



### MARKET SUMMARY

- Valuations on deals completed in 4Q 2023 averaged 7.5x TTM adjusted EBITDA, an increase of 0.2x compared to 3Q and well above the 6.7x average in 2Q.
- The two industries showing the highest EBITDA multiples through 4Q 2023 were technology at 10.2x and health care services at 9.3x. EBITDA multiples for all manufacturing companies averaged 6.5x through 4Q 2023, compared to the 6.7x average in 3Q 2023.
- Deals valued between \$10 million and \$25 million recorded a more than half-a-turn improvement in 4Q, reaching an average of 6.6x compared to an average of 5.9x in 3Q. Deals valued between \$25 million and \$50 million reached 7.0x compared to 6.9x in 3Q.
- Add-ons accounted for 49% of transactions at year-end 2023, up slightly from 48% in the first three quarters, and well above the 34% average for 2022.
- Buyout deals recorded an average purchase price of 7.3x for 2023, compared to 7.4x in 2022 and 7.5x in 2021.
- Senior debt pricing continued to surge, reaching an average of 11.3% through 4Q, compared to 10.5% in 3Q.
- The average coupon on subordinated debt dropped in 4Q, falling to 11.9%, compared to 12.0% in 3Q and within less than a percentage point of the average senior coupon.

*Despite the low deal volume in 4Q 2023, deal valuations improved at the end of the year, particularly for deals valued between \$10 million and \$25 million, and the market seems more balanced than 2022 in terms of valuations when looking at both the size and quality premiums.*

### WHAT'S NEW AT TAUREAU GROUP

- **December** – Taureau Group published its 2023 Volume II Industrial & Contract Manufacturing Industry Report.
- **December** – Completed the recapitalization of Pro Products, Inc. to AFM Capital Partners.
- **January** – Completed the sale of Wisconsin Metal Parts, Inc. and Lean Manufacturing Products, Inc. to SOLV Metals, LLC, a division of SOLV Holdings, LLC.
- **January** – Completed the sale of Mid Valley Industries, LLC, a portfolio company of Gardner Standard, LLC, to Manitowoc Tool & Machining, LLC, a portfolio company of Midwest Growth Partners, LLLP and Summit Equity Group, LLC.
- **February** – Addy Francois joined Taureau Group as an Analyst. Learn more about Addy [here](#).
- **February** – Engaged by packaging solutions and manufacturing company for potential sale.
- **February** – Taureau Group published its 2023 Volume II Medical Devices Industry Report.
- **February** – Completed the acquisition of Jorgensen Conveyor and Filtration Solutions for Innovance, Inc.
- **March** – Michael Schroeder is promoted to Managing Director.
- **March** – Engaged by multi-facilities early childhood education company for potential sale.
- **March** – Taureau Group proudly sponsored the BizTimes Media 2024 M&A Forum.
- **March** – Tom Venner joins Taureau Group's shareholder group.

### FEATURED INSIGHTS

- *2023 Volume II Medical Devices Industry Report* - Download the report [here](#).
- *2023 Volume II Industrial & Contract Manufacturing Industry Report* - Download the report [here](#).

### ACTIVE BROAD ACQUISITION SEARCHES

Client Type	Search Description	Revenue/EBITDA
PE Platform	Acquisitions of residential exterior repair & restoration firms in Southeast U.S.	\$5M+ revenue
Holding Company	Acquisitions of established electrical contractor firms in Southeast Wisconsin	\$10 - \$25M revenue
ESOP	Acquisitions of educational services, and CTE products and software firms	\$5 - \$20M revenue
PE Platform	Acquisitions of diverse metal fabrication companies in Midwest U.S.	\$10 - \$50M revenue
Private	Acquisitions of steel erectors focused on West/Northwest U.S. market	<\$40M revenue
PE Platform	Acquisitions of CRO, CMO, and CDMO specializing in medical devices	\$5 - \$100M revenue
Private	Acquisitions of metal and plastic low to medium volume manufacturers	\$5 - \$30M revenue
ESOP	Acquisitions of wholesale building products distributors	\$5 - \$50M revenue

### Full-service investment banking services

- Company Sales
- Corporate Divestitures
- Recapitalizations
- Acquisitions
- Debt Placement
- Management Buyouts
- Exit Planning
- Business Valuations

### An award-winning team



### MARKET STATISTICS

#### Total Enterprise Value (TEV)/EBITDA

TEV	'03-18	'19	'20	'21	'22	'23	Total
10-25	5.8	6.1	5.9	6.1	6.5	6.0	5.9
25-50	6.5	7.0	6.7	7.2	7.0	7.1	6.7
50-100	7.5	7.5	8.0	8.3	8.5	8.0	7.7
100-250	8.1	9.2	8.7	9.3	9.1	9.8	8.5
Total	6.6	7.1	7.0	7.6	7.6	7.3	6.8

#### TEV/EBITDA—By industry category

Industry	'03-18	'19	'20	'22	'23	Total
Manufacturing	6.2	6.5	6.7	7.1	7.3	6.5
Business services	6.6	7.2	7.1	7.3	7.4	7.3
Health care services	7.4	8.0	7.6	8.1	8.4	9.3
Retail	6.9	9.3	6.5	8.3	8.0	6.0
Distribution	6.5	7.0	7.5	7.2	7.2	7.1
Media & Telecom	7.4	9.4	8.3	7.0	9.1	7.8
Technology	8.3	10.0	7.6	10.3	8.1	10.2
Other	6.3	6.5	6.2	7.3	6.7	6.9

#### Senior Debt/EBITDA—Splits by period (platforms only)

TEV	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
10-25	1.8	1.8	2.1	1.7	1.9	1.7	1.1	2.2
25-50	2.5	2.2	2.4	2.2	2.2	1.5	2.9	1.4
50-100	3.1	3.6	2.7	2.6	2.4	2.2	2.5	2.1
100-250	2.9	3.6	4.0	3.0	3.0	3.3	3.8	3.3
Total	2.6	2.7	2.7	2.3	2.4	2.2	2.7	2.2

Source: GF Data®

