



**Deloitte 2020 survey on M&A
activity in the Swiss SME sector**

Reversal of the cyclical uptrend

April 2020

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About this survey

This is the 12th Deloitte survey of M&A activity in the SME sector in Switzerland. It studies transactions involving Swiss SMEs on the basis of various sources of information, including the following: the Deloitte database, Mergermarket and the Swiss financial press.

Introduction

We are pleased to present the 12th Deloitte survey of M&A activity involving small and medium-sized enterprises (SMEs) in Switzerland. The survey identifies the transactions conducted in 2019 by or targeting Swiss SMEs.

Like last year, this survey contains various interviews with important figures in the Swiss M&A market. We would like to thank the following people who agreed to contribute to this edition and be cited in the survey:

- Cyril de Bavier, CEO of Swissroc Group
- Roman Řezníček, Chairman of the Board of Directors of Sutel Group
- Peter Fanconi, Chairman of the Board of Directors of BlueOrchard
- Guy Semmens, Co-founder and Managing Partner of Gyrus Capital

2019 was marked by macroeconomic and geopolitical uncertainty, although some sources of instability began to dissipate with the UK's exit from the European Union and the trade agreement reached between the USA and China. However, these positive stories were suddenly overshadowed by the emergence of COVID-19 in China, which then quickly

spread to the rest of the world before being classified as a pandemic by the WHO in early March 2020. The disease has brought an unprecedented economic impact that poses a serious threat to the global economy and continues to weaken the markets, despite various announcements of support by central banks and governments around the world.

The latest Deloitte CFO Survey shows that almost all Swiss CFOs expect a sharp economic slowdown as a result of the COVID-19 crisis, with recessions forecast for Switzerland as well as for the USA, the UK and the euro area. COVID-19 was the main threat to business that emerged from the survey. Other risks, such as a reduction in demand and supply chain issues, are also cited as consequences of COVID-19. In this context, cost-cutting and income-generating measures are the priorities for Swiss companies. Conversely, businesses have become more resilient to the appreciation of the Swiss franc since 2018. There is no doubt that the global crisis currently caused by COVID-19, which has led to lockdowns in many countries, the closing of borders in the Schengen area, Swiss franc strengthening and the closure of factories in Switzerland and around the world in March 2020, will further harm forecasts for 2020.

At the Swiss level, M&A activity was primarily driven by SMEs and private equity (PE) funds. However, the total number of transactions was down compared with 2018 (-3.4%). In particular, 2019 saw a steep decline in domestic transactions (-16%) and a record number of inbound transactions, while the number of outbound transactions stabilised.

These figures are food for thought in the global context in light of the latent international tensions and the current COVID-19 induced crisis. These factors are hardly positive for economic forecasts for the coming year, and we expect a marked decline in M&A activity in 2020.

We hope that you enjoy reading the survey.



Jean-François Lagassé
Partner, Deloitte Financial Advisory



Stephan Brucher
Partner, Deloitte Financial Advisory

Key points of the survey

A decline in the number of transactions

The total number of transactions (196) in 2019 was down 3.4% compared with 2018.

Caution on the part of Swiss buyers

Acquisitions by Swiss buyers in 2019 (112, consisting of domestic and outbound transactions together) were down by 8% compared with 2018, reaching the lowest level recorded since the inception of this survey.

Increased cross-border activity

70% of transactions involved a foreign partner, compared with 66% in 2018.

Record number of inbound transactions

Foreign companies made 84 acquisitions of Swiss SMEs in 2019 (+4%).



Reversal of the cyclical uptrend in M&A activity

In a global M&A market that is fragile but close to historical highs thanks to US mega-deals, Switzerland recorded a decline in its M&A activity, slowed down by caution on the part of Swiss buyers.

Global market¹

M&A activity was steady worldwide in 2019. It totalled USD 3.9 trillion (-1.5% compared with 2018, which saw USD 3.96 trillion), recording the fourth best year since the compilation of global M&A statistics began in 1980. This was also the sixth consecutive year in which the USD 3 trillion mark was exceeded. Meanwhile, the number of transactions was down 6%, dragged down by trade tensions between the USA and China. Considering that the peak in value terms was reached in 2015, at over USD 4.0 trillion, and that 2018 was the second-best year since the financial crisis of 2008, the 2019 figures indicate sustained high levels of M&A.

The USA accounts for a large share of global M&A activity, at nearly USD 1.8 trillion (+6% compared with 2018). Europe reported lower activity, at USD 742 billion (-25%, its lowest level since 2016). Asia accounted for USD 757 billion (-16%, its lowest level in 5 years). These figures are partly explained by the decline in transactions in the UK, the leading M&A market in Europe, to USD 221 billion (-4% compared with 2018), within a turbulent geopolitical environment connected to Brexit. Transactions in China fell to USD 380 billion (-14%), as the

country contended with protests in Hong Kong and an economic slowdown. British companies remained the most sought after in cross-border transactions in 2019, after US firms, supported by the depreciation of sterling since the Brexit decision of 2016.

Global cross-border transactions fell in 2019, registering the lowest value since 2013, at USD 1.2 trillion (-25% compared with 2018). This shows that companies favoured domestic transactions in light of the political and macroeconomic uncertainties, especially in connection with the US/Chinese trade war. The USA remains the number one purchaser of foreign companies, accounting for 20% of cross-border acquisitions initiated in 2019.

The value of global transactions in 2019 was thus boosted by dynamic activity in the USA and the country's mega-deals, which offset the observed drop in absolute numbers. The number of global transactions worth over USD 10 billion increased by 8% to 43 transactions, the highest figure since 2015. 21 transactions exceeded USD 20 billion, representing a quarter of the 2019 total by themselves.



¹ Sources: Reuters, Financial Times, Refinitiv (January 2019)

Reversal of the cyclical uptrend in M&A activity

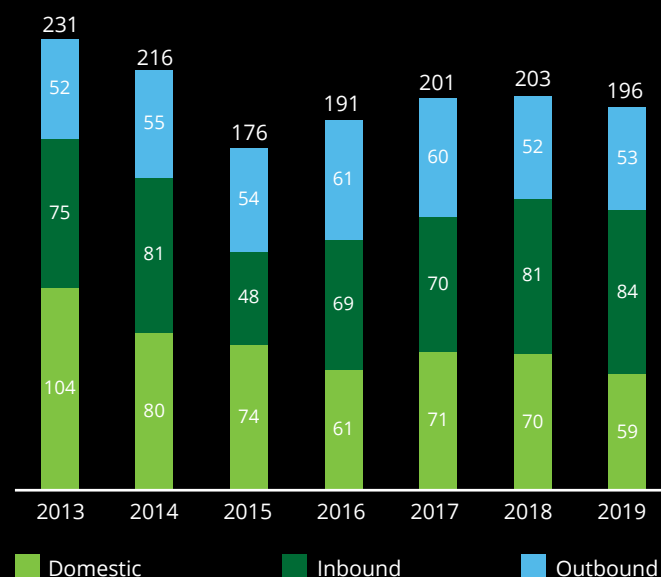
Swiss M&A market for SMEs

M&A activity in the Swiss SME market was down in 2019 (196 transactions, a decrease of -3.4% compared with 2018), with a sizeable change in domestic transactions (-16%), while inbound transactions were up slightly, setting a new record.

After a stabilisation in 2018 of M&A activity among Swiss SMEs, the reversal of the recent cyclical uptrend in 2019 confirms that the market was normalising. Swiss activity was thus in line with the trend in the world market, with the exception of the USA.

Switzerland bucked the global trend in posting a record level of cross-border activity, fuelled by inbound transactions: the number of these deals was higher than at any point since this survey was launched. By contrast, Swiss companies were much more reluctant to take the plunge, significantly scaling back their acquisitions in Switzerland as interest rates hit a historic low. The political and economic risks, which were more of an issue at the global level, kept the number of outbound transactions towards the lower end of the historical range.

Change in the number of transactions since 2013



Domestic

59

↓ -16%

- Significant decline in 2019, breaking an upward trend that began in 2017
- Lowest level since the start of this survey

Inbound

84

↑ +4%

- A 4% increase, setting a new record for transactions after a stellar 2018
- Upward trend dating back to 2016

Outbound

53

↑ +2%

- Stabilisation of activity, after 2018 saw the lowest level since 2013

Swiss SMEs: on the radar of foreign investors

4. Zug

10 transactions
(13 in 2018)

1. Zurich

41 transactions
(37 in 2018)

4. Vaud

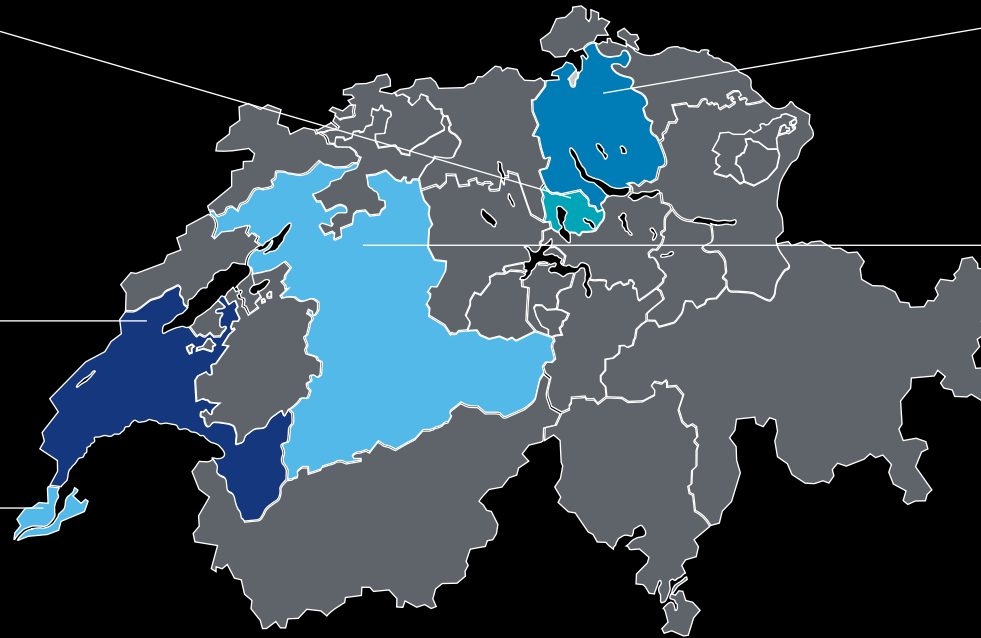
10 transactions
(12 in 2018)

