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EMEA Private Equity Market Snapshot

Essential tools for strategic decisions

May 2020 | Issue 25

- Deal Making in EMEA Falls Amid COVID-19 Woes
- Industries Most and Least Impacted by COVID-19 from a Probability of Default Perspective
- Feature Article: Private Equity's March to the Top of Europe's Tech Market

Editor's Note

Welcome to the 25th issue of **the EMEA Private Equity Market Snapshot** (PEMS), a quarterly publication focusing on the Private Equity (PE) market in Europe, the Middle East and Africa (EMEA) from S&P Global Market Intelligence.

As we have seen during this unprecedented time, no area of our lives or the economy is immune to the impact of COVID-19. The PE market is no exception. That said, while there is a general downturn evident across EMEA in terms of deal-making, our analysis shows that divestments activity is up and some sectors are experiencing growth, largely on account of the global pandemic.

Following our overview of General Partners' investments in EMEA, we undertake a review of the industries most and least impacted by COVID-19 by way of S&P Global Market Intelligence's Credit Analytics Probability of Default Model Market Signals (PDMS), which calculates a one-year Probability of Default (PD) according to stock price movements and asset volatility.

We close with a feature article that takes a promising look at the future of PE investment in EMEA's tech M&A market. In spite of COVID-19 setbacks, we sense that EMEA will continue to be attractive to PE firms seeking better-priced tech investments. This is not to say that COVID-19 will not deal a blow to deal-making, but rather, that PE funds are going to be quicker to bounce back than corporates - which, eventually, will be good news for EMEA-based tech companies.

We look forward to receiving feedback and suggestions on regions or sectors of interest for future analysis. To subscribe or comment on the complimentary EMEA PEMS, please email **market.intelligence@spglobal.com**.

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Deal Making Falls Amid COVID-19 Woes

As the human cost of the COVID-19 pandemic continues to mount, governments of major economies – spanning China, Europe and the United States (US) – have responded by implementing lockdown measures with varying degrees of restriction. The unprecedented scale of these disruptions is weighing heavily on the global economy. China's economy shrank for the first time in four decades and its first-quarter Gross Domestic Product fell 6.8% year-over-year. Across Europe, severe contraction is also likely to hit Italy, Spain, France and Germany, with business surveys reporting the largest monthly falls on record. [1] Unsurprisingly, this unprecedented global economic turmoil has also affected deal making in the Europe, the Middle East and Africa (EMEA) region in the first quarter of the year.

€2.9bn
PE/VC capital deployed in the Healthcare sector
▲ 60%

Global General Partners' (GPs') investments in the region, slapped with an 11% reduction in aggregate capital deployed, totalled €23.9bn, compared with €27.0bn in Q1 2019. Similarly, the number of closed deals declined 6% year-over-year, from 1,232 in Q1 2019 to 1,158 in Q1 2020. To a large extent, the decrease in aggregate capital was caused by the postponement of a number of high-value Mergers and Acquisitions (M&A) deals. The US M&A market activity, for instance, has seen a mixed level of activity given uncertainty in public-equity markets. Larger M&A deals appeared to be at risk, while some middle-market deals still moved forward.[2] The EMEA region saw a similar trend, with the number of large deals – those valued at €1.0bn or more – produced during the quarter reduced to only two deals with a total value of €8.2bn, compared with six large deals with a total value of €14.0bn in the previous period. As a result, the average deal value fell 11% year-over-year, from €35.8m in Q1 2019 to €31.9m in Q1 2020. Stand out deals in the quarter include the €4.5bn acquisition of cloud data management provider Veeam Software Group GmbH by Insight Venture Management, LLC [3] and the €3.6bn acquisition of network security solutions provider Sophos Group plc by Thoma Bravo, LLC.[4]

€23.9bn
PE/VC capital deployed in EMEA
▼ 11%

The Rest of Europe (RoE) and the United Kingdom (UK), where the targets of the large deals are headquartered, emerged as the best performing regions across EMEA. Aggregate capital deployed to the UK jumped two-fold to €8.9bn across 304 deals, compared with €2.7bn across 285 deals in Q1 2019. In the same way, capital received by RoE targets soared three-fold to €6.2bn across 115 deals, compared with €1.3bn across 135 deals in Q1 2019. The Nordics, unfortunately, suffered a €9.3bn hit in investments, after failing to notch large deals in the quarter, leaving the region with €1.2bn in aggregate capital across 91 deals. This huge decline was partially offset by modest absolute increases in investments across Germany (up 85%), Africa (up 150%), and the Middle East (up 33%).

1,158
total entry deals in EMEA
▼ 6%

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[1] Economic activity crashes across Europe after coronavirus lockdowns. (As of 03/04/2020). Retrieved from https://www.ft.com/content/f8e58c8a-de5e-44ac-84c4-dac767e6cfca

[2] Viral impact: How the coronavirus is affecting M&A and private equity. (As of 18/03/2020). Retrieved from https://www.themiddlemarket.com/news/viral-impact-how-covid-19-is-affecting-m-a-and-private-equity

[3] Insight Venture Management, LLC and Nick Ayers completed the acquisition of remaining stake in Veeam Software Group GmbH on March 2, 2020. (As of 17/04/2020). S&P Capital IQ Platform. Retrieved from https://www.capitaliq.com/CIQDotNet/Transactions/TransactionDetail.aspx?transactionId=650473216&companyId=272332734

[4] Thoma Bravo, LLC completed the acquisition of Sophos Group plc (LSE:SOPH) from a group of shareholders on March 2, 2020. (As of 17/04/2020). S&P Capital IQ Platform. Retrieved from https://www.capitaliq.com/CIQDotNet/Transactions/TransactionDetail.aspx?transactionId=640450270&companyId=159951597

Information Technology (IT) and Healthcare have proven to be the sectors of choice in the midst of the current pandemic. Average deal values in these sectors rose significantly; the IT average increased from €16.4mn in Q1 2019 to €41.2m in Q1 2020, while Healthcare managed an increase of 50%, from €16.6mn in Q1 2019 to €25.2mn in Q1 2020. Aggregate capital deployed to the IT sector jumped almost two-fold to €12.9bn across 438 deals, compared with €5.0bn across 441 deals in Q1 2019. Investments in Healthcare also reported a sizeable increase of 60% year-over-year, from €1.8bn across 150 deals in Q1 2019 to €2.9bn across 155 deals in Q1 2020.

226
total exit deals in EMEA
▲▼13%

Global GPs' divestments activity in the first quarter was more fruitful. Records show a 92% uptake in aggregate capital realized, after excluding the impact of a €66.0bn acquisition of biopharmaceutical company Shire plc by Takeda Pharmaceutical in Q1 2019. [5] Despite a 13% fall in the number of completed exit deals, aggregate capital realized from EMEA-based targets increased to €29.7bn across 226 deals, compared with €15.5bn across 261 deals in the same period last year. The majority of EMEA regions, including Benelux, France, the UK, the Middle East, the RoE and the Nordics, were involved in high-value divestments deals.

€12.9bn
PE/VC capital deployed in the IT sector
▲▼158%

North-American Targets Solely Dominated Large Deals

The global investment activity of EMEA-based GPs declined modestly during Q1 2020, as evidenced by a 7% reduction in the number of closed deals, from 1,426 in Q1 2019 to 1,312 in Q1 2020. Aggregate capital deployed also decreased 4% year-over-year, from €36.8bn in Q1 2019 to €35.2bn in the same period this year. The aggregate capital was largely boosted by the only two large deals of the quarter, both of which involved North American targets: the €12.9bn acquisition of Zayo Group by EQT Partners [6] and the €2.0bn raised by Waymo LLC in an equity round of funding. [7]

1,312
total capital entry deals by EMEA-based GPs
▲▼7%

Cross-border targets received more investments than EMEA-based targets, after the involvement of North American targets in two large deals of the quarter. The number of closed deals across cross-border regions declined 11% year-over-year. Despite this, aggregate capital deployed jumped 22% to €23.6bn, compared with €19.3bn in Q1 2019. Unfortunately, for the EMEA-based regions, the aggregate deal value was hit with a 34% reduction, from €17.5bn across 1115 deals in Q1 2019 to €11.5bn across 1036 deals in Q1 2020.

