

# AUGUST 2020 - ENGINEERING & CONSTRUCTION

## Executive Summary

The **Mining, Oil and Gas Services** sector closed this month, up 14.1%. **Mastermyne Group Limited** recording the largest movement this month, up 45.9%

The **Construction and Maintenance** sector closed this month, up 4.1%. **Fleetwood Corporation Limited** recorded the largest movement, up 22.0%

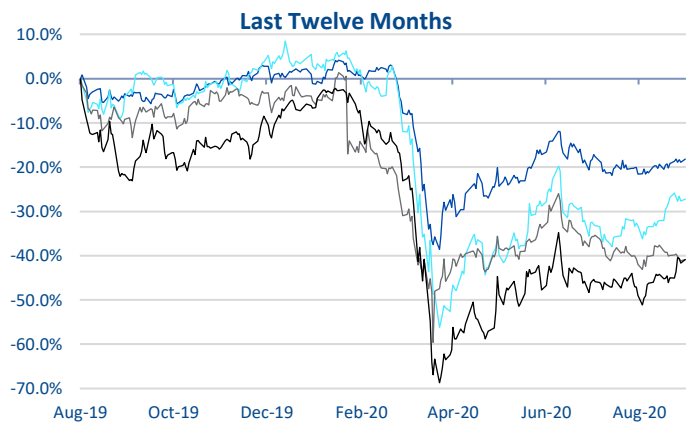
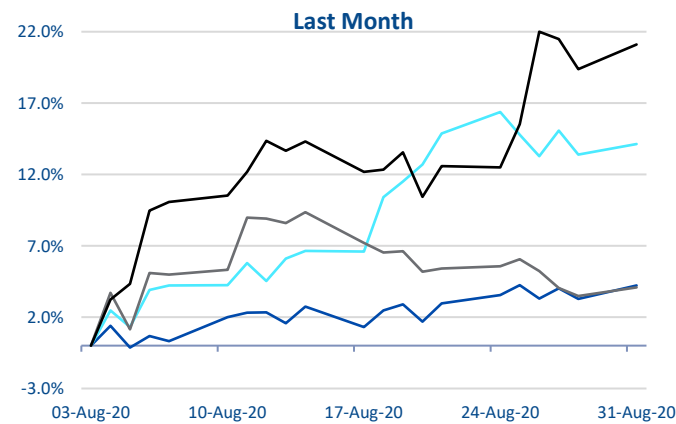
The **Engineering and Construction Management** sector closed this month, up 21.1%. **LogiCamms Limited** recorded the largest movement, up 23.1%

The overall sector average **LTM EV/EBITDA** closed at 5.8x whilst the average **NTM EV/EBITDA** multiple is projected to be 4.8x

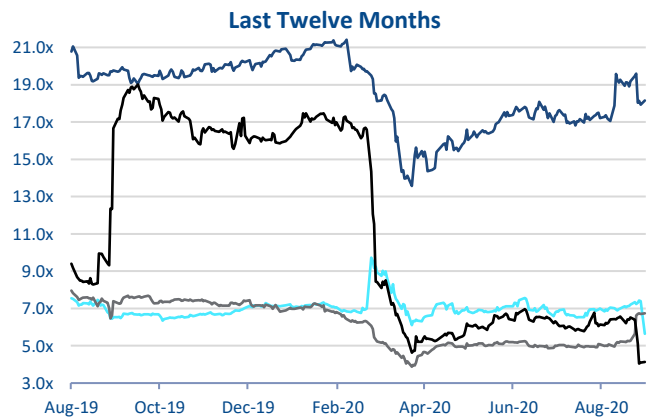
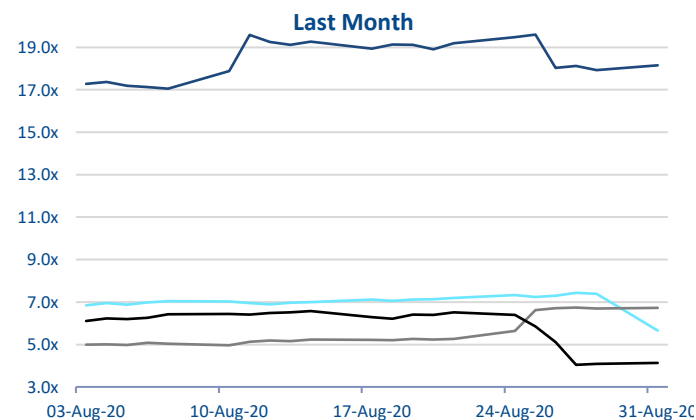
## Key Developments

- **Swick Mining Services Limited** announced the spin-off of drilling and mineral technology businesses. The company is working through applying for demerger relief and analysing its options for an Orexprole listing as part of the demerger process
- **Emeco Holdings Limited** has filed a Follow-on Equity Offering in the amount of AUD 149.175415 million
- **Downer EDI Limited** has completed a Follow-on Equity Offering in the amount of AUD 399.66567 million

