

AUSTRALIAN M&A REVIEW Q3 | 2023

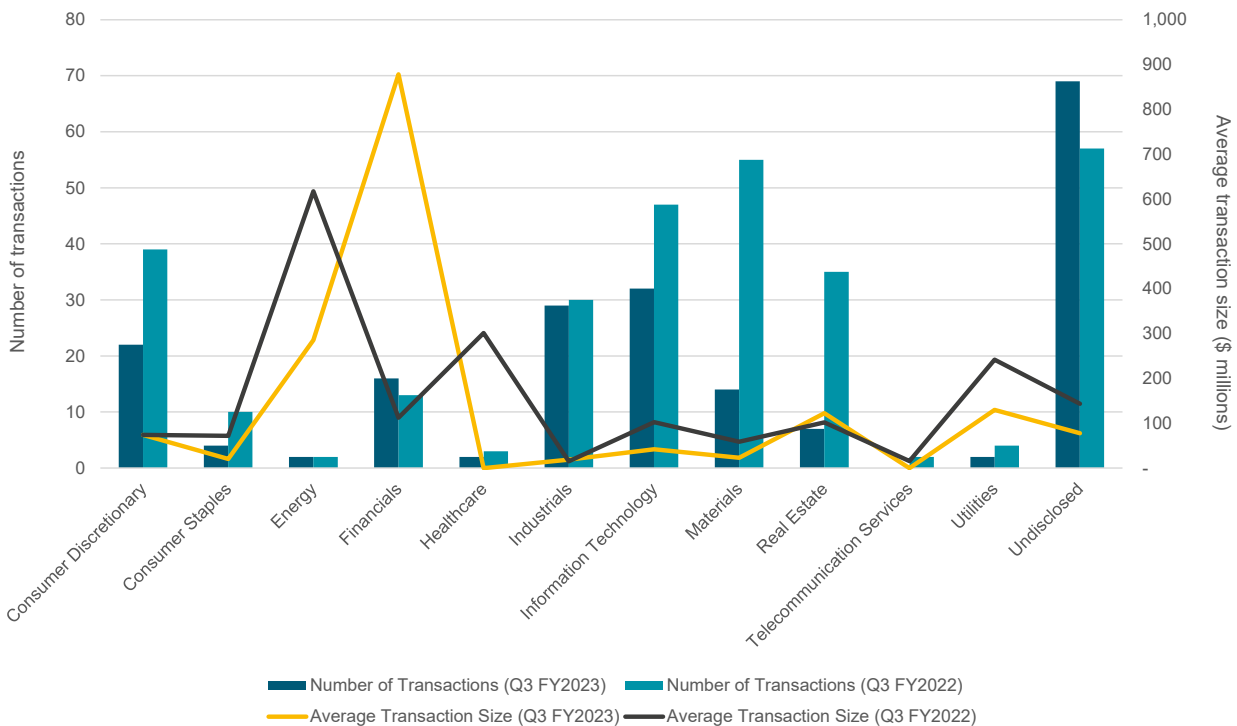
Australian M&A deal values in Quarter 3 FY2023

The third quarter of FY2023 continued to see a decline in the number of transactions completed in Australia compared to the corresponding period in the prior year. Based on the published transaction data for Q3 FY2023, there were 199 deals completed compared to 297 in Q3 FY2022, being a decrease of 33%. In our analysis we have excluded transactions with a gross transaction value greater than \$5 billion.

The average deal size increased from \$97 million in Q3 FY2022 to \$111 million in Q3 FY2023, which can be attributed to an increase in average deal size for transactions with deal value in excess of \$100 million in FY2023 compared to FY2022.

M&A by Sector

As illustrated below, the top 3 sectors by quantity of deals in Q3 FY2023 were the Information Technology, Industrials, and Consumer Discretionary sectors, while the top sectors by deal value are the Financials and Energy sectors.



Major Deals in Q3

The top deals by transaction value (below \$5 billion) in Q3 FY2023 were:

Sector	Target	Acquirer	Seller	Stake Acquired (%)	Transaction Value (\$ millions)
Financials	Pendal Group Limited	Perpetual Limited	Shareholders (Public company delisted)	100	2,687.6
Industrials	East Coast Rail (ECR) business of One Rail Australia	Magnetic Rail Group Pty Ltd	One Rail Australia Holdings Pty Ltd	100	925.0
Financials	International Infrastructure Equity business of Collimate Capital	DigitalBridge Group, Inc.	Collimate Capital Limited	100	699.0
Financials	Envest Pty Ltd	Ardonagh Europe Limited	Private shareholders	100	482.0
Energy	Warrego Energy Limited	Hancock Prospecting Pty Ltd	Shareholders (Public company delisted)	100	445.5

The highest implied enterprise value / EBITDA transaction multiples achieved in Q3 FY2023 were:

Sector	Target	Acquirer	Seller	Stake Acquired (%)	Implied EV / EBITDA Multiple
Information Technology	MSL Solutions Limited	Pemba Capital Partners Pty Limited	Shareholders (Public company delisted)	100	30.5x
Information Technology	Ebet Gaming Systems Pty Limited	Venue Digital Technology Pty Ltd	Tabcorp Holdings Limited	100	14.1x
Materials	Dacian Gold Limited	Genesis Minerals Limited	Perennial Value Management Limited	80	4.4x
Information Technology	ALC Training Pty Ltd	Tesserent Academy Pty Ltd	Private shareholders	100	4.0x

Small and Medium-sized Enterprise (SME) Deals

A selection of deals occurring in the SME space, where the annual turnover of an entity is less than \$50 million in Q3 FY2023 include:

Revenue (\$ millions)	Sector	Target	Acquirer	Stake Acquired (%)	Transaction Value (\$ millions)	Implied EV / EBITDA Multiple
33.9	Information Technology	MSL Solutions Limited	Pemba Capital Partners Pty Limited	100	121.8	30.5x
7.4	Information Technology	ALC Training Pty Ltd	Tesserent Academy Pty Ltd	100	5.8	4.0x

Note: All amounts are presented in Australian dollars unless otherwise stated. Data has been sourced from HLB Mann Judd research, S&P Capital IQ and publicly available records.

OUR TEAM

Are you thinking of expanding or exiting your business? Need advice about succession planning? HLB Mann Judd can help. We have extensive experience helping business owners develop succession plans that allow them to achieve maximum value in the transition of their business. For a complimentary exit readiness review, contact Simon James or Nicholas Guest.



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