



Seale & Associates

Creative Solutions. Trusted Advice.

CONSTRUCTION INDUSTRY IN MEXICO

FEBRUARY
2019

INDUSTRY REPORT

CONSTRUCTION INDUSTRY IN MEXICO

The construction sector includes the companies dedicated to (1) Building, (2) Construction of Civil Engineering Works and (3) Construction of Specialized Works, such as land preparation; it also includes other related industries such as (1) Construction Materials and (2) Building Products

- Construction is a nomadic industry: once a project is finished, companies move away
- It is characterized by concentrated production: chain production is not applicable
- Uses intensive unskilled labor of occasional nature

The Construction Industry is divided into 3 subsectors:



(1) Building:

Construction of single-family or multi-family housing, non-residential construction such as warehouses and industrial plants, commercial and service buildings, and construction supervision



(2) Construction of civil engineering works:

Companies focused on the construction of projects for the supply of water, oil, gas, electric power and telecommunications; to the division of land and urbanization works, as well as roads and other civil engineering works



(3) Specialized works:

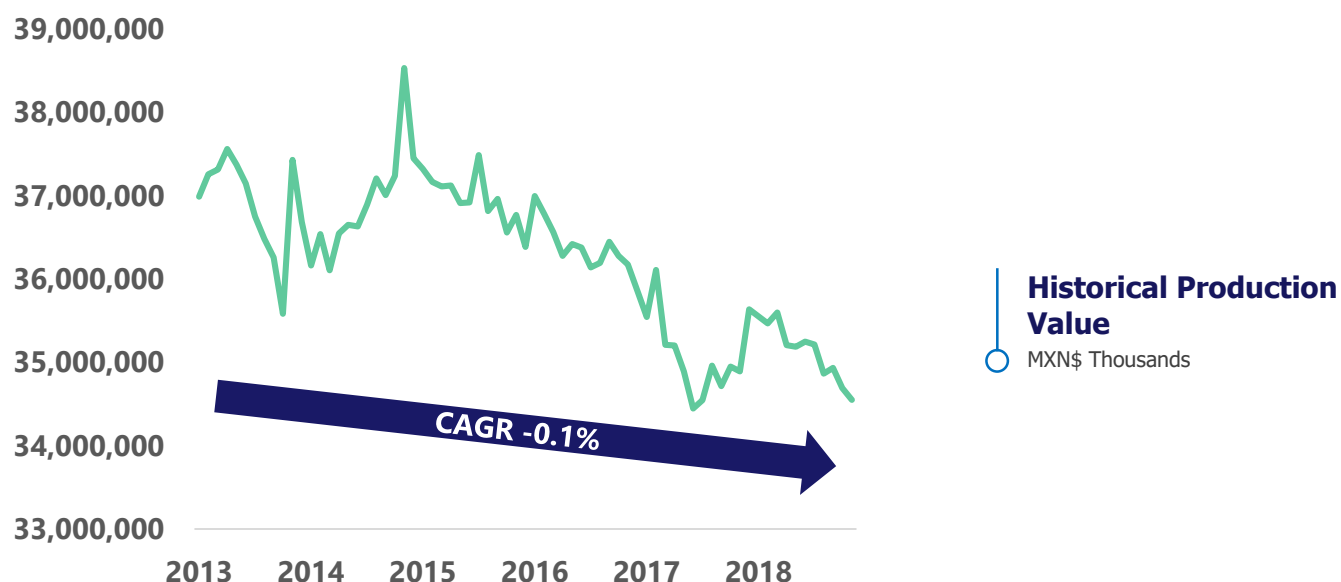
Companies dedicated to the execution of projects before, during and after construction, such as foundations, assembly of prefabricated structures, masonry, exterior works, finishes, among others

CONSTRUCTION INDUSTRY IN MEXICO:

As of November 2018, the production value* in Mexico accumulated a total of MXN\$386,477 million, an increase of 0.3% compared to the same period in 2017

The production value during November was MXN\$34,515 million, a decrease of 0.5% vs. the prior month and a decrease of 1.1% in relation to November 2017

- In 2017, the production value of the construction industry was MXN\$421,091 million, a decrease of 3.5% compared to 2016
- For the period of January 2013 - November 2018, there was a **Compounded Annual Growth Rate (CAGR)** of -0.1% in the production value of the industry



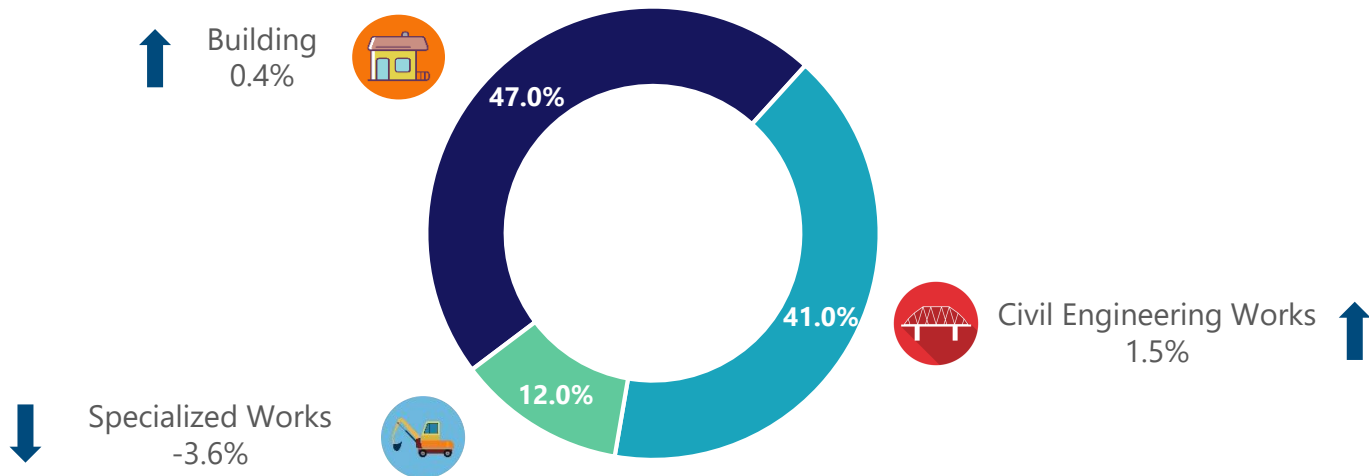
*Production Value or Value of the executed works: refers to the amount or monetary value of the realization of a work or part of it, according to its physical progress., regardless of having received or not the payment of the owner or contractor of the work.

*Seasonally adjusted figures at June 2012 prices

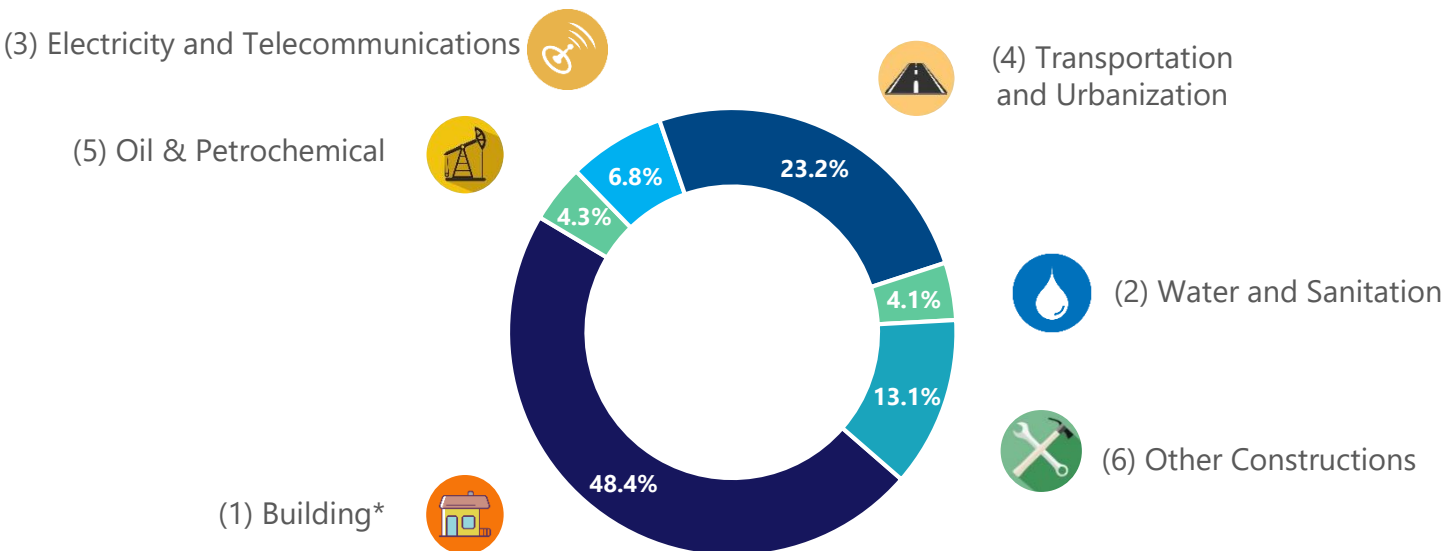
CONSTRUCTION INDUSTRY IN MEXICO:

By subsector, the Building subsector dominated the production value of the industry in 2018, with a share of 47.0%, followed by Civil Engineering Works with 41.0%

- Specialized Works is the only subsector that has presented a decrease in the period from January - November 2018 of 3.6% compared to the same period in 2017



Likewise, the construction industry is divided by type of project into the following categories: (1) Building*, (2) Water, Irrigation and Sanitation, (3) Electricity and Telecommunications, (4) Transport and Urbanization, (5) Oil & Petrochemical, and (6) Other Constructions. By type of work, the production value was distributed as follows:

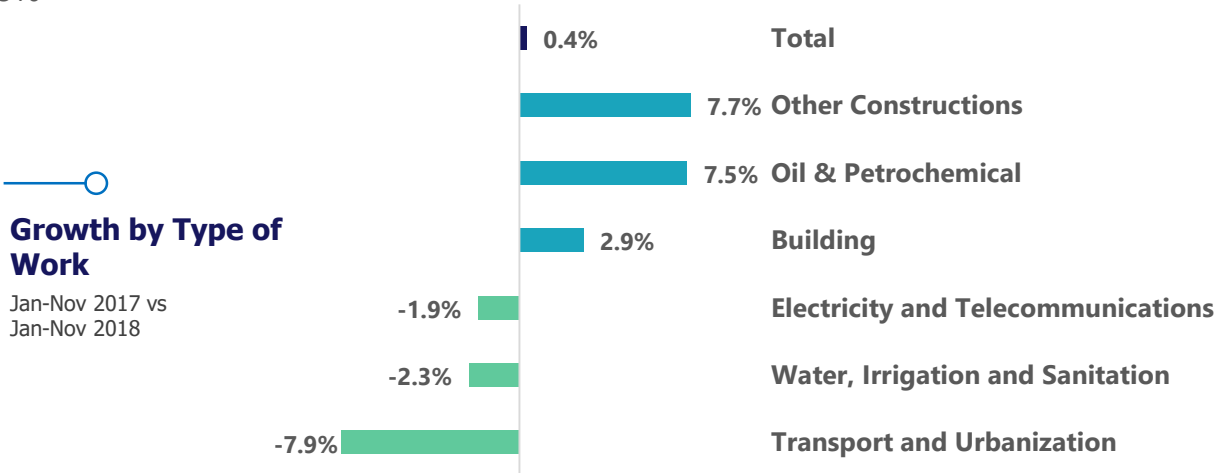


* Unlike the Building subsector, which considers the construction companies classified in that subsector, the Building as a type of work represents all those construction companies that carried out building activities, regardless of their classification.

