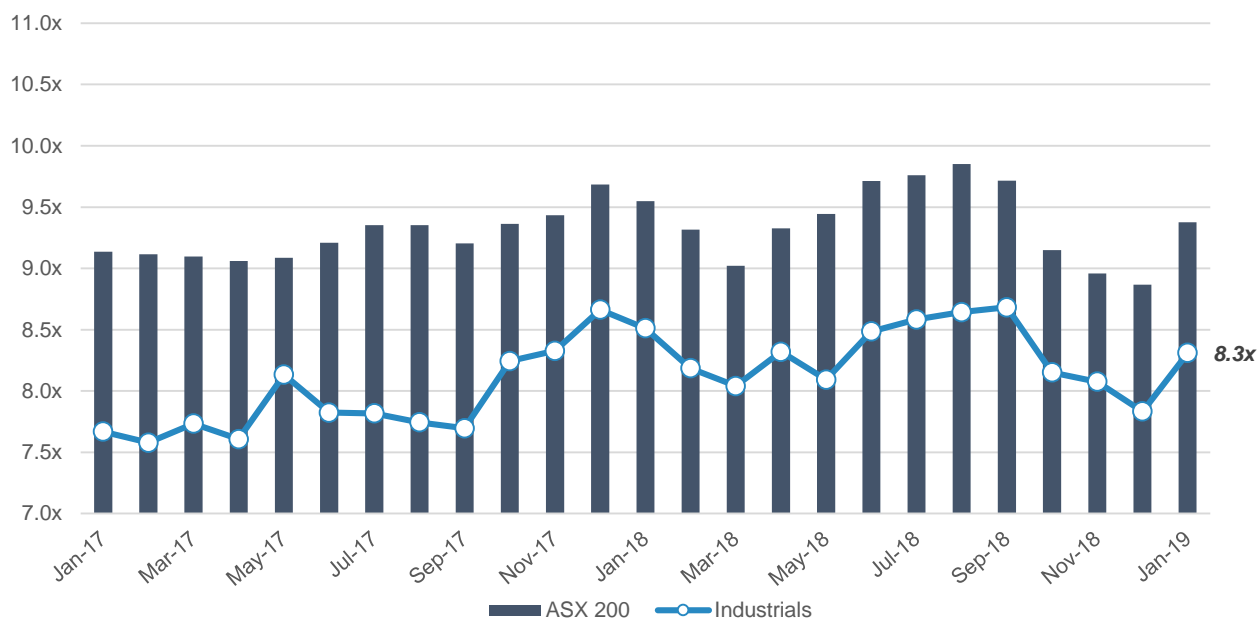


VALUATION MULTIPLES

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

Multiples in the Industrials sector have increased over the period. At the end of January, the sector traded on a forward EV / EBITDA multiple of 8.3x, compared to the ASX200 on 9.4x.



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

Subsector	Enterprise Value (\$ m)	EV/EBITDA FY2019	EV/EBIT FY2019	Price / Earnings FY2019
Chemicals and Plastics	19,102	8.0x	11.6x	15.9x
Construction and Building Materials	56,019	8.2x	10.3x	14.7x
Engineering Services	18,478	7.0x	10.4x	15.0x
Industrial Products and Services	108	10.0x	14.4x	20.5x
Infrastructure	47,728	24.9x	39.5x	72.4x
Packaging	28,497	9.1x	12.7x	15.9x
Industrials	170,018	8.5x	11.8x	17.0x

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 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...



WattleHealth



Value: \$48m (46% stake)

Mason Group, a Hong Kong-based financial services provider, announced that it has agreed to sell 46% of **Blend and Pack** to **Wattle Health Australia** for approximately \$48m. **Blend and Pack**, founded in 2007, is principally engaged in the business of blending, packing and distributing dairy and nutritional formula products in Australia.



uniQue



Value: Not disclosed

Voluntary Administrators to the **RCR Tomlinson Group**, have announced the sale of **RCR Laser** to **Unique Metal Works**. The Administrators previously announced the sale of **RCR O'Donnell Griffin's Rail** business to **John Holland** and the sale of **RCR's Energy Services** business to **The Environmental Group**. The sale maintains continuity for a significant number of **RCR Laser** customers and suppliers, and ensures the entitlements and jobs of nearly 200 employees are preserved.



