AUSTRALIAN INDUSTRIALS, SERVICES & DEFENCE SECTOR UPDATE

Edison Partners

FY2026 M&A Wrap-Up & Perspectives for FY2027

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CONTENTS

01.

INTRODUCTION & OVERVIEW

EDISON AT A GLANCE

COMPANY OVERVIEW

- Founded in 2006, headquartered in Melbourne, Australia with representative office in Sydney, Edison Partners is a boutique advisory firm providing a range of corporate finance and corporate advisory services to both private and listed businesses in Australia, New Zealand and the Asia Pacific region. Edison's capability in cross-border M&A has enabled it to be recognised as one of Australia's leading mid-market cross-border transaction advisers with extensive networks, experience and capability across the Asia Pacific region.
- Through our industry specialisation, we quickly develop a clear understanding of our clients' business and objectives alongside the current market situation. Whether buying, selling, merging, raising capital or formulating strategy, we always deliver actionable, clear and objective strategic advice that facilitates informed and relevant business decisions that deliver objective results.

SELL-SIDE TRANSACTION ADVISORY

GROWTH CAPITAL RAISING

BUY-SIDE TRANSACTION ADVISORY

VALUATIONS

STRATEGY & TRANSFORMATION CONSULTING

DEBT CAPITAL ADVISORY

100+
Transactions completed

46
Cross-border transactions

$2.0+ Billion
Total transaction value

EXECUTIVE SUMMARY

Australian industrials trailed the ASX 200 by 7.7 points over the twelve months to September 2026

MARKET BACKDROP AND LISTED PERFORMANCE

1. Australian industrials lagged both the local and offshore benchmarks over the twelve months to September 2026: the ASX 200 Industrials index fell 4.5% while the ASX 200 gained 3.2%, the S&P 500 rose 12.5% and the Dow Jones Industrial Average 10.4%. The 7.7-point gap to the local benchmark is the widest of the past three years.

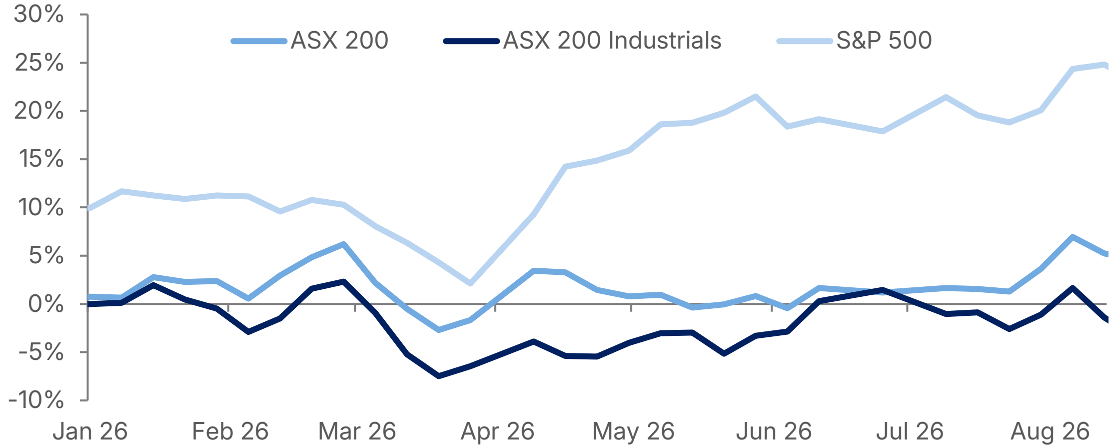
2. Returns were widely dispersed. A 111-point spread separates Reece at +59.6% from AVA Risk Group at -51.9% across the 41 listed comparables. Reece, Palo Alto Networks (+56.0%) and Codan (+49.7%) led the gainers; Atturra (-51.3%), Austal (-46.0%), Zscaler (-43.6%) and DroneShield (-42.2%) de-rated hardest.

3. The last three months are mixed rather than an inflection. Industrials fell 2.3% over the three months to 7 September 2026 while the ASX 200 gained 4.7% and eight of the twelve GICS sectors were positive, led by Health Care at +34.7% and Consumer Staples at +9.3%.

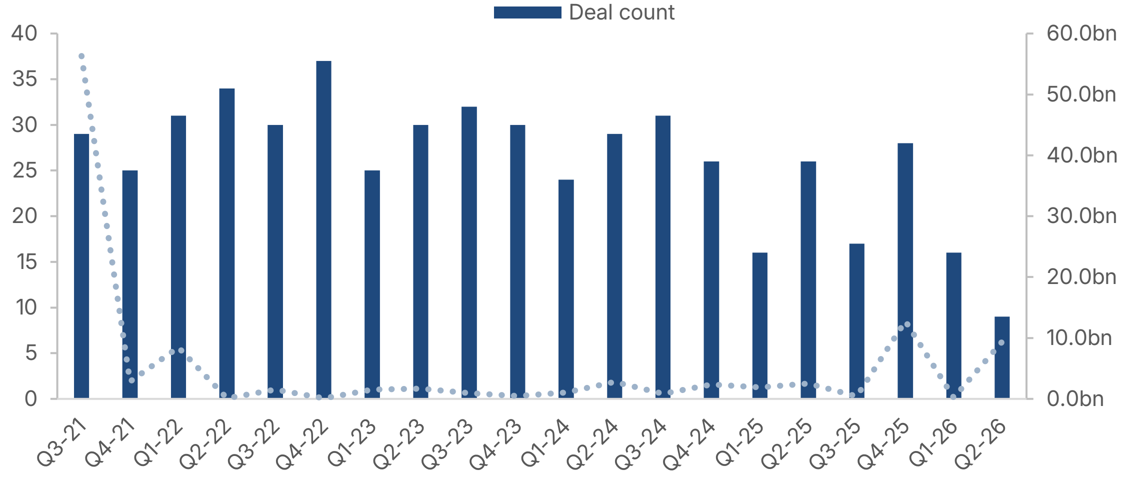
4. Scale prices the sector and growth does not. Median EV/Revenue falls at every step from 2.49x above A$100bn to 0.37x below A$500m, and EV/EBITDA from 16.6x to 8.2x. The listed market pays for size and contracted revenue rather than topline momentum.

5. Deal count fell 43% from 122 in FY2023 to 70 in FY2026, while disclosed value rose to A$22.8bn because Qube and Atlas Arteria alone supplied 92% of it. Equity raising stayed shut at A$995m across 40 raises against A$5.6bn at the FY2022 peak.

INDEX PERFORMANCE



M&A DEAL COUNT & VALUE[1]



Source: Capital IQ. Strictly Confidential.

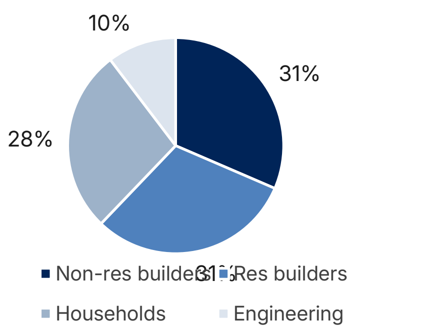
WHAT IS SHAPING THE SECTOR

Plumbing services is the largest measurable pool at A$25.1bn but compounds at 1.8% to FY2033; IT security is a third of the size and compounds at 7.1%

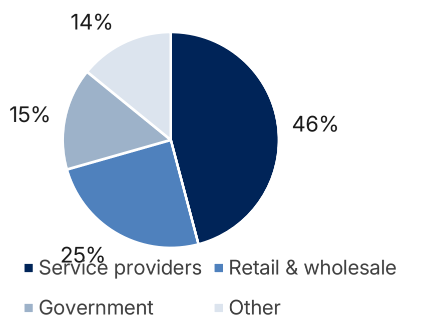
STRUCTURAL DRIVERS

- Defence is the fastest-growing end market. Federal portfolio funding reaches A$887bn to 2035-36 with around A$425bn of Integrated Investment Program capability spend over the decade, but ASPI assesses 75% to 80% of that as still unapproved and backloaded.
- Plumbing is the largest measurable services pool at A$25.1bn, growing 1.2% annually to 2026-27 and 1.7% to 2031-32. The growth comes from non-residential and multi-unit construction rather than single-unit housing.
- Cyber is the growth outlier. IT security consulting is A$8.5bn and is forecast to compound 7.2% to A$12.1bn by 2031-32, driven by the Security of Critical Infrastructure Act rather than discretionary IT budgets.
- Compliance-led niches are small but stable. Fire protection is A$4.2bn growing 2.6% to A$4.8bn by 2030-31, and material testing A$798m growing 1.3% to A$849.7m, both underpinned by mandated inspection and product standards.

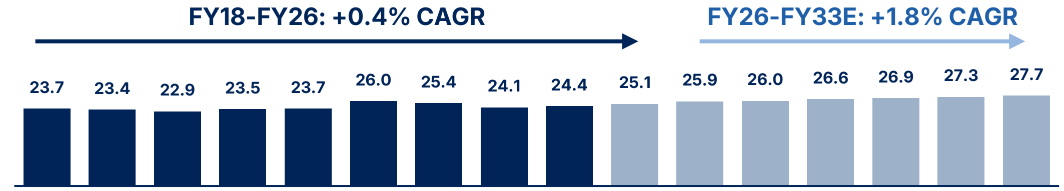
PLUMBING BY MARKET, A$M



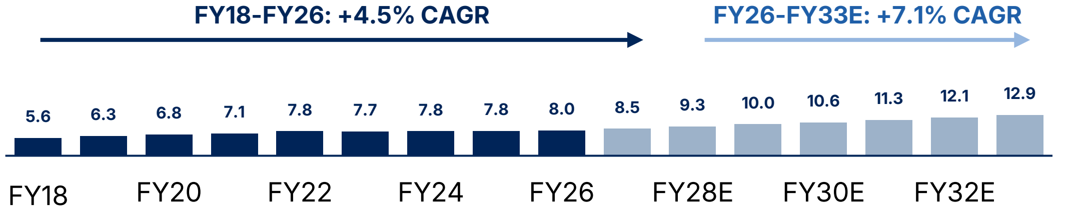
IT SECURITY BY MARKET, A$M



PLUMBING SERVICES REVENUE, A$BN



IT SECURITY CONSULTING REVENUE, A$BN



OFFSHORE DEAL VOLUME BY FINANCIAL YEAR

US & CANADA · 1,709 DEALS

A$195.0bn disclosed · 10.0x EV/EBITDA · 1.4x EV/Revenue

EUROPE · 385 DEALS

A$3.7bn disclosed · 6.8x EV/EBITDA · 1.2x EV/Revenue

ASIA-PACIFIC · 63 DEALS

A$13.6bn disclosed · 6.3x EV/EBITDA · 0.8x EV/Revenue

Sources: IBISWorld. Capital IQ. Strictly Confidential.

02.

INSIGHTS & PERSPECTIVES

KEY INDUSTRIALS, DEFENCE AND SERVICES M&A THEMATICS - TRADE BUYERS

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CAPABILITY, NOT SCALE

Listed contractors are buying capability rather than volume. NRW acquired Fredon at 7.1x, Tasmea took Maxim at 16.4x and GenusPlus bought Railtrain at 10.6x, each adding a licence or trade the buyer could not build itself.

AUKUS SUPPLY CHAIN ENTRY

Supplier qualification now reaches UK as well as US submarine chains, with a further A$21m committed and ASC and BAE seeking fabricators. Primes and mid-caps are buying welding, precision machining and composites capacity to qualify.

SUCCESSION IS THE SUPPLY

Industrials and consumer together were 45% of Australian deals by count, driven by founder succession and intergenerational transfer. Trade buyers are the natural home for sub-scale founder businesses.

OFFSHORE STRATEGICS MOVING IN

Salcef, North American Construction, Deepak, Mehler and Ariston have all entered below A$200m, buying an Australian platform as a beachhead rather than paying up for scale.

INFRASTRUCTURE TAKE-PRIVATES

Qube at A$12.2bn and Atlas Arteria at A$8.8bn were 92% of FY2026 disclosed value. Contracted, inflation-linked revenue is what still commands a premium.

ELECTRIFICATION AND GRID WORK

Non-residential construction and grid investment underpin the plumbing and electrical complex, where the 29-name universe grew revenue at a 10.2% median.

Source: PwC Australia M&A Outlook 2026; Australian Government Department of Defence; Capital IQ. Strictly Confidential.

INDUSTRIALS & DEFENCE M&A THEMATICS - PRIVATE EQUITY

DRY POWDER MEETS EXIT BACKLOG

Uncommitted capital sits alongside an unusually large unrealised portfolio, and returning cash is now the dominant driver of sponsor behaviour. Continuation vehicles, secondaries and sponsor-to-sponsor trades are clearing the backlog, and mid-market deals such as Anchorage / HMA International at 6.6x show sponsors still transacting through the slowdown.

TAKE-PRIVATES ARE WHERE THE VALUE SAT

Two infrastructure take-privates supplied 92% of FY2026 disclosed Australian deal value: Qube at A$12.2bn and 17.2x, and Atlas Arteria at A$8.8bn and 28.2x. Listed names below A$500m trade at 8.2x EV/EBITDA against 16.6x above A$100bn, so the public-to-private arbitrage is widest at the small end.

BUY-AND-BUILD IN A FRAGMENTED TRADE BASE

Fragmentation is extreme in the services layer: 32,067 plumbing enterprises at 2.3 employees each, and a fire protection market where the four largest hold a low single-digit share. Platforms are consolidating licensed trades, testing laboratories and compliance service books to convert bolt-ons into margin.

BACKLOG CONVERSION IS THE DILIGENCE FOCUS

Diligence now runs on contracted backlog and its conversion rate, recurring versus project revenue, subcontractor concentration and clearance-held labour. Sponsors underwrite delivery capacity rather than order intake, which lengthens timelines and puts a premium on vendor-side preparation.

COMPLIANCE REVENUE COMMANDS THE PREMIUM

Mandated inspection, testing and maintenance is the most bankable revenue in the sector. Fire protection carries AS 1851-2012 obligations and material testing runs on ACCC and FSANZ product standards, which is why compliance-led service books price above project contractors of the same size.

LABOUR AND CLEARANCES BIND GROWTH

Skilled labour is the limiting factor rather than demand. Plumbing apprenticeship commencements rose only 0.4% in the year to December 2025, and Australia is forecast to be short almost 20,000 cybersecurity professionals by 2030. Sponsors are pricing workforce retention and security clearances as assets.

Sources: Capital IQ; IBISWorld; Australian Computer Society, Digital Pulse 2025; NCVER. Strictly Confidential.

FINANCIAL BUYER PRIORITIES - INDUSTRIALS, DEFENCE & SERVICES

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Buyer Criteria	Why It Matters to Financial Buyers	Priority (1-5)	What They Want to See	Red Flags They Will Not Accept
Contracted Backlog & Conversion	Sponsors underwrite delivery, not order intake; conversion sets debt capacity.	5	Multi-year contracted backlog with a demonstrated conversion rate, margin reported on backlog, WIP and retention balances reconciled	Order intake presented as backlog, no conversion history, WIP written up to hold margin, retentions never collected
Earnings Quality & Cash Conversion	Sponsors underwrite to cash, not revenue; a clean QoE sets leverage capacity.	5	Reviewed accounts, EBITDA-to-FCF conversion above 70%, P&L and working capital normalised for project timing, vendor QoE	Unsupported add-backs, owner costs in the P&L, growth funded by stretched payables, EBITDA that reverses on a WIP true-up
Recurring vs Project Revenue Mix	Mandated maintenance, inspection and testing is the only annuity in the sector.	5	Most gross profit from scheduled maintenance, testing or compliance contracts, multi-year terms, contractual escalation	Single-project dependence, maintenance priced as a loss-leader to win installation, no contracted renewals
Licences, Clearances & Accreditation	Accreditation is the barrier to entry and it does not always transfer on sale.	4	NATA, FPAS or state trade licences held at entity level, security clearances mapped to named staff, transferability confirmed early	Licences held personally by the vendor, clearances tied to departing staff, accreditation lapsing inside diligence
Labour Availability & Retention	Skilled labour, not demand, is the binding constraint on growth.	4	Utilisation and chargeout tracking, a funded apprentice pipeline, attrition below sector average, enterprise agreement settled	Reliance on subcontract labour at spot rates, unresolved EBA, attrition above 25%, no apprentice intake
Customer & Subcontractor Concentration	Concentration caps leverage; one lost head contract can break the structure.	4	No customer above 20% of revenue, panel or standing-offer positions, a subcontractor base that can be substituted	One head contractor above 30% of revenue, single-source subcontractors on critical scope, contracts on annual renewal
Buy-and-Build Runway	Fragmentation is the core return driver in licensed trades and testing.	3	A named pipeline of adjacent trades or geographies, systems and licences that carry a second entity, headroom on overheads	No adjacencies, licensing that cannot extend across states, earlier bolt-ons never integrated
Management Depth & Exit Optionality	Sponsors buy a team, and they underwrite the exit at entry.	3	A second tier below the founder, a founder willing to roll and stay, credible strategic and secondary buyer lists	Founder-dependent estimating and tendering, no succession, key-person risk on clearances, no obvious next owner

Priority scale: 1 = Nice to have · 3 = Important · 5 = Deal-critical. Sources: Edison Partners analysis; Capital IQ; IBISWorld. Strictly Confidential.

