

Industry update - Marine

Key market drivers



Global trade



Regulation compliance



Efficiency improvements



Digitalisation & Connectivity



Process automation



Shift in offshore service



Defence spending

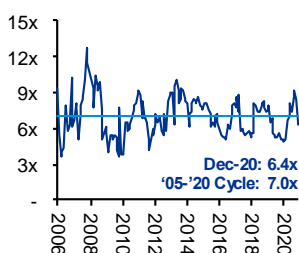
Valuation of selected market players

GBP m	Company	Country	Adjusted				Enterprise Value as a multiple of:								
			Enterprise Value	Net Debt/ EBITDA	EBITDA Margin	EBIT Margin	Sales	EBITDA	EBIT						
			2020A	2020A	2020A	2019A	2020A	2021F	2019A	2020A	2021F	2019A	2020A	2021F	
Shipyards: Commercial															
	Daewoo Shipbuilding & Marine Engineering Co., Ltd.	South Korea	2,731	19x	8.1%	5.8%	0.5x	0.6x	0.6x	9.0x	7.0x	12.3x	13.1x	9.7x	23.7x
	Korea Shipbuilding & Offshore Engineering Co., Ltd.	South Korea	7,133	2.7x	4.7%	2.1%	0.7x	0.7x	0.7x	15.7x	14.4x	14.2x	nmf	31.8x	30.3x
	Mitsubishi Heavy Industries, Ltd.	Japan	15,148	4.4x	7.2%	4.2%	0.5x	0.6x	0.6x	4.3x	7.8x	7.6x	10.1x	13.4x	nmf
	Samsung Heavy Industries Co., Ltd.	South Korea	5,184	n/a	nmf	nmf	1.1x	1.1x	1.0x	nmf	nmf	nmf	nmf	nmf	nmf
	Median				6.0%	3.2%	0.6x	0.6x	0.6x	9.0x	7.8x	12.3x	11.6x	13.4x	27.0x
Shipyards: Defence															
	Austal Limited	Australia	416	n/a	8.4%	6.0%	0.4x	0.4x	0.4x	5.3x	4.4x	4.3x	9.3x	6.1x	5.8x
	BAE Systems plc	United Kingdom	18,890	14x	12.3%	10.1%	1.0x	0.9x	0.9x	8.6x	7.6x	6.8x	11.5x	9.2x	8.2x
	Fincantieri S.p.A.	Italy	3,104	9.3x	5.3%	2.4%	0.6x	0.7x	0.6x	14.9x	12.4x	9.1x	30.9x	27.3x	16.4x
	Huntington Ingalls Industries, Inc.	United States	6,388	17x	12.0%	8.3%	1.0x	1.0x	1.0x	7.8x	8.0x	10.3x	11.4x	11.7x	16.9x
	Median				10.2%	7.1%	0.8x	0.8x	0.7x	8.2x	7.8x	7.9x	11.5x	10.4x	12.3x
Strategic Marine															
	Alfa Laval AB (publ)	Sweden	9,107	0.9x	19.7%	15.3%	2.4x	2.4x	2.5x	12.5x	12.4x	12.7x	14.5x	16.0x	15.8x
	Cargotec Corporation	Finland	2,706	2.9x	9.5%	6.3%	0.9x	0.9x	0.9x	8.5x	9.8x	8.6x	11.6x	14.8x	12.6x
	Kongsberg Gruppen ASA	Norway	2,219	n/a	12.5%	7.6%	1.1x	1.0x	0.9x	11.9x	8.1x	7.4x	20.8x	13.2x	11.4x
	Palfinger AG	Austria	1,335	3.0x	11.4%	6.9%	0.9x	1.0x	0.9x	8.3x	8.7x	7.3x	11.9x	14.3x	11.0x
	Wärtsilä Oyj Abp	Finland	4,921	16x	9.5%	6.5%	1.1x	1.2x	1.2x	11.4x	12.2x	10.9x	15.5x	17.8x	15.1x
	Median				11.4%	6.9%	1.1x	1.0x	0.9x	11.4x	9.8x	8.6x	14.5x	14.8x	12.6x
Marine Services															
	Babcock International Group PLC	United Kingdom	3,041	3.2x	11.8%	3.4%	0.7x	0.7x	0.7x	7.1x	5.7x	5.0x	16.7x	19.6x	8.7x
	James Fisher and Sons plc	United Kingdom	667	2.9x	13.3%	6.9%	1.1x	1.3x	1.2x	7.1x	9.6x	7.7x	12.2x	18.4x	13.9x
	Royal Boskalis Westminster N.V.	Netherlands	2,368	n/a	13.7%	2.7%	1.0x	1.1x	1.0x	9.2x	7.6x	7.1x	nmf	nmf	24.3x
	Wilh. Wilhelmsen Holding ASA	Norway	337	2.3x	17.4%	8.3%	0.5x	0.6x	0.5x	3.4x	3.3x	3.5x	6.9x	6.9x	6.9x
	Median				13.5%	5.2%	0.9x	0.9x	0.8x	7.1x	6.7x	6.0x	12.2x	18.4x	11.3x
Marine Broking															
	Braemar Shipping Services Plc	United Kingdom	76	2.7x	11.6%	8.6%	0.6x	0.7x	0.7x	6.3x	5.9x	5.5x	8.4x	7.9x	7.9x
	Clarkson PLC	United Kingdom	714	n/a	16.8%	12.7%	2.0x	2.1x	1.9x	11.0x	12.2x	11.2x	14.3x	16.2x	13.5x
	Median				14.2%	10.6%	1.3x	1.4x	1.3x	8.7x	9.1x	8.4x	11.4x	12.1x	10.7x
Satcom															
	KVH Industries, Inc.	United States	130	n/a	4.4%	nmf	1.1x	1.1x	1.0x	nmf	nmf	17.5x	nmf	nmf	nmf
	RigNet, Inc.	United States	164	3.1x	16.6%	nmf	0.9x	1.1x	1.1x	7.2x	6.5x	5.8x	nmf	nmf	nmf
	Satcom Systems, Ltd.	Israel	40	n/a	n/a	n/a	0.9x	n/a	n/a	3.7x	n/a	n/a	nmf	n/a	n/a
	Median				10.5%	-10.8%	0.9x	1.1x	1.0x	5.4x	6.5x	11.6x	nmf	nmf	nmf

