

Current Multiples

The quarterly IBBA and M&A Source Market Pulse Survey was created to gain an accurate understanding of the market conditions for businesses being sold in Main Street (values \$0-\$2MM) and the Lower Middle Market (values \$2MM -\$50MM).

The national survey was conducted with the intent of providing a valuable resource to business owners and their advisors. The IBBA and M&A Source present the Market Pulse Survey with the support of the Pepperdine Private Capital Markets Project and the Pepperdine Graziadio Business School.

The Q1 2020 survey was completed by 416 business brokers and M&A advisors. Respondents completed 296 transactions this quarter.

This quarter multiples dipped—dropping well below market peaks for first quarter over the past 6 years.

According to Kyle Griffith, managing partner, The NYBB Group, “It appears that buyers going into Q1 2020 were already starting to build an upcoming recession into their valuation models. Buyers saw headwinds and lowered their multiples knowing this five-year M&A run we’ve had wouldn’t last forever.”

	2020	2019	2018	2017	2016	2015	2014
	Q1	Q1	Q1	Q1	Q1	Q1	Q1
MEDIAN MULTIPLE PAID (EBITDA)							
\$2MM - \$5MM	3.3	4.3	4.4	5.3	4	4.5	4.3
\$5MM - \$50MM	4.3	6.0	6.1	5.3	5.5	4.9	4.5