



# Australian Engineering, Contractors & Service Providers

Edition 257 for the week ending 27 Apr 2018 | Published 30 Apr 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	1.4%	(1.8%)	0.5%	(Australia) 2-year gov bonds	2.10%	(0.03)	0.10	0.40
(Japan) Topix	1.5%	(2.2%)	15.7%	(Australia) 5-year gov bonds	2.49%	0.01	0.13	0.32
(Singapore) FTSE Strait Times Index	0.1%	5.1%	12.8%	(Australia) 10-year gov bonds	2.83%	0.01	0.16	0.21
(Hong Kong) Hang Seng	(0.5%)	1.2%	22.6%					
(South Korea) Kospi 200	0.9%	(1.2%)	11.6%					
(US) S&P 500	(0.0%)	(0.1%)	11.8%					
(US) Dow Jones Industrial	(0.6%)	(1.7%)	15.9%					
(UK) FTSE 100	1.8%	(2.4%)	3.7%					
					Rate	Week	YTD	12-months
				AUD to USD	0.7581	(1.19%)	(2.85%)	1.61%

## M&A Rumour and Activity

The Australian market finished the week 1.44% higher with the S&P/ASX200 ending at 5954 points despite bank shares feeling the fallout from the royal commission. The Australian dollar finished the week 1.19% lower to end at US\$0.7581, mainly due to strengthening of the US Dollar after the US 10-year Treasury yields rose above 3.0%, its highest level since 2014.

**Watpac Limited (WTP.AX)** on 24 April 2018 advised that the Federal Court of Australia ordered that a meeting of WTP shareholders other than certain excluded shareholders be convened to consider and, if thought fit, agree to the scheme of arrangement under which its major shareholder, BESIX Group SA (BESIX) will acquire 50% of the ordinary shares held by WTP's shareholders other than BESIX and its associates, for a cash consideration of \$0.92 per share.

**LCC Asia Pacific** has also been notified that one of the sector deals we advised on last year has been awarded "Global Deal Of The Year Under USD\$100m" by the **Global M & A Network** out of New York. We will be attending the 10<sup>th</sup> Annual M & A Atlas Awards in early June to receive this honour : <https://globalmanetwork.com/press-center/>

## News Headlines and Key Sector Developments

Ticker	News/Event	Ticker	News/Event
<b>GNG</b>	Appointed as preferred tenderer by Capricorn Metals Limited (CMM.AX) in relation to the design and construction of a 3.0Mtpa carbon-in-leach mineral processing plant and associated infrastructure for the Karlawinda Gold Project	<b>RPM</b>	Announced the expansion of its suite of commodity based mine scheduling software solutions through the launch of RPM's Steeply Dipping Coal (SDC) XPAC Solutions™
<b>MIL</b>	Awarded a contract with Vicinity Centres for management of varying range of security services, including crowd control, asset protection and mobile patrol services across 26 assets in 3 States. The contract will commence on 1 June 2018 and is expected to make a significant contribution to MIL's earnings in FY19	<b>VEE</b>	Announced that Damen Shipyards ("Damen") of the Netherlands has signed a contract which will see Damen take delivery of VEEM's newest and largest gyrostabilizer model, the VG1000SD. The sale is subject to successful sea trials and Damen continuing the Fast Crew Supplier 7011 build program
<b>MND</b>	Announced it has secured new contracts in the resources and infrastructure sectors with a combined value of c. \$100 million. MND's Zenviron (energy business) has secured a contract for balance of plant works associated with the 150MW Moorabool North Wind Farm Project for Goldwind Australia. Additionally, MND was awarded additional works under an existing panel contract with BHP for its iron ore operations and lastly, MND received an order from Australia Pacific LNG under an existing agreement	<b>VRS</b>	Updated the market that its acquisition of Elton Consulting is performing well with c. \$6.0 million of contracted work awarded since December 2017

