

AUGUST 2020 – ENVIRONMENTAL & WASTE

Executive Summary

The **Domestic Coverage Group** closed this month, up 19.5%. **Environmental Clean Technologies Limited** recorded the largest movement, up 50.0%

Domestic sector average **LTM EV/EBITDA** closed at 39.6x, with the average **NTM EV/EBITDA** projected to be 12.6x

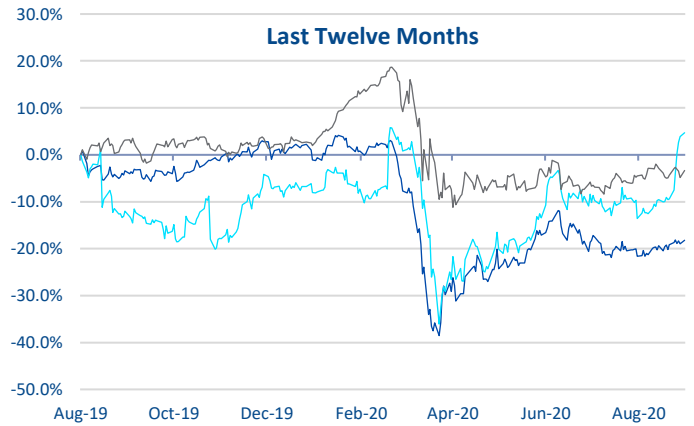
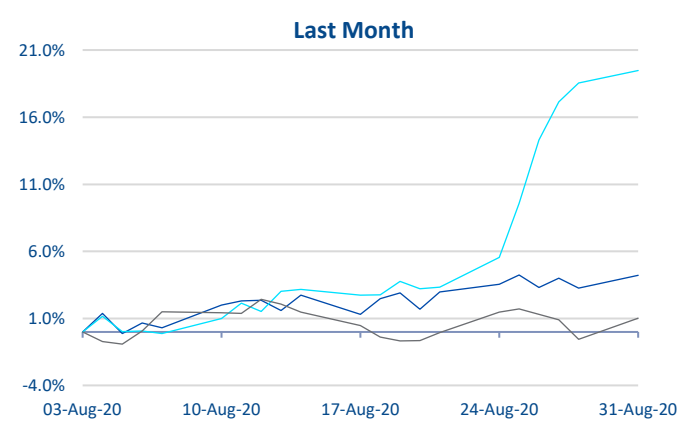
The **International Coverage Group** closed this month, up 1.0%. **Suez SA** recorded the largest movement, up 27.3%

International sector average **LTM EV/EBITDA** closed at 10.3x, with the average **NTM EV/EBITDA** projected to be 10.5x

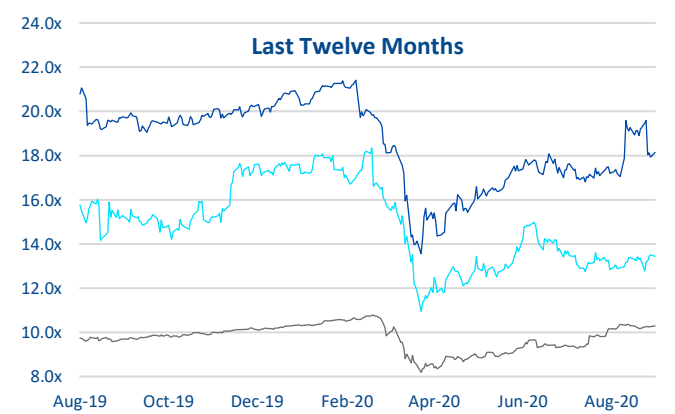
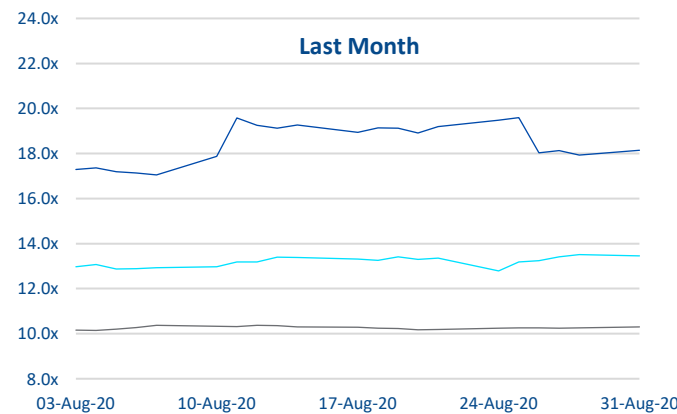
Key Developments

