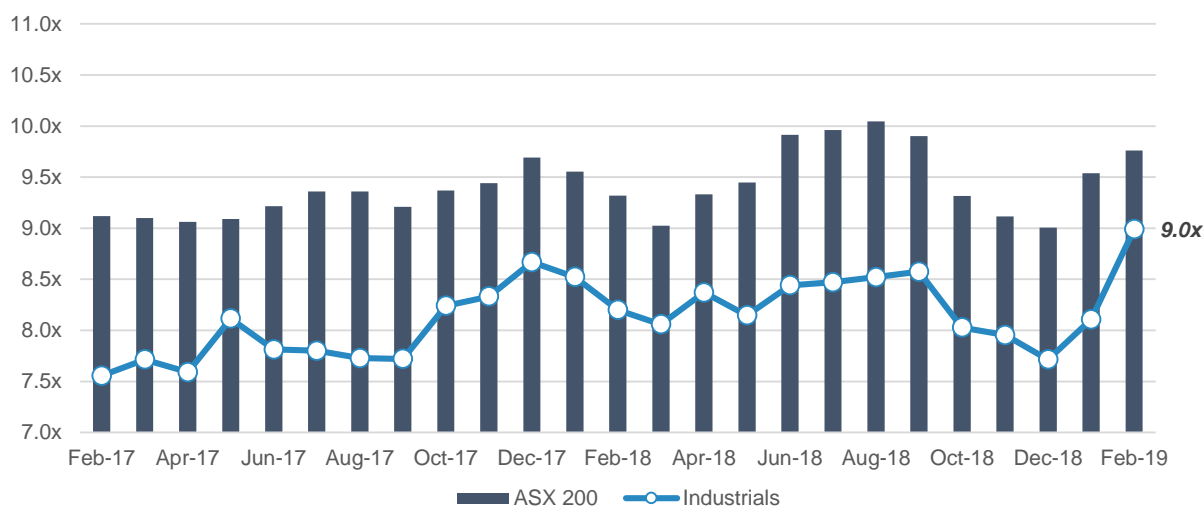


VALUATION MULTIPLES

Forward EV / EBITDA Multiples (monthly to 28/02/2019) Source: FactSet Research Systems Inc.

Multiples in the Industrials sector have increased over the period. At the end of February, the sector traded on a forward EV / EBITDA multiple of 9.0x, compared to the ASX200 on 9.8x.



Average Values and Trading Multiples (as at 20/03/2019) Source: FactSet Research Systems Inc.

Subsector	Enterprise Value (\$ m)	EV/EBITDA FY2019	EV/EBIT FY2019	Price / Earnings FY2019
Chemicals and Plastics	19,021	8.3x	12.3x	17.5x
Construction and Building Materials	60,778	8.6x	10.9x	15.2x
Engineering Services	19,106	7.4x	11.1x	15.7x
Industrial Products and Services	30	14.9x	n/a	n/a
Infrastructure	49,163	25.0x	44.3x	85.1x
Packaging	27,996	8.8x	12.3x	15.2x
Industrials	176,181	8.8x	16.3x	17.5x

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.

MERGER & ACQUISITION NEWS...



Value: \$130 (combined entity annual revenue)

LogiCamms has signed an indicative nonbinding term sheet and is nearing completion of due diligence in relation to a proposed merger of **LogiCamms** and **OSD**, a privately owned engineering, operations and commercial services business. The combined business would have pro forma FY19 revenue of approximately \$130m and pro forma normalised FY19 EBITDA of approximately \$7m.



Value: 20% Stake, USD 8.94m (estimated)

Position Partners, an Australia-based provider of positioning and machine control solutions for construction systems, announced that **Mitsui & Co** has acquired a 20% stake in the company. A Japanese report estimated the value of the deal to be worth USD 8.94m. **Mitsui** will join **Position Partners'** Executive Steering Team to support **Position Partners** strategic interests through the **Mitsui** network.



Value: Not Disclosed

The Fuchs Group, which operates globally in the lubricants industry, has signed an agreement to acquire **Nulon Products Australia**. The addition is part of **FUCHS's** expansion into the automotive retail sector and complements its existing Automotive, Mining, Industrial and OEM businesses. The **NULON** brand with sales revenues of around \$40m and 65 employees will be retained and the products will continue to be manufactured locally.



