



Australian Engineering, Contractors & METS Providers

Australia

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3rd July 2020

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365

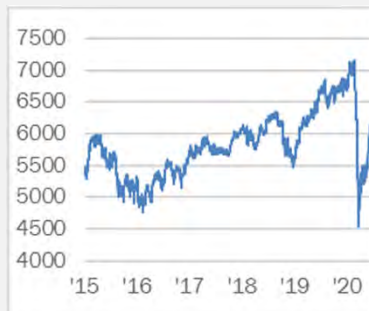
Market Performance – Edition 365 – High Level Of International Deal Activity

Index	Percentage change			Fixed income	Yield	Change in basis point		
	Week	YTD	12-months			Week	YTD	12-months
(Australia) S&P / ASX200	2.6%	7.3%	(9.8%)	(Australia) 2-year gov bonds	0.27%	0.01	(1.63)	(0.67)
(Japan) Topix	(1.6%)	3.9%	(2.4%)	(Australia) 5-year gov bonds	0.41%	0.02	(1.51)	(0.59)
(Singapore) FTSE Strait Times Index	1.9%	(13.6%)	(21.3%)	(Australia) 10-year gov bonds	0.90%	0.02	(1.42)	(0.39)
(Hong Kong) Hang Seng	3.4%	(1.8%)	(11.9%)					
(South Korea) Kospi 200	0.9%	9.1%	4.1%					
(US) S&P 500	4.0%	24.9%	4.5%					
(US) Dow Jones Industrial	3.2%	10.7%	(4.2%)					
(UK) FTSE 100	(0.0%)	(8.5%)	(19.0%)					

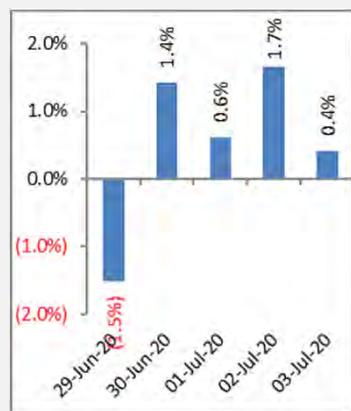
	Rate	Week	YTD	12-months
AUD to USD	0.6937	1.1%	(1.6%)	(1.2%)

As we closed the FY 20 financial year, Macro events for the week included Iron Ore dipping back to under \$100, COVID Cases continuing to climb in the USA Market (which will likely result in a slower recovery) and the US moving 2 Aircraft carrier groups into the South China Sea – which will likely increase tensions between the 2 major superpowers. Oil remains at \$40.50 as we open Monday.

ASX200 INDEX



DAILY PERFORMANCE OF ASX200



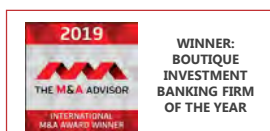
M&A Rumour, Industry News and Private Activity

Australian news included:

- Ventia completed the acquisition of Broadspectrum
- CVL wins Civil package at Iron Bridge Magnetite Project
- WOR has been awarded a services contract by BASF for a new battery material plant in Finland. Dollar value not provided
- GR Engineering awarded Civil works packages by Saracen Minerals
- Boart Longyear has debt rating reviews completed. S & P reinstates corporate credit rating of CCC+ from SD (selective default)
- Imdex confirms retirement of Managing Director
- Enevis noted divested lighting business to focus on Core operations. Deal size A\$865,000 subject to stock movements
- Aurizon sold its rail grinding business to Loram for USD \$126m

Offshore we saw an incredibly busy week in M & A with the end of the half year, with no less than 40 separate deals closing in the last week.

We continue in particular to see activity in the Environmental Services sector, including Carlyle Europe taking a stake in Environmental monitoring company Envea (www.envea.global). Also Jacobs UK acquired World Nuclear for US\$303m from John Wood Group for its total lifecycle nuclear services operations. This includes decommissioning and environmental restoration of incidents including nuclear power in civilian and defence situations.





