



# Links Capital

## Links' List of Multiples

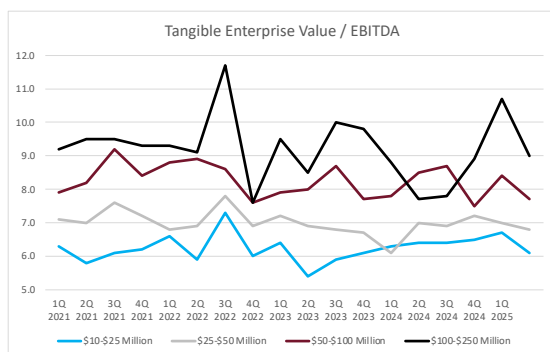
September 2025



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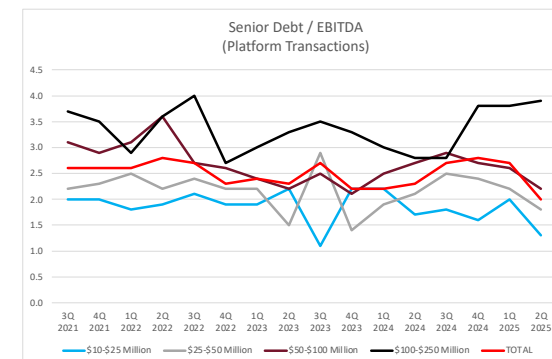
# Q2 2025 Private Equity Valuation Multiples



Data Source: GF Data®

TEV/EBITDA	3Q 2024	4Q 2024	1Q 2025	2Q 2025	2003-Present
\$10-\$25 Million	6.4	6.5	6.7	6.1	5.9
\$25-\$50 Million	6.9	7.2	7.0	6.8	6.7
\$50-\$100 Million	8.7	7.5	8.4	7.7	7.7
\$100-\$250 Million	7.8	8.9	10.7	9.0	8.6
SENIOR DEBT/EBITDA (Platforms)	3Q 2024	4Q 2024	1Q 2025	2Q 2025	
\$10-\$25 Million	1.8	1.6	2.0	1.3	
\$25-\$50 Million	2.5	2.4	2.2	1.8	
\$50-\$100 Million	2.9	2.7	2.6	2.2	
\$100-\$250 Million	2.8	3.8	3.8	3.9	

Data Source: GF Data®



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## Valuations Normalizing After Years of Elevation

In transactions ranging from \$10 million to \$250 million, we are seeing multiple compression compared to the previous quarter. Valuations are now tracking close to long-term averages after several years of elevated levels.

Alongside valuation pressure, senior debt multiples have contracted to an average of 2.0x EBITDA on platform transactions — the lowest since COVID. Bankers are signalling caution as inflation once again shows signs of life in the U.S., tightening their risk tolerance.

According to GF Data, deal activity in the first half of 2025 is down 30% from 2024, underscoring a more selective environment for buyers and lenders alike.

## Canada: Trade Uncertainty and Transaction Stalls

In Canada, cross-border dynamics are weighing heavily. Transactions with material U.S. revenue exposure — whether covered by CUSMA or not — are increasingly stalling. Market participants are questioning whether CUSMA will remain intact beyond 2026, given the formal joint review scheduled for that year.

This uncertainty, combined with U.S. tariffs that remain in place across key sectors such as steel, aluminum, vehicles, softwood lumber, energy, and potash (with rates as high as 35–50%), continues to complicate dealmaking. While Canada has recently removed retaliatory tariffs in hopes of advancing negotiations, the impact on investment confidence has yet to be seen.

## Canadian Economic Snapshot

Statistics Canada reports that real GDP decreased at a 1.6% annualized rate in Q2 2025. Exports fell 7.5%, reversing the 1.4% growth seen in Q1, while 9 of 20 industrial sectors declined.



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Key manufacturing subsectors showed notable weakness:

Primary metals manufacturing: -4.4%

Wood products manufacturing: -5.5%

Petroleum & coal manufacturing: -8.0%

On the consumer side, household spending increased 4.5% annualized, but wage growth was the weakest since 2016 (excluding the 2020 COVID year).

### **What This Means for Business Owners**

The current environment reflects greater discipline from buyers and lenders, combined with macroeconomic and trade uncertainty. For business owners, this means:

Valuations are adjusting to more normalized ranges, strong companies can still achieve premium multiples, but weaker performers will face scrutiny.

Financing is tighter, buyers will need stronger equity positions and clearer growth stories to attract capital.

Timing matters, geopolitical and trade-related headwinds are creating delays, particularly in cross-border deals.

If you are considering a sale, recapitalization, or growth capital raise in the next 12–24 months, now is the time to start preparing. A proactive approach to positioning your business — operationally, financially, and strategically — can make the difference between achieving average value or capturing a premium outcome.

Let's have a conversation about how today's trends may impact the value of your business.

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