



# Australian Engineering, Contractors & Service Providers

Edition 259 for the week ending 11 May 2018 | Published 14 May 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	0.9%	0.8%	4.0%	(Australia) 2-year gov bonds	2.02%	(0.02)	0.03	0.33
(Japan) Topix	1.3%	(1.2%)	13.1%	(Australia) 5-year gov bonds	2.41%	(0.03)	0.05	0.24
(Singapore) FTSE Strait Times Index	0.7%	4.9%	9.1%	(Australia) 10-year gov bonds	2.79%	0.01	0.12	0.13
(Hong Kong) Hang Seng	4.0%	4.0%	23.9%					
(South Korea) Kospi 200	0.6%	(1.9%)	6.3%					
(US) S&P 500	2.4%	2.0%	13.9%					
(US) Dow Jones Industrial	2.3%	0.5%	18.7%					
(UK) FTSE 100	2.1%	0.5%	4.6%					
					<b>Rate</b>	<b>Week</b>	<b>YTD</b>	<b>12-months</b>
				AUD to USD	0.7542	0.03%	(3.34%)	2.25%

## M&A Rumour and Activity

The Australian market finished the week 0.88% higher with the S&P/ASX200 ending at 6116 points mainly due to strong performance by the energy stocks supported by higher oil prices. The Australian dollar finished the week 0.03% higher to end at US75.42, recovering from a mid-week dip against the US-Dollar supported by economically positive federal budget.

Sector activity domestically was quiet in terms of corporate deals. Regionally, however, a number of significant opportunities continue to take shape (in terms of packages of work available) with considerable activity continuing to build around China's Belt & Road Initiative.

LCC's work in this area continues to be a focal point for growth, assisting clients with understanding near offshore opportunities in the Engineering and Contracting Sectors. An initial paper titled "China's Control Of The Heavens: An Overview Of The Rapidly Developing Space Silk Road" was released last week. It can be viewed and downloaded on our website ([www.lccasiapacific.com](http://www.lccasiapacific.com)) or alternatively here :

<https://ssrn.com/abstract=3176348>

## News Headlines and Key Sector Developments

Ticker	News/Event	Ticker	News/Event
<b>DOW</b>	Awarded an EPC contract worth c. \$150 million by First Solar for the 87MWac Beryl Solar Farm located about five kilometres west of Gulgong, NSW	<b>NWH</b>	Advised that terms for the Baralaba North Coal Mine contract have now been finalised. The contract is valued at \$420 million
<b>FWD</b>	Provided earnings update with 1HFY18 EBIT to be in the order of c. \$1.5 million, bringing full-year underlying EBIT for FY18 to be c. \$5.5 million	<b>SWK</b>	Provided 3QFY18 operational update with unaudited revenue of \$33.2 million (up 13% from pcp) and total metres drilled of 270,463 for the quarter (up 4 % from pcp)
<b>GMG</b>	Provided 3QFY18 operational update with Total Assets under Management of \$36.8 billion (up 6.4% on 1HFY18) and 98% occupancy rate across the Group and Partnerships. Additionally, GMG reaffirmed FY18 EPS of 46.5 cents (up 8% on FY17)	<b>WTP</b>	Advised that it has been appointed as the Managing Contractor for Stage 1 of the two-stage, \$170 million Rheinmetall Defence Australia Military Vehicle Centre of Excellence (MILVEHCOE) located at Redbank in Ipswich
<b>MND</b>	Awarded new projects with Panoramic Resources Ltd at its Savannah Nickel Project in WA, and for Minnovo at Sandfire Resources NL's Degussa project in WA. The project is expected to generate revenue of \$37 million		

Source: Thomson Reuters, Company Announcements, LCC research



**IMPORTANT DISCLAIMER:** This report has been prepared by LCC Asia Pacific Pty. Limited ("LCC"). The research is based on information obtained from sources believed to be accurate and reliable. LCC does not guarantee the accuracy, reliability, completeness or suitability of any such information and makes no warranty, guarantee or representation, expressly or impliedly about this research. LCC accepts no obligation to correct or update the information. No opinion or recommendation is made within this research. This report is not intended to be, nor should it be relied on, as a substitute for professional advice. This report should not be relied upon as the sole basis for any investment decision or planning, and LCC does not accept any responsibility on this basis for actions made.



