



Australian Engineering, Contractors & Service Providers

Edition 240 for the week ending 08 Dec 2017 | Published 11 Dec 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	0.1%	5.8%	8.1%	(Australia) 2-year gov bonds	1.81%	0.03	(0.10)	(0.02)
(Japan) Topix	0.4%	18.8%	19.2%	(Australia) 5-year gov bonds	2.18%	0.01	(0.15)	(0.08)
(Singapore) FTSE Strait Times Index	(0.7%)	18.9%	15.7%	(Australia) 10-year gov bonds	2.54%	(0.01)	(0.23)	(0.22)
(Hong Kong) Hang Seng	(1.5%)	30.2%	25.3%					
(South Korea) Kospi 200	(0.0%)	24.9%	23.9%					
(US) S&P 500	0.4%	18.4%	18.0%					
(US) Dow Jones Industrial	0.4%	23.1%	24.0%					
(UK) FTSE 100	1.3%	3.5%	6.7%					
					Rate	Week	YTD	12-months
				AUD to USD	0.7504	(1.38%)	4.01%	0.60%

M&A Rumour and Activity

The Australian market finished the week 0.08% higher with the S&P/ASX200 ending at 5990 points, as utility companies put a bit of a spark into the benchmark allowing it to finish the week in the positive territory. The Australian dollar finished the week 1.38% lower to end at US75.04 cents in response to disappointing GDP and trade data.

Mineral Resources Limited (MIN.AX) announced on 11 December 2017 that it has submitted a proposal to AWE Limited's Board under which MIN would acquire all of the issued share capital of AWE for scrip consideration pursuant to an AWE Board recommended scheme of arrangement ("Scheme"). Under the Scheme, if completed, AWE shareholders would receive 1 MRL share for every 22.325 ordinary AWE shares they hold. The exchange ratio is equivalent to \$0.80 per AWE share and would result in AWE shareholders owning approximately 13.1% of the combined group.

Threat Protect Australia Limited (TPS.AX) announced on 5 December 2017 that it has completed the acquisition of Alpha Alarms Pty Ltd and Seekers Management Pty Ltd for a total price consideration of c. \$2.7 million, comprising of \$2.4 million in cash up front and the balance to be paid 12 months post completion subject to a "true-up" of the acquisition purchase price based on annualised recurring revenues. Acquisition of the businesses will enhance TPS's presence on the Eastern seaboard, adding over 2,100 residential and commercial customers in New South Wales, Victoria and Queensland.

News Headlines and Key Sector Developments

Ticker	News/Event	Ticker	News/Event
BLY	Announced the appointment of Mr. Fabrizio Rasetti as the Company Secretary	MBO	Announced the suspension of its securities from quotation pending an announcement from the company in relation to a material transaction
DCG	Awarded a c. \$60 million project from the New Zealand Department of Corrections for the design, procurement and on-site installation of rapidly deployable modular prison cells at two existing prison sites in New Zealand	SSM	Announced that nbn's announcement regarding HFC delays is not expected to impact SSM's earning
DCG	Announced that it has entered into a MOU with Maoneng Australia for its 250MW Sunraysia Solar PV project located near Balranald in NSW. The EPC contract is valued at c. \$275 million	VMX	Announced that it has completed its unmarketable parcel share buy-back for a price consideration of \$0.21 per share

