

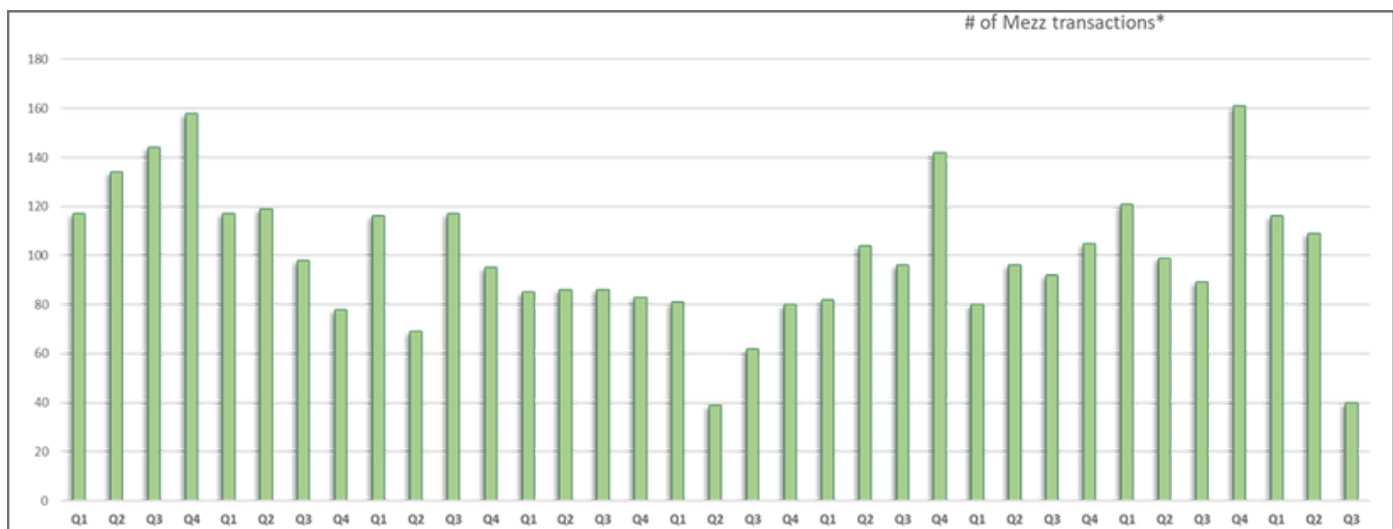
# Sutton Place Strategies

## Mezzanine Market Perspective

Q3 2024

### Breaking Down the Market

In Q2 2024 **109** deals including mezzanine debt closed, a **6%** decrease from the **116** mezzanine deals closed in Q1 2024. First half mezzanine activity increased approximately **2%** YoY from **220** deals in 2023, to **225** deals in 2024. Private equity deal volume for the same period mirrored the modest increase in mezzanine deal activity, increasing **1%** from **2,561** deals in 2023, to **2,582** deals in 2024. Out of the **107** mezzanine deals that closed in Q2 2024, **37** deals were buyouts, **51** were minority financings, **19** were sponsor-backed add-ons, and **2** were recaps. The most common industries in total M&A activity for the quarter were **Technology, Industrials, Business Services, and Consumer**, respectively.



### Notable Transactions

In July, **AEA Investors** provided mezzanine notes and an equity co-investment to support **LFM Capital**-backed **Weller Metalworks**' acquisition of **DROP Sprockets**, a manufacturer of customizable, made-to-order sprockets. **Fort Capital Partners** served as the seller's financial advisor, and **Farris LLP** served as the seller's legal advisor. **Aleutian Capital Partners** served as the buyer's financial advisor.

In August, **Brookside Capital Partners** provided subordinated debt and an equity co-investment to support **Fort Point Capital**'s acquisition of **NewBold**, a provider of managed technology services. **Artisan Investment Banking** and **Metz Lewis** provided sell-side financial advisory and legal advisory services, respectively. **Forvis Mazars** and **Akerman** provided buy-side accounting advisory and legal advisory services, respectively. **Old Second National Bank** invested senior debt in support of the acquisition.

## Notable Transactions (Cont.)

**Falfurrias Capital Partners** acquired **Snak-King**, a manufacturer of private-label and co-manufactured shelf stable snacks, in August. **Churchill Asset Management** invested subordinated debt and equity in support of the acquisition. **Intrepid Investment Bankers** served as the seller's financial advisor, and **Sheppard Mullin Richter & Hampton** served as the seller's legal advisor. **William Blair** served as the buyer's financial advisor, and **K&L Gates** served as the buyer's legal advisor.

In September, **Northstar Capital** provided a mezzanine debt and an equity co-investment to support **Northern Legacy's** acquisition of **Parallel Technologies**, a provider of physical security, IT smart hands, smart building solutions, and wireless communications.

In August, **Ironwood Capital** provided a subordinated debt and minority equity investment to support **Standard Iron & Wire Works'**, a portfolio company of **Owner Resource Group**, acquisition of **Helgesen Industries**, a manufacturer of engineered fluid conditioning tanks and other complex fabrications.

**PNC Mezzanine** invested subordinated debt to support **Clean Team's** acquisition of **Duncan & Sons Building Maintenance**, a provider of commercial janitorial and facilities maintenance services, in August. **Three Sixty Seven Advisors** provided sell-side financial advisory services.

**Midwest Mezzanine** and **Oxer Capital** invested subordinated debt and equity to support **Leelanau Private Capital's** acquisition of **Chippewa Concrete Services**, a specialty concrete contractor for critical roadway, street, and highway infrastructure, in July.

**NewSpring Mezzanine Capital**, **Farragut Capital Partners**, and **Salem Investment Partners** invested subordinated debt and equity in support of **Progress Equity Partners'** acquisition of **Salisbury Moore**, a provider of renovation and remodeling services for hotels, in August.

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