

# Deal *Pulse*



## Qld M&A's H1, 2023 An Optimistic Outlook

Although Queensland deals in the first half are slightly down on the same time last year (2023: 117 deals v 2022: 128), relative to deeper national and global reductions, the result again demonstrates the resilience of the sunshine state's M&A market.

The first half of 2023 was dominated by:

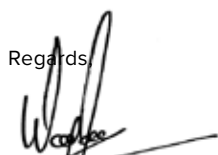
- Energy, mining and utilities – 21 transactions including Idemitsu offloading its stake in Ensham Coal Mine to Sungela Pty Ltd (with the mine's lifespan now predicted to continue to approximately 2037). This reverses the more recent trend of contraction in this sector, despite it traditionally being one of the state's strongest.
- Leisure – 13 transactions including Flight Centre's recent \$211m purchase of luxury tour operator, Scott Dunn. Leisure has been one of the more volatile sectors in recent years having been hit hard by COVID-19 during 2020 but bouncing back strongly in 2021.
- Construction – we again saw transaction volumes of 9, consistent with 2022 and above the long-term average.

Conversely, we saw slowdowns in sectors such as transport, and particularly consumer where arguably the RBA's monetary policy tightening is beginning to flow into deal making.

Whilst deals are seemingly taking slightly longer to finalise, the overall trend is a solid result, providing the state's deal market with a relatively optimistic outlook for the remainder of the year.

If you're interested in knowing more about your industry sector's M&A activity or you just want a chat about how we may be able to help you, please get in touch via phone or email.

Regards,



Warwick Face  
Partner

ph: 0421 613 060

e: wface@pitcherpartners.com.au

**117**  
deals announced  
H1, 2023

8%   
on 3-year avg  
(127 deals)

**Biggest Mover**  
Energy, Mining  
& Utilities

**21 deals**

62%   
on 2022 deals  
(13 deals)

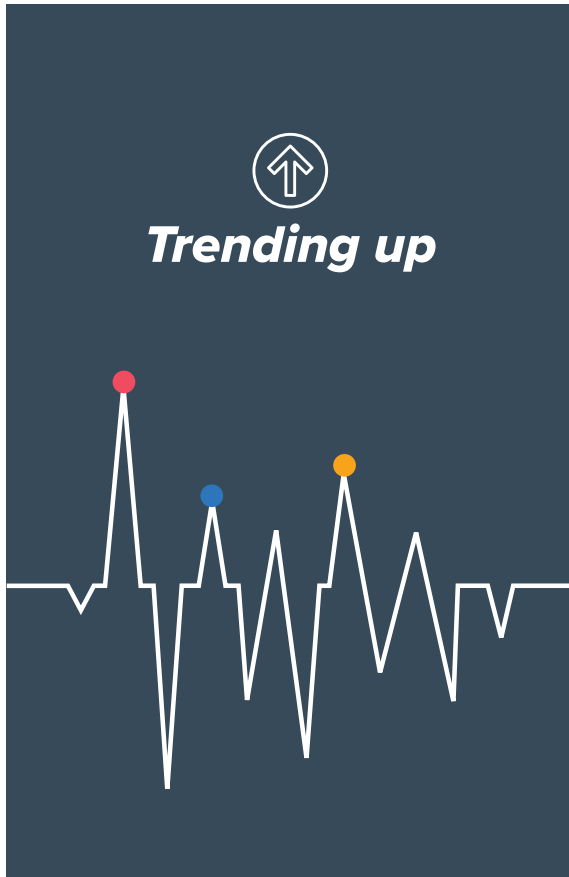
**Largest Decline**  
Consumer

**11 deals**

42%   
on 3-year avg  
(19 deals)



# Sectors trending up



## Energy, Mining & Utilities

# 21

Deals, H1 2023  
(up 61% on 3-year avg)

Value (\$m)  
**\$646m**  
(from 13 deals)

# 13

Avg half yearly deals  
2020 - 2022

Value (\$m)  
**\$760m**  
(from avg 9 deals)

### Most active sub-sectors

Diversified metals & mining: 3 deals  
Coal: 3 deals  
Copper: 3 deals

### Notable deal

Sungela Pty Ltd acquired Ensham Coal Mine from Idemitsu Australia Pty Ltd for a disclosed \$340m.



