WINDSOR DRAKE

EBITDA Multiples by Industry: 2026

AUGUST 2026

Windsor Drake · Market Intelligence

Executive Summary: One Metric, Seventeen Prices

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118 US-listed constituents across 17 industries, computed from filings and market prices on 19 August 2026

The Spread Is Five to One

Median EV/EBITDA runs from **5.4x** in oil and gas exploration and production to **27.2x** in semiconductors. The same dollar of EBITDA is worth five times more in one industry than another.

- All-constituent median is **15.8x**, with a quartile band of **10.8x to 19.4x**.
- Seven of 17 industries sit above 17x; three sit below 11x.
- Individual constituents run from **3.3x** to **43.9x**.
- Every figure is computed here from filings, not licensed from a vendor table.

Cash Conversion Explains More Than Sector

Industries keeping the most EBITDA after capital expenditure carry the highest multiples. The correlation across 17 industries is **0.42**, rising to **0.56** once regulated utilities are excluded.

- Internet and digital media converts **94%** of EBITDA and trades at 20.5x.
- Oil and gas E&P converts **52%** and trades at 5.4x.
- Telecom converts **60%** and trades at 7.7x.
- This is the mechanism the deck calls **The Conversion Gap**.

Scale Is Priced Separately

Splitting all 118 constituents into market-capitalisation quartiles produces a clean ladder that has nothing to do with industry mix.

- Under **$26bn**: median **11.6x**.
- $27bn to $74bn: median **15.7x**.
- $75bn to $160bn: median **16.1x**.
- Above **$161bn**: median **17.8x**, a **53%** premium to the smallest quartile.

Deal Conditions Are Supportive

Financing is cheap by historical standards and buyer capital is at a record, while deal counts fall and value concentrates in large transactions.

- High yield option-adjusted spread **2.75%** on 18 August 2026, per ICE BofA data.
- Buyout dry powder **$1.3tn**, per Bain & Company, 2026.
- 2026 global deal value tracking **$4tn**, up **13%**, on volumes down **13%**, per PwC, June 2026.
- Megadeals are **48%** of global value against 26% in 2024.

Source: Windsor Drake analysis of SEC filings and market prices, 19 August 2026. 118 constituents named in the appendix.

Key Founder Takeaways

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What the 2026 cross-section says to an owner weighing a sale

01 Your industry sets the band, not the price

Industry medians span 5.0x from bottom to top, but the gap between the 25th and 75th percentile inside an industry is typically 1.6x.

- Widest internal spread: telecom at 2.4x between quartiles.
- Narrowest: medical devices at 1.3x.
- Being top-quartile inside a mid-priced industry beats being bottom-quartile inside a rich one.

02 Buyers underwrite cash, not EBITDA

EBITDA is the unit of account. Free cash flow is what gets paid for, and the gap between them is set by capital intensity.

- Median capital expenditure absorbs **17%** of EBITDA across the set.
- In oil and gas it absorbs **48%**; in internet and digital media **6%**.
- A business that reinvests less to hold its position converts more of every EBITDA dollar into distributable cash.

03 The utilities exception is the proof

Regulated utilities convert almost nothing, **1.8%** of EBITDA after capital expenditure, and still clear 13.3x.

- Capital expenditure that earns a regulated return builds the rate base the market pays for.
- Capital expenditure that only holds share destroys multiple.
- The question is not how much you spend, it is what the spend buys.

04 Margin does not buy a multiple on its own

Oil and gas E&P carries the highest median EBITDA margin in the set at **50.8%** and the lowest multiple at 5.4x.

- Healthcare services runs a **5.1%** median margin and clears 10.3x.
- Durability and reinvestment burden outrank headline margin.
- A high margin on a cyclical, capital-hungry earnings stream is priced as a low-quality one.

05 Public medians are a reference, not a quote

These are large listed companies. A private middle-market business is priced off the same drivers with different adjustments for scale, liquidity and control.

- The size ladder inside this very dataset runs 11.6x to 17.8x on market capitalisation alone.
- Use the industry band to set expectations and the drivers to move within it.
- Windsor Drake's proprietary transaction index holds **503** recorded transactions used as the private comparable set.

Source: Windsor Drake analysis of SEC filings and market prices, 19 August 2026. 118 constituents named in the appendix.

Founder FAQs

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The seven questions owners ask most about EBITDA multiples

01 What is a normal EBITDA multiple in 2026?

Across 118 US-listed constituents in 17 industries the median is 15.8x, with a middle band of 10.8x to 19.4x on 19 August 2026. There is no single normal: industry medians run from 5.4x to 27.2x.

02 Which industries carry the highest EBITDA multiples?

Semiconductors leads at a 27.2x median, followed by aerospace and defence at 22.4x and internet and digital media at 20.5x. All three combine high cash conversion with long product or programme cycles.

03 Which industries carry the lowest?

Oil and gas exploration and production at 5.4x and telecom and cable at 7.7x. Both convert roughly half of EBITDA into cash after capital expenditure, and both face earnings streams the market treats as cyclical or structurally flat.

04 Why do two companies in the same industry trade so far apart?

Position inside the industry typically moves the multiple by about 1.6x between the 25th and 75th percentile. Growth rate, customer concentration, contract length, reinvestment burden and scale all sit inside that spread.

05 Does a bigger company get a higher multiple?

In this dataset yes. Sorted into market-capitalisation quartiles, the smallest quartile clears a 11.6x median and the largest 17.8x, a 53% premium. Scale buys index inclusion, liquidity and lower perceived operating risk.

06 Are public multiples what a private business gets?

No. They are the reference point. A private middle-market company is priced off the same drivers, then adjusted for scale, liquidity, customer concentration and the control being transferred. The industry band tells you which conversation you are in.

07 How should I use these numbers?

Find your industry band, then work out honestly where inside it you sit on cash conversion, growth and durability. The band is given; the position inside it is the part an owner can change before a process starts.

Source: Windsor Drake analysis of SEC filings and market prices, 19 August 2026. 118 constituents named in the appendix.

