Lincoln Crowne & Company Projects Increasing Deal Activity In Engineering & Mining Services Sectors

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Amid generally soft ongoing market conditions for Australian Merger & Acquisitions activity, the mid to small cap Engineering & Mining Services Sectors are showing signs of life, specialist M & A Firm Lincoln Crowne & Company commented today.

"Over the last 12 months we have experienced a steady increase in inquiry in relation to strategic options that might be pursued by local and offshore players in exploring M & A activity. The interest is not just focused on the bulk commodity resources boom, but also companies that have exposure to both the infrastructure and oil and gas sectors," Lincoln Crowne's Executive Director Nicholas Assef commented.

"We believe there are a number of factors that are leading to increased consideration in M & A initiatives within the mid market space. These include Board of Directors seeking alternatives to boost shareholder returns, offshore players looking for platform assets to enter the Australian market and companies seeking to create additional liquidity in share trading against a backdrop of generally volatile trading conditions," Assef continued.

Mergers can lead to a boost in overall valuation metrics as combined cost efficiencies and corresponding increased company size can lead to defendable profit margins and more diverse & robust business models. Additionally, listed companies can look to merger activity to transform themselves from non index players into ones which enjoy an index weighting. Achieving index weighting is a critical step in attracting both institutional investors and index replicator fund managers to a company’s share register.

"We expect that the remainder of 2013 will see a gradual increase in activity within the Engineering & Mining Services Sectors, although the CEOs that we speak to that are ambitious towards deal making are also still clearly opportunistic in relation to the valuation expectations they have in order to seal a deal," Assef concluded.

About Lincoln Crowne & Company

Lincoln Crowne & Company is a specialist M & A, Strategy and Analytics Firm that has significant expertise in the Engineering, Mining Services & Resources Sectors. The Firm services Australian and Asian clients on predominantly Australian based initiatives. Across 2012 and 2013 Lincoln Crowne has advised on announced and completed transactions of approximately A $450 million in value. Lincoln Crowne & Company produces weekly research briefings on both Australian Gold Producers and Australian Engineering & Mining Services Sectors copies of which can be either downloaded from www.lcc.asia or alternatively from the Research Section of the S & P CapitalIQ Platform (www.capitaliq.com).

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