

# 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

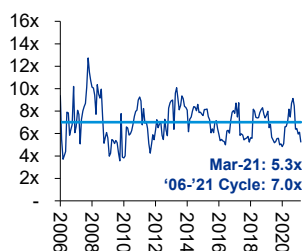
GBPm	Company	Country	Adjusted Enterprise Value	Leverage Net Debt / EBITDA	EBITDA Margin 2021F	EBIT Margin 2021F	Enterprise Value as a multiple of:								
							Sales			EBITDA			EBIT		
			Value				2020A	2021F	2022F	2020A	2021F	2022F	2020A	2021F	2022F
<b>Shipyards: Commercial</b>															
	Daewoo Shipbuilding & Marine Engineering Co., Ltd.	South Korea	2,866	4.7x	4.9%	1.8%	0.6x	0.7x	0.6x	18.0x	14.8x	11.3x	37.7x	41.0x	19.2x
	Korea Shipbuilding & Offshore Engineering Co., Ltd.	South Korea	8,062	2.9x	4.5%	2.0%	0.8x	0.8x	0.8x	24.8x	18.1x	15.7x	nmf	40.8x	32.7x
	Mitsubishi Heavy Industries, Ltd.	Japan	16,194	5.2x	7.4%	3.4%	0.6x	0.7x	0.7x	8.1x	9.1x	7.8x	29.9x	19.6x	14.5x
	Samsung Heavy Industries Co., Ltd.	South Korea	5,218	16.5x	3.0%	nmf	1.1x	1.2x	1.1x	nmf	nmf	26.0x	nmf	nmf	nmf
	<b>Median</b>				<b>4.7%</b>	<b>2.0%</b>	<b>0.7x</b>	<b>0.8x</b>	<b>0.7x</b>	<b>18.0x</b>	<b>14.8x</b>	<b>13.5x</b>	<b>33.8x</b>	<b>40.8x</b>	<b>19.2x</b>
<b>Shipyards: Defence</b>															
	Austral Limited	Australia	350	n/a	10.4%	7.5%	0.3x	0.4x	0.4x	3.7x	3.7x	3.9x	5.1x	5.2x	5.5x
	BAE Systems plc	United Kingdom	24,793	1.5x	12.9%	10.5%	1.3x	1.2x	1.1x	10.5x	9.0x	8.4x	13.9x	11.0x	10.4x
	Fincantieri S.p.A.	Italy	3,701	6.9x	6.9%	4.4%	0.7x	0.6x	0.6x	14.6x	9.5x	8.5x	33.0x	14.8x	13.5x
	Huntington Ingalls Industries, Inc.	United States	7,753	1.6x	9.2%	5.5%	1.1x	1.1x	1.1x	8.6x	12.4x	11.5x	11.1x	20.9x	18.0x
	<b>Median</b>				<b>9.8%</b>	<b>6.5%</b>	<b>0.9x</b>	<b>0.9x</b>	<b>0.9x</b>	<b>9.6x</b>	<b>9.2x</b>	<b>8.5x</b>	<b>12.5x</b>	<b>12.9x</b>	<b>12.0x</b>
<b>Strategic Marine</b>															
	Alfa Laval AB (publ)	Sweden	9,785	0.5x	19.9%	15.6%	2.6x	2.9x	2.8x	13.2x	14.8x	14.1x	17.4x	18.8x	17.3x
	Cargotec Corporation	Finland	3,209	1.9x	11.2%	7.6%	1.1x	1.1x	1.0x	11.3x	10.0x	8.9x	17.7x	14.6x	12.4x
	Kongsberg Gruppen ASA	Norway	2,630	n/a	13.0%	8.5%	1.2x	1.1x	1.0x	9.8x	8.7x	7.8x	14.3x	13.4x	11.5x
	Palfinger AG	Austria	1,489	2.0x	12.9%	8.1%	1.1x	1.0x	1.0x	10.7x	7.9x	6.9x	17.7x	12.5x	9.7x
	Wärtsilä Oyj Abp	Finland	4,998	0.9x	10.9%	7.2%	1.2x	1.3x	1.3x	14.8x	12.1x	10.4x	23.4x	18.4x	14.9x
	<b>Median</b>				<b>12.9%</b>	<b>8.1%</b>	<b>1.2x</b>	<b>1.1x</b>	<b>1.0x</b>	<b>11.3x</b>	<b>10.0x</b>	<b>8.9x</b>	<b>17.7x</b>	<b>14.6x</b>	<b>12.4x</b>
<b>Marine Services</b>															
	Babcock International Group PLC	United Kingdom	2,781	3.0x	12.3%	7.5%	0.6x	0.6x	0.6x	5.5x	4.9x	4.5x	10.2x	8.0x	7.3x
	James Fisher and Sons plc	United Kingdom	735	2.4x	15.3%	8.7%	1.4x	1.3x	1.3x	nmf	8.8x	7.6x	nmf	15.6x	12.3x
	Royal Boskalis Westminster N.V.	Netherlands	2,608	n/a	15.4%	5.4%	1.2x	1.1x	1.0x	7.8x	7.1x	6.1x	25.8x	20.4x	13.4x
	Wilh. Wilhelmsen Holding ASA	Norway	474	3.0x	15.2%	7.9%	0.8x	0.7x	0.7x	5.0x	4.9x	4.8x	8.6x	9.4x	9.0x
	<b>Median</b>				<b>15.3%</b>	<b>7.7%</b>	<b>1.0x</b>	<b>0.9x</b>	<b>0.9x</b>	<b>5.5x</b>	<b>6.0x</b>	<b>5.4x</b>	<b>10.2x</b>	<b>12.5x</b>	<b>10.6x</b>
<b>Marine Broking</b>															
	Braemar Shipping Services Plc	United Kingdom	90	2.4x	12.3%	9.5%	0.8x	0.8x	0.7x	6.6x	6.3x	5.8x	8.8x	8.2x	7.3x
	Clarkson PLC	United Kingdom	692	n/a	16.3%	13.4%	1.9x	1.9x	1.8x	11.5x	11.6x	10.7x	14.9x	14.1x	12.8x
	<b>Median</b>				<b>14.3%</b>	<b>11.4%</b>	<b>1.4x</b>	<b>1.3x</b>	<b>1.3x</b>	<b>9.1x</b>	<b>9.0x</b>	<b>8.2x</b>	<b>11.9x</b>	<b>11.1x</b>	<b>10.1x</b>
<b>Satcom</b>															
	KVH Industries, Inc.	United States	153	n/a	4.5%	nmf	1.3x	1.2x	1.1x	nmf	27.2x	13.0x	nmf	nmf	nmf
	SES S.A.	Luxembourg	5,204	2.8x	57.2%	18.3%	3.1x	3.3x	3.4x	5.0x	5.7x	5.7x	13.2x	17.9x	19.1x
	Viasat, Inc.	United States	3,661	2.9x	26.0%	6.9%	2.0x	2.0x	1.8x	8.3x	7.7x	6.9x	48.7x	28.8x	26.7x
	<b>Median</b>				<b>26.0%</b>	<b>12.6%</b>	<b>2.0x</b>	<b>2.0x</b>	<b>1.8x</b>	<b>6.7x</b>	<b>7.7x</b>	<b>6.9x</b>	<b>31.0x</b>	<b>23.4x</b>	<b>22.9x</b>

