

# Valuation Multiples by Industry

-Quarterly Report-  
Q1 2023 Review @ 31 March 2023

24 May 2023





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# Introduction





# Introduction

## Background to this Report

Welcome to the second edition of Interpath’s Valuation Multiples by Industry quarterly report, which summarises median valuation multiples of US and UK publicly-listed companies. The analysis is summarised by sector, industry group, and industry, based on prevailing market data and historical (trailing) last-twelve-months (“LTM”) financial data. In this March edition (Quarterly Review) we consider how industry valuation multiples evolved during calendar quarter Q1 2023.

The purpose of this report is to summarise, detail, and visualise differences in valuation multiples across industries and sectors, resulting from changes in company fundamentals and underlying market sentiment.

Our analysis of industry valuation multiples covers enterprise value (“EV”) multiples derived from LTM revenue, EBIT(DA), and total assets, in addition to market capitalisation (“MktCap”)-to-book-value multiples (“MktCap/BV” or “P/B”) for financials.

## Background to Data

Our valuation multiples exclude negative multiples, initial outliers, and NA data. EV comprises the aggregate market value of equity, and the book values of all non-common equity and debt (including mezzanine), less cash and cash equivalents.

Valuation multiples, financial statement data, and company-related information is sourced from S&P Capital IQ (“CapIQ”), using data provided by S&P Global Market Intelligence, a division of S&P Global, a leading provider of ratings, data, research, and S&P Dow Jones Indices. Median multiples data is aggregated at sector, industry group, and industry level, using sector, industry group, and industry classifications provided by CapIQ.

The information and analysis presented within this report is based on month-end valuation multiples, updated to reflect information up to and including 31 March 2023. US valuation multiples are based on analysis of multiples derived from the constituent companies within the S&P Composite 1500 index; UK valuation multiples are based on analysis of multiples derived from the constituent companies within the FTSE 350 index.

For more information, please see the About the Data section of this report.

## Limitations

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Interpath does not take any responsibility for the data and analysis presented within this report and/or for any conclusions derived from this report. Due to rounding differences, some calculations may not appear to correspond exactly.

We hope you find this report helpful. Please contact us if you have any questions, or if you would like us to perform further analysis.

Thank you for your time.

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# Summary of US Valuation Multiples





# Executive Summary - US

## US Market Overview

For Q1 2023, the three main US equity indices were up compared to Q4 2022, with the S&P 500 and the Dow Jones recording their second consecutive positive quarter. The Nasdaq Composite index experienced its best quarter since Q2 2020, exhibiting the largest Q1 increase of the three indices, driven by the recovery in tech stocks. The Nasdaq experienced a total return of 17% for Q1 2023, compared to the S&P 500's gain of 7.5%, and the Dow's more anaemic total return of 0.9%. The S&P Composite 1500 index also ended Q1 up 7.2% on a total return basis, replicating the performance of the S&P 500 index.

US stocks rallied in January amid speculation that the Fed could potentially slow the pace of anticipated interest rate rises; however, February's release of unexpectedly strong US economic data thwarted the market's optimism. March 2023 began with fears of a potential global banking crisis caused by the collapse of two US banks and the forced takeover of Credit Suisse, causing many investors to flee stocks for less risky assets. Nevertheless, by the end of Q1 2023, initial concerns regarding systematic banking risks had dissipated somewhat following swift action by regulators and central banks.

Despite general market uncertainty, growth and technology stocks ended Q1 2023 as the major beneficiaries of the stock market's cautious optimism regarding anticipated future rate hikes and the outlook for the US economy. However, from a wider stock market perspective there still remains significant potential downside risk resulting from negative earnings surprises and lower-than-expected economic growth.

## US Market Multiples

From a sector perspective, Real Estate exhibits the highest median EBITDA multiple (16x), although Information Technology followed closely at just above 14x. Healthcare (14x) and Utilities (13x) were the only other sectors with a median EBITDA multiple above 12x.

When we consider valuation multiples at an industry level, Software again exhibited the highest median EBITDA multiple (32x), with Industrial REITs and Healthcare Technology also having a median EBITDA multiple of above 25x.

Industries within the Energy and Utilities sectors were the only industries to experience a drop in each of their median revenue, EBIT, EBITDA, and total assets multiples, when compared with Q4 2022.

## Overview of US Valuation Multiples

With over 50% of industries reporting higher multiples compared to Q4 2022, improvements in market multiples coincided with the Fed's decision to reduce the pace of interest rate increases following welcome drops in inflation. Although February and March saw heightened market volatility, when you exclude Financials, Energy, and Utilities, most industries within our analysis ended the year with a higher median multiple than they started with.

Of the 62 non-financial industries detailed in our analysis, as at 31 March 2023, we note the following:

- When compared with median multiples from the previous month, 28 February 2023:
  - 29 industries reported higher EV/Revenue multiples;
  - 27 industries reported higher EBITDA multiples;
  - 30 industries reported higher EBIT multiples; and
  - 22 industries reported higher EV/Total Assets multiples.
- When compared with median multiples from the previous quarter, 30 December 2022:
  - 33 industries reported higher EV/Revenue multiples;
  - 30 industries reported higher EBITDA multiples;
  - 38 industries reported higher EBIT multiples; and
  - 36 industries reported higher EV/Total Assets multiples.

In relation to the Financials sector specifically, as at 31 March 2023:

- When compared with median multiples from the previous month, 28 February 2023, each industry within the sector experienced a decline in their median P/B multiple; and
- When compared with median multiples from the previous quarter, 30 December 2022, Capital Markets, Consumer Finance, and Financial Services experienced increases in their median P/B multiple, however, Banks, Mortgage REITs, and Insurance reported decreases in their median P/B multiple.



# Summary of US Valuation Multiples

## Summary of US Valuation Multiples by Sector

The table below provides a summary of median valuation multiples by sector for publicly-listed companies trading on US stock exchanges, as at 31 March 2023.

Sector	EV/Rev	EV/EBITDA	EV/EBIT	EV/TotAss
Communication Services	2.20	8.76	16.68	1.06
Consumer Discretionary 1	0.99	6.53	9.89	1.07
Consumer Discretionary 2	1.57	8.03	14.33	1.22
Consumer Staples	1.68	11.91	18.64	1.60
Energy	1.44	4.19	5.33	0.97
Health Care	3.12	13.98	20.29	1.48
Industrials 1	1.86	11.54	16.13	1.42
Industrials 2	1.12	8.18	15.39	1.22
Information Technology	3.11	14.22	19.26	1.83
Materials	1.24	8.39	11.73	1.14
Real Estate	9.51	16.23	29.95	1.16
Utilities	3.93	12.64	22.13	0.93

Sector	P/B
Financials	1.08

## Summary of US Valuation Multiples by Industry Group

The table below provides a summary of median valuation multiples by industry group for publicly-listed companies trading on US stock exchanges, as at 31 March 2023.

Industry Group	EV/Rev	EV/EBITDA	EV/EBIT	EV/TotAss
Media and Entertainment	1.98	10.04	16.63	1.08
Telecommunication Services	2.51	6.56	19.41	0.84
Automobiles and Components	0.92	7.56	15.69	0.88
Consumer Durables and Apparel	1.14	6.25	9.42	1.19
Consumer Discretionary Distribution and Retail	0.74	5.62	10.06	1.05
Consumer Services	2.63	10.83	16.84	1.44
Consumer Staples Distribution and Retail	0.61	10.02	18.12	1.41
Food, Beverage and Tobacco	2.18	12.68	18.37	1.64
Household and Personal Products	3.01	15.79	20.28	3.23
Energy	1.44	4.19	5.33	0.97
Health Care Equipment and Services	2.39	14.01	20.91	1.36
Pharmaceuticals, Biotechnology and Life Sciences	4.12	13.64	17.52	1.69
Capital Goods	1.86	11.54	16.13	1.42
Commercial and Professional Services	1.24	10.53	17.20	1.30
Transportation	0.96	6.36	13.23	1.05
Semiconductors and Semiconductor Equipment	4.15	11.83	15.64	2.29
Software and Services	5.16	23.79	27.06	2.12
Technology Hardware and Equipment	2.00	11.16	17.38	1.35
Materials	1.24	8.39	11.73	1.14
Equity Real Estate Investment Trusts (REITs)	9.77	16.78	30.67	1.18
Real Estate Management and Development	0.57	5.96	9.46	0.65
Utilities	3.93	12.64	22.13	0.93

Industry Group	P/B
Banks	1.01
Diversified Financials	1.18
Insurance	1.60



# Summary of US Valuation Multiples

## Summary of US Valuation Multiples by Industry

The table below provides a summary of median valuation multiples by industry for publicly-listed companies trading on US stock exchanges, as at 31 March 2023.

Industry	EV/Rev	EV/EBITDA	EV/EBIT	EV/TotAss
Entertainment	3.61	16.89	29.25	1.18
Interactive Media and Services	2.90	14.02	24.04	1.99
Media	1.55	7.09	11.64	0.87
Diversified Telecommunication Services	2.24	6.16	10.69	0.76
Wireless Telecommunication Services	3.73	10.49	22.99	1.20
Automobile Components	0.86	7.17	16.27	1.07
Automobiles	0.92	7.67	11.70	0.80
Household Durables	0.91	5.03	5.69	0.94
Leisure Products	1.44	7.57	10.85	1.25
Textiles, Apparel and Luxury Goods	1.19	6.60	9.93	1.25
Broadline Retail	0.55	7.48	20.48	0.75
Specialty Retail	0.74	5.55	9.79	1.06
Diversified Consumer Services	1.88	10.27	12.58	1.06
Hotels, Restaurants and Leisure	2.88	10.83	19.22	1.47
Consumer Staples Distribution and Retail	0.61	10.02	18.12	1.41
Beverages	4.31	17.85	22.68	2.92
Food Products	1.97	12.25	18.37	1.23
Tobacco	4.08	10.10	12.00	2.96
Household Products	3.58	17.16	20.28	3.12
Personal Care Products	2.81	13.11	18.99	3.34
Energy Equipment and Services	1.20	6.55	18.14	0.98
Oil, Gas and Consumable Fuels	1.44	3.33	4.72	0.97

Industry	EV/Rev	EV/EBITDA	EV/EBIT	EV/TotAss
Health Care Equipment and Supplies	3.89	17.59	31.97	1.67
Health Care Providers and Services	1.26	9.16	14.36	1.23
Health Care Technology	2.45	26.04	52.75	1.48
Biotechnology	4.06	11.37	14.00	1.69
Life Sciences Tools and Services	5.69	18.62	24.40	2.47
Pharmaceuticals	3.41	12.12	16.21	1.31
Aerospace and Defence	2.14	14.02	17.98	1.42
Building Products	1.44	8.67	10.66	1.34
Construction and Engineering	1.05	9.43	17.56	1.31
Electrical Equipment	2.74	12.73	17.65	1.63
Machinery	2.27	12.51	17.07	1.59
Trading Companies and Distributors	1.05	9.32	11.07	1.11
Commercial Services and Supplies	1.24	9.37	19.25	1.03
Professional Services	1.24	10.94	16.76	1.48
Air Freight and Logistics	0.97	6.36	11.04	2.30
Ground Transportation	1.31	6.40	12.77	1.26
Passenger Airlines	0.85	5.28	19.21	0.48
Semiconductors and Semiconductor Equipment	4.15	11.83	15.64	2.29
IT Services	2.82	13.49	21.71	2.30
Software	7.21	32.25	36.79	2.12
Communications Equipment	2.17	14.59	25.79	1.47
Electronic Equipment, Instruments and Components	1.61	11.08	15.06	1.33
Technology Hardware, Storage and Peripherals	1.11	9.38	20.09	1.22

Industry	EV/Rev	EV/EBITDA	EV/EBIT	EV/TotAss
Chemicals	1.58	9.76	14.87	1.23
Containers and Packaging	1.40	7.85	10.70	1.32
Metals and Mining	0.76	6.60	9.04	1.00
Paper and Forest Products	0.73	3.35	4.51	0.82
Diversified REITs	7.17	16.90	29.80	0.97
Health Care REITs	10.82	17.17	34.88	1.24
Hotel and Resort REITs	3.27	10.81	29.27	0.88
Industrial REITs	17.68	26.55	52.59	1.58
Office REITs	6.94	13.21	32.03	0.76
Residential REITs	11.16	19.06	62.15	1.43
Retail REITs	9.96	15.99	27.84	1.20
Specialized REITs	12.11	19.16	27.40	1.48
Real Estate Management and Development	0.57	5.96	9.46	0.65
Electric Utilities	4.10	11.98	22.13	0.91
Gas Utilities	3.12	12.94	20.80	0.96
Multi-Utilities	3.97	12.90	21.25	0.94
Water Utilities	8.11	19.43	30.11	1.32

Industry	P/B
Banks	1.01
Capital Markets	1.70
Consumer Finance	1.18
Financial Services	1.86
Mortgage Real Estate Investment Trusts (REITs)	0.59
Insurance	1.60

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# Summary of UK Valuation Multiples





# Executive Summary - UK

## UK Market Overview

UK equities ended Q1 2023 up as investors speculated that the The Bank of England (“BofE”) would consider cutting interest rates towards the end of 2023. The FTSE 100 reached an all-time high in February amid growing hopes that the UK could avoid a recession, before retreating sharply due to problems within the US banking sector and fears of potential market turbulence.

As a consequence of UK equities being less technology-weighted, the FTSE 100 and 250 indices lagged the Q1 performance of the Nasdaq and S&P 500, although both FTSE indices still outperformed the Dow. The FTSE 100 index ended Q1 2023 up 3.6% on a total return basis, compared to the FTSE 250’s total return of 1.0%. The FTSE 350 ended Q1 2023 with a total return of 3.2%, mirroring the performance of the FTSE 100.

As per the US, rising interest rates and sticky inflation continued to affect UK equities throughout Q1 2023. The BofE increased interest rates to its highest level since 2008, signalling the Monetary Policy Committee’s (MPC) determination to contain inflation. Following March’s interest rate increase, Andrew Bailey, Governor of the BofE indicated that he expects UK inflation to fall sharply in the summer.

Consumer Discretionary outperformed all other sectors, reflecting the recovery in many domestically focused areas which rebounded as it emerged that the UK economy had performed more resiliently than initially expected.

## UK Market Multiples

From a sector perspective, Real Estate exhibits the highest median EBITDA multiple (22x), with Information Technology (17x), Communication Services (14x), and Industrials (10x) being the only other sectors to present median EBITDA multiples of above 10x.

When we consider valuation multiples on an industry level, Office REITs (23x) and Industrial REITs (22x) presented the highest industry EBITDA multiples, with Interactive Media Services third highest at roughly 19x.

## Overview of UK Valuation Multiples

With around 55% of industries reporting higher multiples compared to Q4 2022, increasing investor optimism regarding the UK’s macroeconomic outlook and the path of interest rates was generally reflected in market multiples. Although March saw drops in the median multiple of most industries within our analysis, the January and February increases in valuation multiples offset much of the March turbulence. Notwithstanding the impact of March, when we exclude Energy, Health Care, and Real Estate, most industries within our analysis ended Q1 2023 with higher multiples than they started with.

Of the 23 non-financial industries detailed in our analysis, as at 31 March 2023, we note the following:

- When compared with median multiples from the previous month, 28 February 2023:
  - 4 industries reported higher EV/Revenue multiples;
  - 7 industries reported higher EBITDA multiples;
  - 5 industries reported higher EBIT multiples; and
  - 9 industries reported higher EV/Total Assets multiples.
- When compared with median multiples from the previous quarter, 30 December 2022:
  - 14 industries reported higher EV/Revenue multiples;
  - 13 industries reported higher EBITDA multiples;
  - 11 industries reported higher EBIT multiples; and
  - 14 industries reported higher EV/Total Assets multiples.

In relation to the Financials sector specifically, as at 31 March 2023:

- When compared with median multiples from the previous month, 28 February 2023, except for Financial Services, all other industries within the sector experienced a decline in their median P/B multiple; and
- When compared with median multiples from the previous quarter, 30 December 2022, Insurance was the only industry to experience a decline in its median P/B multiple.



# Summary of UK Valuation Multiples

## Summary of UK Valuation Multiples by Sector

The table below provides a summary of median valuation multiples by sector for publicly-listed companies trading on UK stock exchanges, as at 31 March 2023.

Sector	EV/Rev	EV/EBITDA	EV/EBIT	EV/TotAss
Communication Services	3.07	14.31	17.31	0.96
Consumer Discretionary	1.20	7.35	11.69	0.98
Consumer Staples	0.91	7.69	12.34	0.87
Energy	0.79	1.71	3.10	0.51
Health Care	2.37	7.33	9.48	1.22
Industrials	1.19	10.06	14.44	1.28
Information Technology	2.76	16.73	18.55	2.61
Materials	1.48	7.04	10.63	0.84
Real Estate	14.98	21.82	22.26	0.71

Sector	P/B
Financials	0.91

## Summary of UK Valuation Multiples by Industry Group

The table below provides a summary of median valuation multiples by industry group for publicly-listed companies trading on UK stock exchanges, as at 31 March 2023.

Industry Group	EV/Rev	EV/EBITDA	EV/EBIT	EV/TotAss
Media and Entertainment	3.07	14.31	17.31	0.96
Consumer Discretionary Distribution and Retail	1.20	8.08	12.60	1.12
Consumer Durables and Apparel	0.72	3.62	3.64	0.48
Consumer Services	1.93	13.55	18.90	1.19
Consumer Staples Distribution and Retail	0.52	6.16	10.63	0.65
Food, Beverage and Tobacco	1.09	8.25	12.53	0.99
Energy	0.79	1.71	3.10	0.51
Pharmaceuticals, Biotechnology and Life Sciences	2.37	7.33	9.48	1.22
Capital Goods	1.37	10.06	14.44	1.15
Commercial and Professional Services	1.55	8.99	12.31	1.94
Software and Services	1.74	14.52	13.65	3.66
Technology Hardware and Equipment	3.74	17.35	22.57	2.61
Materials	1.48	7.04	10.63	0.84
Equity Real Estate Investment Trusts (REITs)	15.25	22.15	21.93	0.71
Real Estate Management and Development	7.23	11.51	24.19	0.78

Industry Group	P/B
Banks	0.67
Financial Services	0.92
Insurance	1.16



# Summary of UK Valuation Multiples

## Summary of UK Valuation Multiples by Industry

The table below provides a summary of median valuation multiples by industry for publicly-listed companies trading on UK stock exchanges, as at 31 March 2023.

