



Quarterly Brief

**Capital market data as of
31 March 2025**

25th Edition of our International
Valuation Newsletter
Q1 2025

May 2025
kpmg.pl/wyceny

Preface

Dear reader,

The first quarter of 2025 has been marked by bold shifts in U.S. foreign policy, sweeping economic moves, and cultural events. In January, President Donald Trump issued Executive Order 14169, initiating a 90-day freeze on all U.S. foreign development assistance programs, aiming to reevaluate their alignment with American values and geopolitical interests.

In March 2025, the U.S. administration intensified its economic stance by imposing a 25% tariff on all imports from Canada and Mexico, along with a 20% tariff on imports from China. In response, both Canada and China announced immediate retaliatory measures. The move, positioned as part of a broader strategy to reduce the U.S. trade deficit, triggered concern across global markets and reignited fears of a renewed escalation in global trade tensions.

Meanwhile, Elon Musk continued to shape the narrative of American innovation. In March, his AI company xAI acquired the social media platform X in a \$45 billion all-stock deal, signalling a new era of AI-infused social media. Musk's short-term government role as head of the Department of Government Efficiency is set to conclude in May, in line with the 130-day rule which limits the duration of temporary federal appointments. Vice President J.D. Vance confirmed that Musk will continue as a senior advisor to the administration.

On the international stage, Bulgaria and Romania officially joined the Schengen Area in March, lifting land border controls and marking a significant step in EU integration. In Southeast Asia, tragedy struck on March 28 as a powerful 7.7 magnitude earthquake and a 6.4 aftershock devastated central Myanmar.

In cultural news, the 67th Grammy Awards were headlined by Beyoncé, who won both Album of the Year and Best Country Album for *Cowboy Carter*.

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.

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

Yours faithfully



Tomasz Wiśniewski
Partner, Deal Advisory,
Head of Valuation Team in CEE



Tomasz Regulski
Partner Associate, Deal Advisory,
Head of Valuation Team in Poland



Piotr Czapiewski
Associate Director, Deal Advisory,
Valuation Team



We provide a selection of key financial market data covering:

- Comparison of major stock market performance for the 12 months ending 31 March 2025
- 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: Strong uncertainties in U.S. and Japan

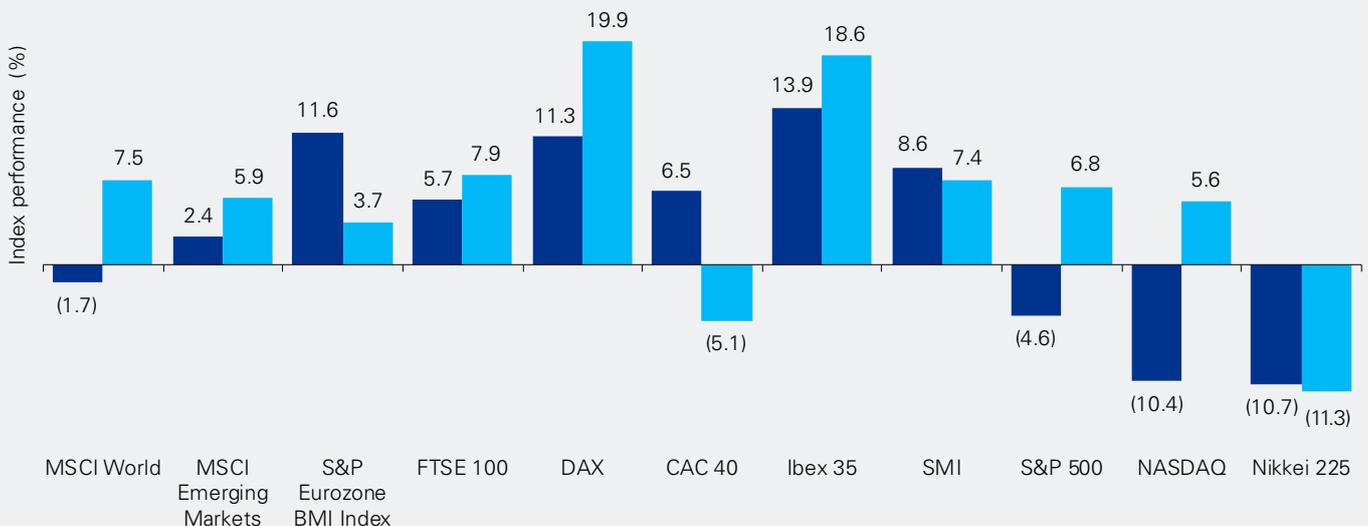
In 2025, the majority of leading global markets continued to deliver solid returns, with several indices recording double-digit gains despite ongoing geopolitical tensions and economic uncertainties. Germany’s DAX rose by 19.9% and Spain’s IBEX 35 gained 18.6% year-over-year, supported by resilient corporate earnings, easing inflation, and renewed investor optimism around a potential soft landing for the Eurozone economy.

In contrast, France’s CAC 40 underperformed, declining by 5.1% year-over-year, likely reflecting heightened political uncertainty and more cautious investor sentiment. The broader S&P Eurozone BMI posted a modest year-over-year gain of 3.7%. However, the strong quarter-over-quarter performance of 11.6% of the same indicates that the first quarter of 2025 was particularly robust, likely marking a rebound from the previous downturn.

