

## Australian Engineering, Contractors & Service Providers

Edition 216 for the week ending 23 June 2017 | Published 26 June 2017

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#### **Market Performance - Overview**

	Percentage change		change			Pe	ercentage o	e change	
Index	Week	YTD	12 months	Fixed Income	Yield	Week	YTD	12 months	
(Australia) S&P / ASX200	(1.0%)	0.9%	8.2%	(Australia) 2-year gov bonds	1.67%	(1.1%)	(12.7%)	(4.2%)	
(Japan) Topix	1.0%	6.1%	24.1%	(Australia) 5-year gov bonds	2.02%	(0.2%)	(13.2%)	9.2%	
(Singapore) FTSE Strait Times Index	(0.7%)	11.4%	14.9%	(Australia) 10-year gov bonds	2.39%	(1.5%)	(13.9%)	5.6%	
(Hong Kong) Hang Seng	0.2%	16.7%	23.0%						
(South Korea) Kospi 200	1.1%	19.3%	26.0%		Rate	Week	YTD	12-months	
(US) S&P 500	0.2%	8.9%	15.4%	AUD to USD	0.7565	(0.7%)	4.9%	(0.6%)	
(US) Dow Jones Industrial	0.0%	8.3%	18.8%						
(UK) FTSE 100	(0.5%)	3.9%	17.1%						

#### M&A Rumour and Activity

The Australian market finished the week 1.01% lower with the S&P/ASX200 ending at 5716 points, following a 1.6% slump on Wednesday (soft lead from Wall Street and drop in oil prices) as well as a new round of sell-off in the big four banks after the South Australian state government unveiled its own state-based version of the federal bank levy. The Australian dollar finished the week 0.67% lower to end at US75.65 cents, weighed down by weak commodity prices (with oil prices at multi-month lows while iron ore prices remain depressed).

**Downer EDI Ltd (DOW.AX)** announced on 19 June 2017 that it has waived all remaining outstanding defeating conditions for its offer for Spotless Group Holdings Ltd (SPO.AX), with accelerated payment terms introduced. DOW declared the offer price of \$1.15 per SPO share final in the absence of a superior proposal. The offer is scheduled to close on Thursday, 29 June 2017 (unless further extended) and DOW encourages SPO's shareholders to accept the offer promptly and without delay. On 23 June 2017, DOW said that its relevant interest in the issued capital of SPO has increased to 40.44%.

**Decmil Group Limited (DCG.AX)** announced on 23 June 2017 that it has completed the disposal of a commercial property located in Herdsman, Perth, to property syndicator Primewest Funds Limited for \$27.5 million.

The securities of **Seymour Whyte Ltd (SWL.AX)** were placed in a trading halt on 23 June 2017, pending the release of an announcement in relation to a potential control transaction with VINCI.

LCC Asia Pacific has also been advised it has been announced as a Regional Finalist in the NSW Business Chamber Awards in the Category of Excellence in Small Business, and Nicholas Assef has been announced as a Finalist in the Category of Business Leadership.

### **News Headlines and Key Sector Developments**

Ticker	News/Event	Ticker	News/Event
ASB	Announced that the first of two 30 metre high speed passenger ferries for the 2Go Group has been delivered, on-time and on-budget in the Philippines	MCE	Announced it has received the full balance of the funds from the shipyard customer that were due in 4Q FY17, totalling US\$9.8 million (\$12.95 million). The final balance is expected to be received in 4Q FY18, as per the agreement
BYL	Announced that its contract mining work at the Western Turner Syncline Stage 2 Project has been suspended and it has received a notice of default. BYL said it is working with Rio Tinto to address safety concerns and structure a return to operations as soon as possible	MIN	Announced that it has successfully raised a total of \$80 million in a heavily oversubscribed placement to fund the development of the 100%-owned Pilgangoora Lithium- Tantalum Project in Western Australia
BYL	Announced the retirement of Mr Kenneth Hellsten as the Non- Executive Director. Appointed Mr. Ray Bushnell (CEO) as Managing Director	MND	Announced it had secured a major contract with Woodside Energy Ltd for the provision of gas asset general maintenance services and brownfields offshore implementation for Woodside-operated gas production facilities in the north west of Western Australia valued at c. \$600 million over five years
BYL	Announced it has secured a new banking facility of \$6 million with Bankwest to improve its capital structure and deliver on its turnaround strategy	MSV	Announced its expansion into the NSW Hunter Valley with the award of multiple contracts in the region
CIM	CPB Contractors, with its joint venture partners, have been awarded a \$2.81 billion contract by the NSW Government to deliver twin 15.5km tunnels and associated civil works on Stage 2 of the Sydney Metro project	SXE	Announced that it has secured a number of new awards in the health, commercial and resources sectors. Additionally, it reported that it will end FY17 with order book of over \$350m, of which over \$250m will be performed in FY18
GNG	Announced revision to its expected earnings for FY17 with revenue to be in the range of \$215.0 million to \$220.0 million and EBITDA expected to be in the range of \$16.0 million to \$17.0 million	UBN	Provided market guidance in respect to its FY17 results with revenue now expected to grow to \$8 million
HIL	Announced it has commenced the development of its new market- leading digital platform, and that it continues to invest in new adjacent businesses, including the launch of its asset-tracking solution, HillsTrak and entry into Fire and DIY markets		

