



# Quarterly Brief

**Capital market data as of  
31 December 2024**

24<sup>th</sup> Edition of our International  
Valuation Newsletter  
Q4 2024

**January 2025**  
[kpmg.ch/valuation](https://kpmg.ch/valuation)

# Preface

Dear reader,

The last quarter of 2024 rounded off a year of remarkable technical breakthroughs as evidenced by Google's new quantum computer and SpaceX's success in recapturing its Starship rocket. Together with the continued success rally of artificial intelligence (prominently displayed with Nvidia's stock return of 171% by year-end), these developments, may have contributed toward the NASDAQ soaring to a new all-time high of 43,000 points in October.

2024 was a pivotal election year. In the fourth quarter Donald Trump secured his re-election as the 47<sup>th</sup> president of the United States. However, the political scene also witnessed several unexpected changes towards the end of the year: In Germany, Chancellor Olaf Scholz lost the vote of confidence, leading to the dissolution of his coalition. In France, the political landscape was shaken as Emmanuel Macron's government failed to secure support for its proposed reforms leading to a call for early elections. The year ended with a significant turn of events in the Middle East, as the Assad regime in Syria was overthrown after 25 years, leaving the nation with a mix of hope and uncertainty for the future.

According to Copernicus Climate Change Service (C3S), 2024 was the first year during which the average global temperature exceeded the 1.5C threshold set in the Paris Agreement. Extreme weather events like Hurricanes Milton and Helene or the floods in Valencia in the last three months affected people globally.

In other news, Notre Dame's bells rang out for the first time since the disastrous fire in 2019, Rafael Nadal ended his career after 23 years and 22 Grand-Slams titles, Taylor Swift concluded her record-breaking Eras Tour with USD 2.1 billion in ticket sales and "brat" was named as word of the year.

We are pleased to present another edition of our Quarterly Brief, a publication that offers objective market data, which will keep readers abreast of the latest developments in the relevant financial markets.

In Appendix I and II, we present valuation multiples for 14 sectors represented on the Warsaw Stock Exchange and related macroeconomic data.

We wish you all the best and look forward to discussing your questions regarding valuation trends and practices in 2025.

Yours faithfully



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We provide a selection of key financial market data covering:

- Comparison of major stock market performance for the 12 months ending 31 December 2024
- S&P Eurozone BMI Index sector multiples
- Risk-free rates for major currencies
- Country risk premiums and inflation forecasts for the BRICS countries

### Major stock market performance: US dominance and French crisis

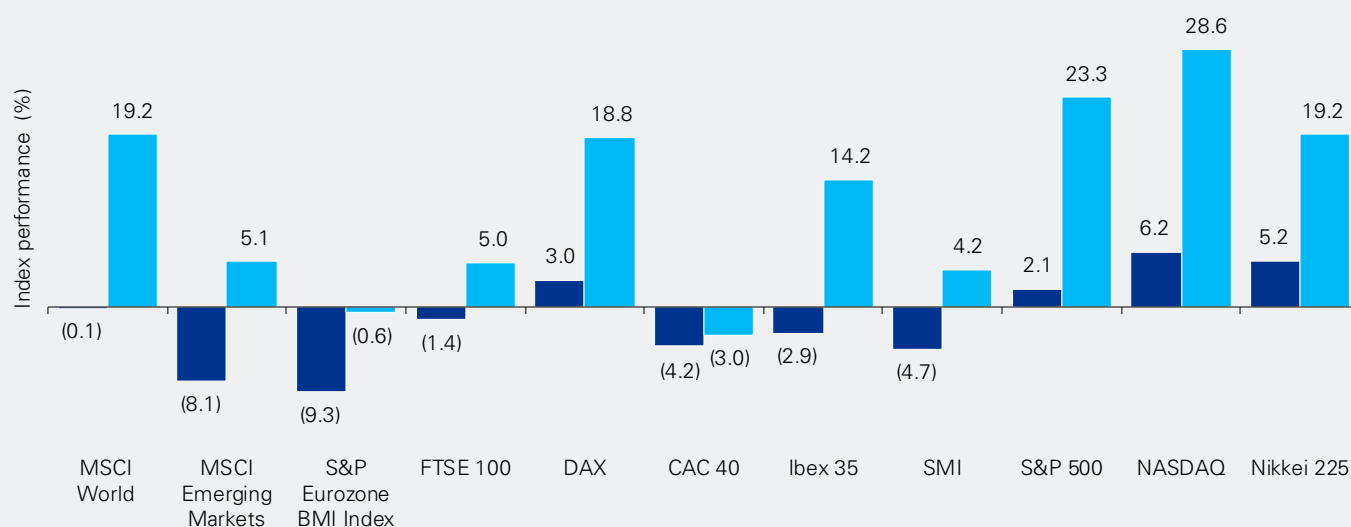
In 2024, leading global markets surged above or close to 20%, despite ongoing global challenges and geopolitical tensions. With 23.3% (S&P 500) and 28.6% (NASDAQ), US equities achieved the strongest performance driven by the continued

outperformance of tech stocks. Also, Japan's Nikkei 225, the German DAX Index, and the Spanish Ibex 35 stand out with 19.2%, 18.8%, and 14.2% year over year, respectively. In contrast, the French leading CAC 40 Index mirrors the country's political instability and shows an underperformance of (3.0)%. This also partly affects the S&P Eurozone BMI Index, with around one third of French constituents.

Looking at the quarter-on-quarter performance, the picture is mixed with several indices indicating an underperformance in the last three months. Most notably, negative returns in the Eurozone (-9.3%) and Emerging markets (-8.1%) reflecting a weaker quarter in countries like France and Spain but also tougher economic conditions in China compared to our last Quarterly Brief.

