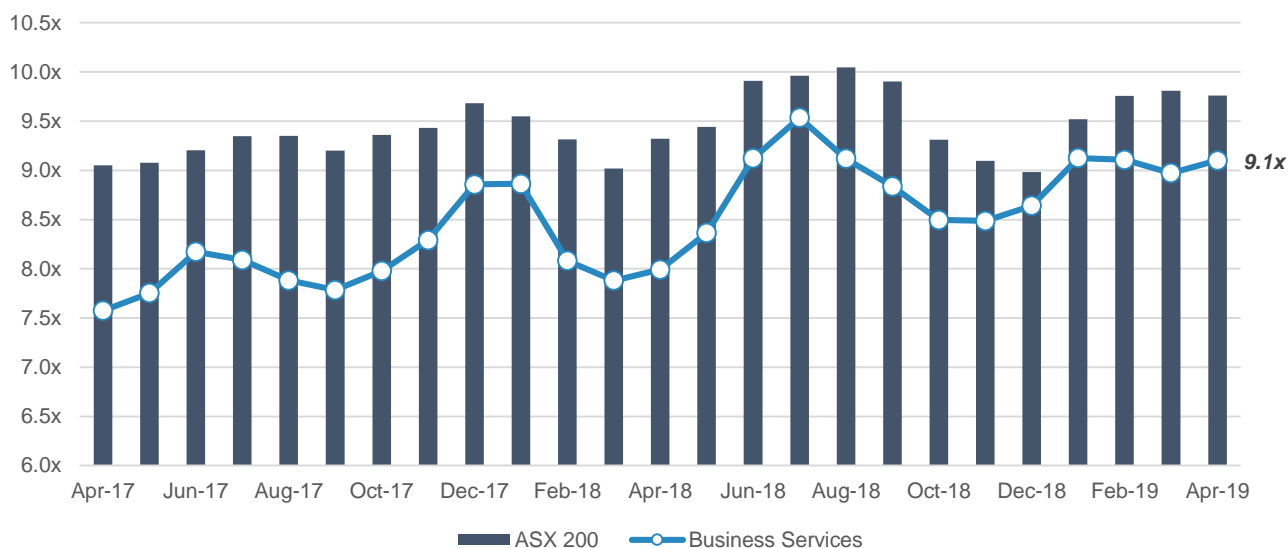


## VALUATION MULTIPLES

**Forward EV / EBITDA Multiples (monthly to 30/04/2019)** Source: FactSet Research Systems Inc.

Multiples in the Business Services sector have slightly increased over the period. At the end of April, the sector traded on a forward EV / EBITDA multiple of 9.1x, compared to the ASX200 on 9.8x.



**Average Values and Trading Multiples (values as at 16/05/2019)** Source: FactSet Research Systems Inc.

Subsector	Enterprise Value (\$m)	EV/EBITDA FY2019	EV/EBIT FY2019	Price / Earnings FY2019
Business and Technical Consulting	3,444	7.0x	7.5x	13.2x
Business Process Outsourcing	19,638	9.5x	14.1x	14.8x
Education	5,703	15.3x	18.6x	26.3x
Transportation, Logistics & Distribution	75,371	8.4x	14.3x	18.1x
<b>Business Services</b>	<b>104,156</b>	<b>9.1x</b>	<b>12.5x</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.

## MERGER & ACQUISITION NEWS...

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**COMFORTDELGRO**



Value: \$28.3m

**ComfortDelGro**, a Singapore-based transportation company, has agreed to acquire Australia-based peer **B&E Blanch** for \$28.3m. The acquisition will expand its bus operations in New South Wales, where it already operates 1,502 vehicles. The purchase consideration of \$28.3m is approximately 7.6 times EBITDA.

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**KKR**  
**myob**

Value: \$2bn

An arrangement has been successfully implemented which will see Australian accounting software business **MYOB** be 100% acquired by **ETA Australia Holdings III**, an affiliate of **Kohlberg Kravis Roberts & Co. L.P (KKR)**. The consideration was \$3.40 per share in cash. **Manikay Partners** and **Bain Capital** are among the investors who sold their stake in the deal.

