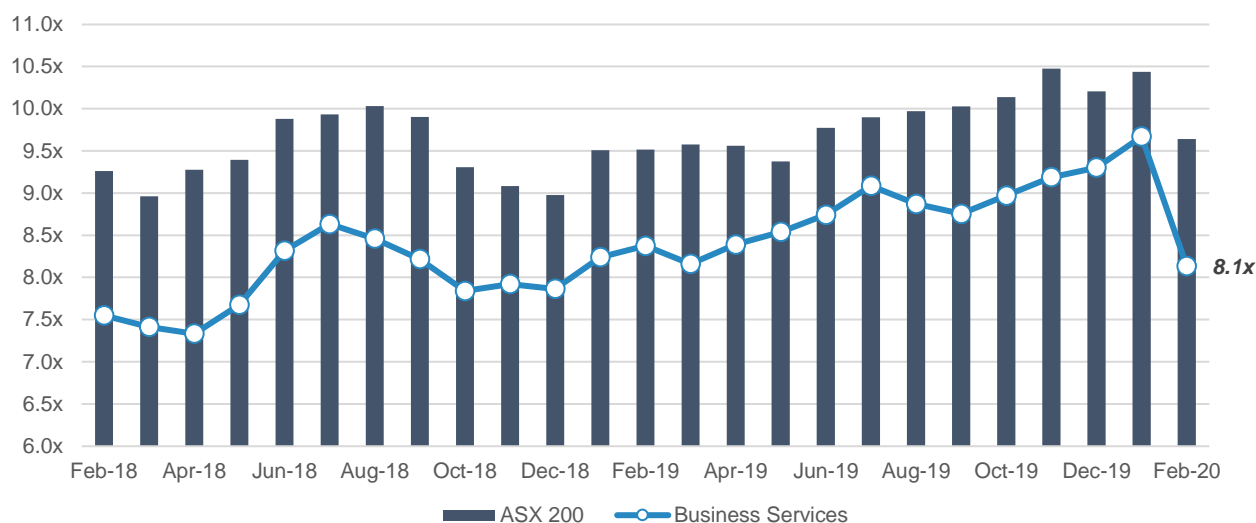


VALUATION MULTIPLES

Forward EV / EBITDA Multiples (monthly to 29/2/2020) Source: FactSet Research Systems Inc.

Multiples in the Business Services sector have decreased over the period. At the end of February, the sector traded on a forward EV / EBITDA multiple of 8.1x, compared to the ASX200 on 9.6x.



Average Values and Trading Multiples (values as at 19/03/2020) Source: FactSet Research Systems Inc.

Subsector	Enterprise Value (\$ m)	EV/EBITDA FY2020	EV/EBIT FY2020	Price / Earnings FY2020
Business and Technical Consulting	6,616	5.8x	7.0x	9.9x
Business Process Outsourcing	12,869	7.2x	NA	9.6x
Education	6,299	12.0x	16.8x	17.6x
Transportation, Logistics & Distribution	64,995	7.9x	15.6x	16.9x
Business Services	91,617	7.6x	11.6x	12.9x

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. Composition of companies in Sector Dashboards are updated every 6 months. Most recent update: February 2020.

MERGER & ACQUISITION NEWS...



REFRIGERATED LOGISTICS



Value: \$100m

AP Eagers has entered into a binding agreement to sell **Automotive Holdings Group Limited's Refrigerated Logistics division** to **Anchorage Capital Partners** for \$100m on a debt and cash free basis.



Value: Undisclosed

Express Employment Professionals, an Oklahoma-based staffing firm has acquired Australia based **Frontline Recruitment Group**. **Frontline** is a recruiting and staffing company with USD 28m in annual revenues, 31 locations in Australia and three locations in New Zealand.



Value: Undisclosed

Neogen, the Michigan-based food safety company, has acquired the food safety assets of Australia-based **Cell BioSciences**. **Cell BioSciences** will continue to operate in its non-food safety markets, but the acquisition allows **Neogen** to directly sell to its food safety customers in Australia.



Madison Dearborn Partners

Value: \$1,500m

Madison Dearborn Partners, a US-based private equity firm mostly focusing on investment in US mid-market companies, agreed on terms to acquire a 55% stake in **Advanced Personnel Management**. The stake is now held by **Quadrant Private Equity**.



