



Australian Engineering, Contractors & Service Providers

Edition 248 for the week ending 23 Feb 2018 | Published 26 Feb 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	1.6%	(1.1%)	3.7%	(Australia) 2-year gov bonds	1.99%	(0.04)	(0.00)	0.15
(Japan) Topix	1.3%	(3.1%)	13.1%	(Australia) 5-year gov bonds	2.36%	(0.07)	0.00	0.05
(Singapore) FTSE Strait Times Index	2.6%	3.8%	12.6%	(Australia) 10-year gov bonds	2.83%	(0.07)	0.16	0.03
(Hong Kong) Hang Seng	0.5%	4.5%	29.7%					
(South Korea) Kospi 200	0.8%	(2.4%)	16.1%					
(US) S&P 500	0.6%	2.8%	16.2%					
(US) Dow Jones Industrial	0.4%	2.4%	21.6%	AUD to USD	0.7842	(0.86%)	0.50%	1.67%
(UK) FTSE 100	(0.7%)	(5.8%)	(0.4%)					

M&A Rumour and Activity

The Australian market finished the week 1.62% higher with the S&P/ASX200 ending at 6000 points as the Australian shares saw decent gains on the back of solid earnings results which supported the bourse to end the week in black. The Australian dollar finished the week 0.86% lower to end at US78.42 mainly due to the strengthening of the US Dollar.

With Reporting Season underway LCC has been anticipating a number of positive results vs expectations – driven by a variety of factors from very dry weather in Queensland during “Monsoon” (only broken this week) to increasing spend in Resources & Infrastructure Sectors. We will be producing an overview report of all performance which will be available in early March to clients.

News Headlines and Key Sector Developments

Ticker	News/Event	Ticker	News/Event
AJL	Announced the completion of the retail entitlement offer for its 1 for 6 accelerated pro rata non-renounceable entitlement offer of new fully paid ordinary shares priced at \$0.32 each	MND	Reported 1HFY18 results with revenue of \$874.1 million (up 48% from pcp) and NPAT of \$37.6 million (up 32% from pcp)
ASB	Announced that it secured the \$19 million (US\$15 million) fixed price contract for the Guided Missile Frigate FFG(X) Concept Design	MRM	Reported 1HFY18 results with revenue of \$92.5 million (down 22% from pcp) and EBITDA of \$7.6 million (down 73% from pcp)
BOL	Reported 1HFY18 results with revenue of \$92.4 million (up 25% from pcp) and EBITDA of \$11.3 million (up 151% from pcp)	MYE	Reported 1HFY18 results with revenue of \$91.0 million (up 60% from pcp) and EBITDA of \$6.7 million (down 344% from pcp)
DOW	Reported 1HFY18 results with revenue of \$5.8 billion (up 74% from pcp) and EBIT of \$52.3 million (down 57% from pcp)	NWH	Reported 1HFY18 results with revenue of \$312.0 million (up 83% from pcp) and NPAT of \$15.3 million (up 33% from pcp)
EGN	Announced the appointment of Ms. Linda Dillion as the Chief Financial Officer and Company Secretary	OTR	Requested that the current voluntary suspension in respect of all of its securities quoted on the ASX be extended pending an announcement about a likely recapitalisation and OTR meeting its requirements for a re-listing
EGN	Reported 1HFY18 results with revenue of \$77.2 million (up 25% from pcp) and NPAT of \$7.5 million (up 161% from pcp)	RUL	Reported 1HFY18 results with revenue of \$33.1 million (down 14% from pcp) and NLAT of \$1.8 million
GCS	Reported 1HFY18 results with revenue of \$112.6 million (up 22% from pcp) and NPAT of \$6.4 million (up 21% from pcp)	SND	Reported 1HFY18 results with revenue of \$42.6 million (up 129% from pcp) and NPAT of \$1.0 million (up 235% from pcp)
HIL	Reported 1HFY18 results with revenue of \$136.2 million (down 13% from pcp) and EBITDA of \$3.6 million (down 57% from pcp)	UBN	Reported 1HFY18 results with revenue of \$2.8 million (up 26% from pcp) and NLAT of \$13.8 million (up 198% from pcp)
IMD	Reported 1HFY18 results with revenue of \$104.7 million (up 28% from pcp) and EBITDA of \$20.1 million (up 49% from pcp)	VEE	Reported 1HFY18 results with revenue of \$19.8 million (down 6% from pcp) and NPAT of \$1.6 million (up 31% from pcp)
LLC	Reported 1HFY18 results with group EBITDA of \$720.6 million (up 13% from pcp) and NPAT of \$425.6 million (up 8% from pcp)	VMX	Announced that it has secured an exclusive licensing agreement with US based Evisive Inc, for implementation of its patented microwave inspection technology “EvisiveScan” within Australia and New Zealand markets
LYL	Reported 1HFY18 unaudited results with revenue of \$89.4 million (down 12% from pcp) and NPAT of \$7.3 million (up 40% from pcp)	WOR	Reported 1HFY18 results with revenue of \$2.4 billion (down 12% from pcp) and EBIT of \$109.3 million (up 200% from pcp)
MAH	Reported 1HFY18 results with revenue of \$270.0 million (up 60% from pcp) and EBITDA of \$46.1 million (up 343% from pcp)	ZGL	Announced that subject to audit adjustments, it expects to incur a LAT of between \$3.2 million to \$3.7 million (\$3.3 million – \$3.8 million) for 1HFY18
MCE	Reported 1HFY18 results with revenue of \$11.9 million (down 48% from pcp) and LBITDA of \$2.3 million (down 77% from pcp)		

