

FEBRUARY 2020 – ENVIRONMENTAL & WASTE

Executive Summary

The **Domestic Coverage Group** closed the month up 12.3%. **Aeris Environmental Ltd** recorded the largest movement, up 29.5% this month

Domestic sector average **LTM EV/EBITDA** closed at 15.7x, with **NTM EV/EBITDA** projected to be 11.7x

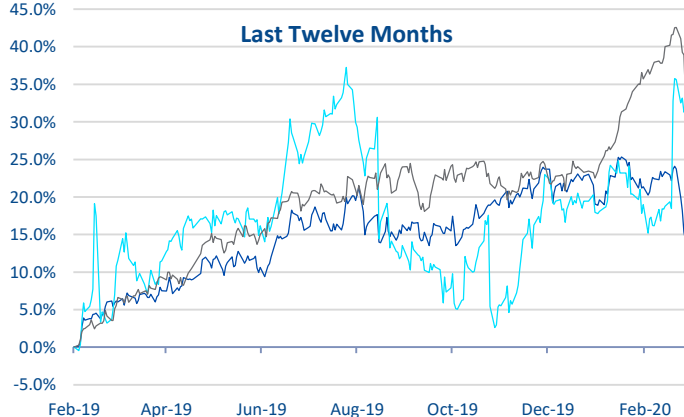
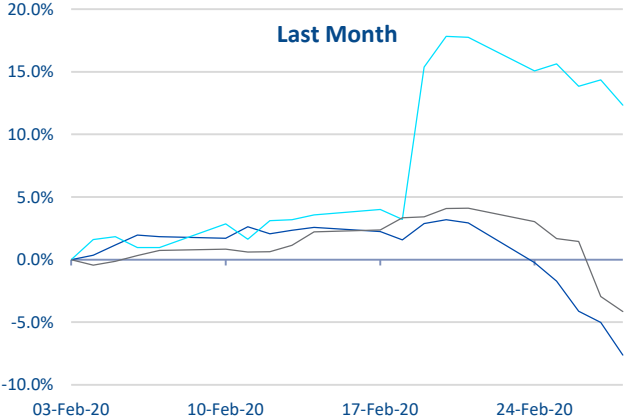
The **International Coverage Group** closed the month down 4.2%. **Sembcorp Industries Ltd** recorded the largest movement, down 12.9% this month

International sector average **LTM EV/EBITDA** closed at 10.0x, with **NTM EV/EBITDA** projected to be 9.8x

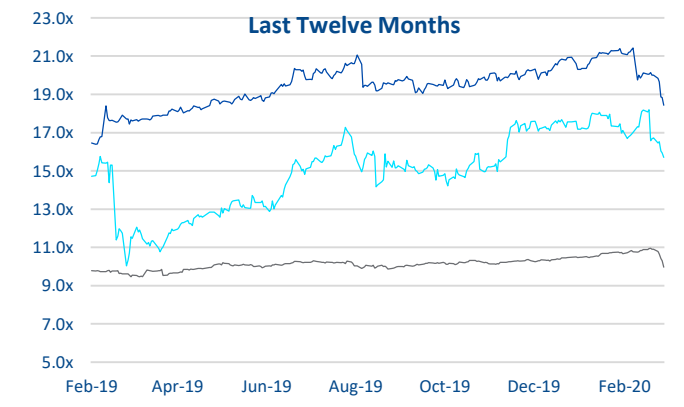
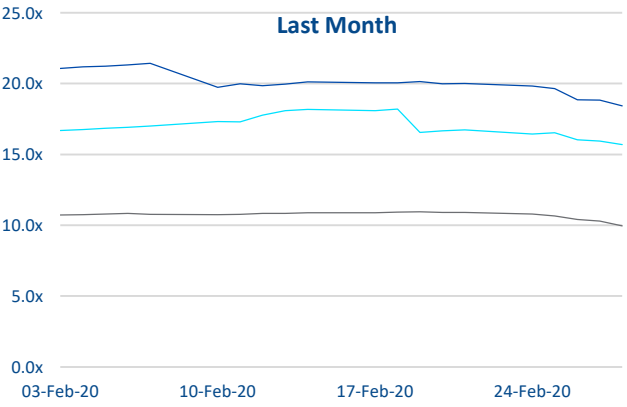
Key Developments

- **Waste Management, Inc** acquired Miller Sanitation, LLC for an undisclosed sum
- **Environmental Clean Technologies Limited** completed a Follow-on Equity Offering
- An affiliate of **Veolia** acquired the Chilean operations of **Stericycle, Inc**
- **Harsco Corporation** agreed to acquire the Environmental Solutions business of Stericycle Environmental Solutions, Inc
- **ACEA S.p.A.** completed a Fixed-Income Offering
- **Valoriza Agua S.L.** agreed to acquire Sembcorp Utilities (Chile) S.A.'s water business

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), EAC Domestic Coverage Group (Light Blue), EAC International Coverage Group (Grey)

