

Argos Index[®]

The mid-market reference

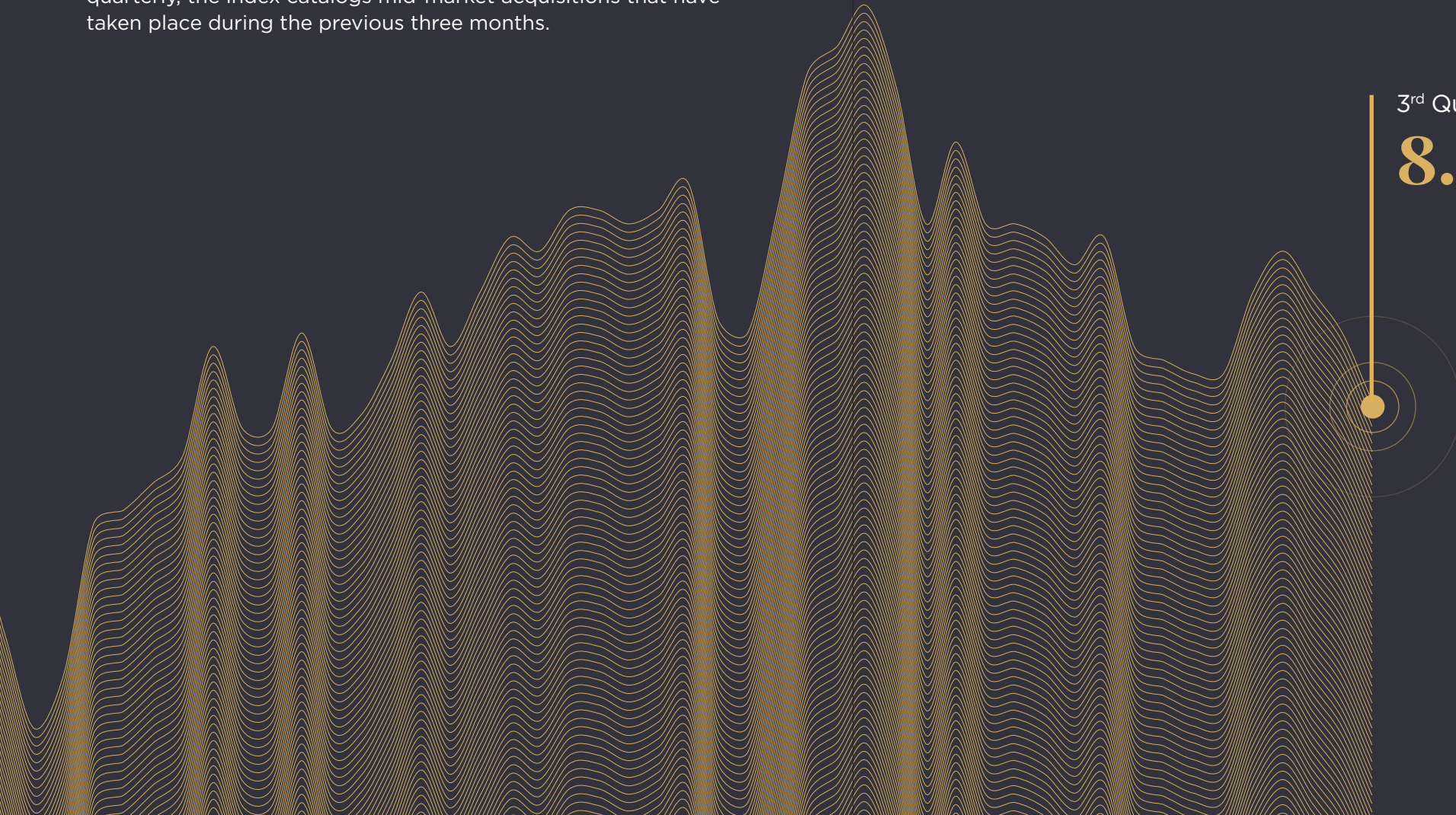
Argos Index[®]

The mid-market reference

The Mid-market Argos Index[®] tracks the valuation of unlisted eurozone SMEs. The index was launched at the end of 2006 by Argos Fund and Epsilon Research, an online platform for managing M&A transactions on listed companies. Published quarterly, the index catalogs mid-market acquisitions that have taken place during the previous three months.

