WHAT IS THE PRIVATE EQUITIES MARKET?

And how different is it from public equities?

June 2025

Executive Summary

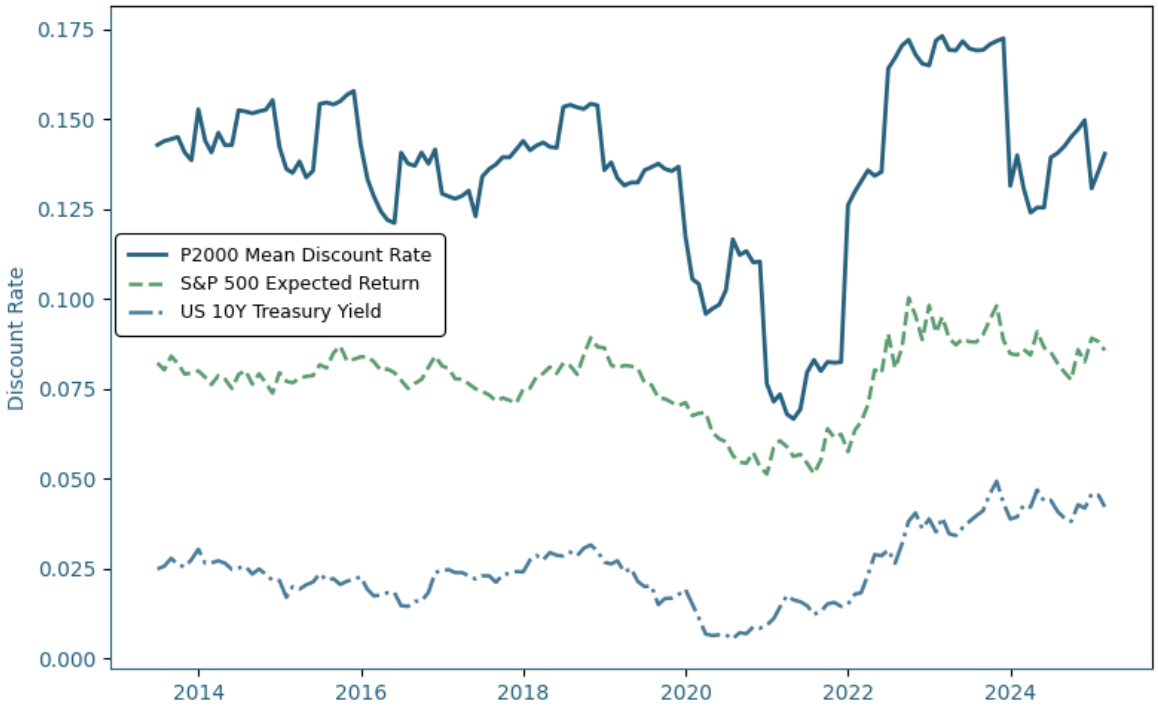
Size and Scope of Two Markets. Comparisons between public and private equities frequently center around returns. Many institutions still use public equities proxies to benchmark their private equities performance. There is less discussion exploring the differences in characteristics between the two markets, whether it is related to the players or the size and profitability of the companies. There are material differences between the two markets. As at year-end December 31, 2024, the typical listed firm is significantly larger than the private equities equivalent:

- Global market capitalization of listed equities was $123 trillion, spread across ~48k companies. Median market capitalization exceeded $2 billion.
- The privateMetrics® Broad Market Universe (BMU) had a market capitalization of $60 trillion and an Enterprise Value of $112 trillion spread across 934k firms. Median market capitalization of the Market Index Universe (MIU) was $276 million (EV - $388Mn), significantly smaller than that observed for listed firms.
- Key differences exist across profitability, valuation multiples, leverage, and index sectors
- The market controlled by private equity fund managers is just a small subset of the overall private equities market. With buyout AuM of ~$5 trillion at end of 2024, this accounts for just over 10% of much larger private equities market. The market owned by private equity funds is not the entire private equities market, far from it.

Systematic Risk. As demonstrated in the recent paper titled, "Market Risk in Private Equities" from the EDHECInfra Private Assets Research Institute, it was established that private equities asset pricing discriminates by systematic risk factors and firm characteristics. This was the case at the individual firm level across the BMU, a large transaction database of completed transactions, and technical insolvency cases. The private equities market prices risk factors such as size, growth, profitability, leverage, and maturity. There is also discrimination across PECCS® pillars such as Activity Class, Lifecycle, Revenue model, and Value Chain. This stresses the importance of using the correct market to price or benchmark assets, as differences with the listed equities market render it less effective as a proxy.

