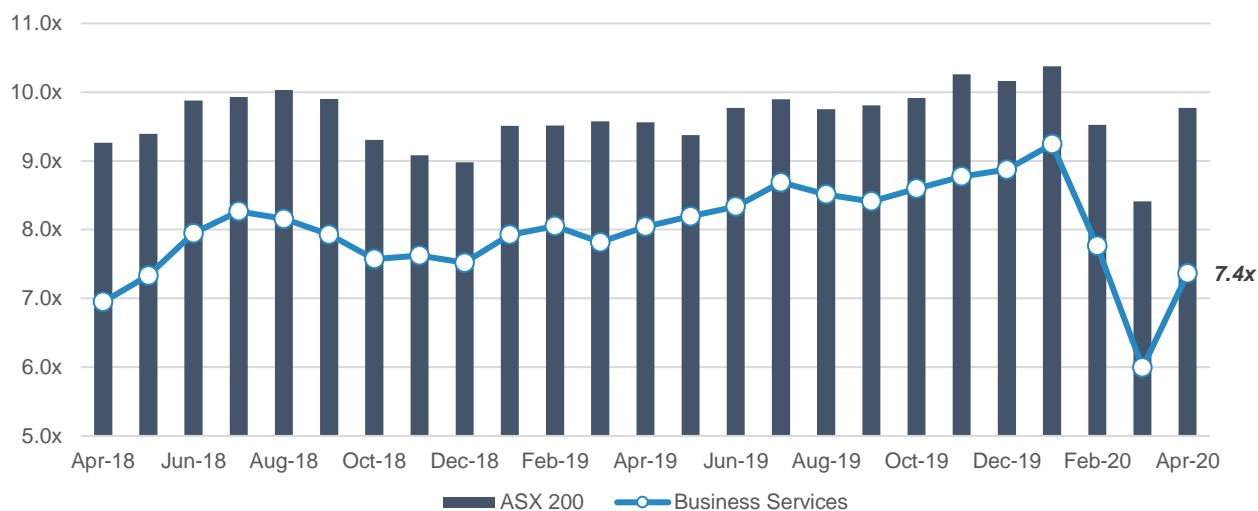


VALUATION MULTIPLES

Forward EV / EBITDA Multiples (monthly to 30/4/2020) Source: FactSet Research Systems Inc.

Multiples in the Business Services sector have increased over the period. At the end of April, the sector traded on a forward EV / EBITDA multiple of 7.4x, compared to the ASX200 on 9.8x.



Average Values and Trading Multiples (values as at 20/05/2020) Source: FactSet Research Systems Inc.

Subsector	Enterprise Value (\$ m)	EV/EBITDA FY2020	EV/EBIT FY2020	Price / Earnings FY2020
Business and Technical Consulting	6,989	6.0x	7.5x	10.7x
Business Process Outsourcing	14,227	7.9x	10.6x	11.7x
Education	5,717	17.1x	NA	33.6x
Transportation, Logistics & Distribution	49,538	9.0x	12.7x	23.2x
Business Services	77,226	8.7x	12.6x	16.8x

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...



Value: USD 20m (Series B Capital Raise)

Cloudstaff Modern Workforce, an Australian staff outsourcing provider, raised USD 20m in a Series B round from Philippines-focused private equity firm **Navegar**. Proceeds will be used for growth and development. Cloudstaff is an Australian-owned company with operation centers in the Philippines and China, and offices in the USA, UK, Australia and Asia. Despite the deal closing amidst the disruptions caused by the global coronavirus pandemic, Cloudstaff has continued to thrive using its remote working expertise to help businesses around the world shift to a cloud-based remote working model.



InterFinancial acted as financial advisor to Cloudstaff.



Value: Undisclosed

Janison Education Group Ltd [ASX: JAN] has entered into an agreement to acquire **Educational Assessments**, a division of **UNSW Global Pty Ltd**, the Australian education technology company said in a statement filed to the Australian Securities Exchange. This acquisition expands Janison's K-12 product offering and will bring in approximately ~10m in high-margin annual recurring revenue.



Value: ~AUD 50m (rumoured)

Port Jackson Partners, an Australian strategic consulting business, has been acquired by **EY**. The company will join EY Parthenon, but its 13 partners and 40-odd employees will remain operationally separate in their current office for the foreseeable future. Port Jackson Partners generated revenue of in FY19 and after-tax profit of AUD 5.2m. The deal's value is estimated to be at least AUD 50m, based on a multiple of 2x revenue.



