MONOMOY CAPITAL PARTNERS

SECOND HALF 2025

Business Development Update

Monomoy is pleased to release the sixth consecutive edition of its semi-annual Business Development update. Compiled exclusively using data from Beacon, our proprietary deal sourcing platform, the report provides an overview of current M&A conditions and industry trends, highlighting key developments from 2025 and expectations heading into the new year.

Overall deal flow in 2025 declined by 10% compared to 2024, with activity down 12% when comparing 2H'25 against 2H'24 ("2H year-over-year") and down 17% versus 1H'25 ("half-over-half"). These trends reflect broader macro-driven pressures across the middle-market private equity landscape. Uncertainty at the macro level and challenging operating conditions across many pockets of the economy contributed to lower transactable supply, elongated diligence periods and persistent valuation disconnects. A greater proportion of processes stalled, repriced or were deferred as sellers adjusted expectations and buyers prioritized capital preservation and selective diligence. Importantly, while aggregate deal volume modestly declined, opportunity mix shifted meaningfully in 2025. Reduced sponsor sell-side activity was partially offset by an increase in non-sponsor-driven processes, particularly public company take-privates, corporate carveouts and distressed situations.

While approximately two thirds of the industries we track saw year-over-year declines in deal launch volume, several industries bucked the trend and delivered meaningful outperformance in 2025 relative to 2024. Paper & Forest Products (+100%), Environmental Services (+79%) and Packaging (+59%) were notable outperformers, while Building Products (-31%) and Consumer Products (-23%) saw declines. Deal activity was also uneven across size categories, reflecting continued bifurcation in the market. Larger deals increased on both a year-over-year and half-over-half basis, while mid-size and smaller opportunities declined across both periods. Within this dynamic, deal activity skewed toward larger assets, with volume in the $35–$50 million EBITDA range increasing 64% on a second-half year-over-year basis, while activity for businesses generating $15 million of EBITDA or less declined by 25%.

Leveraging historical data from Beacon, a few trends stand out:

- Deal activity for $50M+ EBITDA opportunities reached a 2-year-high, up 11% year-over-year
- Packaging deal flow reached a 4-year-high in 2025
- 3 industries hit a 4-year-low in deal activity in 2025 (Natural Resources & Materials, Building Products and Outdoor Products)

Readers of this report will be familiar with our "Broken Auction" statistics. "No-trade" rates, as measured on both an LTM and trailing three-year basis, continue to approach historical highs. Through September 2025, 49% of platform deals pursued by Monomoy at the IOI stage over the trailing twelve months did not close, compared to 44% on a trailing three-year basis.

A detailed distribution of broken auctions by size and industry over the past three years is provided on page two of this report. Over the last three years, an interesting barbell pattern emerges: larger transactions (+$50M of EBITDA) and smaller transactions (<$15M of EBITDA) exhibit the lowest no-trade rates, while mid-sized deals had comparatively higher no-trade rates.

This barbell distribution became more pronounced over the last twelve months, as 64% of assets in the $35–$50M EBITDA range did not close. This represents an 18% increase over the three-year no trade rate for the same size band.

Turning to the outlook, the total number of deals included in the Monomoy Deal Compass — our forward-looking view of potential deals expected to come to market — declined by 17% half-over-half and 7% 2H year-over-year. This reduction likely reflects diminished market confidence in the face of continued macro uncertainty, trade policy changes and uneven operating performance appear to be leading some sellers to delay launch decisions. As a result, near-term deal flow entering 2026 may remain constrained until conditions stabilize and sellers gain greater clarity on earnings and financing environments.

While visibility into near term launches is muted, this dynamic could evolve rapidly as the year progresses and businesses begin to show signs of relative performance over comparable prior year periods. Certain sectors are already showing early momentum. The volume of Industrial Services deals tracked through our Deal Compass has increased steadily, up 86% across 2H year-over-year, reflecting continued sponsor interest in defensively positioned, service-oriented businesses. Similarly, our forward pipeline of packaging opportunities shows signs of recovery, with volume increasing 47% across the same period, supported by improving demand stability and a more normalized operating environment.

In contrast, several consumer-facing sectors continue to struggle. Consumer Products activity declined materially, and our forward pipeline volume is down 58% year-over-year and 50% half-over-half. This trend aligns with broader concerns around pressured consumer spending, uneven demand and margin volatility, which continue to weigh on seller confidence and delay process launches across the consumer landscape.

Since our last report, Monomoy has announced two new transactions including the platform acquisitions of McKenzie, a North Carolina-based designer and manufacturer of taxidermy supplies and architectural décor products. We completed an add-on acquisition of Dave Carter & Associates, a leading distributor of electrical, plumbing and building supplies serving the recreational vehicle and manufactured housing industries, for our existing platform, Thetford. With Fund V in deployment, we remain focused on manufacturing, distribution and services businesses where our operational approach can create tangible value. We are encouraged by the opportunity set ahead and remain focused on deploying capital thoughtfully and decisively as market conditions evolve.