U.S. markets showed more muted gains, with the NASDAQ up by 5.6% and the S&P 500 up by 6.8%, both year-over-year. Japan’s Nikkei 225 on the contrary registered a year-to-date return of (11.3)% and a quarter-over-quarter return of (10.7)%, marking a strong decrease compared to previous year and previous quarter as the weakening yen and global headwinds weighed on sentiment.

Performance of leading indices

1 April 2024 - 31 March 2025



Source: Capital IQ

■ QoQ ■ YoY

S&P Eurozone BMI Index sector multiples: Sector divergence amid gradual recovery

During the first quarter of 2025, EV/EBITDA multiples across most covered sectors continued to decline slightly compared to the previous quarter. One exception to this trend is the Energy sector, which showed an improvement in multiples, likely driven by stronger commodity prices and improved earnings visibility. The Materials sector is also showing a strong recovery, following a notable decline in the previous quarter. In addition, Communication Services, Consumer Discretionary, and Financials are beginning to rebound, supported by improving macroeconomic

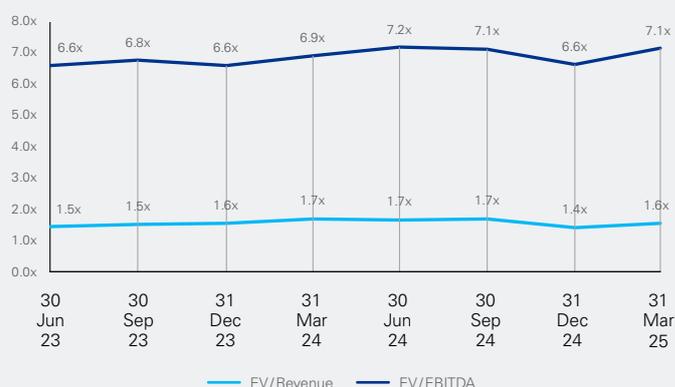
indicators, easing inflationary pressures, and growing investor confidence.

However, it is important to note that interpretation of developments in multiples depends distinctly on the geography, and individual factors of each company. Therefore, it is necessary to evaluate each company's situation individually.

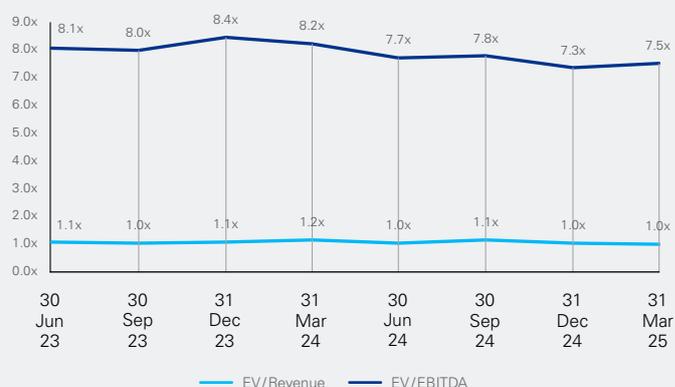
By comparison, the EV/revenue multiples have remained fairly constant compared to the previous quarter. This implies a direct link between revenue and the enterprise value anticipated by the market.



