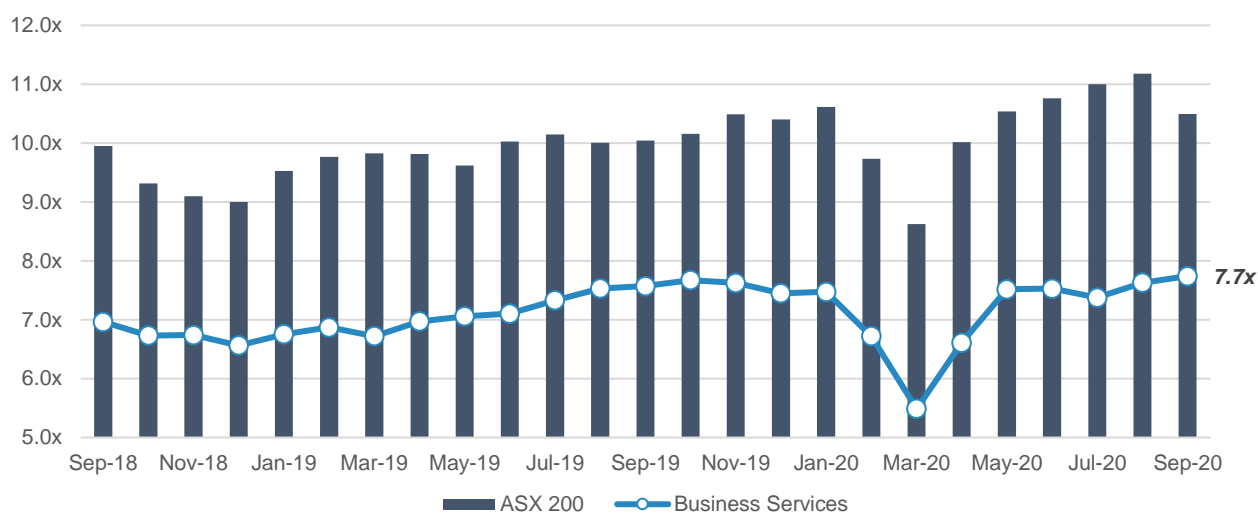


## VALUATION MULTIPLES

### Forward EV / EBITDA Multiples (monthly to 30/09/2020) Source: FactSet Research Systems Inc.

Multiples in the Business Services sector have increased over the period. At the end of September, the sector traded on a forward EV / EBITDA multiple of 7.7x, compared to the ASX200 on 10.5x



### Average Values and Trading Multiples (values as at 26/10/2020) Source: FactSet Research Systems Inc.

Subsector	Enterprise Value (\$ m)	EV/EBITDA FY2021	EV/EBIT FY2021	Price / Earnings FY2021
Business and Technical Consulting	15,601	8.8x	12.4x	19.3x
Business Process Outsourcing	2,221	7.4x	9.0x	10.6x
Education	6,616	9.7x	14.3x	16.1x
Facilities Management	545	5.2x	NA	10.8x
Staffing	265	9.2x	10.8x	15.6x
Transportation, Logistics & Distribution	38,246	10.4x	18.3x	21.3x
<b>Business Services</b>	<b>63,495</b>	<b>9.2x</b>	<b>14.3x</b>	<b>17.5x</b>

Note: Multiples are based on the forward year of the unreported period, which for the majority of companies in the sector is FY2021. 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: October 2020.

<sup>1</sup> 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...

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Value: AUD 16.5m

**IVE Group** have signed a binding agreement to divest of its Australia-based **IVE Telefundraising business** for AUD 16.5m. The business will be acquired by an entity associated with **Merchant Place Investments**, and subject to customary conditions, the completion is due to take place at the end of October.

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Value: Not disclosed

**Ekulus Consulting**, an Australian technology consulting business, has been acquired by **Deloitte**. The acquisition is expected to strengthen Deloitte's Oracle practice across the North Pacific region. Ekulus' personnel will join Deloitte Consulting's Enterprise Technology practice in Melbourne, Brisbane, and Sydney.

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Value: Not disclosed

**Whizz**, an Australian platform to book cleaning services, has acquired rival **Get Jarvis** as it prepares to list on the ASX. **Get Jarvis** was the group's largest competitor in on-demand cleaning. The combination of the businesses is expected to allow them to take advantage of each other's expertise and boost scale and yield.

