



# Capstone Partners

## HISTORICAL VALUETREND INDEX

JULY 2017

ENTERPRISE VALUE (MM)	LTM MULTIPLES*	MONTHLY CHANGE	YOY CHANGE	READ MORE
\$10 - \$100	9.2x	0.5%	10.2%	<a href="#">Page 2</a>
\$100 - \$250	9.8x	-1.0%	-0.6%	
\$250 - \$500	10.6x	5.0%	-5.9%	
INDUSTRY				
BUSINESS SERVICES	8.6x	-4.1%	-14.6%	<a href="#">Page 3</a>
CONSUMER PRODUCTS	9.4x	-0.7%	-7.7%	<a href="#">Page 4</a>
EDUCATION & TRAINING	13.1x	1.1%	9.2%	<a href="#">Page 5</a>
GOVERNMENT & DEFENSE	10.2x	5.5%	-11.2%	<a href="#">Page 6</a>
HEALTH & MEDICAL	10.4x	11.2%	1.9%	<a href="#">Page 7</a>
INDUSTRIAL & MANUFACTURING	8.1x	3.6%	-3.2%	<a href="#">Page 8</a>
TECHNOLOGY & TELECOM	3.4x	6.2%	-8.1%	<a href="#">Page 9</a>

\*Technology & Telecom multiples are EV/Revenue while all other industries are EV/EBITDA.

Source: All data is from Capital IQ, unless noted otherwise; YOY = year-over-year; LTM = last twelve months ending July 31, 2017.

### ABOUT CAPSTONE'S VALUETREND INDEX

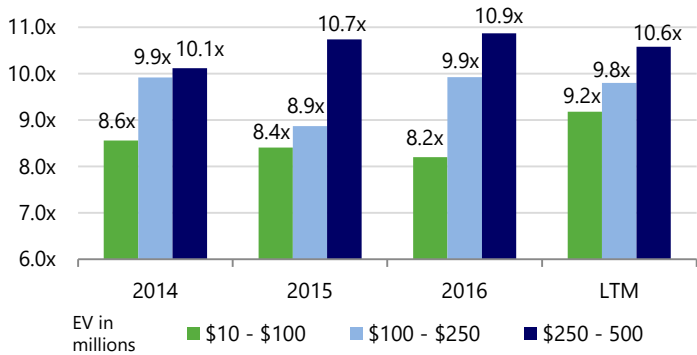
The ValueTrend Index tracks middle market transaction values across various industries. Capstone calculates M&A valuations by analyzing the prices paid for recent acquisitions and available data from public companies. The Education & Training industry exclusively uses public company data, since transaction valuations are rarely disclosed. The Technology & Telecom sector is expressed as a multiple of revenues, while the remaining sectors are based on EBITDA. Capstone's index is intended to gauge the state of valuations compared to previous years, rather than to provide a specific valuation estimate for any individual company. [Click here to receive this data monthly.](#)

# MIDDLE MARKET OVERVIEW

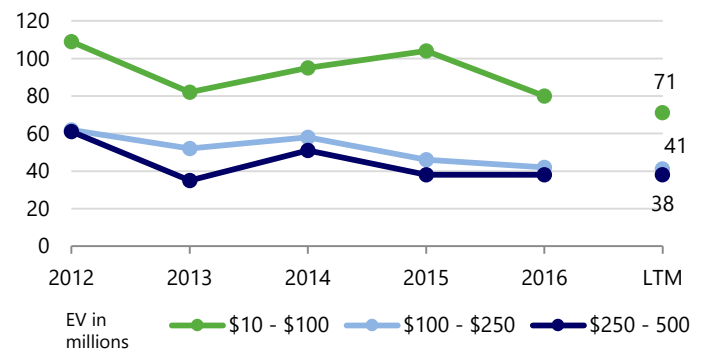
## ABOUT THE OVERALL MIDDLE MARKET INDEX

- ▶ The Overall Middle Market Index is important because valuations can vary greatly depending on the transaction size. Larger companies generally command higher multiples because:
  1. scale and market share matter;
  2. with scale, there is generally a lower risk potential; and
  3. lenders are willing to provide more leverage to fund the acquisitions.
- ▶ Below are transaction multiples for companies in the middle market, segmented by size of the transaction. Please note that the EV/EBITDA and Transaction Volume graphs only include data for transactions that disclosed financial information.