Setting aside large deals in the IT and Industrials sectors, the Healthcare sector emerged as the clear winner. Aggregate capital deployed in this sector

€35.2bn
total capital deployed by EMEA-based GPs
▲▼4%

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[5] Takeda Pharmaceutical Company Limited (TSE:4502) completed the acquisition of Shire plc (LSE:SHP) on January 8, 2019. (As of 17/04/2020). S&P Capital IQ Platform. Retrieved from https://www.capitaliq.com/CIQDotNet/Transactions/TransactionDetail.aspx?transactionId=559732837&companyId=385727

[6] EQT Partners AB completed the acquisition of Zayo Group Holdings, Inc. (NYSE:ZAYO) from Starboard Value LP and others on March 9, 2020. (As of 17/04/2020). S&P Capital IQ Platform. Retrieved from https://www.capitaliq.com/CIQDotNet/Transactions/TransactionDetail.aspx?transactionId=612873145&companyId=224003614

[7] Waymo LLC announced that it has raised €2.0bn in an equity round of funding on March 2, 2020. (As of 17/04/2020). S&P Capital IQ Platform. Retrieved from https://www.capitaliq.com/CIQDotNet/Transactions/TransactionDetail.aspx?transactionId=656966116&companyId=421556717

soared 40% to total €4.5bn across 202 deals, compared with €3.2bn across 193 deals in Q1 2019.

EMEA-based GPs saw a surge in aggregate capital realized from global targets, despite a 2% decline in the number of closed deals. Divestments earned €36.8bn in capital across 237 deals, a three-fold increase from €9.2bn across 243 deals in the same period last year. The acquisition of InterXion Holding N.V., a data center service provider headquartered in the Netherlands, for €8.2bn[8] helped drive the total capital realized in the quarter.

Turning to the Venture Capital (VC) scene, deal activity appeared unaffected by disruptions in global economic activity. Global VCs completed 696 entry deals in the EMEA region during the quarter, a number similar to that of last year. However, aggregate capital shot up 16% to €4.2bn, compared with €3.5bn in Q1 2019. EMEA-based GPs, on the other hand, were involved in 814 entry deals globally, a modest decline from the 825 deals completed in the same period last year. Aggregate capital deployed rose 13% year-over-year, totalling €7.1bn versus the €6.3bn deployed in Q1 2019. Investments in the Healthcare sector overtook IT, with the former receiving €2.4bn in capital, the latter €2.2bn.

Industries Most and Least Impacted by COVID-19 from a Probability of Default Perspective

The ongoing impact of COVID-19 is widely visible across a number of industries. Supply chains have been disrupted, unemployment rates have skyrocketed, and the public health crisis has escalated in many countries. Despite the implementation of unprecedented government stimulus packages and interest rates dropping to near zero, the pandemic is still affecting many industries. In mid-March, S&P Global Market Intelligence published an initial analysis [9] focusing on the top five most impacted industries by COVID-19 pandemic.

These analyses were expanded to also include an assessment of the industries *least* impacted by COVID-19 in order to provide an indication of relative strength. Leveraging the S&P Global Market Intelligence's Credit Analytics Probability of Default Model Market Signals (PDMS),[10] which uses stock price movements and asset volatility as inputs to calculate a one-year Probability of Default (PD), the assessment helps to understand which industries have experienced significant changes in default risk based on market-derived signals.

Industries Most Impacted by COVID-19

From a PDMS perspective, the industry most impacted by COVID-19 in the month of March was the Airlines industry. At the start of the month, the median PD for the Airlines industry was 9.84%, which maps to a ccc+ credit score. [11] By March 23, this figure had increased to 25.2% (ccc-). Things improved slightly on March 26 following the US government stimulus package announcement, which included a $58bn bailout for Airlines, and the PD dipped to 21.5% (ccc), only to rise to over 25.6% (ccc-) the next day. The main reasons for the elevated PD include the mass grounding of air traffic, border closures, and shelter-in-place policies across the globe, all of which have caused detrimental impacts on stock performance and raise concerns about the potential viability of some airlines.

Two other heavily impacted industries were the Casino & Gaming and Leisure Facilities industries, both of which experienced large changes to their median

[8] Digital Realty Trust, Inc. (NYSE:DLR) completed the acquisition of InterXion Holding N.V. (NYSE:INXN) from David Ruberg and others on March 12, 2020. (As of 17/04/2020). S&P Capital IQ Platform. Retrieved from https://www.capitaliq.com/CIQDotNet/Transactions/TransactionDetail.aspx?transactionId=642100081&companyId=427729

[9] What's the Market Sentiment? Top Five Industries Impacted by COVID-19 from a Probability of Default Perspective. (As of March 16, 2020). S&P Global Market Intelligence. Retrieved from https://www.spglobal.com/marketintelligence/en/news-insights/blog/whats-the-market-sentiment-top-five-industries-impacted-by-covid-19-from-a-probability-of-default-perspective

[10] S&P Global Market Intelligence's Credit Analytics PDMS model allows the surveillance of credit risk from an individual company perspective, as well as providing a macro view for different countries and industries via benchmarks.

[11] S&P Global Ratings does not contribute to or participate in the creation of credit scores generated by S&P Global Market Intelligence. Lowercase nomenclature is used to differentiate S&P Global Market Intelligence PD credit model scores from the credit ratings issued by S&P Global Ratings

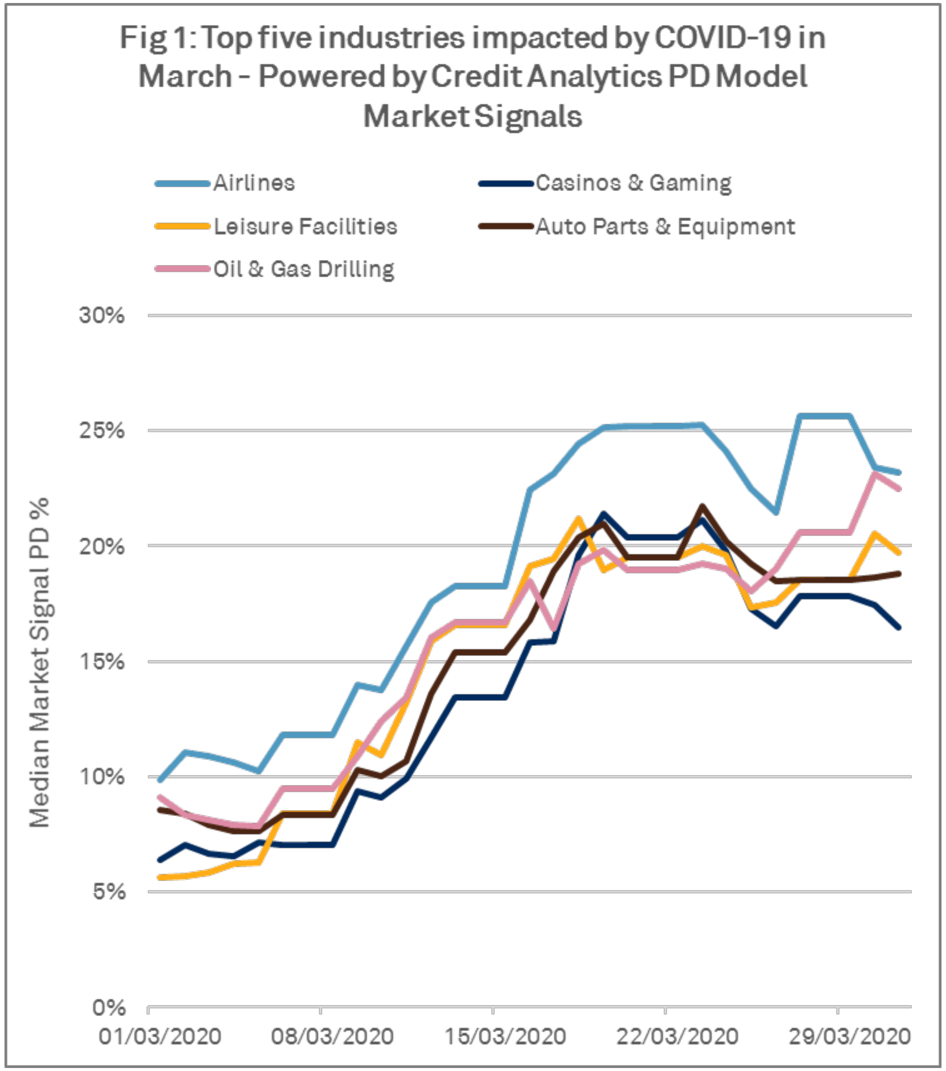
PD during the month of March. At the beginning of March, the median PD for Casino & Gaming was 6.41% (b-). This figure steadily increased throughout March, and the industry ended the month at 16.46% (ccc). Similarly, Leisure Facilities started the month of March with a PD of 5.64% (b-), but by the end of the month had a PD of 19.74% (ccc). Although both industries are new additions to the top five, the change is not surprising. With widespread closures of gaming facilities, the postponement of most sporting events – including the Summer Olympics – and the introduction of social distancing measures, both Casino & Gaming and Leisure Facilities have been brought to a standstill.

