

How much are companies worth in the Healthcare sector?

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

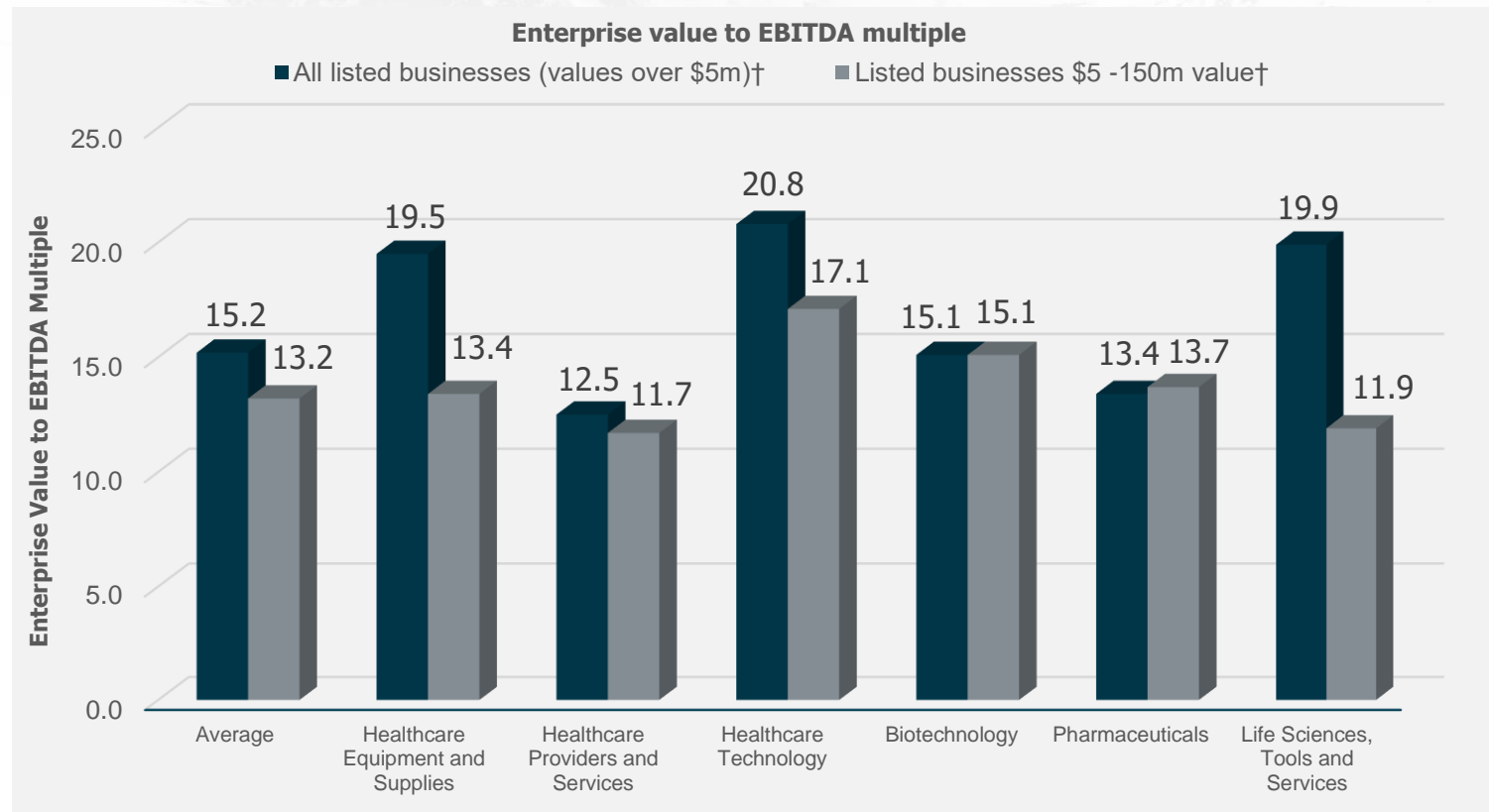
The Enterprise Value to EBITDA* multiples on which comparable listed companies are trading

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 Healthcare companies was **15.2x**.† This was slightly higher than six months ago when listed Healthcare companies were trading on a multiple of 14.6x.

