

## M&A Rumor and Activity

The Australian market finished the week 0.46% lower with the S&P / ASX 100 ending at 4590 points, dampened by the decision by the United States Federal Reserve to increase its benchmark interest rates by 25 basis points. The Australian dollar decreased 1.97% for the week to end at US73.04 cents, as the US dollar strengthened on the back of the US Fed rate decision and a more hawkish tone from the US Fed (with three expected interest rate increases in 2017, compared to two expected interest rate increases previously).

**MACA Limited (MLD.AX)** has on 16 December 2016 entered into an acquisition agreement to acquire Interquip Pty Ltd, a privately-owned business providing end to end mineral processing solutions, equipment refurbishing, on-site maintenance and modular conveyor systems in Western Australia and the Northern Territory for approximately \$8 million. The transaction will comprise 70% in cash and 30% in shares (subject to 2-year escrow), and is subject to an earn-out agreement (a potential payment of up to \$1.8 million upon meeting of EBIT targets of \$4.5 million for FY17 and \$5.5 million for FY18). MACA Limited also has an option to acquire the remaining 40% stake after three and a half years.

*The Australian Financial Review* reported on 16 December 2016 that the owners of **Coates Hire** are eyeing a potential IPO of the company in late-2017 or early-2018. It was reported that Coates Hire generated revenue of \$867 million for the 2016 financial year but made \$17.7 million in losses.

**Emeco Holdings Limited (EHL.AX)** announced on 14 December 2016 that its creditors have not approved the scheme of arrangement to give effect to the proposed recapitalisation of EHL and the merger with Orionstone and Andy's Earthmovers. On 16 December 2016, EHL said that the noteholders who voted against the creditor's scheme have committed to support the transaction and to sub-underwrite the remaining \$10 million of the \$20 million rights offer to be conducted as part of the transaction. *The Australian Financial Review* reported that the three-way merger is back on track after winning the support of Black Diamond Capital Management, one of EHL's noteholders that played a crucial role in blocking the initial proposal.

## News Headlines and Key Sector Developments

Ticker	News/Event	Ticker	News/Event
ASL	NTM Gold Limited (NTM.AX) said that it has entered into an agreement with ASL for a \$1m in a drilling for equity programme in relation to the Redcliffe Gold Project	NWH	Awarded a c.\$40m contract by Rio Tinto for bulk earthworks and civil works required to sustain its Yandicoogina mine operations in the Pilbara, Western Australia
CIM	Announced that it will continue to conduct further share buy-back of up to 10% of its fully paid ordinary shares for a period of 12 months	PRG	Awarded an agreement with Technip Oceania Pty Ltd to provide manning and logistical support services in support of the hook-up and commissioning phase of the Prelude FLNG project, operated by Shell Australia
CIM	Awarded a \$3m special bonus to its Executive Chairman, Mr Marcelino Fernandez Verdes	RCR	Entered into a new 3-year term for an expanded Syndicated Banking Facility of \$286.25m with the Commonwealth Bank of Australia
DCG	Decmil Australia Pty Ltd, its wholly-owned subsidiary, has secured a c.\$40m contract with Hamersley Iron Pty Ltd for the design, construction and commissioning of new facilities at the Nammuldi central mine services and the Silvergrass mine services area	SWK	Announced that it will continue its on-market share buy-back, where it proposes to buy-back up to 10% of its issued ordinary shares over the next 12 months
DOW	Koelis Downer was awarded a c.\$450m 10-year contract by Transport for NSW to operate a new, integrated public transport system for the city of Newcastle	SWL	Mr Rob Carr ceased to act as CEO of Rob Carr Pty Ltd (as previously announced). Ms Julie Tealby has been appointed as Company Secretary following the resignation of Ms Amy Deeb
MND	Zenviron Pty Ltd (a joint venture of which MND is a shareholder) in a consortium with Vestas, has been awarded a \$430m contract to deliver a 270MW wind farm project in NSW (Zenviron is expected to perform c.20% of the works under the contract)		

