

Business VALUES



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MARKET UPDATE

Australian Economy

As at early 2026, the Australian economy has entered a period of significant uncertainty. The conflict involving Iran has driven a material increase in global fuel prices, adding a new inflationary pressure that is already flowing through to household budgets and business operating costs. Against this backdrop, the Reserve Bank of Australia has raised the official cash rate for the second consecutive time, bringing it to 4.10% - a decision that has drawn some debate. With rising fuel prices already doing much of the work of dampening household discretionary spending, a fair question to ask is whether the RBA needed to act at all, or whether the rate increase has added unnecessary pressure on an economy already absorbing a significant external shock?

There is pressure on the Australian government to provide some form of economic stabilisation. Options on the table would likely be through cost-of-living relief, targeted industry support, or adjustments to spending and migration settings. The outlook is genuinely uncertain, and the market is watching closely.

Labour Market

Labour market conditions in Australia continue to be influenced by labour availability and wage cost pressures, although these impacts vary by labour segment. Labour constraints remain pronounced in trades and operational roles, particularly in construction and in regional markets. By contrast, availability in many white-collar and professional roles has improved, with a larger candidate pool and more moderate wage growth compared to prior years. Notwithstanding this, purchasers remain cautious of businesses with large workforces where profitability is sensitive to wage escalation or retention risk, particularly in labour-intensive trade-based operations.

Iran Conflict and Business Sentiment

The Iran conflict and its impact on global fuel prices have the potential to influence business sentiment. Fuel is a foundational input cost across much of the economy, and its effects are broad and interconnected. Higher fuel prices flow directly into transport and freight costs, driving up the price of moving goods at every point in the supply chain. Construction costs are particularly exposed, given the energy-intensive nature of producing key materials such as steel, compounded by higher delivery costs. Food prices are similarly affected through increased agricultural and distribution costs as well as an increase in fertiliser prices. Manufacturing businesses face higher input costs across the board, and energy-intensive businesses are likely to feel further pressure as fuel prices flow through to electricity and gas costs.

The effect of these several pressures is that many businesses are facing a squeeze on margins. This is difficult to plan around given the uncertainty over how long the conflict will persist and how far fuel prices may move. These are considerations that the market will be monitoring closely over the coming months. Our discussions with brokers active in the market indicate that while there is some buyer caution, it is too early to say whether the conflict and higher fuel prices have had a meaningful impact on buyer sentiment.

\$AUS Exchange Rate

Global uncertainty stemming from the conflict has placed downward pressure on the Australian dollar, weakening it against the \$US. For businesses reliant on imported goods, equipment, or components, this adds a further layer of cost pressure on top of already elevated fuel and freight costs. Where margins are tight and pricing power is limited, absorbing these costs can be challenging. For export related business, particularly in agriculture and resources, these may see some benefit as Australian goods become more competitively priced in international markets. From a transaction perspective, a weaker dollar also has the potential to attract offshore buyers for Australian assets as they become relatively more affordable. This is likely to be more of a trend for larger SME and mid-market businesses.

NUMBER OF BUSINESS LISTED FOR SALE

SME Market

Demand for quality SMEs held up into 2026. One factor that continues to underpin buyer activity is the strength of residential property values. Australia's national median house price has continued to increase, now being around 11% higher compared to 12 months ago. This growth has been led by Perth, Brisbane, Darwin and Adelaide, which have recorded strong annual price growth of between 8% and 13%. Sydney, while carrying the highest median house price, has seen more moderate growth as affordability constraints act as a natural ceiling. Melbourne has continued to be an underperformer together with Hobart. It is no coincidence that the states showing the strongest property price growth broadly mirror those showing the strongest SME buyer demand. This reflects the underlying economic momentum and available equity that supports business acquisition activity in those markets.

The following table shows recent changes in business listing numbers for each state of Australia:

	MARCH 25	DEC 25	MARCH 26	Dec 25 to March 26 % Change	March 25 to March 26 % Change
NSW	2794	2945	2947	0.07%	5.48%
VIC	4980	5086	5082	-0.08%	2.05%
SA	337	369	343	-7.05%	1.78%
TAS	177	164	165	0.61%	-6.78%
QLD	2311	2548	2521	-1.06%	9.09%
WA	873	942	935	-0.74%	7.10%
NT	39	44	42	-4.55%	7.69%
ACT	96	88	84	-4.55%	-12.50%
Australia	11607	12186	12119	-0.55%	4.41%

This table reports the number of businesses listed for sale on the Seek Business website with listing prices of \$50,000 or greater (excluding new franchises/licenses).

