

# Deal *Pulse*

## Qld M&A middle market relatively resilient for the first half of 2020

Pitcher Partners is pleased to present our Queensland Deal Pulse for the first half of calendar year 2020 (H1). Following a steady 2019 year, Queensland M&A has remained relatively solid in the shadow of COVID-19 and forced lockdowns:

**Deal Volumes:** 109 announced H1 transactions, down 24% on the 2014-2019 average half yearly deal volumes (143 transactions). H1 values announced totalled \$2.7bn, 64% down against the average value of \$7.4bn notwithstanding Bain Capital's acquisition of Virgin.

**Sector Highlights:** Agriculture – remained strong with 10 deals, with a 150% increase driven by AAM Investment Groups 4 acquisitions for their various agriculture funds.

Technology, media and telecommunications – regained its prominence with 23 deals, driven by 13 deals in the application software sub sector.

Industrial and chemicals – remained steady with 12 deals, buoyed by activity in the industrial and steel products sub sectors.

**Number of deals**  H1 deals 2020  Average H1 deals 2014-2019



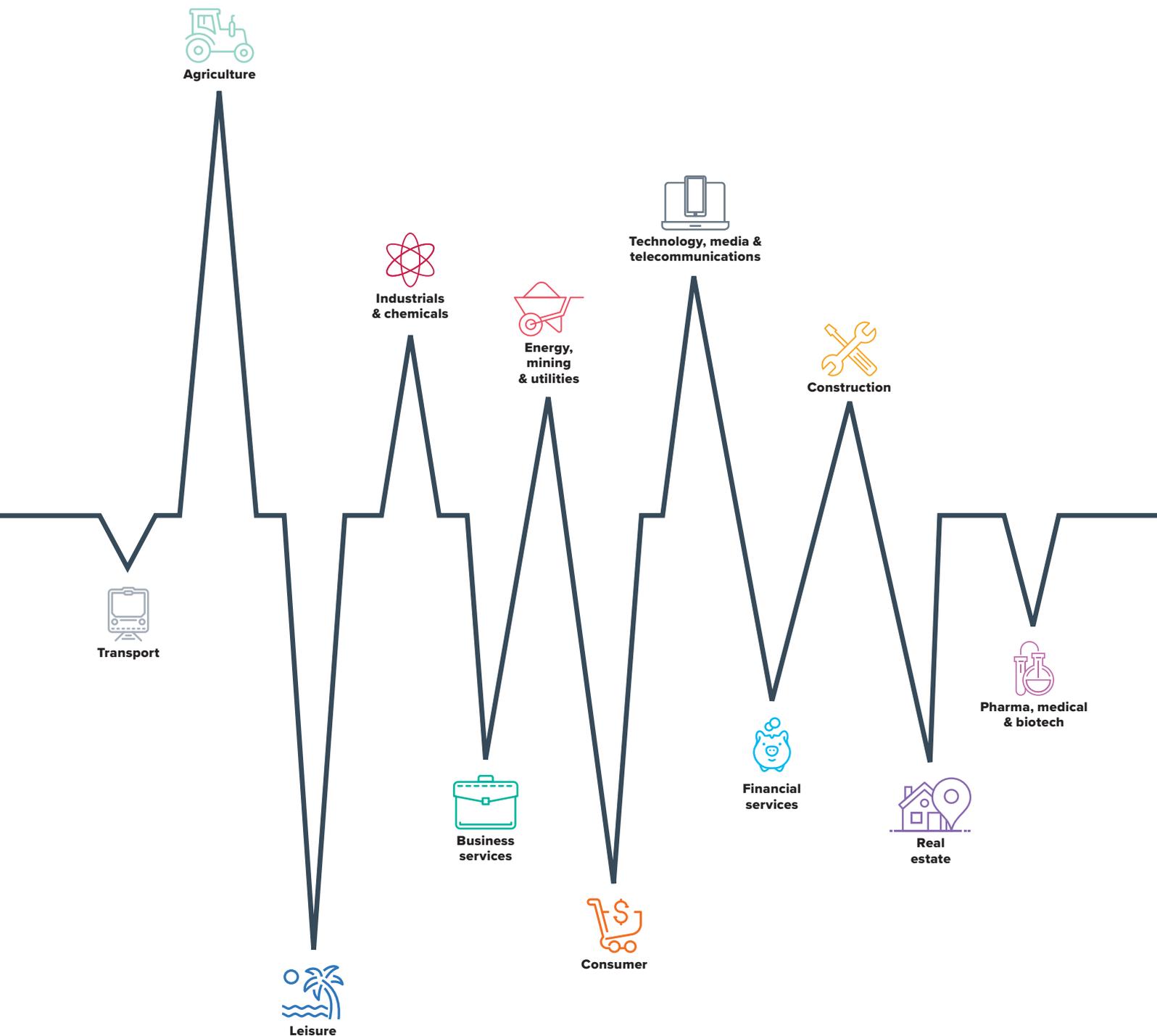
**109**  
deals announced  
**24%**   
on half yearly avg  
(143 deals)

**Agriculture**  
**10 deals**  
**150%**   
on half yearly avg  
(4 deals)

**Technology, media  
& telecommunications**  
**23 deals**  
**10%**   
on half yearly avg  
(21 deals)

# Sector summary

Set out below is the sector by sector performance for H1 2020, as compared to the 6 year average (2014-2019) deal volumes.



