

The Development of Multiples over the Financial Crisis

An analysis for German industry multiples

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Chair of Financial Management



Multiples : Estimation procedure

Procedure

- We estimated industry multiples based on **industry indices provided by Deutsche Börse AG**
- Time frame: **Jan 2006 – Jul 2011** (full coverage of financial crisis and recovery)
- We calculated **EV/EBIT, EV/EBIT 1Year Forward, Price/Earning** and **Price/Earning 1Year Forward,**
- EV/EBIT, EV/EBIT 1Y Forward are not available for banks, financials and insurance
- Earning estimates for forward-multiples have been taken from **I/B/E/S**
- Quarterly estimates, Industry composition changes over time
- In each estimation period we excluded outliers multiples beyond the limit of the 5%-quantile

How to read our charts?

Example: EV/EBIT multiple, trailing

= EV/EBIT + one Standard Deviation

= arithmetic mean

= Range \pm one Standard Deviation

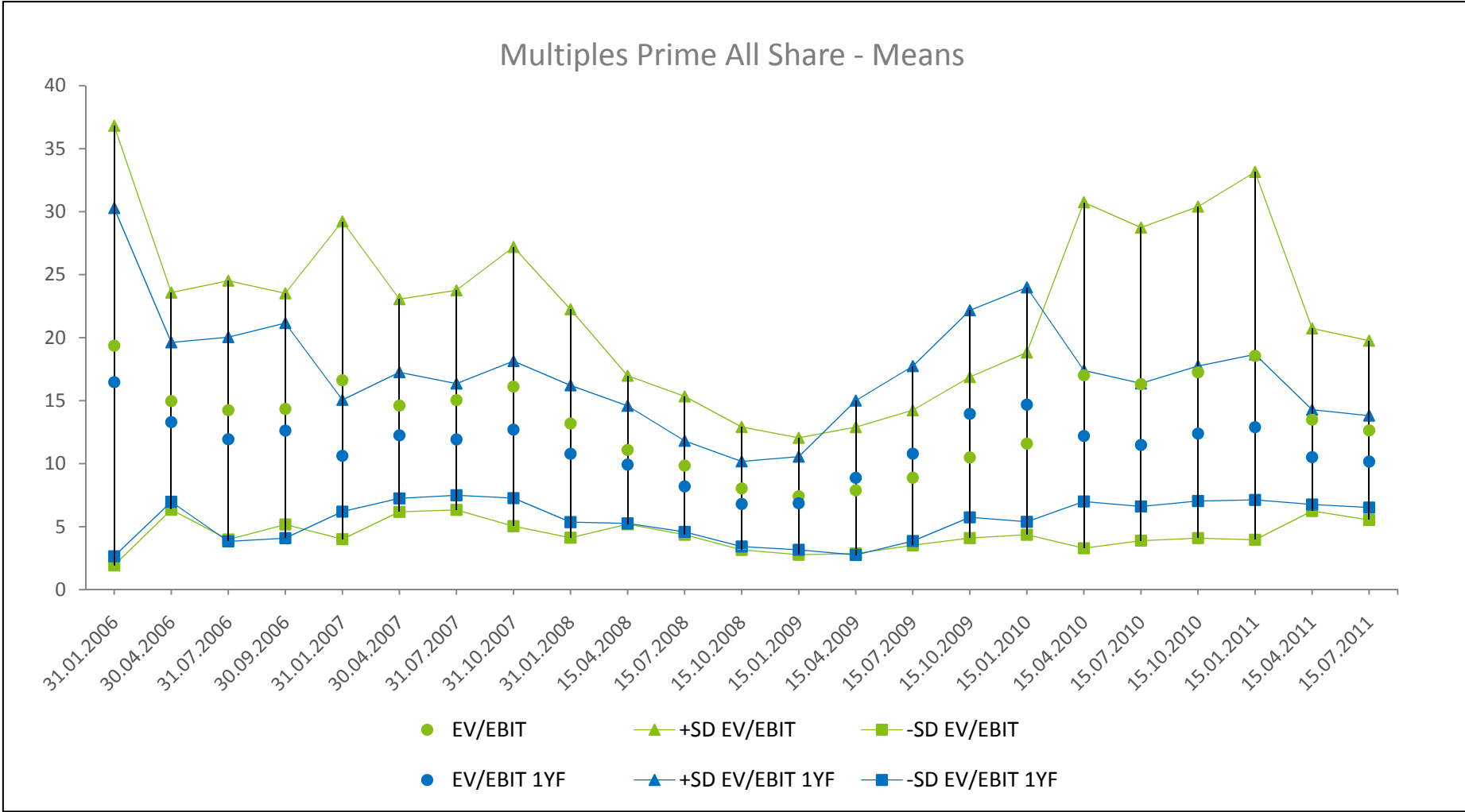
= EV/EBIT - one Standard Deviation

In the following charts you will find **forward multiples** (blue) and **trailing multiples** (green) combined in one chart.



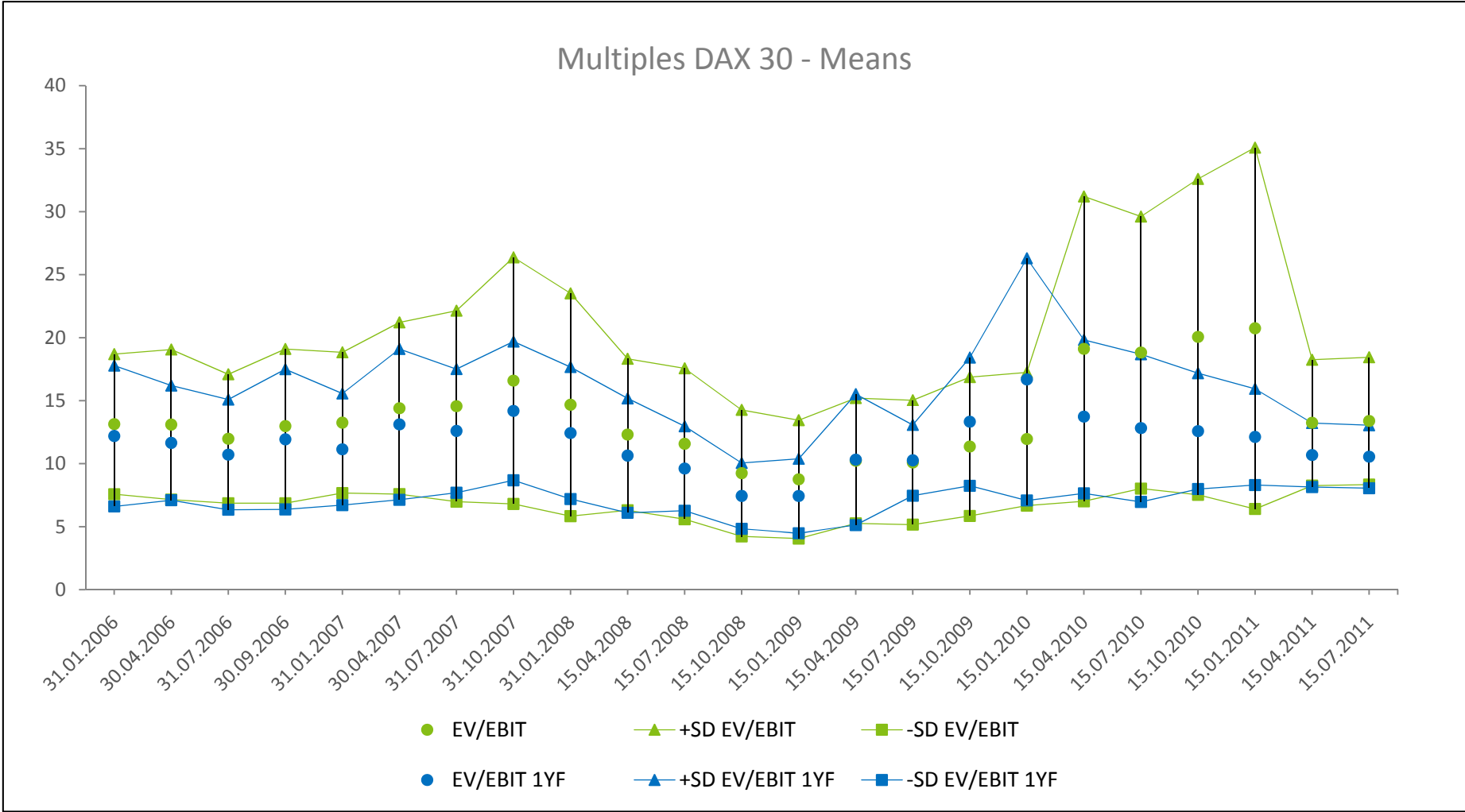
Development of EV/EBIT multiple per industry

Multiple EV/EBIT: Prime All Share



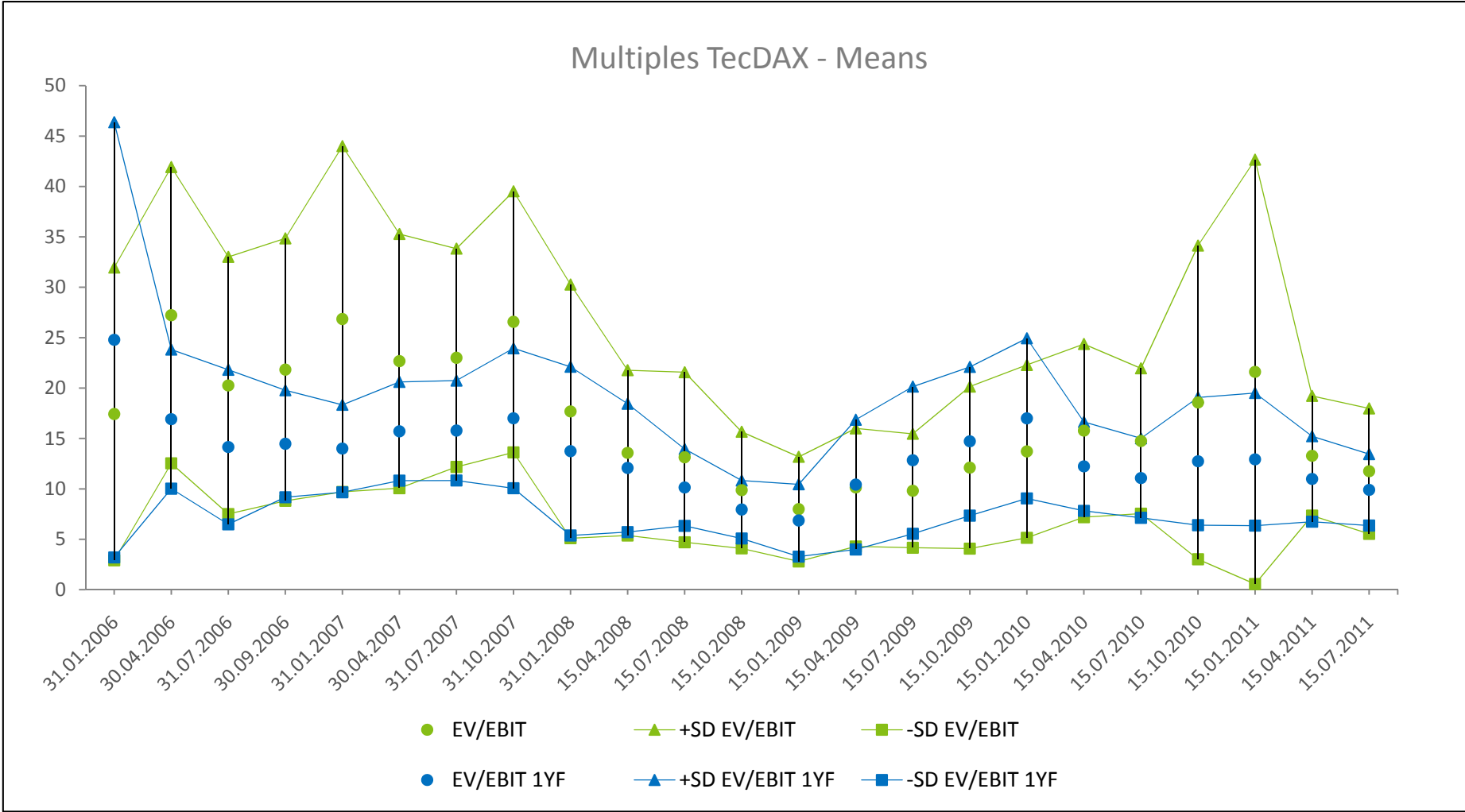
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Multiple EV/EBIT: DAX 30



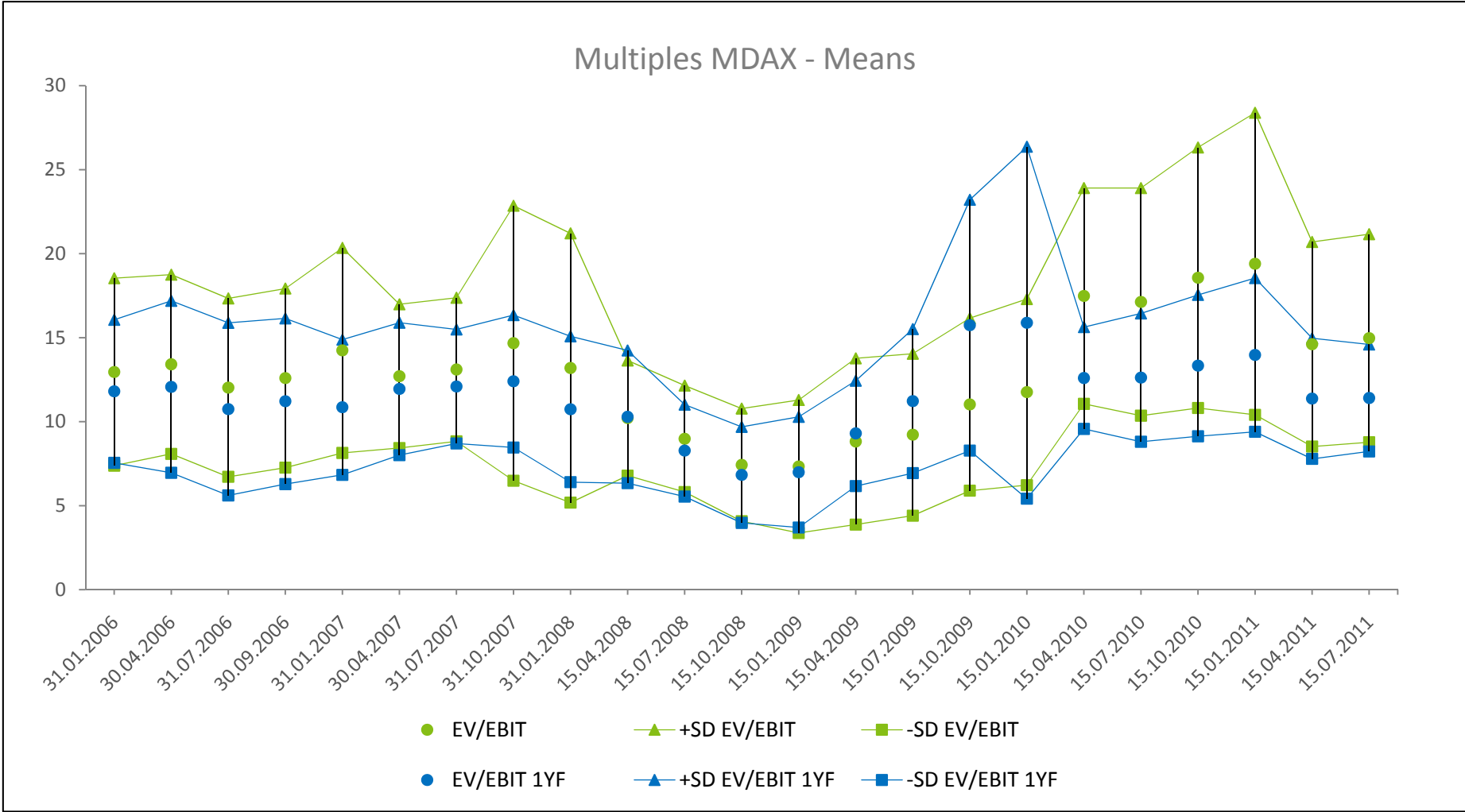
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Multiple EV/EBIT: TecDAX



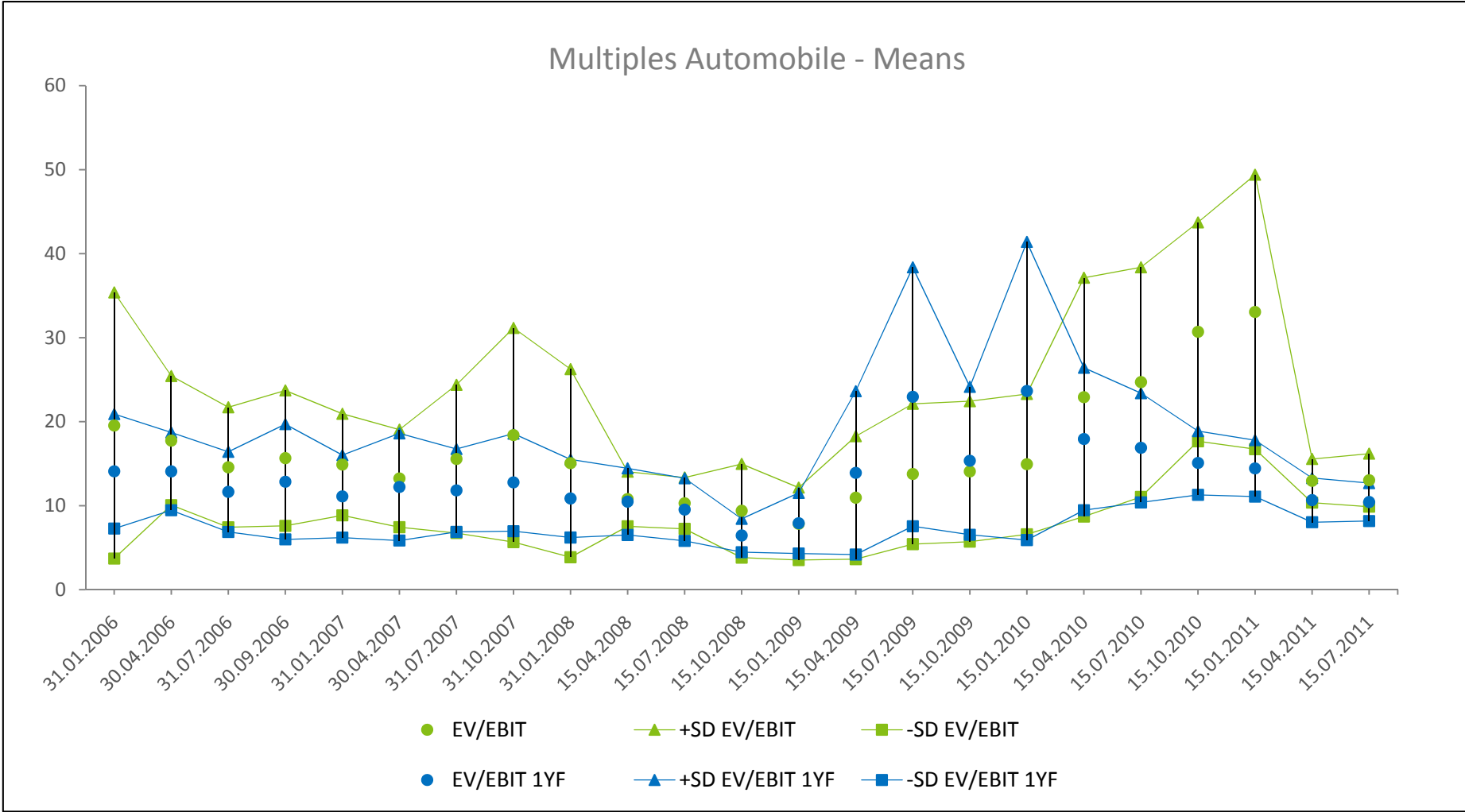
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Multiple EV/EBIT: MDAX



