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# H1 2019 – Consumer Report

# How much are companies worth in the Consumer sector

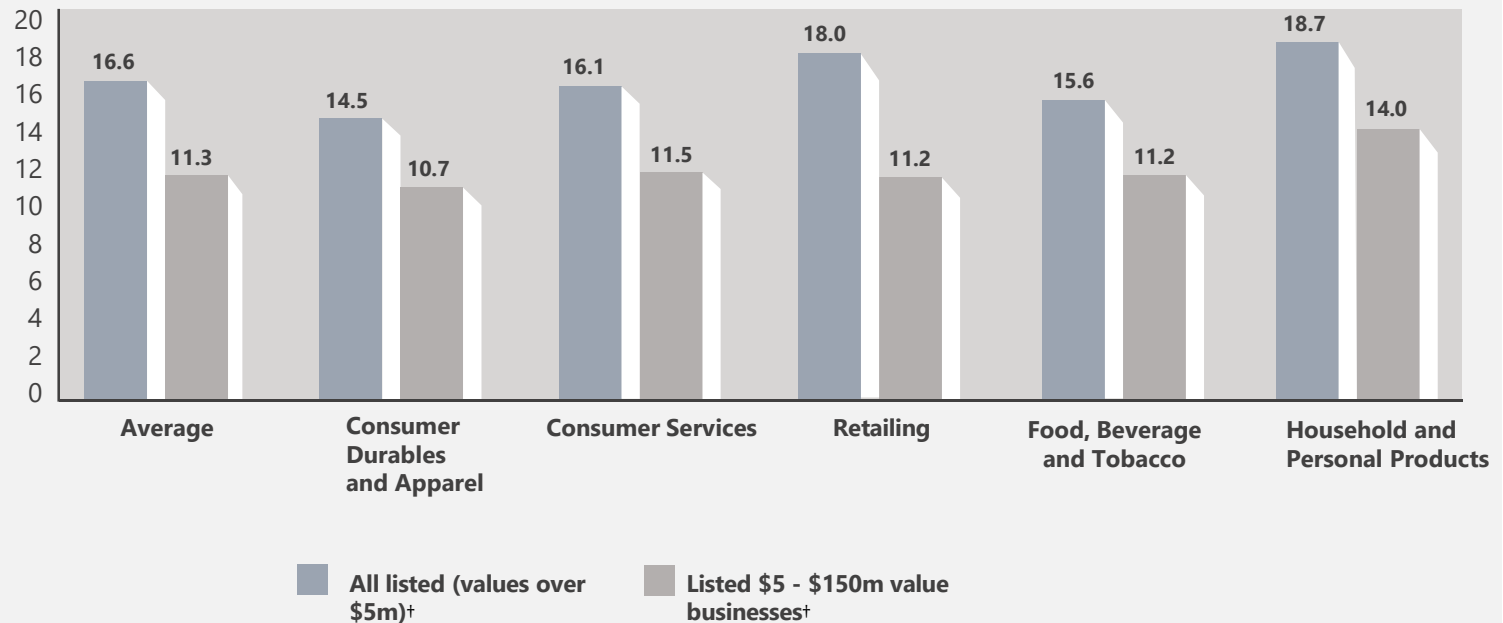
**3 key factors can give private business owners an indication of their business valuation:**

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 2019, the global, all market average Enterprise Value to EBITDA multiple for listed Consumer companies was **16.6x**. This was greater than the previous six months and up on the previous year, when listed Consumer companies were trading on a multiple of 15.7x. Within the Consumer sector, trading multiples varied between 14.5x and 18.7x across the range of sub-sectors. Smaller businesses generally traded on lower multiples.



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

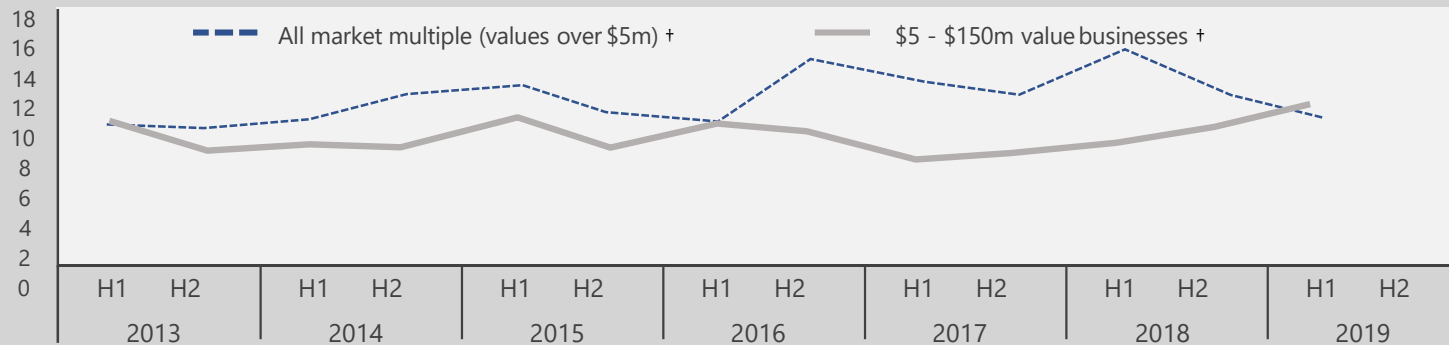
<sup>†</sup> Note, the Enterprise Value to EBITDA multiples above are for listed businesses, and it is generally the case that privately owned businesses are valued at a discount. Listed company data was accurate at 01/07/19.

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

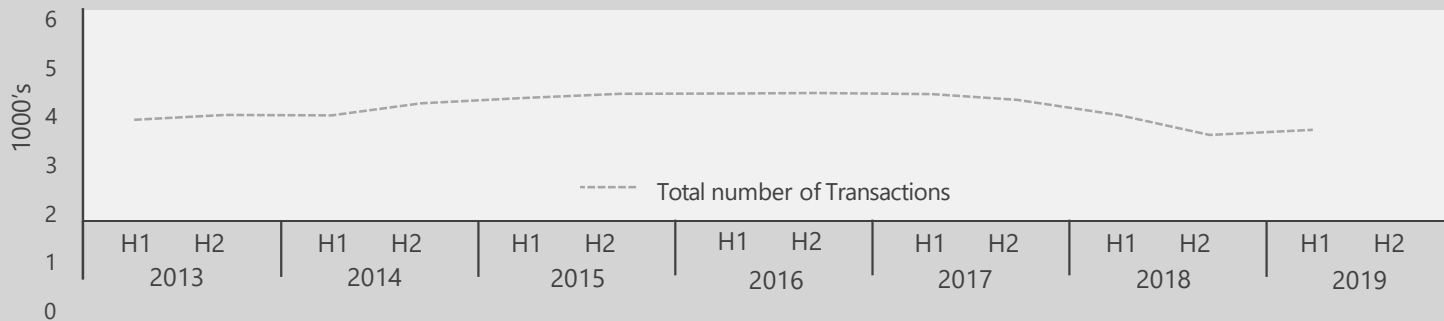
# 11.0x

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 businesses have generally been sold on lower multiples.

† Note, the transaction multiples above are calculated from raw data. This typically understates profits and therefore valuations actually achieved are generally at lower multiples of "normalised" profits.



In H1 2019, there were 2,576 transactions globally in the Consumer sector. This is slightly up on the preceding 6 months, when there were 2,493 transactions. Although slightly declining since 2016 H2, the high number in the last 6 months suggests demand for Consumer businesses remains fairly buoyant.



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