

# Argos Index<sup>®</sup>

The mid-market reference

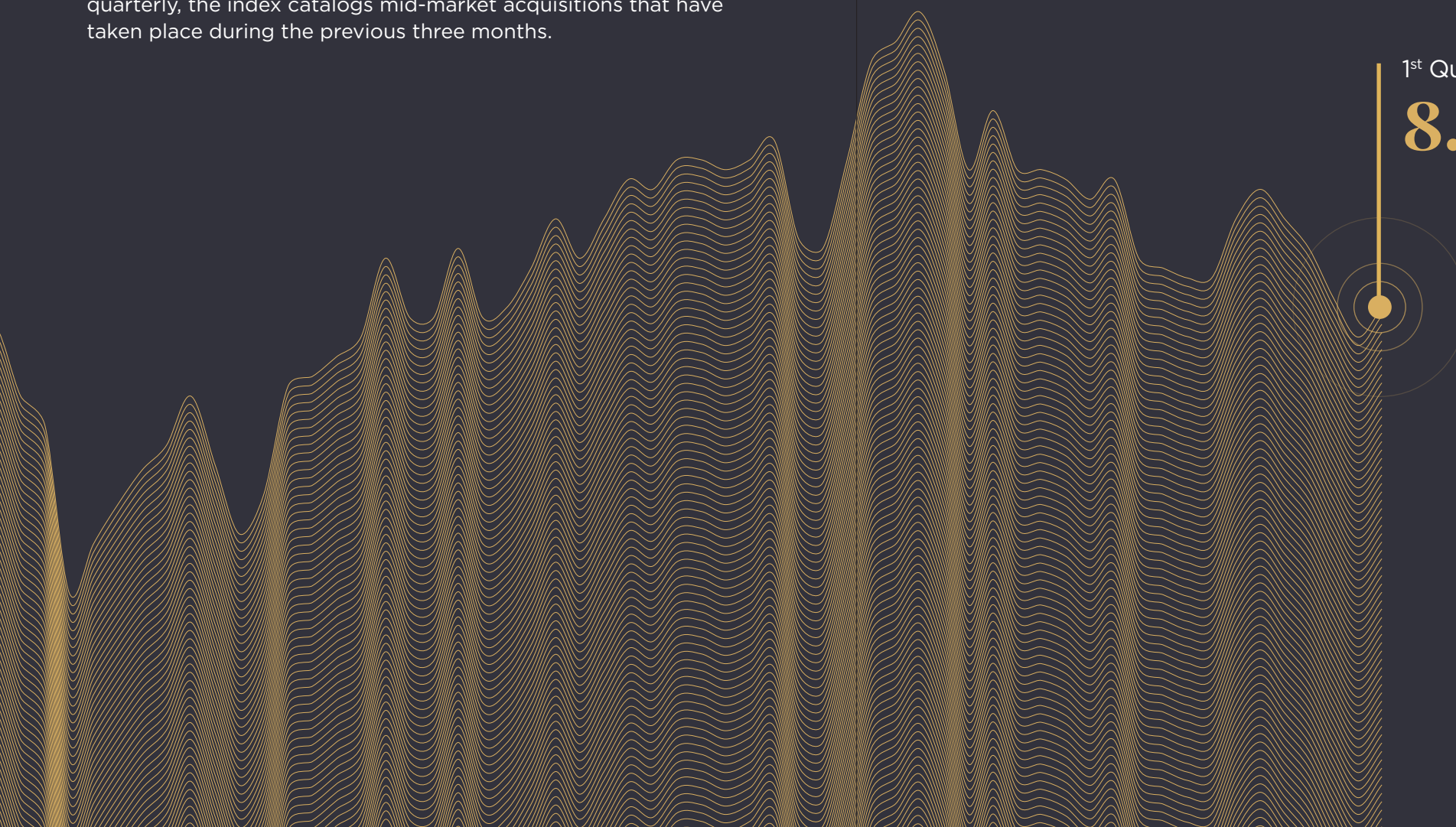
# Argos Index<sup>®</sup>

## The mid-market reference

The Mid-market Argos Index<sup>®</sup> 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.

