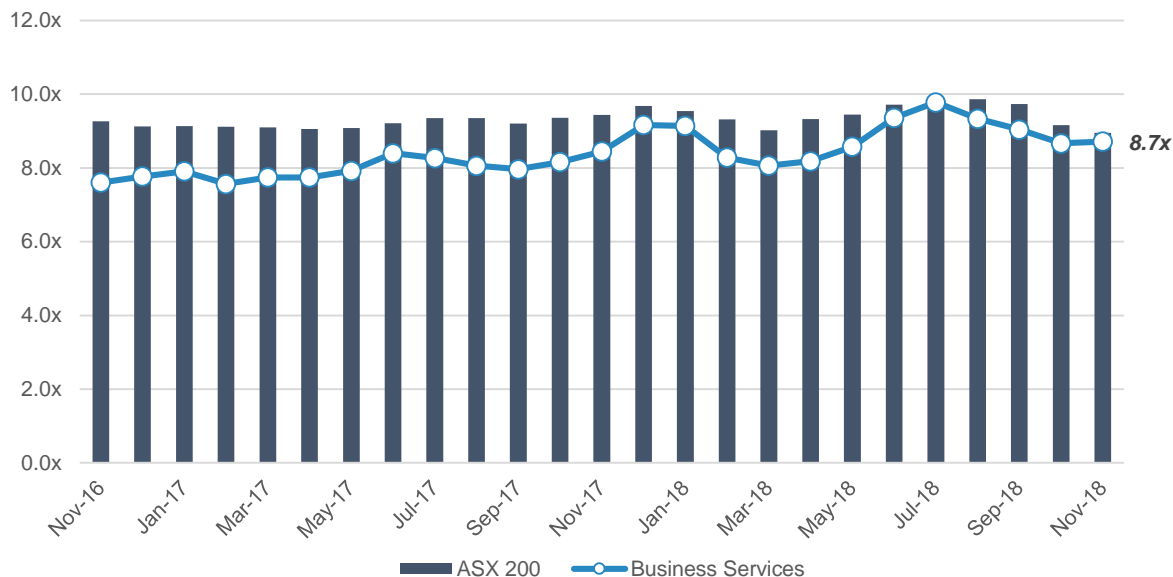


## VALUATION MULTIPLES

### Forward EV / EBITDA Multiples (monthly to 30/11/2018) Source: FactSet Research Systems Inc.

Multiples in the Business Services sector have remained flat over the period. At the end of November, the sector traded on a forward EV / EBITDA multiple of 8.7x, compared to the ASX200 on 9.0x.



### Average Values and Trading Multiples (values as at 17/12/2018) Source: FactSet Research Systems Inc.

Subsector	Enterprise Value (\$m)	EV/EBITDA FY2019	EV/EBIT FY2019	Price / Earnings FY2019
Business and Technical Consulting	7,120	7.1x	8.3x	11.9x
Business Process Outsourcing	18,646	9.1x	10.7x	13.7x
Education	4,100	12.6x	15.1x	21.6x
Transportation, Logistics & Distribution	68,314	8.1x	13.2x	16.9x
<b>Business Services</b>	<b>98,181</b>	<b>8.7x</b>	<b>11.2x</b>	<b>15.1x</b>

Note: Multiples are based on the forward year of the unreported period, which for the majority of companies in the sector is FY2019. Difference in forward EV/EBITDA multiples between Figure and Table are representative of the timing difference between month-end result and current day result.

<sup>1</sup> The InterFinancial Business Services Index set is an unweighted index comprising Business Services sector related companies trading on the Australian Securities Exchange (ASX). Estimates are sourced from FactSet Research Systems Inc.

## MERGER & ACQUISITION NEWS...



Value: Not disclosed

Community support organizations, **The Nulsen Group** (Nulsen) and **Outcare** have begun a process to merge the two organisations together to create a stronger and diversified offering. Under the planned change, **Outcare** will transition into the **Nulsen Group** structure as a separate trading entity. The combined group will have nearly 800 employees.



Value: Not disclosed

The Netherlands-based financial services provider **FlexFront Group** has been acquired by **Link Group**. **FlexFront** is engaged in the sale of several mortgage labels and handles the mortgage acceptance of the same brands. The company has 1,700 mortgage advice offices and 65 employees.