## Performance of leading indices

1 January 2024 - 31 December 2024



Source: Capital IQ

■ QoQ ■ YoY



## S&P Eurozone BMI Index sector multiples: Cooling down towards end of the year?

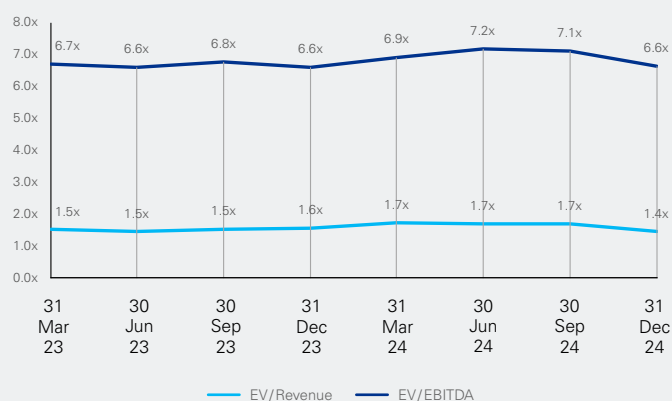
During the fourth quarter of 2024, EV/EBITDA multiples across all sectors covered have decreased slightly compared to the previous quarter. An exception of this trend is the Energy sector, which shows a multiple improvement compared to the last quarter. Compared to the prior year the EV/EBITDA multiple for the Eurozone Energy sector improved by 0.6x. This might be driven by preferable regulation adjustments in several European countries to account for increased operational and financial costs.

Also, investments in energy transition projects start to payoff for energy companies leading to improved financial results. However, it is important to note that this depends distinctly on the geography, and individual factors of each company. Therefore, it is necessary to evaluate each company's situation individually.

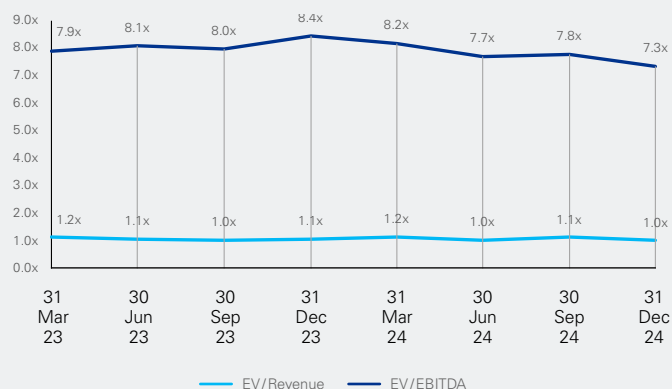
By comparison, the EV/revenue multiples have remained fairly constant compared to the previous quarter. This implies a direct link between revenue and the enterprise value anticipated by the market.