Expected Returns. Discount rates (or expected returns) across both markets indicate distinct markets. Listed and private equities expected returns are correlated but have meaningful spreads of 100-600bps, with differing movements in risk premiums, Figure 1 captures this with the mean discount rates for the private2000, and the expected returns for the S&P 500 over time.

FIGURE 1: PRIVATE2000 MEAN DISCOUNT RATES VS S&P 500 EXPECTED RETURNS



Source: privateMetrics, Bloomberg, NYU (Domadoran)

Fundamentals: Public vs Private Equities

Overview

Table 1 highlights key metrics across global listed equities, the privateMetrics® broad market universe (BMU), private equity universe (PEU), and market index universe (MIU). At the broadest level, we can compare the listed equities market to the broad market universe. For listed equities, the global market capitalization was $123 trillion (EV $147 trillion), spread over 47.8 thousand firms as of December 31, 2024. For the BMU, the global market cap was $60 trillion (EV $112 trillion) spread over 937k firms. The mean and median size of the publicly listed firm is substantially larger than we observe for private equities. As an example, the largest publicly traded firm as of December 31, 2024 was Apple, with a market cap of just under $3.8 trillion. This compares to the largest member of the BMU, with a $12.9 billion market cap.

The median market cap for listed equities using 2024-year end data is just shy of $2.2 billion. This compares to the privateMetrics Market Index Universe of approximately $276 million. At the BMU level, the median market cap is $22 million.

The data highlights that the private equities market is substantial. Though approximately 50% of the size of the listed equities market capitalization, at the enterprise value and revenue level, the markets are quite similar.

TABLE 1: MARKET CHARACTERISTICS OF LISTED VS PRIVATE FIRMS

METRIC	LISTED EQUITIES	Broad Market Universe (BMU)	Private Equity Universe (PEU)	Marke Index Universe (MIU)
Market Cap.	$123T	$60T	$19T	$2.1T
Enterprise Value	$147T	$112T	$39T	$3.7T
Revenue	$71T	$58T	$18T	$2.3T
Constituents	47.8k	935k	193k	2k

Source: privateMetrics, Worldbank, Bloomberg, NYU (Domadoran). As of 31 December 2024.

The median market cap figure is $2.2 billion for the Bloomberg WLS Index, comprised of over 10k companies and accounting for more than 95% of the global market. A small cap focused index, such as the Russell2000, has a median market cap of ~$1 billion. Both are well above the private2000 (MIU), PEU or BMU figures. At the market index universe level, represented by the private2000, the mean market cap is just over $1 billion, while the median is $276 million. The private2000 represents the largest market cap companies in the PEU (and thus BMU), controlling for country and sector allocations. Nonetheless, even with the largest companies reflected in the private2000 index, the median and average size of the private equities index is much smaller than a broad listed equities universe.

Table 2 outlines the enterprise value and market cap details for the companies tracked and priced monthly in privateMetrics, compared with listed equities. The median company within the market index universe (MIU) has an enterprise value and market cap that reflects deal sizes in transacted private equities. Conversely, listed equities median enterprise values look more like the very high end of the private equities market (top 20% of the MIU).

TABLE 2: PRIVATEMETRICS VALUATION METRICS BMU, PEU, MIU

US$M	Enterprise Value			Market Cap		
Segment	**.25**	**Median**	**.75**	**.25**	**Median**	**.75**
BMU	14.4	28.5	59.7	10.2	21.9	43.8
PEU	21.9	42.2	98.0	15.5	31.2	67.7
MIU	72.3	388.3	1,691.4	61.8	275.7	1,145
Listed Equities	907.3	2,591.8	7199.3	854.5	2,198.7	6,323.8

Source: privateMetrics, Bloomberg.

This is also displayed at the operating level. At the MIU level, the median Revenue and EBITDA levels are $213 million and $12.5 million, respectively. Table 3 provides Revenue and EBITDA figures across privateMetrics companies by segment. Again, we observe that the median listed company has much higher revenue and ebitda (median) and is more in line with the top quartile of the market index universe.

TABLE 3: PRIVATEMETRICS OPERATING METRICS BMU, PEU, MIU

US$M	Revenue			EBITDA		
Segment	**.25**	**Median**	**.75**	**.25**	**Median**	**.75**
BMU	7.0	14.6	34.0	0.26	0.86	2.35
PEU	8.7	19.8	49.6	0.12	1.06	3.99
MIU	35.9	213.2	1,117.1	2.62	12.54	89.8
Listed Equities	290.4	1,297.4	3,028.1	44.1	200.3	548.7

Source: privateMetrics, Bloomberg

Valuation and Margin Comparison

Using the Bloomberg World Large, Mid & Small Cap Index, which comprises over 10,000 listed companies across the globe and accounts for over 95% coverage of the global listed markets, we can observe key valuation, operational, and leverage characteristics as compared to the private equities market.

