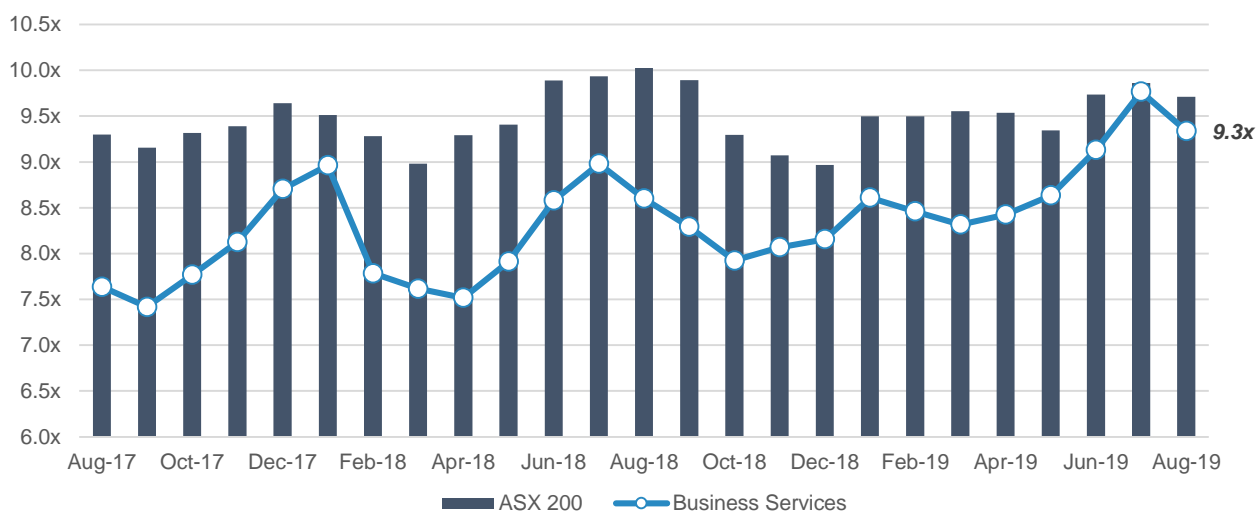


VALUATION MULTIPLES

Forward EV / EBITDA Multiples (monthly to 31/08/2019) Source: FactSet Research Systems Inc.

Multiples in the Business Services sector have decreased over the period. At the end of August, the sector traded on a forward EV / EBITDA multiple of 9.3x, compared to the ASX200 on 9.7x.



Average Values and Trading Multiples (values as at 25/09/2019) Source: FactSet Research Systems Inc.

Subsector	Enterprise Value (\$ m)	EV/EBITDA FY2020	EV/EBIT FY2020	Price / Earnings FY2020
Business and Technical Consulting	9,075	7.8x	8.9x	13.2x
Business Process Outsourcing	18,834	9.6x	13.1x	14.6x
Education	6,262	15.4x	19.0x	23.0x
Transportation, Logistics & Distribution	81,590	9.7x	16.3x	20.7x
Business Services	115,762	9.7x	13.3x	16.9x

Note: Multiples are based on the forward year of the unreported period, which for the majority of companies in the sector is FY2020. 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...



Value: \$32.3m

Village Roadshow Limited (VRL) has agreed to sell its wholly owned promotional solutions agency **Edge Loyalty Systems** for an enterprise value of AUD 32.3m to **Blackhawk Network**. Net proceeds from the sale will be used to reduce **VRL** group debt.



Value: \$300m

Sea Swift, an Australian-based privately-owned, integrated marine transport and logistics provider, will be fully acquired by **QIC's** Global Infrastructure Fund. **Sea Swift** is the leading provider of general cargo and charter freight services to remote communities in Far North Queensland and the Northern Territory.



Value: \$11m

Astute One is to be fully acquired by **PayGroup** for a consideration of AUD 11m. **Astute One** is a workforce management platform that automates and simplifies highly complex compliance, employment and payment processes. The platform is cloud-based and connects front-end applicant tracking systems and back-end general ledger accounting platforms.



Value: \$150m

K&S Corporation Limited has reached a binding agreement with **Centurion Transport Co.** for the sale of **Regal General Freight**. The transaction will allow **K&S Corporation** to focus on its core competencies, including its **Regal Heavy Haulage** business.



Value: Undisclosed

Experian plc, a Dublin-based information services company has acquired **Look Who's Charging Pty Ltd**, an Australian API services provider to banking and financial sectors, for an undisclosed sum. Terms and conditions regarding the deal have not been made public.



Value: Undisclosed

Leading South Australian disability service organizations, **Novita** and **Scosa** have announced they will merge. The move will bring together the two organisations' complementary service offerings to create a unique disability service for South Australia.

SERVING UP SOME SUPPOSITION...

