

ZIONS

CAPITAL MARKETS

FEI Conference - Denver

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The opinions expressed in this presentation are my own and do not represent the views of Zions Bancorporation or its affiliates and subsidiaries.








*“Everyone always says you shouldn’t panic sell everything.
But what I’m wondering now is, should I panic sell
everything?”*

Investor Sentiment: 2023-Today

2023

Concerns	Sentiment
Regulatory Environment	
Interest Rates	
Election Uncertainty	
US Tax Policy	
Inflation Outlook	
Geopolitical Uncertainty	
Stock Market Volatility	

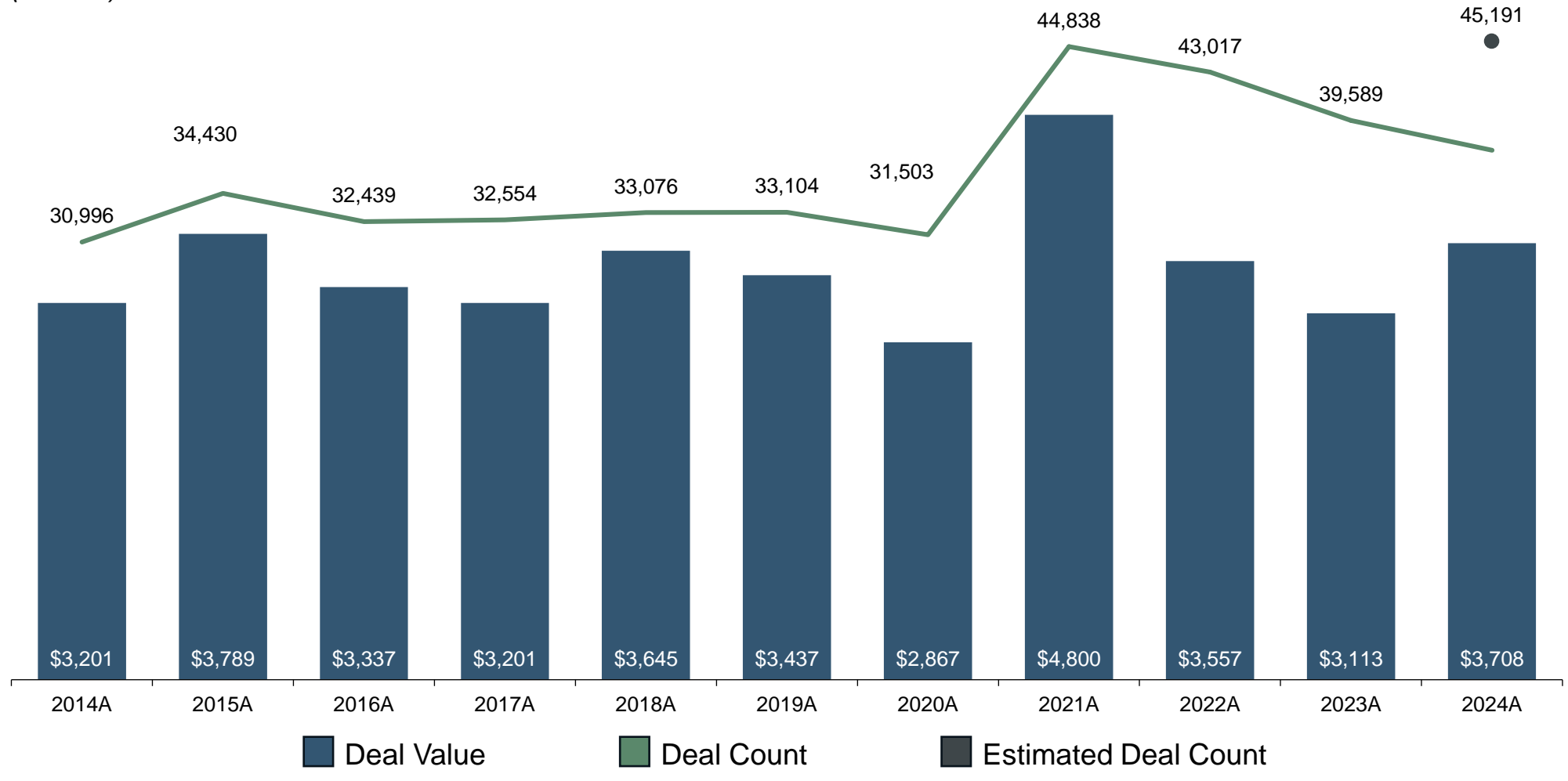
Today

Concerns	Sentiment
Regulatory Environment	
Interest Rates	
US Tax Policy	
Tariff Uncertainty	
Economic Outlook	
Geopolitical Uncertainty	
Stock Market Volatility	

M&A Summary (Global)

M&A Activity

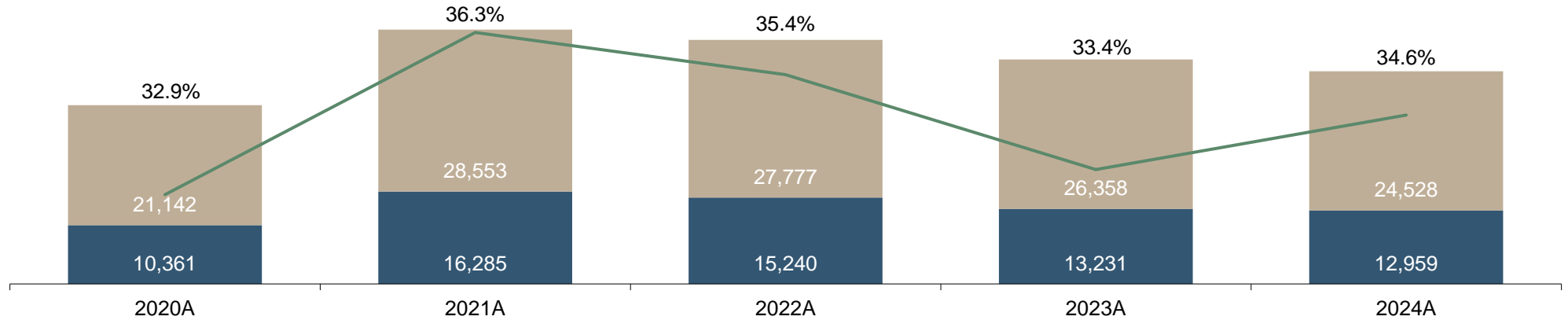
(\$ in Bs)



Source: Pitchbook

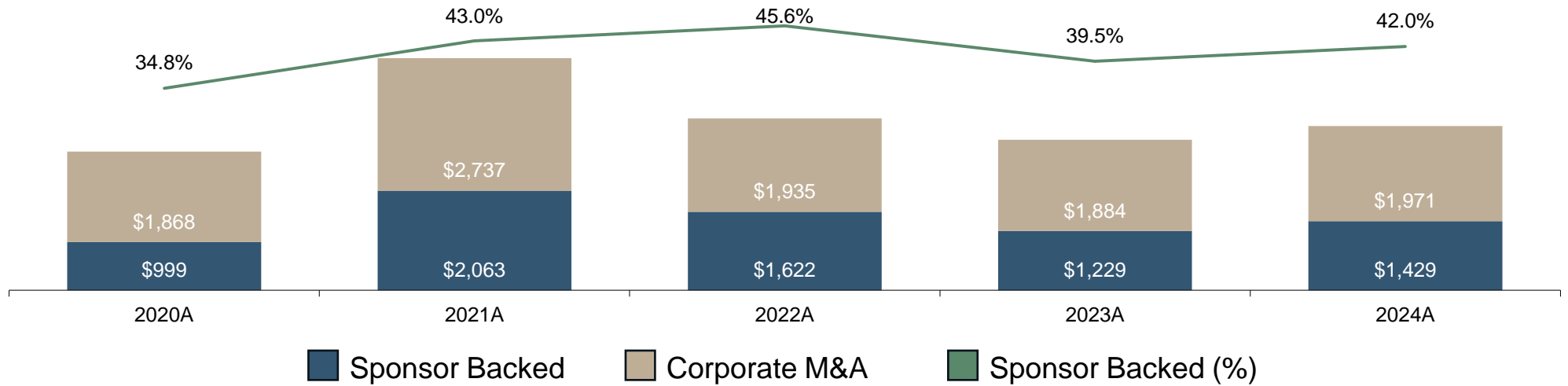
M&A Summary (Global) (Cont.)

