



7 May 2020

PWR Holdings Limited (ASX: PWH) COVID-19 Market Update

PWR Holdings Limited (PWR) provides a further update on PWR's response to the COVID-19 Pandemic. This update follows the update provided to the market on 25 March 2020.

Kees Weel, Managing Director, said, "Like all businesses, this continues to be an uncertain time for PWR. We are committed to taking prudent and proactive measures to maintain a strong balance sheet and a solid working capital position. We are working proactively with all stakeholders to mitigate the impact on our business, our customers and our staff".

By way of update, PWR advises that:

- PWR's factory at Ormeau, Brisbane, remains open and operational 4 days a week.
- PWR has applied for the Federal Government's Job Keeper Wage Subsidy for its Australian based staff, following a reduction in sales orders in Europe from the motorsport industry in response to the global pandemic.
- C&R Racing in Indianapolis has been operating on skeleton staff following a mandate from the State of Indianapolis for all residents to "Shelter in Place" requiring non-essential staff to remain at home and those required to work to practice strong physical distancing measures. Operational activities at C&R are in the process of being gradually resumed ensuring safe working practices are implemented.
- C&R has been approved and already received from the US Government, a loan totalling USD \$1.175M from the US Small Business Administration. This loan is offered under the US Payroll Protection Scheme and is forgiven to the extent used to cover the costs of staff and utilities supporting the business during COVID-19 restrictions.
- PWR has undertaken a review of its capital expenditure program and remains committed to much of its planned investment in CAPEX to support its growth in new market sectors such as emerging technology, aerospace and defence, where additional equipment is required to reinforce resources for our latest capability expansions into Vacuum Brazing, MicroMatrix cooler production and Additive Manufacturing.
- While PWR is not in a position to provide profit guidance for FY2020, PWR has a strong balance sheet and a solid working capital position. As a prudent and pro-active measure, PWR has sought and been approved for an additional \$10M working capital facility which will be available for drawdown, if required in the future.
- NASCAR has announced that the 2020 season will resume on 17 May 2020 with the anticipation that 36 races will be completed.
- Formula 1 has yet to finalise a revised 2020 calendar but have indicated that their first race is planned to be on 5 July 2020 in Austria.

This announcement has been authorised by PWR's Board of Directors.

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