Grant Thornton
An instinct for growth™

PROVIDING MARKET INSIGHT APRIL 2013

Dealtracker

Flight to quality

Contents

Foreword

This edition of Dealtracker – Flight to quality covers Australian mergers and acquisitions (M&A) and equity market activity during the 18 month period to 31 December 2012. Our analysis shows a decline in median transaction valuation multiples when compared to the preceding 18 month period, however high multiples are being paid for companies with strong growth prospects.

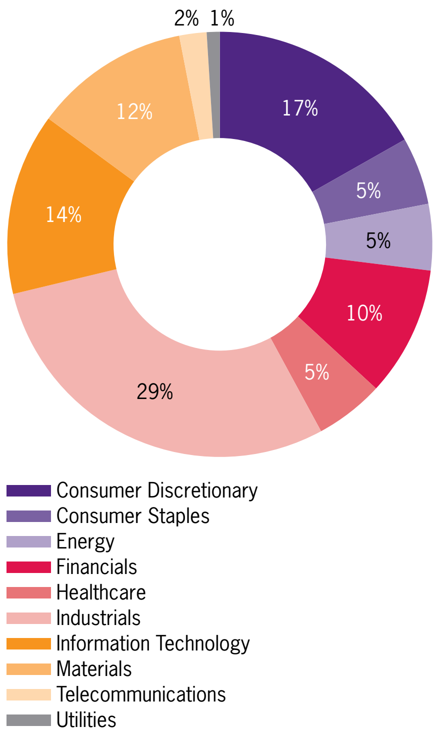
The reduced valuation multiples during the Dealtracker period are not surprising. Investors continued to approach transactions with caution given the financial crisis in Europe, the slowdown in the mining boom, the poor retail conditions, the uncertain political environment and concerns of weaker growth rates in China.

Lower valuation multiples were also observed in the share market during this Dealtracker period. Share prices fell around May 2012 when concerns around the debt crisis in Europe heightened. The low share prices and the general economic uncertainty also had a direct impact on the level of Initial Public Offering (IPO) activity, with IPO capital raisings also being at low levels.

The good news is that our detailed analysis of the multiples shows that some high valuation multiples were achieved on transactions where the growth prospects of the target was strong. This was particularly evident in growth industries, such as the mining services and the health and aged care industries. Businesses with leading market positions in niche markets have also attracted high multiples.

Despite the lower level of transaction multiples, we are confident that the M&A activity will improve in the medium term. There are a number of investors actively looking for acquisition targets and the banks are also keen to fund quality transaction opportunities. There are a number of purchasers chasing the same deals, which is driving up the valuation multiples achieved for some businesses.

Deals by sector (1012 deals)



"Whilst a large number of private businesses in Australia are expected to change owners in the medium term to longer term, many have been deferring sales processes in the current market conditions. As vendors gain confidence in fair valuation multiples, we expect to see a gradual increase in deal activity."

Deal profiles

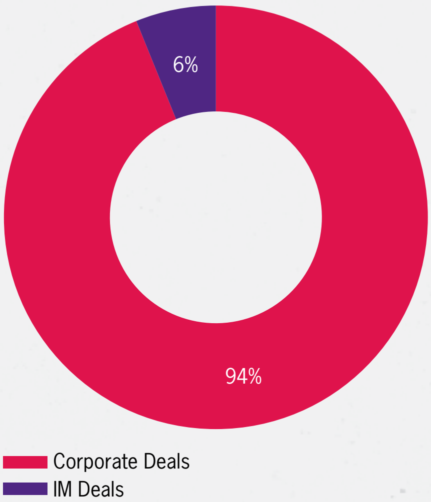
Introduction

The data in this report was compiled from several sources including, S&P Capital IQ, the Australian Securities Exchange, Mergermarket, IBISWorld, transaction surveys, company announcements and other publicly available documents. We have considered transactions during this period where the target company was resident in Australia and the acquirer gained control of the company.

Deal makers

The corporates were once again the dominant buyers, with 94% of acquirers being classified as Corporate M&A deals and 6% as Investment Manager ("IM") (Private Equity or Infrastructure) deals.

Dealmakers (1012 deals)



"Small and medium businesses (SMEs) were the predominant acquisition targets, with a high proportion of deals having transaction values of less than $100 million. This is considered reflective of the corporate landscape in Australia, where the majority of businesses are classified as SMEs."

Number of deals per transaction size range (1012 deals)

Tranaction Size Range	Number of Deals	% of total
Greater than $1 billion	14	1%
$500 - $999.9 million	16	2%
$100 - $499.9 million	89	9%
Less than $100 million	408	40%
Undisclosed	485	48%
	1,012	**100%**

Valuation multiples by target revenue size

Once again our analysis shows that size is definitely a determinant of value, with larger businesses generally transacting at higher multiples than smaller businesses. Nonetheless, the growth prospects of the target appears to be the key driver. Large businesses that operated in struggling industries, such as retail and printing, traded at significantly lower multiples than smaller businesses in high growth sectors.

