

Acquisition of RCR Energy Service

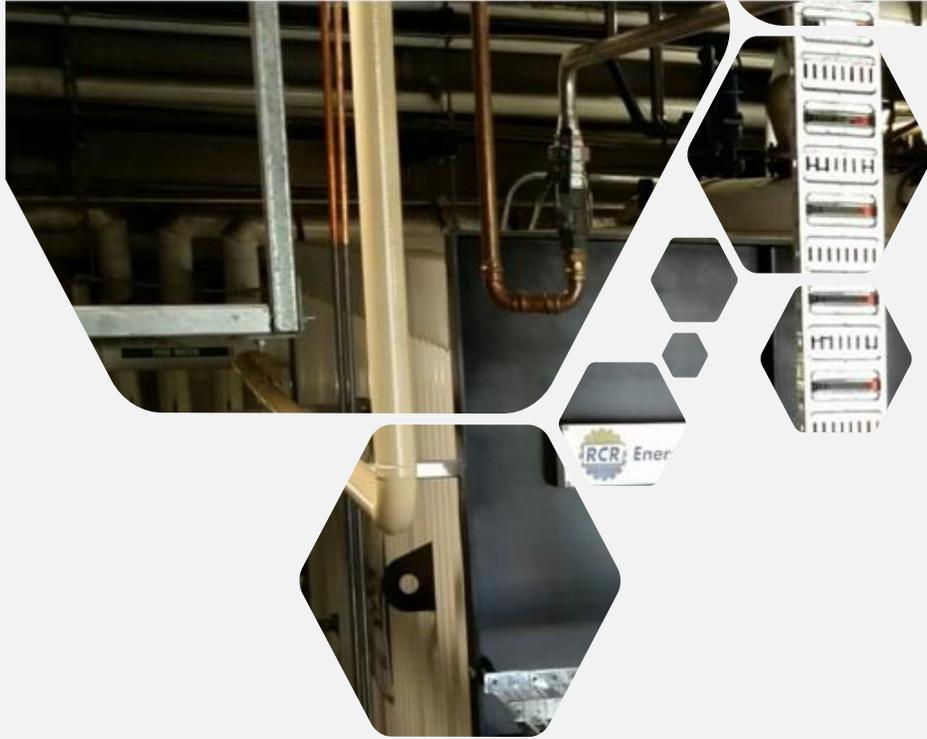


EGL

The Environmental Group Limited

Tomlinson
Energy Service

Acquisition Details



Overview

- Acquisition to be funded through existing bank facilities.
- Acquisition enables EGL to have a footprint in each state.
- A step in the strategy to build Bio/Waste to Energy capability.
- The acquisition adds to and complements EGL's existing subsidiaries – Baltec IES, TAPC & EGL Water.
- Existing senior management team retained
- Acquisition expected to be completed within the first half of January 2019.
- Drawing on the history and experience of Tomlinson Boilers the division will operate as Tomlinson Energy Service

