



Australian Contractors & Service Providers Sector

Edition 244 for the week ending 26 Jan 2018 | Published 29 Jan 2018 WWW.LCCASIAPACIFIC.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	0.7%	6.8%	6.7%	(Australia) 2-year gov bonds	2.09%	(0.03)	0.18	0.24
(Japan) Topix	(0.5%)	23.8%	21.6%	(Australia) 5-year gov bonds	2.47%	(0.02)	0.14	0.19
(Singapore) FTSE Strait Times Index	0.5%	4.8%	16.9%	(Australia) 10-year gov bonds	2.84%	(0.01)	0.07	0.10
(Hong Kong) Hang Seng	2.8%	50.7%	41.8%					
(South Korea) Kospi 200	1.8%	29.0%	24.0%					
(US) S&P 500	2.2%	28.3%	25.1%					
(US) Dow Jones Industrial	2.1%	34.7%	32.4%					
(UK) FTSE 100	(0.8%)	7.3%	7.0%					
					Rate	Week	YTD	12-months
				AUD to USD	0.8109	1.49%	12.39%	7.62%

M&A Rumour and Activity

The Australian market finished the week 0.74% higher with the S&P/ASX200 ending at 6050 points, amid ongoing optimism for economic growth at home and overseas. The Australian dollar finished the week 1.49% higher to end at US\$1.09 mainly due to the weakening of the US Dollar after the US Treasury Secretary Steven Mnuchin endorsed the US dollar's decline which led to huge US Dollar selling across the board.

AJ Lucas Group Limited (AJL.AX) announced on 22 January 2018 that it and its 47.4% owned associate, Cudarilla Resources have entered into a farm-out agreement with a new partner, Angus Energy Plc ("Angus") for a share of the Southern UK PEDL 244 exploration licence which includes the Balcombe discovery. Under the agreement, subject to UK regulatory (Oil and Gas Authority) approval, Angus will acquire a 25% interest in and assume operatorship of the Balcombe Licence. The terms of the transaction require Angus to pay \$6.98 million (£4.0 million) to be paid in two equal tranches, the first \$3.5 million (£2.0 million) is payable within 20 working days of 20 January 2018, and the second \$3.5 million (£2.0 million) is payable following consent from the Oil and Gas Authority for the Acquisition.

News Headlines and Key Sector Developments

Ticker	News/Event	Ticker	News/Event
AJL	Announced the completion of its 1 for 6 accelerated pro rata non-renounceable entitlement offer of new fully paid ordinary shares to raise gross proceeds of up to \$31.2 million	GNG	The Supreme Court of Western Australia ordered that GNG's proceedings against Eastern Goldfields Limited (ASX:EGS) on 11 July 2017 regarding the Davyhurst Gold Project refurbishment contract be stayed, referring the disputes to arbitration
ASB	Announced that Aulong Shipbuilding, a joint venture company between ASB and Guandong Jianglong Shipbuilding of China, has secured contracts for four new high-speed ferries totalling \$20 million	SXE	Awarded c. \$20 million worth of work on road project NorthLink WA Central Section by Great Northern Connect, a joint venture between Laing O'Rourke and BGC Contracting
CIM	Selected by the City of Sydney to design and construct the Gunyama Park Aquatic and Recreation Centre situated within the City of Sydney's new Green Square precinct. The project is expected to generate revenue of c. \$84 million	TPP	Secured a number of new construction contracts in the industrial, commercial, telecommunications and resources sectors with a combined value of over \$6 million
EHL	Provided 2QFY18 operational update with Group EBITDA (unaudited) of \$35.8 million (up 15% from 1QFY18) and Group EBITDA margin (unaudited) of 43% (up from 35% in 1QFY18)	UBN	Announced that Mr. David Burlington has, with effect from 22 January 2018, resigned from his position as Director of UBN
EHL	Moody's Investor Service upgraded EHL's corporate family and senior secured ratings to "B3" (previously "Caa1") and upgraded EHL's outlook to "stable" from positive		

