



23 August 2018

### PWR reports strong FY18 underlying NPAT of \$12.1 million

PWR Holdings Limited (ASX: PWH) (**PWR**), has reported a statutory Net Profit After Tax (NPAT) of \$11.0 million and an underlying NPAT of \$12.1 million for the year ended 30 June 2018.

The dividend payout ratio has been maintained at 60% but has been based on the higher underlying NPAT rather than statutory NPAT as the majority of the abnormal costs related to non-cash items. With a final dividend of 6.2 cents per share, the full year dividend of 7.3 cents per share is an increase of over 30% on FY17.

#### FINANCIAL PERFORMANCE

A\$'000	FY18	FY17	Variance
<b>Revenue</b>	<b>51,889</b>	<b>48,117</b>	<b>+7.8%</b>
EBITDA <sup>1</sup>	16,336	14,728	+10.9%
EBITDA margin	31.5%	30.6%	+2.9%
Operating cash flow	16,639	13,529	+23.0%
<b>Net profit after tax</b>	<b>11,001</b>	<b>9,280</b>	<b>+18.5%</b>
Underlying net profit after tax	12,110	9,280	+30.5%
Earnings per share (based on statutory NPAT)	11.00 cents	9.28 cents	+18.5%
Final dividend per share (fully franked)	[6.20] cents	4.70 cents	+31.9%

The difference between the statutory NPAT and underlying NPAT was due to specific items related to the restructuring of C&R and were as follows :

- The loss on sale or write off of non core assets held for sale of \$855,000 (\$633,000 after tax);
- The settlement from exiting a distribution agreement of \$412,000 (\$305,000 after tax); and
- The decrease in net deferred tax assets of \$176,000 resulting from the reduction in the USA federal corporate tax rate to 21%.

Underlying NPAT of \$12.1 million was driven by :

- A strong second half aligned to the seasonal activity in the motorsports industry
- Revenue growth of 7.8% with GBP revenue from the motorsports segment continuing to grow and up 27% over the prior corresponding period (“pcp”), AUD revenue up 20% on the pcp and USD revenue down 19% due to the restructuring of operations at C&R which are now complete.
- Sales in emerging technologies such as battery cooling used in electric vehicles largely flat as these take time to translate into recurring revenue streams. This segment will continue to be focussed on as a key aspect of our diversification strategy.
- The relatively stable AUD resulted in a minimal impact on revenue.

<sup>1</sup> 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



PWR Chairman, Teresa Handicott, said “PWR has maintained its strong balance sheet with zero net debt and \$12 million in cash at 30 June 2018. On the back of this strong result, the Board has declared a final, fully franked dividend for FY18 of 6.2 cents per share, taking the full year dividend to 7.3 cents per share, an increase of over 30% on the prior period.”

Founding shareholder and Managing Director, Kees Weel, said the full year result reflects a solid performance and is the result of the investment made by the company in resources and manufacturing capability.

“We have continued to invest in both people and equipment over the past year and will continue to do so over the next 12 – 18 months to ensure we have both the capacity and capability to deliver on future growth opportunities. Our recently announced capital investment program for FY18 and FY19 is not only focussed on capacity increases but also technology innovations in manufacturing capability.

The transformation of C&R in the USA is now complete with the production furnace fully operational and appropriate resources recruited and trained. Production is starting to increase as OEM programs come to fruition and FY19 will be a key year for C&R.”

#### **Outlook**

- Second-half bias to revenue and profit to continue in FY19 driven by calendar year motorsports seasons
- Niche OEM programs on line and to progressively increase through FY19
- Clear opportunities in emerging technology to be a key area of focus
- Continuing investment in R&D, people, systems and processes to improve capability to deliver on future opportunities
- Foreign currency exchange rates will continue to influence results

The Appendix 4E, Audited Consolidated Financial Statements for FY18 and an investor presentation have been lodged on the ASX Company Announcement’s Platform and can also be found on PWR’s website: [www.pwr.com.au](http://www.pwr.com.au)

Management will host an investor call on 27 August 2018 at 10:00 am AEST.

#### **Participant Dial-in Numbers**

- Australia Toll Free: 1800 908 299
- Australia Local: +61 2 9007 8048
- Conference ID: 700478
- All Participants will be asked to provide the Conference ID when joining the Call.

For further information:

A handwritten signature in black ink, appearing to read 'Kees Weel'.

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A handwritten signature in black ink, appearing to read 'Stuart Smith'.

Stuart Smith, Chief Financial Officer  
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