OVERALL DEAL FLOW

ACROSS OWNERSHIP 2024 VS 2025

ACROSS EBITDA RANGES 2024 VS 2025

ACROSS INDUSTRIES 2024 VS 2025

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The Monomoy Deal Compass

OUR FORWARD-LOOKING PIPELINE WHICH TRACKS POTENTIAL DEALS WE EXPECT TO COME TO MARKET IN THE NEXT 12 MONTHS

- 16% Packaging
- 14% General Industrials
- 10% Building Products
- 9% Food & Beverage
- 7% Industrial Services

Stat of the Half

30%

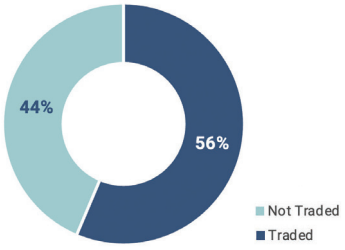
Increase in Public Company Opportunities Over 3-Year Avg

Public company deal flow increased meaningfully in 2025, with the volume of investment opportunities increasing 30% over our three-year average and 18% over 2024. This increase highlights continued strategic activity taking place in the public markets, driven in part by activist shareholders and an evolving macro backdrop.

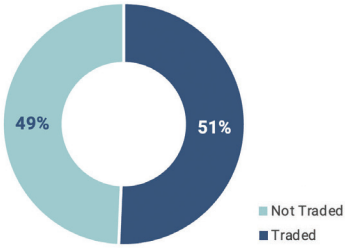
Beacon Insights

Analyzing trends across transactions where Monomoy submitted an IOI*

THREE YEAR HISTORICAL BUSTED AUCTION RATE

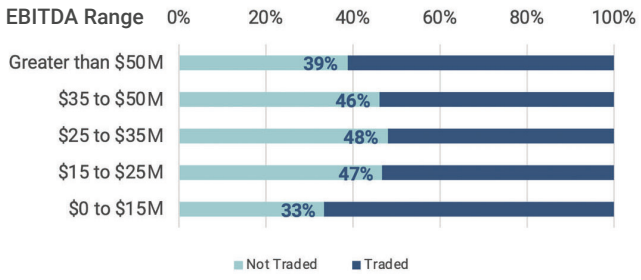


LTM BUSTED AUCTION RATE

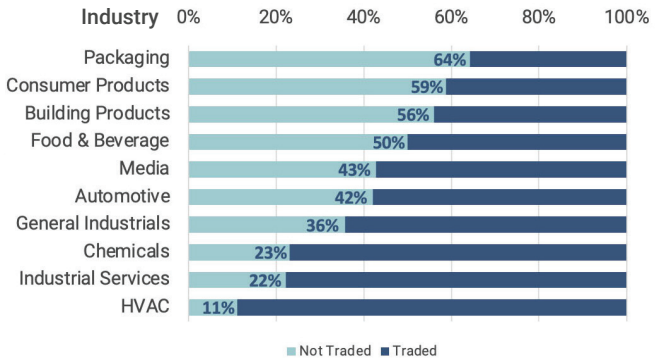


Additional Detail Related to Broken Deals Over the Trailing 3 Years

BROKEN DEALS BY SIZE



BROKEN DEALS BY INDUSTRY



*Indicates transactions where Monomoy submitted an IOI; utilizing data through September 30, 2025, allowing a 3-month lag

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Helping Middle-Market Businesses Achieve Sustainable Success

Monomoy invests in family- and founder-owned businesses, corporate carve-outs, take-private and sponsor-owned businesses in the industrial and consumer sectors of North America, with a specific focus on the end markets below:

- Aerospace & Defense
- Building Products
- Chemicals
- Commercial Vehicle
- Paper, Packaging, Forest Products
- Consumer-Enthusiast Brands
- Automotive
- Food & Beverage
- HVAC
- Industrials
- Infrastructure, Power & Utilities
- Power Sports & Recreation
- Industrial, Environmental & Infrastructure Services

Current Portfolio

McKenzie Creative Brands Consumer-Enthusiast Brands HQ: Salisbury, NC *Founder-Owned*	OLIVER Food Packaging & Equipment HQ: Walker, MI *Corporate Carveout*	Southern Exteriors Residential Exterior Services HQ: Jackson, GA *Founder-Owned*	waupaca Iron Castings Supplier HQ: Waupaca, WI *Corporate Carveout*
Envirotech Services, Inc. Road Surface Products & Services HQ: Greeley, CO *Founder-Owned*	Japs-Olson Company Direct Mail & Custom Print HQ: St. Louis Park, MN *Family-Owned*	VALTIR A TIER ABOVE Highway Safety Products HQ: Dallas, TX *Corporate Carveout*	THETFORD RV & Marine Products HQ: Etten-Leur, NL *Family-Owned*
CAST-CRETE Specialty Building Materials HQ: Seffner, FL *Sponsor-Owned*	Artesian Spas Outdoor Living HQ: Las Vegas, NV *Family-Owned/ESOP*	LIBERTY Branded Consumer Safes HQ: Payson, UT *Corporate Divestiture*	osborn Industrial Brushes HQ: Richmond, IN *Take-Private*
milsco Seating Systems HQ: Milwaukee, WI *Take-Private*	MAC PAPERS + PACKAGING Paper & Packaging HQ: Jacksonville, FL *Family-Owned*	Kaufman Engineering Wire Connectors HQ: Lebanon, IN *Family-Owned*	edsal Home Improvement HQ: Chicago, IL *Family-Owned*

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The Monomoy Sweet Spot

$100M to $2B+
ANNUAL REVENUE

$20M to $200M+
ANNUAL EBITDA

Business Development Team

For more insights about our report, or to discuss a deal,
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