



Q3 M&A and Leverage Report highlights

Middle market valuations averaged **7.0x** and unwavering debt support continued middle market private transactions through Q3 2016 as reported.

Analytical databases collect and publishes proprietary valuation, leverage and key deal terms benchmarks on completed transactions valued between \$10-250mm. Over 200 lower middle-market capital market firms contribute information via these secure utility.

The size premium remains at record highs. The average mark YTD on buyouts with TEV (Total Enterprise Value) between \$10-50mm is **6.1x** compared to buyouts in the \$50-250mm range that closed on average of **8.5x** TEV/Adjusted EBITDA. Niche deals have closed at the largest size premium with \$10-25mm deals averaging 5.8x in YTD 2016 while \$90-250mm deals averaged **9.5x**.

This data reports the extent to which strong valuations are being applied to some sellers with good, but not overpowering financial characteristics, while greater the EBITDA greater the valuation.

Our database benchmarks are sliced by industry as well as granular 6 digit NAICS codes, then cut further by revenue, adjusted EBITDA margins, trailing twelve-month growth, year and size of deal. Capital structure is broken down by size, industry, equity contribution, senior and sub-debt. Debt pricing on senior and sub-debt is provided with quarterly cuts. Also published is granular deal term benchmarks on indemnification, escrow and baskets.

Please [contact me](#) to provide further details, on industry specific deal processes.

MID-MARKET M&A WITH A FOCUS ON YOU, OUR CLIENT

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*Source: GF Data

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