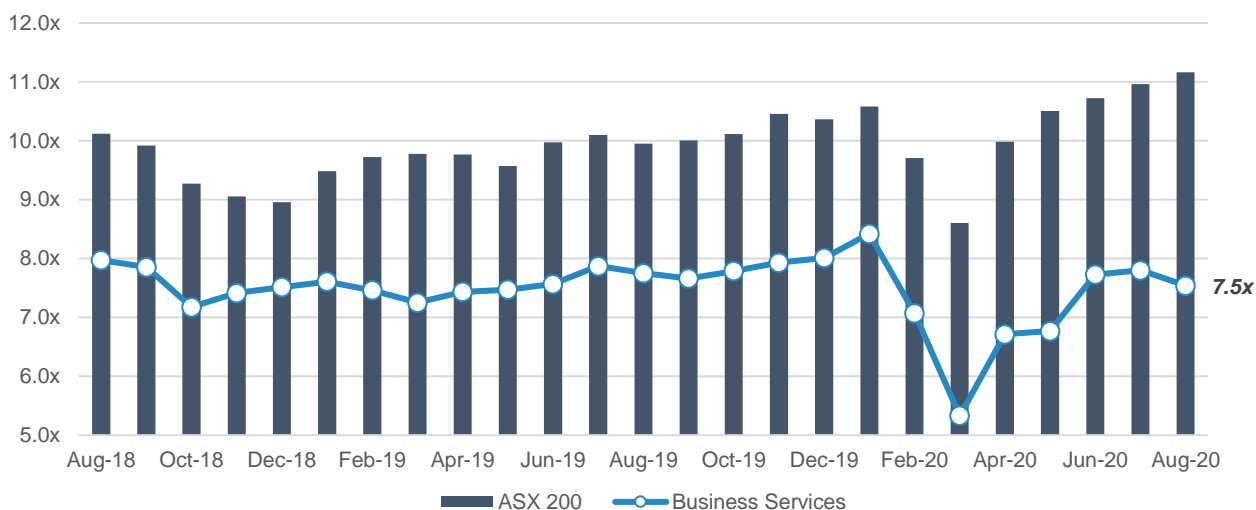


### VALUATION MULTIPLES

**Forward EV / EBITDA Multiples (monthly to 31/08/2020)** Source: FactSet Research Systems Inc.

Multiples in the Business Services sector have decreased over the period. At the end of August, the sector traded on a forward EV / EBITDA multiple of 7.5x, compared to the ASX200 on 11.2x



**Average Values and Trading Multiples (values as at 21/09/2020)** Source: FactSet Research Systems Inc.

Subsector	Enterprise Value (\$ m)	EV/EBITDA FY2021	EV/EBIT FY2021	Price / Earnings FY2021
Business and Technical Consulting	8,036	6.7x	8.4x	12.9x
Business Process Outsourcing	15,097	8.9x	12.2x	14.6x
Education	6,833	10.2x	NA	10.8x
Transportation, Logistics & Distribution	49,867	9.8x	16.7x	18.3x
<b>Business Services</b>	<b>80,595</b>	<b>8.4x</b>	<b>12.2x</b>	<b>14.3x</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...



Value: AUD 23m

**PS&C**, the digital consultancy has executed a binding sale agreement with **LVP Technology Services**, to divest its Melbourne Consulting Business for a total cash consideration of AUD 23m. The Directors believe that a divestment now represents the best available opportunity for shareholders to realize the underlying value for MCB and is in line with PS&C's strategy to build shareholder value through direct ownership and commercialization of digital assets in significant growth markets.



Value: AUD 40m

**EdApp**, an Australian online training startup, has been acquired by **SafetyCulture** who specialize in document management and compliance. The transaction is part of SafetyCulture's efforts in expanding its reach and capabilities.



Value: AUD 11.6m

India-based engineering and technology company **Cyient** has announced an agreement to acquire **Integrated Global Partners**, the Australia-based technology consulting company, via a cash consideration with an enterprise value of AUD 11.6m. The deal is expected to further Cyient's growing presence in Australia, providing solutions to the mining, oil and gas, rail, telecommunication, and utility industries.



Value: Not disclosed

**McConnel Smith & Johnson Architects**, a Sydney, Australia-based architecture firm, has been acquired by **Conrad Gargett**, a deal that will take the national architectural firm to 176 employees across New South Wales, Victoria, and Queensland. The deal is expected to provide MSJ the opportunity to leverage their design strength in health, research, and education to a wider base of clients both nationally and internationally.



Value: AUD 7.9m

**Corum Group**, an Australian company specializing in acquiring, re-engineering, and managing undervalued companies, has acquired the remaining 57% stake in **PharmX**, an Australian company who provides suppliers and pharmacies with electronic ordering and invoicing. The acquisition is expected to be earnings accretive in the first year of operations.



Value: AUD 600m

**Pacific Equity Partners (PEP)** through its fund Pacific Equity Partners Fund VI, has agreed to acquire **Modern Star Pty Ltd**, along with its management, from **Navis Capital Partners Limited**, for an approximate consideration of AUD 600m in a management buyout transaction. PEP is acquiring the Australia and New Zealand business of Modern Star. Prior to the deal, Navis had supported Modern Star with 9 bolt on acquisitions. In 2019, Navis had decided to have an auction for the sale of Modern Star, however the auction process couldn't be held due to Covid pandemic.

## SERVING UP SOME SUPPOSITION...

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- The **Queensland Investment Corporation (QIC)** could pursue a strategic stake in the **Dalrymple Bay Coal Terminal** on behalf of the government of Queensland.
- **Stonepeak Infrastructure Advisers** is expected to be among buyers interested in **Kinetic**, an Australian bus company.
- **Chemist Warehouse**, an Australia-based pharmacy business, has purchased a stake in **Fu**, an Australian buy-now-pay-later company.
- **Virgin Australia** creditors have approved **Bain's** DOCA proposal, with the share transition expected to be complete by the end of October.
- **A2B Australia**, the Australian taxi service and payment facilitating company, is continuing to pursue M&A.
- **McGrath**, the Australian-based real estate agent and property management company, is continuing to pursue consolidation within its industry, which may present acquisition opportunities.
- **Sprintlaw**, a privately held Australian online law firm, is planning to raise up to AUD 5m in a Series A next year.
- Private equity players with a presence in Japan are thought to be among buyers eyeing **Toll Holdings**, an Australian logistics business. **Qube Holdings** would consider acquisition of some of Australian logistics business Toll Holdings' operations, if Toll Holdings owner **Japan Post Holdings Co** split up the company.
- **AMA Group**, the Australian crash repair business, is assessing a domestic pipeline of value accretive bolt-on merger and acquisition opportunities.
- **Spotless Group Holdings** bidder **Downer EDI** now holds a relevant interest in 99.6% of the company, after **Coltrane Master Fund**, with a 11.8% stake accepted the takeover offer.
- **Qube Holdings** expects to decide whether or not to proceed with the already announced planned sale of its **Moorebank logistics asset** towards the end of this year.
- **Propel Funeral Partners**, the Australian funeral business, is exploring other potential acquisitions.

## CONTACT DETAILS

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