



MARKET SUMMARY

- Valuations on deals completed in 1Q 2024 averaged 6.6x TTM adjusted EBITDA, down more than a half-turn on EBITDA from the 7.2x average from 4Q 2023, with larger transactions seeing the greatest decline in valuation.
- The two industries showing the highest EBITDA multiples through 1Q 2024 were media & telecom at 8.8x and technology at 7.2x. EBITDA multiples for all manufacturing companies averaged 6.1x through 1Q 2024, compared to the 6.5x average in 2023.
- Deals valued between \$10M and \$25M held firm at an average 6.3x, the same as 4Q 2023 and, on an annualized basis, valuations on deals in this cohort were up by 0.3x compared to 2023.
- Add-ons accounted for 43% of deals in 1Q 2024, well above the 35% average in 2023.
- Buyout deals recorded an average purchase price of 6.5x for 1Q 2024, compared to 7.2x in 2023.
- The average coupon on subordinated debt increased slightly in 1Q 2024, rising to 12.0%, compared to 11.9% in 4Q 2023.
- There was a rebound in debt contribution on smaller deals valued between \$10M and \$25M, indicating improved lending conditions in this size tier. Senior debt contribution notably increased by nine percentage points from 47.4% in 2023 to 56.4% in 2024 YTD.

The first quarter of 2024 brought a resurgence of deal volume in the middle market, and the dampened valuations set the stage for continued improvement in deal volume for the remainder of 2024.

WHAT'S NEW AT TAUREAU GROUP

- **March** – Completed the sale of Magview, LLC to Warne Scope Mounts, Inc., a portfolio company of Maple Hill Capital.
- **April** – Engaged by recycling systems design and engineering company for potential sale to a strategic partner.
- **April** – Completed the recapitalization of JR Machine to Schneider Resources Holding Company, LLC.
- **May** – Taureau Group sponsored Isla Bella Coffee Roasters' Drink of the Month at the BizStarts Community Market.
- **May** – Corey Vanderpoel attended Automate in Chicago, the largest show in North America entirely dedicated to automation solutions.
- **May** – Engaged by early-stage medical device and software company to sell recurring revenue business to strategic buyer.
- **May** – Engaged by niche packaging company for consideration of potential sale.
- **June** – Brendan Witt joined the team as an Analyst Intern. Learn more about Brendan [here](#).
- **June** – Ann Hanna is quoted in BizTimes Milwaukee Magazine's article discussing the working capital adjustment part of the sell-side process.
- **June** – Taureau Group published its 2024 Volume I Packaging & Printing Industry Report.
- **June** – Taureau Group is named one of Milwaukee's Best Places to Work for the fourth consecutive year.

FEATURED INSIGHTS

- *What's the working capital adjustment and why is it a pain point in selling a business?* - Read the article [here](#).
- *2024 Volume I Packaging & Printing Industry Report* - Download the report [here](#).

ACTIVE BROAD ACQUISITION SEARCHES

Client Type	Search Description	Revenue/EBITDA
PE Platform	Residential exterior repair & restoration firms in Southeast U.S.	\$5M+ revenue
Holding Company	Established electrical contractor firms in Southeast Wisconsin	\$10 - \$25M revenue
ESOP	Educational services, and CTE products and software firms	\$5 - \$20M revenue
Private	Steel erectors focused on West/Northwest U.S. market	<\$40M revenue
PE Platform	CRO, CMO, and CDMO specializing in medical devices	\$5 - \$100M revenue
Private	Metal and plastic low to medium volume manufacturers	\$5 - \$30M revenue
ESOP	Wholesale building products distributors	\$5 - \$50M revenue
PE Platform	Building envelope solutions in Midwest U.S.	\$5 - \$30M revenue
Private	Fuel distribution across Midwest and Eastern U.S.	>\$5M revenue

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MARKET STATISTICS

Total Enterprise Value (TEV)/EBITDA

TEV	'03-19	'20	'21	'22	'23	YTD '24	Total
10-25	5.8	5.9	6.1	6.4	6.0	6.3	5.9
25-50	6.5	6.7	7.2	7.0	7.0	6.0	6.7
50-100	7.5	8.0	8.3	8.5	8.0	8.2	7.7
100-250	8.2	8.7	9.3	9.1	9.6	8.3	8.5
Total	6.6	7.0	7.6	7.5	7.2	6.6	6.8

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

Industry	'03-19	'20	'21	'22	'23	YTD '24	Total
Manufacturing	6.2	6.7	7.1	7.3	6.5	6.1	6.4
Business services	6.7	7.1	7.3	7.4	7.2	6.9	6.9
Health care services	7.4	7.6	8.1	8.4	9.0	6.4	7.6
Retail	7.0	6.5	8.3	8.0	6.0	6.4	7.1
Distribution	6.6	7.5	7.2	7.2	7.1	7.1	6.8
Media & Telecom	7.6	8.3	7.0	9.1	7.8	8.8	7.7
Technology	8.5	7.6	10.3	8.1	10.2	7.2	8.6
Other	6.3	6.2	7.3	6.7	6.9	7.2	6.4

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

TEV	2022	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24
10-25	1.9	2.1	1.9	1.9	2.2	1.1	2.2	2.3
25-50	2.2	2.4	2.2	2.2	1.5	2.9	1.4	1.9
50-100	3.6	2.7	2.6	2.4	2.2	2.5	2.1	2.3
100-250	3.6	4.0	3.0	3.0	3.3	3.5	3.3	2.1
Total	2.8	2.7	2.3	2.4	2.3	2.7	2.2	2.1

Source: GF Data®

