

APAC MID-MARKET M&A REVIEW Q1 | 2022

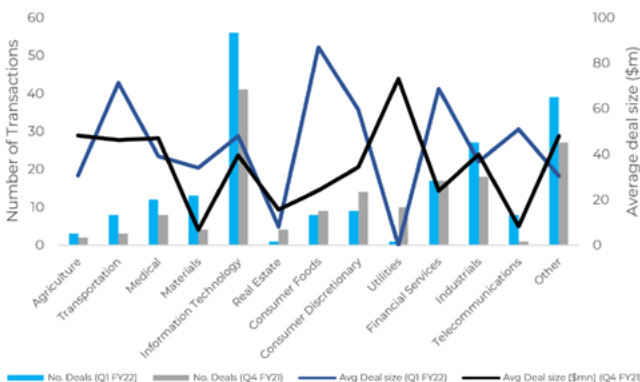


SECTOR ANALYSIS

In AUS & NZ mid-market M&A, we saw a strong 28% increase in deals executed on the previous quarter. With **202** deals published in Q1 we saw an average deal size **\$43.7M** – up over \$8M from FY21 Q4 highlighting increased confidence, demand and market participation.

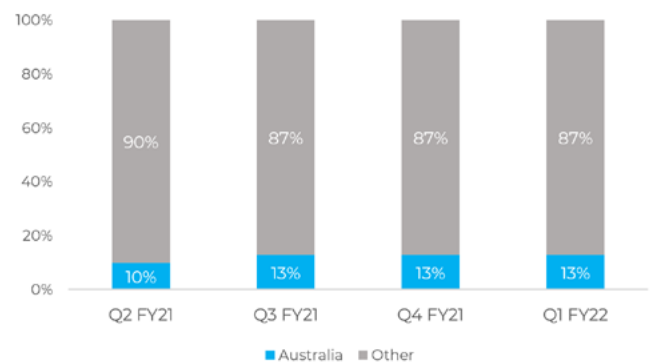
To kick off FY22, the top 3 performing sectors by deal count were IT, industrials and financial services. There were a total of 56 deals in the IT sector with an average deal size of \$48M - 28% of all mid-market activity.

In contrast, mid-market activity in the consumer discretionary and utilities industries were relative to the previous quarter. At the larger end of the mid-market sector Insight Data Solutions and Employment Hero both changed ownership in the beginning of FY22 for EVs that were greater than **\$140M**. The sale of these IT firms indicates a strong appetite for good quality technology companies and also suggests that investor confidence is tilting to a bullish stance as the economy improves from increasing levels of vaccination.



AUSTRALIA'S DEAL ACTIVITY VS WORLD – TRANSACTION VOLUME

We've also seen Australia hold a similar grasp on international M&A this quarter, staying constant into FY22 - Although we do note a **4 percentage point** increase from 9% in Q1 FY21. Australia's recovery from COVID-19 relative to other nations has filled investors and M&A advisors with confidence to execute plans successfully. Strict lockdowns and high vaccination rates have enhanced Australia's appeal as an investment destination.



NOTES:

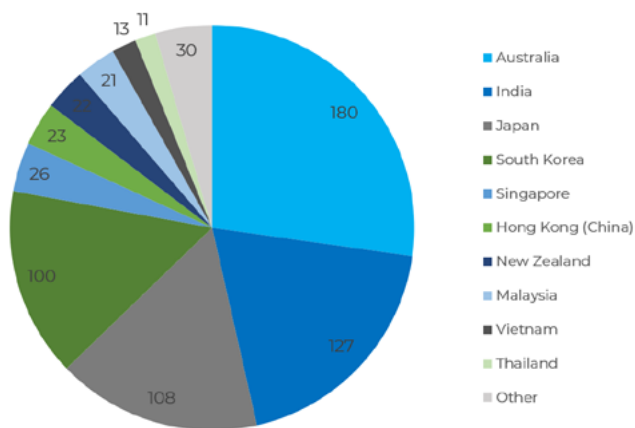
- Deals with value under \$150M were considered
- Deal values and multiples are based on data available only through Acuris Mergermarket; Accessed on 25.10.2021
- Sub-sectors have been allocated towards larger sectors
- Deal metrics for the APAC region are excluding mainland China

APAC REGIONAL DEAL COUNT

There were **661** deals completed in the mid-market sector in Q1 of FY22 with an average deal size of **\$43.3M**, down over \$11M from last quarter. The 31% increase in deals from the previous quarter reveals a similar trend to the AUS & NZ market as we see a re-emergence of opportunity in an increasingly confident post COVID-19 era.

Australia led the way, kicking off the financial year with 180 published deals, closely followed by a now fast-growing India, who are proving to be highly active period on period.

APAC Completed Deals by Country



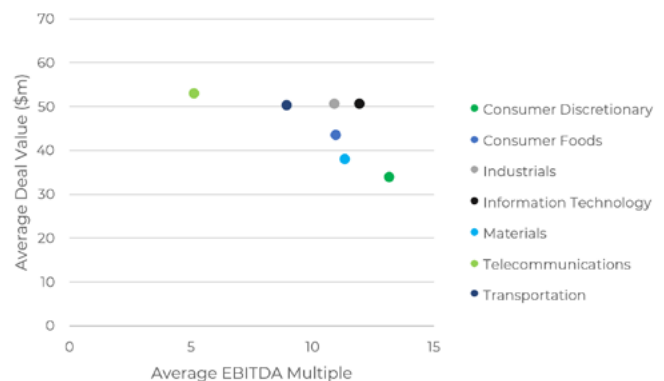
MAJOR DEAL REVIEW: MID-MARKET HIGHLIGHTS

In September 2021, Domain Group, who is 60% owned by Nine Entertainment announced it had signed an agreement to purchase Insight Data Solutions. Amid a booming Australian housing market, it is Domain's strategy to grow its market beyond realtors and buyers, to governments and financial institutions.

As Insight Data Group is absorbed into the large-cap market, it will expand its applications beyond land value insights. However, the insights that this technology provides governments with will be crucial as federal and state government alike contend with record-high property prices in the wake near-zero interest rates and strong post-COVID demand.

APAC INDUSTRY EBITDA MULTIPLES

A key indicator of industry confidence is the multiples at which participants are willing to pay for businesses. From the available EBITDA multiples on Mergermarket, the two sectors with the most activity, IT and Industrials, traded at average multiples of **12x** and **11x** respectively. Although it must be considered that results come from a limited sample size, dominated by the Southeast Asian market.



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