

# How much are companies worth in the Support Services sector?

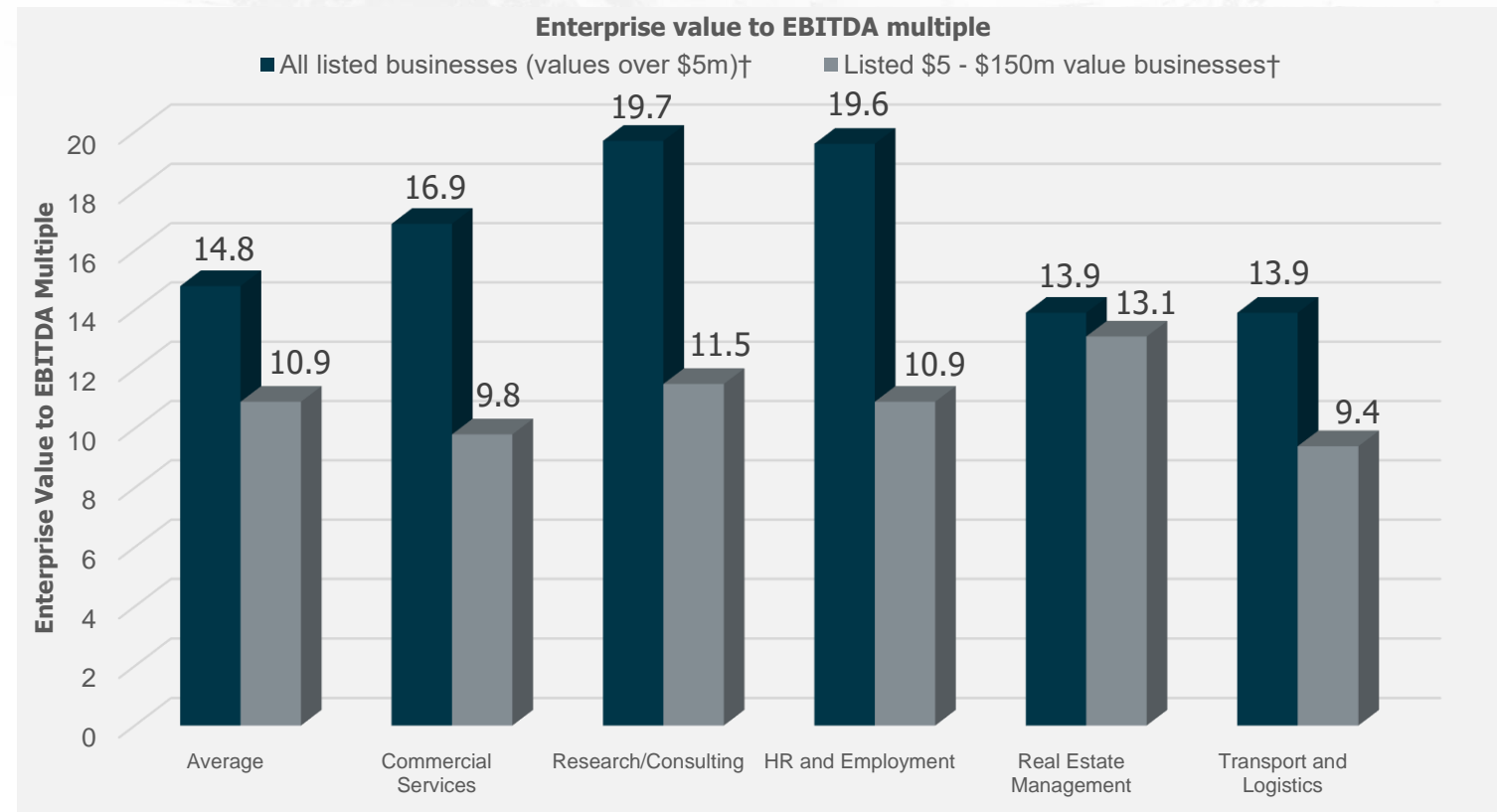
**3 key factors can give private business owners an indication of their valuation:**

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 H2 2021, the global, all market average Enterprise Value to EBITDA multiple for listed Support Services companies was **14.8x**.† This is a decrease on the previous six months, when listed Support Services companies were trading on a multiple of 15.9x. Within the Support Services sector, trading multiples for all listed businesses varied between 13.9x and 19.7x across the range of sub-sectors. Smaller businesses generally traded on lower multiples.

