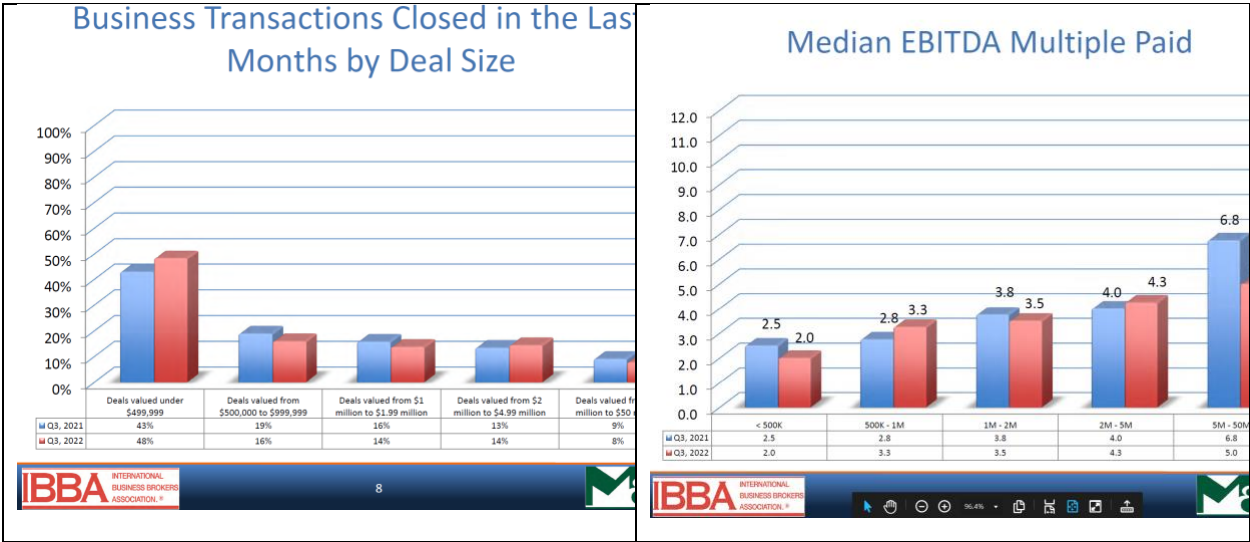


**What Is Ahead? Confidence Dropping but Values Remain Strong**

The Q3 2022 Market Pulse Survey Report indicates that market optimism is dropping. 40% of advisors predict the Main Street and lower middle market will decline in the year ahead. But compared to last year, the number of deals that closed and the multiples paid remain strong. Confidence may be declining, but deals are still happening, and the market is still driving a premium for quality businesses.



In times of uncertainty, buyers seek the strongest, best performing businesses. Advisors report a strong influx of new engagements, despite being slightly less than last year. More than 50% said their number of clients “greatly increased” in Q3 2022. If you own a business in one of the top market sectors, now may be a good time to think of selling. Top industries by deal size are:

<\$500K	Restaurants 28%	Personal Services 19%	Consumer Goods 16%
\$500K-\$1MM	Construction/Engineering 19%	Consumer Goods 15%	Business Services 10%
\$1MM-\$2MM	Construction/Engineering 19%	Consumer Goods 13%	Manufacturing 11%
\$2MM-\$5MM	(tie) Consumer Goods and Construction/Engineering 15%		Business Services 14%
\$5MM-\$50MM	Manufacturing 26%	Construction/Engineering 20%	(tie) Personal Services/Consumer Goods &

A startling number of business owners fail to plan for exiting their business. For businesses under \$1MM, 80% or more sellers have done no planning. If you are among them, consider talking with a business broker to get an idea of what your business might be worth. Then get some professional help from a wealth manager or financial planner to understand your financial needs after a sale. We are here

to help when you need to determine the marketability and approximate value of your business. For more information, please contact **Nat James (ntjames@crimsoncardinalllc.com)(919-213-1333)**.

#### **About the Market Pulse Report**

The Market Pulse Report compares conditions for businesses being sold on Main Street (values of \$0-\$2MM) to those being sold on the Lower Middle Market (values of \$2MM-\$50MM). The Q3 2022 survey was conducted October 1-15 and was completed by 499 business brokers and M&A advisors. Respondents completed 452 transactions this quarter. This is the 42<sup>nd</sup> edition of this quarterly report.

#### **About International Business Brokers Association (IBBA) and the M&A Source**

Founded in 1983, IBBA is the largest non-profit association specifically formed to meet the needs of people and firms engaged in various aspects of business brokerage and mergers and acquisitions. For more information visit [www.ibba.org](http://www.ibba.org) or follow the IBBA on [Facebook](#), [Twitter](#) and [LinkedIn](#).

Founded in 1991, the M&A Source promotes professional development of merger and acquisition professionals so that they may better serve their clients' needs and maximize public awareness of professional intermediary services available for middle market merger and acquisition transactions. For more information visit [www.masource.org](http://www.masource.org) or follow the M&A Source on [Facebook](#), [LinkedIn](#) and [Twitter](#).