

Industry update - Marine

Key market drivers



Valuation of selected market players

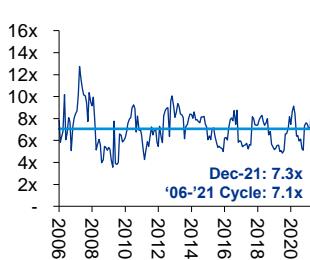
GBPm	Company	Country	Value	Adjusted Enterprise	Leverage	EBITDA	EBIT Margin	Enterprise Value as a multiple of:						
								Sales	EBITDA	EBIT	2020A	2021F	2022F	
Shipyards: Commercial														
Daewoo Shipbuilding & Marine Engineering Co., Ltd.	South Korea	2,111	n/a	nmf	nmf	0.4x	0.7x	0.5x	13.2x	nmf	25.5x	27.8x	nmf	nmf
Korea Shipbuilding & Offshore Engineering Co., Ltd.	South Korea	5,383	0.9x	nmf	nmf	0.5x	0.6x	0.5x	16.6x	nmf	11.7x	nmf	nmf	24.9x
Mitsubishi Heavy Industries, Ltd.	Japan	12,445	4.0x	7.9%	3.4%	0.5x	0.5x	0.5x	5.9x	6.6x	6.0x	30.6x	15.4x	10.9x
Samsung Heavy Industries Co., Ltd.	South Korea	4,565	n/a	nmf	nmf	1.0x	1.1x	1.1x	nmf	nmf	nmf	nmf	nmf	nmf
Median				7.9%	3.4%	0.5x	0.6x	0.5x	13.2x	6.6x	11.7x	29.2x	15.4x	17.9x
Shipyards: Defence														
Austal Limited	Australia	301	n/a	9.7%	6.9%	0.3x	0.4x	0.4x	3.6x	3.8x	3.8x	4.8x	5.4x	5.4x
BAE Systems plc	United Kingdom	20,940	1.4x	12.9%	10.2%	1.1x	1.0x	0.9x	9.1x	7.6x	7.1x	12.2x	9.5x	8.9x
Fincantieri S.p.A.	Italy	3,951	8.2x	6.8%	4.2%	0.8x	0.7x	0.6x	15.6x	10.3x	8.7x	35.2x	16.6x	13.0x
Huntington Ingalls Industries, Inc.	United States	7,720	3.2x	9.8%	5.5%	1.1x	1.1x	1.0x	8.6x	11.2x	9.4x	11.1x	19.9x	16.4x
Median				9.7%	6.2%	0.9x	0.8x	0.8x	8.9x	8.9x	7.9x	11.6x	13.1x	11.0x
Strategic Marine														
Alfa Laval AB (publ)	Sweden	13,078	1.0x	20.5%	15.5%	3.5x	3.9x	3.4x	17.6x	19.2x	16.2x	23.2x	25.4x	20.5x
Cargotec Corporation	Finland	2,722	1.2x	11.8%	8.0%	0.9x	1.0x	0.8x	9.6x	8.2x	6.8x	15.0x	12.1x	9.1x
Kongsberg Gruppen ASA	Norway	3,851	n/a	14.8%	10.5%	1.8x	1.7x	1.5x	14.3x	11.5x	10.4x	20.9x	16.2x	14.3x
Palfinger AG	Austria	1,424	1.7x	13.2%	8.6%	1.0x	0.9x	0.9x	10.4x	7.2x	6.5x	17.5x	11.0x	9.5x
Wärtsilä Oyj Abp	Finland	6,381	0.6x	11.0%	7.8%	1.5x	1.7x	1.5x	18.9x	15.1x	12.2x	29.8x	21.3x	16.2x
Median				13.2%	8.6%	1.5x	1.7x	1.5x	14.3x	11.5x	10.4x	20.9x	16.2x	14.3x
Marine Services														
Babcock International Group PLC	United Kingdom	2,961	4.4x	7.3%	2.1%	0.7x	0.7x	0.7x	nmf	9.4x	6.3x	nmf	32.6x	11.1x
Mintra Holding AS	Norway	53	n/a	24.8%	11.8%	3.0x	2.6x	2.6x	8.9x	10.7x	8.2x	11.7x	22.5x	14.3x
James Fisher and Sons plc	United Kingdom	390	3.0x	14.5%	6.2%	0.8x	0.8x	0.8x	nmf	5.5x	5.1x	nmf	12.9x	11.4x
Royal Boskalis Westminster N.V.	Netherlands	2,514	n/a	16.0%	6.4%	1.1x	1.0x	1.0x	7.5x	6.6x	5.7x	24.9x	16.3x	12.3x
Wilh. Wilhelmsen Holding ASA	Norway	387	2.0x	17.0%	9.0%	0.7x	0.6x	0.6x	4.1x	3.6x	3.5x	7.0x	6.8x	6.4x
Median				16.0%	6.4%	0.8x	0.8x	0.8x	7.5x	6.6x	5.7x	11.7x	16.3x	11.4x
Marine Broking														
Braemar Shipping Services Plc	United Kingdom	111	1.8x	12.8%	8.3%	1.0x	1.0x	1.0x	9.5x	8.0x	7.4x	13.1x	12.2x	10.0x
Clarkson PLC	United Kingdom	1,079	n/a	20.0%	16.0%	3.0x	2.6x	2.5x	17.9x	13.1x	13.3x	23.3x	16.4x	16.4x
Median				16.4%	12.2%	2.0x	1.8x	1.7x	13.7x	10.5x	10.4x	18.2x	14.3x	13.2x
Satcom														
KVH Industries, Inc.	United States	111	n/a	5.0%	nmf	1.0x	0.9x	0.8x	nmf	17.6x	10.1x	nmf	nmf	nmf
SES S.A.	Luxembourg	5,330	2.9x	60.5%	21.9%	3.2x	3.6x	3.6x	5.2x	5.9x	5.9x	13.6x	16.2x	16.3x
Viasat, Inc.	United States	4,137	3.6x	24.0%	4.4%	2.5x	2.1x	1.8x	12.5x	8.7x	6.9x	nmf	47.4x	34.8x
Median				24.0%	13.2%	2.5x	2.1x	1.8x	8.8x	8.7x	6.9x	13.6x	31.8x	25.5x