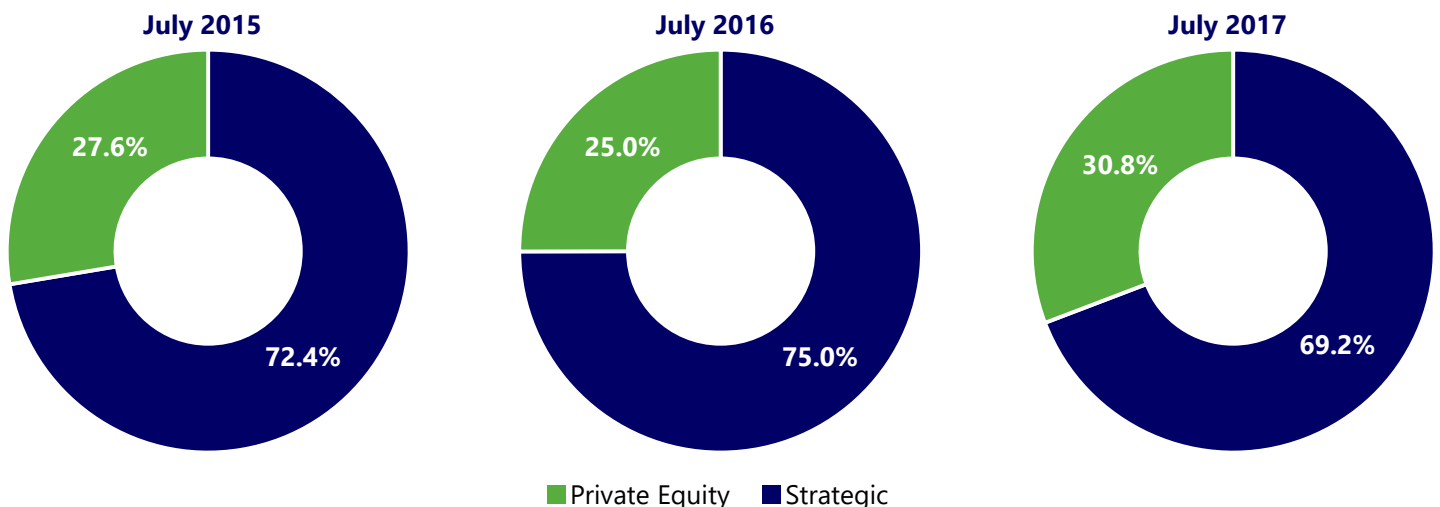
### EV/EBITDA TRANSACTION MULTIPLES



### DISCLOSED TRANSACTION VOLUME



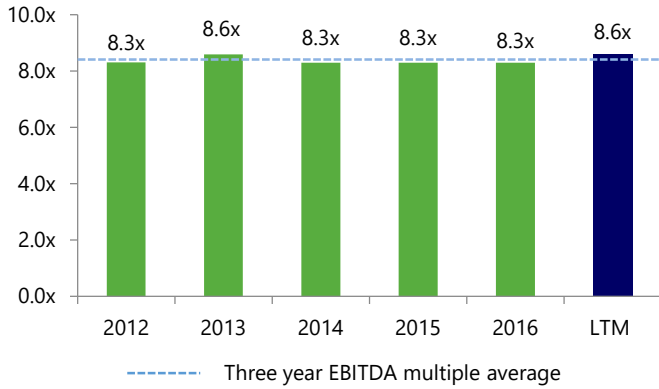
### BUYER BREAKDOWN



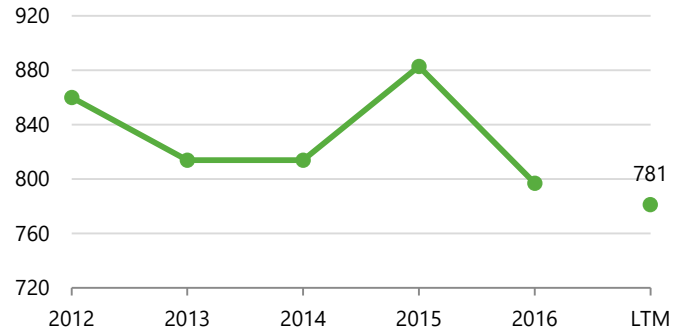
# BUSINESS SERVICES

Cost

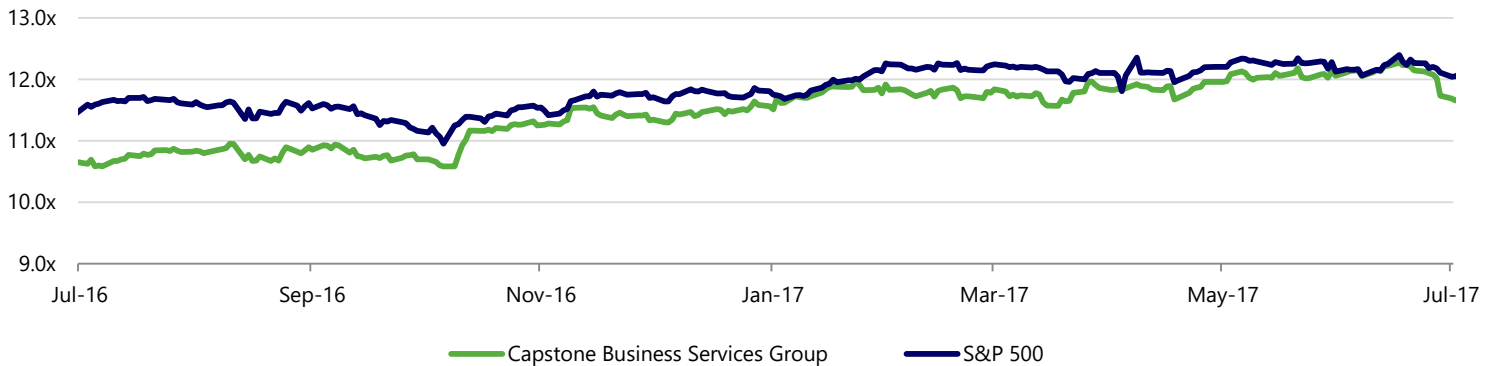
## TRANSACTION EV/EBITDA MULTIPLES



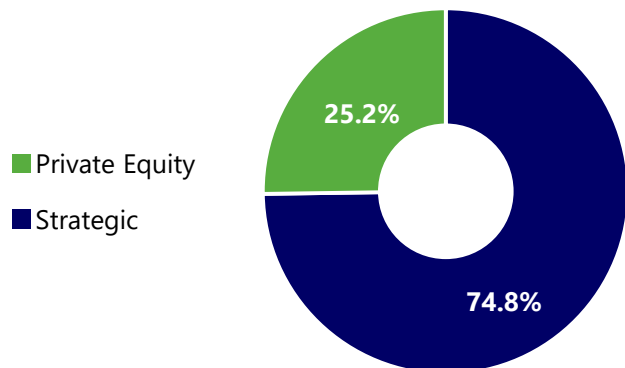
