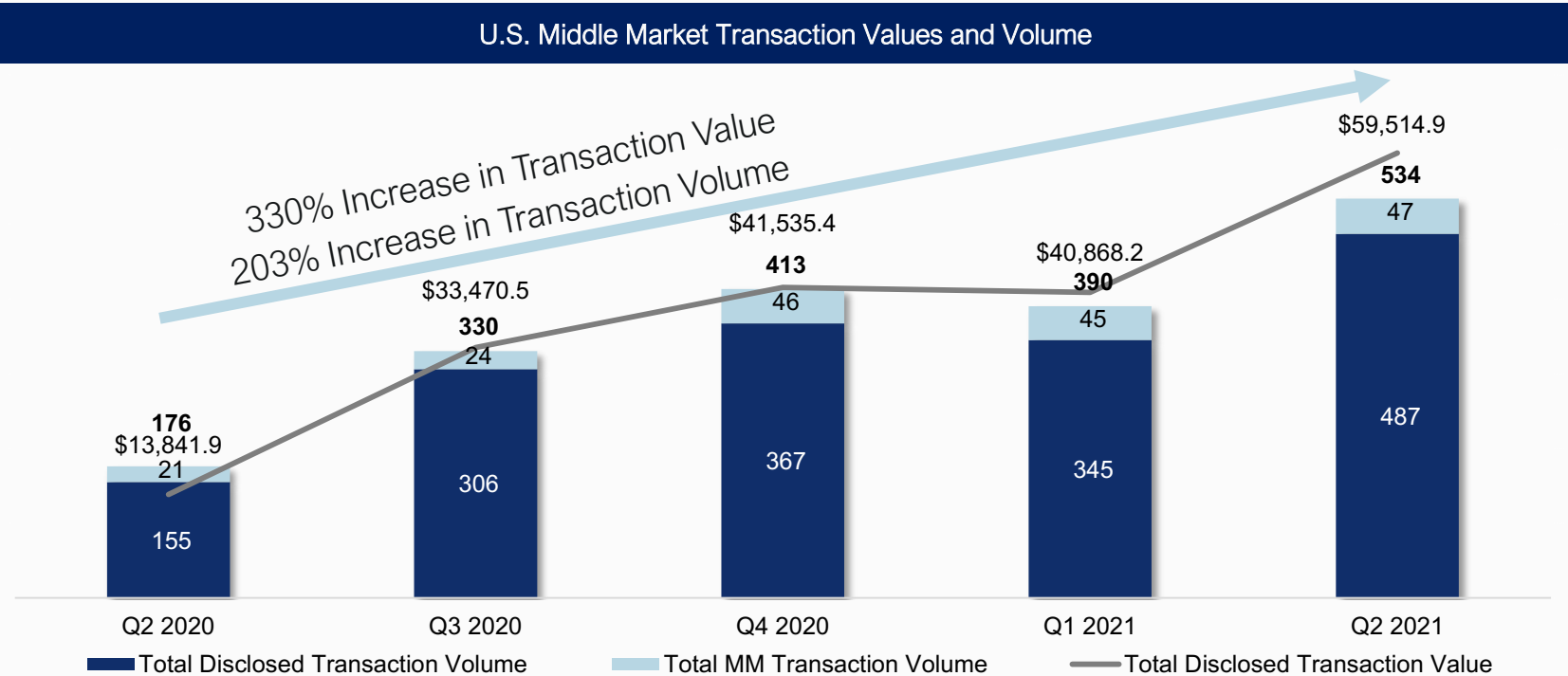
Source: S&P Capital IQ and GCG Proprietary Research
Note: All values based on publicly available data as of 6/30/2021



GCG Middle Market Update | Q2 2021

Middle Market M&A Activity

Middle market public and private company transaction deal value and volume for Q2 2021 were the highest of the past 11 quarters. Compared to Q1, values and volume grew 45.6% and 36.9%, respectively. On a year-over-year basis, Q2 2021 value and volume grew 330% and 203%, respectively. The large decline in 2020 was due to the uncertainty of the COVID-19 virus and the economic impact on target companies and acquirers alike. By Q4 2020 much of the uncertainty of the pandemic had cleared and deal making activity resumed. Activity slowed in Q1 2021, however, when rioters broke into the U.S. Capitol and some of the previous years' uncertainty returned. Deal activity is still expected to continue at a strong pace throughout 2021 as interest rates stay low, the amount of uninvested capital stands at an all-time high, and deals put on pause in 2020 continue to be brought back to market as we saw in Q2.