1<sup>st</sup> Quarter 2026

8.6x



“ 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® has seen a slight upturn to 8.6x EBITDA in Q1 2026
- The rebound is driven by a notable recovery in multiples paid by investment funds, which rose to 10.0x EBITDA, back to its H2 2025 level
- The share of deals priced below 7.0x EBITDA declined to 22%, and those above 15x to a low 6%, signaling an easing of downward pricing pressure
- Mid-market M&A activity declines quarter-on-quarter in Q1 2026, though volumes remain above year-earlier levels
- The divergence between PE fund multiples and strategic buyer multiples reflects a selective, composition-driven rebound rather than a broad-based market recovery

## 01 | The Argos Index® has seen a slight upturn to 8.6x EBITDA in Q1 2026

The Argos Index® rose 3.6% in Q1 2026 to 8.6x EBITDA, after a sustained downward trend that had brought the index to its lowest level in over a decade. Both the lower and upper end of the market recovered, but this slight rebound was primarily driven by a recovery in multiples paid by investment funds, which surged to 10.0x EBITDA, while strategic buyer multiples remained broadly stable at 7.8x.

The distribution of transaction multiples showed early signs of normalisation in Q1 2026. The share of deals priced below 7.0x EBITDA declined to 22% from 27% in Q4 2025, and transactions above 15x EBITDA were still at a low level of 6%. The most pronounced pricing stress observed in 2024-2025 may be beginning to ease. Notably, the average EBITDA margin of acquired companies in the sample fell to 12.6% in Q1 2026, versus 13.4% in H2 2025 and 17.4% in S2 2024. This partly reflects the growing share of cyclical and lower-margin sectors in the Q1 sample (energy, construction, transport each up versus prior periods) and contributes independently to explaining multiple restraint outside the PE segment.

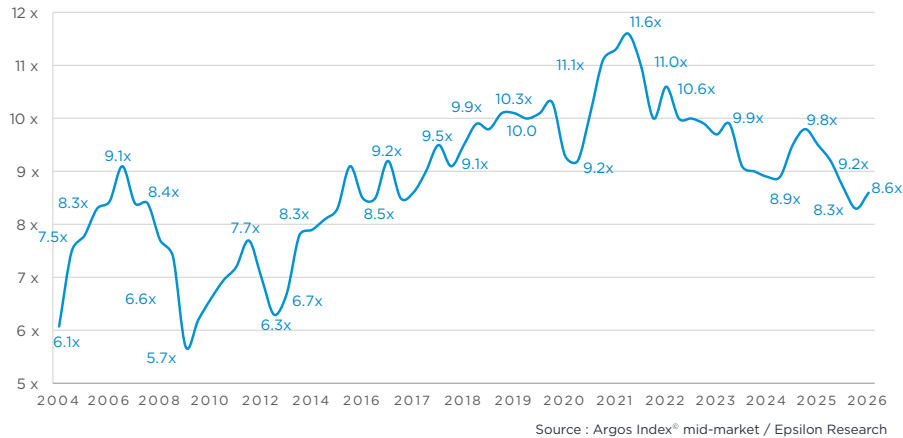
Pricing dynamics in Q1 2026 remained shaped by a complex macro-financial backdrop. Long-term interest rates continued to rise<sup>(1)</sup>, despite the ECB holding its deposit rate, with elevated term premia reflecting persistent concerns over sovereign debt sustainability and geopolitical instability. Uncertainty around US trade policy, tariff-related volatility, and (at the end of the quarter) the Iran conflict continued to weigh on investor confidence and valuation assumptions.

Against this backdrop, the Q1 2026 rebound in the Argos Index® appears primarily driven by a composition effect and renewed PE sponsor activity rather than a broad-based improvement in market conditions. The recovery in H2 2025 mid-market M&A, established a firmer foundation heading into Q1 2026, as vendors progressively adjusted price expectations and financing conditions remained broadly available. Whether the Q1 rebound reflects a genuine inflection point or a technically driven bounce will depend on the sustainability of PE deployment and the evolution of the macro environment.

<sup>(1)</sup> The 10y EU bond yields, calculated by the ECB, rose 13bp in Q1 2026 (from 3.21% to 3.34%)