As of calendar year end 2024, the median EV/EBITDA for the index was 11.4x and EV/Sales was 2.17x. This compares to the private2000 index, which had median multiples of 14.6x EBITDA and 1.75x sales, respectively. Listed equities multiples were highest at the end of 2020, with EV/EBITDA hitting 13.8x. Comparatively, the private2000 reached its highest level in mid-2021 at 17.8x, before declining to 14.6x by the end of 2024. The gap between the private 2000 and listed equity proxy has narrowed in recent years as public equities have outperformed private equities. Tables 4,5 and 6 shows key valuation metrics for the Bloomberg WLS Index, compared to the private equities market.

Median multiples for enterprise value to sales are lower in privateMetrics than for listed equities. On the other hand, median enterprise value to EBITDA multiples is higher. This disparity reflects differing levels of profitability. The representative listed equities have considerably higher EBITDA margins than the companies tracked by privateMetrics. Even at the MIU level, the EBITDA margins are below their listed counterparts. This may reflect, in part, the different size and scale of the companies in the two markets. Further, the interquartile range (IQR) for listed equities is considerably wider than the 3 levels of private equities.

For Price to Earnings ratios, we observe listed equities median multiple of 18.3x vs 21.3x at the private equities broad market universe level. For the MIU, the multiple is 15.9x.

TABLE 4: VALUATION MULTIPLES EV/SALES AND EV/EBITDA

Multiples	EV/Sales			EV/EBITDA		
Segment	**.25**	**Median**	**.75**	**.25**	**Median**	**.75**
BMU	1.21x	1.65x	2.30x	14.6x	19.1x	25.4x
PEU	1.39x	1.89x	2.83x	10.7x	16.2x	23.6x
MIU	1.34x	1.75x	2.41x	10.0x	14.6x	21.3x
Listed Equities	1.16x	2.17x	7.24x	7.7x	11.4x	22.9x

Source: privateMetrics, Bloomberg

TABLE 5: VALUATION MULTIPLES P/SALES AND P/EBITDA

Multiples	P/Sales			P/EBITDA		
Segment	**.25**	**Median**	**.75**	**.25**	**Median**	**.75**
BMU	0.91x	1.25x	1.68x	10.6x	14.9x	21.1x
PEU	1.03x	1.42x	1.96x	7.9x	12.7x	20.7x
MIU	0.95x	1.33x	1.83x	7.3x	11.3x	18.1x
Listed Equities	0.93x	1.83x	5.68x	4.8x	8.6x	18.3x

Source: privateMetrics, Bloomberg

TABLE 6: VALUATION MULTIPLES P/EARNINGS AND P/BOOK

Multiples	P/Earnings			P/EBIT		
Segment	**.25**	**Median**	**.75**	**.25**	**Median**	**.75**
BMU	14.8x	21.3x	28.8x	11.3x	17.7x	31.9x
PEU	9.5x	16.2x	25.8x	6.9x	15.3x	37.7x
MIU	9.5x	15.9x	24.7x	7.7x	13.9x	24.2x
Listed Equities	12.8x	18.3x	38.4x	6.0x	12.1x	25.2x

Source: privateMetrics, Bloomberg

From an operating profitability perspective, median EBITDA and EBIT margins at the end of 2024 were 16.63% and 10.67%, respectively, for listed equities. For the private2000 index, the corresponding figures at the end 2024 were 11.48% and 10.35%. Table 7 outlines the operating margins across both markets. Once again, the IQR is much greater for listed equities.

TABLE 7: OPERATING MARGINS

%	EBITDA Margin			EBIT Margin		
Segment	**.25**	**Median**	**.75**	**.25**	**Median**	**.75**
BMU	3.52%	7.24%	9.93%	2.61%	5.83%	8.17%
PEU	1.14%	7.36%	15.61%	0.61%	6.02%	12.91%
MIU	6.66%	11.48%	16.90%	4.00%	10.35%	14.25%
Listed Equities	9.42%	16.63%	31.54%	4.47%	10.67%	22.35%

Source: privateMetrics, Bloomberg

Leverage in publicly listed companies tends to be lower than that in private equity buyouts. Leverage for listed companies, defined as net debt/ebitda, was 1.1x for 2024. The median level for the MIU was 2.4x at the end of 2024.

