

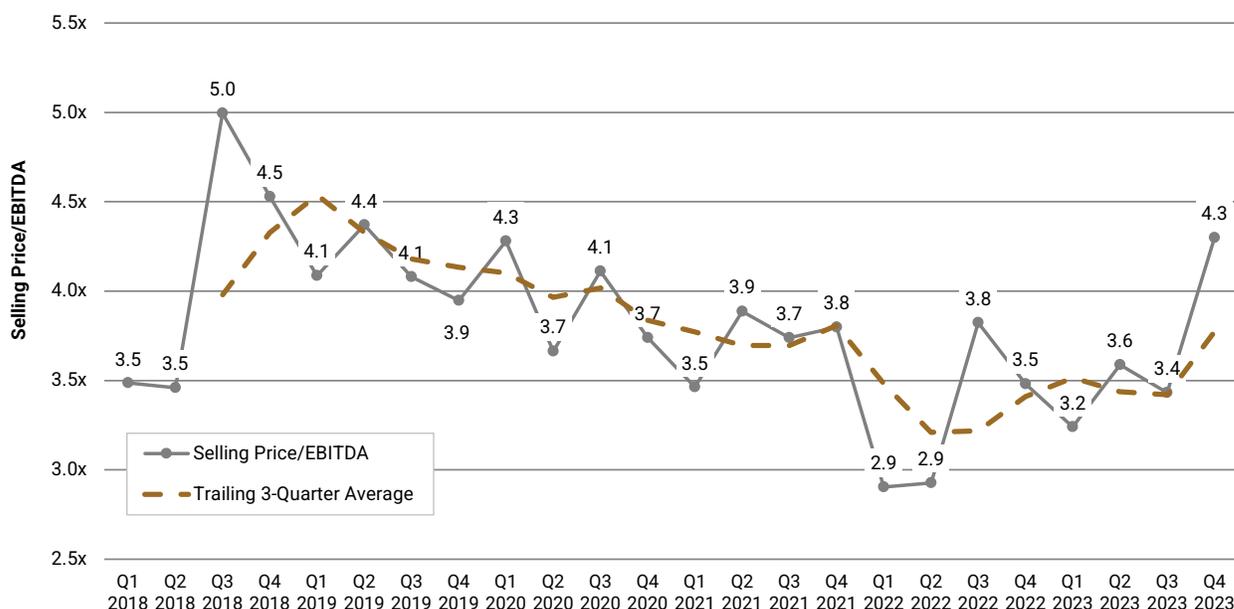
# DealStats Value Index Digest **Q1 2024**

This *DealStats Value Index Digest* is an excerpt from the *DealStats Value Index*. The *DealStats Value Index* summarizes valuation multiples and profit margins for acquired private companies by time period, sector, and size. Business Valuation Resources (BVR) captures this private company transaction data in its DealStats platform. Most BVR deals are not otherwise publicly available. The *DealStats Value Index* is updated quarterly and, as a result, past figures may change in future issues as new data are reported.

## EBITDA MULTIPLES RETURN TO TYPICAL LEVELS IN 2023

In the time period analyzed, EBITDA multiples across all industries were highest in the third quarter of 2018, at 5.0x, and there has been a downward trend from that high point until the second quarter of 2022. Since then, EBITDA multiples have generally been trending upward, reaching 4.3x in the fourth quarter of 2023.

