



## MARKET SUMMARY

- Q3 2017 averaged 7.5x TTM Adjusted EBITDA, which was a record high over the last 15 years of data collected by GF Data®.
- The two highest EBITDA multiple industries for YTD 2017 were technology and health care services at 9.0x and 8.0x, respectively. EBITDA multiples for all manufacturing companies averaged 6.8x, which is 0.7x above historical averages.
- On average, larger buyouts command a higher EBITDA multiple compared to smaller buyouts. The spread on size premiums for larger-sized deals between \$50 million and \$250 million compared to deals between \$10 million to \$50 million was 1.8x for YTD 2017 and slightly below the average historical level of 1.9x.
- Platform buyouts had a larger average EBITDA multiple than add-ons for YTD 2017, 7.2x to 6.5x, respectively.
- Buyers continued to reward business with premiums for above-average financials (TTM revenue growth and EBITDA margins above 10%, or one above 12% and the other 8%) for YTD 2017. These companies averaged 7.5x versus 6.5x for all others, which is a premium of 17% and is in line with 2016.
- Senior debt/EBITDA multiples across all industries continued to rise over the last four quarters and in Q3 2017 were 3.8x.

## WHAT'S NEW AT TAUREAU GROUP

- September** – Taureau Group officially announced its name change from Schenck M&A Solutions
- September** – Taureau Group continued to grow as Brock Childers joined the team as an analyst
- October** – Hosted the Taureau Group M&A Forum at Lambeau Field
- October** – Completed the sale of a digital marketing company to The Anstadt Company
- November** – Completed the sale of a medical billing company to edgeMED

## FEATURED ARTICLES

- Want a premium price for your business? Start collecting this.*  
Go to: [taureaugroup.com/relevant-data](http://taureaugroup.com/relevant-data)
- What does the GOP tax reform proposal mean for businesses in transition?*  
Go to: [taureaugroup.com/tax-reform](http://taureaugroup.com/tax-reform)
- Family offices in today's M&A market.*  
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## MARKET STATISTICS

### Total Enterprise Value (TEV)/EBITDA

TEV	'03-12	'13	'14	'15	'16	YTD'17	Total
10-25	5.6	5.9	5.7	5.8	5.9	6.3	5.7
25-50	6.2	6.8	6.6	6.6	6.5	6.5	6.3
50-100	6.8	6.8	8.4	7.8	7.3	7.9	7.1
100-250	7.3	7.5	7.8	9.0	9.0	8.9	7.9
<b>Total</b>	<b>6.2</b>	<b>6.5</b>	<b>6.7</b>	<b>6.7</b>	<b>6.8</b>	<b>7.1</b>	<b>6.4</b>

### TEV/EBITDA—By industry category

Industry	'03-12	'13	'14	'15	'16	YTD'17	Total
Manufacturing	5.9	5.9	6.3	6.6	6.1	6.8	6.1
Business services	6.2	6.5	6.5	6.3	7.3	7.2	6.4
Health care services	7.0	7.5	7.8	7.8	7.6	8.0	7.2
Retail	6.5	7.4	8.5	5.5	7.1	6.6	6.7
Distribution	6.1	6.8	7.1	6.7	7.4	6.9	6.4
Media & Telecom	7.8	5.5	NA	6.4	6.7	7.5	7.4
Technology	6.6	10.0	9.1	8.0	7.4	9.0	7.6
Other	6.0	6.0	6.9	5.6	7.3	6.6	6.1

### Senior Debt/EBITDA—Splits by period

TEV	Q415	Q116	Q216	Q316	Q416	Q117	Q217	Q317
10-25	2.3	2.6	2.7	2.7	2.7	3.3	2.7	4.7
25-50	3.0	2.7	3.1	2.9	2.3	2.8	3.2	2.7
50-100	2.8	2.8	4.0	2.8	2.9	3.0	4.6	3.0
100-250	2.7	3.4	3.5	4.7	3.5	3.7	3.8	4.2
<b>Total</b>	<b>2.7</b>	<b>2.8</b>	<b>3.3</b>	<b>3.2</b>	<b>2.8</b>	<b>3.1</b>	<b>3.6</b>	<b>3.8</b>

Source: GF Data®

*Valuations in Q3 2017 reached record highs coupled with debt levels at unprecedented highs. The third quarter also saw an increase in valuation on smaller transactions, \$10 million to \$25 million, which may indicate favorable market conditions for smaller businesses.*

## M&A services:

- Company sales & corporate divestitures
- Acquisition advisory services
- Management buyouts and recapitalizations
- Family transitions
- Strategy assessment (preparation for a sale)
- Business valuations (market value)
- Recapitalizations/refinancings

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