

How much are companies worth in the Financial Services sector?

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

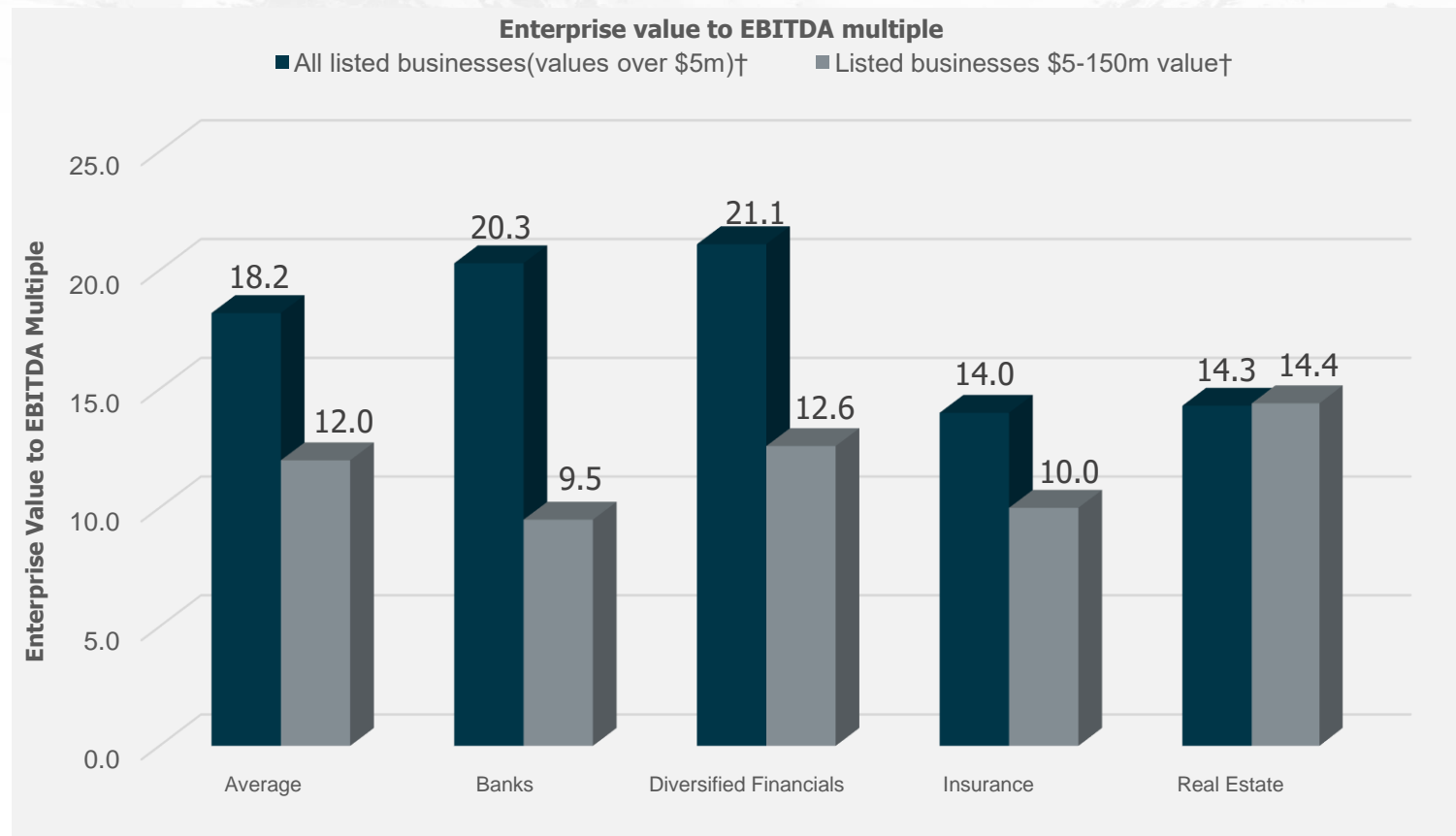
The Enterprise Value to EBITDA* multiples on which comparable listed companies are trading

The multiple of EBITDA paid by acquirers of comparable businesses

The volume of M&A transactions and acquisitions

At the end of H1 2023, the global, all market average Enterprise Value to EBITDA multiple for listed Financial Services companies was **18.2x**.† This was an increase on the previous six months, when listed Financial Services companies traded on a multiple of 16.2x.

Within the sector as a whole, multiples for all listed businesses varied between 14.0x and 21.1x across the range of sub-sectors. Smaller businesses generally traded on lower multiples.



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

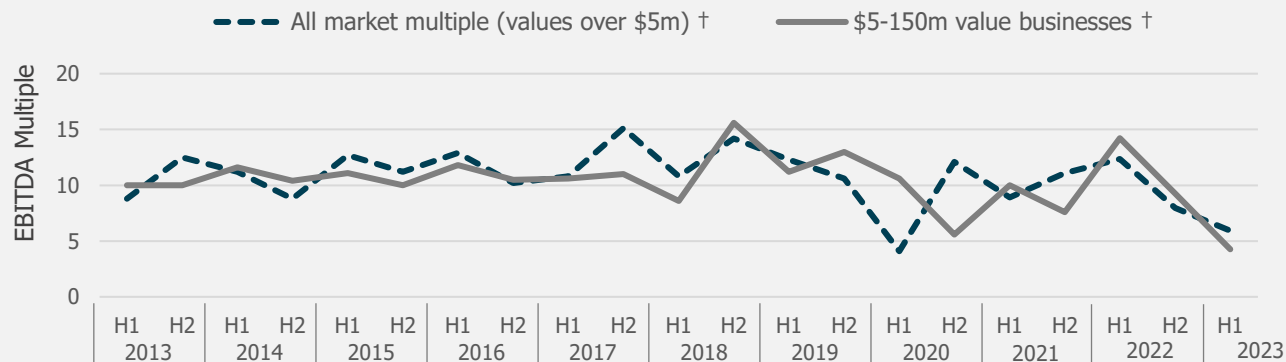
† Note, the Enterprise Value to EBITDA multiples above are for listed businesses. By comparison **privately owned businesses are generally valued at a discount**. Listed company data was accurate at 05/07/2023.

The average multiple† of EBITDA* paid globally in Financial Services transactions to acquire control of businesses has decreased over the past six months. It currently stands at **5.9x**.

When reviewing these multiples we break out businesses in the range \$5-150m, as they tend to have unique attributes which affect their valuation. The multiple for these lower mid-market transactions over the past six months stands at **4.3x**.

In H1 2023, there were 1,582 transactions globally in the Financial Services sector. This is a slight increase on the previous six months, when there were 1,563 transactions. Dealmaking within this sector has remained consistent over the past decade.

Average Enterprise Value to EBITDA Multiple 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 actually achieved are generally at lower multiples of "normalised" profits.**

Volume of M&A



Corbett Keeling's Global Financial Services Sector Specialists:



Nick Burnell



Robert Colthorpe

Contact **Jim Keeling**

020 7626 6266

Jim.Keeling@corbettkeeling.com