

Infrastructure



20
15

Energy



Resources



RCR Tomlinson Full Year Results

For the Year Ending
30 June 2015

20 August 2015

Managing Director & CEO
Dr Paul Dalglish

Chief Financial Officer
Mr Andrew Phipps

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Company Overview



RCR is a leading provider of integrated engineering solutions in the infrastructure, energy and resources sectors.

One of Australia's most diversified engineering and infrastructure companies, RCR uses in-house expertise to provide a comprehensive range of engineering and construction projects from design and manufacture, to construction, installation, maintenance and off-site repair.

Delivered through our three business streams, RCR Infrastructure, RCR Energy and RCR Resources employ 3,817 people supporting major infrastructure, energy and resource projects across our extensive network of operations in Australia, New Zealand and Asia.

RCR's core capabilities include design & construction of power stations and steam generation plants; structural, mechanical, piping and electrical construction and maintenance; onshore and offshore oil & gas construction, brownfield modification and asset lifecycle support services; and high voltage power systems, rail signalling, telecommunications, water & wastewater solutions and overhead wiring systems for the infrastructure sector.



Strong employee base
including 208 apprentices



Diverse operations
through 3 divisions



Strategically located
across 5 countries

Agenda



- Long Term Returns to Shareholders
- Positioning to Deliver Growth
- Total Shareholder Returns
- FY15 Highlights
- FY15 Financial Performance
- Review of Operations
 - RCR Core Capabilities
 - Infrastructure
 - Energy
 - Resources
- Sustainability
- Strategy

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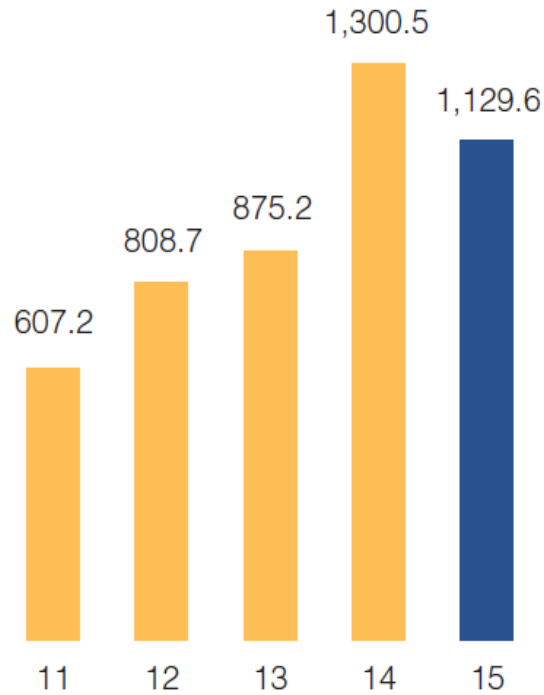
Long Term Returns to Shareholders