Source: 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	184	0.28	0.32	0.35	0.27	▲ 12.5%	■	n.m.	n.m.
BOL.AX	Boom Logistics Ltd	121	0.21	0.26	0.21	0.20	▲ 24.4%	■	12.9x	n.m.
BSA.AX	BSA Ltd	150	0.36	0.36	0.36	0.36	— 0.0%	■	10.4x	16.7x
BYL.AX	Brierty Ltd	10	0.08	0.08	0.08	0.08	— 0.0%	■	n.m.	n.m.
CDD.AX	Cardno Ltd	681	1.37	1.42	1.41	1.37	▲ 1.1%	■	22.8x	100.7x
CIM.AX	CIMIC Group Ltd	16,579	51.70	51.13	51.27	50.16	▼ (0.8%)	■	12.5x	18.8x
DCG.AX	Decmil Group Ltd	204	1.14	1.18	1.15	1.11	▲ 3.1%	■	138.7x	n.m.
DOW.AX	Downer EDI Ltd	3,990	7.12	6.71	6.99	6.75	▼ (5.0%)	■	10.1x	17.6x
EGN.AX	Engenco Ltd	132	0.43	0.42	0.43	0.40	▼ (2.3%)	■	10.1x	14.5x
GCS.AX	Global Construction Services Ltd	183	0.89	0.87	0.89	0.84	▼ (1.7%)	■	6.0x	7.7x
GNG.AX	GR Engineering Services Ltd	202	1.28	1.32	1.35	1.26	▲ 3.1%	■	9.9x	10.8x
LCM.AX	LogiCamms Ltd	26	0.31	0.32	0.31	0.31	▲ 1.6%	■	n.m.	n.m.
LLC.AX	LendLease Group	9,402	15.96	16.10	15.83	15.61	▲ 1.0%	■	11.7x	13.1x
LYL.AX	Lycopodium Ltd	171	4.34	4.30	4.32	4.22	▼ (0.3%)	■	3.7x	3.9x
MND.AX	Monadelphous Group Ltd	1,684	18.51	17.91	18.66	17.72	▼ (2.7%)	■	14.7x	18.1x
OTR.AX	Onterran Ltd	20	0.32	0.32	0.32	0.32	— 0.0%	■	n.m.	n.m.
RCR.AX	RCR Tomlinson Ltd	656	3.90	3.97	3.97	3.73	▲ 1.5%	■	12.4x	19.6x
RDG.AX	Resource Development Group L	11	0.02	0.02	0.02	0.02	▼ (14.3%)	■	n.m.	n.m.
SND.AX	Saunders International Ltd	57	0.58	0.55	0.58	0.55	▼ (4.3%)	■	33.7x	68.6x
SSM.AX	Service Stream Ltd	458	1.26	1.26	1.38	1.20	▼ (4.9%)	■	8.4x	9.9x
SWL.AX	Seymour Whyte Ltd	81	0.94	0.93	0.92	0.92	— 0.0%	■	n.m.	n.m.
SXE.AX	Southern Cross Electrical Engine	172	0.74	0.75	0.73	0.72	▲ 2.1%	■	30.5x	n.m.
STS.AX	SRG Ltd	109	1.63	1.67	1.65	1.60	▲ 2.1%	■	5.5x	7.9x
TPP.AX	Tempo Australia Ltd	52	0.21	0.22	0.20	0.20	▲ 7.5%	■	15.1x	17.0x
VMG.AX	VDM Group Ltd	5	0.00	0.00	0.00	0.00	▼ (50.0%)	■	n.m.	n.m.
VMX.AX	Valmec Ltd	21	0.24	0.26	0.26	0.24	▼ (1.9%)	■	6.2x	8.5x
VRS.AX	Veris Ltd	54	0.18	0.17	0.18	0.17	▼ (5.7%)	■	5.4x	40.7x
WOR.AX	WorleyParsons Ltd	3,962	15.36	14.52	15.13	14.55	▼ (4.2%)	■	14.5x	19.1x
Mining Services										
ASL.AX	Ausdrill Ltd	810	2.30	2.25	2.32	2.20	▼ (2.6%)	■	8.7x	18.3x
ANG.AX	Austin Engineering Ltd	148	0.26	0.26	0.26	0.25	— 0.0%	■	13.5x	62.5x