# Sectors trending up



## Agriculture

**4**

Avg half yearly deals 2014-2019

Value (\$m)

**161m**

(from 3 deals)

**10**

Deals H1 2020

Value (\$m)

**102m**

(from 5 deals)

### Most active sub-sectors

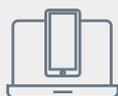
Cattle station: 3 deals

Poultry: 2 deals

Fruit and Vegetables: 2 deals

### Largest deal

McMillan Pastoral Company acquired 2 cattle stations from TBG Agri Holdings (owned by Chinese billionaire Xingfa Ma) for \$53m



## Technology, media & telecommunications

**21**

Avg half yearly deals 2014-2019

Value (\$m)

**360m**

(from 11 deals)

**23**

Deals H1 2020

Value (\$m)

**195m**

(from 11 deals)

### Most active sub-sectors

Application software: 13 deals

ICT: 4 deals

Fintech: 3 deals

### Largest deal

SafetyCulture completed its Series-C \$60m capital raise selling a stake to various investors including Index Ventures and TDM Asset Management



## Industrials & chemicals

**11**

Avg half yearly deals 2014-2019

Value (\$m)

**886m**

(from 5 deals)

**12**

Deals H1 2020

Value (\$m)

**204m**

(from 5 deals)

### Most active sub-sectors

Industrial Products: 4 deals

Steel Products: 3 deals

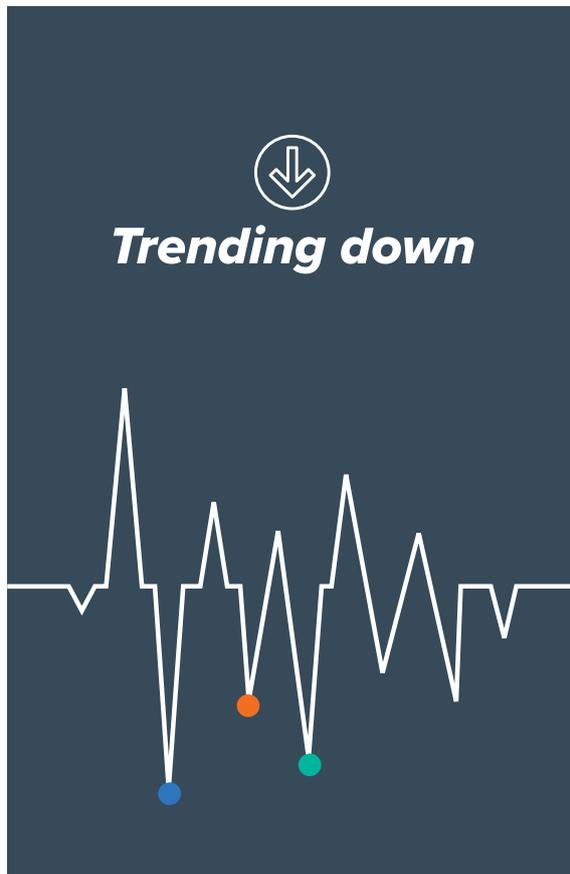
Environmental Services: 2 deals

### Largest deal

NZ Based Aorere Resources acquired All Industrial Network Limited in a reverse listing for \$51m before changing its name to SMW Group



# Sectors trending down



## Leisure

**17**

Avg half yearly deals 2014-2019

Value (\$m)

**1,388**

(from 11 deals)

**8**

Deals H1 2020

Value (\$m)

**53m**

(from 4 deals)

### Most active sub-sectors

Pubs: 3 deals

Hotels & Resorts: 2 deals

Cruises: 1 deal

### Largest deal

Sunland Group sold its Mariners Cove Marina Complex to Chinese developer Ridong for \$28m



## Consumer

**17**

Avg half yearly deals 2014-2019

Value (\$m)

**961m**

(from 10 deals)

**9**

Deals H1 2020

Value (\$m)

**15m**

(from 2 deals)

### Most active sub-sectors

Auto Parts & Accessories: 2 deals

Vet: 1 deal

Cosmetic Products: 1 deal

### Largest deal

Point King Capital have acquired a minority stake in Gold Coast based Makeup Cartel for \$10m



## Business services

**15**

Avg half yearly deals 2014-2019

Value (\$m)

**332m**

(from 9 deals)

**7**

Deals H1 2020

Value (\$m)

**0m**

(nil disclosed)

### Most active sub-sectors

Advertising: 5 deals

RTO: 1 deal

Transcription Services: 1 deal

### Largest deal

US based Bison Capital Partners acquired FTR (For The Record) and Auscript, a leader in transcription services for an undisclosed amount