TRADE BUYER PRIORITIES - INDUSTRIALS, DEFENCE & SERVICES

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Buyer Criteria	Why It Matters to Trade Buyers	Priority (1-5)	What They Want to See	Red Flags They Will Not Accept
Capability & Geographic Fit	Corporates buy capability and coverage, not volume; fit governs board approval.	5	A capability the acquirer cannot build inside 24 months, coverage in states it does not serve, accreditation it lacks	Duplicate capability, overlapping branch footprint, capability tied to one individual, contested licences
Revenue & Cost Synergies	Strategics pay one to two turns above sponsors because they underwrite synergies.	5	Shared head contractor relationships that lift panel positions, procurement scale on shared inputs, depot and fleet consolidation	A cost base that cannot be absorbed, bespoke systems, synergies that depend on shedding crews or closing depots
Panel Positions & Head Contractor Access	Prequalification and panel access are the hardest capabilities to build organically.	5	Standing offers and panel places the acquirer does not hold, Defence or state prequalification, a record of repeat award	Reliance on a client the acquirer already serves, panels expiring, prequalification held only project by project
Sovereign & AUKUS Supply Chain Eligibility	Defence programmes are gated on sovereignty, clearances and export-control status.	4	Australian Industry Capability credentials, ITAR and export-control compliance, a clearance-held workforce, DISP membership	Foreign control that blocks eligibility, no export-control framework, clearances that lapse on change of control
Technical Capability & IP	Defensible engineering is what stops a client insourcing the work.	4	Proprietary design, process or software, a funded engineering pipeline, sole-source design authority on installed assets	Labour-only supply, no design capability, IP held outside the target, scope a client can readily insource
Operational & Carve-Out Readiness	Integration risk is priced; entangled systems and TSA dependency reduce the offer.	4	Clean ERP and project accounting, mappable cost codes, standalone carve-out accounts, no lingering parent dependency	Fragmented systems, project costs not traceable, entangled shared services, an unquantified standalone cost base
Margin Accretion & Financial Profile	Listed acquirers are judged on group margin and earnings accretion.	3	Gross margin at or above the acquirer's, a credible path to group EBITDA margin, a clean tax and transfer pricing position	Margin dilutive at group level, structurally lower gross margin, earnings concentrated in one project or quarter
Safety, People & ESG	Safety record and sourcing risk transfer on day one and are scrutinised by the board.	3	TRIFR at or below sector average, a functioning WHS system, modern slavery compliance, a team that stays through integration	Fatalities or prosecutions, no WHS system, no supply chain traceability, a culture that will not integrate

Priority scale: 1 = Nice to have · 3 = Important · 5 = Deal-critical. Sources: Edison Partners analysis; Capital IQ; IBISWorld. Strictly Confidential.

03.

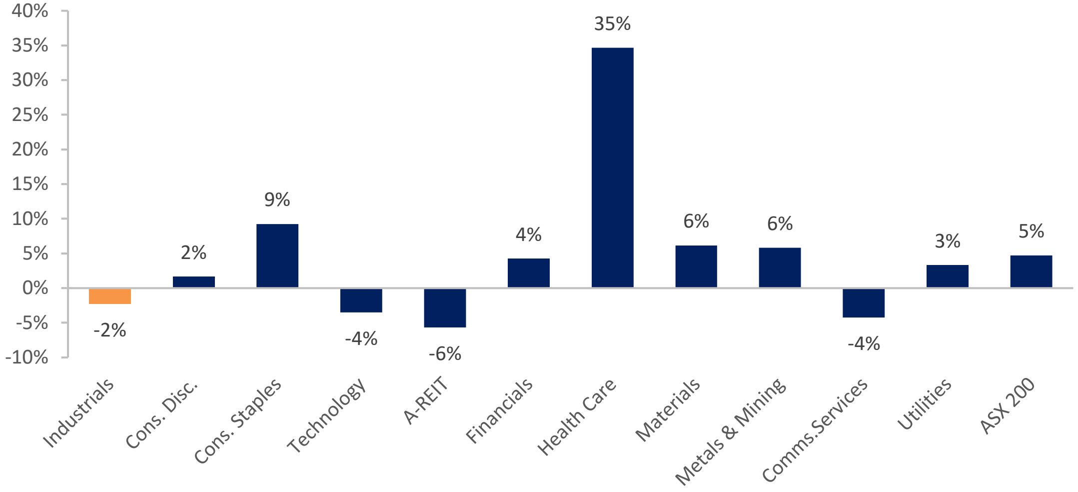
PUBLIC MARKETS

PUBLIC MARKETS - OVERVIEW

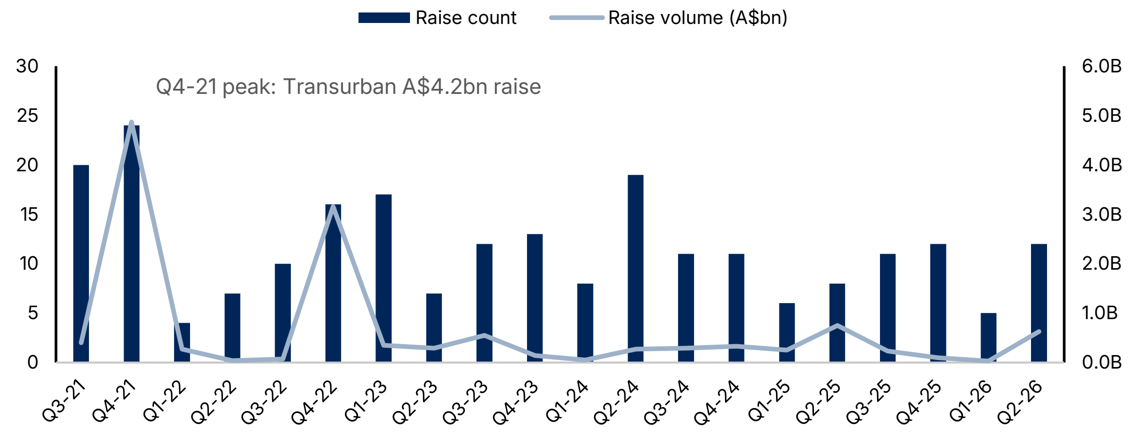
ASX 200 Industrials trailed the ASX 200 by 7.7 points over the nine months to September 2026, and size rather than sub-sector explained returns

- The ASX 200 Industrials index fell 4.5% over the nine months to September 2026 while the broader ASX 200 gained 3.2%, a 7.7 point gap. The S&P 500 rose 12.5% and the Dow Jones Industrial Average 10.4% over the same period, so the drag is domestic rather than global.
- The index understates the sector. Edison's listed sample is weighted to small and mid-cap contractors rather than the large-cap toll roads, ports and airlines that dominate the index.
- Valuation is bifurcated by size rather than by sub-sector. Median EV/Revenue falls at every step from 2.49x above A$100bn to 0.37x below A$500m, and the two smallest bands lost 21% and 52% over 12 months.
- Across the six sub-sector universes median EV/EBITDA sits in a narrow band: Fire Services 15.5x, IT Services and Cybersecurity 15.3x, Defence and Technology 15.0x, Plumbing and Electrical 13.5x, Testing and Inspection 12.6x and Vertical Transport 12.4x.
- Dispersion is at the stock level. Reece gained 59.6% and Palo Alto Networks 56.0% while AVA Risk Group fell 51.9% and Atturra 51.3%, a 111 point spread across the listed universe.
- Capital raising has thinned. FY2026 delivered A$995m across 40 raises against A$1.6bn in FY2025 and A$5.6bn at the FY2022 peak. Three names supplied more than half the FY2026 total: GenusPlus at A$200m, Electro Optic Systems at A$190m across a placement and share purchase plan, and Southern Cross Electrical at A$150m.

3 MONTH AUSTRALIAN SECTOR PERFORMANCE



AUSTRALIAN INDUSTRIALS & DEFENCE CAPITAL RAISING



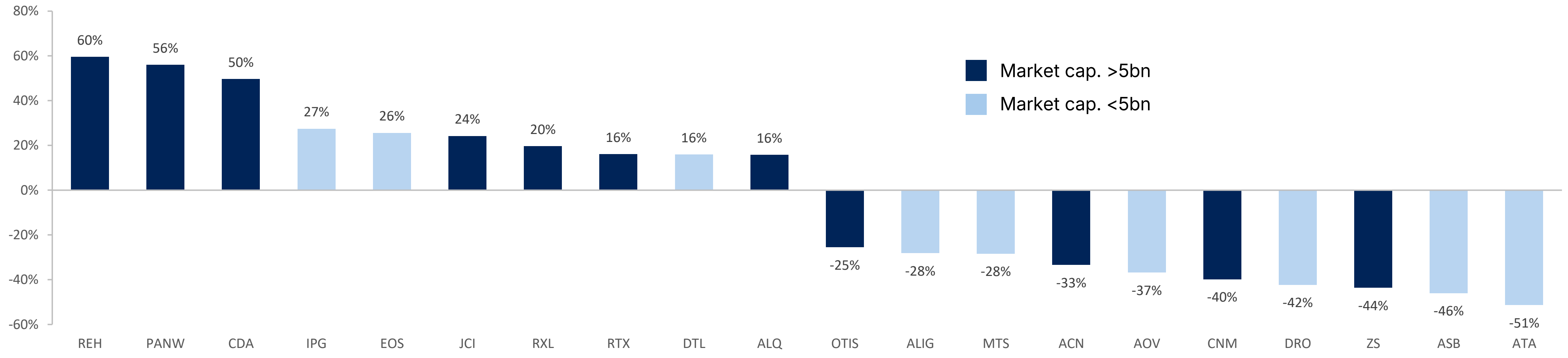
Source: Capital IQ. Index performance rebased to 2 January 2026. Multiples and price movements measured across Edison Partners' listed universe and the six sub-sector comparable sets. Strictly Confidential.

PUBLIC MARKETS – LARGEST MOVERS

A 111 point spread separates Reece at +59.6% from AVA Risk Group at -51.9%, and the losers outnumber the winners across the 40-name universe

- Ten of the twenty names on this page fell more than 25%, and the falls sit in cyber, drones and shipbuilding rather than in the contractors and distributors. Nine of the twenty carry a market capitalisation below A$5bn, shown in light blue, and they sit at both ends of the table.
- The universe splits 17 up and 23 down. Distributors and testing groups sit above the line - Reece, Codan, IPD Group, Rexel, Intertek and ALS - while shipbuilding, drones, elevators and IT services are concentrated below it.
- Defence funding has not lifted defence equities uniformly. Codan gained 49.7% and Electro Optic Systems 25.6%, but Austal fell 46.0% and DroneShield 42.2%. The market is paying for delivered earnings rather than programme exposure.
- The widest gap sits inside a single sub-sector: Palo Alto Networks rose 56.0% while Zscaler fell 43.6%, a 100-point spread between two cybersecurity platforms with the same demand driver.
- The ASX names are not the drag. Eight of the seventeen Australian names rose, led by Reece at +59.6% and Codan at +49.7%; the weakness is concentrated at the small end in Atturra, Austal and AVA Risk Group.

12 MONTH SHARE PRICE MOVEMENT, TOP AND BOTTOM TEN (LIGHT BLUE = BELOW A$5BN MARKET CAP)



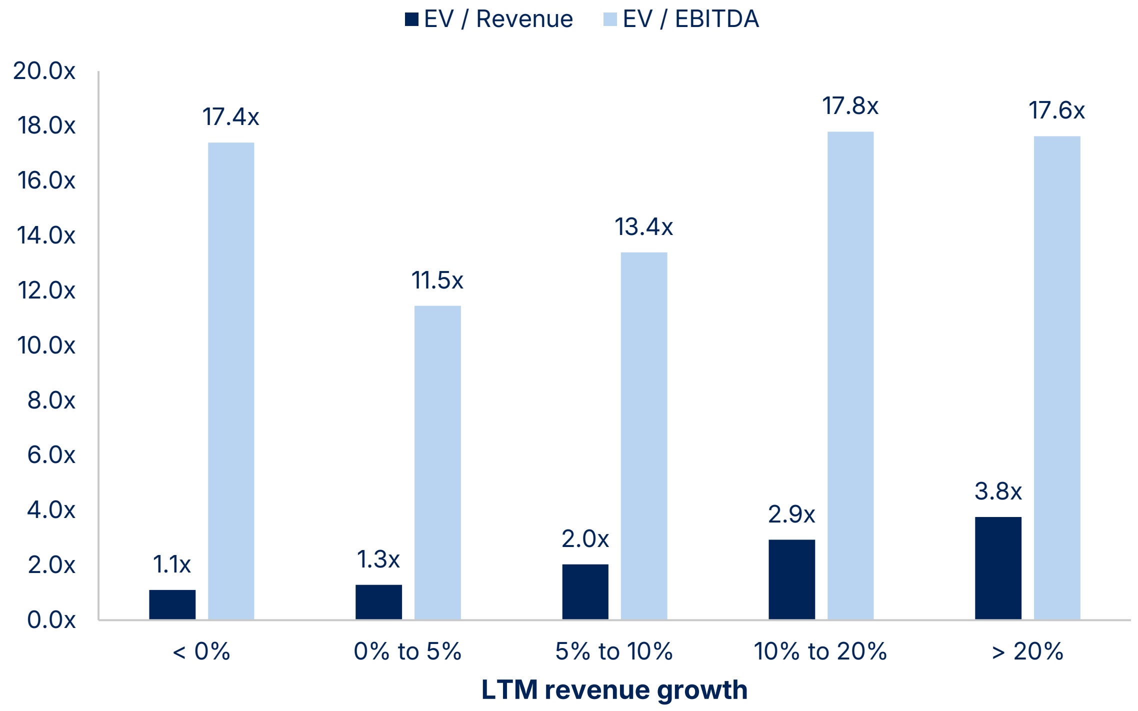
Source: Capital IQ. Strictly Confidential.

PUBLIC MARKETS – VALUATIONS

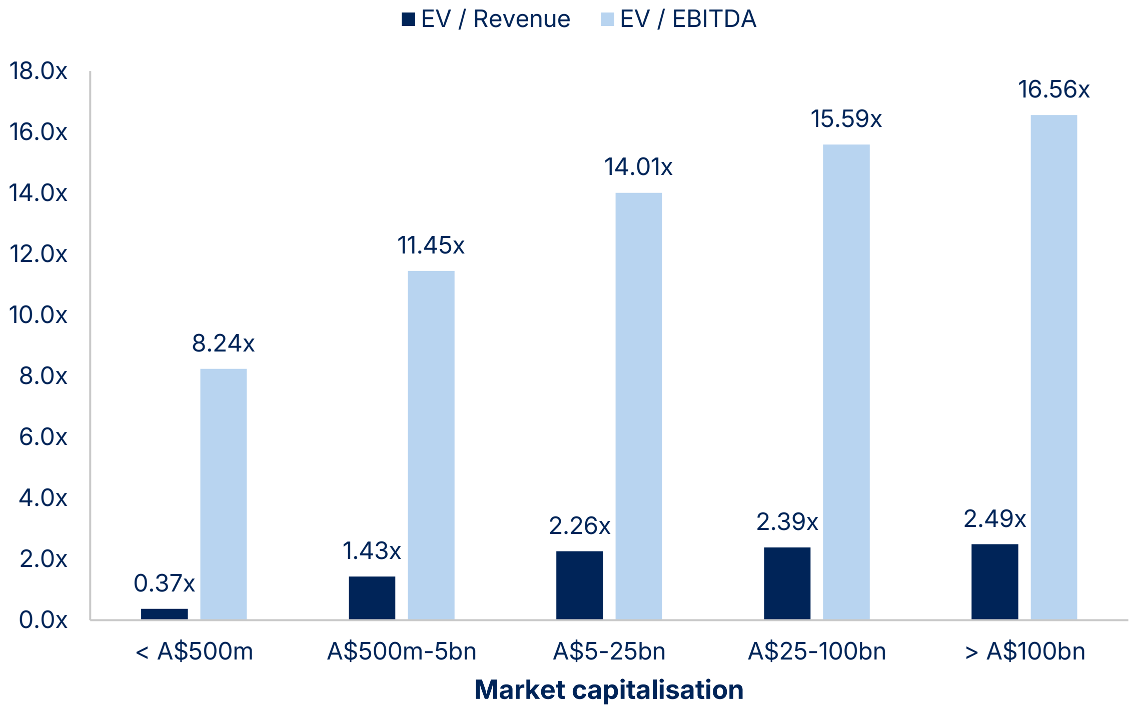
Scale prices reliably and growth does not: EV/Revenue falls at every step down the market cap ladder, from 2.49x above A$100bn to 0.37x below A$500m

- EV/EBITDA is flat to non-monotonic across the growth bands - 17.4x for the shrinkers, 11.5x for the 0-5% band and 17.6x above 20% - so paying up for growth is not reliably rewarded in this sector. The six names above A$100bn trade at 16.6x EBITDA against 8.2x for the two names below A$500m, a 8.3 turn size premium. Medians across a universe of 41 listed industrials, defence and services companies.

