

2024 HIGHLIGHTS AND PRODUCTS

GF Data Highlights Second Quarter, 2024

Deal Volume and Quality:

- GF Data’s contributors reported on 90 deals completed in the second quarter. Late submissions brought the first quarter’s total to 90 completed deals as well. At this pace full-year 2024 would surpass 2023’s deal count by nearly 23 percent.
- The first and second quarter deal totals are well above the 63 deals reported on in last year’s third quarter, which represented the lowest count tracked by GF Data since the second quarter of 2020 immediately after the onset of Covid.

Valuations:

- Average purchase price multiples on completed deals in the second quarter reached 7.4 times Trailing Twelve Month (TTM) EBITDA, an increase of a half turn of EBITDA from the first quarter average.
- Deals valued at less than \$100 million all saw increases in average valuation, as did deals valued between \$250 million and \$500 million.
- Deals valued between \$100 million and \$250 million declined in average valuation by more than a turn-and-a-half of EBITDA, reflecting decreases in average revenue growth and margin in this size tier a sign the market is still accounting for the lingering effects of the Covid period and that higher quality businesses in this size tier remain on the sidelines.

Leverage:

- Senior debt pricing and average contribution across all deals improved modestly in the last two quarters, but challenges remain for the market.
- Across all deals tracked by GF Data year to date, total debt coverage averaged 3.7x in the last two quarters compared to an average of 3.6x for all of 2023, while senior debt coverage averaged 3.2x compared to 2.9x in 2023.
- Average senior coupon also declined in the second quarter, dropping to 9.3% compared to 9.4% in the first quarter and well off the 11% average recorded in the fourth quarter.
- While average total debt coverage on platform deals held steady in the second quarter at 3.1x, three of GF Data’s TEV size tiers recorded declines in average valuations compared to the first quarter. The exception was for deals valued between \$25 million to \$50 million, where coverage improved to 2.9x TTM EBITDA compared to an average of 2.5x in the first quarter.
- On an annualized basis, average Total Debt/EBITDA for platforms year-to-date was down 0.2x in 2024 compared to all last year with deals valued below \$50 million taking the biggest hit.
- Both of GF Data’s primary business categories—Manufacturing and Business Services—also recorded declines for debt coverage in platform deals compared to the prior year.

Charts of Note

GF Data subscribers receive the quarterly M&A Report and the quarterly Leverage Report with 40 additional benchmarking charts stratifying deal trends—see page 2 for list of GF Data detailed stratification.

CHART 1

TOTAL ENTERPRISE VALUE (TEV)/EBITDA

TEV	2003					YTD		N =
	-2019	2020	2021	2022	2023	2024	Total	
10-25	5.8	5.9	6.1	6.4	6.0	6.4	5.9	1994
25-50	6.5	6.7	7.2	7.0	7.0	6.4	6.7	1536
50-100	7.5	8.0	8.3	8.5	8.0	8.7	7.7	1053
100-250	8.2	8.7	9.3	9.1	9.6	8.3	8.5	592
250-500	9.0	10.4	10.9	10.1	10.7	9.8	10.0	86
Total	6.6	7.0	7.6	7.5	7.2	7.1	6.9	
N =	3611	342	501	334	293	180		5261

Please note that N for 2003-19 encompasses 17 years of activity.

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About GF Data

GF Data provides data on private-equity-sponsored M&A transactions with enterprise values of \$10–500 million. GF Data provides the most reliable information in valuing and assessing M&A transactions.

GF Data collects information from PE groups on a blind and confidential basis. As of this report, over 300 PE firms have provided information on their acquisitions.

GF Data publishes five products:

GF Data M&A Quarterly Report—containing high-level volume, valuation and leverage data;

GF Data Quarterly Leverage Report—exhaustive detail on leverage multiples, pricing and capital structure;

GF Data Key Deal Terms Semi-Annual Report—providing detail on indemnification, escrow and basket benchmarks;

GF Data Online Valuation Database—providing continuous access through GF Data’s secure website to detailed valuation data organized by NAICS industry code.