Within the SME market, the most sought-after sectors continue to be those offering stable, recurring revenues and defensible market positions. Trade services, healthcare, and essential services businesses remain consistently popular, given their relative resilience to economic cycles. Discussions with brokers active in the market report buyer demand for businesses with lean staffing structures, where profitability is less exposed to wage escalation, labour availability, and retention risk. Closely related to this is growing buyer interest in businesses that are considered less susceptible to disruption from artificial intelligence. Examples include car wash, laundromat or hands-on service businesses where the work is physical, relationship-driven, or highly localised in nature. By contrast, discretionary retail and hospitality businesses face a more selective buyer pool in the current environment, given the pressure on consumer spending from higher interest rates and rising cost of living.

NUMBER OF BUSINESS LISTED FOR SALE

SME Market

Smaller businesses generating less than approximately \$200,000 to \$250,000 in PEBITDA continue to be more difficult to sell. By contrast, the strongest buyer demand remains for businesses with EBITDA in excess of \$2 million, which often attract interest from corporate, strategic, and private equity buyers. Brokers also report solid demand for businesses generating between \$400,000 and \$700,000 in PEBITDA, reflecting price points that remain accessible to a broad segment of the buyer market. Notwithstanding this demand, brokers note that businesses generally need to be well priced to transact, with flexible deal terms continuing to be a common feature of completed transactions.



BUSINESSES IN DEMAND

- Accountancy Practices
- Medical Practices
- Dental Practices
- Allied Health
- Caravan Parks (Large, profits over \$400,000)
- Service (5 Days)
- Online businesses/ work from home
- Information Technology Businesses (with strong maintenance contracts)
- Manufacturing – selected sectors
- Supermarkets
- Liquor Stores
- Real Estate Rent Rolls, most states/ territories of Australia
- Businesses with low staff requirements (laundrettes, car wash etc)
- Businesses with PEBITDA profits between \$250,000 and \$700,000
- Businesses less likely to be disrupted by AI

DIFFICULT TO SELL

- General Discretionary Retail
- Clothing Boutiques
- Bookstores
- Newsagencies
- Travel Agencies
- Hospitality/ Entertainment
- Non-Franchise Bakery
- Gyms
- Printing
- Profits less than \$200,000-\$250,000
- Project related businesses



PRICES OF LARGER BUSINESSES

Every April issue of the Business Values Newsletter includes a table showing the appropriate multiples for a range of larger businesses. Subscribers can calculate a ballpark estimate of a business's value using the multiple table on the next page. Please refer to the "How to calculate an estimate of business value using BVN price list document" in the Jarot Business Valuations online members library. BVN subscribers can also refer to the online Index Sheet, to find the latest article about a particular business type.

Most types of smaller businesses, are typically sold/ valued, based on an owner operator or Proprietors Earnings Before Interest, Tax, Depreciation and Amortization (PEBITDA) standard of profit. (i.e. no salary for one owner in the expenses).

Most types of larger businesses, where profits exceed around \$700,000, are typically sold/ valued based on an Earnings Before Interest Tax Depreciation and Amortization (EBITDA) standard of profit (i.e. includes an appropriate salary for the owner in the expenses).

In the table below, the most typical standard of profit used in the marketplace for the various types of business and sizes of profit are used. Care should be taken to apply the multiple ranges shown to the correct size and standard of profit. If profit is lower than the levels shown in the table, refer to price charts in other recent quarterly newsletters in the online library. **Multiples are based on a business value for the typical assets transferred in sales of small to medium (SME) businesses. This includes average stock, average work in progress (WIP), plant & equipment and goodwill. It excludes working capital over and above average stock & WIP.**

It should be noted that the profits used in the table are based on having all interest and depreciation expenses added back.

Please be aware these figures are a guideline only and are based on the most common sale price range encountered, for each business type, in capital city markets. Regional business prices are generally within + or - 10%. However, it should also be noted that there can be greater fluctuations in actual sale prices that occur. This especially applies to exceptional businesses which often attract a premium above market rates. Professional advice should always be sought before putting a price on a particular business.



