



Australian Engineering, Contractors & Service Providers

Edition 212 for the week ending 26 May 2017 | Published 29 May 2017

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Market Performance - Overview

Index	Percentage change			Fixed Income	Yield	Percentage change		
	Week	YTD	12 months			Week	YTD	12 months
(Australia) S&P / ASX200	0.4%	1.5%	6.7%	(Australia) 2-year gov bonds	1.68%	1.58%	(3.5%)	(17.3%)
(Japan) Topix	0.6%	3.3%	16.9%	(Australia) 5-year gov bonds	2.14%	1.95%	(4.7%)	(16.1%)
(Singapore) FTSE Strait Times Index	0.1%	11.8%	16.1%	(Australia) 10-year gov bonds	2.64%	2.42%	(3.2%)	(12.8%)
(Hong Kong) Hang Seng	1.8%	16.5%	25.7%					
(South Korea) Kospi 200	3.0%	18.1%	27.6%					
(US) S&P 500	1.4%	7.9%	15.6%					
(US) Dow Jones Industrial	1.3%	6.7%	18.2%					
(UK) FTSE 100	1.0%	5.7%	20.5%					
					Rate	Week	YTD	12-months
				AUD to USD	0.7446	(0.2%)	3.2%	0.7446

M&A Rumour and Activity

The Australian market finished the week 0.42% higher with the S&P/ASX200 ending at 5752 points, uplifted by the resources sector on positive movements in certain commodity prices (and Miners). The Australian dollar finished the week 0.17% lower to end at US74.46 cents amid soft economic data, with a deeper than expected fall in construction data as well as indications of a slowing consumer spending.

Downer EDI Ltd (DOW.AX) announced on 23 May 2017 that the Takeover Panel has declined to make a declaration of unacceptable circumstances in response to an application dated 3 May 2017 regarding Spotless Group Holdings Limited.

Spotless Group Holdings (SPO.AX) on 25 May 2017 recommended to its shareholders to reject the current takeover offer from Downer EDI Ltd. SPO's chairman, Garry Hounsell said, "The Board's considered view remains that the Downer Offer of \$1.15 per share does not represent adequate value for Spotless".

Swick Mining Services (SWK.AX) announced on 25 May 2017 that it had acquired the minority shareholder's stake in **Orexplore**, a mineral analysis and measurement technology company for \$2.9 million, raising SWK's stake in Orexplore to 100%. SWK further announced a share placement to institutional and sophisticated investors to raise \$4.9 to help fund the commercialisation phase of the Orexplore business.

News Headlines and Key Sector Developments

Ticker	News/Event	Ticker	News/Event
ASB	Announced that the Independence variant Littoral Combat Ship 12 (LCS), the future "USS Omaha", has successfully completed United States Navy (USN) acceptance trials. Omaha is the 6th Independence variant LCS to be designed and built by Austal USA, Omaha in Mobile, under a current contract with the USN for 11 LCS vessels, valued at over US\$3.5 billion	SPO	Announced that Slater & Gordon filed a class action proceeding against SPO. The claim includes allegations of contraventions of the Corporations Act 2001, in relation to misleading or deceptive conduct and continuous disclosure obligations. SPO denies the allegations
ANG	Announced that a fatal accident occurred at its facility located in Chile which resulted in a casualty	SWK	Announced that its securities on the ASX had been placed in a trading halt, pending an announcement regarding a proposed capital raising. Further, SWK reported 3QFY17 financial result with revenue (unaudited) of \$29.4 million (up 3% from pcp)
GMG	S&P upgraded GMG's credit rating to BBB+, while Moody's upgraded it to Baa1. GMG also confirmed its lower gearing target, now 0-25% (from 25-35% previously)	SXE	Announced that it has secured c.\$30 million worth of new construction projects in the resources sector
MIN	Announced that Mr. Simon Rushton has been appointed as the joint secretary of the company	WOR	Awarded a five-year Framework Agreement by Shell Global Solutions International, B.V., for the provision of EPCM services for its downstream projects worldwide
PRG	Announced that it will pay a fully franked dividend of \$0.035/ ordinary share on 31 July 2017	WOR	Awarded a five year framework agreement from Refining NZ for performance of engineering, procurement, shutdown and construction management services at the Marsden Point Refinery