Industry	EV/Rev	EV/EBITDA	EV/EBIT	EV/TotAss
Interactive Media and Services	13.02	18.54	18.93	5.94
Media	1.82	10.41	13.54	0.87
Specialty Retail	1.20	8.08	12.60	1.12
Household Durables	0.72	3.62	3.64	0.48
Hotels, Restaurants and Leisure	1.93	13.55	18.90	1.19
Consumer Staples Distribution and Retail	0.52	6.16	10.63	0.65
Beverages	1.40	9.45	11.84	1.36
Food Products	0.91	7.86	12.95	0.87
Oil, Gas and Consumable Fuels	0.79	1.71	3.10	0.51
Pharmaceuticals	2.37	7.33	9.48	1.22

Industry	EV/Rev	EV/EBITDA	EV/EBIT	EV/TotAss
Aerospace and Defence	1.18	10.17	14.71	0.84
Machinery	2.28	11.02	14.48	1.39
Trading Companies and Distributors	1.54	8.14	11.41	1.76
Professional Services	1.55	8.99	12.31	1.94
IT Services	1.74	14.52	13.65	3.66
Electronic Equipment, Instruments and Components	3.74	17.35	22.57	2.61
Chemicals	1.54	8.05	13.75	0.72
Construction Materials	1.35	6.43	9.07	0.89
Metals and Mining	1.75	4.98	9.87	0.96
Diversified REITs	12.12	17.11	19.44	0.63
Industrial REITs	19.30	22.19	22.29	0.81
Office REITs	13.50	23.20	23.62	0.66
Real Estate Management and Development	7.23	11.51	24.19	0.78

Industry	P/B
Banks	0.67
Capital Markets	0.92
Financial Services	1.96
Insurance	1.16

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# Top 10 – US & UK Valuation Multiples by Industry





# Top 10 – US Valuation Multiples by Industry

## Industry Valuation Multiples – US Top 10

The tables below provide a summary of the top 10 median industry valuation multiples for publicly-listed companies trading on US stock exchanges, as at 31 March 2023.

Rank	Industry	EV/Rev
1	Industrial REITs	17.68
2	Specialized REITs	12.11
3	Residential REITs	11.16
4	Health Care REITs	10.82
5	Retail REITs	9.96
6	Water Utilities	8.11
7	Software	7.21
8	Diversified REITs	7.17
9	Office REITs	6.94
10	Life Sciences Tools and Services	5.69

Rank	Industry	EV/EBITDA
1	Software	32.25
2	Industrial REITs	26.55
3	Health Care Technology	26.04
4	Water Utilities	19.43
5	Specialized REITs	19.16
6	Residential REITs	19.06
7	Life Sciences Tools and Services	18.62
8	Beverages	17.85
9	Health Care Equipment and Supplies	17.59
10	Health Care REITs	17.17

Rank	Industry	P/B
1	Financial Services	1.86
2	Capital Markets	1.70
3	Insurance	1.60

Rank	Industry	EV/EBIT
1	Residential REITs	62.15
2	Health Care Technology	52.75
3	Industrial REITs	52.59
4	Software	36.79
5	Health Care REITs	34.88
6	Office REITs	32.03
7	Health Care Equipment and Supplies	31.97
8	Water Utilities	30.11
9	Diversified REITs	29.80
10	Hotel and Resort REITs	29.27

Rank	Industry	EV/TotAss
1	Personal Care Products	3.34
2	Household Products	3.12
3	Tobacco	2.96
4	Beverages	2.92
5	Life Sciences Tools and Services	2.47
6	Air Freight and Logistics	2.30
7	IT Services	2.30
8	Semiconductors and Semiconductor Equipment	2.29
9	Software	2.12
10	Interactive Media and Services	1.99





# Top 10 – UK Valuation Multiples by Industry

## Industry Valuation Multiples – UK Top 10

The tables below provide a summary of the top 10 median industry valuation multiples for publicly-listed companies trading on UK stock exchanges, as at 31 March 2023.

Rank	Industry	EV/Rev
1	Industrial REITs	19.30
2	Office REITs	13.50
3	Interactive Media and Services	13.02
4	Diversified REITs	12.12
5	Real Estate Management and Development	7.23
6	Electronic Equipment, Instruments and Components	3.74
7	Pharmaceuticals	2.37
8	Machinery	2.28
9	Hotels, Restaurants and Leisure	1.93
10	Media	1.82

Rank	Industry	EV/EBITDA
1	Office REITs	23.20
2	Industrial REITs	22.19
3	Interactive Media and Services	18.54
4	Electronic Equipment, Instruments and Components	17.35
5	Diversified REITs	17.11
6	IT Services	14.52
7	Hotels, Restaurants and Leisure	13.55
8	Real Estate Management and Development	11.51
9	Machinery	11.02
10	Media	10.41

Rank	Industry	P/B
1	Financial Services	1.96
2	Insurance	1.16
3	Capital Markets	0.92

Rank	Industry	EV/EBIT
1	Real Estate Management and Development	24.19
2	Office REITs	23.62
3	Electronic Equipment, Instruments and Components	22.57
4	Industrial REITs	22.29
5	Diversified REITs	19.44
6	Interactive Media and Services	18.93
7	Hotels, Restaurants and Leisure	18.90
8	Aerospace and Defence	14.71
9	Machinery	14.48
10	Chemicals	13.75

Rank	Industry	EV/TotAss
1	Interactive Media and Services	5.94
2	IT Services	3.66
3	Electronic Equipment, Instruments and Components	2.61
4	Professional Services	1.94
5	Trading Companies and Distributors	1.76
6	Machinery	1.39
7	Beverages	1.36
8	Pharmaceuticals	1.22
9	Hotels, Restaurants and Leisure	1.19
10	Specialty Retail	1.12



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# US Valuation Multiples by Industry





# US Valuation Multiples by Industry – Communication Services

## Communication Services – Q1 2023 Sector Summary

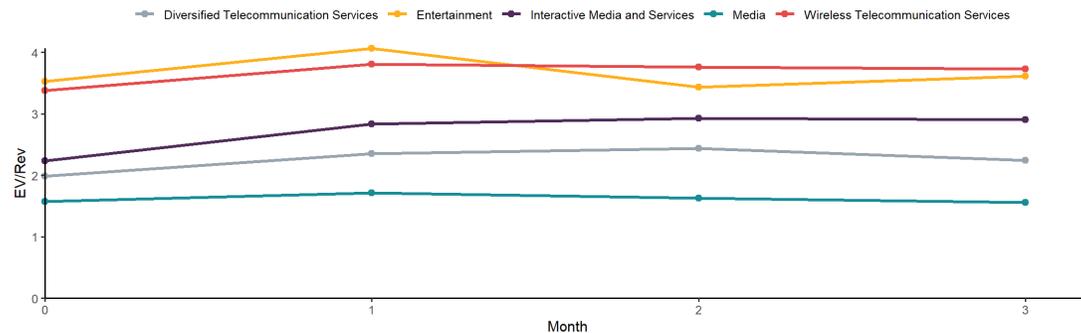
Interactive Media Services experienced the greatest change in its median EBITDA multiple, increasing by 2.2x over the quarter. Media was the worst performer of the sector, with the industry experiencing a 0.3x decrease in its median EBITDA multiple, down from 7.4x to 7.1x.

The table below summarises median industry valuation multiples for the sector as at 31 March 2023.

Industry	EV/Rev	EV/EBITDA	EV/EBIT	EV/TotAss
Entertainment	3.61	16.89	29.25	1.18
Interactive Media and Services	2.90	14.02	24.04	1.99
Media	1.55	7.09	11.64	0.87
Diversified Telecommunication Services	2.24	6.16	10.69	0.76
Wireless Telecommunication Services	3.73	10.49	22.99	1.20

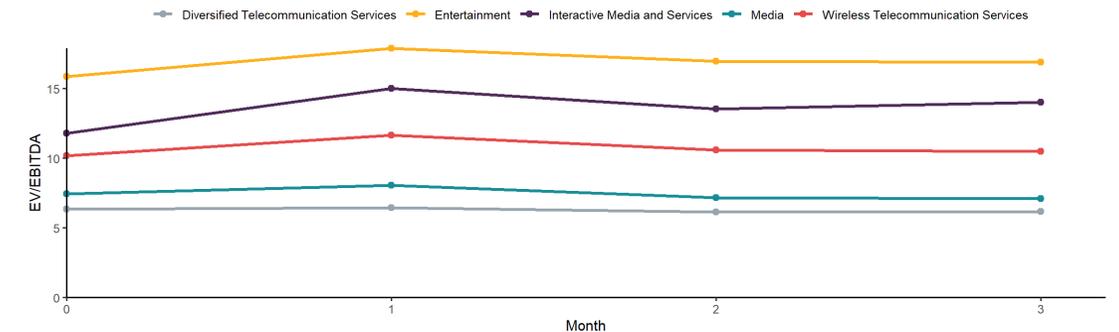
## Communication Services – EV/Revenue Multiples

The following chart summarises the monthly changes in median EV/Revenue multiples of the various industries within the sector.



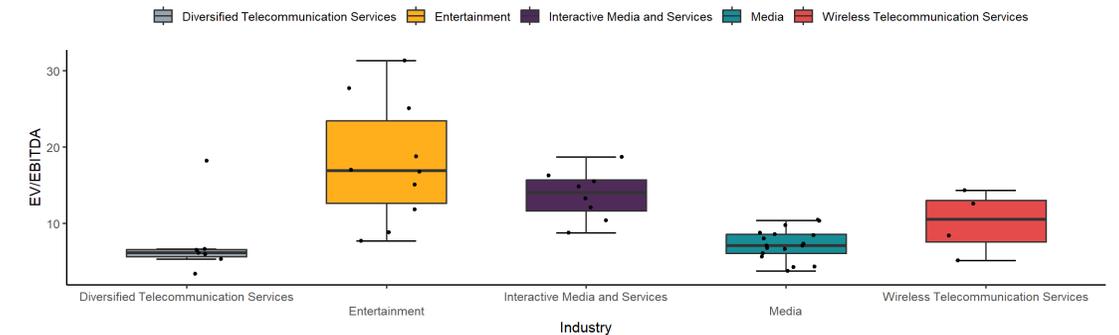
## Communication Services – EV/EBITDA Multiples

The following chart summarises the monthly changes in median EV/EBITDA multiples of the various industries within the sector.



## Communication Services – EV/EBITDA Boxplots

The boxplot below summarises EV/EBITDA multiples by industry, for companies operating within the sector, as at 31 March 2023.





# US Valuation Multiples by Industry – Consumer Discretionary 1

## Consumer Discretionary 1 – Q1 2023 Sector Summary

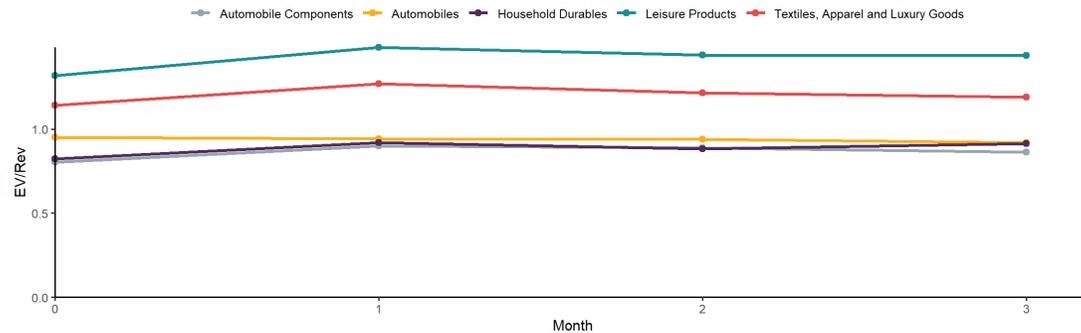
Automobiles experienced the largest change in its median EBITDA multiple, decreasing by around 1.1x, from 8.7x to 7.7x. Household Durables was the sector's best performer, exhibiting an increase of 0.6x in its median EBITDA multiple, up from 4.5x to 5.0x.

The table below summarises median industry valuation multiples for the sector, as at 31 March 2023.

Industry	EV/Rev	EV/EBITDA	EV/EBIT	EV/TotAss
Automobile Components	0.86	7.17	16.27	1.07
Automobiles	0.92	7.67	11.70	0.80
Household Durables	0.91	5.03	5.69	0.94
Leisure Products	1.44	7.57	10.85	1.25
Textiles, Apparel and Luxury Goods	1.19	6.60	9.93	1.25

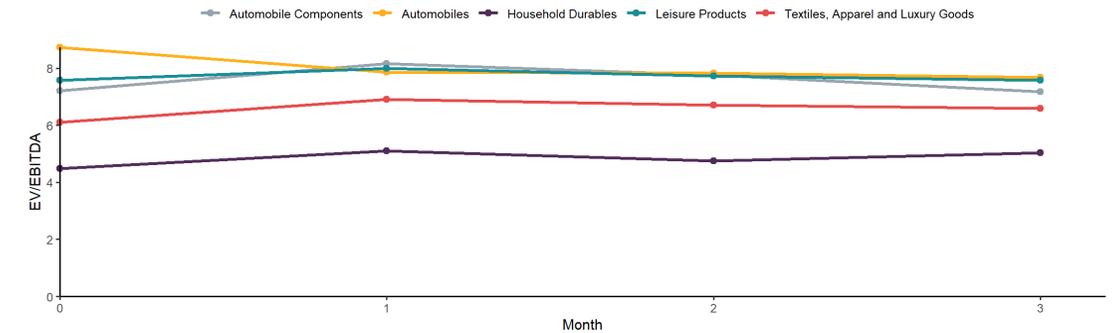
## Consumer Discretionary 1 – EV/Revenue Multiples

The following chart summarises the monthly changes in median EV/Revenue multiples of the various industries within the sector.



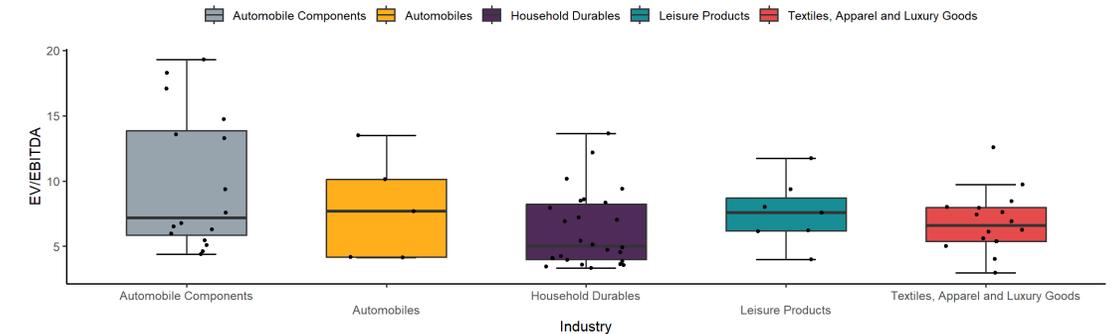
## Consumer Discretionary 1 – EV/EBITDA Multiples

The following chart summarises the monthly changes in median EV/EBITDA multiples of the various industries within the sector.



## Consumer Discretionary 1 – EV/EBITDA Boxplots

The boxplot below summarises EV/EBITDA multiples by industry, for companies operating within the sector, as at 31 March 2023.





# US Valuation Multiples by Industry – Consumer Discretionary 2

## Consumer Discretionary 2 – Q1 2023 Sector Summary

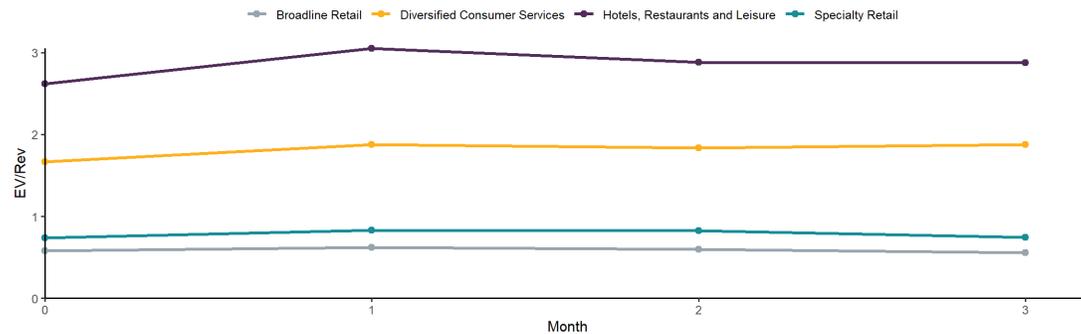
Broadline Retail (up 2.0x) experienced the sector’s biggest increase in median EBITDA multiples, with Diversified Consumer Services closely in second (up 1.9x). Hotels, Restaurants and Leisure exhibited the smallest change in median multiples, increasing by only 0.2x.

The table below summarises median industry valuation multiples for the sector, as at 31 March 2023.

Industry	EV/Rev	EV/EBITDA	EV/EBIT	EV/TotAss
Broadline Retail	0.55	7.48	20.48	0.75
Specialty Retail	0.74	5.55	9.79	1.06
Diversified Consumer Services	1.88	10.27	12.58	1.06
Hotels, Restaurants and Leisure	2.88	10.83	19.22	1.47

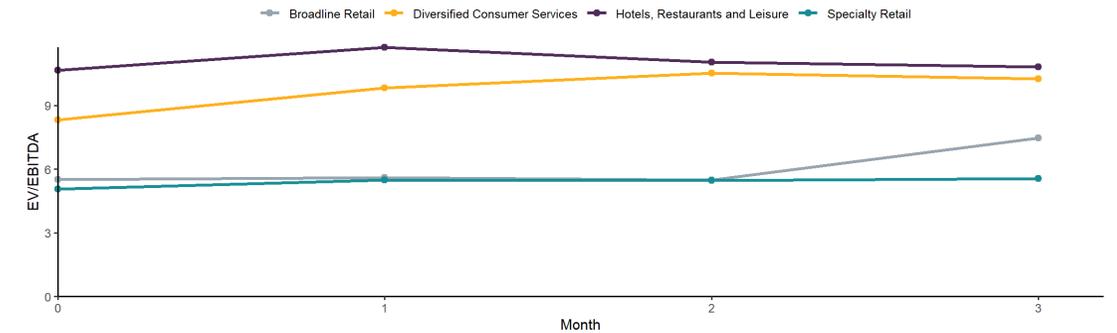
## Consumer Discretionary 2 – EV/Revenue Multiples

The following chart summarises the monthly changes in median EV/Revenue multiples of the various industries within the sector.



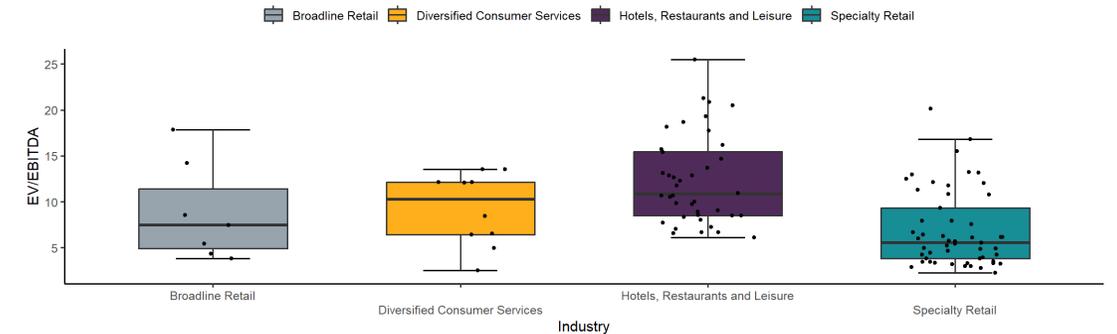
## Consumer Discretionary 2 – EV/EBITDA Multiples

The following chart summarises the monthly changes in median EV/EBITDA multiples of the various industries within the sector.



## Consumer Discretionary 2 – EV/EBITDA Boxplots

The boxplot below summarises EV/EBITDA multiples by industry, for companies operating within the sector, as at 31 March 2023.





