

How much are companies worth in the Support Services sector?

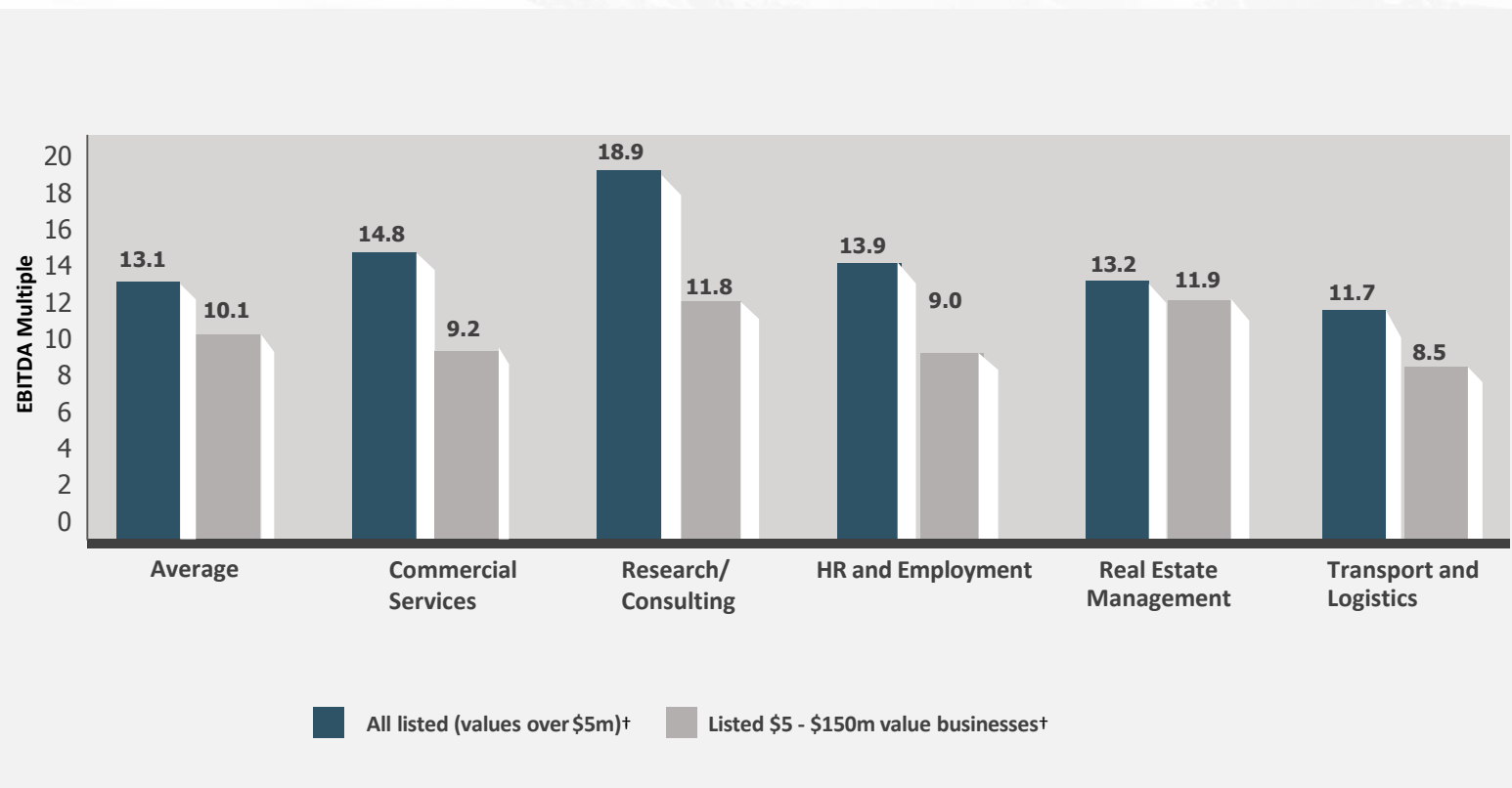
3 key factors can give private business owners an indication of their business valuation:

The Enterprise Value to EBITDA* multiples on which comparable listed companies are trading.

The multiple of EBITDA paid by acquirers of comparable businesses.

The volume of M&A transactions and acquisitions.

At the end of H1 2020, the global, all market average Enterprise Value to EBITDA multiple for listed Support Services companies was **13.1x**.† This was just lower than during the six months ended December 2019, when listed Support Services companies were trading on a multiple of 13.2x. Within the Support Services sector, trading multiples varied between 11.7x and 18.9x across the range of sub-sectors. Smaller businesses generally traded on lower multiples.



