



Australian Engineering, Contractors & Service Providers

Edition 231 for the week ending 06 Oct 2017 | Published 09 Oct 2017

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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	0.5%	0.8%	4.2%	(Australia) 2-year gov bonds	1.93%	(3.5)	1.4	26.5
(Japan) Topix	0.7%	11.1%	24.6%	(Australia) 5-year gov bonds	2.34%	(3.2)	0.6	48.7
(Singapore) FTSE Strait Times Index	2.2%	14.3%	14.1%	(Australia) 10-year gov bonds	2.82%	(1.8)	4.9	65.4
(Hong Kong) Hang Seng	3.3%	29.4%	18.8%					
(South Korea) Kospi 200	0.0%	21.6%	21.1%					
(US) S&P 500	1.2%	13.9%	18.0%					
(US) Dow Jones Industrial	1.6%	15.2%	24.7%					
(UK) FTSE 100	2.0%	5.3%	7.5%					
					Rate	Week	YTD	12-months
				AUD to USD	0.7769	(0.8%)	7.7%	2.5%

M&A Rumour and Activity

The Australian market finished the week 0.51% higher with the S&P/ASX200 ending at 5711 points, as the sharemarket rally on Friday helped the index to close in black for the week. The Australian dollar finished the week 0.82% lower to end at US77.69 cents. The local currency continued to weaken following Thursday's weak retail sales data as traders continued to lower their expectations for an Australian interest rate hike next year.

Programmed Maintenance Services Limited (PRG.AX) made an announcement on 6 October 2017 referring to the proposed acquisition of PRG by PERSOL HOLDINGS CO., LTD ("PERSOL") by way of scheme of arrangement ("Scheme"). PRG advised that the requisite majorities of PRG's shareholders have approved the Scheme at the Scheme Meeting. PRG will seek the Federal Court's approval at a hearing scheduled for Tuesday, 10 October 2017. If the Federal Court approves the Scheme, PRG intends to lodge the orders of the Federal Court with the ASIC on Wednesday, 11 October 2017. If this occurs, the Scheme will become effective and PRG's shares will be suspended from trading on ASX, with effect from the close of trading on Wednesday, 11 October 2017. PRG's shareholders who were registered in the share register on both of the Special Dividend Record Date and Scheme Record Date will receive a total cash payment of \$3.02 per share comprising of a fully franked dividend of \$0.16 payable by PRG, and the Scheme consideration of \$2.86 payable by PERSOL.

Seymour Whyte Limited (SWL.AX) announced on 3 October that the Federal Court of Australia has made orders approving the Scheme of Arrangement under which VINCI Construction Australasia Pty Ltd (a wholly-owned subsidiary of VINCI Construction International Network) will acquire all the issued shares in SWL ("Scheme"). On 5 October SWL confirmed that a copy of the Court's orders had been lodged and that the Scheme will become legally effective. SWL applied for its shares to be suspended from trading on the ASX at the close of trading on 5 October 2017. SWL's shareholders who were registered in the share register on both of the Special Dividends Record Date and Scheme Record Date will receive a total cash payment of \$1.28 per share comprising of a fully franked Scheme dividend of \$0.44 per share payable on 13 Oct 2017, and the Scheme cash consideration of \$0.84 per share to be paid on 23 October 2017.

Threat Protect Australia (TPS.AX) announced on 3 October 2017 that it has bolstered its security monitoring client base in both Queensland and New South Wales through the purchase of five existing client bases serviced by resellers of TPS's monitoring business, Monitoring Excellence. The aggregate cost of acquisitions was \$603,000, which was funded by TPS's existing debt facilities. These acquisitions increase the number of direct lines monitored by TPS by 14% to c. 6,000 from a total of approximately 37,000 lines monitored in total.

Monadelphous Group Limited (MND.AX) made an announcement on 2 October 2017 regarding the XEPT transaction which was previously scheduled to occur by 31 Dec 2016 if all conditions precedent were satisfied by the date. All conditions were not satisfied by the due date and the parties have agreed a number of extensions, the most recent being until 30 September 2017. AnaCo completed all matters required of it under the relevant agreements within the original scheduled timeframe, however all conditions precedent have still not been satisfied. Accordingly, XEPT as Buyer and MND as Seller are negotiating a further extension to the scheduled completion date.