# US Valuation Multiples by Industry – Consumer Staples

## Consumer Staples – Q1 2023 Sector Summary

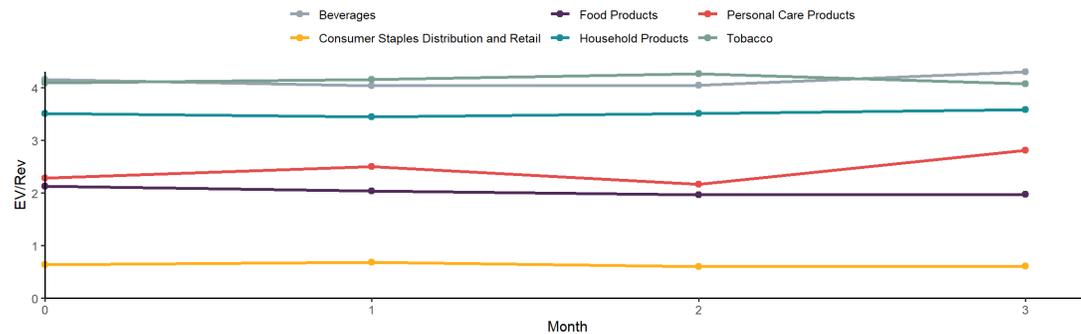
Personal Care Products was the only industry within the sector to exhibit a meaningful increase in its median EBITDA multiple, rising 2.0x. Beverages was the sector's worst performer, having experienced a 2.2x reduction in its median EBITDA multiple to 17.8x.

The table below summarises median industry valuation multiples for the sector, as at 31 March 2023.

Industry	EV/Rev	EV/EBITDA	EV/EBIT	EV/TotAss
Consumer Staples Distribution and Retail	0.61	10.02	18.12	1.41
Beverages	4.31	17.85	22.68	2.92
Food Products	1.97	12.25	18.37	1.23
Tobacco	4.08	10.10	12.00	2.96
Household Products	3.58	17.16	20.28	3.12
Personal Care Products	2.81	13.11	18.99	3.34

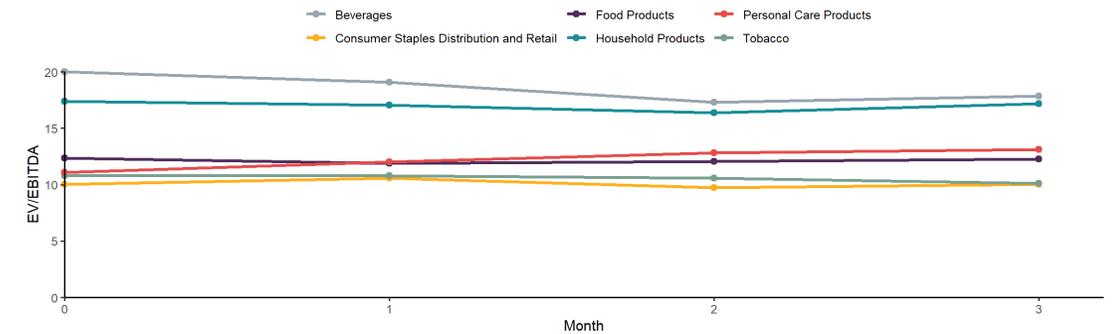
## Consumer Staples – EV/Revenue Multiples

The following chart summarises the monthly changes in median EV/Revenue multiples of the various industries within the sector.



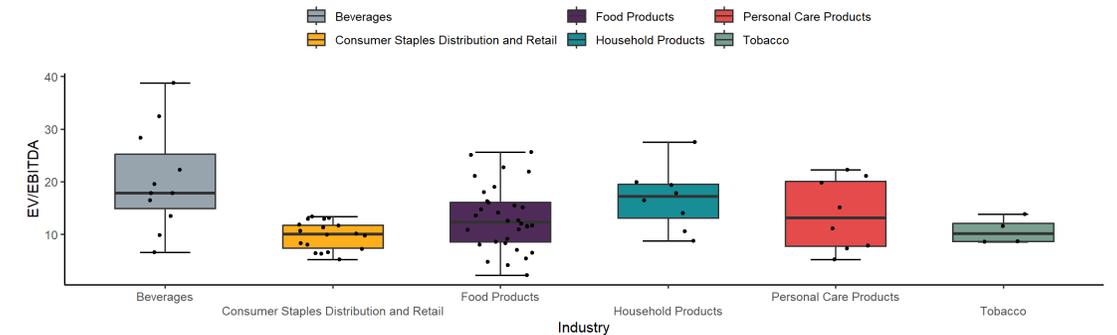
## Consumer Staples – EV/EBITDA Multiples

The following chart summarises the monthly changes in median EV/EBITDA multiples of the various industries within the sector.



## Consumer Staples – EV/EBITDA Boxplots

The boxplot below summarises EV/EBITDA multiples by industry, for companies operating within the sector, as at 31 March 2023.





# US Valuation Multiples by Industry – Energy

## Energy – Q1 2023 Sector Summary

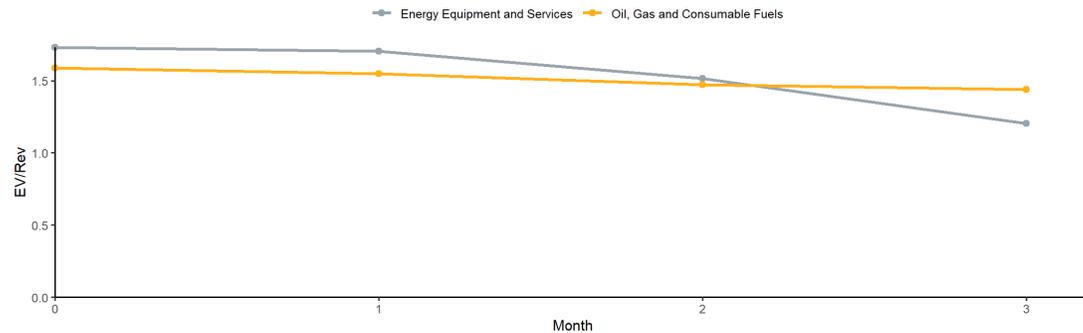
Both industries within the sector experienced a reduction in their median EBITDA multiple, with Energy Equipment and Services exhibiting the greater change in its median EBITDA multiple, dropping by 2.7x, from 9.2x to 6.6x.

The table below summarises median industry valuation multiples for the sector, as at 31 March 2023.

Industry	EV/Rev	EV/EBITDA	EV/EBIT	EV/TotAss
Energy Equipment and Services	1.20	6.55	18.14	0.98
Oil, Gas and Consumable Fuels	1.44	3.33	4.72	0.97

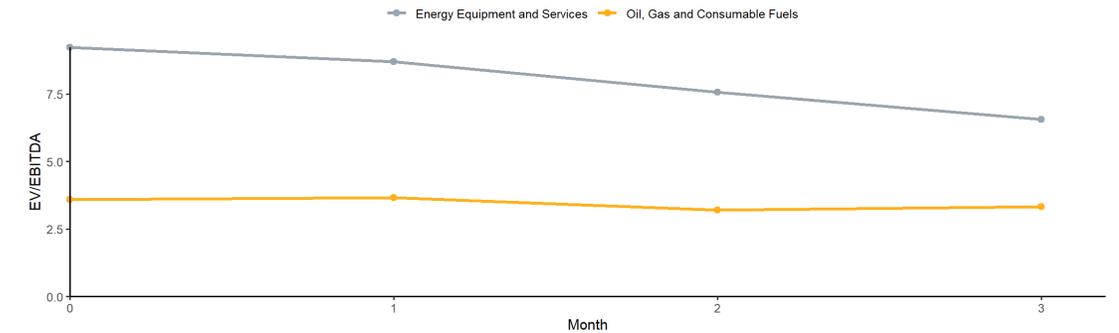
## Energy – EV/Revenue Multiples

The following chart summarises the monthly changes in median EV/Revenue multiples of the various industries within the sector.



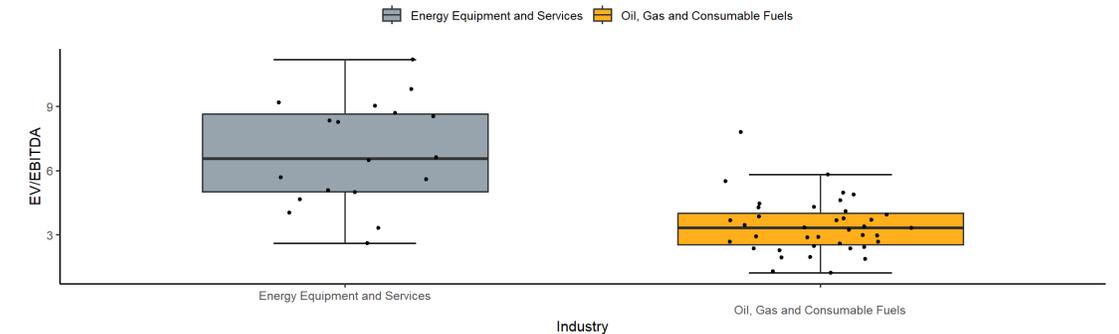
## Energy – EV/EBITDA Multiples

The following chart summarises the monthly changes in median EV/EBITDA multiples of the various industries within the sector.



## Energy – EV/EBITDA Boxplots

The boxplot below summarises EV/EBITDA multiples by industry, for companies operating within the sector, as at 31 March 2023.





# US Valuation Multiples by Industry – Health Care

## Health Care – Q1 2023 Sector Summary

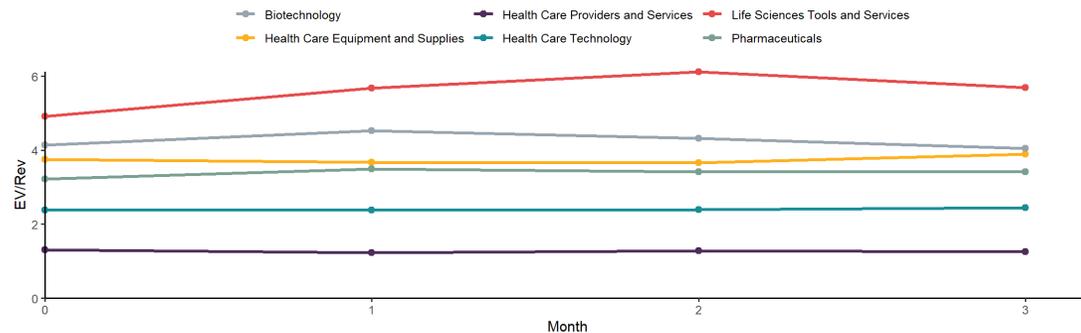
Health Care Technology exhibited the sector’s greatest change in median EBITDA multiples, having increased by 2.1x, from 24.0x to 26.0x, to end Q1 2023 with the third highest median EBITDA multiple of all industries within our US analysis.

The table below summarises median industry valuation multiples for the sector, as at 31 March 2023.

Industry	EV/Rev	EV/EBITDA	EV/EBIT	EV/TotAss
Health Care Equipment and Supplies	3.89	17.59	31.97	1.67
Health Care Providers and Services	1.26	9.16	14.36	1.23
Health Care Technology	2.45	26.04	52.75	1.48
Biotechnology	4.06	11.37	14.00	1.69
Life Sciences Tools and Services	5.69	18.62	24.40	2.47
Pharmaceuticals	3.41	12.12	16.21	1.31

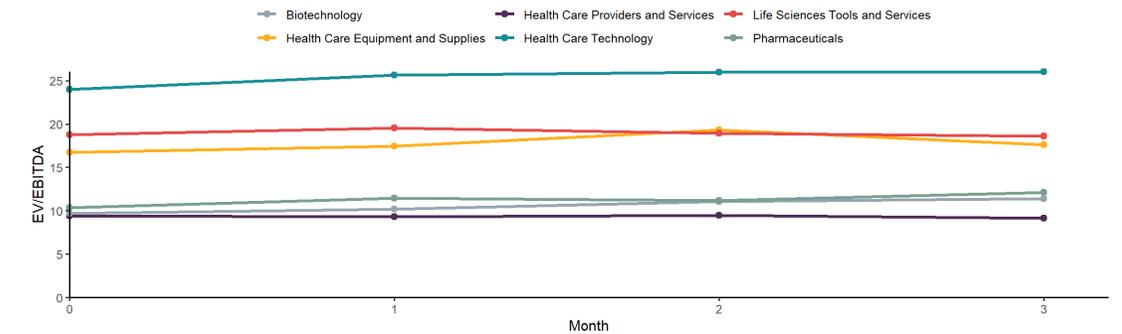
## Health Care – EV/Revenue Multiples

The following chart summarises the monthly changes in median EV/Revenue multiples of the various industries within the sector.



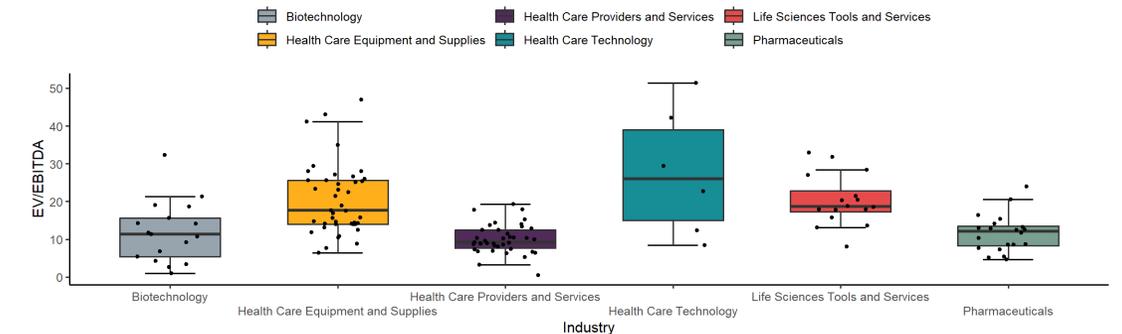
## Health Care – EV/EBITDA Multiples

The following chart summarises the monthly changes in median EV/EBITDA multiples of the various industries within the sector.



## Health Care – EV/EBITDA Boxplots

The boxplot below summarises EV/EBITDA multiples by industry, for companies operating within the sector, as at 31 March 2023.





# US Valuation Multiples by Industry – Industrials 1

## Industrials 1 – Q1 2023 Sector Summary

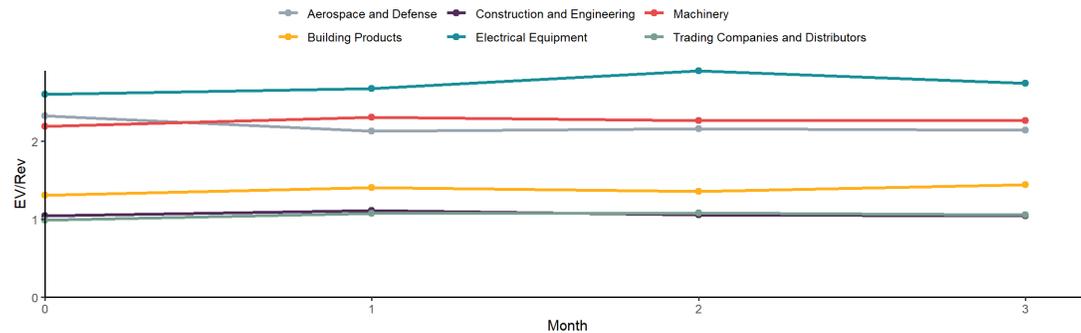
Building Products was the only industry within the sector to experience an increase in its median EBITDA multiple, gaining 1.2x. Except for Electrical Equipment (down 1.4x) all other industries experienced relatively modest declines in their median EBITDA multiple.

The table below summarises median industry valuation multiples for the sector, as at 31 March 2023.

Industry	EV/Rev	EV/EBITDA	EV/EBIT	EV/TotAss
Aerospace and Defence	2.14	14.02	17.98	1.42
Building Products	1.44	8.67	10.66	1.34
Construction and Engineering	1.05	9.43	17.56	1.31
Electrical Equipment	2.74	12.73	17.65	1.63
Machinery	2.27	12.51	17.07	1.59
Trading Companies and Distributors	1.05	9.32	11.07	1.11

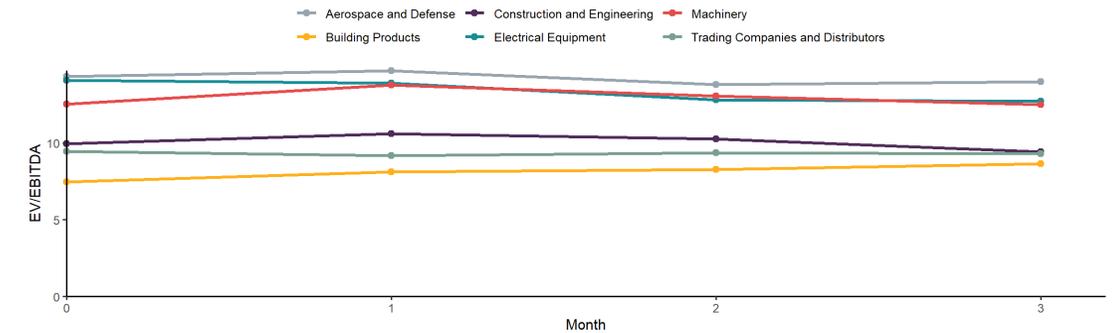
## Industrials 1 – EV/Revenue Multiples

The following chart summarises the monthly changes in median EV/Revenue multiples of the various industries within the sector.



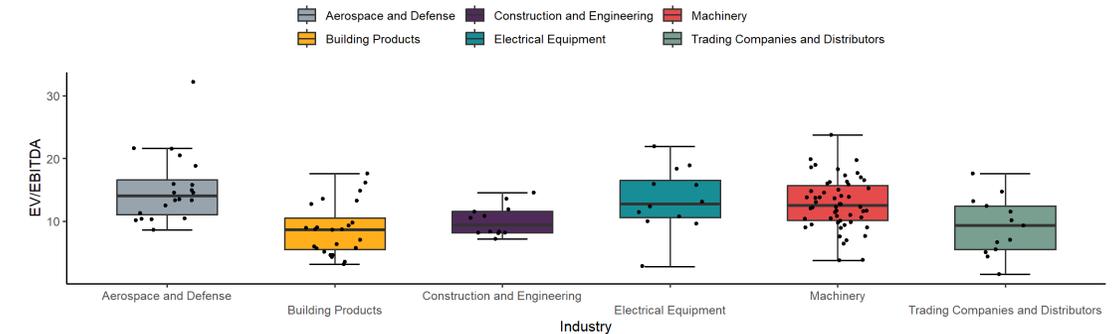
## Industrials 1 – EV/EBITDA Multiples

The following chart summarises the monthly changes in median EV/EBITDA multiples of the various industries within the sector.



## Industrials 1 – EV/EBITDA Boxplots

The boxplot below summarises EV/EBITDA multiples by industry, for companies operating within the sector, as at 31 March 2023.





