



Australian Engineering, Contractors & Service Providers

Edition 206 for the week ending 14 April 2017 | Published 18 April 2017

WWW.LCCAPAC.COM

M&A Rumour and Activity

The Australian market finished the week 0.47% higher with the S&P/ASX200 ending at 5890 points, buoyed by the strong performance from the gold miners following the increase in gold prices in the midst of geopolitical tensions concerning the USA, Russia, Syria and North Korea. The Australian dollar increased 1.03% for the week to end at US75.72 cents, boosted by better than expected domestic jobs data as well as a slump in the US dollar following reports that US President Donald Trump said that the greenback was 'getting too strong'.

Hitachi Construction Machinery Co., Ltd. (HCM) announced on 10 April 2017 that its takeover offer for **Bradken Limited (BKN.AX)** had closed on 7 April 2017, with final acceptances taking HCM's interest in BKN to approximately 92.8%. As previously announced on 31 March 2017, HCM has commenced the process to compulsorily acquire all of the outstanding shares of BKN.

Global Construction Services (GCS.AX) announced on 10 April 2017 that it has signed a business sale agreement and conditional offer to acquire 100% of the business and assets of Melbourne-based **Summit Formwork (Aust) Pty Ltd** and **Summit Investment Services Pty Ltd** for \$18.4 million (comprising \$7.4 million in cash, \$5.5 million in shares and the balance of \$5.5 million subject to a cash earn-out arrangement based on achieving EBITDA targets over the next three years ranging between \$4.3 million and \$6 million per annum). Summit is a provider of construction services specialising in formwork, concreting and reinforcement to major commercial, residential and retail development projects in Victoria.

On 12 April 2017, **Spotless Group Holdings Ltd (SPO.AX)** advised its shareholders to 'take no action' in relation to Downer EDI Ltd (DOW.AX)'s takeover offer for Spotless. Spotless also indicated that it is advancing discussions in respect of a potential superior proposal. On 10 April 2017, the Takeovers Panel has declined to conduct proceedings on an application dated 31 March 2017 from Spotless in relation to the takeover bid from Downer, as Downer has agreed to provide additional disclosure in a replacement bidder's statement.

It was reported by *The Australian Financial Review* that Gresham Private Equity-backed **Barmenco** has raised US\$350 million in a refinancing deal, which may be a precursor to an initial public offering of the underground miner later this year.

The Australian Financial Review reported that Dubai-based Dar Group is understood to have acquired another \$175 million worth of **WorleyParsons Ltd (WOR.AX)**'s shares, taking its stake in WOR to 19.99%, the most it can own without making a takeover offer.

And the most important news of the week was that the LCC Asia Pacific 12 Foot Skiff piloted by Jonathan Temple and crewed by Richard Jones came third in the Australian titles held over the Easter weekend. Well done lads !

News Headlines and Key Sector Developments

Ticker	News/Event	Ticker	News/Event
AJL	Announced that the UK High Court has given a green light to Caudrilla's planning consent for its shale gas exploration site at Preston New Road, Lancashire. AJL has an effective 47% interest in the Bowland tenement which encompasses the Preston New Road site	CIM	Announced that Thiess has secured a mining services contract with MACH Energy's new Mount Pleasant coal mine in Australia's Hunter Valley region in NSW. The contract will generate revenue of approximately \$500 million.
CIM	Announced that Leighton Asia, has been selected by IKEA Group to construct its first retail outlet in Hyderabad, India. The contract will generate revenue of approximately \$70 million	CIM	Announced 1QFY17 results with revenue of \$3 billion (up 25% yoy) and NPAT of \$160 million (up 23% yoy)
CIM	Announced that Leighton Asia has been issued a Letter of Award by Vipul Limited to deliver phase one of the Vipul Aarohan Residences project in Gurgaon, India. The \$125 million project will generate revenue of approximately \$108 million	GNG	Announced that the construction works in relation to the Cosmic Boy Mill Recovery Enhancement Project have been approved by Western Areas Limited (WSA.AX)
CIM	Announced that CPB Contractors has been selected by Corrective Services NSW to deliver infrastructure upgrades at the Junee Correctional Centre. The design and construct contract will generate revenue of approximately \$134 million	OTR	Announced the extension of its current voluntary suspension in respect to all of its securities quoted on the ASX, pending completion of the divestments of the Bloomer and McGrath subsidiaries and a trading update
CIM	Announced that Pacific Partnerships and CPB Contractors have been awarded the third New Zealand Schools PPP initiative by the New Zealand Government. The design and construct contract will generate revenue of approximately \$103 million	SSM	Announced that it has successfully secured a further two-year term contract with Vodafone Hutchison Australia (VHA) for the provision of wireless design and construction services. SSM estimates the contract to generate revenue of approximately \$40-50 million