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	264	0.37	0.35	0.39	0.35	▼ (5.4%)	■	n.m.	n.m.
BOL.AX	Boom Logistics Ltd	97	0.24	0.21	0.24	0.20	▼ (14.6%)	■	11.3x	n.m.
BSA.AX	BSA Ltd	150	0.36	0.36	0.35	0.35	▼ (5.3%)	■	10.4x	16.7x
CDD.AX	Cardno Ltd	671	1.32	1.40	1.40	1.32	▲ 13.4%	■	14.2x	23.8x
CIM.AX	CIMIC Group Ltd	14,960	45.41	46.12	45.92	45.21	▲ 2.0%	■	8.9x	13.0x
DCG.AX	Decmil Group Ltd	182	1.08	1.05	1.10	1.02	▼ (8.3%)	■	122.7x	n.m.
DOW.AX	Downer EDI Ltd	4,032	6.46	6.78	6.75	6.44	▲ 5.8%	■	8.9x	17.8x
EGN.AX	Engenco Ltd	158	0.48	0.505	0.50	0.48	▲ 5.2%	■	12.1x	17.3x
FWD.AX	Fleetwood Corp Ltd	170	2.81	2.78	2.82	2.61	▼ (3.1%)	■	7.8x	11.6x
GCS.AX	Global Construction Services Ltd	173	0.84	0.82	0.85	0.78	▼ (2.4%)	■	5.4x	7.0x
GNG.AX	GR Engineering Services Ltd	222	1.37	1.45	1.40	1.37	▲ 6.2%	■	11.1x	12.1x
LCM.AX	LogiCamms Ltd	24	0.28	0.30	0.31	0.28	▲ 5.4%	■	n.m.	n.m.
LLC.AX	LendLease Group	10,220	15.60	17.50	17.16	15.57	▲ 12.4%	■	12.7x	14.5x
LYL.AX	Lycopodium Ltd	212	4.93	5.33	5.12	4.93	▲ 7.7%	■	5.3x	5.5x
MND.AX	Monadelphous Group Ltd	1,628	17.60	17.32	18.02	17.21	▼ (1.3%)	■	12.8x	15.1x
OTR.AX	Oterran Ltd	20	0.32	0.32	0.32	0.32	— 0.0%	■	n.m.	n.m.
RDG.AX	Resource Development Group L	12	0.02	0.02	0.02	0.02	— 0.0%	■	n.m.	n.m.
SND.AX	Saunders International Ltd	61	0.60	0.60	0.60	0.59	▼ (0.8%)	■	76.7x	n.m.
SSM.AX	Service Stream Ltd	564	1.55	1.55	1.57	1.51	▲ 0.3%	■	8.5x	9.8x
SXE.AX	Southern Cross Electrical Engine	171	0.75	0.74	0.77	0.70	▼ (1.3%)	■	30.2x	n.m.
TPP.AX	Tempo Australia Ltd	48	0.21	0.20	0.21	0.20	▼ (4.8%)	■	13.3x	14.9x
VMG.AX	VDM Group Ltd	5	0.00	0.00	0.00	0.00	— 0.0%	■	n.m.	n.m.
VMX.AX	Valmec Ltd	49	0.38	0.39	0.38	0.36	▲ 8.3%	■	8.4x	10.1x
VRS.AX	Veris Ltd	56	0.16	0.17	0.17	0.16	▲ 6.3%	■	5.6x	42.0x
WOR.AX	WorleyParsons Ltd	4,200	13.73	15.39	15.24	13.73	▲ 12.0%	■	14.8x	19.5x
Mining Services										
ASL.AX	Ausdrill Ltd	956	2.56	2.65	2.62	2.52	▲ 2.3%	■	9.9x	20.9x
ANG.AX	Austin Engineering Ltd	150	0.26	0.26	0.27	0.25	▲ 2.0%	■	16.2x	220.1x
BLY.AX	Boart Longyear Ltd	355	0.01	0.01	0.01	0.01	▲ 3.8%	■	32.9x	n.m.
