

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

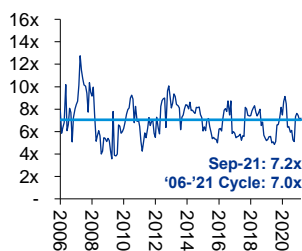
GBPm	Company	Country	Adjusted Enterprise Value	Leverage Net Debt / EBITDA	EBITDA Margin 2021F	EBIT Margin 2021F	Enterprise Value as a multiple of:								
							Sales			EBITDA			EBIT		
			Value				2020A	2021F	2022F	2020A	2021F	2022F	2020A	2021F	2022F
Shipyards: Commercial															
	Daewoo Shipbuilding & Marine Engineering Co., Ltd.	South Korea	2,387	n/a	nmf	nmf	0.5x	0.8x	0.6x	15.0x	nmf	17.2x	31.4x	nmf	nmf
	Korea Shipbuilding & Offshore Engineering Co., Ltd.	South Korea	5,541	n/a	nmf	nmf	0.6x	0.6x	0.5x	17.1x	nmf	11.2x	nmf	nmf	22.1x
	Mitsubishi Heavy Industries, Ltd.	Japan	13,643	3.9x	8.1%	3.5%	0.5x	0.6x	0.5x	6.5x	6.9x	6.3x	33.5x	16.0x	11.4x
	Samsung Heavy Industries Co., Ltd.	South Korea	4,029	n/a	nmf	nmf	0.9x	0.9x	0.9x	nmf	nmf	nmf	nmf	nmf	nmf
	Median				8.1%	3.5%	0.6x	0.7x	0.6x	15.0x	6.9x	11.2x	32.4x	16.0x	16.8x
Shipyards: Defence															
	Austal Limited	Australia	285	n/a	9.6%	6.9%	0.3x	0.3x	0.4x	3.4x	3.6x	3.7x	4.6x	5.1x	5.2x
	BAE Systems plc	United Kingdom	21,446	1.3x	12.9%	10.3%	1.1x	1.0x	1.0x	9.1x	7.8x	7.3x	12.0x	9.6x	9.1x
	Fincantieri S.p.A.	Italy	4,133	7.9x	6.9%	4.3%	0.8x	0.7x	0.7x	16.3x	10.4x	8.9x	36.8x	16.7x	13.4x
	Huntington Ingalls Industries, Inc.	United States	6,834	1.6x	9.6%	5.7%	1.0x	0.9x	0.8x	7.6x	9.7x	8.1x	9.8x	16.3x	14.0x
	Median				9.6%	6.3%	0.9x	0.8x	0.7x	8.3x	8.7x	7.7x	10.9x	13.0x	11.2x
Strategic Marine															
	Alfa Laval AB (publ)	Sweden	12,328	1.0x	20.1%	15.6%	3.3x	3.5x	3.2x	16.6x	17.6x	15.5x	21.9x	22.6x	18.9x
	Cargotec Corporation	Finland	3,047	1.8x	12.5%	8.7%	1.0x	1.0x	0.9x	10.8x	8.0x	7.1x	16.8x	11.4x	9.6x
	Kongsberg Gruppen ASA	Norway	3,349	n/a	14.2%	9.9%	1.5x	1.4x	1.3x	12.4x	10.1x	9.2x	18.2x	14.5x	12.8x
	Palfinger AG	Austria	1,553	1.7x	13.6%	8.9%	1.1x	1.0x	1.0x	11.4x	7.5x	6.8x	19.0x	11.4x	9.8x
	Wärtsilä Oyj Abp	Finland	5,448	0.5x	10.9%	7.7%	1.3x	1.4x	1.3x	16.2x	12.9x	10.4x	25.5x	18.2x	13.9x
	Median				13.6%	8.9%	1.3x	1.4x	1.3x	12.4x	10.1x	9.2x	19.0x	14.5x	12.8x
Marine Services															
	Babcock International Group PLC	United Kingdom	3,482	4.7x	7.1%	2.2%	0.8x	0.8x	0.8x	nmf	11.5x	7.4x	nmf	37.2x	12.5x
	James Fisher and Sons plc	United Kingdom	637	2.9x	14.3%	7.6%	1.2x	1.3x	1.2x	nmf	8.7x	7.8x	nmf	16.5x	13.8x
	Royal Boskalis Westminster N.V.	Netherlands	2,649	n/a	15.9%	6.2%	1.2x	1.1x	1.0x	7.9x	6.8x	5.9x	26.3x	17.2x	12.6x
	Wilh. Wilhelmsen Holding ASA	Norway	340	1.9x	16.4%	8.7%	0.6x	0.5x	0.5x	3.6x	3.2x	3.2x	6.2x	6.0x	6.0x
	Median				15.1%	6.9%	1.0x	0.9x	0.9x	5.7x	7.7x	6.7x	16.2x	16.9x	12.5x
Marine Broking															
	Braemar Shipping Services Plc	United Kingdom	107	1.8x	12.6%	9.6%	1.0x	0.9x	0.8x	9.1x	7.1x	6.4x	12.6x	9.3x	8.2x
	Clarkson PLC	United Kingdom	1,053	n/a	18.7%	15.0%	2.9x	2.7x	2.6x	17.5x	14.3x	13.9x	22.7x	17.9x	17.2x
	Median				15.6%	12.3%	1.9x	1.8x	1.7x	13.3x	10.7x	10.1x	17.7x	13.6x	12.7x
Satcom															
	KVH Industries, Inc.	United States	118	n/a	4.2%	nmf	1.0x	0.9x	0.8x	nmf	21.9x	10.6x	nmf	nmf	nmf
	SES S.A.	Luxembourg	5,733	2.9x	60.1%	22.0%	3.4x	3.7x	3.7x	5.6x	6.2x	6.2x	14.6x	16.9x	17.1x
	Viasat, Inc.	United States	4,635	3.4x	24.2%	4.7%	2.8x	2.4x	2.1x	14.0x	9.8x	8.2x	nmf	50.0x	39.2x
	Median				24.2%	13.4%	2.8x	2.4x	2.1x	9.8x	9.8x	8.2x	14.6x	33.4x	28.2x

