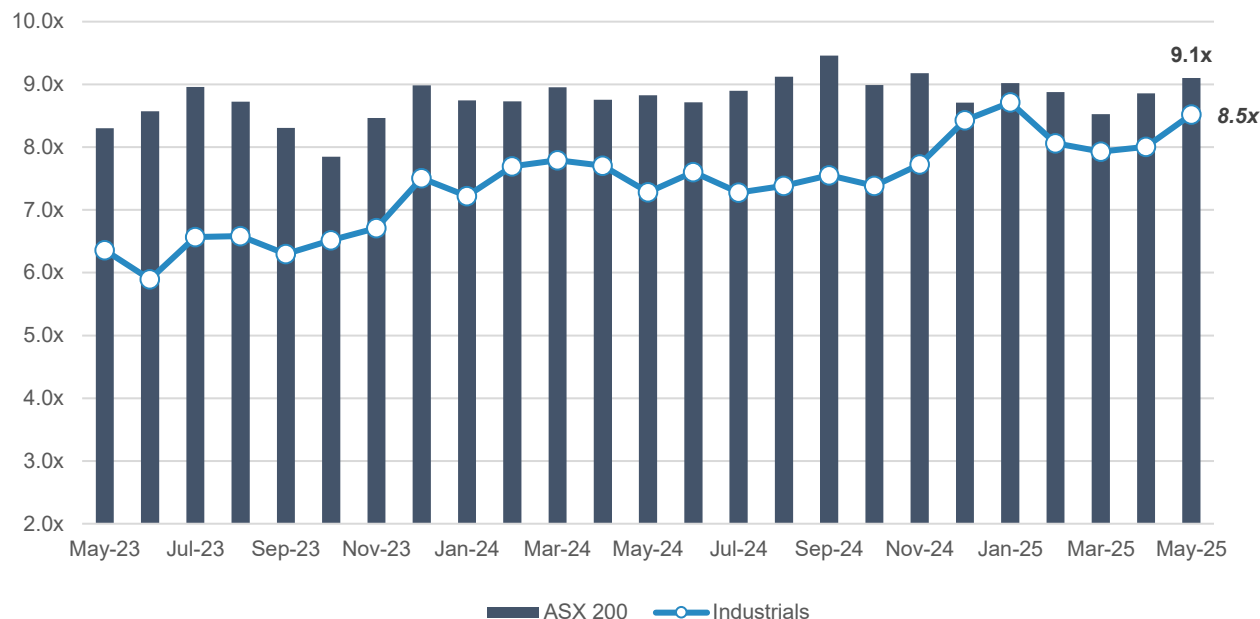


## VALUATION MULTIPLES

**Forward EV / EBITDA Multiples** (monthly to 31/05/2025) Source: FactSet Research Systems Inc.

Multiples in the Industrials sector have increased over the period. At the end of May, the sector traded on a forward EV / EBITDA multiple of 8.5x, compared to the ASX200 on 9.1x.



**Average Values and Trading Multiples** (monthly to 31/05/2025) Source: FactSet Research Systems Inc.

Subsector	Enterprise Value (\$ m)	EV/EBITDA FY2025	EV/EBIT FY2025	Price / Earnings FY2025
Chemicals and Plastics	6,669	6.0x	11.8x	13.6x
Construction and Building Materials	21,783	9.9x	16.5x	24.2x
Construction/Mining Services	40,528	6.9x	9.8x	13.0x
Engineering Services	14,963	7.5x	10.9x	16.4x
Industrial Products And Services	26,271	12.2x	20.7x	28.4x
Packaging	4,137	6.9x	11.1x	17.2x
<b>Industrials</b>	<b>128,005</b>	<b>12.1x</b>	<b>22.0x</b>	<b>20.4x</b>

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...



Value: \$7m

**Mayfield Group**, an Australian provider of electrical infrastructure solutions, has agreed to acquire **BE Switchcraft** from **Alias Investments** for \$7m. The deal includes \$5m in cash and \$2m in Mayfield shares.



Value: \$16.35m + \$8.2m (deferred consideration)

**Babylon Pump & Power** has agreed to acquire **Blue Hire**, a Western Australia-based pump hire and hydrotesting specialist, for \$16.35m upfront, with deferred consideration of up to \$8.2m based on performance.



Value: \$14bn

**Soul Pattinson**, an ASX-listed investment company, and **Brickworks**, a diversified industrial group, have agreed to merge and form a new ASX-listed holding company **TopCo**. That firm will later be renamed **Washington H. Soul Pattinson and Company**, with an expected market cap of \$14bn. Brickworks shareholders will receive 0.82 TopCo shares per Brickworks share, implying a value of \$30.28, a 10.1% premium to the last close.



Value: \$11.75m

**Tasma**, an Australian industrial services group, has agreed to acquire **Vertex Group**, which provides water and pumping solutions for mining, agriculture, industrial, and local government sectors. The deal includes \$9m upfront and up to \$2.75m in earn-outs over three years. Vertex is expected to generate over \$2.5m EBIT annually under Tasma's ownership.



Value: Undisclosed

**Sequana**, a water engineering firm backed by **Pemba Capital Partners**, has acquired **Atlas Engineering Group** and **Infrastructure Project Solutions**. The combined group is expected to generate annual revenue of \$80m, up from \$40m in FY24.

### SCUTTLEBUTT...

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- **CIMIC** is exploring a sale of **UGL**'s transport division. The unit manufactures and maintains rail equipment, generating around \$1.5bn in revenue and over \$100m in earnings. Market estimates value the division at more than \$1bn, or 5-6x earnings.
- **Elph Investments** has raised its takeover offer for **Engenco** to \$0.31 per share in cash and declared the new price final with no further increases.
- **Raubex**, a South African-based infrastructure developer and materials supplier is currently conducting due diligence on an Australian bolt-on acquisition target. The acquisition aims to support its Australian subsidiaries, Raubex Constuction Australia and Roadmac Australia division.
- **China Nerin Engineering** is looking abroad to global markets for acquisition targets. Nerin already operates in 60 countries globally, including Australia, and is looking to expand with international bolt-on targets which have a strong local client base.
- **Matrix Composites & Engineering**, an Australian composites manufacturer, has rejected a reverse merger offer from energy storage firm **Advanced Innergy Solutions**. The deal would have left Matrix shareholders with 20% of the merged group. Matrix said the proposal undervalued its business and confirmed talks have ended.
- **Santos** has received a non-binding takeover offer from a consortium led by UAE-based **XRG**, valuing the company at \$33.8b. The offer of \$8.89 per share is subject to a binding agreement, with the Santos board indicating it would support the deal in the absence of a superior proposal.

## CONTACT DETAILS

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