Distribution of deals where we have been able to source valuation multiples (124 deals)

Revenue Range	Number of Deals	Current Dealtracker median EV/EBITDA multiples	*Prior Dealtracker median EV/EBITDA multiples
Less than $20 million	16	4.9	6.1
Between $20 million to $50 million	26	6.1	6.5
Between $50 million to $100 million	19	7.0	7.9
Between $100 million to $200 million	28	8.7	7.5
Between $200 million to $500 million	23	7.0	8.7
Over $500 million	12	8.9	9.8
	124		

*As per 2011 Dealtracker Publication (based on 197 deals) from 1 January 2010 to 30 June 2011

“Our analysis shows that quality small businesses in growth industries and/or with niche market positions have been able to achieve high valuation multiples, even in difficult market conditions.”

Businesses are often valued on a multiple of earnings before interest, tax, depreciation and amortisation (EBITDA). EBITDA is typically used as a measure of earnings for valuation purposes because it reflects the financial performance of the business prior to taking into account how it is funded. A multiple of EBITDA provides an Enterprise Value (EV) of the business (i.e. the value of the business before deducting net debt). The multiples included in the above table are based on the company's most recent historical financial information prior to the acquisition.

Overall, multiples paid for businesses of a similar size were lower in the 18 months to 31 December 2012, compared to the prior 18 month period. This correlates with our observations that vendors are reluctant to commence sales processes due to a lack of confidence in achieving a fair valuation in the current difficult market conditions. Potential vendors are also delaying sales due to concerns that their businesses are not currently performing at optimum levels.

Whilst the banks are willing to provide loans for quality opportunities, they have been lending at lower multiples than was seen prior to the global financial crisis (GFC). This has directly impacted the overall level of valuation multiples. We have also noticed that banks are continuing to be cautious and have been lending on tight terms and conditions and requiring more security.

Although lower than the prior period, the median EBITDA multiple businesses with revenues less than $20 million is still higher than the median that we would typically expect for businesses of this size. This is in part reflective of us only being able to source deal metrics for a limited proportion of the smallest deals.

Valuation multiples by target sector

Transactions and valuation multiples per target sector (124 deals)

	Number of Deals	Median EV (A$million)	Median target revenue (A$million)	Median target EBITDA (A$million)	Current Dealtracker Median EV/ EBITDA	*Prior Dealtracker median EV/ EBITDA multiples
Consumer Discretionary	23	85	88	11	7.5	8.9
Consumer Staples	11	270	340	31	9.8	8.5
Energy	5	57	40	13	5.1	6.4
Financials	11	263	126	39	10.8	7.4
Healthcare	10	92	45	12	8.6	10.9
Industrials	36	77	69	17	6.1	7.9
Information Technology	7	23	25	3	7.7	5.6
Materials (incl resources)	14	179	147	32	8.1	7.5
Telecommunications	5	105	115	17	7.0	5.7
Utilities	2	1,612	368	220	6.2	7.9
	124					

*As per 2011 Dealtracker Publication (based on 197 deals) from 1 January 2010 to 30 June 2011

The largest median multiple was in the financial services sector. Significant transactions in this industry that attracted above average multiples were Bendigo and Adelaide bank's acquisition of the Bank of Cyprus and Brookfield Asset Management's acquisition of Thakral Holdings Group.

The sector to achieve the second highest median EBITDA multiple was consumer staples. Transactions in this sector included SABMiller's acquisition of Foster's, Pacific Equity Partners' acquisition of a 50% interest in SCA Hygiene and Anglo-Gaelic Investment's acquisition of Little World Beverages.

Whilst some very high multiples were achieved in the Healthcare sector, the median multiple was lower than last year due to a few transactions occurring at relatively modest multiples.

Domestic vs international valuation multiples

Australia is considered an attractive place to invest

	Number of Deals	Median EV	Median target revenue (A$million)	Median target EBITDA (A$million)	Current Dealtracker median EV/ EBITDA multiples	*Prior Dealtracker median EV/ EBITDA multiples
Domestic	87	103	86	15	7.6	7.4
Cross border inbound	37	164	126	22	7.0	8.9
	124					

*As per 2011 Dealtracker Publication (based on 197 deals) from 1 January 2010 to 30 June 2011

Of the 37 international deals that we were able to source deal multiples for, 14 of the buyers were from North America, 11 were from Europe, 10 were from Asia, 1 was from New Zealand and 1 was from South America. Four of the North American buyers were private equity firms.

Many of the North American and European buyers were seeking to diversify outside their own markets, which generally offer limited prospects for growth.

Australia is seen as an attractive place to invest, given our relatively low level of government debt and our exposure to growth economies such as China and India. Many global investors are seeking to benefit from the growth in our region, without the perceived risks associated with a direct investment in these emerging economies.

Of the 10 Asian acquirers, four were from the People's Republic of China (PRC). Three of these PRC investors acquired businesses in the materials sector. Companies from Canada and Switzerland also acquired interests in our materials sector.