3rd Quarter 2025

8.7x



“ The Argos Index® was born out of the desire to create a database for the unlisted market that would be both methodologically robust and rich in high-quality information. Robustness is the index’s salient characteristic. ”

**Louis Godron,
Managing Partner, France**

“ When the CEO of a company wonders if now is the right time to sell, the Argos Index® supplies essential business cycle information and helps him or her make a decision. The Argos Index® derives its legitimacy from its longevity and independence. ”

**Frank Hermann,
Managing Partner, DACH**

“ If the Argos Index® is now a benchmark in Europe, it’s because we use information from our EMAT (Epsilon multiple Analysis Tool) database that has been proven to be reliable. The index has always been based on this methodology. We work meticulously, transaction by transaction, examining documents, analyzing annual reports, reconstituting transactions and building hypotheses. ”

**Grégoire Buisson,
Founder & CEO, Epsilon Research**

Main conclusions

- The Argos Index® continues its downward trend to 8.7x EBITDA, at its lowest level since 2017.
- The Argos Index® is pulled down by both strategic buyers and investment funds.
- The share of deals priced below 7.0x EBITDA rose to 28%, while those above 15x fell to a record-low 7%, underscoring persistent downward pressure on pricing.
- Limited recovery of the M&A mid-market activity.

01 | The Argos Index® continues its downward trend to 8.7x EBITDA, at its lowest level since 2017

The Argos Index® fell 5.4% in Q3 2025 to 8.7x EBITDA, its lowest level since Q1 2017. Valuations decreased across all segments of the mid-market, with the lower mid-market seeing the sharpest drop (–10%). The share of deals priced below 7.0x EBITDA rose to 28%, while those above 15x fell to a record-low 7%, underscoring persistent downward pressure on pricing.

This decline has continued despite a gradual increase in M&A activity that began in 2024 and was briefly interrupted in early 2025 by the U.S. tariff shock. Activity recovered as the anticipated economic deterioration did not materialize, supported by lower-than-expected inflation, strong corporate earnings, and optimism about AI's impact on growth and valuations.

Pricing remained under pressure from higher long-term rates⁽¹⁾ despite ECB deposit-rate cuts. The rising term premia reflect concerns about the durability of growth, longer-term impact of Trump's policy and ongoing geopolitical tensions, as well as heavier expected issuance (notably Germany) and political/fiscal concerns in France. Euro-zone banks tightened corporate credit standards in Q3⁽²⁾, limiting available leverage⁽³⁾ and reducing buyers' bid capacity, with German lenders leading the way on fears over the economic outlook and tariffs.

Both multiples paid by investment funds (to 9.0x EBITDA) and strategic buyers (to 7.7x) dropped in Q3. With PE exits up 12.5% in the quarter, sellers—especially funds—have gradually adjusted price expectations, narrowing the bid-ask spread. The drop in the Argos Index® reflects this repricing process, which is helping M&A activity to recover.

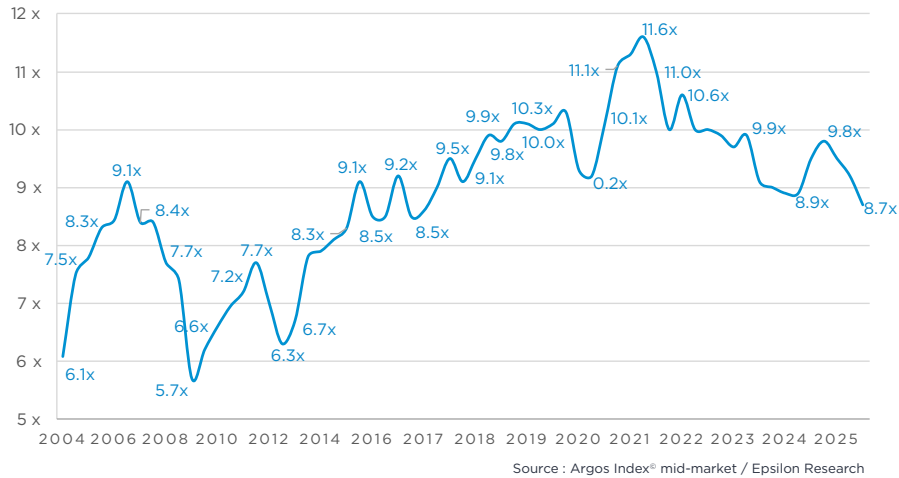
⁽¹⁾ The 10y EU bond yields, calculated by the ECB, was up 14bp in Q3 (from 3.01% to 3.15%), and 41bp since 1st Jan. 2025

