

Links Capital

Links' List of Multiples and Buyers

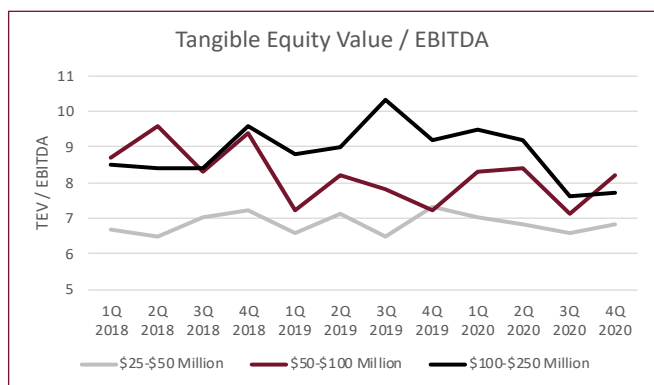
March 2021



Links Capital

Divestitures • Acquisitions • Financings

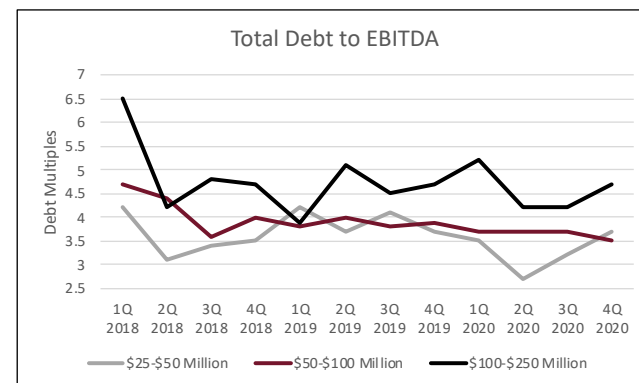
2020 Q4 Private Equity Valuation & Debt Multiples



Data Source: GF Data®

TEV/EBITDA			
	4Q 2020	2018-2020	2003-2020
\$25-\$50 Million	6.8	6.8	6.4
\$50-\$100 Million	8.2	8.2	7.3
\$100-\$250 Million	7.7	8.9	8.2

TOTAL DEBT/EBITDA			
	4Q 2020	2018-2020	2003-2020
\$25-\$50 Million	3.7	3.6	3.5
\$50-\$100 Million	3.5	3.9	3.8
\$100-\$250 Million	4.7	4.7	4.4



Data Source: GF Data®

In private equity transactions under \$250 million, EBITDA enterprise valuation multiples increased from 6.7x to 7.0x EBITDA, an increase of 4.5% from last quarter. As the current EBITDA multiples are compared to historic, multiples have rebounded in the \$25-\$100 million deal range to near two-year averages, as deals from \$100-\$250 million are lagging pre-pandemic valuations. When comparing EBITDA multiples to the entire dataset, multiples of transactions in the \$25-\$100 million range are well above the long-term multiples.

- Deals in the \$25-\$50 million range are currently at 6.8x EBITDA, which is the two-year average and 0.4x greater than the total dataset multiple of 6.4x
- Deals in the \$50-\$100 million deals are currently at 8.2x EBITDA, which is also at the two-year average and 0.9x greater than the total dataset multiple of 7.3x
- Deals in the \$100-\$250 million range are currently at 7.7x EBITDA, lagging both the two-year average of 8.9x and the total dataset multiple of 8.2x

Deals in the \$50-\$100 million range are currently getting completed at a premium to the \$100-\$250 million deal subset. This divergence is expected to be short-term with premiums on larger deals increasing to near historic averages of 8.2x in the coming quarters. Those companies thriving throughout the pandemic are commanding higher premium multiples and are seeing excellent deal interest when going to market. Those companies negatively impacted by the pandemic are finding different ways to bridge potential valuation gaps between purchaser and seller using earnouts and other contingent consideration.

Given the rollout of the vaccine and the amount of stimulus, it is reasonable to expect some expansion in multiples in upcoming quarters.

Data Source: GF Data®



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Private Equity Platform Investments and Buyouts

**Investors Seeking Strong Stable Cash Flows with
Growth Oriented Niche Industries
(>\$3 million EBITDA)**

**Management Buyouts
(>\$ 2 million EBITDA)**

**Distressed Balance Sheets
(\$2-\$10 million Historical EBITDA)**

**Utility & Infrastructure Services
(> \$5 million EBITDA)**

**Distribution Businesses
(\$2-\$10 million EBITDA)**

**Chemicals & Adhesive Manufacturers
(\$2-20 million EBITDA)**

**Healthcare Services & HCIT
(\$2-\$20 million EBITDA)**

Current Add-on Investments Strategic and Private Equity Investors

Building Products (Manufactured & Distribution)

Consumer Packaged Goods

Industrial Distribution Services

Custom Packaging

Food/Beverage Manufacturing and Services

High Tech Contract Manufacturing (EMS)

Co-Packaging & Co-Manufacturing

B2B Services, Technology & Software

Utility and Infrastructure Services

Healthcare Support Services

Pet Care Products & Services

Environmental (Waste Management/ Recycling)





DIVESTITURES



FINANCINGS



ACQUISITIONS

Ron Chicoyne, CFA, CA, ICD.D
Managing Director
rchicoyne@linkscap.com
403.538.5109

Links Capital Partners Ltd.
Suite 240, 30 Springborough Blvd SW
Calgary, Alberta, T3H 0N9
www.linkscap.com



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