M&A Count by Acquirer Type



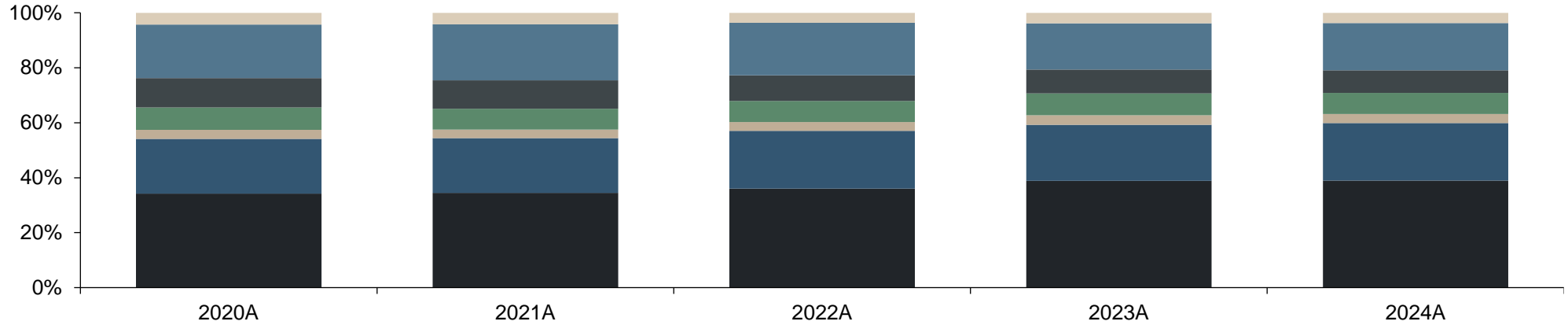
M&A Value by Acquirer Type

(\$ in Bs)

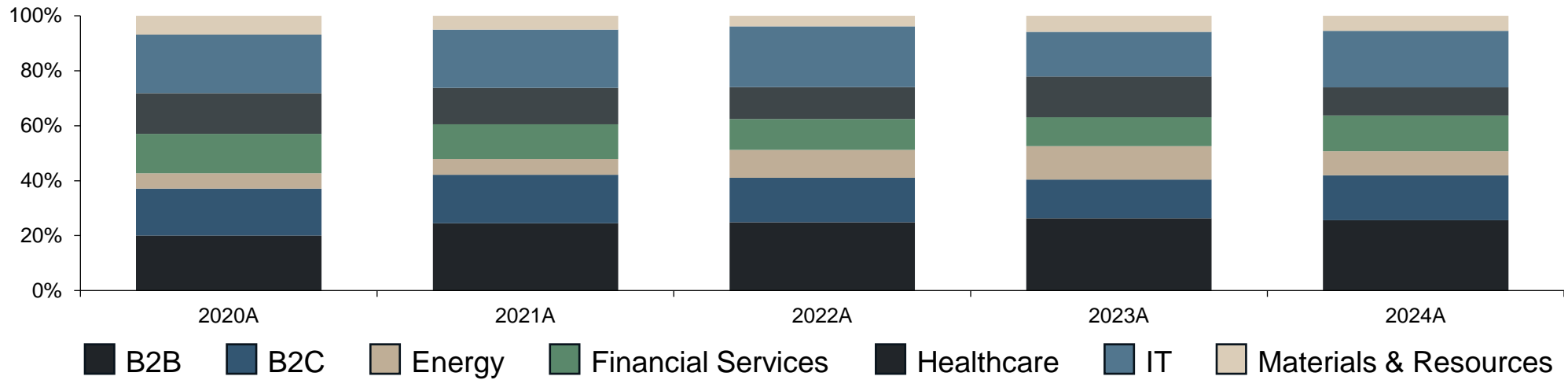


M&A Summary (Global) (Cont.)

Share of M&A Count by Sector



Share of M&A Value by Sector

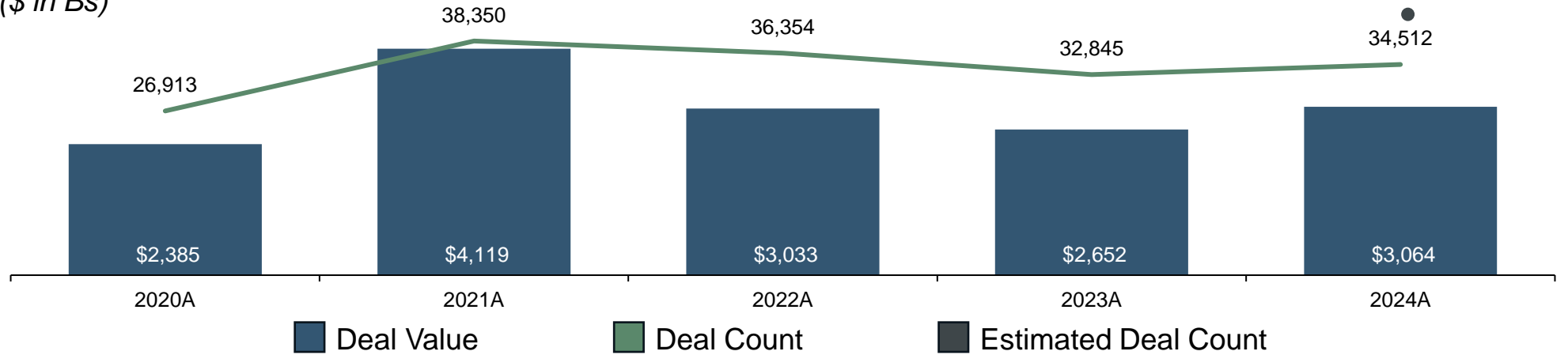


Source: Pitchbook

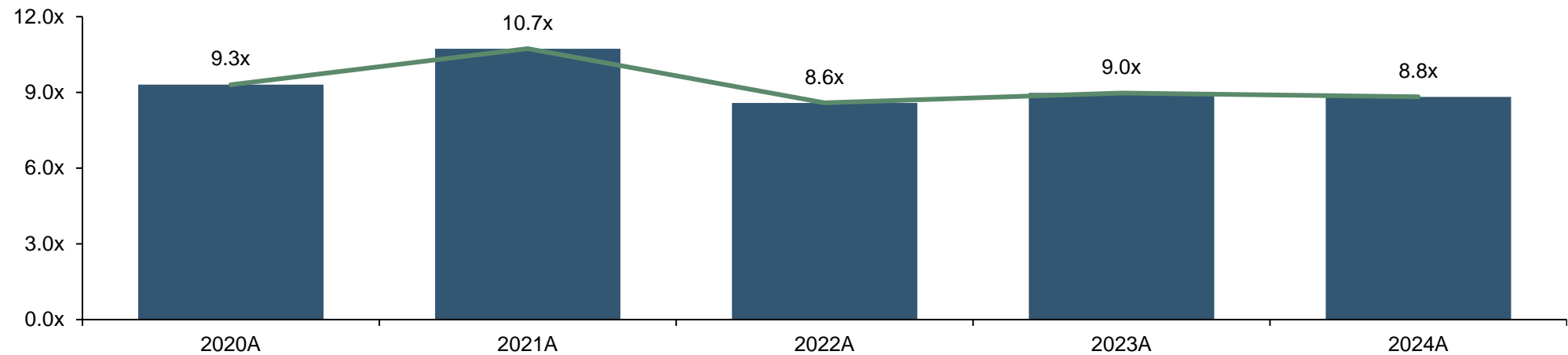
M&A Summary (North America and Europe)

M&A Activity

(\$ in Bs)



