



ENGINEERING THE UNFAIR ADVANTAGE

20 October 2017

ASX Market Announcements
Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

PWR Holdings Limited | Presentations to 2017 Annual General Meeting

Pursuant to Listing Rule 3.13.3, please find attached, for presentation to shareholders at this morning's Annual General Meeting, commencing at 10 am (Brisbane time):

- the welcome address by Ms Teresa Handicott, the company's Chairman; and
- the presentation by Mr Kees Weel, the company's Managing Director.

Yours faithfully

A handwritten signature in blue ink that reads 'Lisa Dalton'.

Lisa Dalton
Company Secretary

20 October 2017

PWR Holdings Limited | Chairman's Address to 2017 Annual General Meeting

Good morning, Ladies and Gentlemen, my name is Teresa Handicott and I am the Chairman of PWR Holdings Limited and I will chair today's Annual General Meeting.

On behalf of the Board of Directors, I warmly welcome you all to the 2017 PWR Annual General Meeting.

We really appreciate this opportunity to speak with our shareholders and give shareholders the opportunity to ask questions about PWR.

Introduction of Directors and Management

I would like to introduce the Board of PWR and senior management of the Company here today.

The full details of their background and experience are included in the Annual Report and on the Company website.

- Firstly, Kees Weel, the founding shareholder and Managing Director of PWR
- Jeff Forbes, who has been a director since the company listed and who also chairs the Audit and Risk Committee
- Roland Dane, who joined the Board in March 2017
- Matthew Bryson, our General Manager of Engineering and Sales
- Marshall Vann, our General Manager,
- Adam Purss, our Chief Financial Officer, and
- Lisa Dalton, our Company Secretary.

I would also like to welcome Jason Adams, the audit partner of KPMG, the Company's auditors and Stephanie Daveson, a partner at Corrs Chambers Westgarth, the Company's lawyers.

This Annual General Meeting will proceed in four parts:

1. Firstly, I will provide a short address summarising some key points for the 2017 year
2. Secondly, Kees will review the operational developments of the Company for the past year and will talk about our expectations and plans for the future
3. Then shareholders will be able to ask questions about the Company, my address or Kees' presentation;
4. This will be followed by the formal business of the meeting, at which time I will take your questions specifically regarding each of the proposed resolutions.

Without pre-empting Kees's presentation, I would like to say a few words about the progress of the Company.

PWR is a business based on innovative and leading-edge technology and manufacturing capability. In its second year as a listed company, PWR increased its revenue, primarily from PWR's key motorsports market. Our Net Profit After Tax for FY2017 of \$9.3 million was driven by a very strong second half aligned to the seasonal activity in the motorsports industry, but has continued to be affected by unfavourable exchange rates. I will let our Managing Director further discuss the drivers of our results.

During FY17 PWR has continued to build its strategic platform for future growth. We have focussed on four key areas:-

- Technology;
- People;
- Manufacturing Capability;
- Maintaining our strong capital position.

Technology

We are investing in the development of next generation cooling technology and cooling cores. We aspire to remain at the forefront of technological development in automotive and emerging technologies cooling. Importantly costs are expensed as incurred. Technology developed will drive the future growth of PWR. Increasing technology allows PWR to expand its market footprints but also creates shareholder value through ownership of the related intellectual property. Often the same technology base can be leveraged to provide solutions to customers over multiple industries. We are keenly aware of the need to protect the technology and intellectual property created internally.

People

We have expanded our resources base; investing in getting the right people in the right positions and expanding our headcount in key areas such as engineering, specialty production and design.

Manufacturing Capability

The building and commissioning of a new aluminium heat exchanger core line at our Indianapolis factory has significantly increased our production capability. It will allow PWR to pursue new business opportunities in USA and Europe, particularly in Original Equipment Manufacturer (OEM) programs. The new line optimises our manufacturing capabilities and provides flexibility to our Australian operations by creating capacity to focus on high margin bespoke cooling opportunities whilst also improving our natural hedge to the USD.

Capital Position

We have maintained our net debt free balance sheet. PWR has a wonderful combination of organic growth, strong cash conversion and a strong balance sheet. This has enabled the Board to increase the dividend payout ratio to 60% of full FY17 year NPAT. The Board is very conscious that we are here to represent all shareholders, and we see the higher dividend payout rate as evidence of this focus.

Board changes

There were some Board changes during the year. In March 2017, Bob Thorn stepped down as director and Chairman. Bob served on the Board since PWR listed in late 2015. On behalf of the Board I would like to thank Bob for his support and commitment during the time he served on the Board and acknowledge his contribution to the listing process and to our evolution into a listed company.