Similar to our previous analysis, which covered the first two months of the year, the Auto Parts & Equipment and Oil & Gas Drilling industries remain in the top five most impacted industries for the month of March. Auto Parts & Equipment moved from 8.57% (b-) to 21.7% (ccc) on March 23, dipping to 19% (ccc) on March 26 on the back of the US government's stimulus package announcement, and remaining at this level through the end of March. The Oil & Gas Drilling industry started the month with a sector median PD of 9.1% (ccc+). On March 8, the oil price war between Saudi Arabia and Russia led to a dramatic fall in oil prices. Combined with the impact of COVID-19 and the drastic reduction in the demand for oil, the median one-year PD rose throughout March, ending the month at 22.5% (ccc).

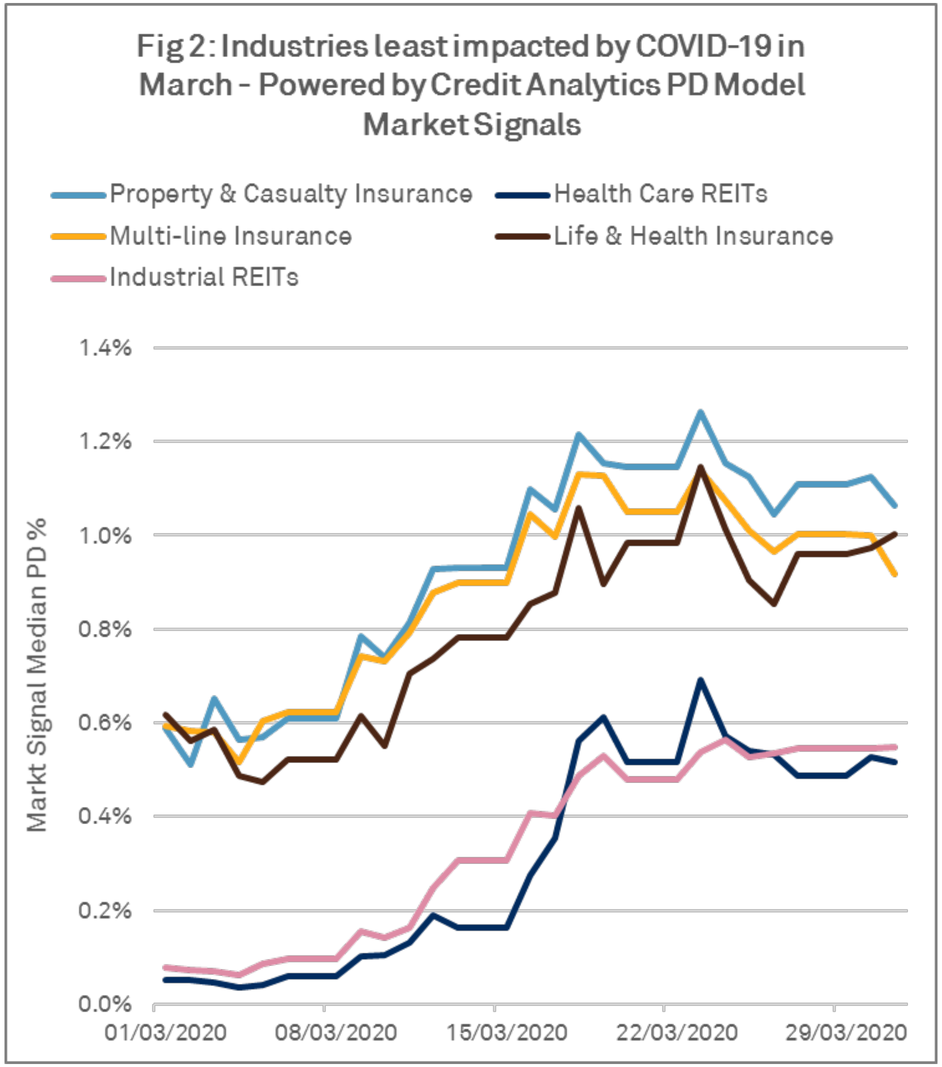
Industries Least Impacted by COVID-19

Although the Insurance (Property & Casualty, Multi-Line, Life & Health) and REITs (Health Care, Industrial) industry sectors were least impacted by COVID-19 from a PD perspective, both showed rising PD figures throughout March.

Government intervention looks to be slowing the spread of COVID-19, albeit at different speeds in different countries. That said, the continuation of market stresses and increasing unemployment rates across markets and geographies will likely continue to elevate PDs in the coming months.



Data as of 31/3/20. Source: Probability of Default Model Market Signals, S&P Global Market Intelligence. For illustrative purposes only.



Data as of 31/3/20. Source: Probability of Default Model Market Signals, S&P Global Market Intelligence. For illustrative purposes only.

Five industries most impacted by COVID-19 from March 1 to March 31:

Industry	Median PD as of March 1, 2020	Median PD as of March 31, 2020
Airlines	9.84%	23.16%
Casinos & Gaming	6.41%	16.46%
Leisure Facilities	5.64%	19.74%
Auto Parts & Equipment	8.57%	18.81%
Oil & Gas Drilling	9.1%	22.5%

Five industries least impacted by COVID-19 from March 1 to March 31:

Industry	Median PD as of March 1, 2020	Median PD as of March 31, 2020
Property & Casualty Insurance	0.59%	1.06%
Health Care REITs	0.05%	0.52%
Multi-line Insurance	0.59%	0.92%
Life & Health Insurance	0.62%	1.00%
Industrial REITs	0.08%	0.55%

Data as of 31/3/20. Source: S&P Global Market Intelligence. For illustrative purposes only.

FEATURE ARTICLE

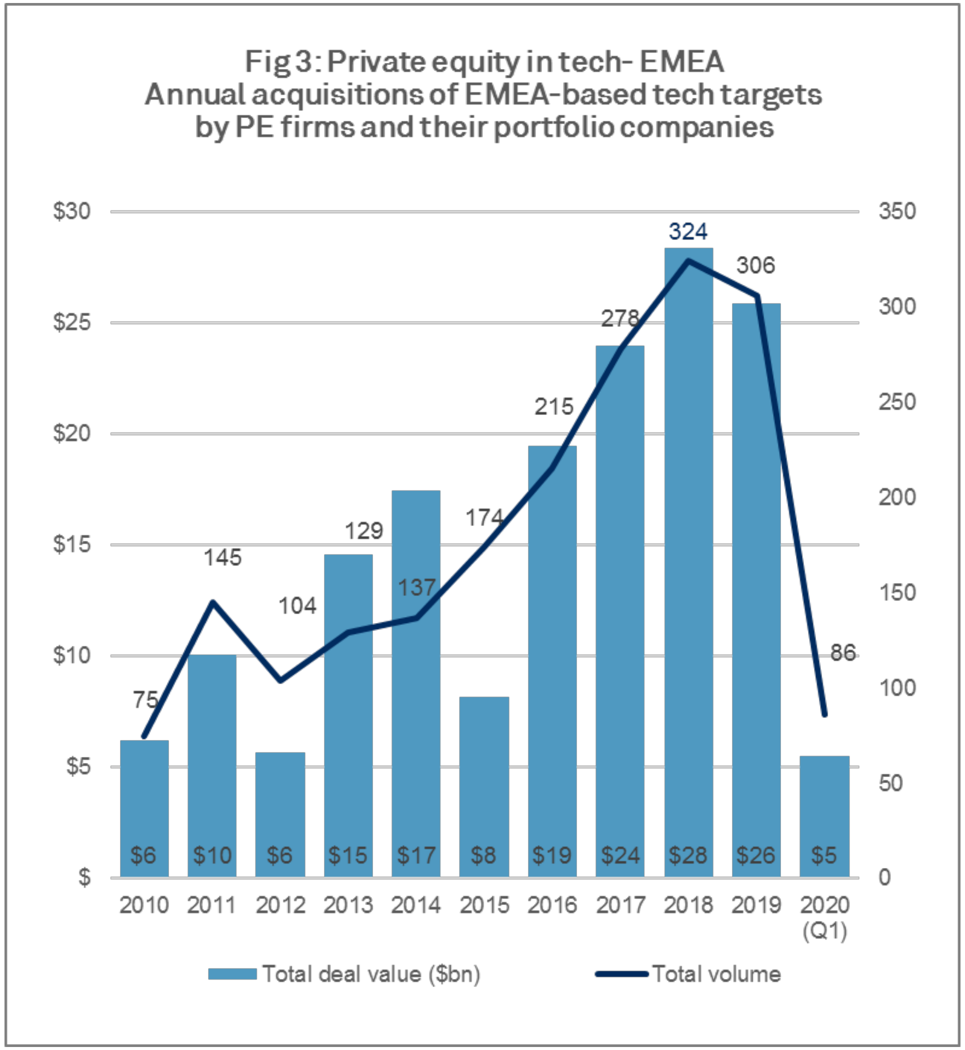
Private Equity's (PE's) March to the Top of Europe's Tech Market

