EBITDA Multiples by Industry: 2026

There is no such thing as the EBITDA multiple. Across 118 US-listed constituents in 17 industries, computed from filings and closing prices on 19 August 2026, the median company trades at **15.8x EV/EBITDA** with a quartile band of **10.8x to 19.4x**. The industry medians beneath it run 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 in another.

What separates the two ends is not margin and not growth. It is **cash conversion**, the share of EBITDA that survives capital expenditure. Across the 17 industries the correlation between conversion and the median multiple is **0.42**, rising to **0.56** once regulated utilities are removed. Internet and digital media converts 94% and clears 20.5x. Oil and gas E&P converts 52% and clears 5.4x. This report calls that mechanism **The Conversion Gap**.

Three effects operate independently. Industry sets the band. Scale moves the price inside it with no reference to industry, the largest market-capitalisation quartile clearing 17.8x against 11.6x for the smallest, a 53% premium. Position within an industry moves it again, typically by 1.6x. The backdrop supports a seller: the ICE BofA US high yield option-adjusted spread stood at 2.75% on 18 August 2026, Bain & Company records $1.3tn of buyout dry powder, and PwC reported on 23 June 2026 that 2026 deal value is tracking $4tn, up about 13%, on volumes down 13%.

What follows sets out the industry bands and how they were computed, the conversion mechanism behind them, the separate effects of scale and of position, who is buying, the rate and credit environment, and what it implies for an owner preparing a sale.

What EBITDA multiples are companies trading at in 2026?

The table below is computed rather than licensed. Enterprise value is market capitalisation plus total debt plus minority interest less cash and short-term investments, priced at the close on 19 August 2026. EBITDA is trailing twelve month operating income plus depreciation and amortisation, with impairment and restructuring added back.

Table 1. Median EV/EBITDA by Industry, 19 August 2026

Industry	Median EV/EBITDA	Half
Semiconductors	27.2x	Premium
Aerospace and defence	22.4x	Premium
Internet and digital media	20.5x	Premium
Industrial machinery	18.4x	Premium
Chemicals	18.4x	Premium
Restaurants and lodging	18.4x	Premium
Transport and logistics	17.0x	Premium
Consumer staples	16.2x	Premium
Retail	16.2x	Premium
Enterprise software	15.9x	Discount
Medical devices	15.6x	Discount
Business services	15.3x	Discount
Utilities	13.3x	Discount
Pharmaceuticals	13.0x	Discount
Healthcare services	10.3x	Discount
Telecom and cable	7.7x	Discount
Oil and gas E&P	5.4x	Discount
All 118 constituents	15.8x	Band 10.8x to 19.4x

Source: Windsor Drake analysis of SEC filings and market prices, 19 August 2026. Constituent multiples run from 3.3x to 43.9x.

Seven industries sit above 17x and three below 11x. Eight of the nine in the premium half convert more than 68% of EBITDA into cash; the exception is chemicals at 62%, where the median is carried by industrial gas businesses on long-dated contracts rather than commodity producers. In the discount half, oil and gas E&P is priced for commodity exposure and a 48% capital expenditure burden, telecom for flat volumes on a heavy network base, and healthcare services for a 5.1% median margin. Pharmaceuticals sits at 13.0x on a 42.1% margin because patent expiry makes the earnings stream finite.

What is driving the spread between industries?

The mechanism is conversion. EBITDA is a unit of account; free cash flow is what gets paid for, and the gap between them is set by capital intensity. The median company here absorbs **17% of EBITDA** in capital expenditure, rising to 48% in oil and gas and falling to 6% in internet and digital media.

Table 2. The Conversion Gap: Cash Conversion Against Median Multiple, 19 August 2026

Industry	EBITDA surviving capital expenditure	Median EV/EBITDA
Oil and gas E&P	52%	5.4x
Telecom and cable	60%	7.7x
Chemicals	62%	18.4x
Transport and logistics	69%	17.0x
Enterprise software	90%	15.9x
Semiconductors	91%	27.2x
Business services	92%	15.3x
Internet and digital media	94%	20.5x
Correlation across 17 industries	0.42	0.56 excluding utilities

Source: Windsor Drake analysis of SEC filings and market prices, 19 August 2026. Utilities are treated separately below.

