

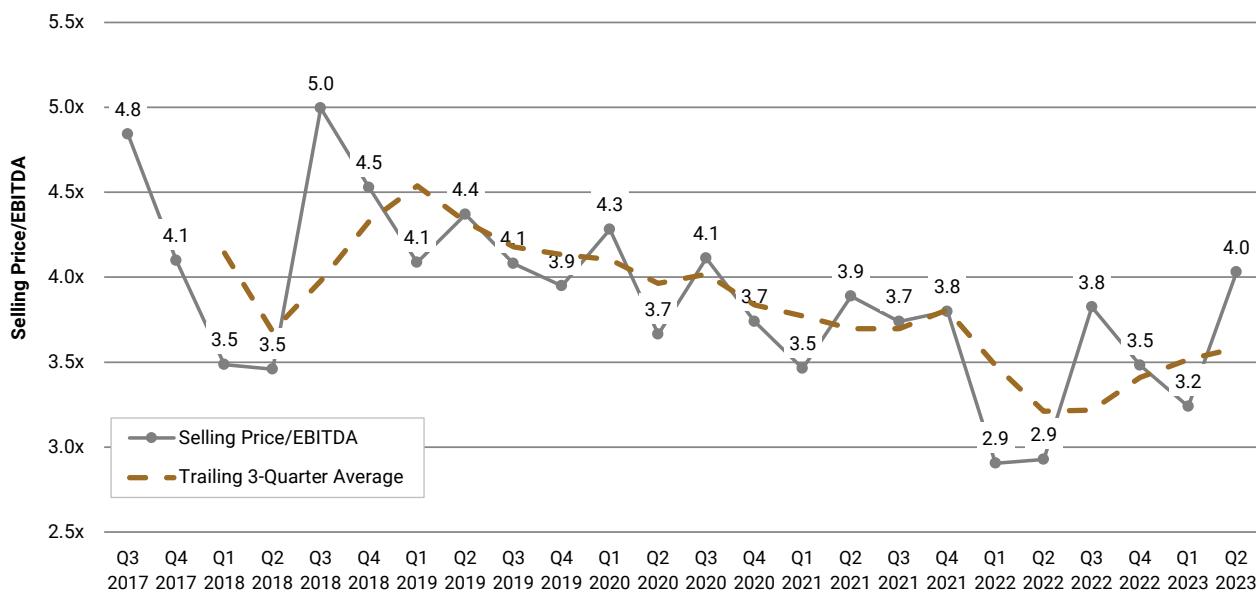
# DealStats Value Index Q3 2023

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, where 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 4.0x in the second quarter of 2023.

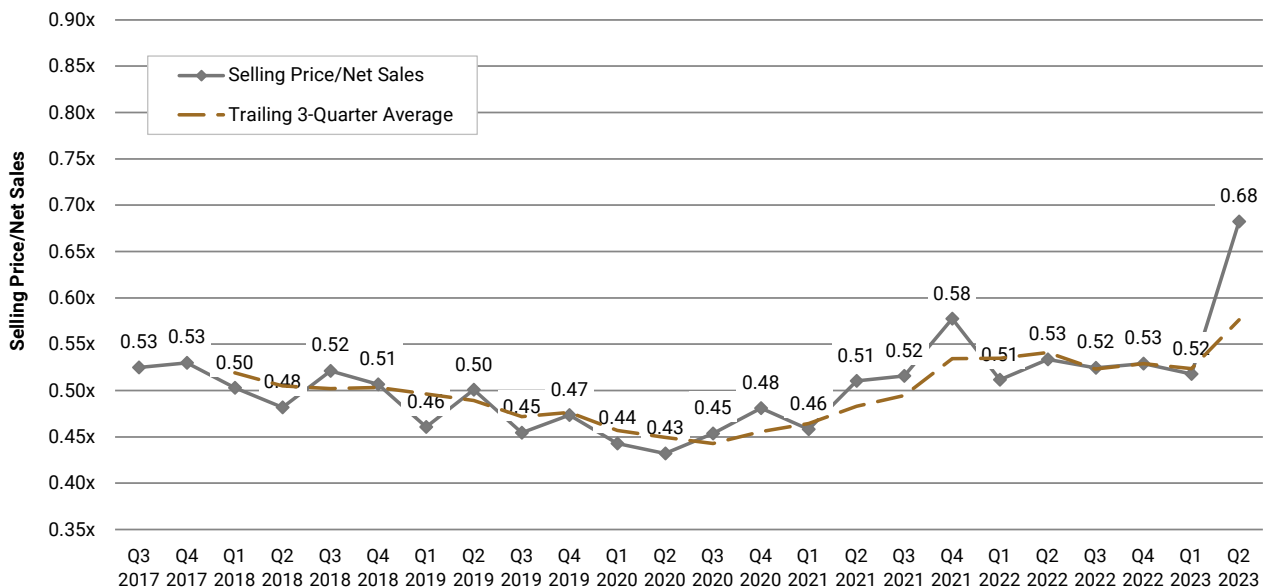
**EXHIBIT 1A. MEDIAN SELLING PRICE/EBITDA WITH TRAILING THREE-QUARTER AVERAGE (PRIVATE TARGETS)**



## NET SALES MULTIPLE SPIKES IN Q2 2023

Prior to the second quarter of 2023, net sales multiples were at their highest in the fourth quarter of 2021, at 0.58x. Since then, net sales multiples reached 0.68x in the second quarter of 2023. 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 third quarter of 2017 to the second quarter of 2020. The lowest multiple recorded since the third quarter of 2017 was 0.43x in the second quarter of 2020.

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



**Oday Merhi**  
 Senior Financial  
 Analyst

**Adam Manson**  
 Director  
 Valuation Data

**David Foster**  
 CEO

**Lucretia Lyons**  
 President

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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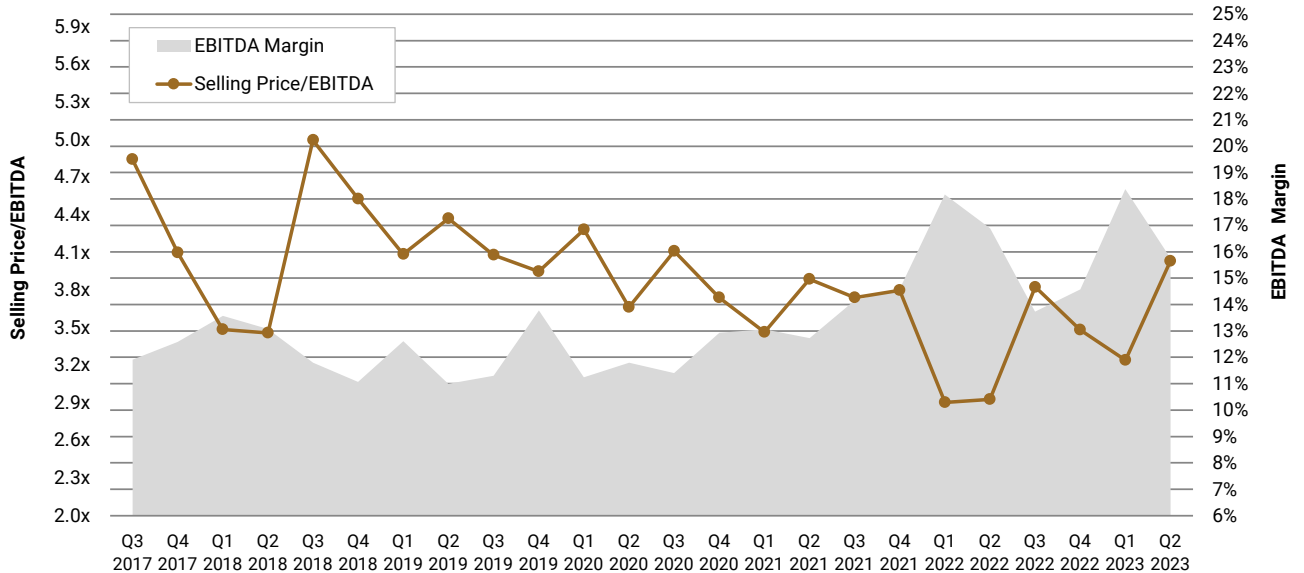
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## EBITDA MARGINS RISE IN 2022 AND MAINTAIN HIGH LEVELS IN Q2 2023

EBITDA margins fell during the first quarter of 2022 but have trended positively since then, reaching 16% in the second 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 12%, from the first quarter of 2019 through the fourth quarter of 2021. The lowest EBITDA margin since the third quarter of 2017 was 11% in the second quarter of 2019.

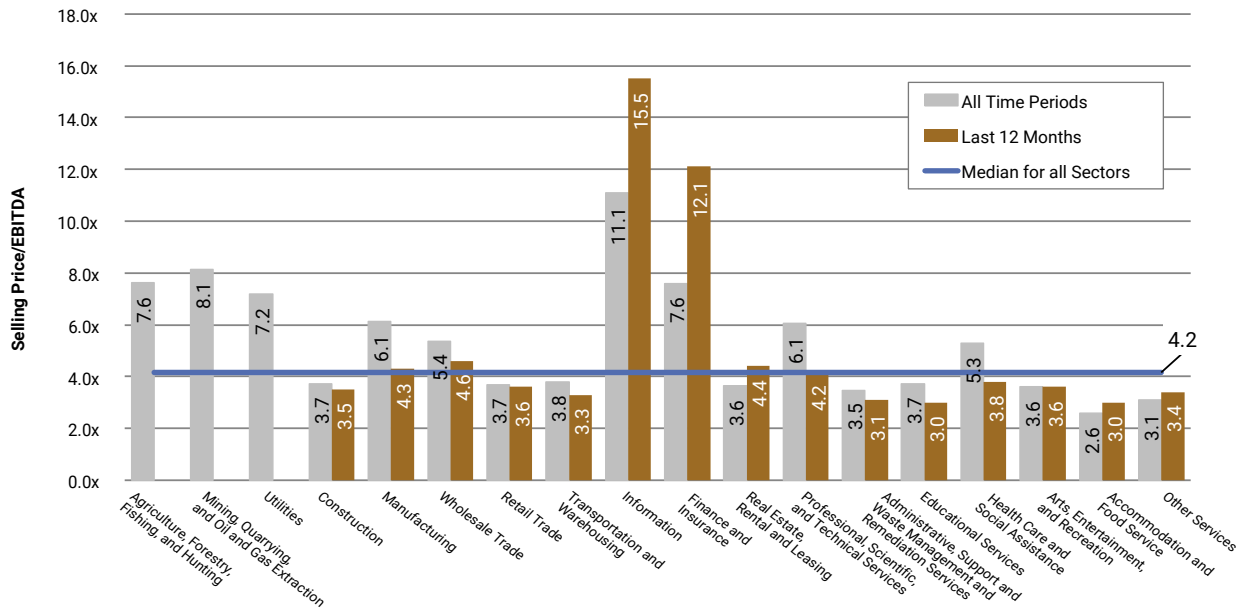
**EXHIBIT 2. MEDIAN SELLING PRICE/EBITDA WITH EBITDA MARGINS (PRIVATE TARGETS)**



## ALL-TIME MEDIAN EBITDA MULTIPLE IS 4.2X

All-time EBITDA multiples remain the highest for the information sector (11.1x) and the mining, quarrying, and oil and gas extraction 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 15.5x when compared with its all-time period multiple of 11.1x.

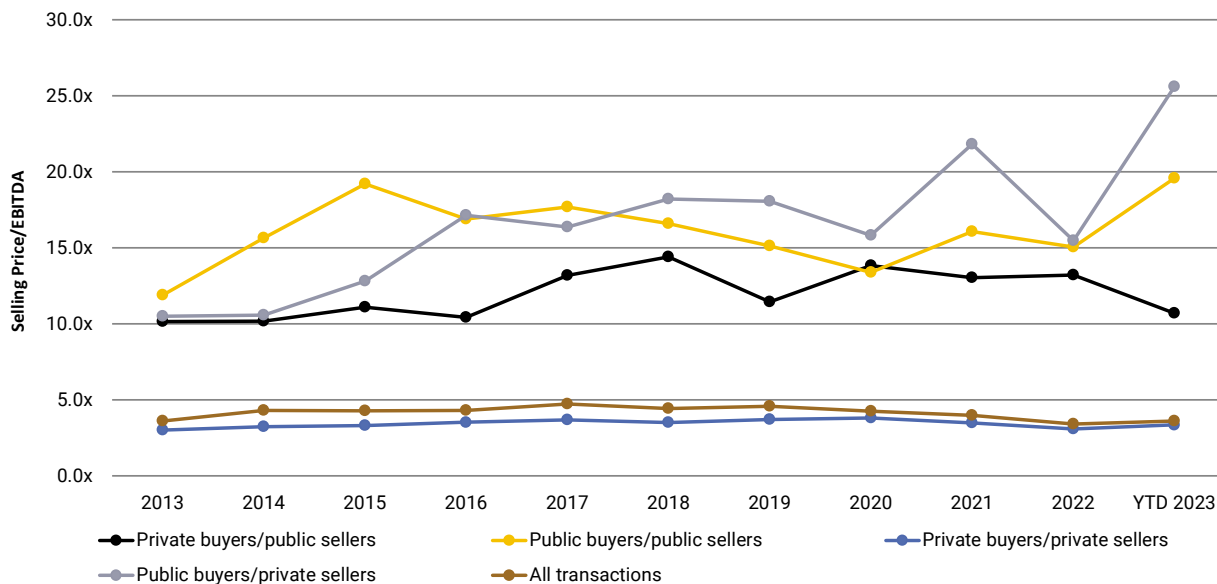
**EXHIBIT 3. MEDIAN SELLING PRICE/EBITDA BY SECTOR (PRIVATE TARGETS)**



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

The all-transactions category has been generally trending downward since 2020. EBITDA multiples for public-buyer transactions involving a private seller or a public seller have shown the most drastic increases among the transaction types, with multiples rising to 25.6x and 19.6x in 2023 year-to-date from 15.5x and 15.0x in 2022, respectively.