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
<b>Engineering Services</b>										
AJL.AX	AJ Lucas Group Ltd	255	0.34	0.34	0.37	0.33	— 0.0%	— —	n.m.	n.m.
BOL.AX	Boom Logistics Ltd	93	0.20	0.20	0.20	0.19	▼ (4.9%)	■ —	10.9x	n.m.
BSA.AX	BSA Ltd	144	0.34	0.34	0.34	0.34	— 0.0%	■ —	9.2x	14.4x
CDD.AX	Cardno Ltd	566	1.28	1.18	1.25	1.18	▼ (9.2%)	■ ■	12.0x	20.0x
CIM.AX	CIMIC Group Ltd	14,702	44.35	45.34	44.95	44.00	▲ 2.5%	■ ■	8.7x	12.7x
DCG.AX	Decmil Group Ltd	216	1.24	1.24	1.24	1.23	▼ (0.4%)	■ —	117.3x	n.m.
DOW.AX	Downer EDI Ltd	4,086	6.69	6.87	6.79	6.67	▲ 2.5%	■ ■	9.0x	18.0x
EGN.AX	Engenco Ltd	157	0.495	0.5	0.50	0.50	▼ (2.0%)	■ ■	9.1x	11.8x
FWD.AX	Fleetwood Corp Ltd	135	2.35	2.2	2.32	2.13	▼ (6.4%)	■ ■	7.1x	10.9x
GCS.AX	Global Construction Services Ltd	150	0.72	0.71	0.72	0.70	▼ (4.1%)	— ■	4.4x	5.8x
GNG.AX	GR Engineering Services Ltd	213	1.43	1.39	1.41	1.39	▼ (2.5%)	■ ■	9.3x	10.0x
LCM.AX	LogiCamms Ltd	20	0.25	0.25	0.25	0.25	— 0.0%	—	n.m.	n.m.
LLC.AX	LendLease Group	10,222	17.84	17.56	17.76	17.26	▼ (1.6%)	■ ■	12.7x	14.5x
LYL.AX	Lycopodium Ltd	182	4.85	4.59	4.80	4.40	▼ (6.3%)	— ■	4.1x	4.3x
MND.AX	Monadelphous Group Ltd	1,510	15.72	16.05	15.93	15.45	▲ 1.6%	■ ■	11.7x	13.8x
OTR.AX	Onterran Ltd	20	0.32	0.32	0.32	0.32	— 0.0%	—	n.m.	n.m.
RDG.AX	Resource Development Group Ltd	13	0.02	0.02	0.02	0.02	— 0.0%	■ —	n.m.	n.m.
SND.AX	Saunders International Ltd	55	0.53	0.54	0.54	0.52	▲ 2.9%	■ —	23.5x	50.6x
SSM.AX	Service Stream Ltd	561	1.54	1.55	1.51	1.48	▼ (0.6%)	■ ■	8.5x	9.9x
SXE.AX	Southern Cross Electrical Engineering Ltd	155	0.67	0.67	0.68	0.65	▼ (2.5%)	— ■	7.6x	19.9x
TPP.AX	Tempo Australia Ltd	46	0.20	0.19	0.20	0.19	— 0.0%	— ■	n.m.	n.m.
VMG.AX	VDM Group Ltd	12	0.00	0.00	0.00	0.00	▼ (33.3%)	— ■	n.m.	n.m.
VMX.AX	Valmec Ltd	43	0.35	0.35	0.34	0.34	— 0.0%	— ■	7.5x	9.0x
VRS.AX	Veris Ltd	69	0.20	0.20	0.20	0.20	— 0.0%	— ■	8.4x	90.0x
WOR.AX	WorleyParsons Ltd	4,378	15.50	16.04	15.76	15.42	▲ 4.0%	■ ■	15.4x	20.2x
WTP.AX	Walpac Ltd	145	0.79	0.79	0.78	0.78	▼ (1.3%)	— ■	(12.8x)	n.m.
<b>Mining Services</b>										
ASL.AX	Ausdrill Ltd	1,003	2.85	2.77	2.81	2.76	▼ (1.8%)	— ■	8.8x	17.3x
ANG.AX	Austin Engineering Ltd	142	0.23	0.25	0.24	0.23	— 0.0%	— ■	8.7x	17.7x