Source: S&P Capital IQ, all values based on publicly available data as of 6/30/2021
 Note: M&A excludes private placements, MM defined as transactions with either value or revenue between \$10 and \$500M and therefore does not include transactions excluding this information. All deal-related figures exclude real estate deals.



GCG Middle Market Update | Q2 2021

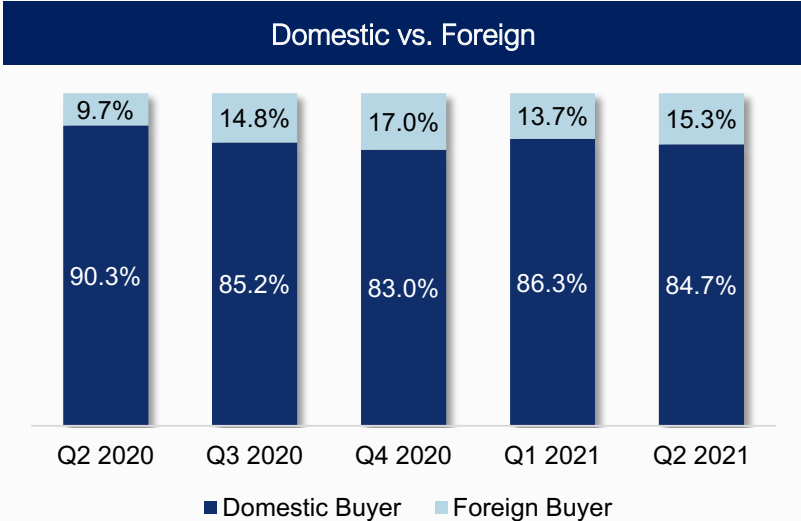
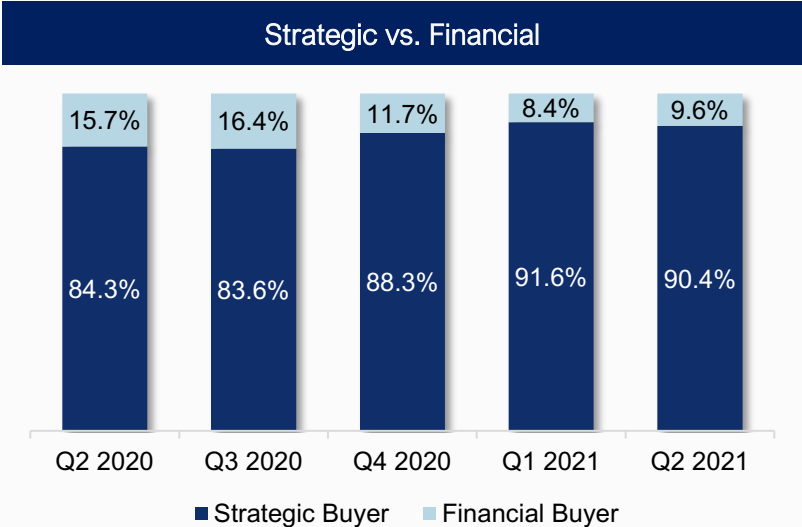
Middle Market M&A Buyer Analysis

Strategic acquirers continue to dominate middle market M&A activity, accounting for 90.4% of Q2 2021 deal flow, with financial buyers representing 9.6%. This is the second highest quarter of the past five (since Q1 2020) for strategic activity and the second lowest for financial.

Domestic buyers in Q2 represented 84.7% of middle market M&A activity, a decrease from Q1 2021. It is the second lowest month for middle market domestic buyers' activity over the past five quarters and second highest for foreign. As uncertainty around global trade and the pandemic continues, domestic buyers are expected to continue their dominant position. However, the uncertainty and slowing of the global economies also makes the U.S. an attractive investment location.

