

## M&A Rumor and Activity

The Australian market finished the week 0.76% higher with the S&P / ASX 100 ending at 4514 points, lifted by the strong performance in the energy sector following a rally in oil prices. The Australian dollar decreased 1.03% for the week to end at US0.7575 cents, mainly due to the strengthening of the US dollar on increased speculation of a potential interest rate hike by the US Federal Reserve in December.

**Bradken Limited (BKN.AX)** announced on 3 October 2016 that it has entered into a bid implementation agreement with **Hitachi Construction Machinery Co. Ltd** (“Hitachi”), pursuant to which Hitachi will acquire 100% of the ordinary shares of Bradken at \$3.25 per share, valuing Bradken at an enterprise value of \$976.1 million. The Board of Directors of Bradken has unanimously recommended that shareholders accept the takeover offer, which represents a premium of 34% to the last closing share price of Bradken. The takeover offer values Bradken at 9.0x EV/EBITDA based on Bradken’s FY16 underlying EBITDA of \$108.4 million.

**Global Construction Services Limited (GCS.AX)** announced on 10 October 2016 that it has completed the acquisition of a 51% stake in Podium Glazing Australia (Podium) for an undisclosed amount. Podium designs, supplies and installs high performance architectural facades to residential and commercial projects across Australia.

## News Headlines and Key Sector Developments

Ticker	News/Event	Ticker	News/Event
AJL	Announced it had received the final planning consent from the UK Government to drill and hydraulically stimulate up to four horizontal wells to test the flow of gas at Cuadrilla’s Preston New Road exploration site in Lancashire, UK	DOW	Announced the appointment of Mr. Michael Ferguson as the CFO of the company
ANG	Announced the appointment of Ms. Christine Hayward as the CFO and Secretary of the company	EHL	Fitch Ratings lowered its credit rating for EHL from “CC” to “C”
CIM	Announced that Visionstream, a 50%-owned subsidiary of CIM has been awarded a four-year contract with Chorus New Zealand for the delivery of customer connection works to the Ultra-Fast Broadband. The contract is expected to generate revenue of around NZ\$390m	GNG	Appointed Mr Phillip Lockyer as a Non-Executive Director
CIM	Announced that its global mining energy provider Thiess has established a joint venture (JV) with Edmonton-based contractor KMC Mining to provide mining services in oil sands to a Canadian energy company. The JV is expected to generate revenue of up to A\$840m over a period of 51 months	OTC	Announced that is successfully completed the \$12m share placement offering through the issue of 44.44m ordinary shares at a price of \$27.0 cents per share. The new funds are expected to be utilised for future acquisitions and expansion opportunities

