



DECEMBER 2021

MARKET REPORT Q2 2022

TITAN PARTNERS CORPORATE FINANCE

LATEST M & A
MARKET INSIGHTS &
KEY STATS IN
AUSTRALIA



ABOUT TITAN PARTNERS CORPORATE FINANCE

Titan Partners Corporate Finance is a boutique Corporate Finance practice whose mission is to provide innovative, independent and commercially practical corporate finance advice to clients to assist them in achieving their corporate and strategic aspirations.

www.titanpartnerscorporatefinance.com.au



EXECUTIVE SUMMARY

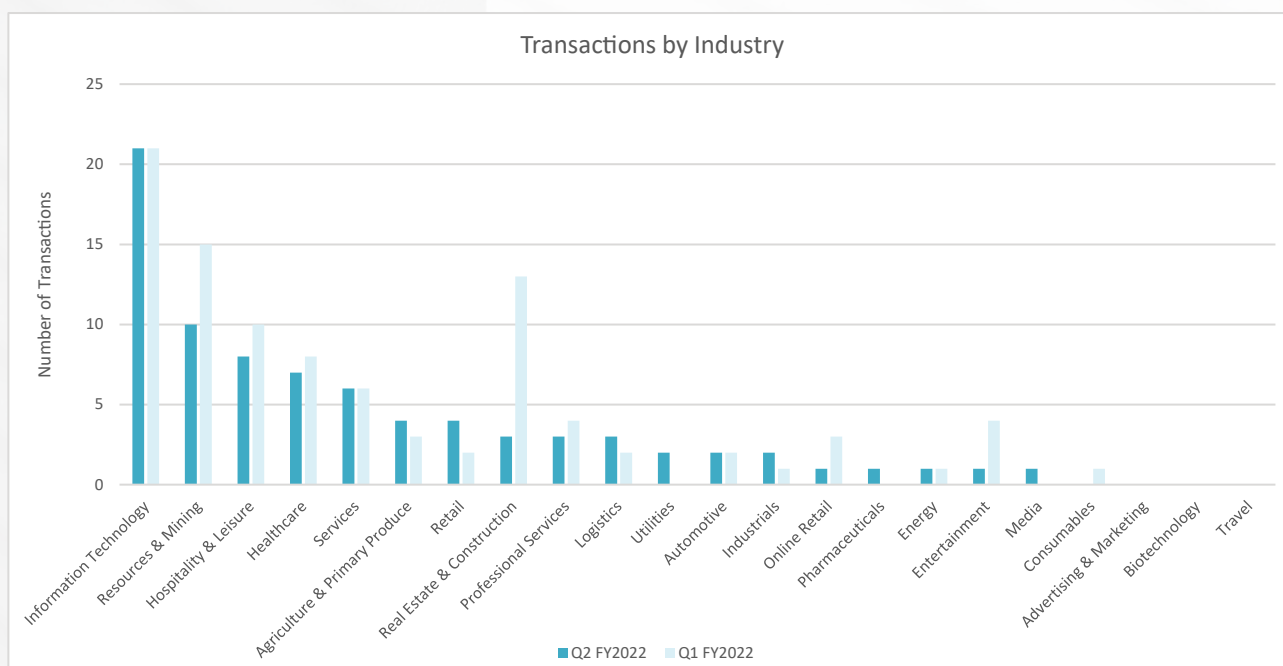
The quarterly data is showing green shoots or a recovery, particularly in industries where deal volumes had declined due to the pandemic restrictions.

- Industries that suffered due to COVID-19 lockdowns now bouncing back as restrictions ease and vaccination targets appear promising.
- Industry sectors where exceptional growth has been achieved are attracting high valuations.
- Technology showing an increase, placing the industry the top 5 this quarter.
- Demand for online retail businesses has been high.

Titan Partners is a mid-market M&A advisory business with a depth of experience. Its staff acting as lead advisor on more than 200 transactions with a combined value in excess of \$2 billion.