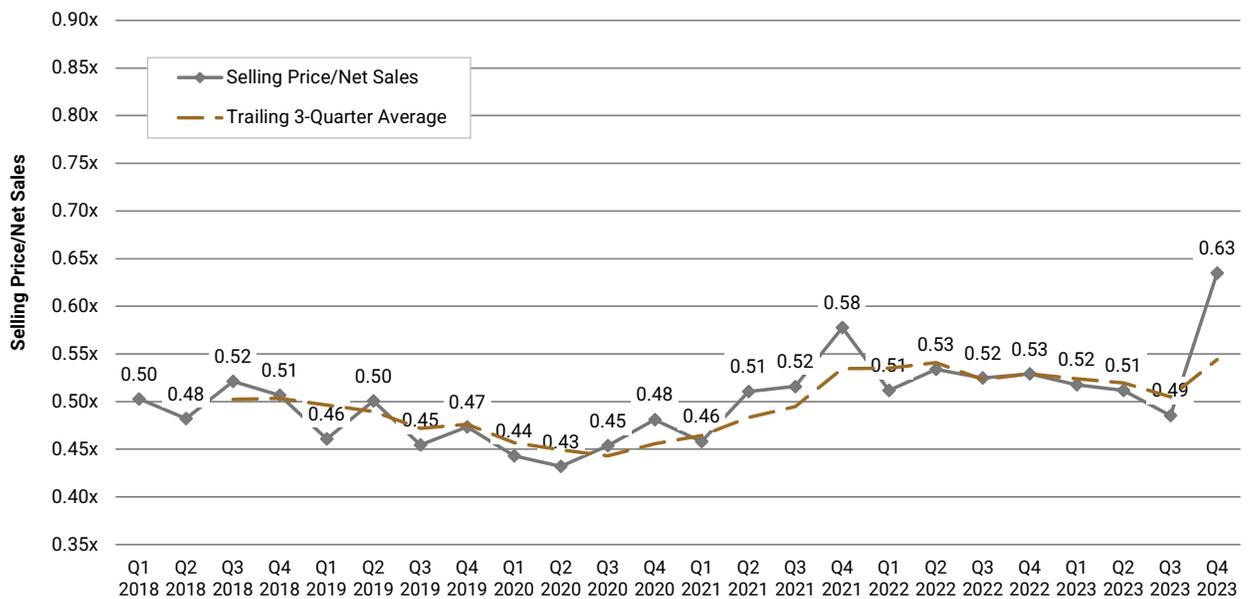
**EXHIBIT 1A. MEDIAN SELLING PRICE/EBITDA WITH TRAILING THREE-QUARTER AVERAGE (PRIVATE TARGETS)**



## NET SALES MULTIPLES REACH NEW HIGH IN Q4 2023

In the quarters analyzed in this report, net sales multiples were at their highest in the fourth quarter of 2023, at 0.63x. Since the third quarter of 2020, net sales multiples have generally been increasing, according to the three-quarter trailing average. This contrasts with the previous declining trend from the first quarter of 2018 to the second quarter of 2020. The lowest multiple recorded since the first quarter of 2018 was 0.43x in the second quarter of 2020.

**EXHIBIT 1B. MEDIAN SELLING PRICE/NET SALES WITH TRAILING THREE-QUARTER AVERAGE (PRIVATE TARGETS)**



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The selling prices referred to in the *DealStats Value Index* represent the market value of invested capital (MVIC) price paid for the target firm. The MVIC price is the total consideration paid to the target and includes any cash, notes, and/or securities that were used as a form of payment plus any interest-bearing liabilities of the target company that the acquirer assumed. For more information, please visit the DealStats FAQ page: [bvresources.com/products/faqs/dealstats](https://bvresources.com/products/faqs/dealstats).

The multiples and transaction data presented in the *DealStats Value Index* include both asset sale purchases and stock sale purchases. Unless otherwise noted, the multiples and transaction data presented in the *DealStats Value Index* include purchases made by both private parties and public parties.

