

Revenue Multiples by Industry: 2026

AUGUST 2026

Executive Summary: A Revenue Multiple Is Mostly a Margin

WINDSOR DRAKE

The Spread Is Three Times Wider Than on Earnings

Median **EV/Revenue** across 17 industries runs from **0.87x** in healthcare services and distribution to **12.72x** in semiconductors. That is **14.6 to 1**.

- The same universe shows a **4.9 to 1** spread on EV/EBITDA industry medians, across the 117 constituents with positive earnings.
- All-constituent median **4.08x**, quartile band **2.51x to 6.14x**.
- Full range **0.22x** (Cencora) to **20.35x** (NVIDIA).
- The extra width is not extra information. It is margin.

The Bridge Is an Identity, Not a Correlation

EV/Revenue = EV/EBITDA x EBITDA margin, exactly. Across the 117 constituents with positive EBITDA the identity holds to **0.0000%**.

- So every revenue multiple is two claims wearing one number.
- One is how the market prices the earnings. One is how much of the revenue becomes earnings.
- The two are **uncorrelated** at **-0.04**, so neither substitutes for the other.
- Introduces **The Margin Bridge**.

Margin Is 69% of the Answer

Decomposing the variance of the log revenue multiple: margin accounts for **69%** and the earnings multiple for **31%**.

- Sorted into margin bands, the median revenue multiple runs **0.65x to 8.56x**, a **13.1x** range.
- Across the same bands the median EBITDA multiple runs **13.9x to 16.0x**, a spread of **2.1 turns** with no trend.
- The market is not paying more for high-margin businesses.
- It is applying a similar earnings multiple to a larger slice.

The Two Metrics Disagree About a Third of the Time

Rank the 117 constituents by revenue multiple, then by earnings multiple. **36 of them**, or **31%**, move **30 or more places**, a quarter of the field.

- C.H. Robinson sits **109th** on revenue and **21st** on earnings.
- EQT sits **55th** on revenue and **113th** on earnings.
- Whichever metric a buyer opens with is a choice, and it is not neutral.
- Boeing has no EBITDA multiple at all: trailing EBITDA is negative.

01 Your Revenue Multiple Is Mostly a Statement About Margin

Across 117 constituents, **69%** of the variation in revenue multiples is the margin term and **31%** the earnings multiple.

- The two components are uncorrelated at **-0.04**, so neither one tells you anything about the other.
- A cross-industry revenue comparison is therefore a margin comparison wearing different clothes.

03 A Low Revenue Multiple Is Not a Discount

Walmart clears **1.19x** revenue and **18.6x** EBITDA. C.H. Robinson clears **1.09x** revenue and **19.9x** EBITDA.

- Both sit near the bottom of the revenue ranking and inside the top third on earnings, at the same prices on the same day.
- The revenue multiple is low because margin is **6.4%** and **5.5%**, not because the market is sceptical.

05 The Metric You Are Quoted Is a Choice, Not a Convention

Revenue multiples carry information only where the current margin is a poor reading of the steady state.

- Boeing is the clearest case here: trailing EBITDA is negative, so **2.10x** revenue is the only multiple that exists.
- For a profitable business with a settled cost structure, accepting a revenue frame concedes the better number unasked.

02 Comparing Across Industries Is Close to Meaningless

Industry medians span **14.6 to 1** on revenue against **4.9 to 1** on earnings, on identical data and the same day.

- Healthcare distribution clears **0.87x** on a **5.9%** margin; semiconductors **12.72x** on **48.9%**.
- Within an industry it works: the median industry spans **1.8x** between its 25th and 75th percentile.

04 A High Margin Does Not Buy a High Earnings Multiple

Oil and gas exploration and production carries the set's highest median margin, **51.3%**, and its lowest median earnings multiple, **5.60x**.

- EOG Resources runs a **54.3%** margin on a **5.73x** earnings multiple: the conversion is real and the durability is discounted.
- Margin lifts the revenue multiple mechanically and does nothing to the earnings multiple.

01 Should my business be valued on revenue or on EBITDA?

On EBITDA, unless your current margin is not a fair reading of what the business will earn. Revenue multiples exist to price businesses whose earnings are negative, volatile, or deliberately suppressed by reinvestment. If none of those describe you, an earnings multiple is the more informative number and the one a buyer will underwrite to.

03 Why is my industry's revenue multiple so far from the one next to it?

Because the two industries convert revenue into earnings at different rates. Median margin runs from 5.9% in healthcare services and distribution to 51.3% in oil and gas exploration and production. That alone produces most of the 14.6 to 1 spread in industry revenue multiples, against a 4.9 to 1 spread on earnings.

05 Can I compare my revenue multiple to a company in another industry?

Only after dividing both by their margins. Compared raw, the exercise mostly measures which business keeps more of each dollar of sales. Within an industry the comparison is sound, because margin structures are similar: the median industry in this set spans 1.8x between its 25th and 75th percentile.

07 How should an owner use these numbers before a process?

Find your industry band, then split your own multiple into its two parts. Margin is the part that responds to operating work over a twelve to eighteen month horizon. The earnings multiple responds to durability, concentration and growth, which take longer to change and are read from evidence rather than assertion.

02 A buyer quoted me a revenue multiple. What did they actually tell me?

Mostly your margin. Across 117 listed constituents on 21 August 2026, 69% of the variation in revenue multiples is the margin term and 31% is the earnings multiple. Divide the quoted multiple by your EBITDA margin and you recover the earnings multiple they are really applying. That second number is the one worth negotiating.