Note: Multiples are based on enterprise value as of 31 December 2020 and historical and forecast sales, EBITDA and EBIT, calendarised to 31st of December
 "nmf": not meaningful; "n/a": not available

Sector valuation through the cycle (EV/LTM EBITDA)

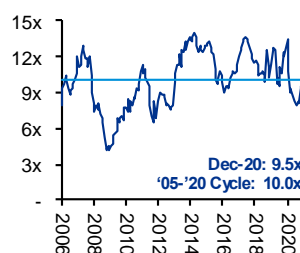
Shipyards Commercial



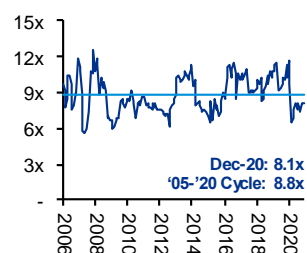
Shipyards Defence



Strategic Marine



Marine Services



Industry update - Marine

Selected recent M&A activity headlines

Digital Marine

- Sep 20 – Accel-KKR acquired **Shipper TMS**, a Supply Chain Optimisation (SCO) software business
- Oct 20 – **Mintra** listed on the Oslo Stock Exchange, an e-learning and HCM software provider for the marine & off shore markets
- Nov 20 – Arribatec Solutions acquired **IB Marine Group**, a Italian provider of cloud-based enterprise asset management solutions
- Dec 20 – Lloyds Register acquired **C-MAP Commercial**, a provider of ENC's and cartography products
- Dec 20 – Permira acquired a majority stake in **Boats Group**, a leading online marketplace and technology provider
- Dec 20 – The Schulte Group (MariApps Marine) acquired **Rescompany Systems**, a leading provider of hospitality software solutions to the global cruise industry, a transaction led by KPMG Corporate Finance

Marine Hardware

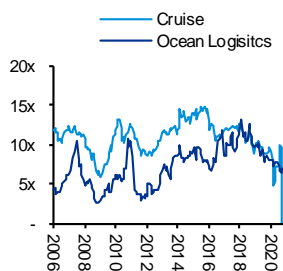
- Sep 20 – Evergreen Capital has acquired **Wärtsilä Valves**, a manufacturer of NAB and duplex valves
- Sep 20 – A consortium is acquiring **Hanjin Heavy Industries and Construction Philippines**, owner of the biggest shipyard in Subic Bay
- Sep 20 – **Cargotec** and **Konecranes** have agreed to merge, creating a market leader in sustainable material flow

Marine Services

- Oct 20 – Austal acquired **BSE Maritime Solutions**, a ship repair and support business operating in Cairns and Brisbane
- Dec 20 – ViaSat Inc acquired **RigNet**, a provider of communication services to the marine and O&G industries