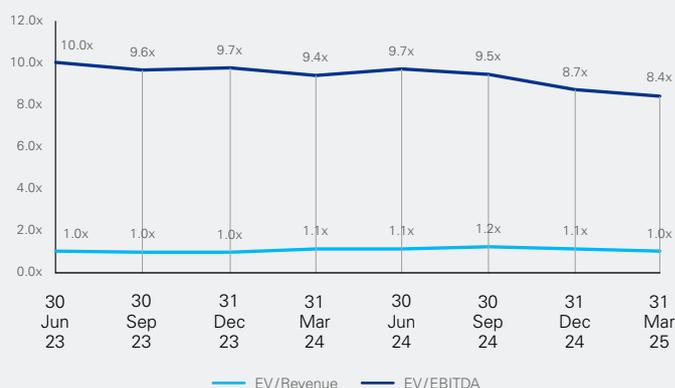
Communication Services



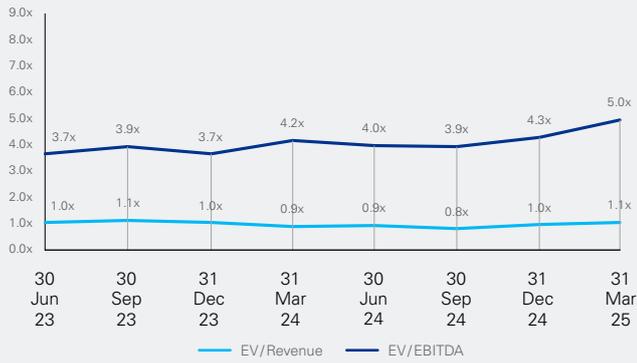
Consumer Discretionary



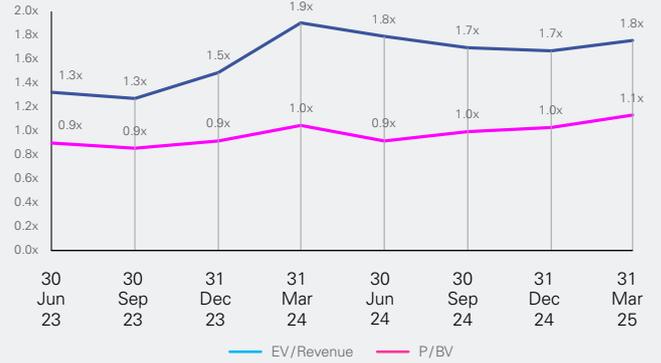
Consumer Staples



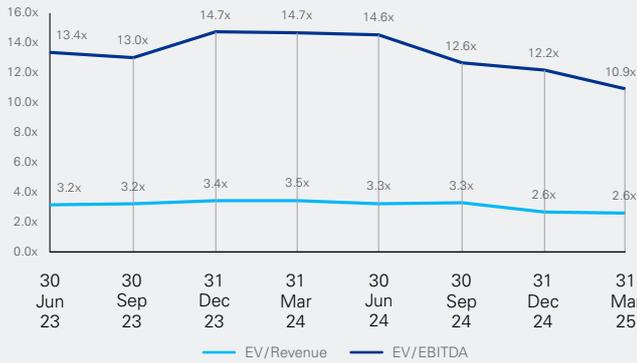
Energy



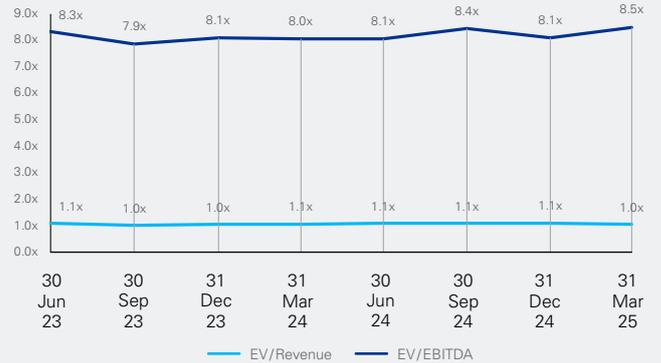
Financials



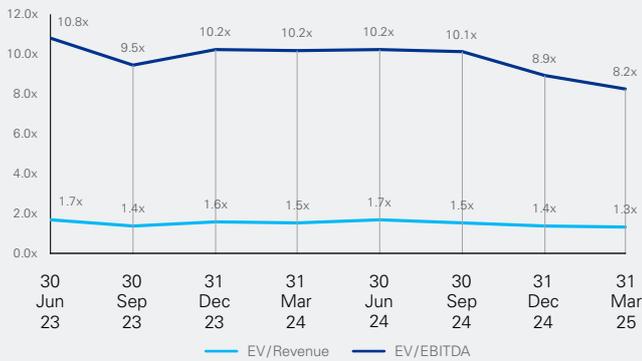
Health Care



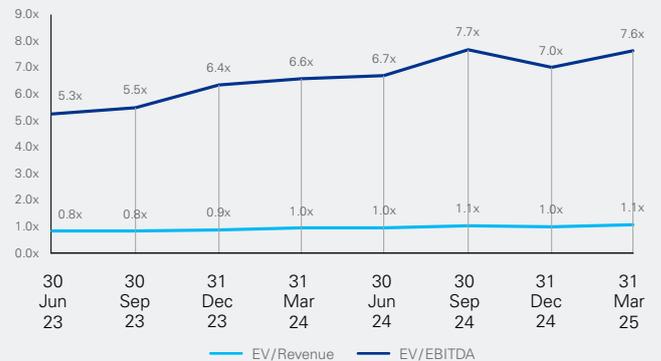
Industrials



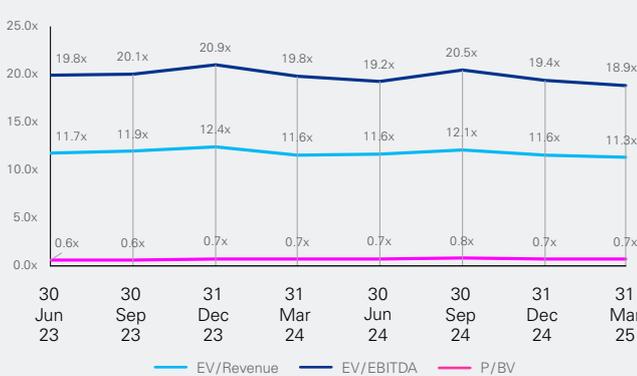
Information Technology



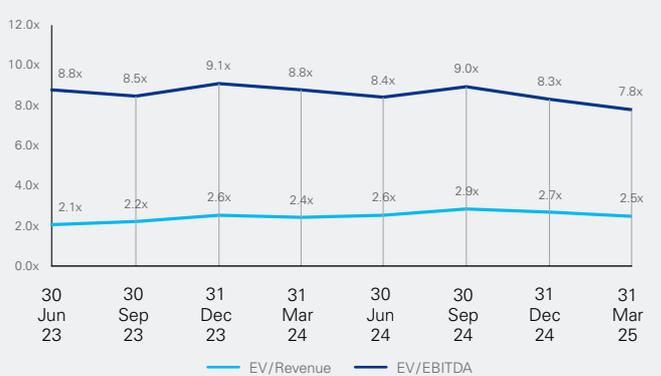
Materials



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: Easing moderates

In general, major central banks continued their easing cycle during the first quarter of 2025, albeit at a slower pace compared to 2024. From January to March 2025, the Swiss National Bank, the European Central Bank, and the Bank of England each implemented a 25bps rate cut, while the US Federal Reserve maintained its policy rate steady amid ongoing inflationary concerns and heightened uncertainty. This is in line with previous FED indications regarding reduced rate cuts in 2025, which were substantiated by slower than expected reduction in inflation.