# US Valuation Multiples by Industry – Industrials 2

## Industrials 2 – Q1 2023 Sector Summary

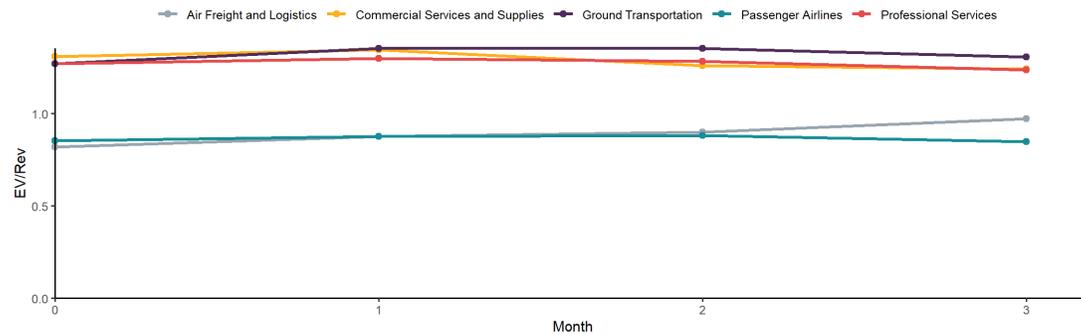
Ground Transportation exhibited the sector’s greatest change in median EBITDA multiples, gaining around 0.8x over the quarter. Professional Services was the sector’s worst performer, having experienced a 0.2x decrease in its median EBITDA multiple.

The table below summarises median industry valuation multiples for the sector, as at 31 March 2023.

Industry	EV/Rev	EV/EBITDA	EV/EBIT	EV/TotAss
Commercial Services and Supplies	1.24	9.37	19.25	1.03
Professional Services	1.24	10.94	16.76	1.48
Air Freight and Logistics	0.97	6.36	11.04	2.30
Ground Transportation	1.31	6.40	12.77	1.26
Passenger Airlines	0.85	5.28	19.21	0.48

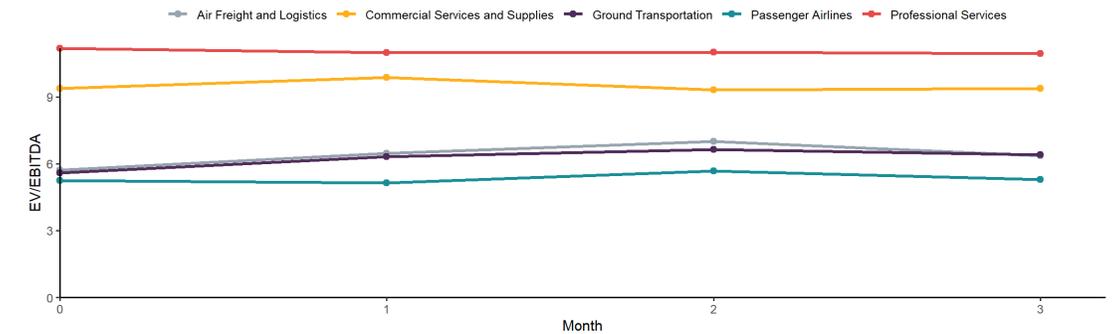
## Industrials 2 – EV/Revenue Multiples

The following chart summarises the monthly changes in median EV/Revenue multiples of the various industries within the sector.



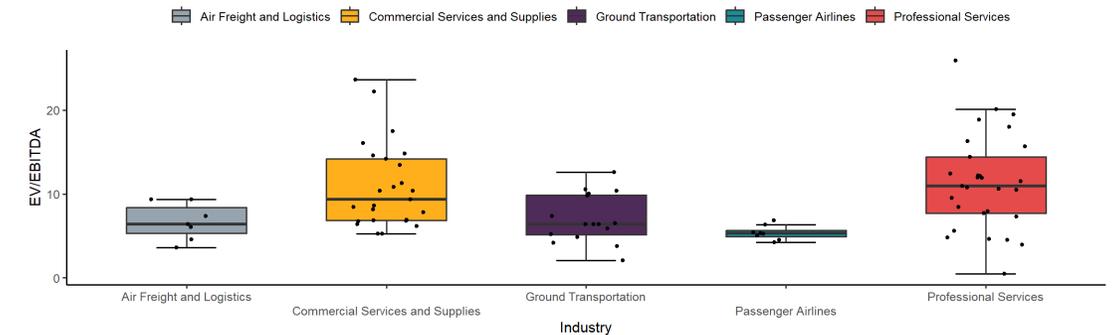
## Industrials 2 – EV/EBITDA Multiples

The following chart summarises the monthly changes in median EV/EBITDA multiples of the various industries within the sector.



## Industrials 2 – EV/EBITDA Boxplots

The boxplot below summarises EV/EBITDA multiples by industry, for companies operating within the sector, as at 31 March 2023.





# US Valuation Multiples by Industry – Information Technology

## Information Technology – Q1 2023 Sector Summary

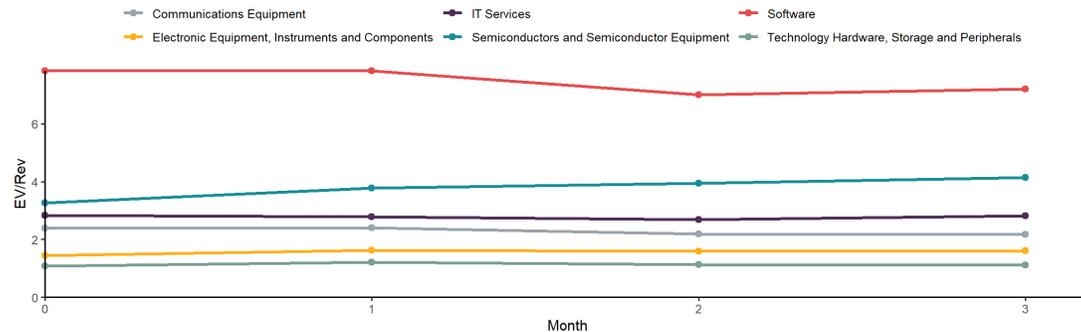
Software exhibited the greatest change in median EBITDA multiples of all industries within our US analysis, up 6.1x to end Q1 with the highest EBITDA multiple (32.2x). IT Services was the only industry within the sector to experience a drop in its median EBITDA multiple.

The table below summarises median industry valuation multiples for the sector, as at 31 March 2023.

Industry	EV/Rev	EV/EBITDA	EV/EBIT	EV/TotAss
Semiconductors and Semiconductor Equipment	4.15	11.83	15.64	2.29
IT Services	2.82	13.49	21.71	2.30
Software	7.21	32.25	36.79	2.12
Communications Equipment	2.17	14.59	25.79	1.47
Electronic Equipment, Instruments and Components	1.61	11.08	15.06	1.33
Technology Hardware, Storage and Peripherals	1.11	9.38	20.09	1.22

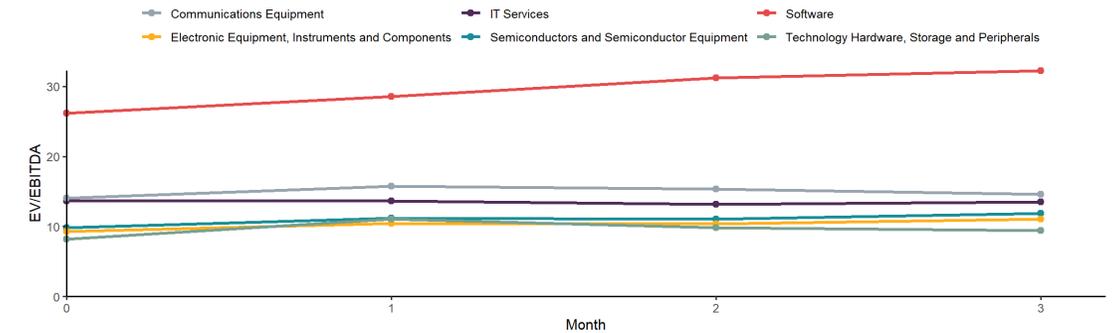
## Information Technology – EV/Revenue Multiples

The following chart summarises the monthly changes in median EV/Revenue multiples of the various industries within the sector.



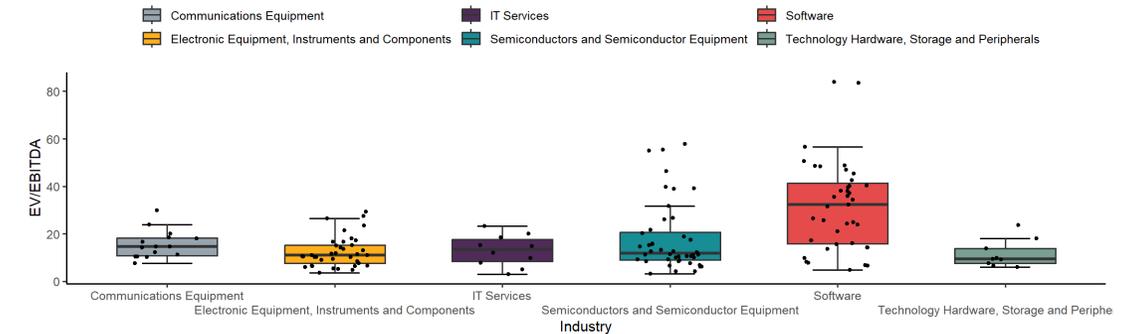
## Information Technology – EV/EBITDA Multiples

The following chart summarises the monthly changes in median EV/EBITDA multiples of the various industries within the sector.



## Information Technology – EV/EBITDA Boxplots

The boxplot below summarises EV/EBITDA multiples by industry, for companies operating within the sector, as at 31 March 2023.





# US Valuation Multiples by Industry – Materials

## Materials – Q1 2023 Sector Summary

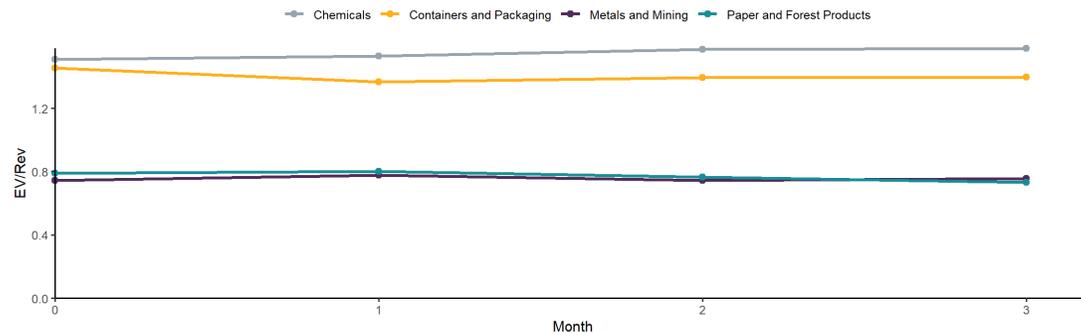
Metals and Mining was the only industry within the sector to experience an increase in its median EBITDA multiple, gaining 0.7x over the quarter. Containers and Packaging experienced the biggest decline in median EBITDA multiples, falling by 0.9x over the period.

The table below summarises median industry valuation multiples for the sector, as at 31 March 2023.

Industry	EV/Rev	EV/EBITDA	EV/EBIT	EV/TotAss
Chemicals	1.58	9.76	14.87	1.23
Containers and Packaging	1.40	7.85	10.70	1.32
Metals and Mining	0.76	6.60	9.04	1.00
Paper and Forest Products	0.73	3.35	4.51	0.82

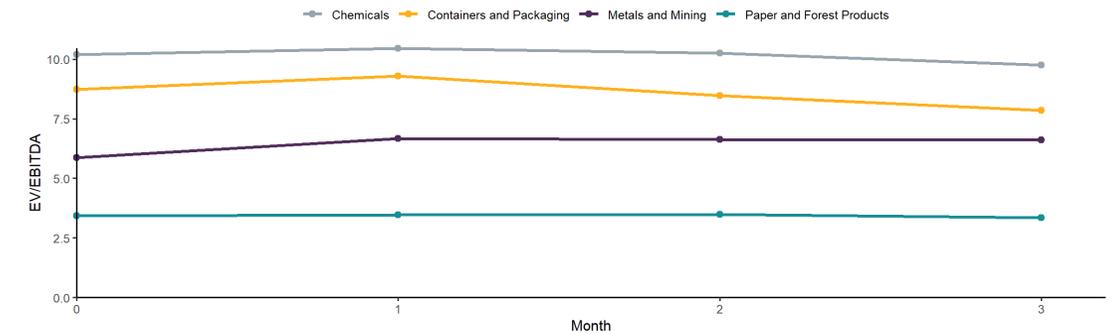
## Materials – EV/Revenue Multiples

The following chart summarises the monthly changes in median EV/Revenue multiples of the various industries within the sector.



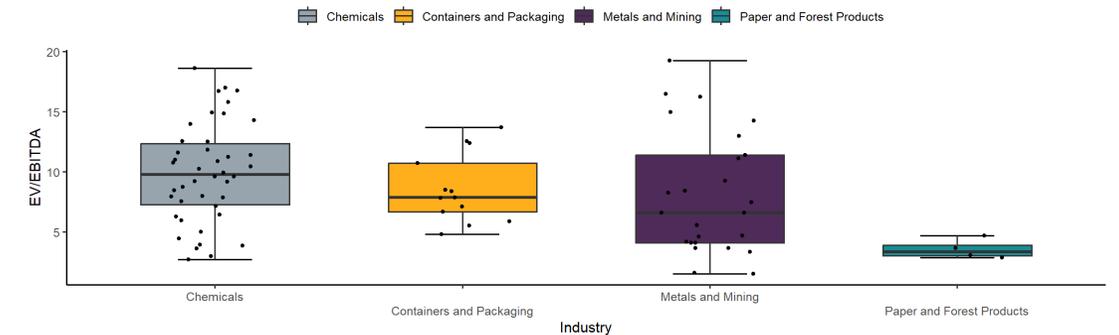
## Materials – EV/EBITDA Multiples

The following chart summarises the monthly changes in median EV/EBITDA multiples of the various industries within the sector.



## Materials – EV/EBITDA Boxplots

The boxplot below summarises EV/EBITDA multiples by industry, for companies operating within the sector, as at 31 March 2023.





# US Valuation Multiples by Industry – Real Estate

## Real Estate – Q1 2023 Sector Summary

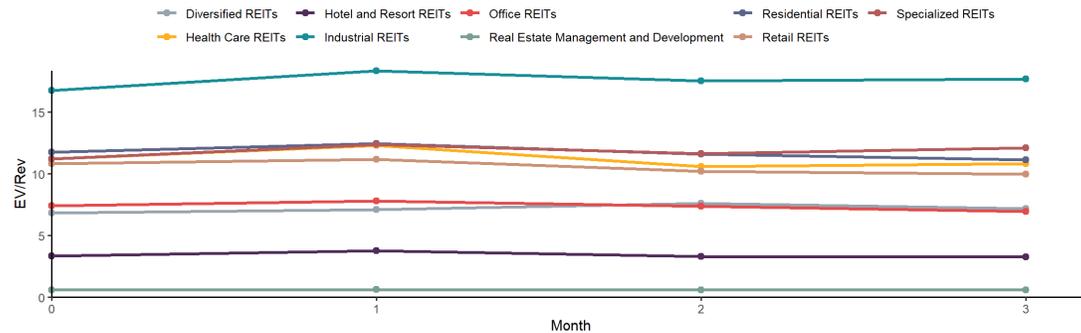
Industrial REITs was responsible for the sector's biggest increase in median EBITDA multiples, ending Q1 2023 up 1.2x. Residential REITs exhibited the sector's largest decrease in median EBITDA multiples, declining by over 1.1x for the period.

The table below summarises median industry valuation multiples for the sector, as at 31 March 2023.

Industry	EV/Rev	EV/EBITDA	EV/EBIT	EV/TotAss
Diversified REITs	7.17	16.90	29.80	0.97
Health Care REITs	10.82	17.17	34.88	1.24
Hotel and Resort REITs	3.27	10.81	29.27	0.88
Industrial REITs	17.68	26.55	52.59	1.58
Office REITs	6.94	13.21	32.03	0.76
Residential REITs	11.16	19.06	62.15	1.43
Retail REITs	9.96	15.99	27.84	1.20
Specialized REITs	12.11	19.16	27.40	1.48
Real Estate Management and Development	0.57	5.96	9.46	0.65

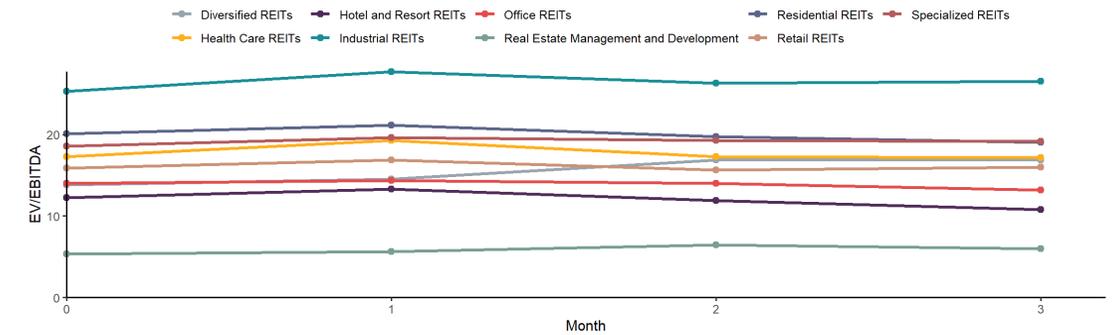
## Real Estate – EV/Revenue Multiples

The following chart summarises the monthly changes in median EV/Revenue multiples of the various industries within the sector.



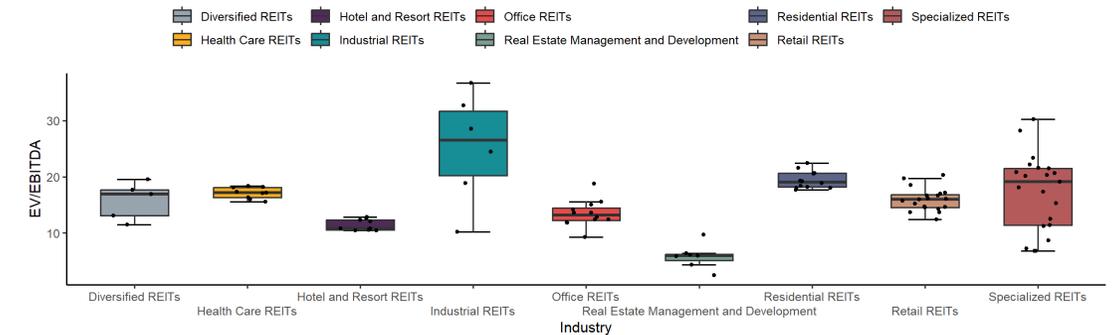
## Real Estate – EV/EBITDA Multiples

The following chart summarises the monthly changes in median EV/EBITDA multiples of the various industries within the sector.



## Real Estate – EV/EBITDA Boxplots

The boxplot below summarises EV/EBITDA multiples by industry, for companies operating within the sector, as at 31 March 2023.





