

APRIL 2020 - ENGINEERING & CONSTRUCTION

Executive Summary

The **Mining, Oil and Gas Services** sector closed this month, up 20.6%. **Perenti Global Limited** recording the largest movement this month, up 51.7%

The **Construction and Maintenance** sector closed this month, up 8.7%. **Decmil Group Limited** recorded the largest movement, up 80.0%

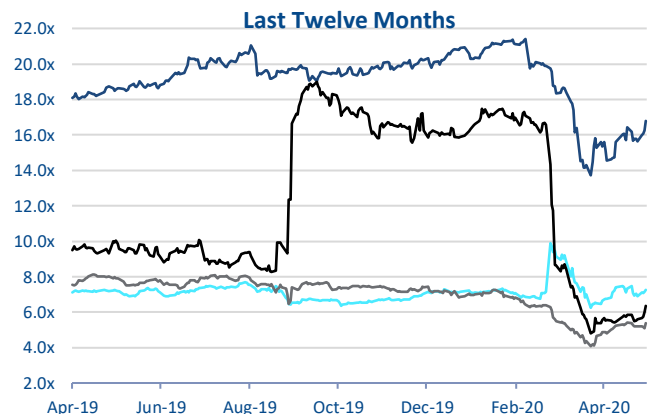
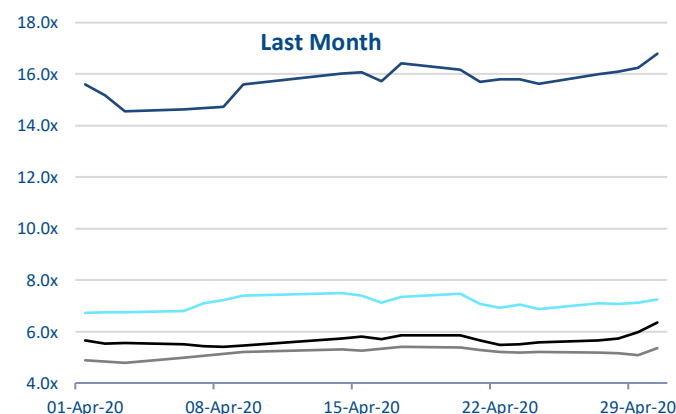
The **Engineering and Construction Management** sector closed this month, up 26.2%. **Worley Limited** recorded the largest movement, up 27.8%

The overall sector average **LTM EV/EBITDA** closed at 6.5x whilst the average **NTM EV/EBITDA** multiple is projected to be 4.7x

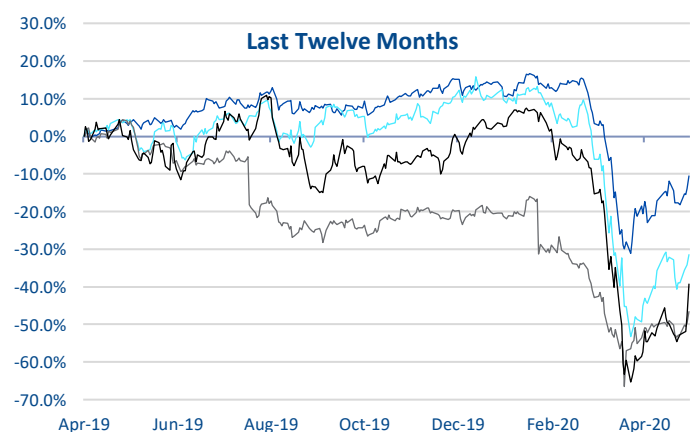
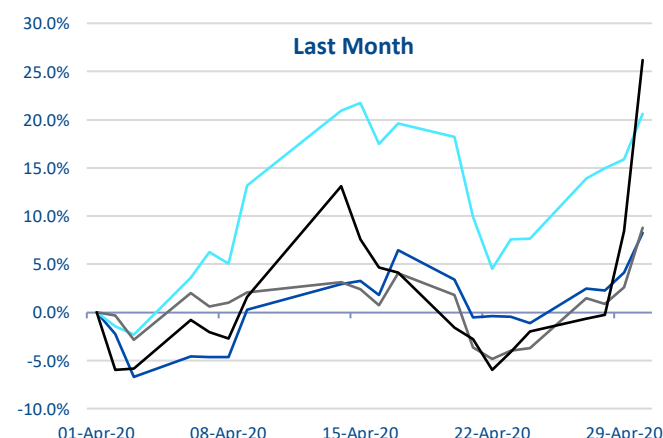
Key Developments

- **West African Resources Limited** entered into a definitive agreement to acquire Toega gold deposit from **B2Gold Corp. and GAMS-Mining F&I Ltd** for \$45M
- **Suntec Real Estate Investment Trust** acquired Freehold Grade A Office Building for approximately AUD 120M
- **Downer EDI Limited** announced it had entered into a new \$500M Syndicated Bank Facility
- **O-I Glass** announced with its first quarter results on 29 April that it has officially suspended the sale process for its Australia and New Zealand business.