## Leisure

# 13

Deals, H1 2023  
(up 39% on 3-year avg)

Value (\$m)  
**\$496m**  
(from 7 deals)

# 9

Avg half yearly deals  
2020 - 2022

Value (\$m)  
**\$128**  
(from avg 5 deals)

### Most active sub-sectors

Hotels, Resorts & Cruise Lines: 11 deals

### Notable deal

ASX listed Flight Centre (ASX:FLT) acquired Scott Dunn Ltd from Inflexicon Private Equity Partners LLP for a disclosed \$211m.



## Construction

# 9

Deals, H1 2023  
(up 93% on 3-year avg)

Value (\$m)  
**\$708m**  
(from 4 deals)

# 5

Avg half yearly deals  
2020 - 2022

Value (\$m)  
**\$55m**  
(from avg 2 deals)

### Most active sub-sectors

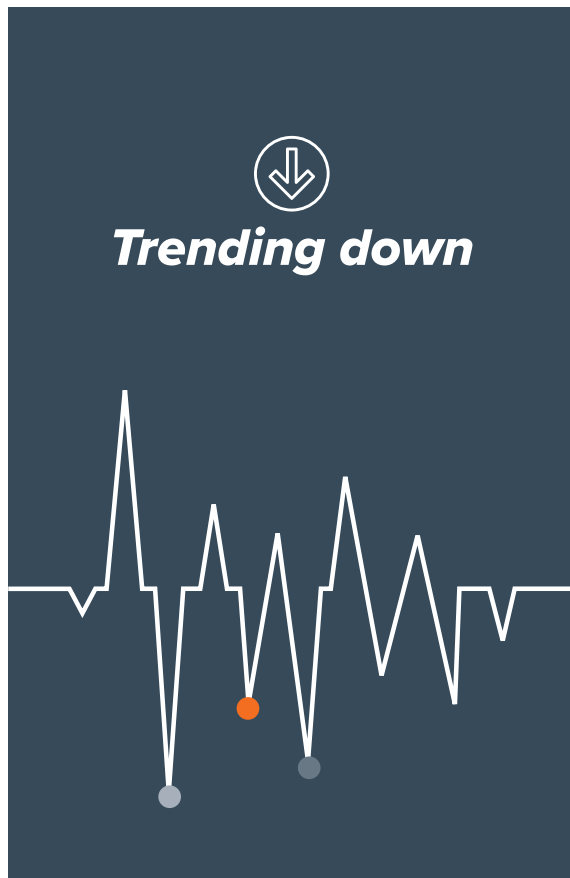
Construction & Engineering: 4 deals  
Engineering: 2 deals

### Notable deal

Onsite Rental Group Limited sold to Sime Darby Allied Operations Pty Ltd for a reported \$635m.



# Sectors trending down



## Transportation

<b>0</b> Deals, H1 2023 (down 100% on 3-year avg)	<b>5</b> Avg half yearly deals 2020 - 2022
Value (\$m) <b>\$0m</b> (from 0 deals)	Value (\$m) <b>\$914m</b> (from avg 3 deals)

### Most active sub-sectors

-

### Notable deal

No transportation deals were disclosed this half after the above average 7 disclosed deals in 2022.



## Consumer

<b>11</b> Deals, H1 2023 (down 41% on 3-year avg)	<b>19</b> Avg half yearly deals 2020 - 2022
Value (\$m) <b>\$155m</b> (from 5 deals)	Value (\$m) <b>\$610m</b> (from avg 7 deals)

### Most active sub-sectors

Restaurants: 3 deals  
Education Services: 2 deals

### Notable deal

ASX listed Michael Hill International Limited (ASX:MHJ) acquired Bevilles Pty Ltd for just over \$46m.



## Technology, media & telecommunications

<b>18</b> Deals, H1 2023 (down 28% on 3-year avg)	<b>25</b> Avg half yearly deals 2020 - 2022
Value (\$m) <b>\$167m</b> (from 5 deals)	Value (\$m) <b>\$299m</b> (from avg 10 deals)

### Most active sub-sectors

Application Software: 8 deals  
IT Consulting: 3 deals  
Software Development: 2 deals

### Notable deal

intelliHR Limited was taken off-market by Accel-KKR LLC backed Humanforce, for almost \$84m after competition from The Access Group.

