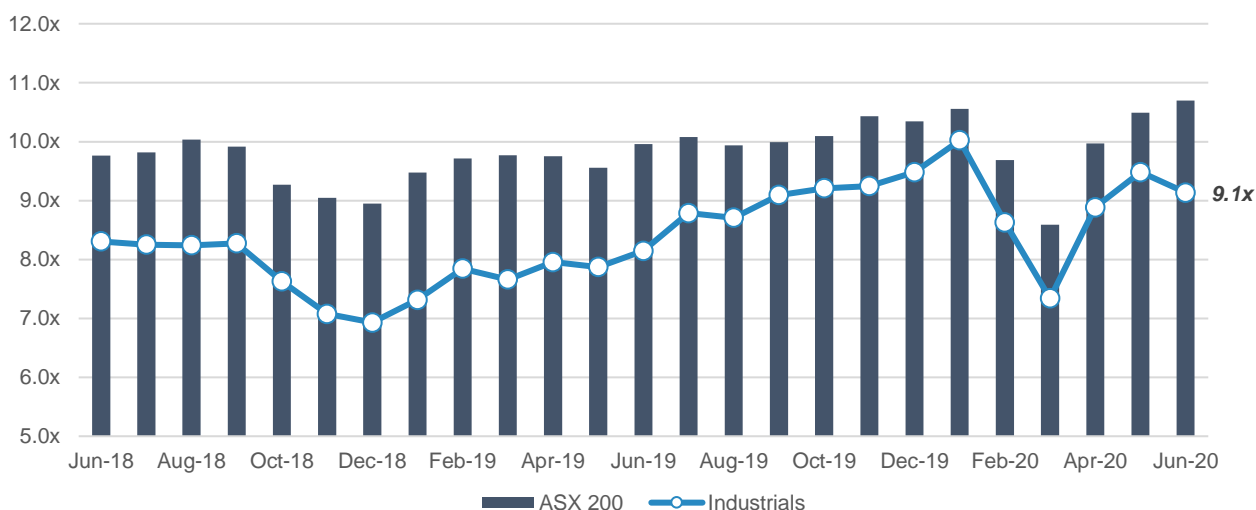


### VALUATION MULTIPLES

**Forward EV / EBITDA Multiples (monthly to 30/06/2020)** Source: FactSet Research Systems Inc.

Multiples in the Industrials sector have decreased over the period. At the end of June, the sector traded on a forward EV / EBITDA multiple of 9.1x, compared to the ASX200 on 10.7x.



**Average Values and Trading Multiples (as at 28/07/2020)** Source: FactSet Research Systems Inc.

| Subsector                           | Enterprise Value (\$ m) | EV/EBITDA FY2020 | EV/EBIT FY2020 | Price / Earnings FY2020 |
|-------------------------------------|-------------------------|------------------|----------------|-------------------------|
| Chemicals and Plastics              | 17,729                  | 9.3x             | NA             | 18.6x                   |
| Construction and Building Materials | 50,879                  | 10.1x            | 14.4x          | 21.8x                   |
| Engineering Services                | 15,938                  | 5.9x             | 9.4x           | 12.8x                   |
| Packaging                           | 4,240                   | 11.7x            | 17.8x          | 18.5x                   |
| <b>Industrials</b>                  | <b>174,519</b>          | <b>10.1x</b>     | <b>15.1x</b>   | <b>18.8x</b>            |

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. Composition of companies in Sector Dashboards are updated every 6 months. Most recent update: February 2020.

## MERGER & ACQUISITION NEWS...

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Value: \$947m

**O-I Glass Inc**, the Perrysburg, Ohio-based glass packaging company, has agreed to sell its Australia and New Zealand businesses to **Visy Industries** of Melbourne, Australia. After evaluating alternatives for the ANZ business, the company determined the best option was to sell the operation to a buyer who could build on the business O-I has developed and bring decades of experience and expertise in closed loop packaging and recycling solutions, aligned to customer and industry needs.

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Value: \$22m

**Stream Group Limited** has agreed to acquire **Mayfield Group Investments Pty Ltd**, an Australia-based company operating in the supply of electrical products and services for critical infrastructure and facilities through its subsidiaries. The acquisition will enable relisting of Stream Group.

