



ASX Announcement

31 January 2019
NRW Holdings Limited
181 Great Eastern Highway
Belmont, 6104, Western Australia

Australian Securities Exchange
Perth

NRW to acquire RCR Mining and RCR Heat Treatment

NRW Holdings Limited (ASX:NWH) is pleased to announce that it has entered into an agreement with the Administrators' of RCR Tomlinson Limited ("RCR") to acquire the assets of RCR Mining and RCR Heat Treatment.

The purchase consideration of \$10 million will be funded from NRW's existing cash reserves and the acquisition is anticipated to complete within the next two weeks.

RCR Mining and Heat Treatment form part of the original RCR Tomlinson business established over 100 years ago. Employing ~300 people with primary locations at Welshpool and the regional centre of Bunbury together with a facility in Victoria. RCR Mining, includes the Mining Technologies business which owns significant intellectual property across a range of products and processes and is recognised as a market leader by global resources clients.

The Mining Technologies business is a leading national and international original equipment manufacturer (OEM) and innovative materials handling designer with an extensive product range including apron and belt feeders, high capacity conveyors, slide gates, stackers, spreaders, fully track-mounted in-pit mining units, sizers, scrubbers and screening plants.

Both the Mining Technologies and Heat treatment businesses have a high proportion of their activity in equipment product support and maintenance (both on site and off site). The Heat Treatment business has facilities which are among the most comprehensively equipped in the region and include the largest stress relieving furnace in Australia.

Mining Technologies and Heat Treatment generated ~\$110M of revenue in FY18 and have a track record of delivering positive earnings. The acquisition will be EPS accretive on a full year basis, excluding integration and other one-off costs. The highly skilled and experienced management, design, manufacturing, service and maintenance teams will join NRW, providing important customer and supplier continuity.

Commenting on the transaction Jules Pemberton NRW's Managing Director and Chief Executive Officer said "This acquisition will allow us to provide incremental services, in line with our strategic objectives to a number of core clients common to both NRW and the RCR businesses to be acquired. In addition, the annuity style income from the maintenance activities of Mining Technologies and Heat Treatment will provide a platform to continue to build a broader service offering across an expanded resources and oil and gas client base. The intention is to integrate the acquisition, including all 300 employees as quickly as possible with minimum disruption to clients".

NRW Chief Financial Officer, Andrew Walsh, commented "Given my four years as CFO at RCR Tomlinson up to November 2013, I am very familiar with the Mining Technologies and Heat Treatment businesses and the long serving management team led by Ian Gibbs. This is a financially compelling acquisition with the businesses providing complementary services and delivering a diversified base of recurring maintenance and project revenue."

Kim Hyman
Company Secretary

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About NRW Holdings Limited:

NRW is a diversified provider of contract services to the resources and infrastructure sectors in Australia. With extensive operations in Western Australia, South Australia, New South Wales and Queensland, NRW's geographical diversification is complemented by its delivery of a wide range of operations. These encompass civil expertise including bulk earthworks and concrete installation; contract mining and drill and blast. NRW also encompasses a comprehensive refurbishment and rebuild service for earthmoving equipment and machinery.

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