



Lower Private Mid Market Update

Hello Neil,

Selling Price is important, but Total Proceeds are King

(no surprises)

That famous business owner question ... what is my business worth, really means how much will I get in my blue jeans.?

Total Proceeds

Typically, there are 3 main contributors to Sellers' total proceeds:

- **Offer Price** - Cash at closing and any Promissory Note,
- **Final Adjustments** including excess transferred Working Capital settlement payment after Closing,
- **Balance Sheet Discharges**.

... [Click here ... to read the full article.](#)

We have found that Sellers sell and close, when there are *no surprises* around their eventual **Total Proceeds**.

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2Q2023 Multiples

In the face of rising interest rates in 2023, multiples have actually strengthened currently in the sectors with enterprise value between \$500K-\$5M cash flow, over 2022 data and over prior 4 year data as well. This means Deals are getting done right now in the private lower mid-market and getting funded.

FIGURE 8: MEDIAN MULTIPLES, YEAR-OVER-YEAR, Q2 2019-2023



<\$500K - \$2M enterprise value is typically reflected as multiple of SDE (sellers discretionary earnings);
\$2M-\$50M enterprise value is typically reflected as multiple of EBITDA

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