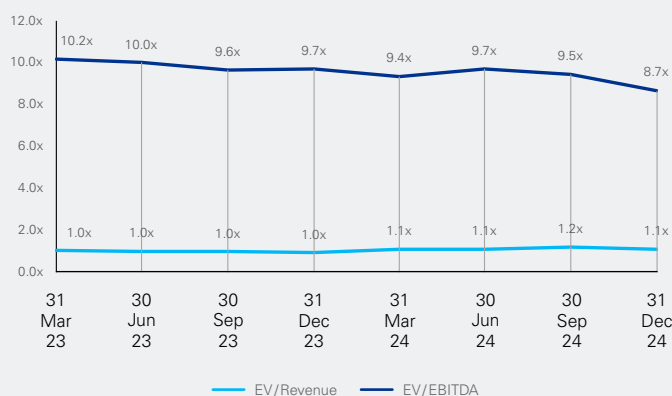
### Communication Services



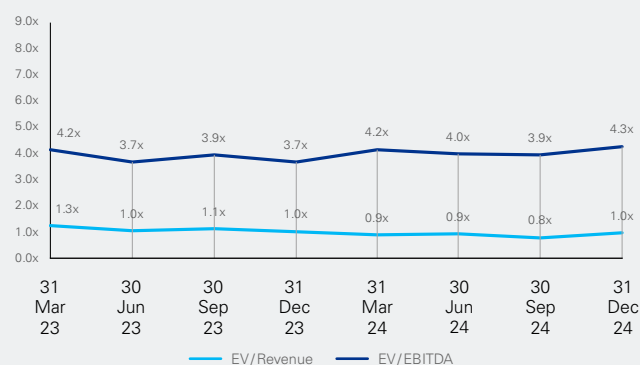
### Consumer Discretionary



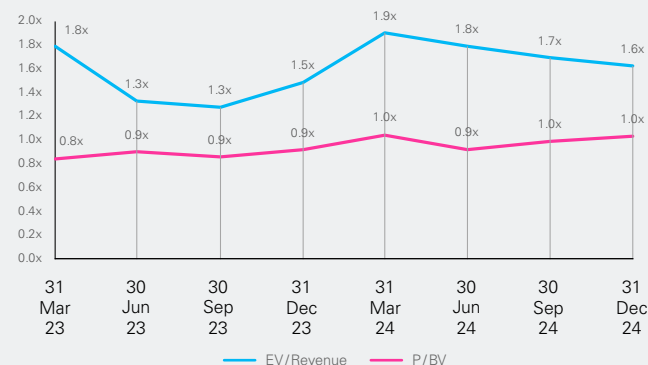
### Consumer Staples



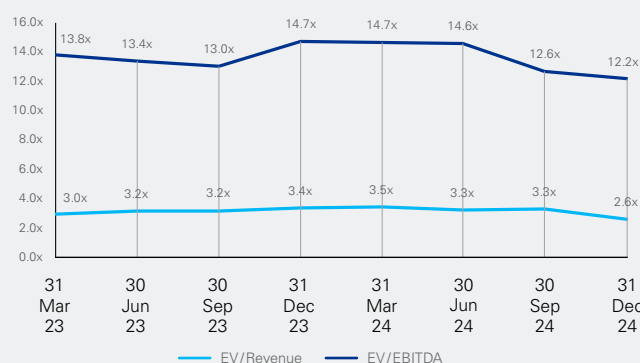
## Energy



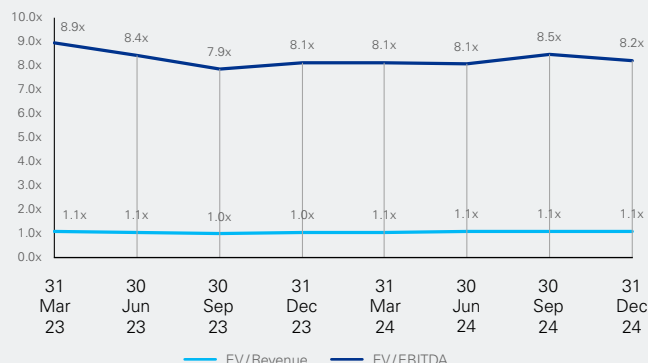
## Financials



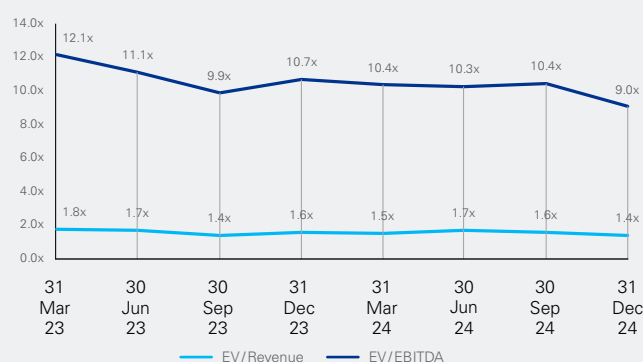
## Health Care



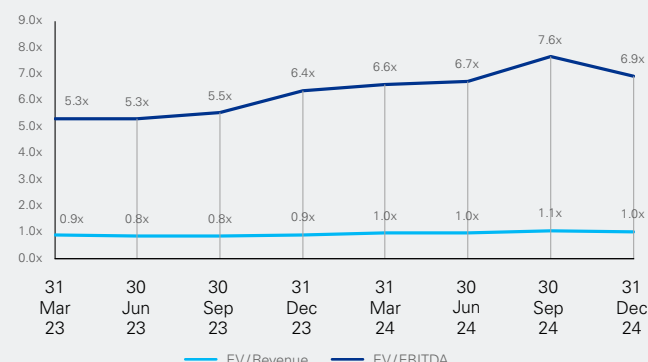
## Industrials



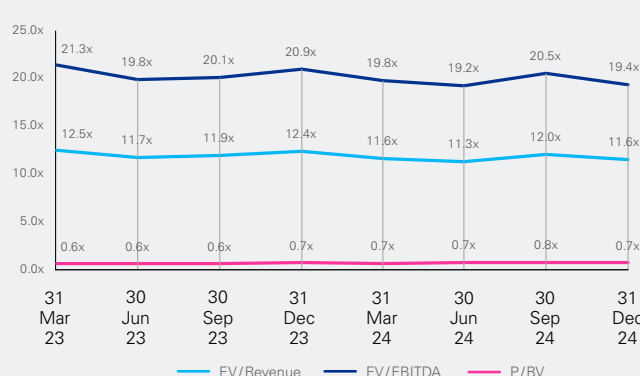
## Information Technology



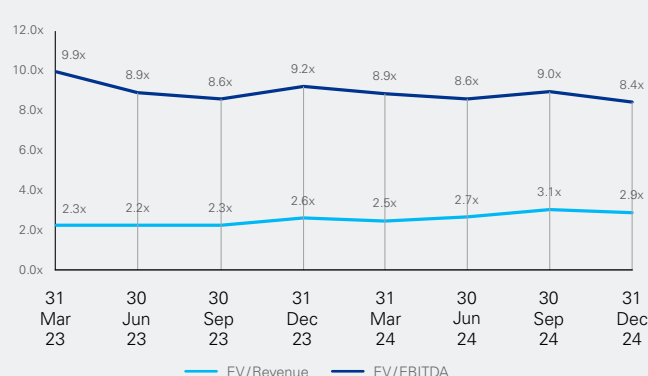
## Materials



## Real Estate



## Utilities








Source: Capital IQ, KPMG analysis

Note: Multiples are analyzed based on the latest information available as of the assessment date for the respective edition of the Quarterly Brief newsletter. Changes in index composition, revised financial information and newly available information as of the respective assessment date may cause multiples to change.

### Risk-free rates: Continued trend of policy rate cuts across major central banks

In general, major central banks implemented loosening monetary policy actions during the fourth quarter of 2024 in response to declining inflation aiming to support economic activity. Compared to the beginning of 2024, the SNB, European Central Bank, the US Federal Reserve and the Bank of England have lowered their rates by 125 bps, 135 bps, 100 bps and 50 bps respectively. However, towards the end of the year the FED indicated a reduction in rate cuts for 2025 due to slower progress in inflation reduction than anticipated.<sup>1</sup>

The reductions in the policy rates impact the risk-free interest rates determined by KPMG Switzerland. The individual interest rate trends are depicted in the table below. Conceptually, these interest rates are derived by KPMG Switzerland from a uniform yield curve that is based on observable policy rate parameters defined by central banks. As of 31 December 2024, the United Kingdom held the highest interest rate among major central banks, followed by the United States, the Eurozone overall, Germany specifically, and Switzerland.

