

# JANUARY 2024 – CONSTRUCTION MATERIALS & BUILDING PRODUCTS

## Executive Summary

The **Domestic Coverage Group** closed this month, up 1.3%. **CSR Limited** recorded the largest movement, up 5.2%

The average **LTM EV/EBITDA** multiple for the domestic sector closed at 10.3x while the average **NTM EV/EBITDA** is projected to be 10.1x

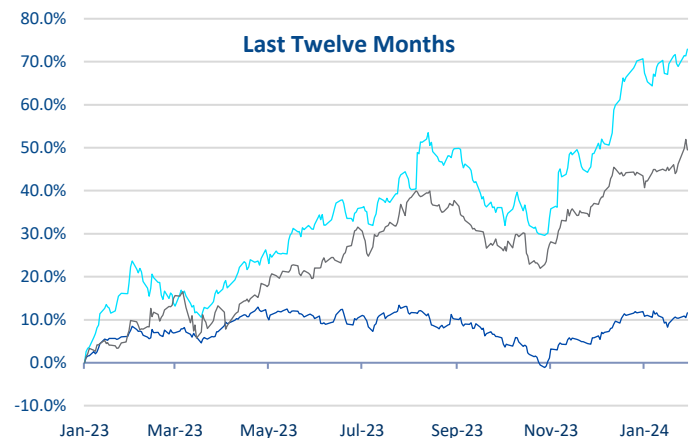
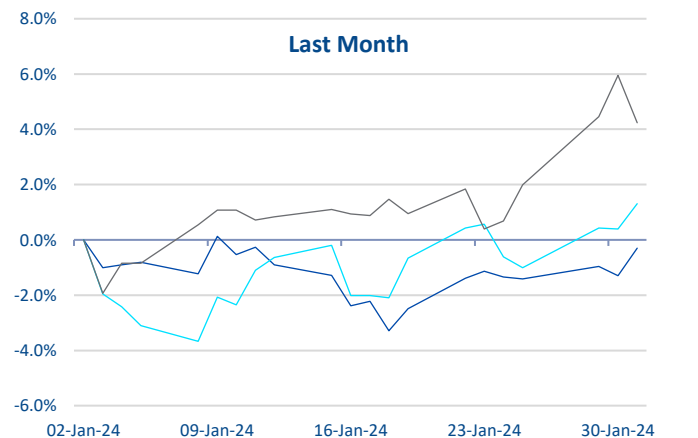
The **International Coverage Group** closed this month, up 4.2%. **Buzzi S.p.A.** recorded the largest movement, up 16.0%

The International sector average **LTM EV/EBITDA** multiple closed at 9.2x, whilst the **NTM EV/EBITDA** multiple is projected to be 8.8x

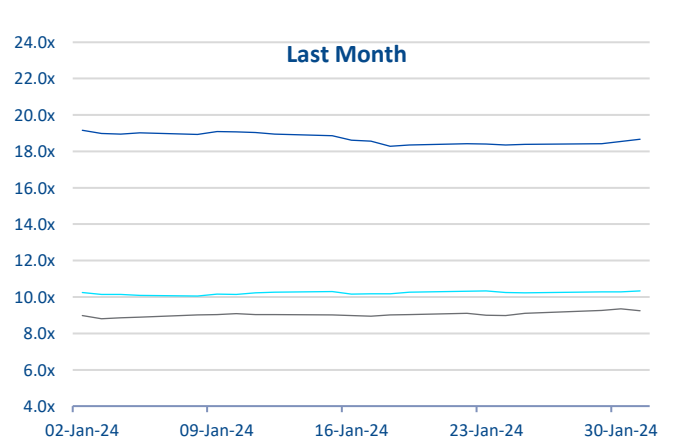
## Key Developments

- **Compagnie de Saint-Gobain S.A.** agreed to acquire R.SOL
- **Martin Marietta Materials, Inc.** completed the acquisition of Albert Frei & Sons, Inc
- **Compagnie de Saint-Gobain S.A.** agreed to acquire Glass Service, a.s.
- **Holcim Ltd** acquired Watt S.A.
- Transports Garnier SA, E-b-trans SA, Transports Desert S.A. and T2GL acquired Tratel S.a.s. from **Heidelberg Materials AG**

## 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 International Coverage Group (grey line)  
EAC Domestic Coverage Group (cyan line)

