

How much are companies worth in the Support Services sector?

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

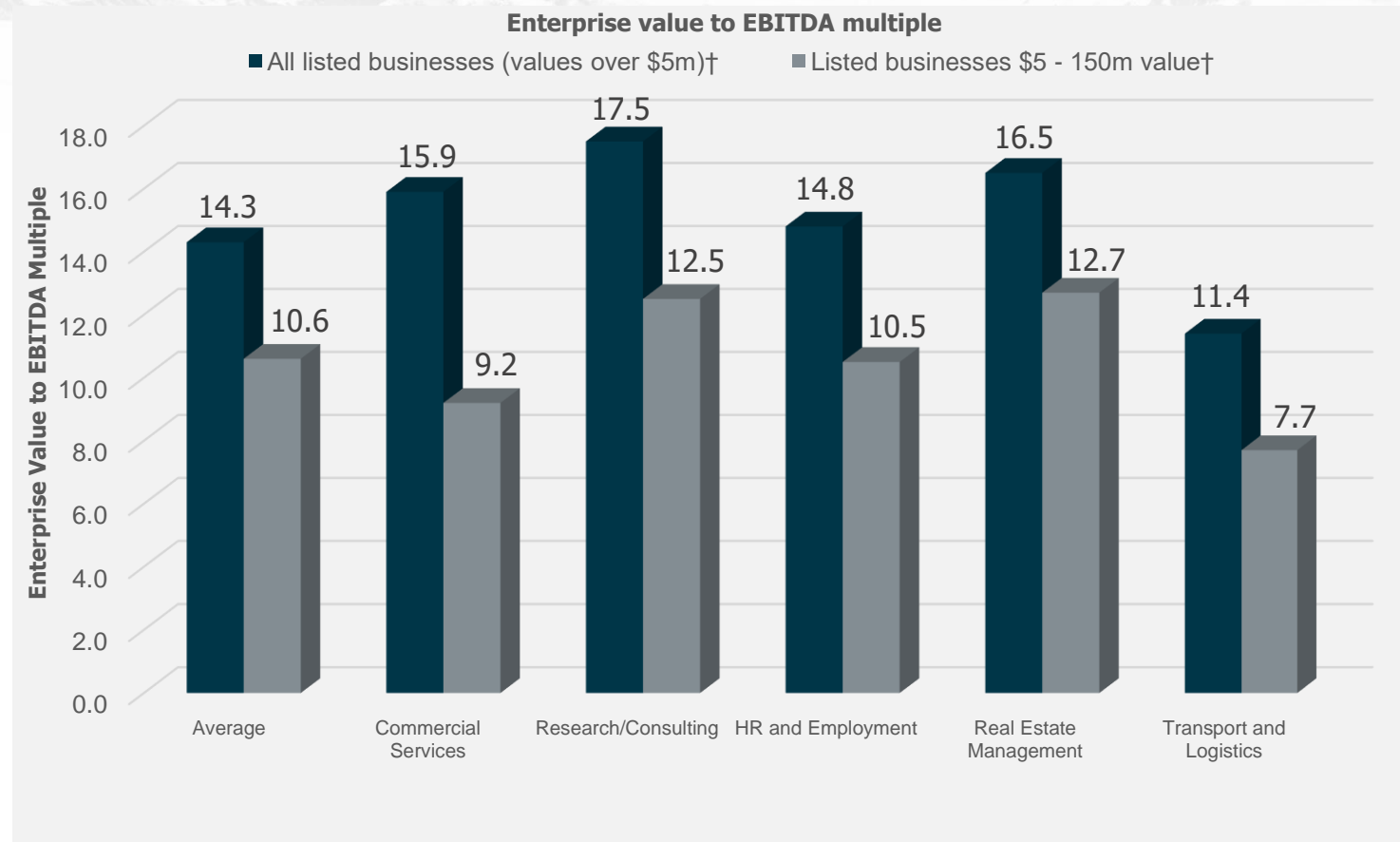
The Enterprise Value to EBITDA* multiples on which comparable listed companies are trading

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 Support Services companies was **14.3x**.† This is a 7% increase on the previous six months, when listed Support Services companies were trading on a multiple of 13.4x.

Within the Support Services sector, trading multiples for all listed businesses varied between 11.4x and 17.5x across the range of sub-sectors. Smaller businesses generally traded on lower multiples, averaging a 3.7x multiple discount.



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

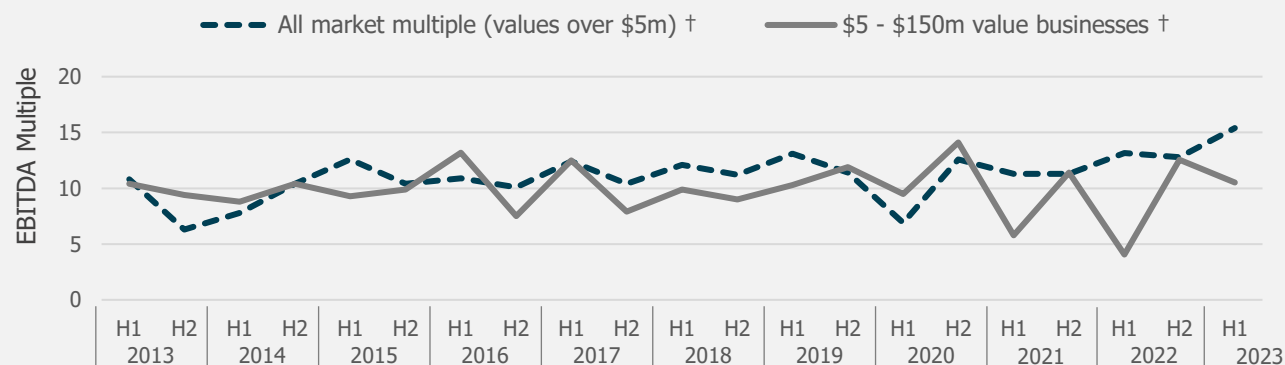
† Note, the Enterprise Value to EBITDA multiples above are for listed businesses. By comparison **privately owned businesses are generally valued at a discount**. Listed company data was accurate at 05/07/2023.

The average multiple† of EBITDA* paid globally in Support Services transactions to acquire control of businesses has experienced a significant rise over the past six months. It currently stands at **15.4x**, a new high, and up from 12.8x at the end of H2 2022.

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 fallen over the past six months, currently standing at **10.5x**.

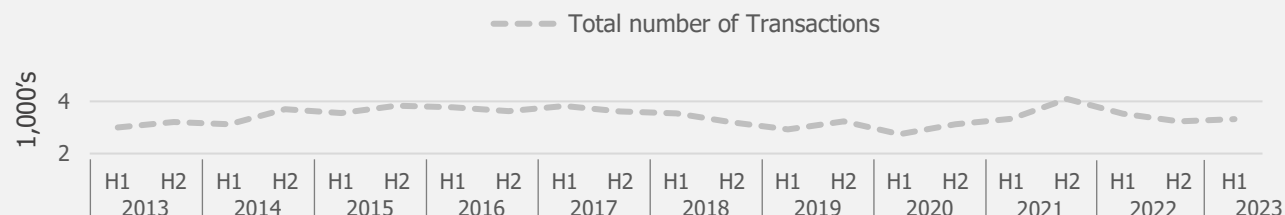
In H1 2023, there were 3,320 transactions globally in the Support Services sector. This is a slight increase on the preceding six months, when there were 3,233 transactions. M&A activity within the Support Services sector has remained fairly consistent over the last 10 years.

Multiple of EBITDA 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



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