

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

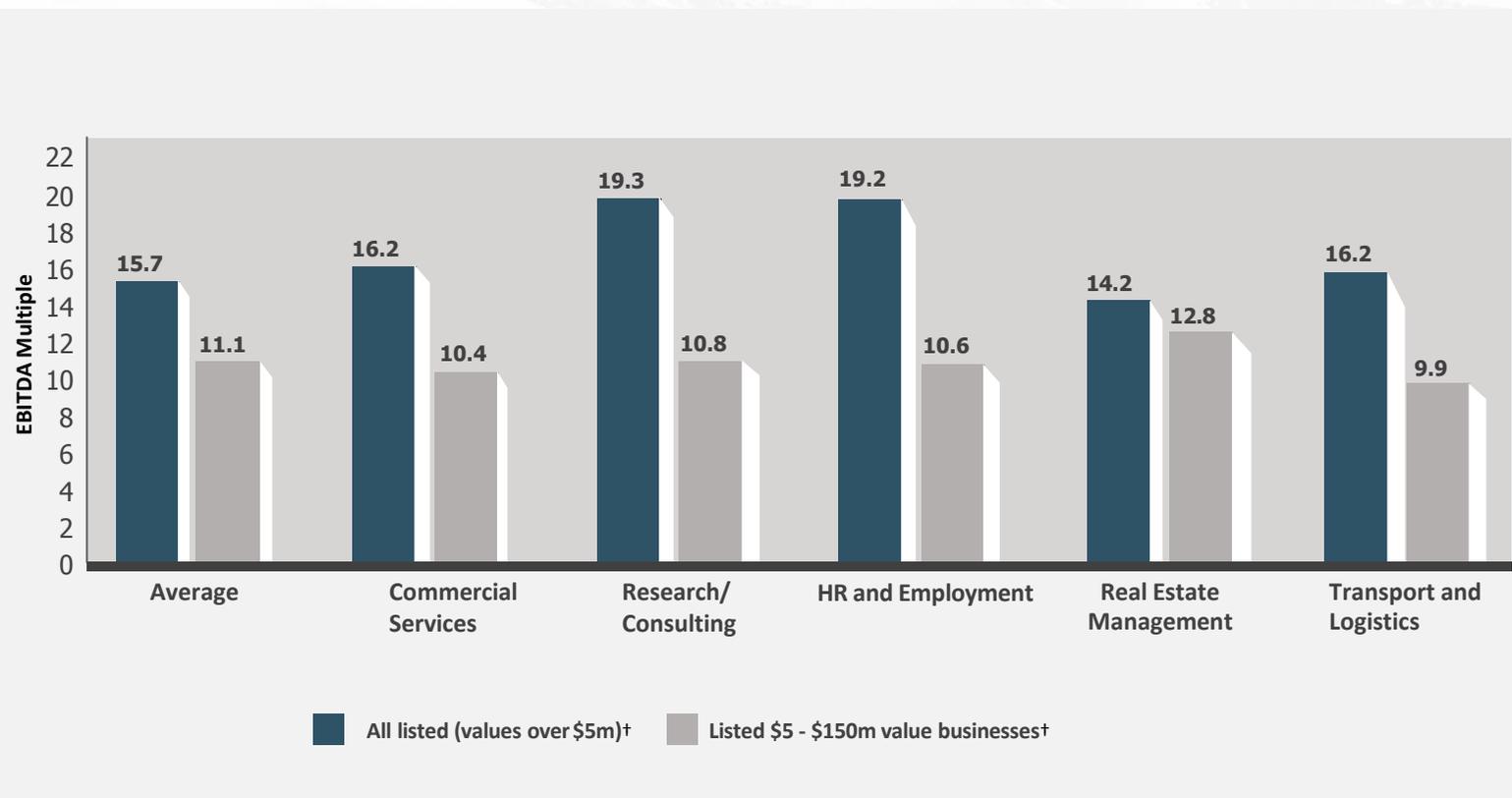
**3 key factors can give private business owners an indication of their business valuation:**

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 2020, the global, all market average Enterprise Value to EBITDA multiple for listed Support Services companies was **15.7x**.† This is an increase on the previous six months, when listed Support Services companies were trading on a multiple of 13.1x. Within the Support Services sector, trading multiples varied between 14.2x and 19.3x 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 04/01/2021.