We also welcomed Roland Dane to the Board early this year. Roland owns and operates Australia's most successful racing business at Triple Eight Engineering. As such, he has a deep understanding and knowledge of motorsports which is where the majority of PWR's business currently sits. Additionally, he has run a successful vehicle acquisition and sales business in UK which provides exposure to broader automotive experience. Roland's industry knowledge and business acumen has already made a significant contribution to the PWR Board.

I stepped in as interim Chair, enabling Kees and the Board to focus on the Company's peak production period and the successful installation of the new US line. Yesterday the Company announced my election as the permanent Chairman. I appreciate the Board's confidence in me in electing me to this role and I feel honoured to serve shareholders in this capacity.

Staff

We employ over 200 staff worldwide and their dedication and work effort put in to manage peak production times is heartening evidence of their commitment. The Board also acknowledges PWR's strong leadership and its DNA of Passion, Winning and Results. We have world-class engineering and design talent and our desire to partner with our customers to provide innovative technology solutions is what sets us apart. I would like to publicly express the board's appreciation for their sustained contributions over the year.



Directors

I acknowledge and thank my fellow directors – Jeff Forbes, Roland Dane and our Managing Director Kees Weel. Our board has a strong mix of skills in motorsports, governance, customer relations, technology and international business, and we share a sense of excitement and responsibility about PWR's future potential.

Shareholders

Finally, thank you, our shareholders, for your ongoing support. We are very conscious of our responsibilities to our investors and we value your loyalty and trust.

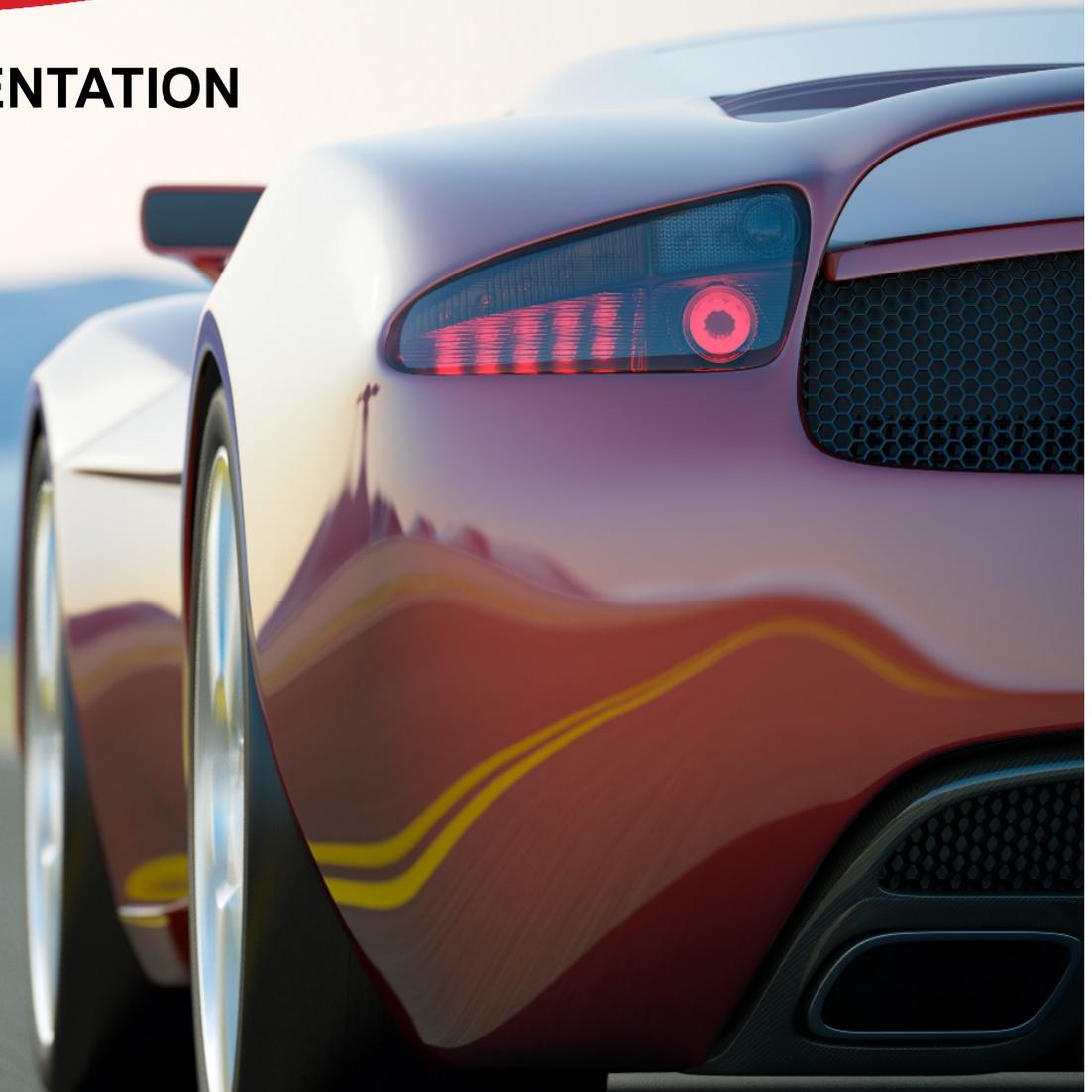
I will now hand over to Kees to talk to you about his passion, PWR.