Value: Not disclosed

**Retech Technology**, a leading Shanghai-based E-Learning solution technology company announced that it entered into a non-binding and conditional letter of intention to acquire 70% of the **Aushen Group**, an Australian company that owns the **XJS Coaching School**. **XJS Coaching School** is a private Chinese training institution located in 6 campuses in Victoria.



Value: Not disclosed

**Boston Marks Group**, a New Zealand-based company that offers insurance and reinsurance brokerage services to the aviation sector, has been acquired by **Arthur J. Gallagher & Co.**, an Illinois-based insurance brokerage.



Value: Not disclosed

**Beehive Childcare**, a privately held Australian childcare operator, has agreed to be acquired by Bain Capital-backed local peer **Only About Children (OAC)**. Sydney-based **Beehive** owns three childcare centres in the north shore suburbs of St Ives, Turramurra and Wahroonga.



Value: \$50m

**Colinton Capital Partners** has signed a deal to secure a substantial stake in **Dimeo**, an Australia-based commercial cleaning business. The transaction will see **Colinton** invest \$50m in **Dimeo**, which is owned by a number of private shareholders. **Dimeo** will use the capital to fund its growth plans.



Value: Not disclosed

**Sterling Talent Solutions**, a Seattle-based background screening company, has acquired **National Crime Check**, an Australian automated police check service provider. **National Crime Check** joins **Sterling** as it accelerates its multiyear strategy of domestic and global expansion, and builds on the acquisition of **The RISQ Group**, a background screening leader in the Asia Pacific region.



Value: Not disclosed

Australia-based **Aitken Lawyers** announced that it has agreed to merge with fellow Australian law firm **Russell Kennedy**. The merger will provide the combined entity with an offering that draws on common strengths: a commitment to outstanding client service based on long-standing relationships, and a focus on retaining and attracting the best people.



Value: Not disclosed

**Freelancer Limited**, an Australian freelancing and crowdsourcing marketplace, has acquired **Channel 40**, an Australian enterprise marketplace connecting freight owners with transport operators.

## SERVING UP SOME SUPPOSITION...

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- **SB&G (Telecoms) Pty Ltd** is withdrawing its proposed offer to acquire **Inabox Group Ltd**, provider of IT/Telecommunication services. The proposed offer, initially received on November 15, was withdrawn as the offer was subject to a shareholder voting related to the sale of a key asset. **Inabox Group** was being valued at \$23m.
- **Feefo**, a UK-based customer review technology business, will consider add-on acquisitions to broaden its offering to clients. International deals are also considered as the company currently has presence in the US and Australia.
- **QANTM Intellectual Property Ltd** reiterated its rejection of the non-binding conditional proposal made by **IPH Ltd** to acquire **QANTM**, saying that the \$1.80 per-share offer price, including a 5 cent dividend, undervalues the company. However, the board did reiterate its support for a merger between the two entities.
- **Navitas** and the **BGH Capital**-led suitor consortium that is seeking to conduct due diligence around its \$5.50 per share scheme proposal remain deadlocked. The re-election at the 15 November AGM saw 50.8% of shares voted in favour and 49.2% voted against, with the votes against viewed as a proxy for objecting to the board's refusal to grant diligence. On 10 October **Navitas** announced it had received a \$5.50 per share proposal from the BGH-led buyer group. The offer values **Navitas** at an equity value of \$1.97bn.
- **SG Fleet** is anticipated to launch a significant equity raising to fund a increased cash offer for the Australian fleet leasing business **Eclix**. **SG Fleet** could submit a new bid by Christmas. **Eclix** has a market capitalization of \$786.3m.
- Australian tax and advisory group **Grant Thornton Australia** has received an approach from **KPMG**. Executives at **KPMG** are thought to have recently expressed an interest in buying **Grant Thornton** Australia, however a formal approach was not involved. The transaction would combine Australia's fourth largest accounting business based on revenue, **KPMG**, with its seventh largest, **Grant Thornton**.
- **Litigation Capital Management** is making preparations to delist from the stock exchange in Australia, in favour of a London listing. The global litigation-funding market is booming and is also likely to do so in Europe.

## CONTACT DETAILS

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