



Market Update

January 2024

Los Angeles
San Francisco
Charlotte
Chicago
New York

intrepidib.com
310.478.9000

*A member of MUFG, a
global financial group.
Member FINRA/SIPC*

Five Things to Consider if Raising Capital in 2024

1

Be Ready to Opportunistically Time Market Conditions

- ✓ Macro and geopolitical tensions keep investor sentiment highly fragile; favorable issuance windows may be short-lived
- ✓ Prospective borrowers / issuers may benefit from early legwork – thus reducing “time-to-market” when capital is needed

2

There's Plenty of Dry Powder, but it's Increasingly Selective

- ✓ Investors are ever more discerning when deploying capital; be prepared for deeper and more invasive diligence processes
- ✓ While pristine businesses are garnering competitive interest, complex stories are requiring more concessions from issuers

3

Go Broad – No Two Capital Providers are Alike

- ✓ Private credit and structured equity continue to attract new players - each with a unique approach toward capital deployment
- ✓ Creative solutions are key to getting deals done in the current environment; broad processes ensure no stone is left unturned

4

Seek Opportunities to Preserve Cash

- ✓ Lenders are hyper-focused on deteriorating interest coverage ratios and will thoroughly scrutinize cash flow forecasts
- ✓ In a higher-for-longer rate environment (SOFR > 4%), non-cash interest optionality may be critical to balance sheet health

5

Expect More Calls from Asset-Based Lenders

- ✓ Capital continues to funnel into asset-based finance as allocators seek to diversify lending strategies and hedge inflation risks
- ✓ As traditional lenders / banks pull back, private credit is stepping in to aggressively take wallet share

Structuring highly competitive processes to navigate current market conditions and find the perfect capital source continues to be critical. Intrepid brings a full arsenal of resources to help clients achieve their capital raising goals.