# US Valuation Multiples by Industry – Utilities

## Utilities – Q1 2023 Sector Summary

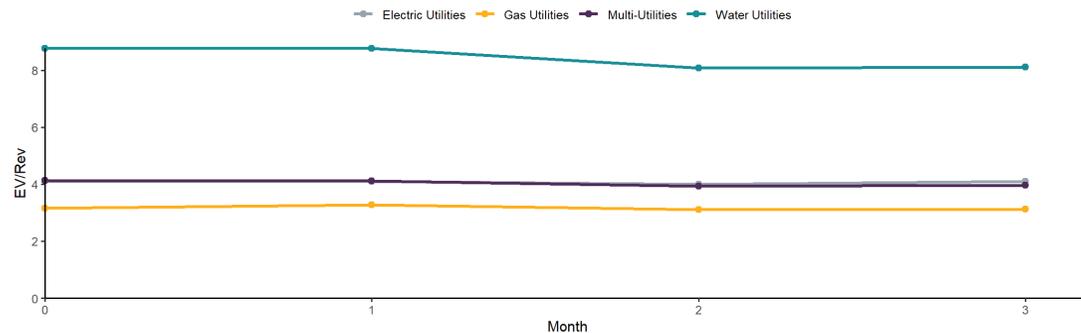
All industries within the sector experienced a reduction in their median EBITDA multiple, although Gas Utilities exhibited only a negligible drop. Water Utilities experienced the greatest change in median EBITDA multiples, dropping 0.5x for the quarter.

The table below summarises median industry valuation multiples for the sector, as at 31 March 2023.

Industry	EV/Rev	EV/EBITDA	EV/EBIT	EV/TotAss
Electric Utilities	4.10	11.98	22.13	0.91
Gas Utilities	3.12	12.94	20.80	0.96
Multi-Utilities	3.97	12.90	21.25	0.94
Water Utilities	8.11	19.43	30.11	1.32

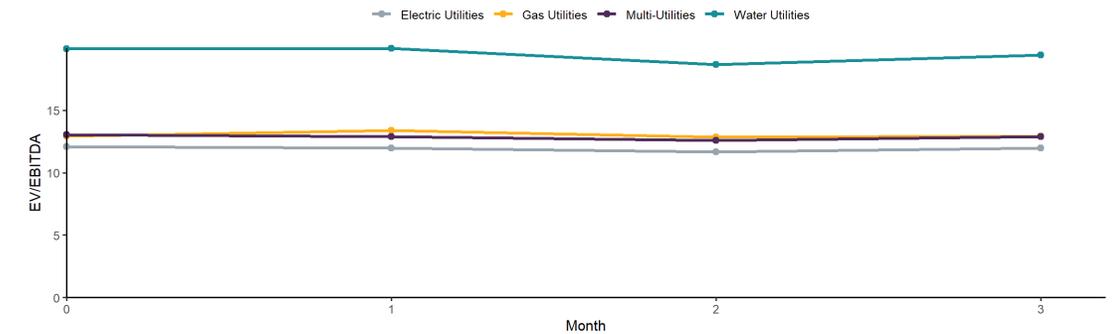
## Utilities – EV/Revenue Multiples

The following chart summarises the monthly changes in median EV/Revenue multiples of the various industries within the sector.



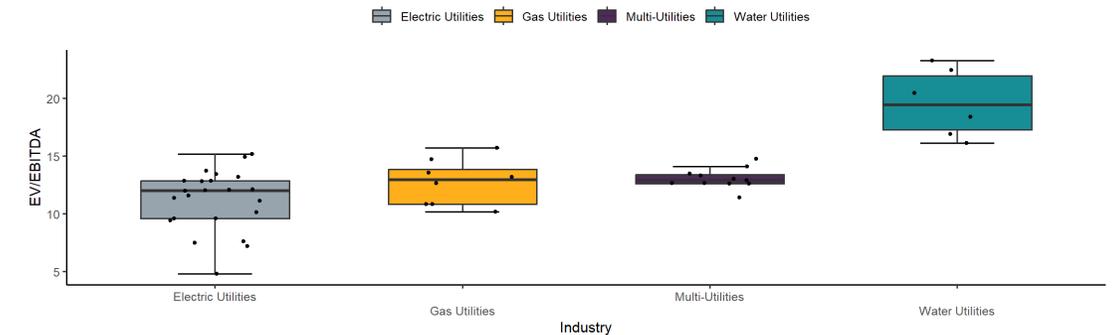
## Utilities – EV/EBITDA Multiples

The following chart summarises the monthly changes in median EV/EBITDA multiples of the various industries within the sector.



## Utilities – EV/EBITDA Boxplots

The boxplot below summarises EV/EBITDA multiples by industry, for companies operating within the sector, as at 31 March 2023.





# US Valuation Multiples by Industry – Financial

## Financials – Q1 2023 Sector Summary

March 2023 saw the second-largest bank failure in US history – the collapse of Silicon Valley Bank (SVB); Signature Bank was also shut down; First Republic’s share price declined by over 89%; and Credit Suisse had \$17bn of AT1 debt wiped from its balance sheet as part of the emergency acquisition by UBS. Following the March banking issues, the Federal Reserve’s Chair, Jerome Powell, indicated that the impact of the bank stresses would likely result in tightened credit “the equivalent of a rate hike or perhaps more than that.”

Although US Financials experienced a rather turbulent end to Q1 2023, the sector began Q1 with increases to the median P/E multiples of all industries within the sector, except Banks. During February, the median P/B multiple of all industries within the sector remained relatively flat, except for Financial Services (up 0.1x) and Insurance (down 0.1x). Any gains in P/B multiples during February was subsequently reversed in March, as all industries within the sector experienced a decline in their median P/B multiple, which reflected the market turbulence that engulfed US Financials during March.

Financial Services was most impacted during March, as its median P/B multiple declined by 0.4x, although the industry still ended Q1 2023 with a higher median P/B multiple than it started the year. Similarly, Capital Markets and Consumer Finance also ended Q1 2023 higher median P/B multiples, however, Banks, Mortgage REITs and Insurance ended lower.

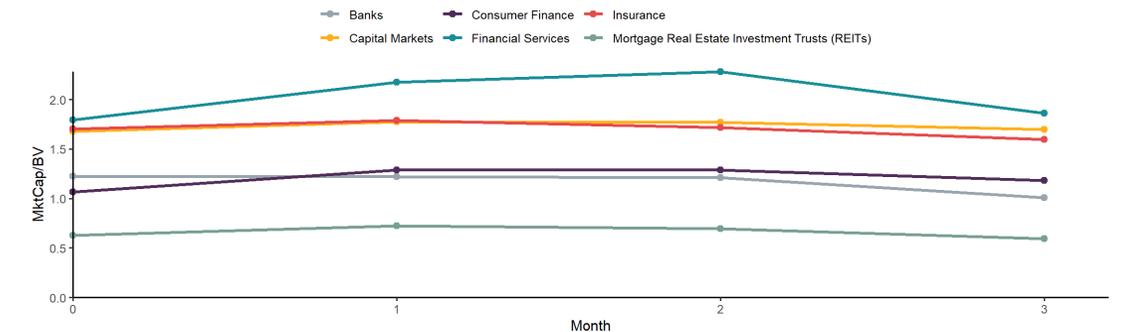
## Financials – Summary of Valuation Multiples

The table below summarises the median P/B multiple of industries within the sector, as at 31 March 2023.

Industry	P/B
Banks	1.01
Capital Markets	1.70
Consumer Finance	1.18
Financial Services	1.86
Mortgage Real Estate Investment Trusts (REITs)	0.59
Insurance	1.60

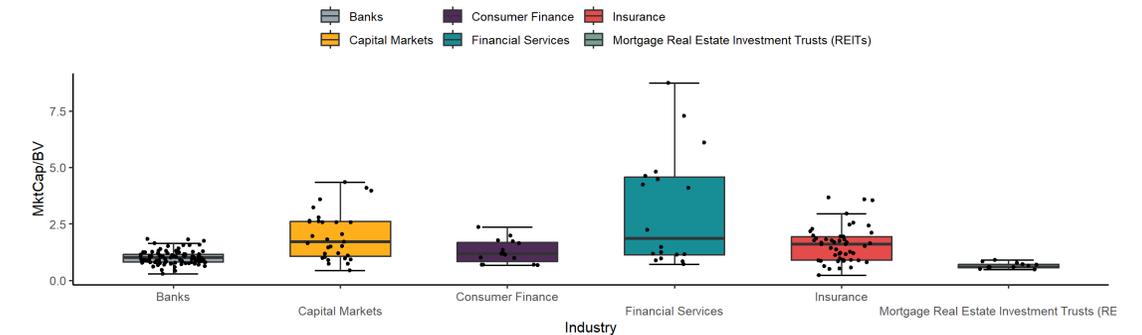
## Financials – MktCap/BV Multiples

The following chart summarises the monthly changes in the median P/B multiple of the various industries within the sector.



## Financials – MktCap/BV Boxplots

The boxplot below summarises P/B multiples by industry, for companies operating within the sector, as at 31 March 2023.



interpath

# UK Valuation Multiples by Industry





# UK Valuation Multiples by Industry – Communication Services

## Communication Services – Q1 2023 Sector Summary

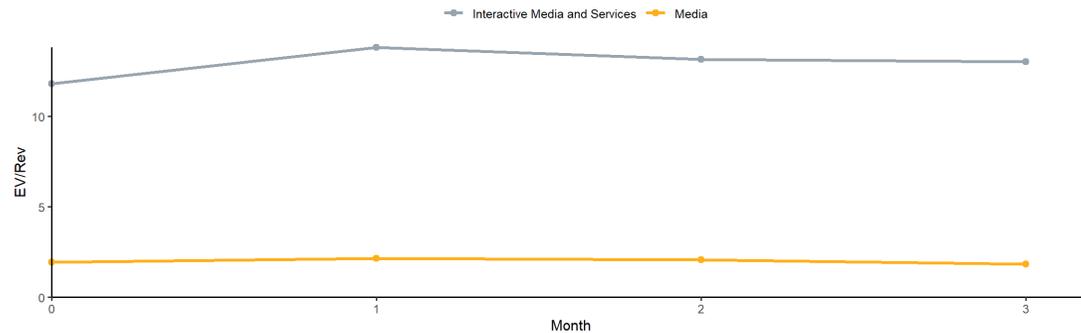
Interactive Media and Services experienced a 1.9x increase in its median EBITDA multiple, ending Q1 2023 with the third highest median EBITDA multiple of all industries within our UK analysis. Media ended the quarter with a median EBITDA multiple 1.5x less than Q4 2022.

The table below summarises median industry valuation multiples for the sector, as at 31 March 2023.

Industry	EV/Rev	EV/EBITDA	EV/EBIT	EV/TotAss
Interactive Media and Services	13.02	18.54	18.93	5.94
Media	1.82	10.41	13.54	0.87

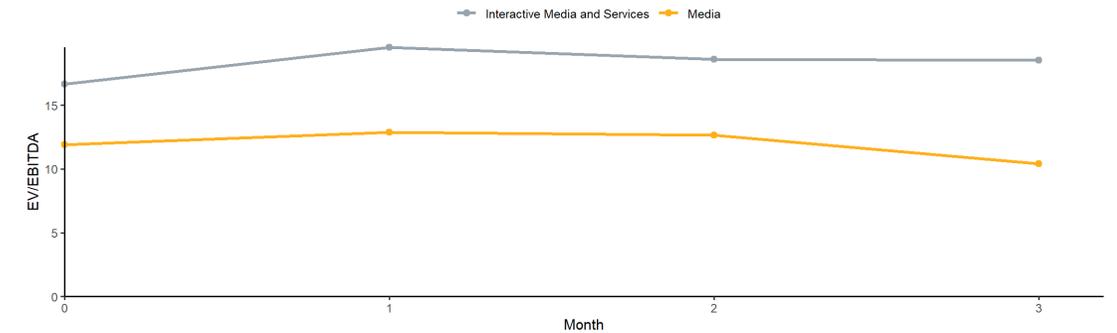
## Communication Services – EV/Revenue Multiples

The following chart summarises the monthly changes in median EV/Revenue multiples of the various industries within the sector.



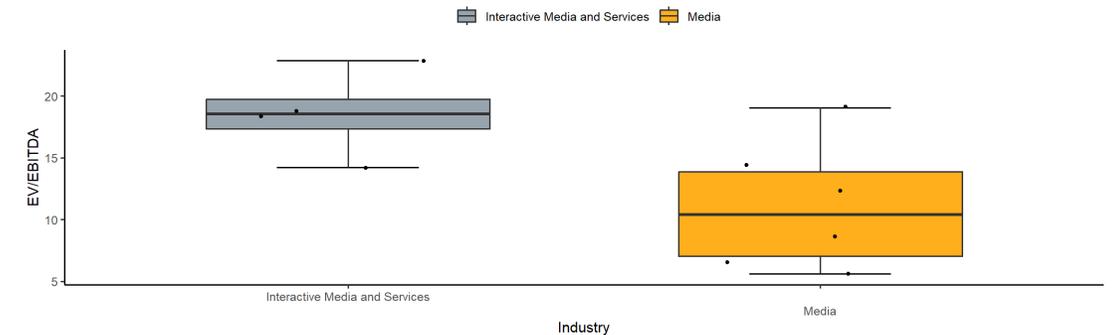
## Communication Services – EV/EBITDA Multiples

The following chart summarises the monthly changes in median EV/EBITDA multiples of the various industries within the sector.



## Communication Services – EV/EBITDA Boxplots

The boxplot below summarises EV/EBITDA multiples by industry, for companies operating within the sector, as at 31 March 2023.





# UK Valuation Multiples by Industry – Consumer Discretionary

## Consumer Discretionary – Q1 2023 Sector Summary

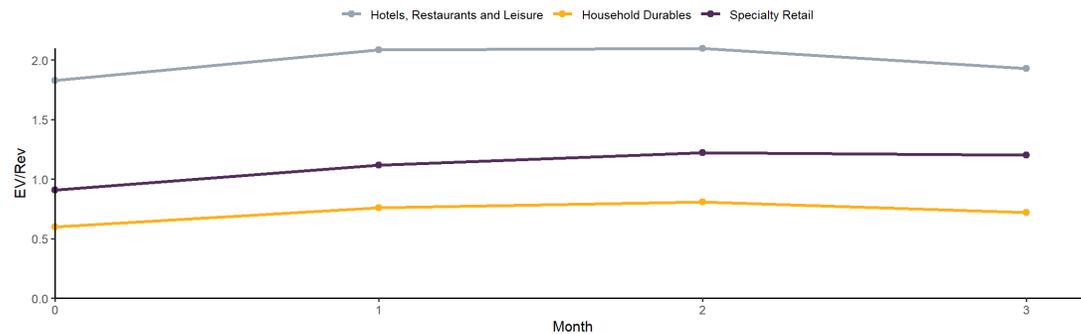
All industries within the sector saw an uplift in their median EBITDA multiple over the quarter: Hotels, Restaurants and Leisure was up 0.8x; Household Durables increased by around 0.5x; while Speciality Retail experienced a more modest increase of 0.3x.

The table below summarises median industry valuation multiples for the sector, as at 31 March 2023.

Industry	EV/Rev	EV/EBITDA	EV/EBIT	EV/TotAss
Specialty Retail	1.20	8.08	12.60	1.12
Household Durables	0.72	3.62	3.64	0.48
Hotels, Restaurants and Leisure	1.93	13.55	18.90	1.19

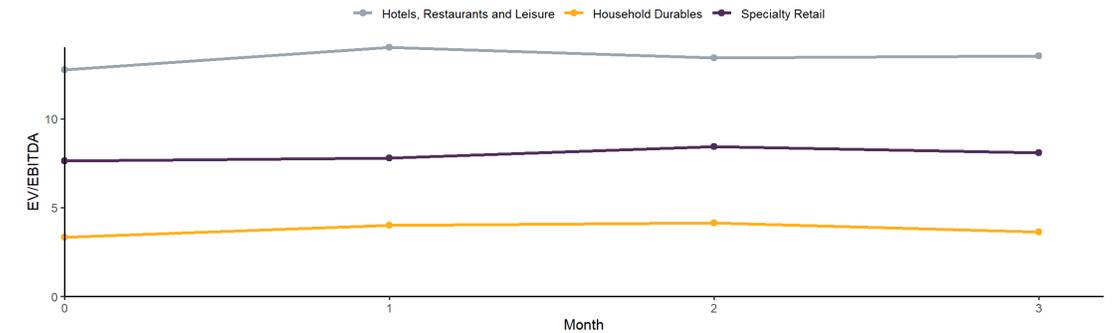
## Consumer Discretionary – EV/Revenue Multiples

The following chart summarises the monthly changes in median EV/Revenue multiples of the various industries within the sector.



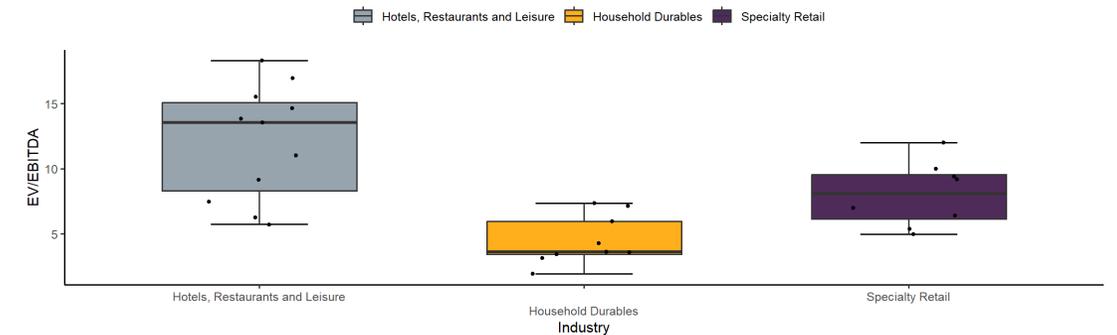
## Consumer Discretionary – EV/EBITDA Multiples

The following chart summarises the monthly changes in median EV/EBITDA multiples of the various industries within the sector.



## Consumer Discretionary – EV/EBITDA Boxplots

The boxplot below summarises EV/EBITDA multiples by industry, for companies operating within the sector, as at 31 March 2023.





# UK Valuation Multiples by Industry – Consumer Staples

## Consumer Staples – Q1 2023 Sector Summary

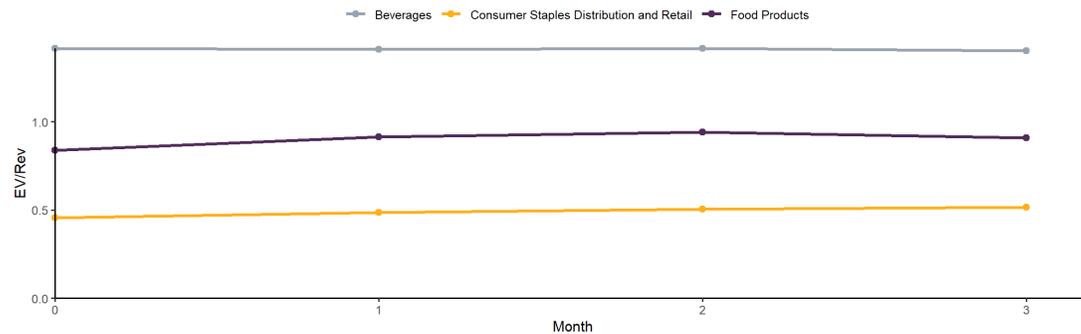
All industries within the sector exhibited an increase in their median EBITDA multiple: Food Products experienced the greatest change, gaining 1.0x over the quarter; Consumer Staples Distribution and Retail was up 0.7x; and Beverages gained just under 0.4x.

