



Industry Multiples of China

December 2025

Contents

3-9	Foreword
Industry Multiples	
10-11	Energy
12-13	Materials
14-15	Industrials
16-17	Consumer Discretionary
18-19	Consumer Staples
20-21	Health Care
22-23	Financials
24-25	Information Technology
26-27	Communication Services
28-29	Utilities
30-31	Real Estate
31-34	Industry Definitions and Methodology

Foreword



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Managing Director
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Dear Readers,

This report provides an evaluation of key trading metrics across the industrial sectors of the Chinese economy as of 30th September, 2025. In the first three quarters of the year, China's economy grew by 5.2%, a figure already outpacing the annual target of 5% with three months of the year remaining. This compares favourably with the IMF's projected worldwide growth rate of 3.2%, positioning China's economy as outperforming in 2025 in respect to global markets.

Overall, China's economy has fared better than anticipated in 2025 and brought a period of under-performance to an end. While economic factors have constrained progress in some sectors, particularly those exposed to consumer demand, we have witnessed buoyant growth in a range of other industries, particularly in healthcare, communications and IT.

Of course, tariffs on international trade have been one of the year's big stories but their impact on the Chinese economy has been relatively limited. Chinese stocks tumbled in April after the US announced duties on Chinese imports of up to 104%. However, the negative impact, also felt on US capital markets, was short-lived. Global shares rallied in May as the world's two biggest economies agreed the easing of tariff measures. And by the end of the third quarter, headline China equity indices were trading well above pre-tariff levels.

At the end of the third quarter, the Shanghai Composite Stock Market Index closed at 3,882.78, representing an increase of 15.8% since the start of the year. The MSCI China Index and Hang Seng Index also enjoyed impressive gains of 39% and 36% respectively.

Throughout 2025, China's businesses demonstrated time and again their proficiency in fields at the forefront of technological innovation. As the year began, Deep Seek arrived and wiped tens of billions off the stock market valuations of international AI rivals. Open source, running on cheaper hardware and with a significantly lower operating cost, Deep Seek pointed to an alternative approach in the development of cutting-edge AI.

Not to be outdone, the trailblazers of China's internet era – Alibaba, Tencent and Baidu – raised more than USD 5 billion in September alone to fuel their AI ambitions.

The pervasive influence of AI, and China's prowess in the domain – along with related aspects, such as the nation's drive to achieve self-reliance in semiconductor manufacturing – proved to be powerful tailwinds that drove strong performance in a number of key sectors.

Foreword

In the IT sector, trading multiples continued a four-year sequence of increases, rising in 2025 to a multiple of 53.5x on price to earnings ratios from a multiple of 38.8x in 2024 and a low of 26.1x four years ago.

In Healthcare, authorities announced that they were harnessing DeepSeek in more than 100 top-tier hospitals to enhance diagnostics, drug dispensing, and surgical planning - an initiative billed by government officials as 'the future of healthcare'. China also implemented major regulatory reforms in 2025 in the sector, including anti-corruption guidelines, clinical trial data exclusivity protection, and streamlined approval processes for innovative drugs and medical devices. Trading multiples increased to 27.9x in the sector.

In Communications, trading multiples rose from 20.1x to 23.7x, the highest P/E ratio in the last five years, as China accelerated its rollout of 5G-Advanced (5G-A), which offers speeds 10 times faster than standard 5G. China Mobile invested \$1.4 billion in upgrading 400,000 base stations to 5G-A, while China Telecom and China Unicom announced deployments in more than 300 cities by the year-end.

The government anticipates that the network upgrades will play a crucial role in the nation's advance in fields such as industrial manufacturing, autonomous driving and the low-altitude economy.

Trading multiples in the sectors exposed to consumer spending however struggled in the face of a range of adverse factors, including pressure from tariffs and low levels of consumer confidence. Extreme competition in sectors such as automotive and consumer electronics exerted downward pressure on pricing resulting in the Consumer Price Index falling for four consecutive months in mid-2025. The phenomenon contributed a new word, 'involution', to the global lexicon.

While trading multiples declined – Consumer Discretionary fell to a five-year low of 20.3x and Consumer Staples to 20.2x – underlying earnings were nevertheless resilient. In Consumer Discretionary, net income increased by 30%, while revenues increased by 3.4% in Consumer Staples after a slight fall the previous year.

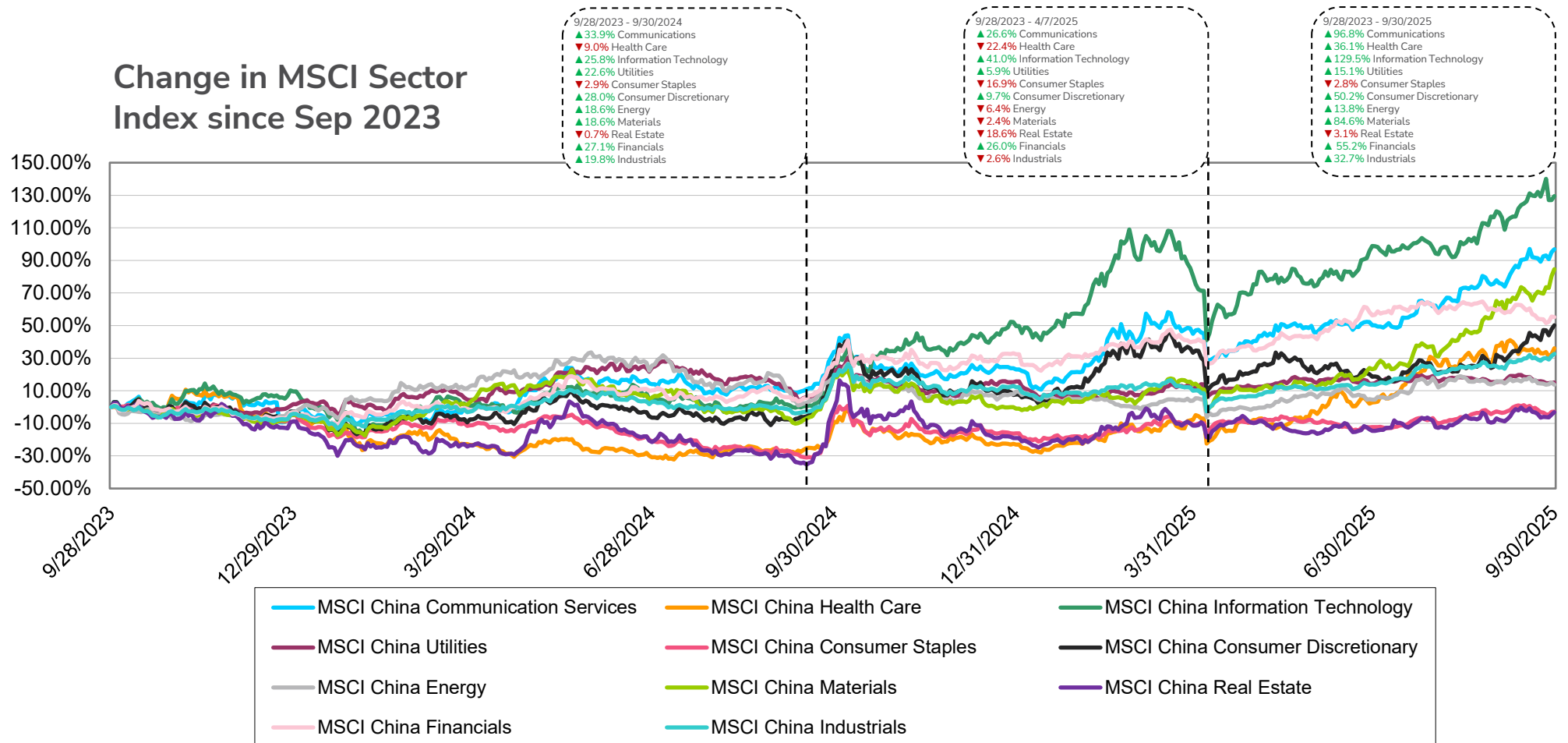
Longstanding issues in the property industry continue to cast long shadows over the Real Estate and Financial sectors. At a price to book value ratio of 0.8x, property developers are still trading below the net value of their market assets, indicating that the market still has some way to go to full recovery. This residual drag can also be detected in the trading metrics in the Financial sector, where the price to book value ratio performs only marginally better at 1.1x.

We hope this report gives our readers a broad sense of the range of trading multiples for major industries in China and helps you stay ahead with Kroll on valuation. Readers should seek professional assistance and perform detailed valuation analysis before applying multiples on specific valuation subjects. Kroll has both global resources and local expertise to assist clients in meeting their valuation needs, including but not limited to the following areas:

- Pre-IPO ESOP pricing or restructuring of China-based IPO candidates planning to go public in Hong Kong or the U.S.
- Fair-value measurement of equity investment in private companies in compliance with IFRS 9 and SFC's New Fund Manager Code of Conduct
- Indicators of potential impairment in the current fiscal year-end, and whether further robust independent valuation analysis may be needed
- Corporate transactions of Hong Kong-listed companies in accordance with corporate governance best practices

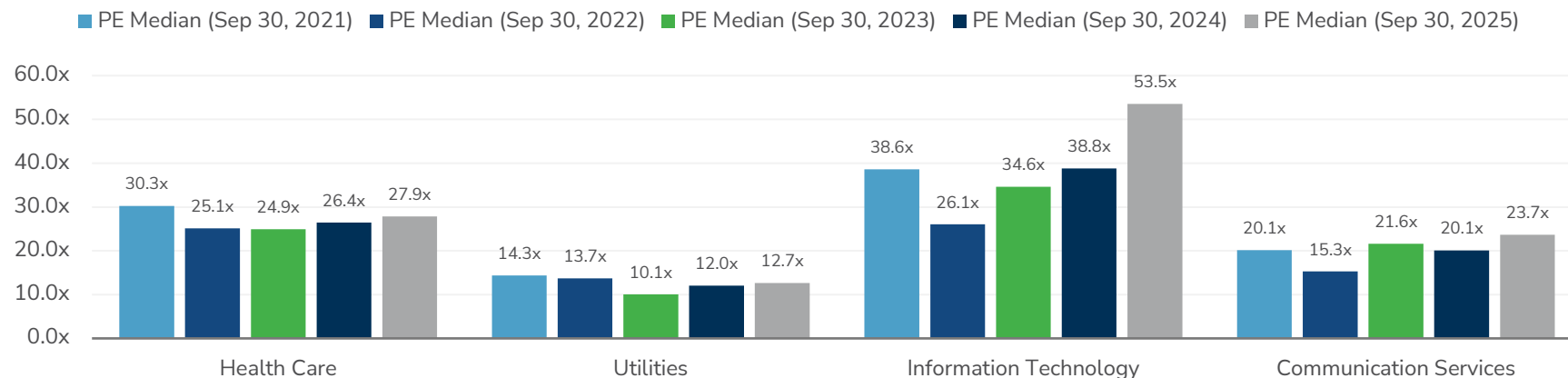
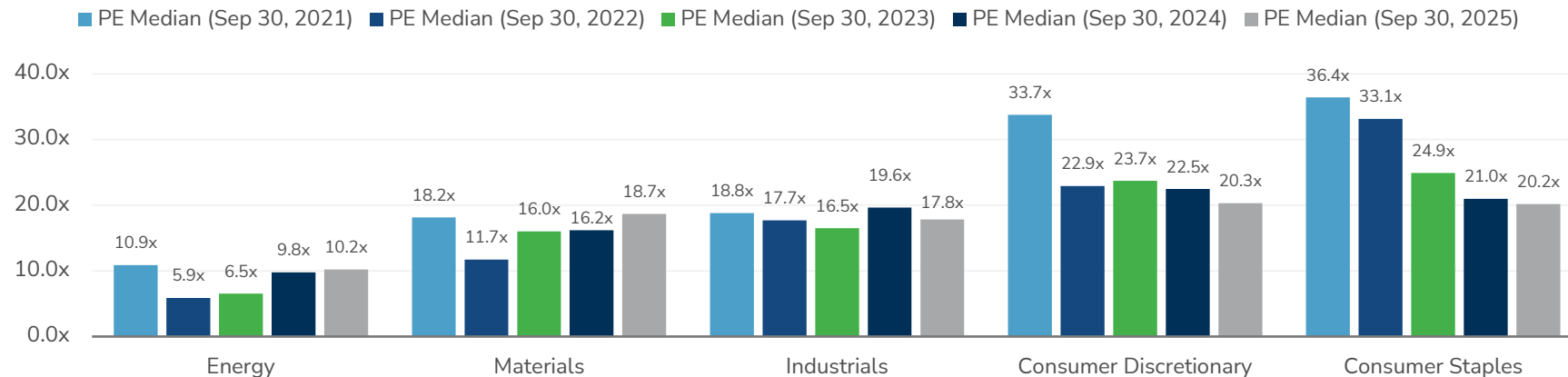
Industry Sector Performance

