

# How much are companies worth in the Healthcare sector?

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

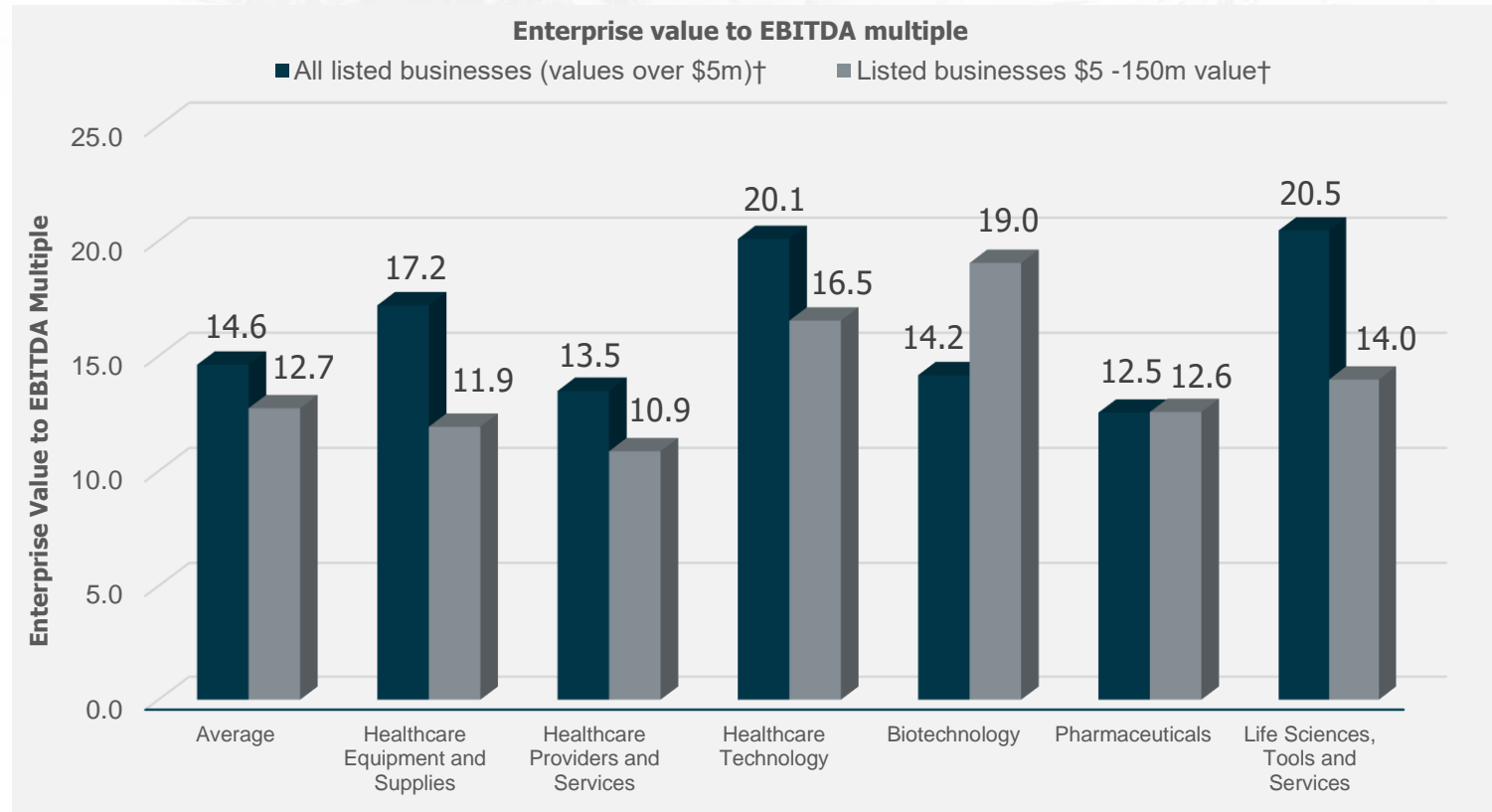
The Enterprise Value to EBITDA\* multiples on which comparable listed companies are trading.

