

M&A Rumor and Activity

The Australian market finished the week 2.62% lower with the S&P / ASX 100 ending at 4429 points on fears of an imminent US interest rate hike and falling commodity prices. The Australian dollar increased 0.09% for the week to end at US 0.7570 cents, following the release of weak US non-farm payrolls figure.

The securities of **Ausenco Ltd (AAX.AX)** was suspended from quotation at the close of trading on 29 August 2016, following the lodgement of the Supreme Court's orders with the Australian Securities Investment Commission approving the scheme of arrangement by Resource Capital Fund VI L.P.

McAleese Limited (MCS.AX) has appointed voluntary administrators to oversee the affairs of the company on 29 August 2016, following the failure of McAleese to satisfy one of the conditions that was required to extend the forbearance agreement with SC Lowy.

AusGroup (SGX.5GJ) said on 31 August 2016 that it has abandoned the sale process of **MAS** (its scaffolding and access business) as negotiations with prospective buyers have ended and a sale is not considered highly probable.

News Headlines and Key Sector Developments

Ticker	News/Event	Ticker	News/Event
ASL	Entered into an agreement with Primary Gold Ltd, whereby ASL will receive payments for up to \$3m for drilling services via the issue of ordinary shares of Primary Gold	IMD	Requested a trading halt of its securities pending an announcement in relation to a capital raising
ANG	Sold surplus land in Peru for gross sale proceeds of \$6.1m. \$5.9m has been used to pay subordinated debt holders to retire debt facilities put in place in February 2016	MCS	Mr. Wayne Kent and Ms. Kerry Gleeson has resigned as directors
BYL	Reported FY16 results of \$211.3 m in revenue (27.7% decrease yoy) and a NLAT of \$50.4m (vs NPAT of \$3.1m)	MSV	Reported FY16 results of \$33.0m in revenue (31% increase yoy), underlying EBITDA of \$2.5m (vs EBITDA loss of \$0.2m) and NLAT of \$6.0m (vs NLAT of \$17.0m)
CDD	CEO Mr Richard Wankmuller has resigned effective immediately, with Mr Neville Buch and Dr Gary Jandegian (both non-executive directors) appointed as joint interim CEOs while the Board seeks a permanent replacement	OTR	Reported FY16 results of \$265.7m in revenue (231% increase yoy), EBITDA loss of \$0.3m (vs EBITDA loss of \$21.9m) and a NLAT of \$0.7m (vs NLAT of \$25.4m)
CDD	Reported FY16 results of \$1,196.5 m in revenue (0.9% increase yoy), EBITDA of \$42.3 million (62.2% decrease) and a NLAT of \$176.0m (vs NLAT of \$245.1m)	PRG	Terminated its agreements to provide maintenance labour to CUB Pty Ltd
DSB	Mr. Stephen Bizzaca has retired as Managing Director and appointed as a non-executive director. CEO Mr Neville McAlary will assume the role of Managing Director	RDG	Reported FY16 results of \$69.3m in revenue (70% decrease yoy), EBITDA of \$13.8m (38% decrease) and a NPAT of \$5.7m (43% decrease)
DSB	Reported FY16 results of \$70.4m in revenue (4% increase yoy), underlying EBITDA of \$4m (14% increase) and a NPAT 1.2m (50% increase)	SRG	Reported FY16 results of \$178.0m in revenue (3% increase yoy), EBITDA of \$14.9m (1.6% increase) and NPAT of \$6.2m (284% increase)
EAL	Reported FY16 results of \$163m in revenue (18% decrease yoy), EBITDA loss of \$14.6m (45.1% decrease) and a NLAT of \$19.9m (vs NLAT of \$24.4m)	SWK	Reported FY16 result of \$124.9m in revenue (5% decrease yoy), and underlying EBITDA of \$14.8 m (14% decrease) and NLAT of \$2.8m (vs NLAT of \$17.5m)
EHL	Reported FY16 results of \$208m in revenue (14% decrease yoy), operating EBITDA of \$54.2m (25% increase) and a NLAT of \$225.4m (vs NLAT of \$123.1m)	TPP	Reported 1H16 result of \$55.2m in revenue (99% increase pcp) and a NPAT of \$3.7m (453% increase pcp)
GCS	Successfully completed the refinancing of its existing \$60m debt with new facilities totalling \$62m from CBA (\$40m) and Toyota Fleet Management (\$22m)	UGL	Its UGL-Kentz JV has executed an agreement with JKC Australia LNG Pty Ltd which settles the JV's claims on the Ichthys SMP project up to 31 May 2016