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

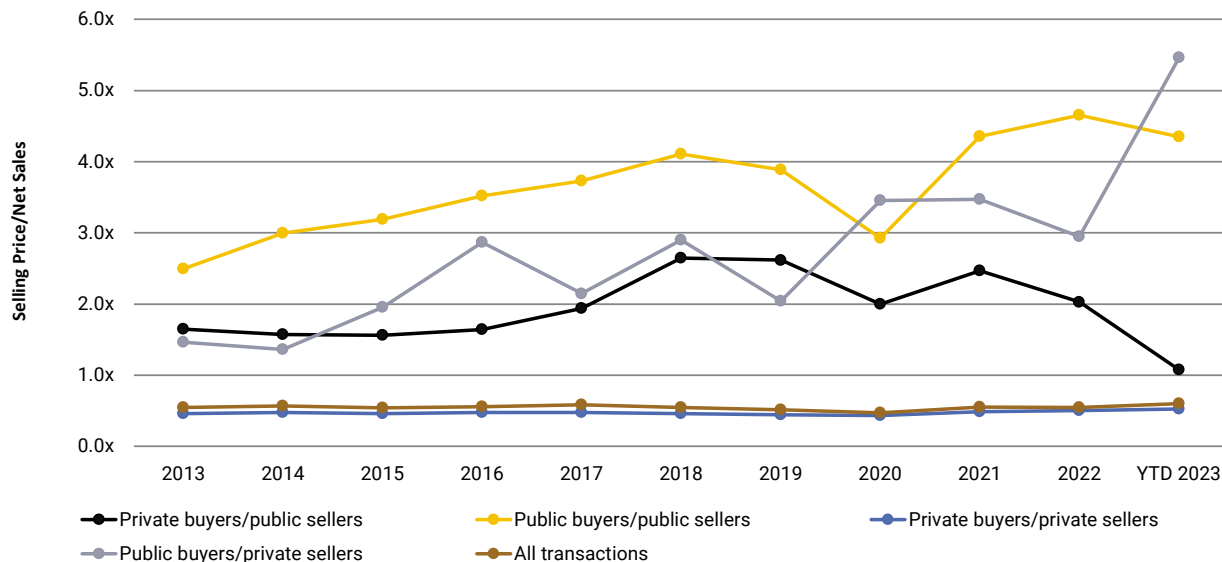


*Note: Each data point in this chart is based on a minimum of 10 transaction multiples. If there are not enough transaction multiples for a particular year or quarter, the data are not included.*

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

The all-transactions category rose to 0.60x in 2023 year-to-date, a 10% increase compared to 2022. The lowest value in the time periods analyzed continues to be 0.47x in 2020. Among all the transaction-type categories, net sales multiples for public buyers and private sellers have increased the most recently, rising by 85% from 2.95x in 2022 to 5.46x in 2023 year-to-date.

**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.*

## PRICING MULTIPLES AND PROFIT MARGINS ARE ON THE MOVE

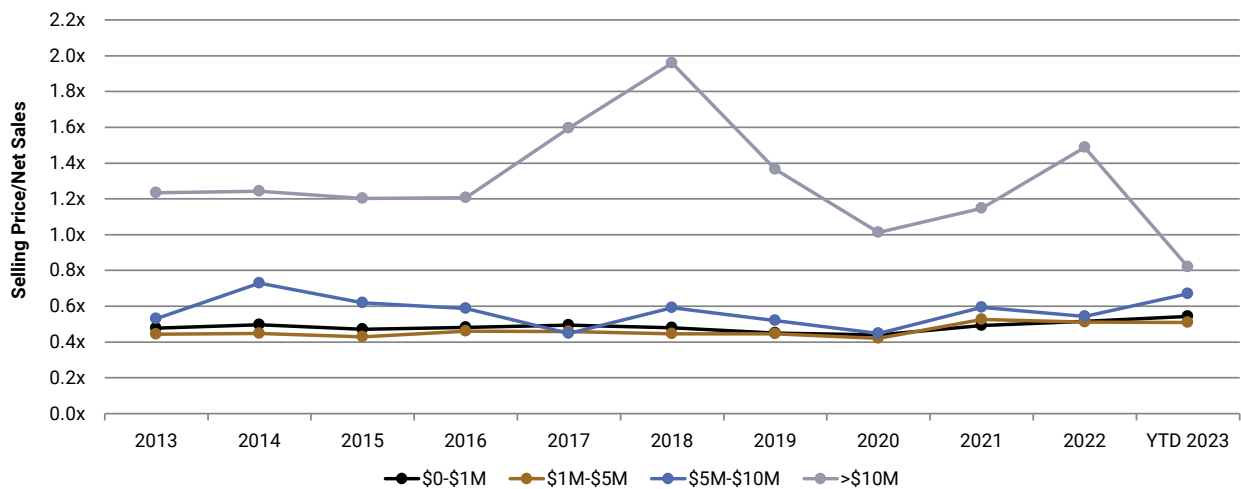
As shown in the legend for Exhibits 5A to 5C and Exhibits 6A to 6C, pricing multiples for private-target acquisitions are displayed across four net sales ranges. Exhibit 5A shows a slight rise in the net sales multiple in 2023 year-to-date for companies with net sales up to \$1 million and for companies with net sales between \$5 million and \$10 million.

Seller's discretionary earnings (SDE) multiples displayed a negative trend in 2022 for companies across all size ranges but have risen in 2023 year-to-date.

EBITDA multiples moved down in 2022 for companies in three of the four size ranges (multiples rose for companies with net sales greater than \$10 million) but have risen in 2023 year-to-date for companies with net sales up to \$1 million and for companies with net sales between \$1 million and \$5 million.

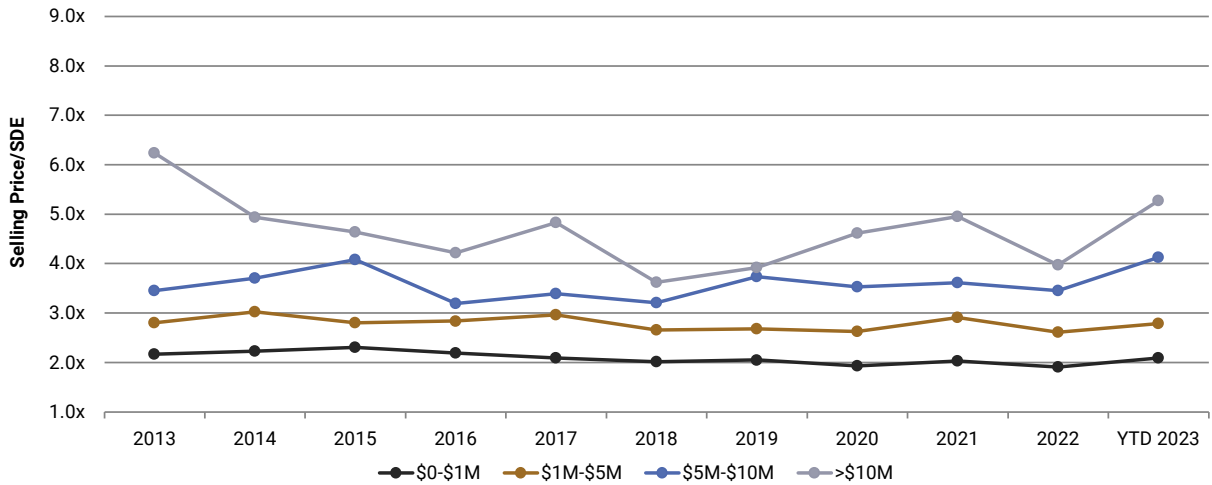
Profit margins for companies across all size ranges have generally been increasing in 2022 and have maintained this trend through 2023 year-to-date.

**EXHIBIT 5A. MEDIAN SELLING PRICE/NET SALES BY NET SALES RANGE (PRIVATE TARGETS)**



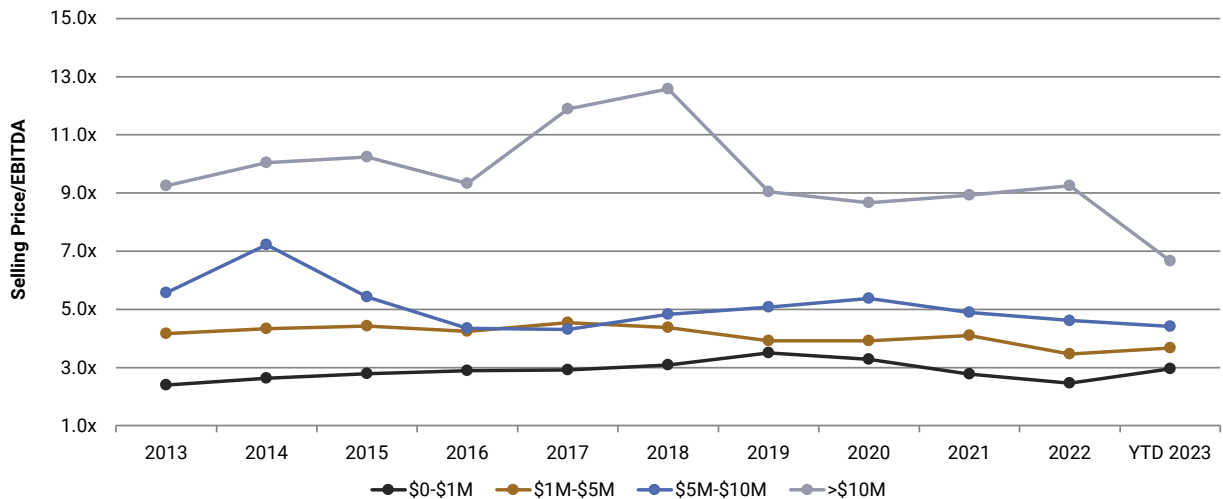
*Note: Each data point in this chart is based on a minimum of 10 transaction multiples. If there are not enough transaction multiples for a particular year or quarter, the data are not included.*

**EXHIBIT 5B. MEDIAN SELLING PRICE/SDE BY NET SALES RANGE (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.

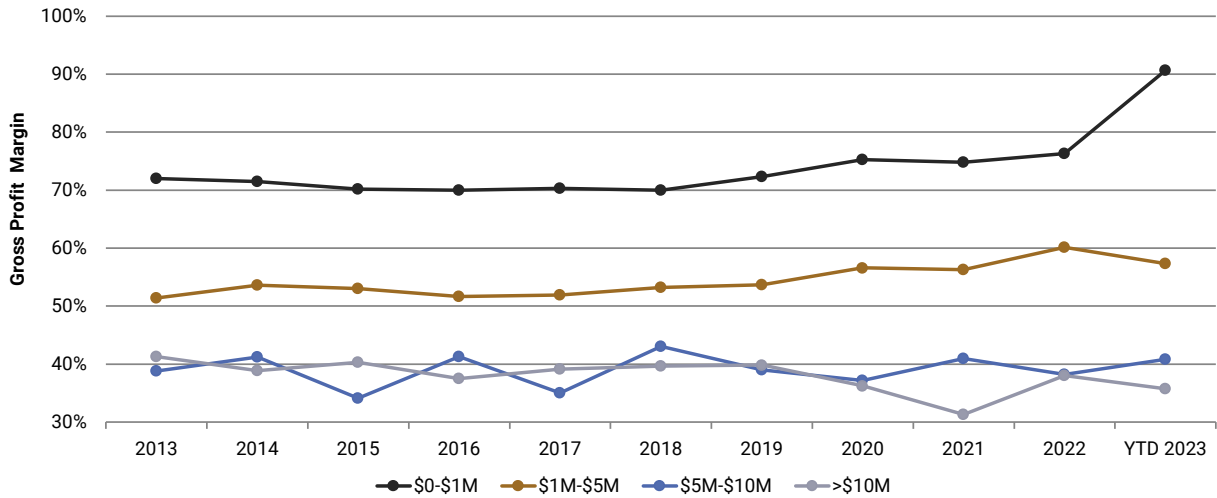
**EXHIBIT 5C. MEDIAN SELLING PRICE/EBITDA BY NET SALES RANGE (PRIVATE TARGETS)**



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.

