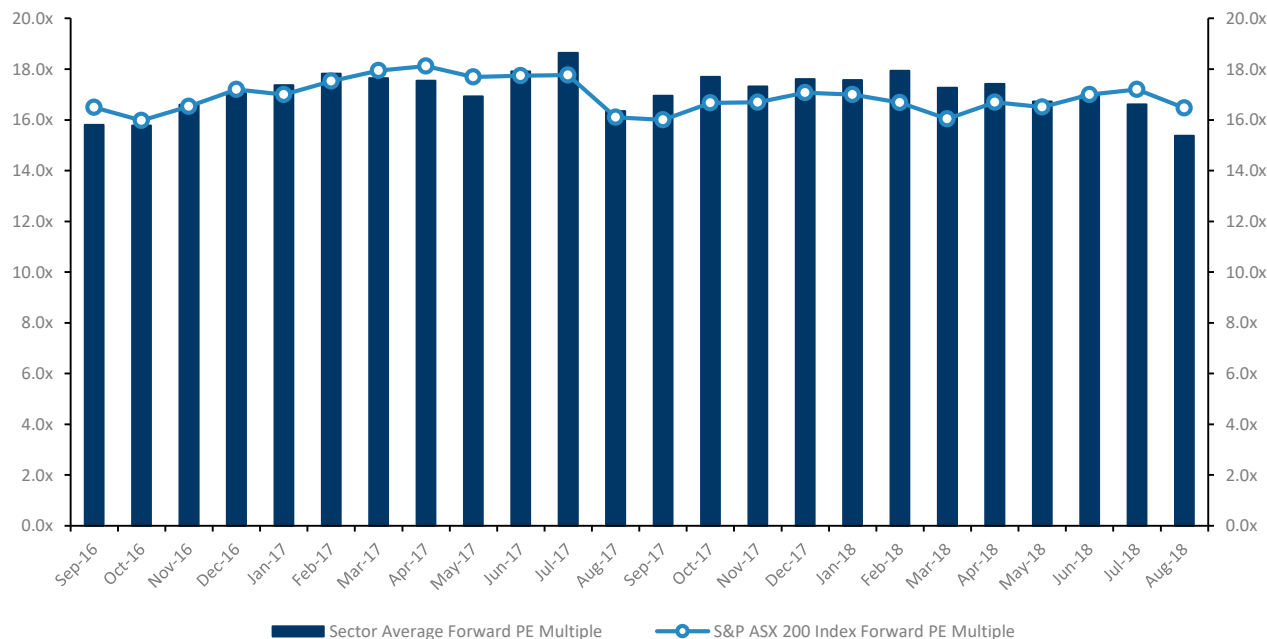


PRICING MULTIPLES

Forward Price Earnings Multiples (monthly to 31.08.18) Source: FactSet Research Systems Inc.

Multiples in the Engineering & Construction (E&C) sector decreased over the period. At the end of August, the E&C sector traded on a forward PE of 15.4x, below the ASX200 of 16.5x.



Average Values and Trading Multiples (as at 19.09.18) Source: FactSet Research Systems Inc.

Subsector	Enterprise Value	EV/EBITDA FY2019	EV/EBIT FY2019	Price / Earnings FY2019
Building Products	6,461	9.5x	11.1x	17.5x
Environmental Services	7,961	8.4x	13.4x	22.2x
Freight & Logistics	17,744	10.7x	18.5x	14.9x
Construction Materials	23,313	9.4x	12.2x	15.2x
Engineering & Construction	34,435	6.5x	8.7x	13.2x
Miscellaneous Commercial Services	20,395	8.1x	12.7x	19.0x
Homebuilding	239	3.6x	4.6x	9.5x

Note: Multiples are based on the forward year of the unreported period, which for the majority of companies in the sector is FY2018. The constituents have been refreshed this month to ensure the sector groups and companies included are current.

¹The InterFinancial E&C Index set is an unweighted index comprising E&C related companies trading on the Australian Securities Exchange (ASX). Estimates are sourced from FactSet Research Systems Inc.

