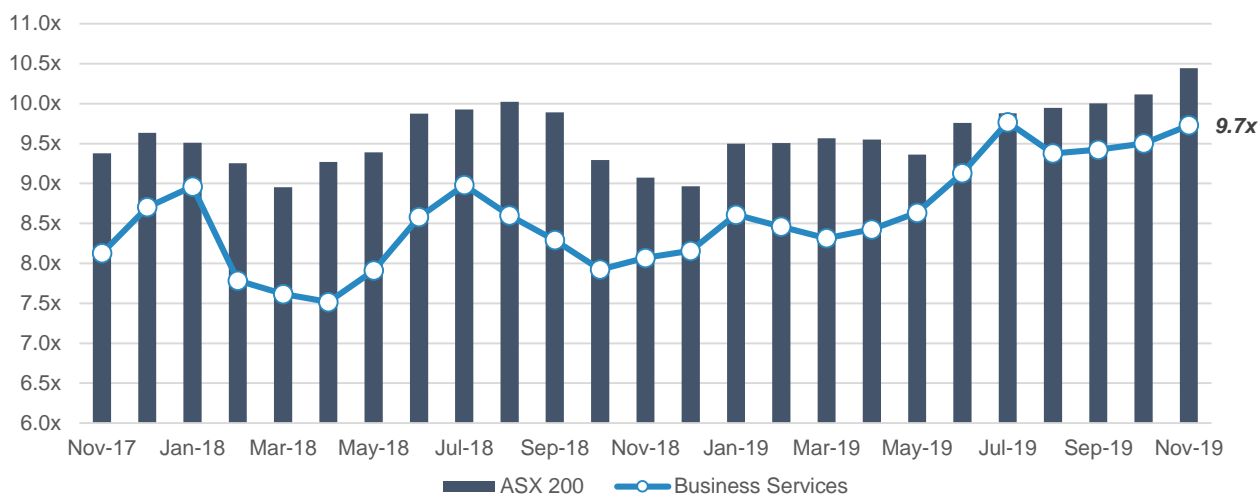


VALUATION MULTIPLES

Forward EV / EBITDA Multiples (monthly to 30/11/2019) Source: FactSet Research Systems Inc.

Multiples in the Business Services sector have increased over the period. At the end of November, the sector traded on a forward EV / EBITDA multiple of 9.7x, compared to the ASX200 on 10.4x.



Average Values and Trading Multiples (values as at 17/12/2019) Source: FactSet Research Systems Inc.

Subsector	Enterprise Value (\$ m)	EV/EBITDA FY2020	EV/EBIT FY2020	Price / Earnings FY2020
Business and Technical Consulting	9,726	7.4x	8.5x	12.4x
Business Process Outsourcing	18,963	9.1x	12.3x	14.6x
Education	6,795	16.5x	19.8x	24.2x
Transportation, Logistics & Distribution	85,735	10.5x	18.0x	23.5x
Business Services	121,220	10.0x	13.7x	17.7x

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: \$25m</p> <p>IVE Group Limited, the listed Australia-based company which provides tailored communications solutions, has agreed to acquire Reach Media New Zealand Limited, the New Zealand-based provider of digital media space and the Marketing Solutions Business of Salmat Limited, an Australia-based listed company engaged in providing business process outsourcing and customer contact solutions.</p>
		<p>Value: \$8m</p> <p>Terrex, an Australia-based company engaged in providing seismic and surveying services, has agreed to acquire SAExploration (Australia) and SAE (Australia), an Australia-based provider of vertically-integrated seismic data acquisition and logistical support services from SAExploration Holdings, the listed US-based company engaged in offering seismic data acquisition and processing services.</p>
		<p>Value: Undisclosed</p> <p>Accenture, the listed Ireland-based management consulting, technology and outsourcing company, has acquired Apis Group, an Australia-based company engaged in providing business management consultancy services.</p>
		<p>Value: \$136m</p> <p>An undisclosed bidder, has agreed to acquire 25 convenience store sites of Caltex Australia Limited, the listed Australia-based oil refining company engaged in the purchase, refining, distribution and marketing of petroleum products.</p>
		<p>Value: Undisclosed</p> <p>Bunzl Australasia Limited, an Australia-based provider of workplace & personal safety solutions and a subsidiary of Bunzl, the UK-based international distribution and outsourcing group, supplying to food, healthcare, safety, cleaning and non-food retail sectors, has acquired an 80% stake in Fire Rescue Safety Australia, an Australia-based specialist emergency response equipment and technical services company.</p>
		<p>Value: Undisclosed</p> <p>Spicers Limited, an Australia-based manufacturer and distributor of communication papers and high-performance packaging papers, has agreed to acquire the Direct Paper business from Wilmaridge. The paper and paper board wholesaling business, Direct Paper, will be acquired. The transaction will enable Spicers to enrich its business portfolio and enhance presence in Australia.</p>
		<p>Value: \$17.5m</p> <p>Ellerston JAADE Private Asset Fund, an Australia-based fund of Ellerston Capital, an Australia based investment manager, has acquired 35 % stake in CA Technology (CAMMS), an Australia-based company engaged in developing software.</p>

SERVING UP SOME SUPPOSITION...

- Australian customized signage business **Five Faces'** administrator is seeking expressions of interest.
- **Paragon Care**, an Australian supplier of healthcare equipment and devices, with a market value of \$148.7m, is thought to attracting takeover interest.
- **Smartpay**, an Australian payments business, is expected to attract takeover interest, after selling its New Zealand operations. **Smartpay** has a market capitalisation of \$79m.
- **thedocyard**, a privately-held, Sydney, Australia-based deal management technology company, is planning to list on the ASX to raise up to \$5m.
- **Aurizon** could be interested in the **Dalrymple Bay Coal Terminal**, which is being sold by **Brookfield**. Dalrymple is possibly valued at over \$2bn.
- **A2B Australia**, the Australian taxi network operator and payments solutions provider, is looking at more acquisition opportunities in Australia and overseas. **A2B** had completed its acquisition of **Gold Coast Cabs** in July for \$2.5m.
- **Evolve Education Group**, the New Zealand-based childcare operator, has contracted to acquire five childcare centres in the Australian Capital Territory for \$12m, which represents a 4.3x multiple of centre based EBITDA.
- Superannuation funds are believed to be circling **Jacob Engineering's** \$780m stake in engineering services firm, **Worley**.
- **Anchorage Capital** is believed to be close to acquiring **Automotive Holdings Group's (AHG)** refrigerated logistics business.
- **KKR** is expected to lodge an indicative offer for **Laureate Education's** Australian and New Zealand business.
- **Modern Star**, an Australia-based educational resources business, may interest Wesfarmers, due to potential synergies with the groups **Officeworks** business. Modern Star is valued at approximately \$750m.
- Chile's **Sigdo Koppers** is believed to have walked away from efforts to buy **Downer's** mining services business **Downer Mining**, which is possibly worth \$700m.
- France's **Elis** is believed to be considering a bid for **Spotless'** commercial laundries business, which is anticipated to generate revenue of \$265.3m and EBITDA of \$59.1m in the 2020.

CONTACT DETAILS

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