Source: Thomson Reuters, Company Announcements, LCC research

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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	177	0.40	0.47	0.51	0.38	▲ 16.3%	-----■	17.3x	1,471.4x
ASL.AX	Ausdrill Ltd	492	1.42	1.58	1.55	1.42	▲ 9.0%	■-----	5.7x	12.7x
AAX.AX	Ausenco Ltd	79	0.40	0.40	0.40	0.40	— 0.0%	-----	n.m.	n.m.
ANG.AX	Austin Engineering Ltd	74	0.14	0.14	0.15	0.14	▲ 3.7%	---■---	n.m.	n.m.
BLY.AX	Boart Longyear Ltd	131	0.15	0.14	0.14	0.13	▲ 3.7%	---■---	n.m.	n.m.
BKN.AX	Bradken Ltd	551	2.42	3.22	3.22	2.38	▲ 33.1%	---■---	3.8x	3.8x
BYL.AX	Brierty Ltd	10	0.08	0.08	0.08	0.08	▼ (1.2%)	---■---	n.m.	n.m.
BOL.AX	Boom Logistics Ltd	59	0.13	0.13	0.13	0.13	— 0.0%	---■---	10.2x	n.m.
BSA.AX	BSA Ltd	133	0.31	0.32	0.32	0.30	▼ (1.6%)	---■---	10.1x	23.4x
CDD.AX	Cardno Ltd	422	0.90	0.88	0.90	0.87	▼ (2.2%)	---■---	18.3x	n.m.
CIM.AX	CIMIC Group Ltd	8,864	28.80	27.31	28.60	27.16	▼ (5.0%)	---■---	6.9x	10.8x
DCG.AX	Decmil Group Ltd	179	1.05	1.05	1.05	1.04	▲ 0.5%	---■---	19.0x	71.2x
DSB.AX	Delta SBD Ltd	11	0.23	0.20	0.23	0.20	▼ (9.1%)	---■---	3.5x	6.1x
DOW.AX	Downer EDI Ltd	2,375	5.40	5.59	5.57	5.40	▲ 3.7%	---■---	4.8x	8.9x
EAL.AX	E&A Ltd	12	0.08	0.08	0.08	0.08	— 0.0%	---■---	n.m.	n.m.
EGN.AX	Engenco Ltd	44	0.15	0.14	0.14	0.14	▼ (12.5%)	---■---	6.0x	13.9x
EHL.AX	Emeco Holdings Ltd	40	0.06	0.07	0.07	0.06	▲ 8.2%	---■---	6.9x	n.m.
FWD.AX	Fleetwood Corp Ltd	132	1.95	2.17	2.02	1.93	▲ 11.3%	---■---	12.9x	170.4x
GCS.AX	Global Construction Services Ltd	90	0.45	0.45	0.47	0.45	— 0.0%	---■---	3.7x	6.0x
GNG.AX	GR Engineering Services Ltd	262	1.62	1.72	1.72	1.52	▲ 6.5%	---■---	8.3x	9.0x
HDX.AX	Hughes Drilling Ltd	17	NULL	0.08	0.00	0.00	— 0.0%	---■---	3.1x	7.5x
IMD.AX	Imdex Ltd	160	0.60	0.56	0.59	0.56	▼ (4.3%)	---■---	12.2x	36.5x
LCM.AX	LogiCamms Ltd	30	0.42	0.43	0.43	0.42	▲ 1.2%	---■---	n.m.	n.m.
LYL.AX	Lycopodium Ltd	104	2.62	2.62	2.65	2.56	▼ (9.7%)	---■---	4.8x	5.3x
MLD.AX	MACA Ltd	399	1.72	1.72	1.71	1.67	▼ (1.2%)	---■---	4.9x	22.1x
MAH.AX	Macmahon Holdings Ltd	144	0.13	0.12	0.12	0.12	— 0.0%	---■---	2.3x	16.4x
MYE.AX	Mastermyne Group Ltd	17	0.19	0.19	0.19	0.19	▼ (5.0%)	---■---	8.5x	n.m.
MIN.AX	Mineral Resources Ltd	2,080	11.07	11.12	10.99	10.71	▲ 0.5%	---■---	6.8x	13.1x
MCE.AX	Matrix Composites & Engineering Ltd	40	0.43	0.43	0.44	0.43	▼ (1.1%)	---■---	4.3x	n.m.
MCS.AX	McAleese Ltd	7	NULL	0.03	0.00	0.00	— 0.0%	---■---	12.9x	n.m.
MND.AX	Monadelphous Group Ltd	834	9.09	8.89	9.05	8.84	▼ (2.1%)	---■---	5.6x	6.8x
MRM.AX	MMA Offshore Ltd	136	0.35	0.37	0.35	0.35	▲ 1.4%	---■---	6.3x	n.m.
MSV.AX	Mitchell Services Ltd	44	0.03	0.03	0.03	0.03	▼ (3.2%)	---■---	106.3x	n.m.
NWH.AX	NRW Holdings Ltd	181	0.63	0.57	0.61	0.55	▼ (9.6%)	---■---	5.0x	10.0x
OTR.AX	Onterran Ltd	24	0.42	0.42	0.42	0.42	— 0.0%	---■---	n.m.	n.m.
OTC.AX	OTOC Ltd	86	0.32	0.31	0.31	0.31	— 0.0%	---■---	5.6x	8.9x
PRG.AX	Programmed Maintenance Services Ltd	398	1.62	1.55	1.62	1.54	▼ (4.9%)	---■---	7.9x	11.3x
RCR.AX	RCR Tomlinson Ltd	377	2.82	2.69	2.82	2.58	▼ (4.3%)	---■---	12.3x	30.9x
RDG.AX	Resource Development Group Ltd	18	0.03	0.03	0.03	0.03	▲ 3.7%	---■---	0.3x	0.4x
RUL.AX	Rungepincockminarco Ltd	96	0.50	0.54	0.52	0.50	▲ 7.0%	---■---	n.m.	n.m.
SND.AX	Saunders International Ltd	43	0.57	0.55	0.57	0.55	▼ (3.5%)	---■---	6.8x	8.0x
SSM.AX	Service Stream Ltd	436	1.16	1.20	1.17	1.13	▲ 3.9%	---■---	11.2x	14.1x
SWL.AX	Seymour Whyte Ltd	70	0.79	0.79	0.79	0.78	▲ 0.6%	---■---	6.0x	18.5x
SXE.AX	Southern Cross Electrical Engineering Ltd	91	0.55	0.57	0.58	0.54	▲ 4.6%	---■---	4.2x	7.0x
STS.AX	SRG Ltd	109	1.65	1.70	1.71	1.65	▲ 4.3%	---■---	6.1x	9.7x
SWK.AX	Swick Mining Services Ltd	53	0.26	0.25	0.27	0.25	▼ (2.0%)	---■---	5.3x	n.m.
TPP.AX	Tempo Australia Ltd	52	0.25	0.26	0.27	0.25	▲ 2.0%	---■---	5.4x	5.5x
UGL.AX	UGL Ltd	356	2.14	2.14	2.14	2.11	— 0.0%	---■---	n.m.	n.m.
VMG.AX	VDM Group Ltd	11	0.00	0.00	0.00	0.00	— 0.0%	---■---	n.m.	n.m.
WOR.AX	WorleyParsons Ltd	2,159	8.45	8.77	8.66	8.25	▲ 5.3%	---■---	12.8x	20.7x
WTP.AX	Watpac Ltd	158	0.85	0.85	0.85	0.84	— 0.0%	---■---	(4.0x)	n.m.

Source: Thomson Reuters, LCC research

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