The table below summarises median industry valuation multiples for the sector, as at 31 March 2023.

Industry	EV/Rev	EV/EBITDA	EV/EBIT	EV/TotAss
Consumer Staples Distribution and Retail	0.52	6.16	10.63	0.65
Beverages	1.40	9.45	11.84	1.36
Food Products	0.91	7.86	12.95	0.87

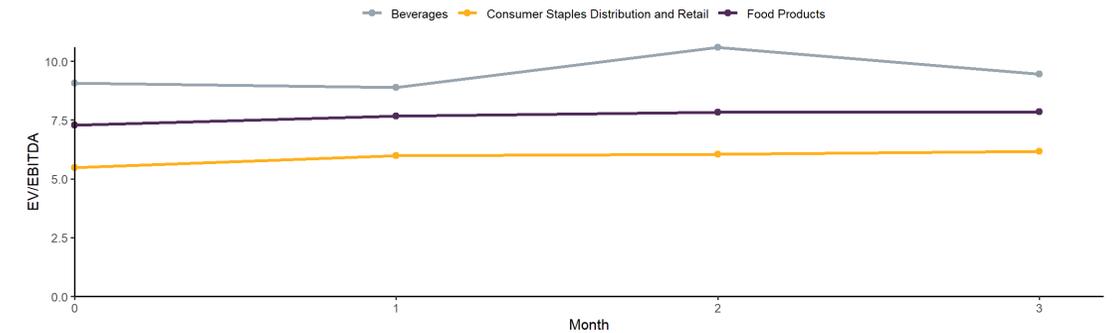
## Consumer Staples – EV/Revenue Multiples

The following chart summarises the monthly changes in median EV/Revenue multiples of the various industries within the sector.



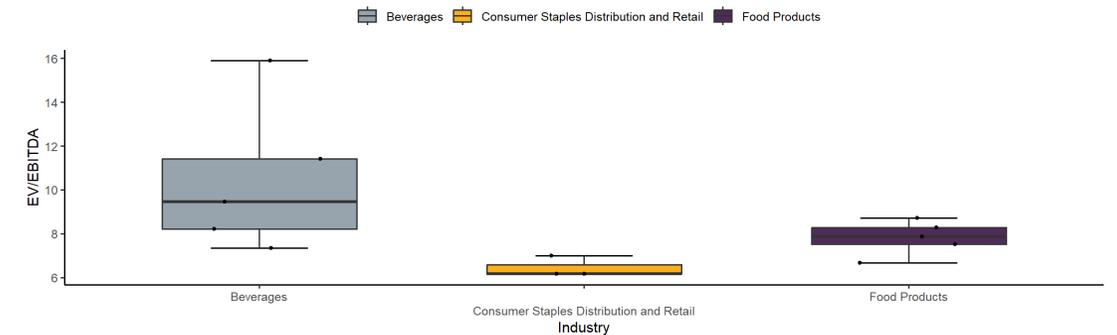
## Consumer Staples – EV/EBITDA Multiples

The following chart summarises the monthly changes in median EV/EBITDA multiples of the various industries within the sector.



## Consumer Staples – EV/EBITDA Boxplots

The boxplot below summarises EV/EBITDA multiples by industry, for companies operating within the sector, as at 31 March 2023.





# UK Valuation Multiples by Industry – Energy

## Energy – Q1 2023 Sector Summary

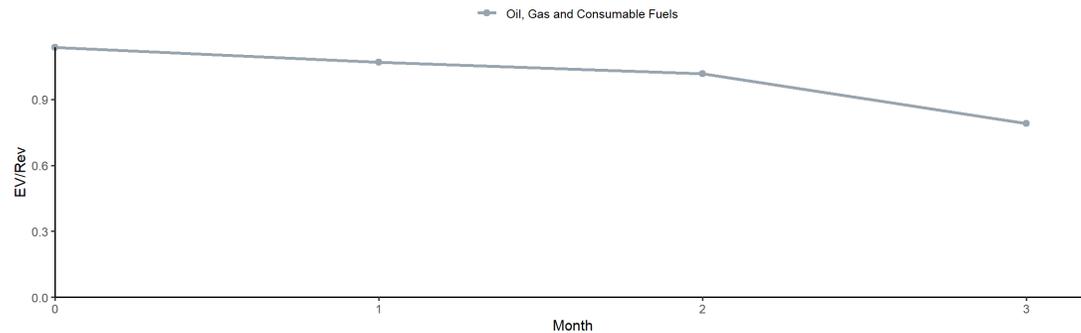
Oil, Gas, and Consumable Fuels ended the quarter with its median EBITDA multiple 1.1x below Q4 2022. Even though Oil, Gas and Consumable Fuels ended the quarter down, most of the change in its median EBITDA multiple occurred during March.

The table below summarises median industry valuation multiples for the sector, as at 31 March 2023.

Industry	EV/Rev	EV/EBITDA	EV/EBIT	EV/TotAss
Oil, Gas and Consumable Fuels	0.79	1.71	3.10	0.51

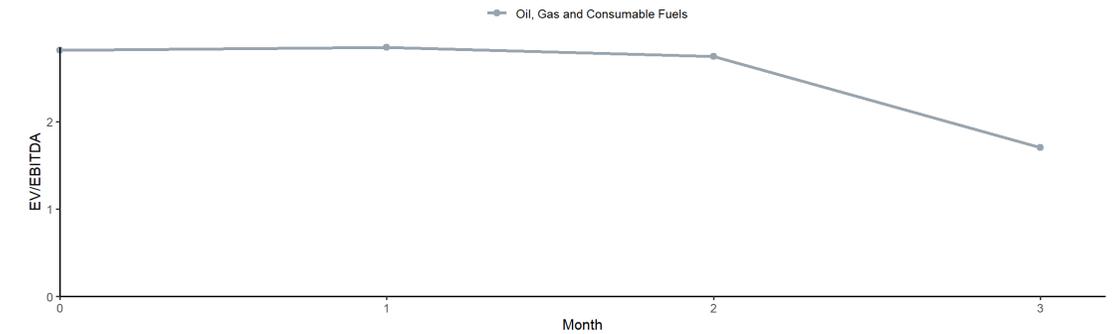
## Energy – EV/Revenue Multiples

The following chart summarises the monthly changes in median EV/Revenue multiples of the various industries within the sector.



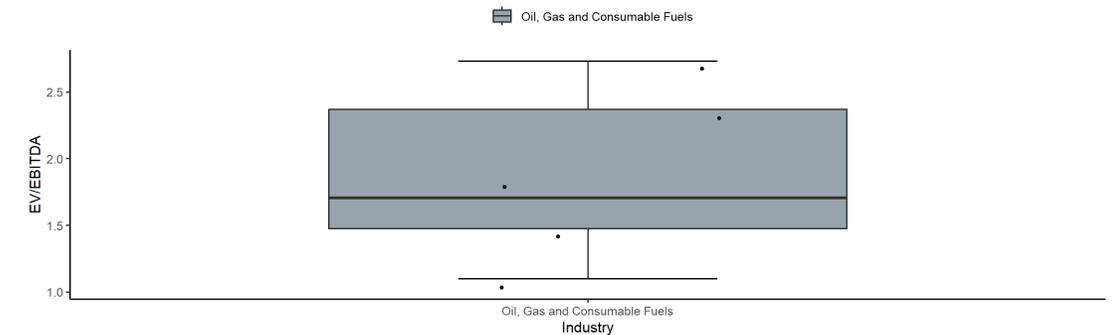
## Energy – EV/EBITDA Multiples

The following chart summarises the monthly changes in median EV/EBITDA multiples of the various industries within the sector.



## Energy – EV/EBITDA Boxplots

The boxplot below summarises EV/EBITDA multiples by industry, for companies operating within the sector, as at 31 March 2023.





# UK Valuation Multiples by Industry – Health Care

## Health Care – Q1 2023 Sector Summary

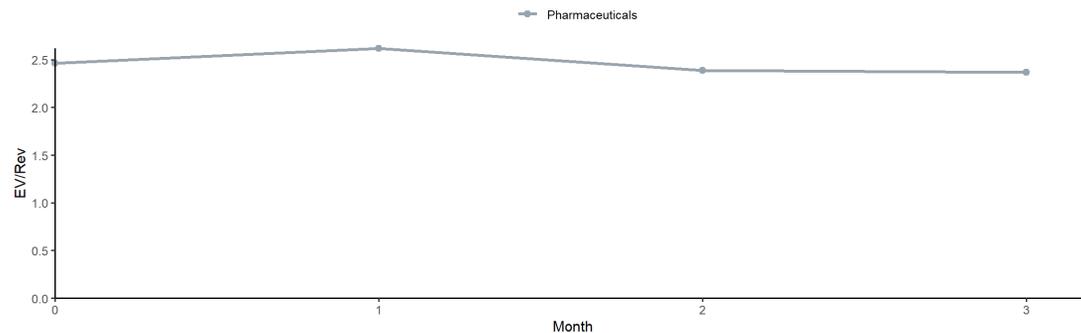
Pharmaceuticals ended the quarter with its median EBITDA multiple down 3.1x, although much of this movement occurred during February, following a moderate increase in its median EBITDA multiple in January.

The table below summarises median industry valuation multiples for the sector, as at 31 March 2023.

Industry	EV/Rev	EV/EBITDA	EV/EBIT	EV/TotAss
Pharmaceuticals	2.37	7.33	9.48	1.22

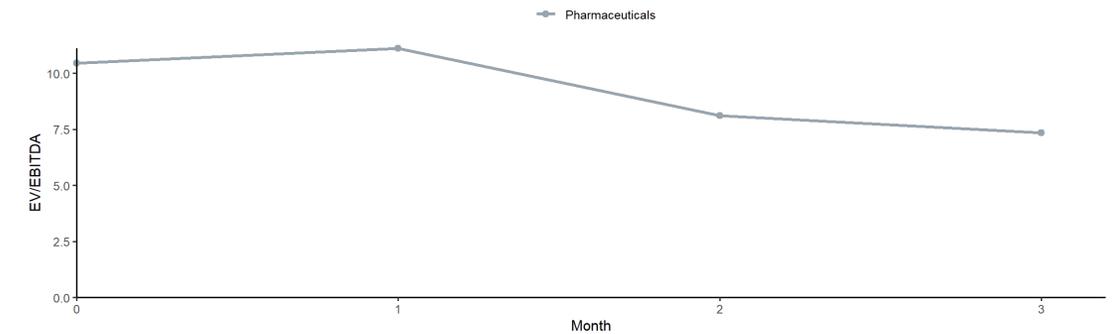
## Health Care – EV/Revenue Multiples

The following chart summarises the monthly changes in median EV/Revenue multiples of the various industries within the sector.



## Health Care – EV/EBITDA Multiples

The following chart summarises the monthly changes in median EV/EBITDA multiples of the various industries within the sector.



## Health Care – EV/EBITDA Boxplots

The boxplot below summarises EV/EBITDA multiples by industry, for companies operating within the sector, as at 31 March 2023.





# UK Valuation Multiples by Industry – Industrials

## Industrials – Q1 2023 Sector Summary

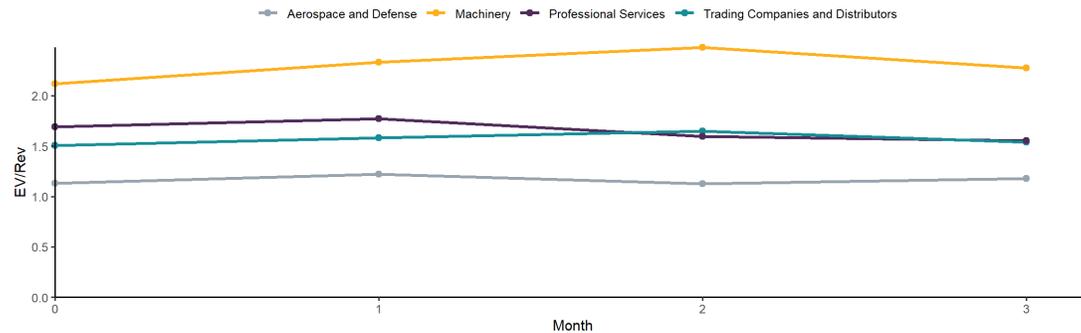
Professional Services was the only industry within the sector to exhibit a reduction in its median EBITDA multiple, having declined by 0.2x over the quarter. Aerospace and Defence saw the biggest change in its median EBITDA multiple, gaining 0.4x over the period.

The table below summarises median industry valuation multiples for the sector, as at 31 March 2023.

Industry	EV/Rev	EV/EBITDA	EV/EBIT	EV/TotAss
Aerospace and Defence	1.18	10.17	14.71	0.84
Machinery	2.28	11.02	14.48	1.39
Trading Companies and Distributors	1.54	8.14	11.41	1.76
Professional Services	1.55	8.99	12.31	1.94

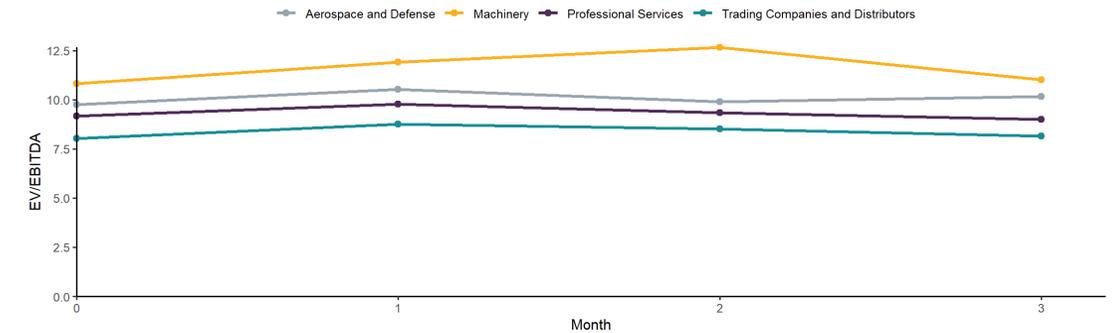
## Industrials – EV/Revenue Multiples

The following chart summarises the monthly changes in median EV/Revenue multiples of the various industries within the sector.



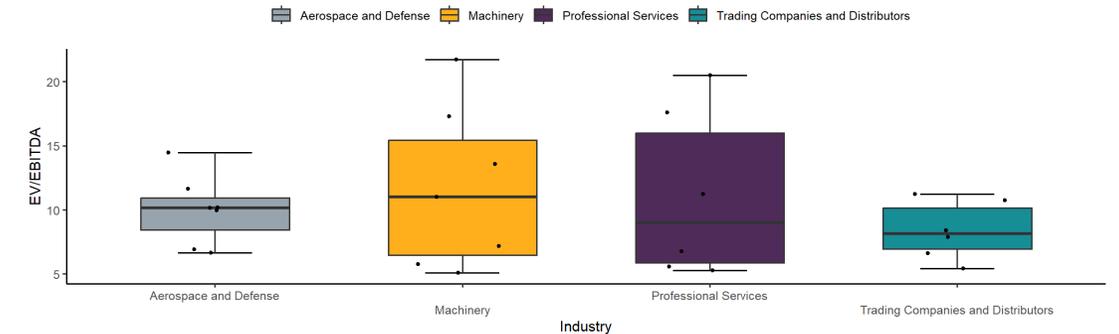
## Industrials – EV/EBITDA Multiples

The following chart summarises the monthly changes in median EV/EBITDA multiples of the various industries within the sector.



## Industrials – EV/EBITDA Boxplots

The boxplot below summarises EV/EBITDA multiples by industry, for companies operating within the sector, as at 31 March 2023.





# UK Valuation Multiples by Industry – Information Technology

## Information Technology – Q1 2023 Sector Summary

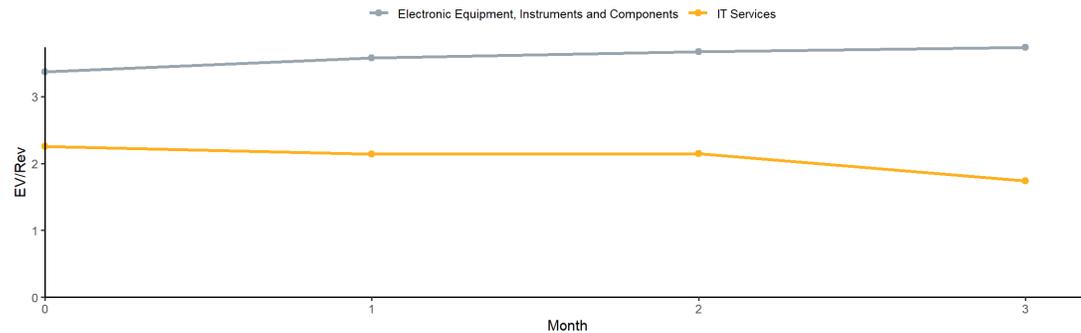
Following an increase in its median EBITDA multiple of roughly 1.3x, Electronic Equipment, Instruments and Components ended Q1 2023 with the fourth highest median EBITDA multiple of all industries within our UK analysis.

The table below summarises median industry valuation multiples for the sector, as at 31 March 2023.

Industry	EV/Rev	EV/EBITDA	EV/EBIT	EV/TotAss
IT Services	1.74	14.52	13.65	3.66
Electronic Equipment, Instruments and Components	3.74	17.35	22.57	2.61

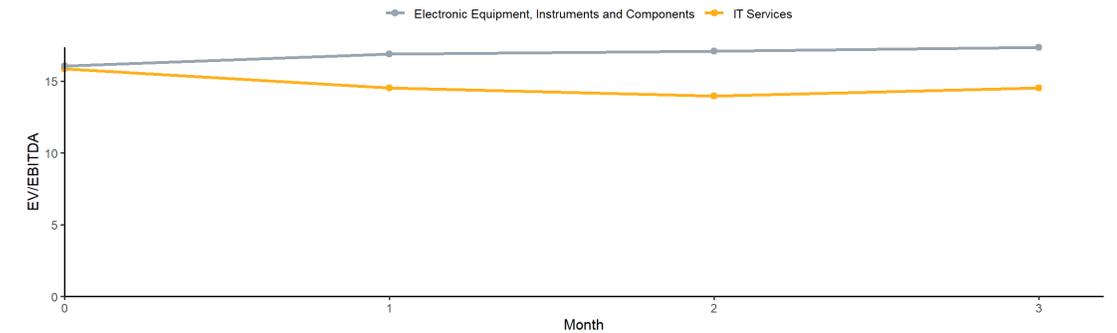
## Information Technology – EV/Revenue Multiples

The following chart summarises the monthly changes in median EV/Revenue multiples of the various industries within the sector.