⁽²⁾ Source: ECB Quarterly Survey

⁽³⁾ ECB guidance to banks on leveraged transactions (2017) raises the cost of bank financing for highly leveraged deals (with total debt/EBITDA >6x). In the ECB's 2024 SREP decisions (Dec. 2024), the number of banks subject to increased capital on account of the risk of excessive leverage more than doubled.

Argos Index® mid-market

Median EV/EBITDA multiple on a six-month rolling basis



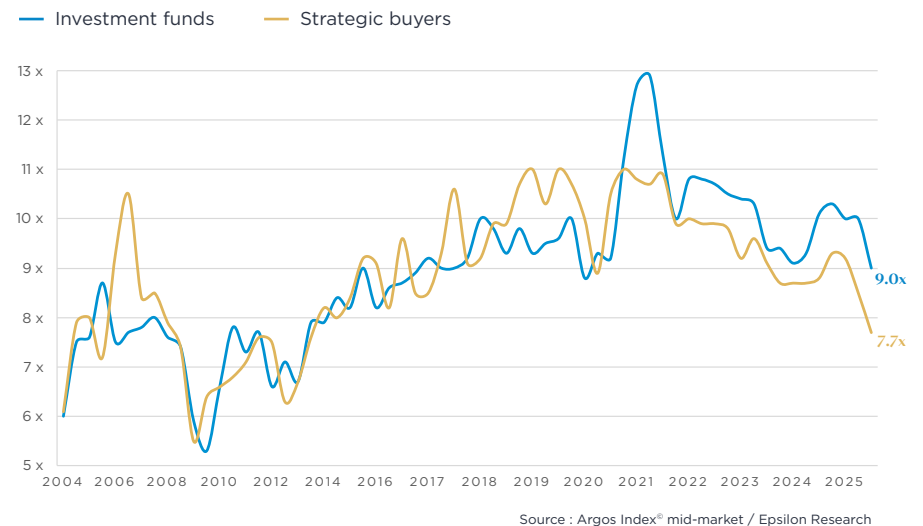
02 | The Argos Index® is pulled down by both strategic buyers and investment funds

Multiples paid by investment funds are down 10% to 9.0x EBITDA in Q3, close to their long term average of 8.8x. With weaker fundraising⁽¹⁾ and LPs pushing for distributions, sponsors prioritized downside-protected returns over “winning at any price”, resulting in tighter valuations. As the bid-ask spread narrowed, PE exits rose 12.5% in the first three quarters of 2025, enabling investment funds to monetize older portfolio assets. Mid-market LBO activity tracked the broader M&A market, with its share of total deal volume steady at a low 15%.

⁽¹⁾ European private equity fund raising is down 33.3% over the first 3 quarters 2025, from 2024's record (Source: Pitchbook in VRC European Private Market Update: Q3 2025)

Multiples paid by strategic buyers continued their decline, reaching 7.7x EBITDA in Q3 (12% below their long term average). Large corporates pursued opportunistic acquisitions at lower multiples, with a record share of deals priced below 7.0x EBITDA. At the same time, growing public equity markets since early 2025⁽²⁾ supported high-premium strategic transactions, particularly in sectors adapting to AI and digital transformation.