04 Does a high revenue multiple mean the market likes the business?

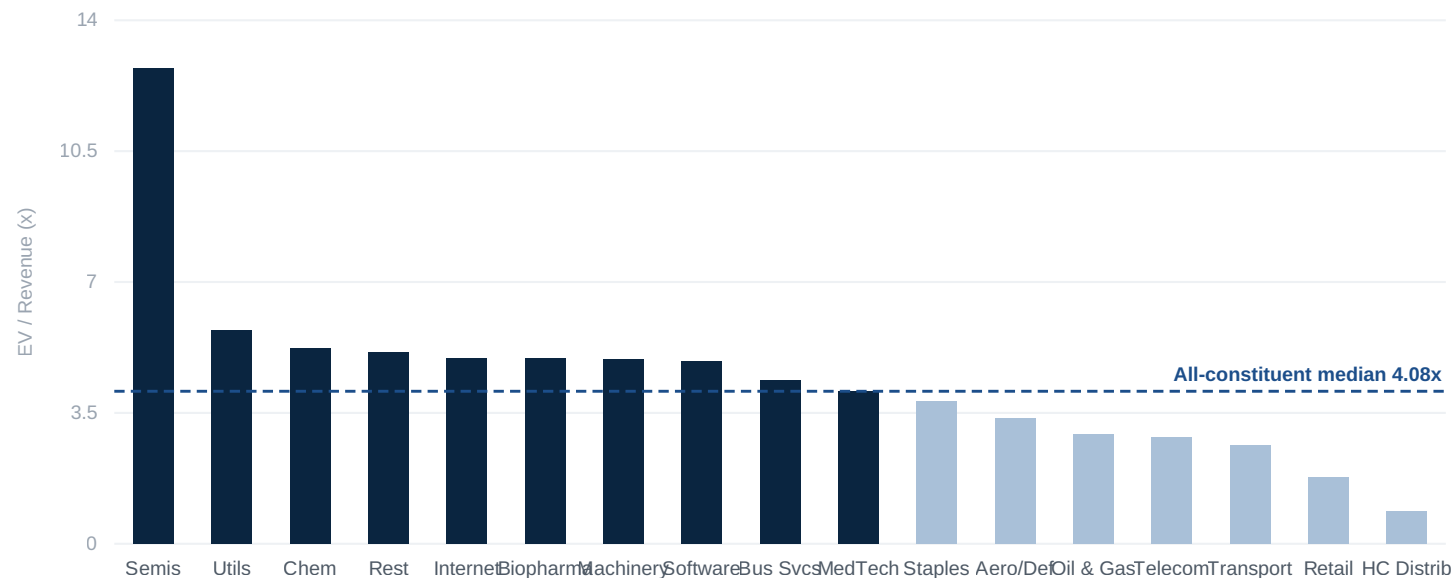
Not reliably. Sorted into margin bands, the median revenue multiple rises thirteenfold from 0.65x to 8.56x while the median earnings multiple stays between 13.9x and 16.0x. The market is applying a similar earnings multiple to a bigger slice of revenue, which is a fact about the cost structure rather than a verdict on quality.

06 What does it mean if a business has no EBITDA multiple at all?

It means trailing earnings are negative and revenue is the only anchor available. Boeing is the one constituent of 118 in that position on 21 August 2026, at 2.10x revenue. For a private company it usually means the buyer is underwriting a forecast rather than a track record, which shifts risk and price onto the seller.

Where the Revenue Multiple Actually Sits

Median EV / Revenue by industry, 118 US-listed constituents, 21 August 2026



ALL-CONSTITUENT MEDIAN

4.08x

Quartile band 2.51x to 6.14x across 118 constituents.

INDUSTRY SPREAD

14.6 to 1

0.87x to 12.72x, against 4.9 to 1 on EV/EBITDA.

FULL CONSTITUENT RANGE

0.22x to 20.35x

Cencora at the floor, NVIDIA at the ceiling.

MEDIAN INTERNAL SPREAD

1.8x

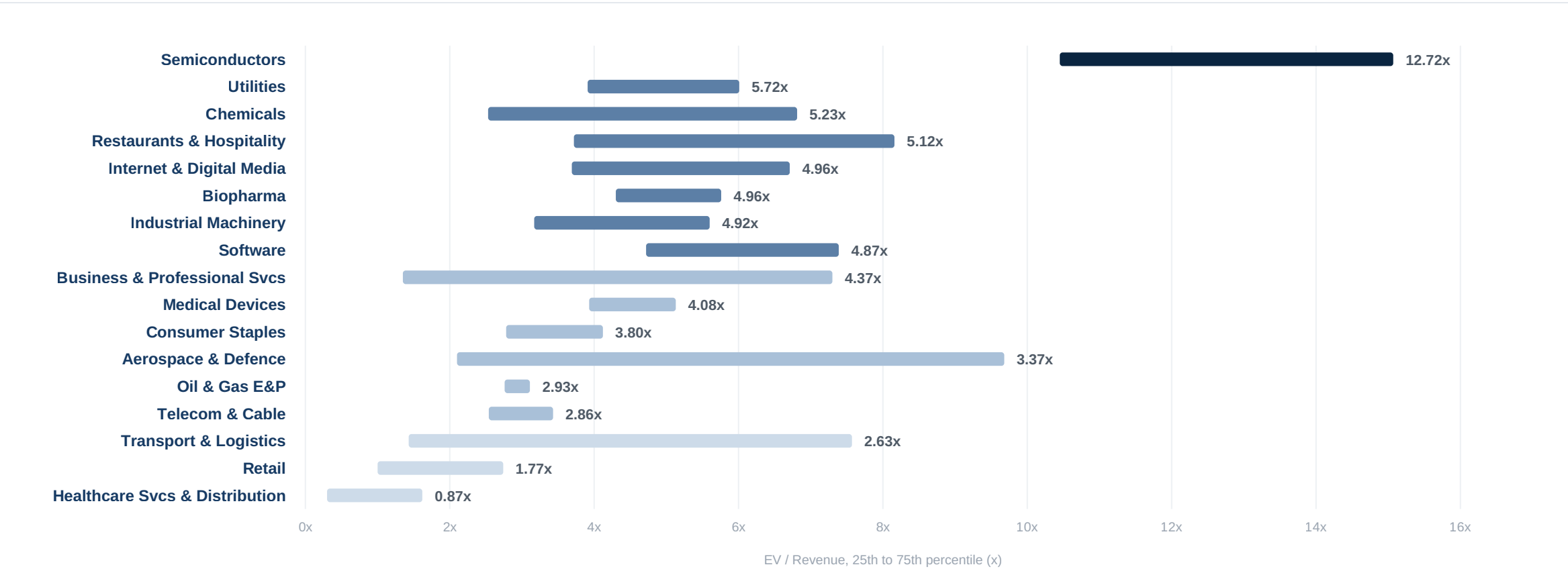
Q3 over Q1 within the typical industry.

Thirteen of the seventeen industries sit between **2.86x** and **5.72x**. The ordering across that middle band is mostly margin structure and reverses on an earnings basis for several of them.

Source: Windsor Drake analysis of market capitalisation, reported balance sheets and trailing twelve month financials, 21 August 2026. 118 constituents, all named in the appendix.