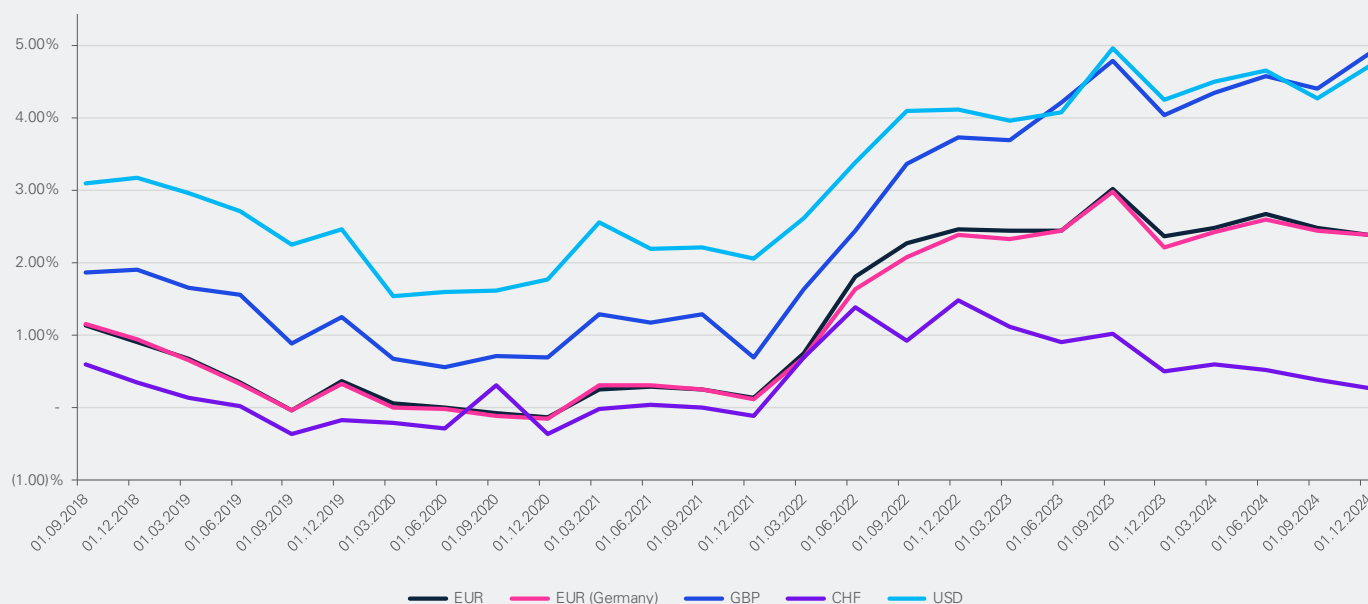
Risk-free rates						
	 EUR	 EUR	 GBP	 CHF	 USD	
30.09.2018	1.13%	1.15%	1.87%	0.61%	3.10%	
31.12.2018	0.90%	0.94%	1.91%	0.35%	3.17%	
31.03.2019	0.67%	0.65%	1.65%	0.15%	2.96%	
30.06.2019	0.35%	0.33%	1.56%	0.02%	2.71%	
30.09.2019	(0.03)%	(0.03)%	0.88%	(0.36)%	2.25%	
31.12.2019	0.37%	0.34%	1.25%	(0.16)%	2.46%	
31.03.2020	0.06%	0.01%	0.68%	(0.20)%	1.54%	
30.06.2020	0.01%	(0.02)%	0.56%	(0.29)%	1.60%	
30.09.2020	(0.08)%	(0.11)%	0.72%	0.32%	1.61%	
31.12.2020	(0.13)%	(0.14)%	0.70%	(0.36)%	1.78%	
31.03.2021	0.26%	0.32%	1.29%	(0.01)%	2.55%	
30.06.2021	0.29%	0.31%	1.17%	0.05%	2.20%	
30.09.2021	0.26%	0.25%	1.29%	0.00%	2.21%	
31.12.2021	0.14%	0.12%	0.70%	(0.10)%	2.05%	
31.03.2022	0.75%	0.69%	1.63%	0.70%	2.62%	
30.06.2022	1.80%	1.64%	2.45%	1.38%	3.38%	
30.09.2022	2.27%	2.07%	3.36%	0.92%	4.09%	
31.12.2022	2.47%	2.39%	3.72%	1.48%	4.12%	
31.03.2023	2.44%	2.32%	3.68%	1.11%	3.96%	
30.06.2023	2.45%	2.45%	4.20%	0.90%	4.07%	
30.09.2023	3.02%	2.97%	4.78%	1.03%	4.95%	
31.12.2023	2.37%	2.22%	4.04%	0.50%	4.24%	
31.03.2024	2.49%	2.42%	4.34%	0.61%	4.50%	
30.06.2024	2.68%	2.60%	4.58%	0.52%	4.65%	
30.09.2024	2.48%	2.44%	4.40%	0.38%	4.26%	
31.12.2024	2.39%	2.38%	4.89%	0.28%	4.71%	

Source: KPMG analysis

Note: Risk-free rates are determined as a present value-equivalent uniform interest rate based on the yield curve of the respective central bank (Svensson model)

<sup>1</sup> FOMC statement, 18 December 2024

## Risk-free rates over time



### Country risk premium: Dark clouds gathering over China

The factors influencing the country risk premium (CRP) in the BRICS countries remained mostly stable compared with the third quarter, with slight improvements for Brazil, India, South Africa and Egypt. An exception to this marks China, which shows an increase of 50 bps in CRP reflecting increased headwinds facing the country. Despite aggressive monetary easing, the housing crisis as well as reduced consumer consumption remain challenges for China. Going forward, new US tariffs announced by the Trump

administration are likely to increase pressure on the economic development of China.

For Iran, no meaningful CRP can be estimated due to its prevailing hyperinflationary economic environment. Being at the edge of default, no meaningful CRP can be obtained for Ethiopia, either.

### Country risk premium









	31.12.2023	31.03.2024	30.06.2024	30.09.2024	31.12.2024
<b>Brazil</b>	2.3%	2.2%	2.0%	2.4%	2.2%
<b>India</b>	2.3%	2.3%	2.2%	2.0%	1.9%
<b>China</b>	0.7%	0.7%	0.6%	0.5%	1.0%
<b>South Africa</b>	3.2%	3.2%	3.1%	2.9%	2.7%
<b>Egypt</b>	11.4%	11.6%	11.3%	10.6%	10.1%
<b>Ethiopia</b>	n/a	n/a	n/a	n/a	n/a
<b>Iran</b>	n/a	n/a	n/a	n/a	n/a
<b>United Arab Emirates</b>	0.6%	0.6%	0.5%	0.5%	0.5%

Source: KPMG CRP study  
Note: Based on a two-year analysis

## Growth rates: increasingly positive global growth outlook

Inflation forecasts are one of the typical indicators that can be used to assess the long-term growth rate for the terminal value calculation. The inflation rates for the BRICS countries are based on the Economist Intelligence Unit's inflation forecast for the years 2025 to 2029. The expected inflation can be measured through several parameters. For our presentation, we consider the GDP deflator. It is calculated as the difference between nominal and real GDP and measures the change in prices for all the goods and services produced in an economy.

For most BRICS countries, inflation expectations have only slightly changed compared to the September 2024 forecast. Notably, short-term inflation forecast for Egypt decreased as interest rate cuts of total 700 basis points are expected to take place in 2025 in order to counter the persistent double-digit inflation. However, disinflation will remain a challenge for the country, which is shaken by an ongoing cost-of-living-crisis. For China, signs of deflation in the upcoming years have manifested more clearer since our last edition of the Quarterly Brief. The People's Bank of China is expected to steer against deflation likely by cutting down interest rates further. In general, we see slight reductions in inflation expectations supporting the increasingly positive global growth outlook.

