



MARKET SUMMARY

- Average purchase price multiples rose to 7.6x TTM Adjusted EBITDA in 1Q 2025, the highest quarterly average since mid-2022, compared to 7.3x in 4Q 2024.
- The industries showing the highest EBITDA multiples in 1Q 2025 were health care services at 9.0x and business services at 8.3x. EBITDA multiples for all manufacturing companies averaged 6.6x in 1Q 2025, compared to the 6.9x average in 2024.
- Contrary to broader market trends, contributors indicate elevated activity in very small add-on transactions - particularly those under \$10 million TEV.
- Valuations on companies with TEV between \$10 million and \$25 million reached an average of 6.7x in 1Q 2025, up from 6.5x in 4Q 2024 and over a half-turn above the historical average of 5.9x.
- PE buyouts recorded an average purchase price of 7.5x, up from 7.1x in 2024.
- Add-ons accounted for 41% of completed deals at the end of 1Q 2025, slightly below the 44% average in the first half of 2024, but still higher than the 35% average in 2023.
- Average total debt across all deals increased to 4.2x TTM EBITDA, while average senior debt rose to 3.4x, both representing a half-turn increase above their respective historical averages.
- Divergent to the broader market, average total debt among manufacturing platform deals declined to 2.8x in 1Q 2025 compared to 3.2x for all of 2024.

Average valuations rose in the first quarter across a variety of industries, even as overall deal volume continued to decline due to political and economic uncertainty.

WHAT'S NEW AT TAUREAU GROUP

- **April** – Michael Schroeder and Nick Mydlach shared insights on how to leverage growth strategies to maximize value in their breakout session at the 27th Annual Manufacturing Matters! Conference.
- **April** – Grant Tilkens joined the team as an Analyst Intern.
- **April** – Engaged by tech-enabled solutions provider for consideration of potential sale.
- **April** – Engaged by plastic components manufacturer for consideration of potential sale.
- **April** – Engaged by custom-engineered value-add distributor for consideration of potential sale.
- **May** – Patrick Doyle welcomed a healthy baby girl to the family.
- **May** – Engaged by metal stamping manufacturer for consideration of potential sale.
- **May** – Engaged by ERP and software implementer for consideration of potential sale.
- **June** – Taureau Group explored the impacts of tariffs on M&A activity.
- **June** – Nate Summy joined the team as an Analyst Intern.
- **June** – Taureau Group published its 2025 Volume I Technology & IT Services Industry Report.
- **June** – Completed the sale of Marquette Energy Analytics, LLC to PowerGEM, LLC, a portfolio company of TA Associates.
- **June** – Taureau Group is named one of Milwaukee Business Journal's **Best Places to Work** for the fifth consecutive year.

MARKET STATISTICS

Total Enterprise Value (TEV)/EBITDA

TEV	'03-20	'21	'22	'23	'24	YTD'25	Total
10-25	5.8	6.1	6.4	6.0	6.4	6.7	5.9
25-50	6.6	7.2	7.0	7.0	6.8	7.1	6.7
50-100	7.5	8.3	8.5	8.0	8.3	8.4	7.7
100-250	8.2	9.3	9.1	9.6	8.5	10.7	8.6
Total	6.7	7.6	7.5	7.3	7.2	7.6	6.9

TEV/EBITDA—By industry (\$10-\$250M TEV)

Industry	'03-20	'21	'22	'23	'24	YTD'25	Total
Manufacturing	6.2	7.1	7.3	6.5	6.9	6.6	6.4
Business services	6.7	7.3	7.4	7.3	7.2	8.3	7.0
Health care services	7.4	8.1	8.4	8.9	7.7	9.0	7.7
Retail	7.0	8.3	8.0	6.0	7.4	NA	7.1
Distribution	6.7	7.2	7.2	7.1	6.9	7.5	6.8
Media & Telecom	7.6	7.0	9.1	7.8	6.7	NA	7.6
Technology	8.4	10.3	8.1	10.2	8.1	5.7	8.6
Other	6.3	7.3	6.7	6.9	7.0	6.9	6.4

FEATURED INSIGHTS

- *Impacts of Tariffs on M&A Activity* - Learn more [here](#).
- *2025 Volume I Technology & IT Services Industry Report* - Download the report [here](#).

ACTIVE BROAD ACQUISITION SEARCHES

Client Type	Search Description	Revenue/EBITDA
ESOP	Educational services, and CTE products and software firms	\$5 - \$20M revenue
PE Platform	Providers of multi-site facility services in commercial end markets	\$15M+ revenue
PE Platform	Contract manufacturing companies specializing in medical devices	\$5M+ revenue
PE Platform	Aerospace, Defense, and Space Exploration precision machining	\$5 - \$30M revenue
Employee-owned	Advanced fabrication and VDC services; modular systems and data centers	\$25 - \$100M revenue
PE Platform	Work-holding products manufacturers and machine tool accessories	\$1 - \$50M revenue
PE Platform	Manufacturers with plastic injection molding, machining, or fabrication capabilities	\$5 - \$15M revenue
Public	Branded consumer outdoor recreation companies	\$5 - \$100M revenue

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

TEV	2023	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25
10-25	2.2	1.1	2.2	2.2	1.7	1.8	1.6	2.0
25-50	1.5	2.9	1.4	1.9	2.1	2.5	2.4	2.2
50-100	2.2	2.5	2.1	2.5	2.7	2.9	2.7	2.6
100-250	3.3	3.5	3.3	3.0	2.8	2.8	3.7	3.8
Total	2.3	2.7	2.2	2.2	2.3	2.6	2.7	2.6

Source: GF Data®

Full-service investment banking services

- Company Sales
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An award-winning team



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