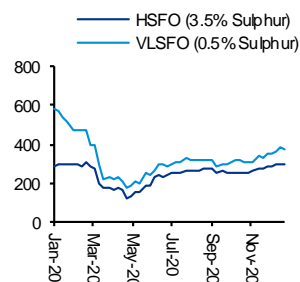
Marine market KPIs

Cruise and Ocean Logistics (EV/LTM EBITDA)



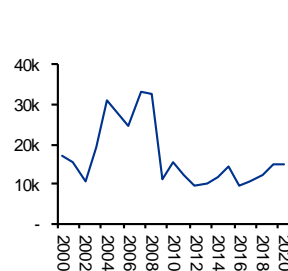
Source: Capital IQ

Bunker prices Rotterdam (\$/tonne)



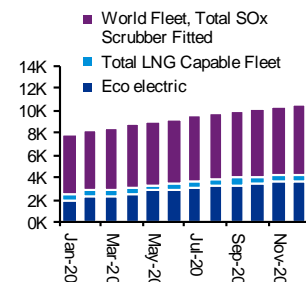
Source: Clarksons

ClarkSea Index (\$/day)



Source: Clarksons

Alternative Fuel Usage Number of vessels

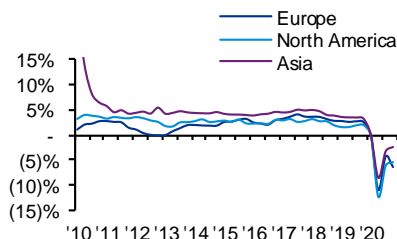


Source: Clarksons

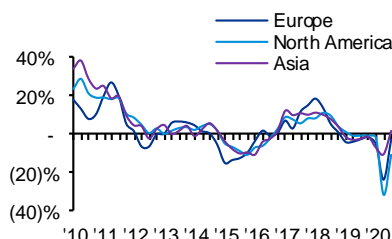
Note: In Q4 2020, all cruise comparable companies had negative earnings

Economic Indicators

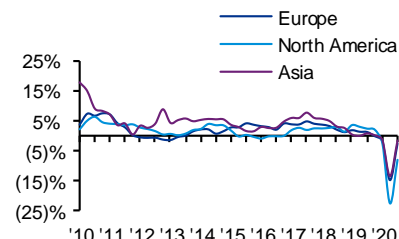
GDP growth (y-o-y)



Global trade (y-o-y)



Industrial production (y-o-y)



Industry update - Marine

Longstanding KPMG global network marine credentials



Safebridge

MINTRA

Acted as financial advisor to Safebridge on the sale of the business to Mintra Holding

2021

E-learning and crew competence solutions



rescompany

SCHULTE GROUP

Acted as financial advisor to Rescompany Systems on the sale of the business to The Schulte Group

2021

Hospitality software solutions to the cruise industry



kontainers

DESCARTES

Acted as financial advisor to Cracking Logistics on the sale of the business to The Descartes Systems Group Inc

2021

Digital freight execution platform



GNS

CORNES

Acted as financial advisors to Phoenix Equity on the sale of Global Navigation Solutions to Cornes Chart Group

2021

Digital navigation and voyage compliance platform



GEV

Bridges

Acted as financial advisor on the sale of GEV Group to Bridges fund management

2021

Offshore wind turbine blade repair and maintenance



Helm

VOLARIS

Acted as exclusive financial advisor to the shareholders of Class NK on the sale of Helm Operations to Volaris

2021

Operations software for the tug and barge and OSV industries



3Si

ALLIANCE MARINE

Acted as financial advisor to 3Si group on the sale of Ocean Safety, Typhoon International and Revere Survival to Alliance Marine Group

2021

Marine safety and protective equipment; lifejackets, rafts, suits




Gardline

Boskalis

Acted as financial advisor to the shareholders of Gardline on the sale of the company to Boskalis

2021

Marine geophysical and environmental surveys



Docmap

ChartCo

OneOcean

Acted as financial adviser to ChartCo on the acquisition of Docmaps

2021

Marine safety and compliance software




TMC MARINE

BUREAU VERITAS

Acted as exclusive financial advisor to the shareholders of TMC Marine sale of the company to Bureau Veritas

2021

Pre and post casualty advice and support to the marine industry




HOYER

SoLiX

Acted as financial adviser to the owner of Svend Hoyer Holding A/S on the sale of the company to Solix Group AB

2021

Electric motors primarily for marine applications



ChartCo

OneOcean

EQUISTONE

Acted as financial advisor to ECI partners on the sale of their marine asset ChartCo to Equistone Private Equity

2021

Digital navigation and voyage compliance platform

Our Sector Experts



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