Valuation

Market Essentials Switzerland
as of 30 June 2017
We offer a great variety of services and customized solutions for different occasions:

- Tax valuations
- Financial reporting valuations*
- Expert valuations/second opinions
- Disputes and arbitration
- Start-up valuations
- Transactional business valuations (deal models)
- Fairness opinions/regulatory valuations
- Expert valuations/second opinions
- Financial reporting valuations*
- Start-up valuations
- Transactional business valuations (deal models)
- Financial model review and trainings
- Standard Excel models for day2day use*
- CARVEx (tool for carve out financials)
- Integrated planning, forecasting and consolidation
- Liquidity and cash flow planning
- ProjeX (tool for group tax planning)
- CARVEx (tool for carve out financials)
- Financing and LBO modeling
- ProjeX (tool for group tax planning)
- Financial model review and trainings

* Purchase price allocations, goodwill impairment tests, employee stock (option) valuations
Trading multiples

Revenue multiples

EBIT multiples

EBITDA multiples

Sectors: Margin development

LTM EBITDA margin

LTM EBIT margin
**Cost of capital components**

### Risk-free rate

Implied yield on 10-year government bonds, monthly development over five years

- **High**: 3.0%
- **Low**: -0.6%

### Unlevered beta

Median development

- **Retail and consumer products**: 0.89
- **Media, techn. and telecom**: 0.79
- **Industrial goods and services**: 0.62
- **Healthcare**: 0.46
- **Energy and utilities**: 0.38

### Debt/total capital

Median development

- **Retail and consumer products**: 39.4%
- **Media, techn. and telecom**: 13.3%
- **Industrial goods and services**: 9.1%
- **Healthcare**: 6.7%
- **Energy and utilities**: 2.3%

### Current market risk premium: 6.0%

Distribution as per 30.6.2017

- **Retail and consumer products**: 0.46
- **Media, techn. and telecom**: 0.62
- **Industrial goods and services**: 0.79
- **Healthcare**: 0.89
- **Energy and utilities**: 0.38
- **Chemicals, constr, and mat**: 0.74

**Distribution as per 30.6.2017**

- **First and fourth quartile**: 13.3%
- **Second and third quartile**: 9.1%
- **Median**: 6.7%
**Macro-economic data**

### CPI Inflation*

<table>
<thead>
<tr>
<th>Region</th>
<th>CPI Inflation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Switzerland</td>
<td>1.0%</td>
</tr>
<tr>
<td>Germany</td>
<td>2.1%</td>
</tr>
<tr>
<td>United States</td>
<td>2.0%</td>
</tr>
<tr>
<td>World</td>
<td>4.8%</td>
</tr>
<tr>
<td>Emerging Markets</td>
<td>4.1%</td>
</tr>
</tbody>
</table>

* CPI inflation (geom. mean 2017-2026)

### Nominal GDP growth*

<table>
<thead>
<tr>
<th>Region</th>
<th>Nominal GDP growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Switzerland</td>
<td>2.6%</td>
</tr>
<tr>
<td>Germany</td>
<td>3.0%</td>
</tr>
<tr>
<td>United States</td>
<td>3.8%</td>
</tr>
<tr>
<td>World</td>
<td>8.5%</td>
</tr>
<tr>
<td>Emerging Markets</td>
<td>8.0%</td>
</tr>
</tbody>
</table>

* Nominal GDP growth, nominal (geom. mean 2017-2026)

* excluding Venezuela

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### Banking and insurance sector

#### LTM P/E

<table>
<thead>
<tr>
<th>Median</th>
<th>Global and private banks</th>
<th>Retail and cantonal banks</th>
<th>Insurance companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>16.2x</td>
<td>12.8x</td>
<td>11.9x</td>
<td></td>
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</table>

#### P/TA

<table>
<thead>
<tr>
<th>Median</th>
<th>Global and private banks</th>
<th>Retail and cantonal banks</th>
<th>Insurance companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.12x</td>
<td>1.06x</td>
<td>1.07x</td>
<td></td>
</tr>
</tbody>
</table>
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About this brochure
EY’s Valuation Market Essentials Switzerland brochure summarizes relevant market data that is regularly used in valuations. It is aimed at finance professionals that regularly deal with valuations and corporate finance related topics. The analysis is based on the constituents of the Swiss All Share Index (excluding general financial and real estate companies) and data from S&P Capital IQ/Oxford Economics.

For this edition, all data was downloaded as per date of this brochure (see cover page). Therefore, values may deviate when compared with values of previous brochure editions.