Source: Thomson Reuters, Company Announcements, LCC



Ticker	Company Name	Market Cap (A\$ m)	Open Price (A\$)	Close Price (A\$)	Week High (A\$)	Week Low (A\$)	Weekly change (%)	Volume Trend	EV/ EBITDA	EV/ EBIT
AJL.AX	AJ Lucas Group Ltd	110	0.32	0.29	0.30	0.29	▼ (7.9%)	█	12.8x	1,094.6x
ASL.AX	Ausdrill Ltd	506	1.63	1.62	1.62	1.46	▼ (2.4%)	█	5.8x	12.9x
AAX.AX	Ausenco Ltd	74	0.40	0.40	0.40	0.40	— 0.0%	█	n.m.	n.m.
ANG.AX	Austin Engineering Ltd	66	0.14	0.13	0.13	0.12	▼ (10.7%)	█	n.m.	n.m.
BLY.AX	Boart Longyear Ltd	117	0.13	0.13	0.14	0.12	▼ (3.8%)	█	n.m.	n.m.
BKN.AX	Bradken Ltd	410	2.45	2.40	2.44	2.33	▼ (2.0%)	█	3.2x	3.2x
BYL.AX	Brierty Ltd	11	0.15	0.09	0.15	0.09	▼ (40.7%)	█	n.m.	n.m.
BOL.AX	Boom Logistics Ltd	51	0.11	0.11	0.11	0.11	▼ (4.4%)	█	9.4x	n.m.
BSA.AX	BSA Ltd	152	0.33	0.36	0.34	0.31	▲ 9.1%	█	11.8x	27.3x
CDD.AX	Cardno Ltd	369	0.75	0.77	0.76	0.71	▲ 2.7%	█	16.2x	13.1x
CIM.AX	CIMIC Group Ltd	9,364	30.72	28.95	29.94	28.72	▼ (5.5%)	█	7.3x	11.5x
DCG.AX	Decmil Group Ltd	138	0.88	0.82	0.87	0.81	▼ (7.4%)	█	14.6x	54.7x
DSB.AX	Delta SBD Ltd	10	0.13	0.18	0.15	0.13	▲ 44.0%	█	3.5x	6.6x
DOW.AX	Downer EDI Ltd	2,098	4.95	4.94	4.89	4.80	▼ (0.2%)	█	4.3x	8.0x
EAL.AX	E&A Ltd	16	0.10	0.12	0.12	0.10	▲ 42.9%	█	n.m.	n.m.
EGN.AX	Engenco Ltd	54	0.15	0.18	0.15	0.14	▲ 25.0%	█	12.4x	n.m.
EHL.AX	Emeco Holdings Ltd	32	0.07	0.05	0.07	0.05	▼ (26.0%)	█	8.9x	n.m.
FWD.AX	Fleetwood Corp Ltd	113	1.81	1.85	1.82	1.71	▲ 1.1%	█	4.4x	n.m.
GCS.AX	Global Construction Services Ltd	92	0.47	0.46	0.46	0.42	▼ (2.1%)	█	3.9x	6.4x
GNG.AX	GR Engineering Services Ltd	203	1.41	1.33	1.34	1.29	▼ (5.4%)	█	5.8x	6.3x
HDX.AX	Hughes Drilling Ltd	17	0.08	0.08	0.08	0.08	— 0.0%	█	3.1x	7.5x
IMD.AX	Imdex Ltd	161	0.65	0.65	0.64	0.63	▲ 4.8%	█	12.3x	36.8x
LCM.AX	LogiCamms Ltd	28	0.42	0.41	0.42	0.41	▼ (1.2%)	█	3.5x	7.3x
LYL.AX	Lycopodium Ltd	119	2.89	3.00	3.00	2.88	▲ 4.2%	█	14.0x	18.6x
MLD.AX	MACA Ltd	400	1.70	1.72	1.75	1.65	▲ 0.6%	█	4.9x	22.2x
