



Australian Engineering, Contractors & Service Providers

Edition 243 for the week ending 19 Jan 2018 | Published 22 Jan 2018

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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	(1.1%)	(1.0%)	5.5%	(Australia) 2-year gov bonds	2.12%	7.9	12.9	22.8
(Japan) Topix	0.7%	4.0%	23.7%	(Australia) 5-year gov bonds	2.49%	11.5	12.7	16.0
(Singapore) FTSE Strait Times Index	0.8%	4.3%	18.0%	(Australia) 10-year gov bonds	2.85%	12.1	18.0	8.5
(Hong Kong) Hang Seng	2.7%	7.8%	39.9%					
(South Korea) Kospi 200	0.9%	1.5%	23.1%					
(US) S&P 500	0.9%	5.1%	24.1%					
(US) Dow Jones Industrial	1.0%	5.5%	32.1%	AUD to USD	0.7990	1.0%	2.4%	5.7%
(UK) FTSE 100	(0.6%)	0.6%	7.2%					

M&A Rumour and Activity

The Australian market finished the week 1.06% lower with the S&P/ASX200 ending at 6006 points, with stocks in the energy and telecommunications sector weighing on the index. The Australian dollar finished the week 0.99% higher to end at US79.90 cents following the release of upbeat domestic economic data during the week and continued weakness in the US dollar.

AJ Lucas Group Ltd (AJL.AX) announced on 19 January 2018 that it has launched the placement of ordinary shares to institutional investors to raise up to \$22.6 million and the launch of a 1 for 6 pro-rate accelerated non-renounceable entitlement offer to eligible shareholders to raise up to \$31.2 million.

IMDEX Ltd (IMD.AX) announced on 18 January 2018 that it has entered into an exclusive option to acquire New Zealand-based companies Flexidrill Ltd and Flexidrill Construction Ltd. The Option Agreement provides IMDEX a period of exclusivity of up to September 2018, a provides for an immediate payment of NZ\$5 million (in cash and shares), and the potential to extend the option period by a further 12 months via a further payment of NZ\$5 million.

Tetra Tech Inc (TTEK.O) announced on 17 January 2018 that it has agreed to acquire Norman Disney & Young, a global infrastructure and engineering design group based in Australia, for an undisclosed value.

Atlas Copco AB (ATCOa.ST) announced on 10 January 2018 that it has agreed to acquire Hy-Performance Fluid Power Pty Ltd, an Australian-based company providing remanufacturing, repair and servicing of hydraulic components to companies based in the mining and infrastructure sectors, for an undisclosed value.

News Headlines and Key Sector Developments

Ticker	News/Event	Ticker	News/Event
MLD	Agreed to support the recapitalisation of Blackham Resources Ltd through the provision of a secured \$14.3 million loan	TPP	Appointed former CEO of BIS Industries Ian Lynass to the role of Vice President - Strategy and Corporate Development
RCR	Awarded contract by Metro Trains Melbourne to deliver station upgrade works		