CONSTRUCTION INDUSTRY IN MEXICO:

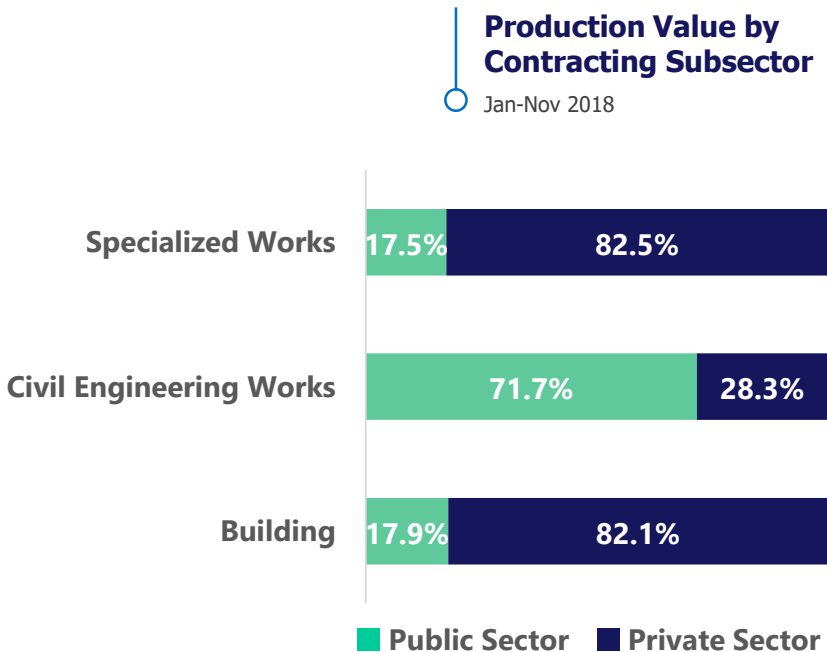
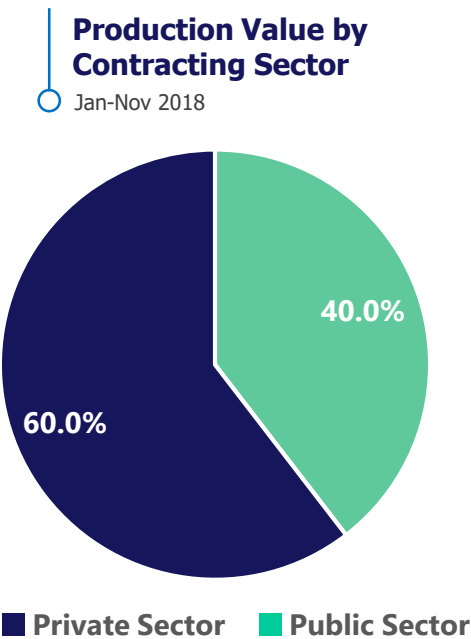
The percentage change for the Construction Industry in the January - November 2018 period in relation to the previous year was an increase of 0.4%

- By type of work, Transport and Urbanization presented the largest decrease with a reduction of 7.9%



The distribution of production value in the construction industry by contracting sector during 2018 was 60.0% for the Private sector and 40.0% for the Public sector

- By subsector, in Building and Specialized Works, the Private sector dominated with 82.1% and 82.5% respectively, while in Civil Engineering Works there was greater participation of the Public sector, with 71.7%



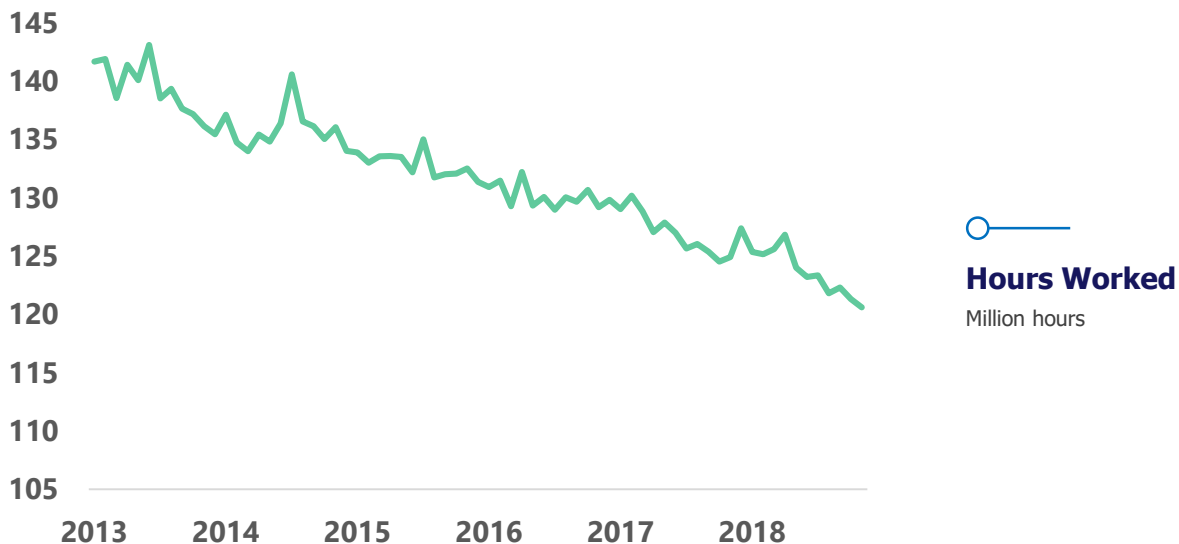
CONSTRUCTION INDUSTRY IN MEXICO:

The total personnel employed in the Construction Industry during November 2018 was 591,817 people, a decrease of -0.5% compared to October 2018*

- By category, the number of workers (personnel at the actual worksites) decreased 0.8%, while the number of employees (administrative personnel) decreased 0.4% and in the other category, which includes owners, family members, and other workers without remuneration, decreased 0.8%



For November 2018, the hours worked in the industry were 120.6 million, a 0.6% reduction from the previous month

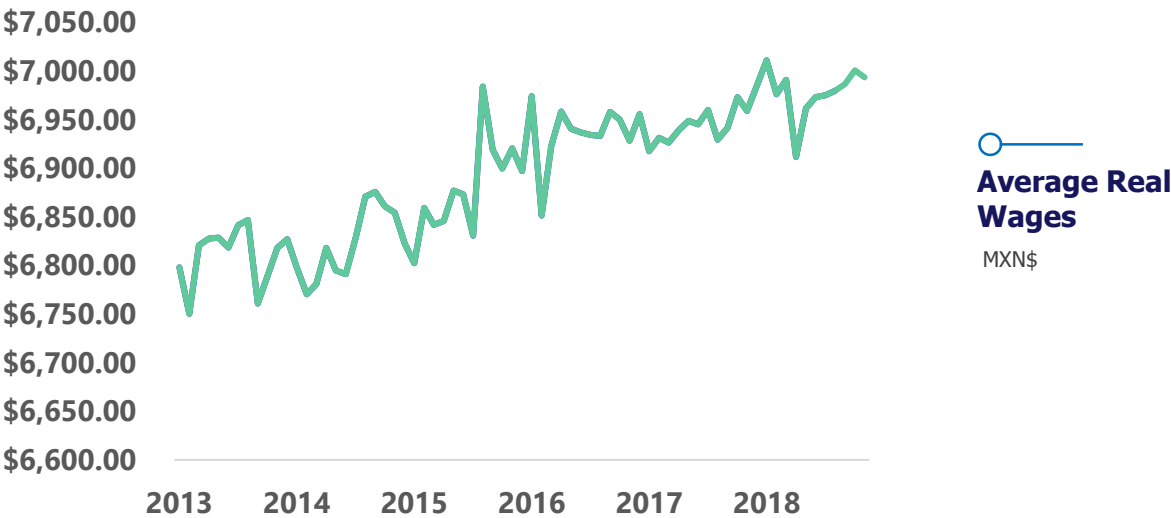


*Seasonally adjusted figures at June 2012 prices

CONSTRUCTION INDUSTRY IN MEXICO:

For November 2018, the real wage industry average was MXN\$6,993.6, a 0.1% decrease compared to the previous month

- Wages paid to workers decreased 0.3% and the salaries paid to employees increased 0.7%, compared to the previous month

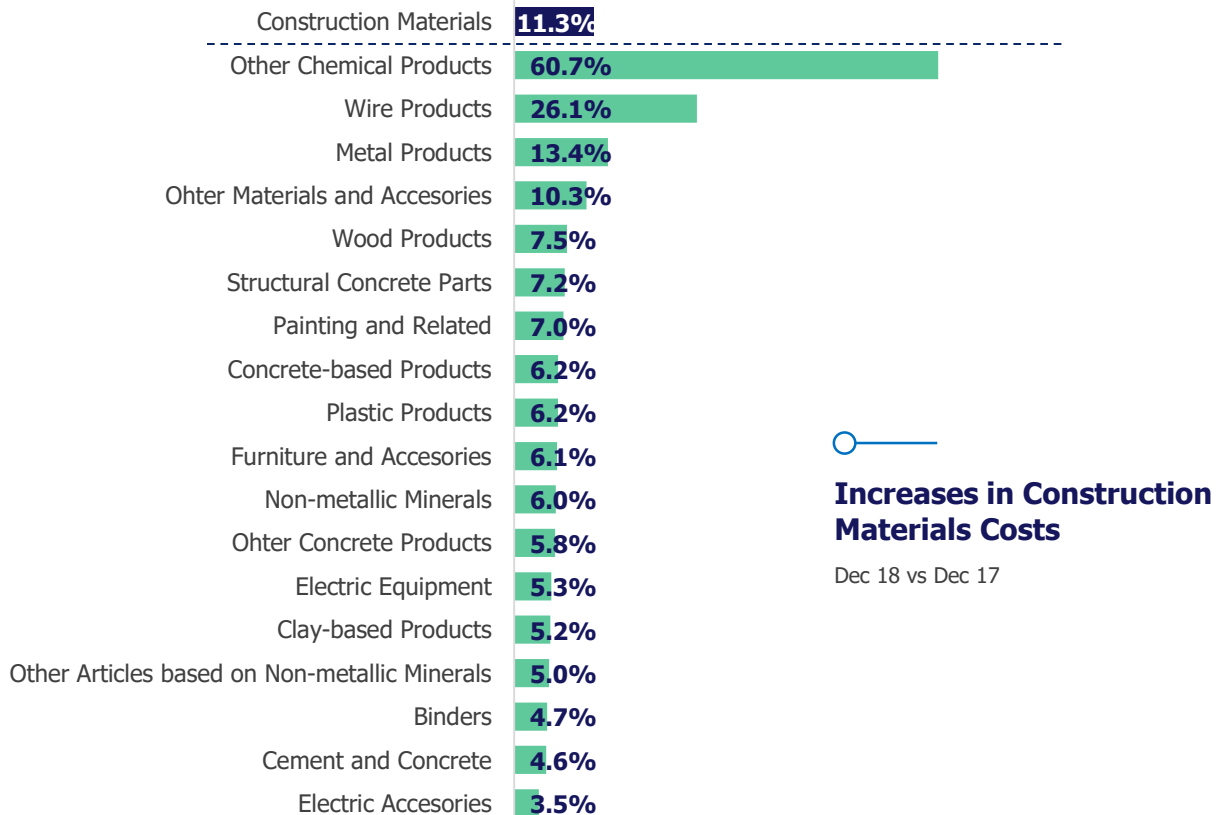
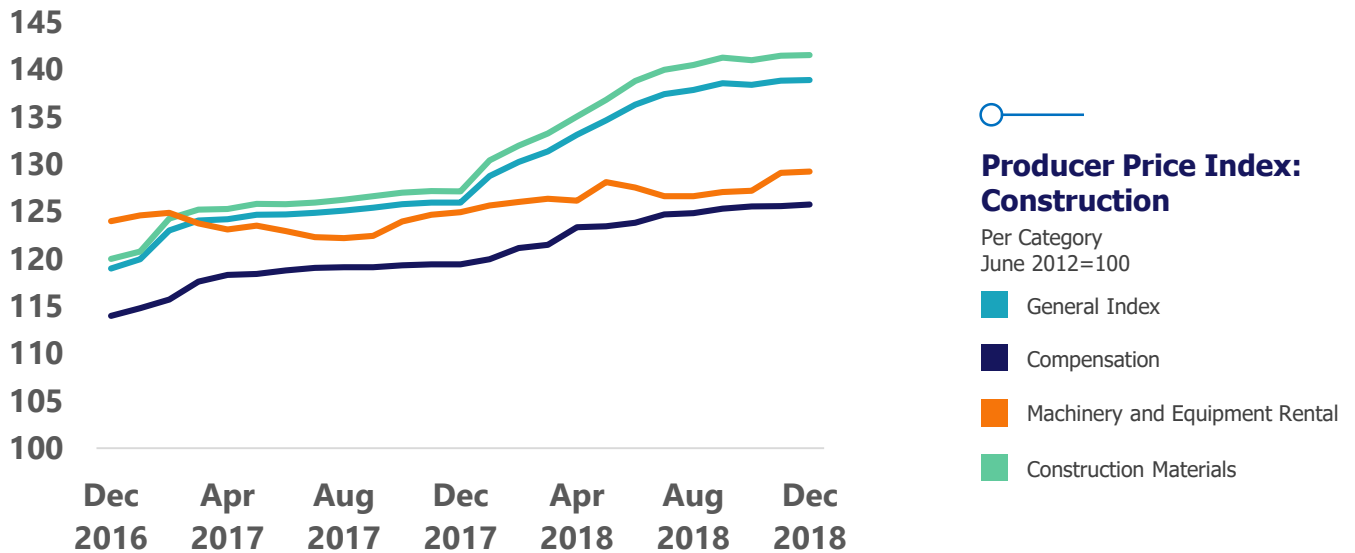