Interquartile Range by Industry, With the Median Marked

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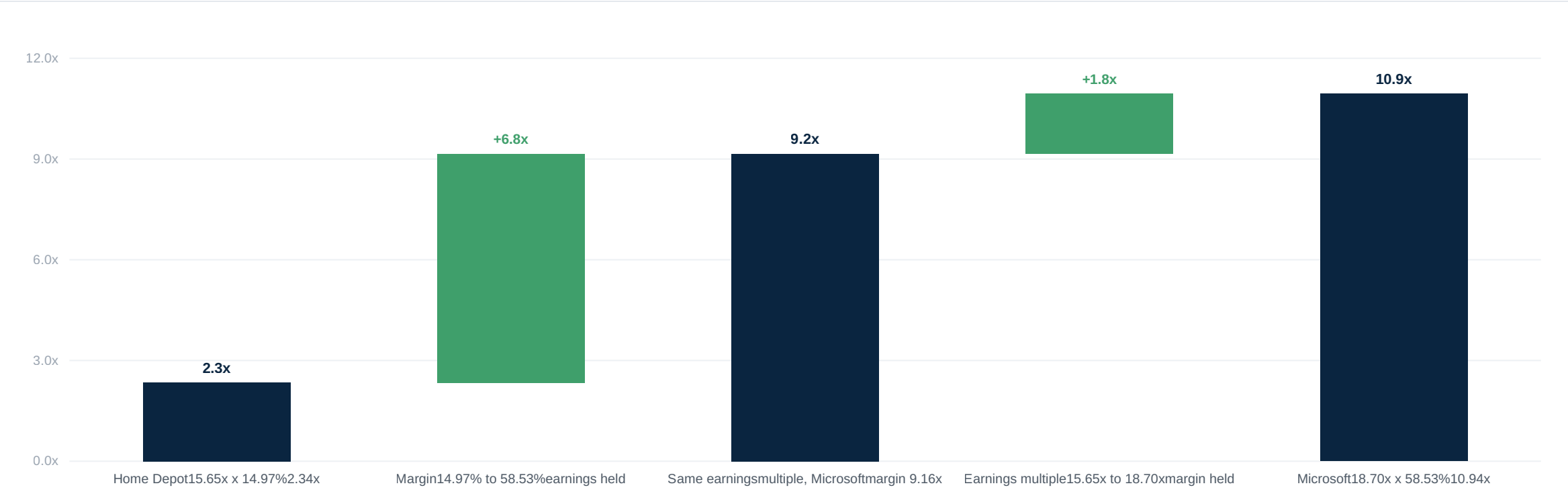
WIDTH IS THE SIGNAL

Business and professional services spans **5.4x** between its quartiles, healthcare services **5.3x** and transport **5.3x**, because each mixes asset-light and asset-heavy models under one label. Oil and gas spans **1.1x** and medical devices **1.3x**, where the cost structure is common to every constituent. A wide industry band means the label is doing less work than the position inside it.

Source: Windsor Drake analysis of market capitalisation, reported balance sheets and trailing twelve month financials, 21 August 2026. 118 constituents, all named in the appendix.

The Margin Bridge

Walking one constituent to another, where the identity holds exactly



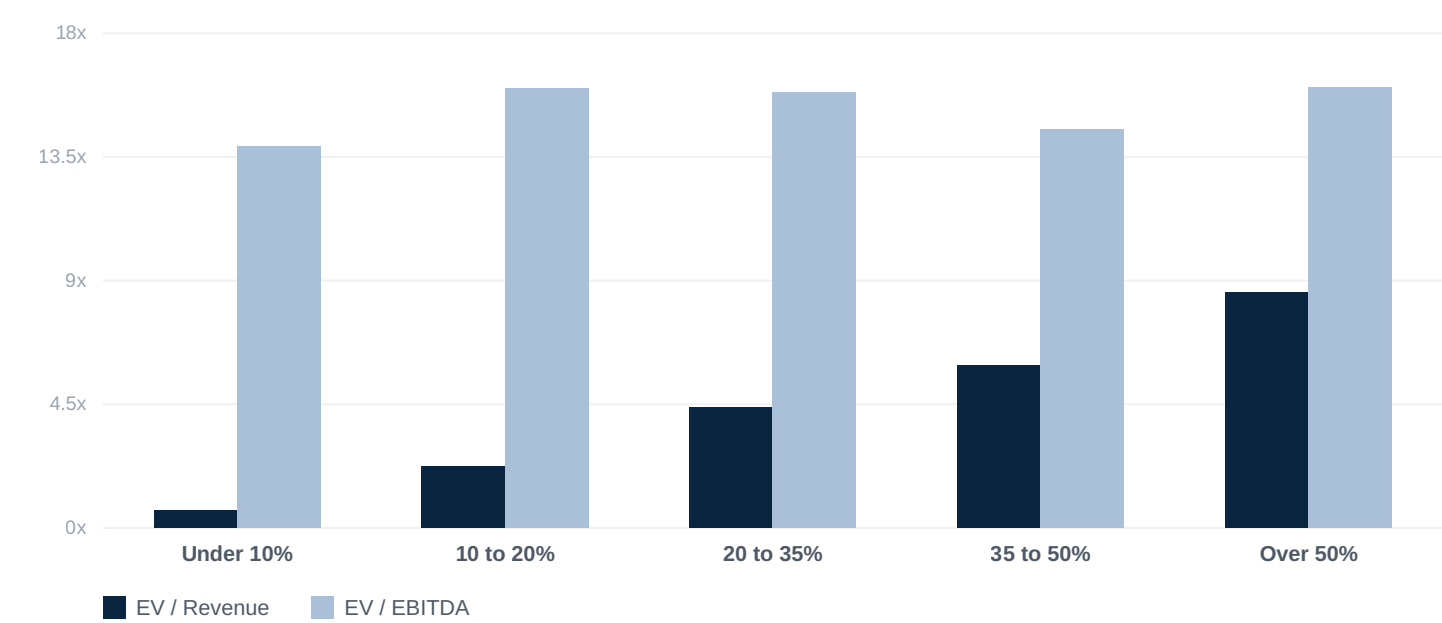
THE IDENTITY, AND WHAT IT COSTS THE READER

EV/Revenue = EV/EBITDA x EBITDA margin. Across the 117 constituents with positive trailing EBITDA the identity holds to **0.0000%**, because it is arithmetic rather than an empirical relationship. The walk above is company to company, where it is exact: medians do not multiply, so an industry-level walk would not close. Of the **8.60x** gap between these two, margin carries **6.82x** and the earnings multiple **1.79x**. Attribution depends on the order taken, and taking the earnings multiple first gives margin **8.15x** of the gap instead, so margin dominates on either convention. Decomposed across the full set, margin carries **69%** of the variance in log revenue multiples and the earnings multiple **31%**, with a correlation between them of **-0.04**.

Source: Windsor Drake analysis of market capitalisation, reported balance sheets and trailing twelve month financials, 21 August 2026. 118 constituents, all named in the appendix.

Margin Moves the Revenue Multiple. It Does Not Move the Earnings Multiple.

Median multiple by EBITDA margin band, 117 constituents with positive EBITDA



REVENUE MULTIPLE, BAND TO BAND

13.1x range

0.65x in the lowest margin band to 8.56x in the highest.

EARNINGS MULTIPLE, BAND TO BAND

2.1 turns

13.9x to 16.0x, with no monotonic trend across bands.

MARGIN SHARE OF VARIANCE

69%

Of the variance in the log revenue multiple. Earnings multiple 31%.

CORRELATION OF THE TWO PARTS

-0.04

Margin and the earnings multiple are effectively independent.

