



Valuation Multiples by Industry

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SIC Sector: **(5000-5199) Wholesale Trade**

Report Date: **31 January 2017**

Country: **United States of America (U.S.A.)**

Industry Valuation Multiples

The table below provides a summary of median industry enterprise value (EV) valuation multiples, as at the Report Date. The data is grouped by industry SIC code:

	Max #	EV Multiple				
		Rev	EBITDA	EBIT	TotAss	TanAss
Wholesale-Lumber & Other Construction Materials (5030)	5	0.52	10.62	-	1.05	1.10
Wholesale-Electronic Parts & Equipment, Nec (5065)	12	0.50	11.50	15.11	0.49	0.52
Wholesale-Machinery, Equipment & Supplies (5080)	5	1.01	12.46	16.77	1.67	1.84
Wholesale-Drugs, Proprietaries & Druggists' Sundries (5122)	6	0.67	9.37	11.96	0.97	1.33
Wholesale-Groceries & Related Products (5140)	5	0.47	10.13	13.71	1.08	1.71
Wholesale-Groceries, General Line (5141)	9	0.17	9.67	14.52	0.98	1.18
Wholesale-Petroleum & Petroleum Products (No Bulk Stations) (5172)	7	0.38	11.53	25.39	0.84	1.66

EV/Revenue Valuation Multiple

We provide additional data relating to industry EV/Revenue valuation multiples:

	#	Average	Median	Std. Dev.	Std. Err.
Wholesale-Electronic Parts & Equipment, Nec (5065)	12	0.90	0.50	1.02	0.29
Wholesale-Drugs, Proprietaries & Druggists' Sundries (5122)	6	0.70	0.67	0.57	0.23
Wholesale-Groceries, General Line (5141)	7	0.17	0.17	0.11	0.04
Wholesale-Petroleum & Petroleum Products (No Bulk Stations) (5172)	6	0.38	0.38	0.27	0.11

EV/EBITDA Valuation Multiple

We provide additional data relating to industry EV/EBITDA valuation multiples:

	#	Average	Median	Std. Dev.	Std. Err.
Wholesale-Electronic Parts & Equipment, Nec (5065)	5	11.78	11.50	0.61	0.27
Wholesale-Machinery, Equipment & Supplies (5080)	5	15.00	12.46	6.18	2.76
Wholesale-Drugs, Proprietaries & Druggists' Sundries (5122)	6	9.92	9.37	1.22	0.50
Wholesale-Groceries, General Line (5141)	9	10.28	9.67	5.72	1.91
Wholesale-Petroleum & Petroleum Products (No Bulk Stations) (5172)	7	13.74	11.53	4.38	1.65

EV/EBIT Valuation Multiple

We provide additional data relating to industry EV/EBIT valuation multiples:

	#	Average	Median	Std. Dev.	Std. Err.
Wholesale-Electronic Parts & Equipment, Nec (5065)	6	18.18	15.11	7.36	3.01
Wholesale-Drugs, Proprietaries & Druggists' Sundries (5122)	6	12.35	11.96	0.93	0.38
Wholesale-Groceries, General Line (5141)	8	14.12	14.52	8.22	2.90
Wholesale-Petroleum & Petroleum Products (No Bulk Stations) (5172)	6	41.07	25.39	33.16	13.54

EV/Total Assets Valuation Multiple

We provide additional data relating to industry EV/Total Assets valuation multiples:

	#	Average	Median	Std. Dev.	Std. Err.
Wholesale-Lumber & Other Construction Materials (5030)	5	1.01	1.05	0.27	0.12
Wholesale-Electronic Parts & Equipment, Nec (5065)	10	0.42	0.49	0.23	0.07
Wholesale-Machinery, Equipment & Supplies (5080)	5	1.70	1.67	0.77	0.35
Wholesale-Drugs, Proprietaries & Druggists' Sundries (5122)	6	1.18	0.97	0.66	0.27
Wholesale-Groceries & Related Products (5140)	5	1.28	1.08	0.54	0.24
Wholesale-Groceries, General Line (5141)	7	0.98	0.98	0.26	0.10
Wholesale-Petroleum & Petroleum Products (No Bulk Stations) (5172)	7	0.90	0.84	0.37	0.14