TABLE 8: LEVERAGE RATIOS

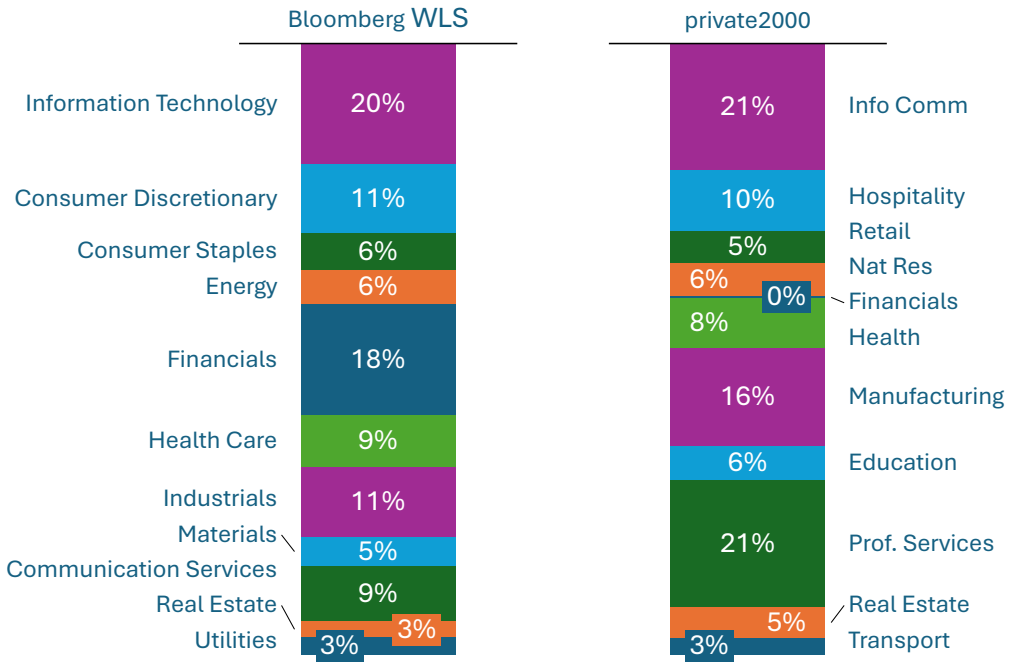
%	Debt/EBITDA			Debt/Sales		
Segment	**.25**	**Median**	**.75**	**.25**	**Median**	**.75**
BMU	2.31x	4.09x	6.74x	0.21x	0.34x	0.44x
PEU	0.89x	2.39x	9.74x	0.17x	0.32x	0.62x
MIU	2.00x	2.39x	5.26x	0.25x	0.34x	0.50x
Listed Equities	-0.79x	1.06x	4.37x	-0.14x	0.14x	0.89x

Source: privateMetrics, Bloomberg

Industries: Public vs Private Equities

Figure 4 displays the GICS sector allocations for the Bloomberg World index on the left-hand side and the private2000 Activity Class allocations on the right-hand side. There are some notable differences in the sector and industry make-up between listed and private equities. First, financial services has a large weighting in listed equities, accounting for 18% of the allocation. Banks, insurance companies, asset managers, and other financial services companies have strong representation in listed equities. For private equities, financial services companies are much less likely to find themselves in the portfolios of private equity funds or held privately by other institutions. The consumer sector (discretionary and staples) is also large in the listed equities indices. Information and communication has grown as a sector in the private equities sector, to the extent that it is now approaching listed equities weightings. Finally, sectors such as Education and Professional Services are higher in private equities. The differences in sector weightings reflect that differing activity in each asset class.

FIGURE 4: 2024YE LISTED EQUITIES GICS SECTOR & PRIVATE2000 ACTIVITY CLASS



Source: privateMetrics, Bloomberg

Risk and Returns: Public vs Private Equities

Turning to performance and risk, listed equities and private equities have similar levels of price volatility when reference with an appropriate private equities index. Five-year listed equities annualized volatility was 15% for a globally representative index such as MSCI ACWI, and 20% for a US centric index like the S&P500. The private2000 5yr and 10yr realized volatility is 15.06% and 18.38%, respectively, very similar to what we observe across listed equities.

The private2000 returns over the past 3- and 5-year period are in-line with the MSCI ACWI total returns. However, the returns trail the S&P500 due to the strong performance of US equities during this period. The privateUS index has faired better than the private2000, but still lags behind the S&P500. Over a 10-year period, the private2000 and privateUS outperformed the public equities indices. Table 10 highlights return and risk characteristics.

