



ENGINEERING THE UNFAIR ADVANTAGE

7 October 2021

Morgans 2021 Conference Presentation

The attached presentation was provided to the Morgans 2021 Conference today.

This announcement has been authorised for release by the Company Secretary.

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PWR Holdings Limited (ASX:PWH)

Morgans Investor Conference 2021



October 2021

Presented by:

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Engineering the Unfair Advantage

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Financial Performance



A\$'000	FY21	FY20	Variance
Revenue	79,208	65,731	20.5% ↑
EBITDA ¹	28,963	23,430	23.6% ↑
EBITDA margin ¹	36.6%	35.6%	
Statutory EBIT	23,224	18,726	24.0% ↑
Profit before tax	22,547	18,235	23.6% ↑
Net Profit after Tax (NPAT)	16,797	13,049	28.7% ↑
NPAT Margin	21.2%	19.9%	
EPS	16.77	13.04	28.6% ↑
DPS	8.8	5.9	49.2% ↑

Key Points

- Solid growth in revenue across all key markets and geographies
- Revenue increased by 25.7% or \$16.9m offset by an unfavourable currency movements of (5.2%) or (\$3.4m):
 - USD sales up 71.4%
 - AUD sales up 27.9%
 - GBP sales up 10.8%
- Revenue mix continues to change with Emerging Technologies² increasing to 11% (2020: 6%) of Group revenue
- Automotive Aftermarket growth demand remains strong. The online store is ready to “go live” subject to production capacity

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 Group’s financial report

2 Emerging Technologies includes revenue from Aerospace and Defence across all technologies, and revenue from other market sectors generated by cold plate, micro matrix and additive manufacturing

Investment Highlights



Leader in Advanced Cooling Technology

Invested \$8.5m in research and development, and \$10.4m in leading edge manufacturing capability. Maintaining market leadership

AS9100 Certification

Certified to AS9100. An aerospace and defence standard released by the International Aerospace Quality Group. Key to expanding capacity for the aerospace and defence markets

Strong Business Growth

Solid growth across all markets and geographies. Including revenue growth of 41.9% year on year in the USA

Emerging Technologies¹

Further development and commercialisation of Emerging Technologies with revenue growth of 112.7% year on year, now representing 11% of Group revenue

NPAT

Strong conversion of revenue to NPAT of 21.1% (2020: 19.9%)

Total Shareholder Return (TSR)

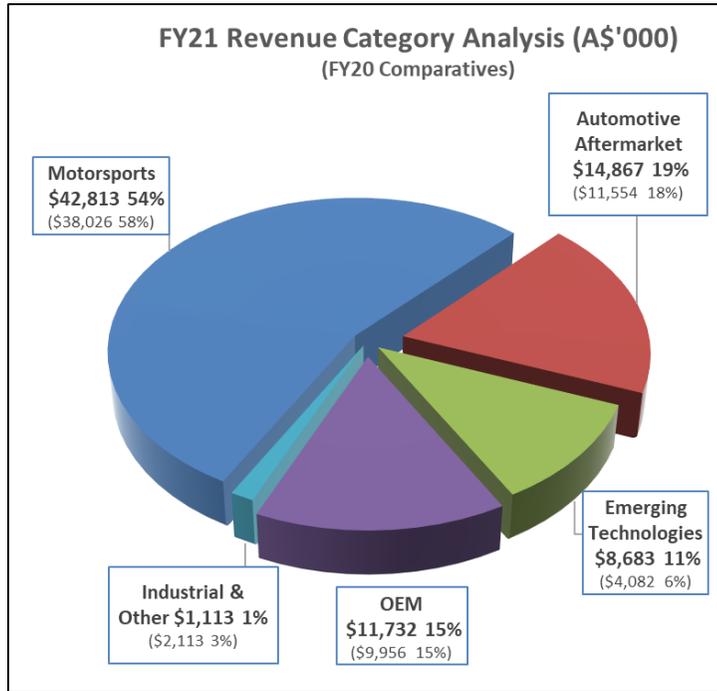
179% three year TSR ending 30 June 2021. 98% percentile relative to the ASX300, excluding energy (coal, oil and gas) companies