Change in MSCI Sector Index since Sep 2023



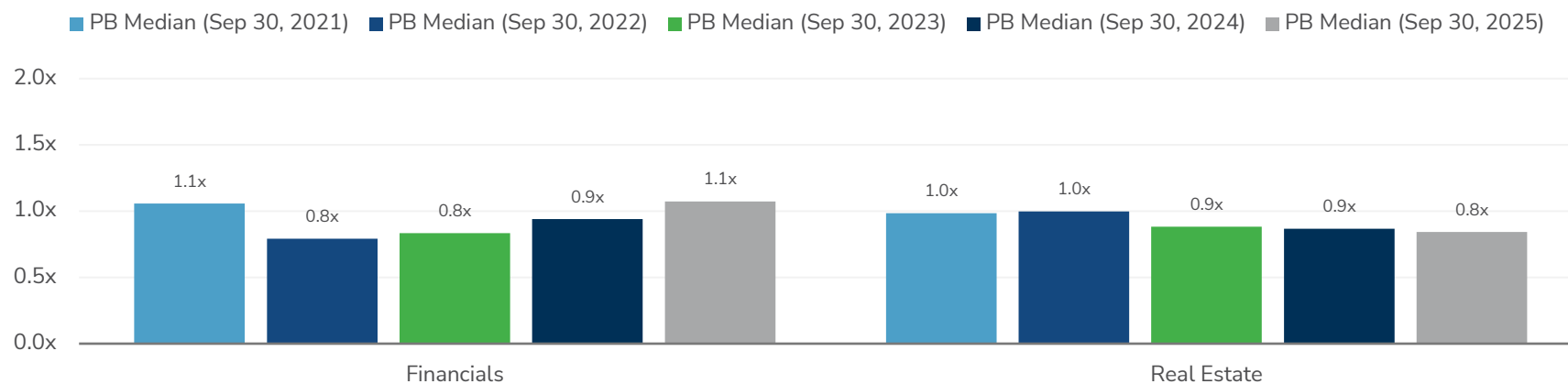
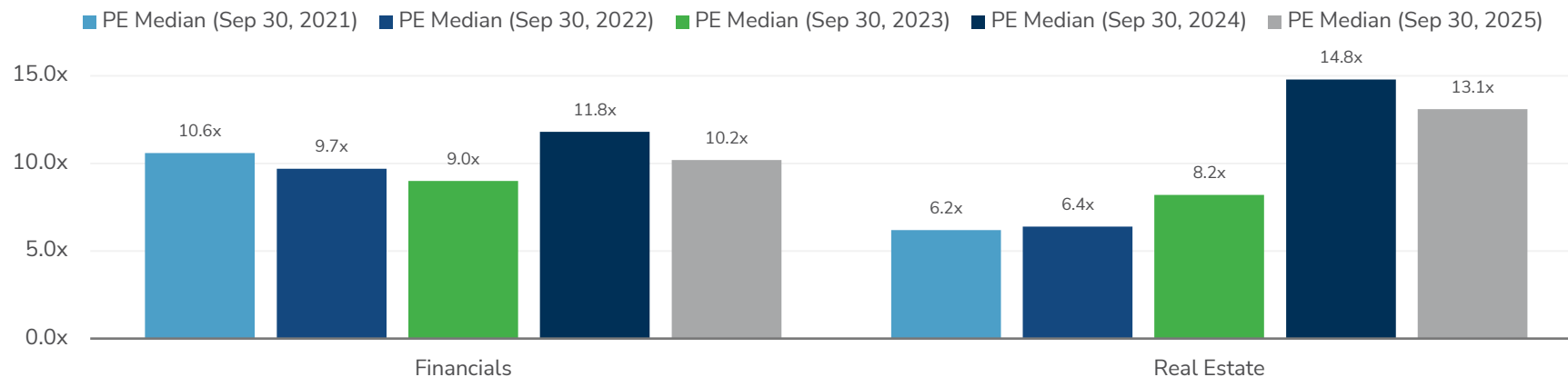
Trading Multiples Over Time

(Including Outliers)

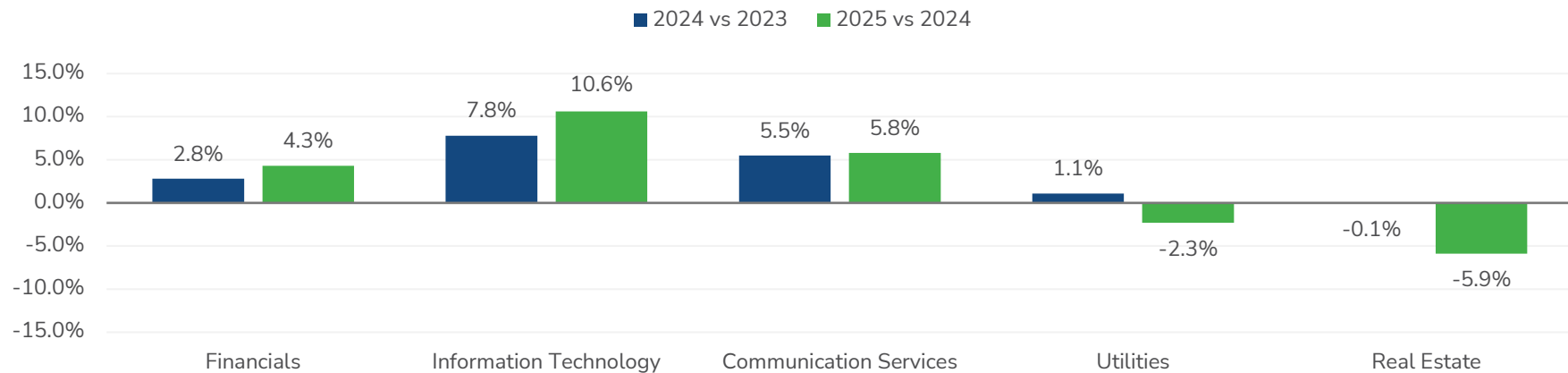
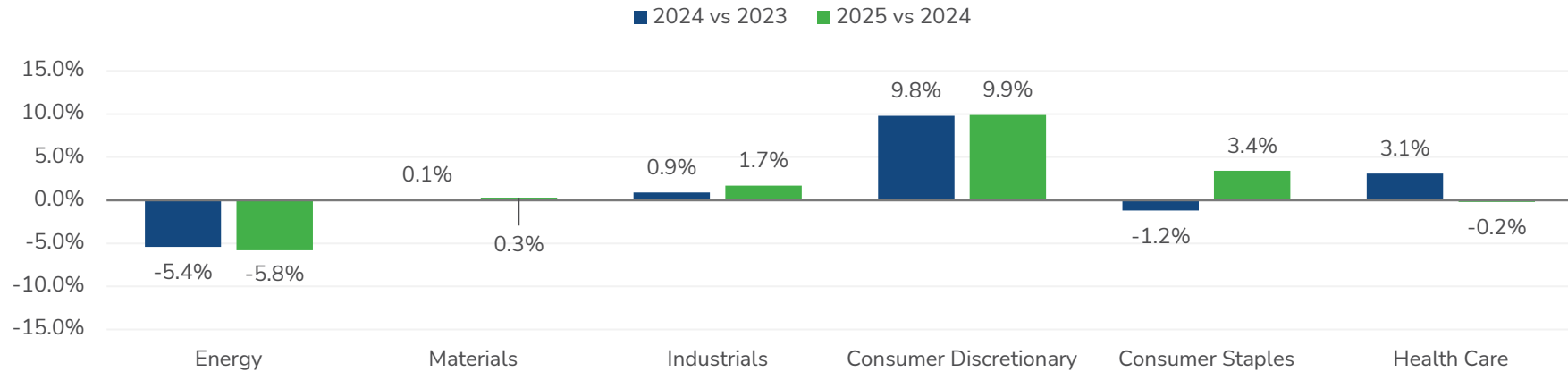


Trading Multiples Over Time

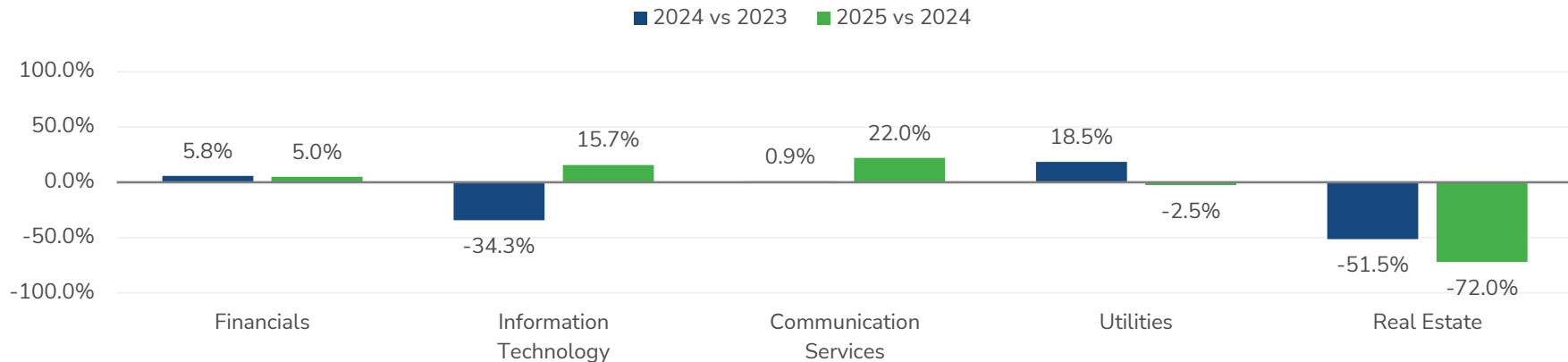
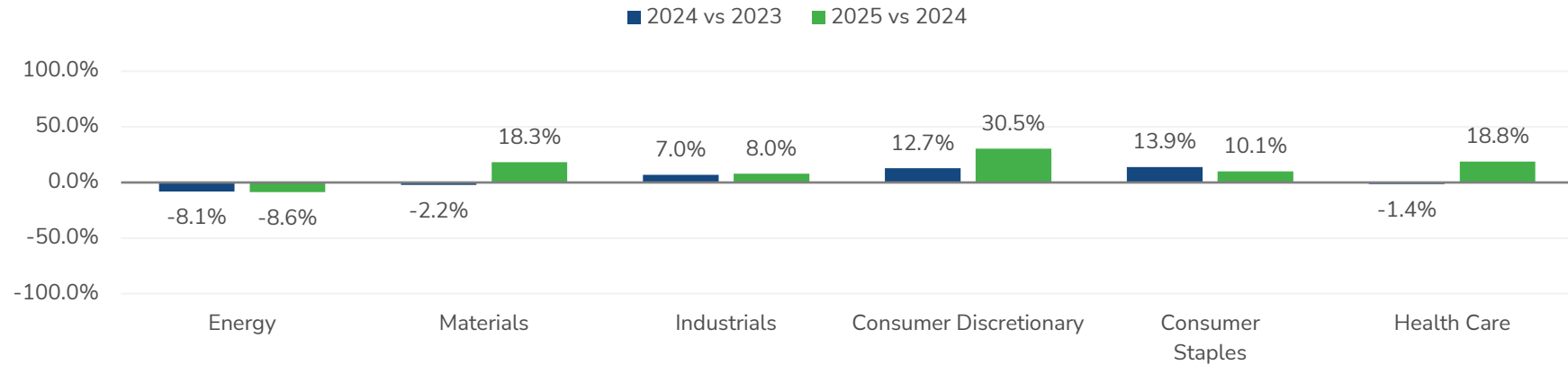
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Revenue Percentage Change Over Time

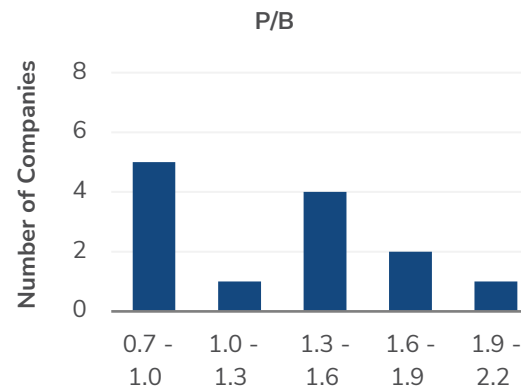
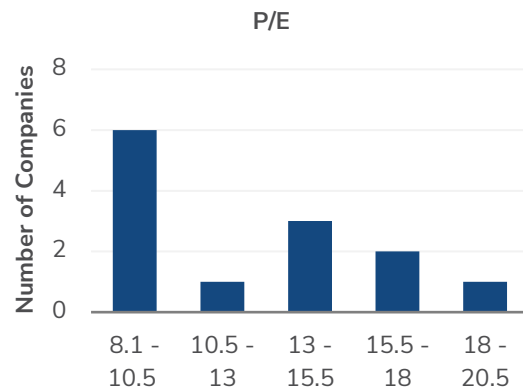
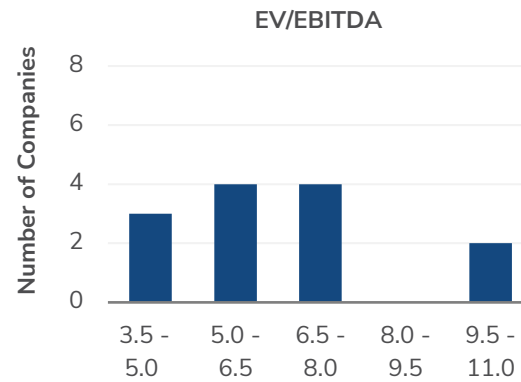
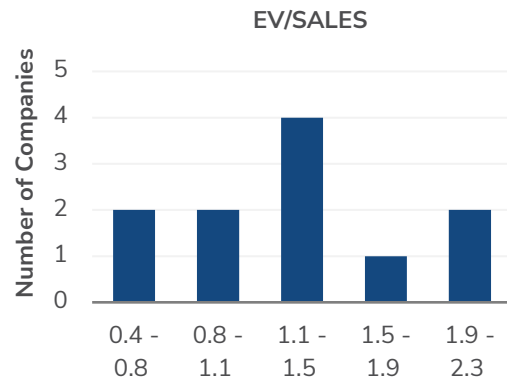