EV / Revenue and EV / EBITDA by LTM revenue growth band, median



EV / Revenue and EV / EBITDA by market capitalisation, median



Source: Capital IQ. Strictly Confidential.

PUBLIC MARKETS – VALUATIONS

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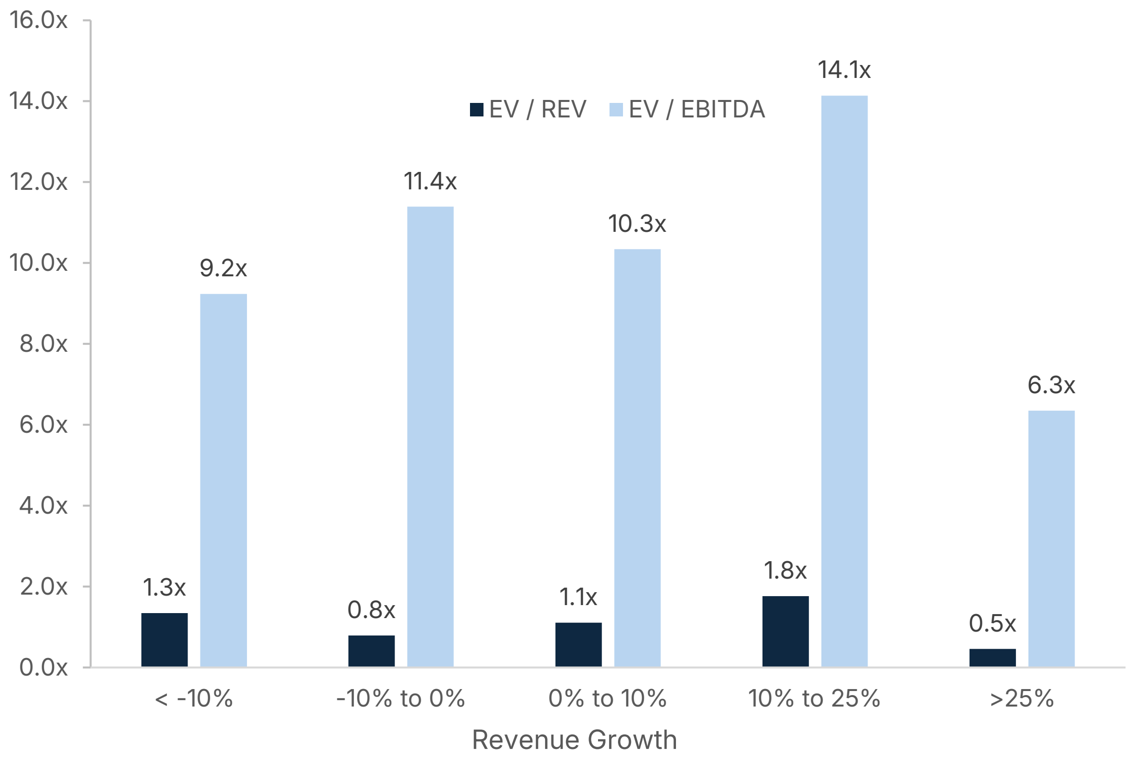
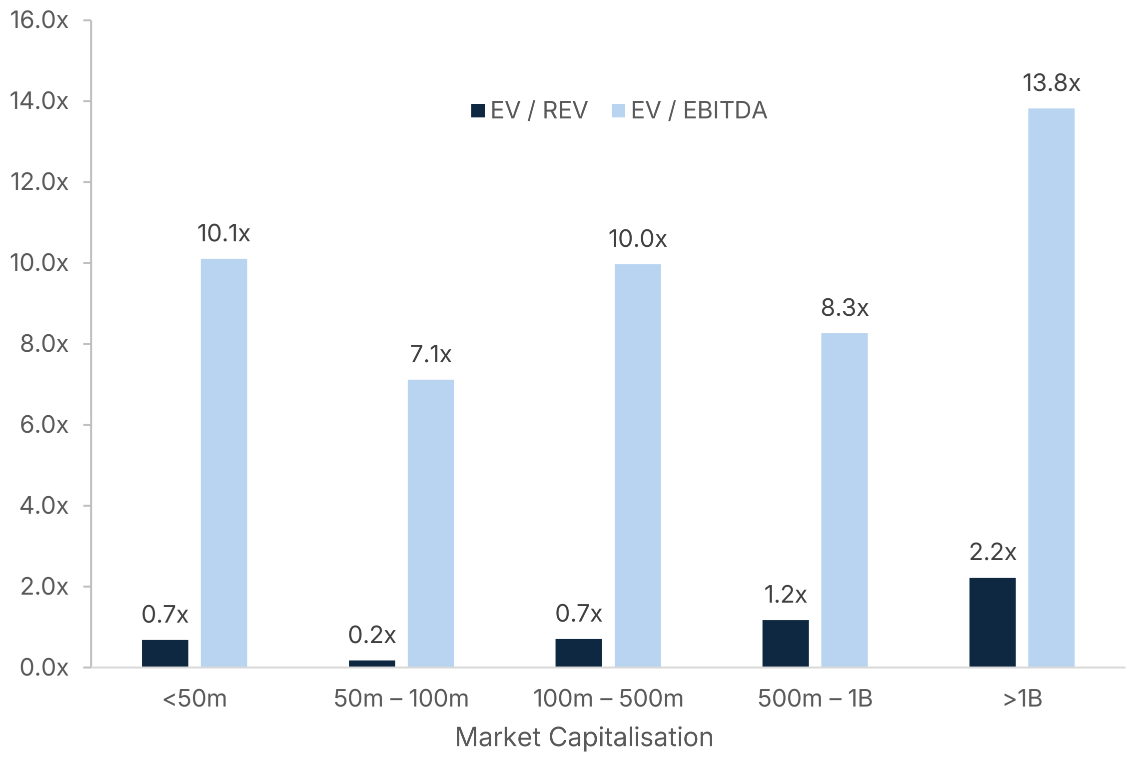
- **Size Premium in Valuation:** scale remains the dominant valuation driver across the 45 listed comparables. Companies above $1bn market capitalisation trade at an average 2.3x EV/Revenue and 14.5x EV/EBITDA, against 0.7x and 9.7x for the $100m–$500m cohort. Scale delivers procurement leverage, private-label capability and the data density to run AI-led range and fulfilment decisions.
- **Growth Is No Longer Linearly Rewarded:** multiples peak in the 10%–25% revenue growth band at 1.7x EV/Revenue and 13.4x EV/EBITDA, while the fastest-growing cohort above 25% trades at just 0.7x and 6.4x. That cohort is dominated by sub-scale, often loss-making names growing off a low base - investors are paying for profitable growth, not growth alone.

EV VALUATION MULTIPLES BY REVENUE GROWTH



EV VALUATION MULTIPLES BY MARKET CAPITALISATION



Source: Capital IQ. Strictly Confidential.

PUBLIC MARKETS - IPO TRACKER

Twenty-one industrials, defence and services companies have listed since FY2021, and the cohort splits hard between winners and write-offs

- GenusPlus is up 775% since its December 2020 listing and Tasmea 532% since April 2024, while RemSense is down 87%, Li-S Energy 81% and International Graphite 79%. Fourteen of the twenty-one trade above their IPO price. The FY2021 cohort holds both extremes: the four contractors listed in late 2020 - GenusPlus, Duratec, Dalrymple Bay and MAAS - are all up more than 100%, while the small-cap technology listings from the same window have lost three quarters of their value or more.

Company	Status	Ticker	Market Cap.	IPO Price	Current / Last Price	List Date	Years Since Listing	YoY Revenue Growth	12m Stock Movement	Total Stock Movement Since IPO	Stock CAGR since IPO
FDC Consolidated Holdings	Operating	FDC	1,256m	3.00	3.89	Jul-26	0.2	6%	15%	30%	374%
Boresight	Operating	BST	73m	0.20	0.35	Jun-26	0.3	57%	9%	75%	780%
Virgin Australia Holdings	Operating	VGN	2,215m	2.90	2.88	Jun-25	1.2	3%	-14%	-1%	-1%
Symal Group	Operating	SYL	655m	1.85	2.74	Nov-24	1.8	16%	56%	48%	24%
Bhagwan Marine	Operating	BWN	119m	0.63	0.30	Jul-24	2.1	5%	-44%	-52%	-30%
Alfabs Australia	Operating	AAL	75m	0.25	0.26	Jun-24	2.2	0%	-47%	4%	2%
Tasmea	Operating	TEA	2,608m	1.56	9.86	Apr-24	2.4	37%	121%	532%	118%
Globavend Holdings	Operating	GVH	3m	6.23	1.40	Nov-23	2.8	46%	-74%	-78%	-41%
Redox	Operating	RDX	1,833m	2.55	3.49	Jul-23	3.2	9%	38%	37%	10%
International Graphite	Operating	IG6	11m	0.20	0.04	Apr-22	4.4	n/a	-17%	-79%	-29%
IPD Group	Operating	IPG	550m	1.20	5.29	Dec-21	4.7	22%	27%	341%	37%
SHAPE Australia	Operating	SHA	641m	1.96	7.60	Dec-21	4.7	14%	75%	288%	33%
Ventia Services Group	Operating	VNT	4,624m	1.70	5.73	Nov-21	4.8	1%	10%	237%	29%
RemSense Technologies	Operating	REM	7m	0.20	0.03	Oct-21	4.9	107%	-27%	-87%	-34%
Li-S Energy	Operating	LIS	104m	0.85	0.17	Sep-21	5.0	n/a	6%	-81%	-28%
Camplify Holdings	Operating	CHL	28m	1.42	0.34	Jun-21	5.2	-12%	-15%	-76%	-24%
FOS Capital	Operating	FOS	10m	0.25	0.15	Jun-21	5.3	4%	-50%	-40%	-9%
GenusPlus Group	Operating	GNP	1,708m	0.96	8.40	Dec-20	5.7	36%	62%	775%	46%
Dalrymple Bay Infrastructure	Operating	DBI	2,687m	2.57	5.42	Dec-20	5.8	-2%	24%	111%	14%
MAAS Group Holdings	Announced	MGH	1,994m	2.00	5.67	Dec-20	5.8	-46%	25%	184%	20%
Duratec	Operating	DUR	586m	0.50	2.27	Nov-20	5.9	3%	32%	354%	30%

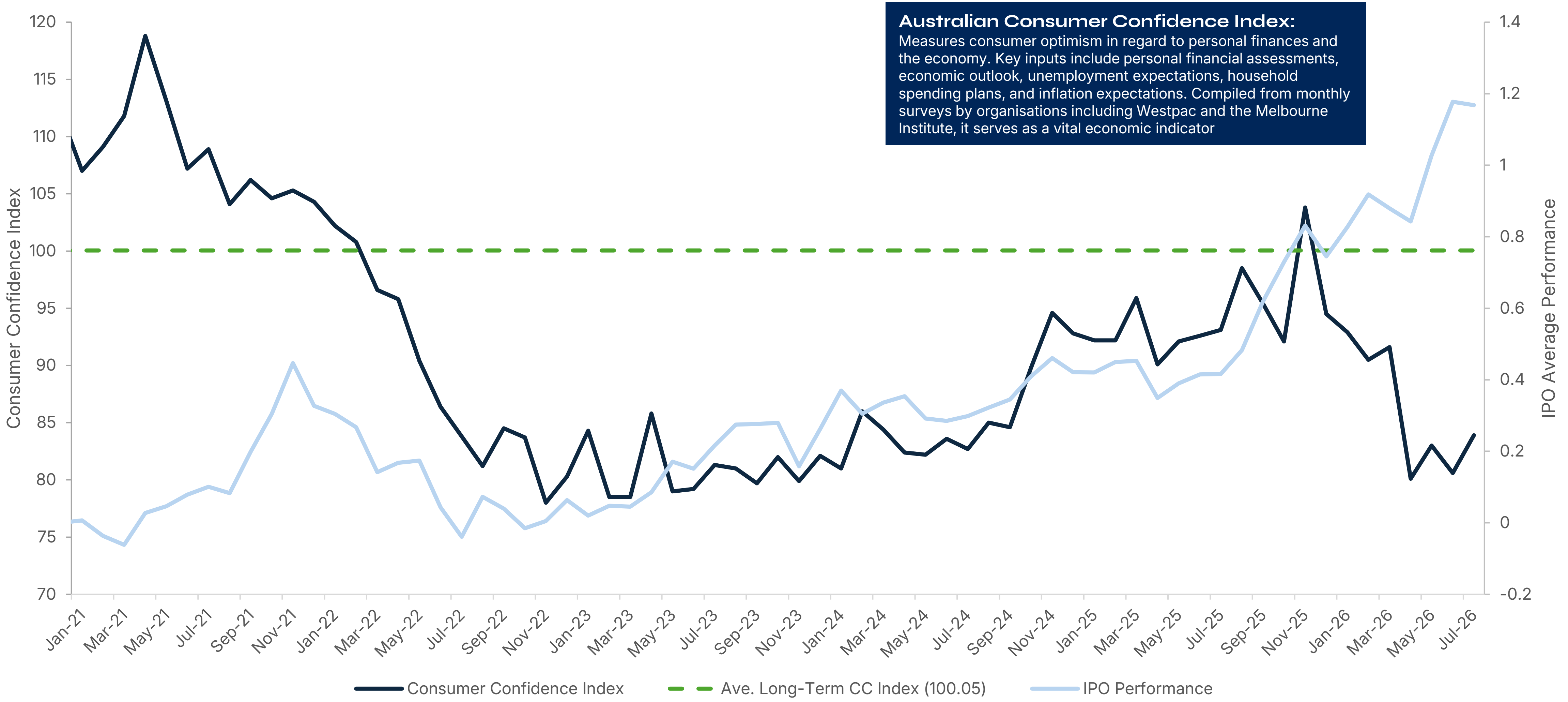
Growth Key

NEGATIVE NIL HIGH

Source: Capital IQ; Australian industrials, defence and services listings November 2020 to July 2026. Strictly Confidential.

PUBLIC MARKETS - IPO TRACKER

Listed performance and sentiment have pulled apart: the IPO index has more than doubled to 1.17 after a third of that gain came in the last six months, while consumer confidence sits at 83.9, 16 points below its long-run average of 100



Source: Capital IQ; equal-weighted index of the 21 industrials listings since Dec 2020, rebased to zero. Strictly Confidential.

04.

M&A AND CAPITAL RAISING ACTIVITY

M&A AND CAPITAL RAISE ACTIVITY – OVERVIEW

70 deals worth A$22.8bn in FY2026, but two infrastructure take-privates supplied 92% of the disclosed value

FY2026 deal count fell to 70 from 99 in FY2025, the lowest since the series began in FY2021, while disclosed value tripled to A$22.8bn. The mid-market did not get busier or dearer; two very large infrastructure transactions arrived.

KEY INDUSTRIALS, DEFENCE AND SERVICES M&A THEMATICS - FY2026

1 Infrastructure Take-Privates by Domestic Institutional Capital

✓ Two deals account for 92% of FY2026 disclosed value. The Investor Group consortium acquired Qube Holdings for A$12.2bn in November 2025 at 2.8x revenue and 17.2x EBITDA, and IFM Investors took Atlas Arteria private for A$8.8bn in April 2026 at 28.2x EBITDA. Both are long-duration, regulated or contracted infrastructure assets bought by domestic superannuation capital at multiples no trade buyer in the sector can reach. Strip these two out and the remaining 68 deals disclosed just A$1.8bn between them, which is the truer picture of the mid-market.