News Headlines and Key Sector Developments

Ticker	News/ Event	Ticker	News/ Event
ACF	Files Ceasing to be Substantial Shareholder Notice	LLC	Updates on FY20 Unaudited Results
AJL	Provides update on Bowland Joint Venture – with JV partner exiting and transferring back 25%	MCE	Files Change in Substantial Shareholding Notice
BSA	Alteration of dividend payment date	MND	Vesting & Forfeiture of Performance Rights & Options
CIM	Ventia completes Broadspectrum Acquisition	NWH	Gascoyne has now agreed that the amount of upfront payment
CVL	Wins Civil contract at the Iron Bridge Magnetite Project	PGX	Release of shares from Voluntary Escrow
DCG	Board transition process commences	SND	Files change in substantial shareholder notice
EGN	Completes strategic land purchase	SRG	Provides market update and brings Dividend Payment forward
GRG	Awarded new works package by Saracen Minerals	SOP	Completes share placement for \$1.3m
JLG	Files Appendix 2A – Vesting of Performance Rights	TPP	Anthony Barton & Associates moves to 15% shareholding
WOR	Awarded services contract by BASF	AMX	Provides Market Update
EHL	Vesting of 2018 Performance Rights	RPM	Updates on Total Contracted Value of Software for FY 20
SWK	Notes Lapse of Unlisted Options		

Offshore & Oilfield Oil & Gas Services News – Australia & Abroad

- **Engineering X** – an international collaboration founded by the Royal Academy of Engineering awarded GBP 1 million in grants to study decommissioning options on six projects in the UK and elsewhere
- **Petrobras** resumed its downstream divestment process of its Brazilian refining and related logistics assets
- The University of Wollongong and University of Western Australia combine for a new Australian research hub focussed on offshore energy

LCC's Sector Association Involvement



Opportunity runs deep™



Empowering Energy & Resources Lawyers

We are driven to improve our technical knowledge of the Resource Services, Oilfield Services, Electrical Services, Infrastructure Services, Engineering and Resources Sectors, and seek to be an active member within key industry peak bodies.

Not only does this strategy reinforce our fundamental enjoyment and drive to better service clients within these Sectors, but it allows us to continually build deep operational and business knowledge of both broad and niche industries.

This differentiates LCC from other Advisory Firms as we deliver much more to the Client Leadership Team and Board of Directors than “commoditised” transactional experience and “general advice”

Sources: Thomson Reuters Eikon, Company Announcements, LCC research





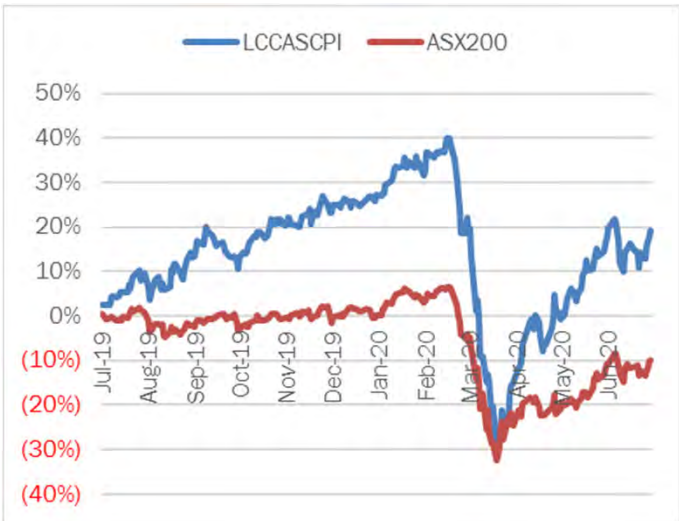
LCC Australian Contractors & Service Providers Index® (LCCACSPI)

