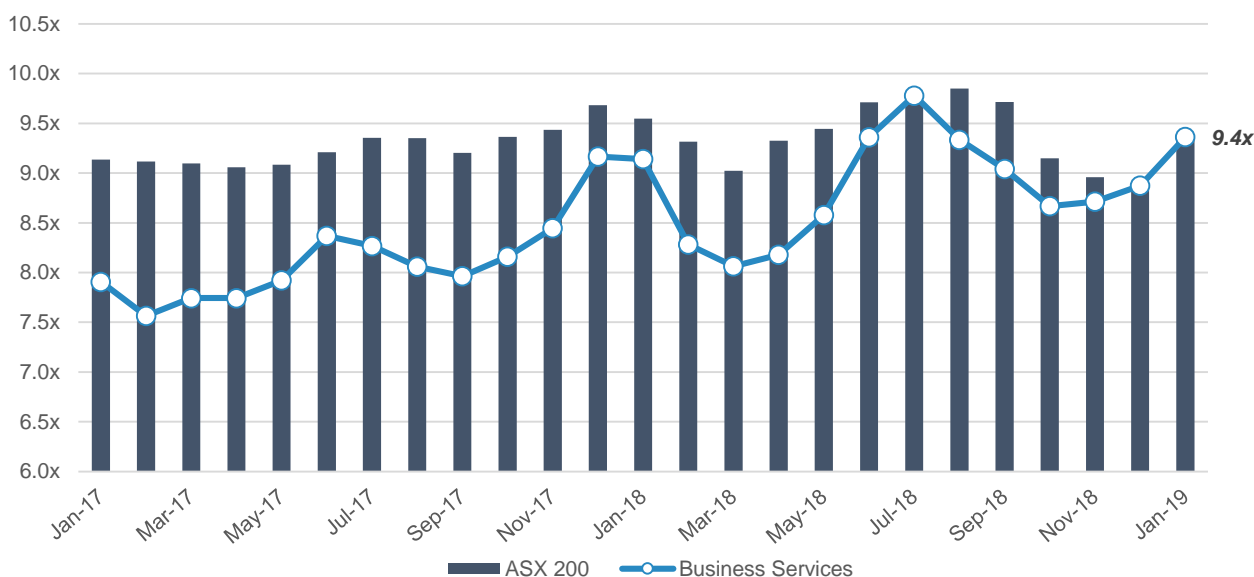


## VALUATION MULTIPLES

**Forward EV / EBITDA Multiples (monthly to 31/01/2019)** Source: FactSet Research Systems Inc.

Multiples in the Business Services sector have increased over the period. At the end of January, the sector traded on a forward EV / EBITDA multiple of 9.4x, compared to the ASX200 on 9.4x.



**Average Values and Trading Multiples (values as at 21/02/2019)** Source: FactSet Research Systems Inc.

Subsector	Enterprise Value (\$m)	EV/EBITDA FY2019	EV/EBIT FY2019	Price / Earnings FY2019
Business and Technical Consulting	6,820	7.6x	8.9x	12.2x
Business Process Outsourcing	18,355	9.2x	11.2x	14.4x
Education	3,732	20.6x	25.0x	27.3x
Transportation, Logistics & Distribution	46,330	6.7x	11.7x	18.0x
<b>Business Services</b>	<b>75,237</b>	<b>9.1x</b>	<b>11.9x</b>	<b>16.6x</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: \$33m (19.9% stake)**

**IPH**, an Australian law firm, has purchased a 19.9% stake in its rival **Xenith IP**. **IPH** secured the stake in an after-market deal and is believed to have paid \$1.85 per share for the holding. **Xenith's** shares last closed at \$1.405 per share. **Xenith** has agreed to a friendly merger with **Qantm Intellectual Property** and **IPH** is thought to be eager to gain a seat at the table. **IPH** is likely to use its stake to block the **Xenith/Qantm** scheme of arrangement, should the deal get to a vote.



**Value: \$51m**

**ALS** has acquired **BioScreen Testing Services** in the US and **MARRS International** in Chile, with the spending on the two acquisitions and a key investment in innovation totaling \$51m. Based in Los Angeles and Phoenix, **BioScreen Testing Services** employs over 110 staff and provides pharmaceutical and personal care testing in the USA. **MARRS International**, on the other hand, has an established network of operations in key port and mining locations of strategic importance to **ALS** Commodity Inspection.