GF Data Industry Drilldown Quarterly Reports on manufacturing, business services, distribution and health care services.

For information on subscribing or contributing data as a private equity participant, contact us at info@gfdata.com.

Charts of Note

CHART 3

VALUATION DRILLDOWN BY PRICING FACTOR—2024 YTD

TEV	ALL	Buyouts Only	Buyouts Only			ALL THREE*
			PEG/Corp Seller	Above Average	Post-Closing Mgt.	
10-25	6.4	6.4	5.7	7.2	6.6	6.3
25-50	6.4	6.4	6.2	6.8	6.6	6.5
50-100	8.7	9.0	10.9	8.8	9.7	9.0
100-250	8.3	8.3	8.9	7.5	8.4	7.3
250-500	9.8	10.1	10.1	7.3	10.4	7.3
Total	7.1	7.0	8.1	7.3	7.3	7.3
N =	175	157	34	59	122	13

* Note: ALL THREE* in the rightmost column denotes buyouts featuring above-average financial characteristics, a post-closing management solution and a private equity/corporate seller.

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CHART 17

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

TEV	2003					YTD		N =
	-2019	2020	2021	2022	2023	2024	Total	
10-25	5.6	5.9	6.0	6.2	5.4	6.0	5.7	804
25-50	6.1	6.6	6.8	7.2	6.5	6.2	6.2	624
50-100	6.9	7.7	8.0	8.3	7.0	10.0	7.3	438
100-250	7.7	7.4	8.5	9.0	8.6	7.6	7.9	204
Total	6.2	6.7	7.1	7.3	6.5	6.8	6.4	
N =	1489	125	185	113	99	59		2070

Please note that N for 2003-19 encompasses 17 years of activity.

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RENTAL AND LEASING SERVICES

NAICS CODE: 532

TEV Range	TEV \$	Rev \$	TTM Rev Growth%	EBITDA Margin%	TEV/Revs	TEV/EBITDA
10 - 25	16.2	12.8	9.1	29.4	1.6	5.3
25 - 50	34.9	21.2	13.4	37.6	2.0	5.4
50 - 100	74.8	39.5	12.0	35.5	2.4	6.6
100 - 250	134.6	74.2	23.1	37.8	2.7	6.7
Total	53.7	31.0	13.2	34.4	2.1	5.9

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- GF Data provides benchmarks by type of buyer to recognize pricing and deal structure differences.
- GF Data provides industry and specific NAICS breakouts. Sell side advisors manage expectations with realistic, reliable multiples of adjusted EBITDA. PE firms are able to provide LP's with on-target benchmarks.
- GF Data also provides aggregate metrics on deal leverage, debt pricing and deal terms.

GF Data Overview:

All information is based on Adjusted EBITDA

Transaction sizes:

- \$10-25 mm
- \$25-50 mm
- \$50-100 mm
- \$100-250 mm
- \$250-500 mm

Deal volume:

- By quarter
- By year

TEV/EBITDA:

- Quarter
- Year
- Size Range
- Buyouts Only
- Platforms Only
- Add ons
- Average TTM Revenue Growth
- EBITDA Margin
- Above Average properties
- Management Continuity

Debt:

- Average Debt used
- Average Debt at near maximum available
- Average debt used by deal size
- Platform vs add-on deals
- Senior debt only
- Unitranche debt
- Equity Sponsor
- No Equity Sponsor
- Commercial Lenders
- BDC's
- Other Lenders
- Debt by Industry Group
- Equity Contribution
- Pricing
 - Senior Debt
 - Sub-debt coupon
 - Payment-in-kind interest
 - Warrant based return/fees

Leverage:

- Most breakouts include:
 - Total Debt
 - Senior Debt
 - Subordinated Debt
 - Seller Rollover Equity

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