TABLE 9: RETURN & RISK FOR PRIVATE AND PUBLIC EQUITIES

	Tot. Returns			Volatility			VaR 97.5%		
INDEX	3Y	5Y	10Y	3Y	5Y	10Y	3Y	5Y	10Y
private2000	4.49%	5.71%	13.36%	12.38%	15.06%	18.39%	22.47%	22.77%	20.86%
MSCI ACWI	3.68%	6.95%	6.67%	12.62%	14.58%	12.66%	21.0%	22.67%	19.10%
privateUS	7.10%	8.80%	13.6%	13.61%	14.85%	19.72%	18.75%	19.73%	23.87%
S&P500	8.89%	12.82%	11.01%	18.39%	20.19%	16.76%	27.22%	27.92%	22.80%

Source: privateMetrics, Bloomberg

Comparing the Investors

Ownership of listed equities differs from the private equities market, where private equity fund managers, institutional investors, corporates, and individuals are the primary investors. As previously defined, the Broad Market Universe (BMU) represents ~$60T in market cap, while the AuM (commitments + NAV) of private equity fund managers is ~$5T for buyouts. This implies that ~$55T of private equities market capitalization is held by other investors, including institutional investors (pension funds, insurance companies, banks, etc), family firms, corporates, or other individuals/institutions.

In listed markets, ownership is diversified across institutional investors, strategic individuals (eg families), public sector, corporations, and retail. This varies by region and has changed over time. Table 10 outlines this for the world and select countries.

Globally, institutional investors account for 43% of ownership of listed shares, with retail & other holding 27%. The US has a higher percentage of institutional ownership, at 68%, while China is much lower at 11% and Germany still lower at 30%. The rise of the institutional investor over the last few decades has led to an increasing percentage of listed share ownership

residing with this group. For example, in the 1970s, institutional investors held less than 20%[1] of publicly listed shares in the US vs close to 68% as of 2020.

TABLE 10: OWNERSHIP OF LISTED COMPANIES ACROSS WORLD AND KEY COUNTRIES

Region	Institutional Investors	Strategic Individuals	Public Sector	Corps	Retail & Other
World	43%	9%	10%	11%	27%
US	68%	6%	3%	3%	20%
China	11%	18%	29%	12%	40%
Germany	30%	10%	7%	15%	38%

Source: OECD, Bloomberg. As of 2020.

Within each category, there has been evolution over time. The institutional investor category is comprised of active long only fund managers, hedge funds, exchange traded funds (ETFs), and passive index tracking vehicles. This contrasts with the private equities market where passive strategies have yet to emerge as there is no investable index.

Conclusion

We have established that there are significant differences between the private and public equities space. Public markets have far fewer companies (48k vs ~1 million+) relative to the private equities market, while the median and mean size and profitability is greater than observed in private markets. This has implications when comparing returns and risk across the two markets,

The private equities market is much larger than the space occupied by private equity fund managers. In fact, it is at least 10x the size. This implies that the pricing dynamics are impacted by a broader group of players, including corporates, family firms, individual, and other groups.

Despite differences, both markets incorporate multiple systematic risk factors when pricing assets. Discount rates (or expected returns) show there is some link between the two distinct markets – Further, they are not constant and vary with market conditions. This contrasts with the view of a fixed 'liquidity premium' or other spread vs bond yields or proxies.

The private equities market is a very large market with its own set of players and characteristics. This has implications for asset pricing and benchmarking performance. Institutions that continue to rely on referencing public equities returns against private equities returns, risk conflating two markets with different dynamics. This has the potential to mislead constituents and beneficiaries regarding the true risk adjusted performance.

[1] Corporate ownership and concentration | OECD

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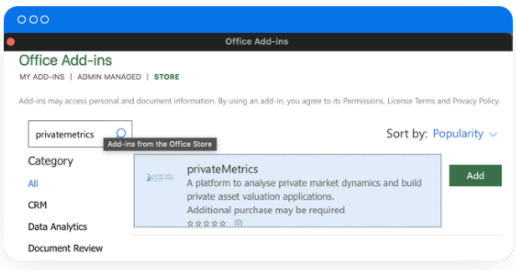
Query risk-free rates for a given pricing and maturity date to support discounted cash flow (DCF) calculations, valuation models, and other financial analyses.



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The privateMetrics® Valuation Model

Our approach to the valuation of private companies is designed to maximise the available transaction and financial data in private markets and provide a standardised and systematic manner to update prices with every observed transaction.

