

M&A Rumor and Activity

The Australian market finished the week 0.54% lower with the S&P / ASX 100 ending at 4747 points as investors took profits in response to the lack of clarity around the incoming Trump administration's economic plans and fiscal policies. The Australian dollar increased 2.85% for the week to end at US74.99 cents, as the US dollar remained under pressure amid questions over President-elect Donald Trump's fiscal policies in the US.

SGS SA (SGSN.S), an inspection, verification, testing and certification company based in Switzerland, announced on 10 January 2017 that it has acquired Melbourne-based BF Machinery Pty and CBF Engineering Pty Ltd for an undisclosed sum. The businesses, which generated revenue of more than AUD 7 million in 2016, provide testing, repair, engineering and maintenance services for pumps, valves, hydraulics and plastics systems.

The Australian Financial Review reported that McAleese (MCS.AX) has emerged from administration and renamed Rivet, with Mark Rowstorn staying at the helm as chief executive officer following a restructuring (which saw McAleese's equity holders wiped out). Rivet will retain McAleese's profitable businesses, which include the mining, energy and aviation fuelling businesses. It is understood that the Rivet business will exclude McAleese's heavy haulage and lifting business (which owned Walter Wright and National Crane Hire), which saw most of its depots closed after the administrators failed to sell the division.

News Headlines and Key Sector Developments

Ticker	News/Event	Ticker	News/Event
CIM	CIMIC said that it has not been served with a notice or charged with any offence in response to news that Mr Peter Gress, Primary Health Care's MD and CEO, was served with a Court Attendance Notice by the Australian Securities and Investment Commission in relation to alleged contraventions of the Corporations Act during his time as an officer of CIMIC	VRS	Advised that 2,666,667 performance rights on issue have lapsed on the cessation of employment by an employee, and OTC currently has 19,570,365 performance rights on issue
GCS	Advised that Mr Gabriel Chiappini resigned from the position of Company Secretary while Mrs Susan Cameron has been appointed as the new Company Secretary	STS	Issued 3,150,000 performance rights to the managing director and CFO pursuant to its Incentive Performance Rights Plan

