



Australian Engineering, Contractors & Service Providers

Edition 222 for the week ending 04 August 2017 | Published 07 August 2017 WWW.LCCAPAC.COM

Market Performance - Overview

| Index | Percentage change | | | Fixed Income | Yield | Change in basis points | | |
|-------------------------------------|-------------------|-------|-----------|-------------------------------|--------|------------------------|--------|-----------|
| | Week | YTD | 12 months | | | Week | YTD | 12 months |
| (Australia) S&P / ASX200 | 0.3% | 1.0% | 4.5% | (Australia) 2-year gov bonds | 1.79% | (0.04) | (0.13) | 0.30 |
| (Japan) Topix | 0.6% | 7.4% | 27.2% | (Australia) 5-year gov bonds | 2.16% | (0.04) | (0.17) | 0.59 |
| (Singapore) FTSE Strait Times Index | (0.1%) | 15.5% | 17.5% | (Australia) 10-year gov bonds | 2.63% | (0.07) | (0.14) | 0.67 |
| (Hong Kong) Hang Seng | 2.2% | 25.3% | 26.2% | | | | | |
| (South Korea) Kospi 200 | (0.2%) | 20.6% | 25.8% | | | | | |
| (US) S&P 500 | 0.2% | 10.6% | 14.4% | | | | | |
| (US) Dow Jones Industrial | 1.2% | 11.8% | 20.4% | | | | | |
| (UK) FTSE 100 | 1.9% | 5.2% | 11.4% | | | | | |
| | | | | AUD to USD | 0.7922 | (0.01) | 0.07 | 0.03 |

M&A Rumour and Activity

The Australian market finished the week 0.31% higher with the S&P/ASX200 ending at 5703 points, despite a mixed batch of earnings reports and CBA weighing on the financial sector (in particular CBA). The Australian dollar finished the week 0.80% lower to end at US79.22 cents.

Veris (VRS.AX) announced on 31 July 2017 that it has completed the acquisition of business and assets of **LANDdata Surveys Pty Ltd**, a leading surveying consultancy with operations in the Australian Capital Territory and NSW. The up-front purchase price for the acquisition was \$3.8 million in cash which was paid to the vendors from VRS's existing cash reserves.

RPMGlobal Holdings Ltd (RUL.AX) announced on 1 August 2017 that it has entered into a share purchase agreement to acquire 100% of the issued share capital of **MineOptima**, a leading global private company with more than 20 years' experience developing software applications for underground mines, for an undisclosed amount.

Downer EDI Limited (DOW.AX) announced on 4 August 2017 that as at 7:00pm on 3 August 2017, it had a shareholding of 85.7% in the issued share capital of **Spotless Group Holdings Limited (SPO.AX)**. The SPO board unanimously recommended that SPO shareholders accept DOW's offer of \$1.15 cash per SPO share. The Offer Period closes at 7:00pm (Sydney time) on Monday, 7 August 2017 (unless further extended under the Corporations Act 2001). S&P Dow Jones Indices previously announced that it will remove SPO from the S&P/ASX 200 on 7 August 2017.

LCC Asia Pacific has also commenced a new Twitter Feed which focusses on providing timely updates on news and developments concerning China's "One Belt, One Road" Initiative – which will hold many opportunities for engineering services and contracting companies. This can be followed at www.twitter.com/ChinaBeltRoad.