Source: Thomson Reuters, Company Announcements, LCC research

LCC APAC
CONTRIBUTESBloomberg
{LCCA<GO>}

FACTSET



IMPORTANT DISCLAIMER: This report has been prepared by LCC Asia Pacific Pty. Limited ("LCC"). The research is based on information obtained from sources believed to be accurate and reliable. LCC does not guarantee the accuracy, reliability, completeness or suitability of any such information and makes no warranty, guarantee or representation, expressly or impliedly about this research. LCC accepts no obligation to correct or update the information. No opinion or recommendation is made within this research. This report is not intended to be, nor should it be relied on, as a substitute for professional advice. This report should not be relied upon as the sole basis for any investment decision or planning, and LCC does not accept any responsibility on this basis for actions made.



Australian Engineering, Contractors & Service Providers

Edition 206 for the week ending 14 April 2017 | Published 18 April 2017

WWW.LCCAPAC.COM

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
Engineering Services										
AJL.AX	AJ Lucas Group Ltd	116	0.30	0.30	0.35	0.30	— 0.0%	■ ■ ■	30.7x	n.m.
BOL.AX	Boom Logistics Ltd	54	0.12	0.12	0.12	0.11	— 0.0%	■ ■ ■	12.1x	n.m.
BSA.AX	BSA Ltd	152	0.36	0.36	0.36	0.35	— 0.0%	■ ■ ■	18.7x	103.6x
BYL.AX	Brierty Ltd	12	0.11	0.10	0.10	0.09	▼ (7.6%)	■ ■ ■	n.m.	n.m.
CDD.AX	Cardno Ltd	633	1.40	1.32	1.35	1.31	▼ (5.7%)	■ ■ ■	47.1x	n.m.
CIM.AX	CIMIC Group Ltd	11,736	36.56	36.42	36.37	36.21	▲ 0.00	■ ■ ■ ■	11.4x	17.1x
DCG.AX	Decmil Group Ltd	156	0.95	0.91	0.91	0.90	▼ (4.2%)	■ ■ ■ ■	69.8x	n.m.
DOW.AX	Downer EDI Ltd	3,211	5.55	5.40	5.55	5.39	▼ (2.2%)	■ ■ ■ ■	6.6x	12.2x
EAL.AX	E&A Ltd	7	0.05	0.05	0.05	0.05	▲ 10.2%	■ ■ ■	n.m.	n.m.
EGN.AX	Engenco Ltd	56	0.19	0.18	0.20	0.18	▼ (5.3%)	■ ■ ■	5.5x	10.1x
GCS.AX	Global Construction Services Ltd	116	0.59	0.58	0.58	0.57	▲ 0.9%	■ ■ ■ ■	3.3x	4.5x
GNG.AX	GR Engineering Services Ltd	241	1.57	1.58	1.57	1.50	▲ 1.0%	■ ■ ■ ■	8.4x	9.1x
LCM.AX	LogiCamms Ltd	29	0.36	0.36	0.37	0.36	— 0.0%	■ ■ ■ ■	n.m.	n.m.
LLC.AX	LendLease Group	9,219	15.71	15.80	15.84	15.67	▲ 0.01	■ ■ ■ ■	12.0x	13.4x
LYL.AX	Lycopodium Ltd	129	3.16	3.25	3.25	3.16	▲ 4.2%	■ ■ ■ ■	2.5x	2.7x