Source: Thomson Reuters, Company Announcements, LCC research



Finalist in multiple categories including

BOUTIQUE INVESTMENT BANKING FIRM OF THE YEAR 9TH ANNUAL INTERNATIONAL M&A AWARDS













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			Open Price	Close Price	Week High	Week Low	W	eekly	Volume	EV/	EV/
Ticker	Company Name	Market Cap (A\$ m)	(A\$)	(A\$)	(A\$)	(A\$)		nge (%)	Trend	EBITDA	EBIT
	ing Services										
AJL.AX	AJ Lucas Group Ltd	140	0.25	0.24	0.25	0.24	_	0.0%		33.9x	n.m.
BOL.AX	Boom Logistics Ltd	43	0.10	0.09	0.09	0.09		(5.3%)		10.7x	n.m.
BSA.AX	BSA Ltd	140	0.32	0.33	0.33	0.32	_	0.0%		16.8x	93.1x
BYL.AX	Brierty Ltd	9	0.10	0.07	0.09	0.06		(26.8%)		n.m.	n.m.
CDD.AX CIM.AX	Cardno Ltd CIMIC Group Ltd	576 12,671	1.17 38.80	1.20 39.20	1.20 39.06	1.16 38.39	<b>A</b>	1.3% 0.6%		42.8x 12.3x	n.m. 18.4x
DCG.AX	Decmil Group Ltd	155	0.91	0.90	0.91	0.90	_	0.0%	-1	69.0x	n.m.
DOW.AX	Downer EDI Ltd	3,651	6.01	6.14	6.06	5.89	_	1.5%		7.5x	13.7x
EAL.AX	E&A Ltd	5,051	0.05	0.14	0.05	0.05	_	0.0%		n.m.	n.m.
EGN.AX	Engenco Ltd	56	0.195	0.03	0.03	0.03		(5.3%)	_=	5.5x	10.2x
GCS.AX	Global Construction Services Ltd	122	0.57	0.58	0.58	0.57	À	1.8%		3.5x	4.8x
GNG.AX	GR Engineering Services Ltd	222	1.50	1.45	1.48	1.35		(3.3%)		7.6x	8.2x
LCM.AX	LogiCamms Ltd	16	0.20	0.20	0.21	0.20		(7.0%)		n.m.	n.m.
LLC.AX	LendLease Group	9,487	16.66	16.26	16.52	16.16	▼	(2.5%)	_0.0	12.3x	13.8x
LYL.AX	Lycopodium Ltd	123	3.06	3.10	3.10	3.04	<b>A</b>	1.3%		2.2x	2.3x
MND.AX	Monadelphous Group Ltd	1,306	13.91	13.90	13.83	13.38		0.3%		10.7x	13.3x
OTR.AX	Onterran Ltd	20	0.32	0.32	0.32	0.32	_	0.0%		n.m.	n.m.
RCR.AX	RCR Tomlinson Ltd	470	3.30	3.36	3.34	3.30	<b>A</b>	1.8%		18.8x	73.7x
RDG.AX	Resource Development Group L	13	0.02	0.02	0.02	0.02	_	0.0%	_	0.1x	0.1x
SND.AX	Saunders International Ltd	43	0.50	0.50	0.53	0.50	▼	(5.7%)	$ \blacksquare - \blacksquare$	10.8x	14.0x
SSM.AX	Service Stream Ltd	482	1.33	1.32	1.33	1.28	$\blacksquare$	(1.9%)	$-1101_{-1}$	10.6x	12.7x
SWL.AX	Seymour Whyte Ltd	110	1.28	1.25	1.26	1.25		4.2%		15.1x	75.8x
SXE.AX	Southern Cross Electrical Engine	90	0.52	0.57	0.55	0.51		9.7%		13.6x	n.m.
STS.AX	SRG Ltd	77	1.28	1.21	1.26	1.20	▼	(6.6%)	=	4.0x	5.9x
TPP.AX	Tempo Australia Ltd	44	0.19	0.19	0.19	0.18	_	0.0%		3.0x	3.1x
VMG.AX	VDM Group Ltd	5	0.00	0.00	0.00	0.00	_	0.0%		n.m.	n.m.
VRS.AX	Veris Ltd	47	0.14	0.15	0.15	0.14	<b>A</b>	7.4%		4.2x	9.9x
