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# LBO purchase price multiples averaged 9.6 times in 1Q17

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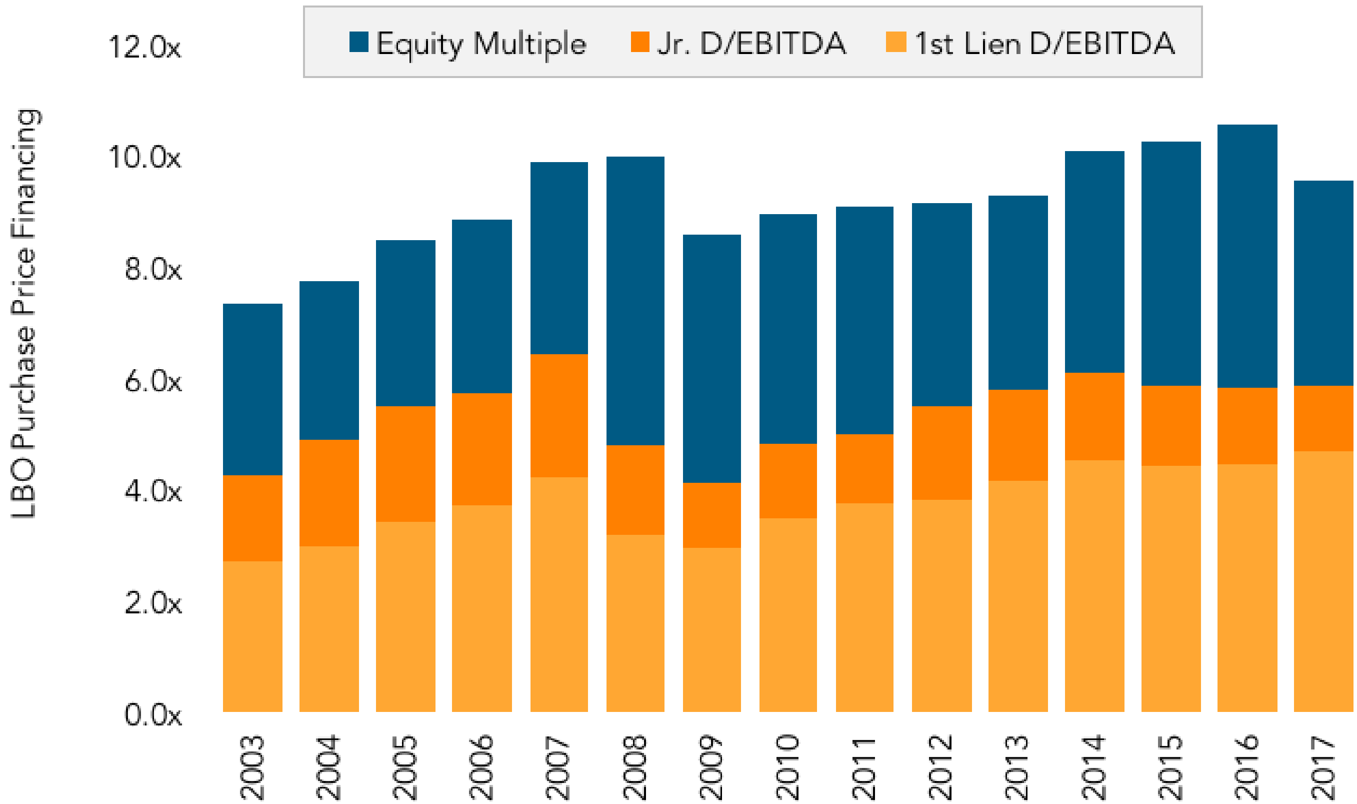


After averaging over 10 times for the past three years, the average purchase price multiple on LBO deals dropped to 9.6 times in 1Q17. A high concentration of smaller deals and a more diverse industry composition of LBOs in 1Q17 is a driver of multiples coming down so far this year. But lenders should not get accustomed to this trend. Lenders and sponsors confirm that lofty valuations continue to remain a major roadblock holding back a robust buyout environment this year. Furthermore, there are likely some pretty pricey deals getting done where valuation metrics are simply unobtainable for example CCC Information Services which is likely being purchased for a double digit multiple based on "rumoured" valuation price tags but terms are not publicly available. Some other buyout deals to close this quarter with estimated purchase price multiples in the double digits include Cole Parmer, Cyxtera Techologies, Team Health, Lionbridge Technologies and Blue Nile.

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