

## M&A Rumor and Activity

The Australian market finished the week 1.64% higher with the S&P / ASX 100 ending at 4773 points mainly due to a strong performance in the telco, healthcare and banking sectors. The Australian dollar increased 4.16% for the week to end at US72.91 cents, as the US dollar weakened to a three-week low.

**Emeco Holdings Limited (EHL.AX)** announced on 3 January 2017 that it had obtained the support of noteholders who had initially not supported the recapitalisation of Emeco and the merger with Orionstone and Andy's Equipment ("Noteholders"). The Company said that all parties related to the initial restructuring support agreement dated 23 September 2016 had signed a restated restructuring and support agreement ("Revised RSA") on 30 December 2016. The Revised RSA includes certain amendments to the initial transaction, which include the sub-underwriting of remaining \$10 million of Emeco's \$20 million pro rata rights issue by the Noteholders, the right to appoint a director, and change in post-transaction shareholding structure (increase in the Noteholders' shareholding from 11% to 15%).

**Imdex Limited (IMD.AX)** said on 28 December 2016 that it has executed a binding Sale and Purchase Agreement with Vautron Holdings Pty Ltd for the sale of Wildcat Chemicals Australia Pty Ltd for \$3.5 million.

*The Australian Financial Review* reported that Morris Corp, which provides worker accommodation services and runs mining camps, is up for sale. The business, which is 50% owned by Catalyst Investment Management, is reportedly worth around \$150 million.

## News Headlines and Key Sector Developments

Ticker	News/Event	Ticker	News/Event
ASL	Its wholly owned subsidiary, <b>African Mining Services</b> , has been awarded a contract to provide mining services at the Yanfoila gold mine for Hummingbird Resources. The contract is expected to generate revenue of \$147m over a three year term	IMD	Successfully secured a \$30m facility with Bankwest with an interest rate of less than 5% to replace the Bain Capital facility, which attracted an effective interest rate of 10.75%. The facility has been partially drawn down to pay Bain Capital in full
ASL	Its wholly owned subsidiary, <b>African Mining Services</b> , has received a letter of Intent from <b>Semafo Boungou S.A.</b> for the award of a mining contract at its Natougou project in Burkina Faso, West Africa. The contract is expected to generate revenue of c.\$370m over a five year term	RCR	Awarded an EPC contract worth over \$155m with Sun Metals Corporation, a subsidiary of Korea Zinc Company, for the Sun Metals Solar Farm located at Townsville in Queensland. RCR will install over 1 million PV solar panels on fixed mounting structures across the site and provide a 33Kv overhead transmission line from the solar farm to the existing substation
BLY	Entered into a \$20m credit facility with Centerbridge Partners L.P maturing on 31 Dec 2020. The facility has been established to support the ongoing restructuring discussions with company's lenders, and to provide additional working capital for the first quarter of 2017	MIN	Announced that its operating partner <b>BC Iron Limited (BCI.AX)</b> has secured all approvals for below water table mining at the Iron Valley Mine. MIN now has access to the entire Iron Valley Ore Reserves of 123.2Mt1 and can significantly extend the mine life at current production rates of around 7Mt/pta
DCG	Awarded a c.\$50m contract with RCA Weipa Pty Ltd, a wholly owned subsidiary of Rio Tinto Ltd. The contract scope includes the design, fabrication, supply, delivery, construction, installation, testing and commissioning of the Mine Infrastructure Area at the Amrun project, 40kms south of Weipa, Queensland	MND	Announced that all parties involved in the XEPT transaction have agreed to satisfy all conditions precedent in relation to the transaction, by a revised date of 31 March 2017 (previously 31 Dec 2016). Any party may terminate the Tripartite Deed of Sale and Cooperation if the conditions precedent are not met by the revised date
DOW	Awarded an EPC and O&M contract valued at c.A\$190m by Fotowatio Renewable Venture for the Clare Solar Farm in north Queensland	UGL	Announced it will be removed from the official list of ASX at close of trading on 3 Jan 2017

Source: Thomson Reuters, Company Announcements, LCC research

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The table below is for the period from 19 December 2016 to 6 January 2017.

