

JUNE 2020 - ENGINEERING & CONSTRUCTION

Executive Summary

The **Mining, Oil and Gas Services** sector closed this month, down 6.6%. **Boart Longyear Limited** recording the largest movement this month, down 39.8%

The **Construction and Maintenance** sector closed this month, down 5.2%. **Decmil Group Limited** recorded the largest movement this month, down 72.0%

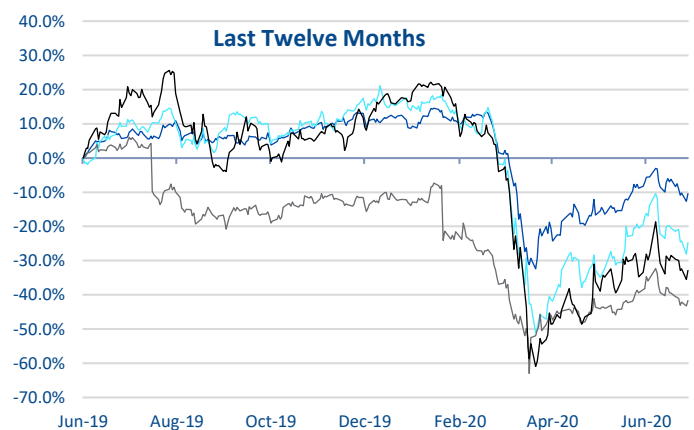
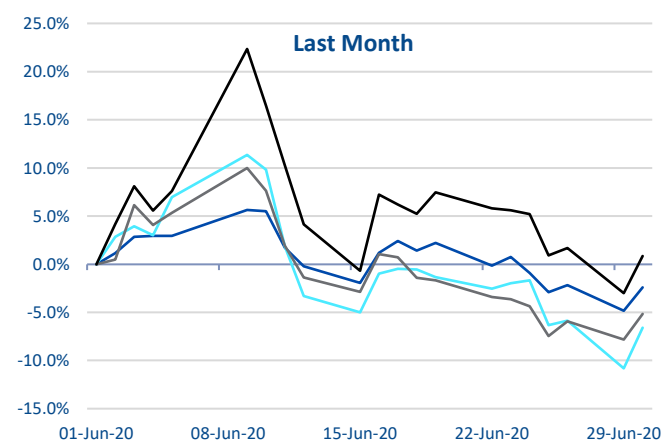
The **Engineering and Construction Management** sector closed this month, up 0.8%. **Cardno Limited** recorded the largest movement this month, down 17.2%

The overall sector average **LTM EV/EBITDA** closed at 6.3x whilst the average **NTM EV/EBITDA** multiple is projected to be 5.0x

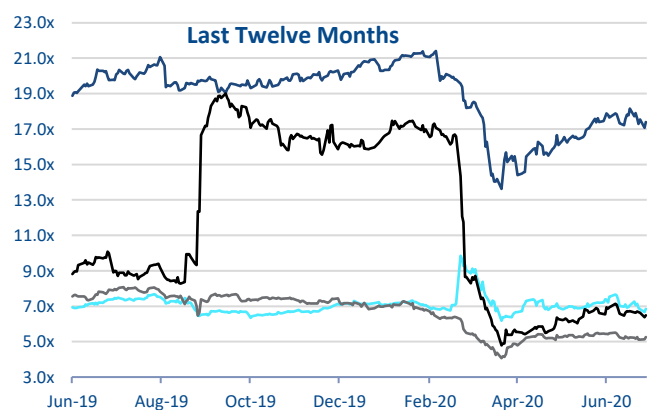
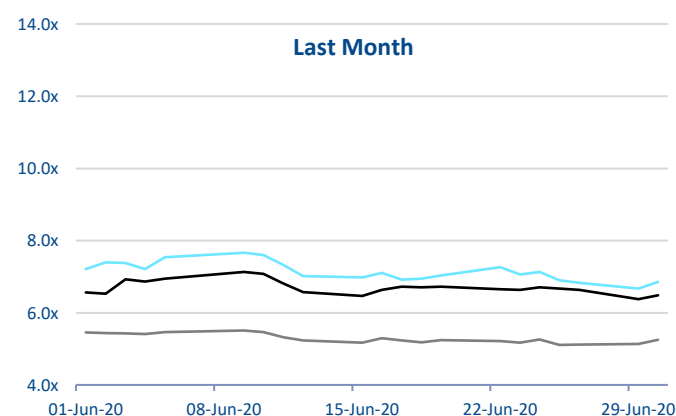
Key Developments

- IMEG Corp. acquired Cardno Haynes Whaley, Inc. from **Cardno Limited** on May 29, 2020
- Datamine Corporate Limited acquired Snowden Mining Industry Consultants Pty Limited from **Downer EDI Limited** on June 25, 2020
- OZ Minerals Limited entered into a binding scheme implementation deed to acquire Cassini Resources Limited for AUD 67.5 million on June 21, 2020
- Cassini Resources Limited announced the spin-off of Caspin Resources Limited on June 22, 2020