Dividends

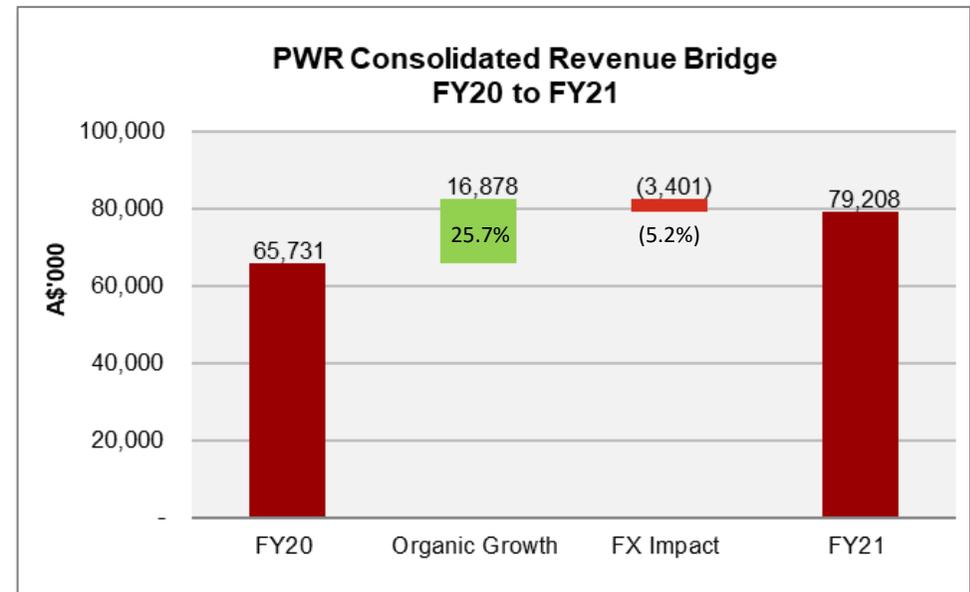
Dividend policy of 40% to 60% of NPAT

¹ Emerging Technologies includes Aerospace and Defence across all technologies, and other market sectors generated by cold plate, micro matrix and additive manufacturing

Financial Performance



Revenue by Market Sector	YTD Jun 21		YTD Jun 20		Growth
	(A\$'000)	%	(A\$'000)	%	
Motorsports	\$ 42,813	54%	\$38,026	58%	13%
Automotive Aftermarket	\$ 14,867	19%	\$11,554	18%	29%
OEM	\$ 11,732	15%	\$ 9,956	15%	18%
Emerging Technologies ¹	\$ 8,683	11%	\$ 4,082	6%	113%
Industrial & Other	\$ 1,113	1%	\$ 2,113	3%	(47%)
	\$ 79,208	100%	\$65,731	100%	21%



1. Emerging Technologies includes revenue from Aerospace and Defence across all technologies, and revenue from other market sectors generated by cold plate, micro matrix and additive manufacturing

Business Outlook



- **AS9100 certification** – PWR are one of a small number of independent Australian companies that are certified to the aerospace and defence quality standard. This certification demonstrates PWR’s commitment to the aerospace and defence markets and will position PWR for further opportunities
- **Emerging technologies** – showing strong potential growth in FY22 and beyond as products and manufacturing capability are commercialised and expanded
- **OEM programs** – continuing to ramp up, with long awaited programs now in production and negotiations continuing on future programs
- **Headcount Increases** – to deliver on the current and future opportunities PWR will continue to expand headcount, with a focus on employee development and productivity. Expecting to increase from 363 at 30 June 2021 to 450+ by December 2022
- **Facility expansion** – while maximising the use of current facilities, including installation of mezzanine floors, options are being evaluated for expanding production facilities in both Australia and North America
- **Capital investment** – ongoing targeted capital investment program to expand capability and production capacity, supporting growth in existing programs and to deliver new programs
- **Asset utilisation** – focus on increasing utilisation of equipment and facilities by expanding to a second shift for selected operations
- **Website** – new website launched in August 2021, updated for key markets and capabilities
- **Online store** – key to PWR’s global performance automotive aftermarket penetration. Online store has been completed and will be launched pending production capacity

Pipelines – Key Automotive OEM¹



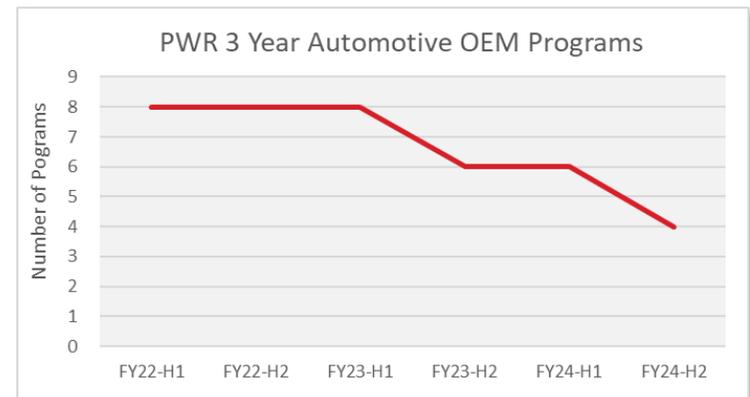
Program	Remaining Vehicles	Status	SOP FY	Prod. Years	FY22		FY23		FY24	
					H1	H2	H1	H2	H1	H2
Ford GT500	6,000	Nominated Supplier	2020	1.1	█	█	█			
Ford GT40	240	Nominated Supplier	2020	1.0	█					
Valkyrie Road Car 001	155	Nominated Supplier	2022	2.0	█	█	█	█		
Valkyrie Track Car 002	39	Nominated Supplier	2022	1.5	█		█			
Mercedes AMG X1	255	Nominated Supplier	2022	2.5	█	█	█	█	█	
Rimac - Nervera	300	Nominated Supplier	2022	3.0	█	█	█	█	█	█
Undisclosed	TBA	In Discussion	2022	2.0	█					
Undisclosed	TBA	In Discussion	2022	2.0	█		█	█	█	
Undisclosed	TBA	In Discussion	2023	4.0			█	█	█	█
Undisclosed	TBA	In Discussion	2024	3.0			█		█	
Undisclosed	TBA	In Discussion	2024	6.0					█	█
Number of Key Programs (in production + in discussion)					8	8	8	6	6	4