News Headlines and Key Sector Developments

| Ticker | News/Event | Ticker | News/Event |
|--------|--|--------|---|
| AEI | Reported FY17 cash receipts of \$1.79 million (up 118% from pcp) | RCR | Announced that it has received a notice to proceed from Pilbara Minerals Limited (ASX: PLS) for the construction of the 2Mtpa processing plant at the Pilgangoora Lithium-Tantalum Mine. |
| ASB | Announced that Aulong Shipbuilding (JV company formed by ASB and Guangdong Jianglong Shipbuilding of Zhuhai, China) secured a \$5.6 million contract to design and build a 35 metre high speed catamaran for Chinese mainland ferry operator, Blue Sea Jet | MAH | Advised that AMNT's lenders have now consented to the AMNT Transaction and that the consent will become effective upon satisfaction and agreement of certain procedural formalities |
| CIM | Moody's Investors Services has upgraded CIM's long-term issuer rating to "Baa2" from "Baa3" | MND | Provided an update in regard to the XEPT Transaction, both parties involved have yet to reach an acceptable agreement |
| CIM | Announced that CPB contractors has been selected by the Department of Transport and Main Roads to deliver Stage 1 of the \$497.3 million Mackay Ring Road project in Queensland. The contract is expected to generate revenue of c \$215 million | MSV | Reported 4QFY17 positive operating cash flows of \$0.85 million |
| DCG | Announced that it has been appointed as the preferred contractor for a new contract valued at \$56.0 million (NZ\$60 million), with the New Zealand Department of Corrections | MYE | Announced that it has been awarded a contract to supply development labour to South32's Illawarra Coal Operations at its Appin colliery. The contract is expected to generate annual revenue of c. \$20 million |
| LCM | Provided guidance for FY17 results with revenue expected to be a little over \$80 million. Additionally, LCM completed its restructuring resulting in total annualised cost savings of \$10.6 million | RCR | Announced that it has been awarded an EPC contract worth \$28 million with Solar Powerstations Victoria for the 19MWdc Swan Hill Solar Farm in Victoria. |
| LLC | Reported FY17 results (draft) with EBITDA of \$1.2 billion (up 14% from pcp) and PAT of \$758.6 million (up 8.6% from pcp) | RUL | Announced the launch of Underground Metals Solution, RUL's scheduling solution specifically tailored for underground metals mines |
| LYL | Announced the appointment of Lycopodium Minerals Pty Ltd, a subsidiary LYL for the provision of engineering services for the company's Phase 1 L-Max® Plant Feasibility Study | | |