First, we construct a multi-factor model of prices using a sample of observed transactions over time which can infer the unbiased and precise factor prices that investors pay for different characteristics of a private asset. Although every transaction is idiosyncratic or unique, in a large sample of transactions, the individual errors in each transaction price can be diversified away to discern the price attributable to each factor. Factor prices refer to the premium (or discount) that an investor is willing to pay to seek exposure to a specific factor of return in private companies. For example, observing the relationship between size and valuation among reported transactions, it can be inferred how much premium or discount an investor is willing to pay for purchasing a larger private company.

Second, an important and key application of this approach is that, with the estimated factor prices, say for size, it would then be possible to price unlisted private companies whose size information is available, irrespective of whether they are traded or not. This approach provides a more robust estimate for FV and enables the creation of representative indices of private companies.

Our approach's novelty is calibrating the model to newly observed transactions obtaining the factor price evolution over time, which allows us to update the valuation for all tracked unlisted private companies.

Common Risk Factors

If investors trade unlisted private companies from each other in mutually negotiated transactions, there must be some common characteristics that at least partially explain prices. For example, private companies that have higher profits or growth opportunities may be more valuable to investors than those that are not.

To arrive at a potential list of factors, we follow simple criteria that there needs to be an economic rationale for the factor to affect valuation. The factor should also be statistically related to the valuation. Moreover, the factor should also be objectively observable or measurable. With a potential list of factors, our factor selection is the result of a statistical approach, where the factors that can satisfactorily explain the variation in observed transaction valuations are included in the final model while trading off being parsimonious with being able to explain a higher variance in valuation. The privateMetrics asset pricing model uses five key risk factors as below:

- **Size**: Larger companies may be more complex, have higher transaction costs, and be less liquid, all of which can make them trade at a lower valuation per $ of revenue.

- **Growth**: As traditional PE strategies rely on growing the entry multiple, that may involve both increasing its top and bottom lines, i.e., revenue and profits. Thus, companies that can grow faster can be more sought after, making them more valuable.
- **Leverage**: Leverage can make a company riskier as it increases the risk of default. However, there is also a signaling effect of leverage, as companies with stable consistent cash flows can support a higher leverage, and vice versa. Thus, leverage is expected to influence the valuation of a company.
- **Profits**: More profitable companies have more predictable (less risky) future payouts and hence attract a lower risk premium, making them more valuable.
- **Maturity**: Younger companies have fewer track records and face higher information uncertainty. Studies have shown that firms with high uncertainty tend to be overvalued and earn lower future returns. Thus, the maturity negatively affects valuation.
- **Country risk**: Investors may require a high return when investing in a high-risk country, thus depressing the current valuation. In other words, in countries with lower risk, investors may be willing to purchase assets at a higher valuation as government policies may be more predictable with lower macroeconomic risks.

TABLE A1: KEY FACTORS, THEIR EFFECT ON VALUATION, & THE ECONOMIC RATIONALE FOR INCLUDING THEM IN THE MODEL

Factor	Definition (Proxy)	Effect on price	Economic Rationale	References
Size	Revenues	Negative	Larger firms are more illiquid and trade a lower price	Fama & French (1993)
Growth	Change in Revenues	Positive	Companies with higher revenue growth trade at a higher price	Fama & French (1992), Petkova & Zhang (2005)
Leverage	Total debt / Revenues	Positive	Companies that can borrow more have a lower cost of capital and a higher value	Gomes & Schmid (2010), George & Hwang (2010)
Profits	Ebitda Margin	Positive	Companies that have higher profits have a higher value	Novy-Marx (2013), Hou et al. (2015)
Maturity	Years since incorporation	Negative	Companies that are mature exhibit less growth potential and trade a at a lower price	Jiang et al. (2005)
Country Risk	Term Spread	Negative	Companies in high-risk countries face more uncertain prospects	Chen & Tsang (2013)

SOURCE: CALCULATED USING OVER 10K DEALS FROM PITCHBOOK, CAPITALIQ, FACTSET, AND OTHER PRIMARY SOURCES BETWEEN 1999-2022

Our factors have been documented in prior academic studies to be associated with valuation. We also include factors that have been identified as key determinants of valuation from a survey of private equity practitioners that we conducted in 2023. Table A1 summarises the key factors that we use in the model, how they are measured, each factor's effect we document in the data on average, the economic rationale for their inclusion, and citations for the work that underpins their inclusion.