Insights from Our Capital Markets Strategy Team at MUFG

Summary Conclusions for 2024

Global Economy in 2024

Global GDP Growth



Global Inflation



US GDP Growth



US Inflation



US Unemployment



China GDP Growth



Japan GDP Growth



EU GDP Growth



India GDP Growth



Global Trade Volumes



Earnings & Deal Activity in 2024

S&P 500 Earnings



Global M&A Volumes



USD IG Issuance



USD HY Issuance



Equity & IPO Volumes



Global Markets in 2024

UST Rates



IG Credit Spreads



HY Credit Spreads



US Dollar



Oil Prices

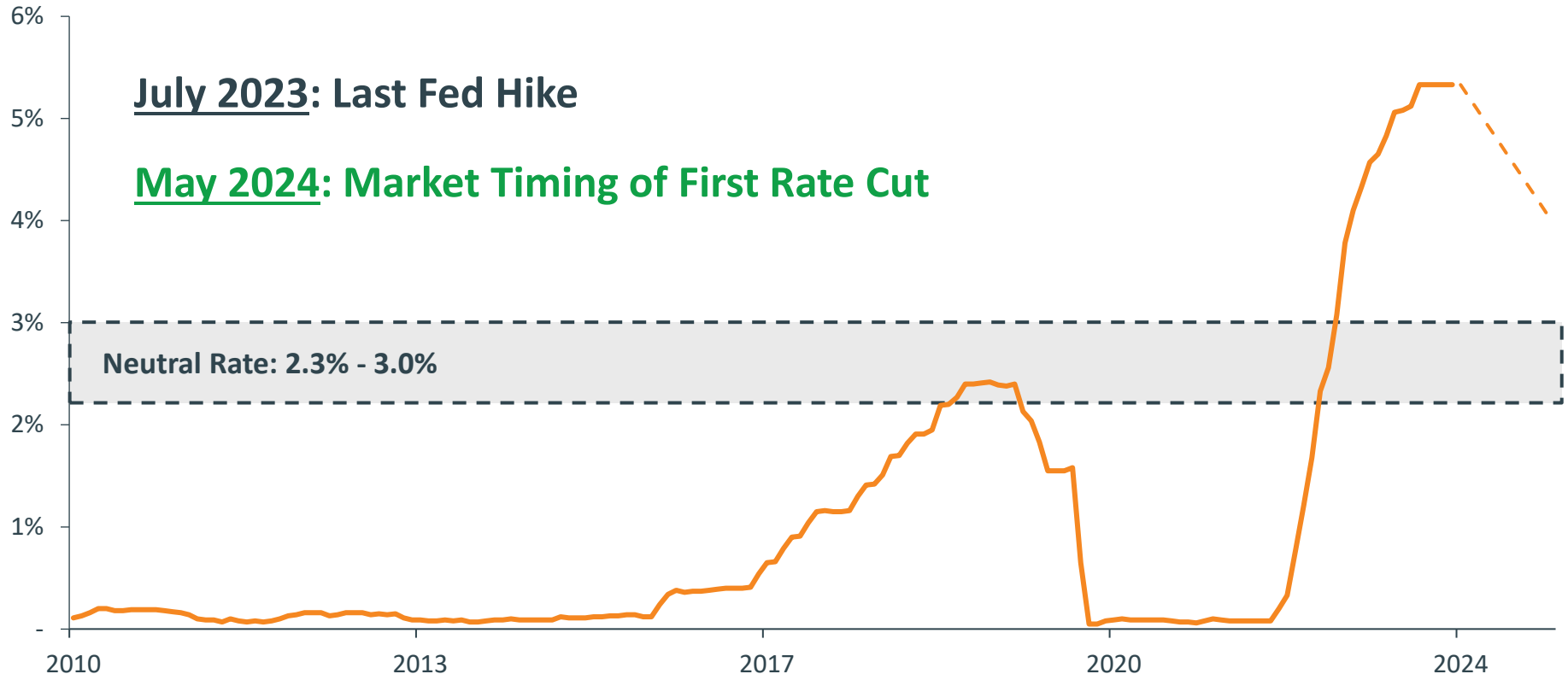


Insights from Our Capital Markets Strategy Team at MUFG (cont'd)

Fed Pivot to Monetary Easing in 2024



Fed Funds Rate



As the Fed pivots toward easing by mid-year, look for lower UST yields to drive a higher pace of fund flows into corporate credit.

Intrepid Capital Advisory Group: Deals of the Year

	2023	2022	2021	2020	2019
Intrepid Client					
Lender(s)	 FIRMAMENT				
Industry	Healthcare	Residential Services	Beauty & Personal Care	Digital Media	Marketing Services
Transaction Type	Senior Secured Loan	Senior Secured Loan	Unitranche	Subordinated Debt	Unitranche
Uses of Funds	Acquisition Financing	Debt Refinance Growth Capital Dividend	Debt Refinance Growth Capital	Growth Capital Bridge to Sale	Debt Refinance Growth Capital
	2018	2017	2016	2015	2014
Intrepid Client					
Lender(s)	 		 	 	 
Industry	Transportation	Digital Media	Industrials	Consumer Technology	Business Services
Transaction Type	Revolver & Senior Term Loan	Revolver & Senior Term Loan	Senior Term Loan & Mezzanine	Revolver & Subordinated Debt	Revolver & Growth Equity
Uses of Funds	Debt Refinance Dividend	Debt Refinance Growth Capital	Management Buyout	Debt Refinance Turnaround Financing	Growth Capital

Team Biographies



Jonathan Zucker

Managing Director

JZucker@IntrepidIB.com

(m) 310-505-6594

Jonathan is the Head of the Capital Advisory Group at Intrepid. He is responsible for advising entrepreneurs and private equity investors on raising institutional debt and equity capital for a variety of uses such as funding growth, acquisitions, recapitalizations or working capital.

During his more than 20-year career in finance, Jonathan has been involved in a wide range of capital transactions, from IPOs to early-stage venture financings. He has executed capital raises for companies across a diverse set of industry sectors, including consumer, digital media, technology, business services and industrials.

Prior to joining Intrepid, he served as Vice President and Head of the Los Angeles office of U.S. Capital Partners, a direct lender and provider of capital-raising advisory services to middle-market companies. Previously, he worked at Credit Suisse and FBR & Co., in addition to co-founding NotTV Network, a digital media company focused on live entertainment.

An accomplished songwriter and musician, Jonathan is a former voting member of the Recording Academy and a board member of In the Band, a nonprofit organization dedicated to bringing mobile music education programs to community centers and schools throughout Los Angeles. He is also a board member of the Los Angeles chapter of the Association for Corporate Growth, a global network of middle-market dealmaking professionals. He is a graduate of the Wharton School of the University of Pennsylvania.



Boris Zikratov

Vice President

BZikratov@IntrepidIB.com

(m) 310-493-2634

Boris is a Vice President in the Capital Advisory Group at Intrepid, where he primarily advises business owners on raising institutional financing throughout the entire capital structure. He is also active in special situations and M&A transactions across select industry verticals.

Over the past decade, Boris worked on a broad range of strategic transactions, including initial public offerings, mergers, acquisitions, divestitures, recapitalizations, and bankruptcy proceedings. His industry expertise includes agriculture, food, consumer goods, retail, media/entertainment, and industrials.