EV/Tangible Assets Valuation Multiple

We provide additional data relating to industry EV/Tangible Assets valuation multiples:

	#	Average	Median	Std. Dev.	Std. Err.
Wholesale-Lumber & Other Construction Materials (5030)	5	1.55	1.10	0.94	0.42
Wholesale-Electronic Parts & Equipment, Nec (5065)	10	0.47	0.52	0.26	0.08
Wholesale-Machinery, Equipment & Supplies (5080)	5	2.02	1.84	0.89	0.40
Wholesale-Drugs, Proprietaries & Druggists' Sundries (5122)	6	1.48	1.33	0.74	0.30
Wholesale-Groceries & Related Products (5140)	5	1.73	1.71	0.73	0.33
Wholesale-Groceries, General Line (5141)	8	1.12	1.18	0.65	0.23
Wholesale-Petroleum & Petroleum Products (No Bulk Stations) (5172)	7	1.32	1.66	0.64	0.24

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OVERVIEW OF VALUATION MULTIPLES BY INDUSTRY

Our Valuation Multiples by Industry reports are based on valuation multiples data and financial information sourced by eVal, as at the time and date of producing this report. In determining our calculations, we have excluded negative multiples, outliers and NA data. For more information and data about the peer group companies that comprise this sector, and to review the underlying supporting data to this valuation multiples report, please visit <https://eval.tech/free-valuation-multiples> to review and download the industry or company valuation multiples data.

This Document relates to valuation multiples data for SIC industries which comprise a minimum of five entities. If there is a specific industry that has been excluded from this analysis that you would like to include, please contact us at admin@eval.tech.

Our sector reports include the following enterprise value valuation multiples: EV/Revenue, EV/EBITDA, EV/EBIT, EV/Total Assets, and EV/Tangible Assets. If you require additional information, or data relating to particular valuation multiples omitted from this Document, please go to <https://eval.tech/free-valuation-multiples>.

Background to Valuation Multiples

The multiples method in corporate and business valuation is categorised as a market-based valuation approach. Establishing an indicative estimation of firm value using the multiples method involves applying a synthetic market valuation multiple (e.g. EV/Revenue or EV/EBITDA), to an associated value driver of the firm being valued (e.g. the target firm's Revenue or EBITDA). As a consequence of the role of financial structuring in private equity, the IPEV Guidelines recommends the use of Enterprise Value multiples in the determination of Fair Value: "... multiples should be used to derive an Enterprise Value for the Underlying Business."

The EV/Revenue multiple (the "Revenue Multiple") is generally useful for valuing firms with negative earnings. The multiple is less susceptible to accounting distortions and is not readily or easily available for manipulation by firm management. The traditional Revenue Multiple approach in valuation is typically useful for valuing cyclical businesses and firms operating in mature industries.

The EV/EBITDA multiple (the "EBITDA Multiple") is one of the most widely used valuation multiples, and probably the most commonly used enterprise value multiple. The EBITDA Multiple is frequently employed as an alternative to the Price/Earnings ratio (the "P/E" ratio), because EBITDA is regularly applied as an indicator of company financial performance and is generally viewed as an alternative to recorded earnings. EBITDA strips out the effects of a company's cost of debt, tax, depreciation and amortisation; consequently, EBITDA is useful for evaluating firms with different capital structures, tax rates and depreciation policies.

The EV/EBIT multiple (the "EBIT Multiple") is similar to the EBITDA Multiple, although it includes the non-cash accounting effects of firm depreciation and amortisation. EBIT commonly assesses the earnings generated by a company from normal operations and is often used as a proxy for firm operating profit. EBIT represents a company's capacity to generate earnings from normal operations, by excluding the effects of taxation, interest expense, and capital structure.

The EV/Total Assets multiple (the "Total Asset Multiple") is commonly utilised for industries which are asset-intensive; although, like the Revenue Multiple, the Total Asset Multiple is also useful for valuing firms with negative earnings. Using the Total Asset Multiple is particularly advantageous where a business is predominantly asset-driven, and where return-on-assets (ROA) is largely consistent, as this allows base assets to serve as a proxy and appropriate indicator of future cash flows.