Regulated utilities are the exception that defines the rule. They convert **1.8%** of EBITDA and still clear **13.3x**, because the regulated rate base earns an allowed return. Telecom converts 59.8% and clears 7.7x, because its network spending is competitive rather than contracted, defending share instead of adding a priced asset. The pair isolates the variable: it is the contract attached to the spending, not the size of it.

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. A high margin on a cyclical, capital-hungry earnings stream is underwritten as a low-quality one.

Why does company size change the multiple on its own?

Sorting the same 118 constituents by market capitalisation, with no reference to industry, produces a clean ladder. It is the argument a buyer makes first when discounting a private business.

Table 3. Median EV/EBITDA by Market-Capitalisation Quartile, 19 August 2026

Market capitalisation	Constituents	Median EV/EBITDA
Under $26bn	29	11.6x
$27bn to $74bn	About 29	15.7x
$75bn to $160bn	About 30	16.1x
Above $161bn	30	17.8x
Largest against smallest		53% premium

Source: Windsor Drake analysis of SEC filings and market prices, 19 August 2026. The smallest quartile spans $3.1bn to $26bn.

Scale buys index inclusion, secondary liquidity and lower perceived operating risk. None are operating achievements and all are priced. The same effect separates a private middle-market business from the listed comparables it is benchmarked against, which is why public medians are a reference point, not a quote.

How much does position inside an industry matter?

Industry choice is fixed by the time an owner contemplates a sale. Position inside it is not, and it is worth roughly a third of the industry spread: the gap between the 25th and 75th percentile is typically **1.6x**.

Table 4. Dispersion Within Industries and Selected Constituents, 19 August 2026

Measure	Value	Detail
Typical 25th to 75th spread	1.6x	Across 17 industries
Widest internal spread	2.4x	Telecom and cable
Narrowest internal spread	1.3x	Medical devices
Semiconductors internal spread	2.1x	15.1x to 32.1x
Aerospace and defence range	18.5x to 40.0x	Aftermarket against airframe
Highest constituent	43.9x	Lam Research
Lowest constituent	3.3x	Chord Energy
Parcel carriers	9.0x and 9.1x	Against a 17.0x transport median

Source: Windsor Drake analysis of SEC filings and market prices, 19 August 2026.

The parcel carriers are the clearest illustration. United Parcel Service at 9.0x and FedEx at 9.1x sit at roughly half the transport median of 17.0x, carrying heavy fleet reinvestment against volume that has stopped growing, while the median is held up by asset-light forwarding franchises. Industrial machinery makes the point from the other side: it keeps 89.7% of EBITDA and clears 18.4x, led by constituents with large installed-base service revenue.

The technology read-across is narrower than it looks

Enterprise software clears a 15.9x median against 27.2x for semiconductors. Software converts more cash, at 90.4%, but these are mature franchises whose growth has normalised, and the market pays for growth on top of conversion. Semiconductor constituents here absorb a median 8.8% of EBITDA in capital expenditure, because the equipment and fabless design businesses dominating the median do not carry the fabrication burden.

Who is buying, and what are they paying up for?

Buyer appetite divides by what each pool of capital can underwrite. Strategic acquirers pay for capability and retainable revenue. Sponsors pay for the cash flow that services leverage. Infrastructure capital pays for contracted returns and accepts capital intensity neither of the others will touch.

Table 5. Buyer Appetite by Industry Group Under 2026 Conditions

Industry group	Strategic acquirers	Private equity	Infrastructure capital
Technology and software	High	High	Low
Healthcare and life sciences	High	Selective	Low
Industrials and transport	High	High	Selective
Energy, utilities and telecom	Consolidating	Low	High
Business and professional services	Selective	High	Low
Consumer and retail	Selective	High	Low

Source: PwC, Bain & Company and S&P Global Market Intelligence, 2026, with Windsor Drake analysis.