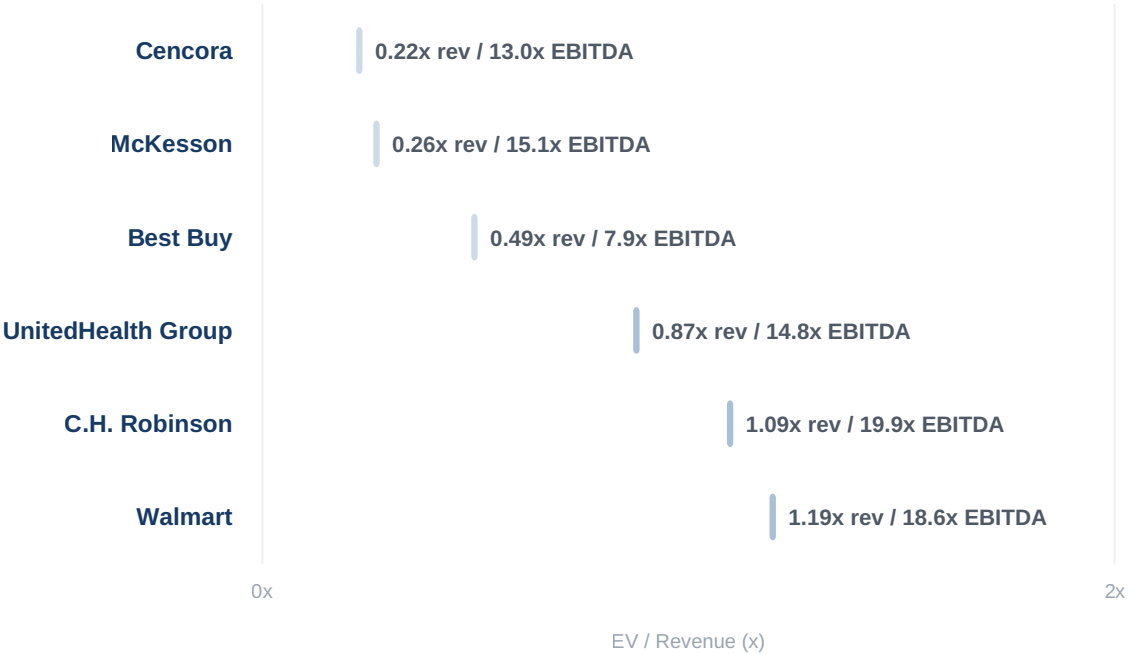
If the market rewarded high-margin businesses with richer earnings multiples, the pale bars would slope upward. They do not.

Source: Windsor Drake analysis of market capitalisation, reported balance sheets and trailing twelve month financials, 21 August 2026. 118 constituents, all named in the appendix.

Deep Dive: The Thin-Margin Floor

Where a revenue multiple below 2x means almost nothing

Selected constituents under 10% EBITDA margin, both metrics



What Is Actually Happening

The Margin, Not the Verdict

These six run median EBITDA margins between **1.7%** and **6.4%**. Divide any of their revenue multiples by that margin and an ordinary earnings multiple appears.

Two of Them Are Expensive

C.H. Robinson ranks **109th of 117** on revenue and **21st** on earnings. Walmart ranks **106th** and **34th**. On the metric buyers underwrite, both sit inside the top third.

Distribution Is the Extreme Case

Cencora and McKesson both clear **1.7%** margins and both trade on **13x to 15x** earnings. Their revenue multiples of **0.22x** and **0.26x** describe a pass-through cost base.

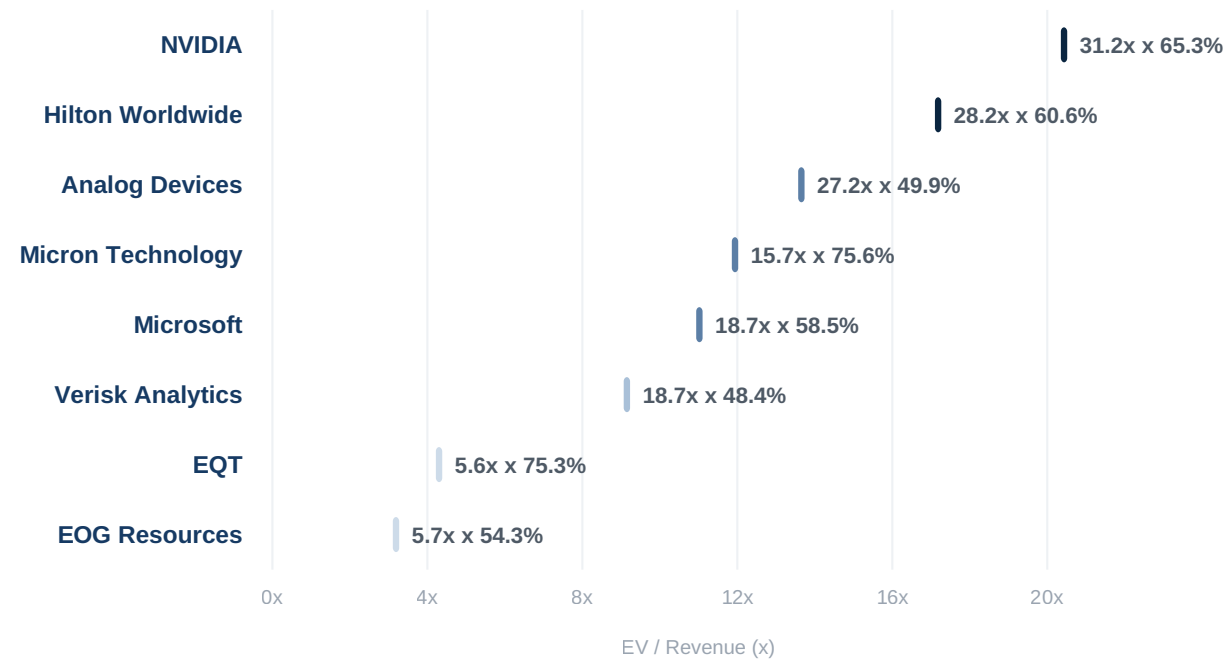
KEY OBSERVATION

An owner of a distribution, logistics or high-volume retail business who benchmarks on revenue will read a discount that is not there. In this cohort the revenue multiple is a restatement of the gross margin structure, and the earnings multiple is the only comparable number.

Deep Dive: The High-Margin Ceiling

Where a high revenue multiple is earned, and where it is only arithmetic

Selected constituents above 45% EBITDA margin, ranked on EV / Revenue



What Separates Them

The Cleanest Test in the Set

Micron converts **75.57%** of revenue to EBITDA and EQT **75.35%**, two tenths of a point apart. Micron clears **11.86x** revenue and EQT **4.22x**. The whole **2.8x** difference is the earnings multiple, **15.7x** against **5.6x**, on effectively identical margins.

