

How much are companies worth in the Financial Services sector?

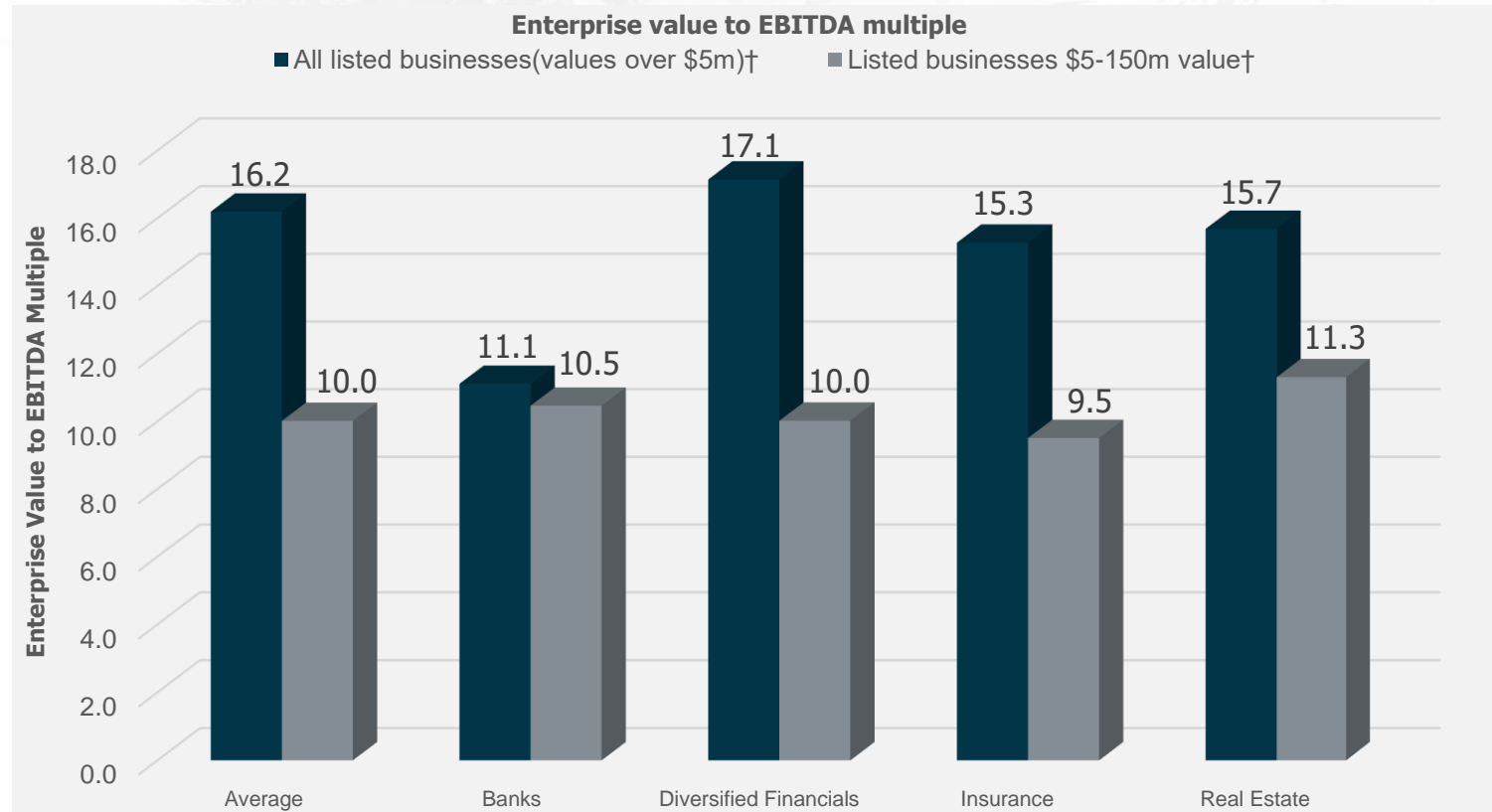
3 key factors can give private business owners an indication of their valuation:

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 2022, the global, all market average Enterprise Value to EBITDA multiple for listed Financial Services companies was **16.2x**. † This was a slight decrease on the previous six months, when listed Financial Services companies traded on a multiple of 16.6x. Within the sector as a whole, multiples for all listed businesses varied between 11.1x and 17.1x across the range of sub-sectors. Smaller businesses generally traded on lower multiples.



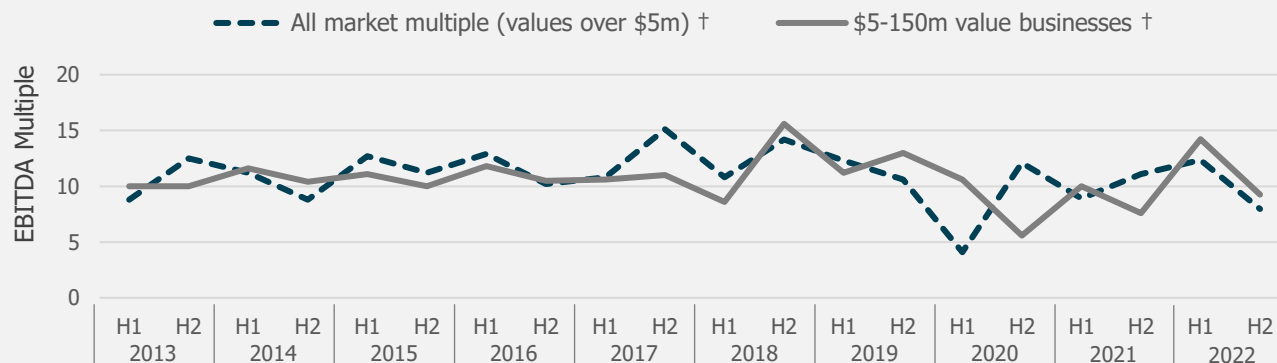
* EBITDA is Earnings Before Interest, Tax, Depreciation and Amortisation. † Note, the Enterprise Value to EBITDA multiples above are for listed businesses. By comparison **privately owned businesses are generally valued at a discount**. Listed company data was accurate at 04/01/2023.

The average multiple† of EBITDA* paid globally in Financial Services transactions has decreased over the past six months. It currently stands at **8.0x**.

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 **9.3x**.

In H2 2022, there were 1,563 transactions globally in the Financial Services sector. This is a slight decrease on the previous six months, when there were 1,768 transactions. The relatively minor decrease in dealmaking in this sector is still in line with a consistent level of activity over the past 10 years.

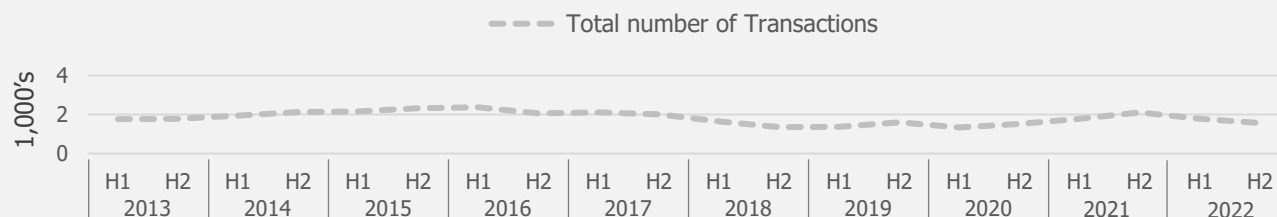
Average Enterprise Value to EBITDA Multiple paid by acquirers



* 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.**

Volume of M&A



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