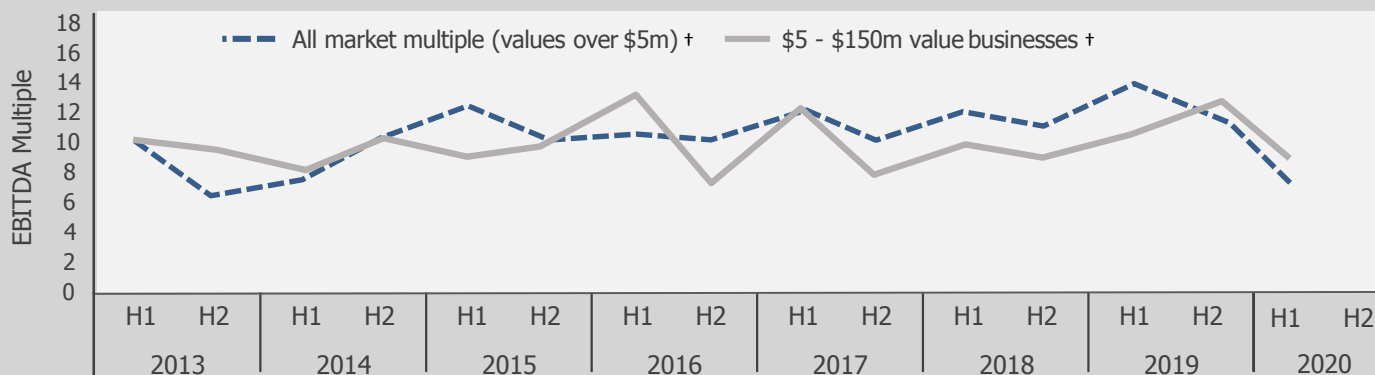
* EBITDA is Earnings Before Interest, Tax, Depreciation and Amortisation

† Note, the Enterprise Value to EBITDA multiples above are for listed businesses. By comparison **privately owned businesses are generally valued at a discount**. Listed company data was accurate at 01/07/2020

The average multiple of EBITDA* paid globally in Support Services transactions is down on the previous 6 months. It currently stands at

6.9x

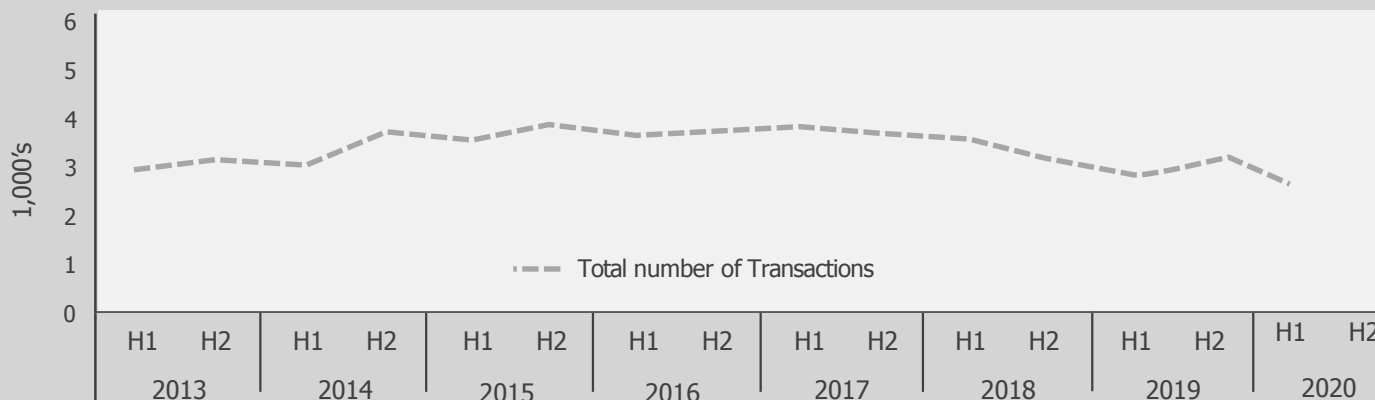
When reviewing these multiples we break out businesses in the range \$5-150m, as they tend to have unique attributes which affect their valuation.



* EBITDA is Earnings Before Interest, Tax, Depreciation and Amortisation

† Note, the transaction multiples above are calculated from raw historic data. This typically understates profits and therefore **valuations actually achieved are generally at lower multiples of "normalised" profits.**

In H1 2020, there were 2,740 transactions globally in the Support Services sector. This is down on the preceding 6 months, when there were 3,230 transactions. Despite the decline this past 6 months, the number of transactions has remained fairly consistent over the last seven years and there are still plenty of interested buyers in the market.



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