



Greentech Capital Advisors is pleased to announce the following transaction:



**Greentech's Client:**

Layne Christensen Company (NASDAQ: LAYN) is a global water management, infrastructure services and drilling company providing responsible solutions to the world of essential natural resources — water, minerals and energy. Layne offers innovative, sustainable products and services with an enduring commitment to safety, excellence, and integrity.

**Key Points of Interest:**

- On February 14<sup>th</sup>, 2018, Granite Construction Incorporated (NYSE: GVA) announced its intent to acquire all of the outstanding shares of Layne in a stock-for-stock transaction valued at \$565 million, including the assumption of net debt
- With the #1 position in water well drilling and a #2 position in cured-in-place pipe (CIPP) rehabilitation, Layne significantly enhances Granite's presence in the large and growing water infrastructure market
- Together with Layne, Granite will enhance its capabilities and service offerings to provide a full lifecycle portfolio to better meet the needs of its public and private water sector customers
- Layne shareholders will receive a fixed exchange ratio of 0.270 Granite shares for each share of Layne common stock they own
- The transaction represents an enterprise value multiple of 8.2x 2018 expected EBITDA, including full run-rate cost synergies and expected present value tax benefit of Layne net operating losses
- Granite expects to achieve approximately \$20 million of annual run-rate cost savings by the third year following the close of the transaction, with approximately one-third realized in 2018
- The transaction is expected to be accretive to Granite's adjusted earnings per share, and high single-digit accretive to Granite's adjusted cash earnings per share in the first year after closing

"This strategic transaction brings together two complementary organizations to create a platform for growth, delivering significant benefits for shareholders, employees, and customers," said James H. Roberts, President and Chief Executive Officer of Granite. "With Layne's expertise and leading water positions, Granite will advance its goal of becoming a full suite provider of construction and rehabilitation services for the water and wastewater market. We expect this transaction will create value for shareholders in both the near- and long-term, including earnings accretion on an adjusted basis and synergy realization. As a stronger player in the attractive water and wastewater sector, we will have significant opportunities to capture a larger share of the market and accelerate our growth prospects."

"We are pleased to reach this agreement with Granite, which creates significant value for all Layne stakeholders," said Michael J. Caliel, President and Chief Executive Officer of Layne. "Our organization believes that Granite is the right partner. This is a terrific opportunity as our shareholders will receive a significant premium and share in the upside potential in a diversified and growing company with greater scale and resources. Our customers will benefit from our shared commitment to operational excellence, quality, and customer service, and our employees will benefit from the upside and strong growth prospects of being part of a larger infrastructure company. Our leadership position in water resources combined with our increasing presence in the growing water midstream business should be greatly enhanced by our combination with Granite."

The transaction press release can be found at:

[Press Release](#)

Greentech Capital Advisors acted as exclusive financial advisor to Layne. For additional information about this transaction, please contact:

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## **About Us**

Our mission is to empower companies and investors who are creating a more efficient and sustainable global infrastructure. We are purpose-built to ensure that our clients achieve success. We have deeply experienced senior bankers and investment professionals who are sector experts and understand our clients' industry and needs. We reach a vast global network of buyers, growth companies, asset owners and investors, and thereby provide clients with more ways to succeed through a deeper relationship network. We have directly relevant transaction experience which enables us to find creative structures and solutions to close transactions. We are an expert team of 55 professionals working seamlessly on our clients' behalf in New York, Zurich and San Francisco and through a strategic partnership in Japan. Our team of experienced bankers and investment professionals provides conflict-free advice and thoughtful, innovative solutions, and we do so with an intensely focused effort that does not stop until our clients achieve success.

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