

# AUSTRALIAN M&A REVIEW Q4 | 2023

## Australian M&A deal values in Quarter 4 FY2023

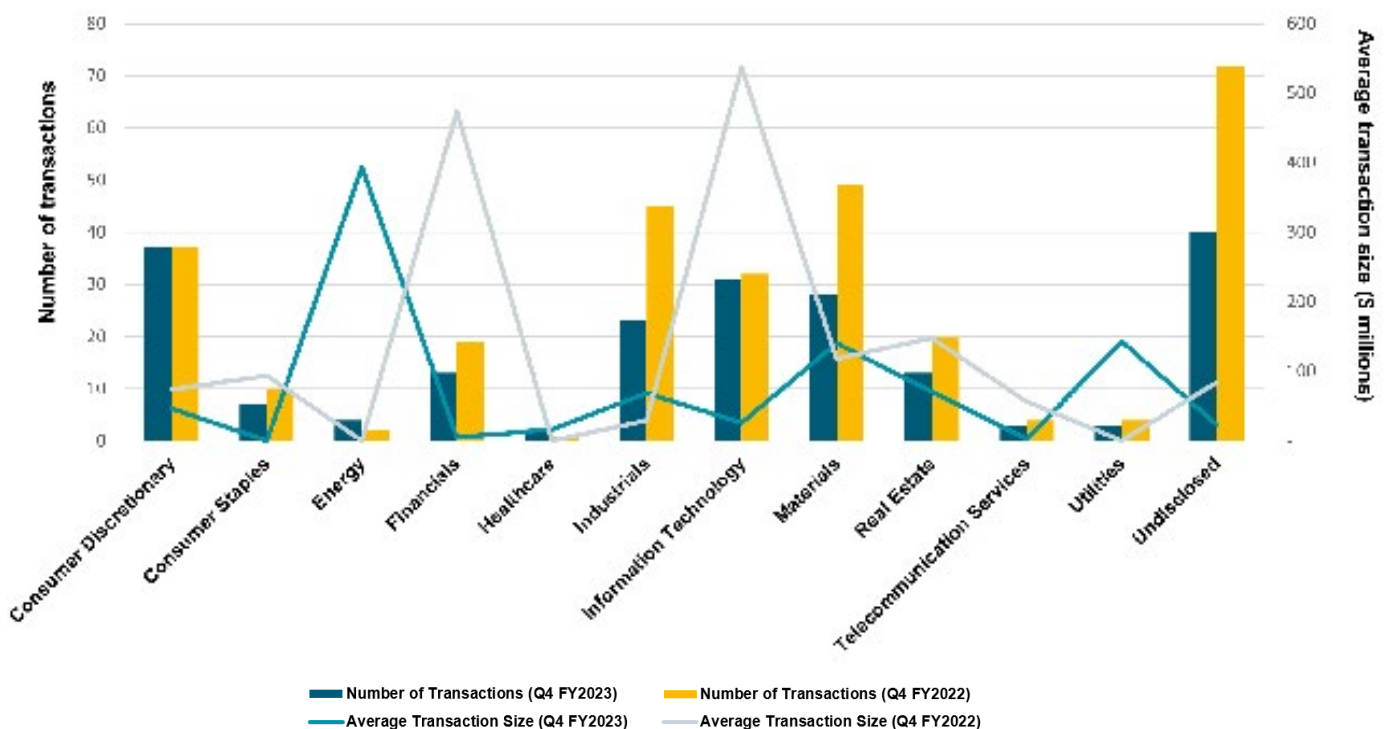
The fourth quarter of FY2023 saw a decline in the average deal value and number of transactions completed in Australia. Based on the published transaction data for Q4 FY2023, there were 204 deals completed compared to 295 in Q4 FY2022, being a decrease of 31%. In our analysis we have excluded transactions with a gross transaction value greater than \$5 billion.

The average deal size decreased from \$140 million in Q4 FY2022 to \$65 million in Q4 FY2023.

As observed in the HLB Mann Judd Mid-Year IPO Watch Report for the first half of 2023 ([download here](#)), the materials sector represented the majority of ASX IPO listings and was also the only sector not to record an overall loss in terms of market performance. Similar to the recent trend in M&A activity, the first half of 2023 has been a challenging period for ASX IPOs resulting in a significant decline in new listings by value and volume. Underlying factors impacting the ASX IPOs and M&A market include a significant degree of uncertainty across global markets, weaker indicators, and a slowdown in the world economy due to tighter monetary conditions.

## M&A by Sector

As illustrated below, the top 3 sectors by quantity of deals in Q4 FY2023 were the Consumer Discretionary, Information Technology and Materials sectors, while the top sectors by deal value are in the Energy and Utilities sectors.



## Major Deals in Q4

The top deals by transaction value (below \$5 billion) in Q4 FY2023 were:

Sector	Target	Acquirer	Seller	Stake Acquired (%)	Transaction Value (\$ millions)
Materials	Cobar Management Pty Ltd	Metals Acquisition Limited	Glencore Operations Australia Pty Limited	100	1,658.2
Materials	Leonora Assets (St Barbara Limited)	Genesis Minerals Limited	St Barbara Limited	100	656.4
Energy	Norwest Energy NL	Mineral Resources Limited	Shareholders (Public company delisted)	80	393.7
Real Estate	Craigieburn Central	IP Generation Pty Ltd	Lendlease Group; Australian Prime Property Fund Retail; Lend Lease Real Estate Investments Limited	100	300.0

The highest implied enterprise value / EBITDA transaction multiples achieved in Q4 FY2023 were:

Sector	Target	Acquirer	Seller	Stake Acquired (%)	Implied EV / EBITDA Multiple
Industrials	Shoreline Consulting Pty Ltd / Shoreline Consolidated Pty Ltd	Alpha Financial Markets Consulting plc	Private shareholders	100	13.0x
Consumer Discretionary	Vita Group Limited	Practice Management Pty Ltd	Shareholders (Public company delisted)	100	8.7x
Consumer Discretionary	Slater and Gordon Limited	Allegro Funds Pty Ltd	Shareholders (Public company delisted)	50	3.4x

## Small and Medium-sized Enterprise (SME) Deals

A selection of deals occurring in the SME sector, where the annual turnover of an entity is less than \$50 million in Q4 FY2023 include:

Revenue (\$ millions)	Sector	Target	Acquirer	Stake Acquired (%)	Transaction Value (\$ millions)	Implied EV / EBITDA Multiple
50.0	Industrials	Flynt Worldwide Pty Limited	Vertua Limited	100	6.5	2.7x
26.2	Consumer	Vita Group Limited	Practice Management Pty Ltd	100	34.6	8.7x

*Note: All amounts are presented in Australian dollars unless otherwise stated.*

*Data has been sourced from S&P Capital IQ and publicly available records*

## CONTACT

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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