*Seasonally adjusted figures at June 2012 prices

CONSTRUCTION INDUSTRY IN MEXICO:

Producer prices in the Construction Industry increased 10.3% in December 2018 compared to December 2017, while an increase of 0.1% was registered compared to November 2018

- Compared to December of the previous year, the biggest increase was recorded in Construction Materials, with 11.3%, while Machinery Rental and Compensation showed increases of 3.4% and 5.3%, respectively



CONSTRUCTION INDUSTRY IN MEXICO:

State Participation by Type of Construction

	Building	Water, Irrigation and Sanitation	Electricity and Telecommunications	Transportation and Urbanization	Oil and Petrochemical	Other Constructions
National	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Aguascalientes	1.7%	0.1%	0.1%	1.5%	-	1.7%
Baja California	2.8%	1.4%	2.0%	6.5%	5.9%	1.6%
Baja California Sur	0.7%	-	-	0.6%	-	0.3%
Campeche	0.2%	0.8%	0.2%	0.6%	23.3%	0.1%
Coahuila	2.0%	1.4%	5.0%	4.6%	-	1.8%
Colima	1.2%	0.8%	-	0.7%	-	0.8%
Chiapas	1.2%	1.3%	0.8%	0.7%	-	0.7%
Chihuahua	7.0%	9.5%	1.2%	3.3%	-	2.4%
Ciudad de México	17.5%	45.7%	48.3%	31.6%	34.2%	43.5%
Durango	1.0%	1.2%	0.4%	3.7%	-	0.6%
Guanajuato	4.1%	2.5%	1.7%	5.7%	0.3%	3.4%
Guerrero	0.7%	0.8%	-	0.8%	-	0.1%
Hidalgo	1.4%	1.5%	0.1%	0.8%	-	0.3%
Jalisco	11.9%	4.6%	11.0%	3.1%	-	7.5%
México	4.9%	2.7%	7.3%	3.6%	6.3%	2.1%
Michoacán	1.5%	2.7%	-	0.7%	-	0.6%
Morelos	0.5%	0.9%	-	-	-	0.1%
Nayarit	0.8%	0.2%	0.1%	0.6%	-	1.4%
Nuevo León	15.0%	5.3%	6.8%	6.2%	0.8%	8.1%
Oaxaca	0.5%	0.2%	0.4%	0.3%	-	0.1%
Puebla	2.0%	0.1%	0.4%	2.2%	-	0.7%
Querétaro	2.7%	1.6%	0.9%	2.3%	0.5%	2.8%
Quintana Roo	1.0%	-	1.4%	0.5%	-	1.8%
San Luis Potosí	4.6%	0.9%	0.2%	2.5%	1.3%	0.4%
Sinaloa	1.4%	2.7%	0.1%	3.0%	-	1.1%
Sonora	3.3%	5.1%	1.9%	5.6%	-	8.0%
Tabasco	0.6%	1.6%	0.8%	2.7%	2.3%	1.3%
Tamaulipas	2.1%	0.6%	0.7%	2.4%	15.2%	2.3%
Tlaxcala	0.2%	0.1%	2.9%	0.2%	-	0.1%
Veracruz	2.1%	0.5%	2.8%	1.5%	9.8%	1.1%
Yucatán	3.2%	2.2%	2.1%	1.0%	-	2.3%
Zacatecas	0.5%	0.8%	0.2%	0.7%	-	1.1%

CONSTRUCTION INDUSTRY IN MEXICO:

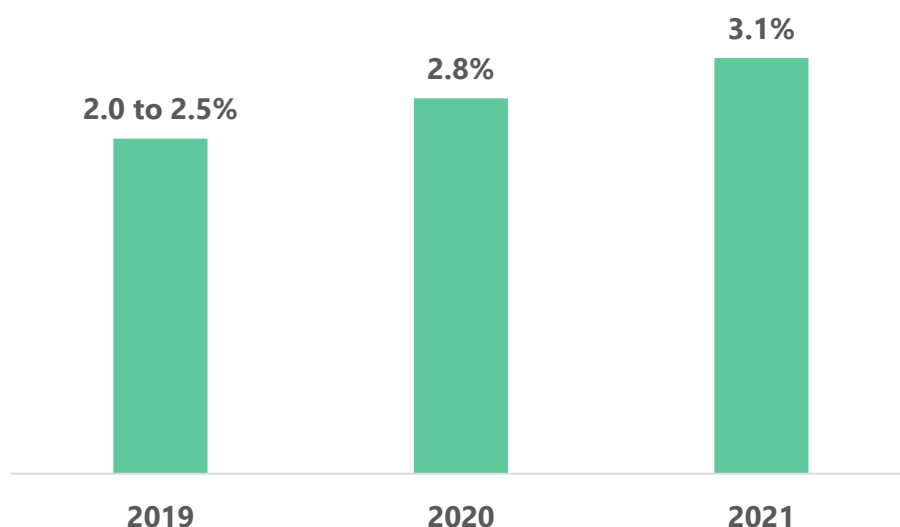
The construction industry is expected to grow between 2.0 and 2.5% in 2019, mainly driven by industrial construction, residential construction for medium-high population sector, tourism infrastructure and an increase in public investment

- Mexico presents an expenditure on infrastructure that corresponds to 2.5% of GDP, however, it is estimated that the optimal spending for the country should be at 4.3%, representing a negative gap of 1.8%
- Among the main challenges facing the industry is the revitalization of public investment, strengthening private investment, promoting public-private partnerships, greater transparency, and better financing mechanisms.



Growth Forecast of the Production Value in the Construction Industry

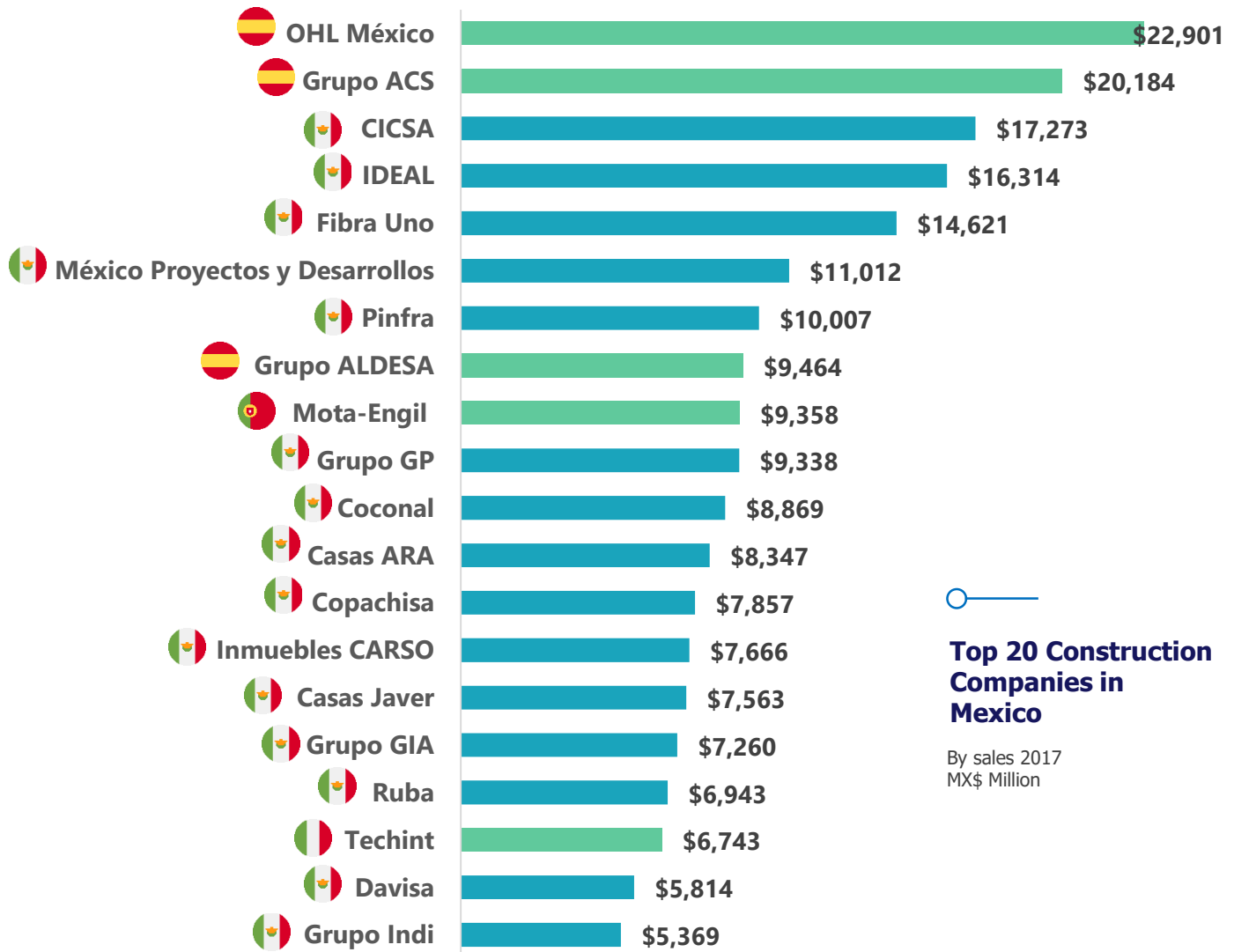
Annual real variation



MAIN PLAYERS IN MEXICO:

The top 20 construction companies in the country reported sales of MX\$212,903 million during 2017. OHL México, of Spanish origin, was the largest construction company, with sales of MX\$22,901 million

- The 5 foreign companies, OHL Mexico, Grupo ACS, Grupo Aldesa, Mota-Engil and Techint, had a 31.0% share of the top 20 construction companies by sales in Mexico
- The largest Mexican company in 2017 was CICSA, with sales of US\$17,213, positioning itself in 3rd place
- 13 of the 20 largest construction companies in the country are located in Mexico City



Top 20 Construction Companies in Mexico

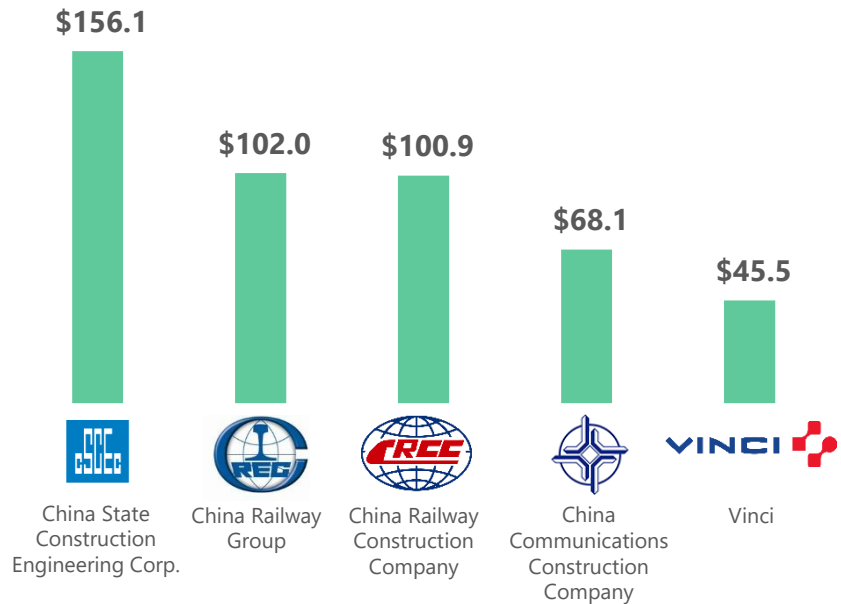
By sales 2017
MX\$ Million

GLOBAL MAIN PLAYERS:



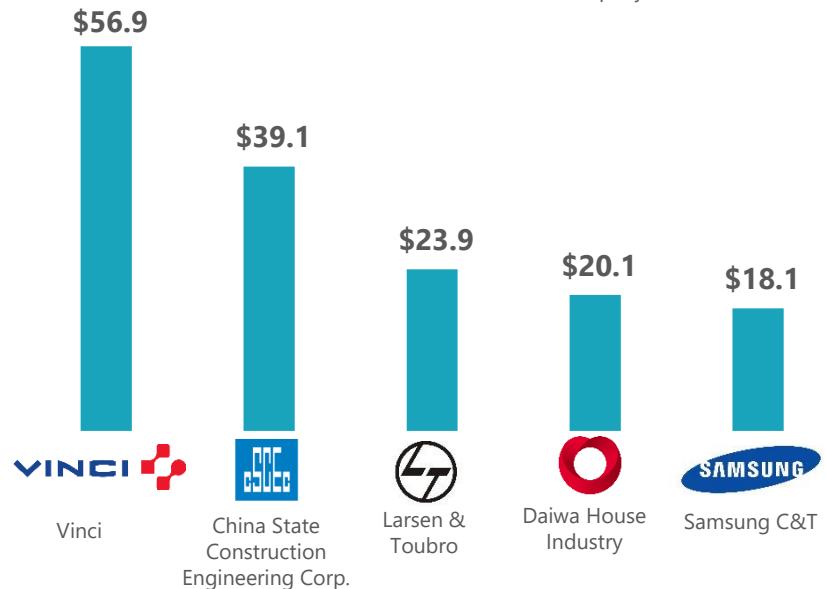
Main Construction Companies by Sales 2017