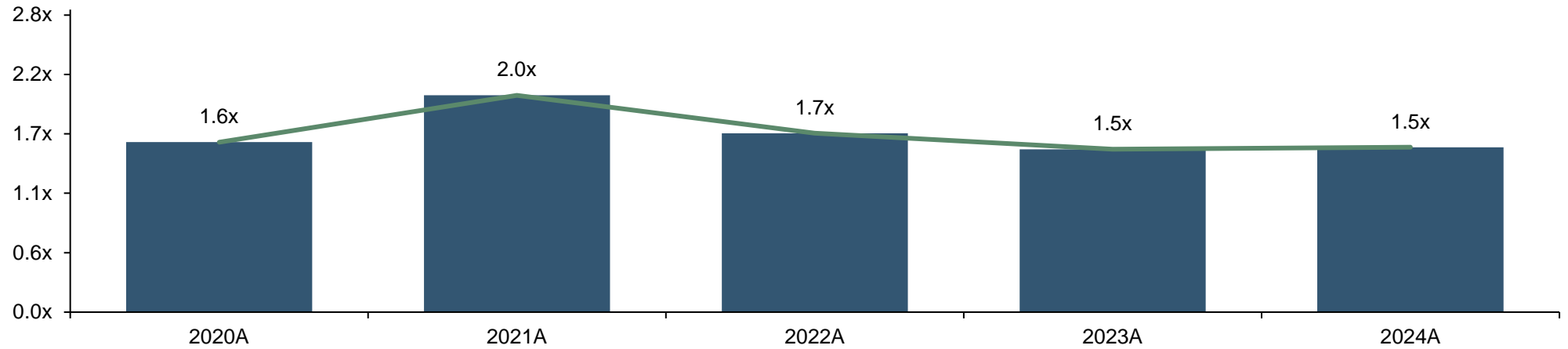
Median M&A EV / EBITDA Multiples



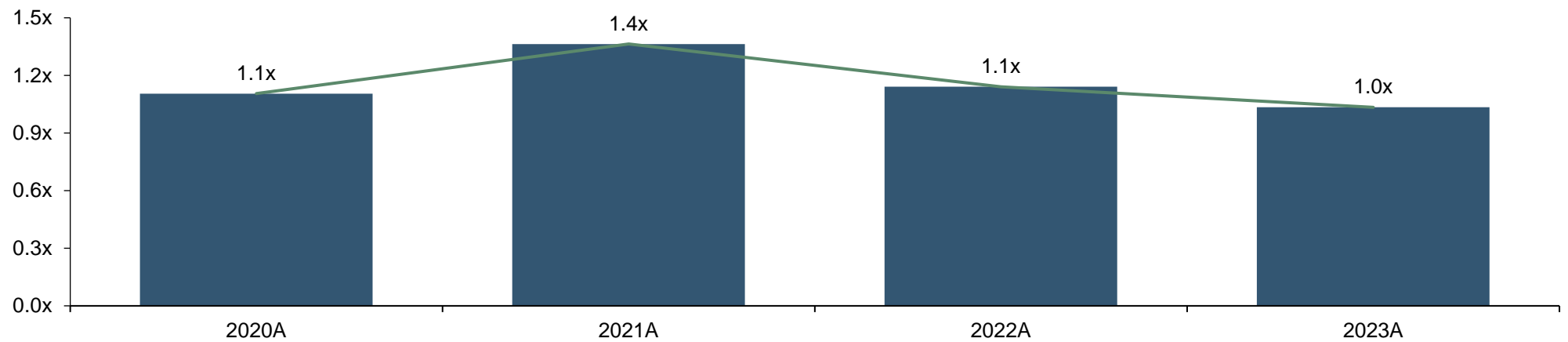
Source: Pitchbook

M&A Summary (North America and Europe) (Cont.)

Median M&A EV / Revenue Multiples



M&A EV / Revenue Multiples On Deals Below \$100 Million



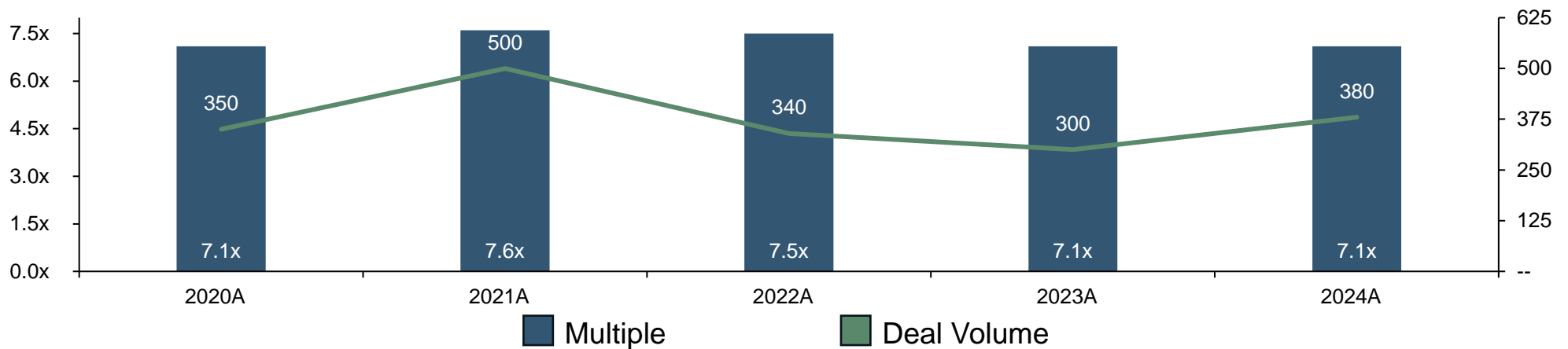
Source: Pitchbook

Middle Market M&A Summary (North America): Scale Matters

TEV / EBITDA

TEV	2003 - 2019A	2020A	2021A	2022A	2023A	2024A	Total
10 - 25	5.8x	5.9x	6.1x	6.4x	6.0x	6.4x	5.9x
25 - 50	6.5x	6.7x	7.2x	7.0x	7.0x	6.8x	6.7x
50 - 100	7.5x	8.0x	8.3x	8.5x	8.0x	8.3x	7.7x
100 - 250	8.2x	8.7x	9.3x	9.1x	9.6x	8.6x	8.5x
250 - 500	9.0x	10.4x	10.9x	10.1x	10.7x	9.7x	9.9x
Total	6.6x	7.0x	7.6x	7.5x	7.2x	7.2x	6.9x
N =	3,611	342	501	334	294	379	5,461

Average Multiples and Deal Volume



Source: GF Data

Middle Market M&A Summary (North America): Performance Matters

TEV / EBITDA - Buyout with Above-Average Financial Characteristics

TEV	2003 - 2019A	2020A	2021A	2022A	2023A	2024A	Total
10 - 25	5.8x	6.5x	6.6x	6.6x	6.8x	7.0x	6.1x
25 - 50	6.7x	7.5x	7.6x	7.6x	7.5x	7.2x	6.9x
50 - 100	7.7x	8.3x	8.6x	8.7x	9.4x	8.8x	8.0x
100 - 250	8.8x	9.1x	10.0x	9.6x	10.1x	9.0x	9.2x
250 - 500	10.0x	7.9x	10.2x	9.9x	12.8x	8.4x	9.9x
Total	6.8x	7.7x	8.2x	7.9x	8.2x	7.7x	7.2x
N =	1,706	163	284	199	125	131	2,608

Quality Premium - Buyouts Only (TEV \$10 - \$500M)

	2003 - 2019A	2020A	2021A	2022A	2023A	2024A	Total
Above Average Financials	6.8x	7.7x	8.2x	7.9x	8.2x	7.7x	7.2x
Other Buyouts	6.2x	6.2x	6.4x	6.5x	6.4x	6.7x	6.3x
Premium (/ Discount)	110%	124%	127%	122%	128%	115%	115%
Incidence	55%	55%	63%	66%	47%	40%	55%

*Above average financials defined as businesses with TTM EBITDA margins and revenue growth rates above 10%, or one above 12% and the other metric at least 8%

*Incidence defined as the percentage of buyout transactions with above average financials in which the transaction received a premium multiple, divided by the total number of buyout transactions in that period

Middle Market M&A Summary (North America)

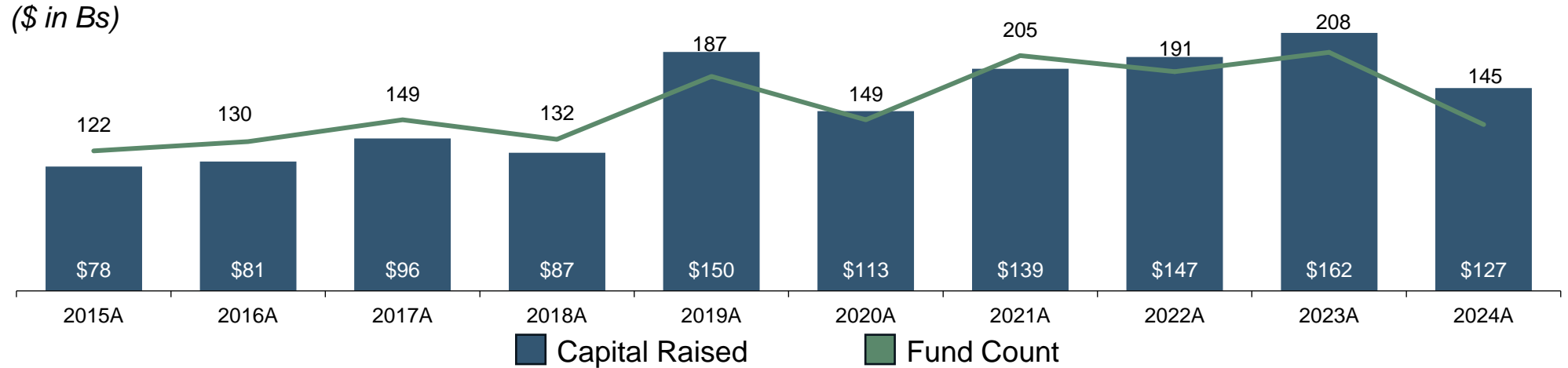
TEV / EBITDA - By Industry (\$10 - \$250M TEV)