The other sectors to have the most overseas buyer activity were industrials (11 deals) and healthcare (4 deals).

Overall, the median multiple paid by international investors was lower than that paid by Australian businesses. However, we consider this to be more reflective of the industries in which these deals occurred than where the buyer was from.

Corporate M&A versus IM valuation multiples

Multiples – Corporate M&A vs IM (124 deals)

	Number of Deals	Median target revenue (A$million)	Median target EBITDA	Current Dealtracker median EV/EBITDA	*Prior Dealtracker median EV/EBITDA multiples
Corporate M&A Deals	104	83	19	7.6	7.6
IM Deals	20	127	16	6.7	6.8
	124				

*As per 2011 Dealtracker Publication (based on 197 deals) from 1 January 2010 to 30 June 2011

"Corporates can often afford to pay premium prices, but PE are becoming more price competitive."

Our analysis once again indicates that the median multiple paid by corporate buyers was higher than that paid by IM. Some corporates paid significant premiums to secure high quality businesses that provided them with strategic benefits.

We have observed that the level of appetite for acquisitions by both corporates and IM firms has been increasing. There are a large number of Australian corporates with strong balance sheets who are still keen to purse a growth strategy through acquisition. Furthermore, the Australian superannuation sector continues to raise large amounts of cash that needs to be invested and there is an increased interest by this sector in acquiring direct or indirect (through private equity) interests in quality private businesses.

Grant Thornton's Global Private Equity Report showed that there were a large number of Private Equity ("PE") firms currently seeking to make acquisitions. These PE firms are acknowledging that price has risen in importance for them as a deal-winning factor and consequently they are becoming more price competitive, which is driving up prices on some deals.

Despite the lower valuation multiples and more conservative mindset during the 18 months, private companies with a unique offering are more than ever attracting strong interest from PE and Corporate buyers.

Corporate M&A deals

Top Corporate deals (by deal value)

Buyer	Target	Target Sector	Deal value (A$million)
SABMiller plc	Foster's Group Ltd.	Consumer staples	12,323
PEAMCoal Pty Ltd	MacArthur Coal Ltd.	Materials (resources)	4,994
FOXTEL Cable Television Pty Ltd.	Austar United Communications Limited	Consumer discretionary	2,709
Australian Pipeline Trust	Hastings Diversified Utilities Fund (79.3% Stake)	Financials	2,454
Eldorado Gold Corporation	European Goldfields Limited	Materials (resources)	2,341
Whitehaven Coal Limited	Aston Resources Limited	Materials	2,251
News Limited	Consolidated Media Holdings Limited	Consumer discretionary	2,160
Government of Singapore Investment Corporation Pte Ltd.; Public Sector Pension Investment Board; Macquarie Capital Group Limited	Charter Hall Office Trust	Financials	1,665
Minmetals Resources Limited	Anvil Mining Limited	Materials (resources)	1,296
Miraculum Mineral Limited	Extract Resources Ltd.	Energy	1,244

IM deals

Top IM deals (by deal value)

Buyer	Target	Target Sector	Deal value (A$million)
CP2 (formerly Capital Partners)	ConnectEast Group (65% Stake)	Industrials	2,449
Bain Capital LLC	MYOB Limited	Information Technology	1,200
Pacific Equity Partners IV	SCA Hygiene Australia Pty. Ltd. (50% Stake)	Consumer staples	915
Blackstone Real Estate Advisors	Valad Property Group	Financials	640
Quadrant Private Equity Pty Limited	Barbeques Galore (Aust) Pty Ltd (60% Stake); Super A-Mart Pty. Ltd (60% Stake)	Consumer discretionary	500
Affinity Equity Partners	P&M Quality Smallgoods Pty Ltd (70% Stake)	Consumer staples	490
Crescent Capital Partners Limited	ClearView Wealth Limited	Financials	263
FleetPlus Pty Limited (MBO Vehicle)	FleetPlus Pty Limited (Majority Stake)	Industrials	160
Champ Private Equity	Oohmedia Group Limited (80.4% Stake)	Consumer discretionary	154

Share price performance of listed companies

We have derived median EV/EBITDA earnings multiples for the main ASX industry sectors since the impact of the GFC in 2008.

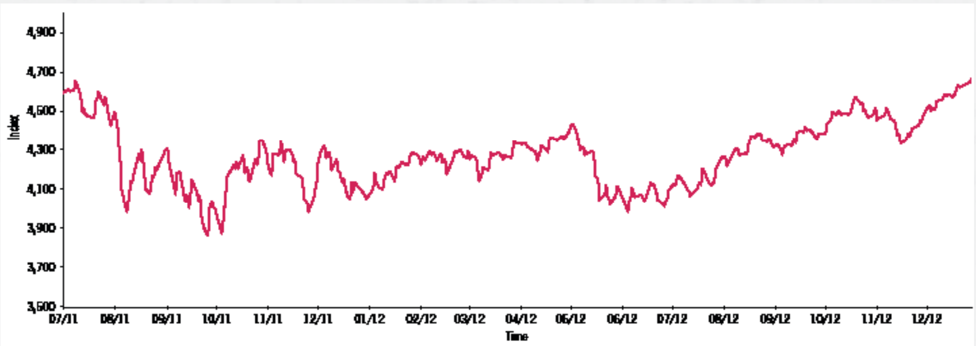
EBITDA multiples observed on the Australian Securities Exchange

