

**HD Apollo Global (APO) Invests \$570M in Leighton's Services Arm**

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Apollo Global Management, LLC is set to buy half of the services arm of Australia's biggest builder, Leighton Holdings Ltd, for \$570 **million**. Leighton's services business is one of the largest services firms in Australia.

Per the all-cash deal, Apollo Global and Leighton will enter into a 50:50 investment partnership in the maintenance services business of the latter. Leighton's Thiess Services and Leighton Contractors Services units are involved in the construction and management of communications, **energy** and infrastructure projects in Australia. The combined units have an enterprise value of \$885 **million**.

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These two units, along with a newly-formed board and executive team, will plan a smooth integration process.

The partnership deal is subject to approvals from Foreign Investment Review Board and New Zealand Overseas Investment Office. It also needs other customary regulatory approvals.

The **stake-sale** will help Leighton reduce its leverage ratio by 10 percentage points. Besides leverage, Apollo Global's steady cash flows and long-term contracts will also provide Leighton with funds to improve its financials and enhance future growth. It will continue to enjoy exposure and compete efficiently in the growing Australian services market. At the same time, the move is a progress toward Leighton's aim of simplifying and streamlining its business.

Leighton suffered a huge loss of around \$500 **million** stemming from Thiess' involvement in the Brisbane Airport Link Project and few other projects.

Therefore, Hochtief, the parent **company** of Leighton, has been selling off assets this year to improve its balance sheet and reduce leverage, as part of a strategic review initiative.

On Dec 11, as part of the initiative, Leighton sold its John Holland division to CCC International Holding Limited, a **Chinese company**, for \$0.9 **billion**.

Apollo Global, a leading global investment management **firm**, expects to deliver extraordinary results to its customers by providing them with a world-class industrial and civil services **company**.

Back in May, Apollo Global made investments worth \$500 **million** in CSV Midstream Solutions Corp, a Canadian construction and engineering **firm**.

The recent **purchase** of Leighton's services business will enhance Apollo Global's focus on construction and engineering firms.

The **company** has also announced the completion of a transaction with Twenty-First Century Fox, Inc. to create a multi-platform content provider.

**CO** apolmn : Apollo Global Management LLC | leiho : Leighton Holdings Ltd | hocht : Hochtief AG | ocisa : ACS Actividades de Construcciones y Servicios SA

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