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US PE EV/EBITDA multiples

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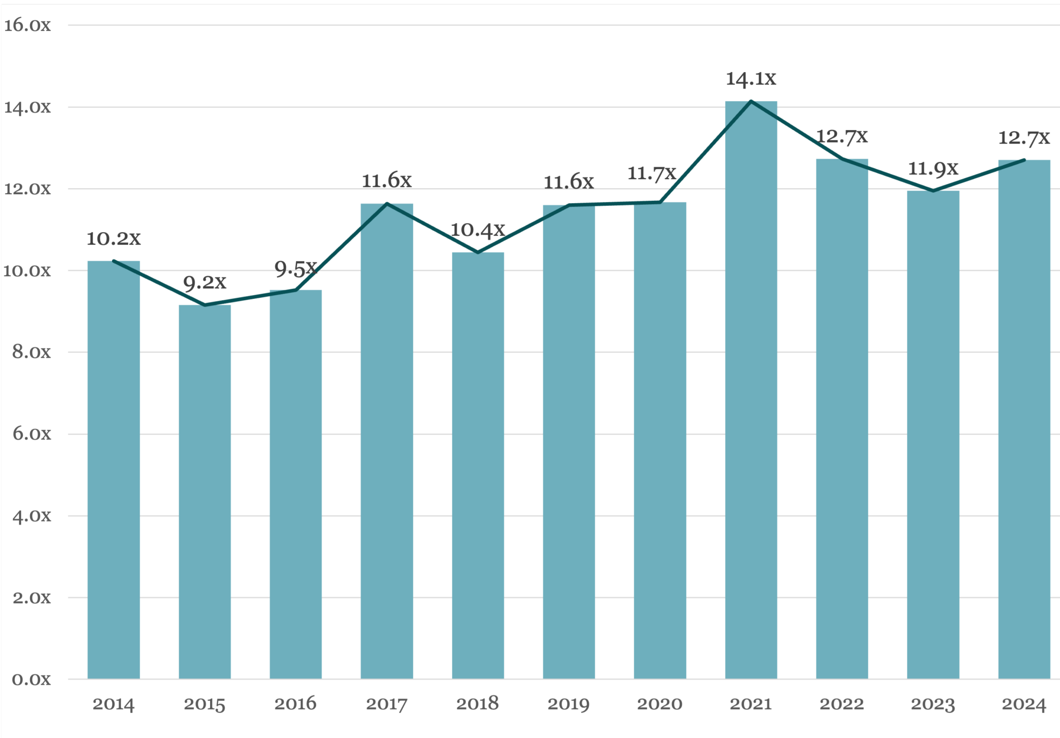

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Going forward, as deal volumes expand—especially among PE owners selling to other PE firms—a recent uptrend in EBITDA multiples may be short-lived. It may begin to flatten, pending further improvement in market conditions. There are more than 11,800 PE-backed companies in the US alone, of which more than 35% have been held for five years or more and will need to be realized soon. As deal activity broadens, it will inevitably include lesser-quality companies. Additionally, as exits picked up in 2024, the likely catalyst of this increase was sponsors bringing their best assets to market while holding on to the rest. The "rest" will eventually come to market and likely contribute toward EV/EBITDA multiples leveling out.

(Past performance is no guarantee of future results.)