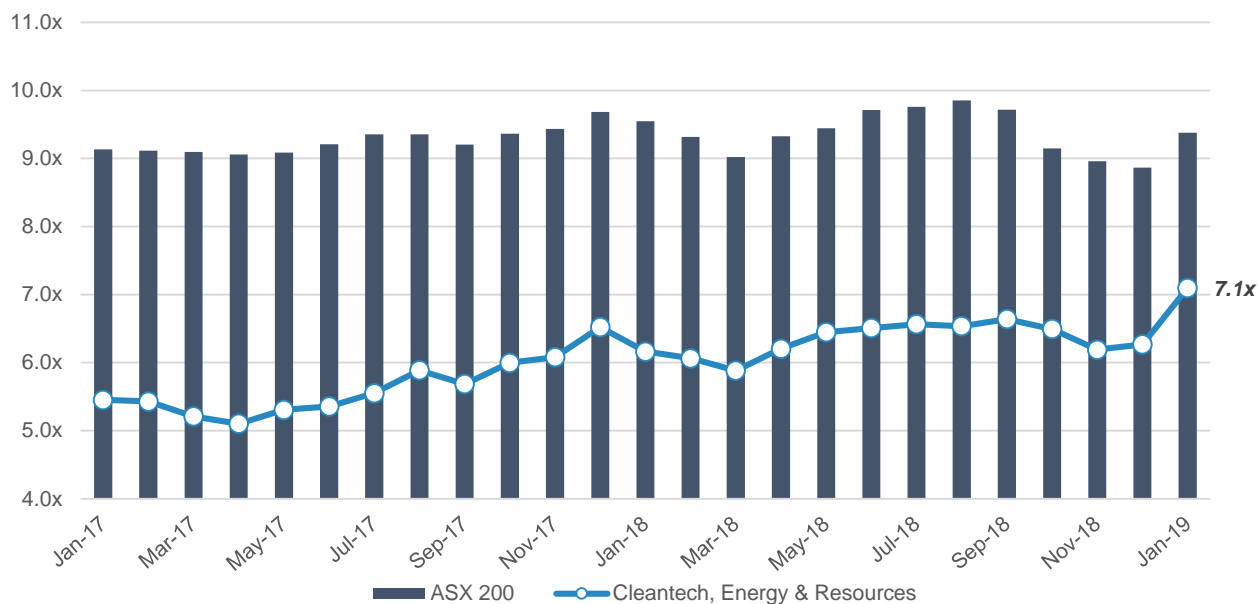


VALUATION MULTIPLES

Forward EV / EBITDA Multiples (monthly to 31/01/2019) Source: FactSet Research Systems Inc.

Multiples in the Cleantech, Energy & Resources sector have increased over the period. At the end of January, the sector traded on a forward EV / EBITDA multiple of 7.1x, compared to the ASX200 on 9.4x.



Average Values and Trading Multiples (values as at 21/02/2019) Source: FactSet Research Systems Inc.

Subsector	Enterprise Value (\$m)	EV/EBITDA FY2019	EV/EBIT FY2019	Price / Earnings FY2019
Energy & Utilities	70,437	8.4x	13.9x	18.5x
Environmental Services	7,760	9.0x	14.4x	20.8x
Metals & Mining	220,088	6.8x	12.8x	18.7x
Natural Resources	320	8.3x	9.8x	12.7x
Oil & Gas	57,473	6.4x	11.7x	22.3x
Cleantech, Energy & Resources	356,077	7.2x	12.8x	19.4x

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.

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

MERGER & ACQUISITION NEWS...

Sumitomo Corporation



Value: Not disclosed

Sumitomo Corporation, the listed Japan-based conglomerate engaged in imports, exports, and trades in various goods and commodities worldwide, through its subsidiary **Summit Southern Cross Power Holdings**, the Australia based company engaged in development, ownership and management of power plants, has acquired **Infinite Energy Holdings**, the Australia-based company engaged in sales and development of distributed solar power systems, and storage batteries.



Value: \$90m (40% stake)

Toho Zinc, a Tokyo-based smelting and refining company, announced that its Australia-based subsidiary, **CBH Resources**, reached an agreement to acquire a 40% stake in **Abra Mining**. **CBH** will acquire the stake through a third-party allotment of new shares valued at \$90m from Australia-based **Galena Mining**. **CBH** and **Galena** will enter into a shareholders agreement to jointly develop the **Abra** lead mine.

DRILLING FOR DEALS...

- Australian miner, **Bellevue Gold** has hired defence advisors amid increasing takeover speculation. **Bellevue** has a market capitalisation of \$250m.
- Australian miners **Metals X** and **Panoramic Resources** could interest **Sandfire Resources** as potential takeover targets. With a market value of \$1.19bn **Sandfire** could easily pursue both **Metals X** and **Panoramic**, which are valued at \$251m and \$232m, respectively. **Sandfire** recently made an offer to buy **MOD Resources** for \$0.38 per share, but **MOD** said that the offer undervalued the business.
- It has been reported that **AGL Energy** is seeking new buyers for its Moranbah Gas assets. **AGL** is likely to approach junior gas players as potential buyers. Sources said **Senex** and similar groups could be interested in the acquisition.
- Reports suggest that **Seven Group** is looking to sell its 15% stake in the Crux gas field for an estimated \$300m.
- **Eni Australia**, the Australian subsidiary of **Eni SpA**, has acquired a 33.7 MWp solar project in the Northern Territory of Australia from **Katherine Solar**. The project is a JV between Australia's **Epuron** and the UK-based Island **Green Power**.
- **Intrepid Mines** off-market takeover bid for all of the fully paid ordinary shares in **AIC Resources** has lapsed after failing to meet the 90% minimum acceptance condition.
- **Lake Resources**, an Australian lithium explorer, could receive takeover offers as it continues to evaluate partnerships for its lithium projects.
- Australia-based gold explorer **Explaurum** has recommended its shareholders to accept **Ramelius Resources'** off-market takeover bid as the latter now holds 87.83% of the company's shares.
- **Oaktree Capital Management** is said to have been eyeing the purchase of **Downer EDI's** contract mining unit. **Oaktree** is believed to have held talks with **Downer** last year and has undertaken comprehensive due diligence on the mining unit. The report said that **Downer** is thought to be asking over \$600m for its mining business.
- Advisors of **Perth Energy**, an Australian electricity retailer, are seeking a buyer on behalf of its major shareholder **Infratil**. **Infratil** owns 80% of **Perth Energy**, while the remainder is owned by **Hoperidge Enterprises**. **Perth Energy** could be valued at around \$100m. The group's revenue is forecast to reach \$371.2m by 2023.
- Reports suggest that **Gold Road Resources** could interest **Newcrest**. **Newcrest**, which attempted to buy **Goldcorp** before being outmaneuvered by **Newmont**, is not believed to have many other major takeover options. **Gold Road** has a market capitalisation of \$600m and \$300m in cash to put towards its next project.
- **IFM**, an Australian infrastructure investor, and its partners are believed to remain eager to pursue an offer for **APA Group**. **APA's** board is unlikely to agree to a price less than **CK Infrastructure's** bid of \$11 per share, or \$13bn, which was blocked by the Australian federal government. However, directors could form a different opinion if the company's share price declines over the coming months. **APA** has a market capitalisation of \$10.55bn.

CONTACT DETAILS

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