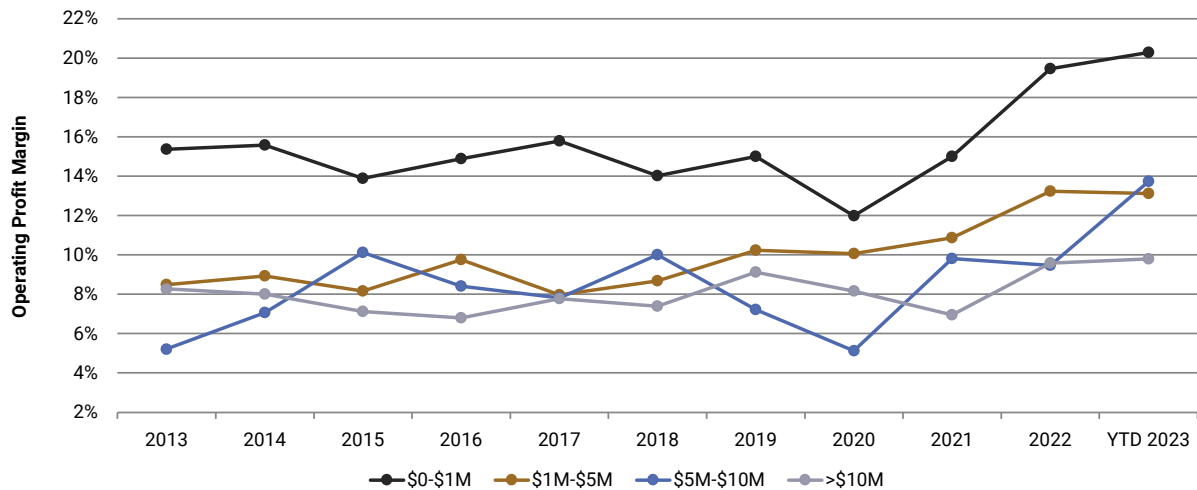


**EXHIBIT 6A. GROSS PROFIT MARGIN BY NET SALES RANGE (PRIVATE TARGETS)**



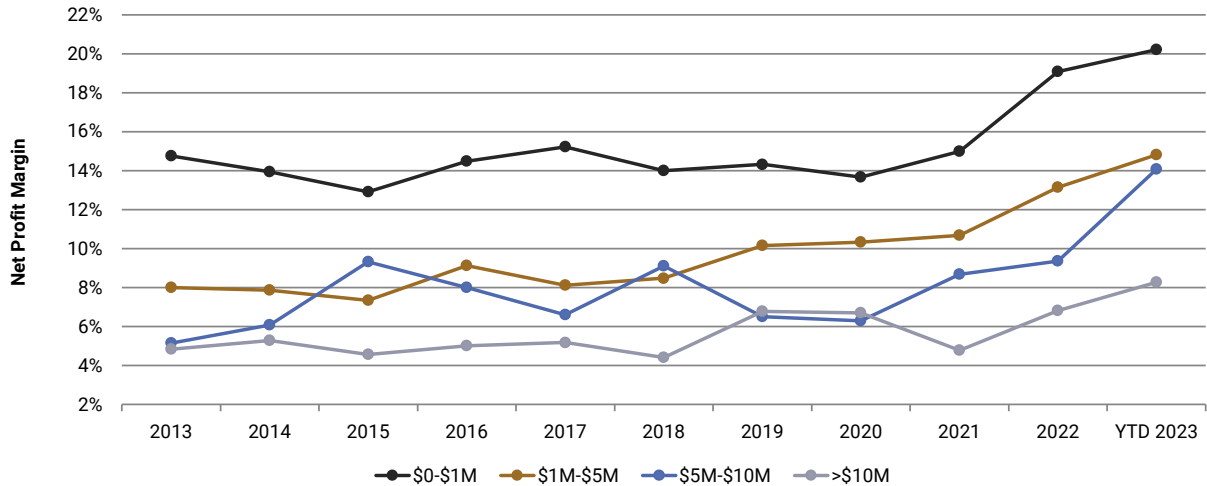
Note: Each data point in this chart is based on a minimum of 10 transaction multiples. If there are not enough transaction multiples for a particular year or quarter, the data are not included.

**EXHIBIT 6B. OPERATING PROFIT MARGIN BY NET SALES RANGE (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.

**EXHIBIT 6C. NET PROFIT MARGIN BY NET SALES RANGE (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.*

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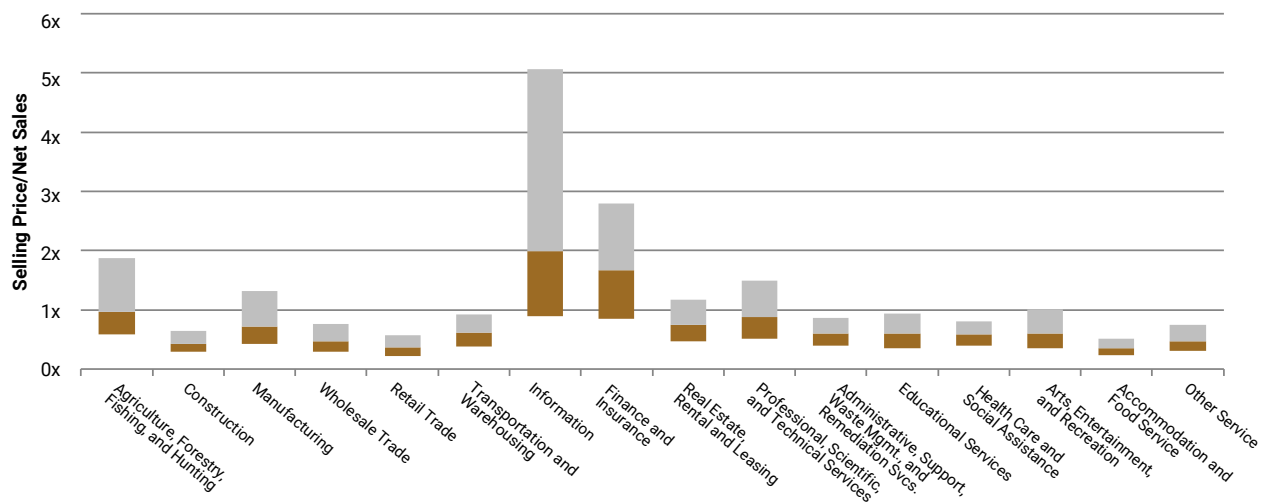
0.1350

## INTERQUARTILE RANGES ARE FAIRLY CONSISTENT

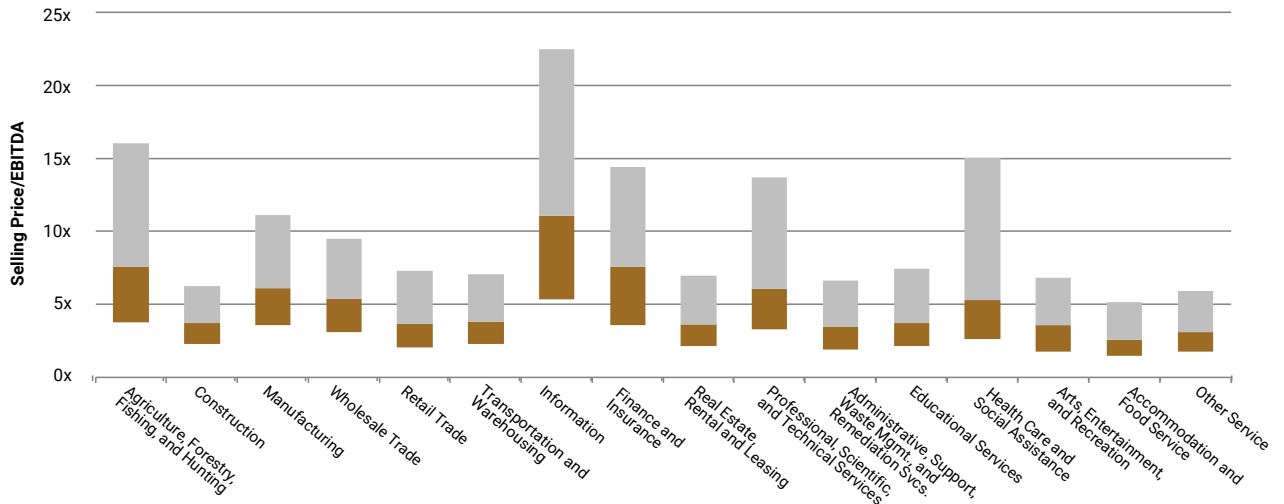
Exhibits 7A through 7D display the interquartile range of the selling price-to-net sales and selling price-to-EBITDA multiples by major industry sector and by year for private targets. In addition to showing the median multiples by sector and year, the interquartile range provides a measure of dispersion. Interquartile range is the difference between the 25th and 75th percentiles (also called the first and third quartiles), so the interquartile range describes the middle 50% of observations. The top of the gray bar indicates the 75th percentile, the bottom of the brown bar indicates the 25th percentile, and the line where the two meet represents the median. A large interquartile range indicates that the middle 50% of observations are spaced wide apart, and, if the interquartile range is narrow, the middle 50% of observations are spaced close together.

As shown in Exhibits 7A and 7B, the information sector has the greatest median selling price-to-net sales multiple and selling price-to-EBITDA multiple, as well as the greatest spread between the 25th percentile and 75th percentile. When looking at the data by year (Exhibits 7C and 7D), the median selling price-to-net sales multiple is consistently around 0.5x, while the selling price-to-EBITDA multiple is generally between 3.0x and 4.0x.

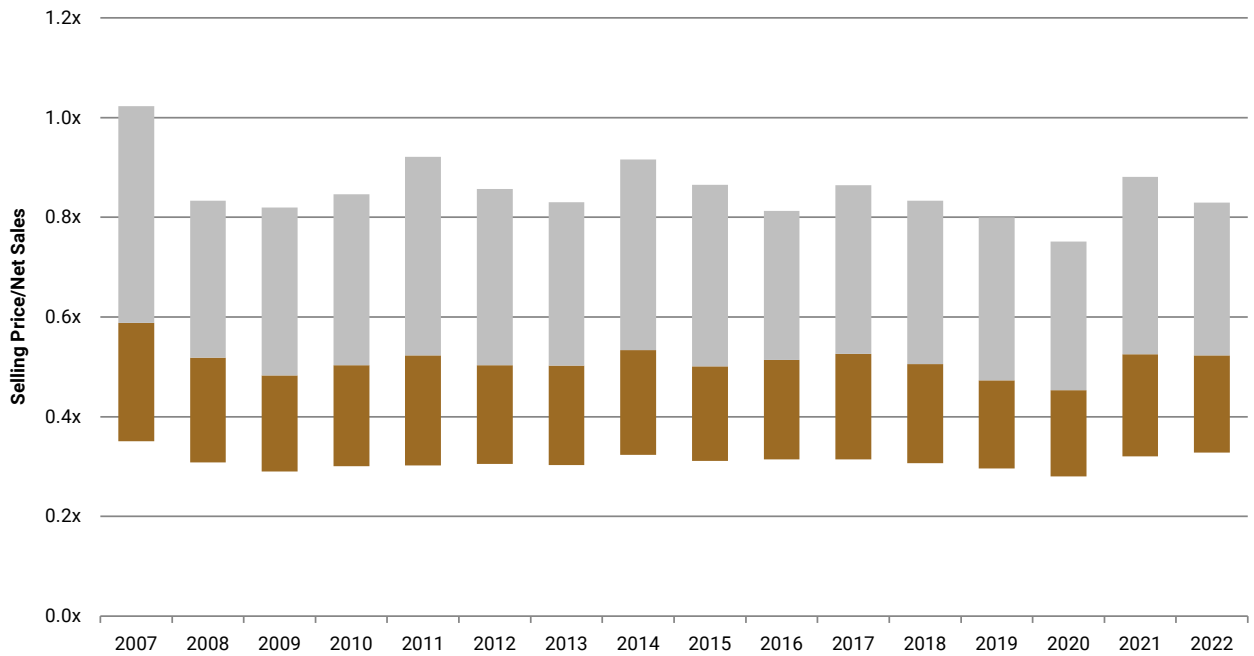
**EXHIBIT 7A. SELLING PRICE/NET SALES INTERQUARTILE RANGE BY INDUSTRY SECTOR—ALL TIME PERIODS (PRIVATE TARGETS)**