Model Set Up

The privateMetrics asset pricing model uses the Price-to-Sales ratio of observable transactions (the entry price multiple) as the modelled variable. The model is estimated as the linear sum of the product of factor exposures and factor prices. The estimation can then separate the systematic part of the valuation while leaving out "noise" in each valuation.

$$\frac{P}{S} = a + \sum_{k=2}^{K} b_k l_k + e$$

Following standard asset pricing notation, the factor exposure or factor loading is called a beta (β), and the factor premium is called a lambda (l) for the k factors in the model. a is the intercept and e is the noise or idiosyncratic part of the valuation.

Model Calibration

The privateMetrics model uses a carefully curated dataset of more than 10k+ unlisted private company investments going back two decades sourced from a wide variety of datasets including PitchBook, Factset, Capital IQ, fund manager reports, and other publicly available data sources.

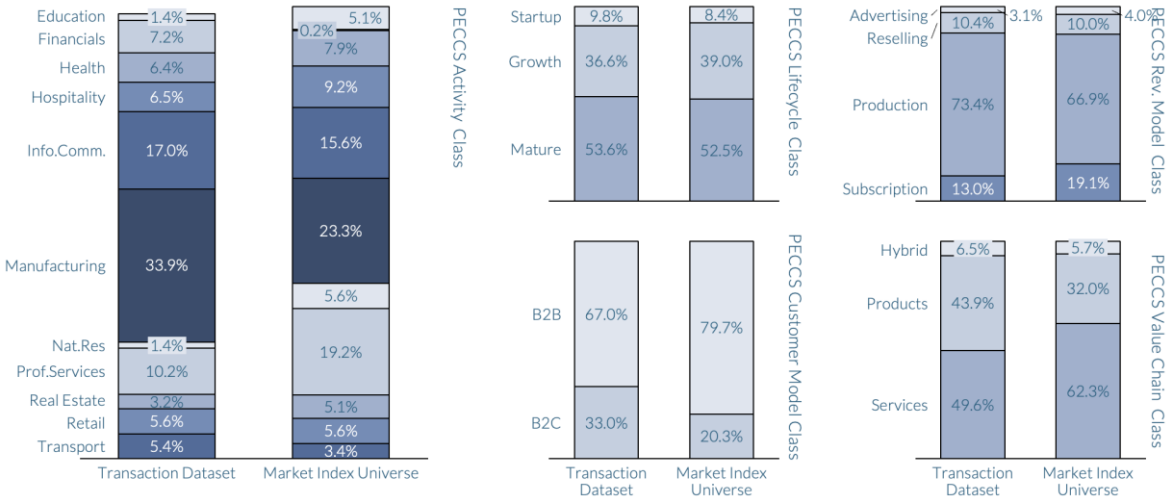
We calibrate this model using new observations monthly to update its estimation of the price of risk of each factor. In other words, each transaction observed is then used to 'update' this model (i.e., obtain new ls) through a dynamic estimation (using a Kalman filter), which retains the memory of past ls while also allowing the new transaction to influence the relationship while keeping the average e close to zero. More details on the implementation of the model are available in our online documentation and Selvam and Whittaker (2024). The dataset covers all key segments of the market as shown in Figure1.

A good application of using the model to value unlisted private companies is to create a representative marked-to-market index of private companies that are regularly valued. The privateMetrics index universe in Figure 1 includes the constituents of the private2000® index constructed by Scientific Infra and Private Assets, which is developed on this shadow pricing idea and captures the performance of private companies in 30 countries globally that are important for private equity investors (read more about the index here).

How Precise are the Predictions across PECCS® Pillars?

To examine how closely the predicted valuations track the raw modelled valuations in transactions, we compute the average estimation errors of the full sample, and also by classes within each PECCS® pillar. What stands out is that although the model by design is expected to have lower estimation errors in the full sample, the within PECCS® class estimation errors are also very small. All the errors are within ±10%, reassuring that the model predictions on average even within each segment of PECCS® are reasonable. The errors are summarised in Table A2.

FIGURE A1: PRIVATEMETRICS TRANSACTION DATASET COMPARED TO THE PRIVATEMETRICS INDEX UNIVERSE BY PECCS PILLAR & CLASS



The most commonly used metric of valuation in private markets is EV/EBITDA as PE owners have the flexibility to alter the capital structure of their holding company and hence are more interested in operational profitability without factoring interest costs. However, our model is based on P/S because P/S is statistically better, stable, and not affected by loss-making companies. Thus, one may be concerned whether our predictions for EV/EBITDA might be biased.