# Balance of sectors



## Energy, mining & utilities

<b>18</b> Avg half yearly deals 2014-2019	<b>17</b> Deals H1 2020
Value (\$m) <b>2,110m</b> (from 13 deals)	Value (\$m) <b>302m</b> (from 12 deals)

### Most active sub-sectors

Gold: 4 deals  
Coal: 4 deals  
Lithium: 2 deals

### Largest deal

Evolution Mining Ltd entered into a binding agreement with Aeris Resources Ltd to sell its Cracow Gold Mine for a total consideration of \$125m



## Pharma, medical & biotech

<b>13</b> Avg half yearly deals 2014-2019	<b>10</b> Deals H1 2020
Value (\$m) <b>427m</b> (from 6 deals)	Value (\$m) <b>26m</b> (from 4 deals)

### Most active sub-sectors

Physiotherapy: 3 deals  
Medical Imaging: 2 deals  
Biotechnology: 2 deals

### Largest deal

MAX Solutions acquired workplace medical services provider Injurnet for \$5.6m expanding their capabilities and services



## Transport

<b>5</b> Avg half yearly deals 2014-2019	<b>4</b> Deals H1 2020
Value (\$m) <b>187m</b> (from 2 deals)	Value (\$m) <b>1,765m</b> (from 3 deals)

### Most active sub-sectors

Bus services: 2 deals  
Airlines: 1 deal  
Freight & Logistics: 1 deal

### Largest deal

US Private Equity firm Bain Capital acquired the business of Virgin Australia for approximately \$1.65b



## Financial services

<b>9</b> Avg half yearly deals 2014-2019	<b>4</b> Deals H1 2020
Value (\$m) <b>161m</b> (from 4 deals)	Value (\$m) <b>2m</b> (from 1 deals)

### Most active sub-sectors

Insurance brokers: 3 deals  
Consumer finance: 1 deal

### Largest deal

Firstmac Ltd acquired CarLoans.com.au and car buying service Georgie from ASX listed Eclipx for \$2m



## Construction

<b>4</b> Avg half yearly deals 2014-2019	<b>2</b> Deals H1 2020
Value (\$m) <b>142m</b> (from 2 deals)	Value (\$m) <b>0</b> (nil disclosed)

### Most active sub-sectors

Engineering: 1 deal  
Quarry: 1 deal

### Largest deal

Lempriere Capital Partners acquired South Queensland Lime for an undisclosed sum



## Real estate

<b>9</b> Avg half yearly deals 2014-2019	<b>3</b> Deals H1 2020
Value (\$m) <b>402m</b> (from 7 deals)	Value (\$m) <b>13m</b> (from 2 deals)

### Most active sub-sectors

Property management: 2 deals  
Real estate services: 1 deal

### Largest deal

Johns Lyng Group subsidiary Bright & Duggan acquired 85% controlling interest in Capitol Strata Management for \$7m

**Warwick Face**

**p.** +61 7 3222 8302  
**e.** wface@pitcherpartners.com.au

**Kieran Wallis**

**p.** +61 7 3222 8383  
**e.** kwallis@pitcherpartners.com.au

**Ross Walker**

**p.** +61 7 3222 8406  
**e.** rwalker@pitcherpartners.com.au

**James Baker**

**p.** +61 7 3222 8482  
**e.** jbaker@pitcherpartners.com.au

**Matthew Foote**

**p.** +61 7 3222 8483  
**e.** mfoote@pitcherpartners.com.au

## About Pitcher Partners

Pitcher Partners has the resources and depth of expertise of a major firm, but with a smaller firm feel. We give our clients the highest level of personal service and attention. That's the difference.

Pitcher Partners is an association of accounting and business advisory firms located in Adelaide, Brisbane, Melbourne, Newcastle, Perth and Sydney. We have a strong reputation for providing personal service and quality commercial advice to our clients across a broad range of industries.

We specialise in providing services to family controlled, privately owned and small public businesses as well as high net worth individuals, the public sector and not-for-profit organisations. Our clients require high technical standards, matched with a personal understanding and involvement in their affairs.

Pitcher Partners is also an independent member of Baker Tilly International, one of the world's leading networks of independently owned and managed accountancy and business advisory firms. Our strong relationship with other Baker Tilly International member firms has allowed us to open many doors across borders for our clients.

**Disclaimer:** This publication contains general information and is not intended to be comprehensive, it has been compiled from both public and non-public sources including various transaction research tools. Whilst we have no reason to believe that the information in this document is not reliable and accurate, this cannot be guaranteed. Pitcher Partners, its subsidiaries or affiliates thereof are not liable for any error, omission or inaccuracy contained herein, whether negligently caused or otherwise, or for any loss or damage howsoever suffered by any person or entity due to reliance on this publication.

**Brisbane Sydney Newcastle Melbourne Adelaide Perth**

**Pitcher Partners is an association of independent firms.** Liability limited by a scheme approved under Professional Standards Legislation. Pitcher Partners is a member of the global network of Baker Tilly International Limited, the members of which are separate and independent legal entities.