Note: Multiples are based on enterprise value as of 30 September 2021 and historical and forecast sales, EBITDA and EBIT, calendarised to 31st of December

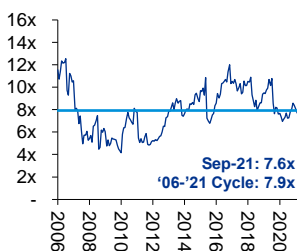
"nmf": not meaningful; "n/a": not available

Sector valuation through the cycle (EV/LTM EBITDA)

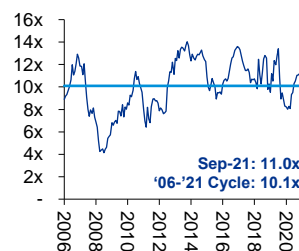
Shipyards Commercial



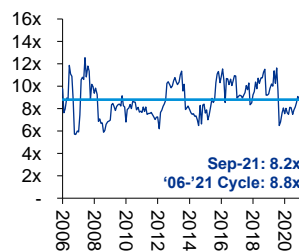
Shipyards Defence



Strategic Marine



Marine Services



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

- Sep 21 – Ocean Technologies Group acquired **Compas**, a crew management SAAS provider to the maritime industry
- Sep-21 – KPLER acquired **ClipperData**, a provider of real-time commodities flow information across the bulk commodity spectrum
- Sep 21 – Lloyds Register acquired **Greensteam**, a marine data intelligence company specialising in improving vessel efficiency through machine learning

Marine Services

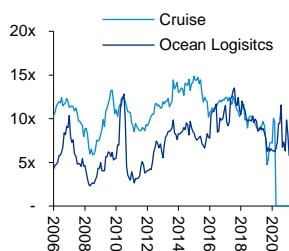
- Jul 21 – Groupe Benetau & PFF entered a joint venture to acquire **Dream Yacht Charter**, a France-based leisure boat charter company
- Aug 21 – Fincantieri acquired **Team Turbo Machines**, a provider of maintenance, repair, and reconstruction of turbo-alternators, hydraulic turbines, and auxiliaries
- Aug 21 – Providence Equity Partners acquired **Marlink**, a provider of commercial satellite communications services