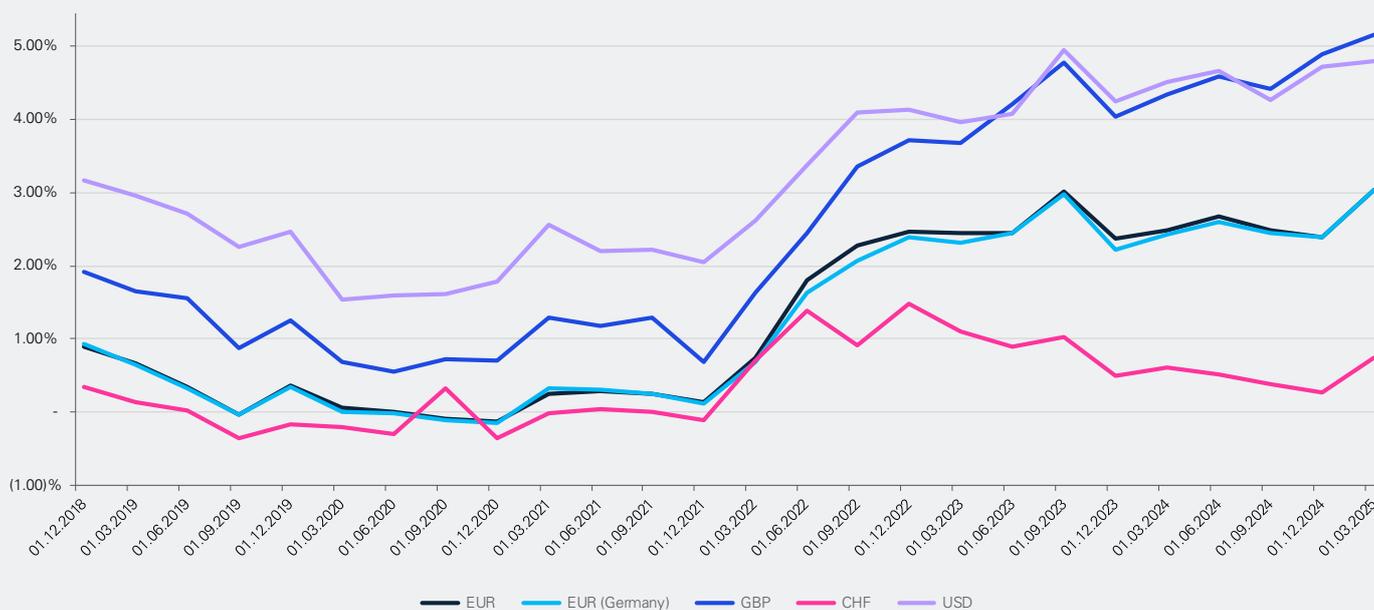
Policy rate changes impact the risk-free rates as determined by KPMG Switzerland. The individual risk-free interest rates determined by KPMG Switzerland are depicted in the table below. Conceptually, these interest rates are derived by KPMG Switzerland from a uniform yield curve that is based on observable policy rate parameters defined by central banks. As of 31 March 2025, 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	
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%	
31.03.2025	3.04%	3.03%	5.15%	0.74%	4.78%	

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)

Risk-free rates over time



Country risk premium: Gradual improvements

The factors influencing the country risk premium (CRP) in the BRICS countries remained mostly stable compared with the fourth quarter of 2024, with slight improvements observed in South Africa, the United Arab Emirates, and Egypt. These improvements reflect continued macroeconomic stabilization efforts and easing inflationary pressures in those regions. Meanwhile, India, Indonesia (which is a new addition to the BRICS countries as of 6 January 2025), and Brazil saw their CRP levels stabilize, supported by consistent monetary policy and resilient domestic demand. China registered a modest

improvement of 0.1%, driven by targeted fiscal stimulus and signs of recovery in the consumer and export sectors, though structural challenges in the property market persist.

A meaningful CRP for Ethiopia is unavailable due to heightened default concerns. For Iran, no meaningful CRP can be estimated due to its prevailing hyperinflationary economic environment.

Country risk premium

	31.03.2024	30.06.2024	30.09.2024	31.12.2024	31.03.2025
Brazil	2.2%	1.6%	2.4%	2.2%	2.2%
India	2.3%	1.7%	2.0%	1.9%	1.9%
China	0.7%	0.4%	0.5%	1.0%	0.9%
South Africa	3.2%	2.6%	2.9%	2.7%	2.6%
Egypt	11.6%	8.3%	10.6%	10.1%	9.6%
Ethiopia	n/a	n/a	n/a	n/a	n/a
Iran	n/a	n/a	n/a	n/a	n/a
United Arab Emirates	0.6%	0.4%	0.5%	0.5%	0.4%
Indonesia	1.7%	1.2%	1.5%	1.3%	1.3%

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 December 2024 forecast. Brazil's long-term inflation outlook has been stable, reflecting ongoing monetary stability and anchored expectations. South Africa's inflation path has shifted upward, driven by structural supply-side constraints and persistent cost pressures. Iran continues to face significant long-term inflationary risks, with upward revisions highlighting deep-rooted economic imbalances and currency volatility. Meanwhile, the United Arab Emirates is expected to experience less deflation over the forecast horizon, as domestic demand and investment slowly recover.