The EV/Tangible Assets multiple (the "Tangible Asset Multiple") is similar to the Total Asset Multiple; however, the Tangible Asset Multiple excludes recorded goodwill and other intangible assets from the denominator in its calculation. Tangible assets include customary fixed assets such as machinery, land and buildings; and also current assets, such as firm inventory. Utilising the Tangible Asset Multiple instead of the Total Asset Multiple can help remedy some of the drawbacks associated with the Total Asset Multiple, namely, the inclusion of goodwill and other identifiable intangible assets on the balance sheet.

DATA OVERVIEW

SIC Industries (SIC Code):

Wholesale-Durable Goods (5000), Wholesale-Motor Vehicles & Motor Vehicle Parts & Supplies (5010), Wholesale-Motor Vehicle Supplies & New Parts (5013), Wholesale-Furniture & Home Furnishings (5020), Wholesale-Lumber & Other Construction Materials (5030), Wholesale-Lumber, Plywood, Millwork & Wood Panels (5031), Wholesale-Professional & Commercial Equipment & Supplies (5040), Wholesale-Computers & Peripheral Equipment & Software (5045), Wholesale-Medical, Dental & Hospital Equipment & Supplies (5047), Wholesale-Metals & Minerals (No Petroleum) (5050), Wholesale-Metals Service Centers & Offices (5051), Wholesale-Electrical Apparatus & Equipment, Wiring Supplies (5063), Wholesale-Electronic Parts & Equipment, Nec (5065), Wholesale-Hardware & Plumbing & Heating Equipment & Supplies (5070), Wholesale-Hardware (5072), Wholesale-Machinery, Equipment & Supplies (5080), Wholesale-Industrial Machinery & Equipment (5084), Wholesale-Misc Durable Goods (5090), Wholesale-Jewelry, Watches, Precious Stones & Metals (5094), Wholesale-Paper & Paper Products (5110), Wholesale-Drugs, Proprietary & Druggists' Sundries (5122), Wholesale-Apparel, Piece Goods & Notions (5130), Wholesale-Groceries & Related Products (5140), Wholesale-Groceries, General Line (5141), Wholesale-Farm Product Raw Materials (5150), Wholesale-Chemicals & Allied Products (5160), Wholesale-Petroleum Bulk Stations & Terminals (5171), Wholesale-Petroleum & Petroleum Products (No Bulk Stations) (5172), Wholesale-Beer, Wine & Distilled Alcoholic Beverages (5180), Wholesale-Miscellaneous Nondurable Goods (5190)

Companies (Ticker):

