

## Tombstones – selected transaction experience

<b>thl</b> Lead financial advisor to THL Holdings on its joint venture with Thor Industries  c.US\$90m February 2018	<b>macpac</b> Lead financial advisor to CHAMP Ventures in relation to its sale of Macpac to Super Retail Group  \$144m February 2018	<b>ASCOT RADIOLGY</b> Lead financial advisor to the shareholders of Ascot Radiology on the acquisition of Abano Healthcare's 71% shareholding in Ascot Radiology  \$17m December 2017	<b>PROVINCIAL EDUCATION GROUP</b> Lead financial advisor to Provincial Education Group in relation to its successful growth capital raise  Not disclosed August 2017	<b>aciem</b> Lead financial advisor to the management team of Aciem Limited in relation to their buy-out of the NZ loyalty solutions business from listed Canadian parent Aimia Inc.  Not disclosed May 2017
<b>bp</b> Lead financial advisor to BP Oil New Zealand Limited in relation to the merger of McFall Fuel Limited and Rural Fuel Limited  Not disclosed March 2017	<b>simplhealth</b> Lead financial advisor to SimplHealth Solutions Limited in relation to its sale of its business and assets to Whanau Tahi Limited  Not disclosed August 2016	<b>iNVENTCO</b> Capital structure and commercial advisory assignment  August 2016	<b>MAS</b> Lead financial advisor to Medical Assurance Society in relation to the partnership of its medical securities business with Westpac Bank  Not disclosed January 2016	<b>macpac</b> Lead financial advisor to Macpac in relation to its sale of shares to CHAMP Ventures  Not disclosed January 2016
<b>nature's countrygold</b> Lead financial advisor to Nature's Country Gold in relation to its sale of business and assets to Pacific Equity Partners  Not disclosed January 2016	<b>Ntec</b> Lead financial advisor to National Tertiary Education Consortium in relation to their 100% divestment to the Aspire2 Group as part of the consolidation led by Archer Capital  c.\$50m October 2015	<b>CallPlus</b> Sell-side advisor to Call Plus on their sale to M2  NZ\$250m 2015	<b>CALTEX</b> M&A advisory services to Chevron on the divestment of its New Zealand Caltex service station network  c.\$785m Pending December 2015	<b>Accent Group</b> Provided M&A advisory services to Accent Group leading up to and in respect of the recently announced transaction with RCG  A\$180m-A\$200m 2015
<b>BCS</b> Lead financial advisor to BCS Group in relation to their 80% divestment to Daifuku  Value not disclosed December 2014	<b>JP-NZ</b> Lead financial advisor to Juice Products New Zealand in relation to their 80% divestment to Sumitomo Corporation  Value not disclosed October 2014	<b>Acurity</b> Financial advisor to the Independent Directors of Acurity Health Group Limited in relation to the takeover offer from Connor Healthcare  c.\$156m August 2014	<b>Dorchester</b> Advisory services to Dorchester regarding their takeover of Turners Auctions Ltd  NZ\$82m October 2014	<b>STEELMASTERS</b> Lead advisor to Steelmasters' shareholders in their sale of shares to a financial investor and management  Value not disclosed June 2014
<b>TCL</b> Financial advisor to TCL in relation to its divestment to management  Value not disclosed 2014	<b>Mastagard</b> Lead advisor to Mastagard shareholders in their sale of shares to Enviro Waste Services Ltd  Value not disclosed May 2014	<b>dasko</b> Lead advisor to Dasko in their divestment to Hellaby Holdings Ltd  Value not disclosed April 2014	<b>EnviroWaste</b> Advised CKI on the acquisition of Envirowaste  Approximately \$490 million 2012	<b>Noel Leeming</b> Advised the Warehouse Group Limited on the acquisition of Noel Leeming  \$65 million 2012
<b>torpedo7.com.nz</b> Lead advisor to Torpedo7 shareholders in their sale of shares to the Warehouse Group Ltd  NZ\$33m 2013/2014	<b>MITSUI &amp; CO., LTD.</b> Advisor to Mitsui on its decision to divest its 35% share of the Tui Oil Field to a consortium of JV partners  Consideration not disclosed 2013	<b>Hiway Stabilizers</b> Acted as lead advisor to the shareholders of Hiway Stabilizers on their majority divestment to Direct Capital  Value not disclosed December 2011	<b>radius</b> Acted as lead advisor to Radius Health Group on its divestment of Radius Pharmacy to Pharmacybrands  \$35.1m 2011	<b>OLAM</b> Initiated transaction and acted as joint financial advisor to Olam International Limited on their substantial takeover of NZ Farming Systems Uruguay  NZ\$120m 2010