	Median EV/ EBITDA	Median EV/ EBITDA	Median EV/ EBITDA	Median EV/ EBITDA	Median EV/ EBITDA	Median EV/ EBITDA	Median EV/ EBITDA
Industry	**30/06/07**	**30/06/08**	**30/06/09**	**30/06/10**	**30/06/11**	**30/06/12**	**31/12/12**
Consumer Discretionary	11.9	6.9	6.6	7.5	7.4	6.7	7.6
Consumer Staples	12.1	9.9	8.2	8.3	8.2	8.2	8.7
Energy	12.0	10.7	8.0	6.4	9.3	5.9	7.7
Financials	17.2	11.1	11.8	9.8	9.8	9.4	10.6
Health Care	13.3	9.3	7.8	7.0	7.0	9.6	11.2
Industrials	10.8	6.9	5.7	6.7	7.4	6.0	5.7
Information Technology	12.0	6.9	4.8	7.3	5.9	6.5	8.6
Materials	9.9	8.1	7.6	8.5	7.4	5.2	5.1
Telecommunication Services	10.7	5.7	3.9	6.2	5.8	6.7	9.8
Utilities	13.8	12.4	11.4	9.5	9.4	10.5	11.1
Overall	**12.5**	**8.4**	**7.1**	**7.6**	**7.8**	**6.8**	**7.6**

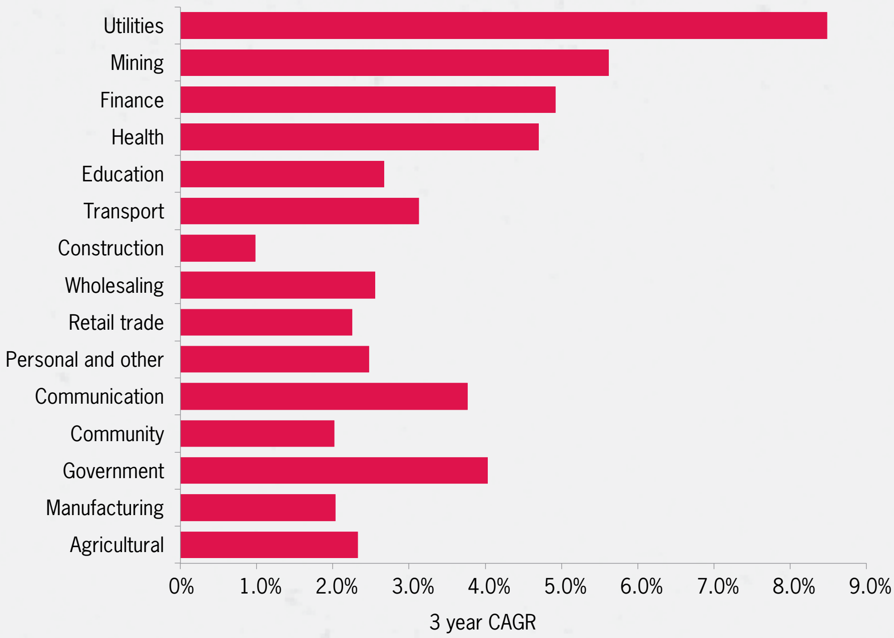
Our analysis suggests that all sectors on the ASX are still trading well below pre GFC levels.

The utilities and healthcare sectors were trading at the highest median multiples at 31 December 2012

Movement in the S&P/ASX 200 - Jul 2011 to Dec 2012



3 year revenue compound annual growth rate (CAGR) forecasts by sector



Source: IBISWorld (February 2013), Grant Thornton analysis

> "Share prices fell around May 2012 when concerns around the debt crisis in Europe heightened. The positive news is that the economic outlook is improving and the markets reflected this with gradually improved share prices between June 2012 and December 2012."

Sectors with the highest valuation multiples

Once again, the sectors with the high growth forecasts tend to be trading at higher multiples.

Healthcare companies performed exceptionally well in the financial year ended 30 June 2012 (FY12), with an increase in earnings multiples. The outlook for this industry is very strong with population growth and an aging population expected to increase demand for medical services. The performance of this sector is dependent on demographic, rather than economic, factors and as consequence the sector is expected to outperform Gross Domestic Product (GDP).

The key driver for growth in the utilities sector is increasing demand for electricity and gas by households and businesses, spurred by a rising population and economic growth. According to IBISWorld the utilities sector is forecast to grow by 8.5% p.a over the next three years.

The finance sector generally trades at a higher multiple and is susceptible to global economic instability and a weaker domestic non-mining economy. However, the steady flow of funds into superannuation and emerging Asian markets are expected to provide continued opportunities to support asset growth. The accumulating wealth of the ageing population is also expected to sustain demand for financial products.