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	0.13	(3.7%) ▼	75.3	80.3	6.3x	3.5x	NM	7.3x	1.4x	NM
Perenti Global Limited	PRN	1.16	(6.5%) ▼	810.3	1,443.8	3.5x	3.3x	NM	6.7x	1.8x	6.1%
Boart Longyear Limited	BLY	0.37	(39.8%) ▼	32.5	1,119.5	8.6x	NM	NM	NM	8.4x	NM
Emeco Holdings Limited	EHL	1.00	(8.3%) ▼	368.9	829.0	3.8x	3.4x	6.6x	5.2x	2.3x	NM
Imdex Limited	IMD	1.11	(3.9%) ▼	430.7	444.9	7.6x	8.6x	13.6x	19.7x	NM	2.5%
Macmahon Holdings Limited	MAH	0.26	(1.9%) ▼	534.2	657.7	3.3x	2.7x	10.7x	9.4x	0.3x	2.0%
Matrix Composites & Engineering Ltd	MCE	0.16	(8.8%) ▼	15.9	27.9	24.8x	NM	NM	NM	NM	NM
Monadelphous Group Limited	MND	10.82	(9.0%) ▼	1,022.3	943.9	9.3x	9.8x	21.2x	22.3x	NM	4.1%
MACA Limited	MLD	0.87	(9.4%) ▼	231.8	315.7	2.5x	2.8x	9.6x	8.0x	1.0x	5.8%
Mastermyne Group Limited	MYE	0.65	(7.8%) ▼	66.5	70.8	3.1x	2.6x	7.5x	5.6x	NM	6.2%
NRW Holdings Limited	NWH	1.87	(4.1%) ▼	795.8	1,082.2	6.2x	4.0x	19.3x	8.6x	0.2x	2.7%
Swick Mining Services Limited	SWK	0.13	(9.1%) ▼	37.8	56.8	3.1x	NM	NM	NM	0.8x	4.8%
Average - Adjusted to exclude outliers			(6.6%)			6.9x	4.5x	12.7x	10.3x	2.0x	4.3%
Construction and Maintenance											
Al Lucas Group Limited	AIL	0.04	(27.1%) ▼	41.9	136.6	7.3x	7.9x	NM	NM	5.4x	NM
BSA Limited	BSA	0.30	13.2% ▲	129.7	126.3	5.0x	5.5x	11.3x	10.9x	NM	1.7%
CIMIC Group Limited	CIM	24.12	(5.8%) ▼	7,656.9	7,693.4	3.6x	3.5x	NM	11.0x	0.0x	NM
Decmil Group Limited	DCG	0.06	(72.0%) ▼	72.1	57.9	NM	NM	NM	NM	NM	NM
Downer EDI Limited	DOW	4.38	(2.4%) ▼	2,595.0	5,029.3	6.0x	5.7x	12.6x	13.5x	1.3x	6.4%
Fleetwood Corporation Limited	FWD	1.60	(6.2%) ▼	150.9	147.4	4.4x	4.1x	13.1x	12.3x	NM	NM
Saunders International Limited	SND	0.48	8.0% ▲	48.9	41.6	NM	NM	NM	NM	NM	NM
Service Stream Limited	SSM	1.91	(5.7%) ▼	776.3	814.4	7.9x	7.6x	14.7x	12.7x	NM	5.0%
Southern Cross Electrical Engineering Limited	SXE	0.44	(2.2%) ▼	109.0	60.5	2.5x	2.4x	7.6x	7.9x	NM	6.8%
Average - Adjusted to exclude outliers			(5.2%)			5.3x	5.2x	11.9x	11.4x	2.2x	5.0%
Engineering and Construction Management											
Cardno Limited	CDD	0.24	(17.2%) ▼	107.2	275.8	4.1x	6.4x	NM	5.3x	1.7x	NM
LogiCamms Limited	LCM	0.13	(3.7%) ▼	26.1	26.0	5.6x	NM	32.2x	NM	NM	NM
Lycopodium Limited	LYL	4.76	0.8% ▲	189.1	87.1	7.0x	3.9x	11.2x	16.6x	NM	6.3%
Worley Limited	WOR	8.72	1.4% ▲	4,547.3	6,722.3	9.1x	7.0x	24.0x	12.6x	3.9x	4.6%
Average - Adjusted to exclude outliers			0.8%			6.5x	5.8x	22.5x	11.5x	2.8x	5.4%
Coverage Group Average						6.3x	5.0x	14.4x	10.9x	2.2x	4.6%

KEY DEVELOPMENTS

Activity

- IMEG Corp. acquired Cardno Haynes Whaley, Inc. from **Cardno Limited (ASX:CDD)** on May 29, 2020. IMEG Corp. completed the acquisition of Cardno Haynes Whaley, Inc. from Cardno Limited (ASX:CDD) on May 29, 2020
- Datamine Corporate Limited acquired Snowden Mining Industry Consultants Pty Limited from **Downer EDI Limited (ASX:DOW)** on June 25, 2020
- **OZ Minerals Limited (ASX:OZL)** entered into a binding scheme implementation deed to acquire **Cassini Resources Limited (ASX:CZI)** for AUD 67.5 million on June 21, 2020
- **Cassini Resources Limited (ASX:CZI)** announced the spin-off of Caspin Resources Limited on June 22, 2020. Under the demerger scheme, Cassini shareholders are currently anticipated to receive one share in Caspin for every 22 Cassini shares they hold
- Ventia Pty Ltd signed an agreement to acquire Broadspectrum Pty Ltd from **Ferrovial, S.A. (BME:FER)** for approximately AUD 490 million on December 23, 2019. As on June 10, 2020, the transaction has been approved by Foreign Investment Review Board. Transaction is expected to close on June 30, 2020

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"

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