

How much are companies worth in the Consumer sector?

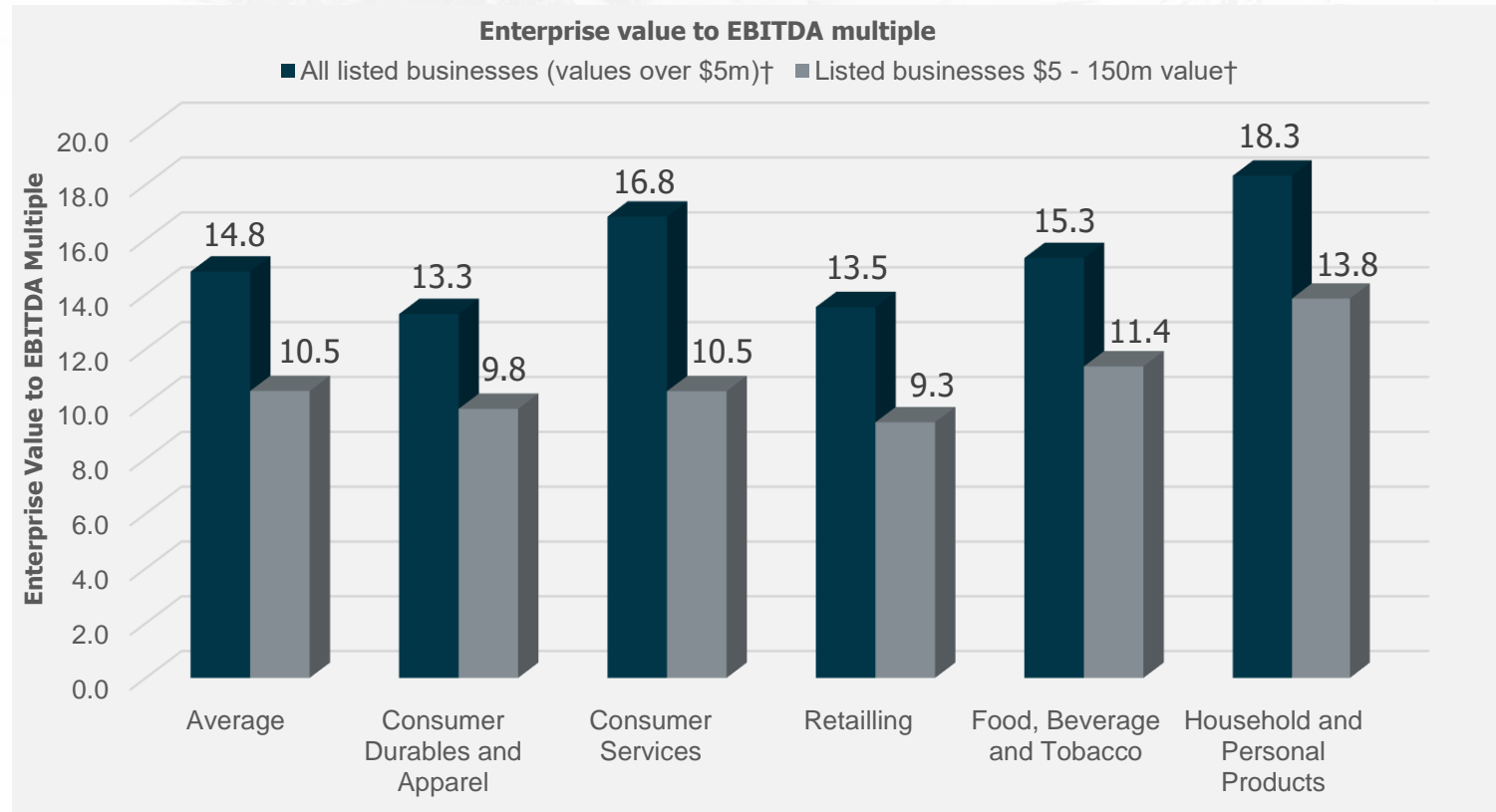
3 key factors can give private business owners an indication of their valuation:

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 2022, the global, all market average Enterprise Value to EBITDA multiple for listed Consumer companies was **14.8x**.† This was marginally lower than the previous six months when listed Consumer companies were trading on a multiple of 15.1x. Within the Consumer sector, trading multiples for all listed businesses varied between 13.3x and 18.3x across the range of sub-sectors. Smaller businesses generally traded on slightly lower multiples.

