



Australian Engineering, Contractors & Service Providers

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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	(0.1%)	4.2%	11.5%	(Australia) 2-year gov bonds	1.88%	(6.1)	(3.2)	17.1
(Japan) Topix	2.3%	16.6%	28.2%	(Australia) 5-year gov bonds	2.26%	(5.7)	(6.6)	27.9
(Singapore) FTSE Strait Times Index	1.4%	17.6%	19.7%	(Australia) 10-year gov bonds	2.79%	0.6	1.7	44.7
(Hong Kong) Hang Seng	(0.2%)	29.3%	22.9%					
(South Korea) Kospi 200	0.1%	26.6%	28.3%					
(US) S&P 500	0.2%	15.3%	21.0%					
(US) Dow Jones Industrial	0.5%	18.6%	29.0%					
(UK) FTSE 100	(0.2%)	5.1%	7.4%					
					Rate	Week	YTD	12-months
				AUD to USD	0.7676	(1.8%)	6.4%	1.2%

M&A Rumour and Activity

The Australian market finished the week 0.06% lower with the S&P/ASX200 ending at 5903 points. The local sharemarket was on track to post a weekly gain but the High Court's announcement that it had disqualified five members of parliament for being dual citizens brought a wave of selling, with the S&P/ASX200 closing 0.2% lower on Friday. The Australian dollar finished the week 1.82% lower to end at US76.76 cents, as weaker-than-expected inflation data, dovish comments by RBA officials and political uncertainty weighed on the Australian dollar.

Programmed Maintenance Services Ltd (PRG.AX) announced on 27 October 2017 that the scheme of arrangement ("Scheme") between PRG and its shareholders has been implemented. In accordance with the terms of the Scheme, PERSOL HOLDINGS Co. LTD has acquired all the shares of PRG. The Scheme consideration of \$2.86 for each PRG shares was paid to the shareholders on 27 October 2017, while the fully franked cash Special Dividend of \$0.16 for each PRG shares was previously paid to shareholders on 20 October 2017. PRG expects to be removed from the official list of ASX from the closing of trading on 30 October 2017.

Seymour Whyte Ltd (SWL.AX) announced on 23 October 2017 that the Scheme of Arrangement under which VINCI Construction Australasia Pty Ltd will acquire all the issued shares of SWL has been implemented. SWL's shareholders have been sent the scheme consideration of \$0.84 per SWL share on 23 October 2017 and VINCI now holds all of the shares in SWL. SWL will be removed from the official list of ASX on 24 October 2017.

The *Australian Financial Review* reported on 27 October 2017 that **Wesfarmers Ltd (WES.AX)** is believed to be one of the parties interested to acquire Apollo Global Management's stake in Ventia. Ventia was formed as a 50:50 investment partnership between Apollo and CIMIC Group Ltd in December 2014.

The *AFR* reported on 25 October 2017 that offshore oil and gas fleet services company **Go Marine Group** has appointed voluntary administrators. Go Marine has about 20 vessels which they either own or lease.

The *AFR* reported on 25 October 2017 that telecommunications contractor **Tandem Corp** is looking at a potential IPO. Tandem Corp provides "last mile" field services to end customers of major telecommunications and Pay TV operators.

News Headlines and Key Sector Developments

Ticker	News/Event	Ticker	News/Event
ASL	Chairman Mr Terry O'Connor will step down as independent director and Chairman. Deputy Chairman Mr Ian Cochrane will step into the role of Chairman	MRM	Mr Andrew Edwards has been appointed as Chairman while Mr Tony Howarth will step down as Chairman
CIM	Thiess has secured two contracts with a combined revenue of \$440 million (over 3 years) to provide mining services at BMA's Caval Ridge and Peak Downs coal mine in QLD	RCR	Awarded an EPC contract and O&M contract with a combined value of c.\$110 million for the 68MWac Emerald Solar Farm, that is being developed by Renewable Energy System Pty Ltd (RES)
CIM	S&P has confirmed CIM's BBB/A-2 rating and its stand-alone credit profile of BBB+	SKS	Appointed Mr Paul Miller as CFO and Co-Company Secretary
DOW	Together with McConnell Dowell Constructors (Aust) Pty Ltd, has been selected by Genex Power Ltd as Preferred EPC Contractor for the 250MW Kidston Pumped Storage Hydro Project in QLD	SND	Appointed Mr Rudy Sheriff as CFO
EHL	Provided a trading update for 1Q18, where EHL generated operating EBITDA of A\$31.2 million (35% BITDA margin)	UBN	Undertaking a pro-rata underwritten non-renounceable rights issue to raise c.\$7 million (1:2 basis at an issue price of 4c per share)
LCM	Mr Peter Wall AM will retire as an independent director	WOR	Announced the successful completion of the acquisition of AFK UK Oil & Gas Ltd (previously announced on 9 October 2017)

