



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	(1.2%)	(2.2%)	2.6%	(Australia) 2-year gov bonds	1.98%	(0.01)	(0.02)	0.15
(Japan) Topix	(3.0%)	(6.0%)	9.2%	(Australia) 5-year gov bonds	2.33%	(0.03)	(0.03)	0.01
(Singapore) FTSE Strait Times Index	(1.5%)	2.2%	10.9%	(Australia) 10-year gov bonds	2.72%	(0.10)	0.05	(0.07)
(Hong Kong) Hang Seng	(2.2%)	2.2%	28.9%					
(South Korea) Kospi 200	(2.7%)	(5.0%)	13.1%					
(US) S&P 500	(2.0%)	0.7%	13.0%	AUD to USD	0.7762	(1.02%)	(0.53%)	2.52%
(US) Dow Jones Industrial	(3.0%)	(0.7%)	16.8%					
(UK) FTSE 100	(2.4%)	(8.0%)	(4.2%)					

M&A Rumour and Activity

The Australian market finished the week 1.18% lower with the S&P/ASX200 ending at 5929 points as the threat of a trade war erupted from Washington after US President Donald Trump called for new tariffs to be imposed on US imports of Steel and Aluminium. The Australian dollar finished the week 1.02% lower to end at US77.62 even after the US Dollar weakened on US President Donald Trump's remarks of imposing new tariffs on US imports of Steel and Aluminium.