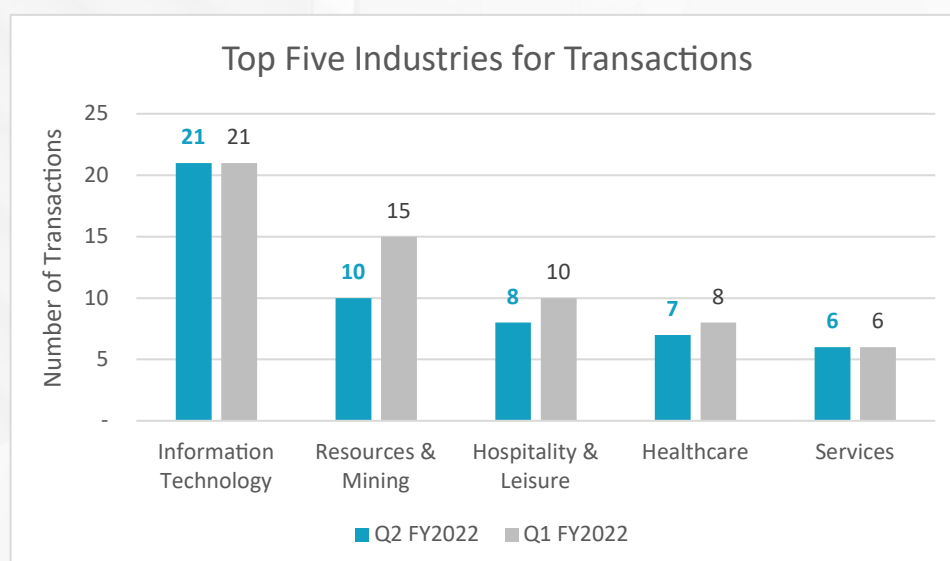
AUSTRALIAN M&A ACTIVITY Q2 FY2022

The table below shows the completed M&A deal volume by industry in Q1 FY2022. A large decline in the number of M&A deals can be seen in the real estate and construction industry where supply constraints have blown out construction budgets and project timeframes.



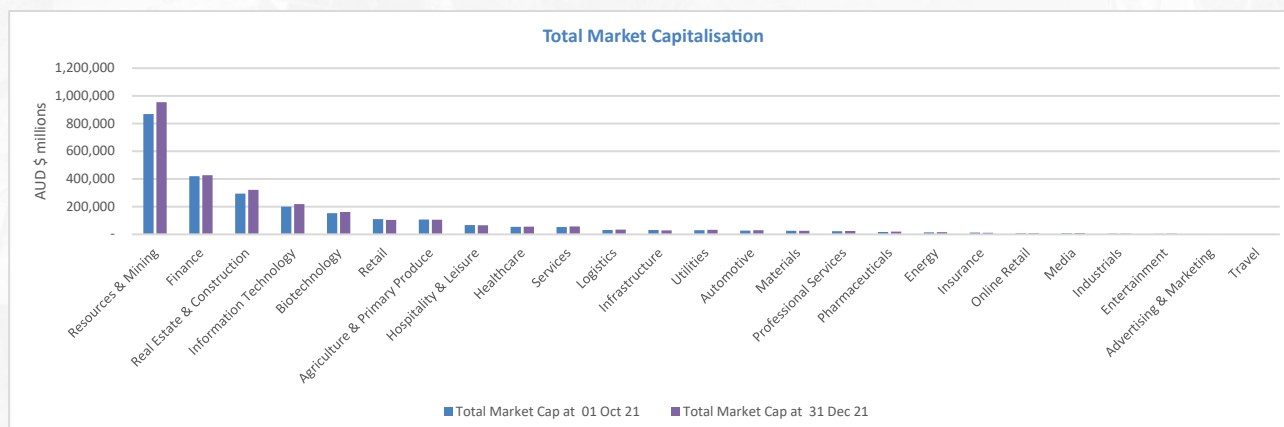
TOP 5 INDUSTRIES FOR TRANSACTIONS

Information Technology takes the lead in the top 5 industries for Transactions in Q2 FY2022. The top 5 industries are all showing a flat to moderate decline in M&A deal volume over the quarter.