Source: Thomson Reuters, Company Announcements, LCC research



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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 | 141 | 0.24 | 0.24 | 0.25 | 0.23 | ▲ 2.1% | ■ ■ ■ ■ | 33.9x | n.m. |
| BOL.AX | Boom Logistics Ltd | 52 | 0.11 | 0.11 | 0.11 | 0.10 | ▲ 4.8% | ■ ■ ■ ■ | 11.8x | n.m. |
| BSA.AX | BSA Ltd | 148 | 0.35 | 0.35 | 0.36 | 0.34 | ▲ 1.4% | ■ ■ ■ ■ | 18.0x | 100.1x |
| BYL.AX | Brierty Ltd | 9 | 0.08 | 0.07 | 0.08 | 0.07 | ▼ (2.7%) | ■ ■ ■ ■ | n.m. | n.m. |
| CDD.AX | Cardno Ltd | 571 | 1.25 | 1.19 | 1.25 | 1.17 | ▼ (5.9%) | ■ ■ ■ ■ | 42.5x | n.m. |
| CIM.AX | CIMIC Group Ltd | 13,777 | 41.34 | 42.35 | 41.76 | 40.80 | ▲ 2.4% | ■ ■ ■ ■ | 10.3x | 15.5x |
| DCG.AX | Decmil Group Ltd | 149 | 0.80 | 0.87 | 0.85 | 0.78 | ▲ 14.5% | ■ ■ ■ ■ | 66.5x | n.m. |
| DOW.AX | Downer EDI Ltd | 4,020 | 6.28 | 6.76 | 6.69 | 6.24 | ▲ 7.6% | ■ ■ ■ ■ | 8.2x | 15.0x |
| EAL.AX | E&A Ltd | 6 | 0.05 | 0.05 | 0.05 | 0.05 | — 0.0% | ■ ■ ■ ■ | n.m. | n.m. |
| EGN.AX | Engenco Ltd | 80 | 0.245 | 0.255 | 0.26 | 0.23 | ▲ 10.9% | ■ ■ ■ ■ | 8.4x | 15.4x |
| GCS.AX | Global Construction Services Ltd | 115 | 0.54 | 0.55 | 0.55 | 0.54 | ▲ 0.9% | ■ ■ ■ ■ | 3.3x | 4.5x |
| GNG.AX | GR Engineering Services Ltd | 226 | 1.54 | 1.48 | 1.47 | 1.46 | ▼ (4.2%) | ■ ■ ■ ■ | 7.8x | 8.4x |
| LCM.AX | LogiCamms Ltd | 26 | 0.20 | 0.32 | 0.30 | 0.20 | ▲ 68.4% | ■ ■ ■ ■ | n.m. | n.m. |
| LLC.AX | LendLease Group | 9,721 | 16.85 | 16.66 | 16.71 | 16.15 | ▼ (2.2%) | ■ ■ ■ ■ | 12.6x | 14.1x |
| LYL.AX | Lycopodium Ltd | 133 | 3.35 | 3.35 | 3.35 | 3.35 | ▲ 4.7% | ■ ■ ■ ■ | 2.7x | 2.9x |
| MND.AX | Monadelphous Group Ltd | 1,421 | 15.18 | 15.13 | 15.37 | 15.10 | ▼ (0.3%) | ■ ■ ■ ■ | 11.9x | 14.8x |
| OTR.AX | Onterrian Ltd | 20 | 0.32 | 0.32 | 0.32 | 0.32 | — 0.0% | ■ ■ ■ ■ | n.m. | n.m. |
| RCR.AX | RCR Tomlinson Ltd | 511 | 3.78 | 3.65 | 3.77 | 3.61 | ▼ (2.4%) | ■ ■ ■ ■ | 20.3x | 79.3x |
| RDG.AX | Resource Development Group Ltd | 13 | 0.02 | 0.02 | 0.02 | 0.02 | — 0.0% | ■ ■ ■ ■ | 0.0x | 0.0x |
| SND.AX | Saunders International Ltd | 45 | 0.54 | NULL | 0.53 | 0.53 | ▲ - | ■ ■ ■ ■ | 11.6x | 15.0x |
| SSM.AX | Service Stream Ltd | 528 | 1.35 | 1.45 | 1.40 | 1.33 | ▲ 7.8% | ■ ■ ■ ■ | 11.7x | 14.1x |
| SWL.AX | Seymour Whyte Ltd | 120 | 1.35 | 1.37 | 1.36 | 1.35 | ▲ 1.1% | ■ ■ ■ ■ | 17.0x | 84.9x |
| SXE.AX | Southern Cross Electrical Engin | 103 | 0.57 | 0.65 | 0.61 | 0.57 | ▲ 14.2% | ■ ■ ■ ■ | 16.5x | n.m. |
| STS.AX | SRG Ltd | 82 | 1.20 | 1.27 | 1.26 | 1.20 | ▲ 4.1% | ■ ■ ■ ■ | 4.3x | 6.4x |
| TPP.AX | Tempo Australia Ltd | 46 | 0.19 | 0.19 | 0.19 | 0.19 | ▲ 2.7% | ■ ■ ■ ■ | 3.2x | 3.3x |
| VMG.AX | VDM Group Ltd | 5 | 0.00 | 0.00 | 0.00 | 0.00 | — 0.0% | ■ ■ ■ ■ | n.m. | n.m. |
| VMX.AX | Valmec Ltd | 12 | 0.13 | 0.15 | 0.15 | 0.13 | ▲ 15.4% | ■ ■ ■ ■ | 6.6x | 12.8x |
| VRS.AX | Veris Ltd | 54 | 0.15 | 0.17 | 0.16 | 0.15 | ▲ 13.8% | ■ ■ ■ ■ | 4.7x | 11.3x |
| WOR.AX | WorleyParsons Ltd | 3,014 | 11.83 | 12.20 | 12.16 | 11.69 | ▲ 5.2% | ■ ■ ■ ■ | 11.1x | 14.6x |
| Mining Services | | | | | | | | | | |
| ASL.AX | Ausdrill Ltd | 665 | 1.99 | 2.13 | 2.07 | 1.91 | ▲ 6.5% | ■ ■ ■ ■ | 7.0x | 14.6x |
