

VALUATION MULTIPLES

Forward EV / EBITDA Multiples (monthly to 31/07/2020) Source: FactSet Research Systems Inc.

Multiples in the Business Services sector have increased over the period. At the end of July, the sector traded on a forward EV / EBITDA multiple of 8.5x, compared to the ASX200 on 11.0x.



Average Values and Trading Multiples (values as at 19/08/2020) Source: FactSet Research Systems Inc.

Subsector	Enterprise Value (\$ m)	EV/EBITDA FY2020	EV/EBIT FY2020	Price / Earnings FY2020
Business and Technical Consulting	8,457	7.2x	9.4x	12.6x
Business Process Outsourcing	15,932	9.4x	12.3x	14.1x
Education	5,671	11.5x	18.1x	27.3x
Transportation, Logistics & Distribution	51,870	10.7x	14.1x	26.3x
Business Services	82,683	9.2x	12.5x	18.1x

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.

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...



Value: AUD 166.7m

3P Learning, an Australian e-learning company, has entered into a scheme implementation agreement to be acquired by **IXL Learning**. The deal values 3PL's equity and enterprise value at AUD 189m and AUD 166.7m respectively, implying an EV/FY20 EBITDA multiple of 11.4x. With the addition of 3P Learning, IXL aims to broaden its product portfolio and international footprint in the educational technology space.



Value: USD 642.7m

Laureate Education, the Baltimore-based post-secondary education provider, has sold its Australian and New Zealand operations to **Strategic Education**, a Virginia-based higher education institutions operator, for USD 642.7m. The assets being sold include Torrens University Australia, Think Education in Australia, and Media Design School in New Zealand. The institutions have around 19,000 students in total.



Value: Not disclosed

Melbourne-based call center operator **Probe Group**, which is backed by **Quadrant Private Equity** and **Five V Capital**, has entered into a merger agreement with its domestic rival **Stellar BPO**. The combined entity will have an annual revenue of AUD 600m and a total workforce of more than 12,600 workers, of which 5,800 Australians are already working for the two companies.



Value: AUD 5m plus equity

Victoria based computer security company **Tesseract** has announced the strategic acquisition of **Seer Security's** Melbourne and Canberra-based businesses to be paid by a combination of an AUD 5m cash payment and Tesseract shares. The acquisition provides specialist high security services and delivery capabilities to Australian Federal Government departments and agencies including Defense and Law Enforcement.

SERVING UP SOME SUPPOSITION...

- **Toll Holdings** sale is being considered by **Japan Post Holdings** and could attract **BGH Capital** and other private equity buyers.
- **Sydney Airport** has raised AUD 2bn as part of a fully underwritten pro-rata accelerated entitlement offer, issued at AUD 4.56 per share, a 15.4% discount to the company's last closing price.
- London-based private equity firm **Livingbridge** is in the process of selling its Australia-based project management consulting business **TSA management**.
- **Cerberus Capital Management** is said to be considering an offer to recapitalize **Collection House**, an Australian debt collection business.
- **Shippit**, an Australia-based logistics technology startup, is looking to launch its Series B round in the next six months to fund its growth in Southeast Asia.
- **Partners Group** is believed to be among parties eyeing the Australian bus company **Kinetic**.
- **Ertech Holdings**, a private Australian civil construction business, is set to proceed with an ASX listing for its engineering remediation business **Duratec**.
- Over two dozen potential buyers have submitted expressions of interest to buy **All Trades Queensland**, an Australia commercial training business.
- **Fifth Dimension Research and Consulting**, a privately held Australian strategic data consultancy, could consider a full or partial sale and is receptive to approaches from potential suitors.
- **ORIGO Education**, a privately held Australia-based mathematics programs and supplemental resources provider, could seek a private equity investor in two years' time.
- The state of NSW is expected to consider an IPO for **Sydney Motorway Corporation**, the owner of the WestConnex toll road asset.
- **Monadelphous**, an Australian engineering business, is eyeing investments in suitable business opportunities.

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