Industry	2003 - 2019A	2020A	2021A	2022A	2023A	2024A	Total
Manufacturing	6.2x	6.7x	7.1x	7.3x	6.5x	6.9x	6.4x
Business Services	6.7x	7.1x	7.3x	7.4x	7.3x	7.2x	6.9x
Health Care Services	7.4x	7.6x	8.1x	8.4x	8.9x	7.7x	7.6x
Retail	7.0x	6.5x	8.3x	8.0x	6.0x	7.4x	7.1x
Distribution	6.6x	7.5x	7.2x	7.2x	7.1x	6.9x	6.8x
Media & Telecom	7.6x	8.3x	7.0x	9.1x	7.8x	6.7x	7.6x
Technology	8.5x	7.6x	10.3x	8.1x	10.2x	8.1x	8.6x
Other	6.3x	6.2x	7.3x	6.7x	6.9x	7.0x	6.4x

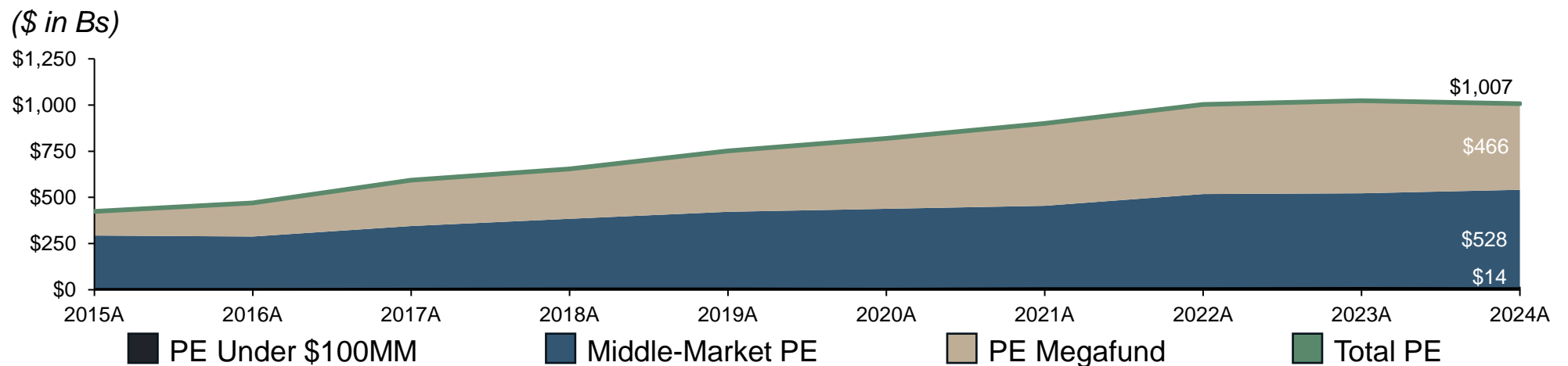
N = 5368

PE Funding Trends in the Middle Market (North America)

PE Middle-Market Fundraising Activity



PE Dry Powder (\$Bn) by Fund Size



Investors are Re-Thinking PE Capital Allocation in 2025

“Private equity caught some traction in 2024 as investments and exits finally reversed their two-year declines. Fund-raising, meanwhile, lagged as limited partners kept a check on allocations in the face of prolonged asset holding periods.”

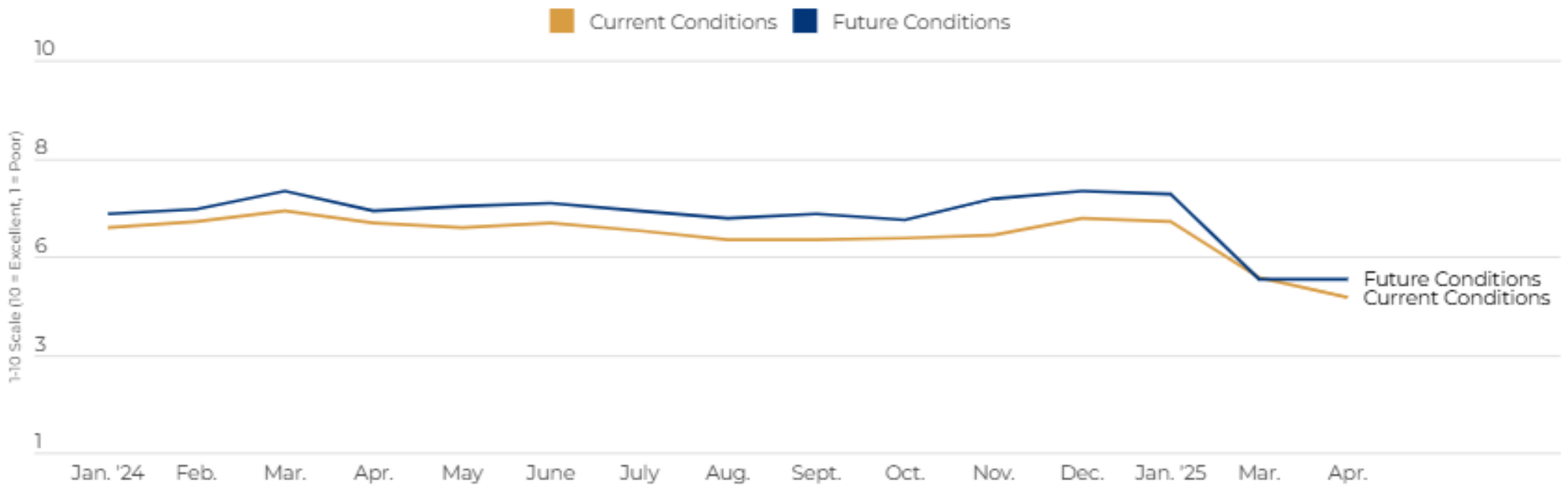
“Firms are sitting on a record 29,000 companies worth \$3.6 trillion, half of which they have owned for five years or more, he said. Clients are becoming less willing to make new investments and buyout fundraising dropped by almost 25% last year, he said. ”

The median holding period for private equity-backed portfolio companies has now reached 5.8 years, the longest since we have been tracking this metric. This prolonged cycle not only slows capital recycling for LPs but also affects fundraising strategies as firms hold onto assets longer than originally projected.”

Current US CEO Confidence Outlook

CEO CONFIDENCE INDEX

U.S. CEOs' Rating of Current Business Conditions and Forecast for Business Conditions 12 Months Out

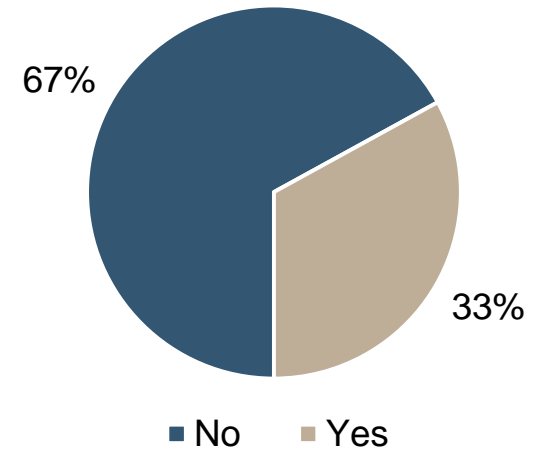


Source: CEO Confidence Index (April 2025), Chief Executive Group

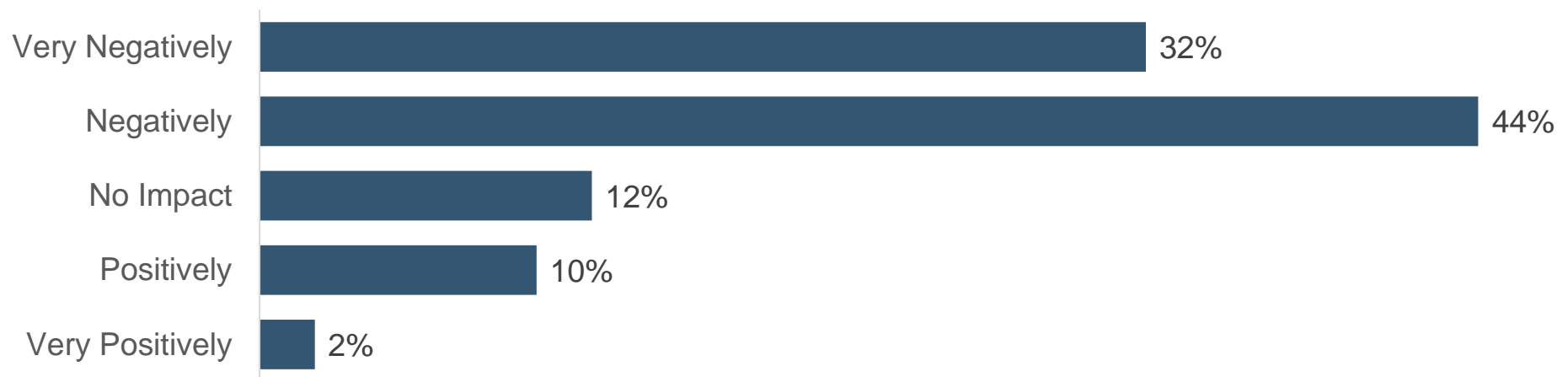
Tariffs and CEO Sentiment

- The extent of Trump’s tariff wars have surprised business leaders, causing many to pause on important decisions until clarity returns to the market
- In a complete turnaround from the end of 2024, many CEOs now believe 2025 will be a down year for businesses as they combat the negative effects of tariffs and overall economic uncertainty / volatility

Regardless of how you voted last November, do you support the tariffs as announced?



