How much are companies worth in the Industrials sector?



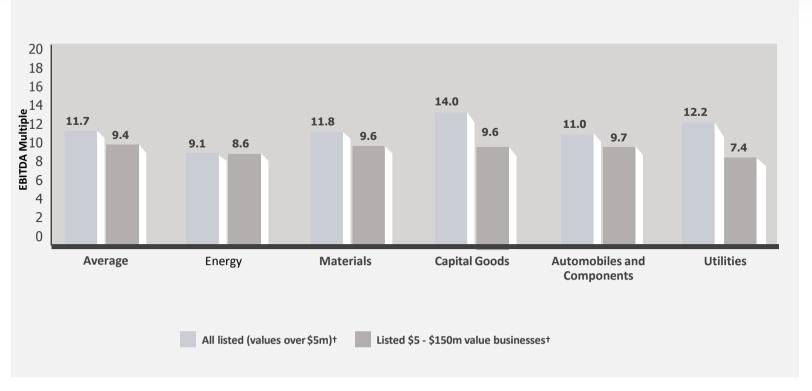
H2 2019

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 H2 2019, the global, all market average Enterprise Value to EBITDA multiple for listed Industrials companies was 11.7x.† This was slightly up on the previous six months and also higher than the previous year, when listed Industrials companies were trading on a multiple of 10.8x. Within the Industrials sector, trading multiples varied between 9.1x and 14.0x 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 10/01/2020.

The average multiple† of EBITDA* paid globally in Industrials transactions has declined slightly over the past few years. It currently stands at

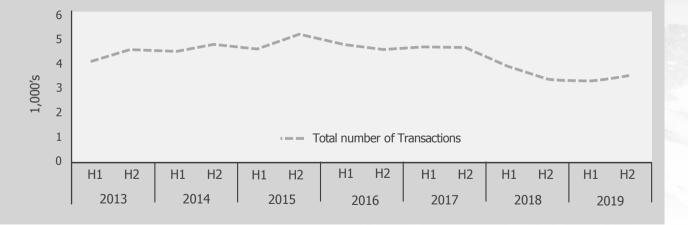
10.3x

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



- * 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.

In H22019, there were 3,531 transactions globally in the Industrials sector. This is slightly up on the preceding 6 months, when there were 3,232 transactions. Although declining over the last few years, the uptick in the last 6 months suggests demand for Industrials businesses remains fairly buoyant.













Contact Jim Keeling

020 7626 6266

Corbett Keeling is the trading name for Corbett Keeling Ltd, a company registered in England and Wales under number 2811619 with registered address: 8 Angel Court, London EC2R 7HP. Corbett Keeling is authorised and regulated by The Financial Conduct Authority for the purposes of carrying on investment business.





