

# Industry update - Marine

## Key market drivers



## Valuation of selected market players

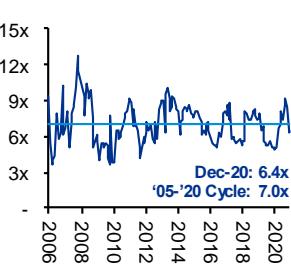
GBP m	Company	Country	Adjusted Enterprise Value	Net Debt/ EBITDA		EBIT Margin		Sales		Enterprise Value as a multiple of:				
				2020A	2020A	2020A	2019A	2020A	2021F	2019A	2020A	2021F	2019A	
<b>Shipyards: Commercial</b>														
Daewoo Shipbuilding & Marine Engineering Co., Ltd.	South Korea	2,731	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%	0.7x	0.7x	0.7x	5.7x	14.4x	14.2x	nmf	318x	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	1x	1x	10x	nmf	nmf	nmf	nmf	nmf	nmf
<b>Median</b>			<b>6.0%</b>	<b>3.2%</b>	<b>0.6x</b>	<b>0.6x</b>	<b>0.6x</b>	<b>9.0x</b>	<b>7.8x</b>	<b>12.3x</b>	<b>11.6x</b>	<b>13.4x</b>	<b>27.0x</b>	
<b>Shipyards: Defence</b>														
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	1.4x	12.3%	10.1%	10x	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%	10x	10x	10x	7.8x	8.0x	10.3x	114x	117x	16.9x
<b>Median</b>			<b>10.2%</b>	<b>7.1%</b>	<b>0.8x</b>	<b>0.8x</b>	<b>0.7x</b>	<b>8.2x</b>	<b>7.8x</b>	<b>7.9x</b>	<b>11.5x</b>	<b>10.4x</b>	<b>12.3x</b>	
<b>Strategic Marine</b>														
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%	1x	10x	0.9x	11.9x	8.1x	7.4x	20.8x	13.2x	11.4x
Palfinger AG	Austria	1335	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	1.6x	9.5%	6.5%	1x	1.2x	1.2x	11.4x	12.2x	10.9x	15.5x	17.8x	15.1x
<b>Median</b>			<b>11.4%</b>	<b>6.9%</b>	<b>1.1x</b>	<b>1.0x</b>	<b>0.9x</b>	<b>11.4x</b>	<b>9.8x</b>	<b>8.6x</b>	<b>14.5x</b>	<b>14.8x</b>	<b>12.6x</b>	
<b>Marine Services</b>														
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%	1x	13x	12x	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%	10x	1.1x	10x	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
<b>Median</b>			<b>13.5%</b>	<b>5.2%</b>	<b>0.9x</b>	<b>0.9x</b>	<b>0.8x</b>	<b>7.1x</b>	<b>6.7x</b>	<b>6.0x</b>	<b>12.2x</b>	<b>18.4x</b>	<b>11.3x</b>	
<b>Marine Broking</b>														
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
<b>Median</b>			<b>14.2%</b>	<b>10.6%</b>	<b>1.3x</b>	<b>1.4x</b>	<b>1.3x</b>	<b>8.7x</b>	<b>9.1x</b>	<b>8.4x</b>	<b>11.4x</b>	<b>12.1x</b>	<b>10.7x</b>	
<b>Satcom</b>														
KVH Industries, Inc.	United States	130	n/a	4.4%	nmf	1x	1x	10x	nmf	nmf	17.5x	nmf	nmf	nmf
RigNet, Inc.	United States	164	3.1x	16.6%	nmf	0.9x	1x	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	3.7x	n/a	n/a	nmf	n/a	n/a	n/a
<b>Median</b>			<b>10.5%</b>	<b>-10.8%</b>	<b>0.9x</b>	<b>1.1x</b>	<b>1.0x</b>	<b>5.4x</b>	<b>6.5x</b>	<b>11.6x</b>	<b>nmf</b>	<b>nmf</b>	<b>nmf</b>	

Note: Multiples are based on enterprise value as of 31 December 2020 and historical and forecast sales, EBITDA and EBIT, calculated as of 31<sup>st</sup> of December