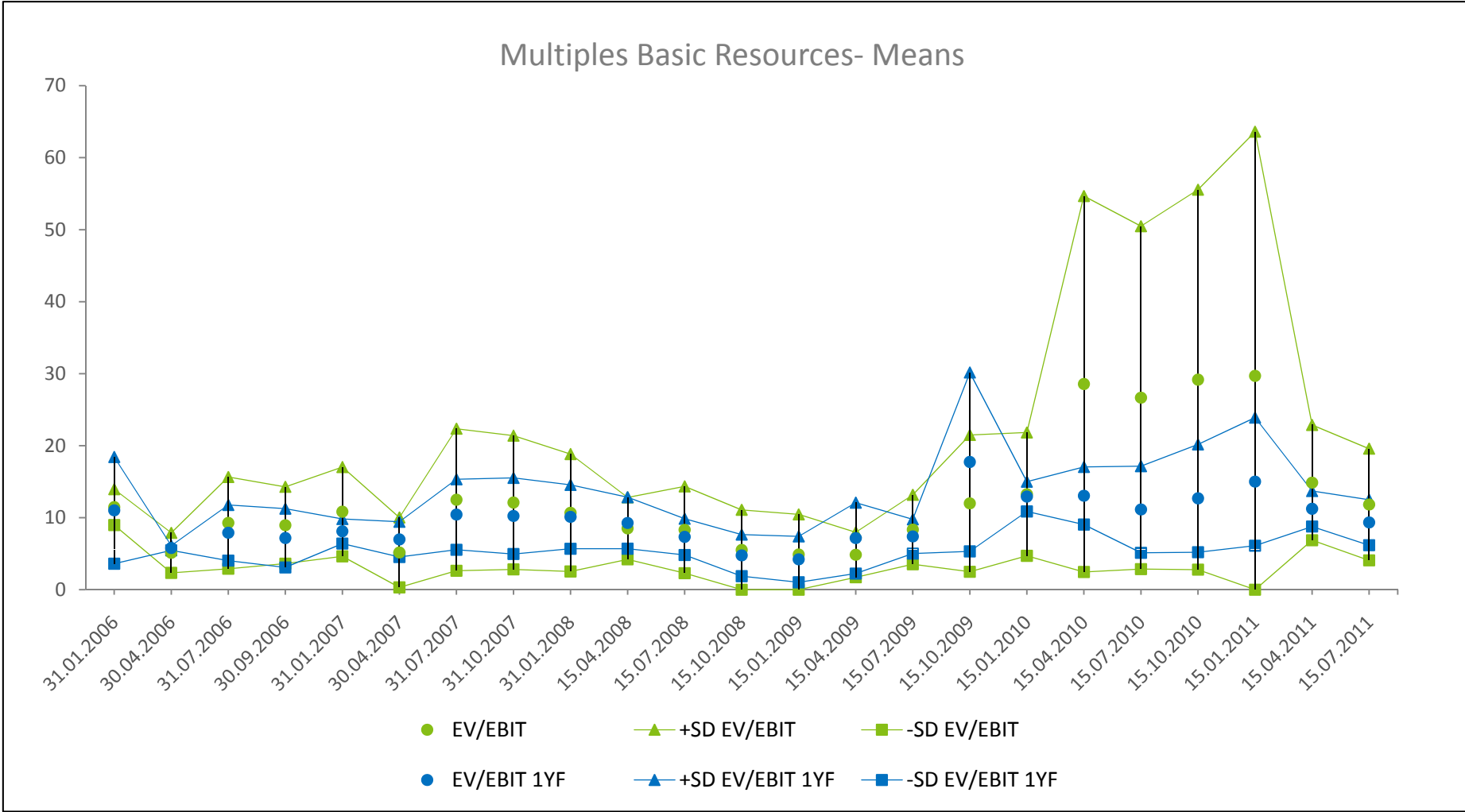
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Multiple EV/EBIT: Automobile



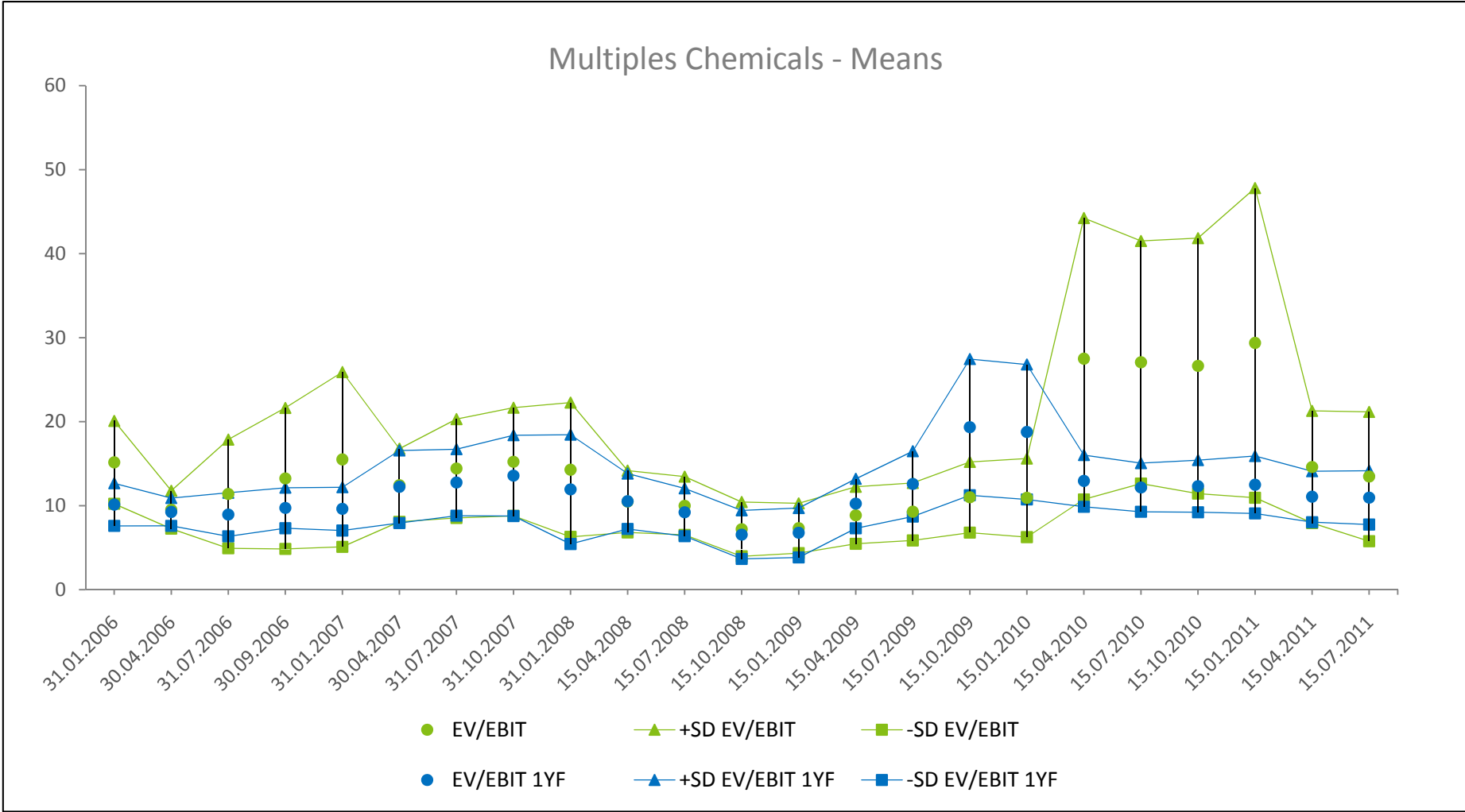
Industry index by Deutsche Börse AG
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Multiple EV/EBIT: Basic Resources



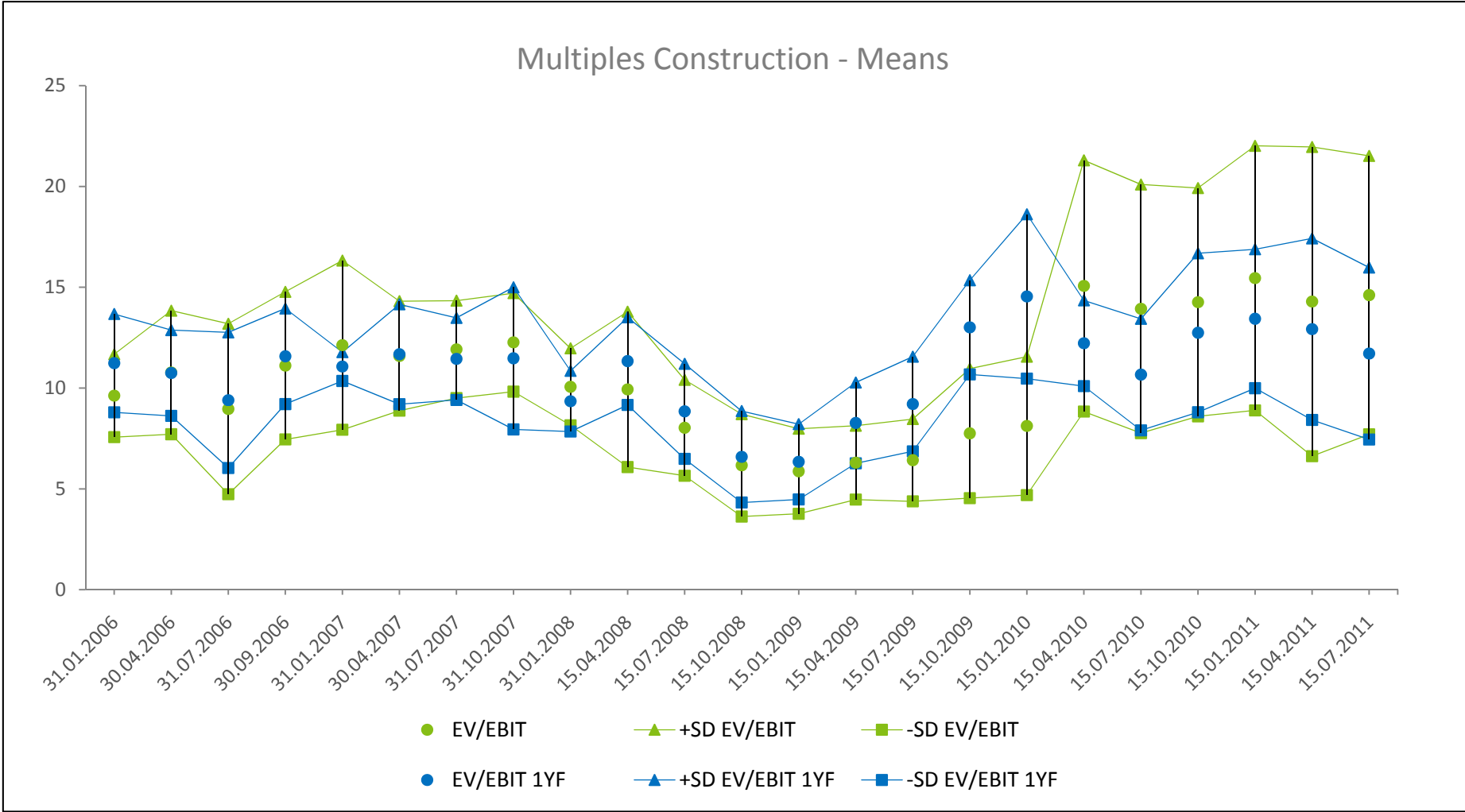
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Multiple EV/EBIT: Chemicals



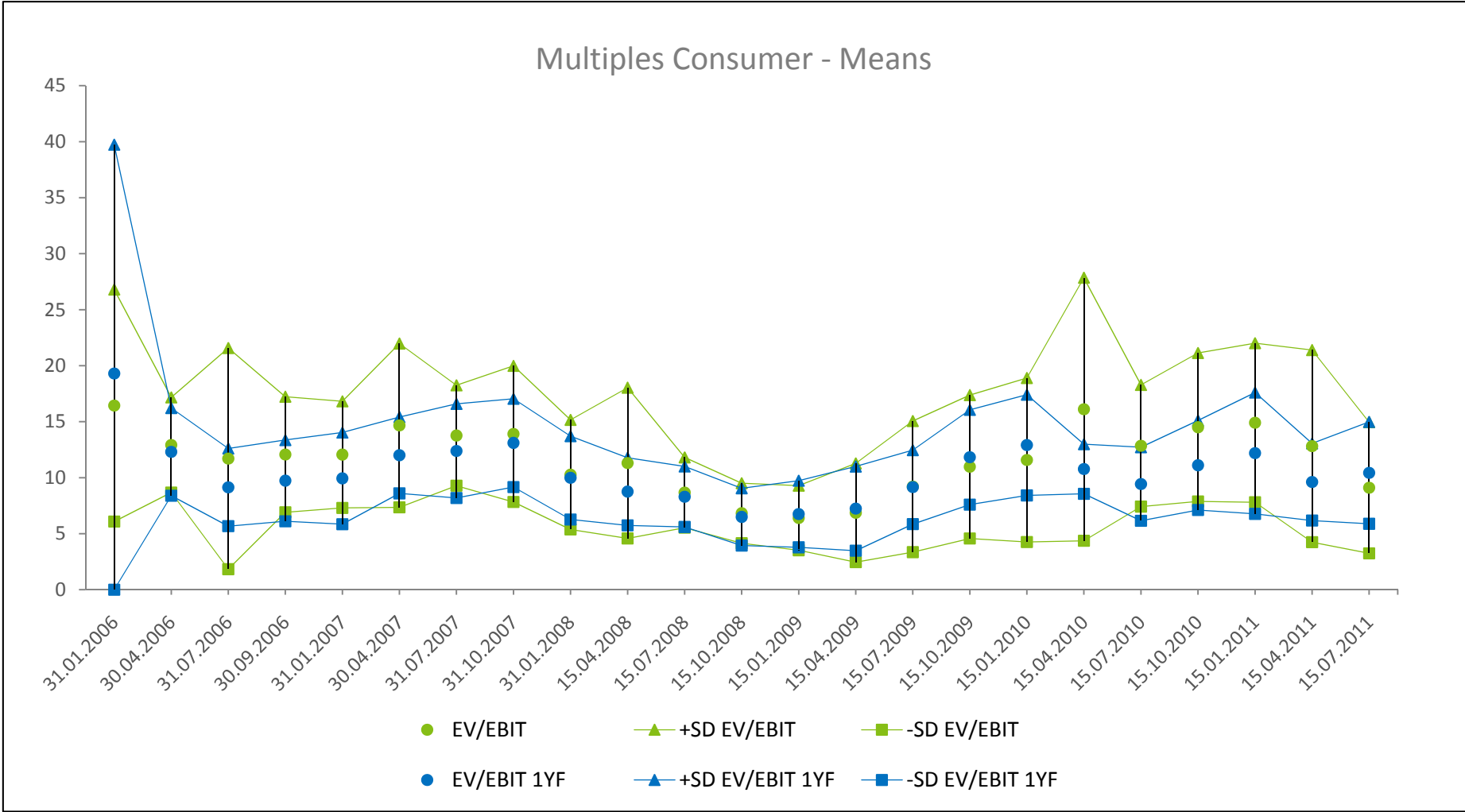
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Multiple EV/EBIT: Construction



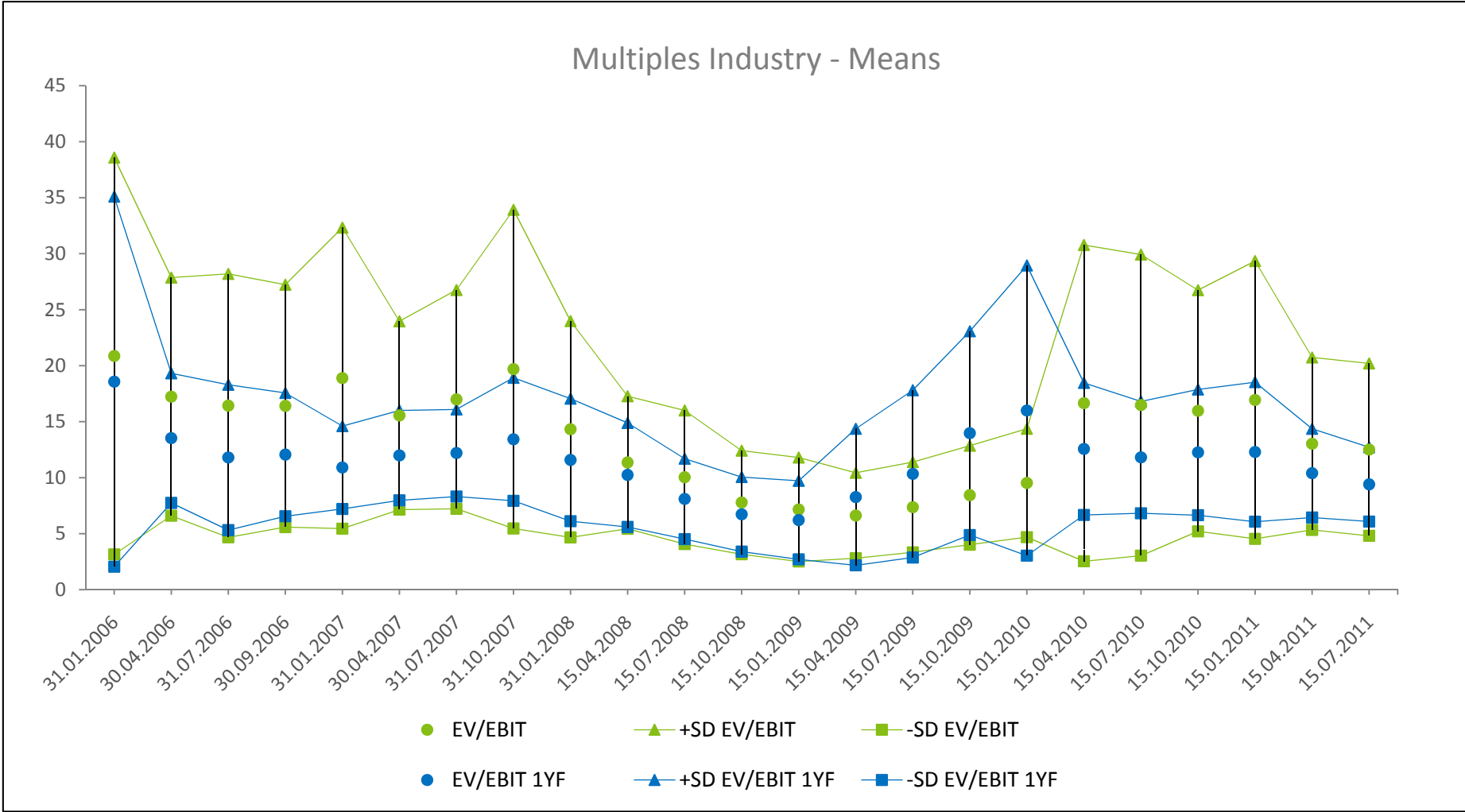
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Multiple EV/EBIT: Consumer



