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Main Street Announces Exit of Portfolio Investment

Generates \$53.7 Million Realized Gain from Exit of Equity Investment in Pearl Meyer & Partners, LLC

HOUSTON, Jan. 7, 2025 /PRNewswire/ -- Main Street Capital Corporation (NYSE: MAIN) ("Main Street") is pleased to announce that it recently fully exited its debt and equity investments in Pearl Meyer & Partners, LLC ("Pearl Meyer" or the "Company") upon the completion of a majority recapitalization with a new financial sponsor. Founded in 1989, Pearl Meyer is the leading provider of executive compensation and leadership & development consulting services to a broad client base comprised of public company boards of directors, executive management teams, financial sponsors and private companies operating in a diverse set of industries.

Main Street partnered with Pearl Meyer's executive management team and senior consulting partners to facilitate the recapitalization of the Company in April 2020. Main Street's initial investment consisted of a \$35.0 million first lien, senior secured term loan and a direct equity investment of \$13.0 million. After Main Street's initial investment, Pearl Meyer experienced significant growth as the Company expanded its client base and service offerings through organic and acquisition-related strategic initiatives. Pearl Meyer also completed five follow-on acquisitions subsequent to Main Street's initial investment, with Main Street funding an additional cumulative \$43.2 million under the first lien, senior secured term loan facility to support the Company's acquisition strategy and facilitate a subsequent recapitalization of the Company, resulting in Main Street's total debt investments increasing to \$78.2 million.

Main Street realized a gain of \$53.7 million on the exit of its equity investment in Pearl Meyer with this realized value representing an increase of \$6.2 million above Main Street's fair market value for this investment as of September 30, 2024. Main Street also received total dividends of \$31.6 million over the life of its equity investment in the Company. As a result, on a cumulative basis since Main Street's initial investment in April 2020 and taking the realized gain and dividends into consideration, Main Street realized an annual internal rate of return ("IRR") of 69.0% and a 7.7 times money invested ("TMI") return on its equity investment in Pearl Meyer. On a cumulative basis including both Main Street's debt and equity investments in the Company, Main Street realized an IRR of 32.7% and a 2.1 TMI return.

ABOUT MAIN STREET CAPITAL CORPORATION

Main Street (www.mainstcapital.com) is a principal investment firm that primarily provides customized long-term debt and equity capital solutions to lower middle market companies and debt capital to private companies owned by or in the process of being acquired by a private equity fund. Main Street's portfolio investments are typically made to support management buyouts, recapitalizations, growth financings, refinancings and acquisitions of companies that operate in diverse industry sectors. Main Street seeks to partner with entrepreneurs, business owners and management teams and generally provides customized "one-stop" debt and equity financing alternatives within its lower middle market investment strategy. Main Street seeks to partner with private equity fund sponsors and primarily invests in secured debt investments in its private loan investment strategy. Main Street's lower middle market portfolio companies generally have annual revenues between \$10 million and \$150 million. Main Street's private loan portfolio companies generally have annual revenues between \$25 million and \$500 million.

Main Street, through its wholly owned portfolio company MSC Adviser I, LLC ("MSC Adviser"), also maintains an asset management business through which it manages investments for external parties. MSC Adviser is registered as an investment adviser under the Investment Advisers Act of 1940, as amended.

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