



Middle-Market M&A

ESOP Advisor

Special Report Q3 2025





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This analysis of middle market M&A transactions provides employee stock option plan (ESOP) advisors, trustees, and other participants in the ESOP ecosystem with critical benchmarking data for valuation, capital structure, and transaction structuring decisions.

Based on analysis of transactions from 2021 through the third quarter of 2025, this report reveals key trends in valuation multiples, leverage ratios, and rollover equity that directly impact ESOP valuations and transaction structures.

Methodology

The data and analysis provided in this report comes from GF Data's proprietary middle-market database, which tracks private-equity backed deals valued between \$10 million and \$500 million.

More than 330 North American private equity firms—including funded and independent sponsors, family offices and mezzanine firms—contribute more than 30 data points on their completed transactions.

As private equity acquisitions generally do not include strategic goodwill in price calculation, we believe the data collected by GF Data offers ESOP advisors and other market participants the most accurate reflection of valuation and leverage available to the middle market.



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Valuation Multiples by Deal Size

- Across the 2021-2025 period, the \$10 million to \$25 million range recorded an average of 6.3x trailing-12-month (TTM) adjusted EBITDA, and a median of 6.0x. Multiples and leverage generally rose with deal size with deals in the \$50 million to \$100 million tier average 8.3x TTM EBITDA multiple, while deals valued between \$250 million and \$500 million averaged 10.1x.
- Year-over-year, average EBITDA multiples remained relatively stable across TEV ranges, with the \$10 million to \$25 million size bracket, averaging 6.1x TTM EBITDA in 2021 and 6.34x in 2025. Multiples peaked slightly post-2021, with some contraction in the largest TEV brackets toward 2024 and 2025.
- Overall average valuations have improved over the course of the first three quarters of 2025, moving from 7.2x TTM EBITDA in 2024 to 7.3x through the third quarter of 2025. The trend was most seen in deals valued between \$50 million and \$250 million.
- A similar trend can be seen for deals with EBITDA ranges between \$3 million and \$8 million and those with EBTIDA greater than \$10 million.

CHART 1

Total Enterprise Value (TEV)/EBITDA

TEV	2003–2020	2021	2022	2023	2024	YTD 2025	Total	N =
10–25	5.8	6.1	6.4	5.9	6.4	6.4	5.9	2084
25–50	6.5	7.2	7.1	6.9	6.8	6.8	6.7	1671
50–100	7.5	8.3	8.5	8.1	8.1	8.3	7.7	1156
100–250	8.3	9.3	9.2	9.5	8.5	10.3	8.6	654
250–500	9.1	10.9	9.7	10.2	9.8	8.5	9.7	104
Total	6.7	7.6	7.6	7.2	7.2	7.3	6.9	
N =	3940	500	333	297	388	211		5669

Please note that N for 2003–2020 encompasses 18 years of activity.
Source: GF Data®, an ACG® Company

CHART 2

TEV/EBITDA — All Industries by EBITDA Size

EBITDA	2003–2020	2021	2022	2023	2024	YTD 2025	Total	N =
3–5	6.1	7.1	7.0	6.7	6.5	6.7	6.4	1503
5–8	6.6	7.2	7.5	7.3	7.2	7.4	6.8	1312
8–10	6.8	8.2	8.5	6.9	6.8	6.8	7.0	478
>10	7.1	8.5	8.1	8.2	7.7	8.3	7.4	1238
Total	6.6	7.7	7.6	7.3	7.1	7.3	6.9	
N =	3165	414	272	237	292	151		4531

Please note that N for 2003–20 encompasses 18 years of activity.
Source: GF Data®, an ACG® Company

Leverage Trends

- While leverage ratios (defined as total debt and senior debt divided by TTM Adjusted EBITDA) have remained relatively stable after peaking in 2021, the first three quarters of last year showed some deterioration in coverage.
- While average total debt coverage increased by a tenth of a turn through the first three quarters of last year—moving to 3.8x TTM EBITDA from 3.7x—four of the five TEV size tiers tracked by GF Data recorded declines.
- Average senior debt contribution, meantime, held steady between the two periods at 3.1x across both periods but still experiencing the same decline in four of five size tiers.
- Average senior debt contribution declined by a little more than a percentage point in the first three quarters of 2025 compared to full-year 2025 while average equity contribution (including sponsor and rollover equity) remained flat. Subordinated debt filled in the difference.
- While average senior debt pricing has declined since peaking in the fourth quarter of 2023, that trend reversed in the third quarter with average pricing moving to 8.6% compared to 8.1% in the first and second quarter.
- Pricing on senior debt from banks has continued to decline but overall pricing has been propped up by non-bank lending sources.