2 Listed Contractors Buying Capability Rather Than Scale

✓ ASX-listed mid-caps were the most active acquirers of the year, and they bought specific capability at disciplined prices. NRW Holdings paid A$203m for Fredon Industries at 7.1x EBITDA to add electrical and communications delivery, Tasmea paid A$248m for Maxim Group at 16.4x, GenusPlus acquired Railtrain for A$64m at 10.6x, IPD Group bought Platinum Cables at 5.5x and Bhagwan Marine acquired Riverside Marine for A$139m at 10.2x. The pattern is consistent: buy the trade licence, the crew and the client relationship, not the revenue line.

3 Offshore Strategics Entering the Australian Mid-Market

✓ Foreign trade buyers were unusually active below A$200m. Salcef Group of Italy paid A$180m for Pilbara Rail Maintenance, North American Construction Group of Canada A$121m for Iron Mine Contracting, Deepak Mining Solutions of India A$91m for Platinum Blasting Services, Mehler Vario System of Germany A$74m for Craig International Ballistics and Ariston of Italy A$73m for Chromagen. Roca Sanitario, AxFlow and Phenna Group also completed Australian acquisitions. For sub-scale vendors, the credible buyer list now runs well beyond the ASX.

Source: Capital IQ; announced transactions with an Australian target, 1 July 2025 to 30 June 2026.

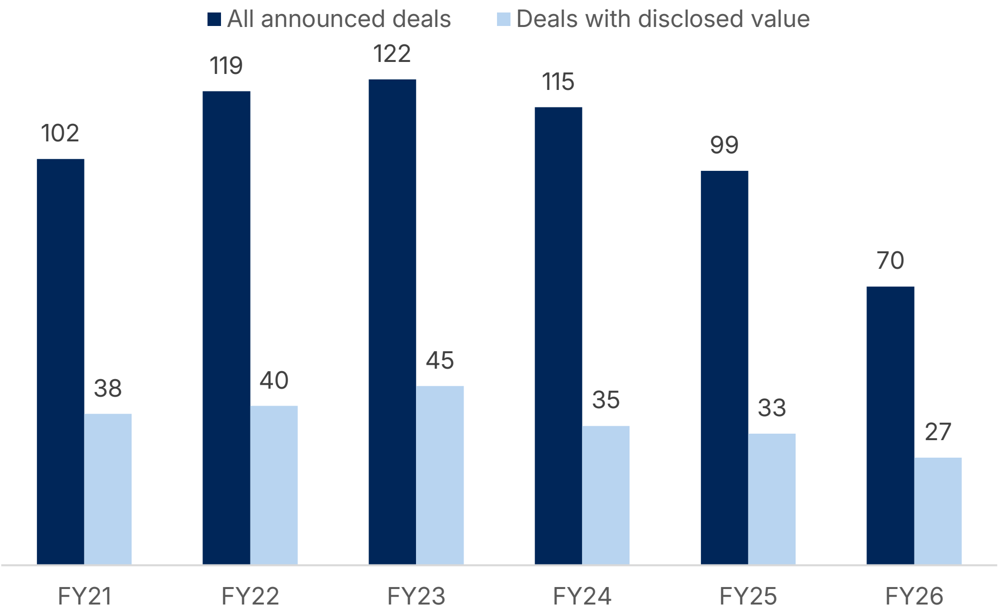
M&A AND CAPITAL RAISE ACTIVITY - VALUATIONS

Edison

Median EV/EBITDA has held between 6.1x and 8.5x since FY22 while deal count fell from 122 to 70: price has been stable, volume has not

- Median EV/EBITDA is the measure to use. Average EV/Revenue reads 69.8x in FY22 and 5.0x in FY26 because a single transaction dominates each of those years: Sydney Airport at A$32.1bn in FY22 and Qube at A$12.2bn in FY26. Disclosure is also thinning, from 45 of 122 deals in FY23 to 27 of 70 in FY26, which makes the value series progressively less representative of the whole market.
- The headline median hides a very wide spread. Disclosed FY2026 multiples run from 1.4x to 28.2x EV/EBITDA on twelve observations, so a sector median is a starting point for a conversation rather than a benchmark for a specific asset.
- Infrastructure sets the top of the range and operating businesses sit well below it. Qube priced at 17.2x and Atlas Arteria at 28.2x, both regulated or contracted assets, while the mid-market capability deals cluster at 6x to 10x: NRW / Fredon at 7.1x, Anchorage / HMA International at 6.6x and Bhagwan / Riverside Marine at 10.2x.
- The cycle shows up in volume, not price. Deal count has fallen 43% from 122 in FY2023 to 70 in FY2026 while the median multiple has moved less than a turn and-a-half. Vendors are holding rather than discounting, which is why the pending pipeline matters more than the multiple this year.

Year	Deals	Disclosed	Total (A$m)	Avg (A$m)	EV/EBITDA	EV/Rev
FY21	102	38	1,765	46	3.6x	1.35x
FY22	119	40	67,733	1,693	7.3x	69.77x
FY23	122	45	4,821	107	8.5x	1.08x
FY24	115	35	5,275	151	6.1x	1.30x
FY25	99	33	7,636	231	6.5x	1.02x
FY26	70	27	22,829	846	7.3x	4.96x



Source: Capital IQ; Australian transactions announced FY2021 to FY2026. Strictly Confidential.

HIGHLIGHTED TRANSACTION: CONSORTIUM / QUBE HOLDINGS LTD

Edison

TRANSACTION SUMMARY

- An investor group comprising Macquarie Asset Management, UniSuper and Pontegadea Shareholdings Luxembourg acquired 100% of Qube Holdings Limited (ASX: QUB), completing on 8 July 2026 with scheme implementation on 14 August 2026.
- Shareholders received A$5.20 per share in cash: A$4.80 of scheme consideration plus A$0.40 of interim and special dividends. The terms imply 2.8x EV/Revenue and 17.2x EV/EBITDA. UniSuper rolled its specified shares into equity in the acquisition vehicle rather than taking cash, and the consortium sought a A$4.95bn facility to fund the purchase.
- Executed by court-approved scheme of arrangement following a process deed on 23 November 2025.

KEY TRANSACTION DETAILS

A$12,201m	17.2x	Cash	A$8,491m
Implied EV[1]	EV / EBITDA	Consideration	Equity Value
Completed	2.8x	Marine Ports & Services	100%
Deal Status	EV / Revenue	Sub-sector	Portion

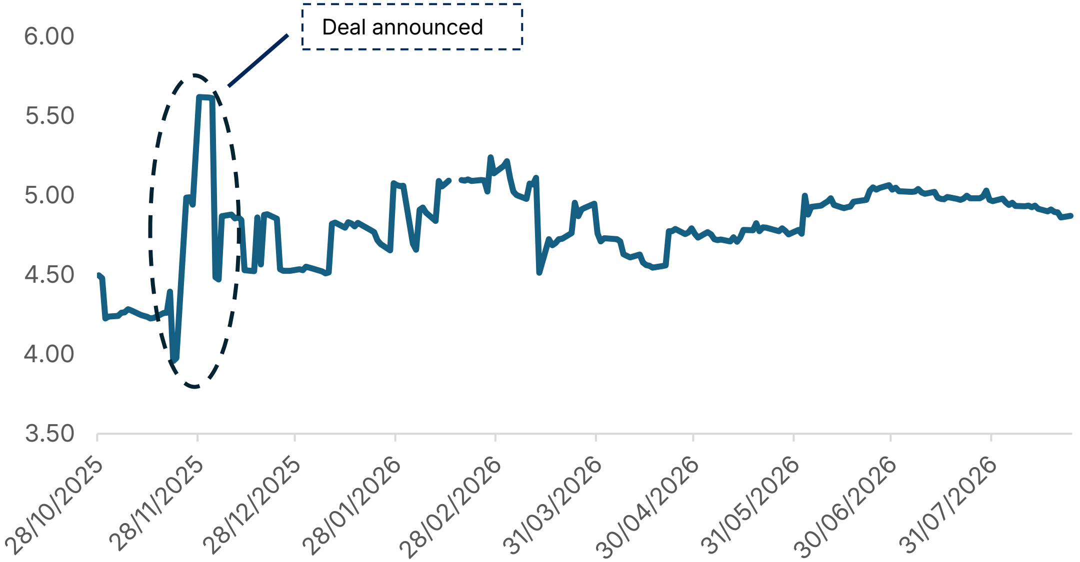
TRANSACTION RATIONALE

1. Scale Infrastructure with Contracted Revenue: Qube is Australia's largest integrated logistics and port operator, spanning bulk and container terminals, rail-linked intermodal facilities and the Moorebank Logistics Park. The asset base carries long-dated, largely contracted revenue with inflation linkage.

2. Institutional Capital Repricing Listed Infrastructure: The consortium paid 17.2x EBITDA and 2.8x revenue against a 7.3x median for FY2026 Australian transactions, underwriting a lower cost of capital and a longer hold than the public market will price.

3. Regulatory Clearance Was the Gating Item: The deal ran from a process deed on 23 November 2025 to completion on 8 July 2026, with both ACCC and FIRB approvals granted. That timetable is the practical benchmark for large infrastructure take-privates.

SHARE PRICE AT KEY DEAL EVENTS, A$



Notes: (1) Implied EV of A$12,200.9m on revenue of A$4,368m and EBITDA of A$708m. (2) A$5.20 per share is A$4.80 scheme consideration plus A$0.40 of dividends. Source: S&P Capital IQ. Strictly Confidential.

M&A ACTIVITY – RECENT TRANSACTIONS

Target	Acquirer	Date	Status	Target Detail	Enterprise Value (EV)	Equity Acquired
Sydney Airport	Investor Group	Feb-22	Completed	Sydney's international gateway airport. A consortium of domestic institutional investors acquired 100% at an enterprise value of A$32.1bn, completing February 2022. Implied multiples of 49.8x revenue and 86.4x EBITDA reflect COVID-depressed FY2021 earnings.	32,061m	100%
Sydney Motorway Corporation	Investor Group	Oct-21	Completed	Owner and operator of the WestConnex motorway network in Sydney. An investor group acquired the remaining 49% interest at an implied enterprise value of A$22.7bn, completing October 2021. Earnings metrics were not disclosed.	22,653m	49%
Qube Holdings	Investor Group	Jul-26	Completed	Australia's largest integrated logistics and port operator. Macquarie Asset Management, UniSuper and Pontegadea acquired 100% at A$5.20 per share, an enterprise value of A$12.2bn on 2.8x revenue and 17.2x EBITDA.	12,201m	100%
Atlas Arteria	IFM Investors	Jul-26	Completed	Owner of toll road concessions in France, Germany and the United States. IFM Investors moved to control with a 33.0% acquisition at an implied enterprise value of A$8.8bn and 28.2x EBITDA.	8,799m	33%
CIMIC Group	HOCHTIEF Australia Holdings	May-22	Completed	Construction, mining and public-private partnership contractor. HOCHTIEF acquired the residual 21.4% minority at an implied enterprise value of A$7.6bn on 0.8x revenue and 8.9x EBITDA.	7,620m	21%
One Rail Australia	Aurizon Holdings	Jul-22	Completed	Above-rail haulage operator in South Australia and the Northern Territory. Aurizon acquired 100% for an enterprise value of A$2.35bn, completing July 2022 after ACCC clearance conditional on divesting the East Coast Rail business.	2,350m	100%
Plenary Group	Abu Dhabi Developmental Holding	Feb-25	Completed	Social and transport infrastructure developer, investor and asset manager. ADQ acquired 49% at an implied enterprise value of A$2.0bn, completing February 2025. Earnings multiples were not disclosed.	2,041m	49%

Source: Capital IQ. Strictly Confidential.

M&A ACTIVITY – RECENT TRANSACTIONS (CONT.)

Edison

Target	Acquirer	Date	Status	Target Detail	Enterprise Value (EV)	Equity Acquired
Austal	HAA No.1	Mar-25	Completed	Naval shipbuilder and AUKUS-aligned defence prime. HAA No.1 acquired a 9.9% strategic stake at an implied enterprise value of A$1.78bn on 1.1x revenue, completing March 2025.	1,782m	10%
Jandakot Airport Holdings	Investor Group	Nov-21	Completed	Owner of Jandakot Airport and the surrounding industrial estate in Perth. An investor group acquired 100% at an enterprise value of A$1.3bn; Cbus subsequently took a 33.3% interest in April 2022.	1,300m	100%
Johns Lyng Group	Pacific Equity Partners	Oct-25	Completed	Insurance building and restoration services group. Pacific Equity Partners acquired 100% at an enterprise value of A$1.29bn on 1.1x revenue and 10.4x EBITDA, completing October 2025.	1,295m	100%
Freight Management Holdings	Pacific Equity Partners	Mar-25	Completed	Freight forwarding and third-party logistics platform. Pacific Equity Partners acquired 97.1% at an enterprise value of A$1.2bn on 1.8x revenue and 14.6x EBITDA, completing March 2025.	1,200m	97%
Onsite Rental Group	Sime Darby Allied Operations	Mar-23	Completed	General equipment hire business serving construction and resources. Sime Darby acquired 100% at an enterprise value of A$1.09bn on 3.6x revenue and 9.2x EBITDA, completing March 2023.	1,086m	100%
JELD-WEN Australia	Platinum Equity	Jul-23	Completed	Windows and doors manufacturer supplying the residential and commercial construction markets. Platinum Equity acquired 100% at an enterprise value of A$669.7m on 0.8x revenue and 6.7x EBITDA.	670m	100%
Ventura Motors	Keppel Infrastructure Trust	Jun-24	Completed	Melbourne bus and coach operator. Keppel Infrastructure Trust acquired 97.7% at an enterprise value of A$600.0m on 2.1x revenue and 7.1x EBITDA; Samsung Asset Management acquired a further 24.6% in August 2025 at A$521.9m.	600m	98%

Source: Capital IQ. Strictly Confidential.

CAPITAL RAISING: EAGERS ENTITLEMENT OFFER

TRANSACTION SUMMARY

- Eagers Automotive Limited (ASX: APE) raised approximately A$452m through a 1-for-12 accelerated non-renounceable pro rata entitlement offer at A$21.00 per new share, alongside a A$50m strategic placement to Mitsubishi Corporation at A$18.00 per new share. Gross proceeds were approximately A$502m across some 24.3m new shares.
- The record date was 3 October 2025. The institutional component raised approximately A$143m (c.6.8m new shares), closing on 2 October and settling on 13 October. The retail component was approximately A$309m (c.14.7m new shares), open from 8 to 27 October, with new shares allotted on 3 November 2025.
- Proceeds partly fund the acquisition of a 65% equity interest in CanadaOne Auto for approximately A$1,043m. Barrenjoey and Morgans acted as joint lead managers and underwriters; Clayton Utz was legal adviser.

KEY TRANSACTION DETAILS

A$50.0m MC Placement	1-for-12 Entitlement Ratio	24.3m New Shares	A$502.0m Gross Proceeds
Completed Status	A$452.0m Entitlement Offer	Automotive Retail Sub-sector	A$21.00 Offer Price

OFFER COMPONENTS

Offer components	A$m
Entitlement offer (A$21.00 per share)	452.0
- of which institutional component	143.0
- of which retail component	309.0
Mitsubishi Corporation placement (A$18.00)	50.0
Gross proceeds	502.0
CanadaOne consideration (65% interest)	1,043
New shares issued (million)	**24.3**

SHARE PRICE, MONTH END A$ (OFFER LAUNCHED OCT 2025)

Notes: (1) A$452m entitlement offer at A$21.00 per share (institutional A$143m; retail A$309m) plus a A$50m placement at A$18.00 per share. (2) Prices are month-end closes. Source: Eagers Retail Offer Booklet, 8 October 2025; S&P Capital IQ. Strictly Confidential.