Sectors with improved multiples

Telecommunications multiples have significantly improved in FY12. Australia's telecommunications sector is undergoing a significant degree of change with the rollout of the Government's fibre optic network, 4G mobile networks and the prevalence of wireless technology. Such advances are expected to drive revenue growth and create significant opportunities for companies with the requisite technical capabilities.

Information technology (IT) valuation multiples also improved in FY12. In FY10 IT earnings multiples were depressed due to a deferral of non-core capital expenditure. However, the digital revolution that is occurring in the telecommunications sector is driving growth in the IT sector.

Spending in the consumer discretionary sector is subject to disposable income and consumer sentiment, which has fluctuated in uncertain economic times. The outlook for the sector is uncertain with consumer sentiment expected to fluctuate, however, IBISWorld forecasts disposable incomes to rise over the next five years.

Sectors with lower multiples

Multiples in the materials sector have declined to their lowest point in five years as a result of falling commodity prices on weaker global demand. However, growth forecasts for the mining industry are still strong on the back of expectations of continued growth in demand by China for minerals and resources.

The industrials sector is comprised of a broad range of companies from construction, manufacturing and transport to commercial services. Australia's manufacturing sector is placed for moderate growth of 2.0% per annum over the next four years, as a strong Australian dollar is expected to continue to contribute to a difficult operating climate. Bucking this trend is the industrial gas manufacturing sector which is predicted to grow 5.3% benefiting from continued demand growth for resources in major consumer nations. A key barometer for the Australian economy is the performance of the construction sector, which is forecasting low growth of only 1.0% over the next four years. However, land development and multi-unit apartment construction is expecting strong growth, to accommodate population increases in Australia's major cities. The cable and wire manufacturing industry will continue to be a major beneficiary of the Government National Broadband Network with forecast average revenue growth of 7.9% per annum over the next four years. Another bright spot in the industrials sectors is rail and freight transport. This sector is expected grow 4.6% per annum on the back of continued resources demand and improved agricultural conditions increasing bulk freight volumes.

The impact of industry sector performance on M&A activity

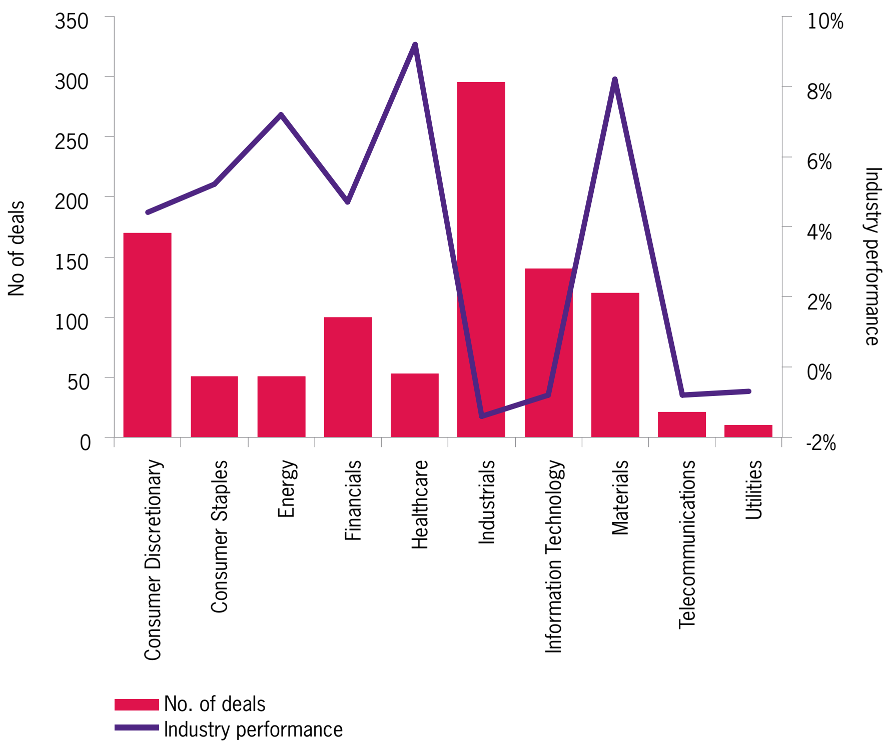
The level of merger and acquisition deals within an industry sector can be influenced by either the need to consolidate due to external market pressures or because of the growth opportunities in the industry.

An analysis of merger and acquisition activity by industry sector over the 18 months to December 2012, suggests that overall there has been an inverse relationship between the number of M&A transactions incurring in an industry and industry performance. This inverse relationship also existed in an examination of the previous 18 months performance.

The industries with a high level of merger and acquisition activity are more likely to be industries with comparatively low industry growth.

> "Business in low growth industries appear to be looking for M&A for growth opportunities."

Number of M&A Deals by Industry Performance (July 2011-December 2012)



International merger & acquisition activity: How does Australia stack up?

