

How much are companies worth in the Financial Services sector?

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

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

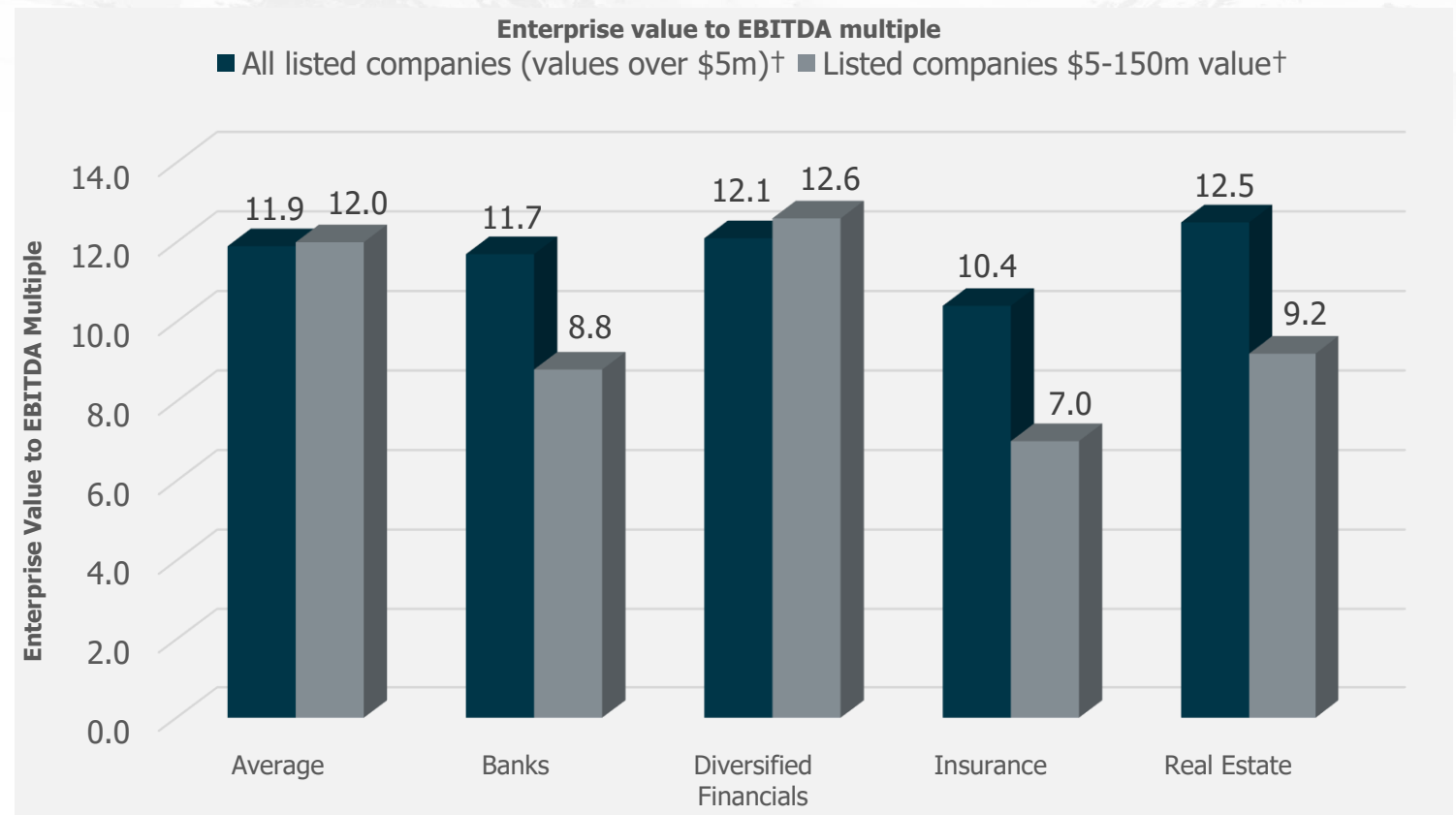
2 The multiple of EBITDA paid by acquirers of comparable companies

3 The volume of completed mergers and acquisitions transactions

1

At the end of H2 2023, the global, all market average Enterprise Value to EBITDA multiple for listed Financial Services companies was **11.9x**.†

Within the sector, average trading multiples for all listed companies varied between **10.4x** and **12.5x** across the range of sub-sectors. On average, sub \$150m companies traded at similar multiples to larger companies.



* EBITDA is Earnings Before Interest, Tax, Depreciation and Amortisation as derived from latest published accounts.

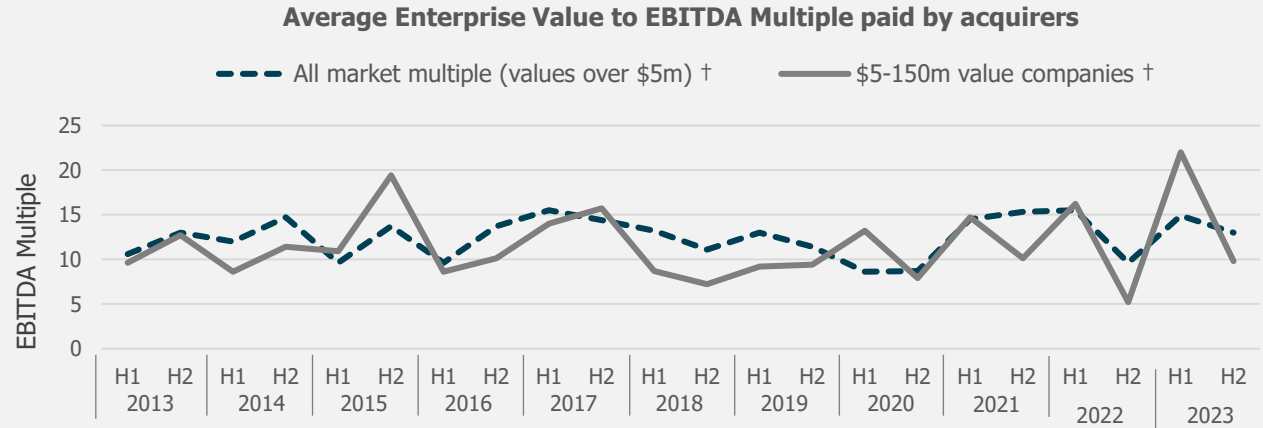
† Note, the Enterprise Value to EBITDA multiples above are for listed companies. By comparison, **privately owned companies are generally valued at a discount.**

Listed company data for the period was accurate at 31/12/2023.

2

The average multiple† of EBITDA* paid globally in all Financial Services transactions to acquire control of companies has decreased over the past six months. It currently stands at **13.0x**.

When reviewing these multiples, we break out companies in the range \$5-150m, as they tend to have unique attributes which affect their valuation. The multiple for these lower mid-market transactions over the past six months stands at **9.8x**.



* EBITDA is Earnings Before Interest, Tax, Depreciation and Amortisation as derived from latest accounts prior to the transaction.
 † Note, the transaction multiples above are calculated from raw historic data. This typically understates profits and therefore **valuations achieved are generally at lower multiples of "normalised" profits.**

3

In H2 2023, there were 1,384 transactions globally in the Financial Services sector. This is a slight decrease on the previous six months, when there were 1,428 transactions.



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