Margin Is Necessary, Not Sufficient

Oil and gas carries the highest median margin of any industry here at **51.3%** and the lowest median earnings multiple at **5.60x**. Durability, not conversion, sets that second number.

The Top of the Set Earns Both

NVIDIA and Hilton clear high multiples on both metrics at once. That combination, not margin alone, is what a double-digit revenue multiple actually requires.

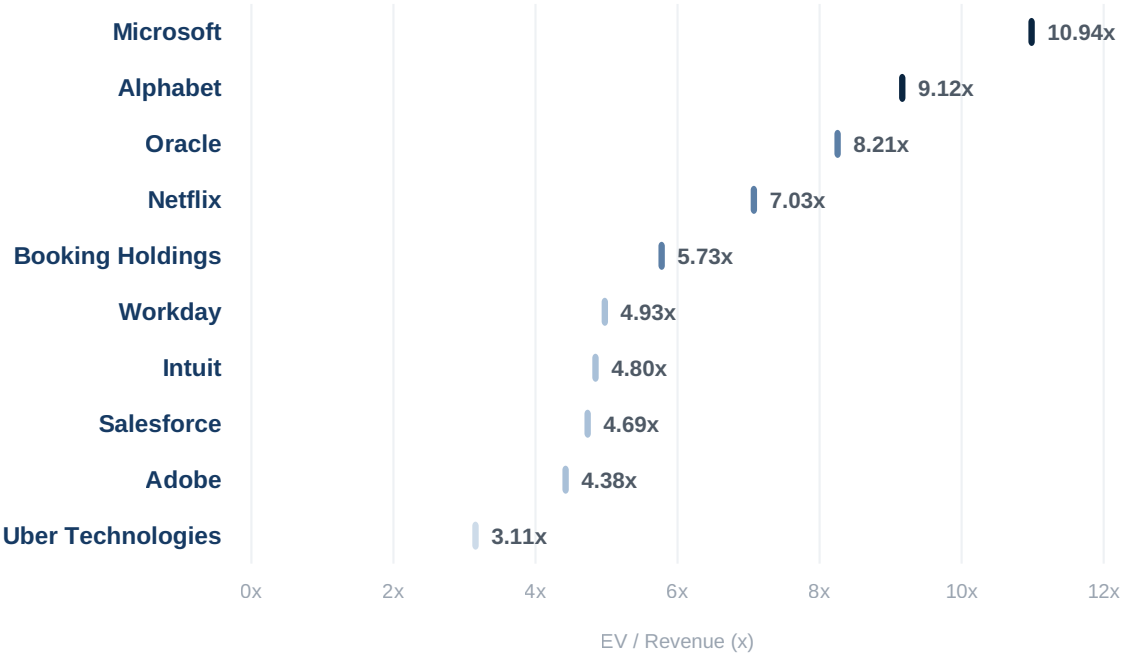
KEY OBSERVATION

High margin lifts the revenue multiple mechanically and does nothing for the earnings multiple. An owner presenting margin expansion as evidence of quality should expect a buyer to credit the arithmetic and price the durability separately.

Deep Dive: Software, Where the Metric Choice Is Genuine

The one cohort in the set where revenue is defensibly the better anchor

Software and internet constituents, EV / Revenue, 21 August 2026



Why Revenue Survives Here

The Software Median Is 4.87x

On a six-constituent listed software cohort, quartile band **4.72x to 7.39x**. The cohort's median earnings multiple is **16.9x** and its median margin **34.6%**. Medians do not multiply: the identity holds company by company, not across a cohort, so read those as two separate facts.

Reported Margin Understates the Steady State

Sales, marketing and research spending in a growing software business is closer to investment than to cost of service. That is the defensible reason to look through margin to revenue, and it does not apply to a mature business.

It Still Fails Across Cohorts

Uber clears **3.11x** revenue on **13.5%** margin and **23.0x** earnings, ranking **79th** on revenue and **18th** on earnings. Even inside technology, the raw revenue comparison misleads.

KEY OBSERVATION

Revenue multiples earn their place where today's margin is a poor forecast of tomorrow's, and nowhere else. For a profitable business with a settled cost structure, accepting a revenue multiple as the frame concedes the more favourable number without being asked.

Same Revenue Multiple, Opposite Statement

Pairs matched to within 0.06x on EV/Revenue, computed on the same prices on 21 August 2026

Matched pair	Priced on thin margin	Priced on thick margin	What the pair proves
At 3.11x revenue	Uber Technologies 23.0x EBITDA on a 13.5% margin. Ranks 18th of 117 on earnings and 79th on revenue.	EOG Resources 5.7x EBITDA on a 54.3% margin. Ranks 112th of 117 on earnings and 78th on revenue.	A four-fold gap Identical revenue multiples concealing a 4.0x difference in the earnings multiple. A buyer opening on revenue prices these two the same.
At 1.51x to 1.54x revenue	Tenet Healthcare 6.9x EBITDA on a 22.2% margin, in an industry whose median revenue multiple is 0.87x.	Chord Energy 3.4x EBITDA on a 44.8% margin, the lowest earnings multiple of any pair shown here.	Both look cheap Only one is cheap on the metric a leveraged buyer underwrites, and the revenue multiple does not say which.
At 3.35x to 3.37x revenue	RTX 19.8x EBITDA on a 17.0% margin, a long-cycle programme business with contracted backlog.	Pfizer 8.4x EBITDA on a 39.8% margin, where the market discounts patent-cliff durability.	Sector labels do not save it Two large, mature, US-listed businesses sitting 2.4x apart on earnings and level on revenue.
At 2.34x to 2.38x revenue	Home Depot 15.7x EBITDA on a 15.0% margin, close to the all-set median earnings multiple.	Ovintiv 4.6x EBITDA on a 51.3% margin, matching the oil and gas median margin almost exactly.	The rule generalises 36 of 117 constituents, or 31%, move at least 30 places between the two rankings.

When Each Metric Is the Right One

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The decision rule the bridge implies

Use Revenue When Margin Is Not Yet Real

REVENUE

The defensible case for a revenue multiple is that the current margin is a bad forecast of the steady-state margin.

- Growth businesses spending ahead of revenue, where cost is closer to investment than to cost of service.
- Businesses mid-transition between delivery models, where the reported margin belongs to neither.
- Cohorts where a majority of comparables report negative earnings, so an earnings multiple has no denominator.
- In this set that is one constituent of 118: **Boeing**, at **2.10x**.

Use Earnings Everywhere Else

EBITDA

For a business with a settled cost structure and positive trailing earnings, the earnings multiple is strictly more informative.

