

AUSTRALIAN M&A REVIEW Q4 | 2024

Australian M&A deal values in Quarter 4 FY2024

While the fourth quarter of FY2024 saw a decrease in the number of transactions completed in Australia, the average deal value has increased significantly.

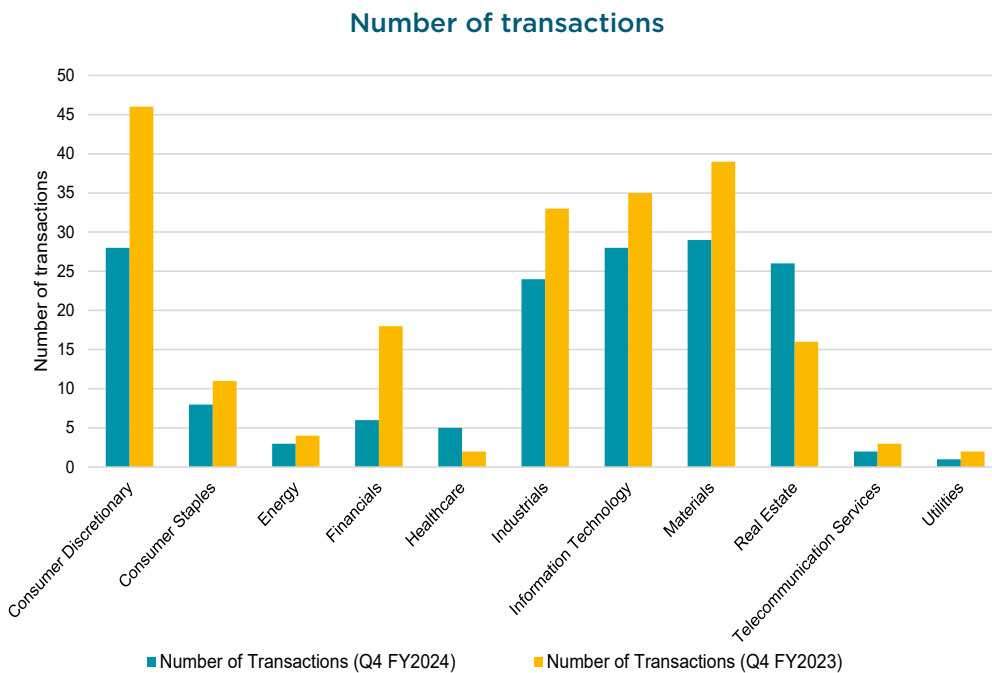
Based on the published transaction data for Q4 FY2024, there were 192 deals completed compared to 263 in Q4 FY2023, a decrease of 27%. However, the average deal size increased from \$64.91m in Q4 FY2023 to \$161.15m in Q4 FY2024 due to six transactions over \$1 billion in this quarter compared to one in Q4 FY2023.

As further observed in the recent HLB Mann Judd IPO Watch Report Mid-Year [here](#), the majority of the ASX IPOs in the first half of calendar year 2024, were in the Materials sector. Total funds raised from IPOs increased by 440% from \$149.9m in H1 CY2023 to \$809.5m in H1 CY2024, \$660.1m of which was contributed by two listings, being Metals Acquisition Limited (ASX:MAC) and Guzman Y Gomez Ltd (ASX:GYG). Increase in the volume of the IPO pipeline for the near term is likely dependent on the recovery of and sentiment to the macroeconomic and geopolitical environment both globally and in Australia, including the inflationary and interest environment.

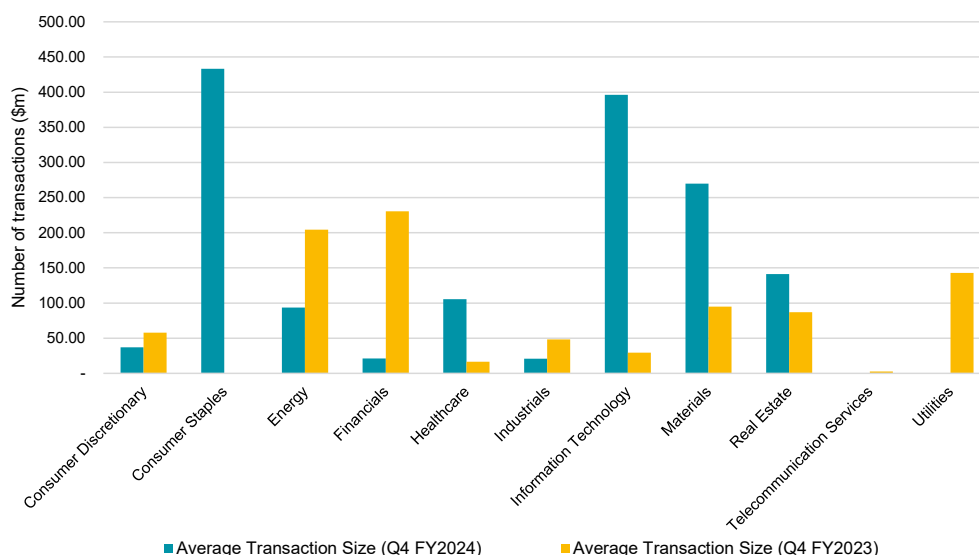
The focus of our analysis in this update is on mid-market transactions, and we have excluded transactions with a gross transaction value greater than \$5 billion.