Note: Multiples are based on enterprise value as of 31 December 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



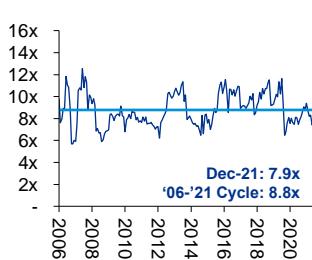
Shipyards Defence



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

- Dec 21 – **Windward**, a predictive maritime intelligence firm, listed on the London Stock Exchange's AIM market
- Dec 21 – Navtor acquired **Ingenium Marine**, a provider of digital logbooks
- Nov 21 – **Wartsila Voyage** signed a strategic partnership with Maritime and Port Authority of Singapore to co-develop smart port solutions
- Oct 21 – Ocean Technologies acquired **Netvision**, a provider of crew management software packages

Marine Services

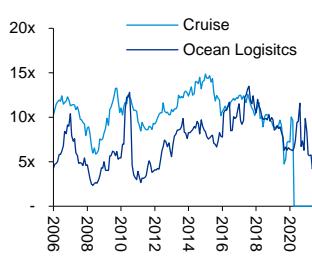
- Dec 21 – Maersk acquired **LF Logistics**, a provider of logistics services
- Nov 21 – DNV acquired **Applied Risk**, a provider of industrial cyber security specialist services for maritime industry
- Nov 21 – ViaSat acquired **Inmarsat**, a provider of global mobile satellite communications services
- Nov 21 – Carlyle Group and Stellex Capital acquired **IMIA**, a supplier of marine services for the maintenance, repair and overhaul and new construction of United States Navy vessels
- Nov 21 – CMA CGM announced the acquisition of **Fenix Marine Services**, an operator of container terminals

Marine Hardware

- Dec 21 – Fairbanks Morse Defense acquired **Welin Lambie**, a manufacturer of davits used for launch and recovery of craft from ships or shore based installations
- Dec 21 – The Italian Sea Group acquired **Perini Navi** out of bankruptcy, a yacht manufacturer
- Dec 21 – Groupe Beneteau acquired **Rodman Lusitania**, a Portuguese powerboats shipyard
- Dec 21 – Boulda Towage acquired **Scottish Towage**, Caledonia's towage activities and marine operations
- Nov 21 – Survitec acquired **Blue Anchor Fire & Safety**, a provider of survival solutions to fisheries and maritime industries
- Nov 21 – LBO France and Existing Management acquired **Alliance Marine**, distributor of marine equipment and provider of technical services and solutions for yacht and boat builder
- Nov 21 – Ernstomgruppen acquired **Daniaman**, a manufacturer of survivor location lights
- Oct 21 – OneWater Marine acquired **T-H Marine Supplies**, a manufacturer of boat parts, accessories and apparel
- Oct 21 – China International Marine Containers acquired **AP Moller-Maersk's** container manufacturing unit

