

M&A Rumor and Activity

The Australian market finished the week 0.10% higher with the S&P / ASX 100 ending at 4481 points, lifted by the strong performance in the energy sector following a rally in commodity prices, and a surge in the oil prices after members of OPEC agreed to cut supply during informal talks held in Algeria. The Australian dollar increased 0.47% for the week to end at US76.54 cents boosted by the weakening of the US dollar during the US presidential debate and after US Federal Reserve's decision to leave interest rates unchanged

News Headlines and Key Sector Developments

Ticker	News/Event	Ticker	News/Event
BOL	Announced the appointment of Mr. Maxwell Findlay as a Non-Executive Director and chairman of the board followed by Mr. John Robinson's retirement as a director and chairman of BOL	MCE	Reported FY16 results of \$95.7m in revenue (down 34% yoy), EBITDA loss of \$6.4m (down 67% yoy), and NLAT of \$2.1m (down 158% yoy)
DCG	Awarded a \$14.7m contract with Sino Iron Pty Ltd for the construction and commissioning of an airstrip and associated facilities at Cape Preston, as a part of the Sino Iron magnetite project. The project will commence in Oct and is scheduled to be completed in FY16	MCE	Announced the resignation of Mr. Mark Rowsthorn and Mr. Donald Telford as directors of the company
DCG	Announced that its joint venture (JV) with Balance Utility Solutions Pty Ltd (Decmil Balance JV) has secured 2 EPC contracts valued at \$19.2m for the construction of a 10MW solar farm and a two-year operational and maintenance contract. Through the JV, DCG will have a 67% stake in the two contracts. The project will commence in Oct and is scheduled to be completed in Aug 2017	MIN	Announced the signing of a Memorandum of Understanding (MoU) with its joint venture partner Neometals Ltd (NMT.AX). Under the MoU the JV partners will jointly assess the technical and commercial feasibility of the construction and operation of a downstream lithium chemical plant in Eastern Goldfields of WA with a nameplate capacity of 20,000-25,000tpa of lithium carbonate equivalent production
EHL	S&P's Rating Services lowered its credit rating for EHL from "CCC" to "CC"	MLD	Reported FY16 results of \$431.4m in revenue (down 28% yoy), and NPAT of \$24.2m (down 55% yoy)
FWD	Reported FY16 results of \$287m in revenue (up 5.2% yoy), EBITDA loss of \$0.3m (down 102% yoy) and NLAT of \$28m (down 160% yoy)	NWH	Reported FY16 results of \$287.9m in revenue (down 63% yoy), and NPAT of \$21.5m (up 109% yoy)
GCS	Reported FY16 results of \$184.5m in revenue (up 23% yoy), underlying EBITDA of \$19.8m (up 22% yoy) and underlying NPAT of \$12.0m (up 38% yoy)	OTC	Announced that it will raise \$12m through the issue of 44.44m fully paid ordinary shares at a price of \$27.0 cents per share under the company's existing placement capacity pursuant to ASX Listing Rules 7.1 and 7.1A
GNG	Announced its appointment as the lead study manager for Kibran Resources Limited (KNL.AX)'s feasibility study on downstream processing of its graphite, including the production of battery-grade (spherical) graphite, for the lithium-ion battery market. The study will be funded by KNL's recent \$10.9m capital raising	OTR	Reported FY16 results of \$265.7m in revenue (up 230% yoy), and NLAT of \$0.7m (up 97% yoy)
GNG	Announced the appointment of Mr. Phillip (Phil) Lockyer as a Non-Executive Director	PRG	Lowered its EBITDA guidance for FY17 to \$100m from previously \$120m
LCM	Reported FY16 results of \$108.2m in revenue (down 19% yoy), underlying EBITDA loss of \$4.2m (down 150% yoy), and NLAT of \$38.1m (down 414% yoy)	SWL	Awarded a \$10m contract to construct the Young Street Improvement Project in Frankston

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.