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	152	0.40	0.39	0.42	0.39	▼ (4.9%)	■ ■ ■ ■	15.6x	1,330.7x
ASL.AX	Ausdrill Ltd	406	1.30	1.30	1.29	1.28	▼ (0.8%)	■ ■ ■ ■	5.0x	11.1x
ANG.AX	Austin Engineering Ltd	107	0.20	0.19	0.19	0.19	▼ (7.5%)	■ ■ ■ ■	n.m.	n.m.
BLY.AX	Boart Longyear Ltd	122	0.13	0.13	0.13	0.13	▲ 4.0%	■ ■ ■ ■	n.m.	n.m.
BKN.AX	Bradken Ltd	663	3.22	3.22	3.21	3.21	— 0.0%	■ ■ ■ ■	3.8x	4.6x
BYL.AX	Brierty Ltd	15	0.12	0.12	0.12	0.12	▼ (4.2%)	■ ■ ■ ■	n.m.	n.m.
BOL.AX	Boom Logistics Ltd	46	0.10	0.10	0.10	0.10	▼ (7.6%)	■ ■ ■ ■	9.0x	n.m.
BSA.AX	BSA Ltd	156	0.38	0.37	0.38	0.37	▼ (1.3%)	■ ■ ■ ■	15.2x	53.0x
CDD.AX	Cardno Ltd	501	1.03	1.05	1.04	0.98	▲ 0.5%	■ ■ ■ ■	21.3x	n.m.
CIM.AX	CIMIC Group Ltd	11,763	35.50	36.36	36.30	35.40	▲ 2.1%	■ ■ ■ ■	9.3x	14.5x
DCG.AX	Decmil Group Ltd	187	1.05	1.09	1.05	1.03	▲ 3.8%	■ ■ ■ ■	19.3x	74.8x
DSB.AX	Delta SBD Ltd	14	0.27	0.24	0.27	0.24	▼ (11.1%)	■ ■ ■ ■	3.6x	5.7x
DOW.AX	Downer EDI Ltd	2,655	6.32	6.25	6.35	6.21	▼ (1.0%)	■ ■ ■ ■	5.2x	9.6x
EAL.AX	E&A Ltd	10	0.07	0.07	0.07	0.07	▲ 2.9%	■ ■ ■ ■	7,461.1x	n.m.
EGN.AX	Engenco Ltd	47	0.15	0.15	0.15	0.14	— 0.0%	■ ■ ■ ■	5.3x	14.9x
EHL.AX	Emeco Holdings Ltd	43	0.07	0.07	0.07	0.07	▲ 4.3%	■ ■ ■ ■	7.0x	n.m.
FWD.AX	Fleetwood Corp Ltd	119	1.95	1.95	1.95	1.91	▼ (1.0%)	■ ■ ■ ■	11.5x	152.7x
GCS.AX	Global Construction Services Ltd	114	0.56	0.57	0.57	0.55	▼ (1.7%)	■ ■ ■ ■	4.6x	7.4x
GNG.AX	GR Engineering Services Ltd	241	1.42	1.58	1.63	1.42	▲ 11.7%	■ ■ ■ ■	7.4x	8.0x
IMD.AX	Imdex Ltd	233	0.62	0.71	0.71	0.62	▲ 13.7%	■ ■ ■ ■	5.3x	6.7x
LCM.AX	LogiCamms Ltd	33	0.40	0.41	0.42	0.40	▲ 1.2%	■ ■ ■ ■	n.m.	n.m.
LYL.AX	Lycopodium Ltd	103	2.70	2.60	2.70	2.60	▼ (4.8%)	■ ■ ■ ■	4.8x	5.3x
MLD.AX	MACA Ltd	401	1.70	1.71	1.69	1.65	— 0.0%	■ ■ ■ ■	4.9x	22.2x
MAH.AX	Macmahon Holdings Ltd	120	0.10	0.10	0.10	0.10	— 0.0%	■ ■ ■ ■	2.2x	n.m.
MYE.AX	Mastermyne Group Ltd	35	0.40	0.38	0.38	0.37	▼ (1.3%)	■ ■ ■ ■	13.7x	n.m.
MIN.AX	Mineral Resources Ltd	2,258	12.59	12.07	12.43	11.91	▼ (2.7%)	■ ■ ■ ■	7.4x	14.2x
MCE.AX	Matrix Composites & Engineering Ltd	40	0.43	0.43	0.42	0.41	▲ 1.2%	■ ■ ■ ■	4.3x	n.m.
MND.AX	Monadelphous Group Ltd	1,018	11.15	10.85	11.14	10.74	▼ (2.9%)	■ ■ ■ ■	7.2x	8.8x
MRM.AX	MMA Offshore Ltd	106	0.28	0.29	0.29	0.28	▲ 1.8%	■ ■ ■ ■	5.9x	n.m.
MSV.AX	Mitchell Services Ltd	50	0.04	0.03	0.04	0.03	▼ (8.1%)	■ ■ ■ ■	117.0x	n.m.
NWH.AX	NRW Holdings Ltd	237	0.73	0.74	0.72	0.66	▲ 0.7%	■ ■ ■ ■	6.1x	12.3x
OTR.AX	Onterran Ltd	23	0.38	0.37	0.38	0.36	▼ (1.3%)	■ ■ ■ ■	n.m.	n.m.
PRG.AX	Programmed Maintenance Services Ltd	479	1.92	1.86	1.89	1.83	▼ (2.9%)	■ ■ ■ ■	7.3x	11.1x
RCR.AX	RCR Tomlinson Ltd	399	2.60	2.85	2.73	2.60	▲ 9.2%	■ ■ ■ ■	13.2x	34.0x
RDG.AX	Resource Development Group Ltd	21	0.03	0.03	0.03	0.03	▲ 3.0%	■ ■ ■ ■	0.5x	0.7x
RUL.AX	Rungepincockminarco Ltd	119	0.57	0.56	0.57	0.56	▼ (0.9%)	■ ■ ■ ■	n.m.	n.m.
SND.AX	Saunders International Ltd	50	0.61	0.62	0.62	0.61	▲ 1.6%	■ ■ ■ ■	8.3x	9.7x
SSM.AX	Service Stream Ltd	402	1.05	1.10	1.08	1.05	▲ 3.8%	■ ■ ■ ■	10.2x	12.9x
SWL.AX	Seymour Whyte Ltd	75	0.89	0.85	0.88	0.85	▼ (5.0%)	■ ■ ■ ■	6.8x	21.0x
SXE.AX	Southern Cross Electrical Engineering Ltd	84	0.53	0.53	0.53	0.52	▲ 2.9%	■ ■ ■ ■	3.6x	6.1x
STS.AX	SRG Ltd	90	1.49	1.40	1.42	1.37	▼ (6.4%)	■ ■ ■ ■	4.8x	7.5x
SWK.AX	Swick Mining Services Ltd	67	0.30	0.32	0.32	0.29	▲ 5.0%	■ ■ ■ ■	6.3x	n.m.
TPP.AX	Tempo Australia Ltd	62	0.26	0.26	0.26	0.26	▲ 2.0%	■ ■ ■ ■	6.6x	6.7x
VMG.AX	VDM Group Ltd	5	0.00	0.00	0.00	0.00	— 0.0%	■ ■ ■ ■	n.m.	n.m.
VRS.AX	Veris Ltd	74	0.25	0.23	0.25	0.23	▼ (4.2%)	■ ■ ■ ■	4.8x	7.7x
WOR.AX	WorleyParsons Ltd	2,486	10.24	10.08	10.20	10.03	▼ (1.2%)	■ ■ ■ ■	8.0x	10.2x
WTP.AX	Watpac Ltd	140	0.78	0.76	0.76	0.76	▼ (3.2%)	■ ■ ■ ■	(4.9x)	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.