## Argos Index® mid-market

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



## 02 | The Argos Index® slight rebound is driven by investment funds

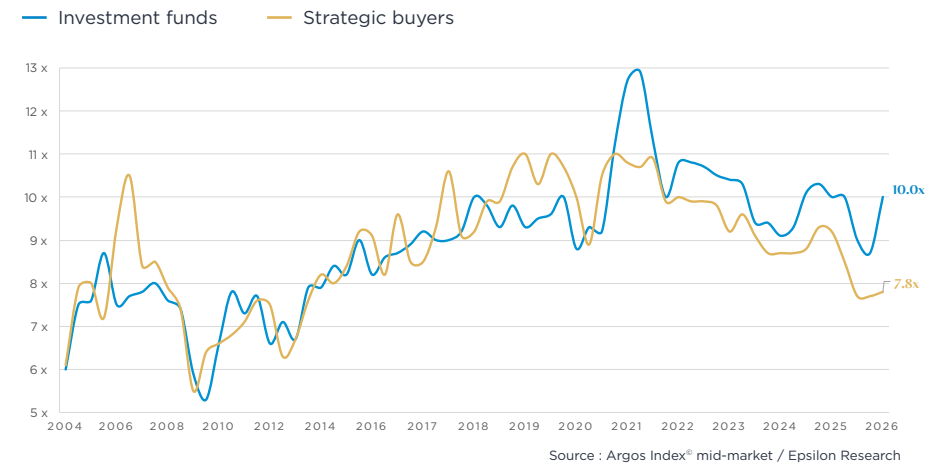
Multiples paid by investment funds surged to 10.0x EBITDA in Q1 2026, up sharply from 8.7x in Q4 2025, back to its H2 2025 level. This rebound reflects a combination of factors: renewed PE sponsor appetite to deploy dry powder after an extended period of restraint, improving financing availability, and a narrowing bid-ask spread as vendor price expectations adjusted throughout 2025. Within the PE sub-sample, transactions are concentrated in healthcare, software and B2B services - sectors commanding structurally higher multiples.

European private equity fundraising declined sharply in 2025, reflecting a challenging exit environment for legacy portfolios. PE funds increasingly turned to alternative liquidity mechanisms - dividend recapitalizations, NAV financings and continuation vehicles - to generate distributions to

LPs. In addition, mid-market LBO exit activity regained momentum in H2 2025, with volumes rising 36%<sup>(1)</sup>, enabling sponsors to rebuild deployment capacity. With PE dry powder still at elevated levels<sup>(2)</sup>, the pressure on GPs to deploy capital continued to support deal activity despite the uncertain macro environment.

Multiples paid by strategic buyers remained essentially stable at 7.8x EBITDA in Q1 2026, broadly unchanged from the 7.7x recorded in Q4 2025. Corporates continued to apply strict pricing discipline, concentrating activity on targeted, value-accretive acquisitions. The record-high share of sub-7x transactions observed throughout 2025 has begun to normalise, declining to 22% in Q1. The divergence between PE fund multiples and strategic buyers now at 2.2x, reflects a composition effect as much as a true valuation gap: funds re-entered the market selectively on premium assets in high-multiple sectors, while corporates maintained broad-based acquisition activity across a wider range of sectors and price points.

## Enterprise value / historical EBITDA



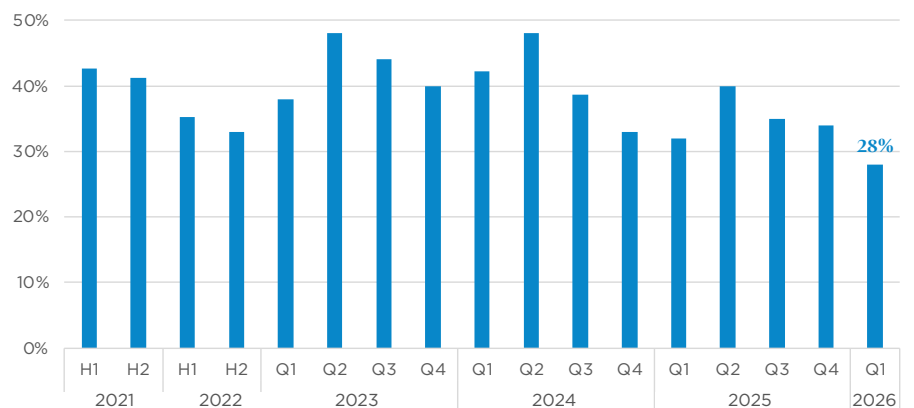
<sup>(1)</sup> Source: Epsilon Research / MarketIQ

<sup>(2)</sup> Global PE buyout dry powder at -\$1.3tn (source: Bain Global Private Equity Report 2026, February 2026)