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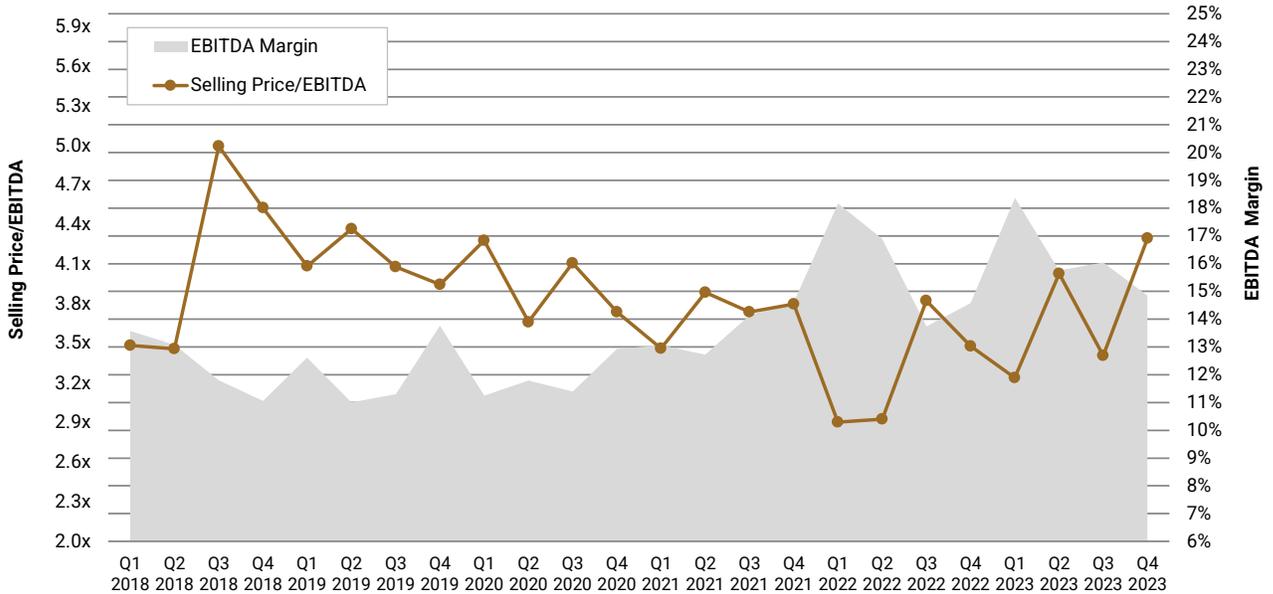
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## EBITDA MARGINS RISE IN 2022 AND MAINTAIN HIGH LEVELS IN Q3 2023

EBITDA margins began to decline in the second quarter of 2022 but have trended negatively since then, reaching 15% in the fourth quarter of 2023.

EBITDA margins were at their highest point in the first quarter of 2023, at 18%. The previous range was between 11% and 15%, from the first quarter of 2018 through the fourth quarter of 2021. Since the first quarter of 2018, EBITDA margins have never been below 11%.

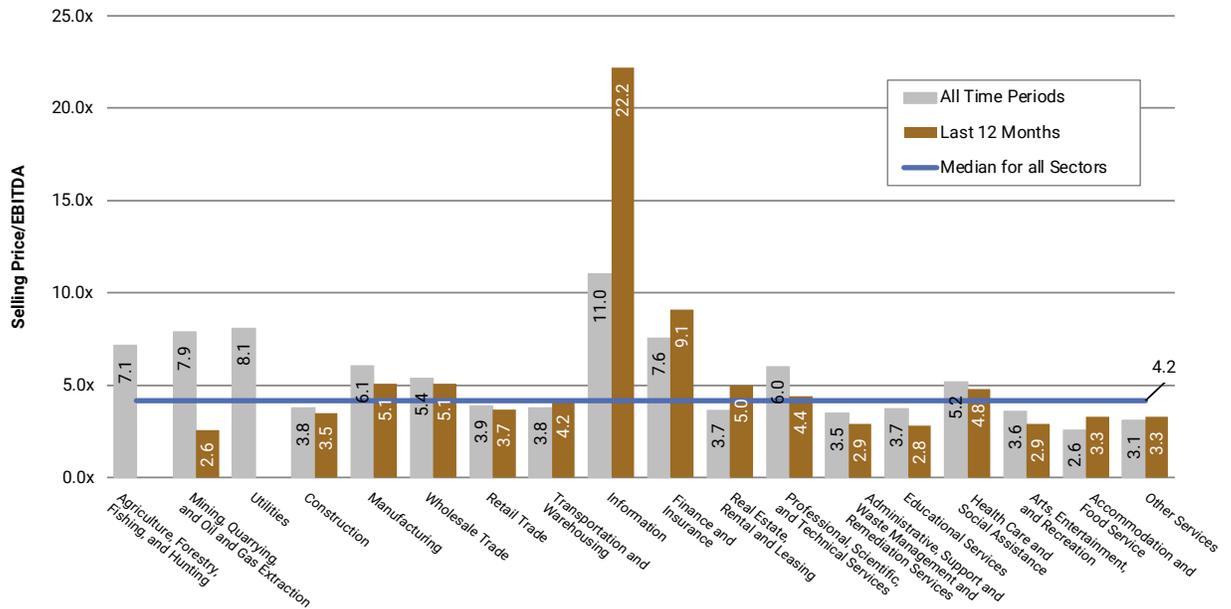
**EXHIBIT 2. MEDIAN SELLING PRICE/EBITDA WITH EBITDA MARGINS (PRIVATE TARGETS)**