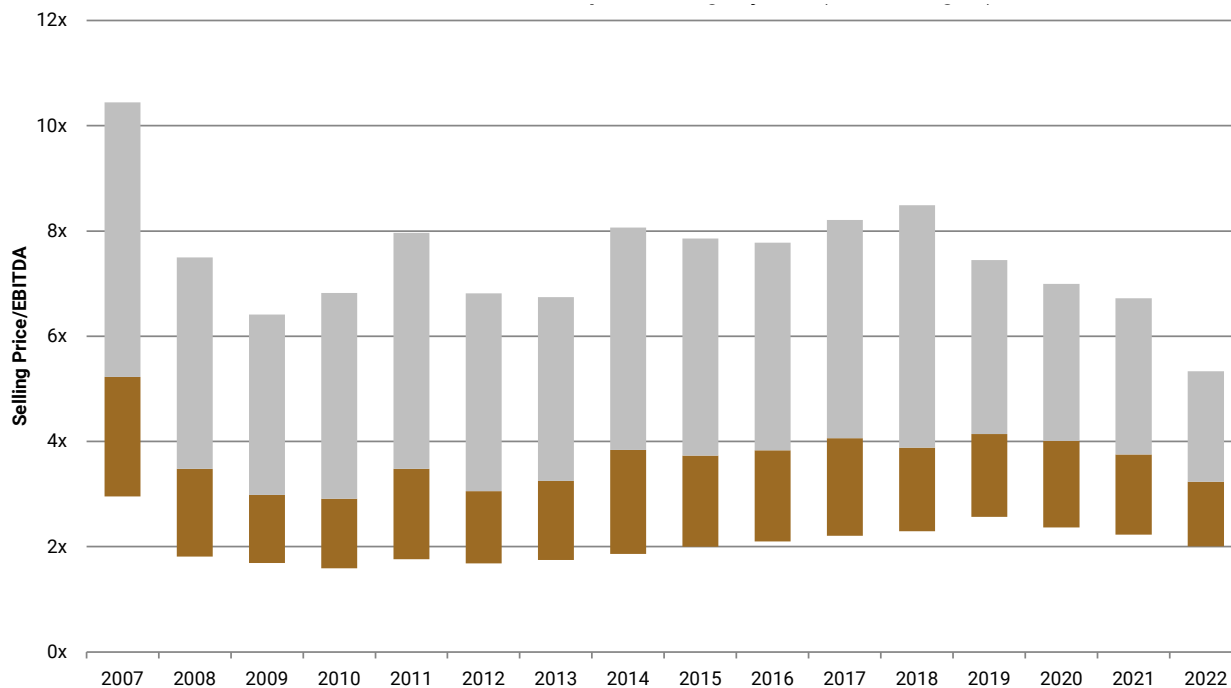
**EXHIBIT 7B. SELLING PRICE/EBITDA INTERQUARTILE RANGE BY INDUSTRY SECTOR—ALL TIME PERIODS (PRIVATE TARGETS)**



**EXHIBIT 7C. SELLING PRICE/NET SALES INTERQUARTILE RANGE BY YEAR (PRIVATE TARGETS)**



### EXHIBIT 7D. SELLING PRICE/EBITDA INTERQUARTILE RANGE BY YEAR (PRIVATE TARGETS)



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## TEN-YEAR TREND FOR PRIVATE-SELLER SECTOR MULTIPLES

Exhibits 8 through 13 display median multiples paid for private targets, as well as median profit margins, and are organized by industry sector. Multiples across the 15 sectors appear to rise and fall based on cyclical trends.

Median net sales multiples decreased in seven of the 15 sectors in 2022. The sectors that saw a significant decrease were the information and finance and insurance sectors, with a decrease of 57% and 26%, respectively.

Median seller's discretionary earnings (SDE) multiples declined in 13 of the 15 sectors in 2022. Among the sectors that saw a significant increase in its SDE multiple was the arts, entertainment, and recreation sectors, where its SDE multiple increased by 30%.

Median EBITDA multiples are trending negatively across all sectors in 2022 (with the exception of accommodation and food services). The sectors that saw the most notable declines were educational services and information (a decline of 64% and 60%, respectively).

In 2022, median gross profit, operating profit, and net profit margins are generally moving upwards or are maintaining levels similar to those in 2021, with the exception of the arts, entertainment, and recreation sector, which had a notable 30% net profit margin decline.

**EXHIBIT 8. MEDIAN SELLING PRICE/NET SALES  
BY SECTOR (PRIVATE TARGETS)**

NAICS	NAICS Industry Sector	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
23	Construction	0.44	0.42	0.44	0.46	0.42	0.40	0.42	0.42	0.46	0.49
31-33	Manufacturing	0.81	0.66	0.69	0.62	0.71	0.70	0.60	0.61	0.71	0.65
42	Wholesale Trade	0.46	0.51	0.48	0.47	0.50	0.41	0.51	0.38	0.55	0.48
44-45	Retail Trade	0.39	0.36	0.37	0.39	0.37	0.38	0.36	0.35	0.41	0.41
48-49	Transportation and Warehousing	0.66	0.58	0.75	0.73	0.69	0.65	0.57	0.65	0.57	0.58
51	Information	2.17	2.17	1.69	1.95	2.31	3.59	2.39	1.58	4.54	1.95
52	Finance and Insurance	1.58	1.85	1.67	1.89	2.04	2.31	1.93	2.22	2.17	1.60
53	Real Estate, Rental, and Leasing	0.64	0.79	0.68	0.72	0.69	0.62	0.75	0.72	0.74	0.73
54	Professional, Scientific, and Technical Services	0.74	0.89	0.87	0.89	0.81	0.92	0.86	0.83	0.81	0.81
56	Administrative, Support, Waste Mgmt., and Remediation Svcs.	0.63	0.59	0.54	0.59	0.64	0.57	0.60	0.57	0.60	0.69
61	Educational Services	0.34	0.60	0.37	0.63	0.62	0.50	0.72	0.49	0.87	0.66
62	Health Care and Social Assistance	0.58	0.56	0.55	0.55	0.56	0.58	0.50	0.47	0.52	0.61
71	Arts, Entertainment, and Recreation	0.72	0.59	0.67	0.67	0.51	0.54	0.63	0.44	0.53	0.51
72	Accommodation and Food Services	0.32	0.33	0.32	0.34	0.31	0.33	0.33	0.30	0.33	0.34
81	Other Services	0.39	0.47	0.42	0.44	0.43	0.48	0.43	0.44	0.49	0.53
	<b>All Sectors</b>	<b>0.50</b>	<b>0.53</b>	<b>0.50</b>	<b>0.51</b>	<b>0.52</b>	<b>0.51</b>	<b>0.47</b>	<b>0.45</b>	<b>0.51</b>	<b>0.55</b>

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.

**EXHIBIT 9. MEDIAN SELLING PRICE/SELLER'S  
DISCRETIONARY EARNINGS BY SECTOR (PRIVATE TARGETS)**

NAICS	NAICS Industry Sector	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
23	Construction	2.4	2.5	2.6	2.3	2.4	2.1	2.3	2.2	2.4	2.4
31-33	Manufacturing	3.5	2.9	2.9	2.9	3.0	2.8	2.6	2.7	3.1	2.6
42	Wholesale Trade	3.5	3.7	3.2	3.2	3.6	2.6	2.9	3.2	3.5	3.0
44-45	Retail Trade	2.5	2.8	2.9	2.8	2.5	2.3	2.3	2.4	2.3	2.2
48-49	Transportation and Warehousing	3.7	2.7	3.3	3.2	1.9	2.4	2.5	2.9	2.9	2.2
51	Information	2.4	3.5	2.5	3.4	3.7	2.8	2.2	2.0	3.7	2.8
52	Finance and Insurance	3.5	3.4	3.4	5.1	3.5	3.8	3.5	4.6	3.1	2.0
53	Real Estate, Rental, and Leasing	2.3	2.6	2.2	2.4	2.9	2.4	2.4	2.9	2.6	2.3
54	Professional, Scientific, and Technical Services	2.4	2.7	2.5	2.4	2.2	2.3	2.5	2.7	2.3	2.2
56	Administrative, Support, Waste Mgmt., and Remediation Svcs.	2.4	2.5	2.3	2.3	2.4	2.2	2.2	2.3	2.4	2.1
61	Educational Services	1.8	2.9	2.0	2.3	1.9	1.8	2.5	2.3	2.5	2.2
62	Health Care and Social Assistance	1.7	2.0	2.1	2.1	2.2	2.6	2.0	2.2	2.3	2.2
71	Arts, Entertainment, and Recreation	2.4	2.8	2.8	2.7	2.7	2.6	2.1	1.9	1.5	2.0
72	Accommodation and Food Services	2.0	2.1	2.2	2.1	2.0	1.8	2.0	1.7	1.8	1.8
81	Other Services	2.0	2.0	2.3	2.2	2.3	2.0	2.2	2.0	2.2	2.1
	<b>All Sectors</b>	<b>2.4</b>	<b>2.6</b>	<b>2.5</b>	<b>2.6</b>	<b>2.5</b>	<b>2.3</b>	<b>2.3</b>	<b>2.3</b>	<b>2.4</b>	<b>2.2</b>

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.

**EXHIBIT 10. MEDIAN SELLING PRICE/EBITDA  
BY SECTOR (PRIVATE TARGETS)**

NAICS	NAICS Industry Sector	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
23	Construction	4.0	3.4	3.6	3.3	3.7	4.0	3.5	3.2	4.0	3.5
31-33	Manufacturing	7.2	5.8	6.1	6.5	5.8	7.0	5.1	5.0	4.5	4.2
42	Wholesale Trade	4.8	6.2	6.9	6.4	5.6	4.7	4.9	4.7	4.9	4.5
44-45	Retail Trade	3.1	3.4	3.5	3.5	3.6	3.8	4.0	5.1	3.6	3.0
48-49	Transportation and Warehousing	3.2	3.2	3.5	4.2	3.6	3.2	3.5	4.3	3.9	3.0
51	Information	8.6	10.0	6.9	10.7	13.6	14.7	9.3	18.5	17.4	7.0
52	Finance and Insurance	3.7	6.2	7.8	9.8	13.4	12.1	9.2	8.3	6.2	4.2
53	Real Estate, Rental, and Leasing	2.4	4.5	2.9	3.8	4.2	6.1	4.0	7.7	4.1	3.3
54	Professional, Scientific, and Technical Services	4.6	5.5	8.1	5.5	5.7	4.7	4.7	4.7	3.9	3.6
56	Administrative, Support, Waste Mgmt., and Remediation Svcs.	2.6	2.8	3.0	3.8	3.7	3.4	5.0	4.1	3.3	2.9
61	Educational Services	2.7	3.5	3.6	4.1	3.1	4.1	3.8	1.9	9.0	3.3
62	Health Care and Social Assistance	4.6	4.2	3.2	4.2	3.8	4.6	3.8	3.5	4.1	3.5
71	Arts, Entertainment, and Recreation	3.1	3.6	3.3	4.3	3.3	3.5	3.8	4.1	2.9	2.4
72	Accommodation and Food Services	1.8	2.2	2.4	2.4	2.8	2.8	3.3	2.6	2.3	2.4
81	Other Services	2.6	2.4	2.8	2.6	3.1	2.9	3.5	3.4	3.2	3.0
	<b>All Sectors</b>	<b>3.3</b>	<b>3.9</b>	<b>3.8</b>	<b>3.9</b>	<b>4.1</b>	<b>4.1</b>	<b>4.2</b>	<b>4.2</b>	<b>3.7</b>	<b>3.4</b>

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.