BLY.AX	Boart Longyear Ltd	263	0.01	0.01	0.01	0.01	— 0.0%	— ■	18.2x	n.m.
EHL.AX	Emeco Holdings Ltd	789	0.30	0.28	0.29	0.28	▼ (6.7%)	■ —	76.4x	n.m.
IMD.AX	Imdex Ltd	458	1.25	1.24	1.24	1.22	— 0.0%	— ■	11.8x	17.7x
MAH.AX	Macmahon Holdings Ltd	463	0.22	0.22	0.22	0.21	— 0.0%	— ■	7.0x	56.9x
MIN.AX	Mineral Resources Ltd	3,320	18.00	17.69	17.93	17.45	▼ (1.7%)	■ ■	7.6x	11.4x
MLD.AX	MACA Ltd	354	1.36	1.32	1.35	1.30	▼ (2.6%)	■ ■	4.1x	17.7x
MSV.AX	Mitchell Services Ltd	66	0.04	0.04	0.04	0.04	▼ (5.0%)	— ■	36.3x	n.m.
MYE.AX	Mastermyne Group Ltd	90	0.95	0.90	0.93	0.85	▼ (5.8%)	— ■	9.9x	30.8x
NWH.AX	NRW Holdings Ltd	480	1.40	1.30	1.35	1.27	▼ (5.5%)	— ■	7.5x	14.9x
RUL.AX	RPMGlobal Holdings Ltd	144	0.62	0.67	0.63	0.62	▲ 5.6%	■ ■	77.7x	n.m.
SRG.AX	SRG Ltd	144	1.82	1.82	1.82	1.77	— 0.0%	■ ■	8.0x	12.2x
SWK.AX	Swick Mining Services Ltd	51	0.21	0.22	0.22	0.21	▲ 2.3%	— ■	6.3x	n.m.
<b>Marine Services</b>										
ASB.AX	Austal Ltd	614	1.72	1.75	1.73	1.72	▼ (2.8%)	■ —	7.74	12.45
MBO.AX	Mobilarm Ltd	7	0.01	0.01	0.01	0.01	— 0.0%	— ■	n.m.	n.m.
MCE.AX	Matrix Composites & Engineering Ltd	41	0.45	0.44	0.45	0.44	▼ (2.2%)	■ —	n.m.	n.m.
MRM.AX	MMA Offshore Ltd	202	0.23	0.235	0.23	0.23	▲ 4.4%	■ ■	15.3x	n.m.
NMS.AX	Neptune Marine Services Ltd	44	0.72	0.715	0.72	0.72	▼ (0.7%)	■	n.m.	n.m.
VEE.AX	VEEM Ltd	56	0.425	0.43	0.43	0.42	▼ (2.3%)	— ■	9.6x	12.2x
ZGL.AX	Zicom Group Ltd	26	0.12	0.12	0.12	0.12	— 0.0%	—	n.m.	n.m.
<b>Facilities Management &amp; Services</b>										
AEI.AX	Aeris Environmental Ltd	31	0.21	0.20	0.21	0.20	▼ (7.1%)	■ ■	n.m.	n.m.
ALQ.AX	ALS Ltd	3,840	7.64	7.83	7.74	7.59	▲ 2.4%	■ ■	20.2x	32.9x
GMG.AX	Goodman Group Pty Ltd	16,135	8.72	8.96	8.87	8.70	▲ 2.9%	■ ■	54.5x	54.5x
HIL.AX	Hills Ltd	50	0.21	0.22	0.22	0.21	▲ 2.4%	■ —	12.7x	n.m.
MIL.AX	Millennium Services Group Ltd	46	0.94	1.00	0.99	0.93	▲ 6.4%	— ■	4.8x	9.2x
SKS.AX	Stokes Ltd	8	0.18	0.19	0.19	0.18	▲ 5.6%	— ■	n.m.	n.m.
TPS.AX	Threat Protect Australia Ltd	18	0.18	0.18	0.20	0.18	▲ 2.9%	— ■	12.6x	34.3x
UBN.AX	Urbanise com Ltd	15	0.04	0.03	0.04	0.03	▼ (17.1%)	■ —	n.m.	n.m.

Source: Thomson Reuters, LCC research



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