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Revenue

\$M

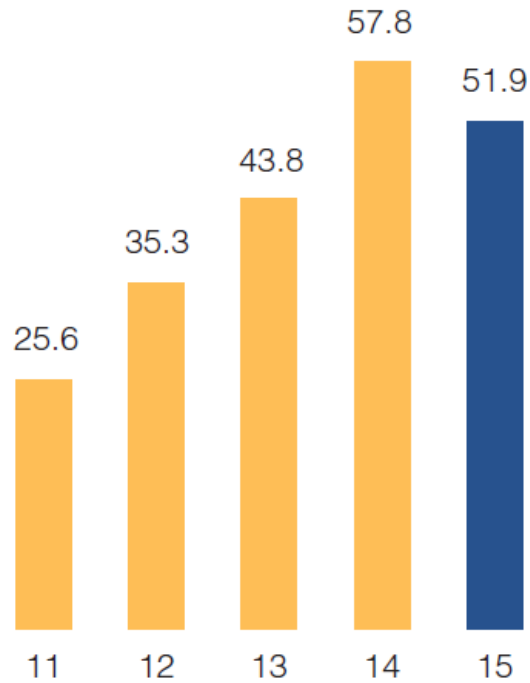


CAGR

17%

EBIT

\$M

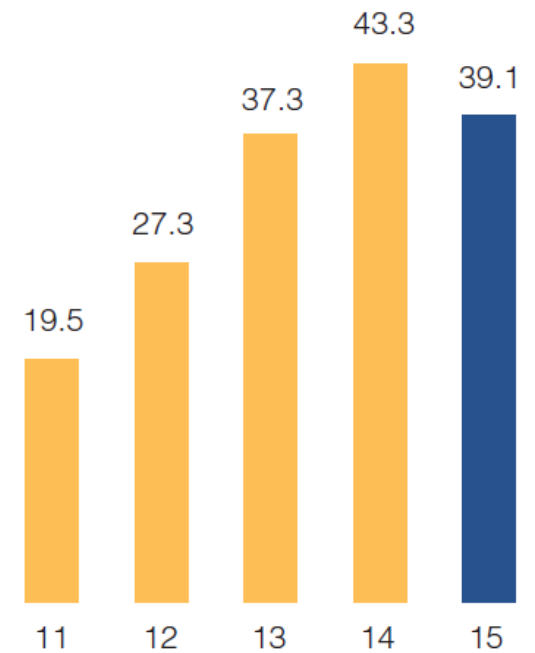


CAGR

19%

NPAT

\$M



CAGR

19%

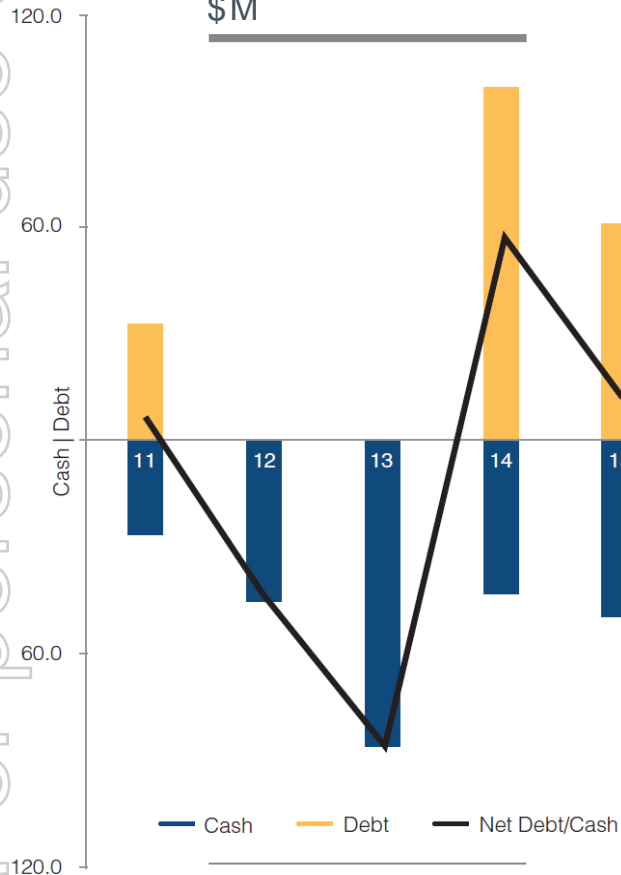
* CAGR = Compound Annual Growth Rate

Positioning to Deliver Growth



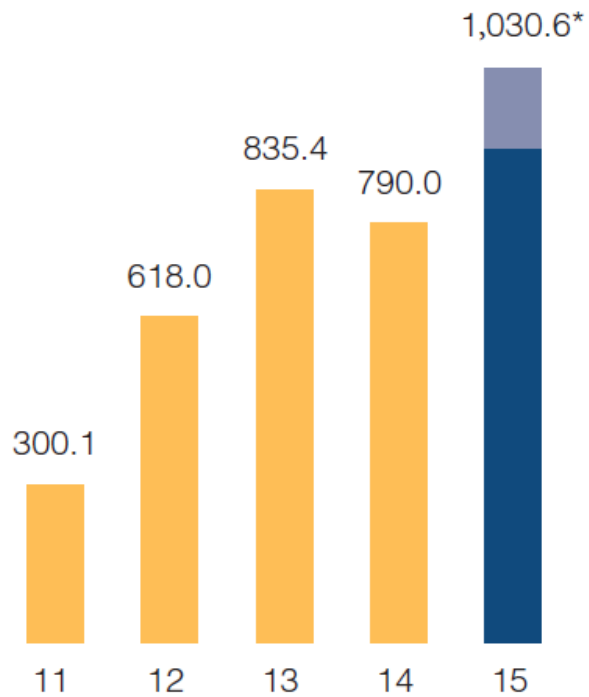
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Net Debt
\$M