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	217	0.37	0.37	0.37	0.36	▲ 4.2%	---	n.m.	n.m.
BOL.AX	Boom Logistics Ltd	119	0.24	0.25	0.25	0.24	▲ 6.4%	■	13.0x	n.m.
BSA.AX	BSA Ltd	161	0.38	0.38	0.39	0.38	▼ (1.3%)	■	11.2x	17.9x
BYL.AX	Brierty Ltd	10	0.08	0.08	0.08	0.08	— 0.0%	---	n.m.	n.m.
CDD.AX	Cardno Ltd	707	1.47	1.48	1.47	1.44	▲ 1.0%	---	23.7x	104.5x
CIM.AX	CIMIC Group Ltd	15,917	50.45	49.04	50.09	48.90	▼ (3.5%)	---	12.0x	18.0x
DCG.AX	Decmil Group Ltd	208	1.19	1.20	1.21	1.18	▼ (1.2%)	---	141.2x	n.m.
DOW.AX	Downer EDI Ltd	3,949	7.00	6.64	6.95	6.61	▼ (4.9%)	---	10.2x	18.0x
EGN.AX	Engenco Ltd	157	0.55	0.50	0.54	0.49	▼ (9.1%)	---	12.0x	17.1x
GCS.AX	Global Construction Services Ltd	187	0.90	0.89	0.89	0.88	▼ (1.1%)	---	6.2x	8.0x
GNG.AX	GR Engineering Services Ltd	216	1.45	1.41	1.43	1.41	▼ (2.1%)	---	10.8x	11.7x
LCM.AX	LogiCamms Ltd	25	0.32	0.30	0.32	0.30	▼ (6.3%)	---	n.m.	n.m.
LLC.AX	LendLease Group	9,069	15.65	15.53	15.46	15.11	▼ (0.5%)	---	11.3x	12.7x
LYL.AX	Lycopodium Ltd	199	5.05	5.00	5.02	4.95	▼ (1.0%)	---	4.8x	5.1x
MND.AX	Monadelphous Group Ltd	1,676	18.55	17.83	18.30	17.58	▼ (3.7%)	---	14.7x	18.1x
OTR.AX	Onterran Ltd	20	0.32	0.32	0.32	0.32	— 0.0%	---	n.m.	n.m.
RCR.AX	RCR Tomlinson Ltd	666	3.87	4.03	3.98	3.85	▲ 4.7%	---	12.5x	19.6x
RDG.AX	Resource Development Group L	18	0.02	0.03	0.03	0.02	▲ 27.3%	---	n.m.	n.m.
SND.AX	Saunders International Ltd	58	0.57	0.56	0.56	0.55	— 0.0%	---	71.5x	69.3x
SSM.AX	Service Stream Ltd	488	1.31	1.34	1.34	1.30	▲ 1.9%	---	9.0x	10.6x
SWL.AX	Seymour Whyte Ltd	81	0.94	0.93	0.92	0.92	— 0.0%	---	n.m.	n.m.
SXE.AX	Southern Cross Electrical Engine	179	0.76	0.78	0.78	0.76	▲ 0.6%	---	32.1x	n.m.
STS.AX	SRG Ltd	117	1.80	1.78	1.80	1.78	▼ (1.1%)	---	6.0x	8.5x
TPP.AX	Tempo Australia Ltd	53	0.22	0.22	0.22	0.22	— 0.0%	---	15.7x	17.7x
VMG.AX	VDM Group Ltd	5	0.00	0.00	0.00	0.00	— 0.0%	---	n.m.	n.m.
VRS.AX	Veris Ltd	63	0.17	0.19	0.19	0.17	▲ 11.8%	---	6.3x	47.2x
WOR.AX	WorleyParsons Ltd	3,869	14.30	14.18	14.27	14.02	▼ (0.4%)	---	14.0x	18.8x
Mining Services										
ASL.AX	Ausdrill Ltd	913	2.45	2.53	2.47	2.44	▲ 1.6%	---	9.6x	20.1x
ANG.AX	Austin Engineering Ltd	153	0.27	0.27	0.27	0.26	▼ (1.9%)	---	16.5x	223.3x
BLY.AX	Boart Longyear Ltd	342	0.01	0.01	0.01	0.01	— 0.0%	---	32.8x	n.m.
EHL.AX	Emeco Holdings Ltd	775	0.27	0.28	0.27	0.26	▲ 3.8%	---	22.5x	713.0x
IMD.AX	Imdex Ltd	390	1.00	1.06	1.08	1.00	▲ 6.0%	---	12.0x	18.7x
MAH.AX	Macmahon Holdings Ltd	496	0.26	0.23	0.24	0.23	▼ (8.0%)	---	17.1x	n.m.
MIN.AX	Mineral Resources Ltd	3,533	20.95	18.84	21.00	18.60	▼ (9.7%)	---	7.5x	11.5x
MLD.AX	MACA Ltd	462	1.81	1.73	1.79	1.67	▼ (4.2%)	---	5.2x	15.7x
MSV.AX	Mitchell Services Ltd	71	0.04	0.04	0.04	0.04	▼ (2.4%)	---	38.1x	n.m.
MYE.AX	Mastermyne Group Ltd	80	0.80	0.80	0.83	0.79	▼ (1.9%)	---	19.0x	n.m.
NWH.AX	NRW Holdings Ltd	532	1.56	1.44	1.53	1.40	▼ (8.0%)	---	9.3x	17.3x
ORI.AX	Orica Ltd	6,879	18.91	18.19	18.88	18.19	▼ (3.5%)	---	9.9x	14.4x
RUL.AX	RPMGlobal Holdings Ltd	156	0.77	0.73	0.77	0.69	▼ (5.2%)	---	29.5x	76.4x
SWK.AX	Swick Mining Services Ltd	60	0.26	0.26	0.26	0.26	▼ (1.9%)	---	6.6x	n.m.
Marine Services										
ASB.AX	Austal Ltd	644	1.81	1.84	1.82	1.78	▲ 0.3%	---	7.73	11.97
MBO.AX	Mobilarm Ltd	10	0.02	0.02	0.02	0.02	— 0.0%	---	n.m.	n.m.
MCE.AX	Matrix Composites & Engineerin	72	0.62	0.77	0.68	0.60	▲ 24.2%	---	n.m.	n.m.
MRM.AX	MMA Offshore Ltd	249	0.30	0.29	0.29	0.29	— 0.0%	---	25.7x	n.m.
NMS.AX	Neptune Marine Services Ltd	43	0.70	0.70	0.70	0.70	— 0.0%	---	n.m.	n.m.
VEE.AX	VEEM Ltd	68	0.53	0.52	0.54	0.52	▼ (3.7%)	---	9.6x	11.8x
ZGL.AX	Zicom Group Ltd	32	0.14	0.15	0.15	0.14	— 0.0%	---	n.m.	n.m.
Facilities Management										
AEI.AX	Aeris Environmental Ltd	40	0.27	0.26	0.28	0.24	▲ 8.5%	---	n.m.	n.m.
GMG.AX	Goodman Group Pty Ltd	14,568	8.15	8.09	8.06	8.01	▼ (0.5%)	---	62.6x	62.6x
HIL.AX	Hills Ltd	59	0.28	0.26	0.27	0.24	▼ (10.5%)	---	n.m.	n.m.
MIL.AX	Millennium Services Group Ltd	66	1.45	1.43	1.45	1.40	▼ (2.1%)	---	5.2x	7.8x
SPO.AX	Spotless Group Holdings Ltd	1,246	1.14	1.13	1.14	1.13	▼ (0.4%)	---	9.0x	17.4x
TPS.AX	Threat Protect Australia Ltd	17	0.17	0.17	0.18	0.17	▼ (2.9%)	---	7.2x	10.1x
UBN.AX	Urbanise com Ltd	23	0.04	0.04	0.05	0.04	▲ 2.3%	---	n.m.	n.m.

Source: Thomson Reuters, LCC research



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