

M&A Quarterly Newsletter - 3Q 2026



MARKET SUMMARY

- Deal volume held steady at 85 tracked transactions in 2Q, matching 1Q and bringing first-half volume to 170 deals. The current pace is approximately 10% above full-year 2025 on an annualized basis.
- Average pricing declined modestly to 7.0x TTM adjusted EBITDA from 7.3x in 1Q, primarily due to a greater concentration of smaller transactions rather than broad-based multiple compression.
- First-half pricing averaged 7.1x, remaining closely aligned with the 7.2x averages recorded in both 2024 and 2025.
- Healthcare services led the major industry categories at 7.7x, followed by business services at 7.5x and manufacturing at 7.1x. Distribution declined to 6.0x from 6.9x in 2025..
- Add-on acquisitions represented approximately 35% of completed buyouts in the first half, while add-ons and platform transactions each averaged 7.1x EBITDA on a year-to-date basis.
- Leveraged recapitalizations increased to 9.4% of 2Q activity, while traditional buyouts represented 84.7% and growth financings accounted for 4.7%.
- Platform financing moderated in 2Q, with total debt declining to 2.9x EBITDA from 3.4x in 1Q and senior debt decreasing to 2.0x from 2.5x.

WHAT'S NEW AT TAUREAU GROUP

- June** – Michael Schroeder and Tom Venner spoke about ESOP M&A at the Wisconsin Chapter of The ESOP Association.
- July** – Matt Smith joined the team as a Senior Operating Partner.
- July** – Completed the acquisition of Sapience Automation, LLC for PPC Partners.
- July** – Ann Hanna honored at the 2026 Women of Influence luncheon.
- July** – Completed the acquisition of Gentry Plastics, Inc. for Le Sueur Incorporated.
- August** – Taureau Group published its four-part series, *Why Deals Fall Apart*, exploring why lower middle market M&A deals fail and how to overcome common challenges.
- September** – Corey featured on Granite Harbor's podcast, The Balance Sheet.
- September** – Completed the acquisition of Toolcraft Machining for Schneider Elite Machining Group, LLC, a precision machining group supported by Schneider Resources Holding.
- September** – Corey Vanderpoel attended IMTS 2026, the largest manufacturing technology trade show in the Western Hemisphere.
- September** – John Weber and Danny Rodriguez joined the team as an Analyst.

FEATURED INSIGHTS

- "The Decision That Defines a Family Legacy" - View the article [here](#).
- "Good Crews Are Hard To Find. Buyers Will Pay For Yours." - View the article [here](#).

ACTIVE BROAD ACQUISITION SEARCHES

Client Type	Search Description	Revenue/EBITDA
PE Platform	Commercial door and other warehouse equipment manufacturing	\$1 - \$30M revenue
PE Platform	Providers of multi-site facility services in commercial end markets	\$15M+ revenue
PE Platform	Aerospace & Defense avionics, embedded electronics, engineering services	\$1 - \$10M EBITDA
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
Public	Branded consumer outdoor recreation companies	\$5 - \$100M revenue
Private	Product-based manufacturers in robust end markets	\$1 - \$10M revenue
Private	Providers of technical advisory and professional services	\$1 - \$10M revenue
PE Platform	Residential and commercial lighting manufacturers	\$5M+ revenue
Private	Specialty electrical contracting focused on transmission and distribution	\$10M+ revenue
PE Platform	Plastics manufacturers: blow molding, rotational molding, and thermoforming	\$5M+ revenue
Private	Tax credit consulting and complimentary advisory firms	\$10M revenue/\$3M EBITDA
Family Office	Flexible packaging and niche manufacturing businesses	\$10 - \$100M revenue

Middle-market M&A activity showed continued stability in the second quarter, with durable buyer demand supporting a resilient valuation environment.

MARKET STATISTICS

Total Enterprise Value (TEV)/EBITDA

TEV	'03-'21	'22	'23	'24	'25	YTD'26	Total
10-25	5.8	6.4	5.9	6.4	6.2	6.1	5.9
25-50	6.6	7.1	6.9	6.8	6.8	7.3	6.7
50-100	7.6	8.5	8.2	8.2	8.2	7.7	7.7
100-250	8.4	9.2	9.5	8.5	9.6	8.3	8.6
Total	6.8	7.6	7.2	7.2	7.2	7.1	6.9

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

Industry	'03-'21	'22	'23	'24	'25	YTD'26	Total
Manufacturing	6.3	7.4	6.5	6.9	6.7	7.1	6.5
Business Services	6.8	7.4	7.2	7.3	7.5	7.5	7.0
Healthcare Services	7.5	8.4	9.2	7.8	8.5	7.7	7.7
Retail	7.1	8.0	6.0	7.4	7.5	6.8	7.1
Distribution	6.7	7.1	7.1	6.9	6.9	6.0	6.8
Media & Telecom	7.6	8.3	7.8	6.7	6.8	5.8	7.4
Technology	8.6	8.1	10.2	8.1	6.7	5.7	8.5
Other	6.4	7.0	6.9	7.0	6.8	6.8	6.5

Senior Debt/EBITDA—Splits by Period (\$10M-\$250M, Platforms Only)

TEV	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26
10-25	1.8	1.6	2.0	2.3	1.2	1.4	1.3	1.6
25-50	2.2	2.4	2.6	1.8	1.3	2.5	1.9	1.6
50-100	3.1	2.7	2.7	2.2	2.4	2.2	2.9	2.2
100-250	2.8	3.8	3.8	3.9	2.6	3.5	2.8	2.8
Total	2.5	2.8	2.7	2.3	2.0	2.2	2.5	2.0

Source: GF Data®

Full-Service Investment Banking Services

- Company Sales
- Corporate Divestitures
- Recapitalizations
- Acquisitions
- Sponsor-Backed Services
- Debt Placement
- Exit Planning
- Business Valuations

414.465.5555 | taureaugroup.com