



INSIDE THIS ISSUE

- Quarterly Overview
- Private Market Company Value Results
- Performance by Industry: Sector Breakdown
- Examining the ELPMI: EBITDA Multiples vs. Earnings
- Summary of the ELPMI
- Methodology: Data Collection and Academic Advisors

ELPMI
EUROPEAN LINCOLN
PRIVATE MARKET INDEX™

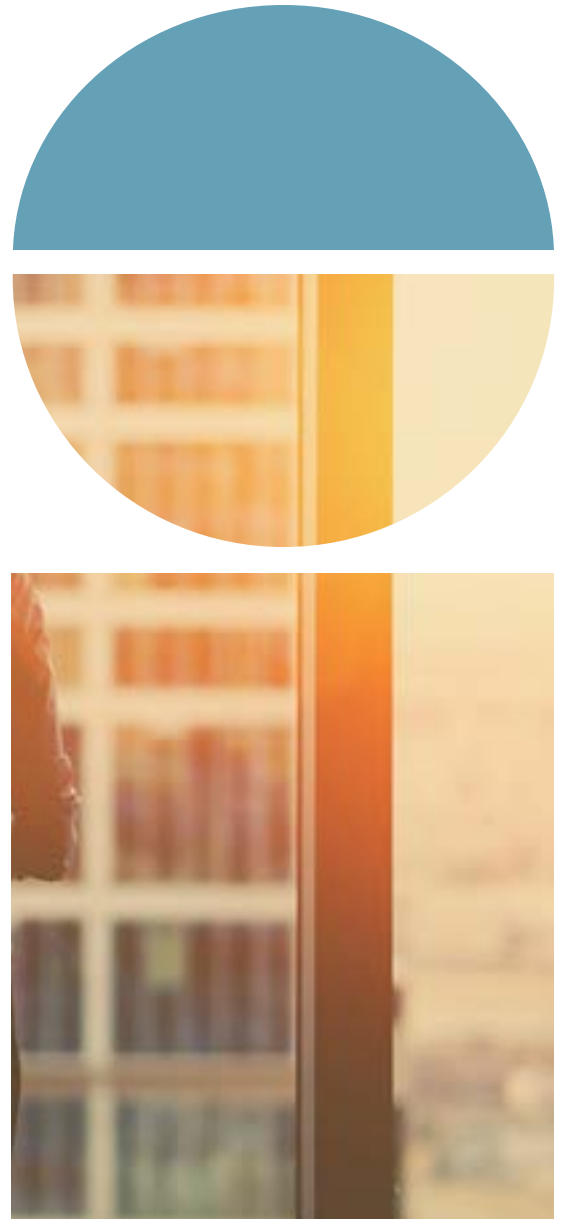
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EARNINGS GROWTH CONTINUES TO DRIVE EUROPEAN LINCOLN PMI, BUT INCREASING COVENANT DEFAULTS AND PIK USE SHOW SIGNS OF PRESSURE IN PRIVATE MARKETS

The European Lincoln Private Market Index (PMI) is the only index that tracks changes in the enterprise values (EVs) of Europe's privately held companies. Starting at a value of 10,000 as of December 31, 2020, the PMI grew to 15,532, representing an increase of +1.7% in Q3 2025. This marked an improvement over Q2's 1.3% growth, as continued positive trading performance was partially offset by modest multiple contraction.

ABOUT THE EUROPEAN LINCOLN PMI

The Lincoln PMI is a first-of-its-kind index measuring changes in the enterprise values of European private companies over time and a barometer of private company performance. The PMI enables private equity firms and other investors to benchmark how private company investments are performing against peers and how this performance compares to the STOXX 600 and FTSE 250 public indices.

To review the results of an independent study on the quality and breadth of Lincoln's private market database, [click here](#).