### 03 | A normalisation at the extremes of the distribution

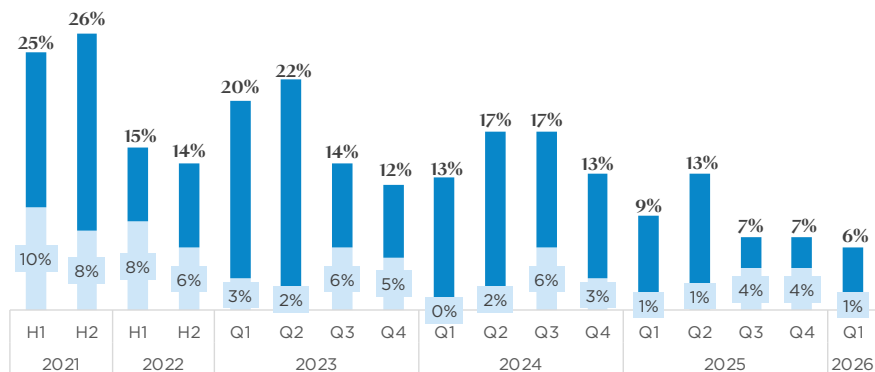
In Q1 2026, the polarisation of the index sample began to ease. Transactions at the extremes accounted for 28% of the sample, down from 34% in Q4 2025, reflecting a decline in both the share of sub-7x transactions and a continued low level of premium deals above 15x EBITDA.

#### 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

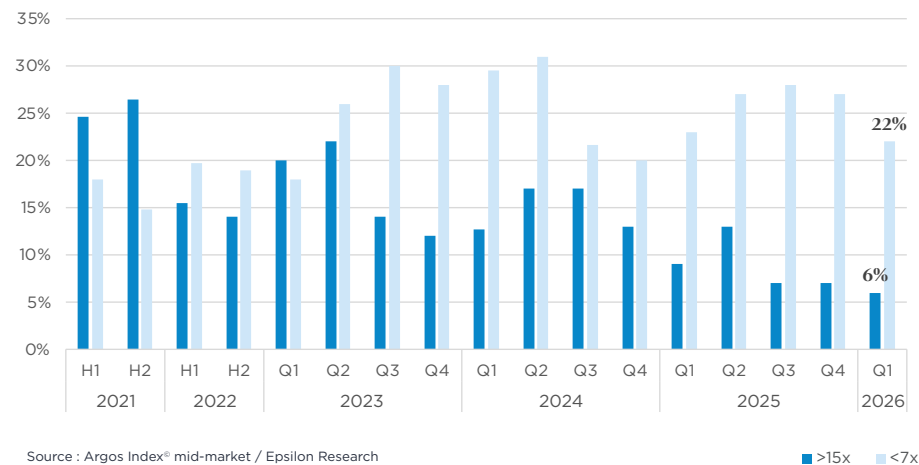


Source : Argos Index® mid-market / Epsilon Research

■ >20x ■ 15x-20x ■ Total >15x

The share of transactions priced below 7.0x EBITDA fell to 22% in Q1 2026 from 27% in Q4 2025, while those above 15x EBITDA declined further to 6%, suggesting a normalisation of the valuation distribution.

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



Source : Argos Index® mid-market / Epsilon Research

■ >15x ■ <7x

### 04 | Mid-market M&A activity declines quarter-on-quarter in Q1 2026, though volumes remain above year-earlier levels

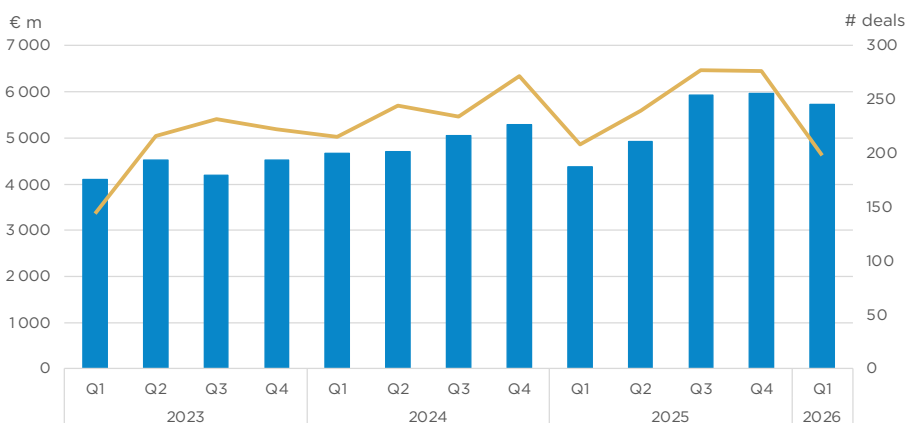
Euro-zone mid-market M&A activity declined in Q1 2026 compared to the previous quarter, with estimated deal volumes down 4% from Q4 2025. It follows a strong H2 2025 and should be read against a year-on-year backdrop that remains markedly positive: Q1 2026 activity was 30% higher than Q1 2025. On a rolling basis, the Q4 2025 - Q1 2026 period continued to track at levels not seen since H2 2018. The decline in disclosed transaction value was more pronounced, down 28% from Q4 2025, though this metric is statistically less meaningful given the low and variable disclosure rate.