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	200	0.35	0.34	0.38	0.34	▼ (6.3%)	■ ■ ■	n.m.	n.m.
BOL.AX	Boom Logistics Ltd	117	0.25	0.25	0.25	0.23	▼ (2.0%)	■ ■ ■ ■	12.8x	n.m.
BSA.AX	BSA Ltd	163	0.38	0.39	0.38	0.38	▲ 1.3%	■ ■ ■	11.3x	18.2x
BYL.AX	Brierty Ltd	10	0.08	0.08	0.08	0.08	— 0.0%	■ ■ ■	n.m.	n.m.
CDD.AX	Cardno Ltd	674	1.48	1.41	1.43	1.35	▼ (4.7%)	■ ■ ■ ■	22.6x	99.7x
CIM.AX	CIMIC Group Ltd	15,677	48.95	48.15	48.07	47.91	▼ (1.8%)	■ ■ ■ ■	11.7x	17.7x
DCG.AX	Decmil Group Ltd	207	1.18	1.19	1.19	1.17	▼ (0.4%)	■ ■ ■ ■	140.6x	n.m.
DOW.AX	Downer EDI Ltd	3,996	6.67	6.72	6.70	6.64	▲ 1.2%	■ ■ ■ ■	10.3x	18.1x
EGN.AX	Engenco Ltd	156	0.49	0.50	0.50	0.49	▼ (1.0%)	■ ■ ■ ■	11.9x	16.9x
GCS.AX	Global Construction Services Ltd	179	0.89	0.85	0.88	0.81	▼ (4.0%)	■ ■ ■ ■	5.9x	7.6x
GNG.AX	GR Engineering Services Ltd	222	1.42	1.45	1.42	1.40	▲ 2.8%	■ ■ ■ ■	11.1x	12.1x
LCM.AX	LogiCamms Ltd	25	0.31	0.30	0.31	0.30	— 0.0%	■ ■ ■ ■	n.m.	n.m.
LLC.AX	LendLease Group	9,303	15.51	15.93	15.89	15.51	▲ 2.6%	■ ■ ■ ■	11.5x	13.0x
LYL.AX	Lycopodium Ltd	199	4.95	5.00	5.04	4.95	— 0.0%	■ ■ ■ ■	4.8x	5.1x
MND.AX	Monadelphous Group Ltd	1,694	17.60	18.02	17.94	17.51	▲ 1.1%	■ ■ ■ ■	14.9x	18.3x
OTR.AX	Onterran Ltd	20	0.32	0.32	0.32	0.32	— 0.0%	■ ■ ■ ■	n.m.	n.m.
RCR.AX	RCR Tomlinson Ltd	666	4.05	4.03	4.00	3.98	— 0.0%	■ ■ ■ ■	12.5x	19.6x
RDG.AX	Resource Development Group L	15	0.03	0.02	0.03	0.02	▼ (17.9%)	■ ■ ■ ■	n.m.	n.m.
SND.AX	Saunders International Ltd	62	0.60	0.60	0.60	0.60	▲ 7.1%	■ ■ ■ ■	77.4x	69.3x
SSM.AX	Service Stream Ltd	477	1.34	1.31	1.31	1.30	▼ (2.2%)	■ ■ ■ ■	8.8x	10.3x
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	187	0.78	0.81	0.81	0.78	▲ 4.5%	■ ■ ■ ■	34.0x	n.m.
STS.AX	SRG Ltd	118	1.78	1.79	1.78	1.77	▲ 0.3%	■ ■ ■ ■	6.0x	8.6x
TPP.AX	Tempo Australia Ltd	56	0.22	0.23	0.23	0.21	▲ 4.5%	■ ■ ■ ■	17.0x	19.1x
VMG.AX	VDM Group Ltd	6	0.00	0.00	0.00	0.00	— 0.0%	■ ■ ■ ■	n.m.	n.m.
VRS.AX	Veris Ltd	60	0.19	0.18	0.19	0.18	▼ (5.3%)	■ ■ ■ ■	5.9x	44.6x
WOR.AX	WorleyParsons Ltd	4,020	14.33	14.73	14.62	14.27	▲ 3.9%	■ ■ ■ ■	14.5x	19.4x
Mining Services										
ASL.AX	Ausdrill Ltd	924	2.50	2.56	2.52	2.48	▲ 1.2%	■ ■ ■ ■	9.6x	20.3x
ANG.AX	Austin Engineering Ltd	153	0.26	0.27	0.26	0.25	— 0.0%	■ ■ ■ ■	16.5x	223.3x