BUSINESS PRICE UPDATE AS AT APRIL 2026

INDUSTRY	Under Management Profit (EBITDA)	Current Multiple Range			Approx. Price April 2026	Buyer Demand
		lower	to	upper		
Accounting	Revenue	1.00	to	1.20	-	Good
Allied Health	200,000	2.25	to	3.00	525,000	Good
Allied Health	400,000	2.50	to	3.00	1,100,000	Good
Allied Health	600,000	2.50	to	3.25	1,725,000	Good
Café / Restaurant - Non-Franchise	1,000,000	1.80	to	2.50	2,150,000	Weak
Caravan Park (Leasehold)	1,000,000	5.00	to	6.70	5,850,000	Good
Child Care Centre (Leasehold)	200,000	2.50	to	3.50	600,000	Fair
Child Care Centre (Leasehold)	400,000	3.00	to	3.50	1,300,000	Good
Child Care Centre (Leasehold)	600,000	4.00	to	4.50	2,550,000	Good
Child Care Centre (Leasehold)	1,000,000	4.00	to	4.50	4,250,000	Good
Dental	200,000	2.50	to	4.50	700,000	Good
Dental	400,000	2.50	to	4.50	1,400,000	Good
Dental	600,000	2.50	to	4.50	2,100,000	Good
Equipment / Machinery Dealer	1,000,000	2.90	to	3.60	3,250,000	Good
Financial Planners	Recurring Revenue	2.25	to	3.25	-	Good
GP Medical	200,000	2.00	to	3.00	500,000	Fair
GP Medical	400,000	3.00	to	4.00	1,400,000	Good
GP Medical	600,000	3.00	to	6.00	2,700,000	Good
GP Medical	1,000,000	3.00	to	6.00	4,500,000	Good
Gyms	1,000,000	2.30	to	3.00	2,650,000	Fair
Hire - People	1,000,000	2.50	to	3.10	2,800,000	Good
Hire - Plant	1,000,000	3.00	to	3.70	3,350,000	Fair
Manufacturing	1,000,000	2.70	to	3.10	2,900,000	Good
Manufacturing	2,000,000	2.70	to	3.10	5,800,000	Good
Manufacturing (Tenders/Complex)	1,000,000	2.20	to	2.50	2,350,000	Fair
Manufacturing (Tenders/Complex)	2,000,000	2.30	to	2.60	4,900,000	Fair
Marketing Agency	600,000	2.40	to	3.20	1,680,000	Good
Mortgage Brokers	Trail Commissions	2.50	to	3.50	-	Good
NDIS Home Care	150,000	1.50	to	2.30	285,000	Good
NDIS Home Care	1,000,000	2.00	to	3.00	2,500,000	Good
Printing	1,000,000	2.00	to	2.90	2,450,000	Good
Registered Training Organisations	200,000	2.70	to	3.60	630,000	Fair
Registered Training Organisations	400,000	2.70	to	3.60	1,260,000	Fair
Registered Training Organisations	600,000	2.70	to	3.60	1,890,000	Fair
Registered Training Organisations	1,000,000	2.70	to	3.60	3,150,000	Fair
Retail - General	1,000,000	2.00	to	2.50	2,250,000	Weak
Retail - Online	1,000,000	2.90	to	4.30	3,600,000	Fair
Service	1,000,000	2.60	to	3.10	2,850,000	Good
Service	2,000,000	2.80	to	3.30	6,100,000	Good
Service Station	600,000	2.50	to	3.50	1,800,000	Fair
Service Station	1,000,000	2.50	to	3.50	3,000,000	Fair
Supermarket	1,000,000	3.00	to	3.70	3,350,000	Good
Supermarket	2,000,000	3.30	to	4.20	7,500,000	Good
Trades (projects)	1,000,000	1.75	to	2.50	2,125,000	Fair
Trades (projects)	2,000,000	1.75	to	2.50	4,250,000	Fair
Vet Clinic	200,000	2.75	to	3.75	650,000	Good
Vet Clinic	400,000	3.00	to	4.25	1,450,000	Good
Wholesalers	1,000,000	2.90	to	3.80	3,350,000	Good
Wholesalers	2,000,000	3.10	to	4.20	7,300,000	Good

NATIONAL DISABILITY INSURANCE SCHEME (NDIS) – IN HOME CARE BUSINESSES

In examining NDIS In home care businesses, your author has consulted with the dominant business broker in Australia for this industry. Eddie Pampalian from Network Infinity Business Brokers, has sold in excess of 300 NDIS businesses. In particular, Eddie's advice has been sought for the "Current Market for Business Sales" section of this article.