Coventry Group Ltd



Value: \$36m

Coventry Group has entered into an agreement to acquire all of the shares of **Nubco**, a Tasmanian hardware and industrial supplier in the industrial segment, for \$36m including \$34.2m in cash. **Coventry Group** announced the intended acquisition in a statement filed to the Australian Securities Exchange. The acquisition represents a trailing multiple of 6.0x FY18 EBITDA and is expected to complete on the 1st of March 2019.



digEcor



Value: Not disclosed

JW Hill Capital announced today its support of **digEcor**, based in Brisbane, in the acquisition of the commercial In-Flight Entertainment (IFE) business from **Collins Aerospace**. That business originated with **Rockwell Collins**, which was acquired by **United Technologies** in 2018. This acquisition brings together 50 years of experience and innovation in IFE—starting with **Hughes Avicom** and **Sony Transcom**, then **Rockwell Collins** and **digEcor**—into a new global business named **Burrana**.



CLOUGH



SAULSBURY

Value: Not disclosed

Clough, an Australian engineering business, has acquired **Saulsbury's Gulf Coast downstream and chemical business unit** and its **Engineering, Procurement and Construction (EPC) portfolio** based in Houston, Texas. The acquisitions align with Clough's strategy to grow its capability and service offering to address the North American downstream, petrochemical/chemical, midstream and LNG markets.

SCUTTLEBUTT...

- **Ecofibre**, an Australia-based producer of industrial hemp, is preparing for an IPO to raise \$20m at \$1 per share. The IPO could value the business at over \$300m. The company is chaired by Australian rich-lister Barry Lambert. Lambert will also be the largest shareholder of the company with 24%.
- **Boral**, the Australia-based building materials business, is increasingly expected to sell assets. **Boral** is likely to sell assets that it secured through its purchase of US-based **Headwaters** in 2016. **Boral** has already sold a **Headwaters** block business in Texas for USD 156m and a construction materials operation based in Denver for USD 127m after deeming the assets non-core.
- **Ronstan**, a privately-owned Australian manufacturer of sailboat hardware, is looking into strategic options including a sale or stake sale. **Ronstan** predicts revenue of \$35m with EBITDA of \$4.7m for the financial year ending 30 June 2019. The process directs itself to local and offshore private equity investors, industry players with a focus on the outdoor leisure or sailing/marine markets, and high-net-worth families or family offices.
- **Quadrant Private Equity** is thought to be partnering with **Jim Vais** to bid for **Capital S.M.A.R.T Repairs**, an Australian automotive repair business owned by **Suncorp**. **Suncorp** has been preparing the asset for sale since mid-2018, and **Quadrant** and **Vais** are likely to be a strong contender should a sale proceed.
- Bidders are believed to have submitted indicative and non-binding bids for **CF Asia Pacific**, a private Australian transportation business. The business is believed to have attracted trade buyers and private equity groups, but it is unclear who would be the natural owner of the business. **CF Asia Pacific** is anticipated to be valued at around \$500m.
- **Active Apparel Group**, an Australian apparel manufacturer, is rumored to be preparing the business for sale and test buyer interest.
- **Primero Group**, an Australia-based contractor, could interest **NRW Holdings**. **NRW** is believed to have considered buying **Primero** before it listed on the ASX last July. **Primero** is now valued at around \$60m and has traded lightly since its listing. It has been reported that **NRW**, which does not have a large strategic or founding investor to dilute, could make a scrip-based offer for **Primero**.
- **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.
- **Unispace**, an Australia-based office outfitter and renovator, has hired an accounting firm to test buyer interest following inbound approaches. The business has around 500 employees and is thought to be targeting revenue of \$600m for the 2019 calendar year.

CONTACT DETAILS

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