EV/EBITDA by Industry: The Premium Half

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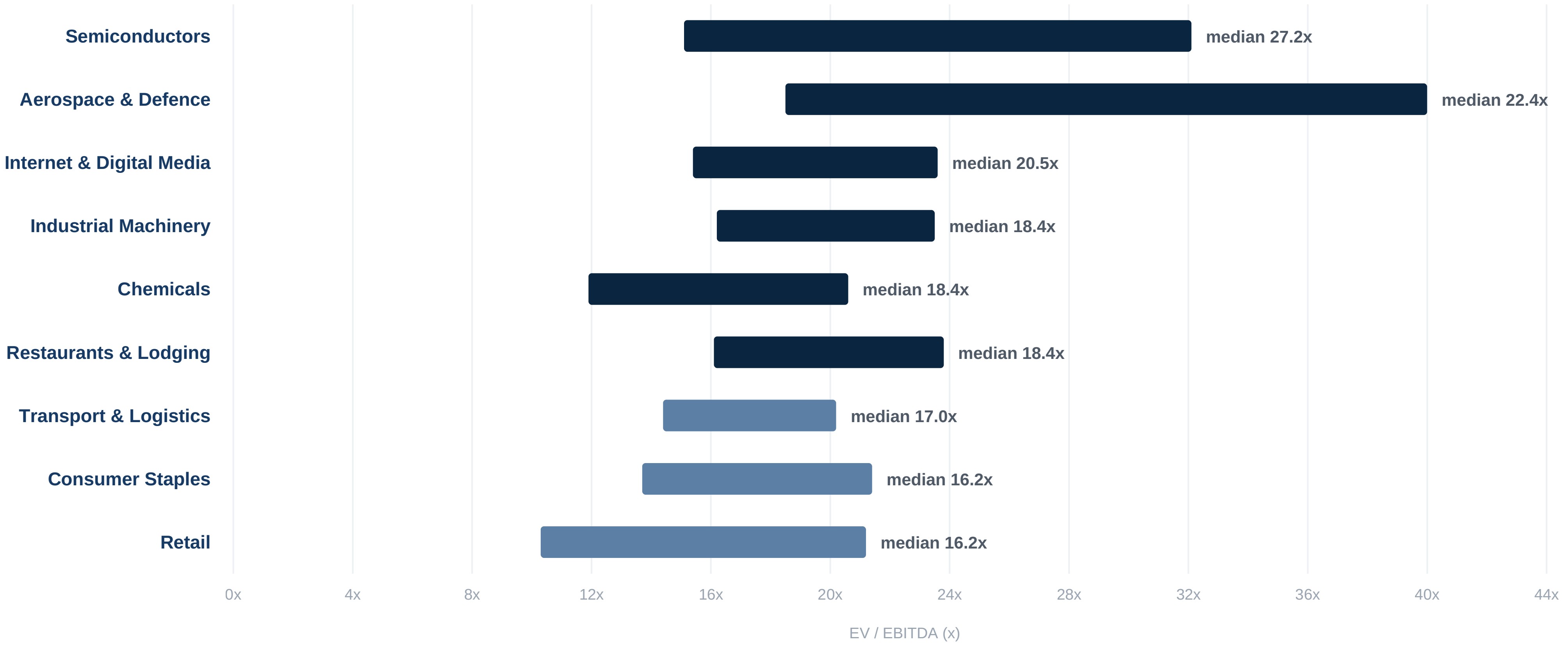
Interquartile range of constituent multiples, nine highest industry medians, 19 August 2026



WHAT THE TOP HALF HAS IN COMMON

Eight of these nine industries convert more than **68%** of EBITDA into cash after capital expenditure. The exception is chemicals at 62%, where the median is carried by industrial gas businesses on long-dated contracts, not by commodity producers. Aerospace and defence shows the widest spread in the set, **18.5x to 40.0x**, splitting aftermarket from airframe.

Source: Windsor Drake analysis of SEC filings and market prices, 19 August 2026. 118 constituents named in the appendix.

EV/EBITDA by Industry: The Discount Half

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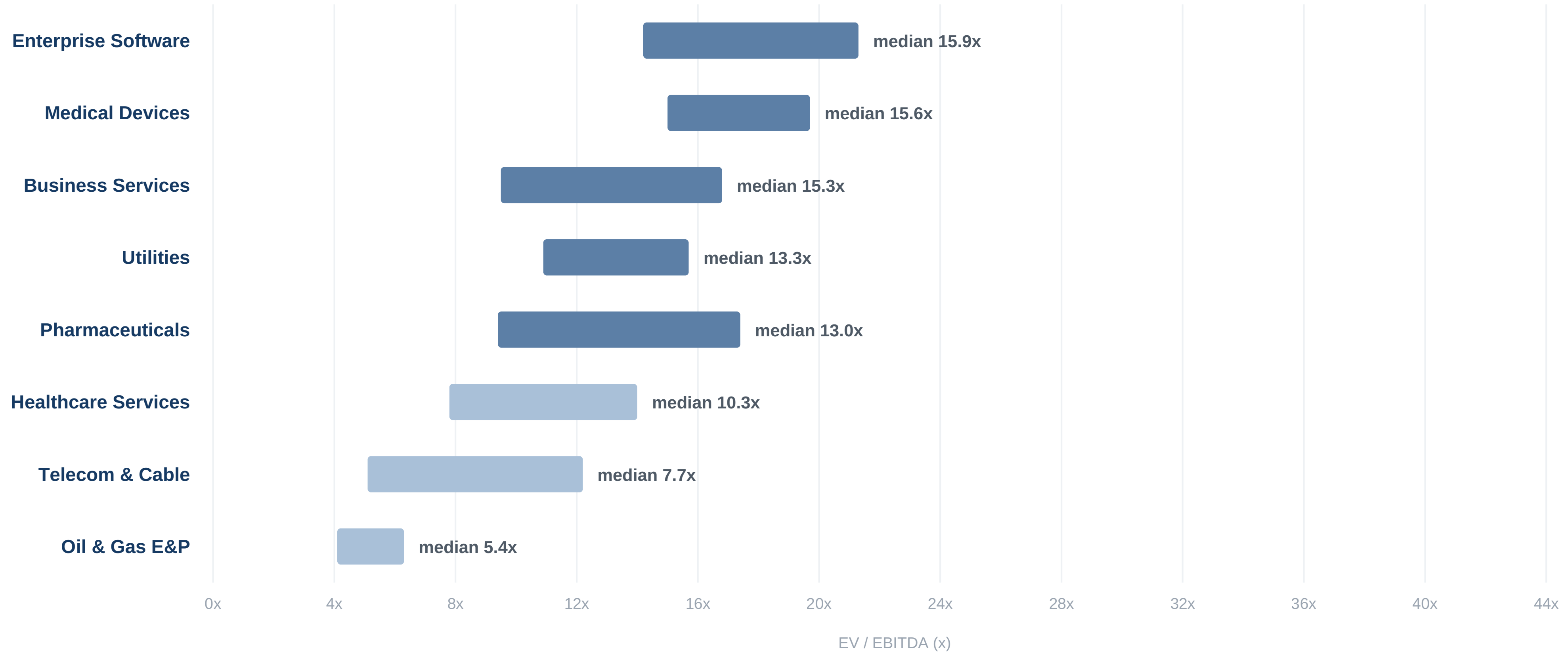
Interquartile range of constituent multiples, eight lowest industry medians, 19 August 2026



THREE DIFFERENT REASONS FOR A LOW MULTIPLE

Oil and gas E&P is priced for commodity exposure and a **48%** capital expenditure burden. Telecom is priced for flat volumes on a heavy network base. Healthcare services is priced for a **5.1%** median margin, where a small operating shortfall consumes a large share of earnings. Pharmaceuticals at **13.0x** sits low for a 42.1% margin industry because patent expiry makes the earnings stream finite in a way the metric does not show.

