

How much are companies worth in the Healthcare sector?

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

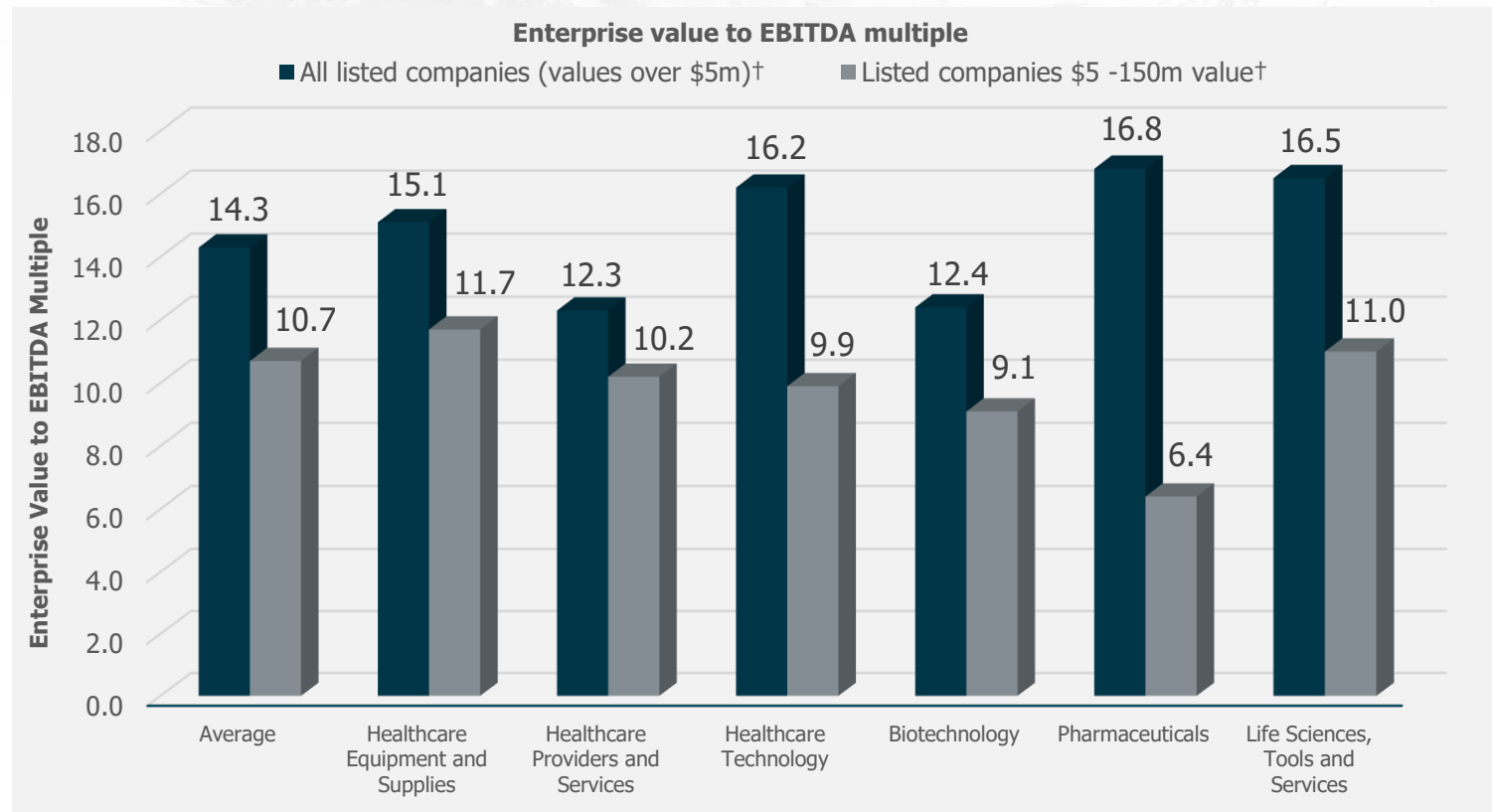
1 The Enterprise Value to EBITDA* multiples on which comparable listed companies are trading

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 Healthcare companies was **14.3x**.†

Within the Healthcare sector average trading multiples for all listed companies varied between **12.3x** and **16.8x**. On average, sub \$150m companies traded at a discount to all listed 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

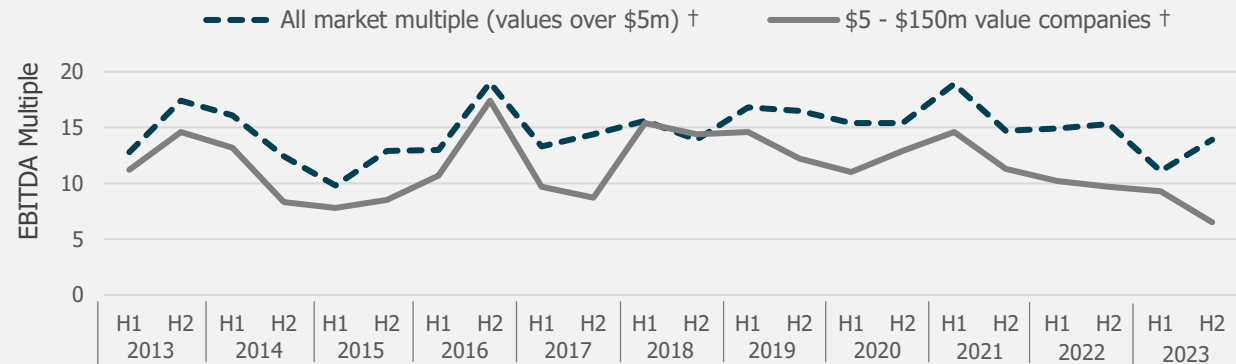
The average multiple† of EBITDA* paid globally in all Healthcare transactions to acquire control of companies has increased over the last six months. It currently stands at **13.9x**.

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 currently stands at **6.5x**.

3

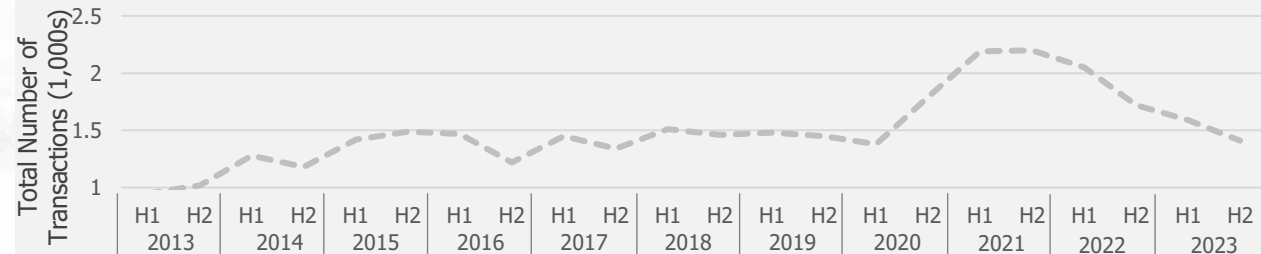
In H2 2023, there were 1,410 transactions globally in the Healthcare sector. This is a slight decrease on the preceding six months, when there were 1,591 transactions.

Multiple of EBITDA paid by acquirers



* 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.**

Volume of M&A



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