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24 August 2017

RCR ANNOUNCES STRONG FULL YEAR RESULT AND A CAPITAL RAISING TO SUPPORT FUTURE GROWTH

FULL YEAR 2017 (“FY17”) RESULTS HIGHLIGHTS:

- Record Order Book¹ of \$1.4 billion, up 40%
- Preferred Contractor Status² of \$1.6 billion, up 198%
- Over 600MWac of solar projects under construction and over 1GWac in development or ECI
- Revenue of \$1.3 billion, up 45%
- EBIT of \$35.2 million, up 179%
- NPAT of \$25.7 million, up 186% and exceeds consensus³
- Strong Cash Flows with Net Debt of \$25.2 million as at 30 June 2017
- Final Dividend of 6.0 cents per share declared, unfranked

Note: Percentage changes indicated above relate to the prior comparative period and are based on continuing operations.

Diversified engineering and infrastructure company, RCR Tomlinson Ltd (ASX: RCR) (“RCR”), is pleased to announce its FY17 result, with a profit after tax of \$25.7 million, supported by stronger cash flows and a low Net Debt position of \$25.2 million.

RCR is on track to deliver further revenue and earnings growth in FY18, with continued growth of its Order Book and Preferred Contractor Status to over \$3 billion; up an impressive 97% on the prior year.

RCR has firmly positioned itself as one of Australia’s leading Engineering, Procurement and Construction (“EPC”) providers of large-scale solar and other renewable energy infrastructure projects. RCR now has over half a gigawatt of large-scale solar projects in its Order Book and more than a gigawatt is currently being developed or progressed under Early Contractor Involvement (“ECI”) processes.

Notwithstanding the growth in renewable energy projects, RCR continues to build on its strategy around other growing markets and is ideally positioned in the rail and transport, water, resources and defence sectors.

RCR also continues to invest in broadening its engineering led offerings by expanding its footprint into SE Asia, developing partnerships with technology leaders, and maintaining a continuous focus on creating *Engineering Intelligence™* solutions that will enhance shareholder value.

To support RCR's growing pipeline of projects in renewable energy, rail and transport markets and to fund our development aspirations in the renewable energy sector, RCR has today announced a capital raising. The capital raising will raise up to \$90 million, with approximately \$75 million underwritten by Macquarie Capital (Australia) Limited via a Placement and the balance will be raised by way of a non-underwritten Share Purchase Plan offer to existing shareholders. Details on the capital raising are set out below.

RCR's Managing Director, Dr Paul Dagleish said "Following our strong result and with over \$3 billion in combined Order Book and Preferred Contractor Status, RCR is in a strong position to capitalise on the substantial growth across its end-markets, particularly the solar market. The capital raising is intended to ensure we have sufficient balance sheet flexibility to do so."

"Furthermore, given our access to projects within the solar energy sector and our technical expertise and understanding of the generation market, RCR is favourably positioned to invest capital alongside our development partners to deliver additional value for RCR shareholders. Investments in projects will be undertaken selectively where the RCR board and management consider it appropriate."

"With a record Order Book and expanding pipeline of renewable energy and transport projects, RCR expects to experience continued strong growth through FY18."

GROWTH IN TRADITIONAL AND NEW END-MARKETS

RCR continues to see significant opportunities across all three of its business units of **Infrastructure, Energy and Resources**. With a focused approach and using our **Engineering Intelligence™**, RCR is positioned for a sustainable future driven by the significant market growth in these sectors.

Over this past year RCR has achieved growth in revenue and earnings across its traditional and new businesses that is expected to continue into FY18 and FY19.

In recent months, RCR has secured over \$700 million in new and extended contracts bringing the current Order Book to a record \$1.4 billion, which will underpin its performance in FY18. In addition, RCR is the Preferred Contractor for over \$1.6 billion in new projects, either currently under negotiation or under an ECI process.

GROWTH IN RENEWABLE ENERGY

RCR has continued to identify opportunities in the rapidly evolving renewable energy sector that will see a significant number of new projects developed in Australia over the next decade, including an estimated 12.7GWac⁴ visible over the next few years.

RCR is currently positioned as the market leader in the EPC of large-scale solar projects and has strong partners and positioning on wind and battery storage. These projects also support RCR's objective to reduce the cyclical nature of its revenue streams by engaging in projects that require long-term operations and maintenance support.

RCR's success in the renewable energy sector has been enviable, and during this past year RCR has secured over 600MWac of renewable energy projects and has over 1GWac in development or under an ECI where RCR is the Preferred Contractor.

While conversion of these renewable energy projects from Preferred Contractor Status into contracted revenues is ultimately dependent upon financial investment decisions, and in some cases project funding, recent conversion rates have been well over 90%.

Major renewable energy projects secured in the past year include three of Australia's largest solar farms currently under construction, being the 125MWac Solar Farm for Sun Metals, the 110MWac Darling Downs (Stage 1) Solar Farm for APA Group and the 150MWac Daydream Solar Farm for Edify Energy. Other renewable energy projects currently under construction include the Gannawarra, Manildra, Longreach, Oakey, Swan Hill and Hayman Solar Farms and the balance of plant for the Yaloak Wind Farm.