This industry was last covered by the Business Values Newsletter number 155, around 5 years ago. At this time, the NDIS Funding Scheme was still very much in roll out phase with the Federal Government injecting substantial increases in funding averaging over 12% per annum.

This level of funding growth was viewed as unsustainable and in recent years and the government has worked hard to reign it in. Over the last 2 years in particular, increased government scrutiny over NDIS funding has seen lower revenue growth as well as reduced profitability for many businesses servicing the sector.

BUSINESS TYPE COVERED

This article covers businesses providing in-home care to the participants. Essentially support workers provide help with supported independent living (SIL), personal care, domestic duties, as well as social participation for clients (participants).

Registered providers of in-home care are subject to stringent government regulation and reporting, which incurs a high level of compliance cost. The registration does however provide the businesses with the following advantages:

- Access to all participants (clients) including National Disability Insurance Agency (NDIA)/ managed clients.
- Access to NDIA "My Place" portal, allowing direct payment requests and service bookings.
- The credibility and marketing benefits of being a "registered provider".



There does however remain numerous smaller businesses who choose to be "Non-Registered Providers" to avoid the high cost of compliance. For smaller businesses, this can be more profitable if they are able to secure enough participants through marketing, referrals and reputation.

CURRENT INDUSTRY CONDITIONS

This industry provides in-home care to participants who have intellectual and physical disabilities. Demand for services is increasing due to both a growing population in Australia as well as higher life expectancy. As modern medicine extends life expectancy, there is a larger number of older people with chronic medical conditions that require care. Young children with disabilities are also a growing cohort covered by NDIS.

Although demand for services is increasing, the government has taken measures to limit funding growth for the sector in two main ways:

- Increasing scrutiny on payment rates to providers, with a clearly articulated goal that profit margins should not exceed 2%.
- Restricting overall funding made available to the sector.

NATIONAL DISABILITY INSURANCE SCHEME (NDIS) – IN HOME CARE BUSINESSES

The resulting financial impacts on the industry over the past 5 years are summarized as follows:

- Whilst average funding growth was 9% per annum in the 5-year period, in the most recent year, this was reduced to 0.7%.
- Wages expenses over the last 5 years have increased an average of 9.4% per annum.
- Average profit margin reduced to negative (1.6%).

As can be seen, the strongly rising wages cost has resulted in many providers reporting a negative profit margin.

FUTURE OUTLOOK

A summary of the industry outlook is as follows:

- Ongoing strong demand from participants, particularly from young children with mental disabilities as well as older clients with chronic medical conditions/disabilities.
- Increased scrutiny by the NDIA assessment process to avoid wasteful funding expenditure – effectively narrowing the scope for what NDIS funding covers. There is also tighter oversight on pricing, service quality etc.
- Even higher compliance and reporting required by providers and a move to automated/digital recording.

Over the next 5 years, IBISWorld Research forecasts the industry to grow at a more moderate/sustainable rate as follows:

- Revenue growth to average 3.2% per annum until 2031.
- Number of businesses to increase at 2.8% per annum.
- Wages growth to moderate to 3.5% per annum.

Profit margin is not forecast, though the NDIA has designed the scheme to reflect a profit margin of 2% for providers.

With pressure on profit margins, many businesses are looking to add scale through purchase of other businesses to retain profitability. There also remains numerous smaller, unregistered businesses, which look to retain profitability through lower overheads.

CURRENT MARKET PLACE FOR NDIS HOME CARE PROVIDER BUSINESS SALES

Eddie Pampalian from Network Infinity Business Brokers advises that two of the main types of purchasers are:

1. Existing NDIS businesses looking to add scale.
2. Existing NDIS businesses looking to acquire a quality “Ecosystem” of administration, systems, processes, staff and registrations etc.

Four to five years ago, NDIS business were achieving relatively high multiples, often exceeding 4.00 x EBITDA profit. This was in an environment where government funding into the sector was increasing strongly. There were higher profit margins and businesses typically had strong trends of increasing revenue/ profits.

In the last few years, the government sharply reduced the growth in funding to the industry. It has also increased scrutiny on both what NDIS provider businesses can charge as well as the scope of services/ products that participants can spend the money on. This has resulted in lower profit margins and lower purchaser demand for businesses within the sector.