Net Income Percentage Change Over Time



Energy

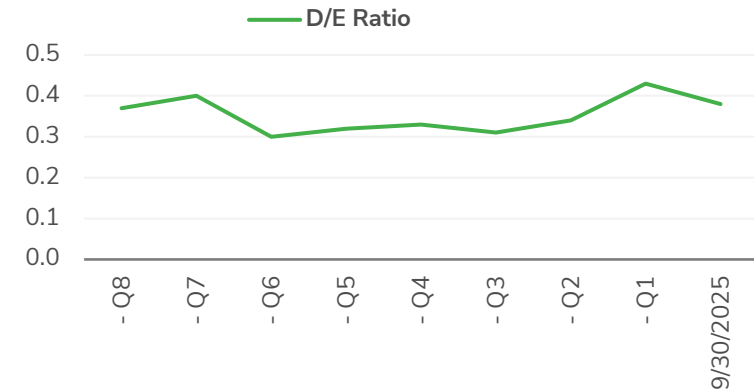
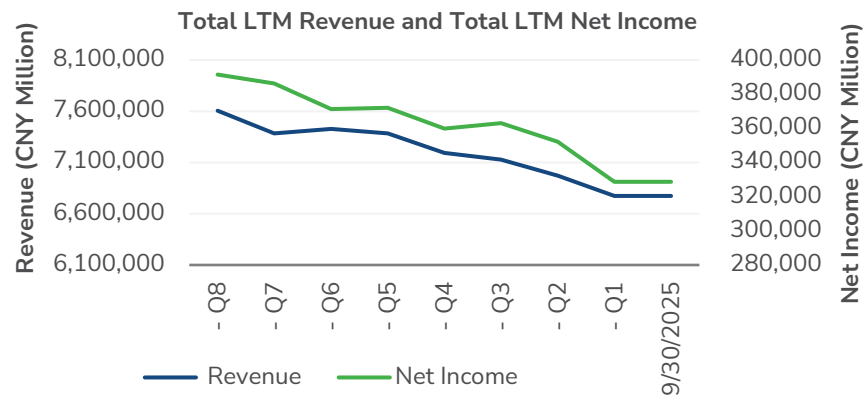
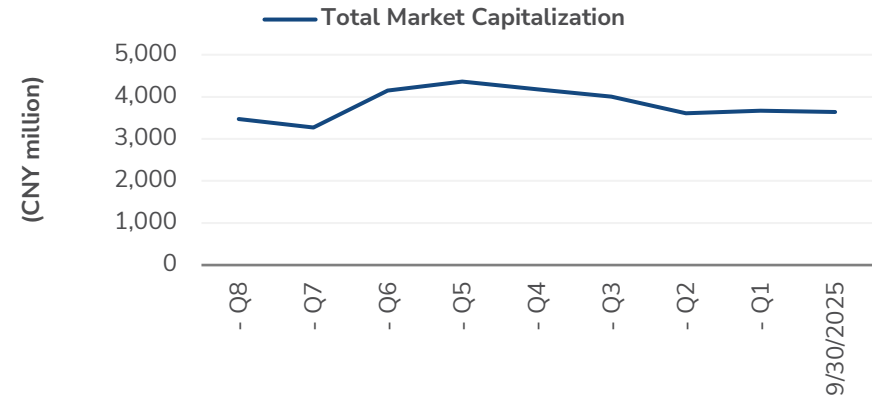
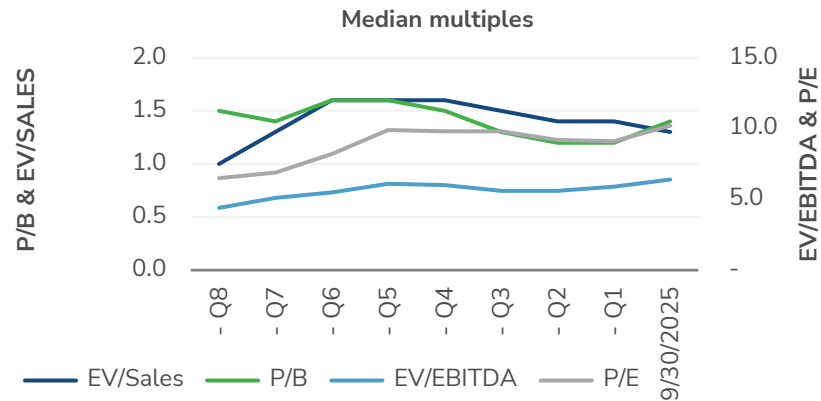
As of September 30, 2025



	EV/ Sales	EV/ EBITDA	P/E	P/B
Number of Observations	14	14	14	14
Number of Outliers	3	1	1	1
Negative Multiples or Multiple Errors				
High	2.3x	11.0x	20.5x	2.2x
Mean	1.3x	6.6x	12.8x	1.3x
Median	1.3x	6.4x	13.0x	1.4x
Low	0.4x	3.5x	8.1x	0.7x
Low Quartile	1.0x	5.5x	9.8x	0.9x
Upper Quartile	1.6x	7.1x	15.1x	1.4x

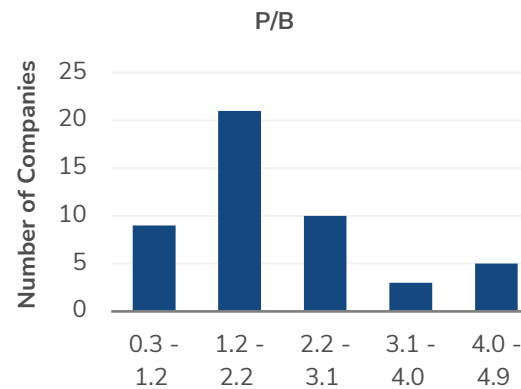
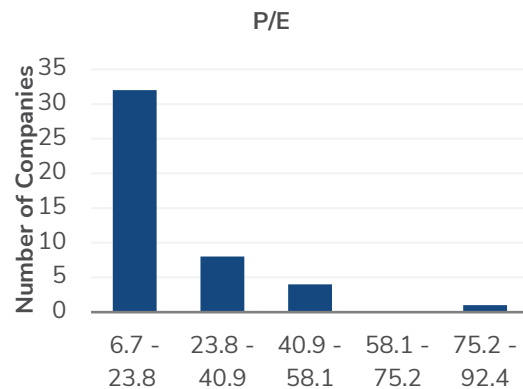
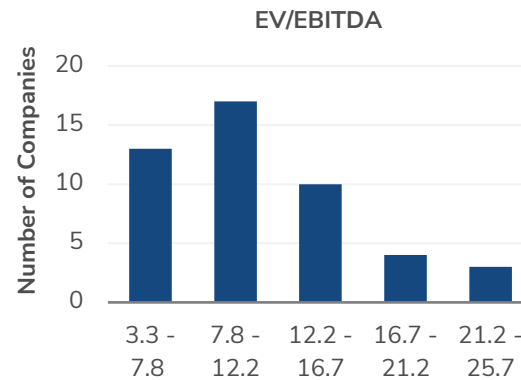
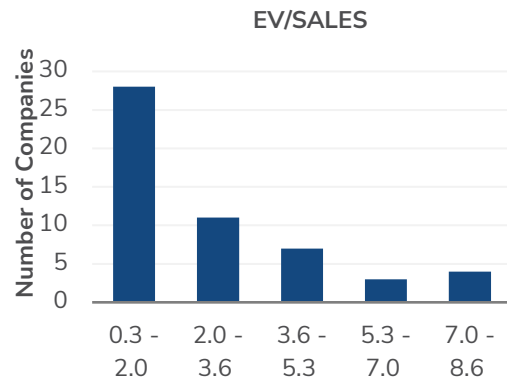
Energy (cont'd)

As of September 30, 2025



Materials

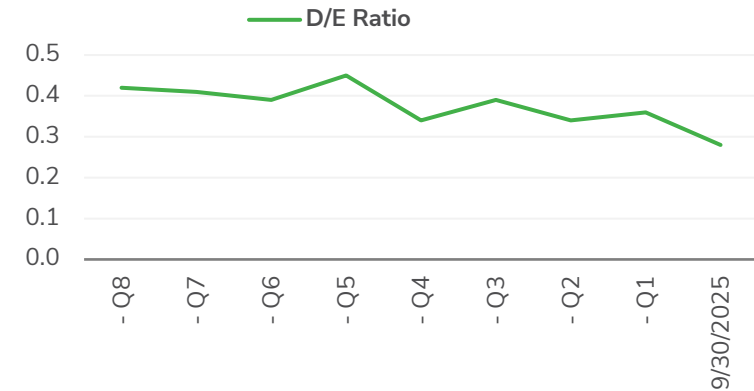
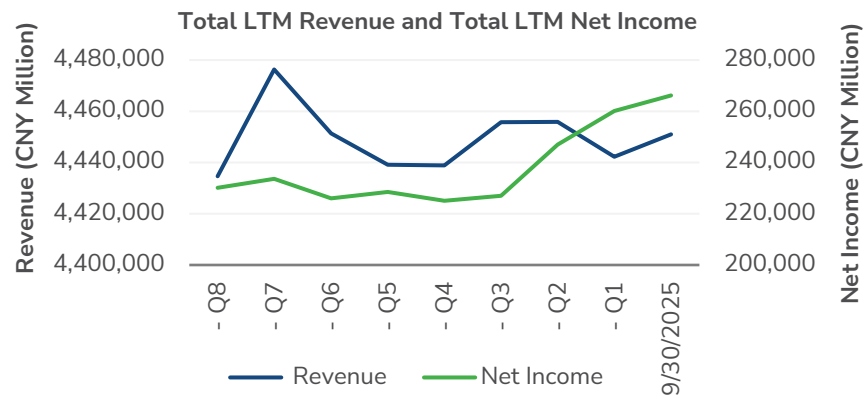
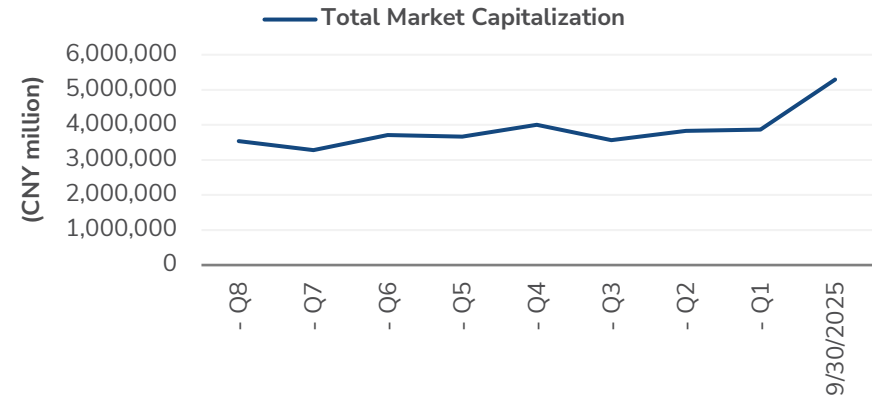
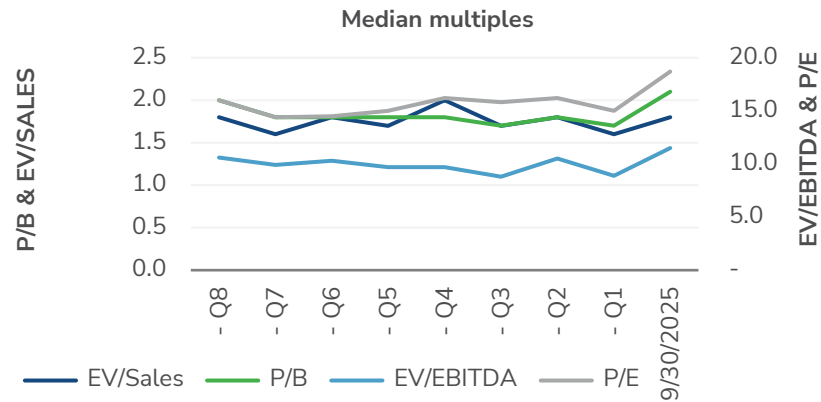
As of September 30, 2025



	EV/ Sales	EV/ EBITDA	P/E	P/B
Number of Observations	54	54	54	54
Number of Outliers	1	7	9	6
Negative Multiples or Multiple Errors				
High	8.6x	25.7x	92.4x	4.9x
Mean	2.7x	11.4x	21.7x	2.2x
Median	1.8x	10.6x	18.2x	2.0x
Low	0.3x	3.3x	6.7x	0.3x
Low Quartile	1.2x	7.1x	12.8x	1.6x
Upper Quartile	3.8x	13.4x	25.0x	2.8x

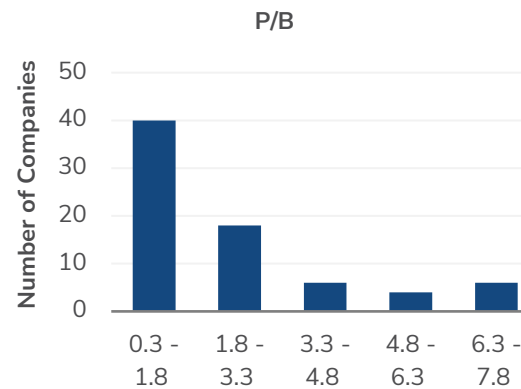
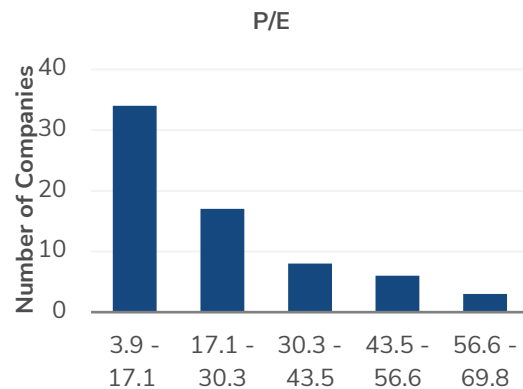
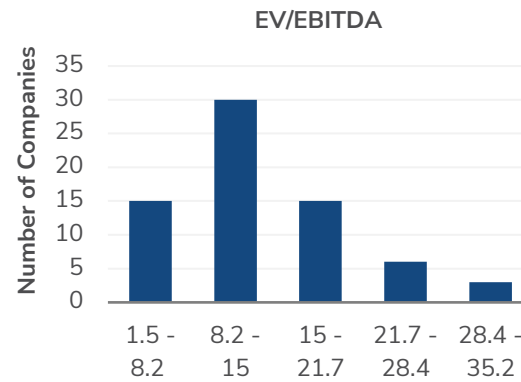
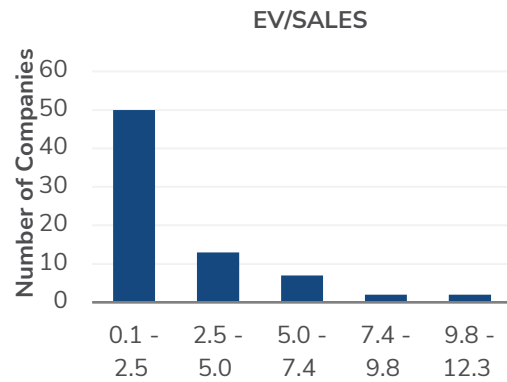
Materials (cont'd)