Q2 2021
Transaction Volume:
534

Q2 2021
Monthly Average Volume:
178



Source: Capital IQ and GCG Proprietary Research



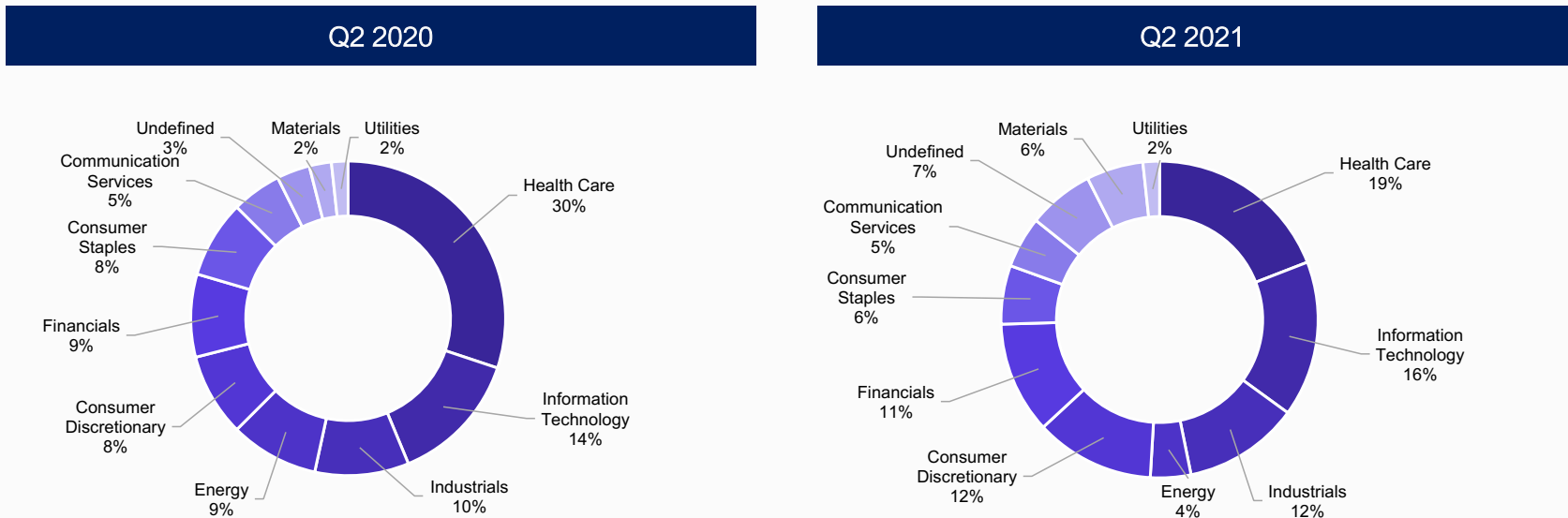
GCG Middle Market Update | Q2 2021

Middle Market M&A Sector Activity

Q2 deal activity by sector was substantially different from Q2 2020 in terms of the sectors with the most market share. Healthcare was the dominant sector at 19% of middle market transactions announced and closed in Q2 2021. This is a large decrease from the 30% level seen in 2020 and represents a positive sign for investors' appetites. The second largest sector in 2020 after Healthcare, Information Technology, was still the second largest in Q2 of 2021. The three largest sectors after Healthcare in 2020, Information Technology, Industrials and Energy accounted for a collective 33% of all middle market deals in Q2 2020 compared to 32% in Q2 2021.

A few other industry sectors became more prominent on the deal front over the past year. Looking at 2021 vs 2020 data shows that the Information Technology, Industrials, Consumer Discretionary, Financials, and Materials sectors increased their share of deal activity as a percentage of the overall market with positive changes between +2% and +4% with the increases in Consumer Discretionary and Materials being the largest. The remaining sectors decreased between 2% and 11% with the decline in Healthcare being the largest.

Each sector has been impacted uniquely by external factors including interest rate changes, global economic activity, trade wars, political challenges, supply chain issues as a result of the pandemic and changing governmental policies.



Source: Capital IQ and GCG Proprietary Research

Note: The monthly average number of transactions in Q2 2020 was 59 and in Q2 2021 was 178.



GCG Middle Market Update | Q2 2021

Public Comparable Companies

The top three companies as measured by average enterprise value in 2021 are presented below for each of our proprietary sectors. These tables reflect various performance metrics for the listed companies such as share price movement, LTM margins and total enterprise value to LTM revenue and EBITDA figures.