How do you forecast the tariffs Announced April 2 will impact your business this year?



Heightened Recession Fears on the Horizon

CEO Confidence Index by Sector (1-10, 1 = Poor, 10 = Excellent)

	Current Conditions	Future Conditions
Overall	4.6	5.0
Advertising / Marketing	4.8	4.8
Construction / Engineering / Mining	4.7	4.9
Energy / Utility	5.6	7.0
Financial Services	4.1	4.5
Government and Non-Profit	3.7	3.2
Healthcare	5.0	5.7
Information Technology	4.0	4.8
Manufacturing (Consumer Goods)	3.9	4.3
Manufacturing (Industrial Goods)	5.2	5.5
Pharma, Life Sciences, Medical	3.2	4.3
Professional Services	4.5	5.0
Real Estate	4.4	4.1
Retail / Trade	4.1	3.9
Transportation	4.9	4.9
Travel and Leisure	4.2	5.8
Telecommunications	5.0	5.5
Wholesale / Distribution	4.3	5.3
Other	4.7	6.2

Source: CEO Confidence Index (April 2025), Chief Executive Group

Heightened Recession Fears on the Horizon (Cont.)

CEO Recession Forecasts Over Next Six Months

	March 2025	April 2025
Severe Recession	9%	14%
Mild Recession or Slowdown	39%	48%
Flat	23%	15%
Growth	20%	19%
Strong Growth	3%	4%
A Mix	7%	--

CEO Confidence Index by Various Groups of Companies

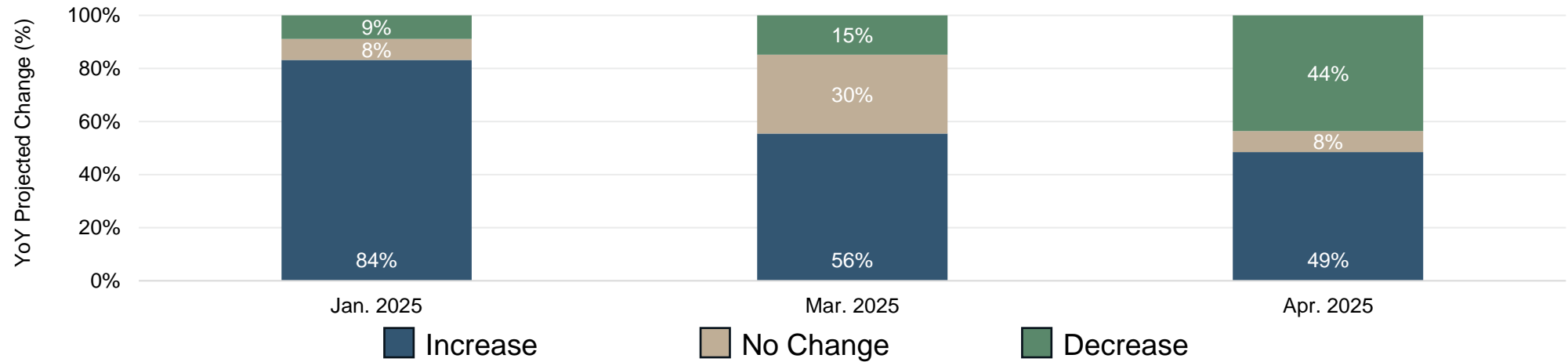
Scale of 1-10, 1=Poor, 10=Excellent

Company Grouping	Current Conditions	Future Conditions
Impacted by Tariffs	4.3	4.7
Not Impacted by Tariffs	6.3	7.2
US-Only Operations	4.8	5.2
International Exposure	4.3	4.8
Overall	4.6	5.0

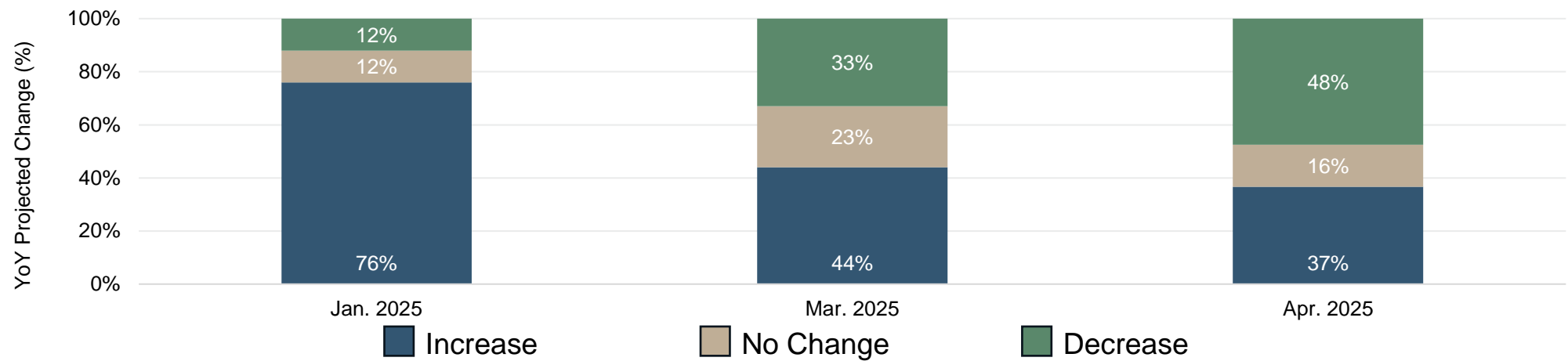
Source: CEO Confidence Index (April 2025), Chief Executive Group

Change in US CEO Forecasts From January 2025

Revenue Forecasts (12 Months Out)



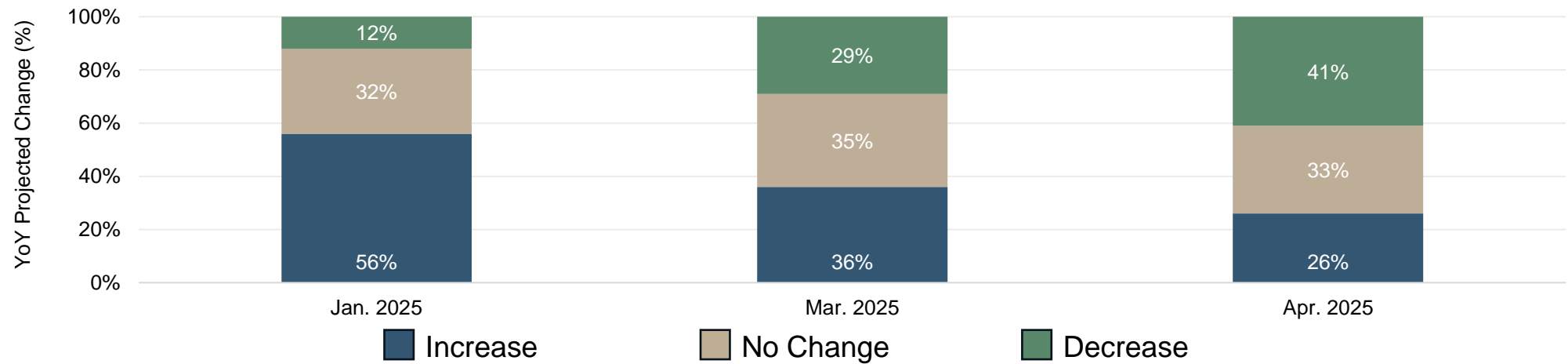
Profit Forecasts (12 Months Out)