Value: Not Disclosed

Trinity Consultants, a Texas-based environmental consulting firm backed by **Levine Leichtman Capital Partners**, has acquired Australia-based **ASK Consulting Engineers**. The company has one office location with approximately ten employees, providing the stepping stone for **Trinity Consultants'** growth in Australia.



Value: \$35m

Threat Protect Australia Limited has reached an agreement to acquire **Onwatch**, an Eastern states monitoring alarm security business, for approximately \$35m. The acquisition will be funded utilising a new \$49m funding package, which is a mix of debt and equity. It will be used to complete the acquisition of **Onwatch**, refinance the existing facility with **Macquarie**, and provide future funding for acquisition growth.



Value: \$19.2m

Volution Group, a UK-based manufacturer of ventilation products, has acquired **Ventair Pty Limited**, a Melbourne-based supplier of ventilation products for an initial cash consideration of \$19.2m. The deal strengthens **Volution Group's** market position in the Australasian region.

SCUTTLEBUTT...

- **Battery Minerals**, a junior Australian graphite company, will look at acquisitions as it seeks to diversify into other commodities in the tech metals space in order to de-risk the business and be less “constrained”.
- **AJ Lucas** has concluded the review of its Drilling Division and stated that it will have another strong trading year in 2019 and will not accept offers to acquire the business.
- **North-Vic Constructions (NVC)**, an Australian supplier of precast concrete beams to the infrastructure sector is seeking a buyer for the business. **NVC** is an attractive acquisition opportunity for local and offshore infrastructure industry participants seeking exposure to the southeast Australian pipeline of projects. In FY18 **NVC** reported \$35m revenue.
- **Brambles**, an ASX listed logistics company, is yet to decide when it will convene the shareholder vote for its proposed return of proceeds from the USD2.51bn divestments of **IFCO** reusable plastic containers business. The business is expected to be sold to private equity firm **Triton** by 2Q19.
- **Ixom Operations** has formally withdrawn its application to acquire the manufacturing assets of a chemical plant in Kawerau from **Oji Fibre Solutions**, a New Zealand unit of **Oji Holdings Corp**.
- **Lendlease Group** said it is considering alternatives to its engineering and services business. The Australian property and infrastructure company estimates it will incur restructuring costs of between \$450m and \$550m in relation with the decision. The decision comes after the underperformance of the engineering and services business in FY18.

CONTACT DETAILS

If you are interested in specific information regarding mergers and acquisitions in the Industrials sector, please contact Mark Steinhardt or Brad Shaw.

Name	Position	Phone	Email
Sharon Doyle	Managing Director	(07) 3218 9122	sdoyle@interfinancial.com.au
Paul Keehan	Chairman	(07) 3218 9100	pkeehan@interfinancial.com.au
Mark Steinhardt	Head of M&A	(07) 3218 9105	msteinhardt@interfinancial.com.au
David Hassum	Director	(07) 3218 9108	dhassum@interfinancial.com.au
Andrew Wheeler	Director	(07) 3218 9107	awheeler@interfinancial.com.au
Simon Douglas	Director	(07) 3218 9100	sdouglas@interfinancial.com.au
Ted Marchant	Director	(07) 3218 9100	tmarchant@interfinancial.com.au
Yvonne Macleod	Director	(07) 3218 9100	ymacleod@interfinancial.com.au
Brad Shaw	Director	(07) 3218 9100	bshaw@interfinancial.com.au
Anthony Vago	Associate Director	(07) 3218 9100	avago@interfinancial.com.au
Tom Benham	Associate Director	(07) 3218 9113	tbenham@interfinancial.com.au
Michael Kakanis	Associate	(07) 3218 9106	mkakanis@interfinancial.com.au

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<p>InterFinancial Corporate Finance Limited ABN: 49 136 962 966 AFSL: 341675 Level 2, 201 Charlotte Street GPO Box 975 Brisbane Queensland 4001 (07) 3218 9100 admin@interfinancial.com.au www.interfinancial.com.au</p>	
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