Inflation forecast					
	2025	2026	2027	2028	2029
 <b>Brazil</b>	4.3%	2.4%	2.5%	2.9%	2.7%
 <b>India</b>	3.0%	3.2%	2.3%	3.0%	2.6%
 <b>China</b>	(1.0)%	(0.7)%	0.4%	0.8%	0.7%
 <b>South Africa</b>	1.9%	3.0%	2.8%	2.9%	3.9%
 <b>Egypt</b>	4.6%	7.6%	7.3%	6.5%	7.5%
 <b>Ethiopia</b>	29.3%	19.6%	13.5%	9.8%	8.4%
 <b>Iran</b>	33.2%	26.5%	17.8%	17.7%	16.3%
 <b>United Arab Emirates</b>	(3.6)%	(1.6)%	(0.9)%	0.2%	(0.4)%

Source : Economist Intelligence Unit



## Appendix 1

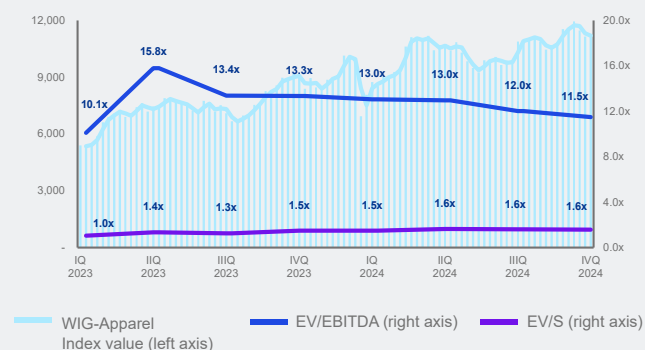
### Sector valuation multiples - Warsaw Stock Exchange

Calculations included over 170 entities listed on the Warsaw Stock Exchange in line with official sector classification. Dual-listed companies and entities with negative base (book value, earning or EBITDA) were excluded. Current edition presents data up to 31 December 2024.

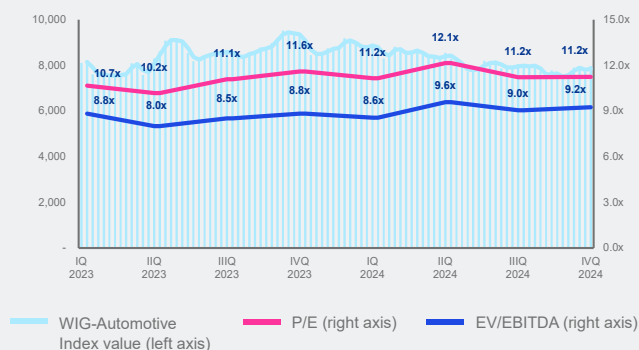
Note: KPMG's own analysis based on data from S&P Capital IQ, KPMG Digital Valuation tools and other publicly available databases. The methodology used to aggregate the multiples of the companies included in each sector index is to separately add the components of the multiples of all companies within a given sector and then divide the two totals by each other. The aggregation method described above tends to "smooth out" the sector results more than calculations based on the arithmetic average of the multipliers of individual participants in a given index, especially for indices consisting of a small number of entities.



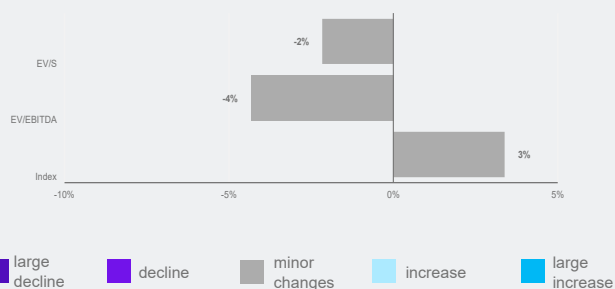
### Apparel<sup>1</sup>



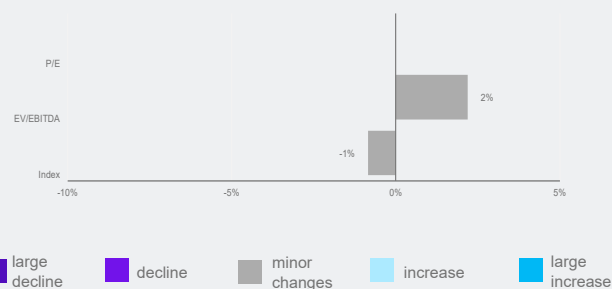
### Automotive



### Q/Q changes

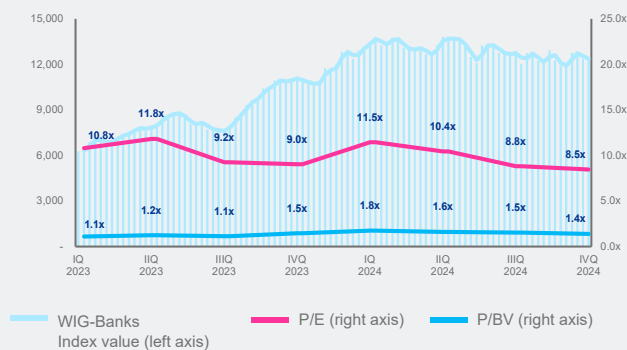


### Q/Q changes

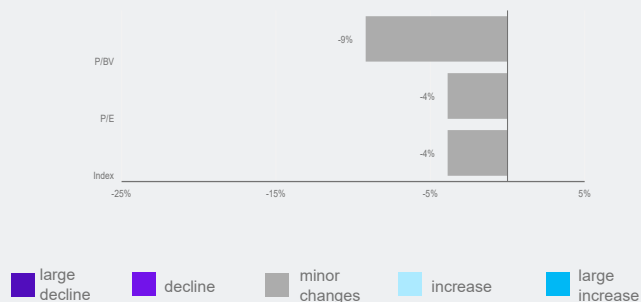


<sup>1</sup> In Q4 2024, 4Mass S.A. was incorporated into the WIG-Apparel Index following its initial public offering on the Warsaw Stock Exchange in December 2024.