- It strips out the margin term, which is the **69%** of the revenue multiple that is not a view on the business.
- It is the metric debt is sized against, so it is what a leveraged buyer underwrites regardless of the headline quoted.
- Industry medians compress from **14.6 to 1** to **4.9 to 1**, which makes cross-industry comparison possible at all.
- It is the harder number to present favourably, which is why it is the more credible one.

What a Revenue Frame Costs a Seller

PROCESS

Accepting the buyer's metric is a concession made before negotiation begins, and it is rarely recognised as one.

- A thin-margin business quoted on revenue looks cheap and will be benchmarked against businesses it does not resemble.
- A thick-margin business quoted on revenue looks expensive and invites a discount argument the earnings multiple would not support.
- Either way the seller argues about the wrong number.
- The remedy is arithmetic: divide by the margin and restate.

What the Owner Can Still Change

PREPARATION

The two components respond to different work on different timescales, which matters for sequencing before a process.

- Margin responds to operating decisions inside a twelve to eighteen month window and lifts the revenue multiple mechanically.
- The earnings multiple responds to durability, customer concentration and growth evidence, which take longer and must be demonstrated.
- Margin and the earnings multiple are uncorrelated at **-0.04**, so work on one does not substitute for the other.
- Sequencing both is what moves the headline number by more than one component can.

What the Private Market Actually Discloses

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Buyer evidence from the firm's proprietary transaction index, 511 records.

Buyers Are Strategic, Overwhelmingly

Of **511** recorded transactions, **493** were strategic acquirers, **14** financial sponsors and **4** sponsor-backed strategics. A strategic prices synergised earnings and a sponsor prices debt capacity. Neither underwrites revenue.

Prices Are Published, Denominators Are Not

Under **4%** of the index carries a disclosed revenue multiple. Market opacity here is a fact about the seller's position: the comparable set a seller assembles is the one that frames the negotiation.

What Does Disclose Is Selected

Disclosure clusters in large listed strategics with a shareholder vote to satisfy, and those targets are richer than the population they get used to price. The listed set here is narrower in scope and complete in its universe.

Ask Which Revenue Period

Trailing, forward and run-rate revenue can differ by a third in a growing business.

Ask Equity or Enterprise

The two diverge sharply where debt or net cash is material, and a headline on a proposal never agreed is neither.

Ask Whether Margins Match

A multiple from a company at twice your margin measures its cost structure, not your price.

Ask Pre-Synergy or Pro Forma

Earnings multiples quoted after full run-rate synergies can move several turns while revenue stays put.

511

RECORDS IN
THE INDEX

96%

ACQUIRED BY
STRATEGICS

118

LISTED
CONSTITUENTS
NAMED

Which Buyer Uses Which Metric

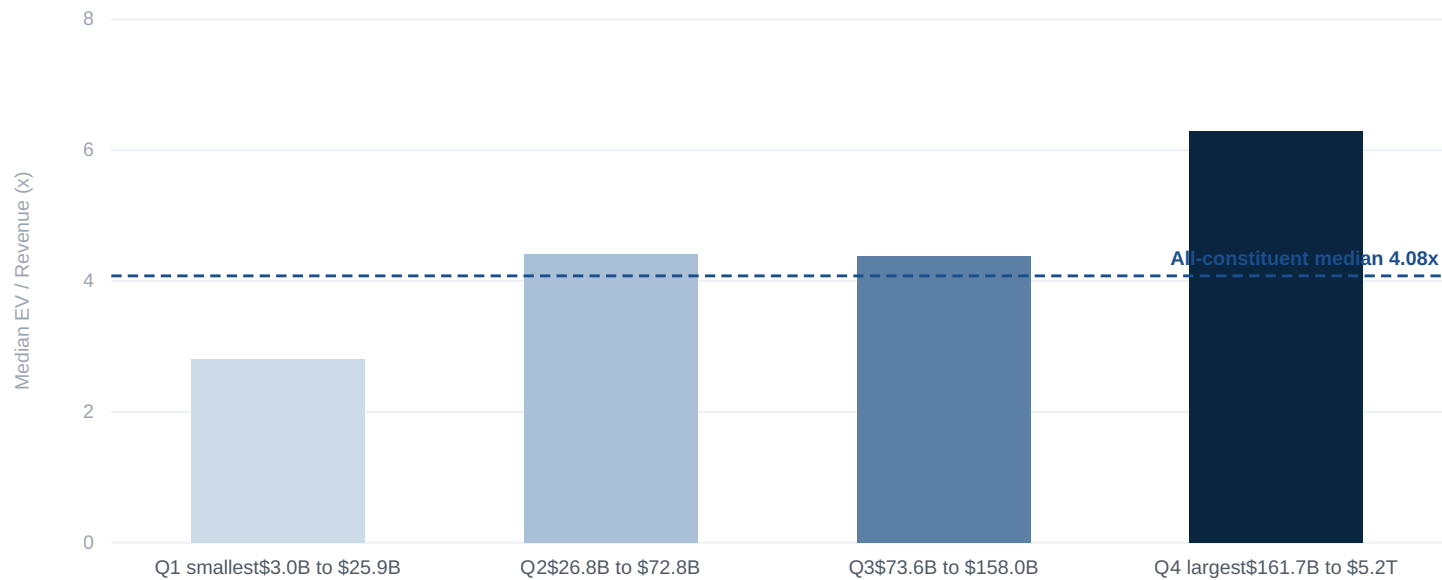
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The metric a buyer opens with follows from how the buyer funds the deal

Buyer type	Opening metric	Why it follows	What it means for a seller
Leveraged financial buyer	EBITDA, always Debt quantum is sized on earnings, so the earnings multiple is the only one that binds the structure.	Financing arithmetic Bain reports purchase multiples and financing costs elevated together to a degree not seen before, with a deal once working on 5% EBITDA growth now needing 12%.	Margin work pays twice It lifts the earnings base and the debt capacity supporting the price. A revenue frame is irrelevant to this buyer once diligence starts.
Strategic acquirer, adjacent	EBITDA, with synergies Quoted pro forma for run-rate synergies, which flatters the earnings multiple and leaves the revenue multiple untouched.	Cost overlap ICE quoted its MarketAxess acquisition at roughly 10.6x LTM EBITDA pro forma for US\$100m of run-rate synergies within three years.	Ask which basis The pre-synergy multiple, near 13x on that deal, is the one comparable to your own business.
Strategic acquirer, new capability	Revenue, sometimes Where the target is sub-scale or reinvesting, revenue is the only stable denominator available.	Capability, not earnings PwC records deals above US\$5bn at 48% of 2026 global value against 26% in 2024, with roughly a quarter of US megadeals AI-motivated.	Rare and specific This applies to a genuine capability gap, not to a profitable incumbent with a settled cost structure.
Public market	Both, inconsistently Coverage quotes revenue for growth names and earnings for mature ones, frequently in the same note.	Convention, not analysis The convention is inherited by sector, which is how a 14.6 to 1 industry spread in revenue multiples persists unremarked.	Do the division The listed comparable set only becomes usable once both metrics are on the table and the margin term is stripped out.