INDEX OVERVIEW

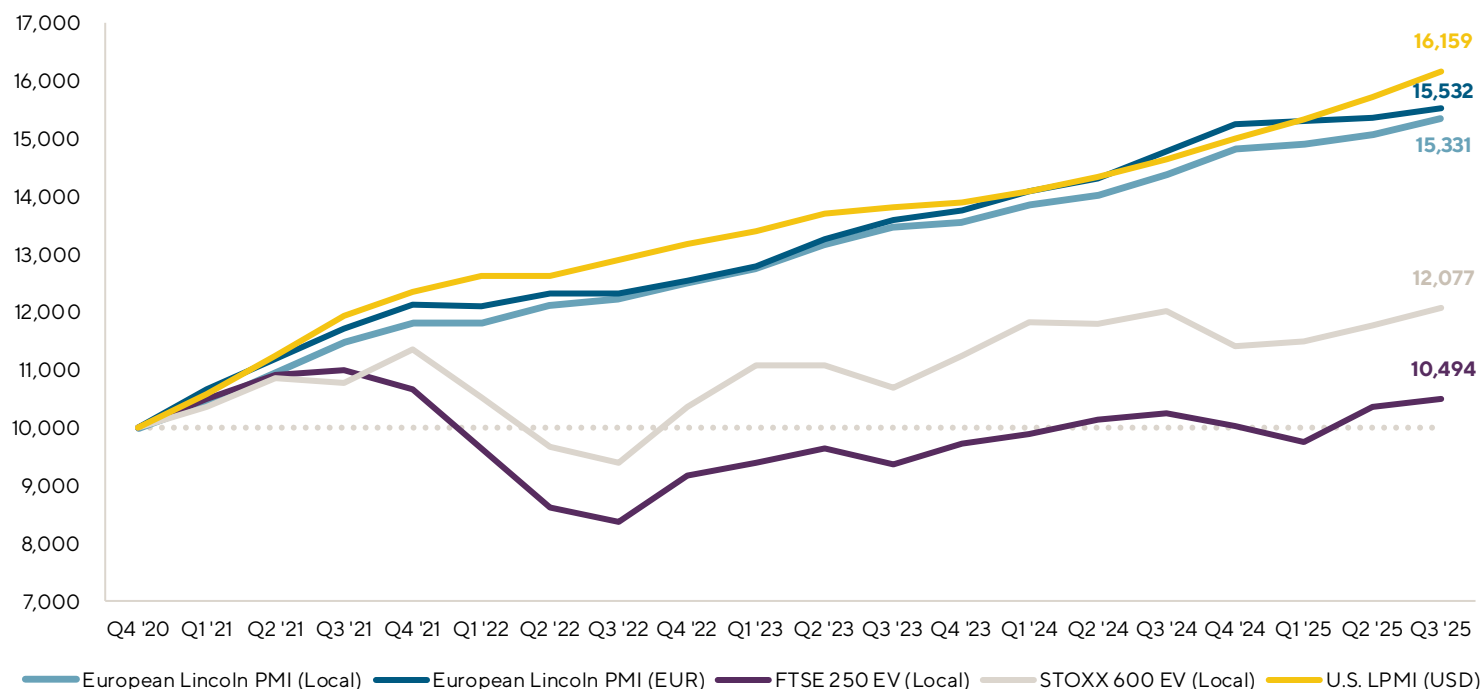
- Fourth Edition: Covers Q3 2025.
- Measures quarterly changes in the EVs of more than 300 European private companies with a median EBITDA of ~€30 million
- Analyses the impact of earnings and multiples on the Index's performance
- Assesses the change in value for five broad industries

RESULTS:

Private companies' enterprise values grew at an accelerated rate

Q3

2025



(NOTE: The Lincoln PMI, STOXX 600 and FTSE 250 EV returns above reflect enterprise values)

(Index EVs exclude financial institutions and real estate for which enterprise value is generally not meaningful; however, including such companies produces similar results)