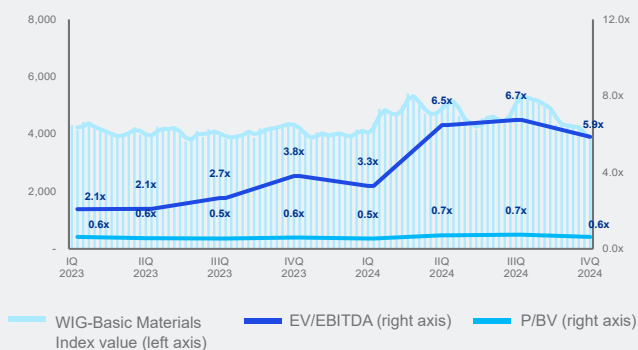
## Banks



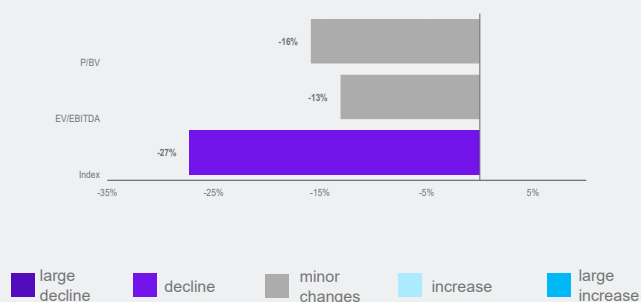
### Q/Q changes



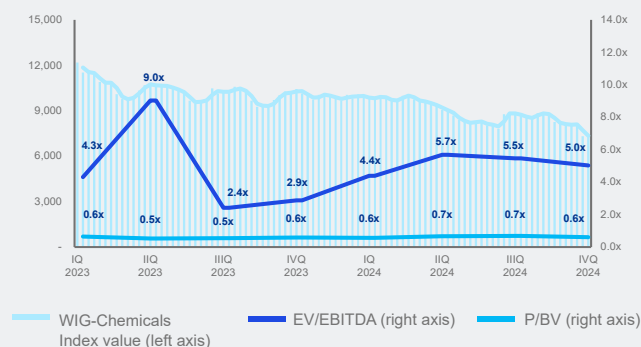
## Basic Materials



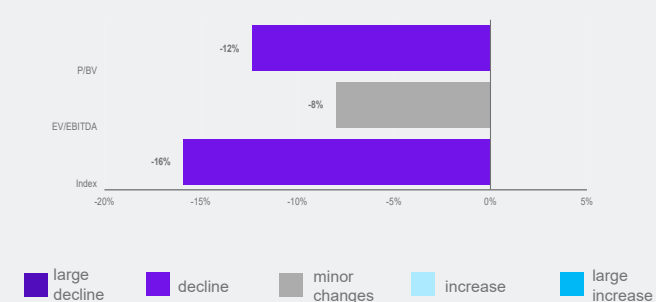
### Q/Q changes



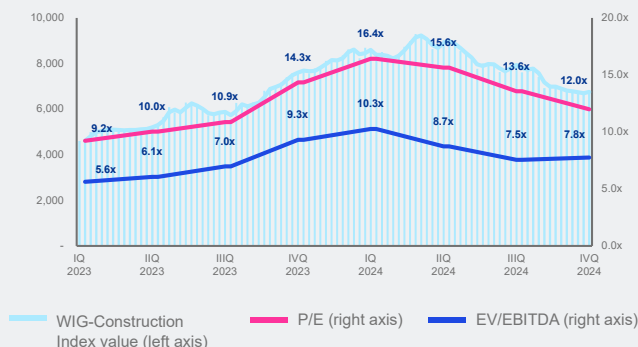
## Chemicals



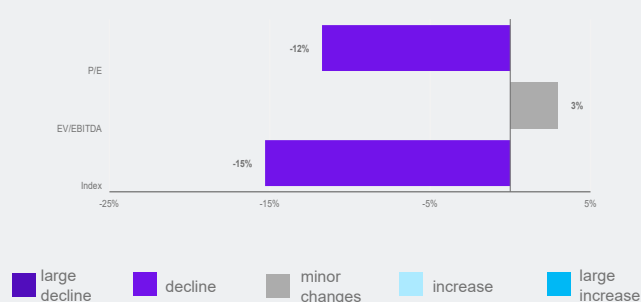
### Q/Q changes



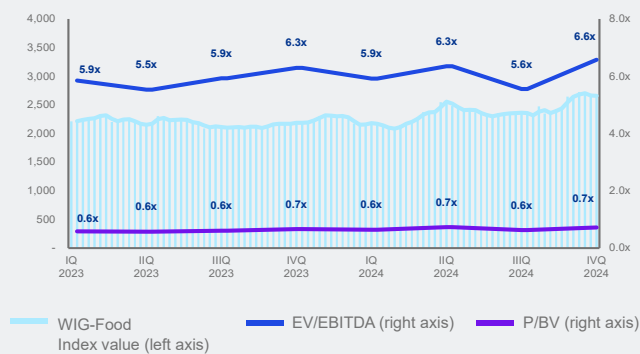
## Construction



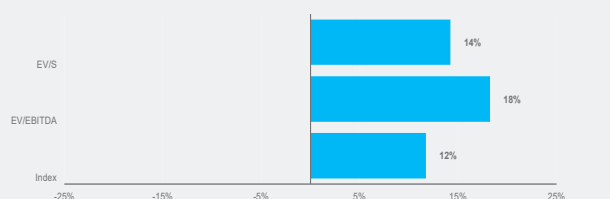
### Q/Q changes



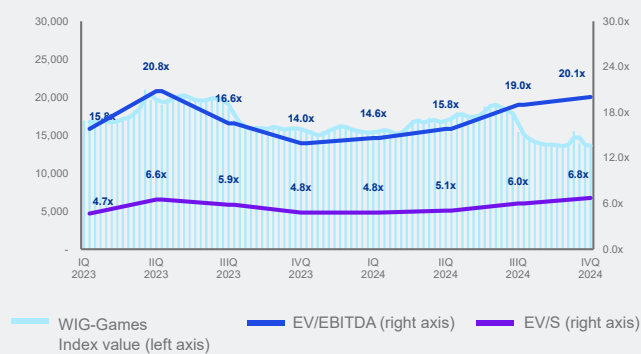
## Food



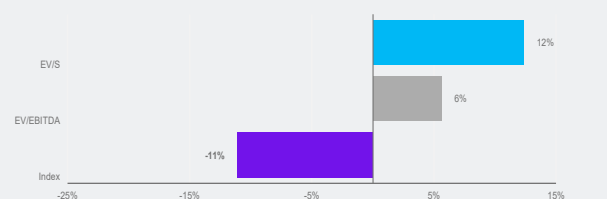
### Q/Q changes



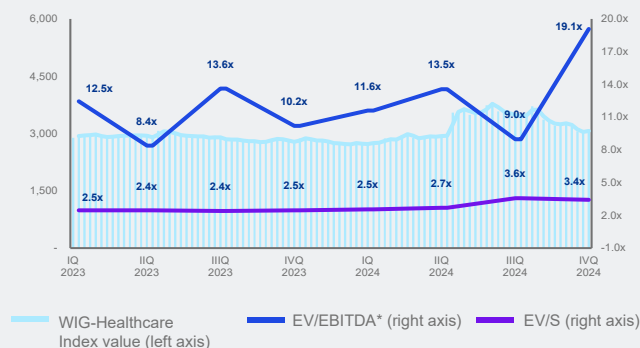