Source: Windsor Drake analysis of SEC filings and market prices, 19 August 2026. 118 constituents named in the appendix.

The Conversion Gap

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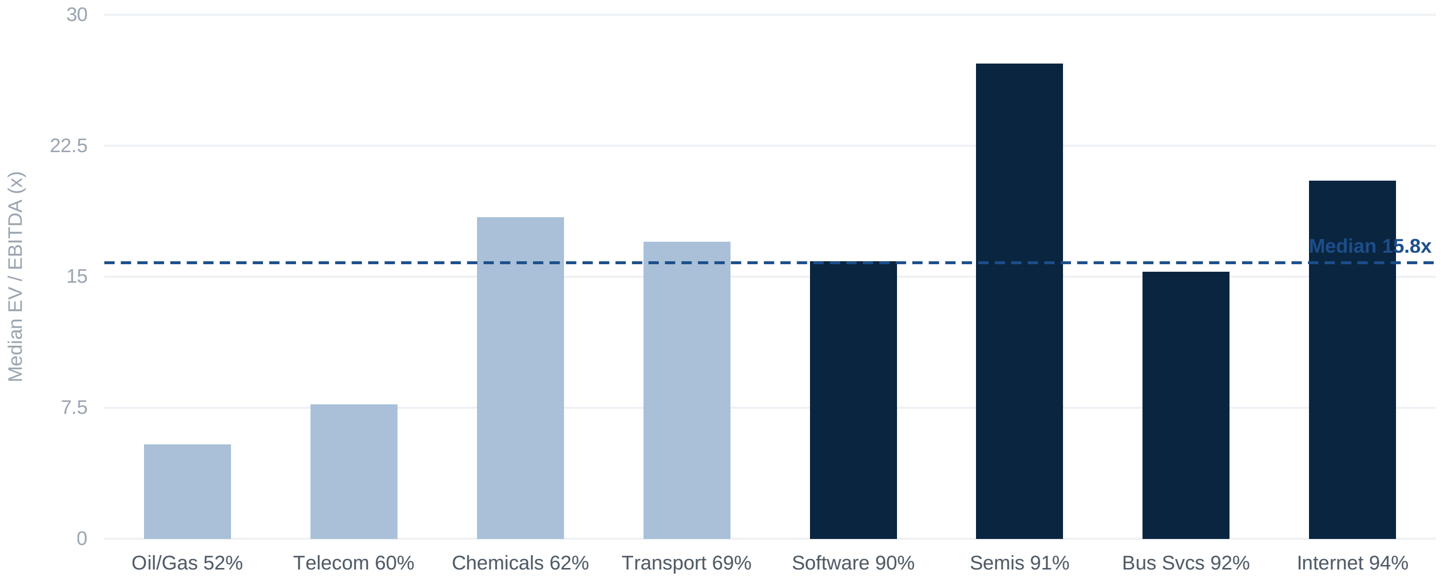
Median EV/EBITDA rises with the share of EBITDA that survives capital expenditure

Median EV/EBITDA, industries ordered by cash conversion (lowest to highest)



> Bars show the industry median multiple. The percentage under each label is the share of EBITDA remaining after capital expenditure. Utilities is excluded from this chart and discussed separately below.

CORRELATION, 17 INDUSTRIES

0.42

Between cash conversion and median EV/EBITDA.

CORRELATION EX-UTILITIES

0.56

Removing the one industry rewarded for spending.

CONVERSION RANGE

52 to 94%

Oil and gas E&P at 5.4x to internet at 20.5x.

The Exception That Defines the Rule

Regulated utilities convert **1.8%** of EBITDA and still clear **13.3x**, because the rate base earns an allowed return. Maintenance spending without a contracted return is the silent deduction.

Source: Windsor Drake analysis of SEC filings and market prices, 19 August 2026. 118 constituents named in the appendix.

The Size Ladder

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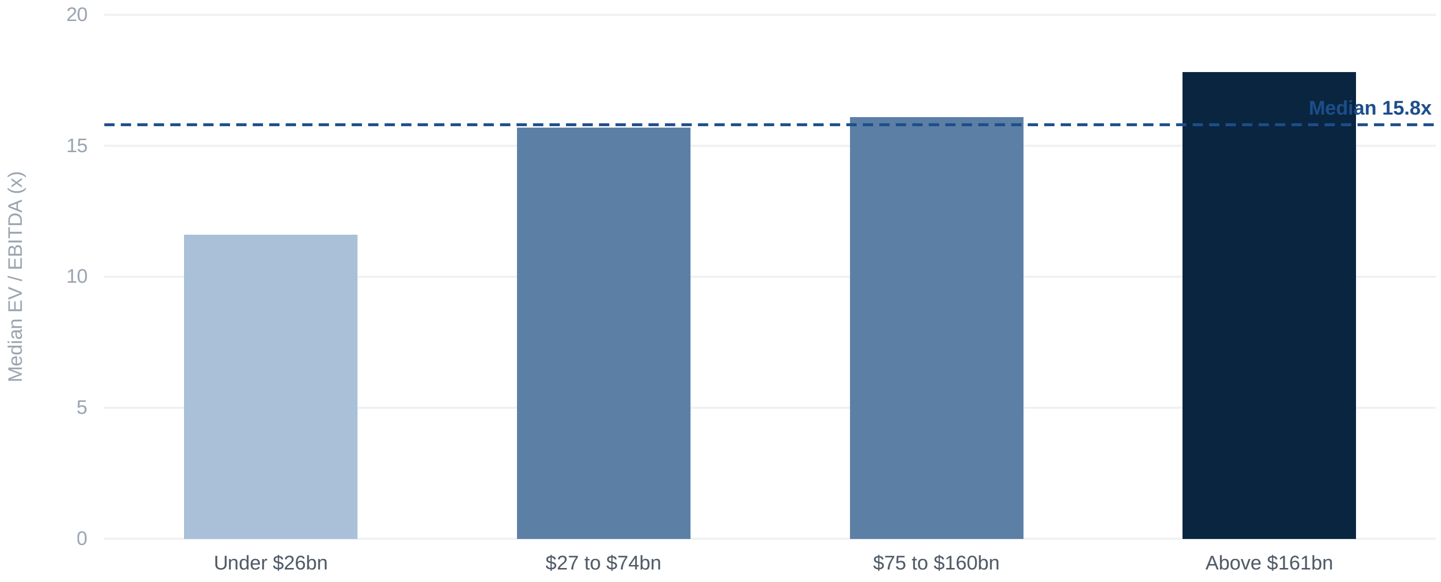
Sorting the same 118 constituents by market capitalisation produces a 53% spread with no reference to industry

Median EV/EBITDA by market-capitalisation quartile



SMALLEST QUARTILE

11.6x

29 constituents, $3.1bn to $26bn.

