

# FEBRUARY 2020 – TRANSPORT & LOGISTICS

## Executive Summary

**Airlines Group Sector** closed down 15.0%. **Virgin Australia Holdings** saw the largest loss of 27.6%

**Airlines Group Sector** average **LTM EV/EBITDA** multiple was 5.9x, whilst the **NTM EV/EBITDA** multiple is projected to be 5.0x

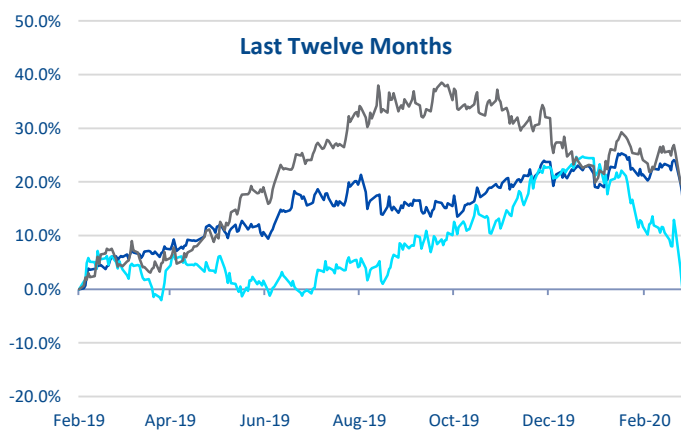
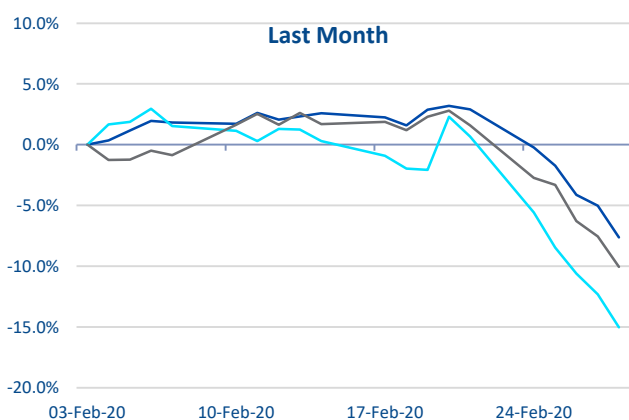
**Road & Rail Group Sector** closed down 10.1%. **Aurizon Holdings Limited** saw the largest loss, down 10.7%

**Road & Rail Group Sector** average **LTM EV/EBITDA** multiple was 7.7x, whilst the **NTM EV/EBITDA** multiple is projected to be 8.4x

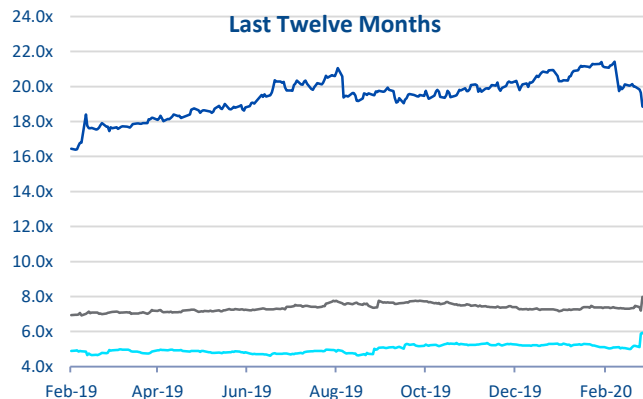
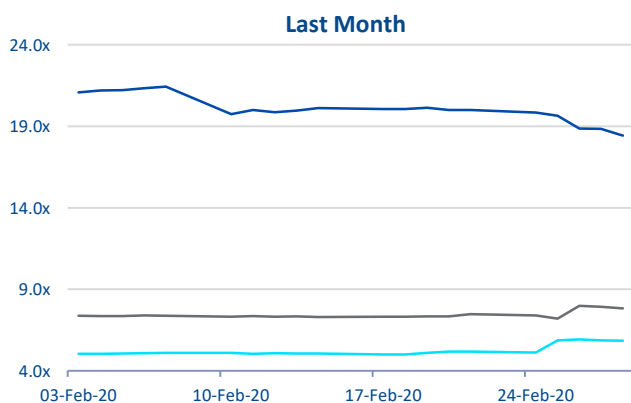
## Key Developments

