

M&A Rumor and Activity

The Australian market finished the week 2.74% higher with the S&P / ASX 100 ending at 4562 points, as commodity prices continued to increase and on optimism that oil-producing nations will agree to curb output in the next OPEC meeting. The Australian dollar increased 1.34% for the week to end at USD74.30 cents, mainly due to the sharp increase in iron ore prices over the week.

The Australian Financial Review reported on 28 November 2016 that **MMA Offshore Ltd (MRM.AX)** is considering a restructuring proposal to repair its capital structure and strengthen its balance sheet. MRM is heavily indebted, with AUD318.7 million of long-term debt at 30 June 2016.

The AFR reported on 25 November 2016 that Metrics Credit Partners, a specialist loan fund manager, has acquired another portion of debt in the KKR-backed **Bis Industries**. Metrics Credit Partners previously acquired Mizuho Financial Group's \$46 million exposure for 67 cents in the dollar, and is now the largest debt holder in Bis Industries, owning over 25% of the mine site trucking company's debt. *The AFR* also reported that National Australia Bank has unloaded its \$70 million exposure in Bis Industries at about 64 cents in the dollar to Bank of America Merrill Lynch.

The AFR reported that investment banks are pitching for an eventual IPO for the Gresham Private Equity-backed underground mining services company **Barmenco**, which is currently considering options for its US dollar-denominated debt that matures in 2018. Barmenco is said to have received several proposals for recapitalisation and exit alternatives, which included a proposal for a USD 300 million refinancing deal in 2017 and an eventual exit via an IPO.

Bradken Limited (BKN.AX) said on 21 November 2017 that Hitachi Construction Machinery Co, Ltd ("**HCM**") has received clearance from the Canadian Competition Bureau in relation to HCM's proposed acquisition a controlling interest of up to 100% in Bradken Limited.

On 25 November 2016, **CIMIC Group Limited (CIM.AX)** announced that it has successfully acquired a 50.67% relevant interest in **UGL Limited (UGL.AX)** via its wholly owned subsidiary, CIMIC Group Investments No. 2 Pty Ltd. UGL's board of directors, having considered the matter, now unanimously recommends that UGL's shareholders accept CIM's takeover offer, in the absence of a superior proposal. UGL's board of directors was previously split 4:1 on the matter.

News Headlines and Key Sector Developments

Ticker	News/Event	Ticker	News/Event
ANG	Secured several new orders, including additional orders for 27 trays from a large mining company, 8 trays from a large Canadian miner, 2 trays and a bucket from an OEM, and the sale of 5 trays in Indonesia	LCM	Raised AUD1.2 million from its share purchase plan
ANG	Fully repaid its syndicate debt position and retired the bridging loans put in place in 2016	MND	Secured additional work, including two major awards (with combined value of AUD200 million) in the water infrastructure market: a contract for the design and construction of a major upgrade to Unitywater's Kawana Sewage Treatment Plant in QLD, and expansion to of its existing Network and Facility Renewals Program contract with Sydney Water Corporation
CIM	Secured a AUD530 million contract expansion and extension at the Bayan Resources Group's Melak Coal Mine in East Kalimantan, Indonesia	MRM	Mr Mark Bradley has retired as a director
CIM	CIM's CPB Contractors has been selected by Transurban Queensland as the preferred contractor to design and construct the AUD51.2 million Logan Enhancement project in Queensland	MYE	Awarded a 2-year (with a further 1-year option) contract to supply labour and services to South 32's Illawarra Coal Operations at its Appin Colliery. The contract is expected to generate revenue of c.AUD50 million over the first two-year term of the contract
CIM	CIM's CPB Contractors, in a 50:50 joint venture with UGL Limited, won a AUD127 million contract with Melbourne Water for delivery of a 140ML per day Nutrient Removal Plant (NRP) at Melbourne Water's Western Treatment	PRG	Released 1H16 results of AUD17.9 million in underlying NPAT. Statutory NPAT was AUD3.7 million
DOW	Evolution Rail consortium achieved contractual close on the Victorian Government's AUD2 billion High Capacity Metro Trains (HCMT) project	RUL	Kazzinc, a Glencore majority-owned company, have selected RungePincockMinarco's Enterprise Planning Platform to increase productivity at its zinc mines
EHL	Reached an agreement with Hillgrove Resources Limited, where EHL agreed to defer payments and reduce mining contract charges on the rental agreement between Hillgrove and Andy's Earthmovers	UGL	As part of a 50:50 joint venture with CPB Contractors, has signed a AUD127 million contract with Melbourne Water for the delivery of a 140ML per day Nutrient Removal Plant (NRP) at Melbourne Water's Western Treatment
GCS	Received a letter of intent for the award of a AUD59 million contract by Probuild to supply and install formwork and concrete for the Ritz-Carlton Hotel and The Towers at Elizabeth Quay, Perth		