As strategic buyers have scaled back their acquisitions, an appetite for software platforms and growth businesses has propelled buyout firms deeper into Europe and the surrounding regions. The fallout from the COVID-19 pandemic will only increase PE's share in EMEA's tech M&A market as those buyers are far more likely than corporate acquirers to emerge from the crisis with ample cash for acquisitions.

Despite the direct and unintended effects of COVID-19 in the back half of the first quarter, PE firms accelerated their acquisitions of EMEA-based tech targets in the first quarter. According to 451 Research's M&A KnowledgeBase,[12] sponsors spent $5.5bn on 86 acquisitions, the highest number of deals in seven quarters. That builds off the momentum in recent years: sponsored acquisitions of EMEA-based tech companies have risen almost uninterrupted since the start of the decade.

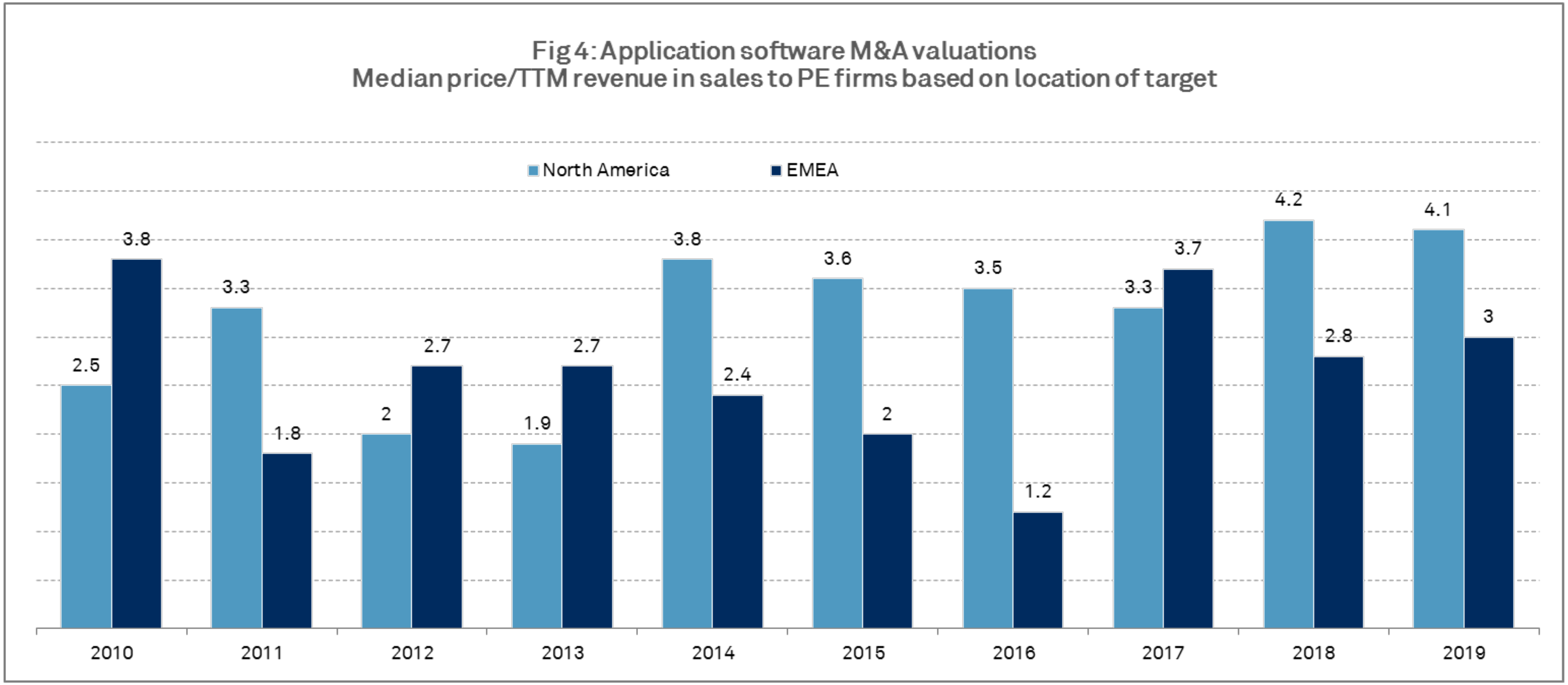
Sponsors Step Up

It is not just the quantity of deals and dollars that PE firms are pouring into EMEA's tech market that has changed, so too have the strategies for deploying that capital. No longer are cash-generating assets, such as IT services and datacenter companies, their main targets. More firms are investing in software, which accounted for one in every three PE tech deals in the region last year. According to 451 Research's M&A KnowledgeBase, the number of application software targets in the region acquired by PE firms nearly tripled between 2015 and 2019, to 118 deals, while the volume across all other categories rose just 37%.



Data as of 31/3/20. Source: 451 Research's M&A KnowledgeBase. Includes disclosed and estimated deal values. For illustrative purposes only.

[12] 451 Research, part of S&P Global Market Intelligence. The 451 Research M&A KnowledgeBase (MAKB) is a global online database of nearly 60,000 tech M&A transactions.



Data as of 31/3/20. Source: 451 Research's M&A KnowledgeBase. Includes disclosed and estimated deal values. For illustrative purposes only.

PE firms spent much of 2018 reaching for some of Europe's biggest software targets, printing three $1bn-plus deals, including the Siris Capital-led take-private of Travelport[13] and CDPQ's secondary purchase of financial software company FNZ Group[14] from HIG and General Atlantic. In 2019, PE firms turned their energy toward bolt-on acquisitions, which made up nearly two of every three of their software deals.

As financial sponsors shift their strategies, EMEA has been an attractive market to go shopping. Buyout funds are typically able to close software deals at lower prices than what they would pay for similar companies in North America. Our data show that the median annual multiple for EMEA-based software targets typically lands about a turn lower than those across the Atlantic. Since the start of the last decade, PE firms have paid a median 3.3x trailing revenue for North American business application companies, compared with 2.5x for similar EMEA targets.

Strategic Stand Pat

Still, the rise in PE activity has not been enough to bolster EMEA's sagging tech M&A market. Our data show that purchases of EMEA-based tech companies peaked in 2015, with 1,249 deals, sinking to 1,035 last year. Part of that variability comes from the relative size of Europe's tech market, which typically accounts for 20-25% of global tech M&A activity in any given year. But recent declines have come, as strategic acquirers printed fewer acquisitions in four of the last five years.

While Europe went through a notable period of consolidation in the telecom, datacenter and tech services markets in the first half of the decade, local corporations in those categories have not been as acquisitive lately. IT services company Capita,[15] for example, printed 26 acquisitions between 2011-2015 and none in the last three years. Likewise, Publicis,[16] which completed 15 deals in that period, has not scooped up a European company since late 2018. Liberty Global,[17] which spent nearly $34bn consolidating European telecom companies, has not printed a deal in almost four years.

The reduced prints by Europe's most prolific strategic buyers has brought PE firms within reach of overtaking public companies for the largest share of EMEA's tech M&A market. According to 451 Research's M&A KnowledgeBase, annual acquisitions of EMEA-based tech targets by public companies since 2015 has fallen by a quarter to 474 acquisitions in 2019, while PE activity has grown by three quarters.