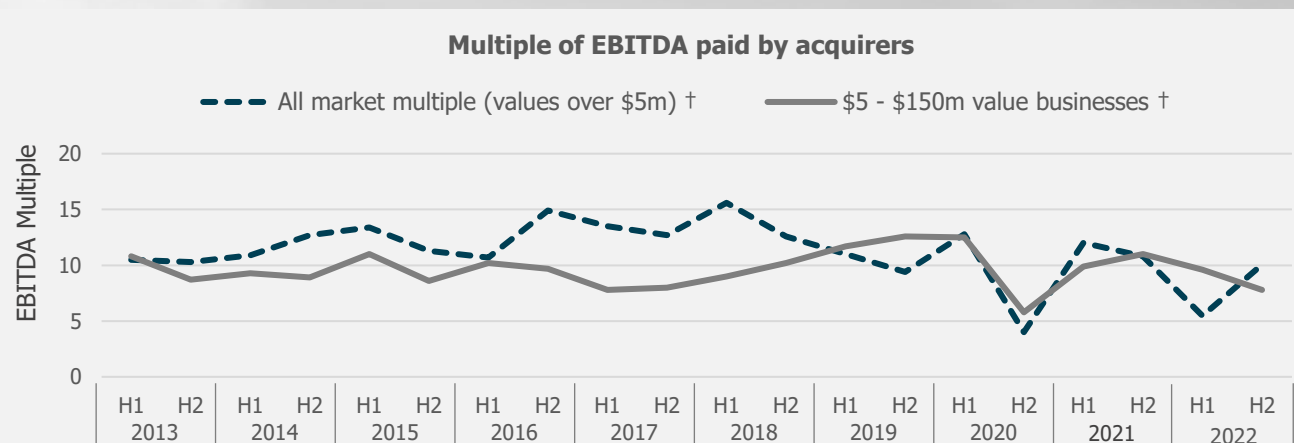


* EBITDA is Earnings Before Interest, Tax, Depreciation and Amortisation. † Note, the Enterprise Value to EBITDA multiples above are for listed businesses. By comparison **privately owned businesses are generally valued at a discount**. Listed company data was accurate at 04/01/2023.

The average multiple† of EBITDA* paid globally in Consumer transactions increased over the past six months. It currently stands at **10.1x**, which is fairly consistent with the 10 year average.

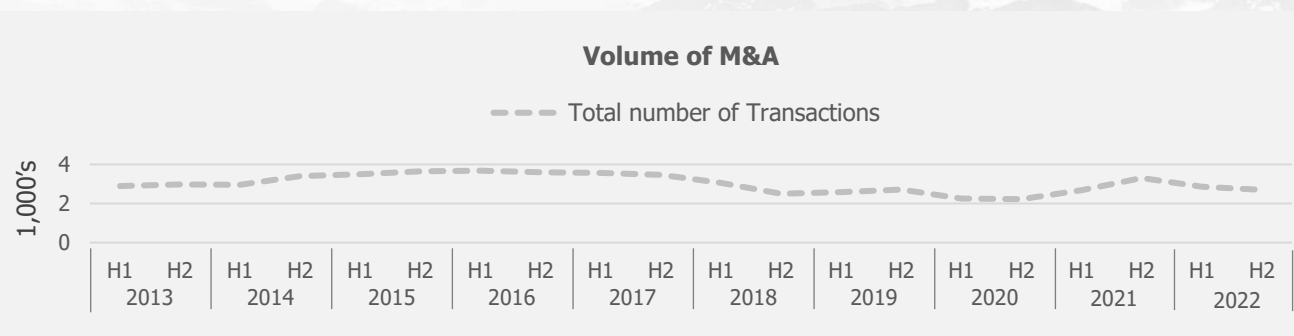
When reviewing these multiples we break out businesses in the range \$5-150m, as they tend to have unique attributes which affect their valuation. The multiple for these lower mid-market transactions for H2 2022 stands at **7.8x**.

In H2 2022, there were 2,693 transactions globally in the Consumer sector. This is a slight decrease on the previous six months, when there were 2,854 transactions. Despite the market-shaking events coming from Eastern Europe, there is still considerable M&A activity in the Consumer sector.



* 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.**



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