	WorleyParsons Ltd	2,737	11.50	11.08	11.38	10.85	▼	(2.8%)		10.3x	13.6x
Mining S											
ASL.AX	Ausdrill Ltd	536	1.73	1.72	1.64	1.57	▼	(0.6%)		5.9x	12.4x
ANG.AX	Austin Engineering Ltd	119	0.21	0.21	0.20	0.20	_	0.0%	_ = =	n.m.	n.m.
BLY.AX	Boart Longyear Ltd	29	0.03	0.03	0.03	0.03		(9.1%)	<b></b>	31.9x	n.m.
BKN.AX	Bradken Ltd	676	3.21	3.24	3.21	3.21	_	0.0%		n.m.	n.m.
DSB.AX	Delta SBD Ltd	8	0.14	0.14	0.14	0.14	_	0.0%	_	72.6x	n.m.
EHL.AX	Emeco Holdings Ltd	210	0.08	0.09	0.08	0.08		3.6%		8.4x	171.7x
IMD.AX	Imdex Ltd	261	0.72	0.71	0.71	0.69		(1.4%)		13.4x	32.6x
MAH.AX	Macmahon Holdings Ltd	198	0.17	0.17	0.17	0.16	_	0.0%		6.2x	n.m.
MIN.AX	Mineral Resources Ltd	1,727	10.47	9.22	10.29	9.18		(9.7%)		3.9x	5.9x
MLD.AX	MACA Ltd	377 46	1.64	1.61	1.62	1.60		(1.8%)	1-1	4.0x	14.0x
MSV.AX	Mitchell Services Ltd Mastermyne Group Ltd	26	0.03 0.31	0.03 0.29	0.04 0.29	0.03 0.28		(3.1%)		19.6x	n.m.
MYE.AX NWH.AX		188	0.59	0.29	0.29	0.56	<b>▼</b>	(6.5%) 0.9%		27.5x 4.3x	n.m. 8.3x
RUL.AX	RPMGlobal Holdings Ltd	127	0.59	0.60	0.60	0.54	<b>A</b>	9.1%		n.m.	n.m.
	Swick Mining Services Ltd	57	0.25	NULL	0.25	0.25	<u> </u>	J. 1 /0 -		5.3x	n.m.
Marine S		31	0.20	NOLL	0.20	0.25	î			J.JX	11.111.
ASB.AX		629	1.88	1.81	1.83	1.80	<b>V</b>	(4 7%)		n.m.	n.m.
MBO.AX		12	0.02	0.03	0.02	0.02	_	0.0%		62.0x	n.m.
MCE.AX		38	0.48	0.41	0.48	0.41				n.m.	n.m.
	MMA Offshore Ltd	58	0.17	0.155	0.16	0.14				31.7x	n.m.
NMS.AX		56	0.87	0.92	0.92	0.87		,		n.m.	n.m.
VEE.AX	VEEM Ltd	82	0.635	0.635	0.64	0.64	_	0.0%	<b>.</b>	9.7x	12.0x
ZGL.AX	Zicom Group Ltd	27	0.13	0.13	0.13	0.13				n.m.	n.m.
	Management		00	00	00	00	Ė	(0.070)			
AEI.AX	Aeris Environmental Ltd	43	0.27	0.28	0.28	0.27	<u> </u>	3.8%	I	n.m.	n.m.
GMG.AX		14,778	8.66	8.26	8.65	8.26			_===	52.4x	52.4x
HIL.AX	Hills Ltd	35	0.17	0.15	0.17	0.15				6.8x	33.4x
MIL.AX	Millennium Services Group Ltd	77	1.61	1.69	1.63	1.58	<u> </u>	5.0%		11.4x	14.3x
PRG.AX	Programmed Maintenance Serv	484	1.90	1.88	1.84	1.81	<b>A</b>	0.5%		7.1x	10.4x
SKS.AX	Stokes Ltd	11	0.30	0.30	0.30	0.30		(1.6%)		23.3x	30.5x
SPO.AX	Spotless Group Holdings Ltd	1,269	1.15	1.16	1.15	1.15	<b>A</b>	1.3%		7.5x	12.5x
TPS.AX	Threat Protect Australia Ltd	19	0.03	0.03	0.03	0.03	$\blacksquare$	(3.7%)	$\mathbb{H} = \mathbb{H}$	24.3x	49.3x
UBN.AX	Urbanise com Ltd	22	0.05	0.06	0.06	0.05	<b>A</b>	26.0%		n.m.	n.m.
								Sourc	e:Thomsor	Reuters, LO	CC research



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