INDEXED SHARE PRICE PERFORMANCE



VALUATION PERSPECTIVES (LTM EV/EBITDA)



EAC Partners has constructed a market capitalisation weighted index for the Mining and Oil & Gas Services, Construction and Maintenance and Engineering and Construction Management sub-sectors: The charts shown are the indexed share price performance for the constituent companies of the EAC coverage group and the ASX200 Industrials Index.

ASX 200 Industrial Index
Mining, Oil & Gas Services
Construction & Maintenance
Engineering & Construction Management

CONSTITUENTS

Mining and Oil & Gas Services	ASX Ticker	Closing Price	Monthly Movement	Market Cap (AUD)	EV (AUD)	EV / EBITDA (LTM)	EV / EBITDA (NTM)	P / E (Trailing)	P / E (Forward)	ND / EBITDA (Trailing)	Div Yield (Trailing)
Austin Engineering Limited	ANG	0.14	12.0% ▲	81.1	86.1	7.5x	3.8x	NM	5.3x	1.4x	NM
Perenti Global Limited	PRN	0.91	51.7% ▲	624.6	1,258.1	3.1x	2.9x	NM	7.9x	1.8x	7.7%
Boart Longyear Limited	BLY	0.70	45.8% ▲	61.4	1,148.5	8.8x	NM	NM	NM	8.4x	NM
Emeco Holdings Limited	EHL	1.17	30.7% ▲	433.7	893.8	4.2x	3.7x	7.8x	5.6x	2.3x	NM
Imdex Limited	IMD	1.07	30.5% ▲	415.2	429.4	7.3x	7.4x	13.1x	16.2x	NM	2.9%
Macmahon Holdings Limited	MAH	0.22	15.8% ▲	460.9	584.4	3.0x	2.4x	9.3x	8.5x	0.3x	2.4%
Matrix Composites & Engineering Ltd	MCE	0.19	-	19.4	31.5	28.0x	NM	NM	NM	NM	NM
Monadelphous Group Limited	MND	11.30	5.6% ▲	1,067.6	989.3	9.8x	8.4x	22.1x	16.9x	NM	4.1%
MACA Limited	MLD	0.74	9.7% ▲	197.0	280.8	2.7x	2.6x	8.1x	6.9x	1.0x	6.7%
Mastermyne Group Limited	MYE	0.78	19.2% ▲	79.3	83.6	3.6x	3.0x	9.0x	6.7x	NM	5.2%
NRW Holdings Limited	NWH	1.71	19.6% ▲	727.5	1,013.9	5.8x	3.5x	17.7x	7.4x	0.2x	3.0%
Swick Mining Services Limited	SWK	0.13	30.0% ▲	39.6	58.7	3.2x	NM	NM	NM	0.8x	5.0%
Average - Adjusted to exclude outliers			20.6%			7.3x	4.2x	12.4x	9.1x	2.0x	4.6%
Construction and Maintenance											
Al Lucas Group Limited	AJL	0.06	57.1% ▲	65.8	160.5	8.6x	9.3x	NM	NM	5.4x	NM
BSA Limited	BSA	0.28	3.7% ▲	121.0	117.6	4.6x	5.1x	10.5x	10.2x	NM	1.8%
CIMIC Group Limited	CIM	24.64	4.4% ▲	7,860.4	7,896.9	3.7x	3.5x	NM	10.7x	0.0x	NM
Decmil Group Limited	DCG	0.23	80.0% ▲	53.8	39.6	NM	NM	NM	NM	NM	NM
Downer EDI Limited	DOW	4.17	23.7% ▲	2,470.6	4,904.9	5.9x	5.3x	12.0x	10.5x	1.3x	7.2%
Fleetwood Corporation Limited	FWD	1.48	22.8% ▲	140.0	136.6	4.1x	3.4x	12.2x	9.0x	NM	NM
Saunders International Limited	SND	0.48	26.3% ▲	49.4	42.1	NM	NM	NM	NM	NM	NM
Service Stream Limited	SSM	1.97	6.2% ▲	800.7	838.9	8.2x	7.2x	15.1x	12.1x	NM	5.4%
Southern Cross Electrical Engineering Limited	SXE	0.44	-	109.0	60.5	2.5x	2.4x	7.6x	7.9x	NM	7.1%
Average - Adjusted to exclude outliers			8.7%			5.4x	5.2x	11.5x	10.1x	2.2x	5.4%
Engineering and Construction Management											
Cardno Limited	CDD	0.25	-	111.7	280.3	4.2x	6.5x	NM	5.6x	1.7x	NM
LogiCamms Limited	LCM	0.14	-	28.1	28.0	6.1x	NM	34.7x	NM	NM	NM
Lycopodium Limited	LYL	4.40	10.8% ▲	174.8	72.8	5.9x	3.2x	10.4x	14.6x	NM	7.1%
Worley Limited	WOR	9.00	27.8% ▲	4,692.5	6,867.5	9.3x	6.5x	24.8x	11.9x	3.9x	5.2%
Average - Adjusted to exclude outliers			26.2%			6.4x	5.4x	23.3x	10.7x	2.8x	6.2%
Coverage Group Average						6.5x	4.7x	14.3x	9.7x	2.2x	5.1%

