



MARKET SUMMARY

- Completed deal volume was down markedly in the first half of 2022, while valuations for mid-market companies acquired by private equity groups and other deal sponsors held strong at an average of 7.4x EBITDA.
- Total debt averaged 3.9x in the first half of the year, down slightly from an average of 4.0x for all of 2021. For senior debt, the average was 3.2x for the last two quarters, compared to 3.3x for all of 2021.
- The two industries showing the highest EBITDA multiples during Q2 2022 were technology and health care services at 10.0 and 8.6x, respectively. EBITDA multiples for all manufacturing companies averaged 7.1x in the first half of the year, in line with 2021.
- While volume is down, businesses with above-average financial characteristics continue to account for an increased portion of completed deal activity. These deals comprised 68 percent of the total, up from 66 percent in 2021.
- In the first six months of the year the average multiple for buyouts was 7.2x, compared to 7.4x overall.

WHAT'S NEW AT TAUREAU GROUP

- June** – Engaged by niche metal manufacturer for consideration of potential sale.
- June** – Completed the sale of The Kinetic Co., Inc. to Precision Marshall, a subsidiary of Live Ventures Incorporated (Nasdaq: LIVE).
- June** – Completed the acquisition of Rebuild-it Services Group (RSG) for Sentry Equipment Corp.
- July** – Ron Burgers, one of our talented analysts, is our Featured Team Member.
- August** – Taureau Group team members attended Milwaukee Business Journal's 2022 Best Places to Work awards luncheon.
- September** – Taureau Group published its 2022 Volume II Information Technology (IT) Services Industry Report.
- September** – Ciara Jones, one of our talented analysts, is our Featured Team Member.
- September** – Taureau Group published its 2022 Volume II Packaging & Printing Industry Report.
- September** – Travis Kalmuck joined Taureau Group as a Senior Analyst.

FEATURED INSIGHTS

- 2022 Volume II Information Technology (IT) Services - Download the industry report [here](#).
- 2022 Volume II Packaging & Printing - Download the industry report [here](#).

ACTIVE BROAD ACQUISITION SEARCHES

Client Type	Search Description	Revenue/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
Buy-side	Acquisitions of steel erectors focused on Southeast U.S. market	<\$40M revenue
ESOP	Acquisitions of highly engineered industrial equipment manufacturers	\$10 - \$30M revenue

MARKET STATISTICS

Total Enterprise Value (TEV)/EBITDA

TEV	'03-17	'18	'19	'20	'21	YTD'22	Total
10-25	5.7	6.0	6.1	5.9	6.1	6.3	5.8
25-50	6.4	6.9	7.0	6.7	7.2	6.7	6.6
50-100	7.3	8.9	7.5	8.0	8.4	9.2	7.6
100-250	8.0	8.8	9.2	8.7	9.3	9.3	8.4
Total	6.5	7.2	7.1	7.0	7.4	7.4	6.7

TEV/EBITDA—By industry category

Industry	'03-17	'18	'19	'20	'21	YTD'22	Total
Manufacturing	6.1	6.8	6.5	6.7	7.1	7.1	6.3
Business services	6.5	7.1	7.2	7.1	7.3	7.5	6.8
Health care services	7.3	7.8	8.0	7.6	8.0	8.3	7.5
Retail	6.7	8.1	9.3	6.5	8.6	8.0	7.1
Distribution	6.5	6.9	7.0	7.5	7.3	6.6	6.8
Media & Telecom	7.4	7.8	9.4	8.3	6.3	7.3	7.5
Technology	8.2	9.6	10.0	7.6	10.3	10.0	8.6
Other	6.2	7.2	6.5	6.2	7.3	7.6	6.4

Senior Debt/EBITDA—Splits by period

TEV	Q320	Q420	Q121	Q221	Q321	Q421	Q122	Q222
10-25	2.7	3.0	4.2	2.8	2.3	3.5	3.1	2.5
25-50	2.6	2.9	3.3	2.5	3.5	2.9	3.5	2.5
50-100	2.6	2.9	3.2	3.0	3.1	3.2	3.5	3.5
100-250	3.2	4.0	4.2	3.5	3.7	3.5	2.9	3.7
Total	2.7	3.1	3.8	2.8	3.1	3.2	3.3	3.0

Source: GF Data®

No business is immune to all of the current economic challenges, not to mention hangover effects of the pandemic. However, there is considerable evidence that well-established companies serving targeted niche markets are continuing to command strong interest, while lesser businesses are trading at lower multiples or not at all. What is apparent in the numbers is a greater share of generously valued deals being completed as leveraged recaps, rather than as change-of-control transactions.



An award-winning team:



Pictured left to right: Mike Erwin, Michael Schroeder, Ron Burgers, Jake Mende, Ann Hanna, Andrew Sannes, Tyler Carlson, Nick Mydlach, Jacob Meehan, Mary Nicole Myles, Corey Vanderpoel and Tom Venner. Not pictured: Ciara Jones, Jon Moreau, Tammy Halfmann and Travis Kalmuck.

National Clients. Global Results.

Full-service investment banking services:

- Company sales and corporate divestitures
- Recapitalizations
- Acquisitions
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- Business valuations (market value)