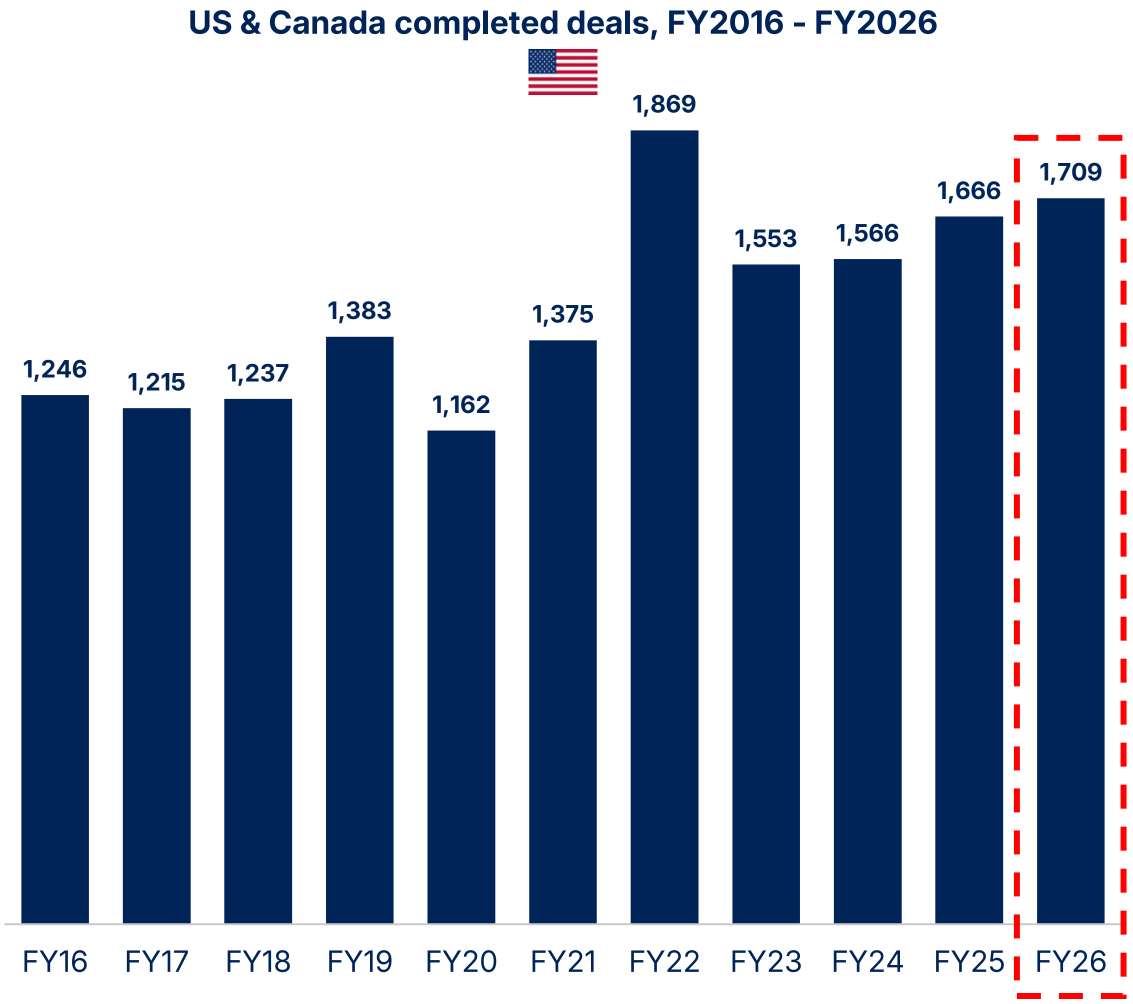
CAPITAL RAISING ACTIVITY – RECENT RAISES (FY2026)

Target	Lead Investor	Date	Status	Amount Raised	Type	Target Detail
FDC Consolidated Holdings	Institutional	Jul-26	Completed	$401m	IPO	Facilities and property services group; ASX listing raising ~$401m via institutional, broker firm, priority and employee offers.
Electro Optic Systems	Institutional	May-26	Completed	$230m	Follow-on	Defence electro-optics and counter-drone systems; $150m underwritten placement plus $40m SPP and $40m strategic placement to Gulf defence investors.
GenusPlus Group	Institutional	May-26	Completed	$200m	Follow-on	Power and communications infrastructure contractor; single-tranche placement of ~21.6m shares at $9.25.
Southern Cross Electrical	Institutional	Jun-26	Completed	$165m	Follow-on	Electrical and data infrastructure engineering contractor; $150m fully underwritten placement plus $15m SPP.
Silex Systems	Institutional	Aug-25	Completed	$149m	Follow-on	Laser uranium enrichment technology group; $130m placement at $3.90 plus $19.4m SPP after demand exceeded the $15m target.
Acrow	Institutional	Jun-26	Completed	$86m	Follow-on	Industrial scaffolding and formwork hire group; two-tranche placement plus a $16m SPP accepted above the $10m underwritten amount.
Mayfield Group	Institutional	Nov-25	Completed	$34m	Follow-on	Electrical switchboard and power infrastructure manufacturer; $30.5m placement plus $3m SPP.
Bhagwan Marine	Institutional	Mar-26	Completed	$30m	Follow-on	Marine services provider to offshore energy and infrastructure; two-tranche placement at $0.41 per share.
Boresight	Institutional	Jun-26	Completed	$8m	IPO	Drilling and subsurface survey technology group; ASX listing of 40m shares at $0.20, fully subscribed.
HighCom	Institutional	Apr-26	Completed	$8m	Follow-on	Body armour and personal protective equipment manufacturer; $7m two-tranche placement plus $0.8m SPP.

Source: Capital IQ. Strictly Confidential.

M&A ACTIVITY - UNITED STATES & CANADA

Disclosed value reached an eleven-year high of A$195bn in FY26, but deal count peaked back in FY22 - the region is doing fewer, larger transactions



DEAL VOLUME TREND, FY2016 - FY2026

Completed US and Canadian industrials, defence and services deals peaked at 1,869 in FY2022, fell to 1,553 in FY2023, and have rebuilt for three straight years to 1,709 in FY2026 - 9% below peak but 37% above the FY2020 trough of 1,162. Unlike consumer, this market never reset to a structurally lower base.

FY2026 IS THE STRONGEST VALUE YEAR OF THE DECADE

161 of 1,709 deals disclosed a price, together worth A$195.0bn - the highest of the eleven years. The four largest supply 65% of it: Sumitomo, Apollo and Brookfield / Air Lease at A$39.8bn, Baker Hughes / Chart Industries at A$19.9bn, Lowe's / Foundation Building Materials at A$13.4bn and Parker-Hannifin / Filtration Group at A$13.1bn.

VOLUME AND VALUE ARE BOTH RISING

Volume has climbed for three consecutive years off the FY2023 low and disclosed value has grown from A$100.2bn in FY2023 to A$195.0bn in FY2026. This is the only one of the three regions where both measures are moving up together.

PRICING: 10.0x EBITDA, 1.43x REVENUE

FY2026 medians of 10.0x EV/EBITDA and 1.43x EV/Revenue sit above the FY2016-20 averages of 9.4x and 1.03x. The median disclosed cheque has almost tripled from A$44m in FY2016-20 to A$119m in FY2024-26, while disclosure has thinned from 18% of deals to 10% - so multiples are directional only.

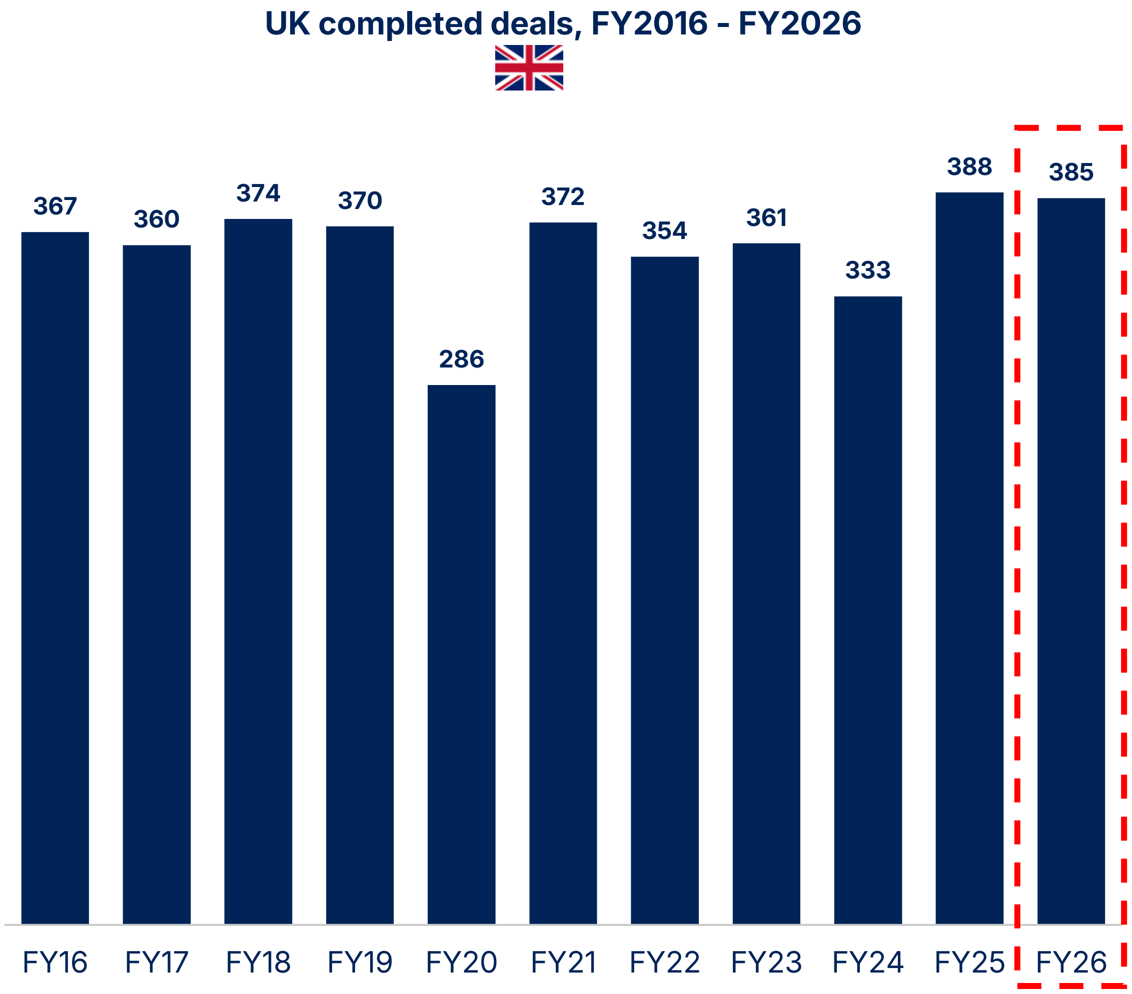
MIX HAS SHIFTED TO CONTRACTING

Construction and engineering has grown from 24.0% of regional volume in FY2016-18 to 38.3% in FY2024-26, while distribution has fallen from 24.0% to 18.6% and industrial machinery from 18.2% to 14.9%. Aerospace and defence holds a steady 7-8% share but supplies 137 deals in FY2026 alone.

Source: Capital IQ. Strictly Confidential.

M&A ACTIVITY - UK

FY26 disclosed value of A$3.7bn is the weakest of the eleven years, and the UK has traded at a persistent discount to North America since FY22



DEAL VOLUME TREND, FY2016 - FY2026

UK volume has been remarkably stable: 385 completed deals in FY2026 against 367 in FY2016, with the only real break the COVID year of FY2020 at 286. The eleven-year range is 286 to 388, so this is a market that neither boomed nor busted.

FY2026 IS THE WEAKEST VALUE YEAR OF THE DECADE

Only 38 of 385 deals disclosed a price, together worth A$3.7bn - down from A$18.4bn in FY2025 and A$32.6bn in FY2022. There is no mega-deal: the largest is Valmet / Severn Glocon at A$694m, then Kraken Robotics / Covelya at A$526m, Halma / European Safety Systems at A$463m and Laumann / Epwin at A$335m.

STEADY VOLUME, COLLAPSING DISCLOSURE

Disclosure has fallen from 21.7% of deals in FY2016-20 to 12.6% in FY2024-26, and to just 9.9% in FY2026. Volume tells you the market is functioning; the disclosed value line no longer tells you how much it is worth.

PRICING: 6.8x EBITDA, 1.24x REVENUE

The FY2026 median of 6.8x EV/EBITDA is the joint lowest of the eleven years and sits a full point below the FY2016-20 average of 7.6x. EV/Revenue has moved the other way, from 0.80x in FY2016 to 1.24x, so buyers are paying up for revenue and down for earnings.

MIX HAS SHIFTED TO CONTRACTING

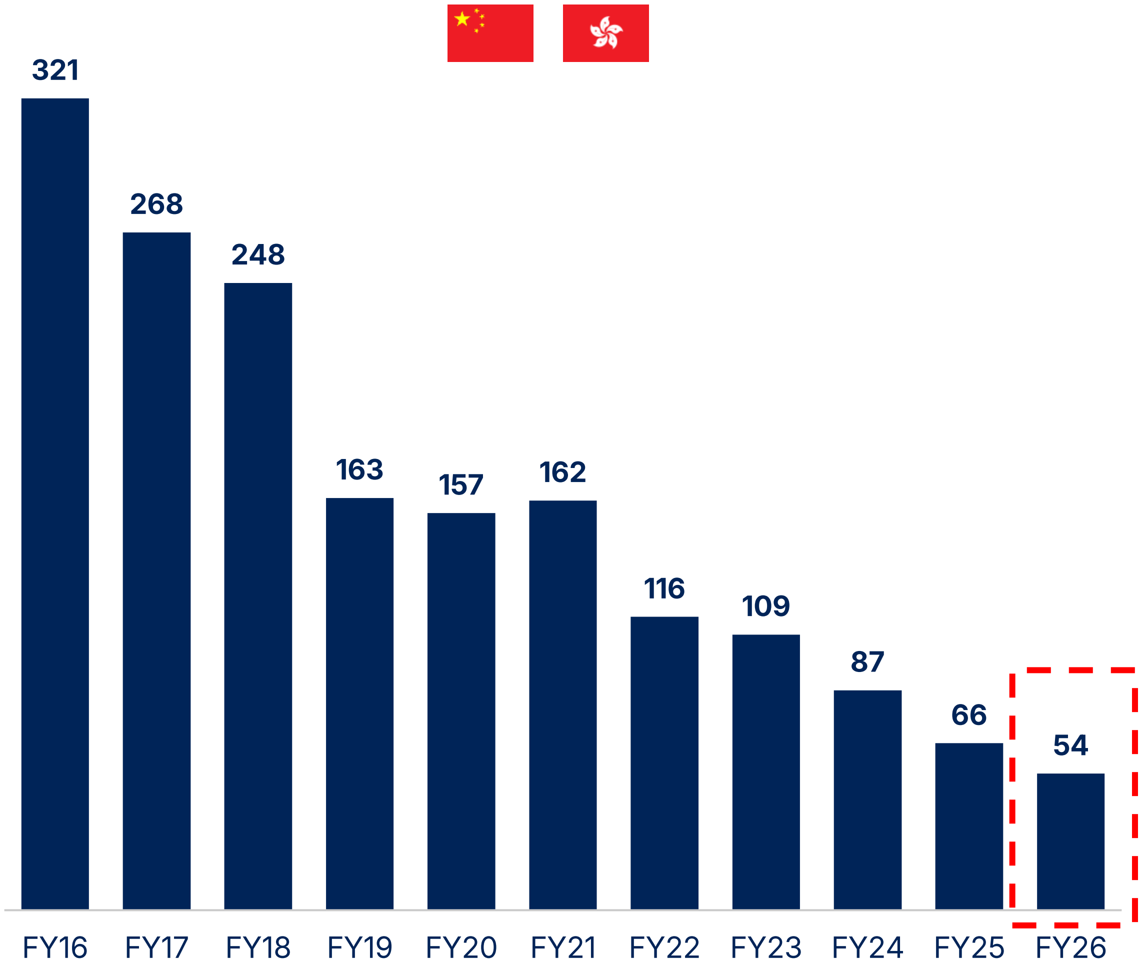
Construction and engineering has grown from 24.8% of UK volume in FY2016-18 to 35.2% in FY2024-26, while distribution has fallen from 23.7% to 16.9% and industrial machinery from 15.0% to 12.5%. Electrical components and passenger transport are the two rising niches.

Source: Capital IQ. Strictly Confidential.

M&A ACTIVITY - CHINA / HONG KONG

Deal count has fallen 83% since FY2016, from 321 completed deals to 54 in FY2026, and disclosed value rests on a few state consolidations

China and Hong Kong completed deals, FY2016 - FY2026



DEAL VOLUME TREND, FY2016 - FY2026

Volume has fallen in nine of the last ten years, from 321 completed deals in FY2016 to 54 in FY2026, an 83% decline. FY2021 was the only up year. FY2026 is the weakest of the eleven, and the contraction reads structural rather than cyclical.

STATE BUYERS OWN THE VALUE STORY

A$356bn was disclosed across 1,751 deals and the four largest carry A$90.5bn: Chengdu Aircraft at A$29.0bn in FY2023, China Gezhouba at A$25.7bn in FY2021, then Shanxi Coal and Orient Overseas at A$24.3bn and A$11.5bn in FY2018. All state-owned buyers.