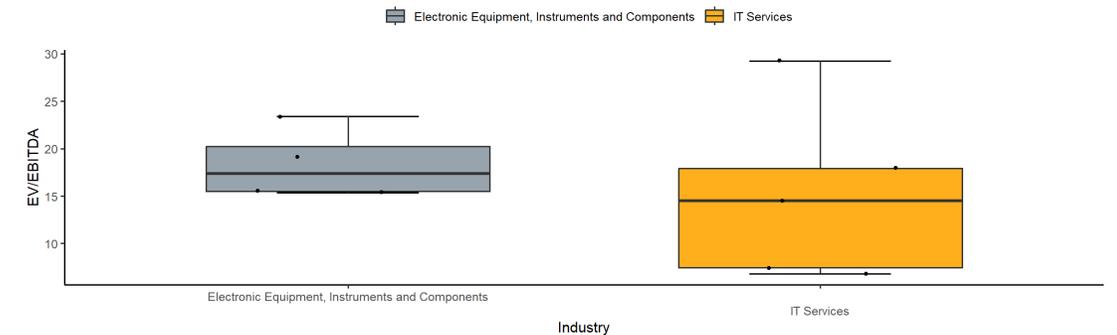
## Information Technology – EV/EBITDA Multiples

The following chart summarises the monthly changes in median EV/EBITDA multiples of the various industries within the sector.



## Information Technology – EV/EBITDA Boxplots

The boxplot below summarises EV/EBITDA multiples by industry, for companies operating within the sector, as at 31 March 2023.





# UK Valuation Multiples by Industry – Materials

## Materials – Q1 2023 Sector Summary

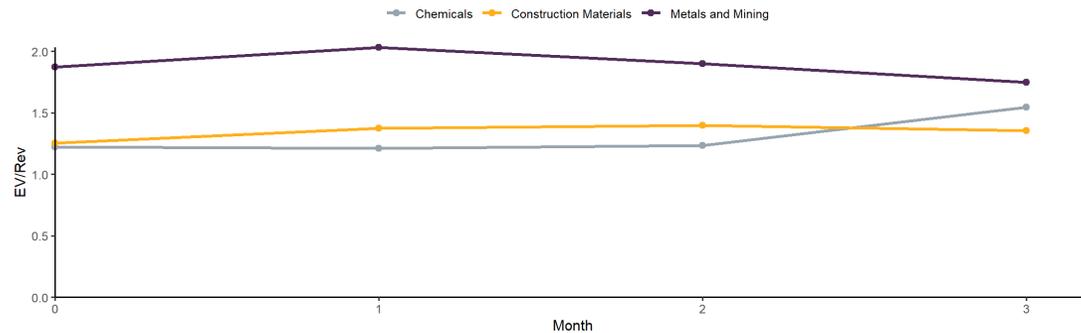
Chemicals was the only industry within the sector to experience a drop in its median EBITDA multiple, declining 0.5x over the period. Contrastingly, Construction Materials and Metals and Mining saw their median EBITDA multiple increase by 0.6x and 0.8x respectively.

The table below summarises median industry valuation multiples for the sector, as at 31 March 2023.

Industry	EV/Rev	EV/EBITDA	EV/EBIT	EV/TotAss
Chemicals	1.54	8.05	13.75	0.72
Construction Materials	1.35	6.43	9.07	0.89
Metals and Mining	1.75	4.98	9.87	0.96

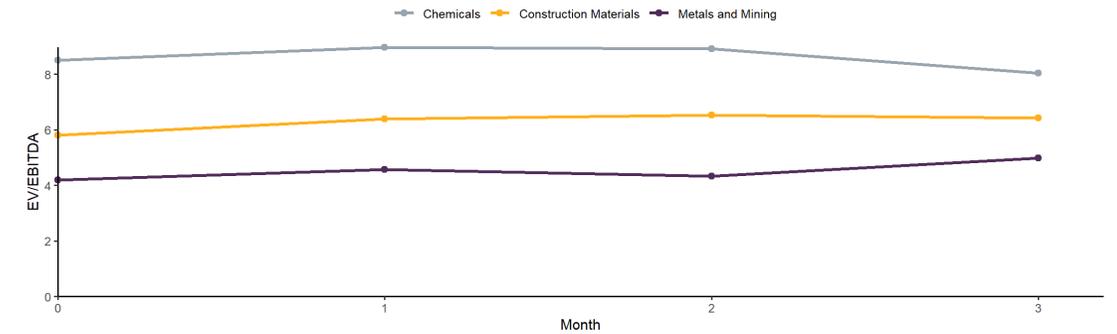
## Materials – EV/Revenue Multiples

The following chart summarises the monthly changes in median EV/Revenue multiples of the various industries within the sector.



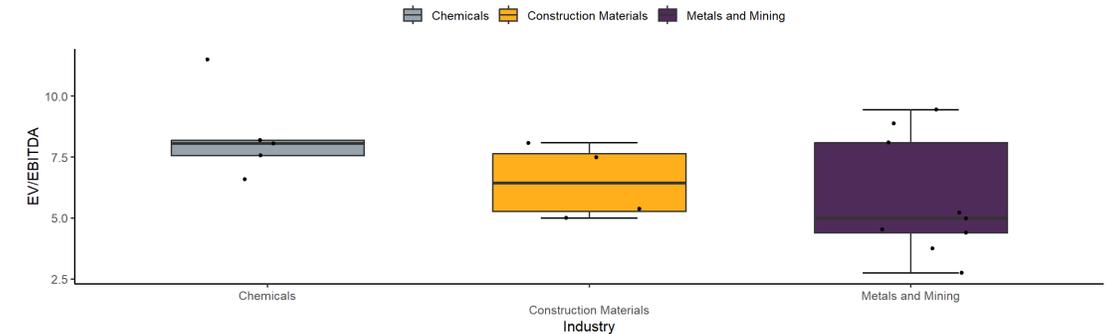
## Materials – EV/EBITDA Multiples

The following chart summarises the monthly changes in median EV/EBITDA multiples of the various industries within the sector.



## Materials – EV/EBITDA Boxplots

The boxplot below summarises EV/EBITDA multiples by industry, for companies operating within the sector, as at 31 March 2023.





# UK Valuation Multiples by Industry – Real Estate

## Real Estate – Q1 2023 Sector Summary

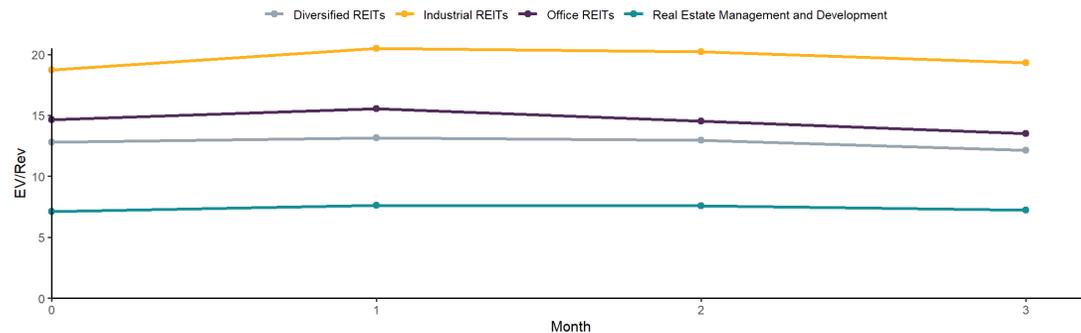
Although all industries within the sector experienced a drop in their median EBITDA multiple, Office REITs and Industrial REITs still ended the quarter with the top two median EBITDA multiples of all industries within our UK analysis, at 23.2x and 22.2x respectively.

The table below summarises median industry valuation multiples for the sector, as at 31 March 2023.

Industry	EV/Rev	EV/EBITDA	EV/EBIT	EV/TotAss
Diversified REITs	12.12	17.11	19.44	0.63
Industrial REITs	19.30	22.19	22.29	0.81
Office REITs	13.50	23.20	23.62	0.66
Real Estate Management and Development	7.23	11.51	24.19	0.78

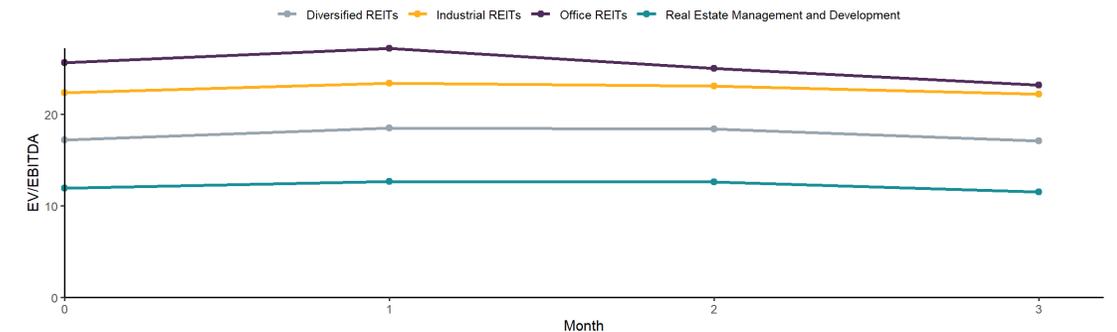
## Real Estate – EV/Revenue Multiples

The following chart summarises the monthly changes in median EV/Revenue multiples of the various industries within the sector.



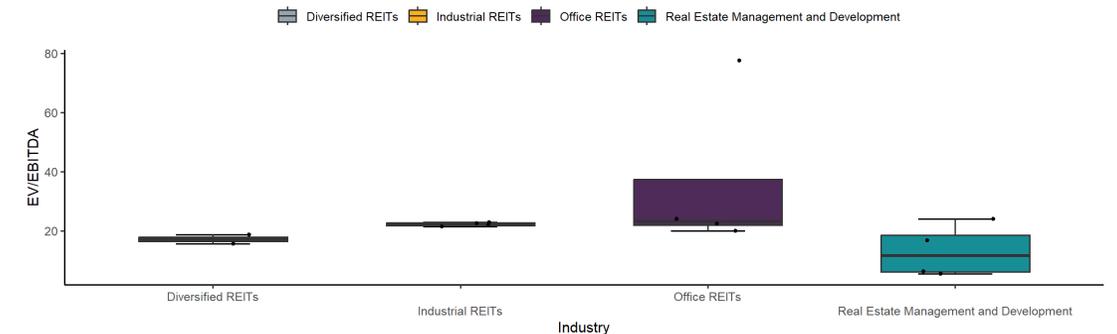
## Real Estate – EV/EBITDA Multiples

The following chart summarises the monthly changes in median EV/EBITDA multiples of the various industries within the sector.



## Real Estate – EV/EBITDA Boxplots

The boxplot below summarises EV/EBITDA multiples by industry, for companies operating within the sector, as at 31 March 2023.





# UK Valuation Multiples by Industry – Financial

## Financials – Q1 2023 Sector Summary

The tremors from the US bank stresses were also felt in Europe as HSBC rescued SVB’s UK operation (including its attractive technology-focused loan book), thereby safeguarding the future of many of the UK’s tech startups.

Although the collapse of SVB and the ensuing volatility effected UK Financials considerably during March, all industries (except Insurance) experienced an increase in their median P/B multiple, as the March losses were unable to offset the sector’s January and February gains.

Insurance ended Q1 2023 with a median P/B multiple 0.1x below Q4 2022, whereas Banks and Capital Markets saw their median P/B multiple remain largely flat over the period.

Financial Services experienced the greatest change of the sector, seeing its P/B multiple increase by 0.4x, from 1.6x to 2.0x, with most of this increase occurring in March.

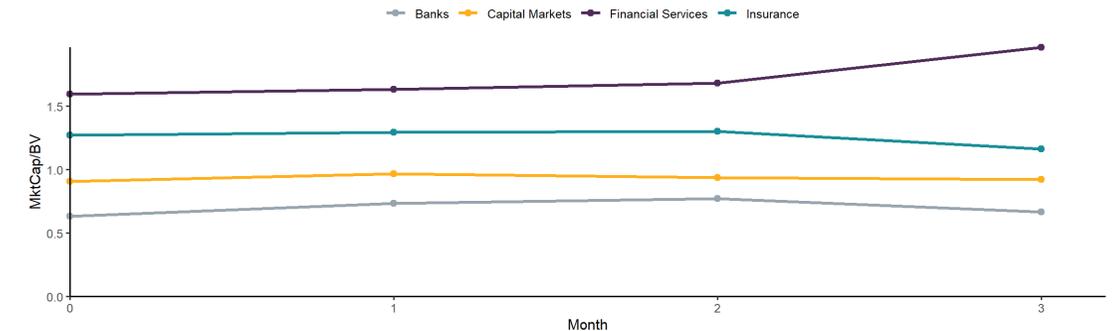
## Financials – Summary of Valuation Multiples

The table below summarises the median P/B multiple of industries within the sector, as at 31 March 2023.

Industry	P/B
Banks	0.67
Capital Markets	0.92
Financial Services	1.96
Insurance	1.16

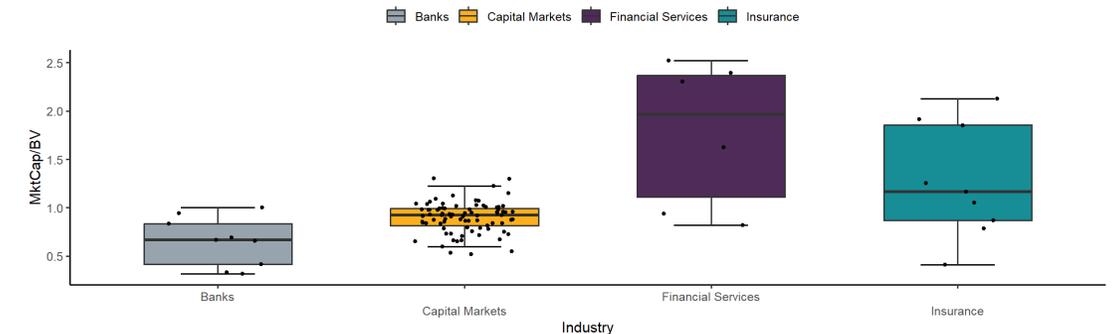
## Financials – MktCap/BV Multiples

The following chart summarises the monthly changes in the median P/B multiple of the various industries within the sector.



## Financials – MktCap/BV Boxplots

The boxplot below summarises P/B multiples by industry, for companies operating within the sector, as at 31 March 2023.



interpath

# About the Data





# About the Data

## About the Data

Due to the omission of negative multiples and outliers from our analysis, the number of companies used to determine the median valuation multiple within the same industry may differ, which may result in inconsistent (or potentially misleading) conclusions.

### About US Valuation Multiples

US median valuation multiples are determined using constituents data of the S&P Composite 1500 index (“S&P 1500”).

The S&P 1500 includes all stocks contained with the S&P 500, S&P MidCap 400, and S&P SmallCap 600 indices. The S&P 1500 index covers approximately 90% of the total market capitalization of US stocks, making it a useful proxy for all tradeable US stocks.

### About UK Valuation Multiples

UK median valuation multiples are determined using constituents data of the FTSE 350 index (“FTSE 350”).

The FTSE 350 includes all stocks contained with the FTSE 100 and FTSE 250 indices. The FTSE 350 covers approximately 95% of the total market capitalization of UK stocks, making it a useful proxy for all tradeable UK stocks.

### Changes in Constituents

Due to continued changes to the constituents of the S&P 1500 and FTSE 350, calculations of historical data and medians may not appear to correspond with the calculations presented in previous reports and analyses.

## Overview of Interpath Data

We calculate the following median multiples:

- EV/Revenue (EV/Rev);
- EV/EBITDA;
- EV/EBIT;
- EV/Total Assets (EV/TotAss); and
- MktCap/Book Value (P/B).

Our valuation multiples exclude negative multiples, initial outliers, and NA data.

Median multiples are calculated for groupings comprising of at least 4 companies (irrespective of whether that multiple is ultimately included in the calculation of the median).



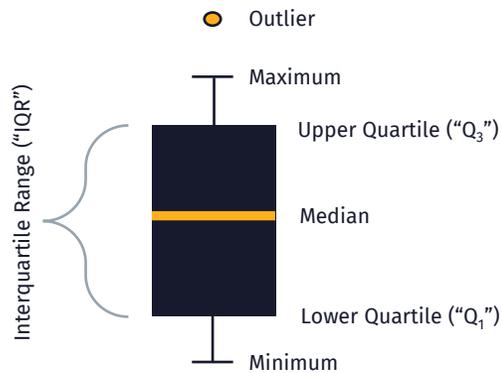


# About the Data – Charts and Graphs

## About Boxplots

Boxplots can help with visualising differences in data among various samples or groups. In addition to illustrating the distribution of data and its skewness, boxplots provide statistical information, including medians, ranges, and outliers.

The diagram below illustrates the component parts of a boxplot.



*Maximum* is calculated as:  $Q_3 + (1.5 * IQR)$

*Minimum* is calculated as:  $Q_1 - (1.5 * IQR)$

When reviewing a boxplot, an outlier is generally defined as any data point that is above/below the maximum/minimum value, for example:  $Outlier < Q_1 - (1.5 * IQR)$  and  $Outlier > Q_3 + (1.5 * IQR)$ .

## Overview of Regression Analysis

Revenue multiples are generally useful for valuing firms with negative earnings, cyclical businesses, and firms operating in mature industries.

Generally, revenue multiples are less volatile than other multiples such as P/E, however, the revenue multiple can be manipulated by utilising aggressive or misleading revenue recognition practices. In addition, because the revenue multiple inherently excludes firm costs, the multiple does not adequately capture differences in cost structure and overall firm profitability, which can lead to ascribing comparatively high values to firms with high revenues but low (or negative) profitability relative to other firms within the same industry.

To consider the potential impact that firm profitability and operating risk can have on the revenue multiple of a particular sector, we provide regression analysis of EV/Revenue (y-axis) vs EBITDA margin (x-axis).

The shaded area within each regression chart, represents a 95% confidence interval.





# About the Data (US) – Number of Companies (Sector and Industry Group)

## Data Summary of US Valuation Multiples by Sector - # Companies

The table below provides a summary of the number of firms included in each dataset used for calculating median US valuation multiples by sector, as at 31 March 2023.

Sector	Rev	EBITDA	EBIT	TotAss
Communication Services	48	47	42	48
Consumer Discretionary 1	70	69	69	73
Consumer Discretionary 2	112	109	102	109
Consumer Staples	81	80	77	79
Energy	64	66	62	67
Health Care	170	143	134	160
Industrials 1	136	134	128	135
Industrials 2	77	85	86	85
Information Technology	170	154	139	162
Materials	79	85	80	85
Real Estate	109	108	98	107
Utilities	47	47	46	46

Sector	BV
Financials	213

## Data Summary of US Valuation Multiples by Industry Group - # Companies

The table below provides a summary of the number of firms included in each dataset used for calculating median US valuation multiples by industry group, as at 31 March 2023.

Industry Group	Rev	EBITDA	EBIT	TotAss
Media and Entertainment	37	36	33	37
Telecommunication Services	11	12	10	12
Automobiles and Components	21	21	22	20
Consumer Discretionary Distribution and Retail	59	60	52	57
Consumer Durables and Apparel	51	50	49	52
Consumer Services	52	50	45	51
Consumer Staples Distribution and Retail	17	18	17	18
Food, Beverage and Tobacco	46	45	43	45
Household and Personal Products	16	16	16	17
Energy	64	66	62	67
Health Care Equipment and Services	97	89	84	92
Pharmaceuticals, Biotechnology and Life Sciences	71	55	52	70
Capital Goods	136	134	128	135
Commercial and Professional Services	52	54	56	51
Transportation	30	33	32	33
Semiconductors and Semiconductor Equipment	48	44	42	45
Software and Services	57	47	42	52
Technology Hardware and Equipment	64	61	58	61
Materials	79	85	80	85
Equity Real Estate Investment Trusts (REITs)	100	100	91	98
Real Estate Management and Development	7	7	7	8
Utilities	47	47	46	46

Industry Group	BV
Banks	94
Financial Services	75
Insurance	48



# About the Data (US) – Number of Companies (Industry)

## Data Summary of US Valuation Multiples by Industry - # Companies

The table below provides a summary of the number of firms included in each dataset used for calculating median US valuation multiples by industry as at 31 March 2023.