STRONG SAFETY PERFORMANCE

RCR's safety performance demonstrates our ongoing focus on maintaining a strong safety culture that is supported by robust safety management systems. Through the commitment of our employees, RCR has again seen its Lost Time Injury Frequency Rate ("LTIFR") improve by 56% to 0.78 per million man hours.

FINAL DIVIDEND

The Board has declared a final dividend of 6.0 cents per share, unfranked (vs. nil for the previous year).

The record date for entitlement to the final dividend will be 21 September 2017 and the payment date will be 5 October 2017.

OUTLOOK FOR FY18

Looking forward, with a combined Order Book and Preferred Contractor Status of \$3 billion, almost double from 30 June 2016, RCR is well positioned for revenue and earnings growth in FY18 with a number of contracts flowing through into FY19.

CAPITAL RAISING TO SUPPORT GROWTH

Following continued strong growth in RCR's Order Book and Preferred Contractor Status, the RCR Board has determined to undertake a capital raising in order to enable RCR to take full advantage of its growing pipeline of projects in renewable energy, rail and transport markets and to selectively invest in solar projects alongside RCR's project partners.

RCR will raise approximately \$75 million via a fully underwritten placement to eligible sophisticated, professional and institutional investors ("Placement"), and up to \$15 million via a non-underwritten Share Purchase Plan.

The funds raised will be initially held as cash and will provide RCR with sufficient balance sheet flexibility to:

- ensure that RCR is best placed to continue winning projects across its growing end-markets;
- support future working capital and bonding requirements associated with RCR's strong pipeline of projects in the renewable energy, rail and transport sectors; and
- selectively invest in solar projects, alongside RCR's project partners, when considered appropriate by RCR's Management and Board.

RCR Chairman, Roderick Brown commented that "We believe maintaining a conservative and flexible balance sheet is essential to ensuring that RCR is in a position to take full advantage of growth opportunities that exist across its end markets. In addition to supporting future working capital and bonding requirements, a stronger balance sheet will enable RCR to selectively invest in solar projects, alongside its project partners, when the Board considers it prudent to do so."

Institutional Placement

Under the Placement RCR will issue approximately 21 million new ordinary shares in RCR ("New Shares") (15% of existing shares on issue) to eligible sophisticated, professional and institutional investors, in order to raise approximately \$75 million. The New Shares issued under the Placement will be issued at a fixed price of \$3.55 per share (the "Placement Price") representing:

- a 5.1% discount to the last close price of \$3.74 on 23 August 2017.
- a 4.6% discount to the 5-day VWAP ending on 23 August 2017 or \$3.72.

New Shares issued under the Placement will rank equally with existing ordinary shares in RCR and will be entitled to the final dividend for FY17 of 6.0 cents per share.

The Placement is fully underwritten by Macquarie Capital (Australia) Limited. The Underwriting Agreement is subject to conditions precedent and termination events that are customary for a transaction of this nature. The Placement will be conducted in accordance with the timetable set out below.

Share Purchase Plan ("SPP")

Following completion of the Placement, eligible RCR shareholders who have a registered address in Australia and New Zealand and are not in the United States or acting for the account or benefit of a U.S. Person will have the opportunity to subscribe for new shares ("SPP Shares") in RCR up to a maximum value of \$15,000 per shareholder (subject to scale back by the RCR Board, if required). The offer will open at 9.00am (AEST) on 31 August 2017 and close at 5.00pm (AEST) on 15 September 2017.

The record date for the SPP was 7.00pm (AEST) on 23 August 2017.

The SPP is intended to raise a maximum of \$15 million. RCR's Board may decide to accept applications (in whole or in part) that result in the SPP raising more or less than this amount in their absolute discretion.

SPP Shares will be issued at the Placement Price.

SPP Shares issued under the SPP will rank equally with existing ordinary shares in RCR and will be entitled to the final dividend for FY17 of 6.0 cents per share.

Further details of the SPP will be provided in a separate announcement on or around 28 August 2017. A SPP offer booklet will be despatched to all eligible shareholders on or around 31 August 2017.

Capital Raising Timetable

Event	Date
RCR shares in Trading Halt and Placement bookbuild	Thursday, 24 August 2017
Announcement of completion of Placement and normal trading recommences	Friday, 25 August 2017
Settlement of Placement	Tuesday, 29 August 2017
New Shares under the Placement allotted and commence trading	Wednesday, 30 August 2017
SPP opens	Thursday, 31 August 2017
SPP booklet despatched to eligible shareholders	Thursday, 31 August 2017
SPP closes	Friday, 15 September 2017
SPP Shares allotted under SPP	Thursday, 21 September 2017
RCR final dividend record date	Thursday, 21 September 2017
SPP Shares allotted under SPP commence trading	Friday, 22 September 2017

The above timetable is indicative only and subject to change. RCR reserves the right to amend any or all of these events, dates and times subject to the *Corporations Act 2001 (Cth)*, ASX Listing Rules and other applicable laws.