MAH.AX	Macmahon Holdings Ltd	133	0.12	0.11	0.12	0.11	▼ (8.3%)	█	2.0x	14.3x
MYE.AX	Mastermyne Group Ltd	16	0.17	0.18	0.18	0.17	▼ (5.4%)	█	8.1x	n.m.
MIN.AX	Mineral Resources Ltd	2,083	11.27	11.15	11.14	10.81	▼ (1.0%)	█	6.8x	13.1x
MCE.AX	Matrix Composites & Engineering Ltd	38	0.41	0.41	0.43	0.39	▲ 1.2%	█	4.1x	7.2x
MCS.AX	McAleese Ltd	7	0.03	0.03	0.03	0.03	— 0.0%	█	12.9x	n.m.
MND.AX	Monadelphous Group Ltd	815	8.93	8.70	8.81	8.35	▼ (3.0%)	█	5.4x	6.6x
MRM.AX	MMA Offshore Ltd	116	0.34	0.31	0.34	0.31	▼ (12.7%)	█	6.1x	12.9x
MSV.AX	Mitchell Services Ltd	40	0.03	0.03	0.03	0.03	▼ (6.9%)	█	n.m.	n.m.
NWH.AX	NRW Holdings Ltd	156	0.62	0.56	0.59	0.52	▼ (10.4%)	█	4.5x	9.0x
OTR.AX	Onterran Ltd	24	0.46	0.42	0.46	0.42	▼ (8.7%)	█	13.2x	309.5x
OTC.AX	OTOC Ltd	86	0.33	0.32	0.32	0.31	▼ (4.5%)	█	5.6x	8.9x
PRG.AX	Programmed Maintenance Services Ltd	533	2.07	2.07	2.09	1.99	▲ 1.0%	█	9.6x	13.7x
RCR.AX	RCR Tomlinson Ltd	349	2.62	2.49	2.59	2.42	▼ (6.0%)	█	11.5x	28.9x
RDG.AX	Resource Development Group Ltd	23	0.02	0.04	0.03	0.02	▲ 48.0%	█	1.0x	1.4x
RUL.AX	Rungepincockminarco Ltd	88	0.51	0.49	0.51	0.48	— 0.0%	█	n.m.	n.m.
SND.AX	Saunders International Ltd	45	0.56	0.57	0.59	0.56	▼ (4.2%)	█	7.2x	8.4x
SSM.AX	Service Stream Ltd	374	1.03	1.03	1.01	1.00	▲ 1.5%	█	9.4x	11.9x
SWL.AX	Seymour Whyte Ltd	62	0.72	0.71	0.74	0.71	▼ (4.1%)	█	4.9x	15.1x
SXE.AX	Southern Cross Electrical Engineering Ltd	81	0.52	0.51	0.51	0.50	▼ (1.9%)	█	3.3x	5.6x
STS.AX	SRG Ltd	86	1.33	1.38	1.35	1.22	▲ 12.7%	█	5.2x	9.9x
SWK.AX	Swick Mining Services Ltd	55	0.29	0.26	0.28	0.26	▼ (10.3%)	█	6.7x	n.m.
TPP.AX	Tempo Australia Ltd	55	0.30	0.28	0.29	0.26	▼ (8.3%)	█	8.6x	8.7x
UGL.AX	UGL Ltd	388	2.63	2.33	2.58	2.30	▼ (9.3%)	█	n.m.	n.m.
VMG.AX	VDM Group Ltd	16	0.00	0.00	0.00	0.00	▼ (25.0%)	█	n.m.	n.m.
WOR.AX	WorleyParsons Ltd	1,959	7.75	7.98	7.99	7.75	▲ 0.6%	█	12.0x	19.3x
WTP.AX	Watpac Ltd	159	0.87	0.86	0.87	0.85	▼ (0.6%)	█	(3.9x)	(3.8x)

Source: Thomson Reuters, LCC research

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