## Games



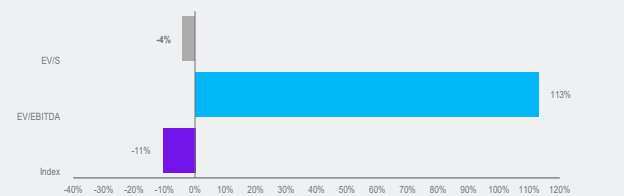
### Q/Q changes



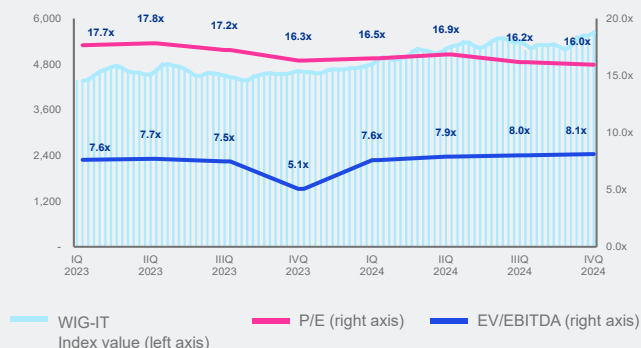
## Healthcare<sup>2</sup>



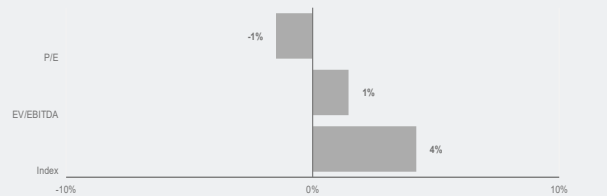
### Q/Q changes



## IT<sup>3</sup>



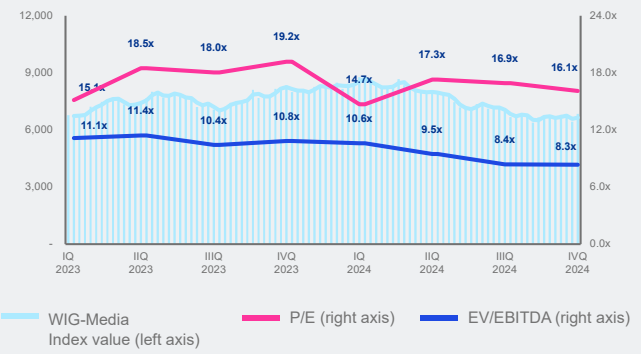
### Q/Q changes



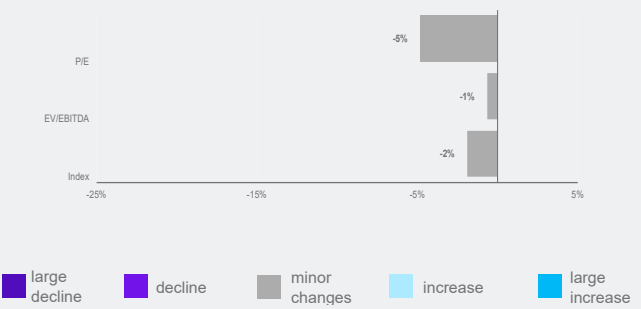
<sup>2</sup> The increase in the EV/EBITDA multiple is attributed to the inclusion of Celon Pharma S.A., which had previously been excluded from the analysis due to negative EBITDA results.

<sup>3</sup> In Q4 2024, Neptis S.A. was incorporated into the WIG-IT Index following its initial public offering on the Warsaw Stock Exchange in December 2024.