Since the impact of the GFC on the global economy in 2007, the level of merger and acquisition activity across the globe has slowed. This is evidenced by data from the Institute of Mergers, Acquisitions and Alliances (IMAA), which is based in Zurich, Switzerland. The data shows that this trend for both the number and total value of M&A during the post-GFC period (Chart 1).

Australia has experienced a greater decrease in M&A activity post the GFC than what has been generally observed globally. This is best exemplified by the number of deals in Australia falling by some 50% compared to around 20% on a global basis (Chart 2).

It is interesting to note that the United States did not experience the declines in M&A activity which was very apparent in Australia. Whereas, and not surprisingly, China continued to record noticeable strength in its M&A activity in the entire post-GFC period (see Chart 3).

Notwithstanding Australia's comparatively stronger economic growth compared to other industrialised economies in the post-GFC period, Australia's M&A activity declined more than in other advanced economies. This may because the need to undertake M&A as part of a defensive strategy, was not as great in Australia as it was in other industrialised economies.

> The level of decline in mergers and acquisition activity since the GFC has generally been greater in Australia than what has been observed globally.

Chart 1

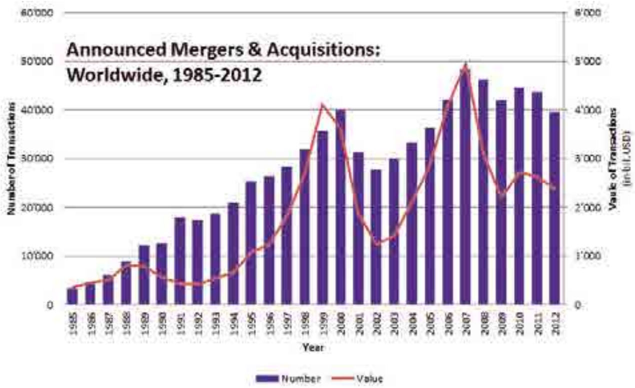


Chart 2

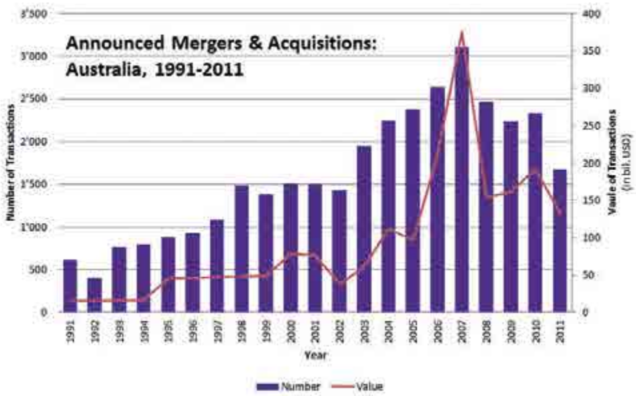
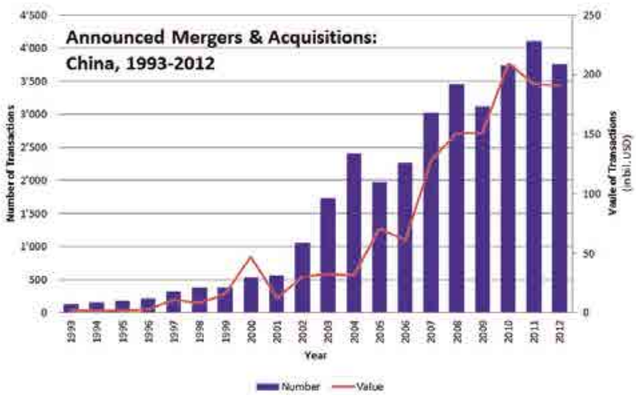


Chart 3



IPO activity in Australia

Over the 18 months to 31 December 2012, a total of 100 new companies listed on the ASX, compared with 96 in the preceding 18 month period.

Trend in IPO and secondary capital raisings (including debt)

The total IPO market and secondary capital raisings in FY12 and the six months to 31 December 2013 (HY13) was down on FY11, as well as most other historical periods. Although, it should be noted 75% of IPO funds raised in FY11 were from two large floats, being Australia's largest coal exporter QR National (QRN), which raised $4.052 million, and Westfield's spinoff, Westfield Retail Trust (WRT), which raised $2.053 million.

Whilst still low, IPO levels are much higher than during the height of the GFC in FY09. Secondary capital raisings were particularly high in FY09, as many ASX companies had to raised capital to deleverage their balance sheets.