**Value: Not disclosed**

**Smartrak**, a New Zealand-based provider of fleet asset management software that is part of **Volaris**, has acquired Australia-based **PoolCar**. The deal helps to extend **Smartrak's** offering in mobility, particularly pool vehicle management, electronic key cabinets, and vehicle keyless entry. **PoolCar** provides software used to manage drivers, vehicle reservations, vehicle assets, preventative maintenance, and keys. It serves 80 customers in 14 countries, concentrated mainly in Australia, New Zealand, and the USA.



**Value: \$36m**

**Coventry Group** has entered into an agreement to acquire all of the shares of **Nubco**, a Tasmanian hardware and industrial supplier in the industrial segment, for \$36m including \$34.2m in cash. **Coventry Group** announced the intended acquisition in a statement filed to the Australian Securities Exchange. The acquisition represents a trailing multiple of 6.0x FY18 EBITDA and is expected to complete on the 1<sup>st</sup> of March 2019.



**Value: \$32m**

**RPS Group**, the UK-based multi-sector global professional services firm, announced the acquisition of **Corview**, an Australia-based transport advisory consultancy, for a maximum consideration of \$32m. **Corview** is a leading player in the New South Wales and Queensland transport advisory market. It is a pre-eminent consultancy for government infrastructure business with a strong and respected brand, particularly in the investment and finance of infrastructure projects and programs.



**Value: \$60m (19.9% stake)**

**Qantas** has acquired a 19.9% stake in **Alliance Airlines**. The 19.9% stake was acquired for an average price of \$2.40 per share and for a total cost of \$60m. In response to the **Qantas** announcement, **Alliance** noted that it has not yet received any approach from **Qantas**. However, **Qantas** has stated that it will ultimately seek regulatory approval from the ACCC to build on its current shareholding in **Alliance Airlines** with a view to attaining a majority shareholding in the company.



**Value: Not Disclosed**

**TAMS Group**, an Australia-based diversified marine and port services company, has acquired **Taylored Offshore Services Group**, an Australia-based company engaged in providing marine solutions to the oil and gas, mining, marine, defense, shipping and construction Industries. **TAMS Group** has also acquired **MIPEC**, an Australia-based company that provides port, engineering and construction services to the oil and gas, mining and marine sectors, for an undisclosed consideration.

## MERGER & ACQUISITION NEWS...

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Value: \$130m

EY has acquired **Plaut IT**, an Australian provider of cloud SAP solutions. With the transaction, 130 SAP and digital consultants will join **EY Technology services**. The deal includes **Plaut IT's** Malaysian subsidiary **Baseliner**. EY's statement announcing the deal said the deal marked its third digital acquisition in seven months, following those involving **Adelphi Digital Consulting Group** in November and **Articulate Consulting** in July.

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Value: Not disclosed

JW Hill Capital announced today its support of **digEcor**, based in Brisbane, in the acquisition of the commercial In-Flight Entertainment (IFE) business from **Collins Aerospace**. That business originated with **Rockwell Collins**, which was acquired by **United Technologies** in 2018. This acquisition brings together 50 years of experience and innovation in IFE—starting with **Hughes Avicom** and **Sony Transcom**, then **Rockwell Collins** and **digEcor**—into a new global business named **Burrana**.

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## SERVING UP SOME SUPPOSITION...

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- Advisors have been appointed to sell **Sea Swift**, an Australia-based shipping company. **Sea Swift's** owners, led by **CHAMP Ventures**, seeking a buyer willing to pay at least \$300m for the business. Potential suitors include shipping operators and core-plus infrastructure funds. Reports suggest that **Sea Swift** is being marketed as a business with an EBITDA of around \$30m.
  - Bidders are believed to have submitted indicative and non-binding bids for **CF Asia Pacific**, a private Australian transportation business. The business is believed to have attracted trade buyers and private equity groups, but it is unclear who would be the natural owner of the business. **CF Asia Pacific** is anticipated to be valued at around \$500m.
  - It has been reported that **Velocity Frequent Flyer's** 35% stake owner **Affinity Equity Partners** is planning to launch a formal sale process sometime by the end of June.
  - **Quadrant Private Equity** is thought to be partnering with **Jim Vais** to bid for **Capital S.M.A.R.T Repairs**, an Australian automotive repair business owned by **Suncorp**. **Suncorp** has been preparing the asset for sale since mid-2018, and **Quadrant** and **Vais** are likely to be a strong contender should a sale proceed.
  - **TAMS Group**, a Western Australian privately owned marine and port services company, may consider additional acquisitions in Australia and Asia-Pacific after integrating its two most recent deals in which the group acquired **MIPEC** and **Taylorred Offshore Services**.
  - **Airtasker**, an Australia-based online jobs outsourcing company, is seeking new investors. **Airtasker** is believed to have started a funding round seeking \$75m.
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## CONTACT DETAILS

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