Note: Multiples are based on enterprise value as of 31 March 2021 and historical and forecast sales, EBITDA and EBIT, calendarised to 31<sup>st</sup> of December

"nmf": not meaningful; "n/a": not available

## Sector valuation through the cycle (EV/LTM EBITDA)

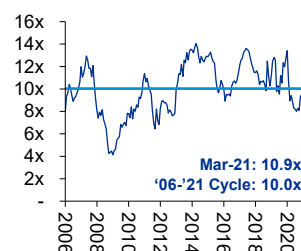
### Shipyards Commercial



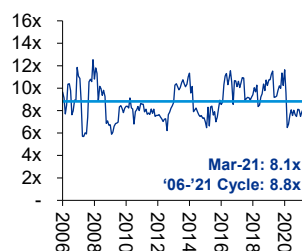
### Shipyards Defence



### Strategic Marine



### Marine Services



Source: Capital IQ

Note: Through the Cycle constituents as per the comparable companies listed in the table above

# Industry update - Marine

## Selected recent M&A activity headlines

### Digital Marine

- Feb 21 – Mintra Holding acquired **Safebridge**, maritime digital learning and crew competence management specialists, a transaction led by KPMG Corporate Finance
- Feb 21 – Navtor (Accel KKR backed) acquired **Tres Solutions**, a provider of vessel analytics and performance optimization
- Feb 21 – Ocean Technologies Group has agreed a strategic partnership with Wärtsilä Voyage
- Mar 21 – Magenta Partners invested in **Voly**, a provider of yacht financial management accounting and treasury software
- Mar 21 – Accel-KKR acquired **Navis**, a provider of software solutions and services to terminal operators
- Mar 21 - Green Rebel Marine has acquired a 70% stake in **IDS Monitoring**, a provider of marine data solutions
- Apr 21 - Wavecrest Growth Partners and Abry Partners provided growth investment to **Pole Star Space Applications**, a provider of cloud-based compliance software solutions

