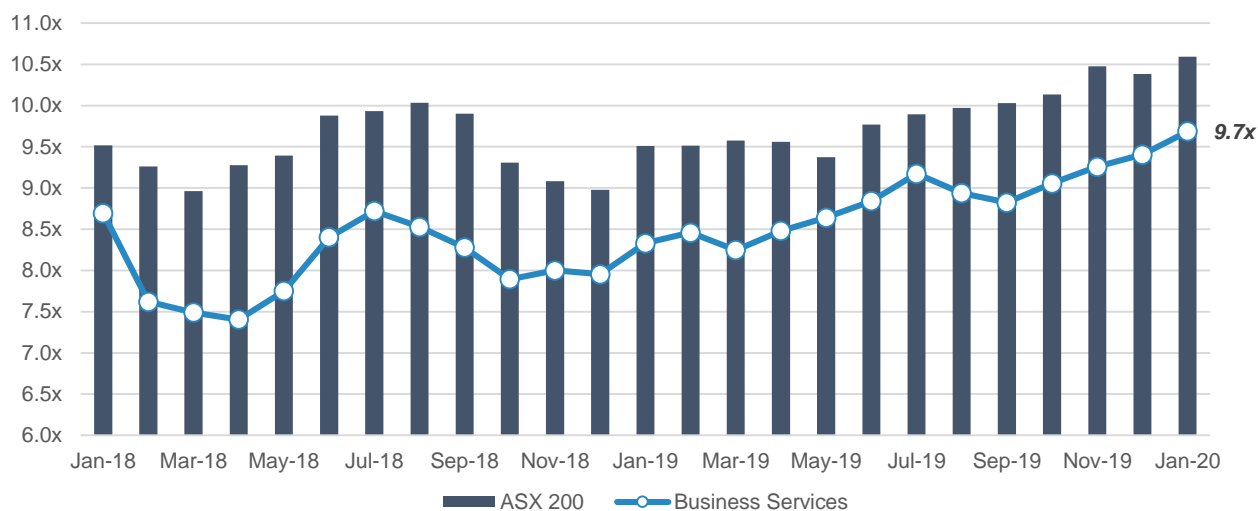


## VALUATION MULTIPLES

### Forward EV / EBITDA Multiples (monthly to 31/1/2020) Source: FactSet Research Systems Inc.

Multiples in the Business Services sector have increased over the period. At the end of January, the sector traded on a forward EV / EBITDA multiple of 9.7x, compared to the ASX200 on 10.6x.



### Average Values and Trading Multiples (values as at 25/02/2020) Source: FactSet Research Systems Inc.

Subsector	Enterprise Value (\$ m)	EV/EBITDA FY2020	EV/EBIT FY2020	Price / Earnings FY2020
Business and Technical Consulting	9,489	8.3x	9.6x	12.8x
Business Process Outsourcing	19,083	9.1x	11.5x	13.8x
Education	8,301	16.0x	22.0x	25.1x
Transportation, Logistics & Distribution	88,061	9.9x	18.7x	23.4x
<b>Business Services</b>	<b>125,574</b>	<b>10.1x</b>	<b>14.2x</b>	<b>17.9x</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. Composition of companies in Sector Dashboards are updated every 6 months. Most recent update: February 2020.

### MERGER & ACQUISITION NEWS...



**PROBE**

Value: Undisclosed

**Beepo**, a Queensland-based business process outsourcing (BPO) company, was acquired by **Probe Operations Pty Ltd**, a Melbourne-headquartered BPO business backed by the Sydney-based private equity firm **Five V Capital**.



*InterFinancial Corporate Finance*, through its IP focused division **IFL Ventures**, acted as the exclusive sell-side advisor to **Beepo**.



Value: \$31m

**Next Capital**, an Australia-based private equity firm, through its Fund IV, has acquired a 51% stake in **TM Insight**, an Australia-based company providing consulting services in construction. The investment will value the target at an estimated implied enterprise value of \$60m. The enterprise value represents earnings multiples of 5x.



