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Middle market LBO purchase price multiples declined in 1Q23

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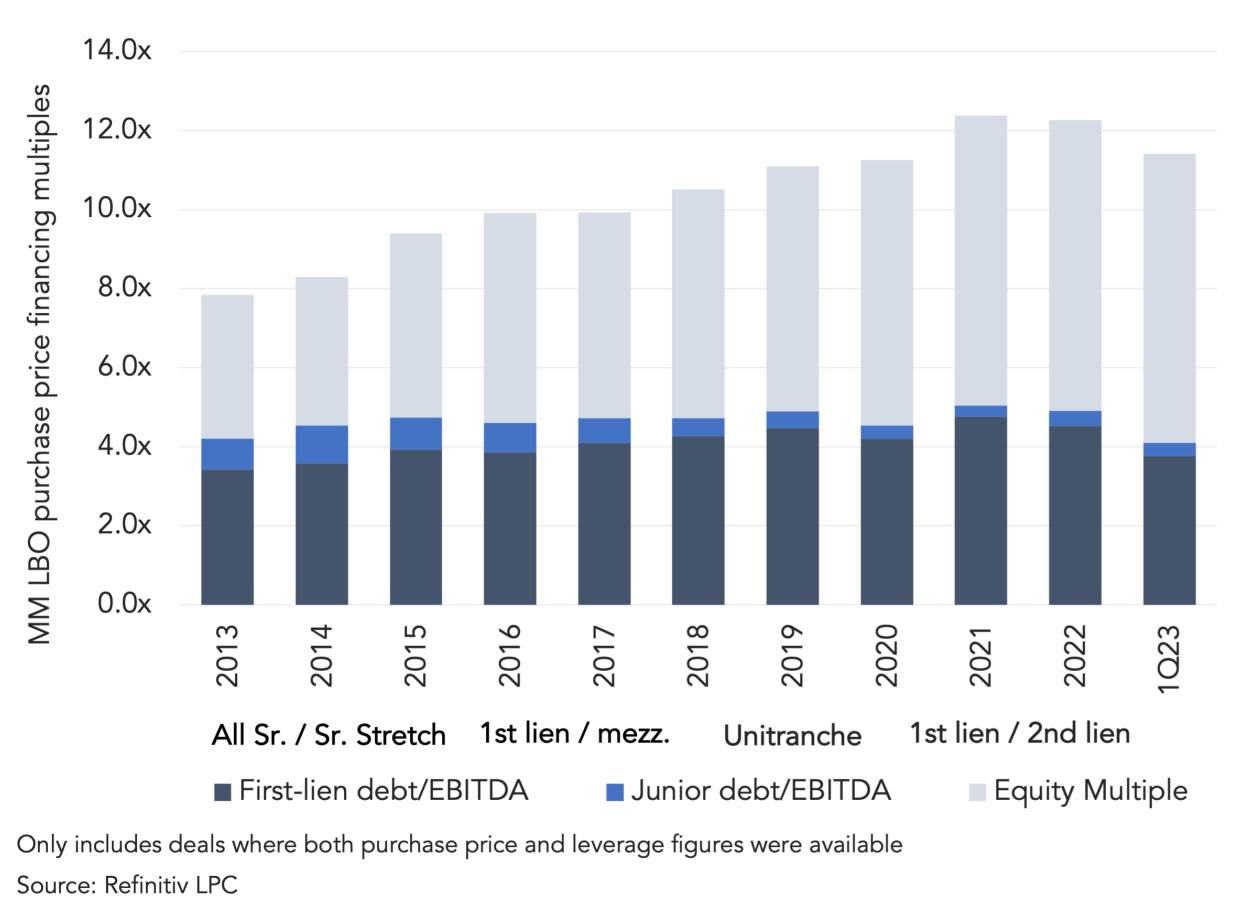

Only includes deals where both purchase price and leverage figures were available

Source: Refinitiv LPC

Middle market LBO purchase price multiples declined from 12.3 times in 2022 to 11.4 times in 1Q23, the lowest level since 3Q20. While purchase price multiples declined, the equity multiple was only down minimally, to 7.3 times, from 7.4 times in 2022. In contrast, the leverage component dropped to 4.1 times in 1Q23 from 4.9 times in 2022. With leverage declining more than purchase price multiples, the loan-to-enterprise value levels on middle market LBOs declined to 38% in 1Q23, the lowest level on record since at least 1Q15.

(Past performance is no guarantee of future results.)