Inflation forecast						
	2025	2026	2027	2028	2029	
 Brazil	4.1%	4.1%	3.1%	3.1%	2.9%	
 India	2.5%	3.6%	2.3%	3.1%	2.8%	
 China	(0.4)%	-	0.1%	0.8%	0.8%	
 South Africa	4.3%	4.6%	4.8%	5.1%	5.3%	
 Egypt	5.9%	8.2%	7.1%	6.5%	6.9%	
 Ethiopia	12.9%	14.7%	12.5%	10.2%	8.7%	
 Iran	32.8%	29.9%	25.3%	22.9%	20.5%	
 United Arab Emirates	(2.6)%	(2.0)%	(0.8)%	0.3%	0.1%	
 Indonesia	1.1%	1.9%	2.0%	2.5%	2.1%	

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 March 2025.

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 multiples of individual participants in a given index, especially for indices consisting of a small number of entities.

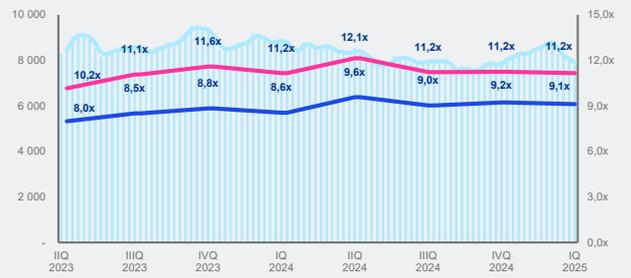


Apparel



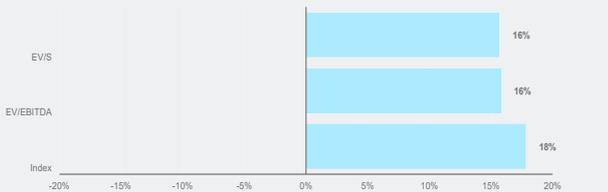
WIG-Apparel Index value (left axis) | EV/EBITDA (right axis) | EV/S (right axis)

Automotive



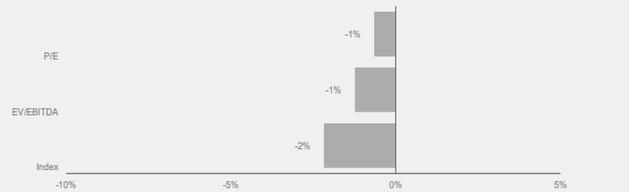
WIG-Automotive Index value (left axis) | P/E (right axis) | EV/EBITDA (right axis)

Q/Q changes



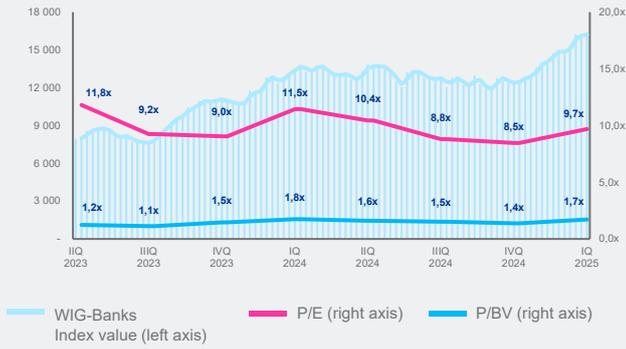
large decline | decline | minor changes | increase | large increase