CHART 3

Total Debt/EBITDA — All Industries by Deal Size

TEV	2003-2020	2021	2022	2023	2024	YTD 2025	Total	N =
10–25	3.4	4.0	3.7	3.6	3.9	3.7	3.5	1728
25–50	3.6	3.9	3.8	3.4	3.3	4.0	3.6	1457
50–100	3.9	3.8	4.0	3.5	3.6	3.5	3.8	1034
100–250	4.4	4.4	4.1	3.9	4.1	3.9	4.3	584
250–500	4.8	5.1	4.7	4.1	4.5	3.9	4.7	95
Total	3.7	4.0	3.9	3.6	3.7	3.8	3.7	
N =	3444	426	282	252	317	177		4898

Note: Deals with no debt are eliminated from leverage data, as are significant outliers. Please note that N for 2003–20 encompasses 18 years of activity. Source: GF Data®, an ACG® Company

CHART 4

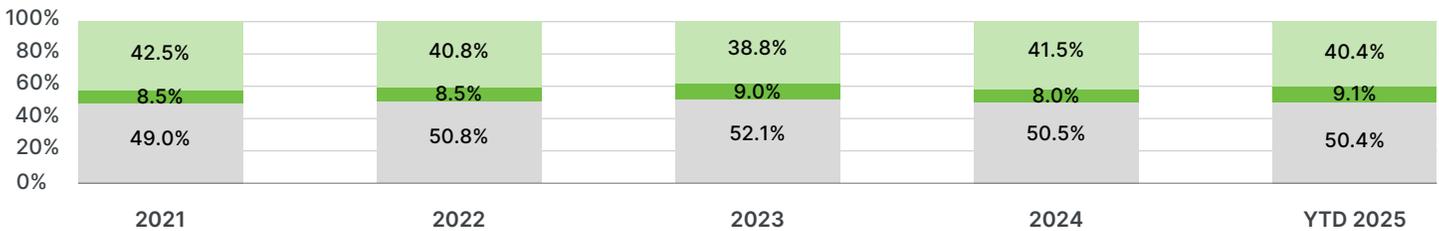
Senior Debt/EBITDA — All Industries by Deal Size

TEV	2003-2020	2021	2022	2023	2024	YTD 2025	Total	N =
10–25	2.5	3.4	2.9	2.9	3.5	3.1	2.7	1328
25–50	2.6	3.0	3.1	2.7	2.5	3.4	2.7	1233
50–100	3.0	3.1	3.4	2.7	3.1	2.6	3.0	896
100–250	3.4	3.9	3.4	3.3	3.5	3.3	3.4	490
250–500	3.7	5.1	4.1	3.7	4.0	3.2	4.0	73
Total	2.8	3.3	3.2	2.9	3.1	3.1	2.9	
N =	2919	337	226	201	236	101		4020

Note: Deals with no debt are eliminated from leverage data, as are significant outliers. Please note that N for 2003–20 encompasses 18 years of activity. Source: GF Data®, an ACG® Company

CHART 5

Equity and Debt Contribution by Year



Source: GF Data®, an ACG® Company

● Equity ● Subordinated Debt ● Senior Debt

CHART 6

Senior Debt Pricing — Splits by Period (\$10M–\$250M TEV)

TEV	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	N =
10–25	10.9%	9.2%	9.3%	9.1%	8.6%	7.9%	8.1%	8.1%	128
25–50	9.5%	9.6%	9.5%	8.7%	8.4%	8.1%	7.8%	8.7%	101
50–100	11.7%	8.7%	9.0%	8.7%	8.5%	8.2%	8.4%	8.6%	81
100–250	9.5%	10.4%	9.7%	9.9%	8.7%	8.3%	8.5%	9.1%	44
Total	10.4%	9.4%	9.3%	8.9%	8.6%	8.1%	8.1%	8.6%	
N =	48	55	57	41	64	19	45	25	354

Note: All rates are as of the respective quarter end. Source: GF Data®, an ACG® Company

CHART 7

Senior Debt Pricing by Provider and Deal Type

TEV	Platforms			Add-Ons		
	Bank	Non-Bank	Unitranche	Bank	Non-Bank	Unitranche
10–50	7.5%	8.4%	12.0%	8.1%	8.5%	10.9%
50–500	7.8%	9.1%	11.5%	7.3%	10.5%	10.0%
N =	41	16	49	23	12	22

Source: GF Data®, an ACG® Company

Rollover Equity Evolution

- Increased utilization and average percentage of seller rollover equity reflects greater alignment between buyers and sellers, which has implications for ESOP transactions where management teams often retain equity stakes.
- Average amount of rollover equity increased between 2021 and 2025 compared to the prior five-year period, 15.0% versus 14.3%. Through the first three quarters of 2025, 68.3% of completed platform deals included seller rollover equity, representing an average of 14.8% of TEV.

