

VALUATION MULTIPLES

Forward EV / EBITDA Multiples (monthly to 30/10/2020) Source: FactSet Research Systems Inc.

Multiples in the Business Services sector have increased over the period. At the end of October, the sector traded on a forward EV / EBITDA multiple of 7.9x, compared to the ASX200 on 10.4x



Average Values and Trading Multiples (values as at 27/11/2020) Source: FactSet Research Systems Inc.

Subsector	Enterprise Value (\$ m)	EV/EBITDA FY2021	EV/EBIT FY2021	Price / Earnings FY2021
Business and Technical Consulting	16,364	9.0x	12.9x	20.2x
Business Process Outsourcing	2,638	8.8x	10.6x	12.9x
Education	8,547	11.8x	15.6x	19.1x
Facilities Management	625	4.1x	6.0x	14.2x
Staffing	285	9.9x	11.6x	17.3x
Transportation, Logistics & Distribution	39,777	11.4x	19.8x	22.0x
Business Services	68,236	10.1x	14.7x	19.1x

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.

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: Not disclosed

Australian wealth management group **Ord Minnett** has agreed with **E.L. & C. Baillieu** to acquire 100% of the Australian owned wealth management firm. The acquisition is expected to further strengthen Ord Minnett as one of Australia's highly respected and largest independent private wealth firms.

InterFinancial advised Ord Minnett on the transaction.



Value: AUD 84.5m

Australia-based **HUB24** has announced three strategic transactions, which will strengthen its position as the leading provider of integrated platforms, data, and technology services for financial advisers, stockbrokers, private banks, licensees, accountants, and their clients. The three deals are as follows:

1. Acquisition of **Xplore Wealth** by way of scheme of arrangement for AUD 60m.
2. Acquisition of **Ord Minnett's** Portfolio Administration & Reporting Service for AUD 10.5m.
3. Subscription for new shares in **Easton Investments** for AUD 14m.



Value: Not disclosed

PayGroup has executed a binding share purchase agreement to acquire 100% of the shares in Australia-based outsourced payroll provider **Payroll HQ**, the human capital management and payroll provider. The initial consideration of AUD 2.535m is to be issued at AUD 0.615 per share, and represents a 1.7x revenue multiple.



Value: Not disclosed

HBA Group, the Australian business services provider, has been acquired by **Crawford & Company**, the Atlanta, Georgia-based claims management and outsourcing solutions provider. The move comes amid the continuing expansion of its Crawford Legal Services (CLS) in the U.K. and globally.



Value: Not disclosed

Alliance Aviation Services [ASX: AQZ] has signed an agreement for the purchase of **Toll Aviation Engineering**. Upon completion, Toll Aviation Engineering will undergo a name change to Unity Aviation Maintenance Pty Limited ("UAM"). The purchase consideration is not a financially material transaction however is of great strategic value to Alliance.



Value: Not disclosed

Ryan, a Dallas, Texas-based tax services and software provider, has acquired **Indirect Tax Solutions**, an Australian indirect tax services firm. In response to clients' increasing need to demonstrate "justified trust" to the Australian Tax Office (ATO), Ryan has significantly increased its investment in growing onshore advisory capabilities to develop greater comfort and trust between the ATO and companies operating in Australia.



Value: AUD 49.8m

Invocare [ASX:IVC] has acquired **Family Pet Care** and **Pets in Peace**, two Australian pet cremation businesses. The acquisitions represent a strategic expansion of the Group's existing pet cremation business, Patch and Purr, and will create Australia's leading provider of pet cremation services. The acquisitions forecast to deliver combined annual revenue of circa AUD 19.3m and EBITDA of AUD 5.2m and be EPS accretive in the first year of operations.

SERVING UP SOME SUPPOSITION...

- **NSW Government** plans to sell its remaining 49% stake in the **WestConnex** motorway, which was confirmed by NSW Treasurer Dominic Perrottet.
- **CV Check** [ASX:CV1], an Australian provider of background screening and verification services, is looking to build an offshore acquisition pipeline. CV has reported that although it needs scale in Australia, if opportunities with high-quality revenues are not available and owners are not willing to negotiate on reasonable prices, the company will seek acquisitions offshore. CV is interested in acquiring SAS-based verification businesses with recurring revenues.
- **Toll Holdings**, the Australian logistics subsidiary of **Japan Post Holdings Co.**, has announced its intention to explore a potential sale of the Toll Global Express business.
- **Beforepay**, an Australia-based provider of advanced salary payments, is preparing to raise AUD 10m in pre-IPO funding.
- **TSA Management**, an Australian project consulting business, is believed to be in exclusive talks to be acquired by **Quadrant Private Equity**.
- **HPC Global**, a privately held Australian professional coaching and training company, welcomes approaches from potential investors to assist with its planned US market entry in 2021.
- **Citrus Group**, a private Sydney-based recruitment company specializing in the contact center industry, is exploring its next phase growth plans including its first acquisition.
- **Downer**, an integrated services company in Australia, is believed to have revived efforts to sell **Spotless Laundries**.
- **Adaptovate**, a privately held Australian management consulting firm, plans to double its global presence in the next year and is interested in hearing from potential joint venture (JV) partners to assist with its growth plans.
- **AF Legal Group**, the Australian law firm, is reviewing growth opportunities.
- **RipeGlobal**, an Australian online dental education platform, is targeting an IPO in 2024, following an ongoing Series A fundraising and a planned Series B round next year or in early 2022; with a target IPO valuation of AUD 158m - AUD 224m.
- **Brookfield Infrastructure Partners** has been revealed to have acquired a strategic stake in **Sydney Airport** [ASX:SYD] earlier this year.
- **Virgin Group** is investing an estimated AUD 50m into **Virgin Australia** in exchange for a 5% stake in the Australian airline.
- It is reported that **Infrastructure Capital Group** (ICG) is looking to acquire **Kinetic**, an Australia-based bus transport business which is expected to be worth up to AUD 1bn.
- **Macquarie Capital** is set to invest up to AUD 260m into **Illion**, an Australian data registries business.
- **Think Childcare Group** [ASX: TNK] has received an unsolicited, conditional, nonbinding all cash AUD 1.75 per security takeover proposal from **Busy Bees Early Learning Australia**.
- **Cluey**, an Australia-based online tutoring business, will raise AUD 30m in its IPO early next month.
- **Kelly + Partners** [ASX:KPG], the Australia-based accounting firm, is continuing to grow through acquisitions.
- **Link Administration Holdings** [ASX: LNK] has granted virtual data room access to the bidding consortium of **Pacific Equity Partners** and **The Carlyle Group**, in relation to the demerger of **Link Property**. The company expects the listing to take place in the first half of 2021.
- **Credit Intelligence** [ASX:CI1], a Hong Kong-based ASX-listed diversified debt restructuring, insolvency management and credit funding business, has appointed John Lai as a senior adviser. Lai will be tasked principally with the development of the Company's business in Australia.
- **SCT Logistics**, a Victoria, Australia-based freight business, reports to be interested in regional assets of Toll Holdings' express business, **Toll Global Express**, if they are sold separately.
- **Macquarie Capital** is seeking buyers for its minority investment in **Quantem**, an Australia-based operator of bulk liquid storage terminals.

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