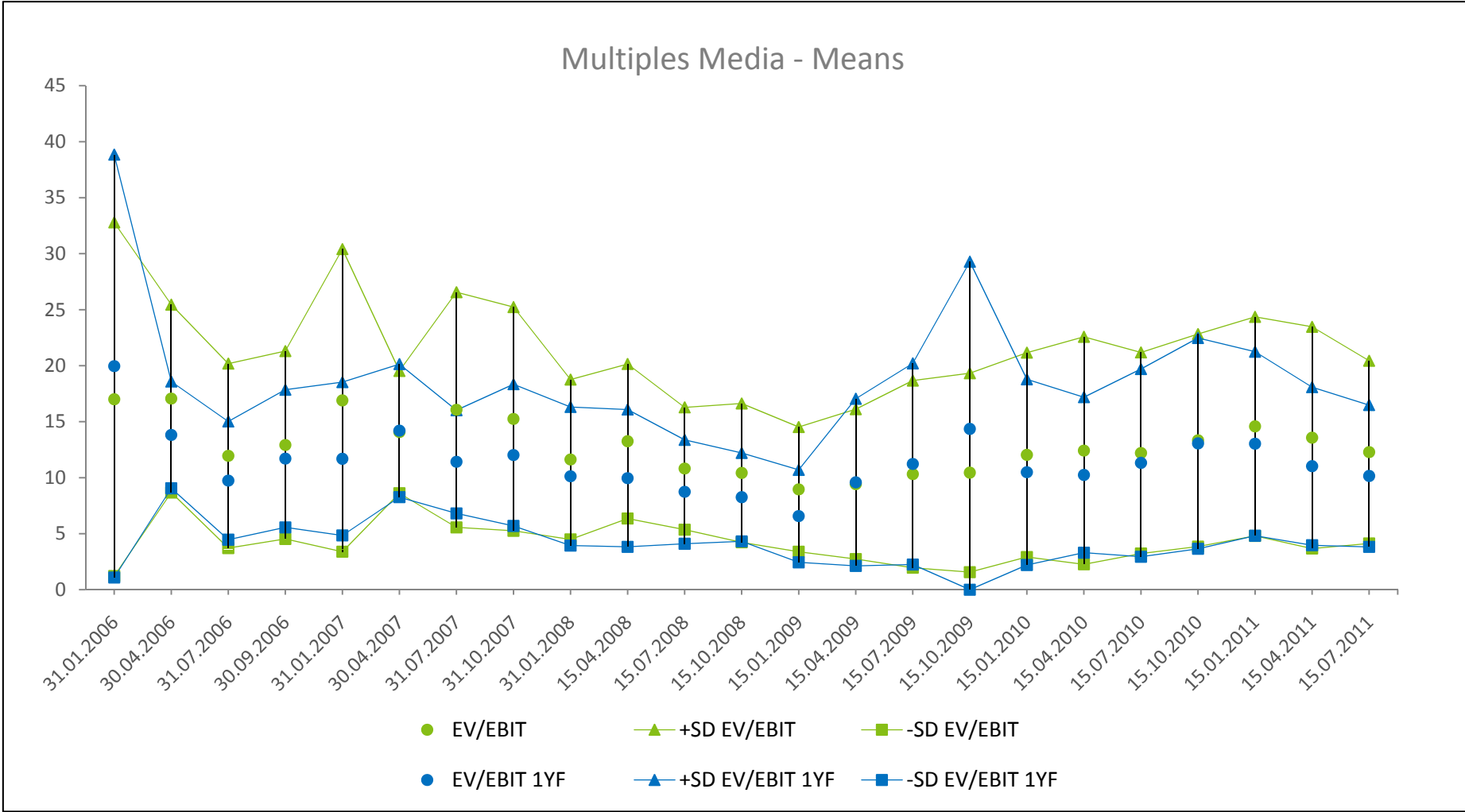
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Multiple EV/EBIT: Industry



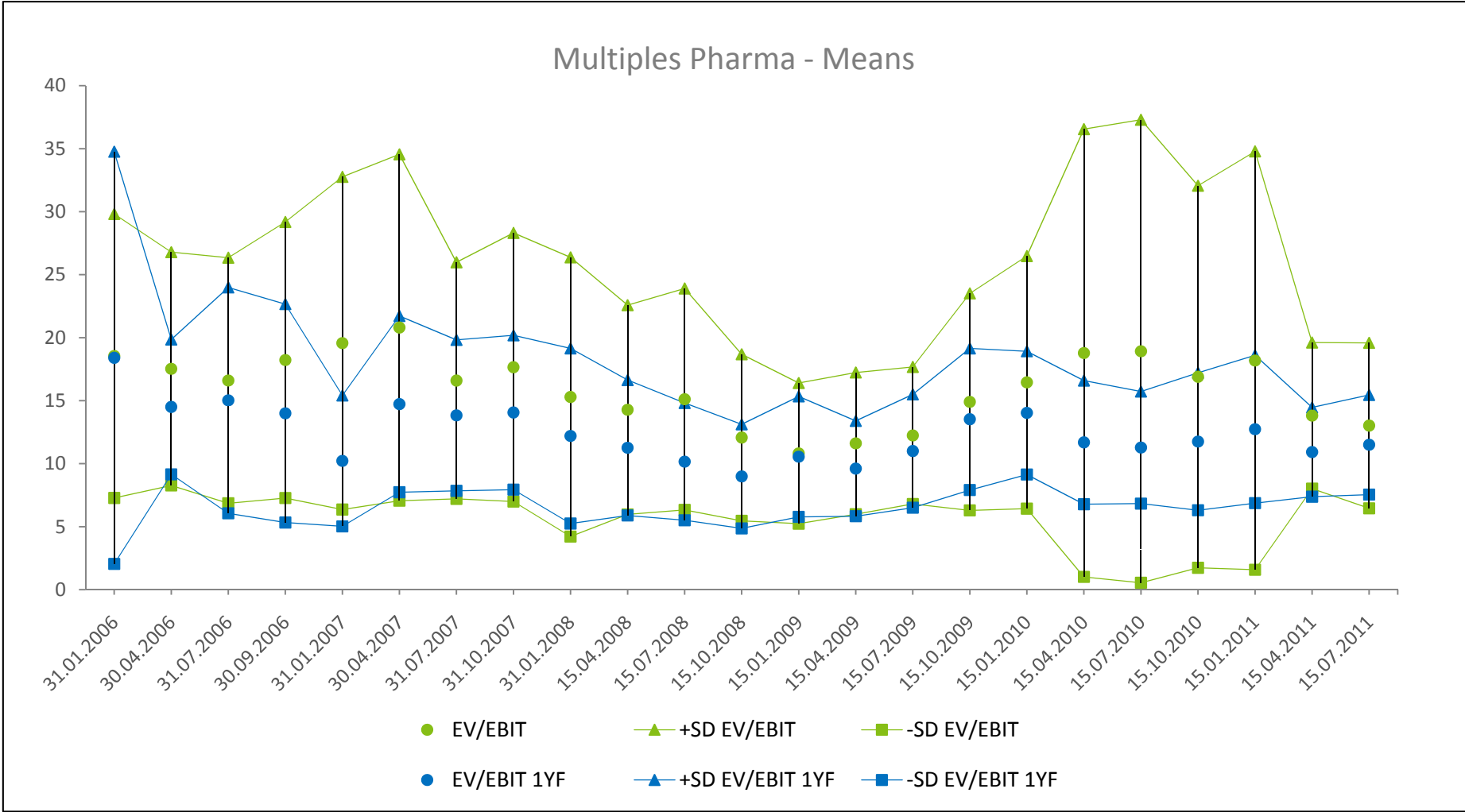
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Multiple EV/EBIT: Media



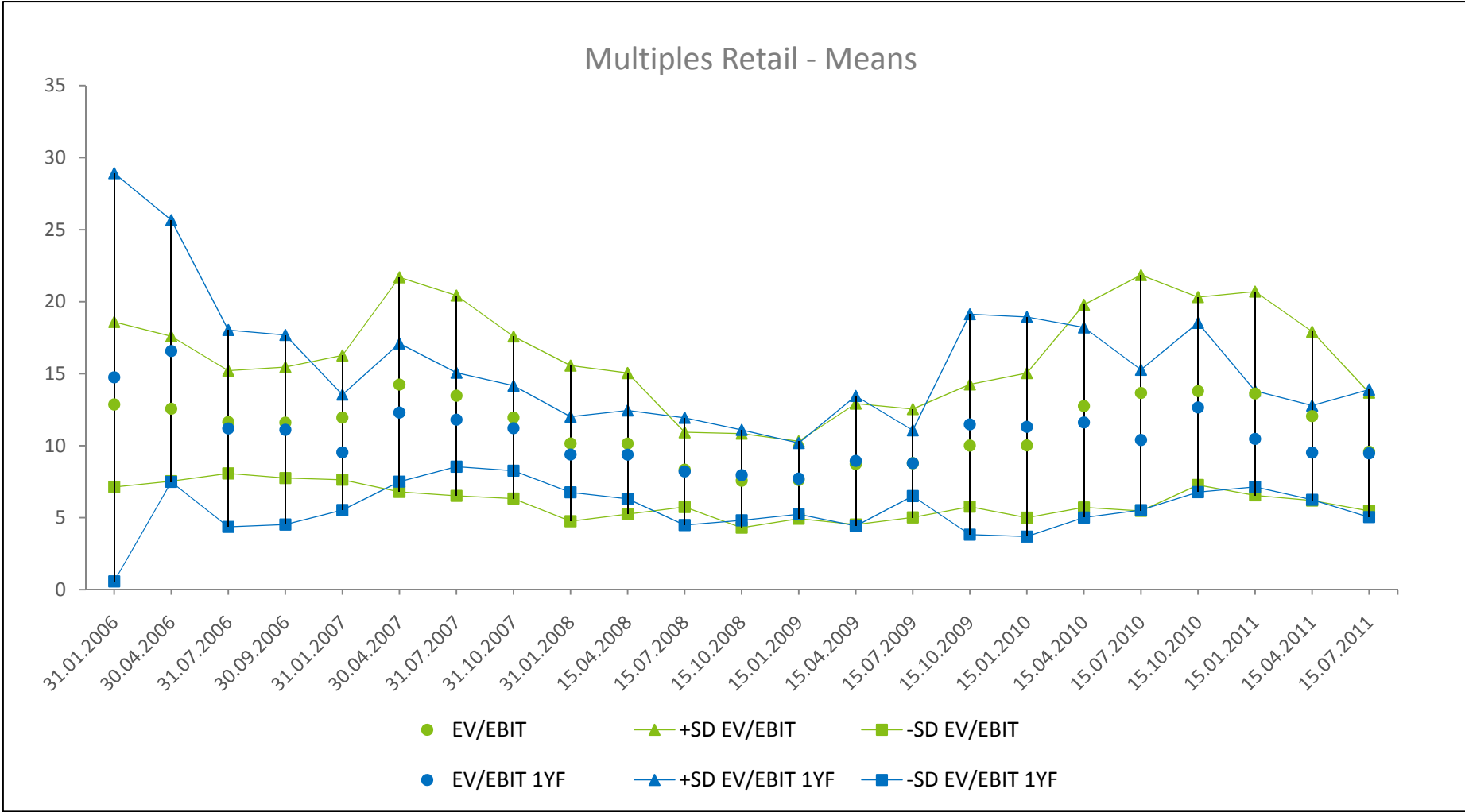
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Multiple EV/EBIT: Pharma



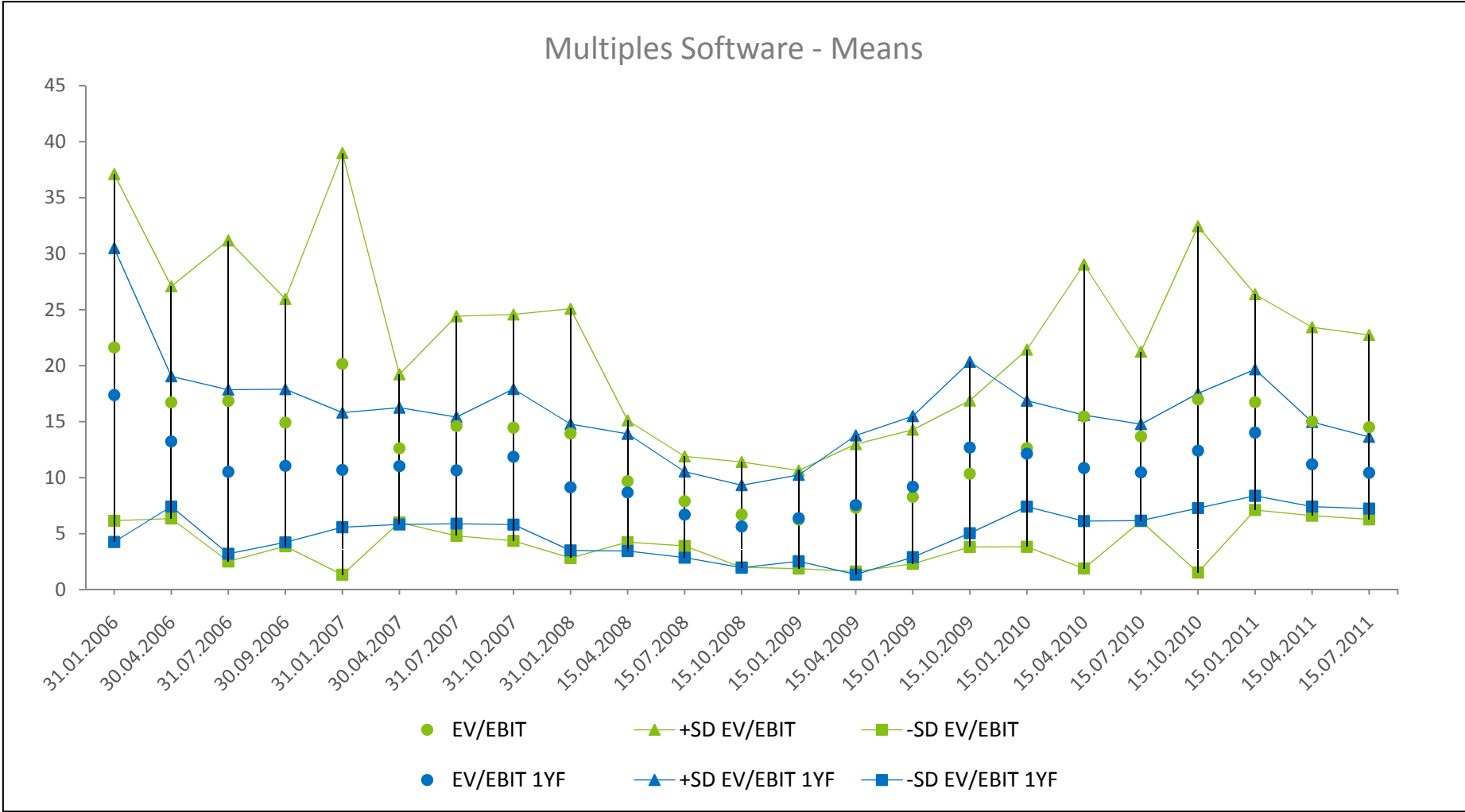
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Multiple EV/EBIT: Retail