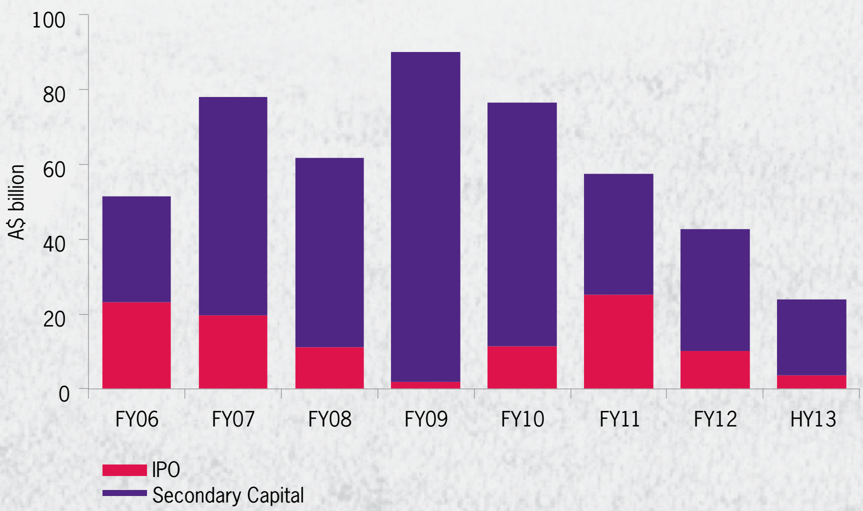
IPOs by size

The majority of IPOs (68) had offer sizes of less than $10 million, with 90% of IPOs having offering sizes of less than $50 million.

Range	Number of IPOs	Offering size (A$million)	Percentage of total value
Less than $10 million	68	280	11%
$10 million to <$50 million	22	435	17%
$50 million to <$100 million	6	404	16%
$100 million to <$500 million	3	959	37%
Over $500 million	1	500	19%
Total	**100**	**2,578**	**100%**

Source: S&P Capital IQ, Mergermarket, Company announcements

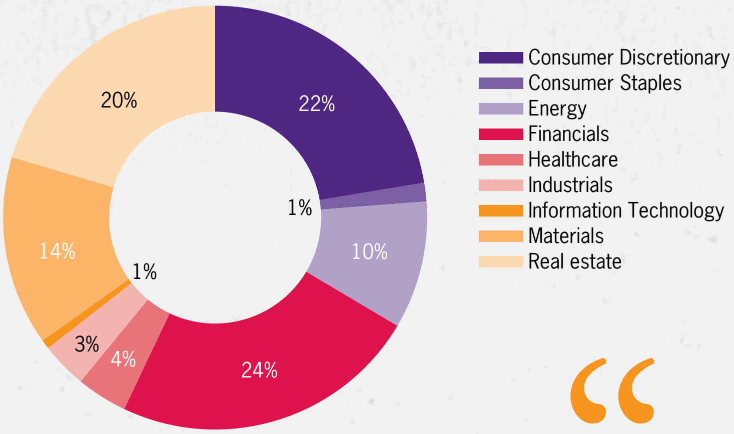
There have been minimal deals in the above $50 million market. The IPO market has not been an attractive exit option for many medium to large private businesses. This is most likely due to a general lack of market confidence in share market returns post the GFC.



Source: "Initial and secondary Capital Raised" (ASX website), Grant Thornton analysis

IPO size by sector

IPO value by sector for 18 months up to December 2012



The four largest floats are summarised in the table below.

> "Over half of the offering size of all IPOs came from the largest four listings."

Four largest IPOs

Company	Listing date	Industry	Offering size (million)	IPO price	Price at 31/12/2012	Price change (%)
Fonterra Shareholders' Fund	05/12/2012	Diversified Financials	NZ$500	NZ$5.50	A$5.63	30%*
Shopping Centres Australasia Property Group	26/11/2012	Real Estate	A$506	A$1.50	A$1.50	0%
Trade Me Group Limited	14/12/2011	Consumer discretionary	NZ$363	NZ$2.70	A$3.13	53%*
Collins Foods Limited	05/08/2011	Consumer staples	A$202	A$2.50	A$1.32	-47%

*Calculated based on A$ equivalent IPO price at exchange rate on listing date

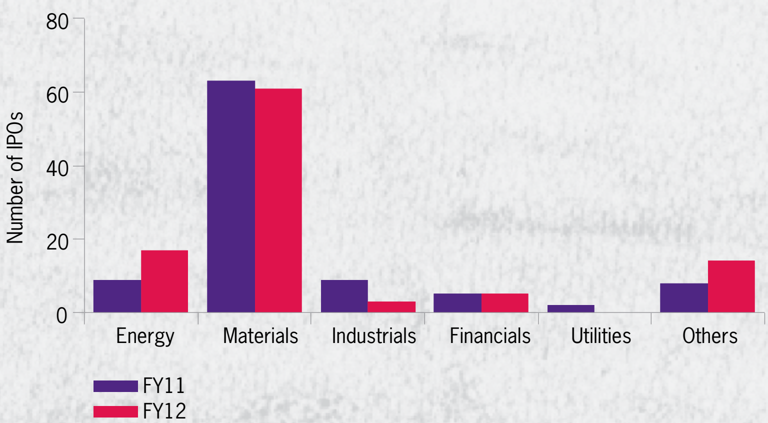
Fonterra Shareholders Fund (Fonterra) is a dairy co-operative based in New Zealand which has global businesses spanning dairy commodity and consumer markets. Shopping Centres Australasia Property Group (SCP) is an internally managed real estate investment trust that owns a portfolio of 69 shopping centres and freestanding retail assets located across Australia and New Zealand. Trade Me Group Limited (Trade Me) is the leading online marketplace and classified business in New Zealand. Collins Foods Limited (Collins Foods) operates 122 KFC outlets in Queensland and 27 sizzler restaurants throughout Australia.