LARGEST QUARTILE

17.8x

30 constituents, $161bn and above.

PREMIUM FOR SCALE

53%

Largest quartile against smallest, median to median.

Why This Matters to a Private Seller

The same effect separates a private middle-market business from the public comparables it is benchmarked against. Scale is priced on its own, and a seller should expect it argued in both directions.

> Quartiles of roughly 29 constituents each, cut on market capitalisation at the close on 19 August 2026 and ranked on the same computed multiples used throughout this deck.

Source: Windsor Drake analysis of SEC filings and market prices, 19 August 2026. 118 constituents named in the appendix.

Deep Dive: Technology and Semiconductors

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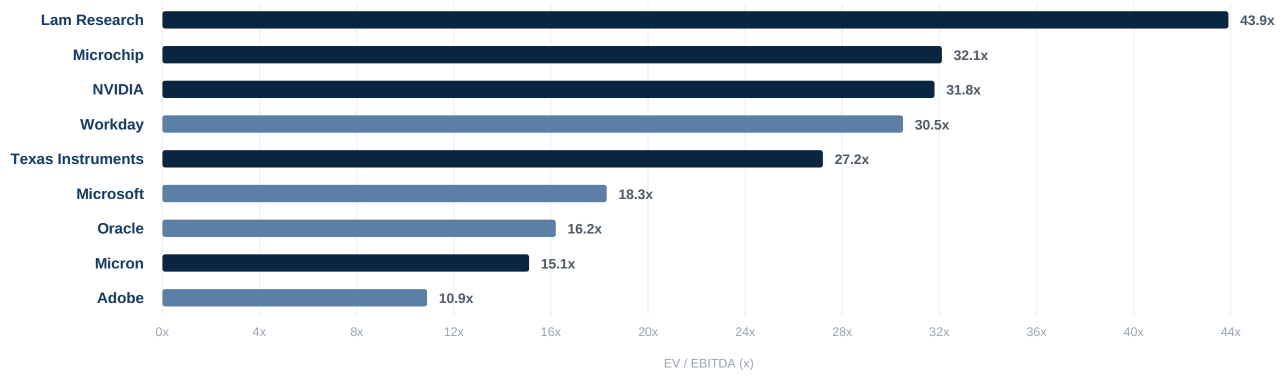
The highest multiples in the set, and the widest internal spread among the leaders

Constituent EV/EBITDA, semiconductors and enterprise software



READ-ACROSS FOR PRIVATE TECHNOLOGY SELLERS

A private software business is rarely priced off a 27x semiconductor comparable. The relevant read is the **15.9x** enterprise software median and the drivers that move a business within the band: net revenue retention, gross margin, and how much sales and marketing spend the business needs to hold its position.

Valuation Drivers

Capital intensity is lower than reputation suggests

Semiconductor constituents in this set absorb a median **8.8%** of EBITDA in capital expenditure, because the equipment and fabless design businesses that dominate the median do not carry the fabrication burden the industry is associated with.

Software trades below semiconductors, not above

Enterprise software clears a **15.9x** median against 27.2x for semiconductors. Software converts more cash, at **90.4%**, but the constituents here are mature large-cap franchises whose growth has normalised, and the market pays for growth on top of conversion.

The spread inside semiconductors is 2.1x

From **15.1x** at the 25th percentile to **32.1x** at the 75th. Position in the cycle, exposure to artificial intelligence capital expenditure and memory versus analogue mix separate constituents far more than the industry label unites them.

Source: Windsor Drake analysis of SEC filings and market prices, 19 August 2026. 118 constituents named in the appendix.

Deep Dive: Industrials, Transport and Logistics

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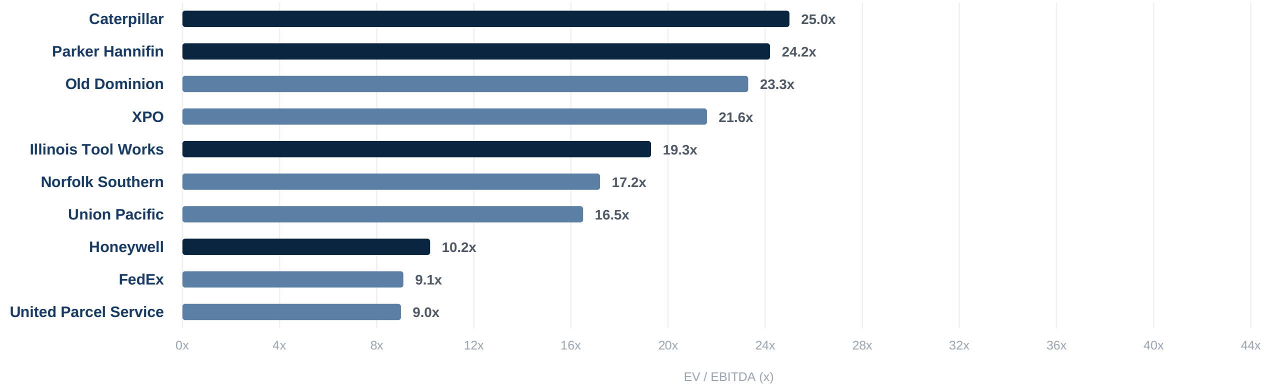
Two industries with similar multiples reached by opposite routes

Constituent EV/EBITDA, industrial machinery and transport



Valuation Drivers

Machinery converts, transport does not

Industrial machinery keeps **89.7%** of EBITDA after capital expenditure and clears **18.4x**. Transport and logistics keeps **68.9%** and clears **17.0x**. The transport median is held up by asset-light forwarding and less-than-truckload franchises, not by the network carriers.

The parcel carriers are the discount inside transport

United Parcel Service at **9.0x** and FedEx at **9.1x** sit half the industry median. Both carry heavy fleet and facility reinvestment against volume that has stopped growing, which is the conversion gap in its clearest form.

Aftermarket and service revenue is the premium

Machinery constituents with large installed-base service revenue clear the top of the band. Recurring parts and service revenue is underwritten as annuity income rather than as cyclical equipment sales, and it survives the trough.