Company Name	Enterprise	Share	Price Change		LTM Margins		TEV / LTM:	
	Value (\$mils)	Stock Price	3 month	12 month	Gross	EBITDA	Revenue	EBITDA
A&D								
National Presto Industries, Inc.	\$610.37	\$102.95	0.3%	20.0%	23.7%	16.6%	1.7x	10.0x
Park Aerospace Corp.	190.54	15.06	9.1%	39.6%	28.5%	17.8%	4.1x	23.2x
Air T, Inc.	162.47	24.55	3.5%	110.2%	16.2%	(3.4%)	0.9x	NM
Mean	\$321.13	\$47.52	4.3%	56.6%	22.8%	10.3%	2.2x	16.6x
Median	\$190.54	\$24.55	3.5%	39.6%	23.7%	16.6%	1.7x	16.6x
Automotive								
P.A.M. Transportation Services, Inc.	\$553.34	\$53.05	(16.2%)	75.0%	23.0%	18.7%	1.1x	5.8x
Horizon Global Corporation	501.11	8.60	(16.3%)	242.6%	19.3%	4.3%	0.7x	16.6x
Miller Industries, Inc.	398.73	39.74	(15.2%)	40.0%	11.7%	7.1%	0.6x	8.7x
Mean	\$484.39	\$33.80	(15.9%)	119.2%	18.0%	10.0%	0.8x	10.4x
Median	\$501.11	\$39.74	(16.2%)	75.0%	19.3%	7.1%	0.7x	8.7x
Business Services								
StoneMor Inc.	\$596.75	\$2.65	36.6%	249.5%	53.4%	6.6%	2.0x	31.0x
Willdan Group, Inc.	589.75	38.72	(9.0%)	56.3%	35.9%	1.7%	1.6x	94.1x
Mistras Group, Inc.	553.02	10.00	(14.5%)	175.5%	34.1%	6.7%	0.9x	14.1x
Mean	\$579.84	\$17.12	4.4%	160.4%	41.2%	5.0%	1.5x	46.4x
Median	\$589.75	\$10.00	(9.0%)	175.5%	35.9%	6.6%	1.6x	31.0x

Note: MM public companies are defined as having enterprise value between \$10 and \$500M. Companies as measured by average enterprise value between Jan-2020 and Dec-2020



GCG Middle Market Update | Q2 2021

Public Comparable Companies

Company Name	Enterprise	Share	Price Change		LTM Margins		TEV / LTM:	
	Value (\$mils)	Stock Price	3 month	12 month	Gross	EBITDA	Revenue	EBITDA
Consumer Goods								
Loral Space & Communications Inc.	\$1,201.49	\$39.65	3.5%	101.0%	0.0%	NA	-	NM
J.Jill, Inc.	655.78	20.73	108.3%	492.6%	60.9%	(4.1%)	1.4x	NM
Biglari Holdings Inc.	488.08	780.11	12.9%	140.0%	34.6%	15.6%	1.2x	8.0x
Mean	\$781.78	\$280.16	41.6%	244.5%	31.8%	5.7%	1.3x	8.0x
Median	\$655.78	\$39.65	12.9%	140.0%	34.6%	5.7%	1.3x	8.0x
F&B								
Village Super Market, Inc.	\$640.32	\$23.80	(1.0%)	(11.1%)	28.0%	2.9%	0.3x	11.0x
Limoneira Company	473.47	17.92	3.5%	27.4%	6.2%	(0.6%)	2.8x	NM
Alico, Inc.	400.73	35.05	18.8%	10.8%	21.8%	26.3%	4.0x	15.1x
Mean	\$504.84	\$25.59	7.1%	9.0%	18.6%	9.5%	2.4x	13.1x
Median	\$473.47	\$23.80	3.5%	10.8%	21.8%	2.9%	2.8x	13.1x
Healthcare								
Harvest Health & Recreation Inc.	\$1,989.64	\$4.11	36.2%	356.9%	47.6%	6.0%	7.2x	119.8x
SI-BONE, Inc.	902.29	31.89	1.6%	96.1%	88.1%	(48.9%)	11.7x	NM
Scholar Rock Holding Corporation	757.35	29.53	(36.7%)	69.2%	62.6%	(627.9%)	50.2x	NM
Mean	\$1,216.43	\$21.84	0.4%	174.1%	66.1%	(223.6%)	23.0x	119.8x
Median	\$902.29	\$29.53	1.6%	96.1%	62.6%	(48.9%)	11.7x	119.8x