US\$ Billion



Main Construction Companies by Market Value 2017

US\$ Billion



The top 100 construction companies worldwide (by sales) reported sales of US\$1.2 trillion in 2017, an increase of 6% compared to 2016

- 40% of the largest companies are located in China, 27% in Europe, 14% in Japan, and 8% in the United States
- China State Construction Engineering Corp. was the largest company in the world in 2017, reporting US\$156.1 billion in sales
- Grupo Carso was the only Mexican company to be among the top 100 construction companies, having the 49th position with sales of US\$4,867 million
- By market capitalization in 2017, the French company Vinci presented the highest capitalization with US\$56.9 billion, followed by China State Construction Engineering Corp. with US\$39.1 billion

RELEVANT PROJECT IN MEXICO:

Torre Reforma in Paseo de la Reforma, Mexico City is 246 meters high and has 57 floors. It was chosen as the most innovative skyscraper in the world between 2016-2017

- Torre Reforma is the only building in Mexico with the LEED Platinum badge, obtained for its intelligent design that allows it to save 25.0% more energy than other similar buildings in Mexico City, and because it was built with 85% of materials sourced in Mexico
- The two massive exterior walls of exposed concrete and the third vitreous side not only create an extraordinary triangular footprint, but also provide maximum resistance to earthquakes

"Its sensitive and intuitive design is an impressive response to local topographic challenges. The new building not only embodies the progress of Mexico, but also carefully integrates a historic building."

-Ina Hartwig, Vice Mayor of Frankfurt

- Arq. Benjamín Romano / LBR&A Architects
- Concrete by Cemex, contractor Lomcci
- Steel by Aceros Corey
- Foundation by Cimesa



TRENDS IN THE CONSTRUCTION INDUSTRY

The integration of specialized software in the management of construction projects, with greater features for the management of projects, such as the use of drones and 3D printing



"Green" construction is an increasingly important area, with environmentally responsible projects and the efficient use of resources

Increase in precast construction and modular structures, allowing savings in costs and times



Sustainable construction projects, with the reuse of original structures and the recycling of materials

Greater use of Building Information Modeling (BIM) that allows the generation and management of data of a building during its life cycle, improving its design and maintenance

































More technology for worker safety, reducing the risks of accidents, with the support of smart vests with Wi-Fi and the use of virtual reality

CURRENT MARKET SITUATION

COMPARABLE PUBLIC COMPANIES – GLOBAL






























CONSTRUCTION COMPANIES

Company		Country	Price 08-03-19	Sales US\$M	EBITDA Margin	Mkt. Cap. US\$M	Enterprise Value US\$M	Annual Average EV / EBITDA			08-03-19	
								2015	2016	2017	EV / EBITDA	EV / Revenue
China State Construction Engineering Corporation Limited	 中國建築 CHINA STATE CONSTRUCTION	CHN	\$0.90	\$163,595	7.6%	\$37,710	\$82,716	7.0x	5.4x	7.4x	6.5x	0.5x
VINCI SA	 VINCI	FRA	\$94.32	\$50,552	15.7%	\$52,266	\$71,301	8.0x	8.8x	9.5x	8.9x	1.4x
China Communications Construction Company Limited	 中国交通 CHINA COMMUNICATIONS CONSTRUCTION	CHN	\$1.07	\$70,377	7.7%	\$25,864	\$61,656	13.3x	11.4x	12.3x	11.4x	0.9x
Power Construction Corporation of China, Ltd	 中国电建 POWERCHINA	CHN	\$0.83	\$40,078	9.1%	\$12,761	\$50,806	16.3x	12.5x	14.4x	13.6x	1.2x
Larsen & Toubro Limited	 LARSEN & TOUBRO It's all about engineering	IND	\$19.08	\$19,883	12.5%	\$26,767	\$41,189	19.6x	16.3x	18.2x	16.8x	2.1x
China Railway Group Limited	 中国中铁 CHINA RAILWAY GROUP	CHN	\$1.08	\$104,361	4.2%	\$24,097	\$42,569	14.4x	9.5x	9.0x	9.4x	0.4x
China Railway Construction Corporation Limited	 中国铁建 CHINA RAILWAY CONSTRUCTION	CHN	\$1.65	\$103,432	5.7%	\$21,823	\$38,987	8.9x	5.8x	7.2x	6.4x	0.4x
Eiffage SA	 EIFFAGE	FRA	\$96.99	\$18,980	15.4%	\$9,476	\$22,073	8.2x	8.4x	8.6x	7.7x	1.2x
ACS, Actividades de Construcción y Servicios, S.A.	 ACS	ESP	\$43.08	\$41,953	5.5%	\$13,280	\$15,837	7.8x	6.0x	6.6x	5.9x	0.4x
Ferrovial, S.A.	 ferrovial	ESP	\$23.06	\$6,567	7.8%	\$16,856	\$22,631	18.4x	16.1x	18.0x	29.3x	3.5x
Bouygues SA	 BOUYGUES CONSTRUCTION	FRA	\$36.15	\$40,921	8.9%	\$13,429	\$19,097	9.4x	6.7x	6.3x	4.9x	0.5x
Metallurgical Corporation of China Ltd.	 MCC	CHN	\$0.29	\$39,948	5.0%	\$10,152	\$22,106	17.1x	14.0x	14.4x	11.0x	0.6x
China Energy Engineering Corporation Limited	 中国能建 CHINA ENERGY ENGINEERING	CHN	\$0.12	\$32,432	5.9%	\$3,565	\$16,337	8.1x	7.1x	7.2x	8.2x	0.5x
China Gezhouba Group Company Limited	 CGGC	CHN	\$1.03	\$14,547	10.1%	\$4,739	\$16,736	13.2x	12.2x	11.8x	11.1x	1.1x
HOCHTIEF Aktiengesellschaft	 HOCHTIEF	GER	\$160.19	\$27,344	5.1%	\$11,312	\$10,448	10.1x	7.8x	9.9x	6.2x	0.4x
Jacobs Engineering Group Inc.	 JACOBS	USA	\$72.11	\$16,284	5.9%	\$10,061	\$11,934	6.9x	8.7x	10.2x	12.4x	0.7x
CIMIC Group Limited	 CIMIC	AUS	\$35.31	\$10,340	11.1%	\$11,450	\$10,281	11.6x	7.7x	12.9x	8.7x	1.0x
Fomento de Construcciones y Contratas, S.A.	 FCC	ESP	\$13.56	\$7,054	13.9%	\$5,126	\$8,438	12.1x	9.3x	8.4x	8.2x	1.2x
Jiangsu Zhongnan Construction Group Co., Ltd.	 中南·建筑 JIANGSU ZHONGNAN CONSTRUCTION	CHN	\$1.18	\$6,046	6.3%	\$4,365	\$10,393	22.7x	NR	NR	NR	1.7x
Impulsora del Desarrollo y el Empleo en América Latina, S.A.B.	 IDEAL	MEX	\$1.75	\$861	60.1%	\$5,027	\$8,715	25.7x	18.8x	18.3x	17.6x	NR
SNC-Lavalin Group Inc.	 SNC-LAVALIN	CAN	\$26.43	\$7,390	5.5%	\$4,640	\$6,835	10.3x	11.0x	15.4x	16.5x	0.9x
AECOM	 AECOM	USA	\$30.17	\$20,282	3.8%	\$4,709	\$7,964	11.3x	7.9x	9.2x	9.5x	0.4x
Sacyr, S.A.	 SACYR	ESP	\$2.41	\$4,371	13.1%	\$1,347	\$6,293	18.1x	NR	12.6x	8.0x	1.5x
Colas SA	 COLAS	FRA	\$151.10	\$15,102	5.8%	\$4,934	\$6,426	4.5x	5.2x	6.7x	7.2x	0.4x
Obayashi Corporation	 OBAYASHI	JPN	\$9.82	\$18,342	7.9%	\$7,049	\$8,552	14.7x	8.6x	7.2x	6.0x	0.5x
China State Construction International Holdings Limited	 中國建築 CHINA STATE CONSTRUCTION	HKG	\$1.04	\$6,919	13.8%	\$5,242	\$8,324	12.7x	11.6x	11.6x	7.9x	1.2x
Skanska AB (publ)	 SKANSKA	SWE	\$17.45	\$19,324	3.8%	\$7,148	\$6,458	10.3x	9.1x	9.7x	8.3x	0.4x
Taisei Corporation	 TAISEI CORPORATION	JPN	\$46.13	\$14,583	10.0%	\$10,063	\$8,801	10.8x	7.1x	6.3x	6.1x	0.6x
Fluor Corporation	 FLUOR	USA	\$36.37	\$19,167	3.9%	\$5,076	\$4,940	5.0x	6.5x	8.6x	6.6x	0.3x
Shimizu Corporation	 SHIMIZU	JPN	\$8.60	\$14,768	8.4%	\$6,747	\$7,998	13.9x	8.3x	6.9x	6.6x	0.6x
NR: Not Relevant										Mean	9.9x	0.9x
										Median	8.2x	0.6x

CURRENT MARKET SITUATION

COMPARABLE PUBLIC COMPANIES – GLOBAL






























CONSTRUCTION MATERIALS: Architectural and construction components of a building

Company		Country	Price 08-03-19	Sales US\$M	EBITDA Margin	Mkt. Cap. US\$M	Enterprise Value US\$M	Annual Average EV / EBITDA			08-03-19		
								2015	2016	2017	EV / EBITDA	EV / Revenue	
LafargeHolcim Ltd		SUI	\$48	\$27,914	19.9%	\$28,800	\$45,383	10.7x	NR	11.7x	NR	1.7x	
China National Building Material Company Limited		CHN	\$0.82	\$21,871	20.8%	\$6,909	\$44,333	8.3x	12.3x	13.6x	9.3x	2.0x	
CRH plc		IRE	\$30.77	\$30,673	12.4%	\$24,965	\$33,446	14.3x	12.4x	10.6x	8.8x	1.1x	
HeidelbergCement AG		GER	\$72.29	\$20,507	15.4%	\$14,344	\$26,550	8.7x	8.6x	9.5x	8.0x	1.3x	
Anhui Conch Cement Company Limited		CHN	\$5.52	\$15,004	37.8%	\$28,110	\$25,612	7.0x	7.4x	7.6x	4.5x	1.7x	
The Siam Cement Public Company Limited		THA	\$14.82	\$14,801	14.3%	\$17,786	\$23,936	11.7x	8.7x	8.1x	9.2x	1.6x	
BBMG Corporation		CHN	\$0.37	\$10,717	18.9%	\$5,761	\$22,524	16.3x	14.7x	20.1x	11.2x	2.1x	
Grasim Industries Limited		IND	\$11.51	\$10,018	21.7%	\$7,568	\$20,397	9.1x	8.1x	10.1x	9.7x	2.1x	
CEMEX, S.A.B. de C.V.		MEX	\$0.47	\$14,089	17.4%	\$6,973	\$18,879	10.7x	9.8x	9.5x	7.5x	1.3x	
UltraTech Cement Limited		IND	\$56.64	\$5,208	17.5%	\$15,555	\$17,722	19.5x	19.9x	NR	NR	3.4x	
Vulcan Materials Company		USA	\$114.09	\$4,383	25.6%	\$15,041	\$17,913	NR	18.6x	19.2x	15.9x	4.1x	
Martin Marietta Materials, Inc.		USA	\$196.96	\$3,980	26.4%	\$12,296	\$15,375	17.5x	15.5x	16.1x	14.6x	3.9x	
Buzzi Unicem SpA		ITA	\$18.83	\$3,258	18.9%	\$3,656	\$4,589	8.5x	8.1x	8.5x	6.6x	1.5x	
Huaxin Cement Co., Ltd.		CHN	\$2.81	\$3,994	31.6%	\$3,782	\$4,515	6.4x	7.7x	7.3x	3.5x	1.1x	
Eagle Materials Inc.		USA	\$78.81	\$1,393	29.4%	\$3,617	\$4,227	12.6x	11.2x	12.7x	9.4x	3.0x	
China Tianrui Group Cement Company Limited		CHN	\$0.88	\$1,351	30.9%	\$2,598	\$4,021	7.9x	13.5x	11.6x	9.6x	3.0x	
Posco Chemtech Company Ltd.		KOR	\$56.55	\$1,196	8.5%	\$3,341	\$3,205	8.0x	9.3x	10.1x	19.0x	2.7x	
Fletcher Building Limited		NZL	\$3.28	\$6,258	9.9%	\$2,786	\$3,819	8.6x	9.2x	9.3x	6.0x	0.6x	
ACC Limited		IND	\$22.45	\$2,127	14.6%	\$4,216	\$3,775	17.6x	16.2x	19.1x	12.2x	1.8x	
Vicat SA		FRA	\$47.24	\$2,957	15.3%	\$2,089	\$3,143	9.5x	8.5x	9.1x	7.0x	1.1x	
Beijing Oriental Yuhong Waterproof Technology Co., Ltd.		CHN	\$2.80	\$2,065	14.3%	\$4,180	\$4,495	NR	17.2x	21.8x	14.9x	2.1x	
Wienerberger AG		AUT	\$21.65	\$3,784	13.2%	\$2,520	\$3,229	8.3x	6.9x	7.7x	6.6x	0.9x	
Summit Materials, Inc.		USA	\$17.62	\$2,101	17.9%	\$1,968	\$3,717	11.0x	9.1x	12.7x	9.9x	1.8x	
Ssangyong Cement Industrial Co., Ltd.		KOR	\$5.50	\$1,347	23.2%	\$2,770	\$3,405	9.1x	7.2x	5.6x	11.2x	2.6x	
China Shanshui Cement Group Limited		CHN	\$0.33	\$2,281	27.2%	\$1,453	\$3,363	8.2x	0.0x	0.0x	5.4x	1.5x	
Siam City Cement Public Company Limited		THA	\$7.03	\$1,393	18.0%	\$2,096	\$3,032	12.0x	10.6x	17.0x	11.4x	2.1x	
RHI Magnesita N.V.		AUT	\$56.07	\$3,031	15.2%	\$2,769	\$3,867	0.0x	0.0x	10.5x	8.2x	1.3x	
Corporación Moctezuma, S.A.B. de C.V.		MEX	\$3.06	\$722	46.3%	\$2,690	\$2,548	11.7x	9.6x	9.0x	7.6x	3.5x	
Adelaide Brighton Limited		AUS	\$3.29	\$1,149	18.3%	\$2,144	\$2,444	10.3x	11.4x	12.4x	10.3x	2.1x	
NR: Not Relevant											Mean	9.5x	2.0x
											Median	9.3x	1.8x