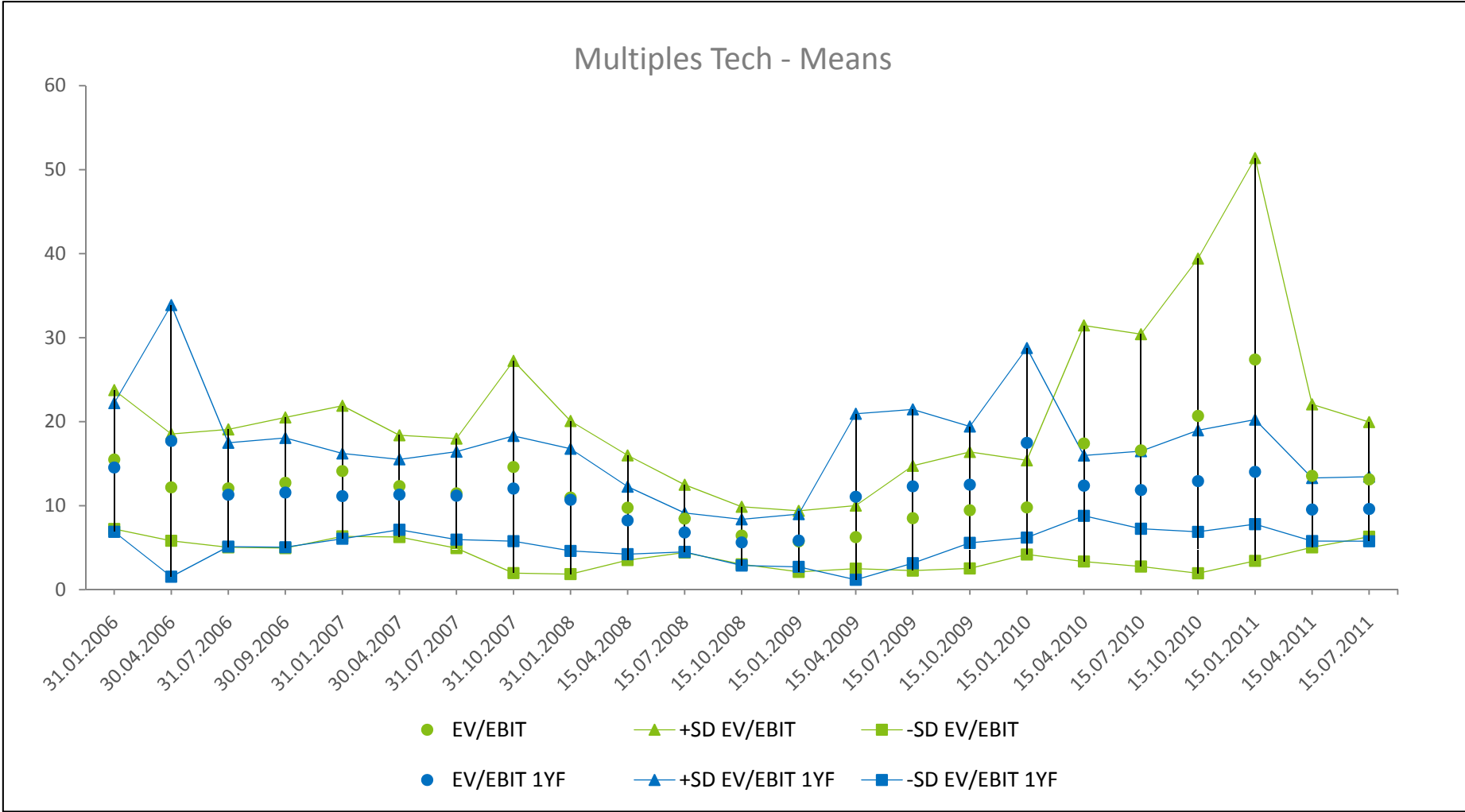
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Multiple EV/EBIT: Software



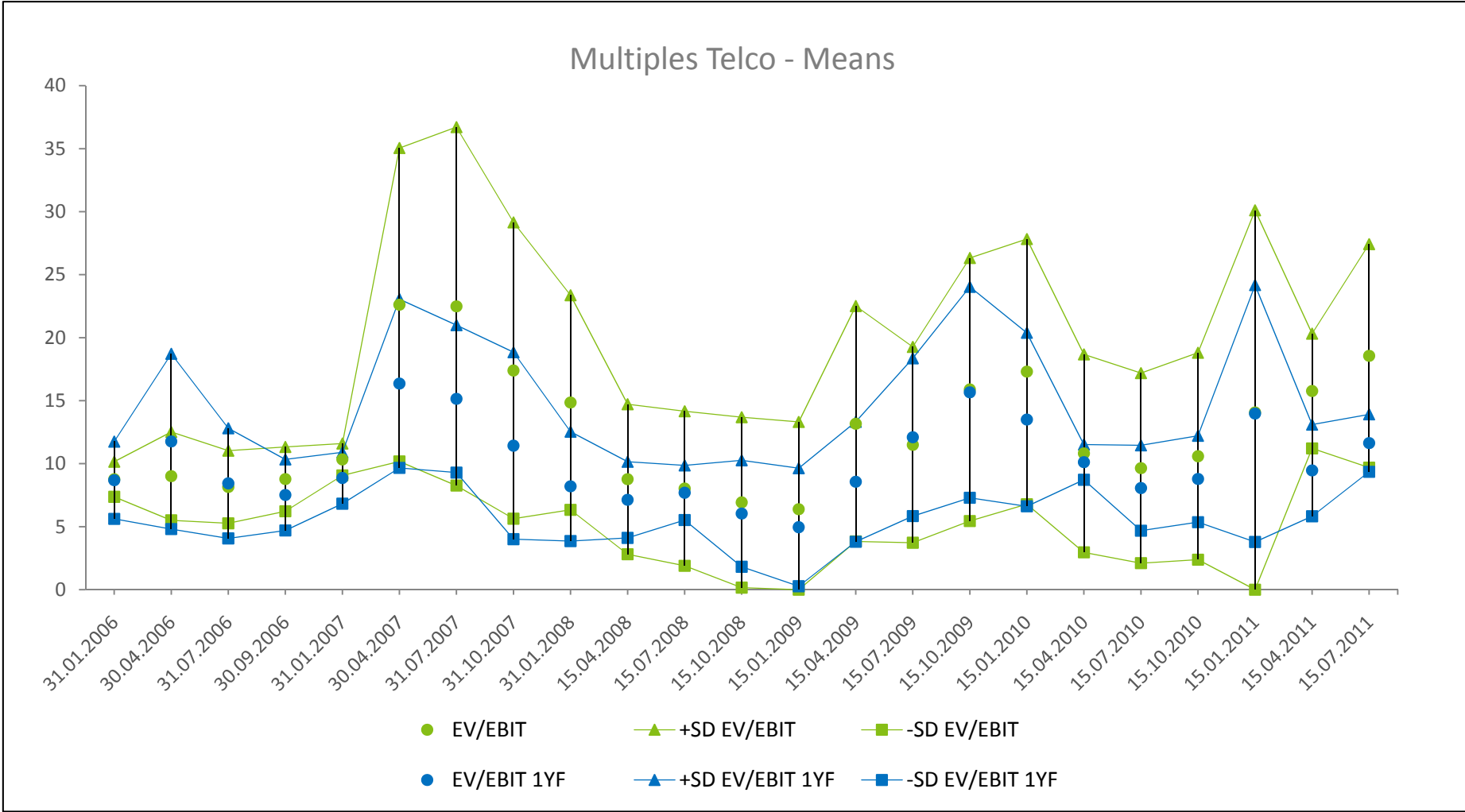
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Multiple EV/EBIT: Tech



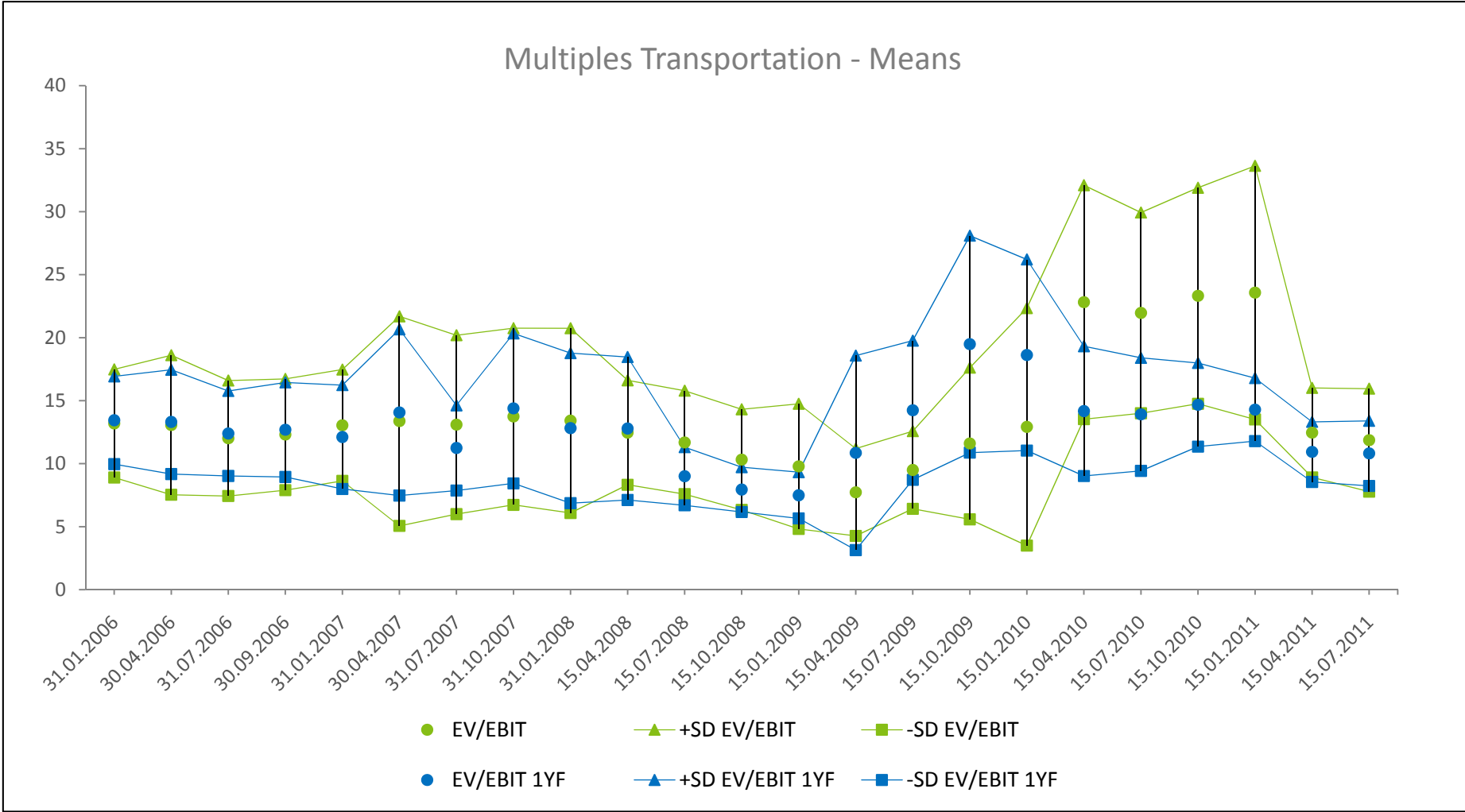
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Multiple EV/EBIT: Telco



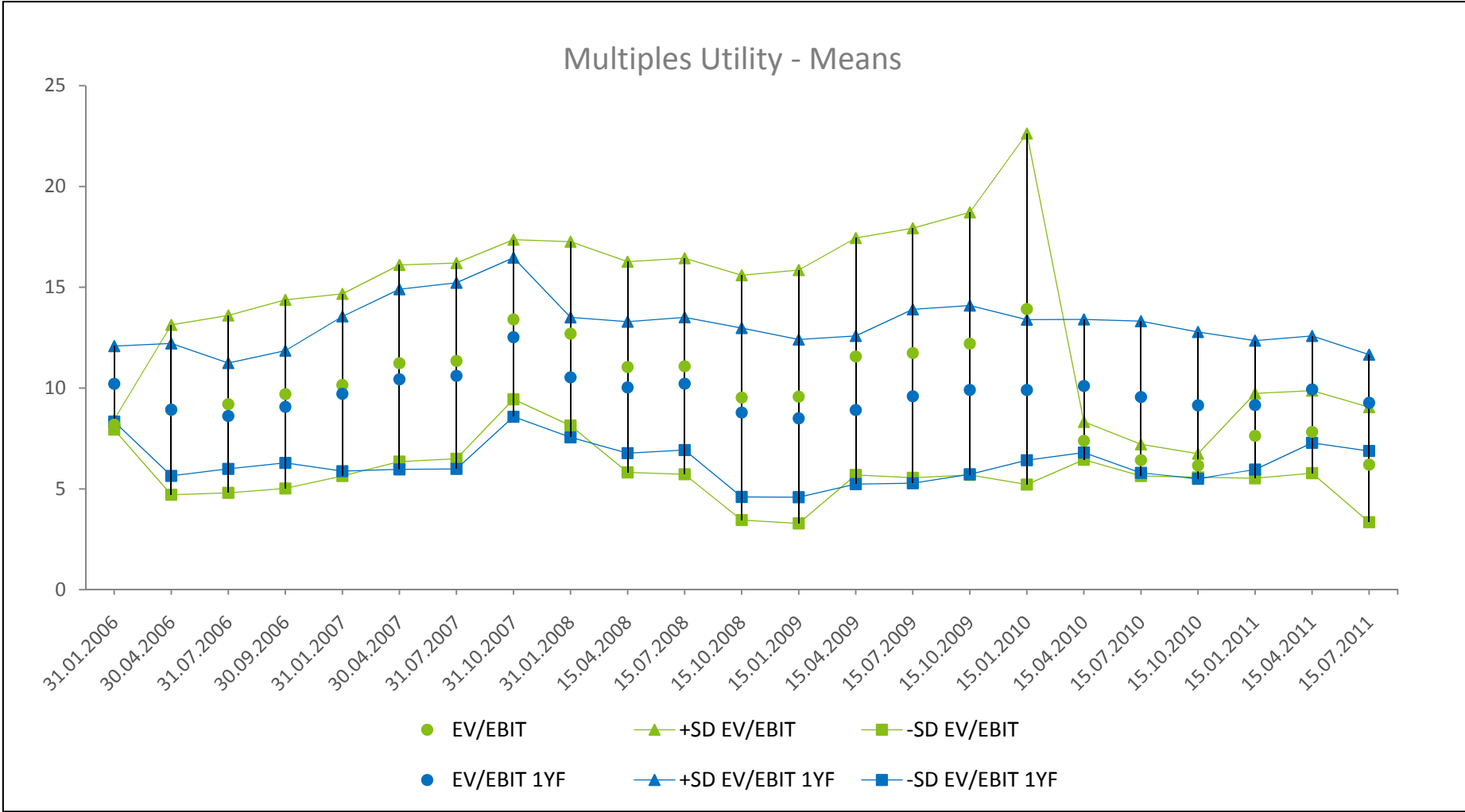
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Multiple EV/EBIT: Transportation



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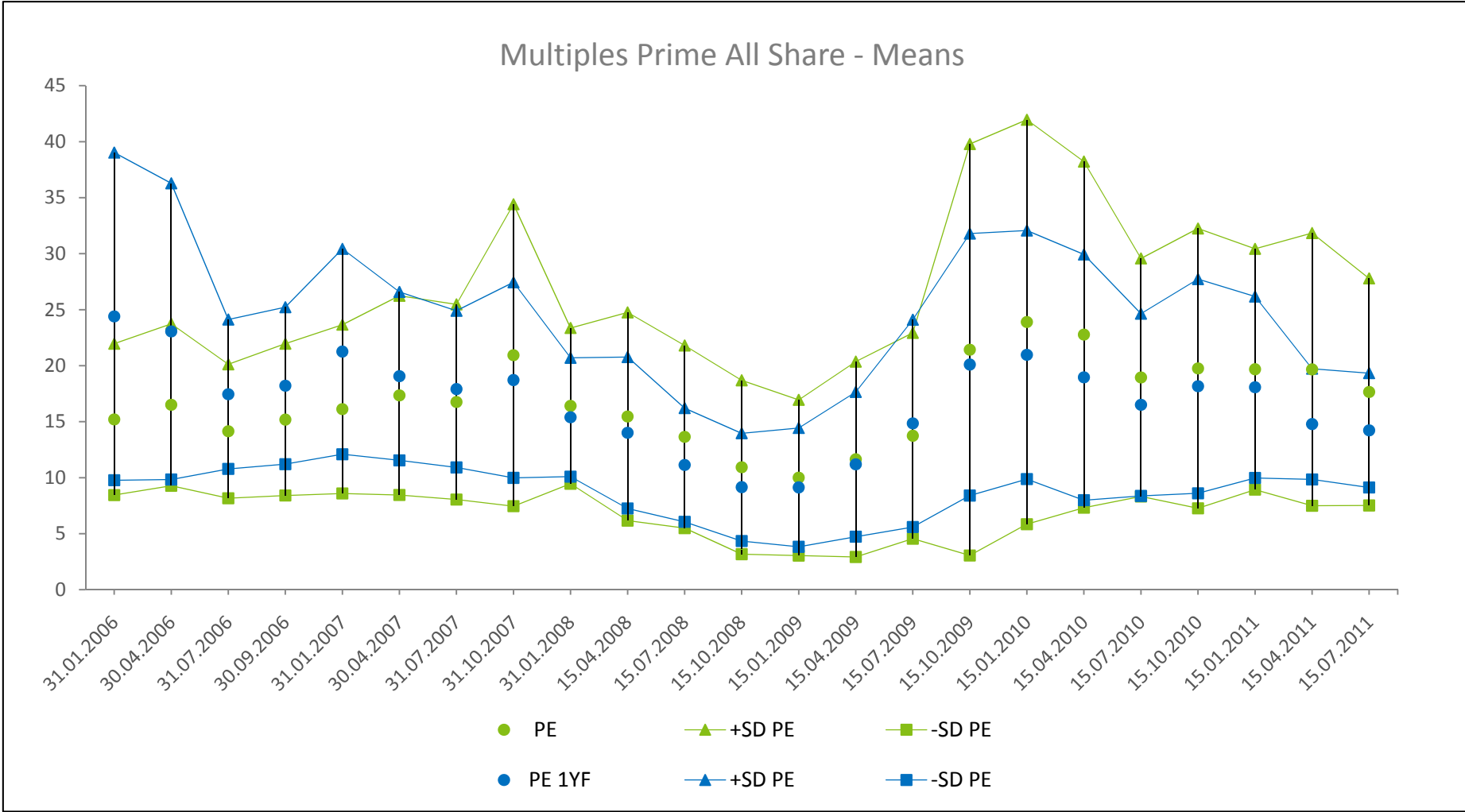
Multiple EV/EBIT: Utility