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	165	0.44	0.43	0.44	0.37	▼ (2.3%)	■ ■ ■	16.5x	1,407.9x
ASL.AX	Ausdrill Ltd	364	1.25	1.17	1.23	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	119	0.18	0.21	0.18	0.18	▲ 13.9%	■ ■ ■ ■	n.m.	n.m.
BLY.AX	Boart Longyear Ltd	113	0.13	0.12	0.13	0.12	▼ (7.7%)	■ ■ ■ ■	n.m.	n.m.
BKN.AX	Bradken Ltd	657	3.18	3.19	3.19	3.18	▼ (0.3%)	■ ■ ■ ■	4.2x	4.2x
BYL.AX	Brierty Ltd	12	0.09	0.10	0.10	0.09	▲ 11.8%	■ ■ ■	n.m.	n.m.
BOL.AX	Boom Logistics Ltd	52	0.11	0.11	0.11	0.11	▼ (4.3%)	■ ■ ■	9.5x	n.m.
BSA.AX	BSA Ltd	133	0.32	0.32	0.31	0.31	▼ (1.6%)	■ ■ ■ ■	10.1x	23.4x
CDD.AX	Cardno Ltd	456	1.01	0.95	0.99	0.95	▼ (4.0%)	■ ■ ■ ■	19.6x	n.m.
CIM.AX	CIMIC Group Ltd	10,184	30.74	31.51	31.39	30.07	▲ 2.6%	■ ■ ■ ■	8.0x	12.5x
DCG.AX	Decmil Group Ltd	195	1.11	1.14	1.12	1.10	▲ 2.3%	■ ■ ■ ■	20.8x	78.0x
DSB.AX	Delta SBD Ltd	11	0.23	0.20	0.23	0.20	▼ (9.3%)	■ ■ ■	3.6x	6.2x
DOW.AX	Downer EDI Ltd	2,472	5.47	5.82	5.76	5.31	▲ 5.8%	■ ■ ■ ■	4.9x	9.2x
EAL.AX	E&A Ltd	10	0.08	0.08	0.08	0.07	▼ (6.2%)	■ ■ ■ ■	n.m.	n.m.
EGN.AX	Engenco Ltd	43	0.14	0.14	0.14	0.14	▼ (6.7%)	■ ■ ■ ■	6.0x	13.9x
EHL.AX	Emeco Holdings Ltd	43	0.07	0.07	0.07	0.07	— 0.0%	■ ■ ■ ■	6.9x	n.m.
FWD.AX	Fleetwood Corp Ltd	118	1.96	1.93	1.96	1.87	▼ (3.3%)	■ ■ ■ ■	11.4x	151.1x
GCS.AX	Global Construction Services Ltd	100	0.46	0.50	0.50	0.46	▲ 12.4%	■ ■ ■ ■	4.1x	6.6x
GNG.AX	GR Engineering Services Ltd	210	1.39	1.38	1.37	1.30	▼ (3.2%)	■ ■ ■ ■	6.1x	6.6x
HDX.AX	Hughes Drilling Ltd	17	0.08	0.08	0.08	0.08	— 0.0%	■ ■ ■ ■	3.1x	7.5x
IMD.AX	Imdex Ltd	182	0.56	0.55	0.55	0.54	▼ (4.3%)	■ ■ ■ ■	13.6x	40.6x
LCM.AX	LogiCamms Ltd	32	0.39	0.39	0.40	0.39	— 0.0%	■ ■ ■ ■	n.m.	n.m.
LYL.AX	Lycopodium Ltd	110	2.85	2.78	2.85	2.78	▼ (2.5%)	■ ■ ■ ■	5.3x	5.8x
MLD.AX	MACA Ltd	378	1.76	1.63	1.74	1.62	▼ (9.2%)	■ ■ ■ ■	4.6x	20.8x
MAH.AX	Macmahon Holdings Ltd	120	0.11	0.10	0.11	0.10	▼ (4.8%)	■ ■ ■ ■	1.7x	11.9x