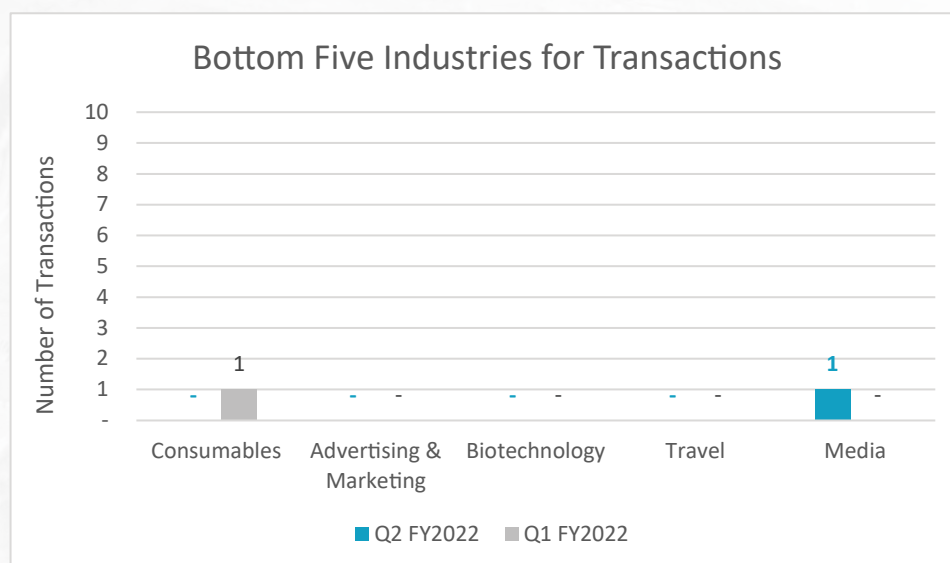
ASX LISTED COMPANY VALUATIONS Q2 FY2022

The table below shows ASX Listed Company Valuations by industry. Aggregated market capitalisation by sector shows industries increasing in comparison to the previous quarter demonstrating an increase in company valuation over the quarter.



BOTTOM 5 INDUSTRIES FOR TRANSACTIONS

Travel, Biotechnology, and Advertising and Marketing are a standstill this quarter with Media showing an incremental return.



HIGH LEVEL STATS

84

84 completed transactions
in Q2 2022

As recorded by CapitalIQ (1)

CONSISTENT
DEAL
VOLUME

M&A transaction volume
is broadly consistent
between Q2 - Q1 FY2022

(1) WE NOTE CAPITALIQ DOES NOT RECORD EVERY TRANSACTION AND THE TOTAL NUMBER OF PRIVATE COMPANY M&A TRANSACTION WILL BE MUCH HIGHER, BUT THE MOVEMENT BETWEEN THE TWO PERIODS RECORDED BY CAPITALIQ IS A GOOD INDICATOR OF THE MOVEMENT IN TOTAL DEAL VOLUMES

GLOBAL OUTLOOK

We continue to see evidence of sector specific failures in COVID-19 impacted industries with the introduction of the new Omicron variant. With vaccine targets looking achievable in the next quarter, affected industries can have a positive outlook.

Simultaneously this quarter, industries such as Resources and Mining as well as Real-estate and Construction had a decline in the number of transactions. Not surprisingly online retail proved to take the lead in multiples for growth compared to previous quarters.

Although the future remains unpredictable through the pandemic, help from banks and government support by way of stimulus and tax breaks, mean some industries have been protected from the carnage of government imposed lock-downs and restrictions.

If demand for M&A transactions remains consistent, or increases, we expect valuations to rise accordingly.





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