Post-COVID Deal Making

There is little doubt that COVID-19 will deal a blow to deal-making, from both sponsor and strategics, for the rest of the year. The sudden-stop recession has made financial projections meaningless, and without those there cannot be meaningful discussions of valuation between buyer and seller. But as the crisis abates, PE funds are likely to get back to buying faster than their corporate peers.

For starters, they have the cash. Though the ongoing pandemic will no doubt disrupt fundraising cycles, tech-focused PE firms have record amounts of capital on hand. According to Preqin, buyout funds have over $760bn in dry powder, nearly double the level at the start of the decade.[18] To be sure, the purchasing power of that cash is diminished as the debt markets remain all but closed. Still, PE firms will not take as long as strategic acquirers to jump back in. The most pressing deals can be done with all or mostly cash until the debt markets loosen up.

[13] Siris Capital Group and Evergreen Coast Capital completed the acquisition of Travelport LP on May 30, 2019. 451 Research, part of S&P Global Market Intelligence. (As of 05/05/2020). Retrieved from https://makb.451research.com/merger/62055

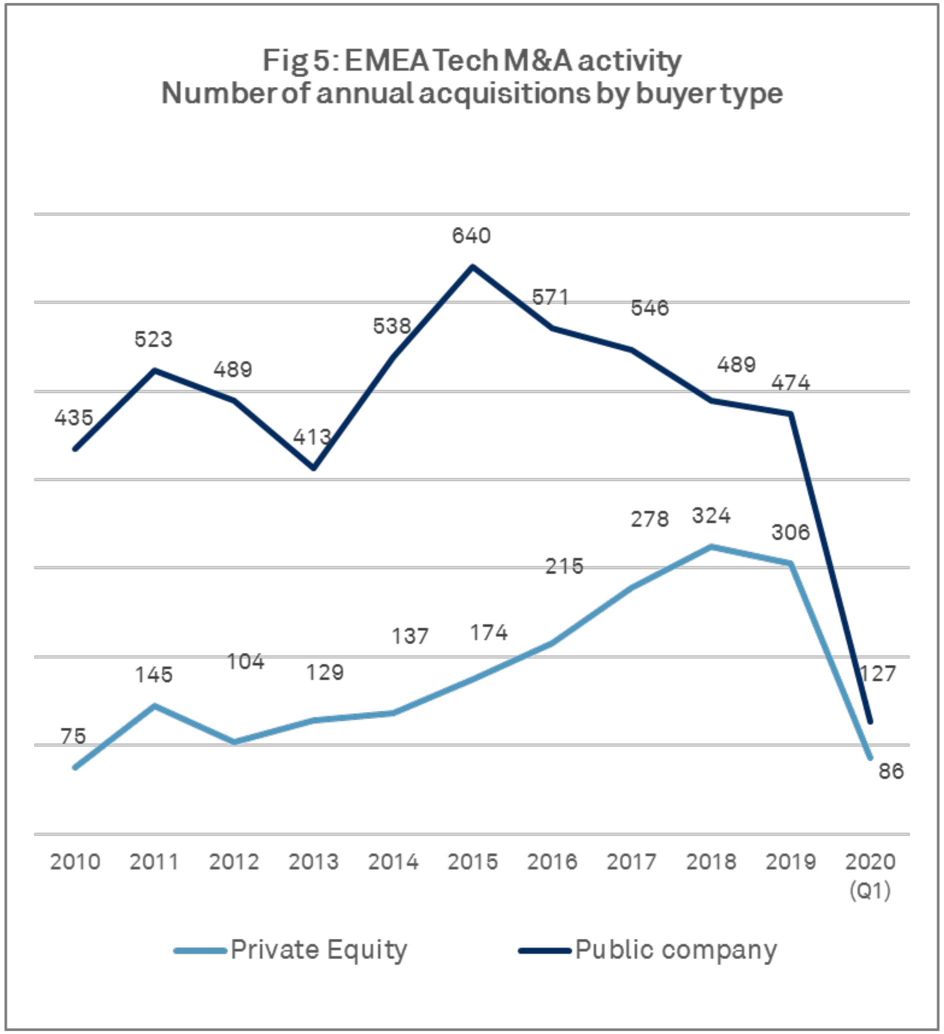
[14] Caisse de depot et placement du Quebec [dba CDPQ] / Generation Investment Management LLP announced the acquisition of 67% in FNZ UK Ltd. on October 9, 2018. 451 Research, part of S&P Global Market Intelligence. (As of 05/05/2020). Retrieved from https://makb.451research.com/merger/61411

[15] Capita plc, 451 Research, part of S&P Global Market Intelligence. (As of 05/05/2020). Retrieved from https://makb.451research.com/?page=results&h=zty8-7nmq3-g9gyx

[16] Publicis Groupe SA, 451 Research, part of S&P Global Market Intelligence. (As of 05/05/2020). Retrieved from https://makb.451research.com/?page=results&h=ztyz-dvmq3-f9gyx

[17] Liberty Global plc, 451 Research, part of S&P Global Market Intelligence. (As of 05/05/2020). Retrieved from https://makb.451research.com/?page=results&h=z8fl-npcq3-4tpyx

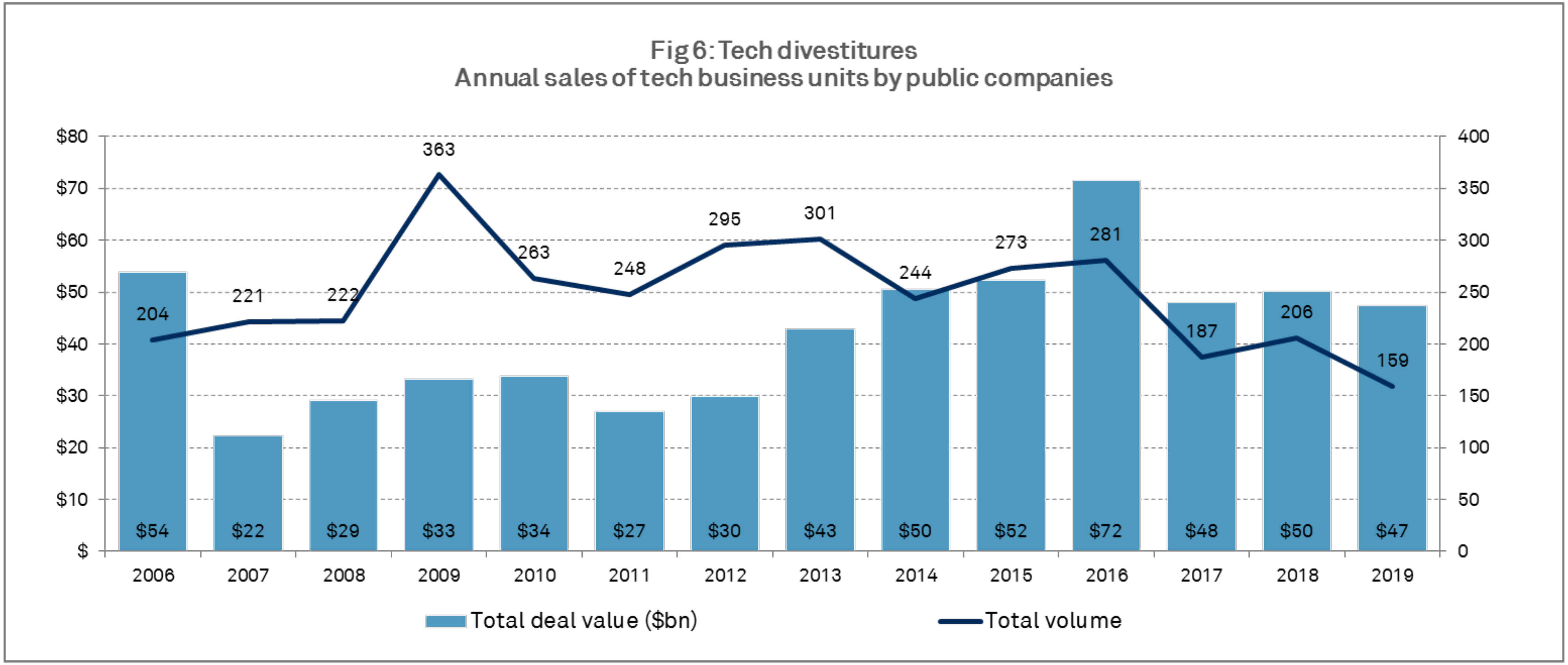
[18] 2020 Preqin Global Private Equity & Venture Capital Report. Preqin. (As of 05/05/2020). Retrieved from https://www.preqin.com/insights/global-alternatives-reports/2020-preqin-global-private-equity-and-venture-capital-report/26652



Data as of 31/3/20. Source: 451 Research's M&A KnowledgeBase. Includes disclosed and estimated deal values. For illustrative purposes only.