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
AJL.AX	AJ Lucas Group Ltd	152	0.35	0.40	0.36	0.35	▲ 25.0%	-----■	15.6x	1,331.5x
ASL.AX	Ausdrill Ltd	451	1.65	1.45	1.54	1.38	▼ (12.4%)	--■---	5.4x	11.9x
AAX.AX	Ausenco Ltd	79	0.40	0.40	0.40	0.40	— 0.0%	-----■	n.m.	n.m.
ANG.AX	Austin Engineering Ltd	71	0.15	0.14	0.14	0.13	▼ (3.6%)	---■--	n.m.	n.m.
BLY.AX	Boart Longyear Ltd	127	0.13	0.14	0.14	0.12	▲ 5.9%	-----■	n.m.	n.m.
BKN.AX	Bradken Ltd	414	2.28	2.42	2.39	2.28	▲ 4.8%	■-----	3.2x	3.2x
BYL.AX	Brierty Ltd	10	0.09	0.08	0.09	0.08	▼ (3.5%)	■-----	n.m.	n.m.
BOL.AX	Boom Logistics Ltd	59	0.13	0.13	0.13	0.13	▼ (3.8%)	---■--	10.2x	n.m.
BSA.AX	BSA Ltd	135	0.32	0.32	0.32	0.31	▲ 4.9%	-----■	10.3x	23.8x
CDD.AX	Cardno Ltd	432	0.86	0.90	0.87	0.84	▲ 4.7%	---■--	18.6x	14.7x
CIM.AX	CIMIC Group Ltd	9,294	28.55	28.74	28.66	28.33	▼ (0.4%)	---■--	7.2x	11.4x
DCG.AX	Decmil Group Ltd	178	0.95	1.05	1.02	0.94	▲ 10.0%	■-----	18.9x	70.9x
DSB.AX	Delta SBD Ltd	12	0.23	0.22	0.23	0.20	▲ 10.0%	---■--	3.8x	6.6x
DOW.AX	Downer EDI Ltd	2,290	5.15	5.39	5.38	5.12	▲ 4.9%	---■--	4.6x	8.6x
EAL.AX	E&A Ltd	12	0.10	0.08	0.10	0.08	▼ (11.6%)	---■--	n.m.	n.m.
EGN.AX	Engenco Ltd	50	0.15	0.16	0.16	0.15	▲ 10.3%	■-----	6.9x	16.0x
EHL.AX	Emeco Holdings Ltd	37	0.06	0.06	0.07	0.06	▲ 15.1%	■-----	6.8x	n.m.
FWD.AX	Fleetwood Corp Ltd	119	1.90	1.95	1.93	1.88	▲ 2.6%	---■--	5.3x	n.m.
GCS.AX	Global Construction Services Ltd	90	0.44	0.45	0.45	0.44	▲ 3.4%	■-----	3.8x	6.2x
GNG.AX	GR Engineering Services Ltd	246	1.53	1.61	1.61	1.52	▲ 5.9%	---■--	7.6x	8.3x
HDX.AX	Hughes Drilling Ltd	17	NULL	0.08	0.00	0.00	— 0.0%	-----■	3.1x	7.5x
IMD.AX	Imdex Ltd	167	0.61	0.59	0.59	0.57	▼ (2.5%)	---■--	12.7x	37.8x
LCM.AX	LogiCamms Ltd	29	0.44	0.42	0.42	0.41	▼ (3.4%)	---■--	n.m.	n.m.
LYL.AX	Lycopodium Ltd	115	2.94	2.90	2.90	2.90	▼ (0.7%)	---■--	5.6x	6.2x
MLD.AX	MACA Ltd	404	1.74	1.74	1.71	1.67	▼ (1.1%)	---■--	5.0x	22.5x
MAH.AX	Macmahon Holdings Ltd	144	0.12	0.12	0.12	0.12	— 0.0%	---■--	2.3x	16.4x
MYE.AX	Mastermyne Group Ltd	18	0.20	0.20	0.20	0.20	— 0.0%	---■--	8.8x	n.m.
MIN.AX	Mineral Resources Ltd	2,070	11.10	11.07	10.98	10.76	▼ (0.3%)	---■--	6.8x	13.0x
MCE.AX	Matrix Composites & Engineering Ltd	41	0.43	0.44	0.43	0.42	▲ 2.4%	---■--	4.4x	n.m.
MCS.AX	McAleese Ltd	7	NULL	0.03	0.00	0.00	— 0.0%	-----■	12.9x	n.m.
MND.AX	Monadelphous Group Ltd	851	9.07	9.08	9.05	8.76	▼ (0.7%)	---■--	5.7x	7.0x
MRM.AX	MMA Offshore Ltd	134	0.36	0.36	0.35	0.34	▲ 1.4%	---■--	6.3x	12.7x
MSV.AX	Mitchell Services Ltd	46	0.03	0.03	0.03	0.03	▲ 10.7%	---■--	108.7x	n.m.
NWH.AX	NRW Holdings Ltd	200	0.60	0.63	0.61	0.59	▲ 5.9%	■-----	5.4x	10.8x
OTR.AX	Onterran Ltd	24	0.42	0.42	0.42	0.42	▲ 1.2%	■-----	n.m.	n.m.
OTC.AX	OTOC Ltd	86	0.28	0.31	0.30	0.28	▲ 10.7%	---■--	5.6x	8.9x
PRG.AX	Programmed Maintenance Services Ltd	418	1.90	1.63	1.90	1.48	▼ (16.2%)	---■--	8.2x	11.7x
RCR.AX	RCR Tomlinson Ltd	393	2.75	2.81	2.81	2.67	▲ 1.4%	■-----	12.8x	32.1x
RDG.AX	Resource Development Group Ltd	17	0.03	0.03	0.03	0.03	— 0.0%	---■--	0.2x	0.3x
RUL.AX	Rungepincockminarco Ltd	90	0.49	0.50	0.50	0.49	▲ 2.0%	---■--	n.m.	n.m.
SND.AX	Saunders International Ltd	45	0.56	0.57	0.55	0.55	— 0.0%	■-----	7.2x	8.4x
SSM.AX	Service Stream Ltd	420	1.05	1.15	1.14	1.02	▲ 8.5%	---■--	10.7x	13.5x
SWL.AX	Seymour Whyte Ltd	69	0.75	0.79	0.79	0.75	▼ (1.9%)	---■--	5.9x	18.3x
SXE.AX	Southern Cross Electrical Engineering Ltd	87	0.52	0.55	0.54	0.52	▲ 4.8%	---■--	3.8x	6.4x
STS.AX	SRG Ltd	104	1.56	1.63	1.63	1.56	▲ 5.8%	■-----	5.8x	9.2x
SWK.AX	Swick Mining Services Ltd	54	0.27	0.26	0.27	0.25	▼ (5.6%)	---■--	5.4x	n.m.
TPP.AX	Tempo Australia Ltd	50	0.26	0.25	0.26	0.24	▼ (3.8%)	---■--	5.3x	5.3x
UGL.AX	UGL Ltd	356	2.19	2.14	2.21	2.10	▼ (3.6%)	---■--	n.m.	n.m.
VMG.AX	VDM Group Ltd	11	0.00	0.00	0.00	0.00	▼ (33.3%)	---■--	n.m.	n.m.
WOR.AX	WorleyParsons Ltd	2,048	7.75	8.33	8.24	7.65	▲ 4.9%	---■--	12.3x	19.9x
WTP.AX	Watpac Ltd	158	0.87	0.85	0.88	0.84	▼ (2.3%)	---■--	(4.0x)	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.