The multiple of EBITDA paid by acquirers of comparable businesses.

The volume of M&A transactions and acquisitions.

At the end of H2 2022, the global, all market average Enterprise Value to EBITDA multiple for listed Healthcare companies was **14.6x**.† This was very slightly lower than six months ago when listed Healthcare companies were trading on a multiple of 14.9x.

Within the Healthcare sector trading multiples for all listed businesses varied between 12.5x to 20.5x. Smaller businesses tend to trade on lower multiples.



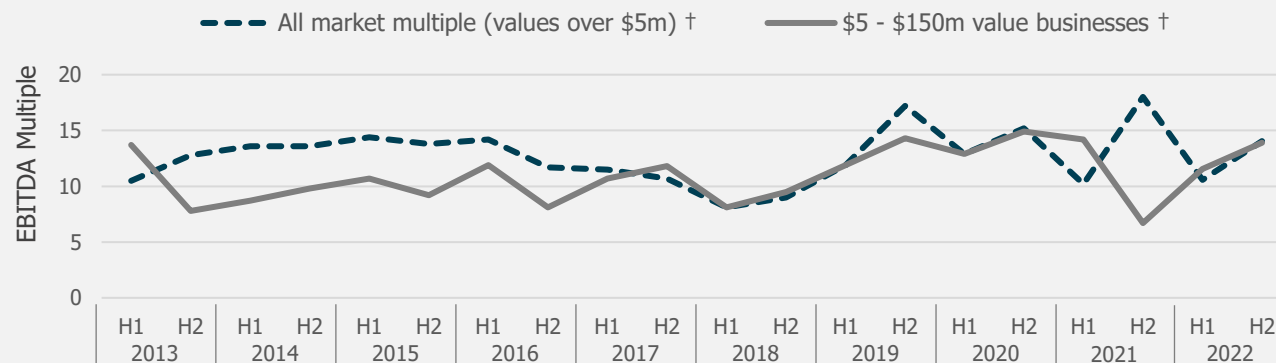
\* EBITDA is Earnings Before Interest, Tax, Depreciation and Amortisation. † Note, the Enterprise Value to EBITDA multiples above are for listed businesses. By comparison **privately owned businesses are generally valued at a discount**. Listed company data was accurate at 04/01/23.

The average multiple† of EBITDA\* paid globally in Healthcare transactions has increased over the last six months to **14.1x**.

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 has increased to **13.9x**.

In H2 2022, there were 1,483 transactions globally in the Healthcare sector. This is a slight decrease on the preceding six months, when there were 1,542 transactions. The number of transactions in the Healthcare sector remains consistently strong after the covid inspired peak in 2021.

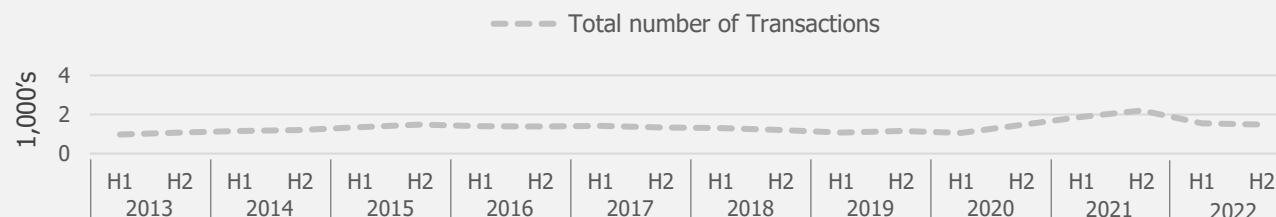
### Multiple of EBITDA paid by acquirers



\* 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



Corbett Keeling's Global Healthcare Sector Specialists:



Paul Baverstock



Kate Peperell



Caspar Stauffenberg

Contact **Jim Keeling**

**020 7626 6266**

**Jim.Keeling@corbettkeeling.com**