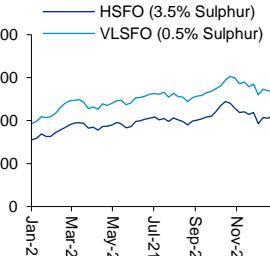
Marine market KPIs

Cruise and Ocean Logistics (EV/ LTM EBITDA)



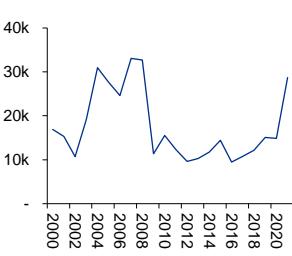
Source: Capital IQ

Bunker prices Rotterdam (\$/tonne)



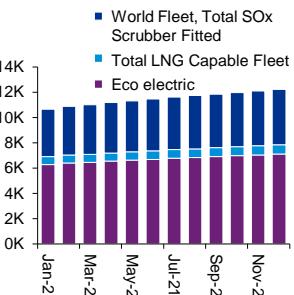
Source: Clarksons

ClarkSea Index (\$/day)



Source: Clarksons

Alternative Fuel Usage Number of vessels

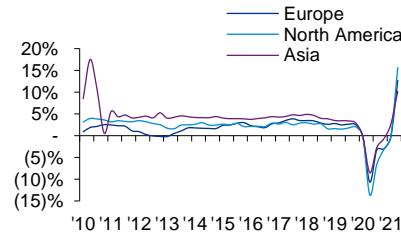


Source: Clarksons

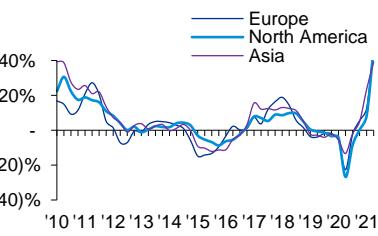
Note: From Q1 2021 to Q4 2021, all cruise comparable companies had negative earnings

Economic Indicators

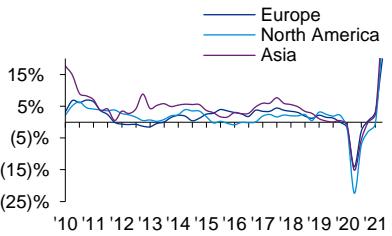
GDP growth (y-o-y)



Global trade (y-o-y)

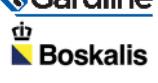


Industrial production (y-o-y)



Industry update - Marine

Longstanding KPMG global network marine credentials

   <p>Acted as financial advisor to Sealite Pty. Ltd. on its sale to SPX Corporation</p> <p>2021</p> <p>Marine aids to navigation products</p>	   <p>Acted as financial advisor to Safebridge on the sale of the business to Mintra Holding</p> <p>2021</p> <p>E-learning and crew competence solutions</p>	   <p>Acted as financial advisor to Rescompany Systems on the sale of the business to The Schulte Group</p> <p>2020</p> <p>Hospitality software solutions to the cruise industry</p>	   <p>Acted as financial advisor to Cracking Logistics on the sale of the business to The Descartes Systems Group Inc</p> <p>2020</p> <p>Digital freight execution platform</p>
  <p>Acted as financial advisors to Phoenix Equity on the sale of Global Navigation Solutions to CORNES Chart Group</p> <p>2019</p> <p>Digital navigation and voyage compliance platform</p>	  <p>Acted as financial advisor on the sale of GEV Group to Bridges fund management</p> <p>2019</p> <p>Offshore wind turbine blade repair and maintenance</p>	  <p>Acted as exclusive financial advisor to the shareholders of Class NK on the sale of Helm Operations to Volaris</p> <p>2018</p> <p>Operations software for the tug and barge and OSV industries</p>	  <p>Acted as financial advisor to 3Si group on the sale of Ocean Safety, Typhoon International and Revere Survival to Alliance Marine Group</p> <p>2018</p> <p>Marine safety and protective equipment; lifejackets, rafts, suits</p>
  <p>Acted as financial advisor to the shareholders of Gardline on the sale of the company to Boskalis</p> <p>2017</p> <p>Marine geophysical and environmental surveys</p>	  <p>Acted as financial adviser to ChartCo on the acquisition of Docmaps</p> <p>2017</p> <p>Marine safety and compliance software</p>	  <p>Acted as financial advisor to ECI partners on the sale of their marine asset ChartCo to Equistone Private Equity</p> <p>2016</p> <p>Digital navigation and voyage compliance platform</p>	  <p>Acted as exclusive financial advisor to the shareholders of TMC Marine on the sale of the company to Bureau Veritas</p> <p>2016</p> <p>Pre and post casualty advice and support to the marine industry</p>

Our Sector Experts



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