Market Data Since 2011



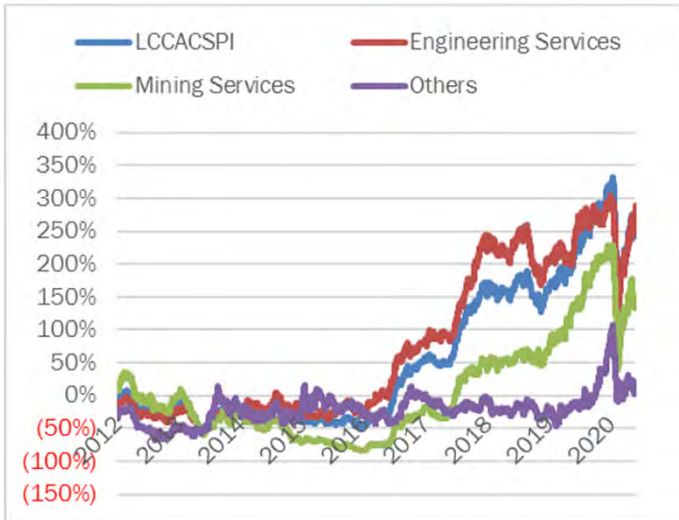
The LCCACSPI Index shows a continued dip over the past week with sentiment over a “V” shape recovery decreasing.

Rolling 1 Year Market Data



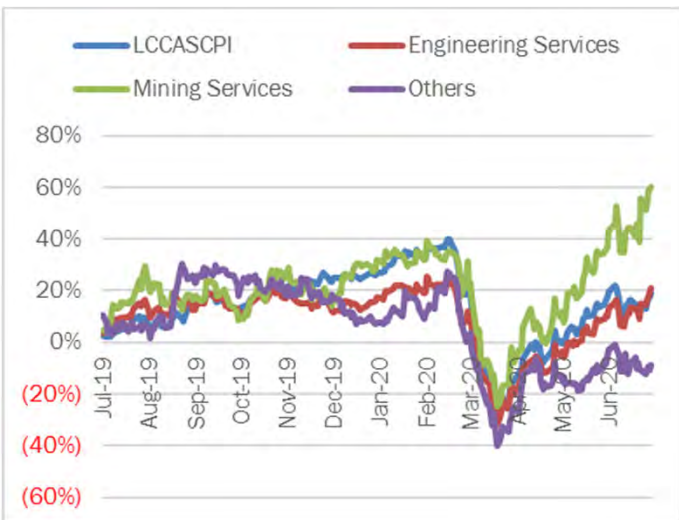
Volatility over the last 2 trading months now becoming apparent. Certain constituents in LCC Index continue to overperform vs the ASX 200, despite uncertainty.

Market Data Since 2011

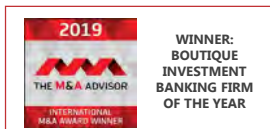


All sectors changing track from positive to negative, with risks of second wave and stagnant growth increasing.

Rolling 1 Year Market Data



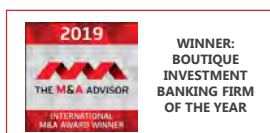
Mining Services continues to outperform many other sectors, the industry seemingly weathering the second wave of global virus outbreaks, and negative global economic sentiment.