Q/Q changes

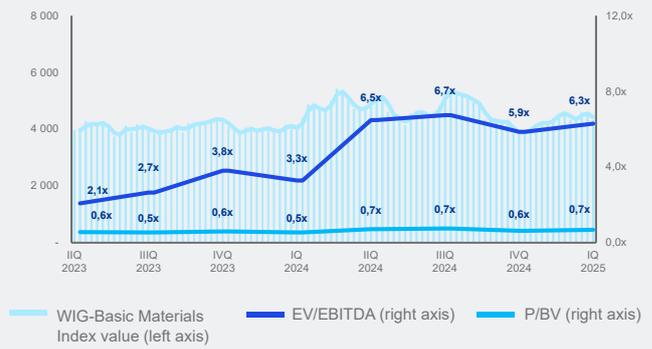


large decline | decline | minor changes | increase | large increase

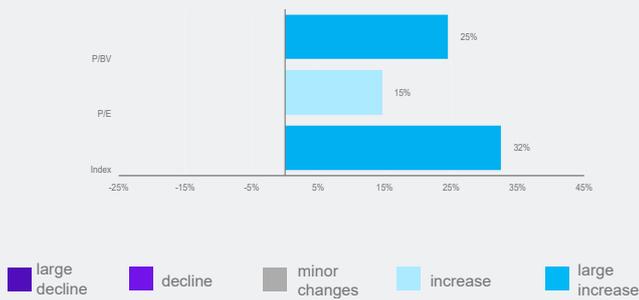
Banks



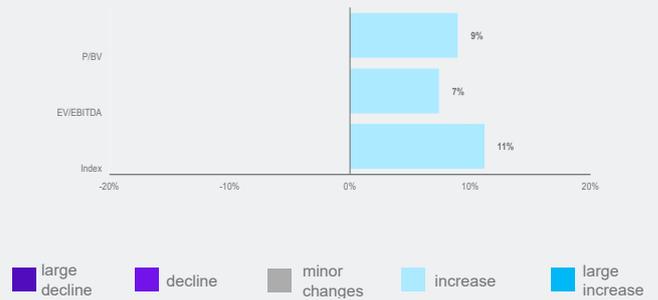
Basic Materials



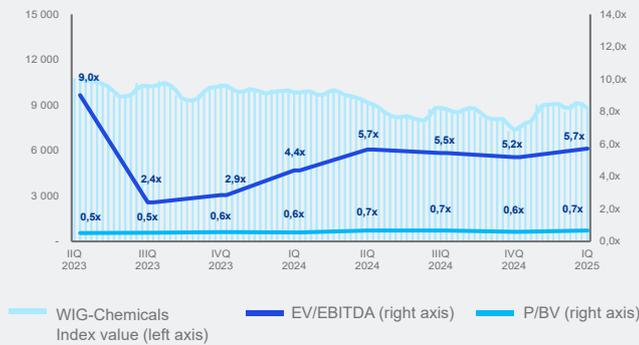
Q/Q changes



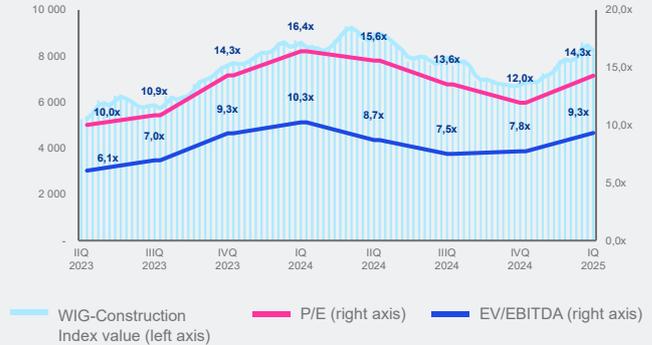
Q/Q changes



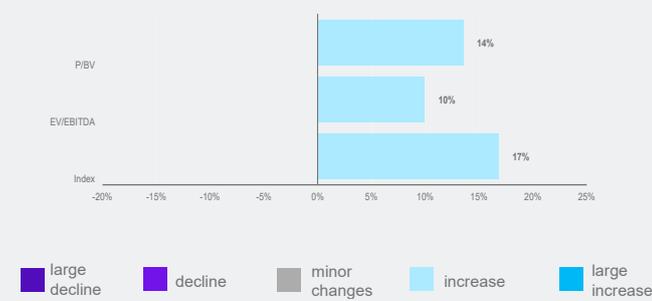
Chemicals



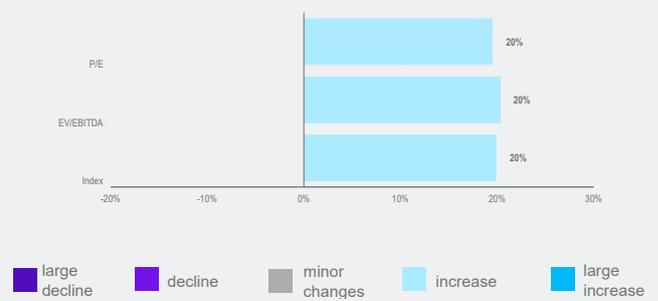
Construction



Q/Q changes



Q/Q changes

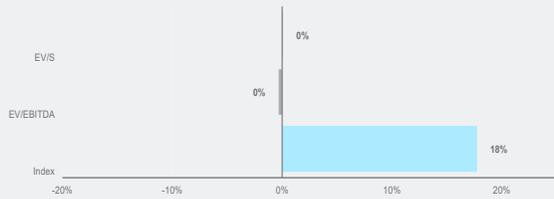


Food



WIG-Food Index value (left axis) EV/EBITDA (right axis) P/BV (right axis)

Q/Q changes



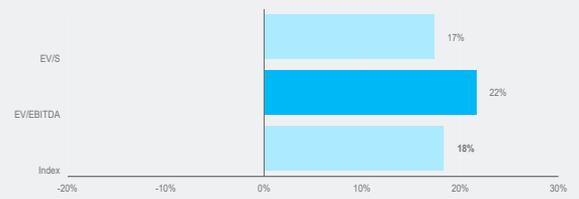
large decline decline minor changes increase large increase

Games



WIG-Games Index value (left axis) EV/EBITDA (right axis) EV/S (right axis)

Q/Q changes



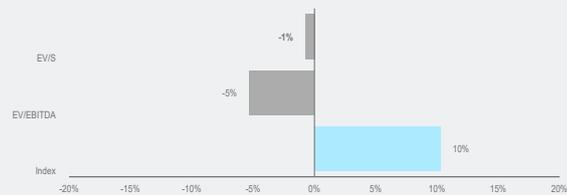
large decline decline minor changes increase large increase

Healthcare



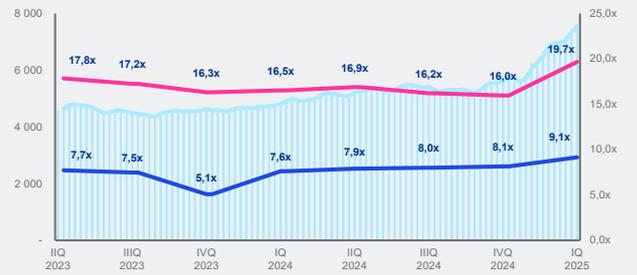
WIG-Healthcare Index value (left axis) EV/EBITDA* (right axis) EV/S (right axis)