Conversion is the sponsor's first screen: a leveraged structure is repaid out of free cash flow rather than EBITDA, so conversion sets the debt capacity that sets the price. Business services at a 15.3x median and 92.5% conversion is the buy-and-build archetype, where platforms are underwritten at the band and add-ons at a discount to it.

The capital is present 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% to **$904bn** and exit value up 47% to **$717bn**. Holding periods at exit now sit near **seven years** against five to six between 2010 and 2021.

Consolidation is the answer where the market will not re-rate

Devon Energy and Coterra Energy is the template for the lowest-multiple industry in the set. Announced on 2 February 2026 and completed in the second quarter, the all-stock merger of equals created a combined enterprise value of approximately **$58bn** on Devon's 30 January 2026 closing price, at 0.70 Devon shares per Coterra share, leaving Devon holders with 54% and Coterra holders 46% fully diluted. Pro forma production exceeds 1.6m barrels of oil equivalent per day across nearly 750,000 net acres in the core Delaware Basin, targeting $1.0bn of annual pre-tax synergies by the end of 2027.

The structure follows from the multiple. At 5.4x, no operator can justify a cash premium for growth, so an all-stock combination transfers no cash and prices both sides off the same band. The second-order effect matters more to a private seller: every combination of this scale removes an independent bidder, and sellers in consolidating industries face a narrowing buyer pool the longer they wait.

What conditions are behind the 2026 multiples?

Multiples are a function of the discount rate as much as of the earnings beneath them, and discount rates rather than earnings drove most multiple movement over the prior two years.

Table 6. Rate, Credit and Deal Conditions, August 2026

Indicator	Level	Institution and date
Federal funds target range	3.50% to 3.75%, held 9 to 3	Federal Reserve, 29 July 2026
Ten year Treasury yield	4.72%	St. Louis Fed, 17 August 2026
US high yield option-adjusted spread	2.75%	ICE BofA via St. Louis Fed, 18 Aug 2026
US investment grade spread	0.82%	ICE BofA via St. Louis Fed, 18 Aug 2026
2026 global deal value	Tracking $4tn, up about 13%	PwC, 23 June 2026
2026 global deal volume	About 42,000, down 13%	PwC, 23 June 2026
Megadeal share of value	48%, against 39% in 2025, 26% in 2024	PwC, 23 June 2026
Q1 2026 global deal value	$861.1bn, up 9.7%	S&P Global, 20 April 2026
US listings above $1bn, H1 2026	12, against 4 in H1 2025	EY, 7 July 2026
Global buyout dry powder	$1.3tn	Bain & Company, 2026

Source: As stated per line. Yields and spreads as reported by the Federal Reserve Bank of St. Louis.

Spreads at 2.75% and 0.82% are tight against long-run averages, and spread widening is the first mechanism through which multiples compress, ahead of any change in earnings. The concentration of value in megadeals, 48% against 26% two years earlier, means fewer and larger transactions: excluding them, deal value is down 4% year on year. The listing window is open, led by semiconductors, power and data centre infrastructure, giving a seller a credible alternative to a trade sale.

What should founders do now?

The multiple is only half the equation and the other half is negotiated. Every figure here is computed on a public-market convention. In a private transaction the base EBITDA figure is rebuilt in a quality of earnings exercise, and that rebuild routinely moves the number by more than the multiple negotiation does. Owner compensation above market and non-recurring costs are commonly added back; deferred maintenance and revenue recognised early are commonly deducted.

The base figure a process opens on anchors every later conversation. Rebuilding it after a buyer challenges it reads as a concession; presenting a defended figure from the first meeting reads as discipline. Given conversion's 0.42 correlation with the multiple, the highest-return preparation is the bridge from EBITDA to free cash flow: separating maintenance from growth capital expenditure across three years of history. A business that has never split the two is assumed to be all maintenance.

A process runs 12 to 18 months. The first four belong to rebuilding trailing twelve month EBITDA on a defensible basis and establishing where the business sits inside its band. Months five to nine belong to moving it: converting uncontracted revenue to contracted, resolving customer concentration above 20%, and mapping buyer sets against appetite rather than size. A $1.3tn dry powder pool, holding periods near seven years and falling volumes describe more capital chasing fewer processes. With lead times of that length, the decision and the market are rarely in the same quarter.