CURRENT MARKET SITUATION

COMPARABLE PUBLIC COMPANIES – GLOBAL


























BUILDING PRODUCTS: Non-structural and decorative elements used in constructions

Company		Country	Price 08-03-19	Sales US\$M	EBITDA Margin	Mkt. Cap. US\$M	Enterprise Value US\$M	Annual Average EV / EBITDA			08-03-19	
								2015	2016	2017	EV / EBITDA	EV / Revenue
The Sherwin-Williams Company		USA	\$414.05	\$17,534	14.2%	\$38,188	\$47,376	17.8x	14.5x	17.9x	19.0x	2.7x
Johnson Controls International plc		IRE	\$35.67	\$31,559	15.0%	\$32,556	\$45,477	10.2x	10.6x	11.5x	9.2x	1.4x
Daikin Industries,Ltd.		JPN	\$110.90	\$21,281	15.1%	\$32,438	\$33,693	10.3x	9.8x	11.4x	10.2x	1.5x
Compagnie de Saint-Gobain S.A.		FRA	\$34.95	\$48,055	10.0%	\$19,010	\$28,578	7.3x	6.9x	8.2x	5.2x	0.6x
PPG Industries, Inc.		USA	\$109.84	\$15,374	15.3%	\$25,911	\$30,062	12.9x	11.5x	11.9x	13.2x	2.0x
Akzo Nobel N.V.		NED	\$88.37	\$10,725	10.0%	\$20,056	\$13,705	10.2x	7.8x	9.5x	NR	1.3x
ASSA ABLOY AB (publ)		SWE	\$20.56	\$9,458	16.0%	\$22,839	\$25,657	18.6x	16.6x	16.5x	17.7x	2.9x
AGC Inc.		JPN	\$34.18	\$13,881	15.9%	\$7,570	\$13,642	6.8x	5.5x	7.1x	6.2x	1.0x
Masco Corporation		USA	\$38.97	\$8,359	16.3%	\$11,476	\$14,076	11.3x	11.1x	11.5x	10.1x	1.7x
Nippon Paint Holdings Co., Ltd.		JPN	\$37.53	\$5,495	15.7%	\$12,038	\$12,297	19.7x	10.0x	10.4x	14.0x	2.2x
LIXIL Group Corporation		JPN	\$13.02	\$15,272	7.3%	\$3,776	\$9,436	11.5x	11.6x	12.1x	8.6x	0.6x
NIBE Industrier AB (publ)		SWE	\$12.18	\$2,404	15.2%	\$6,138	\$6,780	17.7x	17.4x	17.3x	18.1x	2.8x
DIC Corporation		JPN	\$30.86	\$7,110	10.3%	\$2,921	\$5,368	7.4x	5.9x	7.1x	7.0x	0.7x
Kansai Paint Co., Ltd.		JPN	\$18.76	\$3,751	11.2%	\$4,824	\$5,777	10.9x	10.1x	14.1x	13.0x	1.5x
H.B. Fuller Company		USA	\$49.22	\$3,041	13.5%	\$2,503	\$4,600	11.8x	10.4x	11.9x	11.0x	1.5x
Beijing New Building Materials Public Limited Company		CHN	\$2.75	\$1,830	30.1%	\$4,641	\$4,572	10.6x	8.4x	12.7x	8.1x	2.4x
Armstrong World Industries, Inc.		USA	\$73.23	\$951	28.2%	\$3,552	\$4,052	10.5x	8.5x	10.2x	11.2x	4.2x
JSR Corporation		JPN	\$15.49	\$4,420	13.4%	\$3,413	\$3,845	6.9x	5.6x	8.2x	6.6x	0.9x
Nippon Sheet Glass Company, Limited		JPN	\$7.71	\$5,595	10.1%	\$699	\$3,805	8.3x	13.6x	8.9x	6.3x	0.7x
dormakaba Holding AG		SUI	\$678.31	\$2,860	15.1%	\$2,840	\$3,599	14.4x	12.3x	11.3x	8.2x	1.3x
Trex Company, Inc.		USA	\$71.00	\$666	28.2%	\$4,180	\$4,074	16.6x	15.8x	18.1x	21.1x	6.0x
Builders FirstSource, Inc.		USA	\$13.46	\$7,688	5.7%	\$1,553	\$3,104	NR	14.7x	10.1x	6.6x	0.4x
JELD-WEN Holding, Inc.		USA	\$19.15	\$4,232	8.6%	\$1,929	\$3,290	NR	NR	14.4x	8.6x	0.8x
KCC Corporation		KOR	\$271.30	\$3,494	13.1%	\$2,668	\$3,412	12.1x	10.1x	10.7x	8.1x	1.0x
Sanwa Holdings Corporation		JPN	\$11.29	\$3,696	9.9%	\$2,539	\$2,729	7.4x	6.6x	8.3x	7.6x	0.8x
Reliance Worldwide Corporation Limited		USA	\$3.27	\$569	19.6%	\$2,565	\$2,867	NR	NR	NR	NR	NR
Quaker Chemical Corporation		USA	\$195.39	\$867	14.0%	\$2,606	\$2,540	11.6x	12.2x	17.4x	NR	2.9x
China Lesso Group Holdings Limited		CHN	\$0.56	\$3,298	15.8%	\$1,731	\$2,748	6.0x	4.7x	5.8x	5.2x	0.8x
MPM Holdings Inc.		USA	\$31.25	\$2,647	15.0%	\$1,505	\$2,501	19.3x	4.7x	6.4x	6.2x	0.9x
NR: Not Relevant										Mean	10.2x	1.7x
										Median	8.6x	1.4x

CURRENT MARKET SITUATION

COMPARABLE TRANSACTIONS - GLOBAL


























CONSTRUCTION COMPANIES

Date	Target	Country	Description	Buyer	% Acquired	Size US\$M	EV / EBITDA	EV / Revenue
Oct-18	Strike Capital LLC	USA 	Energy infrastructure	Sentinel Energy Services Inc.	-	\$426	-	-
Sep-18	Concrete Pumping Holdings, Inc.	USA 	Concrete pumping	Industrea Acq. Corp.	100	\$610	7.9x	NR
Aug-18	Hyundai Development Company	KOR 	Construction services	HDC HOLDINGS CO.,Ltd	26	\$649	-	-
May-18	NDS Co., Ltd.	JPN 	Residential engineering services	COMSYS Holdings Corporation	100	\$431	7.5x	0.5x
Apr-18	Lagan Group Holdings Ltd	GBR 	Engineering and construction services	Breedon Group plc	100	\$650	9.9x	1.8x
Mar-18	Murray & Roberts Holdings Limited	RSA 	Engineering and construction services	ATON Austria Holding GmbH	67	\$453	4.8x	0.3x
Mar-18	Alpiq InTec AG and Kraftanlagen München GmbH	SUI 	Construction services	Colas Rail SA; Bouygues Construction SA	100	\$901	-	0.5x
Mar-18	United Subcontractors, Inc.	USA 	Construction services for commercial buildings	TopBuild Corp.	100	\$475	-	-
Dec-17	Chicago Bridge & Iron Company N.V.	NED 	Engineering services	McDermott International, Inc.	100	\$4,474	-	0.6x
Sep-17	ACS, Actividades de Construcción y Servicios, S.A.	ESP 	Construction services and related	Undisclosed buyer	8	\$879	6.5x	0.4x
Aug-17	CH2M HILL Companies, Ltd.	USA 	Construction services and design	Jacobs Engineering Group Inc.	100	\$3,375	-	0.6x
Jun-17	Lemminkäinen Oyj	FIN 	Construction services	YIT Oyj	100	\$947	11.5x	0.5x
Mar-17	Sarawak Hidro Sdn Bhd	MAS 	Construction of hydroelectric plants	Seb Power Sdn Bhd	100	\$1,818	-	-
Dec-16	Areva TA	FRA 	Energy infrastructure	Commissariat à l'Energie Atomique SA; Naval Group; Agence des participations de l'Etat	91	\$581	-	-
Dec-16	Asia Allied Infrastructure Holdings Limited	HKG 	Civil engineering services	Undisclosed buyer	56	\$510	NR	0.4x
Oct-16	Contech Holdings, Inc	USA 	Construction services	Quikrete Holdings, Inc.	100	\$950	-	-
Oct-16	UGL Limited	AUS 	Engineering and construction services	CIMIC Group Investments No. 2 Pty Ltd	86	\$480	-	0.3x
Aug-16	Linea Amarilla S.A.C. and PEX S.A.	PER 	Toll road construction	VINCI Highways SAS	100	\$1,122	-	-
Jun-16	Shine Fame Holdings Limited	HKG 	Construction of logistics centers	Delaware Industrial Limited	100	\$483	-	-
Apr-16	Tysan Holdings Ltd.	HKG 	Construction related services	HNA Finance I Co., Ltd.	66	\$459	3.6x	0.8x
Mar-16	MWH Global, Inc.	USA 	Engineering and construction services	Stantec Inc.	100	\$793	9.8x	0.6x
Mar-16	PREZIOSO Linjebbygg SAS	FRA 	Engineering services	Altrad Investment Authority S.A.S.	90	\$510	-	1.1x
Mar-16	Fomento de Construcciones y Contratas, S.A.	ESP 	Infrastructure and construction services	Control Empresarial de Capitales, S.A. de C.V.	26	\$7,539	7.7x	1.1x
Jan-16	PEG Bandwidth, LLC (nka:Uniti Fiber LLC)	USA 	Infrastructure and construction services	Communications Sales & Leasing, Inc. (nka:Uniti Group Inc.)	100	\$422	-	NR
Dec-15	Kumho Industrial Co., Ltd.	KOR 	Infrastructure and construction services	CJ Logistics Corporation; Kumho & Company Incorporation	50	\$618	-	1.1x
NR: Not Relevant						Mean	7.7x	0.7x
						Median	7.7x	0.6x