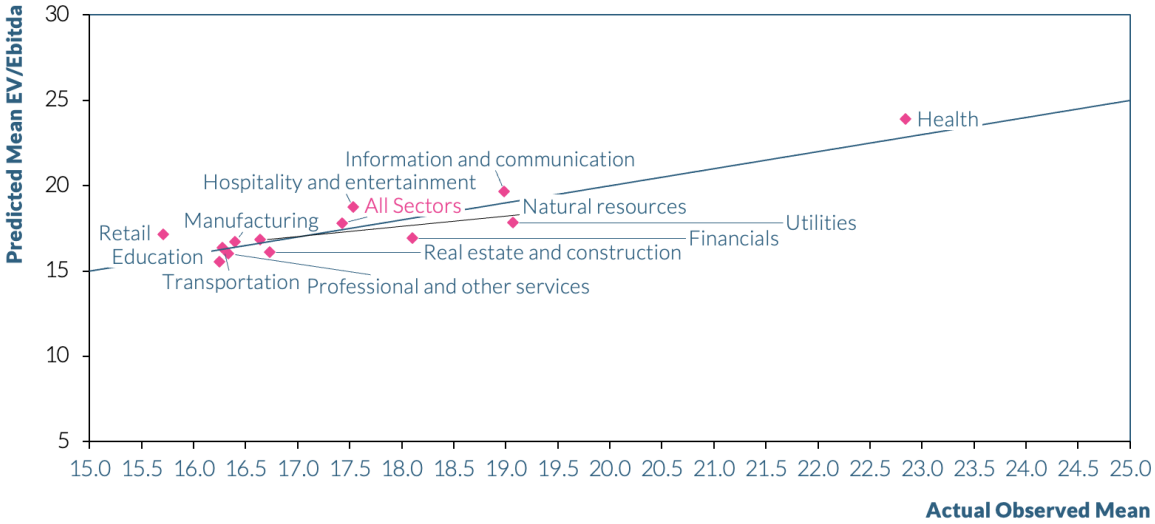
To ensure that is not the case, we compute the EV based on the book value of debt and predicted equity valuation and divide the sum by the EBITDA to get a predicted EV/EBITDA and compare it to transaction implied ratios. Figure A2 presents the average predicted and observed EV/EBITDA by PECCS® activity classes. We find that the predictions are very close to the observed values, thus mitigating this concern.

TABLE A2: AVERAGE ESTIMATION ERRORS ACROSS PECCS® CLASSES, BASED ON THE DIFFERENCE BETWEEN TRANSACTED VALUATIONS AND FACTOR MODEL PREDICTIONS

PECCS Pillar	PECCS Class	Mean Estimation Error	PECCS Class	Mean Estimation Error	PECCS Pillar
PECCS Activity	Education and public	0.9%	Startup	0.1%	PECCS Lifecycle Phase
	Financials	1.8%	Growth	-1.7%	
	Health	2.6%	Mature	2.8%	
	Hospitality and entertainment	-1.1%	Advertising	1.2%	PECCS Revenue Model
	Information and communication	-4.4%	Reselling	4.6%	
	Manufacturing	2.5%	Production	2.9%	
	Natural resources	9.4%	Subscription	-6.9%	
	Professional and other services	3.3%	B2B	1.5%	PECCS Customer Model
	Real estate and construction	1.9%	B2C	0.9%	
	Retail	0.5%	Hybrid	0.6%	PECCS Value Chain
	Transportation	7.2%	Products	1.1%	
Full Sample		**1.1%**	Services	3.4%	

SOURCE: CALCULATED USING OVER 10K DEALS FROM PITCHBOOK, CAPITALIQ, FACTSET, AND OTHER SOURCES BETWEEN 1999-2022

FIGURE A2: PREDICTED VERSUS ACTUAL EV/EBITDA RATIOS BY PECCS® ACTIVITY CLASSES



SOURCE: CALCULATED USING OVER 10K DEALS FROM PITCHBOOK, CAPITALIQ, FACTSET, AND OTHER SOURCES BETWEEN 1999-2022

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Our products come from the cutting-edge R&D of the EDHEC Infrastructure & Private Assets Research Institute, established in 2016 by EDHEC Business School. In 2019, we transformed this academic research into a commercial enterprise, providing services like private market indices, benchmarks, valuation analytics, and climate risk metrics. We take pride in our unique dual identity, bridging scientific research and market applications.

The EDHEC Infrastructure & Private Assets Research Institute (EIPA) continues to advance academic research and innovate with technologies in risk measurement and valuation in private markets, especially utilising artificial intelligence and language processing. Our company, Scientific Infra & Private Assets (SIPA), supplies specialised data to investors in infrastructure and private equity.

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