### Marine Hardware

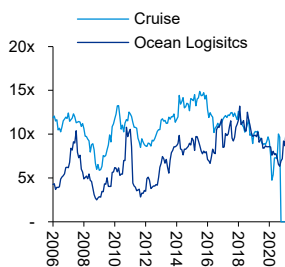
- Jan 21 – Videlio acquired **Wartsila Funa**, a provider of entertainment systems to cruise vessels
- Jan 21 – Sycamore Partners acquired **Azamara Club Cruises**, from Royal Caribbean
- Mar 21 – Survitec (Searchlight Backed) agreed to purchase **Hansen Protection**, a provider of specialist survival suits and protective equipment
- Mar 21 – Norwegian government blocks sale of **Bergen Engines**, a manufacturer of medium-speed diesel engines to TMH Group
- Mar 21 – Mimir acquired **Wärtsilä Euroatlas**, a provider of solutions for high performance power conversion in naval, aviation and mobile land-based applications

### Marine Services

- Jan 21 – Royal Boskalis acquired the subsea services business of **Rever Offshore**, formally known as Bibby Offshore

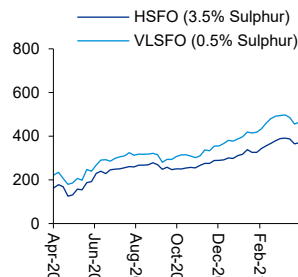
## Marine market KPIs

### Cruise and Ocean Logistics (EV/ LTM EBITDA)



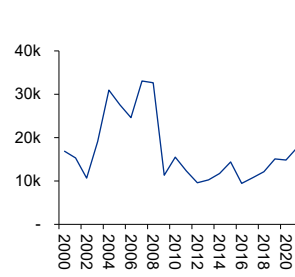
Source: Capital IQ

### Bunker prices Rotterdam (\$/tonne)



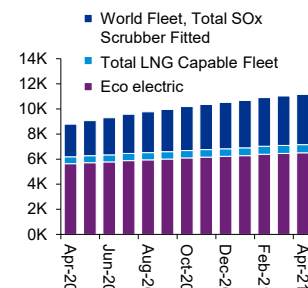
Source: Clarksons

### ClarkSea Index (\$/day)



Source: Clarksons

### Alternative Fuel Usage Number of vessels

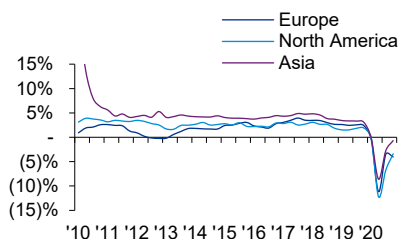


Source: Clarksons

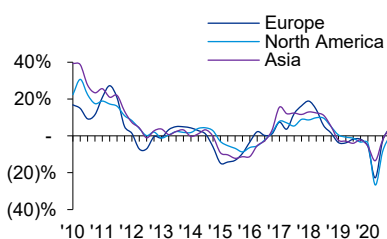
Note: In Q4 2020 and Q1 2021, all cruise comparable companies had negative earnings

## Economic Indicators

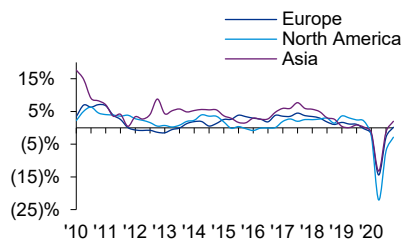
### GDP growth (y-o-y)



### Global trade (y-o-y)



### Industrial production (y-o-y)



# Industry update - Marine

## Longstanding KPMG global network marine credentials



**Safebridge**



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

**2021**

E-learning and crew competence solutions



**rescompany**



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

**2020**

Hospitality software solutions to the cruise industry



**kontainers**



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

**2020**

Digital freight execution platform



**GNS**



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

**2019**

Digital navigation and voyage compliance platform



**GEV**



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

**2019**

Offshore wind turbine blade repair and maintenance



**Helm**



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

**2018**

Operations software for the tug and barge and OSV industries



**3Si**



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

**2018**

Marine safety and protective equipment; lifejackets, rafts, suits




**Gardline**




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

**2017**

Marine geophysical and environmental surveys



**Docmap**



Acted as financial adviser to ChartCo on the acquisition of Docmaps

**2017**

Marine safety and compliance software




**TMC**




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

**2016**

Pre and post casualty advice and support to the marine industry



**HOYER**



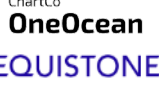
Acted as financial adviser to the owner of Svend Hoyer Holding A/S on the sale of the company to Solix Group AB

**2016**

Electric motors primarily for marine applications



ChartCo



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

**2016**

Digital navigation and voyage compliance platform

## Our Sector Experts



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