3. Berne

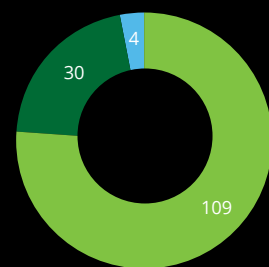
11 transactions
(10 in 2018)

2. Geneva

15 transactions
(14 in 2018)



Transactions in Switzerland (143)



German-speaking Switzerland

French-speaking Switzerland

Italian-speaking Switzerland

Favoured sectors



Technology, media & telecommunications (TMT)
24% (17% in 2018)



Business services
15% (16%)



Consumer services
4% (8%)



Healthcare
20% (11%)



Consumer goods
10% (14%)



Other
2% (4%)



Industrial
17% (18%)



Financial services
8% (12%)

Swiss SMEs: on the radar of foreign investors

The number of Swiss SMEs that were acquired (domestic and inbound transactions together) decreased in 2019 (143 transactions, -5%). Looking deeper, inbound transactions increased (+4%) in contrast to domestic transactions (-16%). Companies in the TMT and healthcare sectors were the most sought after.

The historical split between German-speaking Switzerland (76% of acquisitions) and the rest of the country (21% for French-speaking Switzerland and 3% for Italian-speaking areas) was unchanged. Looking canton by canton, however, companies established in Geneva and Vaud remained among the most popular, while Zurich accounted for almost a third of the acquisitions by itself. Berne entered the top five at the expense of St Gallen.

In 2019, inbound transactions increased by 4% (84 transactions), exceeding the record reached in 2018 (81 transactions). The upward cycle that started in 2016 continued, confirming that Swiss SMEs remain choice targets for foreign investors.

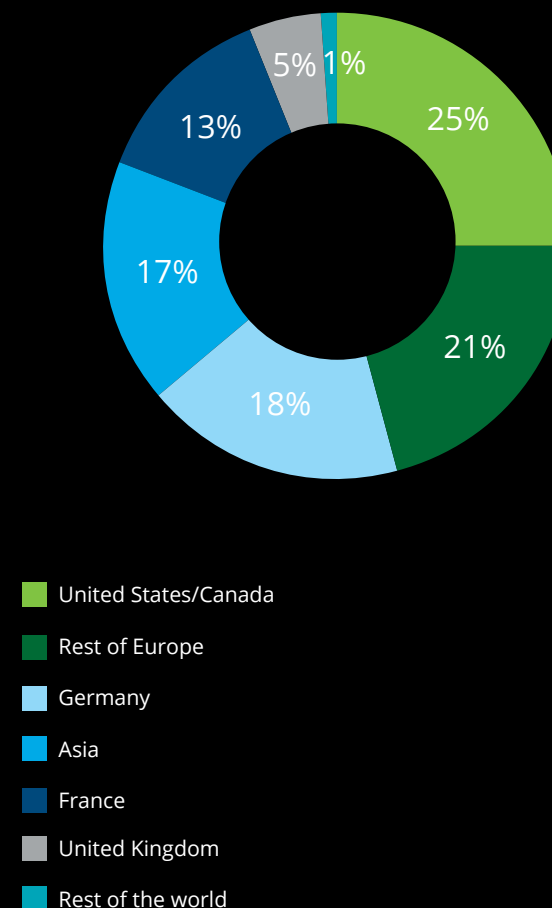
We note a large increase in transactions by North American companies (21 transactions, +75%) and Asian companies (14 transactions, +40%). By contrast, the number of acquisitions made by UK companies was significantly lower (4 transactions, -60%). Germany, France and the rest of Europe have shown a stable interest over time in Swiss companies, with uncertainties around the EUR/CHF exchange rate having had

little impact on acquisition opportunities. Inbound transactions therefore primarily consisted of European partners (57%), followed by North America (25%), Asia (17%) and the rest of the world (1%).

Turning to domestic transactions, 2019 marked a clear drop in activity to 59 transactions (-16%), marking the lowest level since the start of this survey. These figures are borne out by the unease of Swiss CFOs demonstrated in the 2019 Deloitte CFO Survey regarding the country's economic growth and the risks associated with the Swiss franc.

Swiss SMEs in the TMT sector were the most sought after by buyers, with 35 transactions (domestic and inbound together), followed by those in the healthcare and industrial sectors. There is clear interest from foreign buyers in Swiss companies in the healthcare (22 transactions, from 10 in 2018), TMT (18, from 15), and industrial (18, unchanged) sectors. Domestic transactions largely consisted of deals in the TMT sector, with the remainder spread more or less uniformly across the other sectors.

Main acquirers



Swiss SMEs: on the radar of foreign investors



The increase in inbound transactions confirms that Swiss SMEs are prime targets for foreign investors despite the global uncertainties. 2019 confirms once again that Switzerland's geographical and linguistic proximity to France and Germany pushes these investors to buy in Switzerland. The renewed interest of US and Asian companies in Switzerland can be explained by the trade tensions between the USA and China and the protectionist barriers put into place. The sharp drop in acquisitions by UK companies is primarily due to the uncertainties around Brexit and the weakness of sterling against the Swiss franc.

The trends in 2019 reflect that the healthcare, TMT and industrial sectors are key for the Swiss economy and that Swiss expertise is sought after by both foreign and Swiss companies. Acquisitions in these sectors allow industry players to integrate new technologies or more traditional companies to overhaul their business models to fit the digital age. Fintech and artificial intelligence are examples of industry disruptors. Cyril de Bavier, CEO of Swissroc Group, explains to us on the next page why it is so important for a company to integrate the latest technologies.

This trend was in evidence worldwide in 2019, when the two biggest transactions by value were in the technology and healthcare sectors. Healthcare transactions had a total value of USD 533 billion (+26%), while technology transactions came in at USD 529 billion (+4%). ¹



The TMT sector was the primary target for acquisitions in Switzerland this year, after two consecutive years in second place. The country is ideally positioned in the development of new technologies, thanks to its business incubators and renowned technical universities, which see numerous start-ups being established here each year that later become acquisition targets.

¹ Source: Fortune Magazine (January 2019)

Swiss SMEs in action – the example of Swissroc Group

Technology is disrupting the real estate market



® Nicolas Schopfer

Cyril de Bavier, founder and CEO
of Swissroc Group

Key figures

Employees: 110+

Sales: CHF 200M+

Age: 5 years

Entities: 7



Founded in 2013 and supported today by a group of four partners (Cyril de Bavier, Xavier Canonica, Thang Nguyen and Ted Schneider), this Geneva-based company develops, designs and executes property transactions of all kinds, offering 360° real estate services and high-end investments. The Swissroc Group capitalises on solid partnerships and a strong corporate culture to meet the requirements of today, while anticipating the needs of tomorrow.

Swissroc advocates a fresh approach to real estate, geared around innovation as the key to improving services. It therefore positions itself as a pioneering player in the Swiss real estate market. The company has adopted a proactive approach, injecting modernity with the digitalisation of the real estate market. It is betting on the latest technologies, notably BIM (building information modelling) methodology and virtual reality. This progressive vision impacts all areas of the business, from management methods to the approach to sales and work processes.

Swiss SMEs in action – the example of Swissroc Group

Technology is disrupting the real estate market

Swissroc is an example of a Swiss SME that has successfully complemented its business activities through investments in start-ups likely to disrupt their industry. The group also purchased the general contractor Hestia Constructions in 2018 – an investment opportunity that was proposed and managed by Deloitte on the seller's side. In the same year, Swissroc also benefited from investment by the Schneider family. The company has recently expanded abroad, with its first international subsidiary opening in Warsaw in 2018, which specialises in modelling real estate projects, and has taken the next step in its digitalisation of the real estate sector.

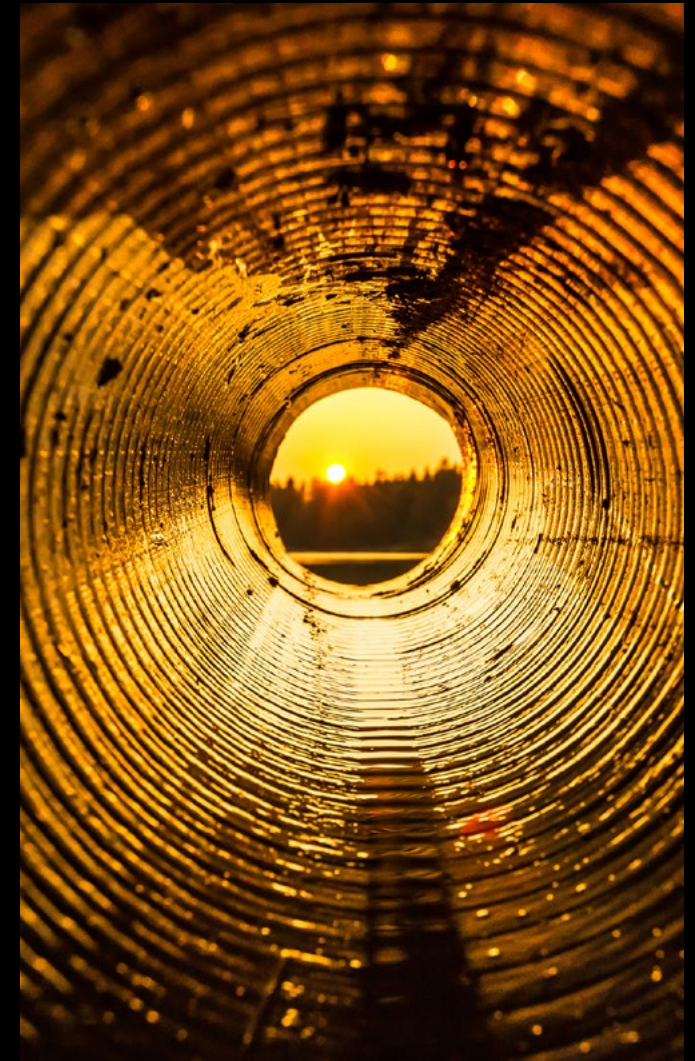
Cyril de Bavier, the founder and CEO of Swissroc Group, explains the group's development strategy and reveals his vision for the market.

