# How much are companies worth in the Industrials sector?

The Enterprise Value to EBITDA\*

multiples on which comparable

listed companies are trading

## CORBETT KEELING

The volume of

M&A transactions

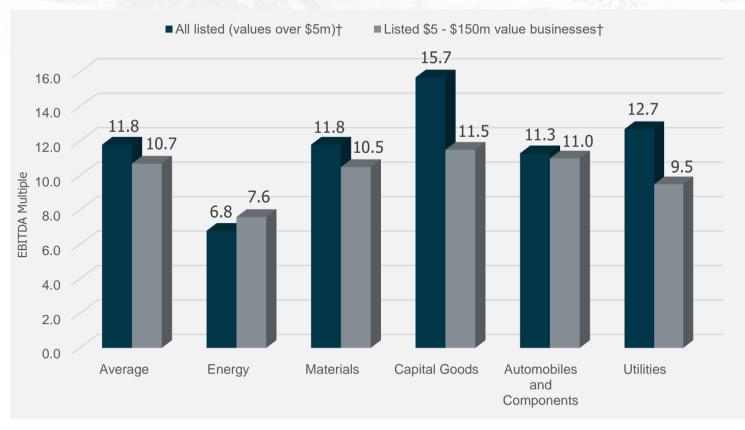
and acquisitions

#### H1 2023

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

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 subsectors. Smaller businesses generally traded on lower multiples.



The multiple of EBITDA

comparable businesses

paid by acquirers of

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

<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 05/07/2023. The average multiple<sup>+</sup> of EBITDA<sup>\*</sup> 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 midmarket 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 All market multiple (values over \$5m) † \$5 - \$150m value businesses +



\* EBITDA is Earnings Before Interest, Tax, Depreciation and Amortisation as derived from latest accounts prior to the transaction. <sup>+</sup> 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.



### Corbett Keeling's Global Industrials Sector Specialists:



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Nick Johnson

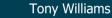
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Analysed by UK Globalscope firm

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