MANAGING DIRECTOR'S PRESENTATION

2017 AGM

20 OCTOBER 2017



IMPORTANT NOTICE

This document has been prepared by PWR Holdings Limited (PWH or PWR) and comprises written materials/slides for a presentation concerning PWR for the Annual General Meeting.

This presentation is for information purposes only and does not constitute or form part of any offer or invitation to acquire, sell or otherwise dispose of, or issue, or any solicitation of any offer to sell or otherwise dispose of, purchase or subscribe for, any securities, nor does it constitute investment advice, nor shall it or any part of it nor the fact of its distribution form the basis of, or be relied on in connection with, any or contract or investment decision.

Certain statements in this presentation are forward looking statements. You can identify these statements by the fact that they use words such as “anticipate”, “estimate”, “expect”, “project”, “intend”, “plan”, “believe”, “target”, “may”, “assume” and words of similar import.

These forward looking statements speak only as at the date of this presentation. These statements are based on current expectations and beliefs and, by their nature, are subject to a number of known and unknown risks and uncertainties that could cause the actual results, performances and achievements to differ materially from any expected future results, performance or achievements expressed or implied by such forward looking statements.

No representation, warranty or assurance (express or implied) is given or made by PWH that the forward looking statements contained in this presentation are accurate, complete, reliable or adequate or that they will be achieved or prove to be correct. Except for any statutory liability which cannot be excluded, PWH and its respective officers, employees and advisers expressly disclaim any responsibility for the accuracy or completeness of the forward looking statements and exclude all liability whatsoever (including negligence) for any direct or indirect loss or damage which may be suffered by any person as a consequence of any information in this presentation or any error or omission therefrom.

Subject to any continuing obligation under applicable law or relevant listing rules of the ASX, PWH disclaims any obligation or undertaking to disseminate any updates or revisions to any forward looking statements in these materials to reflect any change in expectations in relation to any forward looking statements or any change in events, conditions or circumstances on which any statement is based. Nothing in these materials shall under any circumstances create an implication that there has been no change in the affairs of PWH since the date of the presentation.

AGENDA

- 1. Chairman's Address**
- 2. Managing Director's Address**
- 3. Questions**
- 4. Formal Business**

1. CHAIRMAN'S ADDRESS

Ms Teresa Handicott

- Technology
- People
- Manufacturing Capability
- Maintaining Strong Capital Position

