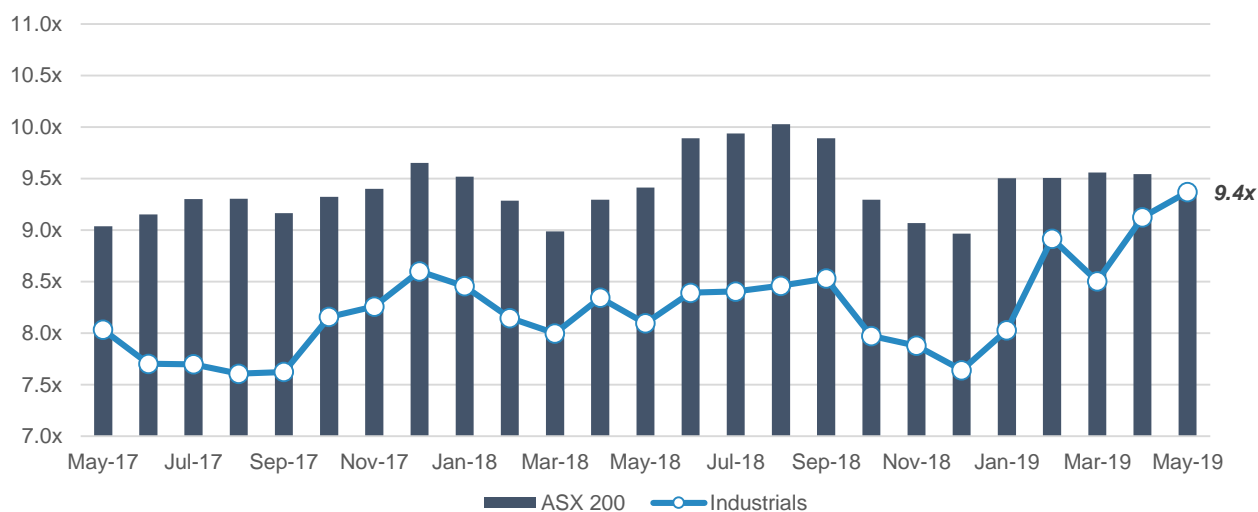


VALUATION MULTIPLES

Forward EV / EBITDA Multiples (monthly to 31/05/2019) Source: FactSet Research Systems Inc.

Multiples in the Industrials sector have increased over the period. At the end of May, the sector traded on a forward EV / EBITDA multiple of 9.4x, compared to the ASX200 on 9.3x.



Average Values and Trading Multiples (as at 20/06/2019) Source: FactSet Research Systems Inc.

Subsector	Enterprise Value (\$ m)	EV/EBITDA FY2019	EV/EBIT FY2019	Price / Earnings FY2019
Chemicals and Plastics	19,535	9.1x	14.7x	21.3x
Construction and Building Materials	59,101	9.0x	11.5x	15.9x
Engineering Services	19,340	7.6x	11.4x	15.3x
Infrastructure	55,851	NA	NA	NA
Packaging	28,552	8.8x	12.3x	15.9x
Industrials	182,508	9.4x	9.6x	19.1x

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...

MACMAHON

Value: \$48m



Macmahon Holdings has executed a binding agreement to acquire 100% of **GF Holdings (WA)** and its subsidiaries (collectively referred to as the **GBF Underground Mining Group**), with an upfront payment of \$48m. The acquisition is expected to immediately add underground scale and capability. The acquisition is expected to be EPS accretive, with the reported upfront component implying an EV/EBITDA multiple of circa 2.4x based on FY20 forecast EBITDA.

KOMATSU



Value: Not disclosed

Komatsu, through its wholly owned subsidiary in Australia, has agreed to acquire **Immersive Technologies**, a Western Australia-based mining workforce optimization company. **Immersive** develops, manufactures and sells mining equipment simulators for training machine operators for surface and underground mines.



Value: Undisclosed

Trescal, a France-based calibration services company backed by **OMERS Private Equity**, has acquired Australia-based **Auscal**. The acquisition expands **Trescal's** Asian footprint and enables it to enter calibration markets in Australia and New Zealand. **Auscal** provide calibration services to industrial customers throughout Asia and the South Pacific with offerings including in-house and on-site calibration. The company has five sites in Australia and one in New Zealand and generates revenue close to \$10m.

SCUTTLEBUTT...

- **Questas Group**, an Australia-based hydraulic, irrigation, pump and engine solutions business, is set to receive an investment from **Allegro Funds**. **Questas** is anticipated to use **Allegro's** investment to help pursue acquisitions.
- **Gelion Technologies**, an Australian battery company, will consider bringing in potential investors to its Series C raise around mid-2020, which could be a pre-IPO round ahead of a listing in two to three years.
- Private equity buyers may be targeting **Emeco** and **Maca**, Australia-based mining services companies. At least one major private equity player is thought to be considering an offer for a business in the Australian mining services space.
- **Contract Resources**, an Australia-based energy services company, is up for sale. Private equity players and services businesses are being approached as potential buyers. **Contract Resources'** owner **Anchorage Capital** is believed to be seeking over \$300m for the business. Buyers have been told that **Contract** brings in more than \$200m in annual revenue. The group operates in Australia, the Middle East, and New Zealand.
- **BGC Contracting** is anticipated to sell for around \$400m. **NRW Holdings** is believed to be the most likely buyer for the asset, while **CIMIC**, **Ausdrill**, and potentially **Macmahon Holdings** may also be interested.
- **Allegro Funds** is said to be among the buyers interested in acquiring **ATF Services**, an Australia-based worksite surveillance and fencing company. **ATF**, which has around 60 locations throughout Australia, is believed to bring in earnings of approximately \$20m.
- **Bingo Industries**, the Australian waste management company, is looking to enter Queensland, potentially via acquisitions. The company, which is present in New South Wales and Victoria, is aware of potential targets in Queensland and is looking to move into the Sunshine State within the coming few years. Currently, **Bingo** is only present in Queensland with a manufacturing site in Brisbane, operated by its bin manufacturing arm **Toro Waste Equipment**.
- **RYCO Hydraulics**, a privately held Melbourne, Australia-based hydraulic hose and fittings manufacturer is seeking a majority stake buyer.
- **Bluechiip**, an Australian developer of secure wireless ID and temperature tracking technologies, will assess ways to fund working capital in six to twelve months including a potential capital raise.

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