What was the reason behind these transactions and the opening of subsidiaries, and how do you see the group's future in terms of organic and external growth?

"The primary goal is to offer an end-to-end service to our customers by mastering the real estate project process from A to Z. Swissroc positions itself as a one-stop shop for real estate, taking a 360° approach to better serve our customers – the customer experience being central to our value proposition. The group does not seek growth at any cost, but pursues healthy and organic growth. Our external growth to date hasn't been made for the sake of volume, but rather to acquire expertise, talent, experience, technology and goodwill. We want to continue with this vision and believe that business volume will naturally follow."

How has the integration of Hestia into Swissroc gone? Have you identified any synergies?

"We are very pleased with the integration of Hestia to date. It is a well-functioning company with excellent people and a well-filled order book. The aim is therefore not to uproot everything, but rather to provide, step by step, tools – particularly technological ones – that will enable Hestia to become even better in its field. Direct synergies have already been identified, e.g. through the integration of a new accounting system, the establishment of management control and the operation of the same ERP project management system (Procore). Hestia's communications also benefit from the group's support, with a dedicated plan. Meanwhile, Swissroc Construction benefits from Hestia's expertise in major construction sites. We are also working to bring together our design offices, which are very complementary in nature, in order to be able to improve the provision of our offers. The Hestia investment was made with a view to covering all segments of the market by focusing on two distinct and specialised brands. Whereas Hestia boasts a portfolio of institutional clients, Swissroc Construction, the group's historical general contractor, is known for its mastery of new technologies and its approach geared around the customer experience. There is still some way to go to achieve full symbiosis – in particular by getting all teams working in the same way. But Rome wasn't built in a day."



Swiss SMEs in action – the example of Swissroc Group

Technology is disrupting the real estate market

How do you see the construction/real estate market faring, and what are the prospects in light of the threat that the coronavirus pandemic poses to the economy?

“The real estate market here has had a series of very good years recently, but we are now witnessing a slowdown. Simply developing without asking the right questions to produce goods at a competitive price is not enough; we have to embark on intelligent and high-quality projects. These days, property owners and asset managers are at the top of the pyramid. The higher you are in the value chain, the more influence you have. There are many growth drivers, but not all of them are relevant – you cannot just grow for the sake of growth. It is vital to have a handle on the direction in which we are growing, be that geographically, technologically or specific to a market segment.

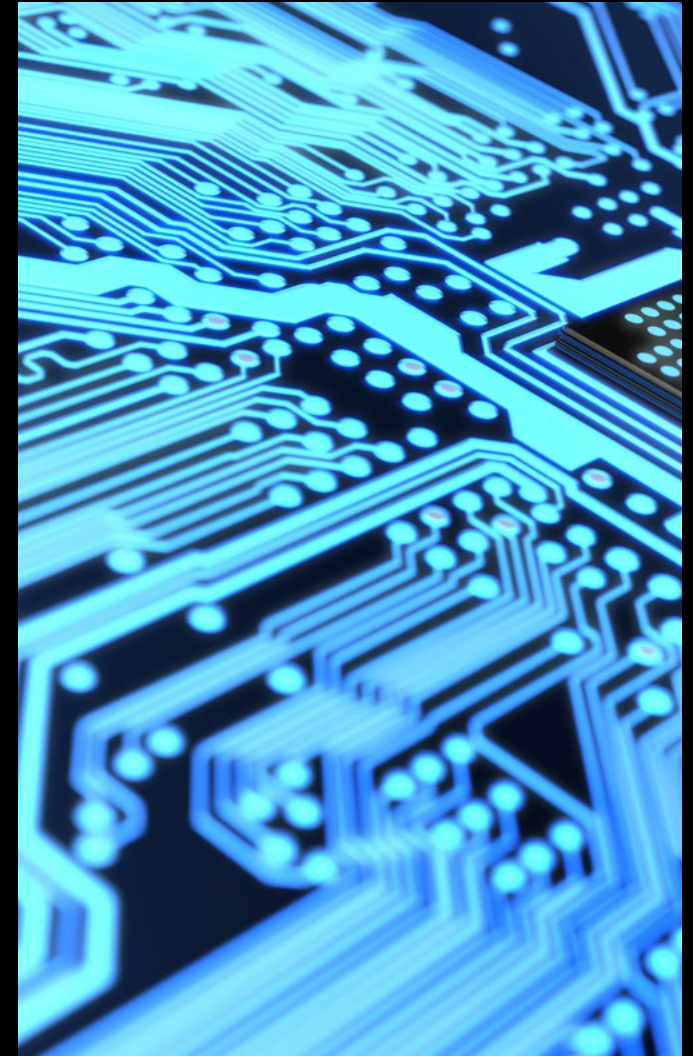
The impact of coronavirus will depend on the duration and magnitude of the pandemic. It's certainly true that official orders to shut down construction sites in mid-March have imposed an additional burden on companies like ours, particularly for delivery schedules. Conversely, while it is a safe bet that the decline in activity will primarily affect commercial buildings and hotels, the impact on housing construction will undoubtedly be temporary, as there is sustained traction here and demand remains strong. The current environment will have an impact on real estate transaction levels, but investments in construction remain attractive, particularly given the low interest rates. »

What will the consequences be for the Swissroc Group?

“It's clear that this very unusual period will not be easy. There will undoubtedly be many pitfalls and challenges along the way. It is, however, an incredible opportunity for us to question ourselves about what really matters, to rethink how we do things to become even better. At Swissroc, our teams are demonstrating incredible agility in continuing their mission despite the pandemic. We were able to make the transition quickly and efficiently, thanks in particular to the promotion of digital technology, which has always been rooted in Swissroc's DNA. We are very proud of our teams and the attitude that they have adopted during this period. »

In 2018, you also created a subsidiary dedicated to equity investments in start-ups, Swissroc Alternative Investment, and invested in two Geneva-based PropTech companies, e-Potek and Tokenestate. What was the reason behind these investments?

“Innovation is at the heart of Swissroc Group. We are constantly on the lookout for new trends and technologies that can improve our processes and the quality of our services. In two years, we made direct capital investments in the Geneva-based PropTech firms e-Potek and Tokenestate. These are young tech companies looking to digitalise the processes specific to the real estate business and which provide added value to our customers. The former specialises in mortgage financing and has just announced funding of CHF 1 million, while the latter facilitates real estate investment by making use of blockchain technology. This will ultimately make investments in our real estate projects much more liquid.



Swiss SMEs in action – the example of Swissroc Group

Technology is disrupting the real estate market

We believe in these technologies, and we also hope to provide the companies with a degree of security by positioning ourselves as an important source of business for their development. However, it is necessary to be selective and to take local specificities and challenges into account. "

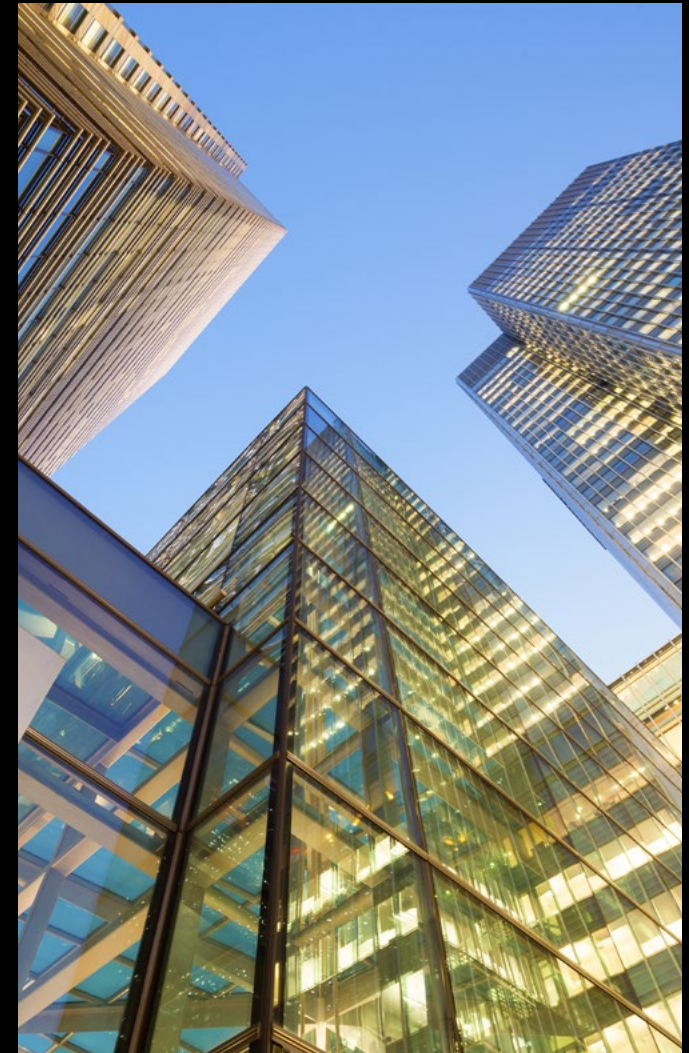
Do you plan to generate synergies from these investments?