NATIONAL DISABILITY INSURANCE SCHEME (NDIS) – IN HOME CARE BUSINESSES

Eddie Pampalian from Network Infinity Business Brokers advises that given that many purchasers are other businesses in the industry looking to add scale, buying decisions are not solely made on profit. Often decisions also consider if there are synergies that exist between their existing business and the one to be acquired. Buyers will also assess if a business will be a “Good Fit” to add to their existing business in terms of culture, type of participants etc. However, typical multiple ranges paid are as follows:

Profit Type	Profit Amount	Multiple Range
PEBITDA (profit prior to a single owners salary)	\$150,000	1.00 to 1.30
EBITDA (undermanagement profit)	\$150,000	1.50 to 2.30
EBITDA (undermanagement profit)	\$1,000,000	2.00 to 3.00

Note: There is no material difference in multiples paid between NDIS registered or non-registered businesses at the lower end of the market (e.g. \$150,000 profit level).

Eddie Pampalian advises main factors affecting whether a business sells towards the low or high end of the above multiple ranges include:

- Quality of business “Ecosystem” including staff, software, processes, compliance, reporting, business management and quality of service provided.
- Degree of reliance on key staff – better if there is less reliance.
- Service Demand Profile – spread and ongoing utilization of services, demonstrating recurring demand within in the business.
- Whether business revenue/profit is trending upwards or declining.
- Availability of up to date and uncomplicated financials.
- Engaging an experienced broker with deep understanding industry experience, capable of understanding both the business and prospective buyers’ operations. An experienced broker can identify genuine purchasers with the capability, strategic fit and clear synergies, to successfully take on the business.

Given there is currently a larger number of listings in the marketplace compared to past years, Eddie advises that businesses must be competitively priced in order to sell.

It is also noted that registered NDIS businesses are often sold by sale of shares in a company (rather than business assets only). NDIS registrations are in the company name and cannot be transferred. There can also be some difficulties in transferring contractual arrangements in place with participants (clients).

Sale transactions commonly involve around 80% of purchase price paid at settlement and the balance paid after a handover period of 3 to 12 months.

FINANCE RATES

Commentary from Southshore Finance

The market is factoring in that the RBA will increase the cash rate to counter the expected increase in inflation, though this could largely depend on how long the Middle East conflict continues. The variable rates in the market have moved upwards in line with recent RBA increases in the cash rate. Fixed rates have increased significantly in anticipation of further RBA increases.

We hear feedback from clients that the increase in fuel prices is impacting on their margins, though in many cases, fuel costs as a percentage of total inputs is relatively small. The bigger concern is about the reliability of supply. Many business owners are contemplating passing on higher costs to end users, but this will most likely result in the RBA increasing the cash rate to counter the threat to inflation, making it a double whammy to SME's and consumers.

Lenders are very active in the market with there being a healthy appetite for new lending. However, given the current circumstances, lenders are being prudent when assessing businesses that they consider to be at risk of increasing input costs and potential disruption to supply chains. There are many similarities to the impact of Covid-19, and the banking industry has provided comfort that they will stand by and support businesses impacted by current world events.

The following borrowing rates, as at 7th April 2026 were provided by Hadmor Pty Ltd t/as Southshore Finance ACL 393 334 (Phone 08 9474 1999).

Interest rates are indicative at the above date and subject to a formal application meeting the lenders criteria. The actual rate will vary depending on market conditions and aspects of the finance application including credit worthiness, capacity to service and security offered.

COMMERCIAL LOANS - PROPERTY SECURED		
Variable		5.75% pa.
Fixed	1 Year	6.05% pa.
Fixed	3 year	6.35% pa.
Fixed	5 year	6.55% pa.
Chattel Mortgage (equipment)		7.50% pa.

RESIDENTIAL - OWNER OCCUPIER - PRINCIPAL & INTEREST		
Variable		5.89% pa.
Fixed	1 Year	6.04% pa.
Fixed	3 year	6.09% pa.
Fixed	5 year	6.19% pa.

RESIDENTIAL - INVESTOR - PRINCIPAL & INTEREST		
Variable		6.04% pa.
Fixed	1 Year	6.14% pa.
Fixed	3 year	6.19% pa.
Fixed	5 year	6.29% pa.

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