Valuation
Market Essentials Switzerland
as of 31 March 2018
We offer a great variety of services and customized solutions for different occasions:

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

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

Revenue multiples

EBIT multiples

EBITDA multiples

Sectors: Margin development

<table>
<thead>
<tr>
<th>Sector</th>
<th>Median development</th>
<th>Distribution as per 31.3.2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail and consumer products</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Media, techn. and telecom.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Industrial goods and services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Healthcare</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Energy and utilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chemicals, constr. and mat.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Median development

Median development

Median development

Median development
Cost of capital components

Risk free rate

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

Unlevered beta

Median development

Current market risk premium: 6.0%

Debt/total capital

Median development

Distribution as per 31.3.2018
**Macro-economic data**

**CPI Inflation***

<table>
<thead>
<tr>
<th>Country</th>
<th>CPI Inflation (geom. mean 2018-2027)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Switzerland</td>
<td>1.1%</td>
</tr>
<tr>
<td>Germany</td>
<td>2.0%</td>
</tr>
<tr>
<td>United States</td>
<td>2.0%</td>
</tr>
<tr>
<td>World</td>
<td>3.7%</td>
</tr>
<tr>
<td>Emerging Markets</td>
<td>4.0%</td>
</tr>
</tbody>
</table>

* excluding Venezuela

**Nominal GDP growth***

<table>
<thead>
<tr>
<th>Country</th>
<th>GDP growth, nominal (geom. mean 2018-2027)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Switzerland</td>
<td>2.7%</td>
</tr>
<tr>
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<td>World</td>
<td>7.3%</td>
</tr>
<tr>
<td>Emerging Markets</td>
<td>7.7%</td>
</tr>
</tbody>
</table>

**Banking and insurance sector**

**LTM P/E**

Median development

<table>
<thead>
<tr>
<th>LTM per 31.3.2017</th>
<th>LTM per 30.6.2017</th>
<th>LTM per 30.9.2017</th>
<th>LTM per 31.12.2017</th>
<th>LTM per 31.3.2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global and private banks</td>
<td>18.8x</td>
<td>13.7x</td>
<td>13.3x</td>
<td></td>
</tr>
<tr>
<td>Retail and cantonal banks</td>
<td>12.0x</td>
<td>11.0x</td>
<td>10.0x</td>
<td></td>
</tr>
<tr>
<td>Insurance companies</td>
<td>8.0x</td>
<td>7.0x</td>
<td>6.0x</td>
<td></td>
</tr>
</tbody>
</table>

**P/TB**

Median development

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Global and private banks</td>
<td>1.48x</td>
<td>1.26x</td>
<td>1.08x</td>
<td></td>
</tr>
<tr>
<td>Retail and cantonal banks</td>
<td>1.48x</td>
<td>1.26x</td>
<td>1.08x</td>
<td></td>
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<td>1.48x</td>
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<td></td>
</tr>
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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.

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