

JUNE 2020 – TRANSPORT & LOGISTICS

Executive Summary

The **Airlines Group Sector** closed this month, down 3.8%. **Alliance Aviation Services** saw the largest increase of 15.6%

The **Airlines Group Sector** average **LTM EV/EBITDA** multiple was 6.0x, whilst the **NTM EV/EBITDA** multiple is projected to be 8.0x

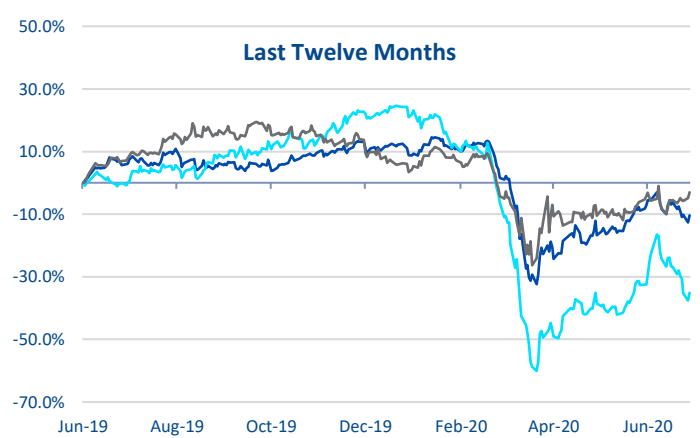
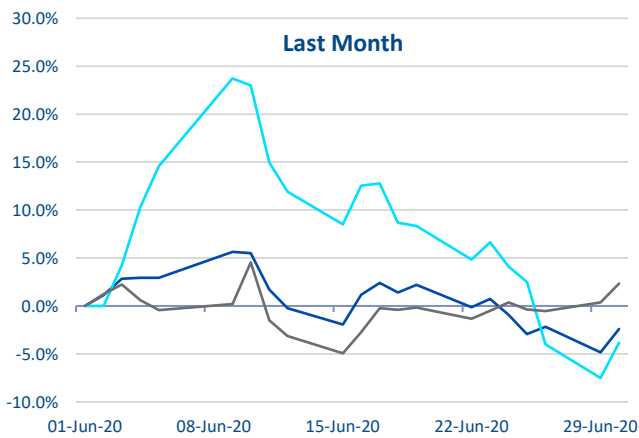
The **Road & Rail Group Sector** closed this month, up 2.3%. **K&S Corporation Limited** saw the largest movement, down 12.0%

The **Road & Rail Group Sector** average **LTM EV/EBITDA** multiple was 5.9x, whilst the average **NTM EV/EBITDA** multiple is projected to be 7.0x

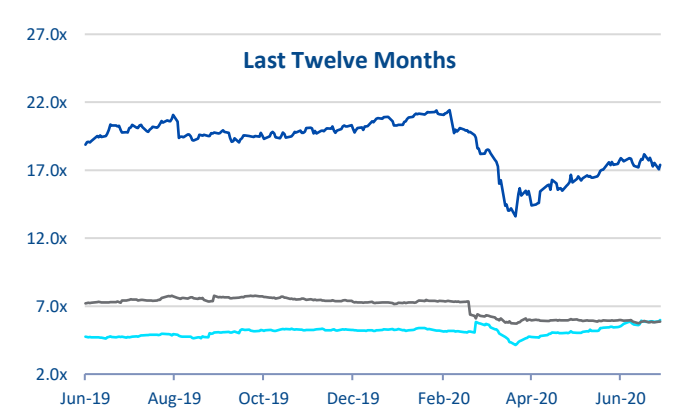
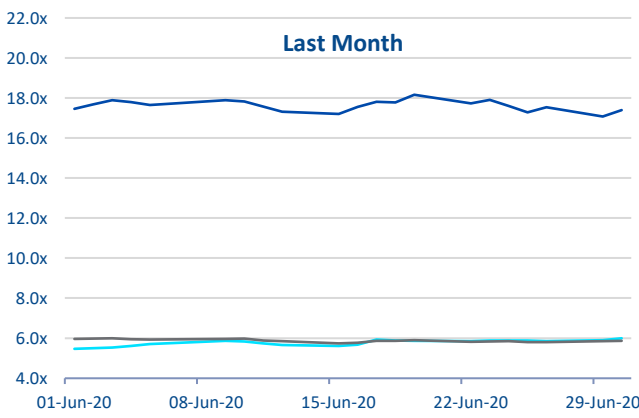
Key Developments

- **Qantas Airways Limited** announced cancellation of dividend for the period ending December 31, 2019

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	3.03	15.6% ▲	480.6	552.9	7.8x	7.1x	16.2x	16.2x	0.8x	NM
Qantas Airways Limited	QAN	3.78	(5.7%) ▼	6,951.0	12,510.0	3.9x	5.5x	6.8x	NM	1.1x	NM
Regional Express Holdings Limited	REX	1.19	9.7% ▲	130.0	134.2	3.4x	NM	8.9x	NM	NM	10.9%
Virgin Australia Holdings Limited	VAH	0.09	–	726.0	4,908.4	10.7x	12.5x	NM	NM	3.7x	NM
Air New Zealand Limited	NZSE:AIR	1.23	(3.6%) ▼	1,389.2	3,872.9	4.1x	6.9x	6.8x	NM	1.8x	NM
Average			(3.8%)			6.0x	8.0x	9.7x	16.2x	1.9x	10.9%
Road & Rail											
Aurizon Holdings Limited	AZJ	4.92	2.7% ▲	9,420.0	12,773.1	8.7x	8.7x	16.6x	17.7x	2.4x	5.3%
CTI Logistics Limited	CLX	0.45	(3.2%) ▼	33.8	142.6	7.5x	5.9x	33.7x	NM	3.1x	NM
K&S Corporation Limited	KSC	1.28	(12.0%) ▼	164.8	311.9	5.9x	NM	NM	NM	2.8x	3.0%
Lindsay Australia Limited	LAU	0.35	(2.8%) ▼	104.8	257.6	1.5x	6.4x	11.2x	13.2x	2.5x	6.0%
Average			2.3%			5.9x	7.0x	20.5x	15.4x	2.7x	4.8%
Coverage Group Average						5.9x	7.6x	14.3x	15.7x	2.3x	6.3%

KEY DEVELOPMENTS


















Activity

- **Qantas Airways Limited (ASX:QAN)** announced cancellation of dividend for the period ending December 31, 2019 which was to be paid on September 1, 2020

EAC PARTNERS

EAC Partners is an independent corporate advisory firm focussed on mid-market mergers & acquisitions, divestments and corporate finance advisory services

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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