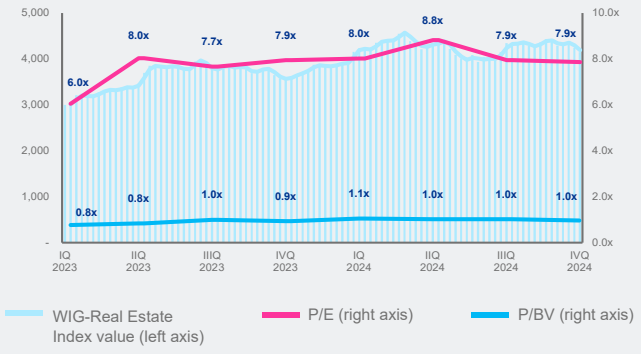
Media



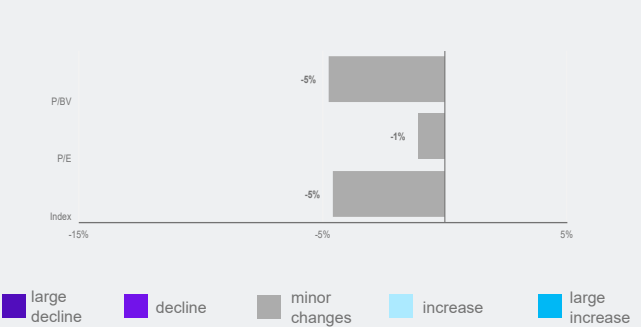
Q/Q changes



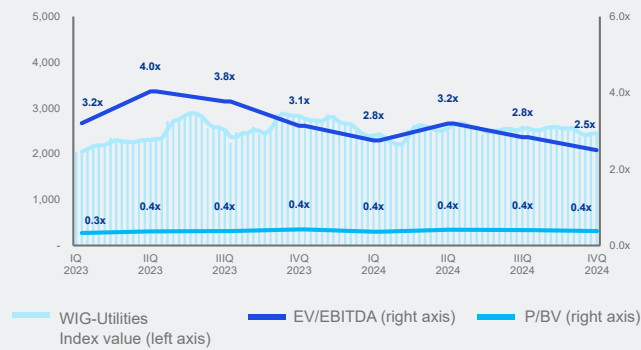
Real Estate



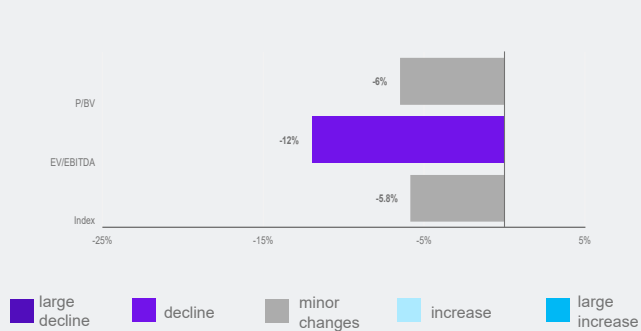
Q/Q changes



Utilities



Q/Q changes

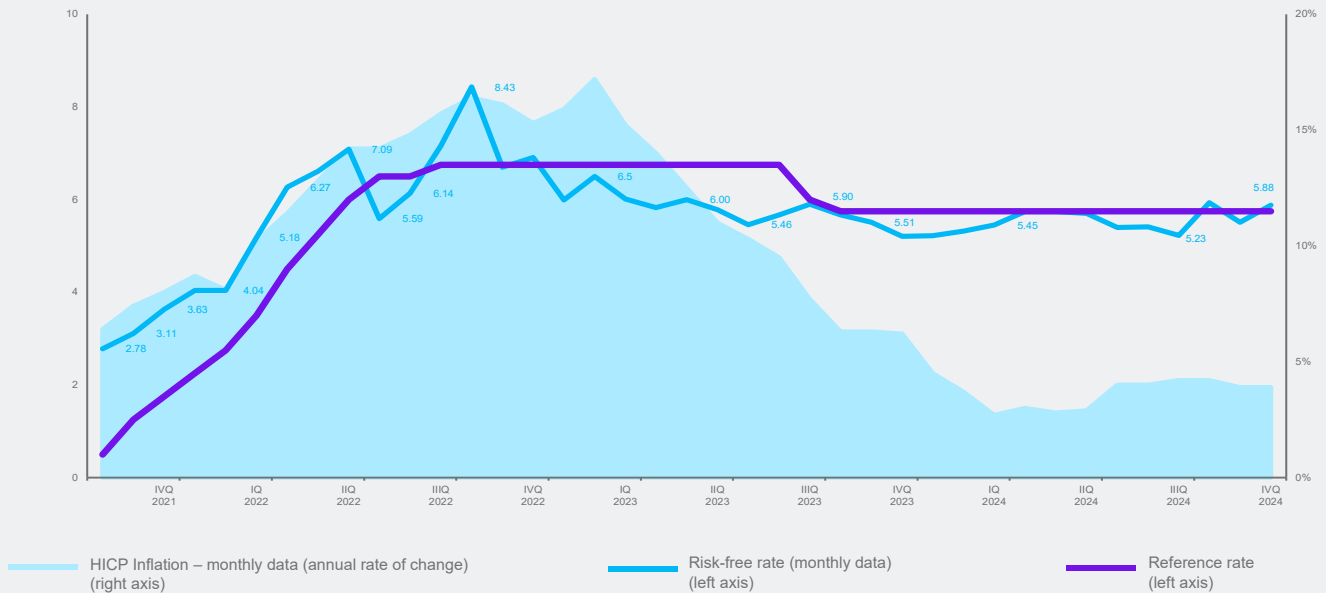




## Appendix 2

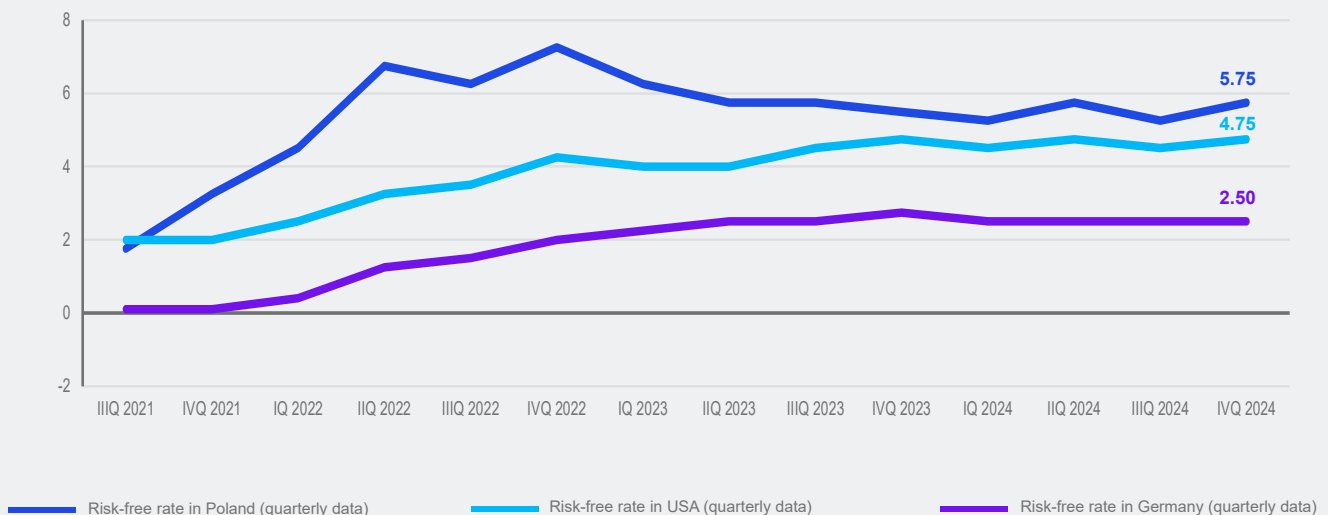
### Risk-free rate in Poland

## 10-year risk-free rate versus inflation and reference rates in Poland<sup>5</sup>



Source: KPMG's own analysis based on data taken from Digital Valuation tools and Eurostat database.

## Poland's 10-year risk-free rate compared to rates in other countries<sup>6</sup>



Source: KPMG's own analysis based on data taken from Digital Valuation tools.

<sup>5</sup> The risk-free rate under consideration in the KPMG analysis is based on yields on Polish 10-year sovereign bonds.

<sup>6</sup> The risk-free rates have been smoothed, including the averaging of three months of data and rounding the results to 0.25% (for values above 1%) and to 0.1% (for values below 1%) for comparison purposes.

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