# Australian Engineering, Contractors & Service Providers

Edition 259 for the week ending 11 May 2018 | Published 14 May 2018 WWW.LCCASIPACIFIC.COM

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	0.33	0.34	0.36	0.33	▲ 3.0%	■ ■ ■ ■ ■	n.m.	n.m.
BOL.AX	Boom Logistics Ltd	92	0.19	0.20	0.20	0.18	▲ 5.4%	■ ■ ■ ■ ■	10.9x	n.m.
BSA.AX	BSA Ltd	137	0.33	0.33	0.33	0.33	▼ (1.5%)	■ ■ ■ ■ ■	8.8x	13.7x
CDD.AX	Cardno Ltd	616	1.26	1.29	1.26	1.24	▲ 2.8%	■ ■ ■ ■ ■	13.0x	21.8x
CIM.AX	CIMIC Group Ltd	14,271	45.02	44.07	44.95	42.26	▼ (3.0%)	■ ■ ■ ■ ■	8.4x	12.4x
DCG.AX	Decmil Group Ltd	207	1.15	1.19	1.19	1.13	▲ 0.8%	■ ■ ■ ■ ■	111.9x	n.m.
DOW.AX	Downer EDI Ltd	4,252	7.20	7.15	7.22	6.99	▲ 0.4%	■ ■ ■ ■ ■	9.3x	18.5x
EGN.AX	Engenco Ltd	150	0.49	0.48	0.49	0.47	▼ (4.0%)	■ ■ ■ ■ ■	8.7x	11.3x
FWD.AX	Fleetwood Corp Ltd	128	2.22	2.09	2.20	1.72	▼ (6.3%)	■ ■ ■ ■ ■	6.7x	10.4x
GCS.AX	Global Construction Services Ltd	159	0.77	0.76	0.76	0.76	— 0.0%	■ ■ ■ ■ ■	4.8x	6.3x
GNG.AX	GR Engineering Services Ltd	222	1.46	1.45	1.46	1.38	▼ (0.3%)	■ ■ ■ ■ ■	9.7x	10.5x
LCM.AX	LogiCamms Ltd	18	0.23	0.22	0.23	0.22	▼ (2.2%)	■ ■ ■ ■ ■	n.m.	n.m.
LLC.AX	LendLease Group	10,515	18.19	18.14	18.13	18.04	▼ (0.3%)	■ ■ ■ ■ ■	13.1x	14.9x
LYL.AX	Lycopodium Ltd	185	4.75	4.65	4.70	4.58	▼ (2.1%)	■ ■ ■ ■ ■	4.2x	4.4x
MND.AX	Monadelphous Group Ltd	1,515	16.60	16.10	16.58	15.77	▼ (3.0%)	■ ■ ■ ■ ■	11.8x	13.9x
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	11	0.02	0.02	0.02	0.02	▼ (10.5%)	■ ■ ■ ■ ■	n.m.	n.m.
SND.AX	Saunders International Ltd	52	0.51	0.51	0.51	0.51	▼ (2.9%)	■ ■ ■ ■ ■	21.7x	46.7x
SSM.AX	Service Stream Ltd	583	1.63	1.62	1.63	1.62	▼ (0.3%)	■ ■ ■ ■ ■	8.8x	10.2x
SXE.AX	Southern Cross Electrical Engineering Ltd	162	0.74	0.70	0.72	0.70	▼ (2.8%)	■ ■ ■ ■ ■	8.2x	21.4x
TPP.AX	Tempo Australia Ltd	46	0.19	0.19	0.19	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	44	0.36	0.35	0.36	0.35	— 0.0%	■ ■ ■ ■ ■	7.6x	9.1x
VRS.AX	Veris Ltd	74	0.21	0.22	0.22	0.21	▲ 4.9%	■ ■ ■ ■ ■	9.0x	96.3x
WOR.AX	WorleyParsons Ltd	4,743	16.35	17.38	17.14	16.17	▲ 6.3%	■ ■ ■ ■ ■	16.4x	21.6x
WTP.AX	Waipac Ltd	142	0.79	0.78	0.78	0.77	▼ (1.9%)	■ ■ ■ ■ ■	(13.2x)	n.m.
<b>Mining Services</b>										
ASL.AX	Ausdrill Ltd	1,014	2.75	2.80	2.75	2.68	▲ 2.2%	■ ■ ■ ■ ■	8.9x	17.4x
ANG.AX	Austin Engineering Ltd	150	0.26	0.26	0.26	0.25	— 0.0%	■ ■ ■ ■ ■	9.1x	18.5x
BLY.AX	Boart Longyear Ltd	289	0.01	0.01	0.01	0.01	— 0.0%	■ ■ ■ ■ ■	18.6x	n.m.
EHL.AX	Emeco Holdings Ltd	923	0.30	0.30	0.30	0.29	— 0.0%	■ ■ ■ ■ ■	79.1x	n.m.
IMD.AX	Imdex Ltd	497	1.30	1.35	1.31	1.21	▲ 4.3%	■ ■ ■ ■ ■	12.8x	19.2x
MAH.AX	Macmahon Holdings Ltd	452	0.21	0.21	0.21	0.21	— 0.0%	■ ■ ■ ■ ■	6.8x	55.5x