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

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

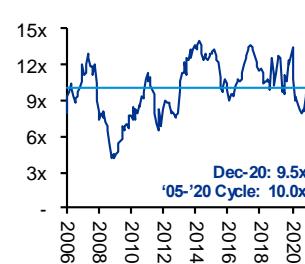
### Shipyards Commercial



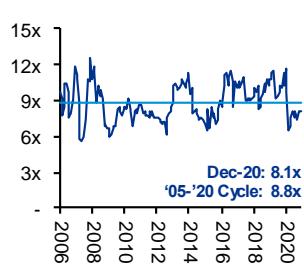
### Shipyards Defence



### Strategic Marine



### Marine Services



# 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 & offshore markets
- Nov 20 – Arribatec Solutions acquired **IB Marine Group**, an 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

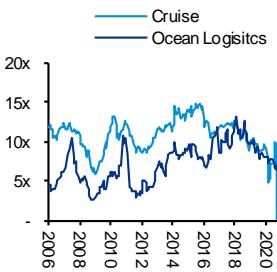
- Sep 20 – Evergreen Capital has acquired **Wärtsilä Valves**, a manufacturer of NAB and duplex valves
- Sep 20 – A consortium is acquiring **Hanjin Heavy Industries and Construction Philippines**, owner of the biggest shipyard in Subic Bay
- Sep 20 – **Cargotec** and **Konecranes** have agreed to merge,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

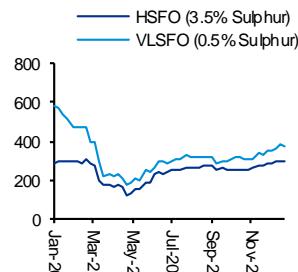
## Marine market KPIs

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



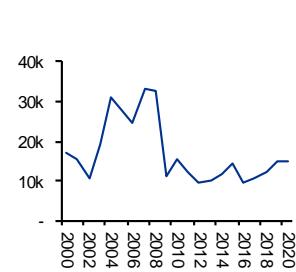
Source: Capital IQ

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



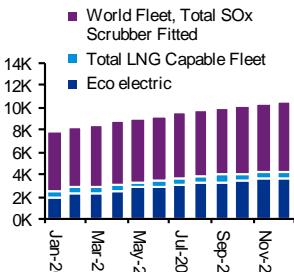
Source: Clarksons

### ClarkSea Index (\$/day)



Source: Clarksons

### Alternative Fuel Usage Number of vessels

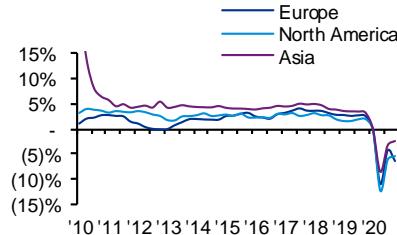


Source: Clarksons

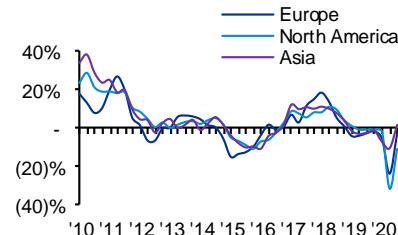
Note: In Q4 2020, all cruise comparable companies had negative earnings

## Economic Indicators

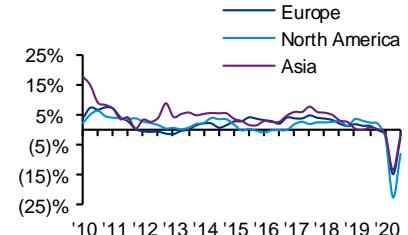
### GDP growth (y-o-y)



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



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



# Industry update - Marine

## Longstanding KPMG global network marine credentials






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

2021

E-learning and crew competence solutions






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






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

2021

Digital freight execution platform






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

2021

Digital navigation and voyage compliance platform






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

2021

Offshore wind turbine blade repair and maintenance






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






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






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

2021

Marine geophysical and environmental surveys






Acted as financial adviser to ChartCo on the acquisition of Docmaps

2021

Marine safety and compliance software






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

2021

Pre and post casualty advice and support to the marine industry






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






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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