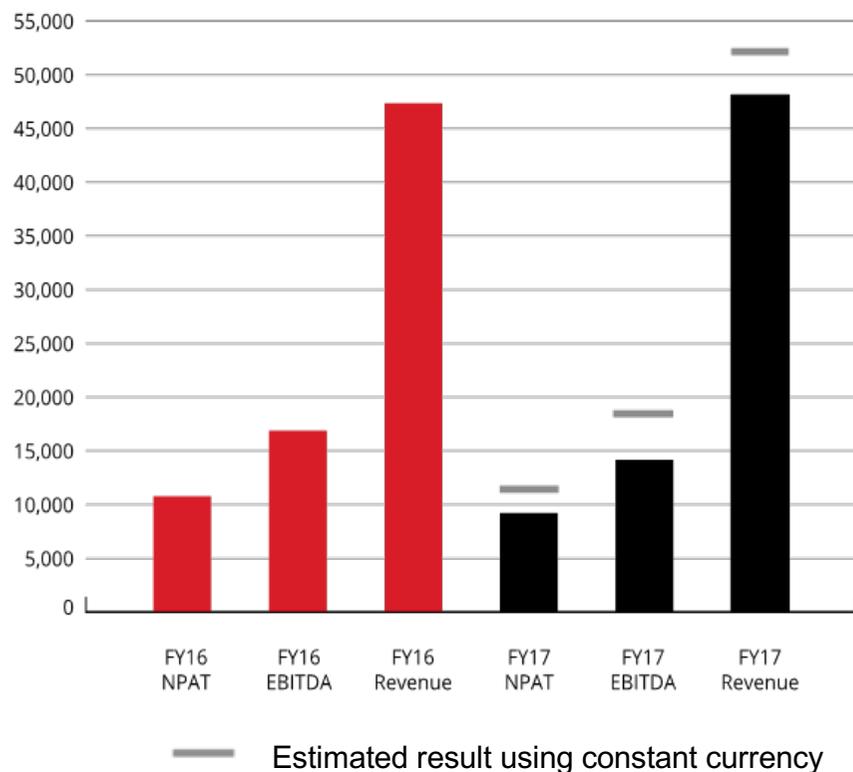
2. MANAGING DIRECTOR'S ADDRESS

Mr Kees Weel

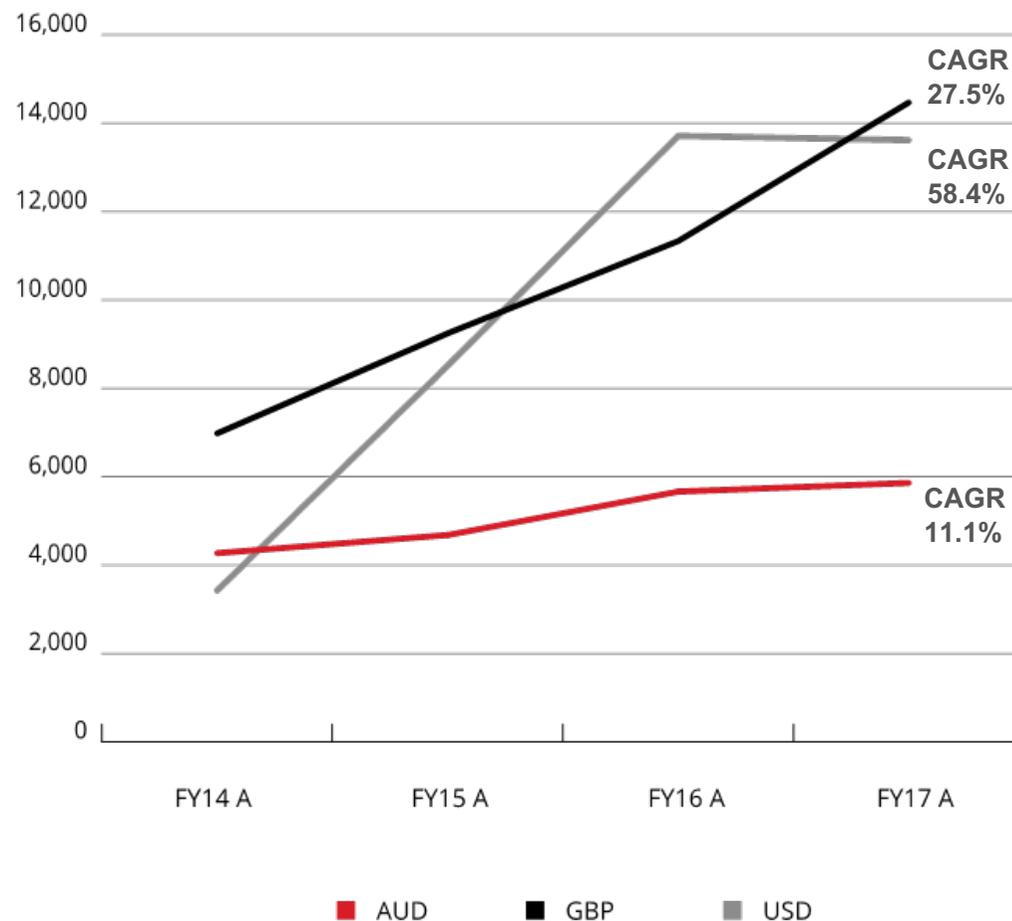
- Financial Overview
- Business Overview
- Current Year
- Business Outlook

FY17 RESULTS AND REVENUE GROWTH

Actual and Constant Currency Results
 FY16 vs FY17 (AUD)



Revenue by Currency



STRONG BALANCE SHEET & CASHFLOW

A\$'000	FY17	FY16
Cash at year end	9,064	8,797
Net working capital	8,305	7,698
Cash from operating activities	13,529	16,599
Conversion of EBITDA to Cash	91.9%	98.2%
Free cash	5,326	11,373
Capital expenditure		
C&R Racing core production line	1,925	-
Growth capex	1,265	1,752
Business as usual capex	682	661

Key points

- Zero net debt and strong cash position
- Strong cash conversion from operating activities
- Finance facilities in place and available
- Fully franked FY17 total dividend 5.6 cents per share, 60% of FY17 NPAT
- All FY17 capex of \$3.9 million paid from cash resources

PWR DIFFERENCE

[Financial Overview](#)
[Business Overview](#)
[Trading Update](#)
[Business Outlook](#)



