



# Australian Engineering, Contractors & Service Providers

Edition 242 for the week ending 12 Jan 2018 | Published 15 Jan 2018

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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	(0.9%)	0.1%	5.3%	(Australia) 2-year gov bonds	2.04%	14.2	5.0	20.9
(Japan) Topix	(0.2%)	3.2%	22.2%	(Australia) 5-year gov bonds	2.37%	7.5	1.2	12.3
(Singapore) FTSE Strait Times Index	0.9%	3.5%	17.6%	(Australia) 10-year gov bonds	2.73%	11.2	5.9	5.3
(Hong Kong) Hang Seng	1.9%	5.0%	37.6%					
(South Korea) Kospi 200	(0.7%)	0.6%	21.0%					
(US) S&P 500	1.6%	4.2%	22.7%	AUD to USD	0.7912	0.6%	1.4%	5.7%
(US) Dow Jones Industrial	2.0%	4.4%	29.7%					
(UK) FTSE 100	0.7%	1.2%	6.7%					

## M&A Rumour and Activity

Welcome to 2018 – and we hope it is a great one for all readers.

The Australian market finished the week 0.85% lower with the S&P/ASX200 ending at 6070 points, with weaknesses seen in consumer discretionary and consumer staples stocks. The Australian dollar finished the week 0.64% higher to end at US79.12 cents, following better-than-expected domestic retail sales data which signalled that consumer spending was stronger than previously thought.

**AJ Lucas Group Ltd (AJL.AX)** announced on 5 January 2018 that it will be undertaking a placement to raise gross proceeds of \$22 million, amending certain provisions of its US\$45 million senior loan notes facility, and continues to evaluate a number of proposals to sell its Engineering and Construction division.

**Mineral Resources Ltd (MIN.AX)** announced on 21 December 2017 that it has entered into a binding Scheme Implementation Agreement to acquire AWE Ltd (AWE.AX) for \$0.83 per share (with the option for AWE's shareholders to receive this consideration in cash, MIN shares, or a combination of both)

**RPMGlobal Holdings Ltd (RUL.AX)** announced on 18 December 2017 that it has entered into an agreement to acquire MinVu, a privately owned company based in Australia providing mine-wide operational reporting and analytics software solutions, for upfront payment of \$1.2 million and earn-out payments over a 2-year period of up to \$1.28 million.

**Monadelphous Group Ltd (MND.AX)** announced on 18 December 2017 that it has terminated the binding agreement entered into with Xiaoqing Environmental Protection (XEPTC). Under the agreement, XEPTC was to purchase part of the convertible loan owed by AnaeCo Ltd to MND.

## News Headlines and Key Sector Developments

Ticker	News/Event	Ticker	News/Event
AEI	Successfully completed an integrated smart school project in QLD	SXE	Announced a number of contract awards in the commercial and public infrastructure sectors
CIM	As part of the Rail Systems Alliance, has been awarded a \$1.1 billion design and construct contract by the VIC government for the Metro Tunnel Rail Works	VRS	Announced the award of a number of surveying works for infrastructure projects, including North Connex, Canberra Light Rail, Newcastle Light Rail and NBN Eden to Brisbane
DOW	Agreed to mutually cancel all letter of awards received from Adani Mining Pty Ltd for the Carmichael Coal Mine Project	VRS	Awarded a contract by Cross Yarra Partnership to deliver early survey works to facilitate design development as part of the Metro Tunnel Project
DOW	Awarded a 5-year c.\$400 million contract to provide mining services at the Gruyere Gold Project in WA	WOR	Appointed Mr Tom Gorman as a director
MAH	Appointed Mr Giles Everist as CFO	WOR	Awarded a service contract by Trans Mountain Pipeline in Canada to provide skilled resources as an extension to the Trans Mountain Expansion Project
MLD	Agreed in principle to support the indicative terms of a proposed recapitalisation to be undertaken by Blackham Resources Limited	WTP	Awarded a \$126 million contract to deliver a 440-bed expansion to the Mid North Coast Correctional Centre