Source: Thomson Reuters, Company Announcements, LCC research



2017
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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
Engineering Services										
AJL.AX	AJ Lucas Group Ltd	158	0.32	0.27	0.32	0.25	▼ (10.5%)	█	36.4x	n.m.
BOL.AX	Boom Logistics Ltd	52	0.11	0.11	0.11		▲ 2.3%	█	11.8x	n.m.
BSA.AX	BSA Ltd	146	0.35	0.35	0.35	0.33	— 0.0%	█	17.7x	98.3x
BYL.AX	Brierty Ltd	12	0.10	0.10	0.09	0.09	— 0.0%	█	n.m.	n.m.
CDD.AX	Cardno Ltd	657	1.31	1.37	1.36	1.31	▲ 3.0%	█	48.8x	n.m.
CIM.AX	CIMIC Group Ltd	13,256	39.38	40.85	40.70	39.32	▲ 3.4%	█	12.9x	19.3x
DCG.AX	Decmil Group Ltd	157	0.91	0.92	0.93	0.88	▲ 1.7%	█	70.2x	n.m.
DOW.AX	Downer EDI Ltd	3,818	6.32	6.42	6.41	6.27	▲ 1.3%	█	7.8x	14.3x
EAL.AX	E&A Ltd	6	0.05	0.05	0.05	0.05	— 0.0%	█	n.m.	n.m.
EGN.AX	Engenco Ltd	63	0.195	0.2	0.20	0.19	▲ 5.3%	█	6.3x	11.6x
GCS.AX	Global Construction Services Ltd	118	0.54	0.56	0.56	0.54	▲ 3.7%	█	3.4x	4.6x
GNG.AX	GR Engineering Services Ltd	234	1.60	1.53	1.53	1.50	▼ (3.2%)	█	8.2x	8.8x
LCM.AX	LogiCamms Ltd	24	0.32	0.29	0.30	0.29	▼ (9.4%)	█	n.m.	n.m.
LLC.AX	LendLease Group	9,680	16.40	16.59	16.57	16.37	▲ 1.5%	█	12.5x	14.0x
LYL.AX	Lycopodium Ltd	126	3.02	3.18	3.15	3.02	▲ 6.7%	█	2.4x	2.5x
MND.AX	Monadelphous Group Ltd	1,226	12.30	13.05	12.98	12.27	▲ 6.4%	█	9.9x	12.4x
OTR.AX	Onterran Ltd	20	0.32	0.32	0.32	0.32	— 0.0%	█	n.m.	n.m.
RCR.AX	RCR Tomlinson Ltd	490	3.30	3.50	3.48	3.30	▲ 5.1%	█	19.5x	76.4x
RDG.AX	Resource Development Group Ltd	12	0.02	0.02	0.02	0.02	▲ 5.6%	█	(0.1x)	(0.1x)
SND.AX	Saunders International Ltd	45	0.51	0.52	0.52	0.51	▼ (1.0%)	█	11.4x	14.8x
SSM.AX	Service Stream Ltd	509	1.40	1.40	1.39	1.34	▲ 1.8%	█	11.3x	13.5x
SWL.AX	Seymour Whyte Ltd	102	1.18	1.16	1.16	1.12	▼ (1.7%)	█	13.7x	68.7x
SXE.AX	Southern Cross Electrical Engin	91	0.55	0.57	0.58	0.55	▼ (0.9%)	█	13.8x	n.m.
STS.AX	SRG Ltd	82	1.31	1.29	1.35	1.26	▲ 0.4%	█	4.3x	6.5x
TPP.AX	Tempo Australia Ltd	43	0.18	0.18	0.19	0.18	— 0.0%	█	2.8x	2.9x
VMG.AX	VDM Group Ltd	5	0.00	0.00	0.00	0.00	— 0.0%	█	n.m.	n.m.
VRS.AX	Veris Ltd	39	0.13	0.12	0.12	0.12	▼ (4.0%)	█	3.4x	8.2x
WOR.AX	WorleyParsons Ltd	3,073	11.09	12.44	12.13	11.09	▲ 12.2%	█	11.2x	14.8x
Mining Services										
ASL.AX	Ausdrill Ltd	468	1.33	1.50	1.42	1.33	▲ 12.8%	█	5.4x	11.3x