KEY OBSERVATION

Two industries can print the same median from opposite positions. Industrial machinery earns **18.4x** on high conversion and moderate margin. Transport earns **17.0x** on low conversion and a **14.1%** margin, carried entirely by its asset-light constituents. An owner benchmarking against an industry median should first check which half of that median their business resembles.

Source: Windsor Drake analysis of SEC filings and market prices, 19 August 2026. 118 constituents named in the appendix.

Deep Dive: Energy, Utilities and Telecom

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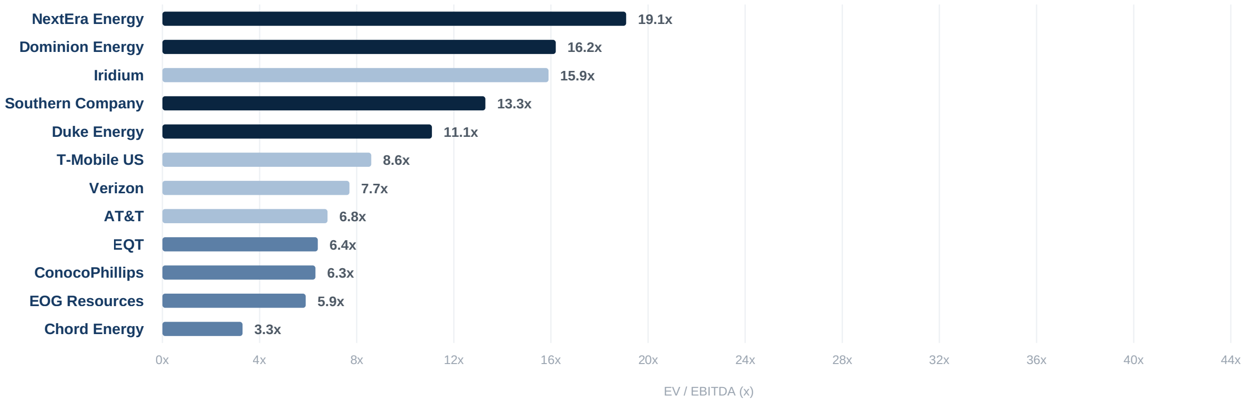
The capital-heavy floor of the market, and why one of the three escapes it

Constituent EV/EBITDA, energy, utilities and telecom



KEY OBSERVATION

These three industries hold most of the capital expenditure in the dataset and two of the three lowest multiples. The one that escapes, utilities, does so because its spending is contracted rather than competitive. For a private seller the test is direct: does the next dollar of capital expenditure come with a customer commitment attached, or is it the price of standing still?

Valuation Drivers

Utilities are paid for the capital they deploy

A **13.3x** median on **1.8%** cash conversion only makes sense because the regulated rate base earns an allowed return. Investors are buying a growing asset base with a legislated margin, not a free cash flow stream.

Telecom spends without the same protection

Telecom converts **59.8%** and clears **7.7x**. Network capital expenditure is competitive rather than contracted, so each spectrum and fibre cycle defends share instead of adding a priced asset. The result is a permanent multiple discount.

Energy is priced for the commodity, not the margin

Oil and gas E&P carries the highest median EBITDA margin in the entire set at **50.8%** and the lowest multiple at **5.4x**. The market discounts an earnings stream it cannot forecast, however wide the margin looks today.

Source: Windsor Drake analysis of SEC filings and market prices, 19 August 2026. 118 constituents named in the appendix.

What EBITDA Means Once a Buyer Defines It

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The multiple is only half the equation, and the other half is negotiated

Reported EBITDA is not deal EBITDA

Every multiple in this deck is computed on trailing twelve month operating income plus depreciation and amortisation, with impairment and restructuring charges added back. That is a public-market convention. In a private transaction the base figure is rebuilt from scratch in a quality of earnings exercise, and the rebuild routinely moves the number by more than the multiple negotiation does.

Adjustments cut in both directions

Owner compensation above market, non-recurring legal costs and discontinued product lines are commonly added back. Deferred maintenance, understated employee costs, capitalised expenses and revenue recognised early are commonly deducted. A seller who has only prepared the additions is negotiating with half the schedule.

15.8x	17%	503
ALL-CONSTITUENT MEDIAN	MEDIAN CAPEX AS SHARE OF EBITDA	TRANSACTIONS IN THE FIRM'S INDEX

Normalise before the market sees the number

The base figure a process opens on anchors every subsequent conversation. Rebuilding it after a buyer challenges it reads as a concession, while presenting a defended figure from the first meeting reads as discipline. The work takes two to three months and is the cheapest value creation available before a sale.

Reconcile EBITDA to cash in the materials

Given that cash conversion carries a 0.42 correlation with the multiple across industries, a business that can show the bridge from EBITDA to free cash flow removes the buyer's main reason to discount. Where conversion is genuinely strong, showing it explicitly is worth more than arguing the multiple.

Separate maintenance from growth capital expenditure

Buyers underwrite maintenance capital expenditure as a permanent deduction from EBITDA and growth capital expenditure as an investment they can choose to continue. Businesses that have never split the two are assumed to be all maintenance, which is the most expensive default available.

Know which comparable set applies

The firm's proprietary transaction index, 503 recorded transactions and growing each quarter, is the private comparable set. Public medians set the band; recorded private transactions in the same sub-vertical set the clearing price for a business of comparable size.

Source: Windsor Drake analysis of SEC filings and market prices, 19 August 2026. 118 constituents named in the appendix.

Who Buys, and What They Pay Up For

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Buyer appetite by industry group under 2026 conditions. Dark cells mark high appetite, mid cells selective, pale cells limited.

Industry group	Strategic acquirers	Private equity	Infrastructure and long-duration capital
Technology and software	**High** Pays for retention and gross margin.	**High** Recurring revenue supports leverage.	**Low** Asset-light does not suit the mandate.
Healthcare and life sciences	**High** Pipeline replacement and payer scale.	**Selective** Reimbursement risk narrows the field.	**Low** Regulatory variability is a poor fit.
Industrials and transport	**High** Pays for aftermarket service revenue.	**High** Buy-and-build across fragmented niches.	**Selective** Contracted terminals attract capital.
Energy, utilities and telecom	**Consolidating** Scale and cost synergies dominate.	**Low** Capital intensity resists leverage.	**High** Contracted returns are the mandate.
Business and professional services	**Selective** Bought for capability, not capacity.	**High** 92.5% conversion supports leverage.	**Low** No contracted asset base to underwrite.
Consumer and retail	**Selective** Pays for pricing power, not volume.	**High** Franchised formats convert and lever.	**Low** Cyclicality sits outside appetite.