**EXHIBIT 11. MEDIAN GROSS PROFIT MARGINS  
BY SECTOR (PRIVATE TARGETS)**

NAICS	NAICS Industry Sector	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
23	Construction	46%	52%	47%	54%	45%	48%	47%	54%	53%	55%
31-33	Manufacturing	45%	46%	44%	46%	47%	48%	54%	55%	52%	61%
42	Wholesale Trade	45%	36%	38%	35%	40%	37%	33%	29%	40%	38%
44-45	Retail Trade	43%	46%	43%	45%	45%	46%	51%	46%	50%	51%
48-49	Transportation and Warehousing	96%	68%	84%	77%	94%	82%	72%	77%	75%	93%
51	Information	67%	70%	67%	47%	68%	70%	72%	65%	65%	71%
52	Finance and Insurance	94%	91%	96%	91%	95%	94%	97%	81%	100%	100%
53	Real Estate, Rental, and Leasing	90%	87%	92%	86%	75%	73%	99%	98%	98%	100%
54	Professional, Scientific, and Technical Services	84%	67%	74%	74%	89%	73%	74%	89%	98%	100%
56	Administrative, Support, Waste Mgmt., and Remediation Svcs.	84%	77%	76%	71%	81%	83%	77%	78%	88%	87%
61	Educational Services	99%	92%	90%	100%	91%	100%	98%	100%	95%	100%
62	Health Care and Social Assistance	100%	100%	100%	100%	94%	95%	100%	100%	100%	100%
71	Arts, Entertainment, and Recreation	92%	99%	89%	95%	98%	89%	98%	97%	95%	100%
72	Accommodation and Food Services	68%	66%	66%	68%	67%	67%	69%	70%	69%	69%
81	Other Services	83%	83%	76%	76%	75%	84%	89%	92%	91%	90%
	<b>All Sectors</b>	<b>67%</b>	<b>65%</b>	<b>65%</b>	<b>64%</b>	<b>63%</b>	<b>64%</b>	<b>66%</b>	<b>68%</b>	<b>67%</b>	<b>69%</b>

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.



**EXHIBIT 12. MEDIAN OPERATING PROFIT MARGINS BY SECTOR (PRIVATE TARGETS)**

NAICS	NAICS Industry Sector	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
23	Construction	9%	11%	11%	12%	9%	10%	11%	13%	10%	13%
31-33	Manufacturing	8%	10%	9%	7%	10%	9%	8%	10%	10%	13%
42	Wholesale Trade	6%	8%	6%	9%	8%	7%	8%	6%	10%	10%
44-45	Retail Trade	10%	9%	8%	10%	9%	8%	11%	8%	10%	13%
48-49	Transportation and Warehousing	15%	13%	17%	18%	19%	14%	13%	12%	14%	19%
51	Information	0%	5%	6%	1%	4%	2%	9%	6%	1%	10%
52	Finance and Insurance	26%	21%	19%	24%	27%	24%	29%	15%	20%	38%
53	Real Estate, Rental, and Leasing	25%	17%	16%	17%	15%	14%	25%	13%	13%	19%
54	Professional, Scientific, and Technical Services	10%	10%	8%	14%	14%	14%	17%	15%	17%	22%
56	Administrative, Support, Waste Mgmt., and Remediation Svcs.	18%	18%	15%	15%	17%	15%	14%	12%	16%	22%
61	Educational Services	10%	15%	8%	16%	18%	17%	14%	11%	13%	23%
62	Health Care and Social Assistance	10%	12%	15%	11%	12%	12%	17%	12%	13%	14%
71	Arts, Entertainment, and Recreation	18%	19%	10%	12%	17%	7%	18%	0%	23%	18%
72	Accommodation and Food Services	15%	13%	12%	14%	13%	13%	12%	11%	13%	14%
81	Other Services	13%	14%	14%	15%	13%	15%	11%	10%	15%	19%
	<b>All Sectors</b>	<b>12%</b>	<b>11%</b>	<b>11%</b>	<b>12%</b>	<b>12%</b>	<b>11%</b>	<b>12%</b>	<b>11%</b>	<b>12%</b>	<b>15%</b>

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.

**EXHIBIT 13. MEDIAN NET PROFIT MARGINS BY SECTOR (PRIVATE TARGETS)**

NAICS	NAICS Industry Sector	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
23	Construction	9%	11%	10%	12%	9%	10%	11%	14%	11%	12%
31-33	Manufacturing	6%	8%	7%	6%	8%	8%	7%	11%	9%	12%
42	Wholesale Trade	6%	8%	5%	7%	8%	6%	8%	6%	9%	10%
44-45	Retail Trade	10%	8%	7%	10%	9%	8%	10%	9%	10%	13%
48-49	Transportation and Warehousing	14%	12%	15%	17%	19%	15%	13%	14%	14%	19%
51	Information	-1%	5%	5%	-1%	2%	1%	8%	2%	-2%	11%
52	Finance and Insurance	21%	18%	14%	18%	16%	21%	23%	15%	19%	24%
53	Real Estate, Rental, and Leasing	25%	18%	14%	17%	14%	14%	25%	16%	13%	21%
54	Professional, Scientific, and Technical Services	7%	8%	6%	13%	12%	14%	15%	15%	17%	19%
56	Administrative, Support, Waste Mgmt., and Remediation Svcs.	18%	14%	14%	15%	16%	15%	13%	14%	15%	23%
61	Educational Services	9%	12%	8%	16%	18%	15%	13%	11%	8%	23%
62	Health Care and Social Assistance	10%	10%	11%	10%	11%	12%	16%	11%	12%	15%
71	Arts, Entertainment, and Recreation	19%	19%	12%	12%	17%	4%	18%	0%	25%	17%
72	Accommodation and Food Services	14%	10%	10%	12%	12%	13%	12%	12%	13%	14%
81	Other Services	13%	13%	13%	14%	12%	15%	11%	13%	14%	19%
	<b>All Sectors</b>	<b>11%</b>	<b>10%</b>	<b>9%</b>	<b>11%</b>	<b>11%</b>	<b>11%</b>	<b>12%</b>	<b>11%</b>	<b>12%</b>	<b>14%</b>

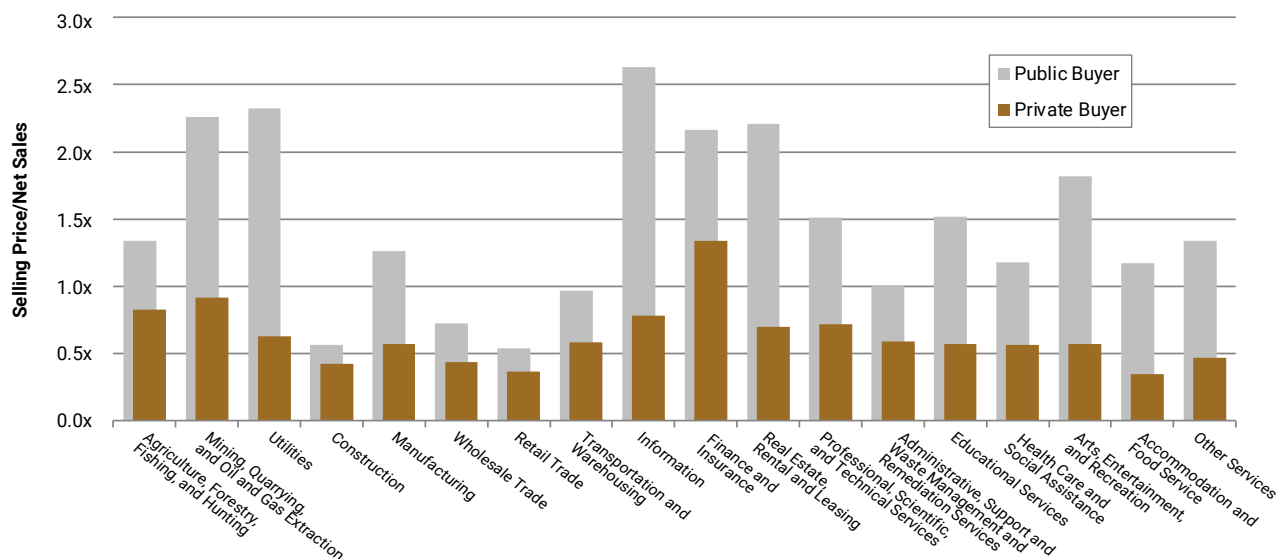
Note: Each data point in this chart is based on a minimum of 10 transaction multiples. If there are not enough transaction multiples for a particular year or quarter, the data are not included.

## PUBLIC BUYERS PAY HIGHER MULTIPLES FOR PRIVATE TARGETS THAN PRIVATE BUYERS DID

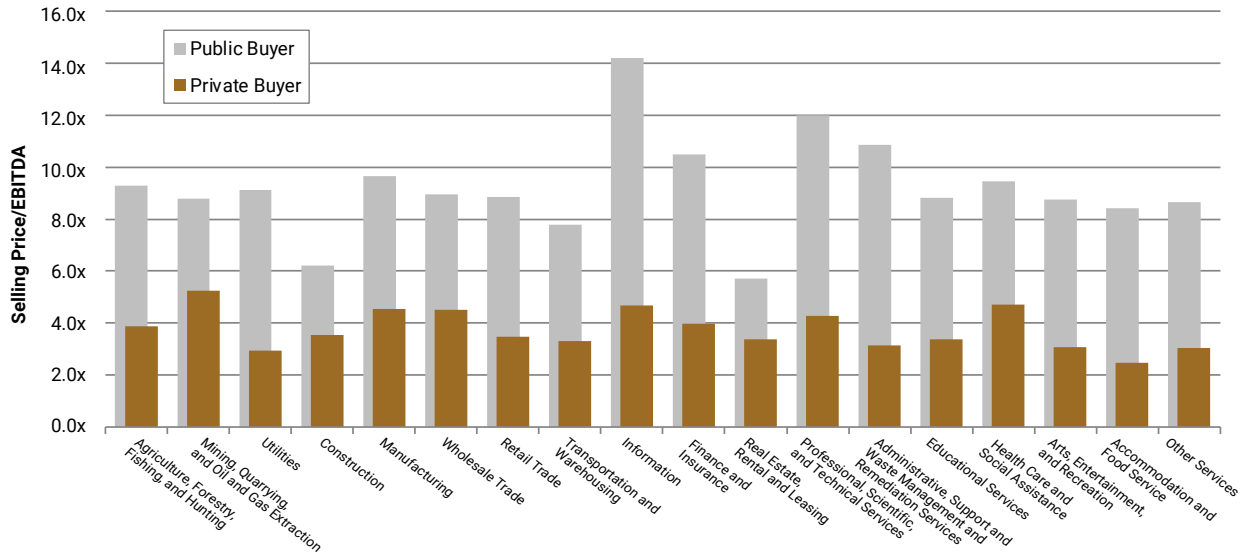
Exhibits 14 and 15 compare the median valuation multiples private buyers paid (those transactions business intermediaries brokered) to what public-company buyers paid based on major industry sector groups.

Across all NAICS sectors, public buyers paid higher multiples for private targets than private buyers paid. This may partially reflect synergies between the public buyer and the private target. Also, the typical acquisition public buyers made was larger than those private buyers made, so it is possible to conclude that larger companies sell for higher multiples than smaller companies, which is further highlighted in Exhibits 5A through 5C.

**EXHIBIT 14. MEDIAN SELLING PRICE/NET SALES— ALL TIME PERIODS (PRIVATE TARGETS)**



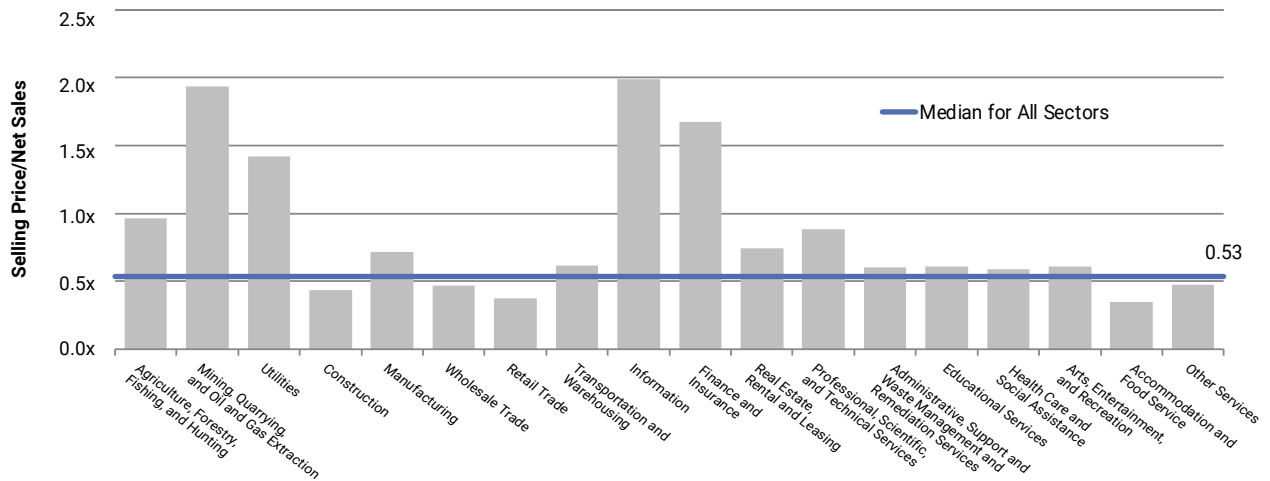
**EXHIBIT 15. MEDIAN SELLING PRICE/EBITDA-  
 ALL TIME PERIODS (PRIVATE TARGETS)**