Sources: 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	155	0.27	0.27	0.29	0.26	▼ (1.9%)	■ ■ ■ ■	n.m.	n.m.
BOL.AX	Boom Logistics Ltd	83	0.21	0.18	0.19	0.17	▼ (14.6%)	■ ■ ■ ■	9.9x	n.m.
BSA.AX	BSA Ltd	144	0.34	0.34	0.34	0.33	▼ (1.4%)	■ ■ ■ ■	9.9x	15.9x
BYL.AX	Brierty Ltd	10	0.08	0.08	0.08	0.08	— 0.0%	■ ■ ■ ■	n.m.	n.m.
CDD.AX	Cardno Ltd	667	1.30	1.39	1.29	1.27	▲ 4.9%	■ ■ ■ ■	22.4x	98.6x
CIM.AX	CIMIC Group Ltd	15,454	46.44	47.76	47.32	46.17	▲ 2.5%	■ ■ ■ ■	11.6x	17.5x
DCG.AX	Decmil Group Ltd	220	1.25	1.27	1.26	1.16	▼ (1.2%)	■ ■ ■ ■	150.2x	n.m.
DOW.AX	Downer EDI Ltd	4,062	7.11	6.83	7.03	6.76	▼ (3.5%)	■ ■ ■ ■	10.2x	17.8x
EGN.AX	Engenco Ltd	103	0.33	0.33	0.33	0.31	▲ 1.5%	■ ■ ■ ■	7.7x	11.1x
GCS.AX	Global Construction Services Ltd	173	0.79	0.82	0.80	0.78	▲ 2.5%	■ ■ ■ ■	5.7x	7.2x
GNG.AX	GR Engineering Services Ltd	207	1.31	1.35	1.32	1.30	▲ 2.3%	■ ■ ■ ■	10.2x	11.1x
LCM.AX	LogiCamms Ltd	25	0.31	0.31	0.31	0.30	▲ 1.6%	■ ■ ■ ■	n.m.	n.m.
LLC.AX	LendLease Group	9,741	16.78	16.68	16.52	16.35	▼ (0.4%)	■ ■ ■ ■	12.0x	13.5x
LYL.AX	Lycopodium Ltd	174	4.01	4.38	4.29	3.98	▲ 5.8%	■ ■ ■ ■	3.8x	4.0x
MND.AX	Monadelphous Group Ltd	1,539	16.45	16.37	16.34	16.20	▼ (0.5%)	■ ■ ■ ■	13.3x	16.3x
OTR.AX	Onterran Ltd	20	0.32	0.32	0.32	0.32	— 0.0%	■ ■ ■ ■	n.m.	n.m.
RCR.AX	RCR Tomlinson Ltd	696	4.35	4.21	4.30	4.11	▼ (1.4%)	■ ■ ■ ■	13.1x	20.7x
RDG.AX	Resource Development Group L	11	0.02	0.02	0.02	0.02	— 0.0%	■ ■ ■ ■	n.m.	n.m.
SND.AX	Saunders International Ltd	55	0.56	0.54	0.56	0.54	▼ (4.5%)	■ ■ ■ ■	32.6x	66.4x
SSM.AX	Service Stream Ltd	540	1.40	1.48	1.46	1.36	▲ 5.7%	■ ■ ■ ■	10.1x	11.9x
SWL.AX	Seymour Whyte Ltd	81	0.94	0.93	0.92	0.92	— 0.0%	■ ■ ■ ■	19.3x	n.m.
SXE.AX	Southern Cross Electrical Engin	132	0.75	0.73	0.75	0.73	▼ (2.7%)	■ ■ ■ ■	21.1x	n.m.
STS.AX	SRG Ltd	96	1.44	1.47	1.46	1.44	▲ 1.4%	■ ■ ■ ■	4.8x	6.8x
TPP.AX	Tempo Australia Ltd	43	0.19	0.18	0.19	0.18	▼ (5.3%)	■ ■ ■ ■	10.8x	12.2x
VMG.AX	VDM Group Ltd	5	0.00	0.00	0.00	0.00	▼ (33.3%)	■ ■ ■ ■	n.m.	n.m.
VRS.AX	Veris Ltd	56	0.18	0.17	0.18	0.17	▼ (5.6%)	■ ■ ■ ■	5.6x	42.0x
WOR.AX	WorleyParsons Ltd	3,735	14.10	13.74	14.21	13.56	▼ (3.1%)	■ ■ ■ ■	13.8x	18.2x
Mining Services										
ASL.AX	Ausdrill Ltd	791	2.11	2.20	2.19	2.11	▲ 4.3%	■ ■ ■ ■	8.5x	18.0x