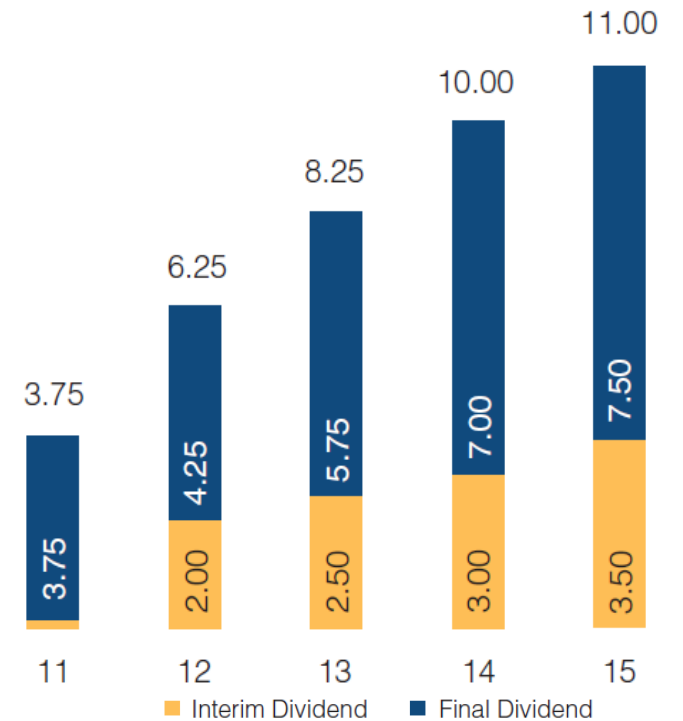
↓ 79%

Order Book*
\$M



↑ 30%

Dividends
Cents per share



↑ 10%

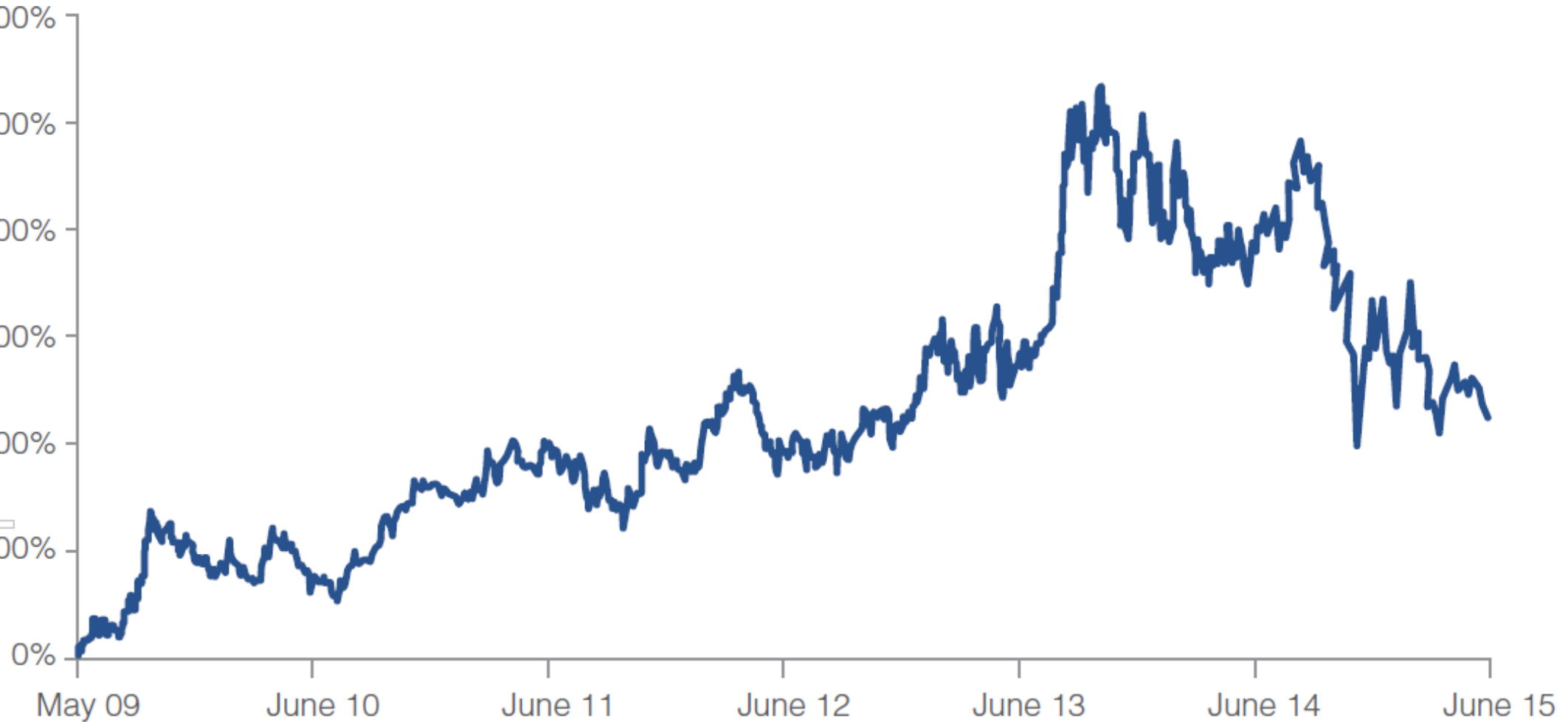
* Includes Water Corporation ECS

Total Shareholder Returns



Total Shareholder Return 25 May 2009 - 30 June 2015

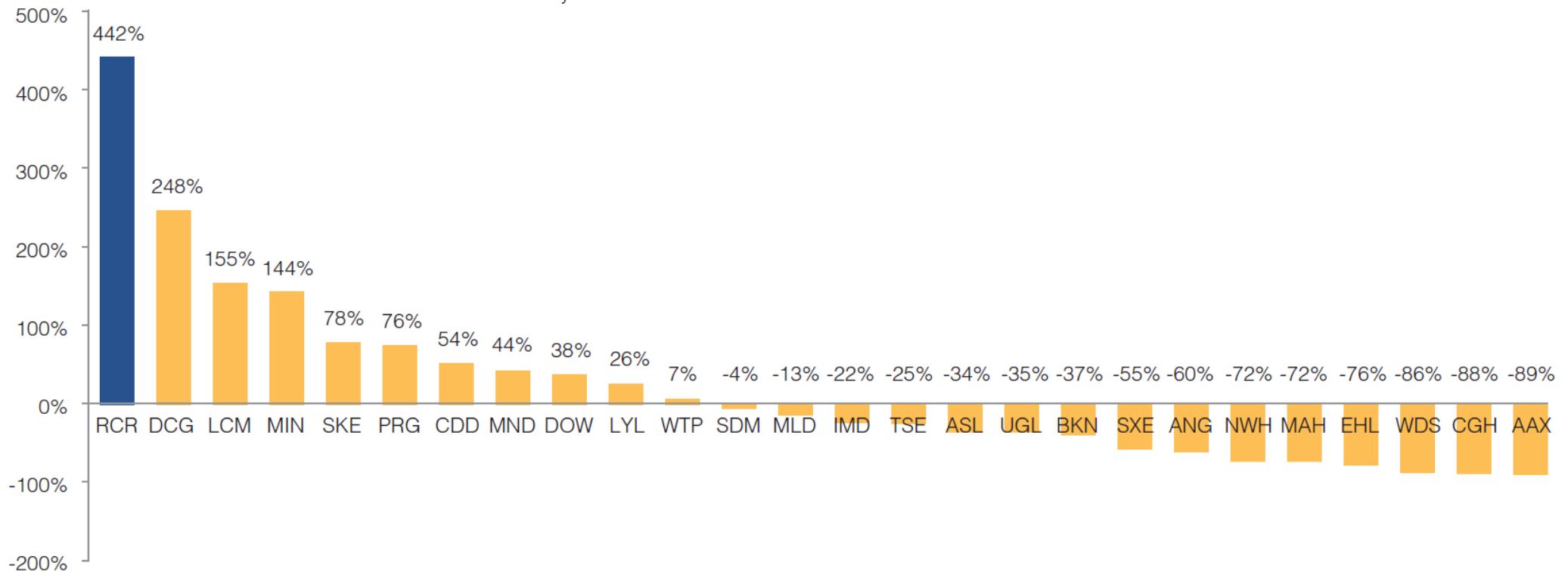
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Total Shareholder Returns



Total Shareholder Return 25 May 2009 - 30 June 2015



* Source: NASDAQ

- **442%** increase since 25 May 2009
- Compound Annual Growth Rate (CAGR) of **28% p.a.**
- Institutional shareholding at **65%**
- Constituent member of the S&P/ASX All-Australian 200 Index

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FY15 Highlights



- Strong financial performance in FY15
- 70% of Revenue and Earnings from Infrastructure and Energy
- Net Debt down to **\$12.2M**; Gearing* **3.7%**
- Record Order Book of **\$1.03B****
- Revenue of **\$1.13B**
- EBIT of **\$51.9M**
- Operating margins up to **4.6%**
- NPAT of **\$39.1M**
- Total Dividends up **10%** to **11.0 cents per share**
- Safety continues to improve; **16%** reduction in **LTIFR** to **1.1**
- On-Market Buy-Back Program

Order Book**

↑ 30%

Dividends

↑ 10%

Net Debt

↓ 79%

* Gearing = (Net Debt/(Net Debt + Equity))