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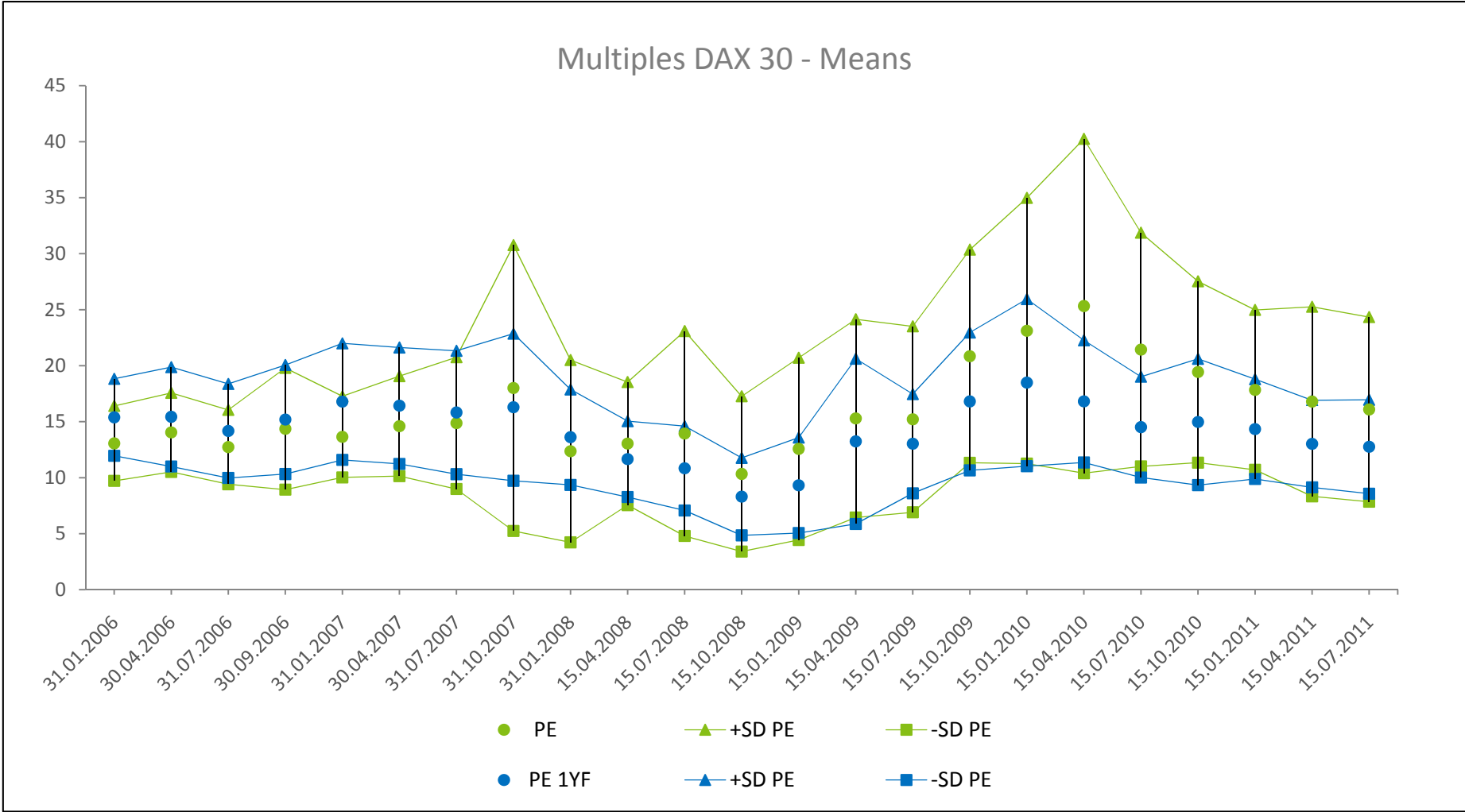
Development of P/E multiple per industry

Multiple P/E: Prime All Share



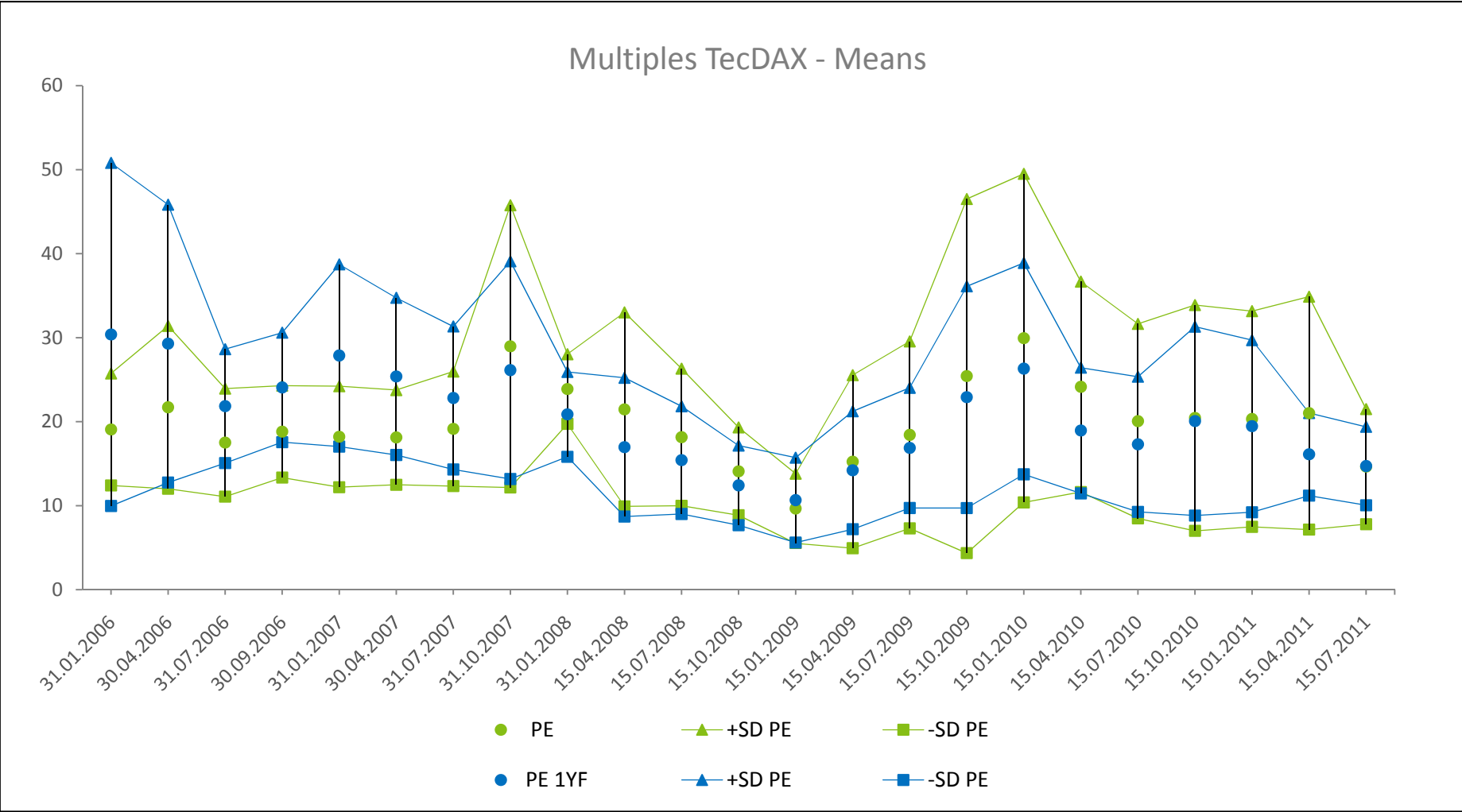
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Multiple P/E: DAX 30



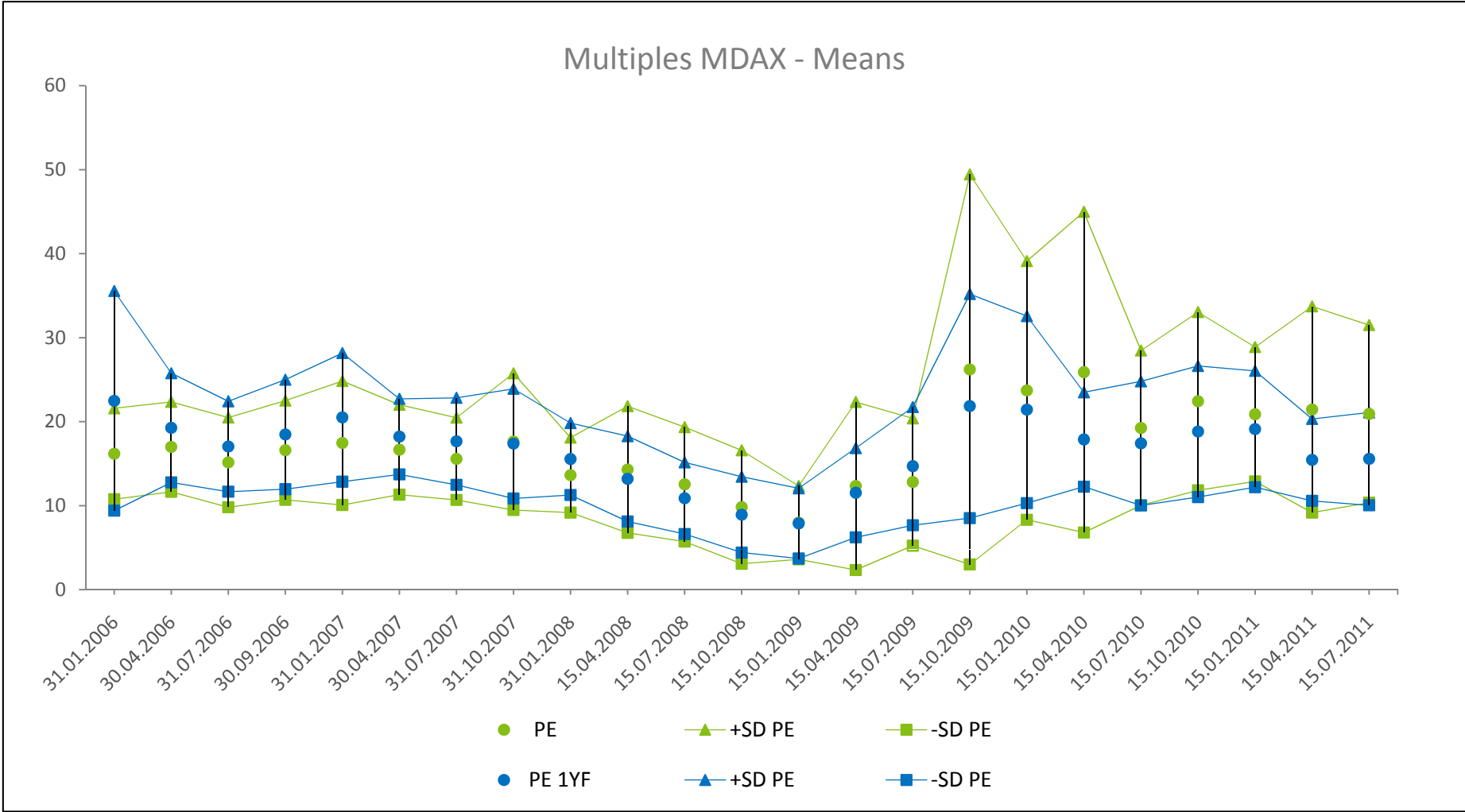
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Multiple P/E: TecDAX



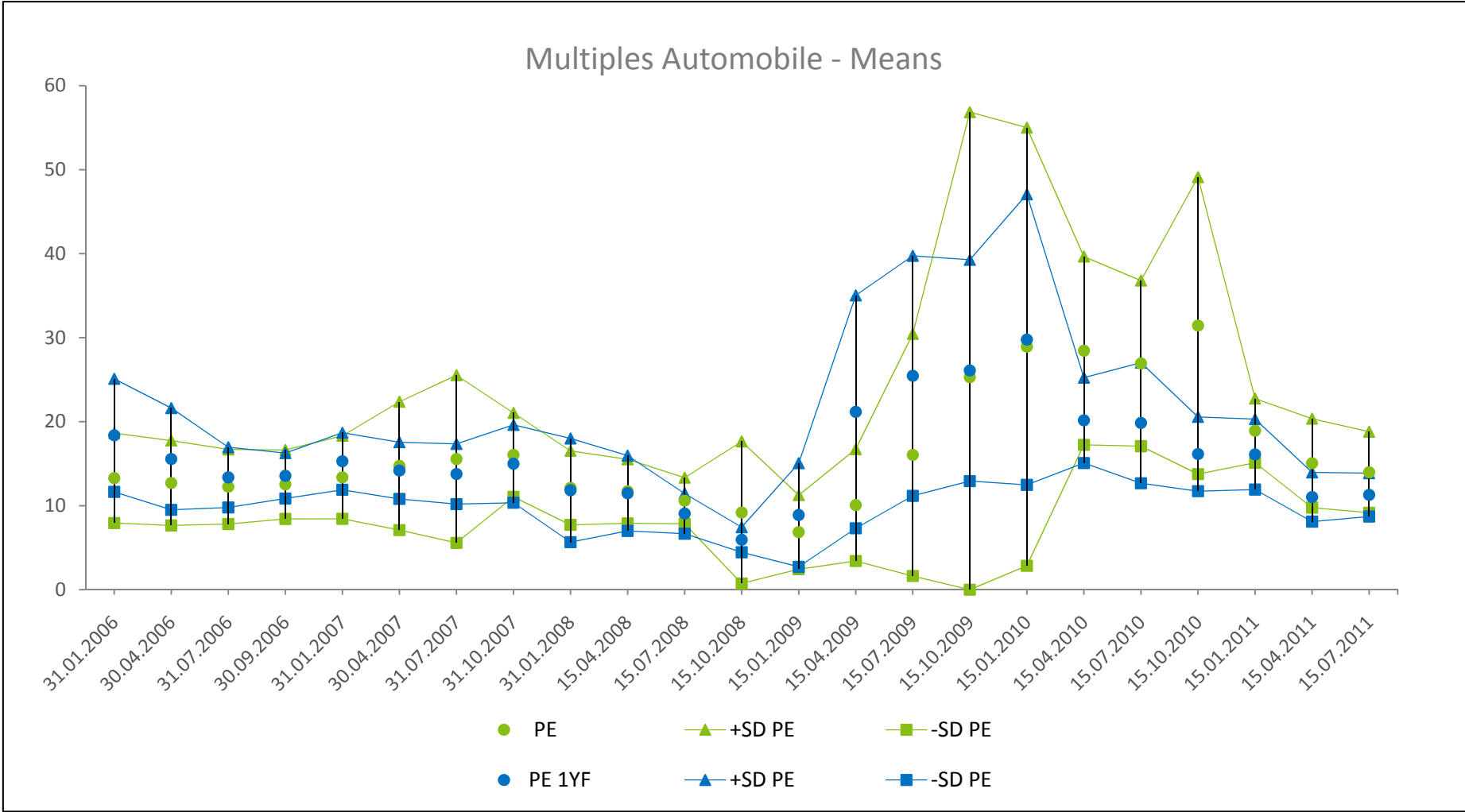
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Multiple P/E: MDAX



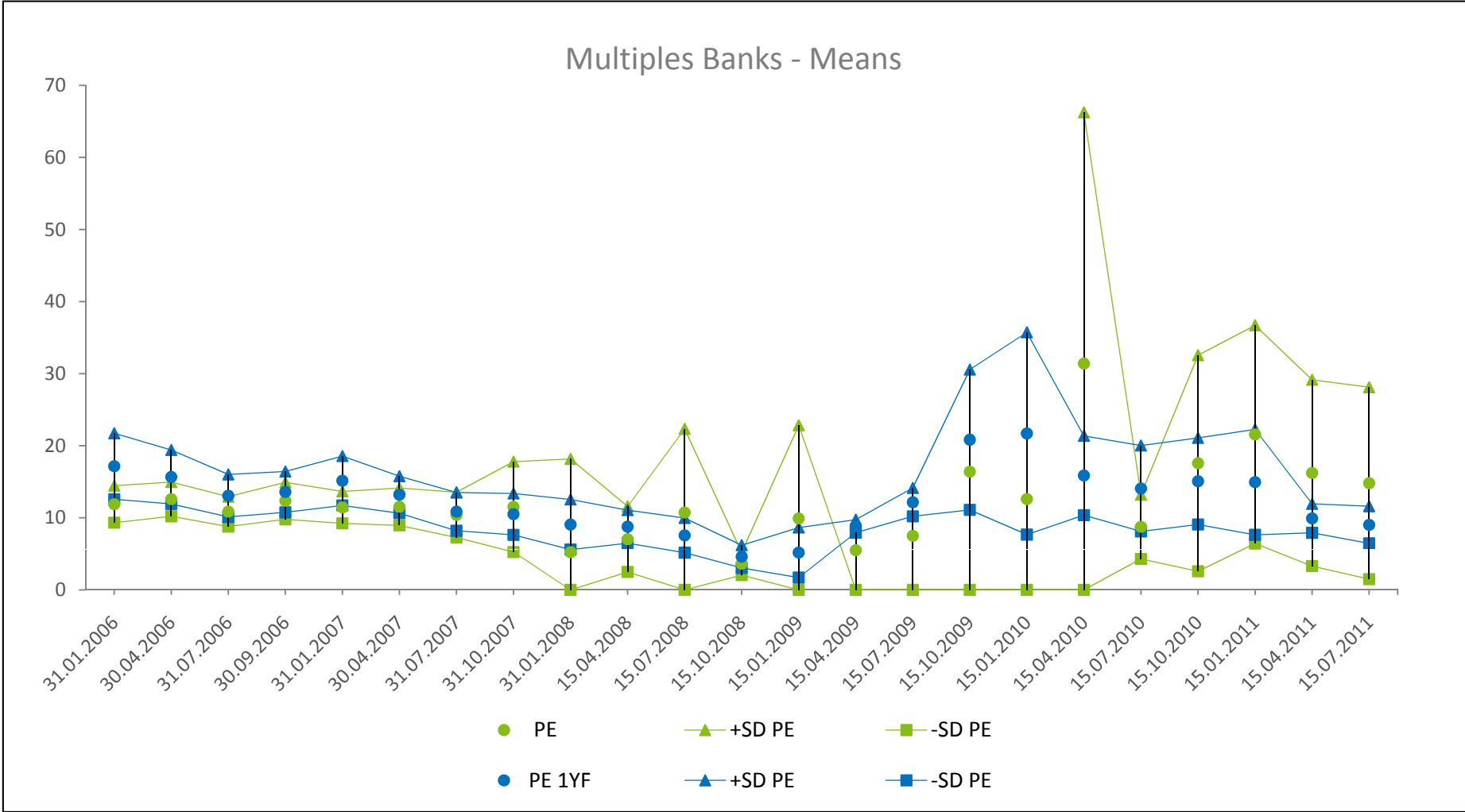
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Multiple P/E: Automobile