In other news Nicholas Assef is today speaking at Mining Investment Middle East & Central Asia in Muscat Oman. Nicholas is speaking on resource & resource services sector activity and his presentation will be available on the LCC Asia Pacific website from the 14th www.lccapac.com

News Headlines and Key Sector Developments

Ticker	News/Event	Ticker	News/Event
ASB	Awarded a contract worth up to \$18 million over 3 years by the Royal Australian Navy for cape class patrol boats, Cape Fourcroy and Cape Inscription	BLY	Announced that the Supreme Court of Western Australia made an order extending the convening period within which KPMG (Company's administrator) must convene the second meeting of creditors of the Company pursuant to section 439A of the Corporations Act 2001, to on or before 31 January 2018
CIM	Awarded a contract by Foresight Solar Australia to design and build stage one of the Bannerton 110MWDC Solar Park, near Robinvale in Victoria. The contract is expected to generate revenue of c. \$133 million over a 3-year term	MIN	Announced that it has signed Heads of Agreement with Hazer Group (HZR.AX) for the potential development of commercial synthetic graphite facilities under which MIN is expected to fund the commercial development, and HZR to obtain royalties from the sale of graphite. MIN targets a potential commercial production of 10,000tpa and beyond

Sources: Thomson Reuters, Company Announcements, LCC research



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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										
AJL.AX	AJ Lucas Group Ltd	123	0.22	0.21	0.24	0.20	▼ (8.7%)	---	n.m.	n.m.
BOL.AX	Boom Logistics Ltd	88	0.18	0.19	0.18	0.17	▲ 5.7%	---	13.1x	n.m.
BSA.AX	BSA Ltd	146	0.36	0.35	0.35	0.35	▼ (4.2%)	---	10.0x	16.1x
BYL.AX	Brierty Ltd	10	0.08	0.08	0.08	0.08	— 0.0%	---	n.m.	n.m.
CDD.AX	Cardno Ltd	664	1.40	1.39	1.38	1.38	▼ (1.1%)	---	22.3x	98.3x
CIM.AX	CIMIC Group Ltd	14,525	44.22	44.65	44.08	43.63	▲ 1.0%	---	10.9x	16.3x
DCG.AX	Decmil Group Ltd	215	1.25	1.25	1.25	1.15	— 0.0%	---	146.8x	n.m.
DOW.AX	Downer EDI Ltd	4,044	6.76	6.80	6.80	6.71	▲ 0.4%	---	10.2x	17.7x
EGN.AX	Engenco Ltd	97	0.31	0.31	0.32	0.30	▼ (4.6%)	---	7.2x	10.4x
GCS.AX	Global Construction Services Ltd	164	0.74	0.78	0.78	0.74	▲ 6.9%	---	5.3x	6.8x
GNG.AX	GR Engineering Services Ltd	182	1.19	1.19	1.18	1.17	— 0.0%	---	8.8x	9.6x
LCM.AX	LogiCams Ltd	22	0.27	0.28	0.28	0.27	▼ (3.5%)	---	n.m.	n.m.
LLC.AX	LendLease Group	10,693	18.08	18.31	18.17	18.02	▲ 2.2%	---	13.1x	14.7x
LYL.AX	Lycopodium Ltd	191	4.49	4.80	4.80	4.40	▲ 2.8%	---	4.5x	4.7x
MND.AX	Monadelphous Group Ltd	1,495	15.76	15.90	15.78	15.27	▲ 1.3%	---	12.8x	15.8x
OTR.AX	Onterrian Ltd	20	0.32	0.32	0.32	0.32	— 0.0%	---	n.m.	n.m.
RCR.AX	RCR Tomlinson Ltd	709	4.30	4.29	4.30	4.16	▼ (0.2%)	---	13.4x	21.1x
RDG.AX	Resource Development Group L	11	0.02	0.02	0.02	0.02	▲ 12.5%	---	n.m.	n.m.
SND.AX	Saunders International Ltd	58	0.60	0.60	0.60	0.60	▼ (1.6%)	---	35.0x	71.2x