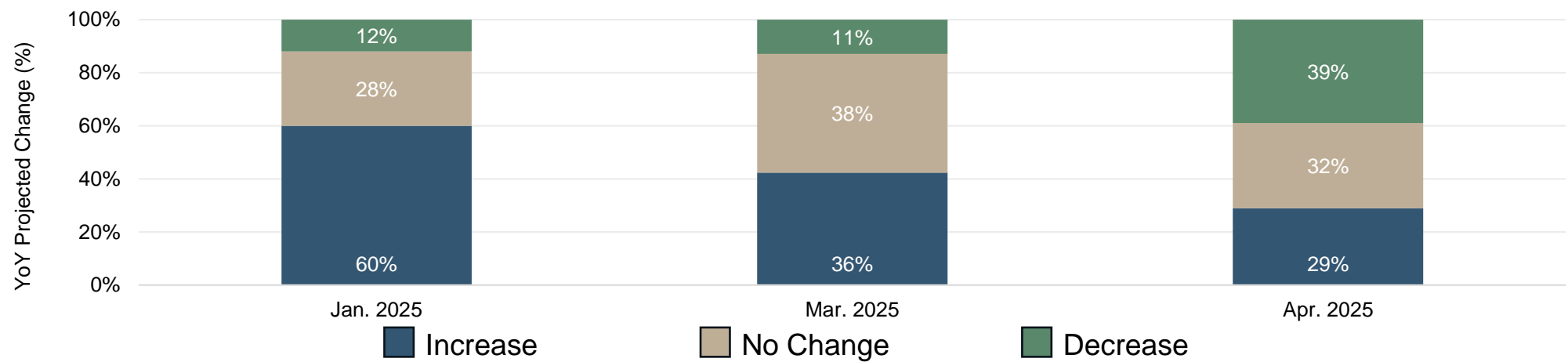
Source: CEO Confidence Index (April 2025), Chief Executive Group

Change in US CEO Forecasts From January 2025 (Cont.)

Capital Expenditures Forecasts (12 Months Out)



Hiring Forecasts (12 Months Out)

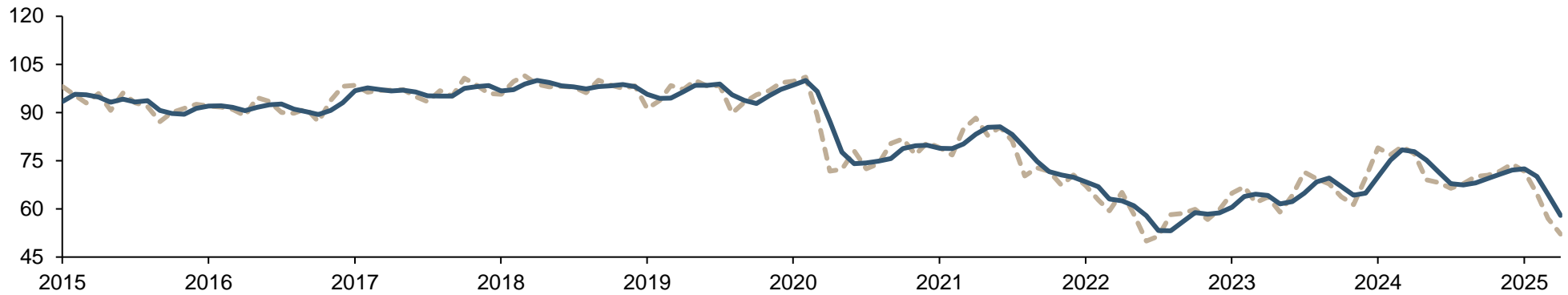


Source: CEO Confidence Index (April 2025), Chief Executive Group

University of Michigan - Consumer and Economic Sentiment

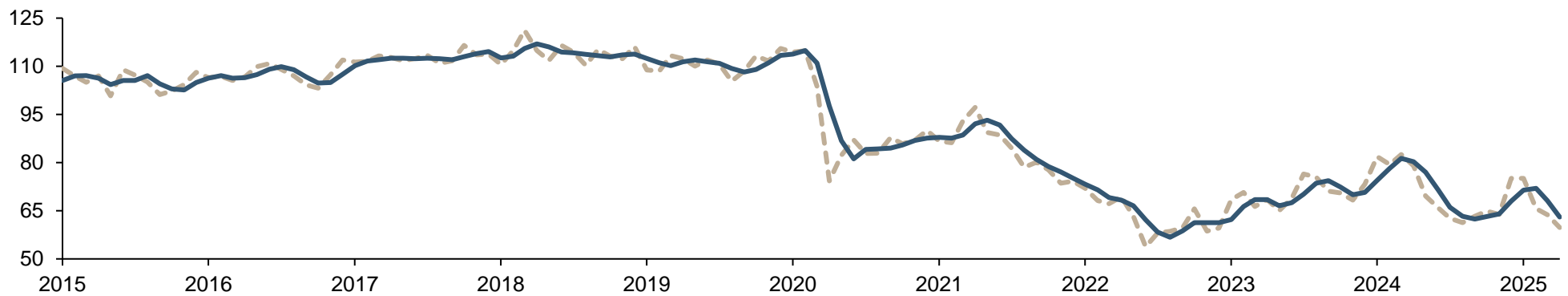
Index of Consumer Sentiment

Index Value (1966 = 100)



Current Economic Conditions Index

Index Value (1966 = 100)