BLY.AX	Boart Longyear Ltd	315	0.01	0.01	0.01	0.01	▼ (7.7%)	■ ■ ■ ■	32.2x	n.m.
EHL.AX	Emeco Holdings Ltd	817	0.28	0.29	0.28	0.27	▲ 5.5%	■ ■ ■ ■	n.m.	n.m.
IMD.AX	Imdex Ltd	384	1.05	1.05	1.05	1.03	▼ (1.4%)	■ ■ ■ ■	11.8x	18.4x
MAH.AX	Macmahon Holdings Ltd	498	0.23	0.23	0.22	0.22	— 0.0%	■ ■ ■ ■	17.1x	n.m.
MIN.AX	Mineral Resources Ltd	3,644	18.85	19.43	18.76	18.52	▲ 3.1%	■ ■ ■ ■	7.7x	11.9x
MLD.AX	MACA Ltd	454	1.74	1.70	1.68	1.66	▼ (1.7%)	■ ■ ■ ■	5.0x	15.4x
MSV.AX	Mitchell Services Ltd	71	0.04	0.04	0.04	0.04	— 0.0%	■ ■ ■ ■	38.1x	n.m.
MYE.AX	Mastermyne Group Ltd	84	0.80	0.84	0.82	0.79	▲ 5.0%	■ ■ ■ ■	19.8x	n.m.
NWH.AX	NRW Holdings Ltd	562	1.43	1.52	1.50	1.36	▲ 5.6%	■ ■ ■ ■	9.8x	18.2x
ORI.AX	Orica Ltd	7,215	18.21	19.08	18.95	18.20	▲ 4.9%	■ ■ ■ ■	10.3x	15.0x
RUL.AX	RPMGlobal Holdings Ltd	160	0.73	0.75	0.75	0.73	▲ 2.7%	■ ■ ■ ■	30.4x	78.8x
SWK.AX	Swick Mining Services Ltd	61	0.26	0.27	0.26	0.25	▲ 1.9%	■ ■ ■ ■	6.7x	n.m.
Marine Services										
ASB.AX	Austal Ltd	634	1.85	1.80	1.83	1.79	▼ (1.9%)	■ ■ ■ ■	7.60	11.75
MBO.AX	Mobilarm Ltd	10	0.02	0.02	0.02	0.02	— 0.0%	■ ■ ■ ■	n.m.	n.m.
MCE.AX	Matrix Composites & Engineerin	69	0.79	0.73	0.71	0.70	▼ (5.2%)	■ ■ ■ ■	n.m.	n.m.
MRM.AX	MMA Offshore Ltd	245	0.29	0.29	0.29	0.28	▼ (1.7%)	■ ■ ■ ■	25.5x	n.m.
NMS.AX	Neptune Marine Services Ltd	43	0.72	0.71	0.72	0.71	▲ 0.7%	■ ■ ■ ■	n.m.	n.m.
VEE.AX	VEEM Ltd	67	0.51	0.51	0.52	0.51	▼ (1.9%)	■ ■ ■ ■	9.4x	11.5x
ZGL.AX	Zicom Group Ltd	34	0.15	0.16	0.15	0.15	▲ 6.9%	■ ■ ■ ■	n.m.	n.m.
Facilities Management										
AEI.AX	Aeris Environmental Ltd	43	0.26	0.27	0.27	0.26	▲ 5.9%	■ ■ ■ ■	n.m.	n.m.
GMG.AX	Goodman Group Pty Ltd	14,640	8.10	8.13	8.13	7.97	▲ 0.5%	■ ■ ■ ■	62.9x	62.9x
HIL.AX	Hills Ltd	61	0.25	0.27	0.26	0.25	▲ 3.9%	■ ■ ■ ■	n.m.	n.m.
MIL.AX	Millennium Services Group Ltd	69	1.42	1.50	1.44	1.39	▲ 4.9%	■ ■ ■ ■	5.3x	8.0x
SPO.AX	Spotless Group Holdings Ltd	1,273	1.13	1.15	1.14	1.13	▲ 1.8%	■ ■ ■ ■	9.1x	17.6x
TPS.AX	Threat Protect Australia Ltd	18	0.17	0.17	0.17	0.17	▲ 3.0%	■ ■ ■ ■	7.4x	10.3x
UBN.AX	Urbanise com Ltd	22	0.04	0.04	0.04	0.04	▼ (6.8%)	■ ■ ■ ■	n.m.	n.m.

Source: Thomson Reuters, LCC research



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