FY2026 IS A TRANSPORT AND INFRASTRUCTURE YEAR

Only A$9.6bn was disclosed in FY2026 and A$7.7bn of that sits in three transport assets: the Temasek-led take-private of ANE at A$4.2bn, Xiamen Container Terminal at A$2.2bn and the Yitai Huzhun railway at A$1.3bn.

PRICING: 14.9X EBITDA, 0.85X REVENUE

The FY2024-26 median of 14.9x EV/EBITDA sits above the 8.9x of FY2021-23 but rests on seven disclosed multiples. EV/revenue is the truer read, down from 1.89x in FY2016-20 to 0.85x. Only 92 of 1,751 deals disclosed an EBITDA multiple at all.

CONSTRUCTION AND MACHINERY DRIVE THE COUNT

Construction and engineering is 23.7% of FY2024-26 deals and industrial machinery 21.7%, up from 21.9% and 19.2% in FY2016-18. In FY2026 the two are 57% of all activity. Value sits elsewhere: aerospace and defence is A$53.5bn of disclosed value on 5% of FY2024-26 deals.

Source: Capital IQ. Strictly Confidential.

05.

FY27 PERSPECTIVES

EXECUTIVE SUMMARY – FY2027 OUTLOOK

Edison

FY2026 closed with 70 Australian industrials, defence and services deals worth A$22.8bn, but two infrastructure take-privates supplied 92% of the value; FY2027 sets a budget-backed defence and infrastructure ramp against a tightening rate cycle.

Key thematics for Mid-Market Industrials, Defence & Services M&A Outlook

1 **Deal flow**

✓ FY2026 volume fell to 70 Australian deals from 122 in FY2023, a 43% decline, while disclosed value rose to A$22.8bn - but Qube at A$12.2bn and Atlas Arteria at A$8.8bn supplied 92% of it. Construction and engineering accounted for 29 of the 70. Capability, not scale, is the pattern in the operating market: NRW / Fredon at 7.1x and Tasmea / Maxim Group at 16.4x are the template.

2 **Pricing**

✓ Median EV/EBITDA has held in a 6.1x to 8.5x band since FY2022 and printed 7.3x in FY2026 on twelve disclosed observations spanning 1.4x to 28.2x. Listed comparables show a hard size premium: 16.6x EBITDA above A$100bn against 8.2x below A$500m. Growth is not reliably rewarded - the 0% to 5% growth band prices at 11.5x while the shrinkers price at 17.4x.

3 **Capital and financing**

✓ The RBA has held the cash rate at 4.35% for two consecutive meetings after three increases earlier in 2026, with headline CPI at 3.5% and trimmed mean inflation at 3.6% in the year to July. All four major banks now forecast a further increase before the end of 2026, so cost-of-capital relief is not an FY2027 planning assumption. Expect earn-outs, vendor finance and deferred consideration to bridge.

4 **Regulatory step-change**

✓ The mandatory, suspensory ACCC regime has been live since 1 January 2026. In its first six months 158 notifications and 286 waiver applications were lodged; 95% of completed Phase 1 determinations cleared at an average 18.5 business days and waivers at 11 to 12 days. Notification is now a gating item in the transaction timetable rather than a tactical choice.

5 **Demand signal**

✓ The 2026 National Defence Strategy and Integrated Investment Program commit around A$425bn over the decade to accelerated capability, inside total portfolio funding of A$887bn to 2035-36 and an additional A$30bn over the forward estimates and A$117bn over the decade. ASPI assesses 75% to 80% of the decade's IIP spend as still unapproved and backloaded, so the supplier risk is timing, not quantum.

Sources: S&P Capital IQ; Australian Government Budget 2026-27 and 2026 NDS/IIP; ASPI, The Cost of Defence 2026-27; ACCC merger regime data to 30 Jun 2026; RBA, 11 Aug 2026; ABS CPI, Jul 2026. Strictly Confidential.

ANNOUNCED TRANSACTIONS PENDING COMPLETION

Six of the fifteen pending transactions now carry a disclosed value totalling A$3.2bn, of which Moorabbin Airport and Noja Power are A$2.9bn; a further eight are estimated from disclosed revenue, headcount or fleet data

Target	Announced	Acquirer	Sector	Value (A$m)	EV/EBITDA
Moorabbin Airport Corporation	Apr 2026	Barings; Goodman Group	Airport services	1,494	n.a.
Noja Power Switchgear	May 2026	Goldman Sachs Asset Management	Heavy electrical equipment	1,376	n.a.
MaxiPARTS	Sep 2026	Ares Management Asia	Construction machinery	164	5.9x
KTEK Aerosystems	May 2026	KTEK Ltd	Aerospace and defence	22	n.a.
RocketDNA (WA)	Jun 2026	RocketDNA Ltd	Aerospace and defence	1	n.a.
SeaLink Marina	Feb 2026	Experience Australia Group	Marine transportation	161	6.8x
Leviat	Mar 2026	OEP Capital Advisors	Construction machinery	n.a.	n.a.
Brisbane Bus Lines	Mar 2026	S & S Webster Investments	Passenger ground transport	c. 28	c. 7x
Spandex Australia Holding	Mar 2026	Spicers	Trading companies	c. 25	c. 6x
Wallbridge Gilbert Aztec	Apr 2026	AtkinsRealis Group	Construction and engineering	c. 180	c. 8x
L C Dyson's Bus Services	May 2026	Kinetic Group Services	Passenger ground transport	c. 200	c. 8x
Leed Engineering and Construction	May 2026	Mott MacDonald Group	Construction and engineering	c. 70	c. 6x
Fuji Lifts	May 2026	Alimak Group	Construction and engineering	c. 2	n.a.
Interspan (NSW)	Jun 2026	DYWIDAG-Systems International	Construction and engineering	c. 140	c. 9x
Guidera O'Connor	Jul 2026	Osmoflo	Construction and engineering	n.a.	n.a.

Source: Capital IQ; company announcements and press releases. Figures prefixed ‘c.’ are Edison Intelligence estimates (unverified). Strictly Confidential.

DEAL MECHANICS & PROCESS "UPGRADES" FOR FY2027

Edison

1. **Demand**
   - ✓ Defence portfolio funding of A$887bn to 2035-36 and around A$425bn of IIP capability spend over the decade give suppliers an unusually visible demand signal, but ASPI assesses 75% to 80% of that spend as unapproved and backloaded into the period the strategy itself calls most dangerous. The buy-side question is timing, not quantum.
2. **Rates**
   - ✓ The cash rate has been held at 4.35% for two consecutive meetings after three increases earlier in 2026, with trimmed mean inflation at 3.6% in the year to July and all four major banks forecasting a further increase before year end. Hurdle rates stay above the 2020-22 cycle: expect earn-outs, vendor finance and deferred consideration.
3. **Global playbook**
   - ✓ International acquirers are underwriting sovereign capability, clearance-held workforces and supply-chain resilience rather than growth. Subcontractor concentration, landed cost and the ability to hold and transfer security accreditation are now core diligence questions for Australian targets.

Mechanics & Process

REGULATORY
Mandatory, suspensory ACCC clearance since 1 January 2026 - test waiver eligibility first, then build the 18.5 business day Phase 1 average into the timetable.

DILIGENCE
Contracted backlog and its conversion rate, recurring versus project revenue, security clearances and accreditation transferability, AUKUS and ITAR supply-chain eligibility, labour availability and subcontractor concentration.

VALUATION & STRUCTURE
MACs, break fees, earn-outs tied to backlog conversion, vendor finance and W&I insurance; treat key-person dependency and clearance-held staff as value at risk.

Stakeholder Implications

BUYERS (STRATEGIC & SPONSORS)
Buy capability and accreditation rather than headcount, pre-clear the ACCC path, and underwrite backlog conversion rather than order intake.

FINANCIAL INVESTORS
Bolt-ons across defence sustainment and autonomous systems, electrical and data-centre infrastructure, testing inspection and compliance, and fire and building compliance; closer scrutiny of recurring versus project revenue.

SELLERS
Run ACCC-ready processes, evidence multi-year contracted revenue and the margin earned on it, and use earn-outs to bridge the gap between project and recurring earnings.

Sources: RBA, Monetary Policy Decision, 11 August 2026; ABS, Monthly CPI Indicator, July 2026; Australian Government, Budget 2026-27; ASPI, The Cost of Defence 2026-27; ACCC, New Merger Control Regime data to 30 June 2026. Strictly Confidential.

PRACTICAL NEXT STEPS – HOW TO TRANSACT IN FY2027

Edison

Four considerations for transacting in industrials, defence and services in FY2027: front-run the merger clearance regime, underwrite a backloaded capital programme, and target contracted revenue

PRE-FLIGHT REGULATORY REQUIREMENTS

The mandatory, suspensory merger regime has applied since 1 January 2026, so ACCC notification is a gating item rather than a tactical choice. Test waiver eligibility first - 286 waiver applications were lodged in the regime's first six months against 158 notifications - then budget for the 18.5 business day Phase 1 average and pre-draft remedy playbooks

BANKABLE KPIs FOR DEAL STRUCTURING

Anchor term sheets on contracted backlog, backlog conversion rate, recurring versus project revenue mix, labour utilisation and subcontractor concentration, not order intake. With the FY2026 median at 7.3x EV/EBITDA and disclosed multiples spanning 1.4x to 28.2x, earn-outs should track backlog conversion and the margin earned on it

ROBUST BALANCE SHEET PACKAGING

Sellers should package net working capital normalisation, work-in-progress and retention balances, contract novation and change-of-control consents, and the transferability of security clearances and accreditations. Unresolved change-of-control and clearance issues are the most common source of price adjustment in this sector

CATEGORY-LED ORIGINATION FOCUS

Prioritise sub-sectors with contracted or compliance-driven revenue: defence sustainment and autonomous systems, electrical and data-centre infrastructure, testing inspection and compliance, fire services and cybersecurity. Australian defence industry revenue is forecast to grow at an annualised 4.9% to A$72.3bn by 2030-31, against 2.3% annualised over the five years to 2025-26

07.

EDISON DEFENCE & TECHNOLOGY MONITOR

DEFENCE & TECHNOLOGY SCORECARD (1 OF 3)

The 36-name universe trades at a median 15.0x EV/EBITDA on 13.5% revenue growth; Palantir at 144.7x and Axon at 245.1x sit an order of magnitude above the primes, which cluster between 11x and 18x

Company	Ticker	Market Cap.	EV/Rev	EV/EBITDA	YoY Rev Growth	EBITDA Margin	Stock 12M	Stock 3M
Palantir Technologies	PLTR	581,175m	62.6x	144.7x	60%	43%	+1%	+28%
RTX	RTX	375,426m	3.0x	17.9x	12%	17%	+22%	+18%
Airbus	AIR	253,295m	1.9x	16.5x	13%	12%	+1%	+20%
Boeing	BA	232,728m	2.0x	n.a.	38%	-3%	-17%	-4%
Lockheed Martin	LMT	168,182m	1.7x	13.4x	8%	13%	+15%	+5%
General Dynamics	GD	134,692m	1.8x	14.5x	13%	12%	+9%	+12%
Mitsubishi Heavy Industries	7011	115,561m	2.2x	16.4x	3%	14%	-13%	-1%
BAE Systems	BA.	103,451m	1.9x	15.2x	14%	13%	+9%	+6%
Northrop Grumman	NOC	101,494m	1.9x	11.3x	5%	17%	-16%	-1%
Thales	HO	76,623m	2.0x	14.7x	15%	13%	-2%	+10%
L3Harris Technologies	LHX	66,250m	2.4x	13.2x	5%	18%	-13%	-16%
Axon Enterprise	AXON	58,116m	12.6x	245.1x	37%	5%	-29%	+54%
Hanwha Aerospace	A012450	55,002m	2.3x	14.9x	133%	15%	+12%	-4%
Rocket Lab	RKLB	53,351m	44.3x	n.a.	41%	-20%	+40%	-50%
Leonardo	LDO	46,723m	1.5x	13.5x	17%	11%	+5%	+5%
Saab	SAAB B	45,317m	3.3x	26.7x	37%	12%	+13%	+19%
Dassault Aviation	AM	34,182m	1.2x	11.2x	26%	11%	-3%	+1%
Leidos	LDOS	23,163m	1.2x	8.9x	5%	14%	-31%	+9%

Source: Capital IQ. Strictly Confidential.

DEFENCE & TECHNOLOGY SCORECARD (2 OF 3)

Below A$20bn the list is mostly Australian and thinner on earnings: three of the 17 names on this page carry no meaningful EBITDA multiple, leaving Codan as the largest profitable ASX defence name

Company	Ticker	Market Cap.	EV/Rev	EV/EBITDA	YoY Rev Growth	EBITDA Margin	Stock 12M	Stock 3M
CACI International	CACI	19,119m	1.9x	15.0x	14%	12%	+20%	+27%
Textron	TXT	18,866m	1.0x	9.2x	10%	11%	-9%	-11%
Huntington Ingalls Industries	HII	15,631m	1.0x	11.4x	11%	9%	-1%	-8%
Kratos Defense & Security Solutions	KTOS	12,454m	4.8x	83.6x	21%	6%	-28%	-6%
Booz Allen Hamilton	BAH	12,148m	1.0x	9.3x	13%	11%	-38%	-5%
AeroVironment	AVAV	10,118m	3.5x	35.7x	16%	10%	-44%	-15%
Babcock International Group	BAB	9,014m	0.9x	13.4x	13%	7%	-1%	+3%
Codan	CDA	8,379m	9.6x	33.2x	22%	29%	+72%	+22%
Rotork	ROR	7,391m	4.8x	18.5x	9%	26%	+26%	+58%
RENK Group	R3NK	6,858m	3.2x	17.8x	28%	18%	-28%	-5%
Ventia Services Group	VNT	4,624m	0.9x	11.3x	1%	8%	+5%	-5%
QinetiQ Group	QQ.	4,615m	1.3x	7.6x	3%	17%	0%	+12%
Chemring Group	CHG	2,744m	2.9x	16.9x	8%	17%	-6%	+7%
Electro Optic Systems	EOS	2,077m	7.5x	n.a.	-27%	-8%	+75%	-3%
Austal	ASB	1,858m	0.9x	n.a.	24%	-5%	-38%	+9%
DroneShield	DRO	1,617m	5.4x	n.a.	274%	-11%	-49%	-40%
Silex Systems	SLX	1,437m	66.6x	1,460.9x	22%	5%	+48%	-8%

Source: Capital IQ. Strictly Confidential.

DEFENCE & TECHNOLOGY SCORECARD (3 OF 3)

Below A$1bn the cohort is pre-profit: only Creotech, TAT Technologies, MS International and CPI Aerostructures earn an EBITDA multiple, and seven of the eleven names trade below their level of a year ago

Company	Ticker	Market Cap.	EV/Rev	EV/EBITDA	YoY Rev Growth	EBITDA Margin	Stock 12M	Stock 3M
Creotech Instruments	CRI	790m	12.8x	82.4x	724%	15%	+126%	-26%
TAT Technologies	TATT	697m	2.3x	18.4x	20%	13%	-8%	0%
Spire Global	SPIR	623m	5.5x	n.a.	-34%	-112%	+35%	-35%
MS International	MSI	482m	1.7x	11.5x	10%	15%	+22%	+3%
Arbe Robotics	ARBE	139m	42.3x	n.a.	37%	n.m.	-53%	-40%
Innoviz Technologies	INVZ	125m	1.4x	n.a.	132%	-144%	-81%	-52%
CPI Aerostructures	CVU	95m	1.2x	14.3x	-13%	9%	+90%	+19%
AML3D	AL3	79m	4.3x	n.a.	1%	-40%	-62%	-38%
VEEM	VEE	74m	1.6x	n.a.	-15%	-47%	-52%	-7%
Ocean Power Technologies	OPTT	40m	8.0x	n.a.	7%	n.m.	-67%	-49%
AVA Risk Group	AVA	11m	0.4x	n.a.	5%	-6%	-43%	-23%

Source: Capital IQ. Strictly Confidential.

DEFENCE & TECHNOLOGY - CURRENT TOP SIX THEMATICS

Federal funding is decoupled from GDP and locked into a decade-long ramp, making the demand signal for Australian defence suppliers unusually visible

FUNDING DECOUPLED FROM GDP

Defence funding no longer moves with GDP, so budget allocations do not follow the economic cycle. The government still targets 3.0% of GDP by 2033-34.

