

How much are companies worth in the Consumer sector?

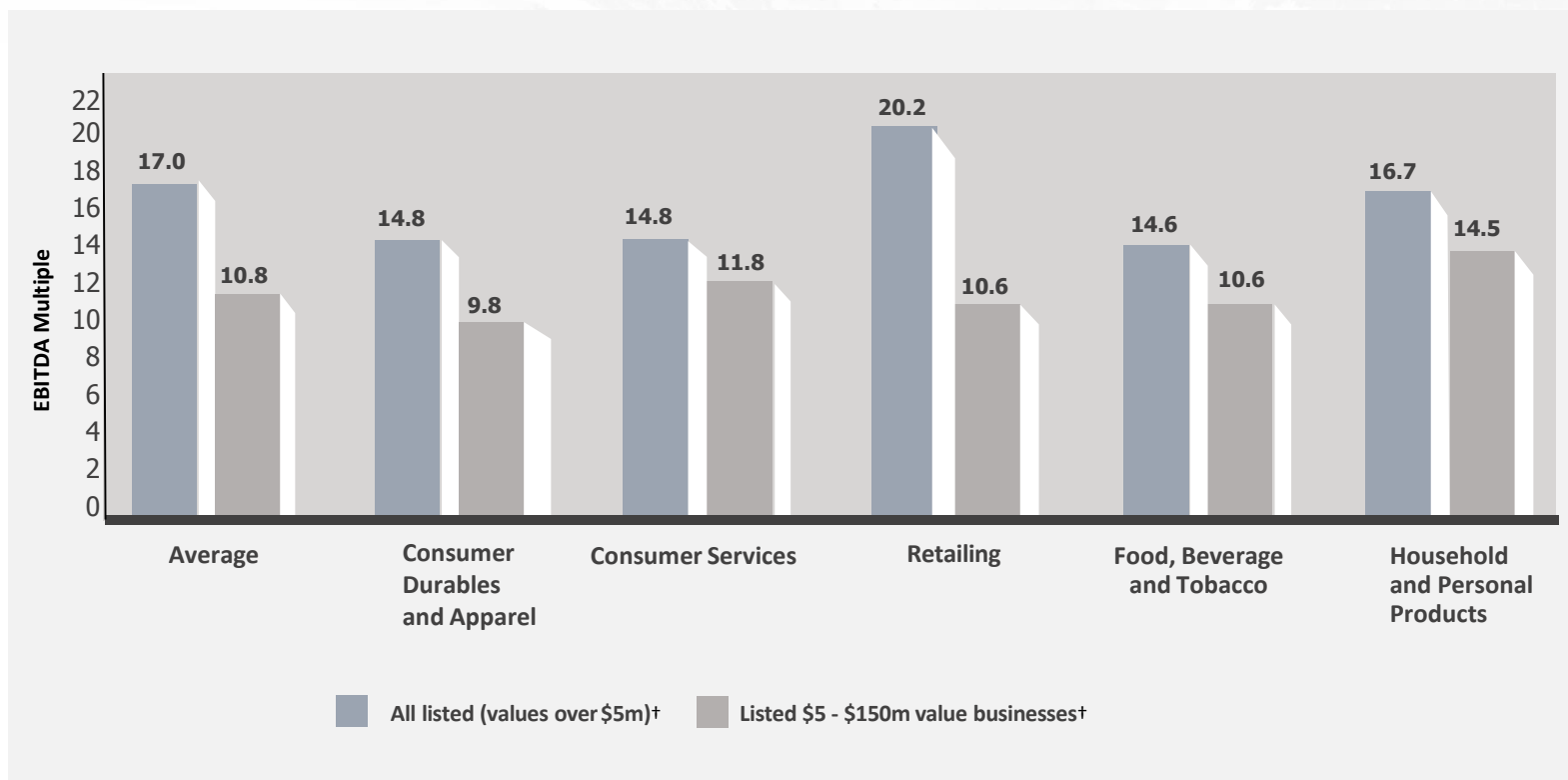
3 key factors can give private business owners an indication of their business valuation:

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 2020, the global, all market average Enterprise Value to EBITDA multiple for listed Consumer companies was **17.0x**.† This was slightly higher than the previous six months when listed Consumer companies were trading on a multiple of 16.5x. Within the Consumer sector, trading multiples varied between 14.6x and 20.2x across the range of sub-sectors. Smaller businesses generally traded on lower multiples.



