

How much are companies worth in the TMT sector?

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

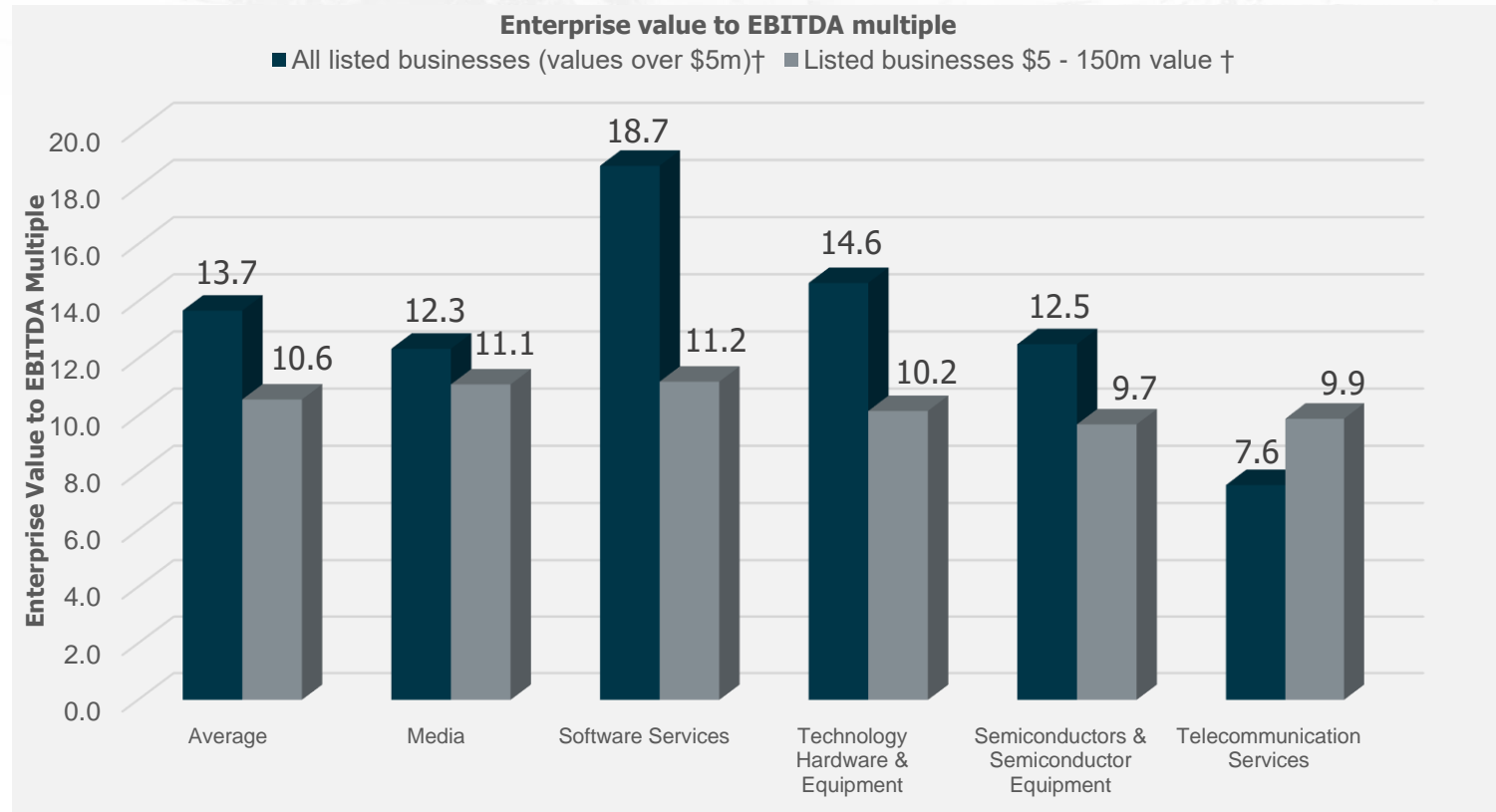
The Enterprise Value to EBITDA* multiples on which comparable listed companies are trading

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 Tech, Media, Telecoms companies was **13.7x**.† This is a slight decrease on the previous six months, when listed TMT companies were trading on a multiple of 14.6x.

