

How much are companies worth in the Consumer sector?

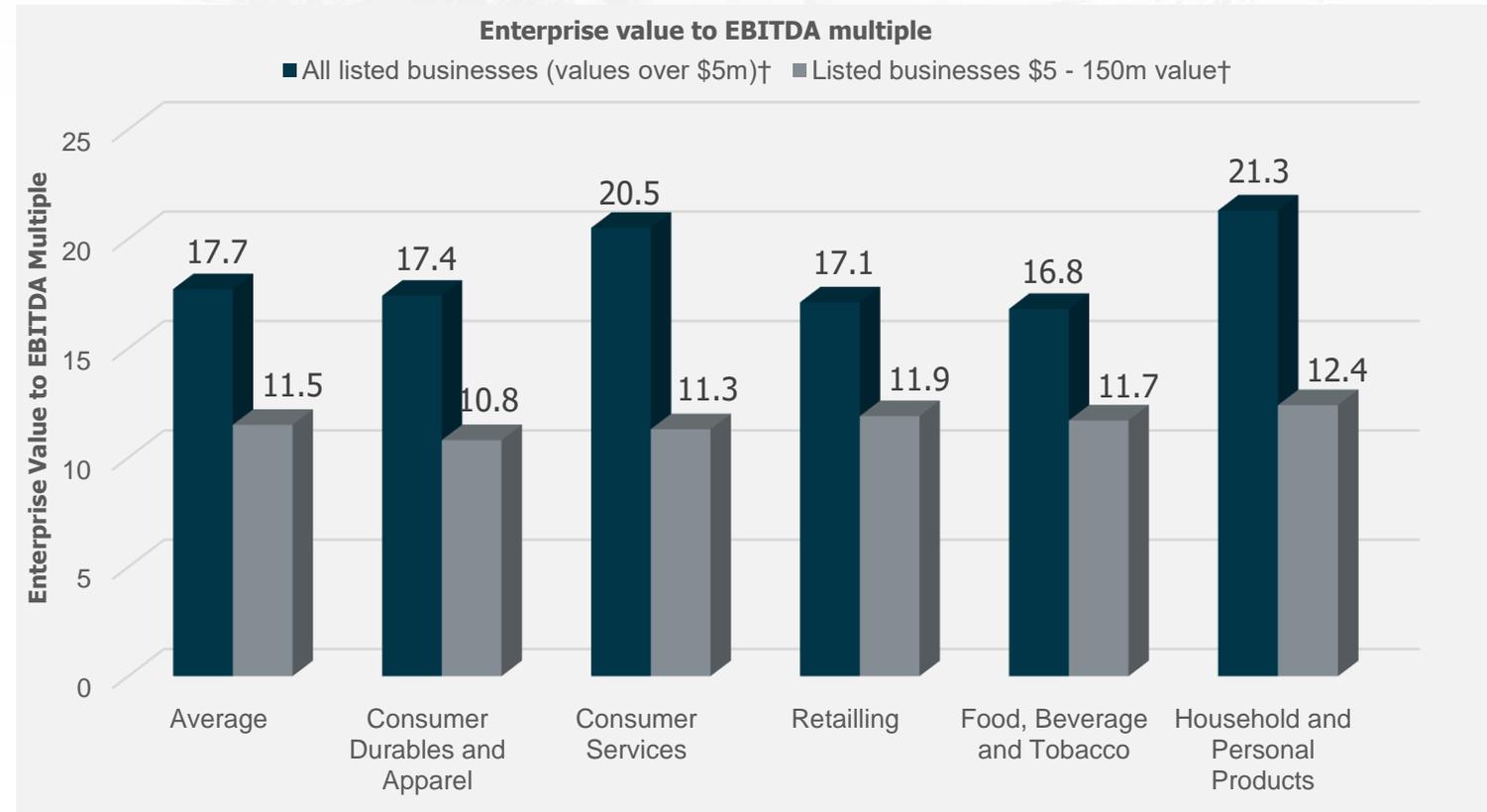
3 key factors can give private business owners an indication of their valuation:

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 H2 2021, the global, all market average Enterprise Value to EBITDA multiple for listed Consumer companies was **17.7x**.† This was lower than the previous six months when listed Consumer companies were trading on a multiple of 18.6x. Within the Consumer sector, trading multiples for all listed businesses varied between 16.8x and 21.3x across the range of sub-sectors. Smaller businesses generally traded on lower multiples.