Scale Is Priced, in the Tails

Median EV / Revenue by market-capitalisation quartile, 117 constituents



LARGEST OVER SMALLEST

2.25x

6.29x against 2.80x, a 125% premium.

THE MIDDLE IS FLAT

4.41x / 4.38x

Q2 and Q3 are indistinguishable. This is a tails effect.

SMALLEST QUARTILE CEILING

\$25.9B

Every constituent here is far larger than a middle-market target.

PRIVATE ADJUSTMENT

Applied after

Scale, liquidity, concentration and control are priced off this band, not inside it.

The premium sits at the top of the distribution and is concentrated in a handful of very large, very high-margin constituents. It is not a schedule to interpolate onto.

Deal Value Concentrated, Volume Falling

LSEG recorded **US\$3.19 trillion** of global M&A in the first seven months of 2026, **up 36%**, on **more than 28,000** announced deals, **down 10%**.

- 48 deals above US\$10bn totalled **US\$1.29 trillion**, about **40%** of all value (LSEG, 12 August 2026).
- PwC puts deals above US\$5bn at **48%** of 2026 global value against **26%** in 2024 (23 June 2026).
- Excluding megadeals, PwC records global deal value **down 4%**.
- Value is rising through concentration, not breadth.

Capital Is Committed and Ageing

Bain records **US\$1.3 trillion** of global buyout dry powder, much of it from 2022 and 2023 vintages (23 February 2026).

- PitchBook records **US\$4.63 trillion** across all closed-end private capital funds (16 January 2026).
- Morgan Stanley counts roughly **13,000** sponsor-backed private businesses, about **55%** held five years or longer (22 January 2026).
- 2025 buyout exit value reached **US\$717 billion**, up **47%** (Bain).
- Committed capital with a clock on it meets an ageing portfolio needing to clear.

Financing Is Available and Not Cheap

The ICE BofA US High Yield Option-Adjusted Spread stood at **2.73%** on **19 August 2026**, tight against long-run averages.

- The FOMC target range is **3.50% to 3.75%**, set 29 July 2026.
- The 10-year Treasury yield was **4.69%** on 20 August 2026 (US Treasury).
- Bain describes purchase multiples and financing costs as elevated simultaneously to a degree not previously seen (8 June 2026).
- Credit is open. The cost of being wrong on the earnings base is not low.

The Listing Route Narrowed, Not Closed

Renaissance Capital counted **103** US IPOs priced year to date at 20 August 2026, **down 25.4%**, raising **US\$145.8 billion**.

- Proceeds rose while count fell: fewer, far larger listings.
- S&P Global recorded **US\$307.7 billion** of total US equity issuance in the first half (13 July 2026).
- PitchBook puts the market-wide median transaction EV/EBITDA at **10.2x** trailing twelve month for Q2 2026 (9 July 2026).
- For most private companies below listing scale the practical route remains a sale.

Separating the Two Components: A 12 to 18 Month View

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Margin and the earnings multiple respond to different work at different speeds



Establish the Baseline

MONTHS 1 TO 3

- Compute your own EV/Revenue and EV/EBITDA on a consistent trailing twelve month basis, from the same balance sheet date.
- Locate your industry band and your quartile inside it, rather than against a cross-industry median.
- Identify which of the two components explains your distance from the industry median.
- Document the revenue definition you will use, and use only that one.

KEY MILESTONE

Both multiples computed and reconciled through the margin



Work the Margin

MONTHS 3 TO 9

- Margin is the faster of the two components and moves the revenue multiple mechanically, point for point.
- Separate structural margin from cyclical margin, because a buyer will and will price only the structural part.
- Address any cost currently classed as investment that a buyer will reclassify as cost of service.
- Build the evidence trail before the improvement, not after it.

KEY MILESTONE

Structural margin evidenced across four quarters



Work the Earnings Multiple

MONTHS 6 TO 15

- Durability, concentration and growth evidence set this component, and each is demonstrated rather than asserted.
- Customer concentration is the fastest of the three to move and the one most reliably discounted when left unaddressed.
- Contract length and renewal evidence carry more weight than a stated pipeline.
- This component is uncorrelated with margin, so the work does not overlap with the prior phase.

KEY MILESTONE

Retention and concentration evidenced independently



Approach the Market

MONTHS 12 TO 18

- Present the earnings multiple as the primary frame and the revenue multiple as its derivative, never the reverse.
- Expect financial buyers to underwrite earnings regardless of the metric quoted in a first conversation.
- Ask any pro forma multiple to be restated pre-synergy before accepting it as a comparable.
- The concentration in 2026 deal value has been at the large end, and the ageing sponsor portfolio Morgan Stanley describes suggests the mid-market supply of buyers is not the constraint.

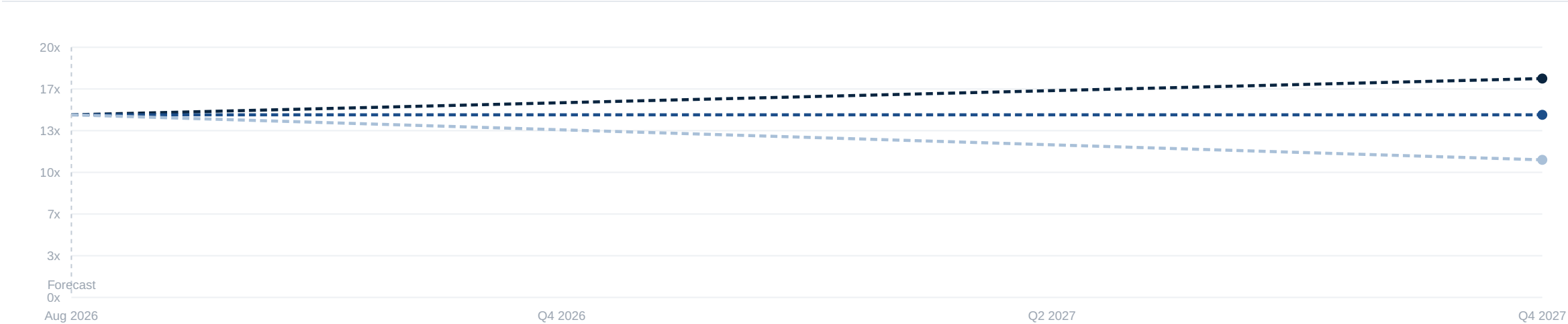
KEY MILESTONE

Both metrics defensible under diligence

Where the Cross-Industry Spread Goes Next

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The ratio of the widest to the narrowest industry median EV/Revenue



Widening

17 to 18 to 19

Key Drivers

- Margin dispersion increases as compute-intensive and AI-adjacent cohorts extend their conversion advantage.
- Semiconductor and high-margin software margins hold while thin-margin distribution and retail structures do not.
- Earnings multiples stay in the current narrow band, so all movement arrives through the margin term.