INVESTOR PRESENTATIONS

RCR will be undertaking investor roadshow meetings with institutional shareholders, brokers and analysts, commencing today.

A copy of RCR's Investor Presentation will be provided on the ASX Announcements Platform and on the Company's website.

Notes:

¹ **Order Book** - RCR's Order Book and backlog comprise certain estimates, are unaudited, and vary from time to time due to the impact of project delays or cancellations. The Order Book also includes amounts expected or anticipated under contracts, current work programs, maintenance arrangements and framework arrangements. The Order Book includes amounts which cover multiple financial periods. Accordingly, RCR's Order Book at any particular date remains subject to change and is therefore an uncertain indicator of future earnings.

² **Preferred Contractor Status** - Preferred Contractor Status: Where RCR refers to Preferred Contractor Status, RCR cannot guarantee that this status will convert to a contract and is therefore an uncertain indicator of future earnings.

³ **Consensus** - RCR is covered by four sell side analysis who have published reports since 27 March 2017, which provide forecast earnings for FY17. Four analysts have forecast NPAT of between \$22.6M and \$28.1M with an average of \$24.4M.

⁴ **Source** - Sustainable Energy Research Analytics, August 2017.

For further information please contact:

INVESTORS CONTACT:

Managing Director & CEO

Dr Paul Dalgleish
RCR Tomlinson Ltd
+61 2 8413 3045
enquiries@rcrtom.com.au

ANALYSTS:

Chief Financial Officer

Andrew Phipps
RCR Tomlinson Ltd
+61 2 8413 3045

MEDIA CONTACT:

Diplomacy

Adam Kilgour
M: +61 413 120 346

DISCLAIMER AND IMPORTANT INFORMATION

The information in this announcement about RCR Tomlinson Ltd ("RCR") and its activities is current as at 24 August 2017 and should be read in conjunction with the Company's Appendix 4E and 2017 Annual Report for the full year ended 30 June 2017 ("2017 Annual Report"). It is in summary form and is not necessarily complete. The financial information contained in the 2017 Annual Report for the full year ended 30 June 2017 has been audited by the Company's external auditors.

RCR's performance is subject to a range of risks that can impact performance (including those summarised in the 2017 Annual Report) and factors outside of the control of RCR (for example, the timing for commencement of projects or awards of tenders). Risks related to both Order Book and Preferred Contractor Status include amongst other things, timing, cancellation and delays to contracts or project delivery and therefore are not sufficiently certain. Investors or potential investors are therefore cautioned on placing undue reliance on any forward-looking information.

This release contains certain forward-looking statements. Examples of forward-looking statements used in this release include: "expect", "estimate", "intend", "may" and "designed". Indications of, and guidance on, future earnings, Order Book, Preferred Contractor Status and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this release are based on assumptions and contingencies that are subject to change without notice. Forward-looking statements are not a guarantee of future performance and are subject to a variety of risks and uncertainties beyond RCR's ability to control or predict, which could cause actual events or results to differ materially from those anticipated in such forward-looking statements.

The information reported in this announcement contains Non-IFRS financial indicators to assist in understanding the Company's performance.

This release does not include all available information on RCR and should not be used in isolation as a basis to invest in RCR. Any potential investors should refer to RCR's other public releases and statutory reports and consult their professional advisers before considering investing in RCR.

This release has been prepared for publication in Australia and may not be distributed or released in the United States or to persons acting for the account or benefit of any "U.S. Person" (as defined in rule 902(k) under the U.S. Securities Act of 1933, as amended ("U.S. Securities Act") ("U.S. Persons"). This release does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or for the account or benefit of U.S. Persons or any other jurisdiction. Any securities described in this release have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any other state or jurisdiction of the United States and may not be offered or sold in the United States or to, or for the account or benefit of U.S. Persons except in transactions exempt from, or not subject to, registration under the U.S. Securities Act and applicable U.S. state securities laws.

About RCR

RCR Tomlinson Ltd (ASX code: RCR) is a diversified engineering and infrastructure company, working with some of the world's leading organisations to provide intelligent engineering solutions to the **Infrastructure**, **Energy** and **Resources** sectors. RCR has 119 years of history in the engineering sector and owns some of Australia's oldest engineering businesses including RCR Tomlinson™, O'Donnell Griffin™, Haden™, and Resolve FM™.

RCR's core capabilities encompass development, engineering, procurement, construction, operation and maintenance of major infrastructure, energy and resource projects. These include power generation plants (using a wide range of fuels, solar, wind and battery), water and waste treatment systems, rail and road tunnel infrastructure, rail signalling and overhead wiring systems, mineral processing and material handling plants, integrated oil & gas services (both onshore and offshore), supply of RCR proprietary materials handling and process equipment, and property services including facilities management, HVAC and electrical services.

RCR has operations across Australia, Asia and New Zealand. Additional information is available at www.rcrtom.com.au.

E.I. Engineering Intelligence™. That's What We Do.