## Deal Advisory

# Mergers and Acquisitions



## Locally, we have a consistent track record as a top 3 M&A advisor<sup>1</sup>



### Dedicated local M&A team

- » Our senior team has experience gained at global investment banks and leading corporate finance houses.
- » Particular M&A experience across Agriculture, Telco, Education, Healthcare, Industrials, Retail, Financial Services and Manufacturing sectors.



### With a long-standing M&A presence in New Zealand

- » Proud record of client appraisals and repeat M&A clients.
- » Reputation for providing independent advice, strategic origination ideas, and when it comes to sale mandates – running smart and creative processes to maximise competitive tension.



### Our clients include private New Zealand corporates as well as NZX listed entities

- » Recent NZX listed mandates include advising Acurity on their takeover by Connor Healthcare, Dorchester on its takeover of Turners and Olam on its acquisition of NZ Farming Systems Uruguay and Open Country Dairy.

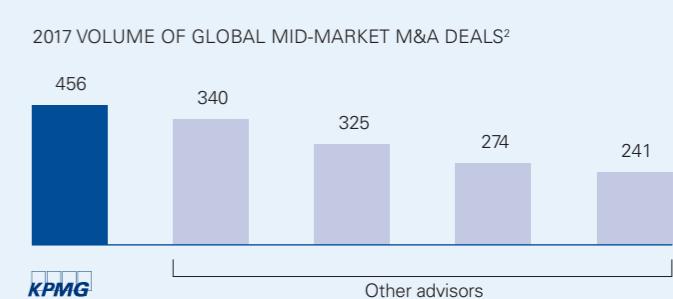


### Focused on the detail, and supported by a depth in expertise within KPMG

- » KPMG offers the full breadth of relevant transaction expertise (due diligence, valuation, tax, technical accounting) to support our M&A team as required in the documentation phase of a transaction.
- » We invest significant time researching the prospective buyers and undertaking a rigorous valuation exercise to carefully consider our sale process design tactics.

## Globally, we are supported by the #1 M&A network<sup>2</sup>

- » As a result, many of our local transactions are large, complex, and involve a foreign strategic purchaser.
- » Our global connectivity is unrivalled and importantly is at the 'right' level (Executive and Board member level), a critical factor in gaining swift traction with prospective buyers.
- » More importantly than scale, our network operates seamlessly.



Global	Americas	Europe, Middle East & Africa	Asia pacific	New Zealand
» 2,100+ CF professionals worldwide	» 290+ CF professionals	» 1,350+ CF professionals	» 450+ CF professionals	» 50+ CF professionals
» Offices in 82 countries with extensive cross-border abilities	» 30 offices in 7 countries	» 94 offices in 55 countries	» 21 offices in 12 countries	» 7 offices throughout New Zealand » 7 dedicated M&A professionals in Auckland

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<sup>1</sup> Based on deal volume, Thomsons. <sup>2</sup> Based on total deal volume over the 2017 calendar year period for transactions below \$500m, Thomsons.

## Mergers and Acquisitions – What we do



### Early discussions on long-term shareholder objectives

Our first conversations generally happen years before a transaction event, and often involve discussing shareholder and business objectives separately, as well as what the business should be considering to be “transaction ready” (governance, reporting, systems & processes, succession planning, business planning being examples). Early conversations are also often focused on educating clients about various exit mechanisms and their respective pro’s and con’s



### Analyse strategic options

If we’re engaged on the sell-side, we spend significant time understanding your business and industry before giving creative thought to the various categories of buyers (and at a high level their respective acquisition rationale). Once we’re clear on the various types of buyers, we do extensive desk-top research and complement this with insights from our partner and director network – both locally and globally. We ensure to understand prospective buyers intimately – their appetite for M&A, financial capacity, who their key decision makers are and how they ‘behave’ on deals all common screening criteria. The combination of these two points ensures the first approach to a prospective buyer is on a tailored and informed basis and pitched to the right person!



