

How much are companies worth in the Industrials sector?

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

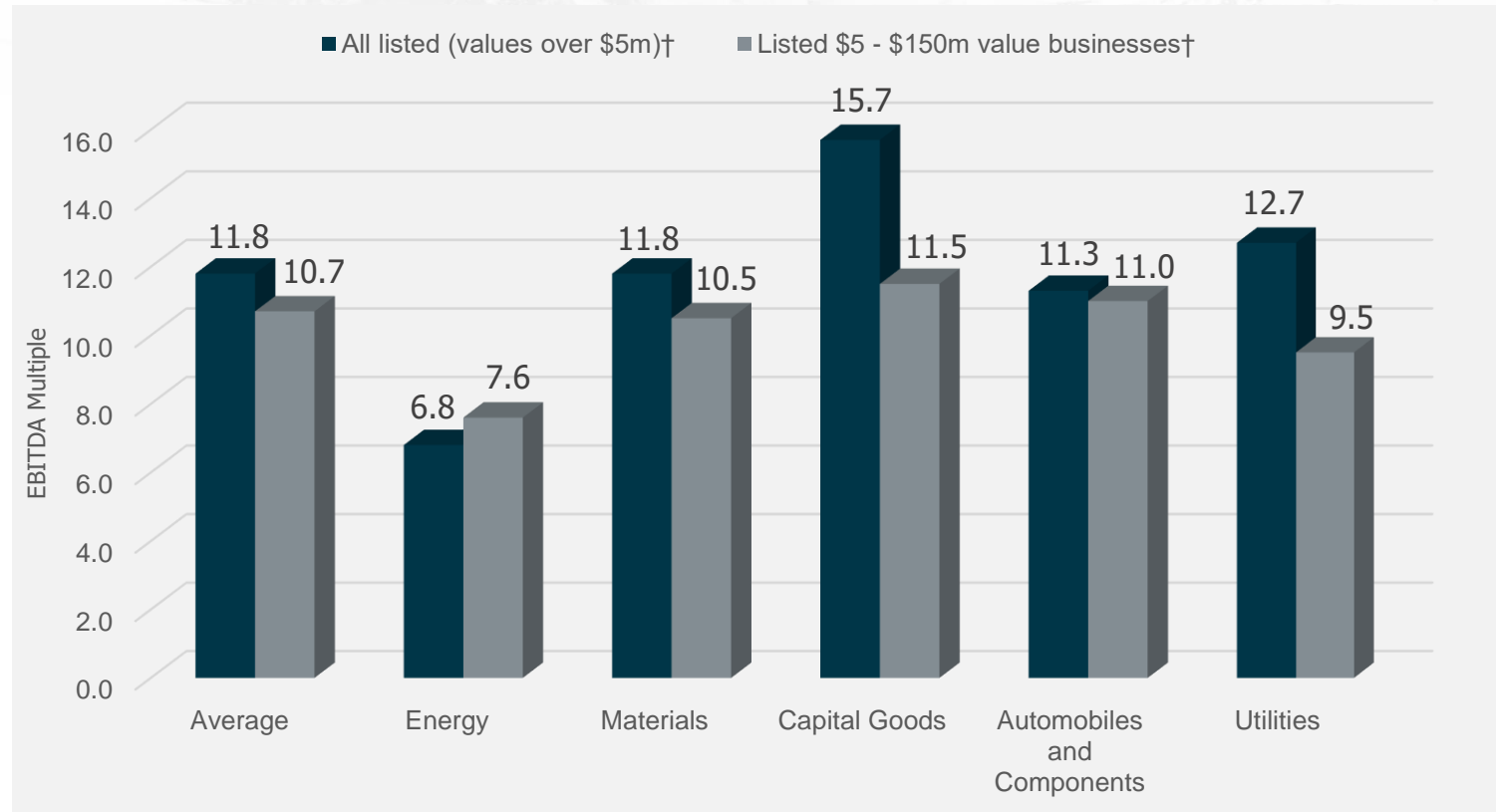
The Enterprise Value to EBITDA* multiples on which comparable listed companies are trading

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 Industrials companies was **11.8x**.† This is a slight increase on the previous six months, when listed Industrials companies were trading on a multiple of 11.4x.

Within the Industrials sector, trading multiples varied between 6.8x and 15.7x across the range of sub-sectors. Smaller businesses generally traded on lower multiples.



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

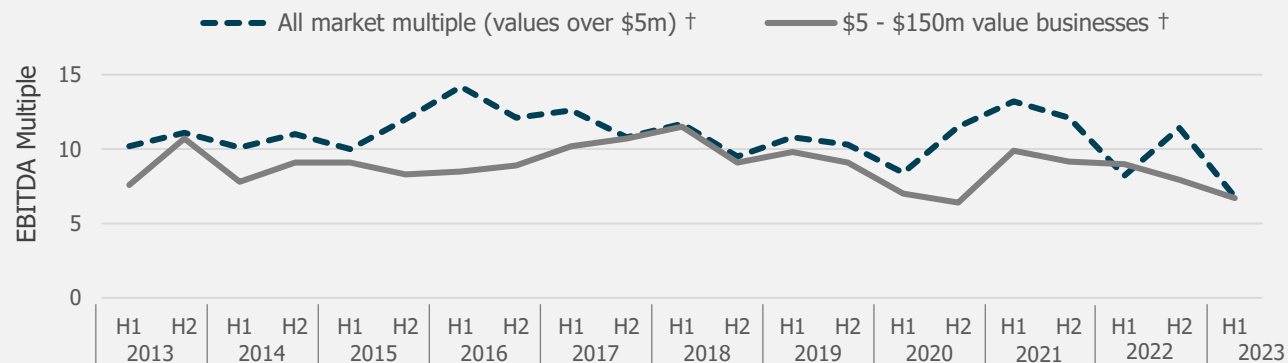
† Note, the Enterprise Value to EBITDA multiples above are for listed businesses. By comparison **privately owned businesses are generally valued at a discount.** Listed company data was accurate at 05/07/2023.

The average multiple† of EBITDA* paid globally in Industrials transactions to acquire control of businesses has fallen over the past six months. It currently stands at **6.8x**.

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 over the past six months, at **6.7x**, is lower than it was for H2 2022.

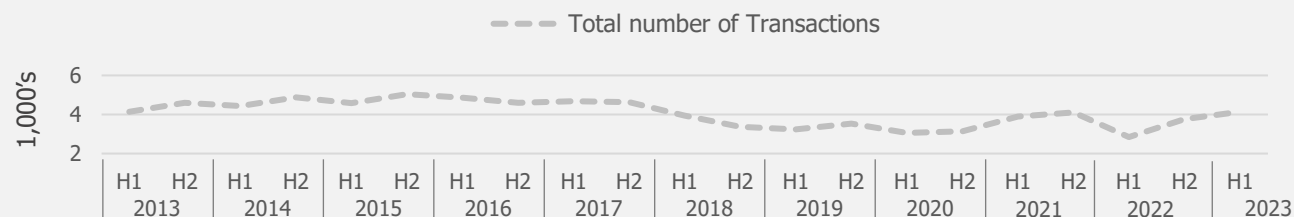
In H1 2023, there were 4,135 transactions globally in the Industrials sector. This is an increase on the preceding six months, when there were 3,756 transactions.

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

Volume of M&A



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