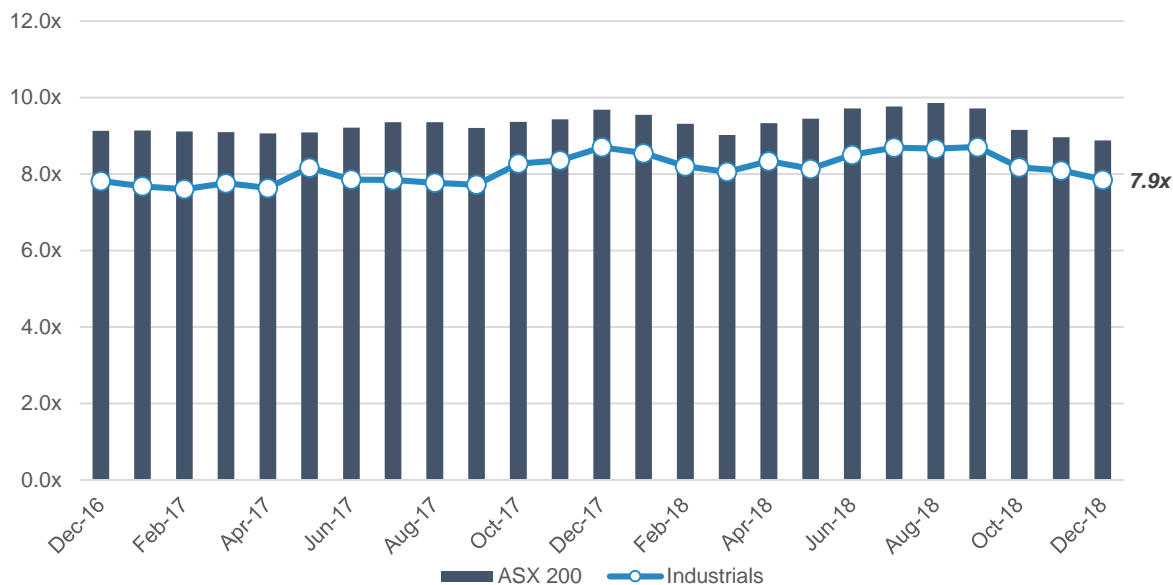


## VALUATION MULTIPLES

### Forward EV / EBITDA Multiples (monthly to 31/12/2018) Source: FactSet Research Systems Inc.

Multiples in the Industrials sector have slightly decreased over the period. At the end of December, the sector traded on a forward EV / EBITDA multiple of 7.9x, compared to the ASX200 on 8.9x.



### Average Values and Trading Multiples (as at 18/01/2019) Source: FactSet Research Systems Inc.

Subsector	Enterprise Value (\$ m)	EV/EBITDA FY2019	EV/EBIT FY2019	Price / Earnings FY2019
Chemicals and Plastics	19,224	7.9x	11.4x	15.6x
Construction and Building Materials	40,738	7.8x	9.6x	13.8x
Engineering Services	17,193	6.2x	9.4x	13.2x
Industrial Products and Services	111	8.7x	11.9x	17.0x
Infrastructure	46,338	23.8x	37.5x	67.2x
Packaging	26,948	8.7x	12.2x	15.2x
<b>Industrials</b>	<b>150,640</b>	<b>7.9x</b>	<b>10.9x</b>	<b>15.5x</b>

Note: Multiples are based on the forward year of the unreported period, which for the majority of companies in the sector is FY2019. Difference in forward EV/EBITDA multiples between Figure and Table are representative of the timing difference between month-end result, and current day result.

<sup>1</sup> The InterFinancial Industrials Index set is an unweighted index comprising Industrials sector related companies trading on the Australian Securities Exchange (ASX). Estimates are sourced from FactSet Research Systems Inc.

### MERGER & ACQUISITION NEWS...



Value: Not Disclosed

The **Environmental Group**, the listed Australian-based company engaged in the power industry, has agreed to acquire **RCR Energy Services**. **EGL** will acquire **RCR Energy** as a part of **RCR Tomlinson's** insolvency proceedings, for an undisclosed consideration. The consideration will be withheld until the end of January 2019.



Value: Not Disclosed

**John Holland Group**, the Australia-based provider of engineering and contracting services has agreed to acquire rail and transport business of **RCR O'Donnell Griffin**, a subsidiary of **RCR Tomlinson**, for an undisclosed consideration. The acquisition will boost **John Holland's** capabilities in rail signalling and power systems, overhead wire and traction power.

**JOHN  
HOLLAND**

Value: Not Disclosed



**Metalbilt Doors** and **Danks Roller Doors**, two New Zealand-based door manufacturer and installer units of **RCR Tomlinson**, have been sold to **ARA Group**. A consideration for the deal was not disclosed.



Value: USD 840m

**Fletcher Building** has entered into an agreement to sell the **Formica Group** to **Broadview Holding** for a sale price of USD 840m. The divestment of **Formica** completes **Fletcher's** strategy to exit non-core businesses having already completed the sale of **Roof Tile Group** in November 2018.



### SCUTTLEBUTT...

- **ABC Tissue Products** is for sale, the private Australia-based toilet paper and tissue business. The business is likely to be presented to strategic suitors and private equity buyers.
- Australian building materials business **Boral** could pay \$800m to buy the 50% stake of the **USG Boral** joint venture it does not already own. **Boral** is considering taking full ownership of the JV after Germany's **Knauf** offered to purchase **USG** in June.
- **Ningbo Xianfeng New Material**; a China-based shade fabric maker, plans to sell an 84.35% stake in **Kresta** to **Van Dairy (Hong Kong) Group**.
- **Care Park**, an Australia-based car park management and parking house owner company, is looking to buy peers in the UK, Hungary, Poland and Czech Republic.
- **AMP Capital** is said to be very interested in New Zealand-based infrastructure investment company **Infratil's** Australian National University student housing portfolio.
- **Aurora Labs**, an Australia-based 3D metal printer manufacturer, has entered into an agreement with **WorleyParsons Services** to form a 50:50 incorporated joint venture.
- **Pacific Equity Partners (PEP)** and other mid-tier Australian private equity players are believed to be eying **Aurizon's** rail-maintenance business.

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