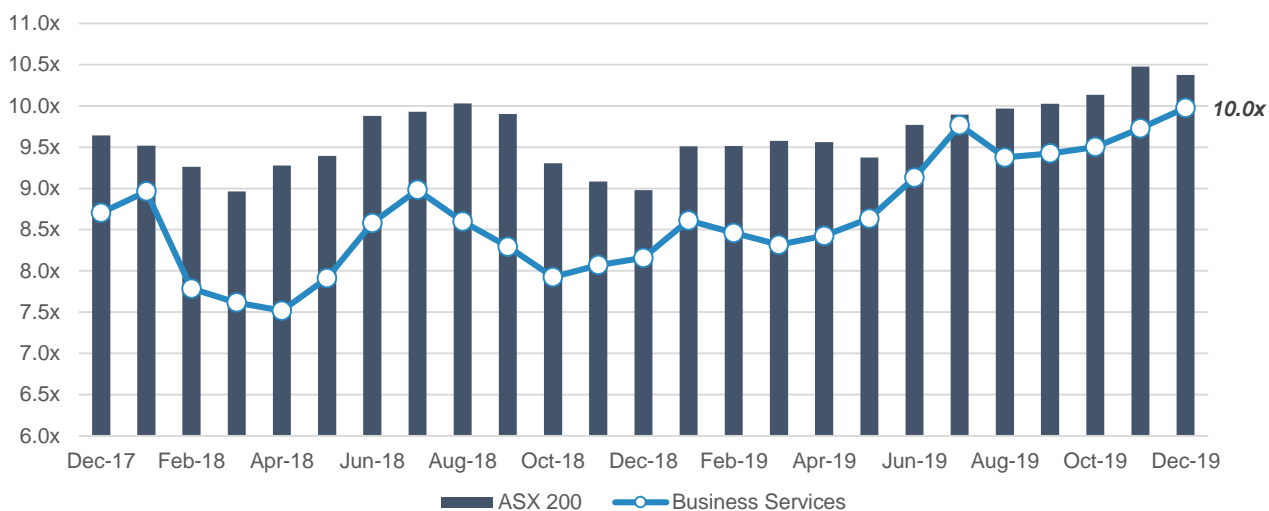


## VALUATION MULTIPLES

### Forward EV / EBITDA Multiples (monthly to 31/12/2019) Source: FactSet Research Systems Inc.

Multiples in the Business Services sector have increased over the period. At the end of December, the sector traded on a forward EV / EBITDA multiple of 10.0x, compared to the ASX200 on 10.4x.



### Average Values and Trading Multiples (values as at 22/01/2020) Source: FactSet Research Systems Inc.

Subsector	Enterprise Value (\$ m)	EV/EBITDA FY2020	EV/EBIT FY2020	Price / Earnings FY2020
Business and Technical Consulting	10,156	7.9x	8.9x	13.0x
Business Process Outsourcing	19,204	9.3x	12.8x	14.6x
Education	7,437	21.4x	25.2x	29.8x
Transportation, Logistics & Distribution	85,450	10.9x	19.0x	25.2x
<b>Business Services</b>	<b>122,247</b>	<b>10.6x</b>	<b>14.6x</b>	<b>18.8x</b>

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.

<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...

