

Multiples

Accounting & Finance

The common multiples, and matching numerator to denominator.

Multiple and correct pairing.

Multiple	Pairs with	Note
EV/EBITDA	Enterprise value	Capital-structure neutral
EV/Sales	Enterprise value	For loss-making firms
P/E	Equity value	After interest and tax
P/B	Equity value	Asset-heavy sectors
EV/EBIT	Enterprise value	After depreciation

Pairing P/E with enterprise value, or EV/EBITDA with market cap, is the commonest error in comparable analysis.