Industry	Rev	EBITDA	EBIT	TotAss
Entertainment	10	10	7	9
Interactive Media and Services	9	8	8	9
Media	18	17	18	18
Diversified Telecommunication Services	7	7	7	7
Wireless Telecommunication Services	4	4	4	4
Automobile Components	16	16	15	15
Automobiles	5	5	6	5
Household Durables	27	26	26	27
Leisure Products	8	7	8	7
Textiles, Apparel and Luxury Goods	16	16	17	17
Broadline Retail	7	7	6	7
Specialty Retail	51	53	48	50
Diversified Consumer Services	10	10	9	10
Hotels, Restaurants and Leisure	42	40	35	41
Consumer Staples Distribution and Retail	17	18	17	18
Beverages	12	11	10	12
Food Products	32	32	29	29
Tobacco	4	4	4	4
Household Products	8	8	8	8
Personal Care Products	9	8	8	9
Energy Equipment and Services	18	18	16	21
Oil, Gas and Consumable Fuels	43	39	38	47

Industry	Rev	EBITDA	EBIT	TotAss
Health Care Equipment and Supplies	50	42	38	49
Health Care Providers and Services	40	39	38	41
Health Care Technology	6	6	6	6
Biotechnology	29	17	16	32
Life Sciences Tools and Services	19	16	15	18
Pharmaceuticals	21	20	19	21
Aerospace and Defence	20	20	17	21
Building Products	24	24	24	24
Construction and Engineering	12	12	10	12
Electrical Equipment	15	12	12	15
Machinery	52	54	51	53
Trading Companies and Distributors	12	13	12	11
Commercial Services and Supplies	23	25	26	23
Professional Services	27	29	30	29
Air Freight and Logistics	7	7	6	7
Ground Transportation	14	16	17	16
Passenger Airlines	10	8	8	9
Semiconductors and Semiconductor Equipment	48	44	42	45
IT Services	9	10	7	8
Software	47	39	36	44
Communications Equipment	16	15	13	17
Electronic Equipment, Instruments and Components	38	37	34	37
Technology Hardware, Storage and Peripherals	9	9	9	8

Industry	Rev	EBITDA	EBIT	TotAss
Chemicals	41	42	42	44
Containers and Packaging	13	13	13	13
Metals and Mining	22	25	22	24
Paper and Forest Products	4	4	4	4
Diversified REITs	4	5	3	4
Health Care REITs	12	9	11	12
Hotel and Resort REITs	9	9	9	9
Industrial REITs	6	6	6	6
Office REITs	13	12	12	15
Residential REITs	12	12	12	13
Retail REITs	19	19	19	20
Specialized REITs	21	21	19	19
Real Estate Management and Development	7	7	7	8
Electric Utilities	20	23	19	21
Gas Utilities	6	8	8	9
Multi-Utilities	14	11	13	14
Water Utilities	6	6	4	6

Industry	BV
Banks	94
Capital Markets	31
Consumer Finance	15
Financial Services	18
Mortgage Real Estate Investment Trusts (REITs)	13
Insurance	48



# About the Data (UK) – Number of Companies (Sector and Industry Group)

## Data Summary of UK Valuation Multiples by Sector - # Companies

The table below provides a summary of the number of firms included in each dataset used for calculating median UK valuation multiples by sector, as at 31 March 2023.

Sector	Rev	EBITDA	EBIT	TotAss
Communication Services	10	10	10	9
Consumer Discretionary	27	29	26	29
Consumer Staples	14	12	14	14
Energy	7	5	5	8
Health Care	5	5	5	5
Industrials	24	26	26	27
Information Technology	9	6	9	8
Materials	18	18	16	17
Real Estate	19	11	16	19

Sector	BV
Financials	100

## Data Summary of UK Valuation Multiples by Industry Group - # Companies

The table below provides a summary of the number of firms included in each dataset used for calculating median UK valuation multiples by industry group, as at 31 March 2023.

Industry Group	Rev	EBITDA	EBIT	TotAss
Media and Entertainment	10	10	10	9
Consumer Discretionary Distribution and Retail	9	8	7	8
Consumer Durables and Apparel	8	9	8	7
Consumer Services	13	11	11	13
Consumer Staples Distribution and Retail	4	3	3	4
Food, Beverage and Tobacco	10	10	11	10
Energy	7	5	5	8
Pharmaceuticals, Biotechnology and Life Sciences	5	5	5	5
Capital Goods	20	20	20	21
Commercial and Professional Services	6	6	6	6
Software and Services	4	5	4	5
Technology Hardware and Equipment	4	4	4	4
Materials	18	18	16	17
Equity Real Estate Investment Trusts (REITs)	14	8	11	14
Real Estate Management and Development	5	4	5	5

Industry Group	BV
Banks	9
Financial Services	85
Insurance	9



# About the Data (UK) – Number of Companies (Industry)

## Data Summary of UK Valuation Multiples by Industry - # Companies

The table below provides a summary of the number of firms included in each dataset used for calculating median UK valuation multiples by industry as at 31 March 2023.

Industry	Rev	EBITDA	EBIT	TotAss
Interactive Media and Services	4	4	4	4
Media	6	6	6	4
Specialty Retail	9	8	7	8
Household Durables	8	9	8	7
Hotels, Restaurants and Leisure	13	11	11	13
Consumer Staples Distribution and Retail	4	3	3	4
Beverages	4	5	5	3
Food Products	6	5	6	6
Oil, Gas and Consumable Fuels	7	5	5	8
Pharmaceuticals	5	5	5	5

Industry	Rev	EBITDA	EBIT	TotAss
Aerospace and Defence	7	7	6	7
Machinery	7	7	7	7
Trading Companies and Distributors	7	6	6	7
Professional Services	6	6	6	6
IT Services	4	5	4	5
Electronic Equipment, Instruments and Components	4	4	4	4
Chemicals	6	5	5	6
Construction Materials	4	4	4	4
Metals and Mining	9	9	8	9
Diversified REITs	4	2	4	5
Industrial REITs	4	4	4	5
Office REITs	4	4	4	4
Real Estate Management and Development	5	4	5	5

Industry	BV
Banks	9
Capital Markets	81
Financial Services	6
Insurance	9

**interpath**

# About Interpath



# About Interpath Advisory

Interpath is a financial advisory business with a broad range of specialisms covering advisory, deal advisory and restructuring services. Our purpose is to create, defend, preserve, sustain and grow value. To offer something different. To help organisations facing challenge or opportunity to navigate what's next.

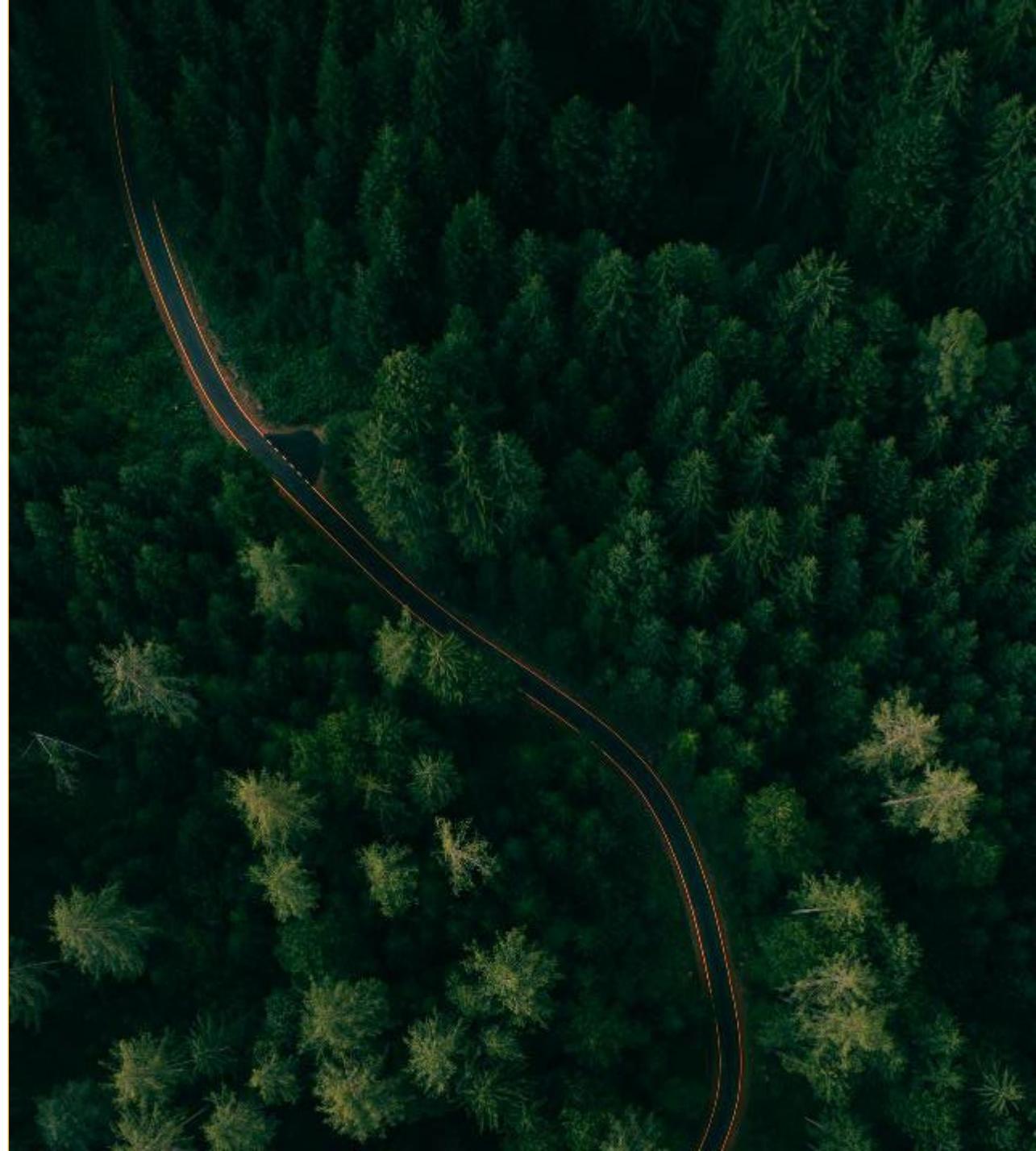
Interpath has 11 offices across the UK and 4 international offices. We have the scale and agility to respond to your needs quickly, helping you to find the right path. Fast.

Interpath works with companies of all sizes, from SMEs to some of the largest organisations on the planet. Whatever your challenge or opportunity, our market leading people are here to guide you forward.

Our extensive sector coverage model also means we have experts who truly understand the complexities of your market, helping you to successfully navigate the road ahead.

We are incredibly proud of our track record with developing new technology and regularly break new ground with the creation of digital services aimed at increasing efficiency and delivering value.

Having separated from KPMG in 2021, Interpath combines the energy, ambition and agility of a young organisation with the experience and quality of a Big 4 firm.



# About Interpath Advisory Cont.



**11**  
UK offices



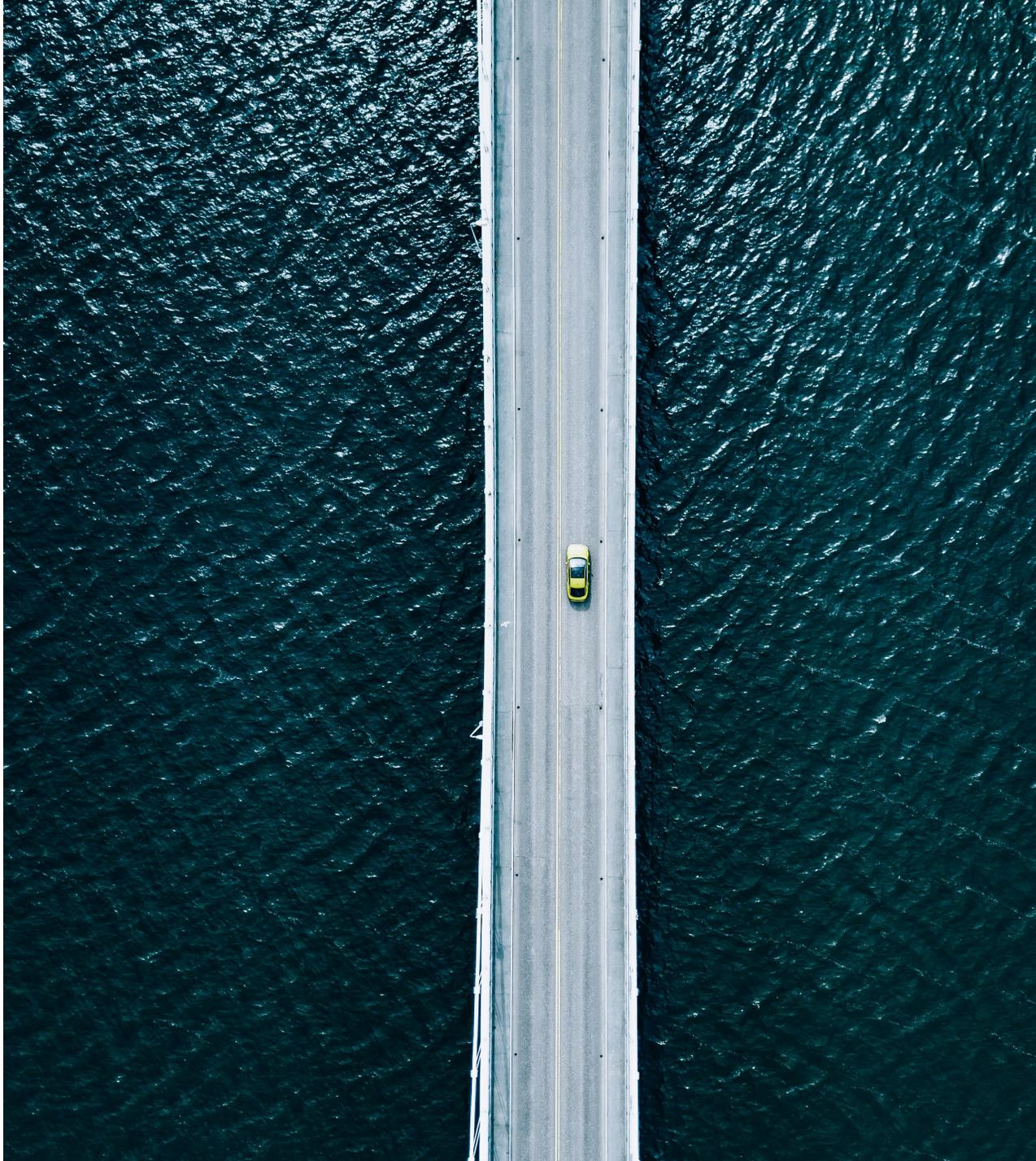
**4**  
International offices  
& growing fast



**620+**  
People

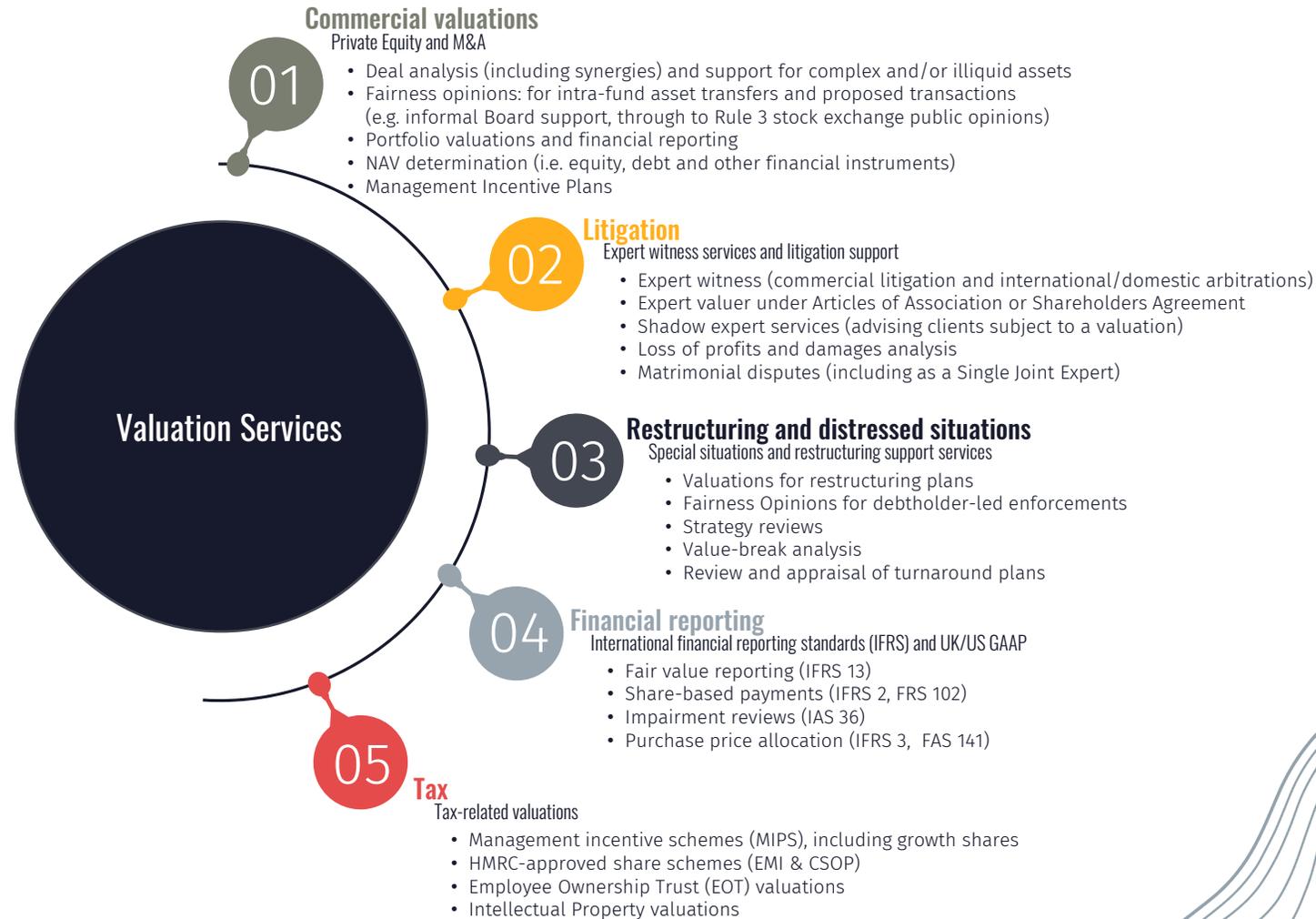


**130+**  
MD & Directors





# About Interpath - Valuation Services





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