These eurozone mid-market trends contrast with a record-setting quarter for global M&A, where announced deal value reached \$1.2tn<sup>(1)</sup>: the large-cap segment usually recovers before than the mid-market.

The macro backdrop in Q1 2026 was however challenging: GDP growth slowdown<sup>(2)</sup> and geopolitical uncertainty weighed heavily on sentiment. The Iran conflict drove oil prices above \$100 per barrel, raising concerns that central banks would be forced to maintain higher rates for longer, while US tariff policy volatility and political fragility in France continued to cloud the outlook.

### 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

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

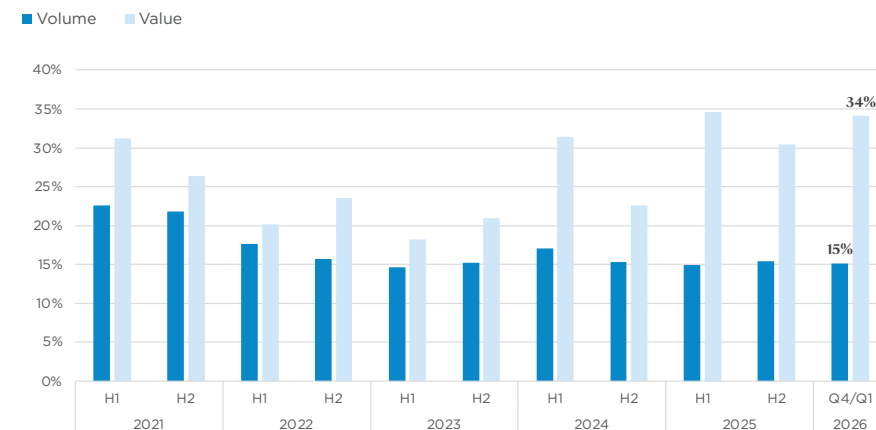


Source : Epsilon Research / MarketIQ

■ 150 M€ - 500M€ ■ 15 M€ - 150M€

Investment fund activity in the mid-market followed the broader trend in Q1 2026, declining quarter-on-quarter, but remaining 30% above Q1 2025. Their share<sup>(1)</sup> of mid-market M&A in Q1 2026 remained stable at 15% in deal count. The sharp rebound in fund multiples in Q1 2026, combined with the increase in LBO volumes year-on-year, confirms a meaningful re-engagement of sponsors in primary buyouts after two years of restraint.

### Share of LBO in Eurozone Mid-market M&A



Source : Epsilon Research / MarketIQ

<sup>(1)</sup> Global M&A activity reached \$1.2tn in Q1 2026 (third consecutive \$1tn quarter), with European M&A up 82% to \$307bn and cross-border deals up 47% (source: LSEG / Financial Times, 02.04.2026).

<sup>(2)</sup> In Q1 2026, eurozone GDP grew by 0.1% quarter-on-quarter, its slowest quarterly pace since Q1 2025 (source: Eurostat, preliminary flash estimate, April 2026)

<sup>1</sup> 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 over 2.3bn€ assets under management, 35 years of experience and more than 100 businesses assisted, Argos operates in 4 regions (Benelux, DACH, France et Italy) from 6 offices in Amsterdam, Brussels, Frankfurt, Luxembourg, Milan and Paris. The group seeks to acquire majority stakes and invests between €15m 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.

# Contacts

**Louis Godron**  
**Pierre Cassagnol**  
Argos Fund  
lgo@argos.fund  
pca@argos.fund

**Coralie Cornet**  
Head of Communications  
ccc@argos.fund

**Grégoire Buisson**  
Epsilon Research  
gregoire.buisson@epsilon-research.com

**France**  
112, av. de Wagram  
75017 Paris

**Italy**  
Piazza Diaz 5  
20122 Milan

**Germany**  
Neue Mainzer Str. 52-58  
60311 Frankfurt am Main

**Switzerland**  
114 rue du Rhône  
1204 Genève

**Belgium**  
Av. Louise - Bt. 2  
1050 Bruxelles

**Luxembourg**  
1-A rue Jean Piret  
2350 Luxembourg

**Amsterdam**  
Officia I (4th floor)  
De Boelelaan 7  
1083 HJ, Amsterdam  
The Netherlands

[argos.fund](https://argos.fund)