### Assess value

As part of our early workstreams (and before approaching a buyers(s) formally) we undertake valuation analysis, and importantly use valuation methodology that different types of buyer categories generally rely on. Private equity, local trade buyers and foreign trade buyers generally place different reliance on various valuation methodologies (transaction comparisons, trading comparisons, discounted cashflows, asset valuation, leveraged buyout models). We maintain a KPMG transactions database, which tracks data on actual prices paid for private businesses in New Zealand (over 500 transactions). We also have access to an extensive array of external research resources.



### Prepare marketing materials

We spend considerable time compiling investment memoranda, presentations and other marketing documents for clients. Ensuring buyers have sufficient information in a succinct format to make an informed offer is important. We are very focused on the use of examples and tangible proof points in crafting a strong value proposition for the new owner



### Identify key issues and messages

We identify and enhance positive business features which optimise likely outcomes. We also identify key business risks and outline mitigating factors. Given our depth of transaction experience, we know what works and may recommend key issues to be addressed before a transaction process is embarked upon.



### Project management/facilitation

Transaction processes are typically time intensive and require efficient process management. We allow management to get on with their day jobs (e.g. to achieve budget), minimising distraction and business disruption. Importantly, we ensure frequent and transparent communication with clients such that they are fully informed and retain control of important decisions.



### Completion support

Successful transaction processes are typically negotiated and documented. We support both processes and are often heavily involved to ensure the correct financial mechanisms and commercial parameters are put in place to maximise value and minimise risk for our client.

## What our clients say . . .

“KPMG achieved a fantastic result by running a fast and efficient process, visiting a vast buyer pool (in person) across a very short time period, working under pressure demonstrating extreme commitment to the deal (working day and night) given tight timeframes, and utilising smart and creative sale process tactics – all the while, proving to be great people to work with.”

**Chris Giufre – Managing Director, Wraith Capital (2017)**

“Simpl’s Board and Shareholders are very pleased with their selection of KPMG as principal advisors on the sale of the business. We achieved a positive outcome with a minimum level of stress.”

**Bennett Medary – Founder and Shareholder, SimplHealth (2016)**

“We were continually impressed with the knowledge and dedication of the KPMG deal team. We couldn’t have asked for better service and advice; nothing was too much trouble, with the team often working late into the night to secure the best deal for Macpac. An exceptional team which produced an exceptional result.”

**Alex Brandon – CEO and Shareholder, Macpac (2016)**

“CallPlus has worked with KPMG Deal Advisory since 2011 and received invaluable debt financing, acquisition and sale advice during this period. The team has an immense depth of experience and calmness ‘at the coalface’ in all aspects of transaction management, structuring and negotiation. No matter how fast a response was needed, how complex the situation or how much pressure was ‘in play,’ KPMG went above the call of duty to deliver what CallPlus needed, when it was needed - even if an all night vigil was required!”

**Mark Callandar – CEO, CallPlus (2015)**

“Ours was a complex transaction involving multiple parties, which was concluded during a 12 month period. Without KPMG being at our side every step of the way, we wouldn’t have achieved the outcome we did - namely a successful trade sale.”

**Ansari Ma & Isaac Phua – Directors NTEC (2015)**

KPMG’s advice in assessing BCS’ strategic alternatives and eventually the execution of a sale process was superb. The KPMG team worked seamlessly with BCS executives and other advisors involved with the transaction for over a year. The friendly yet professional manner in which we collectively operated was a pleasure to be a part of and our relationship and trust with KPMG further enhanced as a result”

**Steve Fullerton – CFO, BSC Group (2014)**

“KPMG’s team acted swiftly to provide the Independent Director’s with thorough advice and within a demanding timetable. The materials KPMG presented to the Independent Director’s were comprehensive, yet very well presented and thought through which made for an easy and enjoyable read.”

**Alan Isaac - Chairman, Acurity (2014)**

“KPMG were great to work with. They provided professional advice at timely stages, outlining the options to help our decision making and provided valuable negotiation advice and assistance. Once the transaction completed, KPMG were committed to staying involved and supporting our interests.”

**Guy Howard-Willis – Director, Torpedo7 (2013)**

## Team CV's

### Auckland staff



#### **Gary Ivory, Partner (Head of M&A)**

Gary has over 25 years experience in the field of corporate finance and has initiated and participated in assignments including company mergers and acquisitions, major project and structured financings, public listings, private debt and equity raising, and management buy-outs. Gary has an extensive knowledge of many companies in New Zealand and maintains an extensive network of business contacts. Recent deals include advising BP Oil New Zealand Limited on the merger of McFall Fuel Limited and Rural Fuel Limited, the management team of Aciem Limited on their buy-out of the NZ loyalty solutions business from Aimia Inc. and lead sell side roles for Mitsui E&P Australia, Olam International, Torpedo7, Macpac, MAS, Nature’s Country Gold, Dasko and SimplHealth.