CHART 8

All-in-Valuation — YTD 2025

TEV	Platform Buyouts			With Rollover Equity		
	All	With Rollover Equity	Without Rollover Equity	Rollover Equity/ EBITDA	Percentage Valuation	Incidence
10-25	6.3	6.1	6.5	0.75	12.3%	61.8%
25-50	6.9	6.9	7.1	0.98	3.0%	80.8%
50-100	9.0	9.6	8.0	1.64	17.1%	64.3%
100-250	10.3	9.4	12.3	1.39	14.9%	66.7%
250-500	8.3	8.3	NA	1.72	20.7%	100.0%
Total	7.7	7.7	7.8	1.13	14.8%	68.3%
N =	101	69	32			

Source: GF Data®, an ACG® Company

Industry Analysis

- By industry, the most active categories the last five years varied with deal size. Business Services consistently led deal count, especially in the \$10 million to \$25 million and \$25 million to \$50 million size tiers.
- Manufacturing-related categories (B2B, Branded Consumer) and Health Care Services also featured prominently, reflecting ongoing demand in these sectors.

CHART 9

TEV/EBITDA — By Industry (\$10M-\$250M TEV)

	2003-2020	2021	2022	2023	2024	YTD 2025	Total	N =
Manufacturing	6.2	7.2	7.4	6.5	7.0	6.7	6.4	2197
Business Services	6.7	7.3	7.4	7.2	7.2	7.5	7.0	1333
Healthcare Services	7.4	8.1	8.4	9.2	7.7	8.5	7.7	489
Retail	7.0	8.4	8.0	6.0	7.4	7.6	7.1	148
Distribution	6.7	7.2	7.1	7.1	6.9	7.2	6.8	601
Media & Telecom	7.6	7.0	8.3	7.8	6.7	8.6	7.6	85
Technology	8.4	10.3	8.1	10.2	7.9	6.7	8.6	190
Other	6.3	7.3	7.0	6.9	7.0	6.9	6.5	524
N =								5567

Please note that N for 2003-2020 encompasses 18 years of activity.

Source: GF Data®, an ACG® Company

GF Data vs. Public Comps for ESOPs

When establishing fair market value for ESOP transactions, GF Data’s private market multiples provide more relevant benchmarks than public company comparables. Public companies command premium valuations due to their size, scale, and liquidity that don’t apply to middle-market businesses, while GF Data reflects actual completed transactions with appropriate liquidity discounts already incorporated. For ESOP trustees seeking DOL-compliant valuations, GF Data’s middle-market transaction database offers the most defensible benchmarks for private company valuations.

About GF Data

GF Data provides data on private equity-sponsored M&A transactions with enterprise values of \$1 million–\$500 million. GF Data provides the most reliable information in valuing and assessing M&A transactions.

GF Data collects information from PE groups on a blind and confidential basis. As of this report, over 400 PE firms have provided information on their acquisitions.

GF Data provides:

- Benchmarks by type of buyer to recognize pricing and deal structure differences.
- Industry and specific NAICS code breakouts. Sell-side advisors manage expectations with realistic, reliable multiples of adjusted EBITDA. PE firms are able to provide limited partners with on-target benchmarks.
- Aggregate metrics on deal leverage, debt pricing, and deal terms.

Metrics Tracked by GF Data Include:

All information is based on adjusted EBITDA.

Deal volume:

- By quarter
- By year

TEV/EBITDA:

- Quarter
- Year
- Size range
- Buyouts only
- Platforms only
- Add-ons
- Revenue growth %
- EBITDA margin %
- Above-average properties
- Management continuity

Leverage:

Most breakouts include:

- Total debt
- Senior debt
- Subordinated debt
- Seller rollover equity

Transaction sizes:

- \$1 mm–10 mm
- \$10 mm–25 mm
- \$25 mm–50 mm
- \$50 mm–100 mm
- \$100 mm–250 mm
- \$250 mm–500 mm

Debt:

- Debt utilization
- Debt at near maximum available
- Debt used by deal size
- Platform vs. add-on deals
- Senior debt only
- Unitranche debt
- Equity sponsor
- No equity sponsor
- Commercial lenders
- Business development companies
- Other lenders
- Debt by industry group
- Equity contribution
- Pricing:
 - Senior debt
 - Sub-debt coupon
 - Payment-in-kind interest
 - Warrant-based return/fees

GF Data Publishes Six Products

- **GF Data Online Valuation Database**—providing continuous access through GF Data’s secure website to detailed valuation data organized by NAICS industry code.
- **GF Data Quarterly M&A Report**—containing high-level volume, valuation, and leverage data.
- **GF Data Quarterly Leverage Report**—exhaustive detail on leverage multiples, pricing, and capital structure.
- **GF Data Semi-Annual Key Deal Terms Report**—providing detail on indemnification, escrow, and basket benchmarks.
- **GF Data Quarterly Industry Drilldown Reports** on manufacturing, business services, distribution, and healthcare services.
- **GF Data Quarterly Small Deals Report**—focusing on transactions with TEV between \$1 million and \$25 million.



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