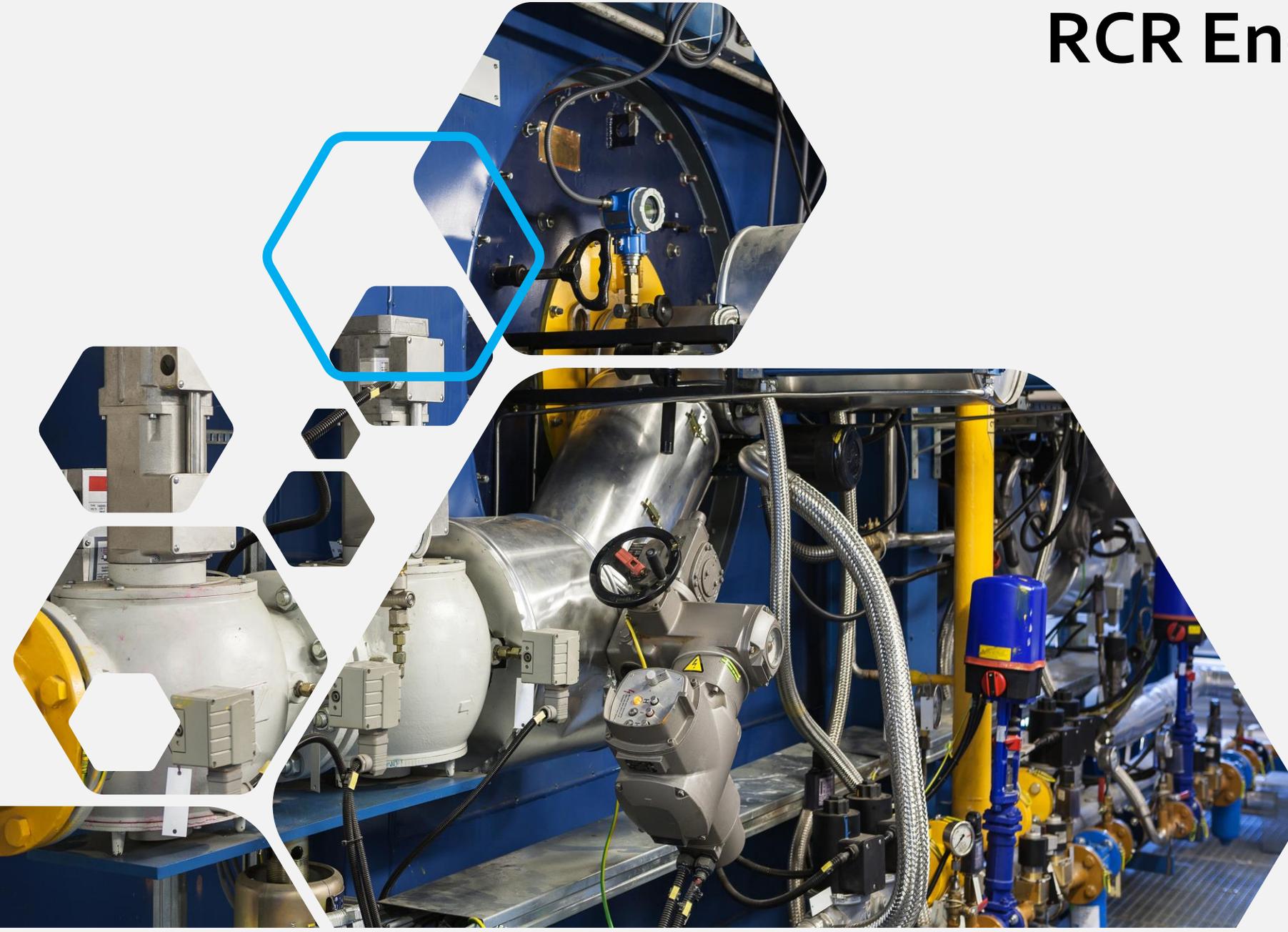


Synergies and Opportunities

- Recurring revenue stream rather than project based.
- Accelerate growth in mechanical and baghouse work.
- Opportunity to move into Bio tri energy markets.
- Technical skill set that can be leveraged across existing divisions.
- Leverage product offerings of EGL and RCR Energy Service to each others customers.
- Realise overhead cost savings



RCR Energy Service



About RCR Energy Service

Operating from facilities all around Australia, RCR Energy Service has a long history through its heritage as Tomlinson Boilers. Today it is clearly distinguished as one of the leading service providers for all heat transfer plant and equipment.

Highlights

- One of the largest fully accredited service and package boiler companies in Australia.
- Leading provider of energy services nationwide with unparalleled wealth of experience.
- 24/7 service including mechanical, electrical & automation support.
- Diverse clientele, driving recurring revenue and project based one-off sales.
- Experienced management team committed to staying long term.



About RCR Energy Service

RCR Energy Service has the capability of supplying its own range of packaged boilers in addition to maintenance and repairs to both Tomlinson propriety and other OEM equipment.

- RCR Energy Service Low Flow Inert Gas Generators
- Services including: site installation, combustion and control systems upgrades, efficiency assessments, general maintenance & commissioning services.
- Boilers with state of the art technologies for renewable and conventional fuels.
- In-house mechanical, electrical and automation engineering and design. Providing highly experienced technical support.
- Product and service support by 40 multi-skilled, factory trained, qualified and licensed technical personnel. 24 hours per day, 7 days a week across all states.
- Comprehensive spare parts inventory in all states.



RCR Energy Service Products

RCR Energy Service has a range of Boiler products which are provided to the Australian market.

Bosch steam and hot water boilers

- Condensing boilers (100 to 1,200 kW)
- Conventional hot water boilers (200 to 2,000 kW)
- Water Tube SZS steam boilers (2 to 25MW)

Tomlinson vertical steam boilers

- Vertical Watertube steam boilers (60 to 1,250kW)
- Unique design
- Includes Weishaupt Burner



RCR Energy Service Products - Continued

Packaged Watertube Boilers

- D Type Watertube Boilers
- ASME Design
- To 10MW and 1,750kPA



Intec Thermal Fluid Heaters

- Typically for process heat to timber, textile, palm oil and food processing facilities
- Capabilities from 100kW to 20MW and larger
- Typical fuels include natural, LP gas and diesel oil



RCR Energy Service Representation

RCR Energy Service represents products from leading brands of complimentary products.

ARI Valves

- Agent offering the comprehensive range of ARI valves.
- Products include high quality isolation valves, control valves, strainers and safety valves



Weishaupt Combustors

- Weishaupt have the largest Burner R&D facility in the world
- High build quality, manufactured in Germany
- Sizes from 50kW to 22MW
- Various fuels including gas, liquid, bio fuels and their combinations



RCR Energy Service Management Team

Experienced management team committed to staying long term.