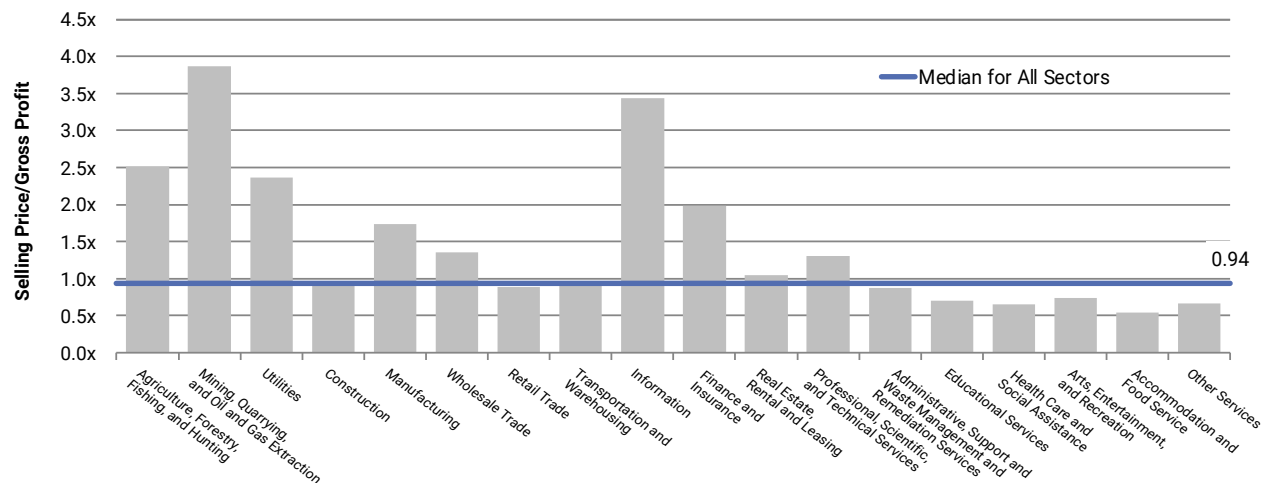
## HOW DO INDUSTRY PRICING MULTIPLES AND PROFIT MARGINS COMPARE?

Exhibits 16A through 17C compare pricing multiples and profit margin ratios across 18 industry sectors. Companies within the mining, quarrying, and oil and gas extraction sector; the finance and insurance sector; utilities sector; agriculture, forestry, fishing, and hunting sector; and the information sector clearly transact at higher net sales and earnings-based pricing multiples than most other companies in other industries (see Exhibits 16A to 16E). The trend for margin ratios is less evident among the 18 industry sectors, although companies in the information sector appear to operate less efficiently, with a median operating profit margin of 1% and a median net profit margin of -1.0% (see Exhibits 17A to 17C).

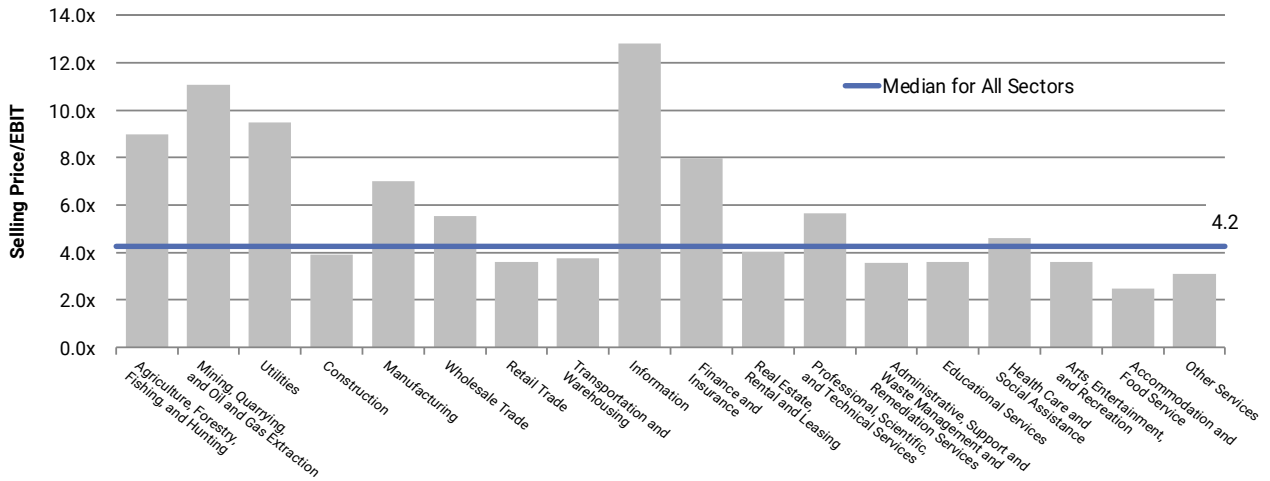
**EXHIBIT 16A. MEDIAN SELLING PRICE/NET SALES—ALL TIME PERIODS (PRIVATE TARGETS)**



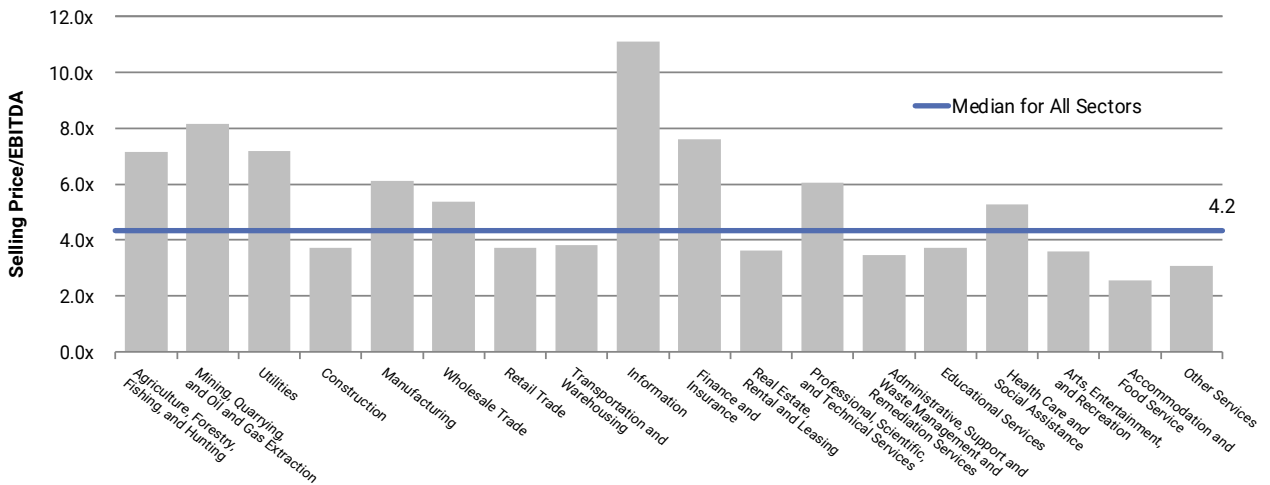
**EXHIBIT 16B. MEDIAN SELLING PRICE/GROSS PROFIT—ALL TIME PERIODS (PRIVATE TARGETS)**



**EXHIBIT 16C. MEDIAN SELLING PRICE/EBIT-  
 ALL TIME PERIODS (PRIVATE TARGETS)**

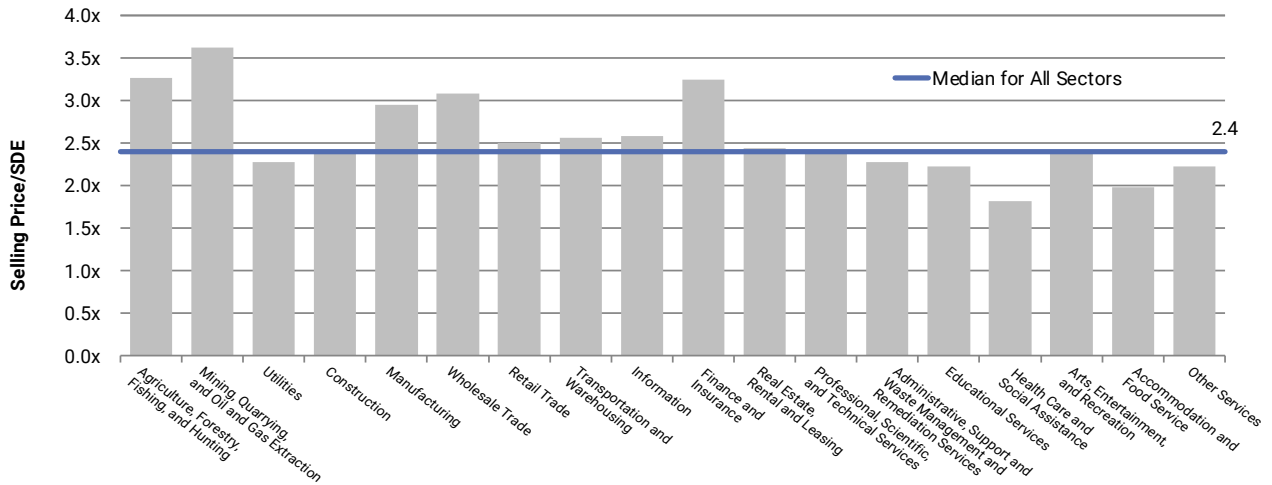


**EXHIBIT 16D. MEDIAN SELLING PRICE/EBITDA-  
 ALL TIME PERIODS (PRIVATE TARGETS)**

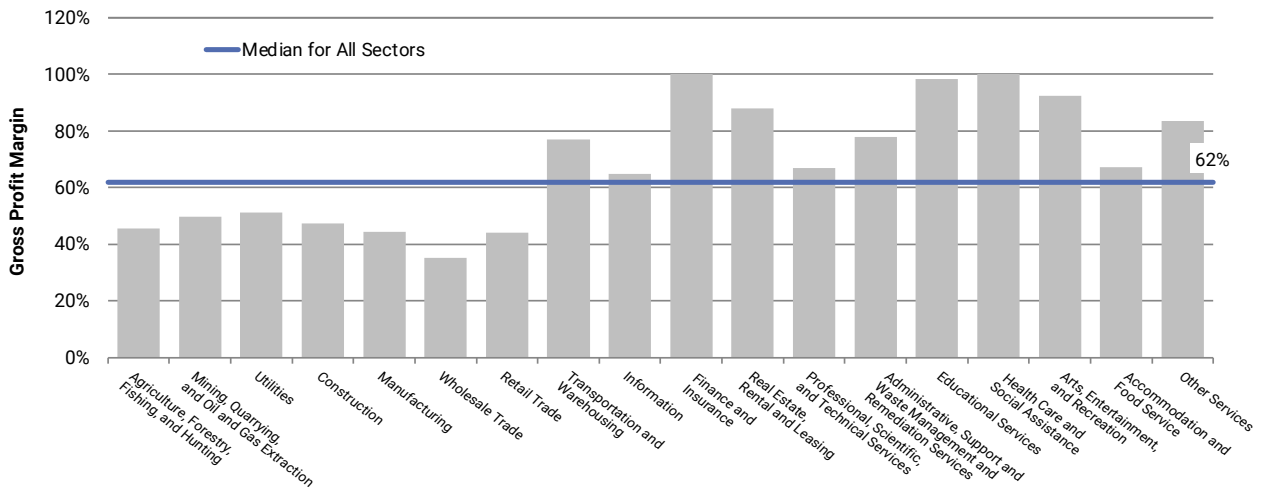


0.1350

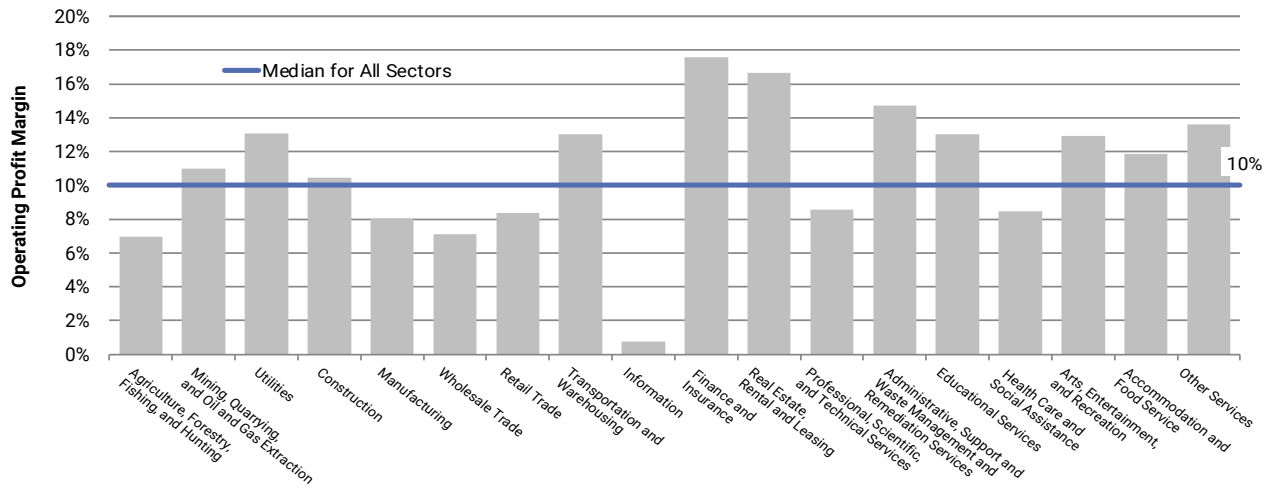
**EXHIBIT 16E: MEDIAN SELLING PRICE/SDE-  
 ALL TIME PERIODS (PRIVATE TARGETS)**



