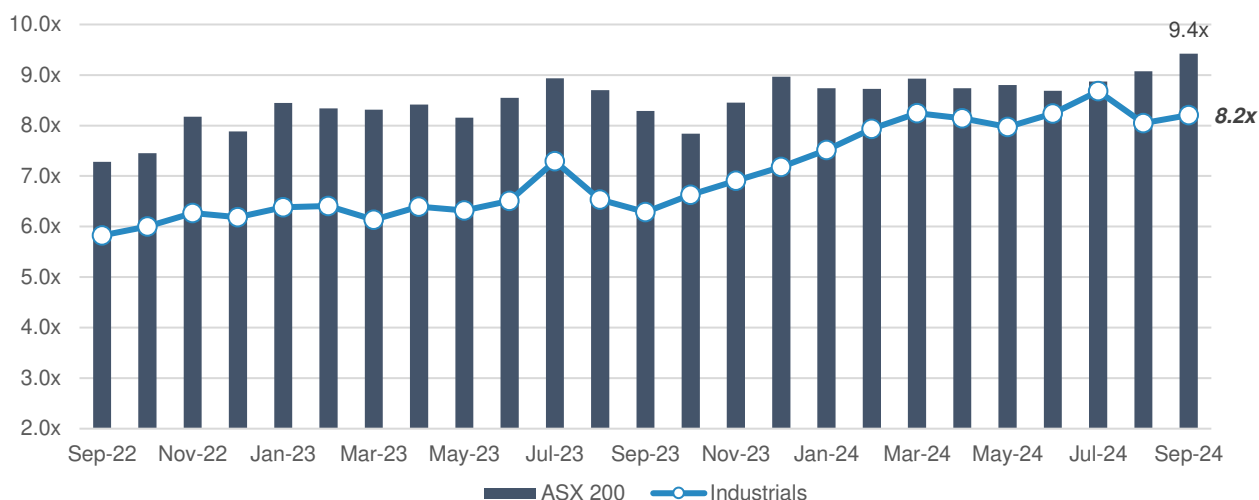


VALUATION MULTIPLES

Forward EV / EBITDA Multiples (monthly to 30/09/2024) Source: FactSet Research Systems Inc.

Multiples in the Industrials sector have increased over the period. At the end of September, the sector traded on a forward EV / EBITDA multiple of 8.2x, compared to the ASX200 on 9.4x.



Average Values and Trading Multiples (monthly to 30/09/2024) Source: FactSet Research Systems Inc.

Subsector	Enterprise Value (\$ m)	EV/EBITDA FY2024	EV/EBIT FY2024	Price / Earnings FY2024
Chemicals and Plastics	6,863	5.9x	10.6x	12.7x
Construction and Building Materials	15,601	12.6x	27.2x	27.3x
Construction/Mining Services	34,831	6.2x	9.0x	12.4x
Engineering Services	15,080	7.0x	10.3x	15.2x
Industrial Products And Services	33,466	11.0x	15.8x	22.3x
Packaging	6,672	9.3x	15.2x	17.5x
Industrials	125,023	10.3x	15.8x	18.6x

Note: Multiples are based on the forward year of the reported period, which for the majority of companies in the sector is FY2025. 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...

SCANFIL

Value: \$54.42m

Finland-based contract manufacturer **Scanfil Oyj** has acquired **SRX Global**, an Australian based provider of electronic manufacturing services. The deal marks a key step in Scanfil's Asia Pacific expansion through the acquisition of SRX's factories across Melbourne and Johor Bahru (Malaysia).



Value: \$21.07m

LB Group Co Ltd, a chemical manufacturer, has acquired **Murray Zircon Pty Ltd**, the Australian mineral sands mining company.



Value: Not disclosed.

Kase Building & Restoration Group, the real-estate builders and construction company, has acquired **Adelaide Insurance Builders Pty Ltd** as it continues to expand its sector capabilities and extends its presence into SA.



Value: Not disclosed.

Nexion SpA, the Italy based manufacturer of equipment for automobiles has acquired **Eagle SMF Distributors**, the Australian based automotive equipment and services provider specialising in tyre changers, wheel balancers and vehicle lifts.



Value: \$115m

Sumitomo Forestry, the Japan based conglomerate of forestry and wood processing services is set to acquire 51% of **Metricon Homes**, an Australian home building company. Metricon has been Australia's largest builder for the last 9 years, and if the deal goes through, approximately 12% of all Australian homes would be built by overseas companies.

SCUTTLEBUTT...

- **Quickstep Holdings** has recently announced that despite ongoing interest and discussions, no offer has been received for their **Quickstep Aerospace Services** business and thus will proceed with the closure and asset disposal of QAS. QAS is a global manufacturer of composite solutions for the defence and commercial aerospace industries.
- **NEO Battery Materials** advises that it has signed a non-binding letter of intent (LOI) with partner, **Lotus Energy Recycling**. NEO is a low-cost silicon anode materials developer that enables longer-running, rapid-charging lithium ion batteries.
- **Pacific Equity Partners** is reportedly exploring the possibility of acquiring **Incitec Pivot's** fertilizer unit. BGH Capital is said to be contemplating a bid for the business, along with strategic players such as Ridley and Nutrien.
- **Brookfield** is still believed to be in discussions to acquire **Loscam**, an Asia-Pacific logistics business. Meanwhile, KKR has reportedly exited the auction after sale terms were revised to encompass only 40% of the business.
- **Mitsubishi Chemical Group** is rumoured to be exploring a bid for assets of **BGC**, an Australian based building materials business. BGC is one of Australia's vertically integrated construction businesses with a specific focus on residential and commercial construction.
- **Waste Services Group**, an Australian based waste management business has reportedly received non-binding indicative bids from at least five PE buyers including The Carlyle Group, Affinity Equity Partners, CVC Capital Partners, Pacific Equity Partners and EQT.
- Private equity players have expressed interest in acquiring **SG Fleet**, an Australian based fleet leasing business. Sources indicate that **Super Group**, a South African based business was seeking cash for its 53% stake in SG Fleet, but private equity suitors were not able to make the deal work and strategic suitors were only willing to pay with scrip. Since SG Fleet's share price has come down significantly, potential buyers now include Anchorage Capital Partners, BGH Capital, Pacific Equity Partners, Quadrant Private Equity and Affinity Equity Partners.

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