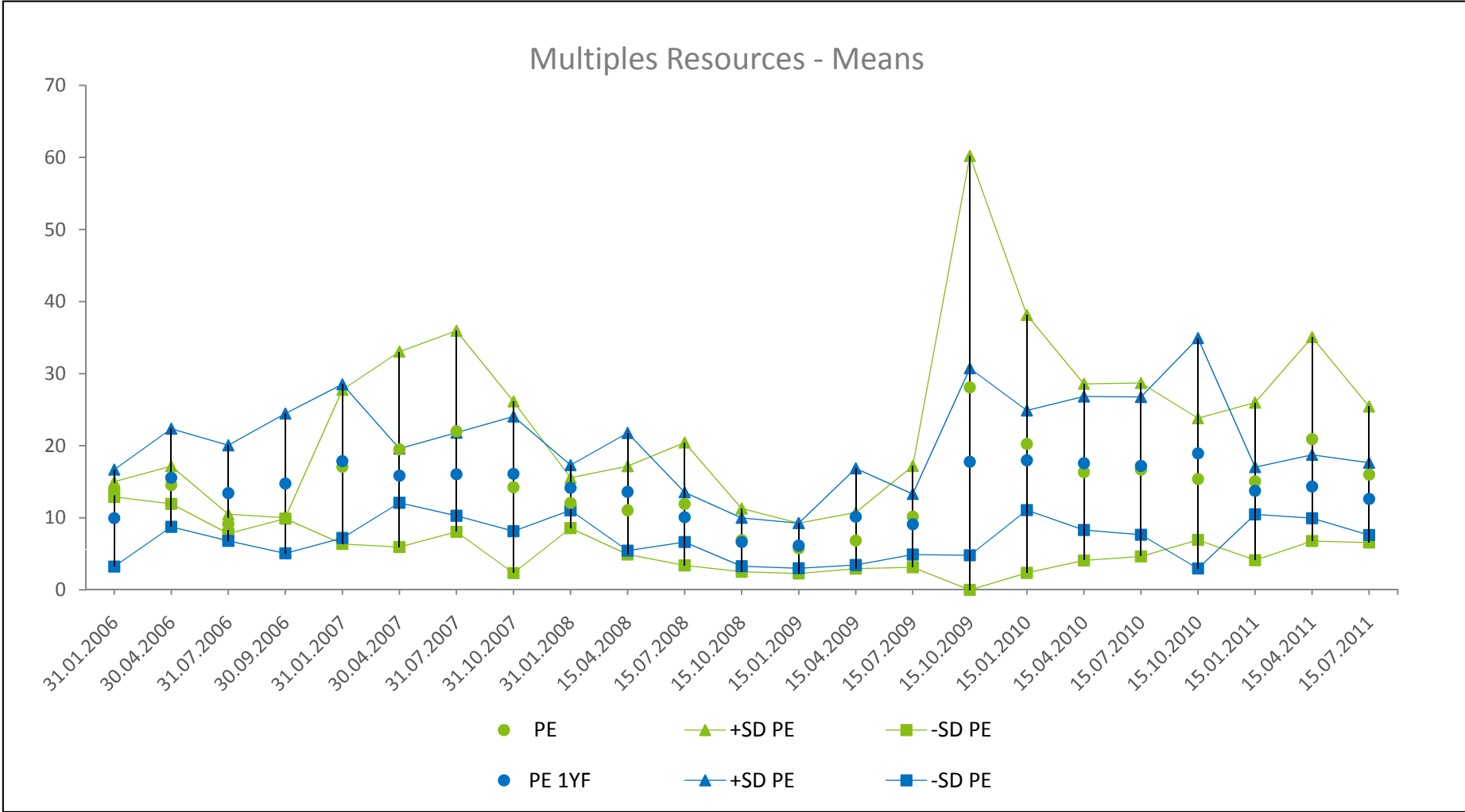
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Multiple P/E: Banks



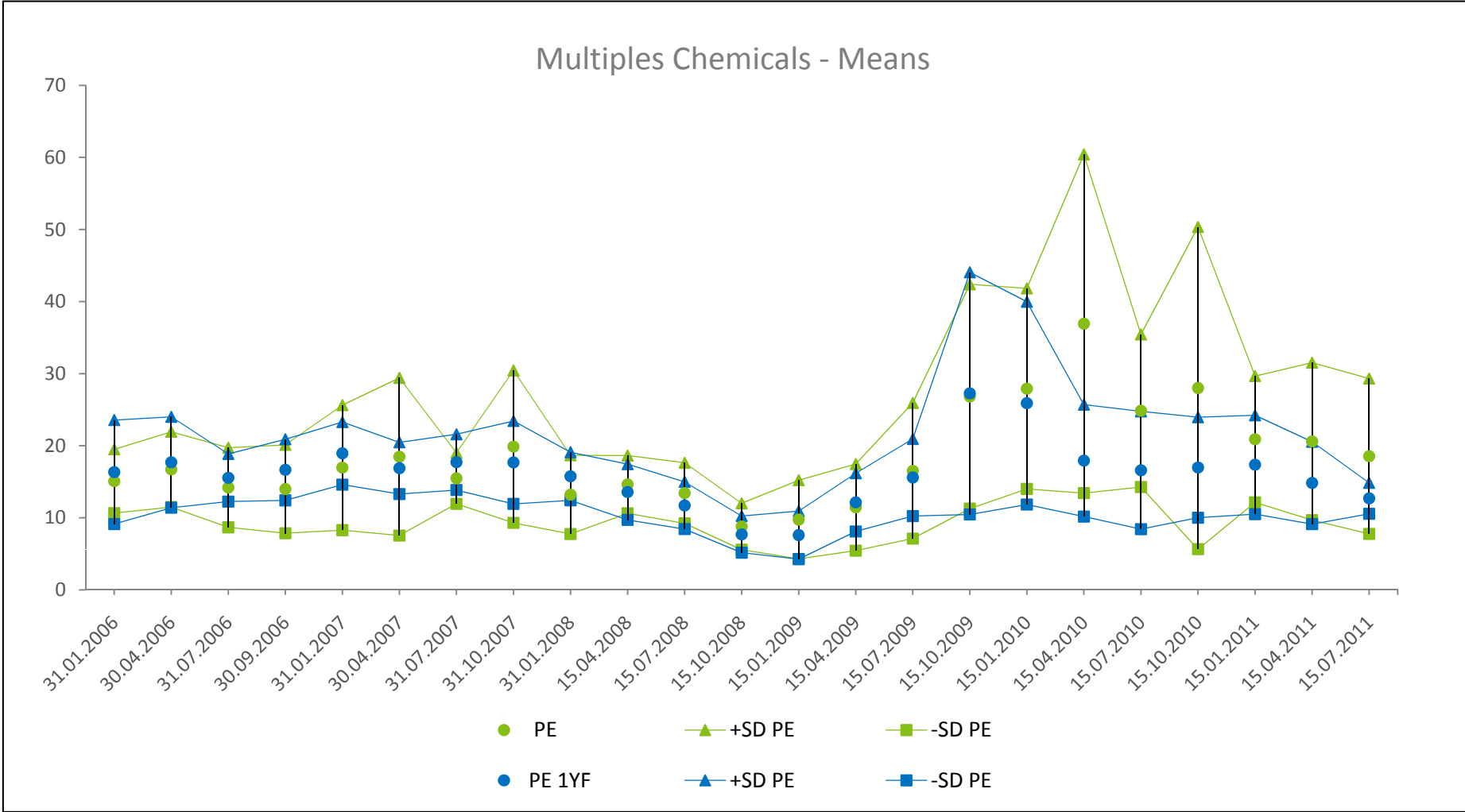
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Multiple P/E: Basic Resources



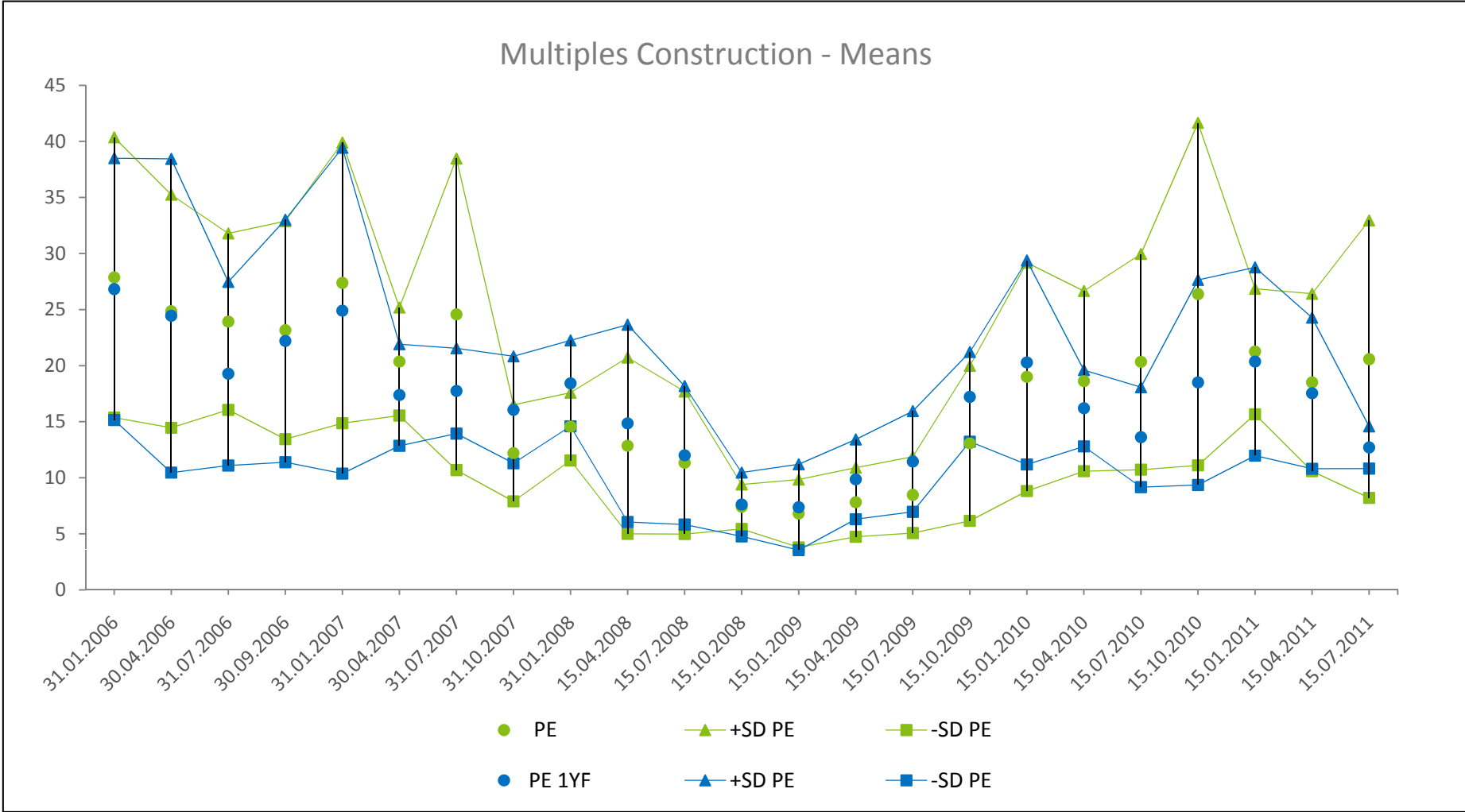
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Multiple P/E: Chemicals



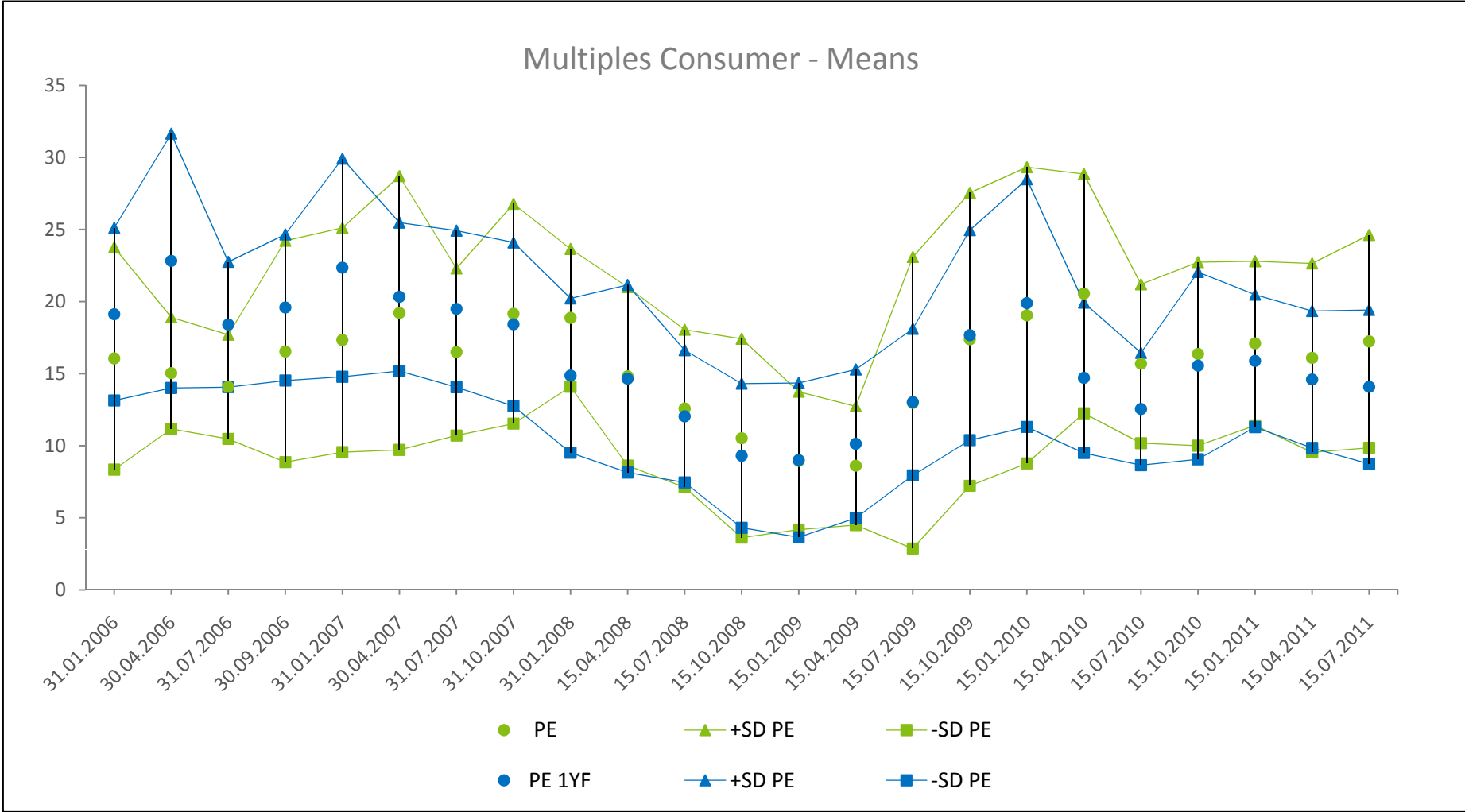
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Multiple P/E: Construction



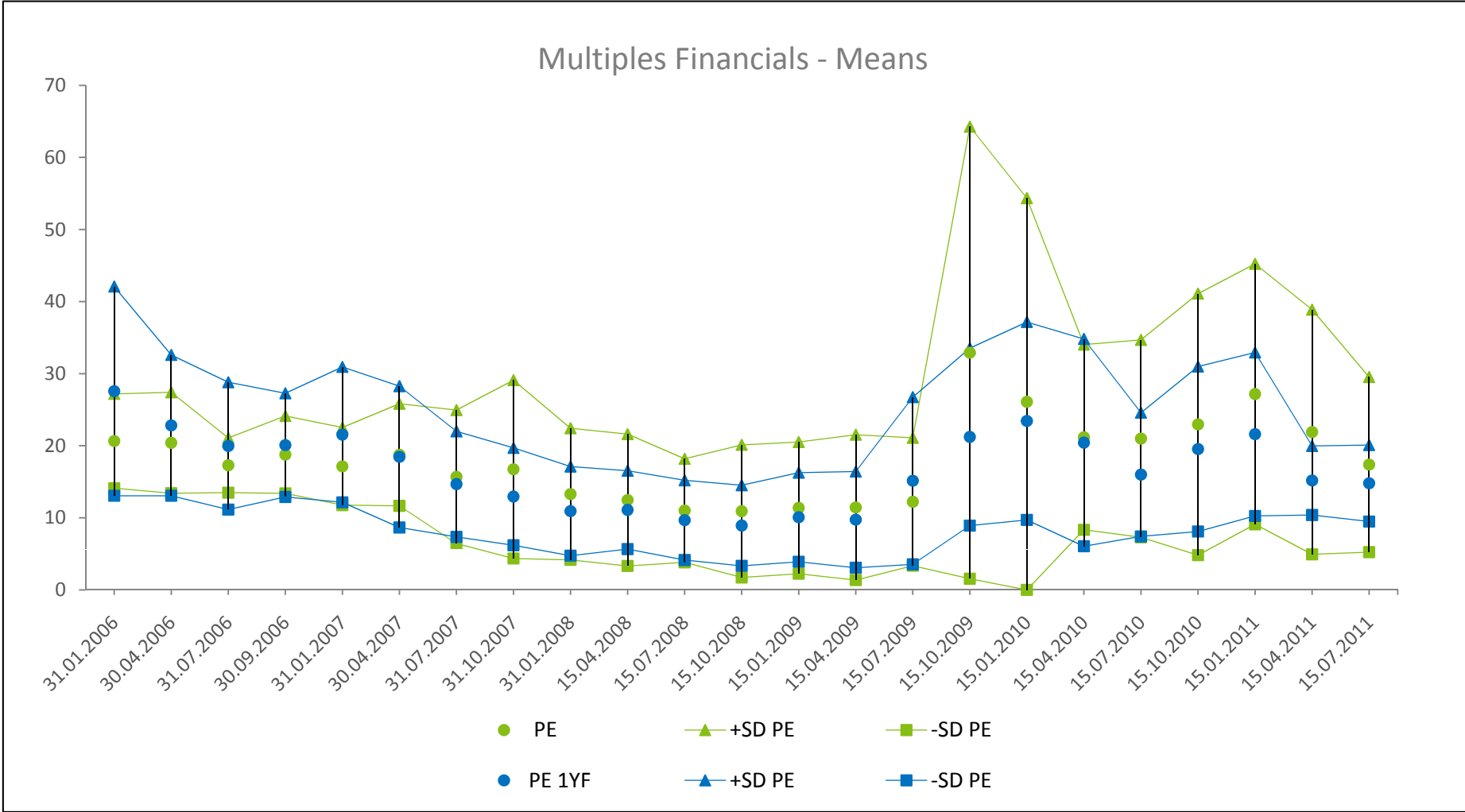
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Multiple P/E: Consumer



