

M&A Rumour and Activity

The Australian market finished the week 1.94% lower with the S&P / ASX 100 ending at 4281 points as investors remained cautious heading into the US presidential election, with a newpoll suggesting that Democratic candidate Hillary Clinton is losing her lead. The Australian dollar increased 0.99% for the week to end at US76.70 cents as the Reserve Bank of Australia held interest rates steady at 1.5%, with indications that further rate cuts are unlikely in the near term.

On 31 October 2016, **Global Construction Services Limited (GCS.AX)** announced that it has completed the sale of its 50% interest in **SmartScaff Pty Ltd** for \$10.5 million in cash. In addition, GCS also received \$7.0 million from SmartScaff as repayment of its outstanding loan with GCS.

Emeco Holdings Limited (EHL.AX) said on 2 November 2016 that under the legally binding restructuring support agreement for the three-way tie-up between Emeco, Orionstone Holdings Pty Ltd ("**Orionstone**") and Andy's Earthmover ("**Andy's**") (the "**Emeco Deal**"), Emeco, Orionstone and Andy's have each agreed to various exclusive arrangements including 'no shop' and 'no talk' restrictions. This announcement was in response to the media speculation regarding an unsolicited proposal for Orionstone. *The Australian Financial Review* reported on 31 October 2016 that Viburnum Funds, an Australian asset manager, has made an unsolicited bid for Orionstone and was seeking to match the terms put to Orionstone's owner under the Emeco Deal. It was also reported that Orionstone is understood to be leaning towards the Emeco Deal.

News Headlines and Key Sector Developments

Ticker	News/Event	Ticker	News/Event
ANG	Awarded several contracts in its Australian operations. Its Perth operations has orders in place for 48 trays with a major iron ore client and its Hunter Valley operations has orders for 20 trays from an OEM and mining contractor	MCE	Announced the re-election of Craig Duncan as a Director of the company
CIM	HLG, a Middle-East based contractor in which CIMIC has a 45% investment, has been awarded a AED490m (\$177m) contract for the construction of the Gate Avenue at DIFC project in Dubai	MIN	Announced the appointment of Tim Roberts as an Independent Non-executive director of the company
CIM	Announced that its subsidiary, Leighton Contractors (Asia) Limited, has agreed to a settlement with Wynn Resorts in relation to the Wynn Palace Macau project	RUL	Issued 3.8m new shares under its share purchase plan at 45 cents per share to raise \$1.7m (before costs)