Sources: PwC; Bain & Company; S&P Global Market Intelligence, 2026. See appendix.

Private Equity Acquisition Patterns

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Record capital, longer holds and a bias toward businesses that convert

The capital is there and it is ageing

Bain & Company reports $1.3tn of global buyout dry powder in its 2026 Global Private Equity Report, with 2025 buyout deal value up 44% year on year to $904bn and exit value up 47% to $717bn. Holding periods at exit now sit near seven years against an average of five to six between 2010 and 2021.

Financing is the enabling condition

The ICE BofA US high yield option-adjusted spread stood at 2.75% on 18 August 2026 and the investment grade spread at 0.82%, with the federal funds target range at 3.50% to 3.75% following the 29 July 2026 FOMC meeting. Cheap credit widens the range of businesses a sponsor can underwrite.

$1.3tn	$904bn	7 yrs
GLOBAL BUYOUT DRY POWDER	2025 BUYOUT DEAL VALUE	MEDIAN HOLDING PERIOD AT EXIT

Conversion is the sponsor's first screen

A leveraged structure is repaid out of free cash flow, not out of EBITDA. The industries in this dataset that convert above 85% are the same ones where sponsors compete most aggressively, and the correlation is not a coincidence: conversion sets the debt capacity that sets the price a sponsor can pay.

Buy-and-build favours fragmented mid-market niches

Business services at a 15.3x median and 92.5% conversion is the archetype. Platform acquisitions are underwritten at the industry band and add-ons at a discount to it, so the blended entry multiple falls even as the platform grows.

Ageing portfolios create structural sell pressure

Holding periods near seven years against a five to six year norm mean a large cohort of sponsor-owned assets is overdue for exit. For a founder-owned business, that cohort is both competition for buyer attention and a source of well-funded consolidators looking to add scale before their own exit.

Sponsors pay up for defensible reinvestment

Where growth capital expenditure comes with contracted customer commitments, sponsors underwrite it as an asset. Where it is the cost of holding share, it is modelled as a permanent EBITDA deduction. Presenting the distinction with evidence is worth more than any argument about the multiple.

Sources: PwC; Bain & Company; S&P Global Market Intelligence, 2026. See appendix.

What Earns a Premium to the Industry Median

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The four attributes that move a business through its industry band

Cash Conversion

0.42 CORRELATION

The share of EBITDA that survives capital expenditure is the single attribute this dataset can measure directly, and it tracks the multiple across all 17 industries.

- Median across the set: **17%** of EBITDA absorbed by capital expenditure.
- Top-converting industries clear **18.4x**; bottom-converting clear **16.2x**, and the extremes are far wider.
- Splitting maintenance from growth capital expenditure is the cheapest way to demonstrate it.
- Where conversion is genuinely strong, show the bridge rather than argue the multiple.

Revenue Durability

CONTRACT LENGTH

Buyers pay for the earnings they can still see in year five, which is why high-margin cyclical industries price below low-margin contracted ones.

- Oil and gas E&P: **50.8%** margin, **5.4x** median.
- Healthcare services: **5.1%** margin, **10.3x** median.
- Contracted, regulated or subscription revenue outranks headline margin every time.
- Customer concentration above 20% is treated as a durability problem, not a growth one.

Scale

53% PREMIUM

Market capitalisation alone separates the top and bottom quartiles of this dataset by more than half a turn of price, independent of which industries sit in each quartile.

- Under $26bn: **11.6x** median.
- Above $161bn: **17.8x** median.
- Scale buys liquidity, index demand and lower perceived operating risk.
- For private sellers this is the argument a buyer will make first, so prepare the counterweight.

Position Inside the Band

1.6X TYPICAL SPREAD

The gap between the 25th and 75th percentile within an industry is typically 1.6x, and it is the part of the price an owner can still influence before a process begins.

- Widest internal spread: telecom at **2.4x**.
- Narrowest: medical devices at **1.3x**.
- Growth rate, retention and reinvestment burden all sit inside this spread.
- Industry choice is fixed; position inside it is a work programme.

Source: Windsor Drake analysis of SEC filings and market prices, 19 August 2026. 118 constituents named in the appendix.

Capital Markets: The Conditions Behind the Multiples

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Rates, credit and listing activity as at August 2026

Policy Rate Steady

The FOMC held the federal funds target range at **3.50% to 3.75%** on **29 July 2026**, by a 9 to 3 vote with three members favouring a quarter-point increase.

- Ten year Treasury yield **4.72%** on 17 August 2026.
- A stable policy rate removes one source of valuation volatility from deal models.
- The dissent direction signals limited scope for further easing.
- Discount rates, not earnings, drove most multiple movement in the prior two years.

Credit Is Cheap

The ICE BofA US high yield option-adjusted spread stood at **2.75%** and the investment grade spread at **0.82%** on **18 August 2026**.

- Spreads at these levels are tight against long-run averages.
- Cheap credit raises the price a leveraged buyer can justify.
- Debt capacity is set by free cash flow, which is why conversion drives the multiple.
- Spread widening is the first mechanism through which multiples compress.

Deal Value Up, Volume Down

PwC reported on **23 June 2026** that global deal value is tracking **$4tn** for 2026, up about **13%**, on volumes of roughly **42,000**, down **13%**.

- Megadeals above $5bn are **48%** of global value, against 39% in 2025 and 26% in 2024.
- Excluding megadeals, deal value is down **4%** year on year.
- The Americas account for **61%** of global value on 28% of volume.
- S&P Global recorded **$861.1bn** of Q1 2026 value, up 9.7%, the strongest start since 2021.

The Listing Window Is Open

EY reported on **7 July 2026** that H1 2026 saw **12** US listings above $1bn in proceeds, against **4** in H1 2025.

- Semiconductors, power and data centre infrastructure led sector activity.
- An open listing window gives sellers a credible alternative to a trade sale.
- Dual-track processes regain leverage when public comparables are actively repriced.
- Recovery is uneven by region, with MENA proceeds down over 90%.

Sources: Federal Reserve; ICE BofA indices via Federal Reserve Bank of St. Louis; PwC; EY, 2026. See appendix.

Timing the Exit: A 12 to 18 Month View

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What the current cross-section implies for sequencing

Months 1 to 4

PREPARATION

- Rebuild trailing twelve month EBITDA on a defensible basis and document every adjustment.
- Split maintenance from growth capital expenditure across three years of history.
- Build the EBITDA to free cash flow bridge that buyers will otherwise build against you.
- Establish where the business sits inside its industry band on conversion, growth and concentration.