While corporates must focus on their core business during a downturn, sponsors will get back to the business of buying. At least that was the case in the Great Recession, when a lockdown in debt markets did little to slow the pace of PE tech deals in EMEA. According to 451 Research's M&A KnowledgeBase, PE firms acquired roughly the same number of European tech targets in 2009 as they did in 2008. Valuations, however, dropped precipitously as sponsors used the recession and drop in public-equity comps to hunt for bargains. Our data show the median trailing revenue multiple for an EMEA-based tech target in a PE deal fell below 1x in 2009, the lowest since the preceding recession.

Acquisitions by public companies, on the other hand, fell by 20% in 2009. That is not to say those companies were not active deal makers; they just moved to the other side of the table, selling off assets in a rush to bolster their balance sheets. The year that followed the collapse of Lehman Brothers saw a record number of divestitures by public companies, and we are likely to see the same this time around, as a sudden stop to consumer spending has sent corporations scurrying for cash. The approaching sales of gently worn tech companies will give PE firms ample, discounted targets for a continued push into EMEA.



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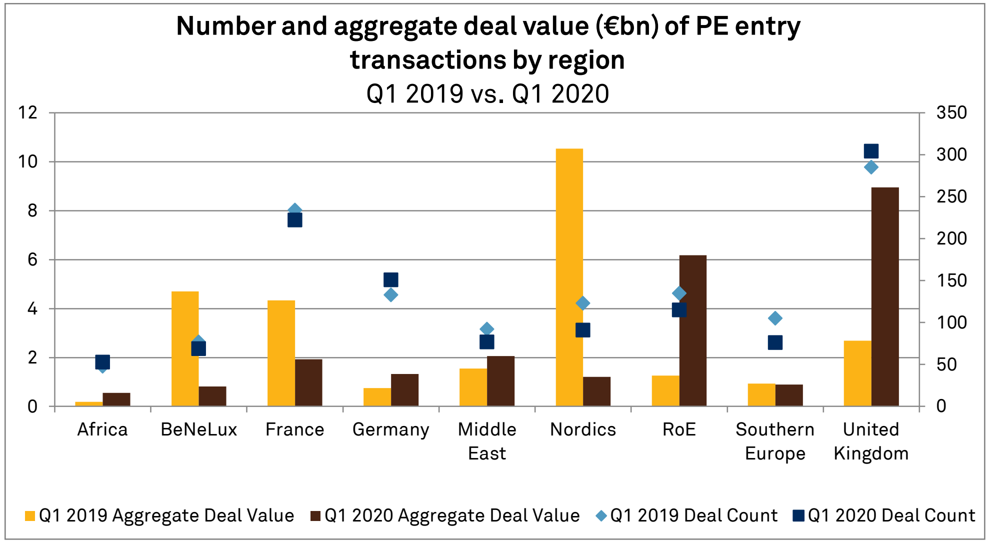
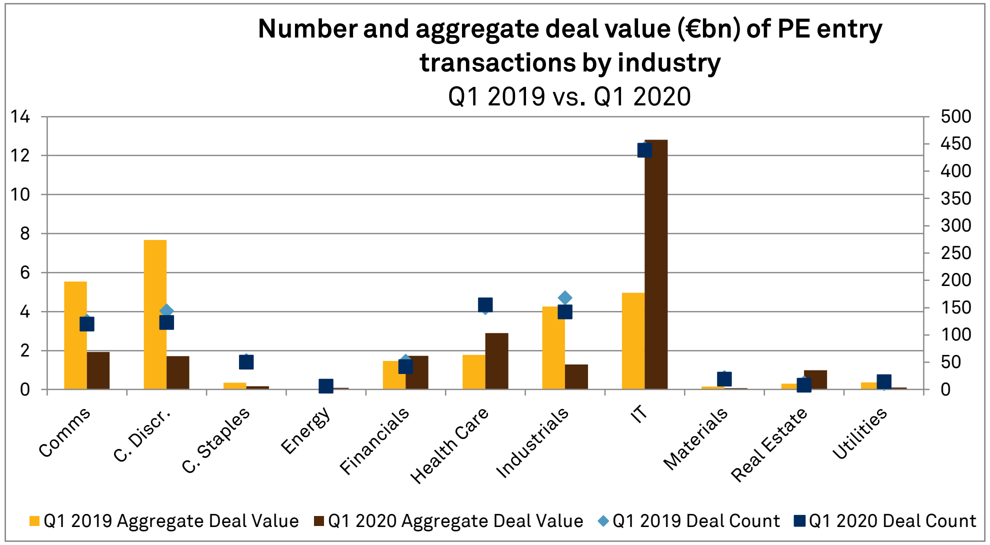
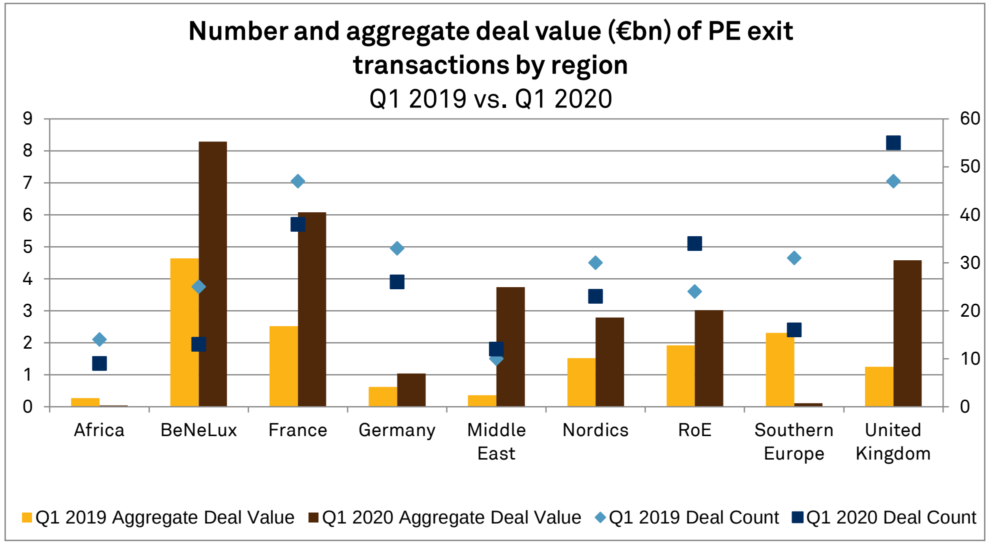
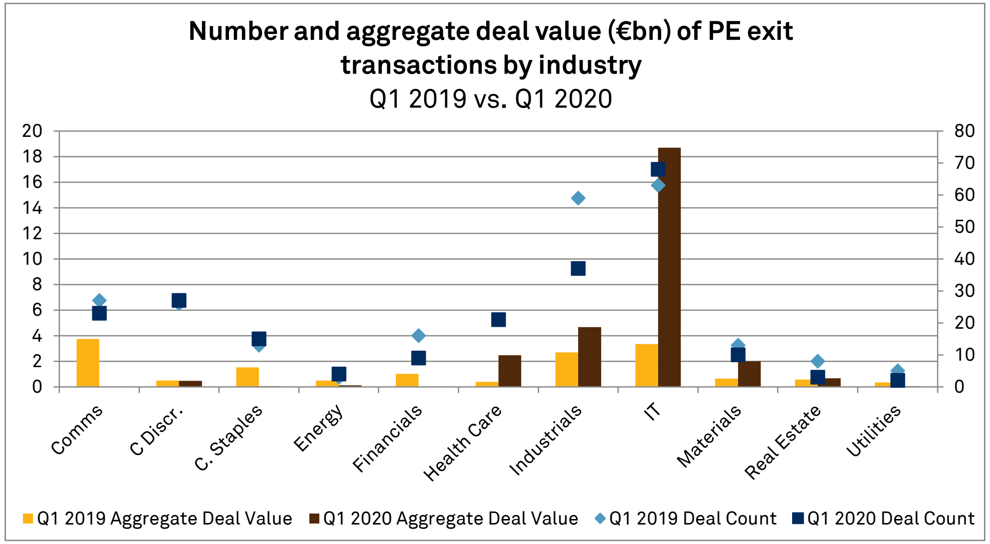
EMEA-Based Targets