Value: \$143m

**Computershare Limited**, the ASX-listed company is engaged in the operation of investor services, plan services, communication services, business services, shareholder relationship management services and technology services, has agreed to acquire **Corporate Creations International**, the US-based provider of registered agent and compliance services.



Value: Undisclosed

**Potentia Capital**, Australia-based private equity firm, has acquired an undisclosed controlling stake in **CompliSpace**, an Australia-based provider of corporate governance and management consulting services.



Value: \$72m

**Emeco** has entered into a binding agreement to acquire **Pit N Portal Mining Services** and **Pit N Portal Equipment Hire** for an enterprise value of \$72m, on a cash-free, debt-free basis.



Value: \$7m

**Spirit Telecom** has acquired **Trident Business Group**, including **Trident Computer Services** and **Neptune Managed Services**, an established managed IT services and security business. The deal value is \$7m.



Value: \$8.9m

**GetSwift** has acquired a majority stake in Europe-headquartered **Logo d.o.o.**, an information and communications technology firm. The consideration paid for the majority stake in the share capital of **Logo** was \$8.9m in cash.



BRC CAPITAL

Value: Undisclosed

**BRC Capital** is believed to have purchased a controlling stake in **Heat Group**, an Australia-based consumer brands distribution business. **Heat** is estimated to bring in annual revenue of around \$30m.



Redwood North

Value: >\$5m

Private equity firm **Redwood North** has purchased a majority stake in **FST Media**, an Australia-based events and conference producer. The deal is estimated to be worth over \$5m.



Value: Undisclosed

**Eptec**, an Australia-based specialist engineering contractor in asset preservation and rehabilitation, has been acquired by **Next Capital** and **The Silverfern Group**.

## SERVING UP SOME SUPPOSITION...

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- **Pacific Equity Partners (PEP)** and **Kohlberg Kravis Roberts (KKR)** are said to be among buyers interested in acquiring a stake in **Kinetic Group**, an Australian transportation business.
- **BGH Capital**, **Pacific Equity Partners (PEP)**, and **Baring Private Equity** are believed to be preparing final offers for **Laureate Education's** Australian and New Zealand operations.
- **Royan Group**, a family-owned, Australia-based truck and trailer repair business, is set to be acquired by **The Growth Fund**.
- Australia-based educational resources business **Modern Star's** owner, **Navis Capital**, is believed to be considering separate offers for the group's Australia and New Zealand business and its China business.
- **Next Capital** could delay plans to sell **Lynch Group**, an Australian flower supplier, if it looks like the coronavirus will impact the process. The sale was expected to begin around March.
- **Perenti**, an Australian mining services contractor, has confirmed it is currently giving consideration to the potential purchase of **Downer Mining**. **Perenti** is expected to raise at least \$250m to fund the potential acquisition.
- **Way2VAT**, an Israel-based VAT reclaim technology business, is planning to list on the ASX next month.
- **Duratec**, an Australia-based asset remediation and refurbishment business, is considering listing on the ASX in May.
- **Cluey Learning**, an Australian online tutoring technology business, could list on the ASX in late 2020.
- **Device Technologies** is believed to be interested in acquiring **Paragon Care**, an Australian supplier of healthcare equipment.
- **CIMIC** and its owners are believed to have decided to sell **Thiess Indonesia**.
- **OneVue** announced on 6 February that it is planning to sell **Madison Financial Group**.
- **Macquarie Infrastructure and Real Assets (MIRA)** is believed to remain interested in acquiring **South Australia's (SA)** motor vehicles registry asset.
- **Dalrymple Bay Coal Terminal (DBCT)**, an Australia-based metallurgical coal terminal, is believed to interest at least one South Korean pension fund.
- **Expert360**, an Australia-based platform connecting top-level consultants to businesses, is eyeing a possible IPO in the future.

## CONTACT DETAILS

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