As of September 30, 2025



Industrials

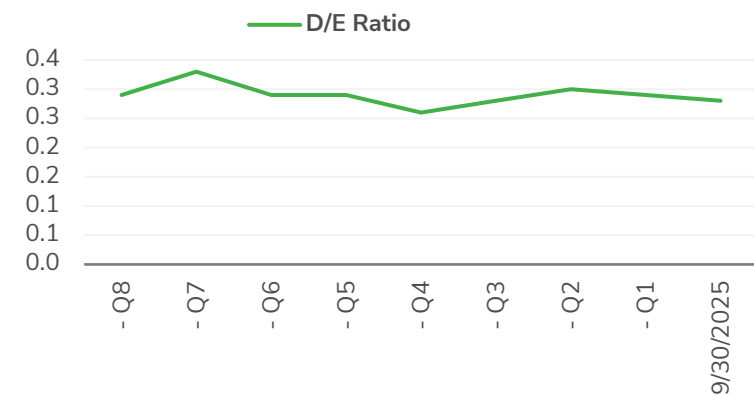
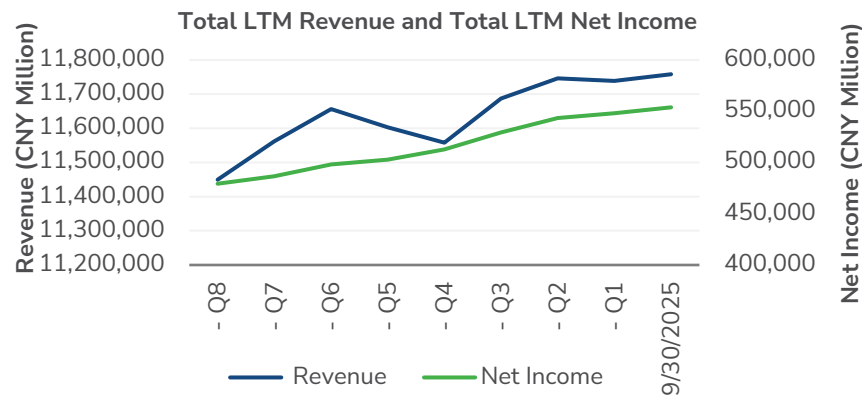
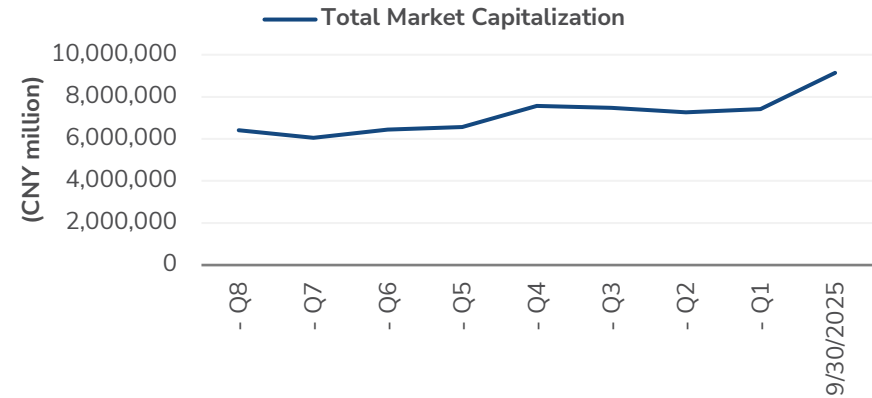
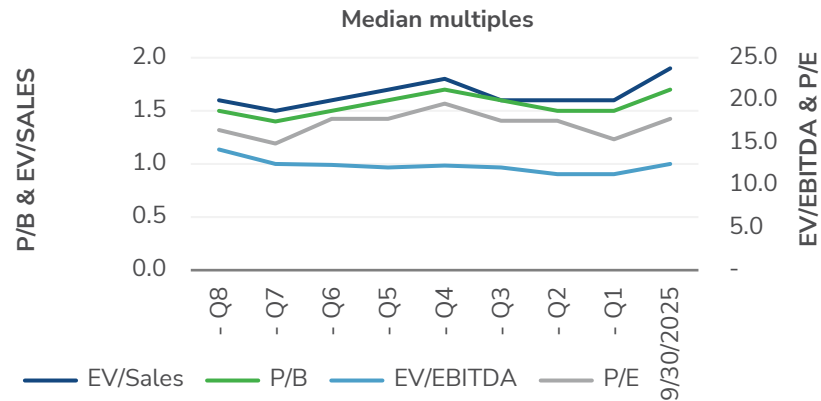
As of September 30, 2025



	EV/ Sales	EV/ EBITDA	P/E	P/B
Number of Observations	76	76	76	76
Number of Outliers	1	7	8	2
Negative Multiples or Multiple Errors				
High	12.3x	35.2x	69.8x	7.8x
Mean	2.7x	13.5x	22.2x	2.4x
Median	1.9x	11.8x	17.1x	1.6x
Low	0.1x	1.5x	3.9x	0.3x
Low Quartile	0.9x	9.0x	10.6x	0.9x
Upper Quartile	3.6x	17.1x	29.5x	3.0x

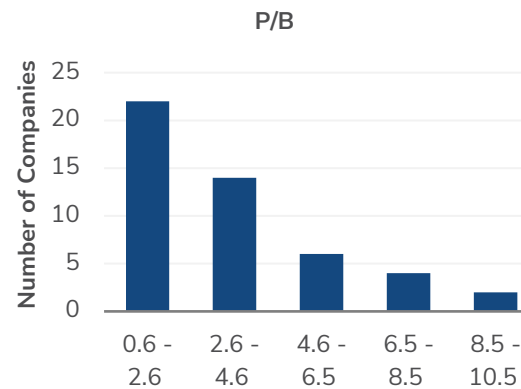
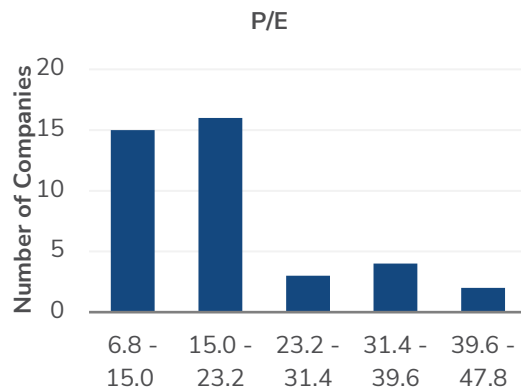
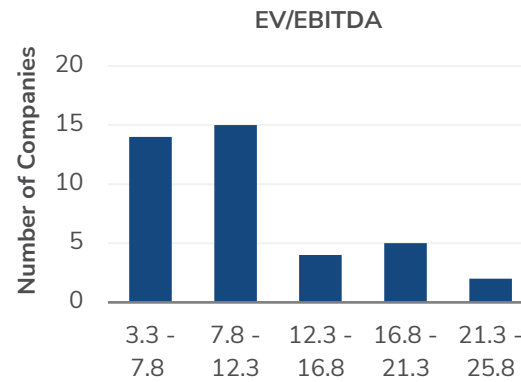
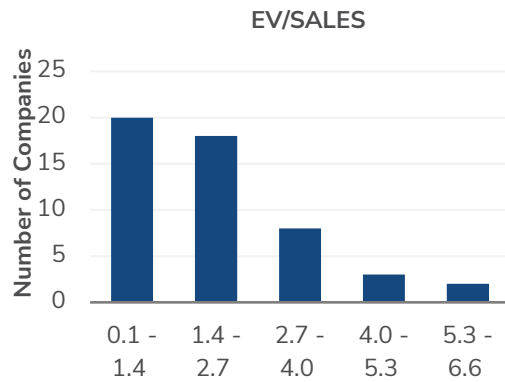
Industrials (cont'd)

As of September 30, 2025



Consumer Discretionary

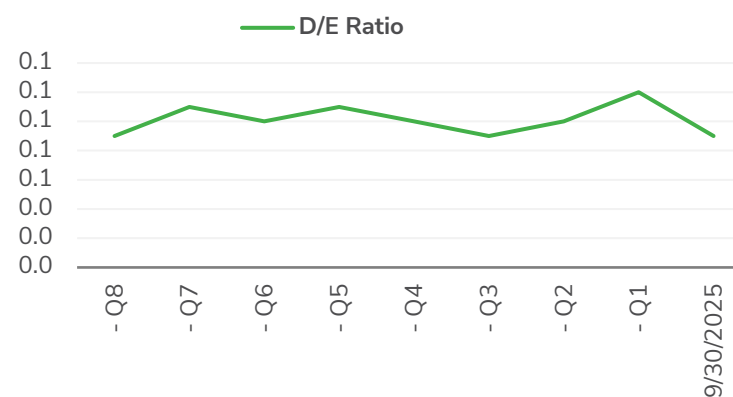
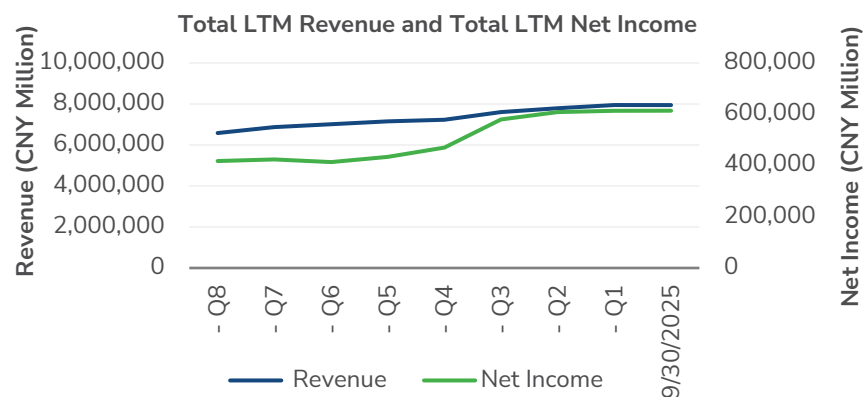
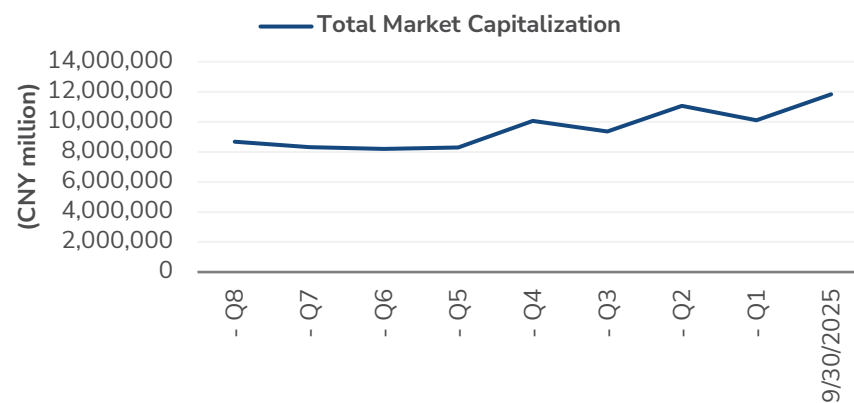
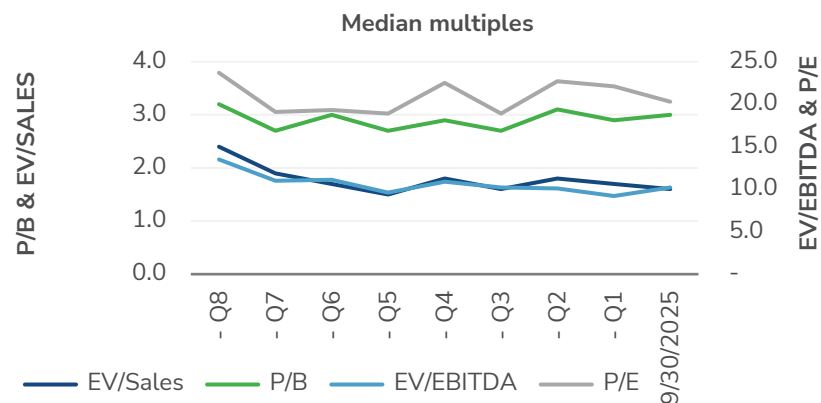
As of September 30, 2025



	EV/ Sales	EV/ EBITDA	P/E	P/B
Number of Observations	53	53	53	53
Number of Outliers	2	13	13	5
Negative Multiples or Multiple Errors				
High	6.6x	25.8x	47.8x	10.5x
Mean	2.0x	10.7x	19.9x	3.5x
Median	1.6x	9.5x	18.0x	2.7x
Low	0.1x	3.3x	6.8x	0.6x
Low Quartile	0.9x	6.3x	13.0x	2.0x
Upper Quartile	2.7x	13.5x	22.8x	4.6x

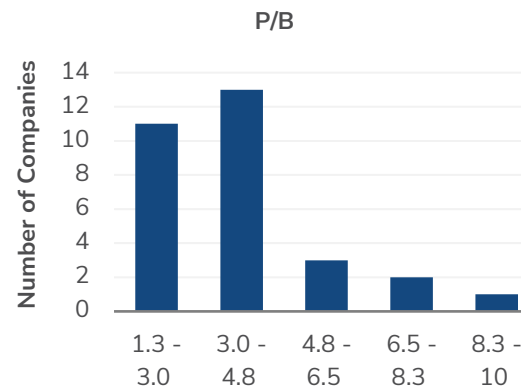
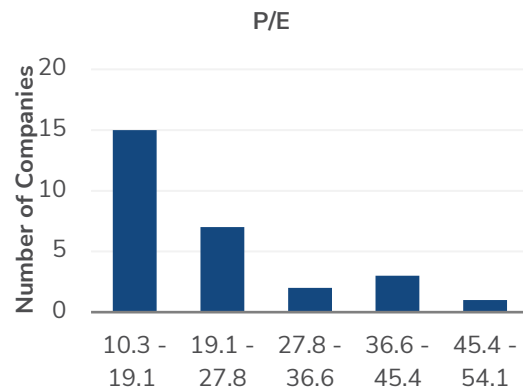
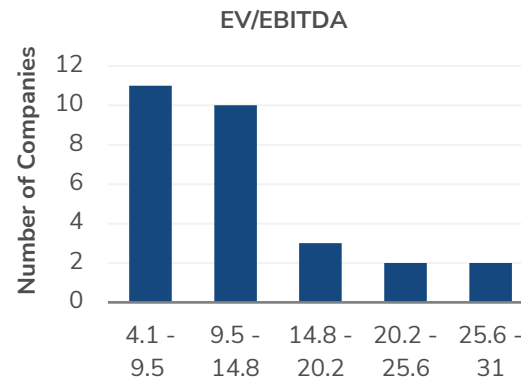
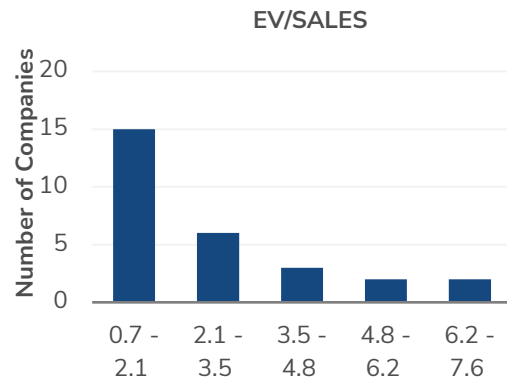
Consumer Discretionary (cont'd)

