

How much are companies worth in the Support Services sector?

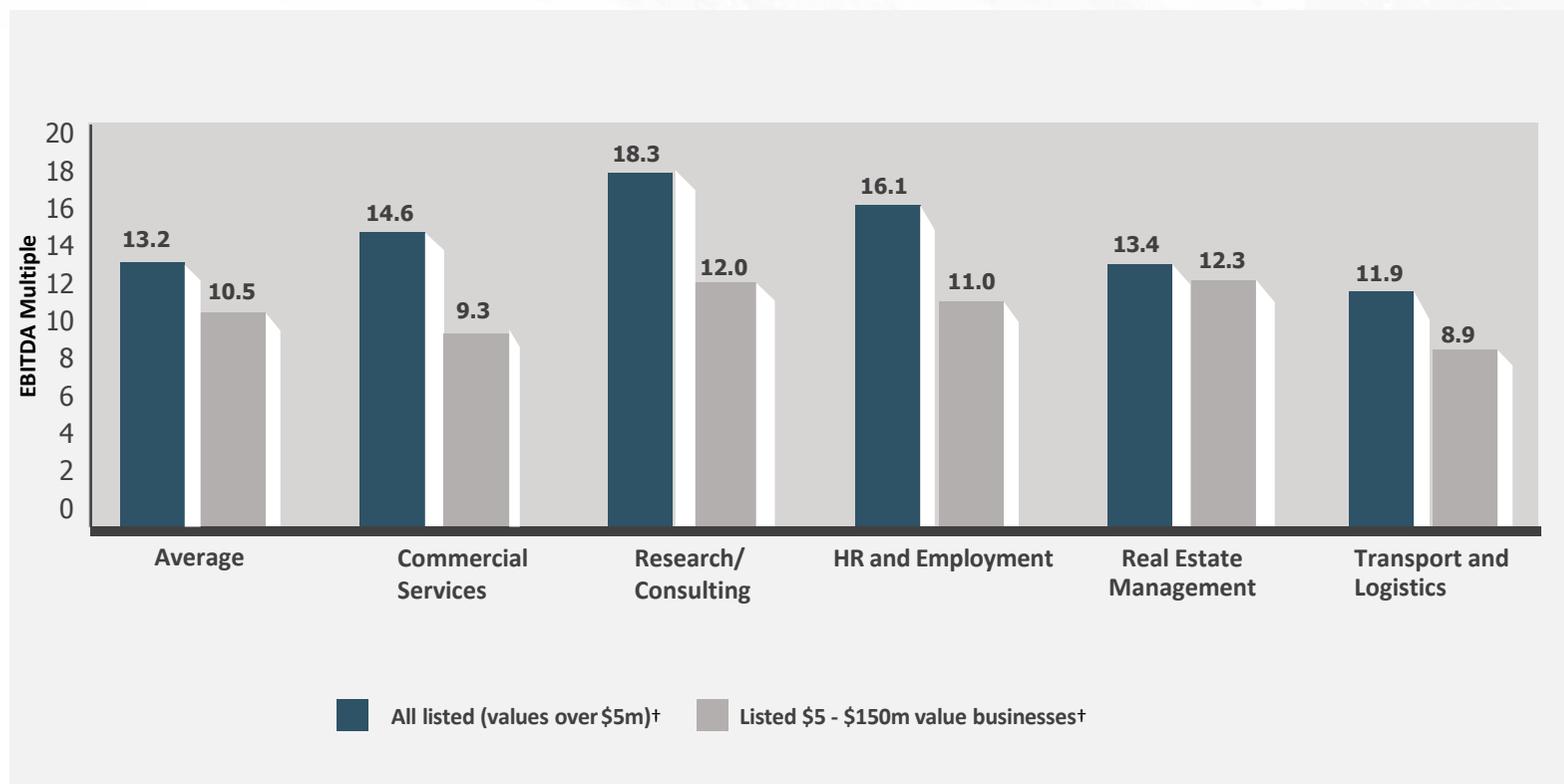
3 key factors can give private business owners an indication of their business valuation:

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 2019, the global, all market average Enterprise Value to EBITDA multiple for listed Support Services companies was **13.2x**.† This was slightly down compared to the previous six months but up on the previous year, when listed Support Services companies were trading on a multiple of 12.9x. Within the Support Services sector, trading multiples varied between 11.9x and 18.3x across the range of sub-sectors. Smaller businesses generally traded on lower multiples.