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**MYE** Mr Bill Lyne has resigned as Joint Company Secretary

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
<b>Engineering Services</b>										
AJL.AX	AJ Lucas Group Ltd	207	0.40	0.36	0.40	0.35	▼ (17.4%)	■	n.m.	n.m.
BOL.AX	Boom Logistics Ltd	111	0.25	0.24	0.25	0.23	▼ (7.8%)	■	12.2x	n.m.
BSA.AX	BSA Ltd	163	0.38	0.39	0.39	0.37	▲ 5.5%	■	11.3x	18.2x
BYL.AX	Brierty Ltd	10	0.08	0.08	0.08	0.08	— 0.0%	■	n.m.	n.m.
CDD.AX	Cardno Ltd	700	1.47	1.46	1.47	1.44	▼ (0.7%)	■	23.5x	103.5x
CIM.AX	CIMIC Group Ltd	16,433	51.80	50.82	51.72	50.42	▼ (1.9%)	■	12.4x	18.6x
DCG.AX	Decmil Group Ltd	210	1.24	1.21	1.24	1.19	▼ (3.2%)	■	143.2x	n.m.
DOW.AX	Downer EDI Ltd	4,151	7.04	6.98	7.03	6.84	— 0.0%	■	10.4x	18.0x
EGN.AX	Engenco Ltd	172	0.53	0.55	0.55	0.53	▼ (0.9%)	■	13.5x	19.4x
GCS.AX	Global Construction Services Ltd	189	0.93	0.90	0.93	0.90	— 0.0%	■	6.2x	7.9x
GNG.AX	GR Engineering Services Ltd	221	1.42	1.44	1.43	1.40	▲ 1.4%	■	11.0x	12.0x
LCM.AX	LogiCams Ltd	26	0.35	0.32	0.32	0.31	▼ (8.6%)	■	n.m.	n.m.
LLC.AX	LendLease Group	9,116	16.38	15.61	16.32	15.54	▼ (4.3%)	■	11.3x	12.7x
LYL.AX	Lycopodium Ltd	201	4.94	5.05	5.05	4.94	▲ 2.2%	■	4.9x	5.2x
MND.AX	Monadelphous Group Ltd	1,740	17.91	18.51	18.43	17.91	▲ 4.0%	■	15.3x	18.8x
OTR.AX	Onterran Ltd	20	0.32	0.32	0.32	0.32	— 0.0%	■	n.m.	n.m.
RCR.AX	RCR Tomlinson Ltd	637	4.19	3.85	3.96	3.78	▼ (7.9%)	■	12.0x	19.0x
RDG.AX	Resource Development Group Ltd	14	0.02	0.02	0.02	0.02	▲ 10.0%	■	n.m.	n.m.
SND.AX	Saunders International Ltd	58	0.56	0.56	0.56	0.56	▲ 1.8%	■	34.4x	70.0x
SSM.AX	Service Stream Ltd	478	1.30	1.31	1.30	1.29	▲ 3.1%	■	8.8x	10.4x
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 Engineering Ltd	178	0.77	0.77	0.77	0.76	▲ 0.7%	■	31.8x	n.m.
STS.AX	SRG Ltd	118	1.80	1.80	1.80	1.78	— 0.0%	■	6.1x	8.7x
TPP.AX	Tempo Australia Ltd	53	0.22	0.22	0.22	0.21	▲ 2.3%	■	15.7x	17.7x
VMG.AX	VDM Group Ltd	5	0.00	0.00	0.00	0.00	— 0.0%	■	n.m.	n.m.
VRS.AX	Veris Ltd	56	0.17	0.17	0.17	0.17	▼ (2.9%)	■	5.6x	42.0x
WOR.AX	WorleyParsons Ltd	3,883	14.83	14.23	14.83	14.15	▼ (3.8%)	■	14.3x	18.8x
<b>Mining Services</b>										
ASL.AX	Ausdrill Ltd	898	2.63	2.49	2.58	2.40	▼ (6.0%)	■	9.4x	19.9x
