

# How much are companies worth in the Industrials sector?

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

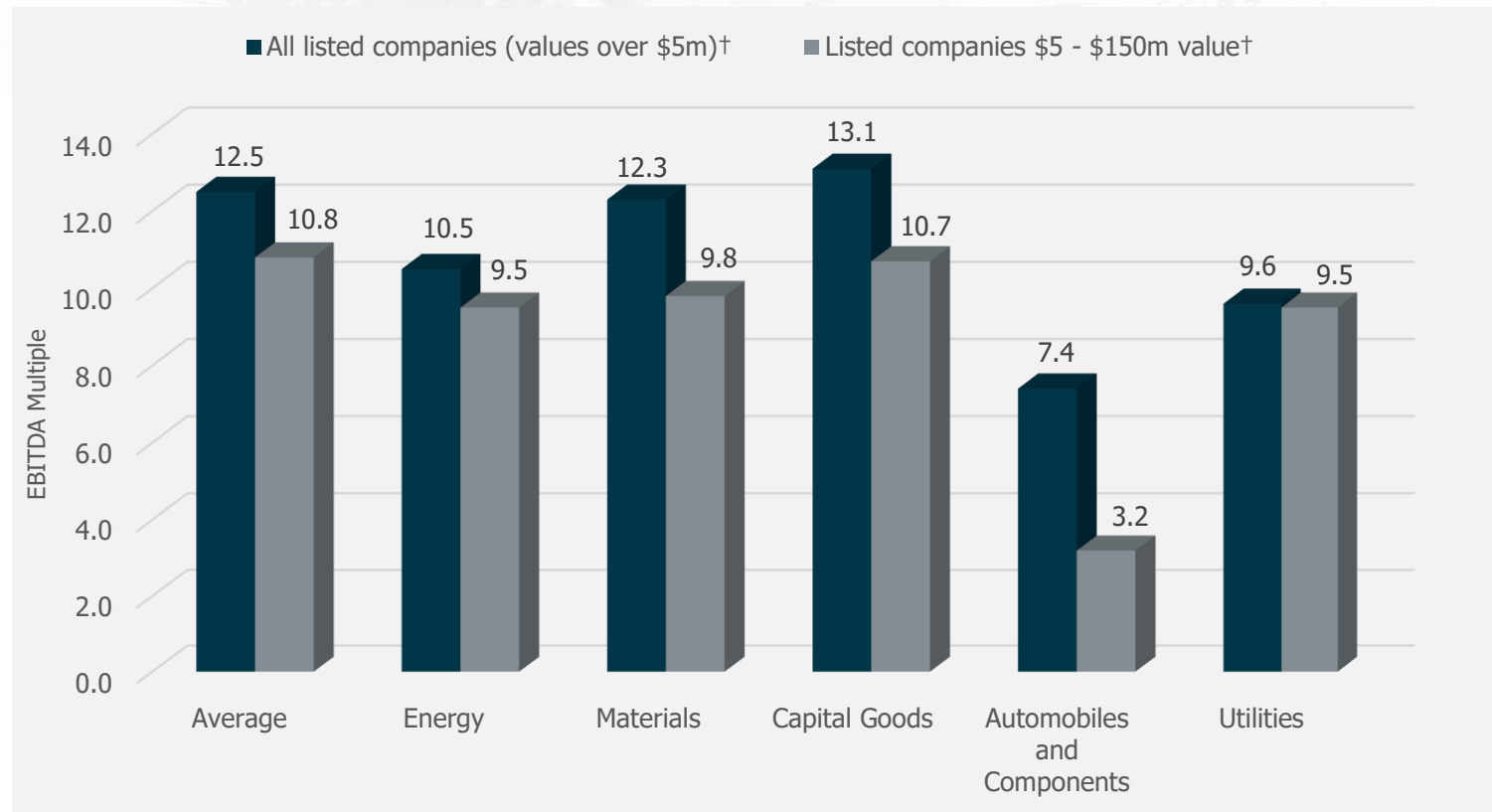
**1** The Enterprise Value to EBITDA\* multiples on which comparable listed companies are trading

**2** The multiple of EBITDA paid by acquirers of comparable companies

**3** The volume of completed mergers and acquisitions transactions

**1** At the end of H2 2023, the global, all market average Enterprise Value to EBITDA multiple for listed Industrials companies was **12.5x**.†

Within the Industrials sector, average trading multiples varied between **7.4x** and **13.1x** across the range of sub-sectors. On average, sub \$150m companies traded at a discount to all listed companies.



\* EBITDA is Earnings Before Interest, Tax, Depreciation and Amortisation as derived from latest published accounts.

† Note, the Enterprise Value to EBITDA multiples above are for listed companies. By comparison, **privately owned companies are generally valued at a discount.**

Listed company data for the period was accurate at 31/12/2023.

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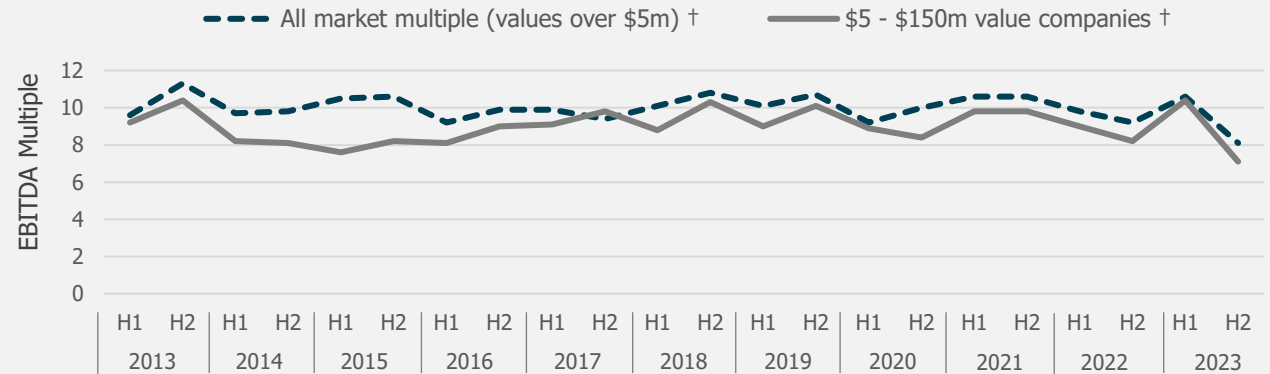
The average multiple† of EBITDA\* paid globally in Industrials transactions to acquire control of companies has fallen over the past six months. It currently stands at **8.1x**.

When reviewing these multiples, we break out companies in the range \$5-150m, as they tend to have unique attributes which affect their valuation. The multiple for these lower mid-market transactions currently stands at **7.1x**.

3

In H2 2023, there were 3,843 transactions globally in the Industrials sector. This is a slight decrease on the preceding six months, when there were 4,040 transactions.

### Multiple of EBITDA paid by acquirers



\* EBITDA is Earnings Before Interest, Tax, Depreciation and Amortisation as derived from latest accounts prior to the transaction.  
 † Note, the transaction multiples above are calculated from raw historic data. This typically understates profits and therefore **valuations achieved are generally at lower multiples of "normalised" profits.**

### Volume of M&A



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