## TRANSACTION VOLUME



## PUBLIC COMPANY EV/EBITDA INDEX



## LTM BUYER BREAKDOWN



## HEAD OF BUSINESS SERVICES



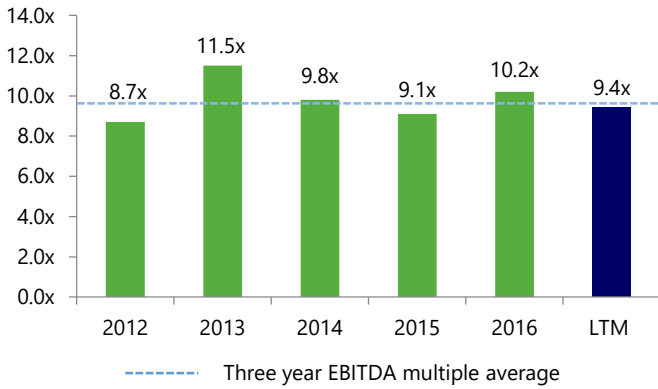
**Todd McMahon**  
**Managing Director**  
 tmcMahon@capstonellc.com  
 617-619-3334

[Click Here](#)

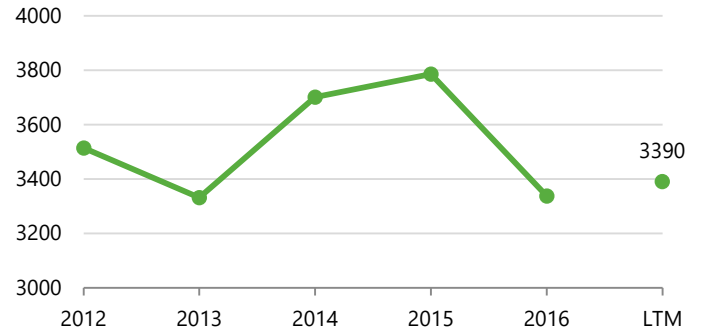
**Speak with Todd to get sector and market valuation insight.**

