



## MARKET SUMMARY

- TEV/EBITDA in Q2 2021 averaged 7.2x, slightly above 6.8x in the previous quarter. This shows a return to historical aggregate pricing in the 7.0x - 7.2x range that had characterized the market since 2017.
- The two industries showing the highest EBITDA multiples through Q2 2021 were technology and distribution, at 8.2x and 7.6x, 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 2.1x through Q2 2021, which remains in line with historical averages.
- Recent data is showing an unprecedented 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. 5.8x for all others, a premium of 34%, above the already elevated 27% premium in Q4 2020.
- Platform buyouts averaged higher EBITDA multiples than add-ons through Q2 2021, 7.3x compared to 6.3x, respectively, which is in line with historical averages.
- The lending market may be returning to pre-COVID form as total debt levels averaged 3.7x in Q2 2021, which is consistent with average debt load over the past two years.

## WHAT'S NEW AT TAUREAU GROUP

- **June** – Completed valuation assessment for a process systems manufacturing company in the food & beverage, consumer products, and liquid processing industries.
- **June** – Completed the sale of KDV Label Co., Inc. and its sister company, I-Graphics, LLC, to Mason Wells.
- **July** – Jake Mende joined Taureau Group as an Analyst.
- **July** – Taureau Group proudly sponsored BizTimes 2021 M&A Forum: The M&A Market is White Hot - Are you a Seller or a Buyer?
- **July** – Tyler Carlson and Michael Schroeder discussed key factors driving company value and tax & deal structure, respectively, at the M&A Forum.
- **July** – Completed the sale of Novo Group, Inc. to Recruiter.com (NASDAQ: RCRT), an AI-powered hiring platform company.
- **August** – Taureau Group is named one of 2021's Best Places to Work by the Milwaukee Business Journal; read more [here](#).
- **September** – Completed the sale of a pharmaceutical waste company to a global medical waste management company.

## FEATURED ARTICLES

- *M&A Appetite for IT & Tech-enabled Services Remains Voracious.* - Read the article [here](#).
- *Taureau Group Named One of Milwaukee's Best Places to Work.* - Read the article [here](#).

## ACTIVE BROAD ACQUISITION SEARCHES

Client Type	Search Description	Revenue/EBITDA
ESOP	Add-on opportunities for engineering or architectural firms	\$2 - \$15M revenue
Private equity	Establish new platforms of industrial & home service businesses	<\$8M 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

## 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	5.9	5.7
25-50	6.2	6.6	6.8	6.9	6.8	6.9	6.4
50-100	6.9	8.2	8.8	7.5	8.0	8.1	7.3
100-250	7.7	9.0	8.7	9.3	8.6	8.5	8.2
Total	6.2	7.2	7.2	7.0	7.0	7.0	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	7.0	6.6
Health care services	7.0	8.1	7.8	8.4	7.8	7.1	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	6.6
Media & Telecom	7.0	7.7	7.8	7.0	8.3	4.3	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	6.5	6.1

### Senior Debt/EBITDA—Splits by period

TEV	Q319	Q419	Q120	Q220	Q320	Q420	Q121	Q221
10-25	2.4	3.2	2.9	4.0	2.7	3.0	4.2	3.0
25-50	3.0	2.9	3.0	2.2	2.7	2.9	3.4	2.5
50-100	3.2	3.1	3.4	2.2	2.6	2.9	3.2	2.8
100-250	3.3	3.8	4.9	2.6	3.2	4.0	3.6	3.5
Total	2.9	3.1	3.5	2.7	2.7	3.1	3.6	2.9

Source: GF Data®

*The M&A industry, particularly middle-market transactions, continues to surge thanks to the supply of low- and high-yield debt, an abundance of dry powder, low interest rates and soaring valuations. Industry market intelligence shows that M&A-related leveraged loan issuance stood at a record level in the first half of the year and is expected to continue reaching record highs.*



### 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 is Jake Mende.

## 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)

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