

# Multiples Heatmap Analysis

## February 2016



# Quarterly average multiples – by region

European average multiple has stabilised

	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Average
<b>Benelux</b>	6.9	8.1	10.7	9.6	11.5	9.4	<b>9.7</b>
<b>CEE</b>	6.3		7.3		8.4	9.2	<b>7.9</b>
<b>DACH</b>	8.7	9.9	9.5	7.7	10.3	10.0	<b>9.3</b>
<b>France</b>	9.8	8.7	9.5	9.9	9.4	11.0	<b>9.7</b>
<b>Nordic</b>	9.4	8.0	11.0	7.9	9.9	9.8	<b>9.4</b>
<b>Southern</b>	7.1	9.8	7.0	7.6	10.8	8.8	<b>8.6</b>
<b>UK/Eire</b>	10.4	9.9	11.3	12.0	10.4	10.8	<b>10.8</b>
<b>Europe</b>	<b>9.3</b>	<b>9.2</b>	<b>10.0</b>	<b>9.6</b>	<b>10.2</b>	<b>10.2</b>	<b>9.8</b>

- Multiples across Western Europe have converged in the 9x-11x range
- UK/Eire still expensive but multiples stabilised
- France has experienced price inflation in Q3 '15, significantly above the annual average, we will report on whether that trend continues in our full year review
- Pricing in Benelux has dropped back to closer to its longer term average after seeing high multiples in the first half
- Price inflation trend in CEE continues whilst multiples have dropped back to average levels in Southern Europe

# Quarterly average multiples – by sector

Multiples growth driven by Financial Services, Industrial and Chemicals and Business Services

	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Average
<b>Automotive</b>		8.8	5.6			9.0	<b>7.8</b>
<b>Business Services</b>	10.1	6.8	9.2	9.3	9.2	10.3	<b>9.3</b>
<b>Consumer</b>	8.8	10.4	9.9	11.0	9.9	10.2	<b>9.9</b>
<b>Financial Services</b>	11.3	7.8	12.5	11.0	11.7	12.8	<b>11.3</b>
<b>Food and Beverage</b>	9.8	8.9	10.9	9.2	9.7	10.2	<b>9.9</b>
<b>Healthcare</b>	11.2	11.1	12.3	10.6	10.4	10.0	<b>10.8</b>
<b>Industrials and Chemicals</b>	8.4	8.3	9.4	7.5	9.3	10.1	<b>8.8</b>
<b>Real Estate</b>				9.4	11.9	9.7	<b>10.3</b>
<b>TMT</b>	8.4	10.7	11.1	12.1	11.0	10.4	<b>10.6</b>
<b>Europe</b>	<b>9.3</b>	<b>9.2</b>	<b>10.0</b>	<b>9.6</b>	<b>10.2</b>	<b>10.2</b>	<b>9.8</b>

- Financial Services continues to be the hottest sector, with multiples continuing to be higher than longer term average
- Close grouping across most other sectors between 9.5-10.5x
- Healthcare multiples on a downwards trend for the last 4 quarters
- The Food & Beverage sector displayed the lowest variance in multiples across the last 6 quarters
- Automotive sector continues to represent best value

## Quarterly average multiples – by deal size

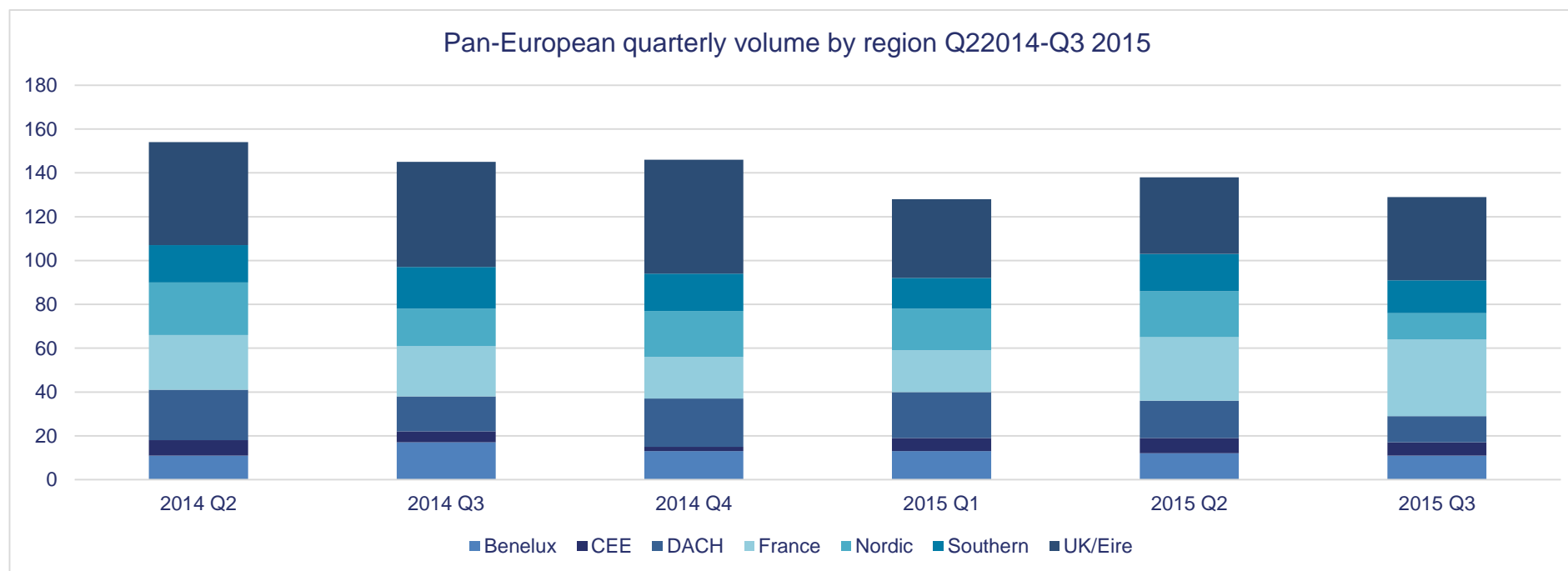
The spread of multiples has closed up dramatically over the period

	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Average
< €50m	8.9	9.2	9.1	9.4	10.2	10.0	9.4
>= €50m & <€100m	8.6	9.3	10.3	8.8	10.6	9.3	9.5
>= €100m & < €250m	9.3	9.1	9.0	8.6	9.4	9.6	9.2
>= €250 & < €500m	8.9	9.1	11.3	10.6	9.8	10.8	10.1
>= €500m & < €1bn	9.5	7.7	10.2	10.9	11.3	10.8	10.4
>= €1bn	12.0	10.5	12.4	6.7	10.2	11.4	11.0
Europe	9.3	9.2	10.0	9.6	10.2	10.2	9.8

- The inflation we saw in small deals in the first half of 2015 has stabilised with multiples in Q3 '15 consistent across deal sizes
- +€1bn deals have generally had highest multiples benefitting from scale premiums
- Most consistent multiples have been seen in the €100m – €200m deal range

# Quarterly deal volumes by region

Total deal volumes are significantly higher in UK/Eire and France than the rest of Europe



- Quarterly volumes remain steady across 2015, with highest volumes continuing in UK/Eire and France
- Nordic volumes have dropped off in Q3 '15, we will report on whether this trend continues in our full year review
- Industrial and Chemicals and Consumer continue to lead the way with highest volumes in Q3 '15