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Value: AUD 5.5m

**ECreators**, an Australian digital learning solutions provider, has been acquired by **Learning Technologies Group (LTG)**, a UK-based services and technology provider for digital learning. The acquisition is in line with LTG's strategy to add expertise and geographical reach in the global Moodle market.

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Value: Not disclosed

Norway-based recruitment firm **Competentia AS** announced that it has acquired Australia-based peer **Dare Holdings**, the provider of recruitment services for oil & gas, mining, infrastructure & renewable energy sectors.

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Value: Not disclosed

**Hatch**, the Ontario-based engineering firm has acquired Australia-based **RobertsDay**, an engineering and design planning firm with Ontario roots. RobertsDay will offer urban design, front-end spatial planning and placemaking acumen to Hatch's existing services and add an additional 50 employees to Hatch's current workforce.

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## SERVING UP SOME SUPPOSITION...

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- **Link Administration's** bidders; **The Carlyle Group** and **Pacific Equity Partners**, are proposing to demerge the electronic conveyance business **PEXA** onto the ASX as one of the structural options in their recent takeover proposal.
- **Cleaning Edge Solutions**, a private Australian Cleaning Services Provider, is in talks with a potential takeover target as the company is seeking to expand into the aged care sector.
- **TLC Disability Services**, a Sydney-headquartered provider of disability services and accommodation is actively seeking acquisitions in Australia and strategic partners to expand into the UK.
- **Macquarie Infrastructure and Real Assets** and **PGGM** are considering selling down **One Rail Australia**, an Australian-based coal carrier and intermodal rail business.
- **I Squared Capital** has entered the second round of bidding for the Australian bus transport operator **Kinetic**.
- **Didasko**, an Australian online digital education business, is looking to broaden its horizons by forming more university partnerships in addition to its current partner, Australia's La Trobe University, and expanding its offerings.
- The review of **Education Australia's** 40% stake in student placement provider **IDP Education** is expected to conclude in the next few weeks.
- **Virgin Australia's** chief executive Paul Scurrah will step down as CEO and managing director at the financial close of the sale transaction to **Bain Capital**, being the completion of the Deeds of Company Arrangements.
- **IXL Learning's** AUD 188.3 offer to buy **3P Learning** could be blocked by **Viburnum Funds**. **Viburnum Funds** has increased its stake in **3P Learning** to 25% from 22.89%, which some view as an indication that it will move to vote against **IXL's** offer. **3P Learning's** share price has also fallen over the last few days adding to the theory.
- **Downer EDI** has sold its stake in **RTL Mining and Earthworks** to its joint venture partner **Thiess** for AUD 20m.
- **Qube Holdings** is believed to have offered an acquisition price between AUD 2.5bn and AUD 3.0bn for **Moorebank Logistics Park**, outbidding its competition **DEXUS Property Groups**, **Blackstone** and **Charter Hall Group**.
- **Elenium Automation**, an Australian airport check-in technology business is looking to raise AUD 30m in a new funding round. According to the report **NRMA** has agreed to invest AUD 10m as part of the funding round which values **Elenium** at AUD 133m.
- The **Queensland Government** has confirmed an agreement with **Bain Capital** to invest AUD 200m into **Virgin Australia**. AUD 20m of the investment will secure an equity stake in the airline, with the remaining 180m being a mix of a loan and other financial incentives.
- **Shootsta**, an Australian video production company, is seeking acquisitions to enter overseas markets.
- **Duratec**, a company for remediation of assets used in the construction space, is seeking to raise AUD 53m in an IPO.
- **Territory Air Service**, an Australian air charter business, is considering strategic options, including a potential sale.
- **Regional Express Holdings**, an Australian regional airline, is set to receive an AUD 150m investment from **PAG**.
- **Anchorage Capital Partners** is believed to be considering an offer to **Toll Holdings**, an Australia-based transport and logistics business.
- **Popcar**, an Australian car sharing company, is looking to source investor funds in 2022 or 2023 to build its fleet.
- **Singapore Post** has entered into a conditional sale and purchase agreement to acquire a 38% stake in Australian logistics service company **Freight Management Holdings** for AUD 85m.
- **Elation**, a sports education technology company based in Sydney, is looking for potential investors to assist with its growth plans. It is seeking to raise USD 5m with plans to undertake a more substantial capital raise in 2022 to fund its international expansion.

## CONTACT DETAILS

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