# CONSUMER PRODUCTS

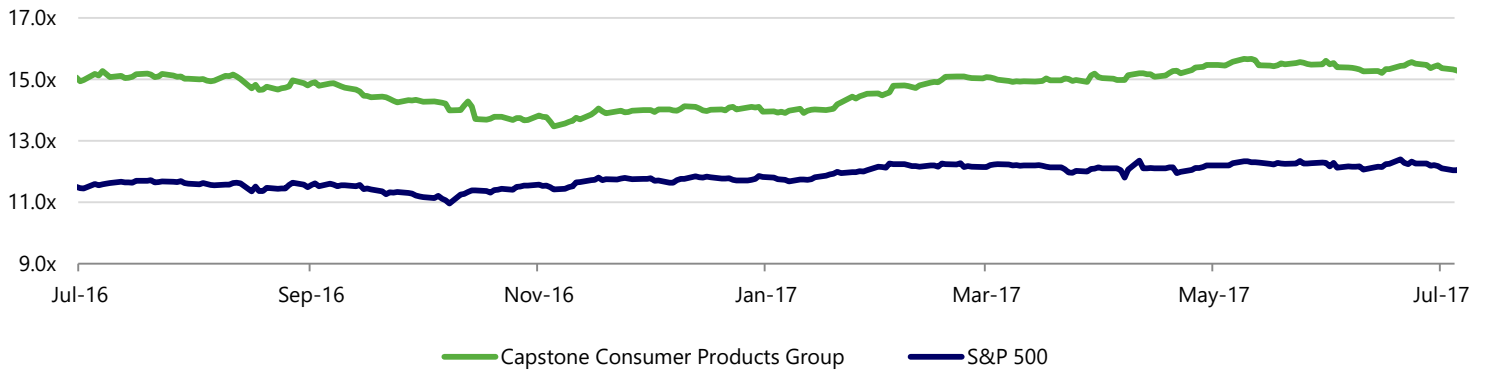
## TRANSACTION EV/EBITDA MULTIPLES



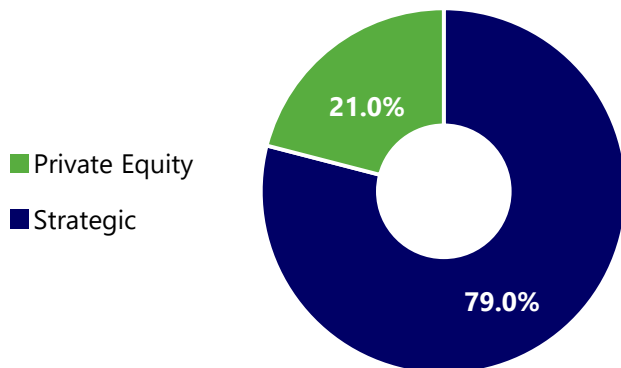
## TRANSACTION VOLUME



## PUBLIC COMPANY EV/EBITDA INDEX



## LTM BUYER BREAKDOWN



## HEAD OF CONSUMER PRODUCTS



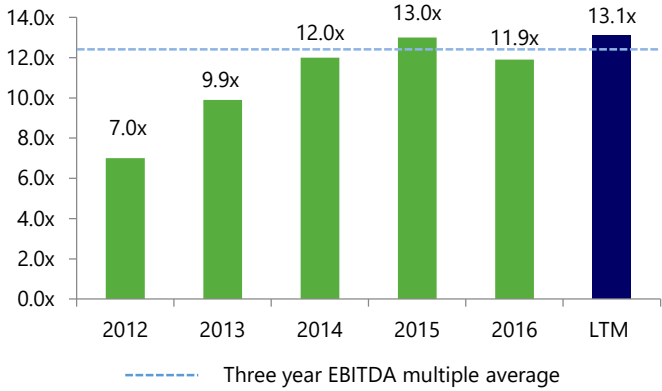
**Tom Elliott**  
**Managing Director**  
 telliott@capstonellc.com  
 813-251-7285

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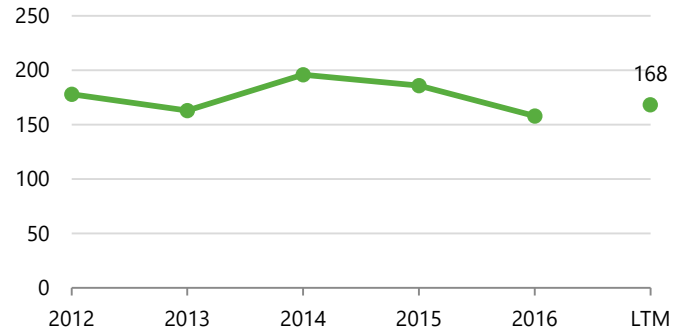
**Speak with Tom to get sector and market valuation insight.**