| ANG.AX | Austin Engineering Ltd | 130 | 0.23 | 0.23 | 0.22 | 0.21 | — 0.0% | ■ ■ ■ ■ | n.m. | n.m. |
| BLY.AX | Boart Longyear Ltd | 52 | 0.06 | 0.05 | 0.05 | 0.05 | ▼ (10.0%) | ■ ■ ■ ■ | 32.7x | 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 | 353 | 0.14 | 0.15 | 0.14 | 0.13 | ▲ 7.4% | ■ ■ ■ ■ | 10.6x | 215.7x |
| IMD.AX | Imdex Ltd | 283 | 0.72 | 0.77 | 0.74 | 0.71 | ▲ 6.9% | ■ ■ ■ ■ | 14.6x | 35.3x |
| MAH.AX | Macmahon Holdings Ltd | 211 | 0.18 | 0.18 | 0.17 | 0.17 | — 0.0% | ■ ■ ■ ■ | 6.7x | n.m. |
| MIN.AX | Mineral Resources Ltd | 2,415 | 12.00 | 12.89 | 12.78 | 12.00 | ▲ 7.6% | ■ ■ ■ ■ | 5.5x | 8.3x |
| MLD.AX | MACA Ltd | 410 | 1.69 | 1.75 | 1.68 | 1.63 | ▲ 3.9% | ■ ■ ■ ■ | 4.4x | 15.4x |
| MSV.AX | Mitchell Services Ltd | 63 | 0.04 | 0.04 | 0.04 | 0.04 | ▲ 2.4% | ■ ■ ■ ■ | 25.4x | n.m. |
| MYE.AX | Mastermyne Group Ltd | 43 | 0.49 | 0.47 | 0.50 | 0.46 | — 0.0% | ■ ■ ■ ■ | 39.6x | n.m. |
| NWH.AX | NRW Holdings Ltd | 216 | 0.68 | 0.67 | 0.69 | 0.65 | ▼ (0.7%) | ■ ■ ■ ■ | 4.8x | 9.3x |
| RUL.AX | RPMGlobal Holdings Ltd | 132 | 0.62 | 0.62 | 0.62 | 0.61 | ▲ 1.6% | ■ ■ ■ ■ | n.m. | n.m. |
| SWK.AX | Swick Mining Services Ltd | 73 | 0.31 | 0.32 | 0.32 | 0.31 | ▲ 1.6% | ■ ■ ■ ■ | 6.5x | n.m. |
| Marine Services | | | | | | | | | | |
| ASB.AX | Austal Ltd | 613 | 1.80 | 1.76 | 1.78 | 1.75 | ▼ (2.0%) | ■ ■ ■ ■ | 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 | 47 | 0.44 | 0.50 | 0.50 | 0.44 | ▲ 13.8% | ■ ■ ■ ■ | n.m. | n.m. |
| MRM.AX | MMA Offshore Ltd | 67 | 0.18 | 0.18 | 0.18 | 0.17 | ▲ 2.9% | ■ ■ ■ ■ | 32.4x | n.m. |
| NMS.AX | Neptune Marine Services Ltd | 55 | 0.93 | 0.9 | 0.93 | 0.90 | — 0.0% | ■ ■ ■ ■ | n.m. | n.m. |
| VEE.AX | VEEM Ltd | 83 | 0.65 | 0.64 | 0.65 | 0.64 | ▼ (1.5%) | ■ ■ ■ ■ | 9.7x | 12.1x |
| ZGL.AX | Zicom Group Ltd | 26 | 0.13 | 0.12 | 0.13 | 0.12 | — 0.0% | ■ ■ ■ ■ | n.m. | n.m. |
| Facilities Management | | | | | | | | | | |
| AEI.AX | Aeris Environmental Ltd | 44 | 0.26 | 0.28 | 0.28 | 0.26 | ▲ 9.8% | ■ ■ ■ ■ | n.m. | n.m. |
| GMG.AX | Goodman Group Pty Ltd | 14,420 | 7.94 | 8.06 | 8.02 | 7.90 | ▲ 1.8% | ■ ■ ■ ■ | 51.3x | 51.3x |
| HIL.AX | Hills Ltd | 42 | 0.19 | 0.18 | 0.19 | 0.17 | — 0.0% | ■ ■ ■ ■ | 7.6x | 37.6x |
| MIL.AX | Millennium Services Group Ltd | 67 | 1.47 | 1.45 | 1.47 | 1.45 | ▼ (2.0%) | ■ ■ ■ ■ | 10.1x | 12.7x |
| PRG.AX | Programmed Maintenance Serv | 765 | 2.97 | 2.97 | 2.97 | 2.97 | — 0.0% | ■ ■ ■ ■ | 10.0x | 14.6x |
| SKS.AX | Stokes Ltd | 12 | 0.30 | 0.30 | 0.30 | 0.30 | — 0.0% | ■ ■ ■ ■ | 24.8x | 32.3x |
| SPO.AX | Spotless Group Holdings Ltd | 1,268 | 1.15 | 1.15 | 1.15 | 1.15 | — 0.0% | ■ ■ ■ ■ | 7.5x | 12.5x |
| TPS.AX | Threat Protect Australia Ltd | 19 | 0.03 | 0.03 | 0.03 | 0.03 | ▼ (3.7%) | ■ ■ ■ ■ | 24.5x | 49.8x |
| UBN.AX | Urbanise com Ltd | 32 | 0.09 | 0.09 | 0.09 | 0.09 | — 0.0% | ■ ■ ■ ■ | n.m. | n.m. |

Source: Thomson Reuters, LCC research



2017 Finalist in multiple categories including
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9TH ANNUAL INTERNATIONAL M&A AWARDS

LCC APAC
 contributes

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S&P
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THOMSON
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