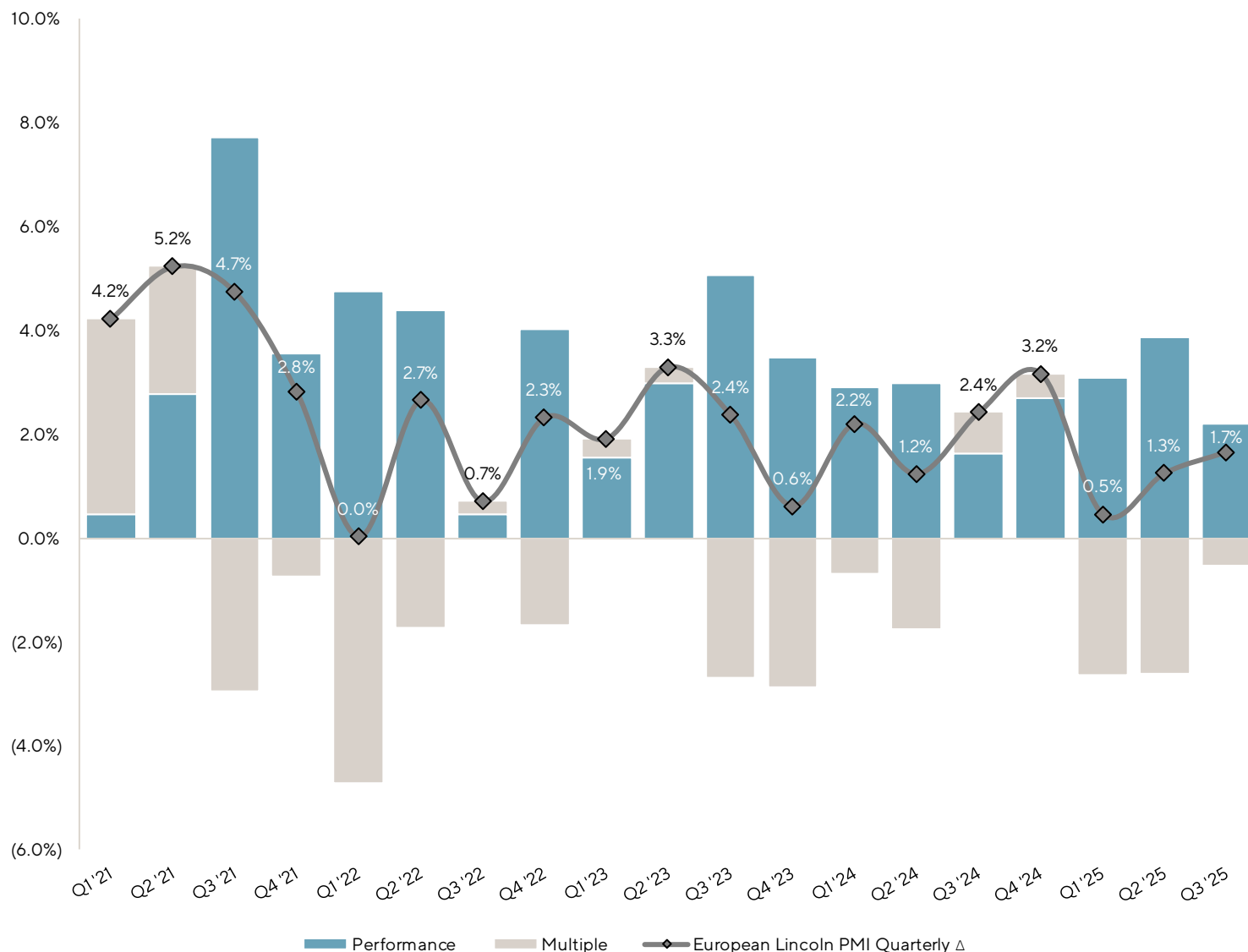
Index	Q3 '25	LTM	CAGR since Inception
European Lincoln PMI (Local)	1.7%	6.7%	9.4%
European Lincoln PMI (EUR)	1.2%	5.2%	9.7%
FTSE 250 EV (Local)	1.1%	2.4%	1.0%
STOXX 600 EV (Local)	2.6%	0.4%	4.1%
U.S. Lincoln PMI	2.9%	10.3%	10.6%

The European Lincoln PMI's quarter-over-quarter EV increase of +1.7% trailed the STOXX 600's increase of +2.6% but beat the FTSE 250, which increased +1.1%, reflecting general sluggishness for UK listed companies. Additionally, over the last 12 months, EV growth within the European Lincoln PMI outperformed public markets, delivering growth of +6.7% compared with +2.4% for the FTSE 250 and 0.4% for the STOXX 600. The outperformance of the European Lincoln PMI can be partly attributed to industry composition with a greater concentration in higher margin sectors such as business services where the public indices have a greater concentration in lower margin sectors such as consumer and industrials.