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Value: \$3.25m

**Tesseract** has acquired experienced Melbourne-based enterprise security specialist **Rivium** for a consideration of \$3.25m. **Rivium** possesses an established team that adds a Security Information Event Management (SIEM) and insider threat capability to **Tesseract's** suite of cybersecurity solutions. The acquisition will be earnings accretive from day one, with **Rivium** forecasting FY19 revenue of \$4.4m and an EBITDA of \$650,000.

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Value: \$355m

**Qantas** and **Melbourne Airport** have reached an agreement for the sale of the airline's domestic terminal. **Qantas** has successfully settled the sale of the terminal and secured future access to Terminal 1 for \$355m, of which \$276m will be received in cash in this financial year, with the remaining value to be accrued in future periods.

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Value: \$135m

**Qube Holdings**, through its subsidiaries, has acquired **LCR** and its subsidiaries for a total consideration of \$135m. The acquisition was funded through **Qube's** existing undrawn debt facilities. **Qube** is Australia's largest integrated provider of import and export logistics services. The acquisition provides **Qube** additional geographical diversity and service capabilities.

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Value: \$53.6m

**Ricardo** has agreed to acquire Australian-based rail systems technical engineering firm, **Transport Engineering** for a cash consideration of \$53.6m. This successful agreement has been acquired through **Ricardo's** share purchase agreement. The acquisition provides **Ricardo** an active presence in Australia's sizeable and growing market.

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## SERVING UP SOME SUPPOSITION...

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- The owner of Australian childcare business **Affinity Education, Anchorage Capital Partners**, could revive plans to sell the business later this year. Improving conditions in the childcare sector, as well as improving market sentiment, could prompt **Anchorage Capital Partners** to again try and exit the business, either via an IPO or sales process. **Anchorage** tried to sell **Affinity** for around \$700m last year but the effort was suspended.
- **Navis Capital** is looking at the potential sale of **Modern Star**, an Australia-based education resources business, in a deal expected to be valued at more than \$750m. **Navis Capital**, which acquired the company in 2014, is considering exit options including a sharemarket listing or a sale of the company to a private equity firm or to a trade buyer.
- **Elenium Automation**, an Australian airport check-in technology business, could pursue an IPO to raise additional funds to accelerate its growth in the Americas.
- Venture capital fund **Bailador** is planning to list **Stackla**, an Australia-based content marketing platform, on the ASX this year. **Bailador's** current investment in **Stackla** is thought to be valued at \$12.6m.
- Spain's **Ferrovial** is believed to be considering entering the auction for **Hobart International Airport**, an Australian airport asset. The 51% stake could be valued at a minimum of \$250m. **Ferrovial** joins other interested parties such as **QIC** and **UniSuper**.
- **Link Group, GlobalX, and InfoTrack** are believed to be among parties considering offers for **SAI Global's** information services and global property units. **SAI** is owned by **Baring Private Equity Asia**, which purchased the company for \$1.24bn in 2016. Distressed debt funds are also eyeing **SAI**, which is expected to have debt-to-EBITDA ratio of 10x. Credit agencies have expressed concern about the company and highlighted the need for an equity injection.
- **APG**, a Dutch pension fund, is believed to be the most likely buyer for **China Investment Corporation's (CIC)** stake in the **EastLink toll road**. **CIC** and **APG** were among eight investors to buy the asset for \$2.2bn in 2011, with **CIC's** holding thought to be worth around \$500m.
- **Sealink Travel Group**, an Australia-based travel business, may pursue acquisitions in Queensland and South Australia. It has a market capitalisation of \$389m. **Quadrant Private Equity**, which owns **Experience Australia**, is also believed to be seeking acquisitions in the tourism space.
- Australian online auction company **Grays Online's** former owners are believed to be positioning as favourites to buy the company. Other potential buyers for **Grays** could include **Bauer Media, Catch Group**, and an unnamed Canada-based business.
- **Archer Capital** is thought to be positioning **Illion Data Registries**, an Australia-based data management business, for an ASX listing. **Archer** is likely to favour an IPO over a trade sale for the group, but a dual track process is still expected. **Illion** could be valued between \$1.2bn and \$1.5bn.
- The offer price for an initial public offering of **Whispir**, an Australian communications application firm, is expected to be in the range of \$1.60 and \$2.10 per share. The company is seeking \$47m in the IPO, and a successful listing would give the company a market capitalization of \$162.7m to \$198.3m.

## CONTACT DETAILS

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