As of September 30, 2025



Consumer Staples

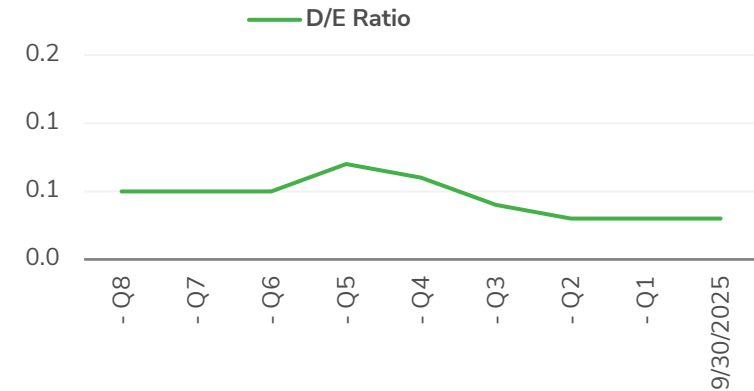
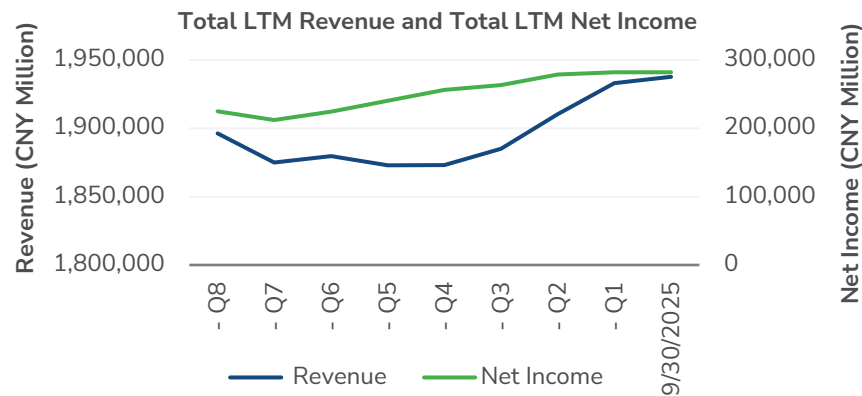
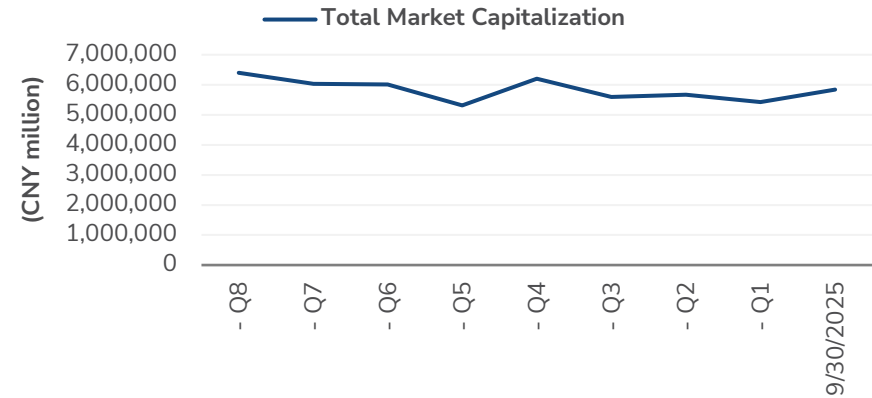
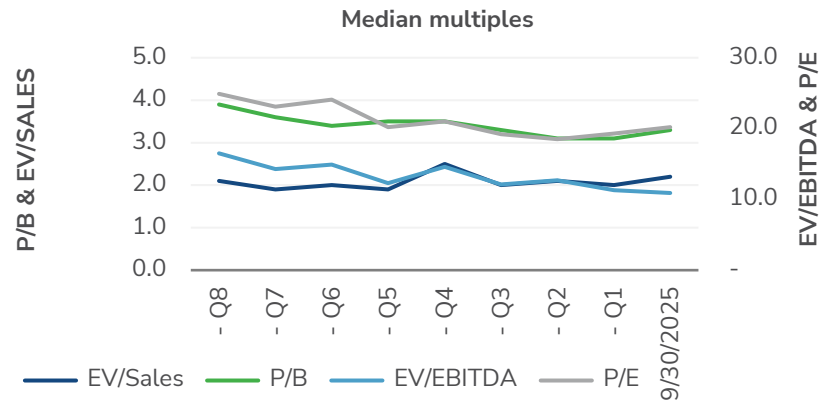
As of September 30, 2025



	EV/ Sales	EV/ EBITDA	P/E	P/B
Number of Observations	32	32	32	32
Number of Outliers	3	4	4	2
Negative Multiples or Multiple Errors				
High	7.6x	31.0x	54.1x	10.0x
Mean	2.7x	12.6x	21.9x	3.7x
Median	2.0x	10.6x	18.2x	3.2x
Low	0.7x	4.1x	10.3x	1.3x
Low Quartile	1.2x	7.7x	13.9x	2.3x
Upper Quartile	3.6x	14.2x	24.4x	4.2x

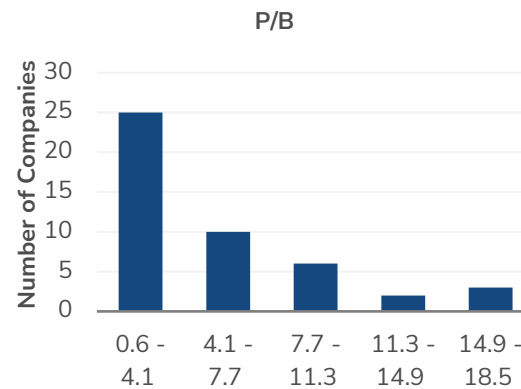
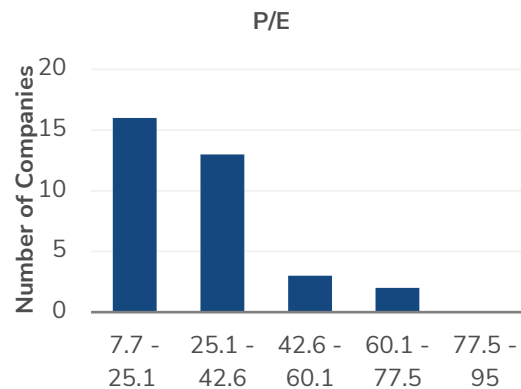
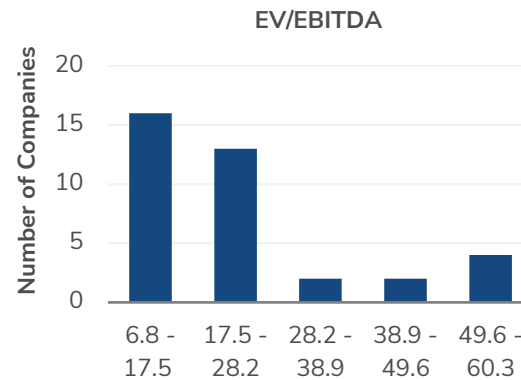
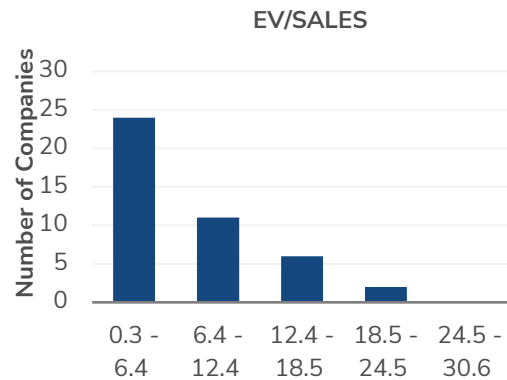
Consumer Staples (cont'd)

As of September 30, 2025



Health Care

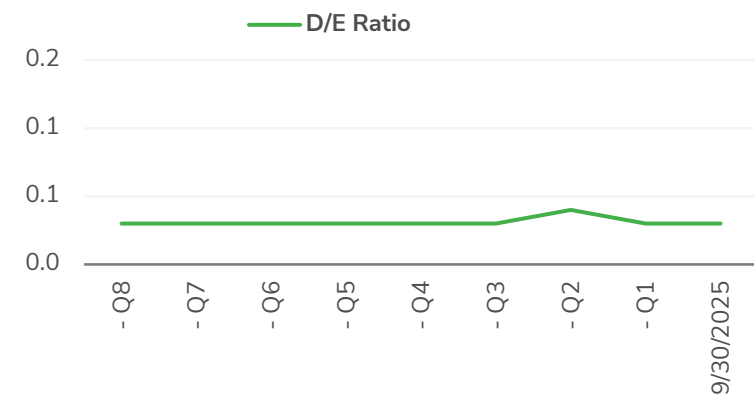
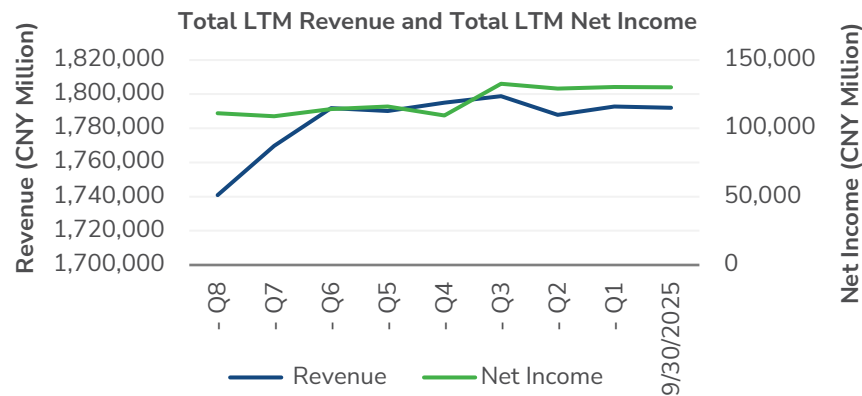
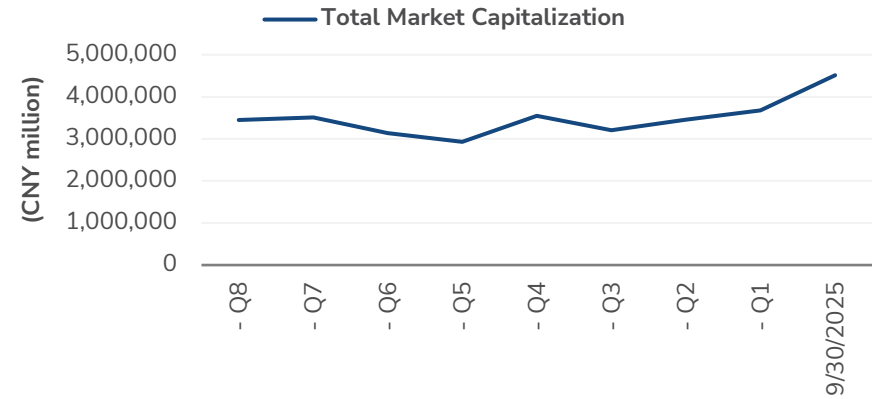
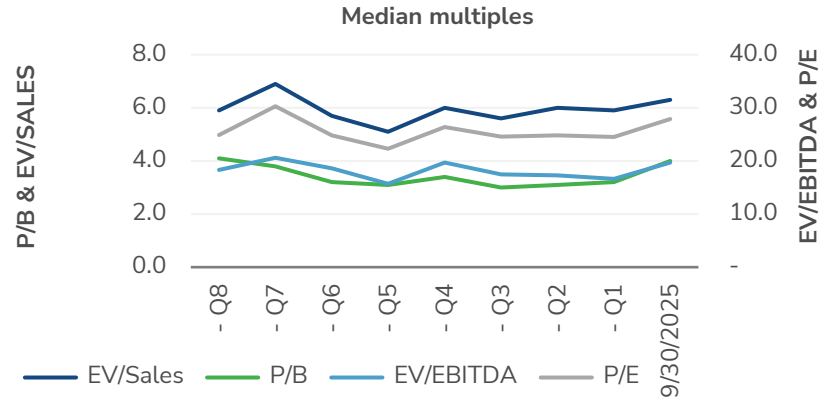
As of September 30, 2025



	EV/ Sales	EV/ EBITDA	P/E	P/B
Number of Observations	48	48	48	48
Number of Outliers	4	11	13	2
Negative Multiples or Multiple Errors				
High	30.6x	60.3x	95.0x	18.5x
Mean	7.6x	23.2x	30.3x	5.3x
Median	6.0x	18.5x	25.9x	3.7x
Low	0.3x	6.8x	7.7x	0.6x
Low Quartile	3.4x	13.6x	19.8x	2.2x
Upper Quartile	10.8x	25.0x	33.9x	7.5x