ASX-Listed Companies – as at close Friday 3rd July 2020

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										
ACF.AX	Acrow Formwork and Construction Services	69	0.30	0.32	0.33	0.30	▲ 1.6%		9.9x	23.7x
AJL.AX	AJ Lucas Group Ltd	47	0.03	0.04	0.04	0.03	▲ 18.2%		7.1x	11.3x
BOL.AX	Boom Logistics Ltd	43	0.11	0.10	0.10	0.10	— 0.0%		4.5x	n.m.
BPP.AX	Babylon Pump & Power Ltd	15	0.02	0.02	0.02	0.02	— 0.0%		13.0x	n.m.
BSA.AX	BSA Ltd	130	0.29	0.30	0.30	0.28	▲ 7.1%		3.5x	4.6x
CDD.AX	Cardno Ltd	100	0.23	0.23	0.23	0.21	▲ 2.3%		4.1x	9.2x
CIM.AX	CIMIC Group Ltd	7,755	23.55	24.42	24.06	23.34	▲ 1.9%		3.9x	6.9x
CVL.AX	Civmec Ltd	192	0.40	0.41	0.41	0.40	▲ 12.3%		10.6x	15.7x
DCG.AX	Decmil Group Ltd	76	0.06	0.06	0.06	0.06	▲ 3.5%		n.m.	n.m.
DOW.AX	Downer EDI Ltd	2,647	4.24	4.46	4.47	4.18	▲ 2.5%		6.3x	13.5x
EGN.AX	Engenco Ltd	141	0.45	0.45	0.45	0.45	— 0.0%		10.9x	18.0x
FWD.AX	Fleetwood Corp Ltd	154	1.49	1.63	1.58	1.46	▲ 7.6%		4.0x	8.7x
GNG.AX	GR Engineering Services Ltd	109	0.69	0.71	0.71	0.69	▲ 2.9%		n.m.	n.m.
JLG.AX	Johns Lyng Group Ltd	544	2.34	2.45	2.44	2.26	▲ 4.3%		17.8x	21.5x
LCM.AX	LogiCamms Ltd	26	0.13	0.13	0.13	0.13	▼ (3.7%)		4.8x	6.4x
LLC.AX	LendLease Group	8,722	11.98	12.70	12.57	11.46	▲ 4.4%		14.6x	17.5x
LYL.AX	Lycopodium Ltd	176	4.95	4.44	4.75	4.40	▼ (9.6%)		1.9x	2.2x
MCE.AX	Matrix Composites & Engineering Ltd	17	0.16	0.17	0.17	0.14	▲ 9.7%		13.4x	n.m.
MND.AX	Monadelphous Group Ltd	1,035	10.90	10.94	10.85	10.21	▼ (0.5%)		9.8x	13.1x
PGX.AX	Primero Group Ltd	52	0.27	0.31	0.28	0.25	▲ 13.0%		6.2x	7.4x
RDG.AX	Resource Development Group Ltd	71	0.03	0.03	0.03	0.03	▲ 7.7%		25.1x	n.m.
SND.AX	Saunders International Ltd	51	0.47	0.50	0.48	0.46	▲ 6.4%		n.m.	n.m.
SRG.AX	SRG Global Ltd	107	0.20	0.24	0.24	0.19	▲ 23.1%		7.5x	n.m.
SSM.AX	Service Stream Ltd	778	1.89	1.91	1.91	1.85	▲ 0.3%		7.3x	9.7x
SXE.AX	Southern Cross Electrical Engineering Ltd	104	0.43	0.42	0.44	0.42	— 0.0%		2.3x	2.9x
SOP.AX	SML Corporation Ltd	6	0.02	0.03	0.03	0.02	▲ 21.7%		n.m.	n.m.
TPP.AX	Tempo Australia Ltd	15	0.06	0.04	0.06	0.04	▼ (28.1%)		n.m.	n.m.
VMG.AX	VDM Group Ltd	14	0.00	0.00	0.00	0.00	— 0.0%		n.m.	n.m.
VMX.AX	Valmec Ltd	21	0.20	0.17	0.18	0.16	▼ (20.2%)		2.6x	3.5x
VRS.AX	Veris Ltd	16	0.04	0.04	0.04	0.04	▲ 11.1%		10.2x	n.m.
WOR.AX	Worley Ltd	4,586	8.60	8.83	8.74	8.21	▲ 0.3%		9.6x	12.3x
ZGL.AX	Zicom Group Ltd	10	0.05	0.05	0.05	0.05	▼ (6.0%)		n.m.	n.m.
Mining Services										