## ALL-TIME MEDIAN EBITDA MULTIPLE FOR ALL SECTORS IS 4.2X

All-time EBITDA multiples remain the highest for the information sector (11.0x) and the utilities sector (8.1x). Meanwhile, the lowest all-time EBITDA multiples are in the accommodation and food services (2.6x) and the other services sectors (3.1x). The median across all industry sectors for all time periods is 4.2x. The information sector has shown a notable recent increase, with the last 12-month EBITDA multiple rising to 22.2x when compared with its all-time period multiple of 11.0x.

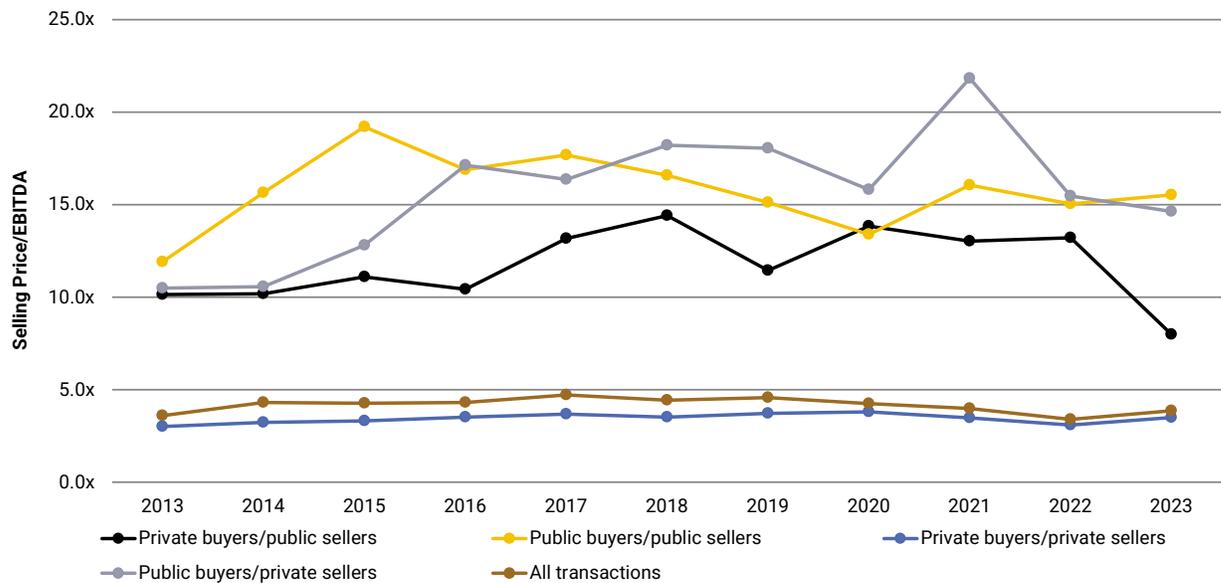
**EXHIBIT 3. MEDIAN SELLING PRICE/EBITDA BY SECTOR (PRIVATE TARGETS)**



## EBITDA MULTIPLES FOR PRIVATE-BUYER/PRIVATE-SELLER TRANSACTIONS RISE IN 2023

The all-transactions category has seen a notable 14% increase in 2023 compared to 2022. EBITDA multiples for private-buyer transactions involving a private seller were the only group to see a significant EBITDA multiple increase in 2023, rising from 3.1x to 3.5x (an increase of 13%).