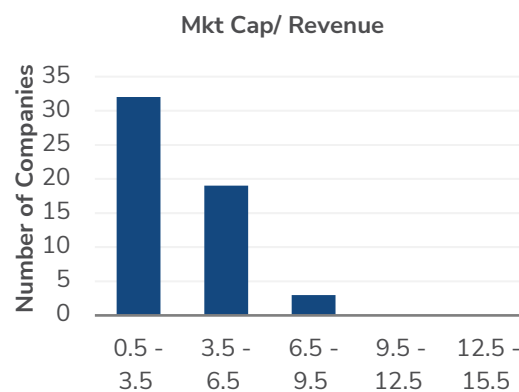
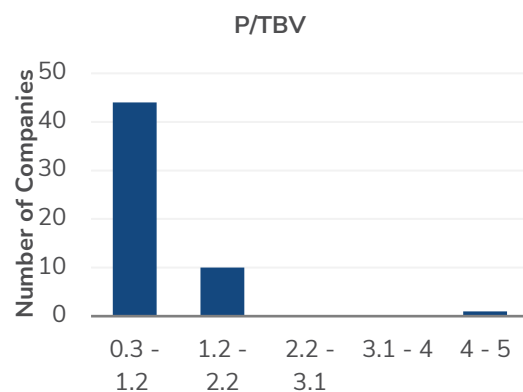
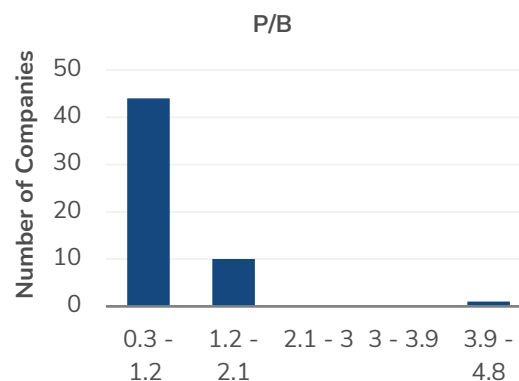
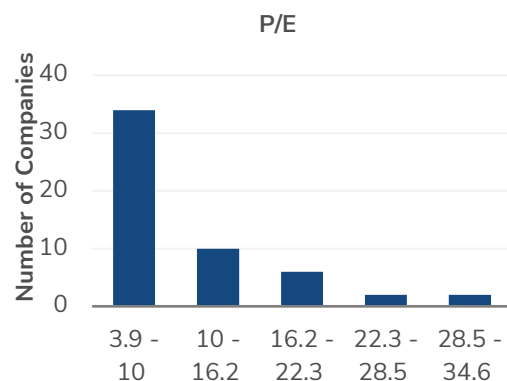
Health Care (cont'd)

As of September 30, 2025



Financials

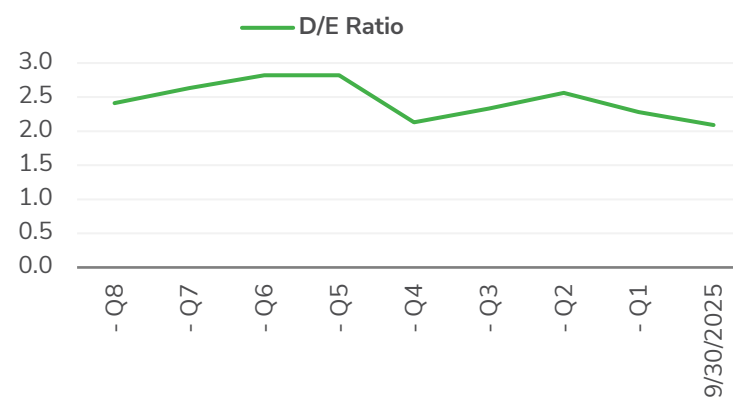
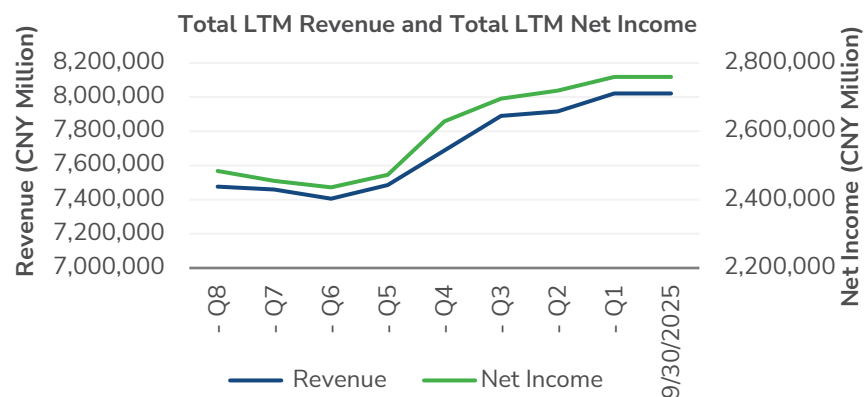
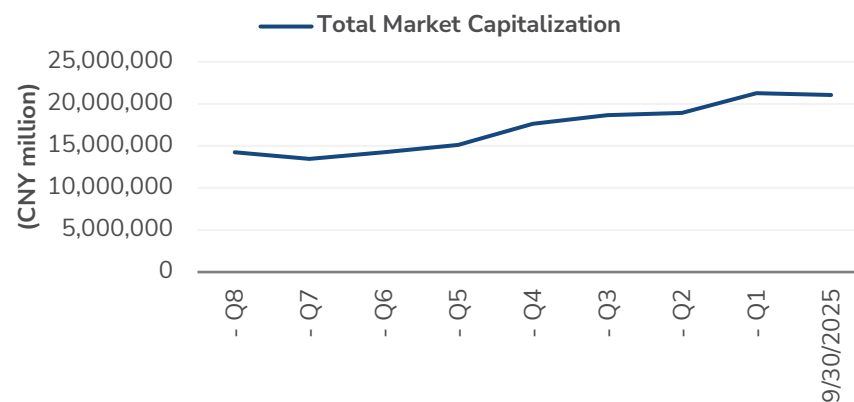
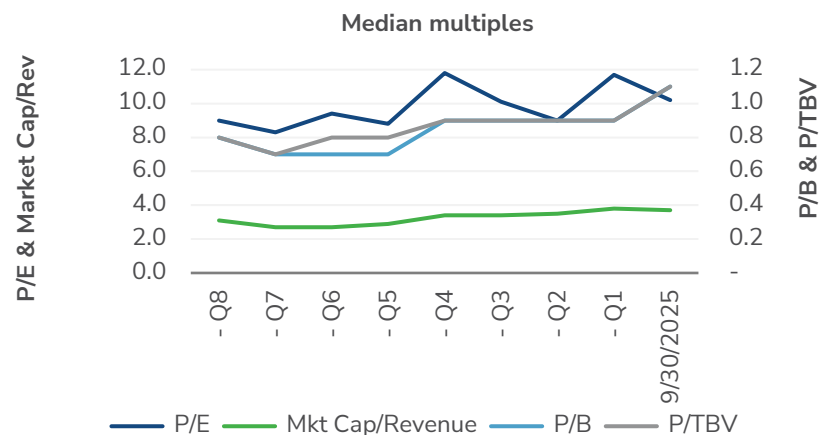
As of September 30, 2025



	P/E	P/B	P/TBV	Mkt Cap/ Revenue
Number of Observations	72	72	72	72
Number of Outliers	5	2	2	4
Negative Multiples or Multiple Errors				
High	34.6x	4.8x	5.0x	15.5x
Mean	12.1x	1.0x	1.1x	4.1x
Median	8.4x	1.0x	1.1x	3.5x
Low	3.9x	0.3x	0.3x	0.5x
Low Quartile	6.2x	0.6x	0.6x	2.6x
Upper Quartile	15.7x	1.2x	1.2x	4.9x

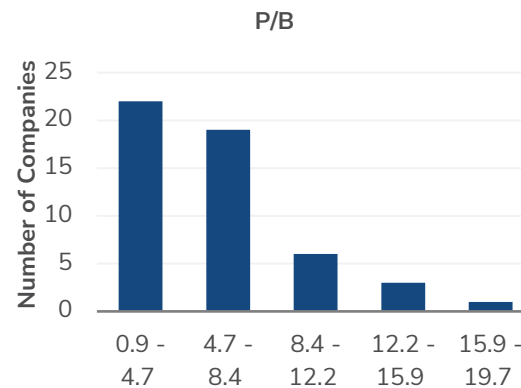
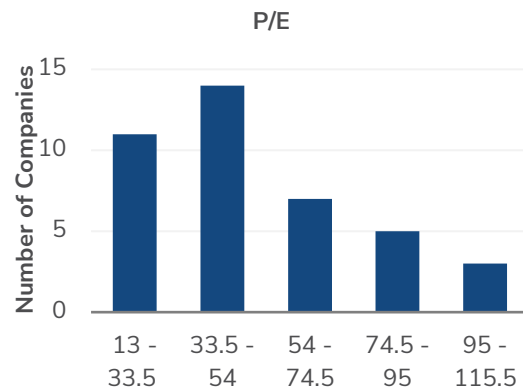
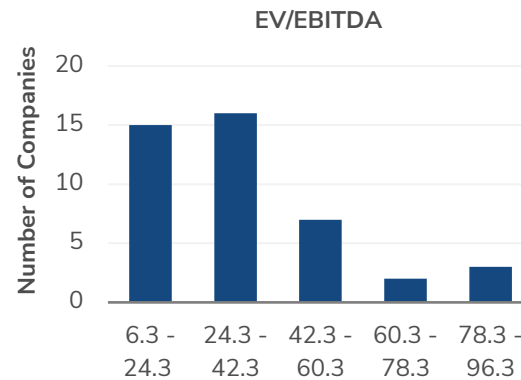
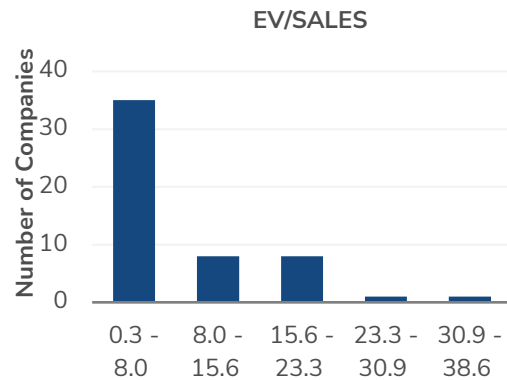
Financials (cont'd)

As of September 30, 2025



Information Technology

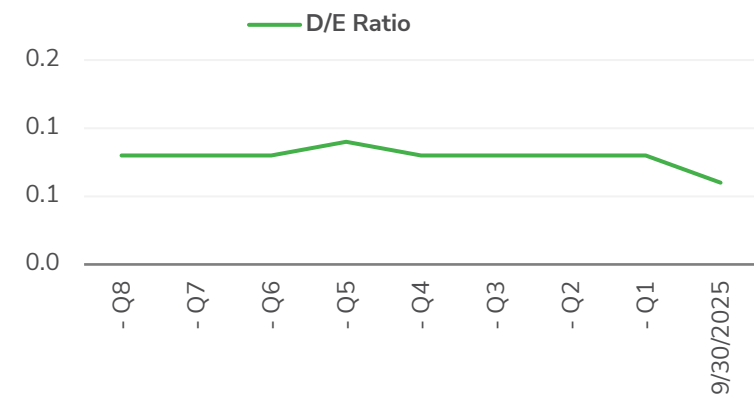
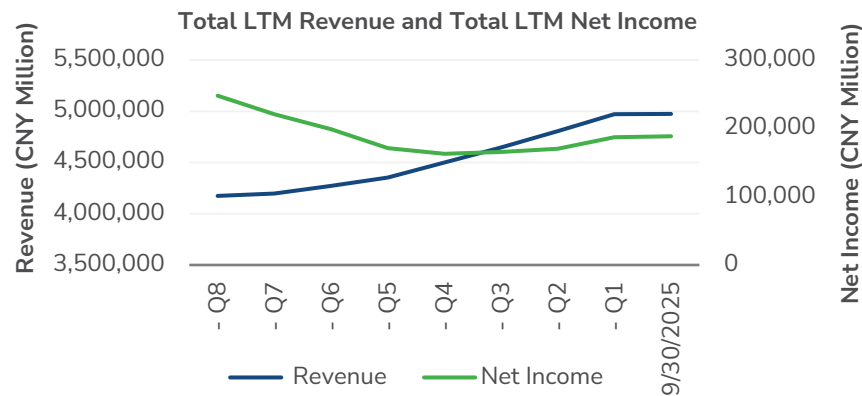
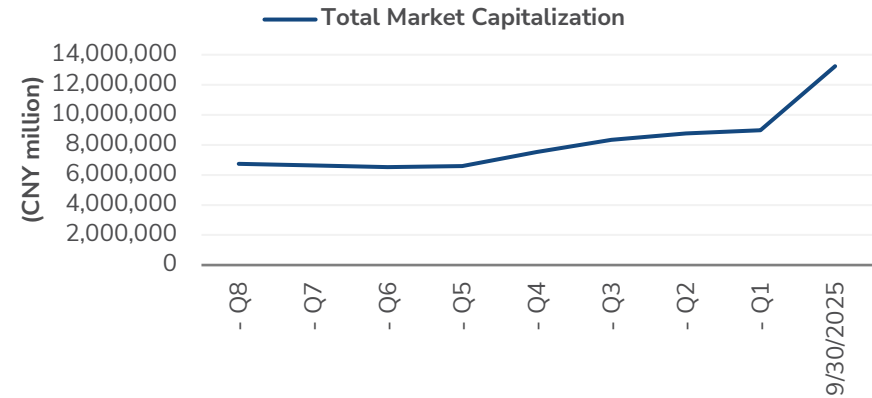
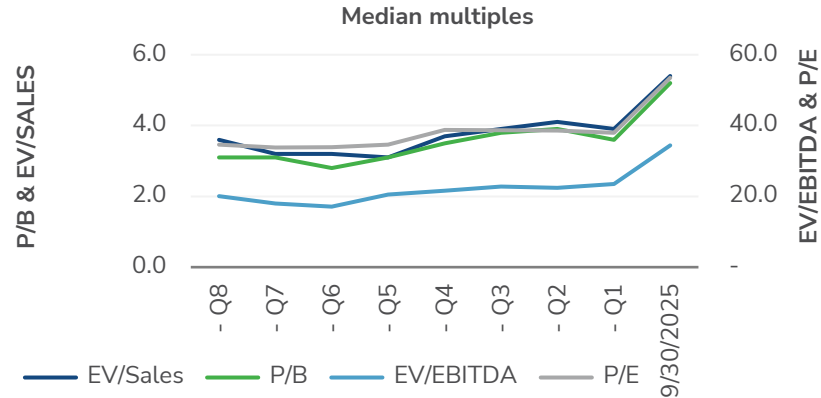
As of September 30, 2025