MYE.AX	Mastermyne Group Ltd	44	0.42	0.48	0.47	0.41	▲ 14.3%	■ ■ ■ ■	16.4x	n.m.
MIN.AX	Mineral Resources Ltd	2,488	12.30	13.30	13.24	12.20	▲ 7.3%	■ ■ ■ ■	8.3x	15.9x
MCE.AX	Matrix Composites & Engineering Ltd	36	0.36	0.38	0.39	0.36	▲ 5.6%	■ ■ ■ ■	3.8x	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	1,053	10.13	11.22	11.06	10.13	▲ 11.0%	■ ■ ■ ■	7.5x	9.1x
MRM.AX	MMA Offshore Ltd	112	0.30	0.30	0.29	0.28	— 0.0%	■ ■ ■ ■	6.0x	n.m.
MSV.AX	Mitchell Services Ltd	68	0.04	0.05	0.04	0.04	▲ 21.1%	■ ■ ■ ■	149.0x	n.m.
NWH.AX	NRW Holdings Ltd	172	0.52	0.54	0.52	0.49	▲ 2.9%	■ ■ ■ ■	4.8x	9.6x
OTR.AX	Onterran Ltd	22	0.40	0.39	0.40	0.39	▼ (2.5%)	■ ■ ■ ■	n.m.	n.m.
OTC.AX	OTOC Ltd	84	0.24	0.26	0.26	0.24	▲ 8.3%	■ ■ ■ ■	5.4x	8.6x
PRG.AX	Programmed Maintenance Services Ltd	419	1.58	1.63	1.71	1.57	▲ 2.8%	■ ■ ■ ■	6.7x	10.2x
RCR.AX	RCR Tomlinson Ltd	333	2.52	2.38	2.45	2.33	▼ (6.7%)	■ ■ ■ ■	11.1x	27.8x
RDG.AX	Resource Development Group Ltd	20	0.03	0.03	0.03	0.03	▲ 14.3%	■ ■ ■ ■	0.4x	0.6x
RUL.AX	Rungepincockminarco Ltd	114	0.52	0.54	0.54	0.51	▲ 3.8%	■ ■ ■ ■	n.m.	n.m.
SND.AX	Saunders International Ltd	42	0.54	0.53	0.54	0.52	▼ (1.9%)	■ ■ ■ ■	6.6x	7.8x
SSM.AX	Service Stream Ltd	365	0.98	1.00	0.95	0.83	▲ 2.0%	■ ■ ■ ■	9.1x	11.6x
SWL.AX	Seymour Whyte Ltd	73	0.80	0.83	0.83	0.76	▲ 3.7%	■ ■ ■ ■	6.5x	20.2x
SXE.AX	Southern Cross Electrical Engineering Ltd	80	0.46	0.50	0.49	0.46	▲ 8.7%	■ ■ ■ ■	3.2x	5.4x
STS.AX	SRG Ltd	113	1.83	1.76	1.77	1.63	▼ (3.8%)	■ ■ ■ ■	6.4x	10.1x
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	46	0.23	0.23	0.23	0.22	— 0.0%	■ ■ ■ ■	4.8x	4.9x
UGL.AX	UGL Ltd	525	3.15	3.16	3.15	3.15	▲ 0.2%	■ ■ ■ ■	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	2,267	8.65	9.20	9.01	8.58	▲ 5.9%	■ ■ ■ ■	13.3x	21.5x
WTP.AX	Watpac Ltd	162	0.85	0.87	0.85	0.83	▲ 2.4%	■ ■ ■ ■	(3.8x)	n.m.

Source: Thomson Reuters, LCC research



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