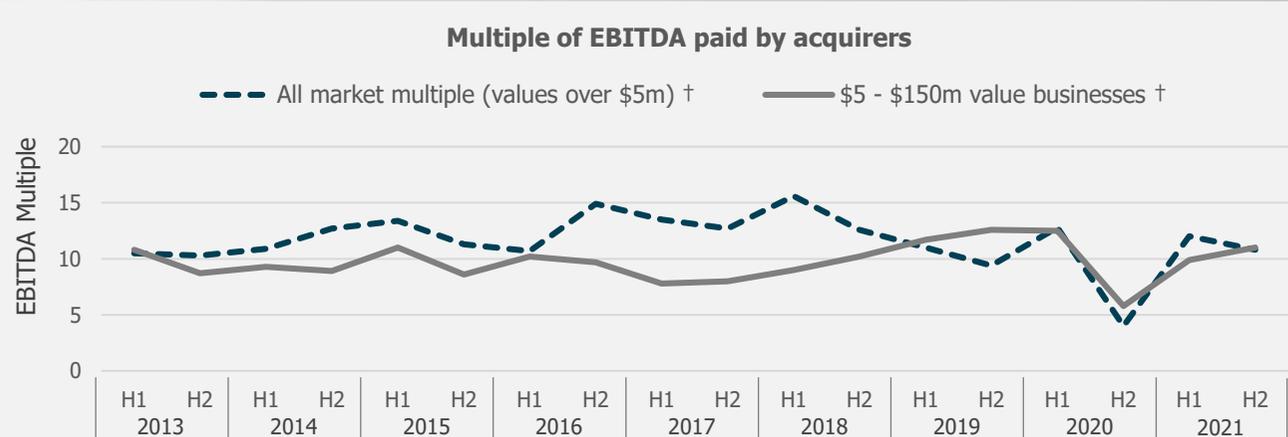


* EBITDA is Earnings Before Interest, Tax, Depreciation and Amortisation

† 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 04/01/2022.

The average multiple† of EBITDA* paid globally in Consumer transactions decreased slightly over the past six months. It currently stands at **10.8x**. This multiple is more in line with the level it has been historically and demonstrates that confidence has returned in the consumer market after the significant downturn in multiples seen in H2 2020.

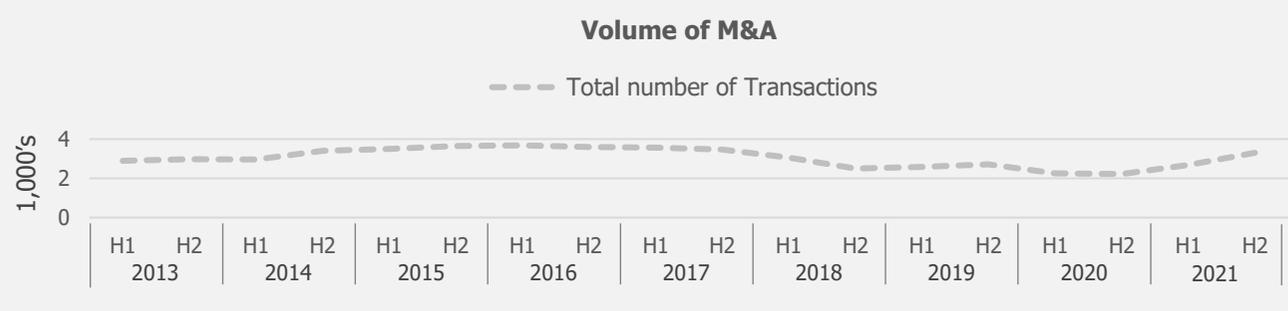
When reviewing these multiples we break out businesses in the range \$5-150m, as they tend to have unique attributes which affect their valuation. The multiple for these lower mid-market transactions for H2 2021 stands at 11.0x, which is a slight increase on the previous six months and well above 2020 pandemic levels.



* 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 2021, there were 3,332 transactions globally in the Consumer sector. This is a significant increase on the previous six months, when there were 2,680 transactions. Despite the wider economic and social circumstances over the past year, demand for Consumer businesses has come back.



Corbett Keeling's Global Consumer Sector Specialists:



John Herring



Rob Iles



Tim Robinson



Paul Willmott



Martijn Peters

Contact **Jim Keeling**
CEO and Chairman of Corbett Keeling:

020 7626 6266

Jim.Keeling@corbettkeeling.com