MIN.AX	Mineral Resources Ltd	3,641	19.85	19.40	19.79	19.31	▼ (1.4%)	■ ■ ■ ■ ■	8.4x	12.6x
MLD.AX	MACA Ltd	339	1.33	1.27	1.30	1.25	▼ (3.8%)	■ ■ ■ ■ ■	3.9x	16.7x
MSV.AX	Mitchell Services Ltd	62	0.04	0.04	0.04	0.03	▼ (7.7%)	■ ■ ■ ■ ■	34.7x	n.m.
MYE.AX	Mastermyne Group Ltd	93	0.87	0.93	0.87	0.86	▲ 6.3%	■ ■ ■ ■ ■	10.2x	31.8x
NWH.AX	NRW Holdings Ltd	467	1.29	1.26	1.25	1.16	▼ (1.9%)	■ ■ ■ ■ ■	7.3x	14.5x
RUL.AX	RPMGlobal Holdings Ltd	143	0.65	0.67	0.65	0.63	▲ 0.8%	■ ■ ■ ■ ■	77.7x	n.m.
SRG.AX	SRG Ltd	159	1.87	1.95	1.97	1.86	▲ 4.3%	■ ■ ■ ■ ■	8.6x	13.1x
SWK.AX	Swick Mining Services Ltd	60	0.25	0.26	0.26	0.24	▲ 2.0%	■ ■ ■ ■ ■	7.1x	n.m.
<b>Marine Services</b>										
ASB.AX	Austal Ltd	611	1.76	1.75	1.74	1.72	▼ (0.9%)	■ ■ ■ ■ ■	7.72	12.42
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	43	0.44	0.46	0.46	0.43	▲ 4.5%	■ ■ ■ ■ ■	n.m.	n.m.
MRM.AX	MMA Offshore Ltd	202	0.24	0.235	0.24	0.23	— 0.0%	■ ■ ■ ■ ■	15.3x	n.m.
NMS.AX	Neptune Marine Services Ltd	44	0.715	0.715	0.72	0.72	— 0.0%	■ ■ ■ ■ ■	n.m.	n.m.
VEE.AX	VEEM Ltd	55	0.41	0.42	0.43	0.40	▲ 2.4%	■ ■ ■ ■ ■	9.4x	12.0x
ZGL.AX	Zicom Group Ltd	23	0.13	0.11	0.12	0.10	▼ (12.5%)	■ ■ ■ ■ ■	n.m.	n.m.
<b>Facilities Management &amp; Services</b>										
AEI.AX	Aeris Environmental Ltd	28	0.20	0.18	0.18	0.18	▼ (5.3%)	■ ■ ■ ■ ■	n.m.	n.m.
ALQ.AX	ALS Ltd	4,022	8.06	8.20	8.15	8.04	▲ 2.2%	■ ■ ■ ■ ■	21.0x	34.3x
GMG.AX	Goodman Group Pty Ltd	16,351	9.09	9.08	9.11	9.03	▲ 0.3%	■ ■ ■ ■ ■	55.2x	55.2x
HIL.AX	Hills Ltd	51	0.23	0.22	0.22	0.22	▲ 4.8%	■ ■ ■ ■ ■	12.9x	n.m.
MIL.AX	Millennium Services Group Ltd	47	1.05	1.03	1.05	1.03	▼ (1.9%)	■ ■ ■ ■ ■	4.9x	9.4x
SKS.AX	Stokes Ltd	8	0.19	0.19	0.19	0.19	— 0.0%	■ ■ ■ ■ ■	n.m.	n.m.
TPS.AX	Threat Protect Australia Ltd	18	0.20	0.17	0.20	0.17	▼ (15.0%)	■ ■ ■ ■ ■	12.4x	33.7x
UBN.AX	Urbanise com Ltd	14	0.03	0.03	0.03	0.03	▼ (3.7%)	■ ■ ■ ■ ■	n.m.	n.m.

Source: Thomson Reuters, LCC research



**IMPORTANT DISCLAIMER:** This report has been prepared by LCC Asia Pacific Pty. Limited ("LCC"). The research is based on information obtained from sources believed to be accurate and reliable. LCC does not guarantee the accuracy, reliability, completeness or suitability of any such information and makes no warranty, guarantee or representation, expressly or impliedly about this research. LCC accepts no obligation to correct or update the information. No opinion or recommendation is made within this research. This report is not intended to be, nor should it be relied on, as a substitute for professional advice. This report should not be relied upon as the sole basis for any investment decision or planning, and LCC does not accept any responsibility on this basis for actions made.