# Balance of sectors



## Industrials and Chemicals

**9**

Deals  
H1 2023

Value (\$m)  
**\$6,025m**  
(from 4 deals)

**9**

Avg half yearly  
deals 2020-2022

Value (\$m)  
**\$552m**  
(from 3 deals)

### Most active sub-sectors

Building Products: 3 deals  
Distributors: 2 deals  
Quality Testing: 1 deal

### Notable deal

Livent Corporation (NYSE:LTHM) merged with Allkem Limited (ASX:AKE) to create a combined company valued at \$5.9b.



## Financial Services

**8**

Deals  
H1 2023

Value (\$m)  
**\$0**  
(from 0 deals)

**9**

Avg half yearly  
deals 2020-2022

Value (\$m)  
**\$342m**  
(from 2 deals)

### Most active sub-sectors

Insurance Brokers: 3 deals  
Asset Management: 2 deals  
Superannuation: 2 deals

### Notable deal

Nimble Australia acquired Zeefi, for an undisclosed sum, expanding its offering into the education and student loan sector.



## Pharma, medical & biotech

**13**

Deals  
H1 2023

Value (\$m)  
**\$8m**  
(from 1 deals)

**12**

Avg half yearly  
deals 2020-2022

Value (\$m)  
**\$148m**  
(from 5 deals)

### Most active sub-sectors

Health Care Services: 3 deals  
Health Care Equipment: 2 deals  
Health Care Facilities: 2 deals

### Notable deal

Healthia Limited (ASX:HLA) continued its acquisition strategy with investments in two optometrists and one hand therapy business.



## Real Estate

**0**

Deals  
H1 2023

Value (\$m)  
**\$0**  
(from 0 deals)

**3**

Avg half yearly  
deals 2020-2022

Value (\$m)  
**\$285m**  
(from 2 deals)

### Most active sub-sectors

-

### Notable deal

There were no disclosed deals in Real Estate during this first half of 2023.



## Agriculture

**5**

Deals  
H1 2023

Value (\$m)  
**\$55m**  
(from 2 deals)

**6**

Avg half yearly  
deals 2020-2022

Value (\$m)  
**\$180m**  
(from 3 deals)

### Most active sub-sectors

Mixed Farming: 1 deal  
Timber: 1 deal  
Macadamia Farm: 1 deal

### Notable deal

Health and Plant Protein Group Limited (ASX:HPP) sold its macadamia nut business to Hawaiian Host Group for \$38m.



## Business Services

**10**

Deals  
H1 2023

Value (\$m)  
**\$22m**  
(from 2 deals)

**11**

Avg half yearly  
deals 2020-2022

Value (\$m)  
**\$225m**  
(from 5 deals)