SECTOR BREAKDOWN: Examining the LPMI—EBITDA multiples versus earnings

Q3

2025



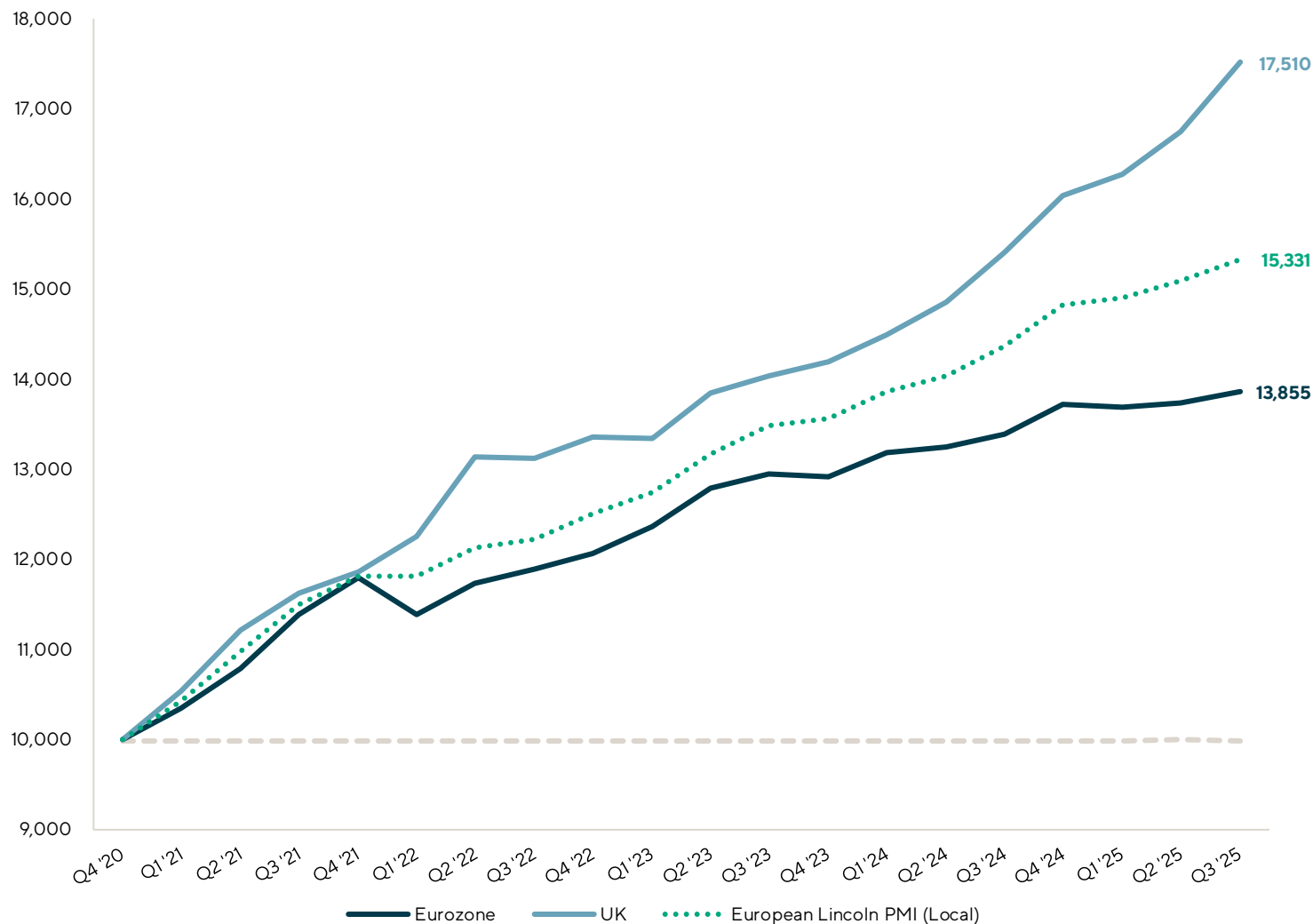
Since the inception of the European Lincoln PMI, earnings growth has been the main driver, a trend that has continued in Q3 2025. This quarter saw private markets recovering from the volatility earlier in the year, with multiples showing only modest contraction compared to Q1 and Q2, driven in particular by lower multiples of larger companies within the European PMI.

While positive earnings growth remained the dominant factor, its pace slowed compared to Q2 and was also below its historical average. The slowdown in earnings growth compared to prior year suggests there may be headwinds on the horizon. Steven Kaplan, Neubauer Distinguished Service Professor of Entrepreneurship and Finance at the University of Chicago Booth School of Business, commented, "Private market enterprise value growth in Q3 may have lagged the public market indices, but the growth it experienced was largely driven by an increase in earnings. Conversely, the earnings of the public markets grew by less than the privately held companies, but the public market indices outperformed because of multiple expansion."