ANG.AX	Austin Engineering Ltd	156	0.28	0.27	0.28	0.27	▼ (3.6%)	■	14.1x	65.3x
BLY.AX	Boart Longyear Ltd	342	0.01	0.01	0.01	0.01	▼ (7.1%)	■	32.7x	n.m.
EHL.AX	Emeco Holdings Ltd	747	0.27	0.27	0.27	0.25	▲ 3.9%	■	22.2x	704.6x
IMD.AX	Imdex Ltd	367	1.01	1.00	1.03	0.98	▼ (1.0%)	■	9.5x	13.5x
MAH.AX	Macmahon Holdings Ltd	537	0.24	0.25	0.24	0.23	▲ 6.4%	■	21.3x	n.m.
MIN.AX	Mineral Resources Ltd	3,914	22.14	20.87	21.55	20.36	▼ (5.2%)	■	8.3x	12.8x
MLD.AX	MACA Ltd	482	1.80	1.80	1.77	1.76	— 0.0%	■	5.4x	16.5x
MSV.AX	Mitchell Services Ltd	73	0.04	0.04	0.04	0.04	▼ (2.3%)	■	38.9x	n.m.
MYE.AX	Mastermyne Group Ltd	82	0.81	0.81	0.81	0.80	▼ (1.8%)	■	17.0x	n.m.
NWH.AX	NRW Holdings Ltd	578	1.67	1.56	1.65	1.53	▼ (6.6%)	■	10.5x	20.2x
ORI.AX	Orica Ltd	7,128	18.59	18.85	18.77	18.48	▲ 1.7%	■	10.2x	14.8x
RUL.AX	RPMGlobal Holdings Ltd	163	0.77	0.77	0.77	0.75	— 0.0%	■	31.4x	81.2x
SWK.AX	Swick Mining Services Ltd	61	0.26	0.27	0.26	0.26	▲ 6.0%	■	6.7x	n.m.
<b>Marine Services</b>										
ASB.AX	Austal Ltd	640	1.87	1.83	1.85	1.79	▼ (2.1%)	■	7.68	11.85
MBO.AX	Mobilarm Ltd	10	0.02	0.02	0.02	0.02	— 0.0%	■	n.m.	n.m.
MCE.AX	Matrix Composites & Engineering Ltd	58	0.57	0.62	0.59	0.57	▲ 6.9%	■	n.m.	n.m.
MRM.AX	MMA Offshore Ltd	249	0.29	0.29	0.30	0.29	▲ 1.8%	■	25.7x	n.m.
NMS.AX	Neptune Marine Services Ltd	43	0.89	0.70	0.89	0.70	▼ (21.3%)	■	n.m.	n.m.
VEE.AX	VEEM Ltd	70	0.54	0.54	0.56	0.53	▼ (3.6%)	■	10.2x	12.5x
ZGL.AX	Zicom Group Ltd	31	0.16	0.15	0.16	0.15	▼ (6.5%)	■	n.m.	n.m.
<b>Facilities Management</b>										
AEI.AX	Aeris Environmental Ltd	37	0.27	0.24	0.27	0.24	▼ (11.3%)	■	n.m.	n.m.
GMG.AX	Goodman Group Pty Ltd	14,640	8.40	8.13	8.38	8.10	▼ (3.1%)	■	55.6x	57.4x
HIL.AX	Hills Ltd	66	0.23	0.29	0.28	0.23	▲ 23.9%	■	n.m.	n.m.
MIL.AX	Millennium Services Group Ltd	67	1.46	1.46	1.46	1.40	▼ (3.3%)	■	5.6x	8.8x
SPO.AX	Spotless Group Holdings Ltd	1,248	1.14	1.14	1.14	1.11	▼ (1.3%)	■	9.0x	18.0x
TPS.AX	Threat Protect Australia Ltd	18	0.17	0.17	0.17	0.16	▲ 3.0%	■	7.4x	10.3x
UBN.AX	Urbanise.com Ltd	23	0.04	0.04	0.04	0.04	▼ (2.3%)	■	n.m.	n.m.

Source: Thomson Reuters, LCC research



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