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Value: Undisclosed

**Watts Water Technologies**, a Massachusetts-based plumbing, heating, and water quality products maker, bought **Australian Valve Group**, an Australian heating control valves maker. The deal will allow Watts Water to expand its product breadth and provide greater channel access to the important Australian market.

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Value: Undisclosed

**United Safety & Survivability Corp**, a Pennsylvania-based manufacturer of safety products backed by **Dubin Clark & Company**, has acquired Australia-based **QTEC Fire Services**. The deal is expected to expand United Safety's fire-suppression offerings and is the second fire protection acquisition the company has made in recent years.

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Value: \$20m

**WorleyParsons** [ASX:WOR] has acquired a 50% stake in **TW Power Services**, an Australian-based operations and maintenance business providing services to power generation sector, from Ferrovial S.A. The acquisition meets WP's global power business enabling the expansion of its global operations and maintenance capabilities.

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## SCUTTLEBUTT...

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- Blocks of **Boral** shares that represent a total of a 2.8% stake, worth AUD 128m, were sold on 10 July in two separate transactions to **Seven Group Holdings** [ASX:SVW] .
- Germanys' **Knauf** is hoping to sell its stake in its Australian plasterboard and ceiling business at a price valuing the entire operation at AUD 400m.
- Administrators of **Ricbuilt Heavy Industries**, an Australian mining services company, are seeking expressions of interest for the business.
- **Schlam**, an Australian supplier of services for asset management, maintenance, manufacturing, and engineering, will consider acquisitions as it seeks to grow into new markets and expand its products.
- **Leigh Creek Energy**, an Australian developer of an in-situ gasification project, is in talks with strategic partners to help fund the project, alongside funding the creation of a fertiliser company producing urea from syngas.
- **BlueScope Steel** [ASX:BSL] announced that it is conducting a strategic review of its New Zealand operations.
- The administrators of **Fairview Architectural**, an Australian cladding services business, are seeking urgent expressions of interest for the company.
- **Reliance Worldwide** [ASX:RWC], an Australia-based plumbing supplies business, could interest private equity buyers.
- **Brickworks** [ASX:BKW] , an Australia-based brick manufacturer, is believed to have approached Germany's **Knauf** to buy its Australian assets before they were officially put up for sale.
- **Oleology**, a privately held Western Australia-based water treatment company, could consider taking on an investor to scale quicker.
- **Skykraft**, an Australian space services start-up, aims to raise capital within six months, and will consider retaining an advisor if it opened the door to overseas investors and services portfolio.

## 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     | Executive Chair        | (07) 3218 9122 | <a href="mailto:sdoyle@interfinancial.com.au">sdoyle@interfinancial.com.au</a>           |
| Paul Keehan      | Non-Executive Director | (07) 3218 9100 | <a href="mailto:pkeehan@interfinancial.com.au">pkeehan@interfinancial.com.au</a>         |
| Ted Marchant     | Non-Executive Director | (07) 3218 9100 | <a href="mailto:tmarchant@interfinancial.com.au">tmarchant@interfinancial.com.au</a>     |
| Mark Steinhardt  | Head of M&A            | (07) 3218 9105 | <a href="mailto:msteinhardt@interfinancial.com.au">msteinhardt@interfinancial.com.au</a> |
| Brad Shaw        | Director – M&A         | (07) 3218 9100 | <a href="mailto:bshaw@interfinancial.com.au">bshaw@interfinancial.com.au</a>             |
| Brent Wall       | Director – M&A         | (07) 3218 9102 | <a href="mailto:bwall@interfinancial.com.au">bwall@interfinancial.com.au</a>             |
| David Hassum     | Director               | (07) 3218 9108 | <a href="mailto:dhassum@interfinancial.com.au">dhassum@interfinancial.com.au</a>         |
| Andrew Wheeler   | Director               | (07) 3218 9107 | <a href="mailto:awheeler@interfinancial.com.au">awheeler@interfinancial.com.au</a>       |
| Michael Kakanis  | Associate              | (07) 3218 9106 | <a href="mailto:mkakanis@interfinancial.com.au">mkakanis@interfinancial.com.au</a>       |
| Lachlan O'Rourke | Analyst                | (07) 3218 9104 | <a href="mailto:lorourke@interfinancial.com.au">lorourke@interfinancial.com.au</a>       |

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