		<p>Value: \$55m</p> <p><b>Amplifon S.p.A.</b>, an Italy-based company engaged in the distribution of hearing aids, has agreed to acquire <b>Attune Hearing</b>, the Australia-based hearing healthcare specialist. The acquisition will help <b>Amplifon</b> to strengthen its current position in the Australian market. The transaction is expected to be completed in the first quarter of 2020 and is subject to approval from regulatory authorities.</p>
    		<p>Value: \$100m</p> <p><b>The Probe Group</b>, an Australia-based business process outsourcing (BPO) provider of outsourced sales, service and help desk contact centres, complete end-to-end credit management and collections solution, backed by <b>Five V Capital</b> and <b>Quadrant Private Equity</b>, has agreed to acquire, <b>MicroSourcing International</b>, a Philippines-based company engaged in providing offshoring and outsourcing solutions, from <b>Salmat Limited</b>.</p>
		<p>Value: \$100m</p> <p><b>Pacific Equity Partners (PEP)</b> has agreed to acquire <b>WINconnect</b>, an Australia-based company that provides utility services like delivering centralized hot water, superior internet and next generation utilities such as solar.</p>
		<p>Value: Undisclosed</p> <p><b>Sumitomo Forestry Australia</b> has acquired <b>Scott Park Group</b>, an Australia-based company specializing in custom-built residential housing. This transaction marks <b>Sumitomo Forestry's</b> presence in Western Australia. Post-acquisition <b>Sumitomo Forestry</b> shall be able to supply 3,000 houses in Australia annually.</p>
		<p>Value: Undisclosed</p> <p><b>Scan Global Logistics A/S</b>, a Denmark-based freight forwarding and logistics company, has acquired <b>Pioneer International Logistics</b>, an Australia-based logistics service provider, from private investors Rob Erskine, Rod MacPherson and David Cooke.</p>
		<p>Value: \$180m</p> <p><b>Lendlease</b> had entered into an agreement with <b>Acciona Infrastructure Asia Pacific</b> to sell its engineering business for \$180m.</p>
		<p>Value: Undisclosed</p> <p><b>Security Transfer Australia</b>, a Perth, Australia-based share registry business, has been acquired by <b>Automic Group</b>, a privately held Australian integrated technology solutions and professional services company. The terms of the acquisition were not disclosed.</p>
		<p>Value: Undisclosed</p> <p><b>Pearson</b>, a London-headquartered, FTSE-100-listed publishing and education company, has acquired <b>Smart Sparrow</b>, an adaptive learning technology company incubated within the <b>Adaptive eLearning Research Group</b> at the <b>School of Computer Science and Engineering</b> at the <b>University of New South Wales</b>.</p>
		<p>Value: Undisclosed</p> <p><b>ALS Limited</b>, Australia-based company that is engaged in the provision of technical testing and inspection services, has acquired <b>Aquimisa S.L.</b>, a Spain-based company engaged in food testing, food safety consulting services and veterinary services. The acquisition is financed from existing debt facilities by <b>ALS Limited</b>.</p>

## SERVING UP SOME SUPPOSITION...

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- **Brookfield** plans to consider listing the **Dalrymple Bay Coal Terminal (DBCT)**, an Australian coal export port, on the ASX. The terminal is approximately valued at \$2,000m.
- **Anacacia Capital** has purchased a stake in **Direct Couriers**, an Australian delivery business. **Direct Couriers** brings in annual revenue of over \$100m.
- **Cobham Aviation**, an Australian contract aviation business, could interest Australian company's Rex or Alliance.
- **Wattle Health Australia** announced on 2 January that it is undertaking an operational restructure following a major shortfall in its efforts to raise capital to fund the purchase of **Blend & Pack**.
- **Retail Food Group** announced that its subsidiary **Hudson Pacific Corporation** has completed the disposal of the loss-making **Hudson Pacific Food** service business to **Hudson Food Group**.
- **WOTSO**, an Australian co-working business, is planning to list on the ASX in 2020.
- Australian law firms **Shine Lawyers** and **Slater & Gordon** could pursue a merger in 2020.
- **Perenti Global** is among buyers interested in **Downer's** mining services business.
- **CIMIC** could break up its mining services subsidiary **Thiess** should it fail to find a buyer for the business as a whole.
- **Metcash**, an Australia-based retail business, has been urged to sell its food distribution operations.
- The **Trans-Tasman Business Circle (Buscircle)**, a Sydney-headquartered Australian corporate and government networking business, is actively seeking partners for its next growth phase.
- **Credit Clear**, an Australian debt collection startup, is set to list on the ASX after raising \$9m to acquire **Credit Solutions**.
- **InvoCare**, an Australian funeral home business, could raise equity in the months ahead.
- **Dexus Property Group**, **Charter Hall**, and possibly **GPT Group** are expected to compete against **Goodman Group** to buy the **Moorebank Logistics Park** in Sydney.

## CONTACT DETAILS

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