Note: MM public companies are defined as having enterprise value between \$10 and \$500M. Companies as measured by average enterprise value between Jan-2020 and Dec-2020



GCG Middle Market Update | Q2 2021

Public Comparable Companies

Company Name	Enterprise	Share	Price Change		LTM Margins		TEV / LTM:	
	Value (\$mils)	Stock Price	3 month	12 month	Gross	EBITDA	Revenue	EBITDA
Industrials & Manufacturing								
Bonanza Creek Energy, Inc.	\$1,550.94	\$49.57	29.6%	227.2%	81.8%	36.6%	6.7x	18.3x
Gatos Silver, Inc.	1,012.88	17.61	67.9%	-	0.0%	NA	-	NM
Forum Energy Technologies, Inc.	344.99	24.25	23.7%	139.0%	(1.1%)	(29.7%)	0.8x	NM
Mean	\$969.60	\$30.48	40.4%	183.1%	26.9%	3.5%	3.7x	18.3x
Median	\$1,012.88	\$24.25	29.6%	183.1%	0.0%	3.5%	3.7x	18.3x
Real Estate								
FRP Holdings, Inc.	\$622.97	\$56.36	14.6%	38.5%	28.9%	30.2%	36.7x	121.6x
The RMR Group Inc.	556.04	39.62	(4.3%)	37.8%	100.0%	46.6%	3.4x	7.3x
Tejon Ranch Co.	427.82	15.38	(8.5%)	7.6%	8.2%	(2.9%)	11.1x	NM
Mean	\$535.61	\$37.12	0.6%	28.0%	45.7%	24.6%	17.1x	64.4x
Median	\$556.04	\$39.62	(4.3%)	37.8%	28.9%	30.2%	11.1x	64.4x
Technology & IT Services								
Axway Software SA	\$789.91	\$33.30	0.4%	271.4%	16.2%	6.9%	0.7x	10.6x
Eastman Kodak Company	751.15	8.32	2.5%	64.3%	13.5%	10.3%	2.2x	21.0x
International Money Express, Inc.	643.49	15.27	(0.4%)	23.0%	22.4%	5.3%	2.0x	37.3x
Mean	\$728.18	\$18.96	0.8%	119.6%	17.4%	7.5%	1.6x	23.0x
Median	\$751.15	\$15.27	0.4%	64.3%	16.2%	6.9%	2.0x	21.0x

Note: MM public companies are defined as having enterprise value between \$10 and \$500M. Companies as measured by average enterprise value between Jan-2020 and Dec-2020



GCG Middle Market Update | Q2 2021

More about Greenwich Capital Group

Greenwich Capital Group (“GCG”) is a middle market focused advisory firm offering a range of investment banking and consulting services to private companies, public companies and private equity investors. Our senior bankers have held leadership positions at global investment banking firms, bringing a wealth of experience to each of our clients. GCG operates with the highest integrity, providing credibility and an excellent client service experience through our proven transaction process. These core values are the common thread in establishing our extensive relationships with privately held businesses, private equity investors and publicly traded companies. With each engagement, GCG’s senior bankers have a common goal. We strive to build relationships by representing our clients’ long-term interests in order to earn ultimately their trust. It is our privilege to be called trusted advisors in the middle market.

For additional perspective or to discuss M&A related opportunities in the middle market, please reach out to GCG’s CEO and Managing Director, Bob Coury. For more information, please visit www.greenwichgp.com.



Bob Coury

CEO &

Managing Director

rcoury@greenwichgp.com

O: (248) 480-2031

M: (313) 919-3811

Data Sources: We have based our findings on data provided by industry recognized sources. Data and information for this publication was collated from the S&P Capital IQ database. For more information on this or anything else related to our research, please email info@greenwichgp.com.

Disclaimer: This publication contains general information only and Greenwich Capital Group, LLC is not, by means of this publication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser. Greenwich Capital Group, LLC shall not be responsible for any loss whatsoever sustained by any person who relies on this publication.