Value: Undisclosed

People 2.0, the Pennsylvania-based payroll services provider, has acquired Melbourne-based **Entity Solutions**. Entity Solutions provides contractor management services and outsourced payroll solutions. It was founded in 1999 and has operations in the Asia Pacific.



Value: AUD 85m

Nomura Research Institute (NRI) [TYO:4307], a Tokyo-based provider of consulting services and system solutions, will fully acquire **Australian Investment Exchange Limited (AUSIEX)** from **Commonwealth Bank of Australia Limited**. NRI, through its Australia-based subsidiary Nomura Research Institute Australia Pty Ltd, will spend JPY 5.627bn (AUD 85m) to acquire 100% of the shares in AUSIEX. The deal is scheduled to complete by the end of June 2020. AUSIEX is engaged in providing back office services such as securities transaction management and portfolio management.



SERVING UP SOME SUPPOSITION...

- **Virgin Australia** has shortlisted **Bain Capital**, **BGH Capital**, **Cyrus Capital Partners** and **Indigo Partners** as potential bidders for the airline. Offers are due on 12 June.
- **AMA Group**, an Australia-based smash repair business, is said to have rejected advances from a private equity suitor.
- **GO1.com**, an Australian employee on-demand training company, raised over USD 40m in a Series C funding round led by **Madrona Venture Group** and **SEEK**. The funding will be used to increase market expansion in North America and to expand GO1's content provider partner network.
- **Japan Post** [TYO:6178] is rumoured to have held exclusive talks with a buyer interested in **Toll Holdings**, an Australia-based logistics business. Logical buyers for Toll include **Blackstone**, **TPG Capital**, and **Apollo Global Management**.
- **Regional Express (Rex)** [ASX:REX] has entered talks with potential equity partners for a capital raise to extend its operations. Rex said it has been approached by several parties interested in providing the equity needed for the company to start domestic operations in Australia. The preliminary estimate of equity required is in the vicinity of AUD 200m and the structure of equity raising is yet to be determined.
- Australian transport and fleet maintenance group **Elite Mining & Transport Services'** administrator is seeking expressions of interest for the group.
- **South Pacific Laundry**, a subsidiary of private equity firm **Anchorage Capital Partners**, has proposed to acquire **Spotless Laundries**, the laundries services business of **Spotless Group Holdings Limited**, which is majority owned by **Downer EDI Limited** [ASX: DOW]. The Australian Competition and Consumer Commission (ACCC) has commenced a review of the proposed acquisition of Spotless Laundries by South Pacific Laundry. **Adamantem Capital** and **Alsco** are also rumoured to be in talks to acquire Spotless Laundries.
- **Hertz Australia**, the Australian subsidiary of the rental car business **Hertz** [NYSE:HTZ], is anticipated to hire an insolvency expert as its parent edges toward bankruptcy. Hertz has reportedly failed to make lease payments in order to preserve cash as a result of the COVID-19 crisis and is in talks with senior lenders to lower payments over the short term.
- **Qube Holdings** [ASX:QUB] will raise AUD 500m via a fully underwritten 1 for 6.35 accelerated non-renounceable entitlement offer at AUD 1.95 per share, announced the Australia-based logistics provider.
- Australian debt collector **Credit Corp's** [ASX:CCP] AUD 150m capital raising has led to speculation that it could pursue acquisitions. Credit Corp said in its equity raising presentation that funds raised would provide it with the flexibility to take advantage of one-off opportunities to buy loan books from rivals. The comment led to speculation that Credit Corp could pursue assets from its competitors **Pioneer Credit** [ASX:PNC] and **Collection House** [ASX:CLH].
- A significant stake in **GreenCollar**, a Sydney-based environmental markets investor, is expected to be acquired by **Kohlberg Kravis Roberts & Co. L.P.**, which will inject fresh capital of AUD 100m into the company. The US-based private equity firm is in exclusive talks with the owners of the company, which is also a natural resource management firm founded in 2008.
- **Crowd Media HQ**, a privately held Australian digital media agency, plans to enter the US in 2021 and will likely seek around AUD 10m at that time to assist with the international expansion plans.

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