KEY DEVELOPMENTS


















Activity

- **West African Resources Limited (ASX:WAF)** entered into a definitive agreement to acquire Toega gold deposit from **B2Gold Corp. (TSX:BTO)** and **GAMS-Mining F&I Ltd** for \$45M on April 29, 2020. WAF will acquire 90% stake from B2Gold Corp. and 10% from GAMS.
- **Suntec Real Estate Investment Trust (SGX:T82U)** acquired Freehold Grade A Office Building for approximately AUD 120M on April 6, 2020. This acquisition is funded via a combination of debt and equity.
- **Downer EDI Limited (Downer)** announced it had entered into a new \$500M Syndicated Bank Facility. The new facility, provided by four of Downer's long-term relationship banks, is a committed revolving facility with a scheduled maturity date of July 2022. The new facility will refinance Downer's \$200M Syndicated Bank Facility maturing in April 2021 and provide additional liquidity of \$300M.
- **O-I Glass [NYSE:OI]** announced with its first quarter results on 29 April that it has officially suspended the sale process for its Australia and New Zealand business.

EAC PARTNERS

EAC Partners is an independent corporate advisory firm focussed on mid-market mergers & acquisitions, divestments and corporate finance advisory services

Transaction Experience

	Sibelco: Advised on the divestment of their sand mining operations to Holcim Australia		mpower: Advised on the sale of the Australian and New Zealand products distribution businesses
	Zentree: Advised on takeover panel application regarding equity rights issue by ERA, underwritten by Rio Tinto		Safe Direction: Completed a strategic and capital structure review
	Batchfire: Advised in relation to a AUD25M equity rights issue		Running Bare: Completed a strategic review
	Matt Brown's Greens: Advised on its sale to MorCo Fresh		Yello: Advised in relation to its series A capital raising
	ATL: Advised on its USD500M investment grade bond offer Advised on their finance plan, which included rating advice		Smollen Group: Advised Australia's largest real estate franchise on its AUD70M sale to McGrath Limited
	Enviropacific Services: Advised on the divestment of 44% of the shares to Adexum Capital		Holcim: Strategic review of two non-core assets
	Moko: Advised in relation to an acquisition and capital raise		Freemantle Media: Advised on the takeover of a listed media business
	APSEZ: Advised on acquisition of Abbot Point Bulkcoal from Glencore Advised on its inaugural USD650M investment grade bond offer		Sibelco: Advised on the acquisition of an industrial minerals producer
	Adani: Advised on the AUD1.25B refinance of Adani Abbot Point Terminal		

Awards

	EAC Partners received the 2018 award for "Best M&A Advisory Firm – Australia"		EAC Partners received the 2018 award for "Most Client-Focused Corporate Advisory Firm – NSW"
--	---	---	--

Contact Details

Greg Quinn – Managing Director +61 2 8274 1701 greg.quinn@eacpartners.com.au	Cameron Markey – Analyst +61 2 8274 1705 cameron.markey@eacpartners.com.au
Harsha Pappu – Analyst +61 2 8274 1702 harsha.pappu@eacpartners.com.au	Kevin Zhou – Analyst +61 8274 1707 kevin.zhou@eacpartners.com.au

EAC Partners Pty Limited

Level 8, 56 Pitt St
Sydney NSW 2000
Australia
www.eacpartners.com.au



www.mergers-alliance.com