SECTOR BREAKDOWN: Comparing the UK and the Eurozone

Q3

2025



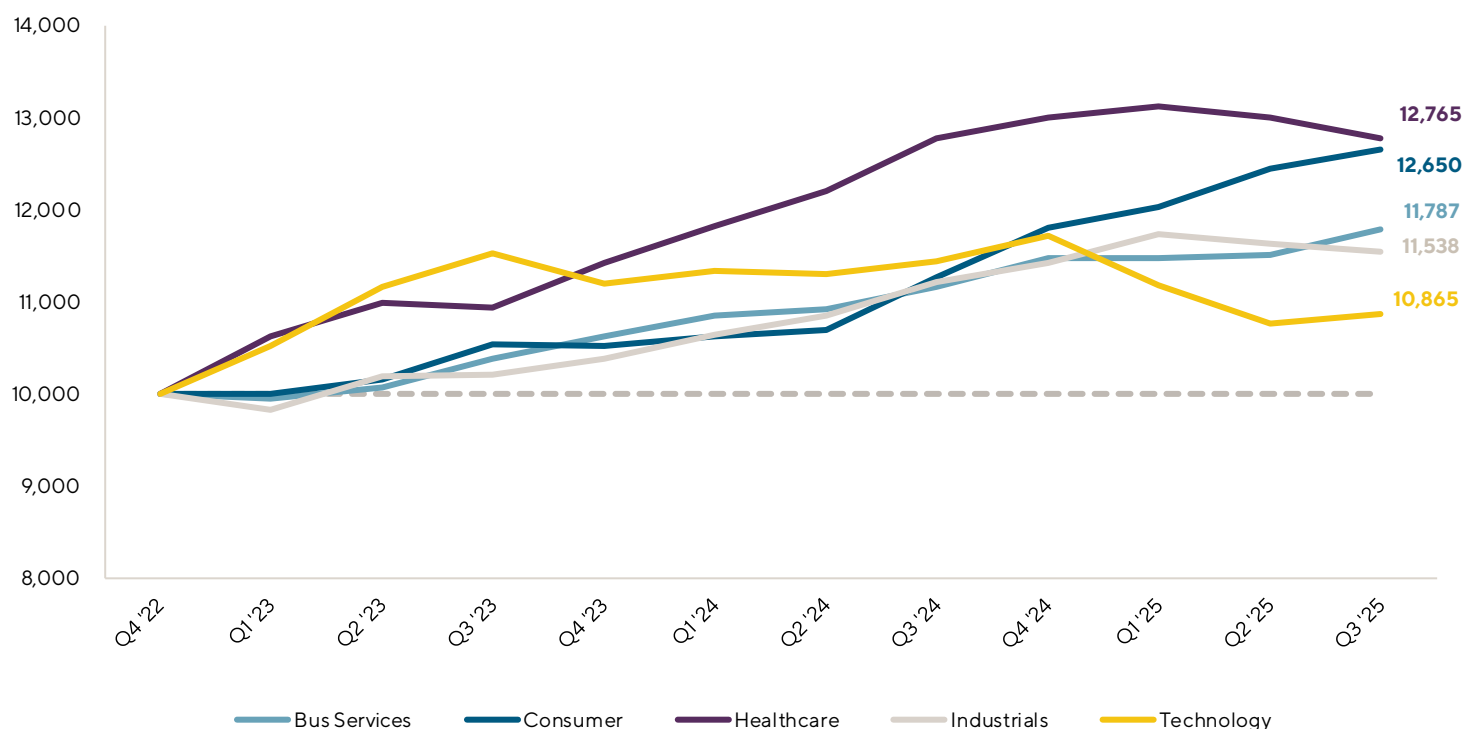
Geography	Q3 '25	YTD	LTM
European Lincoln PMI (Local)	1.7%	3.4%	6.7%
Eurozone	0.9%	1.0%	3.5%
UK	4.5%	9.0%	13.7%

UK companies in the European Lincoln PMI outperformed the Eurozone again, with further divergence in Q3 2025 as UK companies increased +4.5% compared to Eurozone companies which increased by only +0.9%. The divergence was primarily a result of industry composition, as the UK had a higher concentration of companies within higher-growth and higher-margin sectors, such as business services (40% vs 26%), and limited exposure to lower-growth sectors like industrials (2% vs 15%), when in comparison to the Eurozone.