KEY MILESTONE

A defended earnings base and a measured position in the industry band

Months 5 to 9

POSITIONING

- Address the one or two attributes that hold the business at the bottom of its band.
- Convert uncontracted revenue to contracted where the customer relationship supports it.
- Resolve customer concentration above 20% or prepare the evidence that it is durable.
- Map strategic and sponsor buyer sets against the appetite matrix rather than by size alone.

KEY MILESTONE

Movement from the lower to the upper half of the industry band

Months 10 to 18

PROCESS

- Open with the defended earnings base rather than a negotiable one.
- Run strategic and sponsor tracks concurrently to hold competitive tension.
- Use recorded private transactions in the sub-vertical, not public medians, to anchor price.
- Retain the listing route as a live alternative while the window stays open.

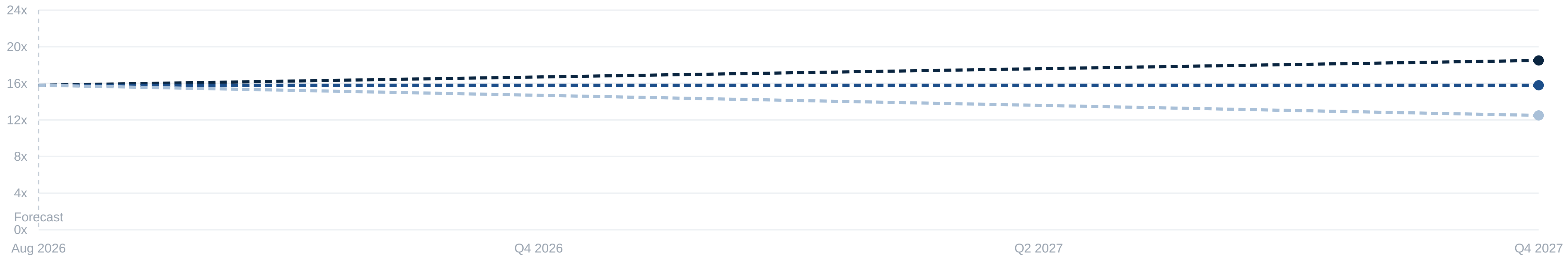
KEY MILESTONE

Competitive process with two credible buyer types engaged

Sources: PwC; Bain & Company; S&P Global Market Intelligence, 2026. See appendix.

Valuation Scenarios Through 2027

All-constituent median EV/EBITDA under three sets of conditions



Bull 18.5x

Key Drivers

- Credit spreads hold near the 2.75% August 2026 level.
- The $1.3tn dry powder pool meets limited quality supply.
- Megadeal concentration broadens into the middle market.

HIGH-CONVERSION ASSETS CAPTURE THE WIDEST BID RANGE IN THIS CYCLE.

Base 15.8x

Key Drivers

- The federal funds range holds near 3.50% to 3.75%.
- Deal value grows on falling volumes, as PwC recorded.
- Industry dispersion persists at roughly five to one.

POSITION INSIDE THE BAND, NOT MARKET TIMING, DETERMINES OUTCOME.

Bear 12.5x

Key Drivers

- Credit spreads widen from the tight August 2026 levels.
- Ageing sponsor portfolios force supply out at once.
- The listing window narrows and dual-track leverage goes.

CAPITAL-HEAVY ASSETS LOSE BID DEPTH FASTEST AND CLEAR SLOWEST.

Sources: PwC; Bain & Company; S&P Global Market Intelligence, 2026. See appendix.

Emerging Buyer Behaviour

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Four shifts visible in the 2026 data that change how businesses are priced

Value is concentrating, volume is not

PwC recorded megadeals above $5bn at 48% of global value in 2026, up from 39% in 2025 and 26% in 2024, while excluding them deal value is down 4% year on year. Buyers are doing fewer, larger, more strategic transactions, which raises the bar for what gets attention and rewards sellers who arrive prepared.

Consolidation is the energy sector's answer

With oil and gas E&P clearing a 5.4x median, operators cannot buy growth at a premium and are instead buying scale and cost synergy at parity. The Devon and Coterra combination, an all-stock merger of equals at roughly $58bn of combined enterprise value, is the template.

48%	$4tn	5.0x
MEGADEAL SHARE OF GLOBAL VALUE	2026 DEAL VALUE TRACKING	TOP TO BOTTOM INDUSTRY SPREAD

Infrastructure capital is entering industrial niches

Long-duration mandates that previously stopped at utilities and toll roads now compete for contracted logistics assets, terminals and data centre adjacencies. Where a business can show contracted revenue over long tenors, it accesses a buyer pool with a lower cost of capital than either strategics or sponsors.

Quality of earnings arrives earlier

Buyers increasingly run diligence on the earnings base before committing to a valuation range rather than after. A seller whose numbers survive that first pass keeps the range they opened on; one whose numbers move loses both the range and the credibility to argue the next point.

Scale premia are being argued explicitly

The 53% spread between the largest and smallest quartiles of this dataset is the argument a buyer makes to discount a private business against public comparables. The counterweight is not to dispute it but to show conversion and durability that the larger comparables do not have.

Supply and demand still favour prepared sellers

A $1.3tn dry powder pool, holding periods near seven years and falling deal volumes describe more capital chasing fewer processes. The alignment of buyer capital and financing cost recorded through August 2026 has held for several quarters, and process lead times of 12 to 18 months mean the decision and the market are rarely in the same quarter.

Sources: PwC; Bain & Company; S&P Global Market Intelligence, 2026. See appendix.

Case Study: Devon Energy and Coterra Energy

WINDSOR DRAKE

A $58bn all-stock combination in the lowest-multiple industry in the set

The Transaction

Announced on **2 February 2026** and completed in the second quarter of 2026, the merger created a combined enterprise value of approximately **$58bn** based on Devon's 30 January 2026 closing price.

- Exchange ratio of **0.70** Devon shares for each Coterra share.
- Devon shareholders hold approximately **54%** and Coterra shareholders **46%** on a fully diluted basis.
- Pro forma production exceeding **1.6m** barrels of oil equivalent per day.
- Nearly **750,000** net acres in the core of the Delaware Basin.

Why It Took This Form

In an industry clearing a **5.4x** median, no operator can justify a cash premium for growth. An all-stock merger of equals transfers no cash, requires no financing and prices both sides off the same depressed multiple.

- Targeted **$1.0bn** in annual pre-tax synergies by the end of 2027.
- Synergies come from capital programme optimisation, operating margin and corporate cost.
- A planned quarterly dividend of $0.315 per share and a repurchase authorisation above $5bn.
- Value is created from cost, not from a re-rating of the earnings stream.

What It Signals

Scale is the only lever left

Where the market will not pay a higher multiple, the remaining route to value is a lower cost base across a larger production footprint.

Stock is the currency of a low-multiple industry

Paying in shares priced at the same 5.4x band avoids crystallising the discount that a cash purchase at a premium would.