News Headlines and Key Sector Developments

Ticker	News/Event	Ticker	News/Event
AEI	Reported 1HFY18 results with revenue of \$1.63 million (up 4.9% from pcp) and LAT of \$1.6 million (up 8.6% from pcp)	MIL	Reported 1HFY18 results with revenue of \$136.3 million (up 10.0% on a proforma basis from pcp) and EBITDA of \$6.2 million (down 24.4% from pcp)
AJL	Reported 1HFY18 results with underlying EBITDA of \$3.4 million (up 742.9% from pcp) and NLAT of \$8.5 million (down 66% from pcp)	MLD	Reported 1HFY18 results with revenue of \$285.0 million (up 18.0% from pcp) and EBITDA of \$37.8 million (down 28.0% from pcp)
ANG	Reported 1HFY18 results with revenue of \$154.7 million (up 7.9% from pcp) and normalised EBITDA of \$12.2 million (down 14.3% from pcp)	MSV	Reported 1HFY18 results with revenue of \$33.2 million (up 59.0% from pcp) and EBITDA of \$2.7 million (up 5.0% from pcp)
ANG	Announced the resignation of Mr. Charlie Sartain as the Non-Executive Director of the company	MYE	Awarded the role as the contract partner for an Early Contractor Involvement (ECI) process for the proposed Isaac Plains Underground Mine for Stanmore Coal Limited (SMR.AX)
ASB	Reported 1HFY18 results with revenue of \$652.9 million (up 0.6% from pcp) and EBITDA of \$46.5 million (up 39.6% from pcp)	NWH	Awarded a \$37 million contract of bulk earthworks and associated civil works for the Southern Waste Fines Storage Facility at the Marandoo mine in the Pilbara, Western Australia
ASB	Awarded a \$68 million contract to design and build an 83 metre trimaran ferry for JR Kyushu Jet Ferry of Japan	RDG	Reported 1HFY18 results with revenue of \$4.6 million (down 34.0% from pcp) and NLAT of \$0.2 million (down 195.0% from pcp)
ASL	Reported 1HFY18 results with revenue of \$439.7 million (up 17.9% from pcp) and EBITDA of \$92.2 million (up 40.6% from pcp)	SKS	Reported 1HFY18 results with revenue of \$12.8 million (up 61.0% from pcp) and NLAT of \$2.3 million
BLY	Reported 1HFY18 results with revenue of \$501.0 million (up 12% from pcp) and EBITDA of \$69.0 million (up 33% from pcp)	SRG	Reported 1HFY18 results with revenue of \$104.9 million (down 11.4% from pcp) and NPAT of \$2.4 million (down 48.5% from pcp)
BSA	Reported 1HFY18 results with revenue of \$292.0 million (up 21.1% from pcp) and EBITDA of \$7.2 million (up 34.9% from pcp)	SWK	Reported 1HFY18 results with revenue of \$71.1 million (up 9.7% from pcp) and EBITDA of \$7.2 million (down 9.9% from pcp)
DCG	Reported 1HFY18 results with revenue of \$140.8 million (down 0.6% from pcp) and LAT of \$6.2 million (up 326.9% from pcp)	SXE	Reported 1HFY18 results with revenue of \$176.2 million (up 186.5% from pcp) and EBITDA of \$8.6 million (up 577.7% from pcp)
DOW	Awarded a three-year contract, valued at c.\$600 million to provide mining and related services at the Blackwater coal mine	TPP	Announced it secured a number of new construction and maintenance contracts with a combined value of over \$11 million, while also receiving binding letters of intent for \$23 million worth of new solar works in Victoria
EGN	Reported 1HFY18 results with revenue of \$78.2 million (up 25.3% from pcp) and EBITDA of \$9.7 million (up 80.0% from pcp)	TPP	Reported 1HFY18 results with revenue of \$18.1 million (down 77.7% from pcp) and NLAT of \$1.0 million (up 119.1% from pcp)
EHL	Reported 1HFY18 results with operating revenue of \$171.1 million (up 132.0% from pcp) and operating EBITDA of \$67.0 million (up 140.0% from pcp)	TPS	Reported 1HFY18 results with revenue of \$6.9 million (up 27.2% from pcp) and LBITDA of \$0.25 million (from EBITDA of \$0.95 million in pcp)
FWD	Reported 1HFY18 results with revenue of \$163.8 million (up 15.0% from pcp) and underlying EBITDA of \$7.7 million (down 18.0% from pcp)	VEE	Announced the creation of a technical evaluation program between Damen Shipyards of the Netherlands and VEE
GCS	Announced the retirement of Mr. Carlo Genovesi from the position of CFO and joint secretary of the company	VRS	Reported 1HFY18 results with revenue of \$46.2 million (up 46.6% from pcp) and NLAT of \$1.6 million (from NPAT of \$0.1 million in pcp)
LCM	Reported 1HFY18 results with revenue of \$42.5 million (up 2.4% from pcp) and EBITDA of \$1.9 million (up 176.0% from pcp)	ZGL	Reported 1HFY18 results with revenue of \$39.8 million (down 15.7% from pcp) and NLAT of \$3.7 million (up 176.8% from pcp)