Enterprise value / historical EBITDA

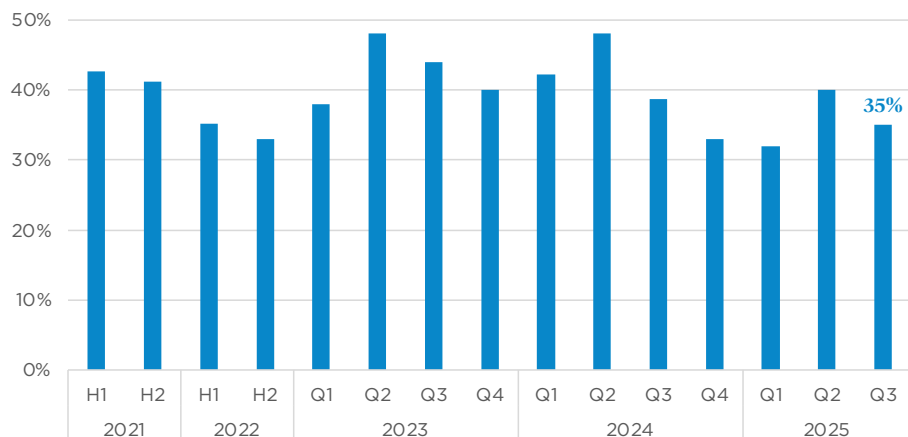


⁽²⁾ The EURO STOXX TMI Small Index is up 2.5% in Q3 and 18.4% since 1st Jan. 2025

03 | Record lows of transactions above 15x EBITDA

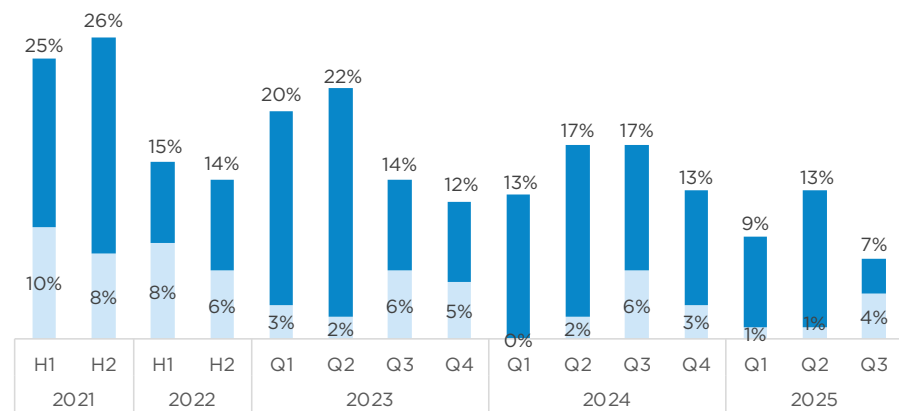
In Q3 2025, transactions at the extremes accounted for 35% of the index sample, reflecting a record-low share of >15x deals alongside a higher proportion of low-end transactions priced below 7.0x EBITDA.

Share of transactions at extreme multiples (<7x and >15x EBITDA)



Source : Argos Index® mid-market / Epsilon Research

Share of transactions at multiples >15x EBITDA Argos Index® sample

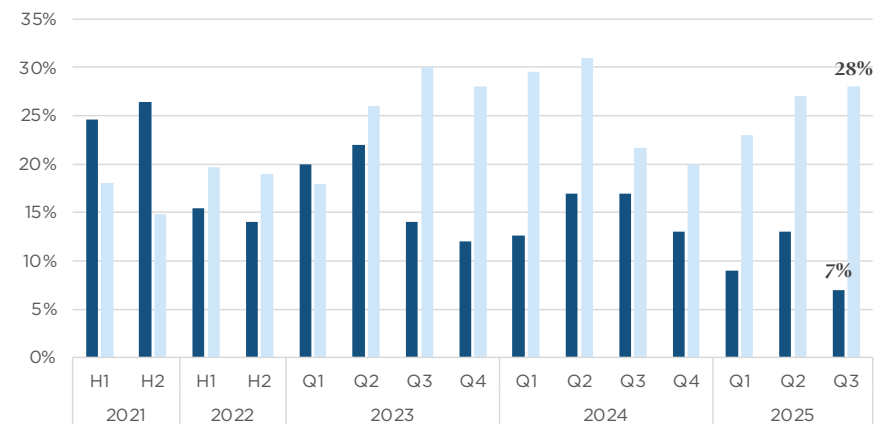


Source : Argos Index® mid-market / Epsilon Research

Incl. >20x 15x-20x >15x

Transactions priced below 7.0x EBITDA account for 28% of the sample, highlighting persistent downward pressure on valuations.

