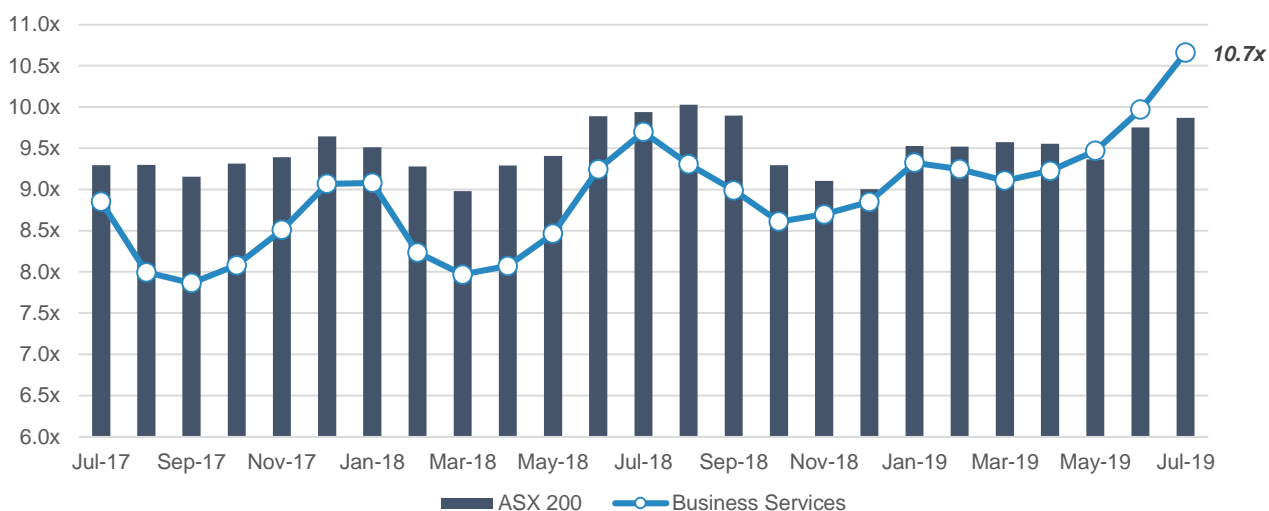


## VALUATION MULTIPLES

**Forward EV / EBITDA Multiples (monthly to 31/07/2019)** Source: FactSet Research Systems Inc.

Multiples in the Business Services sector have increased over the period. At the end of July, the sector traded on a forward EV / EBITDA multiple of 10.7x, compared to the ASX200 on 9.9x.



**Average Values and Trading Multiples (values as at 21/08/2019)** Source: FactSet Research Systems Inc.

Subsector	Enterprise Value	EV/EBITDA FY2019	EV/EBIT FY2019	Price / Earnings FY2019
Business and Technical Consulting	8,482	8.7x	9.1x	13.0x
Business Process Outsourcing	16,974	8.5x	11.3x	12.9x
Education	6,554	18.5x	22.7x	30.3x
Transportation, Logistics & Distribution	85,320	10.3x	17.3x	23.0x
<b>Business Services</b>	<b>117,330</b>	<b>10.4x</b>	<b>13.8x</b>	<b>18.1x</b>

Note: Multiples are based on the forward year of the unreported period, which for the majority of companies in the sector is FY2019. The constituents have been refreshed this month to ensure the sector groups and companies included are current. 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

**Willis Towers Watson**, a leading global advisory, insurance broking and solutions company, has acquired **Risk Capital Advisors Pty Ltd (RCA)**, a leading specialist Mergers & Acquisitions (M&A) insurance broker in Australia, New Zealand and South Africa. The acquisition of **RCA** will allow Willis Towers Watson to offer a wider range of services to its clients in a growing M&A market.



Value: \$13.8m (46% stake)

**Johns Lyng Group** has acquired a controlling equity interest in **Bright & Duggan Group**. Founded in 1978, **Bright & Duggan** is a Strata and Facilities Management business with 14 offices across four states and territories with more than 220 full time equivalent staff. The acquisition of **Bright & Duggan** is expected to be earnings accretive and is forecast to contribute revenue in the order of \$31m and EBITDA of approximately \$4.5m in FY20.



Value: Not Disclosed

**Accenture**, an Ireland-based management consulting, technology and outsourcing company announced that it has entered into an agreement to acquire **Analytics8**, a privately held Australian big data and analytics consultancy. The terms of the transaction were not disclosed.