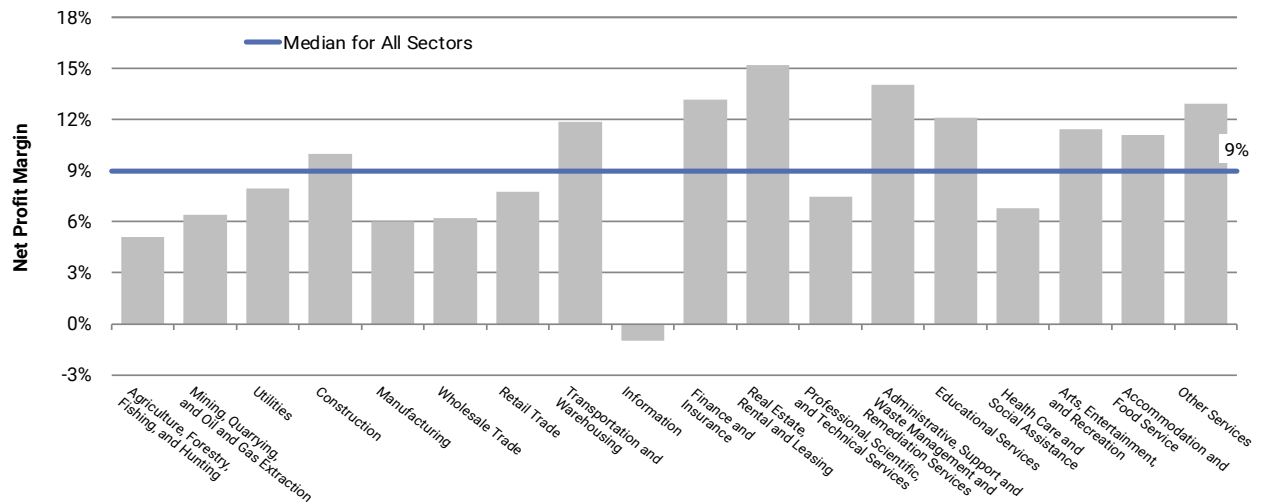
**EXHIBIT 17A. MEDIAN GROSS PROFIT MARGIN-  
 ALL TIME PERIODS (PRIVATE TARGETS)**



**EXHIBIT 17B. MEDIAN OPERATING PROFIT MARGIN- ALL TIME PERIODS (PRIVATE TARGETS)**



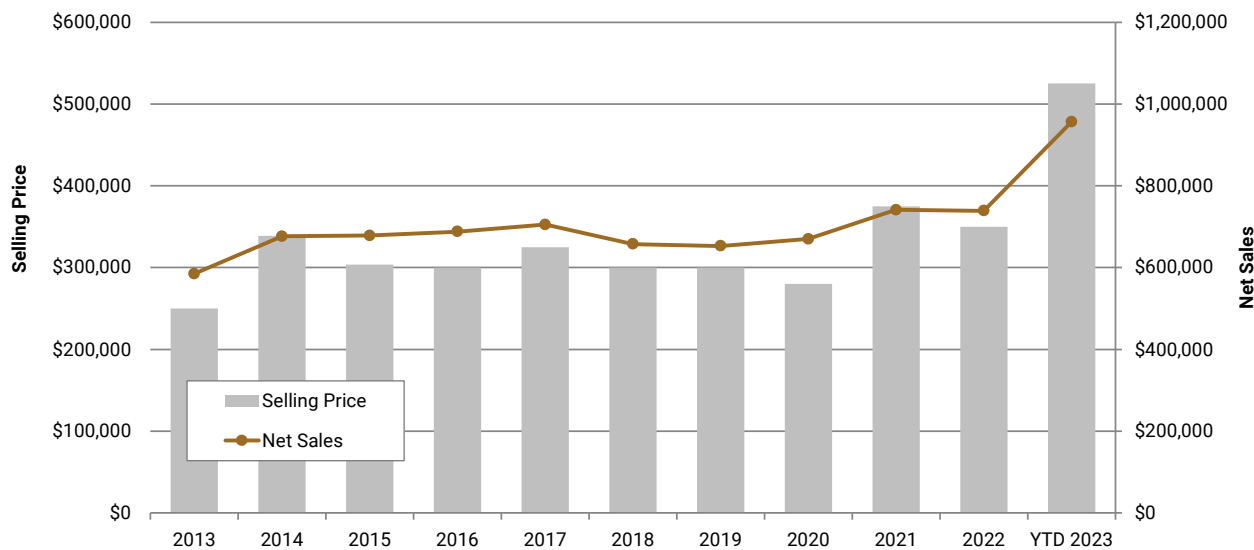
**EXHIBIT 17C. MEDIAN NET PROFIT MARGIN- ALL TIME PERIODS (PRIVATE TARGETS)**



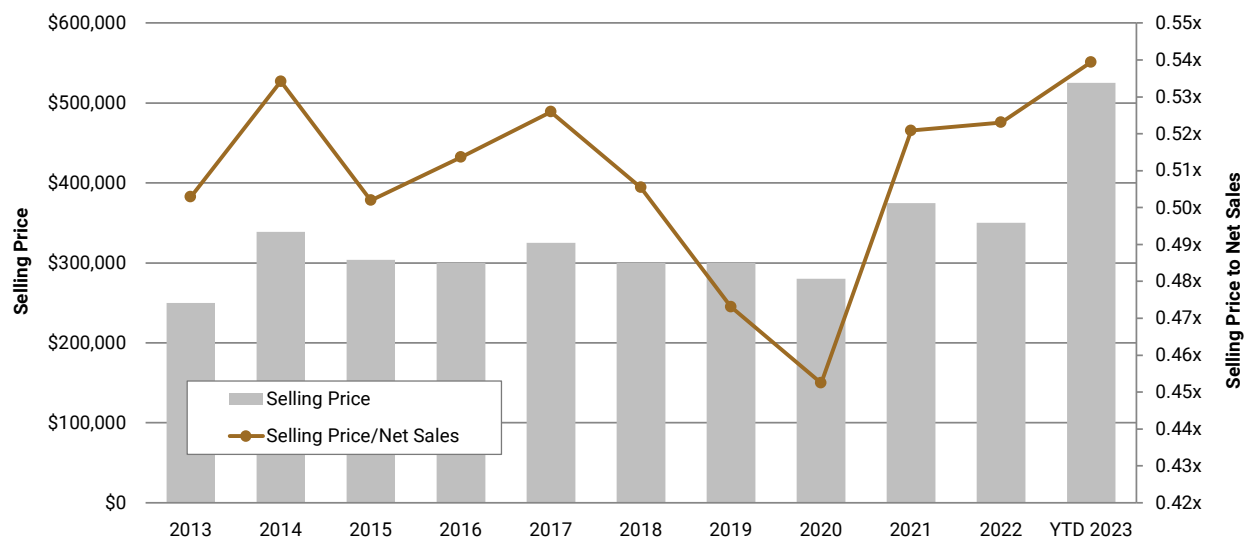
## MEDIAN SELLING PRICE REACHES NEW HIGH IN 2023

Exhibit 18A shows that the median selling price moved from its previously highest level of \$375,000 in 2021 to a new record of \$525,000 in 2023 year-to-date. Median net sales amounts reached a new high of \$956,170 in 2023 year-to date, which was a notable 29% increase from 2022. Both the median selling price and median net sales are continuing to trend positively since 2020.

**EXHIBIT 18A. MEDIAN SELLING PRICE AND MEDIAN NET SALES (PRIVATE TARGETS)**



**EXHIBIT 18B. MEDIAN SELLING PRICE AND MEDIAN SELLING PRICE/NET SALES (PRIVATE TARGETS)**

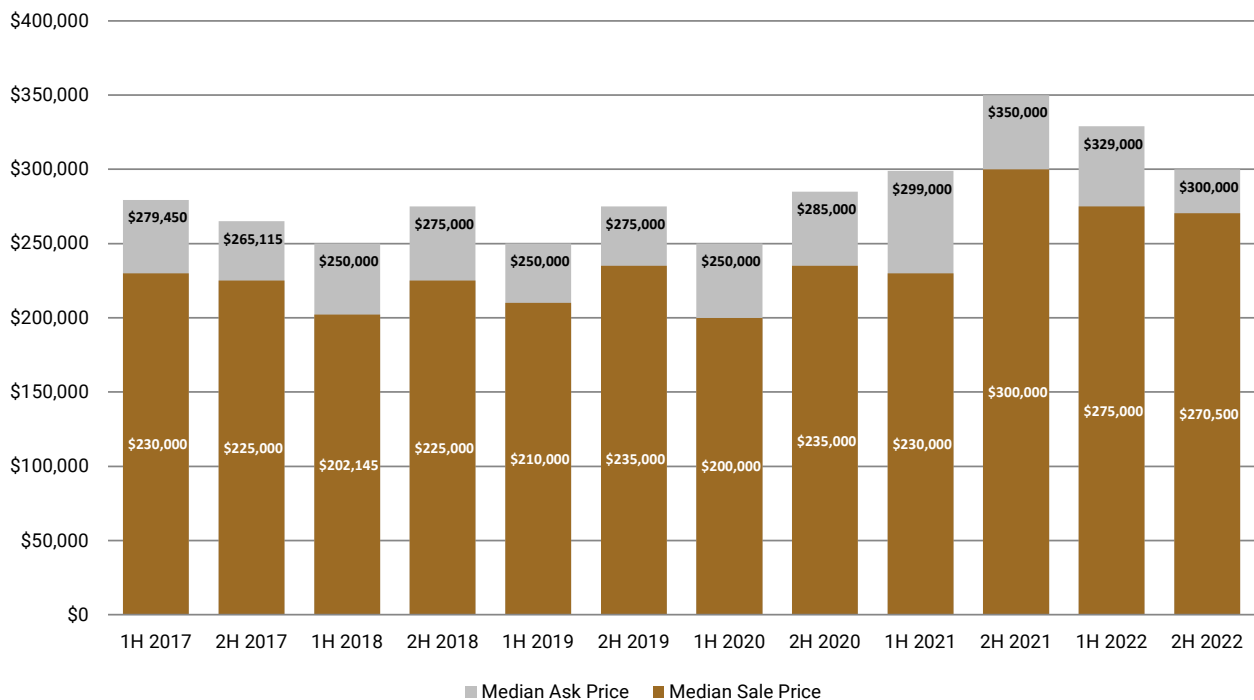




## SECOND HALF OF 2022 SHOWS SMALLER DISCOUNTS THAN USUAL

Exhibit 19 best illustrates the negotiation process between buyers and sellers in which both asking prices and sale prices continually fluctuate during the highlighted period, as well as historically. What a seller's business is likely to sell for has effectively been different than the original asking price and is based on cyclical trends in the economy as well as the buyers' assessment of financial conditions, industry comparables, potential return on investment, and the goodwill worth of the business as a going concern, among other considerations. The largest discount recorded in the reported period (first-half 2017 to second-half 2022) was 30%, which was in the first half of 2021. Typical discount levels range between 16% and 18%. The most recent discount in the second half of 2022 is 10.9%.