Share of transactions at multiples <7x and >15x EBITDA Argos Index® sample



Source : Argos Index® mid-market / Epsilon Research

>15x <7x

04 | Limited recovery of the M&A mid-market activity

The Euro zone mid-market M&A began to recover in Q2 2025 (updated data) after the Q1 dip and then stabilized in Q3 versus Q2. Over the first three quarters of 2025, the mid-market activity was broadly flat vs. 2024 and 20% above the 2020–2023 level: Europe is lagging the gradual global M&A recovery⁽¹⁾.

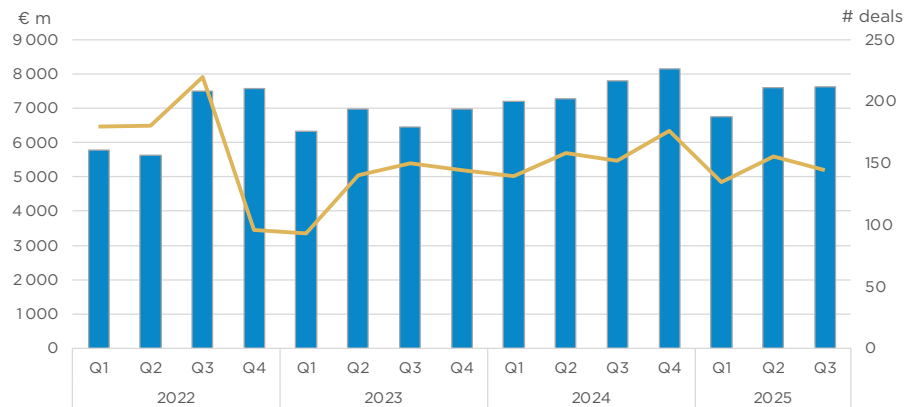
⁽¹⁾ Europe M&A deal value declined 5% to \$375bn in the first nine months of 2025, while the global M&A activity grew 10% - source: Boston Consulting Group Global M&A Report in Reuters, 28.10.2025.

The euro area market benefited from improving fundamentals: macro stabilization with modest Q3 growth⁽²⁾, inflation hovering near target (2.1-2.2%) and the ECB cutting its deposit rate to 2.0% in June following reductions in February and April.

That said, mixed economic signals, tariff related uncertainty, geopolitical risk, and domestic political instability (notably in France) continue to weigh on a clear rebound in M&A activity.

Eurozone mid-market activity (€15-500m) in volume (# deals) and value

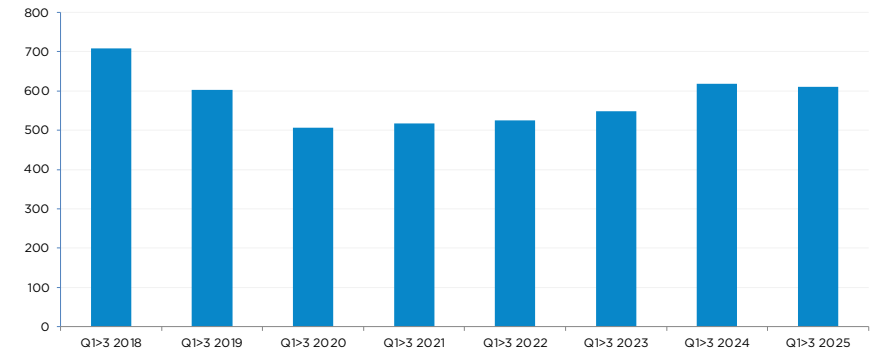
- Disclosed value of mid-market transactions (€15-500m)
- Estimated number of mid-market transactions (€15-500m)



Source : Argos Index® mid-market / Epsilon Research

⁽²⁾ In Q3 2025, seasonally adjusted GDP increased by 0.2% in the euro area compared with the previous quarter, according to a preliminary flash estimate published by Eurostat on 30.10.2025.