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#### **Nick McKay, Partner**

Nick joined KPMG New Zealand in early 2013 having spent five years working in Sydney in investment banking with Merrill Lynch and Barclays. Nick has ten years of experience in corporate finance and investment banking with a focus on both buy side and sell side M&A advisory mandates.

Key completed mandates Nick has executed at KPMG New Zealand include advising Champ Ventures on the sale of Macpac to Super Retail Group, Provincial Education Group on its successful growth capital raise, BP Oil New Zealand Limited on the merger of McFall Fuel Limited and Rural Fuel Limited, Macpac’s sale to Champ Ventures, BCS Group’s sale to Daifuku, Chevron’s sale of Caltex New Zealand to Z Energy, Juice Products New Zealand’s sale to Sumitomo Corporation, National Tertiary Education Consortium’s sale to Aspire2 (Archer Capital), Dorchester Pacific on its acquisition of Turners Auctions and Acurity Health Group (advisor to the Board) on its sale to Connor Healthcare, SimplHealth on its sale to Whānau Tahi Limited and Invenco on a capital structure and commercial advisory assignment.

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#### **Rupert Carlyon, Director**

Rupert joined KPMG from Tower Insurance where he headed up Strategy and Investor Relations. Prior to this Rupert spent 10 years at UBS in London and New Zealand advising a range of clients across M&A, capital markets and corporate broking. While at UBS, Rupert led a number of transactions across a variety of sectors including food and beverage, financial services and wood products.

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#### **James Peterson, Associate Director**

James has experience in M&A, financial restructuring and financial consultancy and has worked in the United Kingdom, Asia and New Zealand. Following time working at PwC in Auckland and KPMG in London, he subsequently held industry roles in the UK and Hong Kong. Recent experience with KPMG includes advising Provincial Education Group on its successful growth capital raise, the management team of Aciem Limited on their buy-out of the NZ loyalty solutions business from Aimia Inc., PowerSmart NZ Limited on their sale to Vector Limited, Nature’s Country Gold on their sale to Pacific Equity Partners, SimplHealth on its sale to Whānau Tahi Limited and Macpac on its sale to Champ Ventures.

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#### **Martin Ooi, Senior Analyst**

Martin joined KPMG Auckland’s M&A team in September 2015 after having spent four years at EY in Malaysia providing M&A and corporate finance advisory services across various industries. Whilst at KPMG Martin has advised SimplHealth on its sale to Whānau Tahi Limited and BP Oil New Zealand Limited on the merger of McFall Fuel Limited and Rural Fuel Limited as well as a number of ongoing mandates.

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#### **Cameron Judge, Senior Analyst**

Cameron joined KPMG Auckland’s office in April 2016 following two years of institutional banking experience at BNZ. Whilst at KPMG Cameron has advised BP Oil New Zealand Limited on the merger of McFall Fuel Limited and Rural Fuel Limited, Invenco on a capital structure and commercial advisory assignment as well as a number of ongoing mandates.

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#### **Jeremy Carter, Analyst**

Jeremy joined KPMG Auckland’s M&A team in February 2018 following 3 years as a Commercial Analyst at Fletcher Building.

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### Wellington and Hamilton staff



#### **Troy Newton Partner (Wellington)**

In a 28 year career with KPMG, Troy has worked on projects spanning industry and regulatory reform, business valuation, commercial due diligence, project financing, privatisation and M&A throughout New Zealand, Australia and Asia. Recent experience includes advising Foodstuffs Wellington as it assessed a merger with Foodstuffs Auckland and various streams of advice to AMP Capital in relation to its investment in Powerco.

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#### **Keith Richards, Associate Director (Hamilton)**

Keith is a UK qualified Chartered Accountant with over 15 years experience in M&A, valuation and financial due diligence in the UK and New Zealand, including 7 years with a Big 6 accountancy firm in London. Recent experience with KPMG includes the lead sell side role for Nature’s Country Gold in their sale to Pacific Equity Partners and advising on the sale of the ISL animal Health & NJ Phillips business owned by Forlong & Maisey to Simcro.

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