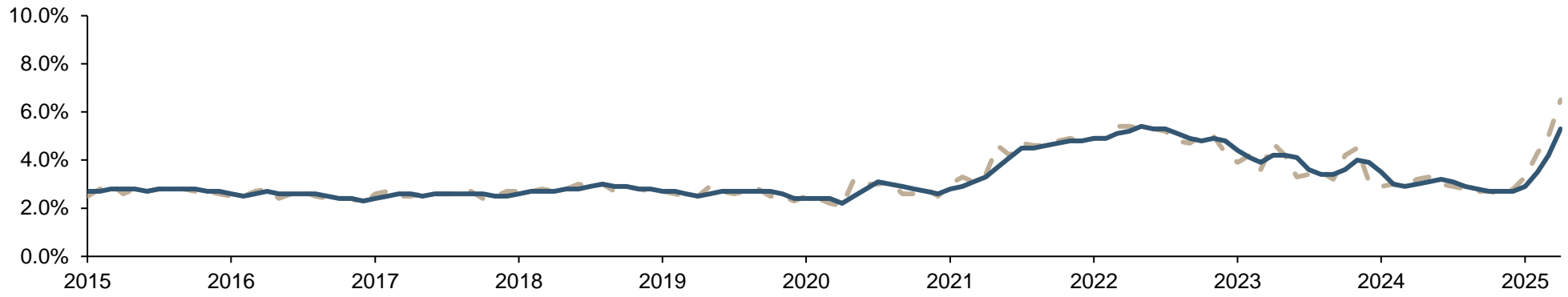


Monthly Data

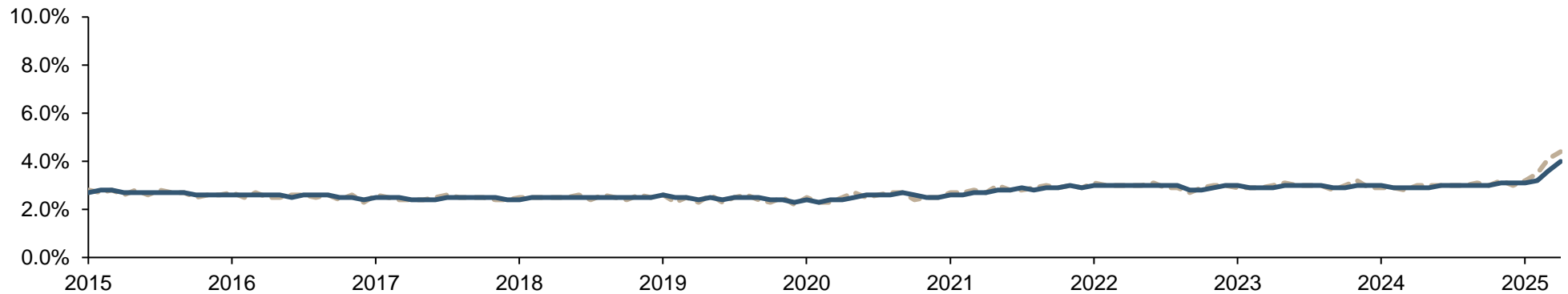
Three Month Moving Average

University of Michigan - Consumer and Economic Sentiment

Expected Change in Prices During the Next Year



Expected Change in Prices During the Next Five Years



Monthly Data

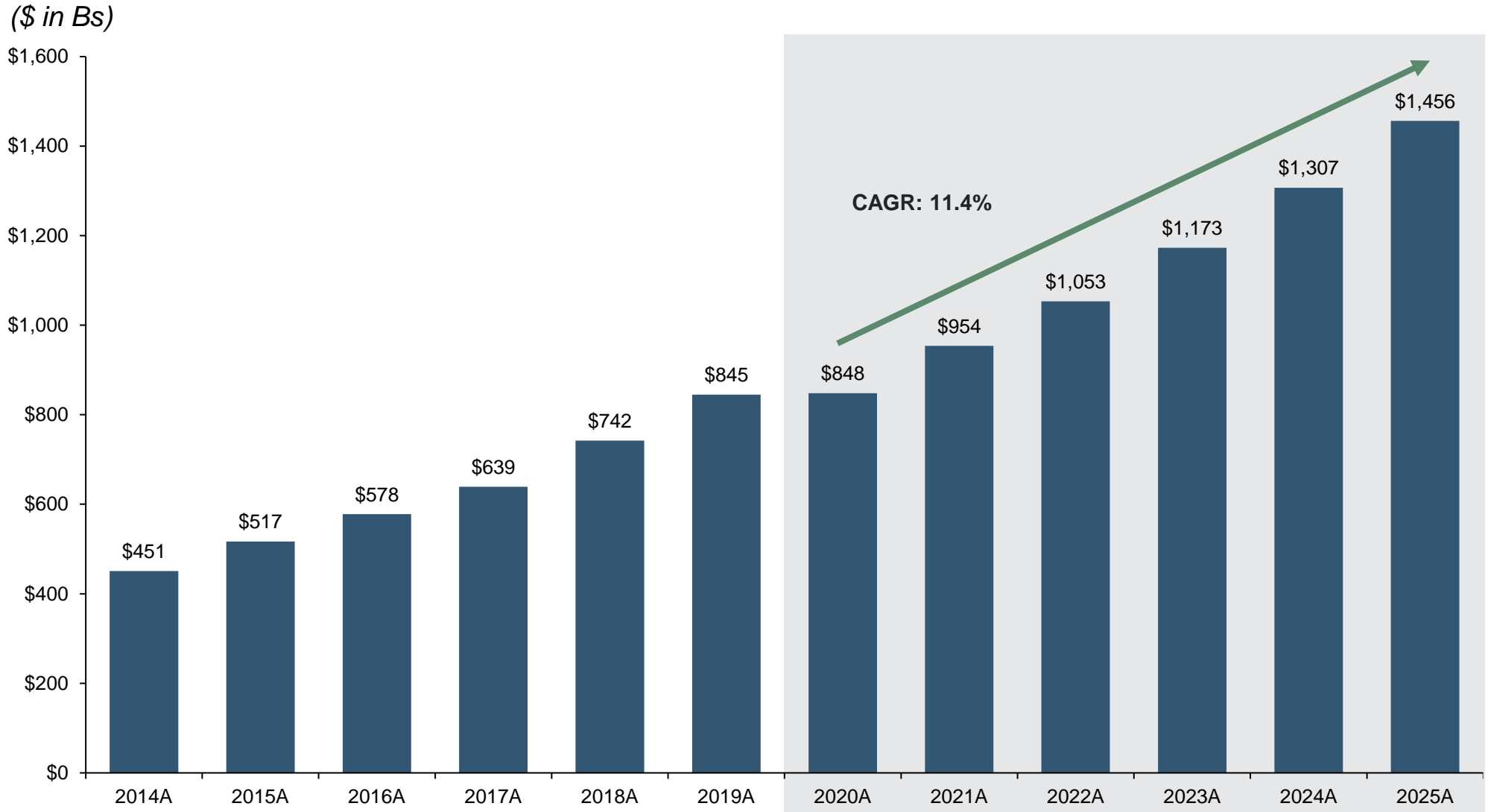
Three Month Moving Average

Growth of Private Credit

➤ Reasons issuers are looking to non-traditional sources of capital:

- Flexibility
- Leverage capacity
- Non-regulatory regime
- Approval / Turnaround Process
- Influx of investor capital into alternative investing strategies
- Tightening standards amongst traditional sources of debt (i.e., banks)

