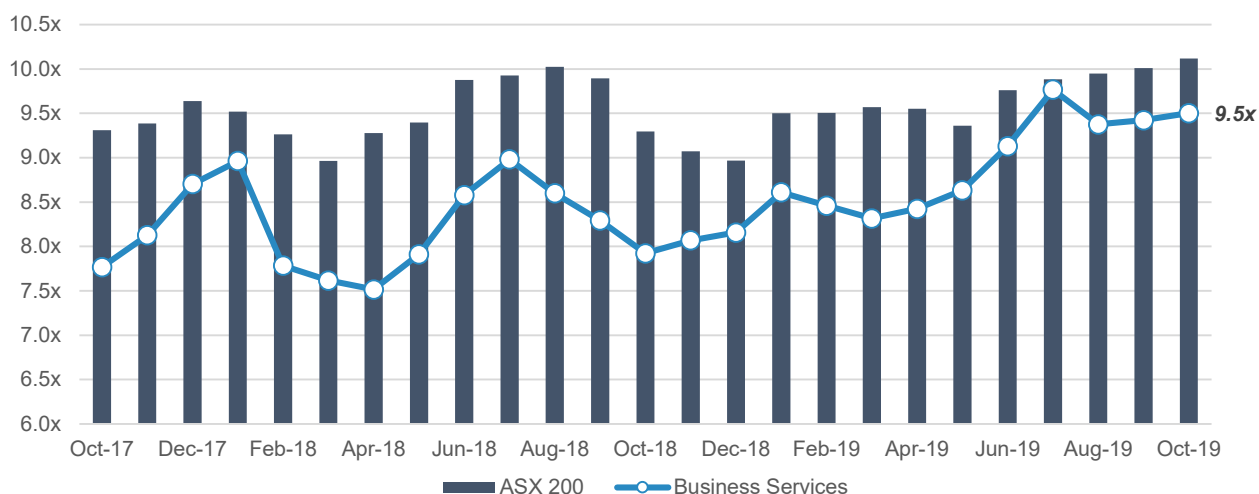


VALUATION MULTIPLES

Forward EV / EBITDA Multiples (monthly to 31/10/2019) Source: FactSet Research Systems Inc.

Multiples in the Business Services sector have increased over the period. At the end of October, the sector traded on a forward EV / EBITDA multiple of 9.5x, compared to the ASX200 on 10.1x.













Average Values and Trading Multiples (values as at 26/11/2019) Source: FactSet Research Systems Inc.

Subsector	Enterprise Value (\$ m)	EV/EBITDA FY2020	EV/EBIT FY2020	Price / Earnings FY2020
Business and Technical Consulting	9,379	7.4x	8.5x	12.6x
Business Process Outsourcing	19,166	9.4x	13.0x	14.9x
Education	6,848	16.7x	20.3x	24.3x
Transportation, Logistics & Distribution	86,088	9.9x	16.9x	21.4x
Business Services	121,481	9.8x	13.5x	17.1x

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.

¹ 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...

		<p>Value: \$10m</p> <p>Regional Express Holdings Limited, an Australian ASX-listed company engaging in aircraft charter operation has agreed to acquire ST Aerospace Academy (Australia), Australia-based company engaged in pilot training business, previously owned by Singaporean engineering firm ST Engineering Aerospace. The deal was funded with full cash consideration.</p>
		<p>Value: \$190m</p> <p>Consolidated Operations Group Limited, listed Australia-based investment company, has agreed to merge with CML Group Limited, listed Australia-based company engaged in providing financial management and payroll services. Offer price is at a premium of 7.3% over CML's closing share price of AUD 0.455.</p>
		<p>Value: Undisclosed</p> <p>Professional services firm, EY, has acquired Aleron Group, an Australia-based company engaged in providing cyber security consultancy services, for an undisclosed consideration.</p>
		<p>Value: \$9m</p> <p>Evolve Education Group Limited, the listed New Zealand-based company engaged in providing early childhood education (ECE) services, has acquired five Australia-based childcare centres.</p>
		<p>Value: \$250m</p> <p>Australian-based private equity firm Anchorage Capital Partners has acquired CF Asia Pacific, a provider of transportation, logistics and leasing solutions. CF Asia was put on sale from October 2019 by Sasser Family Holding, who is selling due to drought conditions impacting the operations of CF Asia Pacific.</p>
		<p>Value: \$16m</p> <p>Think Childcare Limited, the listed Australia-based company that owns, manages, and operates childcare facilities, has agreed to acquire 11 trading childcare services from Edhod Childcare Services, an Australia-based operator of childcare incubators.</p>
		<p>Value: \$181.6m</p> <p>Fuji Xerox has proposed to acquire CSG Limited, the Australian business technology firm, by way of a scheme of arrangement. CSG's issued equity valued at AUD 140.8m and enterprise value at AUD 181.6m, and the transaction will be funded from Fuji Xerox Asia Pacific's existing cash on balance sheet.</p>

SERVING UP SOME SUPPOSITION...

- Sale of Australian data registries business **Illion** is likely to be extended by several weeks as multiple buyers walk away. It was believed that bidders were deterred by the AUD 1.5bn asking price for the business.
- Australian mobile testing business **TEX Onsite's** managers are urgently seeking buyers to acquire the business. The business is set to have over 600 regular customers, and revenue of AUD 11m. Indicative offers for the business are required to be submitted by 3 December 2019.
- Private equity buyers are believed to be interested in the commercial laundries business unit of Australian services provider **Spotless**. The laundries business is expected to sell for around AUD 400m.
- Transport industry players and private equity groups are expected to compete for the purchase of **Automotive Holdings Group's (AHG)** refrigerated logistics business. The logistics business is expected to sell for AUD 150m to AUD 200m.
- **QUBE Holdings**, the Australian logistics company, is in the search for acquisition opportunities in Australia, New Zealand to achieve its vision to be Australia's leading provider of integrated logistics solutions focused on import and export supply chains. QUBE has approximately AUD 500m (cash and undrawn debt facilities) of deployable capital.
- **Intermediate Capital Group's (ICG)** is looking for buyers for its shipping container business **SCF**. **SCF** is expected to be acquired by industry players as a strategic bolt-on. The business has annual earnings of around AUD 25m and is expected to sell for around 7.5x EBITDA.
- **OpenLearning**, an Australian education technology business, is preparing to list on the ASX at AUD 0.20 per share and market capitalisation of AUD 25m to AUD 30m. Majority of shareholders likely to remain after the float.

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