Company Name	LTM Sales (\$m)	LTM -1Y Sales (\$m)	% Change	LTM EBITDA (\$m)	LTM-1Y EBITDA (\$m)	% Change
Building Products						
Metro Performance Glass Ltd	248.0	230.1	7.8%	40.1	42.3	(5.2%)
GWA Group Limited	359.3	446.3	(19.5%)	81.2	86.4	(6.0%)
CSR Limited	2,606.2	2,468.3	5.6%	327.9	348.6	(5.9%)
Reliance Worldwide Corp. Ltd.	769.4	601.7	27.9%	148.6	121.5	(22.4%)
Average			5.4%			(9.9%)
Environmental Services						
Sims Metal Management Limited	6,448.0	5,084.2	26.8%	305.0	665.0	(54.1%)
Bingo Industries Ltd.	300.2	208.8	43.8%	90.2	45.7	97.2%
Cleanaway Waste Management Ltd.	1,698.2	1,454.4	16.8%	318.6	334.1	(4.6%)
Average			29.1%			12.8%
Freight & Logistics						
K & S Corporation Limited	854.6	755.2	13.2%	50.3	50.2	0.2%
Qube Holdings Ltd.	1,577.9	1,418.1	11.3%	234.8	227.1	3.4%
Aurizon Holdings Ltd.	3,047.2	3,054.3	(0.2%)	1,425.3	1,397.8	2.0%
Lindsay Australia Limited	360.5	333.9	8.0%	31.7	59.5	(46.6%)
Average			8.0%			(10.3%)
Construction Materials						
Boral Limited	5,731.1	4,128.0	38.8%	878.1	460.8	90.6%
Fletcher Building Limited	8,727.6	8,878.6	(1.7%)	238.3	662.1	(64.0%)
Brickworks Ltd	N/A	857.8	N/A	N/A	190.8	N/A
Adelaide Brighton Ltd	1,646.6	1,431.5	15.0%	310.8	301.3	3.2%
Average			17.4%			9.9%
Engineering & Construction						
Global Construction Services Limited	247.5	186.6	32.6%	22.2	26.1	(15.0%)
Logicams Limited	81.8	81.1	0.8%	0.7	(8.4)	(107.7%)
NRW Holdings Limited	685.4	344.6	98.9%	92.0	59.9	53.7%
SRG Limited	238.4	229.9	3.7%	16.5	11.4	44.9%
RCR Tomlinson Ltd	1,998.5	1,263.2	58.2%	6.6	56.7	(88.3%)
Decmil Group Limited	341.9	274.4	24.6%	5.7	0.5	964.6%
CIMIC Group Limited	14,062.9	12,182.8	15.4%	1,578.1	1,201.5	31.3%
Service Stream Limited	629.6	500.9	25.7%	70.4	52.5	34.2%
Monadelphous Group Limited	1,734.9	1,245.2	39.3%	110.7	91.8	20.5%
Cardno Limited	1,114.5	1,176.0	(5.2%)	53.6	24.0	123.2%
Simonds Group Ltd.	605.2	587.4	3.0%	15.7	13.9	12.9%
Austral Limited	1,391.7	1,308.6	6.3%	87.5	74.8	16.9%
Maxitans Industries Limited	390.0	320.3	21.8%	18.9	18.5	2.5%
Codan Limited	229.9	226.1	1.7%	70.7	76.2	(7.1%)
Korvest Ltd.	57.0	44.7	27.3%	3.5	(0.5)	(790.9%)
XRF Scientific Limited	24.3	21.5	12.6%	3.4	2.7	24.2%
BSA Limited	562.3	492.9	14.1%	14.5	18.0	(19.7%)
Downer EDI Limited	11,976.4	7,267.1	64.8%	703.5	888.8	(20.8%)
Average			24.8%			15.5%
Miscellaneous Commercial Services						
Brambles Limited	7,223.8	6,768.2	6.7%	1,870.2	1,862.5	(0.4%)
Smart Parking Limited	30.7	24.7	24.4%	4.1	1.4	(185.8%)
Average			6.7%			(0.4%)
Homebuilding						
Fleetwood Corporation Limited	267.0	262.4	1.8%	25.2	29.0	(13.3%)
Tamawood Limited	123.4	122.8	0.5%	11.4	15.9	(28.1%)
Average			1.2%			(20.7%)

LTM – Last 12 months, LTM - 1Y – Last 12 months, preceding year

Note: Some historical figures have been restated due to changes in accounting standards.

DIGGING FOR DEALS...



Value: \$16m



ERM Power Limited an Australia-based company (listed) engaged in generation and sale of electricity and exploration of gas has agreed to acquire a 100% stake in **Out Performers Pty Ltd**, an Australia-based company that provides technical expertise and services in energy advisory, project delivery and performance tracking.

InterFinancial was advisor to ERM Power on the transaction.



NATFORM

Value: \$17m

Acrow Formwork and Construction Services Limited, a listed Australia-based company engaged in providing construction services, has acquired **Natform Pty Ltd.**, an Australia-based designer and hirer of screen systems for the construction industry.



SYDNEY TRANSPORT PARTNERS

Value: \$22b

Sydney Transport Partners (consortium of investors, including: **Transurban Group**, **AustralianSuper**, **Canada Pension Plan**, **Tawreed Investments**) has agreed to acquire 51% stake in **Sydney Motorway Corporation** from **New South Wales Government**. **Sydney Motorway Corporation** (known as **WestConnex**) is an Australia-based company engaged in development and operation of motorway which includes new or improved motorway with an approximate length of 33 kms, linking Sydney's west and southwest with the CBD, and the corridor to Sydney Airport and Port Botany. The project is expected to reach full completion by December 2026.

SCUTTLEBUTT...

- **Anchorage Capital Partners** is a lead contender to buy **CSR's** glass manufacturing business **Viridian**. **Anchorage** has been in **Viridian's** data room for several weeks and is preparing to submit a proposal to **CSR** well before Christmas. **CSR** is considering selling **Viridian** as part of a strategic review. **Viridian** generated estimated revenues of \$369m for the year ending 31 March 2018.
- The board of **Johns Lyng Group (JLG)**, the Australia-based building services company, will consider select acquisitions. **JLG** continues to see a number of opportunities in the market for consolidation in its core business and further diversification into 'complementary adjacencies'. The Board will consider select acquisitions in an orderly and controlled manner.
- **Ausdrill Ltd** has completed the retail component of its \$250m entitlement offer. According to **Ausdrill**, the successful Retail Entitlement Offer demonstrates the confidence of the Company's shareholders in the acquisition of **Barmenco** and the broader **Ausdrill** business.
- **WorleyParsons**, the Australia-based engineering business, is thought to be a company to watch in the engineering segment for potential M&A. The acquisitions are thought to be high on **WorleyParsons'** priority list and is most likely to pursue a company based offshore.
- **JSTI Group**, the Jiangsu-based (China) engineering design company, is looking at overseas acquisition opportunities that could strengthen its technology and capability in bidding for engineering projects. The Chinese company is mainly looking at targets engaged in four of its business arms: design consulting, engineering testing and verification, infrastructure asset management, and smart cities. **JSTI** will be interested in potential targets in developed regions and countries such as Europe, the US, Canada, **Australia** and Japan. The Company is interested in deal sizes of USD 20-60m.

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