MCE.AX	Matrix Composites & Engineerin	50	0.53	0.54	0.56	0.53	▲ 0.9%	■ ■ ■ ■	5.8x	n.m.
MND.AX	Monadelphous Group Ltd	1,151	12.15	12.26	12.40	12.02	▼ (1.0%)	■ ■ ■ ■	9.2x	11.4x
OTR.AX	Onterran Ltd	20	0.32	0.32	0.32	0.32	— 0.0%	■ ■ ■ ■	n.m.	n.m.
RCR.AX	RCR Tomlinson Ltd	423	3.07	3.02	3.07	2.90	▼ (1.9%)	■ ■ ■ ■	17.2x	67.1x
RDG.AX	Resource Development Group L	13	0.02	0.02	0.02	0.02	▲ 11.1%	■ ■ ■ ■	0.0x	0.0x
SND.AX	Saunders International Ltd	47	0.53	0.55	0.55	0.51	▲ 5.8%	■ ■ ■ ■	12.2x	15.8x
SSM.AX	Service Stream Ltd	449	1.22	1.23	1.18	1.14	▲ 1.7%	■ ■ ■ ■	9.8x	11.8x
SWL.AX	Seymour Whyte Ltd	112	1.28	1.28	1.28	1.26	— 0.0%	■ ■ ■ ■	15.5x	77.8x
SXE.AX	Southern Cross Electrical Engine	78	0.50	0.49	0.49	0.48	▼ (2.0%)	■ ■ ■ ■	11.0x	n.m.
STS.AX	SRG Ltd	89	1.39	1.40	1.44	1.35	▼ (0.7%)	■ ■ ■ ■	4.8x	7.3x
TPP.AX	Tempo Australia Ltd	45	0.19	0.19	0.19	0.19	— 0.0%	■ ■ ■ ■	3.1x	3.2x
VMG.AX	VDM Group Ltd	5	0.00	0.00	0.00	0.00	— 0.0%	■ ■ ■ ■	n.m.	n.m.
VRS.AX	Veris Ltd	45	0.15	0.14	0.15	0.14	▼ (6.7%)	■ ■ ■ ■	4.0x	9.5x
WOR.AX	WorleyParsons Ltd	2,897	11.34	11.73	11.60	11.29	▲ 6.3%	■ ■ ■ ■	10.7x	14.2x
Mining Services										
ASL.AX	Ausdrill Ltd	434	1.37	1.39	1.37	1.35	▲ 2.2%	■ ■ ■ ■	5.1x	10.7x
ANG.AX	Austin Engineering Ltd	98	0.17	0.17	0.17	0.17	— 0.0%	■ ■ ■ ■	n.m.	n.m.
BLY.AX	Boart Longyear Ltd	47	0.05	0.05	0.05	0.05	▼ (5.8%)	■ ■ ■ ■	32.5x	n.m.
BKN.AX	Bradken Ltd	672	3.21	3.24	3.21	3.21	— 0.0%	■ ■ ■ ■	8.0x	8.0x
DSB.AX	Delta SBD Ltd	8	0.17	0.14	0.15	0.14	— 0.0%	■ ■ ■ ■	72.6x	n.m.
EHL.AX	Emeco Holdings Ltd	69	0.08	0.09	0.09	0.08	▲ 3.5%	■ ■ ■ ■	6.3x	128.8x
IMD.AX	Imdex Ltd	226	0.65	0.62	0.63	0.61	▼ (3.9%)	■ ■ ■ ■	11.6x	28.1x
MAH.AX	Macmahon Holdings Ltd	197	0.17	0.17	0.16	0.16	▲ 3.1%	■ ■ ■ ■	6.2x	n.m.
MIN.AX	Mineral Resources Ltd	1,934	11.21	10.34	11.40	10.25	▼ (6.8%)	■ ■ ■ ■	4.3x	6.6x
MLD.AX	MACA Ltd	389	1.65	1.66	1.66	1.60	▲ 0.6%	■ ■ ■ ■	4.2x	14.5x
MSV.AX	Mitchell Services Ltd	44	0.03	0.03	0.03	0.03	▼ (3.2%)	■ ■ ■ ■	19.1x	n.m.
MYE.AX	Mastermyne Group Ltd	27	0.32	0.30	0.32	0.30	▼ (6.3%)	■ ■ ■ ■	28.2x	n.m.
NWH.AX	NRW Holdings Ltd	183	0.62	0.57	0.61	0.56	▼ (7.3%)	■ ■ ■ ■	4.2x	8.1x
RUL.AX	RPMGlobal Holdings Ltd	127	0.60	0.60	0.60	0.59	— 0.0%	■ ■ ■ ■	n.m.	n.m.
SWK.AX	Swick Mining Services Ltd	61	0.29	0.29	0.30	0.29	— 0.0%	■ ■ ■ ■	5.6x	n.m.