- Technology
- Passion
- Range
- Quality
- Delivery



MANAGEMENT – LONG TERM EXPERIENCE

Person	Role	Time at PWR	Experience	Responsibilities
Kees Weel	MD & CEO	20 years	40 years cooling mfg, product development and sales	Business performance Global operations
Matt Bryson	GM Engineering	11 years	20 years cooling mfg, product development and sales	Technical sales Engineering Product development
Marshall Vann	GM	7 years	5 years CEO listed coy 25 years commercial	Commercial operations Investor relations
Adam Purss	CFO	4 years	4 years CFO listed coy 4 years audit experience	Finance
Jim Ryder	GM USA	9 months	20 years Roush 8 years Ford Motor Co	C&R USA sales & production USA OE programs management
Andy Burton	GM UK/Europe	10 years	10 years Alcon Brakes	UK/Europe business development
Mick Cullen	Production Manager	14 years	14 years PWR fabrication & production	PWR Australia production

FY17 INVESTMENT IN THE FUTURE

Staff

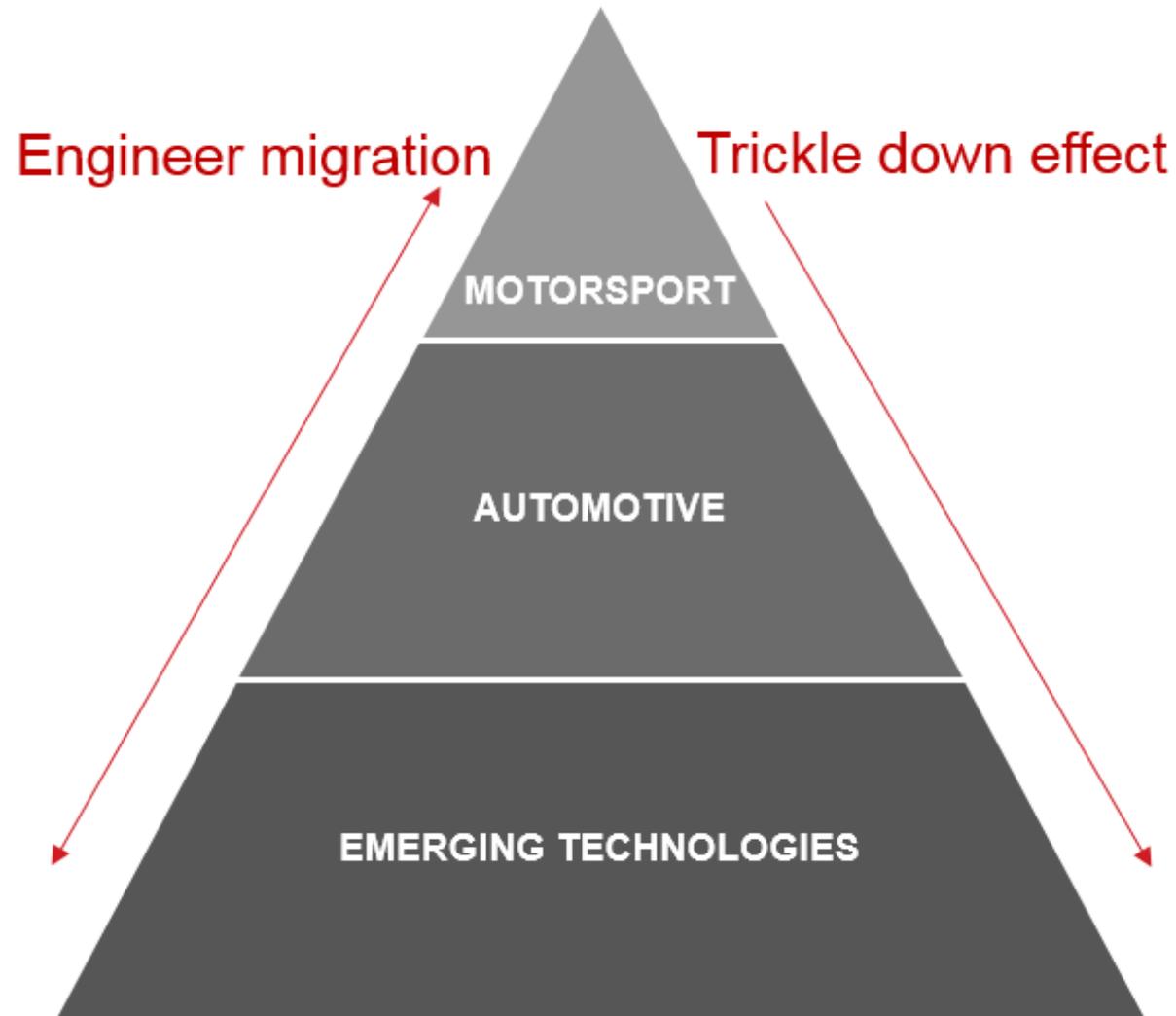
Increased overall headcount by 14% including

- Increased engineering headcount by 36%
- Increased specialty production headcount by 48%

