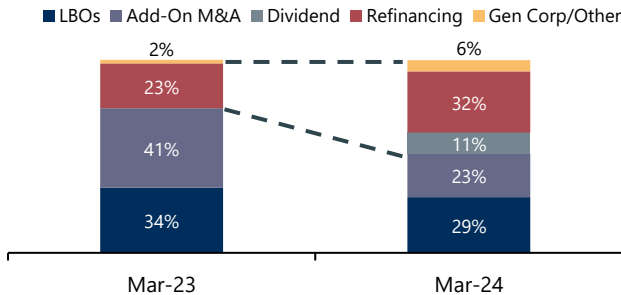


**A Rosy Mother's Day Outlook for Credit Markets!** Middle market companies may find this an opportune window to take advantage of family-friendly spreads and nurturing lenders eager to deploy capital. With deal activity ramping up, we're seeing more inquiries for refinancings and dividend recaps – both from borrowers in need of a solution and lenders seeking new credit exposure. This is in stark contrast to where we were 12 months ago.

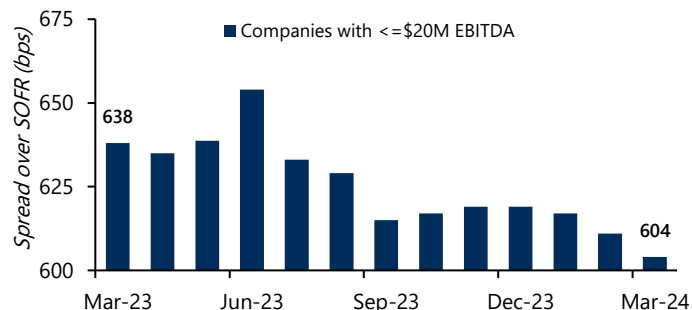
- Non-M&A debt deals now constitute roughly 50% of middle market private credit activity (vs ~25% a year ago)
- Refinancings are most common and dividend recaps are finally back en vogue
- Notwithstanding a higher-for-longer base rate environment, credit spreads continue to tighten, indicating investor optimism in the economy. For lower middle market issuers, typical direct lending spreads are nearing 600bps

## A Paradigm Shift in Middle Market Private Credit

### Non-M&A Debt Financing is ~50% of New Issuance



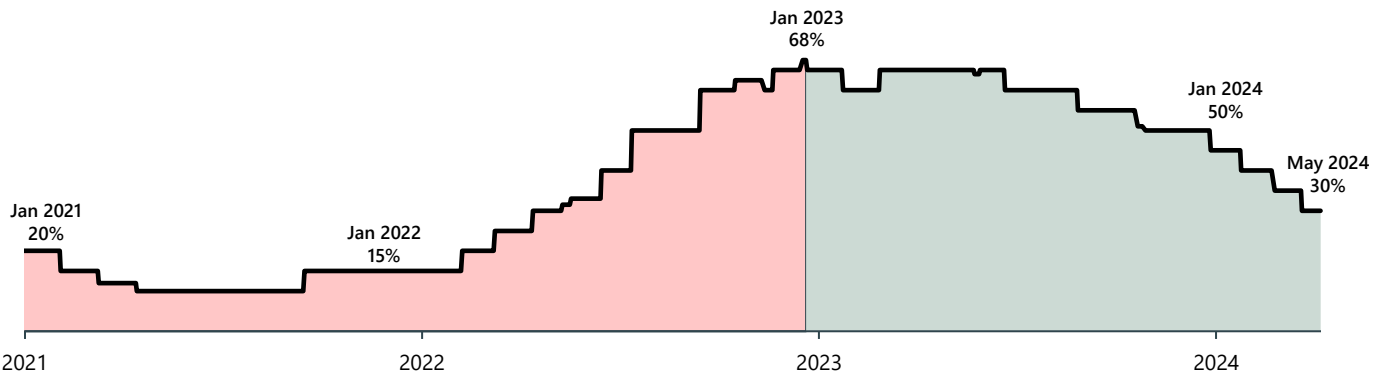
### Lower Middle Market Spreads Down ~34bps Y/Y



Source: KBRA, Pitchbook LCD

## Proprietary Insights from Our Colleagues at MUFG

*"Based on Bloomberg surveys of approximately 60 economists, expectations of 12-month US recession risk have continued to move lower and lower over the last 18 months."*



MUFG Capital Markets Strategy

Intrepid's Capital Advisory Group enables founders, management teams, and financial sponsors to access institutional capital across all forms of debt and equity to execute mission-critical transactions. We are experts at solving complex capital structure needs for our clients, and have global access to capital sources including banks, direct lenders, hedge funds, family offices, and private equity institutions.

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

### Jonathan Zucker

Managing Director, Head of Capital Advisory  
JZucker@IntrepidIB.com

### Boris Zikratov

Vice President  
BZikratov@IntrepidIB.com

### Stephen Senior

Analyst  
SSenior@IntrepidIB.com

### Jonty Nobbs

Analyst  
JNobbs@IntrepidIB.com