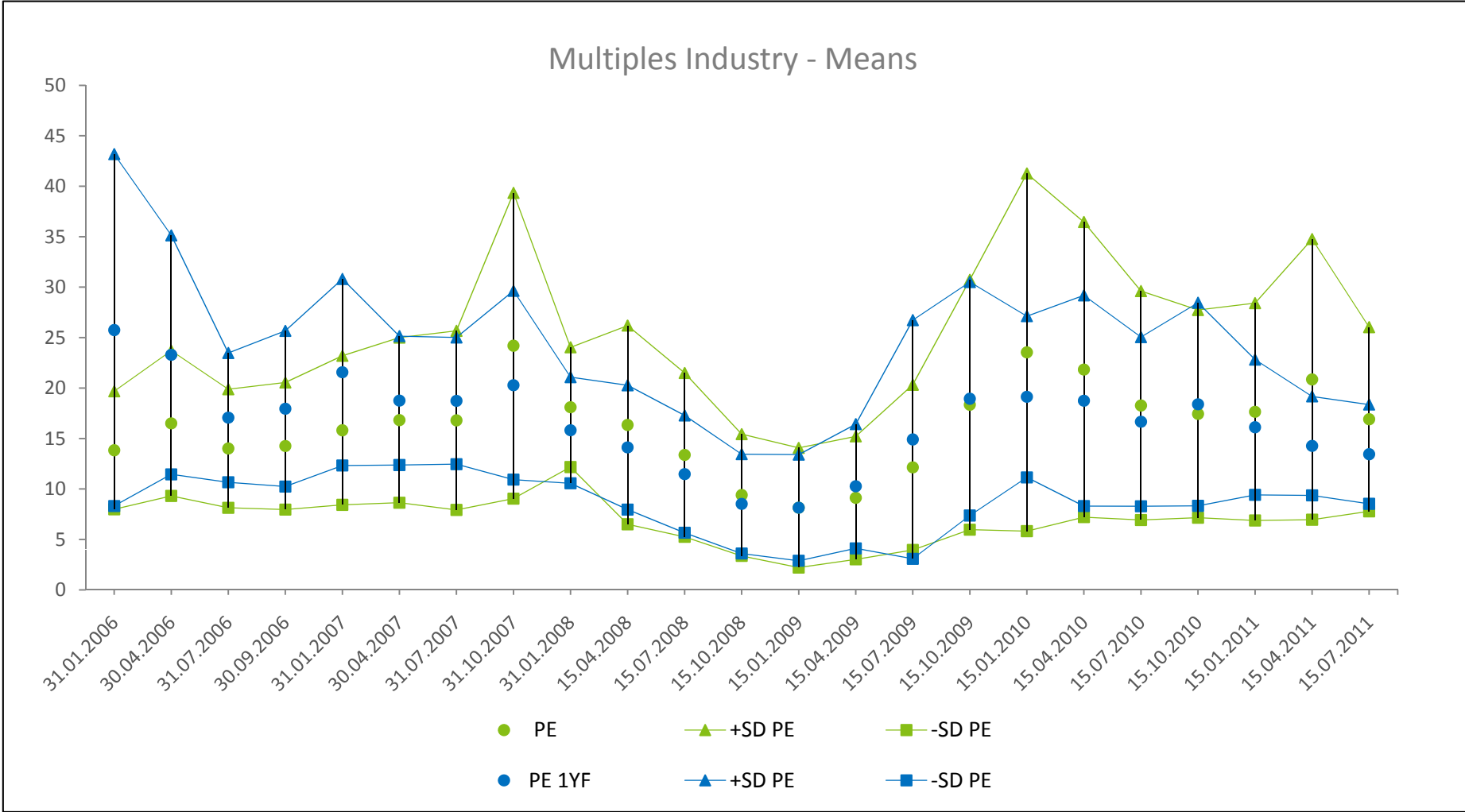
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Multiple P/E: Financials



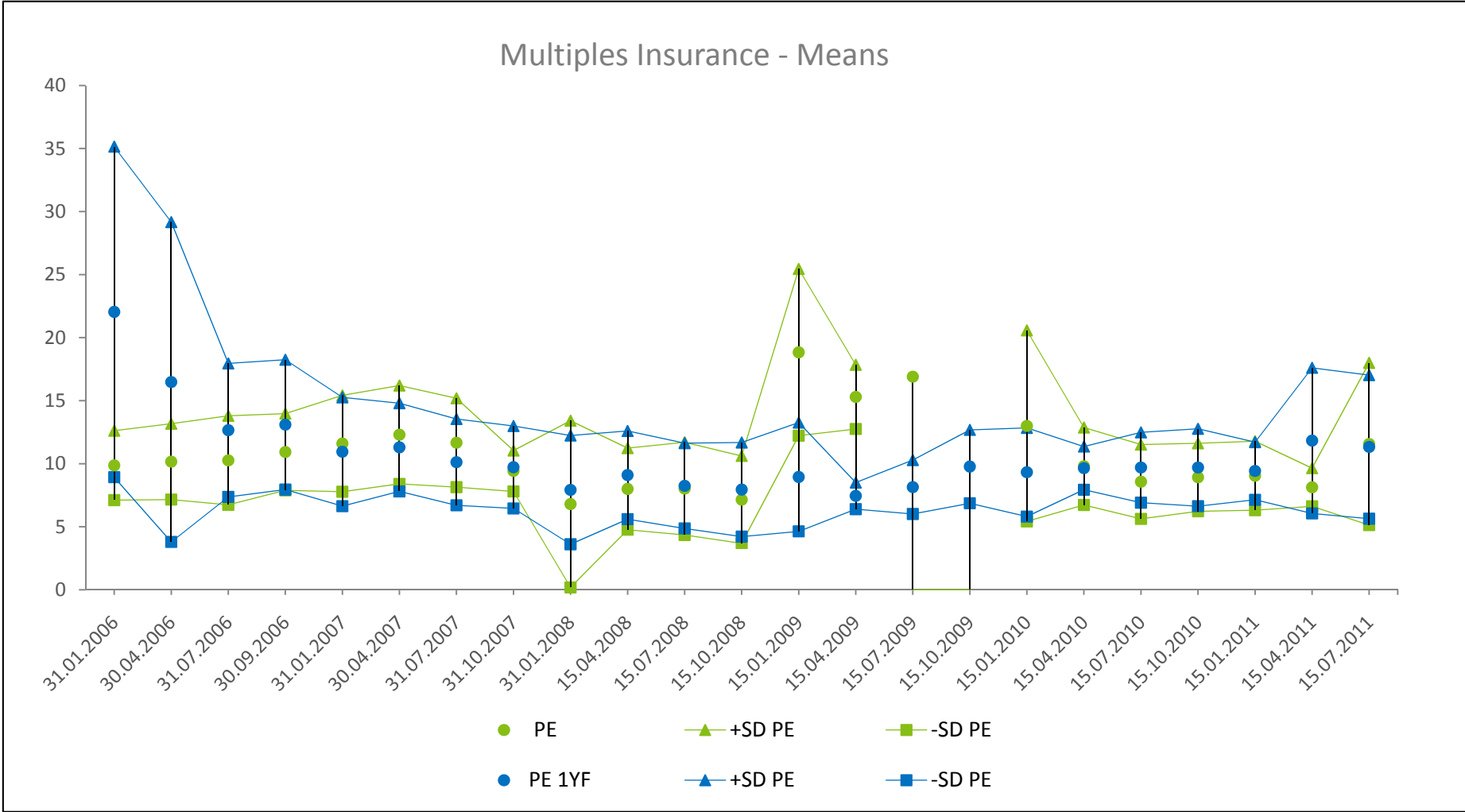
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Multiple P/E: Industry



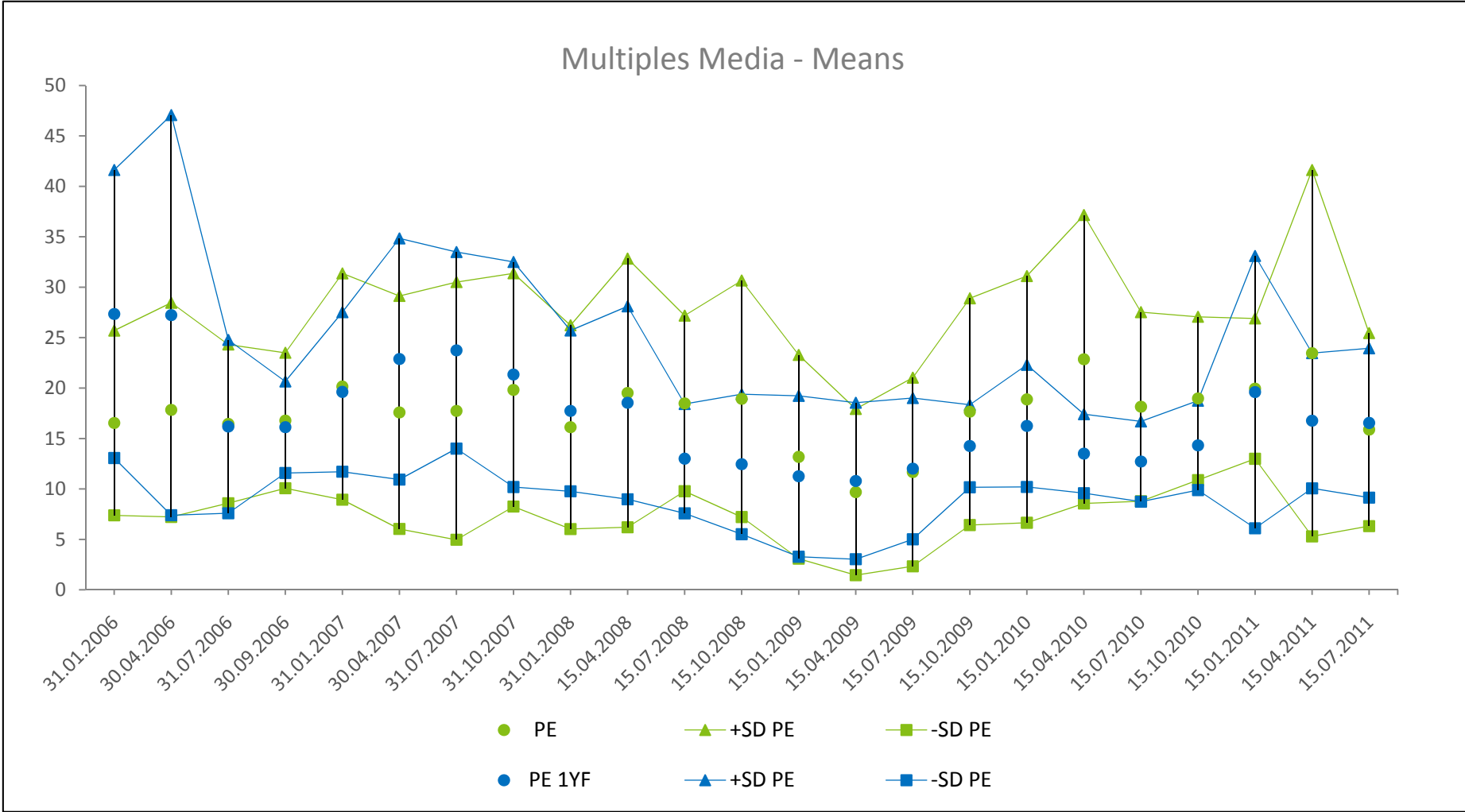
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Multiple P/E: Insurance



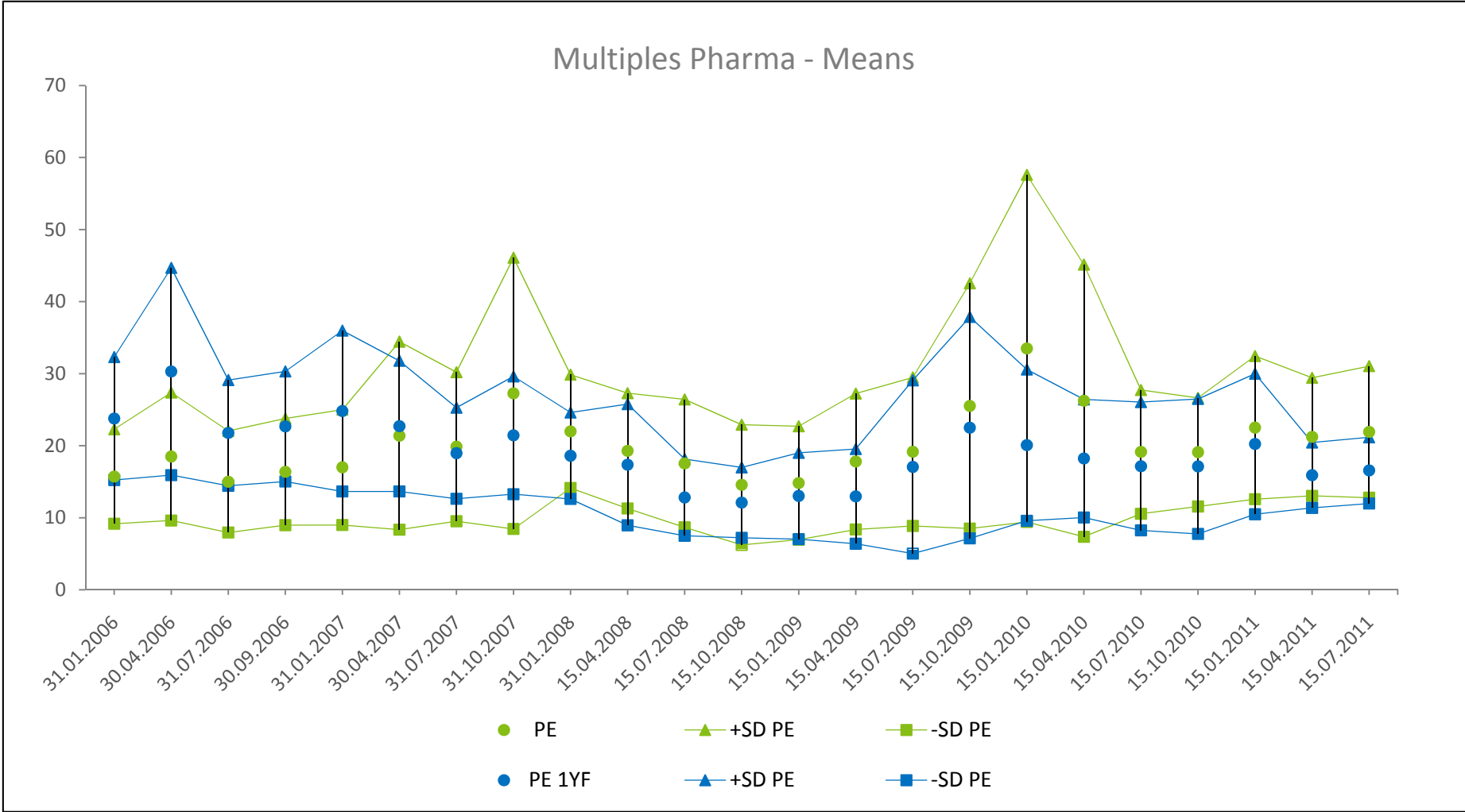
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Multiple P/E: Media



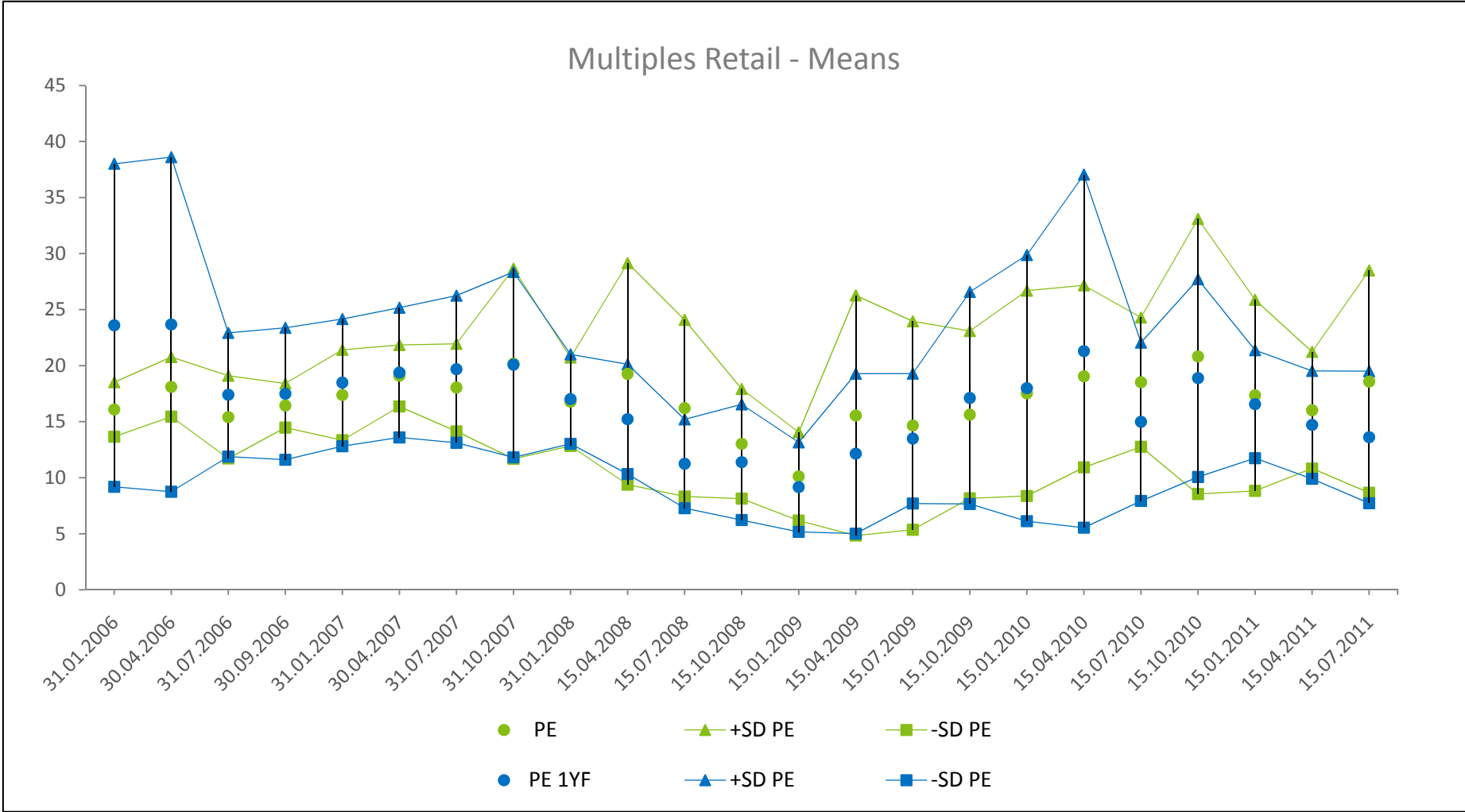
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Multiple P/E: Pharma