# EDUCATION & TRAINING

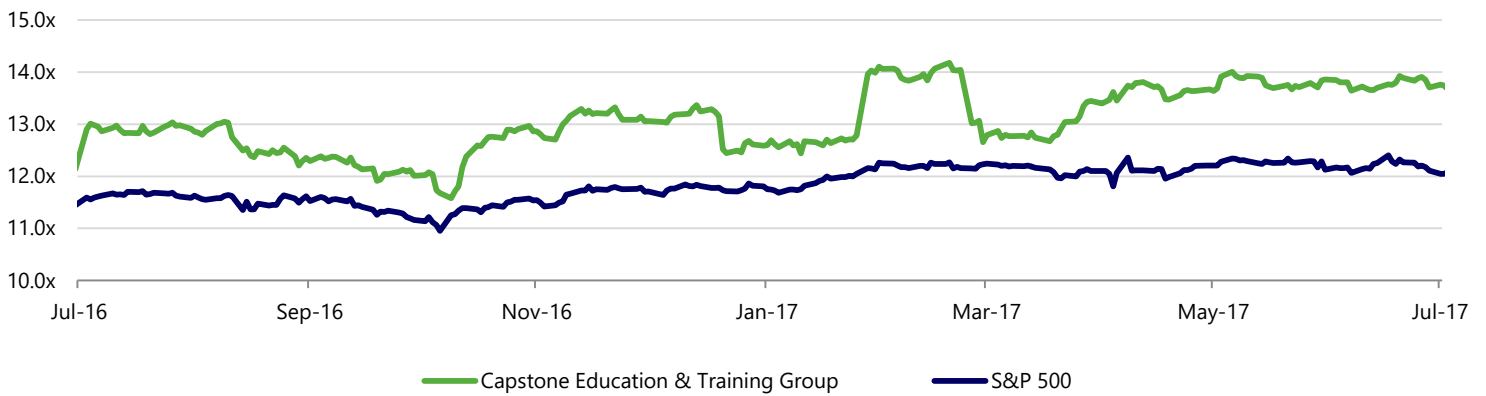
## PUBLIC EV/EBITDA MULTIPLES



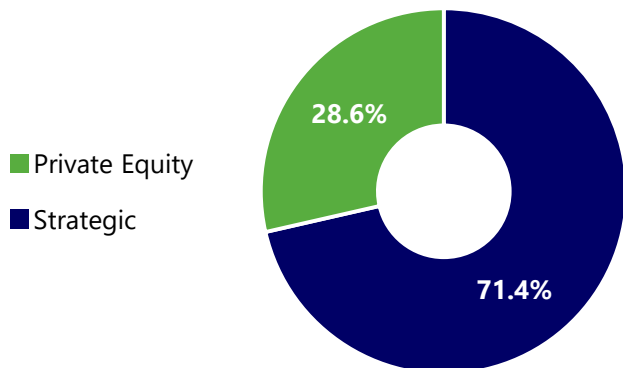
## TRANSACTION VOLUME



## PUBLIC COMPANY EV/EBITDA INDEX



## LTM BUYER BREAKDOWN



## HEAD OF CONSUMER PRODUCTS



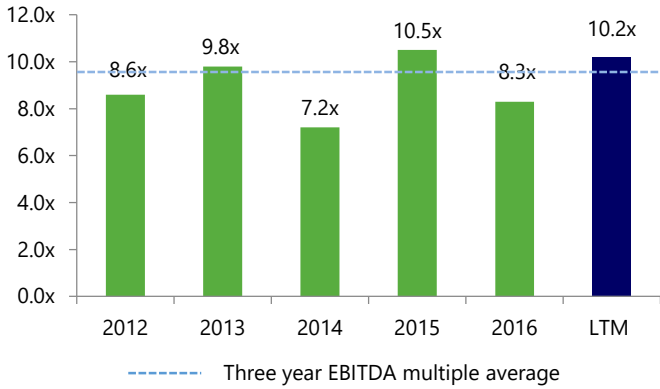
**Jacob Voorhees**  
**Managing Director**  
 jvoorhees@capstonellc.com  
 617-619-3323

[Click Here](#)

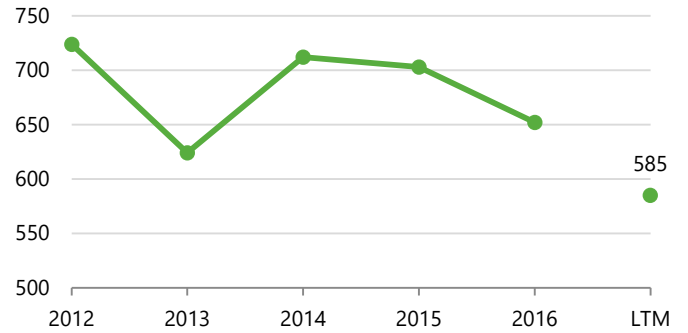
**Speak with Jacob to get sector and market valuation insight.**