CURRENT MARKET SITUATION

COMPARABLE TRANSACTIONS - GLOBAL

CONSTRUCTION MATERIALS: Architectural and construction components of a building

Date	Target	Country	Description	Buyer	% Acquired	Size US\$M	EV / EBITDA	EV / Revenue
Nov-18	Business at Dandenong site of Viridian Glass	AUS 	Glass production	Crescent Capital Partners Management Pty Ltd.	100	\$112	-	-
Nov-18	Glen-Gery Corporation	USA 	Production of bricks and raw materials for construction	Brickworks Limited	100	\$110	8.5x	0.9x
Nov-18	ACG Materials, LLC	USA 	Extraction of rocks and minerals for construction	Arcosa, Inc.	100	\$315	-	-
Oct-18	US Block Business of Boral Limited	USA 	Concrete blocks	Quikrete Holdings, Inc.	100	\$156	-	-
Sep-18	Hanil Cement Co., Ltd.	KOR 	Cement production and distribution	Hanil Holdings Co., Ltd.	43	\$245	-	-
Aug-18	Plants & Paving Division of The Lane Construction Corporation	USA 	Asphalt production	Eurovia (SA)	100	\$555	-	0.9x
Jul-18	NEXT SCIENCE Co., Ltd.	KOR 	Sea sand extraction business	Cherry Hill Investments Group	-	\$106	-	-
Jun-18	Halcón Cerámicas, S.A.	ESP 	Ceramic products	SK Capital Partners	100	\$210	6.0x	1.4x
Jun-18	Hankuk Seckurit Limited	KOR 	Crystal production	Hankuk Glass Industries Inc.	50	\$116	-	1.0x
Jun-18	Planta de cementos Trident en Montana	USA 	Cement plant	Grupo Cementos de Chihuahua, S.A.B. de C.V.	100	\$107	10.2x	2.3x
Jun-18	Operaciones de ReadyMix Concrete y activos de Grupo Cementos de Chihuahua	USA 	Operations and assets of cement plants	CRH plc	100	\$119	-	-
May-18	Binani Cement Limited (nka: UltraTech Nathdwara Cement Ltd.)	IND 	Cement production	UltraTech Cement Limited	100	\$1,181	-	-
May-18	Cement Division of Century Textiles and Industries Limited	IND 	Cement production	UltraTech Cement Limited	100	\$1,233	15.4x	1.9x
May-18	US Concrete & Quarries Business of Boral Limited	USA 	Concrete production	Brannan Sand and Gravel Company, LLC	100	\$127	9.0x	0.0x
Apr-18	Çimsa Çimento Sanayi ve Ticaret Anonim Şirketi	TUR 	Cement and concrete production	Hacı Ömer Sabancı Holding A.S.	5	\$398	7.4x	2.0x
Mar-18	Binani Cement Limited (nka: UltraTech Nathdwara Cement Ltd.)	IND 	Cement production	UltraTech Cement Limited	98	\$1,113	-	-
Feb-18	Lehigh White Cement Company	USA 	Cement production	CEMEX, Inc.; Aalborg Cement Company Inc.	51	\$141	10.6x	1.9x
Dec-17	Aggregates Quarry in Abingdon	USA 	Construction materials	Blue Water Industries LLC	100	\$290	-	-
Dec-17	Shenzhen Universe Group Co., Ltd.	CHN 	Concrete and facilities development	Undisclosed Buyer	27	\$259	NR	4.2x
Dec-17	Heidelberg Kalksandstein GmbH y KS-Quadro Bausysteme	GER 	Construction materials	H+H Deutschland GmbH	100	\$129	-	-
Nov-17	Halla Cement Corp.	KOR 	Cement production	Asia Cement Co., Ltd.	100	\$352	-	-
Nov-17	XI (DL) Holdings GmbH	GER 	Cast production	James Hardie Industries plc	100	\$548	-	-
Oct-17	Paroc Group Oy	FIN 	Construction materials	Owens Corning	100	\$1,088	10.0x	2.4x
Sep-17	Polaris Materials Corporation	CAN 	Construction materials	U.S. Concrete, Inc.	100	\$248	NR	5.2x
Sep-17	Cementir Italia SpA	ITA 	Cement production	Italcementi SpA	100	\$377	-	-



























NR: Not Relevant

Mean	9.6x	2.0x
Median	9.5x	1.9x

CURRENT MARKET SITUATION

COMPARABLE TRANSACTIONS - GLOBAL

BUILDING PRODUCTS: Non-structural and decorative elements used in constructions










Date	Target	Country	Description	Buyer	% Acquired	Size US\$M	EV / EBITDA	EV / Revenue
Sep-18	MPM Holdings Inc.	USA 	Silicone products	KCC Corporation; Wonik QnC Corporation; SJL Partners	100	\$2,866	7.4x	1.0x
Jul-18	Ply Gem Parent, LLC	USA 	Exterior products	NCI Building Systems, Inc.	100	\$3,606	-	-
May-18	IMERYS TC	FRA 	Roof accessories	Lone Star Funds	100	\$1,180	8.8x	3.3x
Mar-18	USG Corporation	USA 	Building products	Gebr. Knauf KG.	89	\$6,610	13.1x	2.2x
Jan-18	Ply Gem Midco, Inc.	USA 	Building products	Clayton, Dubilier & Rice, Inc.	100	\$2,332	9.9x	1.1x
Nov-17	Operaciones de Armstrong World Industries	GER 	Building products	Knauf International GmbH	100	\$330	-	0.8x
Oct-17	Much Asphalt (Pty) Limited	RSA 	Products for asphalt	AECI Ltd	100	\$141	-	1.0x
Sep-17	BRC Asia Limited	SIN 	Steel reinforcements	Toptip Holding PTE.LTD.	52	\$113	17.9x	0.7x
Sep-17	Royal Adhesives & Sealants, LLC	USA 	Adhesives and Sealants	H.B. Fuller Company	100	\$1,575	-	-
Aug-17	Permasteelisa S.p.A.	ITA 	Architectural components	Grandland Holding Group Co., Ltd.	100	\$721	NR	0.4x
Jul-17	Clariant AG	SUI 	Chemical products	Corvex Management	5	\$395	10.3x	1.5x
May-17	Pittsburgh Corning Corporation	USA 	Building products	Owens Corning	100	\$617	-	2.4x
Mar-17	Grace Darex Packaging Technologies	USA 	Sealants and coatings	Henkel AG & Co. KGaA	100	\$1,050	-	3.5x
Dec-16	Dunn-Edwards Corporation	USA 	Sealants and coatings	Nippon Paint (USA) Inc.	100	\$608	-	1.7x
Dec-16	Stanley Black & Decker, Inc., Certain Mechanical Security Businesses	TRE 	Mechanical products	dormakaba Holding AG	100	\$725	-	-
Dec-16	Corialis International NV	BEL 	Systems for doors and windows	CVC Capital Partners Limited; CVC European Equity Partners VI LP	100	\$1,054	-	2.0x
Dec-16	Helios Group Holding S.A.	LUX 	Paintings and coatings	Kansai Paint Co., Ltd.	100	\$608	-	1.4x
Oct-16	Atotech B.V.	NED 	Plating	The Carlyle Group	100	\$3,200	11.9x	3.2x
Sep-16	Henry Company LLC	USA 	Coating and maintenance products	American Securities LLC	100	\$600	-	-
Jul-16	Nortek Inc.	USA 	Products for remodeling	Melrose Industries PLC	93	\$2,673	9.9x	1.1x
Jun-16	Chemetall GmbH	GER 	Chemical products for surfaces	BASF SE	100	\$3,200	15.8x	3.8x
Mar-16	The Valspar Corporation	USA 	Paintings and coatings	The Sherwin-Williams Company	100	\$11,455	16.2x	2.7x
Aug-15	C.R. Laurence Co., Inc.	USA 	Construction systems	Oldcastle BuildingEnvelope, Inc.	100	\$1,300	-	-
Apr-15	Axalta Coating Systems Ltd.	USA 	Coatings	Government Employees Insurance Company, Inc.	9	\$560	11.9x	2.3x
Jan-15	IVC BVBA	BEL 	Vinyl floors	Unilin BVBA	100	\$1,227	-	1.8x
Jun-17	National Central Cooling Company PJSC	UAE 	Cooling solutions	ENGIE SA	40	\$775	-	8.0x
NR: Not Relevant						Mean	12.1x	2.2x
						Median	11.9x	1.8x

CURRENT MARKET SITUATION





COMPARABLE TRANSACTIONS – MEXICO

CONSTRUCTION COMPANIES

TRANSACTIONS IN MEXICO

Date	Target	Country	Description	Buyer	% Acquired	Size US\$M	EV / EBITDA	EV / Revenue
Oct-18	Pacifico Sur		Toll roads	CPP Investment Board, Ontario Teachers PPB, IDEAL	CAN 	100	-	-
Oct-18	Concesionaria Autopista Guadalajara - Tepic, S.A. De C.V.		Construction and maintenance of toll roads	CPP Investment Board, Ontario Teachers PPB, IDEAL	CAN 	49	\$409	-
Sep-18	Comercializadora Mexmaken S.A de C.V.		Construction of communication towers	Tower One Wireless Corp.	CAN 	75	-	-
Dec-17	Ingeniería, Control Y Administracion, S.A. De C.V.		Infrastructure development	Bureau Veritas SA	FRA 	100	-	-
Jul-16	Even Telecom S.A. de C.V.		Construction of telecommunication infrastructure	Undisclosed Buyer	-	50	-	-
Jun-16	Diseno Integral y Tecnologia Aplicada S.A. de C.V.		Structural design and supervision	WSP Parsons Brinckerhoff, Inc. (nka:WSP USA)	USA 	100	-	-
Jul-15	Desarrollo Urbanístico Chapultepec S.A.P.I. de C.V.		Residential construction	Undisclosed Buyer	-	50	-	-
May-15	CDI - Pycopsa Ingeniería Y Construcción, S. de R.L. de C.V.		Design services and construction	Undisclosed buyer	-	67	-	-
Jan-15	Even Telecom S.A. de C.V.		Construction of telecommunication infrastructure	EFM Capital	MEX 	-	-	-
Jul-14	Grupo Profesional Planeación y Proyectos, S.A. de C.V.		Engineering services and construction	Carbures Europe, S.A.	ESP 	100	\$8	-
Jan-14	Compania De Energia Mexicana SA de CV		Construction of hydroelectric plants	Compañía Minera Autlán, S.A.B. de C.V.	MEX 	30	\$28	-
Dec-13	Eoliatec del Pacifico, S.A.P.I. de C.V.		Wind farms construction	MIT Renewables Mexico, S.A.P.I	MEX 	50	-	-
NR: Not Relevant							Mean	-
							Median	-

TRANSACTIONS OF MEXICAN CONSTRUCTION COMPANIES ACQUIRING ABROAD

Date	Target	Country	Description	Buyer	% Acquired	Size US\$M	EV / EBITDA	EV / Revenue
Sep-17	Grupo Cementos de Chihuahua, S.A.B. de C.V.	MEX 	Construction materials	Undisclosed Buyer	9	\$168	10.3x	2.6x
Jul-16	Fomento de Construcciones y Contratas, S.A.	ESP 	Infrastructure development	Inversora Carso, S.A. de C.V.	2	\$67	7.3x	1.1x
Mar-16	Fomento de Construcciones y Contratas, S.A.	ESP 	Infrastructure development	Control Empresarial de Capitales, S.A. de C.V.	26	\$7,539	7.7x	1.1x
Jun-14	Facchina Construction Company, Inc.	USA 	Engineering and construction services	Empresas ICA, S.A.B. de C.V.	100	\$100	12.5x	0.4x
NR: Not Relevant							Mean	9.5x
							Median	9.0x

CURRENT MARKET SITUATION

REPRESENTATIVE TRANSACTIONS – GLOBAL CONSTRUCTION COMPANIES

Summary	Target	Buyer
On March 4, 2016, Control Empresarial de Capitales , subsidiary of Inversora Carso S.A. de C.V., a Mexican holding company, announced the acquisition of a 26% stake in Fomento de Construcciones y Contratas, S.A. , a Spanish construction company, for US\$7,539 million, representing an implied enterprise value of 7.7x EBITDA and 1.1x sales		Control Empresarial de Capitales S.A. de C.V.
On December 18, 2017, McDermott International Inc. , a US construction company, announced the acquisition of Chicago Bridge & Iron Company N.V. , an engineering and construction company in the Netherlands, for US\$4,474 million, representing an implied enterprise value of 0.6x sales		
On August 1, 2017, Jacobs Engineering Group Inc. , a US construction company, announced the acquisition of CH2M Hill Companies , a US construction company, for US\$3,375 million, representing an implied enterprise value of 0.6x sales		JACOBS
On March 8, 2017, Sarawak Energy , through its subsidiary Seb Power Sdn Bhd, an energy company in Malaysia, announced the acquisition of Sarawak Hidro Sdn Bhd , responsible for the construction and management of a hydroelectric plant in Malaysia, for US\$1,818 million		
On August 8, 2016, VINCI Highways SAS , a French construction company, announced the acquisition of Línea Amarilla S.A.C. and PEX S.A. , representing the combined operations of a highway in Lima, Peru, for US\$1,122 million	Línea Amarilla S.A.C. y PEX S.A.	