Key takeaways for founders

1. 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 in telecom at 2.4x and narrowest in medical devices at 1.3x. Top-quartile inside a mid-priced industry beats bottom-quartile inside a rich one.

2. Buyers underwrite cash, not EBITDA

The median business here absorbs 17% of EBITDA in capital expenditure, rising to 48% in oil and gas and falling to 6% in internet and digital media. A business that reinvests less to hold its position converts more of every EBITDA dollar into cash.

3. The utilities exception proves what the market is pricing

Regulated utilities convert 1.8% of EBITDA and still clear 13.3x, because spending that earns a regulated return builds the rate base. Spending that only holds share destroys multiple. The test: does the next dollar come with a customer commitment attached?

4. A high margin does not buy a multiple by itself

Oil and gas E&P carries the highest median EBITDA margin in the set at 50.8% and the lowest multiple at 5.4x, while healthcare services runs a 5.1% margin and clears 10.3x. Durability and reinvestment burden outrank headline margin.

5. Scale is priced separately and will be argued against you

The size ladder runs from 11.6x for the smallest market-capitalisation quartile to 17.8x for the largest, a 53% premium with no reference to industry mix. The counterweight is to demonstrate conversion and durability the larger comparables do not have.

6. Public medians set the band, recorded transactions set the price

These are large listed companies. Windsor Drake's proprietary transaction index, 503 recorded transactions and growing each quarter, is the private comparable set. Public medians tell an owner which conversation they are in; recorded transactions tell them what it is worth.

Sources

- US Securities and Exchange Commission, 10-K and 10-Q filings via EDGAR
- Federal Reserve, FOMC statement, 29 July 2026
- Federal Reserve Bank of St. Louis, 10-year Treasury constant maturity, 17 August 2026
- ICE BofA US High Yield Index option-adjusted spread, St. Louis Fed, 18 August 2026
- ICE BofA US Corporate Index option-adjusted spread, St. Louis Fed, 18 August 2026
- PwC, Global M&A Industry Trends: 2026 mid-year outlook, 23 June 2026
- Bain & Company, Global Private Equity Report 2026
- S&P Global Market Intelligence, Global M&A by the Numbers, Q1 2026
- EY, Global IPO Trends Q2 2026, 7 July 2026
- Devon Energy Corporation, investor relations and completion release, 2 February 2026
- CNBC, Devon and Coterra merge in a $58 billion deal, 2 February 2026
- Bloomberg, Devon and Coterra all-stock merger, 2 February 2026

Methodology Note

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

Source standard. Every multiple here is Windsor Drake's own computation from SEC filings and closing market prices on 19 August 2026 rather than a figure from a published multiples table. Where a third-party figure is quoted, the institution and the publication date appear beside it. Press reporting is cited only for the terms of the Devon and Coterra transaction, corroborated against the acquirer's investor relations release.

How the figures were computed. Enterprise value is market capitalisation plus total debt plus minority interest less cash, cash equivalents and short-term investments, with shares outstanding from the most recent cover page or balance sheet disclosure, priced at the close on 19 August 2026. EBITDA is trailing twelve month operating income plus depreciation and amortisation, with impairment and restructuring added back, and quarterly periods derive from filed year-to-date figures so every constituent is measured on the same trailing basis.

Derived measures. Cash conversion is 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.

Screening. 204 US-listed candidates were screened across 17 industries and 118 retained. Constituents were excluded 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%. Industry definitions are Windsor Drake's own and do not map exactly onto GICS or SIC. This is one cross-section on one day.

Synthesis and attribution. The industry bands, the conversion measure, the size ladder and the dispersion figures are computed from the named constituent set. Market conditions are attributed to the Federal Reserve, the St. Louis Fed, PwC, Bain & Company, S&P Global Market Intelligence and EY on the dates shown. Transaction terms are attributed to the acquirer's investor relations disclosure and corroborating press reporting.