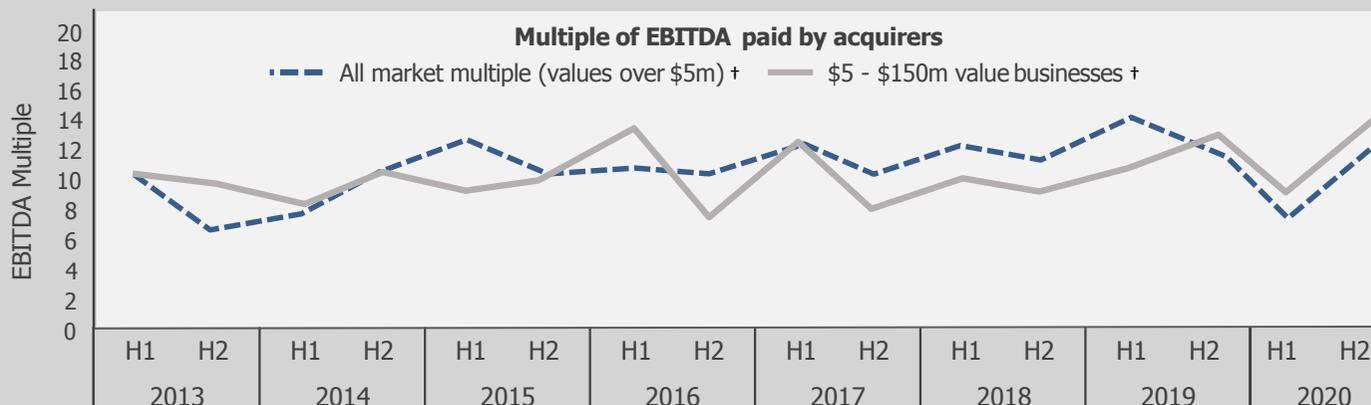
The average multiple† of EBITDA\* paid globally in Support Services transactions has increased over the past six months. It currently stands at

# 12.6x

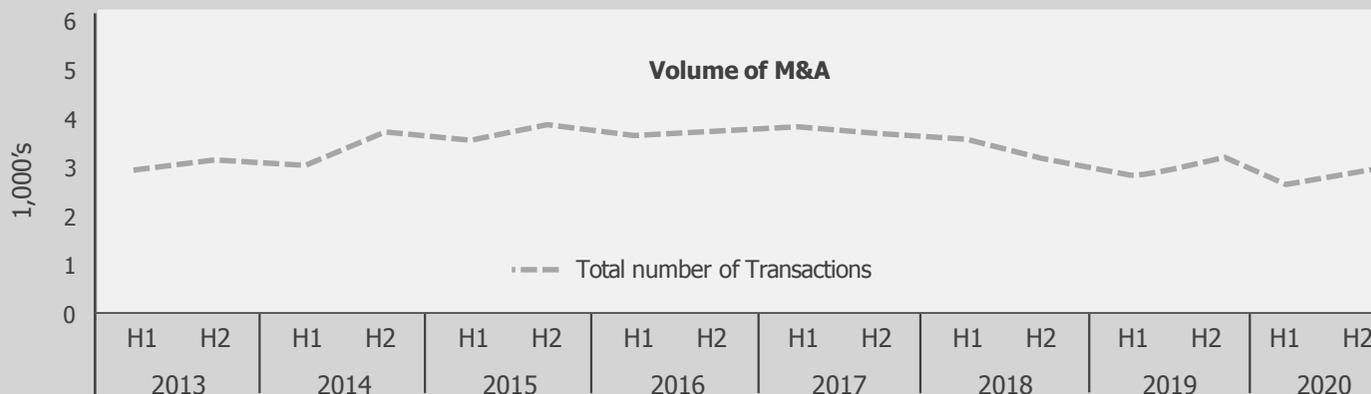
When reviewing these multiples we break out businesses in the range \$5-150m, as they tend to have unique attributes which affect their valuation.

\* 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 2020, there were 3,122 transactions globally in the Support Services sector. This is an increase on the preceding six months, when there were 2,740 transactions. The number of transactions has remained fairly consistent over the last seven years and there are still 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



Paul Willmott

### Contact **Jim Keeling**

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

**020 7626 6266**

[Jim.Keeling@corbettkeeling.com](mailto:Jim.Keeling@corbettkeeling.com)

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