GLOBAL REPRESENTATIVE TRANSACTION

On December 18, 2017, **McDermott International Inc.**, a US construction company, announced the acquisition of **Chicago Bridge & Iron Company N.V.**, an engineering and construction company based in the Netherlands, for US\$4,474 million

The new company will have more than 40,000 employees, including 5,000 engineers with presence in more than 54 countries, and sales of US\$10,000 million



PRESENCE IN 54 COUNTRIES



+11,800 EMPLOYEES



FOUNDED IN 1923



BASED IN THE HAGUE, NETHERLANDS



+26,000 EMPLOYEES

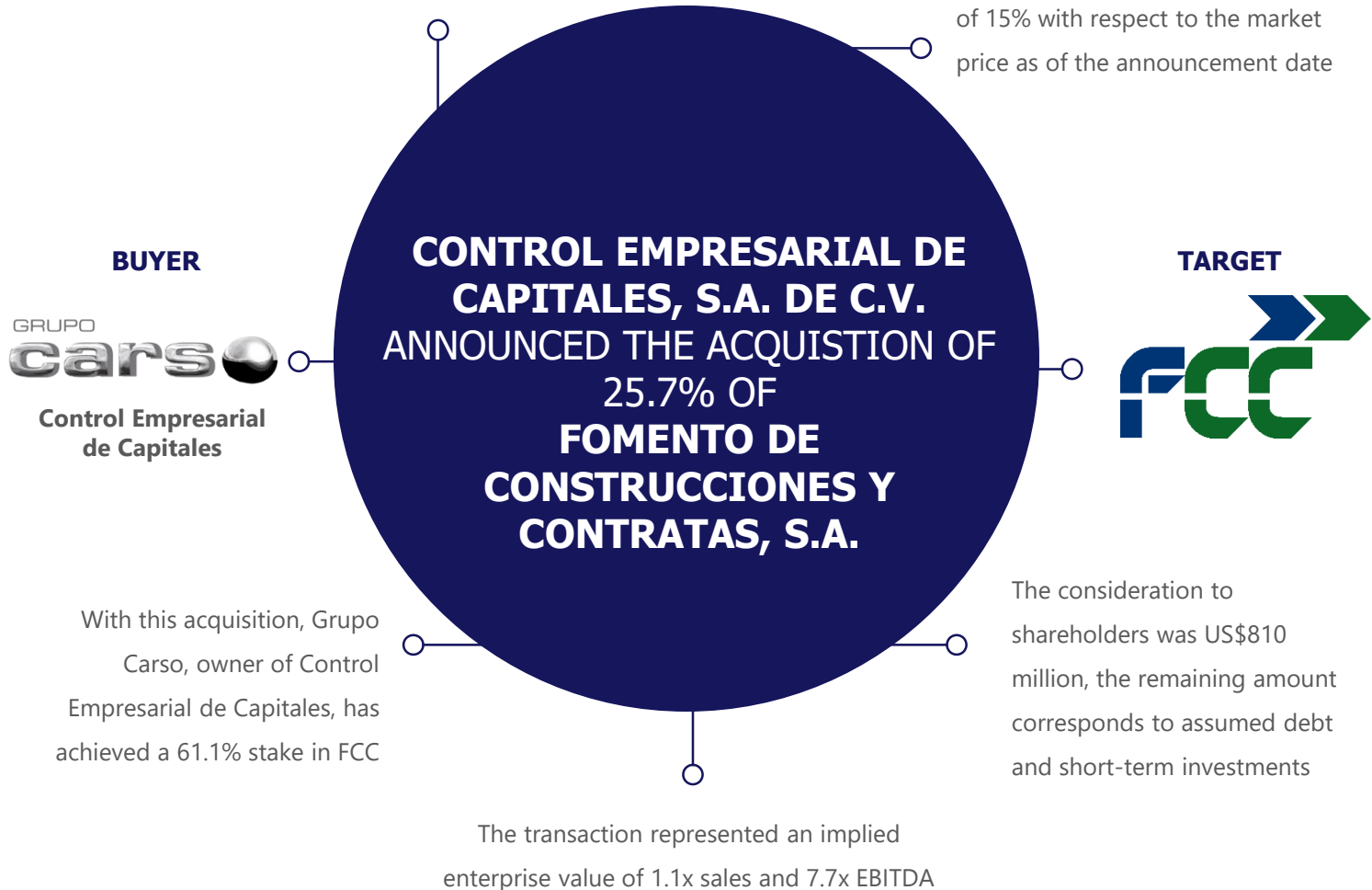


FOUNDED IN 1889


MEXICAN REPRESENTATIVE TRANSACTION


On March 4, 2016, **Control Empresarial de Capitaless, S.A. de C.V.**, announced the acquisition of a 25.7% stake in **Fomento de Construcciones y Contratas, S.A.**, for US\$7,539 million


A price per share of EUR\$7.6 was paid, which represents a premium of 15% with respect to the market price as of the announcement date




GRUPO **carso**


 **INCORPORATED IN 1980**


 **+70,000 EMPLOYEES**

 **BASED IN MEXICO CITY**

FCC










 **PRESENCE IN 40 COUNTRIES**

 **+7,750 EMPLOYEES**

 **BASED IN BARCELONA**

CURRENT MARKET SITUATION

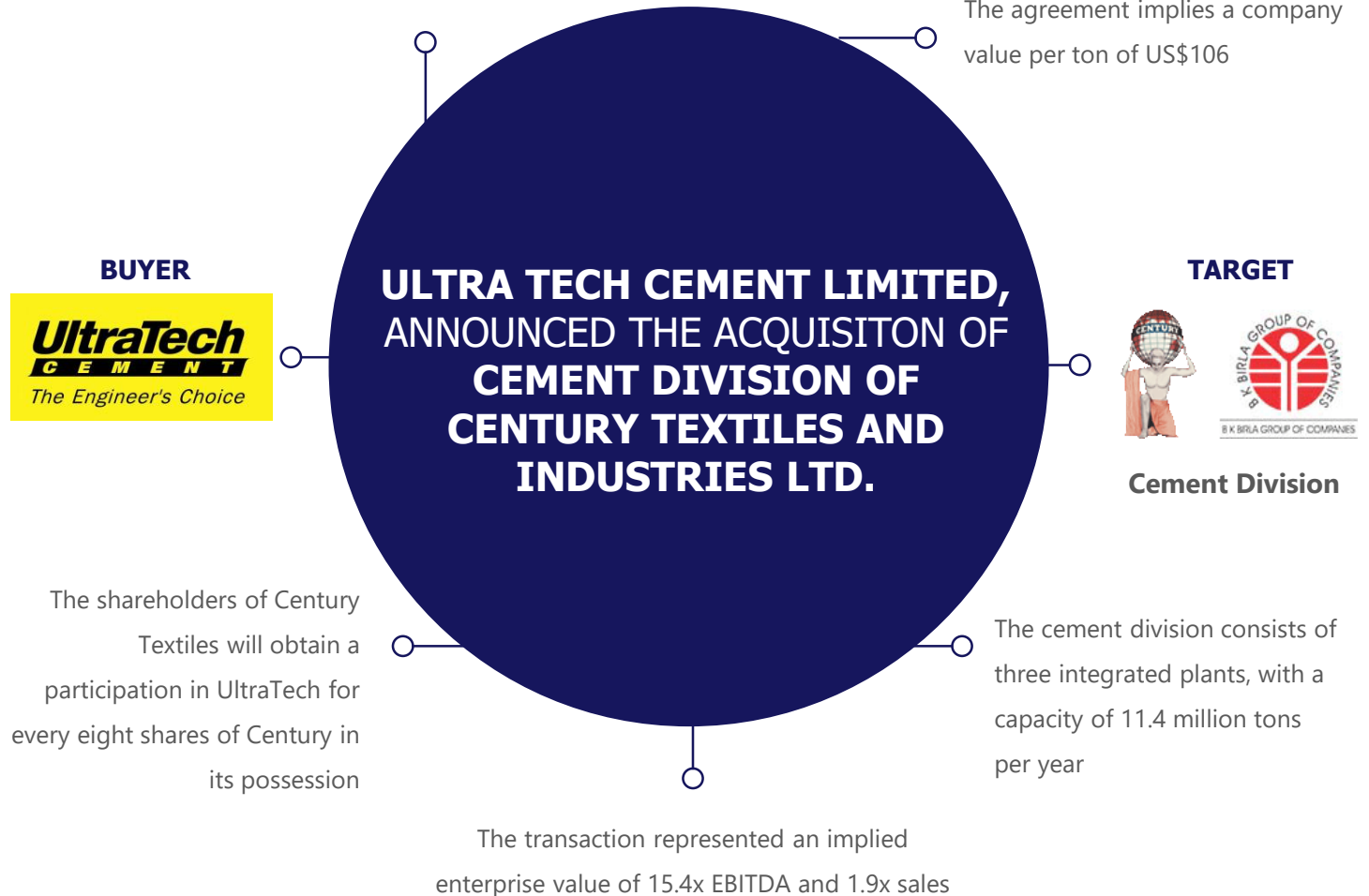
REPRESENTATIVE TRANSACTIONS – CONSTRUCTION MATERIALS

Summary	Target	Buyer
On May 20, 2018, UltraTech Cement Limited , a cement producer in India, announced the acquisition of the Indian cement division of Century Textiles and Industries Limited , for US\$1,233 million, representing an implied enterprise value of 15.4x EBITDA and 1.9x sales	 Cement Division	
On May 28, 2018, UltraTech Cement Limited , a cement producer in India, announced the acquisition of Binani Cement Limited , a cement production company in India, for US\$1,181 million	 BRAJ BINANI GROUP	
On October 29, 2017, Owens Corning , producer of fiberglass in the United States, announced the acquisition of Paroc Group Oy , a mineral wool insulation products manufacturer in Finland, for US\$1,088 million, representing an implied company value of 10.0x EBITDA and 2.4x sales		
On August 20, 2018, Eurovia , a French infrastructure company, announced the acquisition of an asphalt-mixing plant & Pavement Division of The Lane Construction Corp. , for US\$555 million, representing an implied enterprise value of 0.9x sales	 Pavement Division	
On November 8, 2017, James Hardie Industries plc , a fiber cement siding manufacturer in the United States, announced the acquisition of XI (DL) Holdings GmbH , a cement and gypsum panels manufacturer in Germany, for US\$548 million	XI (DL) Holdings GmbH	

GLOBAL REPRESENTATIVE TRANSACTION

On May 20, 2018, **UltraTech Cement Limited**, a cement producer in India, announced the acquisition of the Indian cement division of **Century Textiles and Industries Limited**, for US\$1,233 million, representing an implied enterprise value of 15.4x EBITDA and 1.9x sales

