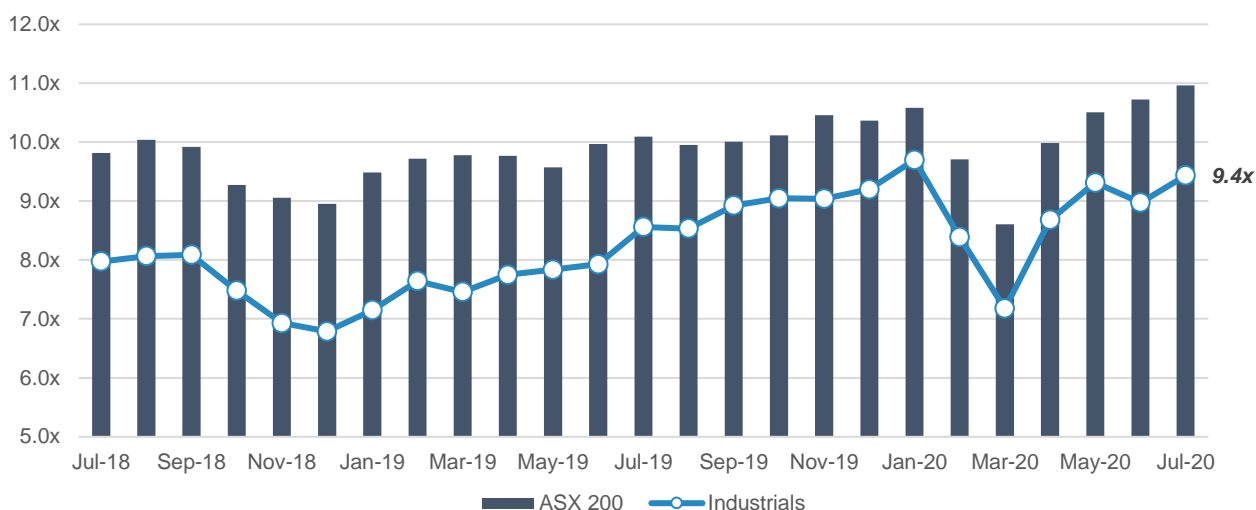


### VALUATION MULTIPLES

**Forward EV / EBITDA Multiples (monthly to 31/07/2020)** 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 9.4x, compared to the ASX200 on 11.0x.



**Average Values and Trading Multiples (as at 19/08/2020)** Source: FactSet Research Systems Inc.

| Subsector                           | Enterprise Value (\$ m) | EV/EBITDA FY2020 | EV/EBIT FY2020 | Price / Earnings FY2020 |
|-------------------------------------|-------------------------|------------------|----------------|-------------------------|
| Chemicals and Plastics              | 18,751                  | 9.8x             | 22.5x          | 20.5x                   |
| Construction and Building Materials | 53,005                  | 9.6x             | 14.7x          | 20.5x                   |
| Engineering Services                | 16,302                  | 6.1x             | 11.4x          | 12.8x                   |
| Packaging                           | 4,167                   | 11.3x            | 17.4x          | 17.0x                   |
| <b>Industrials</b>                  | <b>180,277</b>          | <b>9.1x</b>      | <b>15.6x</b>   | <b>18.1x</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: Not disclosed

**SIMEC Energy**, an international energy and natural resources group headquartered in the UK, has decided to demerge from **ZEN Energy**, an Australian provider of solar panels, systems, and retail energy. The majority stake will be sold back to **ZEN Energy** owner Professor Ross Garnaut. **SIMEC Energy**, will retain the existing project development business. The move is expected to provide cheaper power for South Australian consumers, as the new structure will increase local competition, and lower costs through increased use of renewables.

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Value: Not disclosed

**Metso Corporation**, the Finnish industrial machinery company, announced on 3 August its acquisition of **Davies Wear Plate Systems**, an Australian fastener and wear monitoring technology provider. The target's technology will help Metso in augmenting safer and faster maintenance work and fits in with its focus of offering encompassing solutions for the full gamut of the wear lining value chain.

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## SCUTTLEBUTT...

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- **Waster**, a privately held Australian waste company, is planning to raise up to AUD 5m in a Series A round later this year to accelerate domestic growth.
- **Monadelphous**, an Australian engineering business, is eyeing investments in suitable business opportunities.
- **Imdex**, the Australian-based maker of drilling fluids and industrial instruments, is said to be eyeing strategic acquisitions.
- Perth-based mining and metals company **South32** has stated that it will sell its shareholding in the **Tasmanian Electro Metallurgical Company (TEMCO)** to an entity within **GFG Alliance**.
- **UAM Tec**, an Australian developer of an autonomic underwater vehicle (AUV), is seeking a buyer or investor to help its global commercialization efforts.
- Germany's **Hochtief** is considered increasingly likely to buy the remainder of **CIMIC**.
- **O F Packaging**, an Australia-headquartered manufacturer, is scouting acquisition targets in Australia and South Africa.
- **Ertech Holdings**, a private Australian civil construction business, is set to proceed with an ASX listing for its engineering remediation business **Duratec**.

## 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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