Equipment

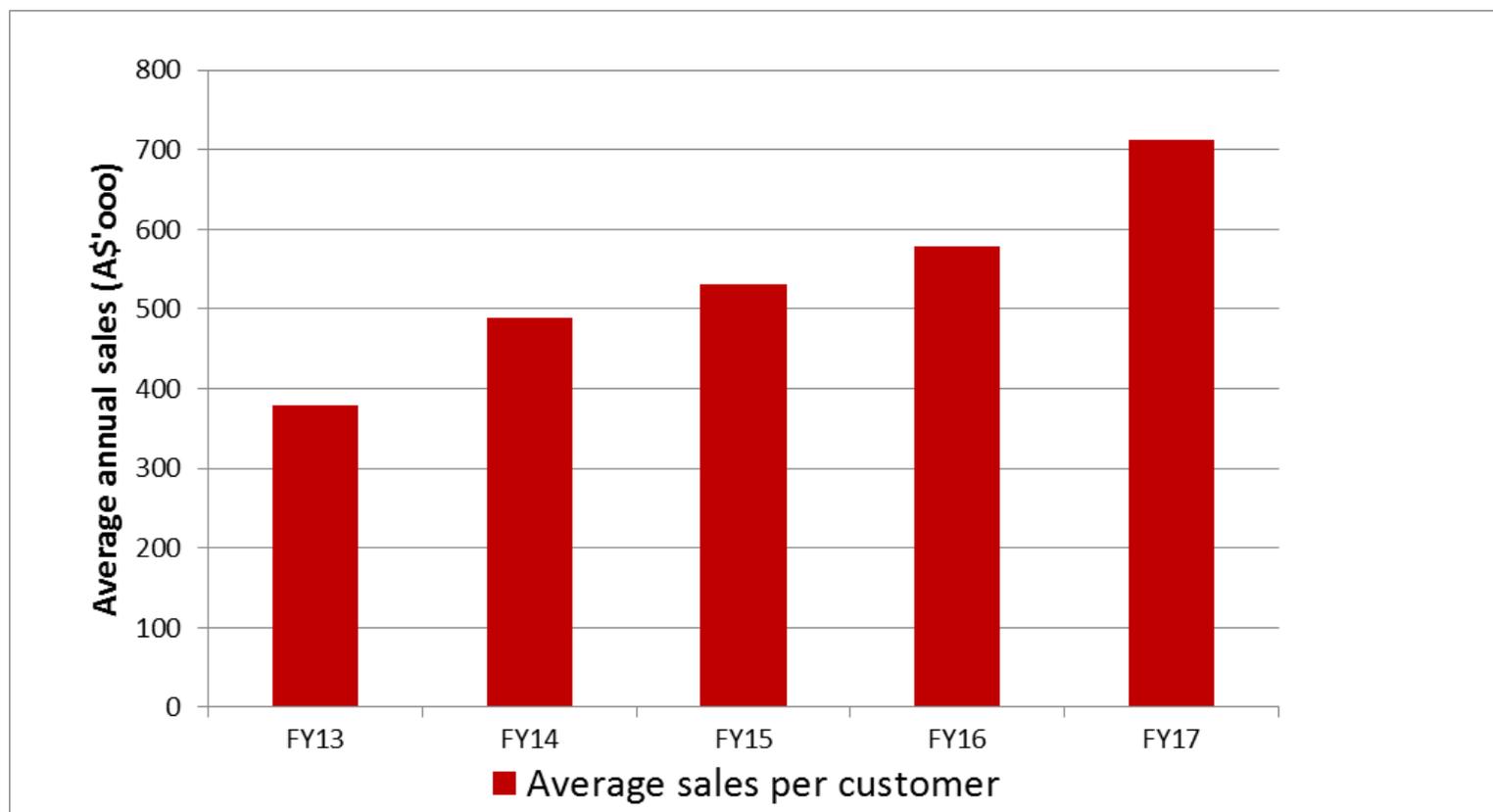
- C&R core production line – budget US\$4.25 million
- Second Variaxis CNC machine – cost \$780,000
- High speed CNC mills – cost \$200,000
- Cold plate cooler test rig – cost \$80,000
- Batch vacuum purge braze furnace – cost \$135,000

MOTORSPORTS DRIVEN



MOTORSPORTS CUSTOMER ENGAGEMENT

Motorsports Customer Revenue > A\$100K¹



1 Constant currency basis on FY13 average exchange rates

CURRENT YEAR

- Continued organic growth in the first quarter
- The Australian dollar has strengthened compared to the prior year