SSM.AX	Service Stream Ltd	537	1.47	1.47	1.45	1.44	▲ 0.7%	---	10.0x	11.8x
SWL.AX	Seymour Whyte Ltd	82	0.92	0.93	0.93	0.92	▲ 0.7%	---	19.4x	n.m.
SXE.AX	Southern Cross Electrical Engine	135	0.80	0.75	0.77	0.75	▼ (5.7%)	---	21.9x	n.m.
STS.AX	SRG Ltd	90	1.39	1.38	1.39	1.38	▼ (3.8%)	---	4.4x	6.3x
TPP.AX	Tempo Australia Ltd	42	0.18	0.18	0.18	0.18	▼ (2.8%)	---	10.2x	11.5x
VMG.AX	VDM Group Ltd	8	0.00	0.00	0.00	0.00	▲ 50.0%	---	n.m.	n.m.
VRS.AX	Veris Ltd	58	0.17	0.18	0.17	0.17	▲ 2.9%	---	5.7x	43.3x
WOR.AX	WorleyParsons Ltd	3,518	13.55	14.24	13.86	13.47	▲ 5.5%	---	13.2x	17.4x
Mining Services										
ASL.AX	Ausdrill Ltd	784	1.96	2.18	2.10	1.87	▲ 8.5%	---	8.5x	17.8x
ANG.AX	Austin Engineering Ltd	133	0.22	0.23	0.23	0.22	▲ 4.5%	---	14.8x	200.6x
BLY.AX	Boart Longyear Ltd	517	0.03	0.02	0.02	0.02	▼ (16.0%)	---	36.6x	n.m.
EHL.AX	Emeco Holdings Ltd	524	0.19	0.22	0.21	0.19	▲ 13.2%	---	18.0x	572.0x
IMD.AX	Imdex Ltd	338	0.90	0.92	0.92	0.88	▲ 2.2%	---	8.7x	12.4x
MAH.AX	Macmahon Holdings Ltd	486	0.23	0.23	0.23	0.22	— 0.0%	---	19.0x	n.m.
MIN.AX	Mineral Resources Ltd	3,329	16.49	17.77	17.60	16.34	▲ 9.3%	---	7.0x	10.8x
MLD.AX	MACA Ltd	600	2.18	2.24	2.25	2.18	▲ 4.7%	---	6.9x	21.1x
MSV.AX	Mitchell Services Ltd	71	0.04	0.04	0.04	0.04	— 0.0%	---	38.1x	n.m.
MYE.AX	Mastermyne Group Ltd	71	0.70	0.71	0.70	0.69	▲ 0.7%	---	15.0x	n.m.
NWH.AX	NRW Holdings Ltd	423	1.20	1.16	1.20	1.14	▼ (3.8%)	---	7.8x	15.0x
RUL.AX	RPMGlobal Holdings Ltd	155	0.69	0.73	0.70	0.68	▲ 5.8%	---	29.2x	75.7x
SWK.AX	Swick Mining Services Ltd	68	0.28	0.30	0.29	0.27	▲ 9.3%	---	7.3x	n.m.
Marine Services										
ASB.AX	Austal Ltd	568	1.58	1.62	1.61	1.56	▲ 4.2%	---	6.84	10.56
MBO.AX	Mobilarm Ltd	12	0.02	0.03	0.02	0.02	— 0.0%	---	61.9x	n.m.
MCE.AX	Matrix Composites & Engineerin	45	0.49	0.48	0.49	0.48	▼ (4.0%)	---	n.m.	n.m.
MRM.AX	MMA Offshore Ltd	63	0.19	0.17	0.19	0.17	▼ (10.5%)	---	16.8x	n.m.
NMS.AX	Neptune Marine Services Ltd	57	0.93	0.93	0.93	0.93	— 0.0%	---	n.m.	n.m.
VEE.AX	VEEM Ltd	68	NULL	0.53	0.54	0.53	▲ -	---	9.9x	12.2x
ZGL.AX	Zicom Group Ltd	33	0.14	0.15	0.14	0.14	▲ 7.1%	---	n.m.	n.m.
Facilities Management										
AEI.AX	Aeris Environmental Ltd	40	0.27	0.25	0.27	0.23	▼ (7.4%)	---	n.m.	n.m.
GMG.AX	Goodman Group Pty Ltd	14,820	8.28	8.23	8.26	8.14	▼ (0.1%)	---	56.3x	58.0x
HIL.AX	Hills Ltd	39	0.18	0.17	0.18	0.17	▼ (2.9%)	---	n.m.	n.m.
MIL.AX	Millennium Services Group Ltd	75	1.60	1.64	1.64	1.59	▲ 2.2%	---	6.2x	9.6x
PRG.AX	Programmed Maintenance Serv	778	3.00	3.02	3.00	3.00	▲ 0.3%	---	10.2x	14.8x
SPO.AX	Spotless Group Holdings Ltd	1,194	1.10	1.08	1.08	1.07	▲ 0.9%	---	8.8x	17.4x
TPS.AX	Threat Protect Australia Ltd	21	0.03	0.03	0.03	0.03	▼ (15.2%)	---	10.9x	10.9x
UBN.AX	Urbanise com Ltd	17	0.05	0.05	0.05	0.05	▼ (9.4%)	---	n.m.	n.m.

Source: Thomson Reuters, LCC research



9TH INTERNATIONAL M&A AWARDS
WINNER ASIA DEAL OF THE YEAR
FINALIST (multiple categories including)
BOUTIQUE INVESTMENT BANKING
FIRM OF THE YEAR



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