** Includes Water Corporation ECS

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FY15 Financial Performance



Novo Rail Alliance - Pulling HV cabling into substation, NSW

Financial Performance



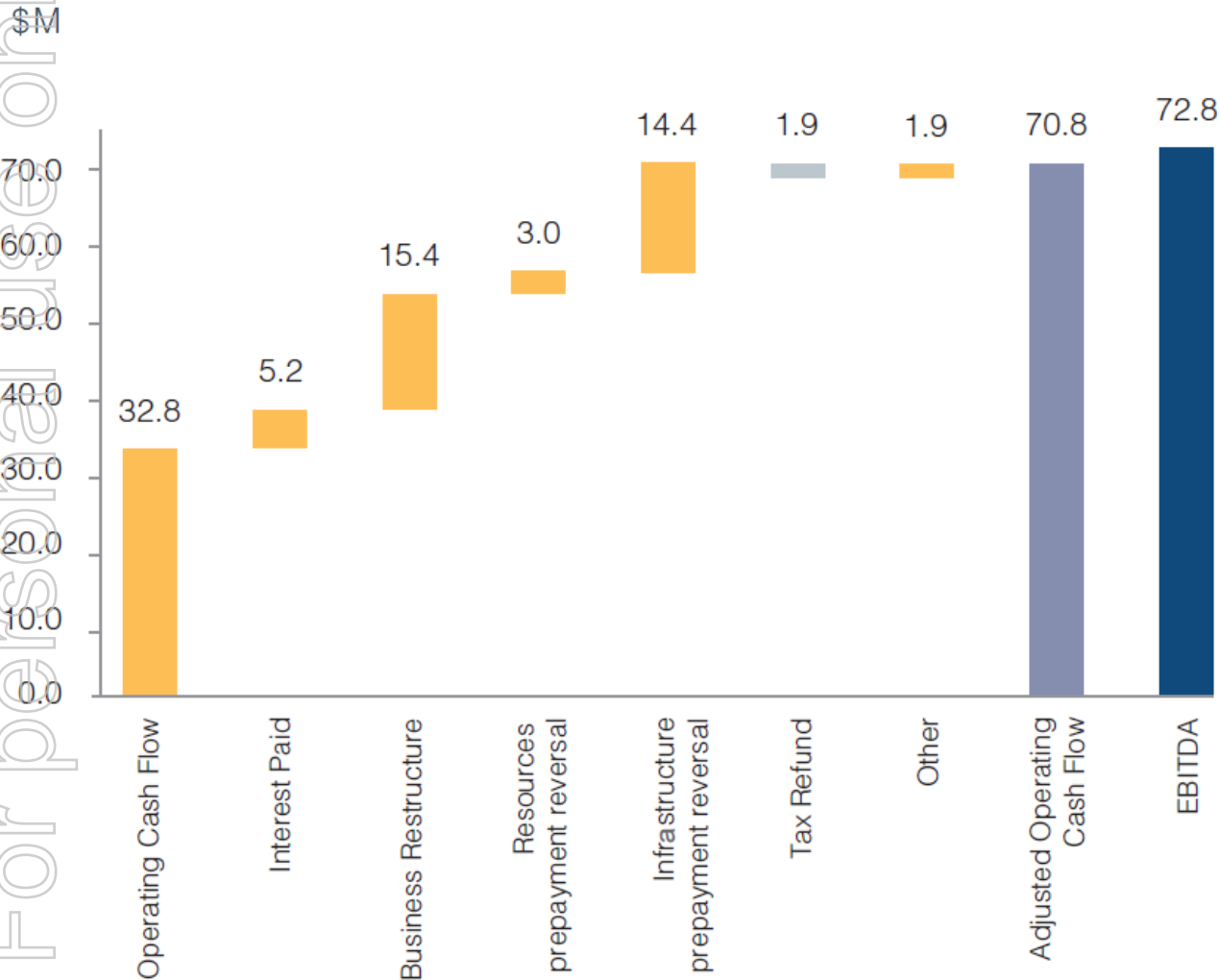
	FY15	FY14
	\$M	\$M
Revenue	1,130	1,300
EBITDA	72.8	79.6
Depreciation	(13.3)	(14.7)
Amortisation	(7.6)	(7.1)
EBIT	51.9	57.8
EBIT %	4.6%	4.4%
Net Interest	(4.2)	(6.7)
PBT	47.7	51.1
Tax	(8.6)	(7.8)
NPAT	39.1	43.3

Numbers have been subject to rounding

- Order Book up **45%** on HY15 to **\$1.03B**
- **70%** of Revenue and Earnings from Infrastructure and Energy
- EBITDA margin up to **6.4%**
- EBIT margin up to **4.6%**
- Interest expense down to **\$4.2M**
- Effective tax rate of **18%**:
 - Reflecting credits for R&D
 - FY16 tax rate closer to **30%**