THE REVENUE MULTIPLE BECOMES EVEN LESS COMPARABLE ACROSS INDUSTRIES

Base

14 to 15 to 16

Key Drivers

- Margin structures are slow-moving and industry-specific, and the spread has no mechanism to close quickly.
- Bain reports nearly 80% of surveyed general partners expect deal multiples to stay flat through 2026.
- The earnings-multiple band across margin cohorts remains narrow at roughly 14x to 16x.

CONTINUE TO PRICE ON EARNINGS AND TREAT REVENUE AS DERIVED

Compressing

11 to 12 to 13

Key Drivers

- A broad earnings repricing hits high-multiple, high-margin constituents hardest, pulling the top of the range down.
- McKinsey notes the conditions that amplified returns, falling rates and expanding multiples, have passed.
- Thin-margin industries compress less because their revenue multiples have less room to fall.

RELATIVE POSITION INSIDE THE INDUSTRY BAND MATTERS MORE THAN THE BAND

Case Study: ICE and MarketAxess

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Announced 30 July 2026. A transaction where the bridge can be walked end to end.

The Transaction

Intercontinental Exchange agreed to acquire MarketAxess at **US\$167.00 per share in cash**, an equity value near **US\$6.0bn** and an enterprise value near **US\$5.7bn**, a premium of roughly **33%**.

- Enterprise value sits below equity value because the target carries net cash.
- The acquirer stated **10.6x LTM EBITDA**, pro forma for **US\$100m** of run-rate synergies within three years.
- MarketAxess filed **US\$846.3m** of FY2025 revenue, giving about **6.7x** revenue, computed here rather than disclosed.

Walking the Bridge

Two disclosed figures pin both ends of the identity, which almost no private transaction allows.

- At **6.7x** revenue and **10.6x** post-synergy EBITDA the implied margin is about **63%**.
- Removing the stated synergies moves the earnings multiple to roughly **13x** on an implied margin near **52%**.
- The revenue multiple does not move at all across the two bases.

Why This Deal Is Instructive

Synergies Move One Metric Only

About **2.4 turns** of earnings multiple, and nothing on revenue, because revenue carries no earnings information.

High Margin, Ordinary Multiple

A roughly **52%** pre-synergy margin produced a low-teens earnings multiple, consistent with the wider finding.

Ask For the Pre-Synergy Basis

The gap between **10.6x** and roughly **13x** is the acquirer's own value creation case, quoted as a market price.

Strategics Are Funding Deals

A cash acquisition financed with new debt at current spreads indicates conditions that support running a process now.

Sources

Third-party institutions whose published data appears in this deck

Institution	Report / Source	Date
LSEG Deals Intelligence	Global M&A Update: a record-breaking market becoming increasingly concentrated	12 August 2026
PwC	Global M&A Industry Trends: 2026 mid-year outlook	23 June 2026
PwC	US Deals 2026 midyear outlook	17 June 2026
Bain & Company	Global Private Equity Report 2026	23 February 2026
Bain & Company	Private Equity Midyear Report 2026	8 June 2026
McKinsey & Company	2026 M&A Trends Report	13 February 2026
McKinsey & Company	Global Private Markets Report 2026	Q1 2026
PitchBook	Q2 2026 Global M&A Report	9 July 2026
PitchBook	Global Private Market Funds Dry Powder Dashboard	16 January 2026
Morgan Stanley	Global M&A Outlook 2026	22 January 2026
Renaissance Capital	US IPO Market Statistics	20 August 2026

Institution	Report / Source	Date
US Securities and Exchange Commission	Forms 10-K and 10-Q, constituent and transaction financials	Various to August 2026
Federal Reserve	FOMC Implementation Note, target range 3.50% to 3.75%	29 July 2026
ICE BofA via Fed Reserve Bank of St Louis	US High Yield Option-Adjusted Spread, BAMLH0A0HYM2	19 August 2026
US Department of the Treasury	Daily Treasury Par Yield Curve Rates	20 August 2026
Intercontinental Exchange	Acquisition of MarketAxess, announcement release	30 July 2026
S&P Global Market Intelligence	H1 2026 US equity issuance	13 July 2026
EY-Parthenon	US M&A activity insights, Q2 2026	17 July 2026

HOW THIS SET WAS BUILT

Computation, Not Licensing

Every multiple is computed from market capitalisation, reported balance sheets and trailing twelve month financials struck on **21 August 2026**. Enterprise value is market capitalisation plus total debt less cash and short-term investments.

Constituent Set

Framework: The Margin Bridge. The same industry universe as the firm's EBITDA multiples study, by design, which is what makes the bridge between the two metrics exact. Coterra Energy is excluded: it merged into Devon Energy and delisted in May 2026.

The Screen

119 candidates screened, 118 retained. Each enterprise value was independently recomputed and compared with the reported figure; maximum disagreement among those retained is **4.5%**. Elevance Health was dropped at **25%**.

Basis and Scope

One cross-section on one day; levels will move. Boeing carries no EBITDA multiple on negative trailing EBITDA, so revenue statistics run on 118 constituents and earnings statistics on 117. Industry labels are the firm's own classification.

The Finding

A revenue multiple is **69%** margin and **31%** earnings multiple. The two are uncorrelated at **-0.04**.

- Industry medians span **14.6 to 1** on revenue, **4.9 to 1** on earnings.
- **36 of 117** constituents move at least 30 places between the rankings.
- The identity is exact, so the division always recovers the second number.
- Introduces **The Margin Bridge**.

This Report

Revenue Multiples by Industry: 2026. 118 US-listed constituents across 17 industries.

- Every figure computed from primary market data.
- Every constituent named in the appendix.
- Refreshed in place at a single permanent address.
- Companion study: EBITDA multiples across the same universe.

The Practical Test

Divide any quoted revenue multiple by the EBITDA margin. What remains is the number worth negotiating.

- Compare within your industry band, not across industries.
- Ask whether a quoted multiple is pre-synergy or pro forma.
- Ask which revenue period sits in the denominator.
- Ask whether it is equity value or enterprise value.

Conditions

Deal value concentrated at the large end, credit open, and committed buyout capital ageing against an unexited portfolio.

- LSEG: **US\$3.19tn** in seven months, up **36%**, volume down **10%**.
- ICE BofA high yield spread **2.73%** on 19 August 2026.
- Bain: **US\$1.3tn** of buyout dry powder, largely 2022 to 2023 vintage.
- Morgan Stanley: about **55%** of roughly 13,000 sponsor-backed companies held five years or longer.