AUKUS AND THE SURFACE FLEET

Delivery priorities are the AUKUS submarine pathway, hardening northern bases, and the Japanese Mogami-class frigates announced in April 2026.

A$117BN OVER THE DECADE

The 2026 National Defence Strategy commits A$30bn over forward estimates and A$117bn over ten years, taking total portfolio funding to A$887bn by 2035-36.

REVENUE TO A$72BN BY 2030-31

Industry revenue is forecast to grow at an annualised 4.9% to A$72.3bn, against 2.3% annualised growth over the five years to 2025-26.

THE CAPEX RAMP IS UNDERWAY

Capital expenditure on defence is A$15.7bn in 2026-27 and forecast to rise 7.0% to A$16.8bn in 2027-28, with A$1bn brought forward for priority capability.

LOW COMPETITION, HIGH BARRIERS

Overall industry risk is medium-low at 4.4, held down by low competition and high barriers to entry. Sensitivity to capex and GDP is the main exposure at 5.3.

Source: IBISWorld, Australian Government 2026 National Defence Strategy. Strictly Confidential.

08.

EDISON PLUMBING & ELECTRICAL MONITOR

PLUMBING & ELECTRICAL SCORECARD (1 OF 3)

The 29-name universe trades at a median 13.5x EV/EBITDA on 10.2% revenue growth and a 17.2% median margin; Schneider Electric and Eaton anchor the group at 20.1x and 25.5x

Company	Ticker	Market Cap.	EV/Rev	EV/EBITDA	YoY Rev Growth	EBITDA Margin	Stock 12M	Stock 3M
Schneider Electric	SU	267,685m	4.1x	20.1x	12%	20%	+22%	+9%
Eaton	ETN	221,377m	5.6x	25.5x	13%	22%	+7%	+4%
Emerson Electric	EMR	118,258m	4.9x	15.0x	6%	33%	+7%	+15%
Ferguson Enterprises	FERG	61,300m	1.5x	15.5x	6%	10%	-8%	+6%
Legrand SA	LR	61,041m	4.0x	18.4x	17%	22%	-9%	-13%
nVent Electric	NVT	35,036m	5.2x	23.9x	32%	22%	+55%	-7%
Hubbell	HUBB	33,768m	4.5x	18.3x	6%	24%	-4%	-2%
Geberit	GEBN	31,225m	5.6x	19.5x	11%	29%	-13%	+12%
WESCO International	WCC	23,761m	0.9x	13.6x	10%	6%	+38%	-8%
Masco	MAS	19,807m	2.2x	10.9x	-1%	20%	-12%	+8%
Rexel	RXL	17,385m	0.7x	12.0x	8%	6%	+15%	-2%
Watts Water Technologies	WTS	16,817m	4.2x	19.4x	11%	22%	+21%	+23%
Advanced Drainage Systems	WMS	14,202m	3.5x	11.8x	2%	29%	-13%	+5%
Acuity	AYI	13,780m	2.1x	12.9x	15%	16%	-6%	+17%
NIBE Industrier	NIBE B	12,805m	2.3x	17.2x	11%	14%	-17%	+2%

Source: Capital IQ. Strictly Confidential.

PLUMBING & ELECTRICAL SCORECARD (2 OF 3)

The ASX names sit in the tail: Reece, Metcash, Reliance Worldwide and Southern Cross Electrical are all below A$11bn, against a sub-sector median of 13.5x EV/EBITDA

Company	Ticker	Market Cap.	EV/Rev	EV/EBITDA	YoY Rev Growth	EBITDA Margin	Stock 12M	Stock 3M
Core & Main	CNM	11,510m	1.3x	10.7x	12%	12%	-38%	-6%
Reece	REH	10,229m	1.3x	17.4x	-1%	7%	+20%	+24%
Beijer Ref	BEIJ B	10,180m	2.0x	19.2x	15%	10%	-31%	-1%
Fortune Brands Innovations	FBIN	7,139m	1.7x	9.9x	-1%	17%	-34%	+19%
LIXIL	5938	4,534m	0.7x	9.5x	-3%	7%	-24%	+7%
Metcash	MTS	3,255m	0.3x	9.4x	9%	3%	-29%	-3%
Reliance Worldwide	RWC	3,138m	1.9x	11.0x	7%	17%	+1%	+33%
Volution Group	FAN	2,512m	3.0x	13.4x	26%	23%	-8%	+9%
Southern Cross Electrical Engineering	SXE	1,318m	1.5x	14.9x	45%	10%	+146%	+21%
Genuit Group	GEN	1,251m	1.4x	7.5x	13%	18%	-29%	+11%
Fletcher Building	FBU	n.a.	n.a.	n.a.	-28%	9%	+18%	+31%

Source: Capital IQ. Strictly Confidential.

PLUMBING & ELECTRICAL SCORECARD (3 OF 3)

The sub-A$1bn names are mostly Australian and trade at a discount: six of the nine sit below 13.5x EV/EBITDA, with IPD Group and Duratec the only ones to gain more than 50% over twelve months

Company	Ticker	Market Cap.	EV/Rev	EV/EBITDA	YoY Rev Growth	EBITDA Margin	Stock 12M	Stock 3M
Janus International Group	JBI	873m	1.2x	7.3x	-6%	16%	-56%	-2%
Amotiv	AOV	809m	1.3x	6.3x	1%	20%	-30%	+8%
Duratec	DUR	563m	0.9x	13.4x	3%	7%	+56%	-4%
IPD Group	IPG	554m	1.4x	12.2x	22%	12%	+57%	+6%
GWA Group	GWA	499m	1.5x	8.0x	1%	19%	-18%	-2%
JELD-WEN Holding	JELD	249m	0.5x	41.8x	-13%	1%	-64%	+43%
Big River Industries	BRI	122m	0.4x	9.7x	-2%	4%	-5%	-2%
Saunders International	SND	113m	0.3x	53.2x	-1%	1%	+13%	+5%
The Environmental Group	EGL	32m	0.4x	n.m.	14%	0%	-67%	-39%

Source: Capital IQ. Strictly Confidential.

PLUMBING & ELECTRICAL - CURRENT TOP SIX THEMATICS

Edison

Non-residential and multi-unit construction carry the sector while single-unit housing and Victorian gasfitting shrink

NON-RESIDENTIAL WORK IS CARRYING THE SECTOR

Australian plumbing services revenue reaches A$25.1bn in 2026-27 on a 1.2% five-year CAGR, with growth coming from commercial and infrastructure installation rather than housing. Larger and specialist contractors such as AE Smith & Son and Axis Services Group take the bulk of the complex work.

VICTORIA'S GAS BAN IS RESHAPING GASFITTING

Gasfitting is A$4.8bn, or 19.1% of the market. Victoria has banned gas connections to new residential developments since January 2024 and requires all new residential and most commercial buildings to be all-electric from 2027, in the state holding 29.5% of plumbing enterprises.

THE HOUSING COLLAPSE HIT DOMESTIC INSTALLERS

Domestic installation peaked in 2021-22 on record single-unit housing starts and collapsed as mortgage rates rose and HomeBuilder ended. Civil work on residential subdivisions stalled with it, and price competition on small jobs intensified across the fragmented base.

FRAGMENTED IN SERVICES, CONSOLIDATED IN SUPPLY

Plumbing services runs 32,067 enterprises at 2.3 employees each, and the four largest hold under 10% of revenue. The wholesale layer is the opposite: Reece holds 38.4% of the A$8.9bn plumbing goods market and is the natural consolidation vehicle.

MULTI-UNIT IS THE NEXT DEMAND LEG

Revenue is forecast to grow 1.7% annually to A$27.3bn by 2031-32, including 3.0% in 2026-27. The National Housing Accord target of 1.2 million homes pushes construction towards apartments and townhouses, which need commercial-grade booster pumps, centralised boilers and sprinkler systems.

THIN MARGINS AND A BINDING LABOUR CONSTRAINT

Profit margin sits at 8.9%, down 0.2 points over five years, with purchases at 49.0% of revenue. Apprenticeship completions rose 12.2% in the year to December 2025 but commencements only 0.4%, so wage rates keep rising faster than contract prices.

Source: IBISWorld. Strictly Confidential.

09.

EDISON TESTING & INSPECTION MONITOR

TESTING & INSPECTION SCORECARD (1 OF 3)

The 21-name universe trades at a median 12.6x EV/EBITDA on 7.6% revenue growth; Veralto, SGS and Halma anchor the group, with Halma the most expensive of the majors at 21.6x

Company	Ticker	Market Cap.	EV/Rev	EV/EBITDA	YoY Rev Growth	EBITDA Margin	Stock 12M	Stock 3M
Veralto	VLTO	32,573m	4.1x	16.9x	8%	24%	-17%	+14%
SGS SA	SGSN	30,859m	2.8x	15.6x	11%	18%	+2%	+4%
Halma	HLMA	25,851m	5.2x	21.6x	13%	24%	0%	-21%
Jacobs Solutions	J	23,743m	1.3x	17.8x	7%	7%	-7%	+32%
Eurofins Scientific	ERF	20,023m	2.1x	9.9x	12%	21%	-3%	+17%
Bureau Veritas SA	BVI	19,352m	2.0x	10.8x	11%	18%	-8%	+4%
Intertek Group	ITRK	16,848m	2.8x	12.6x	7%	22%	+12%	+8%
Rentokil Initial	RTO	16,132m	2.0x	11.5x	7%	18%	-12%	-24%
AECOM	ACM	11,871m	0.7x	11.2x	3%	6%	-52%	-10%
ALS	ALQ	11,054m	3.8x	17.6x	22%	21%	+18%	-7%
Spirax Group	SPX	9,658m	3.2x	14.3x	8%	22%	-12%	+2%

Source: Capital IQ. Strictly Confidential.

TESTING & INSPECTION SCORECARD (2 OF 3)

Australian contractors make up most of this page: Ventia, Downer, Monadelphous and Johns Lyng all sit below A$5bn, with Johns Lyng the smallest name above A$1bn at A$1.1bn

Company	Ticker	Market Cap.	EV/Rev	EV/EBITDA	YoY Rev Growth	EBITDA Margin	Stock 12M	Stock 3M
Ventia Services Group	VNT	4,624m	0.9x	11.3x	1%	8%	+5%	-5%
Exponent	EXPO	4,508m	5.4x	22.3x	6%	24%	-11%	+22%
Downer EDI	DOW	4,237m	0.5x	8.9x	-5%	6%	-9%	-14%
Monadelphous Group	MND	2,914m	1.0x	14.4x	7%	7%	+54%	+8%
TIC Solutions	TIC	2,847m	1.6x	13.0x	43%	12%	-20%	+9%
Applus Services	APPS	2,676m	1.2x	10.2x	16%	12%	n.a.	n.a.
CRA International	CRAI	1,488m	1.6x	13.7x	12%	12%	-19%	+18%
Johns Lyng Group	JLG	1,139m	1.1x	11.6x	2%	10%	n.a.	n.a.

Source: Capital IQ. Strictly Confidential.

TESTING & INSPECTION SCORECARD (3 OF 3)

The sub-A$1bn tail is almost entirely Australian engineering and inspection contractors, on a median 11.2x EV/EBITDA, with Vysarn and Civmec the strongest performers over twelve months at +104% and +66%

Company	Ticker	Market Cap.	EV/Rev	EV/EBITDA	YoY Rev Growth	EBITDA Margin	Stock 12M	Stock 3M
Civmec	CVL	907m	1.1x	10.0x	-22%	11%	+66%	+16%
Mistras Group	MG	845m	1.1x	9.0x	1%	12%	+81%	+10%
Symal Group	SYL	634m	0.7x	8.8x	16%	8%	+56%	+8%
Vysarn	VYS	563m	4.0x	23.8x	40%	17%	+104%	+38%
Duratec	DUR	563m	0.9x	13.4x	3%	7%	+56%	-4%
Acrow	ACF	310m	1.5x	8.0x	25%	19%	-8%	+21%
XRF Scientific	XRF	257m	3.9x	15.3x	-1%	25%	-18%	-5%
Team	TISI	177m	0.6x	12.3x	8%	5%	+11%	+38%
Saunders International	SND	113m	0.3x	53.2x	-1%	1%	+13%	+5%
Verbrec	VBC	58m	0.5x	13.8x	-17%	4%	+89%	-6%
The Environmental Group	EGL	32m	0.4x	n.m.	14%	0%	-67%	-39%
Trajan Group Holdings	TRJ	24m	0.4x	7.4x	7%	6%	-81%	-39%
BSA	BSA	19m	0.1x	0.6x	12%	14%	+100%	-7%

Source: Capital IQ. Strictly Confidential.

TESTING & INSPECTION - CURRENT TOP SIX THEMATICS

A A$798m compliance-driven market with low volatility, where manufacturing and mining set the cycle and mutual recognition is the structural threat

A SMALL MARKET THAT BARELY MOVES

Australian material testing services revenue is A$798.0m in 2025-26, down 1.5%, on a 0.2% five-year CAGR. IBISWorld classes revenue volatility as low because compliance testing recurs whatever the cycle does, which is the sub-sector's defining characteristic for an acquirer.

IMPORTED GOODS DRIVE THE COMPLIANCE VOLUME

Consumer goods are increasingly made in low-cost countries, so importers must test to ACCC and FSANZ standards before product reaches the market. That obligation, not discretionary quality spend, is the most durable demand source in the sub-sector.

SLOW GROWTH, BUT STILL A GROWTH LIFE CYCLE

Revenue is forecast to compound 1.3% to A$849.7m by 2030-31 and A$861.2m by 2028-29. Industry value added is expanding slightly ahead of the 2.2% GDP rate, so IBISWorld still rates the life cycle as growth rather than mature.

MUTUAL RECOGNITION IS THE STRUCTURAL THREAT

Cross-border mutual recognition agreements let suppliers run fewer duplicate safety checks worldwide, removing testing volume. Free trade agreements have also stripped tariff protection, leaving no assistance beyond NATA accreditation and product safety regulation.

MANUFACTURING AND MINING SET THE CYCLE

Demand from manufacturing carries a 30% weight in the sub-sector's sensitivity score, heavy and civil engineering construction 20% and mining 20%. Mining is the single highest-risk driver at 5.9 of 9, so contract mix rather than price sets earnings.

CONSOLIDATION RUNS THROUGH ALS AND SGS

ALS Limited and SGS Australia set the terms on scale and brand. Small unprofitable laboratories have exited and the mid-size providers taking share are the next tier of acquirers. Barriers to entry are moderate and rising on equipment, calibration and accreditation cost.

Source: IBISWorld. Strictly Confidential.

10.

EDISON VERTICAL TRANSPORT MONITOR

VERTICAL TRANSPORT SCORECARD

The slowest-growing of the six sub-sectors at 0.6% median revenue growth and the weakest performer at a 12.8% median 12-month decline; with no pure ASX lift player, the Australian names are facilities-maintenance proxies

Company	Ticker	Market Cap.	EV/Rev	EV/EBITDA	YoY Rev Growth	EBITDA Margin	Stock 12M	Stock 3M
Hitachi	6501	215,776m	2.0x	12.5x	-4%	16%	+7%	+5%
Mitsubishi Electric	6503	98,987m	1.6x	16.6x	0%	10%	+26%	-12%
KONE	KNEBV	42,514m	2.1x	15.9x	8%	13%	-13%	+3%
Otis Worldwide	OTIS	37,606m	2.2x	12.6x	4%	18%	-26%	-1%
thyssenkrupp	TKA	15,695m	0.2x	18.5x	-2%	1%	+40%	+25%
Ventia Services Group	VNT	4,624m	0.9x	11.3x	1%	8%	+5%	-5%
Downer EDI	DOW	4,237m	0.5x	8.9x	-5%	6%	-9%	-14%
Fujitec	6406	3,952m	1.3x	12.3x	1%	11%	n.a.	n.a.
Shanghai Mechanical & Electrical Industry	600835	3,457m	0.3x	5.6x	-4%	5%	-44%	-32%
Hyundai Elevator	A017800	2,805m	1.3x	10.4x	-16%	12%	-16%	-5%
Alimak Group	ALIG	1,951m	2.2x	13.5x	7%	16%	-30%	+13%
Service Stream	SSM	1,483m	0.6x	16.4x	2%	4%	+20%	+12%
Johns Lyng Group	JLG	1,139m	1.1x	11.6x	2%	10%	n.a.	n.a.
Canny Elevator	002367	948m	0.6x	7.5x	12%	8%	-31%	-12%
Schindler	SCHP	n.a.	n.a.	n.a.	6%	15%	-22%	-1%

Source: Capital IQ. Strictly Confidential.

