

JANUARY 2024 – TRANSPORT & LOGISTICS

Executive Summary

The **Airlines Group Sector** closed this month, up 1.9%. **Regional Express Holdings Limited** saw the largest movement, up 5.8%

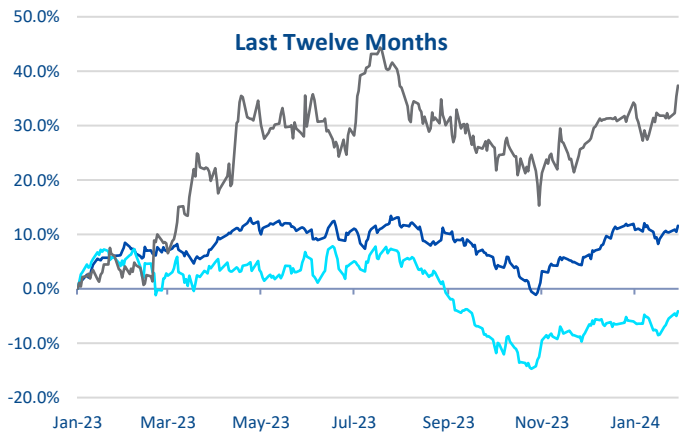
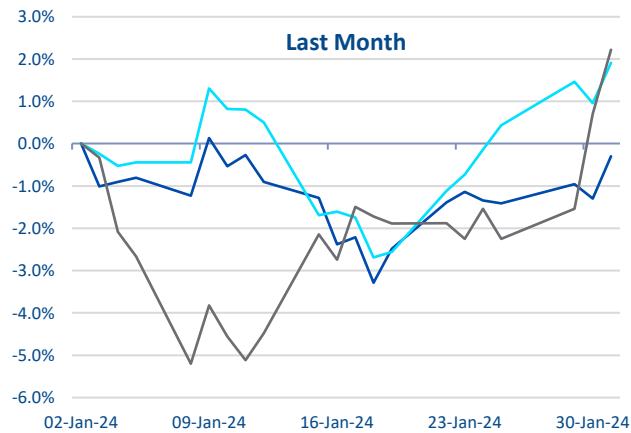
The **Airlines Group Sector** average **LTM EV/EBITDA** multiple was 6.3x, whilst the **NTM EV/EBITDA** multiple is projected to be 3.5x

The **Road & Rail Group Sector** closed this month, up 2.2%. **K&S Corporation Limited** saw the largest movement, up 17.6%

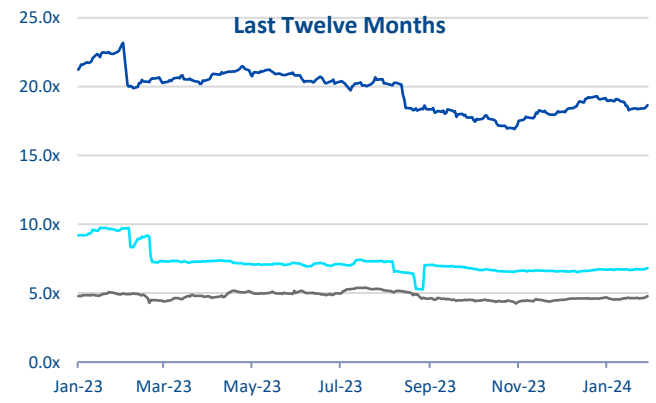
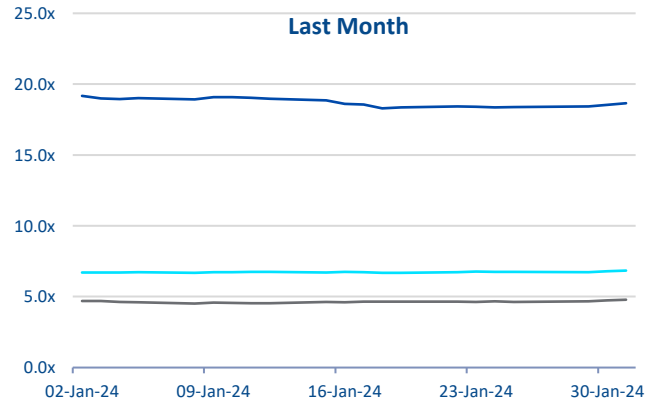
The **Road & Rail Group Sector** average **LTM EV/EBITDA** multiple was 5.8x, whilst the average **NTM EV/EBITDA** multiple is projected to be 6.2x

Key Developments

INDEXED SHARE PRICE PERFORMANCE



VALUATION PERSPECTIVES (LTM EV/EBITDA)



EAC Partners has constructed a market capitalisation weighted index for the Airlines and Road & Rail 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 | Airlines Group | Road and Rail Group

CONSTITUENTS

Airlines	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)
Alliance Aviation Services Limited	AQZ	3.35	4.0% ▲	538.5	779.5	6.3x	4.5x	14.8x	9.1x	2.0x	NM
Qantas Airways Limited	QAN	5.56	3.5% ▲	9,281.5	12,763.5	2.9x	3.0x	6.0x	6.6x	0.8x	NM
Regional Express Holdings Limited	REX	0.91	5.8% ▲	103.8	374.1	13.3x	NM	14.0x	NM	7.9x	NM
Air New Zealand Limited	NZSE:AIR	0.59	0.5% ▲	1,992.5	3,024.0	2.5x	2.9x	5.2x	8.7x	0.9x	NM
Average			1.9%			6.3x	3.5x	10.0x	8.2x	2.9x	NA
Road & Rail											
Aurizon Holdings Limited	AZI	3.79	(0.3%) ▼	6,976.3	12,412.3	9.1x	7.5x	21.5x	15.1x	4.0x	4.0%
CTI Logistics Limited	CLX	1.46	(2.7%) ▼	112.4	195.4	3.8x	NM	6.6x	NM	1.6x	6.8%
K&S Corporation Limited	KSC	3.00	17.6% ▲	410.5	425.3	5.2x	NM	14.2x	NM	0.2x	6.2%
Lindsay Australia Limited	LAU	1.09	(6.4%) ▼	339.6	521.7	5.3x	4.9x	9.6x	7.9x	1.8x	5.5%
Average			2.2%			5.8x	6.2x	13.0x	11.5x	1.9x	5.6%
Coverage Group Average						6.1x	4.6x	11.5x	9.5x	2.4x	5.6%

KEY DEVELOPMENTS

Activity

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



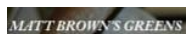
Safe Direction: Completed a strategic and capital structure review



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

Harsha Pappu – Associate
+61 2 7910 8053
harsha.pappu@eacpartners.com.au

EAC Partners Pty Limited

Level 8, 56 Pitt St
Sydney NSW 2000
Australia
www.eacpartners.com.au



www.mergers-alliance.com