Prior to joining Intrepid, Boris was a Senior Director at Sierra Constellation Partners, a middle-market advisory firm focused on operational and financial restructuring. Previously, Boris worked for five years in Morgan Stanley's investment banking division in Los Angeles and London. He started his career at a Russia-focused investment bank in Moscow.

In his free time, Boris is an avid forager (an expert in wild mushrooms and berries). He also dabbles in a variety of adventure sports such as snowboarding, surfing, paddleboarding, and mountain biking. Golf is on his wish list. He is a graduate of Georgetown University.

Team Biographies (cont'd)



Stephen Senior

Analyst

SSenior@IntrepidIB.com

(m) 310-654-2841

Stephen joined Intrepid's Capital Advisory Group in 2022, after obtaining his Master's in Finance from the University of Colorado Boulder. Stephen is active on a range of mandates across industry verticals and transaction structures throughout the capital structure. Stephen's industry experience includes healthcare, biotech, manufacturing, consumer goods, and business services.

Prior to graduate school, Stephen worked in Fort Worth, Texas as a Business Development Manager at CSI Oil & Gas. Stephen consulted with engineering, geological, and finance professionals at private equity backed and middle-market exploration oil and gas companies.

In his time at Texas Christian University, Stephen was a member of the varsity men's golf team. He graduated with a B.B.A in Entrepreneurial Management and a minor in Energy. He is a 75-HARD finisher, house-music producer, DJ, golfer, hiker, snowboarder, and surfer.



Jonty Nobbs

Analyst

JNobbs@IntrepidIB.com

(m) 310-505-6596

Jonty joined Intrepid in 2023 as an analyst in the Capital Advisory group. He is active on transactions across industry verticals and throughout the capital structure. Prior to joining the firm, he was an investment banking analyst at CBRE Capital Advisors in New York City.

Over his career, Jonty has worked on a range of corporate transactions including mergers, acquisitions, recapitalizations, debt and equity capital raises, fund placement and valuation opinions. His industry experience includes agriculture, consumer goods, real estate, industrials & business services and software.

Jonty attended Carnegie Mellon University, where he graduated with a B.S. in Business Administration. At Carnegie Mellon, Jonty was a member of the varsity men's soccer team and the Tartan Athlete Fellowship, a student-athlete led philanthropy and community engagement group.

In his free time, Jonty enjoys playing and watching soccer and spending time with his family in Truckee, California and Cape Town, South Africa.

OUR VALUES

- ✎ We always place the client first.
- ✎ We strive for excellence in everything we do.
- ✎ Integrity and tenacity is coded in our DNA.
- ✎ We treat everyone with respect because that's how we were brought up.
- ✎ Our passion drives outsized results.
- ✎ We use creativity to deliver exceptional results—our clients built great businesses by challenging convention.
- ✎ Winning is important to us—being the best means beating the competition.
- ✎ Objectivity lets us be true to ourselves and our clients.
- ✎ If we don't have fun, it's hard to take work seriously.

INVESTMENT BANKING SERVICES

MERGERS & ACQUISITIONS

Sell-side Advisory
Buy-side Advisory

CAPITAL ADVISORY

Debt Financing
Equity Financing
Special Situations

INDUSTRIES

Beauty, Personal Care & Wellness
Commercial & Consumer Technology
Digital Media & Entertainment
Food, Beverage & Agriculture
Healthcare
Industrials & Business Services
Lifestyle Brands
Software & Services
Toys & Giftware



Investment banking services offered by Intrepid Investment Bankers LLC (Intrepid), member FINRA/SIPC, and member of MUFG, a global financial group. This document and any other materials accompanying this document (collectively, the "Materials") are provided for general information purposes. By accepting the Materials, the recipient(s) thereof acknowledges and agrees to the matters set forth below in this notice. Intrepid makes no representations or warranties, express or implied, as to the accuracy, fairness or completeness of the information in the Materials. Information in the Materials is preliminary and is not intended to be complete, and such information is qualified in its entirety. Any opinions or estimates contained in the Materials represent the judgment of Intrepid at this time and are subject to change without notice. The Materials are not an offer to sell, or a solicitation of an offer to buy, the securities or instruments named or described herein.

The Materials are not intended to provide, and must not be relied on for, accounting, legal, regulatory, tax, business, financial or related advice or investment recommendations. No person providing any Materials is acting as fiduciary or advisor with respect to the Materials. You must consult with your own advisors as to the legal, regulatory, tax, business, financial, investment and other aspects of the Materials.

Mergers & Acquisitions | Capital Advisory

Los Angeles | San Francisco | Charlotte | Chicago | New York | intrepidib.com | 310.478.9000

A member of MUFG, a global financial group. Member FINRA/SIPC