Q/Q changes



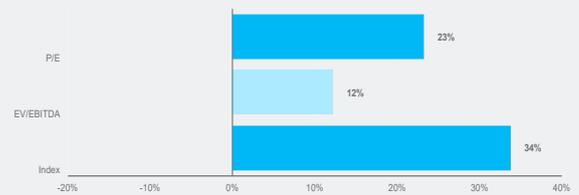
large decline decline minor changes increase large increase

IT



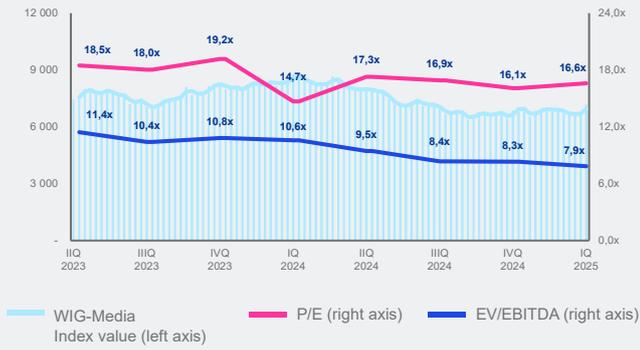
WIG-IT Index value (left axis) P/E (right axis) EV/EBITDA (right axis)

Q/Q changes

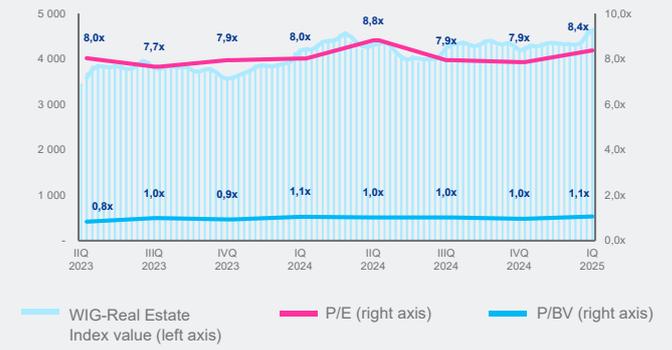


large decline decline minor changes increase large increase

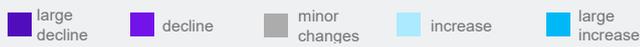
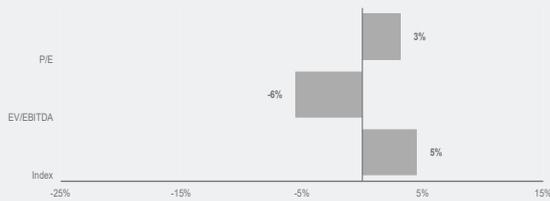
Media



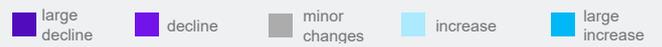
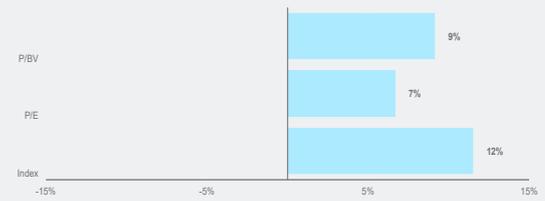
Real Estate



