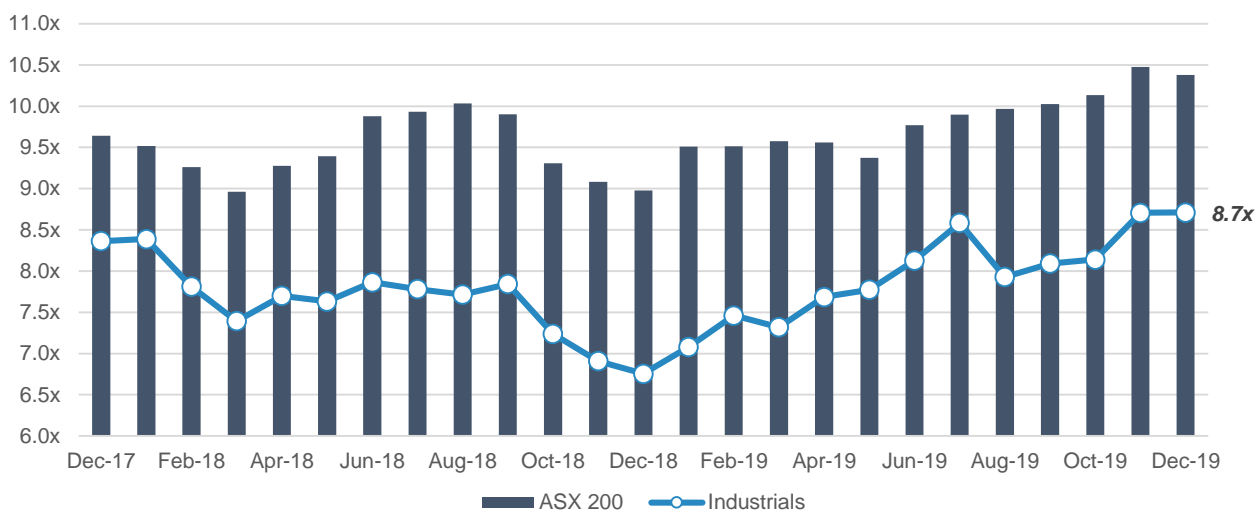


VALUATION MULTIPLES

Forward EV / EBITDA Multiples (monthly to 31/12/2019) Source: FactSet Research Systems Inc.

Multiples in the Industrials sector have remained steady over the period. At the end of December, the sector traded on a forward EV / EBITDA multiple of 8.7x, compared to the ASX200 on 10.4x.



Average Values and Trading Multiples (as at 22/01/2020) Source: FactSet Research Systems Inc.

Subsector	Enterprise Value (\$ m)	EV/EBITDA FY2020	EV/EBIT FY2020	Price / Earnings FY2020
Chemicals and Plastics	21,679	9.7x	15.8x	26.0x
Construction and Building Materials	61,837	9.6x	13.2x	18.2x
Engineering Services	22,119	6.5x	10.1x	14.0x
Packaging	40,600	9.7x	13.7x	16.0x
Industrials	204,822	9.2x	13.5x	19.6x

Note: Multiples are based on the forward year of the unreported period, which for the majority of companies in the sector is FY2020. 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...

	<p>Value: \$400m</p>  <p>CPE Capital, an Australia-based private equity firm, have agreed to acquire Unispace Global, an Australia-based office outfitter and renovator, from its management and employees. Founded in 2010, Unispace Global has more than 700 employees and operations in 25 countries.</p>
	<p>Value: Undisclosed</p>  <p>Sumitomo Forestry Australia, an Australia-based company engaged in importing and exporting of timber and building materials, has acquired Scott Park Group, an Australia-based company specializing in custom-built residential housing.</p>
	<p>Value: Undisclosed</p>  <p>Holcim (Australia), an Australia-based supplier of aggregates, concrete (readymix) and concrete pipe and products and a subsidiary of LafargeHolcim, has agreed to acquire extraction and sand supply business from Sibelco Australia Limited.</p>
	<p>Value: Undisclosed</p>  <p>Midway Metals, an Australia-based supplier of stainless steel, has agreed to acquire Outokumpu, an Australia-based company manufacturing stainless steel from Outokumpu Stainless AB.</p>
	<p>Value: \$180m</p>  <p>Acciona Australia, an Australia-based provider of sustainable solutions for infrastructure and renewable energy projects, has agreed to acquire Lendlease engineering, an Australia-based engineering and services (infrastructure) business of LendLease Group.</p>
	<p>Value: \$12m</p>  <p>DKSH Holding, the Swiss market expansion services group, has agreed to acquire Axieo Engineered Plastics, an Australia-based plastic business of Axieo.</p>
	<p>Value: \$525m</p>  <p>Ventia, an Australia-based company providing infrastructure services, has agreed to acquire Australia and New Zealand based businesses of Broadspectrum Limited, an Australia-based provider of operations, maintenance and asset management services across various industry sectors which include infrastructure, telecommunications, energy, facilities management, defence, power and hydrocarbons.</p>
	<p>Value: \$9m</p>  <p>Janus International Corporation, an US-based company engaged in the manufacturing of steel roll-up doors and building components designed for the self storage, industrial and commercial door dealer markets and the portfolio company of Clearlake Capital Group, has acquired Steel Storage Australia, an Australia-based company engaged in self-storage design and construction.</p>

SCUTTLEBUTT...

- Sanjeev Gupta's **GFG Alliance** is said to be in talks to buy the **Portland** aluminium smelter in Victoria. **Portland's** owner **Alcoa** is believed to be willing to sell the facility.
- **M8 Sustainable** (M8S), a recently listed recycling and waste management company, will pursue joint venture (JV) and acquisition opportunities once it has achieved the growth objectives set out in its prospectus.
- **SWC Management**, an Australia-based building supplier, has entered voluntary administration, after it was unable to service its \$69m debt, including unpaid wages.
- **Wattle Health Australia** announced on 2 January that it is undertaking an operational restructure following a major shortfall in its efforts to raise capital to fund the purchase of **Blend & Pack**.
- **Textron Aviation**, affiliate of the Providence, Rhode Island-based operator of aircraft, defense, industrial and finance businesses **Textron** company, on 6 January announced the acquisition of **Premiair Aviation Maintenance**, an Australian Maintenance, Repair and Overhaul (MRO) service provider.
- Australian flooring business **Omnifloor's** administrators are seeking urgent proposals to recapitalise or acquire the company.
- **Pact Group**, an Australian packaging business, could undertake an equity raising of around \$300m to reduce debt and boost its balance sheet. Pact have also commenced a sale process in respect of its Contract Manufacturing division. Contract Manufacturing reported sales of AUD 372m and EBITDA of AUD 25m in the 2019 financial year.
- **Visy Industries**, an Australian packaging business, is competing against two private equity players for **Owens-Illinois'** Australian and New Zealand business
- **Southern Launch**, an Australian rocket launch facility business, is seeking to raise up to \$12m in return for a minority stake in the company.
- **ABC Tissue**, an Australian toilet paper maker, will launch the second round of its auction at the end of the month. **ABC** reportedly brought in profit of \$37.3m last year and annual revenue of \$427.6m.

CONTACT DETAILS

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