EXAMINING THE LPMI: European Lincoln PMI by sector

Q3

2025



Industry	Q3'25	YTD	LTM
Business Services	2.5%	2.5%	5.4%
Consumer	1.7%	3.7%	8.6%
Healthcare	(1.8%)	(0.9%)	0.8%
Industrials	(0.8%)	1.8%	3.9%
Technology	1.1%	(3.6%)	(1.3%)
European Lincoln PMI (Local)	1.7%	3.4%	6.7%

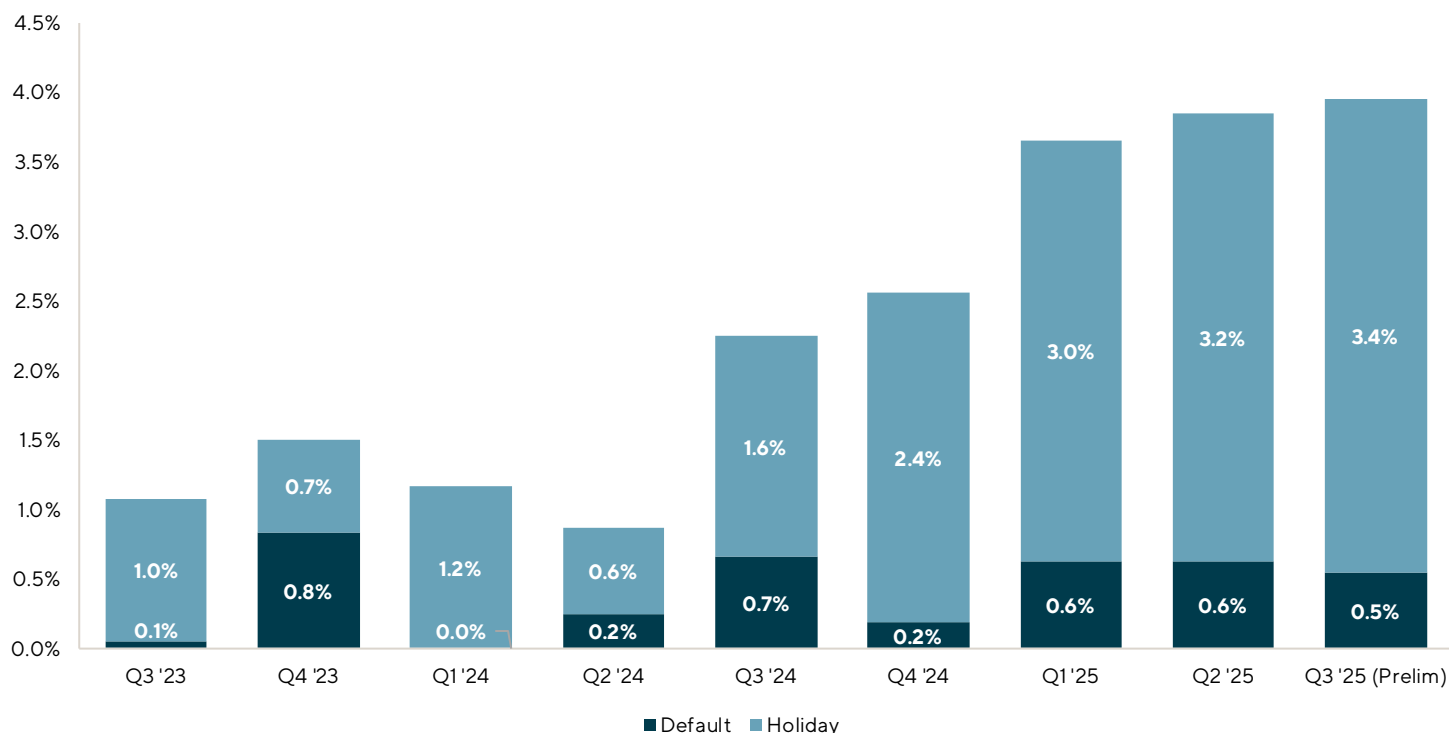
European technology company EVs experienced a rebound, growing +1.1% for the quarter and generating positive returns for the first time since Q4 2024; this was particularly evident for larger companies within technology. Technology company returns reflected companies in the sector moving to a higher margin recurring revenue model, rather than driven by AI company growth. Meanwhile, healthcare companies' enterprise values decreased -1.8%, its second consecutive quarter of decline, as a result of a slight contraction in multiples as well as a slowdown in EBITDA growth reflecting ongoing staff shortages and cost pressures in the European healthcare sector.