"A win-win approach based on creating profitable synergies for our real estate group is at the heart of Swissroc's investment strategy. We want to take advantage of the innovations of our partner start-ups to improve the customer experience through a 360° service. That approach has already succeeded with e-Potek. e-Potek allows us to offer customers an easy way to secure mortgage financing, via its automated platform. This gives customers visibility regarding their borrowing capacity and lets them compare different lenders and mortgage financing products in record time.

Real estate companies are increasingly aware of the possibility of participating in creating new businesses and holding them to ensure that the solutions they need are developed. They have also recognised the importance of letting start-ups be start-ups, keeping them separate, outside of their corporate structures. We need to surround ourselves with players that can bring an element of innovation. At the same time, we can serve as a springboard to test new approaches and refine the value proposition provided by these new solutions."

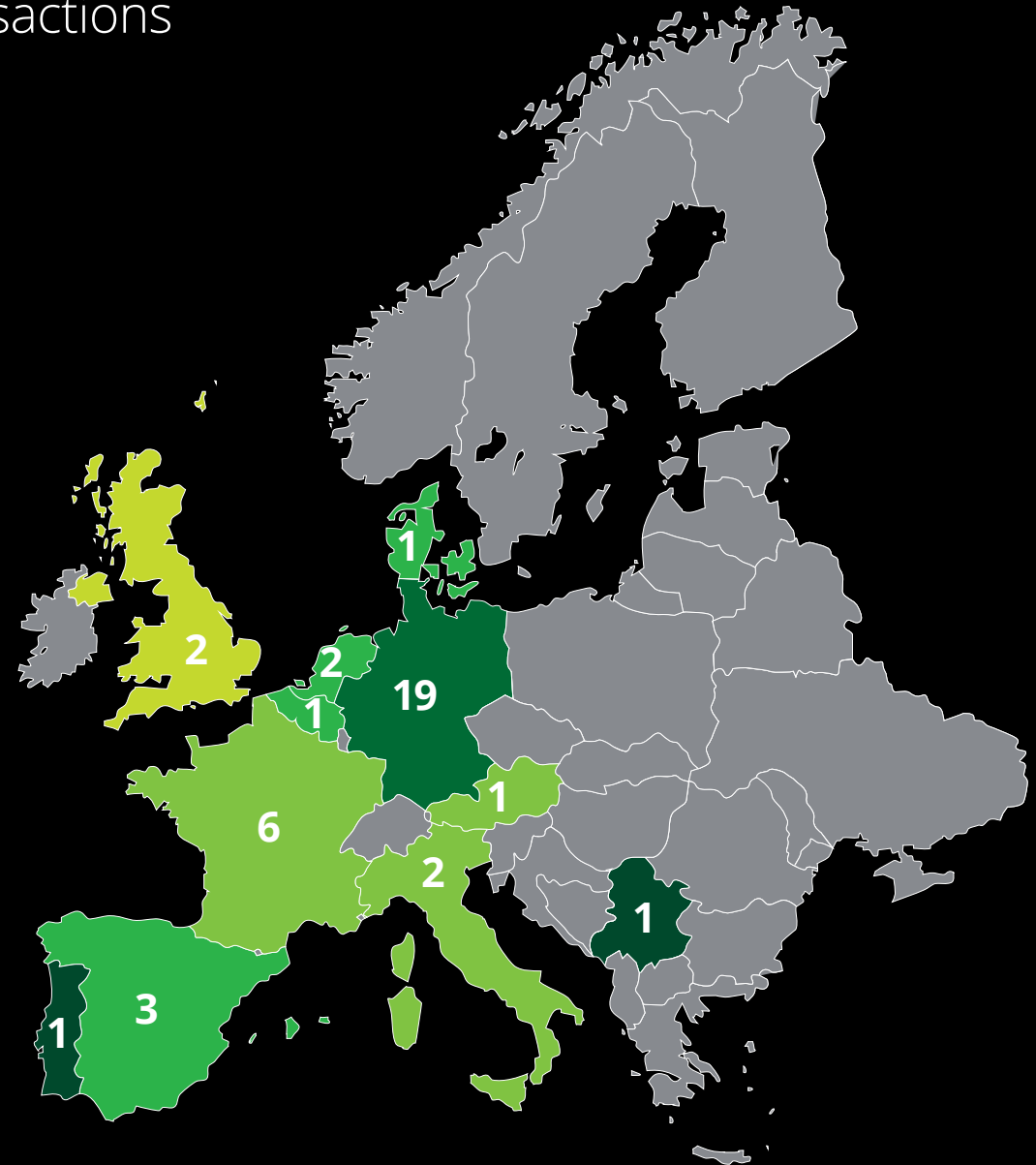
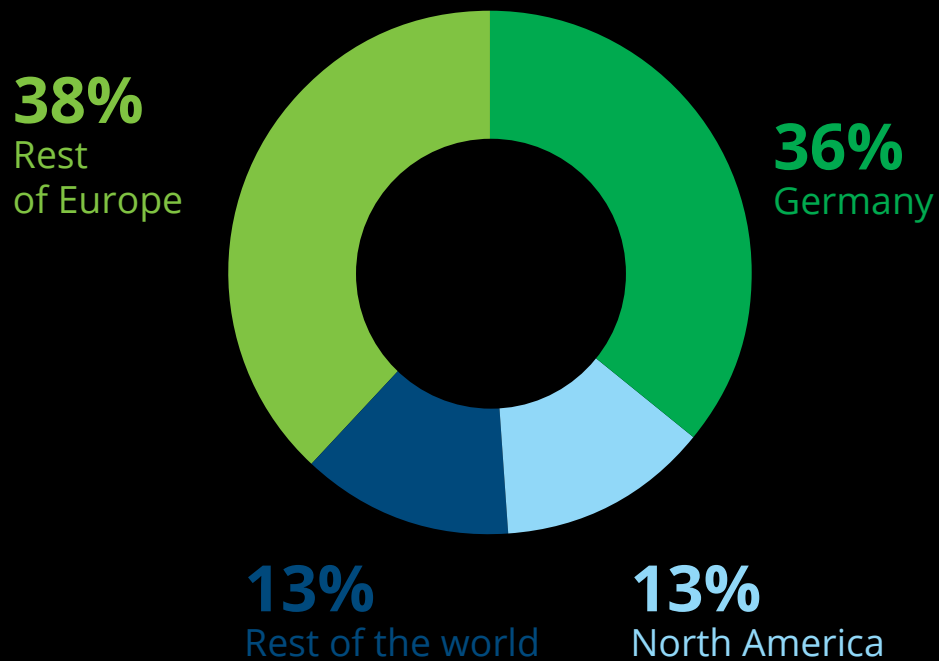
What technological innovations do you think are the most relevant to your business model and to the real estate industry in general at the present time?

"We have identified four main trends: BIM, prefabrication, artificial intelligence and the environment, all of which feed into quality. One thing lies at the centre of all these issues: data management. In almost all industries, data is king – and real estate is no exception. Technologies designed to collect, structure and understand data have changed the way real estate entrepreneurs invest, manage and operate their real estate assets. We watch new trends in our industry very closely, as evidenced by our presence at world-class conferences, such as Groundbreak and MIPIM PropTech, and by our support for local PropTech. Real estate is one of the largest and most valuable asset classes in the world. The use of technology to improve this sector is increasing. Keeping abreast of the latest trends is a "must" if we want to be part of this evolution."



Stabilisation of the number of foreign transactions

Location of companies acquired by Swiss SMEs



Stabilisation of the number of foreign transactions

In 2018, outbound transactions reached their lowest level since this survey was first published (52 transactions), while in 2019 the trend stabilised at 53 transactions – still one of the lowest levels ever seen.

Swiss SMEs made 53 acquisitions abroad in 2019, compared with 52 in 2018. The lowest level recorded in this survey's history was in 2018 and was connected to the significant geopolitical and trade tensions in Europe and the rest of the world. These concerns persisted in 2019, explaining the reluctance of some Swiss companies to invest abroad.

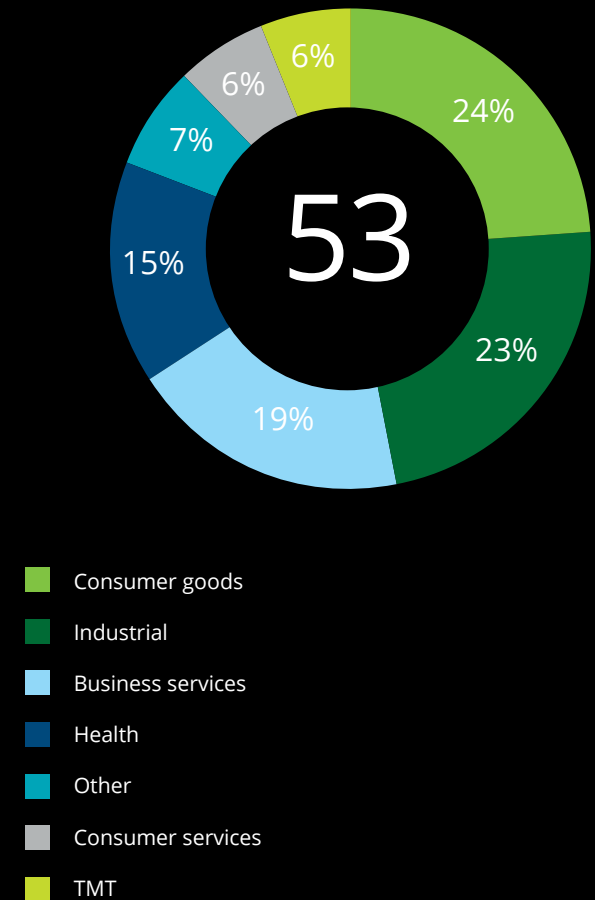
It should be noted that the number of outbound transactions has ranged between 52 and 61 since this survey was launched, demonstrating stability of interest among Swiss companies in foreign companies, especially European ones. 2019 was still at the bottom of this band, indicating that the attractiveness of foreign companies was not at its peak. The general appreciation of the Swiss franc against the euro in 2019 does not seem to have had a large influence on outbound transactions.