Financial Overview

RCR Energy Service enjoys the benefits of recurring work and product sales from a high quality customer base

Commentary

- Historically Strong revenue mix:
 - A\$13-14m recurring work
 - A\$8-9m product sales
- FY19 results likely to be impacted by RCR Tomlinson administration process
- Some cost synergies expected through rationalisation of overheads

	Actual FY16	Actual FY17	Actual FY18
All values in Thousands('000s)			
Revenue	24,873	23,338	21,547
Gross Margin	7,051	6,442	6,564
Overheads	5,745	5,423	5,081
EBIT	1,306	1,019	1,482
GM% of Revenue	28.30%	27.60%	30.40%
EBIT% of Revenue	5.30%	4.40%	6.80%



Tomlinson Boilers heritage



Baltec IES

Baltec designs & manufactures inlet and exhaust systems for gas turbine power plants which is an important energy source that complements and augments solar and wind energy sources.

Baltec IES headquarters are in Melbourne, Australia with regional offices in Indonesia and Thailand. Over 90% of Baltec IES products and projects are exported globally. To date Baltec has delivered its products & services to more than 40 countries.

Products & Services

- **Intake filtration systems** – to clean the air into the gas turbine
- **Exhaust systems** – minimise noise and gasses into the atmosphere
- **Turbine performance enhancement** – to reduce fuel consumption
- **Plant repair & maintenance services** – to continuously improve and reduce emissions



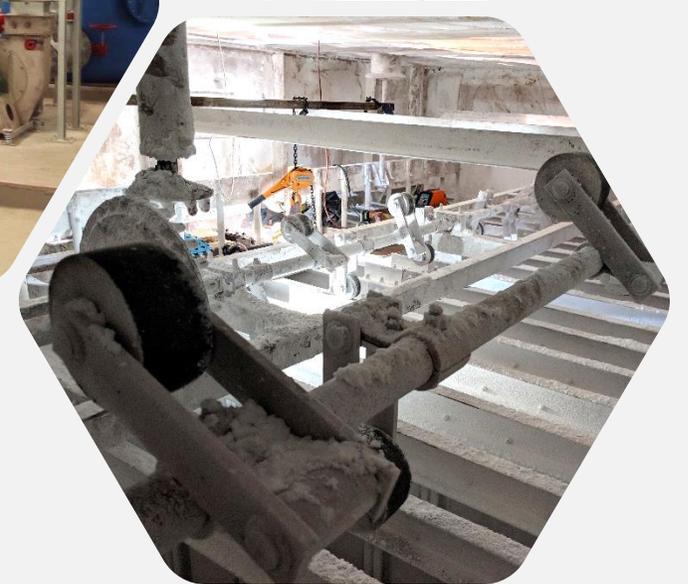
Total Air Pollution Control (TAPC)

TAPC designs, manufactures and services flue gas treatment systems which prevent harmful contaminants being discharged into the atmosphere.

Headquartered in Wollongong, NSW, with branches in Perth, Sydney, Melbourne, Brisbane, Singapore and Manila. TAPC has a strong domestic and international presence and coupled with its broad range of available technologies, TAPC is a single source supplier for all air pollution control needs.

Products & Services

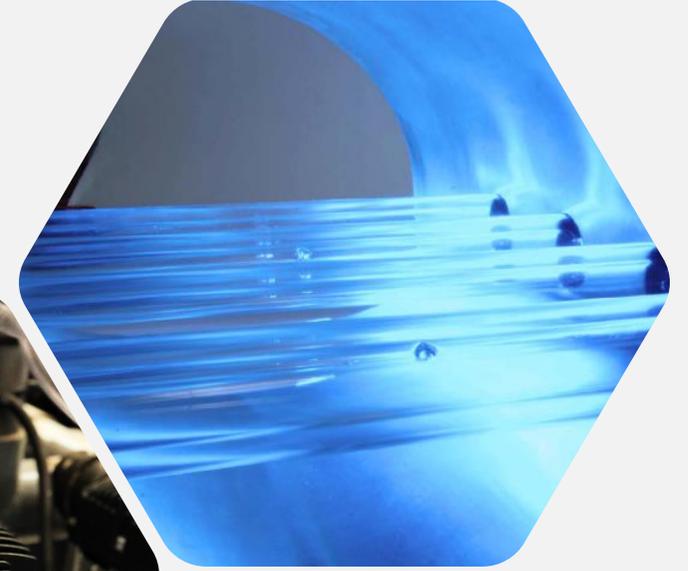
- **Wet & Dry Gas Scrubbers**- to remove harmful gasses and odours from the atmosphere
- **Fabric Filtration Systems** – to remove dust and contaminants from the air we breath
- **Electrostatic Precipitators**- to minimise dust from industrial processes
- **Oxidizers** – to break down harmful contaminants in to basic elements
- **Plant parts, repair & maintenance services** – to ensure emissions reduction systems remain in good operating condition



EGL Water

One of the most challenging environmental issues is the treatment of contaminated water from mining, industrial and processing industries.

In recognition of this issue, EGL secured patents, government funding and partnered with Victorian University for the purposes of developing technologies to meet these pressing environmental needs.





EGL

The Environmental Group Limited



Thank you