Fonterra and Trade Me were trading at significant premiums to their offer price as at 31 December 2012. SCP was trading at its offer price. Conversely, Collins Foods share price fell significantly after it downgraded its earnings outlook within three months of listing.

Number of IPOs by sector

The materials sector once again dominated the number of IPOs. There continues to be reasonably keen speculative interest in small exploration and mining companies, where investors are hoping for strong returns if and when the underlying resources are able to be commercialised.

Number of IPOs by sector



Listing multiples and immediate price returns

The median share price of the companies that listed was 3.1% higher on their first day of listing than their offer price in the IPO.

IPO multiples of selected companies

Company	Revenue (million)	EBITDA (million)	EV (million)	Forecast EV/ EBITDA multiple
Fonterra Shareholders' Fund	NZ$18,627	NZ$1,634	NZ$12,511	7.7
Trade Me Group Limited	NZ$154	NZ$111	NZ$1,233	11.1
Collins Foods Limited	A$430	A$59	A$334	5.7
Calibre Group Limited	A$715	A$89	A$490	5.5
Alliance Aviation Services Limited	A$177	A$48	A$216	4.5
Bega Cheese Limited	A$943	A$47	A$349	7.5
Drill Torque Limited	A$58	A$11	A$28	2.6
Blue Sky Alternative Investments Ltd	A$11	A$5	A$34	7.5
Titan Energy Services Limited	A$23	A$5	A$34	6.4

Source: Company Prospectuses, Grant Thornton analysis

The above table shows the forecast trading multiples of a selected number of IPOs which occurred in the 18 months to 31 December 2012. In selecting companies for our analysis, we excluded those companies with the following criteria:

- Companies with offering sizes of less than $5 million;
- Companies within the materials sector; and
- Companies without complete publicly available financial data.

Of the total IPOs analysed, EV/EBITDA multiples ranged from 2.6 to 11.1 times, based on the forecasts included in the Prospectus.

Trade Me had the highest implied EBITDA multiple of the selected companies. The business operates in the online market and has significant growth potential and therefore would be expected to be valued at a relatively high multiple. As previously mentioned, Trade Me has traded at a significant premium to its offer price since listing.

Fonterra had a relatively low listing multiple, relative to its size. Fonterra has also traded at a significant premium to its offer price since listing.

Blue Sky Alternative Investments Ltd (Blue Sky) has listed at a relatively high multiple for its size. Blue Sky is a diversified fund manager of alternative investments and therefore operates in the financial services sector that tends to trade at higher than average EBITDA multiples.

The company with the lowest forecast multiple out of the selected group was Drill Torque Limited, which is a contract drilling company in Queensland. The business had a strong order book and therefore the implied historical EBITDA was much higher at 8.3 times.

Will you get maximum value for your business?

Have you been thinking about the best strategy to improve the value of your business? Most people seek advice on how to maximise the value of their business when they are actually ready to sell or about to undertake an acquisition. At these stages it is often too late to implement the strategies needed to get the most out of the transaction.

Take our traffic light assessment

Are you pursuing a strategy that will increase the value of your business?

		Green light Yes	Orange light Maybe	Red light No
1	Are you pursing a growth strategy?	○	○	○
2	Is your business scaleable?	○	○	○
3	Have you considered whether you could gain significant competitive advantages from an acquisition?	○	○	○
4	Do you have secure funding in place to enable you to meet your strategic plans?	○	○	○
5	Do you have quality financial and management reporting systems that enable timely and reliable management decisions and that would meet the due diligence requirements of a sophisticated buyer or investor?	○	○	○
6	Do you prepare reliable profit and cash flow forecasts?	○	○	○
7	Are you optimising your working capital management?	○	○	○
8	Do you have a strong management team?	○	○	○
9	Does your business plan include a succession plan or exit strategy?	○	○	○
10	Are you building relationships with the potential buyers of your business?	○	○	○

If you answered no or unsure to any of the above, please call one of your Grant Thornton partners to discuss.

Contact Grant Thornton

Grant Thornton is one of the world's leading organisations of independent assurance, tax and advisory firms. We help dynamic organisations unlock their potential for growth by providing specialist services, business advice and growth solutions.

In Australia, we have more than 1,300 staff across seven offices in Adelaide, Brisbane, Melbourne, Perth and Sydney. We combine service breadth, depth of expertise and industry insight with an approachable "client first" mindset and a broad commercial perspective.

We are a member of Grant Thornton International which comprises firms operating in more than 100 countries worldwide. Through this membership, we access global resources and methodologies that enable us to deliver consistently high quality outcomes for owners and key executives in our clients.

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