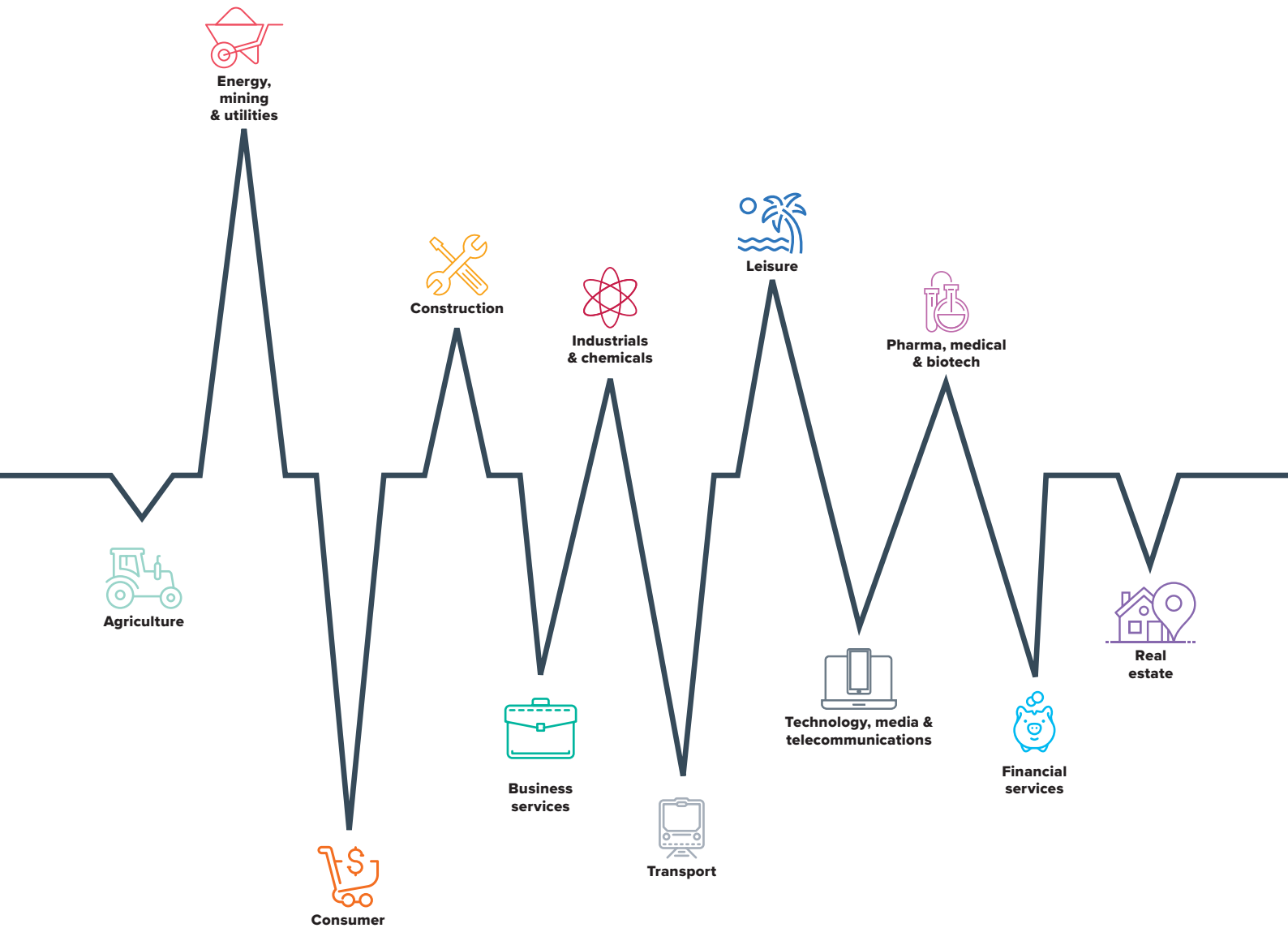
### Most active sub-sectors

Business Consulting: 3 deals  
Employment Agencies: 2 deals  
Childcare: 1 deal

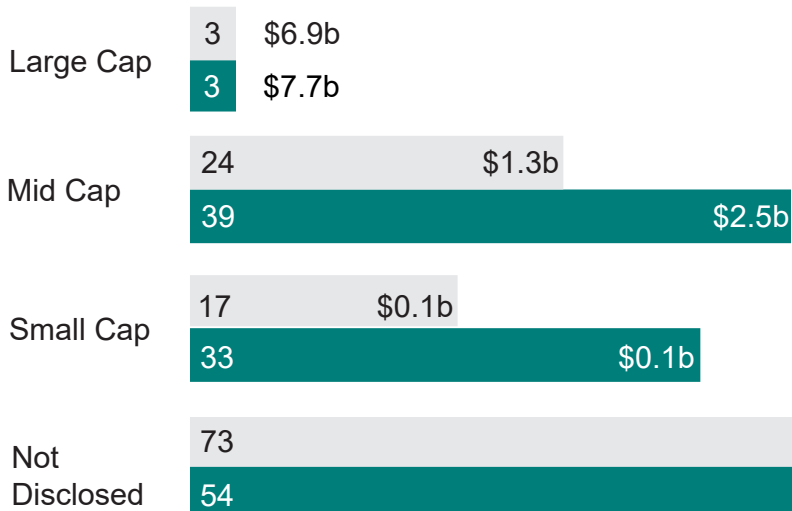
### Notable deal

Ashley Services Group Limited (ASX:ASH) acquired Owen Pacific Workforce Pty Ltd for nearly \$16m.

# Sector summary



**Number of Deals**    H1 Deals 2023    Average deals H1 2014-2022



# Making business *personal*



**Warwick Face**

**p.** +61 7 3222 8302

**e.** wface@pitcherpartners.com.au



**Kieran Wallis**

**p.** +61 7 3222 8383

**e.** kwallis@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.