The agreement implies a company value per ton of US\$106



US\$4,857M SALES



+19,600 EMPLOYEES



FOUNDED IN 2000



Cement Division



US\$60M SALES



+6,000 EMPLOYEES













FOUNDED IN 1897

UltraTech CEMENT
The Engineer's Choice

CURRENT MARKET SITUATION

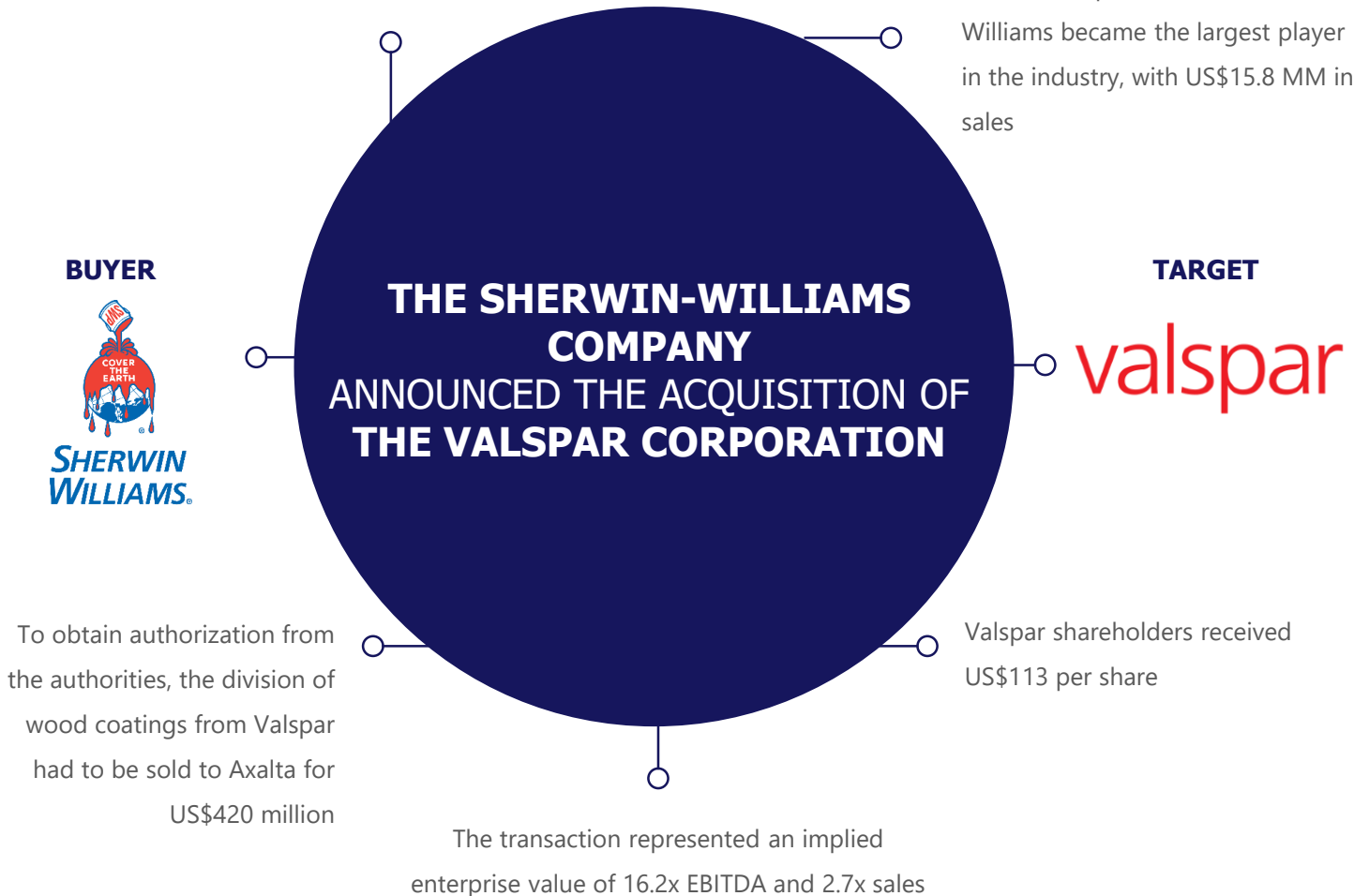
REPRESENTATIVE TRANSACTIONS – BUILDING PRODUCTS

Summary	Target	Buyer
On March 20, 2016, The Sherwin-Williams Company , an American paints and coatings company, announced the acquisition of The Valspar Corporation , a manufacturer of paints and related products in the United States, for US\$11,455 million, representing an implied enterprise value of 16.2x EBITDA and 2.7x sales		
On March 26, 2018, Gebr. Knauf KG , manufacturer of construction products in Germany, announced the acquisition of USG Corporation , a manufacturer of construction materials in the United States, for US\$6,610 million, representing an implied enterprise value of 13.1x EBITDA and 0.6x sales		
On August 17, 2017, NCI Building Systems , metal products for construction in the United States, announced the acquisition of Ply Gem Parent LLC , outdoor products in the United States, for US\$3,606 million		
On October 6, 2016, The Carlyle Group , an investment firm in the United States, announced the acquisition of Atotech B.V. , plating solutions company in the Netherlands, for US\$3,200 million, representing an implied enterprise value of 11.9x EBITDA and 3.2x sales.		
On June 17, 2016, BASF SE , the German chemical company, announced the acquisition of Chemetall GmbH , a manufacturer of surface chemicals in Germany, for US\$3,200 million, representing an implied enterprise value of 15.8x EBITDA and 3.8x sales.		

GLOBAL REPRESENTATIVE TRANSACTION

On March 20, 2016, **The Sherwin-Williams Company**, an American paints and coatings company, announced the acquisition **of The Valspar Corporation**, a manufacturer of paints and related products in the United States, for US\$11,455 million

With the acquisition, Sherwin-Williams became the largest player in the industry, with US\$15.8 MM in sales



US\$15,800M SALES



+60,000 EMPLOYEES



FOUNDED IN 1866



US\$4,3M SALES



+11,000 EMPLOYEES



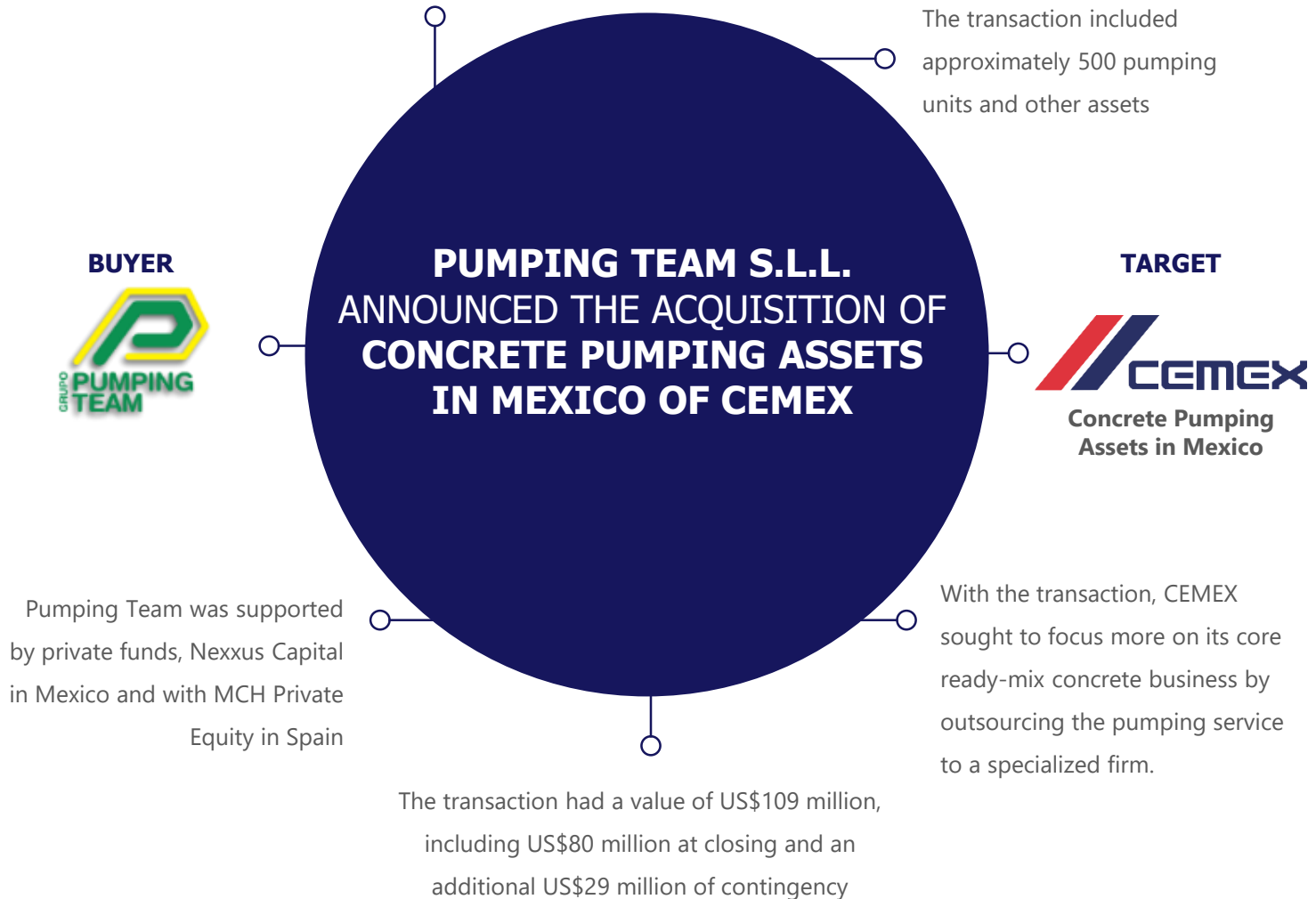
FOUNDED IN 1806

valspar

SEALE & ASSOCIATES REPRESENTATIVE TRANSACTION

In September 2016, **Seale & Associates**, acted as exclusive financial advisor to **Cemex**,

S.A.B. de C.V., Mexican construction materials company, in the divestment of its concrete pumping assets to **Pumping Team S.L.L.**, a Spanish company specializing in pumping services



OPERATIONS IN MEXICO AND SPAIN



BASED IN MADRID



FOUNDED IN 2011



+ 50 COUNTRIES



+42,000 EMPLOYEES



FOUNDED IN 1906

REPRESENTATIVE MEXICO ENGAGEMENTS

 <p>has acquired</p>  <p>KFC Costa Rica</p> <p>from</p> 	 <p>has acquired</p> 	 <p>has acquired</p> 	 <p>has merged with</p>  <p>a business of</p> 	 <p>merged its beverage division with</p> 	 <p>merged its beverage division with</p> 
 <p>has partnered with</p>  <p>a subsidiary of</p> 	 <p>has partnered with</p> 	 <p>Acquisition Advisory Services</p>	 <p>Acquisition Advisory Services</p>	 <p>has been acquired by</p> 	 <p>Corporate Finance Advisory Services</p>
 <p>has formed a partnership in the casting tools business between</p> 	 <p>sold</p>  <p>to</p> 	 <p>has carved out and sold its concrete pumping assets in Mexico</p> <p>to</p> 	 <p>has formed a partnership to market and develop oil storage and distribution in Mexico with</p> 	 <p>sold</p> 	 <p>Corporate Finance Advisory Services</p>
 <p>has been acquired by</p> 	 <p>has sold CosmoCel Química</p> <p>to</p>  <p>a business unit of</p> 	 <p>Corporate Finance Advisory Services</p>	 <p>Corporate Finance Advisory Services</p>	 <p>has acquired</p> 	 <p>Holding company of</p>  <p>acquired a 61% stake on</p> 
 <p>has been acquired by</p> 	 <p>Grupo Galaz, S.A de C.V.</p> <p>has been acquired by</p> 	 <p>has acquired</p> <p>workshop and store in Mexico City from</p> 	 <p>has acquired</p> 	 <p>Acquisition Advisory Services</p>	 <p>has sold its sanitaryware business</p> <p>ST. THOMAS CREATIONS</p> <p>and</p>  <p>to</p> 

Seale & Associates

Creative Solutions. Trusted Advice.

Since 1999, **Seale & Associates** has been the trusted advisor to highly respected public and private companies from around the world, with a track record of success in a diverse range of industries. Seale is an elite boutique global investment banking firm with extensive experience in mergers and acquisitions (M&A), corporate finance advisory, and enterprise level strategy consulting. Our experienced team of professionals are committed to serving clients with excellence and integrity, while offering innovative ideas and solutions to address complex dealings. All securities related transactions are cleared through Seale Capital, Inc., a registered broker dealer and member of FINRA and SIPC.

ADVISOR TO LEADING COMPANIES WORLDWIDE



* Multiple engagements

CONTACT INFORMATION



950 N. Glebe Road
Suite 950
Arlington, Virginia 22203
Phone: +1 (703) 294 6770



37, Moliere
Granada
Mexico City, 11520
Phone: +52 (55) 8000 7463

Please contact us if you would like further information about M&A trends and/or specific transaction multiples for your industry.

Washington, D.C. | Miami | Mexico City | Monterrey

Mexico Contact Information

James A. Seale

President

jseale@sealeassociates.com

Brett M. Carmel

Senior Managing Director & Co-founder

bcarmel@sealeassociates.com

Felipe Bueno Viesca

Senior Director

fbueno@sealeassociates.com

Sergio Garcia del Bosque

Managing Director

sgarcia@sealeassociates.com

Adan Sierra

Managing Director

asierra@sealeassociates.com

Carlos Hernandez

Managing Director

chernandez@sealeassociates.com

Alejandro Montemayor

Senior Associate

amontemayor@sealeassociates.com

Sofia Felix

Business Development

sfelix@sealeassociates.com

Armando Rios

Analyst

arios@sealeassociates.com

Diego Perezcano

Analyst

dperezcano@sealeassociates.com

Aaron Garcia

Analyst

agarcia@sealeassociates.com

Miguel Leal

Brand Assistant

mleal@sealeassociates.com

Diego Hernandez

Junior Analyst

dhernandez@sealeassociates.com

Alberto Lopez

Junior Analyst

alopez@sealeassociates.com

Alejandro Salinas

Junior Analyst

asalinas@sealeassociates.com

Nicolas Reynoso

Junior Analyst

mreynoso@sealeassociates.com