



22 February 2018

PWR reports record 1H FY18 NPAT of \$2.059 million

PWR Holdings Limited (ASX: PWH) and its wholly owned subsidiaries (**PWR Group**), an Australian-based provider of global customised cooling solutions to elite motorsports, high performance automotive, automotive aftermarket and emerging technology industries, today released its results for the period ended 31 December 2017.

FINANCIAL PERFORMANCE

A\$'000	1H FY18	1H FY17	Variance
Revenue	20,371	18,624	9.4%
EBITDA ¹	3,832	3,374	13.6%
EBITDA margin	18.8%	18.1%	3.9%
Operating cash flow	2,387	1,253	90.5%
Net profit after tax	2,059	1,812	13.6%
Earnings per share (based on statutory NPAT)	2.06 cents	1.81 cents	0.25 cents
Interim dividend per share	1.10 cents	0.90 cents	0.20 cents

KEY POINTS

- Organic revenue growth of 10.6% compared to the prior corresponding period (pcp)
- GBP revenue up 22%, AUD up 17% and USD down 11% from the pcp
- Operating cash flow of \$2.4 million up 90% from the pcp of \$1.2 million
- Interim dividend of 1.1 cents per share, fully franked, representing 53% of NPAT. Record date 29 March 2018, payment date 6 April 2018
- Statutory NPAT of \$2.1 million was after the following non-recurring and non-cash amounts:
 - Adjustments to net deferred tax assets for USA Federal corporate tax rate reduction resulted in a tax expense of \$0.18 million
 - Additional write down of assets held for sale of \$0.646 million at C&R Racing in the USA
- After excluding the above adjustments, underlying EBITDA¹ would be \$4.48 million and NPAT \$2.9 million which is a 33% and 59% increase from the pcp respectively. Operating cashflows were not affected.

PWR Group Managing Director and Chief Executive Officer, Kees Weel, said our first half has delivered organic revenue growth of 10.6% primarily from our European and Australian operations. The decrease in C&R revenue was expected as we transition this business to focus on our core activities and complete the significant investment in their new production capabilities.

“PWR has now completed and commissioned the new aluminium heat exchanger core furnace line at C&R Racing in the USA and this is now operational. The benefits from this investment will commence from the second half of this year and the pipeline of both prospective customers and signed agreements is encouraging and confirms our decision to restructure and expand these business operations. In Australia, the recent new lease signed on an adjacent building at Ormeau will focus on ongoing R&D for both current segments as well as applications in more diverse industries. This facility will also be a centre of excellence for our specialised design, test and manufacturing program including for the Formula 1 teams.

“Operating cash flow was up 90% on the pcp, we continue to have nil net debt, capital investment has been largely funded from cash reserves and we have finance facilities in place for future investment.”

¹ Earnings Before Interest, Tax, Depreciation and Amortisation (“EBITDA”) is a non-IFRS term which has not been subject to audit or review but has been determined using information presented in the Company’s financial statements



Outlook

- Second-half bias to revenue and profit will continue in FY18 driven by calendar year motorsports seasons
- In addition to our wind tunnel test facility, additional service offerings to our customer base now includes passivation²
- Developing in-house training facility to underwrite future growth
- Our motorsport reputation has created other growth opportunities including niche OEM programs
- The application of current and new technologies to new business segments includes cold plate technology for, amongst others, electronics and battery cell cooling.

Call Information

Shareholders are invited to participate in a teleconference at 9.45am (AEST) or 10.45am (AEDT) on Friday 23 February 2018 to hear a presentation on the results from Managing Director, Kees Weel and Chief Financial Officer, Stuart Smith after which questions will be taken.

Teleconference details:

Day	23 February 2018		
Time	9.45 am (AEST) or 10.45 am (AEDT)		
Registration	It is important users pre-register for the conference to avoid a queue when calling. To pre-register please follow the link below. You will be provided with a unique pin number to enter when you call which will bypass the operator and provide immediate access to the presentation.		
Link	https://services.choruscall.com.au/diamondpass/pwr-510244-invite.html		
Conference ID	If unable to pre-register, then at the time of the conference you can call one of the numbers below and provide the conference ID 510244.		
Phone numbers	Australia toll free	1800 908 299 or 1800 455 963	
	Australia local	+61 2 9007 8048 or +61 7 3145 4005	
	New Zealand toll free	0800 452 795	
	United Kingdom toll free	0800 051 1453	
	Hong Kong toll free	800 968 273	
	UAE toll free	8000 3570 2706	
	Japan toll free	0066 3386 8000	
	Malaysia toll free	1800 816 441	

To ask a question during the question and answer session, please press * and then 1 on your telephone keypad to enter the Q&A queue. To withdraw your question, push * and then 2.

The half-year accounts and results presentation have been lodged with the ASX and can also be found on PWR's website:

www.pwr.com.au

For further information, please contact:

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² Passivation is a process whereby a material becomes less affected or corroded by the environment during future use