74% of these acquisitions occurred in Europe, with 53% in countries bordering Switzerland. Germany remained the preferred target with 19 acquisitions (36% of the total). While these trends are comparable with those observed in 2018, there was renewed interest in North American and Asian companies, which was lacking in 2018.

The number of acquisitions made in Europe, and particularly in Switzerland's neighbours, can be explained by the proximity and long-standing trade relations with these countries. As in 2018, Germany (19 acquisitions) and the USA (6) were the top two destinations for foreign acquisitions. Amid the turmoil of Brexit, the UK ceded its third place to France, with 6 transactions.

The industrial sector gave way to consumer goods as the most popular sector (24% of outbound transactions in 2019 against 10% in 2018, when it was fourth); it had held the position ever since the first edition of this survey. The business services sector dropped one place to third on the podium.

Sectors of companies acquired



Swiss SMEs favour acquisitions in Europe. Germany remains the preferred destination, accounting for 36% of transactions.

Suntel Group

Decentralisation to better understand market needs and involve local teams



Suntel Group is an international company providing telecommunications services in Switzerland, Germany, the Czech Republic, Austria and Slovakia. On behalf of telecommunications operators, it performs all the work necessary to implement a turnkey project, from installation to the maintenance and modernisation of mobile network technologies. The group recently expanded its presence in Switzerland and its portfolio with the acquisition in 2019 of Enkom, which specialises in the design and implementation of communications networks in Switzerland.

Roman Řezníček, Chairman of the Board of Directors of Suntel Group, explains the Group's strategy and reviews the acquisition of Enkom, a transaction on which Deloitte served as buy side advisor.

What is the group's strategy and vision?

"Suntel's strategy is to create a diversified group of telecommunications companies with complementary geographical coverage and technological expertise to respond to the ever-increasing and evolving complexity of our customers' needs. We currently have nine companies in our portfolio across five western and central European countries. We have resources with the key skills at each operational base so as to better understand

market needs and strengthen the involvement and responsibility of our local teams. It is also essential for us to ensure stability to our employees, customers and partners.

Our vision is to become the leading European telecommunications group in the infrastructure services industry. We want to be the number one partner in building 5G networks. Our growth comes as much from organic expansion as from acquisitions."

You are a European company. Why Switzerland is important to you?

"Switzerland is one of the most stable and prosperous economies in the world. From a global perspective, it is very important to diversify our revenue across multiple countries, ideally ones which are as well-established as Switzerland. The Swiss telecommunications market offers attractive opportunities in the mobile and fixed-line network segments, as well as in information and communication technologies. Switzerland is a promising market for the high value added services that we offer. Ultimately, our customers want flexible companies that are capable of providing a variety of high quality services across multiple locations."

What do you think are the main advantages of Swiss companies?

"Most Swiss companies in the telecommunications sector have a long history and are known for providing excellent-quality products and services. They are often very well managed and have very strong long-term customer relationships. Switzerland is a relatively small country, but through innovation and product excellence, it has a number of companies that are able to maintain world market leadership positions."

Suntel Group

Decentralisation to better understand market needs and involve local teams

What are the three main lessons you have learned that make for a successful acquisition? What does “success” mean to you? Do you have any non-financial criteria?

“We consider an acquisition a success not when we purchase the company, but when we reach an understanding of its culture, employees and values. The people are the most important asset that a business can have, and we pay close attention to them. Financial results are important, but the numbers are simply the consequence of how you lead your staff.

One of the main reasons why mergers and acquisitions fail is that buyers underestimate the corporate culture and what it takes to integrate the business into an international group, which can sometimes result in internal battles and competition between managers.”

Where do you see innovation in your sector and how do you approach it?

“Suntel introduces new processes, services or products in order to bring about positive change in our industry. This includes improving existing methods or practices. Ultimately, the goal is to boost activity by creating added value and stimulating growth and/or productivity. Innovation in these areas will put us in a stronger position to benefit from the next wave of digitalisation.”

What do you generally look for in an external consultant like Deloitte to help make an investment successful?

“The success of a company depends on a number of factors, such as the way shareholders manage the company, the skills of the employees, the competitive environment and the way the organisation reacts to the ups and downs of operations. A consultant like Deloitte brings us a new perspective. Deloitte works with many international companies, which gives it a vast and varied wealth of experience and expertise. We benefit from this in more ways than one. This combination of knowledge from different industries gives us unique capabilities when we approach a transaction.”

BlueOrchard

An impact investment fund responding to many major global challenges relating to development



BlueOrchard is an asset manager based in Zurich, created in 2001 by a United Nations initiative. The group specialises in impact investing, particularly in microfinance, private equity and sustainable infrastructure in emerging countries. Its investments always have social and environmental goals and are linked to a number of major global development and sustainability challenges, including in relation to climate change, education and job creation. The company was acquired by the Schroders Group in 2019 to accelerate BlueOrchard's growth and provide impact investing solutions on a larger scale, increasing its social and environmental impact.

Peter Fanconi, Chairman of the Board of Directors of BlueOrchard, explains the fund's strategy and reviews the sale to Schroders, on which Deloitte acted as sell-side advisor.

From your experience, what would you say are some of the key factors for a successful M&A deal in the asset management sector?

"There are a number of important things to consider when developing a new partnership. First, I think you need to be on the same page when it comes to the culture and shared vision for the future, and you must have confidence in each other. There must also be a common understanding of the industry and its drivers, so that you can plan together for a shared future and define the key stages of the partnership. Finally, the timing must be well-chosen: a transaction that has the potential to achieve great things today and in the future might not have been appropriate one, three or five years ago. »

How is the integration with Schroders going, and how hard is it to be part of a large international asset management company?

"The partnership is going very well. That is partly because we set clear parameters about how the partnership would work very early in the process. BlueOrchard will retain a considerable degree of independence, rather than being fully integrated into the Schroders organisation, but the breadth of Schroders's global business and its strong network will be extremely helpful as we continue to scale up our own company. We are currently facing new challenges with the COVID-19 pandemic, and our strong relationship with Schroders has enabled us to find support where needed, while continuing to make the right decisions for our company. Without a doubt, there will be other challenges to overcome, but I firmly believe that the good fit between the two parties and a shared vision of the future will allow us to achieve great things together."

BlueOrchard is a leader in impact investing. How important is the new partnership with Schroders to the future development of the company and to achieving your vision of the company?

"BlueOrchard has enjoyed considerable growth in its business in recent years, especially with its flagship microfinance fund, but also more recently in other asset classes. Nevertheless, in order to play our part in achieving the United Nations' Sustainable Development Goals by 2030, we must act faster. I believe that this partnership will allow us to significantly accelerate the growth of our business, providing impact investment solutions to many more people than we could do by ourselves and thereby increasing the social and environmental impact that we can achieve."

Schroders is one of the world's largest asset managers, with more than USD 500 billion of assets under management. It has extensive experience in emerging markets and sustainable development, but lacked expertise in impact investing. BlueOrchard will be able to fill this gap, with an established and experienced team. Meanwhile, the purchase by Schroders strengthens BlueOrchard's credibility as a worldwide industry leader."

An impact investment fund responding to many major global challenges relating to development

How do you see the impact investing sector evolving in the future? Where do you see the greatest potential for development, and what needs to happen to allow developed economies to have an even greater positive impact in the future?

"Impact investing is becoming more and more prevalent: it was great to see topics like inequality, financial inclusion and climate change covered in more detail than ever at the recent annual World Economic Forum in Davos. But this also presents challenges. As customer demand for impact investing solutions increases, the number of companies

seeking to enter the market is going up too. Although increasing the number of impact solutions is not a bad thing, "impact washing" is causing growing concern as the market becomes more crowded. In this environment, it is more important than ever to have a clear way of defining and measuring whether something genuinely has an impact. That is why BlueOrchard has worked closely with International Finance Corporation (IFC) to develop the operating principles of impact management: nine industry-wide benchmarks that provide guidance on what constitutes impact investing and how best to measure social and environmental impact."

Is this trend here to stay and, if so, how do you think it will change over time?

"Although the appetite for sustainable investment may wane as investors suffer the consequences of the COVID-19 pandemic, I think in the long run we will see this interest rebound. There is a concern that the growing demand may lead to products being labelled "ESG" (environmental, social and governance) or "sustainable" when they do not really meet the necessary criteria, and this is something that investors should take into consideration when making investment decisions. Over time, we will see more robust definitions and the application of the principles developed by independent bodies, such as those of IFC, the Global Impact Investing Network and the Principles for Responsible Investment, which will facilitate the comparison of different offers."

Private equity: sustained activity despite fall

Following several years of growth in the number of Swiss SMEs acquired by private equity funds, the trend was broken in 2019 with a 25% fall.

Majority stakes in 24 Swiss SMEs were acquired by a Swiss or foreign private equity fund in 2019. This was down 25% versus 2018, which saw 32 acquisitions – a record in the history of this survey. At the same time, we saw an increase in the acquisitions of foreign SMEs by Swiss funds in 2019 (18 transactions compared with 16 in 2018).

There was a reduction in acquisitions of Swiss SMEs by funds of European (8 in 2019 against 14 in 2018) and Swiss (10 in 2019 against 14 in 2018) origin, with the remainder split between Asian and North American buyers.