	EV/ Sales	EV/ EBITDA	P/E	P/B
Number of Observations	101	101	101	101
Number of Outliers	5	26	35	8
Negative Multiples or Multiple Errors				
High	38.6x	96.3x	115.5x	19.7x
Mean	7.7x	35.9x	54.2x	5.5x
Median	4.6x	30.1x	51.1x	4.5x
Low	0.3x	6.3x	13.0x	0.9x
Low Quartile	1.9x	18.4x	32.5x	2.6x
Upper Quartile	10.4x	45.8x	66.8x	7.5x

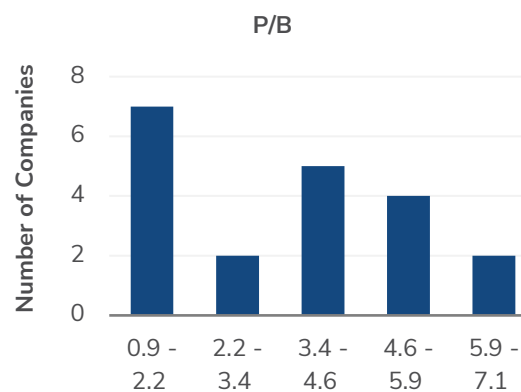
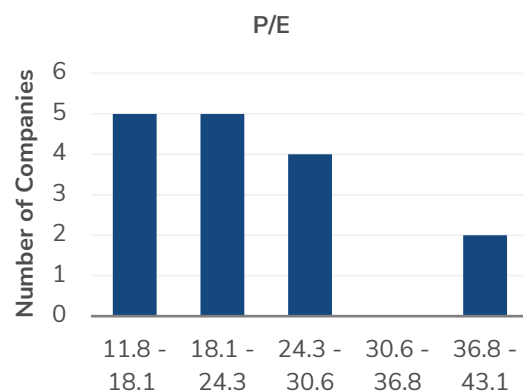
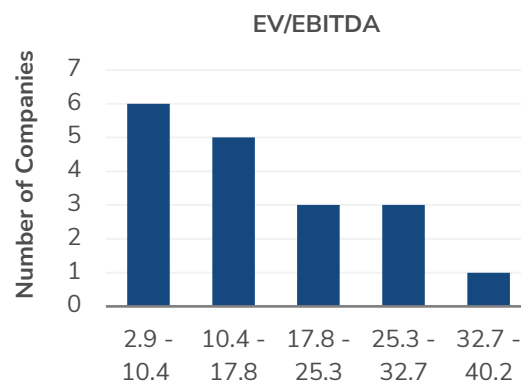
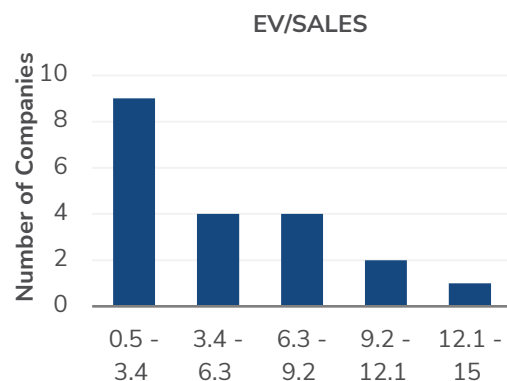
Information Technology (cont'd)

As of September 30, 2025



Communication Services

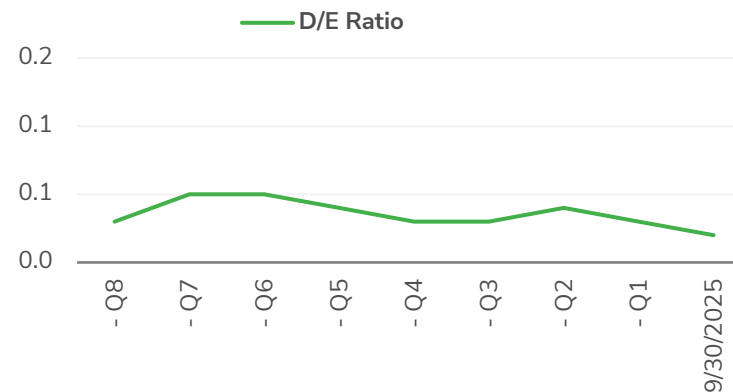
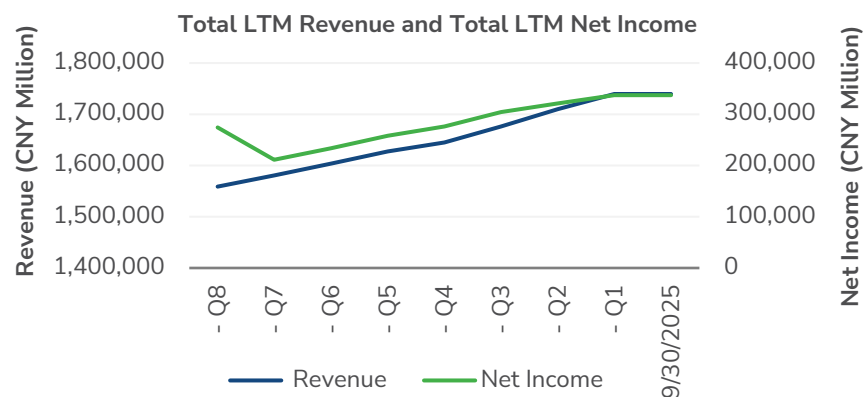
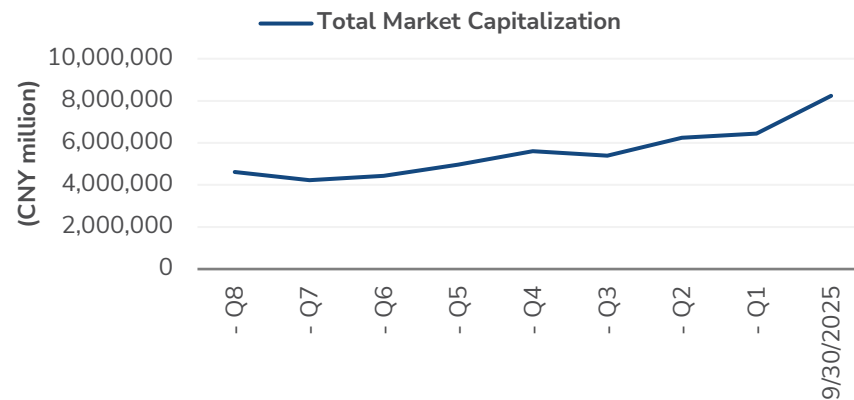
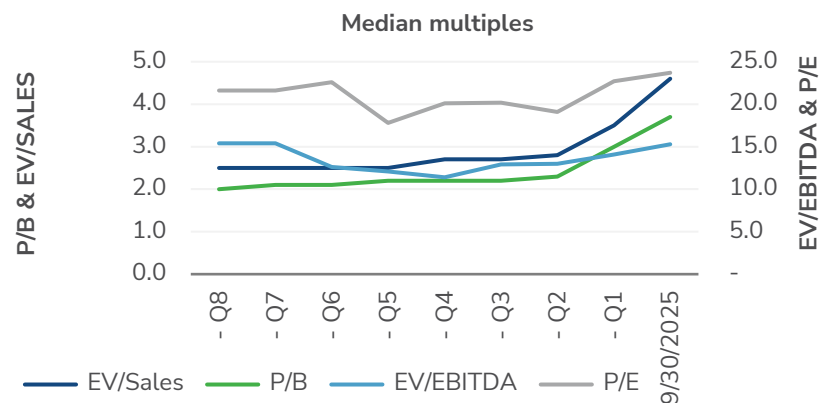
As of September 30, 2025



	EV/ Sales	EV/ EBITDA	P/E	P/B
Number of Observations	21	21	21	21
Number of Outliers	1	3	5	1
Negative Multiples or Multiple Errors				
High	15.0x	40.2x	43.1x	7.1x
Mean	5.3x	16.9x	22.8x	3.4x
Median	4.4x	14.6x	20.4x	3.6x
Low	0.5x	2.9x	11.8x	0.9x
Low Quartile	2.4x	8.2x	16.9x	1.6x
Upper Quartile	8.5x	23.9x	26.7x	4.8x

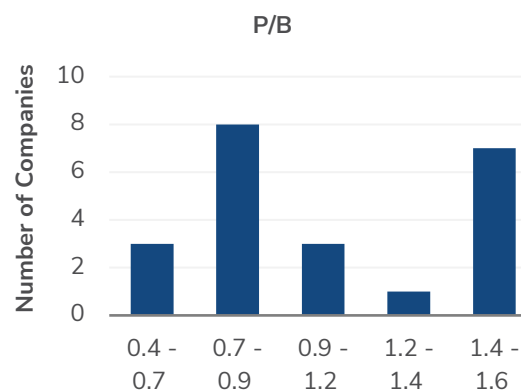
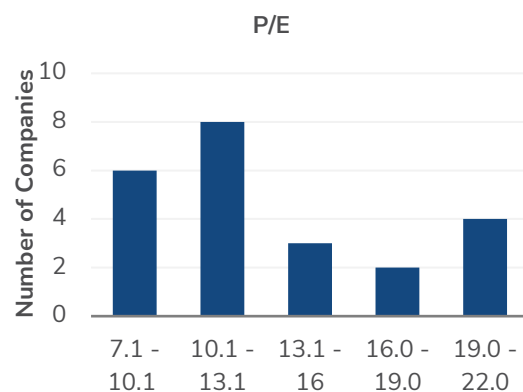
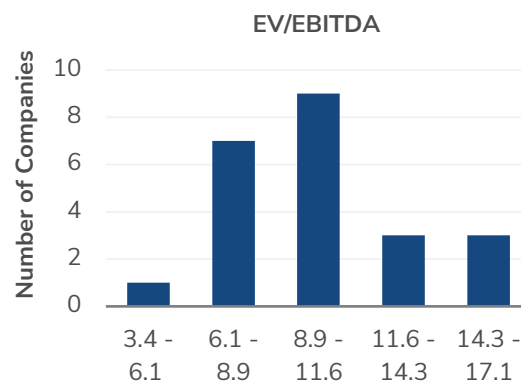
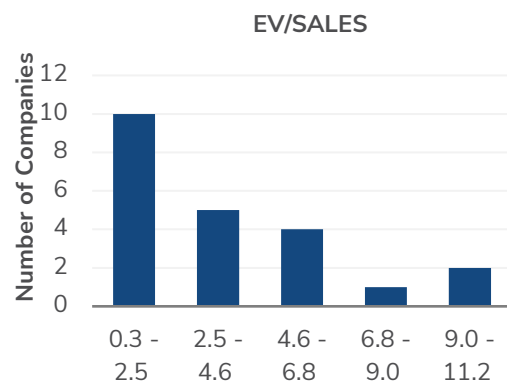
Communication Services (cont'd)

As of September 30, 2025



Utilities

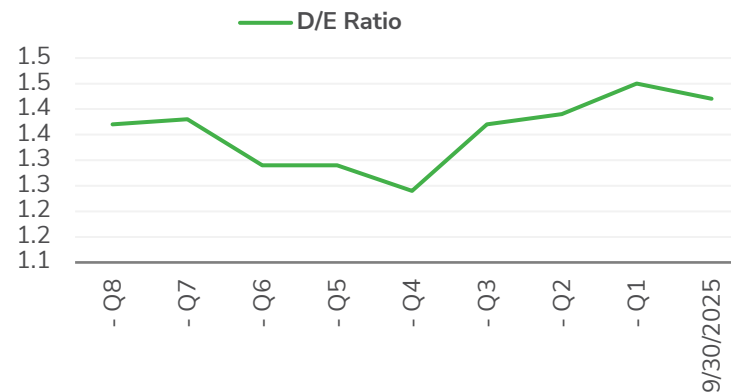
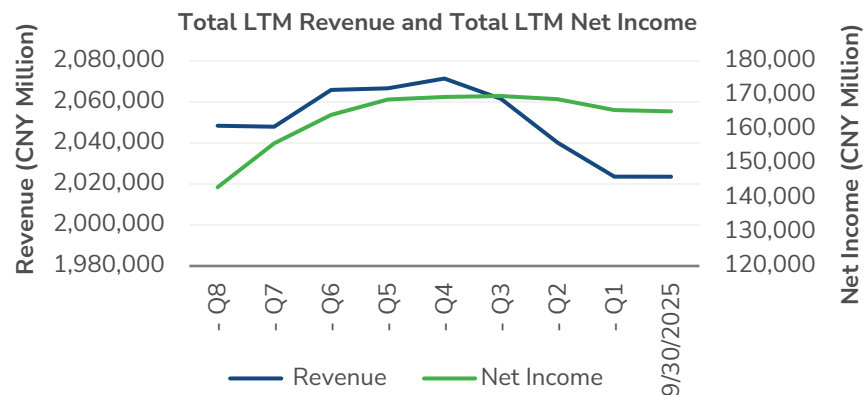
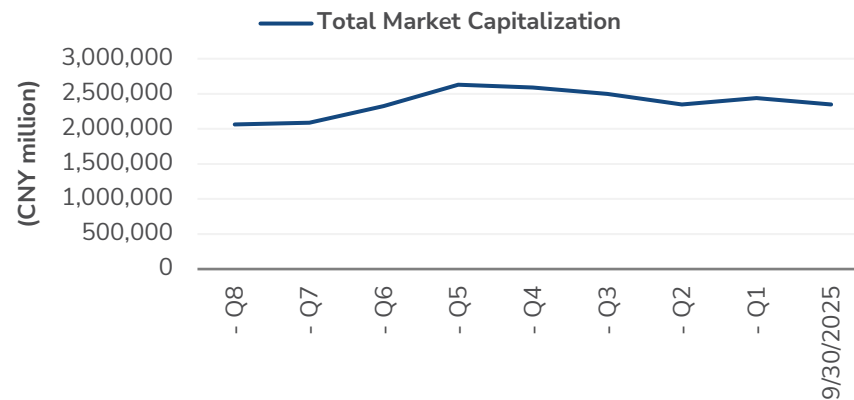
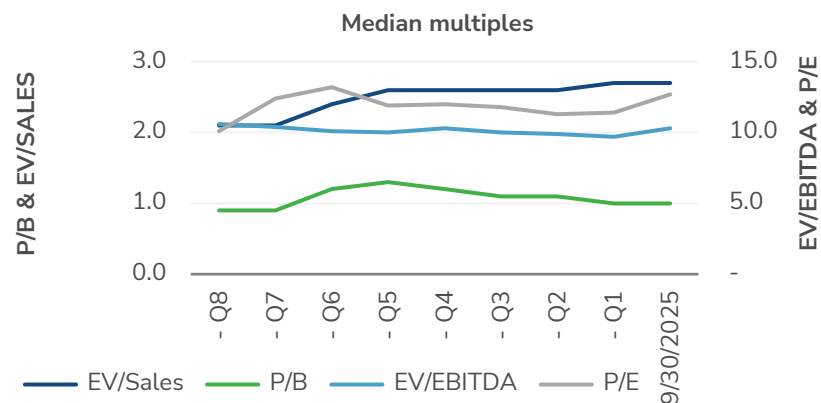
As of September 30, 2025