ANG.AX	Austin Engineering Ltd	93	0.16	0.16	0.16	0.16	— 0.0%	█	n.m.	n.m.
BLY.AX	Boart Longyear Ltd	36	0.04	0.04	0.04	0.04	▲ 2.7%	█	32.1x	n.m.
BKN.AX	Bradken Ltd	676	3.21	3.24	3.21	3.21	— 0.0%	█	8.0x	8.0x
DSB.AX	Delta SBD Ltd	8	0.13	0.14	0.14	0.13	▲ 7.7%	█	72.6x	n.m.
EHL.AX	Emeco Holdings Ltd	202	0.08	0.08	0.08	0.07	▲ 10.7%	█	8.3x	169.5x
IMD.AX	Imdex Ltd	230	0.59	0.63	0.62	0.59	▲ 3.3%	█	11.8x	28.6x
MAH.AX	Macmahon Holdings Ltd	180	0.15	0.15	0.15	0.15	— 0.0%	█	5.4x	n.m.
MIN.AX	Mineral Resources Ltd	1,888	10.35	10.08	10.33	9.94	▼ (1.6%)	█	4.2x	6.5x
MLD.AX	MACA Ltd	396	1.70	1.69	1.68	1.67	— 0.0%	█	4.3x	14.8x
MSV.AX	Mitchell Services Ltd	49	0.03	0.03	0.03	0.03	— 0.0%	█	20.6x	n.m.
MYE.AX	Mastermyne Group Ltd	27	0.28	0.30	0.30	0.28	▲ 7.1%	█	28.2x	n.m.
NWH.AX	NRW Holdings Ltd	188	0.58	0.59	0.59	0.57	▲ 1.7%	█	4.3x	8.3x
RUL.AX	RPMGlobal Holdings Ltd	123	0.59	0.58	0.59	0.57	▼ (1.7%)	█	n.m.	n.m.
SWK.AX	Swick Mining Services Ltd	57	0.26	0.27	0.27	0.26	▲ 3.8%	█	5.3x	n.m.
Marine Services										
ASB.AX	Auslial Ltd	606	1.80	1.74	1.77	1.74	▼ (1.7%)	█	n.m.	n.m.
MBO.AX	Mobilarm Ltd	12	0.02	0.03	0.02	0.02	— 0.0%	█	62.0x	n.m.
MCE.AX	Matrix Composites & Engineerin	48	0.51	0.51	0.51	0.48	— 0.0%	█	n.m.	n.m.
MRM.AX	MMA Offshore Ltd	71	0.22	0.19	0.21	0.18	▼ (11.6%)	█	32.7x	n.m.
NMS.AX	Neptune Marine Services Ltd	55	0.9	0.9	0.90	0.89	▼ (1.1%)	█	n.m.	n.m.
VEE.AX	VEEM Ltd	83	0.635	0.635	0.64	0.64	▼ (4.5%)	█	9.7x	12.0x
ZGL.AX	Zicom Group Ltd	30	0.13	0.14	0.13	0.13	▲ 12.0%	█	n.m.	n.m.
Facilities Management										
AEI.AX	Aeris Environmental Ltd	42	0.28	0.27	0.28	0.27	▼ (11.7%)	█	n.m.	n.m.
GMG.AX	Goodman Group Pty Ltd	15,351	8.36	8.58	8.52	8.28	▲ 2.3%	█	54.2x	54.2x
HIL.AX	Hills Ltd	44	0.19	0.19	0.20	0.19	— 0.0%	█	7.9x	39.0x
MIL.AX	Millennium Services Group Ltd	75	1.68	1.63	1.65	1.63	▼ (1.2%)	█	11.1x	13.9x
PRG.AX	Programmed Maintenance Serv	450	1.70	1.75	1.72	1.64	▲ 2.0%	█	6.8x	9.9x
SKS.AX	Stokes Ltd	10	0.33	0.33	0.33	0.33	— 0.0%	█	21.6x	28.2x
SPO.AX	Spotless Group Holdings Ltd	1,230	1.11	1.12	1.12	1.11	▲ 0.9%	█	7.4x	12.3x
TPS.AX	Threat Protect Australia Ltd	18	0.03	0.03	0.03	0.03	— 0.0%	█	23.4x	47.6x
UBN.AX	Urbanise com Ltd	25	0.07	0.07	0.07	0.07	— 0.0%	█	n.m.	n.m.

Source: Thomson Reuters, LCC research



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