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Operating Cash Flow

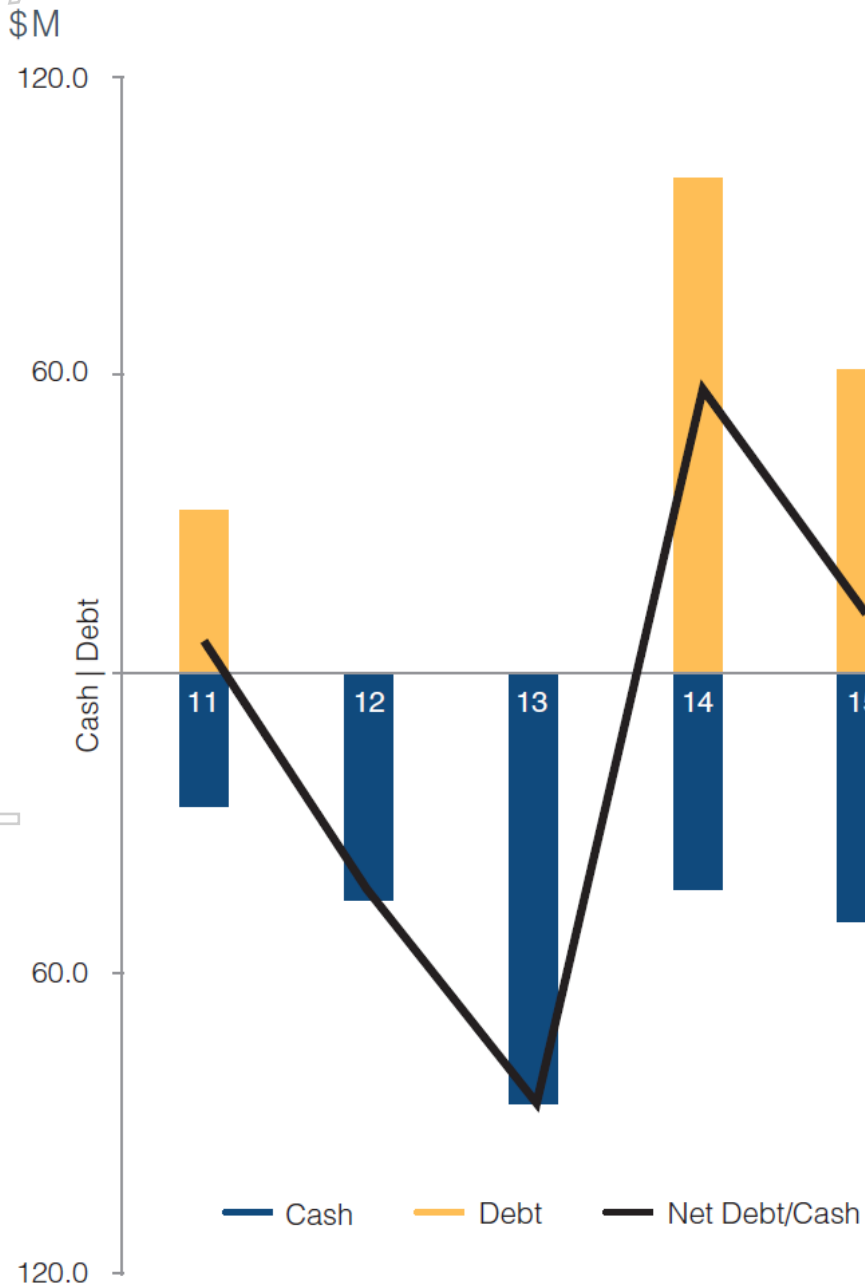


- Strong operating cash flow
- **97.3%** conversion of EBITDA
- Focus on cash and working capital
- Interest paid **\$5.2M**
- Business restructure **\$15.4M**
- Resources prepayment reversal of **\$3.0M**
- Infrastructure prepayment reversal **\$14.4M**
- Net tax refund **\$1.9M**

Net Debt and Capital Management



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- Net Debt down to **\$12.2M** (June 2015) from **\$90.5M** (Dec 2013)
- Gearing **3.7%**
- Completed the sale and lease back of four properties in the first half of the year
- On-Market Share Buy-Back Program
- Dividends paid **\$14.6M**
- FY15 Dividends up **10%**

Funding Facilities



	FY15	FY14
Funding Summary	\$M	\$M
Senior Debt and Working Capital Facility	231	270
Insurance Bonding Facilities	150	150
Total Facilities	381	420
Less: Senior Debt Utilised	61	100
Less: Non-Cash Facilities Utilised	81	128
Available Facilities	239	192
Plus: Cash	49	43
Total Cash/Funding Facilities Available	288	235
Key Financial Ratios		
Net Debt	\$12.2M	\$57.2M
Gearing	3.7%	16.5%
Facility Utilisation	37%	54%
Available Cash	\$124M	\$93M
Debt Facility Expiry	Nov 2017	July 2016

- Capacity to support future growth and acquisitions
- Strong balance sheet
- Banking Facilities renewed to provide:
 - greater liquidity
 - operating flexibility
 - longer debt maturity
- Available Cash **\$124M**
- Total CBA Facility **\$231M**
 - **\$61M** in senior debt
 - **\$170M** working capital and guarantee facility
- **\$150M** Insurance Bonding Facilities

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Review of Operations



RCR designed and supplied Heat Recovery Steam Generators - Yarnima Power Station, WA

Our Core Capabilities



Tunnel Infrastructure



Mechanical & Electrical installation of HV and LV distribution systems, lighting and power, air conditioning, ventilation and fire detection & suppression

Innovative Mining Technologies



Design & manufacture of innovative, award-winning solutions, including fully track-mounted in-pit mining units, apron and belt feeders, conveyors, stackers and bucket-wheel excavators

Turnkey Energy Generation



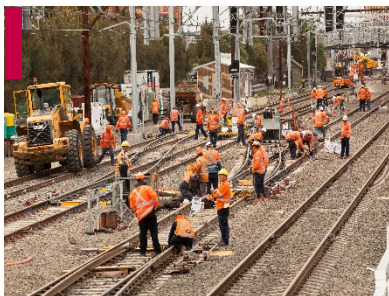
Design, supply, manufacture & installation of open cycle and combined cycle power plants and boilers, using a range of fuels and technologies

HVAC, Communications and E&I



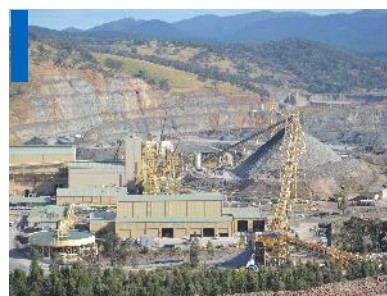
End-to-end solutions for the design, fabrication, construction, installation and maintenance of HV electrical and instrumentation systems; HVAC; and communication & data networks

Rail Infrastructure



Specialist services in rail signaling design & installation, overhead wiring systems, computer-based interlocking systems and Automatic Train Protection (ATP)