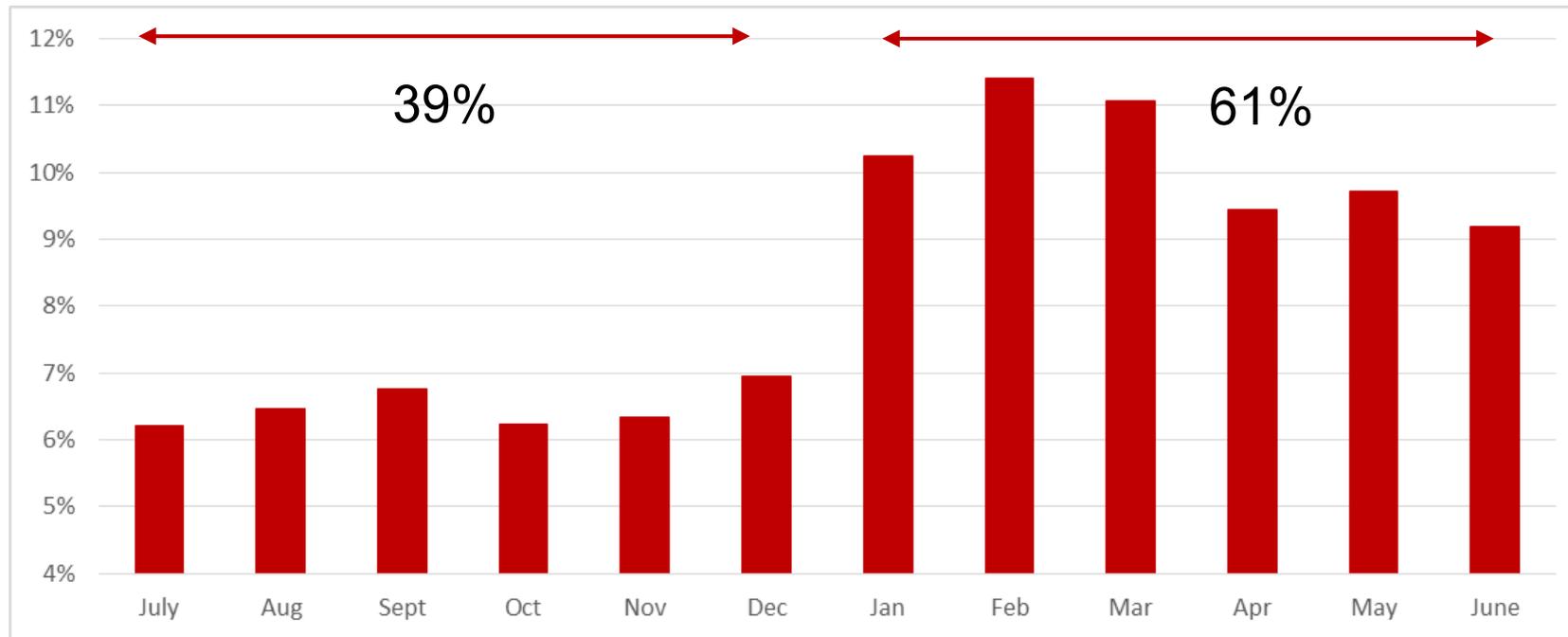
Average exchange rate for first quarter

	FY17	FY18
GBP	0.5767	0.6033
USD	0.7573	0.7891

- C&R Core Production line coming on line
- Development of new technologies still continuing

