



MARKET SUMMARY

- TEV/EBITDA in Q4 2021 averaged 7.5x, matching the elevated mark in the previous quarter.
- While valuations held steady, average debt utilization edged up two-tenths of a turn. Average senior and total debt were 3.3x and 4.2x in the quarter, up from 3.1x and 4.0x, respectively. This is continued evidence of the volume of debt capital as well as equity available to support private-equity backed transactions.
- The two industries showing the highest EBITDA multiples during Q4 2021 were technology and health care services at 9.4x and 8.0x, respectively. EBITDA multiples for all manufacturing companies averaged 7.1x, which is above historical averages.
- Add-ons accounted for an increased share of the buyouts subset over the last three years, peaking at about 30% of the sample in 2020. In 2021, the add-ons share receded to a more conventional 27%.
- Platform buyouts averaged slightly higher EBITDA multiples than add-ons through Q4 2021, 7.4x compared to 7.1x, respectively, which is in line with historical averages.

WHAT'S NEW AT TAUREAU GROUP

- **January** – Ron Burgers joined Taureau Group as an Analyst.
- **January** – Completed the sale of R&B Grinding Co., Inc. to an affiliate of Willis & Smith Capital.
- **January** – Engaged by ESOP holding company looking for acquisitions of industrial equipment manufacturers.
- **January** – Taureau Group is named a 2022 Best and Brightest Company to Work For.
- **January** – Engaged by contract manufacturer for consideration of potential sale.
- **February** – Ann Hanna is quoted in BizTimes Milwaukee magazine - Read the article [here](#).
- **February** – Engaged by metal fabrication company for consideration of potential sale.
- **February** – Ann Hanna is named one of the 2022 Most Influential Women in Mid-Market M&A.
- **February** – Engaged by automation solutions company for consideration of potential sale.
- **March** – Taureau Group published its 2022 Volume 1 Packaging & Printing Industry Report - Download the report [here](#).
- **March** – Ciara Jones joined Taureau Group as an Analyst.
- **March** – Engaged by industrial capital products company for consideration of potential sale.
- **March** – Jon Moreau joined Taureau Group as a Senior Operating Partner covering the North Region, including Green Bay, Fox Valley and other northern cities in Wisconsin.

FEATURED ARTICLES

- *2021 Year in Review | 2022 M&A Outlook* - Read the article [here](#).
- *Breaking with tradition: What happens when the next generation doesn't want the family business?* - 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
ESOP	Acquisitions of highly engineered industrial equipment manufacturers	\$10 - \$30M revenue

MARKET STATISTICS

Total Enterprise Value (TEV)/EBITDA

TEV	'03-16	'17	'18	'19	'20	'21	Total
10-25	5.6	6.3	5.9	6.1	5.9	6.2	5.7
25-50	6.2	6.6	6.9	6.9	6.8	7.0	6.5
50-100	6.9	8.2	8.8	7.5	8.0	8.3	7.4
100-250	7.7	9.0	8.7	9.3	8.6	9.0	8.3
Total	6.2	7.2	7.2	7.0	7.0	7.3	6.6

TEV/EBITDA—By industry category

Industry	'03-16	'17	'18	'19	'20	'21	Total
Manufacturing	6.0	6.8	6.9	6.5	6.7	7.1	6.3
Business services	6.2	7.3	7.1	7.1	7.0	7.3	6.7
Health care services	7.0	8.1	7.8	8.4	7.8	8.0	7.4
Retail	6.4	7.3	7.5	9.3	6.9	7.7	6.8
Distribution	6.3	7.6	6.9	7.0	7.5	7.3	6.7
Media & Telecom	7.0	7.7	7.8	7.0	8.3	6.3	7.2
Technology	7.1	9.9	9.6	10.0	7.6	9.4	8.0
Other	5.9	6.5	7.0	6.5	6.2	6.5	6.1

Senior Debt/EBITDA—Splits by period

TEV	Q120	Q220	Q320	Q420	Q121	Q221	Q321	Q421
10-25	2.9	4.0	2.7	3.0	4.3	2.9	2.3	3.8
25-50	3.0	2.2	2.6	2.9	3.3	2.5	3.5	2.9
50-100	3.4	2.2	2.6	2.9	3.2	2.9	3.1	3.2
100-250	4.9	2.6	3.2	4.0	3.7	3.5	3.6	3.5
Total	3.5	2.7	2.7	3.1	3.7	2.8	3.1	3.3

Source: GF Data®

Middle-market M&A kept its pace as 2021 drew to a close. However, the future remains unpredictable as we experience easing of the COVID pandemic, shifting geopolitical influences, inevitable interest rate hikes and anticipated changes to tax rates. Despite these stresses, companies are maintaining M&A as a major strategy to protect their position in the market, increase gains and accelerate transformative progress.



An award-winning team:



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

Full-service investment banking services:

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

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