## 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	0.15	7.1% ▲	86.9	89.5	4.6x	3.4x	19.5x	8.1x	0.2x	3.8%
Perenti Global Limited	PRN	1.21	0.8% ▲	845.3	1,407.2	3.5x	3.1x	34.8x	7.2x	1.4x	5.9%
Boart Longyear Limited	BLY	0.35	(1.4%) ▼	30.3	1,211.1	12.7x	NM	NM	NM	8.4x	NM
Emeco Holdings Limited	EHL	0.88	(13.3%) ▼	318.2	750.9	3.3x	3.0x	4.4x	6.6x	1.9x	NM
Imdex Limited	IMD	1.25	(5.7%) ▼	490.6	500.0	8.6x	9.0x	22.9x	26.6x	0.2x	1.4%
Macmahon Holdings Limited	MAH	0.26	2.0% ▲	544.6	605.5	2.7x	2.4x	8.7x	8.5x	0.3x	2.7%
Matrix Composites & Engineering Ltd	MCE	0.16	(8.6%) ▼	16.4	29.9	NM	NM	NM	NM	NM	NM
Monadelphous Group Limited	MND	11.29	26.7% ▲	1,068.5	952.1	11.1x	8.6x	29.3x	19.3x	NM	2.3%
MACA Limited	MLD	1.03	10.8% ▲	276.0	348.2	4.2x	2.7x	88.8x	8.7x	0.8x	4.8%
Mastermyne Group Limited	MYE	0.97	45.9% ▲	99.2	88.4	3.2x	3.3x	8.9x	10.1x	NM	8.1%
NRW Holdings Limited	NWH	2.20	19.9% ▲	938.7	1,078.3	4.6x	3.7x	12.2x	9.6x	0.6x	3.7%
Swick Mining Services Limited	SWK	0.21	16.7% ▲	62.8	81.9	3.9x	NM	NM	NM	1.0x	2.6%
<b>Average - Adjusted to exclude outliers</b>			<b>14.1%</b>			<b>5.6x</b>	<b>4.4x</b>	<b>25.5x</b>	<b>11.6x</b>	<b>1.6x</b>	<b>3.9%</b>
<b>Construction and Maintenance</b>											
AJ Lucas Group Limited	AIL	0.03	(9.1%) ▼	35.9	147.1	6.2x	NM	NM	NM	4.4x	NM
BSA Limited	BSA	0.29	(12.1%) ▼	125.5	104.3	6.6x	4.0x	16.1x	11.6x	NM	3.4%
CIMIC Group Limited	CIM	21.17	(1.4%) ▼	6,700.9	8,762.3	4.2x	4.1x	NM	9.6x	0.0x	NM
Decmil Group Limited	DCG	0.05	(9.3%) ▼	63.1	65.6	NM	7.1x	NM	NM	NM	NM
Downer EDI Limited	DOW	4.49	9.2% ▲	3,138.8	5,690.0	8.0x	6.0x	NM	11.8x	3.2x	NM
Fleetwood Corporation Limited	FWD	1.86	22.0% ▲	175.5	133.0	3.7x	3.5x	NM	12.8x	NM	2.7%
Saunders International Limited	SND	0.56	(3.4%) ▼	57.6	48.6	14.3x	NM	46.7x	NM	NM	NM
Service Stream Limited	SSM	1.92	7.0% ▲	783.4	797.3	8.0x	7.5x	15.9x	13.6x	0.1x	5.0%
Southern Cross Electrical Engineering Limited	SXE	0.46	7.1% ▲	112.7	63.4	2.9x	2.3x	10.2x	7.5x	NM	6.9%
<b>Average - Adjusted to exclude outliers</b>			<b>4.1%</b>			<b>6.7x</b>	<b>4.9x</b>	<b>22.2x</b>	<b>11.1x</b>	<b>2.0x</b>	<b>4.5%</b>
<b>Engineering and Construction Management</b>											
Cardno Limited	CDD	0.31	(6.2%) ▼	136.2	252.7	3.6x	5.9x	NM	6.3x	1.6x	NM
LogiCamms Limited	LCM	0.16	23.1% ▲	32.2	24.9	2.8x	NM	12.3x	NM	NM	NM
Lycopodium Limited	LYL	4.38	(2.9%) ▼	174.1	74.2	3.0x	3.5x	14.8x	13.1x	NM	2.3%
Worley Limited	WOR	9.62	17.3% ▲	5,016.6	6,896.6	7.1x	7.4x	29.4x	14.4x	1.9x	5.3%
<b>Average - Adjusted to exclude outliers</b>			<b>21.1%</b>			<b>4.1x</b>	<b>5.6x</b>	<b>18.8x</b>	<b>11.3x</b>	<b>1.8x</b>	<b>3.8%</b>
<b>Coverage Group Average</b>						<b>5.8x</b>	<b>4.8x</b>	<b>23.4x</b>	<b>11.4x</b>	<b>1.7x</b>	<b>4.0%</b>

# KEY DEVELOPMENTS

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## Activity

- **Swick Mining Services Limited (ASX:SWK)** announced the spin-off of drilling and mineral technology businesses on August 31, 2020. Swick Mining Services Limited is working through applying for demerger relief and analysing its options for an Orexlore listing as part of the demerger process.
- **Emeco Holdings Limited (ASX:EHL)** has filed a Follow-on Equity Offering in the amount of AUD 149.175415 million
- **Downer EDI Limited (ASX:DOW)** has completed a Follow-on Equity Offering in the amount of AUD 399.66567 million

# EAC PARTNERS

EAC Partners is an independent corporate advisory firm providing a full suite of mid-market merger, acquisition, divestment, capital structure and corporate finance services to private and public companies, located within Australia and abroad

## 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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