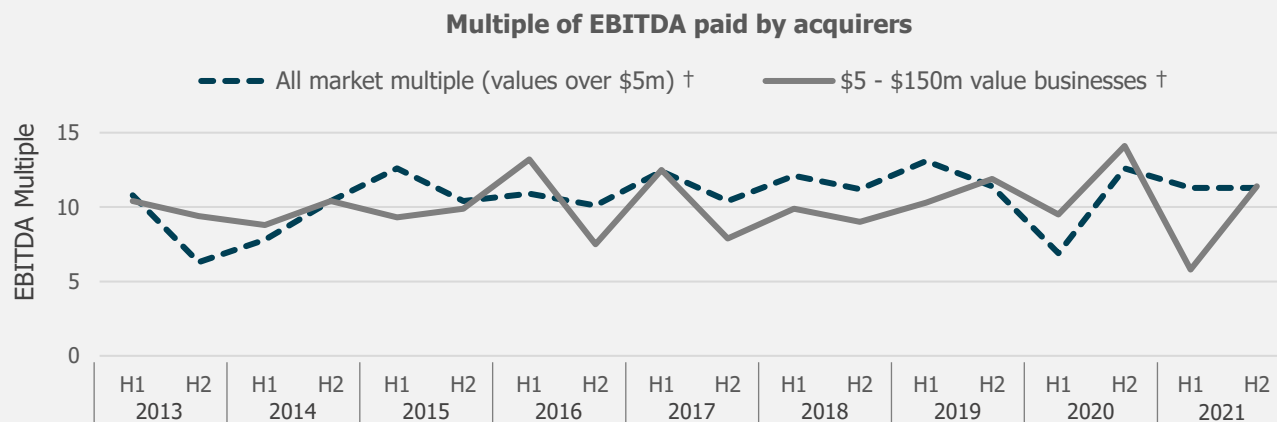


\* EBITDA is Earnings Before Interest, Tax, Depreciation and Amortisation

† 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 04/01/2022.

The average multiple† of EBITDA\* paid globally in Support Services transactions has remained the same over the past six months. It currently stands at **11.3x**.

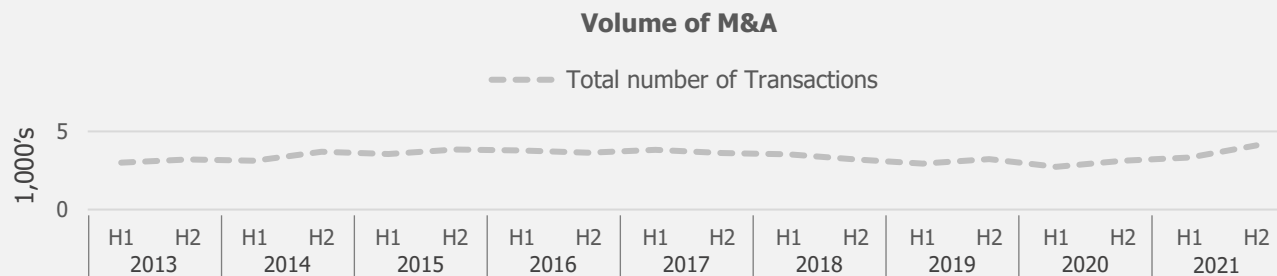
When reviewing these multiples we break out businesses in the range \$5-150m, as they tend to have unique attributes which affect their valuation. The multiple for these lower mid-market transactions has bounced back over the past six months, currently standing at 11.4x.



\* 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 H2 2021, there were 4,060 transactions globally in the Support Services sector. This is an increase on the preceding six months, when there were 3,329 transactions. The number of transactions has remained fairly consistent over the last seven years and this stability in transaction volumes suggests there are still plenty of interested buyers in the market.



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