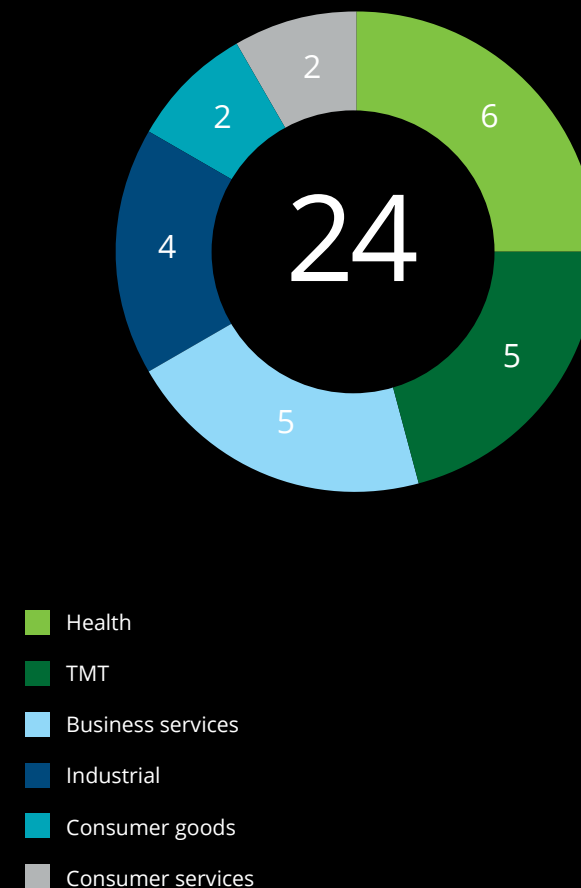
M&A activity (sales and acquisitions) involving a private equity fund nevertheless remained strong, with 34% of transactions in 2019. This was the third consecutive year in which the figure was above 30%. This activity was driven in particular by an increasing number of disposals, as PE funds benefited from record valuation multiples that tended to favour sellers, as discussed later in this survey.

2019 saw lower investment by funds in Swiss SME acquisitions. Despite the decrease recorded this year, PE funds remain an essential driver of M&A activity in relation to Swiss SMEs in an increasingly competitive market characterised by significant available cash (“dry powder”) for an ever-more limited number of high-quality or niche targets.

In the current environment engendered by COVID-19, the historically high level of this dry powder and favourable financing conditions may no longer be enough to support PE activity. PE funds’ M&A activity could in fact be hampered by a lack of acquisition finance on the market and potential performance problems in their portfolio companies needing to be addressed. The business loans programme launched by the Swiss federal government could dent banks’ balance sheets and reduce their appetite for financing leveraged buy-out transactions. In addition, we expect to see a divergence between the valuations expected by sellers and the prices that buyers are willing to pay (including PE funds).

Guy Semmens, co-founder and Managing Partner of Gyrus Capital, shares his views on recent developments in the mid-cap M&A market in the next section.

Sectors of companies acquired



Private equity: sustained activity despite fall



34%

34% of transactions (sales and acquisitions) involved a private equity fund in 2019 (compared with 36% in 2018)



24

24 Swiss SMEs were acquired by a Swiss or foreign private equity fund in 2019, compared with 32 in 2018



14

14 acquisitions of Swiss SMEs were made by foreign funds in 2019 (58% of the total)



17%

Of the 143 acquisitions of Swiss SMEs recorded in 2019, the proportion of strategic buyers that were PE funds fell to 17% (24 transactions), compared with 21% in 2018 (32 transactions)

Gyrus Capital

An investment fund seeking transformational investments



Gyrus Capital is a Geneva-based investment fund created in 2018 specialising in transformational investments. The fund's first transaction was to acquire the DuPont Sustainable Solutions (DSS) business, sold by DowDuPont Specialty Products, and to create a new independent management consulting and service business. The new company will be managed and run by the existing DSS management team and supported by Gyrus Capital. Deloitte acted as advisor, steering the entire carve-out and providing tax and legal services, financial due diligence and business start-up consulting.

Guy Semmens, co-founder and Managing Partner of Gyrus Capital, explains the fund's strategy and reviews the acquisition of DSS.

You recently co-founded Gyrus Capital, a mid-market private equity fund, after more than 22 years at Argos Soditic. What was the motivation for this change and what sets Gyrus apart from other PE funds?

"Over the past 20 years, private equity has become much more standardised and professional, making it safer and more mainstream. The larger you are, the greater your transactions in value and number, the more you fall into the median range of private equity funds. And the median has become less and less attractive, with declining returns.

With the creation of Gyrus, we are trying to do something different. We are a small team looking to make a small number of transactions each year in niche sectors that offer attractive returns. We avoid competitive processes, as well as a generalist approach and traditional sectors like retail, industry or engineering, because it is difficult today to

create growth in these sectors in Europe. We look for industries that offer sustainable, long-term growth, such as healthcare, and we're not afraid of complex regulatory environments. DSS is a complex carve-out situation and an example of a transformational and complicated acquisition in a sector that enjoys sustainable growth of the kind that we are looking for."

You recently finalised this first acquisition with the spin-off/MBO of DSS. Could you tell us more about the reason behind this transaction and how you gained access to such an opportunity?

"We seized the opportunity to make a very interesting business independent in a sector with long-term growth prospects, which was until now constrained by not being part of the parent company's core business. The skills and technology created by DuPont are tremendous, and independence will allow DSS to unlock even more value. The task was

to undertake a complex carve-out spanning 30 countries and create offices around the world, but the business has a remarkable management team that is free to develop the business operations as it sees fit.

We had a pre-existing relationship with DuPont. The seller's initial reluctance to transfer the business to an investment fund without existing infrastructure for this type of business speaks volumes about the complexity of the spin-off. We had to establish transitional service agreements with the seller, create 30 legal entities and multiple offices around the world, install ERP and payroll systems, and transfer 620 people out of 1,400 part-time consultants. »

Do you see this kind of carve-out as a growing trend? And is this an opportunity for you?

"I think it has always been a trend. Whenever people revise their strategy or goals, then carve-outs tend to appear. Is that interesting for us? Absolutely, for two reasons. The first is essentially that it is not possible to implement such a split through competition. You can't start an auction process with multiple parallel bidders and simply see who gets to the highest price fastest like you could with an independent business. You have to get involved, reach agreement, trust each other and work together to get there. And that gives you an element of certainty and security about the transaction, which is extremely precious in such a competitive market.

Gyrus Capital

An investment fund seeking transformational investments

The second consideration is that there is a good chance that the seller is more interested in finding the right solution for the sale of the division and in the buyer's ability to integrate it within good time and with a good outcome, rather than simply maximising the price. This therefore allows you to have confidence in the transaction and probably agree to a more attractive valuation than you would if it were an independent entity. So in a very expensive and competitive market, this is a way of establishing value criteria. But you need experience and patience."

We discussed carve-outs of large groups earlier, but going back to family businesses, what do you think are the main challenges when making the transition to a private equity fund?

"Over the past 25 years, 50% of the transactions that I have worked on have come from large companies and 50% from succession sales by entrepreneurs or families, and these are very different. In a succession sale, you tend to have less sophisticated structures in place. You also often find that the scope and depth of the management team is not as great as in the case of a carve-out. That said, successful family

businesses often have a very clear focus on their core competency and absolutely excel at it. So you really have to be careful to preserve what's there, because it's a fantastic asset, but then you have to build the structure and the support mechanisms around it to allow the company to make this transition and continue to grow. Another recurring feature of succession cases is that the entrepreneur or family who built the business had a very paternal role, with a strong involvement at all levels. This is another important element to consider during the transition period."

After more than 20 years of experience in implementing LBOs in the mid-market segment, what are your views on recent developments and 2020 with the COVID-19 pandemic?

"Private equity is becoming more and more competitive these days. We see more money, more players and more funds available than ever, for a limited number of transactions. So if you want to do deals at good prices, you have to be a little more creative and inventive. You have to roll up your sleeves and be ready to do what others won't. This is why we seek value in complex transactions where we can make changes and improvements.

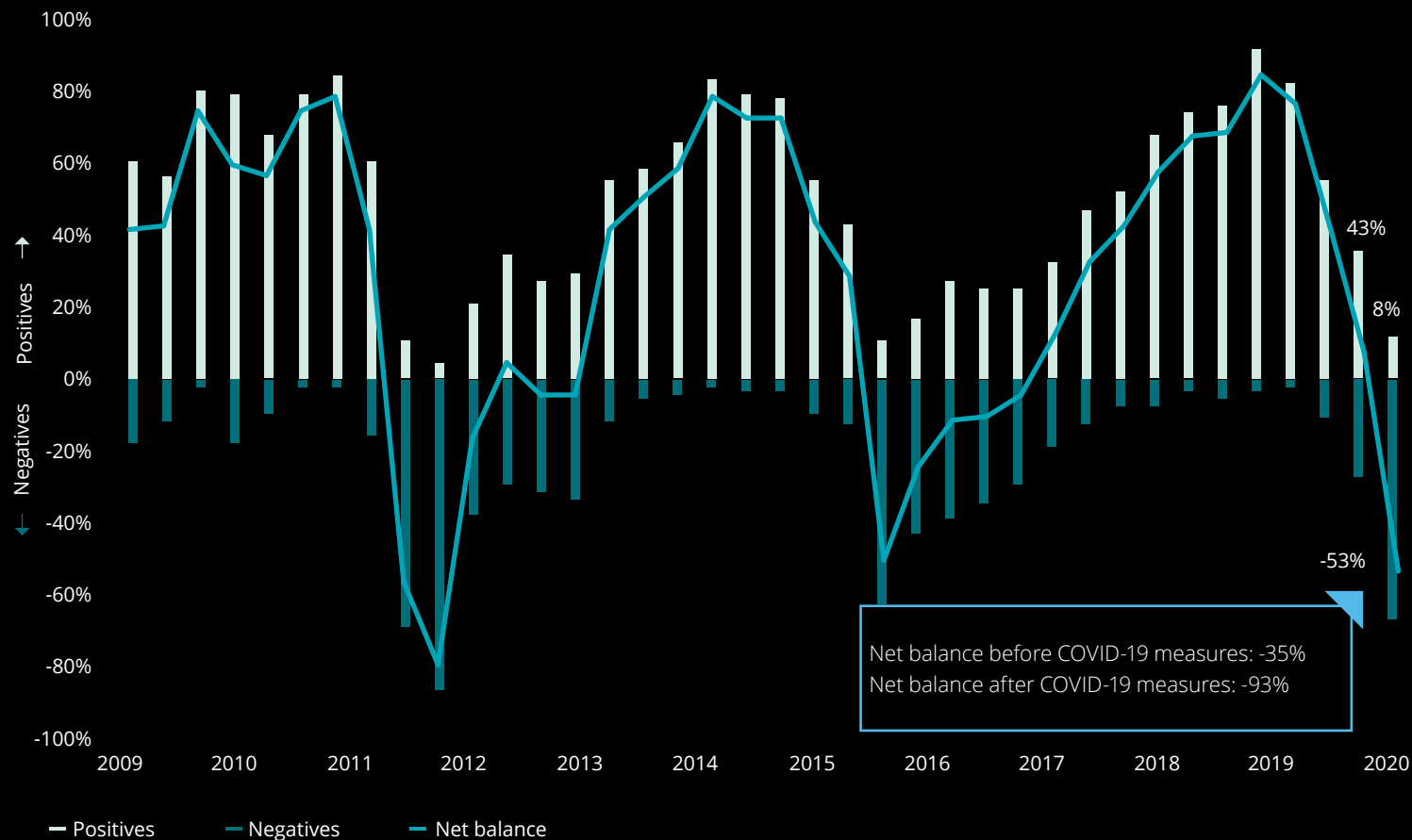
One of the peculiarities of the recovery that followed the last recession was that the number of transactions did not increase, while prices soared. Competition therefore became even fiercer, which led traditional funds to turn to larger and less risky transactions. High-quality assets in straightforward transactions therefore fetched record prices. And this has been the case for the past three or four years.