Source: Thomson Reuters, Company Announcements, LCC research

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	157	0.39	0.40	0.42	0.37	▲ 2.6%	■ ■ ■ ■	15.9x	1,352.7x
ASL.AX	Ausdrill Ltd	418	1.32	1.34	1.35	1.32	▲ 2.3%	■ ■ ■ ■	5.1x	11.4x
AAX.AX	Ausenco Ltd	79	0.40	0.40	0.40	0.40	— 0.0%	■ ■ ■ ■	n.m.	n.m.
ANG.AX	Austin Engineering Ltd	113	0.20	0.20	0.20	0.19	— 0.0%	■ ■ ■ ■	n.m.	n.m.
BLY.AX	Boart Longyear Ltd	127	0.13	0.14	0.14	0.13	▲ 8.0%	■ ■ ■ ■	n.m.	n.m.
BKN.AX	Bradken Ltd	657	3.19	3.19	3.19	3.18	▼ (0.3%)	■ ■ ■ ■	3.8x	4.5x
BYL.AX	Brierty Ltd	17	0.13	0.14	0.14	0.13	▲ 12.5%	■ ■ ■ ■	n.m.	n.m.
BOL.AX	Boom Logistics Ltd	53	0.11	0.11	0.11	0.11	▲ 2.3%	■ ■ ■ ■	9.5x	n.m.
BSA.AX	BSA Ltd	146	0.36	0.35	0.36	0.35	▼ (1.4%)	■ ■ ■ ■	14.0x	48.9x
CDD.AX	Cardno Ltd	453	0.97	0.95	0.94	0.91	▼ (2.6%)	■ ■ ■ ■	19.5x	n.m.
CIM.AX	CIMIC Group Ltd	10,994	32.19	33.67	32.97	31.94	▲ 5.0%	■ ■ ■ ■	8.6x	13.4x
DCG.AX	Decmil Group Ltd	177	1.11	1.03	1.05	1.03	▼ (7.2%)	■ ■ ■ ■	18.2x	70.6x
DSB.AX	Delta SBD Ltd	14	0.26	0.24	0.30	0.24	▼ (7.7%)	■ ■ ■ ■	3.6x	5.7x
DOW.AX	Downer EDI Ltd	2,566	6.15	6.04	6.14	5.98	▼ (0.7%)	■ ■ ■ ■	5.0x	9.4x
EAL.AX	E&A Ltd	9	0.07	0.07	0.07	0.06	▼ (7.1%)	■ ■ ■ ■	7,392.6x	n.m.
EGN.AX	Engenco Ltd	47	0.15	0.15	0.15	0.15	▲ 3.4%	■ ■ ■ ■	5.3x	14.9x
EHL.AX	Emeco Holdings Ltd	42	0.07	0.07	0.07	0.05	▼ (4.1%)	■ ■ ■ ■	7.0x	n.m.
FWD.AX	Fleetwood Corp Ltd	120	1.95	1.97	1.95	1.92	— 0.0%	■ ■ ■ ■	11.6x	154.3x
GCS.AX	Global Construction Services Ltd	115	0.56	0.57	0.56	0.55	▲ 6.5%	■ ■ ■ ■	4.6x	7.4x
GNG.AX	GR Engineering Services Ltd	209	1.45	1.37	1.43	1.32	▼ (5.2%)	■ ■ ■ ■	6.1x	6.6x
HDX.AX	Hughes Drilling Ltd	17	0.08	0.08	0.08	0.08	— 0.0%	■ ■ ■ ■	3.1x	7.5x
IMD.AX	Imdex Ltd	188	0.57	0.57	0.58	0.56	▼ (1.7%)	■ ■ ■ ■	4.4x	5.5x
LCM.AX	LogiCamms Ltd	30	0.37	0.37	0.38	0.37	▼ (2.6%)	■ ■ ■ ■	n.m.	n.m.
LYL.AX	Lycopodium Ltd	107	2.70	2.70	2.70	2.69	— 0.0%	■ ■ ■ ■	5.0x	5.6x
MLD.AX	MACA Ltd	378	1.61	1.63	1.58	1.49	— 0.0%	■ ■ ■ ■	4.6x	20.8x
MAH.AX	Macmahon Holdings Ltd	121	0.10	0.10	0.10	0.10	▲ 3.1%	■ ■ ■ ■	2.2x	n.m.