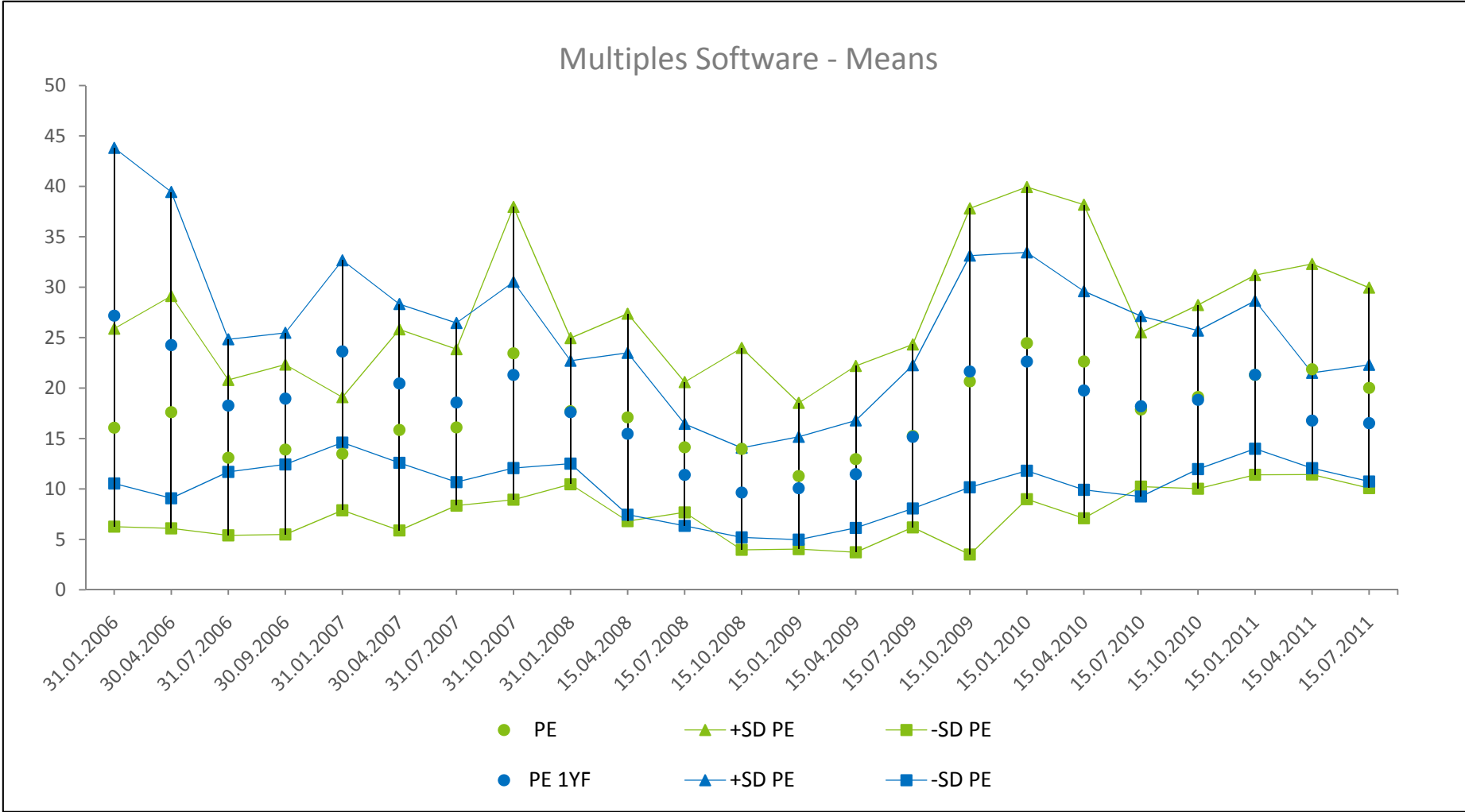
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Multiple P/E: Retail



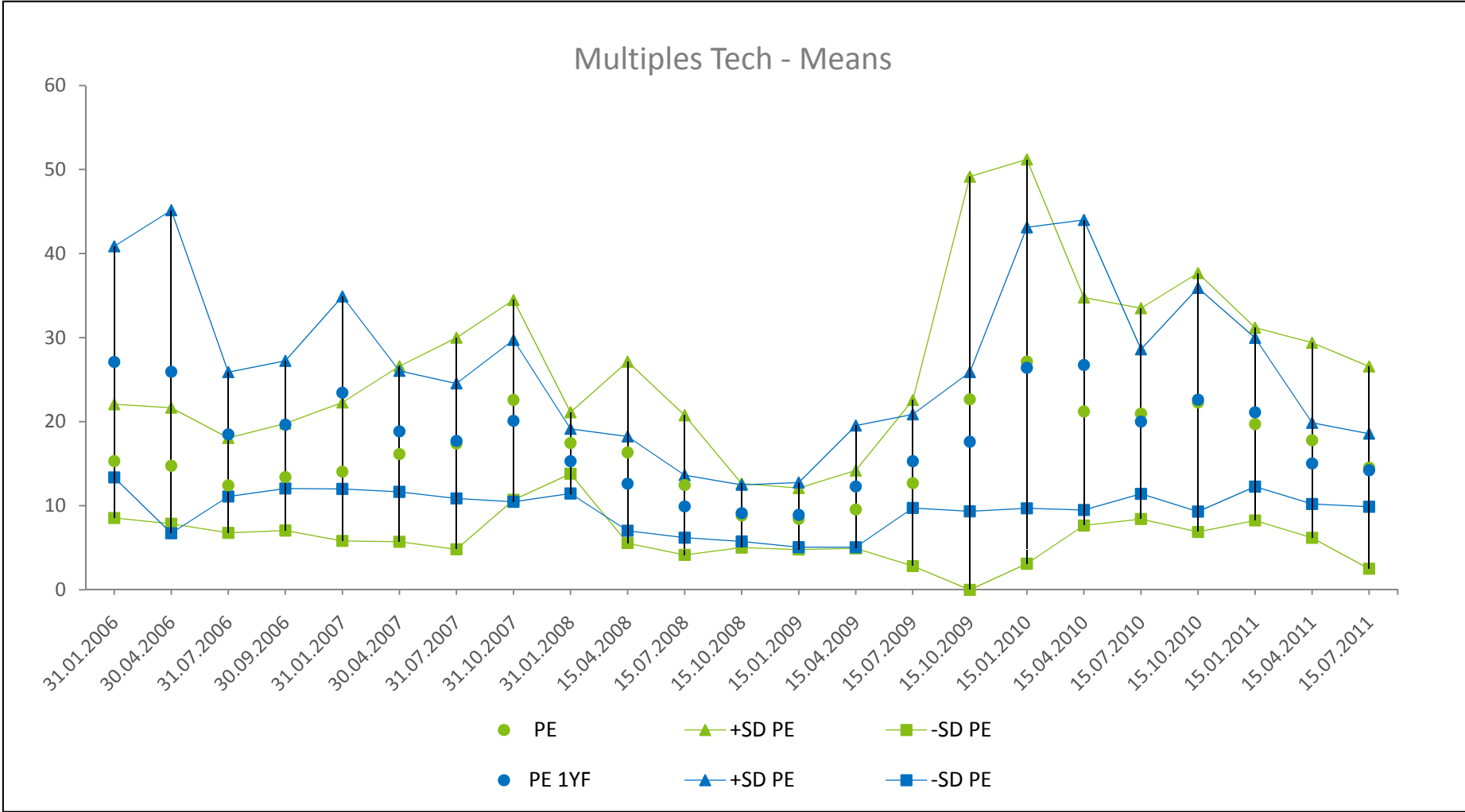
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Multiple P/E: Software



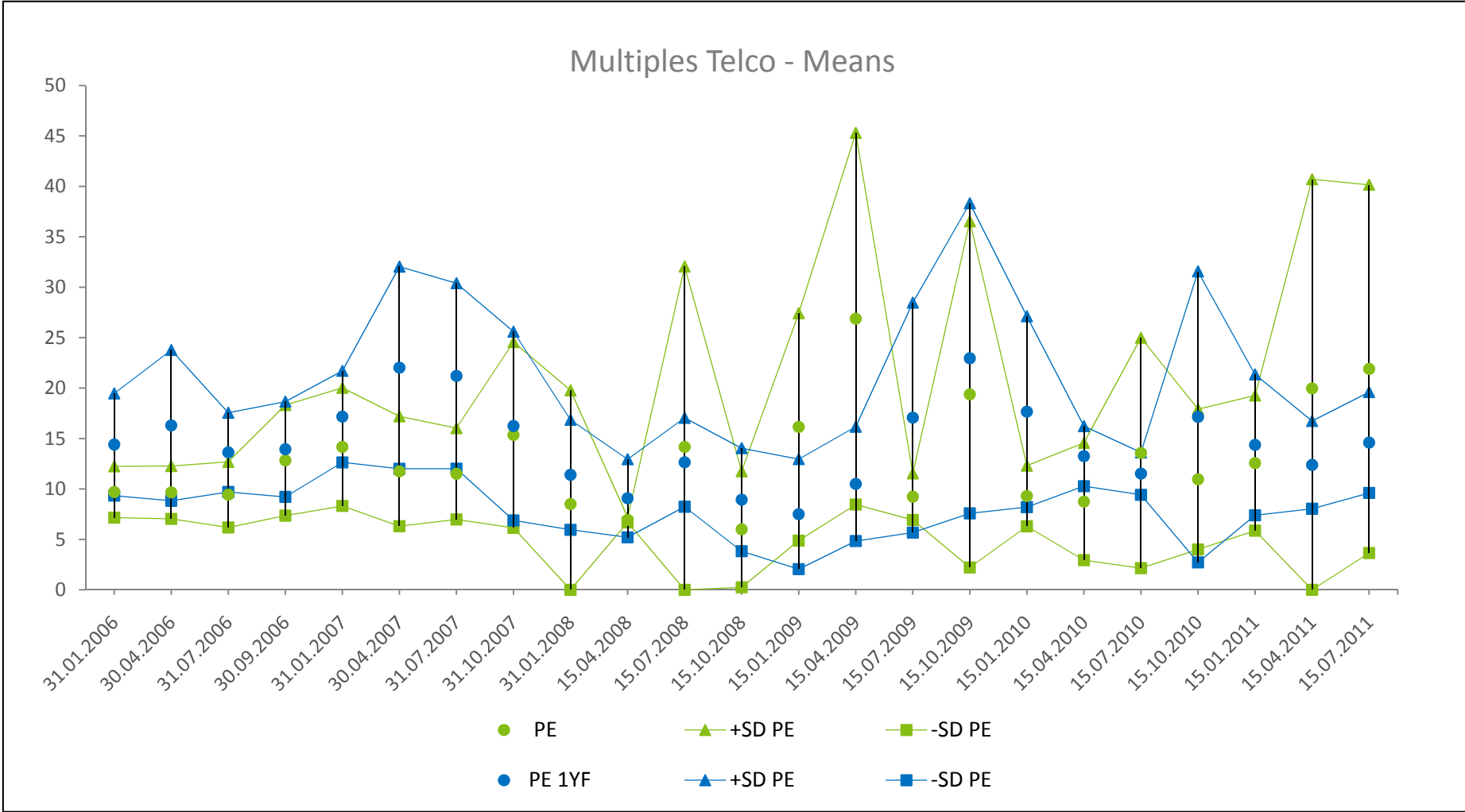
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Multiple P/E: Tech



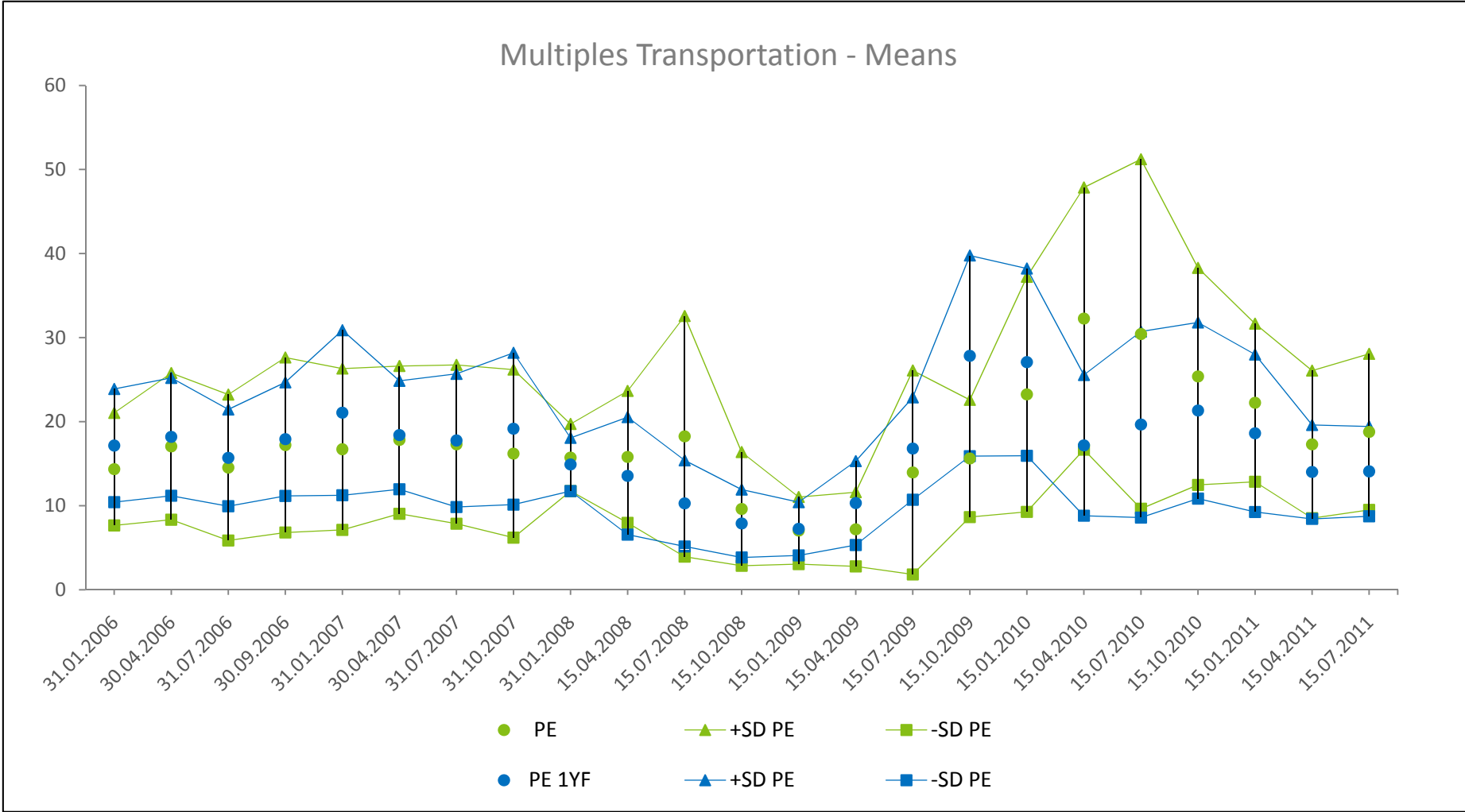
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Multiple P/E: Telco



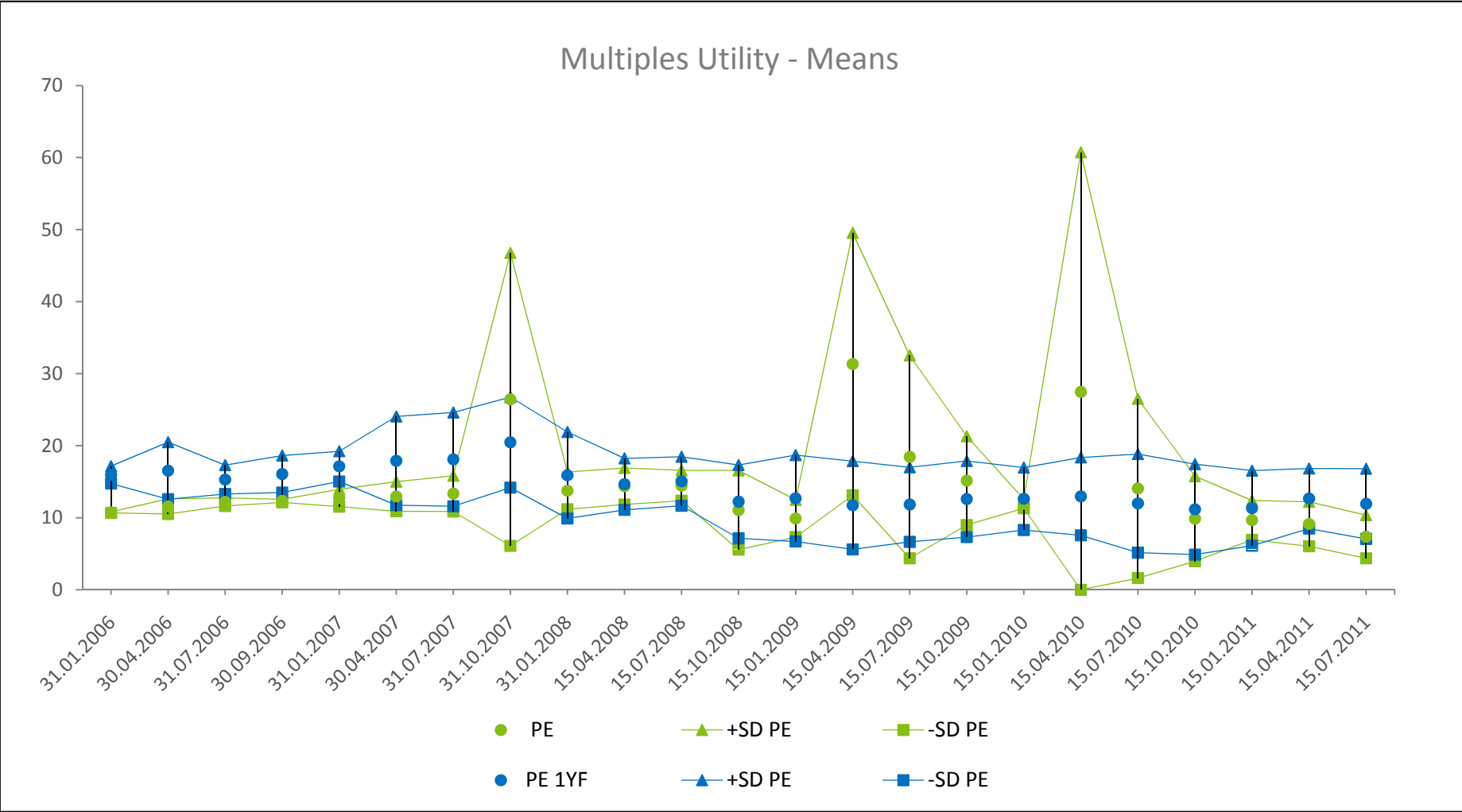
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Multiple P/E: Transportation



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Multiple P/E: Utility



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