MBO	Reported 1HFY18 results with revenue of \$2.0 million (down 14.0% from pcp) and NLAT of \$0.65 million (down 13.0% 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	263	0.38	0.35	0.39	0.34	— 0.0%	— ■ —	n.m.	n.m.
BOL.AX	Boom Logistics Ltd	95	0.21	0.20	0.21	0.19	▼ (2.4%)	— ■ ■	11.1x	n.m.
BSA.AX	BSA Ltd	137	0.35	0.33	0.33	0.33	▼ (8.5%)	■ ■ ■	8.8x	13.7x
CDD.AX	Cardno Ltd	671	1.43	1.40	1.41	1.39	— 0.0%	— ■ —	14.2x	23.8x
CIM.AX	CIMIC Group Ltd	14,631	46.62	45.17	46.63	44.92	▼ (2.1%)	— ■ ■	8.7x	12.7x
DCG.AX	Decmil Group Ltd	195	1.05	1.13	1.08	1.00	▲ 7.1%	— ■ ■	105.3x	n.m.
DOW.AX	Downer EDI Ltd	3,979	6.87	6.69	6.83	6.63	▼ (1.3%)	■ ■ ■	8.9x	17.6x
EGN.AX	Engenco Ltd	168	0.505	0.535	0.52	0.50	▲ 5.9%	— ■ ■	9.8x	12.7x
FWD.AX	Fleetwood Corp Ltd	154	2.74	2.51	2.54	2.44	▼ (9.7%)	■ — ■	8.0x	12.3x
GCS.AX	Global Construction Services Ltd	168	0.82	0.80	0.81	0.79	▼ (3.0%)	■ ■ ■	5.2x	6.7x
GNG.AX	GR Engineering Services Ltd	226	1.44	1.48	1.44	1.41	▲ 1.7%	■ — ■	10.0x	10.7x
LCM.AX	LogiCamms Ltd	20	0.29	0.25	0.29	0.25	▼ (15.3%)	— ■ —	n.m.	n.m.
LLC.AX	LendLease Group	10,442	17.67	17.88	17.80	17.49	▲ 2.2%	— ■ ■	13.0x	14.8x
LYL.AX	Lycopodium Ltd	212	5.54	5.33	5.24	5.21	— 0.0%	— ■ —	5.3x	5.5x
MND.AX	Monadelphous Group Ltd	1,493	17.50	15.88	16.85	15.75	▼ (8.3%)	— ■ ■	11.6x	13.7x
OTR.AX	Onterran Ltd	20	0.32	0.32	0.32	0.32	— 0.0%	— ■ —	n.m.	n.m.
RDG.AX	Resource Development Group L	13	0.02	0.02	0.02	0.02	▲ 10.5%	— ■ —	n.m.	n.m.
SND.AX	Saunders International Ltd	61	0.60	0.59	0.60	0.58	▼ (0.8%)	— ■ —	26.4x	56.8x
SSM.AX	Service Stream Ltd	592	1.56	1.62	1.60	1.56	▲ 4.9%	— ■ ■	8.9x	10.4x
SXE.AX	Southern Cross Electrical Engine	169	0.75	0.73	0.74	0.73	▼ (1.4%)	— ■ —	29.7x	n.m.
TPP.AX	Tempo Australia Ltd	48	0.20	0.20	0.21	0.20	— 0.0%	— ■ —	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	44	0.40	0.35	0.36	0.35	▼ (10.3%)	■ ■ ■	7.6x	9.1x
VRS.AX	Veris Ltd	54	0.17	0.17	0.17	0.16	▼ (2.9%)	— ■ —	5.4x	40.6x
WOR.AX	WorleyParsons Ltd	4,039	15.57	14.80	15.62	14.68	▼ (3.8%)	■ ■ ■	14.4x	18.9x
Mining Services										
ASL.AX	Ausdrill Ltd	941	2.74	2.60	2.72	2.58	▼ (1.9%)	— ■ —	8.3x	16.3x
ANG.AX	Austin Engineering Ltd	156	0.26	0.27	0.28	0.26	▲ 3.8%	■ — ■	9.4x	19.1x
BLY.AX	Boart Longyear Ltd	289	0.01	0.01	0.01	0.01	▼ (18.5%)	— ■ —	18.7x	n.m.
EHL.AX	Emeco Holdings Ltd	845	0.29	0.30	0.29	0.28	▲ 7.1%	■ ■ ■	n.m.	n.m.
IMD.AX	Imdex Ltd	440	1.18	1.19	1.20	1.14	▲ 3.5%	■ ■ ■	11.3x	16.9x
MAH.AX	Macmahon Holdings Ltd	528	0.25	0.25	0.24	0.23	▲ 2.1%	— ■ —	8.0x	65.4x
MIN.AX	Mineral Resources Ltd	3,334	19.72	17.78	19.27	17.21	▼ (8.8%)	— ■ ■	7.7x	11.5x
MLD.AX	MACA Ltd	394	1.58	1.47	1.49	1.46	▼ (9.0%)	— ■ —	4.7x	20.4x
MSV.AX	Mitchell Services Ltd	68	0.04	0.04	0.04	0.04	▼ (7.1%)	— ■ —	37.0x	n.m.
MYE.AX	Mastermyne Group Ltd	94	0.85	0.93	0.93	0.82	▲ 6.9%	— ■ ■	10.2x	31.9x
NWH.AX	NRW Holdings Ltd	625	1.60	1.69	1.69	1.59	▲ 5.3%	— ■ —	9.6x	19.0x
RUL.AX	RPMGlobal Holdings Ltd	142	0.61	0.66	0.65	0.60	▲ 10.0%	■ ■ ■	77.0x	n.m.
SRG.AX	SRG Ltd	111	1.65	1.70	1.72	1.60	— 0.0%	— ■ —	5.7x	8.1x
SWK.AX	Swick Mining Services Ltd	44	0.23	0.19	0.22	0.19	▼ (15.6%)	— ■ —	5.7x	n.m.
Marine Services										
ASB.AX	Austal Ltd	629	1.78	1.80	1.80	1.74	▲ 0.8%	— ■ —	7.91	12.73
MBO.AX	Mobilarm Ltd	9	0.02	0.02	0.02	0.02	▼ (9.5%)	— ■	n.m.	n.m.
MCE.AX	Matrix Composites & Engineerin	48	0.56	0.52	0.54	0.50	▼ (9.6%)	■ ■ ■	n.m.	n.m.
MRM.AX	MMA Offshore Ltd	202	0.24	0.235	0.24	0.21	▼ (2.1%)	— ■ —	15.3x	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	62	0.49	0.48	0.48	0.45	▼ (6.8%)	— ■ —	10.5x	13.4x
ZGL.AX	Zicom Group Ltd	27	0.13	0.13	0.13	0.13	▼ (3.8%)	— ■ ■	n.m.	n.m.
Facilities Management & Services										
AEI.AX	Aeris Environmental Ltd	35	0.23	0.22	0.25	0.22	▼ (8.3%)	— ■ —	n.m.	n.m.
ALQ.AX	ALS Ltd	3,482	7.10	7.10	7.03	6.98	▲ 1.3%	— ■ —	18.5x	30.2x
GMG.AX	Goodman Group Pty Ltd	14,946	8.27	8.30	8.28	8.16	▲ 1.1%	— ■ —	50.7x	50.7x
HIL.AX	Hills Ltd	52	0.24	0.23	0.23	0.23	▼ (4.3%)	— ■ —	13.1x	n.m.
MIL.AX	Millennium Services Group Ltd	45	1.40	0.99	1.39	0.93	▼ (30.3%)	— ■ —	3.9x	5.9x
SKS.AX	Stokes Ltd	7	0.21	0.17	0.19	0.17	▼ (15.0%)	■	29.7x	56.5x
TPS.AX	Threat Protect Australia Ltd	17	0.19	0.17	0.19	0.16	▼ (10.8%)	— ■ —	12.2x	33.0x
UBN.AX	Urbanise com Ltd	19	0.04	0.04	0.04	0.04	— 0.0%	—	n.m.	n.m.

Source: Thomson Reuters, LCC research



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