MYE.AX	Mastermyne Group Ltd	39	0.41	0.43	0.43	0.37	▼ (1.2%)	■ ■ ■ ■	14.9x	n.m.
MIN.AX	Mineral Resources Ltd	2,304	12.30	12.32	12.17	11.96	▲ 1.0%	■ ■ ■ ■	7.6x	14.5x
MCE.AX	Matrix Composites & Engineering Ltd	35	0.40	0.38	0.39	0.38	▼ (5.1%)	■ ■ ■ ■	3.7x	n.m.
MCS.AX	McAleese Ltd	7	0.03	0.03	0.03	0.03	— 0.0%	■ ■ ■ ■	12.9x	n.m.
MND.AX	Monadelphous Group Ltd	1,039	11.45	11.07	11.07	10.63	▼ (2.4%)	■ ■ ■ ■	7.3x	9.0x
MRM.AX	MMA Offshore Ltd	108	0.27	0.29	0.28	0.27	▲ 7.4%	■ ■ ■ ■	6.0x	n.m.
MSV.AX	Mitchell Services Ltd	55	0.04	0.04	0.04	0.04	▼ (5.1%)	■ ■ ■ ■	125.0x	n.m.
NWH.AX	NRW Holdings Ltd	216	0.62	0.67	0.64	0.60	▲ 7.2%	■ ■ ■ ■	5.7x	11.4x
OTR.AX	Onterran Ltd	24	0.38	0.41	0.40	0.38	▲ 10.8%	■ ■ ■ ■	n.m.	n.m.
OTC.AX	Veris Ltd	77	0.25	0.24	0.25	0.24	▼ (6.0%)	■ ■ ■ ■	4.9x	7.8x
PRG.AX	Programmed Maintenance Services Ltd	486	1.78	1.89	1.87	1.78	▲ 6.5%	■ ■ ■ ■	7.4x	11.2x
RCR.AX	RCR Tomlinson Ltd	386	2.91	2.76	2.86	2.73	▼ (4.2%)	■ ■ ■ ■	12.8x	33.1x
RDG.AX	Resource Development Group Ltd	18	0.03	0.03	0.03	0.03	▲ 3.7%	■ ■ ■ ■	0.3x	0.4x
RUL.AX	Rungepincockminarco Ltd	115	0.53	0.54	0.54	0.53	▲ 2.9%	■ ■ ■ ■	n.m.	n.m.
SND.AX	Saunders International Ltd	47	0.55	0.58	0.58	0.55	▲ 5.5%	■ ■ ■ ■	7.6x	8.9x
SSM.AX	Service Stream Ltd	358	0.96	0.98	0.95	0.93	▲ 1.0%	■ ■ ■ ■	8.9x	11.3x
SWL.AX	Seymour Whyte Ltd	79	0.88	0.90	0.89	0.86	▲ 4.3%	■ ■ ■ ■	7.4x	23.1x
SXE.AX	Southern Cross Electrical Engineering Ltd	84	0.50	0.53	0.52	0.50	▲ 3.9%	■ ■ ■ ■	3.6x	6.1x
STS.AX	SRG Ltd	99	1.45	1.54	1.48	1.41	▲ 5.8%	■ ■ ■ ■	5.4x	8.5x
SWK.AX	Swick Mining Services Ltd	54	0.26	0.26	0.27	0.25	▼ (1.9%)	■ ■ ■ ■	5.4x	n.m.
TPP.AX	Tempo Australia Ltd	41	0.20	0.20	0.20	0.19	▼ (9.1%)	■ ■ ■ ■	4.1x	4.2x
UGL.AX	UGL Ltd	536	3.15	3.16	3.15	3.15	▲ 0.3%	■ ■ ■ ■	9.0x	14.9x
VMG.AX	VDM Group Ltd	8	0.00	0.00	0.00	0.00	▼ (25.0%)	■ ■ ■ ■	n.m.	n.m.
WOR.AX	WorleyParsons Ltd	2,344	9.82	9.51	9.67	9.34	▼ (1.6%)	■ ■ ■ ■	7.7x	9.8x
WTP.AX	Watpac Ltd	166	0.86	0.90	0.87	0.85	▲ 4.7%	■ ■ ■ ■	(3.5x)	n.m.

Source: Thomson Reuters, LCC research

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