VMX.AX	Valmec Ltd	11	0.15	0.14	0.15	0.14	▼ (3.4%)	■ ■ ■ ■	6.2x	12.2x
Marine Services										
ASB.AX	Austal Ltd	592	1.68	1.71	1.69	1.68	▲ 0.01	■ ■ ■ ■	n.m.	n.m.
MBO.AX	Mobilarm Ltd	12	0.02	0.03	0.02	0.02	— 0.0%	■ ■ ■ ■	62.0x	n.m.
MRM.AX	MMA Offshore Ltd	80	0.23	0.215	0.22	0.22	▼ (6.5%)	■ ■ ■ ■	33.4x	n.m.
NMS.AX	Neptune Marine Services Ltd	57	0.95	0.935	0.95	0.88	▼ (1.6%)	■ ■ ■ ■	94.8x	n.m.
VEE.AX	VEEM Ltd	87	0.63	0.67	0.65	0.63	▲ 6.3%	■ ■ ■ ■	10.2x	12.6x
ZGL.AX	Zicom Group Ltd	30	0.15	0.14	0.15	0.14	▼ (3.4%)	■ ■ ■ ■	n.m.	n.m.
Facilities Management										
AEI.AX	Aeris Environmental Ltd	47	0.30	0.30	0.30	0.30	— 0.00	■ ■ ■ ■	n.m.	n.m.
GMG.AX	Goodman Group Pty Ltd	14,903	8.08	8.33	8.21	8.05	▲ 0.04	■ ■ ■ ■	52.8x	52.8x
HIL.AX	Hills Ltd	39	0.20	0.17	0.19	0.17	▼ -0.13	■ ■ ■ ■	7.3x	36.2x
MIL.AX	Millennium Services Group Ltd	82	1.65	1.80	1.69	1.59	▲ 0.09	■ ■ ■ ■	12.0x	15.0x
PRG.AX	Programmed Maintenance Serv	466	1.81	1.81	1.82	1.78	▲ 0.00	■ ■ ■ ■	7.2x	10.9x
SKS.AX	Stokes Ltd	10	0.33	0.33	0.33	0.33	— 0.00	■ ■ ■ ■	21.6x	28.2x
SPO.AX	Spotless Group Holdings Ltd	1,214	1.09	1.11	1.09	1.08	▲ 0.02	■ ■ ■ ■	7.3x	12.2x
TPS.AX	Threat Protect Australia Ltd	20	0.03	0.03	0.03	0.03	▲ 0.12	■ ■ ■ ■	26.0x	52.8x
UBN.AX	Urbanise com Ltd	34	0.10	0.10	0.10	0.10	▼ -0.03	■ ■ ■ ■	n.m.	n.m.

Source: Thomson Reuters, LCC research

LCC APAC
CONTRIBUTESBloomberg
{LCCA<GO>}

FACTSET

S&P
CAPITAL IQ
MCGRAW HILL FINANCIAL

Stay in the know, in real-time
@MergerNews

IMPORTANT DISCLAIMER: This report has been prepared by LCC Asia Pacific Pty. Limited ("LCC"). The research is based on information obtained from sources believed to be accurate and reliable. LCC does not guarantee the accuracy, reliability, completeness or suitability of any such information and makes no warranty, guarantee or representation, expressly or impliedly about this research. LCC accepts no obligation to correct or update the information. No opinion or recommendation is made within this research. This report is not intended to be, nor should it be relied on, as a substitute for professional advice. This report should not be relied upon as the sole basis for any investment decision or planning, and LCC does not accept any responsibility on this basis for actions made.