A few weeks ago, we could legitimately ask ourselves if this trend could continue: there was no reason to think that the trend would reverse in an environment of ever-lower interest rates, with readily available and abundant debt and a lot of available cash. We thought that a market correction was possible, but what has occurred with COVID-19 is unexpected and unprecedented in nature. Will the world of private equity change? Yes, and radically. Companies will suffer and will be restructured, and valuation multiples will certainly come down. To what extent? It's too early to tell: there is currently too much uncertainty about how long the crisis will last and what impact it will have on the economy. We are witnessing the shutdown of swathes of the economy and lockdowns of people in many countries. This

is a highly unlikely recession scenario, for which no business was prepared. M&A transactions have continued in recent weeks and financial institutions continue to lend, but that may not last if market visibility does not return soon. Indeed, no one can say if the economy will recover quickly or if we will suffer a recession like that of 1929. Today the world is flying blind, and the lack of visibility is the biggest question mark – more than corporate valuations or liquidity. There will clearly be attractive restructuring opportunities, as in all other crises, but that time is not yet here. Some sectors will be more directly affected than others, such as transport and tourism, retail and consumer goods, which are already hard hit. The sectors we focus on and that offer sustainable long-term growth, such as healthcare, should suffer less or even emerge stronger, but it is too early to say for sure. The impact could also be significant if the counterparties and the entire ecosystem needed to run a business are deeply affected."

After the boom, the lights turn to amber

CFO Confidence Index ¹



The economic outlook is collapsing

The latest Deloitte CFO Survey showed that the net balance of CFOs taking a positive/negative view of the Swiss economic outlook for the next 12 months has slumped in 2020 and is reminiscent of the shock from the strong franc in 2015 that followed the removal of the exchange rate floor against the euro. The net balance reached a record low of -93% after the Federal Council announced restrictive measures to combat COVID-19 on 13 March 2020.

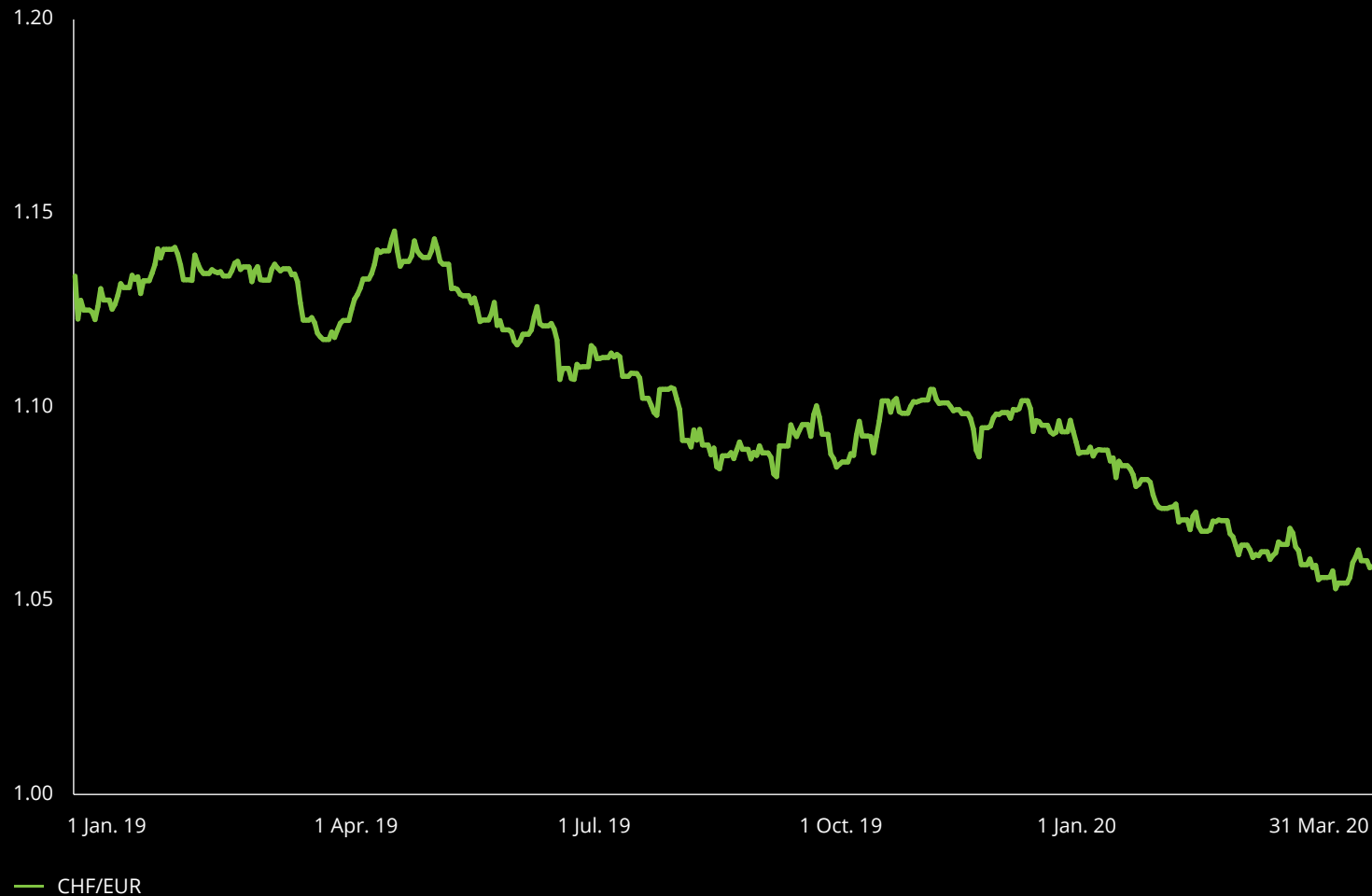
Owing to the COVID-19 crisis, expectations of recession in the next two years are skyrocketing among Swiss CFOs, both for Switzerland and for the USA, the euro area and the UK. At the same time, however, it appears that Swiss firms are better equipped than companies in other countries to face the crisis, with a healthy national budget and encouraging government assistance measures. A swifter recovery therefore seems possible for Switzerland.

* Before and after relates to 13 March 2020, when the Federal Council introduced restrictive measures to combat COVID-19 in Switzerland

¹ Deloitte CFO Survey, April 2020

After the boom, the lights turn to amber

CHF/EUR exchange rate ²



² Capital IQ

Continued appreciation by the Swiss franc

After an eventful 2018 for the Swiss franc, when CHF/EUR fluctuated between the 1.20 ceiling abolished in January 2015 and 1.13 at year-end, 2019 saw gradual appreciation of the franc versus the euro from the second quarter of 2019 onwards. CHF/EUR ended the year at a low of 1.08.

The franc came under further pressure after the USA included Switzerland in its list of currency manipulators in January 2020, which had the effect of increasing the franc's appreciation potential. The current global COVID-19-induced crisis has also had the effect of strengthening the Swiss franc, forcing the SNB to intervene massively on the foreign exchange market to limit its appreciation.

However, the latest Deloitte CFO Survey indicates that Swiss companies have grown more resilient against Swiss franc appreciation since 2018. On average, companies could tolerate a rate as low as CHF/EUR 1.03, compared with 1.05 two years ago.

After the boom, the lights turn to amber

Deloitte Small & Mid Cap Index (2007–2019) ³



Valuation multiples are on the rise

After a drop in valuation multiples in 2018, Deloitte Small & Mid Cap Index multiples have started to rise again amid buoyant stock markets.

A median EV/EBITDA of 9.0x is equal to the highest level recorded by this study (2017), while the median EV/sales (0.89x) has also started to rise, albeit still well below record figures.

The acquisition multiples of unlisted European companies (median EV/EBITDA) in the fourth quarter of 2019 (6-month rolling) set a new record, at 10.3x. This is the 5th consecutive quarter above 10.0x. This index is driven up by strategic buyers, with a multiple of 10.7x, while prices paid by financial buyers are more cautious, albeit still high, at 10.0x. ⁴

The valuation multiple for listed European mid-market companies in the fourth quarter of 2019 was 8.6x. This represents an increase versus the previous quarter (8.4x) and the fourth quarter of 2018 (8.0x). ⁵

The stock market turmoil, lower corporate earnings expectations for 2020 and uncertainty linked to the timing, scale and speed of the recovery from the COVID-19 crisis is expected to cut company valuations and materially reduce transaction multiples in 2020.