Consolidation reduces the buyer pool

Every combination of this scale removes an independent bidder. Sellers in consolidating industries face a narrowing set of buyers over time.

Capital-heavy assets clear slowly

A 48% capital expenditure burden on EBITDA is why this industry prices where it does, and why processes here take longer to reach a clearing price.

Sources: Devon Energy investor relations; CNBC and Bloomberg, 2 February 2026. See appendix.

Appendix: Sources

WINDSOR DRAKE

Every third-party institution whose data appears in this deck

Institution	Report / Source	Date
US Securities and Exchange Commission	*Company 10-K and 10-Q filings via EDGAR, XBRL company facts*	To 19 Aug 2026
Federal Reserve	*FOMC statement, federal funds target range*	29 Jul 2026
Federal Reserve Bank of St. Louis	*ICE BofA US High Yield and US Corporate index option-adjusted spreads; 10-year Treasury constant maturity*	18 Aug 2026
PwC	*Global M&A Industry Trends, 2026 mid-year outlook*	23 Jun 2026
Bain & Company	*Global Private Equity Report 2026*	2026
S&P Global Market Intelligence	*Global M&A by the Numbers, Q1 2026*	20 Apr 2026
EY	*Global IPO Trends, Q2 2026*	7 Jul 2026
Devon Energy Corporation	*Investor relations announcement and completion release, Devon and Coterra combination*	2 Feb 2026
CNBC and Bloomberg	*Transaction reporting, Devon and Coterra all-stock merger*	2 Feb 2026

SOURCE DISCIPLINE

Primary data over secondary tables

Every multiple in this deck was computed from filings and market prices rather than taken from a published multiples table. Where a third-party figure is quoted, the institution and publication date appear on the slide carrying it.

Financial press used only for events

Press reporting is cited for the fact and terms of the Devon and Coterra transaction, corroborated against the acquirer's own investor relations release. No valuation figure in this deck rests on press reporting.

Appendix: Methodology

WINDSOR DRAKE

How every multiple in this deck was computed

METHODOLOGY NOTES

Enterprise value

Market capitalisation plus total debt plus minority interest less cash, cash equivalents and short-term investments. Shares outstanding are taken from the most recent cover page or balance sheet disclosure and priced at the close on 19 August 2026.

EBITDA

Trailing twelve month operating income plus depreciation and amortisation, with impairment and restructuring charges added back. Quarterly periods are derived from filed year-to-date figures so that every constituent is measured on the same trailing basis rather than on a mix of fiscal years.

Sample and screening

204 US-listed candidates were screened across 17 industries and 118 retained. Constituents were dropped where a trailing twelve month figure could not be derived from filings, where the multiple exceeded 45x and was therefore not meaningful, or where an independent recomputation disagreed by more than 15%.

Corroboration

Every retained constituent multiple was recomputed independently and retained only where the two calculations agreed within 15%, or where no independent calculation was available and the inputs were verified against the filing directly. This is a stricter test than a single computation and it is why the sample is 118 rather than 204.

Cash conversion

One less trailing twelve month capital expenditure divided by trailing twelve month EBITDA, taken as the industry median. It is a deliberately simple measure of how much EBITDA survives reinvestment, and it excludes working capital and tax, both of which widen the gap further.

The Conversion Gap

The framework this deck introduces. An industry multiple tracks not the size of EBITDA but the share of it that survives to the owner. Correlation of 0.42 across 17 industries, 0.56 excluding regulated utilities, where capital expenditure earns an allowed return and therefore builds the asset rather than consuming the earnings.

Limitations

This is one cross-section on one day, drawn from large listed companies. Private middle-market businesses are priced off the same drivers with different adjustments for scale, liquidity and control. Industry definitions are Windsor Drake's own and do not map exactly onto GICS or SIC classifications.

Constituents

All 118 are named in the following slide. Industries carry between five and ten constituents each, and medians on small samples should be read as indicative of the band rather than as a precise market clearing level.

Source: Windsor Drake analysis of SEC filings and market prices, 19 August 2026. 118 constituents named in the appendix.

Appendix: Constituents

WINDSOR DRAKE

All 118 companies used to compute the multiples in this deck

INDUSTRY CONSTITUENTS

Semiconductors and Enterprise Software (13)

Lam Research, Microchip Technology, NVIDIA, Texas Instruments, Analog Devices, Micron Technology, NXP Semiconductors, Workday, Microsoft, Oracle, Intuit, Salesforce, Adobe

Aerospace, Defence and Industrial Machinery (13)

Howmet Aerospace, Boeing, RTX, TransDigm, General Dynamics, Caterpillar, Parker Hannifin, Rockwell Automation, Illinois Tool Works, Cummins, Ingersoll Rand, Dover, Honeywell

Chemicals and Consumer Staples (11)

Ecolab, Air Products, Linde, IFF, LyondellBasell, Coca-Cola, Church & Dwight, Hershey, Procter & Gamble, PepsiCo, Kimberly-Clark

Healthcare: Devices, Pharma and Services (21)

Abbott, Stryker, Boston Scientific, ResMed, STERIS, Medtronic, Zimmer Biomet, Neurocrine Biosciences, Amgen, United Therapeutics, Exelixis, Zoetis, Pfizer, UnitedHealth, McKesson, Cencora, Elevance Health, HCA Healthcare, Cigna, DaVita, Tenet Healthcare

Utilities, Telecom and Oil & Gas E&P (22)

NextEra Energy, Dominion Energy, WEC Energy, Xcel Energy, Southern Company, Consolidated Edison, Duke Energy, Exelon, Eversource Energy, Iridium, T-Mobile US, Verizon, AT&T, Telephone & Data Systems, EQT, ConocoPhillips, Antero Resources, EOG Resources, Matador Resources, Ovintiv, Gulfport Energy, Chord Energy

Internet and Digital Media (6)

Netflix, Alphabet, Uber Technologies, eBay, Booking Holdings, Match Group

Transport and Logistics (10)

Old Dominion, XPO, C.H. Robinson, Expeditors, Norfolk Southern, Union Pacific, CSX, J.B. Hunt, FedEx, United Parcel Service

Restaurants, Lodging and Retail (13)

Hilton, Starbucks, Chipotle, McDonald's, Yum Brands, Domino's Pizza, Walmart, Ross Stores, O'Reilly Automotive, Home Depot, Lowe's, Target, Best Buy

Business Services (9)

Cintas, Verisk, ADP, Paychex, Equifax, Booz Allen Hamilton, Leidos, Accenture, Maximus

Source: Windsor Drake analysis of SEC filings and market prices, 19 August 2026. 118 constituents named in the appendix.