

Links Capital

Links' List of Multiples and Buyers

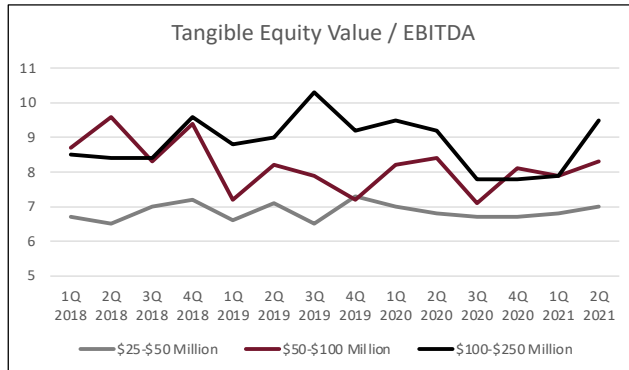
September 2021



Links Capital

Divestitures • Acquisitions • Financings

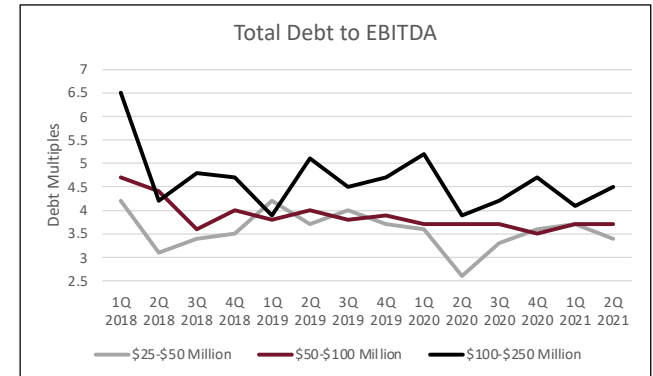
Q2 2021 Private Equity Valuation Multiples



Data Source: GF Data®

TEV/EBITDA	2Q 2021	2018-2020	2003-2020
\$25-\$50 Million	7.0	6.8	6.4
\$50-\$100 Million	8.3	8.2	7.3
\$100-\$250 Million	9.5	8.9	8.2

TOTAL DEBT/EBITDA	2Q 2021	2018-2020	2003-2020
\$25-\$50 Million	3.4	3.6	3.5
\$50-\$100 Million	3.7	3.9	3.8
\$100-\$250 Million	4.5	4.7	4.4



Data Source: GF Data®

Consistent and growing EBITDA along with the size premium are again driving valuation multiples in private equity transactions. Private equity transactions greater than \$100 million were valued under 8.0x EBITDA for three consecutive quarters, finally rebounding in Q2-2021 to the multiple range that was transacted prior to the onset of the Covid pandemic. Valuation multiples on a whole have re-aligned to where they are expected to be with size premiums falling back in line with historical premiums.

- Deals in the \$25-\$50 million range are currently at 7.0x EBITDA, which is 0.2x above the two-year average and 0.6x greater than the total dataset multiple of 6.4x
- Deals in the \$50-\$100 million range are currently at 8.3x EBITDA, which is 0.1x above the two-year average and 1.0x greater than the total dataset multiple of 7.3x
- Deals in the \$100-\$250 million range are currently at 9.5x EBITDA, rebounding 0.6x above the two-year average of 8.9x and 1.3x higher than the total dataset multiple of 8.2x

The Delta Covid variant has created uncertainty again in the economy and many are hoping for it to be just a speedbump in momentum after the rebound in valuation multiples that were affected in Q2/Q3-2020 when the pandemic began. As the pandemic continues there appears to be a lower negative economic impact being felt on each successive wave. From an inflation perspective, many suggest that inflation is in check. However, many companies are still seeing increasing pricing pressures on inputs requiring proactive pricing strategies to maintain or grow earnings. Inflation may still be on the horizon when combining pricing pressure with the current pent-up demand.

Overall, the private equity world is starting to look normal again with strong deal activity and multiples for companies with solid EBITDA resulting in premium purchase price valuations. Investors are normalizing the impacts of the pandemic on EBITDA but are still willing to pay a premium for companies with growth or little negative impact to EBITDA over the last 18 months.

(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)**

**Auto Retail Services & Technology
(> \$3 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

Software /Technology Enabled Services

Consumer Packaged Goods

Industrial Distribution Services

Medical Device Manufacturing

Food/Beverage Manufacturing and Services

High Tech Contract Manufacturing (EMS)

Co-Packaging & Co-Manufacturing

Building Products Manufacturing/Distribution

Power Distribution and Protection Equipment

Healthcare Services

Pet Care Products & Services

Environmental (Waste Management/ Recycling)





DIVESTITURES



FINANCINGS



ACQUISITIONS

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