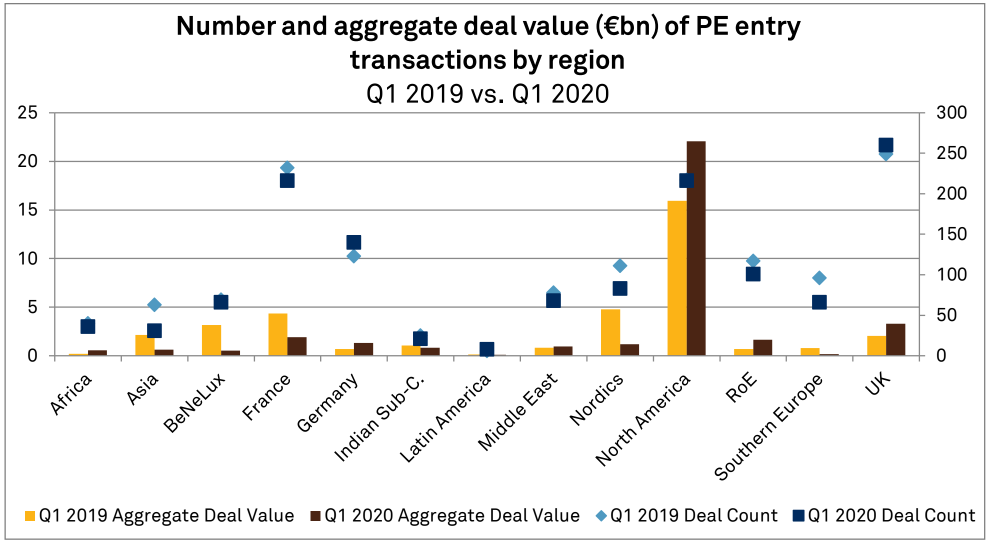


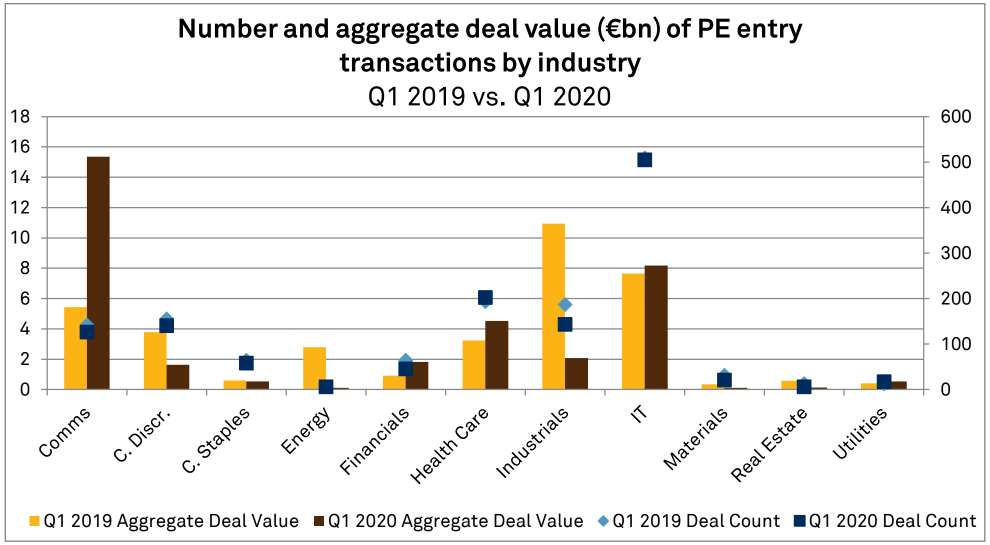


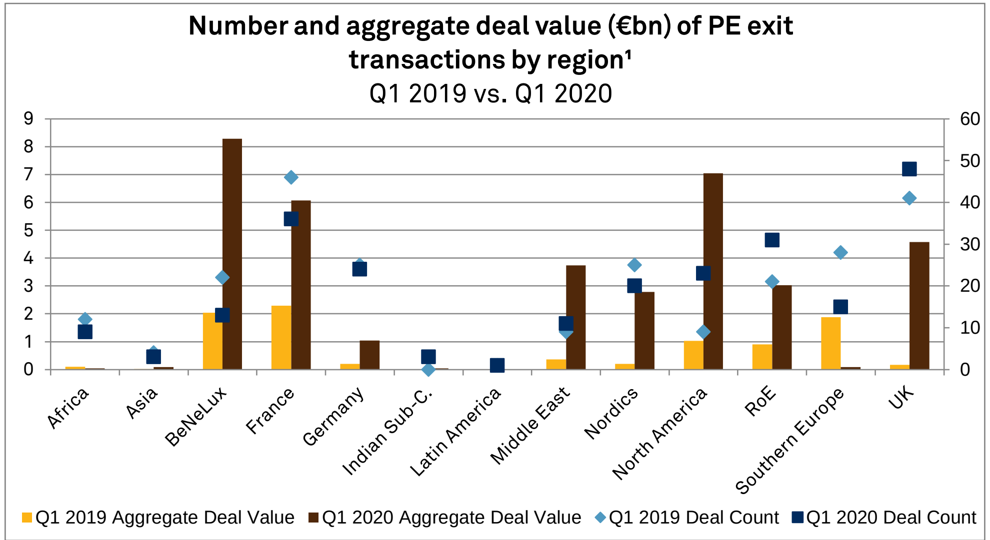


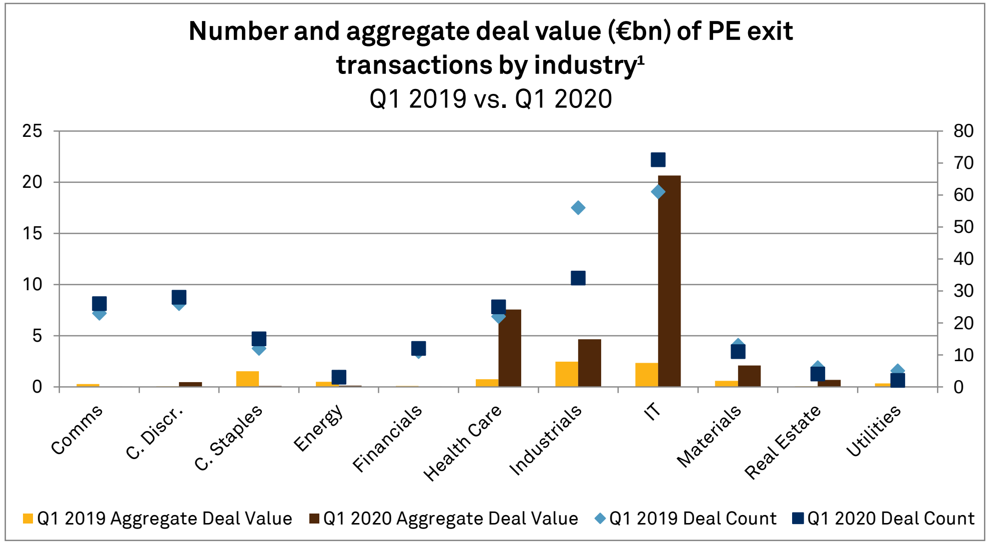
For illustrative purposes only. Source: S&P Global Market Intelligence. As of Apr, 2020

