

# How much are companies worth in the Industrials sector?

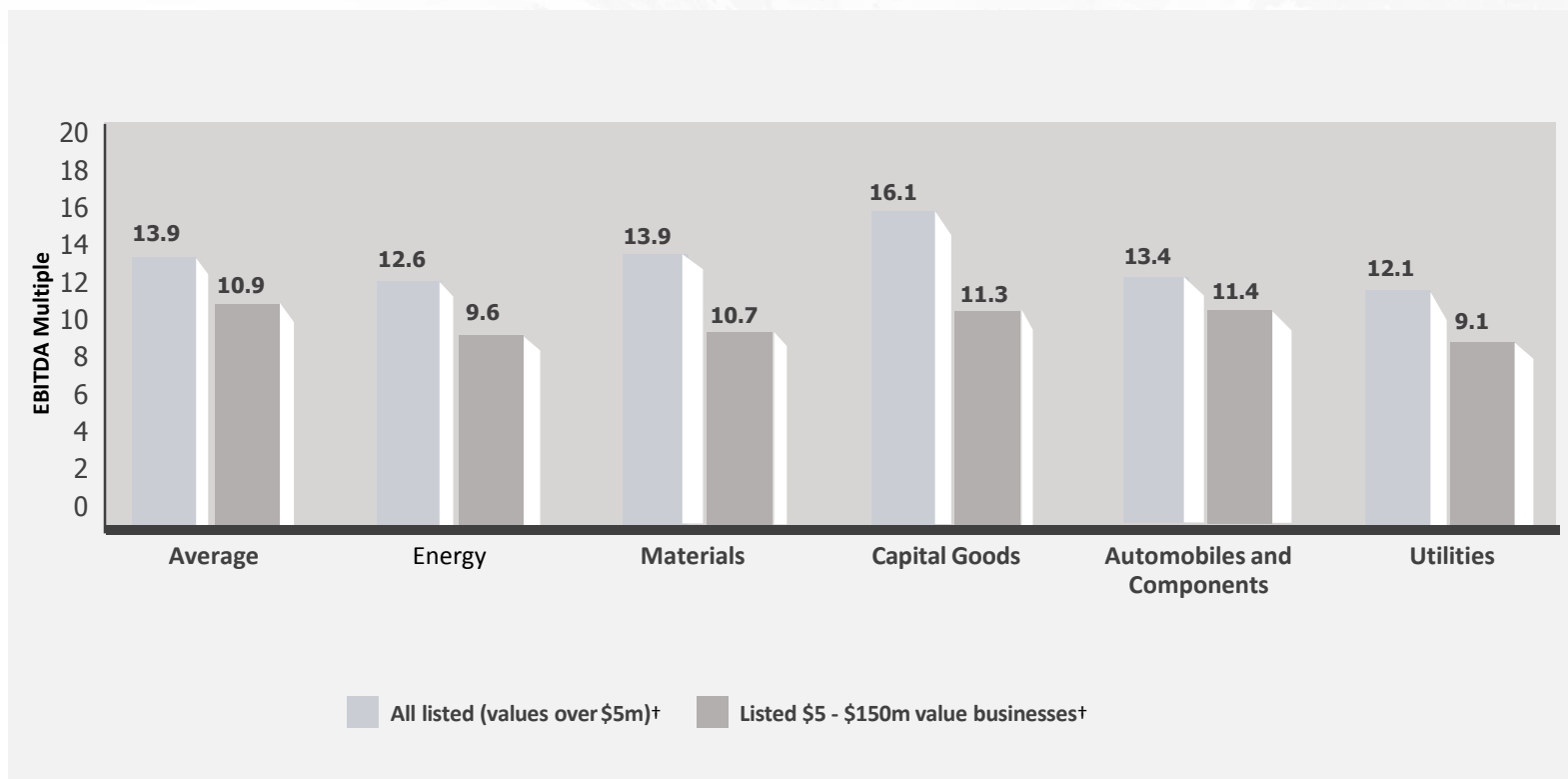
**3 key factors can give private business owners an indication of their business valuation:**

The **Enterprise Value to EBITDA\*** multiples on which comparable listed companies are trading.

The **multiple of EBITDA paid by acquirers** of comparable businesses.

The **volume of M&A** transactions and acquisitions.

At the end of H2 2020, the global, all market average Enterprise Value to EBITDA multiple for listed Industrials companies was **13.9x**.† This is an increase on the previous six months, when listed Industrials companies were trading on a multiple of 11.3x. Within the Industrials sector, trading multiples varied between 12.1x and 16.1x across the range of sub-sectors. Smaller businesses generally traded on lower multiples.