### EXHIBIT 4A. MEDIAN SELLING PRICE/EBITDA (PRIVATE TARGETS)

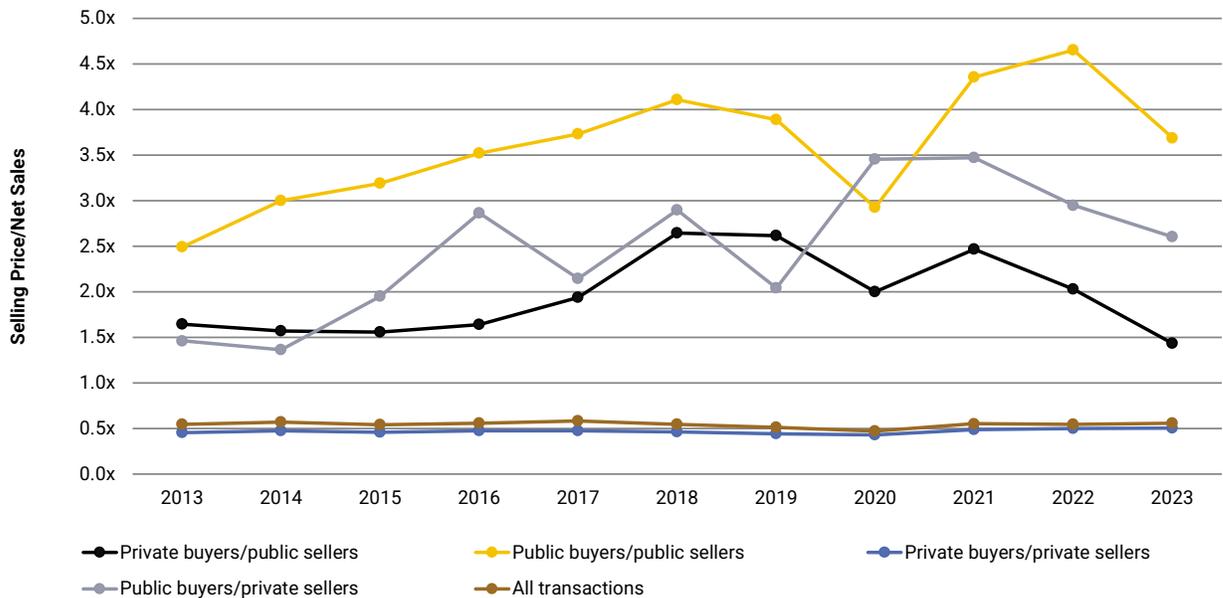


Note: Each data point in this chart is based on a minimum of 10 transaction multiples. If there are not enough transaction multiples for a particular year or quarter, the data are not included.

## NET SALES MULTIPLES FOR PUBLIC-BUYER/PRIVATE-SELLER TRANSACTIONS CONTINUE TO RISE

The all-transactions category increased to 0.56x in 2023, a modest 2% increase compared to 2022. The lowest value for the all-transactions category in the time periods analyzed continues to be 0.47x in 2020. All the transaction-type categories have experienced a decrease in 2023 compared to 2022, where net sales multiples for private buyers and public sellers decreased the most since 2022 to 2023, by 29%.

**EXHIBIT 4B. MEDIAN SELLING PRICE/NET SALES (PRIVATE TARGETS)**



Note: Each data point in this chart is based on a minimum of 10 transaction multiples. If there are not enough transaction multiples for a particular year or quarter, the data are not included.

### DealStats – the next generation of private & public company comps

DealStats is a state of the art platform that boasts the most complete financials on acquired companies in both the private and public sectors.

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