EPC - Above & Below Ground



Turnkey design and construction projects including engineering, procurement and construction (EPC) services, in-house fabrication, mechanical and E&I installation; and commissioning

SMPE&I/Modular Construction



Innovative modular construction solutions and integrated Structural, Mechanical Piping, Electrical & Instrumentation packages

Oil & Gas – Onshore and Offshore



Fully integrated service providing construction, brownfield modification and asset lifecycle support services to both onshore and offshore facilities

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RCR delivered Mechanical & Electrical fit-out at Transcity JV's Legacy Way Tunnel, Brisbane, QLD

RCR Infrastructure



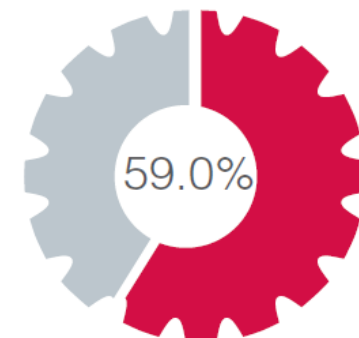
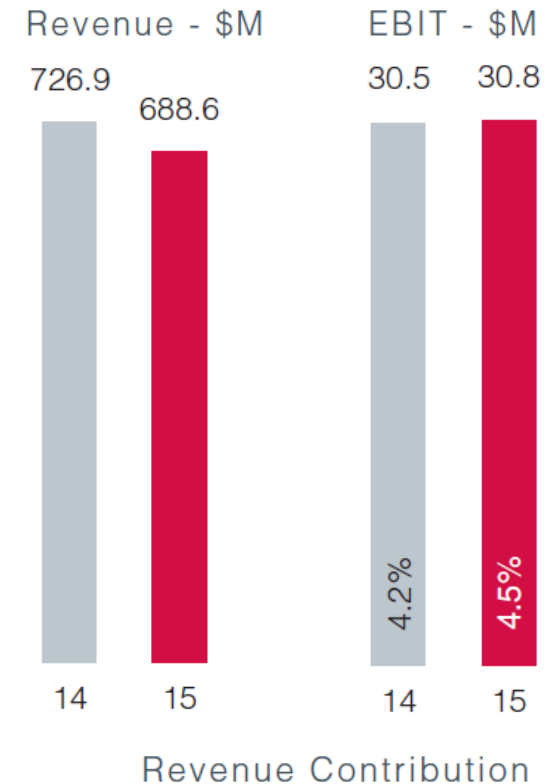
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Performance

- Improved margins, up to **4.5%**
- Benefits of cost-reduction strategies being realised
- Novo Rail Alliance solid performance in 6th year
 - Commenced \$81M Wynyard Station upgrade
- Completion of M&E + HVAC works on Legacy Way Tunnel
- Oil & Gas services contracts at Gorgon, Pluto, Wheatstone and Curtis Island
- Solid recurring revenue base for HVAC, E&I and FM

Opportunities

- Targeting large opportunities in rail, transport and water
- Focus on 'turnkey' capability and vertical integration
- Major opportunities include:
 - Large Road Tunnels
 - Rail and Light Rail projects in NSW, VIC, WA and NZ (RCR awarded 10 Projects in Melbourne)
 - NSW Transmission and Distribution
 - Onshore and Offshore services to LNG producers



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RCR Proprietary Heat Recovery Steam Generators, Yarnima Power Station, WA

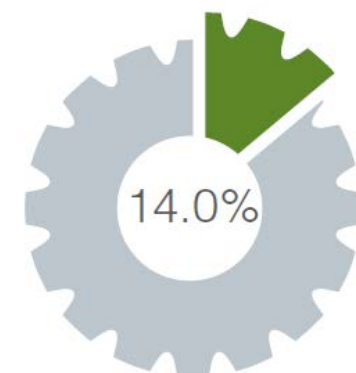
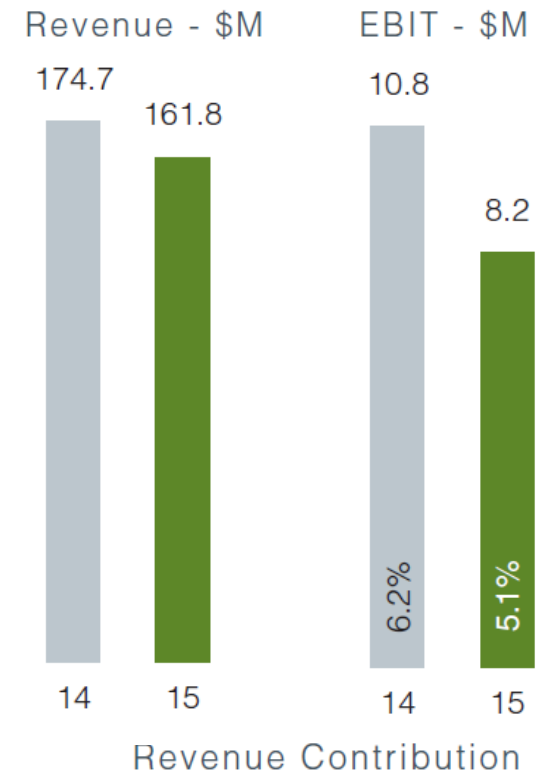
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Performance

