

# GF DATA RESOURCES

REPORT SUMMARY

## About GF Data Resources

GF Data Resources provides data on private equity-sponsored M&A transactions with enterprise values of \$10 to 250 million. GFDR gives private equity firms more reliable external information to use in valuing and assessing M&A transactions.

GFDR collects transaction information from private equity groups on a blind and confidential basis, and provides periodic reports based on this data to private equity firms and other users.

## Spring 2007 Report Overview

- Forty participating private equity firms provided data on 270 transactions closed between January 1, 2003 and December 31, 2006.
- GFDR reports do not isolate individual transactions – we drill down to the most detailed level of industry groupings at which three data points are available, utilizing the North American Industrial Classification System (NAICS).
- This report features data on 25 industries at the three digit NAICS level (e.g., Wood Product Manufacturing) and on an additional 28 sub-industry groupings at the four-to-six digit NAICS level (e.g., Millwork). These categories are detailed on page 2.
- Aggregate data in the report focuses on 223 transactions valued at \$10 million or more and involving valuations ranging from 3 to 10 times TTM EBITDA. The industry drilldowns comprise deals in a range of 3 to 12 times EBITDA.

## Who is in the GFDR universe?

Participating groups that have publicized the size of their current investment vehicles break down as follows:

25 <sup>th</sup> percentile	\$100 million
50 <sup>th</sup> percentile	\$220 million
75 <sup>th</sup> percentile	\$450 million

## Data Highlights

- Valuation trends remain steady for the period, averaging 6.2x Trailing Twelve Months (TTM) EBITDA.
- Average multiples by enterprise value were:
 

\$10-25 million	5.9x
\$25-50 million	6.1x
\$50-100 million	6.2x
\$100 million+	7.3x
- Eighty-three percent of the deals in the data base (184 of 223) were buyout transactions.
- Buyouts and leveraged recapitalizations had average multiples in the 6.0-6.2x range. The 20 transactions in the sample involving growth capital/acquisitions were valued at 7.3x TTM EBITDA on average.
- Valuations by industry ranged from 5.8x EBITDA in manufacturing to 6.9x in health care services and 7.8x EBITDA in publishing/media.
- Debt multiples in general rose throughout the period. Total debt increased from an average of 3.4x EBITDA in 2003 to 3.9x in 2006. Senior debt rose from 2.3x to 2.9x with subordinated debt or junior capital remaining about one turn.
- Senior debt pricing increased in concert with market trends. Initial loan pricing rose from an average of 6.1 percent in 2003 to 8.3 percent in 2006. Spreads against LIBOR generally compressed over this period, reflecting the increasingly competitive lending environment.
- Coupons on subordinated debt remained in the 12 percent range throughout the period.
- Total debt figures include 34 deals involving a single source of debt with senior and sub debt characteristics. Total debt for these transactions averaged 3.3x with average initial pricing of 9.7 percent.
- Sixty-one transactions featured a warrant position (about 40 percent of transactions with sub debt or single-tranche financing). Average warrant position was 7.3 percent.
- Seventy-six transactions involved a payment-in-kind feature (50 percent of the transactions with sub debt or single-tranche financing.) Average PIK interest was 3.8 percent.

## Industry Drilldowns by NAICS Classification

### GFDR industry data is presented in this format:

	NAICS	TEV	Revenues	TTM Rev Growth	EBITDA Margin	TEV/Revs	TEV/EBITDA	N =
Speciality Trade Contracting	238	\$64.4	\$100.6	17.1%	13.3%	0.8x	6.1x	11*
Foundation Structure and Bldg. Exterior	2381**	\$107.0	\$163.6	19.9%	15.3%	0.8x	5.6x	4
Building Finishing	2383**	\$42.9	\$67.2	17.1%	13.5%	0.9x	6.2x	5

### Industry classifications included in the Spring 2007 report include:

<b>MANUFACTURING</b>		Transportation Equip. Mfring	336	<b>HEALTH CARE SERVICES</b>	
Speciality Trade Contracting	238	Motor Vehicle Parts	3363**	Insurance Carriers and Rel. Activities	524
Foundation Structure and Bldg. Exterior	2381**	MV Trnsmisn & Power Train Prts	33635*	Ambulatory Health Care Services	621
Building Finishing	2383**	Miscellaneous Mfring	339	Hlth Care Practitners	
Food Manufacturing	311	Medical Equip. & Supplies	33911*	(excl. Physicians or Dentists)	6213**
Fruit and Vegetable Canning	3114**	Surg. & Med Instruments	339112	Outpatient Care Centers	6214**
Bakeries and Tortilla Mfring	3118**	Surg. Appliances & Supplies	339113	Home Health Care Services	6216**
Apparel Manufacturing	315				
Leather and Allied Product Mfring (inc. footwear)	316	<b>BUSINESS SERVICES</b>		<b>DISTRIBUTION</b>	
Wood Product Manufacturing	321	Support Activities for Transportation	488	Wholesalers, Durable Goods	423
Millwork	32191*	Credit Intermediation & Related Activities	522	Commercial Equipment	4234**
Chemical Manufacturing	325	Nondepository Credit Intermediation	5222**	Machinry, Equip & Supplies	4238**
Plastics and Rubber Products Mfring	326	Professional, Scientific and Tech Services	541	Wholesalers, Nondurable Goods	424
Plastics Products	3261**	Geophys. Surveying & Mapping	54136*		
Primary Metal Mfring	331	Interior Design	54141*	<b>PUBLISHING/MEDIA</b>	
Fabricated Metal Product Mfring	332	Mgt., Scient. & Tech. Consulting	5416**	Publishing Industries (except Internet)	511
Architect. & Structural Metals	3323**	Research & Development	5417**	Newspaper, Periodical, Book & Directory Pubs.	5111**
Machinery Manufacturing	333	Other Prof. Scient and Tech Services	5419**		
Computer & Electronic Prod. Mfring	334	Administrative & Support Services	561	<b>OTHER INDUSTRIES</b>	
Elec. Equip., Appl. and Component Mfring	335	Business Support Services	5614**	Educational Services	611
Electrical Lighting Equipment	3351**			Technical and Trade Schools	6115**
Residential Light Fixtures	335121			Amusement, Gambling & Recreation Inds.	713

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