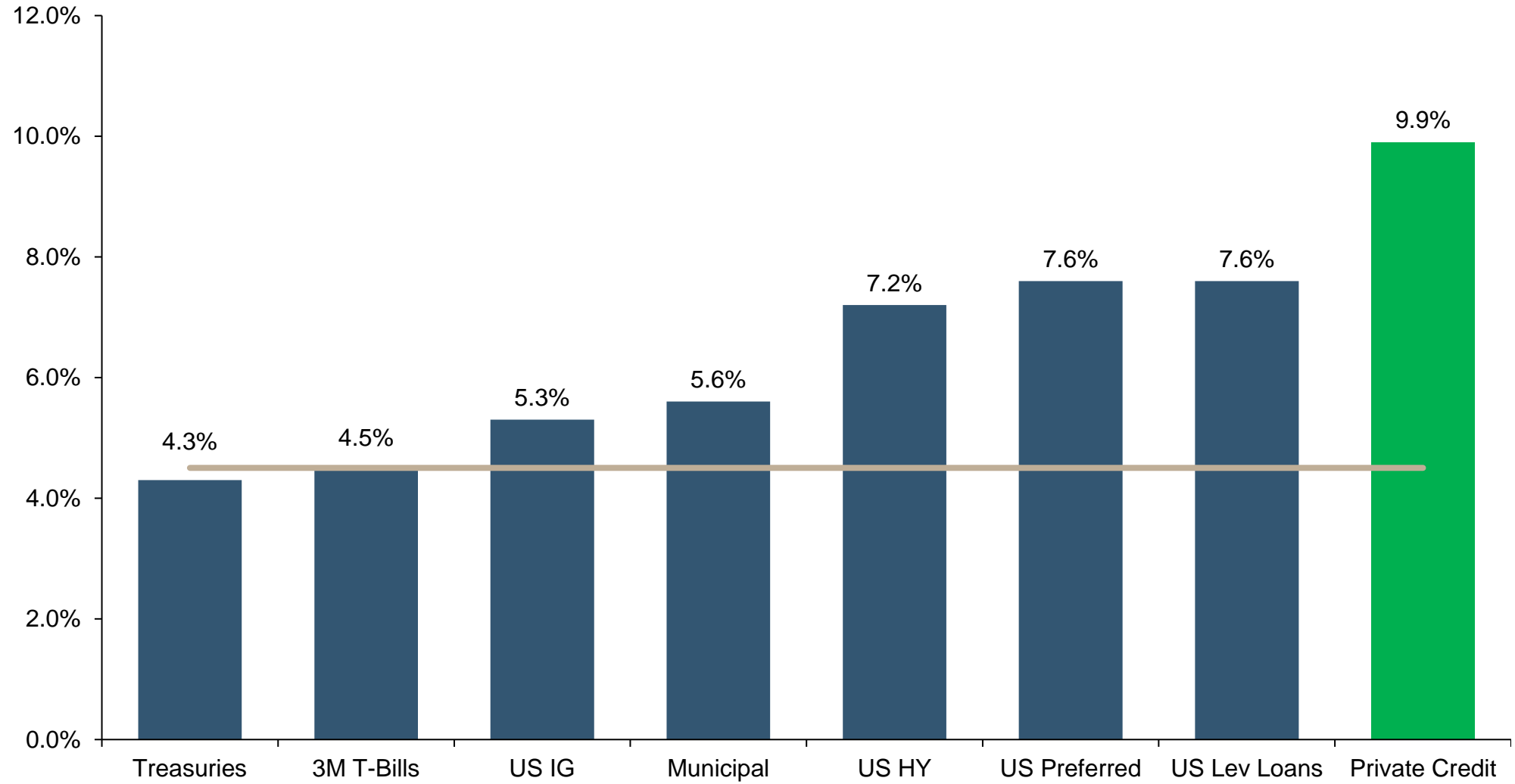
Private Credit Assets Under Management



Source: Preqin

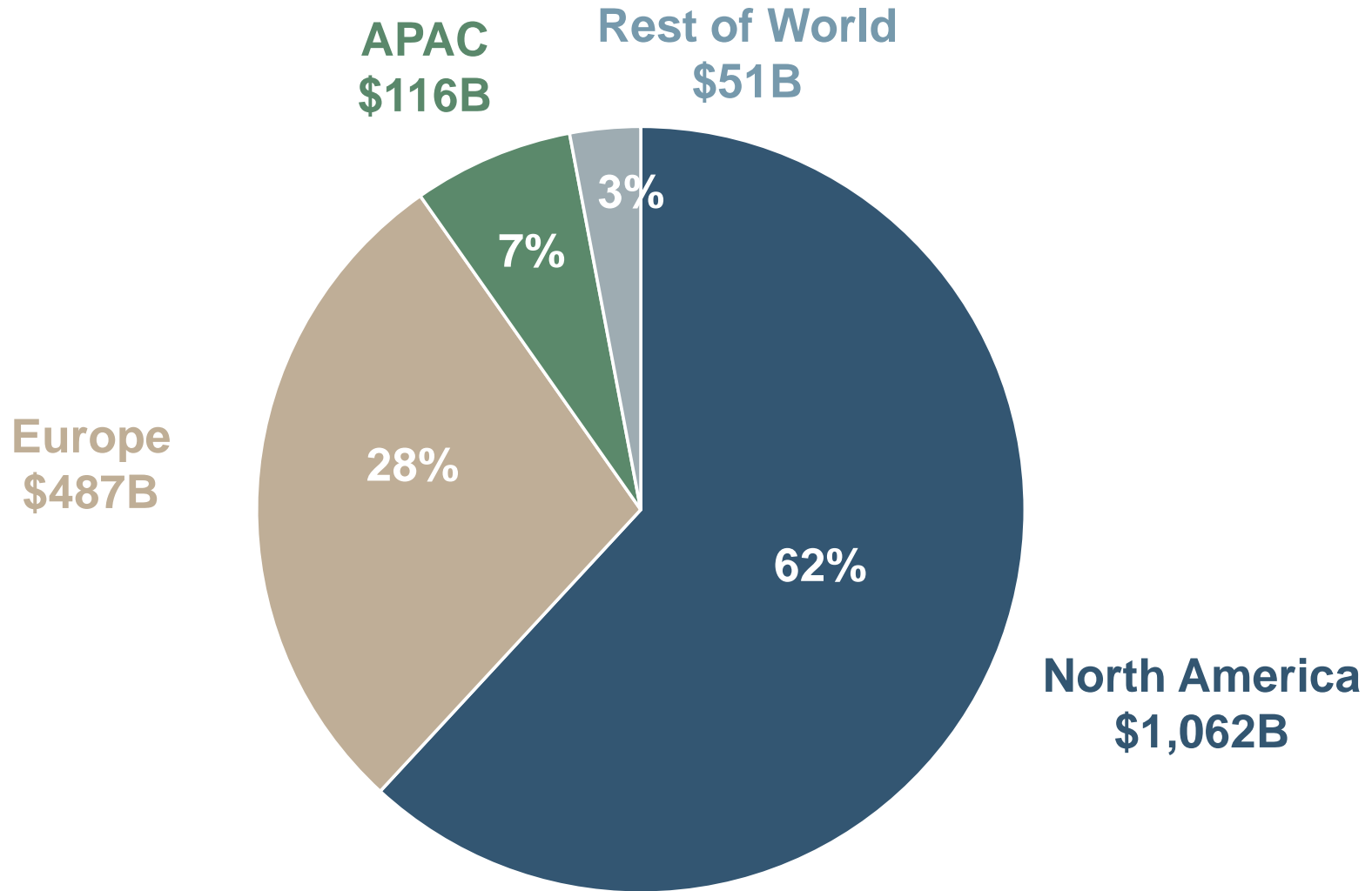
Private Credit Provides a Significant Yield Premium

(Yield Comparisons by Security Type, %)



Source: Bloomberg. Data as of November 2024

North America Dominates the Private Credit market



Issuer/Investor Alignment

Issuers

- Reluctant to sell equity in uncertain market with lower valuations
 - Generally positive on their business if not overall market
 - Confident outlook yields more investor interest and higher valuation
- Demographics favor more deal flow
 - ‘Second bite of the apple’ structures increasingly popular
- Desire for fortress balance sheet
 - Increasing willingness to pay “market rate” for capital
- Volatility of US government policy requires nimbleness

Investors

- Reluctant to set valuation with current uncertainty
 - Earn-outs as bridge to valuation gaps
- Higher interest rates attracting new and increased allocations from income seeking investors
- Private credit and uni-tranche investors making inroads into traditional providers
- Investors increasingly “stuck” with current investments with uncertain exit/monetization timing
- Large unspent capital heightens demand for deal flow
 - Credit spreads have widened but still relatively tight
 - Valuations are highly variable but relatively robust

Preparing for a Transaction

Issuers

- Transaction Readiness
 - Prepare your “story” – comprehensive CIM walking investors through company’s key investment highlights, financial performance, and proposed transaction
- Reviewed or audited financials
 - In some circumstances, the execution of a Quality of Earnings (“QOE”) will be necessary
 - QOEs help facilitate the transaction by allowing the counterparty to confidently evaluate the opportunity and put forth an IOI with minimal contingencies
- Management consistency post-transaction
- Prepared to take some form of “paper” in deal

Investors

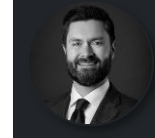
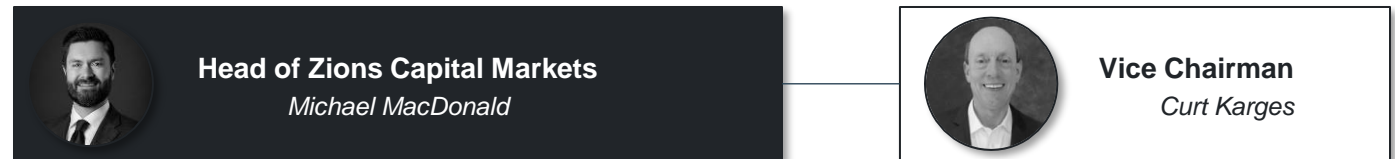
- Develop a relationship with the issuer well in advance to promote your chances and in some instances, preempt the process
- Build a strong team of preferred due diligence providers
 - Allows an investor to move quickly through the due diligence period once an IOI is signed – expedited due diligence period can be used as a lever in negotiations
- Confirm sources of funding to eliminate funding contingencies and avoid last minute hurdles to closing
- Provide comfort in managements’ permission to operate the business
- Demonstrate possible value and liquidity in forms of “paper”

Reasons for Optimism

- Demographics
- Corporate/PE need for scale and increased revenues
- On-shoring/Near-shoring
- PE Dry Powder
- Buyer/Seller Alignment
- Tax Policy
- Interest-rate cycle

Zions Capital Markets

Zions Capital Markets comprises four product areas which partner with affiliates to meet the capital markets and investment banking needs of their customers. The Investment Banking team is comprised of cross-product specialists with a focus on M&A advisory, capital raising, and execution support



Head of Zions Capital Markets
Michael MacDonald



Vice Chairman
Curt Karges

Investment Banking



Clayton Dallas
Head of IB

- Clayton Dallas leads ZCM's Investment Banking Group and oversees buy-side, sell-side, and corporate advisory activities
- Joined Zions in 2018 and was previously at Emergent Cold, Quanta Services, and Wells Fargo Securities

Real Estate Capital Markets



David Auerbach
Head of RECM

- David Auerbach leads ZCM's Real Estate Capital Markets Group and oversees CMBS conduit lending and third-party capital activities
- Joined Zions in 2021 and was previously at Starwood Property Trust, Deutsche Bank, Wachovia Securities, and Thomas D. Wood and Company

Debt Capital Markets



Mandy Querio
Head of DCM

- Mandy Querio leads ZCM's Debt Capital Markets Group and oversees loan syndications and securities underwriting activities
- Joined Zions in 2017 and was previously at CIT Bank, One West Bank, and WestLB AG

Sales & Trading



Tony Bedikian
Head of S&T

- Tony Bedikian leads ZCM's Sales & Trading Group and oversees foreign exchange and interest rate risk management activities
- Joined ZCM in 2023 and was previously at Citizens Bank, Union Bank, SunTrust Bank, and First Union National Bank

Zions Capital Markets Investment Banking Team

Zions Capital Markets conducts the capital markets and investment banking activities of Zions by providing clients with advice, analysis, and execution for essential strategic transactions through its highly experienced team and deep relationship network



Executive Leadership

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Zions Investment Banking Advisory Services

Investment Banking (“IB”) provides advisory services to assist clients with important strategic decisions and financial transactions. The IB Advisory team is focused on helping companies through advisor roles (generally \$5MM+ EBITDA and within deal team expertise) or through referrals

Maximizing Outcomes

- Understand and develop targeted strategies to achieve client goals
- Emphasis on quality while crafting and delivering client stories
- Highly customizable engagements based on the Company’s specific objectives including sole advisory, co-advisory, and referral network

Broad Relationship-Based Network

- Longstanding relationships through proprietary databases
- Relationship-based approach with a wide range of investors, capital providers, and buyers
- Strong relationships with relevant industry players facilitates a smooth transaction process
- Choosing the right partner is crucial to transaction success

Dedicated Deal Teams

- Fully engaged deal team – from senior bankers to detail-oriented junior support
- Middle market experts with select industry experience
- Specializations include consumer, food & beverage, healthcare, energy, renewables, construction, diversified industrials, manufacturing, logistics, waste, and environmental
- Emphasis on effective communication and transparency throughout the process

Advisory Services



Sell-Side
M&A



Buy-Side
M&A



Capital
Raising



Strategic Advisory &
Transaction Readiness

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