# GOVERNMENT & DEFENSE

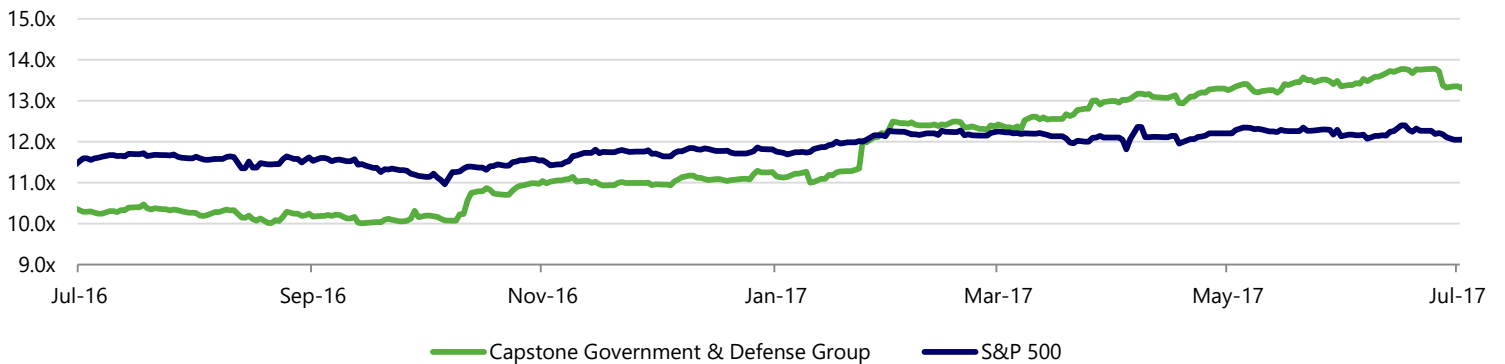
## TRANSACTION EV/EBITDA MULTIPLES



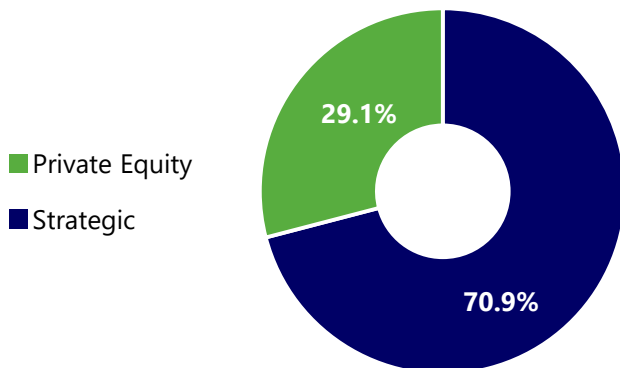
## TRANSACTION VOLUME



## PUBLIC COMPANY EV/EBITDA INDEX



## LTM BUYER BREAKDOWN



## HEAD OF GOVERNMENT & DEFENSE



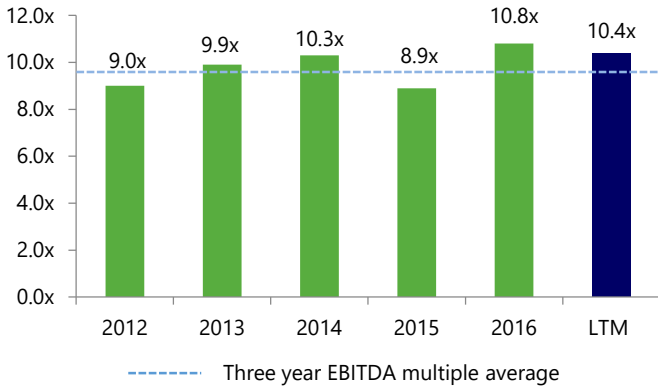
**Ted Polk**  
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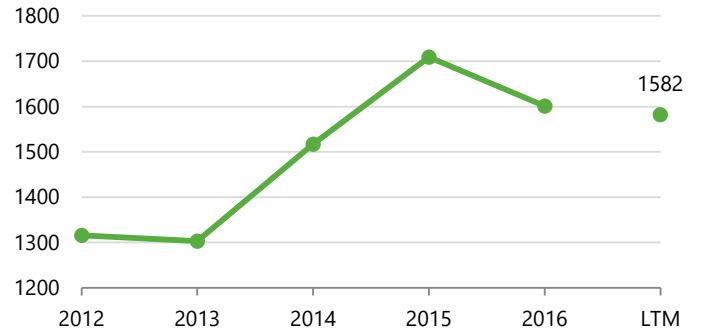
**Speak with Ted to get sector and market valuation insight.**

