



## MARKET SUMMARY

- TEV/EBITDA in Q3 2021 averaged 7.6x - the highest quarterly mark recorded in the past 16 years - above the 7.2x in the previous quarter. The jump in total debt from 3.6x to 4.1x was a contributing factor as buyers on average were paying more but were able to reduce average equity contribution slightly.
- The two industries showing the highest EBITDA multiples through Q3 2021 were technology and media & telecom, at 8.2x and 7.9x, respectively. EBITDA multiples for all manufacturing companies averaged 7.0x, which is above historical averages of 6.2x.
- On average, larger buyouts continued to receive a premium to EBITDA multiples. The spread in valuation between deals completed in the \$50-\$250 million TEV range compared to deals in the \$10-\$50 million range was 2.0x through Q3 2021, which remains in line with historical averages.
- Recent data is showing a continued gap between companies with above-average financials (TTM revenue growth and EBITDA margins above 10% or one above 12% and the other 8%) and those without; buyouts for businesses with above-average financials averaged 7.8x vs. 6.1x for all others, a premium of 28%, essentially the same as in 2020.
- Platform buyouts averaged slightly higher EBITDA multiples than add-ons through Q3 2021, 7.4x compared to 6.5x, respectively, which is in line with historical averages.
- The lending market may be returning to pre-COVID form as senior debt levels averaged 3.1x in Q3 2021, which is consistent with the average debt levels in the periods prior to COVID.

## WHAT'S NEW AT TAUREAU GROUP

- **September** – Completed the acquisition of a music production company for an ESOP client.
- **September** – Ann Hanna presented at the ACG Wisconsin Women's Network meeting.
- **October** – Completed valuation assessment for a metal fabrication company in the construction industry.
- **October** – Published its Q3 2021 Medical Device Industry Report. Download report [here](#).
- **November** – Taureau Group proudly sponsored this year's BizStart's Hall of Fame event.
- **November** – Completed valuation assessment for a paint application and custom design company in the automotive industry.
- **December** – Ron Burgers joined Taureau Group as an Analyst.
- **December** – Published its Q3 2021 Packaging & Printing Industry Report. Download report [here](#).
- **December** – Completed the sale of a precision sheet metal fabricator to a leading medical device contract manufacturer.
- **December** – Announced promotions including: Tyler Carlson to Director, Michael Schroeder to Director, Nick Mydlach to Vice President, Tom Venner to Sr Associate, Jake Mende to Sr Analyst.

## FEATURED ARTICLES

- *Hot M&A Run In Tech & Tech Services Continues.* - Read the article [here](#).
- *Packaging & Printing M&A Remains Attractive.* - Read the article [here](#).

## ACTIVE BROAD ACQUISITION SEARCHES

Client Type	Search Description	Revenue/EBITDA
ESOP	New platforms in variety of niche manufacturing & business service industries	>\$2M EBITDA, TEV >\$10M
ESOP	Acquisitions of highly engineered industrial product manufacturers	<\$20M revenue
Buy-side	Acquisitions or partnerships of automobile technology and power access firms	<\$100M revenue
ESOP	Metal fabricators with manufacturing facilities in Southeast U.S.	\$5 - \$50M revenue
Buy-side	Acquisitions of steel erectors focused on Southeast U.S. market	<\$40M revenue

## MARKET STATISTICS

### Total Enterprise Value (TEV)/EBITDA

TEV	'03-16	'17	'18	'19	'20	YTD'21	Total
10-25	5.6	6.3	5.9	6.1	5.9	6.0	5.7
25-50	6.2	6.6	6.9	6.9	6.8	7.1	6.5
50-100	6.9	8.2	8.8	7.5	8.0	8.2	7.3
100-250	7.7	9.0	8.7	9.3	8.6	8.9	8.2
Total	6.2	7.2	7.2	7.0	7.0	7.2	6.5

### TEV/EBITDA—By industry category

Industry	'03-16	'17	'18	'19	'20	YTD'21	Total
Manufacturing	6.0	6.8	6.9	6.5	6.7	7.0	6.2
Business services	6.2	7.3	7.1	7.1	7.0	7.1	6.6
Health care services	7.0	8.1	7.8	8.4	7.8	7.9	7.3
Retail	6.4	7.3	7.5	9.3	6.9	7.0	6.8
Distribution	6.3	7.6	6.9	7.0	7.5	7.6	6.7
Media & Telecom	7.0	7.7	7.8	7.0	8.3	6.7	7.2
Technology	7.1	9.9	9.6	10.0	7.7	8.2	7.9
Other	5.9	6.5	7.0	6.5	6.2	6.6	6.1

### Senior Debt/EBITDA—Splits by period

TEV	Q419	Q120	Q220	Q320	Q420	Q121	Q221	Q321
10-25	3.2	2.9	4.0	2.7	3.0	4.3	2.9	2.3
25-50	2.9	3.0	2.2	2.6	2.9	3.3	2.5	3.6
50-100	3.1	3.4	2.2	2.6	2.9	3.2	2.9	3.1
100-250	3.8	4.9	2.6	3.2	4.0	3.6	3.5	3.6
Total	3.1	3.5	2.7	2.7	3.1	3.6	2.8	3.1

Source: GF Data®

*The third quarter of 2021 was one of those rare periods in which actual valuations were on par with the deal community's collective sense of a torrid seller's market. Volume was up slightly from a year-ago third quarter, and valuations were at the highest quarterly mark seen in recent years. One factor contributing to the pricing lift is a greater prevalence of platform acquisitions, which tend to be more highly valued than add-ons.*



### An award-winning team:



Pictured from left to right are: Nick Mydlach, Michael Schroeder, Tom Venner, Jacob Meehan, Corey Vanderpoel, Brandon Niemiec, Tammy Halfmann, Ann Hanna, Andrew Sannes, Tyler Carlson, Mary Nicole Myles and Mike Erwin. Not pictured are Jake Mende and Ron Burgers.

### National Clients. Global Results.

### Full-service investment banking services:

- Company sales and corporate divestitures
- Recapitalizations
- Acquisitions
- Debt placement
- Management buyouts
- Exit planning
- Business valuations (market value)