Within the TMT sector, trading multiples varied for all listed businesses between 7.6x and 18.7x across the range of sub-sectors. Smaller businesses generally traded on lower multiples.



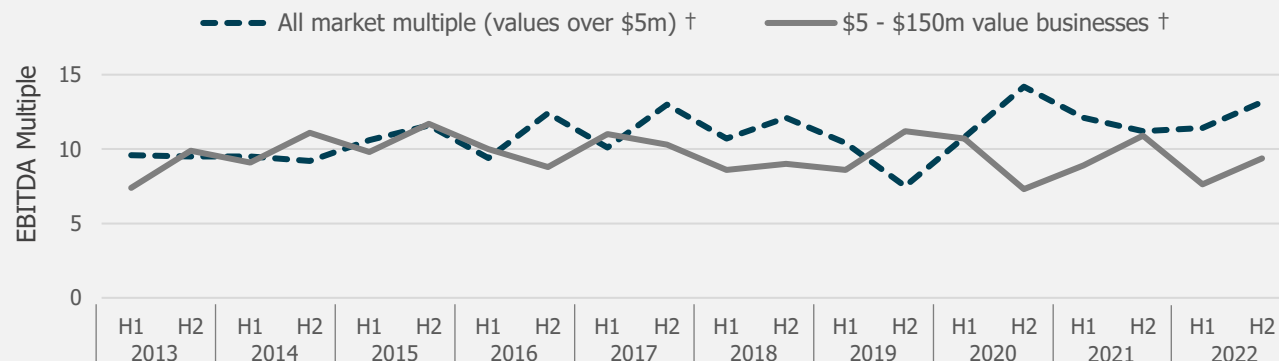
* EBITDA is Earnings Before Interest, Tax, Depreciation and Amortisation. † Note, the Enterprise Value to EBITDA multiples above are for listed businesses. By comparison **privately owned businesses are generally valued at a discount**. Listed company data was accurate at 04/01/2023.

The average multiple† of EBITDA* paid globally in TMT transactions has increased over the past six months. It currently stands at **13.2x**. This increase builds on the trend set in the first half of 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 recovered well over the past six months, having experienced a decline in the first half of 2022, and currently stands at **9.4x**.

In H2 2022, there were 4,557 transactions globally in the TMT sector. This is a decrease on the preceding six months, when there were 5,536 transactions. 2021 was an exceptionally strong year for dealmaking and the volume of TMT transactions in the past six months still remains higher than before the pandemic.

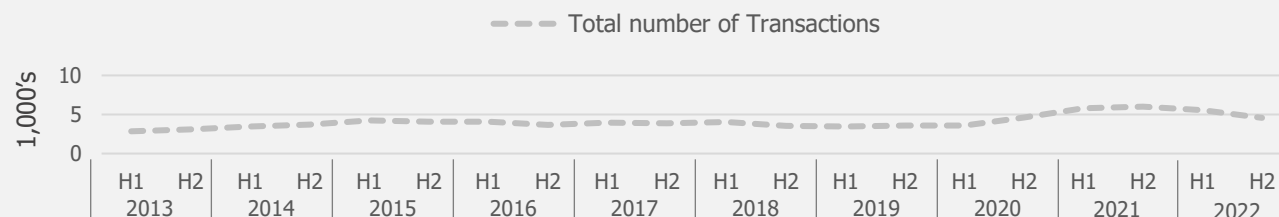
Multiple of EBITDA paid by acquirers



* 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 TMT Specialists:



Francois Barou



Curt Hopkins



Mark Miller



Sat Sanghera



Lee Shorten



John Toppin

Contact **Jim Keeling**

020 7626 6266

Jim.Keeling@corbettkeeling.com