Value: Undisclosed

Publicis Sapient has acquired **Third Horizon Consulting Pty Ltd**, an Australia-based progressive consulting firm specializing in strategy execution, for an undisclosed consideration.



Value: Undisclosed

Anacacia Capital has acquired an undisclosed majority stake in **Sureway Employment and Training**. The transaction will allow **Sureway** to accelerate the business growth by offering superior services which meet the specific labour market needs with the help of **Anacacia Capital's** strategic insight, resources and private capital.

SERVING UP SOME SUPPOSITION...

- **Strategic Education** is emerging as the front runner to buy **Laureate Education's** Australian and New Zealand business.
- **Consolidated Operations Group** proposed **CML Group** an improved offer of acquisition to match up with the rival offer earlier proposed by **Scottish Pacific Group**.
- **Anacacia Capital**, an Australia-based private equity firm, acquired a controlling stake in jobs agency and training services company **Sureway Employment and Training**.
- **Regional Express Holdings**, Australia's largest regional airline, would look at domestic contract aviation business **Cobham Aviation Services** as a potential investment opportunity if approached.
- **Sureway Employment and Training** has announced a significant investment by Private Equity company **Anacacia Capital**.
- **Dalrymple Bay Coal Terminal (DBCT)** is believed to interest South Korea's **National Pension Service**.
- **Transition Hub**, a privately held Australian professional training and coaching company, is seeking around AUD 5m in seed capital to support its international expansion plans.
- **Shine Corporate**, the Australia-based law firm, is exploring acquisition growth opportunities.
- **Australian Family Lawyers**, the Australian law firm, has a strong pipeline for the acquisition of new firms.
- **HiTech Group**, an Australian recruitment and ICT consulting firm, is seeking to execute complementary acquisitions.
- **A2B Australia**, an Australian taxi service and payment facilitating company, will be eyeing future opportunities in the payments industry despite maintaining a disciplined approach to M&A.
- **Propel Funeral Partners**, an Australia-based funeral business, is believed to be eyeing acquisitions.
- Australian-based aged-care business, **Regis Healthcare**, is continuing to review acquisition opportunities while conservatively managing its balance sheet and debt.
- Advisers are believed to have started approaching potential suitors to revive the sales process for **Illion**, an Australian credit checking business. **Illion's** owner, **Archer Capital**, is thought to be seeking \$1.2-1.3bn for the business.
- **Qube** announced that it is likely to be several months before the company reaches a decision on a transaction involving **Moorebank Logistics Park (MLP)**.
- **McGrath Limited**, an Australia-based real estate agent and property management company is eyeing earnings accretive acquisitions in 2H20.
- **24x7 Direct**, a privately owned Australian business process outsourcing (BPO) company, is keen to engage with an external investor to accelerate its growth including funding potential acquisitions.
- **Jacobs Engineering** could sell its AUD \$734m, 9.8% stake in **Worley** this week.
- **Global Infrastructure Partners (GIP)** is believed to be interested in the **Moorebank Logistics Park**, which is being sold by **Qube**.
- Three bidders are believed to have submitted binding offers for **Downer's** laundry business, **Spotless Laundries**. The bidders include **Anchorage Capital's Pacific Laundry**, **Alsco**, and **Bruce Dixon** with the backing of **Adamantem Capital**.
- **OMERS**, a Canadian pension fund, may be interested in **WestConnex**, an Australian toll road group. **OMERS** is thought to be eyeing two targets in Australia's infrastructure space.
- **Sydney Transport Partners**, a consortium led by **Transurban**, is anticipated to bid for the remaining 49% of **WestConnex**.
- **AMA Group**, an Australia-based smash repairs business, could be a takeover target.
- **OPTrust** is anticipated to suspend the sale process for a partial stake in **Kinetic**, an Australia-based bus business.
- **Dalrymple Bay Coal Terminal's** owner, **Brookfield Asset Management**, has decided to suspend plans to sell the Australian coal terminal due to travel restrictions because of the corona virus.
- **CML Group** has filed an application with the Australian Government Takeovers Panel against **Consolidated Operations Group**.

CONTACT DETAILS

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