- Record order book at the end of FY15
- Expanding reach into Asian energy markets:
 - Awarded Thai Oil in Sriracha, Thailand
 - Finalising negotiation on Senipah power project
- Expanded engineering capability in Asia
- Further growth in upgrades and maintenance business
- Long term power station maintenance contracts won include:
 - NRG Gladstone
 - AGL Torrens Island

Opportunities

- Tendering turnkey power projects in SE Asia
 - Indonesia and Thailand
- ECI for Adani - MOU extended to March 2016
- Pipeline of Projects for Closing Steam Cycle



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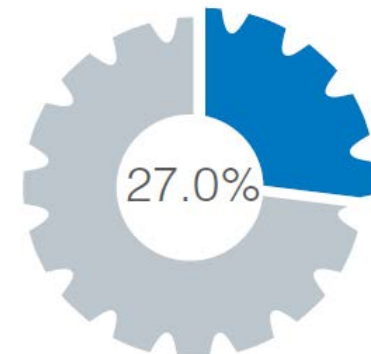
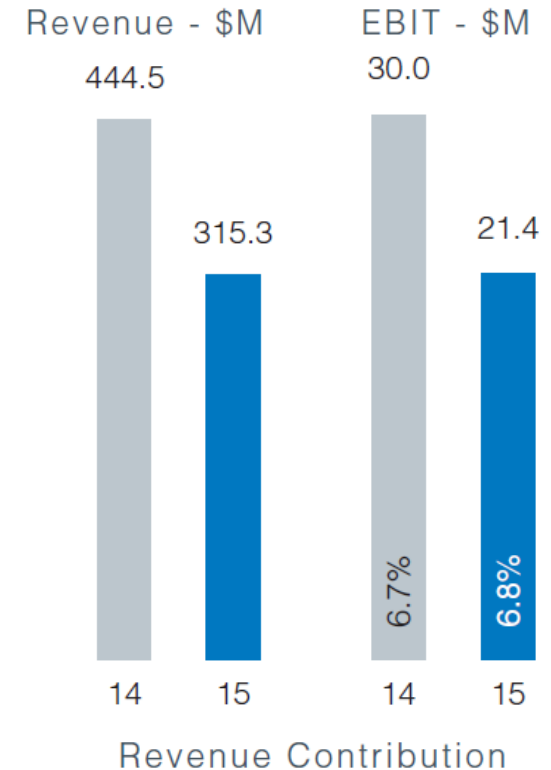
RCR SMP/E&I works at Roy Hill operations, WA

Performance

- Increased margin of **6.8%**
- Revenue of **\$315.3M**
- OSR and Heat Treatment generated solid recurring revenues
- Major Project Activity:
 - Newcrest - Cadia Panel Cave 2
 - Rio Tinto - West Angelas Deposit B
 - Rio Tinto - Mesa J (IP2C)
 - Wheatstone - Heat Treatment (offshore platform)
 - SMP/E&I works and equipment supply to Roy Hill

Opportunities

- Major projects for Mineral Sands, Coal, Nickel, Zinc and Alumina
- Cost reduction and debottlenecking in Iron Ore
- Sustaining capital works and asset maintenance
- New equipment sales into Africa and Asia



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Sustainability



Electrical fit-out of the cross-passage at Transcity JV's Legacy Way Tunnel, Brisbane, QLD

Safety, Environment & People



Safety Performance

- Safety performance continues to improve
- LTIFR improved **16%** to **1.1**

Environmental Performance

- Zero reportable environmental incidents
- Remained below reporting level for carbon emissions

Workforce

- Long tradition of employing our own people and trades
- Workforce of **3,817** in Australia, New Zealand and Asia
- Apprentices and trainees **208**

Leading Indicators

- **574,632** Stop & Think actions completed
- **26,993** Tool Box & Pre-start meetings conducted
- **28,041** Unsafe Acts prevented
- **27,110** Job Safety Hazard Analyses completed



RCR Heat Treatment works on Off-shore platform for Wheatstone



RCR Facilities Management works for Intel, Vietnam





Strategy



RCR is carrying out construction & installation services at the Chevron-operated Gorgon Project, North-West WA

RCR's Strategic Objectives

RCR is focused on growth in the Australian and Asia Pacific market particularly in infrastructure and oil & gas.

We aim to:

- Provide services direct to customers as prime contractor
- Target larger project opportunities over multiple years
- Diversify revenue: infrastructure, oil & gas, water and geographic reach

Specific initiatives include:

- Acquired Water Corporation ECS business
- Improve branding throughout Australasia
- Large turnkey EPC projects in resources, rail and water
- Further integration of the acquisitions and improve profitability
- Focus on rail, transport and power infrastructure
- Further grow Energy business in SE Asia
- Continue to grow through M&A and new revenue streams

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