HISTORIC SEASONALITY

Monthly Revenue as % of Annual Revenue FY14 – FY17



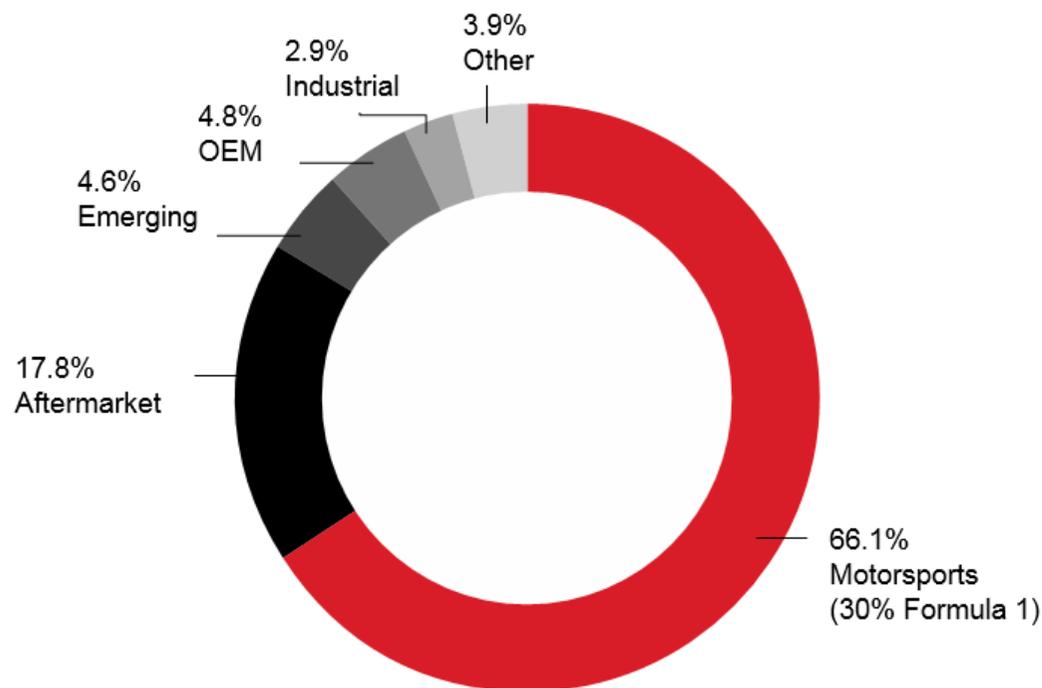
Key Drivers of seasonality

- Motorsports (66% of FY17 revenue) calendar year season
 - 2H – build for current and upcoming races, 1H – less race demand more prototyping
- Australian aftermarket (10% of FY17 revenue)
 - Hotter weather = more sales – summer

FORMULA 1® SPEND

Team	Total Spent ¹
Ferrari	€ 386,000,000
Mercedes	€ 310,000,000
Red Bull	€ 252,000,000
McLaren	€ 217,000,000
Renault	€ 176,000,000
Williams	€ 123,000,000
Toro Rosso	€ 117,000,000
Haas	€ 117,000,000
Sauber	€ 111,000,000
Force India	€ 105,000,000
Manor	€ 100,000,000

PWR FY17 category sales analysis



Together, Formula 1 teams spent a little over €2 billion in calendar 2016 or almost A\$3 billion at current rate

Liberty Media – new owners
 Purchase price US\$8 billion
 On record - more races, more teams

SOME CONTRIBUTORS TO THE FUTURE

Automotive

- Hypercars
- Supercars
- Hybrid vehicles
- Electric vehicles

Outside the Square

- Bus cooling
- Electric vehicle recharging

Client confidentiality requirements limits disclosure

Program 1¹

Selected as cooling assembly supplier to a niche, high-end, supercar USA OEM program for a planned 5 year production run of 250 vehicles per year commenced in Q1 CY17, PWR supplying 5 cooling units per vehicle (up from 3 previously announced).

Program 2¹

Selected as cooling assembly supplier to a medium size USA OEM program for a planned 2 to 3 year production run of circa 8,000 vehicles per year commencing Q4 CY18 (up from 6,000 previously announced), PWR supplying 2 cooling units per vehicle.

Program 3¹

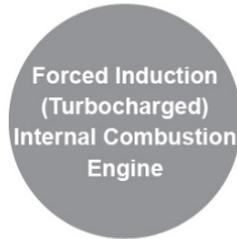
Received nomination as cooling assembly supplier to a niche, high-end, Formula 1[®] inspired hypercar UK/European OEM program for a planned 2 year production run of 85 vehicles per year commencing Q2 CY19.

FAVOURABLE INDUSTRY TRENDS

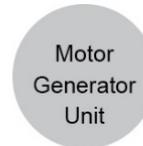
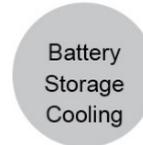
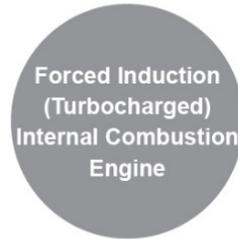
Conventional Internal Combustion



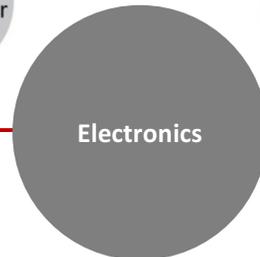
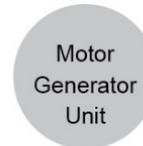
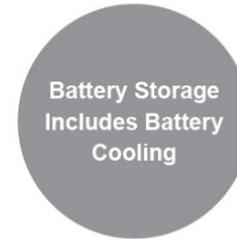
Forced Induction Internal Combustion



Hybrid Electric / Forced Induction Internal Combustion



Pure Electric



BLUE CHIP RELATIONSHIPS

PWR has engineering ties with many OEM's through motorsports and other technology driven programs

- Aston Martin
- Audi
- Bentley
- BMW
- Bustech
- Citroën
- Ferrari
- Ford Motor Company
- General Motors
- Honda
- Hyundai
- Jaguar
- KTM
- Lamborghini
- Lotus
- McLaren
- Mercedes
- Multimatic
- Nissan
- Pagani
- Peugeot
- Porsche
- Red Bull Automotive Technology
- Renault
- Roush Industries
- Toyota
- Volkswagen
- Williams Advanced Engineering

QUESTIONS

