

How much are companies worth in the Financial Services sector?

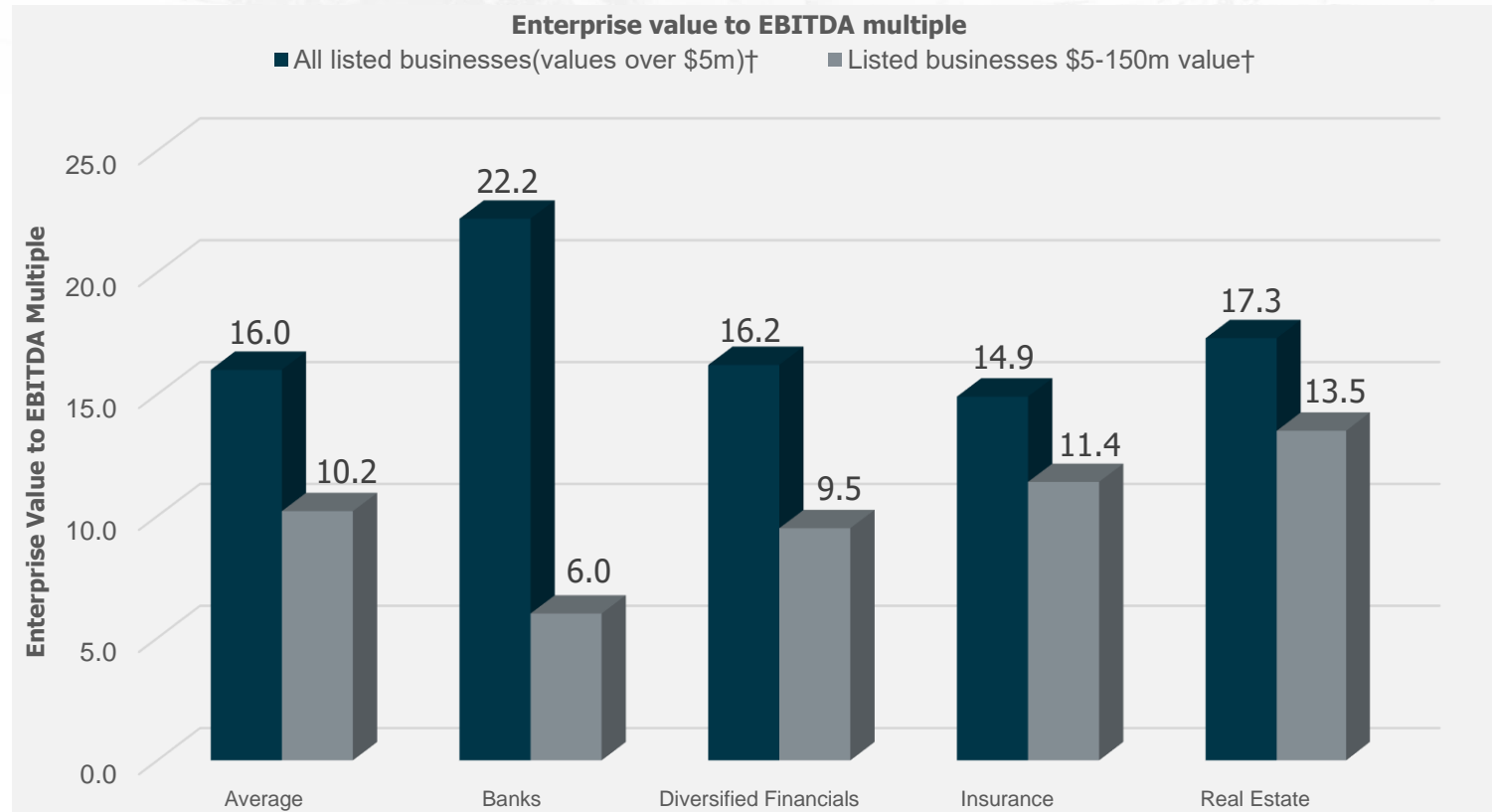
3 key factors can give private business owners an indication of their valuation:

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 Financial Services companies was **16.0x**. † This was a very slight decrease on the previous six months, when listed Financial Services companies were trading on a multiple of 16.1x. Within the Financial Services sector, trading multiples for all listed businesses varied between 14.9x and 22.2x across the range of sub-sectors. Smaller businesses generally traded on lower multiples.



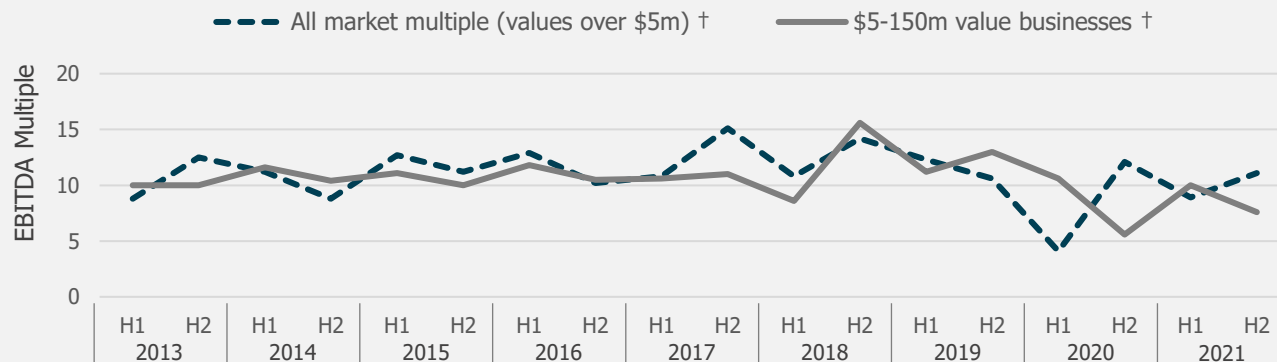
* EBITDA is Earnings Before Interest, Tax, Depreciation and Amortisation

† 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 Financial Services transactions has increased over the past six months. It currently stands at **11.1x**.

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 over the past six months, at 7.6x, has decreased over the past six months.

Average Enterprise Value to EBITDA Multiple paid by acquirers

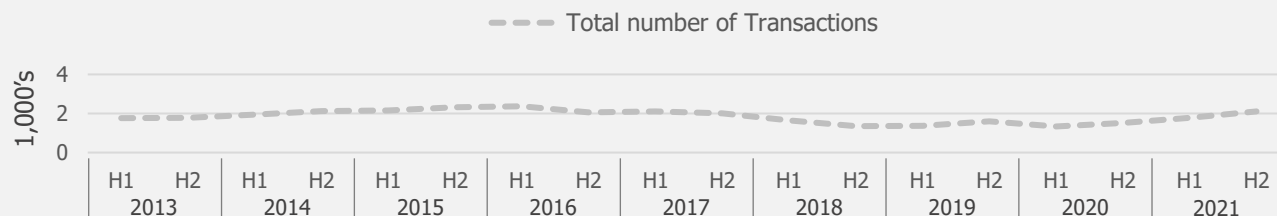


* EBITDA is Earnings Before Interest, Tax, Depreciation and Amortisation.

† 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 2,091 transactions globally in the Financial Services sector. This is an increase on the preceding six months, when there were 1,766 transactions. This is the highest number of transactions since H2 2017, demonstrating the current strong demand for Financial Services businesses.

Volume of M&A



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