Marine Hardware

- Jul 21 – Alfa Laval acquired **Marine Performance Systems**, a provider of advanced fluidic air lubrication technology
- Jul 21 – Flensburger Schiffbau Gesellschaft acquired **Nobiskrug**, a German manufacturer of superyachts
- Aug 21 – Langley Holdings acquired **Bergen Engines**, a Norway-based manufacturer of medium speed gas and diesel engines
- Sep 21 – SVANEHØJ Danmark acquired **Wärtsilä's Tank Control Systems business**, which designs, manufactures, sells, and services high-end measurement systems for gas tanks
- Sep 21 – China International Marine Containers acquired **Maersk Container Industry**, a manufacturer of dry containers, reefer containers and refrigeration machines

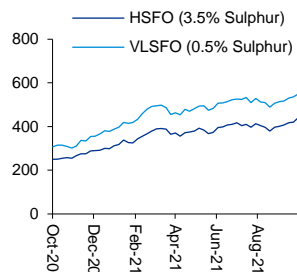
Marine market KPIs

Cruise and Ocean Logistics (EV/ LTM EBITDA)



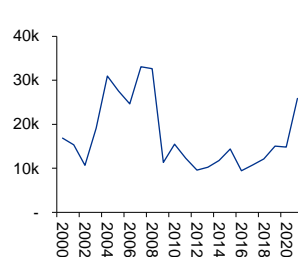
Source: Capital IQ

Bunker prices Rotterdam (\$/tonne)



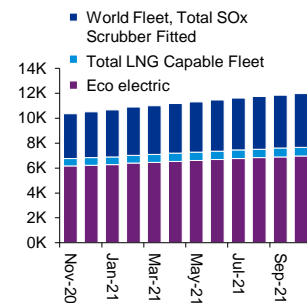
Source: Clarksons

ClarkSea Index (\$/day)



Source: Clarksons

Alternative Fuel Usage Number of vessels

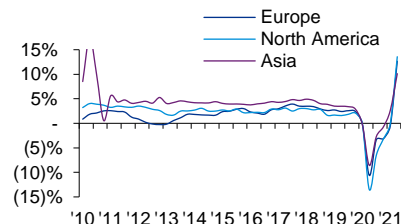


Source: Clarksons

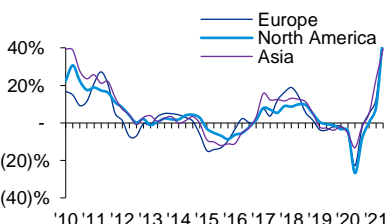
Note: From Q4 2020 to Q3 2021, all cruise comparable companies had negative earnings

Economic Indicators

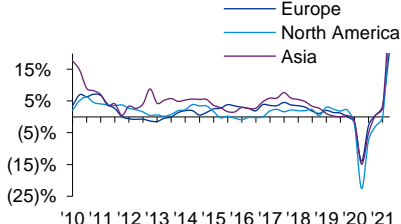
GDP growth (y-o-y)



Global trade (y-o-y)



Industrial production (y-o-y)



Industry update - Marine

Longstanding KPMG global network marine credentials

Sealite
SPX

Acted as financial advisor to Sealite Pty. Ltd. on its sale to SPX Corporation

2021

Marine aids to navigation products

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

2020

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

2020

Digital freight execution platform

GNS
CORNES

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

2019

Digital navigation and voyage compliance platform

GEV
Bridges

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

2019

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

2018

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

2018

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

2017

Marine geophysical and environmental surveys

Docmap
ChartCo
OneOcean

Acted as financial adviser to ChartCo on the acquisition of Docmaps

2017

Marine safety and compliance software

TMC
BUREAU VERITAS

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

ChartCo
OneOcean
EQUISTONE

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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