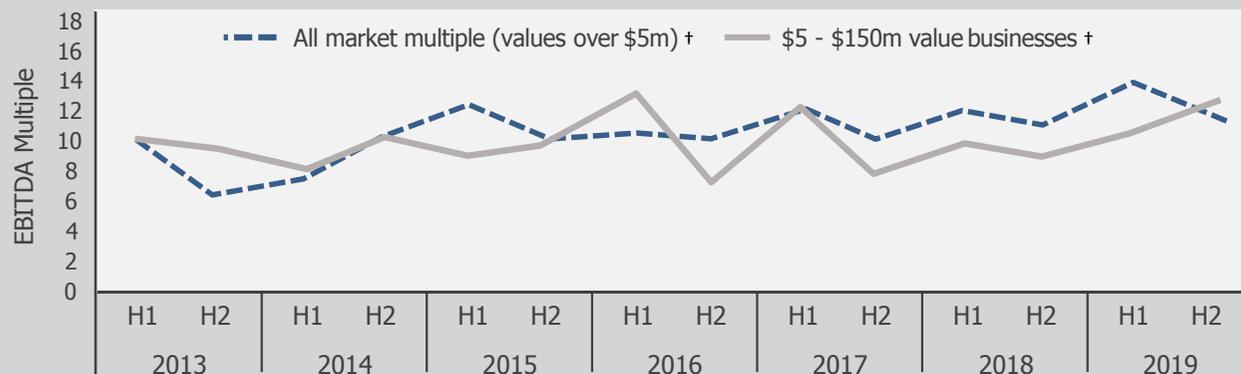
* EBITDA is Earnings Before Interest, Tax, Depreciation and Amortisation

† 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 10/01/2020

The average multiple of EBITDA* paid globally in Support Services transactions has remained fairly steady over the past few years. It currently stands at

11.4x

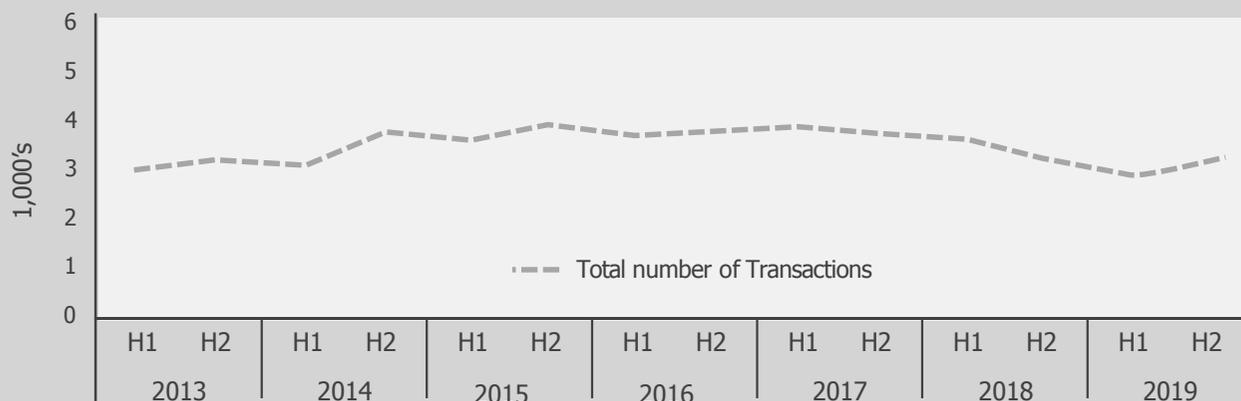
When reviewing these multiples we break out businesses in the range \$5-150m, as they tend to have unique attributes which affect their valuation.



* 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.**

In H2 2019, there were 3,230 transactions globally in the Support Services sector. This is up on the preceding 6 months, when there were 2,930 transactions. The number of transactions per 6 months has remained fairly consistent over the last 6 years, suggesting there remains plenty of interested buyers in the market.



Corbett Keeling's Global Support Services Sector Specialists:



Rufus Boyd



Rob Riddleston



Tim Robinson



John Toppin



Tim Wait



James Wellesley Wesley



Paul Willmott

Contact **Jim Keeling**

CEO and Chairman of Corbett Keeling, and President of Globalscope:

020 7626 6266

Jim.Keeling@corbettkeeling.com

Corbett Keeling is the trading name for Corbett Keeling Ltd, a company registered in England and Wales under number 2811619 with registered address: 8 Angel Court, London EC2R 7HP. Corbett Keeling is authorised and regulated by The Financial Conduct Authority for the purposes of carrying on investment business.

Data supplied by THOMSON REUTERS EIKON

Analysed by UK CORBETT KEELING Corporate Finance

GLOBALSCOPE 55 independent M&A firms. 1 global family.