- **Veolia Environnement S.A.** made an offer to acquire a 29.9% stake in **Suez SA** from **ENGIE SA** for €2.9 billion
- **Soc Assainissement Rationnel Et Pompag** signed an agreement to acquire **Suez Rv Osis** from **Suez SA** for approximately €300 million
- A consortium of local investors acquired Operations from **Stericycle, Inc.** for \$3.9 million

INDEXED SHARE PRICE PERFORMANCE



VALUATION PERSPECTIVES (LTM EV/EBITDA)



EAC Partners has constructed a market capitalisation weighted index for the Domestic and International coverage groups. The charts shown are the indexed share price performance for the constituent companies of the EAC coverage group and the ASX200 Industrials Index.

ASX 200 Industrials Sector Index (dark blue line)
EAC Domestic Coverage Group (light blue line)
EAC International Coverage Group (brown line)

CONSTITUENTS

| Domestic | ASX Ticker | Closing Price | Monthly Movement | Market Cap (AUD) | EV (AUD) | EV / EBITDA (LTM) | EV / EBITDA (NTM) | P / E (Trailing) | P / E (Forward) | ND / EBITDA (Trailing) | Div Yield (Trailing) |
|--|------------|---------------|------------------|------------------|----------|-------------------|-------------------|------------------|-----------------|------------------------|----------------------|
| Aeris Environmental Ltd | AEI | 0.66 | 1.5% ▲ | 160.3 | 158.4 | 92.0x | NM | 74.2x | NM | NM | NM |
| Bingo Industries Limited | BIN | 2.23 | 15.2% ▲ | 1,458.4 | 1,807.9 | 13.1x | 13.4x | 22.3x | 37.9x | 2.5x | 1.6% |
| Cleanaway Waste Management Limited | CWY | 2.58 | 23.4% ▲ | 5,299.7 | 6,286.3 | 13.8x | 11.8x | 46.9x | 32.9x | 2.2x | 1.7% |
| Environmental Clean Technologies Limited | ECT | 0.00 | 50.0% ▲ | 14.4 | 17.1 | NM | NM | NM | NM | NM | NM |
| Average | | | 19.5% | | | 39.6x | 12.6x | 47.8x | 35.4x | 2.3x | 1.6% |
| International | | | | | | | | | | | |
| Séché Environnement SA | NXTPA:SCHP | 55.08 | 3.9% ▲ | 429.9 | 1,181.6 | 5.9x | 5.5x | 14.9x | 15.9x | 3.7x | 2.8% |
| Suez SA | ENXTPA:SEV | 23.50 | 27.3% ▲ | 14,690.6 | 36,819.5 | 8.7x | 7.8x | NM | 28.7x | 3.9x | 3.7% |
| Veolia Environnement S.A. | ENXTPA:VIE | 32.73 | 2.7% ▲ | 18,144.0 | 39,099.0 | 8.3x | 6.4x | 44.9x | 20.3x | 3.0x | 2.6% |
| Renewi plc | LSE:RWI | 0.42 | (8.3%) ▼ | 336.2 | 1,528.0 | 5.0x | 5.7x | NM | 26.1x | 3.9x | NM |
| Severn Trent Plc | LSE:SVT | 42.24 | (6.0%) ▼ | 10,084.3 | 21,699.4 | 14.1x | 13.7x | 35.2x | 21.6x | 7.1x | 4.3% |
| Stericycle, Inc. | SRCL | 86.88 | 3.0% ▲ | 7,948.2 | 11,296.0 | 13.1x | 16.4x | NM | 27.0x | 4.7x | NM |
| Clean Harbors, Inc. | NYSE:CLH | 82.80 | (0.4%) ▼ | 4,607.0 | 6,396.4 | 6.9x | 9.8x | 33.8x | 46.6x | 2.0x | NM |
| Waste Connections, Inc. | NYSE:WCN | 135.56 | (5.1%) ▼ | 35,628.2 | 41,347.4 | 18.1x | 17.8x | 127.7x | 36.6x | 2.5x | NM |
| Waste Management, Inc. | NYSE:WM | 154.49 | 1.0% ▲ | 65,267.2 | 78,991.3 | 14.1x | 13.4x | 30.1x | 28.8x | 2.3x | 1.9% |
| Sembcorp Industries Ltd | SGX:U96 | 1.86 | 5.9% ▲ | 3,328.1 | 14,561.6 | 12.7x | 12.2x | NM | 26.3x | 6.7x | NM |
| Cleanaway Company Limited | TSEC:8422 | 7.33 | (0.1%) ▼ | 798.1 | 755.5 | 10.7x | NM | 15.7x | NM | NM | 6.3% |
| Tervita Corporation | TSX:TEV | 3.06 | (22.1%) ▼ | 346.3 | 1,259.6 | 5.9x | 6.6x | NM | NM | 3.7x | NM |
| Average | | | 1.0% | | | 10.3x | 10.5x | 43.2x | 27.8x | 4.0x | 3.6% |
| Coverage Group Average | | | | | | 16.2x | 10.8x | 44.6x | 29.1x | 3.7x | 3.1% |