ANG.AX	Austin Engineering Ltd	153	0.25	0.27	0.27	0.25	▲ 8.2%	■ ■ ■ ■	13.9x	64.4x
BLY.AX	Boart Longyear Ltd	289	0.01	0.01	0.01	0.01	▼ (21.4%)	■ ■ ■ ■	31.2x	n.m.
EHL.AX	Emeco Holdings Ltd	585	0.25	0.24	0.24	0.23	▼ (2.0%)	■ ■ ■ ■	19.2x	608.3x
IMD.AX	Imdex Ltd	355	0.95	0.97	0.98	0.94	— 0.0%	■ ■ ■ ■	9.1x	13.0x
MAH.AX	Macmahon Holdings Ltd	505	0.22	0.24	0.23	0.22	▲ 4.4%	■ ■ ■ ■	19.9x	n.m.
MIN.AX	Mineral Resources Ltd	3,398	17.98	18.12	18.22	17.47	▲ 2.4%	■ ■ ■ ■	7.2x	11.0x
MLD.AX	MACA Ltd	562	2.12	2.10	2.16	2.10	▼ (0.5%)	■ ■ ■ ■	6.4x	19.6x
MSV.AX	Mitchell Services Ltd	66	0.04	0.04	0.04	0.04	▼ (9.5%)	■ ■ ■ ■	35.8x	n.m.
MYE.AX	Mastermyne Group Ltd	84	0.71	0.83	0.83	0.70	▲ 15.3%	■ ■ ■ ■	17.4x	n.m.
NWH.AX	NRW Holdings Ltd	437	1.21	1.20	1.26	1.20	▼ (1.2%)	■ ■ ■ ■	8.1x	15.5x
RUL.AX	RPMGlobal Holdings Ltd	163	0.77	0.77	0.77	0.76	▲ 0.7%	■ ■ ■ ■	31.3x	81.2x
SWK.AX	Swick Mining Services Ltd	67	0.27	0.29	0.28	0.27	▲ 9.4%	■ ■ ■ ■	7.2x	n.m.
Marine Services										
ASB.AX	Austal Ltd	600	1.75	1.72	1.75	1.68	▼ (2.0%)	■ ■ ■ ■	7.21	11.14
MBO.AX	Mobilarm Ltd	11	0.03	0.02	0.03	0.02	▼ (8.0%)	■ ■ ■ ■	n.m.	n.m.
MCE.AX	Matrix Composites & Engineerin	46	0.48	0.50	0.49	0.47	▲ 4.2%	■ ■ ■ ■	n.m.	n.m.
MRM.AX	MMA Offshore Ltd	67	0.17	0.18	0.18	0.17	▲ 2.9%	■ ■ ■ ■	16.9x	n.m.
NMS.AX	Neptune Marine Services Ltd	55	0.93	0.90	0.93	0.85	▼ (3.2%)	■ ■ ■ ■	n.m.	n.m.
VEE.AX	VEEM Ltd	69	0.53	0.53	0.53	0.52	▼ (1.9%)	■ ■ ■ ■	10.0x	12.3x
ZGL.AX	Zicom Group Ltd	33	0.14	0.15	0.14	0.14	— 0.0%	■ ■ ■ ■	n.m.	n.m.
Facilities Management										
AEI.AX	Aeris Environmental Ltd	44	0.26	0.28	0.28	0.26	▲ 7.7%	■ ■ ■ ■	n.m.	n.m.
GMG.AX	Goodman Group Pty Ltd	15,036	8.46	8.35	8.27	8.18	▼ (0.6%)	■ ■ ■ ■	57.0x	58.8x
HIL.AX	Hills Ltd	41	0.18	0.18	0.18	0.17	— 0.0%	■ ■ ■ ■	n.m.	n.m.
MIL.AX	Millennium Services Group Ltd	76	1.67	1.65	1.65	1.61	▼ (1.2%)	■ ■ ■ ■	6.2x	9.7x
PRG.AX	Programmed Maintenance Serv	745	2.85	2.85	2.85	2.85	— 0.0%	■ ■ ■ ■	9.9x	14.4x
SPO.AX	Spotless Group Holdings Ltd	1,188	1.09	1.08	1.08	1.08	— 0.0%	■ ■ ■ ■	8.8x	17.4x
TPS.AX	Threat Protect Australia Ltd	21	0.03	0.03	0.03	0.03	▲ 7.4%	■ ■ ■ ■	8.5x	11.8x
UBN.AX	Urbanise com Ltd	16	0.04	0.04	0.04	0.04	▼ (6.4%)	■ ■ ■ ■	n.m.	n.m.

Source: Thomson Reuters, LCC research



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