# CONSTITUENTS

Domestic	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)
Adbri Limited	ABC	3.06	2.0% ▲	1,999.2	2,759.4	11.2x	8.7x	19.3x	18.2x	3.5x	NM
Brickworks Limited	BKW	29.32	4.9% ▲	4,454.1	4,481.4	11.2x	15.1x	11.1x	34.8x	11.6x	2.3%
Boral Limited	BLD	5.30	(1.7%) ▼	5,846.4	6,184.6	13.7x	11.2x	37.3x	28.6x	0.8x	NM
CSR Limited	CSR	6.94	5.2% ▲	3,312.6	3,479.3	11.0x	9.2x	16.1x	16.2x	0.1x	5.1%
Fletcher Building Limited	FBU	4.21	(5.0%) ▼	3,269.4	6,119.2	5.8x	6.3x	15.9x	10.8x	2.7x	7.3%
GWA Group Limited	GWA	2.28	1.8% ▲	604.7	773.8	8.8x	8.4x	14.2x	13.9x	1.9x	5.7%
James Hardie Industries plc	JHX	58.21	3.0% ▲	25,361.3	26,732.7	16.8x	15.0x	33.9x	22.8x	1.1x	NM
Reece Limited	REH	22.78	1.7% ▲	14,715.5	16,304.6	17.0x	18.1x	38.0x	42.4x	1.7x	1.1%
Reliance Worldwide Corporation Limited	RWC	4.24	(4.3%) ▼	3,328.6	4,140.5	10.4x	10.2x	15.9x	15.6x	2.0x	3.5%
Capral Limited	CAA	9.90	3.7% ▲	175.1	220.9	3.8x	4.0x	5.2x	6.2x	1.2x	7.0%
Big River Industries Limited	BRI	2.02	(3.8%) ▼	168.8	206.7	4.1x	5.0x	7.7x	11.1x	0.7x	8.3%
<b>Average - adjusted to exclude outliers</b>			<b>1.3%</b>			<b>10.3x</b>	<b>10.1x</b>	<b>19.5x</b>	<b>20.1x</b>	<b>2.5x</b>	<b>5.0%</b>
<b>International</b>											
Buzzi S.p.A.	BIT:BZU	51.79	16.0% ▲	9,588.4	9,607.8	5.4x	5.0x	7.3x	7.1x	NM	1.4%
CEMEX, S.A.B. de C.V.	BMV:CEMEX CPO	1.26	10.4% ▲	18,279.1	29,482.2	6.1x	5.5x	31.6x	9.3x	3.1x	NM
Heidelberg Materials AG	XTRA:HEI	141.11	7.5% ▲	26,176.8	39,139.8	6.2x	5.5x	8.7x	8.0x	1.7x	3.0%
Compagnie de Saint-Gobain S.A.	ENXTPA:SGO	108.19	0.1% ▲	55,132.3	70,510.6	5.9x	6.1x	12.4x	10.5x	1.1x	3.0%
CRH plc	LSE:CRH	108.30	7.1% ▲	NM	86,291.6	9.6x	NM	NM	NM	0.9x	NM
Masco Corporation	NYSE:MAS	101.91	3.7% ▲	22,868.8	27,313.8	11.6x	12.3x	18.4x	17.4x	1.9x	1.7%
Martin Marietta Materials, Inc.	NYSE:MLM	770.00	5.1% ▲	47,591.6	53,771.4	16.4x	15.5x	28.7x	24.9x	3.1x	NM
Vulcan Materials Company	NYSE:VMC	342.29	2.7% ▲	45,481.5	51,789.0	16.7x	16.1x	36.2x	29.8x	2.5x	NM
Holcim Ltd	SWX:HOLN	116.53	1.2% ▲	67,486.9	88,751.9	8.8x	7.6x	11.4x	12.4x	1.1x	3.7%
Wienerberger AG	WBAG:WIE	51.73	5.5% ▲	5,451.3	7,690.9	5.8x	5.5x	8.5x	9.3x	1.2x	2.9%
<b>Average</b>			<b>4.2%</b>			<b>9.2x</b>	<b>8.8x</b>	<b>18.1x</b>	<b>14.3x</b>	<b>1.9x</b>	<b>2.6%</b>
<b>Coverage Group Average</b>						<b>9.8x</b>	<b>9.5x</b>	<b>18.9x</b>	<b>17.5x</b>	<b>2.2x</b>	<b>4.0%</b>

# KEY DEVELOPMENTS

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## Activity

- Saint-Gobain Construction Products South Africa Ltd acquired Technical Finishes SA (Pty) Ltd
- **Compagnie de Saint-Gobain S.A. (ENXTPA:SGO)** agreed to acquire R.SOL
- **Martin Marietta Materials, Inc. (NYSE:MLM)** completed the acquisition of Albert Frei & Sons, Inc
- **Compagnie de Saint-Gobain S.A. (ENXTPA:SGO)** agreed to acquire Glass Service, a.s.
- **Holcim Ltd (SWX:HOLN)** acquired an unknown majority stake in Artepref S.A.
- **Holcim Ltd (SWX:HOLN)** acquired Watt S.A.
- Transports Garnier SA, E-b-trans SA, Transports Desert S.A. and T2GL acquired Tratel S.a.s. from **Heidelberg Materials AG (XTRA:HEI)**

# 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



**Antec Group Pty Ltd:** Advised on its sale to Metal Manufactures Pty Ltd



**Moko:** Advised in relation to an acquisition and capital raise



**Mine Extraction Device Pty Ltd:** Advised on its sale to Elphinstone Pty Ltd



**APSEZ:** Advised on acquisition of Abbot Point Bulkcoal from Glencore. Advised on its inaugural US\$650M investment grade bond offer



**PSA:** Advised on its sale to Reece Group



**Adani:** Advised on the AU\$1.25B refinance of Adani Abbot Point Terminal



**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



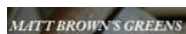
**Safe Direction:** Completed a strategic and capital structure review



**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 AU\$70M 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

## 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"

## Contact Details

**Greg Quinn** – Managing Director  
+61 2 7910 8051  
[greg.quinn@eacpartners.com.au](mailto:greg.quinn@eacpartners.com.au)

**Harsha Pappu** – Associate  
+61 2 7910 8053  
[harsha.pappu@eacpartners.com.au](mailto:harsha.pappu@eacpartners.com.au)

## EAC Partners Pty Limited

Level 8, 56 Pitt St  
Sydney NSW 2000  
Australia  
[www.eacpartners.com.au](http://www.eacpartners.com.au)



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