

M&A Rumor and Activity

The Australian market finished the week 0.07% lower with the S&P / ASX 100 ending at 4440 points, as selling in the US and Australian government bonds moderated. Higher bond yields (due to the potential of higher inflation under the next US presidency) has led to losses in the telco, property and utilities sector. The Australian dollar decreased 2.89% for the week to end at US73.32 cents, due to the combination of strong US data as well as a soft local employment and wage numbers.

OTOC Ltd (OTC.AX) has entered into an agreement on 21 November 2016 to acquire Lester Franks Survey & Geographic Pty Ltd, a spatial engineering and surveying business, for up to \$5 million (\$3.1 million in cash, \$0.5 million in shares and a further \$1.4 million in cash subject to achievement of performance milestones). The purchase price represents an acquisition multiple of approximately 4x FY2017 EBITDA.

Australian mining and civil construction firm **BGC Contracting Pty Ltd** said on 15 November 2016 that it has fully acquired the family-owned **DIAB Engineering**, an industrial maintenance and fabrication services business focused on the resource sector, for an undisclosed value.

The Australian Financial Review reported on 16 November 2016 that **Barmenco** has held talks with a number of advisors on the potential refinancing of its US\$300 million debt, which matures in mid-2018.

News Headlines and Key Sector Developments

Ticker	News/Event	Ticker	News/Event
BLY	Released 3Q16 result, with revenue of \$175m (down 6% pcp) and adjusted EBITDA of \$17m (up 456% pcp)	OTR	Issued 90,909 Redeemable Convertible Preference Share (RCPS) at \$0.55 per RCPS as partial settlement of the Couran Cove transaction
CDD	The company will transition to a single interim CEO (Mr Neville Bush), while a permanent CEO is appointed (Mr Gary Jandegian will move back to a non-executive director role)	STS	Awarded a \$24.4M contract with WaterNSW for the specialist dam anchoring works on the Keepit Dam Upgrade Project located near Tamworth in NSW.
GNG	Appointed a lead consultant by Primary Gold Limited for the Scoping Study at the Mount Bund Gold Project in the Northern Territory	SWL	Mr John Seymour has retired as director (Mr John Ready also ceased to be an alternate director)
MAH	Finalised the employment contract with its new CEO, Mr Michael Finnegan	SXE	Its 50%-owned JV, the LNG-focused KSJV, has received over \$60m of orders under its subcontract with Betchel to deliver electrical and instrumentation installation services for the Chevron-operated Wheatstone Project
MCS	The Voluntary Administrators has appointed Mr Harold Keith Price and Mr Maurice Gregory Smith as directors	UGL	Signed a 10-year extension to the existing agreement with GE for the sale and distribution, support and maintenance of locomotives, parts and associated technology and services in Australia
MLD	Awarded an \$8.4m contract for the provision of Resources, Plant, Materials, Traffic Management Services and Minor Works for the Kimberley Region in Western Australia for a period of 2 years (with 2 additional 1 year options to extend worth \$10m)	WOR	Awarded a five-year Engineering, Procurement and Construction Management (EPCM) services contract by Qatar Shell for the Pearl Gas to Liquids (GTL) and associated facilities in Qatar