EXAMINING THE LPMI:

Rising stress indicators amid positive market momentum

Q3

2025



While overall trends are positive, both in terms of operating and index performance, there are some signs of stress at the margins. The covenant default rate continued to increase, reaching 3.9% in Q3 despite lenders being proactive with breaches and waiving or remedying them with a covenant holiday in over 80% of cases. In addition, more than 17% of companies have some form of PIK interest across their senior debt facilities, up from 15.5% in the prior quarter. This may be in part driving the proportion of companies with tight covenant headroom (i.e., < 10%) increasing from 10% in 2024 to 15% of the portfolio in 2025. Nick Baldwin, Managing Director in Lincoln International's European Valuations and Opinions Group, commented, "While private markets are not currently a cause for concern given continued earnings growth, there are signs of strain that appear to be emerging gradually. These pressures serve as a reminder that even a handful of poor deals can significantly impact credit fund returns as uncertainty persists."

IN SUMMARY, WE BELIEVE THE LINCOLN PMI:

- Enables investors in private companies, including private equity firms, to benchmark their investments against their peers and European public indices on both enterprise value and equity value bases;
- Offers many unique valuation insights into the fair value of private companies for a wide array of stakeholders and investors; and
- Represents a significant enhancement to the information available to investors in private companies.

METHODOLOGY:

Data collection and academic advisors

METHODOLOGY

The Index is calculated using anonymized data on an aggregated basis by Lincoln's Valuations & Opinions Group, which has unique insights into the financial performance of thousands of portfolio investments across a variety of investment vehicles, including private equity and private debt funds.

All figures are quoted in and based on calculations in local currencies, however Lincoln also prepares the index on a single-currency basis to account for FX impacts. Lincoln applied the same methodology to public indices to allow a like-for-like enterprise value comparison between the Index, the FTSE 250 and the STOXX 600.

PROFESSOR STEVEN KAPLAN

Professor Steven Kaplan is a Senior Advisor to Lincoln's Valuations & Opinions Group. He is the Neubauer Family Distinguished Service Professor of Entrepreneurship and Finance and Kessenich E.P. Faculty Director at the Polsky Center for Entrepreneurship and Innovation at the University of Chicago Booth School of Business. Among other courses, Professor Kaplan teaches advanced Master of Business Administration and executive courses in entrepreneurial finance and private equity, corporate finance, corporate governance and wealth management. Professor Kaplan conducts research on a wide array of issues in private equity, venture capital, corporate governance, boards of directors, mergers and acquisitions and corporate finance. He has been a member of the Chicago Booth faculty since 1988.

Professor Kaplan serves on the board of Morningstar and several fund and company advisory boards. He is also a Research Associate at the National Bureau of Economic Research.

Professor Kaplan received a Bachelor of Arts, summa cum laude, in applied mathematics and economics from Harvard College and earned a Doctor of Philosophy in business economics from Harvard University.

PROFESSOR MICHAEL MINNIS

Professor Michael Minnis is a Senior Advisor to Lincoln's Valuations & Opinions Group. He is the Deputy Dean for Faculty and Fuji Bank and Heller Professor of Accounting at the University of Chicago Booth School of Business, where he researches the role of accounting information in allocating investment efficiently by both managers and capital providers. His recent research focuses on understanding the role of privately held companies in the U.S. economy and how these firms use financial reporting to access, deploy and manage capital. He particularly enjoys identifying unique data and methods to empirically examine issues in a novel way.

In January 2018, Professor Minnis became a member of the Private Company Council, the primary advisory council to the Financial Accounting Standards Board (FASB) on private company issues. Professor Minnis holds a doctorate from the University of Michigan and his a Bachelor of Science from the University of Illinois, where he graduated with Highest Honors.

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Lincoln's Valuations & Opinions Group is a leading independent valuation advisor to managers of illiquid assets and lenders to alternative assets funds. The group specializes in the valuation of illiquid debt, equity and derivative securities. Additionally, they provide independent fairness, solvency and other transaction opinions for a variety of corporate transactions for both public and private companies.

Lincoln's Valuations & Opinions Group is widely recognized for leveraging Lincoln International's "real world" transaction experience from its M&A and debt advisory practices to assist its clients in the determination of fair value. Lincoln International's highly skilled professionals have extensive experience in determining and supporting fair value measurements for traditional and complex securities.