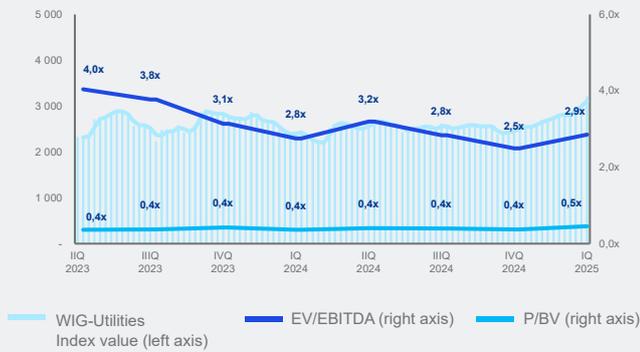
Q/Q changes



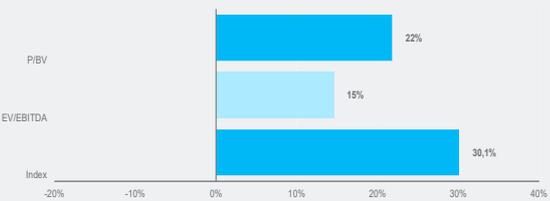
Q/Q changes



Utilities

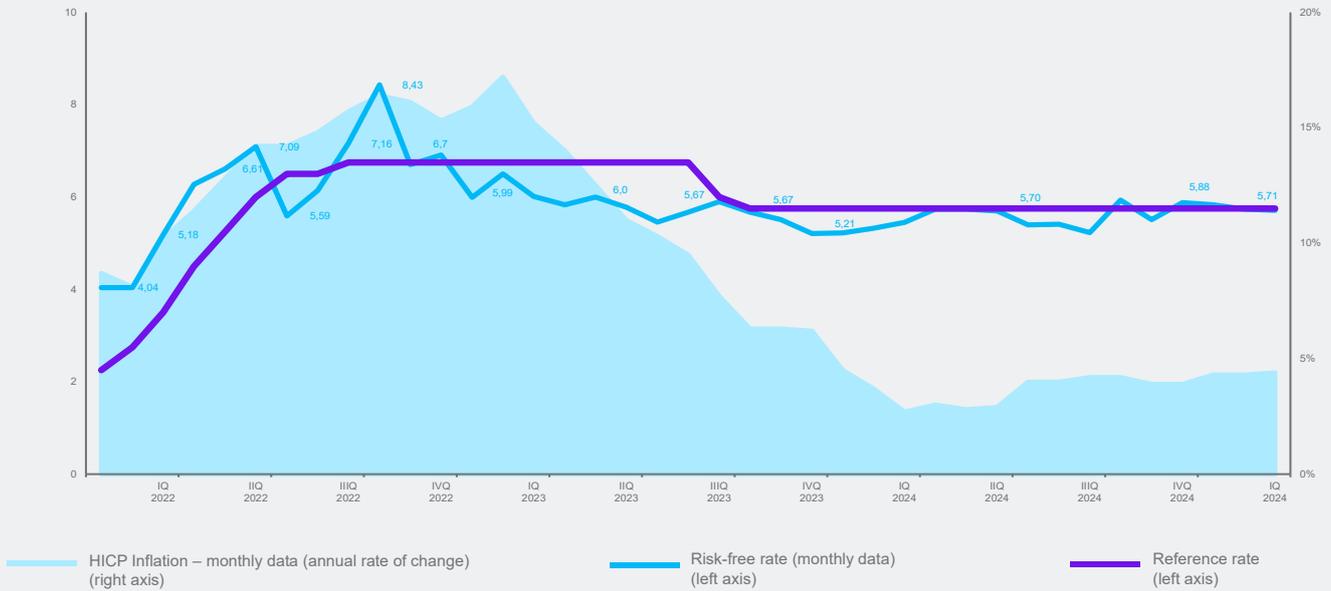


Q/Q changes



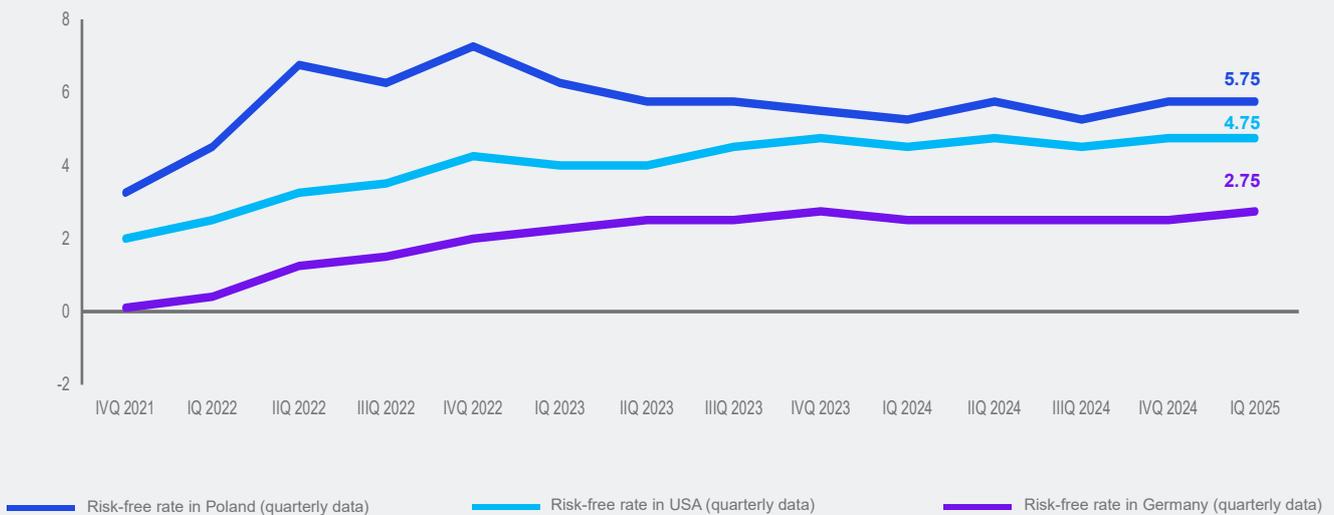
Appendix 2 Risk-free rate in Poland

10-year risk-free rate versus inflation and reference rates in Poland¹



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 countries²



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

¹ The risk-free rate under consideration in the KPMG analysis is based on yields on Polish 10-year sovereign bonds.

² 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.

Contacts

KPMG Poland
Inflancka 4a
00-189 Warszawa

Tomasz Wiśniewski
Partner, Deal Advisory
Head of Valuation Team in CEE

+ 48 604 496 360
twisniewski@kpmg.pl

Contributors:

Leandro Kuenzli
Philip Diercksen
Charlotte Poupart-Lafarge
Magdalena Gogiel

Tomasz Regulski
Partner Associate, Deal Advisory,
Head of Valuation Team in Poland

+ 48 728 831 206
tregulski@kpmg.pl

Piotr Czapiewski
Associate Director, Deal Advisory,
Valuation Team

+ 48 572 001 528
pczapiewski@kpmg.pl

kpmg.pl/wyceny
kpmg.com/pl/en/



The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

© 2025 KPMG Advisory Spółka z ograniczoną odpowiedzialnością sp.k., a Polish limited partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited ("KPMG International"), a private English company limited by guarantee. All rights reserved.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

Document Classification: KPMG Public