

# How much are companies worth in the Consumer sector?

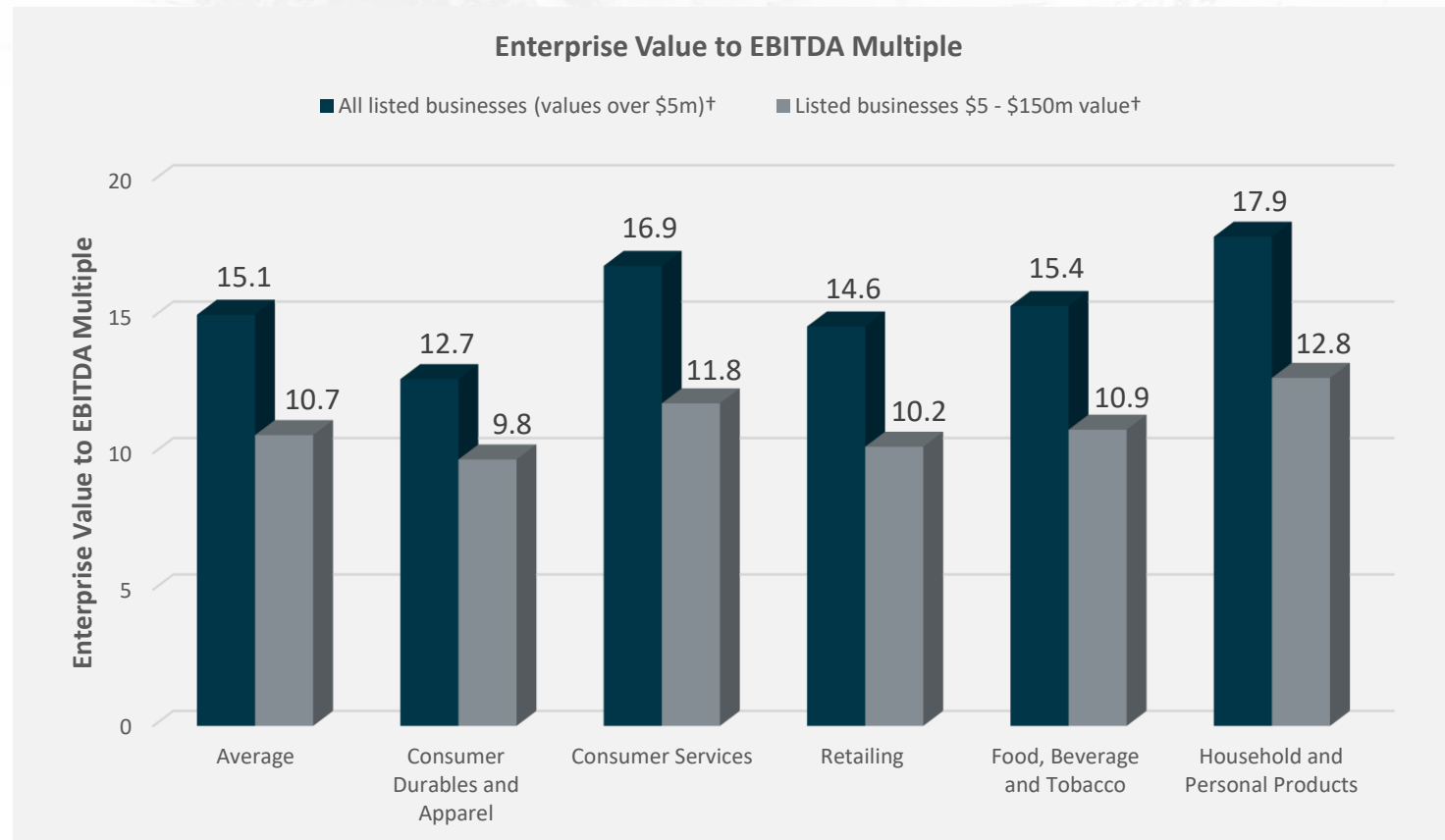
**3 key factors can give private business owners an indication of their valuation:**

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 H1 2022, the global, all market average Enterprise Value to EBITDA multiple for listed Consumer companies was **15.1x**.<sup>†</sup> This is lower than the previous six months when listed Consumer companies were trading on a multiple of 17.7x. Within the Consumer sector, trading multiples for all listed businesses varied between 12.7x and 17.9x across the range of sub-sectors. Smaller businesses generally traded on lower multiples.



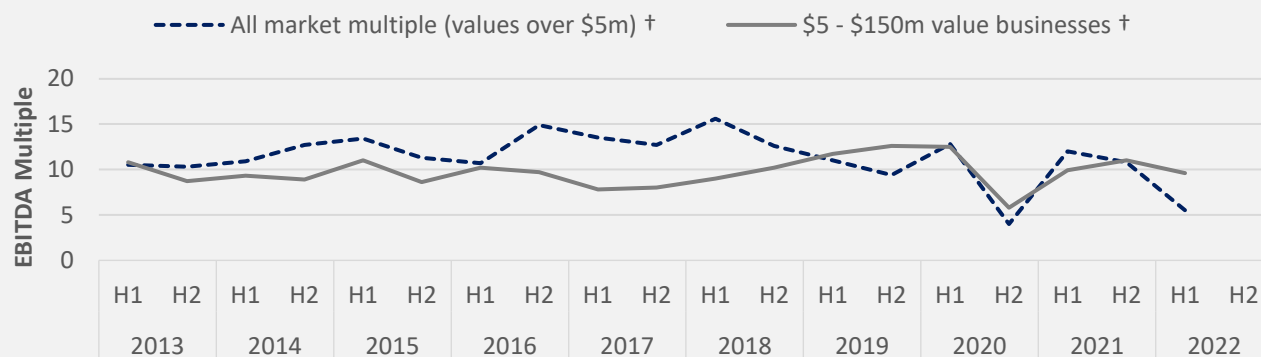
\* EBITDA is Earnings Before Interest, Tax, Depreciation and Amortisation

<sup>†</sup> 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 05/07/2022.

The average multiple† of EBITDA\* paid globally in Consumer transactions decreased over the past six months. It currently stands at **5.5x**.

When reviewing these multiples we break out businesses in the range \$5-150m, as they tend to have unique attributes which affect their valuation. In the last six months, fewer deals with disclosed financial information meant the weighted average transaction multiple was unduly influenced by Canaria Bio Co Ltd's paying a multiple of 19.59x for Hyundai Feed Inc. As a result, the average multiple for businesses worth less than \$150m was, unusually, higher than the sector average at 9.6x.

### Multiple of EBITDA paid by acquirers



\* 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 H1 2022, there were 2,854 transactions globally in the Consumer sector. This is a decrease on the previous six months, when there were 3,332 transactions.



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