# HEALTH & MEDICAL

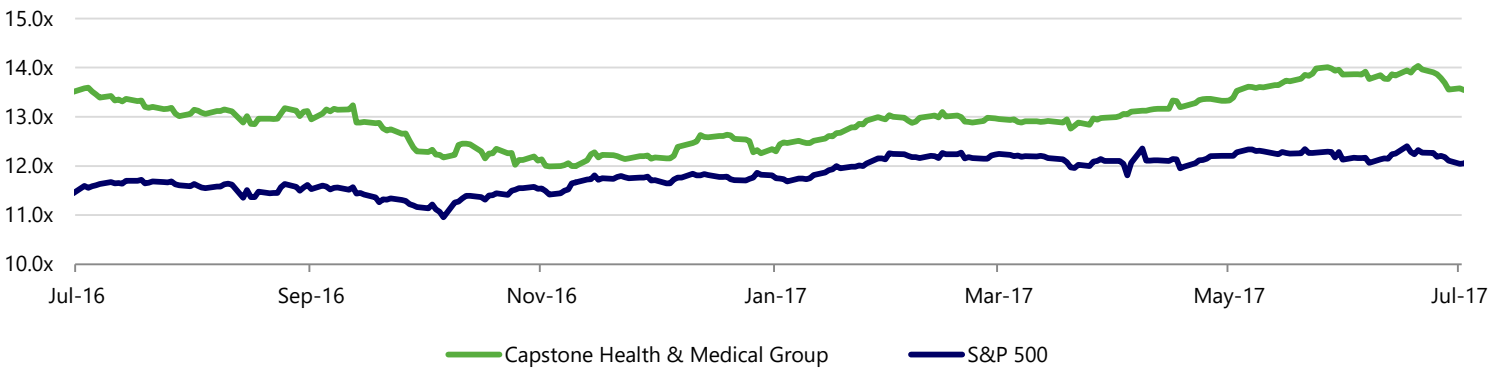
## TRANSACTION EV/EBITDA MULTIPLES



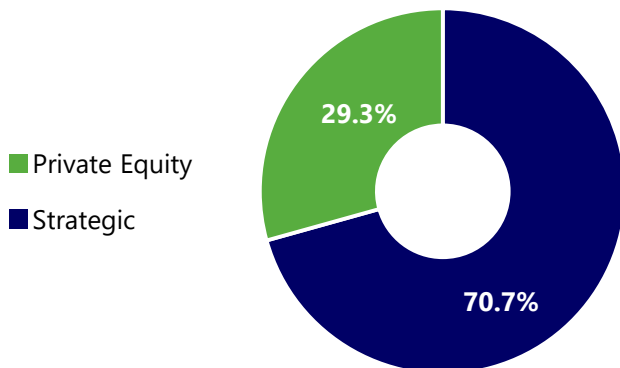
## TRANSACTION VOLUME



## PUBLIC COMPANY EV/EBITDA INDEX



## LTM BUYER BREAKDOWN



## HEAD OF HEALTH & MEDICAL



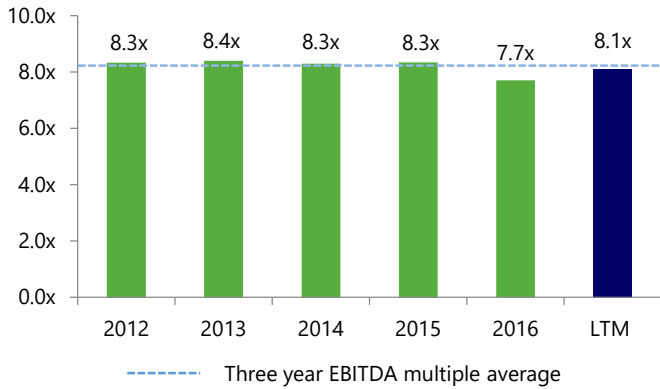
**Eric Williams**  
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 215-854-4065

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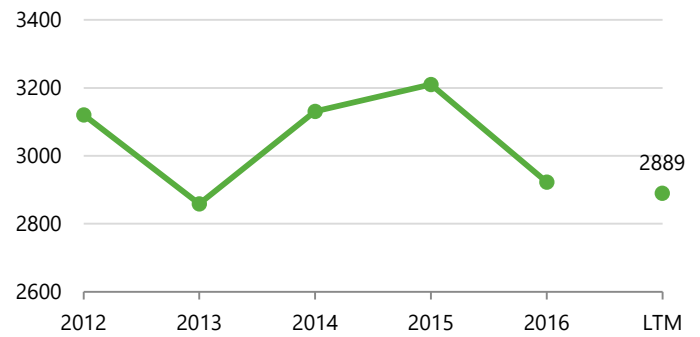
**Speak with Eric to get sector and market valuation insight.**

# INDUSTRIAL & MANUFACTURING

## TRANSACTION EV/EBITDA MULTIPLES



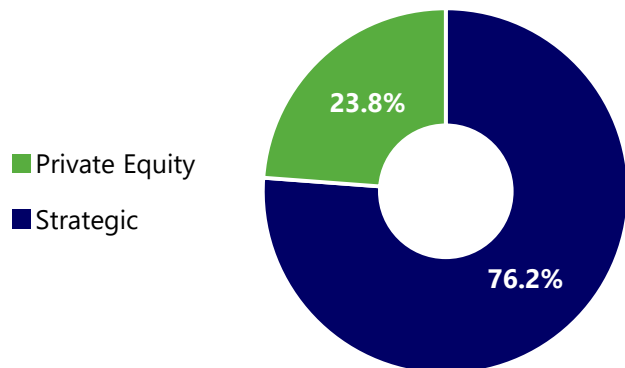
## TRANSACTION VOLUME



## PUBLIC COMPANY EV/EBITDA INDEX



## LTM BUYER BREAKDOWN



## HEAD OF INDUSTRIAL & MANUFACTURING



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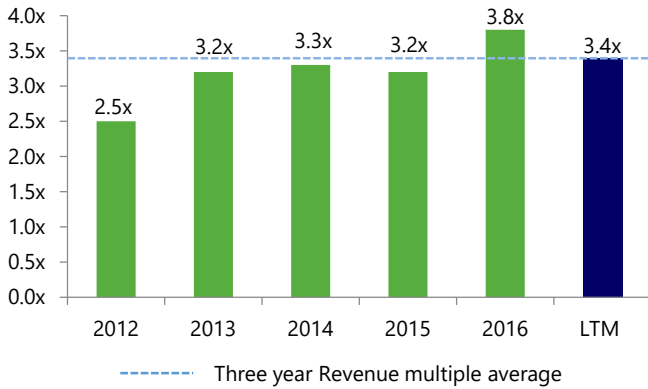
[Click Here](#)