EMEA-Based GPs



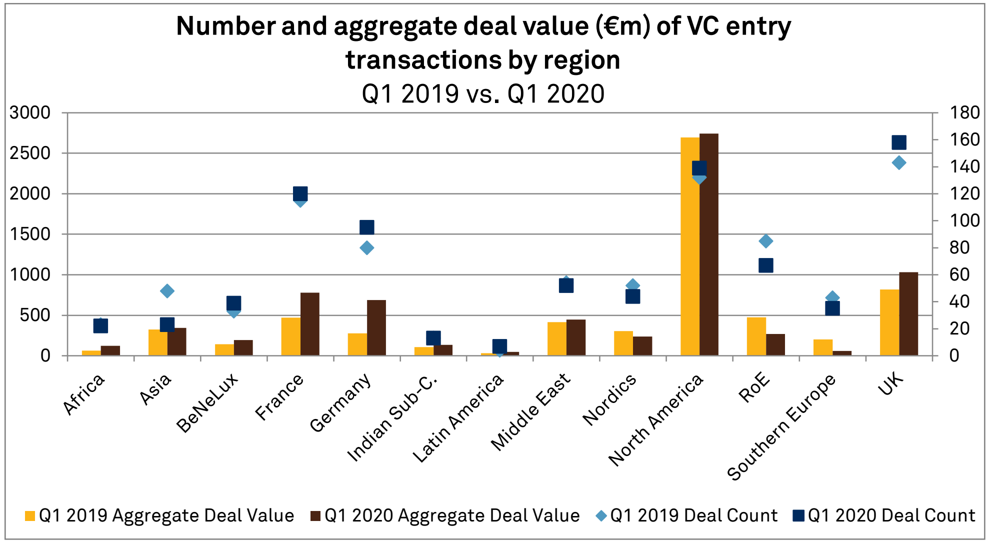


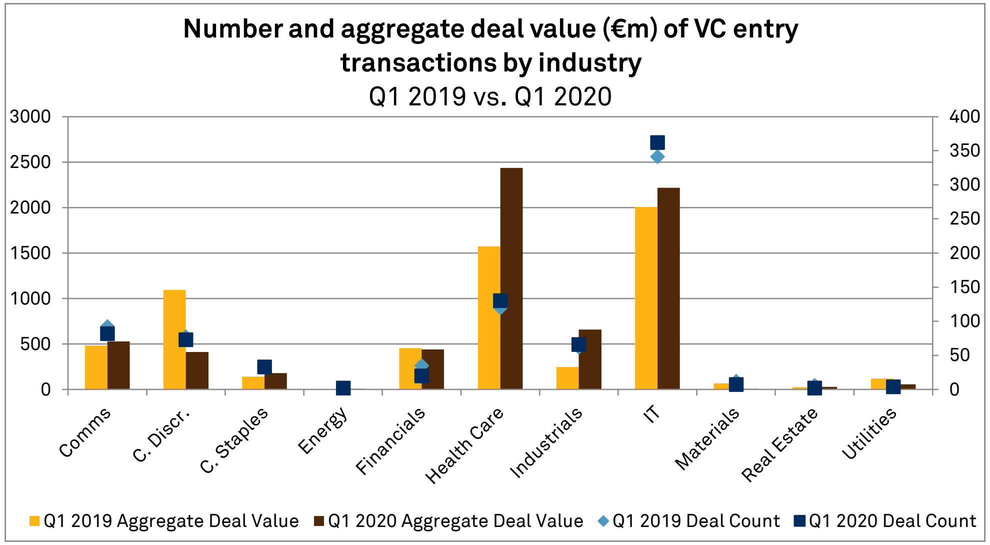




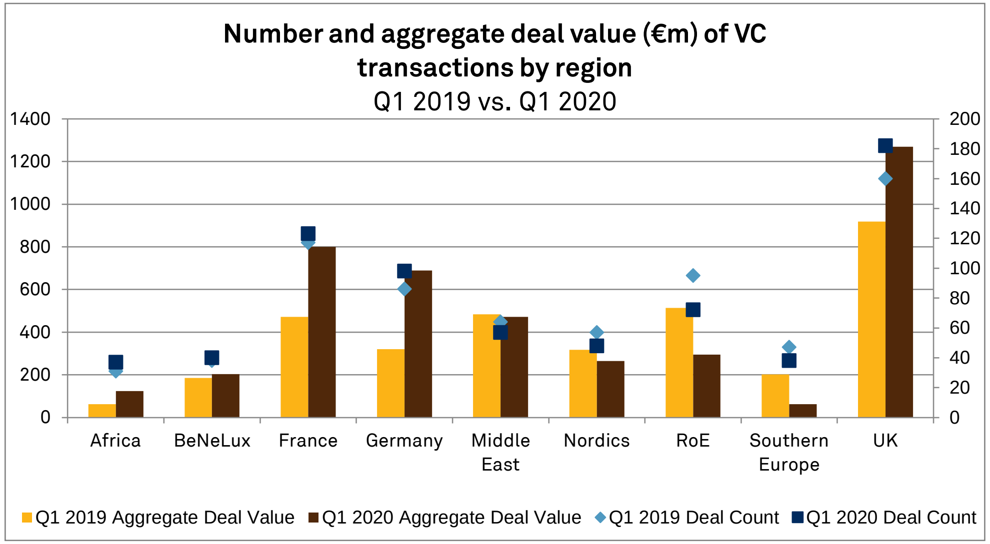
For illustrative purposes only. Source: S&P Global Market Intelligence. As of Apr, 2020

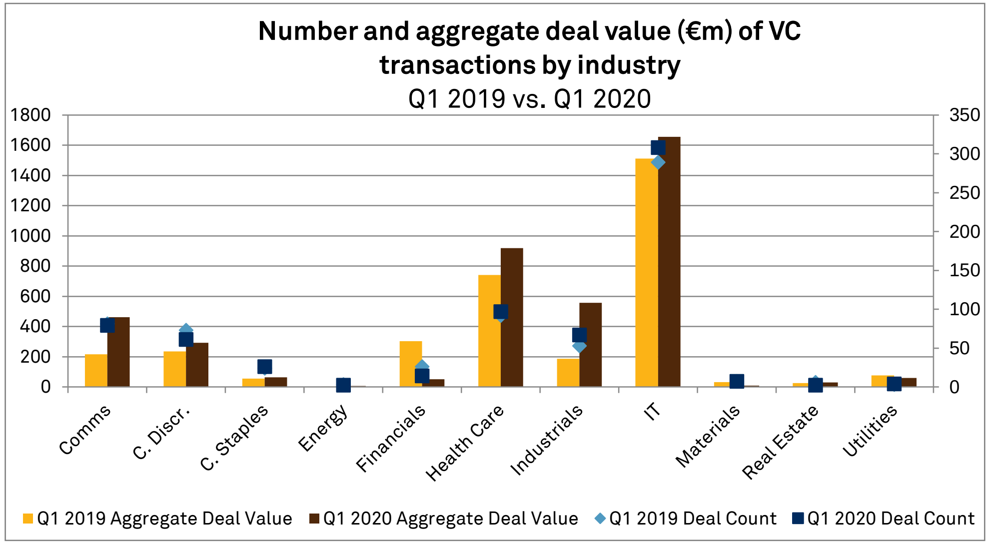
VC EMEA-Based GPs





VC EMEA-Based Targets





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Multiples Table EMEA

Implied Enterprise Value/EBITDA	EMEA Private Equity Exits 01/01/2019 - 31/03/2020	M&A 01/01/2019 - 31/03/2020
Communication Services	13.7	10.4
Consumer Discretionary	11.9	11.2
Consumer Staples	17.8	11.2
Energy	12.3	7.2
Financials	13.1	17.5
Health Care	12.5	12.7
Industrials	11.3	10.1
Information Technology	9.8	12.9
Materials	7.7	9.9
Real Estate	22.5	21.0
Utilities	12.3	11.2

Implied Equity Value/LTM Net Income	EMEA Private Equity Exits 01/01/2019 - 31/03/2020	M&A 01/01/2019 - 31/03/2020
Communication Services	32.5	20.3
Consumer Discretionary	27.4	17.6
Consumer Staples	20.4	13.6
Energy	21.0	11.9
Financials	18.8	13.5
Health Care	22.5	23.9
Industrials	12.6	13.9
Information Technology	17.8	21.2
Materials	13.5	14.5
Real Estate	11.8	11.6
Utilities	***10.7***	20.2

- Multiples highlighted in bold & italics represent the sector average over a 2 year time horizon in order to provide a more comprehensive sector average
- Colour legend can be defined as "RED" representing the lowest multiple and "GREEN" representing the highest multiple observed across industry sectors, deal structures and multiple types during the period mentioned.

Footnote

1. The exit transaction aggregates have been calculated after removing the following deal to avoid overestimating the trend: akeda Pharmaceutical Company Limited (TSE:4502) completed the acquisition of Shire plc (LSE:SHP) on January 8, 2019. Retrieved from https://www.capitaliq.com/CIQDotNet/Transactions/TransactionDetail.aspx?transactionId=559732837&companyId=385727

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