M&A by Sector

As illustrated below, the top 3 sectors by the quantity of deals in Q4 FY2024 were the Consumer Discretionary, Information Technology and Materials sectors, while the top sectors by deal value are the Consumer Staples and Information Technology sectors.



Transaction Size



Major Deals in Q4

The top deals by transaction value in Q4 FY2024 were:

| Sector | Target | Acquirer | Seller | Stake Acquired (%) | Transaction Value (\$ millions) |
|------------------------|--------------------------------------|--|-------------------------------|--------------------|---------------------------------|
| Information Technology | Link Administration Holdings Limited | Mitsubishi UFJ Trust and Banking Corporation | Note 1* | 100 | 2,325.2 |
| Materials | Adbri Limited | CRH plc | UBS Group AG | 57 | 2,041.2 |
| Consumer Staples | 7-Eleven Stores Pty. Ltd. | 7-Eleven International LLC | R.G. Withers Nominees Pty Ltd | 100 | 1,710.0 |
| Information Technology | Energy Exemplar Pty Ltd | Blackstone Inc. and other investors | The Riverside Company | 100 | 1,600.0 |
| Materials | Silver Lake Resources Limited | Red 5 Limited | Note 1* | 100 | 1,124.6 |

*Note 1: Multiple groups of shareholders

In Q4 FY2024, Mitsubishi UFJ Trust and Banking Corporation acquired Link Administration Holdings Limited, rebranding it as MUFG Pension & Market Services Holdings Limited (“MUFG”). MUFG is the largest Australian pension administration company and serves over 10 million accounts, covering approximately 40% of Australian private pension members. It also holds a market-leading position in the UK, Hong Kong and India. The acquisition is anticipated to further enhance MUFG’s market-leading positions within its two main business units, MUFG Corporate Markets and MUFG Retirement Solutions.

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The highest implied enterprise value / EBITDA transaction multiples achieved in Q4 FY2024 were:

| Sector | Target | Acquirer | Seller | Stake Acquired (%) | Implied EV / EBITDA |
|------------------------|---------------------------|--------------------------------------|-----------------------------------|--------------------|---------------------|
| Information Technology | Energy Exemplar Pty Ltd | Blackstone Inc and other investors | The Riverside Company | 100 | 40.0x |
| Information Technology | Venn IT Solutions Pty Ltd | Sovereign Cloud Australia Pty Ltd | Note 2* | 100 | 20.0x |
| Materials | Tietto Minerals Limited | Sparky International Company Limited | Chijin International (HK) Limited | 91 | 16.3x |
| Information Technology | PCG Cyber Pty Ltd | Sovereign Cloud Australia Pty Ltd | Note 2* | 100 | 12.5x |
| Materials | Adbri Limited | CRH plc | UBS Group AG | 57 | 10.6x |

*Note 2: The target was the ultimate parent company

In the fourth quarter of 2024, Blackstone Inc and other investors acquired Energy Exemplar Pty Ltd for \$1.6 billion. This acquisition is expected to boost Energy Exemplar Pty Ltd's investment in its SaaS platform, enhancing its capability to provide accurate simulations and decision support for customers navigating the rapidly evolving energy landscape. The SaaS platform supports the growth of renewable energy, battery storage, and transmission grid investments, supporting the continued energy transition.

Small and Medium-sized Enterprise (SME) Deals

Deals occurring in the SME space in Q4 FY2024 include:

| Revenue (\$ millions) | Sector | Target | Acquirer | Stake Acquired (%) | Transaction Value (\$ millions) |
|-----------------------|------------------------|--------------------------|-----------------|--------------------|---------------------------------|
| 29.7 | Information Technology | Damstra Holdings Limited | Ideagen Limited | 100 | 87.8 |

In Q4, Ideagen Limited, a global leader in regulatory compliance software, acquired Damstra Holdings Limited, an Australian provider of cloud-based contractor and workforce management tools. This acquisition is expected to enhance Ideagen Limited's solutions for high-risk industries such as mining, energy and construction. Damstra Holdings is the fifth Australian business acquired by Ideagen Limited since 2023.

OUR TEAM

Are you thinking of expanding or exiting your business? Need advice about succession planning? HLB Mann Judd can help.

HLB Mann Judd is a multi-disciplinary accounting and advisory firm with a proven track record of assisting clients in achieving stakeholder value through the acquisition and divestment of businesses. Our Advisory team provide hands-on lead advisory services for mid-market deals with transaction values typically ranging between \$10 million and \$200 million.

We have extensive experience assisting business owners develop succession plans that allow them to achieve maximum value in the transition of their business.

For a complimentary exit readiness review or to explore a strategic acquisition / divestment contact Simon James or Nicholas Guest.



SIMON JAMES

Partner | Advisory

P 02 9020 4212

E sjames@hlbnsw.com.au



NICHOLAS GUEST

Partner | Advisory

P 02 9020 4121

E nguest@hlbnsw.com.au

LEVEL 5, 10 SHELLEY STREET, SYDNEY NSW 2000

T: 02 9020 4000 E: mailbox@hlbnsw.com.au

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