Existing Key Programs – Valkyrie, AMG X1, Ford GT and Rimac C2 programs in production

In Discussion – ongoing discussion for new programs that will underpin the OEM forecast into the medium - long term

Early Stage – in addition to the program outlined above, PWR is in early discussion on other OEM programs

¹ Program timing, volume and term are dependent upon manufacturer requirements and are subject to change. Above information provided on current expectations



Emerging Technologies



Defence & Aerospace – all technology solutions, capitalising on AS9100 certification

Cold plates – ruggedised vacuum brazed cold plates for use in radar systems, avionics, power electronics and energy storage systems

Micro matrix – use on platforms with cost per unit mass trade offs and high thermal requirements, such as unmanned aerial vehicles (UAV), electric vertical take-off and landing (EVTOL), aircraft pre coolers and motor generator unit (MGU) cooling

Hydrogen fuel cell heat exchangers – light weight thermal management systems for use on air, land and sea platforms

Bar and plate applications – complete system design, manufacture and testing for bar and plate heat exchangers suitable for a range of applications for aircraft, maritime and heavy land vehicles

Battery and hybrid system cooling – bespoke cooling solutions for battery storage, electronics, motors, energy recovery systems

Additive manufacturing applications – manufacturing of structural components, rotating parts and cooling assemblies from ceramic filled resin or F357 Aluminium, to service the motorsport, aerospace and emerging technologies markets

Computational Fluid Dynamics (CFD), simulation and modelling services – PWR offer flow simulation services and mathematical modelling to develop complete cooling system architecture, assisting our customers in overall system design, performance and efficiency

Super alloy brazing capabilities – capitalising on our recent vacuum brazing furnace investment to develop solutions for high temperature heat exchangers in emerging markets, such as hydrogen fuel cell systems



Pipelines – Emerging Technologies¹

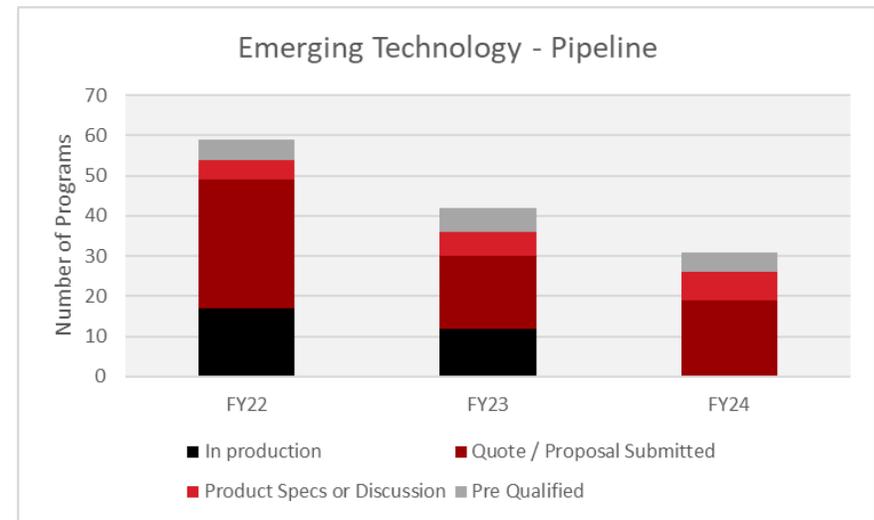


Continuing to build – Expecting continued growth in pipeline as opportunities are progressed from early stage concept to long term production

AS9100 Certification – Recent certification expected to increase opportunity flow

Program Diversity – The programs utilise a range of manufacturing technology, range from weeks to 10+ years and from less than A\$100,000 to greater than A\$50 million

Program Timing – Program commencement and manufacturing ramp up profile differ between programs based on customer requirements



¹ Program timing, volume and term are dependent upon customer requirements and are subject to change. Above information provided on current expectations



For all thermal system requirements, PWR is your development and innovation partner to help design, develop, manufacture and test all cooling solutions by:

“Engineering The Unfair Advantage”