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	161	0.38	0.41	0.42	0.37	▲ 10.8%	█	16.1x	1,374.8x
ASL.AX	Ausdrill Ltd	409	1.34	1.31	1.22	1.15	▲ 4.8%	█	5.0x	11.2x
AAX.AX	Ausenco Ltd	79	0.40	0.40	0.40	0.40	— 0.0%	█	n.m.	n.m.
ANG.AX	Austin Engineering Ltd	116	0.20	0.20	0.19	0.19	▲ 5.3%	█	n.m.	n.m.
BLY.AX	Boart Longyear Ltd	118	0.13	0.13	0.13	0.12	▼ (3.8%)	█	n.m.	n.m.
BKN.AX	Bradken Ltd	663	3.19	3.22	3.20	3.19	▲ 0.9%	█	3.8x	4.6x
BYL.AX	Brierty Ltd	15	0.14	0.12	0.14	0.12	▼ (11.1%)	█	n.m.	n.m.
BOL.AX	Boom Logistics Ltd	50	0.11	0.11	0.11	0.10	— 0.0%	█	9.3x	n.m.
BSA.AX	BSA Ltd	159	0.35	0.38	0.36	0.34	▲ 7.1%	█	15.4x	53.8x
CDD.AX	Cardno Ltd	499	0.95	1.04	0.95	0.92	▲ 9.5%	█	21.2x	n.m.
CIM.AX	CIMIC Group Ltd	11,618	33.58	35.61	33.77	32.10	▲ 6.8%	█	9.1x	14.2x
DCG.AX	Decmil Group Ltd	180	1.03	1.05	1.03	1.02	▲ 2.4%	█	18.6x	72.0x
DSB.AX	Delta SBD Ltd	15	0.27	0.27	0.30	0.23	▼ (12.9%)	█	4.0x	6.3x
DOW.AX	Downer EDI Ltd	2,680	6.03	6.31	6.14	6.01	▲ 0.6%	█	5.2x	9.7x
EAL.AX	E&A Ltd	10	0.07	0.07	0.07	0.06	▲ 7.7%	█	7,441.5x	n.m.
EGN.AX	Engenco Ltd	47	0.15	0.15	0.15	0.14	— 0.0%	█	5.3x	14.9x
EHL.AX	Emeco Holdings Ltd	41	0.08	0.07	0.07	0.06	▲ 1.5%	█	7.0x	n.m.
FWD.AX	Fleetwood Corp Ltd	120	1.96	1.97	1.95	1.95	— 0.0%	█	11.6x	154.3x
GCS.AX	Global Construction Services Ltd	116	0.57	0.58	0.58	0.56	▲ 1.8%	█	4.7x	7.5x
GNG.AX	GR Engineering Services Ltd	216	1.37	1.41	1.33	1.31	▲ 4.4%	█	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	205	0.56	0.62	0.56	0.54	▲ 10.7%	█	4.7x	6.0x
LCM.AX	LogiCamms Ltd	33	0.37	0.41	0.38	0.37	▲ 8.0%	█	n.m.	n.m.
LYL.AX	Lycopodium Ltd	109	2.70	2.73	2.70	2.65	▲ 1.1%	█	5.1x	5.7x
MLD.AX	MACA Ltd	401	1.62	1.71	1.67	1.59	▲ 7.9%	█	4.9x	22.2x
MAH.AX	Macmahon Holdings Ltd	121	0.10	0.10	0.10	0.10	— 0.0%	█	2.2x	n.m.
MYE.AX	Mastermyne Group Ltd	35	0.43	0.39	0.44	0.39	▼ (6.1%)	█	13.8x	n.m.
MIN.AX	Mineral Resources Ltd	2,321	12.28	12.41	11.66	11.54	▲ 4.6%	█	7.6x	14.6x
MCE.AX	Matrix Composites & Engineering Ltd	40	0.38	0.42	0.39	0.38	▲ 10.5%	█	4.2x	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	1,048	11.06	11.17	10.90	10.61	▲ 0.3%	█	7.4x	9.1x
MRM.AX	MMA Offshore Ltd	104	0.28	0.28	0.28	0.27	▲ 1.8%	█	5.9x	n.m.
MSV.AX	Mitchell Services Ltd	55	0.04	0.04	0.04	0.04	▲ 2.8%	█	125.0x	n.m.
NWH.AX	NRW Holdings Ltd	235	0.67	0.73	0.64	0.61	▲ 12.3%	█	6.1x	12.2x
OTR.AX	Onterran Ltd	24	0.41	0.38	0.40	0.37	▼ (6.3%)	█	n.m.	n.m.
OTC.AX	Veris Ltd	78	0.24	0.24	0.24	0.24	▼ (4.0%)	█	5.0x	8.0x
PRG.AX	Programmed Maintenance Services Ltd	493	1.90	1.92	1.85	1.81	▲ 3.0%	█	7.4x	11.3x
RCR.AX	RCR Tomlinson Ltd	365	2.76	2.61	2.66	2.61	▼ (5.1%)	█	12.2x	31.5x
RDG.AX	Resource Development Group Ltd	21	0.03	0.03	0.03	0.03	▲ 17.9%	█	0.5x	0.6x
RUL.AX	Rungepincockminarco Ltd	121	0.54	0.57	0.55	0.54	▲ 4.6%	█	n.m.	n.m.
SND.AX	Saunders International Ltd	49	0.59	0.61	0.61	0.59	▲ 1.7%	█	8.1x	9.5x
SSM.AX	Service Stream Ltd	387	0.98	1.06	1.05	0.94	▲ 11.6%	█	9.8x	12.3x
SWL.AX	Seymour Whyte Ltd	79	0.89	0.90	0.89	0.84	— 0.0%	█	7.4x	22.9x
SXE.AX	Southern Cross Electrical Engineering Ltd	82	0.54	0.52	0.53	0.50	▼ (6.4%)	█	3.4x	5.7x
STS.AX	SRG Ltd	96	1.54	1.50	1.55	1.50	▼ (2.0%)	█	5.2x	8.2x
SWK.AX	Swick Mining Services Ltd	63	0.26	0.30	0.26	0.25	▲ 17.6%	█	6.1x	n.m.
TPP.AX	Tempo Australia Ltd	61	0.20	0.26	0.23	0.19	▲ 37.8%	█	6.5x	6.6x
UGL.AX	UGL Ltd	629	3.15	3.71	3.15	3.12	▲ 17.4%	█	10.4x	17.2x
VMG.AX	VDM Group Ltd	6	0.00	0.00	0.00	0.00	▼ (33.3%)	█	n.m.	n.m.
WOR.AX	WorleyParsons Ltd	2,515	9.69	10.20	9.73	9.49	▲ 5.5%	█	8.1x	10.3x
WTP.AX	Watpac Ltd	145	0.89	0.78	0.86	0.75	▼ (9.3%)	█	(4.7x)	n.m.

Source: Thomson Reuters, LCC research

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