**Speak with David to get sector and market valuation insight.**

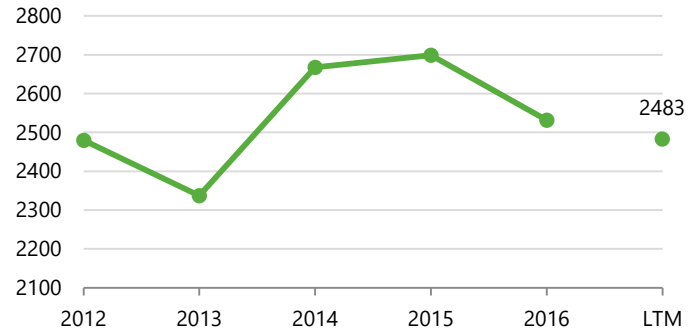


# TECHNOLOGY & TELECOM

## TRANSACTION EV/REVENUE MULTIPLES\*

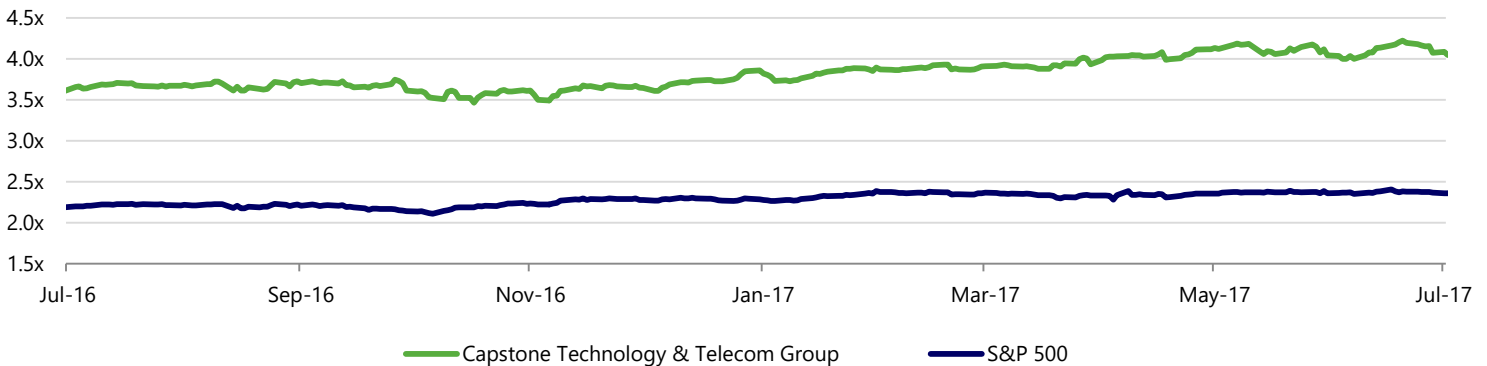


## TRANSACTION VOLUME

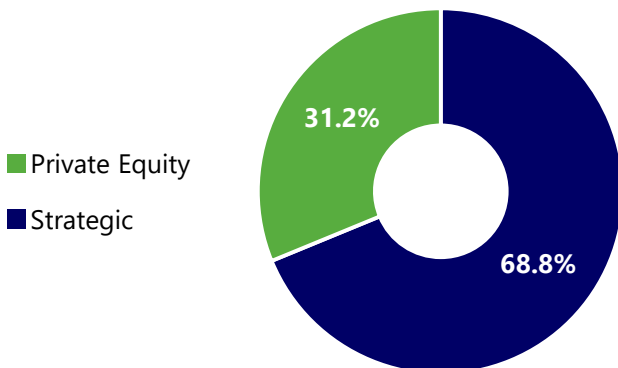


\*Median multiples for SaaS and Cloud transactions only.

## PUBLIC COMPANY EV/REVENUE INDEX



## LTM BUYER BREAKDOWN



## HEAD OF TECHNOLOGY & TELECOM



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**Speak with David to get sector and market valuation insight.**

# ABOUT CAPSTONE

## ESTABLISHED REPUTATION

Capstone was formed with a singular purpose: to build an entrepreneurial-focused firm capable of delivering superior results with unmatched skill. We have earned that position in the sectors we cover by representing emerging industry leaders. Today, with 10 offices in the US and UK, we are a highly differentiated firm with capabilities that are rare in our industry. Learn more: [www.capstonellc.com](http://www.capstonellc.com)

2016

MIDDLE MARKET  
INVESTMENT BANKING  
FIRM OF THE YEAR

THE M&A  
ATLAS  
AWARDS

2016

US MIDDLE MARKET  
INVESTMENT BANK  
OF THE YEAR

ACCQ5 Global  
Awards  
2016

2016

USA MID-MARKET  
INVESTMENT BANKING  
FIRM OF THE YEAR

MA  
CORPORATE *LiveWire*

## PROVEN CAPABILITIES

### Mergers & Acquisitions

- ▶ Corporate Sales
- ▶ Recapitalizations
- ▶ Divestitures
- ▶ Strategic Acquisitions
- ▶ Leveraged Buyouts
- ▶ Management Buyouts
- ▶ Strategic Mergers
- ▶ Joint Ventures & Alliances

### Corporate Restructuring

- ▶ Corporate Restructurings
- ▶ Turnaround Management
- ▶ Chapter 11 Advisory
- ▶ Interim & Crisis Management
- ▶ Specialty M&A
- ▶ Performance Improvement
- ▶ Quality of Earnings Analysis
- ▶ Liquidating Trust & Lit Support

### Private Placements

- ▶ Venture Capital
- ▶ Private Equity
- ▶ Subordinated Debt
- ▶ Unitranche Debt
- ▶ Senior Debt
- ▶ Venture Debt
- ▶ Bridge Loans
- ▶ Working Capital Lines

### Advisory Services

- ▶ Strategic Advisory
- ▶ Valuation Services
- ▶ Merchant Banking