

# How much are companies worth in the Support Services sector?

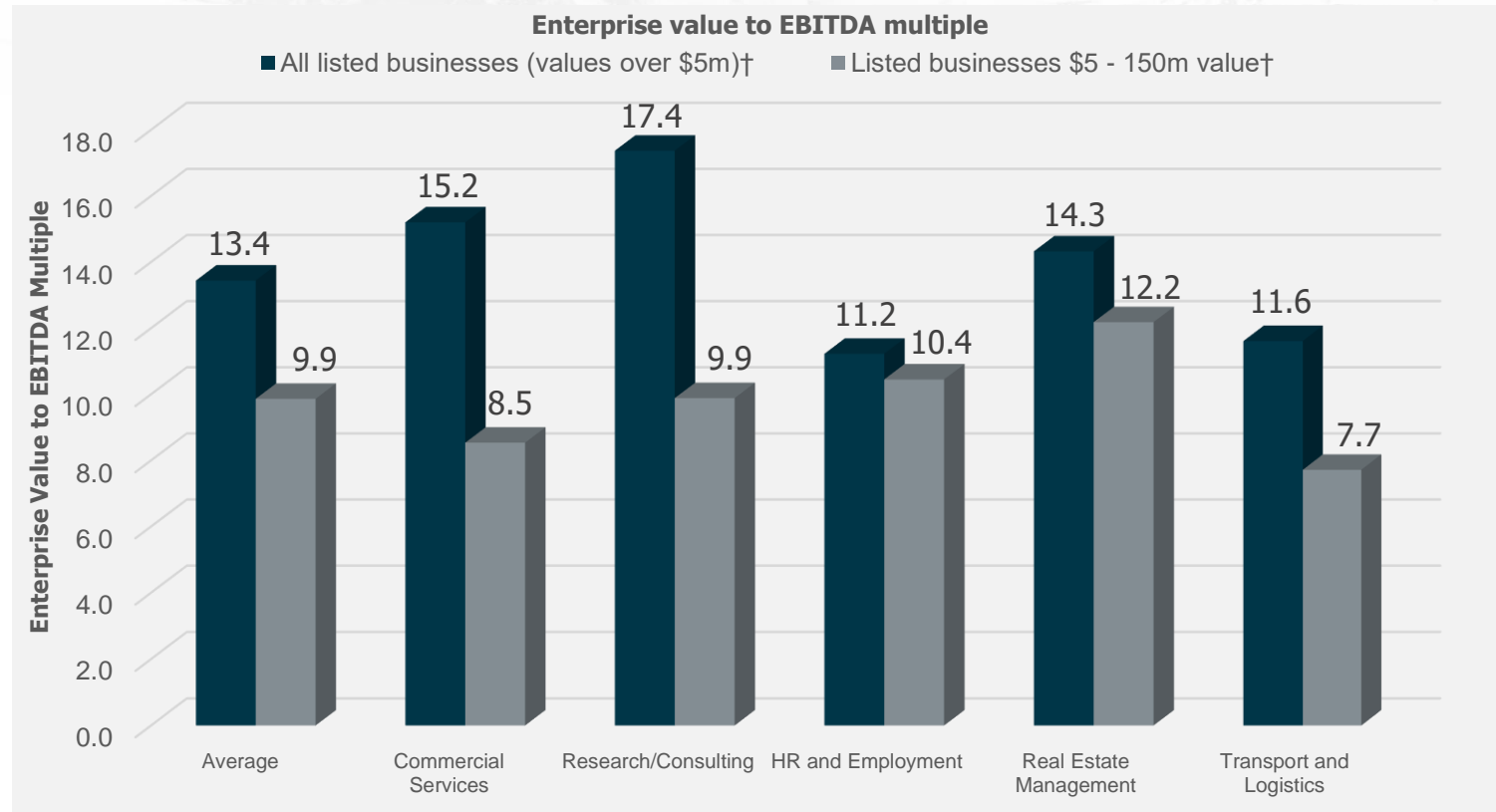
## 3 key factors can give private business owners an indication of their valuation:

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 H2 2022, the global, all market average Enterprise Value to EBITDA multiple for listed Support Services companies was **13.4x**.† This is a decrease on the previous six months, when listed Support Services companies were trading on a multiple of 14.4x. Within the Support Services sector, trading multiples for all listed businesses varied between 11.2x and 17.4x across the range of sub-sectors. Smaller businesses generally traded on lower multiples.



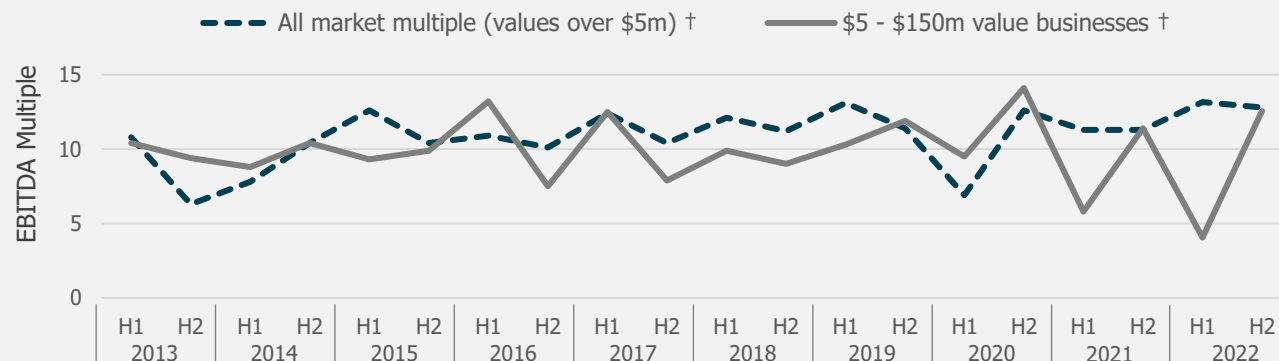
\* EBITDA is Earnings Before Interest, Tax, Depreciation and Amortisation. † Note, the Enterprise Value to EBITDA multiples above are for listed businesses. By comparison **privately owned businesses are generally valued at a discount**. Listed company data was accurate at 04/01/2023.

The average multiple† of EBITDA\* paid globally in Support Services transactions has experienced a small decrease over the past six months. It currently stands at **12.8x**, which is down from 13.2x at the end of H1 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 encouragingly bounced back over the past six months, currently standing at **12.6x**.

In H2 2022, there were 3,233 transactions globally in the Support Services sector. This is a decrease on the preceding six months, when there were 3,535 transactions. This small decline is not surprising given the economic pressures and overall M&A activity in the sector remains high.

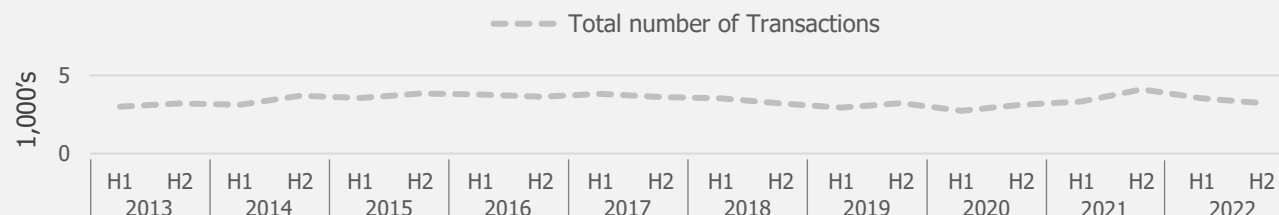
### Multiple of EBITDA paid by acquirers



\* 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



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