	EV/ Sales	EV/ EBITDA	P/E	P/B
Number of Observations	24	24	24	24
Number of Outliers	1	1	1	2
Negative Multiples or Multiple Errors				
High	11.2x	17.1x	22.0x	1.6x
Mean	3.8x	10.4x	13.4x	1.1x
Median	2.7x	10.8x	12.5x	0.9x
Low	0.3x	3.4x	7.1x	0.4x
Low Quartile	1.3x	8.1x	10.3x	0.8x
Upper Quartile	5.0x	11.9x	16.0x	1.4x

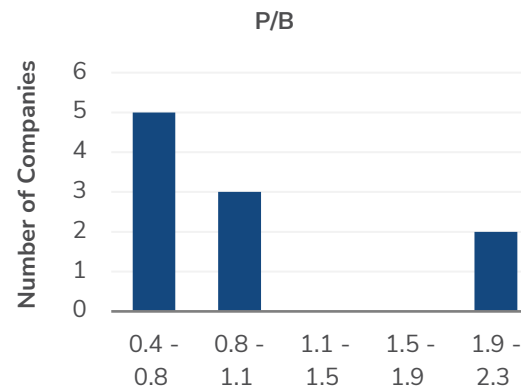
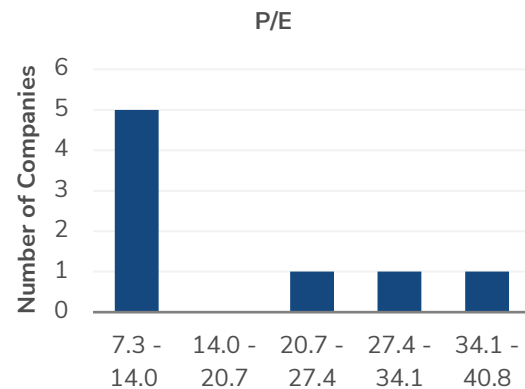
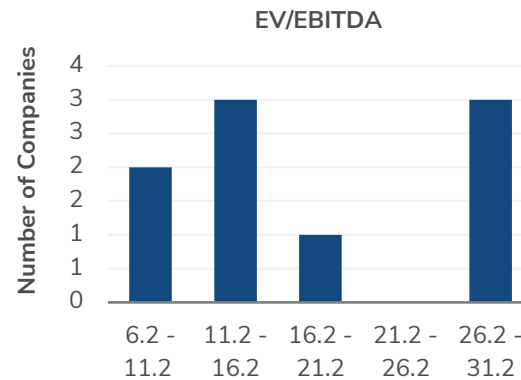
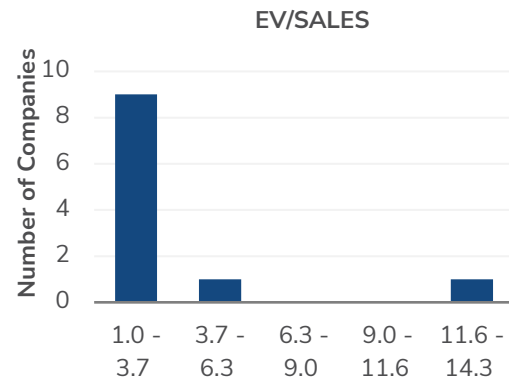
Utilities (cont'd)

As of September 30, 2025



Real Estate

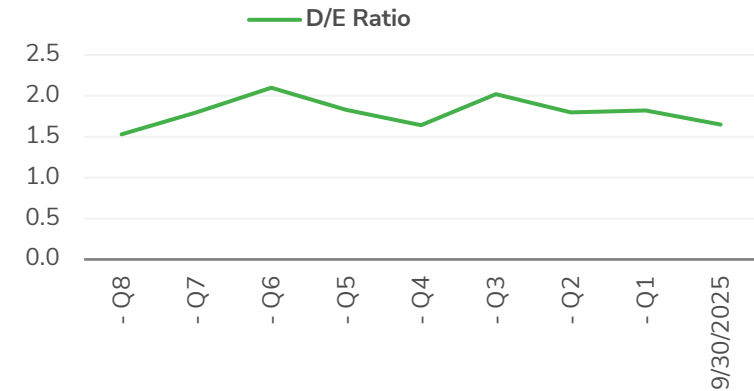
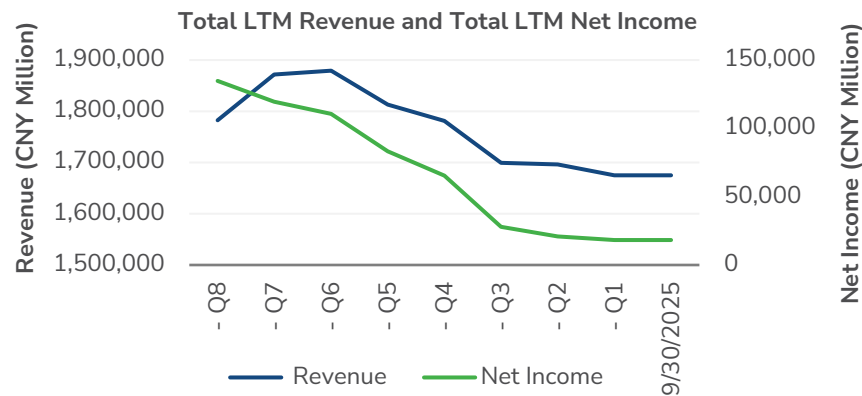
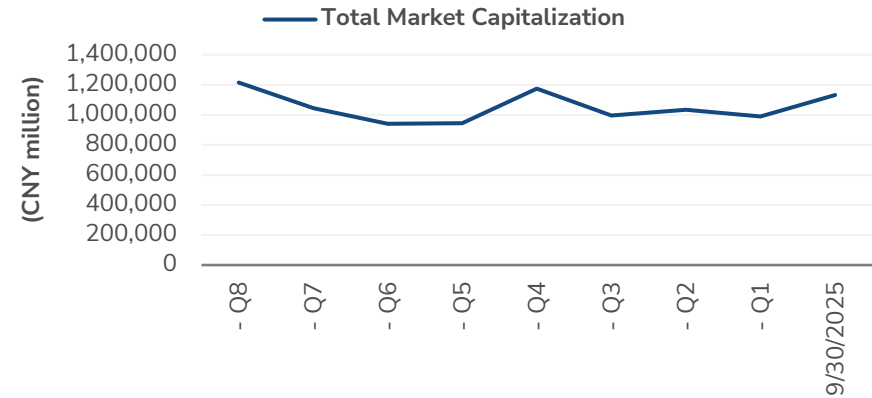
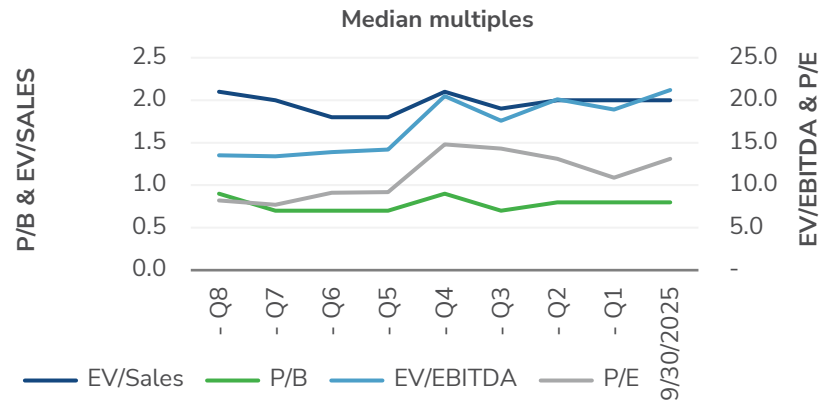
As of September 30, 2025



	EV/ Sales	EV/ EBITDA	P/E	P/B
Number of Observations	12	12	12	12
Number of Outliers	1	3	4	2
Negative Multiples or Multiple Errors				
High	14.3x	31.2x	40.8x	2.3x
Mean	3.2x	18.3x	17.7x	0.9x
Median	1.9x	15.1x	11.7x	0.8x
Low	1.0x	6.2x	7.3x	0.4x
Low Quartile	1.6x	12.9x	9.5x	0.5x
Upper Quartile	2.9x	26.4x	24.4x	0.9x

Real Estate (cont'd)

As of September 30, 2025



Sector Definitions

The industry classification for the companies represented in this report is based on the Global Industry Classification Sector(GICS®) effective close of March 17, 2023 published by MSCI Inc.

Sector	
Energy	The Energy Sector comprises companies engaged in exploration & production, refining & marketing, and storage & transportation of oil & gas and coal & consumable fuels. It also includes companies that offer oil & gas equipment and services.
Materials	The Materials Sector includes companies that manufacture chemicals, construction materials, forest products, glass, paper and related packaging products, and metals, minerals and mining companies, including producers of steel.
Industrials	The Industrials Sector includes manufacturers and distributors of capital goods such as aerospace & defense, building products, electrical equipment and machinery and companies that offer construction & engineering services. It also includes providers of commercial & professional services including printing, environmental and facilities services, office services & supplies, security & alarm services, human resource & employment services, research & consulting services. It also includes companies that provide transportation services.
Consumer Discretionary	The Consumer Discretionary Sector encompasses those businesses that tend to be the most sensitive to economic cycles. Its manufacturing segment includes automobiles & components, household durable goods, leisure products and textiles & apparel. The services segment includes hotels, restaurants, and other leisure facilities. It also includes distributors and retailers of consumer discretionary products.
Consumer Staples	The Consumer Staples Sector comprises companies whose businesses are less sensitive to economic cycles. It includes manufacturers and distributors of food, beverages and tobacco and producers of non-durable household goods and personal products. It also includes distributors and retailers of consumer staples products including food & drug retailing companies.
Health Care	The Health Care Sector includes health care providers & services, companies that manufacture and distribute health care equipment & supplies, and health care technology companies. It also includes companies involved in the research, development, production and marketing of pharmaceuticals and biotechnology products.
Financials	The Financials Sector contains companies engaged in banking, financial services, consumer finance, capital markets and insurance activities. It also includes Financial Exchanges & Data and Mortgage REITs.

Sector Definitions (cont'd)

Sector	
Information Technology	The Information Technology Sector comprises companies that offer software and information technology services, manufacturers and distributors of technology hardware & equipment such as communications equipment, cellular phones, computers & peripherals, electronic equipment and related instruments, and semiconductors and related equipment & materials.
Communication Services	The Communication Services Sector includes companies that facilitate communication and offer related content and information through various mediums. It includes telecom and media & entertainment companies including producers of interactive gaming products and companies engaged in content and information creation or distribution through proprietary platforms.
Utilities	The Utilities Sector comprises utility companies such as electric, gas and water utilities. It also includes independent power producers & energy traders and companies that engage in generation and distribution of electricity using renewable sources.
Real Estate	The Real Estate Sector contains companies engaged in real estate development and operation. It also includes companies offering real estate related services and Equity Real Estate Investment Trusts (REITs).

Methodology

The multiples in this report are based on the MSCI China Index, which aims to cover 85% of the free float market cap across H-shares, A-shares, B-shares, Red-chips, P-chips and foreign listed shares.

Our report provides a detailed overview of the P/B, P/E, EV/EBITDA and EV/sales multiples of companies in the MSCI China Index covering non-financial industries and P/B, P/E, P/TBV and market cap/revenue multiples covering financial industries for which such data is available.

Note:

- 1) GICS® was used as the basis for industry definitions. An industry must have a minimum of five company participants to be considered for analysis. For all reported multiples in China, we have considered all companies in the MSCI China Index as of Sept. 30, 2025. The MSCI China Index is constructed based on the integrated China equity universe included in the MSCI Emerging Markets Index, providing a standardized definition of the China equity opportunity set. The index aims to represent the performance of large- and mid-cap segments with H-shares, B-shares, red chips, P chips and foreign listings (e.g., ADRs) of Chinese stocks. To avoid duplication, industry multiples for dual-listed companies are based on the shares listed in the Primary Exchange. Source: Index constituents were captured from MSCI's website: <https://www.msci.com/china>; financial data was derived from Standard & Poor's Capital IQ database.
- 2) Any outliers in the industry have been excluded from the above analysis. Outliers selection criteria: 1) Negative multiples; 2) multiples at 200 or above; 3) the first highest multiple of an individual industry is above 100 and different from the second highest by more than 60%; 4) multiples that exceed two standard deviations over the median
- 3) EV = Enterprise value = Market value of equity plus book value of debt plus book value of preferred stock and minority interest less book value of cash and short-term investments, Sales = Revenue for latest 12 months, EBITDA = Lease-adjusted earnings before interest, taxes, depreciation and amortization for latest 12 months, P/E = Market capitalization/net income to common excluding extraordinary items, P/B = Market capitalization/book value of common equity, Market cap/revenue = Market capitalization/ total revenue, P/TBV = Market capitalization/tangible book value. Financial information of companies reflects the latest available information based on company filings as of Sept. 30, 2025.
- 4) Outliers are excluded in the histograms presented above: "EV/Sales", "EV/EBITDA", "P/E", "P/B", "Mkt Cap/Revenue" and "P/TBV". Outliers are not excluded for time series analysis "Median multiples" in order to accurately assess the change in multiples across time.

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