### SERVING UP SOME SUPPOSITION...

- **BlackWall** has decided to proceed with a proposal to spin off **WOTSO WorkSpace**, a wholly owned flexible workspace operator, as a stand-alone business.
- **Turkish Airlines** has denied rumors suggesting that it is seeking to take over a 20% stake in **Virgin Australia Holdings**.
- **Silk Contracts Logistics**, an Australia-based logistics businesses, is said to be acquiring **Rocke Brothers**, an Australia-based wharf transport business. **Silk Contract Logistics** is also preparing for an ASX listing in 2020.
- **Qantas Airways** will not increase its stake in **Alliance Airlines** from the current 19.9% until the **Australian Competition and Consumer Commission (ACCC)** completes its first investigation in the completed deal.
- **Grant Thornton Australia** held board meetings to discuss its M&A strategies, including an issue of how to deal with future potential takeover approaches. Both **EY Oceania** and **KPMG** are believed to have made offers to **Grant Thornton**.
- **Pacific Equity Partners** is considering exit options for its 35% stake in **Virgin Australia's Velocity Frequent Flyer** program.
- **Cbus and Hesta** are expected to be shortlisted to buy a 50.1% stake in **Hobart Airport**.
- **Cobham** (UK-based) is preparing to sell **Cobham Aviation Services Australia**, an Australian aviation services business.
- **GFN Asia Pacific** is seeking to sell **Royal Wolf** for over \$300m which is being pitched to local and overseas private equity.
- **Airnorth**, an Australia-based regional airline business, is available for sale. **Regional Express Holdings** is considered the most logical buyer for **Airnorth**. **Cobham Aviation Services**, which is owned by **Cobham Group**, is also possible buyer.
- **InfoTrack** is set to acquire **SAI Global's** property services operations for around \$100m. The purchase could revive speculation of a possible IPO by **InfoTrack's** parent **Australian Technology Innovators**.
- **OPTrust**, a Canada-based pension fund, is seeking to sell a minority stake in **Kinetic**, the group's Australian buses business. The business will be pitched to infrastructure investors and private equity firms in the coming months. **Kinetic** is a recently established company which holds the twin Australian bus business investments of **OPTrust**, **Transit Australia Group** and **SkyBus**. **Kinetic** could have a valuation of over \$1bn.
- **IFM Investors** has acquired a stake in **My Plan Manager**, an Australia-based plan management services business.

## CONTACT DETAILS

If you are interested in specific information regarding mergers and acquisitions in the Business Services sector, please contact Sharon Doyle or Andrew Wheeler.

Name	Position	Phone	Email
Sharon Doyle	Managing Director	(07) 3218 9122	<a href="mailto:sdoyle@interfinancial.com.au">sdoyle@interfinancial.com.au</a>
Paul Keehan	Chairman	(07) 3218 9100	<a href="mailto:pkeehan@interfinancial.com.au">pkeehan@interfinancial.com.au</a>
Mark Steinhardt	Head of M&A	(07) 3218 9105	<a href="mailto:msteinhardt@interfinancial.com.au">msteinhardt@interfinancial.com.au</a>
Brad Shaw	Chief Operating Officer	(07) 3218 9100	<a href="mailto:bshaw@interfinancial.com.au">bshaw@interfinancial.com.au</a>
David Hassum	Director	(07) 3218 9108	<a href="mailto:dhassum@interfinancial.com.au">dhassum@interfinancial.com.au</a>
Andrew Wheeler	Director	(07) 3218 9107	<a href="mailto:awheeler@interfinancial.com.au">awheeler@interfinancial.com.au</a>
Anna Green	Director	(07) 3218 9100	<a href="mailto:agreen@interfinancial.com.au">agreen@interfinancial.com.au</a>
Ted Marchant	Director	(07) 3218 9100	<a href="mailto:tmarchant@interfinancial.com.au">tmarchant@interfinancial.com.au</a>
Sally McMillan	Associate Director	(07) 3218 9100	<a href="mailto:smcmillan@interfinancial.com.au">smcmillan@interfinancial.com.au</a>
Tom Benham	Associate Director	(07) 3218 9113	<a href="mailto:tbenham@interfinancial.com.au">tbenham@interfinancial.com.au</a>
Michael Kakanis	Associate	(07) 3218 9106	<a href="mailto:mkakanis@interfinancial.com.au">mkakanis@interfinancial.com.au</a>

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InterFinancial  
Corporate Finance Limited  
ABN: 49 138 962 966  
AFSL: 341675  
Level 2, 201 Charlotte Street  
GPO Box 975  
Brisbane Queensland 4001  
(07) 3218 9100  
admin@interfinancial.com.au  
www.interfinancial.com.au