BLY.AX	Boart Longyear Ltd	263	0.01	0.01	0.01	0.01	▼ (9.1%)	■	30.5x	n.m.
BKN.AX	Bradken Ltd	676	3.21	3.24	3.21	3.21	— 0.0%	■	n.m.	n.m.
DSB.AX	Delta SBD Ltd	8	0.14	0.14	0.14	0.14	— 0.0%	■	n.m.	n.m.
EHL.AX	Emeco Holdings Ltd	676	0.26	0.24	0.26	0.25	▼ (5.9%)	■	20.9x	662.7x
IMD.AX	Imdex Ltd	334	0.94	0.91	0.93	0.82	▼ (2.2%)	■	8.6x	12.2x
MAH.AX	Macmahon Holdings Ltd	442	0.22	0.21	0.22	0.21	▼ (6.8%)	■	17.1x	n.m.
MIN.AX	Mineral Resources Ltd	3,349	19.43	17.86	19.48	17.82	▼ (8.6%)	■	7.1x	10.9x
MLD.AX	MACA Ltd	442	1.69	1.65	1.66	1.58	▼ (3.2%)	■	4.9x	14.9x
MSV.AX	Mitchell Services Ltd	68	0.04	0.04	0.04	0.04	▼ (7.1%)	■	36.6x	n.m.
MYE.AX	Mastermyne Group Ltd	88	0.91	0.87	0.91	0.86	▼ (2.8%)	■	18.1x	n.m.
NWH.AX	NRW Holdings Ltd	490	1.33	1.34	1.31	1.27	▲ 1.5%	■	9.0x	17.3x
RUL.AX	RPMGlobal Holdings Ltd	149	0.75	0.70	0.76	0.65	▼ (9.7%)	■	28.1x	72.8x
SWK.AX	Swick Mining Services Ltd	60	0.27	0.26	0.27	0.25	▼ (1.9%)	■	6.6x	n.m.
Marine Services										
ASB.AX	Austal Ltd	592	1.70	1.69	1.71	1.63	▼ (1.7%)	■	7.12	11.00
MBO.AX	Mobilarm Ltd	10	0.02	0.02	0.02	0.02	▼ (12.5%)	■	n.m.	n.m.
MCE.AX	Matrix Composites & Engineerin	49	0.51	0.53	0.54	0.51	▲ 2.9%	■	n.m.	n.m.
MRM.AX	MMA Offshore Ltd	183	0.25	0.245	0.24	0.21	▲ 6.5%	■	22.5x	n.m.
NMS.AX	Neptune Marine Services Ltd	55	0.9	0.9	0.90	0.90	— 0.0%	■	n.m.	n.m.
VEE.AX	VEEM Ltd	72	0.53	0.55	0.53	0.52	▲ 3.8%	■	10.3x	12.7x
ZGL.AX	Zicom Group Ltd	30	0.14	0.14	0.14	0.14	▲ 3.7%	■	n.m.	n.m.
Facilities Management										
AEI.AX	Aeris Environmental Ltd	40	0.27	0.26	0.27	0.26	▼ (1.9%)	■	n.m.	n.m.
GMG.AX	Goodman Group Pty Ltd	15,487	8.72	8.60	8.68	8.50	▼ (0.9%)	■	58.6x	60.4x
HIL.AX	Hills Ltd	45	0.20	0.20	0.20	0.20	— 0.0%	■	n.m.	n.m.
MIL.AX	Millennium Services Group Ltd	65	1.57	1.43	1.57	1.48	▼ (8.9%)	■	5.5x	8.6x
PRG.AX	Programmed Maintenance Serv	747	2.85	2.85	2.85	2.85	— 0.0%	■	n.m.	n.m.
SKS.AX	Stokes Ltd	10	0.24	0.24	0.24	0.24	▼ (4.0%)	■	37.5x	71.3x
SPO.AX	Spotless Group Holdings Ltd	1,268	1.10	1.15	1.10	1.09	▲ 1.3%	■	9.1x	18.1x
TPS.AX	Threat Protect Australia Ltd	19	0.18	0.18	0.19	0.18	▼ (5.3%)	■	7.7x	10.8x
UBN.AX	Urbanise com Ltd	21	0.05	0.04	0.05	0.04	— 0.0%	■	n.m.	n.m.

Source: Thomson Reuters, LCC research



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