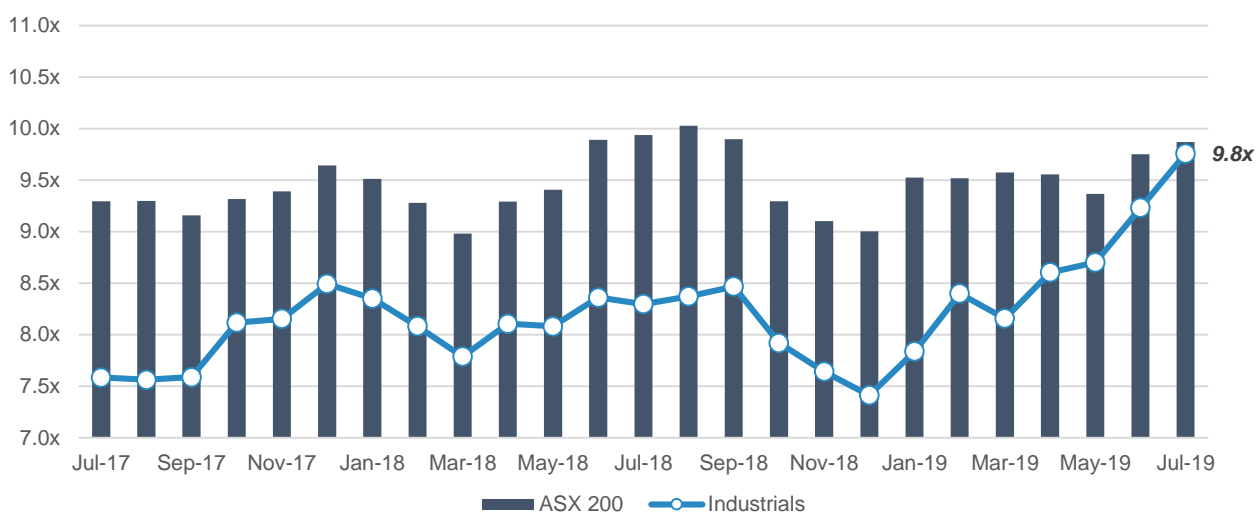


### VALUATION MULTIPLES

**Forward EV / EBITDA Multiples (monthly to 31/07/2019)** Source: FactSet Research Systems Inc.

Multiples in the Industrials sector have increased over the period. At the end of July, the sector traded on a forward EV / EBITDA multiple of 9.8x, compared to the ASX200 on 9.9x.



**Average Values and Trading Multiples (as at 21/08/2019)** Source: FactSet Research Systems Inc.

Subsector	Enterprise Value (\$ m)	EV/EBITDA FY2019	EV/EBIT FY2019	Price / Earnings FY2019
Chemicals and Plastics	20,493	9.7x	15.7x	24.4x
Construction and Building Materials	58,306	8.7x	11.3x	16.5x
Engineering Services	14,253	6.5x	9.8x	16.6x
Packaging	28,517	8.4x	11.5x	15.5x
<b>Industrials</b>	<b>173,376</b>	<b>8.5x</b>	<b>12.1x</b>	<b>19.3x</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.

### MERGER & ACQUISITION NEWS...



Value: Not Disclosed

**MOGAS Industries**, a Texas-based valve manufacturer, has acquired Australia-based **Brenco Group**, an Australian provider of industrial surface coating and engineering processes and aerospace technologies. The transaction extends **MOGAS'** capabilities in surface technologies and expands its presence in Australia.



Value: Not Disclosed

The Swedish heating and ventilation company **Systemair** has bought the ventilation part of the Australian company **Pacific HVAC Engineering**. The acquired business, based in Melbourne, has an annual turnover of approximately \$20m. The company is also established in Sydney, Adelaide, Brisbane, Perth, and Auckland in New Zealand. The company is a distributor of ventilation products and manufactures a range of fans. The number of employees is 60 people and the company will be renamed **Pacific Ventilation**.



Value: \$18.4m

**Neptune Marine Services** will be acquired by **MMA Offshore** for an estimated consideration of \$18.4m. **Neptune Group** is a leading provider of topside and subsea inspection, maintenance and repair solutions to the oil and gas, marine and renewable energy industries



Value: \$7.6m



**Mastermyne Group** has signed a conditional acquisition agreement for the purchase of all the shares of **Wilson Mining Services (WMS)** for an upfront consideration of \$7.6m. The consideration is to be paid as \$3.8m cash and the balance issued as ordinary shares in **Mastermyne**. The consideration may also be supplemented by further cash payments, contingent on performance of **WMS** over the proceeding 3-year period.

### SCUTTLEBUTT...

- **Lendlease** is planning to split up sale of Engineering & Services division. The combined group was too large and complex for some potential buyers.
- **BSA Limited**, the Australian-based building and communications services group, is taking a disciplined approach to identifying bolt-on acquisitions to expand into new markets.
- **Pact Group** is expected to divest its contract manufacturing services operations. Reportedly, **Pact's** contract manufacturing services division brought in EBITDA of \$25m for FY19, down from \$40m in the prior year.
- **Mader Group**, an Australian contractor providing maintenance services for heavy mining equipment, will list on the ASX to raise \$50m. The company will list with an indicative market capitalisation of \$200m.

## CONTACT DETAILS

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

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