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	0.51	29.5% ▲	108.0	106.1	NM	NM	NM	NM	NM	NM
Bingo Industries Limited	BIN	2.86	2.1% ▲	1,869.9	2,232.0	18.6x	12.6x	38.8x	26.4x	3.0x	1.3%
Cleanaway Waste Management Limited	CWY	2.27	11.3% ▲	4,656.7	5,702.7	12.8x	10.8x	43.7x	28.6x	1.5x	1.8%
Environmental Clean Technologies Limited	ECT	0.00	-	8.7	11.4	NM	NM	NM	NM	NM	NM
Average			12.3%			15.7x	11.7x	41.2x	27.5x	2.3x	1.5%
International											
Séché Environnement SA	NXTPA:SCHP	66.87	(1.7%) ▼	521.6	1,284.2	7.7x	5.4x	22.3x	13.4x	3.8x	2.4%
Suez SA	ENXTPA:SEV	24.18	(1.5%) ▼	15,105.4	37,336.1	7.7x	6.7x	29.8x	22.1x	3.9x	4.6%
Veolia Environnement S.A.	ENXTPA:VIE	43.90	(0.6%) ▼	24,355.5	43,779.1	7.1x	6.5x	20.6x	18.8x	2.9x	3.9%
Renewi plc	LSE:RWI	0.71	1.0% ▲	566.1	1,890.8	5.9x	6.8x	NM	10.5x	3.4x	4.0%
Severn Trent Plc	LSE:SVT	48.45	(4.6%) ▼	11,538.9	23,874.3	14.1x	13.2x	19.7x	19.3x	7.0x	4.1%
Stericycle, Inc.	SRCL	88.41	(5.5%) ▼	8,069.1	12,817.1	12.7x	14.3x	NM	21.8x	4.7x	NM
Clean Harbors, Inc.	NYSE:CLH	107.02	(12.8%) ▼	5,974.9	8,044.7	7.8x	9.2x	40.0x	31.0x	2.0x	NM
Waste Connections, Inc.	NYSE:WCN	148.54	3.3% ▲	39,167.6	45,753.3	17.5x	16.6x	45.1x	32.9x	2.5x	NM
Waste Management, Inc.	NYSE:WM	170.58	(6.1%) ▼	72,447.2	88,432.3	13.0x	12.3x	28.3x	24.1x	2.3x	2.0%
Sembcorp Industries Ltd	SGX:U96	2.02	(12.9%) ▼	3,600.3	14,986.0	8.4x	9.7x	15.6x	8.6x	6.5x	3.3%
Cleanaway Company Limited	TSEC:8422	8.10	4.3% ▲	881.8	916.1	10.5x	NM	15.4x	13.8x	NM	6.3%
Tervita Corporation	TSX:TEV	7.98	(4.6%) ▼	912.5	1,833.9	7.4x	6.6x	NM	NM	4.1x	NM
Average			(4.2%)			10.0x	9.8x	26.3x	19.7x	3.9x	3.8%
Coverage Group Average						10.8x	10.0x	29.0x	20.9x	3.7x	3.3%

KEY DEVELOPMENTS

Activity

- **Waste Management, Inc. (NYSE:WM)** acquired Miller Sanitation, LLC for an undisclosed sum. Waste Management will retain all of Miller Sanitation's current employees
- **Environmental Clean Technologies Limited (ASX:ECT)** completed a Follow-on Equity Offering in the amount of AUD \$3.9 million
- An affiliate of **Veolia (ENXTPA:VIE)** acquired the Chilean operations of **Stericycle, Inc. (NasdaqGS:SRCL)** for \$30.7 million
- Harsco Corporation (NYSE:HSC) agreed to acquire the Environmental Solutions business of Stericycle Environmental Solutions, Inc. for \$460 million
- ACEA S.p.A. (BIT:ACE) completed a Fixed-Income Offering in the amount of €496 million
- Valoriza Agua S.L. agreed to acquire Sembcorp Utilities (Chile) S.A.'s water business for SGD \$49 million

EAC PARTNERS

EAC Partners is an independent corporate advisory firm based in Sydney. Our services include Mergers and Acquisitions, Divestments, Corporate Finance and Capital Raisings. Below is a brief snapshot of our recent experience:

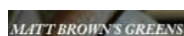
Transaction Experience



Batchfire: Advised in relation to a \$25m equity rights issue



Safe Direction: Completed a strategic and capital structure review



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



Running Bare: Completed a strategic review



Smollen Group: Advised Australia's largest real estate franchise on its \$70m sale to McGrath Limited



Yello: Advised in relation to its series A capital raising



APSEZ: Advised on acquisition of Abbot Point Bulkcoal from Glencore
Advised on its inaugural USD650m investment grade bond offer



ATL: Advised on its USD500m investment grade bond offer
Advised on their finance plan, which included rating advice



Sibelco: Advised on the acquisition of an industrial minerals producer



Holcim: Strategic review of two non-core assets



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



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



Adani: Advised on the AUD1.25Bn refinance of Adani Abbot Point Terminal
Advised on its USD150m maiden USPP issue
Advised on its AUD100m 6 year AMTN issue



Moko: Advised in relation to an acquisition and capital raise

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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