Within the Healthcare sector trading multiples for all listed businesses varied between 12.5x to 20.8x. Smaller businesses tend to trade on lower multiples.



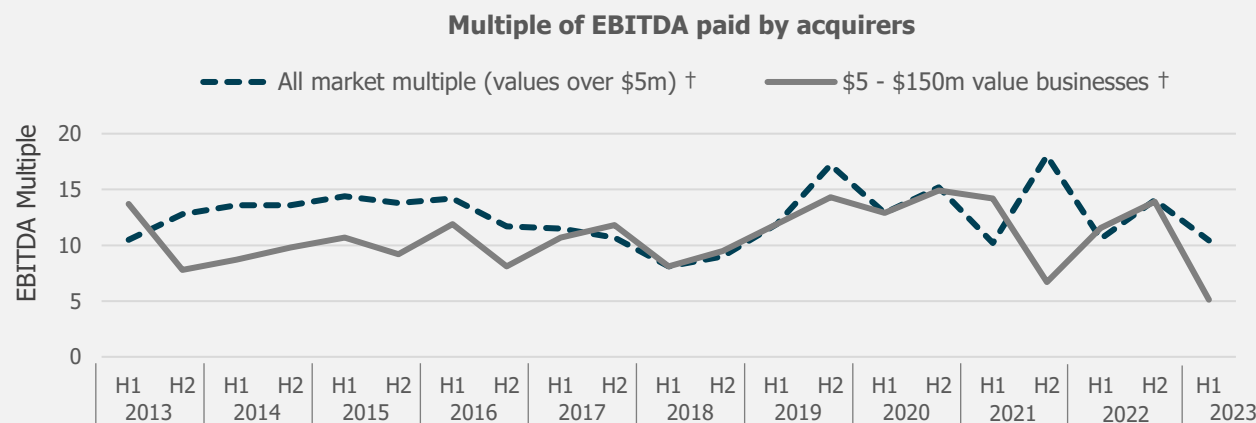
* EBITDA is Earnings Before Interest, Tax, Depreciation and Amortisation as derived from latest published accounts.

† 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.

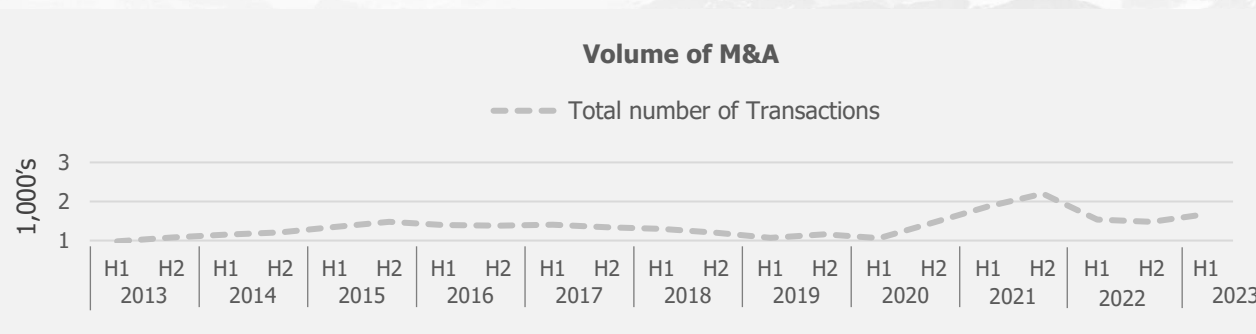
The average multiple† of EBITDA* paid globally in Healthcare transactions to acquire control of businesses has decreased over the last six months from **14.1x** to **10.4x**.

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 decreased dramatically to **5.1x**.

In H1 2023, there were 1,675 transactions globally in the Healthcare sector. This is a moderate increase on the preceding six months, when there were 1,483 transactions. The number of transactions in the Healthcare sector has remained consistently high since the pandemic-induced peak in 2021.



* 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.**



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