³ Capital IQ

⁴ Argos Mid-Market Index, Argos Wityu, February 2020

⁵ Eurozone Mid-Market listed companies, Argos Wityu, February 2020

Outlook for 2020

According to the Swiss State Secretariat for Economic Affairs (SECO), Switzerland recorded GDP growth of +0.9% in 2019, compared with 2.8% in the previous year.¹ After some good years, the Swiss economy is therefore falling back to the low levels of growth observed in 2015 and 2016. Certain macroeconomic and geopolitical concerns that dominated 2019 came to an end in early 2020, with the signing of a trade agreement between the USA and China, and the UK's official exit from the European Union on 31 January 2020. The optimism regarding the global economy that followed these events was only short-lived, however, due to the recent spread of COVID-19 worldwide. Risks to health quickly turned into a threat to the global economy and growth, hurting the financial, oil and currency markets and leading to lockdowns for almost half the world's population, the closure of various borders and shutdowns of several industries.

The Federal Government's Expert Group for economic forecasts expects Switzerland to fall into recession in 2020 with a 1.3% drop in GDP, which it attributes to the COVID-19 outbreak and the temporary halt in activity in certain parts of the economy. Interruptions to supply chains caused by the suspension of production and by distribution problems, restrictions on the movement of people and the direct impact on health are all challenges for 2020. Provided the epidemiological situation stabilises, the economy might gradually recover from the second half of the year onwards. This would translate into strong GDP growth in 2021, estimated at 3.3%, but SECO emphasises that the uncertainty in the forecasts is extraordinarily high at present and that it is currently impossible to assess the extent of the spread of

COVID-19 and how it will change over time. Overall, SECO expects that exports will decline sharply in 2020 for the first time since 2009. A fall in private consumption is expected for the whole of 2020, companies will probably have to severely restrict their investments and reduce headcount, and unemployment is likely to increase considerably. These forecasts are sensitive, however: the expected downturn in 2020 could be more pronounced if COVID-19 spreads more strongly than expected, if more drastic measures to protect the population are prolonged and if stricter restrictions on economic activity are implemented. In addition, there are other existing economic risks that are accentuated by the spread of COVID-19. In particular, the high indebtedness of certain countries and companies could reinforce threats to the stability of the financial system if the pandemic leads to an increase in liquidity problems and failures of lending.¹

The global M&A market in value approached its historic high in 2019, driven by domestic US mega-deals. Figures from the rest of the world are lacklustre: there has been a drop in the number of transactions generally and in cross-border transactions, dragged down in part by trade tensions between the USA and China. Of course, this must be placed in the context of a record year in 2018. In the USA, the dynamism in 2019 was buoyed by good growth in the country and low interest rates. It is also a rule of thumb that pre-election years tend to be conducive to M&A transactions, given uncertainty over the post-electoral regulatory environment.



¹ SECO – Swiss State Secretariat for Economic Affairs, March 2020

Outlook for 2020

The downturn in domestic and outbound transactions observed in Switzerland this year is due to the global environment and latent international tensions. The record level of inbound transactions indicates that Swiss SMEs remain an attractive source of growth for foreign buyers, despite the strong Swiss franc, which could come under continued pressure with the currency market volatility brought about by COVID-19. Swiss companies are highly dependent on the global economy and so may take longer to benefit from the post-COVID-19 recovery. In addition, the motion “Protect the Swiss economy by controlling investments”, aimed at creating a body to oversee takeovers of Swiss companies by foreign capital, was adopted by the National Council on 3 March 2020. This could add uncertainty to the Swiss market, although the Federal Council has stated its opposition to the motion.

M&A activity in 2020 could suffer from the COVID-19 outbreak and the threat it poses to the global economic outlook. After normalisation of the M&A market in 2019, activity in Switzerland and the rest of the world in 2020 remains subject to the risks of a recession linked to COVID-19. Sales transactions in progress could be temporarily placed on hold or postponed to later in the year given the downturn in performance of companies at the start of this year and the reduction of company valuations resulting from the free fall in the stock markets. The uncertainty over the timing of the post-COVID-19 recovery and over its scope and speed is also likely to also weigh on company valuations, whose prospects will be uncertain for much of 2020. The consumer durables,







cyclical industrial goods, tourism, leisure, hotel and restaurant, sport, oil and transport sectors are already directly impacted and are likely to struggle for months to come. The competitive environment in certain sectors under pressure could be redrawn, and consolidation is conceivable. It is a safe assumption that the number of transactions will be materially lower in 2020. However, we believe that companies that are still well-capitalised or private equity funds with high liquidity could take advantage of the fall in valuations to complete transactions. Interest rates and financing conditions remain favourable, as confirmed in particular by the Fed’s key rate cut of 15 March 2020, in concerted action with the other major central banks. At the same time, the emergency plans of these same institutions came thick and fast, with public and private debt buy-back programmes to support the economy, relieve banks and encourage them to maintain lending to households and businesses. The Federal Council’s business assistance programme could help companies get through this difficult period. However, if they default on their loans, then bank balance sheets could suffer significantly. Mergers and acquisitions will then depend on financial institutions’ appetite for funding transactions in a more than uncertain environment. However, the “dry powder” held by investment funds, although currently still high, could be placed on ice amid the chill that COVID-19 has cast on the global economy. This could slow down the financing activity of private equity funds: they could be more cautious with a diminished appetite for new investments if their performance suffers from the consequences of COVID-19 this year.



¹ SECO – Swiss State Secretariat for Economic Affairs, March 2020

Terminology and methodology

The transactions analysed in this survey are segmented as follows:

Transactions		Buyers	Targets
Domestic	Covers all acquisitions of SMEs in Switzerland	 Swiss companies of all sizes	 Swiss SMEs
Inbound		 International companies of all sizes	 Swiss SMEs
Outbound	Illustrates the appetite of Swiss SMEs for international acquisitions	 Swiss SMEs	 SMEs

Scope of the survey

- The survey relates exclusively to Swiss small and medium-sized enterprises (SMEs).
- To belong to the SME segment according to Deloitte's definition, a company must satisfy three criteria: sales of more than CHF 10 million, fewer than 250 employees and capitalisation (transaction value) of between CHF 5 million and CHF 500 million.
- The geographical location and the sector are determined by the location and the main area of business of the target company (unless stated otherwise).
- The transactions analysed took place between 01/01/2019 and 31/12/2019.

Sources and databases used in the survey

- Mergermarket database, reprocessed by Deloitte.
- Deloitte proprietary databases (Deloitte M&A databases).
- Swiss economic press.
- Capital IQ ¹ and SIX Swiss Exchange.

¹ Important notice regarding information from Capital IQ: This document may contain information obtained from third parties, including rating agencies such as Standard & Poor's. The reproduction and distribution of third-party content in any form is prohibited without the prior written permission of the third party concerned. Third-party content providers do not guarantee the accuracy, completeness, up-to-dateness or availability of all information, including ratings, and are not liable for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such content. ANY THIRD-PARTY CONTENT PROVIDER MAKES NO EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. THIRD-PARTY CONTENT PROVIDERS ARE NOT LIABLE FOR ANY DIRECT, INDIRECT, INCIDENTAL, COMPENSATORY, PUNITIVE, SPECIAL OR CONSEQUENTIAL DAMAGES, FEES, LEGAL COSTS OR LOSSES (INCLUDING FORGONE PROFITS AND OPPORTUNITY COSTS OR LOSSES CAUSED BY NEGLIGENCE) IN CONNECTION WITH THE USE OF THEIR CONTENT, INCLUDING RATINGS. Credit ratings are statements of opinion and are not facts or recommendations to buy, hold or sell securities. They do not address the suitability of the securities or the adequacy of the securities for investment purposes and must not be used as investment advice.

Terminology and methodology

Transactions selected for the survey

- If the financial information is public: majority transactions with a transaction price of between CHF 5 million and CHF 500 million of companies with sales in excess of CHF 10 million.
- If financial information is not disclosed: majority transactions where the target company has an estimated value of between CHF 5 million and CHF 500 million and estimated sales in excess of CHF 10 million.
- Transactions not selected: joint ventures where the only contribution asset is cash; real estate and transactions limited to land, buildings, portfolios or sale and leaseback arrangements; equity carve-outs; acquisitions of options or warrants; acquisitions of brands, rights and/or licences; acquisitions of individual assets and/or portfolios of assets; on-sales/subsequent sales/back-to-back transactions that are cross-conditional; share buybacks; equity placements where the interests of shareholders remain the same; and internal restructurings where the change of control does not meet the inclusion criteria.

Deloitte Mid & Small Caps Index

- Index developed by Deloitte (65 companies listed as mid and small capitalisations on the SIX Swiss Exchange and included in the SPI19 index as at 31 December 2019), measuring changes in valuations of SMEs listed in Switzerland.
- Measures the enterprise value to sales (EV/sales) and enterprise value to earnings before interest, tax, depreciation and amortisation (EV/EBITDA) multiples.
- The following are excluded from the index: financial companies, biotechnology companies and companies holding only financial investments.
- The EV/sales and EV/EBITDA multiples are based on a consensus of analysts regarding sales and EBITDA forecasts for 2019 (source: Capital IQ).

Transactions undertaken by private equity investors







The private equity transactions category refers to all majority transactions undertaken by investment funds resulting in a change of control of the target company.

Additional notes

- As legislation is more flexible than in other western countries, unlisted Swiss companies disclose little information regarding their financial statements.
- The M&A market in the Swiss SME sector differs from other European markets in the limited amount of information available on transactions, including the size of acquisitions, sales and EBITDA multiples of target companies, etc.
- Statistically, data on prices or transaction multiples are unavailable for 70% of transactions in the period under review, highlighting the lack of public information in this sector.
- In addition, the Swiss small and mid-cap sector is not extensively covered by financial analysts.

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