\* EBITDA is Earnings Before Interest, Tax, Depreciation and Amortisation

† Note, the Enterprise Value to EBITDA multiples above are for listed businesses. By comparison **privately owned businesses are generally valued at a discount**. Listed company data was accurate at 04/01/2021.

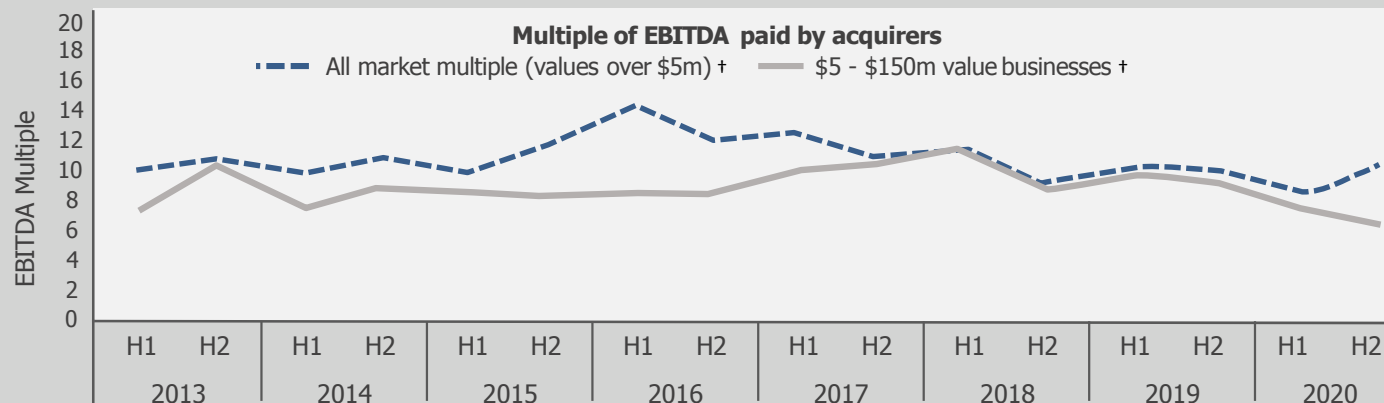
The average multiple† of EBITDA\* paid globally in Industrials transactions has increased over the past six months. It currently stands at

# 11.5x

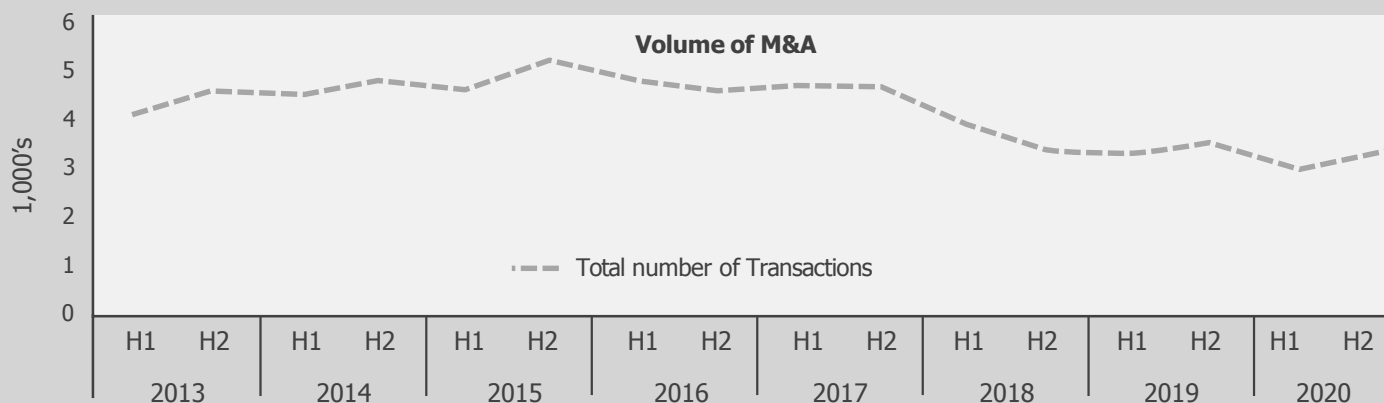
When reviewing these multiples we break out businesses in the range \$5-150m, as they tend to have unique attributes which affect their valuation. Smaller businesses have generally been sold on lower multiples.

\* EBITDA is Earnings Before Interest, Tax, Depreciation and Amortisation

† Note, the transaction multiples above are calculated from raw historic data. This typically understates profits and therefore **valuations actually achieved are generally at lower multiples of "normalised" profits.**



In H2 2020, there were 3,136 transactions globally in the Industrials sector. This is a slight increase on the preceding six months, when there were 3,050 transactions. The past quarter has shown an increase of demand for Industrials businesses.



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