

How much are companies worth in the Consumer sector?

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

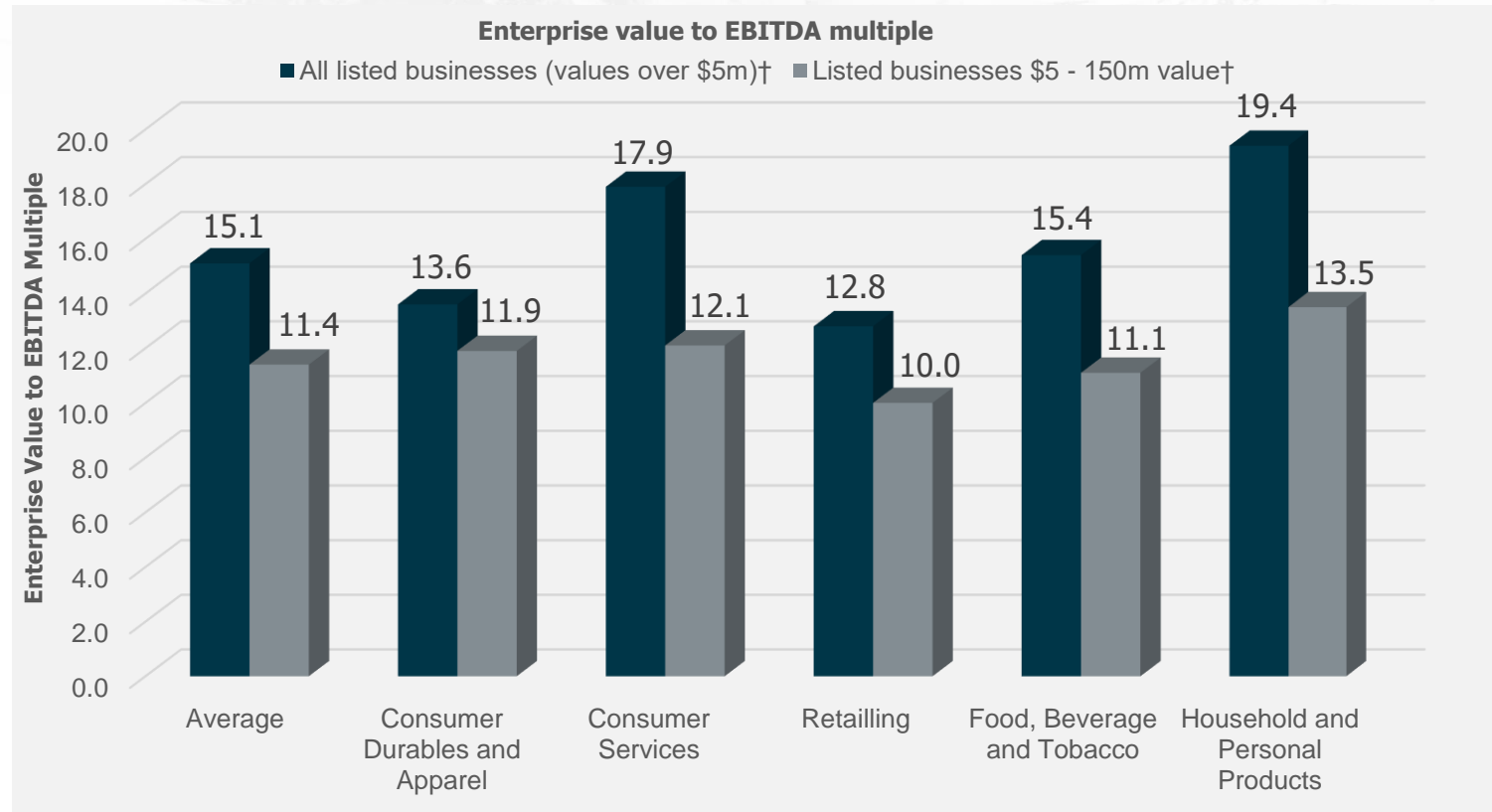
The Enterprise Value to EBITDA* multiples on which comparable listed companies are trading

The multiple of EBITDA paid by acquirers of comparable businesses

The volume of M&A transactions and acquisitions

At the end of H1 2023, the global, all market average Enterprise Value to EBITDA multiple for listed Consumer companies was **15.1x**.† This was marginally higher than the previous six months when listed Consumer companies were trading on a multiple of 14.8x.

Within the Consumer sector, trading multiples for all listed businesses varied between 12.8x and 19.4x across the range of sub-sectors. Smaller businesses generally traded on slightly lower multiples.



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

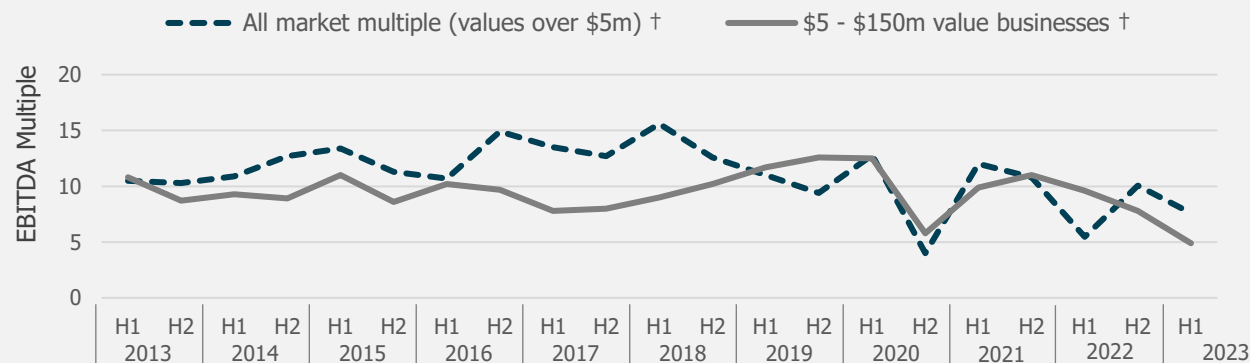
† Note, the Enterprise Value to EBITDA multiples above are for listed businesses. By comparison **privately owned businesses are generally valued at a discount**. Listed company data was accurate at 05/07/2023.

The average multiple† of EBITDA* paid globally in Consumer transactions to acquire control of businesses has increased over the past six months. It currently stands at **7.6x**.

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 H1 2023 stands at **4.9x**.

In H1 2023, there were 2,906 transactions globally in the Consumer sector. This is a slight increase on the previous six months, when there were 2,693 transactions. Despite the difficult economic environment and the squeeze on household incomes, there is still considerable M&A activity in the Consumer sector.

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 actually achieved are generally at lower multiples of "normalised" profits.**

Volume of M&A



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