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Middle-market valuations down in 2022

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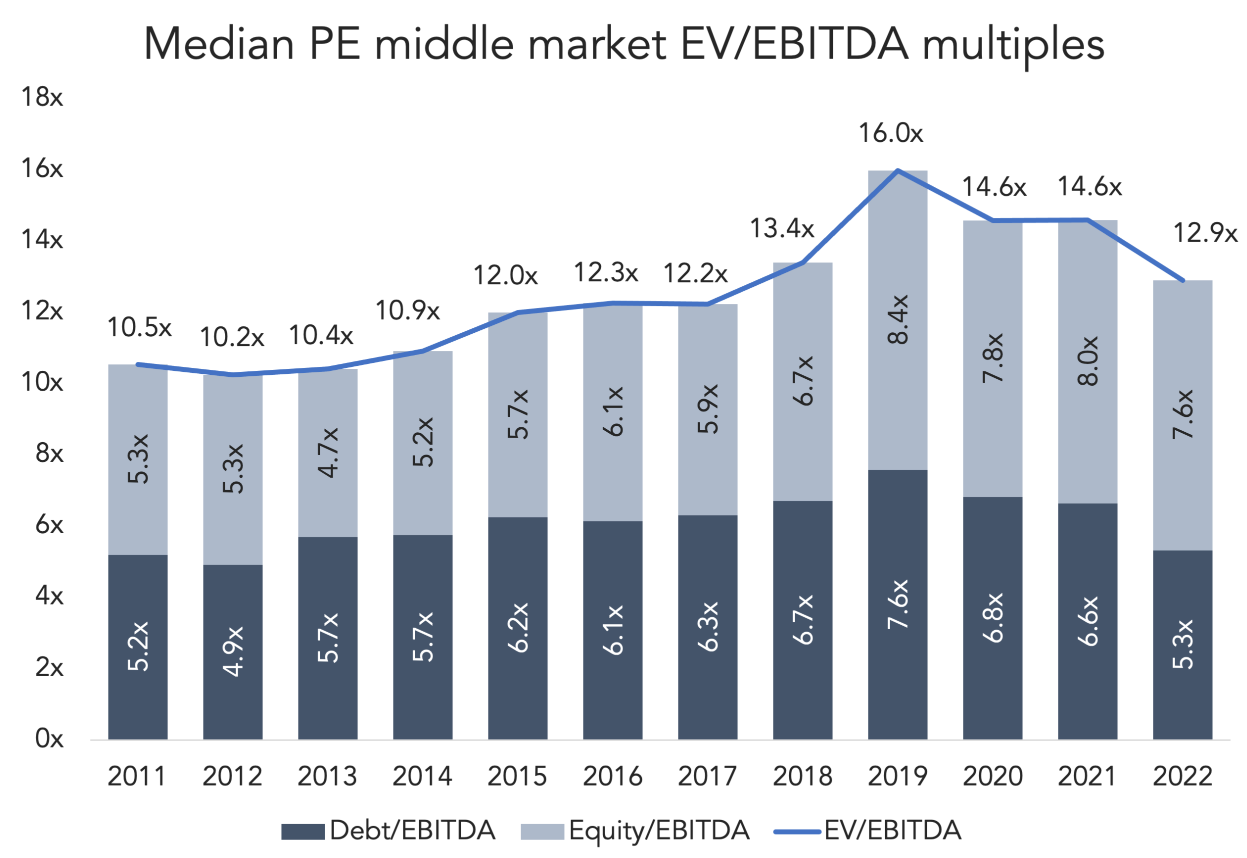

Download PitchBook’s Report here.

Middle-market multiples peaked much earlier than the overall market, which saw its highest price tags in 2021. That said, middle-market EV/EBITDA multiples continue to subside, according to PitchBook’s US PE Middle Market Report. After peaking at 16.0x in 2019, the headline number came down about a turn and a half to 14.6x in both 2020 and 2021. Last year saw another turn-and-a-half decline to 12.9x, mostly due to the median debt/EBITDA multiple falling from 6.6x to 5.3x. Equity contributions came down just a touch, from 8.0x to 7.6x, so investors are putting relatively more equity into their deals than they had been. At 12.9x, the median EV/EBITDA multiple is now at its lowest level since 2017. Deal sizes are also at multi-year lows; the median is now $147 million, the lowest showing since 2016 and down from $200 million in 2019.

(Past performance is no guarantee of future results.)