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	148	0.37	0.38	0.38	0.32	▲ 2.7%	■ ■ ■ ■ ■	15.4x	1,308.6x
ASL.AX	Ausdrill Ltd	364	1.21	1.17	1.27	1.17	▼ (7.5%)	■ ■ ■ ■ ■	4.7x	10.4x
AAX.AX	Ausenco Ltd	79	0.40	0.40	0.40	0.40	— 0.0%	■ ■ ■ ■ ■	n.m.	n.m.
ANG.AX	Austin Engineering Ltd	100	0.20	0.19	0.20	0.17	▼ (3.8%)	■ ■ ■ ■ ■	n.m.	n.m.
BLY.AX	Boart Longyear Ltd	127	0.15	0.14	0.14	0.14	▼ (3.6%)	■ ■ ■ ■ ■	n.m.	n.m.
BKN.AX	Bradken Ltd	547	3.22	3.20	3.22	3.20	▼ (0.6%)	■ ■ ■ ■ ■	3.8x	3.8x
BYL.AX	Brierty Ltd	11	0.10	0.09	0.10	0.09	▼ (5.3%)	■ ■ ■ ■ ■	n.m.	n.m.
BOL.AX	Boom Logistics Ltd	52	0.11	0.11	0.11	0.11	▲ 4.8%	■ ■ ■ ■ ■	9.5x	n.m.
BSA.AX	BSA Ltd	140	0.32	0.33	0.33	0.32	▲ 1.5%	■ ■ ■ ■ ■	10.6x	24.7x
CDD.AX	Cardno Ltd	465	0.94	0.97	0.94	0.91	▲ 3.2%	■ ■ ■ ■ ■	19.9x	n.m.
CIM.AX	CIMIC Group Ltd	9,225	29.00	28.42	29.25	28.08	▼ (2.5%)	■ ■ ■ ■ ■	7.2x	11.3x
DCG.AX	Decmil Group Ltd	169	1.12	1.00	1.11	0.98	▼ (11.9%)	■ ■ ■ ■ ■	18.0x	67.4x
DSB.AX	Delta SBD Ltd	12	0.22	0.22	0.22	0.22	— 0.0%	■ ■ ■ ■ ■	3.9x	6.7x
DOW.AX	Downer EDI Ltd	2,358	5.73	5.55	5.74	5.53	▼ (3.0%)	■ ■ ■ ■ ■	4.7x	8.8x
EAL.AX	E&A Ltd	10	0.08	0.08	0.08	0.08	▼ (5.0%)	■ ■ ■ ■ ■	n.m.	n.m.
EGN.AX	Engenco Ltd	44	0.14	0.14	0.14	0.14	— 0.0%	■ ■ ■ ■ ■	6.0x	13.9x
EHL.AX	Emeco Holdings Ltd	39	0.07	0.07	0.07	0.07	▼ (5.8%)	■ ■ ■ ■ ■	6.9x	n.m.
FWD.AX	Fleetwood Corp Ltd	119	2.00	1.95	1.97	1.91	▼ (3.9%)	■ ■ ■ ■ ■	11.5x	152.7x
GCS.AX	Global Construction Services Ltd	96	0.49	0.48	0.49	0.48	▼ (2.0%)	■ ■ ■ ■ ■	4.0x	6.3x
GNG.AX	GR Engineering Services Ltd	248	1.84	1.63	1.82	1.52	▼ (11.9%)	■ ■ ■ ■ ■	7.7x	8.4x
HDX.AX	Hughes Drilling Ltd	17	0.08	0.08	0.08	0.08	— 0.0%	■ ■ ■ ■ ■	3.1x	7.5x
IMD.AX	Imdex Ltd	198	0.62	0.60	0.60	0.58	— 0.0%	■ ■ ■ ■ ■	14.6x	43.8x
LCM.AX	LogiCamms Ltd	31	0.41	0.40	0.40	0.39	▲ 1.3%	■ ■ ■ ■ ■	n.m.	n.m.
LYL.AX	Lycopodium Ltd	105	2.70	2.65	2.70	2.65	▼ (1.9%)	■ ■ ■ ■ ■	4.9x	5.4x
MLD.AX	MACA Ltd	380	1.73	1.63	1.73	1.45	▼ (8.9%)	■ ■ ■ ■ ■	4.6x	20.8x
MAH.AX	Macmahon Holdings Ltd	108	0.09	0.09	0.09	0.09	▼ (4.3%)	■ ■ ■ ■ ■	1.3x	9.7x
MYE.AX	Mastermyne Group Ltd	26	0.30	0.29	0.30	0.29	▼ (3.3%)	■ ■ ■ ■ ■	11.2x	n.m.
MIN.AX	Mineral Resources Ltd	2,179	11.40	11.65	11.51	11.24	▲ 1.8%	■ ■ ■ ■ ■	7.2x	13.8x
MCE.AX	Matrix Composites & Engineering Ltd	38	0.39	0.41	0.41	0.39	▲ 1.2%	■ ■ ■ ■ ■	4.1x	n.m.
MCS.AX	McAleese Ltd	7	0.03	0.03	0.03	0.03	— 0.0%	■ ■ ■ ■ ■	12.9x	n.m.
MND.AX	Monadelphous Group Ltd	831	9.10	8.85	9.10	8.59	▼ (3.8%)	■ ■ ■ ■ ■	5.5x	6.8x
MRM.AX	MMA Offshore Ltd	103	0.30	0.28	0.30	0.27	▼ (3.5%)	■ ■ ■ ■ ■	5.9x	n.m.
MSV.AX	Mitchell Services Ltd	59	0.04	0.04	0.04	0.04	— 0.0%	■ ■ ■ ■ ■	133.0x	n.m.
NWH.AX	NRW Holdings Ltd	168	0.52	0.53	0.53	0.50	▼ (0.9%)	■ ■ ■ ■ ■	4.7x	9.5x
OTR.AX	Onterran Ltd	23	0.42	0.41	0.42	0.40	▼ (2.4%)	■ ■ ■ ■ ■	n.m.	n.m.
OTC.AX	OTOC Ltd	89	0.29	0.28	0.29	0.27	▼ (3.5%)	■ ■ ■ ■ ■	5.8x	9.1x
PRG.AX	Programmed Maintenance Services Ltd	353	1.50	1.37	1.43	1.36	▼ (5.5%)	■ ■ ■ ■ ■	7.3x	10.5x
RCR.AX	RCR Tomlinson Ltd	329	2.77	2.35	2.63	2.16	▼ (15.5%)	■ ■ ■ ■ ■	11.0x	27.5x
RDG.AX	Resource Development Group Ltd	17	0.03	0.03	0.03	0.03	▲ 3.8%	■ ■ ■ ■ ■	0.2x	0.3x
RUL.AX	Rungepincockminarco Ltd	106	0.52	0.50	0.50	0.49	▼ (3.8%)	■ ■ ■ ■ ■	n.m.	n.m.
SND.AX	Saunders International Ltd	43	0.54	0.53	0.54	0.53	▼ (7.0%)	■ ■ ■ ■ ■	6.6x	7.8x
SSM.AX	Service Stream Ltd	363	1.14	1.00	1.02	0.92	▼ (14.6%)	■ ■ ■ ■ ■	9.1x	11.5x
SWL.AX	Seymour Whyte Ltd	67	0.78	0.76	0.76	0.72	▼ (2.6%)	■ ■ ■ ■ ■	5.6x	17.2x
SXE.AX	Southern Cross Electrical Engineering Ltd	69	0.48	0.43	0.45	0.43	▼ (10.4%)	■ ■ ■ ■ ■	2.3x	3.8x
STS.AX	SRG Ltd	95	1.60	1.48	1.60	1.43	▼ (9.0%)	■ ■ ■ ■ ■	5.2x	8.1x
SWK.AX	Swick Mining Services Ltd	53	0.26	0.25	0.26	0.25	▼ (2.0%)	■ ■ ■ ■ ■	5.3x	n.m.
TPP.AX	Tempo Australia Ltd	44	0.25	0.22	0.25	0.22	▼ (12.0%)	■ ■ ■ ■ ■	4.6x	4.6x
UGL.AX	UGL Ltd	530	3.20	3.18	3.20	3.18	▼ (0.6%)	■ ■ ■ ■ ■	n.m.	n.m.
VMG.AX	VDM Group Ltd	16	0.00	0.00	0.00	0.00	— 0.0%	■ ■ ■ ■ ■	n.m.	n.m.
WOR.AX	WorleyParsons Ltd	1,972	8.28	8.00	8.33	7.93	▼ (6.0%)	■ ■ ■ ■ ■	12.0x	19.4x
WTP.AX	Watpac Ltd	167	0.88	0.90	0.89	0.86	▲ 3.4%	■ ■ ■ ■ ■	(3.5x)	n.m.

Source: Thomson Reuters, LCC research



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