- Centurion Transport completed the acquisition of the Regal General Freight business from Regal Transport Group
- Anchorage Capital Partners have agreed to acquire AHG Refrigerated Logistics for AUD\$100m
- Blackstone Group acquired an 80% share in Fosun Ruixin Logistics Management

## 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    Road and Rail Group  
Airlines 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	2.35	(10.3%) ▼	299.6	371.9	5.3x	4.9x	12.5x	11.3x	0.8x	6.9%
Qantas Airways Limited	QAN	5.53	(13.7%) ▼	8,108.0	13,667.0	4.9x	3.9x	10.0x	10.3x	1.1x	4.9%
Regional Express Holdings Limited	REX	1.01	(9.5%) ▼	110.3	114.4	2.9x	NM	7.6x	NM	NM	11.9%
Virgin Australia Holdings Limited	VAH	0.11	(27.6%) ▼	886.4	5,068.8	11.1x	6.5x	NM	NM	3.7x	NM
Air New Zealand Limited	NZSE:AIR	2.18	(20.1%) ▼	2,449.4	4,995.9	5.1x	4.8x	11.6x	12.0x	1.8x	9.7%
<b>Average</b>			<b>(15.0%)</b>			<b>5.9x</b>	<b>5.0x</b>	<b>10.4x</b>	<b>11.2x</b>	<b>1.9x</b>	<b>8.3%</b>
<b>Road &amp; Rail</b>											
Aurizon Holdings Limited	AZI	4.83	(10.7%) ▼	9,370.7	12,723.8	8.6x	8.6x	16.3x	17.2x	2.4x	5.4%
CTI Logistics Limited	CLX	0.72	(10.0%) ▼	54.0	162.8	10.5x	10.6x	54.2x	17.1x	3.1x	NM
K&S Corporation Limited	KSC	1.55	(5.8%) ▼	196.6	343.7	6.4x	NM	NM	NM	2.8x	2.6%
Lindsay Australia Limited	LAU	0.35	(2.8%) ▼	104.6	257.4	5.8x	6.1x	11.2x	11.3x	2.5x	6.0%
<b>Average</b>			<b>(10.1%)</b>			<b>7.8x</b>	<b>8.4x</b>	<b>27.2x</b>	<b>15.2x</b>	<b>2.7x</b>	<b>4.7%</b>
<b>Coverage Group Average</b>						<b>6.7x</b>	<b>6.5x</b>	<b>17.6x</b>	<b>13.2x</b>	<b>2.3x</b>	<b>6.8%</b>

# KEY DEVELOPMENTS

---

---

## Activity

- Centurion Transport Co. Pty Ltd. completed the acquisition of business and certain assets of Regal General Freight business from Regal Transport Group. Centurion Transport is a Perth-based provider of third-party logistics, transport, warehousing and related services. Regal Transport Group operates as a subsidiary of **K&S Corporation Limited**
- Anchorage Capital has agreed to acquire AHG Refrigerated Logistics from **A.P. Eagers Limited** for a total consideration of AUD\$100 million. The sale is in line with A.P. Eagers' intentions to divest from the refrigerated logistics division and will enable them to pay down debt
- Blackstone Group paid USD\$38.35 million for an 80% stake in the Chinese freight transportation business Fosun Logistics Management from Fujian Dongbai Group. The transaction will enable Fujian Dongbai Group to integrate resources and strengthen capital reserves

# 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:

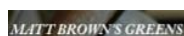
## Transaction Experience



**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"

## Contact Details

**Greg Quinn** – Managing Director  
+61 2 8274 1701  
greg.quinn@eacpartners.com.au

**Harsha Pappu** – Analyst  
+61 2 8274 1702  
harsha.pappu@eacpartners.com.au

**Cameron Markey** – Analyst  
+61 2 8274 1705  
cameron.markey@eacpartners.com.au

## EAC Partners Pty Limited

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



www.mergers-alliance.com