- **Intermediate Capital Group** is preparing to sell **SCF**, an Australian shipping container business. The item noted that **SCF** is anticipated to be worth up to AUD 250m.
- **Mayfield Childcare**, a Melbourne, Australia-based childcare provider, is seeking a larger acquisition and could expand to other states. The company is looking at three or four targets and is most likely to expand to Adelaide.
- **Mega Group**, an Australian fuel transport company, is in receivership and seeking urgent expressions of interest for the group's businesses and/or assets.
- **Mastermyne**, an Australian-based mining services provider, has played down talks that it is seeking buyers. **Mastermyne** has a market capitalisation of AUD 124m.
- Final offers for **Macquarie Infrastructure and Real Assets'** 50.1% stake in **Hobart Airport** are due on 27 September. Bidders include **Vinci, QIC, UniSuper, Cbus**, and **HESTA**. **Macquarie's** 50% stake is valued at approximately AUD 500m.
- Australian logistics service provider **Silk Contract Logistics** will talk to potential lead managers over the coming months for an IPO slated for next year, despite buyer approaches. Proceeds from the IPO may be used to repay existing debt as well as to fund more acquisitions and international expansion into markets including New Zealand.
- An official sale flyer for **Automotive Holding Group's** refrigerated logistics business has been sent to potential buyers. An independent expert report has valued the refrigerated logistics business between AUD 195m and 245m. An indicative bid phase is set to begin at the end of September.
- **UCW**, an Australian tertiary education business, is targeting strategic acquisitions that supplement its campus, course and agent network in FY20. **UCW** has a market capitalisation of AUD 18m.
- **CommsChoice Group**, an Australian-based provider of optimal ICT solution services, is eyeing acquisition and merger opportunities in the business services space to accelerate growth. **CommsChoice Group** has a market capitalisation of AUD 8m.
- **Shine Corporate**, an Australian-based law firm, is eyeing acquisitions as part of its long-term strategy and outlook. **Shine** has a market capitalisation of AUD 130m.
- **QEX Logistics**, a New Zealand-based cross border logistics company, is exploring a possible acquisition in Australia. The company has a market capitalisation of NZD 36m.
- **A2B Australia**, an Australian taxi service and payment facilitating company, will continue to evaluate acquisitions.
- **McGrath Limited**, an Australian-based real estate agent and property management company, will assess potential acquisitions in FY20.
- **Propel Funeral Partners**, the Australian funeral business, is exploring potential acquisitions in line with its Investment Strategy.
- **AMA Group**, the Australian crash repair business, is seeking to identify and execute strategic acquisitions in the automotive components and accessories divisions.
- **Synertec**, an Australian engineering consulting firm, is actively assessing M&A opportunities.
- **Konekt**, an Australian workplace injury management solutions provider, is targeting bolt-on acquisitions.
- **McMillan Shakespeare Ltd.**, the largest company of salary packaging and asset and fleet management in Australia, is planning to selectively assess acquisitions where returns are compelling.
- **Virgin Australia** has entered exclusive talks to buy **Affinity Equity Partners'** 35% stake in the **Velocity Frequent Flyer** rewards program. **Virgin** already owns a 65% stake in **Velocity**. The deal is anticipated to value **Velocity** at AUD 2bn.
- **AMA Group, Quadrant Private Equity, Pacific Equity Partners**, and **Belron** are among final bidders remaining in the auction for **Capital S.M.A.R.T Repairs**, an Australia-based smash repair business. **Capital S.M.A.R.T** is being sold by **Suncorp** and is anticipated to sell for AUD 300m.
- **Rowland**, a privately held Australian strategic communication, digital and creative agency, is mulling exit options including a trade sale.
- **Modern Star's**, an Australian supplier of educational resources to early childhood centres and primary schools, sale process has been launched. Potential suitors have signed non-disclosure agreements to gain access to the group's data room.

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	sdoyle@interfinancial.com.au
Paul Keehan	Chairman	(07) 3218 9100	pkeehan@interfinancial.com.au
Mark Steinhardt	Head of M&A	(07) 3218 9105	msteinhardt@interfinancial.com.au
Brad Shaw	Chief Operating Officer	(07) 3218 9100	bshaw@interfinancial.com.au
David Hassum	Director	(07) 3218 9108	dhassum@interfinancial.com.au
Andrew Wheeler	Director	(07) 3218 9107	awheeler@interfinancial.com.au
Anna Green	Director	(07) 3218 9100	agreen@interfinancial.com.au
Ted Marchant	Director	(07) 3218 9100	tmarchant@interfinancial.com.au
Sally McMillan	Associate Director	(07) 3218 9100	smcmillan@interfinancial.com.au
Brent Wall	Associate Director	(07) 3218 9102	bwall@interfinancial.com.au
Michael Kakanis	Associate	(07) 3218 9106	mkakanis@interfinancial.com.au

DISCLAIMER

This information has been sourced from the ASX, Mergermarket.com and various other public information sources. Forecasts are consensus forecasts sourced from FactSet Research Systems Inc.

Important Disclaimer – This may affect your legal rights: Because this document has been prepared without consideration of any specific person's financial situation, particular needs and investment objectives, a financial services licensee or investment adviser should be consulted before any investment decision is made. While this document is based on information from sources which are considered reliable, InterFinancial, its directors, employees and consultants do not represent, warrant or guarantee, expressly or impliedly, that the information contained in this document is complete or accurate. Nor does InterFinancial accept any responsibility to inform you of any matter that subsequently comes to notice, which may affect any of the information contained in this document. This document is a private communication to clients and is not intended for public circulation or for the use of any third party, without the prior approval of InterFinancial. This report does not constitute advice to any person.

Disclosure. InterFinancial has no interest in any of the securities mentioned in this publication. However, its directors, executives or consultants may have an interest in some of the securities, directly or indirectly, which are mentioned

InterFinancial is a member of Clairfield International

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