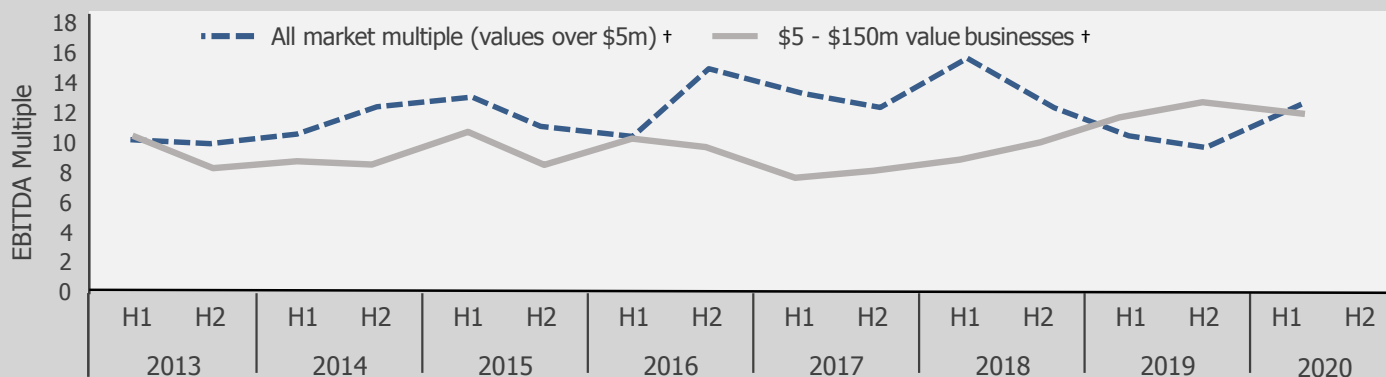
* EBITDA is Earnings Before Interest, Tax, Depreciation and Amortisation

† 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 01/07/2020.

The average multiple† of EBITDA* paid globally in Consumer transactions has increased slightly over the past 6 months. It currently stands at

12.8x

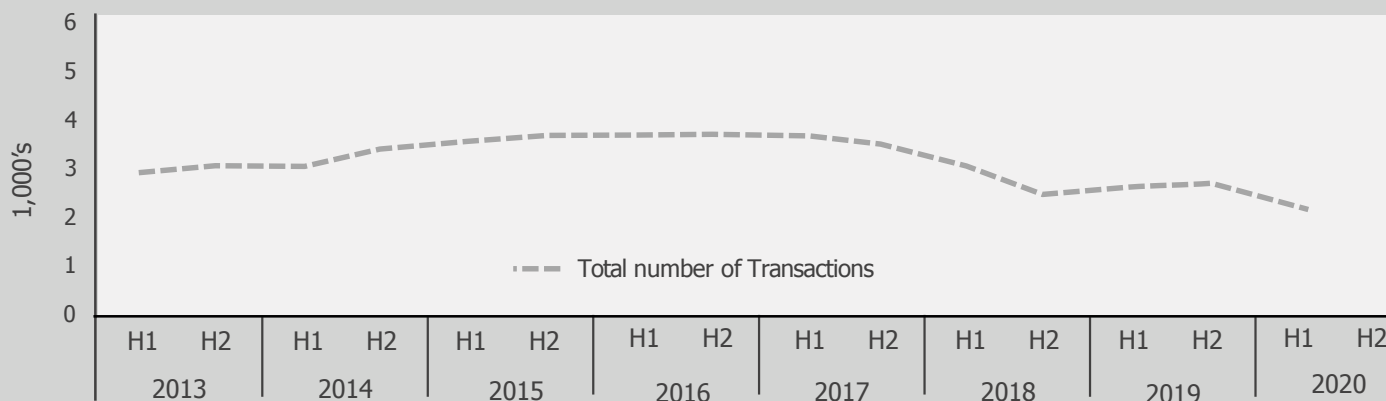
When reviewing these multiples we break out businesses in the range \$5-150m, as they tend to have unique attributes which affect their valuation.



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† 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 H1 2020, there were 2,248 transactions globally in the Consumer sector. This is down on the preceding 6 months, when there were 2,711 transactions. Over the past seven years the number of transactions has been relatively stable and the demand for Consumer businesses remains buoyant.



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