EHL.AX	Emeco Holdings Ltd	789	0.28	0.28	0.27	0.27	▲ 3.7%	■	n.m.	n.m.
IMD.AX	Imdex Ltd	425	1.05	1.15	1.14	1.05	▲ 12.2%	■	10.9x	16.4x
MAH.AX	Macmahon Holdings Ltd	517	0.24	0.24	0.24	0.23	▲ 2.1%	■	7.8x	64.0x
MIN.AX	Mineral Resources Ltd	3,657	19.40	19.50	19.41	18.95	▼ (1.4%)	■	8.4x	12.6x
MLD.AX	MACA Ltd	432	1.59	1.62	1.58	1.56	▲ 1.6%	■	4.8x	14.5x
MSV.AX	Mitchell Services Ltd	73	0.04	0.04	0.04	0.04	▲ 7.7%	■	38.9x	n.m.
MYE.AX	Mastermyne Group Ltd	88	0.85	0.87	0.86	0.85	▲ 2.4%	■	9.6x	30.0x
NWH.AX	NRW Holdings Ltd	593	1.51	1.60	1.58	1.49	▲ 5.6%	■	9.1x	18.1x
RUL.AX	RPMGlobal Holdings Ltd	130	0.66	0.60	0.65	0.59	▼ (9.8%)	■	68.8x	69.7x
SRG.AX	SRG Ltd	112	1.75	1.70	1.75	1.65	▼ (2.9%)	■	5.7x	8.1x
SWK.AX	Swick Mining Services Ltd	52	0.23	0.23	0.23	0.22	— 0.0%	■	5.9x	n.m.
Marine Services										
ASB.AX	Austal Ltd	624	1.73	1.78	1.76	1.73	▲ 2.6%	■	7.52	11.63
MBO.AX	Mobilarm Ltd	10	0.02	0.02	0.02	0.02	— 0.0%	■	n.m.	n.m.
MCE.AX	Matrix Composites & Engineerin	53	0.64	0.57	0.64	0.52	▼ (9.5%)	■	n.m.	n.m.
MRM.AX	MMA Offshore Ltd	206	0.25	0.24	0.26	0.23	▼ (4.0%)	■	15.5x	n.m.
NMS.AX	Neptune Marine Services Ltd	43	0.72	0.7	0.70	0.70	— 0.0%	■	n.m.	n.m.
VEE.AX	VEEM Ltd	67	0.51	0.515	0.52	0.49	▲ 1.0%	■	9.5x	11.7x
ZGL.AX	Zicom Group Ltd	28	0.13	0.13	0.13	0.13	— 0.0%	■	n.m.	n.m.
Facilities Management & Services										
AEI.AX	Aeris Environmental Ltd	38	0.25	0.24	0.25	0.23	— 0.0%	■	n.m.	n.m.
ALQ.AX	ALS Ltd	3,483	6.86	7.01	6.95	6.82	▲ 2.5%	■	18.5x	30.2x
GMG.AX	Goodman Group Pty Ltd	14,784	8.14	8.21	8.19	8.11	▲ 1.5%	■	50.2x	50.2x
HIL.AX	Hills Ltd	55	0.24	0.24	0.25	0.23	▼ (4.1%)	■	13.5x	n.m.
MIL.AX	Millennium Services Group Ltd	65	1.40	1.42	1.41	1.40	▲ 2.2%	■	5.1x	7.7x
SKS.AX	Stokes Ltd	8	0.22	0.20	0.22	0.19	▼ (9.1%)	■	33.0x	62.8x
TPS.AX	Threat Protect Australia Ltd	19	0.17	0.19	0.19	0.17	▲ 15.6%	■	7.9x	11.0x
UBN.AX	Urbanise com Ltd	19	0.04	0.04	0.04	0.04	▼ (7.7%)	■	n.m.	n.m.

Source: Thomson Reuters, LCC research



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