Source: Thomson Reuters, Company Announcements, LCC research

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	172	0.39	0.44	0.44	0.39	▲ 20.8%	■	16.8x	1,429.9x
ASL.AX	Ausdrill Ltd	393	1.27	1.26	1.26	1.23	▼ (1.9%)	■	4.9x	10.9x
AAX.AX	Ausenco Ltd	79	0.40	0.40	0.40	0.40	— 0.0%	■	n.m.	n.m.
ANG.AX	Austin Engineering Ltd	104	0.20	0.18	0.19	0.17	▼ (10.0%)	■	n.m.	n.m.
BLY.AX	Boart Longyear Ltd	122	0.14	0.13	0.14	0.13	▼ (7.1%)	■	n.m.	n.m.
BKN.AX	Bradken Ltd	659	3.20	3.20	3.20	3.18	▼ (0.3%)	■	4.2x	4.2x
BYL.AX	Brierty Ltd	11	0.09	0.09	0.09	0.09	— 0.0%	■	n.m.	n.m.
BOL.AX	Boom Logistics Ltd	55	0.12	0.12	0.12	0.11	— 0.0%	■	9.8x	n.m.
BSA.AX	BSA Ltd	135	0.32	0.32	0.32	0.31	— 0.0%	■	10.3x	23.8x
CDD.AX	Cardno Ltd	475	1.01	0.99	1.04	0.99	▼ (2.0%)	■	20.3x	n.m.
CIM.AX	CIMIC Group Ltd	10,052	30.99	30.70	30.38	29.53	▼ (0.6%)	■	7.9x	12.3x
DCG.AX	Decmil Group Ltd	189	1.04	1.11	1.07	1.03	▲ 5.7%	■	20.1x	75.4x
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	2,336	5.84	5.50	5.71	5.45	▼ (5.3%)	■	4.7x	8.8x
EAL.AX	E&A Ltd	11	0.08	0.08	0.08	0.08	▲ 3.8%	■	n.m.	n.m.
EGN.AX	Engenco Ltd	47	0.14	0.15	0.14	0.14	— 0.0%	■	6.4x	14.9x
EHL.AX	Emeco Holdings Ltd	43	0.07	0.07	0.07	0.07	▼ (1.4%)	■	6.9x	n.m.
FWD.AX	Fleetwood Corp Ltd	122	1.95	2.00	1.95	1.92	▲ 0.3%	■	11.8x	156.3x
GCS.AX	Global Construction Services Ltd	89	0.49	0.45	0.48	0.45	▼ (9.2%)	■	3.7x	5.9x
GNG.AX	GR Engineering Services Ltd	217	1.66	1.42	1.66	1.40	▼ (15.5%)	■	6.4x	6.9x
HDX.AX	Hughes Drilling Ltd	17	0.08	0.08	0.08	0.08	— 0.0%	■	3.1x	7.5x
IMD.AX	Imdex Ltd	190	0.62	0.58	0.57	0.55	▼ (5.0%)	■	14.1x	42.2x
LCM.AX	LogiCamms Ltd	31	0.38	0.39	0.39	0.38	▲ 2.6%	■	n.m.	n.m.
LYL.AX	Lycopodium Ltd	113	2.79	2.85	2.85	2.78	▲ 2.2%	■	5.5x	6.1x
MLD.AX	MACA Ltd	417	1.74	1.79	1.76	1.71	▲ 2.0%	■	5.1x	23.2x
MAH.AX	Macmahon Holdings Ltd	128	0.11	0.11	0.10	0.10	— 0.0%	■	1.8x	13.1x
MYE.AX	Mastermyne Group Ltd	38	0.34	0.42	0.39	0.32	▲ 27.3%	■	14.7x	n.m.
MIN.AX	Mineral Resources Ltd	2,319	12.61	12.40	12.46	11.73	▼ (0.7%)	■	7.7x	14.7x
MCE.AX	Matrix Composites & Engineering Ltd	34	0.42	0.36	0.42	0.36	▼ (14.3%)	■	3.5x	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	949	10.20	10.11	10.04	9.85	▼ (0.9%)	■	6.6x	8.0x
MRM.AX	MMA Offshore Ltd	112	0.29	0.30	0.30	0.28	▲ 3.4%	■	6.0x	n.m.
MSV.AX	Mitchell Services Ltd	57	0.04	0.04	0.04	0.04	— 0.0%	■	127.6x	n.m.
NWH.AX	NRW Holdings Ltd	167	0.54	0.52	0.52	0.50	▼ (3.7%)	■	4.7x	9.4x
OTR.AX	Onterran Ltd	23	0.42	0.40	0.42	0.40	▼ (4.8%)	■	n.m.	n.m.
OTC.AX	OTOC Ltd	78	0.27	0.24	0.26	0.21	▼ (11.1%)	■	5.0x	8.0x
PRG.AX	Programmed Maintenance Services Ltd	408	1.54	1.59	1.50	1.45	▲ 3.3%	■	8.0x	11.5x
RCR.AX	RCR Tomlinson Ltd	357	2.76	2.55	2.73	2.53	▼ (7.6%)	■	11.8x	29.5x
RDG.AX	Resource Development Group Ltd	18	0.03	0.03	0.03	0.02	▲ 7.7%	■	0.3x	0.4x
RUL.AX	Rungepincockminarco Ltd	112	0.53	0.52	0.53	0.52	▼ (1.9%)	■	n.m.	n.m.
SND.AX	Saunders International Ltd	43	0.52	0.54	0.54	0.51	▲ 3.8%	■	6.8x	8.0x
SSM.AX	Service Stream Ltd	358	1.02	0.98	1.02	0.96	▼ (5.8%)	■	8.9x	11.3x
SWL.AX	Seymour Whyte Ltd	70	0.73	0.80	0.80	0.73	▲ 11.1%	■	6.1x	18.9x
SXE.AX	Southern Cross Electrical Engineering Ltd	73	0.44	0.46	0.48	0.43	▲ 5.7%	■	2.7x	4.5x
STS.AX	SRG Ltd	119	1.85	1.83	1.83	1.80	▲ 1.7%	■	6.7x	10.6x
SWK.AX	Swick Mining Services Ltd	56	0.27	0.27	0.27	0.26	— 0.0%	■	5.5x	n.m.
TPP.AX	Tempo Australia Ltd	47	0.22	0.23	0.24	0.22	▼ (4.2%)	■	4.8x	4.9x
UGL.AX	UGL Ltd	525	3.16	3.15	3.16	3.15	▼ (0.6%)	■	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	2,142	8.70	8.69	8.75	8.49	▼ (0.5%)	■	12.7x	20.6x
WTP.AX	Watpac Ltd	158	0.87	0.85	0.90	0.85	▼ (6.1%)	■	(4.0x)	n.m.

Source: Thomson Reuters, LCC research

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