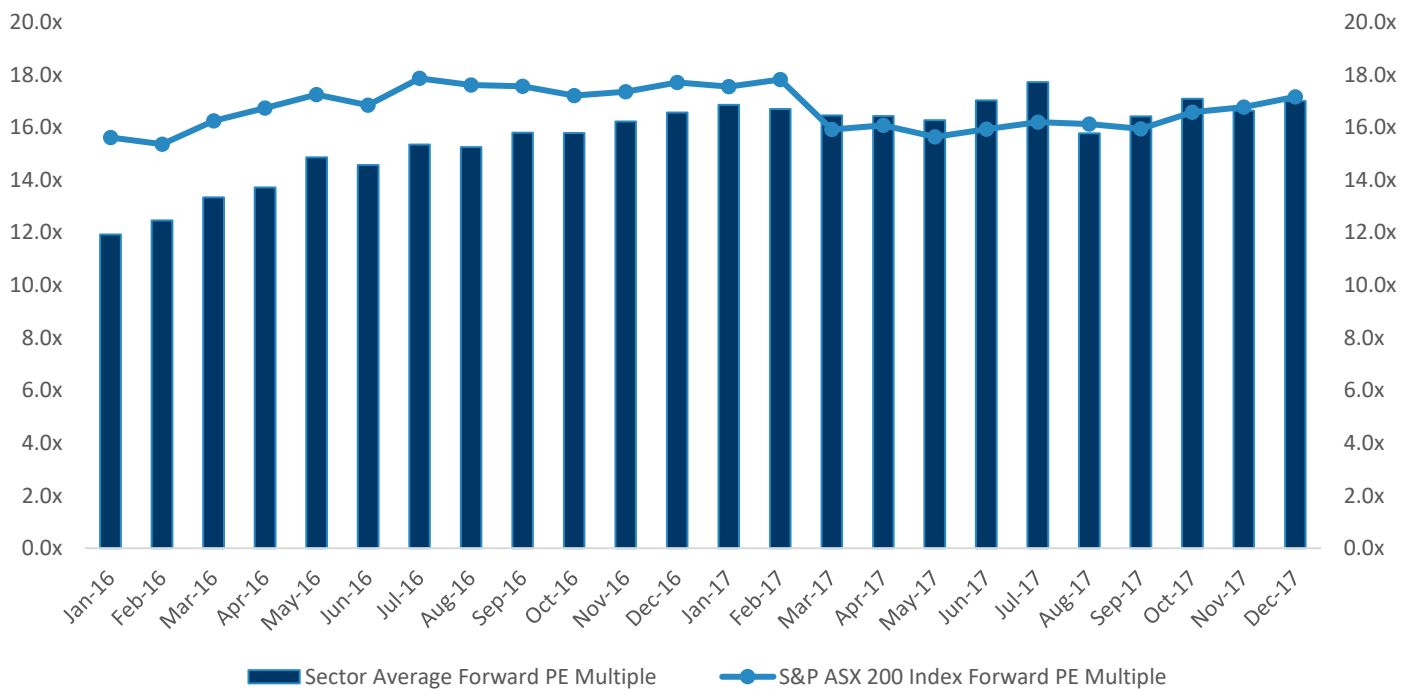


## Engineering & Construction

### Pricing Multiples

#### Forward Price Earnings Multiples (monthly to 31.12.17)<sup>1</sup> Source: FactSet Research Systems Inc.

Multiples in the Engineering & Construction (E&C) sector increased over the period. At the end of December, the E&C sector traded on a forward PE of 17.0x, just below the ASX200 multiple of 17.2x.



#### Average Values and Trading Multiples (as at 17.01.18) Source: FactSet Research Systems Inc.

Subsector	Enterprise Value	EV/EBITDA FY2018	EV/EBIT FY2018	Price / Earnings FY2018
Building Products	6,013	11.2x	13.3x	19.1x
Professional Services	4,657	9.6x	12.1x	17.5x
Freight & Logistics	17,581	11.9x	20.3x	17.6x
Construction Materials	23,700	10.0x	13.6x	16.9x
Engineering & Construction	19,349	8.3x	11.4x	17.6x
Industrial Machinery & Products	39,957	7.6x	12.1x	16.0x
Homebuilding	269	7.3x	10.8x	16.2x

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.

<sup>1</sup> The 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.

## Digging for Deals...



CONTRACTING PTY LTD  
AUSTRALIA | ASIA | PACIFIC

Value: Confidential

**Hall Contracting**, the privately held Australian civil and marine contracting business, has received an investment from Sydney-based private equity firm **Crescent Capital Partners**.

Hall owns over 150 pieces of specialist equipment, employs over 260 people, and earns revenue of over \$150m annually.

**CrescentCapitalPartners**

InterFinancial acted as corporate advisor for Hall Contracting.



Value: \$205m

**Orica** has entered into an agreement to acquire **GP Holdco (GroundProbe)** from **Crescent Capital Partners** for \$205m. **GroundProbe** is a global market leader in the provision of critical monitoring and measurement technologies for the mining sector. Its radar and laser based monitoring systems, combined with advanced processing and analytic software, provide mining customers with geotechnical slope stability monitoring for improved mine productivity and safety.



Value: Unknown

**Kalmar**, part of the Finnish international company specializing in cargo and load handling solutions **Cargotec**, has signed an agreement to acquire the **Inver Port Services**, the port services business of **Inver Engineering** in Australia. The investment in **Inver Port Services** supports **Kalmar's** strategic aim to grow in services while strengthening and broadening **Kalmar's** existing service capabilities throughout Australia, New Zealand and the Pacific. **Inver Port Services** earns annual revenue of approximately \$7.7m and it employs 23 people.



Value: ~\$30m

ASX-listed **NMG Corporation** has executed a conditional agreement to acquire formwork systems and hire equipment provider, **Acrow Holdings**. **NMG** will acquire 100% of the issued capital of **Acrow**, which will value the combined company at approximately \$30.0m, subject to a normalized working capital adjustment. The purchase price will be funded in cash through the issue of a minimum of \$25.0m worth of new shares under a prospectus.

## Scuttlebutt...

- **Apollo Global Management** is believed to have taken its 50% stake in **Ventia** off the market. The group had been working to sell its stake in **Ventia**, but efforts to attract interest did not produce results. **Apollo** owns **Ventia** jointly with ASX-listed **CIMIC**.
- The administrator of **Kingsford Timber & Hardware**, the Australia-based hardware company, is seeking buyers for the business.

If you are interested in specific information regarding mergers and acquisitions in the Engineering & Construction sector, please contact Chris Munday, Sharon Doyle or Mark Steinhardt.

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This information has been sourced from the ASX, Mergermarket.com and various other public information sources. Forecasts are consensus forecasts sourced from FactSet Research Systems Inc.

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