Volume of mid-market deals in the euro area (number of transactions)

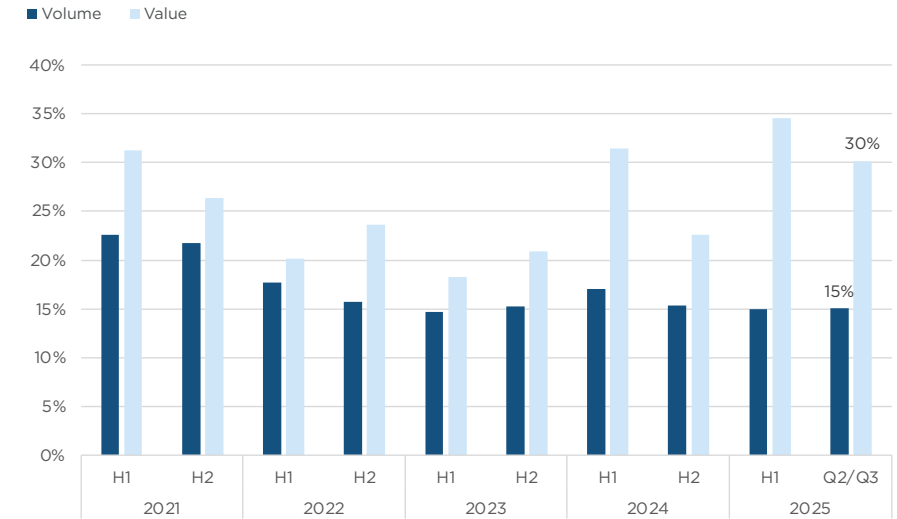


Source : Epsilon Research / MarketIQ

■ Estimated number of Mid Market deals (€15-150m)

Investment fund activity declined in line with the broader M&A market. Their share⁽¹⁾ of mid-market M&A over the past six months remained stable at 15% in deal count, but remains at a high 30% in disclosed deal value.

Share of LBO in Eurozone Mid-market M&A



Source : Epsilon Research / MarketIQ

⁽¹⁾ Does not include build-ups

All on the Argos Index®



The Argos index® mid-market

The Argos Index® Mid-market tracks the valuation of unlisted eurozone SMEs. The index was launched at the end of 2006 by Argos Fund and Epsilon Research, an online platform for managing M&A transactions on listed companies. Published quarterly, the index catalogs mid-market acquisitions that have taken place during the previous three months.

The index serves as a benchmark for all participants in the unlisted market. It is based on a rigorous methodology and a detailed, individual analysis of each transaction, including the structure of the transaction, the company's business activity (restated financial information) and transaction multiples. The index is calculated using data from Epsilon Research's EMAT (Epsilon Multiple Analysis Tool) database, which is based on analyses of more than 10 000 M&A transactions.

Every quarter, based on reliable financial information, Epsilon Research analyzes in detail around 25% of the transactions that meet the criteria for inclusion in the index: acquisition of a majority stake in a eurozone company whose book value is between €15 and €500 million.



One firm, two strategies. Argos is an independent European private equity group that supports the growth of mid-sized businesses and backs their management teams.

With 2bn€ assets under management, over 35 years of experience and more than 100 businesses assisted, Argos operates from offices in Amsterdam, Brussels, Frankfurt, Geneva, Luxembourg, Milan, and Paris. The group seeks to acquire majority stakes and invests between €10m and €100m in each investment of its two strategies:

- The Argos Mid-Market fund unlocks business potential and helps companies make it to the next level.
- The Argos Climate Action fund (SFDR art. 9) aims at shaping European sustainable leaders by making their 'grey-to-green' transition.



Epsilon Research has developed the leading professional online platform for the management of unlisted M&A transactions. The platform includes data, analysis reports, software tools and services that are essential for evaluating and managing unlisted investments:

- The EMAT database of European transaction multiples, with detailed analysis of over 10,000 M&A deals covering all industry sectors;
- Indices and studies published regularly by Epsilon, including the Argos Index®;
- A tool for evaluating the portfolios of private equity funds;
- Cloud-based M&A CRM and project management software;
- An online dataroom for SME transactions.

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