**EXHIBIT 19. MEDIAN ASK PRICE VS. MEDIAN SALE PRICE SEMIANNUALLY (PRIVATE TARGETS)**

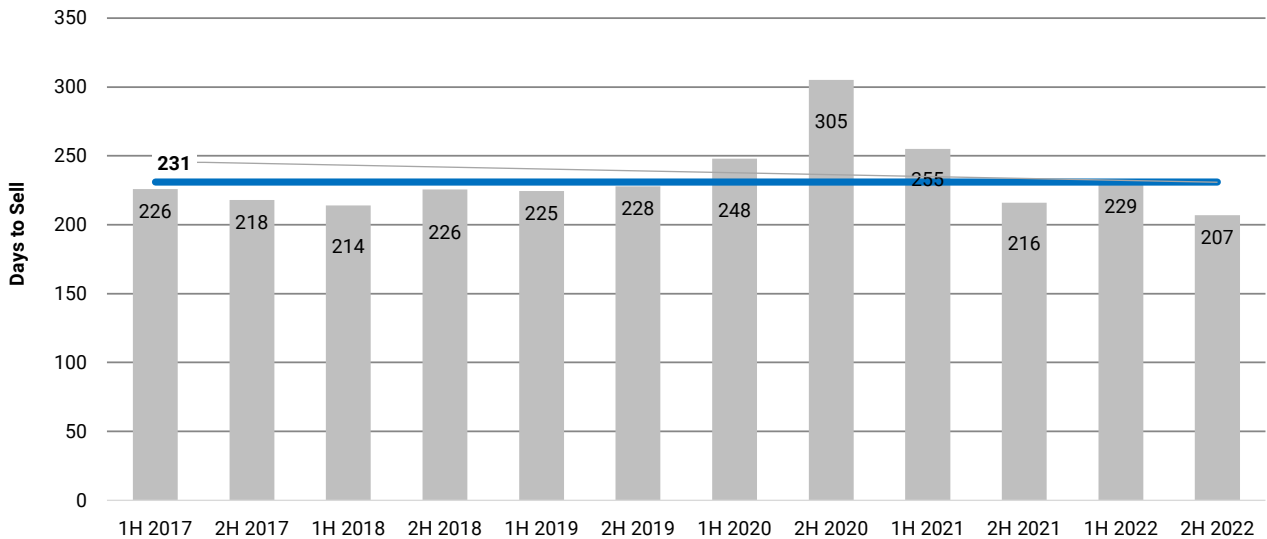


## MEDIAN DAYS TO SELL DECREASED IN THE SECOND HALF OF 2022

Days to sell is the number of days it takes to sell a business (the difference between the date the business was listed for sale and the date the sale closed).

The second half of 2022 shows a significantly lower days-to-sell figure of 207 days compared to historical years. The second half of 2020 continues to be the highest period reported when it comes to the time it takes to close a sale (305 days).

### EXHIBIT 20. MEDIAN DAYS TO SELL SEMIANNUALLY\* (PRIVATE TARGETS)



\* Based on the sale date of transactions.

## OVERVIEW OF OWNER'S COMPENSATION

Exhibits 21 through 22 display various statistics on owner's compensation broken down by sector and size.

Owner's compensation figures are based on all transactions in the DealStats database, where historical information has been adjusted for inflation. Inflation adjustments are based on CPI (CPIAUCSL) figures, where average adjustment factors are developed for each year. Annual average adjustment factors are then applied to every owner's compensation figure for each transaction in the database.

Across all statistical measures (25th percentile, median, average, 75th percentile), owner's compensation increases as the size of the company increases.

The mining, quarrying, and oil and gas extraction sector has the highest median owner's compensation (\$252,947), while accommodation and food services has the lowest median owner's compensation (\$38,044). Healthcare and social assistance is a close second to the mining, quarrying, and oil and gas extraction sector, where it has the highest average and 75th percentile among all industries.

When observing owner's compensation by sector and size, we can see that the healthcare and social assistance sector has the highest median owner's compensation across all size groups (except for companies with net sales larger than \$10 million).

### EXHIBIT 21: OWNER'S COMPENSATION STATISTICS BY SECTOR (PRIVATE U.S. TARGETS)

NAICS	NAICS Sector	25th Percentile	Median	Average	75th Percentile
11	Agriculture, Forestry, Fishing and Hunting	N/A	\$55,509	\$101,194	\$107,148
21	Mining, Quarrying, and Oil and Gas Extraction	\$125,076	\$252,947	\$436,756	\$342,494
22	Utilities	\$7,660	\$63,920	\$101,997	\$115,273
23	Construction	\$51,147	\$98,786	\$151,862	\$178,580
31-33	Manufacturing	\$39,195	\$96,513	\$178,090	\$189,443
42	Wholesale Trade	\$42,224	\$98,763	\$158,745	\$194,209
44-45	Retail Trade	\$15,410	\$52,120	\$89,002	\$103,146
48-49	Transportation and Warehousing	\$18,945	\$56,298	\$136,647	\$127,443
51	Information	\$13,328	\$79,756	\$260,864	\$181,727
52	Finance and Insurance	\$24,971	\$61,991	\$130,155	\$122,260
53	Real Estate and Rental and Leasing	\$24,819	\$55,959	\$100,050	\$102,885
54	Professional, Scientific, and Technical Services	\$43,801	\$98,916	\$160,538	\$190,217
56	Administrative and Support and Waste Management and Remediation Services	\$22,616	\$56,440	\$98,512	\$113,528
61	Educational Services	\$18,814	\$52,558	\$137,136	\$100,581
62	Health Care and Social Assistance	\$41,632	\$118,011	\$444,502	\$406,561
71	Arts, Entertainment, and Recreation	N/A	\$38,097	\$107,021	\$83,657
72	Accommodation and Food Services	\$4,692	\$38,044	\$53,021	\$70,289
81	Other Services (except Public Administration)	\$11,030	\$43,225	\$64,463	\$84,943
	<b>All Sectors</b>	<b>\$21,975</b>	<b>\$62,254</b>	<b>\$136,415</b>	<b>\$130,947</b>

**EXHIBIT 22: OWNER'S COMPENSATION STATISTICS BY SECTOR AND SIZE (PRIVATE U.S. TARGETS)**

NAICS	NAICS Sector	\$0M-\$1M			
		25th Percentile	Median	Average	75th Percentile
11	Agriculture, Forestry, Fishing and Hunting	\$5,218	\$27,690	\$44,970	\$78,470
23	Construction	\$29,090	\$59,959	\$70,491	\$98,916
31-33	Manufacturing	\$20,389	\$56,118	\$69,254	\$96,026
42	Wholesale Trade	\$19,411	\$53,171	\$68,586	\$92,894
44-45	Retail Trade	\$3,209	\$34,045	\$44,857	\$67,022
48-49	Transportation and Warehousing	\$12,511	\$32,144	\$44,957	\$70,524
51	Information	N/A	\$47,724	\$63,138	\$90,243
52	Finance and Insurance	\$23,516	\$47,822	\$70,673	\$90,490
53	Real Estate and Rental and Leasing	\$20,586	\$47,427	\$59,120	\$82,955
54	Professional, Scientific, and Technical Services	\$28,606	\$63,102	\$83,834	\$112,271
56	Administrative and Support and Waste Management and Remediation Services	\$16,519	\$41,442	\$52,559	\$72,542
61	Educational Services	\$16,234	\$47,579	\$57,721	\$81,008
62	Health Care and Social Assistance	\$26,821	\$68,139	\$137,870	\$160,276
71	Arts, Entertainment, and Recreation	N/A	\$33,385	\$46,024	\$65,677
72	Accommodation and Food Services	N/A	\$31,316	\$38,705	\$56,742
81	Other Services (except Public Administration)	\$7,078	\$36,507	\$48,808	\$69,542
	<b>All Sectors</b>	<b>\$12,072</b>	<b>\$42,165</b>	<b>\$58,846</b>	<b>\$77,301</b>

NAICS	NAICS Sector	\$1M-\$5M			
		25th Percentile	Median	Average	75th Percentile
11	Agriculture, Forestry, Fishing and Hunting	\$12,842	\$70,705	\$157,550	\$255,071
23	Construction	\$70,004	\$113,888	\$153,377	\$192,859
31-33	Manufacturing	\$83,324	\$148,264	\$191,995	\$243,203
42	Wholesale Trade	\$59,774	\$119,692	\$154,162	\$198,207
44-45	Retail Trade	\$39,090	\$83,782	\$111,271	\$144,098
48-49	Transportation and Warehousing	\$50,725	\$124,084	\$149,376	\$196,287
51	Information	\$93,081	\$176,101	\$270,699	\$313,715
52	Finance and Insurance	\$101,817	\$170,625	\$250,468	\$326,205
53	Real Estate and Rental and Leasing	\$63,359	\$94,930	\$134,671	\$146,809
54	Professional, Scientific, and Technical Services	\$92,524	\$162,977	\$215,274	\$267,023
56	Administrative and Support and Waste Management and Remediation Services	\$66,858	\$128,573	\$167,357	\$195,268
61	Educational Services	\$37,847	\$130,057	\$165,137	\$205,383
62	Health Care and Social Assistance	\$118,456	\$362,380	\$811,906	\$1,294,731
71	Arts, Entertainment, and Recreation	\$62,428	\$132,585	\$148,694	\$195,567
72	Accommodation and Food Services	\$38,469	\$76,696	\$98,476	\$126,494
81	Other Services (except Public Administration)	\$53,893	\$101,134	\$128,888	\$172,657
	<b>All Sectors</b>	<b>\$61,908</b>	<b>\$119,786</b>	<b>\$210,482</b>	<b>\$212,545</b>

Exhibit continues on next page

**EXHIBIT 22: OWNER'S COMPENSATION STATISTICS BY SECTOR AND SIZE (PRIVATE U.S. TARGETS), CONTINUED**

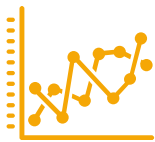
NAICS	NAICS Sector	\$5M-\$10M			
		25th Percentile	Median	Average	75th Percentile
11	Agriculture, Forestry, Fishing and Hunting	N/A	N/A	N/A	N/A
23	Construction	\$111,302	\$192,628	\$267,374	\$344,147
31-33	Manufacturing	\$115,320	\$211,982	\$355,828	\$402,202
42	Wholesale Trade	\$112,058	\$190,022	\$316,457	\$302,700
44-45	Retail Trade	\$54,104	\$154,287	\$211,759	\$301,558
48-49	Transportation and Warehousing	\$77,494	\$212,215	\$215,671	\$319,220
51	Information	N/A	N/A	N/A	N/A
52	Finance and Insurance	N/A	N/A	N/A	N/A
53	Real Estate and Rental and Leasing	N/A	N/A	N/A	N/A
54	Professional, Scientific, and Technical Services	\$212,889	\$291,131	\$388,832	\$440,741
56	Administrative and Support and Waste Management and Remediation Services	\$142,673	\$230,002	\$361,662	\$394,212
61	Educational Services	N/A	N/A	N/A	N/A
62	Health Care and Social Assistance	\$116,093	\$446,696	\$1,536,862	\$2,728,780
71	Arts, Entertainment, and Recreation	N/A	N/A	N/A	N/A
72	Accommodation and Food Services	\$134,966	\$232,724	\$301,802	\$409,040
81	Other Services (except Public Administration)	N/A	N/A	N/A	N/A
	<b>All Sectors</b>	<b>\$109,036</b>	<b>\$208,484</b>	<b>\$360,115</b>	<b>\$372,091</b>

NAICS	NAICS Sector	>\$10M			
		25th Percentile	Median	Average	75th Percentile
11	Agriculture, Forestry, Fishing and Hunting	N/A	N/A	N/A	N/A
23	Construction	\$232,264	\$369,624	\$474,088	\$566,663
31-33	Manufacturing	\$39,154	\$258,463	\$643,508	\$531,945
42	Wholesale Trade	\$152,857	\$241,685	\$329,998	\$449,465
44-45	Retail Trade	\$137,550	\$243,996	\$691,137	\$412,801
48-49	Transportation and Warehousing	\$146,642	\$398,184	\$1,050,779	\$716,117
51	Information	N/A	N/A	N/A	N/A
52	Finance and Insurance	N/A	N/A	N/A	N/A
53	Real Estate and Rental and Leasing	N/A	N/A	N/A	N/A
54	Professional, Scientific, and Technical Services	\$144,163	\$298,957	\$691,593	\$616,955
56	Administrative and Support and Waste Management and Remediation Services	\$167,202	\$339,230	\$491,234	\$438,486
61	Educational Services	N/A	N/A	N/A	N/A
62	Health Care and Social Assistance	\$116,357	\$311,061	\$1,950,586	\$344,900
71	Arts, Entertainment, and Recreation	N/A	N/A	N/A	N/A
72	Accommodation and Food Services	N/A	N/A	N/A	N/A
81	Other Services (except Public Administration)	N/A	N/A	N/A	N/A
	<b>All Sectors</b>	<b>\$132,228</b>	<b>\$284,288</b>	<b>\$691,557</b>	<b>\$531,197</b>



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