KEY DEVELOPMENTS

Activity

- **Veolia Environnement S.A. (ENXTPA:VIE)** made an offer to acquire a 29.9% stake in **Suez SA (ENXTPA:SEV)** from **ENGIE SA (ENXTPA:ENGI)** for €2.9 billion. Veolia Environnement S.A. made the offer to acquire shares at €15.50 per share. Veolia intends, following the acquisition of the 29.9% of Suez shares, to file a voluntary tender offer for the remaining Suez shares. Peltier Juvigny Marpeau & Associés. Messier Maris & Associés, Perella Weinberg Partners LP acted as financial advisors to Veolia Environnement S.A., while Gide Loyrette Nouel LLP provided financial and legal advice to Board of Directors of Veolia Environnement S.A.
- **Soc Assainissement Rationnel Et Pompag** signed an agreement to acquire **Suez Rv Osis** from **Suez SA (ENXTPA:SEV)** for approximately €300 million. The merger of **Soc Assainissement Rationnel Et Pompag** and **Suez RV OSIS** would position the Veolia Group as a major player in this field
- A consortium of local investors acquired Operations from **Stericycle, Inc. (NasdaqGS:SRCL)** for approximately \$3.9 million. David Gray, Jon Mahan, Waldo Glasman, JR Bartrug and Simon Amat of Stifel acted as financial advisors to Stericycle in the transaction

EAC PARTNERS

EAC Partners is an independent corporate advisory firm providing a full suite of mid-market merger, acquisition, divestment, capital structure and corporate finance services to private and public companies, located within Australia and abroad

Transaction Experience



Sibelco: Advised on the divestment of their sand mining operations to Holcim Australia



mpower: Advised on the sale of the Australian and New Zealand products distribution businesses



Zentree: Advised on takeover panel application regarding equity rights issue by ERA, underwritten by Rio Tinto



Safe Direction: Completed a strategic and capital structure review



Batchfire: Advised in relation to a AUD25M equity rights issue



Running Bare: Completed a strategic review



Matt Brown's Greens: Advised on its sale to MorCo Fresh



Yello: Advised in relation to its series A capital raising



ATL: Advised on its USD500M investment grade bond offer
Advised on their finance plan, which included rating advice



Smollen Group: Advised Australia's largest real estate franchise on its AUD70M sale to McGrath Limited



Enviropacific Services: Advised on the divestment of 44% of the shares to Adexum Capital



Holcim: Strategic review of two non-core assets



Moko: Advised in relation to an acquisition and capital raise



Freemantle Media: Advised on the takeover of a listed media business



APSEZ: Advised on acquisition of Abbot Point Bulkcoal from Glencore
Advised on its inaugural USD650M investment grade bond offer



Sibelco: Advised on the acquisition of an industrial minerals producer



Adani: Advised on the AUD1.25B refinance of Adani Abbot Point Terminal

Awards



EAC Partners received the 2018 award for "Best M&A Advisory Firm – Australia"



EAC Partners received the 2018 award for "Most Client-Focused Corporate Advisory Firm – NSW"

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