AMX.AX	Aerometrex Ltd	136	1.34	1.44	1.49	1.31	▲ 4.7%		28.6x	48.3x
ALQ.AX	ALS Ltd	3,220	6.42	6.69	6.62	6.28	▲ 2.5%		14.5x	20.8x
ANG.AX	Austin Engineering Ltd	75	0.13	0.13	0.13	0.12	▲ 4.0%		7.0x	19.9x
BLY.AX	Boart Longyear Ltd	36	0.40	0.41	0.41	0.35	▼ (4.7%)		10.4x	21.6x
EHL.AX	Emeco Holdings Ltd	351	1.00	0.96	0.97	0.94	▼ (5.9%)		3.7x	7.1x
IMD.AX	Imdex Ltd	441	1.05	1.14	1.12	1.02	▲ 4.6%		7.8x	11.5x
IPL.AX	Incitec Pivot Ltd	3,740	1.84	1.93	1.91	1.81	▲ 2.9%		10.8x	25.1x
MAH.AX	Macmahon Holdings Ltd	560	0.25	0.26	0.25	0.24	▲ 4.0%		3.4x	9.4x
MIN.AX	Mineral Resources Ltd	4,092	20.63	21.76	21.49	20.42	▲ 3.5%		6.2x	8.1x
MLD.AX	MACA Ltd	234	0.83	0.88	0.86	0.81	▲ 4.2%		4.8x	46.0x
MSV.AX	Mitchell Services Ltd	99	0.54	0.50	0.52	0.49	▼ (2.7%)		6.3x	12.9x
MYE.AX	Mastermyne Group Ltd	71	0.60	0.70	0.68	0.58	▲ 17.6%		3.4x	5.8x
NWH.AX	NRW Holdings Ltd	754	1.80	1.77	1.85	1.70	▼ (6.1%)		5.8x	11.3x
ORI.AX	Orica Ltd	6,715	16.20	16.59	16.47	16.01	▲ 1.3%		9.7x	14.9x
PPK.AX	PPK Group Ltd	271	3.00	3.16	3.03	2.91	▲ 1.9%		116.4x	364.4x
PRN.AX	Perenti Global Ltd	770	1.18	1.10	1.15	1.09	▼ (7.9%)		3.4x	8.9x
RUL.AX	RPMGlobal Holdings Ltd	223	1.09	1.00	1.06	0.98	▼ (9.5%)		21.9x	50.3x
SWK.AX	Swick Mining Services Ltd	39	0.13	0.13	0.13	0.13	— 0.0%		2.9x	n.m.
Facilities Management & Services										
AEI.AX	Aeris Environmental Ltd	146	0.50	0.61	0.58	0.48	▲ 19.8%		n.m.	n.m.
ALQ.AX	ALS Ltd	3,220	6.42	6.69	6.62	6.28	▲ 2.5%		14.5x	20.8x
HIL.AX	Hills Ltd	39	0.16	0.17	0.17	0.16	— 0.0%		7.3x	30.0x
MIL.AX	Millennium Services Group Ltd	18	0.35	0.40	0.40	0.35	▲ 14.3%		11.9x	n.m.
ENE.AX	Enevis Ltd	4	0.04	0.04	0.04	0.04	— 0.0%		n.m.	n.m.
TPS.AX	Threat Protect Australia Ltd	11	0.05	0.04	0.05	0.04	▲ 10.0%		11.5x	n.m.





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Founded in 2004, LCC Asia Pacific is an award-winning boutique investment banking & strategic advisory firm that specializes in the engineering & contracting sector as well as general & specialised services – including mining, drilling, energy & oilfield (onshore & offshore)

We provide our clients with key insights on the Engineering, Contracting and Oil Field Services Sectors – assisting with in depth strategy formulation and execution of both organic and M & A engagements

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- Machine Learning, Artificial Intelligence & Predictive Maintenance

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