VERTICAL TRANSPORT - CURRENT TOP SIX THEMATICS

The slowest-growing of the six sub-sectors, where earnings sit in service annuities and the only structural growth comes from high-density construction

NEW EQUIPMENT IS FLAT, SERVICE IS THE BUSINESS

The 15-name universe grew revenue at a 0.6% median on a 9.8% median EBITDA margin, the slowest of the six sub-sectors. Earnings sit in maintenance and modernisation portfolios rather than new-unit sales, which is why the group trades at 12.4x EV/EBITDA on 1.19x revenue.

AUSTRALIAN EXPOSURE IS INDIRECT

There is no listed Australian lift manufacturer. Exposure runs through multi-disciplined contractors - Ventia, Downer, Service Stream and Johns Lyng - which trade at 0.52x to 1.11x revenue against 2.14x for KONE and 2.23x for Otis. Local buyers acquire service books, not factories.

MULTI-UNIT CONSTRUCTION IS THE DEMAND SIGNAL

Australian multi-unit apartment and townhouse construction is A$54.6bn in 2026 and is forecast to compound 4.6% to A$68.4bn by 2031, with 7.6% growth in 2026-27 and 9.0% in 2028. High-density building is the only structural source of new lift installations.

MODERNISATION IS THE MID-MARKET OPPORTUNITY

An ageing installed base in offices and apartment towers drives modernisation and compliance upgrades, which are contracted, recurring and far less cyclical than installation. Institutional building construction adds A$36.3bn of 2026 activity growing 2.9% to A$41.8bn by 2031.

THE GROUP DE-RATED HARD OVER TWELVE MONTHS

Median twelve-month price movement was -12.8%. Otis fell 26.0%, Alimak 29.9%, Schindler 22.1% and KONE 12.8%, while thyssenkrupp gained 39.7% on restructuring. The de-rating is about new-unit volumes in China rather than the service annuity.

CONSOLIDATION HAPPENS AT THE SERVICE LAYER

The manufacturers are already global and concentrated; the fragmentation sits in independent service and maintenance contractors. That is where the acquirable assets are, and where recurring revenue quality rather than scale sets the multiple.

Source: IBISWorld. Strictly Confidential.

11.

EDISON FIRE SERVICES MONITOR

FIRE SERVICES SCORECARD

The only one of the six sub-sectors to gain over 12 months, at a 3.4% median, and the most expensive at 15.5x EV/EBITDA on 5.7% revenue growth

Company	Ticker	Market Cap.	EV/Rev	EV/EBITDA	YoY Rev Growth	EBITDA Margin	Stock 12M	Stock 3M
Johnson Controls International	JCI	121,800m	3.6x	21.0x	5%	17%	+21%	+3%
Carrier Global	CARR	68,284m	2.6x	18.4x	-1%	14%	-20%	-5%
EMCOR Group	EME	46,150m	1.7x	15.5x	19%	11%	+14%	-10%
Halma	HLMA	25,851m	5.2x	21.6x	13%	24%	0%	-21%
APi Group	APG	24,005m	2.3x	17.7x	15%	13%	+3%	-3%
Allegion	ALLE	18,536m	3.3x	13.7x	10%	24%	-14%	+24%
MSA Safety	MSA	10,099m	3.7x	14.0x	6%	27%	-2%	+10%
Ventia Services Group	VNT	4,624m	0.9x	11.3x	1%	8%	+5%	-5%
Nohmi Bosai	6744	2,210m	1.3x	8.5x	8%	15%	-8%	-6%
Napco Security Technologies	NSSC	1,836m	5.5x	17.5x	-3%	32%	+8%	0%
Service Stream	SSM	1,483m	0.6x	16.4x	2%	4%	+20%	+12%
Southern Cross Electrical Engineering	SXE	1,318m	1.5x	14.9x	45%	10%	+146%	+21%
Johns Lyng Group	JLG	1,139m	1.1x	11.6x	2%	10%	n.a.	n.a.
AVA Risk Group	AVA	11m	0.4x	n.a.	5%	-6%	-43%	-23%

Source: Capital IQ. Strictly Confidential.

FIRE SERVICES - CURRENT TOP SIX THEMATICS

Mandatory inspection and testing gives a A$4.2bn revenue floor, and the next installation leg comes from apartments and institutional building rather than infrastructure

COMPLIANCE REVENUE IS THE FLOOR

Revenue was A$4.2bn in 2025-26, down 2.1%, after five years of 3.0% annualised growth. Mandatory inspection, testing and maintenance under AS 1851-2012 generates repeatable cash flow across a growing asset base and dampens the swing from lumpy installation work.

FRAGMENTED, WITH SCALE ONLY AT THE COMPLEX END

Market share is low and fragmented. Wormald Australia, Chubb Fire & Security and ARA Fire Protection Services win the complex work and high-value portfolios; the balance is local contractors competing on price. BSA's divestment of its maintenance book diluted concentration further.

THE INSTALLATION CYCLE IS TURNING

Revenue is forecast to grow 2.6% annually to A$4.8bn by 2030-31, including 3.0% to A$4.5bn in 2027-28. Multi-unit apartment and townhouse construction compounds 4.6% to A$68.4bn by 2031 and institutional building 2.9% to A$41.8bn.

COMPETITION, NOT DEMAND, IS THE RISK

IBISWorld scores the sub-sector at 4.8 of 9 overall for 2027-28, with structural risk at 5.6 and competition the worst component at 9 of 9. Margins have tightened on fixed-price tendering, wage costs and metal and electronics input inflation.

INFRASTRUCTURE ARE A MARGIN HEADWIND

Cross River Rail, Melbourne Metro Tunnel and Sydney Metro City & Southwest drove the last cycle. As they complete, specialists shift from high-margin design and installation to lower-margin maintenance. Sydney Metro West and resource-sector work only partly offset it.

BUSHFIRE RESILIENCE UNDERPIN SPEND

The National Construction Code sets fire resistance, evacuation, equipment and maintenance requirements, and non-compliance carries prosecution and fines. AS 3959:2018 and heightened bushfire awareness support upgrade spending, alongside episodic post-event rectification.

Source: IBISWorld. Strictly Confidential.

12.

EDISON CYBER & IT SERVICES MONITOR

IT SERVICES & CYBERSECURITY SCORECARD (1 OF 2)

The sub-sector splits in two: cybersecurity platforms carry a 3.8x median EV/Revenue and EBITDA multiples that break down entirely at the top, with CrowdStrike at 1,893.8x, while the IT services names trade near 15x

Company	Ticker	Market Cap.	EV/Rev	EV/EBITDA	YoY Rev Growth	EBITDA Margin	Stock 12M	Stock 3M
Palo Alto Networks	PANW	376,800m	22.3x	137.7x	16%	16%	+71%	+34%
International Business Machines	IBM	307,007m	3.8x	15.9x	10%	24%	-13%	-9%
CrowdStrike	CRWD	302,710m	37.5x	1,893.8x	31%	2%	+65%	+15%
Fortinet	FTNT	159,085m	13.9x	40.3x	17%	34%	+73%	+13%
Accenture	ACN	158,515m	1.5x	8.2x	9%	18%	-35%	+4%
Fujitsu	6702	59,684m	1.6x	11.4x	-10%	14%	-14%	+12%
NEC	6701	54,911m	1.6x	11.0x	-6%	15%	-15%	+14%
Okta	OKTA	41,375m	8.5x	81.2x	16%	10%	+29%	+41%
Cognizant Technology Solutions	CTSH	38,938m	1.3x	6.8x	9%	19%	-22%	+17%
Zscaler	ZS	38,410m	7.4x	562.3x	25%	1%	-41%	-4%
CyberArk Software	CYBR	29,186m	13.2x	n.a.	39%	0%	n.a.	n.a.
Capgemini	CAP	28,739m	1.0x	7.8x	9%	13%	-20%	+8%
Computershare	CPU	22,864m	4.8x	14.7x	6%	33%	-1%	+16%
Check Point Software Technologies	CHKP	19,412m	4.0x	13.1x	9%	31%	-38%	-3%
Technology One	TNE	9,688m	15.0x	50.0x	18%	30%	-18%	+12%
SentinelOne	S	9,599m	5.4x	n.a.	33%	-22%	+11%	+11%

Source: Capital IQ. Strictly Confidential.

IT SERVICES & CYBERSECURITY SCORECARD (2 OF 2)

Company	Ticker	Market Cap.	EV/Rev	EV/EBITDA	YoY Rev Growth	EBITDA Margin	Stock 12M	Stock 3M
EPAM Systems	EPAM	8,376m	0.9x	6.7x	18%	13%	-42%	+8%
Qualys	QLYS	8,238m	7.1x	19.5x	13%	36%	+20%	+74%
Varonis Systems	VRNS	7,344m	6.7x	n.a.	16%	-19%	-37%	+32%
Tenable	TENB	5,233m	3.5x	68.2x	14%	5%	0%	+33%
Megaport	MP1	4,038m	11.9x	832.9x	16%	1%	+23%	+34%
Kyndryl	KD	3,974m	0.4x	4.2x	-5%	9%	-63%	+3%
DXC Technology	DXC	2,585m	0.3x	3.0x	-5%	11%	-32%	+11%
Globant	GLOB	2,344m	0.8x	5.0x	4%	16%	-49%	-2%
Data#3	DTL	1,670m	1.5x	19.3x	6%	8%	+39%	+32%
Infomedia	IFM	640m	3.8x	20.3x	4%	19%	n.a.	n.a.
Atturra	ATA	138m	0.3x	8.2x	24%	4%	-50%	-13%
WhiteHawk	WHK	3m	1.5x	n.a.	2%	-133%	-65%	-42%
Infosys	INFY	n.a.	n.a.	n.a.	5%	22%	-38%	-7%
Wipro	WIT	n.a.	n.a.	n.a.	-2%	18%	-39%	-7%
NTT DATA Group	9613	n.a.	n.a.	n.a.	2%	17%	n.a.	n.a.

Source: Capital IQ. Strictly Confidential.

CYBER & IT SERVICES - CURRENT TOP SIX THEMATICS

Compliance obligation, not discretionary IT budget, is now the primary driver of Australian cybersecurity spend

REVENUE TO A$2.9BN

Cybersecurity software revenue reaches A$2.1bn this year, up 3.7%, and is forecast to grow 6.5% annually to A$2.9bn by 2030-31.

SOFTWARE CAPEX AT A$43BN

Private capital expenditure on computer software rose 14.0% to A$43.1bn and is forecast to reach A$48.7bn in 2026-27, scaling the addressable base.

BREACHES DRIVE THE SPEND

The Medibank and Optus incidents lifted corporate awareness of cyber risk and underpinned demand for managed detection and compliance support.

MANAGED SERVICES REPLACE LICENCES

Recurring subscription and managed-service models have displaced legacy software, buffering revenue volatility and supporting margin growth.

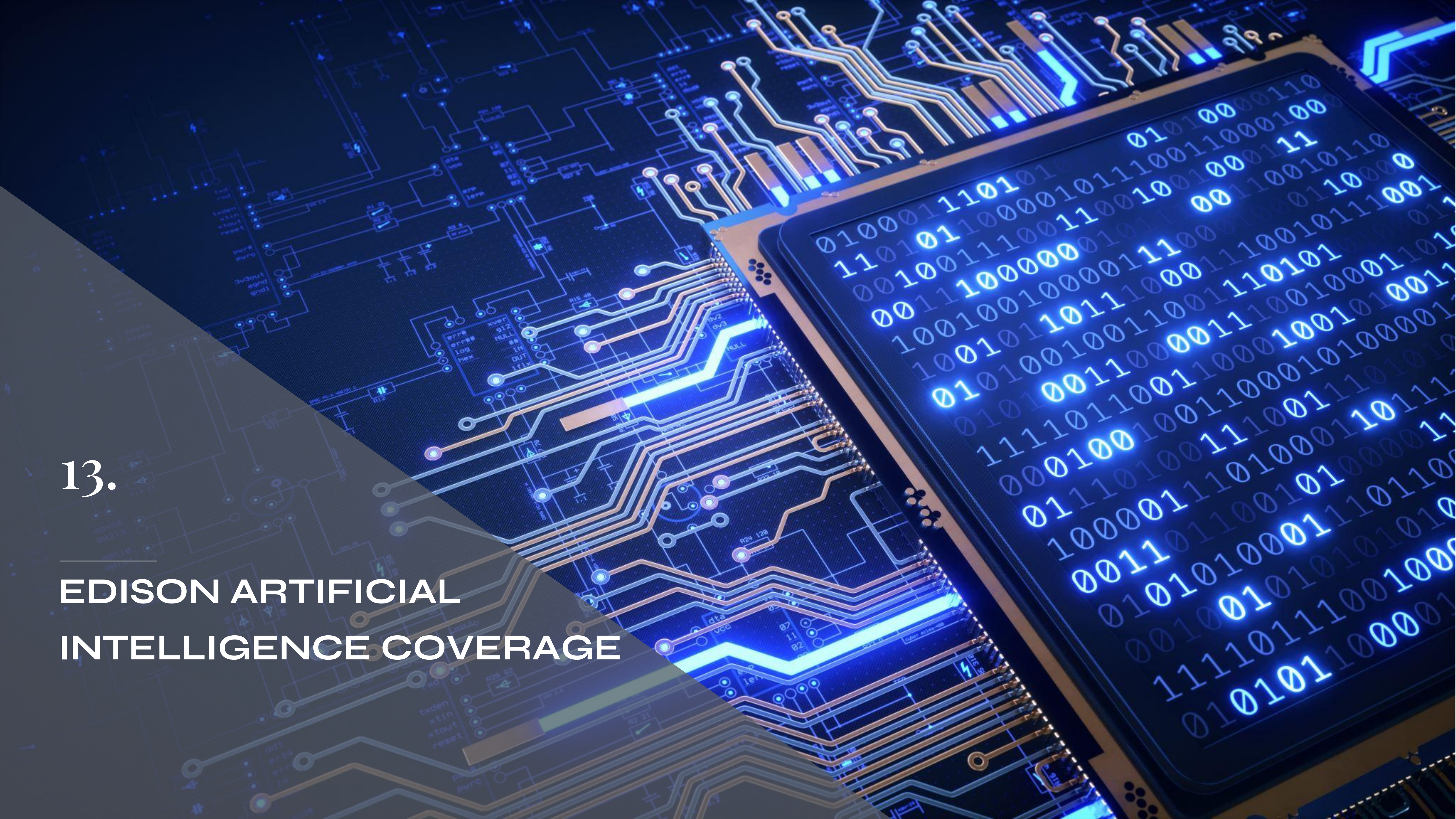
REGULATION IS NOW A DRIVER

The Security of Critical Infrastructure Act and stricter breach notification rules have made compliance a material share of industry revenue.

GROWTH STAGE, VERY LOW RISK

Structural risk is 2.8 and the industry sits in the growth phase. Moderate competition and wage pressure on scarce skills are the main constraints.

Source: IBISWorld. Strictly Confidential.



13.

EDISON ARTIFICIAL INTELLIGENCE COVERAGE

ARTIFICIAL INTELLIGENCE - CURRENT TOP SIX THEMATICS

Where AI is being funded and governed across defence, industrials and government services, and what it means for Australian suppliers

DECISION ADVANTAGE IS THE MANDATE

The 2024 National Defence Strategy names decision advantage as one of six required capability effects, and Defence Data Strategy 2.0 makes data a standalone fundamental input to capability.

ONEDEFENCE DATA PLATFORM COMES FIRST

The unified data layer linking fixed and deployed environments is the prerequisite for AI at scale. Suppliers must meet its data standards and interoperability thresholds.

THE DEFENCE AI CENTRE IS THE GATEKEEPER

Established July 2024 on a hub-and-spoke model. First-year output includes a Defence AI Playbook, an AI Register, accountable-officer training and an AI Standards Profile.

AI RIDES C2 AND CONNECTIVITY BUDGETS

Under the 2024 Integrated Investment Program, AI is funded through connectivity, data infrastructure and command and control rather than a standalone line item.

RESPONSIBLE USE IS A CONTRACT CONDITION

Defence requires lawfulness, five values-based principles and proportionate controls across the full lifecycle. AI in weapon systems triggers an Article 36 legal review.

ASSURANCE, NOT SPEED, IS THE BOTTLENECK

Late software delivery pushes hurried integration and reliance on prototypes. The policy fix is a fast software acquisition pathway, funded sustainment and a cleared technical workforce.

Sources: Department of Defence, Defence Data Strategy 2.0 (2024) and Policy Settings for Responsible Use of AI in Defence (2025); APSC, State of the Service Report 2024-25; APLN Policy Brief (Turillazzi, April 2026); DSTG. Strictly Confidential.

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