AMERISOURCEBERGEN CORP (ABC), ACETO CORP (ACET), ADAMS RESOURCES & ENERGY, INC. (AE), ADVANTAGE TECHNOLOGIES GROUP INC (AEY), APPLIED INDUSTRIAL TECHNOLOGIES INC (AIT), A-MARK PRECIOUS METALS, INC. (AMRK), ANDERSONS, INC. (ANDE), AEGEAN MARINE PETROLEUM NETWORK INC. (Foreign) (ANW), ALLIANCE ONE INTERNATIONAL, INC. (AOI), ARROW ELECTRONICS INC (ARW), ASHLAND GLOBAL HOLDINGS INC (ASH), ASPEN AEROGELS INC (ASPN), AVNET INC (AVT), ANIXTER INTERNATIONAL INC (AXE), BOISE CASCADE CO (BCC), BEACON ROOFING SUPPLY INC (BECN), BLUELIX HOLDINGS INC. (BXC), CARDINAL HEALTH INC (CAH), CHINA AUTO LOGISTICS INC (CALI), CROSSAMERICA PARTNERS LP (CAPL), CENTRAL GARDEN & PET CO (CENT), CHEFS' WAREHOUSE, INC. (CHEF), EURO TECH HOLDINGS CO LTD (Foreign) (CLWT), CORE-MARK HOLDING COMPANY, INC. (CORE), CRYSTAL ROCK HOLDINGS, INC. (CRVP), CUI GLOBAL, INC. (CUI), AMCON DISTRIBUTING CO (DIT), DELTA APPAREL, INC (DLA), DOMINOS PIZZA INC (DPZ), DXP ENTERPRISES INC (DXPE), EDUCATIONAL DEVELOPMENT CORP (EDUC), ENERSYS (ENS), ESSENDANT INC (ESND), FOSTER L B CO (FSTR), GENESIS ENERGY LP (GEL), GLOBAL PARTNERS LP (GLP), GMS INC. (GMS), GENUINE PARTS CO (GPC), GRAINGER W W INC (GWW), HUTTIG BUILDING PRODUCTS INC (HBP), HD SUPPLY HOLDINGS, INC. (HDS), HUDSON TECHNOLOGIES INC (HDSN), HERBALIFE LTD. (HLF), HENRY SCHEIN INC (HSIC), HOUSTON WIRE & CABLE CO (HWCC), HAWKINS INC (HWKN), INFOSONICS CORP (IFON), INDIA GLOBALIZATION CAPITAL, INC. (IGC), WORLD FUEL SERVICES CORP (INT), INNOPHOS HOLDINGS, INC. (IPHS), ITURAN LOCATION & CONTROL LTD. (Foreign) (ITRN), COFFEE HOLDING CO INC (JVA), KAMAN CORP (KAMN), LAWSON PRODUCTS INC (LAWS), LKQ CORP (LKQ), MCKESSON CORP (MCK), MFC BANCORP LTD. (Foreign) (MFCB), MGP INGREDIENTS INC (MGPI), MACQUARIE INFRASTRUCTURE CORP (MIC), MARTIN MIDSTREAM PARTNERS LP (MMLP), MRC GLOBAL INC. (MRC), MSC INDUSTRIAL DIRECT CO INC (MSM), NGL ENERGY PARTNERS LP (NGL), NATURAL HEALTH TRENDS CORP (NHTC), NU SKIN ENTERPRISES INC (NUS), OWENS & MINOR INC (OMI), PATTERSON COMPANIES, INC. (PDCO), PERFORMANCE FOOD GROUP CO (PFGC), EPLUS INC (PLUS), POOL CORP (POOL), PRIMO WATER CORP (PRMW), RADA ELECTRONIC INDUSTRIES LTD (Foreign) (RADA), RAVE RESTAURANT GROUP, INC. (RAVE), RICHARDSON ELECTRONICS LTD (RELL), RIMINI STREET, INC. (RMNI), RELIANCE STEEL & ALUMINUM CO (RS), RYERSON HOLDING CORP (RYI), SCHNITZER STEEL INDUSTRIES INC (SCHN), SCANSOURCE, INC. (SCSC), SYNEX CORP (SNX), SPARTANNASH CO (SPTN), SPRAGUE RESOURCES LP (SRLP), SUNOPTA INC. (STKL), SUNOCO LP (SUN), SUPERVALU INC (SVU), SYSCO CORP (SYY), TAITRON COMPONENTS INC (TAIT), TECH DATA CORP (TECD), TE CONNECTIVITY LTD. (TEL), TESSCO TECHNOLOGIES INC (TESS), UNITED NATURAL FOODS INC (UNFI), UNIVAR INC. (UNVR), US FOODS HOLDING CORP. (USFD), UNIVERSAL SECURITY INSTRUMENTS INC (UUU), UNIVERSAL CORP (UVV), CONCHA Y TORO WINERY INC (Foreign) (VCO), VOXX INTERNATIONAL CORP (VOXX), VERITIV CORP (VRTV), WESCO AIRCRAFT HOLDINGS, INC (WAIR), WESCO INTERNATIONAL INC (WCC), WEYCO GROUP INC (WEYS), G WILLI FOOD INTERNATIONAL LTD (Foreign) (WILC), WILLIS LEASE FINANCE CORP (WLFC), WATSCO INC (WSO), WAYSIDE TECHNOLOGY GROUP, INC. (WSTG), OLYMPIC STEEL INC (ZEUS)